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Congressional Record

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PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES—*Friday, January 26, 1996*

The House met at 12 noon and was called to order by the Speaker pro tempore [Mr. BARRETT of Nebraska].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
January 26, 1996.

I hereby designate the Honorable BILL BARRETT to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We look to the days ahead with grateful recognition of the opportunities before us and before all people. May Your spirit, O God, lead us to see that which is integral in our lives so that we can act on the substance of living and not focus on the insignificant or superficial. We know, gracious God, that You have called us to do great works, You command us to seek justice and mercy and to promote peace and freedom, and so we ask that with allegiance and devotion we will think and do and be the people You would have us be. In Your name, we pray. Amen.

JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from North Carolina [Mr. COBLE] come forward and lead the House in the Pledge of Allegiance.

Mr. COBLE led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

DESIGNATION OF THE HONORABLE PORTER J. GOSS TO ACT AS SPEAKER PRO TEMPORE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS THROUGH JANUARY 30, 1996

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
January 25, 1996.

I hereby designate the Honorable PORTER J. GOSS to act as Speaker pro tempore to sign enrolled bills and joint resolutions through Tuesday, January 30, 1996.

NEWT GINGRICH,
Speaker of the House of Representatives.

The SPEAKER pro tempore. Without objection, the designation is approved.

There was no objection.

ADJOURNMENT TO TUESDAY, JANUARY 30, 1996

Mr. COBLE. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12:30 p.m. on Tuesday, January 30, 1996, for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. COBLE. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

AUTHORIZING THE SPEAKER TO DECLARE A RECESS ON THURSDAY, FEBRUARY 1, 1996, FOR THE PURPOSE OF RECEIVING IN JOINT MEETING HIS EXCELLENCY JACQUES CHIRAC, PRESIDENT OF FRANCE

Mr. COBLE. Mr. Speaker, I ask unanimous consent that it may be in order at any time on Thursday, February 1, 1996, for the Speaker to declare a recess, subject to the call of the Chair, for the purpose of receiving in joint meeting His Excellency Jacques Chirac, President of France.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

FEDERAL TOBACCO POLICY

(Mr. COBLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. COBLE. Mr. Speaker, this week during the State of the Union Address, the President remarked that the era of big government is over; however, it seems that some agencies within the Department of Health and Human Services [HHS] are under the impression that it is business as usual, especially when it concerns tobacco products.

In 1992, Congress tasked HHS with implementing the Synar amendment designed to keep tobacco out of the hands of our children. This new congressional policy is simple: Encourage each State to enforce laws prohibiting the sale of tobacco products to minors, oversee these State efforts, and deny certain Federal funds if the State fails to enforce these measures.

Just last week, HHS issued its final rules governing the administration of this law. While I am disappointed that it took more than 3 years to issue these rules, I am encouraged that we may now see results from this policy.

Meanwhile, a component of HHS—the Food and Drug Administration—has

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☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

also attempted to improperly intervene in this debate on the pretext of protecting our children. I cannot believe that such action is simply a case of one hand not knowing what the other is doing; rather, it demonstrates that the FDA is so out of control that it has decided to disregard congressional intent and pursue its own Federal tobacco policy.

I am pleased that HHS has finally decided to implement congressional policy to keep tobacco away from our children. I urge the President to withdraw the FDA's proposed rules and reject that agency's assertion of jurisdiction over tobacco products. In addition, I am enclosing an editorial on the subject from yesterday's Washington Times. I think my colleagues will find it to be interesting reading.

[From the Washington Times, Jan. 24, 1996]

A CONSENSUS ON TEEN SMOKING

Last week the U.S. Health and Human Services Department (HHS) did something remarkable in the campaign to limit teen smoking. It proposed regulations with which almost everyone agreed. It threatened to strip states of millions of dollars to fight drug and alcohol abuse if they didn't crack down on teen smoking.

To those who haven't followed this controversy, it may seem an odd approach to the problem, to wit: If the states aren't going to limit adolescent smoking, the feds aren't going to let them limit drugs and alcohol abuse either. But so far at least, it has the backing of tobacco foes, friends and perhaps most important, Congress. Lawmakers opened the door to such rules in 1992 when they signed onto legislation from the late Mike Synar requiring states to prohibit the sale of tobacco to persons under 18 years old.

Congressional backing is what separates the HHS rules from the far more publicized and ambitious anti-smoking campaign launched in August by U.S. Food and Drug Administration Commissioner David Kessler. Among other things, he would ban mail-order and vending-machine sales and sharply restrict tobacco advertising.

Many lawmakers subsequently criticized Mr. Kessler for overstepping his authority. Some 120 House lawmakers said in a bipartisan letter to the agency, "So, while we stand steadfastly against tobacco use by minors, we strenuously object to the FDA's effort to expand its jurisdiction and the federal bureaucracy in dealing with a problem that Congress has already designated to the states." Fifth District Virginia Democrat Lewis Payne complained the FDA plan poses a serious threat to Congress' legislative authority. "Under our system of government, it is the Congress, not unselected bureaucrats, who are suppose to make the laws." A similarly critical letter from 32 senators included Tom Daschle, the Democratic minority leader, and Bob Dole, the Republican majority leader, two men not often on the same side of an issue.

The irony of the situation is that Mr. Kessler's critics can find plenty of support for their position from Dr. Kessler himself. In a 1994 letter to anti-tobacco activist Scott Ballin, the commissioner cited the complexity of regulating cigarettes and added, "It is vital in this context that Congress provide clear direction to the agency." Well, Congress has been abundantly clear. It wants states regulating tobacco use by minors.

Mr. Kessler went ahead last August and proposed to regulate tobacco as a "drug," which it has statutory authority to control. But the agency's own internal documents from previous administrations challenge that assessment. "FDA's longstanding position," said one, "has been that, absent therapeutic claims, conventional tobacco products are not drugs under the [Food, Drug and Cosmetics Act]." Said another, "In our opinion, however, providing the FDA with the authority to regulate tobacco would represent a significant change in the scope of its authority in providing consumer protection."

To date, Congress has provided the agency no such authority. By exceeding his own, Dr. Kessler undermines anti-tobacco statutes already on the books. Consider the example he sets. If Dr. Kessler can't bring himself to abide by the law, he is not in the strongest position to complain if retail outlets and minors don't.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

HELPING FLORIDA TOMATO GROWERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. GOSS] is recognized for 5 minutes.

Mr. GOSS. Mr. Speaker, I come to the floor to catalog the extraordinary, bipartisan, bicameral efforts now underway to provide urgent relief for Florida's winter fruit and vegetable industry, particularly the tomato growers. We in Florida have been acutely aware of the damage that has been done to those growers because of import surges from Mexico. Thanks to our Florida delegation's efforts these past days, this problem has become a priority at the highest levels in Washington, in this Congress and downtown in the administration. Everyone now understands that, although NAFTA has generally been working well for our State and the rest of the United States, there has been a clear breakdown of safeguard and relief measures for some of our winter produce industries. Yesterday the Florida delegation—including both Senator MACK and Senator GRAHAM—made a bipartisan push to attach relief language to the continuing resolution to correct a technical problem faced by Florida growers because of existing definitions in section 202 of the 1974 Trade Act.

Appropriations Chairman BOB LIVINGSTON, busy as he was worrying about keeping the Government open as budget matters are sorted out, made heroic attempts to clear the path for this important fix. And he succeeded in the House. Unfortunately, we hit a snag in the other body relating to adding last minute measures to the bill, and the effort failed. But this fight is not over. We are exploring every possible avenue for getting this done before the upcoming recess begins. Failing that, the plan is to get this language onto the next train that comes through—we expect that train to be the debt limit legislation coming in the end of February.

The section 202 change will not fix everything, but it will help and it will put our administration in a stronger position going into discussions with the Mexican Government. To their credit, Trade Representative Ambassador Kantor and Agriculture Secretary Glickman have been working closely with the Florida delegation on this issue. The Ambassador and the Secretary joined us for a meeting this week in which we agreed on a list of measures that the administration and the delegation can pursue immediately. Section 202 changes are at the top of our task list and that is what the current push is focused on.

In addition, the Ambassador and the Secretary agreed to seek to open negotiations with the Mexican Government on this issue, to support section 202 legislation and packing legislation, to work with Customs and USDA services to ensure that inspections and monitoring are done effectively at the border, and to provide an umbrella under which United States and Mexican growers can meet and work together to solve the current crisis.

If all of these efforts fall short, I am prepared to take more drastic steps. Today, I am introducing legislation that would direct the President to suspend current NAFTA arrangements as they relate to winter tomato production, pending his certification to the Congress that the safeguard provisions and relief measures are functioning effectively and efficiently. This is a more extreme step than I would like to take, because it would violate the NAFTA Agreement. But if that is what it takes to fulfill our commitment to Florida growers, shippers, packers, and truckers trying to stay in business, feed their families, and contribute to the U.S. economy, then I am prepared to move forward.

Florida growers perform a unique function for this country. They compete head-to-head—not with other American producers, but with foreign producers—to provide winter fruits and vegetables for Americans.

Mr. Speaker, I know when Mom and Dad say "Eat your vegetables" to the youngsters in our Nation, they maybe do not all rise up in applause, but the fact of the matter is that we do need to eat our vegetables, and most of them come from Florida, the domestically produced in the winter, and that is an area that we have to focus on and allow those folks to continue in business.

The devastation of that industry I think is truly a matter of concern to all Americans and it would be foolish not to take the necessary legislative steps to repair the problems for which we have clearly identified that we have proper solutions.

TRAVELGATE

(Mr. MICA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICA. Mr. Speaker, I serve as a member of the House Committee on Government Reform and Oversight that has been looking into the Travelgate matter, the White House firings of the White House Travel Office. Each twist and turn of the White House Travel Office firings becomes more and more bizarre.

I have a report today in the Washington Times by a gentleman, Mark Levin, who reveals an incredible misuse of power by the White House in use of the FBI, our Nation's chief law enforcement agency, that I feel should be investigated.

I am calling today on our chairman to expand our investigation of this matter, of the misuse of the FBI, our chief law enforcement agency, and I also think that it is time that we look at Mr. Levin's call for the appointment of a special counsel, an independent counsel, to investigate this matter where the White House, in fact, has used this law enforcement agency in an inappropriate manner and now we find out that there is even more information to lead us to believe that, in fact, there was misconduct in these firings and the cover that the White House prepared for the public.

FRENCH NUCLEAR NIGHTMARE IN THE SOUTH

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from American Samoa [Mr. FALEOMAVAEGA] is recognized for 60 minutes as the designee of the minority leader.

Mr. FALEOMAVAEGA. Mr. Speaker, I offer my apologies to my colleagues and to the American people, for these somewhat rough sketches of limited artistic value in terms of what they represent.

On my immediate right is a picture of what an atomic nuclear explosion looks like as it was exploded by the French Government on Moruroa Atoll in the South Pacific in 1973. On my extreme right is a little chart, and this is not the Polynesian version of a Christmas tree, Mr. Speaker, but I just want to demonstrate to the American people that Moruroa Atoll looks like in the South Pacific. One of these little dots inside this volcanic formation on which the atoll sits constitutes one of 181 nuclear bomb explosions that have already taken place in this atoll in the South Pacific. Already the French Government has conducted five nuclear explosions since French President Chirac announced a change of testing policy in June of last year.

Mr. Speaker, the islands of French Polynesia were what Westerners would call colonized by France, after some 500 French soldiers with guns and cannons subdued the Tahitian chiefs and their warriors in the 1840's. I was in Tahiti recently. I joined with some 40 other Parliamentarians from the Pacific, Asia, South America, and Europe. Led by the mayor of the town of Fa'aa, Mr. Manutahi Temaru, we joined together for a demonstration in the streets of Papeete, Tahiti, to oppose the resumption of French nuclear testing in the South Pacific. Despite international pleadings, protests, and appeals, the Government of France resumed nuclear testing at Moruroa Atoll on September 5, 1995, exploding a nuclear bomb more powerful than the bomb dropped on Hiroshima. Sixty miles away on the island of Tureia, brown-skinned Polynesian children splashed and played in the ocean waves.

On August 30, 1995, Mayor Temaru, Vito Haamatua, and myself traveled to the island of Tureia. We were joined with the arrival of the *Rainbow Warrior II* and together we headed for Moruroa where France had already placed the nuclear bomb in a shaft about 3,000 feet under the atoll. We sailed in anticipation of the French Government's announcement that the first nuclear explosion would take place on September 1, 1995.

Believe it or not, Mr. Speaker, the only reason why the French Government did not explode the bomb on September 1, was because our President was in Hawaii. The Clinton administration told the French Government, "If you explode that bomb while the President is in Hawaii, he's going to condemn the nuclear explosion." So they extended it for a couple of days and the bomb was exploded on September 5.

As we neared Moruroa, the *Rainbow Warrior* launched six inflatable zodiacs under the nose of French naval warships. The zodiacs were manned by young men and women from New Zealand, Italy, Australia, the United States, France, and Portugal. These young men and women were not commandos or soldiers. They were just ordinary citizens committed to a nuclear-free world. As our vessels penetrated waters France claimed exclusive rights to, we were arrested by French commandos, held for 16 hours, then transferred to another vessel, fully enclosed, unaware of where we were being taken, and completely prevented from taping an account of the seizure. Our cameras and videos were confiscated. Our communications system was destroyed.

France's story is, of course, well-scripted. Its Eurocentric rationales for resuming nuclear testing in waters half a world away from where its own children play are presented through international wire services. France's freely elected spokesperson, President Jacques Chirac, insists that the resumption of nuclear testing in South Pacific waters is absolutely necessary to improve France's nuclear weapons capabilities and that the matter of exploding more nuclear bombs at Moruroa Atoll is in the "highest interest" of France. The tests, he assures the public, are of "no environmental consequence."

Mr. Speaker, the Washington Post a couple of days ago revealed that the French Government has now acknowledged that radioactive leakage has come out of this atoll. Radioactive iodine 131 can only be created as a result of nuclear explosions and causes cancer in humans.

So goes the story of colonialism supported by American commentators like William Buckley who writes:

> What is it the protesters fear? Are the French experiments, conducted 750 miles from Tahiti, endangering anybody in Tahiti? For that matter, are they endangering anybody or anything in Moruroa? Has anybody detected a rise in pollutants in the area where the first tests were undertaken? Has a whale been killed? Two whales? Has $11 million in damage been done to the sea surrounding Moruroa? The answer has to be no, for the simple reason that if it were yes, we absolutely would have heard about it.

That a nationally syndicated columnist and president and editor-at-large of the National Review could be so unaware of the effects of nuclear testing in relation to the food chain, ocean currents, and a people only 750 miles away, is appalling enough. But that a Eurocentric commentator could be so naive about the workings of the world and the media, suggesting that all issues get equal airplay and if we haven't heard about it it must not be so, is almost unforgivable.

The people of the Pacific, who feel the brunt of colonial reign, have their own story to tell. From the island of Tureia, my Polynesian cousins tell of early French practices.

Mr. Speaker, as I was held hostage for 16 hours on the *Rainbow Warrior*, I reflected on a lot of things. Polynesians are not just famous navigators. We have a tremendous number of great poets who worshiped nature and loved to describe the meanings of life and death and love and hatred; all that can be felt and expressed by the human mind. During this time, I wrote this little poem dedicated to the children of the little atoll of Tureia, and I entitled it "Tureia Atoll."

TUREIA ATOLL

Our families own the island you never asked permission to take.
We fished, picked coconuts, swam freely along the reefs and shores
Until you, the colonial power in Paris, come to us and say,
"We take you to Papeete and give you free ride in the carnival."

While we play at your amusement you blow the wind of death from our island of Moruroa.

The people of Tureia were never consulted about the use of their island, Moruroa. They were never asked by the French Government if their island could be used as a French nuclear testing site. In 1960, they were simply invited to a carnival in Tahiti, placed on ferry boats that carried them across the waters for a day of amusement. In innocence they played while French colonialists decided that the two Pacific atolls of Moruroa and Fangataufa would be the new sites for the French nuclear testing program. The sites, after all, were conveniently located thousands of miles away from the home of enlightenment, where certainly to the people of France the testings posed little harm and would be of no environmental consequence.

Since 1960, France exploded 176 nuclear bombs on Moruroa Atoll. By my latest count now it is 181 nuclear bombs. On September 1, 1995, the count rose to 177. France has since exploded four more nuclear bombs at Moruroa and Fangataufa Atolls. Supposedly the last one is to be exploded next month. I doubt that. In the truest form of colonial aggression, not 1 of the over 200 nuclear bombs France has exploded in the past 30 years has been exploded on, above, or beneath French soil. Today, France is the only nuclear superpower to test outside of its borders.

France's exploitation of Pacific peoples is a chilling commentary on man's inhumanity to man. Like a wild boar on the ocean waves, or a mad aberration of 21st century thought, President Chirac's irrevocable decision and insistent denial of consequence is what novelist Bernard Clavel called the shame of France. We all know nuclear bombs have only one purpose. They were created to destroy people. The result is they annihilate everything. The people of France know this. President Chirac knows this. We all know why France explodes its bombs in French Polynesia and not in France. No one wants to subject their homeland to this danger, if they have a choice.

Historically, the people of the Pacific have had little choice. Nuclear nations, including France and even our own Nation, have consistently deemed Pacific islanders and their way of life expendable. In 1954, on Bikini atoll, the United States exploded the "Bravo Shot"—a 15 megaton hydrogen thermonuclear bomb a thousand times more powerful than the bomb that we dropped on Hiroshima 50 years ago. Before the bomb was exploded, the American officials who conducted this experiment discovered that the winds had shifted and that the 300 men, women, and children—including our own servicemen that were on this island—living on the nearby island of Rongelap, would be put at risk by the nuclear detonation and radioactive fallout. Despite the shift in the direction of the winds, they exploded the bomb anyway, subjecting hundreds of innocent men, women, and children to nuclear contamination. I submit that Marshall Islanders residing on nearby Rongelap and Utirik atolls justifiably believe they were used as guinea pigs and test subjects for United States nuclear radiation experiments conducted during this period. Their accounts are well documented.

Although our Government is making every effort to resettle this island and offer monetary compensation to these people, I submit the reality is—no amount of money can compensate for the normal health of the inhabitants of these islands. According to reports, the women of Rongelap gave birth to what many termed "jelly babies"—babies that were born dead and did not appear to look human. Still today, many people of Rongelap suffer from cancer, leukemia, and all manner of diseases associated with nuclear contamination. For President Chirac to so arrogantly contend that these tests are of no environmental consequence is to deny the effects of history and marginalize the suffering of those who know first-hand the horrors associated with nuclear holocaust.

Mr. Speaker, again on the *Rainbow Warrior* as I sat there sketching a few thoughts in my mind, I wrote another little poem that I entitled "Annihilation."

ANNIHILATION

You appear in a cloud, like a flash from the west that blinds our vision.
In Tahati Nui, from the Tuamotos, Mangareva, Tubuai, Bora Bora, Raiatea, Taha'a, Nuahive, Tureia, Moruroa and Fangataufa.
Like poisoned fish that float aimlessly from fissured reefs,
Death moves slowly toward the people from the sun until it is too late.
Farani, Farani, what have you done?

The facts are clear and substantiated. After 30 years of French nuclear testing in the South Pacific, French Polynesia's Moruroa atoll has been described by scientists as a "Swiss cheese of fractured rock." British scientists have confirmed that the volcano underneath Moruroa atoll is "becoming a web of vitrified cavities, from which an unknown number of cracks are spreading like spider webs." Areas of Moruroa atoll have already sunk by 1 meter or more. In fact, Dr. Roger Clark, a seismologist at Leeds University, has said that one more test could trigger the atoll's collapse, leading to huge cracks opening to the sea, threatening fish and other marine life, and ultimately jeopardizing the entire marine environment of the Pacific region.

Epidemic-like outbreaks in surrounding communities have already resulted, with symptoms including damage to the nervous system, paralysis, impaired vision, and increased cancer rates among Tahitians, in particular. There is also a strong link between ciguatera poisoning and the destruction of coral reefs from nuclear testing and military operations in French Polynesia. Ciguatera poisoning occurs when the coral ecology is disturbed, producing toxic plankton that spread through the food chain to be eaten by fish, that are then consumed by humans. Though it causes no apparent harm to the fish, ciguatera poisoning can be fatal to humans. Even if nuclear testing stopped today the several Chernobyls' worth of radioactive contaminants encased in Moruroa and Fangataufa atolls will require comprehensive scientific monitoring for decades to come. Unfortunately, such independent and scientific studies have never been authorized by the French Government, and it is very unlikely such studies will ever take place due either to potential embarrassment to the Government or lack of sufficient resources and appropriate technology to remedy the hazards associated with nuclear contamination.

While Chirac espouses his theme of "no environmental consequence," he paradoxically denies the people of the South Pacific the most fundamental of rights regarding information about the environmental and health effects of the French nuclear testing program in Tahiti.

□ 1230

Mr. Speaker, as a member of the U.S. House Committee on International Relations, I introduced House Concurrent Resolution 80 which strongly expresses the sense of the Congress for recognition of the concerns of some 22 nations and territories of the Pacific concerning this very issue.

I am very hopeful that my Republican colleagues will allow me to debate this issue and this resolution on the consent calendar next Tuesday, and I have made that request and sincerely hope that this will be the case.

Mr. Speaker, according to the Bulletin of the Atomic Scientists, "the five declared nuclear powers have acknowledged conducting a total of 2,036 nuclear tests since 1945." Approximately 942 of these tests have been conducted within the continental United States, 214 in Russia, and 306 conducted by the United States, Great Britain, and France in Pacific islands and atolls. It was only in June last year that the United States, France, and the major nuclear powers promised over 170 non-nuclear nations that they would exercise restraint with nuclear testing and would work toward a comprehensive test ban treaty. Despite reservations, these commitments were accepted at face value by the non-nuclear nations, which make up the vast majority of the countries of the world, and it was only with the support of the non-nuclear nations that permanent extension of the Nuclear Non-Proliferation Treaty was gained. One month later, French President Jacques Chirac's actions indicated France was more than willing to undermine the Nuclear Non-Proliferation Treaty—all in the name of national interest to ensure the reliability of its nuclear arsenal. However, nuclear physicists contend that the safety and reliability of nuclear weapons could be ensured by non-nuclear tests utilizing computer technology.

Mr. Speaker, here is the point. The French Government did not need to explode these nuclear bombs. We even offered the French Government the technology they sought, so there was no justifiable reason for detonating additional nuclear bombs.

In fact, Mr. Speaker, 60 percent of the French people were against the idea of resuming nuclear testing in the South Pacific. I find it deplorable, Mr. Speaker, that one of the five leading nuclear superpowers is willing to reopen the global arms race and encourage nuclear proliferation at the expense of world peace.

I further find it abhorrent that the United States is acting somewhat in complicity with the actions of the French Government. Though the United States has gone on record in condemning France's resumption of nuclear testing, it continues to allow French military aircraft to overfly United States airspace while enroute to France's testing site in the South Pacific.

According to the State Department, France's DC–8 supply planes are permitted to stop over on the West Coast on their way to Moruroa atoll. Reports suggest that these planes likely are carrying nuclear materials and bomb components, yet the State Department declares that it does not know what is on board these planes.

For the State Department to abdicate its responsibility in determining the contents on board these supply planes is a travesty, Mr. Speaker. And, moreover, facilitating French aircraft to supply a nuclear testing program that we oppose smacks of hypocrisy, in my humble opinion.

Mr. Speaker, the question now on the table for non-nuclear nations is: Do we depend on nuclear nations to restore morality through treaties and bans, or do we call on good people to hold their governments accountable for violations of international disarmament agreements?

"If men were angels," James Madison wrote in The Federalist Papers, "no government would be necessary. If angels were to govern men, neither external nor internal controls on government would be necessary. In framing a government which is to be administered by men over men, the great difficulty lies in this: You must first enable the government to control the governed; and in the next place, oblige it to control itself."

Mr. Speaker, nuclear bomb explosions constitute the ultimate rape of any nation. This planet has already been ravaged by more than 2,036 nuclear bomb explosions. Mr. Speaker, 179 of those bombs have been exploded by France in waters the legendary Polynesian God Taaroa gave the people of Polynesia. For France to continue to explode its nuclear bombs among a peaceful people living half a world away from the borders of France, I submit Mr. Speaker, is colonialism in its worst form.

No "higher interest" can excuse such callous and horrific action. The Government of France should be obliged to control itself. It is time to stop the madness and take up the fight of holding nuclear nations accountable for the violent rape of non-nuclear nations, peoples, and environments, until angels govern men.

I want to share with my colleagues, Mr. Speaker, another little poem that I wrote while being held in custody on the *Rainbow Warrior* for 16 hours. I termed it "The God Taaroa."

> And the god Taaroa divided the waters from the waters and gathered the people from the sun unto one place called The Seas.
>
> And the god Taaroa let the dry land appear and gathered the people of France together unto one place, and it was so.
>
> And he saw that it was good. And the evening and the morning were the third day.
>
> And god Taaroa said, let them have dominion.
>
> And darkness mushroomed upon the face of the deep.

Mr. Speaker, I want to share with my colleagues an article that appeared in the Honolulu Advertiser of this month, in fact, just last week, and the fact that in a major speech by Pope John Paul II, from the Vatican City, he made a special pleading to diplomats from 161 countries of the world to stop nuclear testing. I hope President Chirac is listening to the Pope's plea on behalf of the people of the world to stop this madness.

Mr. Speaker, 2 days ago, there was an extensive article written by Mr. Thomas Kamm in the Wall Street Journal concerning France and its colonial empire, or whatever is left of it, particularly the French colony known as French Polynesia, as I discussed earlier, and the main Island of Tahiti which is approximately the same size as the Island of Oahu in the State of Hawaii. For the benefit of my colleagues, the Island of Oahu is where Honolulu is situated.

Immediately after World War II, in recognizing that France needed to catch up with the so-called nuclear power nations, the late President Charles DeGaulle decided to conduct nuclear testings, and he did this originally in the deserts of what was then a French colony called Algeria.

Mr. Speaker, something happened. The Algerians decided to kick the French out, and it cost 1 million lives of the Algerian people before French colonialism in that part of the world in Africa was terminated. So President DeGaulle looked around and said, "Geez, if I cannot test nuclear bombs in Algeria, where can I go?" So he directed his military officers and said, "Look out in the vast French Empire and find where else I can test."

Mr. Speaker, they looked around and they came to the Pacific region where France has several colonies; one in New Caledonia, another in Wallis and Futuna, and unfortunately one in French Polynesia. It was there that they decided this is where the French nuclear testing program was going to be reborn.

President DeGaulle promised the Tahitians tremendous prosperity and that many goods would be brought in, initially saying, "We are just going to be there to build airports." To the dismay and disappointment of the Tahitian leaders and people, they later realized what was to become of their fate in years to come; that the nuclear testing program was to be done in their islands.

The article in the Wall Street Journal was very persuasive, in my humble opinion, Mr. Speaker, and explains the grandeur of the French Empire and the cost of some $10 billion for this nuclear testing program that they have conducted in French Polynesia.

There is tremendous social turmoil right now among the 200,000 Tahitian Polynesian people living there, wanting to know whether they should still consider themselves French, should that seek independence, or should they seek some form of autonomy. There are good reasons and bad reasons, and for those who are earnestly seeking to provide more self-autonomy and perhaps even independence, I quote from the article an observation of what seems to be the sentiment among the young people in French Polynesia. I quote from a young man who said,

> The French run everything here: the State, the airport, the port, economic life, everything, and we have nothing. To get a job here, you need a French diploma. But I am not French. I am Maohi. The French are colonialists. We are at home here, and we are treated like dogs.

There is no question there have been a lot of economic benefits brought with this so-called prosperity, Mr. Speaker. However, the $10 billion investment by the French Government promotes not the needs of the Tahitians, I promise my colleagues, but the enhancement of its nuclear testing program. That is all it is.

Mr. Speaker, there is currently a conference going on right now in Geneva, the Conference on Disarmament, where the Honorable John Holum, Director of the U.S. Arms Control and Disarmament Agency, is pleading with the conferees on negotiations for the Comprehensive Test Ban Treaty.

Mr. Speaker, I want to quote a statement from our President to the members of the conference.

> A comprehensive test ban treaty is vital to constrain both the spread and further development of nuclear weapons, and it will be helpful to our mutual pledges to denounce the nuclear arms race and more towards the ultimate goal of a world free of nuclear arms.

But we have got a little problem with this, Mr. Speaker. In the article in the Washington Post today, the state of India, through its ambassador and representative to this conference said, "Wait a minute. You want us to sign onto this test ban treaty, but you do not want to get rid of your nuclear bombs." Now, does not it seem silly?

Mr. Speaker, it seems that these nonnuclear nations are getting very leery about the double standard that the nuclear powers are pressing on them, to say that we are going to sign onto a nuclear test ban treaty, but the nuclear nations continue to have the nuclear weapons and we do not know who they are pointed at.

India said, "No, we are not going to agree to that unless there is an additional agreement, and that is to get rid of all nuclear weapons, all nuclear bombs." It seems that the nuclear powers are having problems with that idea. India has already exploded a nuclear bomb device in 1974. It was the only nuclear bomb explosion India conducted and proved to the world India had the technology to also produce nuclear warheads if it wanted to.

But from my readings and meetings with the leaders of this great democratic nation, the largest democracy in the world, by the way, Mr. Speaker, they are committed to getting rid of nuclear weapons altogether, but somehow there seems to be a difficulty among the nations that currently have in their possession nuclear warheads and bombs. So we sign onto a test ban treaty, but the nuclear superpowers still want to hold on to their nuclear bombs. To me, that seems to be a contradiction of the first order.

Mr. Speaker, as I have stated earlier to my colleagues, next week on Thursday, the President of France has been invited to address a Joint Session of the Congress. President Chirac is going to be here to share with our President, I suppose, and the leaders of the Congress, his wisdom on how to conduct foreign policy.

Mr. Speaker, this is really funny. There was an article in the New York Times that came out yesterday where in several instances French officials anonymously dropped a leak here and a leak there saying, "This is what we are going to share with American leaders when our President comes to Washington."

Mr. Speaker, I want to reiterate, I do not see why we should be coming to listen to the speech when he has said: This is what I am going to talk about. Unbelievable. First President Chirac is going to tell the American leaders and our people that we are not doing enough in the Bosnian crisis. France is going to be the leader, or play a very preeminent role in representing, I suppose, the European countries, whatever that means, and to let the United States know that it is not to do this unilaterally, even though we have been successful in the Dayton agreements and the talks that transpired in recent weeks.

Second, Mr. Speaker, another suggestion that we are going to be hearing from President Chirac is that our Government is not giving enough foreign aid to Third World countries. Give me a break, Mr. Speaker. I would like to remind President Chirac who has been providing security for Europe, including France, for some 50 years during the cold war when President DeGaulle unilaterally decided to pull out of NATO.

Mr. Speaker, do my colleagues know the reason why DeGaulle wanted to pull out of NATO? Because he did not like the idea that the United States was playing too great of a role in the politics and the security of European countries. Can my colleagues believe that? DeGaulle even demanded that the United States troops that were then stationed in France leave in 60 days.

What was the response of our Government? "President DeGaulle, does that also include the 10,000 soldiers that lie buried in French soil to free you from Nazi Germany?" That is the arrogance that we get from the leaders of this Government.

Third, Mr. Speaker, I might also add to my colleagues that President Chirac is going to have another suggestion for us. He is going to suggest to our Republican colleagues that we cannot afford to force our Government into bankruptcy or default because it will have serious economic consequences to the economy of France, to Europe and other nations of the world.

Mr. Speaker, that is a real interesting lecture. He should be an expert on it, with about a 20 percent popularity rating in France, serious strikes where millions of French workers are outraged that his Government did not provide for their needs, and the problems affecting the economy of France as it now stands.

Last, Mr. Speaker, President Chirac is also going to suggest to my colleagues that we are not fulfilling our responsibilities as a world leader. Do you believe that, Mr. Speaker? He is going to give us some pointers. He is going to suggest how we can go about becoming a better world leader, as if the Government of France is a world leader itself. Excuse me, Mr. Speaker. I think he needs to have a couple more lessons.

Mr. Speaker, I can just imagine the logistic problems we are going to have before President Chirac gives his enshrined speech before us next week.

Mr. Speaker, I am going to address a little more extensively sometime next week a very special person that I certainly admire, who not only have his portrait in our Chamber, but certainly the spirit of that man lives on. I have learned to respect the contributions that he has made not only as a great French patriot, but as a firm believer in democracy and the principles of human rights at the time that we were a colony of the British Empire.

Mr. Speaker, I make reference, briefly, to the Marquis de Lafayette. As my colleagues will note, there are only two murals depicting not only our first President, but this great French patriot.

Mr. Speaker, I am saddened to share with my colleagues the commentary that I wish the Government and the leader of France could be a little more positive and helpful with regard to the serious problems that we now face in the world. I wish that they would immediately cease exploding these nuclear bombs. If the test are so safe, why are they not done under the Eiffel Tower, in Marseille, or in Paris?

Mr. Speaker, it is a sad commentary that here is a leading democracy of the world playing colonial mostly in the ugliest way, and I wish and hope that my colleagues would share the concerns of the millions of people around the world, the leaders of some 166 nations protesting, pleading and asking President Chirac: Do not explode these nuclear bombs. But despite all of that, Mr. Speaker, he just went ahead and exploded them.

Do you think, Mr. Speaker, this man deserves our presence here? I respectfully submit, Mr. Speaker, he does not, I hope that my colleagues will join me by not being in this Chamber when President Chirac addresses the Congress next week.

BALANCED BUDGET DOWNPAYMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky [Mr. ROGERS] is recognized for 5 minutes.

Mr. ROGERS. Mr. Speaker, this Balanced Budget Downpayment Act is an important step forward. Funding levels will now be based on the conference report funding levels for the fiscal year 1996 Commerce, Justice, State, and Judiciary appropriations bill. With a few exceptions, relating to issues that remain to be negotiated out, congressional priorities will be reflected from this point forward, both in terms of programs that merit continued funding and those where decreases are justified.

For law enforcement programs, small business loans, passports, visas, diplomatic security, and the Judiciary, full-year funding has already been provided in the previous two targeted appropriations bills.

In this bill, funding is being provided through March 15 for the remaining programs under the jurisdiction of the Commerce, Justice, State, and Judiciary Subcommittee at the fiscal year 1996 conference report levels, under fiscal year 1995 terms and conditions. This puts funding for these programs on the path that will lead to substantial savings—in the Commerce Department, for instance, the conference report provided levels that are a 16-percent reduction from fiscal year 1995, while providing substantial additional resources for the Nation's fight against crime.

So this is an important change, from a formula that keeps funding tied to fiscal year 1995 levels as a minimum, to one that implements that fiscal year 1996 priorities which have been voted on and passed, in the case of the Commerce, Justice, State, and Judiciary appropriations bill, three times in this House.

I support this Balanced Budget Downpayment Act, and urge all Members to vote for this legislation that will keep the Government fully functioning through March 15.

I am including a short summary of the provisions in this legislation as they relate to the Commerce-Justice Subcommittee, and also a statement clarifying a number of issues.

Commerce-Justice Subcommittee Provisions in First Balanced Budget Downpayment Act

Provides FY 1996 conference level under FY 1995 terms and conditions through March 15, 1996, for all CJSJ accounts with the following exceptions:

Any programs funded in the previous targeted appropriations bills.

Advanced Technology Program is funded at 75 percent of FY 1995 level for FY 1995 and prior year continuation grants and program administration only, for the period covered by the legislation.

Cops on the Beat program is funded at 75 percent of FY 1995 level, for the period covered by the balanced budget legislation.

The Ounce of Prevention Council, GLOBE, and Drug Courts are also funded at 75 percent of the FY 1995 level.

In addition, the following provisions are included:

A provision allowing Departments and agencies expanded transfer authority to pay downsizing or closeout costs resulting from the funding levels in this legislation, subject to standard reprogramming procedures.

A provision allowing funding for Legal Services Corporation to be obligated only at a rate to cover operations during the time period of this legislation.

A provision withholding funding for Truth in Sentencing grant program, except for SCAAP and CAP funds, pending revision to current Crime Bill program.

A provision allowing the USIA IG to continue receiving funds.

A provision (section 209) keeping Securities and Exchange Commission registration fees at rate assumed in FY 1996 conference.

A provision (section 211) applying FY 1996 terms and conditions to amounts provided in previous targeted appropriations for Department of Justice programs and enacting into law the Justice General Provisions in the FY 1996 conference report, except Truth in Sentencing authorization.

A provision restricting travel expenses for all Cabinet officers (except State, the UN Ambassador, Defense and CIA) to 110 percent of the average for FY 1990–FY 1995.

STATEMENT OF HON. HAROLD ROGERS

The section of the Balanced Budget Downpayment Act that relates to the Commerce, Justice, State and Judiciary appropriations bill provides generally for funding at the fiscal year 1996 conference level under fiscal year 1995 terms and conditions, with certain exceptions that are spelled out in the legislation. All departments and agencies are expected to use the fiscal year 1996 conference report and statement of managers and the House and Senate reports relating to the fiscal year 1996 bill to the maximum extent in allocating resources under this legislation, because that guidance will, under all likelihood, become the final guidance for expenditure of fiscal year 1996 funds, and departments and agencies will ultimately be expected to have committed their resources in accord with the fiscal year 1996 guidance that the House and Senate Appropriations Subcommittees have provided.

DEPARTMENT OF JUSTICE

Office of Justice Programs: Funding is included for discretionary and formula grants under the Edward Byrne Memorial State and Local Law Enforcement Program. It is the Committee's intent that discretionary grants should be made in accordance with the joint Statement of Managers and that the Department of Justice should prioritize funding for requirements of State and local law enforcement related to the 1996 Olympic Games. Truth-in-Sentencing Grants/SCAAP: A provision is included that withholds funding for a new Truth-in-Sentencing Prison Grant program until details on revised legislation are worked out. However, funding that was included under this program in the Conference Report for reimbursement to states for the incarceration of criminal aliens is provided.

A provision is included that applies terms and conditions of the 1996 Conference Report and Statement of Managers to amounts provided in the previous targeted appropriations legislation for various Department of Justice programs. Within these terms and conditions the Committee would like to clarify the following:

Under the Interagency Crime Drug Enforcement Program, it is the Committee's intent that the Attorney General, in consultation with the Office of Investigative Agencies Policies, will allocate resources among agencies participating in Interagency Crime and Drug Task Forces based on current task force requirements.

Furthermore, it is the Committee's intent that funding provided for the Federal Prison System includes the construction of new prisons under the terms specified in the Statement of Managers in addition to continued support for the National Institute of Corrections, both of which are critical to efforts to incarcerate prisoners.

DEPARTMENT OF COMMERCE

Advanced Technology Program—The bill includes language providing funding for the Advanced Technology Program, only for program administration and continuation grants for ATP projects originally awarded in fiscal year 1995 or earlier, at a rate of operations of up to 75 percent of the final fiscal year 1995 appropriated level. This provision will not allow any new ATP grant competitions to be held during the period covered by this Act.

Closing Costs Provisions—The bill includes language similar to a provision included in the Conference Report on the FY 1996 Commerce Justice Appropriations Act requiring that costs associated with personnel actions resulting from funding reductions included in this subsection to be absorbed within the total budgetary resources available to each Department or agency. The provision would allow each Department or agency to transfer funds between appropriations accounts as necessary to cover costs associated with program closeouts or downsizing of agencies. This transfer authority is provided in addition to the authorities available under FY 1995 terms and conditions, and is subject to the Committee's standard reprogramming procedures.

This closing cost provision allows Departments and agencies the flexibility to fund only the costs associated with personnel actions resulting from agency or program termination or shutdowns.

DEPARTMENT OF STATE AND RELATED AGENCIES

With respect to Title IV of the CJSJ bill, covering the Department of State, United States Information Agency and Arms Control and Disarmament Agency, funding at the conference level generally provides an operating level above what has been in effect under the previous continuing resolutions.

For Contributions to International Organizations and Contributions for International Peacekeeping Activities, the amount of funds available to be obligated is intended to be no higher than the proportionate amount of the full year funding level that corresponds to the number of days covered by this legislation.

Under the United States Information Agency, continued funding for the Inspector General has been provided for the term of this legislation. The funding is to be derived from the conference level of funding for the State Department's Inspector General, because that level of funding anticipated the merger of the USIA IG office into the State IG office. Both IG offices are to continue to prepare for the merger, which is fully anticipated to occur during this fiscal year.

With respect to Educational and Cultural Exchange Programs, the statement of managers language in the conference report concerning the Tenth Paralympiad should be carried out on an expedited basis, and sufficient funds should have been appropriated under previous Continuing Resolutions and this current legislation to permit this issue to be addressed during the period in which the current legislation is in effect.

RELATED AGENCIES

Federal Trade Commission.—The Committee expects that amounts provided in the bill for both the Federal Trade Commission and the Justice Department's Antitrust Division will allow these agencies to function at the full operating levels assumed in the conference report on H.R. 2076, based on offsetting collections of $48,262,000 for each agency.

Legal Services Corporation.—The funding included for LSC is interim funding for basic field programs until a new competitive grant program is implemented. The Committee expects LSC to begin a competitive grant program on April 1, 1996 and to be prepared to implement restrictions outlined in the conference report.

Small Business Administration

Disaster Assistance.—The Committee is aware that funding levels provided for the SBA Disaster Loan Program subsidies and administrative expenses may be insufficient to continue the program for the full fiscal year, particularly considering the rate of disasters thus far this fiscal year. The Committee notes that there are two primary reasons for the shortfall. First, the request for subsidy amounts for the loan program was based on proposed legislative changes modifying the interest rate on SBA disaster loans. While the full request for loan subsidies was appropriated, these proposed legislative changes were not enacted into law. As a result, the appropriated subsidy amount of $34.4 million allows new loan program authority of only $122.5 million instead of $407 million as proposed. Therefore, the shortfall is the result of lack of action on proposed legislative changes, which is not under the jurisdiction of the Appropriations Committee, and the fact that the Administration, as a result of no action on the changes, has not amended its budget request to provide additional resources or identified the offsets necessary to provide those resources.

The second reason for the shortfall is the failure of the Small Business Administration to adequately budget for the appropriate level of administrative costs for even a "normal" disaster year in the appropriate account for this program. Instead, the SBA requested the funds for the administrative costs associated with disaster loan making under a proposed emergency contingency appropriation which would have been outside the budget caps and cannot be considered by the Congress under current budget policy. The Committee expects SBA to reprogram funding to cover the base requirements for disaster loan making within the funds provided under this Act. The Committee further expects that future budget requests for administrative expenses under the disaster loan program account will fully cover the costs of providing the services required to manage the loan program level assumed in the budget request.

The Committee recognizes the severity of disasters such as the devastating flooding in Pennsylvania and other mid-Atlantic States following recent storms, and is confident that SBA will be able to respond appropriately and responsibly to these dire situations within the resources currently available under the Disaster Loan Program during the period covered by the Balanced Budget Down Payment Act. The Committee recognizes that additional funds for the SBA Disaster Loan Program may be required prior to April, and believes that if additional resources are needed, they can be provided through the reprogramming process to assure continuation of the program through March 15, 1996. The Committee will work with the Administration to determine the appropriate level of funding for this program as well as potential sources of funding offsets.

Small Business Development Centers.—The bill provides funding for the SBA Small Business Development Center program at the FY 1996 conference level. This will allow SBA to continue to make funding commitments with State resource partners in the SBDC program based on the full conference amount.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House to be in recess, subject to the call of the Chair.

Accordingly (at 1 o'clock and 51 minutes p.m.), the House stood in recess, subject to the call of the Chair.

□ 1854

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. GOSS] at 6 o'clock and 54 minutes p.m.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 2880. An act making appropriations for fiscal year 1996 to make a downpayment toward a balanced budget, and for other purposes.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Member (at the request of Mr. FALEOMAVAEGA) and to include extraneous matter:)

Mr. SERRANO.

Without objection, the Chair announced the following Members are permitted to extend their remarks and to include extraneous matter:

Mr. EDWARDS.
Mr. BLUTE.
Mr. ROGERS.
Mr. STOKES.

ENROLLED BILL SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2880. An act making appropriations for fiscal year 1996 to make a downpayment toward a balanced budget, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1341. An act to provide for the transfer of certain lands to the Salt River Pima-Maricopa Indian Community and the city of Scottsdale, Arizona, and for other purposes.

ADJOURNMENT

The SPEAKER pro tempore. Without objection, the Chair declares the House adjourned until 12:30 p.m., Tuesday January 30, 1996.

Accordingly (at 6 o'clock and 55 minutes p.m.), under its previous order, the House adjourned until Tuesday, January 30, 1996, at 12:30 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1981. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance [LOA] to Thailand for defense articles and services (Transmittal No. 96-19), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

1982. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Navy's proposed lease of defense articles to Canada (Transmittal No. 10-96), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

1983. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Army's proposed lease of defense articles to Oman (Transmittal No. 11-96), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

1984. A letter from the Director, Defense Security Assistance Agency, transmitting the price and availability report for the quarter ending December 31, 1995, pursuant to 22 U.S.C. 2768; to the Committee on International Relations.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GOSS:

H.R. 2902. A bill to suspend tariff reductions on winter tomatoes imported from Mexico until the President certifies to the Congress that existing mechanisms are sufficient to protect the domestic industry from import surges from Mexico; to the Committee on Ways and Means.

By Mr. KASICH (by request):

H.R. 2903. A bill to provide for deficit reduction and achieve a balanced budget by fiscal year 2002; to the Committee on the Budget, and in addition to the Committees on Ways and Means, Commerce, Banking and Financial Services, the Judiciary, Agriculture, Economic and Educational Opportunities, Government Reform and Oversight, House Oversight, National Security, Veterans' Affairs, Resources, International Relations, and Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TRAFICANT:

H.R. 2904. A bill to amend the Public Buildings Act of 1959 to ensure that any lease entered into by a Federal agency for office, meeting, storage, and other space necessary to carry out the functions of the Federal agency shall be subject to the leasing requirements of the Public Buildings Act of 1959; to the Committee on Transportation and Infrastructure.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 500: Mr. BILIRAKIS.
H.R. 835: Mr. FAZIO of California.
H.R. 972: Mr. OBERSTAR.
H.R. 1023: Mr. CASTLE and Mr. CONYERS.
H.R. 1364: Mr. HASTERT.
H.R. 1802: Mr. PICKETT.

H.R. 1834: Mr. BREWSTER.

H.R. 2036: Mrs. LINCOLN.

H.R. 2500: Mr. TRAFICANT and Mr. PICKETT.

H.R. 2619: Mr. KLECZKA.

H.R. 2856: Mr. STUDDS, Ms. WOOLSEY, Mrs. LOWEY, and Mr. STARK.

DISCHARGE PETITIONS

Under clause 3, rule XXVII the following discharge petitions were filed:

Petition 8, January 24, 1996, by Mr. KENNEDY of Massachusetts on House Resolution 292, has been signed by the following Members: Joseph P. Kennedy II, John Lewis, Barbara B. Kennelly, Sam Gibbons, Barney Frank, Ronald V. Dellums, George Miller, W.G. (Bill) Hefner, Cleo Fields, William J. Jefferson, David E. Bonior, Tom Bevill, Thomas M. Barrett, Bernard Sanders, Robert A. Borski, Karen McCarthy, Charles E. Schumer, Luis V. Gutierrez, Peter Deutsch, Alcee L. Hastings, Sanford D. Bishop, Jr., Corrine Brown, Patrick J. Kennedy, Scotty Baesler, Jerrold Nadler, Cynthia A. McKinney, Gary L. Ackerman, Ronald D. Coleman, Pat Williams, Eddie Bernice Johnson, Sidney R. Yates, Jesse L. Jackson, Jr., Eva M. Clayton, Thomas M. Foglietta, Barbara-Rose Collins, Bennie G. Thompson, James E. Clyburn, Lynn N. Rivers, Donald M. Payne, Albert Russell Wynn, Bobby L. Rush, Patricia Schroeder, Henry B. Gonzalez, Anthony C. Beilenson, Sheila Jackson-Lee, Norman D. Dicks, Sherrod Brown, Louise McIntosh Slaughter, Chet Edwards, Carrie P. Meek, Nita M. Lowey, Zoe Lofgren, Melvin L. Watt, Charles W. Stenholm, Earl F. Hilliard, David E. Skaggs, Charles B. Rangel, Harold L. Volkmer, E de la Garza, Bill Orton, Frank Pallone, Jr., Steny H. Hoyer, William (Bill) Clay, Lynn C. Woolsey, G.V. (Sonny) Montgomery, Bruce F. Vento, Harold E. Ford, Bob Filner, Bart Stupak, Tim Holden, Tom Lantos, Cardiss Collins, Elizabeth Furse, Bill Richardson, Fortney Pete Stark, Anna G. Eshoo, Vic Fazio, Jane Harman, Pat Danner, Floyd H. Flake, Harry Johnston, Michael R. McNulty, Andrew Jacobs, Jr., Lloyd Doggett, Frank Mascara, Robert T. Matsui, Patsy T. Mink, Marcy Kaptur, Thomas C. Sawyer, Sam Farr, Ken Bentsen, Nydia M. Velázquez, Eliot L. Engel, James P. Moran, Edward J. Markey, John M. Spratt, Jr., Martin T. Meehan, Lucille Roybal-Allard, Esteban Edward Torres, Earl Pomeroy, L.F. Payne, Major R. Owens, Benjamin L. Cardin, Norman Sisisky, Maurice D. Hinchey, John S. Tanner, Douglas "Pete" Peterson, Neil Abercrombie, Nancy Pelosi, Karen L. Thurman, Martin Frost, Carolyn B. Maloney, Richard A. Gephardt, Michael F. Doyle, Gary A. Condit, Collin C. Peterson, John D. Dingell, Gerald D. Kleczka, Gene Green, Charlie Rose, Mike Ward, Martin Olav Sabo, Robert G. Torricelli, John-W. Olver, Jim McDermott, James A. Barcia, Robert E. (Bud) Cramer, Jr., Peter A. DeFazio, Owen B. Pickett, Ike Skelton, David Minge, Bart Gordon, Tony P. Hall, Dale E. Kildee, Sam Gejdenson, Glen Browder, George E. Brown, Jr., Robert E. Wise, Jr., Tim Johnson, Matthew G. Martinez, Thomas J. Manton, John Elias Baldacci, Glenn Poshard, Solomon P. Ortiz, Bob Clement, Howard L. Berman, Sander M. Levin, Jack Reed, Robert C. Scott, Richard J. Durbin, John Bryant, Ray Thornton, Louis Stokes, and David R. Obey.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 7 by Mr. KANJORSKI on H.R. 302: John D. Dingell.

SENATE—*Friday, January 26, 1996*

The Senate met at 12 noon and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious God, thank You for this moment of prayer in which we can affirm our unity. Thank You for giving us all the same calling: to express our love for You by faithful service to our Nation. So much of our time is spent debating our differences that we often forget the bond of unity that binds us together. We are one in our belief in You, the ultimate and only Sovereign of this Nation. You are the magnetic and majestic Lord of us all who draws us out of pride and self-centeredness to worship You together. We find each other as we praise You with one heart and express our gratitude with one voice.

Together we accept the unique role You have given our Nation in the family of nations. We praise You for Your truth spelled out in the Bill of Rights and our Constitution. Help us not to take for granted the freedom we enjoy. May a fresh burst of praise for Your providential care for our Nation give us a renewed patriotism. Keep us close to You and open to each other as we do the sacred tasks of our work in the Senate today. In the unity of the spirit and the bond of peace. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, Senator LOTT, is recognized.

THANKING THE SENATE CHAPLAIN

Mr. LOTT. Mr. President, we want to all express, again, our appreciation to our very fine Chaplain for his daily invocations of blessings on this institution and our God's guidance.

SCHEDULE

Mr. LOTT. Having said that, I want to announce that there will be a period of morning business this morning with Senators permitted to speak for up to 5 minutes each.

It is expected that around 12:30 we hope to get some agreements with regard to what issues will be brought up this afternoon and exactly what time. Those agreements certainly could involve consideration of the Department of Defense authorization conference report, as well as the START II treaty. The Senate also will consider the continuing resolution during today's session.

All Members, therefore, should anticipate that there will be rollcall votes today. The leadership is trying to accommodate all of the Senators' various wishes, and changing schedules. We will try to get an agreement and action on the critical issues as soon as agreement can be reached.

I yield the floor, Mr. President.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. GREGG). Under the previous order, the leadership time is reserved.

The acting leader.

SCHEDULE

Mr. LOTT. Mr. President, I apologize to the distinguished Senator waiting to speak but, with reference to the schedule, I would like to make a couple of comments, if I could.

Also, of course, there will be conversation today about the START II bill.

I want to commend the chairman of the Armed Services Committee, who is here on the floor, for his effort to get a quick turnaround on this conference report agreement. It is bipartisan. Several of the problems that existed in the previous conference report have been removed and a compromise has been worked out. I am sure it is one that neither side is 100 percent happy with, but it is one that I think we should support, and we should move quickly today. I know we have indications that the President will sign this bill. I believe the ranking member of the Armed Services Committee will support it.

So, I hope we can get a quick agreement to move forward on this Department of Defense conference report. We hope to be able to announce something on that in the next few minutes.

Also, there has been an understanding with regard to time that will be used on START II. Hopefully, we can take that time and move forward on that bill, also.

On the continuing resolution, I would like to point out to our colleagues here in the Senate that there has been a lot of work done on this continuing resolution. Again, there has been a lot of give and take. The proof of that is the fact that it passed the House of Representatives last night by an overwhelming margin of 371 to 42. Only 42 voted against this continuing resolution. So truly it was a bipartisan effort. I have had some contact with the negotiators on that package. They certainly worked very hard, and they came up with what is good for now. It will take us to March 15 and give us additional time to get agreement on the appropriations bills that have not passed this body. Hopefully, the Labor-HHS and Education appropriations bills can be moved through the Senate. I remind my colleagues once again that this is where that issue languishes—right here in the Senate.

The White House has indicated its support for this continuing resolution until March 15. So, it is bipartisan in the House, it is supported by the administration, and we need to act on it because we do have the deadline of today, January 26, of the present continuing resolution. If we do not act this afternoon and get an agreement to move this continuing resolution to the President, then we have looming before us the possibility of another Government shutdown. The headlines last night on the television news reports and this morning were very positive. An agreement is reached to open the Government.

Now the Senate should act quickly to follow the example set by the House. We should not delay this continuing resolution. We should move it through following the example set this time by the House of Representatives. Yet, we are being told that, oh, well, there may have to be several votes. There may need to be some amendments. Certainly any Senator has a right to offer amendments, but I urge them to think very carefully about what could happen here this afternoon. If we start amending, or trying to amend, this continuing resolution, if amendments are not laid on the table, then we could have a real problem. If we amend that continuing resolution, it could mean that the shutdown of the Government would begin over the weekend. We would have a real problem.

The House of Representatives acted responsibly. They have done their work. And they have recessed until next week. So I urge my colleagues here in the Senate to think about this. If you do start offering amendments and some of them, in fact, do pass, then you are flirting with real danger. And the blame will be on the Senate. It will be on those who offer these amendments which should not be considered in this forum and should not be considered on this bill.

So, I hope that we will get an agreement on all three of these issues, take them up in speedy order, and complete our work this afternoon.

Mr. President, I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

THE DOD CONFERENCE REPORT

Mr. THURMOND. Mr. President, I am very pleased that we were able to get another Defense authorization bill, and I want to commend Senator LOTT, Senator WARNER, and Senator COHEN, who have joined with me on the conference committee to get this done quickly. We have a good bill.

I suggest that we act on it and that it be the first thing we do. I do not think we need more than 45 minutes to decide; in other words, an hour and a half to complete this bill and sign it away. I hope it can be taken up at this time. I understood, generally speaking, that it would be taken up. I think people generally feel that it is to be the first thing taken up today.

The PRESIDING OFFICER. The Senator from Wyoming.

THE SUCCESSES OF THE PAST YEAR

Mr. THOMAS. Mr. President, I was glad the leader spoke about optimism and the opportunity to do things. I want to talk just a little bit, if I may, in morning business about this past year and the successes of this past year.

It seems to me that we have worked very hard. We have worked very long. We had to do a number of things to respond to the voters in 1994 who said the Federal Government is too big and it costs too much. Anyone who thinks that making that change from where we have been is easy is a bit naive.

So I think the Republican majority in this Congress has had great success. We restructured the debate in this country and have a whole new approach changing the direction of Congress and, frankly, changing the direction of the President. After 30 years of basically dealing with the Great Society and what this group has done time after time, which is talk about how much more we can spend, there has been no balanced budget for that whole time, but simply a rush to spend more and increase taxation. We have turned that around this year. We changed the debate from where it has been for a very long time.

As to the continuing resolution, the President is probably going to sign it. They say this President is responsible. The Congress is responsible for spending, and it is our responsibility. We are the trustees that have that to do.

I am, frankly, very proud of what we have done this year. For the first time, we presented a balanced budget to the President. Unfortunately, he vetoed it. I do not think the President wanted a balanced budget at that time. But now we are talking about how you reduce spending, how you reduce the size of Government rather than how much it could grow. For the first time, we will make today a downpayment on a balanced budget. We will have a budget at the end of this year that will be in keeping with our 7-year effort to do that. That is progress. That is, I think, a significant victory that should be claimed. It is the first step on the road to success.

What about the change in the President's behavior? I think that is significant as well. Three years ago the President talked about more spending, and about investment. He talked about stimulating the economy through spending. And we had the largest tax increase in the history of the world. Two years ago we were talking about placing one-seventh of the entire economy under the jurisdiction of the Federal Government in health care. This year the President is talking about the era of big government being over. Now, if that is not a change. I am delighted for that. A year ago the President presented a budget none of which balanced. The President is under pressure, I think, from the Congress to present a balanced budget, and that is a movement forward.

So I think this is a great victory for the American people and for future generations. Have we completed our victory? Of course not. Is it good enough? No. Is it a good start? Yes. We probably succeeded in three-quarters of what we set out to do. Did the President make the needed changes in entitlements? No. But he did make some accommodation. He talked about some choices in Medicare. He talked about some caps on Medicaid. He talked about a commitment to welfare. Those are changes. And until we make those, of course, there is no real budgeting. But that is where we have come.

We are talking now about the end of big government. The debate is not about growth, but how we reduce the size of government. These are the things the President talked about before the election. But now we are back to that. I think that is great. I am excited by the opportunity to do that.

Thomas Jefferson said that we do divide naturally in this country, regardless of what the party is called, between those who think there ought to be an elite governing and we take the money from the folks and provide the programs and those who believe people ought to take care of themselves and the Government's role is to create an environment in which the private sector can work. We are still divided that way. That debate, of course, will go on.

So, Mr. President, I think today we ought to say we have had a very successful 1995. We have changed the debate. We are structured differently. We are talking about the possibilities of reduction instead of the certainty of increases. We are talking about a balanced budget, and we have begun and made a downpayment on that. There is a great deal to do, of course, but I believe we ought to recognize that we have made a victory, that we have made some real progress, and that we ought to move forward.

There are other things we need to do. We need to deal with welfare. We need to deal with regulatory reform. We have some health reform that we ought to do. We have to empower the States to be able to do more of those things so there is flexibility and fit. We have to accept, probably most of all, the responsibility for paying for the benefits that we are now providing instead of putting it on the credit cards for our kids and our grandkids.

So, Mr. President, I hear a lot of grumbling and wondering and confusion. It seems to me that we have had a good year. We have done a very difficult thing, and that is make a fundamental change in the direction that this Government is taking, one that I think is good for America, it is good for all of us as citizens and taxpayers and, maybe most of all, it is good for our kids and our grandchildren.

Mr. President, I yield the floor.

Mr. DEWINE addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. DEWINE. Mr. President, I ask unanimous consent to proceed for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. DEWINE, Mr. GLENN, and Mr. SPECTER pertaining to the introduction of S. 1529 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

(The remarks of Mr. SPECTER pertaining to the introduction of Senate Joint Resolution 48 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. SPECTER. Mr. President, in the absence of any other Senator on the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

URGING SUPPORT FOR THE TELECOMMUNICATIONS BILL

Mr. PRESSLER. Mr. President, I would like to report to the Members of the Senate the progress of the telecommunications bill and urge that all

Members continue to show great interest. I also urge all citizens interested in this legislation to show vigilance and continue to support the bill and urge that it be passed.

As Members of the Senate know, consideration of this bill has gone on for a long time and it is a bipartisan bill. It has attracted the support of many groups across the country. We now have the regional Bell companies supporting the bill and we have the long-distance companies supporting the bill. That is an unusual, rare moment in American history when the regional Bells and long-distance companies are temporarily at peace, so to speak.

Indeed, the labor union, the Communications Workers of America [CWA], yesterday sent a letter to Senator DOLE urging that the bill be passed. So this bill has gotten an unusual amount of support. The big cable companies and the small cable companies support it. The broadcasters support it, to the extent of what is in the bill now.

I know there is a dispute over the spectrum area. What I am saying is that we have an historic opportunity to pass a bill. But if we hesitate very long, this whole thing will come unraveled. I am very worried about it coming unraveled. So I rise to ask for the continued vigilance and support of everybody across the country and of my fellow Senators.

Let me say a word or two about the spectrum issue that has arisen. Our leader has, quite correctly, raised the issue of the spectrum. I would say this bill does not give the spectrum away as it is written. We believe strongly that there is some misunderstanding about what the bill says about the spectrum. Indeed, this Senator tried very hard to put the spectrum auction issue into the reconciliation bill, and later have it dealt with as a budgetary matter.

The point before us is that we are going to have to have a broad spectrum bill. I like to call it a "grand spectrum debate." I think the sale to MCI yesterday, its new bid of approximately $680 million for something that was scored by CBO at less than $100 million, shows the value that there is in the spectrum and the potential savings to taxpayers. We have to think about the taxpayers.

It is not just the broadcasters who use the spectrum. The spectrum is also used by people with handheld radios, and by people doing radar photography. The military has a good deal of spectrum allocated to it, as does the CIA. We need to educate ourselves and the people of the country about the value of all this spectrum use and what the taxpayers' interest in it is.

There has been very little, for example, on television shows discussing the spectrum, strangely enough. We have not had a feature on the spectrum and its value to the taxpayers on "60 Minutes" that I know of. Nor have we seen Ted Koppel doing a feature on the spectrum and how valuable it might be to the taxpayers.

For some mysterious reason, there have not been very many television shows on the networks that educate the public about the spectrum. I urge those shows to do so.

In any event, it is not just the broadcast spectrum we are dealing with here. It is all the spectrum out there that is being used. New technologies may make four or five uses out of the spectrum where once only one use was possible. Something designed for one use can now be used for transmitting data and other things. As new technology and new inventions come into play, it may be worth four, five times as much. Where once you might have one TV channel, you now may be able to have four. You may be able to transmit data on one station and do something else with another.

So the taxpayers have a real interest in this, as do budget balancers. We did not really try to solve this problem in the telecommunications bill. Some misunderstandings are floating around. We more or less delayed a decision on the spectrum in the telecommunications bill. So I have suggested that we have a grand spectrum debate and that we have a spectrum bill. We have already had hearings. I suggest that we go through all the spectrum, from the broadcasters' use to other, different uses of it, including that held in public and private use. That we look at what the military has and what the CIA has. We will have to have a classified briefing.

We should not hold up the telecommunications bill for that purpose. It is my hope that in a few days we can work out some language, or leave the present language in the bill.

So we are making a good-faith effort. I am saying that I do not think we can solve all of the spectrum issues at this time. I have tried to do it. The votes are not there. We are in a deadlock situation.

Let us not lose the whole telecommunications bill over this matter. It is too good a bill. We have worked long and hard. It is a bipartisan bill. It is the best bill in this Congress, in this Senator's opinion. It will create jobs in our country. It will provide a road map for investment.

I urge that we act on it soon. I am continuing to lobby our leaders and everybody else. In fact, yesterday the spectrum and the telecommunications bill were the subject of Senator DOLE's remarks when he traveled in South Dakota. I commend him again and thank him for his kind remarks about my work on this bill.

I hope we can work out these problems soon. I urge all groups not to slip into lethargy. We have a lot of work left to do on this bill. It will not pass automatically. We must keep working at it. That is what I am doing. That is what I urge my colleagues to do.

TRIBUTE TO BARBARA JORDAN

Ms. MIKULSKI. Mr. President, I rise today to pay tribute to an extraordinary and brilliant woman—former Congresswoman Barbara Jordan. I was deeply saddened by Ms. Jordan's death. She was very special to me, and to this country. She enriched and moved this Nation unlike any other American.

Barbara Jordan was in a class all by herself. I was fortunate enough to serve with her in U.S. House of Representatives. She taught me a lot about what it means to be a tough advocate for the American people.

Nothing stopped Congresswoman Jordan from forging ahead—not race, not gender, and not her illness. She lived her life as a teacher never giving in to the victim mentality. Not Congresswoman Jordan. That was not her style.

She had an immense impact on this Nation, and yet, Barbara Jordan served as a Congresswoman for only 6 years. But during that time, she used her rich, booming and elegant voice, to leave a powerful impact on this Nation. She believed, as I do, in letting your voice be heard.

She spoke forcefully about important national issues, and she had commitment and conviction like none other. She had a special kind of commitment—the kind that's hard to find.

She never wasted a breath on nonsense, but always spoke the truth so eloquently. She was a true pioneer for what's right and for tackling what's wrong in America. She was the Nation's conscience during Watergate and helped restore America's faith in the Constitution.

That is why students lined up for hours at the LBJ School of Public Affairs just to register for her class. Now, that was a line worth standing in.

These students understood that it was a treat to be taught by this woman of many firsts. The first African-American, and first woman, elected to the Texas Senate. The first southern black elected to Congress since the Reconstruction, and the only woman in her law school class in Boston University.

Barbara Jordan inspired us because she was a visionary who firmly believed in this Nation's potential. Our country is different today because of her and the strength, integrity and sensibility that she symbolized.

Barbara Jordan was a great American. She was proud to be black, proud to be a woman, proud to be a Texan, and proud to be an American. I know she will live in our hearts and minds forever.

TRIBUTE TO ARTHUR GEORGE GASTON

Mr. HEFLIN. Mr. President, thousands of people in Alabama and all over the country were deeply saddened by the death of Dr. Arthur George Gaston on January 19, 1996. He was one of the most successful businessmen of our time, as well as a generous philanthropist and civic leader who never forgot his humble beginnings.

When I think of A.G. Gaston, many different facets of his life come to mind. Of course, his longevity, his business success, his compassion for the less fortunate, his lifelong battle for civil rights, and his many tangible contributions to his community, State, and Nation are things that stand out.

But I am also reminded that Dr. Gaston was born on the Fourth of July in 1892. He shared his birthday with our Republic, and in many significant and profound ways, he and the Nation grew up and matured together during those more than 100 years of his lifetime. It was so fitting that he was born on the Fourth of July, the founding of our country, for he was truly the American dream personified.

During his long and unusually productive life, Dr. Gaston helped countless young people obtain an education, supported numerous causes, including the civil rights movement, and inspired several generations to achieve great things through hard work, perseverance, and a commitment to lifelong learning. He served his church and his people with passionate dedication, energy, and wisdom.

Just a few short years ago, as he celebrated the anniversary of his 100th birthday, Dr. Gaston remarked, "The Lord has seen fit to let me live to this age for a purpose and it is my hope that I have served him and my people as he wanted me to. I have lived a long life. I have received many blessings."

A.G. Gaston's life did indeed have purpose and meaning, so much so that it is difficult to capture them in words. Those who knew him, either directly or indirectly, knew what that purpose and meaning were by the example he set and by the tremendous contributions he made to those around him. He was a remarkable role model—a quintessential American success story. There is no doubt that he used his many gifts and blessings and served his fellow man in the way the Lord intended. In so doing, he became one of God's most generous gifts to us.

Dr. Gaston will be greatly missed, but his legacy is one that will never fade. I ask unanimous consent that a Birmingham News editorial on his life and work be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Birmingham News, Jan. 21, 1996]

ARTHUR GEORGE GASTON

HIS DEATH IS A MONUMENTAL LOSS FOR BIRMINGHAM

He was as much an icon of Birmingham as is Vulcan, and the legend of A.G. Gaston was larger than life, as well.

And like Birmingham's man of steel, it was easy to think Gaston would be around forever.

Friday morning, however, A.G. Gaston died in Medical Center East at the age of 103, a monumental loss for the Birmingham community.

Born on the Fourth of July in 1892, the grandson of slaves served in the Army with distinction during World War I, then took a job working in a dry cleaning plant for $5 a week.

At a time when black entrepreneurs were almost unheard of, Gaston began a burial insurance business for black people that mushroomed into an empire which eventually included real estate, radio stations, funeral homes and a motel.

During the 1960s, Gaston, because of his stature in the community, became a key figure in tense negotiations between black and white leaders as Martin Luther King's campaign in Birmingham brought worldwide attention.

Gaston actually worked behind the scenes to get King out of town, until he saw firehoses tumble a little girl down the street.

Many will remember Gaston for his business acumen and how he developed other black business people; for his rules for success that sound almost quaint but still apply in today's world ("Save a part of all you earn. Money doesn't spoil. It keeps."); for his role in Birmingham's civil rights struggles; for virtually giving away his empire to employees in the 1980s; for his work with the city's Boys' Clubs of America.

Perhaps the best way to remember Gaston, though, is the way former Mayor David Vann recalled him Friday.

Gaston's greatest attribute, Vann said, was that "he proved a person in a very suppressed minority, with little formal education, could lead a very successful life and proved to our society that a good person can set important standards for the society in which he lives."

He will be missed.

TRIBUTE TO FLOYD MANN

Mr. HEFLIN. Mr. President, Floyd H. Mann, who served in the cabinets of three Alabama Governors and is credited with saving the life of a civil rights activist in Montgomery, died on January 12, 1996 at the age of 76.

A native of Daviston, AL, located in Tallapoosa County, he served in the U.S. Army Air Corps during World War II. As a tail gunner on a B–17 aircraft, he flew on 27 combat missions, including the first daylight raid on Berlin. He received numerous awards for his brave service, including the Distinguished Flying Cross.

Floyd Mann was a rather remarkable person and leader. He served as chief of police in Opelika, AL, from 1950 to 1958. He earned praise for his rapid clean-up of the town, which had suffered from corruption that had spread from nearby Phenix City. The Governor at the time, John Patterson, appointed Floyd director of the Alabama Department of Public Safety in 1959.

During his tenure, he made national headlines for his one-man charge into a rioting mob that was beating a bus full of civil rights freedom riders at a Montgomery bus station in 1961. He was credited as having helped save the life of a black Tennessee student and a Birmingham newsman during that painful incident. His heroic actions earned him the United Press International's Man of the Year in Alabama Award for 1961.

Later, Floyd served as director of public safety under Gov. Albert Brewer and was administrator of the State Alcoholic Beverage Control Board during Gov. Fob James' first term in 1982–83. He also worked as an assistant to University of Alabama President David Matthews, whom he followed to Washington, DC, to work with at the Department of Health, Education, and Welfare.

While at the University of Alabama, he was very active as the head of security and was a great public relations person for the school. He knew almost all of the alumni personally, and always greeted them with a bright smile, firm handshake, and warm conversation.

I remember being in Tuscaloosa, where the university is located, many times and going by the old Stafford Hotel early in the morning where a group of local citizens would be gathered for coffee. Floyd would always be right at the center of the group. Different people would come in and he would stay and meet with the groups. He was well liked and deeply respected.

Floyd Mann was one of those people who never failed to do what was right, even if it meant risking his personal safety. He knew the meaning of being neighborly, of treating others the way he wanted to be treated. He took a considerable degree of pride in his work, and seemed genuinely excited about the things he did and about the people around him.

I extend my sincerest condolences to Floyd's wife of 51 years, Grace, and their entire family in the wake of this tremendous loss.

TRIBUTE TO JUDGE JAMES H. TOMPKINS

Mr. HEFLIN. Mr. President, I want to pay tribute to a dear friend of mine, Judge James H. Tompkins, who passed away on January 9, 1996 at the age of 84. He had an abiding love for politics, public policy, and the law, and was known in Democratic circles all over the country since he attended so many Democratic national conventions over the years.

Jimmy Tompkins was a life-long resident of my home county, Colbert County, AL. He was a graduate of the University of Alabama and was a probate judge, district attorney, and practicing attorney in the county. He was a veteran of World War II, having served as lieutenant colonel in the Judge Advocate General's Office in Europe, Africa, India, China, and Burma.

The family of Judge Tompkins is truly one of judges. He served as probate judge of Colbert County. His father, Nathaniel Pride Tompkins, also was a Colbert County probate judge, as was his wife, Maybeth Robbins Tompkins, who succeeded Jimmy as the judge of probate. Their son, Pride Tompkins, is currently a circuit judge in Colbert County. Jimmy's brother-in-law, David "Pal" Cochrane, served as judge of probate of Tuscaloosa County.

Jimmy was an outstanding trial lawyer long before he became a probate judge. He practiced with the firm of Smith, Tompkins & Hughston, one of the leading firms in the State. Partner James E. Smith was a State senator at one time and was also the Democratic national committeeman from Alabama. Partner Harold V. Hughston served as a circuit judge of Colbert County.

He had a wonderful, pleasing personality. The smile he always had on his face was hard to forget. Jimmy Tompkins had many friends and he was a great friend to many, including me, over the years, and will be sorely missed.

I extend my sincerest condolences to Maybeth Tompkins and her entire family in the wake of their tremendous loss.

SALUTE TO RETIRING SENATOR WILLIAM S. COHEN

Mr. DODD. Mr. President, I would like to take a moment to honor one of the many—and I might add that there are far too many—colleagues of mine who have announced they will be leaving us at the close of this session. Senator WILLIAM SEBASTIAN COHEN announced his retirement recently, and I would like to pay tribute to this close friend of mine.

Early on in his career in the Senate, in 1978, Time magazine called Senator COHEN "one of the GOP's brightest new stars." Well, Senator COHEN isn't exactly new anymore, Mr. President, but he remains one of the brightest stars in his party. It is a shame to see him leave when he seems in many ways more brilliant than ever.

Senator COHEN became the senior Senator from Maine at a very early age, and it was a title that he carried with determination and distinction. He quickly established himself as a leader on foreign policy issues, playing a key role in shaping the foreign policy that prepared America for the gulf war and the new world order of the 1990's.

Early on in his Senate career, the temperate young Senator from Maine opposed adoption of the SALT II Treaty out of concern that it failed to take a hard enough stand against the Soviets. He was simultaneously an unyielding advocate for a strong national defense. His stance proved that one did not have to be an extreme and ardent conservative to have a patriotic belief in the importance of protecting our country's security.

He continued to serve as a distinguished leader on foreign policy issues, employing intelligence and forethought that often put him ahead of the curve. He spoke out strongly against Saddam Hussein's stockpile of chemical weapons long before August of 1990. He also advocated redesigning our Navy to employ a greater number of smaller ships, with the massive sealift capability that the post-cold war world requires. Our Nation's shining success in the gulf war was due to a great many factors, but any attempt to take account of all those factors must note the shifts in our Nation's defense strategy during the 1980's in which Senator COHEN played a large part.

On domestic issues, Senator COHEN has taken a careful, reasoned approach. He has refused to sit beholden to any one ideology or dogma, instead showing an unwavering commitment to the interests of his constituents. He opposed a large dam project in Maine that threatened the environment of that beautiful State, and he pushed hard to relax stringent Social Security disability requirements. Many have called Senator COHEN a persistent moderate in his own party. Well, Mr. President, if being a party moderate means recognizing the fact that, where possible, the Government should try to help out folks who need a hand, or having the courage to speak out against those who would, out of misplaced zeal and foolhardy arrogance, undermine our Constitution, then I say we need more of it.

Mr. President, Senator COHEN and I came to the Senate only 2 years apart. Over the years, I have come to count him as a close friend, and I am sure we will remain close even after he leaves here. But I will still miss him, and I will always be grateful for his loyal service to this Chamber.

U.S. DEPENDENCY ON FOREIGN OIL BOX SCORE (FIRST REPORT)

Mr. HELMS. Mr. President, I have been deeply troubled for most of the 23 years I've been a Member of the Senate about the United States having become more and more deeply dependent upon foreign countries—many in the highly volatile Middle East—to supply the bulk of the energy needs of the American people. I held hearings on this perilous problem when I was chairman of the Agriculture Committee a decade ago, and more recently in my capacity as chairman of the Foreign Relations Committee.

The administration acknowledges that this is a national security concern, but, Mr. President, there obviously is a lot of fiddling while Rome burns—the administration has done precisely nothing about U.S. dependency on foreign oil.

Mr. President, Americans now are forced to rely on foreign oil for more than 50 percent of our needs. Not too long ago, 50 percent was pegged as the perilous threshold which must not be crossed. But, it was crossed, under President Clinton's watch, after U.S. blood was spilled in the Middle East in Desert Storm.

So, Mr. President, I begin today a report on this matter, a report that I will make to the Senate regularly. The American Petroleum Institute has confirmed that, for the week ending January 19, the United States imported 7,696,000 barrels of oil each day, 12 percent more than the 6,488,000 barrels imported daily 12 months ago.

Mr. President, as I say, I shall report to the Senate—and to the American people—on a regular basis regarding the increasingly dangerous U.S. dependency on foreign oil. We must not delay in seeking to solve this troubling problem.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, as of the close of business Thursday, January 25, the Federal debt stood at $4,988,163,912,933.72, about $12 billion shy of the $5 trillion mark, which the Federal debt will exceed in a few months.

On a per capita basis, every man, woman, and child in America owes $18,933.50 as his or her share of that debt.

CHINA-TAIWAN RELATIONS

Mr. THOMAS. Mr. President, I rise today as the chairman of the Subcommittee on East Asian and Pacific Affairs to express my concern at recent reports in the domestic and foreign media that the Government of the People's Republic of China has formulated plans for a military invasion or blockade of Taiwan.

These reports surfaced first a month or two ago in Hong Kong papers known to be sympathetic to Beijing—known, in fact, to be instruments of the Chinese Government—such as Ta Kung Pao. It was further reported in the colony's more mainstream papers, including a series of reports in the Eastern Express. Clearly, the initial discovery of this information was not the result of investigative reporting on the part of these papers. Rather, it shows all the signs of having been an organized leak on the part of the Beijing Government. The same information has been relayed to us through high-level channels in the People's Republic of China Government and military.

The purpose of the leak appears to me to be three-fold. First, it must be viewed in light of the present political situation in the People's Republic of China. As my colleagues know, while President Jiang Zemin is substantially in control of the Government as the successor to Deng Xiaoping, the succession is far from being settled with absolute finality. As a result, the leadership has been careful to court the conservative elements of the power structure: the People's Liberation Army [PLA]. The PLA, like armies everywhere, tends to be very nationalistic, and the reacquisition of Taiwan is at the top of its wish-list. Consequently, the People's Republic of China leadership has taken a more hardline approach to the Taiwan question than might usually be expected.

Second, many observers—and the Taiwanese officials with whom I have spoken—believe that the leaked information is designed to intimidate the Taiwanese people and their elected officials. The People's Republic of China believes that over the last year the Government of Taiwan, led by President Lee Teng-hui, has been increasing its attempts to raise Taiwan's status in the international arena. They cite increased diplomatic initiatives in Central America and Africa, the visits of President Lee and other high-level officials to countries such as the United States, Canada, and the Czech Republic last summer, and moves to join the U.N. and other international organizations.

The People's Republic of China apparently regards these efforts as an affront to their one-China policy, and a move by Taipei to create two Chinas or one China, one Taiwan. In an effort to stem this rising tide, Beijing has resorted to a number of reactions. The People's Republic of China conducted a series of provocative air-to-air missile tests from July 21 to 26 in an area only 60 kilometers north of Taiwan's Pengchiayu Island. The missiles fired consisted mainly of Dongfeng-31 ICBM's and M-class short-range tactical missiles. At the same time, the PLA mobilized forces in coastal Fujian Province and moved a number of Jian-8 aircraft to the coast. Following those tests, the PLA conducted a second round of similar maneuvers between August 15 and 25. In conjunction with these tests, Taiwan intelligence reported the movement of a number of F-7 and F-8 long-range bombers and aircraft to bases within 250 nautical miles of Taiwan. There have also been reports that the People's Liberation Army-Air Force has stepped up practicing precision bombing and missile targeting.

It was no accident that the tests were so close to Taiwanese territory, or that they coincided with Taiwan's regional elections. The message to Taiwan was clear: "continue down this road, continue to move forward toward a complete democracy, and we are more than capable of reacquiring you forcibly." This message is similarly timed; it comes very close to Taiwan's first fully democratic elections, scheduled to be held in March.

Third, it appears that the information was intended to send a signal to us in Congress, as well as the administration, that we should rein in our support for Taiwan and its elected leaders, and reconsider any thought of supplying Taiwan with defensive weapons or similar support. It will not surprise anyone here that Congress has been supportive of Taiwan and its people. Since 1949, the citizens of Taiwan have made amazing strides in developing their country both economically and politically. Taiwan has become the world's ninth largest economy; moreover, it has moved from a military authoritarian government to oligarchy to full participatory democracy. That move will be capped in March by the first democratic election of the country's President. Given this progress, I know that many Members of Congress, and the American people, cannot help but feel a bond with the people of that island. It is that bond that worries the People's Republic of China, and which it seeks to stem.

The Chinese Foreign Ministry, through two of its spokesmen, Shen Guofang and Chen Jian, issued a somewhat vague denial of the reports. I would like to take that denial at face value, and indeed the reaction in the military and intelligence circles here has been that the entire issue may be somewhat overblown. I would stress that there is no concrete proof of the allegations but for the news reports. However, as we have seen in the past, sometimes the denials of the Ministry do not match the Government's actions. Just in the unlikely event that this is the case, I'd like to make my position as the chairman of the subcommittee of jurisdiction clear.

I will agree, to a point, with Beijing's assertions that any eventual reunification of the People's Republic of China and Taiwan is an internal affair for the Chinese people in which other countries should not interfere. But I cannot stress strongly enough my feeling that it is not the People's Republic of China's internal affair alone; it is one for Chinese on both sides of the Taiwan Straits to decide. There are 27 million people in Taiwan who have made clear their desire to live in a free and democratic society. It is consequently not for the People's Republic of China, under the guise of reuniting the motherland to unilaterally dictate the terms, timing, or conditions of that reunification.

The People's Republic of China should make no mistake; I strongly believe that any attempt to establish a military or economic blockade of Taiwan, or other such military threat, will be met with by the most resolute condemnation and reaction on the part of the United States, and indeed the rest of the community of nations. It is my view that actions such as the missile tests and threat of military force will have the exact opposite of their desired outcome. As we have seen, the people of Taiwan did not let themselves be intimidated at the polls by the launching of Dongfeng missiles. I believe that such threats can only serve to make them more resolute in their goals.

Similarly, it is my opinion that such actions can only backfire in regards to their intended effect on the United States. The People's Republic of China would do well to remember the provisions of the joint United States-People's Republic of China communiques, and more importantly of the Taiwan Relations Act. We have stated repeatedly that we expect the future of Taiwan to be settled by peaceful means, and that we consider any move to settle it by other than peaceful means to "be a threat to the peace and security of the Western Pacific area and of grave concern to the United States." The Taiwan Relations Act, and the communiques, safeguard our right to sell Taiwan weapons to enable it to protect itself from aggression. If the People's Republic of China continues to threaten Taiwan and its security, then it is not out of the realm of possibility that in reaction the amount and frequency of those arms sales might increase.

In closing Mr. President, while I believe that the reports—especially that in the New York Times—have tended toward the alarmist, I feel it is very important that the People's Republic of China know exactly where I stand on this issue. That is why I have come to the floor today. And similarly, toward that end I call upon the administration to relay our position to Beijing in the clearest and most unequivocal terms.

THE FARM BILL

Mr. BUMPERS. Mr. President, for the first time in nearly half a century, we are rapidly approaching the end of the first month of the first year in which American farmers are without a farm bill. To those not directly engaged in agriculture, this fact may be little more than a slightly interesting footnote to a much larger story of deadlock in Washington. Actually, the only people not involved in agriculture are those who don't eat. But to men, women, and families across this Nation whose livelihood comes from the production of food and fiber, this simple fact is keeping them awake at night.

What is most striking and most disquieting about the failure to enact a farm bill on time is the apparent disregard by some Members of Congress to the plight of family farmers who are desperately calling me and other Senators for some signal of what to expect for the 1996 crop year. You can't blame them. If you look at the calendar you will see it is 1996 and farmers in my State, especially rice farmers, need to be in the fields in the next few weeks.

Unfortunately, before they go into the fields, most farmers need to go into their banks. But bankers are unable to complete loans due to the uncertainty in farm policy that has resulted from just 1 year of Republican majorities in Congress.

I have heard several Senators try to lay the blame for the expiration of farm legislation on President Clinton for vetoing the budget reconciliation bill which contained a version of the so-called Freedom to Farm Act. This, they say, was the 1995 farm bill which was voted, passed, and sent to the President. What they fail to mention is that everyone knew for months that the reconciliation bill, with or without freedom to farm, was going to be vetoed. the Republican majority in Congress knew, far in advance, that if they insisted on freedom to farm being part of the budget reconciliation bill, there would be no farm bill unless they took other action to secure passage of farm legislation outside the budget reconciliation process. The Republicans are in charge of the House and Republicans are in charge of the Senate. They clearly had the opportunity and the power to take other action and they not only failed, they failed to try.

Not only has the Republican majority failed to achieve any positive result, they have even refused the assistance of their Democratic colleagues. Next to the harm being thrust on the American farmer, the most troubling aspect to the farm bill failure of 1995 is the untimely demise of traditional farm-State coalitions. In every farm bill debate I can remember, farm-State Senators, regardless of party affiliation, were able to come together in a common purpose. To us, that purpose had been to pass a farm bill that is in the best interest of the American farmer and the American consumer while all the time recognizing the unique nature of the farm sectors of our respective States. But, for some inexplicable reason, the Republican majority made the decision to disregard this practice which has given rural America successfully enacted farm bills for nearly five decades. The result of that decision should have been obvious, but now even the Republican majority has to admit that they couldn't do it alone.

In fact, when you look at how we got in this mess, it becomes clear that there was no real agreement within the Republican majority about farm policy. The so-called Freedom to Farm Act was introduced by the chairman of the House Agriculture Committee, but he could not even secure passage of his bill in his own committee—even the ranking Republican member voted against it. The Senate Agriculture Committee never gave it any serious consideration because they saw the flaws it contained. The fact that it was wedged into a reconciliation bill completely outside the purview of any agriculture committee—House or Senate—begs the question whether agriculture committees are relevant any longer. Even the House Speaker's task force on committee review has suggested terminating the House Agriculture Committee and merging its responsibilities with other committees. The inability of the House Agriculture Committee to report a 1995 farm bill will probably do little to dissuade the speaker from the recommendations of his own task force.

The Republican majority may have failed to include Democratic participation in writing a farm bill because they thought we didn't want farm program reform. If that was their reason, they were badly mistaken. Senate Democrats, myself included, want serious farm bill reform and we know the only way to achieve it is through serious farm bill debate. If we had been allowed to participate in the debate—if there had been a debate—I do not believe we and, more importantly, America's farmers would be in the desperate situation we now find ourselves. There are lots of good ideas out there. There are some I would like to offer, there are others I would like to learn more about, but ideas do not grow well in a vacuum outside the light of public debate. We deserve better and, without question, rural America deserves better.

We can do a lot of finger pointing, but that really accomplishes little, and nothing positive. Farmers in my State and farmers in every State can not be told to wait another day for farm policy guidance. I wish we had time to have the farm bill debate we have requested for more than a year. I wish we had time to enact a new 5 or 7-year farm bill to completely replace expiring farm and nutrition programs. However, the calendar tells us the time necessary to do all those things has been lost. All that we have time to do, and what we must do, is to enact an extension of expired programs for another year in which farmers can do what they do best and we can do what hasn't been done at all: debate and pass a farm bill.

What happens if Congress does nothing? What happens if Congress defaults on its responsibility to rural America? As unlikely as that seemed 1 year ago, we now have to seriously examine the consequences of procedure in 1996 with no congressional action on farm policy. Should that occur, and I truly hope it does not, farmers would then turn to the programs available under the CCC Charter Act and the agricultural acts of 1938 and 1949, the so-called permanent law.

It is fortunate for America's farmers that these laws exist, not because they are good policy for the 1990's, but because they serve as a hammer that should persuade Congress to reauthorize the 1990 farm bill. If we revert to permanent law a couple of things will occur: First, there is no specific rice program and the Secretary will have to rely on very broad authorities to provide some sort of price support mechanism; second, wheat and feed grain prices would go through the roof. In addition to these features, there are a host of other arcane provisions that would further complicate the lives of farmers and those responsible for administering farm policy.

Some farmers might fare well under permanent law. For those farmers lucky enough to still have acreage allotments that were established decades ago, they will receive prices tied to parity which means the price they receive will give them the same buying power the price for their crop held between 1910 and 1914. In some ways it's like playing the lottery. If you are one of the lucky ones, you will receive more in payments than you ever expected. If your luck has run out, you may receive nothing. With feed grain prices doubling or tripling, if you are a producer of beef, pork, poultry, catfish, bread, cookies, pasta, et cetera, or if you are a consumer of any of the above, you are going to see your costs skyrocket. Farmers have long had to deal with the weather, markets, and other unknowns. They should not now have to be asked to bear the additional uncertainty of playing the lottery as well.

Farmers need certainty. Earlier this week, it was mentioned that an extension of current law provides no "certainty" and only passage of freedom to farm would give farmers "certainty" for the future. In fact, it was suggested that if we extended current law, the only certain thing to happen immediately is the repayment of the 1995 advance deficiency payments which would further cripple farmers trying to advance a 1996 crop. I will ask to have printed in the RECORD an announcement by Secretary Glickman on December 22 that advance deficiency repayments are deferred for 3 years, which was the extent of action he was authorized to take. This clearly will give Congress time to deal more thoroughly with this important matter. Secretary Glickman has already offered American farmers the certainty of knowing there will be no near-term demand for repayment. He should be commended for taking this action and I fully expect that we will be able to more fully resolve this problem before the end of the 3-year period.

It was further suggested, earlier this week, that if we passed the Freedom to Farm Act, farmers would have the certainty of knowing they will receive $43.5 billion in payments over the next 7 years. I do not question the intent of my Republican colleagues in the Senate that they hope these payments would, in fact, be made over the 7 years—although knowing the history of the House majority leader's attempts to kill farm programs, I am not so sure about the underlining intent of that body. But I must question any use of the term "certainty" that has been attached to these payments.

Perhaps the most egregious feature of the freedom to farm scheme is the payment of large sums of money to farmers in years when crop prices are bringing record profits and even to farmers who have no requirement to farm anything at all except the Federal Treasury. Since their inception, farm programs have been designed to allow payments to farmers only when crop prices have fallen below set levels. This provided a form of safety net that has helped stabilize the farm economy and avoid the tremendous social disruptions that we witnessed during the Great Depression. But I must warn my Republican friends who think they are protecting rural America, that providing large payments to farmers during periods of high prices or to farmers who no longer farm is an invitation to disaster, the biggest farm disaster we have ever seen.

I realize that the Freedom to Farm Act makes reference to the term "contracts" which suggests a guarantee of payments over the 7-year period. I also realize that many Members of Congress have been trained in the legal profession and have had more than a cursory review of the elements of a contract. But the requirements of protecting against the abrogation by a future Congress of "contracts" described in legislation go far beyond simple contract law. American farmers know what a contract is, or should be, and I am afraid they are being led to believe that the Freedom to Farm Act is talking about contracts in the normal sense of that term.

The abrogation of contracts executed through the authority of congressional legislation is nothing new to the Federal courts. The contracts discussed in the Freedom to Farm Act are not protected by the contracts clause of the U.S. Constitution. The contracts clause is found in section 10 of article I which states: "No *State* shall * * * pass any * * * law impairing the obligation of contracts * * *" (emphasis added). In fact, case law concludes that the sovereign power of Congress to subsequently amend legislation—and contracts authorized by such legislation—is implied in the absence of "unmistakable terms" or other strong indications that Congress clearly intended to bind the actions of a future Congress.

It has been my opinion that nothing in the freedom to farm provisions that were appropriately vetoed by President Clinton approaches the threshold of "unmistakable terms" necessary to limit the actions of a future Congress. My opinion is also shared by many legal experts from around the country. Because of my concerns that the American farmer was being misled by the alleged promises of 7 years of payments, I had asked for an opinion by the National Center for Agricultural Law Research and Information as well as leading law schools with strong agricultural law programs around the country and they all concur that there is nothing in the freedom to farm provisions that guarantees payments over 7 years.

Why is this fact so important? Why should farmers be concerned if Congress can change its mind in a year or two? What does all this have to do with "Certainty"? With all due respect to farm programs enacted by Congress and administered by USDA, there are many critics of these programs who would be eager to point out the outrageous use of tax dollars to pay huge sums to farmers when market prices are high or who have opted to spend the growing seasons in the Bahamas. It would only take a few headlines and a few news magazine television programs to draw the wrath of the nonfarm public to force Congress to end, once and for all, farm programs.

It takes little imagination to conclude that media scrutiny of freedom to farm, once put into practice, would likely result in not only a loss of the remaining freedom to farm payments, but of the possibility of any Federal support for farmers in the future. If anything is certain, it is that farmers would be without farm programs a lot sooner than they expected. As I suggested earlier, such a result would not be far removed from the stated objectives we have heard expressed for years by the current House majority leadership. Earlier this week, there was an attempt on this floor to repeal by unanimous consent the underlying agricultural acts which we refer to as permanent law. Farmers may have more to worry about than they realize. Yes, farmers are asking for certainty, but I don't believe they are asking for the certainty of bankruptcy.

Mr. President, it would be truly tragic if the tactics that shut down the Federal Government for an unprecedented 27 days are now used to shut down the farm sector, possibly for all time. Clearly, the freedom-to-farm provisions are not acceptable to me, they are not acceptable to my Democratic colleagues. If passed they will once again be rejected by President Clinton, and they will be rejected by every member of the farming community once farmers are given the opportunity to see through the candy store glitter of allegedly promised payments. The task before us now is to move the process forward to give farmers some immediate guidance for the crops they need now to put in the ground and for all of us in Congress to finally work together to craft a reasonable farm bill to take American agriculture into the next century.

I know there are some reforms that we should all agree on that we can include in a farm bill extension. Farmers need flexibility to better adjust to changing markets and to give them the ability to rotate crops in a manner that best serves their conservation needs. We can do that, and we must. Republicans and Democrats have proven in farm bills past that we can work together. We ask now for a 1-year extension of current law with certain modifications. All it takes is 1 year to write, debate, and pass a farm bill. Although 1995 was not such a year, there is not reason why 1996 can't be.

I ask unanimous consent that the announcement by Secretary Glickman, to which I earlier referred, be printed in the RECORD.

There being no objection, the announcement was ordered to be printed in the RECORD, as follows:

GLICKMAN IMPROVES REPAYMENT OPTIONS FOR PRODUCERS FOR ADVANCE DEFICIENCY PAYMENTS

WASHINGTON, Dec. 22, 1995—Agriculture Secretary Dan Glickman today announced that wheat, feed grains, and upland cotton producers who must repay their 1995-crop advance deficiency payments will be able to repay under more equitable terms than in the past. Those producers will likely owe about $1.7 billion in the latter part of 1996.

Glickman said USDA's Commodity Credit Corporation will propose changes is current regulations to give producers expanded repayment options, including the option to repay in installments over a three-year period, with all of the interest waived, depending on a producer's circumstances. USDA has no legal authority to waive repayment of advance deficiency payment.

"I'm especially concerned about producers who did not have a 1995 crop and are still required by law to repay their advance deficiency payments," Glickman said. "To ease their financial burden, my proposed action will allow them to repay over 3 years with no interest.

"These actions will affect about 90 percent of the producers of these crops," Glickman said. "To ask for a repayment of this magnitude without better terms and conditions would put severe financial pressure on many producers who are trying to recover from a series of bad weather disasters.

"We're nearing the end of the year and we still have no Farm Bill," Glickman said. "At a time of uncertainty—the Clinton Administration is taking this action to give producers clear direction, so they can start planning for the coming year."

Details of the proposal are outlined in FSA Backgrounder #0864.95.

NEIGHBOR DAY IN WESTERLY

Mr. PELL. Mr. President, I rise today to recognize the efforts of citizens of the town of Westerly, RI, and the members of its town council in promoting Neighbor Day.

In 1993, a feud between teenagers took a tragic turn at a local arcade, leaving one youth dead and another charged with murder. Since then, this community has come together to ensure that such senseless violence is not repeated there or anywhere else.

For the past 4 years, Westerly has honored the spirit of neighborliness, tolerance, and civility by designating the Sunday before Memorial Day as Neighbor Day.

Now, the Neighbor Day tradition is spreading. The Rhode Island General Assembly has designated Neighbor Day for statewide observance, and the Westerly Town Council would like to see the tradition become nation-wide and ultimately worldwide.

I hope my colleagues will join me and keep the sentiments of the people of Westerly close to our hearts and minds always, but particularly, this year, on May 19—the day Westerly will celebrate Neighbor Day.

Mr. President, I ask unanimous consent that resolution of the Westerly Town Council, urging local recognition of Neighbor Day, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TOWN OF WESTERLY—RESOLUTION

Whereas, the Town Council of the Town of Westerly, County of Washington and State of Rhode Island, adopted a resolution to celebrate Neighbor Day in May each year on the Sunday before Memorial Day weekend in the Town of Westerly;

Whereas, the Town of Westerly proudly displays the adopted Neighbor Day logo on the Town of Westerly Calendar each year on the Sunday before Memorial Day weekend and places a proclamation in the Town's archives for posterity; and

Whereas, through the effort of our local legislators, the General Assembly of the State of Rhode Island and Providence Plantations passed legislation designating this special day to be observed in communities throughout the State: Now therefore, be it hereby

Resolved, That the Westerly Town Council with deepest respect for all our Rhode Island legislators and United States Congressmen that they unite with one heart in a collaborative effort to aid in the reintroduction of Neighbor Day as a national day and through our representative to the United Nations to introduce and pass a world-wide Neighbor Day to be celebrated the Sunday before Memorial Day weekend in May of 1996 and each year thereafter; and be it further

Resolved, That the Westerly Town Council, in an effort to help our Congressman, hereby submits petitions signed by many citizens of all ages in our community to be used solely for this purpose and presented in support of this worthwhile effort in the hopes that Neighbor Day will be recognized and celebrated throughout the world.

MAINTAINING THE MOMENTUM FOR PEACE IN NORTHERN IRELAND

Mr. PELL. Mr. President, earlier this week, the International Body chaired by the Honorable George Mitchell, the distinguished former Senate majority leader, issued its report regarding the Northern Ireland peace process. Specifically, the International Body was charged by the British and Irish Governments with examining the twin tracks in the peace process—namely the decommissioning of weapons and all-party talks.

As my colleagues are aware, the current sticking point in the peace process is the relationship between the decommissioning of weapons and the convening of all-party talks. The International Body has done an excellent job of reaching out to the various parties to hear their views on this difficult matter, and of characterizing the opposing views on that issue. I would particularly like to commend my friend George Mitchell for the fine work he has done in this regard.

The report lays out a very balanced set of recommendations focusing on six principles. Among other things, it recommends that the parties to the conflict "affirm their total and absolute commitment" to democratic and exclusively peaceful means of resolving political issues, to the "total disarmament" of all paramilitary organizations, and that they renounce and oppose any effort to use force or threaten to use force to influence the all-party negotiations.

The report recognizes that "there is clear commitment" to decommission weapons as part of the process of all-party talks. It suggests that the parties consider decommissioning during, rather than before or after the process of all-party negotiations.

The report also includes a series of further confidence building measures that might be taken. On the question of elections, it suggests that "elections held in accordance with democratic principles express and reflect the popular will" and that "an elective process could contribute to the building of confidence."

The report does not suggest, however, that elections proceed all-party talks. I know there is real concern among the various parties about the British Government's subsequent proposal that elections be held prior to all-party talks as such elections might further delay the process.

Perhaps most importantly, the report reminds us that "for nearly a year and half, the guns have been silent in Northern Ireland" and that "the people want that silence to continue." For that to happen, there must be continued momentum in the peace process. The timely release of this report has gone a long way toward keeping the process moving. Delays at this juncture could scuttle the very real progress that has been made to date.

In establishing the International Body, Prime Minister Major and Prime Minister Bruton took decisive action to break the deadlock that had beset the negotiations. Let us hope that they, as well as all parties in Northern Ireland, will continue their courageous steps for peace.

TRIBUTE TO THE LATE COACH FRANK HOWARD

Mr. THURMOND. Mr. President, one of the most famous institutions of the South is college football. For decades, southern colleges and universities have produced powerhouse teams that dominate bowl games and yield some of the most talented players that are to be found among professional football clubs. Without question, the Clemson University Tigers is one of the grand old teams of southern football, and Frank Howard was the man who became synonymous not only with Clemson football, but with Clemson athletics. It is with great sadness that I rise today to mark his passing, and to pay tribute to him as a coach, a role model, a man, and a friend.

Frank Howard dedicated his life to Clemson University and its football program. He loved that school so much, that after he retired from coaching, he remained in South Carolina and continued to be an important part of Clemson University campus life. Not only did Frank attend virtually every Tiger home game, he maintained an office in the Jervey Athletic Center and was affectionately, and appropriately, given the title of "Legend." During his career, Frank amassed one of the most impressive victory records in college football, fielding winning teams year after year, and capturing several Atlantic Coast Conference championships. In addition to his skills as a coach, Frank was a gifted recruiter, and that combination ensured that Clemson always had a team of enthusiastic, talented, and well coached players. Countless individual and team records were set by Clemson players during Frank's three-decade tenure at the University, and many of his players went on to become some of the most respected individuals to take to the gridiron in the National Football League.

Frank was the first to admit that there was no secret to how he won football games: he believed in playing aggressive football. As he said time and time again, "Blocking and tackling wins games." While Frank stood for little nonsense as a coach, as some thought him gruff, he was a man who truly loved his players and set an example for them to be individuals who not only truly loved his players and set an example for them to be individuals who not only had a commitment to winning, but to good sportsmanship as well. As any coach would be, Frank was proud of his players who went on to play professional football, and believe me Mr. President, there was no shortage of such individuals. Through the years, Tigers have played on probably every team in both the American and National Football Conferences. What separated Frank from many other coaches is that he was equally proud of his players who never made the roster of a pro team, but who contributed to the growth and success of South Carolina. Frank was always quick and pleased to note that many of his former players went on to become influential and respected leaders in professions as diverse as the law, medicine, business, academics, and religion. No doubt, their accomplishments are in large part attributable to the influence that Frank Howard had on them while they were young men.

Mr. President, Frank Howard was once quoted as saying,

> When I die I want to be buried up there on that hill near the stadium. I want to be there so I can hear all them people cheering my Tigers on Saturday and where I can smell that chewing tobacco in ever corner of the stadium. Then I won't have to go to heaven. I'll already be there.

I am pleased to note that as Frank desired, he will be buried on Cemetery Hill, where he will be able to watch over his beloved Tigers. While Frank is going to be buried in his version of heaven, I have no doubt that St. Peter ushered him past the Pearly Gates, and at this moment he is gathered around a chalkboard with the other greats of coaching, going over games and plays, and enjoying the praises of his peers for his career of accomplishments. Needless to say, Coach Frank Howard will be missed by his large circle of friends, tens of thousands of football fans, and a grateful State. We all send our heartfelt condolences to his widow, Ruth, and to the rest of Frank's family.

THE STATUS OF THE FARM BILL

Mrs. MURRAY. While the debate continues in Congress over the future of farm policy for our Nation, I wanted to outline some of my priorities for agriculture in 1996.

While Congressman ROBERTS continues to push for his proposal to decouple farm payments, I am committed to maintaining a safety net for our farmers. Coupling payments to both production and the marketplace is a good way to preserve the safety net. Farm payments should occur when prices are low so our farmers can sustain their capacity to produce. When prices are high, the market can and will sustain our farmers.

Payments should also be tied to production. Farm payments should be given to those working the land today, not simply to those who have received payments in the past. When Congress authorized the 1990 farm bill it was understood that the program was voluntary. That is to say, you only needed to be farming in order to be eligible to participate. Now the Republican proposal requires participation over the last 5 years in order to continue participating. The farm programs would not longer be open to anyone currently farming, but only to those who had participated between 1990 and 1995, regardless of whether or not they were still farming.

I also think we should preserve the permanent authority for farm programs embodied in the 1949 agriculture law. In my opinion, repeal of the 1949 law sends a clear message that our historic commitment to the farmers of our Nation is ending. We must preserve this law as a constant reminder of our ongoing commitment to maintaining a stable food supply for our Nation. Preserving permanent authority for farm programs also recognizes the vital role that agriculture plays, and will continue to play, in this Nation's economy.

I am frustrated that Congress has failed to recognize the vital importance of agriculture to our economy. We must maintain our commitment to farmers, and farm programs must be tied to production and marketplace. I am willing to work with my fellow Members to act quickly on a farm bill that provides certainty and security to our farmers, both now and in the future.

In addition, I feel the farm bill should not be broken up so that food stamps and conservation programs are not addressed in conjunction with the commodity programs. The simultaneous consideration of these areas of farm policy represent a balanced approach that recognizes the obligations of our Nation not only to our farmers, but also to our poor and our environment. While the farm bill is designed to enhance and ensure the bountiful production of food from our land, it must also address the distribution of that bounty to those of our Nation in need. With all the food we produce, we must make sure it gets to the millions of hungry mouths in our cities and towns. While we help farmers to cultivate their land, we must also encourage them to preserve it when and where appropriate. USDA's Conservation Reserve Program is twice the size of the USFWS National Wildlife Refuge Program. The contributions of this program to the preservation of wetlands, woodlands, and wildlife cannot be understated.

As the debate over the farm bill continues, I am committed to working for these principles and to look out for the best interests of the hard working families on the farms of my great State of Washington.

GREAT PLAINS SYNFUELS PLANT

Mr. DORGAN. Mr. President, I rise today to express my grave concerns about a matter that is currently under review before the Federal Energy and Regulatory Commission [FERC].

The future operation of the Great Plains Synfuels Plant, located in Beulah, ND, is being seriously threatened by a recent ruling in a case pending before FERC. This decision ignores not only the adverse economic consequences that the decision will have on the people of North Dakota and the region, but it fails to consider the strong public policy reasons supporting both the initial construction of the Great Plains alternative energy plant and its successful operation for years to come. I urge FERC to reconsider the ruling in this light.

The Great Plains plan now employs 640 people in North Dakota and represents 20 percent of the lignite coal produced and consumed in the State. In addition, there are more than 400 construction workers presently employed at the Great Plains site who are involved in two ongoing capital construction projects valued at hundreds of millions of dollars.

The Great Plains plant has an enormous impact on North Dakota's economy. Several independent economists have estimated that the direct and indirect economic impact of the Great Plains plant is about $500 million every year—a sizable impact given North Dakota's small population.

Great Plains was constructed with a loan guaranteed by the Department of Energy [DOE] pursuant to the Federal Nonnuclear Energy Research Act of 1974. Specifically, that act authorized DOE to provide loan guarantees to assist in the demonstration of alternative fuel technologies using coal, oil shale, biomass, and other sources. Great Plains is the only alternative energy project still operating today that was built because of the Federal Government's efforts in the late 1970's and early 1980's to achieve energy independence for this country.

DOE operated the Great Plains plant for several years after its original sponsors in 1985 abandoned the project. In 1988, DOE sold Great Plains to the Dakota Gasification Co.—a subsidiary of Basin Electric Power Cooperative—because Dakota was absolutely committed to the long-term operation of the plant. Dakota's commitment was made based upon the continued validity of FERC Opinion 119, which approved the gas purchase agreements between Great Plains and the four pipeline purchasers, and the reasonable assumption that FERC would stand behind its opinion.

Since purchasing the plant, Dakota has acted to promote, to develop and to demonstrate the very technological potential that first prompted the Federal Government to finance the plant's construction. For example, Dakota has produced an annual average of 157 million standard cubic feet of synthetic gas a day from a facility designed to produce a maximum of 137.5 million standard cubic feet a day with virtually no additional capital investment. Because of this increased production and its other efforts, Dakota has continued to decrease both the real and nominal cost of producing synthetic gas.

At the same time, Dakota has been developing new by-products from the coal gasification process, such as rare gases and other chemicals, for commercial sale in this country and abroad. Dakota is currently embarking on several extensive investment projects costing several hundred million dollars. These projects depend upon the long-term operation of the plant and the continued application of FERC's Opinion 119.

One important project involves developing one of the plant's by-products—carbon dioxide—as a method to enhance secondary oil recovery in the United States and Canada. The other project uses a significant portion of the plant's raw synthetic gas to produce on-site anhydrous ammonia for use in a commercial fertilizer that is currently imported into the United States and is in short supply. Another cutting edge technology being developed at the Great Plains site uses the same ammonia by-product as a reagent in a flue gas scrubber system to produce yet another fertilizer, ammonia, sulfate. This represents the first commercial application in the world of this new technology, developed by General Electric Environmental Systems, Inc. It is a process that converts a waste by-product, which would have otherwise been disposed of in a landfill, into a marketable product.

Mr. President, one thing is absolutely clear about the Great Plains facility and the work of the Dakota Gasification Co. Not only have they successfully commercialized the technologies that Great Plains was constructed to demonstrate as contemplated by the 1974 act, but they are also developing important new applications. Given all this, I sincerely hope that the FERC Commissioners will reconsider the initial ruling made in this case and take whatever steps are necessary to ensure the future operation of Great Plains as a successful alternative energy facility.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GRAMS). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE BALANCED BUDGET DOWNPAYMENT ACT, I

Mr. LOTT. Mr. President, we have been working with the leadership, the chairman of the Appropriations Committee, and the distinguished ranking member of the Appropriations Committee. We have an agreement worked out on proceeding with the continuing resolution and the first amendment that would be offered thereto.

So, I ask unanimous consent the Senate now turn to the consideration of H.R. 2880, the continuing resolution, and Senator KENNEDY be immediately recognized to offer an amendment regarding education, that no amendments be in order to the amendment, and there be 1 hour and 30 minutes, equally divided, for debate in the usual form; following conclusion or yielding back of time, the majority leader or his designee be recognized to make a motion to table the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object, I do not intend to object but is the chairman of the Appropriations Committee going to make a statement for the record?

Mr. LOTT. Mr. President, if the distinguished Senator from West Virginia will yield, I believe he will. He is on his way to the floor at this moment, so he should be here momentarily.

Mr. BYRD. Yes. I have a statement also. I wonder if it would be agreeable for the chairman and ranking member to proceed with their statements first? That is the normal thing to do.

Mr. LOTT. Mr. President, I think that is certainly appropriate. I would like to amend the unanimous-consent request to state that after the opening statements by the leadership of the committee, we then immediately proceed to the amendment by Senator KENNEDY.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank the distinguished majority whip for his courtesy.

Mr. LOTT. Mr. President, I further ask unanimous consent that once the Kennedy amendment has been disposed of, Senator MOYNIHAN be recognized to offer an amendment regarding the debt limit.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. For the information of Senators, we do expect to have votes to begin sometime around—I guess it would be 2:30, between 2:30 and 2:45, depending, of course, on the length of the opening statements. But after this time has been used or yielded back, we will have a vote then between 2:30 and 2:45.

I yield the floor.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A bill (H.R. 2880) making appropriations for fiscal year 1996 to make a downpayment toward a balanced budget, and for other purposes.

The Senate proceeded to consider the bill.

Mr. LOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, we have before us now the continuing resolution that the House acted upon last night, H.R. 2880. The existing continuing resolution expires today at midnight, the 26th. All of us want to avoid another shutdown of the Federal Government, and its departments' and agencies' funding in the appropriations bills not yet signed into law. Therefore, we need to act expeditiously on the measure now before us, which provides for continued operations until March 15th.

For the activities funded in the Commerce, Justice, State, Judiciary, and related agencies appropriations bills and the VA–HUD appropriations bill, the measure before us will provide funding at the levels established in the conference agreements on those bills generally under the terms and conditions of fiscal year 1995. The exception is made for the Department of Justice, which will operate at fiscal year 1996 funding levels, under fiscal year 1996 terms and conditions.

Activities funded in the Interior and related agencies appropriations bill and the Labor-HHS, Education and related agencies appropriations bill will continue to operate until March 15 at the lower of the funding levels established in the House-passed bill, the Senate-passed bill, or the current rate.

The exceptions made for activities of the Indian Health Service and the Bureau of Indian Affairs, the National Park Service of the U.S. Forest Service, and the U.S. Fish and Wildlife Service, which will operate until March 15 at the levels established in the conference agreement on the Interior.

Further, special provision is made for the activities funded in the foreign operations bill. My colleagues will recall that for fiscal year 1996, the foreign operations bill has been a contention between the House and the Senate for some time over the matter of population planning assistance programs. The Senate has voted three times on this matter, one during the Senate consideration of the bill reported from our committee and twice in connection with an amendment in disagreement on the conference report.

Since the House returned the bill to us in November after further insisting on its position, we have found ourselves in an extraordinary parliamentary situation that requires unanimous consent—unanimous consent—to take further action. Unable to secure that consent, we have been unable to once again uphold a Senate position, or even to have the Senate consider a compromise.

To break that impasse, the House has now presented us with provisions in the measure which will fund all activities in the Foreign Operations bill with the exception of population planning assistance at the level of the conference agreement for the remainder of the fiscal year 1996. There will be no funding for population planning assistance programs until July 1, unless expressly authorized. And, as you know, the authorization bill has yet to be completed. Following July 1, funding may be provided at 65 percent of the fiscal year 1995 level apportioned on a monthly basis for 15 months.

Mr. President, this is a near calamitous formulation of these programs, and it may very well provoke a result entirely antiethical to the "pro-life" position. These programs promote family planning and birth control in the developing nations of the world. Without them, there will inevitably be more unwanted pregnancies, which will result in either more abortions or more unwanted children facing lives of disease and deprivation.

I cannot for the life of me understand the action of the House. I believe it is wrong. It puts the gun to our heads, Mr. President. I speak as a pro-life Senator. I do not see any reason, any legitimate rationale, that people who stand in a pro-life position should do a thing of this kind to increase the possibilities of abortion—increase them, not diminish them.

There is a substantial majority in this Senate that would reject the cuts in population planning assistance, and I am one. But if we prevail on amendment, the bill must be returned to the House for an uncertain future, and a Government shutdown could ensue. I am not sure the House is in a business position this afternoon or this evening to take further action on this. We are sort of in one of those situations where, as I say, it is a gun to our head. Otherwise, we then stand the responsibility of shutting down the Government.

This predicament graphically illustrates why we should avoid continuing resolutions of any sort. As our former chairman, Senator BYRD, has told us many times, the right to debate and amend is the very essence of the Senate. We, in effect, are being deprived of this by this timetable and this kind of procedure. When we allow ourselves to get into this position, we risk losing those rights.

Now, Mr. President, I do not blame our colleagues in the other body entirely. It is not their job to protect our prerogatives. But I will say that the Senate cannot and will not indefinitely forgo its right to amend. Perhaps we should consider initiating further action in this realm rather than waiting for the House to act and then hand us a document that is a fait accompli. We may not prevail, but we will not be reduced to the mere ministerial function of approving what the other body may determine and hand to us.

With that off my chest, Mr. President, let me summarize briefly the other major provisions of this bill and yield the floor to Senator BYRD, our ranking member and former chairman, for any opening comments he wishes to make.

The no-furlough provision of prior continuing resolutions has been dropped. A new provision is included, however, to give agency managers the flexibility to avoid immediate severe staffing reductions. Flexibility.

Ten programs in the Labor-HHS bill are terminated. New grants for another two dozen are held to 75 percent of their prior monthly rate.

I would like to also indicate on this one there has been communication at least from our side with the White House and the agencies involved, and even as late as last night I had further conversation with the Secretary of HHS, and it is not one of those things that is perhaps advocated or welcomed, but there is at least an indication of acquiescence to these actions on the part of the administration.

Travel by Cabinet Secretaries in excess of 110 percent of the 1995 average is prohibited. A national security exemption is granted for defense, the Secretary of Defense, that is, the Secretary of State, the Director of the CIA, and the U.S. Ambassador to the United Nations.

Authority is granted for the sale of a House office building.

Section 128 prohibits certain embryo research. I might indicate that no such research is underway or contemplated at this time, but it is a further definition of the congressional position.

Provision is made for the sale of oil from the Weeks Island facility of the strategic petroleum reserve in keeping with the conference agreement on the interior bill.

Legislative provisions from the VA-HUD conference agreement that will achieve significant savings in the operation of housing programs are included.

The maximum Pell grant award is established to be at least $2,440. That is a $100 increase over the previous fiscal year.

Those are the issues. Those are the parts of this bill that we will be discussing and hopefully act upon in an expeditious manner.

At this time, I thank also the Senator from Massachusetts [Mr. KENNEDY] and the Senator from New York [Mr. MOYNIHAN] for entering into a time agreement on their two amendments to further expedite this process.

Mr. President, again, I wish to say this is not the kind of document I believe would have come out of the Senate Appropriations Committee. Yet, we are in this situation. I wish I could be enthusiastic about this product, but I do see the fact that we live with it but until March 15. And hopefully within that period of time we can resolve these differences and have them peeled out of the CR and enacted in a regular form with the consensus of both the House and the Senate in the product rather than this being exclusively a House product.

Mr. President, I now yield to my good friend and colleague and mentor and compatriot who shares the misery, as we share misery together in the many duties that we have to perform. And I thank the Senator from West Virginia again for his cooperation, for the fine cooperation between Keith Kennedy and Jim English representing our respective staffs, that represent a bipartisan approach to as many issues as possible within the context and the framework of this moment.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I thank the Chair. I also thank my colleague, my cherished colleague, the distinguished senior Senator from Oregon, the chairman of the Appropriations Committee, from whom I have learned much, indeed. I thank him for his very thoughtful remarks. They were cogently articulated, reasonable in every degree. I share with him a concern about the situation that has developed in which the Senate at least for a time is being deprived of its right to amend, in essence it is being deprived of its right to amend. We do not have to agree to that. But that is a right of the Senate which the Framers were very careful to include in the Constitution of the United States, which says that revenue bills shall begin in the other body, but the Senate shall have the right to amend as in all other bills. So we, I think, have to zealously guard those rights but at the same time we have to keep in mind some other circumstances that are prevailing at the moment.

Mr. President, the House of Representatives has chosen to call the pending measure "The Balanced Budget Downpayment Act, I." In reality, H.R. 2880, the pending measure, is the latest in an unprecedented string of continuing resolutions. H.R. 2880 is the ninth continuing resolution for fiscal year 1996, and since this resolution will expire on March 15, 1996, it is likely that one or more additional continuing resolutions will be required subsequent to the enactment of H.R. 2880.

I have been advised by the Congressional Research Service that this is by far the largest number of continuing resolutions for any fiscal year since 1977, and perhaps the most for any year. During Mr. Reagan's 8 years in the White House, which covered fiscal years 1982–1989, continuing resolutions were the norm. In fact, for every year except President Reagan's last year in office—fiscal year 1989—continuing resolutions were required. But, over this 8-year period the largest number of continuing resolutions that were required for any 1 year during Mr. Reagan's terms was fiscal year 1987, when six continuing resolutions were required. In three other years, fiscal years 1985, 1986, and 1988, five continuing resolutions were required; for fiscal year 1982, four continuing resolutions were required; and for fiscal years 1983 and 1984, two continuing resolutions were required.

During President Bush's 4 years in the White House, fiscal years 1990–1993, three continuing resolutions were required in his first year in office, fiscal year 1990, and five continuing resolutions were required for fiscal year 1991, the year of the 1990 budget summit. At the end of that summit, it was determined that a full-year continuing resolution should be enacted for all 13 appropriation bills and that was done on November 5, 1990. For fiscal year 1992, four continuing resolutions were required; and for fiscal year 1993, one continuing resolution was required to carry appropriation measures through October 5th in order to give the President time to sign all appropriation bills for that year.

It is not unusual for a number of continuing resolutions to be required for any given fiscal year to give the President and Congress time to complete their work on annual appropriation bills. But this is a different situation. Never before in my memory have the Congress and the President been unable to reach a successful conclusion on the amounts to be appropriated for the 13 appropriation bills without having to pass nine and perhaps even more continuing resolutions.

This has been a unique year in that respect, but it is understandable. The Republican leadership in Congress feels very strongly about not only the levels of funding they think should be appropriated for a number of these appropriation bills, but also about a number of legislative, policy-type issues that they have chosen to attach to each of the six unsigned fiscal year 1996 appropriation bills. The President has made it clear that he is unable to sign five of the remaining bills because of insufficient funds or because of the legislative riders attached to them, or both. So it appears that this impasse is unlikely to be resolved until a final determination is made in relation to the 7-year budget agreement. The President hopes that such an agreement, if achieved, would result in additional discretionary spending for fiscal year 1996 and other years. If those additional funds are allocated, obviously the difficulties remaining on the six unsigned appropriation bills would be greatly lessened. Even then, however, the issue of legislative riders will have to be resolved.

So, it is difficult to know when or if we will be able to finally enact appropriations for the remaining fiscal year 1996 appropriation bills for the rest of the fiscal year.

Meanwhile, turning to the pending measure, let me compliment the chairman of the committee, Senator HATFIELD, as well as the very capable and articulate chairman of the House appropriations committee, Mr. LIVINGSTON, for their efforts in putting together this bill. They and their staffs worked very closely with Mr. OBEY, the distinguished ranking minority Member of the House Appropriations Committee, and with my office and our staffs in attempting to solve as many problems as we could in connection with this current continuing resolution.

Mr. President, I also want to thank our staffs. The names have already been mentioned by the distinguished chairman. I would simply say without their expertise and their dedication and hard work, we would not be where we are today. But this bipartisan approach was, I am sure, a key reason why this bill passed the House by a vote of 371 to 42.

I will not give a brief summary of the bill. The distinguished chairman has already laid that in the RECORD. I will just simply include that in my remarks.

The resolution as passed by the House funds four bills through March 15, 1996: VA/HUD, Commerce/Justice/State, Interior, and Labor/HHS.

The resolution funds the Foreign Operations Appropriations Bill through the balance of the fiscal year, September 30, 1996, at the levels contained in the conference report on the bill. Also included in the foreign operations portion in the resolution is a special provision prohibiting population assistance funding until July 1, 1996, unless expressly authorized.

A floor of 75 percent of fiscal year 1995 funding has been set for certain programs which would have received little or no funding. Those programs are: Advanced Technology Program; Ounce of Prevention Council; GLOBE/Climate change-Internet; Cops on the Beat; Drug Courts; AmeriCorps; Community Development Financial Institutions; and HHS Office of Consumer Affairs.

Additionally, the resolution contains a number of general provisions, among which are the following: travel expenses of Cabinet Secretaries may not exceed 110 percent of the 1990–1995 average, except for Defense, State, CIA, and the Ambassador to the United Nations; Section 128 of the bill prohibits the use of funds for embryo research; "no-furlough" language of the existing continuing resolution is dropped but furloughs are limited to no more than one day per pay period per employee; full furlough protection for the Council on Environmental Quality; a freeze of new grants and elimination of 10 programs in Labor/HHS; the Architect of the Capitol is directed to sell an excess House Office Building; a maximum Pell Grant of "at least" $2,440 ($100 above fiscal year 1995); and $1.2 billion in legislative savings agreed to in the VA/HUD conference.

In conclusion, Mr. President, while I would prefer to have enacted all of the 13 appropriation bills through the balance of the fiscal year in this measure, that was not possible for the reasons that I have stated. Under the circumstances that we face, I believe that this measure is the best that we can achieve at this time. The House passed it overwhelmingly; the President indicated that he will sign the measure when it reaches his desk; so I urge my colleagues to refrain from offering amendments to the measure unless they address urgent and critical matters. Failure to enact H.R. 2880 by midnight tonight would result in another government shutdown, which is an unacceptable alternative.

I urge the adoption of H.R. 2880.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Massachusetts is now recognized to offer his amendment.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

AMENDMENT NO. 3119

(Purpose: To maintain funding for education programs)

Mr. KENNEDY. Mr. President, I send to the desk an amendment on behalf of myself, Senator JEFFORDS, Senator SNOWE, Senator SIMON, Senator BINGAMAN, Senator WELLSTONE, Senator PELL, Senator DODD, Senator REID, Senator HARKIN, and others, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for himself, Mr. JEFFORDS, Ms. SNOWE, MR. SIMON, Mr. PELL, Mr. DODD, Mr. REID, Ms. MURRAY, Mr. HARKIN, Mr. BINGAMAN, and Mr. WELLSTONE, proposes an amendment numbered 3119.

Mr. KENNEDY. Mr. President, I ask that further reading of the amendment be dispensed with.

The amendment is as follows:

At the end of title I, insert the following new section:

SEC. . (a) Notwithstanding any other provision of this Act (except sections 106, 115, 119 and 120), the amount appropriated for each education program under this Act shall be not be less than the amount made available for such education program under the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1995.

(b) For the purpose of subsection (a), the term "education program" means each continuing project or activity of the Department of Education and each continuing project or activity under the Head Start Act and the School-to-Work Opportunities Act of 1994.

Mr. KENNEDY. As I understand, at the request of the two leaders, the time allocated for this was to be an hour and a half evenly divided. I would yield myself now 7 minutes.

The PRESIDING OFFICER. The Senator is correct. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, today we are asked to consider the fourth temporary funding measure of this fiscal year. The proposed continuing resolution, if extended for the entire year, contains the largest education cut in the Nation's history, over $3 billion, and will cause disruption and chaos in colleges and school districts across the country.

President Clinton has made clear that he will not consider a budget agreement unless it protects education. But the longer we accept these short-term cuts, the more damage is being done to the very areas, particularly education, that we have vowed to protect. We are in danger of accepting, through the back door, what we would have never accepted through the front door.

This amendment, cosponsored by Senators SIMON, JEFFORDS, SNOWE, and others, stops the hemorrhage of Federal education dollars. It provides funds for education programs at the 1995 levels, so that schools and colleges have the funds they need to plan for the next academic year. Without those funds, schools and colleges across the country face drastic cuts in vital education programs.

Boston, for example, is required by State law to submit its school budget for next year to its school committee by the first Wednesday in February. The school committee must submit its budget to the mayor by the last Wednesday in March. Teacher contracts require teachers to be notified of any layoffs for the next year by May 15, or else teachers must be paid for the entire year.

Because there are no 1996 figures for key Federal programs, the city, for example, must adopt a budget based on the worst-case level of funding for the title I program. This would be a 15-percent cut for Boston schools. The city will have to eliminate title I services at 14 of their 79 title I schools. They will also have to lay off teachers.

The Detroit public schools are planning their budget for a worst-case scenario, will lose $16 million in title I alone—an 18-percent cut that will force them to lay off 419 teachers and serve 10,000 fewer students. They will also lose $4 million in Medicaid funding that helps pay for 800 special education teachers and medical professionals. Detroit Superintendent Dr. David Snead says that the burden of these Federal cuts will be transferred squarely onto the back of the local school district. Mr. President, the list goes on.

According to Lyn Guy, superintendent of Monroe County Public Schools in West Virginia—25 percent of her $13.5 million budget comes from Federal funds. Her district has begun its planning process, and she has no choice but to plan for the lowest cuts. She must announce teacher contract renewals by April 1, and she expects to be forced to lay off 15 to 20 teachers in her 6 schools. Yet in Monroe County, the public school system is the largest employer and teachers are the highest paid workers. A loss of 15 to 20 teacher jobs will cause significant economic hardship.

In addition to personnel cuts, Monroe County will have to dismantle programs begun last year that are helping the district serve children from birth to 8 years old more effectively. It will be forced to eliminate a coordinated services project begun this year to bring comprehensive health and nutrition services to all students. It will also be forced to eliminate Project TLC, which uses title I and Head Start funds to help children come to school ready to learn. It will be forced to eliminate the Parents as Teachers Program, which brought 50 parent volunteers to the elementary schools that had never had parent volunteers before.

Mr. President, this chart here indicates where we have been going in the recent years in education funding. We have seen a modest increase in total numbers over the past few years. This $0.9 billion, almost $1 billion, increase also reflects a $600 million rescission from the last year.

All we are trying to do is go back to the 1995 levels. If this continuing resolution that is before us today were extended for a year, we would effectively cut $3.1 billion from the 1995 levels, which would be the largest cut in education in the history of the United States. It is not warranted. It is not justified.

Mr. President, the effect of this will mean some 1,100,000 children that are receiving the title I services for extra help in reading and math would be denied those services, and 31,000 teachers would be laid off. More than 250,000 students who otherwise would be eligible for Pell grants, will not be eligible.

In the Safe and Drug-free Schools Program, 14,000 school districts will eliminate or drastically reduce their drug abuse and violence prevention programs. The Goals 2000 Program, which helps States and districts establish the higher standards for students across the country, would be slashed.

Mr. President, we have to ask ourselves where these priorities are. This is a simple amendment. All we are trying to do, for the period of this amendment, which is some 49 days, is to say that we will set the mark for these school districts and for the colleges at the 1995 level. We are not extending the continuing resolution for a year, and that is explicit in the legislation.

Mr. President, arguments are going to be made here that if we extend the continuing resolution, with our amendment, for a year, it will take scarce resources from other programs. What we have before us, Mr. President, and before the country is what the President offered the other evening, and that was his hand to the Republican leadership in the House and Senate to work out an agreement. Every one of us want the agreement to work out. But the President also said that he will work out an agreement to protect education.

If we are going to continue the funding of education at 75 percent of the 1995 level, we are going to be sending the message to school districts and colleges across this country to count on a significant cutback in funding, and that is not correct.

So, Mr. President, we are hopeful that this amendment will be accepted. We are prepared to deal with the various challenges that will be made about the budget order and various procedures and allocations in various agreements. What we have seen at other times is that when an agreement is going to be made between the President and the Congress, and he is going to make that agreement with regard to education, then the ceilings and limits and terms of allocations under the Budget Act will be expanded.

This is in the best tradition of a bipartisan education effort. We have seen for years that Republicans and Democrats work together in education. We saw it last year when the Senator from Illinois and the Senator from Maine worked together to bring us all together with 67 votes indicating the Nation's priorities on education.

Today, we are trying to make sure that in these final hours, when this legislation was called up at 2 o'clock on a Friday afternoon with a 1½-hour debate on this measure, without having the full knowledge of what was going to be included in that continuing resolution until 6 or 7 o'clock last night, that we can raise this important issue. We believe that this is the kind of amendment that the American people stand for.

I will introduce in the RECORD the sentiments which have been expressed by the American people on education. More than 80 percent of the American people say, Do not cut education programs. We are supporting the elimination of those education programs which have been eliminated in the continuing resolution. But when you are talking about Head Start, when you are talking about moving children from high school into work, School to Work, when you are talking about title I, when you are talking about the Pell grants, when you are talking about the Perkins loan program, when you are talking about Safe and Drug-free Schools, when we are going to see our school population increase by 10 percent—some 8 million children—we ought to be willing to say that no matter how necessary it is to balance the budget—and it is—we are not going to do it on the backs of the schoolchildren of this country.

I reserve the remainder of my time.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. How much time remains on each side?

The PRESIDING OFFICER. The Senator from Pennsylvania controls 45 minutes. The Senator from Massachusetts controls 37 minutes 40 seconds.

Mr. SPECTER. I thank the Chair.

Mr. President, I agree with a great deal of what the distinguished Senator from Massachusetts has had to say. During the course of my tenure in the Senate, I have been a strong supporter of education funding. I am the chairman of the Appropriations Subcommittee which funds education, and when the Senate drew a larger education allocation than the House did, I took the lead, along with Senator HARKIN, the distinguished ranking minority member, in putting the $1.5 billion extra all into education.

I would like to see education funded at the 1995 level. But the import of this amendment, as I understand it, and I qualify it to that extent because we are dealing in great complexities—one thing I strongly disagree with the Senator from Massachusetts on is when he says this is a simple amendment. If there is anything that I think is plain, it is that this is not simple.

As I have gone through the work with very able staff in trying to understand the implications of this matter, because I did not get notice of it until a telephone call from Senator KENNEDY last evening, there would be a reduction—if I may have the attention of the Senator from Massachusetts, because I would like to have a dialog with the Senator. We just had one informally before the amendment was called up, and I think we ought to have a discussion to see if we can agree as to what the import of this amendment is or if we can agree to disagree.

As I understand the amendment, if these funds came to fruition in the context of what we currently have available, there would be a 10.5-percent reduction across the board in funding on the subcommittee appropriations which covers the Departments of Education and Labor and Health and Human Services.

So if we come to employment and training programs—and I know that no one is a stauncher advocate for that than the Senator from Massachusetts, although there are some equally as strong, such as Senator KASSEBAUM, myself, and others—there would be a reduction of almost $334 million. And if this spending came to fruition without an increase in the allocation, there would be a decrease in spending on NIH, the National Institutes of Health, of $1.253 billion, and on LIHEAP—so necessary in Massachusetts, as well as Pennsylvania and many, many other States; the distinguished Senator from Minnesota, Senator WELLSTONE, has spoken emphatically on this subject, as well as many others—there would be a decrease in funding of $105 million.

When Senator KENNEDY says we need to know what funding will be available for education, I agree with him totally. But if his amendment is adopted, there will be a doubt as to what the funding will be for NIH, for employment and training programs, and for many, many programs, so it will all be confused.

When he says President Clinton extended his hand to work out an arrangement here, when he extended his hand, I stood up and extended mine when he made that point in his speech about Americans working together. But I suggest that this amendment is not going to accomplish the purposes the Senator from Massachusetts looks for.

When he says it is for 49 days, it is not annualized, that is true, but what does it mean? If it only lasts for 49 days and the funds are not expended until July 1 and after, nothing will happen unless there is an increase in the allocation for this subcommittee——

Mr. President, will you call the Senate to order, please?

The PRESIDING OFFICER (Mr. CRAIG). I thank the Senator. The Senate is not in order.

Mr. SPECTER. I thank the Chair. Mr. President, if the Senator from Massachusetts is correct, that it is not annualized, that it stands for only 49 days, no other funds are added and this money is then spent for education, which I would like to see, it is going to come out of other programs.

If the Senator from Massachusetts wants to make a point that we discussed privately, I would like to find a way to do that. I have sat repeatedly, as recently as the day before yesterday, with Congressman PORTER, who chairs the House committee, trying to preconference a report covering education.

We have not been able to bring this bill to the floor because of a disagreement. I am prepared to accept 50 percent of the responsibility. I would like to divide it equally between the Democrats and the Republicans for a change, instead of arguing that it is all the Democrats because you are filibustering striker replacement, or it is all the Republicans. We have not brought it to the floor, and there is enough blame on all sides.

The question I ask the distinguished Senator from Massachusetts is, on the basis of the current allocation for the subcommittee which covers education and also the Departments of Health, Human Services and Labor, if that figure is not increased, and if the amendment stands, if it is adopted and is not rescinded, is it not true that, if you add this money to education and the allocation for the subcommittee stands, there will have to be a $686 million reduction from the AIDS funding for the Ryan White Program? That is my question.

Mr. KENNEDY. The answer to the Senator——

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. I will yield on the Senator's time, if I can.

Mr. SPECTER. I say to Senator KENNEDY, why not take your time? This is an argument on your behalf.

Mr. KENNEDY. I will come back and answer it, but I have a number of Senators who are here. It was at the request of the majority side that we limit our time in this way, over my objection.

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Massachusetts?

Mr. KENNEDY. When the Senator is going to yield the floor, I will make a brief comment, and then I want to be able to yield time to others.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. I will yield time, reasonably, to the Senator from Massachusetts. Parliamentary inquiry. What are the magic words if I want to regain the floor after yielding the time if the Senator goes too long?

The PRESIDING OFFICER. The Senator can reclaim the floor.

Mr. SPECTER. I yield to the Senator on my time.

Mr. KENNEDY. I listened to the Senator's question. The Senator may not like the answer, but I am going to give the answer that I believe is responsive to the question.

The other side of what the Senator asked is committing this country, over the period of the next year, for the 25-percent cut in many programs, which is in effect in the continuing resolution. I say I am not prepared to accept those allocations that the Senator has mentioned, the straitjacket that the Senator has indicated we put ourselves into, because I believe that that straitjacket can be lifted, and the American people are going to demand that we lift it.

If the Senator is saying, look, we have agreed to some procedure and therefore we are going to see a continuing diminution of support for education, I reject that. I will join with the Senator from Pennsylvania, because he has been a leader in this body, in making sure that we are going to have adequate funding. I say that the best way to get that adequate funding is to accept this amendment and build on that with the President and the congressional leaders, as they work out a final agreement on the balanced budget to reflect the President's priorities and the American people's priorities, and that is to increase the funding on education, certainly not to cut it 25 percent.

Mr. SPECTER. My next question for the Senator from Massachusetts is, is it not true that if the funding is not increased and the amendment of the Senator from Massachusetts stands, that there will be a decrease of $1.253 billion from NIH?

The PRESIDING OFFICER. Does the Senator yield to the Senator from Massachusetts?

Mr. SPECTER. I yield on my time.

Mr. KENNEDY. Mr. President, that question is like saying, if we accept what happened here in the U.S. Senate in cuts on Medicare and Medicaid, we are going to have to live with them. I reject that premise. The President rejects that, and the American people do. The way we are going to see the significant cuts of some 25 percent on the education budget and these $3.1 billion cuts is by rejecting this amendment. We will be able to deal with the allocations as part of the overall agreement, which, as I understand, there are negotiations between Republicans and the President at the same time. The President supports this amendment.

Mr. SPECTER. Mr. President, I take the answer from the distinguished Senator from Massachusetts to be a yes. The import of his answer is that there will be a decrease in NIH funding, and there will be a decrease in funding for every other program covered by the appropriations allocation for my subcommittee, which has the Department of Health and Human Services, Department of Labor, as well as the Department of Education.

I have asked the question twice, and twice the Senator from Massachusetts has said that he does not accept the allocation. Well, I do not accept the allocation either, but Senator KENNEDY does not run the U.S. Government, and neither does ARLEN SPECTER. Before there is going to be a change in the allocation, there has to be an agreement between the executive branch, the President, and the Congress of the United States. Right now, what we are dealing with is an allocation for three departments. I do not like the allocation, but that is the allocation. And you cannot take $3 billion and add it to education without crippling many, many other vital accounts. You will be taking an enormous amount of funding out of the older worker's jobs program, community and migrant mental health centers, maternal and child care, substance abuse; and if I did not have a limitation of time, I could go through many, many programs, which I know the Senator from Massachusetts would not want to take funding out of.

But the answer is—and it is reading between the lines on what the Senator from Massachusetts has responded—these programs will lose funding under the current allocation. I am prepared to fight with him to increase the allocation. But I am not prepared to see an amendment pass here today which gives false and unrealistic hopes to the education community. It is not even Confederate money that Senator KENNEDY is offering here today, it is illusory money, it is pie-in-the-sky. He says it lasts for 49 days. There is no expenditure in that period of time. If it lasts longer, he is going to gut many, many other programs.

So I think it just has to be rejected. How much time remains?

The PRESIDING OFFICER. The Senator has 32 minutes remaining.

Mr. SPECTER. I yield the floor.

Mr. KENNEDY. Mr. President, I yield myself 15 seconds. If the Senator wants to continue to defend the Republican position of having $245 billion in tax cuts as part of his premise, when we are going ahead and cutting these education programs, go ahead. But this President is not accepting it, and this Congress is not accepting it.

We are stating, with this amendment, our priorities. It is in education. There are good bean counters around here, but we are talking about the hearts and souls of the American people. If we gut the $245 billion, when the President sits down, he is going to say, Let us put at least $3 billion of that right back here in education.

I yield 5 minutes to the Senator from Vermont.

The PRESIDING OFFICER. The Senator yields 5 minutes.

Mr. SPECTER. Mr. President, I seek recognition.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, I am a little surprised to hear the Senator from Massachusetts make the statement that this Senator supports a $245 billion tax cut. I am surprised to hear the Senator from Massachusetts make that representation because, even though he cannot be on the floor all the time, I know he very seriously reads the CONGRESSIONAL RECORD. He must have noted my vote against the tax cut repeatedly when it came up on the reconciliation bill. This Senator has not supported any tax cut at all.

On my time, let me ask the Senator from Massachusetts if he agrees with President Clinton that there ought to be a $130 billion tax cut.

Mr. KENNEDY. On the Senator's time, I supported the tax cut for tuition and also for the child care program. I think it ought to be somewhat smaller. But the Senator knows that he is speaking as the floor manager for the majority party. He can have an independent position, but to disclaim the fact that his side of the aisle is committed to a $245 billion tax cut and to also cut back education is disingenuous, I would say.

Mr. SPECTER. Mr. President, let me make strong exception to the Senator from Massachusetts using the word "disingenuous." That is the most inappropriate thing he has said here today, among many inappropriate things. I am interested to know that he supports a tax cut.

I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont is recognized and has been yielded 5 minutes.

Mr. JEFFORDS. Mr. President, I rise to speak in favor of the amendment. I commend the Senator from Pennsylvania for the work he has done. I am on the subcommittee. I know what an incredibly difficult job it is to try and divide too few dollars among too many very valuable and worthwhile programs. I also believe that at this critical time, in this year when all of the cities and towns of my State and others are trying to figure out what they are going to be doing with their education budgets for the next year. They have the problem of having to notify teachers of their plans. It appears that the track we're on now does not provide schools with sufficient information to make decisions. It would be much better to do what we are proposing in this amendment, and that is to let them know that at least is they should be able to plan on not having any substantial cuts in the educational programs.

If I read the minds of the budgeteers as represented in their statements to the press, the only real agreement that has come out is there should not only be no cuts in education, but that education services should be increased to account for inflation. There seems to be unanimity even within the House on this point. I do not think we are in any way misrepresenting to our people if we say that this year we should at least have a freeze on funding at the 1995 levels. That is even less than it appears they have agreed to at the summit.

What we have in Vermont, and I am sure across the country—we have all our town meetings in March. We have all the dates that we have to send out notices on contracts. The 45 days provided for in this continuing resolution will take us almost halfway through the fiscal year and yet this continuing resolution leaves the Senate on record saying to States figure it out for yourselves.

If the budgeteers, in principle, have agreed to giving current services—it will create problems for the Appropriations Committee. However, those dollars do not necessarily have to come out of the allocation of the education subcommittee. There can be allocations from other subcommittees to fund education programs at the current services level. We can do anything in the Senate and the House if we work together to make promises and to keep promises to the people.

In all 50 States, 14,000 school districts are currently developing their financial plans for the 1996–97 school year. As I said, it is extremely difficult to move forward on such planning without a funding resolution in place.

It has been pointed out that 80 percent of those who are in favor of a balanced budget, those who are fiscally conservative, have said, "Do not cut education." Passage of this amendment would show that the Congress of the United States is living up to what has already been agreed to in principle in the budget discussions.

For instance, if you have to lay off 10 percent of your teachers, who do you notify? You have to notify them all, probably, because you do not know which ones you will pick—the terrible dilemmas that will go on if we do not give them an idea if there will be funding available. In Vermont, layoff notices will have to go out in March.

In Vermont, we lose $2.4 million for title 1, which accounts for 2,000 students. The current budget situation creates chaos in Vermont's town meetings because they have little guidance in setting their budgets.

I am hopeful this amendment will pass. I cannot believe that the Congress, working with the President, will not agree to what they have already agreed to in the budget discussions. That is, we should not cut education, at least carrying through another 45 days, and hopefully, then, of course, we can get a further commitment to the funds that are necessary to do what must be done.

Mr. KENNEDY. I yield 3 minutes to the Senator from Illinois, and then the Senator from Rhode Island.

Mr. SIMON. Mr. President, first of all, in response to what Senator SPECTER had to say, we are not asking that these funds be taken out of the Ryan White Program or NIH. Everyone knows the budget figures are not written in stone yet.

Ask the American people, instead of a $245 billion tax cut, should we have a $240 billion tax cut or $5 billion more for education, and 90 percent of the American people would say, "Let's do that."

Every economic study that has been made—conservative, liberal, whatever—says we have to do more in education in this country, both quantitatively and qualitatively. Yet, you look at those figures on the graph back there that Senator KENNEDY has, and they are even warped to this extent: They do not count inflation. When you eliminate inflation, for example, on that $900 million, that brings it down to about zero for 1995. When you add inflation to the $3.1 billion cut, that brings it up to a $4 billion cut.

What does this mean in practical terms? The Chicago School District really is a struggling school district, and they see us cutting back. They get 15 percent of their funds from the Federal Government. They are making the assumption, on the basis of these 25-percent cuts, that they will get 18 percent less Federal funding. That may be optimistic. On the basis of that, they are planning to discharge 600 teachers.

Does anyone believe we can build a better Chicago or Illinois or America by discharging 600 teachers in a desperate school district in urban America?

What about our colleges and universities? Students going to colleges and universities right now say, "What kind of help can I get when I go to the University of Idaho," or whatever school it is. Colleges and universities are saying, "We cannot tell you."

Now, I recognize that the continuing resolution in theory raises the Pell grant to $2,440. But that is public relations. Am I for that? Sure. I want to raise it to $10,000. I am for it. These are not entitlements. I would love to make an entitlement out of that program. Those have to be appropriated. So while we raise the Pell grant to $2,440, we say we are cutting back on the appropriations to make that possible. That is just nonsense.

What we are doing here is sending a signal to the House, to the American public, as you work out a budget agreement, education has to be a priority. That ought to be a simple reality that every American, every Senator, every House Member can recognize.

Mr. SPECTER. Mr. President, I again agree with a good bit—almost all—of what the distinguished Senator from Illinois has had to say. However, if we do not pass this continuing resolution—the House of Representatives rejected a motion to recommit last night by a vote of 222 to 193. Now, there is an additional factor beyond what we have debated so far. That is, at least according to the information provided to me, there is not a quorum in the House to act on what the Senate will do.

I do not like the posture that we are in. The practical fact of life is that if we add this amendment, there will be a disagreement, no continuing resolution, and the funding which now goes to the schools in your State, Senator SIMON, including Chicago, on education, schools in my State, schools across the country, will not have any additional funding.

Mr. SIMON. Will my colleague yield?

Mr. SPECTER. Briefly. On Senator KENNEDY's time?

Mr. SIMON. If you could on your time, I would appreciate it.

Mr. KENNEDY. I yield half a minute.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, there are really three alternatives. If my colleague is correct about not having a quorum, they can accept it by voice vote. That is not unprecedented. No. 2, it could come back here and we could decide in desperation we can take this off. And No. 3, we can decide we are going to have a continuing resolution by voice vote for another 5 days while we get this worked out.

We do not need to supinely say, whatever the House decides we are going to have to do. I have never known the Senate to do that on any consistent basis.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. I agree with the Senator from Illinois that we ought not to simply accept anything, what the House says or anyone else says. I compliment him on his imaginative three alternatives, but none is going to come to pass. I yield the time.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. How much time does the Senator from Massachusetts yield the Senator from Rhode Island?

Mr. KENNEDY. I yield him 3 minutes, and I will just yield myself 15 seconds.

Mr. President, just for others who are interested, the Senator from Illinois has stated it correctly. We could extend the continuing resolution that expires tonight into next week. The House is meeting next week and they expect a vote. We could extend it for 96 hours. That would bring it into Tuesday, and the House of Representatives could vote.

Mr. SPECTER addressed chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Notwithstanding the suggestion by the Senator from Massachusetts, you cannot do that unless the House of Representatives agrees to it.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island has been yielded 3 minutes.

The Senator from Rhode Island.

Mr. PELL. Mr. President, I know I speak for many of my constituents when I say that the continuing resolution before us is a welcome breakthrough in the protracted deadlock that has stalled our National Government for the past 2 months.

But as welcome as that breakthrough is, I would be remiss if I did not state my disagreement—in the strongest terms—with the provisions of the resolution dealing with education. And I join in wholehearted support of the amendment offered by the Senator from Massachusetts [Mr. KENNEDY].

In doing so, I recognize that the pending resolution is a product of considerable compromise across partisan and ideological lines and that no one among us is completely satisfied with its terms.

But the Federal commitment to education, to my mind, should be the very last area of concession. As I have said before, we should treat education as a vital capital investment of the Nation's future. It is an investment which is closely tied to our objective of deficit reduction because a well-educated citizenry is essential to preserving a strong and vibrant economy.

The continuing resolution before us would finance programs of the Department of Education at 75 percent of fiscal year 1995 levels, which I view as an unduly and unwisely low level of funding. If extended over the fiscal year it would cut education funding by $3.1 billion and adversely impact many programs of proven merit.

I am particularly concerned about the impact of a 25-percent cut in title I spending, which provides compensatory education for disadvantaged children. I am told that the result could be reduced services for 1.1 million children and the layoff of some 90,000 support personnel.

And the damage would go beyond that. Goals 2000, Safe and Drug Free Schools, vocational education, adult education, Perkins loans, and other programs would suffer from loss of a quarter of their funding. In Rhode Island, the loss to the six programs affected by the cuts would amount to $5.6 million, of which $3.5 million would be taken from title I funding.

And as the Senator from Massachusetts has reminded us so cogently, with every passing week without a correction of these adverse impacts, school districts across the country and educational institutions at all levels are facing a dilemma in planning their commitments for the coming year.

The effect of the CR on education therefore is another step in the drastic defunding of Federal education programs. There is still room to hope that the direction of this unwise course of action can still somehow be changed before the expiration of the pending resolution on March 15. Far better that we do so now if we can. So I support the Kennedy amendment and hope that we can remedy the faulty provisions of the resolution before us.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, I yield 3 minutes to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 3 minutes.

Mr. BINGAMAN. Mr. President, I thank the Senator from Massachusetts for his leadership on this issue. I strongly support the amendment he has offered because it would put back into some kind of reasonable balance the priorities that we should be pursuing here in this Congress.

In a few hours we are going to vote on a defense authorization bill. In that bill the Congress has decided to add $7 billion to what the Pentagon requested in funding for this year. At the same time we are voting $7 billion extra for defense, we are, in our appropriations process, proposing to cut $3.1 billion from what goes to education.

Those priorities are out of whack, in my opinion. They are out of line with the priorities of the American people, and this amendment would help correct that. I strongly support it.

I would like to mention one other area, the issue of educational technology. The President spoke the other night about the importance of bringing all of our students up in educational technology and making them all technologically literate as they go into the next century. He said each of our classrooms should be hooked up to the Internet by the year 2000. The truth is, the President asked for $50 million to begin this process. On the House side the proposal is to cut that in half. On the Senate side the proposal is to cut it by two-thirds. The bill which we are now considering, this continuing resolution, cuts it by even more. Our priorities are not what they should be.

Let me also say something about the procedure we are following here. This is the ninth continuing resolution since the beginning of this fiscal year. In addition to that, we have in this continuing resolution a statement that the act should be cited as the Balanced Budget Downpayment Act, No. 1. Essentially, what we are saying here is that not only have we had nine continuing resolutions so far, but that this is the first of a series of additional continuing resolutions.

Our States cannot plan. They do not know what their funding is going to be from the Federal Government. Our school districts cannot plan. Our teachers, our parents, our students cannot plan. This is an irresponsible way for us to be conducting our business. People deserve better from the U.S. Congress than they are getting with this process. A great nation like this should deal with its children in a more responsible way.

I yield the floor.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, the distinguished Senator from New Mexico said that the House reduced the President's request on education technology by half and the Senate reduced it by two-thirds. I offer the statistics made available to me by staff and ask unanimous consent they be printed in the RECORD, the full sheet.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL ACTION, FISCAL YEAR 1996—CONTINUING RESOLUTION

[In thousands of dollars]

Office, account, program and activity	D/M	1995 revised appropriation	1996 amended request	1996 House action	1996 Senate action	75 percent of 1995 appropriation	CR annual level
Office of Educational Research and Improvement [OER I]							
Education research, statistics, and improvement:							
1. Research (ERDDIA)	D	86,200	97,600	101,578	90,000	64,650	86,200
2. Statistics (NESA)	D	48,153	57,000	48,153	44,301	36,115	48,153
3. Assessment:							
(a) National assessment (NESA section 411)	D	29,757	34,500	29,757	29,757	22,318	29,757
(b) National Assessment Governing Board (NESA sec. 412)	D	[1]2,995	3,500	3,000	2,760	2,246	2,995
Subtotal		32,752	38,000	32,757	32,517	24,564	32,752
4. Eisenhower professional development national activities (ESEA II–A and C)	D	21,356	35,000	0	18,000	16,017	16,017
5. Educational technology (ESEA III):							
(a) Technology for education (Part A):							
(1) K–12 technology learning challenge (section 3136)	D	9,500	50,000	2,000	15,000	7,125	9,500
(2) Adult technology learning challenge (section 3136)	D	0	20,000	0	0	0	0
(3) National activities (sections 3122 and 3141)	D	13,000	13,000	0	10,000	9,750	9,750
Subtotal		22,500	83,000	25,000	25,000	16,875	19,250
(b) Star schools (Part B)	D	25,000	30,000	0	25,000	18,750	18,750
(c) Ready to learn television (Part C)	D	7,000	7,000	0	6,440	5,250	5,250
(d) Telecommunications demonstration project for mathematics (Part D)	D	1,125	2,250	0	1,035	844	844
Subtotal	D	55,625	122,250	25,000	57,475	41,719	44,094
6. Fund for the Improvement of Education (ESEA X–A)	D	36,750	36,750	36,750	36,497	27,563	36,750
7. Javits gifted and talented education (ESEA X–B)	D	4,921	9,521	3,000	3,000	3,691	3,691
8. National Diffusion Network (ESEA XIII–B)	D	11,780	14,480	0	10,000	8,835	8,835
9. Eisenhower regional mathematics and science education consortia (ESEA XIII–C)	D	15,000	15,000	0	15,000	11,250	11,250
10. 21st century community learning centers (ESEA X–I)	D	750	0	0	750	563	0
11. National writing project (ESEA X–K)	D	3,212	0	0	2,955	2,409	0
12. Civic education (ESEA section 10601)	D	4,463	4,463	3,00	4,106	3,347	3,347
13. International education exchange (Goals 2000 EAA title VI)	D	3,000	3,000	0	6,000	2,250	2,250

CONGRESSIONAL ACTION, FISCAL YEAR 1996—CONTINUING RESOLUTION—Continued

[In thousands of dollars]

Office, account, program and activity	D/M	1995 revised appropriation	1996 amended request	1996 House action	1996 Senate action	75 percent of 1995 appropriation	CR annual level
14. Extended time and learning (ESEA X–L)	D	0	0	0	2,000	0	0
Total		323,962	433,064	250,238	322,601	242,972	293,339
Outlays	D	326,816	340,340	295,043	0	0	0

[1] Reflects a reduction of $5 thousand for this account's share of a $1,525 thousand rescission in fiscal year 1995 administrative and travel funds.

Mr. SPECTER. The President had a request for $122 million. Last year's funding was $55,625,000. The subcommittee recommended a figure of fiscal year 1996 of $57,475,000. So we did not cut the President's request by two-thirds.

Mr. BINGAMAN. Mr. President, could I just respond to that and respond to the Senator from Pennsylvania?

The PRESIDING OFFICER. Does the Senator yield time for that response?

Mr. KENNEDY. Mr. President, I yield 30 seconds.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. The figures I was given were that in the Improving America's Schools Act, which we adopted in the last Congress, we adopted the technology for education provisions. The President requested $50 million for K–12 funding for educational technology there.

The House has cut that request from $50 to $25 million. The Senate Appropriations Committee cuts it down to $15 million. The bill we are considering here would result in even less funding for educational technology.

The PRESIDING OFFICER. Who yields time?

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, the matter which the Senator from New Mexico refers to involves the K–12 technology learning challenge, where the request was in at $50 million and the House was at $25 million and the Senate was at $15 million. But the overall education technology, ESEA, title III, are on the figures I cited where we are funding in excess of last year, more than twice the funding recommended by the House.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, I yield 5 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota has been yielded 5 minutes.

Mr. WELLSTONE. Mr. President, I thank my colleague from Massachusetts.

I feel a little uncomfortable out here in debate with the Senator from Pennsylvania because I think he cares fiercely about these programs, and I certainly do not think he represents the full priorities of some of those in the House who have sort of been the impetus for these programs. But let me just say, processwise, I view this as slash and burn on the installment plan. I think that is really what is going on here, and I think it is a backdoor way of making some fairly deep cuts in educational programs. I do not think that reflects the priorities of the people in the country.

Altogether, on present course, this continuing resolution for the whole fiscal year would cut education by $3.1 billion. The Senator from Massachusetts mentioned this earlier, but I think it is worth repeating. Title I reading and math programs are cut by $1.1 billion, meaning that over 1 million children will lose services and 31,500 teachers could be laid off.

The first argument we made was that, really, we cannot restore this funding for education and children because, if we do it, then that would mean less for low-income energy assistance or that would mean less for other very important programs. But that is not the tradeoff. We do not have to do the $245 billion of tax cuts. We do not have to have $7 billion in the Defense bill over what the Pentagon wanted. We do not have to go forward with B–2 bombers to the tune of $2 billion each. That is not the real national security of this country. The real national security is when we invest in the health and skills and intellect and character of our children.

Mr. President, then the second argument, all of a sudden, as we were going through this debate, was a different one than I heard, which was OK. But the problem is that if this should pass, then the House will not accept it and we would have a Government shutdown.

What that means to me, as I hear this argument, is that the House of Representatives, because, in fact, we decided to invest $3 billion more on the projected, year-wise, because we decided over this next critical period of time to invest more money in safe and drug-free schools, in support for children with special needs, in making sure that higher education was accessible for our young and not so young students—many of our students in higher education have gone back to school. Men and women, some having lost their jobs, are going back for additional education so they can be independent. What I am hearing is that, if we should restore funding for this investment in people in our country, the House of Representatives would find that so unconscionable that they would then shut the Government down. I mean, what kind of priorities are we talking about here in this Congress? Certainly it is not the priorities of people in this country.

Mr. President, I am also concerned just thinking about my own State. I will not even talk about this numberwise. I will talk about it peoplewise. I am hearing from higher education people, from some of our colleges and universities, and they do not really know what the situation is with low-interest loans or Pell grant programs. Students need that assistance.

By the way, Mr. President, I will tell you that in the State of Minnesota, many undergraduates are now taking 6 years because they are working two and three minimum-wage jobs. I mean, students sell plasma at the beginning of the semester in order to buy textbooks. These are students who need this financial assistance. They do not know what the situation is.

Mr. President, school boards do not know what the situation is. They are trying to figure out what is going to happen with this title I money. These are kids with special needs, kids with special problems. Are we going to walk away from them? Are we going to provide fewer services? Is it going to be made up through higher property taxes? Nobody knows.

I hear people from our school boards, whether they are Democrats or Republicans or Independents alike, saying to me, "Senator, what in the world is going on? This is the last place we should be making these cuts."

Mr. President, I mean, from Head Start, which is not a part of this amendment—but we now have proposed reductions in Head Start programs, which is nothing more than an effort to give some children who need a head start a head start all the way to higher education, all the way to kids with special needs and vocational education and safe and drug-free schools. These are distorted priorities. So today we are taking on those distorted priorities. We are not going to let this be slash and burn on the installment plan. We are not going to let this be a backdoor disinvestment in education.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. WELLSTONE. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, I inquire of the distinguished Senator from Minnesota. The question is about what happens on the current state of the allocations. Again, with much of what he has had to say, I do not disagree in terms of priorities. But if you do not increase the allocation to the subcommittee which I chair, which has jurisdiction over Health and Human Services, which has funding for LIHEAP as well as education—what happens to the other programs.

I ask this of the Senator from Minnesota because he spoke extensively and eloquently on this subject. Unless we increase the allocation, which I would like to do, is it not true that we are going to lose $105 million in funding for LIHEAP?

Mr. WELLSTONE. Mr. President, the answer is, if we do not increase the allocation—and we must increase the allocation. I do not accept these priorities.

What I understand the Senator from Pennsylvania is doing is putting some of us in the position of having to argue for a zero-sum-game situation. We do not believe that there should be these tax cuts to the tune of $245 billion. We do not believe in some of these other priorities. We believe some tax cut—some of which goes to people who do not need it—you should have enough revenue to make sure people do not go cold in Pennsylvania, or Minnesota, or Massachusetts, and, in addition, we do not make cuts in educational opportunities for children. You are presenting a false choice for the Senator from Minnesota and, for that matter, for the people of the country.

Mr. SPECTER. Mr. President, I ask the Senator from Minnesota, because he talks about the tax cuts, does the Senator from Minnesota agree with President Clinton to cut the tax by $130 billion?

Mr. WELLSTONE. No, I do not, Mr. President.

Mr. SPECTER. Mr. President, when the Senator from Minnesota talks about choices and says that I am putting him in that position, this amendment puts the whole subcommittee in that position because if it passes and there is no increased allocation, the fact of life is that everything in the whole bill with the exception of the Department of Education, Headstart, and school-to-work programs would be cut by 10½ percent.

I yield the floor.

Mr. KENNEDY. Mr. President, on this point, just before the Senator from Washington speaks, I would like to yield a minute to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. JEFFORDS. Mr. President, I know the Senator from Pennsylvania is aware of this, but we have not passed the appropriations bill out of the Senate yet in this area. So there is nothing in concrete yet. The Congress has not passed an appropriations bill for education. So there is nothing locked in concrete at this particular time.

So there is certainly not only time but obviously the ability to modify the figures and not to have to cut back on these other programs. It will take some doing. But you still have to negotiate with the House. Changes can be made in the whole process on these things right now.

It is not the fault of the Senator from Pennsylvania that the Senate has not acted on this, and we have a problem that everybody knows about in this area. But there is nothing locked in concrete at this time.

I yield the floor.

Mr. SPECTER. Mr. President, reluctant as I am to disagree with my distinguished colleague from Vermont, the Senate is locked into the allocation. We are locked into the allocation which has been given to the subcommittee which has jurisdiction over these three Departments.

If the amendment by the Senator from Massachusetts passes, there is only so much air in the balloon. If you take it out of one section, we are going to lose by 10½ percent over everything else unless the allocation is increased.

Mr. KENNEDY. Mr. President, how much time do I have?

The PRESIDING OFFICER. There are 16 minutes remaining.

Mr. KENNEDY. I yield 5 minutes to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington is recognized for 5 minutes.

Mrs. MURRAY. Thank you, Mr. President. I thank my colleague from Massachusetts, Senator KENNEDY, for his leadership on this critical issue of making sure that our children across this country have adequate funding for the education they so desperately need for the world they are being handed.

Recently a poll showed that 92 percent of the American public say that we should fund education at either the same or increased levels for Federal education. Why this continuing resolution speaks only about 8 percent of the population makes no sense to me.

But before I address that, let me also express my frustration and my increasing anger at this Congress and the way it is governing this country today by passing continuing resolutions for 30 days, 25 days, 45 days, and on and on. What we are doing to this country is wrong. We have the responsibility to govern in a way that gives security to everyone that we represent and give the ability to people out there across this country who serve our constituents' needs the security they have to put in place their ability to make sure that their programs work effectively. And we are really undermining that effort today.

I speak to you as a former school board member who knows well what the impacts of these 35- and 45-day continuing resolutions are and this $3.1 billion reduction in funding. What it means to those poor school board members is that in a few short weeks, they are going to be facing angry parents across this country telling them that their class size will be reduced, that they will have to let teachers go, that textbooks will not be available, that security guards will not be in their schools next year because they simply do not know what this Government is going to do for them in the coming year. That is not right.

Every Member should know that the real answer here is, we are asked to pass a budget. The numbers are on the table. There are budgets that balance the budget by the year 2002. That is what we should be doing instead of these continuing resolutions.

Mr. President, as we do this, every one of us is going to have to go home and face our constituents. I assure all of my colleagues they will meet a young woman like I met just a few short weeks ago in a grocery store who looked at me and told me she is trying to go to college next year, and the only way she will be able to go is if she has a student loan or a grant or gets Federal help. Yet the college she is applying to told her they cannot tell her what is going to happen because they do not know what we are going to do.

That is not fair to that young girl, it is not fair to her family, and it is certainly not right for the future of this country.

Mr. President, my colleagues have done a good job of outlining how important this education amendment is, but let me make it even more clear for you. For the State of Washington, we will lose $24 million. That is about $24 or $25 per student in my State. That translates to a textbook. That translates to a few less hours with a teacher. That translates to actually losing real dollars for every one of our kids. Yes, it speaks to specific programs but school boards are going to have to go back into their budgets and transfer dollars around in order to make up the funding that we are taking away. And every single one of our children in this country is going to lose.

It seems crazy to me that we are going to sacrifice our children and America's future for the sake of political ego. We have the good fortune in this country of changing political leadership every few years in our democracy, but we do not have the fortune of reversing an uneducated and unprepared generation. For our kids, for our future, for this country's ability to compete in the worldwide technological society that we have today, let us support this resolution. Let us send a message to our kids that we do care about them, we understand their needs, and we are not going to neglect them in this Nation's Capital.

Just last week, headlines across America rang out. Education is our top priority. Polls throughout our Nation strongly show that Americans support an investment in education; 92 percent would like the same or increased levels of Federal funding for education.

Apparently some of my colleagues are listening to that 8 percent of our population. They are forcing upon the American people a continuing resolution that would cut $3.1 billion from education through this year. This would be coupled with the $600 million in rescissions in education already enacted for fiscal year 1995.

This would represent the largest setback to education in the history of the United States. Why? It is very easy to target a group that has no vote, no political action committee, no lobbying dollars to create a political voice—our children. These are the same kids who are already giving up. They are faced with overcrowded classrooms, outdated textbooks, and frustrated teachers. They lack purpose knowing they cannot afford or gain entrance to an institution of higher education and wonder if the skills they learn today will ever lead to a job tomorrow.

Certainly, throwing money at a problem is not the answer. But eliminating programs that have been proven to provide long-term educational skills and enhance school-to-work training are essential to our society. Last week in hearings before a joint House-Senate committee, we heard from Dr. Milton Goldberg who emphasized that the need for skilled labor from the business community has never been greater. NYNEX recently interviewed 60,000 applicants to fill 3,000 jobs and Motorola found less than 10 percent of job applicants are qualified for their entry level jobs.

Yet, the existing continuing resolution would deny millions of America's children and young adults valuable educational opportunities. Already, a third of the fiscal year has elapsed with no funding levels for education and school districts are facing an 18-percent increase in enrollments over the next decade.

These cuts would deny 1.1 million students crucial help in reading, writing, math, and advanced reasoning; 100,000 would lose English assistance and hundreds of thousands more would be denied vocational training; 14,000 school districts would have to cut back their safe and drug-free school programs and many would jeopardize their disabled education programs.

We will continue to debate the role of our Federal Government in the education process. Michael DiRaimo of the Pittsburgh public schools told us last week, however, that though Federal funds account for a small portion of the district's budget, the services provided with those funds are vital to the district's ability to serve needy and at-risk children.

My own State of Washington will lose over $24 million for education under this continuing resolution. Washington State has been a national leader in the school-to-work field and will lose $3 million in vocational education dollars because we are unable to reach agreement on the budget. Additionally, the State will lose $16 million in title I funds that greatly aid our classrooms in basic educational skills.

At the very least, we cannot cut education programs beyond fiscal year 1995 levels. Let us not sacrifice our children and America's future for the sake of political ego. We have the fortune of changing political leadership every few years in this democracy. We do not have the fortune of reversing an uneducated and unprepared generation.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. I yield 3 minutes to my friend and colleague from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts has been yielded 3 minutes. The Senator from Massachusetts.

Mr. KERRY. Mr. President, first of all, I congratulate and thank my senior colleague from Massachusetts for his leadership and for his effort, a very important effort to bring before the Senate the real choices that are facing our country.

I listened to my friend from Pennsylvania and while, indeed, we must contend with some so-called caps, funding levels that have been allocated among the Appropriations subcommittees, et cetera, everybody here knows that we are engaged in tough bargaining right now and that none of those caps is set in concrete—because if we were to resolve this budget crisis, we could make any number of changes in the budget. We could decide that we were going to find some more revenue and use it to fund services critical to our Nation's future. We could remove the firewall that protects funding for the Defense Department and take some of the $7 billion that the Congress added to the budget request of the Joint Chiefs of Staff and instead put it into education or another priority of the American people.

So let us not fool the American people. These choices are in our hands. We are not helpless here. We are not powerless. If we believe something is sufficiently important to this Nation's people and future, we can make it happen. Everybody understands that what we are doing now is drawing dramatic lines between one group's set of priorities and others' priorities.

I do not understand how my colleagues in the Senate can ignore every single analysis from the best educators in our country, the best scientists in our country, the best child psychologists in our country, the best criminologists in our country, all of whom say that we have to find a way to impart to our children the high skills they need to compete for jobs here, and to permit our industries to compete globally. This is absolutely essential if we are to create and fill high value-added jobs that will raise the incomes of the American people. Analysts agree that last year, if you were a graduate degree holder in America, you lost income by 1 percent. If you were a high school graduate, you lost income by about 15 percent. And if you were a high school dropout, you lost income by about 27 percent.

Each of those categories, in addition to experiencing significantly different income change, experiences significantly different health care coverage—as a reliable rule, the workers with the lowest educational levels have the least health care coverage. In this way, the success of our educational system has a profound social effect that extends well beyond the job market and personal finances. Failure of our educational system contributes directly to our Nation's health care crisis.

Those are the choices, and here we are in the Congress being told we have to accept a continuing resolution that accepts and perpetuates a continuing process of diminishing all of these opportunities for our citizens.

It is fundamental; Pell grants cut by 40 percent in the budget. Why? Why do we want to make it harder for people to get the higher education that is the gateway to good jobs? Why is it that we are going to reduce the capacity of our kids in the most hard hit, economically depressed areas of our country where there is the least property tax base from which to draw in order to support the school system? Why would we want less Federal assistance that is provided in an effort to minimize that inequity according to a national standard, and thereby attempt to make real the commitment of equal opportunity?

The Federal Government does not run the schools. We do not tell them what they have to do. We do not intrude on local control. We are simply holding out this enormous carrot and saying: Look, if you will raise your standards, if you will teach better, if you will make these improvements, we will offer to pay some of the costs in order to help you put your kids in a higher education status.

Eliminating this assistance and the incentives it provides is just incomprehensible. We must face this directly, and add these funds for education programs—recognizing the fact we then must come back and adjust budget allocations in order to prevent other vital services from being inadvertently reduced as a result.

Funding for badly needed services offered by the Departments of Labor and Health and Human Services must not be further reduced as a result of this amendment. Indeed, there is a crying need to increase funding for a number of these other key services as well.

The amendment before us will increase Federal spending through the expiration date of this resolution—March 15—for a handful of education programs, in order to enable schools and colleges to plan for the year ahead and not find themselves forced to cancel vital services and programs for their students. This is something we must do. But before this resolution expires, we must act to restore the amount of this amendment that technically will be deducted from other services funded by the Labor/HHS/Education appropriations bill—for example, to ensure sufficient resources for training adult workers, retraining dislocated workers, and assuring summer jobs for at least 600,000 economically disadvantaged young people who otherwise will be tempted to spend their summertime in pursuits that may jeopardize their lives or their futures as well as the health and safety of other Americans. The House-passed appropriations bill will deprive Boston alone of $2.3 million for summer youth jobs, and will deprive all of Massachusetts of nearly 11,000 summer jobs.

We also must restore funds for helping dislocated workers which are slashed by 30 percent in the House Republicans' appropriations bill. This program is extremely important in Massachusetts in helping laid-off workers—most recently, 448 workers from Raytheon Corp. and 2,400 workers who lost their jobs as a result of the tragic Christmas fire in Methuen.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KERRY. I urge my colleagues to vote with the senior Senator from Massachusetts to provide this minimal but vital increase in funds for education.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, when the Senator from Massachusetts, Senator KENNEDY, denigrates my arguments, I have to respond. When he says, "Let us not fool the American people," I would suggest that his arguments and this amendment do precisely that, and the reason they do it is because this amendment proposes to reinstate funding to the 1995 level, makes that representation, but in fact it does not do it. It does not do it because it lasts for only 49 days, and because almost all of the expenditures in an appropriations process do not take effect until July 1.

When you talk about the expectations of the educators as to what they are going to do and representations made about how many teachers will be laid off, they are not going to derive any solace from this amendment. What this amendment really is, is a grand show to say that there are many people who are arguing for it who think education ought to have a higher funding level. That is something that I agree with. And that when the Senate was allocated $1.6 billion more with my leadership and the leadership of Senator HARKIN, that was all put into education.

To personalize it for just a minute, I have expressed repeatedly, on this floor and off, my support for education. And on the personal level, neither of my parents had any education to speak of. My father came to this country as an immigrant, had no formal education. My mother came at the age of 5, went to the eighth grade, and my brother and my two sisters and I have been able to share in the American dream because of our educational opportunities.

I do not take second place to either Senator from Massachusetts on my devotion to educational funding or to anybody else who has argued in favor of it. If they seek to gain momentum, I think they are counterproductive here. They are going to lose votes on this amendment. If you want to say how many Senators support an increase in funding for education, you are not going to be able to tell it when this vote is taken. I know the distinguished Senator from Oregon, the chairman of the Appropriations Committee, is going to vote against it. He has told me so. I am going to vote against it because of what it does, if it stands, it is going to take tremendous sums of money from many, many other programs which everybody who has spoken in favor of the amendment would hate to see happen. This is an exercise in futility and an exercise in counterproductivity. So that when you say, "Let us not fool the American people," let us identify who is trying to fool the American people.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, I yield 4 minutes to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is yielded how much time?

Mr. KENNEDY. Four minutes.

The PRESIDING OFFICER. Four minutes. The Senator from Connecticut.

Mr. DODD. I thank the Senator very much.

Let me begin by thanking our colleague from Massachusetts as well as my colleague from Maine, Senator SNOWE, and our colleague from Vermont, Senator JEFFORDS, Senator SIMON of Illinois, and others, who have been the prime movers of this amendment. I commend them for it.

My colleague from Pennsylvania suggests this amendment is meaningless and that everybody is for increases in education. Well, if that is the case, this amendment ought to be adopted by voice vote. But instead what we are doing here with this CR is nibbling and nibbling away at education. So in 49 days when we come back to another continuing resolution this becomes the floor for the next continuing resolution.

We have viewed continuing resolutions as a procedure used to delay any final action until a broader solution could be reached on spending matters. That is how they have been used historically.

This year we are seeing a whole new use of the continuing resolution. It is now becoming a vehicle by which we make policy decisions on a piecemeal basis. Even though there is broad agreement at the leadership level of each of our parties to protect education from cuts, these continuing resolutions are cutting education. That is what this effort is, despite the fact that 75 to 80 percent of the American public have told us from one end of this country to the other, we want you to balance this budget, we want you to do it in 7 years; and, we also hope you understand that we need to grow in this country.

Our economic growth levels are too low. If we are going to grow as a Nation in the next 7 to 10 years, one of the critical ingredients is going to be education. My colleague from Pennsylvania talks about the status of his parents and the difficulty as immigrants coming to this country. His story is an ennobling one, and one that could be told by millions of American families.

The problem in the fall of 1996 is that opportunity will be limited for millions of American students. In higher education, where an awful lot of institutions now have tuitions of $20,000 a year and more, financial aid is more important than ever. Even public institutions cost thousands of dollars. And yet, institutions are telling us, "We cannot plan. We cannot process applications for student aid or student loans because you in Washington can't get your act together. We don't know what you are going to do on Pell grants or work study. We don't know what you are going to do on student loans." And each of these institutions represents hundreds or thousands of students who do not know how they are going to pay for college next year, because of our delay.

I mention higher education. It is also true at the elementary and secondary level. School boards all across America are looking to this debate today and saying, "What message are you sending us? How do we plan for the next school year? What do we tell our teachers, aides and workers on contract? What do we do to our local tax base?"

We should not be going through this process here. It is one thing to hold Federal workers hostage to our inaction. Now we are holding middle-class, working families and their children hostage because we cannot get our work done. This is an abuse of our privilege here.

We want to send a different message today with this amendment. Instead of cuts, we should be talking in terms of restoring education funding levels to at least the 1995 levels. We do have to deal with the larger budget question for the next 7 years and education must be a part of this. But cutting education for the next 49 days sends all the wrong signals on certainty of funding.

Washington has got to grow up. We have to learn how to get our business done. Education is no area in which to play games. It is too critically important for the well-being of this Nation and for families who are planning for the education of their children.

So, Mr. President, I sincerely hope that on this one issue, despite what other differences we have in other areas—because my colleague from Pennsylvania has said over and over again it is not in debate whether or not we ought to be doing in education—let us send the other body the signal this afternoon that we agree with our colleague from Pennsylvania and that we are going to take education off the table here, not for these 49 days, but also down the road. We can send that message by voting for the amendment offered by the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. KENNEDY. How much time remains, Mr. President?

The PRESIDING OFFICER. The Senator from Massachusetts has 4 minutes remaining.

Mr. KENNEDY. On the other side?

The PRESIDING OFFICER. The other side has 20 minutes 41 seconds remaining.

Who yields time?

Mr. KENNEDY. Generally, Mr. President, the proponents of amendments get a chance to make the final comment. I do not know what the desire of the opponents would be. I would yield myself, Mr. President, 3 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, sometime around Thanksgiving, when there were negotiations about continuing resolutions, the Republican leadership and the President of the United States agreed to work out a process that would put the budget in balance over 7 years using CBO numbers but also protect education. It included the environment, Medicare, and Medicaid, and protected education. That was agreed to. That was after the assignment of these numbers that are constantly referred to here on the floor of the U.S. Senate.

One has to ask, as we are considering this amendment, how in the world are we going to protect education, which Republicans and Democrats and the President agreed to, if we are going to cut the funds that were implemented just last year? The school population is expanding by 10 percent, rising to over 50 million students. We need new technologies and computers in the schools. We are asking our schools in this country to do more and more as they are faced with different kinds of challenges, whether it is violence, substance abuse, immigration, use of many languages, or other kinds of challenges, how can we cut education now?

All we are saying with this amendment is let us fulfill the promise that was given by Republican and Democratic leaders at that time when they agreed to a balanced budget in 7 years, CBO numbers, but protect education.

Mr. President, as these negotiations continue, with the clear admonition by Republicans and the President of the United States to say we are going to protect education, we believe that the only way you are going to protect it is at least use the same kind of commitment to education programs that were used in 1995. Do not increase it to take into consideration the expansion of the school population, do not increase it to meet the additional kind of challenges in technology, do not increase it to try to raise additional academic standards, which are the possibilities, but just keep it to 1995 levels.

Mr. President, the logic of the other side that we have to continue along with a continuing resolution that is going to result in a diminution of those funds by some $3.1 billion defies all logic and all understanding. I hope the Senate will accept this amendment. I reserve the remainder of the time.

The PRESIDING OFFICER. The Senator has 1 minute remaining.

The Senator from Pennsylvania controls 20 minutes 40 seconds.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, I ask unanimous consent that I be allowed to use some of my leader time to make a statement.

The PRESIDING OFFICER. The minority leader has that right.

Mr. DASCHLE. Mr. President, let me commend the distinguished Senator from Massachusetts for his eloquent remarks and his leadership on this issue. This issue obviously is one of great importance to all of us, but it is not the only problem that is created as a result of this continuing resolution. The problem is not just education; the problem is funding for the environment, the problem is in funding for housing, for parks, for reservations, for veterans hospitals. This situation is getting worse and worse because we have not been able to pass the appropriations bills that directly address the many funding issues that this continuing resolution does in a very inefficient and unsatisfactory way.

The 75 percent funding level represents the largest cut in education in history, Mr. President. Others stated that, but it bears repeating. We are cutting $3.1 billion out of education this year. There is no other time and no other situation that we have ever cut education that deeply. That is what this continuing resolution represents.

It means cuts in reading and math programs for the disadvantaged students in title I. It means deep cuts in technology. It means cuts in our efforts to bring about meaningful school reform and the Goals 2000 and national education goals that are really a bipartisan effort that we called for all the way back in 1989. It means deep cuts in teacher development and training. It means cuts—in some cases elimination—of safe and drug-free schools.

That 25 percent cut in title I, just that alone, means over 1 million people will be deprived of help in reading and math. It means 31,500 of their teachers will be given pink slips in the near future. Cities across this country are going to be very hard-hit. In Detroit that 25 percent reduction means a loss of $16.8 million in their budget this year alone. Ten thousand fewer children will be served; 419 teachers will be laid off.

The chairman of the Democratic mayors in this country was kind enough to come to the Hill this morning with a very simple question. His question was: Which 25 percent of my students in Detroit should I not educate? Which 25 percent do we tell they can no longer come? Which 25 percent are the ones who are going to be detrimentally affected simply because we have not resolved this problem?

In Dallas, Mr. President, public schools must submit a budget by March 21. They expect an increase of 4,000 students next year, but do not yet even know if Federal funding will meet the demand they know they have.

In Philadelphia, they could lose $14 million for math and reading programs. Many of our Republican colleagues say that their only agenda is to protect our children's future, but I ask, how do we protect our future, how do we protect their future, if we deprive children of the quality education they need to succeed in the future? Siphoning off money for education consigns America's children to a second-class future of reduced opportunities.

Speaker GINGRICH has often talked about the importance of bringing students and classrooms into the computer age, and I agree with that. But the GOP budget rejects that goal. The President's budget had requested $50 million for technology to do exactly what the Speaker suggests, but the House Appropriations Committee cut it in half, and the Senate proposed to cut that by two-thirds.

The problem is not just funding. It is the uncertainty that we are creating in every single school district about the budget that they must endure and the extraordinary decisions that they are going to have to make if we have not resolved this matter in the near future.

Schools have to submit budgets. They are doing that right now. But they do not know what their funding levels are going to be. The contractual obligations will force districts right now—as they consider the obligations they have and the ramifications of this funding—to send pink slips to teachers across the country.

Trinity College just recently indicated that, because of problems with past continuing resolutions, they have been able to provide only estimates with regard to financial aid eligibility and that the uncertainty about funding and budgeting has complicated the application process tremendously. This situation has the potential to discourage qualified students from applying to college.

The Federal Government provides only 7 percent of overall education funding, but those dollars can mean 100 percent of the resources for a young person who needs help.

Mr. President, children learn by example. Let us set an example of responsibility, of foresight. Let us keep our commitment to America's education. Let us keep our commitment to America's children. Let us adopt this amendment this afternoon.

I yield the floor.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER (Mr. THOMAS). Who yields time?

Mr. SPECTER. Mr. President, how much time does the Senator from Oklahoma desire?

Mr. NICKLES. Will the Senator yield me 4 minutes?

Mr. SPECTER. I do.

Mr. NICKLES. Mr. President, first, I compliment my friend and colleague from Pennsylvania for his leadership, and I just want to make a couple of general comments. I, for one, would like to see us pass the Labor, Health and Human Services appropriations bill. We should have passed it by the end of September. We did not get it done. We should have passed it by the end of the year. We did not get it done.

You might ask, Why didn't you pass an appropriations bill? Because we had something very unusual. As a matter of fact, I have been in the Senate now—this is my 16th year. I cannot remember a party holding up moving to considering an appropriations bill for months. That is unique. That is historic, and the reason is because the Democrats in Congress, in the Senate, did not want us to take up the Labor and Health and Human Services bill. We tried. We even had votes.

On September 29, we had a vote on whether or not we would move to this bill, and they said, "No, we don't want to move to the bill." They did not want to move to the bill because there is a provision in there dealing with striker replacement. Somebody said, "Well, that wasn't a germane amendment to this bill." It certainly was. It said no money should be used to enforce the President's Executive order dealing with striker replacement.

There is also money in the bill that says no money will be used to enforce the President's order dealing with the prevailing wage on helpers. That has been in there for a few years. I wanted it out. I might mention, the helper amendment I wanted out. I had an amendment against that a couple years ago and I lost. I was willing to accept defeat, and we went ahead and passed the appropriations bill.

In this case, most people in this body favor keeping this language for striker replacement so that the President would not legislate by Executive order. Some of us feel strongly about that. Legislation should pass through Congress, not by Executive order. The President had a chance to pass the legislation a year or two ago, and he did not get it passed. Now he is trying to do it with Executive order. We are trying to protect the prerogatives of the Congress. Article I, section 1: Congress shall pass all laws.

Because we had that striker replacement provision in, the Democrats would not allow us to take up the bill. It has been several months. So when I hear my friend and colleague say we are so concerned that education school districts do not know what their budgets are, they should not be looking on this side of the aisle, because we wanted to pass this bill.

I might mention as well, Mr. President, if we pass the Labor and Health and Human Services bill, we have $1.5 billion more in the Senate bill than the House. We would come up with higher education figures in the conference if we could get to conference. We cannot even get to conference with this bill because, unfortunately, Members on the Democratic side have not allowed us to take up the bill.

They will allow us to take up the bill if we do it under unanimous consent and they win on all their issues. That is not the way we should legislate. There are about five fairly contentious issues dealt with in the Labor and Health and Human Services bill—about five. I am willing to let the majority vote on all of those and let us find out how the Senate votes—let the majority rule—and pass the appropriations bill and go to conference and work out the differences with the House and then send the bill to the President. If he vetoes it, then we will have to come back. Maybe we will still be under a continuing resolution, but this is the only bill in the Senate this year we have not been able to pass. I think that is regrettable.

The reason we have not been able to pass it, unfortunately, is because Members on the Democratic side of the aisle have not allowed us to proceed to the bill, and that needs to change.

Mr. President, I ask my colleague for an additional minute.

Mr. SPECTER. Agreed.

Mr. NICKLES. Mr. President, we did finally, under this bill, pass the foreign operations bill. That was one of the contentious bills. We finally have that resolved. We should pass the Department of the Interior bill. That was vetoed by the President. That shut down the parks; that shut down the museums. That is unfortunate. It should not have happened. But we have really an agreement on every contentious issue to pass the Department of the Interior bill.

I compliment Senator GORTON for his leadership. We should send that to the President. He should sign that bill. There is no reason for that bill to still be caught up in some of this controversy.

We still have Commerce, State, Justice, VA-HUD, Labor, and Health and Human Services. Labor and Health is the only one that has not passed the Senate, and it has not passed because our friends on the other side of the aisle have refused to let us proceed to it. We should proceed to it, vote on those amendments in disagreement and send it to the House, go to conference and finish our bill.

I yield the floor and thank my colleague and compliment the Senator from Pennsylvania, because he has tried endlessly to bring this bill before the Senate and have it finally resolved.

Mr. KENNEDY. The programs included in our amendment are not the only ones that deserve to be fairly funded. They are not the only programs that will experience damaging effects under the current CR. I am committed to addressing those other programs at the earliest opportunity.

I am particularly concerned about programs in the Department of Labor that provide critical protection for the lives, and health and economic security of America's workers. The CR makes deep cuts in funding for the agencies that protect workers from being forced to work long hours of overtime without adequate compensation. Child labor inspectors will be laid off, and the sweatshop conditions the Labor Department has attacked in the garment industry this year will only worsen.

The Department's pension protection initiatives will be seriously damaged by these cuts. One out of twelve employees in the pension agency could be laid off, leaving hundreds of troubled pension plans unaudited. The pension agency recovers $350 million a year as a result of its investigations. Thousands of employees will be hurt if plans that have cheated them go undetected because of these budget cuts. The Department's recent success in prosecuting abuse of 401(k) plans cannot be continued if these cuts are not rescinded.

In addition, as a result of these cuts, OSHA will see its budget reduced by 16 percent by this bill. Already, we spend less than $3 per worker on workplace safety and enforcement. Dangerous workplaces can already go years without an inspection, because there are so few OSHA inspectors already. Thousands of workers will be jeopardized by these cuts, because hazards that would have been found and corrected go undetected. It is not just the inspectors who will be cut, but the consultants who work with employers to improve their safety, as well.

We cannot fix everything that is wrong with this budget today. But I look forward to working with others in Congress to see that funding for these critical agencies that protect the lives and pocketbooks of American workers is restored.

Mrs. BOXER. Mr. President, I rise in strong support of my colleagues' amendment to the continuing funding resolution regarding education funding.

The Kennedy, Simon, Jeffords, Snowe amendment will provide that for the duration of this continuing resolution, funding for education programs will not go below the fiscal year 1995 appropriation.

Education is a priority among the American people. In 1995, 75 percent of Americans said that aid to education should be expanded—not cut. In poll after poll, the American people strongly oppose cuts to education programs and youth programs to balance the Federal budget.

This continuing resolution funds education programs at the lower of the House or Senate levels, with no program being funded at less than 75% of the fiscal year 1995 funding levels. With these funding levels, education cuts will exceed $3 billion in the current fiscal year.

The Kennedy amendment would restore funding for education programs to the full fiscal year 1995 funding levels for the duration of the continuing funding resolution.

Although the continuing funding resolution extends only through March 15, it hits school districts and colleges in their peak planning and budgeting cycles for the next school years.

If the funding levels in this continuing resolution continue throughout this fiscal year many educational programs will be affected.

Title 1 reading and math programs will lose $1.1 billion, which means that over 1 million children will lose services and 31,500 teachers will have to be laid off this year.

Goals 2000 will face a $93 million cut, which will jeopardize innovative projects for 8 million students in 9,000 school districts. In my State, that is over a $10 million loss in this fiscal year.

Safe and Drug Free Schools will face a $115 million cut, which endangers violence and drug-abuse prevention programs in more than 14,000 school districts. In my State that means over a $12 million loss in this fiscal year.

Political fights cannot and should not get in the way of important educational programs. I urge my colleagues to support the Kennedy amendment and restore funding for education programs to its full fiscal year 1995 funding level, even if it is only for 45 days—45 days is better than none.

Mr. KOHL. Mr. President, I rise in support of the amendment offered by Senator KENNEDY. This amendment would go a long way toward easing fears of educators and parents alike by locking in education at a strong level under this funding measure.

Holding education funding hostage during the ongoing budget struggle is wrong. In the process of reaching a budget agreement we should not leave education programs underfunded and adrift in uncertainty.

Absent a miraculous and quick resolution to those issues holding up the Labor, Health and Human Services, and Education appropriations bill, we should approve funding for education consistent with last year's levels. The Kennedy amendment would do just that.

Mr. President, shutting down the Government as a budget bargaining ploy was the height of fiscal irresponsibility. The piece-meal, short term budget measures are not much better. Although necessary to end or prevent further Government shutdowns, the temporary spending bills have meant severe reductions in education resources.

Many critical education programs have been cut by 25 percent under the short term spending bills. As a result, school administrators and parents are left wondering whether the Congress really is committed to education.

The American people know that improving our elementary and secondary schools, and increasing access to higher education are sound investments. Like money spent on our Nation's defense or a safe environment, resources directed toward educating young people is essential to our competitiveness and quality of life in the next century.

We all profess to support our students and communities, but now is the time for action and not just words.

As we demand that students stay in school, study harder, and act responsibly, we must fulfill our own responsibilities to children and their schools by passing a strong education budget.

Communities in each of our States are waiting for us to pass annual legislation so that they can make decisions on what to fund and what must be sacrificed. Superintendents and school boards are trying to act responsibly and balance their own budgets for next year, yet their hands are tied until the Congress takes decisive action.

This amendment would assure educators, parents and students that Congress is commited to improving education. Such an assurance is long overdue.

I am pleased to support the Kennedy amendment and I encourage my colleagues to do the same.

Mr. ROCKEFELLER. Mr. President, education determines our future—the future of our children, our States, and our Nation. Without a good education, children in West Virginia cannot fulfill their potential. Our country must increase its commitment to education, not pare it back, in order to meet the fierce challenges of a highly competitive world and to ensure the long-term security of our citizens.

While I recognize the need to enact this next continuing resolution to keep the Federal Government open, I am immensely sorry to see that the majority party still persists in cutting education and other programs that are so essential to the families of our States. The $3 billion cut in education programs, implicit in the funding levels of this bill, is exactly what Americans fear.

Obviously, the continuing resolution has to pass to avoid a much larger crisis. But this education amendment I am cosponsoring will establish a clear record that some of us believe education should be treated as the priority that it is for children and families, and some do not.

Education is a priority for the people of West Virginia and our country. And it has been a priority for me throughout my career in public service.

Because of other, noneducation issues, the full Senate has not had its opportunity to vote on education funding this Congress, and consequently this continuing resolution endorses the House-passed education cuts, up to 25 percent. This is too harsh, and it will devastate education funding in counties across my State, potentially causing lay-offs among title 1 teachers.

When the House of Representatives passed its appropriations bill that cuts education programs so severely, I wrote to West Virginia school superintendents to ask what would happen in their counties if such cuts became law. According to the Nicholas County Superintendent:

> . . . a reduction of federal dollars would be hard to overcome. The cuts in Title 1 would

> mean loss of services to our students in critical programs that would reflect in lower test scores. . . . The increasing cost of equipment and supplies for Vocational Education especially in the area of technology have doubled yearly. Our students desperately need the equipment and supplies to gain the skill necessary for productive and worthwhile lives after graduation. . . . Our country cannot be put in the position of having a second rate educational system as compared to other countries in the world. If our students are not prepared both academically and with the skills necessary to compete in a worldwide job market, our country will fall behind and eventually deteriorate.

Other superintendents sent similar letters.

I completely agree with William Grizzell, the Nicholas County Superintendent, and the other West Virginia educators who wrote to me. We must continue to invest in education for our children and I support the Kennedy amendment for them and for the students who need title 1, Safe and Drug-Free Schools programs, vocational education, and other effective education programs.

Opponents of the Kennedy amendment claim that this amendment will hurt other programs within the Labor-HHS-Education appropriations bill. They say that it will impose harsher cuts on the National Institute of Health and other meritorious programs. Such an argument is a smokescreen. This argument assumes that Congress and the President will ultimately accept the spending levels approved by the House of Representatives in August 1995. Since then, the President and congressional leaders have already acknowledged that funding should be increased in the key areas. We should not accept the argument of opponents and allow a short-term, 7 week spending bill dominate—and devastate—education funding for an entire year.

We should not kid ourselves and pretend that we are "helping our children in the future" with a Federal budget that cripples education and program cuts that limit educational opportunities for children from Head Start through college. It is simply wrong. We should not accept such harsh cuts in education programs and risk our children's future. I am sorry to see the majority party pushing a continuing resolution that treats education and children so poorly. This is a big mistake, and I support this amendment to make it clear that some of us really stand by our words about the importance of educating every child to his and her potential.

Mr. PRESSLER. Mr. President, today the Senate will vote to waive the budget act to increase funds for education. I certainly agree with the goal of the amendment. Federal programs such as Impact Aid and title I are important to South Dakota schools and students across the country. However, although this amendment looks favorable at first glance, further study reveals two significant problems.

First, in order to pay for the amendment, other vital programs would be cut. The National Institutes of Health, elderly nutrition programs, Maternal and Child Health block grants, and job training programs would be reduced beyond the levels outlined in the continuing resolution. This amendment simply would rob Peter to pay Paul.

Second, this amendment would risk another Government shutdown by sending the bill back to the House of Representatives. The previous continuing resolution expires at midnight tonight, and any delays in sending this bill to the White House could cause a shutdown. Good progress has been made in budget talks this week. We must continue to move forward to a balanced budget. We cannot afford to slide backward to gridlock.

Let me emphasize, the funding levels for education are temporary, until March 15 of this year. I will continue working to ensure that vital education programs receive sufficient funds for the remainder of the fiscal year. In fact, the Senate should consider the Labor, HHS, and Education appropriations bill. I intend to offer an amendment to increase funding for the Impact Aid Program. I hope to offer this amendment in the near future.

In the meantime, we must pursue the goal of a balanced budget without wavering. The greatest single threat to education and a bright future for younger generations is runaway Federal spending. If we do not act, young people will be saddled with a much greater burden—the burgeoning $4.8 trillion debt. Without balanced budgets, interest on the Federal debt will continue to skyrocket, eventually squeezing out funding for legitimate programs such as title I or school lunches. The most important step the Federal Government can take to improve the opportunities for young people is to control Federal spending and eliminate the deficit. I look forward to working with my colleagues to this end.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER (Mr. COVERDELL). The Chair recognizes the Senator from Pennsylvania.

Mr. SPECTER. How much time remains?

The PRESIDING OFFICER. The Senator's side has 16 minutes remaining.

Mr. SPECTER. Mr. President, I will be in a position to yield back time after a brief statement. The Senator from Massachusetts has claimed the prerogative of the last argument. I do not know that he is entitled to it, but I will let him have the last minute.

The essence of this matter is that the Senator from Massachusetts has offered an amendment to restore funding in education to the 1995 level, and that is a proposition that I agree with on the merits. I chair the subcommittee which has jurisdiction over the Departments of Labor, Health and Human Services, and Education. When the subcommittee received an allocation which was $1.534 billion more than the House, all of that money was put into education, with the leadership of the distinguished ranking member, Senator HARKIN, and myself.

While I agree that we ought to have more money in education, I must oppose this amendment. If the allocation stays as it is, and no additional money is added to the subcommittee allocation by an agreement reached between the President and the leadership in the Congress, then there will be a 10.5 percent cut on many, many very, very important programs. These programs included the National Institutes of Health, employment and training and older workers' jobs programs, Social Security Administration, nutrition and other programs for the elderly, LIHEAP fuel assistance, community and migrant health centers, Ryan White on AIDS, maternal and child health substance abuse, railroad retirement benefits and many, many others.

Now, that is simply an intolerable situation. What the Senator from Massachusetts may be intending to do here is to get momentum to have more money in education. I have already suggested that I believe that is counterproductive because I would favor that as a matter of principle, but cannot support this amendment. There are other Senators I know who would also favor it as a matter of principle. So if you take a look at the number of Senators who are going to vote in favor of this amendment, it is not going to be representative of those who would like to have more funding in education.

Mr. NICKLES. Will the Senator yield for a question?

Mr. SPECTER. Mr. President, I yield to Senator NICKLES.

Mr. NICKLES. I ask my colleague from Pennsylvania, is it not correct that the House has finished their business, and if we amend this, we jeopardize—or have the possibility of having another Government shutdown because of this amendment?

Mr. SPECTER. That is correct. That argument was made earlier. It led to the counterargument of should we have to defer because the House is not in session? I am somewhat unwilling to base action on the House not being in session. But the Senator from Oklahoma is correct that the House is not in session and that the practical reality would be that there would be no continuing resolution. I had said earlier to the Senator from Illinois that, as much as the funding is in jeopardy in Illinois and Pennsylvania and Oklahoma, it would be more so if we shut down the Government.

I have relied principally on the substantive arguments that this amendment simply takes too much away from Peter to pay Paul, and that the resolution is going to have to come with the subcommittee bill and with the reallocation of funds. I think there will be more funds, Mr. President. There have been signals given that there will be an additional $5 billion on a number of programs, which will have to be shared with the Environmental Protection Agency and the Veterans Administration. But I expect a significant amount of money to be added as a result of the negotiations to the subcommittee which has jurisdiction over education.

That concludes my argument. I will allow my colleague from Massachusetts to take his last minute, and then I will seek to regain the floor before formally yielding the remainder of the time before making a point of order under section 311 of the Budget Act.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, in response to Senator NICKLES, the House is in session for a pro forma, or whatever, and it can be ratified by the House later this afternoon.

The Republicans will raise a point of order. The point of order is based on section 311 of the Budget Act, which requires that levels of all spending should not exceed the totals in the budget reconciliation for the whole year. By that standard, we are already over the 1996 allocation because there is no budget reconciliation bill enacted at this point. So by the majority's reasoning, the two underlying continuing resolutions and previous continuing resolution, as well, also would violate the Budget Act, and a point of order could have been raised against them, as well, which shows the double standard applied to this education amendment.

Mr. President, with this amendment, we are taking the commitment of the President and the Republican leadership in the House and Senate that says we are going to protect education, and we are going to insist that that be the case by, at least, assuring the 1995 levels for the next 49 days so that the budget can be worked out between the President and the Congress and enacted—and protect education. This provides the basis for that program.

I yield the floor.

The PRESIDING OFFICER. All time has expired.

Mr. SPECTER. Mr. President, I do not believe I have yielded back my time yet. I intend to do so, but first I wish to say that the current level of budget authority and outlays exceed the aggregate levels set forth in the budget resolution for fiscal year 1996. The pending amendment provides additional new budget authority and will result in additional outlays in that year and its adoption will cause the aggregate levels of budget authority and outlays to be further exceeded. I, therefore, raise a point of order section 311 of the Budget Act against this amendment.

Mr. KENNEDY. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive the applicable sections of that act for the consideration of the pending amendment and the underlying bill.

Mr. SPECTER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays are ordered.

The question is on agreeing to the motion.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Colorado [Mr. CAMPBELL], the Senator from Indiana [Mr. COATS], the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from Texas [Mr. GRAMM], the Senator from Arizona [Mr. KYL], and the Senator from Alabama [Mr. SHELBY], are necessarily absent.

I further announce that, if present and voting, the Senator from Colorado [Mr. CAMPBELL] would vote "nay."

Mr. FORD. I announce that the Senator from South Carolina [Mr. HOLLINGS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 51, nays 40, as follows:

[Rollcall Vote No. 1 Leg.]

YEAS—51

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Chafee
Cohen
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Hatch
Heflin
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Snowe
Warner
Wellstone

NAYS—40

Abraham
Ashcroft
Bond
Brown
Burns
Cochran
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Frist
Gorton
Grams
Grassley
Gregg
Hatfield
Helms
Hutchison
Inhofe
Kassebaum
Kempthorne
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Pressler
Roth
Santorum
Simpson
Smith
Specter
Stevens
Thomas
Thompson
Thurmond

NOT VOTING—8

Bennett
Campbell
Coats
Faircloth
Gramm
Hollings
Kyl
Shelby

The PRESIDING OFFICER. On this question, the ayes are 51, the nays are 40. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The amendment fails.

Mr. SPECTER. Mr. President, I move to reconsider the vote.

Mr. BURNS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the minority leader. The Senator will suspend for a moment. The Senate will come to order.

The Chair recognizes the minority leader.

COMMENDING SENATOR SAM NUNN FOR CASTING 10,000 VOTES

Mr. DASCHLE. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

A resolution (S. Res. 213) commending Senator SAM NUNN for casting 10,000 votes.

S. RES. 213

Whereas, the Honorable Sam Nunn has served with distinction and commitment as a U.S. Senator from the State of Georgia since January 1973;

Whereas, his dedicated service as a U.S. Senator has contributed to the effectiveness and betterment of this institution;

Whereas, he has dutifully and faithfully served the Senate as chairman of the Armed Services Committee (1987–1994);

Whereas, his expertise and leadership in defense and military policies has been of tremendous benefit to our Nation and to our men and women in uniform;

Resolved, That the U.S. Senate congratulates the Honorable Sam Nunn, the senior Senator from Georgia, for becoming the 17th U.S. Senator in history to cast 10,000 votes.

SEC 2. The Secretary of the Senate shall transmit a copy of this resolution to Senator Sam Nunn.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. DASCHLE. Mr. President, it was on January 23, 1973, that a young, newly elected, freshman Senator from Georgia cast his first vote in this chamber—a vote to confirm a nominee to be Assistant Secretary of Defense.

Today, 9,999 votes later, that Senator has become the Senate's leading authority on defense policies.

Mr. President, it is with great pride and pleasure that I announce that Senator SAM NUNN has just become the 17th Senator in U.S. history to cast 10,000 votes. I am pleased to congratulate him for this remarkable achievement and thank him for his service to this institution and our country.

In his leadership role on defense policies, Senator NUNN is following in the footsteps of two other great legislators from the State of Georgia.

Representative Carl Vinson, who happened to be Senator NUNN's great uncle, chaired the House Armed Services Committee. Senator Richard Russell, who held for 38 years the Senate seat that Senator NUNN now holds, chaired the Senate Armed Services Committee.

Senator NUNN served as chairman of the Senate Armed Services Committee from 1987 to 1994, and is currently the ranking Democrat on the committee.

He has introduced or cosponsored the most important legislation concerning military and defense issues of the past two decades, including defense reorganization, measures to reduce the threat of nuclear war, Pentagon procurement reform, base closing, and restructuring of military pay and benefits.

He has earned the respect of both Republican and Democratic Senators through his efforts to ensure the integrity and mission of our military establishment in the face of massive budget cutting. Thanks to his efforts, while we now have a leaner military, it is a more cost-effective military, rather than a weaker one.

Senator NUNN's expertise in military and defense policy has been recognized and appreciated far beyond Capitol Hill. Every administration since the Carter administration has consulted him on military matters. And each of those administrations has considered him for a top level position in the administration. We in the Senate are extremely fortunate that Senator NUNN has chosen to serve here.

Most importantly, his expertise and leadership has been recognized by the people of Georgia. In 1984, they reelected him with 80 percent of the vote—defeating his opponent by a 4 to 1 margin. That was exceeded in 1990, when Senator NUNN was unopposed in both the State's primary and the general election for U.S. Senator.

Still, I would like to point out that Senator NUNN's career has not been confined to or consumed by military and defense issues. In the Senate, he has played monumental roles in laying the groundwork for national service legislation, on deficit reduction, and on efforts to redirect our national economic and tax policies.

Put simply, Senator NUNN has been a leading figure in American government. The Senate's foremost historian, Senator ROBERT C. BYRD, has appropriately remarked that Senator NUNN is one of those rare and extraordinary Senators "who would have been recognized as [a] great senator in any age * * * in any period during the [past] 200 years" of the Republic.

Indeed, he would, and how pleased and honored I am to have the opportunity to recognize and congratulate our Senator, Senator SAM NUNN.

The PRESIDING OFFICER. Without objection, the resolution and preamble are agreed to.

The resolution (S. Res. 213) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

Whereas, the Honorable Sam Nunn has served with distinction and commitment as a U.S. Senator from the State of Georgia since January 1973;

Whereas, his dedicated service as a U.S. Senator has contributed to the effectiveness and betterment of this institution;

Whereas, he has dutifully and faithfully served the Senate as Chairman of the Armed Services Committee, (1987–1994);

Whereas, his expertise and leadership in defense and military policies has been of tremendous benefit to our nation and to our men and women in uniform,

Resolved, That the U.S. Senate congratulates the Honorable Sam Nunn, the senior Senator from Georgia, for becoming the 17th U.S. Senator in history to cast 10,000 votes.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to Senator Sam Nunn.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia.

Mr. BYRD. Mr. President, as a Senator who has witnessed the services that have been rendered to our country by this very remarkable American and extraordinarily remarkable Senator, I wish to add just a few words about SAMUEL AUGUSTUS NUNN.

He is the second individual who has served in the Congress by the name of Nunn. The first was David Alexander Nunn, who served from the State of Tennessee, elected to the House of Representatives in 1867, served for 2 years, and then was not reelected, but in 1873, was elected to a second term.

I was looking over these names last night, and something struck me about them in particular. There is David Alexander Nunn. David, as we all know, is a Biblical name. Alexander, as we all know, was a great military general and ruler. And Nunn is a Biblical name. It is spelled N-u-n in the Bible. And often I have asked SAM, facetiously, if he named one of his sons Joshua. We are told that Joshua was the son of Nun.

And then I noted SAM's name—SAMUEL, again a Biblical name, who answered God's call. He said, "Here am I. Send me."

And I saw this Senator who said in response to the needs of the people of Georgia, "Here am I. Send me." "Speak, Lord, thy servant heareth."

And then his middle name is, as I indicated, AUGUSTUS. I do not know how many of you knew that. But Augustus was the first Roman emperor. He defeated Cleopatra and Anthony at the Battle of Actium in 31 B.C. on September 2, the same birth month as SAM's. SAM was born September 8th, not that long ago, but in 1938. But he was born in September, the same month that this great battle was fought in 31 B.C.—it has been called one of the decisive battles of the world. The Emperor Augustus was one of the great administrative geniuses of all time.

So I think of SAM NUNN as someone who has demonstrated a great genius in his work in this body. He has demonstrated that work as chairman of the committees. He has been a remarkable chairman. And he has been a remarkable Senator.

He will be leaving us after this year, and I will have more to say about that later. But today, I could not constrain myself. I had to say something by way of tribute to this fine Senator. I watched him come here. I have watched him grow. I served in the House of Representatives with his granduncle, Carl Vinson, who lived to be 97. He was in his 98th year when he died. He was chairman of the Armed Services Committee of the House of Representatives when I was in the House.

So this has been a long line of famous Georgians who have been great chairmen, who have rendered great services in the field of national defense—Carl Vinson, Senator Richard Russell, and now Senator SAM NUNN.

I close with the words of a poet, if I can remember them, which I think are appropriate at this moment.

It isn't enough to say in our hearts
That we like a man for his ways;
It isn't enough that we fill our minds
With psalms of silent praise;
Nor is it enough that we honor a man
As our confidence upward mounts;
It's going right up to the man himself
And telling him so that counts.

If a man does a work that you really admire,
Don't leave a kind word unsaid.
In fear to do so might make him vain
And cause him to lose his head.
But reach out your hand and tell him, "Well done."
And see how his gratitude swells.
It isn't the flowers we strew on the grave,
It's the word to the living that tells.

I will break the Senate rules in this instance by addressing another Senator in the second person. Congratulations to you, SAM NUNN. We will long wait to see someone who can fill your shoes as you have filled the shoes of that great patriarch, Richard Brevard Russell. Congratulations!

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Carolina.

Mr. THURMOND. Mr. President, SAM NUNN is a man of integrity, ability, and dedication. I have been on the Armed Services Committee since 1959, and I was so pleased that he joined the committee when he came to the Senate. He rendered outstanding service as a member of the committee and as chairman of the committee. He is known as an expert on defense matters. Not only in defense; he has done a fine job in every endeavor since he has been in the Senate. This country would be better off today if we had more people like SAM NUNN in the Senate and the House as well as the judicial and executive branches. I am proud of his friendship, proud to have worked with him. He has been a great citizen of America and he has rendered outstanding service of which we can all be proud.

Thank you, Mr. President.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska.

Mr. EXON. Mr. President, many of my most distinguished colleagues, including the minority leader, including the great, distinguished member and the former chairman of the Appropriations Committee and now the ranking Democrat, Senator BYRD, my very able colleague from South Carolina, the chairman of the committee, and others will follow to give their accolades to our dear friend, SAM NUNN.

I rise as a man who has worked closely with him under his tutelage for the last 18 years on many matters in the Senate and primarily with regard to the national security interests of the United States of America.

I simply wish to add my name to the accolades of others who have spoken so eloquently on this true favorite son of the State of Georgia.

SAM NUNN, you have set an example for all of us to follow while you have been here, and you are setting an example as others have set in other work for other people who are most concerned about the United States of America. Regardless of political affiliation, you have set a record for others to follow.

Thank you, SAM, for all the help you have been. You have been great for the United States of America.

I yield the floor.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Mississippi.

Mr. LOTT. Mr. President, on behalf of the majority—and, of course, our distinguished President pro tempore has already spoken—I would like to join our colleagues in congratulating the outstanding Senator from Georgia for this monumental accomplishment of 10,000 votes.

We came to Congress together in 1973. I am going to have to go back and check to see how many votes I have cast, both in the House, of course, and the Senate. But it truly is a remarkable achievement. I had no idea actually how few had achieved this mark in history. But I also concur in the statements that have been made about the tremendous contributions the Senator from Georgia has made over the years. He has really continued the tradition of leaders from Georgia, particularly in this body, the Senate, who have left an indelible mark on the history of our country.

We have all grown to respect and admire Senator NUNN, from Georgia, his integrity, his intelligence, his leadership in armed services and budget matters. It is one that we truly appreciate. I had not had an opportunity to express my admiration to the Senator and say how much I enjoyed working with him. I am glad we have at least 11 more months to work together. And I know that even though he will be leaving this body, the leadership he has provided will live on in many, many ways and we will be working together on other issues. So I congratulate the Senator on this fine achievement.

I yield the floor, Mr. President.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Georgia.

Mr. NUNN. Mr. President, that vote was easier cast than to respond to the aftermath. I would have to say that I was surprised. I knew that I was nearing the 10,000 mark, but I did not know I would reach it today.

I must say that to be honored in this fashion is, indeed, touching and is a reminder of how much serving in this body has meant to me. I thank my friend from Mississippi, and my friend from South Carolina, and my friend from Nebraska. I thank the majority leader, and I thank the man that is really the person we all look to to carry on the traditions and ideals of the Senate, Senator ROBERT BYRD of West Virginia.

Mr. President, I am also delighted that my friend and colleague from Georgia, Senator COVERDELL, is presiding at this special moment in my life. I think this has been a historic week not because I have cast my 10,000th vote but because we have placed in the Russell Building, named after my predecessor from Georgia, Senator Dick Russell, a statue of Senator Russell, and as the Vice President said, Dick Russell, one of the greatest Senators who ever served in this body, is now where he belongs. He is standing tall in the Russell Building.

So this is the culmination of a very historic week, and I cannot help but recall the words that Senator BYRD offered in the dedication of that statue this week when he said that he had never—in spite of the fact of serving with Senator Russell all those years, had such reverence for him; he knew him well—called him anything but "Senator Russell."

That is a tribute that cannot be exceeded. I have used the word "ROBERT" time and time again because we are such good friends, but in that tradition I would like to address you for the rest of my days here as "Senator BYRD," in the great respect that I have for you because in the heat of battle, when we have so many substantive differences, I think too many times all of us forget what a tremendous honor it is to serve in this Senate, which is in my mind, without a doubt, the greatest legislative body not only in the world today but in history.

We have all of our frustrations with delays and schedules, and we always have a hard time knowing what we are going to do from day to day, but when you think about the things that make the schedule so uncertain here and the things that make us so many times so frustrated are also the things that make this body unique, the right of any Senator to take the floor and continue uninterrupted as long as they choose until there is an appropriate implementation of cloture, and even then someone has to get the floor, it is a rare body. It has its distinctions from any other body in the world and I think we should always remember that.

I cannot say, I say to my friend from West Virginia, and my colleagues, that I have enjoyed every vote I have cast here. Some of them have been agonizing, as we all know. And I cannot say I have enjoyed every hour I have served here. But I can say I have enjoyed every day I have served here, and I will always cherish as long as I live my service in the Senate and my friendship with each of you. So I thank the Chair and I thank my colleagues, and I look forward to a lot more votes before my day is done.

[Applause, Senators rising.]

The PRESIDING OFFICER. The Chair recognizes the Senator from New York.

Mr. MOYNIHAN. I thank the Chair.

THE BALANCED BUDGET DOWNPAYMENT ACT, I

The Senate continued with the consideration of the bill.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

AMENDMENT NO. 3120

(Purpose: To increase the public debt limit)

Mr. MOYNIHAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN] proposes an amendment numbered 3120.

At the end of the bill, add the following:

TITLE V—PUBLIC DEBT LIMIT

SEC. 501. INCREASE IN PUBLIC DEBT LIMIT.

Subsection (b) of section 3101 of title 31, United States Code, is amended by striking the dollar amount contained in the first sentence and inserting "$5,400,000,000,000".

Mr. MOYNIHAN. Mr. President, I will remark, if I might, on the brevity of this measure, the succinctness of its purpose, which is to increase the debt ceiling of the United States from the present $4.9 trillion to $5.4—one should not use decimal points when referring to trillions—$5.4 trillion. This $500 billion increase will provide sufficient borrowing authority for the Federal Government until about the end of May 1997.

Mr. President, I offer this amendment on the circumstance of the 11th time since 1984 that the Federal Government has been in a "debt issuance suspension period," commonly known as a debt ceiling crisis. The repeated past crises of the debt ceiling, and the present unprecedented, protracted crisis that has been upon us since the debt ceiling was reached over 2 months ago, has left the Secretary of the Treasury, the distinguished Secretary Robert Rubin, with little recourse under law by which he could allow the Government to continue. But he has now stated that there are three remaining ones, with the very specific sums associated with each, and that in no circumstances can the Government meet its financial obligations after the 29th of February or the 1st of March.

What we face, Mr. President, is the prospect of default. Moody's Investors Service has placed on review for possible downgrading—those are the terms—some $387 billion of obligations of the U.S. Treasury for interest payments falling due between February 29 and April 1, the first time in our history that the credit of the United States has been potentially brought into question by an investment advisory service.

How to scale this event? We are not going to have many people participate in this debate and not many people will be on the floor as we proceed. I wonder if there is not some apprehension about this issue that leads to a kind of avoidance.

How would you scale this prospect of default, Mr. President? I give you the typical prospect. It would be the equivalent of losing a war. We are not talking about a program. We are not talking about appropriations. We are talking about the United States of America.

The War of 1812 was perhaps the closest we ever came to losing a war. In 1814 the British seized Washington. They burned the White House. They burned the Treasury building. They burned the Capitol. But the service of the debt of the U.S. Government went forward undisturbed out of subtreasuries elsewhere, prominently New York and Philadelphia.

We were a debtor then, a debtor nation, rapidly paying off our debt. We would have none whatever by 1837. We had acquired that debt in the course of the Revolutionary War. State governments incurred this debt, and Alexander Hamilton insisted that the Federal Government assume that debt. Paying it off established the credit of the United States in Europe and in a mode that allowed us to be a great importer of capital through the 19th century as we built our industries and infrastructure.

Today we are not only a debtor once again but we are the world's largest debtor, the result, Mr. President, not of the War for Independence, but of the working out of the long-term strategy that took shape in the late 1970's designed to refashion the American National Government by dismantling its finances.

Mr. President, I spoke upon that subject on any number of times in the 1970's. In July 7, 1980, I wrote a long article for the New York Times describing it. And I said of that strategy which came to be known as starve the beast:

> The Republicans' dominant idea, at least for the moment, seems to be that the social controls of modern Government have become tyrannical or at the very least exorbitantly expensive. This impression, so the strategic analysis goes, is made possible by taxation such that cutting taxes becomes an objective in its own right, business cycles notwithstanding.

And 3½ years later, with the new administration in place and a budget deficit now steadily rising, I wrote of this same subject. Might I just add, Mr. President, that on January 20, 1981, the debt was about $900 billion. In the intervening 15 years we have added $4 trillion.

I spoke again of this basic proposition, not easily understood, not widely even noted. The proposition is that the deficits were purposeful, that is to say, that the deficits in the President's initial budgets were purposeful. They were expected to disappear. They have not disappeared.

The then-Director of the Office of Management and Budget, Mr. David Stockman, said there are $200 billion deficits as far as the eye can see. And in that mode, the debt was beginning to accumulate.

I put it up to the whole legislative budgetary agenda at that time. I quote—this is in the New Republic of December 31, 1983. I said:

> There was a hidden agenda. It came out—hidden in plain view like pearls of a purloined necklace.
>
> It came out in a television speech sixteen days after President Reagan's inauguration, when he stated, "There were always those who told us that taxes couldn't be cut until spending was reduced. Well, you know we can lecture our children about extravagance until we run out of voice and breath. Or we can cut their extravagance by simply reducing their allowance."

That was the pattern, starve the beast. It would be pointless to try to argue out of existence this program, that program, another appropriation. Simply make it impossible to go forward because there are no funds, and indeed we looked the unthinkable prospect of default in the very face.

I wrote then that there was an alternative, that the possibility of a historical compromise was present.

Democrats might come to understand the sense of the opposing party that Government, indeed, had become too big, too interventionist, at times, indeed, an obstacle to the private lives and private fortunes of the citizenry. There is that edge, the regulatory state.

Republicans would have to understand that they could not put it in service of the political strategy, they could not put the integrity of the United States of America at risk and that compromise may finally have been reached. It has been agreed that we will balance the budget in 7 years. This will involve reducing a great many programs. It will involve preserving others.

I stand here, Mr. President, to say to the Republican Members across the aisle, "Your strategy has worked." The President, in the State of the Union message 2 days ago, declared: "The era of big government is over." He said it not just once, he said it twice.

The debt service did it, not quite as anticipated but effectively so. The strategy has worked. I might give you a specific, and I will not be long. In 1994–97, the period we are in, spending on Government programs is less than taxes for the first time since the 1960's. If you go back 30 years to the Kennedy-Johnson era, you will find a time when we were spending less than we collected in revenues, and at that time, a great source of concern arose for economists: the phenomenon of fiscal drag. Congress was not spending as much money as it brought in.

That changed so dramatically. The deficits of the 1980's, as far as the eye can see, continued until, in 1993, under President Clinton, we passed legislation that reduced spending and increased revenues by half a trillion dollars. After that, the deficit premium, as it is called, on interest rates declined. The anticipation that we would deal with the deficit reduced interest payments, and outlays were reduced by another $100 billion.

So right now, revenues are running ahead of outlays, save for the debt service. The debt service has done its work. Debt has done its work, and now it seems to me, it appears to me, that we have an understanding of the reality. However little either side might like it, it is there.

Can we not go forward now to agree to extend the debt ceiling in the context of an agreement to bring about a balanced budget, not to put the United States at risk in a world in which we are the largest debtor, and our debt is held by central banks and elsewhere all around the world? To bring it into question is to bring the fundamentals of the American Government into question as well.

I urge the Senate, I urge my friends on the other side of the aisle to declare victory and preserve the authority and integrity of the United States Government because, Mr. President, nothing less is at issue.

Mr. President, I ask unanimous consent that the two articles I mentioned be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New Republic, Dec. 31, 1983]

THE BIGGEST SPENDER OF THEM ALL—REAGAN'S BANKRUPT BUDGET

(By Daniel Patrick Moynihan)

In his first thousand days in office Ronald Reagan increased the national debt of the United States by half. If he should serve a second term, and the debt continues to mount as currently forecast by the Congressional Budget Office, the Reagan Administration will have nearly tripled the national debt. In eight years, one Republican Administration will have done twice, you might say, what it took 192 years and thirty-eight Federalist, Democratic, Whig, and Republican predecessors to do once. The numbers are so large they defy any ordinary effort at comprehension (a billion minutes ago St. Peter was fourteen years dead), but for the record they are as follows. On President Reagan's inauguration day, January 20, 1981, the national debt stood at $940.5 billion. In the next thirty-two months, $457 billion was added. The projected eight-year growth is $1.64 trillion, bringing us to a total debt, by 1989, of $2.58 trillion.

Debt service, which is to say interest on the debt, will rise accordingly. It came to $75 billion in fiscal year 1980. By the end of this fiscal year, it will be something like $148.5 billion. And so it might also be said that the Reagan Administration will have doubled the cost of the debt in four years.

A law of opposites frequently influences the American Presidency. Once in office, Presidents are seen to do things least expected of them, often things they had explicitly promised not to do. Previous commitments or perceived inclinations act as a kind of insurance that protects against any great loss if a President behaves contrary to expectation. He is given the benefit of the doubt. He can't have wanted to do this or that; he must have had to do it. President Eisenhower made peace, President Kennedy went to war; President Nixon went to China.

Something of this indulgence is now being granted President Reagan. Consider the extraordinary deficits, $200 billion a year, and continuing, in David Stockman's phrase, as far as the eye can see. This accumulation of a serious debt—the kind that leads the International Monetary Fund to take over a third world country's economic affairs (or in olden times would lead us to send in the Marines to collect customs duties)—is all happening without any great public protest, or apparent political cost.

As such, this need be no great cause for concern. If Ronald Reagan is lucky, good for him. There is little enough luck in the business. But, unfortunately, something much larger is at issue. If nothing is done, the debt and the deficit will virtually paralyze American national government for the rest of the decade. The first thing to be done, to use that old Marxist terminology, is to demystify the Reagan deficit.

If I may say so, what I now write, I know. That is not and should not be enough for the reader. I will ask to be judged, then, by whether the proposition to be presented is coherent, and whether any other proposition makes more sense.

The proposition is that the deficits were purposeful, that is to say, the deficits for the President's initial budgets. They were thereafter expected to disappear. That they have not, and will not, is the result of a massive misunderstanding of American government. This is not understood in either party. Democrats feel uneasy with the subject, one on which we have been attacked since the New Deal. Republicans are simply uncomprehending, or, as Senator John Danforth of Missouri said in a speech on the debt ceiling in November (referring to the whole Senate, but permit me an inference), "catatonic."

Start with the campaign. Although we may be forgiven if we remember otherwise, as a candidate, Mr. Reagan did not propose to reduce federal spending. Waste, yes, that would be eliminated, but name a program, at least one of any significance, that was to go. To the contrary, defense spending was to be considerably increased. That was the one program issue of his campaign. It was the peculiar genius of that campaign that it proposed to increase defense expenditures while cutting taxes. This was the Kemp-Roth proposal, based on Arthur Laffer's celebrated curve. As a candidate, Mr. Reagan went so far as to assert that this particular tax cut would actually increase revenues.

What follows is crucial: no one believed this. Obviously a tax can be so high that it discourages the taxed activity and reduces revenue. This is called price elasticity and is a principle that applies to pretty much everything from the price of The New Republic to the price Justice Holmes said we pay for civilization. But any massive reduction in something as fundamental as the income tax was going to bring about a massive loss of revenue. And this was intended.

There was a hidden agenda. It came out in a television speech sixteen days after President Reagan's inauguration, when he stated, "There were always those who told us that taxes couldn't be cut until spending was reduced. Well, you know we can lecture our children about extravagance until we run out of voice and breath. Or we can cut their extravagance by simply reducing their allowance." The President genuinely wanted to reduce the size of the federal government. He genuinely thought it was riddled with "waste, fraud, and abuse," with things that needn't or shouldn't be done. He was astute enough to know there are constituencies for such activities, and he thought it pointless to try to argue them out of existence one by one. He would instead create a fiscal crisis in which, willy-nilly, they would be driven out of existence.

If his understanding of the government had been right, his strategy for reducing its size would have been sound. But his understanding was desperately flawed. There is waste in the federal budget, but it is of the kind generic to large and long-established enterprises. Thus we have an Army, a Navy, and an Air Force. They compete, they overlap, they duplicate. Well, yes. But they also fight, in no small measure because these uniforms mean something to those men and women, and have, in the case of the Army and Navy (and of course the Marine Corps, which is part of the Navy) for more than two centuries. A management consultant might merge them. I sure as hell wouldn't, except perhaps way at the top. For the rest, well, there is the F.B.I. at $1 billion; the Coast Guard (equally long established) at $2.5 billion, and so on. Welfare? In the sense of welfare mothers? The Aid to Families with Dependent Children program comes in at about 1 percent of the whole budget. (The Washington Post has half-seriously proposed that it be abolished altogether so that people will stop talking about it.) There are areas in the budget where expenditure is indeed growing at enormous rates, principally that of medical care. But for the most part, and especially in the case of medical care, expenditure is growing at similar rates in both the private and public sectors. Large social forces are at work, not simply a peculiarly pathological tendency of government.

A notable area of miscalculation, or rather misinformation, among the Reaganites was that of foreign affairs. President Reagan has acted much as his predecessors have done in foreign affairs, and for the elemental reason that he is faced with much the same situations. Invariably, this has meant spending money. This fall the President had to plead with Congress to increase appropriations for the International Monetary Fund, something he cannot have expected ever to be doing, but there you are. As I write, the Kissinger Commission on Central America is no doubt drawing up a massive "Marshall Plan" for the area. Is there any doubt that in the next session the President will be pleading with Congress to increase this particular form of foreign aid? (Just as, had his supporters in the Senate been successful in blocking the Panama Canal treaties in the Carter years, he would be pleading today with the Senate to consent to their ratification.)

President Reagan's tax cut—the largest tax reduction in history—became law in August 1981. Critics, if they are members of Congress, typically must begin by explaining why they voted for the tax cut. I am one. (There were only eleven Senators who voted no.) I have an explanation, but no excuse.

After years of intense inflation and the accompanying "bracket creep" in the income tax, we did need to reduce personal tax rates. A year earlier, the Senate Finance Committee, controlled by the Democratic majority, had reported out just such a bill, but Mr. Carter's White House would not hear of it. This helped lose the Senate for the democrats, but the lesson was not lost.

The great recession of 1981–82 made it painfully clear that the tax cut was too small for the first year, when a neo-Keynesian stimulus was in order. At the time, however, a bidding war broke out in the House, sending the parties into senseless competition to offer loopholes to special interests. The result was a tax cut much too large for the later years. Thus the $200 billion annual deficit. Again, no excuses from this quarter, but in the Democratic response to the President's televised speech of July 27, 1981, I did say, "In the last few days something like an auction of the Treasury has been going on . . . what this is doing is taking a tax cut we could afford and transforming it into a great barbecue that we can't afford. I would say to the President that some victories come too dear.

Enter the Federal Reserve Board which looked at the huge tax cuts in the midst of high inflation and decided to create an economic downturn. Of all the structural anomalies of American government, the arrangements for setting macroeconomic policy are the most perverse. Although fiscal policy (the amounts of money the government spends, receives, and borrows) is made through a painfully elaborate public process by an elected President and an elected Congress, monetary policy (the total amount of money in the economy and the cost of borrowing it) is made in secret by appointed officials. The Reserve Board tightened the growth of the money supply so strenuously that it actually declined in the third quarter of 1981. Real interest rates reached the highest levels in our nation's history, and the economy fell off the cliff. At the end of September 1981, the steel industry was operating at 74.5 percent of capacity; by the end of 1982, it was operating at 29.8 percent of capacity.

To be sure, the Fed does not control the precise money supply and cannot precisely determine interest rates. But it can set the direction and range for both and this it did. Anyone who tried to dissent was soundly rapped. Its two dozen or so central bankers decided to bust the economy, and bust it they did. In a White House appearance in October 1982, Nobel Economist George Stigler used the term "depression" to describe the economy.

There is a tendency for any government to live beyond its income. The Reagan Administration transformed this temptation from a vice into an opportunity. Put plainly, under Ronald Reagan, big government became a bargain. For seventy-five cents worth of taxes, you got one dollar's worth of return. Washington came to resemble a giant discount house. If no tax would balance the budget, and no outlay would make it any worse, why try?

A boom psychology moved through government. Defense came first, from space wars to battleships—the latest defense appropriations reactivates the World War II-vintage *U.S.S. Missouri*. Hog wild is the only way to describe the farm program. Jimmy Carter left behind a $4 billion enterprise, somewhat overpriced at that and the object of incessant right-wing criticism. Whereupon the fundamentalists and their political brethren took over. Within thirty-six months they increased the annual cost of the farm program more than fourfold. Their most recent enthusiasm, signed into law by President Reagan, is a program paying dairy farmers not to milk their cows.

What is to be done? The economy is at stake. The country can bankrupt itself. According to the latest budget projections, prepared by the Congressional Budget Office under the impeccably conservative new director, Rudolph G. Penner (formerly of the American Enterprise Institute), the deficit for the six years 1984 to 1989 will come to approximately $1,339,000,000,000. In order to support and service this debt, the government will have to absorb more and more of the capital that is coming available in the nation's credit markets. Direct federal borrowing for the deficit and federally guaranteed loans absorbed 62 percent of all credit raised on the nation's financial markets this year, compared to an average absorption rate of 8.3 percent in the 1960s and 15.3 percent in the 1970s. This "crowding out" was not much felt, because few others were borrowing to invest. But when the day comes that business, consumers, and government all compete for the same funds, interest rates will go up, with predictable consequences.

Under these circumstances, the only thing a Republican Administration and a Republican Senate will be able to consider doing will be to revert to their original agenda: use the budget deficit to force massive reductions in social programs. This time they will be able to cite not mere illusions but necessity. Even if interest on the debt climbs to $200 billion a year, as now seems likely, presumably there will still be an Army, an F.B.I., and some kind of customs service and border control. What then will be left to cut?

Entitlements, or more precisely, Social Security.

The word is already the rage. There is scarcely a Republican member of the Senate who does not know that entitlements must be cut, and cut deeply. Many Democrats agree; almost none dissent. Remember, at least twenty Senators are millionaires, living at considerable social distance from those who would be most affected. It will be much the same in the House. The budget deficit in the year ahead will threaten any sustained recovery. The members of the House, as a rule, are not millionaires, but they know their street corners. The street corners will say, "Cut. Something must be done."

Cut back Social Security in desperation, and you abandon a solemn promise of the Democratic Party and of American society. This promise, once broken, will fracture a little bit of society. (Moreover, cutting Social Security will not improve the deficit problem. As Martin Feldstein, chairman of the Council of Economic Advisers, has noted, Social Security is funded by separate payroll taxes and contributes not a cent to the deficit.)

There is an alternative. There is the possibility of a historic compromise that can bring the now dominant branch of the Republican Party to grips with reality, while shaking the now dominant branch of the Democratic Party from its illusion that no one will listen to Republicans for very long. Such a compromise cannot await a change in the political culture. It must be negotiated. We need a structure, a forum in which negotiations can take place. A Presidential commission might be such a structure.

The National Commission on Social Security Reform—on which I served—would provide a model. It was established by President Reagan in December 1981, after Congress rejected his original plan to sharply reduce Social Security benefits. One point in particular is crucial. Alan Greenspan, who chaired the commission, adopted a simple rule: each member was entitled to his own opinion but not his own facts. Within a year Mr. Greenspan had established the facts, which showed that the problem was neither trivial nor hopeless. The commission as such could reach no agreement. But with the facts established, we put together a bipartisan legislative package last January in exactly twelve days.

The budget crisis presents a harder problem, but it can be approached in the same way. Martin Feldstein made a good beginning in a speech to the Southern Economic Association on November 21. He agreed with the Congressional Budget Office that by 1988 the deficit will absorb 5.1 percent of the nation's G.N.P. Of this, Feldstein noted, 2.4 percent will come from increased defense spending, 1.7 percent from the tax cut, and the remaining 1 percent from higher interest payments. The facts about the structural deficit flow readily from such quantification.

The members of the budget commission—representatives from the Administration, Congress, the Federal Reserve, and the Congressional Budget Office—would determine the actual effects of deficits on employment, real interest rates, capital formation, investment, and the prospects for vigorous economic growth. Then they would propose the steps to reduce the deficit, making certain that the burden of these reductions did not fall disproportionately on any economic or social group. Delaying tax indexing, reforming corporate tax law deductions and credits, cutting defense spending, and reducing farm price supports, among other proposals, would have to be considered. Medicare, secure in the short term, will be in deep trouble before the end of this decade. The deficit commission must face up to this problem. Democrats should agree to do so in return for assurances that the Social Security agreement will be respected and that the Social Security trust fund will not be raided (the plain purpose of those who say entitlements are the problem).

Moreover, a solution to the deficit crisis will require more than adjustments in spending and taxation. It will demand change in the way we make fiscal and monetary policy and the way those policies are coordinated. Monetary policy and the operations of the Federal Reserve must be an integral part of any fiscal resolution. Nothing can be achieved without a joint monetary-fiscal effort to promote an expanding economy and an approach to full employment—a one percentage point drop in unemployment alone reduces the budget deficit by $30 billion.

But let's stop here. I have my own thoughts. The reader will have his or hers. On the final day of the last session of Congress, I introduced legislation to establish the National Commission on Deficit Reduction. Now, can we get the President to join?

[From the New York Times, July 7, 1980]

Of "Sons" and Their "Grandsons"

(By Daniel Patrick Moynihan)

Once upon a time, before the Coming of the New Deal, there was a group of Republican Senators who were not sound men on subjects such as the High Tariff. Their names were well enough known—Johnson of California, Norris of Nebraska, La Follette of Wisconsin, Shipstead of Minnesota—but you might say their families were not. They were definitely Western, arguably Populists, and assuredly Not Quite in the Best of Taste.

In a speech on the Senate floor in 1924, an Eastern Republican, drawing on Jeremiah 14:6, referred to them as "sons of the wild jackass." The phrase was much in vogue in the brief period remaining to that era, after which Republicans generally lapsed into an undifferentiated and glum opposition.

Soon the wild jackasses were no more. But of a sudden their grandsons have appeared. In the Senate surely, and in their party generally, and the reaction has been much the same, except that this time it has come from—Democrats!

Take this business of cutting taxes. The Secretary of the Treasury was not amused. The White House received unimpeachable intelligence from the Best Sources that it was a Bad Idea. Dissenting Democratic Senators were informed that the Chief Executive Officer of the largest corporation in Delaware had reported that industry was not at all impressed by the Republican proposal, whilst the head of the Federal Reserve branch in New York City reported that The Street was definitely not in favor.

Psychologists call this role reversal. As a Democrat, I call it terrifying. And to miss it is to miss what could be the onset of the transformation of American politics.

Not by chance, but by dint of sustained and often complex argument there is a movement to turn Republicans into Populists, a party of the People arrayed against a Democratic Party of the State.

This is the clue to the across-the-board Republican tax-cut proposal now being offered more or less daily in the Senate by Dole of Kansas, Armstrong of Colorado and their increasingly confident cohorts.

It happens that just now they are "right." The economy is in a steep recession, facing a huge tax increase (windfall profits and Social Security payments, combined with the "bracket creep") next year. Certainly a $30 billion cut in 1981 taxes is in order, and ought to be agreed on quickly, with luck using the opportunity to get better depreciation schedules for industrial investment.

But these same Republicans were calling for tax cuts in 1978 and 1979 when clearly they were "wrong—by, that is, established standards of fiscal policy. The point is that these are no longer men of that Establishment.

The process of change has been unremarkable enough. After a half century of more or less unavailing opposition (Republicans have controlled the Congress only four years since 1930) it was possible to agree that new ideas were necessary.

Observe Bill Brock, chairman of the Republican National Committee, announcing the appearance, in 1978, of A Republican Journal of Thought and Opinion: Commonsense:

"We must not forget that the last great partisan coalition of American politics was built on ideas. These were no less forceful and appealing, if also debatable, for all their identification with a political party. The notion of an activist federal government, with an obligation to use its centralized power to meet new social problems with new social controls, was a new idea in the 1930s. But it took hold, built a durable coalition, became the foundation for decades of programmatic public policy, and tended to capture the terms of the political debate.

"As an idea, it had consequences. Only lately have these come to be generally understood as having mixed implications for the nation and for individuals in it. Accordingly, the Republican Party finds itself in opposition, at this writing, not only to a majority party that controls the machineries of government, but to the force of certain such idea. It is our continuing obligation, therefore—to articulate our own."

This journal has been faithful to its promise: The material is first-rate. (We Democrats have nothing approaching it.) Of a sudden, the G.O.P. gas become a party of ideas.

The Republicans' dominant idea, at least for the moment, seems to be that the social controls of modern government have become tyrannical or, at the very least, exorbitantly expensive. This oppression—so the strategic analysis goes—is made possible by taxation, such that cutting taxes becomes an objective in its own right, business cycles notwithstanding.

Similarly, "supply-side" economics speaks to the people as producers, as against the Government as consumer. Within the Republican Party this is put forth as populism and argued for as such. To be wild jackasses, to be Teddy Roosevelts, and to trust the people. Asked by a commentator whether an across-the-board tax could really lead to the needed increase in savings, a Republican Senator replied that he took for granted that the people would know what to do with their own money.

There is much G.K. Chesterton in this—indeed, Brock cites how in another passage to his introduction of Commonsense—who raged against the elitism of Tory and Socialist alike. Beer and Liberty, as it has been put, verus Soap and Socialism. And property for all versus the goods for all, if such goods came only from giant businesses.

And then there is also much of the Frontier in this New Republicanism. Some get plenty; and some get none. But it is surely also a challenge. For we Democrats have been in power so long we have not been able to avoid becoming in ways the Party of the Government, and it shows. The party, to be specific, of those classes and professions and enterprises, public and private, that depend on Government subvention and guarantee. With the public sector at a third of gross national product, (and the Federal share tending toward one quarter), this is no small constituency. But it is not yet a majority. And we would do well to take heed when Republicans start campaigning, as indeed they have, on platforms that they are the "party of the working man." Do us both good.

Mr. MOYNIHAN. I see my distinguished chairman of the Committee on Finance is on the floor, and I look forward to his agreement and collaboration.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. THOMAS). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, I rise to urge my colleagues to vote against this amendment to raise the debt ceiling on this occasion. Without a doubt, the debt ceiling will eventually be raised as it needs to be and as it should be in order to avoid default.

The problem with addressing the debt ceiling issue at this point is that there is some urgency in our need to enact the continuing resolution. To keep Government from shutting down, this resolution must be enacted today and it must be clean.

This CR has already been negotiated with the House, the Senate, and the White House. The President has said that he will sign this bill tonight. This is critically important to maintain uninterrupted Government services for the American people.

To open the CR now for amendment is to create an obstacle that will most certainly keep this bill from passing and result in a Government shutdown. We must reach closure today.

We will address the debt ceiling. Secretary Rubin has asked us to do so before March 1. That's over a month away. Consequently, there is no urgency to extend the debt limit now—not if it means once again shutting down the Government.

The Finance Committee is currently in discussions with Treasury regarding various aspects of this issue. And we will move forward with the debt ceiling issue when the moment serves. But not now.

The amendment violates the Constitution. Revenue bills must arise in the House, and that includes legislation affecting the debt ceiling. If we adopt this amendment, the House will blue slip the legislation, and we will be further behind than if we pass this CR and address the debt at a more appropriate time.

It is customary for Congress to consider debt ceiling legislation together with provisions to reduce the deficit. The House is in the process of fashioning such a package. The Speaker has talked with the President.

Leon Panetta has indicated the administration is willing to work on such a package. This amendment derails that effort. It is clear, then, that this amendment, even if it were legal, would not be well received in the House. Rather than achieve gridlock once again with the Moynihan amendment, we need to send this continuing resolution to the President.

Mr. President, again, I urge my colleagues to vote against the amendment to raise the debt ceiling on this occasion.

Mr. MOYNIHAN. Mr. President, may I say to my friend, the distinguished chairman—and I understand his reasons full well, and they are wholly appropriate—what separates this moment from others in the past is that the full faith and credit of the United States is even now being questioned in international markets. That has never happened. It has not happened since 1792 when Hamilton worked out the assumption of the State debt.

I think the fact that the President and the Republican leaders in the House and here in the Senate have come to an understanding that there will be a balanced budget agreed to—and the distinguished chairman of the Budget Committee was there—that should be enough for us to say that will happen. And, incidentally, do not for a moment ever think that the United States would default on their debt. That is all we seek in the spirit of good will.

I point out that the budget agreement, already tentatively marked up, cuts domestic discretionary spending of the Federal Government by one-third in 7 years. David Stockman, in his moment of the utmost optimism, could never have conceived that such an amount of drastic reduction would not only be agreed to but hardly remarked upon. The era of big Government is, in fact, over. But the era of default, bankrupt Government, surely must not commence.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, the Senate can be assured that I want to expedite the vote on this issue as much as anyone else. So I will be very brief. There are some people in the country that are concerned about the full faith and credit that has been such an advantageous thing for our Treasury bills and the financing of our debt. Our Treasury bills have been almost the greatest currency in the world. They are the money market in many parts of the world. Certainly, it does not behoove the Senate or the U.S. House, Democrat or Republican, to do anything to tarnish that.

But I believe today the issue before us is: Shall we open the Government, pay our workers, and get on with the ordinary daily activities of the Government and, at the same time, assure the marketplace and those who are concerned that there is no intention on the part of those on this side of the aisle that are in a position during the next 4 or 5 weeks to get that debt limit extended, and that there is no intention on our part that we let the Treasury bills of the United States go into default?

I stand before the Senate because some of those people that are influenced by our actions are, from time to time, interested in my opinion and my views. Frankly, I am saying tonight that I think we ought not cause the Government of the United States to be closed down even for 24 hours while we add an amendment that is not necessary tonight.

We are saying as strongly as we can—I have been with our leader; there is no intention to do anything other than to work with the President to extend the debt limit. I cannot say here to Senator MOYNIHAN that it will be absolutely a clean debt limit, but I can say there is an intention to extend it in a way that would be signed by the President.

I remind everyone it would be almost historic if in this kind of a situation you had a clean bill. There would be some things worked out between the White House and the Congress. It is always a vehicle that sends some things to the White House that get done that everyone wants done. I do not believe we ought to leave the notion out there in America that if this proposal of Senator MOYNIHAN is tabled, and I hope it is tabled, that there is any intention to do anything but have a debt limit extension in an orderly and timely manner.

Mr. WARNER. Mr. President, I thank the distinguished Senator from New Mexico and the distinguished Senator, the chairman of the Finance Committee, because I have risen in both our caucuses here recently and expressed my grave concern about this issue of the full faith and credit of the United States, how that could be combatted by the actions with relation to the debt limit.

I, like the distinguished Senator, the chairman of the committee here, feel very strongly, as does the Senator from Delaware and the Senator from New Mexico, that we cannot shut down the Government tonight.

I ask unanimous consent that two editorials on this subject be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Plain Dealer, Jan. 24, 1996]

HITTING THE DEBT CEILING

It is all well and good for House Republicans to fight hard for their budget priorities. But using the good faith and credit of the United States government as a weapon in that fight is short-sighted and dangerous. It is also likely to backfire.

Until very recently, at least a few top House Republicans seemed to understand this. Both House Speaker Newt Gingrich and Budget Committee Chairman John Kasich had signaled a willingness to pass legislation that would allow the government—which will soon reach its credit limit—to borrow more money to avoid default. But on Sunday, House Majority Leader Dick Armey took a different tack.

Speaking on NBC's "Meet the Press," Armey said Congress would not increase the debt ceiling unless conditions were attached. The conditions, he said, would have to advance the GOP agenda of "decreasing the size and the intrusiveness of government."

The next day, Gingrich adjusted his tune to harmonize more closely with Armey's. To get a debt-ceiling bill from Congress, Gingrich said, President Bill Clinton will have to propose "substantial reforms" in future spending.

However much dissent there may still be in Republican ranks, clearly some party leaders are again embracing the notion that the goal of forcing an ideologically palatable budget deal warrants dramatics of the highest order. That is troubling.

Though deficit-reduction and long-term entitlements reform are supremely worthy ends for Republicans to pursue, they do not justify any means. Forcing the U.S. government to default on its obligations is irresponsible. It is bad policy and bad politics.

The price of a default—which could include a dive in the stock market, a leap in interest rates, and a worldwide ripple of doubt about the reliability of U.S. securities—is simply too high. If the goal of the most ardent GOP budget cutters is to promote America's long-term economic well-being, they defeat their purpose if they ruin America's credit rating along the way.

It is not hard to understand why some House Republicans would be feeling acutely frustrated these days. Not only has budget-making become mired in an extended state of indecision, but numerous policy initiatives have become stuck. . . .

[From the Chicago Tribune, Jan. 24, 1996]

THE MADNESS OF COURTING DEFAULT

For months, Treasury Secretary Robert Rubin has used every loophole and opening he could find to extend the government's borrowing powers and keep Republican lawmakers from using the debt ceiling to muscle budget concessions out of President Clinton.

But now, Rubin says, he has run out of options that are legal and acceptable to Clinton. Unless Congress raises the debt ceiling, he warns, the nation will for the first time in its history default on its debts—probably by March 1.

Don't worry, some cynics say. Rubin has more tricks up his sleeve and will do anything to avoid default.

Start worrying, say others. The Treasury is at the end of its line, and House Speaker, Newt Gingrich won't raise the debt ceiling unless Clinton agrees to some GOP-proposed reforms on entitlements or welfare. The president insists he won't be blackmailed.

Wherever the truth lies, it's time to stop this reckless gamesmanship. It's one thing to reach an impasse over how to balance the budget and agree to take the issue to the voters, which both Democrats and Republicans seem content to do. But it's totally irresponsible to jeopardize the credit of the United States.

Congress' primary concern in the weeks ahead must be to protect the reputation of the nation as a rock of financial stability and as a debtor that always has honored its obligations. Despite their frustration at being stymied on budget reforms, Gingrich and the Republican hard-liners must pass an extension of the debt ceiling, without extraneous conditions.

So far, the financial markets haven't been roiled by the budget gridlock in Washington. And no one can be sure what default, or even the imminent threat of it, could mean to the economy and markets. But it couldn't mean anything good.

Felix Rohatyn, the respected investment banker who is being considered by the Clinton administration for vice chairman of the Federal Reserve Board, wrote recently that it "could create a catastrophe." Politically, the rest of the world would think America's institutions had collapsed and the country was no longer governable. Financially, because more than $500 billion of the nearly $5 trillion in U.S. debt is held overseas, a default could "trigger a global financial crisis of completely unpredictable proportions."

Mr. WARNER. As I understand, both Senators are giving the assurance to the Senate that we will, in an orderly manner, work this thing out in a manner that will not have an adverse impact upon the financial markets of our Nation. I believe the Senator is giving that assurance.

Mr. ROTH. I say to the distinguished Senator from Virginia, that is exactly what we are doing. We are acting in a responsible way today; we are taking action that will ensure that the Government can continue to function, which I know is of primary interest to our distinguished Senator from Virginia. That is the reason we do not want it to be amended further. That would only delay the process and bring about the shutdown that I think no one wants.

As a second step, we are working already, together with the House, with the administration. I was in contact yesterday with the Secretary of the Treasury. We are proceeding to do something about the debt ceiling because I, like Senator WARNER, want full faith from the President. So we are working to provide the type of legislation that meets everybody's requirements and can be enacted by the Congress.

Mr. WARNER. I thank the distinguished Senator from Delaware. Yesterday we had a discussion about this in our caucus, and he responded in a way similar to that of today.

Mr. MOYNIHAN. Before yielding to the distinguished Senator from Rhode Island, may I welcome the statements by the chairman of the Committee on Finance and the chairman of the Committee on the Budget. I take them wholly with integrity and give them the full faith and credit of the U.S. Senate.

I have to point out that we have not always had as good an experience on the House side. A Member on the House side, the counterpart to the distinguished chairman of the Budget Committee, once openly said, "Let's do this," and then disappeared. We cannot put the United States, the integrity of the United States of America, at risk this way with complete understanding of the Senator from Virginia's concern that the Federal Government stay open. I still hope we might have a vote on this. I do not want to prolong matters.

The Senator from Rhode Island has risen. I yield 3 minutes.

Mr. PELL. Mr. President, I wanted to rise in full support of the amendment by the distinguished Senator from New York. If ever there was a valid reason for stalling an increase in the debt limit, I believe it has evaporated. The basic agreement has been achieved on the objective of controlling the deficits that contribute to the debt.

While policy disagreements still persist on some issues, including Medicare, there appears to be sufficient agreement on other budget issues to provide $700 billion in long-term savings. Surely, there has been more than adequate demonstration of good faith.

The apprehensions of Moody's Investor Service with respect to the credit rating of the U.S. Federal securities should dispel any glib assurances that the Secretary of the Treasury can still perform acts of fiscal wizardry to stay under the present limit.

We can only wonder what the motive might be of those who would delay further. There is no good purpose economically or fiscally.

I want to commend the Senator from New York for raising this matter and bringing the amendment to the floor. The full faith and credit of the United States should not be clouded for another single day, and the Senator from New York is acting responsibly. I yield the floor.

Mrs. BOXER. Mr. President, I rise today to voice my support for the amendment offered by Senator MOYNIHAN to attach a clean debt limit extension to the continuing resolution. Congress must not play politics with the full faith and credit of the United States. We must extend the debt limit within the next 5 weeks or the consequences will be catastrophic.

If we fail to raise the debt limit by March 1, the United States will default on its financial obligations for the first time in the history of our Republic. As a result, bondholders will not receive the payments they are due. Social Security recipients and veterans may not receive their monthly benefits, and long-term interest rates will increase across the board.

Interest rate increases mean that the United States will waste billions of dollars on increased debt service costs, ironically, making it even more difficult to balance the budget. But perhaps most important, higher interest rates mean that the millions of Americans with any kind of loan—mortgages, car loans, even credit card balances—can expect higher monthly payments for years to come.

I would urge my colleagues to heed the words of former Treasury Secretary James A. Baker, who stated in 1985, "It would be an absolute disgrace if the United States defaulted for the first time in its over-200-year history. Any default will have swift and severe implications both domestically and internationally."

On November 9, 1995, six former Secretaries of the Treasury, who served in Democratic and Republican Presidential administrations, wrote, "We urge that prompt action be taken either to raise the debt limit permanently * * * or that a sufficient short-term increase be enacted to allow the debate over priorities to proceed in an orderly manner without impairing market confidence in our Nation's commitment to discharge its obligations".

Alan Greenspan, Chairman of the Federal Reserve, has written, "a failure to make timely payment of interest and principal on our obligations for the first time would put a cloud over our securities that would not dissipate for many years".

Furthermore, former Chairman of the Federal Reserve Paul Volker wrote that "The appropriate approach, short of early agreement on a comprehensive budget program * * * [is] raising the debt ceiling so that authorized expenditures—including payment of interest on Treasury debt—can be made in a timely fashion."

In addition to these current and former leaders of the Treasury Department and the Federal Reserve, leading credit agencies have warned of the dire consequences of default. Standard & Poors has warned, "Even a short-lived default on the U.S. Government's direct debt obligations would profoundly impact a broad range of securities and financial market participants."

Again, Mr. President, I thank the Senator from New York for offering this very important amendment.

Mr. DOLE. Mr. President, let me reinforce the statement made by the chairman of the Finance Committee, Senator ROTH. I have been meeting with Republican Senators throughout the afternoon. We are, I think the Senator from New York would appreciate, acting in good faith. We believe we can resolve this.

Having been chairman of the Finance Committee and having to deal with debt ceilings, I know there is always a problem. When there is a Republican in the White House, the problem is on that side of the aisle; when there is a Democrat in the White House, the problem is on this side of the aisle, the problem as far as the administration is concerned.

I remember going to conference with amendments on Nicaragua. I think there were 19 amendments—foreign policy, everything you could think of was on the debt ceiling. I assure the Democratic leader on the floor and the former chairman of the Finance Committee, as I did Secretary Rubin the night of the State of the Union Message, we believe we can get this done in a timely fashion so no checks will be late, nothing will be interrupted in any way.

Having said that, as one who did not favor the shutting down of the Government in the first place, I do not think we ought to risk doing it on a Friday afternoon. If this amendment should be accepted, it has to go back to the House. The House is in recess. I assume they could come back Sunday or whenever.

I really believe we have an agreement here that has been approved by the White House and by the leadership in both parties, in both the House and the Senate. I hope we will not make it more difficult by—I know that is not the intent of the Senator from New York, do not misunderstand me, but I think it would make it more difficult. I know that is not the Senator's intent. I respectfully move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Colorado [Mr. CAMPBELL], the Senator from Indiana [Mr. COATS], the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from Texas [Mr. GRAMM], the Senator from Arizona [Mr. KYL], and the Senator from Alabama [Mr. SHELBY] are necessarily absent.

I further announce that, if present and voting, the Senator from Colorado [Mr. CAMPBELL] would vote "yea."

Mr. FORD. I announce that the Senator from South Carolina [Mr. HOLLINGS] is necessarily absent.

The PRESIDING OFFICER (Mr. NICKLES). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 46, nays 45, as follows:

[Rollcall Vote No. 2 Leg.]

YEAS—46

Abraham
Ashcroft
Bond
Brown
Burns
Chafee
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Frist

Gorton
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Pressler
Roth
Santorum
Simpson
Smith
Snowe
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—45

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Heflin
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Specter
Wellstone

NOT VOTING—8

Bennett
Campbell
Coats
Faircloth
Gramm
Hollings
Kyl
Shelby

So the motion to lay on the table the amendment (No. 3120) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I would like to thank all of those who have participated in the debate. I would like particularly to thank the chairmen of the Committee on Finance and the Committee on the Budget for the undertakings that they have made, and to say again that I hold them in full faith and credit of the United States. I think we can work this out, and clearly we intend to do so. It can be done.

Mr. LEAHY. Mr. President, I assume one of the votes that we will have today will be the continuing resolution. The fiscal year 1996 Foreign Operations conference report has been attached in its entirety to this continuing resolution. That means that foreign aid programs will be funded through the fiscal year at the levels agreed to by the House and Senate conferees.

The conference report represents a devastating assault on many foreign operations programs that are vital United States interests abroad. For that the House Republican leadership bears primary responsibility. But our alternative, a year long continuing resolution, would be far worse. It would cause irreparable harm to these programs and many of the Federal employees who implement them would have to be laid off. For that reason it is essential that this conference report be enacted into law.

The conference report funds a wide range of activities that are strongly supported by both Democrats and Republicans. Although I believe the funding provided for many programs falls far short of what is required to effectively combat global threats to the American people—whether it is environmental pollution, the spread of infectious disease, unchecked population growth, political and economic instability caused by enormous numbers of people living in abject poverty, the growing problem of international crime and terrorism, and the proliferation of nuclear and conventional weapons, it is better than no funds at all.

On a more positive note, it also contains a provision of special importance to me, which was passed by two-thirds of the Senate, Republicans and Democrats, to impose a moratorium on the use of antipersonnel landmines.

Since the NATO operation began in Bosnia just a little over a month ago, over 20 NATO soldiers have been injured or killed by landmines, including 1 American. That is in addition to the 225 UNPROFOR landmine casualties in Bosnia, and the thousands of civilian landmine victims, since the war began 4 years ago. Of the estimated 100 million unexploded landmines in the world, 6 million are in the former Yugoslavia. Landmines are killing and maiming an average of one person every 22 minutes, every day of the year.

My amendment aims to put the United States in the forefront of the effort against these inhumane weapons. It follows by just 1 week the announcement by the Canadian Government that it will unilaterally halt all production, use and export of antipersonnel landmines. In just the past year, Belgium, France, Austria, Switzerland and the Philippines have taken similar steps.

It follows by just 2 weeks the announcement in Geneva that 22 nations have called for an immediate total ban on these weapons.

Mr. President, this amendment represents a dramatic shift in the policy of the U.S. Government, from one which has lagged behind several of our NATO allies to one which aims to exert U.S. leadership to build international support for ridding the world of these inhumane weapons.

That is the goal President Clinton announced at the United Nations over a year ago. This amendment sets the stage for making that goal a reality. Once this provision is signed into law, the President, the Vice President, the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, the Pentagon bureaucracy, the Secretary of State, and our U.N. Ambassador should all speak forcefully and with one voice. The message should be that antipersonnel landmines are unacceptable. They are indiscriminate, inhumane, impossible to control, and the United States is going to stop using them and do whatever we can to convince other governments to join with us in making their use a war crime.

Mr. President, the one amendment in disagreement in the Foreign Operations conference report which deals with international family planning has also been resolved, but I want to be sure Senators understand what the House has done. Essentially, the House has presented us with a fait accompli. The choice is either take their offer on the amendment in disagreement, with no opportunity to amend it, or the entire Foreign Operations budget, with none of the policy language, will be governed by a continuing resolution.

I know that the distinguished chairman of the Appropriations Committee, Senator HATFIELD, is as frustrated about this as I am. I certainly intend to do whatever I can to resist these heavy handed tactics in the future. But given the choice, we have no alternative. A year long CR at either the House level or 75 percent of fiscal year 1995 levels would be far worse for many important programs.

Our conference report categorically prohibits the use of any funds for abortion. Yet the House, at the behest of the right-to-life lobby, would cut $88 million from programs that have only one purpose—to give couples the means to avoid unwanted pregnancies and reduce the incidence of abortion. Why anyone would want to do that is beyond me, but that is what the House has done. Anyone who wants to see fewer abortions, and fewer women die from botched abortions, should deplore this action.

The provision in this CR would prohibit the obligation of any family planning funds—funds to purchase and distribute contraceptives, to provide technical assistance for improving the quality and safety of contraceptives, to educate couples about birth spacing—none of these funds could be spent before July 1 unless they are specifically authorized.

If there is no authorization bill by that date, and I have yet to meet anyone who thinks there will be, only 65 percent of the fiscal year 1995 level for family planning could be obligated, and then only in monthly installments. The net effect of this will be an $88 million cut in family planning assistance.

That is the pound of flesh the right-to-life lobby will have won, if it does not succeed in its goal of reinstating the Mexico City policy—a policy that has been ridiculed around the world, repeatedly rejected by the Senate, is opposed by a majority of Americans, and which the President has said he would veto.

I am very pleased that we successfully resisted attempts to reinstate the discredited Mexico City policy. I will continue to oppose any effort to do that. But I will vote for this continuing resolution only with great reluctance, because of the harm it will do to family planning.

If I thought there was any way to amend this provision without jeopardizing the entire conference report, I would not hesitate because I know a majority of the Senate would support me. Indeed, a majority of the House would too—although perhaps not a majority of House Republicans—but the House Republican leadership would never have the courage to put it to a vote.

Mr. President, the United States has been a leader in the effort to stabilize the world's exploding rate of population growth. Tens of millions of people are born into abject poverty every year, but today we are cutting programs to give couples the means to avoid unwanted pregnancies. Anyone with an ounce of brains can see that the logical result will be more abortions, not less. That is what the right-to-life lobby, and their defenders in the House have accomplished.

Mr. President, I want to thank Senator McCONNELL, for his efforts to get this conference report enacted. I also want to pay special tribute to Senator HATFIELD, who has been a strong supporter of funding for family planning assistance and who played a central role in the negotiations with the House over the past few days.

INTERNATIONAL FAMILY PLANNING

Mr. FEINGOLD. Mr. President, of the many controversial issues in the continuing resolution we are considering today, few have been as contentious as the debate about international population programs in the foreign operations appropriations bill. Astoundingly, the entire foreign aid bill has been held up for months by several antichoice Members, mainly in the House, who have, illogically, sought to impose restrictions concerning abortion on international family planning assistance.

These misguided provisions are not included in today's CR. Instead we are faced with provisions withholding population funds until July 1, unless there is an authorization, and then limiting funding for the program to 65 percent of today's levels. It is a victory for those of us who are prochoice on the question of abortion, but not very good news for those of us—presumably the vast majority of the Congress, and including most of the people who fought against the original Senate provisions—who support family planning. What a bizarre, if not ridiculous, situation we are in today.

As my colleagues will remember, in the name, supposedly, of stopping abortion, the House sought to prohibit U.S. contributions to the United Nations Population Assistance Fund, and reimpose the regressive Mexico City policy on population. Of course, such propositions would not do anything to reduce incidents of abortion, but would actually harm efforts to increase family planning assistance—the best remedy, obviously, for avoiding abortion. Fortunately, these anti-abortion restrictions have all been stripped from the foreign ops bill, and population assistance will not be hindered by irrelevant but damaging restrictions. In that, we have succeeded, finally, in separating population assistance from abortion, and have scored a victory for family planning. The Mexico City policy has been rebuffed by the 104th Congress, and our support for the work of the UNFPA has been reaffirmed.

But, Mr. President, the cause of curbing abortion will not be served well by the cuts in population assistance legislated in this bill. In fact, the only inroads the antifamily planning forces made today was in taking gratuitous and harassing shots at the budget for population. While other programs will be held to 75 percent of current funding levels, population programs will be funded at only 65 percent of today's budget. The money will not be distributed until July 1, and even then, it will be apportioned only on a month-to-month basis. Mr. President, this is nothing more than a formula for disarray, and will do nothing to achieve the goals of its sponsors.

Who really believes that the rapid, exponential growth of the world's population—regardless of our positions on abortion—does not impact American interests? Population pressures are a linchpin of so many global concerns, such as economic development, health, food security, migration, environment, and improving the status of women. Through the U.S. bilateral population program, as well as our contribution to the UNFPA, we have affected significant successes in all those fields.

It is beyond me—and saddens me—that these issues have been entangled in a debate about abortion. It reflects a fundamental misunderstanding that family planning and abortion are not the same. Supporters of family planning have been subjected to charges and insinuations that we support China's appalling coercive abortion policy; that we want to fund lobbies that promote pro-abortion policies worldwide; and that we actually want to promote abortion as a method of family planning. All these propositions are untrue, and are in fact red herrings. I'm pleased that they have been recognized as such, and dropped in the final provisions of this bill.

Unfortunately, however, the presumptions that underlie this thinking—that family planning is somehow not essential to curbing abortion—are prevailing in this bill. Population assistance should be treated just as any other foreign aid account, and by subjecting it to deeper cuts, and odd distribution guidelines, no one's goal is being reached.

THE EFFECTS OF THE CONTINUING FUNDING RESOLUTION ON THE ENVIRONMENTAL PROTECTION AGENCY

Mrs. BOXER. Mr. President, this morning Administrator Carol Browner of the Environmental Protection Agency testified before the Senate Appropriations Committee on the consequences of this continued funding resolution. She said that it: "represents a severe cutback that will not allow us to adequately protect public health and our environment. Our air, our water, our land, will not be as safe".

The cuts in this continued funding resolution compromise our Nation's public health and environment. This bill appropriates 5.7 billion dollars for EPA—that's a 14-percent cut—or nearly one billion dollars from the fiscal year 1995 level. It's a 22.5 percent cut—or 1.7 billion dollars—from the President's fiscal year 1996 request.

Mr. President, the cuts to the Environmental Protection Agency in this bill mean that an already stretched agency will not be able to carry out critically important work that ensures the health and safety of all Americans, and will result in a set-back of national efforts to ensure that every American citizen breaths clean air, drinks clean water, and is safe from the dangers of hazardous waste. These are the EPA funds that are spent working with States and municipalities in the development of our air quality, water quality, lead abatement, and food safety standards; the funds that allow EPA to keep track of the level of pollution in our air, our water, our food, our environment; that allow the EPA to work with states and with industries to help them discover the sources of pollution problems and helps they comply with Federal safety standards; that allow the EPA to give technical assistance to State pollution control agencies and county air and water quality boards; that allow the EPA to carry out environmental impact statements on industry actions that may hurt the environment; that allow EPA to work all over this country to educate industry and small business and help comply with the law so that enforcement actions are avoided. In the long run this will mean more water pollution, more smog in our cities and countryside, more toxic waste problems. For example funding cuts are seriously jeopardizing cleanup of 12 toxic superfund sites in and around the Los Angeles area including the Newark San Bernadino site and San Gabriel sites.

Republicans seem to take great pride in their efforts to dismantle key social programs that Americans hold dear, but they have chosen to take their war against the environment underground. The cuts to the EPA budget show us the covert war that is being waged by Republicans against our environment. It has to be covert because they have seen the results of poll after poll showing that the vast majority of Americans feel that our environmental laws should be strengthened not stripped away. In my many years in public office not once has anyone told me, "Senator, our air is too clean," or "our water is too safe." The back door attack on our environmental laws seen here is cuts in EPA's budget that will cripple EPA's ability to set and enforce environmental standards.

This continued funding resolution cuts enforcement of all environmental programs by 14.6 percent, $77 million from fiscal year 1995. It hits at the heart of EPA administration and management in EPA's ability to set and enforce environmental and public health standards with a 7-percent cut, $115 million from fiscal year 1995.

This bill also cuts EPA's budget in other crucial areas: A 9-percent $110 million cut from fiscal year 1995 in funds that go straight to the States to help cities all over the country build sewage treatment plants that keep raw sewage from flowing into our coastal waters, rivers, lakes, and streams.

A 79-percent; $1 billion cut from the pre-rescissions fiscal year 1995 level in funds that go to States to protect our drinking water nationwide.

A 13-percent; $168 million cut from fiscal year 1995 in funds that go toward cleaning up hazardous waste sites.

Mr. President, it is for all these reasons that I am very distressed at having to have to vote for this continuing resolution.

Mr. LEVIN. Mr. President, I cannot support the continuing resolution which is before the Senate today. This resolution cuts education funds to the House passed level, except for those programs that were not funded by the House in which case they are cut by 25 percent. If we were to extend this continuing resolution for the remainder of the fiscal year, the impact would be an unprecedented $3.1 billion cut in education funds from the fiscal year 1995 funding level. And, it contains deep cuts in a range of important domestic priorities, like a 25 percent reduction in the funds to put 100,000 cops on the streets of America. This in a year in which $7 billion more has been appropriated in defense spending than the Pentagon asked for.

We are presented on the last day before funding once again runs out for these agencies of the Government and for their programs with a continuing resolution that makes deep cuts in vital and proven education programs.

The failure to support a simple continuing resolution that adequately funds education programs at fiscal year 1995 levels is creating serious problems for schools, teachers, and students. Our children—America's future—are the innocent victims of this retreat from education. Here are just a few examples, Mr. President, of the devastating impact if the funding level in this continuing resolution is continued through the remainder of the fiscal year.

The $1 billion cut in title I funding will deny 1.1 million educationally disadvantaged children the crucial help they need in reading, writing, math, and critical thinking.

The Safe and Drug Free Schools Program in almost every school district in the country—more than 14,000—is cut by 25 percent, $115 million less than the fiscal year 1995 level of $466 million. These programs help schools reduce drug abuse and prevent violence.

The innovative School-to-Work Program, which helps youths make the transition from school to future careers and education by forming a three-way partnership between Government, educators, and private industry is cut by $55 million.

The $93 million cut in Goals 2000 comes at a time nearly 17,000 schools and communities have already completed planning and are beginning to implement comprehensive reforms based on their own academic standards and will deny funding to programs serving over 5.1 million children.

The Eisenhower Professional Development Teacher Training Program, which supports State and local efforts to better prepare educators to reach high standards in core academic subjects, such as mathematics and the sciences, is cut by 25 percent or $63 million.

Mr. President, the impact of this continuing resolution will be immediate and long-lasting because of the way in which school budgets are set. Now is the time for teacher contracts to be signed. Schools must by law send layoff notices to teachers as early as March and April, advising them they will not be rehired in the fall, but communities cannot make these decisions because the funding is uncertain. Plans for professional development, technology purchases, training, and school safety programs could be delayed or eliminated. Now is the time for cities to submit their school budgets, but they cannot adequately do this because they do not have any numbers to work with. Now is the time for colleges to project what aid they will have to offer newly enrolled students, but they cannot make funding projections because they have not been told how much they are going to have to offer students. If students cannot be assured they will have financial aid, many will have to forgo plans to go to college.

The strategy of causing Government shutdowns and threatening to raise the debt ceiling, thereby threatening the credit rating of the United States, has been inappropriate and discredited. We are told by the majority that there is no longer a quorum available in the House of Representatives, so we cannot amend this continuing resolution. The implication is that we have to accept these cuts and make no adjustments, otherwise the Government would be shutdown tomorrow—the third time this year. Again, we are painted into a corner. Well the House can return to work at the call of the Speaker. If we do the right thing by education, they can quickly do so too.

I think we should reject this bill which does not reflect priorities, particularly in education and the environment. The Congress should stay here, all night, all weekend, if necessary, and work out and adopt a clean continuing resolution with adequate domestic funding and a clean bill to raise the debt ceiling so that the credit rating of the United States is not in doubt for weeks to come.

Ms. MOSELEY-BRAUN. Mr. President, I want to say at the outset that our Federal employees, our financial markets, and our economy in general, should never have been subjected to the risks created by shutdowns, threats of shutdowns, and the failure to act responsibly with respect to the debt ceiling. Hostage-taking and legislative blackmail is not the way to arrive at the kind of solution we need to solve our budget problems.

I am a firm believer in tightening our Government's fiscal policies and will continue to work toward that end. I am convinced that restoring budget discipline will help ensure that our children—and future generations—will be able to achieve the American Dream. We have an obligation to our children to protect their future opportunities, and not to leave them a legacy of debt.

But passing one short-term funding bill after another—one every few weeks or so, is not the way to do it. This is unfair to our students who want to pursue educational opportunities. It is unfair to our science community whose research is interrupted. It is unfair to Government employees who want to work. And it is unfair to all others who depend upon the appropriations contained in these bills.

Of the 13 appropriations bills Congress is supposed to pass every year, 6 are still undone even though the fiscal year is almost one-third over. Nine Federal Cabinet departments have been without fully approved spending plans.

Now, 4 months into the fiscal year, we are considering a fourth extension. Mr. President, it's time to act on these appropriations bills—not just by temporary extension, but by getting them passed. We should not hold these six appropriations bills hostage in the name of balancing the budget.

It is ironic, isn't it, that the activities financed by these uncompleted appropriation bills, or what is also known as domestic discretionary spending, is not the part of Federal spending that has caused the budget crisis the Federal Government is facing. Discretionary spending is not the sole problem. Domestic discretionary spending has not grown as a percentage of the GDP since 1969, the last time we had a balanced budget. Domestic discretionary spending comprises only one-sixth of the $1.5 trillion Federal budget, and it is steadily declining.

Every dollar of Federal spending must be examined to see what can be done better, and what we no longer need to do. However, the budget cannot be balanced by looking in this one area, no matter how large the cuts.

We are debating issues that have little or nothing to do with balancing the budget.

The budget proposed by the majority party calls for $349 billion in savings from discretionary spending, but that comes from a portion of the budget that constitutes only 18 percent of the overall Federal budget—the part of spending that is not growing and the part of the budget that funds education and police and basic services we all count on. This part of the budget is not the major source of our deficit problem. We need to focus our savings on those areas of the budget that don't conflict with our priorities and values.

How we bring back fiscal discipline makes a real difference. If we care about our children, if we care about our future, if we care about our Nation and ensuring an opportunity for every American to achieve the American Dream, we cannot abandon our commitment to education, access to health care, and to creating economic opportunity.

That is why I cosponsored and voted for Senator KENNEDY's education amendment because I believe that we should meet our obligation to our children and to the future. If the current CR were extended for a full year, education funding would be cut $3.1 billion below last year's level. Illinois would lose $72.4 million, including a $54 million cut in title I funding.

Continuing to fund education programs at 75 percent of their 1995 levels will, at some point, simply become a 25-percent cut in education funding. Schools that are trying to plan for the coming year will soon have no choice but to assume a 25-percent cut and plan accordingly.

There are scientists at my alma mater, the University of Chicago, and at universities all throughout the Nation, who are awaiting approval of their grants because the National Science Foundation and NASA do not know how much money is available and cannot make decisions about grant awards.

Health and safety inspections at public housing may be forced to cease. In Chicago last week a tragic fire took four lives; HUD couldn't check fire alarms due to budgetary uncertainty.

The Fish and Wildlife Service will experience delays in issuing wetlands permits—Illinois already has a backlog of permit requests from the last shutdown that is 8 feet tall.

Furthermore, there are five Superfund sites in Illinois, including Waukegan, Rockford, and East Cape Girardeau, that will experience delays in cleanups.

Mr. President, these are just a few examples of how my State will be affected. We need to move to a balanced budget. And we need to do it in a way that does not sacrifice the long-term goals of the American people to achieve illusory short-term cuts. We need a budget that restores fiscal discipline to the Federal Government. We need a budget based on the realities facing Americans. Most importantly, we need a budget for our future.

I believe that we can achieve that kind of budget, if we put aside partisan bickering and political point scoring, and if we get down to the work the American people elected us to do.

I will reluctantly support this bill not because it's the answer but because we must avoid a shutdown. I hope we will use the next 45 days that this CR gives us to reach the kind of overall permanent budget agreement that the American people want and deserve.

INTERNATIONAL FAMILY PLANNING

Mr. KENNEDY. The continuing resolution being considered will severely undermine the Nation's support for the International Family Planning Program. According to the terms of the CR, the International Family Planning Program will receive funding at only 65 percent of its fiscal year 1995 level. Also, program administrators will be forced to spend money in predetermined monthly allotments. Let's not pretend that any program can work efficiently and effectively in this manner.

We all know the purpose of this provision—the elimination of the International Family Planning Program. Opponents of abortion apparently believe that less family planning will lead to fewer abortions. Nothing could be farther from the truth.

We know that abortions are reduced when family planning services are available. This CR will lead to serious reductions in family planning. The effect will be an increase in abortions in other nations. Our colleagues opposed to abortion should not be encouraging this result.

International family planning is also good international health care policy. By providing a wide range of services and information, family planning makes a difference to millions of women around the world. It is estimated that approximately 300 million women will require family planning services in the next decade. It is estimated that such services can prevent 125,000 women from dying of complications related to pregnancy and childbirth. We know that these programs have reduced infant mortality. Inevitably, disease, unintended pregnancies, abortions, and maternal deaths will increase if this restrictive language continues to apply.

International family planning programs are important to the overall health of large numbers of women and children in many other countries. The family planning provision in this CR is bad policy, and it should be reversed at the next opportunity.

Mrs. FEINSTEIN. Mr. President, today I will gladly vote for the Kennedy amendment to restore funding for education to last year's level. Education is an area that we should not shortchange.

The bill before us today will continue funding for programs that do not yet have year-long funding until March 15. Education programs are cut $3.1 billion on an annual basis, the largest Federal education cut in history. This is a cut our schools cannot sustain.

Under this bill, California's elementary and secondary schools could lose at least $169.8 million. For title I, programs for disadvantaged students, service to 1 in 5 students could be eliminated. Schools will have to lay off title I teachers and teaching assistants that provide those extra services that help these students learn. Programs like Safe and Drug-free Schools, Goals 2000, and student loans could lose 25 percent. The University of California will lose $111 million, much of which is student aid.

I am also concerned about the stop-and-go pattern of Federal funding that we have undergone this year. This is the ninth short-term bill we've considered. We are almost 4 months into the school year and 3 months into the fiscal year. Once again, we are called on to vote on a short-term funding measure. This bill only funds programs for 49 days, until March 15.

These short-term bills are particularly unfair to our schools. Like businesses, they have to plan. In my State, at the end of January, courtesy notices go out to teachers who are likely to be laid off. School districts are beginning to plan their budgets for the next school year. For title I programs, schools are preparing contracts for teachers and other personnel. Our school districts cannot effectively plan with this on-again, off-again funding stream.

Our students, teachers, and administrators should not be held hostage any longer. I urge my colleagues to join me in voting to restore these education funds and put education funding on a more stable footing.

Mr. BIDEN. Mr. President, I think it is outrageous that, of all things to choose, this latest temporary spending bill cuts spending for the 100,000 Cops on the Beat Program under the 1994 crime law. I want to make clear that the only reason I'm voting for this continuing resolution is because it is a compromise and would allow States and localities to continue hiring cops for the next 49 days. The alternative is no cops.

But this is a terrible way to implement public policy. This continuing resolution would, if extended over a full year, cut the Cops on the Beat Program by over one-half—over $1 billion promised to the American people for cops on the street. That means that communities across the Nation would lose over 13,000 police officers. That is totally unacceptable.

This continuing resolution funds the Cops Program at 75 percent of the 1995 level for outlays, which was $1.187 billion. Seventy-five percent of that would be $890 million for the year.

In contrast, full funding for the 100,000 Cops Program for 1996 is $1.9 billion. That is what we agreed on in the 1994 crime law. That is what was requested by the President. So this resolution would actually cut over $1 billion from the Cops on the Beat Program—over one-half—if it continued for the full year.

Let no one be fooled. This continuing resolution is a back door attempt by Republicans to reverse the gains of the 100,000 Cops Program and the American people will not stand for this the next time around. We all know the Republicans want to change the crime law now at work. They said so in their Contract With America. We all know the Republicans want to eliminate the 100,000 Cops on the Beat Program.

They would rather see the money squandered away in a block grant that funds virtually anything under the sun than to send the money directly to COPS for the one anticrime measure we know works—community policing. Cops on the Beat.

The Cops on the Beat Program is overwhelmingly supported by the American public as well as every major law enforcement group in the country. I don't know a single responsible police leader, academic expert, or public official who does not agree that putting more police officers on our streets and in our neighborhoods is the best way to fight crime.

Community policing enables police to fight crime on two fronts at once—they are better positioned to respond and apprehend suspects when crime occurs, but even more importantly, they are also better positioned to keep crime from occurring in the first place.

The reports from the field all across the Nation are the same—community policing works. When it comes to anticrime efforts, the one thing we know is that more community police officers means less crime. And we should keep our word to the American people.

The 1994 crime law targets $8.8 billion for States and localities to train and hire 100,000 new community police officers over 6 years.

And as we pass the 1-year mark, it is already clear that the Cops Program is working even beyond expectations. Already, more than 33,000 out of 100,000 cops are funded in every State in the Nation. And because of the way we've set it up—with a match requirement and spreading out the cost over a period of years—the money will continue to work, keeping these cops on the beat and preventing crime in our communities far into the future. In a word, the law is working.

But that progress will come to a screeching halt if my Republican colleagues get their way—either through drastic spending cuts as under this continuing resolution or through block grants with loopholes you could drive a truck through.

What is one to conclude from the efforts of the Republicans to gut the 100,000 Cops on the Beat Program? Is it that tax cuts to a few are more important than protecting the safety of average Americans?

Apparently my Republican colleagues in Washington just don't seem to get the message. So let me make this crystal clear. If they think that they will use their new targeted appropriations strategy to kill the Cops on the Beat Program—to cut $1 billion and thousands of cops—they are sorely mistaken. I will do everything in my power to prevent the Republicans from further undermining the 100,000 Cops Program.

So, although this continuing resolution funds cops at 75 percent of last year's outlays for the next 49 days, this indirect ambush on the 100,000 Cops on the Beat Program—a program demanded by the American people—will not be tolerated for the full year.

TAXPAYER FUNDING OF HUMAN EMBRYO RESEARCH

Mr. SMITH. Mr. President, I want to congratulate my colleagues in the House for adding the language in section 128 of this bill, which prohibits the use of taxpayer funds to create human embryos, to perform destructive experiments on them, and ultimately, to destroy and discard them.

We funded the National Institutes of Health in the earlier targeted appropriations legislation, but that bill did not contain this important restriction on the use of Federal funds. I have been working on this issue for the past several months, trying to call attention to the issue, and I am very pleased that we are very close to getting this important provision enacted into law.

Many of my colleagues might not totally understand what exactly we mean when we talk about human embryo research. So, before we vote on this critical legislation, I would like to give a brief explanation of the issue.

Mr. President, this is an issue that calls upon us to reaffirm the ethical limitations that govern taxpayer-funded scientific research. It is an issue that calls upon us to uphold the dignity of humanity itself.

We know that science has benefited all of humanity in countless ways, but every one of us knows that the history of scientific inquiry also has its dark chapters. We have learned painful lessons from the atrocities that have been committed in the name of scientific progress. We have learned that the human subjects of scientific experiments must give their fully informed and voluntary consent. We have learned that ethical experimentation requires a proper respect for the dignity of the human subject. We have learned that an experiment that is likely to result in the death of, or disabling injury to, the human subject cannot be ethical and must never be permitted to occur.

These principles are enshrined in the Nuremberg Code. They can also be found in the World Medical Association's Declaration of Helsinki as well as other major international conventions governing scientific ethics. They make it clear that no human being can be ethically regarded as an instrument—a mere means to serve the ends of another person or group of persons.

These are absolute principles. Their framers clearly intended to establish limits beyond which an ethical science would not be permitted to go. Suppose for a moment that it could be proven that a large number of people could benefit and live happier lives if we all agreed to use a few of our fellow human beings as research subjects in experiments that we knew would harm or kill them. Of course, the benefits of scientific research are never certain, but let's put that aside. It wouldn't matter. Certain ethical principles are inviolate. That means that we do not subject them to cost-benefit analyses.

I must commend President Clinton for his Executive order banning taxpayer-financed creation and destruction of research embryos. In making this decision, the President acted on the belief that ethics imposes certain limits on science. I only wish he had followed that logic to a more honest and consistent conclusion.

Unfortunately, however, President Clinton continued to allow so-called spare embryos from in vitro fertilization programs for experimentation and destruction. In other words, it's still permissible to use developing human beings as raw material for bizarre experiments that will result in death.

First of all, the distinction between specially created embryos and so-called spare embryos is unenforceable and meaningless in practice. When the Australian Parliament considered this issue, Dr. Robert Jansen—an advocate of embryo research—put it very plainly:

> It is a fallacy to distinguish between surplus embryos and specially created embryos . . . any intelligent administrator of an in

> vitro fertilization program can, by minor changes in his ordinary clinical way of going about things, change the number of embryos that are fertilized. . . . It would be but a trifle administratively to make these embryos surplus rather than special.

The Warnock Committee, which investigated this issue in Great Britain, reached an identical conclusion. Furthermore, how can we say that it is wrong for Government to use taxpayer money to fund the creation of life for experimental purposes but say that it is nevertheless permissible to fund its destruction?

More importantly, just because a private party plans to destroy life, why should Government force taxpayers to give their blessing to that act? Let private parties use private money for their ethically challenged experiments. Taxpayer dollars should be used to protect and uphold human life, not to destroy it.

Columnist Ellen Goodman has stated that scientific inquiry must recognize the existence of ethical stop signs. President Clinton also acknowledged that there are ethical limits on scientific inquiry when he drew the line and prohibited the creation of human life for research purposes. Former NIH Director Bernadine Healy probably put it best:

> It's a rather profound decision to say that a government agency will use taxpayer dollars to designate a class of subhuman humans that will be there solely to be experimented upon and then discard them at the whim of science.

Mr. President, the supposed benefits of a kind of scientific research do not make that research ethical. Today, when we pass this legislation we will be saying to the American people that ethics determine the limits of science and not vice versa. We will be saying that in the interest of science, we should not violate the fundamental principle of the sanctity and dignity of all human life. I urge the President to support this important provision.

BALANCED BUDGET

Mr. GREGG. Mr. President, the provisions of the Balanced Budget Downpayment Act that relate to the Commerce, Justice, State, the judiciary, and related agencies [CJS] appropriations bill provide for funding at the levels outlined in the fiscal year 1996 conference report under fiscal year 1995 terms and conditions, with certain exceptions which are spelled out in the legislation.

Along with the distinguished ranking member of the subcommittee, Senator HOLLINGS, I want to notify all departments and agencies funded under the CJS bill that the fiscal year 1996 conference report and statement of managers and the House and Senate reports relating to the fiscal year 1996 CJS bill should be used to the maximum extent possible in allocating resources under this legislation. With very few exceptions, the guidance provided in these documents will likely become the final guidance for expenditure of fiscal year 1996 funds.

DEPARTMENT OF JUSTICE

Office of Justice Programs—Funding is included for discretionary and formula grants under the Edward Byrne Memorial State and Local Law Enforcement Program. It is the committee's intent that discretionary grants should be made in accordance with the joint statement of managers, and, that among those grants, the Justice Department should make funding the requirements of State and local law enforcement related to the 1996 Olympic Games a priority.

Truth-in-sentencing grants—The pending bill contains language that withholds all funding for a new Truth-in-Sentencing Prison Grant Program until an agreement on revised legislative language can be reached. The sole exception to this provision is funding included under this program in the conference report to help reimburse States for the costs of incarcerating criminal aliens.

The pending bill includes a provision that applies the terms and conditions of the 1996 conference report and statement of managers to amounts provided in the previous targeted appropriations legislation for various Department of Justice programs for the remainder of the fiscal year. Within these terms and conditions, Senator HOLLINGS and I want to clarify the following points:

Under the Interagency Crime Drug Enforcement Program, it is the committee's intent that the Attorney General, in consultation with the Office of Investigative Agencies Policies, will allocate resources among agencies participating in interagency crime and drug task forces based on current task force requirements. It is our intent that this review include a results-oriented analysis of task force operations.

It is the committee's intent that funding provided for the Federal Prison System includes both the construction of new prisons under the terms specified in the statement of managers and continued support for the National Institute of Corrections.

DEPARTMENT OF COMMERCE

Advanced Technology Program—The pending bill provides funding for the Advanced Technology Program [ATP] at a rate of operations of up to 75 percent of the final fiscal year 1995 appropriated level. The bill contains language which would prohibit funding for new ATP awards or grant competitions during the period covered by this legislation. During this period, ATP funding will be restricted to program administration and continuation grants for ATP projects awarded in fiscal year 1995 or earlier.

The pending bill includes language similar to a provision contained in the conference report on the fiscal year 1996 Commerce, Justice, State Appropriations Act requiring that costs associated with personnel actions resulting from funding reductions included in subsection 201(a) bill be absorbed within the total budgetary resources available to each department or agency. This provision allows each department or agency to transfer funds between appropriations accounts as necessary to cover the personnel costs associated with program closeouts or downsizing requirements. This transfer authority is provided in addition to the authorities available under fiscal year 1995 terms and conditions and is subject to the committee's standard reprogramming procedures.

DEPARTMENT OF STATE AND RELATED AGENCIES

With respect to title IV of the CJS bill, covering the Department of State, the United States Information Agency [USIA], and the Arms Control and Disarmament Agency [ACDA], funding at the conference level generally provides an operating level above what has been in effect under the previous continuing resolutions.

For contributions to international organizations and contributions for international peacekeeping activities, the amount of funds available to be obligated is intended to be no higher than the proportionate amount of the full-year funding level provided in the conference report that corresponds to the number of days covered by this legislation.

Under USIA, continued funding for the inspector general [IG] has been provided for the term of this legislation. The funding is to be derived from the conference level of funding for the State Department's inspector general, because that level of funding was based upon the merger of the USIA IG office into the State IG office. Both offices are to continue to prepare for the merger, which is fully anticipated to occur during this fiscal year.

With respect to educational and cultural exchange programs, the statement of managers language in the conference report concerning the tenth paralympiad should be carried out on an expedited basis. Sufficient funds should have been appropriated under previous continuing resolutions and the pending bill to permit this issue to be addressed during the period in which the current legislation is in effect.

RELATED AGENCIES

FEDERAL TRADE COMMISSION

The committee expects that amounts provided in the bill for both the Federal Trade Commission and the Justice Department's Antitrust Division will allow these agencies to function at the full operating levels assumed in the conference report on H.R. 2076, based on estimated offsetting collections of $48,262,000 for each agency.

LEGAL SERVICES CORPORATION

Funding in this bill for the Legal Services Corporation [LSC] includes interim funding for basic field programs until a new competitive grant program is implemented. The committee expects LSC to begin a competitive grant program on April 1, 1996, and to be prepared to implement restrictions outlined in the conference report on H.R. 2076.

SMALL BUSINESS ADMINISTRATION

Small Business Development Centers—the bill provides funding for the Small Business Administration [SBA] Small Business Development Center [SBDC] Program at the fiscal year 1996 conference level. This will allow SBA to continue to make funding commitments with State resource partners in the SBDC Program based on the fiscal year 1996 funding level provided in the conference report.

Disaster assistance—the committee is aware that funding levels provided for the SBA Disaster Loan Program subsidies and administrative expenses may be insufficient to continue the program for the full fiscal year, especially considering the rate of disasters thus far this fiscal year. The committee notes that there are two primary reasons for the shortfall. First, the request for subsidy amounts for the loan program was based on proposed legislative changes modifying the interest rate on SBA disaster loans. While the full request for loan subsidies was appropriated, the proposed legislative changes, which are not under the jurisdiction of the Appropriations Committee, have not been enacted yet. Additionally, the administration has not amended its budget request to provide additional resources needed to maintain program operations, nor has it identified the offsets necessary to provide those resources.

The second reason for the shortfall is the failure of the Small Business Administration to adequately budget for the appropriate level of administrative costs for even a normal disaster year within the appropriate account for this program. The committee expects SBA to reprogram an amount to cover the base requirements for disaster loan making within the funds provided under this act. Furthermore, the committee expects that future budget requests for administrative expenses under the Disaster Loan Program account will fully cover the costs of providing the services required to manage the loan program level assumed in the budget request.

The committee recognizes the severity of disasters such as the devastating flooding in Pennsylvania and other Mid-Atlantic States following recent storms, and is confident that the SBA will be able to respond appropriately and responsibly to these dire situations within the resources currently available under the Disaster Loan Program during the period covered by the Balanced Budget Downpayment Act. The committee recognizes that additional funds for the SBA Disaster Loan Program may be required prior to April, and believes that if additional resources are needed, they can be provided through the reprogramming process to assure continuation of the program through March 15. The committee will work with the administration to determine the appropriate level of funding for this program as well as potential sources of funding offsets.

Ms. MIKULSKI. Mr. President, today I will vote for the continuing resolution that will prevent another Government shutdown. I do so because I do not believe our country can withstand another Government shutdown.

I am budget weary. My home State of Maryland is budget weary. I have 260,000 Federal employees in my State. They are budget weary. And the Nation is budget weary.

Running our Government by shutdown and 30-day funding measures is wasteful and irresponsible. It's harmful to our country—harmful to our international standing, harmful to our credit rating, and harmful to the future of our country.

Mr. President, the State of Maryland is home to some of the flagship agencies of the Federal Government. It is home to the National Institutes of Health, where dedicated researchers are fighting to discover a cure for Alzheimer's disease, to Parkinson's disease, to cancer, and other devastating ailments. We are the home to the Food and Drug Administration, to the National Institute of Science and Technology, and to Goddard which is piloting the Mission to Planet Earth.

During the last shutdown, I spent time throughout my State talking to Federal Employees about how the shutdown was affecting them. I talked to the dedicated doctors, nurses, and lab technicians at our excellent Veterans' Administration Hospital in Baltimore. They were on the job, tending to our veterans health care needs, but they weren't getting paid.

I met with agents of the Federal Bureau of Investigation. They were working to protect our safety, to fight the war on drugs and crime—but they weren't getting paid.

I spoke with the good people at NASA's Goddard Space Flight Center—where they are scanning the universe for the secrets to life here on Earth. But their work was imperiled because essential contractors were not getting paid.

After having met with these essential and valuable Federal employees, I am more determined than ever that we can never have another Government shutdown.

So, Mr. President, I will vote for this continuing resolution today. But I must say that I have profound problems with many of the terms and conditions of this bill. The need to avoid a third shutdown cannot ignore the very real harm that will result from the terms of this CR.

First of all, I am very disappointed that we are not providing the same furlough protection for Federal employees that we did in previous continuing resolutions. This CR will allow agencies to furlough employees for 1 workday per pay period. This could amount to a 10 percent pay cut for Federal employees in Maryland and across the Nation.

I don't see how we can expect to maintain an effective and dedicated work force when Federal employees are under constant attack. These assaults must stop.

I am also deeply distressed by the inadequate funding for education that this measure contains. For this reason, I supported Senator KENNEDY's amendment to protect education programs. I know all too well that schools in my State of Maryland could use any additional Federal funding because times are hard right now for the public school in my State.

Without the Kennedy amendment, Maryland's college students will not know if they can afford to go back to college next semester, services for Maryland's disadvantaged youngsters in elementary school would end, and teachers would be laid off.

As an appropriator, I know first-hand how difficult it is to allocate and balance limited Federal dollars. But if the current funding levels are extended over the next year, it would cut education by $3.1 billion—the largest education cut in history. That's why I supported the Kennedy amendment. I'm disappointed it could not be approved today.

Furthermore, the cuts to agency budgets will have very negative consequences. Cuts in the Environmental Protection Agency [EPA] truly threaten public health and safety.

This continuing resolution will cut the EPA by $1 billion. That's a 25-percent reduction in enforcing environmental and public health standards for air pollution, pesticides, and clean water. It's a 45-percent cut in funds needed to protect community drinking water. It's a 30-percent cut in funds going directly to States to build wastewater and sewage treatment plants, and a 25-percent cut in Superfund hazardous waste cleanup.

The American people want clean drinking water. The American people want hazardous and contaminated waste sites cleaned. But these deep cuts would make it impossible for EPA to protect the environment and public health and safety and it would cause staff cuts at EPA.

I am also opposed to the way HUD is treated in this process. This Nation cannot run its housing programs by continuing resolution. HUD cannot effectively enter into contracts to provide basic housing services. Community development and emergency housing services have been unable to spend any funds to meet the very real needs of the people. The uncertainty of program funds and guidelines make it difficult for HUD to proceed in an intelligent fashion.

In addition to concerns over the education, the environment, and the housing provisions, I strongly oppose the provisions in this bill that deal with international family planning. By delaying and reducing our contribution to international family planning, we are denying healh care to the world's poorest women.

Those who support this provision claim to want to reduce the number of abortions. But the effect of this provision will be just the opposite. Family planning prevents unwanted pregnancies and abortions. You would think this basic fact would not need to be restated on the floor of the U.S. Senate.

U.S. international family planning funds are not spent on abortion. So now they are going after basic health care services that prevent pregnancy.

Over 100 million women throughout the world cannot obtain or are not using family planning because they are poor, uneducated, or lack access to care. Twenty million of these women will seek unsafe abortions. Some women will die, some will be disabled. We could prevent some of this needless suffering.

This issue won't go away. The majority of the Senate opposes this irrational and cruel provision—and we will continue the fight to enable the world's poorest women to control and improve their lives.

There are other examples of how running a government by CR makes no sense and hurts the employees of those agencies. But the bottom line remains that we cannot afford another shutdown. Despite the onerous provisions contained in this continuing resolution, shutting down the Government would be worse. This is why I will vote for this bill, but I do so with great anguish.

Mr. MCCAIN. Mr. President, I rise to voice my strong support for section 126 of H.R. 2880. That provision was sought by many American Indian and Alaska Native communities throughout the Nation who rely on the Indian Health Service and the Bureau of Indian Affairs to provide essential governmental services and to build, operate, and maintain critically-needed facilities for them. I comment the House and Senate leadership, as well as the leadership of the Appropriations Committees, for including this provision.

Earlier this week, Senator STEVENS and I asked that the House include funding, through September 30, 1996, for all Native American-related projects and activities within the Interior and related agencies appropriations bill at the level of funding provided for in the Interior conference report approved by the House and Senate last December. Most of what we sought finally was adopted as section 126 by the House late yesterday and is before the Senate for consideration today.

Section 126 of H.R. 2880 provides funding through March 15, 1996, at the December 1995 conference markup for all projects and activities funded through two Federal agencies under the Interior and related agencies appropriations bill—the Indian Health Service and the Bureau of Indian Affairs. It is my understanding that this includes all health services and related health facilities projects and activities administered by the Indian Health Service, as well as all those projects and activities administered by the Bureau of Indian Affairs under the account headings operation of Indian programs, construction, Indian land and water claim settlements and miscellaneous payments to Indians, technical assistance of Indian enterprises, and the Indian guaranteed loan program account.

Mr. President, on January 5, 1996, Senator STEVENS and I and many other Senators and Representatives were able to secure funding through September 30, 1996, for all projects and activities administered by Native American tribes and organizations under self-determination contracts and self-governance compacts authorized by Public Law 93-638, as amended. Under Public Law 104-91, the full-year funding level for these tribal operations was set at the amounts provided for in the December conference report.

Although a substantial number of native American tribes and organizations have assumed operational responsibilities under Public Law 93-638, many of the more dependent tribes have not done so and thus continue to rely on Federal employees of the Bureau of Indian Affairs and the Indian Health Service to provide essential governmental services. Under the continuing resolution expiring tonight, these non-Public Law 93-638 activities have been funded at a sharply lower rate than that provided Public Law 93-638 activities carried out by tribes, because of the great differential between the funding levels passed by the House and Senate last summer in the Indian accounts. As a result, there has been a huge disparity between funding levels for tribally operated activities and projects and for those operated by Federal agencies on behalf of other tribes in recent weeks.

Section 126 of the bill under Senate consideration today will fund all remaining federally operated projects and activities under the Bureau of Indian Affairs and the Indian Health Service at the same level the Congress funded tribal-operations earlier this month. This will remove any difference in funding levels between tribally-operated and federally operated projects or activities for the benefit of native Americans. I urge my colleagues to support this provision.

CLARIFICATIONS ON RESTRICTIONS

Mr. BROWN. Mr. President, I rise today to express my strong support for the foreign operations provisions included in today's continuing resolution.

Some questions have been raised concerning the Brown amendment on Pakistan and the extent of its application. I would like to take a minute to clarify the intent behind the amendment. The purpose of the Brown amendment was to release equipment bought and paid for by Pakistan that has been held by the United States and prevented from delivery. As a party to the contract between the United States and Pakistan, it is my firm belief that the United States has significant obligations to tender goods that meet our contractual obligations. It is my view that the United States should deliver to Pakistan military equipment and technology that is in full working order, and that costs accrued in the process of bringing the equipment up to full working order should come from reprogramming funds from within existing budgetary resources.

Second, questions have been raised about the provision of defense services. The Brown amendment specifically states:

> (4) Notwithstanding the restrictions contained in this subsection, military equipment, technology, or defense services, other than F-16 aircraft, may be transferred to Pakistan pursuant to contracts or cases entered into before October 1, 1990.

It is the specific intent of this subsection to ensure that all contracts or cases entered into prior to October 1, 1990, are able to be reinstated, as well as all military equipment or technology transferred other than F-16 aircraft. This authorizes the provision of depot level assistance, contract follow-on support and contractor engineering, management and technical services, including engine depot repair. Included would be the ability for Pakistan, under existing foreign military sales cases, to renew existing support contracts or to enter into new contracts for the support of the equipment that is transferred.

Also questioned has been the subsection permitting the President to reimburse the Government of Pakistan for any amounts paid in storage costs. The subsection requires that the payments have no budgetary impact, which means that the President may reprogram any existing funds to repay the Pakistani Government, but that he is not authorized to expend funds that would be scored by the Congressional Budget Office as requiring an additional appropriation.

Pakistan has been an important friend and ally of the United States. It is my hope that this amendment will begin the process of reinvigorating our relationship.

OPPOSITION TO PROHIBITION OF FEDERAL FUNDING FOR HUMAN EMBRYO RESEARCH

Mrs. BOXER. Mr. President, I rise in opposition to the language in the continuing resolution which prohibits Federal funding of human embryo research.

All this prohibition does is close out venues for medical research that could save people's lives. Prohibiting Federal funding of human embryo research will hold the health of millions of Americans hostage to antichoice politics.

Let me highlight a few important facts about human embryo research. Human embryo research does not involve human embryos or fetuses developing inside the body. Rather, this research involves the examination of embryos only in a culture dish.

Nor does human embryo research involve abortion or the use of aborted fetal tissue. Human embryo research also does not involve cloning or the creation of nonhuman life forms. Lastly, human embryo research does not involve genetic engineering or the sale of embryos.

This research involves embryos donated by couples who have undergone certain medical treatments which help them have children. A woman receives hormone shots that cause her ovaries to produce eggs, which in turn are removed and fertilized in a petri dish by a man's sperm.

Some of the embryos are returned to the womb with hopes a pregnancy will result. If there are remaining embryos, they can be used for research with the couples permission.

A prohibition on embryo research will severely restrict high-quality scientific research that could lead to a variety of beneficial medical treatments. Medical research on human embryos shows promise for the treatment and prevention of some forms of infertility, cancers, and genetic disorders, and may help lead to a reduction in miscarriages and the development of improved contraceptive methods.

Human embryo research could help enable hospitals to create tissue banks which would store tissue that could be used for bone marrow transplants, spinal cord injuries, and skin replacement for burn victims.

As doctors have discovered, Alzheimer's disease and Parkinson's disease are the result of damaged degenerating nerve cells and tissues. Human embryo research could ultimately result in development of universal donor cells and tissue to replace what was lost to nerve damage.

Human embryo research is also vital in the prevention of cancer. Knowing how cells divide and grow will help researchers to better understand how and why cancer cells grow. This research may lead to better methods of prevention and treatment for leukemia, breast cancer, prostate cancer, and many other cancers.

Between 1975 and 1993, due to a combination of regulatory restrictions and administrative inaction, no Federal funding was made available for human embryo research. As a result, the United States has fallen far behind the rest of the world in this area.

Although the United States often leads the world in biomedical research, the most recent breakthroughs in assisted reproductive technologies and human embryology have come from England, France, Italy, and Australia.

In 1994, the Director of NIH created a Human Embryo Testing Research Panel to recommend guidelines for reviewing applications for Federal research funds. In September 1994, the panel endorsed human embryo research finding that "the promise of human benefit from research is significant, carrying great potential benefit to infertile couples, and to families with genetic conditions, and to individuals and families in need of effective therapies for a variety of diseases."

Federal funding for these studies will help assure that a single set of scientific and ethical standards is put in place for this research. No such official standards exist now.

Compromise language was proposed in the House and should be considered in the Senate as well. Pursuant to recommendations developed by an NIH panel of experts the language would state: "None of the funds made available by this Act may be used to support the creation of human embryos for research purposes."

This prohibition on medical research, which could save people's lives, is yet another example of the misguided attack by anti-choice forces on women's health and on their reproductive rights.

We cannot let this happen. I urge Members to vote to strike the language in this continuing resolution which calls for a total prohibition of Federal funding for human embryo research.

FOREIGN OPERATIONS CONFERENCE REPORT

Mr. BROWN. Mr. President, I rise today to congratulate the distinguished Senator from Kentucky, Senator MITCH MCCONNELL, on his unending efforts to produce a foreign operations conference report. It has been a very difficult and controversial process, but he has persevered and deserves the Senate's praise as we pass the bill today. Robin Cleveland of his staff and Jim Bond of the Appropriations staff also deserve recognition for their hard work.

Mr. President, I would also like to ensure that the language included in the continuing resolution will enact all terms, conditions and general provisions that were included in the original conference report passed by both Houses of Congress. Is that the intent of the chairman of the subcommittee?

Mr. MCCONNELL. Mr. President, the Senator from Colorado is correct. It is our intent that the language included in title III of the continuing resolution, H.R. 2880, will incorporate by reference the entire conference report for H.R. 1868, the appropriations bill for all Foreign Operations, Export Financing and Related Programs other than the substitute for amendment 115 included in the language of the conference report.

Mr. BROWN. I thank my distinguished colleague, and note that included will be important legislative provisions such as the Middle East Peace Facilitation Act, clarifications on restrictions in our relationship with Pakistan and improvements to the NATO Participation Act of 1994.

Mr. MCCONNELL. Mr. President, I would like to make a few brief remarks on one section of the continuing resolution which includes the foreign operations conference report.

Over the past several months the Senate and House have sent the bill back and forth because of differences over the population program and abortion restrictions. After no less than nine votes on the issue we have finally produced a solution which satisfies the concerns of those of us who strongly oppose abortion with the interests of those who wish to fund AID's current population programs. It is not a perfect solution by any account, but it is the best we were able to achieve.

I am pleased we were able to negotiate a solution to the abortion concerns because I believe there are many provisions in this bill which serve important national priorities. Let me briefly review some of the key provisions and conditions of the foreign operations bill.

We have fully funded our Camp David partnership and strengthened our interests in the region by extending the Middle East Peace Facilitation Act. Once again, the Congress has made clear how high a priority we place on securing a regional peace and advancing stability. The tragic loss of Itzhak Rabin's life and leadership serves as a reminder of how quickly events may change in the region but our commitment must remain steadfast.

As we are all well aware, there have also been major changes over the past several months in Russia. President Yeltsin has fired or removed every single person who advanced our common interests in economic and political reform. While the administration continues to sing the same tune, that reform is inevitable and there is no looking back, I am deeply concerned about the implications of these developments.

For 3 years, I have pressed for a shift in both policy and resource emphasis to assure balance in our relations with the NIS. With the change in the Congress, we have now been able to change the "Russia first" approach insofar as this bill is concerned. This year, we have earmarked $225 million for Ukraine, a minimum of $85 million for

Armenia and recommended $30 million for Georgia. We have also directed $15 million be made available to establish a Trans-Caucasus Enterprise Fund and $50 million for the Western NIS and the Central Asian Enterprise Funds to support the emerging private sectors.

Within those earmarked resources we have set aside funds for specific programs which directly serve American interests including a nuclear safety initiative in Ukraine to prevent another Chernobyl incident and resources targeting law enforcement training and exchanges.

The alarming increase in international crime emanating from Russia and other NIS republics is already having an impact here in the United States. The $12.6 million included in the conference report will allow the FBI, DEA, and other U.S. agencies to aggressively address these problems. It is my expectation that Judge Freeh will have primary responsibility for developing and coordinating a strategy for the region and, he will, in turn, work closely with his counterpart agency heads to disburse funds either through our international law enforcement center in Budapest or on a country by country, case by case basis.

The final provision regarding the NIS which I believe serves our interests links aid to Russia to termination of the nuclear deal with Iran. In the interest of maximizing the administration's leverage the condition begins 3 months after the date of enactment of this bill giving the administration ample time to negotiate a solution to this problem.

Beyond the NIS, I think it is worth pointing out that the Senate's positions on a range of issues have been included in the conference report. We linked the provision of assistance to the Korean Peninsular Energy Development Organization to concrete progress in the North-South relationship. We resolved the long standing dispute over equipment purchased by Pakistan. We included legislative language introduced by Senator BROWN which I cosponsored and strongly supported outlining a specific strategy for expanding NATO. We have earmarked $2 million to support democracy and freedom of the press in Burma, one of the most repugnant and repressive regimes on Earth. And, the bill also included the terms of the Humanitarian Corridors Act which should help guarantee safe passage of crucial assistance to countries with dire needs.

Finally, I think we provide strong support for our export agencies and activities. I just received a note from Ken Brody, the recently retired Chairman of the Export-Import Bank. He pointed out that with billions of people joining the free market for the first time, "initial market shares are being established that will set the patterns for years to come. We cannot afford to let other countries give their companies an unfair advantage." With the strong backing of this bill, Exim and our other trade agencies have helped U.S. companies and "exporters compete and win the global economy and thereby create high paying American jobs."

We have included each of these initiatives and funding levels while still affording the administration a measure of flexibility. Specifically, flexibility has been enhanced by consolidating a variety of development assistance accounts into a single flexible fund and we have provided transfer authority between accounts. For example, NIS resources can be used to fund the Warsaw Initiative and Partnership for Peace programs.

In conclusion, this bill sets a new course for our foreign assistance programs. The taxpayers should be enormously relieved to learn that we were able to reduce foreign assistance from last year's level by nearly $1.5 billion and were $2.6 billion below the administration's actual request. Even with these significant cuts, I believe the foreign operations bill effectively promotes democracy, free markets, and U.S. economic interests and protects our national security.

Mr. President, I would appreciate inserting a colloquy between Senator BROWN and myself in the RECORD immediately following my remarks. Apparently, because of the abbreviated nature of the text of the continuing resolution, there appears to be some confusion over the meaning of the language. I hope this colloquy clarifies that the entire conference report funding levels, terms, and conditions accompanying H.R. 1868 are included in this bill and will be law when the President signs the continuing resolution.

AUTHORITIES EXERCISED UNDER THE CONTINUING RESOLUTION

Mr. DOMENICI. Mr. President, I seek recognition to engage in a brief colloquy with the chairman of the Interior Appropriations Subcommittee.

I ask the distinguished Senator from Washington the following question: Does the continuing resolution we are about to adopt fulfill our commitment to continue funding for departments and agencies for which regular appropriations measures have not been provided, and our commitment to Federal workers at those departments and agencies that they will continue to go to their jobs and be paid for their hard work?

Mr. GORTON. The continuing resolution we are about to adopt fulfills a commitment to continue reasonable funding of those departments and agencies for which regular appropriations measures have not been signed into law. It also fulfills our commitment to eliminate significant uncertainty for Federal workers who will stay on the job through the resolution's coverage period, seeing that the Federal Government continues to operate.

Mr. DOMENICI. In that context, I believe we must also be very clear about certain priorities we expect to see addressed by the departments and agencies that will continue to operate under this resolution. First, employees who are at work are expected to fulfill their administrative and other regular program duties within the funding level provided. Under this measure all activities are covered through March 15, not just visitor services. Those duties that are necessary to continue the revenue generating activities of the Federal Government should certainly be a priority for continuation under this resolution as should other statutory responsibilities assigned to the agencies. That means that normal approval of permits for such activities as oil and gas operation on Federal lands and offshore should continue, as should the administration of other programs that provide income to the U.S. Treasury. Surely the continuation of such activities should join those necessary to protect human health and safety as priorities under the reduced spending levels of the continuing resolution we are considering. Would my distinguished colleague agree that this is a reasonable expectation under continuing authority for agency operations?

Mr. GORTON. I fully agree with the Senator from New Mexico that routine operations should continue under this continuing resolution.

Mr. DOMENICI. I thank the Senator for this understanding. I yield the floor.

Mr. GORTON. Mr. President, every Senator is aware that the continuing resolution now before the Senate represents a less than perfect solution to the impasse over the unsigned fiscal year 1996 appropriations bills. As chairman of the Interior Appropriations Subcommittee, I'd like to take a moment to discuss why the Interior bill remains unsigned, and why I am beginning to question whether we will be able to enact a bill this year.

Our system of Government is based on checks and balances. To enact legislation and govern effectively, cooperation, and compromise are required. Indeed, the President made cooperation and compromise the central theme of his State of the Union Address Tuesday night.

Sadly, there seems to be little cooperation and virtually no compromise with regard to the Interior bill. Despite the fact that House and Senate negotiators have made many significant changes to the bill to address the President's concerns, the administration has shown little willingness to accommodate a number of serious congressional policy concerns.

Unfortunately for those agencies funded by the bill, this refusal will result in continued uncertainty and reduced funding. In many cases, the agencies hit hardest by continued operation under continuing resolutions are the very agencies for which the administration expresses its support.

The administration's demands include complete elimination of a number of legislative provisions, as well as additional funding for a variety of programs.

The House and Senate remain willing to consider additional funding for some Interior programs should such funding become available as part of a broader balanced budget agreement. But in the absence of such an agreement, the subcommittee cannot simply print additional money to fund the President's wish list and agree to send the bill to our children and grandchildren.

Without a budget agreement, any increases for favored programs must be offset within the subcommittee's 602(b) allocation. The administration is well aware of this fact, but has not made a single proposal to reallocate funds within the bill to benefit the programs it has identified as priorities. This is not a constructive approach.

Neither has the administration proposed compromise language to resolve the legislative provisions in dispute. It simply continues to insist that such provisions be removed entirely—refusing to recognize that these provisions address real problems and concerns, expressing little appreciation for the many compromises already made by Congress, and scarcely acknowledging that some provisions objectionable to the administration have already been dropped altogether.

As we have moved through the various steps of the appropriations process, the Interior subcommittees have consciously taken into account the administration's policy statements and the President's veto message of December 18. A deliberate effort was made to address the administration's concerns as well as the concerns of many Members of the House and Senate.

I think it is worth reviewing just how far we have come in addressing the administration's objections.

FUNDING ISSUES

Indian programs

The administration has criticized the level of funding provided for Indian programs. In response to these concerns—as well as those of other Members—House and Senate conferees have agreed to provide $111.5 million more for the Bureau of Indian Affairs than was provided in the original Senate bill. This includes $25 million in new funding added to the bill since completion of the first conference agreement.

Conferees have also agreed to add $25 million to the bill for Indian health programs, giving the Indian Health Service a 1-percent increase over its fiscal year 1995 funding level.

Indian programs account for $3.6 billion of the $12.2 billion included in the Interior bill that was vetoed by the President. This represents 30 percent of the total funding provided. In a year in which overall funding for the Interior bill was reduced by 10 percent from fiscal year 1995, it is remarkable that these Indian programs were reduced by only 4 percent. For the administration to assert that these programs have been treated unfairly is simply false.

Energy conservation

The administration has also expressed its opposition to funding levels for energy conservation programs. While these programs have, indeed, been reduced significantly, 29 percent, from the fiscal year 1995 level, this reduction comes only after a 105-percent increase since fiscal year 1990.

The fiscal year 1996 bill that was vetoed by the President would fund conservation programs well above fiscal year 1993 levels. I cannot think of any other major program in the Interior bill that seen such an astronomical increase over the last 3 years.

National parks, refuges, and forests

Because this Congress shares the President's desire to protect our natural heritage and provide for the effective management of public lands, the operating accounts of the land management agencies were protected.

Though funding provided in the Interior bill is reduced by 10 percent overall, the combined operating accounts of the National Park Service, the Forest Service, the Fish and Wildlife Service, and the Bureau of Land Management are reduced by just 3 percent. The operating account for the Park Service actually receives a slight increase, and $2 million has been added to the continuing resolution as a downpayment for the catastrophic flood damage to the C&O Canal Park.

National Biological Service

Partly in response to administration concerns—and because I personally agree that good science is vital to the effective management of our public lands—funding for research currently conducted by the National Biological Service has been increased by $24 million over the level originally proposed by the House.

Though the Biological Service would be terminated in name, natural resource research critical to the missions of the various Interior agencies will continue to be performed under the strong leadership of the U.S. Geological Survey.

LANGUAGE ISSUES

Mining patents

The fiscal year 1996 Interior bill continues the moratorium on new mining patents demanded by the President and the House of Representatives. This represents a major concession from the original conference provision, which received 53 votes in the Senate and had the support of a majority of conferees.

Endangered Species Act

The fiscal year 1996 Interior bill includes a moratorium on Endangered Species Act listings and critical habitat designations pending reauthorization of the act itself. While the administration objects to this provision, exactly such a moratorium was signed into law by the President in 1995.

Sixty Senators voted to support the moratorium in the hope that a time out would promote enactment of a bill to reauthorize and reform the ESA. To this end, I and several other Members of the House and Senate have introduced legislation to reauthorize the act and make reforms we feel are long overdue. For all its expressions of support for the existing act, the administration has yet to propose legislation to reauthorize it.

It should also be noted that the fiscal year 1996 bill vetoed by the President includes $65 million explicitly for ESA programs—a significant sum considering that authorization for such funding expired in 1992.

Tongass National Forest

President Clinton's veto message states that the Tongass provision in the Interior bill would allow harmful clear-cutting, require the sale of timber at unsustainable levels, and dictate the use of an outdated forest plan.

In response, we have proposed to modify the Tongass language to prevent explicitly the mandating of clear-cutting or the sale of timber. In addition, the language would be modified to stipulate that nothing in the Tongass provision should be construed to limit the Secretary's use any new information, or prejudice future revision, amendment, or modification of the forest plan. These latest modifications would be applied to the most recent Tongass language, which has already been modified substantially from its original form. Modifications already made include dropping sufficiency language, dropping the reference to the preferred forest plan alternative, and dropping the prohibition of habitat conservation areas.

Despite these compromises, the administration continues to insist on complete removal of the language, contrary to the views of a majority of Alaskans and those who represent them.

Mojave National Preserve

The Interior bill vetoed by the President provides the National Park Service [NPS] $500,000 to develop the general management plan for the Mojave National Preserve. Management of the preserve would remain the responsibility of the Bureau of Land Management, which has had the management responsibility of the area for years.

However, the Bureau of Land Management would be able to use NPS seasonal employees to assist in the management of the preserve. The original House provision did not allow for any Park Service participation in the preserve, and would have provided only $1 to the Park Service for related activities. The effect of the current provision would be minimal in terms of the management of the preserve, but would be significant in allowing the Park Service an opportunity to gain the trust of the people who will be its neighbors for the foreseeable future before taking over on a permanent basis.

Marbled Murrelet

The administration objects to a provision in the Interior conference agreement that would have prohibited it from redefining the known to be nesting provision included in previously passed timber salvage legislation. The House and Senate offered to remove this provision from the conference agreement in an effort to reach an agreement with the administration on the overall bill. The offer by the House and Senate—which represents a significant compromise—is scarcely acknowledged by the administration.

Columbia basin ecosystem

The administration's veto statement expresses several concerns about the Columbia basin ecosystem provision in the conference agreement. The statement specified that the provision "would impede the implementation of our comprehensive plan for managing public lands," and exclude "information on fisheries and watersheds." The result of the conference provision, according to the administration, is "a potential return to legal gridlock on timber harvesting, grazing, mining, and other economically important activities."

The House and Senate presented an offer to the administration that would have met some of these concerns. That offer would expressly permit the administration to include information on fisheries and watersheds in the Columbia basin plan. Once again, however, even this significant concession was not enough.

There is one point, however, on which the administration and the House and Senate authors of this provision fundamentally disagree—providing increased opportunities for legal gridlock and frivolous lawsuits. The administration's veto statement states that the conference language would present a potential return to legal gridlock. This makes for a nice soundbite—but the exact opposite is true.

We believe that the administration's current policy—based upon the lack of success of similar endeavors by this administration—presents a tremendous opportunity for legal gridlock. The current policy is a one-size-fits all approach, created in response to a legal challenge by environmentalists, and will undoubtedly create opportunity for further challenge by environmentalists. The House and Senate offer to the administration would preclude the filing of frivolous lawsuits—exactly the goal the administration professes to seek.

Rescission bill flexibility

The administration has professed a desire to repeal portions of language relating to timber sales included in section 2001(k) of the fiscal year 1995 rescissions bill. However, when Senator HATFIELD and I put together a proposal to grant the administration greater flexibility in implementing section 2001(k), it was not greeted with much enthusiasm. The provision will allow the administration to trade out of sensitive harvest areas while at the same time keeping the modest harvest levels it promised as a part of a timber settlement.

Mr. President, there are countless other instances in which conferees on the Interior bill modified provisions or increased funding for programs to address administration concerns. Yet these efforts have gone virtually unacknowledged. Until yesterday, during my conversation with the President's Chief of Staff, there had been little indication that there was any serious desire to reach closure on the Interior bill on any basis other than a complete agreement with the administration's big, intrusive Government policies.

In the absence of a settlement, agencies funded in the Interior bill continue to lurch along from month to month, from continuing resolution to continuing resolution. Employee morale is low, and programs supported by both the administration and Congress are suffering.

Mr. President, we have come more than halfway in compromises with the White House on provisions it finds objectionable. It is time for the administration to stop posturing and close the deal.

NINTH CONTINUING RESOLUTION

Mr. KERRY. Mr. President, the Continuing Appropriations Resolution before us today is the ninth, let me repeat, the ninth continuing resolution for fiscal year 1996. I cannot recall during my service in the U.S. Senate another time when the funding of basic services that people need and the concern for people's daily lives have been treated so cavalierly by the majority. This is a misuse of the appropriations process, and the fact that this is the ninth continuing resolution demonstrates amply and clearly in my mind the inability of the party that currently holds the majority in Congress to govern.

In some areas, the amounts contained in this stop-gap resolution will barely keep basic services operating. This is not, in my view, what the American people want, it is certainly not what they deserve, and it most assuredly does not reflect the American people's priorities. The American people will have the opportunity in the elections this fall to express their views on the priorities we have seen the Republicans advance. I am confident the proponents of those misplaced priorities will be shaken by the voice of the people.

The last Government shutdown cost Americans $1.4 billion. Its effects are still being felt. Approximately 170,000 veterans did not receive their December GI bill education benefits on time, delaying action on some 87,000 initial benefits claims and nearly 70,000 certifications. More than 200,000 veterans disability and compensation claims were added to the backlog during the last shutdown. More than 5,000 small businesses saw their government-guaranteed financing delayed. Hundreds of Superfund toxic waste cleanups were suspended, and more than $2.2 billion in American exports were delayed because their licenses could not be processed. Thousands of Americans were prevented from business or other travel abroad because passports were not issued. Thousands of Americans were prevented from enjoying or learning from their natural or historical American heritage as national parks and forests and federally funded museums and art galleries were closed to them.

We simply cannot afford another Government shutdown, so this measure represents a compromise. The funding levels it contains are far from adequate for many Government activities upon which Americans depend or which have a daily impact on their lives. I speak specifically about those items supported through the Labor/Health and Human Services/Education budget—education grants for students, assistance for disadvantged students, worker training and retraining, summer youth jobs, Americorps and Head Start, and through the VA-HUD-Independent Agencies budget, like health care for veterans and environmental cleanup activities.

I also am deeply disturbed by the funding caps imposed by this legislation at 75 percent of last year's expenditures on such critical law enforcement activities as the cops on the beat program—or COPS—and drug courts. Which 25 percent of our communities will not see a cop walk down their streets because of these caps? Which 25 percent of the drug offenders will not be prosecuted in the drug courts because of these caps?

These caps also will hurt the Advanced Technology Program that has helped dozens of entrepreneurs and researchers in Massachusetts with good ideas for new technologies to bring their ideas to the commercialization stage. ATP has worked in Massachusetts to bring forth new products as diverse as hip replacement procedures and fire detection codes to benefit consumers.

Funds are also affected for critical scientific research to help cure diseases, research conducted through National Institutes of Health grants by medical institutions and teaching hospitals in Massachusetts—whose world-renowned research institutions have been chosen to receive grants from NIH sufficient to rank the Commonwealth third among States in receipt of NIH grants.

Mr. President, it is not with great enthusiasm or, indeed, any enthusiasm that I will support this measure. The process that has brought us to this ninth continuing resolution is a disgrace. And it is also a disgrace that once this bill passes, which I reluctantly hope it will, the Senate will not remain here to work at hammering out an agreement on the budget or to pass the normal appropriations bills, or to cleanly extend the debt limit to honor this Nation's full faith and credit commitment to those from whom it borrows money. I predict we will be back here to repeat this shameful exercise again and again this year. The American people deserve better.

But we are caught in a momentous clash of philosophies and politics—with a new group of Republicans zealously committed to imposing their personal ideological beliefs throughout Government. Those ideologues have proven themselves entirely willing to bring Government to a wrenching, grinding halt, regardless of who is hurt or how badly, if they are not satisfied with the rapidity or extent of movement toward their goals.

In the face of such a group, the best we have been able to hope for is a compromise—with which neither side is satisfied. President Clinton spoke eloquently during his State of the Union Address Tuesday night about the necessity under the circumstances to negotiate and enact such compromises in order to keep the business of our Nation moving forward and minimize injury of innocent Americans who must depend on the services that only Government can provide. Up until yesterday, the Republican majority in the House has been entirely unwilling to countenance any significant compromise.

While I am extremely disappointed about the contents of this legislation, and believe the American people will be the ones who are hurt by its contents—or, more accurately, its omissions—I am relieved that the House Republicans have finally exhibited a willingness to engage in legislative compromise. At least the Government will keep running so that it will continue to provide most of its services to most of those who need them. There will be some who will be hurt, I regret to say. But we will struggle along. That is to be preferred to the unquantifiable and needless suffering that the Republican House majority imposed on the Nation up to this point.

I am hopeful that we will be able during the remainder of this year to reach more suitable solutions regarding more of the services on which Americans depend—while we also find agreement on a fair way to achieve a balanced budget in 7 years that provides for needed investment in our future, human, technological, and infrastructure.

Ultimately, I look toward November for the American people to pronounce their views and priorities, and to elect a Congress that will pursue the best interests of the country and not a narrow ideological agenda. In the meantime, we will pass this resolution, the President will sign it, and the Nation will limp on for a while longer.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I do not know of any other amendments that we have to be discussed or debated on this side.

The PRESIDING OFFICER. If the Senator will withhold just one moment, the Senate will be in order.

The chairman of the Appropriations Committee is recognized.

Mr. HATFIELD. Mr. President, we stand ready to do any further business on this CR. If not, I would ask for a third reading.

The PRESIDING OFFICER. If there is no further amendment——

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SANTORUM). Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I know there is a lot of anguish on the part of our colleagues who would like to exercise the constitutional right of the Senate to amend a bill on revenue related matters that comes to us from the House, even though the Constitution says it must be originated from the House of Representatives. But as I said in the opening statement today, we are literally here today with a gun to our head in the parliamentary situation in which the House provided us with this product as of today and have declared that they are not in session today for legislative business. Therefore, any changes in this particular product is going to require return to the House.

If they are not in session today for legislative business, we are facing a midnight curfew of whether the Government shuts down. So consequently, as much as I detest and decry this process we find ourselves in—I would like very much to offer some amendments to this myself because family planning is not satisfactory to me—as Senator BYRD, as the comanager of this bill, indicated in his opening statement, he affirmed my analysis of where we were in this particular bind and also urged his colleagues not to offer any amendments, because any change on this continuing resolution we have—any change—is required to go back to the House of Representatives.

They made it very clear that they may be subject to the call of the Chair, but not for legislative business. So there we are.

I want to just say to my colleagues, Senator BYRD and I have not contrived this situation. We have had absolutely nothing to do with it, except in the sense that we had given to them many of our own thoughts and hoped they would incorporate them. They incorporated some. Congressman LIVINGSTON, chairman of the House Appropriations Committee, signed off on a Florida tomato problem. I signed off on a Florida tomato problem. We have another committee that is involved in this and has objected. Therefore, it was not included.

We have been trying to craft this by telephoning across the great rotunda of the Capitol Building. And that is not a satisfactory way to do business either.

So here we are, not just with the House alone, but with the jurisdictions, that are very legitimate jurisdictions, that have a part in these actions that are taken by the Appropriations Committee.

We had a problem on timber salvage. We cannot get the White House to sign off on that one because we are trying to help the White House have more flexibility in that action taken.

So there are a lot of players here involved between the House, the Senate, both sides of the aisle, authorizing committees, the White House. We are in a very complex situation made more so by the gun to the head that we have in dealing with this issue.

So I urge my colleagues to refrain from offering amendments because, as much as I may agree and sympathize, understand the need, I am in a situation as a comanager of this bill. Senator BYRD urged as well, please do not offer amendments because we will have to fight every amendment, not on the merits of the case, but on the parliamentary situation we are in.

I do not think anyone here wants to raise the issue or the possibility of shutting the Government down again. Nobody wins. Everybody loses on that one, I think we have all come to understand.

But if the Senate, constitutional as it is—the House has to take any action on any change we make on this. And they are not in today for legislative business which has freed up their membership. We face the problem of shutting down the Government. So that is the problem we have.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I have listened closely to the words of the chairman of my committee, and my friend, someone I admire very much. I realize he is in an untenable kind of position. But it is this Senator's understanding that the House is in session subject to the call of the Chair.

The chairman of our committee, the Senator from Oregon, has stated that they would be in subject to the call of the Chair, but not for the purpose of working on this continuing resolution. It seems that we have been put in a position that no matter how bad the CR might be, we have to take it or else.

If we have an amendment—and I do have an amendment that no one can argue does not save us money. It saves money by getting the Office of Inspector General funded so they can go after waste, fraud and abuse. I have a letter from her dated 2 days ago where we are literally losing millions of dollars every day because the Office of Inspector General has not been funded fully. I think this is not anyone's purpose. I think this is probably just an oversight of the House that they did this.

I cannot imagine that, if we were to adopt that amendment, send it back to the House, they could not approve that in 30 seconds. It does not add to the debt or anything like that. In fact, it is going to save a lot of money for our taxpayers by going after waste, fraud and abuse in the Medicare Program.

So I, as much as I sympathize with the chairman of the committee, must really object to having a gun held at our heads to the point where we cannot even add an amendment that will save hundreds of millions of dollars for our taxpayers by going after the scam artists and others who are ripping off the Medicare system. I just find this startling that we cannot do that, if I understand this correctly.

So, Mr. President, I will be sending an amendment to the desk. It is very straightforward. It simply assures that our efforts to stop fraud, waste and abuse in Medicare will not be cut. The funds are our main line of defense against Medicare fraud by the Office of the Inspector General of Health and Human Services through the end of the fiscal year at last year's level.

I am told that it would add about $5.2 million to this effort. That is, in the scheme of things, not a lot of money. But what does that get us? The GAO has reported that as much as 10 percent of Medicare funds are lost each year to fraud, waste and abuse.

How much money is that? Well, this year the Medicare funds are going to send out about $180 billion. So 10 percent of that is $18 billion, this year alone, lost to fraud, waste and abuse. That is over $500 for each and every Medicare beneficiary.

As I said, the inspector general's activities are our main line of defense against Medicare fraud. Even at last year's funding level, they do not have enough to do the job. Now they are being cut even further. At a time when there is a discussion of major cuts to Medicare, doubling the Medicare premiums that seniors have to pay, we should not be cutting our effort to stop the fraud, waste and abuse.

I think it makes common sense to stop the waste first. It is clearly documented that for every dollar we invest in the inspector general's activities, we save the taxpayers $15. That is not something in the future. That is actual money that they are recouping for us on a daily basis. Yet this bill before us cuts that program.

Mr. President, I was very concerned about the possible impact that Government shutdowns and these cuts have had and is having on our national fight against Medicare fraud, waste and abuse. So last week I wrote to the inspector general, Inspector General June Gibbs Brown, to ask her what the impact was. I received her letter the day before yesterday. The findings are shocking and deserve our immediate action.

In her letter she said:

> Dear Senator HARKIN: Thank you for your recent letter expressing concern about the extent to which the critical anti-fraud and abuse activities of the Office of Inspector General . . . are suffering from the government shutdowns and under the current stopgap spending bill. Specifically, you asked the following questions:

And this is what I asked of the inspector general.

> [First] [w]ere major enforcement initiatives, investigations and audits suspended?
>
> [Second] [a]re fewer initiatives, investigations, and audits being initiated?
>
> What is the potential impact on Inspector General activities of being forced to operate under another short-term funding measure similar to the one currently in effect?

Three questions. Here are her answers:

> Presentations of cases to United States attorneys for prosecution dropped from 92 in the first quarter of Fiscal Year (FY) 1995 to 51 in the first quarter of this FY 1996—

Almost a half.

Criminal convictions dropped from 84 for the first quarter of last year to 36 for the same period this year.

Investigative receivables—this is money that they actually brought back, money that they recouped for our taxpayers—fell from approximately $77.7 million for the first quarter of last year to about $30.8 million for the same period this year.

Recoveries are down more than 50 percent; 60 percent of ongoing and plant audits will be stopped or reduced if these cuts remain in place.

Last year, Mr. President, these audits saved over $5.5 billion. So the losses to Medicare and taxpayers from the reduction in audits could be in the billions.

There is one other point in her letter. The Inspector General said that considering the program savings generated in past years as a result of their reports, as much as $1 billion could be lost from the drop in program inspections alone this year.

Mr. President, I ask unanimous consent to have printed in the RECORD the full text of the letter from the inspector general dated January 24.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HEALTH
AND HUMAN SERVICES,
January 24, 1996, Washington, DC.

Hon. TOM HARKIN,
Ranking Minority Member, Subcommittee on Labor, HHS, and Education, Senate Committee on Appropriations, Washington, DC.

DEAR SENATOR HARKIN: Thank you for your recent letter expressing concern about the extent to which the critical anti-fraud and abuse activities of the Office of Inspector General (OIG) in the Department of Health and Human Services (HHS) are suffering from the government shutdowns and under the current stop-gap spending bill. Specifically, you asked the following questions:

Were major enforcement initiatives, investigations, and audits suspended? Are fewer initiatives, investigations, and audits being initiated? What is the potential impact on Inspector General activities of being forced to operate under another short-term funding measure similar to the one currently in effect?

SUSPENSION AND CURTAILMENT OF PENDING OIG WORK

[Note: Social Security related activities have been removed from FY 1995 figures because the Social Security Administration became an independent agency on March 31, 1995 with its own Inspector General. The FY 1996 figures include some activities funded by Operation Restore Trust—a limited Medicare demonstration project funded through the Health Care Financing Administration.]

Investigations and Audit Activity—Comparison of the first fiscal quarters of 1995 and 1996:

Presentations of cases to United States Attorneys for prosecution dropped from 92 in the first quarter of Fiscal Year (FY) 1995 to 51 in the first quarter of FY 1996 while indictments fell from 50 to 34.

Criminal convictions dropped from 84 for the first quarter of last year to 36 for the same period this year with civil judgments going from 27 to 19.

Investigative receivables fell from approximately $77.7 million for the first quarter last year to about $30.8 million for the same period this year.

The OIG issued 33 percent fewer reports (54 reports compared to 82 reports), processed 30 percent fewer nonfederal audits (861 compared to 1,223), identified 40 percent fewer dollars for recovery to the Federal Government ($14.2 million compared to $23.8 million), and is collecting 30 percent fewer dollars approved for recovery ($83.2 million compared to $120.1 million).

HHS Financial Statement Audits

The Government Management Reform Act requires that agencies have financial statement audits beginning FY 1996. The HHS-wide financial statement audit requires audits of eight operating agencies accountable for about $280 billion. The financial statements of the Health Care Financing Administration alone comprise expenditures in excess of $230 billion that are material to the overall departmental financial statements and to the General Accounting Office effort to report on governmentwide financial statements. If travel funds are not obtained, all such audit work will be suspended with resultant impact on HHS-wide and governmentwide statements. Audit activity must be performed at multiple State agencies and Medicare contractor locations, all requiring substantial travel funds. In addition, funding must be sought for expert medical assistance to review medical claims.

Administrative Sanctions—Fines, penalties, and exclusions:

The shutdowns prevented us from excluding individuals and entities from participation in Medicare and Medicaid. Providers were allowed to continue to bill the Medicare and Medicaid programs even though they should have been excluded due to convictions or because they are abusive to patients.

By comparison, there were 493 health care exclusions implemented for the first quarter of 1995 versus 210 exclusions for the same period this year. Approximately 400 exclusion cases are presently awaiting implementation.

IMPACT ON NEW OIG INITIATIVES

During the first quarter of last year, the OIG investigations component opened about 560 cases and closed about 605 cases. For the same period this year, under the continuing resolution, we opened only 425 and closed about 390. During the furlough period this year, we opened and closed only 2 criminal cases.

Starts on 100 audit assignments were delayed or postponed indefinitely because of the furlough. An example of this is the national review of prospective payment system (PPS) transfers. The United States Attorney in Pennsylvania proposed a joint review of PPS transfers based on prior audit work that identified over $150 million of overpayments to hospitals. If we are able to follow the Department of Justice proposal, we anticipate recoveries of over $300 million under the provisions of the Federal False Claims Act. The project has been suspended due to the furlough and lack of adequate travel funds.

POTENTIAL EFFECT OF CONTINUED UNDERFUNDING

Lack of funds for travel and other expenses of field work:

For investigations, audits, and inspections not funded under Operation Restore Trust, travel has been reduced to about one-third of the prior year's expenditure for the same period. If the underfunding of OIG activities continues, most travel will be suspended and employees furloughed. Approximately 60 percent of ongoing or planned audits will be curtailed or severely reduced in scope because of travel requirements with the resultant loss in program savings. The FY 1995 audit-related savings totaled $5.5 billion.

Last year the OIG issued 68 program evaluation reports. Under the continuing resolution scenario, the number of completed inspections may drop to approximately half that number. Considering the program savings generated in past years as a result of such reports, as much as $1 billion could be lost from the drop in program inspections alone. Program inspections identify sources of fraud and abuse and recommend program adjustments to prevent future occurrences.

Effect on sanctions activity:

The OIG expects a decline in potential settlements and exclusions as a result of fewer investigative and audit initiatives. In addition, since many of the false claim cases originating from the Department of Justice are generated through OIG investigations and audits, we expect a decline in that caseload as well.

Currently, the OIG administrative sanctions staff has under development 292 cases including false claims, Qui Tams, and civil monetary penalties, all of which will be put on hold during another furlough. Activity on them would be greatly reduced if we are operating under a continuing resolution with an inadequate level of funding.

Since the furlough, we have not been able to respond to more than 2,217 inquiries from licensing boards and private sector providers, who are required by law to inquire about the exclusion status of a practitioner before hiring, concerning the current status of a health care practitioner.

The minimum funding that would allow the OIG to meet its basic obligations and maintain its infrastructure is the amount shown in the Senate markup of the HHS appropriations bill ($75,941,000). We have enclosed at Tab A a copy of the Committee recommendation.

We sincerely appreciate the effort you have made toward achieving a level of funding for the OIG that would allow us to sustain basic services. We also appreciate your consistent support year after year toward curtailing waste, fraud, and abuse in Medicare, Medicaid and other HHS programs. The attention you give to our findings and recommendations and your enthusiastic encouragement assist us greatly in strengthening the integrity of these important programs.

Sincerely,

JUNE GIBBS BROWN,
Inspector General.

Mr. HARKIN. Mr. President, so much of the problem is that they are funded but they do not have funds for travel. Most of their investigative and audit work requires travel. So what we really have is hundreds of audit professionals, auditors sitting at their desks unable to do their jobs. Every day that they are underfunded, our taxpayers lose money.

What kind of actions are not happening? Convictions, recoveries in fines relating to a wide range of abuses. In fact, the inspector general even said in her letter that they are unable to cut off people who are receiving money from Medicare even though they have been convicted.

Here it is, she says:

> The shutdowns prevented us from excluding individuals and entities from participation in Medicare and Medicaid. Providers are allowed to continue to bill even though they should be excluded due to convictions or they are abusive to patients, again, costing us millions of dollars each and every day.

So I do not think there should be any disagreement on either side of the aisle with this amendment that simply ensures the inspector general efforts to combat Medicare fraud are not cut from last year's level. Again, we seem to have our priorities out of whack.

The previous continuing resolution provided full-year funding to a number of programs, including, for example, the Kennedy Center for the Performing Arts. I have no problem with that. I support that. However, this bill does not even provide last year's funding for the Office of Inspector General to go after fraud, waste, and abuse. I think that just defies common sense.

I want to also, just for the RECORD, read a couple of examples from the semiannual report of the Office of Inspector General about the kind of cases they have gone after and what they have earned for the taxpayers.

Here is a Michigan carrier that agreed to pay $27.6 million to settle a suit initiated by a former employee. The carrier was responsible for auditing, participating in hospitals' cost reports to ensure accuracy. An investigation by the OIG showed that the carrier performed inadequate cursory audits in which it disregarded hundreds of dollars in overpayments.

The carrier later gave HCFA, the Health Care Financing Administration, fraudulent work papers in an attempt to show that complete and accurate audits had been performed. The precise amount of loss to the Government could not be determined because it would have required auditing more than 200 hospitals. As part of the settlement, the carrier agreed to pay the entire amount that HCFA had paid to perform audits over the last 4 years, approximately $13 million. Mr. President, $13 million, one case, recouped for the taxpayers of this country. And yet for $5 million, we cannot even provide for that kind of investigation.

A Texas ophthalmologist signed an agreement to pay the Government $849,000 to resolve allegations of submitting false claims for reimbursement for physician and related medical services to the Medicare Program. Many of the fraudulent claims submitted to Medicare were for services not actually provided; were for services not provided as claimed or were billed at an inflated rate. This was a global settlement which also involved a criminal plea based on kickback allegations as well as submission of false claims.

Mr. President, this book is full of these examples of what the Office of Inspector General has done for our taxpayers just in one-half of last year. These are the kinds of audits and investigations and criminal prosecutions that they will not be able to conduct given the reduced funding level that they have.

So my amendment is very simple. It will simply provide for the same level of funding for the Office of Inspector General. That is all, just the Office of Inspector General from now through the end of this year. It will save the taxpayers literally—well, do not take my word for it. The inspector general said this could save up to $1 billion. So anywhere from probably $100 or $200 million to $1 billion just this year alone could be saved.

AMENDMENT NO. 3122

(Purpose: To provide for additional funding to the Office of the Inspector General of the Department of Health and Human Services)

Mr. HARKIN. Mr. President, I send my amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an amendment numbered 3122.

Mr. HARKIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert the following: "Notwithstanding any provision of this Act, all projects and activities funded under the account heading "Office of the Inspector General" under the Office of the Secretary in the Department of Health and Human Services at a rate for operations not to exceed an annual rate for new obligational authority of $58,493,000 for general funds together with not to exceed an annual rate for new obligational authority of $20,670,000 to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from the Hospital Insurance Trust Fund and the Supplemental Medical Insurance Trust Fund."

Mr. GLENN addressed the Chair.

Mr. HARKIN. Mr. President, I yield the floor.

The PRESIDING OFFICER. We are not in controlled time.

The Senator from Ohio.

Mr. GLENN. Mr. President, I rise in strong support of the Senator from Iowa. I have been involved with the inspector general issue for a long time. The Governmental Affairs Committee, back about 1980, put in legislation to establish inspectors general across Government. There were some that were voluntarily in place at that time. We put it into 10 more agencies of Government on sort of an experimental basis. They ran for 10 years, and in 1990, I put in legislation that expanded the IG's.

We have them now in 61 different agencies or departments of Government. They have done a superb job. They save in the billions and billions of dollars, and I do not know how many dollars they return for every dollar spent, but they have done a great job. To cut back on funding in those areas may be penny wise, but it is tens of dollars short.

It is sort of indicative of the problem we have right now. We passed a Chief Financial Officer Act a little bit along the same line. We require audits in all departments and agencies in Government, and GAO is to supervise that, monitor them, and try and get decent accounting systems in Government. We are cutting those when we should be expanding the money for that kind of operation.

We talk every day here about a balanced budget, yet to do the things that will get efficiency in Government, like IG's and CFO's, we cut the money for them. There was an article in the paper this morning about how the GAO is not going to have enough money now to do the supervising of the Chief Financial Officer Act that just comes into full compliance requirements this year. They have been building up to this since 1990, and now we are going to not even provide them the money for this.

I cannot imagine what people are thinking about to put this kind of requirement in over in the House to cut back on money that is going to make more efficiencies in Government.

Another one along the same lines is the IRS. There is something over $115 billion, $118 billion owed to the Government that we do not collect. Most of that is in bankruptcies, individual and corporate bankruptcies. But we say there is $28 billion, I believe it is, that they estimate is collectible. Yet, we are cutting the money for the tax system modernization system. We are cutting the personnel requirement or provisions at IRS, when we have $28 billion out there that we should be going after. It is collectible from people who are deadbeats, and it means that you and I and every other American that is honest about their taxes has to pay more taxes. Yet, in the interest of economy over in the House, they are cutting those fundings back. I just think it is ridiculous.

Now the argument is that we are up against a Government shutdown. I agree that we sure are. I add that we are up against it for the third time, and every single time what they have done over in the House is put part of their legislative agenda on the CR, send it over to us on a short-term basis and say, "Take it or leave it," and "You have to get it passed on our basis, you cannot change it. And if you do, the Government shuts down."

I am tired of legislative blackmail. That is exactly what this is. I plan to vote against this whole thing this time, just in protest. I think it is ridiculous. We are cutting back at least one-fourth for funding for VA and HUD, national service, EPA, and education. We are changing right-to-life matters in this. I just think we are legislating on a CR that should be passed as a clean CR to keep the Government running for a certain period while we then take up these individual matters, see what the proper level of funding should be, and make a rational decision on how we go ahead with funding all these things that are very important.

We brought up the farm bill. What do the farmers in Iowa think about this? Do they know what their loans are going to be and deficiency, guaranteed next year? Do they know how much to borrow at the bank? No, they do not, because we have not done our job here. Yet, we try and take some of these things up and sock them on to a CR because now we are up against it. We are going to say the Government shuts down tonight unless we pass this on the basis that the House sent it to us, which has half of their legislative agenda on it that we do not agree with. They deliberately waited until a day before the deadline to send it over to us, and we can take it or leave it.

Well, I do not plan to vote to take it. I just think we have been jerked around too many times here. And to say once again that, well, this is the last time and next time we are going to be tough, this is the third time we have done this. How many times do we have to get hit in the head before we do something about it?

I think the Senator from Iowa makes a good point. I hope he keeps his amendment in, and I hope we have to vote on it. If there are other amendments to try and correct this, so be it. I think for us to be made the heavies here and say we cannot possibly vote against this or have amendments without being irresponsible, that we are going to stop the Government, it is the House that sent this over and put us in this short timeframe. I disagree with that way of doing business. I do not think we should accept these things. If there are changes we want to make, we ought to make them.

Mr. HARKIN. Mr. President, I thank the Senator from Ohio for his comments. He has long been a champion of inspectors general. I ask the Senator again, with his long experience in the area of inspectors general and what they do, is it not true that this is real money we are talking about? In other words, we always pass bills and they say this is going to save us so much money in the future. We are all akin to doing that. But this is money right now, and every single day the inspector general's office is out there getting fines, payments. I just read examples from last year. This is real money that people have to pay back to the Government. Is that not true?

Mr. GLENN. It is absolutely true. If the Senator will yield further, there is not a single Senator in the U.S. Senate that would come out and say they favor fat, fraud, waste, and abuse in Government. Who is cutting out the fraud and abuse in Government? Who is on the front line out there in every department looking into fraud and abuse, stopping it, getting money back, referring cases to the Justice Department by the hundreds—hundreds and hundreds of them, that we did not used to have? It is the inspectors general.

I just cannot say how shortsighted I think it is that they have cut these funds to begin with and cut the funds for the chief financial officers, for IRS compliance. It just is the most foolish activity in Government that I possibly can think of. I certainly urge my colleagues on both sides of the aisle to back the amendment of the Senator from Iowa.

Mr. HARKIN. I thank the Senator. Again, it seems to me—I know the Senator said something about having them hold a gun at our head. The House is in session. They are in session subject to the call of the Chair. If they can hold a gun at our heads, why can we not adopt this, which saves the taxpayers' money, and send it back to them? We will see what they do. We have until midnight. I bet they can pass this in 5 minutes. I cannot imagine there would be any opposition to this whatsoever.

So why do we have to not save the taxpayers' money because they have a gun at our head? Why do we not adopt this amendment and send it back and let the gun be at their head. I bet they will pass it in a New York minute—whatever that is; I do not know what that is because I am not from New York.

I yield the floor.

Mr. HATFIELD. Mr. President, the Senator from Ohio and the Senator from Iowa raise the issue of logic. Unfortunately, neither this body or the other body has always functioned under the great label of logic. We are in a ridiculous situation. Obviously, we are, and we are having to deal with it in a very—we will attempt to do it in an orderly fashion. I would like to point out that this is the seventh CR since October 1—six were signed into law—and the Office of Inspector General has been operating at the House level since October 1. They have not been required to furlough any employees. This is the first time this issue has been raised in six of those CR's. Consequently, they have survived, you might say, or have functioned at a reduced level, or whatever. But the point is they are functioning.

I also want to add that the Senate has not been able to act on the Labor-HHS appropriation bill due to the objections raised primarily by the Democratic side of the aisle, and on a couple of occasions by the Republican side of the aisle. Those usually circulated around rider issues rather than the substance of these issues, such as the inspector general's office. We are, therefore, in a further deficient role as with the House because the House did pass a Labor-HHS, and we have not yet passed such appropriation bill here in the Senate.

This is not a permanent situation because of the fact that it goes until March 15. I am very hopeful that we can find $5 billion more. Let me say, very frankly, that I have said in my leadership meeting, and in other areas of this process of trying to resolve these appropriations bills, that even if we got rid of the riders that have become a strong problem for the Labor-HHS bill, different issues and riders that reflect a problem for both sides of the aisle, we still do not have enough money to satisfy the administration's requests in order to get them to sign the bill. I have said whatever budget comprehensive agreement can be reached has to have $5 billion to get the Labor-HHS; HUD and Independent Agencies; State, Justice, and Commerce, signed by the President. I think from time-to-time we have to remind ourselves that the President has a role in the legislative process. We cannot just think of the President as someone downtown that does not have a legitimate constitutional role in the legislative process. I can say to you, in dealing with the administration, that we have that $5 billion more in nondefense discretionary funding. I believe we can resolve these problems and have no more CR's. I am not going to argue what kind of a vehicle we get that $5 billion on. But that is the real guts of the problem. Anytime that you add something back into a bill at this point, or a CR, it is subject to a point of order that I am going to have to make because it exceeds our allocation under the budget resolution.

That is not a comfortable position to be in. I could not agree with the focus and the goal being sought by the Senator from Iowa any more than he has that commitment. I have the same commitment.

Mr. HARKIN. Will the Senator yield?

Mr. HATFIELD. I have a parliamentary question. There is an opportunity for the Senator from Iowa to have further discussion if I offer a point of order. If the Chair sustained a point of order and the Senator from Iowa appeals to waive the Budget Act, then he at that point has additional debate or discussion? I do not want to cut him off.

The PRESIDING OFFICER. If the point of order is made by the Senator before the Chair rules, the Senator may waive.

Mr. HATFIELD. And at that point he may have further discussion?

The PRESIDING OFFICER. On the motion to waive.

Mr. HATFIELD. The current level of budget authority exceeds that of the budget resolution for fiscal year 1996. The pending amendment by the Senator from Iowa provides additional new budget authority and will result in additional outlays in that year, and its adoption will cause the aggregate levels of budget authority and outlays to be further exceeded.

I therefore raise a point of order under section 311 of the Budget Act against this amendment.

Mr. HARKIN. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive the applicable sections of that Act for the purposes of the pending amendment and the underlying bill.

The PRESIDING OFFICER. The motion is made.

Mr. HARKIN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HARKIN. I thank the chairman for his kindness. He did raise one question about this—it is the first time it has been raised in six tries; that is so. I have been on this issue for several years, formally as chairman of the appropriations subcommittee and as ranking member now with the Senator from Pennsylvania, Senator SPECTER, as chairman, who has been very supportive in all of our efforts to go after waste, fraud and abuse.

I must say I had no idea that the reduced level of funding for the Office of Inspector General would have the kind of impact it has had. I must also be frank. I thought before Christmas we would have settled this. It was not. I thought it would be settled soon after. It was not. It is going from month to month to month, and you have to stop and say, What is happening? That is what precipitated my letter to the inspector general a couple weeks ago. I wanted to know if they had any data to see what was happening.

They did. They have the data from October, November and December of this fiscal year, the first quarter, compared to last year. It is really shocking what is happening because they do not have adequate funding to recoup money for taxpayers.

I am going on what the inspector general said in her letter. I just indicate to the Senator from Oregon, that was the only reason I had not raised it before, because I had no idea it was as bad as it is. That is why I sent the letter. Now is the time to get the money in to stop this bleeding of the Medicare money.

Lastly, I inquire of the Chair, the Senator from Oregon has stated that this is in violation of the Budget Act and it goes over the allocation. It is this Senator's understanding that the whole CR, the whole continuing resolution, is in violation of the Budget Act. I have a parliamentary inquiry: Is the underlying continuing resolution in violation of the Budget Act?

The PRESIDING OFFICER. The Chair will need some time to make that determination and will give an answer to the Senator in due course.

Mr. HARKIN. Might the Senator inquire as to how long? I do not want to tie this up.

In conversations with the Parliamentarian of the Senate earlier this afternoon, I asked the Parliamentarian that question: If, in fact, the CR was subject to a point of order and if it violated the Budget Act. I was told it was, unless I misunderstood the Parliamentarian.

The PRESIDING OFFICER. The Chair is prepared to rule on the bill. In its current form, it is in violation of the Budget Act.

Mr. HARKIN. I wonder how many Senators know that the underlying continuing resolution is, itself, in violation of the Budget Act. I do not intend to raise a point of order. I could, within my legitimate rights, raise a point of order against the entire continuing resolution. I do not want to do that.

I also do not want to be told that this amendment that I am offering, which by any accounting will save the taxpayers hundreds of millions of dollars, cannot be accepted because it is in violation of the Budget Act, when the entire continuing resolution is in violation of the Budget Act.

I do not see my distinguished chairman on the floor. Again, with all due respect, I do not know how one can argue that my amendment should not be adopted because it violates—and a point of order raised against it, when it truly saves the taxpayers a lot of money, but then go right ahead and vote for the continuing resolution which also is in violation of the Budget Act. I want the RECORD to show that.

Again, I am not here to throw a bomb or a handgrenade or to blow this thing up. If I was, I could raise a point of order against the continuing resolution and there would have to be 60 votes to pass it. Maybe there is, maybe there is not. That is not my object. My object is to try to save the taxpayers some money, to make sure that the Office of Inspector General is funded, not at any increased level, just at last year's level.

There is a bleeding going on every day, I tell my colleagues. There is a bleeding going on every day in Medicare. Millions of dollars are lost every day. It is the inspector general that is out there on the front lines stopping it and recouping real dollars for our taxpayers. We can close our eyes if we want. We can say it does not amount to a heck of a lot of money. As I pointed out, the inspector general said up to maybe $1 billion will be lost if they are not at least funded at last year's level. We are talking about $5 million to keep the Office of Inspector General going.

I say again, Mr. President, I am not here to disrupt, but I am here trying my level best, as I have for a long time, to cut at the waste, fraud, and abuse in Medicare. The main agent we have to do that is the inspector general's office. I do not cast any aspersions on what the House did. I do not accuse them of anything other than perhaps oversight. I cannot believe they would not accept this. I think it was simply an oversight.

Because of that, I believe if the Senate were to adopt this, send it back to the House—as I said, they are in session subject to the call of the Chair—I bet there would not be a House Member object to it. How could they possibly object to something like this? And then send it to the President and save our taxpayers some of their money.

I yield the floor.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAHAM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDING THE TRADE ACT OF 1974 TO CLARIFY THE DEFINITIONS OF DOMESTIC INDUSTRY AND LIKE ARTICLES IN CERTAIN INVESTIGATIONS INVOLVING PERISHABLE AGRICULTURAL PRODUCTS

Mr. GRAHAM. Mr. President, earlier this afternoon on behalf of my colleague Senator MACK and myself, the Senate was asked to consider, by unanimous consent, S. 1463. It is my understanding that unanimous consent has now been granted.

Mr. President, I rise to urge the immediate adoption of S. 1463, a bill that advances fairness for American farmers in crisis.

The bill, which I introduced last December on behalf of myself and Senator MACK of Florida, would make it easier for seasonal industries, such as winter vegetable growers, to seek relief under section 202 of the Trade Act of 1974.

Sections 201–204 of the Trade Act of 1974 authorizes the President, after an investigation and determination by the International Trade Commission, to withdraw or modify concessions or impose duties for a limited period of time on imports of like or directly competitive articles.

Section 202(c)(6) defines "domestic industry" as the producers as a whole of the article or those producers whose collective production of the article constitutes a major portion of the total domestic industry, including flexibility to define the industry as a limited geographic area.

During early 1995, the domestic winter tomato industry sought relief for injury resulting from surges of imports of Mexican tomatoes. The International Trade Commission, viewing the domestic industry as nationwide and year-round, denied relief.

In its opinion, the ITC recognized that perishable agricultural products have limited marketability. Page I–12 of the opinion states:

> The perishable nature of fresh-market tomatoes precludes the interchangeability of tomatoes harvested and marketed at different times of the year. Given that a fresh-market mature-green or vine-ripe tomato harvested in any month would not be suitable for consumption after about three weeks, arguably a tomato harvested in one month could not be substituted for a tomato harvested a month later.

Nonetheless, the ITC determined that, under the statutory definition, the appropriate domestic industry included all growers and packers of fresh tomatoes during the entire calendar year.

This legislation is intended to facilitate a different result by the ITC in cases with facts similar to those presented in the case filed by the winter tomato growers. If this legislation is enacted, industries such as the winter tomato industry would be deemed to be a separate industry under the modified definition of a domestic industry.

Currently, seasonal growers may be considered to be part of an industry that grows, ships, and sells during an entirely different time during the year. For example, fresh tomato growers in California grow, harvest, and sell during the late spring, summer, and fall, while those in Florida do the same thing in the late fall, winter, and early spring. Quite literally, while one group is in business, the other is not. While the product may be the same, it is a fact that the market, the competition, and the trade involved are totally separate.

S. 1463 would modify the definition of domestic industry in section 202 cases involving perishable agricultural products. In those cases, the ITC would be authorized to define the industry to include only domestic producers who produce the product during a particular growing season if two things are proven.

First, the domestic producers must sell all or almost all of the production during that growing season. Under this requirement, however, sales of a perishable agricultural product during the weeks immediately following the end of the growing season would not disqualify a seasonal industry.

Second, during the growing season, other domestic producers of the article who produce in a different growing season must not supply, to any substantial degree, demand for the article. Again, this would not preclude the other industry from selling any produce during the growing season.

Instead, the purpose of these two limitations is to preclude arbitrary season cutoffs from meeting the standard. The scope of the modified definition is limited to situations where international producers compete directly with domestic producers of the same like product during the same growing season.

This does not mean that there cannot be any overlap between the partial-year growing season in which the domestic industry alleges injury and another growing season. Various factors such as weather conditions may cause one growing season to begin early or end late and yet not affect a separate growing season.

While this change will allow the ITC to conclude that a partial-year industry constitutes a domestic industry under section 202, I believe that it is consistent with the NAFTA and other international obligations.

This amendment, by itself, will not solve the myriad post-NAFTA challenges facing America's winter vegetable industry. Domestic winter growers are suffering from dramatic increases in imports of Mexican squash, eggplant, sweet corn, beans, bell peppers, tomatoes, and other vegetables. These crops are seasonal and perishable.

Without prompt legislative reform, the domestic winter vegetable industry will soon end its second post-NAFTA growing season with unfair rules and hampered ability to redress harm. In human terms, too many farm families have bankrupted, stopped production, and lost confidence in their Government to assure fairness.

In addition to S. 1463, we should enact and implement additional legislative and administrative measures to make NAFTA work as it was designed.

But today, we do have a chance to take a positive step toward fairness for American farmers. Let us not forfeit that chance as we contemplate adjournment until next month. On behalf of fundamental fairness for farm families, I urge you to support this bipartisan reform.

I would like at this time, therefore, to ask unanimous consent that the Finance Committee be discharged from further consideration of S. 1463, a bill to clarify the definitions of domestic industry and like articles in certain trade actions involving perishable agricultural products, that the Senate then proceed to its immediate consideration, that the bill be read three times, passed, and the motion to reconsider be laid upon the table; further, that any statements relating thereto be placed in the RECORD at the appropriate place as if read; provided further that the above occur without intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed as follows:

S. 1463

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DEFINITIONS OF DOMESTIC INDUSTRY AND LIKE OR DIRECTLY COMPETITIVE ARTICLES.

(a) DEFINITION OF DOMESTIC INDUSTRY.—Section 202(c)(4) of the Trade Act of 1974 (19 U.S.C. 2252(c)(4)) is amended—

(1) by striking "and" at the end of subparagraph (B),

(2) by striking the period at the end of subparagraph (C) and inserting "; and", and

(3) by adding at the end the following new subparagraph:

"(D) may, in the case of one or more domestic producers who produce a like or directly competitive perishable agricultural product during a particular growing season, limit the domestic industry to those producers if the producers sell all or almost all of their production of the article in that growing season and the demand for the article is not supplied, to any substantial degree, by other domestic producers of the article who produce the article in a different growing season.".

(b) DEFINITION OF LIKE OR DIRECTLY COMPETITIVE ARTICLE; CONSIDERATION OF IMPORTED ARTICLE.—Section 202(c)(6) of such Act is amended by adding at the end the following new subparagraphs:

"(E) In the case of a perishable agricultural product produced by a domestic industry described in paragraph (4)(D), the term 'like or directly competitive article' means only the articles produced by the industry during the applicable growing season.

"(F) In the case of a perishable agricultural product, the Commission may limit its consideration to imported articles that are entered, or withdrawn from warehouse for consumption, during the same growing season as the like or directly competitive product.".

(c) RELIEF LIMITED TO CERTAIN IMPORTED PRODUCTS.—Section 202(d)(4) of the Trade Act of 1974 (19 U.S.C. 2252(d)(4) is amended by adding at the end the following new subparagraph:

"(E) The Commission may, in the case of a perishable agricultural product, limit provisional relief to imported articles that are entered, or withdrawn from warehouse for consumption, during the same growing season as the like or directly competitive product.".

(d) CONFORMING AMENDMENT.—Section 202(d)(5) of the Trade Act of 1974 (19 U.S.C. 2252(d)(5)) is amended in the matter preceding subparagraph (A), by striking "subsection" and inserting "section".

(e) EFFECTIVE DATE.—The amendments made by this Act apply with respect to investigations initiated pursuant to section 202(b) of the Trade Act of 1974 (19 U.S.C. 2252(d)) and requests for provisional relief initiated pursuant to section 202(d) of such Act (19 U.S.C. 2252(d)) after the date of the enactment of this Act.

BALANCED BUDGET DOWNPAYMENT ACT, I

The Senate continued with the consideration of the bill.

Mr. LAUTENBERG. Mr. President, I ask the Chair if there is an opportunity to make a statement without interrupting the discussion on the amendment of the Senator from Iowa?

Mr. President, clearly, since there is a moment of time, I just wanted to make a point about an amendment that I was going to offer. I have decided not to do so, not because I do not think it is warranted and justified and ought to be presented, but it is very obvious to me, after having seen the vote that was taken on the amendment offered by the Senator from Massachusetts to increase education funding substantially so we can meet our needs for our young people and to provide the kind of education that is essential if the United States is going to maintain or improve its leadership in global affairs, economics, science, et cetera—I saw what happened with that vote. We did not get 60 votes in favor of it, whatever the technicality was, to waive the budget, et cetera.

So, when I look at an amendment I was going to offer on environmental protection, it seemed to me that the handwriting was on the wall or that the toxics were in the ground or in the air, and that we were not going to get anywhere with a vote.

Mr. President, the American people clearly want to see an end to the partisan bickering, and it seems we are making some progress in that direction.

At the same time, Mr. President, I do want to register my concern about the stop-start way we are now financing much of the Government.

Continuing resolutions and shutdowns are no way to run a Government. The resulting uncertainty and chaos has a serious impact on States and local governments, on Federal employees, and on Americans throughout the country.

I also want to take a few moments to discuss the impact of the current CR on an area of particular concern to me: the environment.

Mr. President, I had planned to offer an amendment to protect environmental programs during the life of this short-term spending measure. My amendment would have frozen EPA's funding at last year's levels, as opposed to the roughly 14-percent cut called for in this bill.

However, I recognize that my amendment would be subject to the same point of order that was raised on Senator KENNEDY's amendment. As with his amendment, I am confident this amendment would receive a majority of votes, but not enough to overcome the parliamentary objection.

I also am concerned that, if my amendment were adopted in the Senate, the House leadership would refuse to put such a CR up to a vote, and the result would be another Government shutdown. I do not want that to happen. And I will not be offering my amendment. But I do want to take this opportunity to emphasize the importance of adequately funding EPA—and preferably doing so on a longer-term basis—when the pending CR expires in March.

Mr. President, it is time to make protection of our environment a national priority. Americans have a right to know that their air is clean enough to breathe, their water is clean enough to drink, and their children are not going to get sick because they live near a toxic waste dump.

The American people feel strongly about this, Mr. President. Poll after poll shows very strong public support for protecting our environment. Even Republican polls have reached that conclusion.

One recent Republican poll by Linda DiVall showed that only 35 percent of voters would support a candidate who supported the one-third cut in EPA funding in the House Republicans' VA/HUD appropriations bill. The same poll showed that while 6 out of 10 Americans say there is too much Government regulation generally, only 1 in 5 believe that statement applies to the EPA.

Unfortunately, despite the broad public support for environmental protection, this Congress has treated these programs very poorly. Funding for EPA has been under serious attack. And EPA's budget has been subject to stop-start budgeting, which has created tremendous uncertainty and which has had a serious impact on environmental programs.

For example, many toxic waste sites are not getting cleaned up because of budget uncertainties and inadequate funding. These cleanups typically take a long time, and sometimes are costly. Since EPA does not know how much money it will have, it has been forced to shut down many projects that already have been underway, and to delay others.

This will end up costing taxpayers millions of dollars. It also will mean that many sites will remain filled with toxic wastes, placing nearby residents at additional risk.

Mr. President, EPA is not an agency with a fat budget. It has been underfunded for years. EPA has already eliminated all of its temporary employees, and the Agency now has 1,300 employees less than its authorized ceiling. If the level in the continuing resolution continues for the rest of the year, EPA will be forced to furlough all its employees for 10 to 12 workdays.

Mr. President, furloughs at EPA are not what the people want. They want a Federal Government that will take responsible and prudent steps to improve our environment. To to that, in my view, we should be increasing EPA's budget, not cutting it, as this bill would do.

Mr. President, deep cuts in EPA's budget inevitably will have an adverse impact on our environment, and on the many hard-working people who work at the Agency. But I also want to point out to my colleagues—especially those on the other side of the aisle—that cuts in EPA have a direct impact on many businesses in the private sector. Under President Reagan, EPA entered an era of substantial privatization.

Today, over 80 percent of the Superfund budget and 52 percent of the rest of EPA's budget goes to private contractors. Those companies and their employees will suffer needlessly if EPA's budget is slashed.

Other companies that rely on EPA also will be hurt by EPA cuts. For instance, EPA is required to certify new pesticides before they can be marketed. However, under this CR, many of these certifications will not be done. That means these products will not be approved for the coming growing season. Farmers, consumers and the agricultural chemical community all will be adversely affected.

Mr. President, our Nation has made enormous progress since the environmental movement was ignited by Earth Day in 1970. Environmental laws have made our water safer to drink, cleaned up our oceans and rivers, made the air cleaner, and protected our land from destruction. We can not afford to turn back now.

I have heard it said over and over that we need to balance the budget because we are piling debt onto our children. But what about the environment we are leaving our children? In my view, and the view of the American people, that simply has to be a national priority.

Mr. President, at the expiration of this continuing resolution, I really hope that the Congress will approve a budget for EPA that protects the environment. And not for 6 weeks at a time. But for the rest of the fiscal year.

That is important for the Agency to operate effectively. It is important for its employees, who need to plan their work, and their lives. It is important for the many private contractors and their employees, who depend on this funding. It is important for States and localities, which also rely on EPA funding to administer environmental programs. And, most critically, it is important to all Americans who care about the quality of our environment.

Mr. President, I ask unanimous consent an article appearing today in the New York Times, on the front page as a matter of fact, be printed in the RECORD at the appropriate place.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 26, 1996]

WORRIED REPUBLICANS BEGIN BACKPEDALING ON ENVIRONMENTAL ISSUES

(By John H. Cushman, Jr.)

WASHINGTON.—Republicans are increasingly worried that by imposing deep cuts on environmental programs they are doing even deeper political damage to their party, and they are beginning to back away from further confrontations on environmental issues.

As a result, it now appears more likely that Congress might loosen somewhat the fiscal vise that has gripped environmental agencies during the long budget impasse, while a number of proposals favoring mining, logging, oil and other big industries could vanish from the legislative landscape.

Administration officials and environmentalists can hardly claim victory yet. The administrator of the Environmental Protection Agency, Carol M. Browner, said that at a Senate hearing on Friday, she would testify that the cuts already imposed, and the slightly less severe ones still to come, would force the agency to delay some of its highest priorities, including new measures to control dangerous pollutants in drinking water.

But some environmentalists are starting to say, with a hint of wonder in their voices, that they are close to success in making environmental programs what one lobbyist called a "third rail," political slang for issues like Social Security that are best not touched because they carry such voltage with voters.

Increasingly, Republicans are echoing the same message.

This week, 30 Republican moderates in Congress wrote Speaker Newt Gingrich to complain that the party had "taken a beating this year over missteps in environmental policy" and calling on him to correct the course during the continuing budget talks.

"If the party is to resuscitate its reputation in this important area, we cannot be seen as using the budget crisis as an excuse to emasculate environmental protection," said the letter, drafted by Rep. Sherwood Boehlert, a maverick Republican environmentalist from upstate New York.

Even some of the party's more conservative advisers are sounding similar alarms these days.

"Our party is out of sync with mainstream American opinion," wrote Linda DiVall, a Republican pollster, in reporting to congressional clients on a recent nationwide survey on environmental issues.

But many in the party's leadership are reluctant to change course. They say the problem is not their agenda but the way they have explained it.

"What is out of sync is the distortion of our record by the administration and by radical environmental groups who want to continue to overregulate the economy," said Rep. John A. Boehner of Ohio, head of the House Republican Conference.

Environmental groups have mounted a sustained campaign all year to get their millions of members to complain to lawmakers about the Republican agenda, and it appears that the effects are increasingly being felt.

Last week, during the congressional recess, the entire New Jersey delegation of eight Republicans and five Democrats wrote to the Republican leadership asking that full financing be restored to the Superfund program, a reaction to news that the EPA had suspended the clean-up of hundreds of toxic waste sites.

In his State of the Union address, President Clinton spoke at length about environmental issues, which usually take a back seat to others. He won applause and loud cheers when he denounced the environmental proposals of the Republicans and challenged Congress to "re-examine those policies and reverse them."

The problem for the Republican leadership, though, is that many of those proposals are at the heart of their promise to roll back federal regulations, and many of the party's leaders, including Sen. Bob Dole of Kansas, the majority leader, and Rep. Tom DeLay of Texas, one of Gingrich's loyal lieutenants, are among their most vigorous advocates.

In a speech to the National Association of Manufacturers on Thursday, DeLay, the majority whip, accused Clinton of lying in his speech when he said that by voting to cut environmental enforcement by 25 percent, Congress was serving the interests of corporate lobbyists at the expense of clean water and children's health.

"That isn't just misrepresenting the truth; that is outright lying," DeLay said.

But Ms. DiVall, whose clients include a conservative Republican presidential candidate, Sen. Phil Gramm of Texas, said in her polling report that some of the party's environmental policies were broadly disdained by Democrats and Republicans alike—and by most independents, most young people and most women.

"By greater than a 2-to-1 margin, voters have more confidence in the Democrats than Republicans as the party they trust most to protect the environment," her report said. "Most disturbing is that 55 percent of Republicans do not trust their party when it comes to protecting the environment, while 72 percent of the Democrats do trust their party."

The poll came up with especially strong signals on the Republicans' efforts to cut spending at the EPA.

"Attacking the EPA is a nonstarter," Ms. DiVall wrote.

Her polling found that only 35 percent of the public would vote to re-elect members of the House who supported the Republican-backed bill cutting financing for the agency, by a third, while 46 percent said they would vote not to re-elect them. If voter turnout in November is higher, she warned, the results would be worse.

Warnings like that seemed to be having an effect on Thursday, as the House leadership brought to the floor the latest stop-gap spending bill, to keep the federal government open until March. Previous temporary spending bills have singled the EPA out for especially severe cuts, especially in enforcement and clean-up activities.

The measure, passed by the House on Thursday night, would still cut the agency's financing, just as deeply as the spending bill Clinton vetoed in December but not as deeply as the cuts since Oct. 1, when the fiscal year began.

The Interior Department, another environmental agency that has been operating without a final agreement on its budget, would be financed until March. But the real issue facing that agency is not how much money it can spend, but rather what environmental policies it must follow.

One of the biggest fights of the past year was over changes the Republicans proposed in the mining law. Favored by industry and opposed by environmentalists, the measure was part of Interior bill and the broader budget bill, both of which Clinton vetoed.

On Thursday, Jack Gerard, an industry spokesman, said the budget impasse had "at least for now halted progress toward passage of mining law reform."

Mr. LAUTENBERG. So, I am hoping we get on with the resolution, the CR, not that I like it, frankly, but we do have to maintain the constancy of our work force, get the jobs done as well as we can at the moment. I am terribly disappointed at the relatively low levels of funding——

Mr. HATFIELD. Mr. President, may we have order so the Senator can be heard?

The PRESIDING OFFICER. The Senator is correct. The Senate will please come to order. Senators to the left of the Chair please take your conversations into the Cloakroom.

Mr. LAUTENBERG. Mr. President, rather than take any more time, I will yield the floor at this point.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. I do not believe there is any more discussion. Senator HARKIN indicated he had finished his discussion.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. HATFIELD. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The question is on a motion to waive.

Is there further debate on the motion?

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, what we may propose here, at the Democratic leader's suggestion, is to vote on this matter, vote on final passage, vote on the START treaty, vote on DOD, and then anybody who may wish to discuss these matters can do that.

Mrs. BOXER. Will the majority leader yield for a question? Can we make those votes 10-minute votes?

Mr. DOLE. Sure. I would put them en bloc.

Mrs. BOXER. I would support you fully and completely.

VOTE ON MOTION TO WAIVE THE CONGRESSIONAL BUDGET ACT—AMENDMENT NO. 3122

The PRESIDING OFFICER. The question is on the motion to waive the Budget Act with respect to amendment No. 3122.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Colorado [Mr. CAMPBELL], the Senator from Indiana [Mr. COATS], the Senator from New Mexico [Mr. DOMENICI], the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from Texas [Mr. GRAMM], the Senator from Arizona [Mr. KYL], and the Senator from Alabama [Mr. SHELBY] are necessarily absent.

I further announce that, if present, and voting, the Senator from Colorado [Mr. CAMPBELL] would vote "nay."

Mr. FORD. I announce that the Senator from South Carolina [Mr. HOLLINGS] is necessarily absent.

The PRESIDING OFFICER (Mr. GORTON). Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 45, nays 45, as follows:

[Rollcall Vote No. 3 Leg.]

YEAS—45

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Cohen
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Snowe
Wellstone

NAYS—45

Abraham
Ashcroft
Bond
Brown
Burns
Byrd
Chafee
Cochran
Coverdell
Craig
D'Amato
DeWine
Dole
Frist
Gorton
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Lott
Lugar
Mack
McCain
McConnell
Moynihan
Murkowski
Nickles
Pressler
Roth
Santorum
Simpson
Smith
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—9

Bennett
Campbell
Coats
Domenici
Faircloth
Gramm
Hollings
Kyl
Shelby

The PRESIDING OFFICER. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected, and the amendment fails.

Mr. DOLE. Mr. President, with the passage of the Balanced Budget Downpayment Act, instead of the headline reading "Government Shuts Down," it will read "Government Scaled Down."

Instead of adding to the frustration that the American people have with Government, we'll be adding to the amount of money we are saving taxpayers.

Instead of punishing Federal employees; we'll be eliminating unnecessary Federal programs.

Everybody knows that this bill is not perfect.

Each of us, if given the opportunity, would write it differently.

Some, like President Clinton, would prefer to spend more tax dollars.

Others, like me, would spend less. But I think we can all agree that this bill is much better than shutting down the Government.

The bottom line here, Mr. President, is that with this Balanced Budget Downpayment Act, we fulfill our commitment to keep the Government open, while at the same time we ensure at least $30 billion in budgetary savings for the current fiscal year.

This puts the focus back where it belongs: On cutting unnecessary Washington spending and reducing the budget deficit.

And let me leave no doubt: The Republican promise to the American people to balance the budget the right way in 7 years is not something we are willing to sacrifice.

We will never relent in our fight to protect future generations of Americans and leave them the legacy of a better America. And today's continuing resolution is a genuine downpayment on that promise.

Let me also briefly mention that this continuing resolution includes the fiscal year 1996 Foreign Operations Appropriations Act, which has been held up for many months by pro-abortion special interest groups.

I am pleased that the resolution contains many provisions which I drafted or strongly supported. These include:

An assurance that countries which have embarked on the peace process in the Middle East—Israel, Egypt, and Jordan—will receive important support for their search for a just and lasting peace.

A restriction on aid to Bosnian Serbs, a doubling to $100 million in military draw down authority to equip, arm, and train Bosnian Government forces, and a provision limiting assistance to any country which harbors international war criminals.

A requirement of human rights certification before additional assistance can be provided to Haiti. This is in response to the overwhelming evidence indicating that elements of the Government of Haiti have been involved in political assassinations—a sad outcome for a U.S. military operation that was alleged to be about democracy and the rule of law.

Assistance for critical states on the periphery of the newly resurgent Russia—especially Ukraine and Armenia. This bill also provides for the Transcaucus enterprise fund—an idea I first proposed in 1994.

This bill also contains provisions to encourage the administration to honor its stated commitment to expand NATO eastward—sooner, rather than later. The Republican Congress has repeatedly been forced to push the Clinton administration on the issue of NATO expansion—another case where the administration's deeds have not matched their words.

Finally, the bill contains the Humanitarian Aid Corridors Act—a limitation on aid to countries which impede the delivery of U.S. humanitarian aid to other countries. This important provision will help ensure we get the best bang for our foreign aid buck. I was proud to be the lead sponsor of this provision.

Mr. President, it has been a long and difficult process to get the foreign operations conference report to this point. And let me congratulate subcommittee Chairman McCONNELL for his leadership and perseverance.

Mr. ABRAHAM. Mr. President, I wanted to take this opportunity to address several of the votes cast today. Among other items, the Senate voted today to uphold the Budget Act with respect to the Kennedy and Harkin amendments. Let me make my position clear; I support full funding for education and continued vigilance over Medicare fraud. In the past, I have offered several amendments to protect education spending from cuts as well as to create new initiatives to fight Medicare fraud. My Medicare fraud amendment was a key part of the Medicare reforms vetoed by the President as part of the Balanced Budget Act of 1995.

Nevertheless, I did not support any amendment to the continuing resolution which would result in the shutdown of the Federal Government. By forcing this bill to return to the House for additional debate, these amendments would have done just that. Already we have seen the Government shut down twice in the past few months. The most recent shutdown lasted a record 21 days. Another shutdown is simply unacceptable.

I yield the floor.

Mr. HATFIELD. Before final passage, I would like to take the opportunity to explain further my concerns about several provisions in this bill.

RESTRICTIONS ON POPULATION PLANNING ACTIVITIES

I am dismayed by the provision in this continuing resolution which restricts the funds that may be made available for our international population assistance program and the U.S. contribution to the United Nations Population Fund [UNFPA].

The proponents of this language know that it is extremely unlikely that an authorization bill will pass before the July 1, 1996 deadline. Therefore, the bill provisions restricting funding to 65 percent of fiscal year 1995 levels and the obligation of funds to monthly apportionments of 6.67 percent will go into effect. When this occurs, our international family planning efforts will be devastated. The result—more unintended pregnancies and more abortions.

Let me give you a present day example. The former Soviet Union has the highest abortion rates in the world. In 1991, an estimated 12 to 15 million legal and illegal abortions were performed. The average woman will have between four and six abortions during her lifetime. Some women have as many as 20 abortions. This is appalling. Why do these countries have such high abortion rates? The answer—the unavailability of modern contraceptives.

Last year, in the foreign operations bill I was able to secure funding to allow the Agency for International Development to develop a comprehensive family planning program in the former Soviet Union. AID's efforts in Russia, Moldova, Belarus, and Ukraine have begun to have an impact on the abortion rate. We have data from the Ukraine that shows a reduction in the number of abortions.

So what are we doing today? We are drastically cutting funding to United States-supported international family planning programs, and we are reducing AID's flexibility to respond to areas, like the former Soviet Union, where the need for family planning is so great. We are ensuring that the world will return to the old ways—the old Russian model—with increases in unintended pregnancies and abortions.

As a pro-life Senator who strongly opposes abortion, I am disheartened by the lack of understanding and foresight of our colleagues in the House who have been unrelenting in their insistence on these restrictions.

HUMAN EMBRYO RESEARCH

I remain concerned about using this continuing resolution to place restrictions on research. However, I understand from the National Institutes of Health that this will not effect any current grants because the NIH is not funding research in this area at this time. It is my hope that the authorizing committees will take the time necessary to fully examine the issue of human embryo research and its ramifications before further restrictions are placed on funding. This is an important issue which deserves our full consideration.

EDUCATION FUNDING

I would like to add, Mr. President, that I regretfully oppose the amendment by my colleague from Massachusetts, to increase funding for education programs. While one of my highest personal priorities is to increase funding for these programs. I cannot in good conscience support an effort which gives us all a rhetorical win but not a substantive win. Increasing funding for these programs for 45 days has little to no practical effect. Aside from the fact that most education programs are forward funded and thus, not impacted in the next 45 days—over $13 billion or 54 percent of education moneys are, by law, not available until July 1 and another $7.5 billion or 31 percent are not obligated until the third and fourth quarters of the fiscal year—this amendment does not provide any certainty for the long term. It may also jeopardize our ability to enact legislation necessary to stabilize national education spending.

The best action we can take for education is to pass this continuing resolution and then proceed as rapidly as possible to consider the fiscal year 1996 Labor, HHS, Education appropriations bill. The Senate bill, reported from the committee on September 15, includes $22.3 billion indiscretionary spending for education programs, an increase of $1.5 billion more than the House-passed bill and the entire amount of increase given to the Senate Labor/HHS Subcommittee in its 602(b) allocation. Without a Senate-passed bill we are negotiating from a position of weakness with the House. Passage of this bill will provide the baseline on which true long-term planning can take place in school districts and classrooms all across this country.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I want to ask consent now that we have three consecutive votes. I will make the request here.

Mr. President, I ask unanimous consent that H.R. 2880 be advanced to third reading. I now ask for the yeas and nays on final passage of H.R. 2880.

The PRESIDING OFFICER. Without objection, it is so ordered. Is there a sufficient second? There is a sufficient second. The yeas and nays are ordered.

The yeas and nays were ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 1124

Mr. DOLE. Mr. President, I further ask unanimous consent that it be in order for me to ask for the yeas and nays on adoption of the conference report to accompany S. 1124, the DOD authorization bill, and that the vote occur on adoption of the conference report immediately following the vote on H.R. 2880.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—START II TREATY

Mr. DOLE. Mr. President, I also ask unanimous consent, as if in executive session, that it be in order for me at this time to ask for the yeas and nays on the adoption of the resolution of ratification to accompany the START II treaty.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. Further, Mr. President, I ask unanimous consent as if in executive session that the vote on the resolution occur immediately after the vote on adoption of the DOD authorization conference report.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Is there a sufficient second for the advancement of the rollcall vote? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that the votes be 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that there be 1 minute in between votes to explain the next vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

If there be no further amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 2880) was ordered to a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Colorado [Mr. CAMPBELL], the Senator from Indiana [Mr. COATS], the Senator from New Mexico [Mr. DOMENICI], the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from Texas [Mr. GRAMM], the Senator from Arizona [Mr. KYL], and the Senator from Alabama [Mr. SHELBY] are necessarily absent.

I further announce that, if present and voting, the Senator from Colorado [Mr. CAMPBELL] would vote "yea."

Mr. FORD. I announce that the Senator from South Carolina [Mr. HOLLINGS], is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 82, nays 8, as follows:

[Rollcall Vote No. 4 Leg.]

YEAS—82

Abraham
Akaka
Ashcroft
Baucus
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Bumpers
Burns
Byrd
Chafee
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dole
Dorgan
Exon
Feingold
Feinstein
Ford
Frist
Gorton
Graham
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Leahy
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Pell
Pressler
Pryor
Robb
Rockefeller
Roth
Santorum
Sarbanes
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone

NAYS—8

Brown
Bryan
Dodd
Glenn
Helms
Lautenberg
Levin
Reid

NOT VOTING—9

Bennett
Campbell
Coats
Domenici
Faircloth
Gramm
Hollings
Kyl
Shelby

So the bill (H.R. 2880) was passed.

Mr. BRADLEY. Mr. President, I move to reconsider the vote by which the bill was passed, and I move to lay that motion on the table.

Mr. DOLE. Under the previous order, there is 1 minute between each vote, if anybody would like to have it.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996—CONFERENCE REPORT

The PRESIDING OFFICER. The clerk will report the conference report.

The assistant legislative clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1124) to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The Senate proceeded to consider the conference report.

(The conference report is printed in the House proceedings of the RECORD of January 22, 1996.)

Mr. THURMOND. Mr. President, I am disappointed that the Senate has to consider the revised Defense authorization conference report for fiscal year 1996. To the dismay of many Members, President Clinton vetoed the original bill on December 28 because of his objections to: Deploying a missile defense system able to defend all 50 States; certifying that deployments of U.S. forces under U.N. command and control are in the national interest; and, requiring the President to seek congressional approval of funding of unanticipated contingency operations.

The primary reason for the President's veto of the bill was the administration's uncompromising opposition to deploying a system to defend the United States against ballistic missiles. The first duty of the President, as defined in the Constitution, is to defend America. Missile defense for America is a very achievable goal; it is hard to understand the opposition to providing protection for America.

Mr. President, we are told that there is no immediate threat, but I can assure you that when we are threatened, it will be too late to start. We will then be at the mercy of an aggressor's blackmail, or worse. In order to complete action rapidly on the renewed conference without further diluting the national missile defense provisions, the conferees dropped the NMD sections from the conference report. Although the conference report we are now considering does not include language on NMD, Republicans remain determined to enact forceful NMD legislation in the near future. I remain strongly committed to the deployment of a multiple-site NMD system by 2003 and am working with Senator LOTT, Senator SMITH, Senator KYL, and others in formulating a new bill.

Mr. President, the requirement to submit a supplemental request of funds to pay for contingency operations was also listed as a reason for the President's veto.

Unfortunately, President Clinton continues to deploy our military forces overseas for a variety of non-traditional military operations without due regard to cost or funding. These operations absorb significant human resources and funds which had been budgeted and appropriated for military readiness and modernization.

Our provision would merely have required the submission of a supplemental request to ensure that readiness is maintained, while at the same time allowing the Congress to carry out its constitutional responsibility. Although I disagree with President Clinton's argument that such a requirement is unconstitutional, the conferees agreed to change this requirement to a sense of Congress.

In his veto message, the President asserted that he thought his authority as commander in chief would be undermined by a requirement to certify that placing U.S. troops under operational control of the United Nations is in our national security interest. I do not understand how any President can possibly object to a requirement that explicitly states to the American people that any deployment of American troops is in the national interest. This was a broadly supported provision and the President's veto ensures that neither the Congress nor the President has seen the last of this common-sense legislation.

While I disagree with the objection, since certification is an accepted way for Congress to exercise oversight responsibility, I do not want this important bill delayed by another veto. Further, if we had watered down this section as the President would have liked, the Congress would be abdicating its oversight responsibilities.

For these reasons, the conferees concluded that it would be better to drop the section in its entirety. A separate bill will preserve the integrity of Congress' intention to ensure U.S. forces are placed under U.N. control only when it is in the U.S. national security interest.

Mr. President, the House National Security Committee and the Senate Armed Services Committee have moved swiftly to resolve the President's objections to the previous defense authorization bill because we recognize the importance of the bill to our Armed Forces. This conference report retains the many important initiatives of the earlier bill.

The conference agreement contains a number of acquisition reform provisions which make it easier for Federal agencies to buy commercial technologies, while preserving the standard of full and open competition. Other initiatives range from improved quality of life for servicemembers and their families, to a full pay raise. Our Armed Forces should not have to wait any longer for the support they deserve.

Mr. President, I am pleased to say we will now have the opportunity to express our support for our military men and women by voting to approve the conference agreement on the National Defense Authorization Act for Fiscal Year 1996. I urge my colleagues to pass this conference report in a strong, bipartisan show of support for our Armed Forces.

Mr. President, I wish to express my appreciation to the able ranking Member, Senator NUNN, for the great contribution he has made to this bill. Without his cooperation and counsel it would have been very difficult to get this revised bill enacted.

Mr. NUNN. Mr. President, I am pleased to join with Senator THURMOND in support of the revised conference report on the National Defense Authorization Act for fiscal year 1996, which has just passed. The annual Defense authorization bill is one of the major responsibilities of the Congress each year. It has become the primary vehicle for fulfilling the responsibility of Congress, set forth in article I, section 8 of the Constitution, to raise and support the Armed Forces and to provide rules for the governance and regulation of our military forces. The fact that we have a Defense authorization bill that is likely to be approved by the Congress and signed by the President reflects the determination of Senator THURMOND, and many other Members, to make significant changes in the bill that was vetoed on December 28, 1995.

The Senate debated the first conference report on December 19, 1995. I voted against that conference report, which was the first time in my 23 years in the Senate, that I voted against a Defense authorization conference report. I had supported every previous Defense authorization conference report, including 6 years in which I served in the minority under two Republican chairmen. I concluded then that the conference report contained fundamental flaws that were contrary to the best interests of the taxpayers and the sound management of our national defense activities. On balance, the bill's bad policy outweighed its good policy. My floor statement on December 19 detailed the serious reservations that I had about the first conference report.

MAJOR CHANGES

Mr. President, the revised conference report satisfies a number of the concerns which I addressed in my December 19 remarks on the Senate floor in opposing the bill and in the President's veto message. I view these changes as very substantial.

The revised conference report completely eliminates the objectionable National Missile Defense language from the previous conference report. As I noted on the Senate floor, the language in the first conference report amounted to an anticipatory breach of the Antiballistic Missile Treaty. I had expressed serious objection, as had the administration, to that language. The language in the first conference report could have had a significant impact on Russian consideration of the START II Treaty which is designed to produce a major reduction in Russian nuclear weapons. The language also could have lead the Russians to abandon other arms control agreements if they conclude that it is United States policy to take unilateral action to abandon the ABM Treaty. All that language is has been removed from the conference report.

The revised conference report changes the first conference report in a number of other significant respects:

The new report completely eliminates the proposed restrictions on U.S. forces under U.N. command and control, which the administration had viewed as interfering with the constitutional prerogatives of the President.

The new report eliminates the mandatory requirement in the contingency funding provision for a supplemental appropriation, and replaces it with a sense-of-Congress provision, thereby removing another constitutional concern expressed by the President.

The new report completely eliminates the language which would have repealed the statutory authority for an independent Director of Operational Test and Evaluation—a key position in terms of ensuring unbiased tests of major weapons systems.

The new report makes it clear that the conferees support placing the oversight of special operations under a senior DOD official who is subject to Senate confirmation in order to ensure strong civilian control of special operations activities. The action of the conferees reflects the fact that when Congress created this position of Assistant Secretary for Special Operations and Low Intensity Conflict, we were not simply trying to give visibility to an Assistant Secretary. There are significant substantive differences between the Assistant Secretary of Defense for Special Operations and each of the other Assistant Secretaries. The position of Assistant Secretary for Special Operations is tied directly to a unique combatant command that exercises management powers similar to those of a civilian service Secretary. The conference report makes it clear that there is a continuing requirement for a senior, Senate-confirmed official to exercise these responsibilities as the individual's principal duty.

The new report extends the time period for the sale of the naval petroleum reserve from 1 to 2 years. The 1 year period in the previous version was insufficient to ensure that the taxpayers would obtain the maximum value through knowledgeable competitive bidding.

The new report specifically requires consideration of costs and risks in the development of plans for future submarine technology. The previous report omitted these vital factors, which could have lead to a great deal of wasted effort on theoretical and impractical approaches to modernizing our submarine fleet.

IMPORTANT LEGISLATIVE INITIATIVES

The conference report contains important legislative authorities which I support, such as:

Important military pay and allowance provisions, including a 2.4-percent pay raise for the troops and a 5.2-percent increase in the basic allowance for quarters.

Approval of Secretary Perry's family and troop housing initiative, which would provide new authorities—including shared public and private sector funding—to finance needed construction and improvements in military housing.

Detailed acquisition reform legislation that complements last year's landmark Federal Acquisition Streamlining Act. Key provisions would: Use simplified procedures to streamline the process of procuring commercial products and services while preserving the requirement for full and open competition; reduce the barriers that inhibit acquisition of commercial products by eliminating the requirement for certified cost and pricing data for commercial products; streamline the bid protest process by eliminating the separate bid protest authority of the General Services Board of Contract Appeals and providing for all bid protests to be determined by the General Accounting Office; consolidate and clarify the standards of conduct for Federal officials in the acquisition process to ensure consistent treatment of such personnel on a governmentwide basis.

Establishment of a Defense Modernization Account. This provision, which I sponsored, will encourage the Department of Defense to achieve savings in procurement, R&D, and operations and maintenance by allowing the Department to place those savings in a new account, the Defense Modernization Account. The Department could use amounts in the account to address funding shortfalls in the modernization of vital weapons systems.

CONTINUING FLAWS

I am disappointed, however, that the conferees retained a variety of flawed provisions that were contained in the previous conference report. I recognize that there was a reluctance to rewrite the entire conference report at this point in time, but I am particularly concerned about a number which are contrary to the best interests of the taxpayers and the national interest. I detailed the problems with these provisions in my floor statement on December 19, and I will simply highlight a number of my continuing concerns today.

EARMARKING

Mr. President, I am particularly concerned about the provisions of the bill which earmark the procurement of specific ships in specific shipyards. These anticompetitive provisions are contrary to the longstanding practices of the Armed Services Committee. In the past, we have provided appropriate guidance on the development and procurement of major weapons systems and to leave to the executive branch the process of awarding contracts. We have done this to ensure that the Government achieves the best price and quality based upon bids and proposals reviewed under merit-based criteria. We have endeavored to avoid legislation and conference report language which earmarks specific contracts to specific contractors. We have avoided earmarking because there is too great a danger that awards under such a system could be based on political and parochial considerations rather than the best interests of national defense. I am very concerned about the shipbuilding provisions of the conference report, which could lead to substantial unnecessary expenditures for the procurement of Navy vessels.

I am also concerned that section 1016 of the bill has the effect of earmarking a ship maintenance contract for a specific shipyard. This is a provision that not only precludes competition, it also directs work to be performed that the Navy says is unnecessary. Once we start down this route, other shipyards—as well as repair and maintenance contractors for aircraft and vehicles—will want their share of these directed, noncompetitive contracts. The Competition in Contracting Act is designed to save money through effective competition. From time to time, there are exceptions which can be justified on the merits in terms of industrial base considerations—but those decisions should be made on the basis of sound analysis and thorough consideration of executive branch views, not on the basis of legislated earmarks.

PROTECTIONISM

The conference report establishes new Buy American legislative provisions for ships and naval equipment which will result in enormous cost increases for naval vessels and which could produce an unfavorable reaction against U.S. military sales abroad—one of the strongest elements of our export economy. As a result of the conference, foreign countries which lose the right to bid on American contracts as a result of this provision will likely retaliate by imposing their own restrictions on American products, thereby damaging the export sector of the United States that currently has a strong surplus.

There is ample existing authority for DOD to exclude foreign companies from competing on contracts when there is a valid industrial base requirement for a domestic producer. The Department of Defense has not requested any additional legislative authority to impose specific Buy-American requirements on the components listed in the conference report. There has been no showing of a critical domestic industrial base need that would justify singling out these vessel components, among the hundreds of thousands of items procured by the Department of Defense, as warranting protection from competition. Mr. President, I find it strange that a Republican majority in the House and Senate committed to free trade and market competition, would inject the most sweeping Buy American provisions we have placed in a Defense authorization bill I have ever seen. This will damage the U.S. defense industry and the American taxpayer.

A more onerous Buy-American provision is set forth in the bill's authority to use sealift funds to purchase vessels for the National Defense Reserve Fleet. Unlike the Buy-American provision that applies to components, which I previously discussed, the provision governing National Defense Reserve Fleet vessels has no waiver authority. As a result, DOD would be precluded from purchasing foreign vessels for the five additional Roll-on/Roll-off ships called for in the mobility requirements study, despite the potential for major savings to the taxpayers. This provision could add over $1 billion to the cost of these ships. The result could be a bonanza for certain domestic shipbuilders at taxpayer expense, or—what is more likely—the Navy will decide that the cost is likely to be so high that the Navy might forego purchasing enough ships to meet mobility requirements. That would be bad for the taxpayers and bad for national defense.

UNWISE PERSONNEL POLICIES

The conferees have approved legislation mandating the discharge of HIV-positive servicemembers. Out of the 1.4 million members of the Armed Forces on active duty, only 1,150 are HIV-positive. That is less than one-tenth of 1 percent. Moreover, these HIV-positive servicemembers constitute only 20 percent of the total permanent nondeployable personnel in the military. The other 80 percent nondeployable for reasons such as cancer, heart disease, asthma, and diabetes. The bill requires discharge only of the HIV-positive servicemembers—not any of the other medically nondeployables.

This is particularly unfortunate because many of those who are HIV-positive are not adversely affected in terms of their ability to perform useful military service.

Mr. President, we need to put a human face on these statistics.

There is a sergeant with 16 years of service, with a wife and two children, who contracted HIV from a blood transfusion. He is performing sophisticated personnel management activities in a nondeployable status. When he heard about our bill, he said to his commander: "The service is my life. I've given everything I have to it. When this bill passes, I'll be out of the service and out of a job. How am I supposed to support my family?" What do we tell that sergeant and his family? How can we justify to the taxpayers the waste of 16 years of military training and education?

There is a female staff sergeant with 8 years of service who is assigned to a high level administrative position in one of the military departments. She contracted HIV from her husband, who subsequently died. She is the mother of a 4-year-old child. Under the bill, she will be out of the service, out of a job, and ineligible to reach retirement. She is perfectly capable of continuing her outstanding performance of duty, but now she will be fired.

There is an E–6 married for 10 years, who has a child and who is HIV positive. His service record includes a Navy Commendation Medal, two Navy Achievement Medals, and four sea-service deployment ribbons. His Navy Commendation Medal was awarded for automating a warehouse system that saved the Navy an estimated $2 million over a 2 year period. He has 12 years of service and has been HIV positive for 5 years. There is a reasonable likelihood that he could serve for many more yeas, with the potential to develop systems that will save millions more for the Navy. This bill deprives him of his livelihood and deprives taxpayers of the contributions that he can make to greater efficiency and savings.

There is a sergeant with 13 years of service who is married, with three children. He is HIV positive, as is his wife and two of the three children. Under the bill before us, he is the only one of the family who will retain a right to DOD medical care. His family, including his HIV-positive wife and two HIV-positive children, will be excluded from any DOD health care. As a result of the bill, he will be discharged from service, lose his employment, lose his retirement potential, and lose his family's medical care. This is an individual who is perfectly capable of performing military duties, yet we are going to throw away our investment in him and place him in dire financial straits. This is unacceptable.

Mr. President, these are but a few examples of the many productive servicemembers who will be discharged at great personal harm to them and their families, and at a great personnel investment loss to the taxpayers. This is not a situation where we have a large number of nondeployables. The numbers are small—well within the range of the number of nondeployables who have been retained on active duty under longstanding military manpower policies.

In my view, Mr. President, the HIV provision is counterproductive should have been stricken from the bill. In an effort to forge a compromise, I proposed that the conferees establish a waiver procedures. My compromise proposal would have permitted a Service Chief and Service Secretary to recommend waiver of the mandatory discharge, on a case-by-case basis, when retention of the individual would be in the "best interests of the Department of Defense" or would "prevent an unacceptable hardship for the individual service member and the immediate family." The majority conferees, however, refused to consider this approach.

It is my hope, Mr. President, that we will come to our senses, take a rational look at this policy, and repeal it before it can do any harm.

Other flawed personnel provisions include unwarranted restrictions on access of servicemembers and dependents overseas to abortion services at private expense and the unnecessary interjection of the judiciary into POW/MIA determination process.

CONCLUSION

Mr. President, I continue to be concerned about these flawed policies as well as the others I discussed in my December 19 statement. In my judgment, however, in view of the important provisions contained in the conference report and the major changes that were made by the second conference, I believe it is time to enact these provisions into law and put this year's debate behind us. I will vote for the conference report, but it is my intent to propose amendments during the coming year to address the significant flaws that remain in the bill.

As I mentioned, Mr. President, I am pleased to join with Senator THURMOND in support of the revised conference report on the National Defense Authorization Act for fiscal year 1996. Of course, this bill is one of the major responsibilities of the Congress each year. Given the number of people who want to speak, I am going to make my remarks brief and summarize what is a very comprehensive bill.

Mr. President, I congratulate Senator THURMOND for his persistence and his tenacity and his dedication. Without that dedication and energy and leadership, we would not be here on this bill; certainly it would not have come back after it was vetoed.

Mr. President, the revised conference report completely eliminates the objectionable national missile defense language from the previous conference report. As I noted on the Senate floor in considerable detail on a number of occasions, the language in the first conference report amounted to an anticipatory breach of the Anti-Ballistic Missile Treaty.

Mr. President, we did have a compromise proposal that passed the Senate. That compromise proposal passed overwhelmingly in the Senate. It was changed in the conference, and that is what prompted the veto from the President. That Senate language, which is not in the report that has just passed, would still, I believe, be acceptable. Certainly, I hope we can work constructively in that regard this next year.

Mr. President, this conference report made a number of other significant changes, some of which were outlined in the veto message by the President. Others were changes that I had urged and that others had urged, including the extension of the naval petroleum reserve sale to 2 years, which I think is very important. The original bill, which was vetoed, had only 1 year, which could have put a tremendous amount of pressure and resulted in perhaps billions of dollars of loss in the competitive bidding process to the taxpayers of America.

The new report also eliminates restrictions on U.S. forces that the White House had objected to. It eliminates the mandatory requirement on contingency funding provisions for supplemental appropriations, replacing it with a sense of Congress. It also eliminates the language which would have repealed the statutory authority for an independent Director of Operational Test and Evaluation, and makes it clear that the conferees support continued oversight of the special operations under a DOD civilian official who is subject to Senate confirmation.

In addition, Mr. President, this conference report has a number of important legislative provisions, including military pay and allowance, including basic allowance for quarters for our military forces, including Secretary Perry's family and troop housing initiative, including detailed acquisition reform, which is enormously important, which streamlines the Federal Acquisition Streamlining Act, and also including, I think, an important new provision, a defense modernization account, which I sponsored, which in effect says to each of the services, if you save money on any of your research and development procurement, if you find ways to save money, you can put the money in this specific account; and, subject to further approval of Congress, which I think would be almost automatic, hopefully, they will be able to spend this money on modernization.

This gives the military a real incentive to save money and put it into much higher priority purposes because we all know we are going to be very short in modernizing our force in the outyears.

Mr. President, the Senator from Arizona has enumerated a number of provisions which he objects to in this bill. I too have some concerns about this bill. I share his concern about earmarking of specific ships in specific shipyards. I think that works against the best interests of the taxpayers. I think it is very poor procurement policy, and I believe it is a real danger in terms of eroding the kind of support we need for the defense bill from the broad segment of the American people concerned about how much money we spend. This is counterproductive, and it really means there is the danger we could go more and more toward awarding ship contracts to parochial interests or political interests rather than on the merits and based on true competition. That is something I hope we can correct next year. I raised that question over and over again to no avail.

Mr. President, this bill also, as the Senator from Arizona pointed out, has some buy American provisions in it that will cost us lots and lots of money in terms of lost trade because we will basically be taking a trade advantage we have in defense articles and saying we are not going to buy your articles and then we are going to get retaliation and we are going to have our own defense contractors and our own workers suffer. So in order to help a few defense contractors, we are hurting a much broader segment and we are hurting our overall work force when we do that. I hope we can take corrective steps on those buy American provisions which I will not enumerate in the interest of time.

One other subject which I think has to be mentioned this evening is the provision in this bill on mandating by law the discharge of HIV-positive service members. This was not requested by the Department of Defense, not requested by any of the military services. Out of 1.4 million members of the armed services on active duty, 1,150 are HIV-positive. That is less than one-tenth of 1 percent. Moreover, these HIV-positive service members constitute only one-fifth or 20 percent of the total permanent nondeployable personnel in the military. The other 80 percent are people who cannot be deployed into combat for reasons such as cancer, heart attack or heart disease, asthma and diabetes. The bill requires discharge only of HIV-positive service members, not any of the other medically nondeployable personnel.

This is particularly unfortunate because many of those who are HIV positive are really not adversely affected in terms of their ability to perform their job in a useful way. If they are adversely affected in that regard, certainly there is every right to discharge under the current law.

Mr. President, we need to put a human face on this matter rather than treating it simply as some abstract political move which it has been treated as so far. Let me just give the Senate three or four real human examples that already have come to my attention that are going to suffer serious consequences as a result of the provision in this bill which I think is very unwise. There is a sergeant with 16 years of service, with a wife and two children, who contracted HIV from a blood transfusion. He is performing sophisticated personnel management activities in a nondeployable status—16 years of investment we have in this sergeant that has tremendous experience in his area of expertise. When he heard about our bill, he went to his commander, and he said, "The service is my life. I have given everything I have to it. When this bill passes, I'll be out of the service and out of a job. How am I supposed to support my family?" What do we tell that sergeant and his family, Mr. President? How can we justify to the taxpayers the waste of 16 years of military training and education?

Another example. A female staff sergeant with 8 years of service—these are actual examples—who is assigned to a high-level administrative position in one of the military departments contacted HIV from her husband who subsequently died. She is the mother of a 4-year-old child. Under the bill, she will be out of the service, out of a job, and ineligible to reach retirement even though she already has put in 8 years in the military and performs her job very ably every day. She is perfectly capable of continuing her outstanding performance of duty but now she is going to be fired by law.

We do not give discretion to anyone. We just say, Fire them all. Fire them all. They have HIV. Get rid of them.

It does not matter how they got it. It does not matter whether it is their fault—even a blood transfusion, getting it from your wife or from your husband. We are firing them.

Another example. There is an E–6 married for 10 years who has a child and is HIV-positive. His service record includes a Navy Commendation Medal, two Navy Achievement Medals, and four sea-service deployment ribbons. His Navy Commendation Medal was awarded for automating a warehouse system that saved the Navy an estimated $2 million over a 2-year period. He has 12 years of service, has been HIV-positive for 5 years. There is a reasonable likelihood he could serve for many more years with the potential to develop systems that will save millions of dollars for the Navy. This bill deprives him of his livelihood, deprives the taxpayers of his contributions that he can make to the military service.

Another example. A sergeant with 13 years of service, married with three children, is HIV-positive as is his wife and two of the three children.

Under the bill before us, he is the only one in the family who will retain the right to DOD medical care. His family, including his HIV positive wife and two HIV-positive children will be excluded from any DOD health care as a result of this bill. As a result of this bill, he will be discharged from the service, lose his employment, lose his retirement potential, and lose his family's medical care. This is an individual who is perfectly capable of performing military duties, yet we are going to throw away our investment in him, and place him and his family in dire financial straits.

Mr. President, as everyone in this Chamber knows, I led the fight in making sure that we have a sensible provision in terms of gays and lesbians serving in the military service. That is not what we are talking about here. We are talking about punitive action. We are talking about action that does not make any sense from any point of view.

During the consideration of this bill and in conference, I proposed a compromise. I proposed that the conferees establish a waiver provision. My compromise proposal would have permitted a service Chief and a service Secretary—would require both, both the uniformed military and the civilian to recommend waiver of the mandatory discharge that is in this bill on a case-by-case basis, when retention of the individual would be in the best interests of the Department of Defense or would present an unacceptable hardship for the individual servicemember and his immediate family. The majority of conferees, however, did not consider this approach.

I have given just a few examples where there is going to be tremendous harm to families, great personnel investment loss to the taxpayers. The numbers are small but the human tragedy here is going to be very large for no justifiable military reason. We are not talking about unit cohesion now. We are not talking about morale in the military. We are talking about people who can do their job and who may have been infected with HIV for no fault whatsoever of their own.

I am concerned about these flawed policies. I am also concerned about the overseas abortion services restrictions that are in this bill, and I am also concerned about, as Senator MCCAIN said, what I believe to be the unnecessary interjection of the judiciary into the POW/MIA termination process.

However, in my judgment, the overall balance is in favor of passage of this bill, and it has passed. I believe it is time to enact these provisions into law and put this year's debate behind us. And, of course, I voted for the conference report because of my overall feeling of the necessity of getting this report passed for the benefit of our military services and our national security. But we have some badly flawed policies in this bill that need protecting, and I will be working with others to try to change those provisions in the coming year.

THE REVISED CONFERENCE AGREEMENT ON THE FISCAL YEAR 1996 NATIONAL DEFENSE AUTHORIZATION BILL

Mr. MCCAIN. Mr. President, I regret very much that I come to the Senate floor today to speak against the revised conference agreement on the fiscal year 1996 national defense authorization bill. To my dismay, this revised conference agreement is significantly worse than the first agreement. It is another example of the inability of Congress to put aside the wasteful, pork-barrel spending practices of the past.

OPPOSITION TO ORIGINAL CONFERENCE AGREEMENT

Mr. President, I voted against the original conference agreement for several reasons, principally:

The inclusion of an additional $493 million for the B–2 bomber program.

Authorization for a third *Seawolf* submarine.

The $700 million for unrequested, low-priority military construction projects.

The $777 million for unrequested equipment for the Guard and Reserve, without regard to the priorities of the Guard and Reserve.

Legislation placing unnecessary and counter-productive "Buy America" restrictions on DOD's procurement decisions, to the detriment of our relations with some of our most faithful allies.

Legislation directing the noncompetitive allocation of four attack submarine contracts to Electric Boat and Newport News shipyards.

Myriad earmarks for entities and organizations favored by individual Members of this body.

And finally the unworkable, unnecessary, and burdensome new provisions dealing with POW/MIA issues.

For all of these reasons, which are discussed in more detail in my statement contained in the December 19, 1995, CONGRESSIONAL RECORD, I voted against the original conference agreement on this bill.

SUPPORTING THE COMMITTEE AND THE AUTHORIZATION/APPROPRIATION PROCESS

Now, I know that some of my colleagues were disturbed at my decision to cast my vote against the bill, even though the bill did pass the Senate. But, Mr. President, let me state very clearly that it was not an easy decision for me to make.

I have great respect for Chairman THURMOND, and I know that he worked very hard to accomplish the principal task of the Senate Armed Services Committee—enactment of the annual defense authorization legislation. It saddens me that, to date, that goal has not been accomplished.

Having served for more than 8 years on the Senate Armed Services Committee, I also clearly appreciate the Committee's crucial role in the Congress' defense budget review. As I said on the floor last December, this Committee has been at the forefront of the debate on national security policy and defense programs since the days of John Tower's chairmanship. The authorization committee, with its historically unbiased and nonparochial approach to defense issues, is an essential check-and-balance in the congressional budget process. In my view, it would be in the best interests of our Nation's national security to sustain the relevance and viability of the Armed Services Committee in the defense budget and policy review process.

For these reasons, I voted in committee last summer to report a defense authorization bill to the Senate floor, and I also reluctantly signed the original conference agreement. In both instances, I opposed many of the principal provisions in the bill. In taking these actions, I was not supporting the bill itself. I was supporting the Chairman, the Senate Armed Services Committee, and the congressional budget review process.

When it came time to cast my vote in the Senate on the original conference agreement, I came to the conclusion that the many positive aspects of the bill were outweighed by its negative provisions discussed above. I therefore voted against the original conference bill last December.

PROBLEMS WITH THE REVISED CONFERENCE AGREEMENT

When the President vetoed the original conference agreement late in December, I was hopeful that some of my objections would be addressed in a revised conference agreement. To that end, I wrote to Chairman THURMOND on January 4, 1996, to ask that he revisit some of these issues. I made it very clear that I could not support a revised conference agreement which does not address my specific concerns with the original, vetoed bill.

But my concerns were, unfortunately, ignored.

VETO FIXES

Mr. President, while the conference agreement does address the three major objections raised by the President, in my view, the conferees overreacted by stripping two provisions from the bill and substantially modifying the third.

I was disappointed that the conferees chose to eliminate entirely the policy language for national missile defense programs. I fully support the early deployment of effective missile defense at an affordable cost, which is what the conferees directed in the original agreement. Unfortunately, the conferees chose to strike this entire section from the bill, instead of working to modify it slightly to achieve some progress toward a meaningful effort to protect the people of the United States from accidental or unauthorized attacks.

The conferees also chose to remove entirely the language restricting the President's ability to place U.S. military forces under the command and control of the United Nations. The President did object strongly to the requirement to certify a national security interest before placing our troops under U.N. command. However, it seems to me, at a minimum, that it would have been useful to retain some statement of the Congress' strong objection to this type of action, as a base upon which to proceed with additional legislation during this year.

Finally, the conferees caved in to the President's objections to language requiring submission of a timely supplemental appropriations request to pay for contingency and peacekeeping operations. This language constituted nothing more than an expansion of the current law which requires submission of a Federal budget request each year at a specified time. Changing the conference language from a requirement to a sense of the Congress provision seems to be a very fine distinction and an unnecessary change.

Certain other changes were made to address the President's objections to the bill, most of which I do not oppose. However, I should note that very little was done to address a major concern raised by the President, namely, the noncompetitive allocation of shipbuilding and ship repair contracts. Another area that was not resolved to the satisfaction of the administration was the "Buy America" language, to which I also objected. Both of these are provisions to which I also objected.

BUY AMERICA

Mr. President, let me take a moment to discuss the "Buy America" restrictions in this bill. The conferees did remove a waiver provision which would have had the unintended consequence of rewarding nations with a history of retaliatory trade practices. However, the bill adds "Buy America" restrictions for propellers, ball bearings, and many other items which, frankly, are counterproductive to our ongoing trade relations with our most important allies.

As an example, the British placed orders for approximately $5 billion in United States-made defense articles last year; United States orders of British-made defense items totaled only about $800 million last year, a ratio of 4-to-1 to our economic advantage. This is a somewhat unusual year, in terms of the size of British orders to United States companies. I am advised that, on average, the British Government purchases twice as much defense equipment from the United States as we do from them.

Yet, even with this obvious economic advantage to the United States of doing business with the British Government, the new restrictions in this conference agreement would require the Pentagon to purchase many items from United States manufacturers rather than allowing competition from British and other foreign manufacturers. The result is that the U.S. taxpayer will not necessarily get the best deal on the price of these goods, and our trade relations with our allies will suffer as a result.

Let me take a moment to list some of the specific defense items that the British Government has procured from United States contractors.

Laser guided bombs from Texas Instruments.

C–130J aircraft from Lockheed-Martin.

Airborne stand-off radar system from a Loral/Raytheon team.

CH–47 helicopters from Boeing.

Infra-red countermeasures capability from Northrop Grumman.

Torpedo engines from Sundstrand.

I should also note that the British Government has announced its intention to sign contracts for two major procurements which affect contractors in my State of Arizona, namely, McDonnell-Douglas' Apache helicopters and Hughes' Tomahawk missiles.

Let me take a few minutes to talk about some of the specific domestic source restrictions in the bill.

The bill establishes in permanent law a requirement to buy the following defense items from U.S. suppliers:

Welded anchor and mooring chains, which benefits one company in Pennsylvania and possibly another in Washington State.

Air circuit breakers, which benefits two companies in Pennsylvania.

Vessel propellers of at least 6 feet in diameter, which benefits companies in Mississippi and Pennsylvania, and possibly Massachusetts.

Enclosed lifeboats, which benefits a company in Florida.

Ball and roller bearings, which benefits a company in South Carolina.

Gyrocompasses, benefiting a company in Virginia.

Electronlic navigation chart systems, benefiting 12 companies in Maryland, California, Iowa, Utah, Massachusetts, and Virginia.

Steering controls, benefits six companies in Louisiana, California, Wisconsin, and Georgia.

Pumps, benefiting 25 companies scattered throughout the United States.

Propulsion and machine controls, benefiting a company in California and one in Canada.

I find it interesting to note that these restrictions are usually justified on the basis of industrial base concerns, but in 6 of these 10 cases, there are at least 2 U.S. manufacturers of these items, and in some cases as many as 25 U.S. suppliers. Where is the threat to our industrial base for these items?

Several provisions in the bill have specific relevance to our defense trade with the British. The bill restricts the purchase of ball and roller bearings; there is a competent British manufacturer of these items. The bill also restricts procurement of propellers for naval vessels; a competent British source exists for these items. British companies are also capable of producing electrical navigation charts, propulsion systems, and a number of the other items that are limited in this bill to American companies.

This bill adds a number of new Buy America restrictions, although not by any means all of the items the House bill would have protected. I can assume that there are still other industries who might want to take advantage of the apparent willingness of the Congress to enact this type of protectionist legislation. If that were the case, if even more defense items were added to the domestic sources restrictions for Pentagon procurement, the negative impact on both foreign and U.S. business could be far greater.

For example, many British companies have entered into teaming arrangements with United States companies to compete for contracts for some very important United States military programs. Shorts Bros., teamed with Lockheed-Martin, is interested in the Starstreak air-to-air missile system for the Apache helicopter. British Aerospace, teamed with Hughes, is interested in the AIM-9X advanced short-range air-to-air missile program. Westlands, teamed with McDonnell-Douglas, is interested in the EH-101 combat support helicopter for the Navy. GEC, teamed with Northrop Grumman, is interested in the Army's Infra-red countermeasures program.

Judging by the enthusiasm of Congress for legislating Buy America restrictions, some of these British companies could, in the future, be precluded from competing for United States defense business. The secondary impact of additional Buy America restrictions would then be preventing their U.S. teaming partners from competing for these contracts. That is an outcome that I suspect many of my colleagues had not considered.

Mr. President, some of these restrictions have been in place for many years. The Buy American Act of 1933 implemented the first restrictions on U.S. Government purchases of foreign-made products. Since this type of protectionist trade legislation was initiated, items such as food, clothing, fabrics, watches, bolts, and nuts have been required to be purchased from American companies. In the defense field, the Pentagon must purchase from American companies such items as buses, machine tools, bearings, anchor and mooring chains, and numerous other items.

Let me cite one particular instance in this bill. The ball bearing industry in this country has been protected from foreign competition for many years, but the existing Buy America restriction ended last October. This bill extends the restriction until the year 2000. It seems to me that, if an American company cannot position itself to compete in the international marketplace after a period of protection from competition, perhaps there is more benefit to the American taxpayer in permitting foreign companies to compete for that Government business than in propping up a weak American concern.

Mr. President, I talked with the British Defense Minister last week. The British Defense Minister made it very clear, very clear, that, if these Buy America provisions prevailed, they will have to reevaluate their policies of purchasing defense and other products from the United States of America.

I cannot understand why the conferees decided to implement these additional protections for U.S. businesses. In my view, they are extremely shortsighted, in that they do not take into account the distinct possibility that our trading partners may understandably decide to retaliate against these unfair, protectionists restrictions by denying the United States access to their markets, defense or otherwise.

It is a bizarre circumstance, in my view, when the U.S. Congress concocts legislation which operates counter to the best interests of the taxpayer and which threatens our positive defense trade balance with allies like the British. I generally do not favor trade restrictions of any kind. In particular, the defense trade restrictions contained in this bill are not necessary to protect any U.S. defense industrial base. And further, defense trade restrictions negatively affect our defense capability by inhibiting the Pentagon's ability to buy the best weapons systems at the cheapest cost from any supplier in the world.

I had hoped that the unnecessary restrictions added in this bill would be removed in the second conference, as requested in the President's veto message, but they were not. I intend to work to remove these counter-productive domestic source restrictions to ensure free and open markets for defense goods and services. A true two-way street arrangement with our loyal allies, such as the British, is the best way to ensure the future availability of defense items which are vital to the continued readiness of our Armed Forces and those of our allies.

NEW PROVISIONS AND REVERSALS

Mr. President, beyond the action of the conferees in addressing some of the major veto objections, it is entirely incomprehensible to me that the conferees decided to add entirely new material and to reverse previous good decisions in order to satisfy some Members' parochial interests. These additions and changes were not even mentioned in the President's veto message.

Let me review just a few examples of programs which were added in the second conference agreement. These earmarks were gratuitously added to match funding included in the already enacted Defense Appropriations Act.

Some $10 million was earmarked for Aurora Borealis research, called the HAARP Program, in Alaska.

This program is a perennial congressional add-on, and its relevance to military requirements is completely inexplicable; 2 years ago, the program was described as a technology which would allow the United States military to locate tunnels and caverns in North Korea which could hide artillery pieces. Last year, an article in the Washington Post, April 17, quotes Pentagon and contractor officials who claim that the program will enhance communications with submarines. Still others claim that the program could seriously disrupt communications around the globe.

For a program which has been ongoing for a number of years and which is estimated to cost $160 million, it seems that a clear military purpose should be identified for it. And it seems that the Pentagon should be requesting funding for this program if it is of any military relevance whatsoever.

Some $10 million was earmarked for the Thermionics Program, in addition to $12 million in prior year funds which are directed to be transferred to the program. I understand that this earmark was mistakenly dropped in the conference agreement. However, in my view, that does not make any less onerous the fact that an earmark has been added in bill language that was not included in either of the Senate or House versions of the bill, or in the original conference agreement.

In addition, the revised conference agreement contains a legislative earmark of $4 million for a Counterterror Explosives Research Program, which was not included in the bill language in either the House or Senate version of the bill or in the original conference agreement. Apparently, this earmark was moved from the report language to the bill language, in exchange for the inclusion of the thermionics earmark in bill language. An interesting tradeoff.

The conferees also reversed several policy decisions contained in the first conference agreement. For example:

The decision to shut down the unnecessary National Drug Intelligence Center in Pennsylvania was reversed, and the new conference agreement provides $20 million for its continued operation.

Mr. President, let me take just a moment to discuss this issue. The fiscal year 1994 Defense Appropriations Act directed DOD to fund the staff and operation of the National Drug Intelligence Center [NDIC], located in Johnstown, PA, for the Department of Justice. Over the past 5 years, DOD has spent over $102 million in support of this center.

Because of concern over the amount of defense funding being used to fund a Department of Justice operation, the Senate adopted a provision in its version of the fiscal year 1996 National Defense Authorization Act limiting DOD support to providing 36 skilled technicians. What this means is that the DOD would no longer pay the salaries of the 209 Department of Justice employees at the center, nor would it pay for the travel and other associated costs of these employees. I believe that this is more than fair. If the Attorney General believes that NDIC provides a valuable service to Justice Department operations, then the Department of Justice should pay for its operations.

The original conference agreement included the Senate's provision. Unfortunately, when the bill came back from conference the second time, the restrictions had been removed and $20 million was authorized for operation of the center in fiscal year 1996.

Mr. President, there is no defensible reason this issue was reopened in conference. It was not mentioned in the President's veto message. Nobody has been able to justify why the Department of Defense should be paying the bill for this Department of Justice operation. Apparently, however, one powerful Member of Congress had a special interest in this project, and so it was restored.

The conferees also reversed a decision of the first conference to prohibit the Department of Defense from entering into a long-term lease agreement for a financial management educational institution in Southbridge, MA, without benefit of competitive, merit-based selection. This is, of course, unacceptable, Mr. President.

Again, let me take a moment to discuss this provision in the revised conference agreement. While I understand that the legislation still requires the Department of Defense to choose the site of the Defense Business Management University by using a merit-based competition, I believe that the original conference agreement was much clearer in demonstrating the intent of Congress that such a site be chosen on its merits.

I believe that the administration made an error in judgment when it decided to spend $69 million on a lease for a privately-owned facility which will have to be substantially renovated to accommodate the requirements of a teaching institution. There is no justification for this when there are suitable facilities, already designed and equipped to perform this activity, at many of the military bases that are being closed through the BRAC process.

I have always maintained that competition should be used in selecting sites to host Federal facilities, and I will be monitoring the selection process of this site to ensure that the American taxpayer's interests are protected.

Finally, Mr. President, the conferees struck from this revised agreement the prohibition on obligating funds for five unauthorized, earmarked projects contained in the fiscal year 1995 Defense Appropriations Act.

Mr. President, since the days of John Tower's chairmanship of the Senate Armed Services Committee, the Senate Armed Services Committee has faithfully fulfilled its role of authorizing the expenditure of defense funds. While there is some disagreement about the extent to which the authorizing committee should insist on a say in the allocation of funds, the committee has maintained a clear oversight role in this regard. Unfortunately, the decision of the conferees to strip this provision from the bill essentially waives the requirement that appropriations must be authorized on a line-item level.

I suspect also that this provision was waived because the five specific programs for which appropriations were provided without authorization are programs which have special interest for certain Members of Congress. The programs for which the original conference agreement had prohibited the obligation of unauthorized appropriations were: $2.4 million for the TARTAR support equipment program for the Navy; $8 million for natural gas utilization equipment for the Navy; $7.5 million for a munitions standardization-plasma furnace technology program for the Army; $2 million for a cold pasteurization/sterilization program for the Army, and $500,000 for an air beam tents program for the Army.

By striking the prohibition on spending approximately $20 million for these five programs, this revised conference agreement provides a retroactive authorization for these unauthorized appropriations, a decision with which I strongly disagree.

Mr. President, again, I find it incomprehensible that the conferees on this bill decided to reconsider matters which had been resolved by the full conference and which had nothing whatsoever to do with the President's veto of the original conference agreement.

ORIGINAL OBJECTIONS REMAIN

I am also distressed that none of the provisions to which I objected in the first conference agreement were satisfactorily addressed in this new agreement. So, like the first conference agreement, nearly $4 billion of the $7 billion in defense spending added by Congress is wasted on unnecessary programs like the B-2 bomber, low-priority military construction projects, unrequested equipment for the Guard and Reserve, earmarks for Members' special interest items, and the like.

CONCLUSION

Mr. President, for reasons which are not readily apparent to me, not all members of the Armed Services Committee were appointed as conferees for the second conference on this bill. I and a number of my other committee colleagues did not serve as conferees, and therefore, we did not have an opportunity to discuss or vote on any of the changes included in this new agreement.

For many years, I have been dedicated to exposing to the public instances of congressional mismanagement of taxpayer dollars. I have spoken out against wasteful spending and earmarks whenever it appears, whether in authorization or appropriation legislation. But the wasteful spending that is most offensive to me is that which is included in defense spending bills. Pork-barrel spending of defense dollars diverts resources from higher priority military requirements and potentially squanders the support of the American people for an adequate defense budget, and without that support, insufficient resources devoted to defense may potentially endanger the security of our people.

The examples I have cited today—which bear little or no relevance to military requirements—are the most dangerous kind of pork-barrel spending. By approving the earmarks and add-ons in this bill, Congress is diverting scarce defense resources from other important defense programs which are necessary to ensure the security of our Nation. No other wasteful spending carries with it the potential for such great danger. The American public should be disturbed by this egregious waste of their money, and for this reason, I intend to vote against this revised conference agreement.

Mr. President, I spoke earlier about my respect for Chairman THURMOND and the role of the Senate Armed Services Committee in the authorization and appropriation process. Looking at the magnitude of the wasteful spending in this bill, and the unprecedented degree of earmarking of funds for the narrow interests of some Members of Congress, my disappointment tempts me to rethink my view of the committee's role in the process. However, I am convinced that the bill before the Senate today is an anomaly and not a harbinger of the authorization process in the future. I will certainly do everything in my power to ensure that the committee retains its traditional, nonparochial approach to oversight of defense policy and budget issues, with the best interests of our military services and our national security as the highest priorities.

Mr. President, I want to say again if we continue to do this, if we continue to add unneeded, unwanted, unnecessary pork barrel spending on defense authorization appropriations bills, the American people will lose confidence that their defense dollars earmarked for defense are being wisely and efficiently spent and we will not get the necessary funds to maintain this Nation's vital national security interests.

This has got to stop, Mr. President. I hope that next year we can begin anew and recognize that we cannot do these things because we do not have the money in the defense budget anymore, and it is an abrogation of our responsibilities to the American taxpayer. Mr. President, I yield the floor.

Mr. KENNEDY. Mr. President, I support the conference report on the Defense Authorization Act for Fiscal Year 1996, S. 1124.

I voted against the earlier conference report last December. That bill had many serious defects that would have harmed our national security, rather than strengthening it. President Clinton vetoed the bill, and the veto was sustained by the House of Representatives earlier this month.

In the conference, the Senate and House have reconsidered many of the key issues cited by those of us who opposed the bill and by the President in justifying his veto. Both sides have made a genuine effort to reach common ground. As a result, the current bill contains many noteworthy improvements.

I want to commend the Committee Chairman, Senator THURMOND and the distinguished Ranking Member, Senator NUNN, as well as their counterparts in the House, Congressman SPENCE and Congressman DELLUMS, for their leadership in guiding this conference. In addition, I commend Senator EXON, Senator WARNER, Congressman MONTGOMERY and Congressman BATEMAN and the other conferees for their constructive roles in producing this much improved bill.

First and most important, the provision in the earlier bill calling for deployment of a national missile defense system has been dropped. That provision would have called upon the United States to violate the landmark Anti-Ballistic Missile Treaty, waste billions of dollars on an unnecessary Star Wars system, and would have undermined the START II Treaty with Russia. That provision was the worst defect in the earlier bill, and I commend the conferees for deleting it.

In addition, two other objectionable provisions were dropped. One would have limited the ability of the President to put U.S. Forces under operational or tactical control of the United Nations. Limiting the President's control of U.S. forces in the field restricts his constitutionally-guaranteed powers as commander-in-chief.

In addition, the previous bill restricted the President's ability to carry out contingency operations as he sees fit. This too was an unwarranted restriction on the President's ability to carry out his duties and to deploy troops whenever and wherever U.S. security demands it.

Despite these key improvements, objectionable provisions in the bill remain. One of the worst provisions calls for the mandatory discharge of any members of the armed forces found to be HIV-positive. This provision has no legitimate purpose.

It singles out for discriminatory treatment a group of loyal American servicemen and women who have contracted HIV. These men and women are still able to serve in the armed forces, and they do so under the same conditions as troops who suffer from other debilitating diseases, such as hepatitis, cancer, diabetes, asthma, or heart disease. Those individuals, however, are not summarily discharged, and neither should persons with HIV.

The Defense Department opposes this provision. The Department is able to meet the needs of force readiness and treating these individuals with respect for the service they provide their nation.

Soon, stories will begin to appear of loyal soldiers, sailors, marines, and airmen who have been thrown out into the street, denied the chance to continue serving their country, unable to obtain health insurance for their family members who are also afflicted with this condition.

I hope that supporters of this provision will recognize both the bigotry and cruelty that underlie it, and will repeal it as soon as possible. I believe that a majority of Congress favors its repeal, and I will work over the year ahead to achieve such repeal.

The conference report also includes a provision that prohibits service women based overseas from obtaining abortions with their own private funds in U.S. military medical facilities. I opposed this provision when it was included in the Defense Appropriations bill, and I oppose it now. We have always provided access for service women overseas to obtain the same quality health care available to those on duty in the United States, and continue to do so.

I am also concerned about several issues related to the shipbuilding provisions in the bill. We have examined these provisions in detail in the Seapower Subcommittee, and I believe they will cause uncertainty, inefficiency, and unnecessary expenditures in the Department's shipbuilding program.

Finally, I oppose the bill's endorsement of $7 billion in spending above the level requested by the Pentagon. This is the level of spending provided in the Defense Appropriations bill, previously enacted, which I opposed. It is wrong for Congress to force the Administration to accept a level of defense funding above what the Joint Chiefs of Staff and the Secretary of Defense have requested.

It is especially wrong to do so at a same time when key programs that benefit other Americans are being severely shortchanged by Republican budgets. "Let the Pentagon eat cake" is no answer to our budget impasse.

Despite these defects, I believe that on balance, the overall bill deserves to be enacted. We need to protect our national defense, and this bill is already long overdue in the fiscal year. The worst defects in the earlier bill have been eliminated, and we will continue to seek opportunities in other ways to remedy the remaining defects.

Mr. WARNER. Mr. President, I am pleased to join with the distinguished chairman of the Armed Services Committee in supporting the conference report on the DoD authorization bill which is currently before the Senate. Although this bill is the result of further compromise with the administration and, therefore is not all we hoped for, it is still a good bill.

We must keep in mind that there are important items in this Conference Report that would have been lost if a compromise had not been reached and the President's veto had been allowed to stand.

In addition to a pay raise of 2.4 percent and a 5.2 percent increase in basic quarters allowance, there are numerous other provisions in this bill to enhance the quality of life for our military personnel and their families, including new authorities to improve the quality and quantity of military housing; to improve health care and dental care for both active duty personnel and reservists; additional increases in special pay and allowances; and COLA equity for military retirees.

In addition, this bill enacts a plan, which I introduced in the Senate, for the construction of nuclear attack submarines that will ensure adequate and effective competition in the years ahead.

All of these things would have been lost if we had not been able to reach a compromise.

However, we should not lose sight of the important provisions which we were forced to drop in order to get the President's commitment that he would sign the conference report. I would like to join with my Republican colleagues in putting all on notice that the battle for enactment of these provisions is far from over.

Despite President Clinton's objections, I believe that it is vital that we enact a plan to provide for the deployment of an effective ballistic missile defense system for our nation. This is a basic responsibility of a government to provide for the security of its people. We have not done enough in this area. I am pleased that the provisions on theater missile defenses which will provide protection for our troops deployed overseas were retained in the final version of this bill, but we must continue to push for a national missile defense system.

As I listened to the President's State of the Union address earlier this week, I was struck by the President's comments that Russian missiles are no longer targeted at America's children. As we all know, those missiles can be retargeted on a moment's notice. The Russian capability to destroy our nation with their intercontinental ballistic missile force remains.

Moreover, the capability of Third World countries and rogue nations or terrorists to acquire weapons of mass destruction and ballistic missile delivery systems is growing.

The way to ensure that our children will be protected is to build a defensive capability to counter such attacks. I would rather rely on a United States defense system, rather than Russian promises, to protect our great land.

I am working with my Republican colleagues to draft legislation on national missile defense, which we will introduce in the near future.

The second issue I would like to address is U.N. command and control. I have grave reservations about placing U.S. troops under U.N. command and control. That is why I joined, over a year ago, with Senator DOLE and others in cosponsoring S. 5 to put conditions and restrictions on the President's ability to place U.S. troops in such command arrangements. Unfortunately, even the scaled-back version which appeared in the original conference report on this issue—which essentially amounted only to a reporting requirement—was rejected by the President. Again, this issue will not be forgotten.

As a final note, I would like to comment on the President's objections to the additional $7 billion contained in this conference report—an amount that was above the President's request for defense. At the time that the President and other administration officials are complaining about added dollars for defense, they are finding more and more ways to spend those defense dollars.

I learned this morning that the Bosnia operation is now estimated to cost $2.5 billion. This is up from the original estimates of $1.5–$1.9 billion. And this does not include the roughly $600 million in reconstruction aid for Bosnia to which we have committed. I was alarmed to learn that the Administration will propose that at least the first $200 million in reconstruction aid will be paid for out of the DOD budget. In my opinion, this is but the first step in a raid on the defense budget to find the vast sums that will be needed to rebuild Bosnia. I will resist this effort and work with my colleagues to find alternate, nondefense sources of funds for this portion of the Bosnia mission. The Defense Department is doing more than its fair share. It is time to look elsewhere for a bill payer.

In addition to the Bosnia operation, there are ongoing contingency operations in other nations—also not budgeted for—that will result in a request for approximately $500 million in supplemental funding for the Defense Department in the current fiscal year.

Add to that the millions of dollars DOD will pay for the F-16s that we have recently promised to send to Jordan, and you see how our defense dollars are quickly eroding.

Mr. President, I strongly believe in maintaining a robust defense capability. This conference report—despite its shortcomings—contributes to that goal.

DEFENSE AUTHORIZATION ACT: NO PROVISION FOR MISSILE DEFENSE

Mr. HELMS. Mr. President, I am deeply troubled that the Defense Authorization Act for fiscal year 1996 contains not a syllable of the decisive language regarding ballistic missile defense so prominent in the original bill. When he vetoed the original authorization, President Clinton gutted provisions designed to ensure the protection of American citizens against attack by ballistic missiles carrying nuclear, chemical, or biological warheads.

So, Mr. President, America is being held hostage to an outdated concept of deterrence that is truly MAD. I have come to this floor to challenge the wisdom of the ABM Treaty innumerable times, and I feel obliged to do it again. The frenzied, fanatical defense of the ABM Treaty by some is rooted in the mentality of the cold war.

The truth is, the threat to the United States has changed, and a lot of folks have missed the boat. The intent of the ABM Treaty, formulated in the midst of the cold war, was to circumvent the possibility of an expensive and potentially dangerous action-reaction spiral whereby the United States and the Soviet Union sought to overcompensate for one another's ballistic missile defenses by increasing their offensive arsenals.

But, Mr. President, I find all of the evidence pointing to a contrary conclusion. The ABM Treaty did not stop the explosion in offensive arsenals between the two sides. The Soviets increased the number of deliverable nuclear warheads in their arsenal from 2,000 in 1972, to 12,000 today. Furthermore, it was robust missile defense programs that proved conducive to arms control—not arms control itself. Above all else, the Strategic Defense Initiative broke the logjam on offensive reductions. SDI forced the Soviets to the table on the Intermediate-range Nuclear Force Treaty, and contributed to START and the treaty on conventional armed forces in Europe.

But—and I say this emphatically—the administration has forgotten, or chosen to ignore, these facts. Today we are being asked to consent to ratification of the START II Treaty when this country has suffered a massive blow to its plans to defend its citizens against nuclear weapons. This is completely at odds with the intent of START II. I urge Senators to recall that the Joint Understanding of June 17, 1992—which created the framework for the START II Treaty—was concluded simultaneously with a Joint Statement on a Global Protection System against ballistic missiles signed on the same day. This fact is explicitly referenced in the Preamble to the START II. Yet United States-Russian discussions on cooperation on defenses against ballistic missiles have fallen by the wayside. And today, with both the Defense Authorization Act and START II before us, I see neither hide nor hair of any protection against these abhorrent weapons.

At the heart of this matter is the perverse logic of the ABM Treaty, which argues that vulnerability to these weapons is essential to stability. There are a number of factors that bring into question the value of this line of reasoning in the post-cold-war world. Thanks in no small part to SDI, we have made major technological advances in the last quarter of a century which make ballistic missile defenses both feasible and affordable.

Also, there has been a considerable improvement in relations between the two countries following the dissolution of the soviet Union. At its most basic level, the logic of the ABM Treaty assumes hostility between Russia and the United States. Clearly, while there are movements afoot in Russia that are exceedingly troublesome, we are no longer grappling in a cold war embrace.

Most important, the mounting problem of WMD and ballistic missile proliferation, the uncertainties of the new security environment which complicate the role of deterrence, and continuing concerns over the potential for turbulence in the former Soviet Union all suggest that—in a world of multiple potential nuclear threats—the most likely nuclear danger to the United States is not a massive, preemptive Russian strike, but the deliberate or accidental launch of a few warheads. Such a danger is unpredictable, undeterrable, and something to which the United States—currently without any national missile defense whatsoever—is completely vulnerable.

Ironically, though the possibility of an outright nuclear exchange between Russia and the United States is at an all-time low, the risk of mishap has not decreased proportionately to reductions in the Russian nuclear arsenal. In fact, the post-START II Russian force will be far more mobile than its predominantly silo-based predecessor. This poses a potential problem for command and control of the arsenal in the event of internal turmoil in Russia.

Mr. President, I believe that the reduction of the U.S. strategic offensive arsenal under START and START II can only be conducted in connection with a review of U.S. deterrence doctrine and the value of strategic missile defenses in ensuring U.S. national security. A clearly articulated defense strategy and credible national missile defense system possess a deterrent value of their own, and need not threaten the viability of the Russian nuclear deterrent.

For this reason I have directed the Committee on Foreign Relations, in consultation with the Committee on Armed Services and other appropriate committees, to undertake a comprehensive review of the continuing value of the ABM Treaty. In this regard, I reiterate my opposition, as I stated it this past September, to the creation of yet another special Select Committee replete with bureaucratic trappings, staff, and cost to the American taxpayer for the purpose of reviewing this treaty. We already have standing committees with the responsibility for making these determinations and recommendations, and we are not going to add another layer of bureaucracy to this task.

Mr. President, in conclusion, I support this Defense Authorization Act since I shudder to think what this administration might do without the guidance that is contained in this bill. I do not, however, regard the issue of national missile defense to have been resolved, and will actively work to see that Americans are protected against attack by ballistic missiles.

Mrs. BOXER. Mr. President, I have divided feelings about the Conference Report on the fiscal year 1996 Department of Defense authorization bill. I am very pleased that the conferees have retained my amendment prohibiting members of the Armed Forces convicted of serious crimes from receiving their pay. Also, I am pleased that the conferees deleted language mandating the deployment of an antiballistic missile system—a clear violation of the ABM treaty.

However, I am compelled to vote against the bill because, among other objectionable provisions, it includes a House provision that requires the separation of military personnel who test positive for HIV. This provision is cruel and nonsensical. It has had no rational basis whatsoever. The Department of Defense opposes this policy change.

The current policy—developed in the Reagan and Bush administrations—works well. Under current policy, military personnel who test positive are permitted to keep their jobs, so long as they are physically able. HIV-positive personnel are not eligible for most overseas deployments.

Currently, HIV-positive personnel are treated in the same manner as other soldiers with chronic ailments such as diabetes and heart disease. Only about 20 percent of the roughly 6,000 worldwide nondeployable troops are HIV-positive. This provision would unfairly single out HIV-positive troops for separation.

This provision simply makes no sense. Why should the Pentagon fire military personnel who perform their duties well and exhibit no signs of illness? This would waste millions of tax dollars in unnecessary separation and retraining costs.

Backers of this provision argue that HIV-positive personnel degrade readiness because they are not eligible for worldwide deployment. This argument is absurd on its face. Can anyone seriously contend that about 1,000 personnel—less than 0.1 percent of the active force—could have a meaningful impact on readiness?

Assistant Secretary of Defense Fred Pang clearly expressed the Department's position, writing, "As long as these members can perform their required duties, we see no prudent reason to separate and replace them because of their antibody status. However, as with any service member, if their condition affects their performance of duty, then the Department initiates separation action; the proposed provision would not improve military readiness or the personnel policies of the Department."

Lt. Gen. Theodore Stroup, Jr., Army Deputy Chief of Staff for Personnel has echoed these sentiments, writing, "It is my personal opinion that HIV-infected soldiers who are physically fit for duty should be allowed to continue on active duty."

Mr. President, this provision is cruel and unnecessary, and its inclusion in this final conference report compels me to oppose it.

Mr. LEAHY. Mr. President, I strongly object to the provision included in the DOD conference report that targets service members who are HIV-positive for mandatory discharge. The Department of Defense did not seek and does not support this change in policy. This is a provision built on fear and ignorance and will undermine the strength of our military.

Under current law, service members become nonworldwide deployable due to a number of medical reasons including HIV infection, diabetes, asthma, heart disease, cancer, and pregnancy. This policy, developed by the Reagan administration, allows individuals to continue to provide valuable military service to their country until such time as chronic illness or disability makes them unfit to perform their duties. Singling out the 1,050 service members who are HIV-positive for early separation is discriminatory and highly inappropriate.

Beyond the pure and simple discriminatory nature of this provision, let's look at it as a practical matter. The American people have put a lot of money and resources into the training and development of these service members. Their discharge based solely on their status as HIV-positive throws away the valuable people and taxpayer dollars that have been invested in them.

No one wins with this provision. The service members are unfairly and inappropriately treated, the armed services lose valuable leadership and resources, and the American people lose a valuable investment.

No one can deny that the HIV infection can lead to the deadly AIDS virus. In the same regard, no one can deny that cancer is a deadly disease.

HIV-positive service members are still capable of making many contributions to the armed services.

Anyone who believes that HIV-positive individuals are no longer valuable, vibrant individuals I suggest that you think back to the 1992 Olympic games. Magic Johnson who is HIV-positive led our country to a gold medal in basketball.

We must utilize all of our resources if we are to remain the strongest, most powerful Nation the world has ever known. We simply cannot afford to close the door of service members because of their status as HIV-positive. This provision will set a dangerous precedent. It is built on fear and ignorance, not facts. I hope that we repeal this misguided provision later this year.

Mr. LEVIN. Mr. President, the Defense authorization conference report before us is somewhat different from the earlier conference report the President vetoed. For instance, it removes the provision that would have created the most immediate security problem.

The conferees have removed the extreme provisions mandating deployment of national missile defenses that are not warranted by the threat, would cost tens of billions of dollars, and would violate the ABM Treaty. We had extensive debate on this issue in this body. The Senate-passed Defense authorization bill contained very carefully crafted, bipartisan compromise language setting out parameters for national missile defense [NMD] that would not violate or commit us to violate the ABM Treaty, and would not needlessly provoke Russia into a more aggressive defense posture, nor provide a reason for Russia to abandon nuclear weapon reductions. The original conference report substituted language that was strongly opposed by our top military leadership and that President Clinton warned would result in a veto.

This new conference report drops the language on national missile defense, although it retains a half-billion dollar increase in NMD above what the Pentagon requested. It leaves in place current law regarding the objectives and policies of this country on NMD, which are compliant with the ABM Treaty.

The conferees also dropped objectionable restrictions on the President's authority as Commander in Chief, and a requirement regarding how he must pay for so-called contingency operations. They also dropped a provision undermining the independence of operational test and evaluation of the Pentagon's new weapon systems.

But, Mr. President, I oppose this conference report for many of the same reasons I voted against the previous version. It provides $7 billion more than the Pentagon requested for defense budget authority. It funds numerous weapons systems not requested by the Pentagon in fiscal year 1996, including $493 million for B-2 bombers, $361 million for F-15 fighters, $159 million for F-16 fighters, $2.2 billion for amphibious assault ships, $30 million for hydronuclear tests and $30 million for antisatellite weapons that we do not need. This bill also boosts other program funding significantly above the Pentagon's request, adding $915 million for ballistic and cruise missile defense above the President's request and $317 million for helicopter programs beyond what was sought.

This level of defense spending is unsustainable and these unrequested expenditures are inconsistent with national priorities. Additional military spending beyond what the Department of Defense requested in fiscal year 1996, especially for items the Pentagon does not want and does not need, is reckless and unwise. Defense Secretary Perry said this week that such excess spending will cause a catastrophe for the Defense Department.

While many Federal programs face enormous cuts, defense spending has been left off the table. This bill creates a "bow wave" of future spending requirements for unneeded items, which will swamp our efforts to preserve readiness, high morale, targeted modernization, and technological superiority in the U.S. Armed Forces.

I also continue to object to this bill's earmarking of National Guard and Reserve equipment, specified procurement of ship building and maintenance contracts at particular shipyards, and mandated construction of submarine prototypes.

In the personnel area, this bill still contains a very unfair provision mandating discharge for service personnel who test positive for the HIV virus. And it treats our servicewomen overseas worse than we treat them at home, by placing a ban on privately funded abortions in overseas military hospitals.

So, Mr. President, regrettably I will vote "no" on this conference report.

Mr. DODD. Mr. President, I rise this afternoon in strong opposition to the 1996 DOD authorization conference report. I do so with considerable regret and concern for our national defense budget.

The bill before us is essentially identical to the bill first proposed in September. And while I respect the efforts of the distinguished chairman and ranking member for bringing a more balanced bill to this body, my fundamental reservations regarding the overall spending levels contained in this legislation remains unchanged.

Let me once again state for the record, this bill contains spending increases that were neither requested by the Pentagon, nor budgeted for by the President. In fact, almost $7 billion in excess spending is authorized by this bill. In an era of wholesale budget reductions, fiscal freezes on educational grants, and elimination of entire health programs, I cannot in good conscience vote for passage of this bill.

In addition to my fiscal reservations, I am absolutely appalled at the codifying language to discharge military members diagnosed to be HIV-positive. I understand that service members with HIV will be afforded some measure of medical care within the DOD system. However, I am extremely concerned about the plight of their families and children who will ultimately lose a level of their medical coverage because of this policy. They are the ultimate victims here.

Let me also say to my colleagues that I am fully aware that the President has indicated he will sign this bill when it arrives at the White House. While I respect his decision, I must also respectfully disagree with that decision.

In closing, I am deeply troubled by what is occurring here today. We are charting a course for further defense spending that we may ultimately be unable to sustain in later years. The out year costs for some of the programs that have been added in this bill may very well consume entire future year procurement accounts—effectively strangling vital programs that have been legitimately requested and budgeted for development. I raise this issue now, with the full intention of continuing this debate during review of the 1997 defense budget submission.

Mr. EXON. Mr. President, the 1996 defense authorization conference report before the Senate is by no means a perfect bill. As one who voted against the original version of this bill when it was considered last December, I am aware that numerous flaws remain in the legislation that will trouble many of my colleagues a great deal. While it is true that the majority has yielded to the three top objections raised by the President in his veto message—those legislative provisions dealing with national missile defense, United Nations command and control, and contingency operations funding—the record must reflect, and the American public should understand, that this bill is rife with unsound policy and extravagant spending priorities. I will not recount my earlier statements as to the particulars of my concerns except to note that the conference report before the Senate is still chock full of 7 billion dollars' worth of unrequested, unneeded, and unjustified spending, much of which is earmarked for pet projects in Member districts and States. Force-feeding the Pentagon $7 billion it does not want at a time when many worthy domestic programs are slowly being bled dry by the majority is indeed difficult for this Senator to accept.

However, the conference report is by no means without merit. To the contrary, it contains important and essential statutory authorizations and programmatic funding which, in my opinion, will enhance both the readiness and capabilities of our Armed Forces. To deny the Pentagon these positive aspects of the defense authorization bill due to the conference report's counterbalancing flaws—many of which have already been signed into law through the defense appropriations bill—would be unwise. In my opinion, passage of the conference report is warranted, but not by much. On balance, I believe the Nation will be better off if this bill is allowed to become law.

While I will support passage of the conference report, I will put my colleagues on notice that when the Armed Services Committee begins deliberations of the fiscal year 1997 authorization bill later this spring, improvements must be made in the markup and conference process to make it more bipartisan and less exclusionary. If substantial changes in style and substance are not made, I fear we are destined to relive the mistakes of this year, the effect of which has us still debating a defense authorization bill in late January, 4 months after the fiscal year began.

Mr. President, I yield the floor.

CABLE TV FRANCHISE AGREEMENT

Mr. SMITH. Mr. President, as chairman of the Subcommittee on Acquisition and Technology, I would like to engage the chairman of the committee in a colloquy regarding the section in the legislation entitled "Treatment of Department of Defense Cable Television Franchise Agreements."

It has come to my attention that the Court of Federal Claims may have some concerns about the task we assign it in this section, given that it is not equipped to provide advisory opinions unless specific facts and parties are involved. Therefore, I wish to make clear that it is the committee's intent that the court allow the executive branch and any party with a franchise agreement in the section to part participate in the proceeding required by this section by identifying themselves promptly to the court within a period of time established by the court. The court may conduct the proceeding required by this section according to the pertinent rules of practice of the U.S. Court of Federal Claims to the extent feasible, including providing the opportunity for written submissions and a hearing. In order to ensure timely completion, any submissions or hearing should conclude no later than 120 days after the date of enactment of this act.

I would also like to clarify that the phrase in paragraph (2), "required by law" should be read to include both law and equity.

Finally, I would encourage the court to consider the position taken by the Senate in section 822 of S. 1026 when addressing this matter.

Mr. THURMOND. I agree with the statement of the Senator from New Hampshire.

Mr. NUNN. As the ranking member of the committee, I also concur with the Senator's statement.

Mr. GLENN. Mr. President, I sincerely regret that I must again rise in opposition to this year's defense authorization legislation. This is a new position for me this year. During my tenure in the Senate, spanning more than two decades, I have been a vocal supporter of the need for a strong and adequately funded national defense. My commitment to a strong defense is the reason that I sought membership on the Committee on Armed Services.

As the former chairman of the Subcommittee on Manpower, I continue to be a strong supporter of our military members and their families. And, as the former chairman and now ranking member of the Subcommittee on Readiness, I support keeping our forces ready—that is keeping them trained and equipped to fight and win today wherever they are called upon to fight.

I also recognize the equally critical need to invest in our ability to protect our freedom and our security in the future by funding the kinds of research and modernization programs that have made U.S. military forces the most combat capable and consequently the most feared forces in the world throughout the better part of this century. I make these background comments, Mr. President, in order to place my continued opposition to this year's defense authorization legislation in the proper context.

This is the second time around for this conference report. There were many important and supportable provisions in the original conference report that remain in this bill, like the 2.4-percent military pay raise, the 5.2-percent increase in the basic allowance for quarters, the new housing initiative, as well as important acquisition reform measures.

Furthermore, some critical improvements to the conference report are worth noting. I am pleased that the conferees eliminated the language requiring the deployment of a national missile defense system by the year 2003. And, I am pleased that the language restricting participation of U.S. forces under U.N. command and control was dropped.

Nevertheless, this bill remains too flawed to support. Mr. President, for starters, this bill still adds $7 billion in unrequested funding. With that added $7 billion, this conference report, in my view, spends more and buys less.

As we are all painfully aware, we are in the midst of a budget struggle that has twice closed the Government and has called into question the future existence of virtually every Federal domestic program. Yet, we are asked in this legislation to approve a $7 billion increase for the Pentagon. Seven billion dollars the Pentagon didn't request and, with few exceptions, $7 billion in budget authority for programs the Pentagon doesn't need in this year's budget, if at all.

I could have supported additional funding for the Pentagon, if I believed it was funding the Pentagon needed. But the $7 billion in this conference report, like its predecessor, still wastes that money. It adds $450 million for national missile defense—bringing the total funding to $820 million. The conference report still adds $493 million for the B–2 and, if that half a billion dollar nest egg is used to bring production beyond the 20 B–2's already approved, that $493 million is a mere down payment on billions more for the B–2.

The conference, report still buys F-15's, F–16's, F/A–18's, LHD's, LPD's, DDG's the Pentagon didn't ask for.

The conference report still spends $30 million for nuclear testing.

It still earmarks $770 million in unrequested National Guard and Reserve equipment.

Furthermore, the conference report still discriminates against service members and their dependents by prohibiting abortions in overseas military medical facilities. The conference report still discriminates against HIV-infected servicemembers by requiring their discharge.

The conference report still disregards the costs savings achievable through competition by directing the procurement of ships at certain shipyards. The bill takes the same approach with respect to ship maintenance and the purchase of naval equipment.

I believe these funding and policy decisions are sufficient reason to vote against this conference report. Unfortunately, there are more reasons to oppose this legislation.

The latest conference, which excluded most of the members of Armed Services Committee, including myself, revisited several funding decisions which do not appear to have been aimed at making better legislation or enhancing our national security but, instead appear to have been aimed at gaining additional votes for the conference report by appealing to home State interests.

In a couple of instances, the conferees even funded programs that were beyond the scope of the conference, a practice to which I strongly object. Neither the House bill nor the Senate bill included funding for the HAARP Program, the Thermionics Program or the Counterterror Explosives Research Program. Yet, almost $20 million is earmarked in this conference report for these programs. Regardless of the merit or requirement for these programs, I object to their inclusion in the conference report because they were beyond the scope of the conference.

This approach to drafting defense authorization is a dramatic departure from the practice of the Armed Services Committee. For at least as long as I have served on Armed Services, the committee has made its funding decisions based on our national security requirements, not based on parochial interests.

Mr. President, I hope that this year's defense authorization process is only an aberration or false start rather than a glimpse of the Armed Services Committee's future. I hope that the committee's next attempt to draft legislation that will pass both Houses and be signed by the President will not represent merely a sufficient number of special interest items to make the bill passable but will mark a return to the committee's tradition of making a nonpartisan and objective assessment, in which all committee members are welcome and expected to participate, of what is in the best interest of our national security.

Thank you, Mr. President. I yield the floor.

NOMINATION OF GEN. EUGENE HABIGER TO BE COMMANDER IN CHIEF OF THE U.S. STRATEGIC COMMAND

Mr. EXON. Mr. President, Adm. Henry Chiles, the Commander in Chief of the U.S. Strategic Command at Offutt Air Force Base, is scheduled to retire on March 1, 1996, after a lengthy career of exemplary service to his country. Air Force Gen. Eugene Habiger has been nominated by President Clinton to replace Admiral Chiles and a change of command ceremony is scheduled to take place at Offutt Air Force Base on February 21. As I understand the majority leader's wishes, once the Senate adjourns, perhaps today, we will not be in session again until the last week of February. If such a schedule becomes a reality, the Senate will not have a chance to act on the Habiger nomination before the change of command ceremony on February 21 and will have mere days to approve Admiral Chile's retirement as well as the retirement of his deputy, Gen. Arlen Jamison.

While I understand that the Senate Armed Services Committee was not able to consider General Habiger's nomination at this morning's nomination hearing because the necessary paperwork could not be completed in time, I would inquire of the distinguished chairman of the committee and President pro tempore as to what accommodation he will make for the committee and the full Senate to act promptly on this important nomination.

Mr. THURMOND. Let me assure the distinguished Senator from Nebraska that I concur with his views as to the importance in bringing about a smooth and timely change of command at the U.S. Strategic Command. To this end, I will take every step possible, in consultation with Senator NUNN, the ranking member on the committee, to expedite Armed Services Committee action on the nomination and seek Senate confirmation prior to the change of command scheduled in February.

Mr. EXON. While I would prefer that the Senate remain in session so as to continue its work on the unfinished business of the Nation, including this and other important executive branch nominations, I do appreciate the chairman's willingness to expedite this particular matter. He is a good friend and I thank him for his commitment to see that the Senate act on the Habiger nomination in a timely fashion.

Mr. President, I yield the floor.

Mr. BINGAMAN. Mr. President, I will vote against the conference report on S. 1124, the second fiscal year 1996 National Defense Authorization Act which the Senate has considered.

This bill is clearly better than the bill the President vetoed last month. A truly awful bill has been transformed into a merely bad bill by stripping it of a series of provisions that never made any sense. The provision on deployment of national missile defense by 2003 has been eliminated. The provisions on command and control of U.S. military forces and contingency operations have been eliminated or turned into sense-of-the-Congress language. The provisions undermining the landmine moratorium and eliminating the director of Operational Test and Evaluation have been removed. The sale of the Naval Petroleum Reserve at Elk Hills has been extended to 2 years while the safeguards protecting the taxpayers' interest have been maintained. I appreciate those changes and I commend Senator NUNN in particular for being able to bring them about and Senator THURMOND for accepting them.

But this remains, in my view, a bad bill with only a handful of good provisions. The bad still outweighs the good for me. The bill still spends $7 billion more on defense programs than the Pentagon requested at the same time we are cutting critical domestic programs in areas such as education, the environment, Indian health care, civilian research, and many, many more.

The bill authorizes a whole host of pork-barrel projects from military construction to research to procurement that can not be sustained in future years. Indeed, new pork was added in the new conference.

The bill still contains a provision mandating the discharge of service members who are HIV-positive even though they are capable of doing their jobs. This is bad policy which will needlessly and unfairly disrupt the lives of service members who have served their Nation proudly and who could continue to serve their Nation for years before being stricken with AIDS. A majority of the Senate Armed Services Committee opposes this provision. I believe a majority of the Senate opposes it as well. I hope that it will be repealed later this year.

The bill still includes unprecedented Buy-America provisions meant to protect the uncompetitive parts of our industrial base at the expense of the competitive industries who will certainly see their exports hindered by these provisions. Our protectionism will only beget European protectionism to the detriment of our security and to the detriment of taxpayers on both sides of the Atlantic.

The bill still includes a provision denying female service members and the female dependents of all service members the right to use their own money to obtain an abortion in a military hospital overseas.

The bill still includes a provision setting up a loan guarantee program for defense exports that is unneeded and unwise, a program under which up to $15 billion in defense exports will be guaranteed supposedly at no risk to the taxpayers, who should hold their wallets.

The bill still prevents the Pentagon from retiring unneeded strategic weapons, weapons that do not make sense to retain under any budget-constrained scenario.

Unfortunately, I could go on and on concerning provisions in this bill which I can not support. There are some good provisions, the provisions on military pay and family housing, for example, and the provisions on acquisition reform, which I cosponsored when the Senate debated this bill last summer. The acquisition reform provisions were dealt with on a bipartisan basis in the first defense authorization conference last fall. I thanked Senator COHEN and Senator SMITH for taking that approach to these important provisions when the Senate debated the first defense authorization conference report in December. Senator COHEN, in particular, has much to be proud of in the acquisition reform provisions on information technology on which he was the driving force. I hope people will refer to division E of this bill as the Cohen act, and perhaps one day we will make such a designation official.

I'd also like to commend Senator GLENN, Senator LEVIN, Senator SMITH, and Senator STEVENS for their hard work and great contributions to the acquisition reform provisions in the bill.

Unfortunately, the acquisition reform provisions, the pay provisions and the family housing provisions are the exception, not the rule in this bill. There is more in this bill that I can not support than that I can. I will vote against it today and work to fix as many of the problems in this authorization bill as I can in the fiscal year 1997 defense authorization process which will soon be upon us.

I yield the floor.

Mr. DOLE. Mr. President, today we again consider the fiscal year 1996 Defense authorization bill. We are voting on this bill again today because the President vetoed the first bill the Congress sent to him. President Clinton vetoed the first Defense authorization bill because of his insistence that America remain vulnerable to ballistic missiles carrying weapons of mass destruction—and because of his insistence that American soldiers be permitted to serve under the blue flag of the United Nations. I believe that the White House is wrong on both accounts. Defending America should be the No. 1 defense priority. The U.N. Secretary General is no substitute for the Commander in Chief. I know that many of my colleagues, including the Republican members of the Armed Services Committee agree with me.

Because the annual Defense authorization bill is critical for the operations of the Department of Defense and contains many provisions crucial to the well-being of the men and women of our Armed Forces, the distinguished chairman of the Senate Armed Services Committee, Senator THURMOND, crafted a bill that would be signed by the President. The distinguished chairman was assisted, in particular, by the distinguished Senator from Mississippi, Senator LOTT, in negotiating the compromise on ballistic missile defense provisions.

With respect to those provisions that will support our men and women in uniform, the bill we sent to the President last month included a number of quality of life initiatives. The bill authorized a 2.4 percent pay raise and a 5.2 percent increase in allowance for quarters. In addition, for the Reserve components, the bill authorized an income insurance program for involuntarily mobilized reservists and established a dental insurance program. These provisions will enhance the readiness of our Reserve Component Forces—who, like their active counterparts, have deployed to Bosnia.

Additionally, the bill contains a new military housing privatization initiative. This initiative will allow the Department of Defense to utilize new approaches to reduce the family housing backlog. To further enhance the quality of life of our troops, the agreement increases military construction funding by $480 million. Apparently, meeting the basic needs of the Americans who have dedicated their lives to defending our Nation, was not sufficient reason for approving the Defense authorization bill.

In order to ensure the readiness of our forces, the conferees added over $1 billion to the operations and maintenance accounts. Furthermore, they increased research and development and procurement funding. This is the only way to ensure the long-term readiness of our forces.

As for the ballistic missile defense provisions in the bill, the comprehensive approach to defending America from ballistic missile attack adopted in the original conference report did not survive as a whole. The provision establishing a deployment goal of 2003 for a national missile defense system was dropped in the aftermath of the President's veto. Furthermore, the provisions regarding demarcation between strategic and theater missile defense were watered down also in face of White House objections—despite the fact that these provisions reflected the very proposal originally made by the Clinton administration to the Russians.

In short, the Clinton administration has made a conscious decision to make our theater missile defense [TMD] systems less capable and subject to a Russian veto.

On the other hand, this bill does retain the provisions establishing a core program in the area of theater missile defense, which includes THAAD and Navy Upper Tier—two of our most capable TMD systems. These systems are also required to be deployed by specific dates—in an attempt to ensure against repeated administration attempts to delay their deployment. Critical to both theater missile defense and national missile defense is the brilliant eyes program. Under this bill, an initial operational capability [IOC] of 2003 for the brilliant eyes space sensor is also established. This will facilitate earlier deployment of national missile defense system.

It is indeed regrettable that the President was unwilling to join with us in supporting all of our initiatives related to the defense of our country, our citizens, and our allies. Once again, President Clinton has demonstrated his preference for cold-war-era arms control treaties, and multilateral sensibilities. Once again, the President has revealed where our Nation's future security fits on his list of priorities.

But, let the White House be warned: We have agreed to this bill in order to support U.S. forces—many of whom are deployed overseas—not to support ill-conceived and short-sighted administration policies. This bill reflects the Republican-led Congress' commitment to equipping and training our forces to guarantee their overwhelming superiority on the battlefield. We have taken steps so our military—though smaller—will maintain their ability to project power around the world—quickly and decisively. We have not given up on our goal of defending America. We will continue to press forward on a national missile defense system.

I understand that the Secretary of Defense has recommended the President sign this bill and that the President intends to do so. In closing, I again want to commend Senator THURMOND for his hard work on this bill.

Mrs. FEINSTEIN. Mr. President, I rise to speak in support of the Conference Report to the Department of Defense authorization bill for fiscal year 1996. First, I would like to associate myself with the thoughtful remarks of the distinguished Ranking Member of the Armed Services Committee, Senator NUNN. I continue to believe that this world is not a safe place. I, along with other leaders, had hoped that after the end of the cold war there might be more peace in the world. This has unfortunately not been the case. In fact, there is now more conflagration and more war. The price of freedom continues to be eternal vigilance.

This legislation provides for the hardware and force structure that make our Armed Forces strong. It looks forward to our future defense needs by funding increased procurement of weapons systems vital to our war fighting capability and maintains the troop levels necessary to complete our Nation's military missions.

WEAPONS SYSTEMS

This bill authorizes funding for more Air Force F–15, and F–16 fighters—the backbones of our air attack strategy. It also funds the F–22 next generation fighter. This aircraft is the cutting edge of any fighter aircraft anywhere in the world. The Hellfire air-to-surface missile, used so effectively in the gulf war, are procured for the Army. The Navy received authorization to purchase additional F–18 fighters which are used to protect our aircraft carriers and for attack. These systems provide our soldiers in the field with overwhelming force, thus protecting their lives as they fight for America.

FORCE STRUCTURE

The troop strength of our active duty forces and guard and reserve forces is maintained in this bill. Our active duty Armed Forces will be over 1.4 million men and women strong and our guard and reserve forces will total nearly 940,000 soldiers.

The bill enhances our national security by removing the language which would have led to a U.S. violation of the ABM Treaty and continues the Nunn-Lugar Cooperative Threat Reduction Program that helps reduce the risk of nuclear, chemical, and biological weapons proliferation.

It fully funds the research, development, test and evaluation account providing millions in funding to develop a theater missile defense system which will be able to protect our troops deployed overseas from Scud and other ballistic missile attacks. Funding in this account will also allow research to develop new alloys and designs for stronger and lighter fighter plane wings and studies to enhance the electric battery life in vehicles for use in new mechanized infantry equipment and in commercial vehicles.

Finally, the conference report for the DOD authorization bill provides many benefits to our men and women in uniform. A much needed 2.4 percent pay raise for our service men and women is included in the bill, as well as increased funding for the family advocacy and the new parents support programs that help military families balance their duty to their country with their responsibility to their family.

Unfortunately, it is also in the area of military personnel that the provisions in this bill with which I disagree most exist. I would like to take this opportunity to talk about just three of these provisions.

REQUIRED DISCHARGE OF HIV-POSITIVE SERVICE MEMBERS

Most of all, I am saddened and angered by one provision of this bill that is the worst type of fear-mongering imaginable.

I never imagined that I would live in a time when Congress would blatantly discriminate against a group of people who contract a disease, but that is exactly what this bill does.

This conference report contains a provision that blatantly discriminates against an entire group of military personnel simply because they are infected with the HIV virus. The Department of Defense will be required to discharge any service member who tests positive for HIV. There are now more than 1,000 people serving in our military who would be discharged within the first 6 months. The fact that these HIV-positive men and women can still perform their duties as ably as other nondeployable military personnel is ignored. There is no other disease for which a member of the Armed Forces can be forced to separate from service.

What message is Congress sending to the businesses of America? It is essentially saying that if someone contracts the HIV virus, they should be immediately discharged regardless of their ability to work. Is this how we intend to treat people who contract a disease? Is this what our country is based upon?

I pray that this mean-spirited provision does not move this country back to the dark ages of discrimination, hate, and fear. It is my sincere hope that this provision will be reversed by a future Congress that better respects the plight of those with the HIV virus or that it will be found unconstitutional by the courts.

RESTRICTED ACCESS TO PRIVATELY-FUNDED ABORTIONS ON U.S. BASES OVERSEAS

The conferees adopted language that prohibits abortions on U.S. military facilities overseas, even if a woman pays for the procedure herself, except in cases of rape, incest, or life of the mother. This provision is discriminatory and has no place on a defense authorization bill.

ELIMINATION OF AUTHORIZATIONS FOR TROOPS TO COPS AND TROOPS TO TEACHERS

On the issue of defense conversion, the Senate passed an amendment, cosponsored by Senator PRYOR and myself, to authorize $10 million for the Troops to Cops Program and $42 million for the Troops to Teachers Program. These programs greatly assist the difficult transition of service personnel to the private sector in two ways. First, Troops to Cops and Troops to Teachers partially funds the training and hiring costs of local school districts and law enforcement agencies, and second, these programs provide trained and dedicated recruits. I am very disappointed that this provision was eliminated in conference committee.

LACK OF COMPETITION FOR SHIPBUILDING CONTRACTS

The conference report provides for the construction of destroyers and submarines at designated shipyards without requiring competition for this workload. Competition among qualified industrial facilities is a procurement contracting fundamental. I am disappointed that this provision remained in the bill.

Although I disagree with these provisions, on balance this bill enhances our national defense.

PROVIDES FOR THE PURCHASE OF ADDITIONAL B-2 STEALTH BOMBERS

I was very pleased to support the authorization for $493 million in long-lead funding for the B-2 stealth bomber. This most technically advanced aircraft in our bomber fleet gives our Air Force the capability of immediate response to a conflict anywhere in the world without the need for escort aircraft to protect it from anti-aircraft fire. Even with this protection, our non-stealthy bombers are unable to penetrate enemy airspace, as we saw in the gulf war. The B-2 also has the ability to precisely target mobile units unlike any other bomber in the fleet today. The B-2's stealth, long-range, and precision munition capability make it a good investment for the money.

PROVIDES FOR IMPROVEMENTS TO THE BASE REALIGNMENT AND CLOSURE PROCESS

The conference report includes several improvements to the base realignment and closure process. I am particularly proud of the amendment cosponsored by Senator MCCAIN and myself which improves the base realignment and closure reuse process for local communities. One provision of this amendment changes the Base Closure Community Redevelopment and Homeless Assistance Act of 1994, by requiring that the Secretary of Defense consult with the Secretary of Housing and Urban Development over the reuse plan that is developed by the local redevelopment authority. Homeless assistance providers would still be guaranteed a seat at the reuse table, and redevelopment authorities would still be required to accept expressions of interest for base property by homeless assistance groups and other interested parties. In addition, the Secretary of HUD would still review the final reuse plan to ascertain if the needs of the homeless have been met. However, instead of the Secretary of HUD approving or disapproving the reuse plan, the Secretary of Defense would make the final decision. Furthermore, the local redevelopment plan developed by the local community and local elected officials would be given substantial deference by the Secretary of Defense. This puts the power of base reuse firmly where it should be, in the hands of the local redevelopment authority and the community.

PROVIDES FOR LAND CONVEYANCES AND MILITARY CONSTRUCTION PROJECTS

Finally, this conference report includes many important land conveyances and military construction projects for California and the Nation. The land conveyance provisions will allow many local communities to redevelop and expand many underutilized industrial sites which will enhance economic growth. And the military construction projects will provide many needed housing units and other military facilities that will better enable our men and women in the Armed Forces to perform their duties.

I voted for the conference report to the DOD authorization bill for fiscal year 1996, however, perhaps next year, we can concentrate on continuing to make our Armed Forces the best that they can be and restore the rights denied our men and women in uniform.

The PRESIDING OFFICER. The question is on agreeing to the conference report. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Colorado [Mr. CAMPBELL], the Senator from Indiana [Mr. COATS], the Senator from New Mexico [Mr. DOMENICI], the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from Texas [Mr. GRAMM], the Senator from Arizona [Mr. KYL], and the Senator from Alabama [Mr. SHELBY] are necessarily absent.

I further announce that, if present and voting, the Senator from Colorado [Mr. CAMPBELL] would vote "yea."

Mr. FORD. I announce that the Senator from South Carolina [Mr. HOLLINGS], is necessarily absent.

The result was announced—yeas 56, nays 34, as follows:

[Rollcall Vote No. 5 Leg.]

YEAS—56

Abraham
Akaka
Ashcroft
Bond
Breaux
Burns
Chafee
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Exon
Feinstein
Ford
Frist
Gorton
Graham
Grams
Grassley
Gregg
Hatch
Heflin
Helms
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Lieberman
Lott
Lugar
Mack
McConnell
Murkowski
Nickles
Nunn
Pressler
Reid
Robb
Roth
Santorum
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—34

Baucus
Biden
Bingaman
Boxer
Bradley
Brown
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Feingold
Glenn
Harkin
Hatfield
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
McCain
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Rockefeller
Sarbanes
Simon
Wellstone

NOT VOTING—9

Bennett
Campbell
Coats
Domenici
Faircloth
Gramm
Hollings
Kyl
Shelby

So the conference report was agreed to.

Mr. DOLE. I move to reconsider the vote.

Mr. LIEBERMAN. I move to lay it on the table.

The motion to lay on the table was agreed to.

TREATY WITH THE RUSSIAN FEDERATION ON FURTHER REDUCTION AND LIMITATION OF STRATEGIC OFFENSIVE ARMS (THE START II TREATY)

The PRESIDING OFFICER. As in executive session, the Senate will now consider the ratification of the START II treaty.

The clerk will state the resolution of ratification.

Resolved, (two-thirds of the Senators present concurring therein), That (a) The Senate advise and consent to the ratification of the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms, signed at Moscow on January 3, 1993, including the following protocols and memorandum of understanding, all such documents being integral parts of and collectively referred to as the "START II Treaty" (contained in Treaty Document 103-1), subject to the conditions of subsection (b) and the declarations of subsection (c):

(1) The Protocol on Procedures Governing Elimination of Heavy ICBMs and on Procedures Governing Conversion of Silo Launchers of Heavy ICBMs Relating to the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the "Elimination and Conversion Protocol").

(2) The Protocol on Exhibitions and Inspections of Heavy Bombers Relating to the Treaty Between the United States and the Russian Federation Reduction and Limitation of Strategic Offensive Arms (also known as the "Exhibitions and Inspections Protocol").

(3) The Memorandum of Understanding on Warhead Attribution and Heavy Bomber Data Relating to the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the "Memorandum on Attribution").

(b) CONDITIONS.—The advice and consent of the Senate to the ratification of the START II Treaty is subject to the following conditions, which shall be binding upon the President:

(1) NONCOMPLIANCE.—If the President determines that a party to the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Reduction and Limitation of Strategic Offensive Arms, signed at Moscow on July 3, 1991 (in this resolution referred to as the "START Treaty") or the START II Treaty is acting in a manner that is inconsistent with the object and purpose of the respective Treaty or is in violation of either the START or START II Treaty so as to threaten the national security interests of the United States, then the President shall—

(A) consult with and promptly submit a report to the Senate detailing the effect of such actions on the START Treaties;

(B) seek on an urgent basis a meeting at the highest diplomatic level with the noncompliant party with the objective of bringing the noncompliant party into compliance;

(C) in the event that a party other than the Russian Federation is determined not to be in compliance—

(i) request consultations with the Russian Federation to assess the viability of both START Treaties and to determine if a change in obligations is required in either treaty to accommodate the changed circumstances; and

(ii) submit for the Senate's advice and consent to ratification any agreement changing the obligations of the United States; and

(D) In the event that noncompliance persists, seek a Senate resolution of support of continued adherence to one or both of the START Treaties, notwithstanding the changed circumstances affecting the object and purpose of one or both of the START Treaties.

(2) TREATY OBLIGATIONS.—Ratification by the United States of the START II Treaty—

(A) obligates the United States to meet the conditions contained in this resolution of ratification and shall not be interpreted as an obligation by the United States to accept any modification, change in scope, or extension of the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, signed at Moscow on May 26, 1972 (commonly referred to as the "ABM Treaty"), and

(B) changes none of the rights of either party with respect to the provisions of the ABM Treaty, in particular, Articles 13, 14, and 15.

(3) FINANCING IMPLEMENTATION.—The United States understands that in order to be assured of the Russian commitment to a reduction in arms levels, Russia must maintain a substantial stake in financing the implementation of the START II Treaty. The costs of implementing the START II Treaty should be borne by both parties to the Treaty. The exchange of instruments of ratification of the START II Treaty shall not be contingent upon the United States providing financial guarantees to pay for implementation of commitments by Russia under the START II Treaty.

(4) EXCHANGE OF LETTERS.—The exchange of letters—

(A) between Secretary of State Lawrence Eagleburger and Minister of Foreign Affairs Andrey Kozyrev, dated December 29, 1992, regarding SS-18 missiles and launchers now on the territory of Kazakstan,

(B) between Secretary of State Eagleburger and Minister of Foreign Affairs Kozyrev, dated December 29, 1992, and December 31, 1992, regarding heavy bombers, and

(C) between Minister of Defense Pavel Grachev and Secretary of Defense Richard Cheney, dated December 29, 1992, and January 3, 1993, making assurances on Russian intent regarding the conversion and retention of 90 silo launchers of RS-20 heavy intercontinental ballistic missiles (ICBMs) (all having been submitted to the Senate as associated with the START II Treaty),

are of the same force and effect as the provisions of the START II Treaty. The United States shall regard actions inconsistent with obligations under those exchanges of letters as equivalent under international law to actions inconsistent with the START II Treaty.

(5) SPACE-LAUNCH VEHICLES.—Space-launch vehicles composed of items that are limited by the START Treaty or the START II Treaty shall be subject to the obligations undertaken in the respective treaty.

(6) NTM AND CUBA.—The obligation of the United States under the START Treaty not to interfere with the national technical means (NTM) of verification of the other party to the Treaty does not preclude the United States from pursuing the question of the removal of the electronic intercept facility operated by the Government of the Russian Federation at Lourdes, Cuba.

(7) IMPLEMENTATION ARRANGEMENTS.—(A) The START II Treaty shall not be binding on the United States until such time as the Duma of the Russian Federation has acted pursuant to its constitutional responsibilities and the START II Treaty enters into force in accordance with Article VI of the Treaty.

(B) If the START II Treaty does not enter into force pursuant to subparagraph (A), and if the President plans to implement reductions of United States strategic nuclear forces below those currently planned and consistent with the START Treaty, then the President shall—

(i) consult with the Senate regarding the effect of such reductions on the national security of the United States; and

(ii) take no action to reduce United States strategic nuclear forces below that currently planned and consistent with the START Treaty until he submits to the Senate his determination that such reductions are in the national security interest of the United States.

(8) PRESIDENTIAL CERTIFICATION AND REPORT ON NATIONAL TECHNICAL MEANS.—Within 90 days after the United States deposits instruments of ratification of the START II Treaty, the President shall certify that United States National Technical Means are sufficient to ensure effective monitoring of Russian compliance with the provisions of the Treaty governing the capabilities of strategic missile systems. This certification shall be accompanied by a report to the Senate of the United States indicating how United States National Technical Means, including collection, processing and analytic resources, will be marshalled to ensure effective monitoring. Such report may be supplemented by a classified annex, which shall be submitted to the Committee on Foreign Relations, the Committee on Appropriations, the Committee on Armed Services and the Select Committee on Intelligence of the Senate.

(c) DECLARATIONS.—The advice and consent of the Senate to ratification of the START II Treaty is subject to the following declarations, which express the intent of the Senate:

(1) COOPERATIVE THREAT REDUCTIONS.—Pursuant to the Joint Statement on the Transparency and Irreversibility of the Process of Reducing Nuclear Weapons, agreed to in Moscow, May 10, 1995, between the President of the United States and the President of the Russian Federation, it is the sense of the Senate that both parties to the START II Treaty should attach high priority to—

(A) the exchange of detailed information on aggregate stockpiles of nuclear warheads, on stocks of fissile materials, and on their safety and security;

(B) the maintenance at distinct and secure storage facilities, on a reciprocal basis, of fissile materials removed from nuclear warheads and declared to be excess to national security requirements for the purpose of confirming the irreversibility of the process of nuclear weapons reduction; and

(C) the adoption of other cooperative measures to enhance confidence in the reciprocal declarations on fissile material stockpiles.

(2) ASYMMETRY IN REDUCTIONS.—(A) It is the sense of the Senate that, in conducting the reductions mandated by the START or START II Treaty, the President should,

within the parameters of the elimination schedules provided for in the START Treaties, regulate reductions in the United States strategic nuclear forces so that the number of accountable warheads under the START and START II Treaties possessed by the Russian Federation in no case exceeds the comparable number of accountable warheads possessed by the United States to an extent that a strategic imbalance endangering the national security interests of the United States results.

(B) Recognizing that instability could result from an imbalance in the levels of strategic offensive arms, the Senate calls upon the President to submit a report in unclassified form to the Committees on Foreign Relations and Armed Services of the Senate not later than January 31 of each year beginning with January 31, 1997, and continuing through such time as the reductions called for in the START II Treaty are completed by both parties, which report will provide—

(i) details on the progress of each party's reductions in strategic offensive arms during the previous year;

(ii) a certification that the Russian Federation is in compliance with the terms of the START II Treaty or specifies any act of noncompliance by the Russian Federation; and

(iii) an assessment of whether a strategic imbalance endangering the national security interests of the United States exists.

(3) EXPANDING STRATEGIC ARSENALS IN COUNTRIES OTHER THAN RUSSIA.—It is the sense of the Senate that, if during the time the START II Treaty remains in force or in advance of any further strategic offensive arms reductions the President determines there has been an expansion of the strategic arsenal of any country not party to the START II Treaty so as to jeopardize the supreme interests of the United States, then the president should consult on an urgent basis with the Senate to determine whether adherence to the START II Treaty remains in the national interest of the United States.

(4) SUBSTANTIAL FURTHER REDUCTIONS.—Cognizant of the obligation of the United States under Article VI of the Treaty on the Non-Proliferation on Nuclear Weapons of July 1, 1968 "to pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at any early date and to nuclear disarmament and on a treaty on general and complete disarmament under strict and effective international control", and in anticipation of the ratification and entry into force of the START II Treaty, the Senate calls upon the President to seek further strategic offensive arms reductions to the extent consistent with United States national security interests and calls upon the other nuclear weapon states to give careful and early consideration to corresponding reductions of their own nuclear arsenals.

(5) MISSILE TECHNOLOGY CONTROL REGIME.—The Senate urges the President to insist that the Republic of Belarus, the Republic of Kazakstan, Ukraine, and the Russian Federation abide by the guidelines of the Missile Technology Control Regime [MTCR]. For purposes of this paragraph, the term "Missile Technology Control Regime" means the policy statement between the United States, the United Kingdom, the Federal Republic of Germany, France, Italy, Canada, and Japan, announced April 16, 1987, to restrict sensitive missile-relevant transfers based on the MTCR Annex, and any amendments thereto.

(6) FURTHER ARMS REDUCTION OBLIGATIONS.—The Senate declares its intention to consider for approval international agreements that would obligate the United States to reduce or limit the Armed Forces or armaments of the United States in a militarily significant manner only pursuant to the treaty power as set forth in Article II, Section 2, Clause 2 of the Constitution.

(7) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in the Condition (1) of the resolution of ratification with respect to the INF Treaty. For purposes of this declaration, the term "INF Treaty" refers to the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Elimination of Their Intermediate-Range and Short Range Missiles, together with the related memorandum of understanding and protocols, approved by the Senate on May 27, 1988.

(8) COMPLIANCE.—(A) Concerned by the clear past pattern of Soviet noncompliance with arms control agreements and continued cases of noncompliance by the Russian Federation, the Senate declares that—

(i) the START II Treaty is in the interests of the United States only if both the United States and the Russian Federation are in strict compliance with the terms of the Treaty as presented to the Senate for its advice and consent to ratification, such compliance being measured by performance and not by efforts, intentions, or commitments to comply; and

(ii) the Senate expects the Russian Federation to be in strict compliance with its obligations under the terms of START II Treaty as presented to the Senate for its advice and consent to ratification;

(B) Given its concern about compliance issues, the Senate expects the executive branch of government to offer regular briefings, but not less than four times each year, to the Senate Committees on Foreign Relations and Armed Services on compliance issues related to the START II Treaty. Such briefings shall include a description of all United States efforts in United States/Russian diplomatic channels and bilateral fora to resolve the compliance issues and shall include, but would not necessarily be limited to, a description of the following:

(i) Any compliance issues the United States plans to raise with the Russian Federation at the Bilateral Implementation Commission, in advance of such meetings.

(ii) Any compliance issues raised at the Bilateral Implementation Commission, within thirty days of such meetings.

(iii) Any Presidential determination that the Russian Federation is in noncompliance with or is otherwise acting in a manner inconsistent with the object and purpose of the START II Treaty, within 30 days of such a determination, in which case the President shall also submit a written report, with an unclassified summary, explaining why it is in the national security interests of the United States to continue as a party to the START II Treaty.

(9) SUBMISSION OF FUTURE AGREEMENTS AS TREATIES.—The Senate declares that, following Senate advice and consent to ratification of the START II Treaty, any agreement or understanding which in any material way modifies, amends, or reinterprets United States or Russian obligations under the START II Treaty, including the time frame for implementation of the Treaty, should be submitted to the Senate for its advice and consent to ratification.

(10) NATURE OF DETERRENCE.—(A) On June 17, 1992, Presidents Bush and Yeltsin issued a Joint Understanding and a Joint Statement at the conclusion of their Washington Summit, the first of which became the foundation for the START II Treaty. The second, the Joint Statement on a Global Protection System, endorsed the cooperative development of a defensive system against ballistic missile attack and demonstrated the belief by the governments of the United States and the Russian Federation that strategic offensive reductions and certain defenses against ballistic missiles are stabilizing compatible, and reinforcing.

(B) It is, therefore, the sense of the Senate that:

(i) The long-term perpetuation of deterrence based on mutual and severe offensive nuclear threats would be outdated in a strategic environment in which the United States and the Russian Federation are seeking to put aside their past adversarial relationship and instead build a relationship based upon trust rather than fear.

(ii) An offense-only form of deterrence cannot address by itself the emerging strategic environment in which, as Secretary of Defense Les Aspin said in January 1994, proliferators acquiring missiles and weapons of mass destruction "may have acquired such weapons for the express purpose of blackmail or terrorism and thus have a fundamentally different calculus not amenable to deterrence. . . . New deterrent approaches are needed as well as new strategies should deterrence fail.".

(iii) Defenses against ballistic missiles are essential for new deterrent strategies and for new strategies should deterrence fail. Because deterrence may be inadequate to protect United States forces and allies abroad, theater missile defense is necessary, particularly the most capable systems of the United States such as THAAD, Navy Upper Tier, and the Space and Missile Tracking System. Similarly, because deterrence may be inadequate to protect the United States against long-range missile threats, missile defenses are a necessary part of new deterrent strategies. Such defenses also are wholly in consonance with the summit statements from June 1992 of the Presidents of the United States and the Russian Federation and the September 1994 statements by Secretary of Defense William J. Perry, who said, "We now have the opportunity to create a new relationship, based not on MAD, not on Mutual Assured Destruction, but rather on another acronym, MAS, or Mutual Assured Safety.".

(iv) As the governments of the United States and Russia have built upon the June 17, 1992, Joint Understanding in agreeing to the START II Treaty, so too should these governments promptly undertake discussions based on the Joint Statement to move forward cooperatively in the development and deployment of defenses against ballistic missiles.

(11) REPORT ON USE OF FOREIGN EXCESS BALLISTIC MISSILES FOR LAUNCH SERVICES.—It is the sense of the Senate that the President should not issue licenses for the use of a foreign excess ballistic missile for launch services without first submitting a report to Congress, on a one-time basis, on the implications of the licensing approval on nonproliferation efforts under the Treaty and on the United States space launch industry.

(12) UNITED STATES COMMITMENTS ENSURING THE SAFETY, RELIABILITY, AND PERFORMANCE OF ITS NUCLEAR FORCES.—The Senate declares that the United States is committed to ensuring the safety, reliability, and performance of its nuclear forces. To this end, the United States undertakes the following additional commitments:

(A) The United States is committed to proceeding with a robust stockpile stewardship program, and to maintaining nuclear weapons production capabilities and capacities, that will ensure the safety, reliability, and performance of the United States nuclear arsenal at the START II levels and meet requirements for hedging against possible international developments or technical problems in conformance with United States policies and to underpin deterrence.

(B) The United States is committed to reestablishing and maintaining sufficient levels of production to support requirements for the safety, reliability, and performance of United States nuclear weapons and demonstrate and sustain production capabilities and capacities.

(C) The United States is committed to maintaining United States nuclear weapons laboratories and protecting the core nuclear weapons competencies therein.

(D) As tritium is essential to the performance of modern nuclear weapons, but decays radioactively at a relatively rapid rate, and the United States now has no meaningful tritium production capacity, the United States is committed to ensuring rapid access to a new production source of tritium within the next decade.

(E) As warhead design flaws or aging problems may occur that a robust stockpile stewardship program cannot solve, the United States reserves the right, consistent with United States law, to resume underground nuclear testing if that is necessary to maintain confidence in the nuclear weapons stockpile. The United States is committed to maintaining the Nevada Test Site at a level in which the United States will be able to resume testing within one year following a national decision to do so.

(F) The United States reserves the right to invoke the supreme national interest of the United States to withdraw from any future arms control agreement to limit underground nuclear testing.

Mr. LUGAR. Mr. President, when I brought the START II Treaty to the floor last month, I did so in my capacity as the manage for the Foreign Relations Committee. In my opening statement, I sought to lay out for the body the key provisions of the START II Treaty, the assessment of the treaty of the Joint Chiefs of Staff, the force structure implications of the treaty for both the Russian Federation and the United States, and the reasons why this treaty is, on balance, in the national security interests of the United States.

But, Mr. President, I have also approached consideration of the START II Treaty from the vantage point of my membership on the Select Committee on Intelligence. I have spent a great deal of time analyzing United States capabilities to monitor compliance with arms control treaties and the START II Treaty in particular.

I want to share with my colleagues my major findings and explain each of them briefly.

First, no aspects of the START II Treaty text are likely to cause compliance issues because of the manner in which they are worded.

I repeat, I have found no aspects of the START II Treaty text that are likely to cause compliance issues because of the manner in which they are worded. Indeed, START II, by banning test-flights and deployment of MIRV'd ICBM's after 2003, may lessen the likelihood of compliance issues regarding the number of re-entry vehicles with which an ICBM is equipped or tested. It should generally be easier to determine the presence or absence of MIRV's than the determine—or agree upon—whether a numerical limit has been exceeded.

Second, U.S. national technical means are generally sufficient to monitor compliance with both START Treaties. United States capabilities could be insufficient, however, if competition for scarce collection and analytic resources were intense and if Russian practices were to change in ways designed to impede United States monitoring.

As in the case with START I monitoring, the United States will rely upon a combination of capabilities—including imagery, signals intelligence, human intelligence, open-source information and the verification provisions of the START I and START II Treaties—to monitor compliance with the provisions of START II. Despite the strapped resources as well as systems and personnel reductions thus far in the post-cold-war era, the intelligence community assesses a high probability of detecting questionable activity that might be contrary to the treaty.

I agree with the intelligence community that U.S. national technical means are generally sufficient to monitor compliance with both START Treaties. I have concerns, however, that U.S. capabilities could be insufficient if competition for scarce collection and analytic resources were to intensify and if Russian practices were to change in ways designed to impeded U.S. monitoring. I support the recommendation that the President be required to certify the sufficiency of U.S. monitoring capabilities regarding those START II provisions relating to ICBM and SLBM capabilities and to report to Congress on how such sufficiency will be assured. I would also urge the executive branch to pursue a firm policy regarding Russian actions that may violate the terms of START I or START II, including the verification provisions of those treaties.

Third, I have recommended that the resolution of ratification be conditioned on a requirement that the President certify and, within 90 days of exchanging the instruments of ratification, submit to the Congress a plan for ensuring continued, adequate monitoring of Russian ICBM and SLBM capabilities. This condition has been included in the manager's package of amendments to the resolution of ratification, accepted by the Senate last month.

The intelligence community's monitoring confidences reflect a vastly changed world from that of a decade ago. The end of the cold war has brought a substantial refocusing of United States intelligence from the old Soviet Union to a much wider variety of threats to the national security. Indicative of this change is the fact that in the fiscal year 1996 budget process, the Department of Defense opposed funding the COBRA DANE radar. In order to protect that important arms control monitoring system, the U.S. Arms Control and Disarmament Agency [ACDA] stepped in and took responsibility for its funding. The Congress, instead, restored full funding for the COBRA DANE platform in the fiscal year 1996 Intelligence Authorization Act, an action that was sustained in the Defense appropriations bill.

Some other systems that monitor Russian missile tests face uncertain funding futures or are increasingly diverted to other intelligence priorities, like Bosnia and North Korea, or even to nonintelligence functions. Although intelligence officials remain confident of overall U.S. monitoring capabilities, they have acknowledged that these actions affect those capabilities.

I find it totally unacceptable that coverage by National Technical Means of Russian strategic missiles—still the systems with by far the greatest capability to effect the nuclear destruction of United States territory—should be available only at the expense of other important intelligence priorities. That is why I recommend that the resolution of advice and consent to ratification of the START II Treaty be conditioned on a requirement that the President certify and, within 90 days of exchanging instruments of ratification, submit to the Congress a plan for ensuring, continued adequate monitoring of Russian ICBM and SLBM capabilities.

Fourth, it is imperative that the executive branch exercise its START II Treaty right to observe the entire process of pouring concrete into each Russian SS–18 silo that is to be converted.

The intelligence community judges that it can monitor with virtual certainty the elimination or conversion of declared items and the number of deployed silo-based ICBM's, SLBM's and heavy bombers that remain in the Russian force. Treaty provisions designed to enhance verification play important roles in augmenting U.S. National Technical Means in this regard. The 10 annual reentry vehicle inspections permitted under START I will help assure, over time, that those silos are not being used for MIRV'd missiles, and the 4 extra reentry vehicle inspections at converted SS–18 silos that are provided for in START II will add assurance regarding heavy ICBM's.

One particularly important aspect of START II verification would be the on-site inspection of SS–18 heavy ICBM silo conversions, to guard against a breakout scenario involving speedy reconversion of SS–18 silos. U.S. inspectors can either physically witness the pouring of the 5 meters of concrete in the bottom of the silo or measure silo depth before and after the concrete was poured. In order to guard against improper implementation of the conversion procedures, it is imperative that the executive branch exercise its START II Treaty right to observe the entire process of pouring concrete into each SS–18 silo that is to be converted, and to measure the diameter of the restrictive ring.

Fifth, I urge the firmest practicable policy regarding compliance with START I provisions on the transmission and provision of missile flight test telemetry and interpretive data.

The intelligence community generally expects to be able to monitor the ban on flight-testing of MIRV'd ICBM's after 2003, assuming it receives the good telemetry data mandated by START I. The importance of the START I provisions regarding the transmission and provision of missile flight-test telemetry and interpretative data cannot be overestimated, and the executive branch must adopt the firmest practicable policy regarding Russian compliance with those provisions.

Sixth, monitoring missile production and storage and, consequently, the number of nondeployed missiles is inherently difficult. As the Director of Central Intelligence has stated, it is possible that some undeclared missiles have been stored at unidentified facilities. In other words, the possible existence of covert, nondeployed mobile missiles must remain an important U.S. intelligence target.

Monitoring missile production and storage and, consequently, the number of nondeployed missiles is inherently difficult. At facilities where the United States conducts continuous perimeter and portal monitoring, the intelligence community's uncertainties are low. Uncertainties are higher, however, in estimates of missile production at facilities not subject to continuous monitoring or on-site inspection.

A cheating scenario involving covert production and deployment of mobile ICBM's—and especially of MIRV'd ICBM's—and their launchers would be particularly worrisome. For that reason, the possible existence of covert, nondeployed mobile missiles must remain an important U.S. intelligence target.

Uncertainties in the estimates of numbers of nondeployed missiles will make it difficult for the intelligence community to determine whether all SS–18 airframes have been declared and eliminated as required by START II. On the other hand, SS–18 missiles and canisters are not mobile, are the largest ballistic missile system in the Russian force, and require substantial equipment for handling and transport. Storing and maintaining a covert force of any significant size would be a major undertaking and would increase the risk of detection. As SS–18 silos are destroyed or converted, moreover, the military utility of any undeclared missiles should steadily diminish. The intelligence community is quite confident of its ability to monitor the essentially irreversible conversion of SS–18 silos.

Seventh, it will be difficult to determine whether Russian heavy bombers are equipped with more than the number of nuclear weapons they are declared to carry. But the Joint Chiefs of Staff believes that cheating scenarios that involve heavy bombers and air-launched cruise missiles generally pose little risk of militarily significant violations.

Mr. President, because heavy bomber weapon loadings can easily be changed, the intelligence community will find it difficult to determine whether Russian heavy bombers are equipped with more than the number of nuclear weapons they are declared to carry. When this matter was considered in the START I context, the executive branch emphasized that heavy bombers are inherently stabilizing, and play a more important role in the U.S. strategic force structure than in the Russian. General Curtin of the Joint Staff noted at the time that cheating scenarios that involve heavy bombers and air-launched cruise missiles generally pose little risk of militarily significant violations. He noted that heavy bombers and air-launch cruise missiles are slow flyers which offer little potential for a surprise attack.

Eighth, the disincentives for Russia to cheat are substantial. I urge the intelligence community, however, to base its collection and analysis priorities upon a cautious appreciation of the record of Soviet and Russian compliance with arms control agreements.

The disincentives for Russia to cheat on START II are substantial. Many cheating scenarios, such as the reconversion of converted SS–18 silos, would risk U.S. detection. The most feasible cheating scenarios would yield only small gains. Thus, covertly reMIRVing all the 105 single-RV SS–19's allowed under START II would increase the number of Russian reentry vehicles by only about 15 percent. And such scenarios as the covert production of large numbers of ICBM's and their launchers would require a considerable investment of scarce resources.

Despite these disincentives, however, I repeat that the intelligence community needs to base its collection and analysis priorities upon a more cautious appreciation of the record of Soviet and Russian compliance with arms control agreements.

Last, the counterintelligence challenges inherent in START II will be no greater than those of past treaties, and U.S. agencies are capable of handling these challenges.

CONCLUSION

Mr. President, let me close by reaffirming the conclusion I set forth last month when I introduced the START II Treaty on this floor.

The START II Treaty is the result of a bipartisan effort, negotiated by a Republican administration and submitted by a Democratic one. Three Secretaries of State and Defense have supported it. START II represents a substantial step forward in attempting to codify strategic stability at greatly reduced levels of armaments. Final reductions must be completed by January 1, 2003—namely, to levels of 3,000 to 3,500 total warheads, of which no more than 1,750 can be based on submarines. It has been the view of the Joint Chiefs of Staff that, with the 3,500 warheads allowed under this treaty, the United States would remain capable of holding at risk a broad enough range of high value political and military targets to deter any rational adversary from launching a nuclear attack against the United States or against its allies.

START II removes the most destabilizing segment of nuclear inventories—namely MIRV warheads and heavy ICBM's. Elimination also includes all deployed heavy ICBM silos and all test and training launchers. The Joint Chiefs of Staff believe that the verification procedures are adequate to ensure that the United States will be able to detect any significant violations. Conversely, the Joint Chiefs of Staff also believe that the verification provisions are sufficiently restrictive to protect the United States against unnecessary intrusion by Russian inspectors.

It is my belief that, on balance, the START II Treaty is in the national security interests of the United States, and I would hope that the Senate, having expressed its concerns and advice in the Resolution of Ratification, would consent to the treaty by an overwhelming margin.

Mr. PELL. Mr. President, this is indeed a fine day for the U.S. Senate. The Senate has just given its advice and consent to ratification of the Treaty Between the United States and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms, known as the START II Treaty.

Mr. President, the START II Treaty was considered thoroughly in hearings that I chaired in May and June 1993, and that my colleague from Indiana chaired in January, February, and March 1995. Witnesses included Secretary of State Warren Christopher; former Secretary of State Lawrence Eagleburger; Secretary of Defense William Perry; Gen. John Shalikashvili, Chairman, Joint Chiefs of Staff; John Holum, Director of the Arms Control and Disarmament Agency; Ambassador Linton Brooks, chief negotiator of the treaty; Thomas Graham, Jr., Acting Director of the Arms Control and Disarmament Agency; Director of Central Intelligence, Mr. James Woolsey and Douglas MacEachin, Deputy Director for Intelligence, Central Intelligence Agency. Nongovernmental witnesses included Steven Hadley, an attorney with Shea and Gardner; Sven Kraemer, president, Global 2000; Michael Krepon, president, Henry L. Stimson Center, and Jack Mendelsohn, deputy director of the Arms Control Association.

When it is considering treaties such as this, the committee makes a particular point to receive the considered and independent judgment of the Nation's military leaders for whom it is of critical importance that there be no missteps in arms control. Gen. John M. Shalikashvili, Chairman of the Joint Chiefs of Staff, was unequivocal of his endorsement of the treaty:

> The START Treaty offers a significant contribution to our national security. Under its provisions, we achieve the long-standing goal of finally eliminating both heavy ICBMs and the practice of MIRVing ICBMs, thereby significantly reducing the incentive for a first strike. For decades, we and the Russians have lived with this dangerous instability. With this treaty, we can at long last put it behind us.
>
> The Joint Chiefs and I have carefully assessed the adequacy of our strategic forces under START II. With the balanced triad of 3500 warheads that will remain once this Treaty is implemented, the size and mix of our remaining nuclear forces will support our deterrent and targeting requirements against any known adversary and under the worst assumptions. Both American and Russian strategic nuclear forces will be suspended at levels of rough equivalence; a balance with greatly reduced incentive for a first strike. By every military measure, START II is a sound agreement that will make our nation more secure. Under its terms, our forces will remain militarily sufficient, crisis stability will be greatly improved, and we can be confident in our ability to effectively verify its implementation. This Treaty is clearly in the best interests of the United States.
>
> On the behalf of the Joint Chiefs of Staff, I recommend that the Senate promptly give its advice and consent to the ratification of the START II Treaty.

The resolution that the Senate has approved today reflects a careful, bipartisan effort within the Committee on Foreign Relations. It also deals with concerns raised by non-committee Members in amendments approved on the Senate floor on December 22, 1995.

Senate consideration and consent to ratification has taken about 3 years. This is longer than I and others would have wished, but I would remind others that the Senate has a long history of moving deliberately on arms control treaties. The Geneva Protocol of 1925 which prohibits the use of chemical and bacteriological weapons in war, took 5 decades for the Senate to approve.

Our action this evening comes at a most propitious moment. The Russian Prime Minister, Victor Chernomyrdin, will arrive in Washington this weekend for the first top-level United States meetings since the Russian elections in December. Approval of the START II Treaty should prove a fortuitous move if it serves to spur comparable action in the Russian Duma. There is to be a G–7 summit meeting in Moscow in April. I would hope very much that the newly constituted Duma can act on the treaty by that time, so as to permit exchange of instruments of ratification and entry into force.

Mr. President, the START II Treaty is a major achievement by itself, but it cannot be viewed alone. It must be seen as part of a critically important continuum that began with SALT I, continued through SALT II and led to START I and START II. There have been related agreements such as the INF Treaty, which required the elimination of the intermediate-range nuclear missiles of the United States and the Soviet Union. There are complementary efforts such as the safe and secure dismantlement program in Russia and attempts to negotiate a missile material production control regime.

It can truly be said now that arms control has become an integral part of our national security. We have learned well that the control and reduction of weapons and the maintenance of a sound defense structure are key ingredients of our national security. Our own efforts in such ventures as START II serve to demonstrate to the world that we are committed to the reduction of nuclear arms and are pursuing a path that could lead to their elimination.

In closing, I would point out that the resolution of ratification adopted by the Committee in an 18 to 0 vote recalls the obligation undertaken by the United States and the other nuclear-weapon states "to pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date and to nuclear disarmament and on a treaty on general complete disarmament under strict and effective international control", and states clearly that "the Senate calls upon the parties to the START II Treaty to seek further strategic offensive arms reductions consistent with their national security interests and calls upon the other nuclear weapon states to give careful and early consideration to corresponding reductions of their own nuclear arsenals."

Mr. President, we should be well pleased with our action today, but we must not be satisfied. We must be both steadfast and unrelenting in our efforts to spare our citizens and the world from the terrible catastrophe of war, particularly war through means of weapons of mass destruction.

Mr. NUNN. Mr. President, I rise in support of the ratification of the START II Treaty by the Senate. The case for ratification is, I believe, overwhelming. Both the START I Treaty, negotiated under President Reagan, and the START II Treaty, negotiated under President Bush, are the end-products of bipartisan arms control support by both the Congress and the American people.

Ratification of the START II Treaty is supported by the President, as well as by Secretary of Defense Perry and General Shalikashvili, the Chairman of the Joint Chiefs of Staff. The Department of Defense is satisfied that the START II Treaty will be fully verifiable, and that ratification and entry into force are in our national interest. The START II Treaty is a continuation of the substantial reductions in strategic weaponry brought about by the signing of the START I Treaty. The signing of the START I Treaty occurred after the fall of the Berlin Wall, at the end of the cold war, the dissolution of the Soviet Union, and the development of democratic movements and free elections in the countries of the former Warsaw Pact. These events have transformed the longstanding bipolar relationship between the United States and the now-vanished Soviet Union.

Given these historic changes, ratification of the START II Treaty is the next logical step. Upon entry into full force, the START II Treaty will further reduce the number of strategic nuclear warheads held in the active inventories of the United States and Russia from about 8,000 weapons at START I levels by more than 50 percent. By the time START II is fully implemented, the START I and START II Treaties will have led to more than a three-fold reduction in the numbers of strategic nuclear warheads on line.

Moreover, the entry into force of this treaty will eliminate all of the land-based, multiple-warhead, or MIRV'd, inter-continental ballistic missiles from the arsenals of both sides. It has long been a goal of U.S. arms control policy, under both Republican and Democratic Presidents and Congresses, to eliminate these poised-for-instant-launch MIRV'd ICBM's from the inventories of both sides. Elimination of these land-based ICBM missiles, a required measure under the START II Treaty, will help both to avoid a return to hair-trigger strategic postures on both sides, and to put an end to any conceivable incentive for a "bolt-from-the-blue" attack.

Ratification of the START II Treaty is a highly cost-effective way to reduce the threat to U.S. national security interests posed by nuclear weapons. It will eliminate some 5,000 warheads from the Russian force posture. Our modest verification cost will be dwarfed by the U.S. defense budget savings that will flow from the retirements of our excess strategic nuclear weapons and their delivery systems.

Mr. President, I urge my colleagues to support the ratification of the START II Treaty today, and to work to build support and understanding of the advantages of the START II Treaty among the members of the Russian Duma, prior to their consideration of the treaty later this year. We need to take every opportunity to explain to the new Duma the advantages that will accrue to Russia from the entry into force of this treaty.

Mr. SARBANES. Mr. President, 3 years ago President George Bush and President Boris Yeltsin met in Moscow to sign a second Strategic Arms Reduction Treaty. At that time, the dissolution of the Soviet Union made it possible to achieve additional reductions in our nuclear arsenals beyond those provided in the START I Treaty, thereby advancing United States security and further reducing the threat of nuclear proliferation. On December 5, 1994, President Clinton and the leaders of Russia, Ukraine, Belarus, and Kazakhstan convened in Budapest to finalize the entry into force of START I, clearing the way for the ratification of START II.

It has thus been a full year since START II has been ready for Senate advice and consent to ratification, and I am pleased that it is finally being considered by the full Senate. The Foreign Relations Committee has held eight hearings on the treaty, in open and closed session, with administration and private witnesses. On December 12, the treaty was reported favorably on a unanimous vote of 18 to 0.

Let me elaborate on the substance of this treaty and its benefits to U.S. security. Building upon START I, the START II Treaty advances our interests by eliminating the most threatening and destabilizing types of weapons in the Russian arsenal. Under the treaty, Russia has agreed to destroy all of its heavy intercontinental ballistic missiles [ICBM's], including all its SS–18 missiles, which were the centerpiece of the former Soviet Union's strategic nuclear force. The treaty also ends the practice of putting multiple warheads on (or "MIRVing") ICBM's, a practice which had led to exponential increases in the number of deployed nuclear warheads and heightened the threat of a first nuclear strike. START II requires each side to reduce its deployed warheads from the 6,000 allowed under START I to 3,500 by the year 2003. This will mean a significant reduction in Russia's deployed nuclear warheads, which numbered over 10,000 when the Start Treaty went into force.

In addition, START II limits the number of warheads deployed on Submarine Launched Ballistic Missiles [SLBM's], and expands the stringent verification regime put into place by START I. New verification measures, including on-site inspections of SS–18 silo conversions and missile elimination procedures, along with the inspection for all heavy bombers, were added to START II to reduce the risk of non-compliance.

Taken together, the two START treaties will reduce the deployed strategic offensive arms of the United States and Russia by approximately two-thirds by the year 2003. Two out of every three weapons that were once aimed against the United States are going to be dismantled or destroyed over a period of less than 10 years. The United States will retain a credible nuclear deterrent while increasing our ability to verify Russian compliance with its treaty obligations.

During the Committee proceedings, the chairman of the Joint Chiefs of Staff, General John Shalikashvili, gave the following testimony in support of ratification:

> Let me say at the outset that, on the basis of detailed study of our security needs and careful review of the Treaty, it is my judgment, and the unanimous opinion of the Joint Chiefs of Staff, that the START II Treaty is in the best interests of the United States. I recommend the Senate provide its advice and consent to START II's ratification.

President George Bush stated in his January 15, 1993 Letter of Transmittal to the Senate—

> The START II Treaty is clearly in the interest of the United States and represents a watershed in our efforts to stabilize the nuclear balance and further reduce strategic offensive arms. I therefore urge the Senate to give prompt and favorable consideration to the Treaty, including its Protocols and Memorandum on Attribution, and to give its advice and consent to ratification.

Then-Secretary of State Lawrence Eagleburger concluded in his letter of submittal to President Bush—

> This Treaty is truly an historic achievement. By significantly reducing strategic offensive arms, and by eliminating those that pose the greatest threat to stability, the START II Treaty will enhance the national security of the United States. It is in the best interest of the United States of America, the Russian Federation, and, indeed, the entire world that this Treaty enter into force promptly. I strongly recommend its transmission to the Senate for advice and consent to ratification.

Mr. President, ratification of START II not only will lock in reductions that benefit U.S. security directly, it will send an important signal to other countries that the United States is serious about nuclear non-proliferation. It will encourage other nations to join us in the process of limiting weapons of mass destruction and will lay the foundation for future arms control agreements. As Spurgeon Keeny, Jr., President of the Arms Control and Disarmament Agency, warned, "Failure to complete Senate action promptly could delay for years the entry into force of these agreements with great disadvantage to United States security."

I think the risks of inaction are grave indeed, and I urge my colleagues to join in giving prompt advice and consent to ratification.

Mr. INHOFE. Mr. President, let me start off by saying that there is nothing wrong with arms control in principle, but there are a lot of reasons to oppose the START II Treaty. The treaty does not destroy a single Russian warhead. It talks about downgrading, reducing, downloading, retiring, converting—all actions that can be reversed. The Russians do not have to destroy the warheads.

I wondered also what would happen to those warheads if Russia should decide to comply with the START II Treaty—this is a big "if," since they have not complied with other treaties—but if they did, what would happen to those warheads if they were, for example, to download them?

We all know the financial needs of the former Soviet Union, Russia in particular. And we also know that there is a market for those warheads in hostile areas of the world—in the Middle East, North Korea, China, all throughout the world. You have to ask: what would happen to those warheads? We are looking at an agreement that allows Russia to continue modernization, build heavy missiles for 7 more years, and new submarine-launched missiles, and new land missiles, including a hard-to-find mobile missile that even the United States does not have. It allows them to conduct aggressive military exercises and to increase anti-U.S. intelligence.

I feel that no effective verification or enforcement could be put in place with this treaty, even if the Russians should comply with it. But let us look at the history. People assume they are going to comply with the START II Treaty but they did not comply with the START I Treaty, they did not comply with the biological weapons convention, with the chemical weapons convention, the INF treaty, the ABM Treaty. Just around Christmastime Pavel Grachev, who is the Minister of Defense for Russia, made a statement that they did not intend to comply with our Conventional Forces Europe treaty, the CFE treaty.

Their reason for not complying, he said, was that the CFE Treaty was not a treaty made between the United States and Russia, but between the United States and the USSR. I would ask why, if that is true, are we so compelled to comply with the ABM Treaty, which also was not between the United States and Russia, but was ratified in 1972 when Russia was still the Soviet Union? So I have to ask the question, why is it so important, at this particular time, to have the START II treaty?

Let us look at what has happened just recently. I know we all rejoiced just a few years ago when Boris Yeltsin and the reformers took control. But look what happened just in the last election, last December, of the Duma.

The Communists, now, have 157 seats; Boris Yeltsin and the Reform Party, only 55 seats; the person I think most people here dread more than anyone else, Vladimir Zhirinovsky, his party, the Ultranationalists, took 51 seats. So he is almost even with Yeltsin's party, and it is just one-third of what the Communists now have. So, it is a totally different environment right now in Russia from 1993, when the START II Treaty was signed by President Bush and President Yeltsin.

I think, when you realize that we are ratifying a flawed agreement with a country that has never lived up to previous agreements, and that we are accepting Russia's demands that we remain naked to missile attacks from all over the world, that this is wrong.

On December 28 President Clinton vetoed the defense authorization bill. His prime objection to this bill was that we were spending money on a national missile defense system. In his message he declared that this might violate the 1972 ABM Treaty, which prevents the deployment of a multiple-site missile defense system in the United States. Clinton stated that the missile defense plan "* * * puts the United States policy on a collision course with the ABM Treaty and puts at risk continued Russian implementation of the START I treaty and Russian ratification of the START II treaty."

Our President rejects a national missile defense system. He says that U.S. national security in the post-cold-war world rests on two treaties, the ABM Treaty and the START Treaty, both negotiated at the height of the cold war. That is the linkage the President is making. We can argue whether or not there is a linkage between the ABM Treaty and the START II Treaty, but in fact the President thinks there is. He has stated that there is, and he accepts the Russians' linkage between these treaties, which says that we must abide by one, the ABM Treaty, to get the other, the START Treaty.

You might ask yourself the question: why is it that Russia is so interested in those two treaties? First of all, I have serious doubts that they would comply with the START II treaty. Maybe they have doubts that they would, too. But it seems to me they are bent on our agreeing to reduce our nuclear capability, which they would do to, and at the same time they are even more interested in the ABM Treaty. I think this is something we really have not talked about enough.

The ABM Treaty was one that was put together in a Republican administration. It was Richard Nixon and Henry Kissinger's project. Dr. Kissinger was the architect of the ABM Treaty of 1972. In 1972 we had two superpowers in this world. Mr. President, we could identify who the enemy was. At that time it seemed to be a good idea. I did not agree with it at the time, but I certainly did not question the wisdom of President Nixon and of Dr. Kissinger, because it seemed that a policy of mutual assured destruction was in the best interests of the United States. Simply put, that is a policy that says: we agree not to defend ourselves and not to implement a national missile defense system if you agree to do the same thing. That way, the risk of complete destruction keeps us from attacking each other.

You may believe that this was not a good idea at the time. I did not think it was a good idea. But there is certainly some justification for it.

That is not the environment that we are in today. In fact, Henry Kissinger himself has said that it is insane to continue with this type of policy in today's environment when you have the proliferation of nuclear weapons and weapons of mass destruction all throughout the world. It was Kissinger who said, and this is a direct quote: "It is nuts to make a virtue out of our vulnerability."

People have made several references to the fact that President Reagan actually started some of the START negotiations. But I would recall the 1986 Reagan-Gorbachev summit in Iceland. It was really the defining moment in the cold war. Gorbachev proposed to eliminate all nuclear weapons and everyone was all excited. But then he established the condition that President Reagan would have to kill the Strategic Defense Initiative, a plan for a national missile defense system. In other words, he said we will agree to doing away with and destroying all nuclear weapons if you agree to make yourself vulnerable to an attack.

Reagan walked away from the bad agreement in order to save the United States missile defense program. We are faced with the same choice. Our President currently is embracing that very notion that Reagan rejected, even though, since 1986, the missile threat has greatly increased and Russia has violated treaty after treaty. We have to ask, what is so good about the tradeoff now?

Mr. President, I will make this brief because I have made this statement on the floor so many times before. I have deep concern about what is happening right now with our attitude toward a national missile defense system. It is kind of interesting—all these people who come in and want to talk about how bad a national missile defense system is always use such words as "Star Wars," trying to make it look like something that is mythical, something that is science fiction. In fact, anyone who was watching TV during the Persian Gulf war knows that the technology of knocking missiles down with missiles is something that is alive and well.

President Clinton appointed Jim Woolsey to be CIA Director, and he was certainly privileged to more information, or as much as anyone else in the world, concerning this Nation's defense. And he said that there are between 20 and 25 nations around the world who currently have, or are developing, weapons of mass destruction, either nuclear, chemical, or biological, and are developing the missile means to deliver those weapons of mass destruction.

So there is a greater threat. Most people who are watching the security scene today believe there is a greater threat facing America today than there was during the cold war, because now we are not talking about one enemy, we are talking about 25 or so countries that are developing this technology.

If anyone is comfortable in what is happening right now, I suggest that you read last Wednesday's New York Times. I will not submit this for the RECORD because I did so yesterday when I first read it. I was still in some degree of shock. The New York Times provides fresh evidence of the folly of leaving America vulnerable to ballistic missile attack.

In an article entitled—listen to this—"As China threatens Taiwan, it makes sure United States listens—" the Times reports on ominous information recently passed to National Security Adviser Anthony Lake concerning measures being taken by Beijing to facilitate military action against Taiwan, and points to statements intended to detour the United States from coming to Taipei's assistance. Referring to Charles Freeman—he is a former U.S. Ambassador to China, now Assistant Secretary of Defense—the article reports that "A Chinese official told him of the advanced state of military planning and that preparations for a missile attack on Taiwan and the target selection to carry it out have been completed and await final decision by the politburo in Beijing." Freeman reportedly told Lake that "A Chinese official asserted that China could act militarily against Taiwan without fear of intervention by the United States because American leaders 'care more about'"—listen to this—"Los Angeles than they do Taiwan." That statement Mr. Freeman characterized as an indirect threat by China to use nuclear weapons against the United States.

Mr. President, this is the environment we are in today. Today the Senate is considering a treaty, START II, that will further endanger our country because the President and the Russians link it to the ABM Treaty, which precludes our country from defending itself against missile attack.

I would like to submit something for the RECORD. It was in the Wall Street Journal, in an editorial called, "The ABM Treaty's Threat," on January 2.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, January 2, 1996]

THE ABM TREATY'S THREAT

With his veto of the 1996 defense bill last week, President Clinton just made the world a more dangerous place. If there's a silver lining, it is that it sets down an important political marker for this year's presidential campaign. GOP upstart Steve Forbes also put down a marker last week, castigating Bob Dole and the Senate for their apparent willingness to ratify the Start II treaty—a "further pretext," Mr. Forbes said, for the "policy of leaving the American people vulnerable to missile attack.

Given the current Senate, the President's veto is almost certain to be sustained, hamstringing the effort to build critically needed defenses against ballistic missile attack. Millions of Americans may pay for his decision with their lives, when some future commander-in-chief lacks the means to shoot down a ballistic missile heading on a lethal trajectory for an American city. By vetoing the bill, Mr. Clinton also shows that he has no viable strategy for dealing with the changed nuclear realities of the post-Cold War world—realities that are discussed nearby by former Reagan Defense official Fred C. Ikle.

The Administration, to the extent it's thinking at all instead of repeating Democratic Party rote, remains mired in an obsolete mindset that sees Moscow as our main foe and regards arms control and "mutual assured destruction" as the centerpiece of policy. Mr. Clinton's principal objection to the GOP defense bill is that by requiring deployment of a missile-defense system by 2003 it would violate the 1972 Anti-Ballistic Missile Treaty under which the U.S. and the Soviet Union agreed not to defend themselves against missile attack.

The Republican bill is "on a collision course with the ABM treaty," Mr. Clinton said in his veto message. That, as we see it, is precisely the point. The ABM Treaty is a grave danger to national security and the United States ought to exercise its prerogative to withdraw. If any progress toward defense is to be made, every Republican Presidential candidate ought to pledge to give the required notice on his first day in office.

We thought back in 1972 that agreeing not to defend against missile attack was a reckless promise, but today any vestige of a rationale has vanished. More than two-dozen nations already possess ballistic missiles and a number will soon have missiles capable of reaching across the Atlantic or the Pacific. It's not hard to imagine that Washington or San Francisco would make tempting targets for a lunatic leader in one of the Iraqs or North Koreas of the world. When that happens, it will be too late to start building a missile defense.

The ABM Treaty is just one relic of the Cold War that Mr. Clinton is intent on preserving. He further objects that it would derail his arms-control efforts, keeping the Russian Duma from ratifying Start II, under which Russia would reduce its nuclear arsenal to 3,500 warheads from about 8,000. Whatever the Duma does, it looks likely that the U.S. Senate will ratify Salt II three years after it was signed by Presidents Bush and Yeltsin. Perfunctory debate ended last week and a vote is expected soon. Mr. Forbes, free of the impact of past habit, is one of the few Republican voices urging against ratification.

Yet with few exceptions, Republicans do believe that defending America against missile attack ought to be a national priority. Their Congress has put forward a workable and affordable plan toward that goal. On the other hand, we have a President who's decided that it is more important to the security of the United States to reduce the number of Russian nuclear warheads than to have the capability to defend ourselves against missile attack from the madmen of the world.

As for Start II, somehow we don't find it very comforting to contemplate a world in which the Russians have 4,500 fewer scary things tucked away in their arsenal but a Saddam Hussein has one that he intends to use on us. Clearly it's time for a new security strategy. It will require more, but missile defense will be a cornerstone. Mr. Iklé argues that to wake the world to this obvious need may well take a nuclear explosion, either accidental or deliberate.

Mr. INHOFE. Mr. President, I will quote one sentence, which says:

> As for START II, somehow we don't find it very comforting to contemplate a world in which the Russians have 4,500 fewer scary things tucked away in their arsenal but a Saddam Hussein has one that he intends to use on us.

So, in conclusion, I say, Mr. President, that passing of this treaty right now may be important to the President's agenda. But if this treaty is really important, why are we rushing through it with so little debate?

This morning we had a meeting in my office at 9 o'clock. It was with the 11 freshmen that were elected to this body in 1994. At that time we did not even know this was going to be on the agenda today. This was put on 10 hours ago before we had a chance to come out, debate it, get people together to really be concerned and to understand the full ramifications of this treaty and how it provides a chance of making us vulnerable—10 hours. That is all the time we had.

What kind of a message will the rogue countries in the world get if we pass, on the same day, a defense bill recently stripped of missile defense and a START II Treaty on Russia's terms? Just to satisfy Russia, President Clinton was willing to veto the defense bill that attempted to protect Americans from missile attack.

Yes, we are getting the Russians down to 3,500 missiles, if they comply. But we are giving Russia a practical veto on our ability to defend ourselves. We have countries out there—China we just talked about, North Korea, Iran, Iraq, Libya—any number of countries that are a direct threat to this country, and they are not constrained by any of the provisions in the START II agreement or in the ABM Treaty.

My simple proposition is this: Missile defense should be our highest national security priority. If the President believes that our highest priority must be sacrificed to gain Russia's approval of START II, I say it is too high a price to pay.

Mr. President, every time I come out here and we talk about this treaty or we talk about the ABM Treaty or we talk about the missile defense of this country, I remember the days following the April 19 bombing in Oklahoma City in my beautiful State of Oklahoma. I had very close friends with daughters and sons and mothers and fathers who were in that building, the Murrah Federal Office Building in Oklahoma City, hoping day after day and hour after hour that they would find them still to be alive until finally all hope was given up. We lost 169 lives in the most brutal terrorist attack in the history of America. I saw those things. My son, an orthopedic surgeon, was practicing with a doctor who went in and amputated the leg of a woman in order to extract her from the bomb site.

When I think about that, I remember that the bomb which blew up the Federal building was rated at 1 ton of TNT, and the smallest nuclear warhead known today is rated at 1 kiloton of TNT, or 1,000 times the size of the bomb that exploded in Oklahoma City.

That is why I stated on this floor last week that if the vote is 98 to 1, I will be the one to oppose the ratification of the START II agreement because, Mr. President, it is the right thing to do for America.

I yield the floor.

Mr. KENNEDY. Mr. President, I urge my colleagues to vote to ratify the START II agreement. By ratifying this treaty, the Senate will be taking a major step toward eliminating the menace of nuclear arms from the face of the Earth.

Since the dawn of the nuclear age at the end of World War II, nuclear arms control has been our highest priority. One of President Kennedy's proudest achievements was the Limited Test Ban Treaty of 1963, which banned nuclear tests in the atmosphere, in outer space, and under water. Many of us today continue to attempt to build on that achievement by enacting a comprehensive test ban treaty to ban all nuclear tests.

In recent decades, we have made progress toward reducing covert nuclear arsenals. Negotiations on the Strategic Arms Reduction Treaty began in 1982, at one of the most difficult points in our cold war relationship with the Soviet Union. Although the first years of the START process saw only sporadic progress, our goal of achieving significant, verifiable reductions in the superpowers' strategic nuclear arsenals never wavered.

When the Berlin Wall came down in 1989, our long-standing efforts were rewarded with the signing of the START I Treaty by President Bush in 1991 and its ratification by Congress the following year.

Now, nearly 3 years after the signing of START II by President Bush in Moscow, we are achieving another milestone in the process by ratifying this far-reaching agreement.

This second Strategic Arms Reduction Treaty lives up to its name—it bring about dramatic reductions in the strategic nuclear arsenals of the United States and Russia. The United States and the Soviet Union had arsenals with over 10,000 nuclear warheads when the Berlin Wall came down. START I is bringing the level down to between 6,000 and 7,000. START II will cut the arsenals in half again—to between 3,000 and 3,500 nuclear warheads by the year 2003. It has been more than 40 years since Russia's nuclear threat to the United States has been this small. We are moving in the direction of eliminating the nuclear menace that threatens our national survival.

In addition to reducing the size of the United States and Russian arsenals, the treaty before us will restructure the strategic forces of both nations to create a more stable nuclear relationship.

First, the treaty eliminates multiple independently targetable re-entry vehicles [MIRV's] from the land-based missile forces of both nations. This step achieves a goal that many of us have sought for over two decades—to eliminate the incentive for either side to strike at the other's multiple-warhead land-based missiles in a time of crisis.

Another major accomplishment of the treaty is to eliminate heavy ICBM's from the arsenals of both countries. The SS–18 missile in the Russian arsenal, which caused such concern for the United States for so long, will be scrapped.

Another strength of this treaty is in the area of verification. START II builds on the ground-breaking verification regime established by the START I Treaty. This regime includes extensive onsite inspections, notifications, and the use of national technical means of verification, our network of intelligence satellites and sensors. In ways like these, the ratification regime gives us a high degree of confidence that we can accurately assess Russian compliance with this treaty.

In addition to the verification procedures included in the treaty, the greater openness in current-day Russian society, compared to the closed nature of the Soviet Union, gives much wider information about Russian strategic behavior and intentions.

START II is also a major part of the effort to prevent the proliferation of nuclear weapons to other nations. During review of the Nuclear Non-Proliferation Treaty last spring, many of the nations which voted with us for a permanent extension of that treaty conditioned their vote on progress in United States-Russian arms reduction, specifically the approval of START II.

If the United States is to lead a worldwide effort to eliminate the threat of nuclear, chemical, and biological weapons, we need to take steps to reduce the United States and Russian nuclear arsenals. This treaty represents the single largest step in that direction in history. It earns us the credibility and respect necessary to enable President Clinton to conclude negotiations in 1996 of the Comprehensive Test Ban Treaty, outlawing nuclear explosions around the globe. This achievement, which is within our grasp, will be the most important step toward limiting worldwide nuclear proliferation since the NPT was negotiated nearly three decades ago.

The end of the cold war has recast the international security landscape. Before the Berlin Wall fell, there was little hope of cutting nuclear arsenals this deeply. Now, we have a unique opportunity to reduce the nuclear threat to all nations.

The NPT, the Comprehensive Test Ban, and the two START Treaties are pillars of an evolving strategy that relies increasingly on cooperation and consensus to achieve security from nuclear threats, even as we continue to maintain the forces necessary for a stable deterrent.

One of our greatest challenges is to continue this progress, to pursue arms control as vigorously as we can, to bring other nations into cooperative security regimes, to do all we can to prevent nuclear weapons from reaching the hands of terrorists, and to develop more effective means for peaceful resolution of international conflicts. These efforts, if tenaciously pursued, will allow us to reduce, and perhaps one day, to eliminate, weapons of mass destruction from the face of the Earth. I urge my colleagues to ratify this treaty.

Mr. McCAIN. Mr. President, I rise in support of the START II Treaty and the conditions and declarations outlined in the resolution of ratification.

Last month's Russian parliamentary elections, in which opponents of free market reform and conciliation with the West made shocking gains, and the resignations from President Yeltsin's administration of several important reformers have created an atmosphere of great uncertainty in United States-Russian relations, I daresay there is no one in this body that has failed to see the significance in these events. I am sure that they will figure prominently in the foreign policy debates of the coming year.

These developments, however, as disturbing as they are, should not preclude us from moving forward with arms control agreements. We have reached arms control agreements with Russia in days much darker than these. We cannot base an issue of such monumental importance to our security as the quantity and quality of weapons possessed by the world's second largest nuclear power on the intricacies and imponderables of Russian politics.

What is going on inside Russia today, and what we can do to turn it to our advantage will be debated for years. We should lock in the reductions in START II made possible by the collapse of the Soviet Union while we have the opportunity.

I am not going to go into too much detail. My colleagues are all familiar with the treaty. I do, however, want to point out a number of its more salient and compelling provisions. If fully implemented, START II will limit the United States and Russia to 3,500 deployed warheads each—a reduction by half of our START I limits and an overall reduction of two-thirds; it will ban all land-based, multiple warhead missiles; and it will eliminate all of Russia's heaviest missiles.

In addition, I believe the Foreign Relations Committee and the managers of the resolution have added crucial conditions which improve upon the treaty. I find two of these conditions most striking: One concerning noncompliance and the other the ABM Treaty.

The record of Russian compliance with other treaties, the Conventional Forces in Europe Treaty and the Biological Weapons Convention, are not entirely reassuring. Compounding the problem of noncompliance, the administration's efforts to bring the Russians into compliance have been no more reassuring. In the case of the CFE Treaty, the administration made substantive changes in Russia's obligations, without Senate consent, in an effort to gain Russian compliance. Despite this effort, months later, the administration was forced to declare Moscow in violation of the very targets designed to accommodate it. An article in this week's Washington Post by Thomas Lippman illustrates a similar problem related to Russian START I compliance. I ask that it be printed in the RECORD.

The Foreign Relations Committee has wisely seen fit to deal with this problem. According to a condition passed by the Foreign Relations Committee before sending the resolution of ratification to the floor, the President must report to the Senate on noncompliance and submit changes in the obligations of the parties to the Senate. The Senate has every right to review changes in the obligations and trade-offs to which it agrees. In the case of persistent noncompliance, the President must return to the Senate to seek its consent to continue U.S. adherence.

The committee is to be commended for taking responsible action on an issue so potentially and justifiably damaging to the treaty's prospects.

With regard to the ABM Treaty, the tortuous process by which agreement was finally reached on the DOD authorization bill was a reminder that it remains a hotly contested issue not soon to be resolved. The Foreign Relations Committee, again commendably, has acted to preclude linking the futures of the START II and ABM Treaties. After all, these treaties were reached in different eras and are separated by 20 years. The Foreign Relations Committee has included a condition stating that Russian ratification of START II should not be contingent on continued adherence by the United States to Russian interpretation of the ABM Treaty. The managers amendment makes this more explicit by declaring that nothing in the START II Treaty changes the rights of either party to the ABM treaty.

Like NAFTA, START II is a Republican treaty—inspired by Ronald Reagan and negotiated by President Bush. Ronald Reagan came to office pledging "peace through strength" and left office having concluded the first strategic weapons reduction treaty in history. START II builds on these historic reductions. The Senate should follow through on President Reagan's vision and ratify the START II Treaty.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 21, 1996]

RUSSIA BALKS AT ARMS ACCORD; FAILURE TO IMPLEMENT CLINTON-YELTSIN AGREEMENTS FRUSTRATES U.S. OFFICIALS

(By Thomas W. Lippman)

Russia has balked at implementing any of the nuclear security and weapons inspection agreements announced by President Clinton and President Boris Yeltsin at their summit meeting last May, throwing up a major roadblock to U.S-Russian cooperation in key security issues, U.S. officials said.

After a promising start on discussions aimed at carrying out the agreements, the Russians pulled back and have essentially suspended the talks, according to several officials who said they were perplexed and frustrated by the developments.

Officials at the State Department, the White House and the Arms Control and Disarmament Agency said it is unclear why the Russians have backed away and there may be multiple reasons. What is clear, they said, is that the mutual inspections and data exchanges on weapons and nuclear materials—which the presidents said would happen—are not about to happen.

The failure to carry through on the agreements does not by itself threaten U.S. security or U.S.-Russian relations, officials said. But in the context of other recent developments in Russia such as the removal of almost all pro-Western reformers from Yeltsin's government and the appointment of a Russian nationalist, Yevgeny Primakov, as foreign minister, it adds to a troubling recent pattern that has clouded Washington's relations which Moscow.

"We hope to implement all the agreements presidents Clinton and Yeltsin arrived at during their Moscow summit," State Department spokesman Nicholas Burns said. "Over the past couple of years we have found that some of these arms agreements are very difficult, and it is sometimes necessary to bring in senior officials because the bureaucracy in both countries can only take them so far," Burns said. He added that the United States and Russia are cooperating on many other issues, such as the peacekeeping mission in Bosnia.

Clinton and Yeltsin on May 10 issued a "Joint Statement on the Transparency and Irreversibility of the Process of Reducing Nuclear Weapons," containing measures by which each country could assure itself that the other was carrying out promised nuclear weapons reductions.

They said the two countries would "exchange on a regular basis" detailed information on their stockpiles of weapons and nuclear materials. They also said the two countries would undertake "reciprocal monitoring" of the facilities where they store nuclear materials removed from dismantled warheads. And they said they would "seek to conclude in the shortest possible time" a legal agreement ensuring protection of the exchanged data.

None of it has happened. The legal agreement was never negotiated, making it impossible to exchange classified data and develop the "chain of custody" agreement sought by the United States. And the United States refused to allow Russian officials to inspect the only U.S. nuclear weapons dismantlement facility, the Pantex plant near Amarillo, Tex., because Russia would not allow U.S. inspectors to visit a comparable plant there.

In the same joint declaration, Clinton and Yeltsin "urged progress" in carrying out a 1994 agreement by which Russia was to cease producing plutonium, the key building block of nuclear weapons. That has not happened either, officials said, but for different reasons: The United States has been able to come up with the money to replace the electric power and heat generated by the Russian plutonium-producing reactors, so the reactors still are operating.

Discussions on this issue are to resume later this month, Energy Department officials said.

The failure to implement the agreements contributes to widespread suspicion in Congress about the ability and will of the Russian defense establishment to carry out such accords.

That suspicion was manifest when the Senate began consideration of the START II arms reduction treaty on the Friday before Christmas. In that session, which attracted little notice because of the timing, the Senate approved a Resolution of Ratification that directs the president to follow specific procedures in the event of Russian noncompliance.

"In the event that noncompliance persists" after diplomatic approaches, the resolution says, the president must return to the Senate for a determination of whether the United States will continue to be bound by the treaty.

"Obviously we all hope and require that the Russians fully comply with START II," said Sen. John Kyl (R-Ariz.).

"But their record and the record of the former Soviet Union with respect to compliance with arms control agreements is somewhat dubious. I will note just a few of the areas of violation in the past: the Biological Weapons Convention, the Chemical Weapons agreements, the Missile Technology Control Regime, START I and the conventional forces in Europe treaties. All of these agreements have provisions that Russia has in one way or another failed to comply [with]," Kyl said.

The START II treaty, signed in 1991, requires the United States and Russia to make further deep cuts in their nuclear arsenals and delivery systems by 2003. During the pre-Christmas discussion, senators of both parties made clear that they will ratify it by an overwhelming vote, but the resolution they adopted specified that this country will not be bound by its terms until it has been ratified by the Russian Duma, a much more dubious proposition.

Russian ratification is not imminent, several analysts said, because of strong opposition in the recently elected Duma, or lower house of parliament, where many members reportedly regard its terms as skewed in favor of the United States.

The Senate resolution called on "both parties to the START II treaty to attach high priority" to implementation of the May 10 joint declaration so that compliance with START I and START II can be verified, but did not make implementation a condition of START II ratification.

U.S. officials involved in the "transparency and irreversibility" issue offered several explanations of what might be holding up an agreement on the Russian side.

"The Russians have essentially told us they are doing a reassessment. It probably has to do with the political situation there," one said. "They have a lot of communists and nationalists in the Duma."

The Russians "have very limited interagency communication," another source said. "Their vertical communication is relatively poor. And there's the fiefdom problem," an indirect allusion to the prickly and independent Russian Atomic Energy Minister, Viktor Mikhailov. "We're talking about letting out information about the crown jewels," another U.S. official said. "Both sides are pretty nervous about it, but especially them."

Mrs. MURRAY. Mr. President, I rise today to express my unqualified support for ratification of the START II Treaty. I am happy that the Senate is finally considering this measure and believe the implementation of this treaty is another step on the road to eliminating the most destabilizing strategic weapons.

In January 1993, President George Bush and President Boris Yeltsin signed the treaty between the United States and the Russian Federation on further reduction and limitation of strategic arms. Their determination and cooperation helped build upon the progress that was achieved from the START I Treaty. The result of START II will mean greater reductions in strategic nuclear forces.

Ratification of this treaty today is critical, as it continues a process begun by START I. This treaty will help enhance U.S. and international security and substantially reduce the number of strategic warheads currently deployed by both countries. In early December, I joined a number of my Senate colleagues in sending a letter to the majority leader urging that both START II and the Chemicals Weapons Convention [CWC] be brought before the Senate for action. Shortly thereafter, the Senate Foreign Relations Committee voted unanimously to approve ratification of START II. This issue has bipartisan support. Today we have an opportunity to act on that.

Mr. President, this treaty has many important provisions. It will eliminate around 4,000 strategic nuclear weapons from the arsenal of the former Soviet Union. Specifically, it will eliminate all Russian heavy intercontinental ballistic missiles [ICBM's], and all multiple-warhead ICBM's. Eliminating these weapons would greatly reduce the threat of first strike in the event of renewed hostilities with the former Soviet Union. By eliminating this capability, United States-Russian strategic relations will be strengthened.

Another important aspect of START II is that it strengthens our ability to verify information, conduct on-site inspections, and deter possible violations of the treaty. This will help ensure compliance and allow monitoring of the progress being made to reduce these weapons. Under this treaty, reduction of arms will take place over a 5- to 7-year period. When these reductions are completed, the United States and Russia will each be limited to between 3,000 and 3,500 deployed strategic warheads. It is my hope that ratification of this treaty today will help encourage Russia to complete its own START II ratification efforts.

Mr. President, since the end of the cold war, our world has undergone a tremendous transformation. There is less fear and worry about nuclear war. We have made substantial efforts to reduce nuclear weapons. President Clinton has made nonproliferation and arms reduction a major priority. But the weapons are still here. Ratification of this treaty clearly represents significant progress with regard to reducing nuclear arms. However, there is still work yet to be done.

Last year 187 nations voted to indefinitely extend the Nuclear Non-Proliferation Treaty [NPT] with a commitment to work on a Comprehensive Test Ban [CTB] Treaty. I am extremely encouraged by this action and believe that we must work to reach an agreement on a CTB in the near future. In addition, the Chemical Weapons Convention [CWC] is also awaiting ratification by the United States. The CWC bans the development, production, stockpiling, and use of toxic chemicals as a weapon. Clearly, we must eliminate these weapons of mass destruction. By addressing these issues, it is my hope that other countries will be more likely to follow the U.S. example and end their reliance on a nuclear deterrent.

Mr. President, today we have an opportunity to ratify a treaty that is vital to U.S. strategic interests. We have an opportunity to help make the world a safer place to live—a safer place for our children. START II has strong support from the American public, the national security community and many Members of this body. We must continue with our efforts to reduce these weapons of mass destruction, and ratification of START II is a critical step toward this end.

I urge my colleagues to support this measure.

Mr. FEINGOLD. Mr. President, 3 years after its signing by the United States and the Soviet Union, the second landmark Strategic Arms Reduction Treaty has finally come to the floor of the Senate for consideration. I want to join the overwhelming majority of my colleagues in strongly supporting the ratification of START II, and hope it will move quickly into force. Indeed, this treaty is key to our national and international security, and will help set the tone for what should be a more peaceful era.

Mr. President, the risk of detonation of a nuclear device in Western Europe or the United States may have actually increased since the end of the cold war. There are literally tens of thousands of weapons, and mass quantities of nuclear materials, in Russia's stockpile, and their safety and security are in question. Just one of those has to get into the hands of a rogue nation or a high-paying terrorist to threaten or destroy Washington, Bonn, London, or any other major metropolis.

When START II goes into force, however, 8,000 strategic weapons—4,000 from both Russia and the United States—will be tabbed for destruction. This will include the abolition of the core of the Russian nuclear arsenal—the deadly SS–18—and the multiple independent re-entry vehicles [MIRV's], significantly reducing the likelihood of either side launching a nuclear first strike. START II, however, does leave intact our defensive, second strike capability.

Implementation of START II, moreover—coupled with the Non-Proliferation Treaty the United States signed earlier this year—would reflect monumental reform of our nuclear posture. Not only will these two treaties help reduce the possibility of an accidental launch or the sabotage of nuclear weapons and materials, they will establish a new approach toward global nonproliferation. As the United States and Russia will downsize their stockpiles, other nuclear countries could proceed with reduction of their arsenals. This will bring us several steps closer to successful conclusion of a comprehensive nuclear test ban treaty.

Perhaps the most significant achievements of START II would be the consecration of an international alliance against the scourge of nuclear war, rather than continuation of the buildup by nations which could each independently threaten a nuclear explosion.

Mr. President, the post-cold war era brings an opportunity to reshape U.S. defense posture and policy. No longer will we have to rely on the threat of nuclear weapons nor, I believe, permanently deploy United States combat forces abroad, except in limited and rare occasions, in order to protect our interests.

While we can all agree on the need—indeed the moral imperative—of ending the threat of nuclear war, there is an equal need for debate on where we go from here. For example, the mission and, indeed, the necessity of alliances such as NATO—anchored in nuclear doctrine and massive retaliation—are only now being reconsidered. The Bosnia operation is the most recent example of an unfortunate tendency to address, by a rather ad hoc process, questions regarding our role, mission and methods in the new era.

The Congress, and particularly the Senate, will play a pivotal role in that debate, Mr. President. I have made clear my view that it will be incumbent on this body to assert its constitutional prerogative in shaping the future of our national security posture.

Ratifying the START II Treaty will be an important step in accepting and asserting our responsibilities. Time is of the essence, Mr. President. The Russian Duma will not ratify the Treaty until the Senate does, and, as we saw in last month's parliamentary elections in Russia, the Duma could become more anti-Western and regressive. We must lock in these reductions, and begin implementation of START II as soon as possible.

The Senate has dallied long enough on issues of paramount importance to national security. START II and the equally vital Chemical Weapons Convention have unfortunately been held hostage by the Senate Foreign Relations Committee. This has reflected badly on this Senate, and badly served US interests. Therefore, I am gratified that we are finally here today, debating START II, and would urge swift ratification of this treaty and the CWC. We must consolidate the gains the new era affords us, lest we revert back to the dangers and antiquated thinking of the cold war.

Mr. DORGAN. Mr. President, I rise to urge my colleagues to ratify the second Strategic Arms Reduction Treaty by an overwhelming vote. This treaty will receive bipartisan support because it makes an enormous contribution to our security. That is why I am glad to be part of a large group of Senators who support this treaty.

President Bush and President Yeltsin of Russia signed the START II Treaty in January 1993, in one of the greatest achievements of the Bush administration. Once President Clinton agreed on the implementation of the first START Treaty with the leaders of Belarus, Kazakhstan, Russia, and the Ukraine, START I came into force in December 1994, and the way was cleared for ratification of this START II Treaty by the Senate and the Russian Duma.

I will not dwell on why it has taken so long for the Senate to take up this treaty. I will only note that the Senate Foreign Relations Committee conducted no business meetings for 4½ months. It took courage for the Senator from New Mexico, Senator BINGAMAN, to block other Senate business in order to free the START II Treaty from a committee that had been shut down. So I want to congratulate him on the fact that the Senate is now debating this treaty. He has made a great contribution to our national security and our future by ensuring that this treaty come to the floor.

Mr. President, the START II Treaty is the single greatest step in the history of arms control. It aims to eliminate "first strike" capability. It is the fear of a nuclear first strike—sometimes called a bolt out of the blue—that keeps the nuclear powers on hair trigger alert and encourages the nuclear arms race. But the START II Treaty would enable the United States and the Russian Federation to rest assured that neither can knock the other out with a surprise attack.

Each would retain enough of a deterrent to inflict punishing retaliation after a first strike, which means that a first strike would be a losing strategy. The United States would also retain a hedge against a breakout from the treaty in the event of a military coup or other reversal of democracy in Russia. The remaining U.S. arsenal would also defend us against rogue nations that might conceivably seek to threaten us or our allies with limited weapons of mass destruction.

Even as we strive for peace and stability, we must not let our guard down. That is why it is essential that we retain a robust force of Minuteman III's, B-52 bombers and submarine-launched ballistic missiles.

It is important to note that the START II Treaty would eliminate the backbone of the Russian nuclear deterrent, the massive SS-18 land-based missile. The Russians have 188 of them, with 10 warheads each. If ratified, START II will require the SS-18's to be destroyed. More than 2,000 other Russian warheads would also be destroyed.

START II embodies the principle that the cold war is over. We built up our nuclear capability in order to outweigh the Soviet Union's numerical superiority in conventional weapons, especially in Europe. The Soviet Union is gone; the Berlin Wall is no more; Europe is no longer divided by Communist tyranny. Much of our nuclear arsenal has lost its purpose. By ratifying START II, the Senate would recognize that we have entered a new era.

Ratification will also demonstrate American leadership. It will show the Russian Duma that the United States Senate is serious about arms control. It will lead the way for other nuclear powers to cut their own stockpiles of weapons. And it will demonstrate to nonnuclear states that the United States is living up to the commitment made when we signed the Nuclear Nonproliferation Treaty, that we would work for an end to the nuclear arms race and for nuclear disarmament.

The START II Treaty would reduce the likelihood of an accidental launch or terrorist attack. Fewer nuclear weapons means better control over those weapons by a country's civilian leadership. Better control means a lesser likelihood that those weapons will fall into the wrong hands.

Lastly, the START II Treaty is verifiable. The treaty continues the stringent START I verification regime of satellites and other intelligence, data exchange, notification, exhibition, and onsite inspection to detect and deter possible breaches of the treaty. But START II includes new verification measures, including observation of silo conversion and missile elimination procedures, exhibitions, and inspections of all heavy bombers to confirm weapon loads, and exhibitions of heavy bombers reoriented to a conventional role to confirm their observable differences.

We North Dakotans know about nuclear weapons. After all, with our two Minuteman wings and our B-52 bombers, it has been said that North Dakota is the third strongest nuclear power in the entire world, after the United States and Russia. We have been a cold war arsenal for decades. We remain ready to help ensure peace in a new world.

At the same time, North Dakotans are glad to see the nuclear shadow lightening. It is time to ratify the START II Treaty. Coupled with a strong defense, it will help build our national security. I urge my colleagues to support START II.

Thank you, Mr. President. I yield the floor.

Mr. BYRD. Mr. President, the Senate has had the opportunity to review and consider the START II Treaty for almost 3 years, and it is now offering its advice and consent to that treaty. I am pleased to endorse this treaty, which will substantially reduce the nuclear threat that has hovered for so many years like a dark cloud over both the United States and Russia. The START II Treaty builds on 20 years of arms control efforts ranging from the 1972 Anti-Ballistic Missile Treaty (ABM Treaty), through the SALT I, SALT II, and START I treaties.

The START II Treaty, signed by Presidents Bush and Yeltsin on January 3, 1993, commits the United States and Russia to deeper reductions in strategic offensive nuclear weapons, and goes beyond the START I Treaty to include warheads on heavy bombers. The START II Treaty also establishes a limit of 3,500 deployed warheads, a ban on all land-based, multiple warhead ballistic missiles, and limitations on the number of warheads deployed on all submarine launched ballistic missiles. When taken together and fully implemented by January 1, 2003, START I and START II will have cut the deployed strategic weapons of the United States and Russia by approximately two-thirds.

The Arms Control Observer Group, which I co-chair with the distinguished Senator from Alaska, Senator STEVENS, has offered a package of nine amendments to the treaty document. These amendments address a number of concerns. Most importantly, one amendment states that nothing in START II changes the rights of either party to the Anti-Ballistic Missile Treaty. Another states the requirement for Senate advice and consent to any possible future amendments to START II. I commend Senator STEVENS and all of the members of the Arms Control Observer Group for their efforts to review this important treaty.

The START II Treaty is an important step forward for arms control. Arms control measures are a more sensible and cost effective means of addressing the actual threats to U.S. national security than are some of the costly and theoretical ballistic missile defense programs on which billions of taxpayer dollars have been lavished. I much prefer to spend money to destroy actual missiles and missile silos outright, than to spend money on exotic technologies of only hypothetical effectiveness. Reducing the threat by such concrete measures is the cornerstone of effective threat reduction, which also reduces the need to spend, spend, spend, on more and more costly and dangerous weapons.

Mr. President, the nuclear sword of Damocles has hung by a thread over the lives of every U.S. citizen since we entered the nuclear age. Arms control measures like this START II Treaty do not remove that menacing sword, but each arms control treaty strengthens the thread suspending the sword, weaving it into a sturdy, and safer, cord.

Mr. SMITH. Mr. President, I rise to offer some personal reflections on both the substance of this treaty and the process by which the Senate is considering it.

Frankly, I am troubled by the casual, disengaged manner in which the Senate is exercising its advice and consent responsibilities. Clearly, there are numerous issues of importance to the country which demand our attention these days. But national security policy is not something that we can set aside and deal with only when it is convenient.

Maintaining a strong and effective national security policy requires our constant vigilance. It requires that we rise above the kind of partisan politics which are so prevalent in Washington today. It requires that we submit prospective arms accords to rigorous examination and analysis to ensure that these treaties are verifiable, enforceable, and supportive of our national interests.

But where has this scrutiny been? How many of my colleagues have actually sat down and reviewed the details of this treaty? How many of my colleagues have examined the verification regime, the intelligence assessments, the Russian strategic modernization program, and the political transition that is ongoing in Russia. With all due respect, other than select members of the Foreign Relations, Intelligence, and Armed Services Committees, I would say very few. That does not speak well for this institution. It does not speak well for those of us who have been elected to uphold the Constitution.

Mr. President, I want to raise a number of issues that trouble me about this treaty. First off, I am concerned by loopholes in the treaty that allow thousands of systems and warheads to avoid destruction. The treaty establishes central limits on deployed systems and accountable warheads, but it does not require destruction of many of these systems. Either side is permitted to retain a vast stockpile of non-deployed missiles, launchers, and warheads; but with the exception of the SS–18, only deployed systems are accountable. This can hardly be considered legitimate arms reduction.

I am also troubled by the intelligence community's lack of confidence in its ability to verify Russian compliance. Although the administration has touted the effectiveness of the START verification regime, which START II continues, the intelligence community has been less convincing. In its report on the START Treaty, the Senate Intelligence Committee stated:

> Members of the Senate should understand, however, that U.S. intelligence will have less than high confidence in its monitoring of such areas as nondeployed mobile ICBM's, the number of reentry vehicles actually carried by some ICBM's and SLBM's, and some provisions relating to cruise missiles and the heavy bombers that carry them.

The Intelligence Committee's report continues, saying "this committee remains deeply concerned, moreover, that Russia's former, and perhaps continuing, biological weapons program may indicate that the Russian military is capable of mounting or continuing a START violation, either in contravention of the wishes of Russia's civilian authorities, or with the knowledge or support of at least part of that leadership."

Mr. President, these are very sobering appraisals and they focus on a key point. Without full, unconditional compliance, no arms control agreement is worth the paper it is printed on. The former Soviet Union consistently violated every arms control agreement it was a party to. Indeed, on an annual basis, successive administrations cited Soviet violations of the SALT I and SALT II Treaties, the CFE Treaty, the INF Treaty, the Anti-Ballistic Missile Treaty, the Limited Test Ban Treaty, and the Biological and Toxin Weapons Convention.

But this pattern did not end with the dissolution of the Soviet Union. Today Russia is in violation of the Biological Weapons Convention and the CFE Treaty. They are also refusing to implement any of the nuclear security and weapons inspection agreements announced by President Clinton and Boris Yeltsin at their summit meeting last May.

I have heard many of the treaty's supporters brush off the noncompliance issue as an effort to revive outdated cold war rhetoric. But how does one explain this continuing pattern of noncompliance in the so-called era of glasnost? We are not talking about events that occurred 10 years ago, we are talking about the Russian's violating the CFE Treaty today by failing to destroy tanks, armor and other weapons based east of the Ural mountains. We are talking about Russia's failure to honor its commitments made less than a year ago in the joint statement on the transparency and irreversibility of nuclear arms reductions.

And what about the recent Duma elections in which the nationalists and Communists in Russia gained 33 percent of the lower house seats? What about Boris Yeltsin's removal of virtually all pro-Western democratic reformers from his government? What about the continuing onslaught in Chechnya where innocent civilians are being routinely slaughtered in their homes and in the streets?

If Russia is engaging in such ruthless behavior, and is continuing to violate its existing treaty obligations, all under the stewardship of Boris Yeltsin and the more liberal, pro-democratic forces, how can we realistically expect its behavior to improve with the hardliners now taking power. The truth is there is absolutely no indication that the Russian legislature will even ratify START II, let alone comply. In fact, according to administration officials, the Russians have essentially told us that they are delaying consideration of START II indefinitely while they reassess the treaty.

At the same time, the Russians are trying to manipulate the START II ratification issue to coerce financial and military concessions from the United States. Specifically, the Russians have stated that unless we suspend NATO expansion, unless we continue to adhere unconditionally to the ABM Treaty, and unless we increase financial aid to Russia, they will not ratify START II. Where I come from that is called extortion. And it is wrong.

Yet advocates of the treaty, in both the administration and Congress, are going along with these Russian threats, and using them as a rationale to slow NATO expansion, prevent the United States from defending itself against ballistic missiles, and increase foreign aid. But what about our sovereignty? What about the security of our Nation? What about the security of NATO and the newly independent democracies in Eastern Europe? How can we possibly bow to such extortion and allow Russia to effectively wield a veto over our national defense policies? It is morally, ethically, and strategically misguided.

Mr. President, I am particularly troubled by the bogus linkage that has been drawn between the START II Treaty and national missile defense. There is no legitimate linkage between the two issues. The ABM Treaty was crafted during the cold war and is premised on the outdated doctrine of mutual assured destruction. But the world is now multipolar. The monolithic Soviet threat has been replaced by numerous regional threats. Mutual assured destruction is neither relevant to, or capable of deterring, these threats. The only responsible way to counter ballistic missile threats to our homeland is to develop and deploy national missile defenses.

The truth is, missile defenses do not threaten Russia. If Russia and the United States are no longer adversaries, and are no longer targeting nuclear weapons against each other, how could the deployment of a limited defense against other potential adversaries threaten Russia in any way? How are we provoking Russia or undermining cooperation if we defend the American people against the likes of Kim Jong-II, Saddam Hussein, or Moammar Khadafi?

Those who say that any decision to protect the American people against ballistic missiles will kill the START II Treaty are engaging in pure fear mongering. It is irresponsible and unsupportable.

Mr. President, against the current backdrop of political, economic, and military turmoil in Russia, against the backdrop of continuing noncompliance with existing arms control agreements, and against the backdrop of uncertainty over the verification regime, why are we rubber stamping this treaty with very little consideration in the Senate? With so many questions unanswered, it seems to me that the most responsible course of action would be for the Senate to delay action until we have a better understanding of the military and political situation that is unfolding in Russia. We also should demand full compliance with all existing arms control accords before ratifying a new, major treaty. In my view, to ratify START II now, when Russia remains in noncompliance with other accords, would legitimize their behavior and thoroughly undermine our national security. We would, in effect, be rewarding their defiance. That can only encourage more violations, and further jeopardize our security.

I urge my colleagues to carefully consider these issues. The Constitution clearly calls upon us to safeguard the interests of the Nation through the advice and consent process. While I support the initiatives recommended by the arms control observer group to help strengthen the resolution of ratification, they alone do not address the plethora of issues that remain outstanding. We do the Constitution and the American people a disservice if we fail to more thoroughly evaluate these issues prior to ratification. For these reasons I must oppose ratification.

Mr. President, I ask that several articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 21, 1996]

RUSSIA BALKS AT ARMS ACCORD—FAILURE TO IMPLEMENT CLINTON-YELTSIN AGREEMENTS FRUSTRATES U.S. OFFICIALS

(By Thomas W. Lippman)

Russia has balked at implementing any of the nuclear security and weapons inspection agreements announced by President Clinton and President Boris Yeltsin at their summit meeting last May, throwing up a major roadblock to U.S.-Russian cooperation in key security issues, U.S. officials said.

After a promising start on discussions aimed at carrying out the agreements, the Russians pulled back and have essentially suspended the talks, according to several officials who said they were perplexed and frustrated by the developments.

Officials at the State Department, the White House and the Arms Control and Disarmament Agency said it is unclear why the Russians have backed away and there may be multiple reasons. What is clear, they said, is that the mutual inspections and data exchanges on weapons and nuclear materials—which the presidents said would happen—are not about to happen.

The failure to carry through on the agreements does not itself threaten U.S. security or U.S.-Russian relations, officials said. But in the context of other recent developments in Russia, such as the removal of almost all pro-Western reformers from Yeltsin's government and the appointment of a Russian nationalist, Yevgeny Primakov, as foreign minister, it adds to a troubling recent pattern that has clouded Washington's relations with Moscow.

"We hope to implement all the agreements presidents Clinton and Yeltsin arrived at during their Moscow summit," State Department spokesman Nicholas Burns said. "Over the past couple of years we have found that some of these arms agreements are very difficult, and it is sometimes necessary to bring in senior officials because the bureaucracy in both countries can only take them so far," Burns said. He added that the United States and Russia are cooperating on many other issues, such as the peacekeeping mission in Bosnia.

Clinton and Yeltsin on May 10 issued a "Joint Statement on the Transparency and Irreversibility of the Process of Reducing Nuclear Weapons," containing measures by which each country could assure itself that the other was carrying out promised nuclear weapons reductions.

They said the two countries would "exchange on a regular basis" detailed information on their stockpiles of weapons and nuclear materials. They also said the two countries would undertake "reciprocal monitoring" of the facilities where they store nuclear materials removed from dismantled warheads. And they said they would "seek to conclude in the shortest possible time" a legal agreement ensuring protection of the exchange data.

None of it has happened. The legal agreement was never negotiated, making it impossible to exchange classified data and develop the "chain of custody" agreement sought by the United States. And the United States refused to allow Russian officials to inspect the only U.S. nuclear weapons dismantlement facility, the Pantext plant near Amarillo, Tex., because Russia would not allow U.S. inspectors to visit a comparable plant there.

In the same joint declaration, Clinton and Yeltsin "urged progress" in carrying out a 1994 agreement by which Russia was to cease producing plutonium, the key building block of nuclear weapons. That has not happened either, officials said, but for different reasons: The United States has been unable to come up with the money to replace the electric power and heat generated by the Russian plutonium-producing reactors, so the reactors still are operating.

Discussions on this issue are to resume later this month, Energy Department officials said.

The failure to implement the agreements contributes to widespread suspicion in Congress about the ability and will of the Russian defense establishment to carry out such accords.

That suspicion was manifest when the Senate began consideration of the START II arms reduction treaty on the Friday before Christmas. In that session, which attracted little notice because of the timing, the Senate approved a Resolution of Ratification that directs the president to follow specific procedures in the event of Russian noncompliance.

"In the event that noncompliance persists" after diplomatic approaches, the resolution says, the president must return to the Senate for a determination of whether the United States will continue to be bound by the treaty.

"Obviously we all hope and require that the Russians fully comply with START II," said Sen. John Kyl (R-Ariz.).

"But their record and the record of the former Soviet Union with respect to compliance with arms control agreements is somewhat dubious. I will note just a few of the areas of violation in the past: the Biological Weapons Convention, the Chemical Weapons agreements, the Missile Technology Control Regime, START I and the conventional forces in Europe treaties. All of these agreements have provisions that Russia has in one way or another failed to comply [with]," Kyl said.

The START II treaty, signed in 1991, requires the United States and Russia to make further deep cuts in their nuclear arsenals and delivery systems by 2003. During the pre-Christmas discussion, senators of both parties made clear that they will ratify it by an overwhelming vote, but the resolution they adopted specified that this country will not be bound by its terms until it has been ratified by the Russian Duma, a much more dubious proposition.

Russian ratification is not imminent, several analysts said, because of strong opposition in the recently elected Duma, or lower house of parliament, where many members reportedly regard its terms as skewed in favor of the United States.

The Senate resolution called on "both parties to the START II treaty to attach high priority" to implementation of the May 10 joint declaration so that compliance with START I and START II can be verified, but did not make implementation a condition of START II ratification.

U.S. officials involved in the "transparency and irreversibility" issue offered several explanations of what might be holding up an agreement on the Russian side.

"The Russians have essentially told us they are doing a reassessment. It probably has to do with the political situation there," one said. "They have a lot of communists and nationalists in the Duma."

The Russians "have very limited interagency communication," another source said. "Their vertical communication is relatively poor. And there's the fiefdom problem," an indirect allusion to the prickly and independent Russian Atomic Energy Minister, Viktor Mikhailov. "We're talking about letting out information about the crown jewels," another U.S. official said. "Both sides are pretty nervous about it, but especially them."

[From the Defense News, Jan. 22–28, 1996]

CTBT TALKS HINGE ON CHINA TEST STANCE

The upcoming round of negotiations on a Comprehensive Test Ban Treaty (CTBT), which begins Jan. 22 in Geneva, will be the most crucial in the 38-nation talks, experts said last week.

An agreement on a draft text is necessary by the end of the 10-week session to meet a September U.N. deadline, John Holum, director of the U.S. Arms Control and Disarmament Agency, said Jan. 19.

China's insistence that a CTBT treaty allow so-called peaceful nuclear explosions is considered a key obstacle in the talks, which are ruled by consensus. The other major nuclear powers have rejected China's stance.

[From the Washington Post, Jan. 21, 1996]

JAPANESE FOREIGN MINISTER DELIVERS MESSAGE OF COMMITMENT TO THE UNITED STATES

(By Thomas W. Lippman)

Japanese Foreign Minister Yukihiko Ikeda, in office barely a week, raced through high-level Washington in the past few days with a message of friendship, reassurance and commitment to the U.S.-Japan security partnership in Asia.

In meetings with President Clinton and his senior foreign policy and national security advisers, Ikeda said the United States and its troops in Japan are "vital" to the security of a potentially unstable region.

That Prime Minister Ryutaro Hashimoto sent him here on short notice on his first official mission reflects the Japanese government's view that the United States represents "our most important bilateral relationship," Ikeda said yesterday.

In the past such views might have been unremarkable. But the alleged abduction and rape of a Japanese schoolgirl by U.S. servicemen on Okinawa last year have led to questions here and in Asia about the desirability of keeping nearly 50,000 U.S. troops in Japan.

Essays have been streaming out of foreign policy think tanks suggesting that the vigorous, economically strong countries of the region should assume more responsibility for their own security and the U.S. role perhaps should be reduced.

Absolutely not, said Ikeda, a former director general of Japan's defense agency. In the absence of a regional security framework such as NATO, he said, the United States and its bilateral security agreements with Japan, South Korea, the Philippines and Taiwan are the "pivot" of Asia-Pacific stability.

In a statement issued as he took office Jan. 11, Hashimoto said "the Japan-United States relationship is vital for the peace and stability of the Asia-Pacific region, as well as for the entire world."

Ikeda used similar language yesterday in a meeting with Washington Post editors and reporters. The United States and Japan, he said, will make "the utmost effort to try to prevent the Okinawa incident from becoming an obstacle to the vital U.S. role in the region."

Clinton is scheduled to make a state visit to Japan in April. On Friday, Ikeda and Secretary of State Warren Christopher agreed to accelerate the work of a joint commission studying the grievances of Okinawans about the U.S. troop presence in the hope of devising a solution by the time Clinton visits, according to State Department spokesman Nicholas Burns.

It may well take longer, Ikeda said yesterday. "A solution is very difficult to find," he said. "The Okinawan people want the troop presence drastically reduced. But the security of Japan has to be considered as well. . . . We have to allow the United States to perform its obligation."

About 26,000 U.S. troops, or more than half the forces in Japan, are on Okinawa. Ikeda said possible outcomes include the redeployment of some troops from Okinawa to other parts of Japan, smaller U.S. bases and increased local input into decisions by U.S. commanders.

As potential sources of instability in East and Southeast Asia, Ikeda cited economic chaos and political instability in North Korea, the presence of Russian troops in the Pacific basin, military buildups in Southeast Asian nations and territorial disputes such as the overlapping claims to the Spratly Islands.

He also noted that China's defense spending has been increasing by about 20 percent a year. "Japan is not defining China as a threat or a risk," he said, but Beijing's military buildup must be taken into account as "an objective fact."

In a paper published Friday urging the United States to resist calls for reduction of its military presence in Asia, former undersecretary of state Arnold Kanter said: "So long as the United States is seen to be both committed to maintaining robust military forces in the region and reliable in honoring in commitments, China's neighbors see less need to respond to changes in its capabilities. This stabilizing role performed by the U.S. presence also helps to reassure countries in Southeast Asia about Japan, and Japan and South Korea about each other."

Ikeda agreed. "Other nations enjoy indirectly the benefits of the U.S.-Japan security treaty, he said.

[From the U.S. News & World Report, Jan. 29, 1996]

CONVERSATION WITH THE PRESIDENT: THE VIEW FROM THE OVAL OFFICE

(President Clinton met for an hour in the Oval Office last week with U.S. News White House correspondents Kenneth T. Walsh and Bruce B. Auster. Excerpts of their conversation.)

Bosnia. I'm more than satisfied with the troops.

I have some concerns. I want them to hurry up and do whatever we can to continue to improve [troop] living conditions. We've got to get the laundry set up, better food. That's a big part of morale. They're over there in a strange place in a cold winter with a lot of mud, and I want them to know that we're doing everything we can for the quality of life.

We have to supervise the separation of forces. After that, as we monitor those areas, I'm still concerned, although we're making good progress, about all the demining efforts. I don't want to lose anybody to those mines.

I'm just hoping that we have enough time to move this civilian reconstruction effort fast enough so that people will begin to see and feel the benefits of peace.

[From the Defense News, Dec. 4–10, 1995]

RUSSIA BUILDS UP NUCLEAR ARSENAL AS PROSPECTS FOR START II FADE

(By Anton Zhigulsky)

MOSCOW.—As prospects dim for U.S. and Russian ratification of the Strategic Arms Reduction Treaty (START II), Moscow is quietly, yet steadily, bolstering its nuclear arsenal with new and upgraded missiles and strategic bombers from its neighboring Cold War client state of Ukraine.

In addition to the 32 SS–19 intercontinental ballistic missiles that Moscow intends to acquire from Kiev, Russia's Strategic Rocket Forces (SRF) is working to increase the life span of its silo-based multiple-warhead ballistic missiles by 25 years.

Moreover, Russian Defense Ministry sources say the potential threat posed by expansion of NATO could accelerate development and production of a new multipurpose battlefield missile with a range of 400 kilometers. Earlier this year, the Defense Ministry announced that the new missile was successfully tested and could be deployed within two years.

As for bombers, Moscow has decided to buy 19 Tu–160 Blackjacks and 25 Tu–95 Bears from Ukraine, Pyotr Deinekin, Russian Air Force commander, said in a Nov. 28 interview.

The Tu–160 bombers are sleek, thin-nosed aircraft that can carry 12 air-to-surface missiles and fly 12,000 kilometers without refueling, while the Tu–95 can carry up to four thermonuclear bombs and fly 8,285 kilometers without refueling.

Deinekin said Moscow also is planning to receive more than 3,000 cruise missiles from Ukraine, but he refused to provide further details about the potential cruise missile transfer.

U.S. and Russian diplomats are gloomy about the chances for ratification of the 1993 START II by the Russian parliament. Neither the Russian Duma nor the U.S. Congress has ratified START II, which would limit Moscow and Washington to between 3,000 and 3,500 nuclear warheads each.

The START II treaty is languishing in the Duma as Russian lawmakers gear up for scheduled Dec. 17 elections, according to Russian and U.S. diplomats. No Russian lawmaker has anything to gain from pushing the treaty, as nationalist sentiment among the Russian public is running at a fever pitch, these officials said.

Sergey Rogov, director of the Institute of USA and Canada in Moscow, said Nov. 16 that hard-line politicians also are linking ratification of START II to key Western policy decisions: no NATO expansion and no U.S. move to deploy theater ballistic missile systems considered by Moscow to violate the 1972 Anti-Ballistic Missile treaty. Rogov spoke at a conference sponsored in Washington by the National Defense University, Fort McNair.

In another sign of the faltering U.S.-Russian strategic relationship, Russian officials last week canceled planned negotiations aimed at reaching an agreement to provide mutual access to classified access to information about ongoing nuclear disarmament efforts. The talks, known as the Consultations on Safeguards, Transparency and Irreversibility, were scheduled to take place here Nov. 27–28.

While a State Department spokesman said Nov. 30 the talks were canceled due to "mutual inconvenience," other U.S. government officials said last week the talks have been at a complete impasse for some months. Russia's Atomic Energy Ministry officials have been loath to provide access to certain data U.S. nuclear experts consider crucial to verifying dismantlement activities, U.S. experts said.

Meanwhile, the acquisition of SS–19 missiles from Ukraine should maintain Russia's nuclear potential through 2009, Col. Gen. Igor Sergeyev, commander in chief of strategic forces, told Interfax news agency on Nov. 24.

Russia now has 150 silo-based SS–19 missiles, each with six warheads; while the Ukraine has 90. Kiev inherited 130 of these missiles after the collapse of the Soviet Union in 1991 but has been sending warheads to Russian for dismantling, as required by international disarmament agreements.

A Ukrainian Defense Ministry source said all nuclear warheads would be removed from Ukraine by the end of 1998. In a Nov. 28 interview, he noted that Ukraine already has transferred 40 percent of its 1,600 warheads to Russia for dismantling.

[From the Worldwide Weekly Defense News; Nov. 20–26, 1995]

HARD-LINE RUSSIANS TOUT NUKES TO MATCH WEST

(By Theresa Hitchens and Anton Zhigulsky)

MOSCOW.—A renewed emphasis on nuclear weapons is among the elements of a new, more aggressive strategic posture toward the West by hard-line politicians and military leaders in Russia, who grow increasingly strident as planned parliamentary and presidential elections near, and the health of President Boris Yeltsin reportedly declines.

Former Communists and populist party officials here said the development of new strategic missiles is needed to counter alleged Western conventional superiority. Moscow also should reject a number of U.S.-Russian nuclear arms control treaties, according to party leaders.

Gen. Boris Gromov, Russian deputy foreign minister and head of one of the most popular parties in the partliamentary race scheduled for Dec. 17, said Nov. 14 that Moscow's strategic policy inevitably will change after the elections.

"The United States remains Russia's main opponent in all regions of the world, and the strategy should be changed considering this fact," Gromov told a news conference here.

Gromov's views are echoed by another prominent military leader-turned popular politician, Gen. Alexander Lebed. The platform of Lebed's party, Congress of Russian Communities, promises to "give back to Russia its former greatness."

Many of the new strategic concepts being embraced by hard-liners have been distilled in a new report being circulated within the Russian Defense Ministry as an alternative to current military doctrine. Called "Conception of counteracting Strategy Against Main Threats to the National Security of Russia," the paper was written by Anton Surikov, an analyst at the Moscow-based USA and Canada Institute of the Russian Academy of Sciences.

Mr. STEVENS. Mr. President, I am pleased to lend my voice to those of my colleagues supporting the passage of the treaty between the United States of America and the Russian Federation on further reductions and limitations of strategic offensive arms, known more commonly as START II.

The original START Treaty mandated United States and former Soviet Union reductions to 6,000 strategic offensive nuclear weapons incorporated in intercontinental ballistic missiles, submarine-launched ballistic missiles, and heavy bombers.

START II goes further by limiting each country to 3,500 accountable warheads on strategic offensive nuclear weapons on ballistic missiles, and nuclear weapons on bombers in each country.

This is a reduction of one-third of the number of deployed nuclear weapons each country managed in 1990.

START II significantly reduces the United States and Russian nuclear arsenal. I am satisfied that the treaty provides an inspection regime that will verify compliance with the treaty, and that the United States will continue to have a nuclear response capability appropriate for any possible future threat.

I recommend the Senators on the Arms Control Observer Group for their bipartisan investment in dialogue and compromise that has brought us to this moment. I also recognize the tireless efforts of the Arms Control Observer Group staff, and the members and staff of the Senate Foreign Relations Committee in making START II a reality. And I would be remise if I did not recognize President Bush for his foresight in negotiating this Treaty and signing it in January 1993.

With the world awash in turmoil, Mr. President, we should all be very encouraged by the action of the Senate today in moving this treaty. The United States is the world's only superpower. And it is appropriate for the rest of us to bring leadership to the rest of the world, particularly with regards to the issue of weapons of mass destruction.

I encourage the Senate to move the START II Treaty today with the knowledge that the future of mankind is more secure because of it.

Thank you, Mr. President.

Mr. DODD. Mr. President, today marks a truly historic moment in our Nation's history. Today we raise our voices in affirmation of peace and security not just for our generation, but for generations to come. Today we embark on a voyage toward sustained peace and nucelar stability.

The START II Treaty is the single most comprehensive weapons reduction measure in modern history. It will forever end the continued proliferation of our nuclear stockpile and limit the level of those weapons to a fixed and verifiable number. I can think of no greater solution to the nuclear dilemma than that which is before us today.

As a matter of history, let me remind my colleagues that this treaty is a product of strong bipartisan effort spanning three administrations, both Republican and Democratic. And as a member of the Senate Foreign Relations Committee, I am humbled to stand here this day and participate in this important event.

Finally, we must remember that today's action in no way reduces our national strength or resolve. Our vigilance remains strong, and our commitment to peace even stronger.

This is the dawning of a new chapter in American strategic strength and peace, and I urge my colleagues to join me in supporting this historic measure.

Mr. BINGAMAN. Mr. President, today the Senate will provide its long-overdue advice and consent to ratification of the START II Treaty. I believe that this may be the most significant accomplishment that this body will have in this Congress. That will depend on whether our action is followed by similar action in the Russian Duma in the months ahead.

I regret that we were not able to take this action months ago. At the end of last March Senator LUGAR predicted that the treaty would be ready for Senate debate in May. It should have been, but it wasn't through no fault of the Senator from Indiana. I hope that the 8 months delay has not hurt the treaty's prospects in the Duma. It clearly is overwhelmingly in Russia's interest, as well as our own, that this treaty go into force as soon as possible.

Mr. President, this treaty will truly reduce the nuclear danger in ways unimaginable when I entered this body in 1983. Then we argued about nuclear freezes and nuclear build-downs at levels far above those stipulated in START II. Now the United States and Russia are truly reducing their nuclear stockpiles under the START I Treaty that went into force in December 1994 and we will reduce far further under START II. Land-based multiple warhead missiles, the most destablizing weapon of the cold war, will be eliminated. Arsenals in both sides will be reduced to 3,500 warheads and bombs. Far more of the strategic nuclear threat will be eliminated by this arms control agreement than anyone ever contemplated countering through missile defenses, even at the height of the exaggerated claims of the SDI program. President Bush was right to be proud of this treaty and his role in negotiating it.

Mr. President, today's action will allow Vice President Gore to press Prime Minister Chernomyrdin next week to accelerate the Duma's consideration of the treaty. Newly appointed Foreign Minister Primakov has said that the Duma would await Senate action on the treaty. Now they not need wait any longer. I hope that they will complete their deliberations promptly.

As the President pointed out in his State of the Union message the other night, this could be the year in which truly significant strides are made in arms control and in defining a safer, more stable world. I hope that our action today will be followed by a similar overwhelming vote by this body on ratifying the Chemical Weapons Convention in the spring and by conclusion of a Comprehensive Test Ban Treaty among the nuclear weapon states by summer.

If all that is accomplished and then fully implemented, our children and grandchildren will remember 1996 as a watershed year in the post-cold-war era. And these accomplishments, if they can be achieved, will be remembered far longer, I suspect, than anything that comes out of the endless budget debate in which we have been engaged.

I yield the floor.

Mrs. KASSEBAUM. Mr. President, the Senate is debating whether to give its consent to a treaty between the United States and the Russian Federation that will significantly reduce the number of strategic nuclear weapons on each side. This is a solemn responsibility that our Constitution vests in the Senate, and nobody in this body undertakes this task lightly.

The Senate has taken nearly 3 years to consider this agreement, which was transmitted to us in the last days of the Bush administration. Both the Foreign Relations Committee and the Armed Services Committee have conducted hearings on the treaty and have carefully reviewed its provisions. We have heard from negotiators, foreign policy experts, military officers, and many other analysts. We have heard many thoughtful arguments pro and con.

Based on that record, I believe implementation of the second Strategic Arms Reduction Treaty [START II] is strongly in the national interest of the United States. This treaty, if implemented, will represent, in the words of President Bush, "a watershed in our efforts to stabilize the nuclear balance and further reduce strategic offensive arms."

Let me be clear that the START II agreement, while important, leaves unresolved many difficult aspects of the cold war's nuclear legacy. We must find ways to secure and, ultimately, to destroy the fissile material from the dismantled arsenals of the United States and former Soviet Union. We must prevent proliferation both of nuclear materials and of delivery systems. We must pay the environmental price of cleaning up weapon sites.

Above all, we must continue to adapt our defense and national security strategies to our times and to strengthen the relationship between ourselves and the Russians: We must ensure that those nuclear weapons that do remain on both sides will never be used.

All of these difficult tasks lie outside the limited reach of the START II Treaty. But this treaty will meet one decade-old problem head on. It will significantly reduce the number of nuclear warheads on the Eurasian land mass that are capable of striking the United States. For that reason, I support it.

The cold war is over, but the task of safely destroying much of the bloated nuclear arsenals of the former Soviet Union and the United States has yet to be completed. The START II Treaty, which entered into force 1 year ago in December, takes us in that direction. Already we have begun to see its results. In October, in a ceremony broadcast by many television news programs, Defense Secretary Perry and the Russian Defense Minister traveled to Whiteman Air Force Base near Kansas City to watch the destruction of United States intercontinental ballistic missile in accordance with START I, and Secretary Perry has attended a similar ceremony in the former Soviet Union.

But START I alone is not enough. START II will carry on the unfinished business of dismantling the cold war's legacy of terror and strategic nuclear instability.

Several of my colleagues have outlined in detail the treaty's requirements. In sum, I believe it is fair to say that START II serves America's national security interests in two basic ways.

First, it would cap at 3,500 the number of accountable nuclear warheads that each side may possess. The START I limit is 6,000 warheads on each side, and that agreement is not yet fully implemented. In practical terms, implementing START II means the Russians will have to destroy roughly 4,000 nuclear weapons that today are in their arsenal.

I, for one, believe that even START II will not complete the important work of nuclear arms control, and I would hope the administration will vigorously explore the option of pursuing a third strategic arms treaty to reduce further the allowable number of warheads and to include not only the United States and Russia but the other nuclear powers as well.

Second, the START II Treaty would prohibit the use of multiple warheads [MIRV's] on missiles. The United States long has sought this important goal, which is key to a stable nuclear balance.

I commend the majority leader, Senator DOLE, for his decision to bring this important treaty before the Senate. Of course, the process of putting this agreement into force does not stop with the U.S. Senate. The treaty also must be approved by both houses of the Russian legislature. Significant political changes are underway in Russia, particularly in light of December's parliamentary elections and the coming Presidential election. It would be unfortunate, indeed, if this important agreement became entangled in Russia's internal political debates.

For that reason, I believe the Senate must send a strong message of support. We must make clear that the United States is strongly committed to reducing our nuclear arsenal in the responsible manner outlined by START II as long as the Russians will do the same. I urge my colleagues to vote in favor of the resolution of ratification.

Mr. KERRY. Mr. President, the vote that will occur later this afternoon on the resolution of ratification for the START II Treaty is a truly historical event in the course of man's attempt to curtail conflict and violence and resolve differences by peaceful means. It is an especially historical event in the much briefer but arguably more frightful history of the world's effort to prevent use in anger of the terrifying power of nuclear fission and fusion, power that was initially unleashed only five decades ago.

When the Senate took up this this treaty on the floor on December 22, I spoke at some length concerning the potential benefits of this treaty for the United States, Russia, and, indeed, the entire world. I spoke of the great leap forward that this treaty represents as it is added to the foundation of earlier arms control agreements, notably including the original START Treaty signed by the United States and the Russian Federation in 1991 that provided for the first real reductions, rather than just limits on further growth, of strategic offensive arms of both nations. The leap forward that START II represents will increase the stability of the nuclear balance, ban deployment of the most destabilizing type of nuclear weapons system—land-based intercontinental ballistic missiles with multiple independently targetable nuclear warheads [or MIRV's], and reduce the number of nuclear weapons the United States and Russia each possess to 3,500.

The debate on December 22 is a part of the record, and lays out clearly the history of this treaty, its importance to enhancing stability and reducing the likelihood of use of nuclear weapons in anger, and the specific provisions of the treaty. This information is contained in the remarks of the distinguished Senator from Indiana [Mr. LUGAR] who served with distinction as a former chairman of the Foreign Relations Committee, the remarks of the distinguished ranking member of the Committee, Mr. PELL, who also served admirably as a previous chairman of the committee, and my remarks and those of the other Senators who participated in that debate. It is not necessary to take the time of the Senate today to repeat or embellish those remarks. The treaty's record is clear. Its benefits are clear. It will pass overwhelmingly this afternoon.

I am gratified that I was able to play a role in bringing us to this point by reaching an agreement with the chairman of the Foreign Relations Committee, Mr. HELMS to release for Senate floor action the treaty, which he was holding hostage until he could obtain floor action on the annual reauthorization bill for the State Department and its activities which he chose to use as a vehicle for provisions to dramatically reduce the structure of, and funding for, the agencies that implement our Nation's foreign policy and represent the U.S. interests to the rest of the world. The START II Treaty was and is too important to have been used in such a manner. While it should have been possible for the Senate to act on it much earlier than today, I am relieved that at least our action was not delayed beyond today, and am pleased to have played a role in liberating it so the Senate can give it ringing endorsement.

Once again, Mr. President, I compliment Senator LUGAR, Senator PELL, and all other Senators who have labored through the analytical and hearing processes to demonstrate conclusively that START II will significantly benefit the United States. I am fervently hopeful that the Russian Duma will act expeditiously and favorably on the treaty, sharing our recognition that it is strongly in the best interests of both nations, and that we do not discover that the delay in Senate consideration, during which Russia has experienced considerable political flux and has elected a number of new members to the Duma, has fatally injured the treaty. The treaty's ability to increase stability and reduce the risk of nuclear conflict will be even more important to the extent Russia's political unrest continues or accelerates.

Mr. THURMOND. Mr. President, Although I have reservations concerning the START II Treaty, I intend to support the resolution of ratification reported from the Senate Foreign Relations Committee. Many of my concerns have been addressed in the package of amendments the Senate adopted on December 22, 1995, which were drafted by the Arms Control Observer Group.

In addition to a number of hearings held by the Senate Foreign Relations Committee and the Senate Select Committee on Intelligence, the Senate Armed Services Committee conducted two hearings on the military and national security implications of ratification of START II.

The START II Treaty, signed by Presidents Bush and Yeltsin in January 1993, will hopefully contribute to the positive change in the relationship between the United States and the States of the former Soviet Union. If ratified and implemented by the

United States and the Russian Federation, START II will represent a continuation of the unprecedented reduction of the strategic arsenals of both sides. But we must always keep in mind that reductions for the sake of reductions do not necessarily contribute to stability. Unless these reductions contribute to strategic stability, they can actually undermine our national security. If START II is implemented and complied with, I do believe that it will be stabilizing. If, however, its terms are modified to allow, for example, the retention of heavy, multiple-warhead ICBM's, then this agreement could actually be destabilizing. As I stated back in 1992, when the committee considered the military implications of ratifying START I, I believe that stabilizing reductions in nuclear weapons are in the best interest of this Nation and humanity.

Whether START II will contribute to or undermine stability will also be determined by other factors. For example, the United States must fully exercise its rights to maintain a survivable and reliable strategic deterrent force. In my view, we must also begin to rethink the basic concepts underlying deterrence. As the sides reduce their forces below START I levels, we must be concerned about the long-term survivability of the force in an offense-only configuration. In my view, we must begin to modify our strategic policy to incorporate a more balanced mix of strategic offensive and strategic defensive forces. In the long run, as the cold war confrontation fades, we may even make a complete change to a defense dominant posture.

The long-term value of START II also depends on the sides' complying with its terms. In this regard, there is reason for concern. Russia has continued, to a very disturbing degree, the Soviet pattern of violating or circumventing the terms of various arms control agreements. Russia's failure to implement the agreements reached at last May's summit meeting is yet another reason for concern.

If ratified, fully implemented, and complied with, START II will achieve three principal objectives: First, the reduction of strategic nuclear warheads to a level at or below 3,500—more than a two-third reduction over current levels; second, ban the deployment of multiple-warhead intercontinental ballistic missiles; and third, obligate Russia to destroy all its SS–18 heavy ICBM's and to destroy or convert all its silo launchers for these missiles. If this last objective is not achieved, however, the stabilizing impact of START II will be seriously eroded.

During the Armed Services Committee's consideration of the military implications of ratification of START II, I raised a number of concerns, including concern about whether Russia would ratify the treaty with amendments that would allow them to keep their MIRV'd ICBM's, in particular the SS–18's. I was also concerned by administration efforts to unilaterally implement START II reductions prior to Russian ratification of START II. To date, Russia has not ratified START II, and I am not sure when it will. Until this happens and it is clear that START II will be implemented by both sides, I do not believe that the United States should take any irreversible actions to go below START I levels.

In September 1994, the administration concluded a review of U.S. nuclear policy and its nuclear force posture to determine the appropriate strategic nuclear force for the United States in the year 2003, when START II limits are supposed to be reached. The nuclear posture review [NPR] concluded that the United States would continue to rely on a "Triad" of strategic nuclear forces and a policy of nuclear deterrence to deter any future hostile foreign leadership with access to strategic nuclear weapons, and as a hedge against a reversal in political reforms in Russia, which made START II possible in the first place.

In essence, the Nuclear Posture Review recommended that the United States continue to maintain its nuclear triad, that it would maintain its mix of land, air and sea-based strategic nuclear delivery systems—while reducing the number of warheads to bring the U.S. into compliance with START II provisions. However, that recommended level would be below the level authorized under START II.

In addition to 20 B–2 bombers and 450–500 single warhead Minuteman III ICBMs, the NPR recommended that the U.S. triad include 14 Trident ballistic missile submarines versus 18 permitted under START II, and 66 B–52H bombers versus 94 permitted under START II. The NPR also directed DoD and DoE to maintain a nuclear weapons capability without underground nuclear testing and without producing fissile material. In order to accomplish this requirement, the NPR directed that a number of actions take place: development of a stockpile surveillance engineering base; and the maintenance of capabilities that include the ability to refabricate and certify weapons types, design, fabricate and certify new nuclear warheads (if necessary), and maintenance and support of a science and technology base.

Mr. President, given budget constraints, I remain concerned about the ability of the United States to maintain an adequate strategic nuclear force that would enable us to deter a nuclear attack. With regard to the future nuclear stockpile, I am concerned about the ability of DoD and DoE to meet its supply responsibilities. Quite frankly, I do not see how they will maintain the stockpile without underground nuclear testing.

As directed by the Nuclear Posture Review, the United States will continue to require and depend on its strategic forces for the foreseeable future to deter a broad range of threats. In order to do this, we will have to move away from an offense-only policy of deterrence, which will require the United States to work cooperatively with Russia.

As I stated during the Committee's hearing on May 6, we must move beyond the mindset of the ABM Treaty that equates vulnerability with stability. If we are to continue reducing our strategic nuclear forces—which is already the subject of interagency discussions—we must integrate defense into our deterrence policy and break the linkage between such reductions and the ABM Treaty.

I have been troubled by the Administration's careless linkage of START II with U.S. missile defense programs and the ABM Treaty. Although I certainly agree that there is a relationship between strategic offensive forces and strategic defensive forces, I believe that the Administration is dangerously misguided in its characterization of this relationship. Not only is ballistic missile defense not a threat to deterrence and strategic arms control; it is complimentary and may even be essential if we proceed with further reductions. There is no reason why the United States and Russia cannot agree on a stabilizing plan to transition from Mutual Assured Destruction, which is fundamentally still our unstated policy, to a world of assured security through defensive deployments.

We must come to terms with the fact that the ABM Treaty is outdated and must be revised and eventually replaced. By constantly reinforcing the mutual vulnerability logic that underlies the ABM Treaty, this Administration has simultaneously reinforced those in Russia who are most insistent on maintaining their destabilizing strategic offensive forces. Rather than trying to hold on to the cold war relationship, the Administration should attempt to nurture U.S.-Russian cooperation in the area of missile defense and defensive stability.

Before closing, I would like to amplify for purpose of this debate, my deep concern about actions taken by the Administration in the various arms control consultative commissions.

The role of the consultative commissions is to enable implementation of arms control treaties. The consultative commissions are to provide a forum for the parties to make technical and administrative changes to the treaty so that the provisions of the treaty can be implemented. Or, if there is a disagreement, to provide a forum for the parties to discuss compliance questions.

However, over the past couple of years, the Administration has used the consultative commissions of a number of Treaties, such as the Intermediate Range Nuclear Forces (INF) Treaty, the Conventional Forces in Europe (CFE) Treaty, and START, to make a number of changes that I would define as more than just technical or administrative changes. In fact, I view these changes as substantive in nature, modifying the Treaties in a way which changes the original understanding under which the Senate provided its advice and consent.

The defense budget funds most of the costs of implementing arms control treaties, and as a result, to the extent it can, the Armed Services Committee has been monitoring these actions. As a result of some of these actions, the Committee has included language in the statement of managers for the defense authorization bills since 1993, requiring the Department of Defense to report to the Congress 30 days in advance of any agreement that would result in an increase in the costs of implementing the arms control agreements. DoD and administration efforts to inform the Congress prior to concluding these agreements, as well as recommending these changes, have been erratic at best.

It is my view that the President should notify the Congress 30 days in advance of concluding an agreement in the consultative commission, any change to interpretations of provisions, or implementation modifications and obligations that result in increases to implementation costs, or differ from the Senate's understanding when it provided its advice and consent to ratification of the treaty. As an example of what I am referring to, let me ask unanimous consent that a copies of two September 1994 letters regarding a policy agreement on implementation of inspections under START, from the Secretary of Defense be printed in the RECORD.

Mr. President, even though I have concerns about a number of issues, as I stated earlier, with the inclusion of the Arms Control Observer Group amendments, I will support START II.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SEPTEMBER 21, 1994.

Hon. SAM NUNN,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to inform the Committee concerning an important issue that has arisen as we prepare for the implementation of the 1991 START Treaty in the new, multilateral context that has followed the breakup of the Soviet Union.

The START Treaty, like the INF Treaty before it, provides for certain inspection costs to be borne by the inspected Party. This was based on the assumption that the U.S. and the Soviet Union would conduct extensive inspections of each other's territory, whereby one side's inspection costs would be offset by the other party's inspection costs. This was done with the expectation that there would be an essential balance between the START inspections conducted by the two sides.

After the breakup of the Soviet Union, however, Belarus, Kazakhstan and Ukraine proposed in the START Treaty's Joint Compliance and Inspection Commission (JCIC) to have these inspection costs shifted to the inspecting Party. Given that they had little, if any, interest in inspecting U.S. facilities, they believed that such a change would be fair and appropriate, whereas the U.S. intended to carry out fully its inspection rights on their territories. They were concerned, therefore, that START cost provisions would impose on them an unbalanced cost burden.

In the JCIC, the U.S. side has refused to shift these costs. We have emphasized that we did not want any changes to the Treaty's obligations. Russia likewise has refused this proposal in the JCIC. Since Russia intends to carry out extensive inspections of U.S. facilities, Russia, too, wanted no change in these obligations.

The approach that we are developing in the JCIC in order to resolve this issue in the START context is similar to the understanding that was worked out in the Special Verification Commission (SVC) for the INF Treaty, which is the subject of a separate letter to you. Under this approach, which is consistent with the Treaty and the interests of the United States, each inspected Party will be responsible for inspection costs. However, for each six-month period in which Belarus, Kazakhstan or Ukraine chooses not to exercise its right to notify and conduct inspections of U.S. facilities under START, the U.S. will, as a matter of policy, reimburse certain costs for supporting U.S. inspections conducted on that Party's territory during the same period. These costs would be reimbursed using funds appropriated to the Department of Defense for treaty implementation purposes. If, however, one of those Parties notifies and conducts an inspection of a U.S. facility, thereby incurring host nation costs for the United States (aside from one initial multi-party baseline inspection), the U.S. will not provide reimbursement for any of its inspections on that Party's territory during the given six-month period.

This understanding will be reflected in an exchange of policy statements between the U.S. and each of these three Parties. We believe this represents an equitable solution that serves the interests of all five START Parties, both those (the U.S. and Russia) planning to make full use of their inspection rights and those (Belarus, Kazakhstan and Ukraine) that do not intend to do so.

During the START Treaty's four-month period for baseline inspections following entry into force of the Treaty, seventeen inspections (four in Belarus, four in Kazakhstan, and nine in Ukraine) would be required. Following the baseline period, the United States probably would conduct a total of between nine to thirteen inspections per year in Belarus, Kazakhstan, and Ukraine. OSIA estimates that future START Treaty inspections would run at most about $10,000.00 per inspection.

I want to emphasize that the exchange of policy statements is strictly a policy understanding. It will not be legally binding and no Treaty provision will be changed. The terms of the START Treaty will have their full force and effect, and each of these three Parties will have to carry out all of its Treaty obligations. This understanding will bring no change in the implementation of the START Treaty, which will be carried out in full accordance with the advice and consent already provided by the Senate. The Administration would not consider this to be a precedent for any other area of START implementation.

We attach considerable importance and urgency to the need to conclude this policy understanding with Belarus, Kazakhstan and Ukraine. With the prospect of START entry into force possibly occurring this fall, the priority objective of the United States at the coming session of the JCIC is to reach agreement among the five START Parties on all advance preparations needed to ensure that START enters into force smoothly and is carried out effectively. Reaching this understanding on reimbursements with Belarus, Kazakhstan and Ukraine will be essential to the achievement of this overriding U.S. objective.

I want to assure you that we will continue to keep the Committee informed of key developments affecting START implementation.

Sincerely,

WILLIAM J. PERRY.

THE SECRETARY OF DEFENSE,
Washington, DC, September 21, 1994.

Hon. SAM NUNN,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to bring the Committee up to date on an important issue that we have encountered in seeking to preserve and implement the 1987 Intermediate Nuclear Forces (INF) Treaty in the new, multilateral context that has followed the breakup of the Soviet Union.

As you are aware, the INF Treaty provides for certain inspection costs to be borne by the inspected Party. This was based on the assumption that the U.S. and the Soviet Union would conduct extensive inspections of each other's facilities, whereby one side's inspection costs would be offset by the other party's inspection costs. The inspection regime of the START Treaty was also based on this same premise, namely, that there would be an essential balance between the inspections conducted by the two sides.

After the breakup of the Soviet Union, the United States took steps to ensure that the twelve states of the former Soviet Union would be bound by the prohibitions of the Treaty and that the INF inspection regime would continue. Moreover, the successor states themselves, meeting at Bishkek on October 9, 1992, also made their own declaration expressing their commitment to the Treaty.

Of the four key successor states whose cooperation is required to ensure the continued implementation of the INF inspection regime, three of them, Belarus, Kazakhstan and the Ukraine proposed, in the INF Treaty Special Verification Commission (SVC), the forum for dealing with compliance and implementation issues, to have these inspection costs shifted to the inspecting Party. Given that they had little, if any, interest in inspecting U.S. facilities, they believed that such a change would be fair and appropriate, whereas the U.S. intended to carry out fully its inspection rights on their territories. They were concerned that INF cost provisions impose on them an unbalanced cost burden. Indeed, Belarus, Ukraine and Kazakhstan have not conducted a single inspection of the United States' facilities since the demise of the Soviet Union.

The U.S. refused to shift these costs, making it clear that the United States did not want to change the Treaty's obligations. Russia likewise refused this proposal. Since

Russia intended to carry out extensive inspections of U.S. facilities, Russia, too, wanted no change in these Treaty obligations.

This impasse was one of the factors behind the initial delays in the U.S. being able to carry out its INF Treaty inspection rights in Belarus, Kazakhstan and Ukraine after the breakup of the Soviet Union. To resolve the issue, we have worked out with each of these three Parties in the SVC an understanding consistent with the Treaty and the interests of the United States. Each inspected Party will bear the costs of each inspection. However, for each six-month period in which Belarus, Kazakhstan or Ukraine, as a matter of policy, does not exercise its right to notify and conduct inspections of U.S. facilities, the U.S., as a matter of policy, will reimburse certain costs for supporting U.S. inspections conducted on their territory during that period. These costs would be reimbursed using funds appropriated to the Department of Defense for treaty implementation purposes. If, however, one of those Parties notifies and conducts an inspection of U.S. facilities, thereby incurring costs for the U.S., the U.S. will not provide reimbursement for any of its inspections on that Party's territory during the given six-month period.

This INF understanding was reflected in an exchange of policy statements between the U.S. and each of these three Parties intended to cover the remaining period of the INF inspection regime, through May 31, 2001. We believe this represents an equitable solution that serves the interests of all five Parties, both those (the U.S. and Russia) planning to make full use of their inspection rights and those (Belarus, Kazakhstan and Ukraine) that do not intend to do so. I want to emphasize that these policy statements are not legally binding and that no Treaty obligations are being changed. The terms of the Treaty remain in full force and effect, and each of these three Parties must carry out all of its Treaty obligations. There is no change in the implementation of the Treaty regime, which is being carried out in full accordance with the advice and consent provided by the Senate in 1988. The Administration would not consider this to be a precedent for any other area of Treaty implementation.

Following the exchange of policy statements, the U.S. was able to resume its conduct of INF inspections on the territories of the three Parties. We recently suspended such inspections in order to consult with key Congressional Committees on this matter.

The United States has conducted seven INF inspections in Belarus, Kazakhstan, and Ukraine. The costs for these inspections was about $4,000.00 for each inspection. The United States intends, in any given year, to conduct seven total inspections in the combined territories of Belarus, Kazakhstan, and Ukraine. OSIA estimates that future inspections would run at most about $10,000.00 per inspection.

We place considerable importance on continuing U.S. INF inspection activity in Belarus, Kazakhstan and Ukraine. Full implementation of U.S. Treaty rights in these three key successor states is essential not only to the preservation of the INF inspection regime, but also in establishing the basis for the effective implementation of the START Treaty with these states.

Belarus, Kazakhstan and Ukraine also have proposed, in the START Treaty Joint Compliance and Inspection Commission (JCIC), a similar understanding for the START Treaty, which—as in INF—would not be legally binding and would leave all Treaty obligations fully in force. The U.S. side wishes to exchange such START policy statements in the JCIC so as to be prepared for entry into force of the START Treaty in the near future. We will provide to you a separate letter describing the understanding that is under consideration for START.

Let me assure you that we will continue to keep the Committee informed of key developments in both INF and START implementation.

Sincerely,

WILLIAM J. PERRY.

Mr. DOLE. Mr. President, the Senate is about to vote on the START II Treaty. START II is an example of the bipartisan way in which foreign and defense policy should be conducted. President Bush negotiated it and President Clinton is seeking the Senate's advise and consent.

In response to those who are now saying that the Senate is rushing into giving its advice and consent to this treaty, I would point out that this treaty came to the floor and is being considered under the provisions of several unanimous consent agreements reached over the course of the past 2 months.

The Senate arms control observer group worked on a package of conditions and declarations to the resolution of ratification which were agreed to prior to Christmas. These conditions and declarations will not require any changes to the START II Treaty, however, they are the binding terms under which the Senate gives its advice and consent to this treaty.

START II has received widespread bipartisan support because, if faithfully implemented by both the United States and Russia, it is in the United States' interest. The treaty provides for further reductions in United States and Russian missiles and warheads. These reductions will be stabilizing because the treaty also, and most importantly, provides for the de-MIRVING of land-based missiles and the elimination of heavy ICBM's such as the Russian SS-18. These were U.S. arms control objectives throughout the Reagan and Bush administrations. Unquestionably, de-MIRVING and eliminating heavy ICBM's are the principal benefits of START II.

We must keep in mind, Mr. President, that the Russian Federation must still take a number of actions to make the START II Treaty a reality. First, the Russian Duma must offer its consent to ratification. The prospects for such action are more uncertain after the recent elections—since Communists and extreme nationalists now represent more than a third of the Duma. Furthermore, the Russians and the Clinton administration must firmly commit not to backtrack on START II provisions. There is already talk of alleviating some of START II's burden on Russia in a follow-on agreement. We will need to carefully watch out for the so-called nuclear summit next spring and its possible results.

Mr. President, I would like to comment on the conditions and declarations to the resolution of ratification unanimously agreed to by the Senate on December 22. These address the strategic environment in which this treaty will operate and which it will help shape.

The fact is that the strategic environment has changed since President Bush negotiated START II. In particular, the threat of the proliferation of ballistic missiles has sharply escalated. When, on June 17, 1992, Presidents Bush and Yeltsin agreed upon the foundations for START II, they also issued a joint statement on a global protection system endorsing United States-Russian cooperation on missile defenses. Since the beginning of the Clinton administration, however, talks on this idea have lapsed and our National Missile Defense Program has languished.

Today, I would urge President Clinton once again to resume these discussions with Russia on cooperation on defenses. Let us recall that it was President Yeltsin who called for such cooperation in his January 29, 1992 speech to the United Nations. Let us see what might be possible, while recognizing that talking does not give Moscow a veto over our programs.

The Congress provided clear direction and substantial additional funding for missile defense programs. Unfortunately, President Clinton vetoed the defense authorization bill the first time around, precisely because it set out a course toward providing a national missile defense system.

In my view—with Russian cooperation or without—it is high time to move forward on a missile defense system which protects America—from Alaska to Florida, and Hawaii to Maine. Included in the package of amendments we have adopted is a declaration which states that missile defenses are necessary and complementary to START II reductions.

And so, as we give advice and consent to the START II Treaty we must be crystal clear: our vote in favor of START II is not in any way a reaffirmation of the ABM Treaty. Conversely—for those who would argue that the Senate should not give its advice and consent to the START II Treaty—withholding our consent to START II does not in any way affect the terms of the ABM Treaty or how the administration applies these terms.

One of the binding conditions the Senate has approved unequivocally states that nothing we do here in any way alters our rights and obligations under the ABM Treaty. In other words, we can propose changes to the ABM Treaty or, if necessary, withdraw from the ABM Treaty in order to defend America.

There are a few other pieces of the bigger picture we must keep in mind, including political developments in Russia. The amendment I offered—which was included in the manager's package—is a condition to the resolution of ratification which stipulates that the United States will not be legally bound by the START II Treaty if the Russian Federation does not ratify it. Furthermore, the condition requires the President to consult with the Senate if he decides to make reductions in our strategic forces below those currently planned. In that event he must also certify that such reductions are in the U.S. national security interest.

With respect to concerns about treaty compliance, it is no secret that Russian generals and politicians are saying openly and privately that they will not implement the START II Treaty if ratified. Let us not forget that the track record of compliance of the former Soviet Union and Russia is seriously marred.

The Soviet Union claimed to hold the ABM Treaty sacrosanct, but, wantonly violated it. For a long time, we have been worried about Soviet and Russian violations of the biological weapons convention. And, at present, Russia is in violation of the Conventional Forces in Europe [CFE] Treaty. One of the declarations to the resolution of ratification addresses the concern of potential violations to START II and requires the administration to brief and report regularly on Russian compliance with START II.

Finally, we can reduce our missiles and nuclear weapons to START II levels. But we need to preserve the reliability, safety and security of the strategic weapons we retain. The United States needs to develop a new post-cold-war nuclear doctrine in this era where we are faced with multiple threats from different regimes. It may be time to update our aging nuclear force with new weapons designs.

The Clinton administration is dismantling our nuclear weapons infrastructure and driving us toward a comprehensive test ban. Meanwhile, Russia is spending scarce resources on strategic modernization and updating its nuclear doctrine to include potential use against former Soviet States. I am pleased that one of the declarations included in the resolution of ratification speaks to the need to ensure the safety, reliability, and performance of our nuclear forces—which are and will remain, the cornerstone of our deterrent.

Mr. President, I would like to remind my colleagues that it was the Bush administration which negotiated START II. And START II, like the first START Treaty, was an outgrowth of the strategic arms reduction goals set by the Reagan administration. But, strategic arms control—under both the Bush and Reagan administrations was part of a smart, judicious and comprehensive approach to our national security—not the centerpiece of U.S. national security policy. Since the Clinton administration came to office, there has been an overreliance on arms control and a penchant for clinging to outdated cold war era thinking.

Mr. President, I am amazed at this administration, as well as some of my colleagues, and Moscow for their willingness to link the START II Treaty with the antiquated and hopelessly outdated Anti-Ballistic Missile [ABM] Treaty. Missile defense for America must be priority one at a time when ballistic and cruise missiles are coming into the possession of more and more countries. According to the Central Intelligence Agency, the North Koreans are currently working on a missile that will be able to hit Alaska and Hawaii. Iran, India, and others are also working on their own programs. Missile defense is not a threat to the Russians. It offers protection to us—and potentially to the Russians—during a time when the proliferation of weapons of mass destruction is escalating.

Mr. President, I support START II. However, the Clinton administration and Moscow must not backtrack on deMIRVing missiles and getting rid of the heavy SS–18's. The Clinton administration must also support the restoration of our aging nuclear infrastructure—almost two-thirds of which dates from before the mid-1970's. The President must also seek the strictest compliance from a Russia which is changing—and given the Duma elections, not for the better. Especially in light of the recent Russian elections, we must safeguard at all costs against unilateral U.S. implementation of START II. Furthermore, I urge the Clinton administration to join the Senate to reiterate—loudly and clearly—the traditional U.S. position: START II and the ABM Treaty are in no way linked. START II is a good treaty for us and Moscow, but it should not—and must not—be used to keep us from pursuing a national missile defense system.

Mr. President, notwithstanding the reservations, I think the Senate did the right thing this evening in overwhelmingly ratifying the START II Treaty.

Mr. LEVIN. Mr. President, first I just want to compliment Senator DOLE, the majority leader, for his support of START II. As he pointed out, this was negotiated and supported by three Presidents, two Republicans and one Democrat. The majority leader's support of this treaty, bringing it forward in the way he has in the great bipartisan tradition of the U.S. Senate. I just want to add my thanks to him for his work in this area.

Mr. President, the START II Treaty is overwhelming in our national interest. It deserves our full and strong support. It will require the reduction of thousands of nuclear weapons that could otherwise pose a threat to our security. It will eliminate the most destabilizing weapons. There is a military threat more fearsome than nuclear weapons. They alone have the capability to destroy entire cities and to cause unparalleled destruction of anything in their path.

The prospects of a nuclear war are so terrifying that they are hard to imagine. That is why every President since President Truman has made it one of the Nation's highest priorities to control nuclear weapons and to prevent nuclear war. We came frighteningly close during the Cuban Missile Crisis to using nuclear weapons. There have been several nuclear crises since.

That is why Defense Secretary Bill Perry, in testimony before the Foreign Relations Committee last March, quoted Andrei Sakharov saying:

> Reducing the risk of annihilating humanity in a nuclear war carries an absolute priority over all other considerations.

Probably the best way to reduce the likelihood of nuclear war is to reduce nuclear weapons below the excessive levels of the cold war, particularly those systems that made the United States and the Soviet Union most insecure. Secretary Perry agreed with Sakharov's assessment and noted that the START II Treaty is about reducing the risk of nuclear war.

The START II Treaty that is before us achieves what no other arms agreement has: It will eliminate all multiple warhead land-based missiles, known as MIRV missiles for their multiple independently targetable reentry vehicles. It will eliminate all of the Russian heavy SS–18 intercontinental ballistic missiles, the ICBM's that have particularly concerned our defense officials for so long.

Those systems, those heavy SS–18 intercontinental ballistic missiles, those MIRV, multiple warhead missiles are considered to be destabilizing and caused deep concern that in a crisis it would create pressures to use nuclear weapons, and to use them first. Eliminating these weapons is considered the most important single achievement of the treaty.

Mr. President, I know that this treaty has broad and indeed vast support in this Senate, but we should not forget the historic nature of today's vote.

This treaty was worked on for long periods of time, by Presidents Reagan and Bush, and then strongly supported by President Clinton. This is a historic day in the ratification of this treaty and should not go unnoticed because the Senate was so busily occupied in a whole host of other important matters.

It not only will reduce and remove the most threatening of the missiles and the most destabilizing of the missiles, it also reduces the overall level of deployed long-range warheads to about two-thirds below the previous cold war levels. It will require the United States and Russia each to reduce to a level of some 3,000 to 3,500 nuclear weapons instead of the more than 10,000 long-range warheads at the end of 1990. This is a dramatic reduction.

Finally, Mr. President, I want to comment briefly about the military's strong support for the ratification of the START II Treaty. The senior defense and military officials in this country are overwhelmingly supportive of the START II Treaty and for many months have urged us to act as quickly as possible to provide our advice and consent, to ratify the treaty so it can enter into force as soon as possible.

The overwhelming, unanimous support in the military includes the Secretary of Defense, the Chairman and Vice Chairman of the Joint Chiefs, all of the Chiefs of Staff and their civilian and military colleagues at the Pentagon.

This is what General Shalikashvili said now almost a year ago, March 1 of last year, before the Foreign Relations Committee. He said:

> On the basis of detailed study of our security needs and careful review of the Treaty, it is my judgment, and the unanimous opinion of the Joint Chiefs of Staff, that the START II Treaty is in the best interests of the United States. I recommend the Senate provide its advice and consent to START II's ratification.

Then at the same hearing General Shalikashvili explained his view of the value of START II, in part, in this way:

> As you well know [he said], START II builds on the progress of START I, but goes beyond it, because it will restructure our nuclear forces to eliminate instabilities that have always been matters of great concern to military planners and to our citizens alike. By this [he said], I'm of course referring to the elimination of all land-based missiles with multiple independently targeted re-reentry vehicles, as well as the last of the land-based heavy ICBM's, the Russian SS-18's.
>
> As Secretary Perry mentioned, [he went on,] we have always been convinced that these particular systems are intrinsically the most dangerous and unstable elements of our strategic arsenals. Because they are vulnerable to a first strike from the other side, they could impose a use-or-lose decision that would be a very unstable factor in any crisis. Eliminating these systems makes both of our nuclear forces more stable deterrents.

Finally, he said:

> More specifically, we concluded that the START II/NPR force—

The force that is left after the START II Treaty—

> is sufficient to prevent any foreseeable enemy from achieving his war aims against us or our allies, not matter how a nuclear attack against us is designed.
>
> In practice, this means that our nuclear forces must be robust enough to sustain the ability to support an appropriate targeting strategy and a suitable range of response options, even in the event of a powerful first strike that attempts to disarm our nuclear forces.

He said in conclusion:

> Our analysis shows that, even under the worst conditions, the START II force levels provide enough survivable forces, and survivable, sustained command and control to accomplish our targeting objectives.
>
> No matter what the attack is after START II, no matter how an attack is designed, it cannot succeed. That is one of the many accomplishments of the treaty.

Its ratification today will not be noted in much of the media because of the huge number of other issues which are being debated in Washington, but for us in the U.S. Senate, looking at the ratification of a treaty worked so hard upon by three Presidents, it will be a banner day, not just for us, but, more important, for humanity that there has been such a huge reduction approved and that the most destabilizing nuclear weapons which we have faced, which were the subject of years and years and decades of agony by President after President facing these forces so destabilizing to the world, that we have taken a major step today in bringing this to the floor for ratification.

Now we must hope that the Duma in Russia will do the same, that they also will consent to the ratification of this treaty so that it can take full force and effect.

When the Joint Chiefs of Staff try to imagine the worst possible military disaster, the worst possible nuclear attack upon the United States and our nuclear forces, they can come up with some horrible possibilities. That's their job, and they are consumate professionals. They have no doubt that the START II Treaty will leave us with more than enough nuclear forces to meet our security needs. That, Mr. President, is very powerful testimony and should erase any doubt that START II will permit adequate forces.

In conclusion, General Shali had this to say:

> When both the United States and Russian strategic nuclear forces are reduced to the levels established by this treaty, our forces will remain roughly equivalent, but without the unstable pockets that have troubled us for decades. This, beyond even the considerable reductions to our nuclear forces, is the beneficial hallmark of this treaty—a security gain that is as positive for the Russians as it is for the Americans.
>
> The other members of the Joint Chiefs of Staff and I have no reservations towards this treaty, about the strategic force reductions it entails, or about our ability to properly verify that the Russians are complying with its provisions. I, thus, encourage you to promptly give your advice and consent to the ratification of the START II Treaty.

Mr. President, this is compelling evidence from our Nation's senior officer that the START II Treaty is a good deal for American security. Few, if anybody, know more about the military perspective of our security requirements than General Shalikashvili.

START I IMPLEMENTATION AND RELATIONSHIP

The START II Treaty is based on the START I Treaty, which was negotiated between the United States and the Soviet Union. After the Soviet Union dissolved, START I was expanded to include Ukraine, Kazakhstan, and Belarus—in addition to Russia—as the new inheritors of the nuclear forces of the former Soviet Union.

One crucial aspect of this expanded START I process that people should understand is that when the Soviet Union collapsed, it produced, overnight, four nuclear weapon nations where there was just one before. And two of those overnight nuclear weapon powers—Ukraine and Kazakhstan—had larger nuclear arsenals than Britain, France, and China combined. As part of START I, the three newest nuclear weapon states signed the Non-Proliferation Treaty as nonweapon states and pledged to eliminate all their nuclear weapons and be totally nuclear-free. That is a great nonproliferation success story, and those nations are all well on the way to eliminating their nuclear forces, as I will outline below.

The START II Treaty is built upon the START I Treaty, and uses it as a foundation. START I provides the basic framework for START II, including definitions, rules, data exchanges, monitoring and inspection provisions, elimination processes, and so on. START I, which entered into force on December 5, 1994, provides a good example of what we can expect under START II, so it is useful to review START I briefly and how its implementation is proceeding.

START I was the first arms reduction treaty, that is, it called for actual reductions in nuclear forces. It required overall cuts of about one third in United States and Soviet arsenals, and also calls for a 50-percent cut in so-called heavy ICBM's, namely the SS-18. START I requires reductions in accountable weapons, that is, numbers agreed upon for purposes of the treaty, whether or not they are the real numbers. START I provided for limits on both the "strategic nuclear delivery vehicles"—otherwise known as land-based and submarine-launched ballistic missiles and bombers—and for accountable warheads. The treaty required reductions to 1,600 delivery vehicles and 6,000 warheads by the end of a 7-year period of implementation.

The reductions must be made according to a schedule of limits in two phases before reaching the final limits: Phase I permits no more than 2,100 delivery vehicles and 9,150 warheads by December 5, 1997; Phase II permits no more than 1,900 delivery vehicles and 7,950 warheads by December 5, 1999. At the time of the data exchange for START I in September 1990, the United States had 2,246 strategic delivery vehicles and 10,563 warheads, while the Soviet Union had 2,500 delivery vehicles and 10,271 START accountable warheads. That is the baseline against which to measure implementation.

In May 1995, Under Secretary of Defense Walter Slocombe testified before the Armed Services Committee about START I implementation, just 5 months after the treaty entered into force:

> U.S. implementation of START I continues to proceed smoothly. We have deactivated all of our forces to be eliminated under START I, by removing over 3,900 warheads from ballistic missiles and retiring heavy bombers to elimination facilities. We have already eliminated over 300 missile launchers and over 240 heavy bombers, putting us below the first START I intermediate ceiling that will not come into effect until December 1997.

Secretary Slocombe also stated that:

> Our START I Treaty partners in the former Soviet Union are also making great strides. Russia has moved rapidly on launcher eliminations. Like the United States, the former Soviet Union has already met the first intermediate ceiling on launchers, with over 600 missile launchers and heavy bombers eliminated thus far, in fact, it is very close to meeting the second intermediate limit on launchers that will not take effect until December 1999. The implementation of START I and NPT obligations by Belarus, Kazakhstan, and Ukraine continues to proceed, as over 2,700 strategic warheads in these three countries have been deactivated, and over 2,100 have been returned to Russia. Over 1,000 additional warheads have been deactivated in Russia itself. The success of START I implementation thus far leaves us confident that START II's limits can be achieved on schedule.

More recently, the State Department provided my office with the most up to date information available on START I implementation. As of September 1, 1995, the United States had 1,727 START accountable deployed nuclear delivery vehicles—ICBM's, SLBM's and heavy bombers—compared to 2,246 in September of 1990. The United States had 8,345 START accountable warheads, compared to 10,563 5 years earlier. The Former Soviet Union [FSU] parties—Russia, Belarus, Kazakhstan, and Ukraine—collectively had 1,799 strategic nuclear delivery vehicles—of which 1,513 are Russian—compared to 2,500 5 years before. The FSU Parties had 8,859 START accountable warheads—of which 6,769 are Russian—compared to 10,271 warheads in 1990.

Both sets of parties are below the Phase I limits that will not come into effect until December 1997. In addition, both the United States and the former Soviet Union are below their Phase II launcher limits that will not come into effect until December 1999. So implementation of START I is going very well, and well ahead of schedule. Given the close relationship between START I and START II, there is every reason to expect that START II will be an equal success, as the states.

VERIFICATION AND CHEATING CONCERNS

Mr. President, every arms control treaty raises concerns about verification and compliance—our ability to check that the other party isn't cheating. START II has the most comprehensive and intrusive verification provisions of any nuclear arms control treaty ever negotiated, a system that our defense and military leaders are confident will work well.

When Defense Secretary Perry was asked in a Senate hearing why he felt confident that cheating would not be a problem in START II, he gave the following explanation.

> There are three factors which make cheating, I think, improbable in START II. The first is just the general openness of communication and exchange of personnel which now exist between our two countries. For example, I have myself been to the Russian test range at Baikonur. I have been to the ICBM operational site at Pervomaysk. I've examined the missiles in their control centers in great detail. I have discussed detailed issues about these programs with the scientists in the program and with the operational officers in the strategic rocket force. That kind of communication makes it very difficult to execute successfully a cheating program.
>
> Second, there are in START I very comprehensive verification procedures that go well beyond national technical means. They require the sharing of telemetry data. They require various kinds of cooperative measures, displaying the forces. They involve continuous monitoring. They involve on-site inspection. This is an exceedingly comprehensive form of inspection. So that's the second reason that I think cheating is exceedingly improbable.

The third is that we have added on START II additional on-site inspections and exhibitions specifically pointed out verifying the configuration of the SS–18 silos and the actual bomber loadings. All three of these together, I think, give us a high degree of confidence that we are not going to be subject to cheating.

General Shalikashvili reinforced Secretary Perry's answer with the following comment:

> Mr. Chairman, as Secretary Perry mentioned, START II verification rests essentially on three pillars—intrusive inspections, data exchanges and national technical means. START II has 14 types of intrusive on-site inspections, 10 from the START I treaty and four new ones. Both treaties require very detailed exchanges of data of strategic systems. And certainly you're familiar with the ability of our national technical means to oversee that.
>
> Given these factors, I would say, first of all, that I'm very confident, and so are the joint chiefs, that the treaty is effectively verifiable. Second, we think that it's very difficult to picture a scenario that would give an advantage to the Russians to cheat. They have already under this treaty the ability to successfully accomplish deterrence and accomplish the military task of covering necessary targets. So any cheating would at best give them some ability to increase their reserve. And the cost of being caught at cheating would far outweigh any of that advantage. So therefore, I see very little incentive for them to cheating, but I'm also very confident that should they, we would be in a very good position, through the inspections and verification procedures, to detect that.

It does not get much clearer than that. The Secretary of Defense and the Joint Chiefs of Staff all agree that the START II Treaty is effectively verifiable. Furthermore, they can't even imagine a credible situation in which the Russians would have any incentive to cheat; they would not gain any appreciable advantage, and we would detect such a violation and would be able to respond if necessary. This is the first time I have ever heard our military say they cannot imagine a situation in which the other party could or would want to cheat on an arms control treaty.

Before the Armed Services Committee last May, Gen. Wesley Clark, Director of Strategic Plans and Policy of the Joint Staff, testified that: "Both during and after the Treaty negotiations, we have examined multiple ways that the Russians could conceivably violate the Treaty to augment their forces. It is difficult to come up with a militarily relevant cheating scenario." The monitoring and verification provisions of the Treaty would prevent either side from violating the Treaty without being detected, but the Joint Chiefs cannot see an incentive for Russia to cheat because the Treaty will leave Russia with more than enough nuclear forces for its security needs. As General Clark explained it:

> Even at fewer than 3,500 warheads, Russia will have sufficient warheads to cover their U.S. targets and still maintain a reserve. Because of this, additional warheads generated by cheating would only have marginal effect on damage expectancy or would be used to increase sides' reserve force. Since these additional warheads would have only marginal effect on a Russian attack and would be very embarrassing if detected, we can find little incentive to carry out a military significant violation.

I cannot think of a better combination of positive factors about a nuclear arms reduction treaty than we have in START I: It requires deep cuts—two-thirds below the 1990 levels—and eliminates the most destabilizing nuclear systems on both sides. It leaves both sides with adequate forces to protect their security. Its monitoring and verification provisions assure that START II is effectively verifiable. Finally, the treaty provides neither side with an incentive to cheat. It has been endorsed without reservation by the civilian and military leaders in the Pentagon, who have all urged numerous times that we promptly give our advice and consent to ratification. That makes it pretty plain that we should vote overwhelmingly for ratification and move the treaty closer to implementation.

SENATE ACTION ON START II

Mr. President, the Senate has spoken clearly on its desire to act on the START II Treaty. For example, on February 2, 1993, Senator DOLE, our current majority leader, cosponsored Senate Resolution 54, commending President Bush on the conclusion of the START II Treaty. That resolution stated that the Senate "intends to take up the Treaty at the earliest possible moment in pursuit of its constitutional duty to advise and consent to the ratification of treaties."

On September 5, 1995, the Senate adopted unanimously an amendment to the Defense authorization bill urging prompt ratification of the START II Treaty and the Chemical Weapons Convention. This amendment stated:

> It is the sense of the Senate that the United States and all other parties to the START II Treaty and the Chemical Weapons Convention should promptly ratify and fully implement, as negotiated, both treaties.

This provision was adopted by the conference on the Defense authorization bill, and appears in the conference report, so it will be part of the final Defense Authorization Act.

Mr. President, on December 5 of last year, 35 of our colleagues joined with myself and the senior Senator from Illinois [Mr. SIMON] in a letter to the majority leader urging that the Senate complete action on the START II Treaty during the first session of the 104th Congress in 1995. So it is clear that the Senate is on record in various ways as favoring prompt action on the START II Treaty.

The Senate came very close to completing action on START II at the end of last year. That was a result of a unanimous-consent agreement worked out between the Chairman of the Foreign Relations Committee, Mr. HELMS, and Senator KERRY of Massachusetts. That agreement called for the treaty to be brought up for Senate consideration before adjournment of the 1st session of this Congress. And last month, on December 22, the Senate did take up the treaty, but did not complete action on it.

Although we did not vote on the treaty, we did agree on several issues. We adopted a manager's package of amendments to the resolution of ratification, and agreed that when we return to the treaty there would be no other amendments in order. We also agreed that debate would be limited to 6 hours, with additional time for Senator THURMOND. But it was clear that the purpose of our action was to try to complete final action on the treaty as quickly as possible. That was certainly the spirit of the effort of the Arms Control Observer Group that came together to work out a package of amendments to the Foreign Relations Committee resolution of ratification.

The Arms Control Observer Group, which is composed of members from the various committees of jurisdiction on arms control matters, gathered just before the end of last year to consider a series of amendments proposed by majority members in an effort to reach both a time agreement and secure a vote by Friday, December 22. The members acted in good faith, upon exceptionally short notice and, after considerable effort, reached agreement on the amendments as a means to complete action on the treaty before we adjourned for the year. Unfortunately, we only got a partial time agreement and no date certain for a vote. That was a disappointment. We failed to vote on the treaty before the end of the 1st Session of 104th Congress, and before the end of 1995, as had been the stated goal of the Senate.

Now we have the opportunity, at long last, to vote in favor of the resolution of ratification and move this treaty toward entry into force and implementation. I believe that the Russian Government, and especially its Parliament, will have the wisdom to ratify this treaty because it is also so strongly in their security interest to do so.

NEXT STEPS IN ARMS REDUCTIONS

Mr. President, the START II Treaty is an extremely important step to improve our security and reduce the danger of nuclear weapons and nuclear war. It will result in reductions of some two-thirds of the deployed long-range nuclear weapons of the cold war superpowers, and will restructure the remaining arsenals into more stable configurations. These are the most ambitious nuclear weapon reductions undertaken by the United States and the former Soviet Union. But they are not sufficient. There will remain after all the required START II reductions, as many as 3,500 long range warheads deployed by each side, and even more warheads not deployed. That is far more than we need for our security, and poses more of a danger than we should accept. We need to continue the reductions begun by the START process, and reduce to the lowest level possible, including the other nuclear weapon states in the process at the appropriate time.

At the hearing before the Foreign Relations Committee, Secretary Perry was asked about further reductions in nuclear forces. He stated that further reductions are desirable and planned: "I have always believed that we should reduce to the maximum extent we can, compatible with the threats and the potential threats from other countries. I think we can make dramatic reductions, though, beyond where we are today, if we have favorable political developments continu[ing] as they have been in the last 5 years or more."

Secretary Perry was then asked when he envisioned the nuclear weapon reduction process, which has been bilateral so far, involving the other acknowledged nuclear weapon countries to conclude further reductions. Secretary Perry gave the following reply:

> At the time when we start getting down to levels of nuclear arms which are on the same order of magnitude of the levels of the other nations. So far, even at the level of 3,000, we have many, many more nuclear weapons than any—we and Russia—than any other country. But we certainly envision deeper cuts beyond the level of 3,000 to 3,500. And as we start going down in the hundreds instead of in the thousands of nuclear weapons, then I think it's not only appropriate; it would be necessary to bring in the other countries who have nuclear weapons.

When asked what specific steps he envisioned to get to further nuclear weapon reductions, he stated the following:

> The sequence of events which I see is, first, we need to get START II ratified in the Senate and the Duma. Secondly, we need to get an agreement on implementation—on accelerating the implementation between ourselves and the Russians. Third, we need to mutually phase together the accelerated draw-down. Fourth, we begin a discussion of START III, which has enabled us to make further deep reductions. We've already looked at those deep reductions, have pretty good feelings about how far we can go. We believe they ought to be bilateral. I think it is appropriate, at that stage, though, to begin discussions with other countries, because if the START III reductions are deep enough we're going to get down to levels where we need to be talking with other countries about this.

CONCLUSION

Mr. President, the evidence is both compelling and overwhelming: The START II Treaty is unquestionably in our security interest. It is long overdue for Senate action, and I welcome the opportunity for this body finally to ratify this treaty. I know the outcome will be very strong support for the treaty, and I hope the Russian Duma can take it up soon and then we can begin implementing the treaty soon.

I would like to close by quoting the conclusion of General Shalikashvili's testimony before the Foreign Relations Committee on March 1, 1995:

> The START II Treaty offers a significant contribution to our national security. Under its provisions, we achieve the long-standing goal of finally eliminating both heavy ICBM's and the practice of MIRVing ICBM's, thereby significantly reducing the incentive for a first strike. For decades, we and the Russians have lived with this dangerous instability. With this treaty, we can at last put it behind us.
>
> The Joint Chiefs and I have carefully assessed the adequacy of our strategic forces under START II. With the balanced triad of 3,500 warheads that will remain once this treaty is implemented, the size and mix of our remaining nuclear forces will support our deterrent and targeting requirements against any known adversary and under the worst assumptions. Both American and Russian strategic nuclear forces will be suspended at levels of rough equivalence; a balance with greatly reduced incentive for a first strike. By every military measure, START II is a sound agreement that will make our Nation more secure. Under its terms, our forces will remain militarily sufficient, crisis stability will be greatly improved, and we can be confident in our ability to effectively verify its implementation. This treaty is clearly in the best interests of the United States.
>
> On behalf of the Joint Chiefs of Staff, I recommend that the Senate promptly give its advice and consent to the ratification of the START II Treaty.

Mr. DOLE. Mr. President, I make a request that I understand may be objected to. I was going to ask, as in executive session, that the yeas and nays on the resolution of ratification accompany START II be vitiated.

The PRESIDING OFFICER. Is there objection?

Mr. LEVIN. Reserving the right to object—

Mr. NUNN. I object.

The PRESIDING OFFICER. The objection is heard. There is 1 minute for debate.

Mr. DOLE. I yield the time back.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the resolution of ratification. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Colorado [Mr. CAMPBELL], the Senator from Indiana [Mr. COATS], the Senator from New Mexico [Mr. DOMENICI], the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from Texas [Mr. GRAMM], the Senator from Arizona [Mr. KYL], and the Senator from Alabama [Mr. SHELBY] are necessarily absent.

I further announce that, if present and voting, the Senator from Colorado [Mr. CAMPBELL] would vote "yea."

Mr. FORD. I announce that the Senator from South Carolina [Mr. HOLLINGS] is necessarily absent.

The PRESIDING OFFICER (Mr. KEMPTHORNE). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 87, nays 4, as follows:

[Rollcall Vote No. 6 Leg.]

YEAS—87

Abraham
Akaka
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Chafee
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Dole
Dorgan
Exon
Feingold
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Hutchison
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Simon
Simpson
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone

NAYS—4

Ashcroft
Helms
Inhofe
Smith

NOT VOTING—8

Campbell
Coats
Domenici
Faircloth
Gramm
Hollings
Kyl
Shelby

The PRESIDING OFFICER. The yeas are 87; the nays are 4; two-thirds of the Senators present having voted in the affirmative, the resolution of ratification is agreed to.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

EXTENDING THE CURRENT FARM PROGRAM

Mr. DORGAN. Mr. President, the hour is late, and I will simply take 1 minute on an issue many of us are concerned about on both sides of the aisle. I have previously offered unanimous-consent requests to extend the current farm program for a year, provide planting flexibility, and forgive advanced deficiency payments in the process of doing that. I am very concerned that the Congress provide an answer to farmers about what the farm program will be.

I want to work with Members on both sides of the aisle here in Congress to get that done. Maybe we could hear a bit from the majority leader. I think there are some plans, perhaps next week, to address this, which I think will be a real step forward.

UNANIMOUS-CONSENT REQUEST—S. 1523

Mr. DORGAN. Mr. President, I know he is constrained to object tonight, but let me ask unanimous consent the Senate proceed to the immediate consideration of S. 1523, the bill be read a third time and passed, and the motion to reconsider be laid upon the table.

Mr. President, S. 1523 is the bill I just mentioned with respect to the extension of the farm program.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, reserving the right to object, let me indicate I have discussed this with the Senator from North Dakota. We are in the process—the distinguished chairman of the subcommittee, Senator LUGAR, Members on both sides of the aisle, Senator GRASSLEY from Iowa, Senator PRESSLER from South Dakota, the Democratic leader and others on both sides—to see if we cannot come to some agreement by Thursday of next week.

It is my hope we can lay out some process where, first of all, we would try to bring up or at least proceed to the bill we passed one other time. We would have to obtain cloture. That would probably not be invoked.

Then perhaps the Senator from North Dakota could lay down his 1-year extension, and if at that time we should have a bipartisan compromise, we would offer that as a substitute. That is what we have been discussing. I have talked to the Democratic leader two or three times today. I know the farmers are anxious in all parts of the country. We hope we can work it out. It may not be possible to do it that quickly, but we are working on it. Our staffs will continue to work in a bipartisan way, and we hope we can have it done by next Thursday.

Therefore, I feel compelled to object.

The PRESIDING OFFICER. Objection is heard to the request of the Senator from North Dakota.

Mr. DORGAN. If the Senator will yield for one moment, I understand that, and I hope we can reach a bipartisan compromise on this. I think, to the extent we will move to it and address it next week, that is real progress. I think farmers and others in rural America will be pleased by that, and I hope we can make some significant progress next week on this issue.

I thank the Senator from Kansas.

ORDER OF PROCEDURE

Mr. DOLE. I will just indicate to my colleagues, I know others have planes to catch. I will come back on the floor later. It is quite possible we will be in session on Tuesday and Wednesday of next week for morning business.

I think on Tuesday there will be maybe 3 hours equally divided, on Wednesday 4 hours equally divided, and on Thursday it would be my hope that we could have completed the telecommunications conference by then and have that conference report on the floor; also, that we might have some agreement on the farm legislation, at least on the Senate side, and have that vote on Thursday, and any other votes that may come up. We could have a vote on Thursday of next week. I do not anticipate any votes prior to Thursday. If something should occur so that those votes should become unlikely, we could still be in morning business. But we would notify our colleagues on both sides of the aisle.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. DASCHLE. Mr. President, let me thank the majority leader for that information. We have had a good discussion about the schedule next week, and I am pleased that there is a possibility that we could address both the farm legislation and the telecommunications bill. So next week could be a very productive week, and hopefully we can continue to ensure that that can be done on Thursday.

TRIBUTE TO LYNN TERPSTRA

Mr. DASCHLE. Mr. President, the Democratic Policy Committee's assistant editor, Lynn Terpstra, will retire from the Senate next week. This marks the end of the long and productive career of a vigilant and dedicated congressional staff member.

Hers is a career that spans 25 years, from 1969 to 1996.

Lynn Terpstra began her congressional career in July, 1969, on the staff of Senator George Aiken of Vermont. Her next Senate assignment was on the staff of the Commission on the Operation of the Senate. In February 1977, she brought her quick mind and diligent habits to the Senate Democratic Policy Committee. Her technical skills and her grasp of how to help organize the ever-increasing DPC graphics and publications workload made Lynn an invaluable player on the DPC team.

Lynn Terpstra's keen eye, creative talent and dedicated approach to the work of the Senate's Democratic Policy Committee will be missed. The DPC is grateful for her contribution to our work, and I want to thank Lynn and wish her well in her future endeavors.

I yield the floor.

BILL READ THE FIRST TIME—S. 1541

Mr. LUGAR. Mr. President, after consultation with the distinguished majority leader, Mr. Dole, I send a bill to the desk and ask for its first reading.

The PRESIDING OFFICER. The bill will be read for the first time.

The legislative clerk read as follows:

A bill (S. 1541) to extend, reform and improve agricultural commodity, trade, conservation, and other programs, and for other purposes.

Mr. LUGAR. Mr. President, I now ask for its second reading.

Mr. NUNN. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard. The bill will be read on the next legislative day.

UNANIMOUS-CONSENT AGREEMENT

Mr. LUGAR. Mr. President, given this turn of events, I ask unanimous consent that it be in order on Tuesday, January 30, 1996, for the majority leader or his designee to file a cloture motion with respect to the farm bill to be introduced this evening.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LUGAR. I thank the Chair. I will simply say, parenthetically, this is the farm bill that has been referenced by the majority leader, and cloture will attempt to be obtained on this. I appreciate the procedure of the Senate.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

DEFENSE AUTHORIZATION BILL

Mr. EXON. Mr. President, I want to take a moment, if I might, to congratulate the Senator from South Carolina, Senator Thurmond, the chairman of the Armed Services Committee, on which I am pleased to serve, and his counterpart on the Democratic side, Senator Sam Nunn from the State of Georgia. They did an exceptional job in getting finally a defense authorization bill approved that the President said he will sign after vetoing the previous bill.

I thought the President was right in that timeframe when he vetoed the bill. I am not happy completely with the bill, as I outlined earlier in remarks on the Senate floor before the vote. But certainly the Senator from South Carolina and the Senator from Georgia did an admirable job in eliminating some of the most obnoxious parts of the defense authorization bill originally and coming to a successful conclusion today where we have passed it in the U.S. Senate.

START II TREATY

Mr. EXON. Mr. President, I want to move on and thank my dear friend and colleague who has just spoken with regard to the START II Treaty. There is nothing that has a better chance for the hope of mankind in the future than the overwhelming approval of the START II Treaty. When it is implemented, it will reduce the number of nuclear warheads both in Russia and the United States of America. I congratulate the ranking member and the chairman of the Foreign Relations Committee for a job very well done.

Mr. PELL. Mr. President, if the Senator will yield for a moment, I want to say what a wonderful job the chairman, Mr. Helms, and my fellow floor manager, Senator Lugar, have done. I thank the Senator from Nebraska for his kind remarks.

I think this is truly a historic day. I am glad my retirement from the Senate is coming after this and not before.

Mr. EXON. I thank my friend, Senator Pell, so very, very much.

TOUGH TALK ON THE FARM BILL IS DOUBLETALK

Mr. EXON. Mr. President, on another matter, very briefly—and I will not tie up the Senate, it will take me 3 or 4 minutes—I want to talk briefly about what I was surprised to see, which I term "Tough Talk on the Farm Bill Is Doubletalk."

Mr. President, in the Friday edition of the Omaha World Herald there was a curious story. In it, Dean Kleckner of the American Farm Bureau takes to task several farm State Senators and seems to blame us for the impasse on the farm bill. He goes so far as to say, and I quote: "I have heard some Members of Congress say that the (Freedom to Farm) bill will pass over their dead bodies. If there is no farm bill, there will be a lot of dead bodies."

Mr. President, this is, indeed, curious and offensive hyperbole. Some of us have been encouraging a farm bill to be brought up for debate and to be acted on for a long time. But where was the Farm Bureau? They certainly were not taking that line on December 13.

On that day, I received a letter from Mr. Kleckner which took just the opposite position. The Farm Bureau wanted a farm bill only, quoting from that letter, "provided it is part of the budget reconciliation package."

This bit of now you see it and now you don't from the Farm Bureau should come as no surprise, however. On November 6, I received a letter from Mr. Kleckner which said in part, "Particularly troubling throughout this debate has been the inability of the budget process to encourage programs which provide higher income supports when market prices are low and lower supports when prices are high."

And he added at that time in that message, "Continued linkage of market prices and producer payments is very necessary."

In essence, the Farm Bureau staked out a position that is absolutely contrary to the Freedom to Farm bill that it now endorses. That is a 180-degree change. Now they support a farm welfare bill that, I believe, will fail our farmers who do not want welfare payments to do nothing. It cannot withstand the light of day, and I predict that it will not. I am at a loss to explain the schizophrenic behavior of the Farm Bureau. Perhaps they want to hurry up and clear the tracks so they can campaign in the Iowa caucuses and New Hampshire primary. I, for one, however, would prefer that Congress stay in session to work out a farm policy that makes sense, and maybe what was decided tonight is going to allow us to do that.

Certainly, if we do that, it will give us the time for the Farm Bureau to change their minds once again.

I ask unanimous consent that communications of different views from the Farm Bureau of November 6, 1995, December 13, 1995, January 26, 1996, and the Omaha World Herald story of January 26, 1996 be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, DC, December 13, 1995.

DEAR SENATOR: Farm Bureau members are concerned about reduced farm program spending levels but support the framework of the Congressional farm program compromise provided it is part of the budget reconciliation package.

It is urgent that a budget agreement be reached before the end of 1995. The situation is especially critical for America's farmers and ranchers who need to make planting decisions for the 1996 crop year now.

The American Farm Bureau Federation supports the overall reconciliation package as developed by Congress which includes tax relief, spending restraint and a balanced budget within seven years.

The people have spoken in support of significant government reform and reduced federal spending to balance the budget in seven years. The 4.5 million Farm Bureau families across the nation urge swift and responsible action to resolve the budget impasse.

DEAN R. KLECKNER,
President.

AMERICAN FARM BUREAU FEDERATION,
Washington, DC, November 6, 1995.
Hon. JAMES J. EXON,
528 Senate Hart, Washington, DC.

DEAR SENATOR EXON: The agriculture components of both the House and Senate Budget Reconciliation packages propose substantial changes in farm policy. Both proposals significantly restructure the income safety net for farmers and drastically reduce the dollar amount of that support over the seven-year period. This leaves farm program crop producers more exposed to the production and price risk inherent in farming. The level of spending reductions currently under consideration represents far more than a fair share for agriculture. Even at reduced levels of spending reductions, agriculture would still provide a significant contribution to deficit reduction.

Neither the Senate nor House proposal contains all the answers. In fact both, to a great extent, are too directly driven by the vagueness of budget scoring rather than effective long-term agricultural policy.

Within the Senate and House proposals there are several key elements of an income safety net which should become part of the final reconciliation package.

These elements include:

1. Increased planting flexibility;
2. Minimal use of supply management tools;
3. Increased non-paid flex acres to meet budget requirements;
4. Continued linkage of market prices and producer payments;
5. Protections for non-program crop producers; and
6. Utilization of all budgeted outlays for mandatory program spending.

Particularly troubling throughout this debate has been the inability of the budget process to encourage programs which provide higher income supports when market prices are low, and lower supports when prices rise, while utilizing available budget outlays. In order to provide a long-term safety net the conference committee should develop a program which maintains a price-payment linkage and allows budgeted funds not expended in years of high prices to be available in years in which farm income is low. Failure to resolve this issue will render farm programs either an ineffective income support mechanism or subject them to being an irresistible political target. Unless good policy prevails over budget rules and scoring limitations, American farmers will lose.

The American Farm Bureau supports the Senate language with regard to the dairy provisions. We do not believe that complete deregulation of the dairy industry is in the best interest of our producers across the United States. Full funding for the Dairy Export Incentive Program (DEIP) to the maximum extent allowed by the Uruguay Round of GATT should be included in the conference agreement.

Likewise, we ask conferees to build on the growing opportunities for agricultural exports made possible by the passage of GATT and NAFTA. U.S. agricultural exports are expected to reach $53 billion in 1995. The continuation of effective trade policy is paramount to maintaining market share in the world agricultural economy. Cuts in trade programs would jeopardize the hard fought battle to combat unfair foreign subsidies and regain world market share. We strongly urge you to restore funding for agricultural export promotion and development programs to GATT-permissible levels. We would support increases in unpaid flex to accomplish this goal.

We support the EQUIP, livestock cost-share program, and the elimination of the authority for permanent easements within the Wetlands Reserve Program and on properties acquired by the Farmers Home Administration. We believe these ideas promote sensible agricultural policy that can also generate needed budget savings.

Establishing long-term priorities for agricultural policy should be a part of the new farm bill. As the income safety net is reduced, discussions should be focused on research needs, trade opportunities, credit requirements and risk management alternatives for U.S. farmers. We support the establishment of a national farm policy impact review process.

We appreciate your interest in our views on farm policy. We look forward to working with you to ensure that a farmer-friendly farm policy becomes law.

Sincerely,

DEAN R. KLECKNER,
President.

AFBF CALLS FOR IMMEDIATE ACTION ON SEVEN-YEAR FARM BILL

PARK RIDGE, IL.—January 25, 1996.—With the absence of progress on federal budget reform, the American Farm Bureau Federation said a farm bill like the one formerly linked to the congressional budget reconciliation proposal is needed immediately.

The AFBF Board of Directors today said the organization would support a seven-year farm bill now being proposed by House Agriculture Chairman Pat Roberts (R-Kan.), as a stand-alone measure or attached to other legislation. The Roberts proposal includes greater planting flexibility so farmers can better respond to the marketplace and financial support in the form of "market transition payments."

The reasons for this move are numerous, according to AFBF President Dean Kleckner. The two alternatives—an extension of the 1990 farm bill, or reverting to the 1949 farm act—are unacceptable to America's farmers.

Kleckner said the 1949 act is incompatible with U.S. farmers selling their commodities in the world market, and an extension of the 1990 act would fail to provide farmers needed planting flexibility and would invite deeper cuts in agriculture spending during future budget reconciliation efforts.

"Spring planting season in many southern states is just around the corner," Kleckner said. "Farmers must be able to make their planting decisions and secure financing from lenders with full knowledge of the farm program. A stand-alone farm bill, like the framework proposed by Chairman Roberts is essential to the viability of American agriculture over the next seven years."

According to Kleckner, immediate action is required because the longer it takes to approve a farm bill, the lower agriculture's funding baseline will be. He also said a delay would increase the budget pressures on agriculture in any future budget reconciliation efforts.

"Farmers will continue to push for the tax reform measures included in the stalled budget reconciliation measure," Kleckner said. "Securing an increase in the estate tax exemption and a decrease in the capital gains tax rate are as important to the agriculture economy as nailing down a sensible farm bill. We will continue to highlight the importance of those tax measures as the budget debate continues, but America's farmers need a farm bill now. AFBF and state Farm Bureaus will be making a concerted push in Washington, D.C. and at home in the coming weeks, during Congress' ill-timed February recess."

[From the Omaha World Herald, Jan. 26, 1996]

FARM BUREAU TRIES TO FREE MIRED FARM BILL

(By David C. Beeder)

WASHINGTON.—Members of the American Farm Bureau Federation are seeking immediate action on farm legislation that has been stalled along with the balanced-budget bill. Farm Bureau President Dean Kleckner said Thursday.

Kleckner said the 4.5 million-member Farm Bureau, the country's largest agricultural organization, has started working in every congressional district to urge House and Senate members to separate farm legislation from the long-delayed budget bill.

"Our intention now is to lead the charge in getting a farm bill passed as soon as possible," said Kleckner, a farmer from Rudd, Iowa. "Spring planting season in many Southern states is just around the corner."

Without farm legislation, some farmers are finding it difficult to borrow money, Kleckner said.

A stand-alone farm bill introduced by Rep. Pat Roberts, a Republican from Kansas who heads the House Agriculture Committee, would allocate $44 billion over seven years to make declining annual payments to farmers based on subsidies they received in the past.

The Roberts bill, co-sponsored by Rep. Bill Barrett, R-Neb., would eliminate acreage restrictions and a requirement that farmers grow the same crop year after year to qualify for payments. Farmers could plant any crop, or no crop, under the bill.

Kleckner said everyone involved in U.S. agriculture recognizes that "declining payments are a fact of life we will have to live with."

However, he said, "My gut feeling is there will always be payments made on agriculture. They may not be related to crop production. They may be made for environmental reasons."

The Roberts-Barrett bill has run into opposition in the Senate.

Opponents include Sens. Tom Daschle, D-S.D., the minority leader, Byron Dorgan, D-N.D., Bob Kerrey, D-Neb., J.J. Exon, D-Neb., and Tom Harkin, D-Iowa.

"I have heard some members of Congress say the bill would pass over their dead bodies." Kleckner said, "If there is no farm bill, there will be a lot of dead bodies."

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

AGRICULTURE

Mr. HARKIN. Mr. President, I have another matter on which I wish to speak, but I want to thank the Senator from Nebraska for bringing this issue to the floor. For the life of me, I cannot understand why we do not have a farm bill this year. We passed a farm bill out of the Senate Agriculture Committee. It was not what I wanted. But we had our votes, we debated it. Yet, we never brought it on the Senate floor to debate and vote on it. Never. Here it is, almost February 1996, and farmers in our area do not know what to do, how much credit to apply for, or what seed to buy, or what kind of program we are going to have this year. Then listening to the Senator from Nebraska repeat the rapid changes in the national president, or chairman, whatever his position is, of the Farm Bureau, is disconcerting at best.

The Senator from Nebraska, if I understand this right, said that as recently as a month ago, the leader of the Farm Bureau was saying in a letter that was written publicly, I guess, that the Farm Bureau was in favor of a farm program that would have some connection between commodity programs and support prices, and that they were in favor of a program that would support farmers in years when prices were low, but not necessarily when prices are high. Was that just a month ago, I ask the Senator?

Mr. EXON. I believe the date was November 6, maybe 60 days ago. The timeframe may be a little over a month. But the Senator is absolutely correct, regardless of the date, there was a dramatic change overnight, without any explanation from the Farm Bureau of being against the program they are now for, and that boggles my mind.

Mr. HARKIN. I add, on the Agriculture Committee last summer—and I forget the exact date—the same individual, the president of the American Farm Bureau, was before our committee. Then we were talking about the budget, of which the distinguished Senator from Nebraska knows a lot, since he is a ranking member on our Budget Committee. I was asking him about the budget. I said that the Clinton budget cuts about—I think at that time it was around $4 billion, over a period, from agriculture, and I think the House budget cut something like $13 billion or $14 billion from agriculture. I asked him, "Given those two options, which would you prefer? Which would the Farm Bureau be for?" He said they would prefer the Clinton budget.

Now it seems like there is another big turnaround where they want this so-called freedom to farm bill, which, as the Senator said, is really the farm welfare bill. I do not know how anyone could ask us to pass a bill that would give a Government check to a farmer when prices were extremely high in the marketplace. But that is what they are asking for. It is a siren song for farmers. If they buy into that, in a few years there will not be any farm program or any farm bill at all to protect them when prices are low. I thank the Senator for bringing this up.

Mr. EXON. If the Senator will yield for a minute——

Mr. HARKIN. Yes. I yield.

Mr. EXON. My friend has been at the forefront of workable farm programs for a long time. I am as mystified as he is. To build upon what the Senator just said, I placed in the RECORD the other day the farm welfare program, the so-called Freedom to Farm Act. It would provide a massive amount, thousands of dollars a year, to a farmer whether or not the farmer even planted, on one hand, and he would get the same amount of thousands of dollars—I figured out that a typical farm of 500 acres, a corn farmer, at $3.10 a bushel, under the Freedom to Farm Act, even though that farmer at 500 acres, 120 bushels return, which is somewhere near normal——

Mr. HARKIN. We get more than that in Iowa.

Mr. EXON. It would be $186,000 gross income the farmer would make. That is gross, not net. But on top of that $186,000, that particular farmer would receive a check of about $16,000. Or, I might add, if the price of corn went up to $4 a bushel, he would still get the $26,000, or at $5 a bushel, the farmer would get the $26,000; or if the farmer did not want to do anything and just sit home and watch television and surf the channels and not even go out and plant, he still gets $26,000 from the Federal Government.

If that is not a form of welfare—as I said in my remarks, once the Sun shines in on that, once the members of the Farm Bureau realize and recognize that their leadership is trying to convert a farm program based on production that supports them when prices are low but does not support them when they are getting $3.10 a bushel, there is going to be a revolution in the Farm Bureau. There is also going to be, what is more serious, a revolution that the Senator from Iowa commented on when the people of the United States and the Members of the House of Representatives and U.S. Senate recognize that you are throwing that kind of money away, regardless of what the price of corn is, even at $5 a bushel, you get it whether or not you earn it, and that is welfare.

Mr. HARKIN. I thank the Senator from Nebraska. I compliment him. He has been a great leader in agriculture. I am going to miss his leadership in the years to come on the Senate floor.

REDUCING NUCLEAR TENSIONS IN THE WORLD

Mr. HARKIN. Mr. President, I rise on a matter of great concern to me and all those who are concerned about reducing nuclear tensions in the world, who are concerned about nonproliferation, and who are in favor of and concerned about a comprehensive test ban treaty. I might point out that in the State of the Union Message last Tuesday, President Clinton said that one of the things he wanted to accomplish was a comprehensive nuclear test ban treaty.

Most experts agree that nowhere on Earth is the potential for a nuclear confrontation more real today than on the Indian subcontinent. Recent news has only served to heighten those concerns.

According to an article in the December 15, 1995, issue of the New York Times, "U.S. intelligence experts suspect that India may be preparing for its first nuclear test since 1974." Needless to say, Mr. President, this is alarming news and it cannot be taken lightly.

Mr. President, this is the article from the New York Times, Friday, December 15: "U.S. Suspects India Prepares To Conduct Nuclear Test."

The day after that, on December 16—I might add in this article of December 15, the Indian spokesman said that that is not what it was. He said that these were army exercises whose "movements have been absurdly misinterpreted." That was on December 15.

On December 16, the next day, a story in the New York Times: "India Denies Atom-Test Plan But Then Turns Ambiguous."

It went on to say that the Indian Government denied it was planning its first nuclear test, and a few hours later recast its position to describe as "highly speculative" a report in the New York Times that quoted American intelligence experts as saying they suspected an Indian test was being prepared.

Mr. President, I ask unanimous consent that these two articles be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Dec. 15, 1995]

U.S. SUSPECTS INDIA PREPARES TO CONDUCT NUCLEAR TEST

(By Tim Weiner)

WASHINGTON, December 14.—American intelligence experts suspect India is preparing for its first nuclear test since 1974, Government officials said today.

The United States is working to discourage it, fearing a political chain reaction among nuclear nations.

In recent weeks, spy satellites have recorded scientific and technical activity at the Pokaran test site in the Rajasthan desert in India. But intelligence experts said they could not tell whether the activity involved preparations for exploding a nuclear bomb or some other experiment to increase India's expertise in making nuclear weapons.

"We're not sure what they're up to," a Government official said. "The big question is what their motive is. If their motive is to get scientific knowledge, it might be months or years before they do the test. If it's for purely political reasons, it could be this weekend. We don't know the answer to those questions."

Shive Mukherjee, Press Minister of the Indian Embassy here, said today that the activities at the nuclear test site were army exercises whose "movements have been absurdly misinterpreted."

The Congress Party of India, which has governed the country most of the years since independence in 1947, is facing a serious challenge from a right-wing Hindu nationalist party. United States Government officials say a nuclear weapons test could be used by the Congress Party as a symbol of its political potency.

Despite efforts to persuade the world's nuclear powers to sign a comprehensive test ban treaty, China and France have tested nuclear weapons in recent months. If India follows suit, its neighbor, Pakistan, with which it has tense relations, may also test a nuclear weapon, Government and civilian experts said. Neither country has signed the Nuclear Nonproliferation Treaty.

"It's going to have a nuclear snowball effect," said Gary Milhollin, director of the Wisconsin Project on Nuclear Arms Control in Washington and a leader civilian expert on the spread of nuclear weapons. "It also jeopardizes the possibility that the world will sign a comprehensive test ban treaty next year."

A State Department official who spoke on condition of anonymity said that if India exploded a nuclear bomb, it "would be a matter of great concern and a serious setback to nonproliferation efforts."

"The United States is committed to the early completion of a comprehensive test ban," the official said. "We are observing a moratorium on nuclear testing and we have called upon all nations to demonstrate similar restraint."

But not all nations have heard the call.

India says publicly that it wants the complete elimination of nuclear weapons. But its nuclear hawks argue that the United States and Russia will never live up to that ideal and that a comprehensive test ban that is not linked to drastic reductions in the world's nuclear arsenals could leave India a second-rate or third-rate nuclear power.

Mr. Milhollin said India did not have a great archive of test data for nuclear weapons that could be mounted on a warhead and placed on a missile. "Once the test ban treaty comes in, they will be data-poor," he said "A test now would supply them data, it would be a tremendous plus for the Congress Party, it would give them a big boost in the elections."

Political pressure for a nuclear test is building among India's right wing. "They are saying: 'What are we sitting around for? Why should we sign a test ban treaty not linked to the reduction of nuclear weapons?'" said Selig S. Harrison, an expert on South Asia at the Carnegie Endowment for International Peace.

In 1974 India exploded what was believed to be a Hiroshima-sized bomb equal to 12,000 tons of TNT, which it called a "peaceful nuclear explosion." It renewed its program some years later, and in 1989 the Director of Central Intelligence, William H. Webster, testified that India had resumed research on thermonuclear weapons.

While India has sought to limit the nuclear abilities of China, it is most concerned about the nuclear-weapons program of Pakistan, although Pakistan has not acknowledged it has one. The two countries have had three wars, unending political tensions and constant border disputes since they were formed by the partition of India in 1947 after its independence from Britain.

A subnuclear experiment, which would not involve a nuclear explosion, might not have the political effect of a full-fledged detonation. But Administration officials said they feared that any test would create pressure on Pakistan to follow suit.

"We look at this in a balance with Pakistan," a White house official said.

[From the New York Times, Dec. 16, 1995]

INDIA DENIES ATOM-TEST PLAN BUT THEN TURNS AMBIGUOUS

(By John F. Burns)

NEW DELHI, Dec. 15.—The Indian Government denied today that it was planning its first nuclear test since 1974, then recast its position a few hours later to describe as "highly speculative" a report in the New York Times today that quoted American intelligence experts as saying they suspected an Indian test was being prepared.

The Government offered no explanation for the change in its statements. But the effect was to leave open the possibility that an underground test is being prepared or that the Government wants to keep alive the impression that it has the option to conduct a test.

Senior political, military and scientific officials in India gathered to discuss the response to the Times report, which said United States spy satellites had detected preparations at the Pokaran test site in Rajasthan, 340 miles west of New Delhi.

Western intelligence agencies say India has been pursuing a secret nuclear weapons program intensively for years.

Someone faxed a copy of the Times article to the Foreign Ministry shortly after the first edition of the newspaper went on sale in New York on Thursday night. Within an hour, Arif Khan, Foreign Ministry spokesman, telephoned the Times bureau in New Delhi with a denial. "There is no truth in this," he said. "There is no question of any test being conducted."

Mr. Khan said the technical activity detected could have been related to "routine military exercises," including a recent air force training operation in the area, which is near the Pakistan border.

After the high-level officials had met to discuss the issue, Mr. Khan held a briefing for reporters, and was cautious in his responses, avoiding outright denial. "It is a totally speculative kind of report," he said. When a reporter asked if the speculation was true or false, he replied: "There is no such thing as true speculation. Speculation is speculation."

By encouraging uncertainty about its plans the Government appeared to be following the ambiguous policy it has laid down since the test at Pokaran on May 18, 1974. That test stunned Western governments that had hoped that India would turn its back on nuclear weapons. At the time, India described the test of a Hiroshima-sized bomb equal to about 12,000 tons of TNT, as "a peaceful nuclear explosion," a description Mr. Khan repeated today.

India's program to perfect nuclear warheads has been presented as a contingency plan, not as a program aimed at building or deploying nuclear weapons. Mr. Khan re-affirmed this position today, saying, "While we have the capability, we have not utilized it, because we believe in the peaceful uses of nuclear energy and not for weapons purposes."

But behind this public stance, Indian experts said, pressures have been building for new tests. The experts said the tests would measure the effectiveness of development since 1974, allowing scientists to measure the efficiency of new approaches to bomb-making, including miniaturization of warheads and new triggering mechanisms.

But others said the main pressure has been political. While the nuclear debate here has focused on Pakistan, which has been identified by United States intelligence officials as having its own secret nuclear weapons program, officials say India's long-range concerns focus more on China, which has at least 450 nuclear-armed ballistic missiles capable of striking targets in India.

Mr. HARKIN. India has denied but Indian officials have failed to state clearly and categorically that India will refrain from testing. I fear, and many others fear, if India proceeds with its testing program then Pakistan will feel obligated for their own security reasons to follow suit. This deadly game of chicken would almost certainly escalate.

To make matters even more troubling, reports today indicate that international negotiations in Geneva on a comprehensive nuclear test ban treaty are being severely complicated, perhaps even undermined, by India's insistence to link a test ban with total nuclear disarmament.

Mr. President, India must be reminded that a nuclear test will trigger severe economic sanctions. U.S. military and economic aid, U.S. support for loans by the World Bank and other multilateral institutions, and export licenses, would all be suspended.

Mr. President, it is time for both India and Pakistan to pull back from a nuclear collision course. It is time to end the nuclear saber-rattling and begin real talks at the negotiating table. To that end, Mr. President, I commend the recent statement by Pakistan Prime Minister Benazir Bhutto expressing Pakistan's willingness to meet with India anywhere in the world at any time to ensure that what happened in Hiroshima and Nagasaki does not happen in Pakistan or India. I hope Indian officials take up her offer. It is the right thing to do.

The fact is that in the two decades since India's first nuclear weapons test, Pakistan has initiated at least eight proposals to reduce or eliminate the threat of nuclear weapons in that region. Most recently, it proposed the creation of a missile-free zone in all of South Asia. Each time, India has resisted these proposals.

Mr. President, I had a chart prepared which is the Pakistani proposals that they have provided, that they have produced over the years, trying to seek an accommodation, trying to keep nuclear weapons from being produced in their area. I might just briefly go through those.

First, to establish a nuclear weapons free-zone in South Asia, proposed in 1974; second, to issue a joint Indo-Pakistan declaration renouncing the acquisition and manufacture of nuclear weapons, proposed in 1978; to have mutual inspections by India and Pakistan of nuclear facilities, proposed in 1979; for simultaneous adherence to NPT by India and Pakistan, proposed in 1979; to endorse a simultaneous acceptance of full-scope international atomic energy agency safeguards, proposed in 1979; for agreement on a bilateral or regional nuclear test ban treaty, proposed in 1987; to commence a multilateral conference on the question of nuclear proliferation in South Asia, proposed in 1991; and to create a missile-free zone in all of South Asia, proposed in 1993.

These are the steps that Pakistan has proposed over the years to reduce the level of tensions, to stop the production of nuclear weapons in that area.

Each time that they have proposed this, India has resisted these proposals.

Mr. President, since the end of the cold war, solving nuclear tensions in the Indian subcontinent has been a leading nonproliferation goal of the United States. At best, this senseless arms race would squander billions of dollars and decrease security in the region and beyond. For this reason I call on my colleagues to join me in urging India to clearly state that it will refrain from nuclear testing. Furthermore, I call on the administration to support efforts to bring both India and Pakistan together for negotiations to eliminate the threat of nuclear proliferation in that region once and for all.

Mr. President, I further ask unanimous consent to have printed in the RECORD an editorial that appears in the Chicago Tribune, Sunday, January 7, 1996, entitled "The Nuclear Danger In South Asia."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Chicago Tribune, Jan. 7, 1996]

THE NUCLEAR DANGER IN SOUTH ASIA

Here's a question certain to unsettle those who still delude themselves that the end of the Cold War eliminated the menace of potential nuclear war on planet Earth: Is there an international rivalry today, one so unstable and hostile, that nuclear weapons might be launched in anger?

According to those in the government charged with keeping an American eagle on this problem, the answer, sadly, is yes. Not so very likely between the U.S. and Russia, they say—thank goodness!—nor between the U.S. and China. And while the two Koreas remain locked in a standoff of highly hostile intent, the South has no nuclear capability.

A nuclear war between India and Pakistan is the most likely scenario. Partitioned from former British colonial territory, the two nations are divided by religion and already have fought three wars over territory.

The Bush administration went so far as to say in private that it believed the 1990 Indo-Pakistani dispute over the province of Kashmir might have gone nuclear had shooting started in that crisis.

That's why reports from the U.S. intelligence community that India is preparing for another nuclear test, its first in 21 years, are worrisome. Why would India want to throw a match into this tinderbox?

The government of India denies American accusations, that it is about to conduct a nuclear operation at its Pokaran test site in the Rajasthan desert. But American experts say that two motivations may be driving India to a new round of testing.

First, the sitting government has been stung by weak electoral showings and can read public opinion that favors a strong defense, including nuclear arms.

And second, India wants to publicly defy the will of the major nuclear powers, which are urging treaties that would forever bar new states from seeking nuclear defenses. India derides such a system of dividing the world into "bomb haves" and "bomb have-nots" as "nuclear apartheid."

Why should the world care if India and Pakistan continue to go nuclear? There are reasons of the heart and of the mind.

Between them, India and Pakistan are home to a full one-fifth of the world's population, and even a nuclear exchange "limited" to a few warheads would present a humanitarian and ecological disaster of near-biblical proportions.

And to be coldly realistic, nobody knows what would happen once the nuclear taboo was broken, but the liberating effects—and on possible enemies of the United States—cannot be dismissed. The nuclear genie must remain locked in the bottle.

Thus, India must be dissuaded in every way possible from conducting a nuclear test. And it should join in understanding that the Nuclear Non-proliferation Treaty and the Comprehensive Test Ban Treaty will make the whole planet safer for all by limiting the spread of nuclear weapons and know-how.

Mr. HARKIN. Again, Mr. President, it is time to reduce the tensions in that area. The best way to do that is to use our good offices, the Administration, and also to let our voices be heard so that our friends in India—and I say that forthrightly; India is not an enemy of ours. They are a friend of ours. We have relations with India. But they have to understand the gravity of this situation. They have to understand that if they would clearly state that they will not conduct nuclear testing, how much further that would advance the cause of peace and reduce the tensions in that area.

Perhaps then we can get about bringing both India and Pakistan together, to stall the problems that we have in Kashmir, where thousands of innocent people are losing their lives. It need not be that way. We can solve these problems. But India must first renounce the use of nuclear weapons and must first state very clearly that they are not going to conduct nuclear testing.

With that out of the road, and I believe the pathway would be clear for this Administration and for other governments to get India and Pakistan together to solve the outstanding problems that continue to engulf the entire area.

MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUCTION OF SATELLITE SLOT BRINGS IN MILLIONS FOR AMERICAN TAXPAYERS

Mr. DOLE. Mr. President, I ask unanimous consent that today's New York Times article entitled, "News Corp. and MCI Win Satellite Slot" be printed in the RECORD. The sale of this national resource is a windfall for American taxpayers. Many thought it would only bring in $20 million to $100 million. But the experts were wrong. It brought in a whopping $682.5 million. Senator MCCAIN and Senator BROWN deserve recognition, and our thanks, for pushing through the legislation that made this auction possible.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 26, 1995]

NEWS CORP. AND MCI WIN SATELLITE SLOT

BID OF $682 MILLION TO BEAM TV TO HOMES

(By Edmund L. Andrews)

WASHINGTON, January 25.—After a brief but spirited bidding war, MIC Communications and Rupert Murdoch's News Corporation agreed today to pay the Federal Government $682 million for the last unclaimed orbital slot for a satellite that can beam television straight to individual homes across the United States.

The two companies, which have formed a joint venture to build and operate the system, said they planned to invest another $1 billion and hoped to begin offering both television and a broad range of business communication services within two years.

"We are talking about much, much more than higher quality television," said Bert C. Roberts, the chairman and chief executive of MCI, in a satellite-linked news conference with Mr. Murdoch.

But some analysts remain skeptical about the idea. MCI and the News Corporation paid top dollar for the license, more than twice that Tele-Communications Inc. of Denver was willing to pay when it dropped out of the Federal Communications Commission's auction on Wednesday.

The two companies will also be years behind several rivals, all of which either can or will beam more than 150 channels of television to relatively small antennas.

"I'm scratching my head, trying to figure out where they are going," said Daniel P. Reingold, a telecommunications analyst with Merrill Lynch.

DirectTV, a subsidiary of General Motors' Hughes Electronics, has signed up 1.2 million subscribers who receive service over antennas about 18 inches in diameter. And its pace is likely to speed up because the AT&T Corporation bought a small stake in the company this week and plans to start marketing its service through the AT&T sales force.

Echostar Communications of Englewood, Colo., which lost out to MCI in today's auction, already owns another direct-broadcast license and has launched its first satellite. It hopes to beam about 75 channels of television in March and to double that capacity with a second satellite by the end of the year.

And Primestar Partners, a consortium owned by several of the country's biggest cable television companies, is marketing a similar service that customers receive on bulkier three-foot-wide satellite dishes.

Today, however, Mr. Roberts and Mr. Murdoch radiated confidence and said they had much more in mind than simply emulating traditional cable television. Mr. Roberts described beaming things like medical images between hospitals, video training materials for corporations and high-speed data links to connect far-flung offices of a company.

Winning this license will allow MCI and the News Corporation to embark on the first tangible project of the alliance they formed nearly a year ago, in which MCI paid $2 billion for a 13.5 percent stake in News Corporation.

As the nation's second-largest long-distance carrier, MCI has been struggling to move beyond its traditional business and match moves made by both AT&T and the Sprint Corporation.

Sprint, meanwhile, has teamed up with four of the country's biggest cable companies in a bid to offer a full range of telephone, cable television and wireless communication services.

The new satellite license will allow the two companies to beam more than 200 channels of television programming over direct-broadcast satellites, high-powered satellites whose signals can be received by pizza-sized 18-inch dishes in individual homes.

Under the new joint venture, MCI said it would take lead responsibility for developing business communication services and the News Corporation would take the lead on consumer services. Mr. Murdoch said the consumer business would focus primarily on competing with traditional cable television operators.

Mr. Murdoch has already been both shrewd and highly successful in the satellite television business overseas. In Europe, the News Corporation owns a 40 percent in B Sky B, a service that now has five million subscribers. And in Asia, the News Corporation owns Star TV, which beams television and radio over Japan, Korea, China and India.

MCI, despite its difficulties in branching beyond the long-distance market, has nevertheless repeatedly shown itself a master of marketing prowess that has generally outpaced both AT&T and Sprint in the long-distance arena.

David Roddy, a communications analyst with Deloitte & Touche Consulting Group, said MCI had particular need for obtaining the last unclaimed satellite spot for direct-broadcast television because it had no other way of distributing entertainment and other forms of media.

"A lot of people are asking whether MCI can afford to do this, but my answer is, can they afford not to do it?" Mr. Roddy said.

MEDICARE REIMBURSEMENT FOR TAMOXIFEN

Mr. HATCH. Mr. President, each year in this country approximately 180,000 women are diagnosed as having breast cancer, a terrible disease that will claim nearly 50,000 lives. But, nearly 2.6 million women are breast cancer survivors, in part because of the availability of Tamoxifen citrate, a widely used post-operative drug for this disease.

My colleagues may not be aware that a low-cost version of Tamoxifen is available on the market today. As a result, the estimated 800,000 women who take two tablets per day of this lower cost medicine are saving a total of $81 million a year.

It has not been widely publicized, but during consideration of the Balanced Budget Act, a provision was included in the now-vetoed conference report to amend the Medicare Program to include reimbursement for Tamoxifen. In an effort to lessen the cost of this expansion of Medicare reimbursement, a rebate was included to reduce the cost of the drug to the Federal Government when covered as part of Medicare.

Unfortunately, I believe my colleagues were unaware of the negative effects of this rebate provision when it was passed as part of the budget bill. One notable drawback is that the provision would have set the very undesirable precedent of establishing a Medicare rebate. Such a rebate would be unwise policy for a number of reasons, but that is not the focus of my remarks here today.

More importantly, as a result of this new and unprecedented Medicare rebate, the provider of the low-cost alternative of Tamoxifen would no longer be able to make this product available in the domestic market. That is because the rebate, combined with the terms of a contract negotiated between the lower cost provider and the drug innovator, would cause the lower cost provider to lose money on each bottle of Tamoxifen sold.

Ironically, for Medicare beneficiaries and other consumers, the result of what I believe was a well-intentioned amendment could only be higher prices for this life-saving breast cancer therapy. Such a result would indeed be tragic, and I hope that my colleagues will give this a second thought as future Medicare bills are developed.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:02 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2880. An Act making appropriations for fiscal year 1996 to make a downpayment towards a balanced budget, and for other purposes.

The message also announced that the House agrees to the amendments of the Senate to the bill (H.R. 2353) to amend title 38, United States Code, to extend certain expiring authorities of the Department of Veterans Affairs relating to delivery of health and medical care, and for other purposes, with amendments, in which it requests the concurrence of the Senate.

ENROLLED BILLS SIGNED

At 1:28 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker pro tempore (Mr. GOSS) has signed the following enrolled bill:

S. 1341. An act to provide for the transfer of certain lands to the Salt River Pima-Maricopa Indian Community and the city of Scottsdale, Arizona, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore (Mr. THURMOND).

At 7 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker pro tempore (Mr. GOSS) has signed the following enrolled bill:

H.R. 2280. An Act making appropriations for fiscal year 1996 to make a downpayment towards a balanced budget, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore (Mr. Thurmond).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on January 26, 1996 he had presented to the President of the United States, the following enrolled bill:

S. 1341. An act to provide for the transfer of certain lands to the Salt River Pima-Maricopa Indian Community and the city of Scottsdale, Arizona, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHAFEE, from the Committee on Environment and Public Works, without amendment:

S. 1406. A bill to authorize the Secretary of the Army to convey to the city of Eufaula, Oklahoma, a parcel of land located at the Eufaula Lake project, and for other purposes (Rept. No. 104–205).

By Mr. PRESSLER, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 583. A bill to authorize the Secretary of Transportation to issue a certificate of documentation and coastwise trade endorsement for two vessels (Rept. No. 104–206).

S. 653. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Aura* (Rept. No. 104–207).

S. 654. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Sunrise* (Rept. No. 104–208).

S. 655. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Marantha* (Rept. No. 104–209).

S. 656. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Quietly* (Rept. No. 104–210).

S. 680. A bill to authorize the Secretary of Transportation to issue a certificate of documentation and coastwise trade endorsement for the vessel *Yes Dear* (Rept. No. 104–211).

S. 739. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Sisu*, and for other purposes (Rept. No. 104–212).

S. 763. A bill to authorize the Secretary of Transportation to issue a certificate of documentation and coastwise trade endorsement for the vessel *Evening Star*, and for other purposes (Rept. No. 104–213).

S. 802. A bill to authorize the Secretary of Transportation to issue a certificate of documentation and coastwise trade endorsement for the vessel *Royal Affaire* (Rept. No. 104–214).

S. 808. A bill to extend the deadline for the conversion of the vessel M/V *Twin Drill*, and for other purposes (Rept. No. 104–215).

S. 826. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Prime Time*, and for other purposes (Rept. No. 104–216).

S. 869. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Dragonessa*, and for other purposes (Rept. No. 104–217).

S. 889. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Wolf Gang II*, and for other for other purposes (Rept. No. 104–218).

S. 911. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade of the United States for the vessel *Sea Mistress* (Rept. No. 104–219).

S. 975. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Jajo*, and for other purposes (Rept. No. 104–220).

S. 1016. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with the appropriate endorsement for employment in the coastwise trade for the vessel *Magic Carpet* (Rept. No. 104–221).

S. 1017. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with the appropriate endorsement for employment in the coastwise trade for the vessel *Chrissy* (Rept. No. 104–222).

S. 1040. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Onrush* (Rept. No. 104–223).

S. 1041. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Explorer* (Rept. No. 104–224).

S. 1046. A bill to authorize the Secretary of Transportation to issue certificates of documentation with appropriate endorsements for employment in the coastwise trade of the United States for fourteen former U.S. Army hovercraft (Rept. No. 104–225).

S. 1047. A bill to authorize the Secretary of Transportation to issue certificates of documentation and coastwise trade endorsements for the vessels *Enchanted Isles* and *Enchanted Seas* (Rept. No. 104–226).

By Mr. McCAIN, from the Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 814. A bill to provide for the reorganization of the Bureau of Indian Affairs, and for other purposes (Rept. No. 104–227).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on Armed Services:

DEPARTMENT OF DEFENSE

NOMINEE AND OFFICE: H. MARTIN LANCASTER, OF NORTH CAROLINA, TO BE AN ASSISTANT SECRETARY OF THE ARMY, VICE NANCY PATRICIA DORN, RESIGNED.

DEPARTMENT OF DEFENSE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT AS VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF AND REAPPOINTMENT TO THE GRADE OF GENERAL UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 154:

To be general

GEN. JOSEPH W. RALSTON, [redacted] U.S. AIR FORCE

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. MARCUS A. ANDERSON, [redacted] U.S. AIR FORCE

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE, TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 8373, 8374, 12201 AND 12212:

To be major general

BRIG. GEN. WILLIAM A. HENDERSON, [redacted] AIR NATIONAL GUARD
BRIG. GEN. TIMOTHY J. LOWENBERG [redacted] AIR NATIONAL GUARD
BRIG. GEN. MELVYN S. MONTANO, [redacted] AIR NATIONAL GUARD
BRIG. GEN. GUY S. TALLENT [redacted] AIR NATIONAL GUARD
BRIG. GEN. LARRY R. WARREN [redacted] AIR NATIONAL GUARD

To be brigadier general

COL. JAMES H. BAKER [redacted] AIR NATIONAL GUARD
COL. JAMES H. BASSHAM [redacted] AIR NATIONAL GUARD
COL. PAUL D. KNOX, [redacted] AIR NATIONAL GUARD
COL. CARL A. LORENZEN, [redacted] AIR NATIONAL GUARD
COL. TERRY A. MAYNARD, [redacted] AIR NATIONAL GUARD
COL. FRED L. MORTON, [redacted] AIR NATIONAL GUARD
COL. LORAN C. SCHNAIDT, [redacted] AIR NATIONAL GUARD
COL. BRUCE F. TUXILL, [redacted] AIR NATIONAL GUARD

IN THE NAVY

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be admiral

ADM. JOSEPH W. PRUEHER [redacted]

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST OF THE U.S. NAVY IN THE GRADE INDICATED UNDER SECTION 1370 OF TITLE 10, UNITED STATES CODE:

To be vice admiral

VICE ADM. RICHARD C. ALLEN [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10 UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. JOHN J. MAZACH [redacted]

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST OF THE U.S. NAVY IN THE GRADE INDICATED UNDER SECTION 1370 OF TITLE 10, UNITED STATES CODE:

To be admiral

ADM. WILLIAM A. OWENS [redacted]

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. THURMOND. Mr. President, for the Committee on Armed Services, I report favorably 17 nomination lists in the Air Force and Army, which were printed in full in the RECORDS of September 19, 1995,. November 28, 1995, December 4, 1995, and December 18, 1995, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORDS of September 19, and November 28, December 4, and 18, 1995; at the end of the Senate proceedings.)

In the Army there are 1,655 promotions to the grade of major (list begins with David L. Abbott). (Reference No. 646.)

In the Air Force there are 30 appointments to the grade of second lieutenant (list begins with Todd D. Bergman). (Reference No. 733.)

In the Air Force Reserve there are 2 appointments to the grade of lieutenant colonel (list begins with Ruth T. Lim). (Reference No. 734.)

In the Army there is 1 promotion to the grade of lieutenant colonel (Nelson L. Michael). (Reference No. 735.)

In the Army there are 14 promotions to the grade of colonel (list begins with Robert L. Ackley). (Reference No. 736.)

In the Army Reserve there is 1 appointment to the grade of lieutenant colonel (Paul A. Ostergaard). (Reference No. 737.)

In the Army there are 41 promotions to the grade of lieutenant colonel (list begins with Charles W. Baccus). (Reference No. 738.)

In the Army there are 30 promotions to the grade of major (list begins with Mark E. Benz). (Reference No. 739.)

In the Army there are 106 appointments to the grade of colonel and below (list begins with Vincent B. Bogan). (Reference No. 740.)

In the Air Force there are 3.099 appointments to the grade of captain (list begins with James P. Aaron). (Reference No. 741.)

In the Army there are 363 promotions to the grade of colonel (list begins with Alvin D. Aaron). (Reference No. 742.)

In the Air Force there are 928 appointments to the grade of second lieutenant (list begins with Carlos L. Acevedo). (Reference No. 743.)

In the Air Force Reserve there are 23 promotions to the grade of lieutenant colonel (list begins with William C. Alford). (Reference No. 752.)

In the Air Force there are 12 appointments to the grade of colonel and below (list begins with Rogelio F. Golle). (Reference No. 753.)

In the Army Reserve there are 11 promotions to the grade of lieutenant colonel (list begins with William Hayes-Regan). (Reference No. 787.)

In the Army Reserve there are 38 promotions to the grade of colonel and below (list begins with Michael C. Appe). (Reference No. 788.)

In the Air Force Reserve there are 98 promotions to the grade of colonel (list begins with Dwayne A. Alons). (Reference No. 789.)

Total: 6,469.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DEWINE (for himself and Mr. GLENN):

S. 1529. A bill to provide for the Federal treatment of certain relocating National Football League franchises, and for other purposes; to the Committee on Finance.

By Mr. BUMPERS:

S. 1530. A bill to create a government corporation to own and operate the Naval Petroleum Reserves and Naval Oil Shale Reserves, and for other purposes; to the Committee on Armed Services.

By Mr. MCCAIN:

S. 1531. A bill to reimburse States and their political subdivisions for emergency medical assistance provided to illegal aliens under their custody as a result of Federal action; to the Committee on the Judiciary.

By Mr. SIMON:

S. 1532. A bill to provide for the continuing operation of the Office of Federal Investigations of the Office of Personnel Management, and for other purposes; to the Committee on Governmental Affairs.

By Mr. MCCAIN:

S. 1533. A bill to provide an opportunity for community renewal and economic growth in empowerment zones and enterprise communities, and for other purposes; to the Committee on Finance.

By Mr. HATFIELD (for himself and Mr. KENNEDY):

S. 1534. A bill to amend the Public Health Service Act to provide additional support for and to expand clinical research programs, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. ABRAHAM:

S. 1535. A bill to strengthen enforcement of the immigration laws of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. THOMPSON:

S. 1536. A bill to amend title 18, United States Code, to permit Federal firearms licenses to conduct firearms business with other such licenses at out-of-State gun shows; to the Committee on the Judiciary.

By Mr. ROBB (for himself, Mr. DASCHLE, and Mr. SIMPSON):

S. 1537. A bill to require the Administrator of the Environmental Protection Agency to issue a regulation that consolidates all environmental laws and health and safety laws applicable to the construction, maintenance, and operation of above-ground storage tanks, and for other purposes; to the Committee on Environment and Public Works.

By Mr. GLENN (for himself and Mr. GORTON):

S. 1538. A bill to amend the Internal Revenue Code of 1986 to provide for the treatment of excess benefit arrangements of certain tax-exempt group medical practices, and for other purposes; to the Committee on Finance.

By Mrs. HUTCHISON:

S. 1539. A bill to establish the Los Caminos del Rio National Heritage Area along the Lower Rio Grande Texas-Mexico border, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HATCH:

S. 1540. A bill to amend chapter 14 of title 35, United States Code, to preserve the full term of patents; to the Committee on the Judiciary.

By Mr. LUGAR (for himself, Mr. DOLE, Mr. HELMS, Mr. COCHRAN, Mr. CRAIG, Mr. GRASSLEY, Mr. PRESSLER, and Mr. COVERDELL):

S. 1541. A bill to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes; read the first time.

By Mr. ABRAHAM (for himself and Mr. LIEBERMAN):

S. 1542. A bill to amend the Internal Revenue Code of 1986 to provide for the expensing of environmental remediation costs in empowerment zones and enterprise communities; to the Committee on Finance.

By Mr. KERREY:

S. 1543. A bill to clarify the treatment of Nebraska impact aid payments; considered and passed.

By Mr. DORGAN (for himself and Mr. CONRAD):

S. 1544. A bill to authorize the conveyance of the William Langer Jewel Bearing Plant to the Job Development Authority of the City of Rolla, North Dakota; considered and passed.

By Mr. SPECTER (for himself and Mr. HOLLINGS):

S.J. Res. 48. A joint resolution proposing an amendment to the Constitution of the United States relating to contributions and expenditures intended to affect elections; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DASCHLE:

S. Res. 213. A resolution commending Senator Sam Nunn for casting 10,000 votes; considered and agreed to.

By Mr. BROWN:

S. Res. 214. A resolution to express the Sense of the Senate concerning the payment of social security obligations; to the Committee on Finance.

By Mr. LAUTENBERG (for himself, Mr. BRADLEY, and Mr. MOYNIHAN):

S. Res. 215. A resolution to designate June 19, 1996, as "National Baseball Day"; to the Committee on the Judiciary.

By Ms. SNOWE (for herself and Mr. COHEN):

S. Res. 216. A resolution to express the sense of the Senate that if a $1 coin is minted to replace the $1 bill, the Secretary of the Treasury should be authorized to mint and circulate $1 coins bearing the likeness of Margaret Chase Smith; to the Committee on Banking, Housing, and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DEWINE (for himself and Mr. GLENN):

S. 1529 A bill to provide for the Federal treatment of certain relocation National Football League franchises, and for other purposes; to the Committee on Finance.

THE TEAM RELOCATION TAXPAYERS PROTECTION ACT OF 1996

Mr. DEWINE. Mr. President, I rise today to introduce, along with my distinguished colleague from Ohio, Senator JOHN GLENN, legislation that will get U.S. taxpayers out of the business of subsidizing NFL franchise moves.

It is clear by now that these franchise moves have a very substantial impact not only on communities, on the economy, but also, frankly, on the future of professional sports.

Mr. President, I have already on this floor in days past addressed at length the question of the proposed move of the Cleveland Browns to Baltimore. I believe, as do many Ohioans—indeed, as do many Americans—that this move is simply wrong. I have discussed on this floor the great tradition of the Browns, the love the people of Cleveland and the people of Ohio have for the Browns.

Candidly, whether you care about the Browns or do not, whether you are a sports fan or not a sports fan, you and every taxpayer are paying for this move—every taxpayer in the entire country. Whether you live in Cleveland, OH, or Los Angeles, CA, the Federal Government is reaching into your pocket to pay for this move. I believe the taxpayers will be shocked to know this, and they should be. The sports fan who have followed all the back and forth of this move, very few of them are aware today as I speak from the Senate floor that the Federal Government, is subsidizing this purported move by $36 million—$36 million of taxpayers' money.

That provides the occasion and the rational and the public policy reason for the legislation Senator GLENN and I are introducing today. Quite frankly, I can see no moral justification for taxpayers, for the people of Cleveland or anywhere else to reward a sports team with public money to assist that team in breaking its word and deserting the community. I believe that to do this is unconscionable and is simply wrong.

Let me put it in real terms. To force a family in Parma, OH, or Euclid, or in Cleveland, or in Columbus, OH, to take there tax dollars, to send them to Washington and to have Washington turn around and subsidize Baltimore, MD, to steal the team from the Browns and to do it with $36 million in Federal taxpayers' money makes absolutely no sense. I believe that we must stop the insanity. We must act to get the Government out of this subsidy business.

Mr. President, today, more and more public money is being used to support professional football franchises. Communities are making significant public investments to lure and keep NFL teams in there area. In each one of these cases, in return for the public investment, teams are agreeing to stay in the community for a specifically defined period of time. There is a deal made. The local community will offer financial incentives, will support the team, and in return the owner agrees to stay in that community during the term of the lease. It is fairly simple. Unfortunately, however, some franchises are breaking their part of the deal by seeking to relocate before the term of the deal has expired, before the lease is over.

That is why I am introducing legislation that will get the Federal taxpayer out of the business of subsidizing this particular kind of relocation. The enactment of this bill will result, frankly, in less Government involvement in professional sports, not more. Under the current system, when a city or State wants to raise funds to build a stadium and thereby secure a professional team, it authorizes a governmental entity such as a stadium authority to issue bonds. In other words, to sell the debt to anyone who wants to buy the debt. The stadium authority can then use the proceeds to build the stadium and the people who have invested pay no tax on the interest they earn—tax-free bonds. The tax exemption allows the stadium authority to pay lower interest rates and thus keep more money for itself. They can build the stadium at less of a cost—in this particular case in Baltimore it is $36 million less cost. That is the difference between issuing the bonds, building the stadium with taxable bonds versus building that stadium with nontaxable bonds.

Mr. President, because the bondholder does not pay Federal tax on interest, the interest amounts to a Federal subsidy for stadium authority bondholders. For example, in the case of the Browns move, this subsidy is worth, as I have stated, $36 million to the Browns.

The legislation that Senator GLENN and I are introducing today will prohibit the use of these Federal subsidies in bond deals associated with the relocation of an NFL team, when that team breaks an existing deal with the community that has supported the team. In short, new Federal subsidies under this bill cannot be used to help a team violate an existing commitment where that commitment includes public money.

The bill's criteria are straightforward. There are five separate criteria and each one of these has to be met before our bill applies: First, if the franchise is currently in a public facility; second, if the proposed relocation will be to a new public facility; third, if fan support in the current location, the current team's local area—in this case, Cleveland—has been at least 75 percent of stadium capacity in the preceding season; fourth, if the current lease with the public entity has not expired—in other words, they are breaking the lease; and fifth, if asked, voters in the current jurisdiction have approved the use of further tax dollars to improve the current facility or to build a new one.

If all five of these criteria apply, then our bill provides as follows: No expenditure of Federal funds including grants, awards, loans, guarantees, tax credits, exemptions, allowances or any use of Federal tax-exempt financing may be used to benefit the franchise seeking to relocate.

In short, Mr. President, if you own a football team and you want to break your lease and the local community has done everything it can to support the team, you can do it; Congress will not stop you, not under this bill, but—but—the Federal taxpayers will not help you do it. They will not encourage you with a subsidy to do it. The Federal taxpayers will not subsidize your breach of faith. That is the message that the bill will send to NFL owners. If you want to go build your own stadium, you can do that, too, but the Federal taxpayers will not help you do it. If you want to rely only on State, local dollars, not Federal dollars, you can do that, too, but Federal taxpayers simply will not help you do it. If you want to break a deal in the community and the community you are leaving has done everything it can to keep its part of the bargain, then the Federal taxpayer will not get involved.

Mr. President, it is important to discuss this issue in the context of everything else that is occurring today and this past year in Washington. In the Senate, we have been consumed with decisions on Federal spending. How can we slow the rate of growth of spending? What Federal budget should we pass? How can we balance the Federal budget? We are making very tough decisions on health care for poor people, welfare reform, Medicare, Medicaid, the education of our youth.

I do not need to tell anyone in this Chamber that these are very difficult decisions, but here is an easy decision. As I stated earlier, in just this case, the case of the Browns purported move to Baltimore, it is estimated that the Federal tax subsidy is $36 million. That is over and above any local taxpayer subsidy—$36 million of Federal tax money, $36 million that will benefit one professional sports franchise.

The American people want to know what we mean by corporate welfare. This, Mr. President, is corporate welfare. This is what we mean. Paying the Browns $36 million of Federal money is, simply, morally wrong.

For me, the question is, under our serious budget constraints, what in the world justifies taking $36 million from taxpayers, including the ones in Cleveland whose trust with the Browns has been broken, to pay for this move? Absolutely nothing justifies it.

Mr. President, I have spoken at length regarding the impact of sports franchise relocation on the communities that love their teams. I have mentioned the pride that the people of Cleveland, the people of all of Ohio have in the Browns. I have discussed the unbroken bonds of affection that stretch from the days after the Second World War, when the Browns started playing in Cleveland, to today's fans who, frankly, still cannot believe that the Browns are trying to leave town. I will not replow that field here except to say simply this: Loyalty counts. Loyalty is not transferable.

The Cleveland story is very important precisely because the Browns are the heart and soul of Cleveland and because the people of Cleveland have done all they can to save the Browns. The Cleveland situation is, Mr. President, the worst-case scenario. If the Browns can leave Cleveland, any team can leave any town any time.

This was an ad that was paid for by Browns fans that appeared in USA Today. I think it pretty much summarizes the situation. If this can happen in Cleveland, Mr. President, this can happen to any team, to any sports fans in the country.

Mr. President, I ask unanimous consent for an additional 4 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DEWINE. Mr. President, in the last several weeks we have seen much activity surrounding the Browns' move to Baltimore. The State of Maryland has filed an antitrust lawsuit against the NFL. The city of Cleveland sued the Browns. The city of Cleveland also sued the city of Baltimore. Who knows, there may be more lawsuits coming.

My bill does one very important thing: It gets the American taxpayer out of the middle of all this. Whatever the economic factors that cause teams to go and to come, whatever the circumstances that lead city to sue city, teams to sue teams, and the league to sue teams and individuals, the American taxpayer should be left out of it. The taxpayers' burden is high enough. It is wrong to make the taxpayers pay.

My bill does not seek to manage the NFL team relocation process. It does not intend to have more regulation of the NFL. But it does say that the Federal Government will not help them leave and that the Federal taxpayers will not subsidize these moves.

Mr. President, I considered naming my bill after our beloved "Dawgs" and the hard-core Browns fans who are represented in this particular ad. You see in the ad the "Big Dawg," who is certainly famous in Cleveland, around the country, a great fan looking at this empty stadium after the last home game. I considered naming my bill after the Dawgs, and the Dawgs, of course, is, in this case, spelled d-a-w-g-s. In this case, the Dawgs would stand for "don't allow welfare for greedy sports owners."

While that title would express very accurately the deepest feelings of the people of Ohio, I have decided on a title that would tell all Americans why they should support this particular bill. I have called the bill the Team Relocation Taxpayer Protection Act. The bill is called the Team Relocation Taxpayer Protection Act.

If you are a taxpayer and you think we have better things to spend Federal money on than corporate greed, you should support this bill.

Mr. President, I ask unanimous consent that the full text of this bill, the

Dawgs bill, the Team Relocation Taxpayer Protection Act, be printed in the RECORD.

Mr. SPECTER. Mr. President, before proceeding to the purpose for which I have sought recognition, I would like to express my support for the proposition outlined by the distinguished Senator from Ohio. I believe that Baltimore ought to have a football team, and that is the Colts. I think that Indianapolis is entitled to an expansion team.

I believe that Senator DEWINE has articulated the issue cogently and forcefully on a travesty which is being perpetrated on many American cities and on many American taxpayers. There is really a situation where sports teams are entrusted with a public interest.

The movement of the Dodgers from Brooklyn to Los Angeles was the start of pirating in America of sports franchises and should never have been allowed, accompanied by the movement of the Giants from New York to San Francisco.

We have seen that matter proliferate. It is hard to understand why the taxpayers of Maryland and Baltimore have to be in a bidding contest, which, as I understand it, approximates some $200 billion to bring a football team to Baltimore. Certainly Baltimore ought to have a football team, and it ought to be the Colts, which moved out of Baltimore in the middle of the night to go to Indianapolis.

American has a love affair with sports. I just came from a brief sporting event in the office of Senator KAY BAILEY HUTCHISON, where she and Senator SANTORUM and I articulated a bet on the Super Bowl game. If you cannot see this on C-SPAN 2, this is an unusual tie for me to wear. It is a Steelers tie.

I am going to be going to the Super Bowl, weather permitting and Senate schedule permitting. Who knows, we may be in session Sunday the way things are going. But I have participated in America's love affair with sports since I was a youngster in Wichita, KS, reading the box scores from the Wichita Eagle every morning because of my love and passion for baseball.

I have been attending the Phillies games and the Eagles games, and when I can, in Pittsburgh, the Pirates games and the Steeler games because of my love of the sport. It is tremendously exciting.

Just basically, it is unfair for the Browns—I was about to say the Indians—for the Browns to be taken out of Cleveland. I hope we can do something about it. I hope that with the complications of free agency and franchise removal, salary caps and revenue sharing, that we will be able to address this matter in a sane way in the Congress.

Baseball enjoys an antitrust exemption. Football enjoys a limited antitrust exemption from revenue sharing for television. I believe those sports are under an obligation to work out the rules so that the teams do not get themselves pirated from one city to another.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1529

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Team Relocation Taxpayer Protection Act of 1996".

SEC. 2. TREATMENT OF RELOCATING NATIONAL FOOTBALL LEAGUE FRANCHISES.

(a) EFFECT ON INTERSTATE COMMERCE.—

(1) FINDINGS.—The Congress finds that the conduct of a National Football League franchise occurs in interstate commerce and has a substantial effect on interstate commerce and that when the facts and circumstances described in subsection (c)(1) are combined, there arises substantial potential for harmful effects on interstate commerce.

(2) PURPOSE.—The purpose of this section is to deter such harmful effects.

(3) NO PREEMPTION OF STATE OR LOCAL ACTIONS.—Such other actions as may be taken by a State or local governmental unit or entity referred to in subsection (c)(1)(A) to address the facts and circumstances described in subsection (c)(1) are not preempted by this section and do not burden interstate commerce.

(b) FEDERAL TREATMENT.—Notwithstanding any other provision of law—

(1) any entity or person described in paragraph (1) or (2) of subsection (c)—

(A) may not benefit, directly or indirectly, from any expenditure of Federal funds, and

(B) shall not be allowed any Federal tax exclusion, deduction, credit, exemption, or allowance,

in connection with or in any way related to the relocation of a National Football League franchise of an entity or person described in subsection (c)(1); and

(2) the interest paid or accrued on any bond, any portion of the proceeds of which is used or is to be used to provide facilities that are used or are to be used in whole or in part by any entity or person described in paragraph (1) or (2) of subsection (c), shall not be exempt from any Federal tax.

(c) ENTITY OR PERSON DESCRIBED.—For purposes of this section—

(1) GENERAL DESCRIPTION.—An entity or person is described in this paragraph if—

(A) the entity or person has conducted regular season home football games through ownership of a franchise in the National Football League in facilities—

(i) which are owned, directly or indirectly, by a State or local governmental unit or entity, or

(ii) which are financed by a Federal, State, or local governmental unit or entity;

(B) the entity or person has publicly announced that such entity or person has the intention to conduct such football games outside the facilities described in subparagraph (A) before the expiration of the period during which such governmental unit or entity has authorized the entity or person to use such facilities;

(C) the entity or person has publicly announced that such entity or person has the intention to conduct such football games in facilities—

(i) to be owned, directly or indirectly, by a State or local governmental unit or entity, or

(ii) to be financed by a Federal, State, or local governmental unit or entity;

(D) in the National Football League season preceding the announcement of the intention of the entity or person to relocate, attendance at the regular season home football games of such entity or person averaged at least 75 percent of normal capacity as previously published by the National Football League with respect to such season; and

(E) within the period of 1 year before or after such announcement by the entity or person, an election or referendum has been held by the State or local governmental unit in which the facilities described in subparagraph (A) are located and the voters have approved a tax increase or extension of a tax, or have failed to repeal any such tax increase or extension, intended by such governmental unit to be used as part of the financing for improved facilities or new facilities for such football games of such entity or person.

(2) RELATED PERSON.—

(A) IN GENERAL.—An entity or person is described in this paragraph if such entity or person is a related person to an entity or person described in paragraph (1).

(B) APPLICATION OF CERTAIN RULES.—For purposes of this paragraph, a person or entity shall be treated as a related person to an entity or person described in paragraph (1) if—

(i) under the terms of section 144(a)(3) of the Internal Revenue Code of 1986, such person or entity would be treated as a related person to an entity or person described in paragraph (1), or

(ii) such person or entity is a successor in interest to an entity or person described in paragraph (1) or to any related person.

(C) RULES REGARDING CERTAIN RELATIONSHIPS.—In determining whether a person or entity is a related person to an entity or person described in paragraph (1), the rules of sections 144(a)(3), 267, 707(b), and 1563 of the Internal Revenue Code of 1986 shall be applied—

(i) by substituting "at least 25 percent" for "more than 50 percent" each place it appears therein and by determining such percentage on the basis of the highest percentage of the stock or other indices of ownership that any person or entity has owned directly or indirectly at any time after December 31, 1991,

(ii) by treating a person's step-children or step-grandchildren as the person's natural children or grandchildren, and

(iii) by treating all children and step-children of such person as if they have not attained the age of 21 years.

(d) BANKRUPTCY VENUE.—Notwithstanding any other provision of law, including titles 11 and 28 of the United States Code, any case under such title 11 with respect to an entity or person described in paragraph (1) or (2) of subsection (c) may be commenced only in the district court for the judicial district in which the principal place of business in the United States of such entity or person has been located during the greatest part of the 3-year period immediately preceding the commencement of such case.

(e) EFFECTIVE DATE.—This section shall apply to—

(1) any expenditure of Federal funds on or after the date of the introduction of this Act,

(2) any case commenced under title 11, United States Code, after November 1, 1995, and

(3) any Federal tax exclusion, deduction, credit, exemption, or allowance for any taxable period ending after December 31, 1994.

Mr. GLENN. Mr. President, I rise today in strong support of the legislation being offered by my colleague from Ohio. We have worked together very closely on the whole issue of professional sports team relocation. It should come as no surprise this is an issue that hits home for the people of our States.

Organized, professional sports have always played a prominent role in American life. Individuals, cities, States, and even the entire nation have come together and rallied around sports teams. And professional sports teams have helped local economies rally and revitalized our inner cities, creating whole new sectors of economic opportunity.

This week, many Americans' eyes are on Tempe, AR, where the Dallas Cowboys will take on the Pittsburgh Steelers to determine who will win a fifth NFL championship. Think of some of the other major sports events that have riveted the nation's attention over the past months.

How about those Cleveland Indians and their amazing season which culminated in a World Series appearance?

Who hasn't heard all the talk this winter about the return of Michael Jordan and the Chicago Bulls' dominance of the NBA.

And who can forget the elation we all felt watching Cal Ripken, Jr., take his historic lap around Camden Yards?

What can be more American, or says more about our country, than stories such as these? Or how we bask in a team's victories, commiserate over the losses, and cheer exciting and dramatic exploits on the field or on the court?

But there is a story that overshadows these and threatens this spirit, that is community pride. Of course, I am speaking of team relocation. And the relocation which has shocked the nation involves the Cleveland Browns. Let me tell you a little about Cleveland and the Browns.

The Cleveland Browns have been a symbol of undying and unwavering fan support. Week after week, 70,000 people cram into Lakefront Memorial Stadium to root on the Browns. The "Dawg Pound" is a national symbol of fan support. Through 3–13 seasons, 13–3 season, exciting play-off victories, demoralizing play-off defeats, Browns fans have been through it all and still support their team.

There's no talk of getting on or off a bandwagon in Cleveland—every fan is there, through thick and thin.

That's what makes the announcement that the Browns intend to desert their home of 50 years the toughest to take. The Browns have enjoyed backing from generations of fans, only to be told that it doesn't matter.

Well, it does matter. It matters to the season ticket holder who has been going to games for 30 years. It matters to the worker who sells hot dogs at the stadium. It matters to businesses selling Browns t-shirts, hats, and other paraphernalia. It matters to restaurants and hotels that cater to fans and players. It matters to those raised as Browns fans looking forward to passing along that tradition.

It should matter to every football, baseball, hockey, and basketball fan across the country, because if it can happen to Cleveland, it can happen to you.

And it should matter to every single taxpayer in America who are going to end up footing part of the bill for the Browns' move and others as relocation fever sweeps the country. It's shocking, but Federal tax subsidies are going to help ease the cost of the Cleveland Browns' relocation. It absolutely makes no sense that we should allow taxpayer dollars to back up this kind of deal.

Why should taxpayers in Cleveland, or any American city, help foot the tab for their local team to pull stakes and move to another city? Talk about adding insult to injury. That's why I am pleased to join my colleague from Ohio today in introducing this legislation.

Let me stress that this legislation does not put an all-out ban on the use of public money in such situations. In fact, it is a very narrowly tailored bill which says: if a team already took advantage of tax dollars to build its existing stadium; and there has been tremendous fan loyalty and support; and voters in the current jurisdiction have approved of the means to improve the team's current facility or build a new one; and the team's current lease has not expired; then, we're not going to allow Federal tax dollars to subsidize the move.

I think that's pretty reasonable. We shouldn't be in the business of giving Federal tax subsidies to a team that already received the benefit of public money to build their existing stadium, that intends to turn its back on loyal fans and a community commitment to build or improve their stadium, and a team that has broken its lease—that team should not receive a Federal tax subsidy.

Right now, Washington is embroiled in a very nasty and partisan debate about how our Government can reach a balanced budget. One of the key issues in this debate centers on tax cuts—who should get them, who shouldn't benefit.

Well, I put to my colleagues the question: should tax breaks go to professional sports teams when they turn their back on an ironclad commitment that is already backed by a Federal subsidy? I'm sure my colleagues and all Americans know the answer to that question.

The Senate has a unique opportunity to start putting an end to the chaos in professional sports. The bill we are introducing today is the second step in that effort. I intend to continue pushing our Fans Rights Act through Congress. We still need to grant leagues a limited anti-trust exemption related to team transfers. I am pleased that many of the witnesses at a Judiciary Committee yesterday agreed with this point. I hope there is Senate action on that bill, and the one we are introducing today, early this season.

Mr. President, I am pleased to have worked with my colleague from Ohio on this important legislation. It will provide a solution to a serious, yet limited, problem. I urge all Senators to support this bill.

By Mr. BUMPERS:

S. 1530. A bill to create a government corporation to own and operate the naval petroleum reserves and naval oil shale reserves, and for other purposes; to the Committee on Armed Services.

THE NAVAL PETROLEUM RESERVES AND NAVAL OIL SHALE RESERVES CORPORATIZATION ACT OF 1996

• Mr. BUMPERS. Mr. President, I introduce the Naval Petroleum Reserves and Naval Oil Shale Reserves Corporatization Act of 1996. This bill would: First, create a government corporation to own and operate the naval petroleum reserves and naval oil shale reserves; and second, authorize the privatization of the corporation within 5 years if the taxpayers receive a fair return.

The naval petroleum reserves consist of three fields: Elk Hills in California; Buena Vista Hills in California and Teapot Dome in Wyoming. The Federal Government owns 100 percent of both Buena Vista Hills and Teapot Dome. However, the Government owns only 78 percent of Elk Hills. The remaining 22 percent is owned by Chevron. Elk Hills is by far the most significant area, making it one of the largest fields in the United States. In fact, Elk Hills produces approximately $400 million per year in revenues for the Federal Treasury.

Similarly, there are three naval oil shale reserves. Naval oil shale reserves 1 and 3 are located in northwest Colorado. Naval oil shale reserve 2 is located in eastern Utah. Unlike the Naval Petroleum reserves, there is no production from the oil shale reserves because development of oil shale is not currently economical. However, there is also recoverable natural gas.

Both the administration and the majority party in Congress have, at various times, proposed that the naval petroleum reserves be sold and the administration has also proposed that two of the three oil shale reserves be privatized as well. While I am not necessarily opposed to the notion of removing the Government from the oil production business, I am troubled that the various proposals do not put the taxpayers' interests first. The Congressional Budget Office [CBO] has estimated that the sale of the naval petroleum reserves as originally proposed would produce $1.55 billion in receipts. CBO also determined that the sale would actually cost the Government $992 million over 7 years because the reserves would produce approximately $2.5 billion in revenues in the Government retains the assets during that same time period. While the CBO estimate does not take into account the appropriated expenditures made annually for operation and maintenance of the petroleum reserves, the sale of the assets would eliminate possibly billions of dollars worth of additional revenue that would be derived from the continued operation of the naval petroleum reserves over the life of the assets.

From 1987 until this year, Congress prohibited revenue derived from the sale of Government assets from being scored for budget purposes. I strongly opposed the change made to the asset sale scoring rule in this year's budget resolution for exactly the reasons exemplified by the proposed sale of the naval petroleum reserves. It makes no sense to sell an asset for some quick cash when, in the long run, the loss of revenues from the sold Government asset outweighs the funds derived from the sale. However, that is exactly what the budget rules now permit and, in fact, promote.

Mr. President, as I mentioned earlier, I am not necessarily opposed to the privatization of the naval petroleum reserves and the naval oil shale reserves. However, I am opposed to selling these assets for far less than they are worth to their current owners—the Americans taxpayers.

The bill I am introducing today is designed to ensure that the value of these assets are maximized. First, by creating a Government corporation, the naval petroleum reserves can be operated in a more efficient manner in the absence of burdensome restrictions placed on Government agencies. Second, the corporation will have the time to adequately evaluate the worth of the naval petroleum reserves and naval oil shale reserves to make sure that if they are sold, the taxpayers receive an adequate return. Finally, my bill authorizes the corporation to privatize, but only if the price paid by private investors is at least equal to the net present value if the corporation remained in Government hands.

Government corporatization is not a new idea. In fact, the Department of Energy [DOE] proposed creating a Government corporation to own and operate the naval petroleum reserves in 1993. An internal DOE analysis determined that a Government corporation is the option that would produce the greatest net present value associated with the naval petroleum reserves through 2040. In addition, in 1994 the National Academy of Public Administration [NAPA] recommended that the naval petroleum and oil shale reserves be owned and operated by a Government corporation. In fact, the Academy estimated that the net present value of the naval petroleum reserves, if they were owned by a Government corporation, would be $4.1 billion. This is far greater than the $1.55 billion which CBO estimates the sale of the petroleum reserves would produce.

Mr. President, our constituents have sent us to Washington, in part, to act as their guardians by ensuring that their interests, as taxpayers, are protected. Our obligations are not limited to making sure that the funds provided by their taxes are spent wisely. It is also the duty of everyone in this body to require that when taxpayer-owned assets are disposed of, that the taxpayers receive a fair return. It is beyond belief that anyone could argue that selling the naval petroleum reserves for $1.55 billion is a better choice than creating a Government corporation to own and operate the reserves which will provide more than $4 billion adjusted for net present value.

Mr. President, I urge my colleagues to join me by cosponsoring the Naval Petroleum Reserves and Naval Oil Shale Reserves Corporatization Act of 1996. I ask unanimous consent that the full text of the bill appear in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1530

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be referred to as the "Naval Petroleum Reserves and Naval Oil Shale Reserves Corporatization Act of 1995".

TITLE I—ESTABLISHMENT OF THE NAVAL PETROLEUM RESERVES CORPORATION.

SEC. 101. ESTABLISHMENT OF THE CORPORATION.

(a) There is established a body corporate to be known as the "Naval Petroleum Reserves and Naval Oil Shale Reserves Corporation" (referred to in this Act as "the Corporation").

(b) The Corporation is a for-profit, wholly owned Government Corporation subject to chapter 91 of title 31, United States Code (the Government Corporation Control Act). The Corporation is an agency of the United States, subject to annual apportionment under section 1512 of title 31, United States Code.

(c) JURISDICTION AND CONTROL.—The Corporation has exclusive jurisdiction and control over all of the Naval Petroleum Reserves and Naval Oil Shale Reserves.

SEC. 102. CORPORATE OFFICES.

The Corporation shall maintain an office for the service of process and papers in the District of Columbia, and is considered, for purposes of venue in civil actions, to be a resident of the District of Columbia. The Corporation may establish offices in any other place it determines necessary or appropriate in the conduct of its business.

SEC. 103. GENERAL POWERS AND FUNCTIONS OF THE CORPORATION.

The Corporation—

(a) may adopt, alter, and use a corporate seal, which shall be judicially noticed;

(b) may settle and adjust claims, sue and be sued in its corporate name, and be represented by its own attorneys in all administrative and, with prior approval of the Attorney General, judicial proceedings, including appeals from decisions of Federal courts;

(c) shall adopt and may amend and repeal bylaws, and may adopt, amend and repeal corporate orders and directives, governing the manner in which its business may be conducted and the powers granted to it by law may be exercised and enjoyed;

(d) may acquire, purchase, lease, and hold the real and personal property it considers necessary to conduct its business;

(e) may sell, lease, grant, and dispose of property as it considers necessary to conduct its business;

(f) with the consent of the agency concerned, may utilize or employ the services, records, facilities, or personnel, of any Federal, State, or local government agency;

(g) may enter into contracts and incur liabilities;

(h) may retain or use up to $250 million annually of its revenues, without further appropriation, for reasonable capital and operating expenses of the Corporation;

(I) shall have the priority of the United States with respect to the payment of debts out of bankrupt, insolvent, and decedents' estates;

(j) may request from the Administrator of General Services the services the Administrator is authorized to provide agencies of the United States, and Administrator shall furnish the requested services to the Corporation on the same basis those services are provided agencies of the United States;

(k) may accept gifts or donations of services or of real, personal, mixed, tangible, or intangible property to conduct its business; the Corporation shall establish written rules setting forth the criteria to be used in determining whether the acceptance of gifts or donations of real, personal, mixed, tangible, or intangible property to conduct its business under this subsection would reflect unfavorably upon the ability of the Corporation or any employee to carry out its responsibilities or official duties in a fair and objective manner, or would compromise the integrity or appearance of integrity of its programs or any official involved in those programs;

(1) may execute all instruments necessary or appropriate in the exercise of its powers;

(m) may acquire liability insurance or act as self-insurer;

(n) shall pay any settlement or judgment entered against it from the Corporation's own funds and not from the judgment fund established under section 1304 of title 31, United States Code; section 1346(b) and chapter 171 of title 28, United States Code do not apply to claims against the Corporation; and

(o) may request the Secretary of the Treasury to invest monies of the Corporation in public debt securities having maturities suitable to the needs of the Corporation, and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding obligations of the United States of comparable maturity.

SEC. 104. SPECIFIC POWERS AND FUNCTIONS OF THE CORPORATION.

The Corporation—

(a) shall explore, prospect, develop, use, produce, and operate the Reserves to maximize the economic value of these properties to the Nation;

(b) may enter into joint, unit, or other cooperative plans, leases, or other agreements and transactions as may be necessary in the conduct of its business;

(c) subject to section 109(c) shall administer and may amend existing contracts, including the Unit Plan Contract, and other agreements transferred to the Corporation under section 109(a) of this subtitle;

(d) may construct, acquire, or contract for the use of storage and shipping facilities, and pipelines and associated facilities, on and off the Reserves, for transporting petroleum from the Reserves to the points where the production from the Reserves will be refined and shipped;

(e) may store, for appropriate reimbursement reasonably reflecting fair market value, petroleum owned or managed by other Federal agencies and instrumentalities and may store petroleum owned or managed by non-Federal entities at rates consistent with subsection (j) of this section;

(f) may acquire privately owned lands and leases inside the Reserves, or outside those Reserves on the same geologic structure, by exchange or contract, and in order to protect the Reserves from drainage, and if unable to arrange an exchange or contract, by purchase or condemnation;

(g) may acquire any pipeline in the vicinity of the Reserve not otherwise operated as a common carrier by condemnation, if necessary, if the owner refuses to accept, convey, and transport without discrimination and at reasonable rates any petroleum produced at the Reserve;

(h) may acquire a right-of-way for new pipelines and associated facilities by eminent domain under the Act of February 26, 1931 (40 U.S.C. 258a–258e), and the prospective holder of the right-of-way is "the authority empowered by law to acquire the lands" within the meaning of that Act; new pipelines shall accept, convey, and transport any petroleum produced at the Reserves at reasonable rates;

(i) may use, store, or sell its share of the petroleum produced from the Reserves and lands covered by joint, unit, or other cooperative plans;

(j) shall establish prices for products, materials, and services on a basis that will allow it to maximize the financial return to the Government;

(k) shall give priority to assisting in national security matters when requested by the Secretary of Defense; and

(l) shall transfer annually to the Treasury all revenues in excess of that needed for reasonable capital and operating expenses of the Corporation, but in no event may the revenues retained or used for those purposes in any fiscal year exceed $250 million.

SEC. 105. CHIEF EXECUTIVE OFFICER.

The powers and functions of the Corporation are vested in a Chief Executive Officer to be appointed by the Secretary. The Chief Executive Officer serves at the pleasure and under the supervision of, and may be removed at the discretion of, the Secretary. The Secretary shall set the compensation of the Chief Executive Officer, not to exceed Executive Level III.

SEC. 106. EMPLOYEES.

(a) APPOINTMENTS.—

(1) The Chief Executive Officer may appoint officers and employees of the Corporation without regard to the provisions in title 5, United States Code, governing appointments in the competitive service, and may fix compensation without regard to chapter 51 and subchapter III of chapter 53 of title 5, United States Code, governing general schedule classifications and pay. In appointing officers of the Corporation and setting their compensation, which may not exceed Executive Level IV, the Chief Executive Officer shall consult with the Secretary. Any officer or employee of the Corporation may be removed at the discretion of the Chief Executive Officer except as specified in subsection (b) of this section.

(2) Section 3132(a)(1) of title 5, United States Code, is amended by adding at the end the following:

"(E)" the United States Navel Petroleum Reserves and Naval Oil Shale Reserves Corporation;".

(b) TRANSFER OF FUNCTIONS.—An officer or employee of the Department who the Secretary determines is performing functions vested in the Corporation by this subtitle is transferred to the Corporation under section 3503 of title 5, United States Code. Such an officer or employee retains the compensation in effect immediately prior to the transfer to the Corporation until changed by the Chief Executive Officer, and may not be separated involuntarily by reason of the transfer (but may be separated for cause) for a period of one year from the date of the transfer to the Corporation.

(c) PAYMENTS FOR EMPLOYEE BENEFITS.—

(1) The Corporation shall make those payments to the Employees' Compensation Fund which are required by section 3147 of title 5, United States Code.

(2) The Corporation shall pay to the Civil Service Retirement and Disability Fund—

(A) those employee deductions and agency contributions which are required by sections 3334, 3422, and 3423 of title 5, United States Code.

(B) those additional agency contributions which are determined necessary by the Office of Personnel Management to pay, in combination with sums under paragraph (2)(A) of this subsection, the normal cost (determined using dynamic assumptions) of retirement benefits for the employees of the Corporation who are subject to subchapter III of chapter 83 of title 5, United States Code; and

(C) those additional amounts, not to exceed two percent of the amounts under paragraphs (2)(A) and (2)(B) of this subsection, which are determined necessary by the Office of Personnel Management to pay the costs of administering retirement benefits for the Corporation's employees and retirees and their survivors (which months shall be available to the Office as provided in section 3343(a)(1)(B) of title 5, United States Code).

(3) The Corporation shall pay to the Employees' Life Insurance Fund—

(A) those employees deductions and agency contributions which are required by sections 8707 and 8708(a) of title 5, United States Code; and

(B) those amounts which are determined necessary by the Office of Personnel Management under paragraph (5) of this subsection to reimburse the Office for contributions under sections 8708(d) of title 5, United Stated Code.

(4) The Corporation shall pay to the Employees Health Benefits fund—

(A) those employees payments and agency contributions which are required by section 8906 (a)–(f) of title 5, United States Code; and

(B) those amounts which are determined necessary by the Office of Personnel Management under paragraph (5) of this subsection to reimburse the Office for contributions under section 8708(d) of title 5, United States Code.

(4) The Corporation shall pay to the Employees Health Benefits fund—

(A) those employee payments and agency contributions which are required by section 8906 (a)–(f) of title 5, United States Code; and

(B) those amounts which are determined necessary by the Office of Personnel Management under paragraph (5) of this subsection to reimburse the Office for contributions under section 8906(g)(1) of title 5, United States Code.

(5) The amounts required under paragraphs (3)(B) and (4)(B) of this subsection are the Government contributions for retired employees who retire from the Corporation after the date of transfer, the survivors of those retired employees, and survivors of the employees of the Corporation who die after the date of the transfer, prorated to reflect the portion of the total civilian service of such employee and retired employees that was performed for the Corporation after the date of transfer.

(6) The Corporation shall pay to the Thrift Savings Fund those employee and agency contributions that are required by section 8432 of title 5, United States Code.

(d) SEPARATION INCENTIVE PAYMENTS.—The Corporation shall pay any voluntary separation incentive payments authorized, but not yet paid, by the Department prior to the transfer of functions under subsection (b) of this section.

SEC. 107. EXEMPTION FROM TAXATION.

The Corporation, including the Reserves and all other corporate property, all corporate activities, and all corporate income are exempt from taxation in any manner or form by any State or local government entity.

SEC. 108. APPLICABILITY OF OTHER LAWS.

(a) FEDERAL LAWS GOVERNING ACQUISITION AND DISPOSAL.—The Corporation shall not be considered to be a department, agency, establishment, or instrumentality of the United States for purposes of Federal laws, regulations, or other requirements concerning acquisition of services and supplies, and the acquisition, use, and disposal of real and personal property, including the Federal Property and Administrative Services Act (40 U.S.C. 471, et seq.), except that the Corporation shall be considered to be a department, agency, establishment, or instrumentality of the United States for the purposes of the Davis-Bacon Act (40 U.S.C. 276a–276–7), the McNamara-O'Hara Service Contract Act (41 U.S.C. 351, et seq.), the Contract Work Hours and Safety Standards Act (40 U.S.C. 327, et seq.), and civil rights laws and regulations applicable to Federal contractors and subcontractors.

(b) EXEMPTION FROM ADMINISTRATIVE PROCEDURAL PROVISIONS.—Chapter 5 of title 5, United States Code, does not apply to the Corporation.

SEC. 109. TRANSFERS TO THE CORPORATION.

(a) TRANSFER OF ASSETS.—Subject to subsection (c) of this section, the Secretary shall transfer to the Corporation the contracts, records, unexpended balance of appropriations and other monies available to the Department (including funds set aside for accounts payable and all advance payments), accounts receivable, and all other assets that are related to the powers and functions vested in the Corporation by this subtitle.

(b) TRANSFER OF LIABILITIES AND JUDGMENTS.—

(1) All liabilities attributable to the operation of the Reserves by the Department are transferred to the Corporation.

(2) Any judgment entered against the Department imposing liability arising out of the operation of the Reserves by the Department is considered a judgment against and is payable solely by the Corporation.

(c) Unit Plan Contract Dispute Resolution.—The Secretary shall retain, and shall not transfer, dispute resolution authority under section 9 of the Unit Plan Contract.

(d) Payment of Interest to the Treasury.—From time to time, and at least at the close of each fiscal year, the Corporation shall pay into the Treasury as miscellaneous receipts interest on any Federal financial capital utilized by the Corporation, as determined by the Director of the Office of Management and Budget. The rate of such interest shall be determined by the Secretary of the Treasury, taking into consideration prevailing market yields, during the month preceding each fiscal year, on outstanding obligations of the United States with remaining periods to maturity of approximately one year.

TITLE II—PRIVATIZATION OF THE CORPORATION

SEC. 201. STRATEGIC PLAN FOR PRIVATIZATION.

(a) Within 5 years after the establishment of the Corporation, the Corporation shall prepare a strategic plan for transferring ownership of the Corporation to private investors. The Corporation shall revise the plan as needed.

(b) The plan shall include consideration of alternative means for transferring ownership of the Corporation to private investors, including public stock offering, private placement, or merger or acquisition. The plan may call for the phased transfer of ownership or for complete transfer at a single point of time. If the plan calls for phased transfer of ownership, then—

(1) privatization shall be deemed to occur when 100 percent of ownership has been transferred to private investors;

(2) prior to privatization, such stock shall be nonvoting stock; and

(3) at the time of privatization, such stock shall convert to voting stock.

(c) The plan shall evaluate the relative merits of the alternatives considered and the estimated return to the Government's investment in the Corporation achievable through each alternative. The plan shall include the Corporation's recommendations on its preferred means of privatization.

(d) The Corporation shall transmit copies of the strategic plan for privatization to the President and Congress upon completion.

SEC. 202. PRIVATIZATION.

(a) Subsequent to transmitting a plan for privatization pursuant to section 101, and subject to subsections (b) and (c), the Corporation may implement the privatization plan if the Corporation determines, in consultation with appropriate agencies of the United States, that privatization will result in a return to the United States at least equal to the net present value of the Corporation.

(b) The Corporation may not implement the privatization plan without the approval of the President.

(c) The Corporation shall notify the Congress of its intent to implement the privatization plan. Within 30 days of notification, the Comptroller General shall submit a report to Congress evaluating the extent to which—

(1) the privatization plan would result in any ongoing obligation or undue cost to the Federal Government; and

(2) the revenues gained by the Federal Government under the privatization plan would represent at least the net present value of the Corporation.

(d) The Corporation may not implement the privatization plan less than 60 days after notification of the Congress.

(e) Proceeds from the sale of capital stock of the Corporation under this section shall be deposited in the general fund of the Treasury.•

By Mr. McCAIN:

S. 1531. A bill to reimburse States and their political subdivisions for emergency medical assistance provided to illegal aliens under their custody as a result of Federal action; to the Committee on the Judiciary.

IMMIGRATION AND NATURALIZATION SERVICE LEGISLATION

• Mr. McCAIN. Mr. President, this legislation would require the Immigration and Naturalization Service to reimburse States and localities for the cost of emergency ambulance services provided to illegal aliens injured while crossing the border. Currently, border communities pay the high cost associated with providing emergency ambulance services to illegal aliens. Although Federal authorities consistently have placed illegal aliens injured crossing the border in State and local custody in order to obtain medical services, the Federal authorities have failed to reimburse local Governors for the emergency ambulance services provided. As a result, Federal authorities have left border States and localities to pick up the tab for a Federal responsibility. This cannot continue.

In my home State of Arizona, the border city of Nogales has been particularly impacted by the failure of Federal authorities to reimburse the city for the costs of transporting aliens injured while crossing the border. Between April 22 and July 31, 1995, 44 calls were made by the Border Patrol to the city requesting ambulance service for illegal aliens injured while crossing the border. Because these patients rarely pay their own ambulance transport bill, the financial burden on the city has become very heavy. The city has paid almost $200,000 in ambulance costs in the past 6 years. This cost is significant to Nogales, a border community which has only 20,000 inhabitants, a low tax base, and recently reported a $100,000 deficit. The devaluation of the peso has left many Southwestern border communities in a similarly depressed financial position. Illegal immigration is a Federal matter and our Nation's border communities cannot afford and should not be forced to pay for emergency ambulance services provided at the request of Federal authorities. Again, that is a Federal responsibility.

I recognize that a separate and much broader debate is being waged across the Nation concerning a State's obligation to provide health care and other social services to illegal aliens residing within its borders. That issue is much larger and remains to be resolved. Today, however, I believe we can all agree that Federal authorities who call upon local emergency ambulance services for injured illegal aliens should be required to pay for those ambulance services. Our border States and communities should not be saddled with this additional financial burden.•

By Mr. SIMON:

S. 1532. A bill to provide for the continuing operation of the Office of Federal Investigations of the Office of Personnel Management, and for other purposes; to the Committee on Governmental Affairs.

THE OFFICE OF FEDERAL INVESTIGATIONS PRIVATIZATION ACT OF 1996

• Mr. SIMON. Mr. President, 1 year ago, as part of the National Performance Review, the administration announced that the Office of Personnel Management [OPM] would privatize its investigative branch, the Office of Federal Investigations [OFI]. The Treasury and Postal Service conference report directs OPM not to implement a reduction in force before March 31, 1996, in order to allow the GAO to conduct a cost-benefit analysis. OPM is prepared to initiate an employee stock ownership plan [ESOP], which would have a sole source contract with OPM for the first 2 to 3 years, after which contracts would be offered to private firms. I am very concerned that privatization is not the best approach in this important area.

Today I offer legislation that would prevent immediate privatization of this extremely important Government function. For over 40 years, the OFI has been responsible for conducting background investigations for potential employees of various agencies within the Federal Government, including the Department of Energy, the Department of Justice, and the Treasury Department. Overall, OFI conducts about 40 percent of all Federal background investigations for positions ranging from bureaucratic responsibilities to high-ranking positions requiring substantial security clearances. In my view, shifting this responsibility to the private sector raises a host of extremely important questions which must be addressed before the decision to privatize is made.

First, we must ensure that our national security is not in any way jeopardized by a move to privatization. Currently, OFI does background checks on individuals that will ultimately have access to top secret information, including weapons systems and nuclear energy data. We need to ask ourselves if this is the type of information that we want a private investigator to have access to. If the answer is "yes," certainly we need to carefully review the safeguards needed to ensure that our national interests remain secure.

The ability of private firms to maintain the privacy of sensitive records is another area that needs to be looked at closely. A private contractor would potentially have the ability to amass large quantities of information on Government employees. Although OPM has suggested that they would have the ability to keep records private, I have not heard specific measures that could be taken to guarantee this. Serious study must be given to what measures can and should be taken to protect privacy.

We must also ensure that quality investigations will continue to be conducted. The Federal Government currently uses private investigators for a very small fraction of background checks. The only experience with private investigators on a large scale produced numerous investigations that were not up to standard, or, even in a fraction of cases, were falsified. This must not happen again. What safeguards can and should OPM put in place to ensure that quality is maintained? We must be certain that quality can be maintained before we make the decision to privatize.

It is also important to ask ourselves if private investigators will be able to provide the best available information to Government agencies. Will they have difficulty obtaining vital information from law enforcement officials? In a preliminary study, the General Accounting Office [GAO] determined that law enforcement officials may be reluctant to give out sensitive information to private investigators. This issue deserves further study.

I have asked the GAO, as part of their ongoing cost-benefit analysis, to address my concerns and report their findings to me before the end of January, 1996. In addition, I sent a letter to a number of Federal agencies asking for their input on the effect of privatization. In response to my inquiry, I was told that privatization could cause disruptions to operations and that the quality of investigations could suffer. I urge my colleagues to think carefully about the negative impact that may be created by privatization.

My comments are not meant to imply that private contractors cannot perform top quality investigations while also ensuring privacy and protecting our national security. It is certainly conceivable that they could. However, before this decision is made, we must be sure that adequate study of the potential impact has been conducted.

The legislation I offer today would prevent privatization from occurring for 2 years, during which time OFI would be prohibited from reducing its number of full-time employees. In addition, the bill would require OPM and the GAO to issue a comprehensive report detailing the likely effect of privatization on all of the issues that I have addressed.

I urge my colleagues to support this legislation. While I certainly support the goals of the Clinton administration's National Performance Review, and applaud efforts to eliminate Government waste, Federal investigators employed by the Government have served all of us extremely well, and we should proceed with great caution before changing this role.•

By Mr. McCAIN:

S. 1533. A bill to provide an opportunity for community renewal and economic growth in empowerment zones and enterprise communities, and for other purposes; to the Committee on Finance.

THE COMMUNITY RENEWAL AND ECONOMIC OPPORTUNITY ACT OF 1996

• Mr. McCAIN. Mr. President, today, I am pleased to introduce the Community Renewal and Economic Opportunity Act of 1996.

The bill contains 10 major initiatives to revive communities afflicted by joblessness and crime and to help the neediest Americans better provide for themselves and their families.

Included in the bill are measures to foster new job opportunities and economic development in America's poorest communities through targeted tax incentives; to improve public infrastructure in blighted areas by channeling a greater percentage of Federal grant monies to the neediest communities and by lowering the cost of project construction; to invigorate the fight against violent crime which most seriously affects low-income neighborhoods by allowing local law enforcement agencies to keep a greater amount of forfeited criminal assets and by requiring family opportunities for needy innocent victims; to increase family opportunities for needy children by banning racial discrimination in adoption; and to promote voluntarism by protecting volunteers against liability.

All Americans, no matter who they are, where they live, or the color of their skin, deserve the opportunity to provide for their families, to pursue their aspirations and to share fully in the American dream.

History teaches us that there's no panacea for poverty and crime, but, no matter how intractable the problem, it is the essence of the American character to constantly advance our society so that the social and economic progress of each generation exceeds that of its predecessor. No American is unimportant. As a nation, we have a solemn obligation to help those in need to help themselves. Our success in that endeavor is bound only by the limits of our energy and imagination.

It is painfully clear that the traditional welfare state response to poverty and community decay has been a miserable failure. Over the past 30 years, we have spent over $5 trillion on poverty programs, yet millions of Americans remain ensnared in the grinding cycle of dependence and need. The time is now for new ideas and approaches to restore hope and increase economic opportunity for all Americans.

The most effective way to revive American communities mired in poverty and to improve the quality of life is to provide job opportunities and sustainable economic development. A job and a paycheck are the most effective welfare programs. And, as any mayor or city council member in our country can attest, a healthy tax base produced by an employed population is the most potent prescription for community renewal.

Accordingly, the first title of the bill authorizes a battery of new and expanded tax incentives to attract businesses to blighted areas and to hire economically disadvantaged residents.

Four years ago, Congress designated 9 of the poorest communities in America as enterprise zones and 90 others as enterprise communities. The designation made these communities eligible for a host of tax incentives and other community renewal programs. This was an excellent step but inadequate in scope.

Currently, the law provides special tax benefits only to enterprise zone businesses which hire at least 35 percent of their employees from the local community. The bill I'm introducing would enhance the tax incentive by allowing firms to take an additional ten percent tax credit if they increase their local hiring rate to 50 percent.

Furthermore, the bill extends eligibility for the credit beyond enterprise zones to include qualified businesses within the 90 enterprise communities, as well as 90 additional poverty stricken economic recovery areas—areas which will be designated by the Secretary of Housing and Urban Development.

Many communities are suffering economic distress as deeply as the areas we have officially designated as enterprise zones, and they deserve the opportunity to attract the jobs and economic development they so desperately need.

Mr. President, the 10-percent tax credit will serve as a strong incentive for businesses to form within economically depressed areas and to increase the hiring of local residents. However, the bill I'm introducing today would also authorize what I believe might be an even more powerful alternative inducement—a low 10-percent flat tax.

The bill would allow businesses within federally designated enterprise zones, enterprise communities, and economic renewal areas which hire at least half of their employees from the local community to pay a simple 10-percent flat tax. Simplifying taxes and offering a low incentive rate as an alternative to today's excessive and byzantine tax rules, might prove to be the most potent inducement for businesses to invest in places and in people that need the helping hand.

I look forward to hearing from employers on the relative merits of the flat tax and the credit option.

No matter which option an employer might choose, it's clear that once a company has opted to locate within a blighted area and to assume the associated risk, one of the biggest challenges will be to attract the capital and investment necessary for the enterprise to survive and grow.

To address this need, the bill once again would use our tax system to stimulate the necessary investment. Specifically, the bill would make stock dividends from qualified enterprise zone and enterprise community businesses nontaxable, and it would eliminate the capital gains tax for investments held at least 5 years within designated enterprise zones, enterprise communities and economic recovery areas. Exempting dividends and capital gains within our poorest areas from taxes should attract a healthy flow of job-producing capital investment.

So, Mr. President, this bill provides substantial new tax-based incentives for companies to assume the risk of locating within blighted areas and to invest in their human resources. However, we must recognize that poverty and economic disadvantage do not confine themselves within certain municipal boundaries. Economically disadvantaged people reside in practically every community and we have an obligation to help these Americans even if they do not happen to live within areas of the most severe poverty.

Accordingly, the bill would expand the work opportunity tax credit passed by Congress last year. The bill would raise the credit from 35 percent for the first $6,000 in wages for a targeted economically disadvantaged employee to 35 percent for the first $12,000 in wages.

Expanding the credit will provide a greater incentive for businesses, no matter where they are located, to hire economically disadvantaged individuals; and will discourage the practice of rapidly turning over employees in order to maximize the tax credit.

Most importantly, the bill expands the list of individuals who qualify for the work opportunity tax credit. As currently conceived, the credit would be available only to residents of enterprise zones and enterprise communities; recipients of AFDC; vocational rehabilitation recipients and Summer Youth. The bill extends the credit to individuals who have been chronically unemployed, have few assets, and have been living for a significant period of time under the poverty level.

A flexible, transportable, and more widely applied credit will help needy individuals no matter where they reside or by whom they are employed.

Mr. President, we all recognize that it's one thing to attract businesses to the poorest communities and encourage them to hire the most economically disadvantaged Americans by sweetening the tax incentives, but ensuring that such firms are sustainable and can overcome the many risks they assume to succeed is quite another.

Accordingly, the second major thrust of the bill's first title is to use the purchasing power of the Federal Government to assist risk-taking entrepreneurs and corporations who are willing to help poor Americans.

The bill would accomplish that goal by reforming the Small Business Administration's (8)(a) set-aside program. The current program provides Federal contract set-asides to businesses based on the race or ethnicity of the business owner. The bill would reorient the program by making the set-asides available to businesses that hire economically disadvantaged Americans regardless of their race, creed, or color.

As my colleagues are aware, the current (8)(a) program has been rife with fraud and abuse. The record is replete with unsavory examples of unscrupulous individuals establishing shell corporations to obtain set-aside benefits and cases in which very wealthy and successful enterprises remain in the program when they can and should compete quite nicely through the normal competitive contracting process.

Mr. President, America is based on the concept of equality among all people. As a society that aspires to full equality and color blindness, the time for special programs that focus on the race and ethnicity of particular Americans rather than their economic status is past. A needy American is a needy American no matter their race, creed, color, or gender. Certainly, the Supreme Court's decision in the Adarand case emphasized that reality that, by and large, race-based set-asides do not comport with the fundamental tenets of equality and equal protection.

The original purpose of the 8(a) program was to assist economically disadvantaged Americans without regard to race or gender. I believe we can return the program to its original intent, and assist far more needy people than today's ownership-based program by providing set-asides to businesses located within enterprise zones and communities as well as to other firms which train and employ a significant percentage of economically disadvantaged individuals.

Exactly how do we determine who is an "economically disadvantaged individual"? For purposes of this bill, EDI's are defined as: (1) individuals who live within EZ's or EC's; (2) individuals who have assets no greater than the ceiling allowed for AFDC eligibility; who were not claimed as a dependent for 4 years preceding the date of their hiring; and whose income did not exceed the poverty level in either the year before their hiring nor in 3 of the 4 years before their hiring; or (3) individuals with a dependent; who have assets no greater than the ceiling allowed for AFDC eligibility; who were not claimed as a dependent for 4 years preceding the date of their hiring; and whose income did not exceed the poverty level during the year prior to their hiring.

Once designated as an EDI an individual would retain the designation for 5 years, which should be ample time for the employee to receive training and to establish a work history. Reorienting the 8(a) program as provided by this bill will help us to achieve the goals of assisting economically disadvantaged individuals more fairly and effectively.

Finally, Mr. President, the first title of the bill recognizes the important role private entrepreneurship can and should play in serving the needs of our poorest communities and that we must do a better job of promoting start-up enterprises. Toward that end, the bill would establish a business mentor program under the auspices of the Small Business Administration. The program would pair businesses owned by economically disadvantaged individuals with mentor businesses and lending institutions.

Pairing start-up enterprises owned by individuals who live within poverty stricken areas with established mentor businesses will enhance the success of first-time business owners creating additional jobs and economic opportunity.

Mr. President, again, I want to stress a bill cannot be written that will solve the problem of joblessness and poverty. But, I believe we can make significant gains by employing the kinds of incentives proposed by the bill I've introduced today. The incentives are not perfect and I look forward to a detailed debate on the initiatives to ensure that we craft incentives that will be as appropriate and cost-effective as possible.

Mr. President, the second major title of this bill is designed to assist depressed communities in improving their infrastructure. Strong infrastructure and dependable public works such as roads, utilities, schools, and other public accommodations, are critical to improving the quality of life and to fostering sustainable community development. This bill would lower the cost of constructing and operating public facilities by repealing the the Davis-Bacon Act within enterprise zones and enterprise communities.

The Davis-Bacon Act requires that the prevailing union wages be paid on all contracts and subcontracts for construction projects that utilize Federal monies. This costly Federal mandate inflates the price of infrastructure and disproportionately impacts poorer communities. Moreover it makes it more difficult for entry level job seekers to obtain training and work.

In addition, the bill would channel a greater share of Federal Community

Development Block Grant moneys to the neediest counties and cities.

The Federal CDBG program was created to promote local economic and community development. Current law requires that 70 percent of these grant monies be channeled to disadvantaged communities. The bill increases the amount to 75 percent and cuts the percentage allowed for administrative overhead from 20 percent to 10 percent so that more dollars can flow to bricks and mortar projects in needy areas.

Furthermore, the bill would require wealthier communities to cost-share any CDBG grants they may receive. Greenwich, CT and Beverly Hills, CA are fine communities, but we should not be spending scarce Federal economic development aid in communities that can well afford to meet their own needs, at the expense of much needier areas.

The third title of the bill seeks to improve educational opportunities in the poorest communities. Quality education is the key to improving the lives of our youth and helping to break the cycle of poverty.

The bill authorizes a Federal school voucher system within enterprise zones and enterprise communities. Empowering parents to send their children to the schools that best meet their needs will increase the quality of educational opportunity. The program would in no way require the affected local school districts to diminish or reallocate their own funding. The Federal monies would be additional to the local funds currently used to run the affected school districts.

The fourth title of the bill seeks to make our streets safer. The gravest threat to quality of life and community redevelopment within blighted areas is violent crime. The streets must be made safer and victims must be treated compassionately and justly.

The bill allows counties and cities which have a high rate of violent crime to retain a higher share of Federal asset forfeiture proceeds under the Racketeer Influenced Corrupt Organization (RICO) statutes.

Current law allows local law enforcement agencies which participate in a Federal RICO operation to have a share of the proceeds from asset forfeiture. The bill would authorize an additional 25 percent share for communities that suffer from inordinately high rates of violent crime. The additional resources would be used for violent crime control programs.

In addition, the safe streets title authorizes mandatory restitution for certain violent crimes, and increases victim assistance resources by boosting fines against Federal felons. This title mirrors legislation that I had the privilege to work on with Senator HATCH, Senator NICKLES, Senator BIDEN, and other Members last year.

The bill's fifth title seeks to promote family opportunities for poor children. The family unit is the foundation of our society. A loving and supportive family is the key to a child's development into a healthy and productive member of the community.

The bill prohibits racial discrimination in adoption. Many adoption agencies make adoption decisions based on inappropriate racial considerations. Consequently, countless children, many of them minorities from the inner city remain in foster care, denied the opportunity for a loving family.

Finally, the bill seeks to promote voluntarism. America has a proud tradition of neighbor helping neighbor which must be nurtured and sustained if we are to revitalize America's communities, particularly those poverty stricken areas most needful of help.

The bill encourages states to pass laws protecting volunteers against lawsuits. The provision is modeled after legislation introduced by Congressman JOHN PORTER of Illinois. It's fundamentally unfair that we continue to subject volunteers to the threat of liability when they share their time, resources and expertise to help the community. Increasing exposure to liability in our ever litigious society will chill voluntarism to the detriment of all communities.

Mr. President, as I said, I do not pretend this bill is the answer to all our inner city problems. Far from it. But, I believe it provides some excellent initiatives which will help us make a real difference in improving lives and communities of areas that need and deserve the help of a caring nation.

Moreover, I am convinced we can enact these or very similar initiatives without worsening the deficit. The programs that require outlays or offsets, such as the package of tax credits, can be paid for by reductions in non-essential programs that are of a lower priority including, I might add, corporate pork.

This bill is by no means perfect or complete. I believe it is a starting point for more vigorous debate and action to meet the challenges of the poorest Americans and the neediest communities. I look forward to a dialogue on the bill and the issues it raises, and to hearing the many other suggestions about how most effectively to end the cycle of poverty and dependence.

One suggestion I would make is that the appropriate committees hold field hearings and engage the Americans who live in the poorest communities in the debate over how best we can help them to meet the needs of their families and their neighborhoods.

Too often politicians cloak themselves within the insulated, and many times, out of touch environs of the Capitol as we devise the policies that affect millions of lives. Perhaps it's time we more diligently consult and work with real people and address their realities as we endeavor to meet our oath of office and the needs of our great Nation.

I am pleased to note that his bill is strongly supported by Secretary Jack Kemp of Empower America. Such an endorsement is germane and is as fitting as it is welcome, because personal and community empowerment is what this bill is about. It's about new alternatives to the failed prescriptions of the past. It's about recognizing that every American counts and that a leg up to self-sufficiency is more lasting, meaningful, and compassionate than a handout; and that a caring nation can and must help all of those who truly need assistance to participate in the social, economic and political freedom that is the essence of the American dream.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMUNITY RENEWAL AND ECONOMIC OPPORTUNITY ACT OF 1996

TITLE I—JOBS, PAYCHECKS, AND TAX BASE

The most effective way to revive America's poverty stricken communities and to improve the quality of life for economically disadvantaged residents is to stimulate job creation and sustainable economic development—jobs, paychecks and tax base. This title provides a battery of new and expanded incentives for businesses to form and capitalize within blighted areas and to hire local residents.

I. Tax credits and businesses that hire economically disadvantaged individuals within blighted areas

Enables each qualified business located within a federally designated Enterprise Zone and Enterprise Community to deduct ten percent of its tax liability if 50 percent of its employees are residents of the zone.

Current law provides special tax incentives to businesses within the 9 designated Enterprise Zones if 35 percent of their employees are residents of the area. Increasing the incentive and expanding it to the 90 enterprise communities and beyond (see below) will increase employment opportunities for residents of blighted areas.

Authorizes the Secretary of Housing and Urban Development to designate an additional 90 poverty stricken communities in which businesses would be eligible for the 10 percent negative surtax.

Many communities are suffering the same economic distress as areas designated to be Enterprise Zones and Communities. Extending the credit to other economically distressed areas will stimulate job creation and tax base.

Authorizes zero capital gains tax for investments held for at least five years within Enterprise Zones and Economic Communities.

A zero capital gains tax will spur investment and economic activity within economically depressed areas.

II. Tax incentives for hiring economically disadvantaged individuals regardless of business location or employee residence

Expands the Work opportunity Tax Credit from 35 percent for the first $6,000 in wages for a targeted economically disadvantaged employee to, 35 percent for the first $12,000 in wages.

Expanding the credit will provide a greater incentive for businesses, no matter where they are located, to hire economically disadvantaged individuals; and will reduce the rapid turnover of economically disadvantaged employees in order for businesses to take maximum advantage of the credit.

Expands the list of individuals who qualify for the Work Opportunity Tax Credit to include individuals who have been chronically unemployable.

The current Work Opportunity Tax Credit is available to residents within Economic Zones and Enterprise Communities; Recipients of AFDC; Vocational Rehabilitation recipients; and Summer Youth. The bill expands the list to include individuals who have been chronically unemployed, have few assets and have been living for a period of time under the poverty level.

III. Alternative flat tax for firms located in blighted areas which hire local residents

Authorizes businesses within enterprise Zones ad Enterprise Communities to replace their current tax liability with a 10-percent flat tax option if 50 percent of their employees reside within the zone.

A low flat tax can be a powerful incentive for businesses to locate within economically distressed areas, and to hire residents of those communities.

IV. Investor incentives to attract capital for firms located in blighted areas

Makes stock dividends from businesses within Enterprise Zones and Economic Communities non-taxable.

Tax free dividends will spur capital formation for businesses which locate in economically distressed communities and employ residents of high unemployment areas.

V. Contracting set-asides for business who hire and train economically disadvantaged individuals

Transforms the SBA (8)(a) set-aside program from one that provides federal contracting set-asides to businesses based on the race or ethnicity of the owner, to one based on the economic disadvantage of the business' employees.

Providing set-aside contracts to businesses located within EZ and EC's or which hire economically disadvantaged people will enable the federal government to utilize its purchasing power to help a greater number of needy people in a more fair and racially blind manner.

EDI's are defined as: (1) individuals who live within EZ's or EC's, or (2) Individuals who have assets no greater than the ceiling allowed for AFDC eligibility; who were not claimed as a dependent for four years preceding the date of their hiring; and whose income did not exceed the poverty level in the year before their hiring nor in three of the four years before their hiring, or (3) Individuals with a dependent; who have assets no greater than the ceiling allowed for AFDC eligibility; who were not claimed as a dependent for four years preceding the date of their hiring; and whose income did not exceed the poverty level during the year prior to their hiring. Once designated as an EDI for purposes of this program an individual retains the EDI designation for a period of five years.

VI. Business ownership mentor program

Establishes a mentor program under the SBA to pair businesses owned by economically disadvantaged individuals with mentor businesses and lending institutions.

Pairing start-up enterprises owned by individuals who live within poverty stricken areas with mentor businesses will enhance the success of first time business owners.

TITLE II—UTILITIES, SCHOOLS AND INFRASTRUCTURE

Successful and sustainable community development depends upon healthy infrastructure and public works including transportation, utilities, schools and other public accommodations. Lowering the cost of constructing and operating public facilities and providing additional resources to poverty stricken communities is vital to improving the quality of life within these areas.

Repeals Davis-Bacon within Enterprise Zones and Enterprise Communities.

The Davis-Bacon Act requires the payment of prevailing union wages for any contract or subcontract which utilizes federal funding. The rule inflates the cost of public facilities and disproportionately impacts poverty stricken communities which have fewer resources.

Channels a greater share of federal Community Development Block Grant monies to the neediest counties and cities.

The federal CDBG program was created to assist communities with economic and community development project. Currently, 70 percent of these grant monies are to be channeled to disadvantaged communities. The bill increases the amount to 75 percent and cuts the percentage allowed for administrative overhead from 20 to 10 percent and calls on wealthier communities to cost share CDBG grants so that more dollars can flow to bricks and mortar projects in needy areas.

TITLE III—EDUCATIONAL CHOICE

Quality education is the key to improving the lives of our youth and helping to break the cycle of poverty.

Authorizes a federal school voucher program within enterprise zones and enterprise communities.

Empowering parents to send their children to the schools that best meet their needs will increase and improve the educational opportunity of Americans who reside within blighted communities. Educational quality will dramatically improve with competition. The bill would authorize voucher payments to families within EZ and EC and would not redirect or diminish the local funding of area schools.

TITLE IV—SAFE STREETS

The gravest threat to quality of life and community redevelopment within blighted areas is violent crime. The streets must be made safer and victims must be treated compassionately and justly.

Allows counties and cities which have a high rate of violent crime to retain a higher share of federal asset forfeiture proceeds under the Racketeer Influence Corrupt Organization (RICO) statutes.

Current law allows local law enforcement agencies which participate in a federal asset seizure to a percentage of the asset proceeds. The percentage reflects the level of participation by the local agency. The bill allows an additional 20 percent of the asset proceed to go to communities that are disproportionately affected by violent crime.

Authorizes mandatory restitution for certain violent crimes, and increases the federal Crime Victim Fund by increasing fines against federal felons.

Current law does not mandate that violent criminal compensate their victims.

TITLE VI—FAMILY OPPORTUNITY

The family unit is the foundation of our society. A loving and supportive family is the key to a child's development into a healthy and productive member of the community.

Prohibits racial discrimination in adoption which deprives millions of children from the opportunity to have a family.

Many adoption agencies make adoption decisions based on racial consideration. Consequently countless children, many of them minorities from the inner city remain in foster care, denied the opportunity for permanent family placement.

TITLE VII—VOLUNTARISM

America has a proud tradition of neighbor helping neighbor which must be nurtured and sustained if we are to revitalize America's communities, particularly those poverty stricken areas most in need of a helping hand.

Encourages states to pass laws protecting volunteers against lawsuits.

It's fundamentally unfair that we continue to subject volunteers to the threat of liability when they share their time, resources and expertise to help the community. The exposure to liability in our increasingly litigious society will chill voluntarism to the detriment of all communities.•

By Mr. HATFIELD (for himself and Mr. KENNEDY):

S. 1534. A bill to amend the Public Health Service Act to provide additional support for and to expand clinical research programs, and for other purposes; to the Commission on Labor and Human Resources.

THE CLINICAL RESEARCH ENHANCEMENT ACT OF 1996

• **Mr. HATFIELD.** Mr. President, the proud tradition of American leadership in science and health care has been an important factor in our international stature and our domestic quality of life. This tradition is however vulnerable and may wither if not nurtured. The CBO predicts that national expenditures for health will reach the astonishing sum of $1,613 billion by the year 2000. This an astronomical sum for a nation who seemingly can meet its health care needs. Investments in biomedical research offer the only reasonable hope of reducing not only monetary costs, but, more importantly, human suffering.

Biomedical research is commonly thought of as existing in two spheres. The first is "basic" research in which fundamental biological principles are studied primarily in laboratories using molecules, cells or animals. The second is "clinical" or patient oriented research [POR], in which the scientific principles discovered in the lab are applied to patients with disease. To determine which of several medicines is most effective in curing a cancer, careful comparison of these drugs is necessary in large groups of real people. To understand which of several different types of treatment: medical, surgical, or nutritional is best in helping patients not merely for the short run but over time, the various treatment options must be tried systematically on real people. The emphasis is on people. We must use the knowledge gained by biomedical research to help people get better.

Both aspects of biomedical research are essential because they depend upon each other—without the foundation of basic research, clinical research would be impossible. For example the current successful treatment of sickle cell anemia which so cruelly strikes young people, had its origins in basic research from the development of chicken embryos. Medications which modified chicken embryonic cells were found to also enable monkeys to manufacture certain types of hemoglobin, hemoglobin a component of blood cells necessary to combat thalassemia and sickle cell disease. The studies moved from basic research in chickens to monkeys and finally to clinical research in humans leading to a successful therapy for a previously terrible disorder.

Yet despite their mutual importance clinical research has failed to receive the support necessary to permit us to fully benefit from the advances of basic research. The proposal for a national fund for health research which Senator HARKIN and I have introduced goes a long way to prevent the possibility of robbing funds from Peter to pay Paul. We need more money in the system, but we also will have a better balance between basic and clinical research.

The Institute of Medicine has recently published an exhaustive report which concludes that clinical research is in a state of crisis. A state which if not addressed will result in: a serious deficiency of clinical expertise; a paucity of effective clinical interventions; an increase in human suffering and disability; and ultimately an increase in the cost of medical care.

Historically clinical research has resulted in marked improvements in care and costs. A $1.2 million investment in neonatal screening for subnormal thyroid has saved $206 million in treatment costs annually. A $679,000 investment in developing a treatment for recurring renal stones has resulted in an estimated savings of $300 million annually. A multicenter clinical trial of interventions in stroke prevention cost approximately $4.6 million. Its results could prevent 20 to 30,000 strokes per year with an annual savings of $200 million. All of these and many other achievements have occurred because of the ability of clinical research to take knowledge derived from basic research to the bedside, bridging the gap between the laboratory and the patient.

Yet despite its clear societal and economic benefits, clinical research is in crisis. The amount and proportion of personnel and fiscal resources devoted to clinical research, particularly at the NIH has fallen to levels which place our Nation at a severe disadvantage. Unable to capitalize on new discoveries, the quality of life of our patients slowly falls as ironically our costs continue to rise. The nature of this crisis is threefold a relative lack of: people involved in clinical research; an infrastructure to adequately select and support the best clinical research; and declining fiscal investment in biomedical research overall.

PEOPLE

While the United States continues to train large numbers of excellent young physicians the proportion of those choosing careers in clinical research becomes ever smaller. The Association of American Medical Colleges [AAMC] survey of 1994 medical graduates found that only 10 percent of these young physicians intended to enter research careers. Students enrolled in public medical schools were much less likely to choose research careers than those attending private institutions.

America's teaching hospitals have of necessity increased the proportion of their income derived from service from 12.2 percent 1971—to 38.5 percent—1988. As a result the proportion of physicians in those institutions who are active in research has fallen from 40 to 25 percent. This leaves fewer clinicians available for instruction of students and fewer investigators for clinical research.

INSTITUTIONS

Our medical schools need to increase their focus on the training of students for clinical research careers. Fully 58 percent of 1994 graduates reported inadequate instruction in research techniques. Unlike the situation in Ph.D. programs for basic research, there is no clear academic pathway into a clinical research career. Only 11 percent of physicians in clinical departments are principle investigators of NIH grants. This compares unfavorably to 27 percent rate for Ph.D.'s. As a result there are relatively fewer role models for young clinical researchers.

Our ability to fund new research ideas has not been able to keep pace with the development of new initiatives. It is extremely difficult for young clinical investigators to even obtain research funding. Only 55 percent of all applicants for NIH grants are ever funded. The overall number of research grant applications has increased by 42 percent from 14,142 in 1980 to 20,154 in 1990. The number of new grant applications funded has actually fallen by 15 percent from 5,400 in 1989 to 4,600 in 1990. This is complicated by the fact that the greatest proportion of research grants goes to continue funding previously granted awards, 70 percent. So that ever increasing number of new projects compete with an ever smaller pool of resources.

The emphasis is so heavily weighted toward basic research that the NIH has difficulty determining just what proportion of funded studies are directed at patients. The Institute of Medicine estimates that only 10.4 percent of all NIH funded research is clinical research. Only 20 percent of grant reviewers are physicians, therefore the expertise necessary to critically review clinical research applications is considerably less than that for basic research. With the proportion of funded proposals falling to approximately 25 percent of submissions the odds of gaining grant funding are now low enough that young investigators are turning away from clinical research careers. The NIH has recognized these deficiencies and has made recommendations to reverse this trend. Implementation however requires more resources.

Implementation also requires cooperation from the community of health care providers. Many insurance companies and managed care plans discourage or prevent persons from participating in clinical studies. This limits access to potentially helpful therapies for patients, and inhibits the ability of researchers to find patients to work with and hence make new discoveries. Insurers who eventually benefit from new treatments which by alleviating illness lowers costs, must contribute to the process by encouraging rather than discouraging patient participation.

FUNDING

The level of support for biomedical research, particularly for the 75 general clinical research centers, has been relatively flat over the past 5 years, just barely keeping up with inflation.

The resulting increased competition by more investigators for a piece of an ever smaller pie results in a stagnation and atmosphere where innovation and clinical research is sublimated for short term laboratory based projects which produce publishable results quickly.

The legislation I and my colleague Senator KENNEDY are introducing today, the Clinical Research Enhancement Act, will rectify these problems by: First, establishing a President's Research Advisory Panel within the Office of Science and Technology Policy [OSTP]. This panel will regularly evaluate the status of clinical research in the United States so that we are continually aware of our progress. It will make recommendations for any necessary improvements in clinical research and monitor them to ensure that we reach our goals.

Second, we will increase the involvement of the NIH in clinical research. The Director of NIH will establish intramural clinical research fellowship programs to train clinical researchers. There will be increases in the number of FIRST Grants for young investigators, and by implementing the recommendations of the NIH's own Clinical Research Study Group improve the merit review process for evaluating applications.

Third, we will stabilize the funding of general clinical research centers. It is within these centers that much of the training of young investigators as well as actual clinical research is done.

Fourth, we will create new opportunities for career development in clinical research. This through the development of clinical research career enhancement awards, and expansion of the Loan Repayment Program for Clinical Researchers.

Fifth, we will establish innovative medial service awards to stimulate the development of new and creative clinical research proposals.

Rectifying the disparagement between support of basic and clinical research will serve to more effectively promote the types of discoveries that we have all come to expect. It is my hope that this proposal for clinical research enhancement is not seen as simply another cost of health care, but as a way, really the only way to eventually reduce costs both in terms of dollars and human life.

I urge my colleagues to join us in supporting legislation to enhance the pipeline for clinical researchers.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE CLINICAL RESEARCH ENHANCEMENT ACT OF 1996—SECTION-BY-SECTION SUMMARY

Section 1—Short Title: The Clinical Research Enhancement Act of 1996

Section 2—Findings and Purposes: Clinical research, patient-oriented research requiring the participation of a human subject, is in decline. Independent studies at the National Research Council, the National Institute of Medicare and the National Academy of Sciences have all addressed the current problems in clinical research. The decline in young clinical investigators is attributed to a heavy debt burden, lack of a federal support system, and lack of a formal training regime. It is the purpose of this Act to provide for a mechanism to address these problems and a stimulus for physicians to enter clinical research.

Section 3—President's Clinical Research Panel: The President shall establish within the Office of Science and Technology Policy, a panel, to evaluate the status of the national clinical research environment, and prepare periodic progress reports to the President. It will be composed of representatives from clinical research, insurance and pharmaceutical companies, health maintenance organizations, accreditation and certification organizations, academic research administrators and patients. Its members will be nominated by the President of the Institute of Medicine.

Section 4—NIH Director's Advisory Committee on Clinical Research: The Secretary of Health and Human Services shall designate the advisory committee established by the Director of NIH. This committee will report to the Director and the President's Panel. It will review the status of clinical research within NIH and implement changes as necessary.

Section 5—Study Section Review: The President's Clinical Research Panel shall direct the Office for Science and Technology to review study section activities of all federal agencies conducting or funding clinical research.

Section 6—Increase the Involvement of the National Institutes of Health in Clinical Research: The Director of NIH shall:

1. Increase the number of FIRST grants.
2. Design test pilot projects.
3. Establish an intramural clinical research fellowship program at NIH.
4. Support and expand resources available for the clinical research community.
5. Establish peer review mechanisms to evaluate applications: for Instramural Fellowships; Clinical Research Career Enhancement Awards; & Innovative Medical Science Awards.

Section 7—General Clinical Research Centers: The Director shall award grants for General Clinical Research Centers to provide the infrastructure for clinical research, training and enhancement. Expand the activities of the centers through increased use of telecommunications and telemedicine. Establish grant programs at the centers. The Director of the National Center for research Resources shall establish: Clinical Career Enhancement Awards; and Innovative Medical Science Awards.

Section 8—Clinical Research Assistance: Expand the current Loan Repayment Program Regarding Clinical Researchers from Disadvantaged Backgrounds to include students with heavy debt burdens. Increase the numbers of awards from 50 to 100. Establish a minority set-aside of 50%.

Section 9—Insurance coverage of investigational treatments: A health plan shall allow individuals when medically appropriate to participate in investigational therapy.

Section 10—Definition: Define "clinical research" as "patient oriented clinical research requiring the participation of a human subject, or research on the causes and consequences of disease in human populations."

SUPPORTERS OF HATFIELD CLINICAL RESEARCH BILL (79)

Academy of Radiology Research.
Alzheimer's Association.
American Academy of Child and Adolescent Psychiatry.
American Academy of Dermatology.
American Academy of Neurology.
American Academy of Ophthalmology.
American Academy of Otolaryngology—Head and Neck Surgery.
American Association of Anatomists.
American College of Clinical Pharmacology.
American College of Medical Genetics.
American Diabetes Association.
American Federation for Clinical Research.
American Geriatrics Society.
American Gastroenterological Association.
American Neurological Association.
American Nurses Association.
American Orthopaedic Association.
American Podiatric Medical Association.
American Society for bone and Mineral Research.
American Society for Clinical Pharmacology and Therapeutics.
American Society for Therapeutic Radiology and Oncology.
American Society for Addiction Medicine.
American Society of Hematology.
American Society of Human Genetics.
American Society of Nephrology.
American Veterinary Medical Association.
Arthritis Foundation.
Association for Behavioral Sciences and Medical Education.
Association of Anatomy, Cell Biology and Neurobiology Chairs.
Association of Behavioral Sciences and Medical Education Association.
Association of Academic Health Centers.
Association of American Cancer Institutes.
Association of Medical and Graduate Departments of Biochemistry.
Association of Pathology Chairs.
Association of Professors of Dermatology.
Association of Program Directors in Internal Medicine.
Association of Schools of Public Health.
Association of Subspecialty Professors.
Association of Teachers of Preventive Medicine.
Association of University Professors of Ophthalmology.
Association of University Radiologists.
Central Society for Clinical Research.
Citizens for Public Action on Blood Pressure and Cholesterol, Inc.
Coalition for American Trauma Care.
Cystic Fibrosis Foundation.
Department of Orthopaedics/Rehabilitation at the University of New Mexico.
Department of Pathology and Laboratory Medicine at the University of Southern California.
Department of Physiology at the University of Florida College of Medicine.
Dystrophic Epidermolysis Bullosa Research Association of America.
The Epilepsy Foundation of America.
Federation of Behavioral/Psychological and Cognitive Sciences.
Foundation for Ichthyosis and Related Skin Types.
General Clinical Research Center Program Directors' Association.
General Clinical Research Center at the University of Alabama at Birmingham.
Joint Council of Allergy, Asthma and Immunology.
Lupus Foundation of America, Inc.
National Alopecia Areata Foundation.
National Caucus of Basic Biomedical Science Chairs.
National Committee to Preserve Social Security and Medicare.
National Foundation for Ectodermal Dysplasias.
National Marfan Foundation.
National Osteoporosis Foundation.
National Organizations for Rare Disorders, Inc.
National Perinatal Association.
National Psoriasis Foundation.
National Tuberous Sclerosis Association.
The Orton Dyslexia Society.
Scleroderma Research Foundation.
Society for Academic Emergency Medicine.
Society for Investigative Dermatology.
Society for Neuroscience.
Society for the Advancement of Women's Health Research.
Society of Medical College Director of Continuing Medical Education.
Society of University Urologists.
St. Jude Children's Research Hospital.
The Endocrine Society.
Tourette Syndrome Association.
United Scleraderma Foundation.
University of Alabama at Birmingham.

AMERICAN FEDERATION FOR
CLINICAL RESEARCH,
January 25, 1996.

Hon. MARK HATFIELD,
Chairman, Committee on Appropriations,
U.S. Senate, Washington, DC.

DEAR SENATOR HATFIELD: On behalf of the American Federation for Clinical Research, I write in strong support of the "Clinical Research Enhancement Act." The legislation you are introducing today addresses critical problems facing our country: the loss of a generation of young physician scientists because of medical school tuition debts and limited funding opportunities, the loss of our international competitiveness in medicine as scientists in other nations move ahead to capitalize on basic science discoveries with new therapies and products, and the increasing difficulties confronting patients who wish to participate in clinical research but are limited by the unwillingness of insurance companies to cover any investigational therapies.

The Clinical Research Enhancement Act addresses these problems through the creation of new career development and research programs, the expansion of existing NIH loan repayment opportunities for physician scientist, and mandates on insurance companies to expand coverage of investigational treatments. Further, the creation of a Presidential commission on clinical research will bring to the attention of our nation's leaders critical obstacles to the advancement of medical science.

The 11,000 members of the American Federation for Clinical Research are in strong support of this legislation and call on the Congress to pass the Clinical Research Enhancement Act before adjourning in the fall. America has led the world in medical science. The bill you introduce today will help to assure that we maintain that leadership.

Sincerely,

VERONICA CATANESE, M.D.,
President.•

By Mr. ABRAHAM:

S. 1535. A bill to strengthen enforcement of the immigration laws of the United States, and for other purposes; to the Committee on the Judiciary.

THE ILLEGAL IMMIGRATION CONTROL AND ENFORCEMENT ACT OF 1996

• Mr. ABRAHAM. Mr. President, I introduce the Illegal Immigration Control and Enforcement Act of 1996. This bill would crack down on the problem of illegal immigration without retreating from our historic commitment to legal immigration.

There is a broad consensus that illegal immigration is a significant problem that demands immediate attention. But in addressing that problem, we must not blur the distinction between illegal and legal immigrants. The overwhelming majority of legal immigrants are law-abiding, hardworking people who make a positive contribution to our economy and our society.

An omnibus immigration bill recently reported out of the Judiciary Subcommittee for Immigration overlooks this distinction. Rather than focus on illegal immigration, the omnibus bill would reduce the quotas for certain categories of legal immigration, eliminate other categories altogether, and impose stifling new taxes and red tape on American businesses that employ talented immigrants. The omnibus bill would also burden every American worker and business with a new national-identification system that would vastly expand the power of the Federal Government in the workplace.

The bill I introduce today has a more targeted approach. First, the bill aims to take back control of our borders. It would nearly double the number of border patrol agents, adding 900 such agents for each of the next 5 fiscal years. It would provide new equipment and support personnel for these agents. And it would significantly increase the criminal penalties for the practice of smuggling aliens across our border.

Second, the bill would for the first time address the problem caused by persons who overstay their visas. According to the INS, roughly half of all illegal aliens enter the United States with legal, nonimmigrant visas and then remain here after their visas expire. Yet, incredibly, under current law there is no penalty for overstaying one's visa. Moreover, visa overstayers are virtually never caught by the INS, so overstaying is for many aliens a risk-free choice. But the Illegal Immigration Control and Enforcement Act would change all this. Persons who overstay a visa would be ineligible for additional visas for at least 3 to 5 years. Since many visa overstayers hope to reside here legally one day, this penalty would have a significant deterrent effect. To help catch those persons who nevertheless stay here after their visas expire, the bill would authorize the addition of 300 new INS investigators in each of the next 3 fiscal years, who would focus exclusively on visa overstayers. The upshot should be a significant reduction in the numbers of these illegal aliens.

Third, the bill would streamline the deportation of criminal aliens. Although, under current law, aliens convicted of felonies after entry are deportable, they are, in fact, rarely deported because of their ability to seek repeated judicial review of their deportation order. That would change under the provisions in my bill, which are stronger than those in the omnibus immigration bill. Under my bill, aliens who are convicted of serious crimes would simply be deported upon completion of their sentences without any further judicial review of their deportation order. These provisions would apply to nearly half a million alien felons currently residing in this country.

Fourth, my bill would also respond to the pleas of businesses, particularly small businesses, who wish to follow the law but whose efforts to do so are thwarted by the bewildering array of documents that, under current law, are acceptable for employment verification. To help these employers, the bill would reduce the number of acceptable employment verification to a relative handful of documents familiar to all employers.

Finally, Mr. President, the bill I introduce today also includes important welfare reforms similar to those in H.R. 4, the bill that was sent to the President and vetoed. Like H.R. 4, my bill would deny Federal means-tested benefits like welfare, food stamps, and SSI to illegal aliens and sharply restrict the eligibility of legal aliens to receive these benefits. Unlike the omnibus bill reported out of the Judiciary Subcommittee for Immigration, however, my bill would not continue to apply these provisions to immigrants who become citizens of the United States. In my view, we should not create classes of American citizens for this purpose.

In summary, Mr. President, we need to focus our efforts on those areas where the real problem lies. By doing so, my bill would address our legitimate concerns about illegal immigration and welfare abuse without abandoning our commitment to family reunification, imposing new taxes and fees on American employers, or handing the Federal Government sweeping new powers in the workplace.•

By Mr. THOMPSON:

S. 1536. A bill to amend title 18, United States Code, to permit Federal firearms licenses to conduct firearms business with other such licensees at out-of-State gun shows; to the Committee on the Judiciary.

THE FIREARMS DEALERS REGULATORY RELIEF ACT OF 1996

Mr. THOMPSON. Mr. President, today I am introducing legislation that will serve to correct and clarify section 923 of title 18 of the United States Code affecting licensed firearms dealers. The bill amends the United States Code to permit the 200,000 Federal firearms licensees to conduct firearms business with other licensees at out-of-State gun shows.

This legislation is needed to address the problem that federally licensed gun dealers have when they buy, sell, or trade high-end collector's arms at out-of-State gun shows. Most of these firearms are in the $2,000 to $10,000 range and are not the target of illegal arms traffickers. Under current law, when licensed dealers meet at an out-of-State gun show and conduct business, they must return home and ship the firearms via common carrier from their respective States of residence. In doing so, the dealers take great risk of loss, theft, or damage and great expense of shipping and insurance of what may be one-of-a-kind items.

The Bureau of Alcohol, Tobacco and Firearms, [BATF], has indicated that they would be willing to work with us "to enact legislation which will reduce the regulatory burden on the legitimate firearms industry while maintaining adequate controls to combat the criminal misuse of firearms." They said they would have changed the regulations to allow these types of commerce if not for the prohibitions that they interpret to be in the law. I welcome this spirit of cooperation.

This bill would make Congress' intent clear to the BATF that Federal firearms license holders are not the source of illegal gun trafficking. Federal firearms license [FFL] holders are already closely regulated by the Bureau as legitimate businesses. If a person is responsible enough to obtain a Federal firearms license in Tennessee, then he is responsible enough to conduct business in Kentucky, North Carolina, or California. The BATF already recognizes this fact but, because of the way the current law is written, it must, nonetheless, enforce the byzantine route to conduct business.

All those concerned by the illegal use of firearms should support this bill, as direct transfer of firearms will improve the atmosphere ensuring that all guns will be recorded on dealers' books, thereby providing law enforcement agencies the records they need when firearms are used illegally.

This bill has the support of the Collector Arms Dealer's Association which represents 50,000 gun dealers and collectors.

By Mr. ROBB (for himself, Mr. DASCHLE, and Mr. SIMPSON):

S. 1537. A bill to require the Administrator of the Environmental Protection Agency to issue a regulation that consolidates all environmental laws and health and safety laws applicable to the construction, maintenance, and operation of aboveground storage tanks, and for other purposes; to the Committee on Environment and Public Works.

THE ABOVEGROUND STORAGE TANK CONSOLIDATION AND REGULATORY IMPROVEMENT ACT

• Mr. ROBB. Mr. President, I introduce legislation to address an important gap in Federal environmental law: The regulation of underground releases from aboveground storage tanks.

With this bill, we have an opportunity to work together with both industry and environmental groups to reform the Federal AST—aboveground storage tank—program, reduce the regulatory burden on industry, and improve the environment. Following efforts in the 103d Congress to improve the safety of AST's, I am introducing the Aboveground Storage Tank Consolidation and Regulatory Improvement Act.

For the past 6 years, those of us who live in northern Virginia have received an education on just how flawed the current Federal law is.

In September 1990, a petroleum sheen was discovered in a neighborhood creek in the Mantua-Stockbridge community in Fairfax County, VA.

It was the beginning of a continuing nightmare for a number of local residents, who have had to live with the knowledge that more than 200,000 gallons of petroleum product-diesel oil, jet fuel and gasoline has leaked from the nearby Pickett Road tank farm.

The exact size of the leak, and its precise causes, are still unknown. What we have seen however, is the fallout: negative health effects, environmental damage, and needless losses of millions of dollars. Some residents were temporarily relocated, others have simply moved, and still others continue to live with a cloud over their heads. All of these residents are still wondering when the Federal Government will move to address the issue of leaking aboveground storage tanks.

To date, Star Enterprise, a Texaco affiliate, has expended in excess of $100 million in remediation costs, real estate transactions, settlement of claims, and compliance with new State AST requirements.

Fairfax County has had to spend $500,000 to provide enforcement, oversight and community relations regarding the Pickett Road tank farm incident.

Unfortunately, problems with leaking AST's are not restricted to northern Virginia. Across the Nation, there are hundreds of similar leaks from aboveground petroleum storage tanks.

Major petroleum releases have occurred in Anchorage, AK; Torrance, CA; Port Everglades, FL; Hartford IL; Granger, IN; Cattlettsburg, KY; Charlotte, NC; Sparks, NV; Paulsboro, NJ; Syracuse, NY; Greensboro, NC; Ponca City, OK; Philadelphia, PA; Spartanburg, SC; Austin, TX; and Tacoma, WA.

At least five involve releases larger than the *Exxon Valdez* oil tanker catastrophe.

Whereas the *Exxon Valdez* spilled some 11 million gallons of oil, aboveground tanks in El Segundo, CA have released between 84 and 252 million gallons.

In Martinez, CA, 28 million gallons have been released.

A Tulsa, OK facility has released between 25 and 28 million gallons, and a Whiting, IN facility released 17 million gallons.

In Brooklyn, NY, residents are sitting on top of a 13 to million gallon release.

According to the Environmental Defense Fund [EDF], between 20 and 25 percent of AST's nationwide and their associated piping are likely to be leaking. A July 1994 American Petroleum Institute industry survey showed that over 85 percent of monitored refining and marketing facilities have confirmed ground water contamination; of the facilities with ground water contamination, a high percentage have offsite contamination—44 percent of refineries, at least 35 percent of marketing facilities, and 27 percent of transportation facilities.

A 1995 General Accounting Office [GAO] study on aboveground oil storage tanks that I requested, reported that EPA has found leaks typically originate from the bases of tanks where contact with soil causes corrosion; from underground piping; and from overflows associated with the transfer of stored product.

On the basis of age, the likelihood of developing corrosion leaks, and leak detection thresholds, EPA's preliminary estimates show that AST's with a storage capacity in excess of 42,000 gallons could be leaking between 43 million and 54 million gallons of oil annually.

Because petroleum contracts and expands as temperatures vary, it is often difficult to detect leaks. And because petroleum is relatively cheap, it is often less expensive to allow a known leak to continue than to interrupt operations and make a repair.

Because AST leaks are often slow and underground, they frequently do not receive the attention of the big oil tanker catastrophes, but are nonetheless dangerous.

Petroleum releases can present serious health, safety, and environmental risks. Petroleum, including gasoline, contains extremely toxic compounds, like benzene.

A plume of petroleum product can seep into basements and sewers, reaching toxic levels and causing explosions and the threat of fire.

In addition, leaking AST's can permanently contaminate groundwater, a source of drinking water for more than half the Nation. And in many cases, groundwater contamination will inevitably lead to surface water contamination.

While the extent of injuries is unknown, the 1995 GAO study reported that most injuries to human beings from exposure to oil have occurred as a result of inhaling its vapors. Effects on humans from exposure to petroleum include everything from lethargy, dizziness, and convulsions to coma, blood cancers (such as leukemia) and generalized suppression of the immune system from chronic exposure by inhalation.

And we know now that these threats present unique challenges for sensitive subpopulations such as infants, pregnant women, the elderly, and those with AIDS and other debilitating diseases.

What is astounding is that where underground storage tanks are highly regulated by a comprehensive Federal program, aboveground storage tanks, used to store some 100 billion gallons of oil nationwide, are only loosely regulated by a patchwork of confusing Federal regulations. In many cases, State fire codes regulate AST's.

State authorities are beginning to take notice of the leaking AST problem, but only 20 States have regulations on the books, and only 5 of these currently require genuine secondary containment, such as a double bottom or liner under a tank or piping.

Unfortunately, State programs vary widely and present problems for tank owners with multistate operations.

This is an enormous problem today; and it will likely continue to grow as storage tank owners seek to exploit the gaps in current Federal law by acquiring AST's over the more highly regulated underground storage tanks.

According to a January 1993 survey conducted by the Steel Tank Institute, new tank purchases of aboveground tanks are running ahead of underground tanks by a 5:2 ratio. And according to many State regulators and industry experts, this trend is continuing into the future.

This is troublesome from an environmental standpoint, and also from a fire safety perspective since aboveground tanks pose a much greater risk of fire hazard than underground tanks.

In 1989, the GAO conducted a study of inland oil spills and found existing laws deficient. In its report GAO proposed seven recommendations to EPA that if implemented, would improve the safety of aboveground oil storage tanks.

In 1995, Senator DASCHLE, Representative MORAN, and I asked GAO to investigate the progress of EPA's implementation of the recommendations. This report found that overall EPA has failed to implement or take any action on the majority of the recommendations.

At the most elementary level, current law does not even require comprehensive data collection or reporting to know exactly how many aboveground storage tanks are leaking.

In the 103d Congress, I sponsored legislation that would have established a comprehensive regulatory program for AST's and I cosponsored legislation offered by the distinguished Senator from South Dakota, Senator DASCHLE, to regulate the estimated 800,000 to 900,000 petroleum aboveground tanks, nationwide.

Residents in Senator DASCHLE's home State were victims in 1987 of a disastrous 20,000-gallon leak in which an elementary school had to be evacuated and abandoned after vapors began filtering up into the building.

AST's are largely unregulated by Federal law; no single statute fully addresses prevention and cleanup of petroleum releases.

The legislation I am introducing today in the Senate, and will be introduced by Representatives JIM MORAN and TOM DAVIS in the House, takes a new approach to dealing with leaking AST's, but maintains the goal of improving the safety of aboveground storage tanks.

The problem of leaking AST's has been gaining national attention. In the last 5 years, EPA has conducted studies and consulted with industry experts to better define the causes of AST leaks of petroleum; more States have begun to contemplate AST programs; and the petroleum industry has recently issued standards for aboveground storage tanks.

In developing Federal legislation for the 104th Congress we moved away from the idea of a comprehensive regulatory program for aboveground storage tanks. Instead, the bill seeks to enhance, not duplicate efforts undertaken by States and the petroleum industry to improve AST safety.

There is a patchwork of AST regulations and no less than five Federal offices with AST responsibilities. This is confusing to tank owners, costly to taxpayers and harmful to the environment.

Tank owners and operators need to have clear, concise guidance on how to comply with Federal regulations.

This new legislative proposal replaces the need for comprehensive reform; instead, it improves the organization of the current program and allows EPA to do more with less, while permitting tank owners the opportunity to embrace the newly developed industry standards.

Reform in the Federal program will improve the effectiveness of current regulations, lead to greater prevention and containment of releases from AST's and improve the environment.

Prevention is the key to avoiding costly and damaging petroleum releases.

Specifically, the bill will:

Consolidate all of the Federal offices responsible for AST regulation into one office at EPA. This will increase efficiency and improve organization at EPA;

Require EPA to consolidate and streamline the current AST program. These steps will eliminate duplicative and conflicting regulations, create a user-friendly aboveground storage tank program and promote prevention measures such as secondary containment and corrosion protection;

After consolidation, the bill allows EPA to correct gaps in the regulation of large—42,000 gallons and above—aboveground petroleum tanks and encourage prevention with narrow regulations based on industry standards and cost-benefit analysis; and

Require reporting of releases and give limited emergency powers to the EPA Administrator to better assist tank owners and operators with speedier cleanups.

Should a petroleum release occur, the bill gives EPA the authority to close the troublesome part of the storage tank facility, prohibiting further operation until the Administrator determines that the closure is not necessary to protect human health, public safety, or the environment.

That is to say, after a release, the burden shifts to the tank owner to cease operations until it can prove there is no ongoing threat.

The citizens in Fairfax were outraged when told that EPA lacked such authority; this bill provides it. These provisions are essential to provide predictability and peace of mind to residents living near large aboveground storage tanks that store petroleum.

With reform of the Federal program it is estimated that $17.4 billion in savings will result from reduced leak cleanup costs, saved petroleum product, and decreased costs associated with compensating affected residents.

This bill has been developed with the guidance and support of a diverse coalition of industry and environmental groups because it is a common sense proposal to regulatory reform.

Although the bill could easily be incorporated into Clean Water Act reauthorization or Superfund reform legislation, I think the problem is of sufficient magnitude that the bill can and should move on its own. With the bill's broad support, I don't see a need to have it hung up in the complexity of reauthorization of the larger environmental statutes.

It is my hope that the introduction of this legislation today will help move this issue forward.

I would like to thank Senators DASCHLE and SIMPSON for their leadership on this issue. As original cosponsors, they have contributed greatly to my effort to reach consensus on this issue.

We have tried to offer a more targeted version of earlier legislation, which will impose less cost on business, and pose less political obstacles, but still get to the heart of the problem: The large marketing and refining facilities which hold the potential for environmental catastrophe.

In closing, Mr. President, I think the time has come to write the Aboveground Storage Tank Consolidation and Regulatory Improvement Act into law.

The County of Fairfax, VA, has recently voted to endorse this bill because it is convinced that this legislation is necessary to prevent or reduce the impact of similar releases of petroleum in the future. I have a letter of support for the bill from the Fairfax County Board of Supervisors and I request unanimous consent that it be included in the RECORD.

I look forward to working with my Senate colleagues and with the chairman of the relevant congressional committees to make this legislation a reality.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1537

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Aboveground Storage Tank Consolidation and Regulatory Improvement Act".

SEC. 2. FINDINGS.

Congress finds that—

(1) improvement of Federal regulation of aboveground storage tanks will lead to

greater prevention and containment of releases from aboveground storage tanks and improvement of the environment;

(2) the Administrator of the Environmental Protection Agency has not fully implemented any of the 7 recommendations made in the 1989 report of the General Accounting Office on inland oil spills;

(3) consolidation of Federal aboveground storage tank provisions will lead to simplification of the regulatory program and will allow the Administrator to eliminate duplication and conflicting aboveground storage tank regulations; and

(4) in order to promote environmental protection, aboveground storage tank secondary containment structures should meet a minimum permeability standard.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to promote protection of the environment;

(2) to streamline the offices in the Environmental Protection Agency and other departments and agencies that administer laws governing aboveground storage tanks and underground storage tanks;

(3) to consolidate the laws governing aboveground storage tanks and eliminate duplicative regulations; and

(4) to encourage release prevention and fire protection measures in the operation of aboveground storage tanks.

SEC. 4. DEFINITIONS.

In this Act:

(1) ABOVEGROUND PETROLEUM STORAGE TANK.—The term "aboveground petroleum storage tank"—

(A) means an aboveground storage tank that—

(i) has a capacity of 42,000 gallons or more; and

(ii) is or was at any time used to contain any accumulation of a regulated petroleum substance; but

(B) does not include an aboveground storage tank that is used directly in the production of crude oil or natural gas.

(2) ABOVEGROUND STORAGE TANK.—The term "aboveground storage tank"—

(A) means a stationary tank, including underground pipes and dispensing systems connected to the stationary tank within the facility in which the stationary tank is located, that is or was at any time used to contain an accumulation of a regulated substance, the volume of which tank (including the volume of all piping within the facility) is greater than 90 percent above ground; and

(B) includes any tank that is capable of being visually inspected; but

(C) does not include—

(i) a surface impoundment, pit, pond, or lagoon;

(ii) a storm water or wastewater collection system;

(iii) a flow-through process tank (including a pressure vessel or process vessel and oil and water separators);

(iv) an intermediate bulk container or similar tank that may be moved within a facility;

(v) a tank that is regulated under the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 et seq.);

(vi) a tank that is used for the storage of products regulated under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.);

(vii) a tank (including piping and collection and treatment systems) that is used in the management of leachate, methane gas, or methane gas condensate, unless the tank is used for storage of a regulated substance;

(viii) a tank that is used to store propane gas;

(ix) any other tank excluded by the Administrator by regulation issued under this Act; or

(x) any pipe that is connected to a tank or other facility described in this subparagraph.

(3) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(4) DIRECTOR.—The term "Director" means the Director of the Office.

(5) ENVIRONMENTAL LAW.—The term "environmental law" means 1 of the following statutes (and includes a regulation issued under any such statute):

(A) The Clean Air Act (42 U.S.C. 7401 et seq.).

(B) The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

(C) The Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.).

(D) The Oil Pollution Act of 1990 (33 U.S.C. 2701 et seq.).

(E) The Solid Waste Disposal Act (42 U.S.C. 6901 et seq.).

(F) Any other statute administered by the Administrator.

(6) MODEL FIRE CODE.—The term "model fire code" means—

(A) fire code 30 or 30-a issued by the National Fire Protection Association;

(B) the fire code issued by the Uniform Fire Code Institute;

(C) the fire code issued by the Southern Building Code Congress International; or

(D) the fire code issued by the Building Offices and Code Administrators International.

(7) OFFICE.—The term "Office" means the Office of Storage Tanks established by section 5(a).

(8) PETROLEUM.—The term "petroleum" means—

(A) crude oil; and

(B) any fraction of crude oil that is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute).

(9) REGULATED PETROLEUM SUBSTANCE.—The term "regulated petroleum substance" means—

(A) petroleum; and

(B) a petroleum-based substance comprised of a complex blend of hydrocarbons derived from crude oil through processes of separation, conversion, upgrading and finishing, such as a motor fuel, jet fuel, distillate fuel oil, residual fuel oil, lubricant, petroleum solvent, or used or waste oil.

(10) REGULATED SUBSTANCE.—The term "regulated substance" means—

(A) a substance (as defined in section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601)), but not including a substance that is regulated as a hazardous waste under subtitle C of the Solid Waste Disposal Act (42 U.S.C. 6921 et seq.); and

(B) a regulated petroleum substance.

(11) UNDERGROUND STORAGE TANK.—The term "underground storage tank" has the meaning stated in section 9001 of the Solid Waste Disposal Act (42 U.S.C. 6991).

SEC. 5. CONSOLIDATION OF OFFICES.

(a) OFFICE OF STORAGE TANKS.—

(1) ESTABLISHMENT.—The Office of Underground Storage Tanks of the Environmental Protection Agency is redesignated and established as the Office of Storage Tanks.

(2) DIRECTOR.—The Office shall be headed by a Director appointed by the Administrator.

(3) FUNCTIONS.—The Director shall perform—

(A) the functions that were vested in the Director of the Office of Underground Storage Tanks on the day before the date of enactment of this Act; and

(B) the functions transferred to the Director (or to the Administrator, acting through the Director) by subsection (b).

(b) TRANSFERS OF AUTHORITY.—

(1) INTRA-AGENCY TRANSFERS.—There are transferred to the Director all of the authorities of the following officers of the Environmental Protection Agency, insofar as the authorities relate to the regulation of aboveground storage tanks and underground storage tanks under the environmental laws:

(A) The Assistant Administrator for Air.

(B) The Assistant Administrator for Water.

(C) The Director of the Office of Emergency and Remedial Response.

(D) Any other officer to whom the Administrator has delegated authority.

(2) TRANSFER FROM THE SECRETARY OF LABOR.—There are transferred to the Administrator, acting through the Director, all of the authorities of the Secretary of Labor, acting through the Assistant Secretary for Occupational Safety and Health, insofar as the authorities relate to the regulation of aboveground storage tanks and underground storage tanks under the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.) and section 126 of the Superfund Amendments and Reauthorization Act of 1986 (Public Law 99-499; 29 U.S.C. 655 note).

(3) TRANSFER FROM THE SECRETARY OF TRANSPORTATION.—There are transferred to the Administrator, acting through the Director, all of the authorities of the Secretary of Transportation, acting through the Administrator for Research and Special Programs, acting through the Associate Administrator for Pipeline Safety and the Associate Administrator for Hazardous Materials Technology, insofar as the authorities relate to the regulation of aboveground storage tanks and underground storage tanks under chapter 601 of title 49, United States Code.

(c) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—There are transferred to the Environmental Protection Agency, in accordance with section 1531 of title 31, United States Code—

(1) the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred by subsection (b) (2) and (3); and

(2)(A) the personnel employed in connection with those functions; or

(B) the amount of unexpended balances of appropriations necessary to enable the Administrator to employ persons in the number of full time equivalent positions as the persons employed in connection with those functions on the day before the date of enactment of this Act,

as determined by the Director of the Office of Management and Budget, in consultation with the Administrator, the Secretary of Labor, and the Secretary of Transportation.

SEC. 6. CONSOLIDATION OF APPLICABLE LAWS.

(a) RESTATEMENT IN CONSOLIDATED FORM.—

(1) IN GENERAL.—Not later than 3 years after the date of enactment of this Act, the Director, in consultation with the States, shall evaluate all laws (including regulations) administered by the Director and, after notice and opportunity for public comment, issue a regulation that restates those laws in consolidated form and streamlines,

to the extent practicable, the application of those laws to owners and operators of aboveground storage tanks and underground storage tanks.

(2) INTENT OF CONGRESS.—In directing the Director in paragraph (1) to restate the laws in consolidated form, it is not the intent of Congress to direct or authorize the Director to modify the requirements of those laws in any way, except as necessary or appropriate to eliminate any duplication or inconsistencies or to reduce any unnecessary regulatory burdens and except as provided in subsections (b), (c), and (d).

(b) MODEL FIRE CODES.—The regulation under subsection (a) shall be consistent with and based on the model fire codes, as in effect on the date of enactment of this Act or as they may be amended.

(c) RELEASES.—

(1) REPORTING REQUIREMENTS APPLICABLE TO ALL ABOVEGROUND STORAGE TANKS.—The regulation under subsection (a) shall require that an owner or operator of an aboveground storage tank shall report a release of 42 gallons or more of a regulated substance that occurs during a period of time specified by the director, not to exceed 5 calendar days, including a description of the corrective action taken in response to the release, to the national response center established under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), unless the release is required to be reported, and is reported, under other Federal law.

(2) ORDERS APPLICABLE TO ABOVEGROUND STORAGE TANKS.—After a release from an aboveground storage tank containing a regulated substance that is determined to be an imminent threat to human health, public safety, or the environment, the Administrator may issue an order prohibiting the use or operation of all or any portion of a storage tank farm within a facility in which the aboveground petroleum storage tank is located, until the Administrator determines that—

(A) the prohibition is not necessary to protect human health, public safety, or the environment; or

(B) adequate corrective action has been taken, in accordance with the law regulating corrective action that is in effect on the date on which the determination is made.

(d) CORRECTION OF DEFICIENCIES IN THE LAW APPLICABLE TO ABOVEGROUND PETROLEUM STORAGE TANKS.—

(1) ADDITIONAL AUTHORITY.—In addition to the authority transferred to the Director by section 5(b), the Director shall have authority to issue, and shall include in the regulation under subsection (a), release detection, prevention, and correction regulations applicable to owners and operators of aboveground petroleum storage tanks, as necessary to protect human health and the environment.

(2) CORRECTION OF DEFICIENCIES.—In conducting the evaluation of laws and issuing the regulation under subsection (a), the Director shall—

(A) determine whether there are any deficiencies in the law applicable to aboveground petroleum storage tanks on the day before the date of enactment of this Act, specifically with reference to secondary containment, overfill prevention, testing, inspection, compatibility, installation, corrosion protection, and structural integrity of aboveground petroleum storage tanks; and

(B) if the Director determines that any such deficiencies exist—

(i) examine industry standards that address the deficiencies;

(ii) give substantial weight to industry standards in formulating the regulations required by paragraph (1); and

(iii) design the regulation in the most cost-effective manner to address the deficiencies.

(e) ENFORCEMENT.—

(1) IN GENERAL.—The regulation under subsection (a) shall make clear the statutory enforcement provisions and other statutory provisions that apply to each provision of the regulation.

(2) ADDITIONAL AUTHORITY.—Any provision of the regulation under subsection (c) or (d) that implements authority conferred by this Act in addition to authority under law in effect on the day before the date of enactment of this Act shall be enforced under and in accordance with the procedures stated in section 9006 of the Solid Waste Disposal Act (42 U.S.C. 6991e).

SEC. 7. REPORTS.

(a) INTERIM REPORT.—Not later than 2 years after the date of enactment of this Act, the Director shall submit to Congress a report describing the progress made and any tentative conclusions drawn in the evaluation process under section 6(a)(1).

(b) FINAL REPORT.—Simultaneously with the issuance of the regulation under section 6(a)(1), the Director shall submit to Congress a final report that—

(1) describes the evaluation made and the regulation issued under section 6(a)(1); and

(2)(A) states the extent to which the regulation implements the recommendations made in the 1989 report of the General Accounting Office on inland oil spills and the 1995 report of the General Accounting Office on the status of the Environmental Protection Agency's efforts to improve the safety of aboveground storage tanks; and

(B) to the extent that the consolidated regulation does not implement the recommendations, describes the Director's plans regarding the recommendations.

COMMONWEALTH OF VIRGINIA,
COUNTY OF FAIRFAX,
Fairfax, VA, January 25, 1996.

Hon. CHARLES S. ROBB,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR CHUCK ROBB: Fairfax County is aware that legislation entitled "The Aboveground Storage Tank Consolidation and Regulatory Improvement Act of 1995" is to be introduced in the United States Congress in the very near future. It is the County's impression that this bill is designed to consolidate authorities and regulatory functions associated with both aboveground and underground storage tanks for the purpose of strengthening oversight and enforcement, as well as to improve upon the development of regulations for those facilities. We believe that the legislation as proposed has the potential to positively impact the organization and focus of responsibilities and authorities pertinent to the regulation of storage tanks.

Fairfax County is home to more than 20,000 commercial and residential aboveground and underground storage tanks. During the last several years the County has had first-hand experience with the potential impacts these facilities pose on public health, safety, and the environment. It has become evident to the County that more focused, concise, and adequate oversight is required to both prevent and correct potential problems associated with storage tank facilities. This view is supported by the County's experiences with the hundreds of leaking underground storage tanks and the more notable problems of the Fairax Bulk Petroleum Terminal release in which over 189,000 gallons of petroleum was discharged into the groundwater traveling into the neighboring Mantua/Stockbridge residential community. The proposed legislation provides the potential for a more focused approach which might prevent or reduce the impact of similar events in the future.

On behalf of the citizens of Fairfax County, the Board of Supervisors urges the members of Congress to seriously consider the benefits of the proposed legislation. "The Aboveground Storage Tank Consolidation and Regulatory Improvement Act of 1995" and provide the appropriate support to ensure its enactment during the current legislative session. If the County or its staff can be of further assistance with this matter, please do not hesitate to contact me. Your consideration of the County's position is appreciated.

Sincerely,

KATHERINE K. HANLEY,
Chairman.•

By Mr. GLENN (for himself and Mr. GORTON):

S. 1538. A bill to amend the Internal Revenue Code of 1986 to provide for the treatment of excess benefit arrangements for certain tax-exempt group medical practices, and for other purposes; to the Committee on Finance.

GROUP MEDICAL PRACTICES LEGISLATION

• Mr. GLENN. Mr. President, our Nation's few nonprofit medical practices have a well-deserved, international reputation for medical excellence. Among those prestigious institutions is the Cleveland Clinic, considered one of the world's finest medical facilities. The Cleveland Clinic and other outstanding facilities such as the Virginia Mason Clinic in Seattle, WA, and the Mayo Clinic in Rochester, MN, provide significant charity care, offer outstanding medical education and training, lead in medical research, and are deeply involved in community service.

However, compensation rules for nonprofit employers—including teaching hospitals, community clinics, and integrated health systems, are governed by stringent limits on reasonable compensation which do not apply to physicians in private practice or in the for-profit sector.

Today I am introducing along with the distinguished Senator from Washington [Mr. GORTON], legislation to amend the Internal Revenue Code to provide a limited exemption from IRC section 457 to eligible group medical practices. It would increase the dollar limitations for members and employees of those practices from the limitations of section 457(c)(2).

I believe that this change in law would be good public policy. With flexibility to offer reasonable deferred compensation packages, these clinics can continue to recruit and retain the high quality individuals whose training, skills, and experience are crucial to the patient population they serve.

An important way to encourage physician groups and other medical professionals to continue to organize in a not-for-profit status. However, current law provides for disincentives for this not-for-profit status. This legislation would remove these obstacles.

Mr. President, companion legislation has already been introduced in the House. I urge the Senate Finance Committee to carefully review the issues that we raise in this legislation and I urge my colleagues to join me in support of this measure.•

• Mr. GORTON. Mr. President, today Senator GLENN and I are introducing a limited, but important piece of legislation. This legislation will provide a solution to a vexing problem that afflicts many of the most distinguished not-for-profit group medical practices in this country, such as Virginia Mason Clinic in Seattle, the Mayo Clinic in Rochester, and the Cleveland Clinic in Cleveland.

Our Nation's not-for-profit medical practices, which include teaching hospitals, community clinics, and integrated health systems, perform essential public services. They provide significant charity care to our Nation's poor and elderly, offer some of the finest medical education and training in the world, and are acknowledged leaders in medical research. Furthermore, not-for-profits perform these public services while maintaining a well-deserved, international reputation for medical excellence.

Despite their excellent delivery of essential medical services, tax laws restrict not-for-profit group medical practices from offering their medical professionals a level of deferred compensation that is competitive with that available to physicians in the for-profit sector. These limits on deferred compensation exist even though medical professionals in nonprofit practices already sacrifice substantial personal benefits and competitive salaries in order to serve the most needy in their communities. This sacrifice on the part of nonprofit physicians has potentially damaging repercussions for society when physicians leave the nonprofit sector for the benefits of the private sector.

Today, we seek to remove some of the disincentive that exist for medical professions to enter into the nonprofit area of health care. The bill we are introducing amends the Internal Revenue Code to provide a limited exemption from IRC section 457 to eligible group medical practices. This amendment would increase the dollar limitations for members and employees of those practices, index the deferred amount for inflation, and exempt eligible medical group practices from limitations of section 457(c)(2).

By providing nonprofit, teaching, medical centers the ability to offer deferred compensation packages to their professions at levels that are competitive with the for-profit sector, our nonprofit medical centers will be able to recruit and retain the caliber of individuals whose training skills, and expertise are crucial to the often inner-city or rural patients they serve.•

By Mrs. HUTCHISON:

S. 1539. A bill to establish the Los Caminos del Rio National Heritage Area along the Lower Rio Grande Texas-Mexico border, and for other purposes; to the Committee on Energy and Natural Resources.

THE LOS CAMINOS DEL RIO NATIONAL HERITAGE AREA ACT OF 1996

• Mrs. HUTCHISON. Mr. President, along the Lower Rio Grande from Laredo, TX to the Gulf of Mexico, are found resources of immense economic, natural, scenic, historical, and cultural value. On both the United States and Mexican sides of the Rio Grande, important historical themes and resources of local, State, national, and international importance characterize the river communities and counties along the Lower Rio Grande. These include early 16th- and 17th-century Spanish and French explorations, 18th-century river settlements founded under the Spanish Crown, 18th-century ranches where the first American cowboys rode, Texas independence and establishment of the Republic of the Rio Grande in 1840, the first battle of the Mexican-American War in 1846, the last land battle of the American Civil War fought near the mouth of the Rio Grande in 1865, a thriving steamboat trade in the late 19th-century, and the development of the Rio Grande Valley as an agricultural empire. Today, the Lower Rio Grande is one of the most complex ecological systems in the United States, with a remarkable variety of species including 600 different vertebrates, such as the plain chachalaca, the only member of the curassow family found in the United States, and 11,000 different and unique plants, like the Texas strawberry cactus.

Given the remarkable diversity and international importance of this area, local and regional governments, Federal and State agencies, businesses, private citizens and organizations in the United States and Mexico have expressed a desire to work cooperatively to preserve the most significant components of the natural and cultural heritage throughout the region, while accommodating sustainable growth and development.

Mr. President, in conjunction with these efforts, I am pleased to introduce today the Los Caminos del Rio National Heritage Area Act of 1996. This act will designate the Lower Rio Grande as a congressionally authorized national heritage area, thereby recognizing the unique and binational importance of the Lower Rio Grande region.

The Los Caminos del Rio National Heritage Area Act of 1996 recognizes the special importance of the Lower Rio Grande region as a living historical legacy of the United States and Mexico. Los Caminos del Rio will create partnerships between public and private entities to finance projects and initiatives throughout the Lower Rio Grande while requiring local governments and private entities to share costs with the Federal Government. Furthermore, it will promote cooperation between Mexico and the United States while enhancing the economies of the many Rio Grande communities.

Mr. President, in a time of fiscal constraints, national heritage areas are fiscally sound, budget-conscious alternatives to the traditional national park designation. That is why Senator BEN NIGHTHORSE CAMPBELL has introduced legislation to encourage such partnerships as an alternative to the traditional national park designation and why I am now introducing the Los Caminos del Rio National Heritage Area Act of 1996.

Additionally, I should like to point out that my bill pays particular and close attention to the rights of private property owners. I have listened to and worked with various property advocacy groups in order to craft a bill that specifically addresses concerns through concrete protections preventing property rights infringement and diminishment of value. For example, my bill prohibits conditioning of Federal assistance on enactment or modification of any land-use restrictions, mandates quarterly public hearings within the heritage area, and specifically states that nothing in the bill shall modify, enlarge, or diminish any authority of Federal, State, or local government to regulate any zoning or use of land, including fish and wildlife management. I hope to continue working with these property groups as this legislation moves toward passage.

The Los Caminos del Rio heritage project, which began in 1990 with a grant awarded to the Texas Historical Commission, has become a crucial unifier of the Lower Rio Grande region, facilitating contacts between small communities and their State and Federal Governments and with private philanthropy. That same process has occurred in Mexico, where border communities that have traditionally felt abandoned and overlooked have been able to take advantage of Los Caminos del Rio. Because they are part of a regional project, they are now part of national and State tourism and conservation programs.

Mr. President, I look forward to working with Senator CAMPBELL and others in passing this legislation to designate Los Caminos del Rio as a National Heritage Area, to establish guidelines for the designation of other such areas, and to offer security for owners of private property within such areas.•

By Mr. HATCH:

S. 1540. A bill to amend chapter 14 of title 35, United States Code, to preserve the full term of patents; to the Committee on the Judiciary.

THE FULL PATENT TERM PRESERVATION ACT OF 1996

Mr. HATCH. Mr. President, I am pleased to rise today to introduce S. 1540, the Full Patent Term Preservation Act of 1996. Very simply stated, this legislation will allow the Patent and Trademark Office [PTO] to restore patent term in cases in which patent life has been shortened due to unusual and unavoidable administrative delay.

I wish to commend the majority leader, my good friend from Kansas, for first bringing this matter to my attention. I share Senator DOLE's concern that patent term not be eroded due to unusual delays in evaluating patent applications by the PTO. The recent adoption of the new 20-year from time of filing patent term has created a need for legislation to address the issues giving rise to the Dole/Rohrabacher measure.

As my colleagues are aware, the legislation implementing the General Agreement on Tariffs and Trade [GATT] passed by the Congress and signed by the President in December, 1994, contained a provision designed to achieve harmonization of patent standards in the international community. This was accomplished by changing our old system, which allowed for a patent term equal to 17 years from the date the patent was issued, to a new system in which patents are valid for 20 years from the date of application.

There has been some concern expressed that the transition under GATT from a "17-year from issuance" to a "20-year from filing" patent term will cause some inventors to lose valuable patent term. This can occur when patent applications are under review at PTO for unusually long periods of time. To remedy this potential loss of patent term, the bill I am introducing today will allow the PTO to restore patent term for up to 10 years if such term are lost because of unusual and unavoidable administrative delay. The bill also provides an opportunity for an independent review of the Commissioner's determination.

At present, the patent code does not allow for patent term restoration on the basis of "unusual administrative delay." Such a provision was not included in previous legislation because it was believed that there were too few cases to warrant its inclusion. Nevertheless, the changes made by the GATT implementing legislation and several cited cases in which patent applications have taken up to 10 years to be processed have heightened an awareness of the need to address the potential diminution of patent life. If enacted, the Full Patent Term Preservation Act of 1996 will allow inventors to regain patent term lost due to unusual administrative delay.

S. 1540 addresses the same general issue expressed by the distinguished majority leader, Senator DOLE, and by Congressman ROHRABACHER in their legislation this Congress. I am very sympathetic to the problem which led them to introduce their legislation and I want to work closely with them to resolve the matter. At the same time I must note my concern that previous legislative proposals pose at least two problems. First, a provision that allows each applicant to select the way in which the patent term will be measured could pose significant administrative problems. And second, I am still concerned that we have not done enough to address the problem of so-called submarine patents which was one of the motivating factors behind adopting the GATT change.

As with the Dole/Rohrabacher legislation, the Full Patent Term Preservation Act of 1996 attempts to preserve a full term of patent protection for American inventors, thereby promoting creativity and investment and maintaining U.S. competitiveness in the rapidly growing high-tech global marketplace. However, by retaining the basic principle of measuring the patent term from the earliest filing date, my proposed legislation preserves the necessary incentives for patent applicants to diligently and expeditiously pursue the issuance of their patent.

As chairman of the Judiciary Committee, it is my intention to hold hearings on these issues in the near future. I want to make clear to my colleagues that the measure I introduce today is an effort to start the process of finding a middle ground which will accommodate the interests of all parties. I intend for the Judiciary Committee to examine this issue very closely over the next few months and I look forward to working with Senator DOLE and all other interested parties to make any necessary modifications.

Before closing, I want to mention my interest in soliciting input on one particular provision of this legislation. Section 2 grants the PTO the authority to determine the circumstances under which a patent adjustment can be made. Some have questioned whether providing this authority to the very agency which caused the delay would be the most appropriate way to address the adjustment issue.

Mr. President, I believe that S. 1540, the Full Patent Term Preservation Act of 1996 is a balanced legislative response to the problem of potential loss of patent term. It will protect the legitimate patent rights of American inventors, uphold our international treaty obligations under GATT, and provide the necessary incentives to ensure the responsible and timely pursuance of patent applications. I urge my colleagues to support this legislation and look forward to its timely consideration.

Mr. President, I ask unanimous consent that the text and a section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1540

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Full Patent Term Preservation Act of 1996".

SEC. 2. PATENT TERM DETERMINATION AUTHORITY.

(a) IN GENERAL.—Section 154(b) of title 35, United States Code, is amended to read as follows:

"(b) DETERMINATION OF PATENT TERM.—

"(1) BASIS FOR PATENT TERM ADJUSTMENT.—

"(A) IN GENERAL.—Subject to paragraph (2), the term of a patent shall be adjusted to include the period of time for which the issue of the original patent was delayed due to—

"(i) a proceeding under section 135(a) of this title;

"(ii) the imposition of an order pursuant to section 181 of this title;

"(iii) appellate review by the Board of Patent Appeals and Interferences or by a Federal court where the patent was issued pursuant to a decision in the review reversing an adverse determination of patentability; or

"(iv) an unusual administrative delay by the Office in issuing the patent.

"(B) REGULATIONS.—The Commissioner shall prescribe regulations to govern the determination of the period of delay, including the particular circumstances determined to be an unusual administrative delay under subparagraph (A).

"(2) LIMITATIONS.—

"(A) MAXIMUM PERIOD OF ADJUSTMENT.—The total duration of all adjustments of a patent term under this subsection shall not exceed 10 years. No patent term may be adjusted by a period greater than the actual period of time that the issue of a patent was delayed as determined by the Commissioner. To the extent that periods of delay attributable to grounds specified in paragraph (1) overlap, the period of any adjustment granted under this subsection shall not exceed the actual number of days the issuance of the patent was delayed.

"(B) DUE DILIGENCE.—The period of adjustment of the term of a patent under this subsection shall be reduced by a period equal to the time during the processing or examination of the application leading to the patent in which the applicant did not act with due diligence to conclude processing or examination of the application. The Commissioner shall prescribe regulations establishing the circumstances that constitute a failure of an applicant to act with due diligence to conclude processing or examination of an application.

"(C) TERMINAL DISCLAIMER.—No patent, the term of which has been disclaimed beyond a specified date, may be adjusted under this section beyond the expiration date specified in the disclaimer.

"(3) NOTICE TO COMMISSIONER.—In a case in which a patent term is adjusted under this subsection, the Commissioner shall determine the period of any patent term adjustment available under this section and shall include a copy of that determination with the final notice. The Commissioner shall prescribe regulations establishing procedures for the application for, and notification of, patent term adjustments granted by the Commissioner under this subsection.

"(4) JUDICIAL REVIEW.—Any applicant dissatisfied with a determination by the Commissioner under paragraph (3) may have remedy by civil action in the United States Court of Federal Claims if commenced within 60 days after the mailing of the notice of allowance as the Commissioner appoints. The initiation of a civil action under this section shall not delay the issuance of a patent.".

(c) TECHNICAL CLARIFICATION.—Section 156(a) of title 35, United States Code, is amended—

(1) in the matter preceding paragraph (1) by inserting ", which shall include any patent term adjustment granted under section 154(b)," after "the original expiration date of the patent"; and

(2) in paragraph (2) by inserting before the semicolon ", except as provided under section 154(b)".

SEC. 3. EFFECTIVE DATE.

The amendments made by section 2 shall take effect on the date of the enactment of this Act and shall apply to any application filed on or after June 8, 1995.

FULL PATENT TERM PRESERVATION ACT
SECTION-BY-SECTION ANALYSIS

Section 1. Short Title.—This section titles the bill the "Full Patent Term Preservation Act of 1996."

Section 2. Patent Term Determination Authority.—This section makes certain that the term of a patent will be adjusted to include time attributable to certain delays in review of patent applications.

Specifically, section 2(b)(1) mandates that adjustments will be made for time elapsed due to: proceedings designed to determine the priority of invention ("interference" under section 135(a) Title 35 U.S.C.); orders pertaining to a determination that the patent would be detrimental to the national security (section 181 of Title 35); and cases in which the Board of Patent Appeals and Interferences or a Federal court reverses an adverse finding of patentability. In addition, the Commissioner shall make adjustments due to unusual administrative delay by the Patent and Trademark Office (PTO) in issuing the patent.

The PTO Commissioner is authorized to promulgate regulations to govern how the period of delay is to be determined, including the circumstances that constitute "unusual administrative delay."

Section 2(b) also establishes a 10 year limitation for adjustments in patent terms under this section and precludes adjustments in patent term beyond the actual number of days that a patent was delayed. No adjustment in patent term may be granted for time periods when the applicant did not act with "due diligence." The Commissioner is authorized to promulgate regulations to define the application of the "due diligence" provisions.

Section 2(b) also instructs the Commissioner to notify the applicant, on the day the patent issues, of any patent term restoration the applicant is entitled to under this section. Finally, section 2(b) provides the right to judicial review in the United States Court of Federal Claims for those patent applicants dissatisfied with the determination of the Commissioner with respect to patent term adjustments.

Section 2(c) makes certain technical conforming changes between sections 154 and 156 of the patent provisions of Title 35, U.S.C. Section 2(c) allows the patent term adjustments provided in section 156 to restore patent term lost due to Food and Drug Administration regulatory review to be additive to any patent term restoration granted under section 154 to compensate for patent term unavoidably lost in the patent prosecution process.

Section 3. Effective Date.—This section makes the new provisions contained in section 2 effective for any patent application filed on or after June 8, 1995.

By Mr. LUGAR (for himself, Mr. DOLE, Mr. HELMS, Mr. COCHRAN, Mr. CRAIG, Mr. GRASSLEY, Mr. PRESSLER, and Mr. COVERDELL):

S. 1541. a bill to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes; read the first time.

AGRICULTURAL MARKET TRANSITION ACT

Mr. LUGAR. Mr. President, I rise to support the Agricultural Market Transition Act of 1996. This legislation is identical to Title I of the Balanced Budget Act, with two changes which I shall mention shortly.

Congress passed the Balanced Budget Act and the President, most unfortunately for the country, vetoed it. We hope that some spending cuts can be added to legislation raising the Federal debt limit. However, the veto creates a problem for U.S. agriculture.

The problem is that commodity support programs for the next 7 years were part of the BBA. Existing authority for these programs has now expired. All that remain are outdated statutes from 1938 and 1949. The Clinton administration confirms that implementing these statues could add $10 to $12 billion to the cost of running farm programs for 1996 crops alone.

That is intolerable for taxpayers. Farmers do not support such an irresponsible policy. The solution is to enact a new farm bill.

Farmers need to know what farm policies will be—not just for the next 12 months but for the next several years. We owe it to U.S. agriculture to enact a long-term plan, not a stopgap measure.

This bill's agricultural provisions are a long-term plan endorsed by a broad spectrum of agricultural groups. From national groups like the American Farm Bureau Federation and the National Corn Growers Association, to state groups like the Kansas Association of Wheat Growers and the North Dakota Grain Growers, U.S. producer and agribusiness organizations support this plan.

It is simple, in contrast to the needless complexity of current programs.

It offers certainty. Farmers will know what their future payments will be. Taxpayers will know how much will be spent. U.S. agriculture will have security against future budget cuts.

Finally, it is market-oriented. Farmers' payments will be the same even if they plant alternate crops. Producers' planting decisions will be based on the market—as they should be. Under the BBA, there will be full planting freedom, not arbitrary government production controls.

Mr. President, I ask unanimous consent that a brief summary of this bill's provisions be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUBTITLE A—AGRICULTURAL MARKET TRANSITION PROGRAM

Production flexibility contracts—Eligible producers (those who had participated in the wheat, feed grains, cotton and rice programs in any one of the past five years) can enter into seven-year "production flexibility contracts" between 1996 and 2002. The deadline for entering into the contract would be April 15, 1996. Payments would be made on September 30 of each year beginning in 1996. Farmers would also have the option of receiving half of their annual payment by December 15 of the previous year (except in 1996 when the advance payment would be due within 60 days of the signing of the contract.)

Payment would be made on 85 percent of a farm's contract acreage. On this acreage participants would be free to plant any program crop, oilseed, industrial or experimental crop, mung beans, lentils and dry peas. Planting of fruits and vegetables would be prohibited on contract acres. These commodity program changes will result in $8.6 billion in budget savings over the next seven years.

Peanuts—The legislation saves $434 million from the federal peanut program, making it a no-cost program. The price support program for peanuts is extended through 2002, but the quota support rate is lowered from $678/tone to $610/ton. The price support escalator is eliminated. The legislation eliminates the national poundage quota floor (currently 1,350,000 tons) and undermarketing provisions of current law. Previously considered reforms for quota reduction, the sale, lease and transfer of quota across county lines, and offers from handlers were removed from the bill due to Byrd rule considerations. These reforms will likely be taken up later as part of separate legislation.

Sugar—In order to make the program more market-oriented, a recourse loan system is implemented until imports reach 1.5 million short tons for FY 1997 1997–2002. The bill terminates marketing allotments and implements a one cent penalty on forfeited sugar. Provisions of current law that require the Sugar Program to operate at no-net cost are retained in this bill. It also retains the loan rate of raw cane sugar and refined beet sugar at the 1995 levels, 18 cents and 22.9 cents respectively, and retains a nine-month loan. The legislation would raise the assessment on sugar processors to achieve $52 million in budget savings over seven years toward deficit reduction.

Nonrecourse marketing assistance loans—The conference agreement establishes maximum loan rates at the following (1995) levels: Rice: $6.50/cwt; Upland Cotton: $0.5192/lb; Wheat: $2.58/bu; Corn: $1.89/bu; Soybeans: $4.92/bu; ELS Cotton: $0.7965/lb.

The Secretary would retain authority to make downward adjustments to wheat and feed grains loan rates based on specified stocks-to-use criteria. The bill also establishes a minimum loan rate for rice at $6.50/cwt and cotton at $0.50/lb. The conference agreement also eliminates the 8-month cotton loan extension. The loan rate provisions of the conference agreement will save $107 million.

Payment limitations—The conference agreement reduces the current payment limitation by 20 percent, from $50,000 to $40,000. The bill extends provisions of current law that limit marketing loan gains and loan deficiency payments to $75,000 per person per year. The payment limitation reduction achieves $150 million in budget savings.

Program authority elimination—This legislation repeals the Agriculture Act of 1949 as well as the permanent law provisions of the Agriculture Adjustment Act of 1938. Also eliminated are authorities for the Farmer Owned Reserve and the Emergency Livestock Feed Assistance Program.

SUBTITLE B—CONSERVATION

Conservation Reserve Program (CRP)—The CRP is capped at the current level of 36.4 million acres for a savings of $569 million over seven years. Also adopted was an "early out" provision to allow contract holders to terminate CRP contracts upon written notification of the Secretary.

Livestock Environmental Assistance Program (LEAP)—The program is established to help livestock producers improve environmental and water quality. The program makes available $100 million annually to provide technical and cost-share assistance in implementing structural and management practices to protect water, soil and related resources from degradation associated with livestock production.

SUBTITLE C—AGRICULTURAL PROMOTION AND EXPORT PROGRAMS

Market Promotion Program (MPP)—MPP expenditures are capped at $100 million through 2002 producing a savings of $60 million.

Export Enhancement Program (EEP)—EEP expenditures are capped at $350 million in 1996 and 1997; $500 million in 1998; $550 million in 1999; $579 million in 2000 and $478 million for 2001 and 2002. Total savings for EEP will be $1.27 billion.

SUBTITLE D—MISCELLANEOUS

Crop insurance—The bill eliminates the mandatory nature of catastrophic crop insurance, but requires producers to waive all federal disaster assistance if they opt not to purchase insurance. Dual delivery of crop insurance is eliminated in those states that have adequate private crop insurance delivery. The bill also corrects a provision of current law by amending the Federal Crop Insurance Act to include seed crops. The crop insurance provisions of the bill result in net savings of $130 million.

Agriculture quarantine and inspection—The bill amends the Food, Agriculture, Conservation and Trade Act of 1990 to allow the Secretary to collect and spend fees collected over $100 million to cover the cost of providing quarantine and inspection services for imports.

Commodity Credit Corporation (CCC) interest rates—Rates on CCC agriculture commodity loans are increased by 100 basis points for a savings of $260 million over seven years.

Mr. LUGAR. I would also like to mention two changes from the BBA as it passed the House and Senate.

Under the Livestock Environmental Assistance Program, limits are placed on the size of operations that may receive benefits. The BBA contained these limits but some felt that for dairy operations, the limits were too strict. Therefore, dairy operations of 700 or fewer cows will now be eligible.

The other change deals with which crops may be planted on acres enrolled in income support contracts. The bill introduced today will treat fruit and vegetable crops in the same manner as current law—that is, they may not be planted on contract acres.

Mr. President, the Agricultural Market Transition Act of 1996 represents a bold departure from the past. It is a new direction for American agriculture. It will reduce Federal spending, reform price support programs, and prepare U.S. farmers for what promises to be an exciting new century, full of opportunities for the most efficient food producers in the world.

Mr. GORTON. Mr. President, today I am pleased to join my colleagues Senators CRAIG, DOLE, LUGAR, COCHRAN, and GRASSLEY, supporting a farm bill that will let our farmers farm according to the marketplace and stop the Federal Government from telling our farmers what crop to plant, when to plant, and how much to plant. These decisions belong to the farmer—not the Federal Government.

On September 30 of last year the farm bill expired. Farmers in my State of Washington and across the country need to know what the farm program will be. They cannot wait any longer. Currently, farmers in my State are meeting with their bankers, making plans for this year's crop, determining their financial situation, and evaluating their equipment needs. As my good friend from Iowa, Senator GRASSLEY, said on Tuesday, "farmers of this country deserve to know what the farm program will be this year and they need to know as soon as possible." The senior Senator from Iowa is correct. We cannot in good conscience delay in passing a farm bill. We owe it to the American farmer to take action.

Farmers in my State tell me that they want less Government, less red tape, and less paperwork. Farmers in my State simply want more flexibility; they want the Federal Government out of their lives. A market transition style farm program gives them what they have asked for and provides a seven year transition to full market-oriented farming.

A market transition style farm program could not come at a better time. Many important developments have taken place since the completion of the Uruguay Round of the General Agreement of Tariffs and Trade [GATT]. I believe that GATT will continue to open new world markets for the United States, and with a farm program that allows our farmers to farm according to the marketplace we will provide them with the flexibility they need to respond quickly to the demands of emerging world markets.

A market transition style farm program also moves us towards a balanced budget, saving nearly $13 billion in budget outlays over 7 years. Since 1969, the last year in which there was a balanced budget in this country, we have piled debt on our shoulders and on the shoulders of our children and grandchildren of almost $5 trillion. That means, Mr. President, that a child born today inherits an obligation of some $187,000 during his or her life simply to pay interest on the national debt. This statistic alone starkly illustrates not just the fiscal and financial necessity, but the moral necessity of a sharp change in direction. This country can no longer continue goods and services for which it is unwilling to pay. If we do not change the way we do things here in Washington, DC, our children and grandchildren will suffer terribly.

If we do balance the Federal budget we will provide American families and American farmers with better jobs, higher wages, lower interest rates, and economic certainty. All of this means more money in the pockets of American farmers. One thing is for certain, Mr. President: we must balance the budget and we must balance it now.

For all of these reasons, Mr. President, I support my colleagues, Senators CRAIG, DOLE, LUGAR, COCHRAN, and GRASSLEY, as we work together to provide American farmers with the flexibility they need to do what they do best: provide healthy, safe, and abundant food for families around the world.

By Mr. SPECTER (for himself and Mr. HOLLINGS):

S.J. Res. 48. A joint resolution proposing an amendment to the Constitution of the United States relating to contributions and expenditures intended to affect elections; to the Committee on the Judiciary.

CAMPAIGN EXPENDITURES CONSTITUTIONAL AMENDMENT

Mr. SPECTER. Mr. President, I have sought recognition today for purposes, with the cosponsorship of the distinguished Senator from South Carolina, Senator HOLLINGS, to introduce a constitutional amendment which is broader than any yet pending, which would authorize the Congress and the State legislatures to set spending limits on what any individual can spend of his or her own money in the context of a candidacy.

I had wanted to introduce this amendment on January 30, which is next Tuesday, because January 30 is the 20th anniversary of the decision of the Supreme Court in Buckley versus Valeo, which said that an individual can promote his or her candidacy to the maximum extent he or she chooses with their own personal funds as a matter of first amendment protection of freedom of speech.

It has always been a little hard for me to understand how anything from the freedom of speech is implicated in a matter of campaign financing. For the past 6 years, Senator HOLLINGS and

I and others have tried to advance this constitutional amendment, which is difficult because it picks on the first amendment.

But in seeking to amend the first amendment, we do not seek to change the language of the first amendment, which I think is sacrosanct. What we seek to do is to overrule, in effect, a split decision by the Supreme Court of the United States in interpreting the first amendment.

Money is the scourge of politics, and to buy high public office is, obviously, against public policy. There are many who have, in effect, bought public office, including some seats of the U.S. Senate. But it is only recently that this matter has come into sharp focus when a candidate for the Presidency of the United States, who is reputed to have assets in excess of $400 million, set out to, in effect, buy the White House.

According to this morning's New York Times, some $15 million has already been expended on that effort. I think it is especially problemsome when a substantial part of that money is dedicated to negative advertising which, in effect, seeks to impugn the reputation of an opponent who spent more than 40 years in public life.

I believe what is going on in the Presidential primaries, the Republican primaries, today has caused a great deal of focus of attention, and it is high time that we took some action to stop someone from buying public office, especially the Presidency of the United States, especially the White House.

I will add, Mr. President, that I personally feel especially strong about this particular matter, because I filed for the U.S. Senate during the first election cycle following the enactment of the 1974 legislation which limited the amount of moneys which could be spent on Federal elections.

That 1974 statute said that for a State the size of Pennsylvania, with 12 million people, the most anyone could spend of his or her own money was $35,000. That year, I contested for that office with then-Congressman John Heinz, who later I served with in the Senate as a colleague and who became one of my very, very best friends, a Senator we sorely miss in this body.

But with the playing field somewhat leveled with the $35,000 maximum individual expenditure, I thought that race was one to be undertaken. Then, right in the middle of the campaign, on January 30—we had an August 22 primary in 1976; I declared my candidacy in November of 1975—right in the middle of the campaign, the Supreme Court of the United States said any candidate can spend as much of his or her money that he or she wanted.

Somewhat anomalous, my brother, who could have bankrolled my campaign—I do not know he would have, but he could have—was limited to $1,000 under the act, and that remained in place by the Supreme Court decision.

It is a little hard to see the first amendment freedom of speech rights of SPECTER being different than the freedom of speech rights of a candidate. We have lived with Buckley versus Valeo for 20 years, and it is bad legal construction. There is nothing in the first amendment, there is nothing in the logic of the law which suggests the first amendment gives an individual the right to spend as much of his or her own money as he or she chooses.

It certainly is bad public policy to have someone seek to buy an office, especially the Presidency of the United States.

So I urge my colleagues to join Senator HOLLINGS and myself. As we have talked in the quarters and in the cloakrooms and on the floor of the Senate in these past several days, I believe that there is a growing sentiment in the Congress to do something about Buckley versus Valeo, to see to it that we do not have high public office up for sale in this great country.

ADDITIONAL COSPONSORS

S. 295

At the request of Mrs. KASSEBAUM, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 295, a bill to permit labor management cooperative efforts that improve America's economic competitiveness to continue to thrive, and for other purposes.

S. 298

At the request of Mr. DOMENICI, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 298, a bill to establish a comprehensive policy with respect to the provision of health care coverage and services to individuals with severe mental illnesses, and for other purposes.

S. 743

At the request of Mrs. HUTCHISON, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 743, a bill to amend the Internal Revenue Code of 1986 to provide a tax credit for investment necessary to revitalize communities within the United States, and for other purposes.

S. 837

At the request of Mr. WARNER, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 837, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 250th anniversary of the birth of James Madison.

S. 968

At the request of Mr. MCCONNELL, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 968, a bill to require the Secretary of the Interior to prohibit the import, export, sale, purchase, and possession of bear viscera or products that contain or claim to contain bear viscera, and for other purposes.

S. 1028

At the request of Mrs. KASSEBAUM, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 1028, a bill to provide increased access to health care benefits, to provide increased portability of health care benefits, to provide increased security of health care benefits, to increase the purchasing power of individuals and small employers, and for other purposes.

S. 1039

At the request of Mr. ABRAHAM, the names of the Senator from Alabama [Mr. SHELBY] and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of S. 1039, a bill to require Congress to specify the source of authority under the United States Constitution for the enactment of laws, and for other purposes.

S. 1370

At the request of Mr. CRAIG, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 1370, a bill to amend title 10, United States Code, to prohibit the imposition of any requirement for a member of the Armed Forces of the United States to wear indicia or insignia of the United Nations as part of the military uniform of the member.

S. 1426

At the request of Mr. CRAIG, his name was withdrawn as a cosponsor of S. 1426, a bill to eliminate the requirement for unanimous verdicts in Federal court.

S. 1453

At the request of Mr. BURNS, the name of the Senator from Montana [Mr. BAUCUS] was added as a cosponsor of S. 1453, a bill to prohibit the regulation by the Secretary of Health and Human Services and the Commissioner of Food and Drugs of any activities of sponsors or sponsorship programs connected with, or any advertising used or purchased by, the Professional Rodeo Cowboy Association, its agents or affiliates, or any other professional rodeo association, and for other purposes.

S. 1487

At the request of Mr. GRAMM, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 1487, a bill to establish a demonstration project to provide that the Department of Defense may receive Medicare reimbursement for health care services provided to certain Medicare-eligible covered military beneficiaries.

S. 1519

At the request of Mr. DOLE, the names of the Senator from Virginia [Mr. WARNER], the Senator from Maine [Ms. SNOWE], the Senator from Indiana [Mr. COATS], the Senator from Idaho [Mr. KEMPTHORNE], and the Senator from Oklahoma [Mr. NICKLES] were added as cosponsors of S. 1519, a bill to prohibit United States voluntary and assessed contributions to the United Nations if the United Nations imposes any tax or fee on United States persons or continues to develop or promote proposals for such taxes or fees.

S. 1520

At the request of Mr. HELMS, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 1520, a bill to award a congressional gold medal to Ruth and Billy Graham.

SENATE RESOLUTION 152

At the request of Mr. ABRAHAM, the names of the Senator from Alabama [Mr. SHELBY] and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of Senate Resolution 152, a resolution to amend the Standing Rules of the Senate to require a clause in each bill and resolution to specify the constitutional authority of the Congress for enactment, and for other purposes.

SENATE RESOLUTION 213—COMMENDING SENATOR SAM NUNN FOR CASTING 10,000 VOTES

Mr. DASCHLE submitted the following resolution; which was considered and agreed to:

S. RES. 213

Whereas the Honorable Sam Nunn has served with distinction and commitment as a U.S. Senator from the State of Georgia since January 1973;

Whereas his dedicated service as a U.S. Senator has contributed to the effectiveness and betterment of this institution;

Whereas he has dutifully and faithfully served the Senate as Chairman of the Armed Services Committee, (1987-1994); and

Whereas his expertise and leadership in defense and military policies has been of tremendous benefit to our Nation and to our men and women in uniform: Now, therefore be it

Resolved, That the U.S. Senate congratulates the Honorable Sam Nunn, the senior Senator from Georgia, for becoming the 17th U.S. Senator in history to cast 10,000 votes.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to Senator Sam Nunn.

SENATE RESOLUTION 214—RELATIVE TO THE PAYMENT OF SOCIAL SECURITY OBLIGATIONS

Mr. BROWN submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 214

Resolved, That it is the sense of the Senate that as the Secretary of the Treasury plans for cash flow management in the absence of an extension to the debt limit of the United States, the Secretary shall give first priority to the payment of Social Security benefits over the payment of other Government obligations.

SENATE RESOLUTION 215—TO DESIGNATE JUNE 19, 1996, AS "NATIONAL BASEBALL DAY"

Mr. LAUTENBERG (for himself, Mr. BRADLEY, and Mr. MOYNIHAN) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 215

Whereas the seeds of modern baseball were planted on the Elysian Fields of Hoboken, New Jersey, on the warm spring afternoon of June 19, 1846;

Whereas on that historic date, one of baseball's earliest and most influential teams, the Knickerbockers, invited a group known as the New York Club to join them for a "game of ball" under a unique set of rules that the Knickerbockers had recently devised;

Whereas the game the Knickerbockers conceived so excited and captivated the imagination of sports enthusiasts that other "baseball clubs" soon began to assemble;

Whereas these early clubs organized and modeled themselves on the example set by the Knickerbockers and adopted the Knickerbockers written "Rules of Play";

Whereas these men and teams were amateurs in the noblest sense of the word, as they played for the sheer joy they found in this new and captivating game;

Whereas over the next decade, the Elysian Fields grew into the first great center of baseball activity in the United States, and began to attract players and spectators from across the Nation;

Whereas Alexander Joy Cartwright, Jr. was the guiding force behind the Knickerbockers, and is the American who, perhaps, best deserves the title of "Father of Modern Baseball";

Whereas the game of baseball spread north and south along the east coast of the United States;

Whereas today this game is known simply as "baseball", a game which, unlike any other, has had a profound influence on generation after generation of Americans;

Whereas for millions of Americans, baseball is part of their earliest childhood memories, including the crack of a bat, the smell of a glove, and the endless summers spent on sandlots and schoolyards in every community across this great Nation in a uniquely American rite of passage;

Whereas for many Americans, their first real heroes wore pinstriped baseball uniforms, and these heroes taught generations of young Americans important values and inspired their first dreams of glory;

Whereas in every American generation for 150 years, baseball has been an important bond between millions of parents and their children who have shared countless afternoons at the ballpark;

Whereas today, baseball binds one generation of Americans to the next through a shared experience that has become central to our cultural identity as a Nation;

Whereas it is often said that to understand America, one must first understand the game of baseball; and

Whereas the designation of a "National Baseball Day" will provide an opportunity to celebrate America's "national pastime" and to reflect upon a game that has become a metaphor for our Nation's values and a living symbol of our cultural heritage: Now, therefore, be it

Resolved, That the Senate, in recognition of the fundamental role that the game of baseball has played in shaping our American experience, and as a tribute to those who first pioneered the game, designate June 19, 1996, as "National Baseball Day". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

Mr. LAUTENBERG. Mr. President, I rise today on behalf of myself and Senators BRADLEY and MOYNIHAN to submit a resolution that will celebrate the 150th birthday of this country's national pastime. This resolution would declare June 19, 1996, as "National Baseball Day," commerating this date in 1846 when baseball's first game was played.

The seeds of modern baseball were planted on the Elysian Fields of Hoboken, NJ, on the warm spring afternoon of June 19, 1846. On this historic date, one of baseball's earliest and most influential teams, the Knickerbockers, invited a group known as the New York Club to join them for a game of ball under a unique set of rules that the Knickerbockers had recently devised. As time passed and word spread, other baseball clubs soon began to assemble and over the next decade the Elysian Fields grew into the first great center of baseball activity in the United States. Soon the game of baseball spread north and south along the east coast of the United States. Today it is played from coast-to-coast and all over the world. Mr. President, this game, unlike any other, has had a profound influence on generation after generation of Americans.

The men that played in these early games were amateurs in the noblest sense of the word, as they played for the sheer joy they found in the game. Millions of American boys and girls carry on this tradition every year by participating in amateur baseball and softball leagues. In T-Ball and Little Leagues across the country, youngsters are not only learning the fundamentals of the game but teamwork and good sportsmanship, lessons that can be carried off the diamond. In fact, for millions of Americans, baseball is part of their earliest childhood memories, including the crack of a bat, the smell of a glove, and the endless summers spent on sandlots and schoolyards in every community across this great Nation in a uniquely American rite of passage. In every American generation for 150 years, baseball has been an important bond between millions of parents and their children who have shared countless afternoons at the ballpark. Baseball binds one generation of Americans to the next through a shared experience that has become central to our identity as a nation.

It is often said that to understand America, one must first understand the game of baseball. For the past century and a half the game of baseball has been with us through good and bad. During difficult times, baseball has been an aid to Americans, providing not only a distraction to the current hardships, but offering hope that if the pastime of this great country can endure so can the Nation as a whole. It helped keep the home fires burning during World War II and moved us into the civil rights movement with Jackie Robinson. This is much more than a game, it is a part of who we are.

We eagerly await the start of spring training, looking forward to opening day and baseball's first pitch. Then summer arrives, where temperatures and pennant races heat up moving us into crisp fall nights and the magic of the World Series. The greatness of baseball comes from its simplicity and diversity, a trait which makes the game like no other. The dimensions of the field differ from park to park, games have no set time limits and the phrase "perfect game" has a specific meaning with its own precise guidelines. It is a game filled with tradition that can not be matched by any other.

Mr. President, at its heart, baseball is a communal experience and its memories are those we inevitable share. It is a game that allows the fan to remember the past while at the same time looking towards the future, knowing that the game will be around for generations of sons and daughters to enjoy. Baseball is truly a game for the ages.

The designation of a "National Baseball Day" will provide an opportunity to celebrate America's national pastime and to reflect upon a game that has become a metaphor for our Nation's values and a living symbol of our heritage. I urge my colleagues to support this resolution.

SENATE RESOLUTION 216—RELATIVE TO MINTING AND CIRCULATING $1 COINS

Ms. SNOWE (for herself and Mr. COHEN) submitted the following resolution; which was referred to the Committee on Banking, Housing, and Urban Affairs:

S. RES. 216

Whereas, in 1940, Margaret Chase Smith became a Member of the House of Representatives, commencing 32 years of public service to the State of Maine and to the United States;

Whereas Margaret Chase Smith was elected to the Senate in 1948, becoming the first woman to be elected to the Senate, as well as the first woman to be elected to both the House of Representatives and the Senate;

Whereas, on June 1, 1950, Margaret Chase Smith delivered an address entitled "Declaration of Conscience", which was a defense of the basic principles of Americanism, including the right to criticize, the right to hold unpopular beliefs, the right to protest, and the right to independent thought;

Whereas Margaret Chase Smith was the first woman to become the ranking member of a congressional committee;

Whereas Margaret Chase Smith was the first woman to serve on the Committee on Armed Services and the Committee on Appropriations of the Senate;

Whereas, in 1964, Margaret Chase Smith was the first woman to have her name placed in nomination for the presidency by either major political party;

Whereas Margaret Chase Smith was the first civilian woman to sail on a United States destroyer during wartime;

Whereas Margaret Chase Smith was the first woman to break the sound barrier in a United States Air Force F-100 Super Sabre;

Whereas, until 1981, Margaret Chase Smith held the all-time consecutive rollcall voting record of the Senate, totalling 2,941 votes over 13 years;

Whereas Margaret Chase Smith died at the age of 97, and, during her lifetime, was given 95 honorary degrees and was awarded the Presidential Medal of Freedom by President Bush in 1989;

Whereas Margaret Chase Smith was a teacher, a telephone operator, a newspaperwoman, an office manager, a secretary, a wife, a Congresswoman, and a Senator;

Whereas Margaret Chase Smith was a leader, a Nation's conscience, a visionary, and a woman of endless firsts;

Whereas the achievements of Margaret Chase Smith are an inspiration to millions of young girls and women, showing that through the use of one's talents, abilities, and energies that opportunities for women do exist and that the door to elected office can be open to all women; and

Whereas Margaret Chase Smith served with pride and humility, and her epitaph aptly reads, "She served people.": Now, therefore, be it

Resolved, That it is the sense of the Senate that if a $1 coin is minted to replace the $1 bill, the Secretary of the Treasury should be authorized to mint and circulate $1 coins bearing a likeness of Margaret Chase Smith.

AMENDMENTS SUBMITTED

THE BALANCED BUDGET DOWNPAYMENT ACT, I

KENNEDY (AND OTHERS) AMENDMENT NO. 3119

Mr. KENNEDY (for himself, Mr. JEFFORDS, Ms. SNOWE, Mr. SIMON, Mr. PELL, Mr. DODD, Mr. REID, Mrs. MURRAY, Mr. HARKIN, Ms. MOSELEY-BRAUN, Mr. ROCKEFELLER, Mr. BRYAN, Mr. BINGAMAN, Mr. WELLSTONE, Mr. DORGAN, Mr. LEAHY, and Mr. KERRY) proposed an amendment to the bill (H.R. 2880) making appropriations for fiscal year 1996 to make a downpayment toward a balanced budget, and for other purposes, as follows:

At the end of title I, insert the following new section:

SEC. ___. (a) Notwithstanding any other provision of this Act (except sections 106, 115, 119 and 120), the amount appropriated for each education program under this Act shall be not less than the amount made available for such education program under the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1995.

(b) For the purpose of subsection (a), the term "education program" means each continuing project or activity of the Department of Education and each continuing project or activity under the Head Start Act and the School-to-Work Opportunities Act of 1994.

MOYNIHAN AMENDMENT 3120

Mr. MOYNIHAN proposed an amendment to the bill H.R. 2880, supra, as follows:

At the end of the bill, add the following:

TITLE V—PUBLIC DEBT LIMIT

SEC. 501. INCREASE IN PUBLIC DEBT LIMIT.

Subsection (b) of section 3101 of title 31, United States Code, is amended by striking the dollar amount contained in the first sentence and inserting "$5,400,000,000,000".

THE USEC PRIVATIZATION ACT

MURKOWSKI (AND OTHERS) AMENDMENT NO. 3121

(Ordered to lie on the table.)

Mr. MURKOWSKI (for himself, Mr. JOHNSTON, Mr. DOMENICI, and Mr. FORD) submitted an amendment intended to be proposed by them to the bill (S. 755) to amend the Atomic Energy Act of 1954 to provide for the privatization of the United States Enrichment Corporation, as follows:

Strike out all after the enacting clause and insert in lieu thereof:

SEC. 1. SHORT TITLE.

This Act may be cited as the "USEC Privatization Act".

SEC. 2. DEFINITIONS.

For purposes of this Act:

(1) The term "AVLIS" means atomic vapor laser isotope separation technology.

(2) The term "Corporation" means the United States Enrichment Corporation and, unless the context otherwise requires, includes the private corporation and any successor thereto following privatization.

(3) The term "gaseous diffusion plants" means the Paducah Gaseous Diffusion Plant at Paducah, Kentucky and the Portsmouth Gaseous Diffusion Plant at Piketon, Ohio.

(4) The term "highly enriched uranium" means uranium enriched to 20 percent or more of the uranium-235 isotope.

(5) The term "low-enriched uranium" means uranium enriched to less than 20 percent of the uranium-235 isotope, including that which is derived from highly enriched uranium.

(6) The term "low-level radioactive waste" has the meaning given such term in section 2(9) of the Low-Level Radioactive Waste Policy Act (42 U.S.C. 2021b(9)).

(7) The term "private corporation" means the corporation established under section 5.

(8) The term "privatization" means the transfer of ownership of the Corporation to private investors.

(9) The term "privatization date" means the date on which 100 percent of the ownership of the Corporation has been transferred to private investors.

(10) The term "public offering" means an underwritten offering to the public of the common stock of the private corporation pursuant to section 4.

(11) The "Russian HEU Agreement" means the Agreement Between the Government of the United States of America and the Government of the Russian Federation Concerning the Disposition of Highly Enriched Uranium Extracted from Nuclear Weapons, dated February 18, 1993.

(12) The term "Secretary" means the Secretary of Energy.

(13) The "Suspension Agreement" means the Agreement to Suspend the Antidumping Investigation on Uranium from the Russian Federation, as amended.

(14) The term "uranium enrichment" means the separation of uranium of a given isotope content into 2 components, 1 having a higher percentage of a fissile isotope and 1 having a lower percentage.

SEC. 3. SALE OF THE CORPORATION.

(a) AUTHORIZATION.—The Board of Directors of the Corporation, with the approval of the Secretary of the Treasury, shall transfer the interest of the United States in the United States Enrichment Corporation to the private sector in a manner that provides for the long-term viability of the Corporation, provides for the continuation by the Corporation of the operation of the Department of Energy's gaseous diffusion plants, provides for the protection of the public interest in maintaining a reliable and economical domestic source of uranium mining, enrichment and conversion services, and, to the extent not inconsistent with such purposes, secures the maximum proceeds to the United States.

(b) PROCEEDS.—Proceeds from the sale of the United States' interest in the Corporation shall be deposited in the general fund of the Treasury.

SEC. 4. METHOD OF SALE.

(a) AUTHORIZATION.—The Board of Directors of the Corporation, with the approval of the Secretary of the Treasury, shall transfer ownership of the assets and obligations of the Corporation to the private corporation established under section 5 (which may be consummated through a merger or consolidation effected in accordance with, and having the effects provided under, the law of the State of incorporation of the private corporation, as if the Corporation were incorporated thereunder).

(b) BOARD DETERMINATION.—The Board, with the approval of the Secretary of the Treasury, shall select the method of transfer and establish terms and conditions for the transfer that will provide the maximum proceeds to the Treasury of the United States and will provide for the long-term viability of the private corporation, the continued operation of the gaseous diffusion plants, and the public interest in maintaining reliable and economical domestic uranium mining and enrichment industries.

(c) ADEQUATE PROCEEDS.—The Secretary of the Treasury shall not allow the privatization of the Corporation unless before the sale date the Secretary of the Treasury determines that the method of transfer will provide the maximum proceeds to the Treasury consistent with the principles set forth in section 3(a).

(d) APPLICATION OF SECURITIES LAWS.—Any offering or sale of securities by the private corporation shall be subject to the Securities Act of 1933 (15 U.S.C. 77a et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), and the provisions of the Constitution and laws of any State, territory, or possession of the United States relating to transactions in securities.

(e) EXPENSES.—Expenses of privatization shall be paid from Corporation revenue accounts in the United States Treasury.

SEC. 5. ESTABLISHMENT OF PRIVATE CORPORATION.

(a) INCORPORATION.—(1) The directors of the Corporation shall establish a private for-profit corporation under the laws of the State for the purpose of receiving the assets and obligations of the Corporation at privatization and continuing the business operations of the Corporation following privatization.

(2) The directors of the Corporation may serve as incorporators of the private corporation and shall take all steps necessary to establish the private corporation, including the filing of articles of incorporation consistent with the provisions of this Act.

(3) Employees and officers of the Corporation (including members of the Board of Directors) acting in accordance with this section on behalf of the private corporation shall be deemed to be acting in their official capacities as employees or officers of the Corporation for purposes of section 205 of title 18, United States Code.

(b) STATUS OF THE PRIVATE CORPORATION.—(1) The private corporation shall not be an agency, instrumentality, or establishment of the United States, a Government corporation, or a Government-controlled corporation.

(2) Except as otherwise provided by this Act, financial obligations of the private corporation shall not be obligations of, or guaranteed as to principal or interest by, the Corporation or the United States, and the obligations shall so plainly state.

(3) No action under section 1491 of title 28, United States Code, shall be allowable against the United States based on actions of the private corporation.

(c) APPLICATION OF POST-GOVERNMENT EMPLOYMENT RESTRICTIONS.—Beginning on the privatization date, the restrictions stated in section 207 (a), (b), (c), and (d) of title 18, United States Code, shall not apply to the acts of an individual done in carrying out official duties as a director, officer, or employee of the private corporation, if the individual was an officer or employee of the Corporation (including a director) continuously during the 45 days prior to the privatization date.

(d) DISSOLUTION.—In the event that the privatization does not occur, the Corporation will provide for the dissolution of the private corporation within 1 year of the private corporation's incorporation unless the Secretary of the Treasury or his delegate, upon the Corporation's request, agrees to delay any such dissolution for an additional year.

SEC. 6. TRANSFERS TO THE PRIVATE CORPORATION.

Concurrent with privatization, the Corporation shall transfer to the private corporation—

(1) the lease of the gaseous diffusion plants in accordance with section 7,

(2) all personal property and inventories of the Corporation,

(3) all contracts, agreements, and leases under section 8(a),

(4) the Corporation's right to purchase power from the Secretary under section 8(b),

(5) such funds in accounts of the Corporation held by the Treasury or on deposit with any bank or other financial institution as approved by the Secretary of the Treasury, and

(6) all of the Corporation's records, including all of the papers and other documentary materials, regardless of physical form or characteristics, made or received by the Corporation.

SEC. 7. LEASING OF GASEOUS DIFFUSION FACILITIES.

(a) TRANSFER OF LEASE.—Concurrent with privatization, the Corporation shall transfer to the private corporation the lease of the gaseous diffusion plants and related property for the remainder of the term of such lease in accordance with the terms of such lease.

(b) RENEWAL.—The private corporation shall have the exclusive option to lease the gaseous diffusion plants and related property for additional periods following the expiration of the initial term of the lease.

(c) EXCLUSION OF FACILITIES FOR PRODUCTION OF HIGHLY ENRICHED URANIUM.—The Secretary shall not lease to the private corporation any facilities necessary for the production of highly enriched uranium but may, subject to the requirements of the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.), grant the Corporation access to such facilities for purposes other than the production of highly enriched uranium.

(d) DOE RESPONSIBILITY FOR PREEXISTING CONDITIONS.—The payment of any costs of decontamination and decommissioning, response actions, or corrective actions with respect to conditions existing before July 1, 1993, at the gaseous diffusion plants shall remain the sole responsibility of the Secretary.

(e) ENVIRONMENTAL AUDIT.—For purposes of subsection (d), the conditions existing before July 1, 1993, at the gaseous diffusion plants shall be determined from the environmental audit conducted pursuant to section 1403(e) of the Atomic Energy Act of 1954 (42 U.S.C. 2297c–2(e)).

(f) TREATMENT UNDER PRICE-ANDERSON PROVISIONS.—Any lease executed between the Secretary and the Corporation or the private corporation, and any extension or renewal thereof, under the section shall be deemed to be a contract for purposes of section 170d. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(d)).

(g) WAIVER OF EIS REQUIREMENT.—The execution or transfer of the lease between the Secretary and the Corporation or the private corporation, and any extension or renewal thereof, shall not be considered to be a major Federal action significantly affecting the quality of the human environment for purposes of section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332).

SEC. 8. TRANSFER OF CONTRACTS.

(a) TRANSFER OF CONTRACTS.—Concurrent with privatization, the Corporation shall transfer to the private corporation all contracts, agreements, and leases, including all uranium enrichment contracts, that were—

(1) transferred by the Secretary to the Corporation pursuant to section 1401(b) of the Atomic Energy Act of 1954 (42 U.S.C. 2297c(b)), or

(2) entered into by the Corporation before the privatization date.

(b) NONTRANSFERABLE POWER CONTRACTS.—The Corporation shall transfer to the private corporation the right to purchase power from the Secretary under the power purchase contracts for the gaseous diffusion plants executed by the Secretary before July 1, 1993. The Secretary shall continue to receive power for the gaseous diffusion plants under such contracts and shall continue to resell such power to the private corporation at cost during the term of such contracts.

(c) EFFECT OF TRANSFER.—(1) Notwithstanding subsection (a), the United States shall remain obligated to the parties to the contracts, agreements, and leases transferred under subsection (a) for the performance of its obligations under such contracts, agreements, or leases during their terms. Performance of such obligations by the private corporation shall be considered performance by the United States.

(2) If a contract, agreement, or lease transferred under subsection (a) is terminated, extended, or materially amended after the privatization date—

(A) the private corporation shall be responsible for any obligation arising under such contract, agreement, or lease after any extension or material amendment, and

(B) the United States shall be responsible for any obligation arising under the contract, agreement, or lease before the termination, extension, or material amendment.

(3) The private corporation shall reimburse the United States for any amount paid by the United States under a settlement agreement entered into with the consent of the private corporation or under a judgment, if the settlement or judgment—

(A) arises out of an obligation under a contract, agreement, or lease transferred under subsection (a), and

(B) arises out of actions of the private corporation between the privitation date and the date of a termination, extension, or material amendment of such contract, agreement, or lease.

(d) PRICING.—The Corporation may establish prices for its products, materials, and services provided to customers on a basis that will allow it to attain the normal business objectives of a profit making corporation.

SEC. 9. LIABILITIES.

(a) LIABILITY OF THE UNITED STATES.—(1) Except as otherwise provided in this Act, all liabilities arising out of the operation of the uranium enrichment enterprise before July 1, 1993, shall remain the direct liabilities of the Secretary.

(2) Except as provided in subsection (a)(3) or otherwise provided in a memorandum of agreement entered into by the Corporation and the Office of Management and Budget prior to the privatization date, all liabilities arising out of the operation of the Corporation between July 1, 1993, and the privatization date shall remain the direct liabilities of the United States.

(3) All liabilities arising out of the disposal of depleted uranium generated by the Corporation between July 1, 1993, and the privatization date shall become the direct liabilities of the Secretary.

(4) Any stated or implied consent for the United States, or any agent or officer of the United States, to be sued by any person for any legal, equitable, or other relief with respect to any claim arising from any action taken by any agent or officer of the United States in connection with the privatization of the Corporation is hereby withdrawn.

(5) To the extent that any claim against the United States under this section is of the type otherwise required by Federal statute or regulation to be presented to a Federal agency or official for adjudication or review, such claim shall be presented to the Department of Energy in accordance with procedures to be established by the Secretary. Nothing in this paragraph shall be construed to impose on the Department of Energy liability to pay any claim presented pursuant to this paragraph.

(6) The Attorney General shall represent the United States in any action seeking to impose liability under this subsection.

(b) LIABILITY OF THE CORPORATION.—Notwithstanding any provision of any agreement to which the Corporation is a party, the Corporation shall not be considered in breach, default, or violation of any agreement because of the transfer of such agreement to the private corporation under section 8 or any other action the Corporation is required to take under this Act.

(c) LIABILITY OF THE PRIVATE CORPORATION.—Except as provided in this Act, the private corporation shall be liable for any liabilities arising out of its operations after the privatization date.

(d) LIABILITY OF OFFICERS AND DIRECTORS.—(1) No officer, director, employee, or agent of the Corporation shall be liable in any civil proceeding to any party in connection with any action taken in connection with the privatization if, with respect to the subject matter of the action, suit, or proceeding, such person was acting within the scope of his employment.

(2) This subsection shall not apply to claims arising under the Securities Act of 1933 (15 U.S.C. 77a. et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a. et seq.), or under the Constitution or laws of any State, territory, or possession of the United States relating to transactions in securities.

SEC. 10. EMPLOYEE PROTECTIONS.

(a) CONTRACTOR EMPLOYEES.—(1) Privatization shall not diminish the accrued, vested pension benefits of employees of the Corporation's operating contractor at the gaseous plants.

(2) In the event that the private corporation terminates or changes the contractor at either or both of the gaseous diffusion plants, the plan sponsors or other appropriate fiduciary of the pension plan covering employees of the prior operating contractor shall arrange for the transfer of all plan assets and liabilities relating to accrued pension benefits of such plan's participants and beneficiaries from such plant to a pension plan sponsored by the new contractor or the private corporation or a joint labor-management plan, as the case may be.

(3) In addition to any obligations arising under the National Labor Relations Act (29 U.S.C. 151 et seq.), any employer (including the private corporation if it operates a gaseous diffusion plan without a contractor or any contractor of the private corporation) at a gaseous diffusion plant shall—

(A) abide by the terms of any unexpired collective bargaining agreement covering employees in bargaining units at the plant and in effect on the privatization date until the stated expiration or termination date of the agreement; or

(B) in the event a collective bargaining agreement is not in effect upon the privatization date, have the same bargaining obligations under section 8(d) of the National Labor Relations Act (29 U.S.C. 158(d)) as it had immediately before the privatization date.

(4) If the private corporation replaces its operating contractor at a gaseous diffusion plant, the new employer (including the new contractor or the private corporation if it operates a gaseous diffusion plant without a contractor) shall—

(A) offer employment to non-management employees of the predecessor contractor to the extent that their jobs still exist or they are qualified for new jobs, and

(B) abide by the terms of the predecessor contractor's collective bargaining agreement until the agreement expires or a new agreement is signed.

(5) In the event of a plant closing or mass layoff (as such terms are defined in section 2101(a) (2) and (3) of title 29, United States Code) at either of the gaseous diffusion plants, the Secretary of Energy shall treat any adversely affected employee of an operating contractor at either plant who was an employee at such plant on July 1, 1993, as a Department of Energy employee for purposes of sections 3161 and 3162 of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 7274h–7274i).

(6)(A) The Secretary and the private corporation shall cause the post-retirement health benefits plan provider (or its successor) to continue to provide benefits for eligible persons, as described under subparagraph (B), employed by an operating contractor at either of the gaseous diffusion plants in an economically efficient manner and at substantially the same level of coverage as eligible retirees are entitled to receive on the privatization date.

(B) Persons eligible for coverage under subparagraph (A) shall be limited to:

(i) persons who retired from active employment at one of the gaseous diffusion plants on or before the privatization date as vested participants in a pension plan maintained either by the Corporation's operating contractor or by a contractor employed prior to July 1, 1993, by the Department of Energy to operate a gaseous diffusion plant; and

(ii) persons who are employed by the Corporation's operating contractor on or before the privatization date and are vested participants in a pension plan maintained either by the Corporation's operating contractor or by a contractor employed prior to July 1, 1993, by the Department of Energy to operate a gaseous diffusion plant.

(C) The Secretary shall fund the entire cost of post-retirement health benefits for persons who retired from employment with an operating contractor prior to July 1, 1993.

(D) The Secretary and the Corporation shall fund the cost of post-retirement health benefits for persons who retire from employment with an operating contractor on or after July 1, 1993, in proportion to the retired person's years and months of service at a gaseous diffusion plant under their respective management.

(7)(A) Any suit under this subsection alleging a violation of an agreement between an employer and a labor organization shall be brought in accordance with section 301 of the Labor Management Relations Act (29 U.S.C. 185).

(B) Any charge under this subsection alleging an unfair labor practice violative of section 8 of the National Labor Relations Act (29 U.S.C. 158) shall be pursued in accordance with section 10 of the National Labor Relations Act (29 U.S.C. 160).

(C) Any suit alleging a violation of any provision of this subsection, to the extent it does not allege a violation of the National Labor Relations Act, may be brought in any district court of the United States having jurisdiction over the parties, without regard to the amount in controversy or the citizenship of the parties.

(b) FORMER FEDERAL EMPLOYEES.—(1)(A) An employee of the Corporation that was subject to either the Civil Service Retirement System (referred to in this section as "CSRS") or the Federal Employees' Retirement System (referred to in this section as "FERS") on the day immediately preceding the privatization date shall elect—

(i) to retain the employee's coverage under either CSRS or FERS, as applicable, in lieu of coverage by the Corporation's retirement system, or

(ii) to receive a deferred annuity or lump-sum benefit payable to a terminated employee under CSRS or FERS, as applicable.

(B) An employee that makes the election under subparagraph (A)(ii) shall have the option to transfer the balance in the employee's Thrift Savings Plan account to a defined contribution plan under the Corporation's retirement system, consistent with applicable law and the terms of the Corporation's defined contribution plan.

(2) The Corporation shall pay to the Civil Service Retirement and Disability Fund—

(A) such employee deductions and agency contributions as are required by sections 8334, 8422, and 8423 of title 5, United States Code, for those employees who elect to retain their coverage under either CSRS or FERS pursuant to paragraph (1);

(B) such additional agency contributions as are determined necessary by the Office of Personnel Management to pay, in combination with the sums under subparagraph (A), the "normal cost" (determined using dynamic assumptions) of retirement benefits for those employees who elect to retain their coverage under CSRS pursuant to paragraph (1), with the concept of "normal cost" being used consistent with generally accepted actuarial standards and principles; and

(C) such additional amounts, not to exceed two percent of the amounts under subparagraphs (A) and (B), as are determined necessary by the Office of Personnel Management to pay the cost of administering retirement benefits for employees who retire from the Corporation after the privatization date under either CSRS or FERS, for their survivors, and for survivors of employees of the Corporation who die after the privatization date (which amounts shall be available to the Office of Personnel Management as provided in section 8348(a)(1)(B) of title 5, United States Code).

(3) The Corporation shall pay to the Thrift Savings Fund such employee and agency contributions as are required by section 8432 of title 5, United States Code, for those employees who elect to retain their coverage under FERS pursuant to paragraph (1).

(4) Any employee of the Corporation who was subject to the Federal Employee Health Benefits Program (referred to in this section as "FEHBP") on the day immediately preceding the privatization date and who elects to retain coverage under either CSRS or FERS pursuant to paragraph (1) shall have the option to receive health benefits from a health benefit plan established by the Corporation or to continue without interruption coverage under the FEHBP, in lieu of coverage by the Corporation's health benefit system.

(5) The Corporation shall pay to the Employees Health Benefits Fund—

(A) such employee deductions and agency contributions as are required by section 8906(a)-(f) of title 5, United States Code, for those employees who elect to retain their coverage under FEHBP pursuant to paragraph (4); and

(B) such amounts as are determined necessary by the Office of Personnel Management under paragraph (6) to reimburse the Office of Personnel Management for contributions under section 8906(g)(1) of title 5, United States Code, for those employees who elect to retain their coverage under FEHBP pursuant to paragraph (4).

(6) The amounts required under paragraph (5)(B) shall pay the Government contributions for retired employees who retire from the Corporation after the privatization date under either CSRS or FERS, for survivors of such retired employees, and for survivors of employees of the Corporation who die after the privatization date, with said amounts prorated to reflect only that portion of the total service of such employees and retired persons that was performed for the Corporation after the privatization date.

SEC. 11. OWNERSHIP LIMITATIONS.

(a) SECURITIES LIMITATIONS.—No director, officer, or employee of the Corporation may acquire any securities, or any rights to acquire any securities of the private corporation on terms more favorable than those offered to the general public—

(1) in a public offering designed to transfer ownership of the Corporation to private investors,

(2) pursuant to any agreement, arrangement, or understanding entered into before the privatization date, or

(3) before the election of the directors of the private corporation.

(b) OWNERSHIP LIMITATION.—Immediately following the consummation of the transaction or series of transactions pursuant to which 100 percent of the ownership of the Corporation is transferred to private investors, and for a period of three years thereafter, no person may acquire, directly or indirectly, beneficial ownership of securities representing more than 10 percent of the total votes of all outstanding voting securities of the Corporation. The foregoing limitation shall not apply to—

(1) any employee stock ownership plan of the Corporation,

(2) members of the underwriting syndicate purchasing shares in stabilization transactions in connection with the privatization, or

(3) in the case of shares beneficially held in the ordinary course of business for others, any commercial bank, broker-dealer, or clearing agency.

SEC. 12. URANIUM TRANSFERS AND SALES.

(a) TRANSFERS AND SALES BY THE SECRETARY.—The Secretary shall not provide enrichment services or transfer or sell any uranium (including natural uranium concentrates, natural uranium hexafluoride, or enriched uranium in any form) to any person except as consistent with this section.

(b) RUSSIAN HEU.—(1) On or before December 31, 1996, the United States Executive Agent under the Russian HEU Agreement shall transfer to the Secretary without charge title to an amount of uranium hexafluoride equivalent to the natural uranium component of low-enriched uranium derived from at least 18 metric tons of highly enriched uranium purchased from the Russian Executive Agent under the Russian HEU Agreement. The quantity of such uranium hexafluoride delivered to the Secretary shall be based on a tails assay of 0.30 U^{235}. Uranium hexafluoride transferred to the Secretary pursuant to this paragraph shall be deemed under United States law for all purposes to be of Russian origin.

(2) Within 7 years of the date of enactment of this Act, the Secretary shall sell, and receive payment for, the uranium hexafluoride transferred to the Secretary pursuant to paragraph (1). Such uranium hexafluoride shall be sold—

(A) at any time for use in the United States for the purpose of overfeeding;

(B) at any time for end use outside the United States;

(C) in 1995 and 1996 to the Russian Executive Agent at the purchase price for use in matched sales pursuant to the Suspension Agreement; or,

(D) in calendar year 2001 for consumption by end users in the United States not prior to January 1, 2002, in volumes not to exceed 3,000,000 pounds U_3O_8 equivalent per year.

(3) With respect to all enriched uranium delivered to the United States Executive Agent under the Russian HEU Agreement on or after January 1, 1997, the United States Executive Agent shall, upon request of the Russian Executive Agent, enter into an agreement to deliver concurrently to the Russian Executive Agent an amount of uranium hexafluoride equivalent to the natural uranium component of such uranium. An agreement executed pursuant to a request of the Russian Executive Agent, as contemplated in this paragraph, may pertain to any deliveries due during any period remaining under the Russian HEU Agreement. The quantity of such uranium hexafluoride delivered to the Russian Executive Agent shall be based on a tails assay of 0.03 U^{235}. Title to uranium hexafluoride delivered to the Russian Executive Agent pursuant to this paragraph shall transfer to the Russian Executive Agent upon delivery of such material to the Russian Executive Agent, with such delivery to take place at a North American facility designated by the Russian Executive Agent. Uranium hexafluoride delivered to the Russian Executive Agent pursuant to this paragraph shall be deemed under U.S. law for all purposes to be of Russian origin. Such uranium hexafluoride may be sold to any person or entity for delivery and use in the United States only as permitted in subsections (b)(5), (b)(6) and (b)(7) of this section.

(4) In the event that the Russian Executive Agent does not exercise its right to enter into an agreement to take delivery of the natural uranium component of any low-enriched uranium, as contemplated in paragraph (3), within 90 days of the date such low-enriched uranium is delivered to the United States Executive Agent, or upon request of the Russian Executive Agent, then the United States Executive Agent shall engage an independent entity through a competitive selection process to auction an amount of uranium hexafluoride U_3O_8 (in the event that the conversion component of such hexafluoride has previously been sold) equivalent to the natural uranium component of such low-enriched uranium. An agreement executed pursuant to a request of the Russian Executive Agent, as contemplated in this paragraph, may pertain to any deliveries due during any period remaining under the Russian HEU Agreement. Such independent entity shall sell such uranium hexafluoride in one or more lots to any person or entity to maximize the proceeds from such sales, for disposition consistent with the limitations set forth in this subsection. The independent entity shall pay to the Russian Executive Agent the proceeds of any such auction less all reasonable transaction and other administrative costs. The quantity of such uranium hexafluoride auctioned shall be based on a tails assay of 0.30 U^{235}. Title to uranium hexafluoride auctioned pursuant to this paragraph shall transfer to the buyer of such material upon delivery of such material to the buyer. Uranium hexafluoride auctioned pursuant to this paragraph shall be deemed under United States law for all purposes to be of Russian origin.

(5) Except as provided in paragraphs (6) and (7), uranium hexafluoride delivered to the Russian Executive Agent under paragraph (3) or auctioned pursuant to paragraph (4), may not be delivered for consumption by end users in the United States either directly or indirectly prior to January 1, 1998, and thereafter only in accordance with the following schedule:

Annual Maximum Deliveries to End Users

Year:	*(millions lbs. U_3O_8 equivalent)*
1998	2
1999	4
2000	6
2001	8
2002	10
2003	12
2004	14

2005	16
2006	17

* * * * *

* * * than December 31 of each year on the effect the low-enriched uranium delivered under the Russian HEU Agreement is having on the domestic uranium mining, conversion, and enrichment industries, and the operation of the gaseous diffusion plants. Such report shall include a description of actions taken or proposed to be taken by the President to prevent or mitigate any material adverse impact on such industries or any loss of employment at the gaseous diffusion plants as a result of the Russian HEU Agreement.

(c) TRANSFERS TO THE CORPORATION.—(1) The Secretary shall transfer to the Corporation without charge up to 50 metric tons of enriched uranium and up to 7,000 metric tons of natural uranium from the Department of Energy's stockpile, subject to the restrictions in subsection (c)(2).

(2) The Corporation shall not deliver for commercial end use in the United States—

(A) any of the uranium transferred under this subsection before January 1, 1998;

(B) more than 10 percent of the uranium (by uranium hexafluoride equivalent content) transferred under this subsection or more than 4,000,000 pounds, whichever is less, in any calendar year after 1997; or

(C) more than 800,000 separative work units contained in low-enriched uranium transferred under this subsection in any calendar year.

(d) INVENTORY SALES.—(1) In addition to the transfer authorized under subsections (c) and (e), the Secretary may, from time to time, sell natural and low-enriched uranium (including low-enriched uranium derived from highly enriched uranium) from the Department of Energy's stockpile.

(2) Except as provided in subsections (b), (c), and (e), no sale or transfer of natural or low-enriched uranium shall be made unless—

(A) the President determines that the material is not necessary for national security needs,

(B) the Secretary determines that the sale of the material will not have an adverse material impact on the domestic uranium mining, conversion, or enrichment industry, taking into account the sales of uranium under the Russian HEU Agreement and the Suspension Agreement, and

(C) the price paid to the Secretary will not be less than the fair market value of the material.

(e) GOVERNMENT TRANSFERS.—Notwithstanding subsection (d)(2), the Secretary may transfer or sell enriched uranium—

(1) to a Federal agency if the material is transferred for the use of the receiving agency without any resale or transfer to another entity and the material does not meet commercial specifications;

(2) to any person for national security purposes, as determines by the Secretary; or

(3) to any State or local agency or nonprofit, charitable, or educational institution for use other than the generation of electricity for commercial use.

(f) SAVINGS PROVISION.—Nothing in this Act shall be read to modify the terms of the Russian HEU Agreement.

SEC. 13. LOW-LEVEL WASTE.

(a) RESPONSIBILITY OF DOE.—(1) The Secretary, at the request of the generator, shall accept for disposal low-level radioactive waste, including depleted uranium if it were ultimately determined to be low-level radioactive waste, generated by—

(A) the Corporation as a result of the operations of the gaseous diffusion plants or as a result of the treatment of such wastes at a location other than the gaseous diffusion plants, or

(B) any person licensed by the Nuclear Regulatory Commission to operate a uranium enrichment facility under sections 53, 63, and 193 of the Atomic Energy Act of 1954 (42 U.S.C. 2073, 2093, and 2243).

(2) Except as provided in paragraph (3), the generator shall reimburse the Secretary for the disposal of low-level radioactive waste pursuant to paragraph (1) in an amount equal to the Secretary's costs, including a pro rata share of any capital costs, but in no event more than an amount equal to that which would be charged by commercial, State, regional, or interstate compact entities for disposal of such waste.

(3) In the event depleted uranium were ultimately determined to be low-level radioactive waste, the generator shall reimburse the Secretary for the disposal of depleted uranium pursuant to paragraph (1) in an amount equal to the Secretary's costs, including a pro rata share of any capital costs.

(b) AGREEMENTS WITH OTHER PERSONS.—The generator may also enter into agreements for the disposal of low-level radioactive waste subject to subsection (a) with any person other than the Secretary that is authorized by applicable laws and regulations to dispose of such wastes.

(c) STATE OR INTERSTATE COMPACTS.—Notwithstanding any other provision of law, no State or interstate compact shall be liable for the treatment, storage, or disposal of any low-level radioactive waste (including mixed waste) attributable to the operation, decontamination, and decommissioning of any uranium enrichment facility.

SEC. 14. AVLIS.

(a) EXCLUSIVE RIGHT TO COMMERCIALIZE.—The Corporation shall have the exclusive commercial right to deploy and use any AVLIS patents, processes, and technical information owned or controlled by the Government, upon completion of a royalty agreement with the Secretary.

(b) TRANSFER OF RELATED PROPERTY TO CORPORATION.—

(1) IN GENERAL.—To the extent requested by the Corporation and subject to the requirements of the Atomic Energy Act of 1954 (42 U.S.C. 2011, et seq.), the President shall transfer without charge to the Corporation all of the right, title, or interest in and to property owned by the United States under control or custody of the Secretary that is directly related to and materially useful in the performance of the Corporation's purposes regarding AVLIS and alternative technologies for uranium enrichment, including—

(A) facilities, equipment, and materials for research, development, and demonstration activities; and

(B) all other facilities, equipment, materials, processes, patents, technical information of any kind, contracts, agreements, and leases.

(2) EXCEPTION.—Facilities, real estate, improvements, and equipment related to the gaseous diffusion, and gas centrifuge, uranium enrichment programs of the Secretary shall not transfer under paragraph (1)(B).

(3) EXPIRATION OF TRANSFER AUTHORITY.—The President's authority to transfer property under this subsection shall expire upon the privatization date.

(c) LIABILITY FOR PATENT AND RELATED CLAIMS.—With respect to any right, title, or interest provided to the Corporation under subsection (a) or (b), the Corporation shall have sole liability for any payments made or awards under section 157b. (3) of the Atomic Energy Act of 1954 (42 U.S.C. 2187(b)(3)), or any settlements or judgments involving claims for alleged patent infringement. Any royalty agreement under subsection (a) of this section shall provide for a reduction of royalty payments to the Secretary to offset any payments, awards, settlements, or judgments under this subsection.

SEC. 15. APPLICATION OF CERTAIN LAWS.

(a) OSHA.—(1) As of the privatization date, the private corporation shall be subject to and comply with the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.).

(2) The Nuclear Regulatory Commission and the Occupational Safety and Health Administration shall, within 90 days after the date of enactment of this Act, enter into a memorandum of agreement to govern the exercise of their authority over occupational safety and health hazards at the gaseous diffusion plants, including inspection, investigation, enforcement, and rulemaking relating to such hazards.

(b) ANTITRUST LAWS.—For purposes of the antitrust laws, the performance by the private corporation of a "matched import" contract under the Suspension Agreement shall be considered to have occurred prior to the privatization date, if at the time of privatization, such contract had been agreed to by the parties in all material terms and confirmed by the Secretary of Commerce under the Suspension Agreement.

(c) ENERGY REORGANIZATION ACT REQUIREMENTS.—(1) The private corporation and its contractors and subcontractors shall be subject to the provisions of section 211 of the Energy Reorganization Act of 1974 (42 U.S.C. 5851) to the same extent as an employer subject to such section.

(2) With respect to the operation of the facilities leased by the private corporation, section 206 of the Energy Reorganization Act of 1974 (42 U.S.C. 5846) shall apply to the directors and officers of the private corporation.

SEC. 16. AMENDMENTS TO THE ATOMIC ENERGY ACT.

(a) REPEAL.—(1) Chapters 22 through 26 of the Atomic Energy Act of 1954 (42 U.S.C. 2297-2297e-7) are repealed as of the privatization date.

(2) The table of contents of such Act is amended as of the privatization date by striking the items referring to sections repealed by paragraph (1).

(b) NRC LICENSING.—(1) Section 11v. of the Atomic Energy Act of 1954 (42 U.S.C. 2014v.) is amended by striking "or the construction and operation of a uranium enrichment facility using Atomic Vapor Laser Isotope Separation technology".

(2) Section 193 of the Atomic Energy Act of 1954 (42 U.S.C. 2243) is amended by adding at the end the following:

"(f) LIMITATION.—No license or certificate of compliance may be issued to the United States Enrichment Corporation or its successor under this section or sections 53, 63, or 1701, if the Commission determines that—

"(1) the Corporation is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government; or

"(2) the issuance of such a license or certificate of compliance would be inimical to—

"(A) the common defense and security of the United States; or

"(B) the maintenance of a reliable and economical domestic source of enrichment services.".

(3) Section 1701(c)(2) of the Atomic Energy Act of 1954 (42 U.S.C. 2297f(c)(2)) is amended to read as follows:

"(2) Periodic Application for Certificate of Compliance.—The Corporation shall apply to the Nuclear Regulatory Commission for a certificate of compliance under paragraph (1) periodically, as determined by the Commission, but not less than every 5 years. The Commission shall review any such application and any determination made under subsection (b)(2) shall be based on the results of any such review."

(4) Section 1702(a) of the Atomic Energy Act of 1954 (42 U.S.C. 2297f–1(a)) is amended—

(1) by striking "other than" and inserting "including", and

(2) by striking "sections 53 and 63" and inserting "sections 53, 63, and 193".

(c) Judicial Review of NCR Actions.—Section 189b. of the Atomic Energy Act of 1954 (42 U.S.C. 2239(b)) is amended to read as follows:

"b. The following Commission actions shall be subject to judicial review in the manner prescribed in chapter 158 of title 28, United States Code, and chapter 7 of title 5, United States Code:

"(1) Any final order entered in any proceeding of the kind specified in subsection (a).

"(2) Any final order allowing or prohibiting a facility to begin operating under a combined construction and operating license.

"(3) Any final order establishing by regulation standards to govern the Department of Energy's gaseous diffusion uranium enrichment plants, including any such facilities leased to a corporation established under the USEC Privatization Act.

"(4) Any final determination under section 1701(c) relating to whether the gaseous diffusion plants, including any such facilities leased to a corporation established under the USEC Privatization Act, are in compliance with the Commission's standards governing the gaseous diffusion plants and all applicable laws.".

(d) Civil Penalities.—Section 234a. of the Atomic Energy Act of 1954 (42 U.S.C. 2282(a) is amended by—

(1) striking "any licensing provision of section 53, 57, 62, 63, 81, 82, 101, 103, 104, 107, or 109" and inserting: "any licensing or certification provision of section 53, 57, 62, 63, 81, 82, 101, 103, 104, 107, 109, or 1701"; and

(2) by striking "any license issued thereunder" and inserting: "any license or certification issued thereunder".

(e) References to the Corporation.—Following the privatization date, all references in the Atomic Energy Act of 1954 to the United States Enrichment Corporation shall be deemed to be references to the private corporation.

SEC. 17. AMENDMENTS TO OTHER LAWS.

(a) Definition of Government Corporation.—As of the privatization date, section 9101(3) of title 31, United States Code, is amended by striking subparagraph (N) as added by section 902(b) of Public Law 102–486.

(b) Definition of the Corporation.—Section 1018(1) of the Energy Policy Act of 1992 (42 U.S.C. 2296b–7(1) is amended by inserting "or its successor" before the period.

Mr. MURKOWSKI. Mr. President, on behalf of myself and Mr. Johnston, Mr. Domenici and Mr. Ford, I submit a substitute amendment to S. 755, Calendar number 244, the USEC Privatization Act.

Mr. President, this substitute is virtually identical to USEC privatization language contained in the Budget Reconciliation measure passed earlier by the Senate. The differences in this amendment and the reconciliation language are as follows:

We included language in section 4(e) stipulating that the expenses of privatization shall be paid from Corporation revenue accounts in the U.S. Treasury. This language is contained in the bill as reported by the committee, but it was left out of the reconciliation language. The administration has requested that this language be restored, and we have agreed to do that in this amendment.

The language in this amendment also departs from the language in the reconciliation bill in section 13, dealing with low level waste. We have reverted to the language in the bill as reported by the committee, and have thus solved another concern related to uranium tails that had been raised by the administration.

Mr. President, with all of the discussions about partisanship and the difficulty of working out complex legislation in this Congress, let me highlight the fact that the year-long effort to develop this legislation has been bipartisan and bicameral. House and Senate staffers have sat down with administration officials and jointly developed the bulk of the language in this substitute amendment.

I would hasten to add, however, that this amendment does not contain language sought by the administration related to a waiver of trade laws. That matter is the subject of ongoing discussions between administration officials, the Senate Finance Committee, and the House Ways and Means Committee. Those discussions will continue, and those committees will continue their deliberations on the question of waiver language. The absence of waiver language in this amendment should not be construed by anyone as a signal that efforts to arrive at a compromise in that area have been abandoned.

It is my hope that we can move this measure as a stand-alone bill, or as part of any other legislative vehicle that is available to us in the coming weeks. For that reason, I wanted my colleagues and the public to have an ample opportunity to review this language.

THE BALANCED BUDGET DOWNPAYMENT ACT, I

HARKIN AMENDMENT NO. 3122

Mr. HARKIN proposed an amendment to the bill H.R. 2880, supra, as follows:

At the appropriate place in the bill insert the following: Notwithstanding any provision of this Act, all projects and activities funded under the account heading "Office of the Inspector General" under the Office of the Secretary in the Department of Health and Human Services at a rate for operations not to exceed an annual rate for new obligational authority of $58,493,000 for general funds together with not to exceed an annual rate for new obligational authority of $20,670,000 to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from the Hospital Insurance Trust Fund and the Supplemental Medical Insurance Trust Fund.

NOTICE OF HEARINGS

THE OVERSIGHT AND INVESTIGATIONS SUBCOMMITTEE

Mr. THOMAS. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Oversight and Investigations Subcommittee of the Energy and Natural Resources Committee to review trends in Federal land ownership.

The hearing will take place on Tuesday, February 6 at 2 p.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

Those wishing to testify or submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information, please call Kelly Johnson or Jo Meuse at (202) 224–6730.

ADDITIONAL STATEMENTS

CONGRATULATING RECIPIENTS OF THE FORUM MAGAZINE'S AFRICAN-AMERICAN PIONEER AWARDS

• Mr. ABRAHAM. Mr. President, it is fitting that during February, Black History Month, The Forum magazine awards its honors to African-American pioneers. These outstanding men and women of African-American descent have succeeded in the face of discrimination and other hardships. Chosen for their contributions to the Flint community and other parts of Michigan, they have shown their commitment to excellence in public service.

I extend my heartfelt congratulations to each of the following 1996 African-American pioneer honorees:

Judge Ramona Roberts, the second African-American female judge elected in Genesee County, and the only such judge currently serving.

Dr. Nanette Lee Reynolds, the first African-American female director of the Michigan Department of Civil Rights.

Mrs. Valaria Conerly Moon, the first and only African-American female director of the Valley Area Agency on Aging.

Louis Hawkins, the first African-American city clerk for the city of Flint.

John Selmon, the first African-American dean of the Detroit College of Business-Flint campus.

Joseph Abraham, president of the AFL–CIO, the longest serving—at 20 years—union president in Flint and one of the longest serving in the United States.

Clydell Duncan, Sr., the recently retired police chief for the city of Flint—the second African-American police chief and the first African-American captain in the Flint Police Department.

And last but certainly not least, Mayor Woodrow Stanley, who has done such a fine job as the first African-American mayor elected to serve two terms in the city of Flint.•

THE STATE OF RACE RELATIONS IN AMERICA

• Mr. ROCKEFELLER. Mr. President, I would like to place in the RECORD a copy of a speech about the wrenching subject of racism, written by a good friend and colleague. Mr. Jim H. Paige III is the West Virginia Secretary of Tax and Revenue, and he recently gave this speech before the 115th Annual West Virginia Council of Churches Governing Assembly. Its words struck me as most sincere, insightful, and educational. I hope it will be just as beneficial to everyone else.

Despite America's proud history as the melting pot Nation, we still struggle with the signs and attitudes of racism in virtually every corner of our society. It is a problem that most Americans would say is abhorrent and unjustifiable, but also one that will not disappear without even more effort.

But I believe it is not only possible to combat discrimination, it is also essential. Diversity in background, skin color, family ancestry, religion, and geography should be celebrated and viewed as the way to build a stronger nation.

The more thought and study each of us give to the issues of racism and discrimination, and the more discussions we hold with others on how to spread tolerance and equality, the more we can enlighten and educate ourselves to move toward making equality for all people a reality.

It is my honor to submit this compelling text by a very fine West Virginian into the CONGRESSIONAL RECORD.

The text follows:

SPEECH TO THE WEST VIRGINIA COUNCIL OF CHURCHES GOVERNING ASSEMBLY, OCTOBER 19, 1995

(By Jim H. Paige III)

It is indeed an honor to be asked to participate in your Annual Governing Assembly.

I have been intrigued with the forum which has been organized here and impressed that you set aside a special time to discuss the hopes and concerns of West Virginia's spiritual community.

I was asked to speak here tonight about racism.

It is a topic that deserves our most intellectual thoughts and energies.

Historically, as you know, in the 1860's the most divisive issue in the United States was slavery.

The issue of slavery divided the nation.

The industrial North had very little use for slave labor.

However, the agricultural South had a great need for a large slave labor pool.

At that time, slavery was based strictly on race.

The Civil War was fought and the slave issue was settled, but the issue of racism was not resolved.

Even after the Civil War and during the reconstruction period, our nation still struggled with the issue of racism.

Because even after slavery, we had a legacy of Jim Crow laws—of segregation—and this issue of racism was based purely on color.

So, although the Civil War was over, our nation was still confused about Lincoln's notion that "Four score and seven years ago, our fathers brought forth on this continent a new nation conceived in liberty and dedicated to the proposition that all men were created equal."

And over 100 years later, in the 1950's and 60's, the nation was still divided by race.

As a result, there was a whole movement led by the Civil Rights leader Dr. Martin Luther King, Jr. who was basically trying to get America to live up to the Constitution.

As Lincoln had noted earlier, our preamble states "We hold these truths to be self-evident—that all men are created equal."

From a historical perspective I think it interesting that during the 1860's there was a strong polarization based on slavery.

And in the 1960's that polarization still existed—not on slavery, however, but on segregation, in an attempt to separate our races.

So the Civil Rights movement resulted in legislation that was to end this segregation.

Therefore, we experienced a desegregation of schools, of public facilities.

We now have laws on the books that make segregation illegal.

We come to an interesting stage in this brief historical perspective, because what the laws could not do were to change racial attitudes—the way people think and the way people feel about each other.

Although tremendous strides have been made, even 30 years after the great Civil Rights movement, the issue of racism is still prevalent in our society today.

The recent O.J. Simpson trial and verdict brought back to the surface again this cancer of racism.

But the questions that still linger "What is racism and how do we solve it?"

How do we define racism?

In order to deal with a problem, we should try to define it first.

I define it as an attitude people have in which they feel they are superior to another group of people, and that superiority gives them certain privileges of authority over those people.

Now the result of racism is that the people who have been victimized by racism respond with bitterness and resentment toward those who exercise that authority.

And, the alienation becomes even greater.

So, if you think about it in a logical fashion, racism is based purely on ignorance.

Because racism takes one criterion, a superficial criterion—race—and it passes judgment on an entire group of people.

Utilizing folklore, tradition, and stereotypes—not facts, not any type of intellectual analysis—racism concludes that all the people in a certain classification are a certain way.

I think we all could conclude that this type of deductive reasoning is unwise and unproductive.

Whether it's black against white, whether it's white against black—it doesn't matter.

This type of attitude is unproductive, unhealthy and undeserved in our society today.

Now that we have defined the issue, how do we find solutions to address this evil?

I don't believe racism is an issue that our government can solve.

Because government cannot legislate morality.

Government cannot tell people to think a certain way or feel a certain way.

When our government attempts to legislate feelings and attitudes, it creates greater problems.

In America, our great land of freedom and independence in which we live, we hold it as a high value and virtue that people can think thoughts they want to think and feel the way they want to feel—they have certain liberties and certain freedoms.

And rightly so.

The only danger of this is that when people have racial thoughts and racial feelings, it creates a tremendous hardship for society.

So, if government cannot solve this problem, how can we address this major issue of racism in our society today?

I think this is an issue that can only be resolved with a continuing dialogue, interaction and commitment.

Racism is an activity that requires daily moral awakening that leads to real change.

The only way we can overcome the stereotypes, the tradition, the false information we have been given about each other is through contact with the people we have learned to disdain and look down upon.

There is nothing government can do about that.

There is no way we can legislate that black people and white people must sit down together, and learn about each other, understand each other, and appreciate each other's differences.

Integration certainly went a long way in bringing our races together.

But further steps are needed to change attitudes. Because racism is not genetic—it's a learned value system, it is an attitude that is passed down from one generation to the next.

It's a cancer which continues to rob our nation of its productivity.

If we didn't have to deal with the barrier of racism, imagine the energy, talent and resources which could be directed toward solving problems in our society which are universal and common to all of us.

Now let's examine some solutions to breaking this barrier of racism.

First and foremost, I think one has to address this issue openly and honestly on an individual basis using self-analysis.

Let me state I don't think there is anything wrong with cherishing your own race—your own culture and values—but the issue is whether you respect others who do the same.

In order to have racial harmony in our culture today, we must respect our differences.

Actually, to have harmony, we must have differences.

For example, in the world of music.

You could have an orchestra—which has stringed instruments, percussion instruments—each instrument has its own distinct sound but because they are playing from the same score, and they are contributing what they were designed to contribute, that creates a very harmonious sound which is very pleasing to the ear.

Again, they are not competing with each other, they are complimenting each other.

In like manner, we can have racial harmony by respecting the fact that we come from different cultural orientations and different historical experiences.

But what we bring to the whole, creates something we could not have apart from each other.

What we collectively bring together could be much stronger and could be much better than what the individual groups would have independently.

Frederick Douglass once said, "We are one, our cause is one, and we must help each other; if we are to succeed."

And that's the real beauty of America—that we are stronger together as a nation than we are apart.

The next step in addressing solutions toward the issue of racism in our society is one of education.

And I feel that this educational component is the most important component because it starts in the home with parents teaching their children about respecting not only their own race but respecting other races as well, teaching them to love their neighbors as they would love themselves, teaching them to respect people who are different than themselves, teaching them to recognize that every individual has some intrinsic value and worth.

For me, growing up as an African-American in a predominately white City and State, I learned at a very early age to appreciate different cultures because of my parents and my friends.

Although I was raised in a culture which was not as economically affluent as others in which I was exposed, I still maintained a high degree of respect for both cultures.

Because my goal as I got older was to pull from the strength of both cultures to be the best person I could possibly be.

And it's important to note, that one of the severe consequences of racism is that it robs people from being the best they can possibly be, because racism does not allow people to pull from the strengths of others.

Therefore, education at home and education in school is the key to opening our minds, to breaking down stereotypes, myths and folklore about other cultures.

Because education is the key, I extend to you an opportunity to work with me.

I have established several Learning Centers around the state with the primary focus of educating our young people about the difference education can make in their lives.

I invite you to come and share your experiences with these children who come from different cultures and races.

Together we can learn from each other and attack the problems which we are finding in our communities—illiteracy, juvenile delinquency, ignorance.

I'm sure most of you would agree, that these young people are worth saving.

And as influential leaders, as spiritual leaders, I believe that "giving back" to your individual communities will do more to eradicate racism than all of the marches and trials put together.

Your example as a role model in your community is very influential when children are small, but it certainly does not stop there.

It is very critical for a young person to have someone to turn to for guidance when they reach an age that they are making the big chioces that will influence their future, whether to stay in school or drop out, whether to stick with their gang or try to move on as an individual, whether to try to hold a job or make money some easier, more dangerous way.

Someone of this age can really benefit from association with a mentor—an adult with valuable life experience who can guide a young person through some of the tough decisions that he will have to make.

Some schools or churches have formal programs where individuals are paired based on common interests or goals.

An adult who is a physical therapist, for example, may be paired with a young person who is interested in pursuing a career in the health field.

The adult knows what it will take in practical terms for a person to achieve this goal and is, therefore, a tremendous resource for a young person to have for encouragement.

If there is such a program in your area, I urge you to consider becoming involved.

If there is not, keep your eyes open for ways that you can support the dreams of young people around you.

Dr. William Julius Wilson, the sociologist, grew up poor.

His father died when he was twelve.

He was the oldest of six children.

When asked how he was able to achieve under such circumstances, he said:

"I was able to get out of that situation because first of all, I always had a role model out there, my aunt Janice, who was the first person in our family to get a college education. She used to take me to museums and give me books to read, and so on. And then I served as a role model for my other brothers and sisters."

This speaks powerfully to the tremendous influence that a role model can have on a person's life.

There are countless opportunities for you to put the skills you've learned in life to use helping others make their way.

And I am really convinced that this is where all real change, all real building for the future takes place—on a very personal level right around you.

In the past, some communities have sunk deeper and deeper into decay, waiting for someone to come to the rescue.

I say, "We are our own rescuers. We are the ones who will save ourselves."

We can hope for money or assistance to come from somewhere.

Sometimes it does and sometimes it doesn't.

But we cannot afford to sit and wait.

We must do what we can, what is within our power, to make our communities sounder, our children's lives more promising.

We need to take advantage of every program that is currently in operation to make our streets safer and our futures brighter.

We are the ones who live in our neighborhoods.

If we do not care enough to do our very best to make that place a good area in which to live, then why should we expect others to?

We have the most to gain by working to improve our communities and the most to lose by sitting back and waiting.

If we want better lives, then the very first step is doing what each one of us can do to make positive things happen.

Start with you, with your family, your street, this church.

We must first be responsible for ourselves and our activities.

Then sometimes you find that changes that occur in small places often lead to dramatic changes in wider areas.

You never know where your example and influence will lead.

But I do know that for any of it to be successful, for any change to occur, we must.

Maybe you are not the mayor or a famous athlete or a wealthy contributor to charity.

But you are a person who influences the quality of every life he touches in small ways and in large ways.

Use that power constructively.

Use the tools that God gave you to change your world for the better.

And this is how I answer the question, "How do we teach our children how to deal with racism?"

A change for our futures and our children's futures must come from me and you. Society's rules should change, and eventually I think they probably will. But think of the time wasted while we sat waiting for that miraculous day to happen.

I feel we are all called to be citizens of action. Today is the day, now is the best time, to start building that new life.

In closing, I commend your organization's effort here this evening, because we all know that Jesus's ministry is one of reconciliation.

We will soon enter into our third century as a nation.

Whether we build in that third century a civilization we can be proud of depends on whether we can arrive at a common conception of what that civilization might stand for or what it might do superbly well.

It really depends on us and our children. The mantle of leadership has fallen on our shoulders. So let's make this event more than just a dinner and keynote speech, let's allow it to be the first building block in overcoming this barrier of racism.

Thank you.•

HONORING RICH STEELE OF RICHLAND, WA

• Mrs. MURRAY. Mr. President, on November 17, 1995, Richard Steele of Richland, WA, was presented with an Environmental Hero Award by the Washington Environmental Council for spearheading the effort to save the Hanford Reach, the last free-flowing stretch of the Columbia River. I prepared the following statement for the event and ask that it be printed in the RECORD.

Rich Steele is a man with a mission.

In fact, Rich Steele is something of a missionary in the crusade to protect the Hanford Reach—the last free-flowing stretch of the Columbia River and a sanctuary for one of the strongest salmon runs left in the Northwest.

Rich has labored for 30 years to protect the Reach. But he is not your average environmentalist. Rich was brought up the hard way in the Tri-Cities; worked construction and other jobs until joining the workforce at the Hanford Nuclear Reservation, where he became one of the site's top technicians. As an avid hunter and fisher, Rich came to love the River and became its chief advocate.

His call to this mission came in the mid-sixties, when the Reach was threatened by the Ben Franklin Dam proposal. Rich organized the Columbia River Conservation League in 1967, coordinating successful local opposition to the dam and its powerful backers. He revived the CRCL in the 1980s to block a dredging proposal for the Reach. All the while, Rich has preached the virtues of the Reach—its clear waters and fabulously productive spawning areas, its rich human history, its abundant wildlife, its majestic White Bluffs and soul-restoring solitude.

On his own time and at considerable personal expense, Rich has led hundreds of pilgrimages down the Reach, making converts among local citizens, the national media, and elected officials. After touring the Reach with Rich last summer, I am among those who believe it deserves the highest level of permanent protection we can give it.

Working closely with other long-time advocates like Jack de Yonge, a dedicated group of local conservationists, and the Nature Conservancy, Rich has helped to popularize the Reach to the point that Wild and

Scenic River designation enjoys strong support in the Tri-Cities. Despite opposition from some local politicians, we are developing legislation to protect the Reach that I believe will have a good chance of enactment—perhaps even in this Congress.

None of this would be possible without Rich Steele's inspired leadership, passionate activism, and three decades of hard work. Rich has devoted his life to saving the Reach, and it is fitting that he be honored as an environmental hero. •

CONGRATULATIONS TO STEPHEN ORLOFSKY ON HIS CONFIRMATION TO BE A JUDGE ON THE FEDERAL DISTRICT COURT OF NEW JERSEY

• Mr. LAUTENBERG. Mr. President, on February 5, 1996, Steve Orlofsky will take the oath of office as a Federal District Court Judge for the District of New Jersey.

I had the high honor and privilege of recommending Mr. Orlofsky to President Clinton last year, and I want to take just a few moments of the Senate's time to explain why I am so proud of him, and why I know he will make such an outstanding judge.

Mr. President, let me begin by noting that when Steve is sworn in, he will replace Judge John R. Gerry on the bench. Judge Gerry was revered in New Jersey, and was widely known as a distinguished legal scholar, skilled administrator, and a compassionate, thoughtful judge. He was dedicated to dispensing justice, and he had a reputation for always acting with great fairness.

I mention this because Judge Gerry was Steve Orlofsky's mentor and role model when Steve served as a U.S. magistrate in his court. They maintained a close relationship over the years, even after Steve went into private practice.

Mr. President, I spoke with Judge Gerry shortly before his death, and he had one request: that I recommend Steve to replace him on the New Jersey District bench.

Judge Gerry's shoes will be hard to fill, but I am confident that Steve Orlofsky will be a worthy successor.

Mr. President, Steve Orlofsky is a man of integrity, with a commitment to justice and the law, a judicious temperament, a strong intellect and proven legal skills.

He meets the highest standards of excellence and will enhance the quality of justice in New Jersey.

In reviewing his candidacy, the American Bar Association unanimously conferred Steve with a "well qualified" rating—the highest rating possible. This consensus speaks to his superb qualifications.

Steve has been a widely respected attorney in private practice, and he has extensive experience in Federal litigation. He previously served as a magistrate judge in the New Jersey Federal District Court from 1976 to 1980. He also has served in leadership roles in his county and State bar associations, and has served his community by providing pro bono legal services.

In addition, he has published in legal journals and served as a lecturer in ongoing legal education courses.

Mr. President, Steve Orlofsky has the capacity to be an outstanding Federal judge not only because of his thorough knowledge of the law, but also because of his commitment to justice. He will offer more than extensive legal experience. He has good judgment, solid values, and sensitivity to moral and ethical issues.

Steve Orlofsky has all of the personal attributes and professional qualifications one could wish for in a judge, and then some.

So, Mr. President, I want to again congratulate Steve on his appointment, and wish him all the best in his new position. I am very proud to have recommended him to President Clinton. I hope he will serve on our district court for many years. I know he will serve with distinction, dispensing justice to each person who appears before him with compassion, fairness, and wisdom.•

SENIOR CITIZENS HOUSING SAFETY ACT

• Mr. GREGG. Mr. President, on January 23, 1996, the Senate passed S. 1494, a bill extending several housing programs through October 1, 1996. I am pleased the Senate included in this bill language I developed in my legislation, S. 247, the Senior Citizens Safety Act of 1995. I am hopeful that the President will match the tough anti-crime rhetoric conveyed in his State of the Union Address, and sign this legislation when it arrives on his desk.

This legislation will end the terror that, unfortunately, runs rampant throughout many elderly housing projects. It offers both local public housing facilities [PHA] and local property owners with the power to screen out and evict from public and assisted housing persons who illegally use drugs and whose abuse of alcohol is a risk to other tenants.

In my home State of New Hampshire, most people are still afforded the luxury of not having to lock their front doors before turning in for the evening. However, many elderly residents of public housing facilities in my State and across America have been forced to not only lock their front doors, but are literally being held prisoner in their own homes. I believe this is outrageous. I have received numerous complaints from residents of elderly housing facilities throughout New Hampshire who are worried about their personal safety in housing specifically reserved for them.

While community policing has gone a long way toward making many of America's neighborhoods safe for its elderly residents. No longer will people residing in public housing facilities be allowed to harass, shake down, or intimidate their elderly neighbors. Our elderly population remains vulnerable, and I am pleased the Senate has taken this action which will help protect them.

Our housing laws must protect elderly residents. Currently, non-elderly persons, considered disabled because of past drug and alcohol abuse problems, are eligible to live in housing designated for the elderly. This mixing of populations may have filled up the housing projects across the country, but it has opened a Pandora's box of trouble. Simply put, Young, recovering alcoholics and drug addicts are not comparable with elderly persons. Many of these young people hold all night, loud parties, shake down many of the elderly residents for money, sell drugs within the housing facility, and generally disturb the right to the peaceful enjoyment of the premises by other tenants.

This legislation, by no means, circumvents the current housing eviction procedure. It simply mandates that these individuals with patterns of drug and alcohol abuse be evicted after one incident if it is determined by the local PHA that their behavior threatens the health, safety, or right to peaceful enjoyment of the premises by other tenants.

This legislation will help to restore order in housing projects throughout the country. It requires tenants to embrace personal responsibility by mandating tenants to sign a statement which says no person who will be occupying the unit set aside for the elderly will illegally use a controlled substance or abuse alcohol in any way. Additionally, the bill will allow the local PHA to evict those persons who continuously raise havoc within these housing projects.

I want to commend the Senate for its action in passing this important legislation. It will make our public housing facilities safe for our most vulnerable citizens, the elderly.•

HON. BENJAMIN H. LOGAN II

• Mr. LEVIN. Mr. President, I rise today to pay tribute to the Honorable Benjamin H. Logan II, judge of the 61st District Court of the city of Grand Rapids, MI. In so doing, I join with the members of his community who are honoring Judge Logan on Saturday, February 3, 1996, with the 13th annual Giant Among Giants Award.

This award will be presented to Judge Logan at the 14th annual Giants Banquet and Awards celebration that will be held on the Grand Rapids Community College campus in the Gerald R. Ford Field House. This celebration is sponsored by the college and a consortium of African-American organizations with the purpose of raising the awareness of the Greater Grand Rapids citizenry of the contributions African-American individuals, organizations, and businesses have made to the history, continuous growth, and progress of metropolitan Grand Rapids.

The ceremony honors 14 individuals for their outstanding commitment and contributions to the community. Each of the 12 Giant awards presented at the event is named after local African-American individuals who have given long-term service in their professional areas and dedication to the Grand Rapids community as a whole.

The 13th award is the Giant Among Giants Award. The recipients of this unique award are honored not only for their work in the Grand Rapids metropolitan area, but also for reaching out to other cities and States in their professional areas. This year, the Giant Among Giants Award will be presented to the Honorable Benjamin H. Logan II.

Ben has been a community-oriented person throughout his life. He has generously contributed both his time and talents to many organizations including the Urban League, Boy Scouts of America, NAACP, Lions Club, YMCA, U.S. Supreme Court Historical Society, and countless others.

In 1988 Judge Logan, in a historic write-in election, became the first African-American judge of the 61st District Court in Grand Rapids. He has been victorious in every subsequent election. He is a member of the Michigan Black Judges Association and national chair of the Judicial Council of the National Bar.

Serving his country, church, and community throughout his life, Benjamin H. Logan II has been an example to others and an embodiment of the values that the Giant Among Giants Award represents. Mr. President I am sure that my colleagues in the Senate join me in extending our congratulations to Judge Logan upon receiving this prestigious award.

GREAT PLAINS SYNFUELS PLANT

• Mr. CONRAD. Mr. President, I rise today to discuss an issue of extreme important to my State of North Dakota and to this Nation's energy security.

The issue is one currently before the Federal Energy Regulatory Commission [FERC], and involves the fate of a unique energy project in North Dakota—the Great Plains Coal Gasification Plant located near Beulah, ND. The gasification plant converts abundant lignite coal into clean-burning synthetic natural gas. It is the only commercial-scale plant of its kind that produces synthetic natural gas from coal in the world.

FERC must decide whether to approve certain negotiated settlement agreements between Dakota Gasification Company [DGC], owner of the synfuels plant, and three interstate pipeline companies which purchase the synthetic natural gas produced by the plant. Additionally, DGC reached an agreement with the Department of Energy [DOE] which is contingent on FERC approval of the agreements between DGC and the pipelines.

Late last month, an administrative law judge at FERC issued a decision which could have the impact of closing the project. The judge invalidated three of the four settlements between DGC and the pipelines. Ironically, the fourth was approved by FERC in January 1995—1 year ago.

Mr. President, I hope the FERC commissioners weigh very carefully the impact this judge's decision will have on the State of North Dakota, the DOE, and our national energy goals. Closing the synfuels plant would not serve our national energy interests, and would create a serious setback in this country's search for energy independence.

The $2 billion Great Plains Gasification Plant was constructed in the early 1980's after DOE guaranteed a $1.5 billion loan for construction of the plant. The DOE loan was made pursuant to the Federal Nonnuclear Energy Research and Development Act of 1974. Great Plains is the only project operating today developed pursuant to the act. Additionally, Great Plains is the only project built as a result of the Government's attempts in the late 1970's and early 1980's to demonstrate our ability to achieve energy independence.

The synfuels plant was only made possible as a result of the issuance by FERC of its opinion 119 which approved the gas purchase agreements between Great Plains and the four pipeline purchasers. As approved by opinion 119, these gas purchase agreements provide for the sale of synthetic natural gas at prices established by a formula set out in the agreements. In issuing the $1.5 billion loan guarantee, DOE relied on FERC's opinion 119 and the reasonable assumption FERC would stand behind its commitment.

Unfortunately, the original project sponsors abandoned the project after it was completed in 1985 in response to sudden changes in global energy prices. DOE assumed operation of the plant, and eventually secured ownership through foreclosure. In 1988, DOE sold the facility to DGC, a subsidiary of Basin Electric Power Cooperative in my State. DOE selected Basin over other bidders because of its commitment to the long-term operation of the project.

When Congress authorized DOE to sell the synfuels plant, Congress indicated to the Department that a commitment to the long-term operation of the plant was an important criteria in evaluating bids for the project. In fact, the conference report accompanying Public Law 100–202 states:

> The managers agree that the Department of Energy should place higher priority on the continued long-term operation of the Great Plains Coal Gasification Plant as part of its divestiture activity. Continued long-term operation is needed to avoid disruptions to the local economy, capture the benefits associates with extended Plant operations and collect emission reduction technology data.

That sale also continued the Department's interest in the long-term operation of the plant by including a profit-sharing arrangement between DGC and DOE for the profits from the sale of synthetic natural gas. DGC and DOE reasonably assumed FERC would continue to stand behind opinion 119 when they negotiated the sale of the plant.

Following DGC's acquisition of the project, disputes arose regarding the pricing, output, and transportation provisions of the gas purchase agreements. As a result, DGC and DOE filed suit against the pipelines in 1990. Before the dispute went to trial, DOE, DGC, and the pipelines reached settlement agreements in 1994 that are expressly subject to FERC approval. Again, it is worth mentioning that FERC has already approved one of the four settlement agreements.

The administrative law judge's decision disapproved the remaining settlements negotiated between DGC and three of the four pipelines, and ruled that the pricing formula in the gas purchase agreements—as approved by opinion 119—should no longer be honored. Additionally, the judge's decision put on hold the agreement reached between DGC and DOE, which is contingent on FERC approval of the agreements between DGC and the pipelines. Finally, the decision retroactively imposed a new pricing scheme and ordered refunds that would total approximately $280 million.

If unchanged, this decision would close the Great Plains Gasification Plant. Mr. President, I believe that result would not serve our national energy interests.

I urge the FERC commissioners to give this matter their most careful consideration, and give great attention to Congress' public policy objective of continued long-term operation of the synfuels project.•

HONORING WALTER WIELOH AND HIS 40 YEARS OF TEACHING AT WEIRTON MADONNA HIGH SCHOOL

• Mr. ROCKEFELLER. Mr. President, I rise today to pay tribute to a truly devoted teacher, mentor, and friend to the youth in my State of West Virginia, Mr. Walter Wieloh.

It is heartening and inspiring, I believe, to learn about the career of Mr.

Wieloh, a man who dedicated 40 years of his life to teaching. He has been a member of the faculty at Madonna Catholic High School in Weirton, WV, since 1955, teaching several generations of families in the area.

In December, he was honored at a special event at the high school, and I wanted to add my public congratulations to Mr. Wieloh. His career of service to students and his commitment to education for four decades can be an example to all of us.

Walter Wieloh started his teaching career when Madonna High School opened in 1955, and he has been both educator and friend to generations of high school students. To students, he has always been a presence of wisdom and of guidance, inside the classroom and out. The current principal of Madonna, Mr. Robert J. Gill, recalls fondly his days as a student, and later as a colleague, of Mr. Wieloh. He recognizes him as a force of inspiration to students and an example of professionalism to fellow teachers.

Mr. President, Walter Wieloh should be an inspiration to us as well. In his 40 years of educating the youth of Weirton, WV, he represents many hardworking teachers across the country who have helped improve the lives and future of the students in their classrooms every year. Encouraging young people to learn, excel, and make the transition to adulthood is a challenge that every high school teacher faces, and Walter Wieloh has been a leader for Weirton Madonna High School. On behalf of every West Virginian, I commend Walter Wieloh. He definitely brings pride to his profession, and our State.•

IN SUPPORT OF CONCILIO CUBANO AND INDEPENDENT CUBAN JOURNALISTS

• Mr. MACK. Mr. President, late last year, a broad spectrum of Cuban opposition groups came together in an effort to form Concilio Cubano. Concilio Cubano, or Cuban Council, is a group that seeks to unite an unprecedented number of human rights, professional, political, and other organizations behind a common platform that includes amnesty for political prisoners, free and multiparty elections, and human rights.

The Castro regime's response has been sickeningly familiar. Members of Concilio Cubano have been subjected to lengthy interrogations, violent harassment, and a disinformation campaign.

The Miami Herald in a recent editorial likened Concilio Cubano to Charter 77, the Czech group that bravely opposed the Czech Communist dictatorship. Referring to former dissident, now President, Vaclav Havel, one of the leaders of the group told the Herald, "We have more Havels than they had."

Concilio Cubano plans to meet in late February. In Cuba, that's no simple matter. In the weeks leading up to this meeting, supporters of freedom, democracy, and human rights in Cuba must watch closely and speak out against any continued attempts to intimidate these democratic activists.

Also recently, the Cuban regime has stepped up persecution of journalists affiliated with independent news organizations. The campaign of harassment has included detentions and interrogations.

To my knowledge, the Clinton administration has been silent on the recent harassment of Concilio Cubano's members and independent journalists. The U.S. press has been fairly silent as well. I urge the administration to denounce these violations of the right of free expression and free association and strongly align itself with the supporters of democracy and freedom in Cuba. And I call upon the American press to report on the persecution of their fellow journalists and on Cuba's newest, broadest coalition of democratic activists.

Cuba's people have been subjected to virtually every form of subjugation. Their mildest form of opposition is met with repression. The United States and the American people are their closest friends. I call upon my colleagues in the Congress, and my fellow citizens to support the Cuban peoples efforts to exercise their inherent rights of free speech and association. The Cuban people have been resisting the Castro dictatorship for over 30 years. For as long as it takes, we must stand alongside them and let them know we support their struggle.•

TRIBUTE TO CYPRESS GARDENS DIAMOND JUBILEE DAY

• Mr. GRAHAM. As we arrived at the Capitol today, we noticed the remaining ice and snow from the blizzard earlier this month.

My thoughts traveled to sunny Florida, America's top tourist destination. Our State is blessed with clean waters, exquisite beaches, subtropical climate, and some of the most beautiful freshwater lakes in the world.

Mr. President, some six decades ago, a visionary named Dick Pope, Sr. looked out upon the blessed beauty of central Florida and created what became Cypress Gardens.

This world renown attraction, Cypress Gardens, celebrates its diamond jubilee on February 1, 1996. The millions who have visited Cypress Gardens or seen its glory on film join in a national salute to this 60-year milestone.

In the six decades since the founding of Cypress Gardens, the attractions industry in Florida has flourished. Through decades of growth and change, Cypress Gardens retains a special place in Florida's tourism legacy.

These gardens reflect the natural wonderment of Florida, the ingenuity of Dick Pope and the never-ending appeal of quality family entertainment.•

CHRISTMAS IN APRIL

• Mr. McCAIN. Mr. President, as a member of the National Advisory Board of a special outreach program called Christmas in April, I am extremely proud to speak to you today about a tremendously generous group of people who deliver Christmas spirit to low-income families during the spring.

With the support of honorary cochairs, NFL Commissioner Paul Tagliabue, his wife Chan, along with Arizona first lady Ann Symington, Christmas in April, the Nation's largest volunteer home rehabilitation initiative, kicks off its 1996 campaign by rebuilding the homes of two families in Phoenix's Hermosa neighborhood during Super Bowl weekend.

The focus of this charity is rebuilding and repairing the homes of low-income, elderly, and disabled Americans to help provide warmth, safety, and independence to families in need.

Many needy homeowners will receive this assistance in April 1996, when an army of about 140,000 caring volunteers will arrive on the doorsteps of about 4,200 homeowners in 430 cities and towns across the country.

Thanks to the hard work of these volunteers, Christmas in April has expanded to 160 local affiliates in 44 States which contribute $25 million toward home repairs for disadvantaged Americans across the country.

So at this time, Mr. President, I wish to pay tribute to the compassion and commitment of Christmas In April volunteers all across this Nation. Each time a grab bar is installed for a disabled child, every time sturdy stairs are built for an aged widow, and a fresh coat of paint is applied for a needy family—hope and dignity are restored.

Mr. President, this kind of unfailing generosity and kindness are the lifeblood of our country, and once again I commend this group and its volunteers.•

RECOGNIZING SRI LANKA'S 48TH ANNIVERSARY OF INDEPENDENCE

• Mr. INOUYE. Mr. President, I rise today to recognize the country of Sri Lanka which will celebrate its 48th anniversary of independence on February 4, 1996. I would like to congratulate a country which during the last four decades has made tremendous strides in socio-economic development in a democratic system.

Democracy in Sri Lanka has deep roots. Its people have maintained a functioning democracy since independence against great odds. There have been regular national elections in Sri

Lanka where voter turnout has been remarkably high. At a free and fair Parliamentary election held in August 1994 and observed by an international team including United States nationals, the people of Sri Lanka elected a new Government defeating a political party that was in power for 17 years. This was followed by a Presidential election in November 1994 at which Ms. Chandrika B. Kumaratunga was elected President with a 62-percent mandate. The voter turnout at both these elections was above 70 percent. I would like to congratulate the people of Sri Lanka for their commitment to democracy and improving human rights.

Over the years the United States and Sri Lanka have developed close bilateral relations. Sri Lanka has long hosted a Voice of America station on its territory and a project is well underway to upgrade the station. The United States is Sri Lanka's largest trading partner. The bilateral trade exceeds $1.4 billion. We have signed a bilateral investment protection treaty and an agreement to protect intellectual property rights.

Sri Lanka has been a pioneer in the South Asian region by liberalizing its economy and following market oriented economic policies. Free Trade Zones have been set up and incentives have been provided for foreign investment. I am pleased to note that there are many United States companies and banks currently operating in Sri Lanka and that the American Chamber of Commerce in Sri Lanka organized a successful United States Trade Fair in 1995.

Sri Lanka's drive for economic development which showed much promise in the early eighties has been restricted by the ongoing ethnic conflict which escalated in 1983. However, growth rates have averaged 5 percent per year. I am encouraged by the newly elected President's stated priority in finding a lasting political solution to the conflict. I can only share the aspirations of all Sri Lankans that peace will return soon to this beautiful country.•

UNITED NATIONS INSIGNIA

• Mr. CRAIG. Mr. President, we have all been watching the reports as U.S. Army Specialist Michael New has become a casualty of the debate over American troops participating in U.N. operations.

In violating a lawful order issued through the U.S. chain of command, he will be held accountable under the standards set by the U.S. Code of Military Justice for refusing to wear a U.N. cap and shoulder patch.

Specialist New was to have been deployed to participate in Operation "Able Sentry" in Macedonia, the stated purpose of which is to observe the border and discourage, by its presence, the spread of hostilities into Macedonia.

Mr. President, on October 10, Army Specialist Michael New reported for duty without wearing the U.N. shoulder patch and beret he and his unit were issued to wear as part of their uniform while deployed in Macedonia. On October 17, Specialist New was charged for failure to obey a lawful order in violation of Article 92: Uniform Code of Military Justice.

On January 23, 1996, the trial on the facts in the special court-martial of Specialist Michael G. New began. On January 24, the court, composed of officers and enlisted personnel, found Specialist New guilty of the charged offense of failure to obey a lawful order to "wear the prescribed uniform for the deployment to Macedonia." He was found in violation of Article 92: Uniform Code of Military Justice.

Specialist New was sentenced by the court-martial members to be discharged from the U.S. Army with a bad-conduct discharge.

Mr. President, the situation that has resulted from Specialist New's actions has caused me great concern. As one who feels very strongly about this Nation's sovereignty and responsibilities placed on our Armed Forces to protect and defend this Nation, I find myself very frustrated with what has happened.

Mr. President, my sympathy with his decision to refuse to wear the U.N. patch and hat does not change the fact that we must abide by the standards set by the military code of conduct if we are to assure order and fairness in the military. Our military must rely on strict chain of command and order. That is without a doubt.

However, the men and women who have chosen to serve this Nation and the American people should not be put in a position which forces them to bear allegiance to any nation or organization other than the United States of America. Michael New made the decision to serve in the Armed Forces in order to defend the United States, not the United Nations.

In order to address this situation, I introduced legislation that prevents any member of the U.S. Armed Forces from being required to wear, as part of their military uniform, any insignia of the United Nations.

Mr. President, I hope that we can deal with this issue by proceeding in the legislative process with hearings on S. 1370, which now has 25 cosponsors. In addition, there is still another, broader issue that must be addressed, and that is the use of U.S. Forces under U.N. command.

Mr. President, I would just urge my colleagues to review S. 1370. We must not lose sight of the fact that the men and women who volunteered to serve in our Armed Forces, volunteered to defend the United States of America, not the United Nations.

Mr. President, I ask unanimous consent that the Senator from Virginia, Mr. WARNER, be added as a cosponsor of S. 1370.•

CARL S. WHILLOCK

• Mr. BUMPERS. Mr. President, on February 29, Carl S. Whillock, one of Arkansas' all-time great citizens, will retire as president and chief executive officer of Arkansas Electric Cooperative Corp. and Arkansas Electric Cooperatives, Inc., a post he has held since 1980.

A native of Scotland, AR (Van Buren County), Carl has spent most of his life in public service. Prior to his career with AECI, he was president of Arkansas State University.

He began a career of public service in our State legislature, serving two terms in the early 1950's. From June of 1955 until January of 1963, Carl served as executive assistant to U.S. Representative J.W. Trimble. He next served as prosecuting attorney of Arkansas' 14th Judicial District from January of 1965 until 1966, when he became assistant to the president of the University of Arkansas. He left that post in July of 1971 to become director of university relations, where he served until April of 1974.

Carl managed the successful gubernatorial campaign of David Pryor in 1974 and served as his executive assistant in 1975. He returned to the University of Arkansas at Fayetteville late that year to become vice president of governmental relations and public affairs. In July of 1978, he became president of Arkansas State University.

Carl attended the University of Central Arkansas at Conway and Emory University in Atlanta, GA, before earning a degree in social welfare from the University of Arkansas at Fayetteville. He was awarded the master of arts degree in history and political science from the University of Arkansas at Fayetteville and the juris doctor degree from George Washington University in Washington, DC.

A well-respected executive in the national electric cooperative community, Carl also has worked tirelessly in numerous civic and community affairs positions in our State and our region.

Mr. President, wherever Carl Whillock has lived and worked throughout our State, his support for community goals and initiatives has been sought. He is the personification of what citizenship is about.

I want to join thousands of others in wishing Carl and Margaret a happy and healthy, peaceful and prosperous retirement. They have certainly earned it.•

INDIGENOUS CONSERVATIONIST OF THE YEAR AWARD AWARDED TO GOV. A.P. LUTALI, GOVERNOR OF AMERICAN SAMOA

• Mr. INOUYE. Mr. President, all Americans, including those of us in the

Congress, are concerned about the destruction of rainforests that is occurring all over the world. The rainforests constitute unique and irreplaceable ecosystems sometimes called the lungs of the Earth. In addition to their function in replenishing the Earth's atmosphere, the rainforests provide essential protection against global warming, contain hundreds of plants found nowhere else on Earth, house many animals unique to the rainforests alone, and provide protection against destruction of coral reefs and marine life. I would like to call my colleagues' attention to a unique effort to save these vital systems and to an individual who is being honored for his own efforts to save the rainforests.

Gov. A.P. Lutali of American Samoa has been selected to receive this year's Seacology Foundation Award as the Indigenous Conservationist of the Year in recognition of his superb efforts to preserve the rainforest and indigenous Samoan culture. Governor Luitali's successes include leading the effort to create the National Park of American Samoa. He is also responsible for passage of an act to protect the American Samoa Flying Fox. Neither of these achievements would have occurred without Governor Lutali.

Seacology Foundation is a nonprofit foundation founded to help protect island ecosystems and island cultures. Seacology scientist include experts in endangered species, island flora and fauna, and island ecosystems. One-hundred percent of the money donated to Seacology goes directly to building schools, hospitals, installing safe water supplies, and meeting other needs of the rainforest villagers so that they will not have to sell off the rainforest to survive. Seacology scientists donate their time as well.

I congratulate Governor Lutali and the Seacology Foundation for all of their efforts. I ask that the letter from Paul Alan Cox, Ph.D., chairman of the board of Seacology Foundation to Governor Lutali be printed in the RECORD.

The letter follows:

THE SEACOLOGY FOUNDATION,
Springville, UT. October 24, 1995.

GOV. A.P. LUTALI,
Office of the Governor, American Samoa Government, Pago Pago, American Samoa.

DEAR GOVERNOR LUTALI: On behalf of the Board of Directors and the Scientific Advisory Board of the Seacology Foundation, it gives me great pleasure to inform you that you have been selected as the 1995 Indigenous Conservationist of the Year. This award, believed to be the only one of its kind in the world, annually recognizes an indigenous person who has demonstrated heroic efforts in protecting the environment. The Seacology Foundation invites you, at our expense, to attend an award dinner in your honor and a presentation ceremony in Provo, Utah to receive your award, which will consist of an engraved plaque and a cash award of $1,000. Lorraine Clark, Executive Associate Director of the Seacology Foundation, will be in touch with Rob Shaffer from your staff to arrange a convenient date for this event.

In making this award, the Seacology Foundation wishes to recognize your personal courage and foresight in protecting the rainforests and wildlife of American Samoa. You have demonstrated your commitment to conservation in many different ways. Examples of your environmental leadership include passage of an act to protect flying foxes, including the rare Samoan Flying Fox, Periopus samoensis, or pe'avao by the Territorial Legislature of American Samoa. Your leadership was crucial in passing this legislation, which is believed to be the first legislation enacted by any Pacific island government to protect flying foxes. Because of your example, many other island governments have now enacted similar legislation.

Even more impressive was your visionary foresight in establishing the 50th National Park of the United States of America, the National Park of American Samoa. It was your leadership and your vision that brought together a coalition of Samoan school children, villagers, matai and other traditional community leaders, territorial officials, scientists, conservationists, and U.S. Congressmen to create a new future for the people of American Samoa. You personally held meetings with key scientists and village leaders, you personally hosted a distinguished congressional delegation in Samoa, you personally traveled to Washington, D.C. to testify on behalf of the park and you personally provided leadership at every phase to assure passage of the enabling legislation. You exercised this leadership without any concern for its potential impact on your political future. Because of your selflessness and bi-partisan approach, the American Samoa National Park Bill became one of the first national park bills to pass both houses of the United States Congress without a single dissenting vote. You played a key role in guaranteeing that the aspirations and well being of Samoan villages were paramount in the enabling legislation. Unique land acquisition techniques, revolving around long term leases, were used under your direction. Village chiefs were guaranteed important roles in formulating park policy. The Samoan language and culture are to be highlighted in all park activities. As a result of your foresight, American Samoa will have a national park that will preserve both Samoan wildlife and Samoan culture.

Many other examples of your conservation leadership could be cited. The Territorial Division of Wildlife and Marine Resources under your leadership has made important progress in evaluating and protecting the wildlife of American Samoa. Coastal Zone Management has flourished under your leadership. But perhaps most important has been your quiet personal example. You quietly led an effort to re-introduce the rare Samoa toloa or duck to your home island of Annu'u. The crack of dawn has frequently found you on your hands and knees weeding the garden plot in front of the territorial offices. Many have seen you picking up rubbish and doing your own part as private citizen to beautify the exquisite islands of American Samoa.

Because of your stellar service, both public and private to conservation, and because of the tremendous example of dedication and courage that you have set for your own people—the Polynesian Islanders—and for indigenous peoples throughout the world, the Seacology Foundation is pleased to bestow upon you the most distinguished award for indigenous conservation in the world by naming you Indigenous Conservationist of the Year 1995. We offer you our sincere appreciation for your tremendous devotion to protecting this planet.

Warmest personal regards,
NAFANUA PAUL ALAN COX, Ph.D.,
Chairman of the Board.●

OFFICER RONALD MICHAEL RYAN, JR., AND OFFICER TIMOTHY JAMES JONES

● Mr. WELLSTONE. Mr. President, I rise to pay tribute to two gallant police officers from Saint Paul, MN. On August 26, 1994, Officer Ronald Michael Ryan, Jr. and Officer Timothy James Jones gave their lives in the line of duty.

It is important that the memory of their brave lives be a part of the official history of our country. I therefore ask that the following eulogies by Chief William Finney be printed in the CONGRESSIONAL RECORD on behalf of these two slain police officers: The eulogy by Chief William Finney in memory of Officer Ronald Michael Ryan, Jr. and the eulogy by Chief William Finney in memory of Officer Timothy James Jones.

The eulogies follows:

RONALD MICHAEL RYAN, JR.—EULOGY BY CHIEF WILLIAM FINNEY

Ron Ryan junior brought youthful enthusiasm, warmth, friendship and loyalty to our department. He touched our lives in a very special way, and gave his all to his brothers and sisters in blue. The greatest thing this extraordinary young man gave to us was his commitment, to make our city a better place to live, to make our department a more pleasant place to work, and to add whatever he could to the lives of those around him. He represented the very best that a Police Officer can be, and in a very real way represented the spirit of the St. Paul Police department.

Many people think it's easy for the son of a Police Officer to follow in dad's footsteps, especially when they work for the same department. And especially when the son shares the father's gift of gab, easy humor, and superior people skills. But Ron Ryan junior learned just the opposite. He learned that the trials and tribulations of being a rookie cop who is the son of a cop were extra hard, that there would be a little more razzing from the troops. Ron Junior had a routine of polishing the brass buttons on his uniform before coming to work. One time a supervisor asked to look at those buttons, and Ronnie obliged him. But when he got them back he noticed they were quite tarnished, and that the supervisor had switched them, for his own dirty ones. The gag went on and on, and eventually, Ron got to the point of bringing in an extra set of polished buttons to work. On a larger scale, Ron Ryan junior polished up the image and morale of this department with his tireless well of positive energy.

Ron was a hard worker, never afraid to help out a fellow officer or be first on a call. And he was a quick thinker, quick to figure out what had to be done in tough situations. Just a year ago, he and two other officers formed a human pyramid to remove three children from the second story of a burning house. For that he received the Medal of Merit—our second highest award—an amazing accomplishment for a rookie cop. And he didn't let up. Just this year, he was given another commendation. Think about that. Two commendations in less than a year. Ron Ryan junior was one of the best young Police Officers our department has seen.

He joined us in July of 1990, as a parking enforcement officer. Never losing sight of his real goal, he took our oath as a Police Officer on January 23rd, 1993. And in just 19 short months he made his mark, served his beloved east side, and made his department proud.

Today, it is with the heaviest of hearts that I say goodbye to Ron Ryan Junior. We will all remember you for your courage, your heroism, your willingness to serve and that sparkle you gave to those around you. And let no one ever forget that Ron Ryan Junior was truly one of St. Paul's finest.

TIMOTHY JAMES JONES—EULOGY BY CHIEF WILLIAM FINNEY

It is my distinct honor to share some thoughts today on the life of Officer Timothy James Jones—a man who was not only a St. Paul Police officer for the past 16 years, but also a talented leader, a loving husband and father, and a special friend to all of us. It is very difficult to convey in words the scope of his contribution to our police department. Along with his energy, humor, and commitment to police work, he also brought what can be a rare commodity: results. (Productivity) When Tim Jones answered a call, you could be sure that the situation would be resolved. For 16 years, he built a strong record of service. He was a mature police officer, who had recently shifted his focus toward helping younger officers improve their law enforcement skills. The advice and direction that he gave the younger officers will be a legacy which will live on in the future of the St. Paul Police Department.

Tim had an infectious grin and he could be a bit of a jokester. One of his closest friends told me he's probably looking down from heaven right now, laughing and calling us names. His closest friends lovingly called him "Nip," or "the Nipper." I personally preferred to just call him Jonesy. Another of our Asian American officers, Pat Lyttle, teamed up with Tim to form a racketball duo known as the "Far East Connection." Tim was always ready to laugh, and more than willing to laugh at himself.

But when he put on the uniform and hit the street, he was all business. (Pride) He pursued his mission as a police officer at 100 percent, at all times. He was known as the officer who would be the first on the scene, and the last to leave. (Professionalism) His assignment to the canine unit was a natural progression in which he extended his helpfulness across the city. And whenever Officer Jones showed up with his canine partner Ninja or more recently Laser, you knew the bad guy would be found. The other officers would be attracted to him like a magnet, because they knew he would get results. They would watch and wonder and learn. That made him the purest kind of leader—one who leads by example. (Participation) On three occasions, he was given commendations by our police department for his outstanding service to the community.

His pursuit of excellence vaulted him into national prominence. In 1988, he and NINJA ranked 4th in the United States in individual canine competition. In 1989, they took third place. In 1990, another third place finish. And in 1991, a 5th place finish. They were part of our St. Paul Police canine team which took top honors nationally in 1989, 1990 and 1991. Tim didn't really strive for those kind of honors—he just did the best job he could, and he got results. And he made all of us proud.

Lately he had been sharing his wisdom. He and Laser would arrive first at the scene, as usual, locate the bad guy, and then keep him confined as he allowed one of the younger canine officers to go in and make the arrest. He wanted those younger officers to get the experience they needed to mature as he had. They responded by telling him he was no longer the Nipper. No, they told him he had evolved into "Buddha," the wise one.

Whether he was being the "wise one" or a "wise guy" Tim Jones was a very special cop. Last Friday, when he heard what had happened to his friend Ron Ryan, he came in on his day off to help. That didn't surprise anyone—that was Tim Jones. It didn't surprise anyone that he would be the first one to locate the suspect, either. It was the outcome that has shocked us, and left us with an empty place in our hearts. To the end, he and his canine partner were heroes. With Officer Jones down, his partner Laser continued to pursue the suspect with his last breaths, after being mortally wounded. His canine partners: Ninja, the national award winner, Laser, the apprehender, and finally, K-C, the narcotics detector, who carries on the Jonesy canine tradition.

Tim Jones became a St. Paul police officer on October 31st, 1978. It was his 21st birthday. For 16 years, he learned and excelled and led, and passed-on a unique legacy to those around him. Officer Tim Jones epitomized the spirit and essence of the police "four P's: pride, professionalism, participation and productivity."

He leaves behind his wife Roxanne, and children Matthew and Chelsie. Recently Tim had been skipping golf games to take his son to hockey practice several times a week. He gave everything he had to his family, both at home and at the police department. And we will all miss him deeply.

To Roxanne, Matthew and Chelsie: It is not enough to say that he is in heaven. The fact is, heaven was made for people like Tim. He died as he had lived—trying to help others without thinking of himself. But we will all be thinking about you, Tim. For no one has ever given us greater gifts, or a greater sacrifice. My, my, my—wasn't he a piece of work.

Mr. WELLSTONE. Mr. President, I ask further that the following remarks from The Saint Paul Police Department 1994 Annual Report be printed in the RECORD. Dedicated to the memory of Officer Ron Ryan, Jr. and Officer Timothy Jones, it is entitled, "August 26, 1994—Our Day of Tragedy."

The material follows:

AUGUST 26, 1994—OUR DAY OF TRAGEDY

The morning of August 26, 1994 broke with a beauty and clarity that is rare even during Minnesota's fleeting summer. The air was calm, warm and clear as the sun rose above the spire of Sacred Heart Catholic Church at 6th Street and Hope. Officer Ron Ryan Jr., 26 years old, walked up to check on the welfare of a man who was slumped down in the driver's seat of a red subcompact car, parked in the church parking lot. The officer's concern was met by a flurry of gunfire from the drifter. The evil ambush claimed Officer Ryan's life, shattered the calm of that morning, and set a sickening tone. During the search for the suspect that day, there would be a second ambush and the loss of Officer Timothy Jones and his canine partner, Laser. Offsetting the horror and disbelief of those events, was the professionalism of the Saint Paul Police force, who put aside grief, until the search for the suspect had been successfully completed. Only then did the grieving process begin; a grief shared by hundreds of thousands of metro area residents, by police officers across the country, and by many others who reflected on our day of tragedy.

It had been 24 years since a Saint Paul Police Officer had fallen to gunfire, more than two decades in which Saint Paul officers had been spared the tragic realities of most other American cities. Some would say it was Saint Paul's reputation for treating suspects with respect. In the course of arresting literally hundreds of thousands of suspects, no Saint Paul Officer had been attacked with deadly force. But it all changed that morning in August. Guy Baker, 26, a man wanted on weapons charges in his native Iowa, had told friends in Mason City that he was thinking about shooting a police officer. For reasons which are still not clear, he decided to borrow a friend's car and drive to Saint Paul. As Officer Ryan walked up to the car that morning, Baker held a gun under the coat he was using as a blanket. He knew the officer would check his identity and then probably arrest him for the warrant. Baker ambushed Office Ryan and then took his service weapon after he had fallen. A resident who witnessed the attack fired a shot at the suspect vehicle from the window of his home, shattering the car's back window. But the suspect got away before the first squads arrived at the scene.

Baker drove only a mile before he ditched the car and changed clothing. In a wooded area close to I-94, he waited for the officers he knew would be searching for him. Once again he assumed a position that would allow him to ambush an officer. Unlike the typical suspect who would be acting out of fear, Baker's actions were those of a demented, yet highly trained combat veteran. He took up a position inside an ice fishing shack in the back yard of a home on Conway Street. With a row of windows in the small structure, Baker had an unrestricted view on the world outside. But it would be nearly impossible to see him from the outside. He sat in his killer's perch and waited.

Officer Timothy Jones, 36, a veteran canine officer who had won national awards, was enjoying a day off with his children when he heard the news about his friend Ron Ryan. Without hesitation he came into work to aid in the search for the killer. In retrospect, no one was surprised that he would be the first officer to locate the suspect. He was known as one of the best officers in a canine unit that had won the top national award four out of the last six years. As hundreds of officers fanned out searching for the suspect it was Tim Jones and Laser who picked up his scent and began moving toward the fish house. As the officer approached the structure, shots blasted from the inside, through the flimsy window and wall of the structure, hitting Officer Jones. He died less than four hours after his friend and co-worker Ron Ryan. As Baker exited the fish house, Laser attacked, latching onto the suspect with his powerful jaws. Baker shot the animal, but it attacked a second time. After being shot several times, the dying canine was still crawling towards the suspect with his last ounce of energy.

Baker had made another getaway, but it was to be short lived. Within two hours he was arrested and taken to the hospital to be treated for the dog bites he had suffered. Eventually he would plead guilty to the two murders.

Twin Cities television and radio stations were providing instant, live coverage of the events as they unfolded that Friday. The unprecedented coverage made it a very public tragedy, and that followed through to the funerals. Literally thousands of people lined the streets along the funeral procession routes.

Officer Ryan was buried on August 30. In his eulogy, Chief Finney said Ron Ryan Junior "brought youthful enthusiasm, warmth, friendship and loyalty to our department." More than 2,000 police officers from as far away as Canada attended the funeral.

Officer Jones was buried on August 31. Chief Finney called him "a talented leader, a loving husband and father, and a special friend." An estimated 400 canine officers from across Minnesota and many other states were on hand, along with hundreds of other officers. A four mile long procession of police cars stretched from the Cathedral to Elmhurst Cemetery.

The memories of these two fine officers will live on in the history of our department. Ron Ryan Jr. gave much to us, in just a short time. Tim Jones shared his knowledge and maturity with his fellow officers. Without hesitation, they gave the ultimate sacrifice while serving their department and city. They will not be forgotten.●

DAN KELLEY OF AGRIBANK, FCB

● Ms. MOSELEY-BRAUN. Mr. President, I rise today in tribute to Mr. Dan Kelley, a prominent agriculturist and farm leader in my home State of Illinois, who currently serves on the Board of AgriBank Farm Credit Bank. Unfortunately, he will soon be leaving the board. I want to take the opportunity to commend Dan Kelley for his exemplary public service and the strong leadership he provided during a time of real challenges at the Farm Credit System.

Dan Kelley was the last chairman of the former St. Louis Farm Credit Bank—federally chartered in 1917 to provide credit and related services to farmers in Illinois, Arkansas, and Missouri. As chairman, he led an initiative to bring about the historic merger of the St. Louis Farm Credit Bank with a sister institution in St. Paul, MN to form AgriBank, FCB. This was the first voluntary merger of a Farm Credit bank in the history of the Farm Credit System. Mr. Kelley served as the first board chairman of AgriBank and, again, played a key leadership role in making the merger work. More generally, the Farm Credit System began to regain its position as a leader in agricultural credit markets in Illinois and other States in the Midwest during Mr. Kelley's tenure as Chairman.

To appreciate what Dan Kelley accomplished in his 7 years of service, one must recall that the Farm Credit System had reached the lowest point in its history when he first joined the St. Louis Farm Credit Board in 1989. The great farm depression of the mid-1980's humbled the St. Louis Farm Credit Bank, the Farm Credit System as a whole, as well as a number of other agricultural lenders. Losses were mounting in St. Louis and throughout the Farm Credit System, while volume was shrinking.

Farmers were leaving the Farm Credit System because they were unhappy—unhappy with the rates of interest they were paying, and with the service they were receiving. Some borrowers were concerned that they would not be able to keep their loans current. Others left Farm Credit due to fears that the stock they had invested in their credit cooperative was at risk. The Farm Credit System, once commonly celebrated as a success story, had become a lightening rod for everyone dissatisfied with the state of the farm economy. The Farm Credit System, it was said, had overhead costs that were too high, credit standards that were too lax, and a lack of sensitivity to acute problems being experienced by the distressed borrowers. Not surprisingly, the system was also losing money. The St. Louis Bank and the other predecessors of AgriBank lost more than $1.7 billion in 1985.

In short, Dan Kelley and his colleagues on the Board of the St. Louis Farm Credit Bank in January 1989 faced obstacles that appeared virtually insurmountable to some. Some observers were drafting an obituary for the St. Louis Bank and the entire Farm Credit System. These draft obituaries were premature. The Farm Credit System has survived and now flourishes. Over the past several years, the System has made an extraordinary recovery from the financial disaster of the mid-1980's. Dan Kelley's bank, in particular, restructured and collected billions of dollars of troubled loans. The net result is that nonaccruing loans dropped from 7.1 percent of the bank's total in 1989 to 2.7 percent in December of 1995. Operating costs were dramatically reduced. More than $2 billion in earnings and capital has been generated, and members' equity in their credit cooperative increased by more than $1 billion.

Of course, a number of other factors were responsible for the remarkable turnaround in the fortunes of AgriBank and the Farm Credit System. For example, the recovery would not have been possible without a more general turnaround in the farm economy. Beyond that, however, Dan Kelley and his colleagues deserve an enormous amount of credit for making the right decisions on some critical and very difficult issues.

Indeed, Dan Kelley's successes and those of the Farm Credit System as a whole have confounded the cynics who said that farmer cooperatives cannot survive, much less prosper, in today's more competitive and fast-moving markets.

Cynics said that farmer-elected boards of directors would not voluntarily vote themselves out of jobs. Dan Kelley and his colleagues proved those cynics wrong when AgriBank was created in 1991 and when it was expanded to include the former Louisville Farm Credit Bank in 1993.

Cynics alleged that the Agriculture Credit Act of 1987 could not work and that the Federal financial assistance provided to the Farm Credit System would never be repaid. In October 1992, however, Dan Kelley again proved the cynics wrong by announcing that AgriBank was repaying the $133 million of assistance 11 years ahead of schedule.

In short, the cynics underestimated Dan Kelley and other farm leaders who were determined to build a stronger, lower-cost and more effective credit cooperative for farmers. AgriBank is now a reality and has exceeded the expectations of many of those responsible for its creation. Its very existence and remarkable success owe a great deal to the hard work, dedication, and good judgment of Dan Kelley.

Dan Kelley's departure from AgriBank does not mean he will no longer be a farm leader. His commitment to American agriculture and institutions serving the American farmer is too strong for that. He will continue to be an active farmer, a member of the Illinois Farm Bureau, the Illinois Corn Growers Association, and to serve on the board of Gromark.

On behalf of Illinois farmers, and those who care about American agriculture, I thank Dan Kelley for his achievements, and wish him the very best in his continued endeavors.●

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations: Executive Calendar nominations Nos. 346, 347, 397, and all nominations reported out of the Armed Services Committee today with the exception of Admiral Prueher; I further ask unanimous consent that the nominations be considered en bloc, the motions to reconsider be laid upon the table en bloc, that any statements relating to the nominations appear at the appropriate place in the RECORD, that the President be immediately notified of the Senate's action, and that the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the nominations were considered and confirmed, en bloc, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT

Alicia Haydock Munnell, of Massachusetts, to be a Member of the Council of Economic Advisers.

SECURITIES AND EXCHANGE COMMISSION

Isaac C. Hunt, Jr., of Ohio, to be a Member of the Securities and Exchange Commission for the term expiring June 5, 2000.

DEPARTMENT OF DEFENSE

Arthur L. Money, of California, to be an Assistant Secretary of the Air Force.

H. Martin Lancaster, of North Carolina, to be an Assistant Secretary of the Army.

The above nominations were approved to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

The following-named officer for appointment as Vice Chairman of the Joint Chiefs of Staff and reappointment to the grade of general under the provisions of Title 10, United States Code, Section 154:

VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF

To be general

GEN. JOSEPH W. RALSTON [redacted] U.S. AIR FORCE.

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. MARCUS A. ANDERSON, [redacted] U.S. AIR FORCE.

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE, TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 8373, 8374, 12201 AND 12212:

To be major general

BRIG. GEN. WILLIAM A. HENDERSON [redacted] AIR NATIONAL GUARD.

BRIG. GEN. TIMOTHY J. LOWENBERG [redacted] AIR NATIONAL GUARD.

BRIG. GEN. MELVYN S. MONTANO, [redacted] AIR NATIONAL GUARD.

BRIG. GEN. GUY S. TALLENT [redacted] AIR NATIONAL GUARD.

BRIG. GEN. LARRY R. WARREN [redacted] AIR NATIONAL GUARD.

To be brigadier general

COL. JAMES H. BAKER [redacted] AIR NATIONAL GUARD.

COL. JAMES H. BASSHAM [redacted] AIR NATIONAL GUARD.

COL. PAUL D. KNOX, [redacted] AIR NATIONAL GUARD.

COL. CARL A. LORENZEN [redacted] AIR NATIONAL GUARD.

COL. TERRY A. MAYNARD, [redacted] AIR NATIONAL GUARD.

COL. FRED L. MORTON [redacted] AIR NATIONAL GUARD.

COL. LORAN C. SCHNAIDT [redacted] AIR NATIONAL GUARD.

COL. BRUCE F. TUXILL [redacted] AIR NATIONAL GUARD.

IN THE NAVY

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST OF THE U.S. NAVY IN THE GRADE INDICATED UNDER SECTION 1370 OF TITLE 10, UNITED STATES CODE:

To be vice admiral

VICE ADM. RICHARD C. ALLEN [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. JOHN J. MAZACH [redacted]

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST OF THE U.S. NAVY IN THE GRADE INDICATED UNDER SECTION 1370 OF TITLE 10, UNITED STATES CODE.

To be admiral

ADM. WILLIAM A. OWENS [redacted]

IN THE AIR FORCE

Air Force nominations beginning Todd D. Bergman, and ending Scott J. Woollard, which nominations were received by the Senate and appeared in the Congressional Record on November 28, 1995.

Air Force nominations beginning Ruth T. Lim, and ending Barrett F. Schwartz, which nominations were received by the Senate and appeared in the Congressional Record on November 28, 1995.

Air Force nominations beginning James P. Aaron, and ending Karen C. Yamaguchi, which nominations were received by the Senate and appeared in the Congressional Record on November 28, 1995.

Air Force nominations beginning Carlos L. Acevedo, and ending Brian D. Zullo, which nominations were received by the Senate and appeared in the Congressional Record on November 28, 1995.

Air Force nominations beginning William C. Alford, and ending Linda S. Mitchell, which nominations were received by the Senate and appeared in the Congressional Record on December 4, 1995.

Air Force nominations beginning Rogelio F. Golle, and ending Michael L. Delorenzo, which nominations were received by the Senate and appeared in the Congressional Record on December 4, 1995.

Air Force nominations beginning Dwayne A. Alons, and ending Francis K. Manuel, which nominations were received by the Senate and appeared in the Congressional Record on December 18, 1995.

IN THE ARMY

Army nominations beginning David L. Abbott, and ending X2444, which nominations were received by the Senate and appeared in the Congressional Record on September 19, 1995.

Army nomination beginning Nelson L. Michael, which nomination was received by the Senate and appeared in the Congressional Record on November 28, 1995.

Army nominations beginning Robert L. Ackley, and ending Daniel V. Wright, which nominations were received by the Senate and appeared in the Congressional Record on November 28, 1995.

Army nomination beginning Paul A. Ostergaard, which nomination was received by the Senate and appeared in the Congressional Record on November 28, 1995.

Army nominations beginning Charles W. Baccus, and ending Donna M. Wright, which nominations were received by the Senate and appeared in the Congressional Record on November 28, 1995.

Army nominations beginning Mark E. Benz, and ending Steven R. Young, which nominations were received by the Senate and appeared in the Congressional Record on November 28, 1995.

Army nominations beginning Vincent B. Bogan, and ending Krista E. Murphy, which nominations were received by the Senate and appeared in the Congressional Record on November 28, 1995.

Army nominations beginning Alvin D. Aaron, and ending Craig L. Zimmerman, which nominations were received by the Senate and appeared in the Congressional Record on November 28, 1995.

Army nominations beginning James M. Baker, and ending William Hayes-Regan, which nominations were received by the Senate and appeared in the Congressional Record on December 18, 1995.

Army nominations beginning Michael C. Appe, and ending Janet M. Harrington, which nominations were received by the Senate and appeared in the Congressional Record on December 18, 1995.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now resume legislative session.

IMPACT AID PAYMENTS

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 1543, a bill relating to impact aid payments introduced earlier today by Senator KERREY, that the bill be read three times, passed, the motion to reconsider be laid upon the table; further, that any statements on this measure appear at the appropriate place in the RECORD as though read.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (S. 1543) was deemed read for a third time, and passed, as follows:

S. 1543

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TREATMENT OF IMPACT AID PAYMENTS.

(a) IN GENERAL.—The Secretary of Education shall treat any State as having met the requirements of section 5(d)(2)(A) of Public Law 81–874 for fiscal year 1991, and as not having met those requirements for each of the fiscal years 1992, 1993, and 1994, if—

(1) its program of State aid was not certified by the Secretary under section 5(d)(2)(C)(i) of Public Law 81–874 for any fiscal year before fiscal year 1991;

(2) the State submitted timely notice under that section of its intention to seek that certification;

(3) the Secretary determined that the State did not meet the requirements of section 5(d)(2)(A) of Public Law 81–874 for fiscal year 1991; and

(4) it has made a payment of each local educational agency in the State, other than any local educational agency that received a payment for fiscal year 1991 under section 3(d)(2)(B) of Public Law 81–874, whose State aid it reduced for the fiscal year, in the full amount of that reduction.

(b) REPAYMENT NOT REQUIRED.—Notwithstanding any other provision of law, any local educational agency in such a State that received funds under section 3(d)(2)(B) of Public Law 81–874 for fiscal year 1991 shall not, by virtue of subsection (a), be required to repay those funds to the Secretary.

LAWS RELATING TO NATIVE AMERICANS

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 2726, just received from the House.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2726) to make certain technical corrections in laws relating to Native Americans, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. McCAIN. Mr. President, I rise today to express my support for H.R. 2726, a bill to make technical amendments to various laws affecting native Americans and to urge its immediate adoption. This bill includes a number of provisions which have been considered and approved by this body in the first session of the 104th Congress. This legislation addresses a wide range of Indian issues. I am joined by a number of Senators who have sponsored provisions which were included in H.R. 2726. I will briefly describe the provisions of H.R. 2726. Section 1 of the bill makes technical corrections to section 9 of the Pokagon Potawatomi Restoration Act. These corrections would change the reference in section 9 from plural to singular. Section 2 of S. 325 makes technical corrections to the Odawa and Ottawa Restoration Act. This section corrects all of the references in section 9 by using the plural.

Section 3 of the bill corrects a citation in section 4 of the Indian Dams Safety Act of 1994. Section 4 of H.R. 2726 amends the Pascua Yaqui Indians Act to capitalize the words "Pascua Yaqui Tribe." Section 5 amends section 3(7) of the Indian Lands Open Dump Cleanup Act of 1994 to correct the citation to the Solid Waste Disposal Act. Section 6 of the bill amends the American Indian Trust Fund Management Reform Act of 1994 to correct a reference in section 303(c) of the act and to correct a typographical error in section 306 of the act. Section 7 of the bill corrects a reference in section 102 of the Indian Self-Determination Contract Reform Act of 1994. Section 8 of the bill corrects certain references in sections 203 and 206 of the Auburn Indian Restoration Act. Section 9 of the bill amends the Crow Boundary Settlement Act of 1994 corrects several references in sections 5, 9, and 10 of the act. Section 10 of H.R. 2726 corrects a typographical error in section 205 of the Tlingit and Haida Status Clarification Act. Section 11 of the bill amends section 103 of the Native American Languages Act to correct several citations in the section. Section 12 of the bill amends section 5 of the Ponca Restoration Act to modify the service area of the Ponca Indian Tribe to include Indians living in Sarpy, Burt, Platte, Stanton, Hall, Holt, and Wayne Counties in Nebraska and Indians living in Woodbury and Pottawattomie Counties in Iowa. It has been estimated that there are 110 Ponca tribal members living in these counties who are not currently eligible to receive services from the tribe. This amendment to the Ponca Restoration Act would make these members eligible for tribal services from the Ponca Tribe. I would like to recognize the leadership of the delegation from Nebraska, Senators EXON and Kerrey who brought this provision to my attention and urged its inclusion in the legislation.

Section 13 of the bill provides for the revocation of the charter of incorporation of the Minnesota Chippewa Tribe under the Indian Reorganization Act. The Minnesota Chippewa Tribe has requested the Congress to accept their surrender of the Corporate Charter of the Minnesota Chippewa. By its own terms, this charter can only be revoked by act of Congress. This provision would revoke the charter. Section 14 of the bill amends section 5(6) of the Advisory Council on California Indian Policy Act of 1992 to extend the term of the Advisory Council on California Indian Policy from 18 to 36 months in order to allow them to complete their study of issues affecting California Indian tribes.

Section 15 of the bill amends section 401 of the Public law 100–581, to provide the authority to the Army Corps of Engineers to provide funding for the operation and maintenance of in lieu fishing access sites on the Columbia River Public Law 100–581 was enacted in 1988 to authorize the U.S. Army Corps of Engineers to develop 32 Indian fishing access sites along the Columbia River for the Warm Springs, Yakima, Umatilla, and Nez Perce tribes. These fishing sites were intended to compensate these Indian tribes for fishing sites which were lost due to the construction of several dams by the Army Corps of Engineers. In a June 25, 1995 memorandum of understanding between the Army Corps of Engineers and the Department of the Interior agreed to a lump sum payment of funds to provide for the operation and maintenance of such sites. I would like to express my appreciation to the Senator from Oregon [Mr. HATFIELD] for his leadership in advancing this provision. I have worked closely with him in ensuring that this provision is clarified and provides the necessary authority to ensure that these sites are adequately maintained. Section 16 of the bill provides authority to the Ponca Indian Tribe of Nebraska to utilize funds provided in prior fiscal years to acquire, develop, and maintain a transitional living facility for Indian adolescents. Sections 1 through 16 of this bill have been considered and passed by the full Senate in the last session of the Congress.

H.R. 2726 includes three additional technical amendments which have not been considered by this body but which are not controversial and represent purely technical changes and corrections to provisions of affecting native Americans. I have reviewed these provisions and I support them. First such provision is in section 17 of the bill, which provides that authority to the Mescalero Apache Tribe to authorize the Secretary of the Interior to reprogram judgment funds awarded to the tribe pursuant to Docket Nos. 22–G, 30, 48, 30–A, and 48–A of the Indian Claims Commission. This provision will provide the authority necessary for the Mescalero Apache Tribe to modify their judgment fund distribution plan to utilize these funds pursuant to their current tribal priorities. Section 18 of the bill authorizes the Lac View Desert Bank of Lake Superior Chippewa Indians to amend their tribal membership roll to enroll individuals who meet the tribal eligibility criteria for inclusion in the tribal rolls. This provision does not alter the criteria for tribal membership including the tribe's blood quantum requirements but merely opens the tribal rolls to individuals who were not previously enrolled. Section 19 of the bill amends section 403 of the Indian Self-Determination and Education Assistance Act by adding a new subsection that authorizes Indian tribes to include any or all the provisions of title I of the act in an agreement entered into under title III or IV of the act. This provision authorizes Indian tribes to include any provision under title I of the act relating to self-determination contracts in a self-governance compact entered into with the Department of the Interior or with the Indian Health Service.

Finally, I would like to express my appreciation for the work of the many Senators who worked on the development of many of these amendments and I urge my colleagues to support passage of H.R. 2726.

Mr. DOLE. Mr. President, I ask unanimous consent the bill be deemed read for the third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 2726) was deemed read the third time and passed.

FRANCIS J. HAGEL FEDERAL BUILDING

Mr. DOLE. Mr. President, I ask unanimous consent that the Environment and Public Works Committee be discharged from further consideration of H.R. 2111, designating the Francis Hagel Federal Building in Richmond, CA, and that the Senate then proceed to its immediate consideration; that the bill be read three times, passed, and the motion to reconsider be laid upon the table, with the above occurring without intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 2111) was deemed read for a third time and passed.

FARM CREDIT SYSTEM REGULATORY RELIEF ACT OF 1995

Mr. DOLE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 2029, a bill to amend the Farm Credit Act of 1971 to provide regulatory relief.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendments of the Senate to the bill (H.R. 2029) entitled "An Act to amend the Farm Credit Act of 1971 to provide regulatory relief, and for other purposes", with the following amendment:

In lieu of the matter inserted by the Senate amendment to the text of the bill, insert:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Farm Credit System Reform Act of 1996".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—AGRICULTURAL MORTGAGE SECONDARY MARKET

Sec. 101. Definition of real estate.
Sec. 102. Definition of certified facility.
Sec. 103. Duties of Federal Agricultural Mortgage Corporation.
Sec. 104. Powers of the Corporation.
Sec. 105. Federal reserve banks as depositaries and fiscal agents.
Sec. 106. Certification of agricultural mortgage marketing facilities.
Sec. 107. Guarantee of qualified loans.
Sec. 108. Mandatory reserves and subordinated participation interests eliminated.
Sec. 109. Standards requiring diversified pools.
Sec. 110. Small farms.
Sec. 111. Definition of an affiliate.
Sec. 112. State usury laws superseded.
Sec. 113. Extension of capital transition period.
Sec. 114. Minimum capital level.
Sec. 115. Critical capital level.
Sec. 116. Enforcement levels.
Sec. 117. Recapitalization of the Corporation.
Sec. 118. Liquidation of the Federal Agricultural Mortgage Corporation.

TITLE II—REGULATORY RELIEF

Sec. 201. Compensation of association personnel.
Sec. 202. Use of private mortgage insurance.
Sec. 203. Removal of certain borrower reporting requirement.
Sec. 204. Reform of regulatory limitations on dividend, member business, and voting practices of eligible farmer-owned cooperatives.
Sec. 205. Removal of Federal Government certification requirement for certain private sector financings.
Sec. 206. Borrower stock.
Sec. 207. Disclosure relating to adjustable rate loans.
Sec. 208. Borrowers' rights.
Sec. 209. Formation of administrative service entities.
Sec. 210. Joint management agreements.
Sec. 211. Dissemination of quarterly reports.
Sec. 212. Regulatory review.
Sec. 213. Examination of farm credit system institutions.
Sec. 214. Conservatorships and receiverships.
Sec. 215. Farm Credit Insurance Fund operations.
Sec. 216. Examinations by the Farm Credit System Insurance Corporation.
Sec. 217. Powers with respect to troubled insured System banks.
Sec. 218. Oversight and regulatory actions by the Farm Credit System Insurance Corporation.
Sec. 219. Farm Credit System Insurance Corporation board of directors.
Sec. 220. Interest rate reduction program.
Sec. 221. Liability for making criminal referrals.

TITLE III—IMPLEMENTATION AND EFFECTIVE DATE

Sec. 301. Implementation.
Sec. 302. Effective date.

TITLE I—AGRICULTURAL MORTGAGE SECONDARY MARKET

SEC. 101. DEFINITION OF REAL ESTATE.

Section 8.0(1)(B)(ii) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(1)(B)(ii)) is amended by striking "with a purchase price" and inserting ", excluding the land to which the dwelling is affixed, with a value".

SEC. 102. DEFINITION OF CERTIFIED FACILITY.

Section 8.0(3) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(3)) is amended—

(1) in subparagraph (A), by striking "a secondary marketing agricultural loan" and inserting "an agricultural mortgage marketing"; and

(2) in subparagraph (B), by striking ", but only" and all that follows through "(9)(B)".

SEC. 103. DUTIES OF FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Section 8.1(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–1(b)) is amended—

(1) in paragraph (2), by striking "and" at the end;

(2) in paragraph (3), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(4) purchase qualified loans and issue securities representing interests in, or obligations backed by, the qualified loans, guaranteed for the timely repayment of principal and interest.".

SEC. 104. POWERS OF THE CORPORATION.

Section 8.3(c) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–3(c)) is amended—

(1) by redesignating paragraphs (13) and (14) as paragraphs (14) and (15), respectively; and

(2) by inserting after paragraph (12) the following:

"(13) To purchase, hold, sell, or assign a qualified loan, to issue a guaranteed security, representing an interest in, or an obligation backed by, the qualified loan, and to perform all the functions and responsibilities of an agricultural mortgage marketing facility operating as a certified facility under this title.".

SEC. 105. FEDERAL RESERVE BANKS AS DEPOSITARIES AND FISCAL AGENTS.

Section 8.3 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–3) is amended—

(1) in subsection (d), by striking "may act as depositories for, or" and inserting "shall act as depositories for, and"; and

(2) in subsection (e), by striking "Secretary of the Treasury may authorize the Corporation to use" and inserting "Corporation shall have access to".

SEC. 106. CERTIFICATION OF AGRICULTURAL MORTGAGE MARKETING FACILITIES.

Section 8.5 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–5) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by inserting "(other than the Corporation)" after "agricultural mortgage marketing facilities"; and

(B) in paragraph (2), by inserting "(other than the Corporation)" after "agricultural mortgage marketing facility"; and

(2) in subsection (e)(1), by striking "(other than the Corporation)".

SEC. 107. GUARANTEE OF QUALIFIED LOANS.

Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6) is amended—

(1) in subsection (a)(1)—

(A) by striking "Corporation shall guarantee" and inserting the following: "Corporation—

"(A) shall guarantee";

(B) by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(B) may issue a security, guaranteed as to the timely payment of principal and interest, that represents an interest solely in, or an obligation fully backed by, a pool consisting of qualified loans that—

"(i) meet the standards established under section 8.8; and

"(ii) have been purchased and held by the Corporation.";

(2) in subsection (d)—

(A) by striking paragraph (4); and

(B) by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively; and

(3) in subsection (g)(2), by striking "section 8.0(9)(B))" and inserting "section 8.0(9))".

SEC. 108. MANDATORY RESERVES AND SUBORDINATED PARTICIPATION INTERESTS ELIMINATED.

(a) GUARANTEE OF QUALIFIED LOANS.—Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6) is amended by striking subsection (b).

(b) RESERVES AND SUBORDINATED PARTICIPATION INTERESTS.—Section 8.7 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–7) is repealed.

(c) CONFORMING AMENDMENTS.—

(1) Section 8.0(9)(B)(i) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(9)(B)(i)) is amended by striking "8.7, 8.8," and inserting "8.8".

(2) Section 8.6(a)(2) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6(a)(2)) is amended by striking "subject to the provisions of subsection (b)".

SEC. 109. STANDARDS REQUIRING DIVERSIFIED POOLS.

(a) IN GENERAL.—Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6) (as amended by section 108) is amended—

(1) by striking subsection (c); and

(2) by redesignating subsections (d) through (g) as subsections (b) through (e), respectively.

(b) CONFORMING AMENDMENTS.—

(1) Section 8.0(9)(B)(i) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(9)(B)(i)) is amended by striking "(f)" and inserting "(d)".

(2) Section 8.13(a) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–13(a)) is amended by striking "sections 8.6(b) and" in each place it appears and inserting "section".

(3) Section 8.32(b)(1)(C) of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–1(b)(1)(C)) is amended—

(A) by striking "shall" and inserting "may"; and

(B) by inserting "(as in effect before the date of the enactment of the Farm Credit System Reform Act of 1996)" before the semicolon.

(4) Section 8.6(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6(b)) (as redesignated by subsection (a)(2)) is amended—

(A) by striking paragraph (4) (as redesignated by section 107(2)(B)); and

(B) by redesignating paragraphs (5) and (6) (as redesignated by section 107(2)(B)) as paragraphs (4) and (5), respectively.

SEC. 110. SMALL FARMS.

Section 8.8(e) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–8(e)) is amended by adding at the end the following: "The Board shall promote and encourage the inclusion of qualified loans for small farms and family farmers in the agricultural mortgage secondary market.".

SEC. 111. DEFINITION OF AN AFFILIATE.

Section 8.11(e) of the Farm Credit Act of 1971 (21 U.S.C. 2279aa–11(e)) is amended—

(1) by striking "a certified facility or"; and

(2) by striking "paragraphs (3) and (7), respectively, of section 8.0" and inserting "section 8.0(7)".

SEC. 112. STATE USURY LAWS SUPERSEDED.

Section 8.12 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–12) is amended by striking subsection (d) and inserting the following:

"(d) STATE USURY LAWS SUPERSEDED.—A provision of the Constitution or law of any

State shall not apply to an agricultural loan made by an originator or a certified facility in accordance with this title for sale to the Corporation or to a certified facility for inclusion in a pool for which the Corporation has provided, or has committed to provide, a guarantee, if the loan, not later than 180 days after the date the loan was made, is sold to the Corporation or included in a pool for which the Corporation has provided a guarantee, if the provision—

"(1) limits the rate or amount of interest, discount points, finance charges, or other charges that may be charged, taken, received, or reserved by an agricultural lender or a certified facility; or

"(2) limits or prohibits a prepayment penalty (either fixed or declining), yield maintenance, or make-whole payment that may be charged, taken, or received by an agricultural lender or a certified facility in connection with the full or partial payment of the principal amount due on a loan by a borrower in advance of the scheduled date for the payment under the terms of the loan, otherwise known as a prepayment of the loan principal.".

SEC. 113. EXTENSION OF CAPITAL TRANSITION PERIOD.

Section 8.32 of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–1) is amended—

(1) in the first sentence of subsection (a), by striking "Not later than the expiration of the 2-year period beginning on December 13, 1991," and inserting "Not sooner than the expiration of the 3-year period beginning on the date of enactment of the Farm Credit System Reform Act of 1996,";

(2) in the first sentence of subsection (b)(2), by striking "5-year" and inserting "8-year"; and

(3) in subsection (d)—

(A) in the first sentence—

(i) by striking "The regulations establishing" and inserting the following:

"(1) IN GENERAL.—The regulations establishing"; and

(ii) by striking "shall contain" and inserting the following: "shall—

"(A) be issued by the Director for public comment in the form of a notice of proposed rulemaking, to be first published after the expiration of the period referred to in subsection (a); and

"(B) contain"; and

(B) in the second sentence, by striking "The regulations shall" and inserting the following:

"(2) SPECIFICITY.—The regulations referred to in paragraph (1) shall".

SEC. 114. MINIMUM CAPITAL LEVEL.

Section 8.33 of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–2) is amended to read as follows:

"SEC. 8.33. MINIMUM CAPITAL LEVEL.

"(a) IN GENERAL.—Except as provided in subsection (b), for purposes of this subtitle, the minimum capital level for the Corporation shall be an amount of core capital equal to the sum of—

"(1) 2.75 percent of the aggregate on-balance sheet assets of the Corporation, as determined in accordance with generally accepted accounting principles; and

"(2) 0.75 percent of the aggregate off-balance sheet obligations of the Corporation, which, for the purposes of this subtitle, shall include—

"(A) the unpaid principal balance of outstanding securities that are guaranteed by the Corporation and backed by pools of qualified loans;

"(B) instruments that are issued or guaranteed by the Corporation and are substantially equivalent to instruments described in subparagraph (A); and

"(C) other off-balance sheet obligations of the Corporation.

"(b) TRANSITION PERIOD.—

"(1) IN GENERAL.—For purposes of this subtitle, the minimum capital level for the Corporation—

"(A) prior to January 1, 1997, shall be the amount of core capital equal to the sum of—

"(i) 0.45 percent of aggregate off-balance sheet obligations of the Corporation;

"(ii) 0.45 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and

"(iii) 2.50 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2);

"(B) during the 1-year period ending December 31, 1997, shall be the amount of core capital equal to the sum of—

"(i) 0.55 percent of aggregate off-balance sheet obligations of the Corporation;

"(ii) 1.20 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and

"(iii) 2.55 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2);

"(C) during the 1-year period ending December 31, 1998, shall be the amount of core capital equal to—

"(i) if the Corporation's core capital is not less than $25,000,000 on January 1, 1998, the sum of—

"(I) 0.65 percent of aggregate off-balance sheet obligations of the Corporation;

"(II) 1.95 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and

"(III) 2.65 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2); or

"(ii) if the Corporation's core capital is less than $25,000,000 on January 1, 1998, the amount determined under subsection (a); and

"(D) on and after January 1, 1999, shall be the amount determined under subsection (a).

"(2) DESIGNATED ON-BALANCE SHEET ASSETS.—For purposes of this subsection, the designated on-balance sheet assets of the Corporation shall be—

"(A) the aggregate on-balance sheet assets of the Corporation acquired under section 8.6(e); and

"(B) the aggregate amount of qualified loans purchased and held by the Corporation under section 8.3(c)(13).".

SEC. 115. CRITICAL CAPITAL LEVEL.

Section 8.34 of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–3) is amended to read as follows:

"SEC. 8.34. CRITICAL CAPITAL LEVEL.

"For purposes of this subtitle, the critical capital level for the Corporation shall be an amount of core capital equal to 50 percent of the total minimum capital amount determined under section 8.33.".

SEC. 116. ENFORCEMENT LEVELS.

Section 8.35(e) of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–4(e)) is amended by striking "during the 30-month period beginning on the date of the enactment of this section," and inserting "during the period beginning on December 13, 1991, and ending on the effective date of the risk based capital regulation issued by the Director under section 8.32,".

SEC. 117. RECAPITALIZATION OF THE CORPORATION.

Title VIII of the Farm Credit Act of 1971 (12 U.S.C. 2279aa et seq.) is amended by adding at the end the following:

"SEC. 8.38. RECAPITALIZATION OF THE CORPORATION.

"(a) MANDATORY RECAPITALIZATION.—The Corporation shall increase the core capital of the Corporation to an amount equal to or greater than $25,000,000, not later than the earlier of—

"(1) the date that is 2 years after the date of enactment of this section; or

"(2) the date that is 180 days after the end of the first calendar quarter that the aggregate on-balance sheet assets of the Corporation, plus the outstanding principal of the off-balance sheet obligations of the Corporation, equal or exceed $2,000,000,000.

"(b) RAISING CORE CAPITAL.—In carrying out this section, the Corporation may issue stock under section 8.4 and otherwise employ any recognized and legitimate means of raising core capital in the power of the Corporation under section 8.3.

"(c) LIMITATION ON GROWTH OF TOTAL ASSETS.—During the 2-year period beginning on the date of enactment of this section, the aggregate on-balance sheet assets of the Corporation plus the outstanding principal of the off-balance sheet obligations of the Corporation may not exceed $3,000,000,000 if the core capital of the Corporation is less than $25,000,000.

"(d) ENFORCEMENT.—If the Corporation fails to carry out subsection (a) by the date required under paragraph (1) or (2) of subsection (a), the Corporation may not purchase a new qualified loan or issue or guarantee a new loan-backed security until the core capital of the Corporation is increased to an amount equal to or greater than $25,000,000.".

SEC. 118. LIQUIDATION OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Title VIII of the Farm Credit Act of 1971 (12 U.S.C. 2279aa et seq.) (as amended by section 117) is amended by adding at the end the following:

"Subtitle C—Receivership, Conservatorship, and Liquidation of the Federal Agricultural Mortgage Corporation

"SEC. 8.41. CONSERVATORSHIP; LIQUIDATION; RECEIVERSHIP.

"(a) VOLUNTARY LIQUIDATION.—The Corporation may voluntarily liquidate only with the consent of, and in accordance with a plan of liquidation approved by, the Farm Credit Administration Board.

"(b) INVOLUNTARY LIQUIDATION.—

"(1) IN GENERAL.—The Farm Credit Administration Board may appoint a conservator or receiver for the Corporation under the circumstances specified in section 4.12(b).

"(2) APPLICATION.—In applying section 4.12(b) to the Corporation under paragraph (1)—

"(A) the Corporation shall also be considered insolvent if the Corporation is unable to pay its debts as they fall due in the ordinary course of business;

"(B) a conservator may also be appointed for the Corporation if the authority of the Corporation to purchase qualified loans or issue or guarantee loan-backed securities is suspended; and

"(C) a receiver may also be appointed for the Corporation if—

"(i)(I) the authority of the Corporation to purchase qualified loans or issue or guarantee loan-backed securities is suspended; or

"(II) the Corporation is classified under section 8.35 as within level III or IV and the alternative actions available under subtitle B are not satisfactory; and

"(ii) the Farm Credit Administration determines that the appointment of a conservator would not be appropriate.

"(3) NO EFFECT ON SUPERVISORY ACTIONS.—The grounds for appointment of a conservator for the Corporation under this subsection shall be in addition to those in section 8.37.

"(c) APPOINTMENT OF CONSERVATOR OR RECEIVER.—

"(1) QUALIFICATIONS.—Notwithstanding section 4.12(b), if a conservator or receiver is appointed for the Corporation, the conservator or receiver shall be—

"(A) the Farm Credit Administration or any other governmental entity or employee, including the Farm Credit System Insurance Corporation; or

"(B) any person that—

"(i) has no claim against, or financial interest in, the Corporation or other basis for a conflict of interest as the conservator or receiver; and

"(ii) has the financial and management expertise necessary to direct the operations and affairs of the Corporation and, if necessary, to liquidate the Corporation.

"(2) COMPENSATION.—

"(A) IN GENERAL.—A conservator or receiver for the Corporation and professional personnel (other than a Federal employee) employed to represent or assist the conservator or receiver may be compensated for activities conducted as, or for, a conservator or receiver.

"(B) LIMIT ON COMPENSATION.—Compensation may not be provided in amounts greater than the compensation paid to employees of the Federal Government for similar services, except that the Farm Credit Administration may provide for compensation at higher rates that are not in excess of rates prevailing in the private sector if the Farm Credit Administration determines that compensation at higher rates is necessary in order to recruit and retain competent personnel.

"(C) CONTRACTUAL ARRANGEMENTS.—The conservator or receiver may contract with any governmental entity, including the Farm Credit System Insurance Corporation, to make personnel, services, and facilities of the entity available to the conservator or receiver on such terms and compensation arrangements as shall be mutually agreed, and each entity may provide the same to the conservator or receiver.

"(3) EXPENSES.—A valid claim for expenses of the conservatorship or receivership (including compensation under paragraph (2)) and a valid claim with respect to a loan made under subsection (f) shall—

"(A) be paid by the conservator or receiver from funds of the Corporation before any other valid claim against the Corporation; and

"(B) may be secured by a lien, on such property of the Corporation as the conservator or receiver may determine, that shall have priority over any other lien.

"(4) LIABILITY.—If the conservator or receiver for the Corporation is not a Federal entity, or an officer or employee of the Federal Government, the conservator or receiver shall not be personally liable for damages in tort or otherwise for an act or omission performed pursuant to and in the course of the conservatorship or receivership, unless the act or omission constitutes gross negligence or any form of intentional tortious conduct or criminal conduct.

"(5) INDEMNIFICATION.—The Farm Credit Administration may allow indemnification of the conservator or receiver from the assets of the conservatorship or receivership on such terms as the Farm Credit Administration considers appropriate.

"(d) JUDICIAL REVIEW OF APPOINTMENT.—

"(1) IN GENERAL.—Notwithstanding subsection (i)(1), not later than 30 days after a conservator or receiver is appointed under subsection (b), the Corporation may bring an action in the United States District Court for the District of Columbia for an order requiring the Farm Credit Administration Board to remove the conservator or receiver. The court shall, on the merits, dismiss the action or direct the Farm Credit Administration Board to remove the conservator or receiver.

"(2) STAY OF OTHER ACTIONS.—On the commencement of an action under paragraph (1), any court having jurisdiction of any other action or enforcement proceeding authorized under this Act to which the Corporation is a party shall stay the action or proceeding during the pendency of the action for removal of the conservator or receiver.

"(e) GENERAL POWERS OF CONSERVATOR OR RECEIVER.—The conservator or receiver for the Corporation shall have such powers to conduct the conservatorship or receivership as shall be provided pursuant to regulations adopted by the Farm Credit Administration Board. Such powers shall be comparable to the powers available to a conservator or receiver appointed pursuant to section 4.12(b).

"(f) BORROWINGS FOR WORKING CAPITAL.—

"(1) IN GENERAL.—If the conservator or receiver of the Corporation determines that it is likely that there will be insufficient funds to pay the ongoing administrative expenses of the conservatorship or receivership or that there will be insufficient liquidity to fund maturing obligations of the conservatorship or receivership, the conservator or receiver may borrow funds in such amounts, from such sources, and at such rates of interest as the conservator or receiver considers necessary or appropriate to meet the administrative expenses or liquidity needs of the conservatorship or receivership.

"(2) WORKING CAPITAL FROM FARM CREDIT BANKS.—A Farm Credit bank may loan funds to the conservator or receiver for a loan authorized under paragraph (1) or, in the event of receivership, a Farm Credit bank may purchase assets of the Corporation.

"(g) AGREEMENTS AGAINST INTERESTS OF CONSERVATOR OR RECEIVER.—No agreement that tends to diminish or defeat the right, title, or interest of the conservator or receiver for the Corporation in any asset acquired by the conservator or receiver as conservator or receiver for the Corporation shall be valid against the conservator or receiver unless the agreement—

"(1) is in writing;

"(2) is executed by the Corporation and any person claiming an adverse interest under the agreement, including the obligor, contemporaneously with the acquisition of the asset by the Corporation;

"(3) is approved by the Board or an appropriate committee of the Board, which approval shall be reflected in the minutes of the Board or committee; and

"(4) has been, continuously, from the time of the agreement's execution, an official record of the Corporation.

"(h) REPORT TO THE CONGRESS.—On a determination by the receiver for the Corporation that there are insufficient assets of the receivership to pay all valid claims against the receivership, the receiver shall submit to the Secretary of the Treasury, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the financial condition of the receivership.

"(i) TERMINATION OF AUTHORITIES.—

"(1) CORPORATION.—The charter of the Corporation shall be canceled, and the authority provided to the Corporation by this title shall terminate, on such date as the Farm Credit Administration Board determines is appropriate following the placement of the Corporation in receivership, but not later than the conclusion of the receivership and discharge of the receiver.

"(2) OVERSIGHT.—The Office of Secondary Market Oversight established under section 8.11 shall be abolished, and section 8.11(a) and subtitle B shall have no force or effect, on such date as the Farm Credit Administration Board determines is appropriate following the placement of the Corporation in receivership, but not later than the conclusion of the receivership and discharge of the receiver.".

TITLE II—REGULATORY RELIEF

SEC. 201. COMPENSATION OF ASSOCIATION PERSONNEL.

Section 1.5(13) of the Farm Credit Act of 1971 (12 U.S.C. 2013(13)) is amended by striking ", and the appointment and compensation of the chief executive officer thereof,".

SEC. 202. USE OF PRIVATE MORTGAGE INSURANCE.

(a) IN GENERAL.—Section 1.10(a)(1) of the Farm Credit Act of 1971 (12 U.S.C. 2018(a)(1)) is amended by adding at the end the following:

"(D) PRIVATE MORTGAGE INSURANCE.—A loan on which private mortgage insurance is obtained may exceed 85 percent of the appraised value of the real estate security to the extent that the loan amount in excess of such 85 percent is covered by the insurance.".

(b) CONFORMING AMENDMENT.—Section 1.10(a)(1)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2018(a)(1)(A)) is amended by striking "paragraphs (2) and (3)" and inserting "subparagraphs (C) and (D)".

SEC. 203. REMOVAL OF CERTAIN BORROWER REPORTING REQUIREMENT.

Section 1.10(a) of the Farm Credit Act of 1971 (12 U.S.C. 2018(a)) is amended by striking paragraph (5).

SEC. 204. REFORM OF REGULATORY LIMITATIONS ON DIVIDEND, MEMBER BUSINESS, AND VOTING PRACTICES OF ELIGIBLE FARMER-OWNED COOPERATIVES.

(a) IN GENERAL.—Section 3.8(a) of the Farm Credit Act of 1971 (12 U.S.C. 2129(a)) is amended by adding at the end the following: "Any such association that has received a loan from a bank for cooperatives shall, without regard to the requirements of paragraphs (1) through (4), continue to be eligible for so long as more than 50 percent (or such higher percentage as is established by the bank board) of the voting control of the association is held by farmers, producers or harvesters of aquatic products, or eligible cooperative associations.".

(b) CONFORMING AMENDMENT.—Section 3.8(b)(1)(D) of the Farm Credit Act of 1971 (12 U.S.C. 2129(b)(1)(D)) is amended by striking "and (4) of subsection (a)" and inserting "and (4), or under the last sentence, of subsection (a)".

SEC. 205. REMOVAL OF FEDERAL GOVERNMENT CERTIFICATION REQUIREMENT FOR CERTAIN PRIVATE SECTOR FINANCINGS.

Section 3.8(b)(1)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2129(b)(1)(A)) is amended—

(1) by striking "have been certified by the Administrator of the Rural Electrification Administration to be eligible for such" and inserting "are eligible under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) for"; and

(2) by striking "loan guarantee, and" and inserting "loan guarantee from the Administration or the Bank (or a successor of the Administration or the Bank), and".

SEC. 206. BORROWER STOCK.

Section 4.3A of the Farm Credit Act of 1971 (12 U.S.C. 2154a) is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

(2) by inserting after subsection (e) the following:

"(f) LOANS DESIGNATED FOR SALE OR SOLD INTO THE SECONDARY MARKET.—

"(1) IN GENERAL.—Subject to paragraph (2) and notwithstanding any other provision of this section, the bylaws adopted by a bank or association under subsection (b) may provide—

"(A) in the case of a loan made on or after the date of enactment of this paragraph that is designated, at the time the loan is made, for sale into a secondary market, that no voting stock or participation certificate purchase requirement shall apply to the borrower for the loan; and

"(B) in the case of a loan made before the date of enactment of this paragraph that is sold into a secondary market, that all outstanding voting stock or participation certificates held by the borrower with respect to the loan shall, subject to subsection (d)(1), be retired.

"(2) APPLICABILITY.—Notwithstanding any other provision of this section, in the case of a loan sold to a secondary market under title VIII, paragraph (1) shall apply regardless of whether the bank or association retains a subordinated participation interest in a loan or pool of loans or contributes to a cash reserve.

"(3) EXCEPTION.—

"(A) IN GENERAL.—Subject to subparagraph (B) and notwithstanding any other provision of this section, if a loan designated for sale under paragraph (1)(A) is not sold into a secondary market during the 180-day period that begins on the date of the designation, the voting stock or participation certificate purchase requirement that would otherwise apply to the loan in the absence of a bylaw provision described in paragraph (1)(A) shall be effective.

"(B) RETIREMENT.—The bylaws adopted by a bank or association under subsection (b) may provide that if a loan described in subparagraph (A) is sold into a secondary market after the end of the 180-day period described in the subparagraph, all outstanding voting stock or participation certificates held by the borrower with respect to the loan shall, subject to subsection (d)(1), be retired.".

SEC. 207. DISCLOSURE RELATING TO ADJUSTABLE RATE LOANS.

Section 4.13(a)(4) of the Farm Credit Act of 1971 (12 U.S.C. 2199(a)(4)) is amended by inserting before the semicolon at the end the following: ", and notice to the borrower of a change in the interest rate applicable to the loan of the borrower may be made within a reasonable time after the effective date of an increase or decrease in the interest rate".

SEC. 208. BORROWERS' RIGHTS.

(a) DEFINITION OF LOAN.—Section 4.14A(a)(5) of the Farm Credit Act of 1971 (12 U.S.C. 2202a(a)(5)) is amended—

(1) by striking "(5) LOAN.—The" and inserting the following:

"(5) LOAN.—

"(A) IN GENERAL.—Subject to subparagraph (B), the"; and

(2) by adding at the end the following:

"(B) EXCLUSION FOR LOANS DESIGNATED FOR SALE INTO SECONDARY MARKET.—

"(i) IN GENERAL.—Except as provided in clause (ii), the term 'loan' does not include a loan made on or after the date of enactment of this subparagraph that is designated, at the time the loan is made, for sale into a secondary market.

"(ii) UNSOLD LOANS.—

"(I) IN GENERAL.—Except as provided in subclause (II), if a loan designated for sale under clause (i) is not sold into a secondary market during the 180-day period that begins on the date of the designation, the provisions of this section and sections 4.14, 4.14B, 4.14C, 4.14D, and 4.36 that would otherwise apply to the loan in the absence of the exclusion described in clause (i) shall become effective with respect to the loan.

"(II) LATER SALE.—If a loan described in subclause (I) is sold into a secondary market after the end of the 180-day period described in subclause (I), subclause (I) shall not apply with respect to the loan beginning on the date of the sale.".

(b) BORROWERS' RIGHTS FOR POOLED LOANS.—The first sentence of section 8.9(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-9(b)) is amended by inserting "(as defined in section 4.14A(a)(5))" after "application for a loan".

SEC. 209. FORMATION OF ADMINISTRATIVE SERVICE ENTITIES.

Part E of title IV of the Farm Credit Act of 1971 is amended by inserting after section 4.28 (12 U.S.C. 2214) the following:

"SEC. 4.28A. DEFINITION OF BANK.

"In this part, the term 'bank' includes each association operating under title II.".

SEC. 210. JOINT MANAGEMENT AGREEMENTS.

The first sentence of section 5.17(a)(2)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2252(a)(2)(A)) is amended by striking "or management agreements".

SEC. 211. DISSEMINATION OF QUARTERLY REPORTS.

Section 5.17(a)(8) of the Farm Credit Act of 1971 (12 U.S.C. 2252(a)(8)) is amended by inserting after "except that" the following: "the requirements of the Farm Credit Administration governing the dissemination to stockholders of quarterly reports of System institutions may not be more burdensome or costly than the requirements applicable to national banks, and".

SEC. 212. REGULATORY REVIEW.

(a) FINDINGS.—Congress finds that—

(1) the Farm Credit Administration, in the role of the Administration as an arms-length safety and soundness regulator, has made considerable progress in reducing the regulatory burden on Farm Credit System institutions;

(2) the efforts of the Farm Credit Administration described in paragraph (1) have resulted in cost savings for Farm Credit System institutions; and

(3) the cost savings described in paragraph (2) ultimately benefit the farmers, ranchers, agricultural cooperatives, and rural residents of the United States.

(b) CONTINUATION OF REGULATORY REVIEW.—The Farm Credit Administration shall continue the comprehensive review of regulations governing the Farm Credit System to identify and eliminate, consistent with law, safety, and soundness, all regulations that are unnecessary, unduly burdensome or costly, or not based on law.

SEC. 213. EXAMINATION OF FARM CREDIT SYSTEM INSTITUTIONS.

The first sentence of section 5.19(a) of the Farm Credit Act of 1971 (12 U.S.C. 2254(a)) is amended by striking "each year" and inserting "during each 18-month period".

SEC. 214. CONSERVATORSHIPS AND RECEIVERSHIPS.

(a) DEFINITIONS.—Section 5.51 of the Farm Credit Act of 1971 (12 U.S.C. 2277a) is amended—

(1) by striking paragraph (5); and

(2) by redesignating paragraph (6) as paragraph (5).

(b) GENERAL CORPORATE POWERS.—Section 5.58 of the Farm Credit Act of 1971 (12 U.S.C. 2277a-7) is amended by striking paragraph (9) and inserting the following:

"(9) CONSERVATOR OR RECEIVER.—The Corporation may act as a conservator or receiver.".

SEC. 215. FARM CREDIT INSURANCE FUND OPERATIONS.

(a) ADJUSTMENT OF PREMIUMS.—

(1) IN GENERAL.—Section 5.55(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a-4(a)) is amended—

(A) in paragraph (1), by striking "Until the aggregate of amounts in the Farm Credit Insurance Fund exceeds the secure base amount, the annual premium due from any insured System bank for any calendar year" and inserting the following: "If at the end of any calendar year the aggregate of amounts in the Farm Credit Insurance Fund does not exceed the secure base amount, subject to paragraph (2), the annual premium due from any insured System bank for the calendar year";

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following:

"(2) REDUCED PREMIUMS.—The Corporation, in the sole discretion of the Corporation, may reduce by a percentage uniformly applied to all insured System banks the annual premium due from each insured System bank during any calendar year, as determined under paragraph (1).".

(2) CONFORMING AMENDMENTS.—

(A) Section 5.55(b) of the Farm Credit Act of 1971 (12 U.S.C. 2277a-4(b)) is amended—

(i) by striking "Insurance Fund" each place it appears and inserting "Farm Credit Insurance Fund";

(ii) by striking "for the following calendar year"; and

(iii) by striking "subsection (a)" and inserting "subsection (a)(1)".

(B) Section 5.56(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a-5(a)) is amended by striking "section 5.55(a)(2)" each place it appears in paragraphs (2) and (3) and inserting "section 5.55(a)(3)".

(C) Section 1.12(b) (12 U.S.C. 2020(b)) is amended—

(i) in paragraph (1), by inserting "(as defined in section 5.55(a)(3))" after "government-guaranteed loans"; and

(ii) in paragraph (3), by inserting "(as so defined)" after "government-guaranteed loans" each place such term appears.

(b) ALLOCATION TO INSURED SYSTEM BANKS AND OTHER SYSTEM INSTITUTIONS OF EXCESS AMOUNTS IN THE FARM CREDIT INSURANCE FUND.—Section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a-4) is amended by adding at the end the following:

"(e) ALLOCATION TO SYSTEM INSTITUTIONS OF EXCESS RESERVES.—

"(1) ESTABLISHMENT OF ALLOCATED INSURANCE RESERVES ACCOUNTS.—There is hereby established in the Farm Credit Insurance Fund an Allocated Insurance Reserves Account—

"(A) for each insured System bank; and

"(B) subject to paragraph (6)(C), for all holders, in the aggregate, of Financial Assistance Corporation stock.

"(2) TREATMENT.—Amounts in any Allocated Insurance Reserves Account shall be considered to be part of the Farm Credit Insurance Fund.

"(3) ANNUAL ALLOCATIONS.—If, at the end of any calendar year, the aggregate of the amounts in the Farm Credit Insurance Fund exceeds the average secure base amount for the calendar year (as calculated on an average daily balance basis), the Corporation shall allocate to the Allocated Insurance Reserves Accounts the excess amount less the amount that the Corporation, in its sole discretion, determines to be the sum of the estimated operating expenses and estimated insurance obligations of the Corporation for the immediately succeeding calendar year.

"(4) ALLOCATION FORMULA.—From the total amount required to be allocated at the end of a calendar year under paragraph (3)—

"(A) 10 percent of the total amount shall be credited to the Allocated Insurance Reserves Account established under paragraph (1)(B), subject to paragraph (6)(C); and

"(B) there shall be credited to the Allocated Insurance Reserves Account of each insured System bank an amount that bears the same ratio to the total amount (less any amount credited under subparagraph (A)) as the average principal outstanding for the 3-year period ending on the end of the calendar year on loans made by the bank that are in accrual status bears to the average principal outstanding for the 3-year period ending on the end of the calendar year on loans made by all insured System banks that are in accrual status (excluding, in each case, the guaranteed portions of government-guaranteed loans described in subsection (a)(1)(C)).

"(5) USE OF FUNDS IN ALLOCATED INSURANCE RESERVES ACCOUNTS.—To the extent that the sum of the operating expenses of the Corporation and the insurance obligations of the Corporation for a calendar year exceeds the sum of operating expenses and insurance obligations determined under paragraph (3) for the calendar year, the Corporation shall cover the expenses and obligations by—

"(A) reducing each Allocated Insurance Reserves Account by the same proportion; and

"(B) expending the amounts obtained under subparagraph (A) before expending other amounts in the Fund.

"(6) OTHER DISPOSITION OF ACCOUNT FUNDS.—

"(A) IN GENERAL.—As soon as practicable during each calendar year beginning more than 8 years after the date on which the aggregate of the amounts in the Farm Credit Insurance Fund exceeds the secure base amount, but not earlier than January 1, 2005, the Corporation may—

"(i) subject to subparagraphs (D) and (F), pay to each insured System bank, in a manner determined by the Corporation, an amount equal to the lesser of—

"(I) 20 percent of the balance in the insured System bank's Allocated Insurance Reserves Account as of the preceding December 31; or

"(II) 20 percent of the balance in the bank's Allocated Insurance Reserves Account on the date of the payment; and

"(ii) subject to subparagraphs (C), (E), and (F), pay to each System bank and association holding Financial Assistance Corporation stock a proportionate share, determined by dividing the number of shares of Financial Assistance Corporation stock held by the institution by the total number of shares of Financial Assistance Corporation stock outstanding, of the lesser of—

"(I) 20 percent of the balance in the Allocated Insurance Reserves Account established under paragraph (1)(B) as of the preceding December 31; or

"(II) 20 percent of the balance in the Allocated Insurance Reserves Account established under paragraph (1)(B) on the date of the payment.

"(B) AUTHORITY TO ELIMINATE OR REDUCE PAYMENTS.—The Corporation may eliminate or reduce payments during a calendar year under subparagraph (A) if the Corporation determines, in its sole discretion, that the payments, or other circumstances that might require use of the Farm Credit Insurance Fund, could cause the amount in the Farm Credit Insurance Fund during the calendar year to be less than the secure base amount.

"(C) REIMBURSEMENT FOR FINANCIAL ASSISTANCE CORPORATION STOCK.—

"(i) SUFFICIENT FUNDING.—Notwithstanding paragraph (4)(A), on provision by the Corporation for the accumulation in the Account established under paragraph (1)(B) of funds in an amount equal to $56,000,000 (in addition to the amounts described in subparagraph (F)(ii)), the Corporation shall not allocate any further funds to the Account except to replenish the Account if funds are diminished below $56,000,000 by the Corporation under paragraph (5).

"(ii) WIND DOWN AND TERMINATION.—

"(I) FINAL DISBURSEMENTS.—On disbursement of $53,000,000 (in addition to the amounts described in subparagraph (F)(ii)) from the Allocated Insurance Reserves Account, the Corporation shall disburse the remaining amounts in the Account, as determined under subparagraph (A)(ii), without regard to the percentage limitations in subclauses (I) and (II) of subparagraph (A)(ii).

"(II) TERMINATION OF ACCOUNT.—On disbursement of $56,000,000 (in addition to the amounts described in subparagraph (F)(ii)) from the Allocated Insurance Reserves Account, the Corporation shall close the Account established under paragraph (1)(B) and transfer any remaining funds in the Account to the remaining Allocated Insurance Reserves Accounts in accordance with paragraph (4)(B) for the calendar year in which the transfer occurs.

"(D) DISTRIBUTION OF PAYMENTS RECEIVED.—Not later than 60 days after receipt of a payment made under subparagraph (A)(i), each insured System bank, in consultation with affiliated associations of the insured System bank, and taking into account the direct or indirect payment of insurance premiums by the associations, shall develop and implement an equitable plan to distribute payments received under subparagraph (A)(i) among the bank and associations of the bank.

"(E) EXCEPTION FOR PREVIOUSLY REIMBURSED ASSOCIATIONS.—For purposes of subparagraph (A)(ii), in any Farm Credit district in which the funding bank has reimbursed 1 or more affiliated associations of the bank for the previously unreimbursed portion of the Financial Assistance Corporation stock held by the associations, the funding bank shall be deemed to be the holder of the shares of Financial Assistance Corporation stock for which the funding bank has provided the reimbursement.

"(F) INITIAL PAYMENT.—Notwithstanding subparagraph (A), the initial payment made to each payee under subparagraph (A) shall be in such amount determined by the Corporation to be equal to the sum of—

"(i) the total of the amounts that would have been paid if payments under subparagraph (A) had been authorized to begin, under the same terms and conditions, in the first calendar year beginning more than 5 years after the date on which the aggregate of the amounts in the Farm Credit Insurance Fund exceeds the secure base amount, and to continue through the 2 immediately subsequent years;

"(ii) interest earned on any amounts that would have been paid as described in clause (i) from the date on which the payments would have been paid as described in clause (i); and

"(iii) the payment to be made in the initial year described in subparagraph (A), based on the amount in each Account after subtracting the amounts to be paid under clauses (i) and (ii)."

(c) TECHNICAL AMENDMENTS.—Section 5.55(d) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4(d)) is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking "subsections (a) and (c)" and inserting "subsections (a), (c), and (e)"; and

(B) by striking "a Farm Credit Bank" and inserting "an insured System bank"; and

(2) in paragraphs (1), (2), and (3), by striking "Farm Credit Bank" each place it appears and inserting "insured System bank".

SEC. 216. EXAMINATIONS BY THE FARM CREDIT SYSTEM INSURANCE CORPORATION.

Section 5.59(b)(1)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–8(b)(1)(A)) is amended by adding at the end the following: "Notwithstanding any other provision of this Act, on cancellation of the charter of a System institution, the Corporation shall have authority to examine the system institution in receivership. An examination shall be performed at such intervals as the Corporation shall determine.".

SEC. 217. POWERS WITH RESPECT TO TROUBLED INSURED SYSTEM BANKS.

(a) LEAST-COST RESOLUTION.—Section 5.61(a)(3) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–10(a)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (F); and

(2) by striking subparagraph (A) and inserting the following:

"(A) LEAST-COST RESOLUTION.—Assistance may not be provided to an insured System bank under this subsection unless the means of providing the assistance is the least costly means of providing the assistance by the Farm Credit Insurance Fund of all possible alternatives available to the Corporation, including liquidation of the bank (including paying the insured obligations issued on behalf of the bank). Before making a least-cost determination under this subparagraph, the Corporation shall accord such other insured System banks as the Corporation determines to be appropriate the opportunity to submit information relating to the determination.

"(B) DETERMINING LEAST COSTLY APPROACH.—In determining the least costly alternative under subparagraph (A), the Corporation shall—

"(i) evaluate alternatives on a present-value basis, using a reasonable discount rate;

"(ii) document the evaluation and the assumptions on which the evaluation is based; and

"(iii) retain the documentation for not less than 5 years.

"(C) TIME OF DETERMINATION.—

"(i) GENERAL RULE.—For purposes of this subsection, the determination of the costs of providing any assistance under any provision of this section with respect to any insured System bank shall be made as of the date on which the Corporation makes the determination to provide the assistance to the institution under this section.

"(ii) RULE FOR LIQUIDATIONS.—For purposes of this subsection, the determination of the costs of liquidation of any insured System bank shall be made as of the earliest of—

"(I) the date on which a conservator is appointed for the insured System bank;

"(II) the date on which a receiver is appointed for the insured System bank; or

"(III) the date on which the Corporation makes any determination to provide any assistance under this section with respect to the insured System bank.

"(D) RULE FOR STAND-ALONE ASSISTANCE.—Before providing any assistance under paragraph (1), the Corporation shall evaluate the adequacy of managerial resources of the insured System bank. The continued service of any director or senior ranking officer who serves in a policymaking role for the assisted insured System bank, as determined by the Corporation, shall be subject to approval by the Corporation as a condition of assistance.

"(E) DISCRETIONARY DETERMINATIONS.—Any determination that the Corporation makes under this paragraph shall be in the sole discretion of the Corporation.".

(b) CONFORMING AMENDMENTS.—Section 5.61(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–10(a)) is amended—

(1) in paragraph (1) by striking "IN GENERAL.—" and inserting "STAND-ALONE ASSISTANCE.—"; and

(2) in paragraph (2)—

(A) by striking "ENUMERATED POWERS.—" and inserting "FACILITATION OF MERGERS OR CONSOLIDATION.—"; and

(B) in subparagraph (A) by striking "FACILITATION OF MERGERS OR CONSOLIDATION.—" and inserting "IN GENERAL.—".

SEC. 218. OVERSIGHT AND REGULATORY ACTIONS BY THE FARM CREDIT SYSTEM INSURANCE CORPORATION.

The Farm Credit Act of 1971 is amended by inserting after section 5.61 (12 U.S.C. 2279a–10) the following:

"SEC. 5.61A. OVERSIGHT ACTIONS BY THE CORPORATION.

"(a) DEFINITIONS.—In this section, the term 'institution' means—

"(1) an insured System bank; and

"(2) a production credit association or other association making loans under section 7.6 with a direct loan payable to the funding bank of the association that comprises 20 percent or more of the funding bank's total loan volume net of nonaccrual loans.

"(b) CONSULTATION REGARDING PARTICIPATION OF UNDERCAPITALIZED BANKS IN ISSUANCE OF INSURED OBLIGATIONS.—The Farm Credit Administration shall consult with the Corporation prior to approving an insured obligation that is to be issued by or on behalf of, or participated in by, any insured System bank that fails to meet the minimum level for any capital requirement established by the Farm Credit Administration for the bank.

"(c) CONSULTATION REGARDING APPLICATIONS FOR MERGERS AND RESTRUCTURINGS.—

"(1) CORPORATION TO RECEIVE COPY OF TRANSACTION APPLICATIONS.—On receiving an application for a merger or restructuring of an institution, the Farm Credit Administration shall forward a copy of the application to the Corporation.

"(2) CONSULTATION REQUIRED.—If the proposed merger or restructuring involves an institution that fails to meet the minimum level for any capital requirement established by the Farm Credit Administration applicable to the institution, the Farm Credit Administration shall allow 30 days within which the Corporation may submit the views and recommendations of the Corporation, including any conditions for approval. In determining whether to approve or disapprove any proposed merger or restructuring, the Farm Credit Administration shall give due consideration to the views and recommendations of the Corporation.

"SEC. 5.61B. AUTHORITY TO REGULATE GOLDEN PARACHUTE AND INDEMNIFICATION PAYMENTS.

"(a) DEFINITIONS.—In this section:

"(1) GOLDEN PARACHUTE PAYMENT.—The term 'golden parachute payment'—

"(A) means a payment (or any agreement to make a payment) in the nature of compensation for the benefit of any institution-related party under an obligation of any Farm Credit System institution that—

"(i) is contingent on the termination of the party's relationship with the institution; and

"(ii) is received on or after the date on which—

"(I) the institution is insolvent;

"(II) a conservator or receiver is appointed for the institution;

"(III) the institution has been assigned by the Farm Credit Administration a composite CAMEL rating of 4 or 5 under the Farm Credit Administration Rating System, or an equivalent rating; or

"(IV) the Corporation otherwise determines that the institution is in a troubled condition (as defined in regulations issued by the Corporation); and

"(B) includes a payment that would be a golden parachute payment but for the fact that the payment was made before the date referred to in subparagraph (A)(ii) if the payment was made in contemplation of the occurrence of an event described in any subclause of subparagraph (A); but

"(C) does not include—

"(i) a payment made under a retirement plan that is qualified (or is intended to be qualified) under section 401 of the Internal Revenue Code of 1986 or other nondiscriminatory benefit plan;

"(ii) a payment made under a bona fide supplemental executive retirement plan, deferred compensation plan, or other arrangement that the Corporation determines, by regulation or order, to be permissible; or

"(iii) a payment made by reason of the death or disability of an institution-related party.

"(2) INDEMNIFICATION PAYMENT.—The term 'indemnification payment' means a payment (or any agreement to make a payment) by any Farm Credit System institution for the benefit of any person who is or was an institution-related party, to pay or reimburse the person for any liability or legal expense with regard to any administrative proceeding or civil action instituted by the Farm Credit Administration that results in a final order under which the person—

"(A) is assessed a civil money penalty; or

"(B) is removed or prohibited from participating in the conduct of the affairs of the institution.

"(3) INSTITUTION-RELATED PARTY.—The term 'institution-related party' means—

"(A) a director, officer, employee, or agent for a Farm Credit System institution or any conservator or receiver of such an institution;

"(B) a stockholder (other than another Farm Credit System institution), consultant, joint venture partner, or any other person determined by the Farm Credit Administration to be a participant in the conduct of the affairs of a Farm Credit System institution; and

"(C) an independent contractor (including any attorney, appraiser, or accountant) that knowingly or recklessly participates in any violation of any law or regulation, any breach of fiduciary duty, or any unsafe or unsound practice that caused or is likely to cause more than a minimal financial loss to, or a significant adverse effect on, the Farm Credit System institution.

"(4) LIABILITY OR LEGAL EXPENSE.—The term 'liability or legal expense' means—

"(A) a legal or other professional expense incurred in connection with any claim, proceeding, or action;

"(B) the amount of, and any cost incurred in connection with, any settlement of any claim, proceeding, or action; and

"(C) the amount of, and any cost incurred in connection with, any judgment or penalty imposed with respect to any claim, proceeding, or action.

"(5) PAYMENT.—The term 'payment' means—

"(A) a direct or indirect transfer of any funds or any asset; and

"(B) any segregation of any funds or assets for the purpose of making, or under an agreement to make, any payment after the date on which the funds or assets are segregated, without regard to whether the obligation to make the payment is contingent on—

"(i) the determination, after that date, of the liability for the payment of the amount; or

"(ii) the liquidation, after that date, of the amount of the payment.

"(b) PROHIBITION.—The Corporation may prohibit or limit, by regulation or order, any golden parachute payment or indemnification payment by a Farm Credit System institution (including any conservator or receiver of the Federal Agricultural Mortgage Corporation) in troubled condition (as defined in regulations issued by the Corporation).

"(c) FACTORS TO BE TAKEN INTO ACCOUNT.—The Corporation shall prescribe, by regulation, the factors to be considered by the Corporation in taking any action under subsection (b). The factors may include—

"(1) whether there is a reasonable basis to believe that an institution-related party has committed any fraudulent act or omission, breach of trust or fiduciary duty, or insider abuse with regard to the Farm Credit System institution involved that has had a material effect on the financial condition of the institution;

"(2) whether there is a reasonable basis to believe that the institution-related party is substantially responsible for the insolvency of the Farm Credit System institution, the appointment of a conservator or receiver for the institution, or the institution's troubled condition (as defined in regulations prescribed by the Corporation);

"(3) whether there is a reasonable basis to believe that the institution-related party has materially violated any applicable law or regulation that has had a material effect on the financial condition of the institution;

"(4) whether there is a reasonable basis to believe that the institution-related party has violated or conspired to violate—

"(A) section 215, 657, 1006, 1014, or 1344 of title 18, United States Code; or

"(B) section 1341 or 1343 of title 18, United States Code, affecting a Farm Credit System institution;

"(5) whether the institution-related party was in a position of managerial or fiduciary responsibility; and

"(6) the length of time that the party was related to the Farm Credit System institution and the degree to which—

"(A) the payment reasonably reflects compensation earned over the period of employment; and

"(B) the compensation represents a reasonable payment for services rendered.

"(d) CERTAIN PAYMENTS PROHIBITED.—No Farm Credit System institution may prepay the salary or any liability or legal expense of any institution-related party if the payment is made—

"(1) in contemplation of the insolvency of the institution or after the commission of an act of insolvency; and

"(2) with a view to, or with the result of—

"(A) preventing the proper application of the assets of the institution to creditors; or

"(B) preferring 1 creditor over another creditor.

"(e) RULE OF CONSTRUCTION.—Nothing in this section—

"(1) prohibits any Farm Credit System institution from purchasing any commercial insurance policy or fidelity bond, so long as the insurance policy or bond does not cover any legal or liability expense of an institution described in subsection (a)(2); or

"(2) limits the powers, functions, or responsibilities of the Farm Credit Administration.".

SEC. 219. FARM CREDIT SYSTEM INSURANCE CORPORATION BOARD OF DIRECTORS.

(a) IN GENERAL.—Section 5.53 of the Farm Credit Act of 1971 (12 U.S.C. 2277a-2) is amended to read as follows:

"SEC. 5.53. BOARD OF DIRECTORS.

"(a) ESTABLISHMENT.—The Corporation shall be managed by a Board of Directors that shall consist of the members of the Farm Credit Administration Board.

"(b) CHAIRMAN.—The Board of Directors shall be chaired by any Board member other than the Chairman of the Farm Credit Administration Board.".

(b) CONFORMING AMENDMENTS.—

(1) Section 5314 of title 5, United States Code, is amended by striking "Chairperson, Board of Directors of the Farm Credit System Insurance Corporation.".

(2) Section 5315 of title 5, United States Code, is amended by striking "Members, Board of Directors of the Farm Credit System Insurance Corporation.".

SEC. 220. INTEREST RATE REDUCTION PROGRAM.

Section 351(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999) is amended—

(A) by striking "SEC. 351. (a) The" and inserting the following:

"SEC. 351. INTEREST RATE REDUCTION PROGRAM.

"(a) ESTABLISHMENT OF PROGRAM.—

"(1) IN GENERAL.—The"; and

(B) by adding at the end the following:

"(2) TERMINATION OF AUTHORITY.—The authority provided by this subsection shall terminate on September 30, 2002.".

SEC. 221. LIABILITY FOR MAKING CRIMINAL REFERRALS.

(a) IN GENERAL.—Any institution of the Farm Credit System, or any director, officer, employee, or agent of a Farm Credit System institution, that discloses to a Government authority information proffered in good faith that may be relevant to a possible violation of any law or regulation shall not be liable to any person under any law of the United States or any State—

(1) for the disclosure; or

(2) for any failure to notify the person involved in the possible violation.

(b) NO PROHIBITION ON DISCLOSURE.—Any institution of the Farm Credit System, or any director, officer, employee, or agent of a Farm Credit System institution, may disclose information to a Government authority that may be relevant to a possible violation of any law or regulation.

TITLE III—IMPLEMENTATION AND EFFECTIVE DATE

SEC. 301. IMPLEMENTATION.

The Secretary of Agriculture and the Farm Credit Administration shall promulgate regulations and take other required actions to implement the provisions of this Act not later than 90 days after the effective date of this Act.

SEC. 302. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act shall become effective on the date of enactment.

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate concur in the amendment of the House to the Senate amendment and that any statements relating to the measure appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONVEYANCE OF THE WILLIAM LANGER JEWEL BEARING PLANT

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 1544, a bill to authorize the conveyance of the William Langer Jewel Bearing Plant to the Job Development Authority of the city of Rolla, ND, introduced earlier today by Senators DORGAN and CONRAD; that the bill be read three times, passed, and the motion to reconsider be laid upon the table, with the above occurring without intervening action or debate; and that any statements relating thereto be placed at the appropriate place in the RECORD as if read.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (S. 1544) was deemed read for a third time and passed, as follows:

S. 1544

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LAND CONVEYANCE, WILLIAM LANGER JEWEL BEARING PLANT, ROLLA, NORTH DAKOTA.

(a) AUTHORITY TO CONVEY.—The Administrator of General Services may convey, without consideration, to the Job Development Authority of the City of Rolla, North Dakota (in this section referred to as the "Authority"), all right, title, and interest of the United States in and to a parcel of real property, with improvements thereon, consisting of approximately 9.77 acres and comprising the William Langer Jewel Bearing Plant in Rolla, North Dakota.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the Authority—

(1) use the real property and improvements conveyed under that subsection for economic development relating to the jewel bearing plant;

(2) enter into an agreement with an appropriate public or private entity or person to lease such property and improvements to that entity or person for such economic development; or

(3) enter into an agreement with an appropriate public or private entity or person to sell such property and improvements to that entity or person for such economic development.

(c) PREFERENCE FOR DOMESTIC DISPOSAL OF JEWEL BEARINGS.—(1) In offering to enter into agreements pursuant to any provision of law for the disposal of jewel bearings from the National Defense Stockpile, the President shall give a right of first refusal on all such offers to the Authority or the appropriate public or private entity or person with which the Authority enters into an agreement under subsection (b).

(2) For the purposes of this subsection, the term "National Defense Stockpile" means the stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

(d) AVAILABILITY OF FUNDS FOR MAINTENANCE OF PLANT.—Notwithstanding any other provision of law, funds available in fiscal year 1995 for the maintenance of the William Langer Jewel Bearing Plant in Public Law 103-335 shall be available for the maintenance of that plant in fiscal year 1996 pending the conveyance of the plant under this section.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Administrator. The cost of such survey shall be borne by the Administrator.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Administrator may require such additional terms and conditions in connection with the conveyance under this section as the Administrator determines appropriate to protect the interests of the United States.

Mr. CONRAD. Mr. President, I rise in support of a bill that would authorize the conveyance of the William Langer Jewel Bearing Plant from the General Services Administration to the Job Development Authority of the city of Rolla, ND.

The facility provides substantial employment for an economically disadvantaged part of my State. Of the plant's 110 employees, about 60 percent are Native American. The Turtle Mountain Reservation, local businesses, and State officials are all working together to ensure the success of the Plant and its growth as a viable enterprise. Residents of Rolla have fully embraced the plan to transfer the plant over to the local Job Development Authority. Moreover, the Langer plant utilizes unique micromanufacturing technology that helped form a critical part of our defense industrial base and can be reapplied to the private sector. The plant's existing production of dosimeters, used in measuring exposure to nuclear radiation, as well as its hopes to develop a large scale production of fiber optic cable connectors, known as ferrules, will increase its potential to compete in commercial markets and meet possible future Federal needs.

The General Services Administration, the Army Corps of Engineers, and the Department of Defense all report that no federal agency has expressed interest in obtaining the plant. Since local interests cannot afford the original cost of $4.2 million, the provisions of this bill allow the transfer to occur without consideration to help establish a private sector firm that will remain a viable part of the defense industrial base. The future of the plant depends on its ability to compete as a commercial manufacturer.

This bill will enable the plant to remain a viable economic enterprise as it makes this transition to the private sector. I ask my colleagues to support this bill. It relieves the Federal Government of the burden of a facility it no longer needs, while aiding a community that needs the economic activity created by the facility.

ORDERS FOR TUESDAY, JANUARY 30, 1996

Mr. DOLE. I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 11 a.m., Tuesday, January 30; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day, and there then be a period for morning business until the hour of 1 p.m., the time equally divided between the two parties.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. For the information of all Senators, the Senate will reconvene on Tuesday for a period of morning business. There will be no rollcall votes. We will be in about 2 hours. Each side will have about an hour for morning business.

The Senate will then convene on Wednesday for another period of morning business. The Senate will then adjourn over until Thursday. And on Thursday, at 11:45 a.m., there will be a joint meeting of both Houses to hear an address by the President of France, President Chirac. Members should be in the Senate at approximately 11:25 in order to proceed to the House of Representatives.

Following that address, the Senate will then debate and conduct a cloture vote on the motion to proceed to a Lugar-Dole farm bill introduced earlier this evening.

Also, the Senate could turn to any items that can be cleared for action, and all Senators should be aware that rollcall votes are expected during Thursday's session.

TELECOM CONFERENCE REPORT

Mr. DOLE. Mr. President, let me indicate that we hope to have a conference report on the telecom bill by Thursday. It is a very important bill. It ought to be completed. We are working on a number of issues including the spectrum issue which I feel strongly about. If you noted—in fact, I will place it in the RECORD—today the spectrum sale which was estimated by the CBO to bring between $20 million and $100 million brought $682 million.

So as we look at ways to reduce the deficit, let us not start a big giveaway program to some of the broadcasters in America who can afford to pay for it. I know they are not very happy. I know they are not very happy with me. But all I ask them is when they make their statements and their criticisms, they use the facts.

I see a lot of things on the networks about things that happen in Congress and how we waste money and all the things that Members of Congress do, but I have not seen a single story except for CNN on the spectrum on any of the major networks, on how much it means to them, how many billions of dollars it means to them—free. So I would just hope in their objective reporting as they cover us in the Congress and as they cover other events across America they might at least devote maybe one or two minutes to what the spectrum is all about so the American people understand it is not what they say it is about; it is about real money.

The late Senator Dirksen used to say, "$1 billion here and $1 billion there soon adds up to real money." This is real money, and at the time we are reducing welfare programs and other programs that affect poor people, I hope that those who could afford to pay would be happy to do so—or I would say at least would do so. And we hope we can work that out.

THE NEW DRUG CZAR

Mr. DOLE. Mr. President, in his State of the Union Address, President Clinton announced his intention to reenlist his administration in the war against drugs.

Those are welcome words to all of us who have looked to the White House for leadership in that war these past 3 years, only to be disappointed time and time again.

From the gutting of the Drug Czar's Office to the appointment of a Surgeon General who spoke out in favor of legalizing drugs, the message from this administration has been one in stark contrast to the "just say no" message that was so successful in reducing drug use in the 1980's.

The President's words of Tuesday evening, however, give hope that he has recognized that the very disturbing increase in drug use among America's youth these past 3 years is proof that his policies have not worked.

And I look forward to hearing from General McCaffrey, the new Drug Czar, and hope that he will work closely with the Congressional Task Force on National Drug Policy, which Speaker GINGRICH and I appointed, and which is chaired by Senators GRASSLEY and HATCH, and Congressmen ZELIFF and HYDE.

If we are to truly win the war on drugs, however, then President Clinton should appoint Federal judges who punish law breakers, and not law enforcement officers.

And if a case that occurred in New York City this week is a sign of the type of judges that the President has appointed, then we might as well wave the white flag.

Let me briefly describe this case: While stationed in an unmarked patrol car, a New York City police officer watched four men walk single file up to a trunk of a car parked in a known hub of drug activity, and place large duffel bags inside the trunk.

The men then noticed the police officer and ran off in different directions.

Upon searching the trunk of the car, the officers discovered that the duffel bags contained 75 pounds of cocaine, and 4 pounds of heroin—a discovery that had a street value of $4 million. The driver of the car gave the police a full videotaped confession, detailing her 4-year history in a drug-dealing ring.

On Wednesday, however, Federal District Court Judge Harold Baer, Jr., ruled that the drugs and the videotaped confession could not be used as evidence.

The reasoning? The judge said that running away from the police was not suspicious behavior, because—and I quote: "The residents of the neighborhood tended to regard police officers as corrupt, abusive, and violent." Unless this ruling is overturned, a confessed drug dealer will go free.

Let us hope that this is the only appointee of President Clinton who apparently believes that police officers are a bigger threat to the well-being of our communities than those who peddle drugs to our kids.

Mr. President, I ask unanimous consent that an editorial from today's Wall Street Journal discussing this very disturbing case be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Jan. 26, 1996]

THE DRUG JUDGE

Winning the war on drugs won't be easy if the battles end up in courtrooms like that of Harold Baer Jr. of the Federal District Court in Manhattan. Judge Baer ruled Wednesday that 80 pounds of cocaine and heroin that police found in a car in the drug-wracked neighborhood of Washington Heights could not be used as evidence. The drugs, which have a street value of $4 million, are "tainted evidence," he said.

He ruled that the police had no good reason for searching the car, despite the fact that the four men putting duffel bags into the trunk took off running when they saw the cops. This, the judge ruled, was not suspicious behavior. Reason: the "residents of this neighborhood tended to regard police officers as corrupt, abusive and violent." As a matter of fact: "Had the men not run when the cops began to stare at them, it would have been unusual."

The woman who was driving the car gave the police a videotaped confession. Carol Bayless, a 41-year-old Detroit woman, told police that she expected to be paid $20,000 for driving the drugs back home, and said that she had made a total of about 20 trips to New York to buy drugs. Judge Baer threw out the videotaped confession. Unless the ruling is overturned by the appeals court, the prosecutors say they no longer have a case; Ms. Bayless, who faced 10 years to life in jail, will be free to go.

The year's young, but we doubt Judge Baer will have any competition for this year's Judge Sarokin Award, named in honor of the federal judge in New Jersey who ruled for a homeless man who used to lurk inside the Morristown library, spreading his "ambrosia." Liberalism manages to deliver us these rulings on a regular basis, so it's appropriate to raise a few concerns.

The first has to do with community standards. Aren't the mostly minority residents of Amsterdam Avenue and 176th Street, where the incident took place, entitled to the same level of protection as the mostly white residents 100 blocks south on Amsterdam in the heart of New York's Yuppiedom? We suspect the law-abiding residents of Washington Heights might take a different view about whether the bigger threat to their well-being is the police or fleeing drug runners.

The other issue raised by the Baer ruling is the politics of judicial appointments. Judge Baer is a Clinton appointee, named to the federal bench in 1994 on the advice of the Democratic Senator from New York, Patrick Moynihan. Now, certainly it is the case that Democrats have appointed first-rate jurists to the federal bench. But it's also the case that it is at the liberal end of the modern judiciary that communities find their interests trampled by overly expansive and even absurd legal claims for defendants.

If Mr. Clinton is re-elected, by the end of his second term he will have filled roughly half of the slots in the federal judiciary, including majorities on the federal appeals courts. And that he would get one, two or even three more appointments to the Supreme Court. Mr. Clinton no doubt would separate himself from decisions like Judge Baer's, but one then has to somehow believe that he would actually separate himself from the constituencies insisting that he pick from the same candidate pool that produces such judges.

As for the war on drugs, we commend Judge Baer's ruling to the attention of drug czar-designate, General Barry McCaffrey. In his State of the Union address Tuesday, Mr. Clinton told Americans that "every one of us have a role to play on this team." But the best anti-drug legislation and the best law enforcement won't work unless the judiciary is willing to enforce the laws.

COMPLIMENTING SENATOR THURMOND

Mr. DOLE. Mr. President, I certainly want to compliment the distinguished Senator from South Carolina, Senator THURMOND, for his dogged determination. The bill went to the White House once. It was vetoed. It came back. As everybody knows Senator THURMOND, he did not give up, and tonight the bill passed with a wide margin, primarily because of Senator THURMOND's persistence and insistence and his willingness to make some changes that satisfied Members on the other side and the President.

I think it was an outstanding job. I congratulate the Senator because I think he has the assurance it will be signed by the White House.

COMPLIMENTING SENATOR LOTT

Mr. DOLE. Mr. President, I also thank my colleague, Senator LOTT, in negotiating the compromise on the ballistic missile defense provisions. He did a good job in that area.

TRIBUTE TO THE PAGES

Mr. DOLE. Mr. President, I just want to indicate this is the last day for our pages. We will have a new group of pages beginning next week. We certainly want to indicate to all of them on each side how much we appreciate their services and how meaningful their services have been.

We hope that it has been a great experience for you. We look forward to seeing some of you standing where we are standing in a few years, because that is how it all starts. You get sort of interested in something. But primarily I want to say thank you, and the best wishes as you go back to school.

Mr. President, I ask unanimous consent that their names be printed in the RECORD.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

REPUBLICAN PAGES—FALL 1995

Casey Smith, Virginia.
Vicky Fales, Wyoming.
Megan Burgess, Oregon.
Stephen Hogan, Rhode Island.
Kate Cramer, Alabama.
Trisha Neuman, Wisconsin.
Chris Richter, Vermont.
Trey Herndon, Mississippi.
Staci Roberts, Iowa.
Bryan Ingram, Washington.
Lauren Houston, South Carolina.

DEMOCRATIC PAGES—FALL 1995

Katherine Aldrich, Montana.
Rebecca Brink, Massachusetts.
Matthew Ebert, Minnesota.
Katharine Hutchinson, Vermont.
Kathleen Kingsbury, Massachusetts.
Kristen Knudsen, South Dakota.
Kamani Kualaau, Hawaii.
Matt Lindsey, Arkansas.
Katie Pribyl, Colorado.
Melissa Roy, Maine.
Robert Tankersley, Arkansas.
Matthew Vogel, Michigan.

ADJOURNMENT UNTIL TUESDAY, JANUARY 30, 1996, AT 11 A.M.

The PRESIDING OFFICER. Under the previous order, the Senate now stands adjourned until 11 a.m. on Tuesday, January 30.

Thereupon, the Senate, at 8:52 p.m., adjourned until Tuesday, January 30, 1996, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate January 26, 1996:

THE JUDICIARY

ANABELLE RODRIGUEZ-RODRIGUEZ, OF PUERTO RICO, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF PUERTO RICO VICE RAYMOND L. ACOSTA, RETIRED.

DEAN D. PREGERSON, OF CALIFORNIA, TO BE U.S. DISTRICT JUDGE FOR THE CENTRAL DISTRICT OF CALIFORNIA, VICE A. WALLACE TASHIMA, ELEVATED.

W. CRAIG BROADWATER, OF WEST VIRGINIA, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF WEST VIRGINIA VICE ROBERT E. MAXWELL, RETIRED.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

PETER BENJAMIN EDELMAN, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES, VICE DAVID T. ELLWOOD, RESIGNED, TO WHICH POSITION HE WAS APPOINTED DURING THE LAST RECESS OF THE SENATE.

DEPARTMENT OF EDUCATION

GERALD N. TIROZZI, OF CONNECTICUT, TO BE ASSISTANT SECRETARY FOR ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION, VICE THOMAS W. PAYZANT, RESIGNED, TO WHICH POSITION HE WAS APPOINTED DURING THE LAST RECESS OF THE SENATE.

DEPARTMENT OF TRANSPORTATION

CHARLES A. HUNNICUTT, OF GEORGIA, TO BE AN ASSISTANT SECRETARY OF TRANSPORTATION, VICE JEFFREY NEIL SHANE, RESIGNED, TO WHICH POSITION HE WAS APPOINTED DURING THE LAST RECESS OF THE SENATE.

DEPARTMENT OF STATE

EILEEN B. CLAUSSEN, OF THE DISTRICT OF COLUMBIA, TO BE ASSISTANT SECRETARY OF STATE FOR OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS, VICE ELINOR G. CONSTABLE, TO WHICH POSITION SHE WAS APPOINTED DURING THE LAST RECESS OF THE SENATE.

CIVIL LIBERTIES PUBLIC EDUCATION FUND

DON T. NAKANISHI, OF CALIFORNIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CIVIL LIBERTIES PUBLIC EDUCATION FUND FOR A TERM OF 2 YEARS (NEW POSITION), TO WHICH POSITION HE WAS APPOINTED DURING THE LAST RECESS OF THE SENATE.

PEGGY A. NAGAE, OF OREGON, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CIVIL LIBERTIES PUBLIC EDUCATION FUND FOR A TERM OF 3 YEARS (NEW POSITION), TO WHICH POSITION SHE WAS APPOINTED DURING THE LAST RECESS OF THE SENATE.

DALE MINAMI, OF CALIFORNIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CIVIL LIBERTIES PUBLIC EDUCATION FUND FOR A TERM OF 3 YEARS (NEW POSITION), TO WHICH POSITION HE WAS APPOINTED DURING THE LAST RECESS OF THE SENATE.

YEIICHI KUWAYAMA, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CIVIL LIBERTIES PUBLIC EDUCATION FUND FOR A TERM OF 3 YEARS (NEW POSITION), TO WHICH POSITION HE WAS APPOINTED DURING THE LAST RECESS OF THE SENATE.

ELSA H. KUDO, OF HAWAII, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CIVIL LIBERTIES PUBLIC EDUCATION FUND FOR A TERM OF 2 YEARS (NEW POSITION), TO WHICH POSITION SHE WAS APPOINTED DURING THE LAST RECESS OF THE SENATE.

SUSAN HAYASE, OF CALIFORNIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CIVIL LIBERTIES PUBLIC EDUCATION FUND FOR A TERM OF 3 YEARS (NEW POSITION), TO WHICH POSITION SHE WAS APPOINTED DURING THE LAST RECESS OF THE SENATE.

LEO K. GOTO, OF COLORADO, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CIVIL LIBERTIES PUBLIC EDUCATION FUND FOR A TERM OF 2 YEARS (NEW POSITION), TO WHICH POSITION HE WAS APPOINTED DURING THE LAST RECESS OF THE SENATE.

ROBERT F. DRINAN, OF MASSACHUSETTS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CIVIL LIBERTIES PUBLIC EDUCATION FOR A TERM OF 3 YEARS (NEW POSITION), TO WHICH POSITION HE WAS APPOINTED DURING THE LAST RECESS OF THE SENATE.

SOCIAL SECURITY ADMINISTRATION

GERALD M. SHEA, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE SOCIAL SECURITY ADVISORY BOARD FOR A TERM OF 4 YEARS EXPIRING SEPTEMBER 30, 1998 (NEW POSITION), TO WHICH POSITION HE WAS APPOINTED DURING THE LAST RECESS OF THE SENATE.

HARLAN MATHEWS, OF TENNESSEE, TO BE A MEMBER OF THE SOCIAL SECURITY ADVISORY BOARD FOR A TERM OF 6 YEARS EXPIRING SEPTEMBER 30, 2000 (NEW POSITION), TO WHICH POSITION HE WAS APPOINTED DURING THE LAST RECESS OF THE SENATE.

WILLIAM C. BROOKS, OF MICHIGAN, TO BE A MEMBER OF THE SOCIAL SECURITY ADVISORY BOARD FOR A

TERM OF 2 YEARS EXPIRING SEPTEMBER 30, 1996 (NEW POSITION), TO WHICH POSITION HE WAS APPOINTED DURING THE LAST RECESS OF THE SENATE.

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

THOMAS A. FINK, OF ALASKA, TO BE A MEMBER OF THE FEDERAL RETIREMENT THRIFT INVESTMENT BOARD FOR A TERM EXPIRING OCTOBER 11, 1999, VICE JAMES H. ATKINS, TERM EXPIRED.

NATIONAL LABOR RELATIONS BOARD

SARAH MC CRACKEN FOX, OF NEW YORK, TO BE A MEMBER OF THE NATIONAL LABOR RELATIONS BOARD FOR THE TERM OF 5 YEARS EXPIRING AUGUST 27, 2000, VICE JAMES M. STEPHENS, TERM EXPIRED, TO WHICH POSITION SHE WAS APPOINTED DURING THE LAST RECESS OF THE SENATE.

CONFIRMATIONS

Executive Nominations Confirmed by the Senate January 26, 1996:

EXECUTIVE OFFICE OF THE PRESIDENT

ALICIA HAYDOCK MUNNELL, OF MASSACHUSETTS, TO BE A MEMBER OF THE COUNCIL OF ECONOMIC ADVISERS.

SECURITIES AND EXCHANGE COMMISSION

ISAAC C. HUNT, JR., OF OHIO, TO BE A MEMBER OF THE SECURITIES AND EXCHANGE COMMISSION FOR THE TERM EXPIRING JUNE 5, 2000.

DEPARTMENT OF DEFENSE

ARTHUR L. MONEY, OF CALIFORNIA, TO BE AN ASSISTANT SECRETARY OF THE AIR FORCE.

H. MARTIN LANCASTER, OF NORTH CAROLINA, TO BE AN ASSISTANT SECRETARY OF THE ARMY.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE DULY CONSTITUTED COMMITTEE OF THE SENATE.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT AS VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF AND REAPPOINTMENT TO THE GRADE OF GENERAL UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 154:

VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF

To be general

GEN. JOSEPH W. RALSTON, [redacted] U.S. AIR FORCE.

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS OF TITLE 10 UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. MARCUS A. ANDERSON, [redacted] U.S. AIR FORCE.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE, TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10 UNITED STATES CODE, SECTIONS 8773, 8374, 12201 AND 12212:

To be major general

BRIG. GEN. WILLIAM A. HENDERSON [redacted] AIR NATIONAL GUARD.

BRIG. GEN. TIMOTHY J. LOWENBERG [redacted] AIR NATIONAL GUARD.

BRIG. GEN. MELVYN S. MONTANO, [redacted] AIR NATIONAL GUARD.

BRIG. GEN. GUY S. TALLENT [redacted], AIR NATIONAL GUARD.

BRIG. GEN. LARRY R. WARREN [redacted] AIR NATIONAL GUARD.

To be brigadier general

COL. JAMES H. BAKER [redacted] AIR NATIONAL GUARD.

COL. JAMES H. BASSHAM [redacted] AIR NATIONAL GUARD.

COL. PAUL D. KNOX, [redacted] AIR NATIONAL GUARD.

COL. CARL A. LORENZEN [redacted] AIR NATIONAL GUARD.

COL. TERRY A. MAYNARD, [redacted] AIR NATIONAL GUARD.

COL. FRED L. MORTON [redacted] AIR NATIONAL GUARD.

COL. LORAN C. SCHNAIDT, [redacted] AIR NATIONAL GUARD.

COL. BRUCE F. TUXILL [redacted] AIR NATIONAL GUARD.

IN THE NAVY

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST OF THE U.S. NAVY IN THE GRADE INDICATED UNDER SECTION 1370 OF TITLE 10, UNITED STATES CODE:

To be vice admiral

VICE ADM. RICHARD C. ALLEN [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. JOHN J. MAZACH [redacted]

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST OF THE U.S. NAVY IN THE GRADE INDICATED UNDER SECTION 1370 OF TITLE 10, UNITED STATES CODE:

To be admiral

ADM. WILLIAM A. OWENS [redacted]

IN THE AIR FORCE

AIR FORCE NOMINATIONS BEGINNING TODD D. BERGMAN, AND ENDING SCOTT J. WOOLLARD, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON NOVEMBER 28, 1995.

AIR FORCE NOMINATIONS BEGINNING RUTH T. LIM, AND ENDING BARRETT F. SCHWARTZ, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON NOVEMBER 28, 1995.

AIR FORCE NOMINATIONS BEGINNING JAMES P. AARON, AND ENDING KAREN C. YAMAGUCHI, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON NOVEMBER 28, 1995.

AIR FORCE NOMINATIONS BEGINNING CARLOS L. ACEVEDO, AND ENDING BRIAN D. ZULLO, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON NOVEMBER 28, 1995.

AIR FORCE NOMINATIONS BEGINNING WILLIAM C. ALFORD, AND ENDING LINDA S. MITCHELL, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON DECEMBER 4, 1995.

AIR FORCE NOMINATIONS BEGINNING ROGELIO F. GOLLE, AND ENDING MICHAEL L. DELORENZO, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON DECEMBER 4, 1995.

AIR FORCE NOMINATIONS BEGINNING DWAYNE A. ALONS, AND ENDING FRANCIS K. MANUEL, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON DECEMBER 18, 1995.

IN THE ARMY

ARMY NOMINATIONS BEGINNING DAVID L. ABBOTT, AND ENDING X2444, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON SEPTEMBER 19, 1995.

ARMY NOMINATION BEGINNING NELSON L. MICHAEL, WHICH NOMINATION WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON NOVEMBER 28, 1995.

ARMY NOMINATIONS BEGINNING ROBERT L. ACKLEY, AND ENDING DANIEL V. WRIGHT, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON NOVEMBER 28, 1995.

ARMY NOMINATION BEGINNING PAUL A. OSTERGAARD, WHICH NOMINATION WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON NOVEMBER 28, 1995.

ARMY NOMINATIONS BEGINNING CHARLES W. BACCUS, AND ENDING DONNA M. WRIGHT, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON NOVEMBER 28, 1995.

ARMY NOMINATIONS BEGINNING MARK E. BENZ, AND ENDING STEVEN R. YOUNG, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON NOVEMBER 28, 1995.

ARMY NOMINATIONS BEGINNING VINCENT B. BOGAN, AND ENDING KRISTA E. MURPHY, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON NOVEMBER 28, 1995.

ARMY NOMINATIONS BEGINNING ALVIN D. AARON, AND ENDING CRAIG L. ZIMMERMAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON NOVEMBER 28, 1995.

ARMY NOMINATIONS BEGINNING WILLIAM HAYES-REGAN, AND ENDING JAMES M. BAKER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON DECEMBER 18, 1995.

ARMY NOMINATIONS BEGINNING MICHAEL C. APPE, AND ENDING JANET M. HARRINGTON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON DECEMBER 18, 1995.

EXTENSIONS OF REMARKS

PRINCIPLES OF CITIZENSHIP

HON. PETER BLUTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, January 26, 1996

Mr. BLUTE. Mr. Speaker, I recently met with members of the Air Force Junior ROTC at Burncoat High School in Worcester, MA. This program has been very successful in combining academics with the discipline of military training. Students from AFJROTC have been its best testimonial, as it continues to produce upstanding young adults. This past month, cadets from this program celebrated citizenship month, for which they compiled a list of principles of good citizenship. I list these principles here in order to honor the hard work of these promising youths:

GOOD CITIZENS

1. Are honest, patriotic, caring, and outgoing.
2. Respect the rights, property and privileges of others.
3. Protect the environment by planting trees, recycling, and keeping their country clean.
4. Become productive by education and by staying in good health and drug free.
5. Work to provide for their families, pay their taxes and help others in need.
6. Are open-minded, respect all others and try to understand ideas that are different.
7. Know their history, register and vote and obey the law or try to change it.
8. Serve others by running for office, doing community service, or joining the military.
9. Show a determination to succeed by setting and reaching their goals.
10. Are modest, have a positive attitude and try to be a good role model for others.

HONORING A McCREARY COUNTY LEADER

HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, January 26, 1996

Mr. ROGERS. Mr. Speaker, I rise to honor my good friend Alfred "Alf" Kidd who recently passed away at the age of 81. My family and thousands of others throughout McCreary County and southern Kentucky are deeply saddened by this tragic loss.

Our area has lost a top-notch businessman, an inspiring civic and community volunteer, a political leader, and a good friend. He helped everyone he could and always was willing to sacrifice his time for others.

Alf's many accomplishments and activities showed his outstanding commitment to the betterment of McCreary County.

He helped start the McCreary County Economic Development Council to improve our businesses, as well as helping us to hire an economic development director. That led to McCreary's designation as a "Federal Enterprise Community."

Alf helped start the McCreary County Industrial Development Corp. where his leadership was instrumental in the creation of thousands of jobs.

He was a founding member of the McCreary County Chamber of Commerce, helped renovate and restore the Stearns historic community, worked as chairman to the local housing authority and was a founding member and past president of the Pine Knot Kiwanis Club.

His list continues on and on, all to help the people of McCreary County. We will long remember Alfred Kidd because he cared about all of us.

My heart goes out to Alf's wonderful family. His long legacy and excellent record of service will stand as a tribute to his life.

Alf was a great friend and a good man, and he will be sorely missed.

A SALUTE TO THE NATIONAL BLACK NURSES ASSOCIATION

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, January 26, 1996

Mr. STOKES. Mr. Speaker, I am proud to rise today to salute members of the National Black Nurses Association. The association is the Nation's largest African-American health organization, representing more than 130,000 nurses in the United States and throughout the world. On February 1, 1996, members of the Black Nurses Association will convene on Capitol Hill for its eighth annual National Black Nurses Day. Nurses from around the country will travel to Capitol Hill to discuss issues that impact nurses, women, children, the elderly, and health care in general. The theme for the daylong event is, "Strengthening Our Linkages: A Strategy for Protecting Children, Families and the Elderly." I take pride in saluting the National Black Nurses Association as the organization prepares to meet this important challenge.

The National Black Nurses Association was founded in Cleveland, OH, in 1971. For the past 25 years, the organization has played a pivotal role in advocating the health care needs of minority populations, children, the poor, and seniors. The Black Nurses Association has also waged the fight to secure increased funding for health research and development, health profession education, and public health service.

Mr. Speaker, when members of the Black Nurses Association travel to Capitol Hill on February 1, 1996, they will be armed with an agenda which many of us in this Chamber support. The organization stands united against cuts in the Medicare and Medicaid Program, and reductions in Federal funding for nursing education. The Black Nurses Association is also concerned that our Nation rededicate itself to meeting the health care needs of our children, the poor, and other disadvantaged communities. My colleagues in the Congressional Black Caucus, Hispanic Caucus, and other Members of Congress will join forces with the National Black Nurses Association to promote this agenda.

I am proud to note that the Black Nurses Association's Capitol Hill event coincides with the 1996 observance of Black History Month. If we look back, we can trace the history of African-Americans in nursing to a great woman, Sojourner Truth, who ministered to wounded black veterans of the Civil War in 1864. In 1870, Susan Smith-Seward became the first black woman to receive a medical degree. She received her degree from the New York Medical College for Women. History records further that in 1879, Mary Mahoney became the first black woman to receive a diploma in nursing. She graduated from the New England Hospital for Women and Children School of Nursing.

Mr. Speaker, during Black History Month, and on the occasion of their Capitol Hill visit, we salute the members of the National Black Nurses Association. We applaud their dedication and strong leadership on the important issues facing the health care industry and the Nation.

RULING REGARDING THE GREAT PLAINS COAL GASIFICATION PLANT

HON. EARL POMEROY

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 26, 1996

Mr. POMEROY. Mr. Speaker, I rise today to discuss a very troubling ruling regarding our Nation's only commercial-size synthetic natural gas plant, the Great Plains Coal Gasification Plant. This project's importance to North Dakota and the Nation demand the attention of this body and the commissioners at FERC.

Make no mistake, if this decision is approved by FERC, Great Plains will close and the impact will be far reaching. The plant directly employs 640 people and is associated with nearly 7,000 other jobs. Twenty percent less lignite would be mined in North Dakota and Federal and State governments would lose $17.5 million in tax revenue. The total impact of this project on North Dakota is $490 million annually.

In late December, an administrative law judge struck down the settlements reached by Great Plains, three pipeline companies, and the Department of Energy. By doing so, this judge has single-handedly put the future of the Great Plains Synfuels Plant in jeopardy.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

The importance of this project to North Dakota cannot be overstated, but Great Plains also has relevance to each Member of this body and their constituents. For starters, the Department of energy shares profits derived from the plant. What's more, the eight-state region served by the Plant would be hit by rate increases totalling nearly $30 million annually, or 10 percent above current costs.

In addition, there are new technologies benefiting all Americans developed at Great Plains on a regular basis. Among the most recent are the production of the rare gases krypton and xenon, and using synthetic gas to produce anhydrous ammonia and ammonium sulfate, two commercial fertilizers.

I am hopeful that the commissioners at FERC will see this ruling for what it is—an administrative law judge run amok, believing he knows more than the agency, industry, and consumers working with this project on a daily basis. If this ruling were to stand, Great Plains would likely have to shut its doors forever. This is simply not right. It is time the absurdity of this decision was brought to full attention of this body and the American people.

What we have here is sophisticated parties entering into contracts and making investments based upon those contracts. Then along comes an administrative law judge who retroactively nullifies the express agreements and imposes his judgement. In the process, he single-handedly destroys the viability of the entire project.

I would like to outline the most disturbing aspects of this ruling, if it were accepted by FERC.

It requires the plant to sell the product to the pipelines at well-below the cost of producing the gas. The judge's ruling would set the purchase price at almost $1 per dekatherm below the cost of production and resulting in a loss of $55 million in 1995. This is totally unacceptable.

The ruling would also require the pipeline companies to retroactively refund customers to the tune of $280 million. This cost would no doubt be passed on to the plant itself, further jeopardizing Great Plains' ability to meet its bottom line.

Amazingly, the judge provided more relief than was even sought by the consumers. The judge strayed far from the matters at hand into issues of production capacity at the plant. He ruled that the pipeline companies would no longer have to receive what is produced at the plant—around 160 million barrels per day. Rather, they would only have to receive what was expected to be produced at the plant—131 million barrels per day.

If FERC were to approve the ruling, it would completely set-aside FERC's own Opinion 119 agreement between Great Plains and the four pipeline purchasers which allowed the project to go forward in the first place. Opinion 119 was the basis for further negotiations enabling Great Plains to be sold to the Dakota Gasification Co., a subsidiary of Basin Electric, with a profit-sharing arrangement with the Department of Energy. To abandon Opinion 119 at this time would be a disservice to all parties involved—especially when you consider that it was the consumer representatives themselves that drafted the pricing formula of these gas purchase agreements.

This issue will be decided by FERC in the near future. I urge each Member of that body to give this matter their most careful attention. Their decision will have ramifications on the Department of Energy, my State of North Dakota, and the energy future of this Nation.

VETO OVERRIDE ON THE INTERIOR APPROPRIATIONS BILL

HON. CHET EDWARDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, January 26, 1996

Mr. EDWARDS. Mr. Speaker, on July 18, 1995, I voted for the fiscal year 1996 Interior appropriations bill. While I did not agree with everything in the bill, I strongly supported the reforms that were included on the Endangered Species Act. Specifically, the bill prohibited the listing of new endangered species until the Endangered Species Act is reauthorized. Also, the bill prohibited the use of funds to designate critical habitat for listed species. As a defender of private property rights, I also supported the provision that defunded the National Biological Survey.

When the House considered the conference report on this bill in December, again I supported the bill because of these important provisions. That measure passed the House on December 13, 1995 by a vote of 244–181.

Unfortunately, President Clinton vetoed the Interior appropriations bill. I was disappointed that these important provisions were not signed into law.

When the House voted to overrride the veto in January 1996, I fully intended to continue my support for the bill by voting to override that veto. However, when I checked the CONGRESSIONAL RECORD, I realized that I had mistakenly voted to sustain the veto. This vote was in error. I want to make it clear for the record that I support this legislation and I intended to vote to override the President's veto.

I have consistently been in favor of making changes in the current Endangered Species Act [ESA]. I am a cosponsor of H.R. 2275, a bill supported by the Texas Farm Bureau that would make commonsense changes to the existing law.

In 1994, when central Texas was under fire from the U.S. Fish and Wildlife Service over designating critical habitat for the golden cheeked warbler, I was a leader in forcing the Service to abandon the plan. I believe that this situation demonstrates the weaknesses of the ESA, and shows how desperately reform is needed.

I have also been a vocal critic of the National Biological Survey. On June 22, 1994, I voted in favor of the Allard amendment to the Interior appropriations bill. This amendment, which would have eliminated all funds for the National Biological Survey, did not pass. This year opponents of the NBS like me were pleased to see that this program was targeted for elimination. While I appreciate the recent reforms in this program, I am still not convinced it is a prudent use of taxpayers' money.

When the issues regarding private property rights come up for votes in 1996, I will vote to protect those rights as I have consistently done in years past.

TRIBUTE TO THE SOUTH BRONX MENTAL HEALTH COUNCIL, INC., FIFTH PATIENT RECOGNITION DAY

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 26, 1996

Mr. SERRANO. Mr. Speaker, I rise to pay tribute to the South Bronx Mental Health Council, Inc., which today will celebrate its fifth Patient Recognition Day.

Since 1968, the South Bronx Mental Health Council, previously named the Lincoln Community Mental Health Center, has provided treatment and mental health services to members of our community.

A community-based organization, the council offers counseling and mental health treatment for individuals of all age groups, including children, as well as satellite programs at local schools and community support programs.

On this special occasion, council personnel and patients will be joined by family and friends to recognize the achievements made by patients during the past year. With the support of the council's dedicated personnel, many of these patients have made special efforts to overcome their challenges and accomplished specific goals.

Mr. Speaker, I ask my colleagues to join me in saluting our friends at the South Bronx Mental Health Council and in recognizing their outstanding achievements on their fifth Patient Recognition Day.

INTRODUCTION OF LEGISLATION

HON. THOMAS J. BLILEY, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 26, 1996

Mr. BLILEY. Mr. Speaker, I would like to insert for the RECORD the text of flow control legislation which may be brought up on the Suspension Calendar on Tuesday, January 30.

SECTION. 1. CONGRESSIONAL AUTHORIZATION OF STATE AND LOCAL MUNICIPAL SOLID WASTE FLOW CONTROL.

(a) AMENDMENT OF SUBTITLE D.—Subtitle D of the Solid Waste Disposal Act is amended by adding after section 4011 the following new section:

"SEC. 4011. CONGRESSIONAL AUTHORIZATION OF STATE AND LOCAL GOVERNMENT CONTROL OVER MOVEMENT OF MUNICIPAL SOLID WASTE AND RECYCLABLE MATERIALS.

"(a) FLOW CONTROL AUTHORITY FOR FACILITIES DESIGNATED AS OF MAY 16, 1994.—Any State or political subdivision thereof is authorized to exercise flow control authority to direct the movement of municipal solid waste, and recyclable materials voluntarily relinquished by the owner or generator thereof, to particular waste management facilities, or facilities for recyclable materials, designated as of May 16, 1994, if each of the following conditions are met:

"(1) The waste and recyclable materials are generated within the jurisdictional boundaries of such State or political subdivision, determined as of May 16, 1994.

"(2) Such flow control authority is imposed through the adoption or execution of a law, ordinance, regulation, resolution, or other legally binding provision or legally binding official act of the State or political subdivision that—

"(A) was in effect on May 16, 1994,

"(B) was in effect prior to the issuance of an injunction or other order by a court based on a ruling that such law, ordinance, regulation, resolution, or other legally binding provision or official act violated the Commerce Clause of the United States Constitution, or

"(C) was in effect immediately prior to suspension thereof by legislative or official administrative action of the State or political subdivision expressly because of the existence of a court order of the type described in subparagraph (B) issued by a court of the same State or Federal judicial circuit.

"(3) The State or a political subdivision thereof has, for one or more of such designated facilities, in accordance with paragraph (2), on or before May 16, 1994, either—

"(A) presented eligible bonds for sale, or

"(B) executed a legally binding contract or agreement that obligates it to deliver a minimum quantity of waste or recyclable materials to one or more such designated waste management facilities or facilities for recyclable materials and that obligates it to pay for that minimum quantity of waste or recyclable materials even if the stated minimum quantity of such waste or recyclable materials is not delivered within a required timeframe.

"(b) WASTE STREAM SUBJECT TO FLOW CONTROL.—The flow control authority of subsection (a) shall only permit the exercise of flow control authority to any designated facility of the specific classes or categories of municipal solid waste and voluntarily relinquished recyclable materials to which flow control authority was applicable on May 16, 1994, or immediately before the effective date of an injunction or court order referred to in subsection (a)(2)(B) or an action referred to in subsection (a)(2)(C) and—

"(1) in the case of any designated waste management facility or facility for recyclable materials that was in operation as of May 16, 1994, only if the facility concerned received municipal solid waste or recyclable materials in those classes or categories within 2 years prior to May 16, 1994, or the effective date of such injunction or other court order or action,

"(2) in the case of any designated waste management facility or facility for recyclable materials that was not yet in operation as of May 16, 1994, only of the classes or categories that were clearly identified by the State or political subdivision as of May 16, 1994, to be flow controlled to such facility, and

"(3) only to the extent of the maximum volume authorized by State permit to be disposed at the waste management facility or processed at the facility for recyclable materials.

If specific classes or categories of municipal solid waste or recyclable materials were not clearly identified, paragraph (2) shall apply only to municipal solid waste generated by households, including single family residences and multi-family residences of up to 4 units.

"(c) DURATION OF FLOW CONTROL AUTHORITY.—Flow control authority may be exercised pursuant to this section to any facility or facilities only until the later of the following:

"(1) The expiration date of the bond referred to in subsection (a)(3)(A).

"(2) The expiration date of the contract or agreement referred to in subsection (a)(3)(B).

"(3) The adjusted expiration date of a bond issued for a qualified environmental retrofit.

Such expiration dates shall be determined based upon the terms and provisions of the bond or contract in effect on May 16, 1994. In the case of a contract described in subsection (a)(3)(B) that has no specified expiration date, for purposes of paragraph (2) the expiration date shall be treated as the first date that the State or political subdivision that is a party to the contract can withdraw from its responsibilities under the contract without being in default thereunder and without substantial penalty or other substantial legal sanction.

"(d) MANDATORY OPT-OUT FOR GENERATORS AND TRANSPORTERS.—Notwithstanding any other provision of this section, no State or political subdivision may require any generator or transporter of municipal solid waste or recyclable materials to transport such waste or materials, or deliver such waste or materials for transportation, to a facility that is listed on the National Priorities List established under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 unless such State or political subdivision or the owner or operator of such facility has adequately indemnified the generator or transporter against all liability under that Act with respect to such waste or materials.

"(e) EFFECT ON EXISTING LAWS.—

"(1) ENVIRONMENTAL LAWS.—Nothing in this section shall be interpreted or construed to have any effect on any other law relating to the protection of human health and the environment, or the management of municipal solid waste or recyclable materials.

"(2) STATE LAW.—Nothing in this section shall be interpreted to authorize a political subdivision to exercise the flow control authority granted by this section in a manner inconsistent with State law.

"(3) OWNERSHIP OF RECYCLABLE MATERIALS.—Nothing in this section shall authorize any State or political subdivision to require any generator or owner of recyclable materials to transfer any recyclable materials to such State or political subdivision, nor shall prohibit any persons from selling, purchasing, accepting, conveying, or transporting any recyclable materials, unless the generator or owner voluntarily makes such recyclable materials available to the State or political subdivision and relinquishes any rights to, or ownership of, such recyclable materials.

"(f) FACILITIES NOT QUALIFIED FOR FLOW CONTROL.—No flow control authority may be exercised under the provisions of this section to direct solid waste or recyclable materials to any facility pursuant to an ordinance if—

"(1) the ordinance was determined to be unconstitutional by a State or Federal court in October of 1994;

"(2) the facility is located over a sole source aquifer, within 5 miles of a public beach, and within 25 miles of a city with a population of more than 5,000,000; and

"(3) the facility is not fully permitted and operating in complete official compliance with all Federal, State, and local environmental regulations.

0 "(g) LIMITATION ON REVENUE.—A State or qualified political subdivision may exercise the flow control authority granted in this section only if the State or qualified political subdivision limits the use of any of the revenues it derives from the exercise of such authority for the payment of one or more of the following:

"(1) Principal and interest on any eligible bond.

2 "(2) Principal and interest on a bond issued for a qualified environmental retrofit.

"(3) Payments required by the terms of a contract referred to in subsection (a)(3)(B).

"(4) Other expenses necessary for the operation and maintenance of designated facilities and other integral facilities necessary for the operation and maintenance of such designated facilities that are identified by the same eligible bond.

"(5) To the extent not covered by paragraphs (1) through (4), expenses for recycling, composting, and household hazardous waste activities in which the State or political subdivision was engaged before May 16, 1994, and for which the State or political subdivision, after periodic evaluation, beginning no later than one year after the enactment of this section, finds that there is no comparable qualified private sector service provider available. Such periodic evaluation shall be based on public notice and open competition. The amount and nature of payments described in this paragraph shall be fully disclosed to the public annually.

"(h) INTERIM CONTRACTS.—A lawful, legally binding contract under State law that was entered into during the period—

"(1) before November 10, 1995, and after the effective date of any applicable final court order no longer subject to judicial review specifically invalidating the flow control authority of such State or political subdivision, or

"(2) after such State or political subdivision refrained pursuant to legislative or official administrative action from enforcing flow control authority and before the effective date on which it resumes enforcement of flow control authority after enactment of this section,

shall be fully enforceable in accordance with State law.

"(i) CONTROL OF WASTE MOVEMENT TO CERTAIN PERMITTED FACILITIES.—No State may exercise any authority that is granted by Congress after the date of enactment of this section to control the interstate movement of solid waste in a manner that prohibits or limits the receipt of out-of-State municipal solid waste at any waste management facility that meets both of the following conditions:

"(1) The facility has been granted a permit under State law to receive municipal solid waste for combustion or disposal.

"(2) The State or its political subdivision within which the facility is located has exercised any flow control authority provided under this section to prohibit or limit the receipt by the facility of municipal solid waste that is generated within the State or its political subdivision.

Nothing in this subsection is intended to have any effect on the exercise of flow control authority granted by this section except to the extent that such exercise is inconsistent with State law.

"(j) AREAS WITH PRE-1984 FLOW CONTROL.—

"(1) GENERAL AUTHORITY.—A State that on or before January 1, 1984—

"(A) adopted regulations under a State law that required or directed transportation, management, or disposal of municipal solid waste from residential, commercial, institutional, or industrial sources (as defined under State law) to specifically identified waste management facilities, and applied those regulations to every political subdivision of the State, and

"(B) subjected such waste management facilities to the jurisdiction of a State public utilities commission,

may exercise flow control authority over municipal solid waste in accordance with the other provisions of this section and may exercise the additional flow control authority described in paragraph (2).

"(2) ADDITIONAL FLOW CONTROL AUTHORITY.—A State that meets the requirements of paragraph (1) and any political subdivision thereof may exercise flow control authority over all classes and categories of municipal solid waste that were subject to flow control by such State or political subdivision thereof on May 16, 1994, by directing it from any existing waste management facility that was designated as of May 16, 1994, or any proposed waste management facility in the State to any other such existing or proposed waste management facility in the State without regard to whether the political subdivision within which the municipal solid waste is generated had designated the particular waste management facility or had issued a bond or entered into a contract referred to in subsection (a)(3)(A) or (B), respectively.

"(3) DEFINITION.—For purposes of this subsection, the term 'proposed waste management facility' means a waste management facility that was specifically identified in a waste management plan prior to May 16, 1994, and for the construction of which—

"(A) revenue bonds were issued and outstanding as of May 16, 1994,

"(B) additional financing with revenue bonds was required as of the date of enactment of this section to complete construction, and

"(C) a permit had been issued prior to December 31, 1994.

"(4) LIMITATION OF AUTHORITY.—The additional flow control authority granted by paragraph (2) may be exercised to—

"(A) any facility described in paragraph (2) for up to 5 years after the date of enactment of this section, and

"(B) after 5 years after enactment of this section, only to those facilities and only with respect to the classes, categories, and geographic origin of waste directed to such facilities specifically identified by the State in a public notice issued within 5 years after enactment of this section.

"(5) DURATION OF AUTHORITY.—The authority to direct municipal solid waste to any facility pursuant to this subsection shall terminate with regard to such facility in accordance with subsection (c).

"(k) SAVINGS CLAUSE.—Nothing in this section is intended to have any effect on the authority of any State or political subdivision to franchise, license, or contract for municipal solid waste collection, processing, or disposal.

"(l) APPLICATION OF FLOW CONTROL AUTHORITY.—The flow control authority granted by this section shall be exercised in a manner that ensures that it is applied to the public sector if it is applied to the private sector.

"(m) PROMOTION OF RECYCLING.—The Congress finds that, in order to promote recycling, anyone engaged in recycling activities should strive to meet applicable standards for the reuse of recyclable materials.

"(n) EFFECTIVE DATE.—The provisions of this section shall take effect with respect to the exercise by any State or political subdivision of flow control authority on or after the date of enactment of this section, and such provisions shall also apply to the exercise by any State or political subdivision of flow control authority before such date of enactment unless the exercise of such authority has been declared unconstitutional by a final judicial decision that is no longer subject to judicial review.

"(o) DEFINITIONS.—For the purposes of this section—

"(1) ADJUSTED EXPIRATION DATE.—The term 'adjusted expiration date' means, with respect to a bond issued for a qualified environmental retrofit, the earlier of the final maturity date of such bond or 15 years after the date of issuance of such bonds.

"(2) BOND ISSUED FOR A QUALIFIED ENVIRONMENTAL RETROFIT.—The term 'bond issued for a qualified environmental retrofit' means a revenue or general obligation bond, the proceeds of which are dedicated to financing the retrofitting of a resource recovery facility or a municipal solid waste incinerator necessary to comply with section 129 of the Clean Air Act, and exclusively used for such purposes, provided that such bond is presented for sale before the expiration date of the bond or contract referred to in subsection (a)(3)(A) and (B) respectively that is applicable to such facility and no later than December 31, 1999.

"(3) DESIGNATE; DESIGNATION.—The terms 'designate', 'designated', 'designating', and 'designation' mean a requirement of a State or political subdivision, and the act of a State or political subdivision, individually or collectively, to require that all or any portion of the municipal solid waste or recyclable materials that is generated within the boundaries of the State or any political subdivision be delivered to one or more waste management facilities or facilities for recyclable materials identified by the State or a political subdivision thereof. The term 'designation' includes bond covenants, official statements, or other official financing documents issued by a political subdivision issuing an eligible bond in which it identified a specific waste management facility as being the subject of such bond and the requisite facility for receipt of municipal solid waste or recyclable materials generated within the jurisdictional boundaries of that political subdivision.

"(4) ELIGIBLE BOND.—The term 'eligible bond' means—

"(A) a revenue bond specifically to finance one or more designated waste management facilities, facilities for recyclable materials, or specifically and directly related assets, development or finance costs, as evidenced by the bond documents; or

"(B) a general obligation bond, the proceeds of which were used solely to finance one or more designated waste management facilities, facilities for recyclable materials, or specifically and directly related assets, development or finance costs, as evidenced by the bond documents.

"(5) FLOW CONTROL AUTHORITY.—The term 'flow control authority' means the authority to control the movement of municipal solid waste or voluntarily relinquished recyclable materials and direct such solid waste or voluntarily relinquished recyclable materials to one or more designated waste management facilities or facilities for recyclable materials within the boundaries of a State or within the boundaries of a political subdivision of a State, as in effect on May 16, 1994.

"(6) MUNICIPAL SOLID WASTE.—The term 'municipal solid waste' means any solid waste generated by the general public or by households, including single residences and multifamily residences, and from commercial, institutional, and industrial sources, to the extent such waste is essentially the same as waste normally generated by households or was collected and disposed of with other municipal solid waste as part of normal municipal solid waste collection services, consisting of paper, wood, yard waste, plastics, leather, rubber, and other combustible materials and noncombustible materials such as metal and glass, including residue remaining after recyclable materials have been separated from waste destined for disposal, and including waste material removed from a septic tank, septage pit, or cesspool (other than from portable toilets), except that the term does not include any of the following:

"(A) Any waste identified or listed as a hazardous waste under section 3001 of this Act or waste regulated under the Toxic Substances Control Act.

"(B) Any waste, including contaminated soil and debris, resulting from—

"(i) response or remedial action taken under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980,

"(ii) any corrective action taken under this Act, or

"(iii) any corrective action taken under any comparable State statute.

"(C) Construction and demolition debris.

"(D) Medical waste listed in section 11002 of this Act.

"(E) Industrial waste generated by manufacturing or industrial processes, including waste generated during scrap processing and scrap recycling.

"(F) Recyclable materials.

"(G) Sludge.

"(7) POLITICAL SUBDIVISION.—The term 'political subdivision' means a city, town, borough, county, parish, district, or public service authority or other public body created by or pursuant to State law with authority to present for sale an eligible bond or to exercise flow control authority.

"(8) RECYCLE AND RECYCLING.—The terms 'recycle' and 'recycling' mean—

"(A) any process which produces any material defined as 'recycled' under section 1004; and

"(B) any process by which materials are diverted, separated from, or separately managed from materials otherwise destined for disposal as solid waste, by collecting, sorting, or processing for use as raw materials or feedstocks in lieu of, or in addition to, virgin materials, including petroleum, in the manufacture of usable materials or products.

"(9) RECYCLABLE MATERIALS.—The term 'recyclable materials' means any materials that have been separated from waste otherwise destined for disposal (either at the source of the waste or at processing facilities) or that have been managed separately from waste destined for disposal, for the purpose of recycling, reclamation, composting of organic materials such as food and yard waste, or reuse (other than for the purpose of incineration). Such term includes scrap tires to be used in resource recovery.

"(10) WASTE MANAGEMENT FACILITY.—The term 'waste management facility' means any facility for separating, storing, transferring, treating, processing, combusting, or disposing of municipal solid waste.".

(b) TABLE OF CONTENTS.—The table of contents for subtitle D of the Solid Waste Disposal Act is amended by adding the following new item after the item relating to section 4011:

"Sec. 4011. Congressional authorization of State and local government control over movement of municipal solid waste and recyclable materials.".

SENATE—*Tuesday, January 30, 1996*

The Senate met at 11 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Dear God, we say with the author of Hebrews, "This hope we have as an anchor of the soul."—Hebrews 6:19.

Thank You for the anchor of hope in You we have for the storms of life. We lower our anchor and it holds in the bedrock of Your faithfulness in spite of the billows of adversity and the blasts of conflict. We can ride out the storms of difficulties and discouragement because we know You will sustain us. We share the psalmist's confidence, "I wait for the Lord, my soul waits, and in His word I do hope. For in You, O Lord, I hope; You will hear, O Lord my God."—Psalms 130:5, 38:15.

Our hope is not in the reliability of people, the predictability of circumstances, or the security of human power. Our hope is in Your grace and truth. You will neither leave nor forsake us. Keep us anchored today so we may not drift from our commitment to serve You. We claim Your destiny for our Nation. Throughout this day may we feel the tug of the anchor and know that we are secure. In the name of our Lord. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, Senator LOTT, is recognized.

SCHEDULE

Mr. LOTT. Mr. President, today there will be a period for morning business until the hour of 1 p.m., with the time equally divided between the two parties. No rollcall votes are expected during the day today.

For the information of all Senators, the Senate is expected to reconvene on Wednesday with the expectation that the session will be largely devoted to morning business, and rollcall votes would not be anticipated on Wednesday.

Senators should be aware that on Thursday the Senate will be attending a joint meeting of Congress starting at 11:45 a.m. to hear an address by French President Jacques Chirac. Following that joint meeting, the Senate is expected to debate and vote on cloture on or in relation to the Lugar-Dole farm bill.

Additional votes could occur during the day on Thursday, and even possibly on Friday. As we get additional agreements or information on that, we will advise the Members.

MEASURE READ THE SECOND TIME—S. 1541

Mr. LOTT. Mr. President, I understand there is a bill on the calendar that is due for its second reading, which is the farm bill.

The PRESIDENT pro tempore. The Senator is correct.

The clerk will read the bill for the second time.

The assistant legislative clerk read as follows:

A bill (S. 1541) to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes.

Mr. LOTT. Mr. President, I object to further consideration of this matter at this time.

The PRESIDING OFFICER (Mr. INHOFE). Objection having been heard, the bill will be placed on the calendar.

Mr. LOTT. Mr. President, there will probably be some action that will be suggested or offered with regard to the farm bill in a few minutes.

At this time, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

If the Senator from Alaska will withhold for a moment?

Mr. MURKOWSKI. Certainly.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business until the hour of 1 p.m., with the time equally divided between the two leaders.

The Senator from Alaska.

AMTRAK'S DECISION TO CHANGE TRAIN NAMES

Mr. MURKOWSKI. Mr. President, I am a bit of a railroad buff, and there have been some recent changes relative to the operation of Amtrak that I would like to bring to the attention of my colleagues this morning.

I think it is fair to say that it is important that we consider our traditions, and how our traditions have really brought us together as a nation and preserved the fabric of our culture.

It has been 30 years ago that we switched our telephones from exchange names to all-digit dialing. I think it is fair to say that while it increased the efficiency, it lost some of its personality. I recall we had Black 789, White 243, Green 910. We had an operator who would occasionally talk to you if you had a problem. Yet, this change was necessary because of the expansion of telephone service and it produced economic efficiencies.

However, Mr. President, I note with sadness the decision of Amtrak to stop using the historical and traditional names for train service in the Northeast corridor. Last week, the Wall Street Journal reported that Amtrak had decided that, for the Yankee Clipper, along with the train called the Mohawk, the train called the Mayflower, the train called the Connecticut Yankee, the overnight train to Boston, the Night Owl, and nearly all the other traditional names will no longer be used. In their place, nearly all of Amtrak's Northeast corridor trains will be referred to as the Northeast Direct, followed by a number such as 142, 147, 148. I really cannot understand this decision because I cannot see where it necessarily affects the efficiency or service to the public.

A spokeswoman for Amtrak was quoted as saying these names are a colorful part of the past but really not helpful today. According to the spokeswoman, "If you hear 'the Catskill,' it doesn't really tell you where you're going," and that may be true, but certainly the Northeast Direct 147 tells travelers even less. At least the Connecticut Yankee suggests the train is headed to New England; the Northeast Direct 147 really tells you nothing. You do not know where it is headed.

Mr. President, yesterday I wrote to the president of Amtrak, Mr. Tom Downs, and urged Amtrak to reconsider this decision. Again, I appeal to Amtrak in the sense that these are names that are part of the American heritage. I think it is a heritage and tradition that is partially a public trust, if you will. Unilaterally deciding to change these names, I guess, would be equivalent, perhaps, to having the Interior Department redesignate Yellowstone and Yosemite National Parks

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

as Western Park 1, Western Park 2, and perhaps Acadia National Park as Eastern Park 4.

Since 1971, Amtrak has received about $13 billion in Federal funding to help cover its operating and labor costs. Legislation which is currently on the Senate calendar, S. 1395, would establish an intercity passenger rail trust fund. The lion's share of whose funds would go to Amtrak. The proposal calls for Amtrak to receive more than $2 billion over the next 4 years.

In my opinion, Amtrak has made a mistake in changing the names of the historic trains of the Northeast corridor by replacing them with numbers. I urge Amtrak to reverse this decision.

Mr. President, I ask unanimous consent that a copy of the letter which I sent to Amtrak's president be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, January 29, 1996.

Mr. THOMAS DOWNS,
President, Amtrak, 60 Massachusetts Avenue NE, Washington, DC.

DEAR MR. DOWNS. The Thursday, January 25 edition of the Wall Street Journal reports that Amtrak has decided to stop using the traditional names for train service in the Northeast corridor. In conversations with Amtrak officials, my staff has confirmed that Amtrak has decided that the "Yankee Clipper," "The Mohawk," "Mayflower," "Connecticut Yankee," the overnight to Boston, "The Night Owl," and nearly all the others, will no longer be used.

It appears that nearly all of Amtrak's Northeast corridor trains will be referred to as "Northeast Direct" followed by a number such as 142 or 147. Quite frankly, I cannot understand this decision.

A spokeswoman for Amtrak was quoted as saying that these names were colorful, but not helpful. According to this spokeswoman, "if you hear 'the Catskill,' it doesn't really tell you where you're going." That may be true. But certainly, Northeast Direct 147 tells travelers even less. At least, the Connecticut Yankee suggests the train is headed to New England. Northeast Direct 147 tells you nothing.

Mr. Downs, I urge you immediately reconsider this decision. These names are part of tradition. And it is a tradition that is partially a public trust. It is nearly equivalent to having the Interior Department redesignate Yellowstone and Yosemite National Parks as Western Parks 1 and 2.

As you know, since 1971, Amtrak has received $13 billion in federal funding to help cover its operating capital and labor costs. Legislation that is currently on the Senate calendar (S. 1395) would establish an Intercity Passenger Rail Trust Fund, the lion's share of whose funds would go to Amtrak. The proposal calls for Amtrak to receive more than $2 billion over the next four years.

I believe Amtrak has made a mistake and I believe you ought to fix it immediately.

Thank you for your immediate attention to this matter.

Sincerely,

FRANK MURKOWSKI,
U.S. Senator.

INCREASE IN THE DEBT CEILING

Mr. MURKOWSKI. Mr. President, I would like to talk briefly about another matter that this body is going to be asked to address in the very near future, and that is to increase the debt ceiling.

As the President and my colleagues know, the authorization to issue debt is limited with a cap. And that cap is $4.9 trillion. It is a debt so inconceivable that no one can comprehend how large $4.9 trillion is.

Currently, Mr. President, we are looking in the fiscal year just ended at a deficit of about $165 billion. That is a significant figure. But we cannot stop there because there is a further application of interest, and the interest cost on the $4.9 trillion is about $235 billion. And it should be noted that currently interest rates are relatively low. The effective rate of interest is probably somewhere in the area of 5.5 to 6.5 percent on this $4.9 trillion.

Back in December 1980, the prime rate in the United States was 20.5 percent. One can only visualize what the interest cost would be. And this interest has to be paid because the individuals who hold Treasury notes, instruments of debt issued by the Government, have to be paid not only principal but interest. But to suggest that we are currently paying an effective rate of somewhere between 5 or 6 or 6.5, or thereabout—the fact is that interest rates could rise as they have in the past, which would have a disastrous effect on the economic vitality of this Nation.

So, if we look at the accumulated debt that we are carrying, the $4.9 trillion, recognizing that each year we spend more than we generate in revenues, and add to that, we are faced with the reality that within a relatively short period of time we are going to have to increase that the debt ceiling. We are going to have to increase that authorization somewhere, we are told, of up to $5.3, or $5.4, or $5.5, or $5.6 trillion for a term of perhaps 18 months, and then we are going to have to do it again.

So my point is we are continuing to increase the indebtedness of this Nation. I am told that for a person being born today, his or her share of the debt is somewhere in the area of $150,000, to $175,000. That is going to increase unless we do something drastic and turn it around.

We have been talking for a long time about a balanced budget. Everybody, including the White House, supports a balanced budget, a mandatory balanced budget, a process that will get us there. And we have talked about a 7-year ascension. We have had, I think, five proposals from the administration. The first one did not get one vote in the U.S. Senate. The last one really makes the lion's share of the cuts in the sixth and seventh years. That is pretty hard to accept because we know that Congress is not going to have the self-discipline in 6 or 7 years to make those draconian cuts. We know that President Clinton, even if he were to be reelected is not going to be in office in 2001 and 2002 when reality will hit.

So we are going into this period of debate on increasing the debt from $4.9 trillion at a time when we are adding $165 billion in deficits each year, and we do not have a way out. When I say "a way out," we do not have a commitment to a real balanced budget in 7 years because the last proposal by the White House was not real. The press and the public do not seem to accept that it was not real in terms of all the cuts in the sixth or seventh year as opposed to proportional reductions in each of the 7 years.

It is like taking medicine, Mr. President. You have to take it anyway. If you take it up front and get it over with through the process, why, hopefully, you can reach a cure. If you have to take it when you get too sick, sometimes it might not cure you.

Furthermore, I think it is fair to say that during the extended debate to try to reach a balanced budget, the Republicans were blamed for shutting down the Government. For reasons that I find a little hard to understand, there was not a recognition that this was a shared responsibility. It was as much the responsibility of the White House as it was Members of Congress because the President vetoed the reconciliation package which would have basically kept the Government going. He vetoed about six of the appropriations bills and signed the others. Those would have funded the Government.

So the responsibility is very much that of the executive branch—the President and the White House—as we reflect on the last attempt at a fiscally responsible effort to try to address what the public wants, what we know is good for the country, and that is the realistic balanced budget process. Unfortunately, that process, in the opinion of the Senator from Alaska, has failed as a consequence of the inability of the administration to recognize that we simply have to reduce the rate of growth of Government. That does not mean we have to cut programs. We simply reduce the rate of growth.

That was so evident in the debate over Medicare. We are not cutting Medicare payments. Medicare payments would increase each year. But the rate of growth would be reduced from nearly 10 percent to somewhere in the area of 6 percent.

So, Mr. President, again as we reflect on where we are, and the coming crisis with the debt ceiling, it is a responsibility of the administration and the President to recognize that it is not in the interest of the country to proceed with a debt ceiling increase without a realistic way to address a process that will achieve a balanced budget in 7 years.

So I urge my colleagues to reflect on just where we are going and the significance that. If we all believe in a balanced budget and we still do not have the self-discipline in the process to recognize that somehow we are going to have to achieve a balanced budget in a meaningful way and we have at the same time the obligation to increase the debt authorization of this country—there is a direct connection between the two. If we believe in a balanced budget, we should know that to increase the debt authorization without a realistic way of balancing the budget is basically irresponsible in the long-term for the fiscal and monetary policy of this country.

Our debt has to be brought under control and the spiral of its increase has to be reversed. And we run the risk of increased interest rates on that debt. So, Mr. President, we should make the necessary corrections now by having as part of the debt ceiling increase a realistic accord on a balanced budget process that is meaningful and achievable.

Mr. President, I ask unanimous consent that all quorum calls during the designated period for morning business be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI. Mr. President, I yield the floor.

The PRESIDING OFFICER. Does the Senator from Alaska suggest the absence of a quorum?

Mr. MURKOWSKI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. FEINSTEIN. Mr. President, I ask that I be recognized to speak as if in morning business.

The PRESIDING OFFICER. The Senator is advised that we are currently in morning business until 1 o'clock with the time divided between the two leaders.

Mrs. FEINSTEIN. I thank the Chair.

(The remarks of Mrs. FEINSTEIN and Mr. D'AMATO pertaining to the introduction of S. 1547 and S. 1548 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mrs. FEINSTEIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. THOMAS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT REQUEST

Mr. DORGAN. Mr. President, I rise today on behalf of the minority leader and our Democratic caucus to ask unanimous consent that the Senate proceed to the immediate consideration of the bill to increase the debt limit. I will explain in just a moment my intention and the reason I offer this unanimous-consent request.

All of us understand what we have just been through in this past year. We have been through a pretty difficult time. We have struggled as between different philosophies on a range of issues, and we have seen Government shutdowns on two occasions. We have seen and heard people boast about potentially not extending the debt limit and causing a default on the debt. So we have been through a very difficult period.

I think most Members on both sides of the aisle would like very much never to see that repeated. I do not know of anyone who has a continued appetite to see another Government shutdown. I frankly do not know of anyone who, at this point, thinks it would be a good idea if this country were to default on its debt. And yet, we are now at about February 1 and at the end of this month, the Secretary of the Treasury indicates that he will not have the resources with which to meet the requirements to repay the bonds that exist, and there would be a default unless the debt limit is extended.

Some say, "Well, let us wait until the end of February, until we have done certain things to find a way to reach an agreement between this party and the other party." I understand that, and I understand the reason why some would like to postpone this for a while.

On the other hand, there are others of us who are anxious that we move as quickly as we can to get something into a conference so we have some movement on extending the debt limit, so we can tell the people of this country that we are working on it and making progress on it. To wait for the final 3, 4 days or the final week prior to the need for a debt limit extension, prior to default, does, it seems to me, given the circumstances of the last year, create a condition that could provide some risk. That is why some of us feel that this would be the time to move a piece of legislation that would increase the debt limit and move that into a conference.

So with that purpose in mind, I ask unanimous consent that the Senate proceed to the immediate consideration of a bill, now at the desk, to increase the debt limit, that the bill be read a third time and passed and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER (Mr. COATS). Is there objection?

Mr. LOTT. Reserving the right to object.

The PRESIDING OFFICER. The assistant majority leader and Senator from Mississippi is recognized.

Mr. LOTT. Mr. President, I certainly understand why the distinguished Senator from North Dakota would make this effort at this time. I point out, I still believe, I still hope that there is an opportunity for a budget agreement. I am an incurable optimist. The President has indicated he is willing to continue that effort. I know there are informal discussions going on at the staff level.

The problem with debt limits, as the Senator well knows from his days in the House in particular, even in the Senate, is that there are some Senators and some Congressmen who would prefer not to vote for a debt limit going over $5 trillion for the first time in history until there is some guarantee that there is going to be fiscal restraint, that there is some budget agreement that will control the rate of growth of spending, control the annual deficits and the debt.

If there is any hope that we might get an agreement, then certainly a good place to consider putting that would be on the debt limit. Plus, there also continues to be an effort across the aisle in a bipartisan way, in the House and Senate, to come to a bipartisan coalition agreement. It looks to me like good progress has been made in that area.

I have looked at the numbers from the coalition group and the numbers in the House and both of them are actually better than the results of the discussions between the President and the leaders in Congress from both sides of the aisle.

That may be the way to do this: Get a budget No. 3 that we can vote on that would have broader bipartisan support than we had earlier. Once again, maybe put it on the debt limit and move it forward. Or in addition to that, I do know the House is meeting this week and they are looking at other alternatives as to how that might be considered.

So, in an effort to get it through the House and get it through the Congress and get it to the President, we want to make sure we thought it through carefully, have done it right. We do not want to go through a futile exercise of getting something to the President he will veto.

I assume there is a time sensitivity, although the Secretary of the Treasury indicated there were going to be real problems last November, and while he was working to avoid those problems, now we do not really know where the problem does develop. Is it the middle of February, the first of March, middle of March, or can we go on indefinitely by actions of the Secretary of the Treasury?

I do not think he can go on indefinitely, but I do know that the intention of the majority leader is that we act on this in a timely fashion, and the House and the Speaker are acting on some legislation that will allow us to act probably the week of February 26, maybe before that. If we can come to some sort of agreement, maybe we can do it before that.

But I think just to move it here at this point would be a futile exercise and maybe even would be unhelpful in trying to get an agreement.

So at this point, Mr. President, I object to the request.

The PRESIDING OFFICER. Objection is heard.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, the Senator from Mississippi is absolutely correct that a logical place to increase the debt limit would be in a budget agreement, and if there is a budget agreement—and I hope there is—then obviously the debt limit should be increased in that agreement.

The dilemma is, the Moody's organization last week served notice publicly, because of the potential of a default, because of the potential that perhaps the debt limit will not be extended, because of the potential that there might be some who want to use the debt limit as leverage, and the ultimate leverage, of course, being default if there is not a budget agreement, because of that, Moody's has indicated they are taking a look at whether to downgrade the creditworthiness of U.S. Government bonds.

It seems to me that ought to be a warning to all of us that we ought not fool around with this question of the grading of Government bonds and the creditworthiness of Government bonds.

This is a very important issue. The Senator from New York, Senator MOYNIHAN, has spoken at some length on it. I say to the Senator from Mississippi, I know that Senator DOLE is not in any way suggesting that he would want to default. In fact, I do not think Senator DOLE felt that the Government shutdowns were the way to run the Government. So I am not suggesting that there are those whom we are discussing at this point who believe this would be a wise course. I think there are some in the Congress who probably have said in the past, "It does not matter to us if we do not pay the bondholders 30 or 60 days afterward," the implication of that suggesting that default certainly is an option as one of the pieces of learning we will use in the negotiations.

So many of us feel that rather than waiting until it is too late, let us start early here and be offering some UC requests to see if we cannot move this along. I know the minority leader has indicated that when the Senate is in session during this month, he feels that we should be offering requests. I am offering this on his behalf today to extend the debt limit. And, again, I understand the reasons for the objection today. My hope would be that in the days ahead we will find a way to advance this through the Senate and go to conference so we can send a message to the country and the world that no one around here will play with the creditworthiness of this country. No one will use the issue of default as leverage in this context. I think most of us believe that would be terribly, terribly risky, and a very unsatisfactory outcome.

So I understand the point the Senator from Mississippi has made. I hope he understands why I have offered this today. He would expect to see it offered again in the days ahead when the Senate is in session.

I would like to, if I might, Mr. President, propound a question to the Senator from Mississippi. Although we are in session today——

Mr. LOTT. If the Senator will yield first, because I think he is fixing to change the subject, I want to get this into the RECORD.

I think there is some question, also, just for the information of the Senators, about the Senate acting first on a clean debt ceiling, whether this is a revenue effort under those conditions and therefore subject to a point of order. I make that observation. I am not pursuing it at this point.

For the information of the Senate, I ask unanimous consent to have printed in the RECORD at this point the history, going back to 1984 through 1990, of how debt ceilings were extended and the riders that were added to those debt ceiling bills in order for them to be able to complete and go through the process.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LEGISLATIVE RIDERS ON PAST DEBT LIMIT EXTENSIONS

1990—H.R. 5355

Passed by the House, but not by the Senate. Would have increased the debt ceiling by $322 billion to $3.444 trillion. Rider: Amended the rules on sequestration to exempt Social Security.

1989—H.R. 3024

Increased the debt ceiling by $70 billion for the period from August 7, 1989, through October 31, 1989. Rider: Made changes regarding the current accrual value of certain obligations issued on a discount basis.

1989—H.J. RES. 280

Increased the debt ceiling to $3.1227 trillion. Rider: Repealed Section 89 of the Internal Revenue Code (relating to health benefits provided under certain discriminatory employee benefit plans).

1987—H.J. RES. 324

Increased the debt ceiling to $2.8 trillion. Rider: Gramm-Rudman II, which contained provisions relating to sequestration, overall budget caps, and budget process reform.

1986—H.J. RES. 668

Increased the debt ceiling by $189 billion for the period from October 21, 1986, through May 15, 1987. Rider: This debt limit was attached to the Omnibus Budget Reconciliation Act of 1986.

1985—H.J. RES. 372

Increased the debt limit to $2.0787 trillion. Rider: Gramm-Rudman Deficit Control Act, which contained provisions relating to sequestration and set overall budget caps.

1985—H.R. 3721

Increased the debt ceiling to an amount no greater than $1.9038 trillion for the period from November 14, 1985, to December 6, 1985. Rider: Contained riders that delayed the effective dates of the following provisions by one month: Tax increase on cigarettes; section 285 of the Trade Act of 1974; section 10(d) of the Railroad Unemployment Insurance Act and, section 5(c) of the Emergency Extension Act of 1985.

1984—H.R. 5692

Increased the debt ceiling by $30 billion to $1.520 trillion. Riders: Allowed the Treasury to hire experts or consultants as contract employees. Reimburse the State Department for health and medical services provided to overseas employees; maintain uniforms provided to Treasury employees; provide athletic services for students at the Federal Law Enforcement Training Center in Glynco, Georgia; install fencing, guard booths, lighting, and other maintenance for Treasury Department facilities and enter into reciprocal assistance with state and local law enforcement agencies.

Mr. LOTT. Now I will respond to another question.

Mr. DORGAN. I think it might be worthwhile to put in the RECORD the reports of last week by the Moody's organization about the evaluation of the potential downgrading of Federal bonds. That might describe in some more detail the issue of the risks that some of us are concerned about. I ask unanimous consent that the report I cited be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

U.S. DEBT RATING THREATENED

Alarmed by the protracted budget brawl in Washington, a venerable Wall Street credit rater is threatening to downgrade America's prized triple-A rating if the deadlock forces the government to default on its debts for the first time.

The unprecedented warning Wednesday from Moody's Investors Service, which has been judging borrower credit worthiness for nearly a century, would mark a stunning blow to the U.S. government's credit standing and sully the pristine status of $397 billion in Treasury debt with interest due in coming months.

The warning marked the bluntest negative reaction from the financial world so far to the possibility that Uncle Sam might renege on a pledge to repay borrowed money, which has never happened and has helped make U.S. government IOUs the safest and most coveted securities in the world.

"This is a wake-up call," said Mike Casey, an international economist at Ramirez Capital Consultants Inc., a New York investment research firm.

Moody's said it was obliged to make the warning because "the positions being taken in the current debate over the budget and the debt ceiling have significantly increased the risk of a default on the above-mentioned security obligations."

It said the possible downgrade doesn't reflect "any underlying deterioration in the fiscal position of the United States Government, but rather from the peculiar circumstances surrounding the present political controversy over the direction of federal economic and social policy."

Some congressional Republicans have threatened to allow the government to default if the Clinton administration doesn't capitulate on spending cuts in the battle to balance the federal budget. The administration has said Congress must raise the $4.9 trillion debt limit by March 1 or a default could result.

Although most economists say the possibility of default remains extremely remote, many still regarded the Moody's warning as a sobering reminder that it's not possible.

"In a sense it's like nuclear warfare," said Robert Brusca, chief economist at Nikko Securities International in New York. "If it happens it's a terrible problem. But nobody thinks it's going to happen."

The Moody's warning coincided with conciliatory moves in the budget battle, and House Speaker Newt Gingrich said he wanted to avoid a default. But it was unclear whether Gingrich also was speaking for more militant Republicans, many of them freshmen in the House, who have used the threat of default as a bargaining tactic.

After a meeting with Gingrich Wednesday evening, one freshman congressman, Rep. David McIntrosh, R-Ind. said his class was "pretty much on board" with the speaker.

Moody's said it was placing Treasury bonds and notes with interest payments due Feb. 29 and April 1 "on review for possible downgrade."

The rating agency didn't make clear what these securities would be downgraded to. But the loss of triple-A status could make it more expensive for the Treasury to borrow, adding billions of dollars in extra interest to the government's overall debt and reverberating throughout the economy with pressure for higher interest rates.

Bond prices were sharply lower by midday today, continuing a slide that began late Wednesday afternoon as word of the Moody's announcement spread. But traders said prices were falling for other reasons as well.

Standard & Poor's Corp., another leading debt-rating service, made similar warnings on Nov. 10, when the issue of a possible default first arose in the budget negotiations. Still, the wording of the Moody's announcement was far more blunt and specific, referring to particular groups of medium- and long-term Treasury bonds that would be affected.

S&P said a spokesman that it is examining the spillover effects of a potential default of U.S. Treasury securities and expects to make an announcement about that in the next several days.

Treasury Secretary Robert Rubin responded to the Moody's announcement with a brief statement expressing his belief that the debt impasse will be resolved by the end of February.

Some Wall Street economists theorized that Moody's made the warning partly because of sensitivity to the credit-rating industry's past failures to forewarn of brewing financial debacles.

Just in the past few years, for example, both Moody's and Standard & Poor's have been rebuked for failing to sound the alarm on impending crises in Mexico and Orange County, Calif., which cost investors huge losses.

"Moody's and S&P have caught a lot of grief in the past," said Casey. "They have lot of history of locking the barn door after the cows have gone."

Mr. DORGAN. Let me ask the Senator from Mississippi a question about something that will come up later this week that I know is important to many of us, including the Senator from Mississippi. We are in session today on Tuesday and we do not have recorded votes and will not have recorded votes Wednesday. We will have recorded votes on Thursday. My understanding, from the discussion I had with the majority leader last Friday, was that on Thursday of this week we would be turning to the issue of the farm bill. I am very concerned about trying to get us to move a piece of farm legislation.

I know there are people with very different views about what kind of farm bill would best serve the interests of family farmers in this country in the future. Some say, the so-called Freedom to Farm Act must be passed, or else. Others say that there is the Farm Security Act's marketing loans, and other things. In your part of the country, in Mississippi, we are in the circumstance where farmers are ready to go into the fields at some point soon. I confess that, as of an hour ago when I last talked to somebody in North Dakota, there is not anybody close to starting up a tractor and going into a field today because it is awfully cold there today. But down south people are close to starting to want to do spring's work. In our part of the country, farmers want to talk to bankers and to their agribusinesses about the farm plan. They want to know under what conditions will they plant this spring, and what will the farm program be? We were supposed to have passed a 5-year plan last year. There was one put in the reconciliation bill, which everybody knew would be vetoed. We have nothing at this point.

My hope is that we can work together, Democrats and Republicans, and if we need to demonstrate a burst of bipartisanship here, there is no place better to do that than on a farm bill. Your farmers have the same needs as mine. I have strong feelings about what we ought to do, and I know others do as well. Especially, we owe them an answer. I hope very much that, come Thursday—I think we will have a couple of cloture votes on a couple of different plans, and perhaps we will not invoke cloture on either. If that is the case, I hope we can find a way Thursday to advance some kind of basic farm plan in order to put it into conference so we can work hard in the next week or so and finally move a farm plan out of the Congress. Farmers deserve that. We owe that to them.

I ask the Senator from Mississippi his view on the urgency of this, and whether he thinks that we are going to be able to move forward Thursday with some dispatch to deal with this issue.

Mr. LOTT. Mr. President, in responding to the Senator from North Dakota, he brought back memories of bipartisan efforts in the past on the farm bill. I think it was maybe 1982. I remember that at the time I was in the House and I was the minority whip. At that time, the majority whip was a fellow named Tom Foley. We were working on the farm bill. It was very delicate and tedious. Everybody wanted a farm bill, but some of the people did not necessarily want to go on record voting for that particular version. I remember even exchanging vote counts with the majority whip. We managed to get a pretty good farm bill through, but one that was pretty evenly divided between the two parties. So that is always the way it should be done. I think usually that is the way agriculture policy is developed, in a bipartisan way.

I do agree that there is an urgency, too. During the years I have been a Member of Congress, I never had to go back home in February—that is when we start going into the field in my State—to tell farmers that we do not have a farm bill. They do not know what to expect. There has never been an instance where I recall where we let existing law expire, which opens the door to utilizing outdated, expensive, and ineffective 1938 and 1949 so-called permanent laws. That is what is about to happen. If we do not do something on this, we are going to revert back to the so-called permanent law. That causes all kinds of confusion not only for the farmers, but the lenders and the suppliers, which are an important part of the economy in my State and, I know, in your State. Even the Secretary stated that reversion to the permanent law has all kinds of problems. Authorization for wheat, feedgrains, and rice programs under current law have already expired. So there is an urgency.

I know the Senator from North Dakota knows that an effort is underway now where Senators and their staffs are working on what is the best approach. We did have the farm bill that was in the reconciliation package, as the Senator said. It was vetoed by the President. Some of us would like to look at that as a base and maybe make some changes. I know the Senator has a different approach. We are working on what is the best procedure to get an agreement, and we are going to try to have some understanding worked out later on today—hopefully very shortly—as to exactly what votes will occur Thursday on or in relation to agriculture legislation. We are going to be very careful to be fair in how we proceed and give those who have different views a chance to make their case, and have one or more cloture votes, but try to make an effort to get this issue moving in such a way that maybe we can get into conference and work out an agreement that we can get to the President in the shortest possible period of time. So we are working right now on a unanimous-consent agreement that would get us into consideration on Thursday that would allow for a vote or votes to occur and try to find a way to move it forward.

Mr. DORGAN. Mr. President, I thank the Senator from Mississippi.

One of the dilemmas here is that the farm bill, which was placed in the reconciliation bill and passed last year and vetoed, would have eliminated the permanent law, the 1949 act. Many of us had great concern about that. There are new and innovative ways to deal with the issue of payments, and other approaches in the short term. But in the long term we feel strongly that the needs of a network of family farms will only be met if we retain some kind of permanent authority for farm legislation. But I guess the point I was making—and I am comforted some by the Senator's comments—I think at the end of Thursday we need to have found a way to reach agreement on something that we can move into conference that builds a bridge between the various proposals that now exist. I think we have not seen much bipartisanship in the last year or so. In fact, it has been some while beyond that, I guess. If ever we need a burst of strong bipartisanship, it is to find a way to move this farm legislation forward.

I look forward to working with the Senator. There is an effort underway; we have a lot of staff people on a bipartisan basis searching for some common ground. Perhaps that will result in the ability to move something on Thursday. Time is very short. It is very urgent that we provide farmers an answer about what will be the conditions under which they plant this spring, what kind of a farm program will exist in this country.

Mr. LOTT. Mr. President, for the information of all Senators, we also still hope there is the possibility that we would have a vote or votes this week on the telecommunications issue. That has not been clarified yet.

Speaking of bipartisan efforts, that is one where last year a lot of work went into that legislation. It is a very important piece of legislation. I believe it passed by a vote of something like 81 to 18. It is on the verge of being ready to come out of conference. We hope we can get an agreement worked out on that also sometime today. If we can, we would hope maybe we could have a vote on that also on Thursday.

We could have at least two or three votes on Thursday, both of them on very, very important issues: agriculture and telecommunications. That is almost a year's work. Time is short on both of them. We are going to work very hard to try to get an agreement worked out.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. AKAKA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FRIST). Without objection, it is so ordered.

TRIBUTE TO THE LATE LT. COL. RICHARD SAKAKIDA

Mr. AKAKA. Mr. President, I want to take the floor of the U.S. Senate to tell my colleagues and the people of Hawaii and the country about a Hawaii-born unsung hero of World War II. His extraordinary story has never been fully told.

In a description of Colonel Sakakida's wartime activities, it is written that today Richard Sakakida is alive and well and living in California.

I was deeply saddened by the death last week of Lt. Col. Richard Sakakida near his home in Fremont, CA, after a lengthy illness. Colonel Sakakida, one of America's genuine war heroes, faced death with the same stoicism and dignity as he displayed in facing the dangers of war and the constant pain of his war injuries.

Colonel Sakakida will be mourned by the many who knew him personally or by reputation, including the thousands of Japanese-Americans who followed his footsteps to serve in their country during the Second World War.

He is survived by his beloved wife of many years, Cherry, to whom I offer my deepest condolences.

Colonel Sakakida was a true hero, one whose contributions, tragically, have never fully been recognized by his own Government. His was one of the most amazing stories to come out of World War II.

As a U.S. Army undercover agent and prisoner of war of the Japanese in the Philippines 50 years ago, he endured isolation, privation, disease, shrapnel wounds, the constant threat of discovery, and unspeakable physical torture in carrying out daring intelligence missions for his country. His sacrifices not only resulted in the advancement of the Allied cause during the Second World War, they reflected a great sense of duty and personal courage rarely seen even in that great conflict.

As one of the very first Nisei recruited to the United States military service, Colonel Sakakida also helped to pave the way for the thousands of other Japanese-Americans who would make their own contributions to the war effort as members of the famed 100th/442d Regimental Combat Team and the lesser known Military Intelligence Service. Later, though he modestly would have denied this, Colonel Sakakida's achievements opened doors of opportunity in the military and society at large for subsequent generations of Japanese-Americans and other minorities.

In death, as they never were in life, Colonel Sakakida's accomplishments deserve to be remembered and honored. To this end, I hope that Members of Congress will actively support efforts to ensure that his military valor is one day recognized by his Government.

For the benefit of those who do not know this remarkable soldier's story, I ask unanimous consent that a description of Colonel Sakakida's wartime activities as excerpted from "America's Secret Army: The Untold Story of the Counter Intelligence Corps" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMERICA'S SECRET ARMY: THE UNTOLD STORY OF THE COUNTER INTELLIGENCE CORPS

(By Ian Sayer and Douglas Botting)

SAKAKIDA

Of all the unsung heroes of World War Two, Richard Sakakida must rank as one of the most remarkable. For courage, fortitude and loyalty to his adopted homeland there were few to rival him. Yet outside a small circle of veteran CIC agents Sakakida's name is almost unknown, and his extraordinary story has never been fully told.

Richard Sakakida was a native of Hawaii, the son of Japanese parents who had emigrated there from Hiroshima at the beginning of the century. Most Americans would have described him as a Japanese-American, but the Japanese had a special word for such expatriates—Nisei, meaning the firstborn away from the homeland. Educated at a American high school in Honolulu and brought up as an American citizen in a Japanese family, Sakakida was a man of two cultures and two languages. The outbreak of war between America and Japan might easily have led to a hopeless confusion of loyalties in a person of his dual background, but it did not. Like the great majority of Nisei, many of whom were later to distinguish themselves in action against the Germans in Europe, Sakakida firmly considered himself to be an American first and last. In March 1941, nine months before the Japanese attack on Pearl Harbor, this resolute, soft-voiced, earnest-mannered young man was invited to put his unusual linguistic and cultural qualifications to practical use by joining the specialist branch of the U.S. Army best able to take advantage of them—the CIC. Along with another young Nisei, Arthur Komori, he was sworn in as a CIC agent in Hawaii with the rank of sergeant. These were the first Japanese-Americans ever to be recruited into the CIC, and they were to be among the handful of their detachment to survive the war against Japan.

After an intensive training course in the use of codes and ciphers and the recognition of prime targets, Sakakida and Komori were told to prepare to embark on a secret mission, the nature of which would be revealed to them later. They were told that their destination was Manila, the capital city of the Philippines, an American possession on the point of independence, where the United States still maintained a substantial military presence. They were warned that their assignment would certainly be a source of inconvenience and probably of danger. They were to say nothing except to their immediate family—in Sakakida's case his widowed mother.

Less than a month later the two agents set sail for Manila on board a U.S. Army transport, traveling as deck hands in order to conceal their identity as members of the armed forces. In Manila, a city of tropical languor and almost colonial ease, they were met by the Commanding Officer of the CIC Detachment in the Philippines and briefed for the first time about the nature of their mission. The magnitude of their task took their breath away. It involved nothing less than the counter intelligence investigation of the entire Japanese community in Manila, into which they were required to infiltrate themselves as undercover miles in order to target those individuals who had connections with the Japanese military and posed a threat to the security of the United States Army. As a cover story they were to claim that they were crew members of a freighter and had jumped ship after tiring of life at sea—a story Komori enhanced by adding that he was also a draft dodger, a state of affairs which he reported later "was favourably received by the pro-Emperor sons of Japan."

Sakakida was instructed to register at a small hotel called the Nishikawa, while Komori checked in at the Toyo Hotel. From these two bases the tyro agents were to start looking around for rôles in keeping with their assumed identities. Their case officers, Major Raymond and Agent Grenfell D. Drisko, were the only members of the CIC Detachment who knew that they were Nisei agents. In order to stay in contact they were given keys to a mailbox at the Central Post Office in Manila under the name of Sixto Borja and told to check the box twice daily for instructions about rendezvous places. Major Raymond or Agent Drisko would then pick them up at a prearranged spot and drive them by a roundabout route to the Military Intelligence section in Forth Santiago, where they could submit their report in safety and receive new briefings. For Major Raymond, a long-time Agent, Sakakida and Komori developed tremendous admiration and affection. "He gradually instilled in us the techniques of subtle investigations and subterfuges in the best traditions of the CIC," Komori recalled later. To him they owed everything they knew about working as undercover agents amongst the impendingly hostile Japanese.

And so, in the months preceding the outbreak of war, the two young and apprehensive Nisei began the delicate task of burrowing into the warren of the main Japanese community in the Philippines, numbering more than 2,000 in all. Sakakida posed as a sales representative of Sears, Roebuck, whose sales brochures he had learnt by heart, and spent most of his evenings in the Japanese Club, where he assiduously ingratiated himself with the Japanese businessmen who frequented this hotbed of Nippon orthodoxy. Meanwhile Komori obtained a post as a teacher of English at the Japanese Cultural Hall in Manila and made use of this respectable position to win the confidence and even the friendship of some of the leading Japanese residents of the city—the Japanese Consul General, the Chief of the Japanese News Agency, the Chief of the Japanese Tourist Bureau, the Chief of the Japanese Cultural Hall and many others. With few exceptions he found the Japanese "arrogant and expansionist-minded," openly sympathetic to the militaristic ambitions of the Japanese Army generals and increasingly dismissive of the more peaceable and compromising civil government in Tokyo. War fever had developed to such an extent, Komori reported, that one of his students in his English class, a journalist who wrote for a newspaper in Osaka, even reported the likely route of advance of the Japanese forces once they had launched their attack against the British in Singapore.

Komori had to go along with all this, of course, in order to keep up his cover. He even had to seem to join in the jinjoistic euphoria when Japanese planes bombed the American fleet at Pearl Harbor on 7 December and drink toasts to the Emperor when America declared war on Japan the following day. The outbreak of war now put him in grave danger, for it meant that henceforth he would be spying on an enemy people, and would have to face the consequences if he put a foot wrong. The war was only a few hours old when the complexities of Komori's new situation were brutally brought home to him. He was in the Japanese News Agency in Manila, downing yet another sake in yet another toast to the Emperor, when the door burst open and he found himself ringed by a group of Filipino Constabulary with bayonets fixed. To the Filipinos he was just another Japanese. Along with officials of the News Agency, Komori was herded down the stairs and into a waiting bus. He was then driven to the stinking old Bilibid Prison—"the hell hole" as he recalled, "of Manila"—and here he languished, an American agent amidst a gaggle of enemy subjects, completely confident that Major Raymond would eventually learn his whereabouts and rescue him.

Meanwhile, in the wake of the rising tide of anti-Japanese feeling in the Philippines that followed the outbreak of hostilities, Sakakida too had been thrown into the Bilibid Prison, though via a much more circuitous chain of events. In the preceding months he had found employment as a clerk in the Nishikawa Hotel in return for his room and board, a job which had given him an ideal opportunity to inspect the passports and other credentials of Japanese visitors to Manila. With the coming of the war Sakakida's information-gathering operation gained much greater momentum. The United States now required all Japanese nationals to file declarations of their bank accounts and assets, and many of them came to Sakakida to seek his help in filling out all the various forms. In this way he was able to interview a considerable portion of the Japanese community in the Philippine capital and obtain a large volume of information which did not go on the forms, particularly about the military background of the people concerned, all of which he passed on to U.S. Military Intelligence.

Sakakida did not, of course, reveal to anyone that he was an American citizen. Since to all outward appearances he was completely Japanese, he was treated as such by the hostile Filipinos, and before long he found himself in such physical danger that he was forced to look to his own survival. When the Manila radio station announced that all aliens should report to their local police station for internment, Sakakida was happy to oblige. Along with three other Japanese he was flung in the back of an open police truck and driven off through the narrow streets of Manila, where crowds of angry, anti-Japanese Filipinos aimed blows and missiles at them, so that they were bruised, bloody and exhausted by the time they reached the sanctuary of the Japanese Club, now an internment centre for Japanese, German and Italian aliens. A few days later he was sent into Manila city to obtain food for the children in the centre, and while he was there he took the opportunity to return to his hotel to pick up his belongings. But he had barely begun to pack his bags when he was seized by three Filipino Secret Service agents on suspicion of being a spy and thrown into Bilibid Prison, where like his fellow agent Komori he languished in hope of rescue by his CIC commander, Major Raymond.

By now the situation on the war front had begun to deteriorate catastrophically. In the first phase of their plans for the military conquest of the Far East, the Japanese had launched an almost simultaneous assault on Hong Kong, Malaya and the Philippines. On the same day as the attack on Pearl Harbor, over half the bomber of the American air force in the Far Eastern Theatre and one-third of the fighters were destroyed in Japanese air attacks on the American air base at Clark Field in the Philippines, and the naval base in Manila Bay was effectively devastated. Without naval support or command in the air, the commander of the Filipino and American forces in the Philippines, General Douglas MacArthur (Commanding General of the U.S. Army Forces, Far East), had no real prospect of holding Manila when the Japanese began landing ground forces in strength on the island of Luzon on 20 December, and he ordered a withdrawal southward to the natural stronghold of the Bataan Peninsula and the island fortress of Corregidor, where he would hold out as best he could till relief arrived from Hawaii, perhaps in six months' time.

Inevitably Sakakida and Komori were swept up in the turmoil of the last few desperate days before the Japanese entry into Manila. Events moved swiftly. First they were snatched from prison by Agent Drisko; then on Christmas Eve, with bombs falling on Manila and the sky over the city a lurid red from the fires of burning buildings and oil tanks, they were bundled on to a tiny steamer bound for Bataan, along with the entire staff of the CIC Detachment and Military Intelligence section and all their documents. Sakakida and Komori were seconded to Corregidor, the tiny overgrown island fortress off the tip of Bataan, popularly known as The Rock, where General MacArthur had established his headquarters after the retreat from Manila. Here Sakakida was assigned as General MacArthur's personal interpreter and translator. So desperate was the general need for Japanese linguists, however, that both Sakakida and Komori were sent to work near the front lines in Bataan in alternating three-day shifts, so that while one was on The Rock the other would be in Bataan until they changed places. In Bataan they operated from makeshift headquarters of bamboo sticks and banana leaves in a clearing in the jungle, where amid the screeching birds and clacking palms they plunged into a frenzy of activity. They went on patrols and scouting expeditions through the lines, interrogated prisoners-of-war, interned collaborators, collected enemy documents and translated them, amassed information of all kinds about Japanese movements and intentions.

On occasion Sakakida traveled to the front to collect personal papers from the bodies of the Japanese dead, for Japanese soldiers kept highly detailed diaries which provided not only useful tactical information but illuminating insights into the morale and outlook of the Japanese soldiery. Once he was summoned from army headquarters to broadcast a surrender appeal in Japanese to diehard Japanese troops fighting a last-ditch battle in the cliff caves at Longoskawayan Point, where the Japanese Army had been trying to build up a pocket to outflank the American defences at the Bataan front. The Japanese responded to Sakakida's appeal with a fusillade of fire and had to be wiped out to a man by pointblank gunnery. Sakakida was not very popular with American and Filipino front-line troops, because wherever he went he drew a lot of fire from the enraged Japanese. Sitting in his fox hole with his microphone and loudspeaker and an escort of Filipino Scouts, he would broadcast his surrender message across to the Japanese front line, and the Japanese would listen in silence with exquisite politeness until he had finished, and then blast the area to bits with mortars and grenades and anything else they could lay their hands on. At one time Sakakida tried firing little messages at them with a home-made catapult. The messages, which were rolled up in 2-inch lengths of piping, read: "It is cherry blossom time back in your homeland, and the military have sent you here to the jungles of Bataan. You ought to be at home with your families and loved ones enjoying the cherry blossom. So why continue this futile battle? Come and surrender with this leaflet and your shipment back home will be guaranteed."

After this bombardment of the Japanese positions with this touching homily, a voice with a strong Japanese accent called out in English from the jungle: "What the hell are you firing now, Americans? Are you out of ammunition?"

By now many agents found themselves in the thick of intensive and desperate fighting. When Special Agent Lorenzo Alvarado's unit lost all its officers, Alvarado assumed command during a fire fight with the enemy, and for his courage and initiative was subsequently decorated with a gallantry award. Early in March one of Sakakida's colleagues, Special Agent Harry Glass, made history by becoming the first CIC agent to be wounded in World War Two. He was struck in the neck by a .25 calibre rifle bullet fired by a Japanese sniper hidden in a tree along a jungle trail. By a miracle, the bullet entered one side of his neck and exited the other side without piercing the oesophagus or severing any blood vessels, and Glass was back on duty in a couple of days, with only two small plasters, one on each side of his neck, to mark the historic spots.

Back on Corregidor they found The Rock was not a nice place to be. It was now raked daily from dawn to dusk by Japanese air and artillery bombardment, so that the garrison was forced to seek permanent shelter in the tunnel system bored deep inside the hills, where they eked out an acutely uncomfortable troglodytic existence on half rations. Under the hail of Japanese high explosives the two Nisei on Corregidor worked 16 to 20 hours a day helping to decipher Japanese signal codes and monitoring Japanese air force communications, which were broadcast in clear, thus enabling the Americans to warn target areas on the island that a raid was coming. Later they were joined by another Hawaiian-born Nisei, Clarence Yamagata, a civilian who had practised law in Manila and acted as part-time legal advisor to the Japanese Consulate until the American withdrawal from the city.

As time passed the American position became more and more hopeless and untenable, even on fortress Corregidor. By the beginning of April it was clear that the end was near for the hard-pressed soldiers on Bataan. After three months of bitter and intensive combat, malnutrition and disease the men were exhausted. By now the average daily food intake was down to 800 calories per man; and 90 per cent of the Filipino Army had no shoes. Hope of relief had faded and most were resigned to the prospect of imminent surrender to an overwhelming enemy. Few could now escape the tragic fate that was about to overtake them.

On 9 April Bataan fell in the greatest capitulation in American history and some 76,000 shattered American and Filipino survivors were led north into captivity on a notorious death march that killed over half their number. Many of Sakakida's CIC comrades took part in this march. Others were transported to the prison camps in crowded, insufferably hot freight cars, without water or food. Most were to die at the hands of the Japanese, succumbing to the privation and brutality of the camps, or drowning in torpedoed prison ships, or simply disappearing without trace. One agent did manage to escape after the surrender on Bataan. This was Grenfell D. Drisko, who had been one of the first CIC contacts that Sakakida and Komori had made on their arrival in the Philippines. Fleeing to the hills, Drisko had joined up with a guerrilla group, but unconfirmed reports indicate that shortly before the Americans recaptured the Philippines, Drisko's location had been betrayed to the Japanese in return for a bounty and he was subsequently captured and killed.

By the time of the Bataan surrender General MacArthur had already removed himself and his headquarters to the security of distant Australia, leaving his deputy, General Wainwright, to hold the fort—in a completely literal sense—on doomed Corregidor. Both generals expressed deep concern over Komori and Sakakida. Since the Japanese refused to recognize the right of anyone of Japanese blood to bear loyalty to another country, they would doubtless treat the two Nisei with even greater harshness in captivity than they would their Caucasian comrades—especially if they discovered that the Nisei in question had been undercover agents of American military intelligence. General MacArthur therefore ordered Komori and Sakakida to leave the Philippines on the makeshift evacuation flotilla known as the "bamboo feet." This presented Sakakida with the most difficult and momentous decision in his life and marked his transition from an agent of ability to a man of heroic stature—and a master spy.

Sakakida contended that the evacuation plans as they stood entailed leaving Yamagata behind to face his fate as a prisoner of the Japanese. In his view this was unthinkable. Yamagata had openly occupied a position of trust among the Japanese and then voluntarily come over to the American side. Clearly he would be marked out for special treatment by his captors—a fate too dreadful to contemplate. Sakakida was also aware that Yamagata's wife and children were then living in Japan, a situation which made Yamagata even more vulnerable to any pressure the Japanese chose to put on him. Sakakida himself was not in such a vulnerable position. He had never worked openly for the Japanese, he had no wife or family. It was therefore only right and just, he felt, that Yamagata should take his place on the ride to freedom. He put this proposal to his commanding officer, who in turn put it to General Wainwright, who put it to General MacArthur, who agreed. Sakakida would have to survive the Japanese occupation as best he could.

So, early on the morning of 13 April 1942, Sakakida bade Yamagata and fellow agent Komori farewell as they set off on their breakout bid from the beleaguered island of Corregidor. They went not by sea but by air, taking off from the island's tiny airstrip on what was considered a "50–50 attempt" to get out in an army training plane that had been patched up after a previous crash landing, with an American newsman and an emissary from the Chinese leader, Chiang Kai-shek, also on board. The plane flew through the Japanese blockade without incident and landed on the more southerly Philippine island of Panay. Here they were rescued by a B–25 bomber flown, in Komori's recollection, by a legendary pilot by the name of Captain Paul I. ("Pappy") Gunn, an expert in daredevil low-level flying, who flew them out, Komori later recalled, "in a flight in broad daylight through enemy territory in a hedgehopping, canyon-shooting, wave-skipping trip, during which the pilot kept telling us that enemy planes could not see us as we were flying only a few feet above our own shadow." The B–25 landed on Mindanao, the most southerly of the main Philippine islands, where it took on a maximum fuel load and then took off again on an historic flight of 17 hours to Australia, the longest flight ever made by an aircraft of that type. Komori was later to state that in his view this flight had been a "test hop" which proved that a B–25 could be flown much farther than had hitherto been believed, and that it set a precedent for the bombing raid on Japan made a few days later by B–25's from the aircraft carrier *Hornet*.

Komori's first task in Australia was to write what turned out to be the definitive American guideline for the handling and interrogation of Japanese POWs, based on the experience that he and Sakakida had had in Bataan. The two CIC Nisei had found that if a Japanese captive was given a drink of water, an American cigarette and immediate medical care if needed, his fear of summary execution evaporated and he was happy to disclose everything he knew or was asked. This "kindness and understanding" approach was to pay off in huge tactical and strategical intelligence gains throughout the rest of the war in the Pacific area.

Because of his language capability, Komori was next assigned to the newly formed Allied Translation and Interrogation Section under Colonel Sidney Mashbir. ATIS performed an increasingly valuable task in translating captured enemy documents and interrogating captured Japanese soldiers. But Komori was a CIC agent and was in due course assigned to the chief of counter intelligence in MacArthur's South West Pacific command, General Elliott Thorpe. When the tilt of war clearly swung against the Japanese, Komori rejoined the CIC in the field as the agent, first in the Philippines during the American re-conquest, then in Japan, where he was one of the first CIC agents to set foot after the surrender. Komori was to make a career in the CIC after the war, retiring as a colonel to practise law in his native Hawaii.

Sakakida's experience was to prove very different. There was little for him to do except wait. He jointed up with the other members of the CIC detachment on Corregidor preparing for the inevitable surrender and helped them destroy intelligence files and other records. He was then instructed to revert to his former role as an undercover agent and officially listed as a civilian by the American command. It was understood that if the opportunity ever arose he would try to enter the Japanese forces with the object of channelling intelligence material to the guerrilla formations that were already gathering in the hills.

On 6 May the ravaged defenders of Corregidor were overwhelmed by the greatly superior Japanese forces that had fought their way ashore. After sustaining heavy U.S. losses, General Wainright and several of his aides, carrying a while flag, went out of the tunnels in the direction of the enemy lines in order to arrange a surrender. Some four hours later Wainright had not returned—and the Japanese had not ceased their onslaught. Fearing the worst for Wainright's fate, his deputy, General Beebe, decided to take a small leaking harbour craft and try and reach Bataan to contact some higher ranking Japanese. Sakakida went with Beebe to interpret; Special Agent James Rubard and several others of the headquarters staff volunteered to man the boat for the voyage across.

As the boat came in to Cabcaben Port on the south-east tip of Bataan, a squad of Japanese soldiers appeared, forced the Americans to stand at attention and then proceeded to remove their dogtags, watches and other valuables. The Japanese NCO in charge then spoke to Sakakida in Japanese, and when Sakakida replied the NCO struck him a number of times, breaking his glasses, cutting his face and knocking him to the ground. "Hold your temper, Kelly," General Beebe admonished Sakakida, deliberately addressing him by a false name in order to conceal his Nisei identity. Rubard feared they were going to kill Sakakida on the spot, but instead they refused to allow him to accompany General Beebe as an interpreter and returned all but General Beebe and his aides by Japanese landing craft to the area of Corregidor where American forces were being held captive.

For CIC men like Rubard and Sakakida this was a highly volatile and dangerous time, especially when the Japanese began calling members of Wainright's headquarters staff to Malinta Tunnel for interrogation. Along with other members of G–2 staff, Agent Rubard had been engaged in dispatching Filipino natives in small boats to Bataan and to the mainland to observe and report on Japanese military dispositions and movements. Being aware of the identity of these Filipinos, he feared that under intense physical abuse and torture he might be compelled to reveal their names. For that reason he intended concealing his identity from his captors, at least until the interrogations had ceased and prisoners had been transferred to other locations.

But Rubard's plan was foiled, and his life and that of his CIC colleague Sakakida put in jeopardy, by the activities of a certain John David Provoo, a former G–2 clerk from army headquarters in Manila, who as a Japanese linguist had at one time been considered as a potential recruit for the CIC Philippines Detachment. Provoo had never been accepted into CIC because his background investigation revealed that he was a suspected homosexual and Japanese sympathizer who had spent several years in Japan learning the Japanese language and studying to be a Buddhist monk. Immediately after the surrender of Corregidor, Provoo began acting as an interpreter for the Japanese occupiers. He went with Japanese troops to the hospital wing of Malinta Tunnel and relayed their orders that all sick and wounded Americans should be moved out at once so that Japanese wounded could be hospitalized there. When he heard this order Captain Thompson of the Medical Service Corps told Provoo: "Tell them to go to hell, the men are too sick to be moved." When Provoo interpreted this response to the enemy, they immediately dragged Thompson out of the tunnel and executed him on the spot.

This same John David Provoo now brought a squad of Japanese soldiers down to the prisoner enclosure and pointed out Rubard and several other headquarters staff members. Three grueling, intensive days of ceaseless interrogation then befell the helpless Rubard as his captors demanded information on codes, Filipino agents and much else besides. At each interrogation the Japanese became increasingly angry and abusive. But they were not very skilled in the art of interrogation and were further hampered by their very limited knowledge of English. By the third day of questioning Rubard's interrogators were slapping him about and swinging their swords to demonstrate how they would behead him if he did not co-operate. But he was able to maintain a consistent story throughout his interrogation. He claimed that his only duty had been to keep the G–2 situation map up to date, that codes were kept by the Signal Crops (which was true), and that Filipino agents had been handled by two G–2 officers who had been evacuated to Australia by submarine shortly before the fall of the island. At the end of the third day Rubard was returned to the prisoner compound with his head still intact. The next day he joined the main body of American prisoners leaving Corregidor for a prison camp in Central Luzon. He was never interrogated again. (After his liberation, Rubard learned that Provoo had worked for Japanese propaganda radio in Tokyo during the war. He was never charged as a traitor, however, and his trial in a U.S. court on charges of complicity in the murder of Captain Thompson was dismissed on the grounds that he had been denied a right to a fair and speedy trial. So Provoo went unpunished for his actions against his fellow countrymen, though some years later he was reportedly imprisoned for different criminal offenses.)

Like the surrendered troops on Bataan, the American defenders of Corregidor were herded into captivity on a death march which left many dead or dying, and some of those who survived this grim ordeal then had to endure an even grimmer one in the hands of the Japanese military police—the dreaded Kempei Tai.

Sakakida was one of those in whom the Kempei Tai took a special interest. He did not take part in the death march but was kept on Corregidor for six months—the only American left on this tragic rock. He had originally come to the attention of the Japanese military on the very first day of the surrender, when he had accompanied General Wainwright to Bataan to act as interpreter at the surrender conference. From that day his life had followed a steep decline into hell. He told the Japanese that he had been taken by the Americans from internment camp and made to work for them under duress, but the Japanese did not believe this cover story and produced several liberated Japanese prisoners-of-war who testified that Sakakida had worked for the United States Army as an interrogator on a completely voluntary basis. He was kept in one of the side tunnels in Corregidor's honeycomb of tunnel installations and interrogated over a period of several months. As Sakakida was not very cooperative the method of interrogation grew daily more severe. Sakakida was tortured, often severely. Sometimes he was burned all over his body with lighted cigarettes, sometimes he was beaten. He was slung with his back over a wooden beam, his feet dangling free of the floor, and he had water pumped into his stomach and was then jumped on by his Japanese guards.

It was never entirely clear whether the torture was meted out as a punishment for being a Nisei, as a means of extracting information, or both. The Kempi Tai not unreasonably believed that any Japanese who had suddenly appeared in their midst at the side of the American C-in-C in the Philippines, as Sakakida had done, ought to have something interesting to divulge to them, though they were not sure what. So every so often they beat him and burned him some more, but he still would not talk. He was taken to the former School of Artillery at Fort Stotsenberg and tortured, and sometimes he was hauled off to the Judge Advocate General's section at Fourteenth Army Headquarters in Manila, where the view and the faces were different but the general ambience much the same as before. Throughout all this unpleasantness Sakakida held out and stuck to his original story. He claimed that he was a victim of circumstances and that the Americans had taken him to Corregidor and Bataan as an interpreter and nothing more. He maintained that he was an American citizen (which was true) and a civilian (which was not). Never once, burnt and bloody though he was, did he so much as breathe a hint that he was an agent of enemy intelligence.

In December 1942 Sakakida was removed to Bilibid Prison. Here he shared the same cell block as Japanese soldiers serving life sentences for surrendering to the Americans during the battle for Bataan. Some of these soldiers had been interrogated by Sakakida after their surrender and they now relished the opportunity of getting their own back. Sakakida was not informed that he was to stand trial for treason, since anyone of Japanese ancestry was of necessity a Japanese citizen, and it was therefore as a Japanese citizen that he had given his services to his country's enemies, the Americans. If this charge was continued with, Sakakida faced the death sentence. But towards the end of the year Fourteenth Army Headquarters received word from the Japanese Foreign Ministry in Tokyo that, although Sakakida had indeed been registered with the Japanese Consul in Hawaii at birth, his Japanese citizenship had been officially made void in August 1941 by his mother. She had the foresight to take this action after her son had left for the Philippines—an action which even the Japanese recognized made the charge of treason illegal. The charge against Sakakida was therefore reduced to one of disturbing the peace and order of the Japanese Imperial Forces in Japan, and the interrogation continued, and the torture too, though on an appropriately reduced scale. Then this luckless Nisei was put in solitary confinement and left to rot.

Altogether Sakakida spent nearly a year in the hands of the Kempei Tai. Finally, in February 1943, he was taken from Bilibid Prison to the office of Colonel Nishiharu, Chief Judge Advocate of Fourteenth Army Headquarters, who had evidently reviewed the case and come to the conclusion the story which Sakakida had continued to tell without a single variation was in all probability genuine. The Colonel told Sakakida that he would now be released from custody and taken into his, the Colonel's, employ. He was to work in the office as an English translator, run a mimeograph machine, make tea and help out generally, and in his off-duty time he would serve as a houseboy at the Colonel's home. Sakakida was soon to discover that security was not the Japanese military's strongest virtue. Ofter he found himself alone in the office with countless sensitive documents lying untended in unlocked filing cases. Some of these documents he proceeded to memorize or purloin, though as yet he had no means of communicating their contents to the Allied cause.

Sakadida's rehabilitation was only probationary, however. At various times and in devious ways the Japanese tried to trap him into an admission that he was a serving member of the United States Army. One day someone threw him a .45 pistol to clean, just to see how he handled it. Sakakida realized that to disassemble the weapon properly would demonstrate an embarrassing military expertise on his part, so he merely wiped it with an oily rag and handed it back. On another occasion a Japanese officer, a graduate of Harvard with a disarmingly sympathetic manner, quietly asked him how much the U.S. Army paid him as an interpreter. Sakakida saw through this ruse at once, of course—it was a common method of finding out a prisoner's rank—and replied that he had received no pay at all, only food and accomodation. Once he was alarmed to hear the counterespionage chief at Fourteenth Army suddenly accuse him out of the blue of being a sergeant in the American Army, a charge he denied with sufficient vehemence for the officer to turn to other things. All these ruses he survived, only to be caught dipping into Colonel Nishiharu's precious stock of American cigarettes, an outrage which earned him the sack as houseboy at the Colonel's house (though he was kept on in his job at the Colonel's office).

As it turned out, this was the best thing that could have happened to him. He was now sent to live in the civilian barracks in the former English Club in Manila city. Even under its new managers, the English Club could hardly be described as a penitentiary. Though the Japanese warrant officer in charge kept strict discipline—roll call at six in the morning and 11:30 at night, bed check at midnight—he overlooked the hours between midnight and the morning roll call. Sakakida thus found that he had several hours of the night at his disposal to resume his role as a CIC agent deep behind enemy lines. During those hours of darkness he had the opportunity to pass on valuable intelligence information gained at Fourteenth Army Headquarters during the day. He knew that by this time the Filipino resistance had built up a well-organized guerrilla movement in the mountains and possibly had established radio contact with General MacArthur's headquarters in Australia. If Sakakida could find a suitable go-between he might be in a position to make an important contribution to the intelligence war against Japan. The risks he ran were appalling, but at no time did he see himself as heroic—it was simply something he felt he had to do, and was glad to do.

Sakakida's lucky break came not long afterwards, when the wife of an imprisoned guerrilla leader, Ernest Tupas, who was serving a 15-year sentence for anti-Japanese activities, walked into the Judge Advocate General's office to apply for a pass to visit her husband in Muntinglupa prison. Sakakida was required to translate her request into Japanese and during this initial contact he not only revealed his identity as a U.S. Army Nisei to her, but was able to fill out a number of bogus passes for her and other guerrillas' wives, and also hand over several intelligence documents concerning Japanese military plans. In return, Mrs. Tupas was able to arrange meetings between Sakakida and many of her husband's guerrilla comrades who were still at large in the Filipino resistance. In his free hours Sakakida was able to pass on tactical information to them and to hatch a daring plan to spring Tupas and as many as 500 of his fellow guerrillas from prison.

Sakakida's plan was simple in concept. All that was required was for Sakakida himself and a small group of guerrillas disguised as Japanese officers to overcome the prison guards and release the inmates. In practice, of course, it was a rather more complex business. There were three essential components to Sakakida's plan. The first was that Tupas himself should somehow wangle himself a job in the prison's electrical department, so that at an appropriate moment he would be in a position to short-circuit the prison electrical facilities. The second was that the guerrillas should keep a meticulous watch on the prison in order to determine the precise movements and time-keeping of the prison guards. The third was that somehow they should get hold of five or six Japanese officers' uniforms, preferably without knifeholes in the back of the tunics.

All this was done and by October 1943 everything was arranged. Immediately after the midnight bed check in the barracks at the English Club, Sakakida stole out into the darkened, deserted streets of Manila and made his way to his rendezvous with the guerrilla raiding party. Along with four of the guerrillas he changed into Japanese officer's uniform, complete with medal ribbons and a clanking sword at his side, and spent a few moments rehearsing army salutes and formal Japanese bows. Then, with military precision and a haughty imperial swagger to their stride, the group strutted off down the road to the Muntinglupa prison, backs straight, chests puffed out, faces grim and set, polished boots echoing click clack on the paving stones. Sakakida, as the only ethnic Japanese and linguist in the group, marched at their head as they approached the main gate of the prison. It was he who addressed the soldiers of the guard at the prison entrance, barking at them in harsh, guttural commands which compelled their confidence and respect. Thinking that the guerrillas were officers from the Japanese garrison making their nightly security inspection of the prison—which the guerrillas had already established took place regularly between midnight and 2 a.m.—the guards bowed low in respect for their superiors, in accordance with Japanese custom. And as they bowed, eyes firmly fixed on the ground at their feet, Sakakida and his partisan comrades tapped each one on the back of the head with the weighted butt of a .45 revolver.

With precision timing the lights in the prison were suddenly extinguished—Tupas had done his job well. Sakakida was now joined by a second, much larger guerrilla group of some 25 men, and under cover of the darkness and confusion the reinforced guerrilla force broke into the prison, rapidly overpowered the guards inside and began opening the cell doors. Altogether nearly 500 Filipino prisoners escaped from Japanese captivity that night in one of the biggest gaol-breaks of the war. Most of them got clean away, scampering as fast as their legs would carry them out to the city outskirts and the friendlier countryside before dawn could reveal their whereabouts to the enemy. By then Sakakida was safely back in the English Club in time for morning roll call, and later in the morning he had the gratification of witnessing the hysterical Prison Superintendent report to the barely less hysterical Judge Advocate General the inexplicable loss of his entire contingent of prisoners—only to be dismissed on the spot for his pains.

Among those who get away was the biggest prize of them all, the guerrilla leader Tupas. With the other escapees, Tupas made for the mountains of Rizal, where he set up new partisan headquarters and—most crucially—established radio communications with the Australian headquarters of General MacArthur, who was now C-in-C of United States land and air forces in the Pacific Theatre. At last Sakakida had a means of relaying to the Americans the vast amount of information he had acquired while he was working in Colonel Nishiharu's office at Fourteenth Army Headquarters. In effect, Sakakida had become one of that exotic band of makeshift intelligence agents known as the "coast watchers of the islands", a fifth column of traders, telegraphists, anthropologists, civil servants and others who were left behind when the islands were overrrun by the Japanese but managed to evade captivity and to communicate information about Japanese movements and forces by radio to MacArthur's headquarters throughout the course of the war.

Sakakida's position was almost unique, however, for it was a rare event in the history of World War Two for the Army headquarters of one belligerent nation to have one of their serving soldiers and intelligence agents reporting back from the very heart of the Army headquarters of an enemy belligerent nation. But this was the case with CIC Agent Richard Sakakida. Moreover, much of the information he now transmitted was priceless. Much of it concerned Japanese troop movements and shipping activities, all of which was of vital significance in the day-to-day conduct of the campaigns in the Pacific Theatre. But probably his single most devastating contribution to the American military cause was a portion of the invasion plans of a Japanese Expeditionary Force of the Thirty-Fifth Army which was to be sent to Australia. Just how important these plans were Sakakida was able to glean a few months later from a Japanese officer in the Judge Advocate General's office who had taken part in the ill-fated mission. The officer in question had been on board one of the navy ships that had left the Philippines, ostensibly with plans to land invasion forces at Port Darwin in Northern Australia. The officer returned to the Philippines on the only ship that got back. American submarines had taken care of the rest.[1]

With the tide of war now beginning to run against the Japanese, and the dream of imperial conquest cracking and crumbling away, Sakakida's position at Fourteenth Army Headquarters grew steadily more precarious. It was not that he was under any direct suspicion, only that as a Nisei he was viewed with increasing opprobrium by any member of the Japanese military who came into contact with him. Once Japanese headquarters came under direct American attack the mutterings against him deteriorated into outright hostility. In December 1944, because of heavy air raids on Manila, the Japanese commander in the Philippines, General Yamashita, the legendary conqueror of Singapore, was forced to move his headquarters to Baguio in the mountainous north of Luzon, and then even farther into the mountains, to Bontoc, a few months later. The time had come, Sakakida reckoned, to make a break for it and hide out through the final phase of the war in the security of the hills.

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[1] Since there is no record of any Japanese invasion of Australia, it must be assumed that what Sakakida had in mind here was the engagement known as the Battle of the Bismarck Sea.

It was not the first time he had considered escape. More than a year previously General MacArthur's headquarters had ordered Anderson's Guerrillas—a guerrilla unit led by an American officer who had escaped from Battaan—to try and extricate Sakakida from the Philippines, but Sakakida had feared a trap. Anderson's messages to headquarters had got garbled, and the whole operation had broken up in confusion. This time he would make no mistake. Early in June 1945 he escaped into the mountains and a week later joined up with a small band of guerrillas in the vicinity of Farmschol. Ten days later they came under heavy Japanese shelling during which Sakakida was so badly wounded that he had to be left behind when the guerrillas made good their escape. He was now on his own and would remain so to the finish, wandering between the lines for weeks and months on end.

In the remotest reaches of the jungle Sakakida lived more like an animal than a man. Though the jungle was luxuriant it offered little enough to eat beyond grass and wild fruits. With a razor blade he removed shrapnel fragments embedded in his abdomen, but his wounds festered and he was drenched by tropical cloudbursts, for it was into the rainy season, and bitten to within an inch of his life by the hordes of tropical insects. For months he endured semistarvation and the ravages of malaria, dysentery and beriberi. His hair and beard grew long and wild, his skin was covered in sores and scratches, his voice grew cracked and feeble, his eyes burned fever-bright his clothes hung in tatters. He had no means of knowing what was happening in the outside world, no knowledge of the course of the war, of the liberation of the Philippines, the bombing of Hiroshima and Nagasaki, the American landings in Japan, the Japanese surrender to General MacArthur on board the battleship *Missouri.* But he did notice that no more American P-38 fighter-bomber planes were coming over dropping napalm, and that there seemed to be a lot of trigger-happy Filipinos about, whom he was careful to avoid.

World War Two had been over for weeks when Sakakida decided his condition was so desperate that he ought to attempt to reach help. Finding himself close to the Asing River, he resolved to follow it downstream, hoping to reach the sea, but he was so ill he could only make painfully slow progress, and sometimes he blacked out. Then one day he spotted some movement among the trees ahead, a group of soldiers coming up the hill, and he drew as close to them as he dared. The soldiers carried equipment and wore helmets and uniforms which were strange to him. They were clearly not Japanese, nor obviously American, and his first thought was: "God! Now they've got Germans out here!" Not until he was within earshot of the men and could hear snatches of their conversation did he suddenly, ecstatically, realize that they were Americans after all. At first he was afraid to come out of hiding for fear they would take one look at his wild Japanese appearance and shoot first and ask questions later. But eventually euphoria overcame his caution, and madly waving his arms and yelling as loudly as he could, he stepped out of the jungle for the first time in months.

"Don't shoot!" he yelled. "I'm an American! Can't you see? An American!"

The soldiers were extremely skeptical. Sakakida hardly looked human, and certainly not American. They took him to their battalion headquarters, an outfit which turned out to be a medical evacuation unit posted in the forward areas to collect stragglers. To the CO of this unit Sakakida identified himself as an intelligence agent captured by the Japanese at the outbreak of the war, and he gave his serial number (10100022) and other pertinent data to back up his claim. The officer was also extremely doubtful about all this but agreed to put through a telephone call to the CIC Field Office, and two hours later two CIC lieutenants drove up in a jeep, leapt out and identified the weary agent as one of the men they had been ordered by General McArthur's headquarters to look for. Then they bundled Richard Sakakida into the jeep and drove him to the Bagadec Field Office of the First CIC Region of the 441st CIC Detachment. He had come home at last. An uproarious welcome engulfed this lone survivor and a festive banquet was laid out in his honour, with fried chicken and beer and white bread and fresh butter and other good things. Having lived for months on nothing but herbs and grasses, such sumptuous fare proved too rich for him and it took him a week to recover from the effects of the most memorable binge in his life.

Sakakida was hospitalized for a week, then sent to Manila for de-briefing. His story was so extraordinary that he found people needed a lot of convincing he had not been a collaborator with the Japanese. At Christmas 1945 he was at last sent home to Hawaii for two weeks' leave, one of which he spent in hospital with malaria and a high white corpuscle blood count. Then it was back to Manila, where he was assigned to the War Crime Investigation team, locating and identifying guilty parties, aided by the Japanese predilection for keeping records and diaries. He testified in the trial of General Yamashita and later in the trial of the American traitor of Corregidor, Sergeant John David Provoo. Commissioned in 1947, he sought a transfer to the air force and was subsequently posted to Japan, finally retiring in 1975 as a lieutenant colonel in the U.S. Air Force. Today Richard Sakakida is alive and well and living in California—and happy to avoid the ballyhoo that attends most national heroes.

Richard Sakakida and Arthur Komori were among the only members of the CIC Detachment in the Philippines—the "Lost Detachment"—to survive the war. Others known to have survived included Special Agents Lorenzo Alvardo, John Lynch, Ralph Montgomery, James Rubard and Clyde Teske. Most of the rest died in Japanese hands. Both these brave Nisei were awarded Bronze Stars for their work which, in the words of their commendation, "they performed with complete disregard to the danger in which they found themselves." These two Nisei, the citation continued, "are a credit to their people and to the United States Army." Of Sakakida's exploits over and above the call of duty, his friend Komori had this to say: "His successful duping of the Japs is the finest story of counter intelligence within enemy lines. His recovery was considered even more important than the capture of General Yamashita, the conqueror of Singapore."

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, as of the close of business Monday, January 29, the Federal debt stood at $4,987,704,420,651.53, about $13 billion shy of the $5 trillion mark, which the Federal debt will exceed in a few months.

On a per capita basis, every man, woman, and child in America owes $18,931.76 as his or her share of that debt.

LT. COL. B.G. WRIGHT

Mr. BYRD. Mr. President, I congratulate B.G. Wright, who has served on my staff as a Fellow from the Army National Guard, for this promotion to Lieutenant Colonel. B.G. has been a very active member of my staff for the last year, handling a variety of issues in the broad areas of national defense and foreign policy in the context of my work on the Armed Services Committee and as the Ranking Democrat on the Appropriations Committee.

He has been a full participant in the complex and demanding life of the Senate, and has assumed growing responsibilities within the legislative process. In this context, he has been responsible for developing and drafting policy memoranda, legislative amendments, talking points, and floor statements. He has developed rapidly an unusual acuity for the chemistry and movement of issues in the often confusing milieu of the Senate legislative process, and the floor consideration of national defense legislation.

In the context of our Committee work he has drafted authorization and appropriations language and recommendations in a wide variety of areas, including: the budget of the Department of Defense and the State Department, U.S. policy toward Bosnia, and the annual budget for world-wide military construction projects. In all, his work has been outstanding, timely, with a sure foundation of good judgment, a fine knowledge of the English language, a pleasing writing style and an ability to make a good argument. His work, in fact, has been outstanding even in the comparison to the general group of Fellows that serve in the Senate on an annual basis, and I have been very pleased to request that the Army National Guard leave him with us for another legislative session.

In the same time, B.G. Wright has attended to his other duties in the Army National Guard, and also to his very unusual duty of serving as a White House social aide. In the process of this latter position, he was requested by name to assist President Clinton in hosting 150 Heads of State for the United Nation's Fiftieth Anniversary in New York.

The Army National Guard has had the good sense to permit B.G. to remain on my staff for an additional year, and I have no doubt that he will continue to grow and contribute to the life of the Senate in the coming year. I look forward to his work, his exceptionally pleasing personality, and his good character. I again congratulate him on a well deserved promotion to Lieutenant Colonel and wish him all the best in his Army career.

NATIONAL ENDOWMENT FOR THE ARTS

Mr. PELL. Mr. President, I strongly oppose the effort to defund the National Endowment for the Arts. Playing games with the budget appropriations in this manner is contrary to the Nation's welfare. The intent to incapacitate and slowly dismantle the agency by obstructing the planning and grantmaking processes appears to be a deliberate attempt to terminate Federal support for the arts and to deny Americans access to their cultural heritage.

Some may believe that the arts will be able to generate the local support necessary to sustain themselves, but I am fearful the opposite will be true. Local dollars are already stretched to capacity. Major arts funders such as the Rockefeller Foundation, the Pew Charitable Trusts in Philadelphia, and the James Irvine Foundation in California have stated publicly that foundations will not and cannot replace Federal funding. Corporate giving has declined in recent years despite economic growth and there is little, if any, reason to believe that will change. The commercial entertainment industry continues to resist investing in the source of much of its talent. Further, removal of both the national recognition and the stimulation of partnerships offered through Federal grants will produce a dramatic reduction in State and local support.

The Rockefeller Foundation surveyed 40 foundations and found every donor but one unable to increase their cultural portfolios. Dr. Alberta Arthurs concluded her report of the study by stating, "The cultural situation we have created in the last 30 years is a dense and delicate balance of private and public interests and funds. If this is to be disturbed, what will replace it?"

Opponents of the Arts Endowment know that a replacement is unlikely. The cry to privatize is but a code word for eliminate. These are the same people who advocate for new tax laws that would end deductions for individual and corporate contributions to the arts.

The National Endowment for the Arts has been remarkably successful in furthering the ideals for which it was created. The arts are no longer viewed as the privileged domain of a relatively few practitioners and connoisseurs; they are no longer considered as incidental or peripheral to our way of life. Every single community in our country now has access to its indigenous and creative national culture. Without Arts Endowment funding, many popular programs simply would not exist, let alone be made available to millions of Americans in all parts of our Nation. The major arts institutions serving well-to-do patrons in urban areas will survive, but how many children, elderly, disabled, inner-city and rural dwellers will be able to participate? How will new audiences gain access to our common culture?

Targeting the Arts Endowment is not about balancing the budget. It is about throwing out the solid arts networks built over 30 years because of unease caused by a few controversial grants. The Arts Endowment has already cracked down on such grants, and it has certainly borne its fair share of cuts. Recently, the agency eliminated 47 percent of its staff positions and reorganized its administration and grantmaking to adjust to a 40-percent reduction in its budget. Anything more would severely damage the availability and accessibility of countless arts programs in communities nationwide. It must not happen.

I would urge my colleagues to stop playing politics with the Endowment, honor the appropriations that both Houses have passed, and enact a bridge that will enable this agency, already hampered by severe funding reductions, to get on with its valuable work in an orderly fashion.

SINTE GLESKA UNIVERSITY

Mr. PRESSLER. Mr. President, today I would like to take a few minutes to recognize the achievements of Sinte Gleska University in Rosebud, SD. This week, the university celebrates its 25th anniversary.

Sinte Gleska has a dual mission—to prepare South Dakota students for the 21st century and extend the Lakota traditions. Each of these missions is important to the future of our State. The university continually must push ahead to incorporate the latest technology into its curriculum, adapting to the changing needs of a diverse and global economy. At the same time, the university must preserve the Lakota heritage—the language and culture which are unique to our region of the country.

It is not an easy task for any institution to simultaneously look forward and back, but Sinte Gleska has done an outstanding job in fulfilling its missions. Each year the university produces graduates who become educators, community workers, and tribal leaders. In fact, the success of native American students at tribal colleges is higher than at other universities.

The university's success certainly can be attributed to its emphasis on values. Sinte Gleska's logo names four values which the university strives to instill in students—wisdom, bravery, fortitude, and generosity. The embracement of these values strengthens individual students and binds the community together.

Last year, Congress passed legislation giving the Nation's 29 tribal colleges land grant status. This important change put tribal colleges on equal footing with other State universities. Additional efforts in Washington to advance tribal colleges are continuing. I am working with other Senators to secure an Executive Order equalizing the treatment of tribal colleges with other minority colleges and universities. Despite repeated efforts by Congress, the President has not yet signed such an order. I again call upon him to do so immediately.

Sinte Gleska students face many new, exciting challenges in the years to come. I have no doubt that the university will help them meet those challenges successfully within the framework of the four values that serve as the foundation for a Sinte Gleska education.

Mr. AKAKA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COCHRAN). Without objection, it is so ordered.

REPORT CONCERNING EMIGRATION LAWS AND POLICIES OF THE REPUBLIC OF BULGARIA—MESSAGE FROM THE PRESIDENT—PM 113

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Finance.

To the Congress of the United States:

On June 3, 1993, I determined and reported to the Congress that Bulgaria is in full compliance with the freedom of emigration criteria of sections 402 and 409 of the Trade Act of 1974. This action allowed for the continuation of most-favored-nation (MFN) status for Bulgaria and certain other activities without the requirement of a waiver.

As required by law, I am submitting an updated report to the Congress concerning emigration laws and policies of the Republic of Bulgaria. You will find that the report indicates continued Bulgarian compliance with U.S. and international standards in the area of emigration policy.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *January 29, 1996.*

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 2:34 p.m., a message from the House of Representatives, delivered by

Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 1124. An act to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, to reform acquisition laws and information technology management of the Federal Government, and for other purposes.

The enrolled bill was signed subsequently by the President pro tempore [Mr. THURMOND].

MEASURE PLACED ON THE CALENDAR

The following measure was read the second time and placed on the calendar:

S. 1541. A bill to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on January 30, 1996, he had presented to the President of the United States, the following enrolled bill:

S. 1124. An act to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, to reform acquisition laws and information technology management of the Federal Government, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1835. A communication from the President pro tempore, transmitting, pursuant to law, a notice of adoption of regulations and submission for approval and issuance of interim regulations; referred jointly to the Committee on Governmental Affairs and the Committee on Rules and Administration.

EC–1836. A communication from the President pro tempore, transmitting, pursuant to law, a notice of adoption of regulations and submission for approval and issuance of interim regulations; referred jointly to the Committee on Governmental Affairs and the Committee on Rules and Administration.

EC–1837. A communication from the Director of the Congressional Budget Office, transmitting, pursuant to law, the report on unauthorized appropriations and expiring authorizations dated January 11, 1996; to the Committee on Appropriations.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HELMS:

S. 1545. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel MOONRAKER, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. DASCHLE:

S. 1546. A bill to increase the debt limit; to the Committee on Finance.

By Mrs. FEINSTEIN (for herself, Mr. D'AMATO, and Mr. INHOFE):

S. 1547. A bill to limit the provision of assistance to the Government of Mexico using the exchange stabilization fund established pursuant to section 5302 of title 31, United States Code, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

S. 1548. A bill to provide that applications by Mexican motor carriers of property for authority to provide service across the United States-Mexico international boundary line and by persons of Mexico who establish enterprises in the United States seeking to distribute international cargo in the United States shall not be approved until certain certifications are made to the Congress by the President and the Secretary of Transportation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mrs. KASSEBAUM:

S. Res. 217. A resolution to designate the first Friday in May 1996, as "American Foreign Service Day" in recognition of the men and women who have served or are presently serving in the American Foreign Service, and to honor those in the American Foreign Service who have given their lives in the line of duty; to the Committee on the Judiciary.

By Mrs. FEINSTEIN (for herself, Mr. D'AMATO, and Mr. INHOFE):

S. Res. 218. A resolution expressing the sense of the Senate regarding the failure of Mexico to cooperate with the United States in controlling the transport of illegal drugs and controlled substances and the denial of certain assistance to Mexico as a result of that failure; to the Committee on Foreign Relations.

By Mrs. HUTCHISON (for herself and Mr. GRAMM):

S. Con. Res. 40. A concurrent resolution to commemorate the sesquicentennial of Texas statehood; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. FEINSTEIN (for herself, Mr. D'AMATO, and Mr. INHOFE):

S. 1547. A bill to limit the provision of assistance to the Government of Mexico using the exchange stabilization fund established pursuant to section 5302 of title 31, United States Code, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

S. 1548. A bill to provide that applications by Mexican motor carriers of property for authority to provide service across the United States-Mexico international boundary line and by persons of Mexico who establish enterprises in the United States seeking to distribute international cargo in the United States shall not be approved until certain certifications are made to the Congress by the President and the Secretary of Transportation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

MEXICO LEGISLATION

Mrs. FEINSTEIN. Mr. President, last week, President Clinton opened a new front in America's war on drugs with his appointment of Gen. Barry McCaffrey as the Nation's new drug czar. In doing so, President Clinton has once again demonstrated his commitment to put the full weight of his office and the American Government behind efforts to stem the tide of drugs flooding America's streets, and I commend him for that.

The measures my colleagues and I are introducing today are meant as a shot across the bow to the Government of Mexico. This legislation by the chairman of the Senate Banking Committee and myself, a Republican and a Democrat, will hopefully send a strong message that this Congress is prepared to back up the President's efforts in the strongest possible terms if Mexico's actions do not match their words in this war on drugs.

One year ago, the United States provided $20 billion in loan guarantees to Mexico in an unprecedented economic assistance package. That loan guarantee agreement expires next month with the option to extend it for another 6 months.

Today, based on the seriousness of the drug problem, the volume of drugs flowing into the United States, and the ineffectiveness of Mexico's efforts, I am joining with Senator D'AMATO in introducing three pieces of legislation, two bills and one sense-of-the-Senate resolution, which, among other things, would link extension of the loan guarantee to Mexico to specific actions that Mexico must take to demonstrate greater cooperation with the United States and international anti-narcotics efforts.

Let me explain for a moment the depth of this problem. The Drug Enforcement Administration estimates that 60 to 70 percent of all the illegal drugs that enter the United States are smuggled through Mexico; 75 percent of the cocaine and 60 to 80 percent of all foreign-grown marijuana in the United States originates in Mexico.

DEA testified that it has become commonplace to have 727 cargo-style jets each carrying 10 to 20 tons of cocaine at a time fly into Mexico and return to Colombia with $20 to $30 million of United States currency aboard. Colombian drug cartels are using Mexico as a safe haven to store as much as

70 to 100 tons of cocaine to be smuggled into the United States.

The United States Customs officials estimate that almost 70 percent of those arrested for drug smuggling at border stations in the United States are Mexican nationals.

Mexican drug cartels have taken over the methamphetamine drug trade. This is a very dangerous drug, also known as crank or speed. The DEA estimates that 90 percent of the precursor chemical, ephedrine, used to make methamphetamine is smuggled into the United States from Mexico, much of it originating from China.

Methamphetamine is an exploding problem in the United States, and particularly in California. The California Bureau of Narcotics Enforcement figures show that from 1991 to 1994 seizures jumped 518 percent in just these 3 years.

In 10 years, from 1983 to 1993, methamphetamine abuse has skyrocketed in some California counties by more than 1,000 percent. Hospital emergency rooms admissions from amphetamine abuse have jumped by 366 percent.

California is infested with literally hundreds of clandestine and highly mobile methamphetamine labs. State drug officials indicate that these labs are most often run by Mexican nationals who are here illegally.

Mexico's efforts to date are simply not good enough. The recent arrest of Juan Garcia Abrego is a step in the right direction, but overall Mexico's efforts have simply not been enough.

The United States currently has 165 extradition requests pending with Mexico, 56 of those involving Mexican nationals. The United States has had an extradition treaty with Mexico since 1978, yet Mexico has not allowed the extradition of a single Mexican national to the United States for prosecution as any close ally would.

Juan Garcia Abrego was not extradited. He was deported as a U.S. citizen. He held dual citizenship.

The drug cartels still operate in Mexico with impunity. Leaders of two of the most powerful Mexican drug cartels, Amado Carillo-Fuentes and the Arellano-Felix brothers, have outstanding United States warrants for drug trafficking. They have been seen in public repeatedly with no fear of arrest, and there apparently has been no serious effort to apprehend them.

Money laundering. Mexico has become a haven for money laundering. Under Mexican law, money laundering is not a crime. No reporting requirements for large cash transactions exist. Jose Antonio Ramirez, director of Mexico's Association of Exchange Houses, has said it is common for cartel operatives to show up at unregulated money centers with literally suitcases stuffed with cash. The centers then write money orders or wire the funds to Colombia.

I understand that the Mexican Congress has asked the National Banking Commission to examine ways of preventing money laundering, but whether any concrete changes will result remains to be seen.

Let me give you some examples of government corruption:

Colombian jets unloading tons of cocaine in remote desert areas with the possible cooperation of Mexican Federal Police.

Reports that in a single weekend last November, 20 tons of cocaine destined for the United States were flown into Mexico in two large cargo plane shipments.

And the investigation involving connections between the drug cartels, Swiss bank accounts, and the brother of former President Carlos Salinas de Gortari only serves to reinforce the belief that drug-influenced corruption may reach the highest levels of Government.

Based on Mexico's efforts to date, Senator D'AMATO and I believe that extraordinary measures are required. The legislation coauthored by Senator D'AMATO and myself would do the following:

One, link extension of the loan guarantee to Mexico with cooperation in antidrug efforts. The United States-Mexico loan guarantee agreement expires next month. But the parties share an option to extend the agreement for an additional 6 months. And most likely they will be renewed after that.

This bill would prohibit the extension of the repayment terms for any of the currently outstanding loans to Mexico. It would prohibit the use of any of the remaining loan guarantees not obligated unless certain conditions with respect to antidrug efforts are met.

Second, we are introducing a sense-of-the-Senate resolution that Mexico should not be certified under the Foreign Assistance Act as fully cooperating with the United States and international antinarcotics efforts. Failure to certify as cooperating with these efforts would jeopardize Mexico's eligibility to receive foreign aid.

Sanctions for failure to be certified are mandatory, requiring that the United States withhold 50 percent of all foreign aid, with the exception of humanitarian and drug enforcement funds.

The third bill prohibits the approval of applications from Mexican trucking companies applying for cross-border permits under NAFTA until the Secretary of Transportation can certify that the trucks meet United States safety standards, the President certifies Mexico is taking sufficient steps to combat international narcotics trafficking, and the Congress approves the applications via a joint resolution.

These are strong steps, but I truly believe that this problem is so serious that strong steps are required.

Evidence that would show Mexico's commitment to address these issues would include action such as the following:

One, compliance with all outstanding requests for extradition by the United States.

Two, enactment and implementation of effective money laundering laws.

Three, action to prevent Mexico's drug profiteers from taking advantage of plans to privatize formerly public assets such as banks.

Four, enactment of effective laws to inspect and license trucks, cars, and aircraft as well as their owners and operators to assist drug crime enforcement.

Five, enactment of effective laws to curtail the importation and export of major precursor chemicals for methamphetamine production and other narcotic production.

Six, specific action to effect the arrests of Mexican drug cartel leaders and other individuals involved in organized crime.

Seven, adoption of a comprehensive program for drug enforcement and assistance to United States law enforcement to take effective action.

Eight, specific action dedicated to detecting and halting the large-scale air transportation of narcotics.

Nine, specific action to prosecute graft and corruption among civilian, government, and military officials that assist drug production and smuggling.

And, finally, passage of asset forfeiture laws which enable the confiscation of property derived through narcotics trafficking or fraudulent use of the loan guarantee funds.

Without tangible evidence that Mexico is willing to work toward these goals, I am prepared to support the strong steps I have outlined.

Mr. President, earlier Senator D'AMATO and I, at a press conference, indicated our joint action to press forward with these bills. Mr. D'AMATO indicated that his Banking Committee would be holding hearings on these bills in March. We earnestly and sincerely invite other Members on both sides of the aisle to cosponsor this legislation.

Mr. President, I have seen firsthand a major tunnel under the Mexican border that goes from a warehouse in Mexico, to a warehouse on the California side, that was air-conditioned and electrified to facilitate the smuggling of drugs from one country to another.

Mr. President, not too long ago in Rialto, CA, San Bernardino county, an arrest was made with the seizure of 4.5 tons—4.5 tons of cocaine. That amount of cocaine did not come across the border in backpacks.

Mr. President, I have been to the border. I have seen trucks going back and forth with very little or no inspection in the line-release program. For the past year, I have advocated a tightening of that program.

Now, under NAFTA, an even greater number of trucks would be able to cross the border with no inspection. What is the guarantee, when we know there is up to 100 tons of cocaine stored on the other side of the border awaiting transfer across this border, that it will not come in these trucks?

In every city, whether it is New York City, whether it is Los Angeles, or whether it is San Francisco, we have all seen people dying in the streets from drugs and drug deals gone awry. We have all seen the evolution of gangs around the trafficking of narcotics. We have all seen the street prices of cocaine drop and the problem get worse. We have seen the major spread of methamphetamine labs throughout the largest State in the Union, California.

The time has come to say, Enough is enough. To the Government of Mexico, close ally of the United States, we say "This is $20 billion in loan guarantees plus other guarantees from the Monetary Fund—you must work hand in hand with us." We must stop the 727 cargo jets from landing on Mexican soil, from offloading drugs which then disappear before onloading United States currency for transport back to Colombia.

We must see that cartel leaders are extradited, that American extradition requests are honored, and that there are effective laws on the books to preclude money laundering in Mexico. In general, we must see that there is vigorous enforcement in Mexico to abate and stop the large flow of chemicals, cocaine and other contraband substances into the United States.

Mr. President, I ask unanimous consent that the following letters be printed in the RECORD: One letter signed by Senator D'AMATO and myself, dated January 26, to the Secretary of State urging denial of certification; a letter sent by myself on December 6 to Ambassador Kantor pointing out problems in cargo trucks coming from Mexico; another letter to Ambassador Kantor, Secretary of State Christopher, Secretary of Treasury Rubin, and Attorney General Reno addressing continuing problems with drug enforcement that are presented by Mexico.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, January 26, 1996.

Hon. WARREN M. CHRISTOPHER,
Secretary, Department of State, Washington, DC.

DEAR MR. SECRETARY: We are writing to urge you to advise the President to deny certification that Mexico has taken sufficient actions to combat international narcotics trafficking when he reports to Congress on the anti-narcotics efforts of major drug producing and drug-transit countries on March 1, 1996.

As you know, Mexico is one of the most significant drug producing and drug transit countries in the world, and the bulk of the drugs moving through Mexico end up in the United States, particularly in the state of California. The Drug Enforcement Agency estimates that at least 75 percent of all cocaine available in the United States originates in Mexico. Further estimates are that 70 to 80 percent of all foreign-grown marijuana in the United States originates in Mexico. It is well known that Colombian drug cartels are using Mexico as a base from which to transport narcotics into the United States. We have been told that Colombian cartels may store as much as 70 to 100 tons of cocaine in Mexico at any one time to await smuggling into the United States.

These problems are bad enough, but they are made worse by the Mexican government's failure to take serious actions to address them. There has not been enough of a serious effort to break up the drug cartels that operate with virtual impunity in Mexico, or to arrest and extradite the drug lords who run them. The recent arrest and deportation of Juan Garcia Abrego is a positive development, but it contrasts sharply with the actions of the Mexican authorities in many other cases. To cite just two examples, the leaders of two of the most powerful cartels in Mexico—Amado Carillo-Fuentes of the Chihuahua Cartel, and the Arellano-Felix brothers of the Tijuana Cartel—are reported to be regularly seen in public with no fear of arrest.

In addition, Mexico has become a haven for laundering drug money, which is one of the most important aspects of the cartels' operations. Mexican laws regarding money laundering are inadequate, and banks and money exchange houses in Mexico do not have the same reporting requirements for large transactions as they do in the United States. Thousands of exchange houses are openly flouting what little oversight the Mexican government conducts, and millions of dollars are flowing to Colombia via money orders and wire transfers.

Finally, drug-influenced corruption continues unabated within Mexican law enforcement agencies and the government itself. One former cartel leader told U.S. prosecutors that up to $50 million a month is used to bribe corrupt Mexican officials to ignore, or even facilitate, drug-trafficking activities. Drug money has clearly corrupted officials at every level of Mexico's government and law enforcement community, and—the investigations of the brother of former President Carlos Salinas de Gortari notwithstanding—President Zedillo's government is not taking sufficient action to root out this corruption.

In light of these facts, we are sure you will agree that Mexico is not deserving of certification as cooperating with U.S. and international narcotics efforts when the President issues his report pursuant to section 409A of the Foreign Assistance Act. Furthermore, we do not believe that any vital national interest warrants granting Mexico a waiver from decertification. The illegal drugs that flow into the United States from Mexico are tearing at our very culture, and as such they themselves represent a fundamental threat to our vital national interests. In contrast, the vital national interests of the United States do not require us to provide assistance to Mexico or to vote for multilateral development bank assistance to Mexico, the two areas that would be affected by Mexico's failure to be certified.

Thank you for your consideration of this extremely important matter. We look forward to your early reply.

Sincerely,

DIANNE FEINSTEIN,
U.S. Senator.

ALFONSE D'AMATO,
U.S. Senator.

U.S. SENATE,
Washington, DC, December 6, 1996.

Hon. MICHAEL KANTOR,
Ambassador, Washington, DC.

DEAR AMBASSADOR KANTOR: I am writing to express my strong opposition to the planned December 17 implementation of the proposal to dramatically increase the number of cargo trucks from Mexico with direct access to delivery points in the United States, under the North American Free Trade Agreement. This opposition is based on two very serious concerns: first, that inadequate provision has been made to ensure that this will not result in increased drug smuggling across the southwest border; and, second, that this will adversely impact the safety of California's highways.

It is my understanding that, beginning on December 17, under NAFTA, cargo trucks crossing the border from Mexico will no longer be restricted to delivery points within a limited commercial zone along the U.S.-Mexico border, but will be permitted to ship freight from origination points in Mexico directly to delivery points throughout California, Arizona, New Mexico and Texas. Estimates are that broader access will increase land shipments across the U.S.-Mexico border to approximately 6 million truckloads annually by the year 2001.

DRUG SMUGGLING

My concerns with respect to drug smuggling are two fold. First, that our infrastructure to interdict drugs may not be able to keep pace with our efforts to facilitate increased trade and commerce across our land borders. And second, as trade and commerce barriers are reduced between Mexico and the United States, our drug abatement efforts will become increasingly dependent upon the enforcement efforts of our Mexican counterparts.

In a memorandum sent to me by Treasury Secretary Rubin last March, his office noted that the number of arriving trucks from Mexico increased last year at a faster rate than the rate of truck inspections, resulting in a decrease in the percentage of trucks being examined for drugs. Although he declined to assume that the increasing cargo volume automatically means an increase in contraband, he recognized that the increase in cargo volume provides a window of opportunity for smugglers.

In fact, in spite of (or perhaps because of) the reported success of a number of drug interdiction programs responding to changes in drug trafficking patterns, including the Customs Air Program and Border Patrol's Operation Hold the Line, Secretary Rubin noted that the next logical step for smugglers is to try to exploit the huge cargo volume crossing the border each day.

I concur with the assessment that drug smugglers will take advantge of any relaxation of travel barriers between the U.S. and Mexico, and fear that this greater access for Mexican carriers under NAFTA will exacerbate what is already a serious problem with drug interdiction.

Specifically, my questions regarding implementation are: How will Customs procedures change to accommodate the increase in truck volume? How will this change impact the Line Release Program? Will companies go through any form of application process or background check, or will any truck from any company in Mexico be given unlimited access to U.S. delivery points in these border states? What is the process for licensing individual drivers from the companies shipping cargo? Will the individual drivers undergo background checks?

According to officials from the Department of Justice, cocaine smuggled across the California border with Mexico accounts for at least 70 percent of the drug sent over the entire Southwest border, so California has an enormous interest in ensuring that drug interdiction efforts remain a paramount concern as NAFTA is implemented.

Another emerging drug threat in the United States, particularly in California, is the explosive increase in methamphetamine production and trafficking. California has become the production capitol of the nation for this dangerous drug, and the major source of methamphetamine and the precursor chemicals to produce this drug are the Mexican drug cartels.

Mexican traffickers have established international connections for supplies of ephedrine and pseudoephedrine key precursor chemicals for methamphetamine which are controlled in the United States but not in Mexico. Shipments of these and other precursor chemicals are sent to Mexico from around the world and then smuggled into the United States to literally hundreds of clandestine laboratories in California for production.

Methamphetamine is fast becoming the crack epidemic of the 1990s, and law enforcement is already unable to keep up with the problem. A greater volume of uninspected trucks and relaxed trade barriers can only make this problem worse.

Secondly, I am also worried about increasing our reliance on Mexico to stop the probable increased flow of drugs across our border. As I have spelled out in a separate letter to you, I am gravely concerned about the adequacy of Mexican efforts to restrict drug trafficking and the alarming level of drug-influenced corruption within Mexican law enforcement agencies and the government itself. This most certainly impacts our efforts at drug abatement in the United States. The news report this last week of a passenger plane loaded with cocaine landing in Baja California Sur with the possible cooperation of Mexican Federal Police is a shocking reminder that our efforts to stop the flood of drugs on American streets are only as strong as our weakest link.

I respect the efforts the Clinton Administration has made to reduce the flow of drugs into the United States and I know you share my concerns about maintaining the integrity of our drug interdiction efforts. I support increased trade and commerce with Mexico, but only to the extent that efforts to curtail the epidemic of drug use in our own country are not diminished, and to the extent that Mexico is cooperating fully with our efforts.

HIGHWAY SAFETY

I also want to express my strong concern about the safety implications of allowing large trucks from Mexico access to California's roads.

HAZARDOUS MATERIALS

The Attorney General of Texas, Dan Morales—who supports NAFTA—reports that more than a fourth of the approximately 5,000 Mexican trucks which cross into Texas every day carry: corrosives; chemicals; explosives; jet fuel; and pesticides.

This week's issue of Time magazine reports that in the past few months, several Mexican trucks in the U.S. have exploded or leaked toxins.

With such dangerous materials, and evidence of a poor record of truck safety in the United States, I fear that this problem will escalate dramatically with the expansion of Mexican truck traffic.

BRAKES

Another major area of concern is Mexico's request that the Administration ease its requirements on front brakes. According to the California Highway Patrol, in 1994 there were 45 accidents involving large trucks for which faulty brakes were found to be the cause. In these accidents, 77 people were injured and there was one fatality. There has been a steady decline over the past ten years of accidents involving large trucks, and I have grave concerns that the increase in Mexican trucks on California's freeways and roads will increase this number.

DRIVERS HOURS

As you know, truckers in the United States are limited to ten hours of driving time. In Mexico, however, there is no limit to the number of hours a driver may be behind the wheel. Again, according to the California Highway Patrol, there were 108 accidents in California involving a large truck where the driver simply fell asleep. These accidents were responsible for killing six and injuring 148.

I am very concerned about the adequacy of truck safety inspection at the border. I fear that U.S. Customs Service agents, who already have their hands full inspecting vehicles for drugs and trade treaty compliance features, are simply not going to have the time or technical expertise to conduct thorough safety inspections on trucks coming from Mexico.

On behalf of the people of California, I urge your personal attention to these issues.

Thank you for your anticipated assistance.

Sincerely,

DIANNE FEINSTEIN,
U.S. Senator.

U.S. SENATE,
Washington, DC, December 6, 1996.

Hon. MICHAEL KANTOR,
Ambassador,
Washington, DC.

DEAR AMBASSADOR KANTOR: I am writing to request that you, along with Secretary of State Christopher, Secretary of the Treasury Rubin, and Attorney General Reno, address a continuing problem which is vexing our country, and my state in particular—the grossly inadequate drug enforcement "effort" by Mexico.

Just last week, separate published reports demonstrated the alarming, dramatic scale of this problem.

The Los Angeles Times reported on the continuing investigation of Raul Salinas de Gortari, older brother of Mexico's former President, Carlos Salinas de Gortari—an investigation which continues to yield appalling information about the extent of drug-influenced corruption in Mexico. The investigation is demonstrating that: The Mexican drug lords have become partners with the Colombian cartels; these cartels supply up to three-fourths of the cocaine in the United States, according to U.S. officials; Raul Salinas de Gortari was closely associated with the most powerful drug lord, Juan Garcia Abrego; Raul Salinas de Gortari served as an intermediary between the drug cartels and Mexico's political and economic elite; Garcia Abrego and Raul Salinas de Gortari used their respective fields of influence to protect each other from law enforcement; Raul Salinas de Gortari profited handsomely from this relationship, with Mexican officials estimating that he may have stockpiled up to $250 million in foreign bank accounts and other investments; and perhaps worst of all, this web of corruption and protection may have extended even to Raul's brother, President Carlos Salinas de Gortari.

This investigation was made public in Mexico last week, prompting the unprecedented step of a unanimous vote by members of all parties in Mexico's House of Deputies to establish a congressional commission to investigate Raul Salinas de Gortari and the sources of his wealth.

Coupled with other evidence of drug corruption in Mexico, much of which was laid out at a Senate Foreign Relations Committee hearing this August, I am afraid that Mexico is in serious jeopardy of becoming a drug-dominated narco-democracy.

The New York Times, meanwhile, also reported last week that an entire passenger jet loaded with tons of cocaine landed in a dry lake bed in Baja California Sur on Saturday. Local fishermen saw the cocaine unloaded by 20 men wearing black Mexican Federal Police uniforms. These men arrived in a convoy of four-wheel-drive vehicles. After unloading the plane, they set about trying to destroy it, by dismantling it, attempting to blow it up with explosive powder, and finally bulldozing over it with desert sand.

Despite widespread reports of Mexican police involvement with allowing or even conducting drug smuggling, state police who arrived on the scene allowed themselves to be talked out of taking action by the uniformed men—demonstrating that the state police were either duped, incredibly inattentive and lacking in vigilance, or corrupt themselves.

It comes as no surprise that investigators have traced the airplane's serial numbers back to Colombia's Cali cartel. As for the tons of drugs that were unloaded from the plane, the newspaper reported that they have not been recovered. I would appreciate your investigating and reporting to me what happened to these drugs, and to the plane.

For your convenience, I have attached copies of these articles. What is especially dismaying is that there is nothing new about airplanes loaded with multi-million dollar shipments of cocaine flying from Colombia to Mexico. At a Senate Judiciary Committee hearing in February, 1995, Drug Enforcement Administration Director Constantine told me about 727s flying 10 to 20 tons of cocaine at a time into Mexico, and returning to Colombia with 20 to 30 million dollars of U.S. currency.

At the Senate Foreign Relations Committee hearing in August, we discussed this again. At that point, Ambassador Gelbard interjected, "based on an order from President Zedillo, he has mobilized the Mexican Air Force to intercept any such flights that do occur." And yet, we see now that the flights do continue.

Frankly, I am astounded and disgusted that the Mexican government is unable or unwilling to stop massive cargo flights, or incidents such as this latest one, involving an airplane, heavy vehicles, explosives, bulldozers, and police officers who turn the other way.

It is no secret where these drugs are going: straight into my State of California. At the February hearing, Director Constantine confirmed that California has replaced Florida as the major point of importation of cocaine into America. He further stated that 75% of the cocaine in the United States enters through the Southwest border from Mexico.

Mr. Ambassador, I ask that you, together with Secretary of State Christopher, Secretary of the Treasury Rubin, and Attorney

General Reno, really take a good, hard look at what specifically can be done to compel Mexico to achieve a higher level of cooperation and enforcement against drugs.

The United States provides Mexico with a great deal of assistance—such as the $20 billion loan guarantee earlier this year. Yet this assistance seems to go to a country that is utterly ineffective at stopping the infliction of the scourge of drug trafficking on my state and our country—or, worse, corruptly facilitates it. If Mexico will not summon the will to help us in this effort, perhaps it is time for us to reconsider our assistance to them.

On behalf of the people of California, I urge your personal attention to this issue.

Thank you for your anticipated assistance.

Sincerely,

DIANNE FEINSTEIN,
U.S. Senator.

Mrs. FEINSTEIN. I thank the Chair.

Mr. President, I ask unanimous consent that Senator INHOFE be added as a cosponsor to the bills and the resolution I have just sent to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

• Mr. D'AMATO. Mr. President, the Mexican economic meltdown is over a year old and no one—not the Mexican people and certainly not the American taxpayers—have seen any signs of improvement or relief. Last year, the Clinton administration rushed in to bail out the Mexican Government with an ill-conceived, and legally tenuous, financial assistance package that spent billions of taxpayer dollars. The time has come to stop this financial hemorrhage.

Since February 21, 1995, when the administration signed its Financial Assistance Agreement with Mexico, I have been saying that the Clinton bailout was an ill-conceived disaster. It is not just my opinion, it is the cold hard facts. You only need to look at the Mexican economic indicators, including 50-percent interest rates and staggering inflation, and the suffering of the Mexican people to realize that the plan is not working. Mexico's real economy is still in shambles: record numbers of Mexicans are out of work, interest rates are soaring, the people are starving, and the country is reeling under increasing social and political unrest. Christopher Whalen, writing in the January 21, 1996, edition of the Washington Post, stated "As in the 1970's, the Mexicans are again addicted to the debt that we have been spoon-feeding them, and they still can't pay it back."

Mr. President, the only people who have benefited from the Clinton bailout are the global investors, the currency speculators, Mexican business leaders, and high paid advisers retained by the Mexican Government. The Mexican bailout was doomed to disaster from the very beginning.

Congress rejected Clinton's bailout scheme last year, despite the administration's doomsday predictions of an international financial crisis and waves of illegal immigration. The global financial crisis never materialized but hordes of illegal immigrants are still crossing our borders in an attempt to escape their desperate living conditions. Their hardships are a direct result of inept Mexican economic policies and the harsh austerity measures the Clinton administration imposed upon the Mexican people as part of the bailout.

Mr. President, Mexico has received over $25 billion and it has not solved anything. The Clinton administration bypassed Congress and sent billions of hard-earned American taxpayer dollars to a country reeling under narco-corruption and failed economic policies. Mexico's downward spiral is accelerating and the fallout is only beginning.

According to the terms of the Financial Assistance Agreement between the administration and Mexico—Article 3, section 7—the agreement expires after 1 year, on February 21, 1996, and it may be extended by the Secretary of Treasury for another 6 months. Secretary Rubin has indicated that the Treasury Department intends to extend the bailout for another 6 months so now is the time for Congress to act.

Mr. President, my colleague and friend, Senator FEINSTEIN and I, are cosponsoring this bill which would place strong conditions on the administration to stop them from wasting more taxpayer dollars on the Mexican bailout, by preventing an extension of the Assistance Agreement, and stopping any additional rollovers of the money already owed to the United States, as of the first of this year.

At the very least, if the President decides to continue squandering any more of the remaining $10.5 billion of U.S. taxpayer money already committed to Mexico, he should be required to certify that Mexico is doing all that it can to stop the massive flow of narcotics into our country. This should not be a simple certification—it should be tough and thorough. This bill will require Mexico to take strong action to fight the drug lords and narcotics kings who are becoming multimillionaires by importing drugs into our country.

Our bill sets several pertinent conditions regarding the enormous amounts of drugs Mexico is sending to this country every day. In our bill, the President must certify that Mexico has satisfied each of these conditions before sending any more taxpayer money to Mexico. The Congress already passed a certification requirement related to the Mexican bailout last year in the Mexican Debt Disclosure Act, which required the President to certify normal business standards were being imposed on the loans and money sent to Mexico.

A few key facts on the severity of the drug problem with Mexico vividly illustrate the need for immediate action:

The Drug Enforcement Administration [DEA] estimates that over 70 percent of the cocaine in the United States crosses the United States-Mexico border. Using Mexico as storage for the cocaine, the Colombian drug organizations may be holding cocaine with a street value of up to $1 billion.

According to the DEA, virtually all of the heroin produced in Mexico is trafficked in the United States.

The DEA also reports that more than 50 percent of the marijuana found in the United States came from Mexico, either cultivated there or transshipped through Mexico from other localities.

It appears that trafficking gangs in Mexico are also involved in all aspects of the methamphetamine trade: producing, trafficking, and distributing it as well as the chemicals used to manufacture the methamphetamines. Law enforcement officials have noticed an increase in its availability in the United States.

The recent arrest of Juan Garcia Abrego, described as an international drug kingpin and said to have headed a billion-dollar drug empire, may hold the key to understanding just how big the Mexican drug organizations are and the volume of drugs they traffick into the United States. The information that he provides to U.S. law enforcement is a glimpse into the underground world of international drug trafficking. His arrest is merely the tip of the iceberg.

Currently, the Colombian cartel and the drug trafficking gangs in Mexico are working in partnership to deliver and distribute multitons of narcotics into the United States. However, Assistant Secretary of State Robert Gelbard told the Senate Foreign Relations Committee that, with the arrest of leaders of the Columbian Cali cartel, Mexican drug trafficking gangs may be able to actively traffick these drugs themselves.

No doubt, there will be an increase in the availability of narcotics as a direct result of the Mexican drug gangs' interest in narcotics distribution, and the ease with which they can transport it into the United States.

Mr. President, this bill is an important first step in addressing two very serious problems affecting the American people. This bill will force the Clinton administration and the Mexican Government to make real and substantial efforts to halt the flow of illegal drugs into our country. The bill also sends notice to the administration that the Congress, and the American people, are tired of having hard-earned taxpayer dollars squandered. I urge my colleagues to support this bipartisan effort.•

ADDITIONAL COSPONSORS

S. 10

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 10, a bill to make certain laws applicable to the legislative branch of the

Federal Government, to reform lobbying registration and disclosure requirements, to amend the gift rules of the Senate and the House of Representatives, and to reform the Federal election laws applicable to the Congress.

S. 837

At the request of Mr. WARNER, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 837, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 250th anniversary of the birth of James Madison.

S. 990

At the request of Mr. DOLE, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of S. 990, a bill to expand the availability of qualified organizations for frail elderly community projects (Program of All-inclusive Care for the Elderly (PACE)), to allow such organizations, following a trial period, to become eligible to be providers under applicable titles of the Social Security Act, and for other purposes.

S. 1028

At the request of Mrs. KASSEBAUM, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 1028, a bill to provide increased access to health care benefits, to provide increased portability of health care benefits, to provide increased security of health care benefits, to increase the purchasing power of individuals and small employers, and for other purposes.

S. 1334

At the request of Mr. FRIST, the names of the Senator from North Carolina [Mr. HELMS] and the Senator from Idaho [Mr. CRAIG] were added as cosponsors of S. 1334, a bill to amend chapter 28 of title 35, United States Code, to provide for noninfringing uses of patents on medical and surgical procedures.

S. 1379

At the request of Mr. CRAIG, his name was added as a cosponsor of S. 1379, a bill to make technical amendments to the Fair Debt Collection Practices Act, and for other purposes.

S. 1392

At the request of Mr. BAUCUS, the names of the Senator from Alabama [Mr. SHELBY] and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 1392, a bill to impose temporarily a 25 percent duty on imports of certain Canadian wood and lumber products, to require the administering authority to initiate an investigation under title VII of the Tariff Act of 1930 with respect to such products, and for other purposes.

S. 1541

At the request of Mr. LUGAR, the names of the Senator from Washington [Mr. GORTON], the Senator from Texas [Mr. GRAMM], the Senator from Virginia [Mr. WARNER], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Florida [Mr. MACK], the Senator from Texas [Mrs. HUTCHISON], and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 1541, a bill to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes.

SENATE RESOLUTION 85

At the request of Mr. CHAFEE, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of Senate Resolution 85, a resolution to express the sense of the Senate that obstetrician-gynecologists should be included in Federal laws relating to the provision of health care.

SENATE CONCURRENT RESOLUTION 40—TO COMMEMORATE THE SESQUICENTENNIAL OF TEXAS STATEHOOD

Mrs. HUTCHINSON (for herself and Mr. GRAMM) submitted the following resolution; which was considered and agreed to:

S. CON. RES. 40

Whereas 1995 marks 150 years since the United States of America admitted Texas as the 28th State of the Union;

Whereas the sesquicentennial of Texas statehood is a truly momentous occasion that allows all Texans to reflect on their State's proud heritage and bright future;

Whereas acting on the advice of President John Tyler, the United States Congress adopted a joint resolution on February 28, 1845, inviting the Republic of Texas to enter the Union as a State with full retention of its public lands; today, a century and half later, Texas enjoys the distinction of being the only State admitted with such extensive rights;

Whereas the citizens of the Republic of Texas were deeply committed to the goals and ideals embodied in the United States Constitution, and, on June 16, 1845, the Congress of the Republic of Texas was convened by President Anson Jones to consider the proposal of statehood;

Whereas Texas took advantage of the offer, choosing to unite with a large and prosperous Nation that could more effectively defend the borders of Texas and expand its flourishing trade with European countries; by October 1845, the Congress of the Republic of Texas had approved a State constitution, charting a bold new destiny for the Lone Star State;

Whereas the proposed State constitution was sent to Washington, D.C., and on December 29, 1845, the United States of America formally welcomed Texas as a new State; the transfer of governmental authority, however, was not complete until February 19, 1846, when Anson Jones lowered the flag that had flown above the Capitol for nearly 10 years and stepped down from his position as president of the Republic of Texas; and

Whereas with the poignant retirement of the flag of the Republic, Texas emerged as a blazing Lone Star in America's firmament, taking its place as the 28th State admitted into the Union: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) commemorate the sesquicentennial of Texas statehood; and

(2) encourage all Texans to observe such day with appropriate ceremonies and activities on this historic occasion.

The Secretary of the Senate shall transmit a copy of this resolution to the Texas Congressional Delegation, to the Governor of Texas, to the National Archives, and to the Texas Archives.

SENATE RESOLUTION 217—TO DESIGNATE THE FIRST FRIDAY IN MAY 1996 AS "AMERICAN FOREIGN SERVICE DAY"

Mrs. KASSEBAUM submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 217

Whereas the American Foreign Service was established in 1924 and some 11,600 men and women now serve with the foreign affairs agencies of the United States at home and abroad;

Whereas the diplomatic, consular, communications, trade, development, and numerous other functions these men and women perform constitute the first and most cost-effective line of defense of our Nation by protecting and promoting United States interests abroad;

Whereas the men and women of the American Foreign Service are increasingly exposed to risks and danger to themselves and their families, even in times of peace, and many have died in the service of their country;

Whereas in this uncertain post-Cold War era, an ever-vigilant American Foreign Service remains essential to the strategic, political, and economic well-being of this Nation by strengthening the United States' relations with other countries and promoting a safer, more peaceful world;

Whereas the United States Government's foreign affairs agencies and the American Foreign Service Association have observed Foreign Service Day on the first Friday in May for many years; and

Whereas it is both appropriate and just for the country as a whole to recognize the dedication of the men and women of the American Foreign Service and to honor those who have given their lives in the loyal pursuit of their duties and responsibilities representing the interests of the United States of America and of its citizens: Now, therefore, be it

Resolved, That the Senate—

(1) commend the men and women who have served or are presently serving in the American Foreign Service for their dedicated and important service to country;

(2) honor those in the American Foreign Service who have given their lives in the line of duty; and

(3) designate the first Friday in May 1996 as "American Foreign Service Day".

The President is authorized and requested to issue a proclamation calling upon the people of the United States and the Federal, State, and local administrators to observe the day with the appropriate programs, ceremonies, and activities.

Mrs. KASSEBAUM. Mr. President, today I am submitting legislation to acknowledge the important work and great sacrifice of the men and women of the American Foreign Service. By passing this resolution, the Senate will commend these dedicated public servants for their important service to our country, honor those killed in the line of duty, and seek broader recognition this year of American Foreign Service Day.

For many years, the U.S. Government's foreign affairs agencies and the American Foreign Service Association have jointly sponsored a Foreign Service Day observance during which new names are added to the memorial plaque in the Department of State honoring those "who have died under heroic or inspirational circumstances" while serving our country abroad. This ceremony has been held within the walls of the State Department. This year, I believe that we as a Nation should join in this observance, just as we join together to honor our military personnel on Armed Forces Day and Veterans Day.

The memorial plaque contains the names of 171 brave Americans who have died in service to our country at posts abroad. I ask unanimous consent that a list of these names be printed in the RECORD. Later this year, the names of the three American negotiators who were killed last fall in search of peace in Bosnia will be added to that plaque. All of us were deeply moved by the tragic sacrifice of Ambassador Robert Frasure, Assistant Secretary of Defense Joseph J. Kruzel, and Col. S. Nelson Drew.

We have many debates in this body that involve the American Foreign Service. In the past year, we have debated its structure, we have reduced its funding, we have seen Foreign Service officers unpaid or kept from work because of partial Government shutdowns, and we have been slow to act on many Foreign Service nominees. Each of these actions has its own purpose, but I worry that the cumulative effect may well be to send a signal to our Foreign Service officers that the U.S. Senate doubts the importance of their work. Nothing could be further from the truth. With this legislation, I hope the Senate will send a clear message that, whatever our views on the difficult policy matters that affect America's overseas presence, we all stand firmly behind the important work of America's dedicated Foreign Service officers, and we recognize the undeniable importance of their work.

In the coming year, I hope to explore steps we may take to strengthen our Foreign Service. I believe we need to act to ensure that we are recruiting and retaining the very best people that our country has to offer, and I hope to work with the Foreign Service community and my colleagues to identify ways in which the Senate can help. For many people around the world, the men and women of the American Foreign Service are the faces of America.

I, for one, believe America owes these men and women a debt of gratitude.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMERICANS WHO HAVE LOST THEIR LIVES UNDER HEROIC OR OTHER INSPIRATIONAL CIRCUMSTANCES WHILE SERVING THE U.S. GOVERNMENT AND THE AMERICAN PEOPLE ABROAD IN FOREIGN AFFAIRS

(Names are listed not chronologically but as placed on State Department memorial plaques)

William Palfrey: Lost at sea, 1780.

Joel Barlow: Exposure, Zarnowice, 1812.

Richard C. Anderson: Yellow Fever, Cartagena, Colombia, 1823.

Nathaniel G. Ingraham, Jr.: Fever, Tampico, Mexico, 1824.

Harris E. Fudger: Murdered, Bogota, Colombia, 1825.

James A. Holden: Lost at sea, 1827.

John S. Meircken: Lost at sea, 1832.

William Shaler: Cholera, Havana, Cuba, 1833.

William S. Sparks: Cholera, Venice, Italy, 1849.

Thomas T. Turner: Epidemic, Bahia, 1849.

Thomas I. Morgan: Yellow fever, Rio De Janeiro, 1850.

Hardy M. Burton: Yellow fever, St. Thomas, 1852.

George R. Dwyer: Coast fever, Mozambique, 1854.

Beverly L. Clarke: Tropical fever, Guatemala, 1860.

Isaac S. McMicken: Yellow fever, Acapulco, Mexico, 1860.

George True: Smallpox, Funchal, 1862.

Edward W. Gardner: Lost at sea, 1863.

Charles G. Hannah: Yellow fever, Demerara, 1864.

Abraham Hanson: African fever, Monrovia, Liberia, 1866.

Hiram R. Hawkins: Epidemic, Tumbez, Peru, 1866.

Allen A. Hall: Epidemic, La Paz, Bolivia, 1867.

H.E. Peck: Yellow fever, Haiti, 1867.

James Wilson: Yellow fever, Venezuela, 1867.

James H. McColley: Yellow fever, Callao, 1869.

William Stedman: Yellow fever, Santiago, Cuba, 1869.

Charles E. Perry: Epidemic, Aspinwall, Colombia, 1872.

Thomas Biddle: Epidemic, Guayaquil, 1875.

John F. Flint: Drowned saving life, La Union, El Salvador, 1875.

Philip Clayton: Yellow fever, Callao, 1877.

Henry H. Garnet: African fever, Monrovia, 1882.

Jesse H. Moore: Yellow fever, Callao, 1883.

David T. Bunker: Yellow fever, Demerara, 1888.

Victor F.W. Stanwood: Murdered, Madagascar, 1888.

William D. McCoy: Fever, Monrovia, Liberia, 1893.

John R. Meade: Yellow fever, Santo Domingo, 1894.

Alexander L. Pollock: Yellow fever, San Salvador, 1894.

Frederick Munchmeyer: Yellow fever, San Salvador, 1895.

John B. Gorman: Malignant malaria, Matamoros, Mexico, 1896.

Albert S. Willis: Malaria, Honolulu, Hawaii, 1897.

Rounsevelle Wildman: Lost at sea, 1901.

Thomas T. Prentis: Volcanic eruption, Martinique, 1902.

Amedee Testart: Volcanic eruption, Martinique, 1902.

Thomas Nast: Yellow fever, Guayaquil, 1902.

William F. Havemeyer: Cholera, Bassorah, Turkey, 1904.

Philip Carroll: Fever, Manzanillo, Mexico, 1906.

Benjamin H. Ridgely: Exhaustion, Mexico City, 1908.

Arthur A. Cheney: Earthquake, Messina, 1908.

John W. Gourley: Smallpox, Ciudad Juarez, Mexico, 1910.

Theodore C. Hamm: Smallpox, Durango, Mexico, 1914.

Robert N. McNeely: Lost at sea, 1915.

Charles P. McKiernan: Smallpox, Chungkiang, China, 1916.

Charles F. Brissel: Cholera, Baghdad, 1916.

Alfred L.M. Gottschalk: Lost at sea, 1918.

Maddin Summers: Exhaustion, Moscow, 1918.

John D. O'Rear: Smallpox, La Paz, Bolivia, 1918.

Luther K. Zabriskie: Smallpox, Aguas Calientes, Mexico, 1921.

Carl R. Loop: Saving life, Catania, 1923.

Max D. Kirjassof: Earthquake, Yokohama, Japan, 1923.

Paul E. Jenks: Earthquake, Yokohama, Japan, 1923.

Clarence C. Woolard: Epidemic, Cape Haitien, Haiti, 1923.

Robert W. Imbrie: Murdered, Teheran, Persia, 1924.

William T. Francis: Yellow fever, Liberia, 1929.

William I. Jackson: Drowned attempting to save life, Matanzas, Cuba, 1930.

John T. Wainwright: Drowned attempting to save life, Matanzas, Cuba, 1930.

G. Russell Taggart: Hurricane, Belize, British Honduras, 1931.

J. Theodore Marriner: Murdered, Beirut, Syria, 1937.

John M. Slaughter: Earthquake, Guayaquil, 1942.

Thomas C. Wasson: Shot by sniper, Jerusalem, 1948.

Douglas S. Mackieman: Killed by gunfire, Tibet, 1950.

Robert Lee Mikels: Burned attempting to save life, Pusan, Korea, 1951.

David LeBreton, Jr.: Drowned saving lives, Tunis, 1953.

William P. Boteler: Killed by grenade, Nicosia, Cyprus, 1956.

Robert A. McKinnon: Tropical disease, Ouagadougou, 1961.

Barbara A. Robbins: Killed in bombing of Embassy, Saigon, Vietnam, 1965.

Joseph W. Grainger: Murdered, Vietnam, 1965.

Joseph R. Rupley: Killed by gunfire, Caracas, Venezuela, 1965.

Dolph B. Owens: Vietnam, 1960.

Jack J. Wells: Vietnam, 1965.

Norman L. Clowers: Vietnam, 1966.

William D. Smith III: Vietnam, 1966.

Don M. Sjostrom: Laos, 1967.

John R. McLean: Laos, 1967.

Robert K. Franzblau: Vietnam, 1967.

Dwight Hall Owen, Jr.: Vietnam, 1967.

Carroll H. Pender: Vietnam, 1967

Frederick J. Abramson: Vietnam, 1968.

Thomas M. Gompertz: Vietnam, 1968.

John T. McCarthy: Vietnam, 1968.

Kermit J. Krause: Vietnam, 1968.

Jeffrey S. Lundstedt: Vietnam, 1968.

Robert R. Little: Vietnam, 1968.

Stephen H. Miller: Vietnam, 1968.

Hugh C. Lobit: Vietnam, 1968.

Richard A. Schenk: Vietnam, 1968.

Michael Murphy: Vietnam, 1968.

John Gordon Mein: Guatemala, 1968.

George B. Gaines: Vietnam, 1969.

Robert P. Perry: Jordan, 1970.

Dan A. Mitrione: Uruguay, 1970.

Cleo Allen Noel, Jr.: Sudan, 1973.

George Curtis Moore: Sudan, 1973.
Everett D. Reese: Vietnam, 1955.
Thomas W. Ragsdale: Vietnam, 1967.
Donald V. Freeman: Vietnam, 1967.
Albert A. Farkas: Vietnam, 1968.
Robert W. Brown, Jr.: Vietnam, 1968.
Robert W. Hubbard: Vietnam, 1968.
Joseph B. Smith: Vietnam, 1970.
Rudolph Kaiser: Vietnam, 1972.
John Paul Vann: Vietnam, 1972.
John S. Patterson: Mexico, 1974.
Rodger P. Davis: Cyprus, 1974.
James C. Marshall: Vietnam, 1968.
Steven A. Haukness: Vietnam, 1968.
Charles W. Turberville: Cambodia, 1971.
John Patrick Egan: Argentina, 1975.
Charles McMahon: Vietnam, 1975.
Darwin L. Judge: Vietnam, 1975.
Francis E. Meloy, Jr.: Beirut, 1976.
Robert O. Warning: Beirut, 1976.
Adolph Dubs: Kabul, 1979.
Steven J. Crowley: Islamabad, 1979.
Bryan L. Ellis: Islamabad, 1979.
Charles Robert Ray: Paris, 1982.
Robert C. Ames: Beirut, 1983.
Thomas R. Blacka: Beirut, 1983.
Phyliss N. Faraci: Beirut, 1983.
Terry L. Gilden: Beirut, 1983.
Kenneth E. Haas: Beirut, 1983.
Deborah M. Hixon: Beirut, 1983.
Frank J. Johnston: Beirut, 1983.
James F. Lewis: Beirut, 1983.
Monique Lewis: Beirut, 1983.
William R. McIntyre: Beirut, 1983.
Robert V. McMaugh: Beirut, 1983.
William R. Sheil: Beirut, 1983.
Albert N. Votaw: Beirut, 1983.
George Tsantos: Athens, 1983.
Leamon R. Hunt: Rome, 1984.
Kenneth G. Crabtree: Namibia, 1984.
Dennis Whyte Keogh: Namibia, 1984.
A. A. Schaufelberger III: San Salvador, 1983.
Charles F. Soper: New Delhi, 1983.
Michael Ray Wagner: Beirut, 1984.
Kenneth V. Welch: Beirut, 1984.
Charles F. Hegna: Tehran, 1984.
William L. Stanford: Tehran, 1984.
Enrique Camarena: Guadalajara, 1985.
Vieginia Warfield: New Delhi, 1983.
Bobby Joe Dickson: San Salvador, 1985.
Thomas T. Handwork: San Salvador, 1985.
Patrick R. Kwiatkowski: San Salvador, 1985.
Gregory H. Weber: San Salvador, 1985.
Laurence A. Steinhardt: Ottawa, 1950.
William F. Buckley: Beirut, 1985.
William E. Nordeen: Athens, 1988.
Arnold L. Raphel: Pakistan, 1988.
Herbert M. Wassom: Pakistan, 1988.
Matthew K. Gannon: Scotland, 1988.
Ronald A. Lariviere: Scotland, 1988.
Daniel E. O'Conner: Scotland, 1988.
James N. Rowe: Philippines, 1989.
John A. Butler: Grenada, 1989.
Gladys D. Gilbert: Ethiopia, 1989.
Robert W. Woods: Ethiopia, 1989.
Thomas J. Worrick: Ethiopia, 1989.
Freddie R. Woodruff: Georgia, 1993.
Barbara L. Schell: Iraq, 1994.
Barry S. Castiglione: El Salvador, 1992.
Gary C. Durell: Pakistan, 1995.
Jacqueline K. Van: Landingham, Pakistan 1995.

As of 1/25/96, there are 171 names listed.

SENATE RESOLUTION 218—EXPRESSING THE SENSE OF THE SENATE RELATIVE TO MEXICO

Mrs. FEINSTEIN (for herself, Mr. D'AMATO, and Mr. INHOFE) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 218

Whereas Mexico is one of the most significant source countries for the transport of narcotic and psychotropic drugs and other controlled substances into the United States;

Whereas the Drug Enforcement Administration estimates that at least 75 percent of all cocaine available in the United States travels through Mexico;

Whereas various United States drug enforcement agencies have estimated that 70 percent to 80 percent of all foreign-grown marijuana in the United States originates in Mexico;

Whereas according to the United States Customs Service, 69.5 percent of the individuals arrested for drug smuggling at border stations in the United States are Mexican nationals;

Whereas the Drug Enforcement Administration has stated that drug smugglers have been flying airplanes into Mexico carrying 10 to 20 tons of cocaine per flight, which airplanes then return to Colombia carrying $20,000,000 to $30,000,000 of United States currency;

Whereas Mexico has failed to prevent or punish the laundering of drug-related profits or drug-related moneys in Mexico;

Whereas Mexico has failed to prevent or punish adequately bribery and other forms of public corruption which facilitate the production, processing, and shipment of narcotic and psychotropic drugs and other controlled substances into the United States or which discourage the investigation and prosecution of such activities;

Whereas the continued, large-scale transportation of narcotic and psychotropic drugs and other controlled substances from Mexico into the United States is very detrimental to the vital interests of the United States;

Whereas not later than March 1, 1996, the President must determine and report to Congress pursuant to section 490A(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291k(b)) whether Mexico has taken sufficient steps to combat international narcotics trafficking: Now, therefore, be it

Resolved, That the President should not make the following certifications pursuant to section 490A(b)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291k(b)(1)):

(1) That Mexico has cooperated fully with United States in controlling narcotic and psychotropic drugs and other controlled substances, and activities relating to such drugs and substances, as set forth in subparagraph (A) of that section.

(2) That vital national interests of the United States require United States assistance to Mexico or multilateral development bank assistance for Mexico.

ADDITIONAL STATEMENTS

RETIREMENT OF CONGRESSWOMAN BARBARA VUCANOVICH

• Mr. BRYAN. Mr. President, I rise today to honor Congresswoman BARBARA F. VUCANOVICH for her many years of public service, particularly in the House of Representatives. She has represented the State of Nevada's Second District for 14 years and is the first woman from Nevada elected to Federal office.

Representative VUCANOVICH has served in many leadership capacities during her time on Capitol Hill, including her current position as secretary of the House Republican Conference for the 104th Congress. She is a member of the House Appropriations Committee, and chairwoman of the Military Subcommittee. Congresswoman VUCANOVICH is also a member of the Subcommittee on the Interior, the Subcommittee on Veterans' Affairs, Housing and Urban Development, and Independent Agencies.

As members of the Nevada delegation, Congresswoman VUCANOVICH and I have worked together to prevent the practice of source taxation, which unfairly burdened the residents of our State. Representative VUCANOVICH has also been an ally in our fight to protect Nevada from becoming a high-level nuclear waste repository. She has been active in promoting travel and tourism to benefit Nevada's economy.

Representative VUCANOVICH demonstrated remarkable personal courage in her battle with cancer. She never permitted the disease to slow her down, never missing a congressional vote in the midst of her treatment. She has worked to help increase public awareness of this disease and how it may be detected and treated.

I am pleased to recognize Congresswoman BARBARA F. VUCANOVICH for her many years of public service and dedication to the State of Nevada and the people she represents, and I wish her and George the very best in the future.•

A VOTE AGAINST THE NINTH CR

• Mr. DODD. Mr. President, I rise today to discuss my vote against the continuing resolution on Friday, January 26.

The CR under which the Government is now operating is the ninth continuing resolution for fiscal 1996. That is four more CR's for 1 fiscal year than we have ever passed before. And we can be sure, come March 15, that we will be traveling down this road again.

This CR continues a dangerous and chaotic policy of haphazardly appropriating funds, while leaving State and local governments, Federal employees, and millions of Americans who depend on the Federal Government uncertain of the future.

This uncertainty can be traced in large part to the fact that months into fiscal 1996, the Republican controlled Congress has yet to complete work on all 13 appropriations bills.

This congressional foot dragging has brought us to the point we're at today: With a CR that is nothing more than a cynical attempt, by those who held the Government hostage and then didn't get their way, to dismantle critically important Federal programs in a piecemeal and indiscriminate fashion.

Let me be clear on one point: I am absolutely committed to balancing the budget. In 1981, I was one of six Senators to vote against President Reagan's budget, which I may add got us into this mess in the first place. I cosponsored the Gramm-Rudman Deficit Reduction Act and just last October, I was 1 of 19 Senators to vote for the Simon-Conrad bill that would balance the budget in 7 years with CBO numbers.

More important, after the havoc wreaked by the Republicans during the last Government shutdown, I am committed to seeing the Government stay open and Federal employees at their desks.

Continuing resolutions, Government shutdowns, and legislative blackmail are simply no way to run the Federal Government.

The majority party says we must balance the budget to protect our children from inheriting a crushing debt. Yet at the same time we hear this rhetoric, the majority is passing a CR that directly harms our children's future by eliminating $3.1 billion from education programs—the largest cut in education funding in American history.

Education is not alone. This CR would cut back funding by 25 percent for the Cops on the Beat Program, summer jobs programs for disadvantaged youth, and environmental cleanup. How can this Congress claim it is protecting children at the same time it is cutting money to keep communities safe and our water and air clean?

The majority party came into Washington with the slogan "Promises Made, Promises Kept." Well if their promises were to shut down the Government, eliminate money for education and the environment, cut Medicare and Medicaid, raise taxes on working families, and now hamstring the Federal Government's efforts to maintain its responsibilities and obligations, then I suppose they have kept their promises.

I am hopeful that at some point in the future we will take our cue from President Clinton's State of the Union call for reconciliation by reaching a bipartisan agreement on how to balance the budget. Until then, this Government will stumble from CR to CR while millions of Americans suffer.●

COMMEMORATING THE SESQUICENTENNIAL OF TEXAS STATEHOOD

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to immediate consideration of Senate Concurrent Resolution 40, submitted earlier by Senators HUTCHISON and GRAMM.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A concurrent resolution (S. Con. Res. 40) to commemorate the sesquicentennial of Texas statehood.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mrs. HUTCHISON. Mr. President, I rise today to commemorate a very special event in the history of my State. This recognition is almost identical to one passed by the Texas State Legislature on March 7, 1995.

Just last month, on December 29, 1995, Texas celebrated the sesquicentennial of their statehood. Unlike all other States ever admitted, we gave up the sovereignty of an independent republic to join the Union.

On March 1, 1845, Congress passed a resolution inviting the Republic of Texas to join the Union, and a special convention of Texans met to consider it, under the leadership of Thomas Jefferson Rusk. The convention accepted the offer on July 4, and its decision was ratified by the people in October. We submitted a constitution, which Congress accepted on December 29.

Rusk went on to become the first U.S. Senator from Texas, and I, the great-granddaughter of his law partner, now hold his seat. Taylor and Rusk had signed the Texas Declaration of Independence from Mexico in 1836.

Texans mark the 29th, quietly, as the commencement of our statehood, although we didn't lower the Lone Star and post the Stars and Stripes until February 19, 1846. We must have been happy with statehood in 1955, because we expressly renounced the right to fly the flag of our old Republic at the same level as that of our Union. Our legislature mandated that it fly in a subordinate position, in a manner followed by all other States.

Although independence remains the signal day in Texas history, Texans look upon their statehood with pride, as a means of conferring blessings upon the people of all the States. When Old Glory was raised for the first time in Austin, TX, Anson Jones, the last President of the Republic of Texas, stated with eloquence:

> The lone star of Texas, which ten years since arose amid cloud, over fields of carnage, and obscurely shone for a while, and following an inscrutable destiny, has passed on and become fixed forever in that glorious constellation which all . . . lovers of freedom in the world must . . . adore—the American Union. Blending its rays with its sister stars, long may it continue to shine, and may a gracious heaven smile upon this consummation with the wishes of the two republics, now joined together in one.

Thank you, Mr. President. I yield the floor.

Mr. LOTT. Mr. President, I ask unanimous consent that the concurrent resolution be considered and agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statement relating to the resolution appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the concurrent resolution (S. Con. Res. 40) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, is as follows:

S. CON. RES. 40

Whereas 1995 marks 150 years since the United States of America admitted Texas as the 28th State in the Union;

Whereas the sesquicentennial of Texas statehood is a truly momentous occasion that allows all Texans to reflect on their State's proud heritage and bright future;

Whereas acting on the advice of President John Tyler, the United States Congress adopted a joint resolution on February 28, 1845, inviting the Republic of Texas to enter the Union as a State with full retention of its public lands; today, a century and a half later, Texas enjoys the distinction of being the only State admitted with such extensive rights;

Whereas the citizens of the Republic of Texas were deeply committed to the goals and ideals embodied in the United States Constitution, and, on June 16, 1845, the Congress of the Republic of Texas was convened by President Anson Jones to consider the proposal of statehood;

Whereas Texas took advantage of the offer, choosing to unite with a large and prosperous Nation that could more effectively defend the borders of Texas and expand its flourishing trade with European countries; by October 1845, the Congress of the Republic of Texas had approved a State constitution, charting a bold new destiny for the Lone Star State;

Whereas the proposed State constitution was sent to Washington, D.C., and on December 29, 1845, the United States of America formally welcomed Texas as a new State; the transfer of governmental authority, however, was not complete until February 19, 1846, when Anson Jones lowered the flag that had flown above the Capitol for nearly 10 years and stepped down from his position as president of the Republic of Texas; and

Whereas with the poignant retirement of the flag of the Republic, Texas emerged as a blazing Lone Star in America's firmament, taking its place as the 28th State admitted into the Union: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) commemorate the sesquicentennial of Texas statehood; and

(2) encourage all Texans to observe such day with appropriate ceremonies and activities on this historic occasion. The Secretary of the Senate shall transmit a copy of this resolution to the Texas Congressional Delegation, to the Governor of Texas, to the National Archives, and to the Texas Archives.

VA HEALTH CARE DELIVERY ACT

Mr. LOTT. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 2353, a bill to amend title 38, United States Code, to extend certain expiring authorities of the Department of Veterans Affairs relating to delivery of health and medical care, and for other purposes.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendments of the Senate to the bill (H.R. 2353) entitled "An Act to amend title 38, United States Code, to extend certain expiring authorities of the Department of Veterans Affairs relating to delivery of health and medical care, and for other purposes", with the following amendments:

In lieu of the matter inserted by said amendment, insert:

TITLE I—EXTENSIONS OF AUTHORITY

SEC. 101. EXTENSION OF AUTHORITIES UNDER TITLE 38, UNITED STATES CODE.

(a) Authority To Provide Priority Health Care for Certain Veterans Exposed to Toxic Substances.—(1) Section 1710(e)(3) of title 38, United States Code, is amended by striking out "after June 30, 1995," and all that follows through "December 31, 1995" and inserting in lieu thereof "after December 31, 1996".

(2) Section 1712(a)(1)(D) of such title is amended by striking out "December 31, 1995," and inserting in lieu thereof "December 31, 1996,".

(b) Drug and Alcohol Abuse and Dependence.—Section 1720A(e) of such title is amended by striking out "December 31, 1995" and inserting in lieu thereof "December 31, 1997".

(c) Pilot Program for Noninstitutional Alternatives to Nursing Home Care.—Section 1720C(a) of such title is amended by striking out "September 30, 1995," and inserting in lieu thereof "December 31, 1997,".

(d) Negotiated Interest Rates.—Section 3703(c)(4) of such title is amended by striking out subparagraph (D).

(e) Mortgages for Energy Efficient Improvements.—Section 3710(d) of such title is amended by striking out paragraph (7).

(f) Enhanced Loan Asset Sale Authority.—Section 3720(h)(2) of such title is amended by striking out "December 31, 1995" and inserting in lieu thereof "December 31, 1996".

(g) Authority of Lenders of Automatically Guaranteed Loans To Review Appraisals.—Section 3731(f) of such title is amended by striking out paragraph (3).

(h) Agreements for Housing Assistance for Homeless Veterans.—Section 3735(c) of such title is amended by striking out "December 31, 1995" and inserting in lieu thereof "December 31, 1997".

(i) Use of Data on Compensation for Certified Registered Nurse Anesthetists.—Section 7451(d)(3)(C)(iii) of such title is amended by striking out "April 1, 1995" and inserting in lieu thereof "January 1, 1998".

(j) Health Professional Scholarship Program.—Section 7618 of such title is amended by striking out "December 31, 1995" and inserting in lieu thereof "December 31, 1997".

(k) Enhanced-Use Leases of Real Property.—Section 8169 of such title is amended by striking out "December 31, 1995" and inserting in lieu thereof "December 31, 1997".

SEC. 102. EXTENSION OF AUTHORITIES UNDER OTHER PROVISIONS OF LAW.

(a) Authority for Community-Based Residential Care for Homeless Chronically Mentally Ill Veterans and Other Veterans.—Section 115(d) of the Veterans' Benefits and Services Act of 1988 (38 U.S.C. 1712 note) is amended by striking out "September 30, 1995" and inserting in lieu thereof "December 31, 1997".

(b) Demonstration Program of Compensated Work Therapy.—Section 7(a) of Public Law 102–54 (38 U.S.C. 1718 note) is amended by striking out "fiscal years 1991 through 1995" and inserting in lieu thereof "the period beginning on October 1, 1991, and ending on December 31, 1997,".

(c) Services and Assistance to Homeless Veterans.—The Homeless Veterans Comprehensive Service Programs Act of 1992 (Public Law 102–590; 38 U.S.C. 7721 note) is amended—

(1) in section 2, by striking out "September 30, 1995," and inserting in lieu thereof "September 30, 1997,";

(2) in section 3(a)—

(A) by inserting "(1)" before "Subject to";

(B) by striking out "fiscal years 1993, 1994, and 1995,"; and

(C) by adding at the end the following new paragraph:

"(2) The authority of the Secretary to make grants under this section expires on September 30, 1997."; and

(3) in section 12, by striking out "each of the fiscal years 1993, 1994, and 1995" and inserting in lieu thereof "each of fiscal years 1993 through 1997".

(d) Homeless Veterans' Reintegration Projects.—(1) Section 738(e)(1) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11448(e)(1)) is amended by adding at the end the following:

"(D) $10,000,000 for fiscal year 1996.".

(2) Section 741 of such Act (42 U.S.C. 11450) is amended by striking out "October 1, 1995" and inserting in lieu thereof "December 31, 1997".

SEC. 103. RATIFICATION OF ACTIONS TAKEN DURING PERIOD OF EXPIRED AUTHORITY.

Any action taken by the Secretary of Veterans Affairs before the date of the enactment of this Act under a provision of law amended by this title that was taken during the period beginning on the date on which the authority of the Secretary under that provision of law expired and ending on the date of the enactment of this Act shall be considered to have the same force and effect as if the amendment to that provision of law made by this title had been in effect at the time of that action.

TITLE II—OTHER PROVISIONS

SEC. 201. CODIFICATION OF HOUSING REPORTING REQUIREMENTS AND CHANGES IN THEIR FREQUENCY.

(a) Codification of Housing Related Reporting Requirements.—(1) Chapter 37 of title 38, United States Code, is amended by adding after section 3735 the following new section:

"§3736. Reporting requirements

"The annual report required by section 529 of this title shall include a discussion of the activities under this chapter. Beginning with the report submitted at the close of fiscal year 1996, and every second year thereafter, this discussion shall include information regarding the following:

"(1) Loans made to veterans whose only qualifying service was in the Selected Reserve.

"(2) Interest rates and discount points which were negotiated between the lender and the veteran pursuant to section 3703(c)(4)(A)(i) of this title.

"(3) The determination of reasonable value by lenders pursuant to section 3731(f) of this title.

"(4) Loans that include funds for energy efficiency improvements pursuant to section 3710(a)(10) of this title.

"(5) Direct loans to Native American veterans made pursuant to subchapter V of this chapter.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3735 the following new item:

"3736. Reporting requirements.".

(b) Repeal of Superseded Reporting Requirements.—The Veterans Home Loan Program Amendments of 1992 (Public Law 102–547; 106 Stat. 3633) is amended by striking out sections 2(c), 3(b), 8(d), 9(c), and 10(b).

SEC. 202. OTHER REPORT REQUIREMENTS.

(a) Report on Consolidation of Certain Programs.—The Secretary of Veterans Affairs shall submit to Congress, not later than March 1, 1997, a report on the advantages and disadvantages of consolidating into one program the following three programs:

(1) The alcohol and drug abuse contract care program under section 1720A of title 38, United States Code.

(2) The program to provide community-based residential care to homeless chronically mentally ill veterans under section 115 of the Veterans' Benefits and Services Act of 1988 (38 U.S.C. 1712 note).

(3) The demonstration program under section 7 of Public Law 102–54 (38 U.S.C. 1718 note).

(b) Health Professional Scholarship Program.—(1) The Secretary shall submit to Congress, not later than March 31, 1997, a report setting forth the results of a study evaluating the operation of the health professional scholarship program under subchapter II of chapter 76 of title 38, United States Code. The study shall evaluate the efficacy of the program with respect to recruitment and retention of health care personnel for the Department of Veterans Affairs and shall compare the costs and benefits of the program with the costs and benefits of alternative methods of ensuring adequate recruitment and retention of such personnel.

(2) The Secretary shall carry out the study under this paragraph through a private contractor. The report under paragraph (1) shall include the report of the contractor and the comments, if any, of the Secretary on that report.

(c) Enhanced Use Leases.—The Secretary shall submit to Congress, not later than March 31, 1997, a report evaluating the operation of the program under subchapter V of chapter 81 of title 38, United States Code.

SEC. 203. CONTRACTS FOR UTILITIES, AUDIE L. MURPHY MEMORIAL HOSPITAL.

(a) Authority To Contract.—Subject to subsection (b), the Secretary of Veterans Affairs may enter into contracts for the provision of utilities (including steam and chilled water) to the Audie L. Murphy Memorial Hospital in San Antonio, Texas. Each such contract may—

(1) be for a period not to exceed 35 years;

(2) provide for the construction and operation of a production facility on or near property under the jurisdiction of the Secretary;

(3) require capital contributions by the parties involved for the construction of such a facility, such contribution to be in the form of cash, equipment, or other in-kind contribution; and

(4) provide for a predetermined formula to compute the cost of providing such utilities to the parties for the duration of the contract.

(b) Funds.—A contract may be entered into under subsection (a) only to the extent as provided for in advance in appropriations Acts.

(c) Additional Terms.—The Secretary may include in a contract under subsection (a) such additional provisions as the Secretary considers necessary to secure the provision of utilities and to protect the interests of the United States.

In lieu of the Senate amendment to the title of the bill, amend the title so as to read: "An Act to amend title 38, United States Code, to extend the authority of the Secretary of Veterans Affairs to carry out certain programs and activities, to require certain reports from the Secretary of Veterans Affairs, and for other purposes.".

Mr. SIMPSON. Mr. President, I am pleased to rise to comment briefly today, as chairman of the Veterans' Affairs Committee, on an important and, I think, noncontroversial piece of legislation to extend the effective dates of certain legal authorities under which the Department of Veterans Affairs [VA] operates.

The extension of each, and all, of legal authorities which are before the Senate today has previously been approved by the Senate. Specifically, this body approved the extension of each of these provisions on January 5, 1996, when it approved S.991, as amended. The Senate then substituted the text of S. 991, as so approved, into H.R. 2353, and sent that legislation back to the other body. We anticipated at that time that the House would approve these noncontroversial provisions—and, indeed, the House has approved them. The House, however, has made certain additional amendments to the Senate-passed bill which necessitate further consideration of the bill by this body.

To summarize, this is what the House has done to change the Senate-approved bill: first, it made permanent certain authorities pertaining to VA's home loan program that the Senate would have extended, on an interim basis, for 2 years only; second, it extended the maximum allowable timeframe for which VA may enter into a particular lease transaction in order to facilitate the construction of a power plant on the grounds of the VA Medical Center in San Antonio, TX; and, third, with respect to certain programs being extended by the Senate-approved bill, the House amendments would either modify existing reporting requirements or, in three instances, impose new reporting requirements on VA, in order that the Congress might be in a better position in the future to decide whether to extend these provisions again.

Mr. President, these amendments are not objectionable. I will only comment at more length on one of them: the House amendment to make permanent VA's authority to guarantee home mortgage loans with interest rates set by the marketplace—instead of by VA officials. I heartily support this amendment.

Three years ago, the Congress enacted legislation to authorize VA, for the first time, to guarantee home mortgage loans having interest rates set by the marketplace. Before 1992, the maximum allowable interest rate that a veteran could be charged on a VA-guaranteed home loan was set by the VA. As I explained in my floor statement on January 5, 1996, this attempt to "protect" veterans caused market disruptions and did not result in any real benefit to veteran home purchasers. In cases where the VA-set "ceiling" rate was set too low, home sellers typically upped the price of the house to be sold or, worse, they refused to deal with veteran-purchasers.

When the Senate approved an extension in VA's authority to guarantee loans with market-set interest rates on January 5, I said that the Committee would be holding hearings on this issue with an eye toward making this legal authority permanent. The committee's membership, and our colleagues in the other body, however, are willing to make this authority permanent now. I certainly have no objection to proceeding now to "let" the marketplace—rather than VA bureaucrats—set mortgage interest rates; I never thought it made sense in the first place to put a "sunset" date in the provision which allows reliance on the marketplace. Therefore, I support the House amendment, and I am pleased to be able to make permanent the home loan authorities enacted in 1992.

The other House modifications require less explanation. One would extend the maximum term for which a VA Medical Center, in San Antonio, TX, could lease its land in order to facilitate the construction by the local utility of a power plant on VA grounds from which VA could buy inexpensive power. This transaction—at least at this particular medical center—clearly appears to make sense. The other amendments would ease VA reporting burdens—a concept that I certainly support—and, in three instances, add new reporting requirements. While I am less than enthusiastic about layering yet more statutory reporting requirements on VA, perhaps these reports will be useful. In any case, I do not intend to delay this overdue legislation further by objecting to these reporting requirements.

Otherwise, Mr. President, the bill contains no significant modification relative to the bill already approved by the Senate. As explained in greater length in my floor statement of January 5, 1996, the bill will extend VA authority to grant to so-called "environmental veterans"—those who were exposed to ionizing radiation during service; those who served in the Republic of Vietnam and who are, therefore, "presumed" to have been exposed to dioxin; and those who served in the Persian Gulf war and who may have possibly been exposed to some presently unknown toxic substances or other environmental hazards—to priority access to VA hospital care services. That authority will be extended through this year, during which the committee intends to examine closely an entire range of issues associated with VA's standards for eligibility for health care services.

It would also extend VA's legal authority to contract for drug and alcohol abuse treatment services. It would extend a number of legal authorities under which VA either itself provides, or contracts for others to provide, health care and other services to homeless veterans. It would extend VA's current pilot program on noninstitutional alternatives to nursing home care. It would also extend: VA's Health Professional Scholarship Program; VA's authority to use local pay surveys to determine the appropriate level of locality pay for VA nurse anesthetists; and VA's authority to enter into certain property leasing transactions. It would extend—and make permanent—previously enacted home loan authorities including: VA's authority to guarantee home loans having market-set interest rates; VA's authority to guarantee "energy efficient" mortgages; and VA's authority to allow lenders access to appraisals on the properties they finance. Finally, it would extend VA's "enhanced loan asset sale authority," an authority which facilitates the marketing of instruments by which sales of foreclosed VA-owned properties are financed.

As I have noted, Mr. President, these provisions have previously been approved by the Senate, and there was no previous controversy with respect to any of them. The changes made by the other body are not objectionable to me. Nor have any other members of the Veterans' Affairs, Committee raised objection. Accordingly, I urge my colleagues to approve these measures, as amended by the other body, in order that we might put into place now-expired VA legal conditions without further delay.

Mr. President, I appreciate the time that has been afforded me and I yield back the remainder of my time.

Mr. ROCKEFELLER. Mr. President, as the ranking minority member of the Committee on Veterans' Affairs, I urge the Senate to give its unanimous support to the pending measure, H.R. 2353. This legislation is the final compromise on legislation reported by the Committee on Veterans' Affairs on September 20, 1995, and originally passed by the Senate on January 5, 1996. The debate on the original Senate passage begins on page S102 of the RECORD for January 5. The House passed this compromise on January 25, 1996.

This legislation would extend a variety of veterans programs and authorities that have expired. The proposed extensions are relatively short-term ones—1 or 2 years—to ensure that the program or authority remains in place while the committee takes the opportunity to review the various issues in more detail.

Mr. President, I regret the delay in the final action on this legislation—first in the Senate, and now at final passage, when the House, rather than passing the bill as passed by the Senate, returned it to us after a delay so that certain very minor provisions—which I will describe in a moment—could be added to this measure. This is a simple extender bill, and it should have been passed months ago. We should not be in the situation of allowing Government benefits and programs to expire. We must do better.

Mr. President, there is no objection as far as I know to any of the provisions in the bill as it comes before the

Senate today. I urge its swift enactment so that it can reach the President as soon as possible for his signature.

SUMMARY OF PROVISIONS

Mr. President, the bill as amended by the House and now pending in the Senate contains 20 substantive provisions—15 of which provide for the extension of programs and authorities—the vast majority of which are the same as the Senate-passed provisions—and five provisions added by the House, four of which require reports from VA and one relating to the furnishing of utilities at a VA medical center.

I will first describe briefly the provisions which extend programs and authorities, noting any changes from the provisions as passed by the Senate on January 5. I will then briefly describe the provisions added by the House.

The provisions which would provide for extensions of programs and authorities would:

First, extend until December 31, 1996, the special eligibility for VA inpatient care which is accorded to certain veterans—those exposed to ionizing radiation from nuclear weapons tests or the occupation of Japan following World War II; Vietnam veterans exposed to herbicides during their service; and Persian Gulf war veterans exposed to environmental hazards during their service. Any care furnished to veterans exposed to radiation or herbicides pursuant to this authority between its expiration on June 30, 1995, and the date of enactment of this measure, would be ratified.

Second, extend until December 31, 1996, the special eligibility for VA outpatient care accorded to Persian Gulf war veterans.

Third, extend until December 31, 1997, VA's authority to contract for community-based drug and alcohol care.

Fourth, extend until December 31, 1997, VA's pilot program of noninstitutional alternatives to nursing home care.

Fifth, make permanent VA's authority to guarantee loans which bear an interest rate negotiated between the veteran and the lender. The Senate-passed bill would have extended this authority for 2 years.

Sixth, make permanent VA's authority to guarantee loans that include costs related to making energy efficiency improvements to the dwelling that is the object of the loan. The Senate-passed bill would have extended this authority for 2 years.

Seventh, extend until December 31, 1996, VA's enhanced loan asset sale authority pursuant to which VA guarantees the timely payment of principal and interest to purchasers of real estate mortgage investment conduits.

Eighth, make permanent VA's authority to permit a lender who is authorized to make loans which are automatically guaranteed to review appraisals. The Senate-passed bill would have extended this authority for 2 years.

Ninth, extend until December 31, 1997, VA's authority to enter into agreements with nonprofit organizations and State and local governments whereby such entities acquire real property, or the use of such property, from VA in order to furnish services to homeless veterans.

Tenth, extend until December 31, 1997, VA's authority to use data on compensation paid to nurse anesthetists who work on a contract basis for non-VA entities in determining appropriate locality pay for nurse anesthetists who work for VA.

Eleventh, extend until December 31, 1997, VA's Health Professional Scholarship Program.

Twelfth, extend until December 31, 1997, VA's authority to enter into enhanced-use leases with non-VA entities.

Thirteenth, extend until December 31, 1997, VA's program of community-based residential care for homeless chronically mentally ill veterans.

Fourteenth, extend until December 31, 1997, VA's authority to carry out a demonstration program of compensated work therapy and therapeutic transitional housing.

Fifteenth, extend until September 30, 1997, VA's authority to make grants to entities for the purpose of furnishing services and assistance to homeless veterans.

Sixteenth, extend until September 30, 1997, the Department of Labor's homeless veterans' reintegration projects and authorize appropriation of $10 million for this program.

Mr. President, as I noted, the House added five provisions to the bill as passed by the Senate. Four of these provision would relate to reports from VA—on housing programs; on the desirability of consolidating certain community-based programs; on the efficacy of VA's Health Professional Scholarship Program; and on the operation of VA's enhanced-use lease programs. The fifth provision authorizes VA to enter into contracts of up to 35 years' duration for the provision of utilities at the San Antonio VA medical center.

Without getting into the merits of any of these provisions—beyond wondering, in this time of budgetary constraints, about the costs associated with generating the various reports—I must express my inability to understand why they were seen as so important at this time as to necessitate delaying the extender provisions.

CONCLUSION

Mr. President, the principal point of this legislation is to extend a number of important VA authorities and programs, and I urge all of my Senate colleagues to support it. As I noted at the outset, our consideration of this bill was delayed, first in the Senate because of unrelated concerns, and more recently, by the House, over the inclusion of the report provisions. It is vital that we act as quickly as possible to reauthorize the various programs and authorities.

Mr. President, I express my appreciation to the majority staff of the committee, particularly Bill Tuerk, for their work on this legislation.

Mr. President, I urge the Senate to give its unanimous approval to this measure.

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate concur with the amendments of the House to the Senate amendments, and that any statements relating to the bill appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider Executive Calendar nomination No. 454.

I further ask unanimous consent that the nomination be confirmed; that the motion to reconsider be laid upon the table; that any statements relating to this nomination appear at the appropriate place in the RECORD; that the President be immediately notified of the Senate's action; and that the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the nomination was considered and confirmed, as follows:

NAVY

The following named officer for reappointment to the grade of Admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be admiral

Adm. Joseph W. Prueher, 408-68-5092.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

ORDER OF PROCEDURE

Mr. LOTT. Mr. President, we do have a unanimous-consent request that I think we have worked out with the leadership on both sides of the aisle with the regard to the agriculture legislation. We are prepared momentarily to enter that unanimous-consent request and to conclude for the day. Right now, we want to put in a quorum call until the other leader is able to get to the floor. So I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

UNANIMOUS-CONSENT AGREEMENT—S. 1541

Mr. LOTT. Mr. President, I have a unanimous-consent agreement now that has been reviewed and agreed to by the distinguished minority leader. I will proceed with their concurrence.

I ask unanimous consent that it be in order for the majority leader, or his designee, during the session of the Senate on Wednesday, January 31, to turn to the consideration of calendar No. 330, S. 1541, the farm bill, and once a cloture motion has been filed on the bill on Wednesday, that the cloture vote occur on Thursday, February 1, notwithstanding the provisions of rule XXII, at a time to be determined by the majority leader, after consultation with the Democratic leader, and that the mandatory quorum under rule XXII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I further ask unanimous consent that, during the session of the Senate on Wednesday, January 31, it be in order for Senator DORGAN to offer an amendment to S. 1541, and once that amendment has been offered and a cloture motion has been filed, the cloture vote also occur on Thursday, February 1, at a time to be determined by the majority leader, after consultation with the Democratic leader, notwithstanding rule XXII, and that the mandatory quorum under rule XXII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I further ask that if Senator LEAHY or designee offers an amendment following the offering of the Dorgan amendment to S. 1541 and cloture is filed on that amendment, the same terms as provided above apply, with that cloture vote occurring in sequence following the cloture vote on S. 1541.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Finally, I ask unanimous consent that during the pendency of S. 1541, the farm bill, it be in order for the majority leader, after concurrence with the Democratic leader, to modify the text of S. 1541.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR WEDNESDAY, JANUARY 31, 1996

Mr. LOTT. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 11 a.m., Wednesday, January 31; further, that immediately following the prayer, the Journal of the proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and that there then be a period for morning business until the hour of 1 p.m., with the time equally divided between the two parties, and the time consumed in quorum calls during the morning business period be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR THURSDAY, FEBRUARY 1, 1996

Mr. LOTT. Mr. President, I further ask unanimous consent that when the Senate adjourns on Wednesday, it stand in adjournment until 10:30 a.m. on Thursday, February 1, that following the prayer, the Journal of the proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day, and the Senate immediately then proceed to the consideration of S. 1541, the farm bill, until the hour of 11:25 a.m., with the debate time equally divided between the two managers, and further that the Senate stand in recess until 12:45 p.m. for the joint meeting; further, that at 12:45 p.m., the Senate will resume consideration of the farm bill, with the time between 12:45 p.m. and 1:30 p.m. equally divided between the two managers. I further ask unanimous consent that pursuant to the earlier agreement the cloture vote on the Dorgan amendment occur at 1:30 p.m., to be followed by a cloture vote on S. 1541.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. LOTT. Mr. President, the Senate will reconvene on Wednesday for a period of morning business and then begin debate on the farm bill. Rollcall votes are not expected during Wednesday's session. The Senate will then adjourn over until Thursday.

On Thursday, at 11:45 a.m., there will be a joint meeting of both Houses to hear an address by the President of France, President Chirac. Members should be in the Senate Chamber at approximately 11:25 a.m. in order to proceed to the House of Representatives. Following that address, the Senate will then debate and conduct a cloture vote on the Dorgan amendment, as well as the farm bill itself. Also, the Senate could turn to any items that can be cleared for action. All Senators should be aware that rollcall votes are expected throughout Thursday's session.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, in accordance with Public Law 81–754, as amended by Public Law 93–536 and Public Law 100–365, appoints the Senator from Oregon [Mr. HATFIELD] to the National Historical Publications and Records Commission.

APPOINTMENT BY THE MAJORITY LEADER

The PRESIDING OFFICER. The Chair, on behalf of the Republican leader, pursuant to Public Law 103–227, appoints the Senator from Vermont [Mr. JEFFORDS] as a member of the National Education Goals Panel, vice the Senator from New Hampshire [Mr. GREGG].

ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. LOTT. Mr. President, if there be no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 3:16 p.m., adjourned until Wednesday, January 31, 1996, at 11 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate January 30, 1996:

NAVY

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be admiral

ADM. JOSEPH W. PRUEHER xxx-xx-x...

HOUSE OF REPRESENTATIVES—*Tuesday, January 30, 1996*

The House met at 12:30 p.m. and was called to order by the Speaker.

MORNING BUSINESS

The SPEAKER. Pursuant to the order of the House of May 12, 1995, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leaders limited to not to exceed 5 minutes.

DO-NOTHING CONGRESS

The SPEAKER. Under the Speaker's announced policy of May 12, 1995, the gentleman from Missouri [Mr. VOLKMER] is recognized during morning business for 5 minutes.

Mr. VOLKMER. Mr. Speaker, here we go again. Just like last week, we are going to do nothing this week. This is really a do-nothing Congress.

Mr. Speaker, let us look at today's schedule. There are not very many Members here. We can look around and see that hardly anybody is here. Well, we have got two little bills that will be debated on and not even voted on today. If they are voted on, they will be voted on tomorrow. So, Mr. Speaker, we do not do much today.

We have one that says, "Municipal Solid Waste Flow Control." That will take about 20 minutes to a half-hour. Then we have got one that says, "Land Disposal Program Flexibility." That will take about another half-hour. So we are going to be here for an hour today, hour-and-a-half at the very most, and then we are going to quit.

Mr. Speaker, then we are going to come back tomorrow, and tomorrow the schedule says we are going to take up the welfare farm bill. That is what it is; a big welfare program for the big farmers. They call it the Agriculture Market Transition Act, but I do not know if we are going to take it up tomorrow for the simple reason that it is still in committee.

Mr. Speaker, I am on the Committee on Agriculture. We are supposed to go into a markup at 2 o'clock on that bill. They have already scheduled it for tomorrow, so I guess they assume that it is going to be reported out of committee and the Committee on Rules will meet tonight and we will take it up tomorrow.

If we do not do that tomorrow, then there will be nothing for tomorrow, except maybe they are saying that they may devise, under the leadership of their chairman of the Committee on the Budget, the gentleman from Ohio [Mr. KASICH], a budget patterned after what the President proposed. They call it the President's budget.

Well, Mr. Speaker, we had one of those foolish things last December. They tried to do that crazy stuff, and it does not go anywhere. Even if it is voted on, it never becomes law. We spend hours debating something and voting on it, it is never going to become law. That is what we did all last year. We are doing it again.

Then, Mr. Speaker, they are talking about maybe Thursday we are going to have the President of France here in a joint session. Many of us, I am sure are not going to be here for the simple reason that we disagree with France and their nuclear testing policies.

We may take up a sense-of-the-Congress resolution, they tell me, and that does not become law. So what are we going to do? Nothing. What did we do last week? Nothing.

What should we do? I will tell my colleagues what we should do, and think most of the responsible Members of this House know, Mr. Speaker, that this week, right now, in order to soothe the concerns of our financial community, the bondholders and everybody, we should be passing a debt limit bill to increase the debt limit.

Mr. Speaker, I do not care if we do it for 60 days or 30 days or 6 months or a year; whether it is for $5.5, $5.7 trillion, whatever maximum. My Republican colleagues have already done it. They did it in their budget resolution, their reconciliation bill last year. So, Mr. Speaker, I do not see why we do not just go ahead and pass one; send it to the Senate. They will pass it, and we can get past that hurdle.

No, Mr. Speaker, we are not going to do that. We are not going to do something that needs to be done and has to be done so that this country does not go into bankruptcy, and so that we do not default and become a Third World power, so that we do not go into a recession. They tell me that after Thursday, we are going to recess all the way to February 26.

Mr. Speaker, Treasury Secretary Rubin has said that March 1 we go into bankruptcy, we go into default if the debt limit is not increased. What are we waiting on, Mr. Speaker? For those Members, both Republican and Democrat, who feel like I do that we need to do something about the debt limit, we need to increase the debt limit, there is a discharge petition up here. Mr. Speaker, 154 Members have signed. We only need 64 more. Surely there are 64 Republicans that are responsible that will be glad to bring it out, and we can bring it out and pass it and let it become law.

Now, Mr. Speaker, about this little thing right here. If this bill ever gets to the floor, I want my colleagues to know that I am going to be fighting it tooth and toenail. It is the biggest welfare bill that has ever hit this House. The other side talks about AFDC; they talk about food stamps. That is nothing.

Mr. Speaker, would you believe that under this bill, farmers in Texas and Arkansas and California, and other places, can get up to $120,000 a year, will get up to $120,000 a year, and not have to farm? They do not have to farm at all. They do not get it for 1 year; they get it for 7 years. For 7 years. That is $840,000 a farmer.

Mr. Speaker, I want to mention something. In the State of Kansas, in western Kansas where the chairman of the Committee on Agriculture comes from, there will be payments to 85 percent of those big wheat farmers to the tune of the average of $30,000 a year for the next 7 years.

FEDERAL BILINGUAL EDUCATION PROGRAMS MUST BE REEVALUATED

The SPEAKER pro tempore (Mr. YOUNG of Florida). Under the Speaker's announced policy of May 12, 1995, the gentleman from Wisconsin [Mr. ROTH] is recognized during morning business for 5 minutes.

Mr. ROTH. Mr. Speaker, actions have consequences. it is about time that we as a Congress analyze how our congressional actions impact on America's future.

Mr. Speaker, in September, U.S. News & World Report put on its cover the issue of making English our official language. It was an absolutely eye-opening investigation into bilingual education, and I recommend it to every Member of Congress to read this portion of the magazine.

Mr. Speaker, the billion-dollar program of bilingual education reasons that children taught in their native language will somehow learn English more quickly. I would like to share some of the article's conclusions, as I found their analysis to be right on target.

Mr. Speaker, the first point and criticism that can be made of transitional bilingual education programs is that they are not really transitional. Too many students are held in these language maintenance programs, never acquiring enough English fluency to regain mainstream classroom capabilities. U.S. News pointed out a woman in New York who had a ninth grade daughter in the classroom of bilingual education for 9 years and this family had a very poor experience in that the youngster never did get into transitional English.

Mr. Speaker, all kinds of examples in the magazine, in U.S. News and World Report, point out that the family's experiences are all too common. For example, Ray Domanico, of the New York Public Education Association, says that bilingual education, "is becoming an institutionalized ghetto." Arthur Schlesinger in his book, "The Disuniting of America," points out that "bilingual education promotes segregation, nourishes racial antagonism, and shuts the door to students," all things that we do not want to happen in America.

Bilingual education also is all too often not actually bilingual, as the report points out. The word "bilingual" implies that students in these programs receive equal amounts of instruction in two languages. This could not be further from the truth. Many students in bilingual education get as many as 30 minutes a day in English.

Mr. Speaker, how can anyone expect to pick up English quickly under these conditions? How can we expect the students to pick up English under these conditions? The answer is that they cannot.

Bilingual education does not help children learn English quickly and effectively, as Congress intended it to do, yet the program has flourished for at least three decades, going from a small pilot program 28 years ago to a $10 billion business, spawning a bureaucracy bent on self-preservation. Some of the Government's worst bureaucratic excesses can be found in the administration of these programs.

The inertia of billion-dollar budgets drives bilingual education expansion. In many areas across the country, children are misplaced into these programs. In some cases they are put into bilingual education classrooms not because they do not understand English well, but because they cannot read English well. These children need remedial English classes; not history in Spanish or Mandarin Chinese.

Worst still, Mr. Speaker, some children are placed in these programs simply because they have ethnic surnames. In a complete perversion of the so-called multiculturalism, children with names like Ming or Martinez are red-flagged on school rolls and are placed, without their parents' consent or permission, into these programs.

In New York City recently, a number of families became so frustrated with the bilingual bureaucracy that they took the New York Board of Education to court in order to win the right to withdraw their children from bilingual educational programs.

In some ways, these children are the lucky ones. They had parents who had the strength and courage to stand up to the system. How many children are not so lucky? Mr. Speaker, I have heard horror stories of Haitian Creole-speaking children placed in Spanish classes because there are not enough of them to warrant their own instructor.

In other cases, desperate school superintendents struggling to meet State and Federal bilingual education guidelines are forced to recruit uncredentialed, unqualified, instructors from abroad, many of whom do not speak English. The result, Mr. Speaker, is that we have teachers who cannot speak English teaching children who do not speak English. It does not take an Ivy League-educated Education Department bureaucrat to conclude that under these conditions, children do not learn English quickly or effectively.

An entire generation of children has been forced to suffer through these public policies gone awry. The high school dropout rate in these areas is exceedingly high; higher than any other rate. That is why, Mr. Speaker, I have taken this time to focus Congress' attention on what bilingual education is doing to our students.

Mr. Speaker, the high school dropout rate for Hispanic students, one of the telling indicators bilingual education was supposed to change, has not budged since the programs began. Tellingly, it remains the highest of any ethnic group—four times higher than that of most other groups and another example from U.S. News, three times higher than that of Afro-Americans.

Mr. Speaker, for most of our Nation's history, America gave the children of immigrants a precious gift—an education in the English language. As each new wave of immigrants arrived on these shores, our public school system taught their sons and daughters English so they could claim their piece of the American dream.

What are we doing for these new Americans today? Instead of a first-rate education in English, our bilingual education programs are consigning an entire generation of new Americans—unable to speak, understand, and use English effectively—to a second-class future.

This tragedy has human faces. Let me tell you about two people's experiences which will illustrate the impact of our failed bilingual education programs. I have never heard the problems with bilingual education more poignantly put than in the words of Ernesto Ortiz, a foreman on a south Texas ranch who said: "My children learn Spanish in school so they can become busboys and waiters. I teach them English at home so they can become doctors and lawyers." Ernesto understands that English is the language of opportunity in this country. He understands that denying his children a good education in English will doom them to a limited—as opposed to limitless—future.

Bilga Abramova also understands this simple truth. Bilga is a 35-year-old Russian refugee who has entered a church lottery 3 times in an attempt to win 1 of 50 coveted spaces in a free, intensive English class offered by her local parish. Her pleas in Russian speak volumes about the plight of all too many immigrants: "I need to win," she said. "Without English, I cannot begin a new life."

The ultimate paradox about our commitment to bilingual education in this country is that Bilga and others like her all across the country sit on waiting lists for intensive English classes while we spend $8 billion a year teaching children in their native language.

You have heard from parents like Ernesto Ortiz and how they feel about bilingual education. Even teachers oppose these programs. A recent survey of 1,000 elementary and secondary teachers found that 64 percent of them disapproved of bilingual education programs and favored intensive English instruction instead.

Even longtime defenders of these programs are starting to change their tune. The California Board of Education approved a new policy recently in which they abandoned their preference for bilingual education programs.

This year marks the 28th year of bilingual education programs. For more and more people, that is 28 years too long. It is time to take a fresh look at this problem. Bilingual education has had 28 years and billions of dollars to prove that it accomplished what it said it would do in 1968: teach children English quickly and effectively. Too many people lose sight of the fact that the real issue here is how to help children and newcomers who do not know English and who need to assimilate.

Let us not forget Ernesto Ortiz and his children, Bilga Abramova and other new Americans like them. Mr. Speaker, this is not just an abstract public policy issue; bilingual education and our national language policies have real world consequences. When our policies fail, the failures have names and faces attached to them. When our policies serve to divide rather than unite us, the rips appear in the very fabric of the American Nation.

The following description of bilingual education comes from US News and World Report: "along with crumbling classrooms and violence in the hallways, bilingual education has emerged as one of the dark spots on the grim tableau of American public education. Today, the program has mushroomed into a $10 billion-a-year bureaucracy that not only cannot promise that students will learn English but may actually do some children more harm than good."

Mr. Speaker, this should be bilingual education's epitaph. I urge all of my colleagues to see the writing on the wall. Bilingual education has had its time to prove its effectiveness; 28 years is long enough to see if this approach works. These programs were created with good intentions, I am sure. However, after almost three decades and billions of dollars, we must recognize the painful truth that bilingual education does not work.

CONGRESS PLAYING POLITICAL CHICKEN WITH NATION'S CREDIT RATING

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized during morning business for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, I came to the floor to speak about something else, but I ask the gentleman from Missouri [Mr. VOLKMER] to stay, because I was very fascinated by what he was saying, and he only had the 5 minutes. The gentleman is saying that his committee is going to mark up this megabill that is going to cost billions of dollars, and really it is going to be basically for the fat-cat farmers?

Mr. VOLKMER. If the gentlewoman will yield, yes, basically the wealthy, the farmer with a lot of acreage producing a lot of crops will benefit from it.

To give another example, down in cotton country, in west Texas and New Mexico and other places where upland cotton is grown, if they gave a good year, and it looks like next year is going to be a good year, if they follow the programs, they could make, say, half a million dollars in selling their cotton. At the same time, a father and two sons, or a father with his two brothers, as long as they have three entities, they can get $40,000 each. They will get that whether they farm or not.

If they make half a million dollars, they are still going to get $120,000 from the Government. If they do not farm at all, they decide, "Well, we are going to quit farming, we are going to let the land stay idle. Let us go down south for a while," they get $120,000. That is right. They do not have to farm at all.

Mrs. SCHROEDER. Mr. Speaker, reclaiming my time, that is absolutely astounding. They get paid whether they decide to work or not?

Mr. VOLKMER. Mr. Speaker, the gentlewoman is correct.

Mrs. SCHROEDER. Mr. Speaker, this is a welfare program that makes welfare look tough.

Mr. VOLKMER. Mr. Speaker, if the gentlewoman would continue to yield, it makes AFDC and food stamps and everything so little and so pikey. And yet they on that side made a big to-do on how we have to save all of this money, getting back to kids eating, to school lunches, and then giving big farmers, many of which have their own airplanes and their own big cars and Mercedes and make hundreds of thousands of dollars a year, they are going to give them money.

Like I said before, in the chairman's own district, it has been estimated that in the chairman's own district in western Kansas, he has 85 percent of his wheat farmers in the program. So they will, each one of them will get on the average, estimated on the average, $30,000 a year, even if they do not farm. If they do, and next year wheat prices are looking real good, and they make a $100,000, they still are going to make that $30,000.

Mrs. SCHROEDER. They do not have to give it back?

Mr. VOLKMER. No, no, it is guaranteed.

Mrs. SCHROEDER. Mr. Speaker, reclaiming my time, I thank the gentleman for staying. I know the gentleman is very busy.

Mr. Speaker, what the gentleman is saying is classic about what is going on around here. This place is basically shut down. They throw out a bill, and we find out all of these special interests here in it. Here we are, playing political chicken with the credit rating of this Nation. This is outrageous.

Mr. VOLKMER. Mr. Speaker, if the gentlewoman would yield, it is the same thing that happened in the 100 days. Remember, if we were on the committee, we got the bill that morning. Guess what, I got the final version of their bill this morning, and we are going to mark it up at 2 o'clock.

Mrs. SCHROEDER. Mr. Speaker, I thank the gentleman from Missouri. He is obviously a speed reader, if he got through it that fast, and the rest of us will never see it.

Mr. Speaker, it will be like the committee that I am on that came to the floor last week. The Committee on National Security got notice that there were two copies of the bill, and we could go in the morning and could go to the room where the two copies of the bill were located. We could spend our time reading the bill, of course, this thick. Get a clue.

So I must say, this is really very troubling as to what is going on here and how stuff is ramrodded through, and we are getting paid, but we are doing nothing. We are becoming like the farmers, I guess. We get paid whether we legislate or not or whether we do anything realistic or not. Here we are, this is great. I guess we are changing our programs so that everybody else gets to be like Members of Congress.

This is a light month; February, we are hardly here. But the tragedy is, this is a very serious month. This is the month when the birthdays of Washington and Lincoln come up. I wonder what they must be thinking that we are celebrating their birthday in February by pushing this country to the brink of shoving its credit rating right off the side.

Mr. Speaker, I think of every American family sitting around their kitchen table, and one of the things they are terribly worried about is obviously their credit rating. In America, if one's credit rating goes sour, they are going to have a very tough life. If our country's credit rating goes sour, we are going to look like fools on this planet.

Mr. Speaker, I think it is really time that we all come and have some debates about those issues. We owe that to the people sitting around the kitchen table dealing with those issues in their own family budgets. For crying out loud, we are paid to deal with this Nation's budget. We are now 5 months into the fiscal year, and we have not done it. It is about time we get on with it.

OPPOSE FRANCE'S NUCLEAR TESTS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Washington [Mr. MCDERMOTT] is recognized during morning business for 5 minutes.

Mr. MCDERMOTT. Mr. Speaker, I urge your support for a letter which will be delivered to French President Jacques Chirac when he arrives in Washington this week.

Our letter expresses our support for France's decision to end its recent series of nuclear testing, as well as our concern about the long-term damage caused by the tests in the first place.

Our letter is simple and to the point: while we oppose France's series of nuclear tests that began this past September, we ask that the French Government permanently close its testing facilities and immediately begin a comprehensive cleanup operation.

France's decision to conduct a series of tests prior to enacting a Comprehensive Nuclear Test Ban Treaty is hypocritical and lacks the sound judgment of a country that aspires to world leadership.

By continuing with these unlawful tests, France undermined its credibility in the world community. We are now forced to question the French Government's reliability in what they say is their commitment to eliminate nuclear weapons.

We implore France to join the United States and other nuclear powers to immediately push for, and complete negotiations, for a Comprehensive Test Ban Treaty.

Much is at stake. If the nations involved do not seize this opportunity to reach agreement on the Comprehensive Test Ban Treaty soon, the world's best and perhaps last chance to end nuclear testing may slip through our fingers.

I hope you will join me and Congressman MARKEY in sending a message to France that the United States objects to their series of nuclear tests, and that an agreement should be reached as soon as possible on the Comprehensive Test Ban Treaty.

TEENAGE PREGNANCY

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from North Carolina [Mrs. CLAYTON] is recognized during morning business for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, yesterday the President launched a national campaign to reduce teenage pregnancy. Today, I am circulating a letter that will be sent to the President by the end of the week—stating the support of Members of the House of Representatives for this vital initiative.

The goal of the President's campaign is to reduce the rate of teenage pregnancy by one-third in 10 years. It is a reasonable goal. It is an achievable goal. This is a campaign that can be won and must be won. This is a campaign that all of us should be engaged in, Democrats, Republicans, and independents.

A recent report to Congress on out-of-wedlock childbearing indicates that 30 percent of all out-of-wedlock births are to teenagers, below age 20. The increase in out-of-wedlock births is alarming. Most alarming is that 30 percent of the out-of-wedlock births are to adolescents.

One objective of welfare reform, shared by both political parties, is to reduce teenage childbearing. We can not ignore the reality that most young men and women are increasingly delaying marriage until their mid-20's and beyond—but not sexual activity.

In 1960, 14 percent of young women ages 15–19 were married. By 1992, the proportion was less than 5 percent.

Because these young men and women are becoming sexually experienced at younger ages without the benefit of marriage and sex education, there are proportionally more teenagers exposed to the risk of unmarried pregnancy. In 1970, 29 percent of 15–19 year old females were sexually experienced. By 1988, that number had increased to 52 percent.

The relationship between poverty and teenage pregnancy is significant. In 1994, of all young women age 15–19, 38 percent were defined as poor or low-income. According to the report, of these, poor or low-income young women 73 percent were projected to become pregnant. In 1988, 56 percent of pregnant girls ages 15–19 were from families with incomes less than $12,000 annually. By contrast, 27 percent whose family incomes were between $12,000–$24,000 gave birth, and only 17 percent whose family incomes were above $25,000 gave birth.

Reducing teenage childbearing is likely to require more than eliminating or manipulating welfare programs. The underlying causes are said to include family instability, economics, poverty, lack of education, and sexual abuse. And, sadly, the report indicates that young women and men who become teen parents have few expectations, few ties to community institutions, few adult mentors and role models, and too much spare time. Many live in communities where crime and drug use are common, where dropping out of school and chronic unemployment are even more common.

In my opinion these causes can be reduced to the lack of hope and confidence in the future by our teenagers. Our society cannot endure this human burden.

We must, therefore, implement pregnancy prevention programs that educate and support school age youths, 10–19, in high-risk situations and their family members through comprehensive social and health services with an emphasis on pregnancy prevention.

But again, Government programs alone will not properly address this serious problem of teenage pregnancy. All sectors of our communities must be engaged. In my congressional district, I have created a task force of private citizens and State and local officials to study ways that we can address this problem.

The task force has begun planning for a forum on adolescent pregnancy prevention to be held on March 16, 1996. This forum is designed to help local communities understand the problem, to engage the participation of various organizations—youth, church, civic, and public institutions—and to give visibility to successful community programs.

The President's national campaign to reduce teenage pregnancy will be a tremendous boost to those efforts.

The total cost of maternity care for an out-of-wedlock birth and the baby's first 12 months of medical care is said to be more than $8,000, according to the North Carolina Department of Human Resources. The number of teenage pregnancies covered by Medicaid in North Carolina in a year is nearly 13,000. When that number is multiplied by $8,506, the grand total becomes $108,851,282. If all of these teenage mother's had been able to delay becoming pregnant until they were older and financially able to take care of a baby, those resources could have been used in other productive ways.

After the first year of life, very often these same teenagers require AFDC, food stamps, and additional Medicaid benefits for the child. Mr. Speaker, my colleagues can do the math on these figures; however, the point is obvious.

Prevention is much better and cheaper than punishment after the fact of childbearing. And, we should not forget that teen pregnancy is also a strong predictor of a new generation of disadvantage. The equation is simple. As poverty is the most accurate predictor of teen pregnancy, teen pregnancy is a near-certain predictor of poverty.

The board membership of the national campaign is broad and bipartisan, including former Surgeon General, Dr. C. Everett Koop and former Senator Warren Rudman. It is an easy, yet important gesture to let the members of the board know, through this letter to the President, that we in the House of Representatives stand behind them. Their goal is ambitious. The situation is urgent. Each Member has an obligation to be engaged in this effort.

TRIBUTE TO RALPH W. YARBOROUGH

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Texas [Mr. DOGGETT] is recognized during morning business for 5 minutes.

Mr. DOGGETT. Mr. Speaker, as this Congress convenes today in Washington, many Texans are convened in Austin, TX, to celebrate the life of Ralph W. Yarborough. Senator Yarborough, Judge Yarborough, Assistant Attorney General Yarborough, a man originally from Chandler, TX, but a man now claimed by people across our great State, is one who contributed significantly to the lives of those of us who live now in Texas.

Senator Yarborough was the only southern Senator to support the Civil Rights Act of 1964. Just as the great Senator and general, Sam Houston, once cut across the grain of popular opinion in Texas when the question was union in the 1860's, so Senator Yarborough had the courage to cut across the grain of popular opinion at the time and do what was best for the future of our State by standing up for civil rights.

Senator Yarborough is a person who served our State with incredible tenacity and incredible courage. Many Texans now will perhaps not remember his service when they take an excursion to the Guadalupe Mountains National Park, when they visit Padre Island National Seashore, when as a veteran they benefit from his work on the GI bill of rights that extended education services for veterans. But his mark is there, an immense mark with reference to legislation.

I think more than any particular legislative act, those of us who continue to participate in public service in Texas will remember the role that Ralph Yarborough made in public service in our State, in every branch of government. We remember that Ralph Yarborough symbolized concern for people, but he recognized that those who submit themselves for public service need not began by taking a poll but by trying to lead public opinion and mold it, not just to react to it.

Senator Yarborough was a leader in the true sense, a genuine public servant. We are fortunate that he came our way.

There are those, of course, who refer to him as a firebrand, but when I visited with him, I always found that the fire that burned was a fire of justice, one who responded consistently when injustice affected the people of our State.

We thank you, Senator Yarborough, for a life well lived, and a State well served. You have served well not only those of us in Texas while you were in the Senate, but have benefited generations of Texans to come.

RESCUE OUR NATION'S CREDIT NOW

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from the District of Columbia [Ms. NORTON] is recognized during morning business for 5 minutes.

Ms. NORTON. Mr. Speaker, I come to the floor this morning to say a few words about two cosmic issues. One is the state of disrepair in which our CR's and appropriation process have left Federal agencies. The other, of course, is the weightiest of all: the debt limit of the United States, our full faith and credit twisting in the wind as we speak.

Mr. Speaker, this Congress has got to face up to its responsibility to come to cloture, to settle the Government so that the Government does not dissolve into chaos waiting to see whether continuing resolutions will be for a few days, a few weeks, or until September 30. Mr. Speaker, we avoided a shutdown and took a breath, but for some Federal workers and for some agencies, what has been left is virtually the same thing.

What should Federal agencies do? Some are on CR's that go to March 15, others to September 30. There are disparate amounts of money that the agencies may spend. For those on short-term CR's, shall they wait to find out what we are going to do or should they RIF now or cut back now? Of course, if they do, they may find that the layoffs were entirely unnecessary if we reach a budget agreement. What a position to leave the Government in.

How much worse is the position in which we leave people who happen to work for the Federal Government? Let us take the EPA as an example. Should they now fire almost 4,000 employees? Shall they plan for unpaid furloughs that could last almost 3 weeks? Or will we do something to make all of this unnecessary? Is it, by any definition, fair to leave people wondering about this set of choices?

What about the States? The States depend upon money that is holed up in these agencies that we have not let free. They will not be getting their Federal funds on which they too are relying. These are your States and my States.

What about the contractors? Often contractors are out there doing the work because we said they could do it more efficiently. What about contractors? Shall they lay off people? Shall they go out on a limb and take bank loans?

This is no way to run a corner store, much less a government. If we are going to cut people off, we ought to cut them off. We should not let people and agencies starve to death. Above all, we should take our full faith and credit and decide what we are going to do with it.

Believe me, Mr. Speaker, I think I know what it means to lose your credit, because I come from the District of Columbia. There is no higher authority than the Government of the United States. The Congress is that higher authority. The District of Columbia avoided default, but it has lost its credit. Moody's has said that we could lose our credit. A default may be unthinkable, but even a threat of default could raise interest rates on ordinary Americans. Almost nobody would be immune from the effect. Those who would feel it most immediately would be those with adjustable rate mortgages, which millions of Americans have, and pensioners whose pensions depend upon interest payments from annuities.

This week we must not go home without settling, bringing to cloture what is to happen to our Federal agencies. Of course we should not walk out that door into the street without rescuing our credit, the best credit in the world, from doubt.

RECESS

The SPEAKER pro tempore. There being no further requests for morning business, pursuant to clause 12, rule I, the House will stand in recess until 2 p.m. today.

Accordingly (at 1 o'clock and 5 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. YOUNG of Florida) at 2 p.m.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God our help in ages past, our hope for years to come, we come before You in this quiet moment of prayer with our petitions both great and small. We place before You our aspirations and hopes, our dreams and our ambitions, asking that You bless that which is good and honorable and show us the way of truth. May Your spirit correct us when wrong, amend our willful deeds, and teach us the power of faith and hope and love in all we do or ask or say. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 2111. An act to designate the Federal building located at 1221 Nevin Avenue in Richmond, California, as the "Frank Hagel Federal Building".

H.R. 2726. An act to make certain technical corrections in laws relating to Native Americans, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate to the text of the bill (H.R. 2029) "An act to amend the Farm Credit Act of 1971 to provide regulatory relief, and for other purposes.".

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1543. An act to clarify the treatment of Nebraska impact aid payments.

S. 1544. An act to authorize the conveyance of the William Langer Jewel Bearing Plant to the Job Development Authority of the City of Rolla, North Dakota.

S. 1463. An act to amend the Trade Act of 1974 to clarify the definitions of domestic industry and like articles in certain investigations involving perishable agricultural products, and for other purposes.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentlewoman from Hawaii [Mrs. MINK] come forward and lead the House in the Pledge of Allegiance.

Mrs. MINK of Hawaii led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

PRIVILEGES OF THE HOUSE—WITHDRAWAL OF INVITATION TO FRENCH PRESIDENT JACQUES CHIRAC AND NOT AGREEING TO FUTURE APPEARANCES TO ADDRESS JOINT MEETINGS OF CONGRESS BY HEADS OF STATE OF NATIONS CONDUCTING NUCLEAR TESTS

Mrs. MINK of Hawaii. Mr. Speaker, pursuant to clause 2(a)(1) of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

H. RES. —

Whereas virtually every nation in the world has adhered to a moratorium on nuclear tests since September 1992;

Whereas, on June 13, 1995, President Jacques Chirac of France ended his nation's adherence to the moratorium by ordering a series of nuclear tests in the South Pacific;

Whereas France has acted conducted six nuclear tests on the Pacific atolls of Moruroa and Fangataufa in French Polynesia;

Whereas France has acknowledged that radioactive materials from some of the tests have leaked into the ocean;

Whereas, as a result of the tests, the people of the Pacific are extremely concerned about the health and safety of those who live near the test sites, as well as the adverse environmental effects of the tests on the region;

Whereas, in conducting the tests, France has callously ignored world-wide protests and global concern;

Whereas the United States is one of 167 nations that have objected to the tests;

Whereas the tests are inconsistent with the "Principles and Objectives for Disarmament", as adopted by the 1995 Review and Extension Conference of the Parties to the Treaty on Non-Proliferation of Nuclear Weapons;

Whereas, in proceeding with the tests, France has acted contrary to the commitment of the international community to the non-proliferation of nuclear weapons and the moratorium on nuclear testing;

Whereas the President of France, Jacques Chirac, is scheduled to appear before a joint meeting of the Congress on February 1, 1996; and

Whereas, in light of the tests, the appearance of the President of France before the Congress violates the dignity and integrity of the proceedings of the House: Now, therefore, be it

Resolved, That, by reason of the recent nuclear tests conducted by France in the South Pacific, the Speaker of the House shall take such action as may be necessary to withdraw the invitation to the President of France, Jacques Chirac, to address a joint meeting of the Congress, as scheduled to occur on February 1, 1996.

SEC. 2. On and after the date on which this resolution is agreed to, the Speaker of the House may not agree to the appearance before a joint meeting of the Congress by any head of state or head of government whose nation conducts nuclear tests.

The SPEAKER pro tempore. Under rule IX, a resolution offered from the floor by a Member other than the majority leader or the minority leader as a question of the privileges of the House has immediate precedence only at a time or place designated by the Speaker in the legislative schedule within 2 legislative days of its being properly noticed. The Chair will announce the Chair's designation at a later time. The Chair's determination as to whether the resolution constitutes a question of privilege will be made at the time designated by the Chair for consideration of the resolution.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will now entertain 1-minutes.

THE DEBT CEILING INCREASE

(Mr. JONES asked and was given permission to address the House for 1 minute.)

Mr. JONES. Mr. Speaker, I have listened with amazement as the President calls upon Republicans to pass a clean increase in the debt ceiling. Well, let me just say right now, there is nothing clean about stealing another trillion dollars from our children.

Mr. Speaker, Republicans already passed a responsible increase in the debt limit. It was part of the Balanced Budget Act. The President choose to veto it. We put it very clearly to the President: We are not going to let our Nation default on its debt, but we will not give the President a blank check to spend more money.

That is exactly what the President is asking for: a blank check, so he can spend not our money, but our children's money.

Mr. Speaker, default is not an option and Republicans will not let the President's irresponsibility let that happen. We will give him the chance to sign yet another increase in the debt ceiling. But we won't do it without at least providing a downpayment on a balanced budget.

JOINT MEETING WITH PRESIDENT JACQUES CHIRAC

(Mrs. MINK of Hawaii asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MINK of Hawaii. Mr. Speaker, I have filed a privileged resolution and hope that the leadership of this House will consider it before the resolution itself and its contents become moot.

The resolution asks the Speaker to disinvite the President of France to come to a joint session to address it on February 1. There is an awesome responsibility in nations that possess nuclear power. And in this time and age, certainly we are sophisticated enough and advanced enough to reject the possibility, even, of a nuclear war.

So for such a nuclear power to say that continued tests were necessary, even after their prior government in France had declared a moratorium, to me seems to be an insult not only to humanity but to future life on this planet. Therefore, I feel that the House, being host to such a person who has violated moral responsibilities of leadership, would be against the conscience and integrity of this House.

I ask Members not to attend such session.

SUPPORT IMMIGRATION REFORM

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Texas. Mr. Speaker, Congress has a historic opportunity to create an immigration policy that serves America's national interests—not the whims of special interests.

The Immigration in the National Interest Act, H.R. 2202, is a bipartisan effort. It has 120 cosponsors and passed the Judiciary Committee by a vote of 23 to 10.

H.R. 2202 has been endorsed by the Hispanic Business Roundtable, United We Stand, and Veterans of Foreign Wars. The National Association of Manufacturers, Information Technology Association of America, and American Council on International Personnel have endorsed the business-related immigration reforms in the bill.

This bill will secure our borders, protect American lives, make America more competitive in the global marketplace, give spouses and minor children high priority in the immigration system, and encourage immigrants to be self-reliant.

Support immigration reform in the national interest. Cosponsor H.R. 2202 today.

IN SUPPORT OF PRIVILEGED RESOLUTION

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I proudly stand with the gentlewoman from Hawaii in her privileged resolution, asking that this body take up and debate whether or not the President of France should have the very special privilege that so few heads of state ever have, and that is to address this Chamber.

I thing it will be very ironic if we are allowing a French President, who has nuclear weapons and who has allowed them to be tested at the horror of all the rest of the world standing by and watching it, if we allow that French President to come here and address this body but we do not allow a resolution of a Member of Congress with many Members joining with her to come up to debate it first. I must say, if that happens, what has happened to our democracy?

But, Mr. Speaker, furthermore, we all know that nuclear weapons are very, very dangerous and with the cold-war meltdown, there is no reason to go throwing them around in the environment, harming people just because you can. That is wrong, and the French President should not be here.

A LETTER TO FRENCH PRESIDENT JACQUES CHIRAC

(Mr. MARKEY asked and was given permission to address the House for 1 minute.)

Mr. MARKEY. Mr. Speaker, after exploding six nuclear weapons tests, the French Government has announced an end to its nuclear testing program. Last Saturday's explosion, it turns out, was the "last thermonuclear tango in Paris."

First, however, France joined China as the only nation to break a nuclear testing moratorium in effect since 1992.

Then it was forced to admit that radioactive chemicals from its test site in the South Pacific have leaked into the sea. When President Chirac visits Washington this week, the gentleman from Washington [Mr. MCDERMOTT] and I will deliver a letter to the French Government along with several of our House colleagues praising France's decision to stop detonating nuclear test devices.

In our letter, we also urge France to permanently close its testing site in the South Pacific and to begin a complete cleanup operation. France's pledge to sign a comprehensive test ban treaty outlawing all nuclear weapons is a good position to take. But France should close its testing site as an act of good faith with the rest of the world.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

U.S. HOUSE OF REPRESENTATIVES,
OFFICE OF THE CLERK,
Washington, DC, January 30, 1996.
Hon. NEWT GINGRICH,
The Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Monday, January 29, 1996 at 1:20 p.m. and said to contain a message from the President whereby he submits a semiannual report on the continued compliance with U.S. and international standards in the area of emigration policy of the Republic of Bulgaria.

With warm regards,

ROBIN H. CARLE,
Clerk, U.S. House of Representatives.

REPORT ON EMIGRATION LAWS AND POLICIES OF THE REPUBLIC OF BULGARIA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

On June 3, 1993, I determined and reported to the Congress that Bulgaria is in full compliance with the freedom of emigration criteria of sections 402 and 409 of the Trade Act of 1974. This action allowed for the continuation of most-favored-nation (MFN) status for Bulgaria and certain other activities without the requirement of a waiver.

As required by law, I am submitting an updated report to the Congress concerning emigration laws and policies of the Republic of Bulgaria. You will find that the report indicates continued Bulgarian compliance with U.S. and international standards in the area of emigration policy.

WILLIAM J. CLINTON.
THE WHITE HOUSE, *January 29, 1996.*

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, January 31, 1996.

□ 1415

INTERSTATE TRANSPORTATION OF MUNICIPAL SOLID WASTE ACT OF 1995

Mr. BLILEY. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 349) providing for the consideration of S. 534.

The Clerk read as follows:

H. RES. 349

Resolved, That upon the adoption of this resolution, the Committee on Commerce shall be discharged from further consideration of the bill S. 534 and the House shall be considered to have struck out all after the enacting clause and inserted in lieu thereof an amendment consisting of the text contained in section 2 of this resolution, the bill shall be considered to have passed the House, as amended, and the House shall be considered to have insisted on the House amendment and requested a conference with the Senate thereon.

SEC. 2. CONGRESSIONAL AUTHORIZATION OF STATE AND LOCAL MUNICIPAL SOLID WASTE FLOW CONTROL.

(a) AMENDMENT OF SUBTITLE D.—Subtitle D of the Solid Waste Disposal Act is amended by adding after section 4010 the following new section:

"SEC. 4011. CONGRESSIONAL AUTHORIZATION OF STATE AND LOCAL GOVERNMENT CONTROL OVER MOVEMENT OF MUNICIPAL SOLID WASTE AND RECYCLABLE MATERIALS.

"(a) FLOW CONTROL AUTHORITY FOR FACILITIES DESIGNATED AS OF MAY 16, 1994.—Any State or political subdivision thereof is authorized to exercise flow control authority to direct the movement of municipal solid waste, and recyclable materials voluntarily relinquished by the owner or generator thereof, to particular waste management facilities, or facilities for recyclable materials, designated as of May 16, 1994, if each of the following conditions are met:

"(1) The waste and recyclable materials are generated within the jurisdictional boundaries of such State or political subdivision, determined as of May 16, 1994.

"(2) Such flow control authority is imposed through the adoption or execution of a law, ordinance, regulation, resolution, or other legally binding provision or legally binding official act of the State or political subdivision that—

"(A) was in effect on May 16, 1994,

"(B) was in effect prior to the issuance of an injunction or other order by a court based on a ruling that such law, ordinance, regulation, resolution, or other legally binding provision or official act violated the Commerce Clause of the United States Constitution, or

"(C) was in effect immediately prior to suspension thereof by legislative or official administrative action of the State or political subdivision expressly because of the existence of a court order of the type described in subparagraph (B) issued by a court of the same State or Federal judicial circuit.

"(3) The State or a political subdivision thereof has, for one or more of such designated facilities, in accordance with paragraph (2), on or before May 16, 1994, either—

"(A) presented eligible bonds for sale, or

"(B) executed a legally binding contract or agreement that obligates it to deliver a minimum quantity of waste or recyclable materials to one or more such designated waste management facilities or facilities for recyclable materials and that obligates it to pay for that minimum quantity of waste or recyclable materials even if the stated minimum quantity of such waste or recyclable materials is not delivered within a required timeframe.

"(b) WASTE STREAM SUBJECT TO FLOW CONTROL.—The flow control authority of subsection (a) shall only permit the exercise of flow control authority to any designated facility of the specific classes or categories of municipal solid waste and voluntarily relinquished recyclable materials to which flow control authority was applicable on May 16, 1994, or immediately before the effective date of an injunction or court order referred to in subsection (a)(2)(B) or an action referred to in subsection (a)(2)(C) and—

"(1) in the case of any designated waste management facility or facility for recyclable materials that was in operation as of May 16, 1994, only if the facility concerned received municipal solid waste or recyclable materials in those classes or categories within 2 years prior to May 16, 1994, or the effective date of such injunction or other court order or action,

"(2) in the case of any designated waste management facility or facility for recyclable materials that was not yet in operation as of May 16, 1994, only of the classes or categories that were clearly identified by the State or political subdivision as of May 16, 1994, to be flow controlled to such facility, and

"(3) only to the extent of the maximum volume authorized by State permit to be disposed at the waste management facility or processed at the facility for recyclable materials.

If specific classes or categories of municipal solid waste or recyclable materials were not clearly identified, paragraph (2) shall apply only to municipal solid waste generated by households, including single family residences and multi-family residences of up to 4 units.

"(c) DURATION OF FLOW CONTROL AUTHORITY.—Flow control authority may be exercised pursuant to this section to any facility or facilities only until the later of the following:

"(1) The expiration date of the bond referred to in subsection (a)(3)(A).

"(2) The expiration date of the contract or agreement referred to in subsection (a)(3)(B).

"(3) The adjusted expiration date of a bond issued for a qualified environmental retrofit.

Such expiration dates shall be determined based upon the terms and provisions of the bond or contract in effect on May 16, 1994. In the case of a contract described in subsection (a)(3)(B) that has no specified expiration date, for purposes of paragraph (2) the expiration date shall be treated as the first date that the State or political subdivision that is a party to the contract can withdraw from its responsibilities under the contract without being in default thereunder and without substantial penalty or other substantial legal sanction.

"(d) MANDATORY OPT-OUT FOR GENERATORS AND TRANSPORTERS.—Notwithstanding any other provision of this section, no State or political subdivision may require any generator or transporter of municipal solid waste or recyclable materials to transport such waste or materials, or deliver such waste or materials for transportation, to a facility that is listed on the National Priorities List established under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 unless such State or political subdivision or the owner or operator of such facility has adequately indemnified the generator or transporter against all liability under that Act with respect to such waste or materials.

"(e) EFFECT ON EXISTING LAWS.—

"(1) ENVIRONMENTAL LAWS.—Nothing in this section shall be interpreted or construed to have any effect on any other law relating to the protection of human health and the environment, or the management of municipal solid waste or recyclable materials.

"(2) STATE LAW.—Nothing in this section shall be interpreted to authorize a political subdivision to exercise the flow control authority granted by this section in a manner inconsistent with State law.

"(3) OWNERSHIP OF RECYCLABLE MATERIALS.—Nothing in this section shall authorize any State or political subdivision to require any generator or owner of recyclable materials to transfer any recyclable materials to such State or political subdivision, nor shall prohibit any persons from selling, purchasing, accepting, conveying, or transporting any recyclable materials, unless the generator or owner voluntarily makes such recyclable materials available to the State or political subdivision and relinquishes any rights to, or ownership of, such recyclable materials.

"(f) FACILITIES NOT QUALIFIED FOR FLOW CONTROL.—No flow control authority may be exercised under the provisions of this section to direct solid waste or recyclable materials to any facility pursuant to an ordinance if—

"(1) the ordinance was determined to be unconstitutional by a State or Federal court in October of 1994;

"(2) the facility is located over a sole source aquifer, within 5 miles of a public beach, and within 25 miles of a city with a population of more than 5,000,000; and

"(3) the facility is not fully permitted and operating in complete official compliance with all Federal, State, and local environmental regulations.

"(g) LIMITATION ON REVENUE.—A State or qualified political subdivision may exercise the flow control authority granted in this section only if the State or qualified political subdivision limits the use of any of the revenues it derives from the exercise of such authority for the payment of one or more of the following:

"(1) Principal and interest on any eligible bond.

"(2) Principal and interest on a bond issued for a qualified environmental retrofit.

"(3) Payments required by the terms of a contract referred to in subsection (a)(3)(B).

"(4) Other expenses necessary for the operation and maintenance of designated facilities and other integral facilities necessary for the operation and maintenance of such designated facilities that are identified by the same eligible bond.

"(5) To the extent not covered by paragraphs (1) through (4), expenses for recycling, composting, and household hazardous waste activities in which the State or political subdivision was engaged before May 16, 1994, and for which the State or political subdivision, after periodic evaluation, beginning no later than one year after the enactment of this section, finds that there is no comparable qualified private sector service provider available. Such periodic evaluation shall be based on public notice and open competition. The amount and nature of payments described in this paragraph shall be fully disclosed to the public annually.

"(h) INTERIM CONTRACTS.—A lawful, legally binding contract under State law that was entered into during the period—

"(1) before November 10, 1995, and after the effective date of any applicable final court order no longer subject to judicial review specifically invalidating the flow control authority of such State or political subdivision, or

"(2) after such State or political subdivision refrained pursuant to legislative or official administrative action from enforcing flow control authority and before the effective date on which it resumes enforcement of flow control authority after enactment of this section,

shall be fully enforceable in accordance with State law.

"(i) AREAS WITH PRE-1984 FLOW CONTROL.—

"(1) GENERAL AUTHORITY.—A State that on or before January 1, 1984—

"(A) adopted regulations under a State law that required or directed transportation, management, or disposal of municipal solid waste from residential, commercial, institutional, or industrial sources (as defined under State law) to specifically identified waste management facilities, and applied those regulations to every political subdivision of the State, and

"(B) subjected such waste management facilities to the jurisdiction of a State public utilities commission,

may exercise flow control authority over municipal solid waste in accordance with the other provisions of this section and may exercise the additional flow control authority described in paragraph (2).

"(2) ADDITIONAL FLOW CONTROL AUTHORITY.—A State that meets the requirements of paragraph (1) and any political subdivision thereof may exercise flow control authority over all classes and categories of municipal solid waste that were subject to flow control by such State or political subdivision thereof on May 16, 1994, by directing it from any existing waste management facility that was designated as of May 16, 1994, or any proposed waste management facility in the State to any other such existing or proposed waste management facility in the State without regard to whether the political subdivision within which the municipal solid waste is generated had designated the particular waste management facility or had issued a bond or entered into a contract referred to in subsection (a)(3)(A) or (B), respectively.

"(3) DEFINITION.—For purposes of this subsection, the term 'proposed waste management facility' means a waste management facility that was specifically identified in a waste management plan prior to May 16, 1994, and for the construction of which—

"(A) revenue bonds were issued and outstanding as of May 16, 1994,

"(B) additional financing with revenue bonds was required as of the date of enactment of this section to complete construction, and

"(C) a permit had been issued prior to December 31, 1994.

"(4) LIMITATION OF AUTHORITY.—The additional flow control authority granted by paragraph (2) may be exercised to—

"(A) any facility described in paragraph (2) for up to 5 years after the date of enactment of this section, and

"(B) after 5 years after enactment of this section, only to those facilities and only with respect to the classes, categories, and geographic origin of waste directed to such facilities specifically identified by the State in a public notice issued within 5 years after enactment of this section.

"(5) DURATION OF AUTHORITY.—The authority to direct municipal solid waste to any facility pursuant to this subsection shall terminate with regard to such facility in accordance with subsection (c).

"(j) SAVINGS CLAUSE.—Nothing in this section is intended to have any effect on the authority of any State or political subdivision to franchise, license, or contract for municipal solid waste collection, processing, or disposal.

"(k) APPLICATION OF FLOW CONTROL AUTHORITY.—The flow control authority granted by this section shall be exercised in a manner that ensures that it is applied to the public sector if it is applied to the private sector.

"(l) PROMOTION OF RECYCLING.—The Congress finds that, in order to promote recycling, anyone engaged in recycling activities should strive to meet applicable standards for the reuse of recyclable materials.

"(m) EFFECTIVE DATE.—The provisions of this section shall take effect with respect to the exercise by any State or political subdivision of flow control authority on or after the date of enactment of this section, and such provisions shall also apply to the exercise by any State or political subdivision of flow control authority before such date of enactment unless the exercise of such authority has been declared unconstitutional by a final judicial decision that is no longer subject to judicial review.

"(n) DEFINITIONS.—For the purposes of this section—

"(1) ADJUSTED EXPIRATION DATE.—The term 'adjusted expiration date' means, with respect to a bond issued for a qualified environmental retrofit, the earlier of the final maturity date of such bond or 15 years after the date of issuance of such bonds.

"(2) BOND ISSUED FOR A QUALIFIED ENVIRONMENTAL RETROFIT.—The term 'bond issued for a qualified environmental retrofit' means a revenue or general obligation bond, the proceeds of which are dedicated to financing the retrofitting of a resource recovery facility or a municipal solid waste incinerator necessary to comply with section 129 of the Clean Air Act, provided that such bond is presented for sale before the expiration date of the bond or contract referred to in subsection (a)(3)(A) and (B) respectively that is applicable to such facility and no later than December 31, 1999.

"(3) DESIGNATE; DESIGNATION, ETC..—The terms 'designate', 'designated', 'designating', and 'designation' mean a requirement of a State or political subdivision, and the act of a State or political subdivision, individually or collectively, to require that all or any portion of the municipal solid waste or recyclable materials that is generated within the boundaries of the State or any political subdivision be delivered to one or more waste management facilities or facilities for recyclable materials identified by the State or a political subdivision thereof. The term 'designation' includes bond covenants, official statements, or other official financing documents issued by a political subdivision issuing an eligible bond in which it identified a specific waste management facility as being the subject of such bond and the requisite facility for receipt of municipal solid waste or recyclable materials generated within the jurisdictional boundaries of that political subdivision.

"(4) ELIGIBLE BOND.—The term 'eligible bond' means—

"(A) a revenue bond specifically to finance one or more designated waste management facilities, facilities for recyclable materials, or specifically and directly related assets, development or finance costs, as evidenced by the bond documents; or

"(B) a general obligation bond, the proceeds of which were used solely to finance one or more designated waste management facilities, facilities for recyclable materials, or specifically and directly related assets, development or finance costs, as evidenced by the bond documents.

"(5) FLOW CONTROL AUTHORITY.—The term 'flow control authority' means the authority to control the movement of municipal solid waste or voluntarily relinquished recyclable materials and direct such solid waste or voluntarily relinquished recyclable materials to one or more designated waste management facilities or facilities for recyclable materials within the boundaries of a State or within the boundaries of a political subdivision of a State, as in effect on May 16, 1994.

"(6) MUNICIPAL SOLID WASTE.—The term 'municipal solid waste' means any solid waste generated by the general public or by households, including single residences and multifamily residences, and from commercial, institutional, and industrial sources, to the extent such waste is essentially the same as waste normally generated by households or was collected and disposed of with other municipal solid waste as part of normal municipal solid waste collection services, consisting of paper, wood, yard waste, plastics, leather, rubber, and other combustible materials and noncombustible materials such as metal and glass, including residue remaining after recyclable materials have been separated from waste destined for disposal, and including waste material removed from a septic tank, septage pit, or cesspool (other than from portable toilets), except that the term does not include any of the following:

"(A) Any waste identified or listed as a hazardous waste under section 3001 of this Act or waste regulated under the Toxic Substances Control Act.

"(B) Any waste, including contaminated soil and debris, resulting from—

"(i) response or remedial action taken under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980,

"(ii) any corrective action taken under this Act, or

"(iii) any corrective action taken under any comparable State statute.

"(C) Construction and demolition debris.

"(D) Medical waste listed in section 11002 of this Act.

"(E) Industrial waste generated by manufacturing or industrial processes, including waste generated during scrap processing and scrap recycling.

"(F) Recyclable materials.

"(G) Sludge.

"(7) POLITICAL SUBDIVISION.—The term 'political subdivision' means a city, town, borough, county, parish, district, or public service authority or other public body created by or pursuant to State law with authority to present for sale an eligible bond or to exercise flow control authority.

"(8) RECYCLE AND RECYCLING.—The terms 'recycle' and 'recycling' mean—

"(A) any process which produces any material defined as 'recycled' under section 1004; and

"(B) any process by which materials are diverted, separated from, or separately managed from materials otherwise destined for disposal as solid waste, by collecting, sorting, or processing for use as raw materials or feedstocks in lieu of, or in addition to, virgin materials, including petroleum, in the manufacture of usable materials or products.

"(9) RECYCLABLE MATERIALS.—The term 'recyclable materials' means any materials that have been separated from waste otherwise destined for disposal (either at the source of the waste or at processing facilities) or that have been managed separately from waste destined for disposal, for the purpose of recycling, reclamation, composting of organic materials such as food and yard waste, or reuse (other than for the purpose of incineration). Such term includes scrap tires to be used in resource recovery.

"(10) WASTE MANAGEMENT FACILITY.—The term 'waste management facility' means any facility for separating, storing, transferring, treating, processing, combusting, or disposing of municipal solid waste.".

(b) TABLE OF CONTENTS.—The table of contents for subtitle D of the Solid Waste Disposal Act is amended by adding the following new item after the item relating to section 4010:

"Sec. 4011. Congressional authorization of State and local government control over movement of municipal solid waste and recyclable materials.".

The SPEAKER pro tempore (Mr. YOUNG of Florida). Pursuant to the rule, the gentleman from Virginia [Mr. BLILEY] will be recognized for 20 minutes, and the gentleman from Massachusetts [Mr. MARKEY] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Virginia [Mr. BLILEY].

Mr. BLILEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the resolution.

Mr. Speaker, this legislation authorizes flow control authority. That is, it authorizes State and local governments, rather than the people who transport the waste, to choose where waste generated within their borders is sent.

In its May 16, 1994, Carbone opinion, the Supreme Court ruled that the exercise of flow control violated the interstate commerce clause. The Court found that flow control was simply another in a long line of mechanisms burdening interstate commerce. Only Congress or its duly authorized designee can impose such restrictions.

In my view, this legislation is a necessary evil. In an arena where the private sector is perfectly capable of doing the job, it authorizes State and local government regulation over interstate commerce. Where the waste hauler could find a cheaper disposal site, or a closer disposal site, or a more environmentally sound disposal site, this legislation says that under certain conditions, the hauler would have to send that waste to another site chosen by the government. That is contrary to my own views.

However, State and local governments across the country, in good faith reliance on the ability to exercise such regulation, entered into contracts and made billions of dollars worth of investment in waste facilities. Much of this investment is in the hands of investors who purchased bonds that could be at risk absent some congressional action. Taxpayers also face risk if the continued stability of these facilities and investments is not ensured. Hence this bill.

The road to the floor of the House of Representatives sometimes twists and turns in an unusual fashion. We dispense today with full committee consideration of this bill some 7 months after subcommittee markup. Following subcommittee markup last May, this legislation languished while the interested parties, primarily local government organizations and the waste industry, stared at each other in resolute disagreement. Only as the situation reached a dire stage for some bondholders and certain jurisdictions, including the State of New Jersey, did the parties open the window of opportunity. The Public Securities Association, along with Browning-Ferris Industries and Waste Management, approached the Committee on Commerce about negotiating a flow control agreement. We welcome their offer and facilitated their discussions.

After input from States, local governments, the waste industry, bondholder organizations and of course the Members of this body, the result is the legislation before us today. I am proud to hold a letter supporting this legislation from the National Association of Counties, WMX Technologies, the Solid Waste Association of North America, Browning Ferris Industries, the Public Securities Association, and Ogden Projects.

The principle driving this bill is that if you have bonded indebtedness issued prior to the date of the Carbone case, or if you entered into a contract prior to Carbone obligating you to provide a minimum quantity of waste to a particular facility or pay for the contract amount, then you can exercise flow control in the future for the life of the bond or the life of the contract. If not, the recourse for your facility is to become competitive in the marketplace.

There are a lot of situations across the country that we have sought to take care of within the context of this principle. Many that simply did not meet the test will find themselves in the same situation that private sector facilities have long been in: competing for business. Others may meet the test but were not brought to the committee's attention in time for consideration in today's bill. I am willing to work with Members to make sure that situations that meet the principle are not inadvertently left out.

Another issue also bears mentioning. Flow control has long been linked to interstate waste in both the House and the Senate. This bill deals only with flow control. I am not opposed to moving interstate waste legislation through the Committee on Commerce and have committed to bring it up for a vote on February 28. However, that legislation was simply not ready for consideration today because of outstanding issues between waste importing and waste exporting States. I hope they can be resolved soon. I appreciate the forbearance of the many Members who selflessly have agreed to let this legislation go forward despite local issues so we can solve pressing problems in other States.

Mr. Speaker, I would also like to acknowledge the contribution of the many minority members who have been very interested in this issue and whose assistance is reflected in this legislation today.

Mr. Speaker, I urge adoption of the legislation, and I reserve the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the question before this body today is whether to suspend the rules of the House in considering legislation which would grandfather flow control authority for certain local jurisdictions and waste management facilities. While I support flow control legislation, I do not believe this is an appropriate bill for consideration under procedures which circumvent the committee process.

In bringing up the flow control bill on the suspension calendar, there has been a serious breach of the normal legislative flow control. Without explanation, we have bypassed the normal full committee markup process and denied members of the Committee on Commerce their opportunity to offer amendments to this legislation.

The Subcommittee on Commerce, Trade, and Hazardous Materials reported a flow control bill, H.R. 2323, on May 18 of last year. H.R. 2323, which also contains provisions addressing the issue of allowing States and local governments to limit receipt of out-of-State municipal waste, has been languishing before the full Committee on Commerce for the last 6 months. No full committee markup of the bill has ever been scheduled.

The language before us today was only introduced as a bill this morning. In fact, the bill which we have is marked "12:20," at 12:20 this afternoon. It is now 2:20 in the afternoon. For 2 hours we have had the bill and the bill itself has been changed from the last version which we saw.

Mr. Speaker, that is wrong, just from a procedure perspective, in terms of what all Members are owed as procedural due process in the notice of important substantive changes in legislation. It contains provisions that were not agreed to by the minority, and it deletes the interstate waste language.

Reportedly, this new bill was negotiated downtown between special interests who did not favor the subcommittee-reported bill apparently lacked the votes at full committee in order to weaken it. So as a result, it has been weakened in the Committee on Rules, with no public notice, with no debate, and with all Members now expected to vote upon legislation which has not gone through the traditional legislative committee process.

In addition to the substantive changes made in the flow control language, the bill has also delinked flow control from the interstate waste legislation. This creates serious problems for many Members who are concerned that their States and localities not become the dumping grounds for out-of-State waste.

In the past, the flow control and interstate waste bills have always been linked together in the same legislation. In the 103d Congress, for example, a flow control/interstate waste bill was considered by this body under an open rule that allowed Members to offer amendments where the will of the Members could be fully expressed. The resulting product was approved by the House by unanimous consent. In this Congress, the Senate passed legislation which addresses both the flow control and interstate waste issues.

Delinking these two issues, as is being proposed today, means that we may not have any interstate waste legislation this year, despite the fact that 23 Governors have called for such legislation.

I must object, therefore, Mr. Speaker, to consideration of this bill today under suspension of the rules. The bill before us is controversial, and maybe Members have been denied their opportunity to offer amendments as a result of this procedure. I urge the Members to oppose the motion to suspend the rules of the House so we can defeat this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. BLILEY. Mr. Speaker, I yield myself 30 seconds, to answer the gentleman from Massachusetts.

Mr. Speaker, the bill was introduced and it is in the RECORD for Friday. Yes, it was changed today to insert two provisions for the benefit of the ranking minority member of the full committee. One deleted the so-called double-dipping language, and the other was to insert a central Wayne County fix, so I wanted to clear up that misunderstanding.

Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. MINGE].

Mr. MINGE. Mr. Speaker, the flow-control legislation we are considering this afternoon, from the perspective of many of us, ought to be written differently, but one thing that I have noticed in my short legislative career, congressional career, is that it is almost impossible to move legislation through this body and through the Senate in a form that each of us feels is going to take care of every problem that is faced by our constituents.

In the last session of Congress, indeed, we did pass flow-control legislation in the House of Representatives. It was passed in the Senate, but due to the lateness of the hour, the legislation languished and it never was brought back to both Chambers for final approval.

Mr. Speaker, I urge that we favorably report out this proposal today so that the process may move forward, so that a conference committee can be appointed, so that the differences between the House and Senate provisions can be reconciled, and ultimate legislation which serves the needs of our country can be passed by this institution.

Mr. MARKEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Mr. Speaker, I thank my colleague for yielding time to me.

Mr. Speaker, let me just begin by saying that I think there is broad bipartisan agreement for supporting a flow-control bill. I am all for it. I regret that the coming together of sides on this issue as it relates to not only flow control but the interstate waste bill has been so late in developing as we come to the floor, because there are, frankly, folks who are not here today who have a real stake and a real interest in this legislation who I would like to have consulted with.

Mr. Speaker, I am also for a bill that gives our local governments the ability to prohibit out-of-State from being dumped into our communities. I, along with the gentleman from Michigan, FRED UPTON, and the gentleman from Ohio, MIKE OXLEY, and a whole host of other people on the other side of the aisle, the gentleman from Virginia, Mr. BOUCHER, and many others on our side of the aisle have been fighting for this now for a number of years, and we have come within a whisker of having this accomplished over the last two Congresses. We do not want the opportunity to go by without having our full say.

Mr. Speaker, we are willing to work with Members on both sides of the aisle to get this done; in fact, to get both done, the flow control as well as the out-of-State. It appears right now, Mr. Speaker, and I am still talking with folks, that the out-of State provisions fall a little bit short here. By not addressing the out-of-State-issue, as has been mentioned by the gentleman from Massachusetts [Mr. MARKEY], on the floor of this House, or in committee, for that matter, in the House, Members on both sides of the aisle are limited in their negotiating ability once this goes to conference.

I am concerned about that, because the Senate bill that deals with out-of-State is not as environmentally strong as, frankly, some of us would like it to be. The House provisions that we have had over the years, and which we seek to have come before the House today which would give more autonomy to local units of government, as opposed to having the say on what can come into the State in terms of out-of-State waste controlled by the Governor.

Further, the 11th-hour negotiations still going on among many parties involved in this issue I think clearly shows that this may not be the best way to handle this in terms of the suspension calendar, although there is an advantage to doing it that way, and the gentleman from Virginia [Mr. BLILEY], and I talked about that a little earlier today. I recognize parts of the procedural advantages.

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But it does shut out a lot of folks, and that is somewhat troubling to me.

I would hope that we would be able to have an honest debate on this. This is a big issue. This affects all of our districts; it is one of the key environmental votes that we will have probably this Congress. it deals with how we are going to deal with our waste in this country.

It seems to me that the proper role for local and State governments in solid waste management really hinges upon the full participation, not just the narrow participation, of the Representatives from those individual States in this body. We want to work together to open up the process and give all of the States in this debate an opportunity to be heard.

So, Mr. Speaker, let me reserve my comments at this point and say to my friends on both sides of the aisle, I hope we can continue to have some good discussions on this, although I am rather troubled by the procedure under which we are working here this afternoon.

I thank my colleague from Massachusetts for yielding me the time.

Mr. BLILEY. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. OXLEY], chairman of the Subcommittee on Commerce, Trade, and Hazardous Materials, who has put endless hours in on this subject.

Mr. OXLEY. I thank the gentleman for yielding me this time.

Mr. Speaker, the issues of flow control and interstate waste have vexed this Congress for the last several years. I believe that it has been proper all along to consider these issues in tandem, because they both speak to how responsibly we, as a society, manage the disposal of solid waste.

Some communities find themselves in desperate financial condition because of the Supreme Court's Carbone decision that struck down flow control. These communities sold bonds to investors in good faith, and are relying on limited flow-control power to pay them back. There is a need for Congress to act with dispatch in order to provide legitimate relief.

Not everyone will agree with the bill in front of us today. Some people wanted a broader bill, others, no bill at all. But this bill sends a clear signal that obligations will be honored.

A great controversy has arisen over the last few days over the decision to move this flow bill before the House arrived at a position on interstate waste legislation, which is equally as important to importing States like Ohio. Frankly, I was prepared to oppose the decision to divorce the two titles, especially since they were approved by my subcommittee on a voice vote.

Adding to the anxiety of importing States were recent statements that the move to split the two bills would have killed any interstate legislation this year.

I have received assurances, however, that in approving this flow-control bill that we will be able to conference interstate waste with the Senate. I had a productive discussion with Rules Chairman JERRY SOLOMON this morning. I would expect that the concerns of importing States will be adequately and forcefully represented in conference. Meantime, I have encouraged the Governors of the affected States to meet and to try to reach an agreement on the issues. We need to have direct participation by all Governors with an interest in this. The National Governors Association meeting coming up soon will allow the Governors to have face-to-face discussions on this issue.

Again, I will give support to this flow-control bill only having been assured by key players in the debate that interstate waste legislation will be addressed and that the concerns of importing States, which have fallen on deaf ears in recent years, will be resolved.

I want to pay special thanks to the full committee chairman, the gentleman from Virginia [Mr. BLILEY], for providing an opportunity for those States who are importing States to actually get to conference on this important issue. I think all of us share the goal of getting to a conference and getting to agreement on this important issue, involving the Governors and all of the Members from the affected States.

Please remember that 23 Governors have signed a letter in support of the legislation that passed out of my subcommittee on a unanimous voice vote. There is strong support out there for reasonable interstate waste provisions in the statute, coupled with flow control. I ask the Members to support this important move forward as we get into a conference committee.

Mr. MARKEY. Mr. Speaker, I yield 2½ minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I rise in opposition to H. Res. 349 for a couple of reasons. Part of it is that this legislation does not at all resemble what the subcommittee worked on for this bill, and the problems that the subcommittee addressed.

Even more to the point, and I have great respect for my friend from Virginia, the chairman of the Committee on Commerce, Mr. BLILEY, this legislation was introduced only 2 hours ago, as the gentleman from Massachusetts, Mr. MARKEY, said.

This legislation clearly does not deal with many of the problems that a lot of districts and a lot of taxpayers have around this country. Putting this legislation forward after being introduced only 2 hours ago, having no hearings on this bill, reminds us of the way that these committees and this Congress have dealt on issues like Medicare and Medicaid, where there might be a hearing, there might not be a hearing, the vote comes to the floor, we vote it up or down without people reading the bill, without people understanding what we are voting on.

In district after district in this country taxpayers will be left out in the cold, instead of, for example, in my district in Medina County, OH, instead of issuing bonds to construct its facilities, Medina County entered into an $8 million cooperative loan agreement with the Ohio Water Development Authority.

Taxpayers in Medina County will lose, will be left out in the cold because of this bill, the way this bill is written.

Mr. OXLEY. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Ohio.

Mr. OXLEY. Mr. Speaker, let me say that I appreciate the problems of Medina County. My home county has a similar kind of situation where they actually save the money to develop a landfill and then use that to initiate flow control. They did it very responsibly. They are unfortunately not covered under this particular version, and that is why it is important for us to get to conference on this issue so that we can vent these issues and have them determined.

I am on the gentleman's side on this issue, and I understand where he is coming from, but we cannot get this problem solved unless we get to conference, and that is what this procedure is all about.

Mr. BROWN of Ohio. Mr. Speaker, my friend from Ohio is actually my mother's Congressman, but she taught me a long time ago that I should take care of a problem when it is there. I do not think that the kind of back-room deals that were made in this bill with lobbyists and special interests writing these bills, whether it is Superfund or Medicare or this legislation, that we really want to just say, trust us, we will take care of it in conference committee.

People in Medina County stand to lose $8 million under this bill. People in Arkansas and people in Virginia and people of this country stand to lose lots of taxpayers' dollars. We should protect their investment, take the bill back to committee, have hearings, let us write a good bipartisan piece of legislation.

Mr. BLILEY. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. SOLOMON], the chairman of the Committee on Rules.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for yielding me this time.

I do not know whether the previous speaker is worried about the taxpayers paying. I will tell the gentleman something: If this bill does not become law, the taxpayers are going to pay through the nose, and that is why I am here supporting this legislation. I have counties like Dutchess County in upstate New York that have already been obligated to bonds that have to be paid off by the taxpayers unless we are able to get this kind of legislation through.

Let us just say that we have people on both sides of this. The only way we are ever going to settle it, and the gentleman from Ohio [Mr. OXLEY] has alluded to it, is to pass this piece of legislation, then go to conference with the Senate on the interstate waste, which is a very important piece of legislation.

Once we are there, we have major Governors around this country who are concerned about this. Let us let Governor Pataki of New York, Governor Engler of Michigan, Governor Ridge of Pennsylvania, and Governor Voinovich of Ohio, let us let them sit down, work out these differences and then bring it back. I will commit, as chairman of the Committee on Rules, that when they have worked out their differences, let them come back here, and we will then bring this conference report to the floor and we will pass both the interstate waste, which is very important, as well as this flow control bill, which is extremely important, because if we do not, the taxpayers are going to pay through the nose, and we cannot let that happen.

Mr. MARKEY. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia [Mr. PICKETT].

Mr. PICKETT. I thank the gentleman for yielding me the time.

Mr. Speaker, I rise in strong opposition to the municipal solid waste flow control legislation being offered today. It will have a dramatically adverse financial impact on the municipal governments I represent and it is a blatant repudiation of the principle of "no unfunded mandates."

Late in the 1970's in the absence of any private alternative, eight municipal governments in my region joined together to create the Southeastern Public Service Authority of Virginia to manage, in an environmentally sound way, the rising volume of solid waste. In adopting this comprehensive waste management program, the participating communities all executed contracts prior to 1985 committing to dispose of their municipal solid waste to the authority. To construct the plant to convert the solid waste to energy for sale, the authority issued bonds that now amount to $275 million. In addition to guaranteeing the bonds, the municipalities are obligated by their contract with the authority to dispose of their solid waste to the authority and the authority is obligated under contract to deliver energy.

This legislation before us will destroy this established and operating environmentally sound regional waste management system, undermine the value of the bonds issued by the authority, impose additional financial burden and hardship on the participating municipalities, and create a new avenue of intrusion by the Federal Government into a purely State and local governmental activity.

This bill has been brought to the floor under a procedure that circumvents the committee process and precludes Members from offering amendments to protect their communities from financial distress. I urge Members to reject the flawed process under which we are considering this legislation and to vigorously oppose the flow control bill that is before us today.

Mr. BLILEY. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Speaker, Let me begin by thanking Chairman TOM BLILEY for truly going the extra mile today; for his willingness to understand and address issues that are so vital to some of our States. I especially want to thank Mr. BLILEY for the statesmanlike approach embodied in this compromise in meeting the legitimate needs of our colleagues intent on restricting the flow of waste into their States. And special thanks to Chairman MIKE OXLEY—in the House no one has worked as tenaciously as he on interstate waste legislation. And finally, special thanks to Chairman JERRY SOLOMON, who has worked hard to facilitate this bill.

After 20 months of toil and good faith compromises by all sides of the issue, we are here today with a modest, extremely narrow, rescue bill for locales throughout the country who have waste management systems predicated on flow control and tied to public debt.

Over $20 billion of public bonds and obligations of local communities and investors are today in grave jeopardy and desperately need this solution we are proposing. Our local governments—charged with managing their waste—are in desperate situations warranting immediate action.

The festering crisis dictates that we wait no more and fast-track this emergency debt protection remedy.

For communities across the country—who saw a legislative remedy vanish in the waning hours of the 103d Congress, a casualty of a failed UC request in the Senate—this is their only hope.

Make no mistake, this legislation does not establish a broad authority for flow control. Instead it prescribes a narrow grant of authority and phases out of such activity allowing communities to make a smooth transition and ensuring that investments in public projects do not go belly up.

Under the bill flow control is permitted for the limited purpose of paying off outstanding bonds and that is it. According to the EPA, less than 20 percent—one-fifth—of the solid waste market is expected to receive some type of protection under this flow control bill. And as each day passes, and municipalities pay off their bonds, this small share of the market will continue to diminish until it reaches zero.

No one likes it when rules of the game change in midstream.

The Carbone decision vitiated waste flow authority after States and local governments had devised comprehensive waste management plans—at the behest of the Federal Government—which relied on that authority to make the plan economically viable. In other words, decisions were made and funds expended or obligated based on assumptions that disappeared on May 16, 1994—the date the Carbone opinion was handed down.

In the post-Carbone world, communities still have the responsibility to manage garbage—that is: collect, treat, and dispose of it—but some may no longer have the tools to carry it out efficiently.

Flow control has been a difficult issue for the past 2 years because local governments and private industry have different opinions on how much of flow control is a good thing. State and local government organizations have historically supported the continuation of flow control authority as an important prerogative of State and local government and the best tool for safe and environmentally sound disposal of garbage. Members of the private waste industry believe there should be no constraints on the movement of waste.

The bill before us today has opted for the private enterprise position—prohibiting any future flow control. The bill is drafted as an extremely narrow grandfather—allowing flow control only in jurisdictions that exercised it, designated the waste facility to receive the waste, and sold bonds—or executed put-or-pay contracts—to finance the facility—all prior to the Carbone decision. And once the bonds are paid off, with the narrow exception of retrofits mandated under the Clean Air Act, flow control ends forever.

Importantly, because these flow control provisions are so narrow, they have achieved support from significant stakeholders on this issue: the national organizations representing State and local government interests, such as the National Association of Counties and the Solid Waste Association of North America; major companies from the waste industry, such as Waste Management Technologies, Inc. and Browning Ferris Industries; and the Public Securities Association, representing the concerns of bond holders and issuers. While all of them have a different bill of perfection in mind, they have reached a compromise that they can live with.

The situation in my home county of Mercer illustrates how urgent the situation is.

At present, Mercer has incurred debt obligations of over $189 million to finance the project, with approximately $100 million more needed for completion of the project.

Carbone has put the entire undertaking on the shelf and costs to build the waste-to-energy facility have increased by over $4 million. Accordingly to Mercer County executive, Bob Prunetti, each day of irresolution of this issue costs an additional $20,000 per day.

In the 20 months that we have been debating the perfect flow control and interstate provisions, Mercer County's bonds have been downgraded and, last week on January 25, permits for the construction of our facility expired. The authority has petitioned the New Jersey State Department of Environmental Protection for an extension of this permit. It is unclear, at this time, whether or not there is precedence for such an extension.

My State with our landfills nearing full capacity and with more than 2.1 million tons exported per year to other States has attempted to act responsibly and earnestly to resolve our waste disposal problems and become self-sufficient. My county of Mercer exports 300,000 tons to Bucks County, PA, just across the river.

If we are able to proceed with our waste-to-energy project at least 220,000 tons of municipal sold waste will stay in Mercer County to be incinerated. That, it seems to me, nips the problem at the source.

And let me remind Members that self-sufficiency has been our goal for 20 years and flow control was—is—the requisite to achieving that goal. Nearly two decades ago, the State of New Jersey took the initiative to limit its exports on its own. The State's comprehensive solid waste management plan is meant to achieve self-sufficiency by the year 2000. But the plan hinges on the use of limited flow control—without it, it just ain't gonna' happen. And worse, our 2.1 million tons of cross-State waste will only increase.

Mercer's bond downgrading has not been unique. Other communities around the Nation especially Pennsylvania, Florida, California, New York, New Hampshire, and Illinois have had their credit ratings downgraded or have been put on credit watch because they have lost the ability to flow control.

Mr. Speaker, Members of Congress anxious to pass tough interstate restrictions on the transport of garbage, take note: I respectfully submit this is your opportunity to advance that prospect since you will get your day in conference with this legislation. Yet, I am here to tell you that passage of flow control authority by this Congress—temporarily delinked from interstate—will only help alleviate the need to export garbage.

The Environmental Protection Agency's [EPA] study on flow control, released last year unequivocally states that: "Flow control is one mechanism that State and local governments can use to foster development of in-State capacity to manage municipal solid waste."

To my friends who are disappointed that the interstate provisions will be considered on a day other than today let me say that I have no qualms with limiting interstate waste. There is a symbolic relationship, however that should not be overlooked. If the goal of my friends in the Midwest and Pennsylvania is to ban the interstate transport of waste, then by all means you should support efforts to allow States to flow control waste within their own borders. This, of course, will diminish the urgency to transport garbage outside of the State.

In closing, Mr. Speaker, I remind our colleagues that the clock is ticking. I am hopeful that like the Senate, this body will now move on a proposal that offers real relief to communities in debt.

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Mr. MARKEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Arkansas [Mrs. LINCOLN].

Mrs. LINCOLN. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I rise in strong opposition to this process as well as to the final product that has come before the floor. With all due respect to Chairman OXLEY, this is not the package we passed out of subcommittee, that we debated and we came to a compromise and conclusion on. The fact is that it is our responsibility in this House to do a good job on behalf of our constituents, to take to a conference a position that is good for them.

With all due respect to the gentleman from New Jersey [Mr. SMITH] and the gentleman from New York [Mr. SOLOMON], who speak of their communities who are in such danger, who have leveraged bonds, we have communities just like that. I have communities just like that. However, mine does not get a special fix in this bill, and it is very important for us to go to the drawing board and look at what is fair to everyone.

I am absolutely amazed and disturbed that a bill such as the one we are considering today is being considered on the Suspension Calendar. This bill is not the product of Member negotiations, it is not the product of committee consideration, and it is not the product of the administration. However, it is a product of many interests downtown who have drafted a bill without Member input.

As a Member who is supportive of flow control legislation and supportive of our communities in their efforts to effectively manage their solid waste, I urge a "no" vote on the bill we are considering today. While this legislation does help some of the communities out there, it does not protect legitimate financial obligations incurred by many of our communities.

I also urge a "no" vote on this bill because the whole legislative process has been circumvented. The Subcommittee on Commerce, Trade and Hazardous Materials held a markup in May where amendments were adopted. The subcommittee-passed bill is now probably in one of those landfills out in the Midwest. What we are working on now is a piece of legislation that no Member has voted on, let alone seen or examined.

The Suspension Calendar is a mechanism by which the House can consider relatively noncontroversial issues that have broad bipartisan support. This flow control legislation is not a worthwhile candidate for such consideration.

This bill is controversial, not so much for what it contains but rather for what it does not contain. It does not contain relief for many communities holding legitimate debt, and it does not contain interstate waste provisions.

It is our responsibility in this House to take care of those issues and then move it to conference. I urge a "no" vote on this bill.

Mr. BLILEY. Mr. Speaker, I yield 30 seconds to the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. I thank the gentleman for yielding me the time.

Mr. Speaker, I would ask the gentlewoman if she would just respond.

Again, I am a proponent of prospective flow control. We did not win that one. We tried hard. There are a sufficient number of Members who disagree with that that we were unable to get that in there.

The compromise that is struck here says that anybody who obligated funds, expended funds, or sold bonds prior to the Carbone decision on May 16, 1994, they are included, they are grandfathered. It is my understanding that those in your locale did so after the fact, after Carbone had been handed down.

Mr. MARKEY. Mr. Speaker, I yield 30 seconds to the gentlewoman from Arkansas [Mrs. LINCOLN].

Mrs. LINCOLN. I thank the gentleman for yielding me the time.

Mr. Speaker, for those communities that did extend those bonds, they did so under the understanding that Congress was taking up that issue last year and the year before with the idea that these communities could be protected. They have extended their livelihood in those communities, their tax dollars and their resources, and many of the other communities, some of which have already been considered in this bill, did make those decisions after Carbone.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. WALSH].

Mr. WALSH. Mr. Speaker, I thank the chairman for his leadership on this. I would also like to thank the gentleman from Ohio, Chairman OXLEY, for his allowing this bill to get to the floor.

Mr. Speaker, this afternoon the House of Representatives works toward passage of flow control legislation with bipartisan support. The legislation is a fair compromise that would grandfather facilities designated prior to the 1994 Supreme Court decision, but phases out flow control as financial obligations expire.

For example, this bill will protect the local government in Onondaga County to have the right to control the flow of municipal solid waste for financing their waste-to-energy plant and integrated waste program. Without such control, which had been put at risk by the Supreme Court ruling, the county would have been without sufficient cash flow to repay $180 million in bonds which provided funding for the plant.

It is also very good news for taxpayers in central New York. Without the legislation, the county's credit rating could have been negatively affected for future bonding and all future public works projects put at risk.

In addition, flow control is pro-environment—despite rhetoric to the contrary. If every municipality adopted a comprehensive solid waste program, they could handle their waste locally and not ship their garbage to other States. Our county's recycling program has received national recognition and awards for recycling over one-third of our waste stream. The community also benefits from the sale of electricity produced by the waste-to-energy facility.

Working closely with Onondaga County officials, my colleagues in the New York delegation and the Commerce Committee, we were able to develop an excellent bill. This is the kind of cooperation between local and Federal Government that helps communities solve problems, and I urge my colleagues to support passage.

Mr. MARKEY. Mr. Speaker, I yield 1½ minutes to the gentleman from Virginia [Mr. SISISKY].

Mr. SISISKY. I thank the gentleman for yielding me the time.

Mr. Speaker, I rise today in opposition to this bill, and to the procedure under which the bill is being considered.

The measure we are considering today, while well intentioned, is incomplete.

This bill grandfathers the previous flow control arrangements of many communities.

Unfortunately, the Hampton Roads communities of southeast Virginia were not grandfathered in this bill.

That's not fair.

These eight communities came together in the 1970's to create the Southeastern Public Service Authority of Virginia or SPSA.

Now, like so many other localities, they are burdened with long-term bond debt.

In SPSA's case, there is $275 million in bond debt due by 2018.

The cities and towns who are served by SPSA need to be grandfathered in this bill so they can pay their debt.

If you vote to pass this bill, you are legislating against some communities while you help others.

Like all of you, I have a responsibility to the people I represent, and the communities in which they live.

Under this procedure, I cannot do that.

Mr. Speaker, I urge my colleagues to vote against this measure so we can make sure that all of our people can receive the same consideration. I do not think that is too much to ask. Under the procedures that this bill came under, it seems to me the plausible thing to do.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. Mr. Speaker, I rise in strong support of this bill, and I want to thank Chairman BLILEY for the outstanding work that he has overseen as we have come to develop a bill that has earned strong bipartisan support.

This bill is very important to me for a whole lot of reasons, but basic among those is that it will save taxpayers in my district an untold amount of money. Without this measure, three solid waste authorities in my district would be unable to pay off the bonds that they have issued without unsustainable tax increases. The people and their representatives from Oneida, Herkimer, Otsego, Montgomery, Schoharie and Madison Counties acted in good faith when they sold bonds in that manner. Now they will be able to have the waste stream they need to guarantee the operation of their facilities and to be able to pay off those bonds.

I want to thank the solid waste authorities in my district for doing such a good job of educating me and my colleagues so that we would know how important it is to pass this very important flow control legislation. I urge my colleagues to support the measure.

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume, and it is most likely with the intention of closing debate at this particular point in time.

Mr. Speaker, this is a very simple issue at this point. It is not really substantive. It is a question of whether or not we are going to have a proper use of the procedures of the House in order to deal with a very important piece of legislation which for the past 3½ years has been considered in the Committee on Commerce. Again, in the last session of Congress we dealt with this issue, we dealt with it on a bipartisan basis and we dealt with it in a comprehensive fashion.

This bill is being dealt with on a piecemeal basis and in a partisan fashion. That is not necessary. We are being promised here on the floor that if we foreswear our concern legislatively for the interstate aspects of this bill, and, by the way, what could be more important to the States in the Midwest than how much waste is going to come into their States from other States? The States of New York and New Jersey, they are basically adopting Horace Greeley's philosophy, which is, "Go west, trash deliverer, go west." That is the philosophy.

Mr. Speaker, the bottom line here is that we have no guarantees, none at all. If we do not deal with this interstate issue and if the Senate acts on it, which we hope that it does—we are not sure that it does—we are ceding our legislative responsibility to the Senate—something which I find to be highly undesirable generally given their overall conduct—that we should in fact deal with these issues ourselves. However, if in fact they deal with this interstate issue and they send it back, we are going to be dependent upon the Rules Committee to determine whether or not this issue is within the scope of the bill, given the fact that the House never in fact acted upon it.

If the gentleman from New York, the chairman of the Rules Committee, would get up and promise us that that bill will come out on the floor, no matter what, it will be out here on the floor, dealing with interstate waste, then that will give us all a lot more comfort. However, if that is not the case, we are going to be like Lucy holding the football for Charlie Brown. They are holding the ball for us right now, run up to the football, but at the end of the day, and I mean April or May when the bill comes back, we are not sure that the Rules Committee will ever allow an interstate bill to come out here.

This is our opportunity to act. Vote "no." Force this process, this House of Representatives, to produce a bill that deals with both aspects of this problem, and then we can go to the conference committee with the Senate with all of the cards on the table and a guarantee that the issues of the Midwest, the issues of all those States that might ultimately become the home to this waste, are dealt with properly.

That is my message to the House today, that a vote "no" on this issue guarantees that we will get a good and comprehensive bill dealing with all aspects of this legislation.

Mr. OXLEY. Mr. Speaker, will the gentleman yield?

Mr. MARKEY. I yield to the gentleman from Ohio.

Mr. OXLEY. Mr. Speaker, I thank my friend for yielding.

Please remember on the separate issue we have a letter from 23 Governors supporting interstate language. There is no way in the world that a conference committee will come back with anything less than a bill that will deal with interstate commerce.

Mr. MARKEY. I respect the work the gentleman has done. The gentleman did good work at the subcommittee. I supported the gentleman's work. It should have come through the full committee and out here on the floor in a comprehensive way. We should not cede our responsibilities to the Senate.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Speaker, I thank very much the diligent work of our chairman of the full committee and subcommittee, the gentleman from Virginia [Mr. BLILEY], and the gentleman from Ohio [Mr. OXLEY]. This is a very tough and complex issue, flow control and interstate waste.

There has always been a fear, particularly from those of us in the Midwest, that one might pass without the other. Frankly, I was prepared to vote against this bill under suspension, in fact signed a bipartisan "Dear Colleague" letter with a number of my colleagues asking us all to do so. But today's assurance that the Governors of the impacted States will in fact help forge an agreement that is acceptable to all of us helps resolve my goal of making sure that we will not see unfair control of interstate waste legislation move forward unless they in fact are dealt with together.

□ 1500

I accept Rules Committee Chairman SOLOMON's pledge of cooperation in working this out. In fact, I am going to go back to all of my colleagues to make sure that when this conference report comes out that it will be an acceptable bill.

Out-of-State waste is a very important issue.

Our landfills will fill up years ahead of schedule because cities like Chicago, New York, and Boston churn out garbage faster than they can deal with it.

Interstate waste is an important tool. It allows States the ability to limit garbage that crosses my borders. My State should not be forced to accept other people's garbage. Michigan isn't a dumping ground for other States' mistakes.

Michigan has had the foresight to develop a plan to dispose of our waste. We are now being forced to deal with garbage from States who haven't.

I make no apologies—frankly, New York City, Boston, Chicago, your garbage isn't our problem.

'We Recycle'—it says so right on the blue trash cans in my office. I've got to separate white paper from wet trash, glass from cardboard. But the Federal Government doesn't afford my communities with this luxury.

Michigan communities shouldn't be forced to clog up their landfills with trash from cities hundreds of miles away. When it comes to dumping in landfills, it all gets thrown into the mix—Kalamazoo's, New York City's, Benton Harbor's, and Boston's—Michigan couldn't bar any State from dumping trash on us—until now.

In a recent letter sent to Speaker GINGRICH, Michigan Governor John Engler and several other Midwest Governors wrote "Citizens constantly ask us why they should recycle in order to conserve space for other States' trash. We need assurances that we can conserve landfill space for our own State's disposal needs."

Governor, you got your assurance today.

Mr. Speaker, I include for the RECORD the following letter:

STATE OF OHIO, STATE OF MICHIGAN,
STATE OF INDIANA, COMMONWEALTH OF PENNSYLVANIA,
January 25, 1996.

Hon. NEWT GINGRICH,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: We are writing to express our opposition to considering a flow control bill on the House floor under suspension of the rules without the inclusion of interstate waste provisions. As governors of states that have been receiving considerable amounts of out-of-state waste, we feel it is essential that the House move interstate waste and flow control together as one bill.

As you know, 23 governors wrote you in June to express strong support for the interstate waste provisions in H.R. 2323, the State and Local Government Interstate Waste Control Act of 1995, introduced by Congressman Mike Oxley and passed by the Subcommittee on Commerce, Trade and Hazardous Materials in May.

For too long, states have had only limited ability to place restrictions on shipments of municipal waste across state lines. Although mandated by federal law to develop comprehensive waste management plans, states' efforts to enforce their own planning rules have been overturned repeatedly by the federal courts. Lacking specific delegation of authority from Congress, states that have acted responsibly to implement environmentally sound waste disposal plans and recycling programs are still being subjected to a flood of out-of-state trash.

We are not asking for outright authority to prohibit all out-of-state waste. We are asking Congress to provide state and local governments with the tools they need to manage their own waste and limit waste from other states. Any proposal to grant specific flow control authorities, therefore, should not be considered without also including these essential interstate waste provisions.

We strongly believe that Congressman Oxley's interstate waste provisions address many of our concerns. Twenty-three governors and the Western Governors' Association have supported the interstate waste provisions in this bill and seek two strengthening amendments. One would allow states to place a percentage limit on the amount of out-of-state waste that can be received at new facilities or major modifications of existing facilities. The other would allow states to authorize the collection of a $1-per-ton surcharge on waste from other states.

H.R. 2323 would give large exporting states sufficient time to plan for the disposal of their own waste. It also would give those states that have acted responsibly to implement environmentally sound waste disposal and recycling plans assurance that they can save space within their borders for their own disposal needs.

In addition, we oppose any provisions that would prohibit interstate waste restrictions at facilities that are subject to flow control authorities. Such a provision would prohibit state and local governments that exercise flow control authorities from having the opportunity to accept or reject out-of-state waste shipments, and they could be forced to receive it unwillingly. We strongly believe that one community should not be forced to accept other states' waste while another community has the opportunity to turn it away.

Again, we respectfully urge that interstate waste and flow control move together as one bill. By considering flow control separately, Congress would only address one side of the equation and would not give importing states the tools they need to limit the large amounts of waste crossing their borders.

Sincerely,

GEORGE V. VOINOVICH,
Governor of Ohio.
EVAN BAYH,
Governor of Indiana.
JOHN ENGLER,
Governor of Michigan.
TOM RIDGE,
Governor of Pennsylvania.

Mr. BLILEY. Mr. Speaker, I yield 30 seconds to the gentleman from Florida [Mr. DEUTSCH].

Mr. DEUTSCH. Mr. Speaker, I rise in support of the flow control legislation before us today.

This compromise bill is now limited in scope and duration, a culmination of several months of negotiation between public and private stakeholders. Most importantly, this compromise bill protects local communities and preserves our commitment to free-market competition in the solid waste industry.

Like many States, my State of Florida enacted a law requiring communities to manage their own waste, including a goal that 30 percent be recycled. My district, Dade County, invested nearly $200 million so they could meet this challenge.

Mr. Speaker, Congress should not break up monopolies, but this legislation will not do that.

Communities across America have acted in good faith to address the waste disposal and recycling mandates placed upon them by the States. They have also invested heavily in the new technology needed to keep our environment clean and healthy. In meeting these important mandates, States and local governments have issued more than $20 billion in bonds. This legislation is needed to ensure that our communities do not go broke.

Like many States across the country, my State of Florida enacted a law requiring communities to manage their own waste—including a goal that 30 percent be recycled. In my district, Dade County invested nearly $200 million so they could meet this challenge.

Mr. Speaker, Congress should not create Government monopolies—but this legislation will not do that. It merely allows communities to retire the debt they assumed in good faith. This compromise bill is narrow in scope and limited in duration. In fact, the bill is so limited that private companies that once opposed flow control now support this compromise bill.

Mr. Speaker, let me make one more important point. My colleagues on both sides of the aisle say they do not like this process. I don't like it either, but time is running out. The truth is Congress must solve this problem now. The National Association of Counties supports this legislation and this process. Private stakeholders agree with them. Do not go back to square one. Support this compromise legislation. Let's solve this problem once and for all.

Mr. BLILEY. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey [Mr. FRANKS].

Mr. FRANKS of New Jersey. Mr. Speaker, I rise in support of this vitally important measure and ask my statement become a part of the RECORD.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. CLINGER], chairman of the Committee on Government Reform and Oversight.

Mr. CLINGER. Mr. Speaker, this is an issue that I have been involved with for 4 years as have most of the Members speaking on this issue today.

Frankly, I came to the floor prepared to vote against this measure, because of the real concern by dividing flow control from interstate garbage provisions, we were going to lose any consideration of interstate garbage. I am now told we have an extraordinary procedure involved here which will ensure that we will have a marriage of these two items before this thing comes back to the floor before it is ultimately resolved.

It is not as good as I would hope. I can assure you, given the concerns Pennsylvania has as the largest importer of interstate garbage in the country, that we could not possibly go for anything that does not include those provisions.

I am persuaded, however, we are probably not going to see either flow control or interstate garbage provisions unless some procedure such as this is adopted. I still have some skepticism. I can assure you I will be fighting very hard if this thing comes back without adequate provisions for interstate garbage. But given that fact, unless a concern we not get either, this moves the process forward.

Mr. BLILEY. Mr. Speaker, to close debate on our side, I yield the balance of my time, 1 minute, to the gentleman from Ohio [Mr. GILLMOR], a member of the committee.

Mr. GILLMOR. Mr. Speaker, I thank the gentleman for yielding time to me.

I rise in support of this legislation. Although it is not the legislation I would have preferred to see out here, I would have preferred to see something closer to what we are dealing with in the Committee on Commerce. But I do so in part because of the assurances that interstate waste is going to be considered as a part of this conference committee.

I supported both flow control legislation and interstate waste legislation, because they are, in fact, part and parcel of the same principle, and that principle is giving State and local government officials both the authority and the responsibility over waste management.

The coupling of these two issues is supported by Governors from liberal Democrats to conservative Republicans, and I rise in support of this with the hope that this will give us the opportunity to come back with a conference committee report that deals with both of these important issues in a satisfactory way.

Mr. MARTINI. Mr. Speaker, I would like to take this opportunity as a Member of the New Jersey delegation to speak on behalf of S. 534, the Flow Control Act. Mr. Speaker, I am going to support this bill with the understanding that it is going to address certain problematic situations that exist in my congressional district—namely, in Passaic and Essex Counties. This legislation is necessary for the protection of government entities who have operated in good faith under a State mandate for waste disposal. It would be unjust to both the taxpayers and the local entities if deregulation were to allow such law abiding local governments to default on their payment of debt.

Following the Clarkstown versus Carbone decision of 1994, in which the Supreme Court struck down a local ordinance directing the shipment of waste to a local waste facility, local governments throughout New Jersey have been greatly affected by this decision. New Jersey, in an attempt to responsibly deal with the disposal of waste, has invested in facilities with the expectation that their cost could be financed with revenues accumulated by directing local waste to those facilities. The repayment of bonds depends on the practice of flow control. While I respect any decision passed down by the Supreme Court of the United States, I also respect the integrity of local governments that have in good faith supplied facilities to handle municipal solid waste.

The idea of grandfathering certain facilities that were in process when the Carbone decision was rendered should not even be in question. I feel that it is our duty to protect the taxpayers' investments in such facilities. The Public Securities Association recognizes that this is our duty and has voiced their support for the legislation.

It is also important to note the unique situation in the Garden State. New Jersey is the only State in our Nation in which all municipal solid waste is now flow controlled and has been flow controlled for over a decade. We must provide for preexisting arrangements of fiscally responsible local governments. The local entities in the eighth district of New Jersey should not be abandoned to default on several millions of dollars of outstanding bonds that support their waste program.

For example, Passaic County in my congressional district has in excess of $80 million in outstanding bonds for transfer stations which deal with their waste. It is my understanding through my discussions with the Commerce Committee, as well as with Governor Whitman's office and Members of the New Jersey congressional delegation, transfer stations will be included among the in-state facilities whose debt will be protected. It is important to me that this legislation addresses the ability to pay all outstanding debt that is waste related, regardless of the particular nature of the waste facility.

Furthermore, it is my understanding through such discussions that localities that send municipal solid waste through in-state transfer stations prior to sending that waste out-of-state are clearly covered under this legislation. With that in mind, I will support this bill.

It is about time that we address the effect of the Carbone decision on local governments throughout the United States and protect the monetary commitments of those localities.

Mr. BLILEY. Mr. Speaker, through its constitutional authority to regulate interstate commerce and in response to the U.S. Supreme Court's Carbone decision, Congress sets forth in this legislation the limits and conditions on flow control authority. The impact on interstate commerce of the flow control authority exercised in conformance with the provisions of this legislation has been sanctioned by Congress and may not be challenged on commerce clause grounds.

The legislation further sanctions flow control authority exercised by a particular State or local government before enactment of this legislation, to the extent the exercise of that flow control authority is in conformance with the provisions of this legislation. Congressman

NETHERCUTT and others have asked for clarification on this point. The intent of this sanctioning by Congress of previously exercised flow control authority is to end pending litigation in which such exercise of flow control authority has been challenged as unconstitutional on commerce clause grounds. However, the legislation makes clear that this congressional sanction does not apply in cases where a final judicial decision no longer subject to judicial review has declared, before enactment of this legislation, the specific exercise of flow control authority by the State or local government to be unconstitutional. Of course, that same State or local government may exercise the flow control authority granted by this legislation after enactment of this legislation, if the State or local government meets the grandfather criteria set forth in the legislation.

STATEMENT ON USE OF FLOW CONTROL REVENUES

This compromise legislation limits the use of revenues derived from the exercise of flow control. Such revenues may only be used to repay the principal and interest on eligible bonds issued by a grandfathered community, to repay the principal and interest on bonds issued for qualified environmental retrofits of designated facilities, or to repay the financial obligations incurred by a community pursuant to certain contracts specified in the bill. However, to protect the viability of a community's investment in a designated facility financed by a bond, the legislation provides that all expenses necessary for its intended operation and proper maintenance, such as operation and maintenance expense of the other integral facilities, may also be paid with revenues derived from the exercise of the flow control authority.

STATEMENT ON SHAM RECYCLING

The legislation prohibits a community from exercising flow control authority over recycled materials unless such materials are voluntarily relinquished to the community by the generator or owner of the materials. The definition of recyclable materials in the legislation makes clear our intent that this prohibition is only to apply to materials that will be recycled, reclaimed, composted, or reused, and have been separated for these purposes from waste which is to be disposed. Our intent is to prevent sham recycling. Sham recycling occurs when an entity seeks to avoid a grandfathered community's exercise of flow control authority over a particular waste material by claiming that it intends to recycle the material but does not actually recycle, or recycles only very minimally, with the intent to dispose of the material at a non-flow controlled facility.

Mrs. KELLY. Mr. Speaker, I rise in strong support of S. 534, legislation to reestablish a modest degree of local flow control for the disposal of municiple solid waste. The bill seeks to preserve local flow control authority for communities which had such rules in effect prior to the Supreme Court's Carbone decision in 1994.

Mr. Speaker, Dutchess County, New York offers a good example of the desperate need to pass flow control legislation. The Dutchess County Resource Recovery Agency runs a waste-to-energy and recycling facility that was constructed with the belief that a steady stream of waste—and revenue—would be available to meet the financial obligations incurred by the county.

However, the Supreme Court's Carbone decision invalidated local flow control ordinances under the view that they violate the interstate commerce clause of the Constitution. Since that time, revenue streams and the bond ratings for waste facilities have fallen off.

In New York State alone, over $1.2 billion in public debt for solid waste management facilities and programs is threatened unless this can be resolved—$43 million of that debt was incurred by the Dutchess County Resources Recovery Agency. The loss of flow control authority resulted in a $3 million shortfall to the facility last year, and a similar shortfall is expected this year unless corrective action is taken. Of course, in the end, Dutchess County taxpayers must make up the difference for any shortfall to the facility.

Mr. Speaker, similar legislation passed the House of Representatives during the last session by an overwhelming margin. It was recognized then, as in the case today, that once the bond obligations have been met, flow control authority ceases and the free market takes over.

I recognize that legitimate concerns remain with respect to the regulation of waste streams between States, but we cannot let this issue further delay the passage of this fair and commonsense legislation. Dutchess County, and many others around the country, can no longer afford to see the resolution of this issue delayed.

I urge my colleagues to join me in support of this legislation.

Mr. VENTO. Mr. Speaker, I support this legislation which restores limited local control over municipal solid waste.

Local governments across this country would be burdened with enormous financial debts unless this Congress acts and approves legislation such as is before us today. Whether Members favor flow control or not, the fact of the matter is that local governments have been legitimately using this planning tool for over a decade, and have outstanding contractual agreements and obligations they are responsible to meet. This bill is a fair compromise that allows our local governments to basically keep their promises to investors and citizens on a good faith basis.

This bill is not perfect. From my stand point, I support stronger flow control authority granted to the States, counties, and municipalities. I believe flow control provides State and local governments with the tools to manage waste disposal responsibility and effectively. A framework for solid waste recycling and disposal has been established in Minnesota and other States that is truly working with the underpinning of flow control. Solid waste disposal is certainly an issue that is inherently local, and State and local governments should have the authority to address the policy without being whipsawed between jurisdictions. The rationalization of sound solid waste policy responding to the environmental limits and reality is a key role of local government, surely we should permit them to do their job.

This, of course, is the broader debate that Congress should be shaping. But until we face up to the total task, let us make certain that we do not let default and harm befall our States and local governments. They need certainty and predictability, not philosophic platitudes on the magic of the marketplace. Our local governments are facing an $18 billion debt. Local governments need flow control relief today that responds to their legal obligations, and this bill provides modest and necessary relief.

I urge my colleagues to support this legislation. We cannot continue to leave our local and State governments swinging in the wind. Cooperation and responsible action should be our response to the circumstance; a commonsense pragmatic policy to the problem before us—I urge positive support for this measure.

Mr. BILIRAKIS. Mr. Speaker, I rise in support of this legislation, but also to express the concerns of Hillsborough County, FL, in my district, concerns that I understand are held by other entities in other States regarding this legislation, as well.

As is well known, the measure we consider today is intended to exempt from constitutional challenge State and municipal flow-control laws in effect on or before May 16, 1994. The necessity of this stems from the fact that the Supreme Court ruled in 1994 that solid waste flow-control was an unconstitutional interference in interstate commerce.

Nevertheless, the States and municipalities in question depend upon a steady stream of waste material to their disposal facilities in order to repay bonds issued to finance construction of these facilities.

Clearly, this matter needs to be addressed and this legislation seeks to do so. However, if we are to address it, we must ensure that our meaning is certain.

This measure also grants flow-control authority to State and local government facilities if, among other requirements, eligible bonds were presented for sale on or before May 16, 1994. Such was the case with Hillsborough County, FL, but the county refinanced these bonds in July 1994, with an expiration date on the new bond identical to that in place on May 16.

This refinancing should in no way jeopardize the flow-control authority in this case.

No changes in conditions were made other than the county's valid and, indeed, commendable desire to secure more favorable interest rates and a better financial deal for the ratepayers. Through discussions with members and staff of the Commerce Committee, it is my understanding that under this legislation this is, in fact, the case: the authority is not jeopardized.

In view of this, I support this limited flow-control-authority legislation and urge its adoption by the House. I will continue to work with the committee and its members to assure the enactment of the soundest possible solid waste flow control legislation.

Mrs. KENNELLY. Mr. Speaker, I rise in support of legislation to allow for limited flow control. As a representative of a State whose communities rely upon flow control for their solid waste disposal systems, I know firsthand the urgent need for this legislation.

It has been almost 2 years since the Supreme Court ruled that State and local flow-control ordinances violate the Interstate Commerce clause without congressional authorization. Since then, thousands of communities in my State and across the Nation have had trouble meeting their legal obligations to provide for solid waste disposal. Many resource recovery facilities, which depend upon flow control to receive enough waste to pay back municipal bonds, are being denied a steady stream of revenue. Connecticut's resource recovery authorities alone have issued over half a billion dollars in bonds to finance construction of their facilities. Without flow control, those debts might not be repaid.

In addition, the lack of flow-control authority may lead to increased taxes on millions of people if towns that entered into put-or-pay contracts with waste facilities before 1994 cannot deliver agreed-upon levels of waste. Worse, many States' solid waste disposal plans, adopted in accordance with Federal law, will be virtually unenforceable because communities will not be able to direct solid waste to resource recovery plants rather than landfills or other less environmentally preferred systems.

Those of us who represent States with flow-control ordinances understand the concerns raised about this kind of policy. However, this legislation represents a reasonable middle ground which will grandfather in flow-control laws that were on the books prior to the Court ruling and would limit their duration. This makes sure that communities that entered into obligations to dispose of waste have the ability to fulfill those obligations until their conclusion.

If we do not take this action today, the more likely it is that our country's waste disposal systems will be undermined, our environmental policies will be harmed, and our constituents will be forced to pay more taxes. I urge a "yes" vote on this desperately needed legislation.

Mr. FRELINGHUYSEN. Mr. Speaker, I rise today in support of H.R. 349 and in strong support of flow control.

New Jersey is facing a crisis situation that can only be averted by swift passage of this legislation. A recent court decision—the Carbone decision of May 1994—has placed New Jersey's waste management system in chaos.

Currently, 17 of 21 New Jersey counties have public debt tied directly to flow control and more than $2 billion in outstanding debt backed by flow-control bonds. This debt was incurred in compliance with a State mandate for each waste region to become self-sufficient in managing its waste.

While the Supreme Court has ruled that flow control is an undue interference with interstate commerce, the legislation that the House is voting on today allows flow control only in jurisdictions that exercised it, designated the waste facility to receive the waste, and actually sold bonds to finance the facility prior to the May 1994 Carbone decision. This is expected to apply to less than 20 percent of the solid waste market. And, once the bonds are paid off, flow control ends. This gives densely populated States like New Jersey the opportunity to regroup and plan for the redirection of their municipal waste streams.

Concern over the omission of coverage for construction and demolition debris language has been expressed by the Morris County Municipal Utilities Authority, and I will continue to work for the inclusion of these provisions which are important to Morris County and other New Jersey counties. However, in the meantime, I strongly support passage of this legislation.

Mr. TAUZIN. Mr. Speaker, I'd like to commend the gentleman from Ohio [Mr. OXLEY] and the gentlewoman from Arkansas [Mrs. LINCOLN] for their bipartisan cooperation on this bill.

To paraphrase Mark Twain, regulatory reform is a lot like the weather. Everybody talks about it, but nobody ever does anything about it.

We've had a lot of passionate debate on both sides of the aisle this year saying we all want regulatory reform, that we need to put a stop particularly to the old style of regulation that costs a lot but does very little to actually improve the environment. Well, this is our chance to prove we mean it.

Unless we act, EPA will be forced to issue another one-size-fits-all regulation that will cost, by EPA's own estimate, $800 million per year to implement.

EPA is asking for our help, because they know that little, if any, real risk reduction would occur if these rules are promulgated.

What this means for me is that one chemical plant in my district could be forced to spend about $34 million to replace a well-operated wastewater treatment system.

Risk assessments performed by the company show that its surface impoundments already protect human health and the environment to RCRA risk standards. In fact, the emissions of highest risk hazardous constituents from all plant sources, including wastewater treatment, has been determined to have a lifetime cancer risk to the nearest receptor of less than one in a million.

This plant has been growing and could put the resources to greater economic and environmental benefit.

This bill represents a bipartisan agreement between Congress and the administration, and is the kind of targeted regulatory reform that many have been advocating. Chairman OXLEY should be commended for recognizing the need to correct this court-imposed conflict between our environmental statutes. The administration also deserves credit for including this correction in its RCRA rifle-shot proposals.

Mr. MINGE. Mr. Speaker, I rise in support of the Flow Control Act of 1996. Since 1990, the United States has generated 195 million tons of municipal solid waste—more than any other country in the world for which data are available and almost double the amount generated by Japan and the European Union. The challenge before us today is to manage the flow of all this solid waste in a manner that strikes a balance which is both environmentally sound and protects free-market principles.

The legislation we have before us on the floor attempts to strike this balance by partially restoring flow-control authority to some local governments so that they can pay off their debts without having to raise taxes. Some will argue that flow control is an unfunded mandate on taxpayers. Yet, the real unfunded mandate is the mandate the Federal Government leveled on State and local governments under the Resource Conservation and Recovery Act [RCRA] in 1976. Under this law, the Federal Government required the States to dispose of solid waste in an environmentally sensible fashion. To meet this unfunded Federal mandate, local governments in the State of Minnesota sold 400 million dollars' worth of municipal bonds—$48 million in my district—to build environmentally sound waste facilities, charged for their use, and directed the flow of waste to those facilities in order to pay for them. Despite the RCRA mandate, Congress never explicitly provided States and local governments the authority to control the flow of municipal solid waste.

I'd like to illustrate the problem facing local governments by highlighting two counties in my district. Responding to Federal and State mandates, the counties of Wright and Martin built state-of-the-art composting facilities in the early 1990's. Instead of landfilling, the waste is turned into composting material, which can be sold on the market and into refuse-derived fuel, which provides electricity needs for some Minnesota cities. As a result, the amount of solid waste headed for overcrowded landfills has been reduced by 80 percent, which benefits the environment.

These facilities were built with public bond financing based on the premise that flow control would guarantee an adequate flow to the facilities to keep them financially stable. This stability was put in jeopardy in 1994 when the Supreme Court struck down local flow-control laws. The Court said that only Congress has the power to grant flow-control authority. Since the 1994 decision, much of the waste is now going out of State, making it extremely difficult for counties to pay off their bonds.

If Congress does not act to allow those counties to pay off their debts through flow control, the taxpayers will ultimately and unfairly be forced to pay higher property taxes to meet debt obligations. Certainly, this is not an outcome this Congress should condone. This is a result that no one wants, yet it is already happening in my district. For example, in Wright County, the county commissioners were forced to raise property taxes by $1.25 million in 1995 to make up for the shortfall of revenues caused by the diversion of waste out-of-state rather than to the county's compost facility. This is patently unfair, as it penalizes those who generate the least amount of waste by forcing them to pay higher taxes. With flow control in place, on the other hand, those who generate the most waste pay the highest fees, which is a fairer way to proceed. And in Martin County, commissioners are deciding whether to shut down their facility and just pass on the remaining $7 million in debt to the taxpayers absent congressional action.

The legislation before the House is narrowly drafted. It is apparently intended to allow those facilities currently in operation to meet their debt obligations. Flow-control authority will expire after the bonds are paid off. Under the bill, an estimated 80 percent of the waste stream will be immediately available to the private sector. As grandfathered communities pay off their debt, the private sector will gradually assume responsibility for the remaining 20 percent of the waste stream. This compromise language was drafted after months of intense negotiations and is supported by local governments, the public securities community, and the waste industry. It should assure communities which have accumulated debt predicated on flow-control authority that they will have that important tool. At the same time, it ensures free-market competition in the solid waste industry.

Unfortunately, there may be some drafting glitches in this bill that may handicap some communities. If these glitches unintentionally exclude some communities from being covered by this important legislation, then those glitches must be fixed in the conference committee. I expect the Chair shares my commitment to pressing for any corrections that are necessary to carry out the full intent of this bill.

It is important that any legislation passed, balance the need to protect the environment with the need to promote free-market principles. I am confident that this legislation meets both of those tests. I do not believe this legislation goes far enough to protect taxpayer liability. However, it is a good basis to move forward on this issue and provide the beginning of relief to our local governments.

Mr. GEJDENSON. Mr. Speaker, I rise in support of S. 534. I urge my colleagues to support it.

The Supreme Court decision in the case of C&A Carbone, Inc. versus Town of Clarkstown has significant implications for municipalities and taxpayers across the country. The case invalidated the use of flow control to manage solid waste generated within the borders of a community. The implications are far reaching because according to the Congressional Research Service [CRS], 41 States exercise flow control either through statute or other means. Many States have used flow control to ensure that municipal solid waste [MSW] is disposed of in accordance with several Federal laws and regulations.

Flow control authority is especially important to communities across my State of Connecticut. Many small towns in eastern Connecticut have contracts with solid waste disposal facilities which require them to deliver a minimum amount of waste or face financial penalties, also known as put-or-pay requirements. Towns entered into these agreements because they believed that flow control ordinances, authorized under State law, would allow them to meet their contractual obligations. Without flow control, residents in communities such as Norwich, Vernon, Groton, Tolland, Westbrook, and many others will be forced to pay higher taxes to pay penalties for failing to deliver the minimum volume of waste.

To make matters worse, the majority of solid waste disposal facilities in my State have been financed with State revenue bonds. Disposal authorities require a minimum amount of waste to operate at levels sufficient to generate revenue to repay these bonds. If facilities cannot make these payments, the bondholders could be forced to make the payments. According to Connecticut's attorney general, the State and its taxpayers could ultimately be responsible for 520 million dollars' worth of bonds. This would be fully disastrous for our State which is only beginning to fully recover from the recession.

S. 534 will provide relief to these communities. It grandfathers existing flow control ordinances, statutes, and agreements. It also allows communities to flow control certain recyclable material provided that the material is voluntarily relinquished. This is especially important because flow controlling common household recyclables in urban areas helps to subsidize recycling efforts in rural communities. The bill makes it clear that such authority does not place an undue burden on interstate commerce.

Contrary to what some opponents of the bill argue, this is a limited approach. Communities must have applied flow control through formal, legally binding methods on, or before, the date of the Supreme Court decision to qualify under the bill. In addition, flow control can only be exercised during the bond repayment period or life of a contract. As a result, flow control authority will expire when bonds are repaid and put-or-pay contracts have expired.

Mr. Speaker, I want to take a moment to comment on the charge flow control damages the environment. I am not aware of a single case where this argument has been proven conclusively. In fact, the vast majority of communities use flow control to direct waste to state-of-the-art disposal facilities. In my State, waste goes to transfer stations, landfills, and other facilities which meet strict State, Federal, and local standards designed to protect the air, water, and public health. Claims that flow control damages the environment are a red-herring designed to prevent Congress from providing important relief to small communities across the country.

Mr. Speaker, it is essential that the House pass this legislation today. If we fail to act, taxpayers across the country could face much higher tax bills as their communities are penalized for failing to meet their contractual obligations. This is a balanced bill which provides needed relief while placing reasonable limits on future flow control authority. I urge my colleagues to support this important bill.

Mrs. ROUKEMA. Mr. Speaker, I rise in support of the Flow Control Act of 1996. Prompt House action on this legislation is essential for people and counties of New Jersey, and their continued ability to dispose of solid waste.

Although this is not the exact bill that I would have written by myself, the time has come for the House to take action on this very serious issue nevertheless.

Essentially, this legislation will restore to towns and cities the ability to enact flow-control ordinances, which dictate the terms and conditions of how solid waste, or garbage as most people call it, is disposed of in New Jersey.

In May 1994, the Supreme Court, in its Carbone versus Town of Clarkstown ruling, held that without congressional authorization, it was an unconstitutional restriction on interstate commerce for towns and cities to dictate the disposal of solid waste.

At that point in time, 17 of the 21 counties in New Jersey had issued more than $2 billion in debt to finance the construction of solid waste disposal facilities. Thus, the Supreme Court's rulings immediately put all of these bonds—as well as the counties that issued them—in dire jeopardy, because the bonds had been floated based on the assumption that the ability to flow control waste would remain intact.

The bill before us today grandfathers State and local flow-control arrangements made prior to the Carbone decision, as well as any existing lawful contracts entered into between May 16, 1994, and November 10, 1995. The grandfathering is in effect for the life of a county's bonded debt or an existing solid waste disposal contract, whichever is longer.

In the 36 months since the Supreme Court's ruling, I have worked diligently with all of my House colleagues from New Jersey, most notably Congressman CHRIS SMITH, to have the Congress pass legislation that restores to our State the authority to flow control solid waste.

In fact, during the 103d Congress, a bipartisan effort to approve flow-control legislation as part of a larger solid waste bill was passed by the House, only to die in the Senate in the waning hours of the session. Although the need for flow-control legislation was urgent then, it is even more serious today, almost 15 months later.

Last summer, the Senate passed its own version of solid waste legislation. The House cannot afford to delay anymore. With this in mind, I urge my colleagues in the House to join me in supporting passage of this bill.

I recognize the fact that some of my colleagues are urging the House to defeat this bill. However, their opposition to this bill is not centered so much on the provisions of the bill before us today, as much as the process by which it has been brought to the floor.

In the public arena, there is the old cliche "Don't let the good be the enemy of the perfect." Clearly, today, the legislation before us today meets this test—it isn't perfect, but we know that it is good and worthy of our support. I urge my colleagues in the House to vote in support of its passage.

Mr. ACKERMAN. Mr. Speaker, I rise in reluctant support of House Resolution 349, the Flow Control Act of 1996. I am reluctant because of the circumvention of the normal committee process and because there are provisions in this bill that are so narrowly drafted as to affect only one town in my district. In fact, to my knowledge, it's the only town in the country so affected.

The bill generally grandfathers all communities in New York and other States which have actually designated waste management facilities pursuant to duly enacted State and local legislation. The single exception to this situation is the section entitled "Facilities Not Qualified for Flow Control" incorporated into the bill.

This section provides that flow control may not be exercised with regard to any facility if the following conditions are met:

The ordinance was determined to be unconstitutional by a State or Federal court prior to May 16, 1994, and before the date of enactment of the legislation;

The facility is located over a sole source aquifer and within 1 mile of a coastal zone; and

The facility is not fully permitted and operating in compliance with Federal, State, and local regulations.

As I understand it, the bill was further modified in this extraordinary process to ensure that it applied only to facilities within 5 miles of a public beach and 25 miles of a city with a population of 5 million or more. Clearly a reference to New York City.

By its terms, the provision applies to only a single town in the State of New York: North Hempstead. It would not apply to neighboring towns such as Hempstead, Babylon, or Islip, although waste disposal conditions are virtually identical in these towns and the need to manage solid waste is similar. Only North Hempstead would be denied authority to utilize its flow control ordinance in support of a waste management plan.

On its face the bill is unfair. North Hempstead meets the conditions set out in the bill for other towns to take advantage of flow control yet the amendment would deny North Hempstead this authority for no legitimate reason.

The bill will shift from waste companies to residential taxpayers much of the approximately $10 million annual cost of furnishing waste management services. By denying flow control authority to North Hempstead, the bill will threaten the fiscal solvency of the town because the tipping fees currently generated by the town's flow control ordinance are utilized for the following: $6 million per year for debt service on property purchased by the town's solid waste management authority for an incinerator project which was not constructed; $60 million over several years for remediation of landfills in Port Washington, NY, one of which is a Superfund site and the other which requires closure under Federal environmental regulations; and $6 million in construction cost for a new solid waste transfer station.

The loss of flow control authority for North Hempstead is particularly egregious in view of the fact that the villages which would benefit utilized the town landfill for 40 years, and should thus bear some of the remediation costs which are now being paid for with flow control tipping fees.

Mr. Speaker, it is because of provisions such as this that the bill should have been considered by committee and should not have come to the floor under suspension of the rules.

Mr. Speaker, flow control authority is crucial to cities and towns across the country. So I hope that as we go to conference with the Senate, this onerous provision will be dropped, providing flow control to all the municipalities that need it.

Mr. MCDERMOTT. Mr. Speaker, I rise in reluctant support of this bill. While I would have preferred a stronger affirmation of local government's right and responsibility to direct the collection and disposal of its solid waste, this bill makes much needed clarification of the conditions under which flow control authority can be exercised, both now and in the future. Also, this measure is an admirable attempt to strike a balance between promoting competition between solid waste management facilities, and protecting communities, facility owners, and operators who have built facilities on the assumption that they would have a revenue base to finance those facilities.

However, it is not without reservations that I offer my support. Although the bill does grandfather flow control authority for county governments in Washington State that have invested millions of dollars into developing and integrating their disposal systems, the bill does not grandfather flow control authority exercised by the city of Seattle on behalf of my constituents.

It was the city of Seattle's ability to exercise flow control authority over commercial garbage, and its ability to direct contract-collected residential garbage to a designated facility, that made it possible for the city to procure a low-cost long-haul disposal contract in 1989. Simply put, the city's ability to guarantee a large volume of waste to the winning bidder made it possible for the bidders to offer the city the huge financial benefits of economies of scale in providing disposal services.

The ability of the city of Seattle and other jurisdictions who exercise flow control and use competitive contracting to get the best deal for their citizens should be protected under any flow control bill. Unfortunately, this bill does not.

While I am supporting this bill at this time, I am reserving judgment on the final bill that emerges from House and Senate negotiations. I hope to work with the committee to craft a final bill that better protects the citizens of Seattle and the nationally recognized solid waste management system the city has created.

Mr. LAZIO of New York. Mr. Speaker, I rise in support of this flow control legislation that we are voting on today, but I want to express my concerns with a certain provision of the bill.

This legislation grandfathers communities with solid waste facilities that were financed with bonded debt or under a contractual obligation. Without this legislation, municipalities run the risk of not being able to meet their financial obligations. The relief offered by this bill will allow communities to pay off their bonds and avoid having to raise local taxes. It will also help prevent a potential torrent of lawsuits and bond defaults, or a possible downgrading of a municipality's bond rating, all of which could occur if Congress delays in passing a flow control bill. I am supporting this bill, not only to move it along in the legislative process, but more importantly, to protect taxpayers.

I am concerned that the bill's interim contracts provision may ultimately erode the ability of many towns on Long Island to utilize flow control. As a result of the Supreme Court's decision in C&A Carbone versus Clarkstown, some waste haulers have entered into contracts that would still be honored despite the enactment of a Federal flow control statute. My concern is that these waste haulers may have contracted to deliver solid waste collected within the boundaries of a municipality to a facility outside of the community's jurisdiction. At this point, municipalities located in my district, such as the towns of Islip and Babylon, cannot determine the volume of refuse that might be diverted out of their waste stream as a result of these interim contracts, thus subverting the spirit of authorizing local flow control laws. Furthermore, the interim contract provision would make it difficult for municipalities to enforce their taxing powers in municipal collection districts. Municipalities would have to trace interim contract waste. This would present tremendous tracking and administrative problems. Consequently, this potential loss of revenue for the municipalities may increase their financial burdens associated with waste storage facilities.

Communities need flow control legislation to ensure they can effectively plan and pay for their resource recovery programs. In some instances, the intent of Congress has been perverted by the discriminate application by localities of the provision, Expenses incurred on behalf of all residents for the administration of waste disposal must not fall disproportionately on a few. They must be fairly applied to all.

The Senate has already passed a flow control bill and the House should do the same. I then look forward to working with House-Senate conferees to resolve the problems and uncertainties that exist with the interim contract provision.

Mr. FRANKS of New Jersey. Mr. Speaker, in 1970 my home State of New Jersey exported 80 percent of its garbage. In order to achieve self-sufficiency and address complaints about sending our garbage elsewhere, New Jersey invested $2 billion to develop an extensive flow-control program. Now, thanks to flow control, New Jersey exports less than 20 percent of its solid waste.

The application of this bill is limited. This measure will allow States to continue their flow-control programs only if they had exercised their flow-control authority before May 16, 1994.

The spirit of this Congress has been to give more power and responsibility to the States to manage their own affairs. It is wrong, after having once given that power, to now forbid a State like New Jersey to manage its own waste through methods that have proven to work.

If New Jersey cannot continue its effective system of flow control, the $2 billion burden of flow-control bonds will fall on the backs of the residents of New Jersey in the form of new and higher taxes. I urge a "yes" vote on this bill.

Mr. BUYER. Mr. Speaker, I rise today in strong opposition to the Flow Control Act of 1996, House Resolution 349, as it is currently drafted. While I support the provisions of this resolution, I do not in any way support this effort to address flow control without addressing the issue of interstate transportation of municipal solid waste. It is my feeling that doing so, the House of Representatives is again failing to provide a national framework of controls and incentives for states and localities to implement responsible, solid waste management programs.

Failure of this House to include comprehensive waste control legislation, including granting States the authority to control the flow of waste as well as to limit the amount of out-of-State waste which can be dumped within their borders, reveals that the real intent is not to encourage responsible waste management. Instead, taking this action sends the message that this House is more concerned with the financial resources which are being depleted by the lack of flow control authority, than it is with the limited, natural resources being depleted by the lack of State authority to regulate the amount of municipal waste which can be imported and dumped.

The Supreme Court has acknowledged that Congress has sole jurisdiction over the regulation of interstate commerce. Over the past 5 years, the Congress has acknowledged it should exercise this authority with regard to the issue of municipal waste.

In the 104th Congress, the Senate passed comprehensive legislation which addresses the issue of municipal waste management affecting all 50 states. Early last year, I introduced H.R. 1288, the Interstate Transportation of Municipal Waste Act, which is identical to the bill introduced by Senator COATS. Senator COATS and I did so recognizing the necessity of developing a comprehensive national waste management policy, one which addresses the severe problems facing our own State of Indiana.

I represent a district in Northcentral Indiana which received two-thirds, or around 1 million tons, of the amount of out-of-State waste dumped in Indiana last year. House Resolution 349 does not address this problem of out-of-State waste which faces many States such as Indiana, Ohio, Michigan, Pennsylvania and Virginia. These States are forced to deal with the millions of tons of waste generated by other States and localities, and dumped within their borders. I am greatly concerned over the lack of progress this House has made on this issue. I believe this House is ignoring its responsibility and addressing only the financial problems of a limited number of States.

I believe that Congress' lack of action penalizes States like Indiana, which have not only reduced their production of solid waste, but have devised a responsible management plan to dispose of it. I am here in support of a national system which will enable and encourage each State and locality to develop and implement responsible, solid waste management plans. The only way to do so is to address the issue of municipal solid waste management, which includes both the problems of flow control and interstate waste.

Mr. Chairman, I urge this House to continue the work of the past 5 years, to follow the work of the Senate, and to consider the work of Chairman OXLEY and his colleagues on the Subcommittee on Commerce, Trade and Hazardous Material, who have approved H.R. 2323, a comprehensive waste management reform bill. That is why I must stand here today and call on my colleagues to oppose this resolution.

Mr. MCDERMOTT. Mr. Speaker, I am unable to support the Interstate Transportation of Municipal Solid Waste Act of 1995. Regardless of the numerous procedural and environmental concerns which many of us have raised in connection with this legislation, the people of the Seventh Congressional District of Washington would gain little from this bill's passage.

The bill lacks a strong affirmation of local government's right and responsibility to direct the collection and disposal of its solid waste. While the bill does grandfather flow control authority for county governments in Washington State that have invested millions of dollars into developing and integrating their disposal systems, the bill does not grandfather flow control authority exercised by the city of Seattle.

It was the city of Seattle's ability to exercise flow control authority over commercial garbage, and its ability to direct contract-collected residential garbage to a designated facility, that made it possible for the city to procure a low-cost long-haul disposal contract in 1989. Simply put, the city's ability to guarantee a large volume of waste to the winning bidder made it possible for the bidders to offer the city the huge financial benefits of economies of scale in providing disposal services.

The ability of the city of Seattle and other jurisdictions who exercise flow control and use competitive contracting to get the best deal for their citizens should be protected under any flow control bill. Unfortunately, this bill does not offer such protection.

I hope to work with the committee to craft another bill that better protects the citizens of Seattle and the nationally recognized solid waste management system the city has created.

The SPEAKER pro tempore (Mr. YOUNG of Florida). The question is on the motion offered by the gentleman from Virginia [Mr. BLILEY] that the House suspend the rules and agree to the resolution, House Resolution 349.

The question was taken.

Mr. MARKEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

GENERAL LEAVE

Mr. BLILEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Resolution 349, the resolution just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

LAND DISPOSAL PROGRAM FLEXIBILITY ACT OF 1995

Mr. BLILEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2036) to amend the Solid Waste Disposal Act to make certain adjustments in the land disposal program to provide needed flexibility, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2036

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Land Disposal Program Flexibility Act of 1995".

SEC. 2. LAND DISPOSAL BAN.

Section 3004(g) of the Solid Waste Disposal Act (42 U.S.C. 6924(g)) is amended by adding the following after paragraph (6):

"(7) Solid waste identified as hazardous based on one or more characteristics alone shall not be subject to this subsection, any prohibitions under subsection (d), (e), or (f), or any requirement (other than any applicable specific method of treatment) promulgated under subsection (m) if such waste—

"(A)(i) is managed in a treatment system which subsequently discharges to waters of the United States pursuant to a permit issued under section 402 of the Clean Water Act (33 U.S.C. 1342); (ii) treated for the purposes of the pretreatment requirements of section 307 of the Clean Water Act (33 U.S.C. 1317); (iii) or managed in a zero discharge system that, prior to any permanent land disposal, engages in Clean Water Act-equivalent treatment as determined by the Administrator;

"(B) no longer exhibits a hazardous characteristic prior to management in any land-based solid waste management unit;

"(C) has met any applicable specific method of treatment promulgated by the Administrator under section 3004(m) (42 U.S.C. 6924(m)); and

"(D) would not generate toxic gases, vapors, or fumes due to the presence of cyanide at the point of generation when exposed to pH conditions between 2 and 12.5.

"(8) Not later than 5 years after the date of enactment of this paragraph, the Administrator shall complete a study of hazardous wastes managed pursuant to paragraph (7) to characterize the risks of human health or the environment associated with such management. In conducting the study, the Administrator shall evaluate the extent to which the risks are adequately addressed under existing State or Federal programs and whether unaddressed risks could be better addressed under such Federal laws or programs. Upon completion of such study or upon receipt of additional information, and as necessary to protect human health and the environment, the Administrator may, after notice and opportunity for comment, impose additional requirements, including requirements under section 3004(m)(1) or defer management of such wastes to other State or Federal programs or authorities. Compliance with any treatment standards promulgated pursuant to section 3004(m)(1) may be determined either prior to management in, or after discharge from, a land-based unit as part of a treatment system specified in subparagraph (A) of paragraph (7). Nothing in this paragraph shall be construed to modify, supplement, or otherwise affect the application or authority of any other Federal law or the standards applicable under any other Federal law.

"(9) Solid waste identified as hazardous based on one or more characteristics alone shall not be subject to this subsection, any prohibition under subsection (d), (e), or (f), or any requirement promulgated under subsection (m) of this section if the waste no longer exhibits a hazardous characteristic at the point of injection in any Class I injunction well regulated under section 1422 of title XIV of the Public Health Service Act (42 U.S.C. 300h-1).".

SEC. 3. GROUND WATER MONITORING.

(a) AMENDMENT OF SOLID WASTE DISPOSAL ACT.—Section 4010(c) of the Solid Waste Disposal Act (42 U.S.C. 6949a(c)) is amended as follows:

(1) By striking "CRITERIA.—Not later" and inserting the following: "CRITERIA.—

"(1) IN GENERAL.—Not later".

(2) By adding at the end the following new paragraphs:

"(2) ADDITIONAL REVISIONS.—Subject to paragraph (3), the requirements of the criteria described in paragraph (1) relating to ground water monitoring shall not apply to an owner or operator of a new municipal solid waste landfill unit, an existing municipal solid waste landfill unit, or a lateral expansion of a municipal solid waste landfill unit, that disposes of less than 20 tons of municipal solid waste daily, based on an annual average, if—

"(A) there is no evidence of ground water contamination from the municipal solid waste landfill unit or expansion; and

"(B) the municipal solid waste landfill unit or expansion serves—

"(i) a community that experiences an annual interruption of at least 3 consecutive months of surface transportation that prevent access to a regional waste management facility; or

"(ii) a community that has no practicable waste management alternative and the landfill unit is located in an area that annually receives less than or equal to 25 inches of precipitation.

"(3) PROTECTION OF GROUND WATER RESOURCES.—

"(A) MONITORING REQUIREMENT.—A State may require ground water monitoring of a solid waste landfill unit that would otherwise be exempt under paragraph (2) if necessary to protect ground water resources and ensure compliance with a State ground water protection plan, where applicable.

"(B) METHODS.—If a State requires ground water monitoring of a solid waste landfill unit under subparagraph (A), the State may allow the use of a method other than the use of ground water monitoring wells to detect a release of contamination from the unit.

"(C) CORRECTIVE ACTION.—If a State finds a relase from a solid waste landfill unit, the State shall require corrective action as appropriate.

"(4) NO-MIGRATION EXEMPTION.—

"(A) IN GENERAL.—Ground water monitoring requirements may be suspended by the Director of an approved State for a landfill operator if the operator demonstrates that there is no potential for migration of hazardous constituents from the unit to the uppermost aquifer during the active life of the unit and the post-closure care period.

"(B) CERTIFICATION.—A demonstration under subparagraph (A) shall be certified by a qualified ground-water scientist and approved by the Director of an approved State.

"(C) GUIDANCE.—Not later than 6 months after the date of enactment of this paragraph, the Administrator shall issue a guidance document to facilitate small community use of the no migration exemption under this paragraph.".

(b) REINSTATEMENT OF REGULATORY EXEMPTION.—It is he intent of section 4010(c)(2) of the Solid Waste Disposal Act, as added by subsection (a), to immediately reinstate subpart E of part 258 of title 40, Code of Federal Regulations, as added by the final rule published at 56 Federal Register 50798 on October 9, 1991.

SEC. 4. TECHNICAL CORRECTIONS TO SOLID WASTE DISPOSAL ACT.

The Solid Waste Disposal Act is amended as follows:

(1) In section 3001(d)(5) by striking "under section 3001" and inserting "under this section".

(2) By inserting a semicolon at the end of section 3004(q)(1)(C).

(3) In section 3004(g), by striking "subparagraph (A) through (C)" in paragraph (5) and inserting "subparagraphs (A) through (C)".

(4) In section 3004(r)(2)(C), by striking "petroleum-derived" and inserting "petroleum-derived".

(5) In section 3004(r)(3) by inserting after "Standard" the word "Industrial".

(6) In section 3005(a), by striking "polycholorinated" and inserting "polychlorinated".

(7) In section 3005(e)(1), by inserting a comma at the end of subparagraph (C).

(8) In section 4007(a), by striking "4003" in paragraphs (1) and (2)(A) and inserting "4003(a)".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia [Mr. BLILEY] will be recognized for 20 minutes, and the gentleman from Massachusetts [Mr. MARKEY] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Virginia [Mr. BLILEY].

Mr. BLILEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2036, the Land Disposal Flexibility Act of 1995.

During the 104th Congress, the Commerce Committee and the House have taken the initiative in trying to reform our regulatory programs. We need to ensure that the risks that are addressed are realistic and significant and that the costs of regulations are reasonably related to their benefits. H.R. 2036 is a perfect example of the type of realism we need more of.

H.R. 2036, addresses two rulemakings in which EPA tried to use principles of sound risk management but were prevented by the courts from doing so. Unfortunately, the current law, as interpreted by the courts, does not allow for a reasonable set of regulations.

EPA has already performed cost and benefit analyses on the land disposal restrictions rule and the groundwater monitoring rule for landfills that are the topic of H.R. 2036. In its own analyses of the proposed rule on land disposal restrictions, EPA has stated that "the risks addressed by this rule * * * are very small relative to the risks presented by other environmental conditions or situations." In both of the land disposal restrictions and groundwater monitoring rules, the prescriptive 1984 RCRA Amendments prevent reasonable regulations. Congress and the executive branch need to fix these fundamental problems.

It is Congresses job to make changes in the laws to remove steps that are unnecessary and provide a procedural barrier to the swift enforcement of more pressing problems. H.R. 2036 is one example of Congress helping the EPA by eliminating an additional administrative step which provides relatively few benefits.

I am pleased to see we have bipartisan support for H.R. 2036. Subcommittee Chairman OXLEY, Mrs. LINCOLN, and the administration have worked together and their hard work is reflected in this bill. H.R. 2036 is also supported by the Ground Water Protection Council, the National Association of Counties, and representatives of the industrial community.

I urge the adoption of the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to the motion to suspend the rules and to pass H.R. 2036. First of all, I object to the way this bill was brought to the floor for consideration under the suspension calendar. It is not in fact a procedure that is at all appropriate.

With regard to H.R. 2036, the majority worked with the minority throughout the committee process. Because of this, we agreed to take up this bill under suspension so long as important language was included in the committee report. The report was filed only hours ago, This is very distressing since it prevents Members and staff from reviewing the details of this bill.

Also, due to the last-minute decision to proceed today, some of my colleagues who had anticipated speaking against this bill could not be here. Compared to the other abuses of the suspension calendar that we have seen today, this is a minor grievance. However, we resent the continuing abuses of what is supposed to be a nonpartisan, noncontroversial process.

The second point I want to make about this bill is that although it is receiving some bipartisan support today, it is not completely without controversy. As the gentleman from Virginia [Mr. BLILEY] outlined, this legislation would give EPA authority to grant certain blanket exemptions from environmental standards that they have been barred from making by recent court decisions.

I under how Members of Congress and the administration want to work with the business community to develop a regulatory system that is more accommodating and flexible. However, I do not believe that we can lightly dismiss the environmental concerns that have been raised about this bill.

In 1992, the D.C. Circuit Court of Appeals unanimously overturned a Bush administration regulation which would have allowed hazardous waste generators with waste water treatment systems to simply dilute their hazardous waste and dump it into an unlined pit or lagoon rather than requiring them to take measures to reduce toxicity or otherwise minimize the threat posed by the waste.

The court held that simple dilution did not address the hazardous components in the waste, and if these components migrated into the ground water, they could pose significant risks to human health and the environment.

Current law requires that hazardous components and a variety of wastes be effectively treated not just diluted.

The gentleman from Virginia [Mr. BLILEY] has argued this bill is needed in order to eliminate unnecessary and duplicative environmental regulation. When sufficient regulations are in place to protect public health and environment, that is a goal that we can all support. Unfortunately, this is not a situation where regulations are redundant.

The Clean Water does cover any release of hazardous components from one of these lagoons into a nearby river or lake. However, leakage into ground water supply is beyond the scope of the Clean Water Act and releases of these hazardous components into the air are not regulated under the Clean Air Act.

EPA has stated that the risks posed by treating certain hazardous wastes in this manner are relatively low. However, the Agency's own preliminary analysis tells a very different story.

Last summer they concluded that these wastes do pose potentially significant health risks including cancer risks approaching one in a thousand, if ground water becomes contaminated.

I am aware that EPA regards the current data as somewhat limited, which is why we pushed for language in the bill allowing the Agency to collect and assess additional data. After much discussion, it was agreed that they would be given 5 years to complete such a study. Although the Agency can probably meet an earlier deadline, I am satisfied to see that a time limit was adopted.

Regardless of any deadline for completion of the study, there can be no doubt the intent of this bill is that EPA will dedicate adequate resources to develop a technically sound study in an expeditious manner. More importantly, however, I believe the Agency should be required to make a final determination based on their scientific study as to whether or not release of hazardous components from any of these holding areas into the air or ground water poses a threat to public health and the environment.

It is troubling that the bill's proponents who assume there is no significant risk involved here lack the courage of their convictions. Why should not the EPA have to inform the public and the Congress of the conclusions it draws from the study that we are requiring the Agency to undertake that so fundamentally deals with the public health of the public in our country?

The amendments adopted during the markup sessions of the Committee on Commerce greatly improved the original bill by adding language directing EPA to complete a study within 5 years. The report language clearly directs EPA to begin the study within 60 days and to complete it as soon as possible.

However, without the inclusion of a judicially reviewable final determination, the legislation lacks the commonsense requirement that EPA reach a decision to act or not act based on any risks identified in the study.

☐ 1515

If that additional provision had been included, if that extra safeguard of the health of Americans had been approved, then we would be in a different posture out here on the floor today. If out of respect for the gentleman from New Jersey [Mr. PALLONE] and the gentleman from Oregon [Mr. WYDEN] and the gentlewoman from Oregon [Ms. FURSE], and other Members that wanted to speak on this bill, that we were giving them that opportunity, then we would not find this bill so unacceptable.

But in its current form, under the procedure which we are using, we find it unacceptable, and we urge all Members that care about health and safety, care about the water, which goes into hundreds of thousands, if not millions of human beings across this country, to vote "no," to send a strong signal that we want a better, substantive, and procedural way to handle these critical issues of public health and safety.

Mr. Speaker, I reserve the balance of my time.

Mr. BLILEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio [Mr. OXLEY], the chairman of the subcommittee.

Mr. OXLEY. Mr. Speaker, I thank the chairman for yielding me time.

Mr. Speaker, during the 104th Congress, the Commerce Committee has been highlighting the problem of inflexible or inappropriate statutory requirements. These requirements can prevent EPA from issuing regulations or facility cleanups that address realistic and significant risks in a cost-effective and cost-reasonable manner.

H.R. 2036 embodies the position of the EPA in final rules that were later struck down by the courts. In each case, EPA did a regulatory impact analysis which found that the costs of a given option were exceedingly high and the benefits very low. In each case, EPA sought a more flexible and balanced approach but was ultimately directed by the courts to the most counterproductive result.

In their March 2, 1995, summary of the proposed rule EPA wrote—

> [t]he Agency is required to set treatment standards for these relatively low risk waste and disposal practices * * * although there are other actions and projects with which the Agency could provide greater protection of human health and the environment.

In this particular case, EPA estimates suggest over half a billion dollars will be spent with little if any improvement to human health. Indeed, the Agency states that less safe alternatives may be chosen over more safe alternatives. That is unacceptable. In their letter endorsing H.R. 2036 the administration wrote—

> [t]he bill would eliminate a mandate that the EPA promulgate stringent and costly treatment requirements for certain low-risk wastes that already are regulated in Clean Water Act or Safe Drinking Water Act units.

Understand, they are covered in the Clean Water Act, so in that sense it is duplicative.

H.R. 2036 is also endorsed by organizations representing State environmental programs such as the Groundwater Protection Council, and the Association of State and Territorial Solid Waste Management Officials as well as the National Association of Counties.

I appreciate the bipartisan efforts of Mrs. LINCOLN and the administration in support of H.R. 2036. It is important to move forward with legislation that injects common sense into current statutory law and H.R. 2036 is just such an injection.

This is time-critical legislation and I hope that it can proceed swiftly through the process.

Mr. Speaker, let me talk about the process. We had hearings on this legislation. The administration came in very effectively supporting this legislation. The majority made changes in the legislation at the request of the minority. This bill passed out of our subcommittee on a unanimous vote with the support of the gentleman from Massachusetts and all the other Members on the other side of the aisle that he mentioned. It then passed out of the full committee, Mr. BLILEY's committee, again on a unanimous vote, with all members present voting in favor of the legislation.

This is probably the best example you can imagine of good, bipartisan cooperation with the administration, getting rid of unworkable regulations that are costly and ineffective. So it is time critical we move swiftly through the process.

I should note, however, these issues, while important for many, are simply the tip of the iceberg. We must make fundamental reform to ensure that our regulatory programs address realistic and significant risk through cost effective and cost reasonable means. There is much work to be done.

I urge all Members to vote for swift passage of 2036, to prevent EPA from being forced to use unnecessary and costly regulations.

In closing, Mr. Speaker, let me quote a letter to the gentleman from Virginia, Chairman BLILEY, from the administration and EPA in support of our efforts.

> The Committee on Commerce's willingness to work with the administration and the minority in a bipartisan spirit and the consequent development of a narrowly tailored and balanced approach to this issue commends this legislation for prompt action by the full House on the suspension calendar.

Mr. Speaker, nothing could be clearer than the strong support of the EPA and the Clinton administration for this legislation. I applaud the bipartisanship on the part of the gentlewoman from Arkansas [Mrs. LINCOLN] and others. Let us get this bill passed. Let us provide some relief and some common sense to the process.

Mr. MARKEY. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, the only reason I want to recognize myself is I did not vote for this bill at the full committee level. It was a voice vote that I dissented from. Five of us have in fact filed dissenting views in the committee report. So I wanted the RECORD to be made clear on that issue, that there was opposition to the bill, although on a voice vote it did pass.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from Arkansas [Mrs. LINCOLN].

Mrs. LINCOLN. Mr. Speaker, I rise in strong support of H.R. 2036. First of all, I want to thank Chairman BLILEY and Chairman OXLEY for working with me on this bill to address my concerns. Additionally, I want to extend my deep appreciation to Mr. DINGELL who was also a pivotal player in developing this legislation. I believe that this is a good bill and represents good public policy. In passing H.R. 2036, we will be able to reduce environmental regulation without sacrificing the health of our environment.

H.R. 2036 will provide some needed relief to the regulated industry by restoring EPA's original regulatory determination that RCRA wastes that are no longer hazardous need not be treated as if they were hazardous. Not only will this bill save industry around $800 million per year, it will have little if no impact on the environment. Additionally, we have as a check and balance to the Health and the Environment of our constituents incorporated language calling for a study of the hazardous waste managed pursuant to this bill to determine if any risks to human health or the environment have resulted from this new type of management. If risks do present themselves, EPA has the authority to impose additional regulatory requirements.

I have never been a proponent of "treatment for treatment's sake" and this bill will eliminate the duplication between RCRA's land disposal restrictions [LDR] provisions and other environmental laws. As long as the water treatment systems and surface water impoundments are permitted under the Clean Water Act or the wastes are injected deep into the ground under the Safe Drinking Water Act, RCRA LDR mandates are not applicable.

Again, this is a small, but very economical change to RCRA, and I encourage my colleagues both in the House and the Senate to keep this provision narrow. This bill is needed now and will only be weighted down by any extraneous amendments. We should not make H.R. 2036 a Christmas tree loaded with controversial ornaments, but rather, lets enact sensible regulatory reform, while assuring that human health and the environment are properly protected.

This bill reflects an agreement between industry and the administration, who have worked tirelessly in arriving at this compromise. True to Vice President GORE's dedication to reinventing government, we have written a rifle shot correction to RCRA—making corrections and improvements where we can without putting in jeopardy health or the environment. I believe that H.R. 2036 and its accompanying negotiations should serve as a blueprint for future environmental initiatives. It specifically targets problem areas without delving into controversial subjects and it is the result of a true bipartisan agreement between the Members of Congress and the administration.

I urge my colleagues to support H.R. 2036

Mr. BLILEY. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. Mr. Speaker, I rise to address provisions in H.R. 2036, the Land Disposal Program Flexibility Act.

First, I want to commend the leadership of the Commerce Committee for moving forward with legislation that attempts to solve problems involving the Solid Waste Disposal Act, the Clean Water Act, and groundwater protection. The bill should help to streamline and coordinate an environmentally responsible approach to management of certain wastes in surface impoundments and to provide responsible exemptions for solid waste landfills in remote or arid areas and in situations lacking any evidence of groundwater pollution.

Second, I want to thank the Commerce Committee for addressing and responding to some of the concerns of the Transportation and Infrastructure Committee. The Water Resources and Environment Subcommittee, which I chair, has jurisdiction over the Clean Water Act and over the pollution of navigable waters. Clearly, we have an interest in this bill; we did not pursue a formal referral of H.R. 2036, however, in part because of the urgency of the issue and the willingness of the Commerce Committee to work with us. Like drinking water, this is an area where the two committees can and will work together.

Finally, Mr. Speaker, I want to address particular provisions involving the interplay between the Solid Waste Disposal Act and the Clean Water Act. A primary purpose of this bill is to overturn a D.C. Circuit Court opinion that would require EPA to regulate wastes under the Solid Waste Disposal Act that are already being treated to meet standards under the Clean Water Act. This bill will reinstate EPA's earlier approach to the management of these wastes: avoid duplicative regulation by regulating these wastes under the Clean Water Act alone.

Mr. Speaker, this is a good, streamlined, coordinated approach, and once again I want to restate what the gentleman from Ohio, [Mr. OXLEY] stated so well: The administration has lauded the Committee on Commerce, and the letter says, "for its willingness to work with the administration and the minority in a bipartisan spirit."

Mr. Speaker, that is all we can ask for. I urge support of H.R. 2036.

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the point is that, one, we are unhappy, again I will make that statement, with the procedures that have been adopted in order to bring this bill out on the floor. There is no need for it to come out under this particular process on this particular day, disrespectful of the interests of other Members who have worked long and hard on this subject as well.

On the issue of the protections which it is going to give to the public health and safety, the point is that no one is certain of the risks contained in the depths of these ponds and lagoons. We have creatures in these black lagoons that can be transmogrified into very dangerous substances as they are put into human bodies. That is why this is such a critical subject for us to be deliberating out here on the floor. That is why we support a study of these bodies of water, of these ponds, of these lagoons, and that it be conducted in an expeditious fashion.

□ 1530

I anticipate that the industry will cooperate in providing data to the EPA and that the agency will commit adequate resources to this study. But because the bill does not require the EPA to make a judicial reviewability determination that these ponds or lagoons are not dangerous, I must oppose this measure because we just do not know whether these ponds or lagoons are dangerous to the health of the communities around them.

Supporting this legislation does not ultimately provide a mechanism by which that determination can be made and be judicially reviewable to ensure that the final measure of protection for the public health and safety is provided. So I urge all the Members and their staffs who are listening to this debate, that a no vote is the appropriate vote. Some fine tuning is needed. The bill should be brought out in a more procedurally appropriate fashion, but this day at this time, no is the right vote on this very important piece of legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. BLILEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge a strong aye vote for this proposal.

This proposal had strong bipartisan support in the subcommittee and the full committee. The administration supports this bill, and I quote from a letter of the administration to that effect: "We are writing to express the administration's strong support for H.R. 2036. The bill would eliminate a mandate that the EPA promulgate stringent and costly treatment requirements for certain low-risk wastes that already are regulated in Clean Water Act or Safe Drinking Water Act Units."

The Ground Water Protection Council, an organization for State groundwater protection and underground injection control program administrators, with members representing 40 States, strongly supports enactment.

The Association of State and Territorial Solid Waste Management Officials strongly supports H.R. 2036.

Please support H.R. 2036, a bipartisan effort that has the full support of the administration. I hope it would be the pleasure for us to give unanimous consent for this bill.

Mr. DEAL. Mr. Speaker, I join my distinguished colleagues in support of H.R. 2036, the Land Disposal Program Flexibility Act. This bill is also supported by the White House and the Environmental Protection Agency [EPA].

This legislation represents a very simple, yet important modification to the Solid Waste Disposal Act that has the potential to save taxpayers as much as $800 million in annual compliance costs—an expense that the EPA says will provide no additional environmental benefit. This bill was developed through a cooperative, bipartisan effort to correct expensive and needless environmental overregulation. Efforts have been made throughout the process to accommodate the concerns of the environmental community.

The current land disposal restrictions prohibit land disposal of hazardous wastes unless these wastes have first been treated to meet EPA standards. As a result of a 1993 decision by the D.C. Circuit Court, these restrictions, known as LDR's would also be extended to nonhazardous wastes managed in wastewater systems that are already regulated under the Clean Water Act or the underground injection control [UIC] program of the Safe Drinking Water Act. The court adopted this position despite the fact that the EPA had previously adopted a rule authorizing the appropriate treatment and disposal of these materials, and despite the fact that the Agency believed that such strict standards are inappropriate.

This legislation would restore the EPA's original regulatory determination allowing these materials to be safely treated and disposed of in permitted treatment units and injection wells.

Due to the court decision, the EPA will be forced to impose these needless and expensive requirements if Congress does not act very soon. I am glad that we are able to act on this legislation today and I hope that the bill will move quickly in the other body.

Mr. STUPAK. Mr. Speaker, I would like to commend the majority on their handling of this legislation. H.R. 2036 is a bipartisan bill based on negotiations between the majority, minority, and the administration. This bill will relieve companies from the expense of spending over $800 million in unnecessary and burdensome regulation with minimal environmental benefit.

Due to previous judicial action, it is vital we pass this legislation and have it signed into law by early May. I want to especially thank subcommittee Chairman OXLEY for his support of this measure and his willingness to seek Democratic input.

The gentlelady from Arkansas, Mrs. LINCOLN, and Chairman OXLEY and myself offered an amendment to require EPA to complete the study of impoundments that is called for in the bill. Simple common sense dictates that if you order someone to conduct a study, you should expect it to be completed. Even though the EPA believes these impoundments do not pose any risk to human health, prudence dictates we should have the agency make sure we do not put our groundwater and communities at risk. Although I'm not an expert in surface impoundments, I'll take very seriously the agreement between the majority, minority, EPA, and industry that this bill is a positive step in requiring more sensible environmental regulation.

I was glad to work with Mr. OXLEY and hope the process used in the consideration of this measure will become a blueprint for future improvement of environmental regulation in the House.

Mr. OXLEY. Mr. Speaker, during the 104th Congress, the Commerce Committee has been highlighting the problem of inflexible or inappropriate statutory requirements. These requirements can prevent EPA from issuing regulations or facility cleanups that address realistic and significant risks in a cost-effective and cost-reasonable manner.

H.R. 2036 embodies the position of the EPA in final rules that were later struck down by the courts. In each case, EPA did a regulatory impact analysis which found that the costs of a given option were exceedingly high and the benefits very low. In each case, EPA sought a more flexible and balanced approach but was ultimately directed by the courts to the most counterproductive result.

In their March 2, 1995, summary of the proposed rule EPA wrote, "the Agency is required to set treatment standards for these relatively low-risk waste and disposal practices, although there are other actions and projects with which the Agency could provide greater protection of human health and the environment."

In this particular case, EPA estimates suggest over half a billion dollars will be spent with little if any improvement to human health. Indeed, the Agency states that less safe alternatives may be chosen over more safe alternatives. That is unacceptable. In their letter endorsing H.R. 2036 the administration wrote," the bill would eliminate a mandate that the EPA promulgate stringent and costly treatment requirements for certain low-risk wastes that already are regulated in Clean Water Act or Safe Drinking Water Act units."

H.R. 2036 is also endorsed by organizations representing State environmental programs such as the Groundwater Protection Council, and the Association of State and Territorial Solid Waste Management Officials as well as the National Association of Counties.

I appreciate the bipartisan efforts of Mrs. LINCOLN and the administration, including the chair of the Council on Environmental Quality Kathleen McGinty, and her staff, in support of H.R. 2036. It is important to move forward with legislation that injects common sense into current statutory law and H.R. 2036 is just such an infection.

This is time-critical legislation and I hope that it can proceed swiftly through the process. I should note, however, that these issues—while important for many—are the tip of the iceberg. We must make fundamental reform to ensure that our regulatory programs address realistic and significant risks through cost-effective and cost-reasonable means. There is much work to be done.

I urge all the Members to vote for swift passage of H.R. 2036 to prevent EPA from being forced to use unnecessary and costly regulations.

Mr. BLILEY. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. YOUNG of Florida). All time has expired.

The question is on the motion offered by the gentleman from Virginia [Mr. BLILEY] that the House suspend the rules and pass the bill, H.R. 2036, as amended.

The question was taken.

Mr. MARKEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

GENERAL LEAVE

Mr. BLILEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2036, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. YOUNG of Florida). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

PROTECT THE NATION'S CREDITWORTHINESS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Texas [Mr. DOGGETT] is recognized for 60 minutes as the designee of the minority leader.

Mr. DOGGETT. Mr. Speaker, we now approach a time within only a very few weeks when for the first time in over two centuries of this country, the full faith and credit of the United States of America is being placed in dire risk. The creditworthiness of this country, to an extent the creditworthiness of all of us as American citizens, is being put on the line.

Is this for some lofty purpose or for some deep political principle? No, not at all. Only to gain some momentary advantage are our Republican colleagues willing to push this Nation right to the brink of financial disaster by trying to use the adjustment of the limits of this country's creditworthiness, that everyone agrees is essential, that Republican colleagues have already voted to extend in another format in a previous occasion, in fact more than one previous occasion. But now that it is time to adjust the limit and protect the creditworthiness of every American citizen acting through their Government, they want to use that device as leverage to put into effect some of the provisions that they cannot pass and enact in this Congress through ordinary democratic means to get adjustment and get a little leverage and use a crowbar to adjust and get the political ends that they think are necessary, rather than to let the democratic process work and rather than protect the creditworthiness and full faith and credit of this country.

I read with some alarm in the news of this afternoon that only this morning at a forum the respected Chair of the House Committee on Ways and Means, the gentleman from Texas [Mr. ARCHER] says we need something to get our House Republican Members to vote for the debt ceiling that they would not otherwise vote for.

I assume from those remarks that just merely protecting the full faith and credit of the United States is not sufficient reason. The mere prospect of this country defaulting on its obligations, obligations that all of us as American citizens have undertaken, that is not enough to get them to vote to extend and adjust this ceiling.

Mr. Speaker, he added that there would be no debt ceiling bill that will not have some additional matters attached to it.

He indicated in the same speech that it was his objective to place in that debt ceiling bill the revisions in the capital gains tax that have been referred to along with other provisions in the contract on America as the crown jewel of the contract. That is basically the program in which our Republican colleagues begin a transfer of wealth in the country by reducing the taxes on those at the top of the economic ladder and by increasing the taxes on those at the bottom of the economic ladder, a strange approach but one surely designed to widen the gap that already exists between rich and poor in this country.

Mr. Speaker, I do not know what it is about those colleagues. I have nothing against people down at the country club enjoying their tax breaks, but I hate to see them lonely down there. I hate to see many Americans only have a chance to get to the country club if they are there to sweep the floor or mow the lawn.

Why not assure every citizen an opportunity to share in the American economic dream instead of providing all of the tax benefits to those at the top and raising taxes on those at the bottom? But that is the logic of the Republican contract on America, a contract provision that they cannot get approved through ordinary democratic means. So apparently they are willing to risk a default on the obligations of the United States of America for the first time in its history just in order to force this adjustment in the tax rate and accomplish the crown jewel, as they refer to it, in the contract on America.

I think that would be a very serious mistake, to get right up to the brink of disaster without adjusting the obligations to protect our creditworthiness.

The other aspect of this work is what we see here this afternoon, and that is a House working not on full throttle but barely turning on the ignition. This is a House that in recent months, every time it has approached a crisis, whether a manufactured crisis by the Speaker such as the "Cry Baby" shutdown or the Christmas Eve shutdown that we had of Government.

Mr. Speaker, every time they approach the crisis in America, the solution is to treat work in this Congress as if it were not only a four-letter word but a dirty four-letter word. Instead, the word that has become honored in this Congress is another four letter word, the word "quit." Every time we approach a crisis, whether it is a shutdown or now the possibility of governmental default on our obligations, the solution is to condemn work. The idea that we would stay here like Americans are working across this country today and really work and labor to solve the problems that we face in a bipartisan basis, rather, the approach is to quit.

So the approach this week is to work just a little bit and then quit on Thursday afternoon, deferring apparently until February 26, just up and quit during that time and wait until approximately 5 or 6 days before we enter complete default so that they can at the last minute, in true brinkmanship fashion come forward with a debt limit bill that contains things like the capital gains tax cut for those at the top of the economic ladder, perhaps whatever other approach might be necessary in order to bring together not this House, but just the Republican Members of this House to support an adjustment they have already voted for that is essential to protecting the economic security of this country.

That kind of brinksmanship, rather than bipartisanship, is what has brought this House to the state that it is in today and produced the risks that this Nation faces of fiscal disaster.

What does the possibility of a default really mean to ordinary American citizens? Why, they are talking about it on Wall Street. The political commentators discuss it. But what does it really mean to the ordinary American family that is just out there trying to hear a little through all the static that they hear about what is going on in Washington about who is ahead of whom and who is doing what to whom and who is complaining about this, what does it mean?

Mr. Speaker, it has far-reaching implications for every American citizen who has a variable rate mortgage; for every American who has a balance on their credit card; for every American citizen who has a car loan or the possibility of a car loan in the future. They have a stake in what is happening here in Washington. Indeed any American citizen who ever plans to borrow money in the future has a stake in what is happening, because the effect of the United States defaulting on interest rates in this country could be very significant indeed.

What about those who are in such good shape that they are going to benefit from these tax breaks that are being proposed and are not borrowing money? Well, yes, they, to the extent they pay any taxes, have a stake in this whole issue of governmental default. If this occurs, it will be no different than the neighbor or the relative that each of us knows who abused their credit rating; who ran up big bills on their charge cards and did not pay them, who perhaps did not pay them because they lost a job or they went through domestic problems, and they did not get those bills paid. Now there is a big black mark in someone's computer against that individual.

Well, the same thing can and has happened to nations in this world. Ours has never been one of them. We have stood by our obligations in the past 220-plus years that this Nation has existed. But once we permit a default to occur and have that on our Nation's credit rating, every single one of us who pays taxes in this country will be paying more taxes to cover the higher borrowing costs that this Nation will incur if we end up with a governmental default.

So, Mr. Speaker, we have very high stakes indeed. Yet, instead of dealing with this question of default, Members of this House plan to head back home and leave the matters to work out however they might. They plan to wait until just a very few days in the last week of February before default will actually occur to do anything about it and hope that perhaps in the dead of night they can force over on to the President's desk some bill with a Christmas tree of goodies for special interests and those at the top of the economic ladder and force him to sign that bill. A sorry state of affairs, indeed.

□ 1545

We also face, along with this question of default, the question of how the Government will handle its business with reference to the continuation of governmental operations. We have already had two governmental shutdowns, cost the American taxpayer a billion and a half dollars, a billion and a half dollars added to the national deficit, unless they plan to raise taxes or do something else to cover the cost of this waste, a billion and a half dollars that should never have been incurred. And now we have a continuation of the operations of the Government not through the rest of this fiscal year but only until March 15.

Who knows that is to occur on March 15? Indeed, that "who knows what is to occur" is really what the problem is, because it is impossible for many agencies to plan out and operate their functions of Government and deliver the services that all of us depend on in varying degree, if they cannot plan for more than a month or 6 weeks at a time.

We have had a kind of hurry-up-and-stop Government since early last fall, where the personnel at these Federal agencies, the directors at these agencies do not know whether they are going to be on the job from 1 week or 1 month to the next.

Under the decision of this House last week, that is exactly what we have now. Let me just give you one example of why that makes a significant difference to ordinary American working families who are out there trying to make ends meet and provide enough encouragement to a child in their family to get them through school, to get them through high school and get that diploma and have an opportunity to go on for some type of advanced degree, perhaps go to college, perhaps get a good technical degree, whatever the choice might be, hopefully to get them all of the education that they need and can use. What impact does this hurry-up-and-stop type of Government have on our educational system?

Well, of course, we are dealing with an educational system that is already facing severe cuts under this Republican budget, a budget made necessary and cuts in education made necessary because of the desire of the Republican leadership here in the House, the Speaker, to provide tax breaks to those at the top of the economic ladder and to give to the Defense Department not just what it asked for but $7 billion more than it asked for this year.

With that kind of approach, education already has obstacles, already has cuts, but what it has now is not the pursuit of knowledge for American families and American young people but a lack of that knowledge, the lack of knowledge as to what will happen after March 15, what will happen for the rest of this year.

We are at that point in the college year, I remember how it affected my family, when my daughters were looking for those college notices that are coming out or being issued by colleges and universities around the country at this time of the year. They sit there and they wait, after they have spent all the effort, they have sent in the application fees. They have filled out the applications. They have gotten the reference letters from teachers and from individuals for whom they have worked or that have knowledge of their abilities. And they are waiting, hoping that that envelope will come and will say that they have been accepted to the college or the university of their choice. But now the question is not simply did I get in but will I be able to afford to go, because the effect of the hurry-up-and-stop Newt Gingrich approach to our Government this year is that the Department of Education is unable to fulfill its responsibilities to outline what kind of Federal financial assistance is going to be available for students.

Many financial assistance officers at colleges and universities across this country, I have talked, for example, with the officer at the University of Texas in my home town of Austin, with Austin Community College, which has many students that rely on Federal financial assistance. They cannot get the information they need to do their job to provide the student and the student's family the information they need to know whether that educational assistance is going to be available. Some students may well have to decide to not go on and get the education they need because they do not think the financial assistance will be there.

Those who talk about our future, who talk about relieving debt from our children in the future, as well we should do, ought to be worried about the kind of future we will have in America, if we have a future in which we deny our young people the opportunity to get the education that they want and can absorb, if they place one obstacle after another in front of young people in this country. What kind of future is this country going to have, if we do not have the educated work force to be able to compete with our economic competitors across the country and how fulfilling a life will many of these young people have, if they do not have the opportunity to get the education that they want and deserve simply because of some kind of political brinkmanship in this House and in this Congress that believes in hurry-up-and-stop Government, that refuses to provide the support for education that we need, the same kind of brinkmanship that risks default in our obligations come the end of February because someone wants to hijack and crowbar the President and load on things like the crown jewel of the contract, rather than tend to business, rather than work and address the affairs of this country?

Mr. Speaker, I see the gentlewoman from Connecticut has arrived, who has been such a leader in the effort both for support of education and to prevent our Nation from having the first default in its history.

Mr. Speaker, I yield to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, I want to say thank you to my colleague, the gentleman from Texas, for taking this time and for the opportunity to talk about a rather extraordinary time, I think, in our Nation's history.

First of all, I do not know that we have seen anything like what has occurred either in the shutdown of the Federal Government twice in a row and now trying to, if you will, have Government by increments here in 2- or 3-month periods at a time, which is incredible in terms of how anyone can really do business in that kind of way. I have often heard from my colleagues on the other side of the aisle that we ought to run this institution like a business. Well, any business that would stop, start, stop, start is not going to see either their goal or the mission of that business carried out or not see, quite frankly, their bottom line grow and increase and provide any kind of profit for that business.

So I do not know what the purpose, except to try to hold the President hostage, that all of this activity has and actually, in fact, the long and the short, you can hold the President hostage, you can hold the Congress hostage, the long and short of it is the President is here, the Members of this House and the Senate are here basically to do public service for the people of this country. It really ties up and holds up the business that we are about, and that is to provide services, whether that is education, and clearly education is the key and the critical opportunity for Americans. It always has been and it continues to be the way in which this country grows and prospers and remains competitive. Like my colleague from Texas, I am sure our own experiences as well as the experiences we want to provide for our own children, I could not have gone to school without student loans. Anyone who will try to curtail that opportunity for either a Pell grant or a student loan or a direct lending program to make it as easy as possible for working middle-class families today to get their children to school really does not understand what this country is all about and is out of touch with the people who have sent them here.

That is what is on the mind of the American public today, an opportunity to be able to see their young, their children compete for the future. It only reinforces what people are thinking about today, and that is that Government is getting in the way of opportunity instead of trying to foster it.

The commentary that I want to try to make here today is something that I find to be almost incredible, beyond politics, beyond anything. I think one of my colleagues last week said that, and I will quote what this is first and then talk about it, "abdication of leadership." Anyone, anyone on any side of any aisle, Republican, Democrat, Independent, and so forth, who would like to see the U.S. Government default in paying its bills and jeopardizing the credit rating of the United States clearly does not belong in a position of any kind of power. They ought to pack their bags and go home. To take the credit rating of the United States, after a proud 220-year history of paying its debts, and to turn around and say that we ought to play chicken with the country's credit rating, again, does not belong in this body as far as I am concerned.

Last month we had House Republicans shut down the Government, again, trying to blackmail the President into signing an extreme agenda. Now they truly are at it again. The crowd that did bring you the shutdown is the same crowd that wants to destroy this Nation's credit rating. Everyone in this country understands credit rating. They know that if you do not pay your bills, somewhere, somehow there is a mark by your name. And the next time you go out to purchase, the next time you go out to try to get a loan if you want to buy a car, if you want to buy an appliance, whatever you want to buy, if you need to get a loan to send your kids to school, when that comes up on the computer and it has that mark, they know that you are a bad credit risk.

What we are doing here is saying, let us turn the United States into a bad credit risk.

Let me say that 220 years is a long time and much has changed. Quite honestly, at one time we had an America that was led by Madison and Jefferson, who got to be known as our Founding Fathers of this great democracy. Quite honestly, today what we are left with are GINGRICH and DOLE, who seem intent on becoming the deadbeat dads of democracy.

What was important in this issue on the credit rating is how the effect of this credit rating and defaulting on that credit rating has to do with working middle-class families in this country. I think it is important to note and for people to know that if we default on paying our bills, what the effect of that is to working families.

Raising mortgage rates for home owners, that is what it is about, denying tax refunds to hard-working Americans. We had one of our colleagues who said that the Republicans are so committed to their blackmail strategy that they would be willing to allow the Government to default, even if it means that they will have to delay income tax refunds next year.

Now, my gosh, that is the kind of thing that people wait for every single year. It is important for working families to understand that those interest rates, which will go up, will cause an increase in that adjustable rate mortgage. It will cause an increase in their loans that they have taken out, if it is on their cars, if it is on student loans, if it has to do with any of their credit cards. That is what will happen. Their interests rates will go sky high.

It is interesting to me that it was last week that the Moody's investor service warned that it was considering lowering the U.S. credit rating because of this threat. I think everybody in this Nation knows what junk bonds are, not worth the paper they are written on, and what has happened in that market over the last several years.

Well, the moving of this credit rating down by Moody's, they did not say exactly junk bonds but it would just be just slightly above what junk bond status is. That means for now, and often people do not understand how long that stays with you. As your own credit rating stays with you throughout your lifetime, if the United States' credit rating is lowered and if we default, that will be, for a future we cannot even imagine in terms of how the rest of the world will regard the United Stats in terms of paying its bills.

Mr. DOGGETT. Mr. Speaker, indeed, there is in this country for individuals a whole credit counseling profession; that is, a group of individuals trained in counseling people about their credit needs. But there is no credit counselor available for a nation as large as the United States which for the first time in its history, through various political shenanigans, would default on its obligations.

□ 1600

I know the gentlewoman referenced the action of Moody's. The reaction of one banker to Moody's comment that it would be placing this Nation on a credit watch, potentially, was the whole notion that U.S. bonds are on some kind of credit watch is wild. This is the kind of thing that happens to some companies, not to the United States. It is embarrassing, and it is embarrassing that a few people who call themselves leaders would countenance jeopardizing the full faith and credit of the greatest Nation in the world by doing this kind of thing, is it not?

Ms. DELAURO. Mr. Speaker, folks can say that those of us who are speaking here, that we are partisan in some way, and that this is not accurate, but let me just quote from this. This is a November 9, 1983 quote from the then Federal Reserve Board Chairman Paul Volcker to the then Treasury Secretary Donald Regan:

> The failure of the Congress to act on the debt ceiling would in either case create great uncertainty and confusion in banking and money markets that count on timely payment, and in individual cases could result in hardship. In addition to the broader implications for confidence in the government's credit, a failure to increase the debt limit would not only create havoc in the payment system because of the necessary delays that I have outlined, but it would also undermine confidence at home and abroad in the government's ability to manage its affairs.

A November 11, 1983 letter from the then Attorney General William French Smith to the then Republican Senate Majority Leader Howard Baker:

> It is extremely doubtful that any action to stop issuing checks or determining payment of benefits conferred by law would, in these circumstances, be effective to ameliorate, much less solve, the extraordinary crisis that would be presented should the Congress not raise the debt ceiling. No responsible government should place itself in a situation in which it would default on its obligations. I therefore urge in the strongest possible way that the Congress act to spare our citizens from the hardship, the flood of litigation, and the unprecedented constitutional crisis that would be threatened by the inability of the United States to meet its financial obligations.

Mr. Speaker, people who do not understand the importance of this, I will repeat, do not belong in a position of responsibility or a position of power, and certainly not in a position of leading the U.S. Congress.

Mr. DOGGETT. Of course, Mr. Speaker, the gentlewoman referred to partisanship. There is nothing partisan about the fact that six or seven prior Secretaries of the U.S. Treasury, Republicans and Democrats, have basically said, "Don't do this. This is too important to play political games. Do what is right for the future of this country," a concern that I know is shared by my colleague, the gentleman from Hawaii.

Mr. Speaker, I yield to the gentleman from Hawaii.

Mr. ABERCROMBIE. Mr. Speaker, I appreciate the gentleman for yielding on this point, because I think he has been not only eloquent in making the presentation day after day, not only has taken a leadership position on the question of the debt, but he has helped to make a point very clear.

I would like to reiterate it at this juncture by way of asking a rhetorical question of the gentleman from Texas, precisely because I think he has made the case on the face of it for not getting into a situation in which we attach other elements, attach other items to the debt limit bill.

Would the gentleman agree it is fair to say that he certainly has tried to make the case that this debt limit resolution should be dealt with in and of itself as a consequence of the necessity of dealing forthrightly with our credit standing?

Mr. DOGGETT. Unequivocally, and then let these credit issues, many of which are important, some on which you and I agree with our Republican colleagues on and some we disagree on, let us get those disputes resolved in the appropriate manner, rather than risk the creditworthiness of every citizen of this country.

Mr. ABERCROMBIE. Would the gentleman agree, Mr. Speaker, if he would be kind enough to yield a bit further to me, would he agree that when there is an attempt to deal with balancing the Federal budget and attaching that or some element of that process to the debt limit process, that we are not only confusing the issues, but in fact, we are retarding the process?

Specifically what I mean here is that the gentleman from Georgia [Mr. GINGRICH] has stated that the capacity to balance the Federal budget has failed for this year, and therefore, he wants to make what he terms a downpayment on this balanced budget, utilizing, utilizing the debt resolution as the vehicle for this.

My contention would be, and I would be interested in the gentleman's reflection and observation on it, quite the opposite is the case. The President, and the gentleman and the gentlewoman from Connecticut [Ms. DELAURO] have been on this floor with me many times in this special order process, and I think we would agree, and I think the RECORD would reflect, that over and over and over again at that podium and at that podium on the other side of the aisle the mantra was enunciated: "Give us a balanced budget as scored by the Congressional Budget Office in 7 years, to be enacted in the year 2002, and that's the end of it for us. That is all we want the President to do. That's all we want the Democratic Party to do, give us a balanced budget in 7 years as certified by the Congressional Budget Office."

Now, my understanding is, and I think I can read as well as, certainly, the Speaker of the House can, I think my academic credentials are in at least as much order as his, the President did precisely that. He presented a 7-year balanced budget as certified by the Congressional Budget Office. The problem was the Speaker did not like the numbers or how it was achieved, so he moved the goalposts.

Mr. DOGGETT. The problem was, as the gentleman will remember, that more than anything else, he did not like the fact that the President of the United States absolutely refused to join him in his determination to let Medicare wither on the vine. And when the President said, "No, I do not want Medicare to wither on the vine," as the Speaker had committed, as Senator DOLE, who said he was so proud to have voted against Medicare when it was created in 1965, then they started talking about entitlements, and what they really meant was they were entitled to a crown jewel of tax breaks for those at the top of the economic ladder. They had to savage Medicare in order to do it. And if they could not get that, they really kind of lost their interest in a balanced budget.

Mr. ABERCROMBIE. So they really did not have the balanced budget in mind as much as they had the destruction of these programs, the reduction of these programs, at the very least, which is what they had in mind. They were upset, the Speaker was upset because the President managed to do as he was asked by the Republican Party and still balance the budget in 7 years with the Congressional Budget Office certification, and save, in the process, the programs for environment, education, Medicare, and Medicaid, that he said would be his bottom line. He managed to do that.

Now, the fact that the Speaker is upset that the President actually accommodated him on what was requested, he is attempting to recoup by attaching his desires not with respect to a balanced budget, but some new prospect for a balanced budget that remains beyond me in terms of how he wants to accomplish it, by attaching it to the debt resolution.

Ms. DELAURO. Let me just go back a step with the gentleman, because he has made the point very, very well. I think what we have found in this process with the rhetoric of a balanced budget, that that in fact was what it was all about. It was not a balanced budget, but as you have pointed out and our colleague, the gentleman from Texas, has pointed out, it was the crown jewel. It is the tax break, in addition to which the President laid down his 7-year balanced budget under the economic assumptions that the Republicans called for, and he even included a modest tax break, for working families.

That is not what the issue is, the issue is how you get to the tax break for the wealthiest Americans, so it is not a balanced budget, it is that tax break that was at stake, and in order to pay for that tax break, where do you go? You turn Medicare into a piggybank, you turn Medicaid into a piggybank, you decimate education, and you look at the environment.

Now, having moved the goalpost, as you said, what they have tried to do is politically to come around the corner, because they have now backed off a 7-year balanced budget CBO scoring, because the President met that, so they cannot get out of that box now, and what they are trying desperately to do is to figure out a political way that they can try to maneuver. They want to talk about now muddying the water on the credit rating of the United States by putting this half-baked, if you will, notion and trying to muddy up the debt limit with this, once again to try to do something piecemeal that makes no sense at all in the way of holding up either the Government, or holding up the appropriations process in order to deal with the budget. You do not have to do that. You can have your differences on the budget and have Government move forward. Now they truly are, again, playing political chicken with the credit rating of the United States with this half-baked idea.

Mr. ABERCROMBIE. On that point, will the gentleman yield one last time to me?

Mr. DOGGETT. Certainly.

Mr. ABERCROMBIE. I would like to ask him to comment and make such observations as he will.

Is it not then the case, keeping in mind what the gentlewoman from Connecticut just outlined, that fundamentally what they are trying to do with the debt limit hike here is attach their tax cut for the wealthy and tax credits with respect to child care, if that is what they have in mind, which does not address either the short-term or the long-term needs with respect to child care, and if anything, is just the down payment on more indebtedness?

So if we are to deal with the debt limit hike in and of itself, that is one thing, but if we are to deal with these other issues and attach it to it, is it not the gentleman's position, as it certainly is mine, that any attempt to attach a phony tax credit bill or some kind of tax giveaway is inimical to solving the debt limit problem, and in fact, will work against the best interests of the United States?

Mr. DOGGETT. Absolutely. And I appreciate very much the gentleman's insight on this issue this afternoon. This is not a time that the American people are demanding more tax breaks and loopholes in our Tax Code. They are demanding equity. They would like for us to move forward.

The President of the United States came here to this very body last week. He was conciliatory. He asked for a bipartisan effort. He recognized that neither party has a monopoly on wisdom, and asked us to work together to solve the problems of this country. But the first thing he indicated was in doing that, let us not have any more of these silly crybaby shutdowns of the Government. Let us not threaten the full faith and credit of this country. And the reaction, as the gentleman from Hawaii has pointed out, of the Speaker of the House is nothing short of bizarre.

At a time when the President comes and says, "Let us work together," and everyone smiles and claps and says, "Yes, let us do it," and the President says "Yes, I will agree to a 7-year balanced budget; we will even let your people calculate the numbers, using your numbers to get the 7 years," and as soon as he does that they begin to back away from the whole notion of a balanced budget and saying, "We want not a balanced budget; what we have in mind, instead of bringing the deficit down, is to have a downpayment."

What kind of a downpayment is it that they propose? A key element of this downpayment is not bringing the budget deficit down, but increasing it by having an election year, or election eve, actually, tax break announced. I know that is troubling to the gentlewoman from Connecticut as well.

Ms. DELAURO. It is, and I would just say, Mr. Speaker, it is very, very interesting, that to add this piece to the debt limit, because the fact of the matter is that if we default on an adjustable rate mortgage, that could go up around $1,200 to a family. We are talking about $125, as an election eve tax break for people, and it is mindless when you think about it in terms of a $1,200 potential increase on your mortgage payment if this country goes into default. So that it is one more of a political posturing once again to try to blackmail the President, to blackmail the Congress.

I concur with my colleague, that the President was here last week and talked about a spirit of coming together, of looking at ways in which we could work together on some of these issues for the good of the country. We have the continual mantra, as our colleague, the gentleman from Hawaii, said, that says, "No, we do not want to do that."

What is also interesting to me is it is a very explicit strategy, this is not being hidden or covered up, where there are a number of Members on the other side who are just saying, "Yes, what we want to do is to use this as leverage, to use it as blackmail, to use it to get the President to move." To move on what are we talking about now, because the President in fact laid down a 7-year balanced budget certified by the Congressional Budget Office. So in fact, the debate has ended. It is not the numbers. It does come down to what my colleague was talking about earlier, the values of this Nation, the priorities; what are the things that we do hold dear, what are the areas in which we want to build on?

That has to do with a dignified retirement for people who have worked hard all of their lives, played by the rules, and they are deserving. They have paid a price. They have paid all these years. What about education, allowing people to be able to get the skills training they need to go to college, to get their kids to college, to be able to know that if they do have to leave a job, they can get the kinds of skill training that is important for them to succeed to grow the economy; to make sure that people have wage increases and a raise at the end of that year.

Those are the issues and the things that people are concerned about. Government today is turning its back on people and not understanding that those are the directions that we ought to be going in, and not playing these silly games that people are trying to play to shut down the Government, to have the United States default on its credit limit.

□ 1615

The public is deeply concerned about their future and what it is all about. Working men and women are frightened to death that they are not going to be able to give their kids, or the kids are not going to have the same opportunities that they had. That is what we need to be talking about today.

Mr. DOGGETT. Surely in a Nation as great as these United States, we ought to be able to achieve the objectives that the gentlewoman has so eloquently described to protect the retirement security and the health care security of those who have served our country and been our strong citizens and to provide opportunity to our younger citizens so that they might have an even better tomorrow. That is what is being dashed in this budget debate in order to give more tax breaks and loopholes to those at the top of the economic ladder; it is to sacrifice the great American middle class, and those struggling to get into it, that these budget priorities are providing.

Mr. Speaker, the gentlewoman referred a few months ago to this whole question of leadership and the fact that the leaders ought to get out of the way of, really, the will of this body. I know the gentlewoman is acquainted with a number of Republican Members of this body who would like to be responsible. In fact, I think if tomorrow morning, when we come in here, we had a provision to make the adjustment in the debt limit in order to assure the full faith and credit of this country, and we did not have Speaker GINGRICH twisting arms and the whip whipping them over there and threatening not to show up at fundraisers and doing all of the other silly things that have occurred over the last few months, there are Republican Members of this body who would join with a near-unanimous Democratic caucus, and tomorrow morning, we would not risk the full faith and credit of this country; we would protect it with a bipartisan vote.

But we cannot seem to get the leaders out of the way. The leaders continue to block and obstruct and pressure and cajole their caucus to avoid dealing with this problem until we get right up to the cliff and are almost ready to be pushed over by this kind of kamikaze mentality, that we can risk anything in order to accomplish political objectives.

Ms. DELAURO. Mr. Speaker, I went over to the veterans hospital in my community to say thank you to the people who worked there during the shutdown, at the outset not knowing whether or not they are going to get paid. A young woman there was very eloquent. She said, this is not a game.

There are some people and the leadership in this House and some who are an extreme, self-styled, revolutionary band who view this as a game. She said, this is not a game. People's lives are at stake. People's livelihoods are at stake. She said, please carry that message back. She summed it up.

The public is very aware of what is at stake. It is not a zero-sum game. If you do not like things, you just do not pick up the ball and go home. That is not what this is about. That is not what we are sent here to do.

We have an obligation to lead and to negotiate and to make compromises sometimes and talk together so you further the agenda of the American people. I said at the outset, in my view, I think we do have an abdication of leadership here at the moment. I was reading in the newspapers over the weekend that I think a number of the Republican freshmen had a retreat and there were some ideologues who went to address them and who said to them, do not compromise. Do not back down. Continue to fight.

No balanced budget, no dealing with the credit rating of the United States. Hold the President hostage. Keep doing this.

I am hopeful that these folks were not listened to, that we can in the next several weeks, though we are not going to be in session, which is unbelievable, that the Republican majority would send Members home when it is not clear what is going to happen, dealing with the credit rating of the United States in the short term here.

I was hoping that people would come back with a kind of a zeal and an effort to try to see if we can continue the dialog and the conversation and bridge the gap and move forward. I think the gentleman would agree that that is what we are sent here to try to do.

Mr. DOGGETT. Sometimes you get the impression that it is almost un-American to work toward common ground, to try to resolve differences, to have some give and take, to realize that there is no party that has a monopoly on truth. There are insights we both have to offer, and that we could work together surely to protect the full faith and credit of the United States.

Surely, as is the case with your veterans, workers there in Connecticut, I had the same experience in Austin, TX. Some of our Veterans' Administration employees were there working without pay; others, denied the opportunity to work, were actually in the process back in December of developing a food bank, not for people outside of the Veterans' Administration, but just so there would be food at Christmastime and before Christmastime for those who serve the men and women who risk all in order to protect this country.

The whole notion that we could be here even today debating whether or not we would risk the full faith and credit of the United States about whether or not people that serve our veterans, whether it is in Connecticut or in Texas or anywhere else, might be facing another situation where they are worried about having a food bank instead of serving our veterans, would be, you know, it would—it just sounded like another crackpot idea. But now crackpotism seems to be in up here.

Ms. DELAURO. It is in vogue up here. It is very simple to take a look at this debt limit. We need to just say to people that to substitute credit rating, debt limit, debt ceiling, just put that out of your mind or understand it as credit rating. All that is being asked for here is, please, send the President a clean bill with no whistles and bells on it or anything else, so that we can really stay with the full faith and credit, maintain that full faith and credit of the United States, maintain that to the rest of the world, to the bond markets here, to the citizens, the working, middle-class families every day who do not want to see their mortgage rates or their car payments or their credit card bills go up. That is not what they want.

When the public sometimes observes the process here, I know I get and I am sure the gentleman gets in his district, people say, well, why do you keep attaching this to a bill or that to a bill? Why can you not just say or do what you are going to do?

This is exactly what this situation is about. This is to try to turn this borrowing authority bill into a Christmas tree, to put all kinds of things on it for whatever political motivations are out there, which we have talked about. But the argument is simple; I know that the gentleman shares this sentiment with me.

I really plead with my colleagues on the other side of the aisle, and there are some who are there already, to say, make this a clean piece of legislation, do not dress it up, dress it down, put all kinds of things on it that ultimately turn it into something else and put in jeopardy the credit rating of the United States. It is a very simple argument, as I think the gentleman would agree. It is an easy one to understand, I think, by the public, and they are going to understand it.

Mr. DOGGETT. Well, I think they are. I know that in my hometown of Austin, TX, the newspaper editorialized just within the last week under the title, "House Republicans Get Burned." They said,

> "Republicans in the U.S. House of Representatives, like hardheaded children, had to learn the hard way this week that there are serious consequences for serious misbehavior. They have been playing with fire for months now, threatening to allow the Nation to go into default in order to accomplish political objections.
>
> This week they danced too close to the flames and got burned by refusing to compromise with President Clinton on a temporary extension of the country's debt limit. The House Republicans placed the Credit of the entire country in jeopardy.

"It is foolish," this newspaper says,

> In the extreme, for a small group of representatives with only a year in office to threaten financial default as a political strategy. That gambit had "loser" written all over it since last fall, but new Members, so blinded by narrow ideology, just could not see it.

It seems to me that comment from deep in the heart of Texas is exactly the kind of viewpoint that you are hearing from your neighbors up in New England.

Ms. DELAURO. Just to say, it is Texas, it is Connecticut, this is an editorial from the Hartford Courant from the end of last week:

> There they go again. Congressional leaders have a penchant for irresponsible comments about the ongoing budget crisis. Recently House Speaker Newt Gingrich's remarks that there probably would not be a budget agreement until after the November election caused the stock market to plunge by almost 100 points.
>
> Now House majority leader Dick Armey is demanding," "substantial budget concessions from President Clinton if the House is to raise the Federal debt ceiling so that the government can pay its creditors."

It goes on, for example, the comment here is that

> The stakes are high. If the government defaults on some of its bonds, investors, including both Americans and foreigners, will demand much higher interest rates to compensate for increased risk. Such an event could trigger runaway inflation. All investors' holdings would lost value, which would mean financial devastation from Wall Street to Main Street. If you keep it up, Mr. Armey, everyone will get burned. You are playing with fire.

I mean in Texas, in Connecticut; I have to believe that this kind of editorial is being written all across this Nation.

I have been talking to mayors and first selectmen and women in my community. I am sure the gentleman is doing the same. Towns, cities issue bonds, school bonds, all kinds of bonds, municipal bonds. They are worried.

I would just ask the gentleman about his localities, if they are concerned about this default and what it means in terms of what our States and cities are going to face with this.

Mr. DOGGETT. Well, certainly they are concerned about the impact, and particularly as responsible officials, they would be run out of town with the accountants defaulting on the local obligations of the school district or the city or the county hospital or the like. The very notion that just because the U.S. Government is bigger and the egos of some of the people involved in it are bigger still, that we could countenance the default on our obligations, it mystifies most of the people that I visit with.

The Hartford editorial to which you referred seems to me to imply something else that is very significant, that while we have until perhaps March 1, the estimated time of actual default, that given all of the world pressures, the way people in Japan that hold our debt or in some other part of the world get skittish about a rumor they hear, we do not know from one day to the next what the consequence of this political irresponsibility might be, but we do know it is not going to be good.

Ms. DELAURO. Just that point again which I made earlier, and I think my colleague would agree, we have heard over and over and over in this body that we ought to run the U.S. Government as a business; and that was an argument for balancing the budget that everybody does this, we have to do it, we have to put it on a business footing.

How can a business, any business, make good business decisions, one, as I said, if you are opening and closing or opening some directions or initiatives in your business over a 6-week period or over an 8-week period, and then you shut it down. Who has confidence in any business that does not know what direction it is going to go in, whether or not it is going to shut down; or the long and the short of it, whether or not it is every going to pay the financial obligations that it incurs? What kind of a business is that? You would be out of business in a second. Nor would you give any credit to that business.

We have small businesses going to get capital every single day. They try to get loans from banks. Can you imagine? Can you imagine what that means if you have a record that shows you stop, you start, you let some people go home, you do not know where you want to go in the future, that you not pay your bills?

□ 1630

My God. The bank will say, "What kind of a risk is that? We're not going to deal with this individual."

Mr. DOGGETT. And how truly ironic that this is happening at a time when Vice President GORE has done such a wonderful job with the reinventing Government initiative, when this administration has actually brought down the size of the Federal work force, when we have some really creative efforts underway to try to ensure that the American taxpayer gets a full dollar's worth from Government, that Government works more efficiently, that we search out those departments that are not doing their job and change things there. Instead of working to see that our Government that is essential works better, we end up with this hurry up and stop kind of government that cannot help but destroy employee morale, make for greater inefficiency.

I am sure that your office, like mine, is frequently involved with working with citizens that have a problem on a Social Security check or a veteran's benefit or a problem with some other Federal agency where we are trying to assist the citizen in working with their Government, and it is difficult to get timely responses for citizens from agencies that are closed one day and starting up the next and not knowing whether they are going to be there the following month.

Ms. DELAURO. That is precisely it, because people are almost—I find this, I know you do—losing confidence in what Government is about. That is the tragedy of all of this, when you can have a conversation about a role of Government and what role that it does play, but every single day that these kinds of things occur here, there is less and less confidence in what the Government is able to do, and in terms of trying to assist people to do what they want to do, not to do it for them. That is not what it is about, but to assist people, whether it is, as I said, in retirement or education.

One of the other pieces of this, which I do not know if it was mentioned in this discussion, is that come March 1 there are billions of dollars in Social Security payments that are supposed to go out, veterans' benefits, including the payments to our young men and women who are serving in Bosnia. If the Government defaults, as the current strategy is, none of those payments will go out.

Mr. DOGGETT. The gentlewoman will remember that in December we got within hours of a delay or stoppage in benefits for our veterans, and only because the gentlewoman and others of us took to the floor to emphasize the disaster that would occur if this shutdown continued were we able to get legislation enacted within less than a day of the time that, had it not been enacted, those benefits would not have been there when the people needed them.

Ms. DELAURO. I would just like to thank my colleague for taking this time to have us have a conversation and discussion. I think once again it comes down to why people do send us here, why they put their faith and their trust in all of us. They give us a tremendous amount of responsibility and of power and of leeway to work on their behalf.

I think that it is this kind of abdication of leadership by the Republican majority in this House and the Gingrich leadership that makes people feel that why should they bother, why should they participate in Government, why should they trust a Government that will be willing to put them in economic difficulty, jeopardize them and their families. That is not what this is all about. But what the Gingrich leadership in this House wants to do is precisely that, is to put the United States in jeopardy as Nation but, more importantly, to put the people of this country and their families in economic harm.

Mr. DOGGETT. Very well put. I thank the gentlewoman for participating. Let us address the question of this Nation's creditworthiness this week and not jeopardize it further.

ABERCROMBIE APPEARS ON SPEAKER'S LIST

The SPEAKER pro tempore (Mr. YOUNG of Florida). Under a previous order of the House, the gentleman from Hawaii [Mr. ABERCROMBIE] is recognized for 60 minutes.

Mr. ABERCROMBIE. Mr. Speaker, I come here today in a rather interesting position, having recently been the recipient of what might be regarded, and I do regard it as a compliment.

You may recall that in years past there was a so-called enemies list that President Nixon ostensibly had, the Nixon enemies list, and people after awhile were quite pleased to have been on it, and those who were not on it were a little bit disappointed. Well, I take it similarly as a compliment to be on Mr. GINGRICH's target list.

Mr. Speaker, I notice that one of our colleagues has come to the floor. I take it that he is maybe making an inquiry whether he might have been able to take some of the time from one of the previous speakers from the Republican side.

Have I guessed correctly on that?

Mr. SHAYS. If the gentleman would yield.

Mr. ABERCROMBIE. Yes, I will.

Mr. SHAYS. I would love to have some time. You have an hour, we have an hour afterwards. Just curious how long you might be going.

Mr. ABERCROMBIE. I just started because you folks missed your time.

Mr. SHAYS. You can have it.

Mr. ABERCROMBIE. But I tell you what. No, I understand that running-down-the-aisle situation.

Mr. Speaker, if it is all right with you, I would cede a half-hour of time right now to my good friend.

Mr. SHAYS. I would be happy to come back in a half-hour, if the gentleman would like to speak, and I will come back in a half-hour.

Mr. ABERCROMBIE. All right.

Mr. SHAYS. Thank you very much.

Mr. ABERCROMBIE. Of the 60 minutes, I would like to cede 30 minutes to my good friends.

The SPEAKER pro tempore. The gentleman from Hawaii is recognized for 30 minutes minus the 2 that he has already used.

Mr. ABERCROMBIE. Thank you very much, Mr. Speaker.

I think that was a good example, Mr. Speaker, of the fact that we do have comity on this floor. Some of our colleagues might think we are spelling that "comedy" rather than "comity" but I think that you and I both are committed to this institution.

I have been the beneficiary of your wisdom, Mr. Speaker, and your leadership in this House, and I would hope that I could make a similar contribution in whatever role I find myself on this floor or in any committee, in any post. I think we both view this as a privilege that has been given to us, an honor bestowed by the voters in our districts. But as I indicated, nonetheless, this is an institution in which the politics of this country are played out in a setting which I think is most appropriate for coming to those decisions.

In the process of engaging in political debate, inevitably sides are taken. I think perhaps that is one of the reasons why for some individuals they fail to understand that, the proposition, well, why can they not all get along? Why is there what is called bickering?

I would hope, Mr. Speaker, you and I have never been in a position of bickering with one another. I think we have probably had a division of thought and philosophy and possibly policy at one time or another, and other times we were not only able to agree but to work in concert with one another toward a common goal, seeking to achieve it. Nonetheless, there are different political philosophies that are put forward by individuals who put themselves up for public office, and people make a decision on those philosophies.

So as a result, we often find ourselves in opposition to one another, not necessarily personally, Mr. Speaker, but in terms of political parties and policies that might or might not be pursued.

I say all of this by way of preliminary remarks because, as I indicated before my friend from Connecticut came to the floor, there was this list that was put together. I suppose it had a bit of drama attached to it because of the press, journalists categorizing it a certain way, but it was called the enemies list and it was associated with then-President Nixon. Some people were wont to even brag a little bit after that list became known, that they were on that list, and it was a source of some disappointment to some people that they were not on the list.

Well, for the 1990's, we have a list, too. The Speaker of the House, Mr. GINGRICH, has put together a list, a target list, for next year—I should say for this year, rather—for the congressional elections this year, some 20 to 30 Members of the Congress who are being targeted by Mr. GINGRICH for defeat in November for one reason and another, I presume perhaps because of opposition on policies, perhaps, I would hope, effective refutation of the Speaker's positions.

In any event, I find myself on that list. I am one of the Speaker's targets this year. I am on the Gingrich target list. I do take that as a compliment. I am very pleased to be on it. I trust and hope that perhaps some of the commentary that I have been making on the budget, and on what I see as the lack of solid policy on Mr. GINGRICH's part and his leadership with respect to the budget, I hope that some of the things I have had to say have led him to designate me as a target in this upcoming election.

I am very pleased to be recognized. It is not always those of us from some of the smaller States at such great distance, particularly being out in Hawaii, where we would certainly welcome the Speaker after the election in November, hopefully as the ex-Speaker. We will be happy to have him come out and take a little rest with us out there, and I will be happy to provide some hospitality for him, and I certainly hope to be in the victors column when that election takes place despite being a target.

But I bring this up about being a target because I do not want to deceive any one of our colleagues who may be tuned in, or others who may have access to our deliberations here, that I am anything other than partisan when it comes to defending what I believe are the interests of the people of the United States, the public interest of the United States with respect to the budget and with respect to the other issues that I have a difference with the Speaker on, and apparently have contributed to me being this target.

As the target, I invite the Speaker yet once again to come to the floor. I have done this in the past and do it now.

I recall at one point being in the chair, even as the Speaker is now, and had the opportunity to listen to with great interest, Mr. GINGRICH's recitation on various subject matters having to do with policy. He has indicated that as Speaker that he does not deal with the day-to-day floor activity here. He has entrusted that to Mr. ARMEY and his whip structure.

He says now that the deal, the supposed deal or the possibility of a deal on the budget has broken down with the White House. So he does not have anyplace to go, I guess, in the afternoons now that he is not speaking with Mr. Clinton, so he should have the time to come down here.

Inasmuch as I am going to be a target, I would like to deal with the issues that apparently have upset him, particularly with regard to the budget or any other issue that has caused me to be put into this position by Mr. GINGRICH. I invite him to do so. I would like to think that our academic backgrounds, perhaps, might be an inducement to lecture. I suppose some people might see what we are doing here in special orders as lectures, but that is all right. I think it is good to have the opportunity to lay out, in a detailed and comprehensive way, one's position.

So I invite him once again and would be happy to see him and yield him time, any time that he wishes to take advantage of it.

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In the meantime, let me then state a couple of propositions with respect to the budget process and build upon the commentary that I have made to this point. Mr. Speaker, perhaps you recall a bit of my discussion with the gentleman from Texas, Mr. DOGGETT, in the hour just passed in which I indicated that I thought perhaps, I will not say the Speaker, Speaker GINGRICH, misspoke himself, but perhaps I would characterize it as being a bit disingenuous in indicating to the public that he thought that it was not possible to have a balanced budget agreement with the President this year.

Now, I am sure you will agree, Mr. Speaker, that I have been very reluctant to endorse the bona fides, if you will, of a 7-year balanced budget agreement, whether it was certified by the Congressional Budget Office or by the Office of Management and Budget which is the Executive accountants, if you will, the scorekeeper. The Congressional Budget Office is our; the Congress', the Legislative scorekeepers. I am reluctant to believe that this could be done without causing a great deal of pain regardless of whether it is a Democratic budget, Republican budget or anybody else's budget. But nonetheless, the indications from the Republican side of the aisle, from the office of the gentleman from Georgia [Mr. GINGRICH], was that if the President would only present to the gentleman from Georgia [Mr. GINGRICH] a 7-year balanced budget as certified by the Congressional Budget Office, that that would be sufficient unto the day, that would involve the kinds of savings the Speaker was looking for, et cetera. Over and over again, the gentleman from Georgia [Mr. GINGRICH] and other Members of the majority would come to the floor and state with no equivocation, "Just give us a 7-year balanced budget as certified by the Congressional Budget Office, and we have got a deal."

Well, Mr. Clinton did that. I have my reservations about the bookkeeping, as I indicated, in that just as I do with the Republican proposal. I think I have gone over that in detail before. There are all kinds of gimmicks associated with it. There are all kinds of bookkeeping maneuvers and tricks, all kinds of accounting gambits that put such a budget together.

For example, what is called backloading or a look-back provision; in other words, you do not really make the savings until 3, 4, 5, 6 years from now when you have already gone through a presidential election, when you are going to go through two, possibly three, congressional elections, when you cannot quite be sure what the economic stability or instability of the country might be.

Mr. Speaker, I noticed my good friend from American Samoa is here. I noticed that you had called his name previously, and he is only able to arrive right now.

Mr. Speaker, I yield to the gentleman from American Samoa.

Mr. FALEOMAVAEGA. Mr. Speaker, I just want to, if I could, have a dialogue with the gentleman on the topic he is just taking up. I will ask for my own time at a later point in time.

I thank the gentleman for bringing the issue up and his interest. He wanted to conduct a dialog with our Speaker, and given the fact that we have had some very serious problems with our budget, and I noticed earlier that the gentleman mentioned about the 7-year cycle that our Republican friends have advocated so strongly for the past several months, that it is as if we have got to have the 7-year balanced budget.

Can I ask the gentleman, to his knowledge, where do we come up with this number 7? Is it so much that it has to be 7 years? Are there assurances without 7 years we will never have had a balanced budget? Why can we not do it in 5 or 10 or 8 or 9?

Mr. ABERCROMBIE. The answer to that question comes from the gentleman from Georgia [Mr. GINGRICH], and he said that he felt that the 7-year was intuitive on his part. Now, if intuitive is taken to mean generally or generically a kind of sense that this was the right time, a kind of emotional and mental guesswork, that might be the correct phrase, but I think he intuited, I would project, that this was the number of years in which the kind of accounting gymnastics that I have mentioned would allow him to say that the budget was balanced even only for the briefest of bookkeeping moments.

Mr. FALEOMAVAEGA. Is it the gentleman's understanding also that our Republican friends did make a request to our President, come up with a 7-year budget plan and we will consider it, and did not the President issue a 7-year budget plan?

Mr. ABERCROMBIE. That request was made of the President over and over and over again, and obviously a brief reading and overview of the general press will show that he did, in fact, do exactly that.

Mr. FALEOMAVAEGA. What were the objections that our Republican friends now have with the President's proposed 7-year budget plan?

Mr. ABERCROMBIE. Well, they did not like the numbers. After all, it did not do to Medicare what they wanted to do.

Mr. FALEOMAVAEGA. But it did provide a 7-year balanced budget?

Mr. ABERCROMBIE. Oh, yes. It gave them exactly what they wanted. As you know, the old saying is be careful what you ask for, you might get it. That is exactly what happened. What they asked for was a game plan according to the rules that they said they wanted established. The President appeared on the field with that game plan, and I am sorry to say some of our poor Republican friends then turned around to their quarterback, but he had left the field after moving the goal posts and was now hiding in the locker room under the bench.

Mr. FALEOMAVAEGA. So now what are our Republican friends trying to do to off-balance what the President set out? "Here is your 7-year balanced budget plan." What are they going to do now?

Mr. ABERCROMBIE. Of course, they are claiming now a deal cannot be reached, that we cannot come to an agreement even through the American people in poll after poll and inquiry after inquiry are requesting, is the nicest way I can put it, the Government, that is to say, the Congress of the United States regardless of whether they are Democrats or Republicans, and the Executive in the person of President Clinton, to come to an agreement so that there can be some stability in our economy and in our political life.

Mr. FALEOMAVAEGA. Do you think, in my good friend's opinion, that our Republican friends have a high esteem for education as part of this proposed budget plan that they have in mind.

Mr. ABERCROMBIE. I am sure many of our Republican friends, if not all of them, esteem education, including the Speaker. The problem is not esteem. The problem is paying for it. The problem is setting it as a priority. The problem is do you have education as a priority, or do you have a tax giveaway as a priority.

Mr. FALEOMAVAEGA. That is basically the platform our side of the aisle has in conjunction with the President's proposal.

Mr. ABERCROMBIE. Yes. The proposal coming from the President, with all attendant difficulties associated with balancing the budget, nonetheless, has as its priorities the Medicare, Medicaid, environment and education. Those are priorities that the President has consistently stated from the very beginning as elements which he felt had to be protected in any budget proposal that came forward.

Mr. FALEOMAVAEGA. I thank the gentleman for yielding.

Mr. ABERCROMBIE. I thank you very much.

That bit of Socratic dialog, Mr. Speaker, I think has stated the essence of it.

Now, obviously any of our colleagues who were tuned in can say, well this is just a partisan observation or series of partisan observations by myself and the gentleman from Samoa, and that is OK. It does not bother me any it would be seen as partisan.

The problem is, is it fair, is it accurate, is it factual? I will not say truthful. Truthful is always a matter of debate. What the truth is, is a matter of debate.

I do think that people nonetheless come to conclusions. They nonetheless reserve judgment, if they are prudent, and when they think that they have heard the facts and contemplated the factual basis for a judgment, they then make it.

Now let us take somebody outside the political system itself, the electoral system, and see what they have to say about it. I am referring now to Jodie Allen. I do not know Jodie Allen, if he is male or female. I have not met Mr. or Ms. Allen. All I know is Jodie Allen is editor of the Outlook section of the Washington Post where columnists are found of a Sunday.

I do not blame Jodie Allen one way or another for the headlines. I think, Mr. Speaker, you and I are sufficiently well versed in dealing with newspapers as elected officials to know that the person who writes the story does not necessarily write the headline, and the headline does not necessarily refer to what is in the story, and you can find yourself reeling from what it says, but these headlines over the Allen columns say, "Who won the budget battle?" The sub headline is: "Clinton's phony plan beats the GOP's phony plan." So I would guess that Jodie Allen has not got too much good to say about either. I will not say either of us, Mr. Speaker, but about either of these plans.

But the whole point of the headline, I think, is to try and summarize the position of the Allen editorial which nonetheless contains some very interesting material which I would like to quote very briefly in what will be a series of remarks from me in time to come with respect to the budget and its realities as well as the debt limit and its connection to the budget.

Just the opening commentary, and I am quoting now from Jodie Allen's editorial of January 28 in the Washington Post Outlook section, "To hear the President tell it in his masterfully ingratiating State of the Union message last week, the country came very close to solving its Federal budget problem once and for all."

Quoting further then the President within the column, "'There is now broad bipartisan agreement that permanent deficit spending must come to an end,' said President Clinton last Tuesday evening," again quoting, "'though differences remain among us which are significant.' He also noted, 'The combined total of the proposed savings that are in common to both, that is to say, the White House and the congressional Republican plans, is more than enough using numbers from your Congressional Budget Office to balance the budget in 7 years and provide a modest tax cut. These cuts are real.'" Jodie Allen then goes on to say, "Are they? It is a question worth asking as the country, having clearly decided the President got the best of Congress in the blame affixing event tries to decide whether it should now care that the overall competition has been called on account of political rain. In fact, the details of the competing proposals suggest that at least as far as the cause of fiscal solvency is concerned, less has been lost than either side would care to admit. No doubt some elements in both plans are real enough. Both sides, for example, were and apparently still are, determined to give out a pre-election tax cut, deficit be damned. It is also a pretty safe bet the agreements Congress extracts from the President in return for allowing the Government to keep running and borrowing more money will make substantial cuts in the immediate operating budgets of the many Federal agencies. Beyond that," and I think this is the important point here, I say parenthetically, "Beyond that, things get a lot less real. For example, even had the White House embraced the GOP's harshest cuts, the deficit would still be upwards of $150 billion this fiscal year and still higher in 1997. By the end of the century, it might or might not dip below $100 billion. After that further progress against the deficit would likely be arrested and ultimately reversed under either plan" from the Jodie Allen column.

Mr. Speaker, that has been the essence of the observations that I have made from this podium again and again during this whole budget process. I have maintained from this podium, while all of the broader discussion is going on, about the balanced budget and all the posturing was taking place and all the puffed up rhetoric was being stated on this floor and in press conferences and covered by television cameras and radio microphones with breathless anticipation, nobody wanted to talk about the fact that regardless of what kind of balanced budget proposal was coming forward, it was actually increasing the deficit.

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I will state without equivocation again: No one can come to this floor, at least no one has to this point, despite my invitations again and again and again, to refute the position that I am maintaining that there has not been a balanced budget proposal put forward by anybody of either party that will stand the scrutiny of an honest appraisal as to whether or not it is increasing the deficit.

It might be possible, Mr. Speaker, to achieve a balanced budget at some point in the future. Going into debt is no sin and no crime. Anybody who has purchased a home over time or a major appliance, an automobile, et cetera, understands that. In fact, it is encouraged.

The question is, are you able to pay? Can you acquire debt in such a way and such a manner and for such a length of time that enables those or that institution doing the lending to be reasonably sure you are going to be able to make the payment, be able to sustain the debt, and sustain your life and its requirements monetarily.

That is all this is about. I do not think that can be done in 7 years, but I am in the minority. I have been in legislative life in a State legislature, in the house of representatives at the State level and the State senate, in a city council, and in the Congress of the United States. I have been part of the board of directors of nonprofit organizations in many venues, Mr. Speaker. In other words, just about every community and electoral venue there is, I have participated in a legislative function where you had to deal with budgets, where you had to deal with coming to grips in most of those instances with balancing the budget.

I have participated both as the chairman of an authorizing committee and as a member of an appropriations committee in balancing budgets in every legislative venue. So this is not something strange and new to me. I have better than two decades of experience in this area. So I am quite willing to come to grips with the idea that I am in the minority on this floor with the question of the number of years that should be reasonably made available to deal with the balanced budget.

But I am not required, Mr. Speaker, simply because I am in the minority at the moment with respect to the numbers of years that would be required to do this, I am not required in that context to keep quiet about the fact that those who are putting forward a proposal that they can balance in 7 years cannot do it, and that to delude the American people, deliberately or otherwise, I am not trying to at this juncture cast some sort of aspersions on those who say they want to attempt it at least. All well and good, if that is what the proposition is.

If someone wants to come to the floor and say no, I do not think it can be done, or on paper it cannot be done in 7 years if we are being honest about it, and the word "honesty" has been used over and over and over again on this floor, we want honest numbers. If that is the case, fine. You want to make an attempt over 7 years to do it, possibly it could be done. I think it would entail the kind of cuts that would cause incredible pain to people in all kinds of areas.

Part of the pain that would come would come after 2002, after the 7-year period, when I am maintaining, and I think the burden of the rest of the article by Jodie Allen is that once you pass 2002, to the degree that you are able to achieve anywhere near the kind of goal that has been set in 1996 over that period of time, that 7-year period of time, there will be an explosion of debt, an explosion of indebtedness, an explosion of deficit spending.

One of the categories that would, I think, harm us the most would be in Social Security. The Allen article, again I am citing it because I wanted this to be an outside person. It justifies not NEIL ABERCROMBIE by standing up here and tossing out facts and figures as suit me and then could be dismissed as a result of simply being partisan, no matter how accurate it might be. I am citing these columns, and I am glad to see the Jodie Allens and some of the other people I am going to be citing are beginning to pick this commentary up. I will be going over that in greater detail in time to come.

Mr. Speaker, I believe my half hour is almost up. Let me conclude simply by saying that it is not a question of who wins the budget battle, it is a question of who loses. If the American people lose the budget battle, believe me, we all lose here politically. I hope in days to come to be able to shed a little more light on not only what the process is to this point, but what we can do about it in a practical way to bring a successful conclusion to this budget confrontation.

GETTING OUR FINANCIAL HOUSE IN ORDER

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Connecticut [Mr. SHAYS] is recognized for 30 minutes as the designee of the majority leader.

Mr. SHAYS. I thank the gentleman from Hawaii, and I thank you, Mr. Speaker. It is unusual to have a special order with such a seasoned veteran at the helm as Speaker. I thank you for your willingness to take this time from your busy schedule to allow the gentleman from Michigan [Mr. UPTON], and myself to make a few comments about what we have been faced with and what we will be facing in the months to come.

I would start by saying a lot of good people are leaving Congress, a lot of people I have tremendous respect for. One of their comments is they are leaving because it is not a fun place anymore; that there is some animosity between parties and among chambers. I was thinking, you know, the reason goes far more than that, because there is some disagreement that is quite significant.

But I contend that some of my colleagues who are leaving are leaving when we need them the most and when the heavy lifting has really begun. In a way, they are escaping the responsibility for dealing with the crisis that has just been pushed for that next Congress to deal with.

For decades we knew that we were getting ourselves deeper in a hole. At the end of the Vietnam war, if I went to 1974, the national debt was about $430 billion. That is the debt, not the deficits. That national debt has grown to $4.9 trillion, a tenfold increase since the last great war. We have a tenfold increase since the last great war in Vietnam. It was not called a war, but it clearly was a major expenditure on the part of the United States.

So we fought the Revolutionary War, we fought the War of 1812, we actually fought the war with the pirates and their taking some of our sailors in the Mediterranean. We fought the Civil War, we fought the war with the Indians throughout the course of our history, the Spanish American War, World War I, World War II, Vietnam war, the Korean war, and we have a debt of $435 billion. Then what happened? That debt has just gone up almost exponentially in the last 22 years.

I contend it has gone that way because both Republicans and Democrats have, for whatever reason, agreed that they would not give in on what they did not want to give in on. Democrats did not want to give in on the growth of entitlements, and some of my Republican colleagues did not want to give in on defense spending. They both agreed to deficit spend in the process. We find ourselves in a tremendously difficult situation with a lot of large debt, and now the heavy lifting begins.

We are taking on a lot of special interests, because this Republican majority, candidly, wants to get our financial house in order. Ultimately we can only succeed if the President wants to be part of that effort. He should be an equal partner to it.

The bottom line is we need to do some heavy lifting. So yes, this is not a fun place anymore. It is not a fun place because we are having to make some very significant effort.

I will just make a few more comments before I yield to my colleague from Michigan. Prime Minister Rabin, before he died, made it very clear that he was elected by adults to represent the children. I think that is a good message for all of us, we are elected by adults to represent the children. If we are concerned about the children, we have to be concerned about the national debt and the kind of burden we are placing on our children and our children's children.

So we are setting about to accomplish three major tasks: One is to get our financial house in order and balance our Federal budget in 7 years or less; another is to save our trust funds, particularly Medicare, from bankruptcy. I know my colleague at the chair, representing Florida, is representing so many constituents who in fact are receiving Medicare. This fund is going insolvent, Medicare part B is going insolvent this year. More money is going out of the fund than coming in from the payroll tax. We want to save the trust fund from insolvency.

The third thing we are eager to do is to transform this caretaking social and corporate welfare state, it is just not welfare for the poor, it is welfare for corporations, and move it, transform it, into a caring, opportunity society, where everyone has an opportunity to succeed. It is not a hands-off, we do not care. It is a very much hands-on. But instead of giving the people the food, we want to give them the seed.

In the process of doing these three things, getting our financial house in order and balancing the budget, saving Medicare from bankruptcy and transforming the social and corporate welfare state into an opportunity society, we are talking about change.

In the process of this change, we have made a number of people who want the status quo, we are confronting them. I would contend rather than being critical of my colleagues, and particularly our freshmen, bless our freshmen's hearts, that we should be appreciative that these, many of them business men and women, said "I ran for this job to get our financial house in order. If I lose the next election, so be it. This is not my life. My country is my life, my family is my life, God is my life. But being here is not my life." They are willing to risk defeat in the process of doing something right.

So we have this special order just to talk about some of what we want to do and why we think it is so important.

With and I yield to my colleague from Michigan.

Mr. UPTON. Mr. Speaker, I thank the gentleman from Connecticut, my good friend, for yielding during this special order. I must say a couple of things to begin with. One of the things I have said a lot as I have gone around my district and around the State of Michigan and here in Washington too is in this Chamber, sometimes it seems as though we have too many Republicans and too many Democrats, and not enough U.S. Congressmen and women willing to make some tough choices. We have got to do that. I am 42 years old. You and I are about the same age.

Mr. SHAYS. A little older.

Mr. UPTON. But, you know, back in 1980 when I first came to this town and worked for President Reagan, the babyboom generation, our generation, was 30 years away from retirement. The deficit then was a lot smaller, the national debt was a lot smaller. The amount of interest that we paid on that debt was about $50 billion.

Today, 15 years later, 16 years later, we are now 15 years away, our generation, from the big retirement age, with all the entitlement kick-ins and all of that, and we are not spending $50 billion on interest, we are spending $250 billion on interest, and the debt, not being $1 trillion or so, is now actually over $5 trillion, and in 2 years, we will be spending more just on the interest, servicing that $5.5 trillion national debt, than all of defense, foreign aid, Congress and the Intelligence budgets put together.

We have got to make some tough choices. It is not easy to say no to some of these different groups that are coming in. The easy vote is always yes. Somehow in this Chamber, working with the administration downtown, because we do not have the votes, let us face it, to override a veto, we have got to work together and bridge the gap to get the job done.

I have a 4-year-old and I have an 8-year-old, and a newborn child today is going to pay, their share of what we owe is $185,000 in taxes just to pay the interest on the national debt. Somehow I think that it should be incumbent on everyone in this Chamber, as we think about our kids and their kids and this country, to work together in a bipartisan fashion to do a number of things.

First of all we have got to come up with a balanced budget. Why did our side pick 7 years? Because the markets, those folks running the markets say if it is not 6, 7, or 8 years, it is not going to be credible; you put it off in the future and no one will believe it.

We need declining deficits each and every year. None of this stuff where you have a straight line deficit, and then the last 2 years it falls off to zero. They have to be real, and they have to come down in benchmark fashion each and every year.

The other thing, we said this on our side and so has the President and the Democrats, is we have got to have an honest scoring mechanism, the Congressional Budget Office.

I want to share a story. Back in 1990, when President Bush was in office, you probably went down there, as well as I did. In fact on the budget agreement in 1990, President Bush, I spent a lot of time with him. I worked with him. I worked with President Reagan, as I said earlier, for a number of years. His office was around the corner when he was Vice President, and my office, I was in charge of congressional affairs at the Office of Management and Budget.

□ 1715

President Bush called me down to his office and put his hands on my shoulders. He said: Fred, you can vote for this. You are going to get reelected. I have been to your district. I know you. You are going to win your race, and I need your vote for this. This is so important. We have the gulf war coming up, and we need to get this off the table and get this country on a sound fiscal basis.

And I said: Mr. President, I cannot vote for this because I did not run for office, and I do not feel in my heart that I can vote to increase spending and increase taxes, and that is what your budget does.

And as I look back at those numbers, back then, in 1990, in my notes, his statisticians told him if his budget passed, and it did, we would have a surplus in 1995 of $63 billion. Well, they are off only by $250 billion.

Mr. SHAYS. Mr. Speaker, if the gentleman would yield, I have the other side of that story.

Mr. UPTON. Mr. Speaker, we cannot allow those phony assumptions to come into place. That is why, as we make the tough decisions today, Medicaid, Medicare, what size of the tax cut, if any, that ought to be there, all the tough choices, we do not want to go through this drill again and come up $250 billion off when we say it is going to be balanced.

Mr. SHAYS. Mr. Speaker, if the gentleman would yield, I happen to have voted for the 1990 budget. I voted for it because I was willing to even vote for a tax increase where there was a slight tax increase to balance the budget. But I used those numbers that were done not by the Congressional Budget Office, but by the Office of Management and Budget, and they were basically the President's numbers. They were basically Dick Darman's numbers, the head of the budget office, and they simply turned out to be extraordinarily unrealistic.

I vowed that I would never ever again be unmindful of how the numbers were calculated, and that is why we want the President to be willing to use basically conservative numbers, certainly not numbers that just estimate ourselves out of the problem. What I did like about that budget agreement, and I think my colleague would agree it was an important part, Gramm-Rudman, which was a 5-year plan to get to a balanced budget and sequestered funds. In other words, if one did not reach one's deficit target, there would be automatic cuts. It only dealt with one-third of the budget. Appropriations. Half of the budget, though, are entitlements.

This gets me into the whole point of the challenge of balancing the budget. Our first task is to balance our Federal budget, and get our financial house in order. We cannot do it just looking at appropriations. I think my colleague in the chair would recognize that we have been squeezing what we call discretionary spending. We have been cutting back traditional government, but we have allowed the entitlements, in other words, someone who fits the category gets the money, Medicare, Medicaid, welfare, foods stamps and so on, certain agricultural subsidies. Fit it and get the money. That is on automatic pilot. It continues each and every year.

What the 1990 agreement did, one of the good parts, it said, if we increased the entitlement, we had to come up with the dollars to pay for it, either with a tax increase or a spending cut. What Congress had done to get around Gramm-Rudman was we squeezed the discretionary spending coming out of the Committee on Appropriations, and they increased the entitlement. They did not get it through an annual vote of Congress; they did it through a mandatory expenditure.

We are taking on entitlements. We are not cutting them. We are slowing the growth. One of the big criticisms is that we are doing cuts to the earned income tax credit, a very important program for the working poor. They pay no taxes because they do not make enough. The Federal Government gives them something back to get them to get beyond that working-poor status.

We want to slow the growth of that program because under existing law that would go to $35,000. We want to keep it around $30,000, and we want it to apply to families and not to single individuals in particular. But we still allow that program to grow from $19.9 billion to $25.4 billion. That is an increase in spending; not a cut. We are changing the program but we are increasing spending.

The School Lunch Program, which was something that has always distressed me, and I bring it up when we have the opportunity, the President is going to schools and telling young children that they are not going to have a school lunch, when we are going to go from $5.2 billion to $6.8 billion. That is not a cut; that is an increase. We are allowing it to grow about 4.5 percent a year instead of 5.2.

Mr. UPTON. Mr. Speaker, as I understand, it was a $200 million increase each year for 5 years.

Mr. SHAYS. Mr. Speaker, whatever the numbers ultimately that have come through the addition of negotiations in the budget agreements that happened since, the bottom line is that we were spending hundreds of millions of dollars more each year and to get up to $6.8 billion in the 7th year.

The student loan is the one that really gets me the most. We are going to allow that to grow from $24.5 billion to $36 billion. That is a 50-percent increase. It is not a cut; it is an increase.

We do something. We are saying to students they have to do something they have not done in the past. Present law is, when they graduate, for 6 months they pay no interest. The Government, taxpayers, pay the interest. Then what we have said is no, students will pay the interest not when they are in school; they pay no interest when they are in school. They will have a 6-month grace period when they pay no return on the loan. But 6 months on, they start to pay the loan back, and we amortize the interest as soon as they graduate. It is a 6-month period.

Ultimately, we are saying, yes, students are going to pay more. They still get the same loan. They are going to pay $9 more a month. It is a movie and a Coke. It is a pizza. The bottom line is, it is something that a working person now, having graduated, can pay. It saves the taxpayer $4 billion in the course of 7 years. We still allow that program to grow, though, notwithstanding, from $24.5 billion to $36 billion.

Mr. Speaker, just take two more numbers, and then I would like to yield back to my colleagues. On Medicare and Medicare, our numbers were $89 billion; they grow to $127 billion. Only in this place, and in the Senate, maybe at the White House, not maybe, but at the White House, really in this city, when we spend so much more, do people call it a cut.

Or in Medicare from $178 billion to $289 billion in the seventh year. This is the number that really gets me. We are going to allow for a significant increase in Medicare on a per beneficiary, per elderly citizen, they get an equivalent of $4,800. In the seventh year that is going to grow to $7,100 per beneficiary. All of our constituents, that is what they will get. Hardly a cut. A very definite increase.

We are looking to, what? Control the growth in spending. We spent $9 billion in the last 7 years. We want to spend $12 billion in the next 7. We just do not want to spend $13.3 billion. We want to slow the growth in spending.

Mr. Speaker, I would like to yield to my colleague, and then I notice my colleague from Delaware has come, and we can perhaps yield to him.

Mr. UPTON. Mr. Speaker, it was about a year ago that this House first took up some of the contract items and passed a number of things the first day and the first month, certainly. As I recall, one of the things that we passed on the very first day was a change in the House rules to allow for honest budgeting.

As my colleague pointed out, school lunches are going up at least $200 million each and every year. I can hardly wait next fall to go to the schools where they believe that school lunches are going to be over and sit down and have lunch with my fourth and fifth graders and say, "Oh, my gosh, we are still having lunch."

I signed some mail today, people complaining about Medicare cuts. It is going up any way you look at it, 50 percent over 7 years in the plan that we passed and the President vetoed. And it is going up on a per beneficiary basis by $2,100.

But I thought it was in this House that it passed almost unanimously, not quite, 390-something to 12 or something like that, to use honest budget numbers. And what that meant to me was that we were not going to start looking at these things as cuts, unless they actually went down. Is it a violation of the House rules to talk about cuts when in fact they are going up?

Mr. SHAYS. Mr. Speaker, the way this started, we are talking about a baseline, and we figured in inflation. Then we said last year, even though we spend more, it is not an increase in spending.

I remember when I was first elected in 1987, I would go back home and say, "We cut spending here and here and here," and my constituents would say, "If you cut spending, how come the spending keeps going up?" That was a very logical question, and I realized I was using that concept of a baseline budget.

Mr. UPTON. Mr. Speaker, we changed the House rules, but we are not living up to them. Maybe we should get the mace out.

Mr. SHAYS. We are trying to. It is a different kind of mace. It is the mace you hold.

But bottom line, Mr. Speaker, we want to get our financial house in order and balance the budget.

I get into this whole issue of Medicare, which is really trying to save our trust funds. There is not a Member of Congress who does not represent a number of seniors, and we have had to talk to our constituents about this issue. It has been very interesting to me because what they want, we are giving them.

I, as a Member of Congress, pay 28 percent of my health care like any other Federal employee. I do not get anything other than any other Federal employee. I pay 28 percent, and the Government pays 72 percent. The wonderful thing is that we get choice. What do we do with Medicare is we do not increase the copayment or increase the deductible. We keep it at 31.5 percent; the taxpayers pay 68.5 percent, and we give choice. We allow recipients to join plans where they might get eye care, dental care, hearing aid assistance, where they might have their copayments paid for by an HMO if they choose to join an HMO, but they can stay where they are.

Mr. UPTON. Mr. Speaker, I would note that there is no decline in benefits. They cannot say no, they cannot blackball one from enlisting in any of the programs, and benefits cannot be cut. One has got to have at least a standard benefit package that is there today. It can only be broadened, not lessened.

Mr. SHAYS. The bottom line is the only private plans that can be offered are plans that offer something better, the same or better. But in order to get people into those private plans, they will have to be better; otherwise the people will stay in the fee for service.

Mr. Speaker, at this time I yield to the gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. I thank the gentleman from Connecticut [Mr. SHAYS] for this opportunity to just address for a few minutes the issues of budgeting and balancing the budget here in Congress.

One point I thought of as I was on my way over, and I hope my colleague did not make it because I was on my way over, is that there are so many Members of this House of Representatives, and actually the U.S. Senate as well, who are focusing on balancing the budget. It is not just JOHN KASICH, God love his soul. He is a wonderful person. Or NEWT GINGRICH and a few others. There are groups of moderate Republicans that we might belong to. There are groups of Blue Dog Republicans and Democrats that are conservative Republicans and Democrats. There are all kinds of groups in this Congress who realize how important it is, and I think sometimes we do not state that enough.

There is a view that maybe one or two leaders are trying to drive the need to balance the budget. The freshman class of the Republican Party has taken some lumps, but they came down here with a concept to make Government more efficient. I think they deserve tremendous credit for that.

Then I hear the pundits and a lot of critics out there saying, well, Congress can never balance its budget because of entitlements and because of interest payments and various reasons. I say that is absolutely wrong.

I come from Delaware, and for 8 years Pete du Pont was Governor of Delaware. He was the one who made up his mind that we could balance the budget in Delaware. We had not done that, and then we did it. I was Governor for 8 years, during that period of time, and it continued on with Tom Carper, the Democratic Governor of the State of Delaware. We not only balanced our budget; we have had a series of tax cuts, and we have two rainy day funds on top of each other. We take care of almost every possibility in terms of being able to keep in balance from year to year, and I am absolutely convinced that it can be done.

I would tell my colleagues that there is a lot of protection, not just in this Congress, but by constituent groups on the outside, and particularly by the press, who try to protect the status quo. They do not welcome true innovation or change.

In just one area of tremendous concern, people will say to us, why do not you cut your salaries, and you can balance the budget? That is 100th of 1 percent of the budget. Or cut foreign aid. That is a small percent.

But get into Medicaid and Medicare, which is the fastest growing segment of the budget, 17 or 18 percent collectively between them now in the budget of the United States, and there is an area which has grown from zero about 30 years ago to where it is today, which is growing faster than everything else which we need to address.

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I do not know of any Member of Congress, if these seats were all filled, who would not say "I want health care for the poor and I want health care for our senior citizens." We all feel that way.

So the question is, how can you reduce those expenditures in those particular programs but still provide the health care. There is a very simple lesson. Look at today's newspapers. Today's newspapers brought us the news that there was a slight increase in the cost of health care to the private insurers last year. I think it was about 2 percent or something. When you had HMOs, it was actually a decrease in the amount they spent. When you had regular health care, it increased by about 2.5 percent or something of that nature. Yet, we have these Government programs which are still going up at the rates of 10 percent or 11 percent or 12 percent. That is well beyond population growth.

The truth of the matter is that we deliver health care at the Government level exactly the way we have done all along, and perhaps we should innovate. There are innovations out there. There are HMO's. The medisave account is something which could work. We do not know that for sure. But if you are doing what some people have talked about doing here, I am sure they are going to cut into health care, and they might do some of the things you are talking about.

You can get your prescription eyeglasses, perhaps, or your pharmaceuticals which you need as part of the plan you get into because we let people expand and go to a market-based system. I am convinced we can do this same thing with welfare. We have done this in Delaware. We have basically told people they have to start going to school, that they had to get a job after a period of time. They started going to school.

I thought it was going to be a very difficult thing to do. We went down and visited these people, and they were perhaps the most contented citizens I visited in the whole time I was Governor. They were being given an opportunity. One-third of those people are working today, and one-third are off of welfare altogether as a result of that. That is a pretty good result. I would like it to be a 100 percent, we all would, but that is a pretty doggone good result.

But I think there are ways in which we can come up with creative and good opportunities for people to improve their lives and still provide the same services we have today, but do them in a different way, and balance our budget. Yes, we have to work at it, but there are a lot of experts in this room. I think given that opportunity, that could happen, and we could really do what we have to do, which is to balance the budget in 7 years. It is tough, but is not impossible. We should be doing it.

Mr. SHAYS. Mr. Speaker, the bottom line to this is that people have said, "Well, we got into this over 30 years. It should take us 30 years." No, we got into debt in 1 year. We are not looking to pay back the debt. We were simply saying, "Let us not make the debt any larger." So we have a 7-year plan. Frankly, a number of us here have said, "Let us balance the budget sooner with no tax cut," but the issue is ultimately balancing the budget, getting our financial house in order.

Mr. Speaker, we are not paying back that debt, we are simply saying, "Let us not make the debt any larger." When you talk about the innovation, we have seen extraordinary innovation on the State level. You were a Governor for 8 years. I can remember that we looked at how you did it when we were in the State of Connecticut, because Delaware was doing innovative programs. We looked at what Tennessee is doing and what Arizona is doing with managed health care for nursing care and so on.

Why is it that the working American basically is under managed care, but the elderly, who are under taxpayer expense, and the poor, who are under taxpayer expense, are under the traditional old system of fee-for-service? We are still going to allow them to have fee-for-service, but we are eager to encourage them to get into plans that save money and are more efficient and provide better service.

Mr. Speaker, we could talk about a lot of issues, and we are basically, I think, running out of time in the next few minutes. We have about 3 minutes. I would be delighted to yield to my colleague, the gentleman from Michigan.

Mr. UPTON. I would just like to make this point, Mr. Speaker. As I look at my State of Michigan, a few years ago we had a debt of about almost $2 billion, which is a lot for any State. Our Governor and our legislature went after spending, tightened everybody's belts. Today they have cut taxes 23 times in the last 3 years. We can do the same here, but we have to focus on the spending side. We have to do something about deficits that average somewhere between $150 billion and $250 billion over the last couple years, and we have to do it together. That means this side of the aisle and this side of the aisle working together to get the job done, and really get the budget balanced.

Mr. CASTLE. If the gentleman will continue to yield, just briefly, I could not agree with the gentleman more. I worry a little bit when I read in the press that some of the leadership here in both houses and even the White House are beginning to say, "I do not think we can get to a balanced budget." I certainly have not given up on that. I think this is the time to do it.

People do not realize how close we are. We have really narrowed the differences. Yes, there are some policy differences that need to be resolved as well, but from a numbers point of view, we are as close as they have ever been to do this. I think to give up on it now would be a huge mistake. I hope we push hard in the remaining weeks of this spring and hopefully get this done sometime before we go too much further into the fiscal year.

Mr. SHAYS. I thank my colleague for making this point. The bottom line is we have an extraordinary opportunity. We want to seize this opportunity and we want to work together with the President, who came in with a very conciliatory message, I thought, and with our colleagues on the other side. But we want them to be real numbers, we want there to be structural change in the program. We want to save this country for future generations.

IMPLICATIONS OF FRANCE'S NUCLEAR TESTING NIGHTMARE

The SPEAKER pro tempore (Mr. YOUNG of Florida). Under a previous order of the House, the gentleman from American Samoa [Mr. FALEOMAVAEGA] is recognized for 30 minutes.

Mr. FALEOMAVAEGA. Mr. Speaker, on Monday, January 29, 3 short days before he is to arrive in Washington, President Chirac of France announced, in a formal news release, the end to nuclear testing in the South Pacific. Though he makes a pretty speech, just in time to come to Washington as a fervent advocate of nuclear disarmament and to establish warm ties with America, I want to point out for my colleagues and to the American people, Mr. Speaker, the hypocrisy of Chirac's recent piece of propaganda.

Mr. Chirac began his news release with these words:

> Dear compatriots, I announce to you today the find end to French nuclear tests. Thanks to the final series that has just taken place, France will have a durable, reliable, and modern defense.

Point No. 1, Mr. Speaker, France already has the world's fourth largest Navy and the world's third largest stockpile of nuclear weapons before it even began its final series of nuclear tests. France had already exploded over 200 nuclear bombs in land, air, and water, far from the home of the enlightenment. In particular, France had already exploded 178 nuclear bombs in the South Pacific. Were those 200-plus nuclear bomb explosions not enough to ensure a durable, reliable, and modern defense? If those 200 were not enough, why should we now believe that the 6 additional nuclear bomb explosions France has just conducted in the South Pacific would be enough to stay its appetite for an even more modern defense?

Point No. 2: The final series of French nuclear tests were not even necessary. The United States freely offered France the technology it sought to ensure its so-called nuclear weapons reliability. Why did France not accept the United States offer? Because of a combination of two things: French national pride, and French suspicions that the United States was withholding state-of-the-art technology.

Now Chrirac wants to be perceived as promoting nuclear disarmament and warm ties with America? One who defiantly violates world moratoriums and resumes unnecessary nuclear testings cannot and must not be regarded as a promoter of nuclear disarmament, and one who is suspicious of any offerings the United States might make certainly cannot be regarded as one who is promoting warm ties with the United States.

Mr. Speaker, President Chirac continues his speech by saying: "The security of our country and our children is assured." In turn, Mr. Speaker, I say "At what price, and whose children?" The sixth nuclear bomb that France exploded on Saturday, last Saturday, since violating the world's moratorium, was six times more powerful than the bomb dropped on Hiroshima, Japan; a bomb, incidentally, Mr. Speaker, that took the immediate lives of some 150,000 people, and later claimed another 50,000 who died from nuclear contamination and illnesses.

In response to France's latest nuclear explosion in Fangataufa Atoll, the mayor of Hiroshima said these words: "I feel renewed anger. Nuclear tests aimed at developing and maintaining nuclear technology will do nothing but increase the risk of putting human beings on the brink of ruin."

I might now ask, Mr. Speaker, what kind of security has France really secured for our children? The Pacific Ocean covers one-third of the world's surface. I submit, Mr. Speaker, that France has put not only its children but all of our children on the brink of ruin by exposing them to nuclear contamination through a resulting toxic food chain.

Mr. Speaker, Chirac's reckless actions have initiated the nuclear arms race all over again. Horrific environmental concerns aside, Chirac's decision to resume unnecessary nuclear testings in the South Pacific has opened a Pandora's box that holds chilling implications for nuclear and nonnuclear nations alike. Prime Minister Keating of Australia recently said, and I quote:

> The French government is to be strongly condemned for the latest test at Fangataufa Atoll, and for conducting it during negotiations for a Comprehensive Test Ban Treaty which are now entering the final critical stages in Geneva, Switzerland.

What implications, Mr. Speaker, does Chirac's reckless decision to initiate the nuclear arms race all over again hold for those negotiations and for the security of the world? Let me share with you, Mr. Speaker, the domino effect of Chirac's reckless decision. There is now a serious move by India to link the negotiations of a Comprehensive Test Ban Treaty in Geneva to its call for negotiations to start this year on removing all nuclear weapons in a specified time. The five nuclear superpowers are, of course, against this move, but joining India is, ironically, Pakistan.

Adding to this difficulty, India refuses to sign the Nuclear Non-Proliferation Treaty on the basis that the nuclear nations are still maintaining their nuclear arsenals, which in effect make the whole treaty meaningless and discriminatory. India's Prime Minister has said and I quote: "We are of the view that to be meaningful, the treaty should be securely anchored in a global disarmament context, and be linked through treaty language to the elimination of all nuclear weapons in a time-bound framework." In other words, Mr. Speaker, India is pushing for no loopholes in the Nuclear Non-Proliferation Treaty.

As it currently stands, what assurances do nonnuclear nations have if nuclear nations retain their nuclear arsenals? If France's resumption of nuclear tests in the South Pacific is a case in point, nonnuclear nations have next to nothing in assurances from a five-member club comprised of one who is willing to defy world moratoriums at will, and four who are willing to act in complicity by looking the other way.

Mr. Speaker, because of Chirac's reckless and selfish decision, India is now ignoring Western pressure to scrap its ambitious ballistic missile program. India is saying. If France can defy world moratoriums to ensure a durable, reliable, and modern defense, then so can we. Just this week India successfully launched a new ballistic missile, the Prithvi, that has a range exceeding 150 miles and a capability of being fitted with nuclear warheads.

This means, Mr. Speaker, that India has a missile with nuclear capabilities that can reach the capital of Pakistan, Islamabad, so now Pakistan wants to utilize M-11 ballistic missiles from China. These M-11 missiles are also capable of carrying nuclear warheads, and they could hit key cities throughout India.

But the chain reaction Chirac has created does not stop there, Mr. Speaker. India and China have just signed a mutual contract for India to purchase uranium from China. Now China, in an expression of its own security concerns, is developing warm relations with Russia. China's position is that you cannot depend on Western powers for its security. Now there is renewed apprehension between Russia and the NATO powers. All of this, Mr. Speaker, is a result of the fear France has created and fueled by its defiance in violation of the world moratorium to stop nuclear testing.

Australian Prime Minister Keating sums it up this way: "Such irresponsible actions send the worst possible signal to nations that aspire to possess nuclear weapons. The French government is to be strongly condemned."

Despite world condemnation, Mr. Speaker, Chirac arrogantly continues his speech of Eurocentric rationale by marginalizing Asian Pacific concerns.

President Chirac state: "I know the decision I took last June may have caused worries and emotions." Mr. Speaker, can you believe this? Charac thinks his decision only caused "worries and emotions". Is he still denying the environmental effects of his unnecessary nuclear bomb explosions in waters conveniently located halfway around the world from France? Is he still claiming that his nuclear bomb explosions have no ecological consequences?

Is he unaware that he has initiated a nuclear arms race all over again? Or does he just take nuclear proliferation lightly, suggesting that it should cause nothing more than a few worries and emotions? What kind of world leader could be so barbaric in his interpretations, Mr. Speaker?

President Chirac continues by claiming that, "While my resolve was not affected, I was not insensitive to those movements of public opinion." How sensitive, Mr. Speaker, was he? Was he sensitive enough to stop nuclear bombings? Was he sensitive enough to consider the 28 million people living in the Pacific region whose lives will be affected for decades to come as a result of the nuclear nightmare Chirac's unaffected resolve created for them?

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As Prime Minister Bolger of New Zealand has noted, and I quote:

> Despite all suggestions from France that this is a totally safe and benign operation, there is no such thing as a safe nuclear test. They all create massive damage. It is just a matter of how much, when, and what leakage there is.

Philippines President Ramos also has this to say, Mr. Speaker, and I quote once again:

> I condemn in the strongest terms the latest tests by France. This latest test is a continued definance of the international communities' appeals to France.

Mr. Speaker, I might also note, this latest test comes shortly after all 10 Southeast Asian countries signed a treaty providing for a nuclear-free zone in that part of the world.

While President Chirac may claim sensitivity, the latest in French nuclear testings are an affront, a slap in the face, to Asia-Pacific countries. Since when is a slap in the face, Mr. Speaker, considered to be an expression of sensitivity?

Promoting his propaganda to the hilt, Mr. Speaker, Chirac continues his response to the world's condemnation of French nuclear testings. These movements, as Chirac likes to call what have really been international, "testified," he says, "to the growing importance the world's inhabitants attach to collective security and safeguarding the environment. I share these concerns."

Mr. Speaker, I am appalled that the world's No. 1 nuclear proliferator, the man responsible for initiating the nuclear arms race all over again, would now try to convince us that he shares our concerns for collective security and safeguarding of the environment. If this were the case, why did he not just accept the technology the United States offered?

Why conduct unnecessary nuclear testing? Why reopen the nuclear arms race? Why create the paranoia? Why pit nuclear nations against non-nuclear nations? Why pit Western powers against non-Western powers? Why, on the one hand, claim that there are no ecological consequences of nuclear testings, but on the other hand, choose to conduct these nuclear tests far from the borders of France?

Whose environment is Chirac really interested in safeguarding, Mr. Speaker? And whose security is he really concerned about?

In a very patronizing way, Mr. Speaker, Chirac also said, and I quote:

> I know that nuclear energy can be frightening, but in a world that is still dangerous, our weapon is a deterrent—that means a weapon that can serve peace. Today I have the feeling of having accomplished one of my most important duties by giving France, for decades to come, the capability for its independence and security.

I think that answers the question for us, Mr. Speaker. It is French security and the French environment that Chirac is concerned about. To heck with everyone else's independence and security. France has its own rules. France does its own thing. If it wants to violate world moratoriums, it will. France, after all, comes first.

Mr. Speaker, excuse me, but I thought peace meant working together to create an equitable environment for all citizens of the world, not just French ones. While I am on the subject, Mr. Speaker, I might question Chirac's use of the word "independence." Does "independence" in Chirac's vocabulary include freedom for the native people of Tahiti who have felt the brunt of French colonial reign since the islands of French Polynesia were what Westerners would call "colonized" by France, after some 500 French soldiers with guns and cannons subdued the Tahitian chiefs and their warriors in the 1840's. Or is independence just a concept, like security, that Chirac applies only to the people of France?

Mr. Speaker, Chirac continues his dramatic monolog by saying, and I quote:

> A new chapter is opening. France will play an active and determined role in world disarmament and for a better European defense.

Mr. Speaker, do I hear Chirac correctly? Do I hear him trying to justify his latest nuclear testings by saying he did it all to stabilize relations in Europe?

For him to suggest that the resumption of French nuclear testing was done to stabilize relations in Europe is ridiculous. When France first presented the idea that in an effort of concerted deterrence it would extend its nuclear umbrella to its European partners, there were few takers, Mr. Speaker. In fact, Mr. Speaker, 10 of the 15 European Union members voted with the United Nations, protesting the resumption of French nuclear testing.

Why, Mr. Speaker, are not the European Union members more anxious to be a part of the French nuclear umbrella? Partly because the European Union members are more comfortable with the protection the United States has provided them for the past 50 years, and partly, Mr. Speaker, because historically, France just cannot be trusted.

Mr. Speaker, in the 1940's, France surrendered to Nazi Germany. In 1966, at the height of the cold war, when nuclear missiles were pointed at every major country in Europe, France pulled out of the NATO alliance. Today France still has not officially joined NATO, and as we have clearly seen, from September of 1995 to January of this year, France cannot even be trusted to honor a world moratorium it agreed to only 4 short years ago. How can any nation, European or not, be assured of any French position?

Mr. Speaker, Chirac says, and I quote:

> I will take initiatives in this direction in the coming weeks. As all of you, dear compatriots, I want peace—solid and durable peace. We all know that peace, like freedom, has to be built each day. This is the purpose of the decision I took and that will be the guideline for my action tomorrow.

Mr. Speaker, can we really put stock in Chirac's guideline for tomorrow? France's own Urban Minister said about Chirac's decision to explode eight additional bombs in the South Pacific, and I quote, "He did what he said he would do and he did the right thing."

Mr. Speaker, something is rotten in Denmark when world leaders consider that they have done the right thing by violating world moratoriums that they agreed to. Chirac's aide said Chirac will earn international respect for sticking determinatively to a decision almost as unpopular domestically as it was internationally.

Mr. Speaker, if the responses of world leaders from Australia, New Zealand, Japan, the Philippines, the Pacific nations and Europe is any indication of international sentiment, Chirac will be a long time in earning anybody's respect. Anyone with a social conscience, world leader or not, knows that the only interest Chirac considered in resuming nuclear testings was the higher interests of French military industrial lobbyists and their profitable $2.5 billion nuclear program.

Mr. Speaker, now Chirac wants to come to Washington and make a case for peace and act as a spokesperson for the world's poor. But, Mr. Speaker, did you know that France is now the top weapons exporter of weapons supplier in the world?

Mr. Speaker, is it with irony or with hypocrisy that President Chirac will promote peace and act as a spokesman for the world's poor when France is the biggest exporter of weapons to developing nations?

Mr. Speaker, while Chirac may script his story for Eurocentric audiences, the people of the Pacific who feel the brunt of colonial reign have their own story to tell. It is a travesty that on Thursday their voices will be made mute in this Chamber by one who so arrogantly and so openly marginalizes not only their concerns, but the concerns of the world community as well.

Mr. Speaker, it is an act devoid of all social conscience that has afforded Mr. Chirac the opportunity of delivering his downright deceptive message from a Chamber that symbolically represents the highest of democratic values. I urge my colleagues on both sides of the aisle to join together in insisting that the Speaker rescind the invitation he has extended to Mr. Chirac, and if the invitation is not revoked, then I urge my colleagues not to attend the joint session of Congress.

To attend the session is to act in complicity, to validate France's position that it is OK to violate world moratoriums, to resume nuclear testings, to initiate a nuclear arms race all over again, to place humanity on the brink of destruction.

As a Member of both the Pacific Island community and the U.S. House of Representatives, and as one who has sailed to the nuclear testing site of Mururoa and been arrested at the hands of French commandos in waters the good Lord gave the people of Polynesia, as one who has considered the kind of world that I want my children to live in, Mr. Speaker, I cannot in good conscience be a party to such hypocrisy.

Mr. Speaker, I include the following articles for the RECORD.

[From the Washington Post, Jan. 30, 1996]

CHIRAC ENDS FRANCE'S NUCLEAR TEST PROGRAM

(By William Drozdiak)

PARIS, JANUARY 29.—President Jacques Chirac announced tonight that France has ended its controversial nuclear testing program in the South pacific and will not embark on a fresh campaign in favor of disarmament.

In a televised statement, Chirac said he decided to halt all further nuclear tests because France can now be assured to a "modern and secure" arsenal as a result of data gleaned from six underground blasts conducted over the past five months.

"A new chapter is opening. France will play an active and determined role for disarmament in the world and for a better European defense," he declared. "I will take initiatives in this direction in the coming weeks."

The French decision means China is the world's only declared nuclear power that still insists on the right to carry out weapons tests. Others, including the United States, have joined a moratorium while negotiations proceed on a worldwide nuclear test ban treaty.

The Clinton administration hailed Chirac's decision and predicted it will add momentum to the treaty talks.

"The United States has consistently urged that all nations abide by a global moratorium on nuclear testing as we work to complete and sign a comprehensive test ban treaty," the White House said in a statement.

Under President Francois Mitterrand, France had abstained from testing for three years. Chirac's decision last June, shortly after he took office, to resume testing sparked worldwide protests and contributed to a sharp drop in his popularity at home. He insisted that the tests were necessary to verify a new warhead for France's submarine-based missiles and to perfect computer-based simulation technology that would be employed once a test ban was imposed.

The announcement that France is rejoining the moratorium came two days after the final blast, described as "less than 120 kilotons," or six times the size of the atomic bomb dropped on Hiroshima, was conducted at the Fangataufa coral atoll about 750 miles southeast of Tahiti.

Chirac acknowledged that he was "not insensitive" to the fear and consternation provoked at home and abroad by the resumption of France's underground nuclear explosions. Despite what he called the "frightening" power of nuclear bombs and threats to the environment, he insisted that France's arsenal will "serve the interests of peace."

Chirac plans to make a state visit this week to Washington, where he will make a speech before both houses of Congress. He is expected to use the occasion to launch a diplomatic counteroffensive, promoting the virtues of the comprehensive nuclear test ban treaty being negotiated in Geneva.

French officials said Chirac also plans to co-chair an international conference on nuclear security in Moscow in April. The meeting, which will review safety problems at nuclear power stations, was conceived by the leaders of the world's major industrial democracies last year to prevent disasters such as the Chernobyl nuclear accident a decade ago.

With the South Pacific testing ground now due to be closed, the French president reportedly will announce an aid package Tuesday to help compensate French Polynesia for the loss of lucrative earnings from the nuclear testing center.

Chirac said France can afford to stop its program well ahead of schedule—and two tests short of the eight he originally planned—because he is satisfied that results already obtained have fulfilled the programs' objectives.

But it was clear that the surprising ferocity of global opposition to the French program hastened its conclusion.

Japan, Australia and New Zealand have waged a vociferous protest campaign since the tests started last September. A consumer boycott of French exports was launched in many countries, though the government here claims it did not inflict as much damage as initially feared on the French wine, perfume and clothing industries.

Chirac contends that what wounded him most was the lack of solidarity from many of France's European Union partners, even after he suggested the arsenal could serve as a strategic shield for a future European defense community.

Among the EU's 15 member nations, only Britain offered public support for the French nuclear tests. Germany and Spain remained mute out of deference to dismay among their citizens, while governments in the Netherlands and the Scandinavian countries were overtly hostile to the French program.

Now that the tests are concluded, however, Chirac gave notice that he intends to emphasize the fight against nuclear proliferation by pushing hard for a comprehensive test ban treaty by the end of this year. Seeking to curtail the hostility of protests abroad, France insisted several months ago that the treaty should embrace the "zero option" banning all tests, even those of the smallest explosive power.

Some military experts, notably in the Pentagon, wanted to set the ban at a certain threshold to preserve the right to carry out micro-explosions, ostensibly to ensure the reliability of existing arsenals.

After some hesitation, the United States and Britain endorsed the zero option now backed by Chirac. But Russia and China have not accepted the proposal. While Russia has stopped testing, the Chinese insist on the right to continue underground explosions because they contend their program lags far behind those of the other nuclear powers.

Besides the continuing dispute over the zero option, negotiations for a test ban treaty now unfolding in Geneva have encountered problems from other countries that may aspire to join the nuclear club.

India has predicated its support for a test ban treaty on a timetable for the elimination of all nuclear arsenals in the world, a hard-line position that if sustained could torpedo the negotiations.

[From the Washington Times, Jan. 30, 1996]

CHIRAC ENDS NUCLEAR TESTS ON EVE OF STATE VISIT

French President Jacques Chirac yesterday ended a series of underground nuclear tests in the South Pacific that were threatening to create a major embarrassment during his state visit to Washington this week.

Several members of Congress have threatened to boycott Mr. Chirac's address to a joint session on Thursday and have asked House Speaker Newt Gingrich to withdraw the invitation, according to the Capitol Hill newspaper Roll Call

In Paris, Mr. Chirac announced that with the completion of the sixth and most powerful blast on Saturday, France had achieved its objective of ensuring a "viable and modern defense." He said he was calling for "a definitive halt to French nuclear tests."

"I know that the decision that I made last June may have provoked, in France and abroad, anxiety and emotion," Mr. Chirac said on state-run television last night.

"I know that nuclear weaponry may cause fear. But in an always-dangerous world, it acts for us as a weapon of dissuasion, a weapon in the service of peace."

The announcement came just days before Mr. Chirac's state visit, which was postponed from last fall.

Roll Call reported that several Democratic members of Congress last week condemned the decision to invite the French president to address a joint session and called on Mr. Gingrich to rescind the invitation.

A spokesman for the Senate historian's office called the protest, led by representatives from Hawaii and the Pacific territories, "extraordinary" and said he could not recall a similar outcry in the past.

Roll Call quoted the representatives describing Mr. Chirac's appearance as a "direct affront against the United States and its people and of the world."

They urged fellow House members in a "Dear Colleague" letter to "protest President Chirac's wanton disregard of the appeals by and on behalf of the people of the Pacific region" for an end to the tests.

There was little chance of the address being canceled, but a top Democratic leadership aide told Roll Call the event could end up as nothing more than a "joint session to staffers and pages." Mr. Gingrich might have to "hustle to fill the room," the aide said.

France began the tests with a Sept. 5 blast beneath Mururoa Atoll. That detonation, roughly the size of the atomic bomb dropped on Hiroshima in 1945, broke a three-year international moratorium on nuclear testing.

It made France the only nation besides China to test weapons of mass destruction since 1992. France insisted it had to resume the tests to check its nuclear arsenal and develop computer simulation that will make actual detonations unnecessary in the future.

The testing outraged Australia, New Zealand and other South Pacific countries and provoked rioting in Tahiti. But it did not elicit strong response from such major French allies as the United States, Britain and Germany.

The environmental group Greenpeace, which fought the tests with bitter denouncements and high-seas protests, expressed relief at Mr. Chirac's decision.

"France has finally bowed to international pressure," said Josh Handler, the group's disarmament coordinator. Greenpeace said it would now press France to return protest ships seized over the past few months.

On Oct. 20, France, Britain and the United States jointly announced they would sign a treaty making the South Pacific a nuclear-free zone after the final French test.

White House Press Secretary Michael McCurry predicted that Paris' decision "will provide new momentum" to efforts to reach a test-ban treaty. The United States had pressed France to abide by the global moratorium.

In France, too, pressure had mounted on the conservative president to make Saturday's test the last. French trade in the South Pacific lost some ground, and Paris' diplomatic ties with Asian nations and many of its European partners where shaken.

Mr. Chirac's decision apparently hinged on how much information the government's nuclear scientists gleaned from the latest blast, and whether they and the military could be satisfied with an early end.

"Thanks to the final series which has just been carried out, France will have at its disposal a viable and modern defense," Mr. Chirac said. "The security of our country and our children is assured."

The Defense Ministry said the final test, conducted Saturday beneath Fangataufa Atoll, about 750 miles southeast of Tahiti, had a force of 120 kilotons—the equivalent of 120,000 tons of TNT, six times more powerful than the first blast in the series.

Greenpeace and other environmental groups called the tests needless and dangerous to a region known for its crystal seas and rich marine life. Some reports have said the continued nuclear pounding cracked the atolls and could eventually release radioactivity, a contention the government vehemently denies.

Mr. Chirac announced last June that France would conduct up to eight such underground tests, then stop for good and sign the Comprehensive Test Ban Treaty. Late last year, he said the tests would end by March and would number six or seven.

President Charles de Gaulle brought France into the atomic age in 1960. It stopped atmospheric testing in 1974 and bored the test tunnels beneath Mururoa and Fangataufa, where it has detonated 144 underground blasts.

[From the New York Times, Jan. 30, 1996]

FRANCE ENDING NUCLEAR TESTS THAT CAUSED BROAD PROTESTS

(By Craig R. Whitney)

PARIS, January 29.—The French Government said today that it had ended its nuclear weapons test program for good after conducting an underground blast in the South Pacific on Saturday, the last in a series of six such tests that were deplored by most of France's European allies and scores of other countries.

President Jacques Chirac announced the decision on national television this evening, calling the halt "the definitive end of French nuclear testing."

Mr. Chirac lifted a three-year moratorium on testing last year to try out a new warhead for French nuclear submarines and to gather data for computer simulations that will make future French nuclear weapons tests unnecessary.

French officials said today that the six tests carried out since last fall, which include the last and most powerful one under Fangataufa Atoll in the South Pacific on Saturday, had yielded enough data to make an additional test unnecessary.

They said that Mr. Chirac also wanted to put his best foot forward during a state visit to the United States this week and that he would use an address to Congress on Thursday to reaffirm France's intention to join the United States and other nuclear powers in signing a comprehensive test ban treaty this year to stop all further test explosions, no matter how small.

[In Washington, the Associated Press quoted the White House Press Secretary, Michael D. McCurry, as saying that that the French decision would "provide new momentum" to efforts to reach an international test ban treaty. The United States had pressed France to abide by the global moratorium.]

Mr. Chirac had said last June that the tests would end this spring but cut the number planned from eight to six after objections to the resumption of testing came from 10 of his 15 European Union allies, expressions of concern from the United States and vehement protests from Australia, New Zealand, Japan, and other Pacific countries.

"The possibility of rebuilding relationships with this part of the world, let alone New Zealand, is going to be very, very difficult," New Zealand's Foreign Minister, Donald McKinnon, said today.

In an interview late last year, Mr. Chirac defended his decision to announce the resumption last June, not long before the 50th anniversary of the United States atom bomb attack on Hiroshima at the end of World War II.

"I didn't have any choice," he said. "To get the tests done in time to sign a comprehensive test ban treaty, preparations had to begin in the summer, and if we hadn't announced them, people would have discovered the work going on and accused us of being duplicitous."

French military experts told Mr. Chirac, a Gaullist conservative, that suspension of testing by his Socialist predecessor, François Mitterrand, had left a question mark over the reliability of the new TN-75 submarine-launched warhead and had also left France without sufficient data to future nuclear weapons testing to computer simulations.

Without assurance of reliability, the French independent nuclear deterrent would lack the credibility needed to scare off potential aggressors, the military said. Mr. Chirac was as determined as the late President Charles de Gaulle to enable France to take care of itself militarily, if necessary, without help from hands across the sea that could be withdrawn at any moment.

So he clenched his jaw while protesters poured Beaujolais down the drain and hanged him in effigy as "Hirochirac."

"I shared their concern," he said tonight, speaking from his office in Elysée Palace. "I know that nuclear tests can inspire fear." But, he continued, nuclear weapons served peace by deterring aggression.

It was to gather data necessary for simulation, authoritative French officials said, that the last explosion, equivalent to up to 120,000 tons of TNT and more than six times the size of the Hiroshima blast, was set off under Fangataufa Atoll on Saturday. Five other blasts were set off there and at nearby Mururoa Atoll, both in French Polynesia, between Sept. 5 and Dec. 27.

This brought to 198 the total number of French tests since the first one, which occurred in 1960 in the Sahara, in what was then French Algeria.

The end of French testing means that only China, among the admitted nuclear powers, is still carrying out underground explosions on its territory, though China's tests have not elicited nearly as much vehement protest as those of France. Tahitian protesters burned down the airport terminal at Papeete and caused $40 million in damage in a riot after the first test in September, and the Greenpeace environmental pressure group sent protest ships into the test atoll.

France seized the Greenpeace ships and has refused to give them back, but Mr. Chirac was more irritated over the conduct of some of his European allies, including Italy, Sweden, Austria, and Finland, who voted at the United Nations in November to condemn French testing instead of abstaining as Germany, the United States, and many other countries did.

French officials, who had not consulted with their European allies about resuming the tests, canceled diplomatic meetings in anger. "It proves that there's a long way to go before Europe is built," Mr. Chirac said, but he thanked Britain, the only other European nuclear power, for never uttering a word of criticism about the French tests.

The French Defense Ministry has always insisted that the South Pacific tests caused no environmental damage, though it has conceded that trace amounts of radioactive iodine and other elements had been found in the waters around Mururoa after previous tests.

In a gesture to its European and NATO allies, France has offered recently to discuss ways of making its nuclear deterrent part of a stronger European defense pillar within the alliance, but concrete proposals are likely to be a long time coming, diplomats believe.●

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to section 301 of Public Law 104–99, which provided for the final disposition of Senate amendment number 115 to H.R. 1868 in both Houses, as if enacted into law, the Chair lays before the House the following enrolled bill:

H.R. 1868, an act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1996, and for other purposes.

REMAKING AMERICA THE RIGHT WAY

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the Chair recognizes the gentleman from New York [Mr. OWENS] for 60 minutes.

Mr. OWENS. Mr. Speaker, the front-page article of the New York Times today, which talks about the CIA, has implications for the war to remake America that is going on in this Capitol now. Speaker GINGRICH has declared that politics is war without blood, and they have waged a relentless war.

My colleagues who spoke before about the threat of a default have indicated how serious this war is. The threat of a default is very serious. A default itself, of course, would be a disaster, but even a threat shakes the confidence of the world economies in this country and shakes the confidence of Americans.

Already the confidence of Americans has been shaken in their Government by two shutdowns of the Government. So I think it is very serious.

The following article that appears on the front page of the New York Times certainly has implications for what is going on with respect to streamlining and downsizing the expenditure side of the battle to remake America. It also has very serious implications with respect to the revenue side of the battle to remake America.

The New York Times article of today, January 30, says that a secret agency's secret budgets yield lost billions, officials say. Let me repeat that. A secret agency's secret budgets yield lost billions, officials say. Budgets, not just one budget. This secret agency has several budgets, and it has lost billions. The lost billions have been discovered, fortunately, at least as far as we know nothing has been stolen and whisked away from the American taxpayers, but it is there.

This $2 billion slush fund, you know, with the Super Bowl for football over, but this $2 billion slush fund at the CIA is the super blunder, the symbolic super monster of this year's policy struggles. It is a symbol that we ought to take a close look at.

Mr. Speaker, how can an agency of the U.S. Government have $2 billion lost in secret funds? How can an agency that has several different budgets, and the head of the agency, not know that those budgets exist?

It is worth reading some sections of this article. I will not read all of it, but Mr. Speaker, I ask unanimous consent to enter the article in the RECORD.

The article starts by saying that the National Reconnaissance Office, the secret agency that builds satellites, lost track of more than $2 billion in classified money last year, largely because of its own internal secrets, the intelligence officials say. That they lost $2 billion, it means obviously that that is $2 billion that they did not need, $2 billion that they did not spend.

This threat of default looms because we have a group in control of the Congress, the Republican majority in control of the Congress, that is threatening to push the American Government into default because they want their version of the remaking of America to prevail. That version of the remaking of America is, they say, concerned with cutting the cost of Government, cutting the cost of Government, streamlining Government, downsizing Government.

□ 1800

The President says the era of big government is over and we all agree that the era of big government should be over. But when you examine today's article on the front page of the New York Times where an agency of the Federal Government has a $2 billion slush fund, then you wonder where is this streamlining taking place.

The implications of a blunder here are very important. We must stop and take a close look.

It says to us that if you have an agency of the government that has a $2 billion slush fund that has just been discovered, obviously $2 billion that they did not need, then the streamlining process is not really taking place across the board. In fact, the places that have the most money obviously are not being streamlined. The downsizing is not taking place. There is some kind of hypocrisy going on here. It says to us that the era of big government is not over.

The continuing resolution that was passed last Thursday did not touch the CIA budget at all. Last Thursday we passed a continuing resolution that keeps the Government in business, I think for about 45 more days, and that continuing resolution in my opinion sets the pace, sets the tone for what is probably going to prevail for the rest of this year. We are not going to move far from those figures, those numbers that are passed in that budget.

I am very dismayed, very disappointed, very angry because that continuing resolution cut the budget for education by $3.1 billion. The education budget has been cut. The people who want to remake America, the Republicans in the majority, have won. They have cut education.

They said they wanted to cut the Department of Education. They went after education with a vengeance, despite previously we have had bipartisan support for education. President Reagan initiated the Nation at Risk study. President Bush came out with America 2000 and held a big conference and set goals. We have always had bipartisan cooperation.

Suddenly this year the Republican majority came to power and education was the enemy, education was under attack. Abolish the whole department, they said. When they could not do that via authorizing legislation, they went after education in the appropriations process.

So we have not only the administration of the Education Department being cut drastically but you have programs that are proven, the Title I program that provides funding mainly to disadvantaged communities across the country, but really 90 percent of the school districts in America get some part of the Title I funding. So Title I is cut by $1.1 billion over an annualized figure. That cut stands. It stands as it is. Head Start is cut. The Head Start cut stands in the continuing resolution.

What was won in the continuing resolution—and I guess in the present atmoshpere, with the revolution to remake America going forward, we have to be satisfied with any gains—we did get back Goals 2000, which had been reduced to zero in the appropriations bill by the Republicans in the House of Representatives here. We did get back some semblance of some other programs that were there. I think we got the funding for the summer youth employment program back. I am not sure.

The continuing resolution says that any program that is not zeroed out or not specifically mentioned as a program to be defunded will get 75-percent of the funds it got last year, so I hope the summer youth employment program is included. But the language bothers me because the summer youth employment program is not specifically mentioned and some other programs are mentioned. AmeriCorps is specifically mentioned as being one of those programs that will get 75-percent funding. There is a fuzziness here about the summer youth employment program which troubles me.

It not only troubles me, it makes me very angry when I look at the headlines, the front page article of the New York Times. In the CIA slush funds, in the slush fund you have $2 billion that could have been applied to education and job training programs; $2 billion are there that could be applied to education and job training programs.

In the continuing resolution, the CIA budget is not touched. The CIA budget has certainly been discussed on the floor of this House, because I have joined with some colleagues of mine to bring a resolution to cut the CIA budget by just 10 percent per year over a 5-year period, so that that $28 billion which is the figure that is acknowledged to be the minimum that is going to the CIA, the intelligence budget, that $28 billion would be cut by $2.8 billion per year over a 5-year period and the agency would be cut to half its size within 5 years.

We have had that resolution on the floor twice and it has been soundly defeated. We have never gotten more than 60 votes. I think 57 is the highest number of votes we got for this agency that now has a $2 billion slush fund that is discovered. So that $2 billion is very important.

What does it say about the sincerity of the people who are staging, waging this revolution to remake America? What does it say if they have not even bothered to cut any portion of a CIA budget, which is a budget obviously which ought to be looked at closely, since it was fashioned during the cold war and the cold war was primarily a war with the Soviet Union. Half of all of our military and intelligence resources were directed at the Soviet Union. Why is it that after the Soviet Union has fallen, the CIA budget cannot be cut?

Well, the Soviet Union's intelligence agency at least is no longer a secret agency totally. People say, "Well, they're only revealing certain things to us." At least they reveal a few things to us.

I do not want the CIA of the United States, the intelligence agency of the United States, to reveal all of its secrets to us. I would just like to know the budget. I think the American people deserve to see the budget. We do not want the safe houses revealed, we do not want the agents provocateurs named, the femme fatales, we do not want the information sources, we do not want any of that revealed. We would just like to see the budget.

The budget is a secret. Because it is a secret, nobody can really deal with cutting the budget. It turns out that not only is the overall intelligence budget a secret but within the CIA, there are secrets within the agency that even the CIA Director does not know about.

Listen to this article.

"Critics of the National Reconnaissance Office, the secret agency that builds spy satellites, lost track of more than $2 billion in classified money last year largely because of its own internal secrecy, intelligence officials say."

The National Reconnaissance Office is a secret agency within the whole intelligence operation. It is under the supervision and oversight of the CIA Director, but it has so much secrecy, even within its own confines, the reconnaissance agency, that it lost track of $2 billion last year.

We have heard this story before when it was just germinating, and they leaked out it was at least $1 billion and then some sources said $1.5 billion. Now it is up to $2 billion.

"Critics of the reconnaissance office said today that the money had been hidden in several rainy day accounts that secretly solidified into a slush fund." Listen to the language. This is not some Monty Python novel. This is a description of what the statements were of the U.S. Government Intelligence Agency.

"Critics of the reconnaissance office said today that the money had been hidden in several rainy day accounts that secretly solidified into a slush fund."

How does a slush fund secretly solidify? How do rainy day accounts become a secretly solidified slush fund? Let us look at this from every angle. What is a rainy day for the CIA? What does that mean? Can the education agency have a rainy day fund? Can we have a rainy day fund for the School Lunch Program? What does a rainy day fund for the CIA mean?

To read on from the article itself, "The NRO," the National Reconnaissance Office—this is the National Reconnaissance Office which is a major part of the whole intelligence operation—"NRO's top managers themselves had no idea"—no idea—"how much money lay unspent in their classified coffers, Senator ARLEN SPECTER, the Pennsylvania Republican who heads the Senate Intelligence Committee, and Senator BOB KERREY, the Nebraska Democrat who is the panel's vice chairman, said in a prepared statement."

These two Senators have the oversight for the Agency, and they are telling us that not only did they not know but the top managers of the National Reconnaissance Office themselves said they had no idea. What kind of administrators are these?

I once was the commissioner for the Community Development Agency of New York City. The Community Development Agency had responsibility for the antipoverty program which was so unpopular with the establishment, and we had audiences every day. You had one set of reports required from one set of agencies, another set required from another set. At one time it was pointed out that for the Community Action program nationwide there were 100 major auditors, while at that time the Pentagon had three auditors. This was pointed out by an article in the New York Times at one point.

So I cannot see how a small community action program—I think at the height of the program we had $70 million in New York City. At the height of the program it might have been $1 billion in funding for the whole country. That program was constantly under scrutiny.

How do you have a multibillion-dollar agency where the top managers themselves can have no idea how much money is unspent in their coffers? And how do you accept that calmly? How many people are being fired today? They used to close down agencies, and they used to bring in the FBI and investigate small agencies who had a few thousand dollars that they could not account for, and people sometimes went to jail for a few thousand dollars that they could not account for.

How does it happen that the National Reconnaissance Office can have a solidifying slush fund where the top managers cannot account for it and we are not in motion all over this Capitol to deal with it? How many hearings are being called to look into this National Reconnaissance Office's top managers' failure to keep account of billions of dollars?

Whitewater, we are spending millions of dollars to conduct a hearing on Whitewater. I am told that $60 million was lost by the taxpayers when they went in to bail out Whitewater. $60 million is a lot of money, I have heard that said over and over again in the Whitewater hearings. Yes; it is.

I wonder why they did not have hearings about Silverado. Silverado was a savings and loan in Colorado that failed and they lost $2 billion. The taxpayers lost $2 billion. We have not had any hearings on Silverado.

Neil Bush, the son of former President George Bush, was involved. He was on the board of the bank of Silverado. I think he was later fined a few dollars for some conduct of that board with respect to the failure of that savings and loan association. But we never had hearings here in Washington to go on and on about Silverado. Whitewater is suddenly important.

I mention this only because it is important for the American people to get into perspective what is going on. If a $2 billion failure of a savings and loan bank called Silverado did not elicit any hearings at all, then why do you think we are having hearing after hearing about Whitewater when $60 million is involved? There must be something else they are looking for. They are not concerned really about the integrity of the Federal Deposit Insurance Corporation. They are not concerned about the vast sums of money that Americans have had to spend to bail out savings and loan associations.

The sum that we spent to bail out savings and loan associations is probably totaling something now close to $300 billion. Has any hearing been held to take a look at all of the Resolution Trust Corporation's operations? Where are we? Is there a progress report that is comprehensive about the billions of dollars we lost in the savings and loan associations?

I know I am diverting from the subject, but the savings and loans is the biggest scandal in the history of mankind. Civilization has never had a swindle near that proportion.

□ 1815

Even this National Reconnaissance Office scandal pales beside the savings and loan scandal, but maybe we can comprehend the hypocrisy of what is going on if you come back to the National Reconnaissance Office.

What I am saying is that while we are cutting Head Start by $300 million, while we are cutting title I by $1.1 billion, which is one-seventh of the total, while we cannot clarify the funding of a summer youth employment program that provides jobs for the poorest young people in the country, while we have difficulty doing all that, while this revolutionary majority in the House is threatening to push the country into default in order to get their way in cutting Government expenditures. While all this is going on, $2 billion cannot be accounted for, and there seems to be no excitement about it. I have not heard of a press conference being called by the leadership in the Senate or the House to deal with the implications of this super-blunder under the present situation.

Let me just continue to quote from the article that appeared in the New York Times today, January 30:

> The amount of money was larger than anyone had known, well over $2 billion, or more than the annual operating budget of the State Department, several military and intelligence officials said.

Just the language, just absorb the description of what is going on, the amount of money is larger than anyone had known, well over $2 billion, or more than the annual operating budget of the State Department.

It is hard for people to conceive. What is $2 billion? What is $2 billion? How many welfare families can live for a year on $2 billion? How many school lunches will $2 billion buy? How many persons on Medicaid can receive medical attention for $2 billion?

Let me just continue with the article:

> One Senate Intelligence Committee aide described the misplaced money as a severe accounting problem.

I should say so, a severe accounting problem, "that had grown because of a lack of accountability." Listen to the language, you have a severe accounting problem that has grown because of a lack of accountability, in turn created by the extraordinary secrecy under which the Reconnaissance Office works. A team of auditors was dispatched by the Director of Central Intelligence, John Deutsch, and found the money in a series of investigations nearing completion. Great, Mr. Deutsch, I hope we can recover some of that money. Maybe you can give $300 million to Head Start, maybe give a billion to title I. More than $1 billion was tracked down and identified last year, in 1995, you know, less than 30 days ago.

Now that the money has been found, it will be used to help pay for Pentagon programs, we are told. I do not know how those decisions are made. Does the Congress have to get involved in making, after you discover that you have squirreled away $2 billion? You know, in an atmosphere when we are trying to streamline and downsize Government, in an atmosphere where we want to show the American people that the era of big government is over, why do we let an agency that has squirreled away a slush fund of $2 billion decide how they are going to spend it? When do we come in? Can we use this money to guarantee that there will be a summer youth employment program in the big cities of America where the poorest children are where they need those jobs? Can we use the money to guarantee we will not cut the Head Start Program?

I am concerned, because the education deal that was made last Thursday was a shocking one. The protestations that came out of the White House, the leadership, everything indicated that education was a high priority and would be protected in negotiations, and then, you know, there was a rapid deterioration of the situation, and before we knew it, we were on the Floor voting for a continuing resolution which drastically cut education. It just so happened a few days before the continuing resolution was brought to the Floor there was a poll which was dramatized and publicized highly on the front pages of USA Today. A USA-CNN poll showed that the American people had rated education as the No. 1 priority concern. The No. 1 concern of the American people was education. I think that education had 68 percent over 67 percent of crime. Crime is still a great concern. Large numbers of people, 67 percent said that was No. 1, but a slightly higher number said that education was a primary concern.

People have great anxiety about their own education in order to keep up with the changing job environment, the downsizing, the layoffs. People have greater concern about the education of their children, whether or not their children are going to receive an education that is adequate to keep pace with this increasingly complex society. So when you consider that the polls that all politicians are supposed to look closely at, the polls show education is a No. 1 concern, it was just incomprehensible to me how we could come to the Floor and vote for a continuing resolution which cut education by $3.1 billion, there is something wrong in this democracy.

On the other hand, we get news that the National Reconnaissance Office has squirreled away $2 billion.

Let me just continue for a moment with the article:

> This same National Reconnaissance Office is the agency that secretly spent more than $300 million on its new headquarters outside Washington, a sum that the Senate Intelligence Committee said in 1994 was a shock to discover.

The Central Intelligence Agency, which has oversight responsibility for the National Reconnaissance Office which is part of the Central Intelligence Agency's responsibility, said it was shocked. The National Reconnaissance Office spent $300 million on a building. You know, this is a physical structure. They were actually building a building outside this city of Washington. I think it is near Dulles Airport. They were spending $300 million to build a building. That was a secret. How can you have a secret building? You must bow to the skills of an agency which can produce a secret building for $300 million, and the people in Washington who are supposed to oversee it not know anything about it. The reconnaissance office still operates in the deepest secrecy of any Government agency financed by the $28 billion a year black budget, or classified above top secret, or military intelligence programs. It spends an estimated $5 billion to $6 billion annually, outside analysts say. This sum varies from year to year depending on how many satellites the agency is funding or building.

I am just going to conclude now the reading of the article by going to the last two paragraphs. "Mr. Deutsch, who is now the head of CIA who has responsibility for oversight of the National Reconnaissance Office, states when Mr. Deutsch took over as director of Central Intelligence last May, he vowed to control these classified accounts. On paper he is the chairman of all intelligence agencies as well as the CIA. In reality, the Reconnaissance Office has been its own fief for more than three decades, the critics like Mr. Pike say. Mr. Deutsch has sought and may receive." He may receive, "Mr. Deutsch," who is in charge of the intelligence operations of the United States, "has sought," and the article says he may receive real power over the budgets he now controls in name only. Presidential and congressional panels studying the intelligence community are likely to recommend that.

Just listen to the language in this great democracy of ours, with very responsible people making decisions. How do you get language like that, that the head of an agency may receive, even now with the scandal obvious and public is not certain that he will receive power over these secret budgets, and yet we go on with the blitzkrieg against programs for low-income people. The blitzkrieg rolls on.

Welfare as we know it, aid to families with dependent children will fall in the next 10 years. Certainly when this continuing revolution is over, I do not expect to see aid to families with dependent children still standing as an entitlement. I am sorry to be pessimistic. All the protestations that are being made lead in that direction, in my opinion. I think that will fall.

I hope we can protect Medicaid as an entitlement. It is very important to at least hold onto Medicaid as an entitlement, because if Medicaid is not an entitlement for poor people, then there is no hope ever of having universal health care.

Education, I hope, can be renegotiated back to a level that is acceptable in terms of the continuation of Head Start and title I and some other very important programs in the labor budget, especially the Summer Youth Employment Program.

I hope all of those things can go forward, but when you look at this phenomenon of the super blunder of the CIA which has received so little attention here, none of the Members of the Republican majority leadership have made any statements about this, and yet they vehemently insist that school lunches must be cut, aid to families with dependent children must be cut, meaning the poorest children in America have to pass a means test, you have to prove you are poor before you can get the aid to families with dependent children, you know, all of these things are indications that this struggle, this war to remake America is about more than money. If they are really concerned about money, they would be very concerned about the CIA's $2 billion.

The concern is not about money. The concern is about the destruction of a certain class of people. There is not a class war in America. There is a class massacre going on. A war means you have two contending parties.

The poorest people in this country cannot defend themselves and they are being massacred by this new majority in the Congress. The massacre goes on. If we were concerned about streamlining government, we would be talking downsizing the Pentagon. We would have some rooms in the Pentagon available for the homeless soon.

We would be talking certainly about the National Reconnaissance agency changing drastically. The last thing we would be talking about is cutting education if we were concerned about really an American that is going to go forward and be able to carry its own weight.

Education is the primary tool by which that is accomplished. People help themselves when they get an education. In New York City, they have always understood that. Even during the Depression we had a city university which was totally free. During the Depression, where did the revenue come from to keep it a totally free university even during the Depression? Now, of course, there are tremendous cutbacks, new tuition increases, et cetera.

I want to spend the rest of my time, the second half of my 60 minutes, discussion the implications of the CIA super blunder on the revenue side. You know, we have a discussion that ought to be always conducted with two major components.

Where liberals or progressives have lost out in the past is that they have left the revenue discussion, the tax discussion, to the conservatives. Somehow that has been dirty business for us, and we have not spent enough time discussing revenue.

The flat tax is a major issue within the Republican primary. Tax proposals were first initiated by Republicans. The dominant discussion is about ways in which really you can fashion the taxes, the revenue gathering process, to benefit the richest people in America. Where is the revenue counterproposal from the other side? Where are the proposals for revenue to be gathered and how it should be gathered and how we can maintain a revenue stream that finances all programs that are important to the American people? And what does that CIA problem have to do with that?

Well, the National Reconnaissance Office is an example of a tremendous investment made by the American people in new technology, new technology. Billions of dollars have already been poured into the National Reconnaissance Office. They use new technology. They got it to maximize the use of satellites and other electronic devices in the spying operations across the globe.

□ 1830

They perfect computers, they perfect radar. Everything that is happening in the state-of-the-art technology you will find in the National Reconnaissance Agency or the taxpayer-financed space program. As you have found it in years past in all sectors of the military, the Air Force, the Navy, the Army, they have perfected new technology with the dollars that Americans have generated through their taxes.

So what does this have to do with revenue? A major problem we have in terms of the quest for new revenue or the quest for a revenue stream is that we are always talking in terms that are obsolete. The only place that new revenue can come from we believe is from the pockets of the American people. The workers must pay income tax, and income tax is the primary way we finance the Government.

Should the income tax continue to be the primary way to finance the Government? I do not think so. Even if you have tax justice and corporations begin to pay more taxes, a greater share of corporations are now not paying their fair share of the income taxes. As I have said many times on this floor, individuals and families are paying about 44 percent of the income taxes. Corporations are now paying 11.4 percent. Corporations at one time under Ronald Reagan in 1983 were paying as little as 6.4 percent of the total tax burden. That year, the tax burden for individuals and families went up to 48 percent.

There are figures that need to be repeated over and over again. So we need to have corporations pay a greater share of the taxes, because an undue burden has been placed on families and individuals. A tax cut for families and individuals is long overdue. We need a tax cut for families and individuals.

But can we get revenue which can pay for Medicare? Can we get revenue you need to pay for Medicaid? Can we get the revenue we need to pay for education? Can we get the revenue we need to pay for the system that President Clinton mentioned in his State of the Union Address? I think we heard him say in California they had a pilot project going where 20 percent of the State schools would be wired up so they could participate on the information superhighway. They would be able to join the Internet and do other things because they have computers, proper wiring for those schools. The President also said by the year 2000, he expected all of the schools of America to be able to participate in this program. We are going to have all the schools wired up with computers, and they will be able to join the information superhighway by the year 2000.

That is a great program. I heartily endorse it. I do not think we should reduce I in the meantime or Head Start, but we need to go forward with a program to lead our schools into the 21st century and have them become a part of the information superhighway.

That is going to cost money. Any investment in education will cost money. No matter how much you downsize, as you should be doing in the Pentagon or should be downsizing in the CIA, the downsizing and the streamlining of our expenditures so that we get rid of the real waste in places like the CIA, we get rid of a $2 billion slush fund, that kind of downsizing will not end the necessity for more revenue.

So we need a program. Progressives, liberals, and Democrats, and I am a liberal, proud to be a liberal, we need to tackle the revenue problem head on. I proposed in a bill that I introduced on October 24 of last year to create a Revenues Commission, a Creative Revenues Commission. The Creative Revenues Commission would facilitate the reform of the Federal tax system. The Creative Revenues Commission would go beyond a flat tax on the incomes of corporations or individuals and look at the whole situation.

We are now in 1996. We are just 4 years away from the beginning of the 21st century. Let us look at the whole tax situation, look at the whole revenue producing situation. Let us determine whether or not we need to continue to throw overboard large segments of the population. Do we have to, in America, throw overboard young people that need an education and help from the Federal Government in order for their schools to function properly? Do we have to continue to throw overboard young people who do not have the proper wherewithal, for various reasons, and they need aid to dependent children? Do we need to continue to throw overboard elderly people who will have Medicare, but in the States Medicare is already being reduced? New Jersey just took away prescription allowances. New York took away certain benefits several years ago, eyeglasses, prescriptions, a number of things. More cuts like that are going to take place. Do we need to keep trimming the health care in order to have a viable economy in order to balance the budget?

Balancing the budget is not my favorite remedy, but balancing the budget seems to have caught hold. Let us have a balanced budget. If we are going to have a balanced budget, then let us look at the revenue side and be more creative about the revenue we produce.

So I introduced a bill, H.R. 2526, to create a Creative Revenues Commission. This commission will deal with the whole spectrum of possible revenue sources. In the findings we state that many proposals have been offered to reform the Federal tax system, including a national sales tax, a flat tax, a value-added tax, and a tax system exempting savings from taxation.

These proposals have merit and they deserve to be examined. Nonetheless, none of these proposals address the fact that the Nation's tax burden has shifted dramatically over the past five decades from the shoulders of corporate America to the backs of American workers.

Ways to correct this imbalance must be developed and implemented. For the first time in American history, median wages of full-time male workers have fallen for more than two decades, therefore making it necessary to reduce taxes on wages. For the first time in American history a majority of workers have suffered real wage reductions, while the per capita domestic product has advanced.

Then I state, what is new. Technology advances have created important potential new revenue sources. Important potential new revenue sources have been created by technology. We can now derive revenue from the selling or leasing of the radio frequency spectrum.

When I first proposed that on the floor of the House, a member of the majority later that day called it a joke. He said "Here is a Democrat who proposes taxing the air above us." There is a spectrum up there. There are frequencies up there. There are valuable things up there in the air above us. The air above us is owned by all of the American people. I see no reason why we cannot derive revenue from the people who are going to use that for various profitmaking endeavors. Why should not the Government and all the people benefit from what happens to the air above us?

These must be thoroughly explored. It was a joke, but I noticed that when the President came in with his balanced budget proposal, he had added quite a bit of money to the possible revenues to be derived from the selling or the leasing of the spectrum. So it is a joke that already has become a serious matter.

I want it go further than just to look at the environment, the air above us. By the way, for the American people to derive an income from the air above us is nothing new. The land that was here when we got here, the Government still owns part of that land, and we are deriving some revenue from grazing lands, we are deriving tiny amounts of revenue from mining. All of those kinds of possible revenue sources have to be reexamined. A great debate has been waged here. The interior appropriations bill has been held up here because we are tired of having mining lands given away. Mines which bear millions of dollars of ore gold and various other substances, those mines have been almost given away in the past 20 or 30 years because of deals that have been cut with often foreign mining companies. So we should realize revenue from those mines and from any other lands still owned by the Federal Government.

The Government once regulated the way land was given out, the great land rush and stakes for land a number of processes were used to parcel out land in early America. I might note, however, that even after the slaves were freed by the Civil War and the 13th, 14th, and 15th amendments were passed, blacks were not allowed to lay claim to such lands. Nevertheless, the land was there and the Government regulated how the land was given out.

So why cannot the Government regulate what happens to the air above us? Why can we not have as much income for all the people derived from what happens to the resources the Government still controls as we can? It belongs to all of us.

What I am proposing in connection with the technology is a bit more complicated. I am saying that one of the things that the Creative Revenues Commission ought to look at is the establishment of a system of royalties. Royalties ought to be paid by companies that are benefiting from publicly financed research and development. The technology that is being used to make billions of dollars, and Wall Street is booming, technology stocks are way up, various other profits are being maximized by automation, by computerization, by miniaturization, all of these things were developed by the U.S. citizens through the financing of research and development in the military.

We would not have radio as we know it today if the Navy had not taken a great interest in the new inventions related to radio. The U.S. Navy played a major role in the development of radio, and all the things that came from radio could not have happened without that.

Radar was a military concern, and whatever happens with radar is a military product. All of these ventures were financed by the American people, by the taxpayers. We should be able to derive some continuing amount of money from the investment that the taxpayers made. There ought to be royalties on products that clearly come from a stream of research and development activities run by the Government.

The National Reconnaissance Agency, which has all this money squirreled away, the National Reconnaissance Agency, which is wasting money, is also producing some very useful technological products. The satellites that they generated and developed and pioneered, satellites are now used in civilian purposes more than for military purposes. Satellites made it possible for 750 million people to watch the Super Bowl all over the globe. Satellites make it possible for us to communicate in a matter of minutes to all parts of the globe.

Those satellites, privately owned up there, were made possible by the research and development costs financed by the American taxpayers. Every satellite ought to have some sort of surcharge on it. The profits made from the satellites ought to have a surcharge, a royalty. Something should be done to derive some income from the investment made by the American people.

In private life, in business, nobody makes investments and suddenly allows the abrogation of their investment, the returns on their investment. You make an investment ad you do not expect anybody to tamper with your right to receive the return on that investment to the degree you have invested. The American people have invested in technologies that are making tremendous amounts of profits, and there ought to be a royalty considered, some kind of way to tap into the products, the sales of each product, or to tap into the profits made on these products that are financed by the American people.

There ought to be some laws related also to companies that have grown very big and as a result of technology have begun to absorb their competitors and establish monopolies. We have laws against monopolies. Why not take a look at monopolies and certain companies as they grow big, and if they have monopolies in certain areas and there are no competitors on the products they are selling, to the degree they lose the competition, perhaps they should have a surcharge, a surcharge on monopolies.

☐ 1845

Mr. Speaker, maybe beginning at 25 percent when a company gets 25 percent of the market, maybe we can begin a surcharge. Certainly if it has a 100-percent monopoly, it ought to be paying some kind of surcharge, which relates to the fact that its expenses are less. It has access to a market, total access to a market.

All of these may seem like far-out ideas, but I wish to put them forward in order to have a creative revenues commission examine them. We do not need to continue to listen to the cries that the Medicare fund will be insolvent by the year 2002. The Medicare fund can be partially financed by other revenues if that is necessary. We do not need to listen to the cries that the American people cannot afford to invest in education.

Sure, education is not one of the items mentioned as a function of the Federal Government in the Constitution. Education is not mentioned at all, but the promotion of the general welfare means that we have to do whatever is necessary to promote the general welfare.

The national security is a major concern of the Constitution, and all avenues of the Federal Government, all of the agencies of the Federal Government are concerned with national security. Education becomes one of those ways in which the general welfare is promoted and the national security is maintained. We cannot survive, and I think it has been said over and over again that, probably education has become more important in our national security than the military might of America. The threat to America and its institutions, the threat to America and its economy, is no longer a military threat. Unless we are predicting that there is some superior intelligence in outer space that might come in, there is no threat on the Earth that makes it necessary for us to maintain the kind of military power that we have now, or to be fearful of ever being overwhelmed by any other military power.

I know that all of us have read recently where certain planets have been discovered that we did not know about before. Obviously there are certain solar systems that are there that we did not know about before. The universe is larger and more mysterious than we thought it was. It is possible that out there in outer space there are some creatures who might be able to come in and attack the United States. That is a possibility. Maybe we ought to take a closer look at that.

In the real world of the solar system that we inhabit right now and on the planet Earth, there is no force that can overwhelm America militarily, but there are forces at work all the time undermining our economy. Therefore, we should deal with the period between now and the year 2000 as a transitional period, a period where you can have maximum profits being made on Wall Street. Corporations are booming, going forward because technology is feeding the profits.

We can have that at the same time we have maximum dislocations beginning in the workforce, at the same time that we have large amounts of workers that are being laid off. Those who are working find that their wages are stagnating. Those who are at the bottom of the level in terms of wages find that there is no way to get an increase in even the minimum wage.

So, the creative revenues commission appointed by the President or appointed by the Secretary of Treasury, or some method by which we get some of the most experienced people in the country—experts in taxation, the economy, whatever—we need a cross-section of very brilliant minds. That commission would be allowed to come back with recommendations, given a finite period of time. It should be a short period of time.

Instead of Steve Forbes being the expert on the flat tax, and the only people who can challenge him are candidates who are running against him with their own point of view and their own vested interest in wanting to knock down his version of the flat tax, let us have some kind of commission that every American voter and taxpayer can look at and make a determination as to what is reality, and what is credible and what is useful. Let us have a commission that says, we have a National Reconnaissance Agency that can afford to hide $2 billion and nobody discovers it.

If we have a National Reconnaissance Agency that is going forward creating satellites and new technology, spending billions of dollars per year, then not only do we need to look at downsizing that National Reconnaissance Agency and bringing it under control as we do every other aspect of Government, if we are going to have the end of the era of big Government with respect to expenditures, then certainly the CIA and the National Reconnaissance Agency ought to be part of the downsizing, part of ending the era of big Government.

In addition to looking at the National Reconnaissance Agency and the superblunder and what the implications are, look also at the revenue implications, all of that investment by the American people in the National Reconnaissance Agency and how many ways can the American taxpayers realize a profit from their investment, a dividend from their investment? How can that investment pay off for us? How can we make the previous investments in technology through the space agency pay off in terms of revenues for the American people?

How can we make the investment by the military in radar, in radio, in television, in computers? How can we make all of those investments pay off for the average American instead of just feeding billions of dollars into the coffers of the richest Americans who happen to be in a position to make use of the technology?

Those are relevant points as we go forward contemplating, fearing a shutdown of the Government. There is going to be a default. The worst kind of shutdown would be a default. If the issue of that default is the determination of the majority party to get their agenda across, they want to downsize the Government, they want to streamline the Government, if this is the issue, then let the majority in this House address itself to the superblunder of the day, the CIA's discovery of $2 billion in a slush fund.

If we are serious about addressing the era of big Government, let the President come forward with a special commission to investigate what is going on in the National Reconnaissance Agency.

Let us take a look at where our great investment is being made. If we are not investing in education, if the American people have indicated in a poll that they want a greater investment in education, they want education to be a priority for the Government, then we are ignoring the priorities set by the American people.

We are going forward not only in the Federal Government, but at the State level. In New York, Governor Pataki has a series of cuts in education, not only cuts in the elementary and secondary schools but also big cuts in the university system. In New York City, we have the mayor projecting another round of cuts for the city's schools, many of which are literally falling apart physically. Overcrowding is the dominant factor in many of the schools.

Mr. Speaker, all this is going forward in an era when we are able to have Government agencies squirrel away $2 billion and nobody asking any questions about how it happened and why it happened and why we cannot recapture that $2 billion for worthwhile programs like education.

The superblunder of the year is the blunder of the CIA. The superaction of the year would be to take some real steps to correct that kind of blunder, to seriously downsize our Government for the benefit of the American people, and to examine the activities of major Government agencies like the National Reconnaissance Agency, as they move technology forward, and create with American taxpayers' dollars new technological advantages for companies that make tremendous profits and give nothing back to the American people.

Everybody deserves to benefit from both the downsizing of wasteful agencies like the National Reconnaissance Agency and the CIA. Everybody deserves the benefit from the good work that these agencies do in terms of new technology that we all have a stake in and we should all be able to receive some benefits from.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. OXLEY) to revise and extend their remarks and include extraneous material:)

Ms. ROS-LEHTINEN, for 5 minutes, January 31.

Mr. BRYANT of Tennessee, for 5 minutes, today.

Mr. DIAZ-BALART, for 5 minutes, January 31.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mrs. LINCOLN) and to include extraneous matter:)

Mr. HAMILTON.

Ms. PELOSI in two instances.

(The following Members (at the request of Mr. OXLEY) and to include extraneous matter:)

Mr. SMITH of New Jersey.
Mr. HORN.
Mr. QUINN.

(The following Members (at the request of Mr. OWENS) and to include extraneous matter:)

Mr. MFUME.
Ms. EDDIE BERNICE JOHNSON of Texas.
Ms. JACKSON-LEE of Texas.
Mrs. JOHNSON of Connecticut.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1543. An act to clarify the treatment of Nebraska impact aid payments; to the Committee on Education and Economic Opportunity.

S. 1544. An act to authorize the conveyance of the William Langer Jewel Bearing Plant to the Job Development Authority of the City of Rolla, North Dakota; to the Committee on National Security.

ENROLLED BILLS SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1868. An act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1996, and for other purposes;

H.R. 2029. An act to amend the Farm Credit Act of 1971 to provide regulatory relief, and for other purposes;

H.R. 2111. An act to designate the Federal building located at 1221 Nevin Avenue in Richmond, California, as the "Frank Hagel Federal Building"; and

H.R. 2726. An act to make certain technical corrections in laws relating to Native Americans, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1124. An act to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, to reform acquisition laws and information technology management of the Federal Government, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on the following day present to the President, for his approval, a bill of the House of the following title:

On January 26:

H.R. 2880. Making appropriations for fiscal year 1996 to make a downpayment toward a balanced budget, and for other purposes.

ADJOURNMENT

Mr. OWENS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 55 minutes p.m.), the House adjourned until tomorrow, Wednesday, January 31, 1996, at 11 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports concerning the foreign currencies and U.S. dollars utilized by various committees of the U.S. House of Representatives during the third and fourth quarters of 1995, as well as a consolidated fourth quarter 1995 report of foreign currencies and U.S. dollars utilized for official foreign travel authorized by the Speaker, U.S. House of Representatives, pursuant to Public Law 95–384, are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1995

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	$ U.S. dollar equivalent or U.S. currency[2]	Foreign currency	$ U.S. dollar equivalent or U.S. currency[2]	Foreign currency	$ U.S. dollar equivalent or U.S. currency[2]	Foreign currency	$ U.S. dollar equivalent or U.S. currency[2]
Cordia Strom	8/29	8/31	Cuba		400.00		604.00				1,004.00
Committee total					400.00		604.00				1,004.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

HENRY J. HYDE,
Chairman, Jan 17, 1996

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1995

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
George Nesterczuk	11/30	12/4	Great Britain				674.55				674.55
Committee total							674.55				674.55

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

BILL CLINGER,
Chairman, Jan. 17, 1996.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON NATIONAL SECURITY, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1995

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Visit to Germany, Oct. 10–12, 1995:											
John D. Chapla	10/10	10/12	Germany		238.00						238.00
Commercial airfare							3,222.55				3,222.55
Thomas M. Donnelly	10/10	10/12	Germany		238.00						238.00
Commercial airfare							3,222.55				3,222.55
Hon. Gene Taylor	10/20	10/21	Italy		207.00						207.00
	10/21	10/21	Macedonia								
	10/21	10/23	Italy		452.00						452.00
Commercial airfare							3,450.55				3,450.55

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON NATIONAL SECURITY, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1995—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Committee totals					1,135.00		9,895.65				11,030.65

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

FLOYD D. SPENCE,
Chairman, Jan. 31, 1995.

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON NATIONAL SECURITY, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JUL. 1, 1995 AND SEPT. 30, 1995

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Visit to Israel, Greece, Italy and Portugal, Aug. 10–20, 1995:											
Hon. Partrick J. Kennedy	8/15	8/15	Italy				560.80		81.32		642.12
Visit to Belguim, Estonia, Romania, Norway, and Denmark, Aug. 21–Sept. 1, 1995:											
Delegation expenses	8/23	8/25	Estonia				221.69		37.55		259.24
Committee totals							782.49		118.87		901.36

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

FLOYD D. SPENCE,
Chairman, Jan. 31, 1996.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RESOURCES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1995

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Bonnie Bruce	11/9	11/18	Spain	216,713	1,767.93		570.95				2,338.88
Jean Flemma	11/10	11/17	Spain	206,890	1,687.80		570.95				2,258.75
Committee total					3,455.73		1,141.90				4,957.63

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DON YOUNG,
Chairman, Jan. 23, 1996.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1995

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Shana Dale	9/30	10/06	Norway		1,566.00						1,566.00
Commercial Airfare							2,469.25				2,469.25
Richard M. Obermann	10/1	10/08	Norway		2,088.00						2,088.00
Commercial Airfare							2,213.25				2,213.25
Michael Quear	10/04	10/08	Mexico		956.00						956.00
Commercial Airfare							511.95				511.95
Christopher Roosa	10/04	10/08	Mexico		956.00						956.00
Commercial Airfare							511.95				511.95
Harlan Watson	12/02	12/08	Austria		1,060.00						1,060.00
	12/09	12/17	Italy		2,043.00						2,043.00
Commercial Airfare							950.00				950.00
William S. Smith	12/02	12/08	Austria		1,060.00						1,060.00
	12/09	12/13	Italy		1,135.00						1,135.00
Commercial Airfare							1,398.00				1,398.00
Committee totals					10,864.00		8,054.40				18,918.40

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

ROBERT S. WALKER,
Chairman, Jan. 22, 1996.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO NORTHERN IRELAND AND IRELAND, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN NOV. 29 AND DEC. 2, 1995

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
North Ireland:											
Hon. James T. Walsh	11/30	12/1	North Ireland	English pound	184.00		(3)				
Hon. Dennis Hastert	11/30	12/1	North Ireland	English pound	184.00		(3)				
Hon. Michael McNulty	11/30	12/1	North Ireland	English pound	184.00		(3)				
Hon. Peter King	11/30	12/1	North Ireland	English pound	184.00		(3)				

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO NORTHERN IRELAND AND IRELAND, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN NOV. 29 AND DEC. 2, 1995—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Peter Torkildsen	11/30	12/1	North Ireland	English pound	184.00		(3)				
Hon. Tom Ewing	11/30	12/1	North Ireland	English pound	184.00		(3)				
Hon. Barbara Kennelly	11/30	12/1	North Ireland	English pound	184.00		(3)				
Hon. Tom Manton	11/30	12/1	North Ireland	English pound	184.00		(3)				
Hon. Bart Stupak	11/30	12/1	North Ireland	English pound	184.00		(3)				
Hon. Joe Kennedy	11/30	12/1	North Ireland	English pound	184.00		(3)				
Hon. Ed Markey	11/30	12/1	North Ireland	English pound	184.00		(3)				
Hon. Carolyn Maloney	11/30	12/1	North Ireland	English pound	184.00		(3)				
Hon. Jerry Costello	11/30	12/1	North Ireland	English pound	184.00		(3)				
Hon. Robert Borski	11/30	12/1	North Ireland	English pound	184.00		(3)				
Hon. Maurice Hinchey	11/30	12/1	North Ireland	English pound	184.00		(3)				
Hon. Jim Moran	11/30	12/1	North Ireland	English pound	184.00		(3)				
Hon. Victor Frazer	11/30	12/1	North Ireland	English pound	184.00		(3)				
Hon. John Macke	11/30	12/1	North Ireland	English pound	184.00		(3)				
Hon. Jim O'Connor	11/30	12/1	North Ireland	English pound	184.00		(3)				
Hon. Tom O'Donnell	11/30	12/1	North Ireland	English pound	184.00		(3)				
Ireland:											
Hon. James T. Walsh	12/1	12/2	Ireland	Irish pound	271.00		(3)				
Hon. Dennis Hastert	12/1	12/2	Ireland	Irish pound	271.00		(3)				
Hon. Michael McNulty	12/1	12/2	Ireland	Irish pound	271.00		(3)				
Hon. Peter King	12/1	12/2	Ireland	Irish pound	271.00		(3)				
Hon. Peter Torkildsen	12/1	12/2	Ireland	Irish pound	271.00		(3)				
Hon. Tom Ewing	12/1	12/2	Ireland	Irish pound	271.00		(3)				
Hon. Barbara Kennelly	12/1	12/2	Ireland	Irish pound	271.00		(3)				
Hon. Tom Manton	12/1	12/2	Ireland	Irish pound	271.00		(3)				
Hon. Bart Stupak	12/1	12/2	Ireland	Irish pound	271.00		(3)				
Hon. Joe Kennedy	12/1	12/2	Ireland	Irish pound	271.00		(3)				
Hon. Ed Markey	12/1	12/2	Ireland	Irish pound	271.00		(3)				
Hon. Carolyn Maloney	12/1	12/2	Ireland	Irish pound	271.00		(3)				
Hon. Jerry Costello	12/1	12/2	Ireland	Irish pound	271.00		(3)				
Hon. Robert Borski	12/1	12/2	Ireland	Irish pound	271.00		(3)				
Hon. Maurice Hinchey	12/1	12/2	Ireland	Irish pound	271.00		(3)				
Hon. Jim Moran	12/1	12/2	Ireland	Irish pound	271.00		(3)				
Hon. Victor Frazer	12/1	12/2	Ireland	Irish pound	271.00		(3)				
Hon. John Macke	12/1	12/2	Ireland	Irish pound	271.00		(3)				
Hon. Jim O'Connor	12/1	12/2	Ireland	Irish pound	271.00		(3)				
Hon. Tom O'Donnell	12/1	12/2	Ireland	Irish pound	271.00		(3)				

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Military air transportation.

JAMES T. WALSH,
Jan. 18, 1996.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO BOSNIA, CROATIA AND SERBIA, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN DEC. 1 AND DEC. 4, 1995

Name of Member or employee	Date		Country	Per diem		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Hon. Susan Molinari	12/1	12/2	Serbia		140.00		(3)				140.00
Hon. Jim Kolbe	12/1	12/2	Serbia		140.00		(3)				140.00
Hon. Stephen Buyer	12/1	12/2	Serbia		140.00		(3)				140.00
Hon. Scott McInnis	12/1	12/2	Serbia		140.00		(3)				140.00
Hon. Sam Brownback	12/1	12/2	Serbia		140.00		(3)				140.00
Hon. Barbara Vucanovich	12/1	12/2	Serbia		140.00		(3)				140.00
Hon. Rodney Frelinghuysen	12/1	12/2	Serbia		140.00		(3)				140.00
Hon. Mike Castle	12/1	12/2	Serbia		140.00		(3)				140.00
Hon. Sue Kelly	12/1	12/2	Serbia		140.00		(3)				140.00
Hon. Sander Levin	12/1	12/2	Serbia		140.00		(3)				140.00
Hon. Glenn Poshard	12/1	12/2	Serbia		140.00		(3)				140.00
Hon. Sheila Jackson-Lee	12/1	12/2	Serbia		140.00		(3)				140.00
Hon. David Skaggs	12/1	12/2	Serbia		140.00		(3)				140.00
Hon. Earl Pomeroy	12/1	12/2	Serbia		140.00		(3)				140.00
Hon. Cynthia McKinney	12/1	12/2	Serbia		140.00		(3)				140.00
Hon. Susan Molinari	12/2	12/3	Croatia		188.00		(3)				188.00
Hon. Jim Kolbe	12/2	12/3	Croatia		188.00		(3)				188.00
Hon. Stephen Buyer	12/2	12/3	Croatia		188.00		(3)				188.00
Hon. Scott McInnis	12/2	12/3	Croatia		188.00		(3)				188.00
Hon. Sam Brownback	12/2	12/3	Croatia		188.00		(3)				188.00
Hon. Barbara Vucanovich	12/2	12/3	Croatia		188.00		(3)				188.00
Hon. Rodney Frelinghuysen	12/2	12/3	Croatia		188.00		(3)				188.00
Hon. Mike Castle	12/2	12/3	Croatia		188.00		(3)				188.00
Hon. Sue Kelly	12/2	12/3	Croatia		188.00		(3)				188.00
Hon. Sander Levin	12/2	12/3	Croatia		188.00		(3)				188.00
Hon. Glenn Poshard	12/2	12/3	Croatia		188.00		(3)				188.00
Hon. Sheila Jackson-Lee	12/2	12/3	Croatia		188.00		(3)				188.00
Hon. David Skaggs	12/2	12/3	Croatia		188.00		(3)				188.00
Hon. Earl Pomeroy	12/2	12/3	Croatia		188.00		(3)				188.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO BOSNIA, CROATIA AND SERBIA, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN DEC. 1 AND DEC. 4, 1995—Continued

Name of Member or employee	Date		Country	Per diem		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Hon. Cynthia McKinney	12/2	12/3	Croatia		188.00		(3)				188.00
Hon. Susan Molinari	12/3	12/4	Italy	300,048	188.00		(3)			300,048	188.80
Hon. Jim Kolbe	12/3	12/4	Italy	300,048	188.00		(3)			300,048	188.80
Hon. Stephen Buyer	12/3	12/4	Italy	300,048	188.00		(3)			300,048	188.80
Hon. Scott McInnis	12/3	12/4	Italy	300,048	188.00		(3)			300,048	188.80
Hon. Sam Brownback	12/3	12/4	Italy	300,048	188.00		(3)			300,048	188.80
Hon. Barbara Vucanovich	12/3	12/4	Italy	300,048	188.00		(3)			300,048	188.80
Hon. Rodney Frelinghuysen	12/3	12/4	Italy	300,048	188.00		(3)			300,048	188.80
Hon. Mike Castle	12/3	12/4	Italy	300,048	188.00		(3)			300,048	188.80
Hon. Sue Kelly	12/3	12/4	Italy	300,048	188.00		(3)			300,048	188.80
Hon. Sander Levin	12/3	12/4	Italy	300,048	188.00		(3)			300,048	188.80
Hon. Glenn Poshard	12/3	12/4	Italy	300,048	188.00		(3)			300,048	188.80
Hon. Sheila Jackson-Lee	12/3	12/4	Italy	300,048	188.00		(3)			300,048	188.80
Hon. David Skaggs	12/3	12/4	Italy	300,048	188.00		(3)			300,048	188.80
Hon. Earl Pomeroy	12/3	12/4	Italy	300,048	188.00		(3)			300,048	188.80
Hon. Cynthia McKinney	12/3	12/4	Italy	300,048	188.00		(3)			300,048	188.80
W. Livingood	12/1	12/2	Serbia		140.00		(3)				140.00
Peter Davidson	12/1	12/2	Serbia		140.00		(3)				140.00
Tom Donnelly	12/1	12/2	Serbia		140.00		(3)				140.00
Brett O'Brien	12/1	12/2	Serbia		140.00		(3)				140.00
Kevin Tyne	12/1	12/2	Serbia		140.00		(3)				140.00
Jim Mazzarella	12/1	12/2	Serbia		140.00		(3)				140.00
Mara Rudman	12/1	12/2	Serbia		140.00		(3)				140.00
W. Livingood	12/2	12/3	Croatia		188.00		(3)				188.00
Peter Davidson	12/2	12/3	Croatia		188.00		(3)				188.00
Tom Donnelly	12/2	12/3	Croatia		188.00		(3)				188.00
Brett O'Brien	12/2	12/3	Croatia		188.00		(3)				188.00
Kevin Tyne	12/2	12/3	Croatia		188.00		(3)				188.00
Jim Mazzarella	12/2	12/3	Croatia		188.00		(3)				188.00
Mara Rudman	12/2	12/3	Croatia		188.00		(3)				188.00
W. Livingood	12/3	12/4	Italy	300,048	188.00		(3)			300,048	188.00
Peter Davidson	12/3	12/4	Italy	300,048	188.00		(3)			300,048	188.00
Tom Donnelly	12/3	12/4	Italy	300,048	188.00		(3)			300,048	188.00
Brett O'Brien	12/3	12/4	Italy	300,048	188.00		(3)			300,048	188.00
Kevin Tyne	12/3	12/4	Italy	300,048	188.00		(3)			300,048	188.00
Jim Mazzarella	12/3	12/4	Italy	300,048	188.00		(3)			300,048	188.00
Mara Rudman	12/3	12/4	Italy	300,048	188.00		(3)			300,048	188.00
Committee total					11,352						11,352

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Military air transportation.

SUSAN MOLINARI,
Jan. 3, 1996.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO BOSNIA, CROATIA, ITALY, GERMANY AND BELGIUM, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN DEC. 8 AND DEC. 11, 1995

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. J. Dennis Hastert	12/8	12/11	Bosnia/Crotia		497.00						
Hon. Bob Livingston	12/8	12/11	Bosnia/Crotia		497.00						
Hon. Dave Hobson	12/8	12/11	Bosnia/Crotia		497.00						
Hon. Todd Tiahrt	12/8	12/11	Bosnia/Crotia		497.00						
Hon. Doug Bereuter	12/8	12/11	Bosnia/Crotia		497.00						
Hon. Mac Collins	12/8	12/11	Bosnia/Crotia		497.00						
Hon. George Radanovich	12/8	12/11	Bosnia/Crotia		497.00						
Hon. Jim Ramstad	12/8	12/11	Bosnia/Crotia		497.00						
Hon. Amo Houghton	12/8	12/11	Bosnia/Crotia		497.00						
Hon. Barbara Cubin	12/8	12/11	Bosnia/Crotia		497.00						
Hon. Jay Dickey	12/8	12/11	Bosnia/Crotia		497.00						
Hon. Jon Christensen	12/8	12/11	Bosnia/Crotia		497.00						
Hon. Louise Slaughter	12/8	12/11	Bosnia/Crotia		497.00						
Hon. Rosa DeLauro	12/8	12/11	Bosnia/Crotia		497.00						
Hon. Jane Harman	12/8	12/11	Bosnia/Crotia		497.00						
Hon. Pat Danner	12/8	12/11	Bosnia/Crotia		497.00						
Hon. Alcee Hastings	12/8	12/11	Bosnia/Crotia		497.00						
Hon. Mike McNulty	12/8	12/11	Bosnia/Crotia		497.00						
Hon. Pete Peterson	12/8	12/11	Bosnia/Crotia		497.00						
Hon. John LaFalce	12/8	12/11	Bosnia/Crotia		497.00						
Wilson Livingood	12/8	12/11	Bosnia/Crotia		497.00						
Scott Palmer	12/8	12/11	Bosnia/Crotia		497.00						
John Herzberg	12/8	12/11	Bosnia/Crotia		497.00						
Krister Holladay	12/8	12/11	Bosnia/Crotia		497.00						
Miles Lackey	12/8	12/11	Bosnia/Crotia		497.00						
Chris Kojm	12/8	12/11	Bosnia/Crotia		497.00						
Commercial airfare							236,234.60				
Committee total					12,922.00		236,234.60				249,156.60

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

J. DENNIS HASTERT,
Jan. 9, 1996.

EXECUTIVE COMMUNICATIONS ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1985. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a listing of gifts by the U.S. Government to foreign individuals during fiscal year 1995, pursuant to 22 U.S.C. 2694(2); to the Committee on International Relations.

1986. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

1987. A letter from the Auditor, District of Columbia, transmitting a copy of a report entitled, "Evaluation of the D.C. Lottery Board's Wagering Cancellation Methodology," pursuant to D.C. Code, section 47-117(d); to the Committee on Government Reform and Oversight.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BLILEY: Committee on Commerce. H.R. 2036. A bill to amend the Solid Waste Disposal Act to make certain adjustments in the land disposal program to provide needed flexibility, and for other purposes; with an amendment (Rept. 104-454). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEREUTER:

H.R. 2905. A bill to require a study regarding risk management fund accounts for farm owners and operators; to the Committee on Agriculture.

By Mr. COX (for himself, Mr. YOUNG of Alaska, Mr. CALVERT, and Mrs. VUCANOVICH):

H.R. 2906. A bill to amend the Helium Act to authorize the Secretary to enter into agreements with private parties for the recovery and disposal of helium on Federal lands, and for other purposes; to the Committee on Resources.

By Mr. BLILEY:

H. Res. 349. Resolution providing for the consideration of S. 534; which was considered under suspension of rules.

By Mrs. MINK of Hawaii (for herself, Mr. FALEOMAVAEGA, Mr. UNDERWOOD, and Mrs. SCHROEDER):

H. Res. 350. Resolution relating to a question of the privileges of the House; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. PICKETT introduced a bill (H.R. 2907) to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Barefoot'n*; to the Committee on Transportation and Infrastructure.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 218: Mr. RIGGS and Mr. WISE.

H.R. 580: Mr. FOLEY.

H.R. 940: Mr. BROWN of Ohio.

H.R. 1050: Mr. TORRES.

H.R. 1100: Mr. GREENWOOD.

H.R. 1573: Mr. STUMP.

H.R. 1684: Mrs. MEEK of Florida, Mrs. VUCANOVICH, Mr. MCHUGH, Mr. ACKERMAN, Mrs. MEYERS of Kansas, Mr. MOAKLEY, Mrs. MORELLA, Mr. BENTSEN, Mr. BOEHLERT, and Mr. LAFALCE.

H.R. 1758: Mr. DELLUMS, Mr. FRAZER, Mr. MINGE, Mr. THOMPSON, and Mr. FARR.

H.R. 1818: Mr. SHADEGG.

H.R. 2098: Mr. DREIER and Mr. SOLOMON.

H.R. 2264: Mr. SANDERS.

H.R. 2311: Mr. WATTS of Oklahoma.

H.R. 2335: Mr. PAXON, Mr. WELDON of Florida, Mr. CANADY, Mr. ARCHER, Mr. COBURN, Mr. COLLINS of Georgia, and Mr. HUTCHINSON.

H.R. 2463: Mr. DICKS.

H.R. 2566: Mr. SCARBOROUGH.

H.R. 2648: Mr. BALLENGER and Mr. TAYLOR of North Carolina.

H.R. 2658: Mr. LUTHER and Mrs. THURMAN.

H.R. 2723: Mr. STOCKMAN, Mr. ROHRABACHER, Mr. INGLIS of South Carolina, Mr. SAM JOHNSON, Mr. HERGER, Mr. RADANOVICH, and Mr. BISHOP.

H.R. 2731: Mr. FOLEY.

H.R. 2867: Mr. BEREUTER, Mr. METCALF, Mr. STEARNS, Mr. MCKEON, Mr. LAHOOD, Mr. FUNDERBURK, and Mr. BACHUS.

H.R. 2896: Mr. COBURN, Mr. METCALF, Mr. BASS, Mr. FOLEY, Mrs. MYRICK, Mrs. CHENOWETH, Mr. SOLOMON, Mr. BARTLETT of Maryland, Mr. BAKER of California, Mr. EHLERS, and Mr. FORBES.

H. Con. Res. 127: Mr. OBERSTAR, Mr. PAXON, Mr. OBEY, Mr. NEY, Mr. BUYER, Mr. TRAFICANT, Mrs. KELLY, Mr. MCHUGH, Mr. BARRETT of Wisconsin, Mr. LAFALCE, Ms. KAPTUR, Mr. VISCLOSKY, Mr. MURTHA, Mr. STUPAK, Mr. QUINN, Mr. FROST, Mr. FLANAGAN, Mr. LATOURETTE, Mr. HOUGHTON, and Mr. KILDEE.

H. Con. Res. 134: Mr. FRANKS of Connecticut, Mr. CREMEANS, Mrs. MYRICK, Mr. FOLEY, and Mr. YOUNG of Alaska.

H. Res. 30: Mr. MOAKLEY, Mr. BORSKI, Mr. KOLBE, Mr. UPTON, Ms. WOOLSEY, Mr. CAMP, and Mr. JACOBS.

EXTENSIONS OF REMARKS

COMPANIES SUPPLYING DUAL-USE ITEMS TO IRAQ: THE NEED FOR SUNSHINE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1996

Mr. HAMILTON. Mr. Speaker, on November 1, 1995, I wrote to Secretary of State Christopher about companies supplying dual-use technologies to Iraq. My basic question is: Why aren't the names of companies providing dual-use or military items to Iraq made public?

On December 20, 1995, I put into the CONGRESSIONAL RECORD a reply from Rolf Ekeus of UNSCOM to a similar letter I wrote (E2429).

On January 18, 1996, I received a reply from the Department of State, and the text of the correspondence follows:

COMMITTEE ON INTERNATIONAL RELATIONS, HOUSE OF REPRESENTATIVES,
Washington, DC, November 1, 1995.

Hon. WARREN CHRISTOPHER,
Secretary of State, Department of State, Washington, DC.

DEAR MR. SECRETARY: I write with respect to the question of companies that supplied or are supplying dual-use goods, services or technology to Iraq, and the use of those dual-use items in Iraq's programs to build weapons of mass destruction.

At the time of the creation of UNSCOM by U.N. Security Council Resolution 687 in April, 1991, it had been my impression, from both U.S. officials and from UNSCOM, that the names of companies supplying dual-use items to Iraq eventually would be made public. Thus far, to my knowledge, no such list has been made public.

I continue to think that it is important to make information about all such companies public, on the theory that sunshine is the best deterrent of such transfers of duel-use items in the future.

I would like to ask a number of questions:

1. Why has a list of companies supplying dual-use items to Iraq not been made public?

Who, or what governments, are locking the release of such information?

2. What is U.S. policy on the publication of such a list of companies?

Is the United States pressing UNSCOM to release such a list of companies?

Is the United States pressing the Security Council to direct UNSCOM to release such a list of companies?

3. Does the United States plan to make such a list of companies public?

Does the U.S. plan, at least, to make public a list of U.S. companies that supplied dual-use items to Iraq?

Thank you for your time and attention, and I look forward to your early reply.

With best regards,

Sincerely,

LEE H. HAMILTON,
Ranking Democratic Member.

U.S. DEPARTMENT OF STATE,
Washington, DC, January 18, 1996.

Hon. LEE H. HAMILTON,
House of Representatives.

DEAR MR. HAMILTON: I am writing in respect to your recent letter to Secretary Christopher regarding companies supplying dual-use technology to Iraq. The Department very much appreciates your interest in, and leadership on, this critical issue.

As you indicated, the U.N. Special Commission on Iraq (UNSCOM) has not published any list of companies supplying dual-use items to Iraq. We asked for such lists some time ago, shortly after UNSCOM started its work. UNSCOM explained that supplying such lists would make it impossible for UNSCOM to carry out its primary responsibility: to account for and dismantle Iraq's weapons of mass destruction (WMD) and monitor Iraq's ability to make such weapons in the future.

In the same resolution that created UNSCOM (Resolution 687), the Security Council directed Iraq to declare all of its weapons of mass destruction and the facilities used to manufacture them. Iraq, in fact, failed to do this. As a result, UNSCOM became entirely dependent on information from other governments to build a picture of Iraq's weapons arsenal. Governments are only willing to share this information with UNSCOM in confidence. Were UNSCOM to publish lists of companies that did business with Iraq, governments would stop sharing this vital information. This would cripple UNSCOM's ability to fulfill its basic mandate.

We have stressed to UNSCOM the need to approach governments to take action against their companies which have engaged in prohibited weapons trade with Iraq. We have offered to approach governments ourselves to add weight to UNSCOM's own approaches. However, given UNSCOM's continued dependence on foreign government cooperation, it believes publication of lists like those described in your letter would be counterproductive.

You also raise the issue of the U.S. government publishing a list of U.S. companies engaged in such activities. State did distribute to Congressional committees during the first year of inspections lists of U.S. firms involved in dual-use trade with Iraq prior to the Gulf War. We are not aware of any subsequent lists, but we will be consulting with the Commerce Department on this issue.

We hope this information is helpful to you. Please continue to call on us whenever you believe this Department might be helpful.

Sincerely,

WENDY R. SHERMAN,
Assistant Secretary,
Legislative Affairs.

THANK YOU HELEN G. JACOB

HON. JACK QUINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1996

Mr. QUINN. Mr. Speaker, I rise today to recognize the distinguished community service of Helen G. Jacob, on the occasion of the opening of the Department of Veterans Affairs Western New York Healthcare System Women's Wellness Center dedicated in her honor.

Ms. Jacob has served the State of New York as the chairperson of the Rehabilitation Committee for Women Veterans, a project which she initiated in 1984. She has also served as the vice president of the National Historians' Association, Area I, which encompasses 12 States and 3 separate countries.

In addition to these remarkable duties, Helen Jacob is also the women's coordinator for the Veterans Administration Medical Center in Buffalo, NY. In this capacity, she has selflessly dedicated countless hours on a volunteer basis to the personal needs of both inpatient and outpatient women in the medical center's care.

Helen also holds the prestigious honor of being the only woman elected as Commander of the American Legion of Erie County, a position responsible for approximately 14 thousand members in over 50 posts.

Since its inception in 1992, Ms. Jacob has provided insight and expertise in Veteran related issues on my 30th Congressional District Veterans Advisory Committee. Helen's insight and sage advice on matters concerning our Nation's veterans is truly appreciated, and I unreservedly offer her my enthusiastic congratulations and commendations for this dedication.

The dedication of the Helen G. Jacob Women's Wellness Center is also testimony to the innovative spirit of the hospital itself, as it is the only one of its kind nationwide in a veterans hospital or medical center.

Mr. Speaker, today I join with the Jacob family, her colleagues, friends, all of those who served our Nation in the Armed Forces, and indeed, the entire western New York community to honor Ms. Helen G. Jacob for her dedication, hard work, and commitment to western New York and its veterans.

EVELYN DUPONT, FOUNDER OF CALIFORNIA POOLS FOR THE HANDICAPPED, INC.—A ROLE MODEL OF COURAGE AND COMPASSION

HON. STEPHEN HORN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday January 30, 1996

Mr. HORN. Mr. Speaker, it is my great privilege to honor one of Long Beach CA's most admirable citizens—Evelyn duPont who has shown our community a personal courage and a public compassion that move far beyond the norm. Stricken with a crippling disease, she rose above its physical limitations to give others the opportunity to do the same.

Evelyn duPont has dedicated her life to the rehabilitation of people with disabilities and to

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

the rejuvenation of senior citizens. It is a dedication that was born of personal tragedy. In 1952, Evelyn contracted polio and faced a life of braces, wheelchairs, and crutches. But her determination to lead an active, contributing life propelled her beyond their confines.

As a former international aquatic competitor, instructor, and water show star, Evelyn knew of the healing and healthy properties of aquatic exercise—especially for those with crippling disabilities. She initiated a self-therapy, water-oriented rehabilitation program for herself. After many months, she was able to walk again without crutches and braces.

This personal triumph inspired Evelyn to open her backyard swimming pool to disabled children. After several weeks, the news of Evelyn's invitation spread. Parents, schools, and doctors were bringing children 5 and 6 days a week. As the numbers grew, Evelyn knew that she would have to expand beyond the limitations of her modest pool.

With the support of community and civic leaders, Evelyn founded the Cerritos Communities Pool for the Handicapped, Inc.—a nonprofit corporation, now known as the California Pools for the Handicapped, Inc. Today, her organization is an internationally respected leader in aquatic rehabilitation and still maintains its original goals: to heal and comfort those in need, to never turn anyone away, and to never charge for any service.

For Evelyn, there has been no separation between her personal and professional dedication to the disabled. In addition to her commitment to no-cost aquatic rehabilitation therapy, Evelyn adopted 4 disabled children and served as foster mother for 12 more.

Evelyn's concern, commitment, and courage are exceptional. Her ability to take a personal tragedy and turn it into a personal triumph that has benefited thousands stands a model for all. Her life shows what wonderful things can be accomplished when one person seeks to make a personal tragedy into a triumph.

RESIGNATION OF SERGEI KOVALEV

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1996

Mr. SMITH of New Jersey. Mr. Speaker, I call the attention of my colleagues to one of several deeply disappointing developments in Russia. Deputy Sergei Kovalev, our colleague in the Russian Parliament and longtime human rights activist, resigned his post as head of President Yeltsin's human rights commission earlier this week. Well known to anyone who has followed the course of human rights and democratic development in Russia, Mr. Kovalev was a political prisoner under the Communist regime and he has been highly critical of the Yeltsin government's policies in Chechnya. During the first weeks of the Russian attack on Grozny, the Chechnya capital, Mr. Kovalev bravely traveled to the region to see the facts for himself. For his efforts to stop the killing and terrorizing of both Chechens and Russians, he was roundly condemned and even threatened by fervent Russian nationalists.

Mr. Speaker, Mr. Kovalev's resignation comes at a time when President Yeltsin appears to be casting off the last of his democratic orientation and throwing in his lot with rabid nationalists, allegedly reformed Communists, and cabinet cronies. Though he talks a reform line, President Yeltsin's actions demonstrate otherwise. In his resignation letter, Sergei Kovalev charges that President Yeltsin's government is "trying to run the country in a direction completely contrary to the one proclaimed in August 1991." This is a very disturbing course for Russia, for its neighbors, and for the entire world.

I urge President Yeltsin to return to the path of reform as the only genuine guarantee of peace and justice for Russian people, and Mr. Speaker, I trust the administration is using every appropriate opportunity to make that point to Mr. Yeltsin and his associates.

Mr. Speaker, at this time I would like to have included in the RECORD Sergei Kovalev's letter of resignation to President Yeltsin.

The text of the letter follows, as reprinted in the January 29, 1996 Washington Post.

THE CASE AGAINST YELTSIN

(By Sergei Kovalev)

(From a letter of resignation sent Jan. 24 to Russian President Boris Yelstin by Sergei Kovalev, who had been chairman of the president's human rights commission since October 1993.)

For the past six years I have considered it my duty to promote in every way possible the policy that can fairly be called the "democratic transformation of Russia" notwithstanding many reservations. For a long time that policy was closely linked with your name. You were the head of a country on the road to democracy, and at first, you were even considered the leader of the democrats. As long as you remained headed in that direction, I considered myself your ally, or, in those instances when you departed from the overall course or drastically allowed the tempo of advance, a member of the loyal opposition.

Russia's road to freedom never promised to be easy. Many difficulties were obvious from the very beginning. Many others cropped up unexpectedly. To overcome them, all of us—the government, society, each individual—had to make complicated and sometimes tragic decisions. The main things the country expected from you were the will to make changes and honesty. Especially honesty. In electing you, Russia saw not only a politician ready to demolish the former state structure, but a person who was sincerely trying to change himself, his views, his prejudges and his habits of rule. You convinced many—myself included—that humane and democratic values could become the foundation of your life, your work and your policies. We weren't blind. We saw the typical traits of a Communist Party secretary preserved in your behavior. But all Russia, like a man striving to overcome a serious defect, was struggling with itself. We understood you even when we did not love you.

In recent years, however, even though you continue to proclaim your undying devotion to democratic ideals, you have it first slowly, and then more and more abruptly, changed the course of government policy. Now your government is trying to turn the country in a direction completely contrary to the one proclaimed in August 1991. . . .

Beginning in late 1993 if not even earlier, you have consistently taken decisions which—instead of strengthening the rule of law in a democratic society—have revived the blunt and inhuman might of a state machine that stands above justice, law and the individual. . . .

During the tragic days of the fall of 1993 [when Yeltsin dissolved the Supreme Soviet], I decided to stand by you despite my serious inner doubts. I don't deny my responsibility for that support. I believed that the use of force was a tragic necessity given the imminent threat of civil war. Even then I understood that the events of October might encourage the top leaders to perceive force as a convenient and familiar instrument for resolving political problems. But I hoped for a different outcome, that by overcoming the crisis of legitimacy and creating a basis for the rule of law in Russia, the president and the government would do everything possible for our country's peaceful and free development. To a very great extent, the outcome depended on you, Boris Nikolaevich. I believed that you would choose the second path. I was wrong.

The 1993 Constitution confers enormous powers on the president, but it also places enormous responsibilities on him to be the guarantor of the rights and liberties of citizens, to safeguard their security and to protect law and order in the country. How have you discharged these duties? How have you fulfilled your responsibilities?

You have virtually halted judicial reform, which was designed to make the administration of justice truly independent from the other branches of government. You openly professed the principle, "Let the innocent suffer as long as the guilty are punished."

You loudly proclaimed the launching of a war on organized crime. In order to implement this, you granted exceptional, extralegal authority to the security ministries. The result? The criminals continue to roam freely, while law-abiding citizens have to tolerate the abuse of the uniformed forces without gaining the security they were promised.

You stated that your goal was the preservation and strengthening of the Russian Federation's territorial integrity. The result? A shameful and bungled civil war which has been raging in the North Caucasus for more than a year. Under the guise of strengthening Russia's defense capability, you've blocked all military reforms which would give Russia an effective modern army. The result? Spending on the army is growing, and the number of generals has increased to an indecent figure. In order to justify their existence, the term of service has been increased and draft deferments have been ended. Meanwhile, soldiers and officers are impoverished, ragged and hungry. And the degradation, ill-treatment and corruption, traditional in our army, are as prevalent as ever. Not surprisingly, tens of thousands of young men are evading this medieval recruitment like the plague.

You speak of a policy of openness, of transparency and of public accountability, yet at the same time you sign secret decrees concerning the most important matters of state. You create closed institutions, and you classify as secret ever more information about government operations and the state of the country. Presidential decisions are made almost in the same backroom fashion as in the era of the Politburo. It's no secret that you increasingly depend on the security services and on their system of clandestine information. Isn't it obvious to you how unreliable and tendentious this information is?

The thrust of your personnel policy is becoming clearer with each passing day. At first there were quite a few competent, honorable people around you. But you also enthusiastically welcomed individuals whose only virtue consisted in their personal loyalty to you. Gradually such loyalty has become your primary demand when recruiting staff, just as it was in the heyday of the Community Party. . . .

You began your democratic career as a forceful and energetic crusader against official deceit and party disposition, but you are ending it as the obedient executor of the will of the power-seekers in your entourage. You took an oath to build a government of the people and for the people, but instead you have built a bureaucratic pyramid over the people and against the people. Moreover, having rejected democratic values and principles, you haven't stopped using the word "democracy" so that naive people may well believe that "democrats" remain in power in the Kremlin. Your policies have compromised the very word, and if democracy is fated to someday exist in Russia (and I believe it will), it will exist not because of you, but in spite of you.

PIONEERING DR. DAZELLE SIMPSON RETIRES

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1996

Mrs. MEEK of Florida. Mr. Speaker, I rise today to recognize a native Miamian and the first black pediatrician in Florida, on the occasion of her retirement after 42 years. Dr. Dazelle Simpson has contributed significantly to the Miami community but, she also has been a faithful and active member of the National Medical Association. She has chaired the pediatrics section. She has been honored as outstanding physician by the National Medical Association.

During her lifetime, Dr. Simpson has achieved and recorded many firsts. She was first in her high school, college, medical school, the first black pediatrician in Florida, the first to achieve specialist certification in her field, the first black president of the Greater Miami Pediatrics Society, the first black board of trustees member of a medical school, the first to set up and finance a scholarship fund for black health professional students in Florida and the first alumni association president to raise $1 million for her school.

As with many strong women, she did this all while maintaining one of the most successful medical practices in the county, raising a family, running a family business, attending to church and community needs, and caring for sick family members.

In tribute to Dr. Simpson, a gala event is planned for Saturday, February 3, 1996. The day of honor will also feature a health symposium cosponsored by Meharry Medical College.

THE 10-YEAR ANNIVERSARY OF THE "CHALLENGER" ACCIDENT

HON. SHEILA JACKSON-LEE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1996

Ms. JACKSON-LEE of Texas. Mr. Speaker, 10 years ago, the names Onizuka, McAuliffe, Jarvis, Resnik, Smith, Scobee, and McNair became a part of this Nation's history. Ten years ago those seven individuals lost their lives in the service for both their country and mankind. Their tragic loss touched us all very deeply and has left an indelible mark on the national psyche of this country.

Today, I pay tribute to those seven men and women in a small way by recognizing their bravery and the memory of their contributions to not only the lives of their friends and family, but to the whole of humanity. These individuals represent the best in all of us and it is in their memory that we should devote ourselves to continuing what they began.

Humans have always possessed an inherent drive to explore and expand their boundaries. Our exploration of space has been important for more reasons than the technological advances and resulting benefits to society; it represents an undeniable part of us all. From the beginning, this country has recognized the importance of space and always taken a leading role in its development and investigation. While inundated with more earthly concerns such as budget deficits, crime, and international peace, it is often easy to forget our commitment to the enterprise of space and its value to the United States and the international community. In remembering the *Challenger,* let us also take a minute to recall the purpose for which its crew was dedicated.

Let me also thank the families of these American heroes for their continued support of the space program and the efforts to which the *Challenger* Seven dedicated their lives. Nothing we say here today can adequately repay the debt that is owed, or sufficiently express the feelings of sorrow that are universally felt. We can, however, pay those seven souls no greater tribute than to carry on the work in which they believed in and for which they paid the ultimate sacrifice for. It is important that we properly fund this dynamic work for the 21st century and insure that America remains first in space exploration.

HONORING THE WORK AND DEDICATION OF THE TEEN PREGNANCY PREVENTION PROGRAM OF NEW BRITAIN

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1996

Mrs. JOHNSON of Connecticut. Mr. Speaker, it is with great pride and admiration that I rise to pay tribute to the work being done by RoseAnne Bilodeau and her staff at the Teen Pregnancy Prevention Program of New Britain. There is no question that the dramatic increase in the incidence of teen pregnancy is one of the major causes of poverty amongst women and children. As the director of New Britain's program, Ms. Bilodeau was invited to join President Clinton and Health and Human Services Secretary, Donna Shalala to discuss the President's task force on teen pregnancy prevention and the establishment of public-private partnerships.

The work being done by the dedicated staff of New Britain's Teen Pregnancy Prevention Program is exceptional and even in these uncertain times, the program is thriving. The staff and board have demonstrated forward thinking in reaching out to private industry and foundations for funding and in doing so, has captured national recognition and the attention of the President of the United States. I am proud to have such a noteworthy and successful program within my district and will continue to work in support of their efforts to make a positive long-term impact on the lives of New Britain's young people.

THE DALLAS COWBOYS: DOMINATING THE DECADE

HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30 1996

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I rise to salute the accomplishments of the Dallas Cowboys, and to nominate them for the unofficial title of "Team of the 90's." Although faced with considerable adversity during the long season, the Cowboys stayed together as a team and accomplished their goal of capturing a third Super Bowl in four seasons.

From Deion Sanders to Daryl Johnston, from Tony Tolbert to Nate Newton, the Cowboys achieved their goal through hard work and dedication to a single purpose. All across Texas, Cowboys fans salute the total team effort put forth on Super Bowl Sunday and throughout the season.

Although the headliners like Troy, Emmitt, and Michael deservedly received the majority of the spotlight, special recognition appropriately went to Texas Christian University's own Larry Brown, the Super Bowl's Most Valuable Player. A 12th round draft pick, Brown has shown admirable determination to rise to the top of the National Football League. As a graduate of TCU, I was especially pleased with his selection as MVP.

From all of your fans, Dallas Cowboys, thank you for a wonderful ride in Super Bowl XXX.

THE NATIONAL CENTER FOR TREATMENT OF THE HAND AND UPPER EXTREMITY AT THE UNION MEMORIAL HOSPITAL

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1996

Mr. MFUME. Mr. Speaker, I rise today to bring to the attention of my colleagues an innovative organization that is providing leadership and direction in the care of the millions of individuals afflicted with hand and upper extremity disorders and injuries. Included among these individuals are significant numbers of military personnel who suffer from repetitive motion disorders, loss of extremities, and other dysfunctional injuries to the hand.

The Raymond M. Curtis Hand Center at the Union Memorial Hospital has established a

National Center for Treatment of the Hand and Upper Extremity. The mission of the center is the initiation of clinical guidelines for treatment, collection of data for government, labor, and industry and leadership for training and research in the field of hand and upper extremity surgery.

It is estimated that more than 16 million people experienced upper extremity injuries, accounting for 90 million days of restricted activity and 16 million days lost from work in a year with a total direct and indirect cost of $10 billion. In fact, one-third of all injuries, military and civilian, involve upper extremities.

The center and its staff have long been associated with the Army Medical Corps and as an expression of commitment to both the military and the field of hand surgery, the Curtis Hand Center has trained every Army hand surgeon since World War II at no expense to the Department of Defense. Staff from the hand center also regularly speak at Walter Reed Medical Center in Washington, DC and the Bethesda Naval Hospital.

The national center is a cost-effective treatment for Maryland and the Nation. In 1992, the most frequent hand surgery procedure, carpal tunnel release, was performed by hand center staff at 22 percent below the average charge of other Maryland hospitals. While maintaining the Curtis Hand Center's history of multidisciplinary cost-effective care, the national center will expand current patient capabilities and referral services to neighboring States. Outreach centers will be established throughout the State to provide localized care in areas not currently capable of treating hand and upper extremity injuries.

The national center also will train hand therapists in an effort to address the shortage of these professionals. The center will train occupational and physical therapists and develop a curriculum for this training that can be replicated at hospitals throughout the country. The hand center's current physician training capabilities are being expanded, including the staff's work with the armed services, regional hospital and universities, and foreign hand specialists.

At the core of the national center's work, though, is basic research on the future of hand surgery. Led by the hand center's research director, Dr. Thomas Burshart, the national center will be at the vanguard of research on nerve regeneration, carpal tunnel syndrome, and prosthetic devices.

The hand center has received several commendations in the past from the National Security Appropriations Subcommittee, which praised the center's work and the Appropriations Subcommittee on Veterans Affairs, Housing, and Urban Development, and Related Agencies, which recognized the important work of the center in 1994. Members of the center's staff are in ongoing discussions with the Department of the Army and the Office of Defense Health Programs to explore ways in which they may work together to further enhance the military's specialized surgical capabilities.

The center has and deserves broad-based support from all who come in contact with it, from the Department of Defense to other health care professionals to the thousands of people who have been treated there. It is my hope that the center will be able to continue to grow and prosper, as it will clearly benefit all Americans. I invite all of my colleagues to visit the center, and to join me in supporting it in its mission.

RECOGNITION OF "PORTRAITS IN BLACK" BUFFALO SOLDIERS EXHIBIT

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1996

Ms. PELOSI. Mr. Speaker, I rise today to recognize an important art exhibit recently opened in San Francisco. Sponsored by the African-American Historical and Cultural Society, "Portraits in Black" presents a detailed history of the Buffalo Soldiers—a select group of African-American soldiers and cowboys who fought heroically for our country at home and abroad.

Too often, the history of the Old West and the settling of the Western frontier has neglected to portray the important role played by these African-American soldiers and cowboys. Through a series of photos, narratives, and artifacts, "Portraits in Black" proudly advances the significance of the contributions made by these daring American heroes.

The Buffalo Soldiers have a long and proud history of association with the Presidio of San Francisco. The 9th Cavalry was stationed at the Presidio around the turn of the century. These soldiers served as an escort of honor for President Theodore Roosevelt. Some historians estimate as many as 500 Buffalo Soldiers are buried in the Presidio's National Cemetery.

Buffalo Soldiers were so named by native Americans in recognition of their courage and decency as warriors. Most of their achievements were not chronicled in history texts, making it very important for other avenues of learning, such as this exhibit, to flourish.

Mr. Speaker, I commend the work of the African-American Historical and Cultural Society for its role in presenting this magnificent exhibit. On behalf of the U.S. Congress, I join with the society and the many others who honor the Buffalo Soldiers for their important contribution to American history.

SENATE—*Wednesday, January 31, 1996*

The Senate met at 11 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious Father, source of all that we have and are, we are here by Your planning and for Your purposes. You have made possible any success we have had. Any recognition we have received is a reflection of abilities You have given us. You have blessed us with loved ones, friends, and fellow workers who have made possible any accomplishments. All our opportunities are a result of Your careful arrangement of circumstances. Nothing happens without Your permission.

So we commit this day to be one of special gratitude for all Your blessings. May our gratitude spill over with words of affirmation and encouragement to others. Help us make this a just-because-day in which we do special acts of kindness just because of Your love for us and our delight in others. So if there are any good words we've been thinking about saying or any acts of caring we've put off doing, may we say and do them today, just because of You, Lord, and all You have done for us. In Jesus' name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. LOTT. Mr. President, today, there will be a period of morning business until 1 p.m. with the time equally divided between the two parties. Following this morning business period, the Senate will begin consideration of S. 1541, the farm bill. Under the agreement reached during yesterday's session, Senator DORGAN will offer an amendment on which a cloture motion will be filed today. Also under an agreement, a cloture motion will be filed on the underlying bill. Those cloture votes will occur tomorrow beginning at 1:30 p.m.

I now ask unanimous consent that notwithstanding the provisions of rule XXII, Members have until close of business today in order to file first-degree amendments.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LOTT. Senators should also be aware that there will be a joint meeting of Congress on Thursday at 11:45 a.m. to hear the address by the President of France, President Chirac. Members should be in the Senate Chamber at 11:25 in order to proceed to the House of Representatives for the address.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mrs. HUTCHISON). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GREGG. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. What is the regular order?

The PRESIDING OFFICER. The Senate is in morning business.

Mr. GREGG. Madam President, I ask unanimous consent to speak for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered

THE SUGAR PROGRAM

Mr. GREGG. Madam President, tomorrow, or possibly Friday, we will be voting on cloture motions dealing with the Farm Program and a variety of bills dealing with the Farm Program.

Within the context of the entire Farm Program, there are a lot of subprograms, and one that I wish to talk about is the Sugar Program. The Sugar Program in this country has proceeded since the early 1980's to be a program of inordinate subsidy for a few small farmers—for a few farmers; they are not small farmers—at the expense of the consumers of this country.

Last year, it was estimated that the Sugar Program cost the consumers of this country approximately $1.4 billion. It has cost the consumers of this country approximately $10 billion over the last decade. That is because we have in this country a system in the Sugar Program where we artificially inflate the cost of sugar to benefit a few growers of sugarcane and some sugar beets, but primarily in this instance it is benefiting sugarcane growers.

This makes no sense. This program is appropriately tied to sugar, I guess, because the last vestiges of Marxism in the world of any significance is the nation of Cuba, which always had a sugar-based economy.

Now, you might argue, well, China is still a Marxist nation. Actually, China has become quite capitalistic. Cuba is the only country, certainly in the Western Hemisphere, it is the only dictatorship in the Western Hemisphere, in the world that still practices theoretically pure Marxism, Marxism being a system where essentially the State sets the price and the production of all commodities within the community. And, of course, the Cuban economy is always based on sugar. So maybe that is why we as a nation have for some reason decided in our sugar industry we are going to emulate Cuba because that is essentially what we do. We have in the Farm Program which we have designed in this country essentially a system of top-down market controls, production controls which create, at best, an economic structure which emulates what used to be the East European countries and at worst an economic structure which basically tracks the philosophy of social economics as designed by Karl Marx, because essentially what it does is say that the Government will set the price, the Government will set the production levels, not necessarily for the purposes of benefiting the consumer but for the purposes of benefiting the producer.

We set up a structure here where the fact that sugar on the open market can be bought for 10 cents a pound has no impact on the price of sugar in the United States. Can you imagine that? The United States, the center of capitalism in the world, a market that all of the rest of the world looked to when other nations were trying to design their economies, has put in place in our Sugar Program a structure which is essentially a carbon copy of what they did in Eastern Europe, what they now do in Cuba, or still do in Cuba, in what we basically call a Socialist form of economics.

Why do we do this? Why do we have a system which penalizes our consumers to the tune of $1.4 billion, which does not allow any competition for the price of sugar in the marketplace, which arbitrarily sets the cost of sugar, and which rewards a few growers of sugarcane specifically? Seventeen growers get 42 percent of the benefit in the sugarcane industry—17 growers get 42 percent of the benefit. In fact, one grower gets a benefit that is estimated to be almost $68 million a year. Why do we structure a system like this? Well, at the risk of using a pun, it is raw power, raw political power.

The fact that the sugarcane, sugar producers lobby is so strong in the Congress of the United States, it has been able to maintain this totally unjustifiable system. How ironic it is that when the Republican Party, after 40 years, finally gets control over the Congress of the United States, we continue to allow this sort of antimarket system to

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

flourish, to grow, and to abuse the consumers of this country.

How ironic it is that this President—and I cannot fault him individually because the fault lies on both sides of the aisle on this one—but this President who has made such a large issue of protecting consumers in many other areas of his administration and has made this his cause celebre, allows a program which every year takes $1.4 billion out of the pockets of consumers and artificially transfers it to a nonproductive sector of our economy—I am not sure it is unproductive—but a sector of our economy that does not want to compete. Why should not we have a sugar program which is willing to compete?

There are some other side effects that also we ought to be concerned about besides the fact that we are basically taking the consumers of this country for a ride for the benefit of a few individual growers. There are some other issues we ought to be concerned about.

There is the issue of environmental protection, the fact that as a result of having this artificially high-priced sugar, we have seen a huge amount of land in southern Florida converted to cane growing which land was the original watershed of the Everglades. It is not clear really what would be a better use of this land. I have to admit that the jury may still be out on that.

But before the facts are known, the Everglades are under a tremendous effect, and the fact, first, that the water is not flowing in its original form—and there is the belief that the sugarcane activity is part of it—and, second, sugarcane activity is expanded artificially as a result of this.

Another concern we should have is the effect it is having on our neighbors in the Caribbean. We just invaded Haiti because we felt that it was in economic and political chaos. One of the reasons that our neighbors in the Caribbean are in economic chaos is because we do not allow them to participate in competition with us. We have closed our markets to one of their primary goods—sugar. We live in fear, I guess, as a nation, that we cannot compete with Haiti.

My goodness, how absurd. Obviously, with the technologies we have and the ability we have of growing products in this country, we can compete with our Caribbean neighbors. We would find, I suspect, that if we were to open our markets that sugar beets in many parts of this country would remain very viable and very competitive, sugarcane in parts of this country would remain very viable and very competitive, and we would have also the added benefit of allowing some of our Caribbean neighbors to maybe increase their standard of living a little bit by being able to sell us a little bit of their primary product.

Maybe we would not have to go around invading them. We could save the dollars we spend on national defense in places like Haiti, and the dollars we spend on economic and political development in other regions of the Caribbean because we would have to help them out through what is known as the old-fashioned way, by letting them compete in the marketplace with us.

So tomorrow we take up these farm bills, and there will be an attempt to shut off debate. One of the outcomes of shutting off debate and passage of these farm bills, or at least down the line in the farm bill would be a 7-year extension of the outrage called the Sugar Program. That would be a rather bitter pill for the American consumers. That is not a sweet deal for American consumers. It may be a sweet deal to get a 7-year extension of this program for some of the growers, but it certainly would mean that under the present calculations that would be about another $10 billion of tax, because that is essentially what it is to American consumers.

So I strongly oppose the attempt to do this. And along with the Senator from Nevada, who has joined me on this, Senator REID, we will do all we can, I believe, to try to avoid allowing the consumers of this country to be once again pilfered by this program. As a result, I will attempt to oppose cloture. I hope that others who are concerned about the consumers of this country, about the environment of this country, and about our neighbors in Central and Latin America, would also join me in opposing cloture.

Because it is not right. It is not right that a few folks because of their political influence and strength should be able to keep in place a program which should have died when the Berlin Wall fell. The fact is, it is very ironic and unfortunate that as a nation we continue to promote this concept that competition should not be allowed in the production of sugar.

It is antithetical to all the Republican Party stands for. It is time to put an end to it.

Madam President, I thank the Chair for the time to speak. I yield back such time as I may not have used, and I make the point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRAIG. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRAIG. Madam President, I assume that we are in morning business.

The PRESIDING OFFICER. We are.

UNPRECEDENTED FLOOD OF SUBSIDIZED CANADIAN LUMBER

Mr. CRAIG. Madam President, in morning business today, let me make several comments on an issue that is very important to this country. It is kind of a quiet issue that has not been prominent in the headlines of the Washington Post or the Washington Times; but certainly in my State and every timber-producing State of the Nation, it has made a good many headlines over the course of the last year or 16 months. And that is the unprecedented flood of subsidized Canadian lumber flowing into the continental United States and into the markets of the 48 lower States.

Normally, Canada is a supplier to our market, and we need their timber to round out the needs of the housing industry of our country and the home building industry. But to meet that need and still keep America's work force in the forest products industry employed, Canada's percentage participation in our market normally is somewhere in the high 20's or low 30's.

In January, this month that is now today concluding, they reached an all-time high of about 37 percent of total market share. As a result of that, we now see in this country about 29,000 men and women who are unemployed as a direct result of a major dumping effort—let me repeat, as a direct result of a major dumping effort—on the part of the Canadian forest products industry into our market.

In my State of Idaho, just in the last few days, we have had announcements of another 200 men and women laid off simply because the price of lumber, as a result of this huge volume of subsidized lumber pouring in from Canada, is so low that mills cannot operate.

Ceda-Pine Veneer north of Sandpoint, ID; Crown Pacific in Bonners Ferry, ID; and two Louisiana Pacific plants in Chilco and Sandpoint have just announced layoffs or have shut down, and the story goes on and on, as is true across Oregon, Washington, Idaho, and the Southeast, as a result of what has happened with Canadian lumber imports.

This administration, to their credit a good many months ago became aggressively engaged with the forest products industry in negotiating with Canada in an effort to resolve this issue.

When I say that, it is about the only good thing I am going to say, because as we entered into those negotiations the forest products industry was told by our United States Trade Representative nearly 10 months ago that within 6 months, if the Canadians did not negotiate in good faith successfully, this administration would take action, and that action would be a temporary duty imposed until such time as a countervailing duty suit would be charged or the Canadians would come to the table with some form of a legitimate agreement to negotiate the differences between the two countries.

That did not occur from the Canadians, and, as a result, finally this administration did say, "We will have to bring a countervailing duty suit, and move toward a temporary duty."

In late November of this year, the Canadians finally did bring some proposed agreements for us—the industry and our United States Trade Representative—to look at to see whether they would meet the criteria that we were trying to advance, which was a level playing field, recognizing the legitimate share of the market that the Canadians could have without destroying our industry.

From that point, myself, Senator BAUCUS, and a good many others have asked the United States Trade Representative to become much more aggressive in insisting that this problem be solved now. It was in December, just before we recessed for Christmas, that Mickey Kantor did come to the Hill and sat down with myself, Senator BAUCUS, five or six other Senators from timber-producing States, and a good many Representatives from the House to talk about where we were in this negotiation.

At that time, Mickey Kantor said to us, and it was conveyed to the Canadians, that if no agreements were reached through the current negotiation, that on January 31, 1996, he would impose a temporary duty against the Canadians, and we would then move to do a variety of other things, including reform NAFTA's chapter 19, to consider what is called suspension of liquidation on Canadian imports into this country, and do a variety of other things that would bring about some permanency and stability to this problem.

Madam President, today is January 31. Canadians are now still negotiating with our trade ambassador, and I do not want to say nothing will be resolved, but I do want to say to our trade ambassador: If nothing is resolved by the end of the day, it is absolutely imperative for this country's credibility and for this administration's credibility with Canada and with the industries and the work forces involved that we move. And that tomorrow I would expect to hear from our United States Trade Representative an announcement of an imposed temporary duty against the subsidized lumber coming out of Canada while these other measures are forthcoming; that the United States lumber industry would probably move to file a countervailing duty case, and that case would go forward, but would literally take months and potentially a year.

But what is important here and what this administration must face is that it is now time to make a decision, and they must make that decision. If they fail to, if they bend in any form to the Canadians, they will send the kind of message that I believe has been sent for the last 6 months: We just keep on talking.

As we keep on talking, mills are closing down in my State. As I mentioned, 29,000 jobs in this country are now in suspension, and men and women are not working as a direct result of this phenomenal flood of Canadian lumber coming into the market.

It is important that this administration recognizes the high level of importance of the decision that they are about to make today, which is if the Canadians still are only talking—and, oh, are they good at talking—that the talking is over; that it is time for the temporary duty to level this playing field to send a very clear message to the Canadians that we mean business; that while they have a right based on need and supply, on the Canadian Free-Trade Agreement, and on the North American Free-Trade Agreement to have access to our market, they absolutely do not have the right to intentionally dump, and we know that is what they are doing at this time. They have reached out to grab a very large share of the U.S. market, as much as 10 percent more than they have ever held.

Stocks of Canadian lumber are sitting in lumberyards across this country, and they are even financing it to sit there and saying, "You keep it until you sell it and then you pay us."

I call that an aggressive antitrade effort. It is a dumping process and the Canadians know it. It is time they stop it, and the only way they will is when we speak directly and act decisively to solve this problem.

Back in the early eighties, they played this game on us, and it was at that time in the Reagan administration that a duty was imposed and thousands of people went back to work in my State almost overnight as the markets rapidly improved. Of course, that also happened in other timber-producing States across the Nation.

(Mr. ASHCROFT assumed the chair.)

Mr. CRAIG. Mr. President, the same thing can happen in the next month if this administration will act. If it does not act, I say to our trade ambassador today, "What are you going to say to the nearly 30,000 men and women that are without a job today in the timber industry simply because of the aggressive dumping action on the part of the Canadians?" "What are you going to say, Mr. Ambassador, and, more important, what are you going to say, Mr. President, about the fairness and equity you talk about, about the jobs you talk about creating, while you, by your failure to act, may well be destroying jobs?"

In the end, when you destroy the jobs, you destroy the mills and the infrastructure that has been an extremely important part of the forest products industry of our country. As those people stand in unemployment lines, many of the mills are near bankruptcy today because most of them have operated in the red for well over a year now. It is time that stopped and that we bring fairness back to the marketplace. That can be done by a single act by a trade ambassador and a President. They know they can do it. We asked them to do it, and we hope it will be done tomorrow if the Canadians fail to come to an agreement today.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas [Mrs. HUTCHISON] is recognized.

TRIBUTE TO RALPH YARBOROUGH

Mrs. HUTCHISON. Mr. President, I rise today to pay tribute to one of my predecessors, Ralph W. Yarborough of Austin, who died last weekend.

Ralph Yarborough was reared in Chandler, TX, attended West Point and what we know as Sam Houston State University. He worked as a teacher, a trade emissary, a National Guardsman, a lawyer, an Assistant Attorney General, a judge, an Army officer in World War II, a writer, and a U.S. Senator. In the Army, he served on the staff of Gen. George Patton. He was among only three southern Senators to support the 1965 Voting Rights Act and was a key supporter of the National Cancer Act.

Senator Yarborough and I share a common background. We have deep east Texas roots. We attended the University of Texas law school. We both held this seat in the U.S. Senate, which both of us reached through a special election in the spring after the resignation of a Senator in January. Like me, he reached this Chamber less than 2 years before the term was up, and probably felt, as I did, envy for Members of the other body, who have a full 2 years between campaigns.

Mr. President, on behalf of all the citizens of Texas, I offer to Mrs. Yarborough, his widow, the rest of the Yarborough family, and his many friends, our deepest condolences. May he rest in peace.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THOMAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Wyoming is recognized.

CONSISTENCY IN LEADERSHIP

Mr. THOMAS. Mr. President, from time to time, in the mail we get a letter, an observation, or a communication from a constituent that we think is particularly on target. I would like to share that a little bit this morning. It has to do with consistency in leadership and with where we are going in this country. The President has talked in the last couple of days about the consistency of his administration. Of course, I think there is great question about that. If we are to move forward to make the changes that most of us want to make, that I think most Americans want to make, we have to have some consistency in policy.

The President came to Washington based on a campaign of change, based on a promise of change, based on a promise of a new Democrat. He said more recently that the era of big government is over. The fact is that there has not been much consistency. The fact is that there was a great deal of talk about reforming of welfare which is certainly high on the agenda of most people. Most people want to continue to be able to help people who need help, but in a program that helps people back into a position to help themselves. Yet this Senate passed a bill on welfare, I think 85 positive votes, that was vetoed by the President who says he wanted to change welfare as we know it.

The balanced budget—I suspect the prime issue of this entire congressional session—it took four budgets to come up with a balanced budget, despite the President saying he was for a balanced budget when he ran, and would do it in 5 years. It took four budgets to do it in 7 years, and then, frankly, not a real budget.

Most everyone who studies the issue knows that if you are going to change the financial direction that this country has taken, if you want to be responsible for finances, that there has to be a significant change in the budget, that you cannot tinker around the edges.

The President and his staff, and Mr. Panetta, whom I worked with in the House, and I always thought was responsible—almost as if you push a button, we protect Medicaid, protect the environment, have an investment in education. The fact is that over a period of several years you cannot do that; there is no money to do that unless you do something about entitlements. That is a fact.

So to say we are going to balance the budget and we are going to protect Medicare, Medicaid, the environment, invest in education, it is impossible to do, unless, of course, you raise taxes considerably.

Mr. President, these are the things raised about consistency. I want to read the letter from Linda Russell of Rawlins, WY.

President BILL CLINTON,
White House,
Washington, DC.

DEAR MR. PRESIDENT: I sent you a wire to just get the budget balanced and quit "posturing" and playing politics.

You wrote a very nice letter back—but I am very concerned that you don't understand what the people of this USA want and need. You say we must "maintain our values—protecting Medicare, Medicaid, and the environment". Certainly no one would disagree that these are excellent GOALS—but they are NOT our base VALUES. Our base values would be fiscal responsibility, keeping a military strength sufficient to protect us, and staying out of the faces of people who are perfectly capable of handling the GOALS you mention far better than the Washington DC political establishment.

I attended the White House Conference on Small Business and heard you address the group on how you felt regulations should be reduced and the budget balanced and the tax burden lessened. WHAT HAPPENED TO YOUR SUPPORT OF THOSE IDEAS since that meeting??

May I respectfully suggest that you let the power revert to the people by going with the block grants so that we can take care of our neighbors with our tax money and not waste 90% of it paying a huge bureaucracy in "DC" to tell us how to do it. TRUST US—we are neither stupid nor insensitive. If you have any wish at all to be reelected, it would be well to give us the respect we are due—and stop taking more and more money via taxes to support some liberal agenda.

Mr. President—listen again to your own inaugural address to the nation, which I thought very impressive—and WALK YOUR TALK??

Sincerely,

LINDA RUSSELL,
Rawlins, WY.

Mr. President, I think her expression "and walk your talk" is an expression from someone who represents a good deal of the thought in my State in Wyoming. I think many of us believe that this is the direction we should take, make the changes that we came here to make—less government, less cost, less regulation, move the responsibilities to communities, to States, and frankly to individuals.

I had the opportunity last evening to meet with a group of students from Washington and Lee High School in Arlington, VA, who were inducted into the Honor Society. We talked to some of them about the concepts of freedom and about the responsibility in leadership that goes with freedom. I was really pleased at the receptiveness they had to the notion that if you are going to be free and responsible and have a Government where we participate and we govern ourselves, then you have to be responsible and take some leadership positions to do that.

Mr. President, that is sort of what it is all about and what this letter is about.

Mr. President, I ask unanimous consent that the President's response to Linda Russell's wire be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, DC, December 6, 1995.

Ms. LINDA RUSSELL,
Rawlins, WY.

DEAR LINDA: Thank you for sharing your views. It's important for me to know how you feel about the challenges facing our nation.

I believe that we must balance the budget, but we must do it in a way that is good for our economy and that maintains our values—protecting Medicare, Medicaid, and the environment, and continuing our investment in education. And we have to do it without raising taxes on working families.

In the weeks ahead we will continue our bipartisan efforts to find common ground on balancing the budget, and I hope you will stay involved.

Sincerely,

BILL CLINTON.

Mr. THOMAS. I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. AKAKA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. AKAKA. Mr. President, are we in morning business?

The PRESIDING OFFICER. The Senator is correct.

Mr. AKAKA. Mr. President, I will take the floor in morning business to speak about a concern that has been global.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

FRANCE'S CESSATION OF NUCLEAR TESTING IN THE SOUTH PACIFIC

Mr. AKAKA. Mr. President, it is with a great sense of relief and hope that I rise today to comment on the announcement by French President Jacques Chirac that France has concluded its nuclear weapons testing program for good and will close its nuclear testing center in French Polynesia.

Like most people throughout the Pacific islands and Asia, the citizens of Hawaii were angered by the six underground nuclear explosions at Mururoa and Fangataufa atolls conducted by France. The threat to the environment and public health posed by the numerous blasts over the years is real and ongoing. This week, an article in the Washington Post documented French acknowledgement that radioactive materials have leaked into the sea surrounding the atolls. These reports confirm claims made by international organizations that French nuclear testing has weakened the coral atolls and vented radioactive materials into the Pacific. Regrettably, France has not allowed independent inquiry and verification at the test sites.

The global outcry against the resumption of French nuclear testing has given renewed vigor to the drive for an international moratorium on nuclear testing and the completion of a comprehensive test ban treaty. International protests extended well beyond the nations of the Pacific; the French action drew criticism in the United States and objections from most members of the European Union. The Senate and the Congress joined the international chorus of concern following President Chirac's announcement last summer that France would end its testing moratorium. Last session, the Congress adopted a sense of the Senate resolution I authored calling on France and China to abide by the international moratorium on nuclear test explosions and refrain from conducting underground nuclear tests in advance of a comprehensive test ban treaty.

Mr. President, the definitive end to nuclear testing by France is welcome news. It comes after six unnecessary and ill-advised nuclear explosions. However, France's rejoining the global moratorium, pledge to sign the Treaty of Rarotonga, and commitment to pursue a zero-option test ban treaty presents an opportunity to conclude a permanent nuclear test ban treaty and advance nuclear nonproliferation. The challenge we face is to reach agreement among the nations participating in the United Nations Conference on Disarmament. In his State of the Union message, President Clinton called for the signing of a truly comprehensive nuclear test ban treaty this year. This ambitious timetable underlines the President's strong leadership in the effort to halt the nuclear arms race, advance nuclear disarmament, and ensure peace and security for all people.

President Chirac's intention to play an active role in concluding an international nuclear testing ban should add momentum to efforts now underway in Geneva, Switzerland aimed at resolving remaining disagreements over the text of the treaty. We should encourage all positive contributions toward nuclear disarmament, even those that come from recent converts to the cause.

Mr. President, the state visit and address to Congress by the President of the Republic of France has prompted denunciations and calls for action by many citizens and elected officials. This understandable reaction reflects the anger, pain, and offense felt by the people of the Pacific islands over the arrogance and insensitivity with which their objections have been dismissed. This singular opportunity offers President Chirac a forum to embark on a new course to advance nuclear nonproliferation. I encourage President Chirac to pursue reconciliation with the Pacific island peoples and nations. France should not delay its pledge to sign the protocols of the Treaty of Rarotonga, which declare and establish the South Pacific as a nuclear-free zone. I also call on President Chirac to permit independent inspection and evaluation of the test sites and the lagoon and sea surrounding the atolls for environmental damage and radiation leakage.

The political and environmental damage wrought by the recently concluded tests cannot be undone. However, the end of the final series of underground nuclear testing by France offers an opportunity and challenge for our countries to cooperate on the successful conclusion and approval of a comprehensive test ban treaty this year. It is with this spirit of hope that I greet the state visit by the President of the Republic of France.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRAIG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. JEFFORDS). Without objection, it is so ordered.

AGRICULTURAL MARKET TRANSITION ACT OF 1996

Mr. CRAIG. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of calendar No. 330, S. 1541, the farm bill.

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1541) to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

CLOTURE MOTION

Mr. CRAIG. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on S. 1541, the farm bill:

Bob Dole, Strom Thurmond, Dirk Kempthorne, James M. Jeffords, John H. Chafee, Thad Cochran, Ted Stevens, Trent Lott, Richard G. Lugar, Craig Thomas, Don Nickles, Bob Bennett, Alan K. Simpson, John Warner, Larry Pressler, Dan Coats, Larry E. Craig.

Mr. CRAIG. Mr. President, for now nearly 10 months, the U.S. Senate and the Senate Agriculture Committee have been working diligently to craft a new farm bill for our country. We all know that on September 30 of this immediate past year, the old farm bill expired. We also recognize that under the necessary budget changes and spending procedures and priorities that we were establishing, a large portion of the farm bill appeared and was a part of the Balanced Budget Act that we sent to the President, and the President vetoed it.

That has placed American agriculture, in my opinion, in a very precarious situation. While they have worked with us through the year of 1995 in numerous hearings that the Senate Agriculture Committee, on which I serve, participated in, we began to hear a very clear message from American agriculture that current policy was not serving it as well as it should, that there was a great desire on the part of production agriculture to progressively move to the market and produce to market trends and market ideas instead of to the perpetuation of farm programs.

Now, recognizing that, we also saw the clear importance that that transition American agriculture was talking about come in a way that all could live with. None of us wanted to shock the market. None of us, more importantly, wanted to create any kind of economic catastrophe in agriculture across this country. As a result, the Senate, in a very bipartisan way, worked diligently.

We also have the mandate of the Senate Budget Committee to meet the criteria of the budget. That was to find additional savings for the year and then to spread those savings out over the 7-year period of the Balanced Budget Act to arrive at some 40 billion-plus dollars' worth of savings. All of that was accomplished. Of course, all of that was for naught when the President decided to veto that most important piece of legislation.

Recognizing that that did not happen and that clearly American agriculture now has been asking us on a very regular basis over the last month, "What are you going to do?" it became important here in the Senate and in the House—the House acting yesterday—to mark up their version of the farm bill, and the Senate in the past week attempting to bring procedure forward, and on Friday last introducing S. 1541, the bill that I have just called up, to address the question being asked us. Most important, to craft critical policy that is time certain, that works in the marketplace of agriculture, that says to the farmer, "Here is something you can now plan as you sit down with your banker and your financial advisers to plan for the coming year," so that we are timely. That is why we have the debate today and, hopefully, votes tomorrow on this and possibly other critical pieces of legislation.

I believe that the Balanced Budget Act represented probably the most far-reaching, positive reform for U.S. farm policy in a generation, certainly in the time I have served in the U.S. Senate and in the U.S. House of Representatives. While we work to change and cooperate with agriculture and move into the marketplace, clearly, the product of effort that we presented in the last several months is as much or more reform than I think we have seen in farm policy here in the U.S. Congress in the last 60 years.

The amendments allow farmers to sign a 7-year income support contract with the Federal Government. That contract takes the place of the old market-distorted target pricing system. As a result of that and the flexibility that we have offered in this program, clearly the farmers today who wish to stay in the program have by far the greater opportunity to look to the matter, as they should, in deciding what they will plant and not have to worry about the loss of their base in that kind of flexibility and also have the income support program that we have talked about, at a minimal level, but an important level, so that we do not create the type of downturns that we have seen.

A declining series of payments through the year 2002 would provide the kind of genuine flexibility and smooth transition, as I have just explained, toward the marketplace and allow agriculture then to be responsive to the market moving into the next century. No longer will Government tell the farmer which crops to plant. In other words, no longer will farmers have to farm the Government program to stay in the program or to realize some benefit from it. No longer will that occur. It leaves the farmer free to decide what is the most productive effort for his or her land.

I think this is the way it ought to be. Of course, the marketplace, then, largely becomes the determinator of value and that, of course is the way any business and industry really ought to operate.

The balanced budget amendments that we have brought into S. 1541 have been endorsed by the American Farm Bureau Federation.

Mr. President, I have a letter here from the President of the National Farm Bureau, Dean Kleckner. This letter was sent to me just the day before yesterday with a full endorsement of S. 1541. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JANUARY 29, 1996.

Hon. LARRY CRAIG,
U.S. Senate, Hart Senate Office Building,
Washington, DC.

DEAR SENATOR CRAIG: Congress must pass farm program legislation quickly. Failure to reach agreement on multi-year farm legislation is delaying planting decisions for farmers. Widespread planting will begin soon in the south. Yet farmers still do not know the farm program rules. Lending institutions are withholding production loans based wholly on the uncertainty being created in Washington, D.C. Our competitors in world markets are surely amused at this policy disarray.

Farmers and consumers in the greatest agricultural nation in the world need a workable farm program. We urge you to act now, in the bipartisan spirit that has been the norm in the Senate Agriculture Committee, and approve workable policy for all titles of the farm bill including those previously scheduled for later consideration.

The American Farm Bureau Federation Board of Directors unanimously voiced its support for the Freedom to Farm Act, S. 1544 either as freestanding legislation or if added to another legislative vehicle. The Board voiced strong opposition to a short-term extension of existing programs or reverting to the Act of 1949.

A short-term extension of existing farm programs straps agriculture to a steadily declining budget baseline, provides no help to farmers in repaying advance deficiency payments and allows significantly less planting flexibility than is needed in today's world market. Reverting to the Act of 1949 is acknowledged by policy experts to be counter productive. Under the Act of 1949, the federal budget exposure would be enormous, domestic production would be reduced at a time when world stocks are very low and foreign competitors would expand exports at our expense.

The Freedom to Farm Act, S. 1544, embodies the core components of farm policy previously included in the vetoed Budget Reconciliation Act. The combination of market transition payments and marketing loans contained in S. 1544 forms a compromise which significantly restructures the income support mechanism for farmers to maximize the available federal support for agriculture and provides significant planting flexibility to meet world competition.

Throughout the discussions leading up to the adoption of the conference report on Budget Reconciliation, including farm programs, the Farm Bureau identified several policy areas which we believed were key to crafting effective and equitable farm programs for producers of all commodities. Those key concepts include:

Adequate protections for producers of non-program commodities.

Maintenance of existing landlord/tenant relationships.

Adequate spending levels for MPP and EEP.

Maintenance of current payment limits rules.

Dropping the requirement for crop insurance to participate in commodity programs.

Maintenance of the CRP program.

We believe that S. 1544 embodies many of these concepts and we urge you to protect them during subsequent floor action and through conference.

Significant contributions to balancing the federal budget are achieved as a result of changes made to the commodity programs including those for sugar and peanuts. The sugar and peanut programs have contributed to both stability within those production sectors and an abundant supply of quality products for consumers. The changes to these titles in S. 1544 ensure workable programs for both producers and consumers and they deserve your support.

The American Farm Bureau Federation supports the inclusion in S. 1544 of the compromise dairy proposal. Our members supported purely administrative changes to marketing orders. However, we will actively participate in the rulemaking process to ensure that the final changes in market orders will be equitable to all regions and all producers. We support the Livestock Environmental Assistance Program (LEAP) but encourage a modification of the eligibility of dairy herds to expand potential participation beyond smaller producers.

Due to low price levels for rice in recent years rice producers are disadvantaged in the early years of market transition contracts. We urge the committee to take steps to adjust rice payments and rectify this situation.

Consideration of the credit, trade conservation, research and other titles of the farm bill were postponed and until after the commodity titles and budget provisions were completed. We can no longer afford to wait for consideration and debate of those titles. We urge you to include those titles in the final package sent to the House. Much of the preliminary work on these titles is complete. Failure to act now will almost guarantee they are not reauthorized in 1996.

The American Farm Bureau Federation supports the expedited consideration of S. 1544 with the addition of the dairy, research, credit, conservation and trade titles.

We look forward to working with you in a bipartisan effort to pass multi-year farm legislation.

DEAN KLECKNER,
President.

Mr. CRAIG. There is no question this very vital farm organization, representing more people in production agriculture today than any other farm organization, recognizes the importance of this legislation and, most important, the importance of what it does; that it again moves the farmer toward the marketplace as all of us are concerned happens.

Mr. President, I ask unanimous consent that a letter from Bill Northey, the president of the National Corn Growers Association, be printed in the RECORD along with a letter from Robert Petersen, coalition coordinator for the Coalition for a Competitive Food and Agricultural System.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL CORN GROWERS ASSOCIATION,
Washington, DC, January 30, 1996.

Hon. LARRY E. CRAIG,
U.S. Senate,
Washington, DC.

DEAR SENATOR CRAIG: The National Corn Growers Association (NCGA) urges you to vote for cloture on S. 1541, the Agricultural Market Transition Act. It is important that farm legislation receive the consideration it deserves, and, that a logical, responsible conclusion follow. With planting fast approaching, the nation's farmers must know what to expect from federal farm policy. Timing is critical.

S. 1541 is the clear choice for the nation's farmers. Throughout the entire farm bill debate, the NCGA supported key provisions contained in this legislation. Farmers have long suggested a simpler farm policy. The Agricultural Market Transition Act allows farmers to make the production decisions that will offer the best opportunity for profitability. Guaranteed, fixed payments provide certainty and aid in long-range planning. Finally, farmers can and will make the transition to greater market reliance and less dependence on federal programs.

Some opponents of this legislation favor a simple extension of current law. A continuation of farm policy passed six years ago will discourage corn producers from participating in the farm program that will in turn jeopardize conservation compliance. Real reform is necessary to maintain agriculture as one of the strongest sectors of the nation's economy.

The NCGA strongly urges you to vote to invoke cloture later this week. Further, your support of the Agricultural Market Transition Act is needed to ensure that agriculture continues to thrive into the next century. Thank you for your attention to our concerns.

Sincerely,

BILL NORTHEY,
President.

COALITION FOR A COMPETITIVE
FOOD AGRICULTURAL SYSTEM,
Washington, DC, January 30, 1996.

Hon. LARRY E. CRAIG,
U.S. Senate,
Washington, DC.

DEAR SENATOR CRAIG: As the Senate prepares to take up the farm bill, the Coalition for a Competitive Food and Agricultural System urges you to support S. 1541, the Agricultural Market Transition Act, as introduced, to reform U.S. agricultural policies.

U.S. agriculture needs to have a new farm program in place quickly. Major provisions of the 1990 farm bill expired on December 31, 1995. As a result, the only farm program authorities now available to the Secretary of Agriculture for many crops are the 1938 and 1949 Agricultural Adjustment Acts. There is broad agreement that those authorities are no longer workable. And, resuscitating the 1990 farm bill provisions is not acceptable to most of U.S. agriculture.

The Coalition, on behalf of its 127 member companies and associations, believes S. 1541, as introduced, represents the best policy alternative for agriculture. The bill would: (1) reform and modernize farm programs; (2) provide a more certain income safety net for farmers through direct payments; (3) eliminate annual acreage reduction programs; and (4) provide broad planting flexibility for farmers. These proposals enjoy broad and growing support in the agricultural community.

Enclosed is a list of key points. Also enclosed is a Coalition Backgrounder.

Respectfully,

ROBERT R. PETERSEN,
Coalition Coordinator.

Mr. CRAIG. Mr. President, S. 1541 brings savings to the program. All of us want to accomplish that. It was the farmer that stood forth as soon as anyone else to say that a balanced budget is critical to our country and that a balanced budget is critical to the vitality of American agriculture; that American agriculture stands a lot better chance of surviving in an economy that is vibrant, in an economy where the consumers have access to and opportunity to purchase, with greater purchasing power that we believe the balanced budget would ultimately bring.

Export subsidies would be curtailed, and of course peanut and sugar programs have gone through major reform. While those programs still have their critics here on the floor of the Senate, all of us can stand forward—those of us who work to produce these reforms—and demonstrate that clearly all of the commodity interests of our country have been sensitive to the kind of reform that moves us to the marketplace.

I do not think the argument today that the consumer is paying the bill fits anymore. What does fit is the sensitivity to a fair playing field, especially in those industries that have to compete and must compete in worldwide economies.

I do not think anyone in this country wants to see the destruction of a vibrant industry, or opening the borders in a way that allows dumping from Third World countries, as we have seen in the past, especially if the production in the Third World country is well below the marketplace and if it is subsidized by the sponsoring governments. That is what we can avoid, and that is what we have avoided here while complying with GATT, while in recognition of NAFTA. Markets must be balanced and they must be fair.

I have never yet heard of a farmer or rancher in my State who would not say, "Give me a level playing field and I will compete with the best in the world because I am the best in the world but I cannot compete against open subsidies or in a situation that allows those subsidized crops to be dumped in my domestic market." That is, of course, what we try to accomplish here in the type of balance and the kind of reform that we have brought to these programs.

Conservation programs remain a critical part of any good farm bill. American agriculture has led the way in water quality, in saving our soil, and recognizing the vital interests of that industry by a sound environment and responding to that environment. Conservation programs will be a critical part of the bill. While we will continue to work this summer to finalize greater portions of the conservation title that meet the kind of critical environmental needs that is important out there in farmland America, what we are doing here is a major step in the right direction. I think it offers the opportunity to forestall any intrusive kind of regulation that could occur because it demonstrates that American agriculture was not only responsive to its own needs but sensitive to the criticisms of others where they were appropriately placed.

Mr. President, S. 1541 is identical to the original balanced budget amendment with two exceptions: First, there is an increase in the size of dairy operations that could qualify for livestock environmental assistance; and another portion that is critical to my State and critical to a good many others, as we create flexibility in program crop areas that allow farmers to move toward the market, we do not want that farmer who is currently receiving Government support to be openly competing against a farmer who does not or has never received that. In simple terms, Mr. President, that simply would not be fair. Everybody in agriculture understands that.

As a result of that, in the area of fruits and vegetables, they would qualify for current law, meaning that farmers who farm to the program and are in it with the flexibility and get the benefit of the 7-year payment program would not be allowed to use their flex acres in those productions.

My State of Idaho raises potatoes. It is critical to the State and, I like to think, important to the Nation. But it is a very sensitive matter as it relates to availability and supply. A rush to plant potatoes in a relatively strong market could ultimately destroy that market or cause tremendous dislocation by some projection of unusual increases in planting. We are recognizing the need for transition. Potato farmers are not saying they should not compete, but why should they or any fruit or vegetable farmer compete against somebody who is receiving direct Government program benefits, as they would through the transition period? The answer, we think, and the fair answer is, they should not. That is why those areas have been left as current law provides.

Mr. President, that is a brief summary of what we are attempting to accomplish in S. 1541. I certainly hope other colleagues would come to the floor to debate this issue today. We think it is important that we resolve it through this month, hopefully by early next month, or no later than the 1st of March we could go to conference between the House and the Senate, work out our differences, and in late winter or early spring let American agriculture know what farm policy is going to look like for the next good number of years. That keeps us in cycle with the normal planting cycles of our country and something we need to be responsive to.

I understand there will be other legislation proposed later on in the afternoon. Senator LEAHY is working on a proposed offering that will take a serious look at because all of us recognize that farm legislation, when it is good legislation, has always demonstrated the bipartisan approach that every good farm bill has ever been crafted on. Certainly this side wants to work with the other side in dealing with that issue, in solving the problems that we currently have.

More important than that, though, is the timely message. I hope today and tomorrow we can debate this issue and vote on these issues. Clearly, that will send a signal—the House having brought a bill out of their committee yesterday, and hoping to be able to move on that within the next few weeks—that comes a long way toward resolving the problems we want to resolve.

With the flexibility and, I think, the simplicity, the certainty we are offering, the opportunity for transition in the markets and hopefully the profitability that I think can be produced by this type of program with farmers, we not only offer them up a good piece of work that I think we in the Senate can be proud of, but we say to American agriculture: We will partner with you, but we expect you to farm to the market and to be sensitive to market trends and to farm to the world consuming public. We will help you get there in the best ways Government can facilitate, and that is really all that any industry in this country should be able to ask for. It is a partnership that has long existed, and it is one that I think brings a kind of ability to American agriculture that they expect.

Mr. President, I have no further comments at this time. We have the legislation now before us, and with recognition that no one is here on the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, my colleague from Idaho, Senator CRAIG, was on the floor visiting about the farm bill. I wanted to discuss just briefly where we are and where we are headed on that issue. That is a very important issue to a lot of farm States. Tomorrow we will, I understand, be voting on a series of alternatives dealing with farm legislation.

It is long past the time when Congress should have passed a farm bill. Last year was the year in which Congress was required to enact a 5-year farm program. The Congress did in fact put a 5-year farm program in the reconciliation bill, but, of course, everyone knew that the President was going to veto that bill. The budget reconciliation bill had a whole series of other things in it, and the farm program was actually a very small part of it.

The result of the President's veto of the reconciliation bill was that we are left without a farm program. Farmers are thinking about going into the field in the spring—some down South will be going into their fields in a matter of weeks—and there is no farm program. In North Dakota, they are not preparing to go into the field today, I guarantee you. It is a little too cold out there. But they are talking to their bankers and their farm equipment dealers. They are getting ready for the spring's work, and there is no farm program. They want to know what will the farm program be.

It is a waste of time to be pointing fingers about who is at fault as to why we are so late and what has happened. What is most important, at this point, is for us to try to understand how can we construct a farm program that works for the benefit of family farmers and how can we do it soon.

My hope is that by the end of the day tomorrow we will have passed from the Senate a proposal that we can put into conference with the House. Then we could in the next week get a conference committee and have a farm program passed and signed into law. We owe that to family farmers in this country.

My understanding is that Senator DOLE, the majority leader, will offer the freedom to farm bill. That bill has some provisions that I support. It does some things I cannot support. I have proposed an alternative that we will likely offer tomorrow called the Farm Security Act.

I think common to both proposals would be the notion that the Government ought not to be telling the farmers how to plant, nor telling them when to plant, nor telling them where to plant. That is the straitjacket that we have in the current farm law. That, in my judgment, ought to be changed. We do not need the Government hip deep in planting decisions. Let farmers determine what they plant on base acres. The freedom to farm bill would do that. The Farm Security Act would do that. It seems to me that is a common objective that we could agree on.

Most of us believe that we ought to forgive advance deficiency payments for farmers who suffered a crop loss last year. These farmers are now threatened with having to repay those amounts. If they did not have a crop, there is no money with which to pay. We should forgive that. The freedom to farm proposal would provide some relief for farmers on that score. So would the Farm Security Act.

There are sufficient common elements, it seems to me, so that we should be able to reach agreement at the end of the day tomorrow on something that we could put into conference.

The one major difference I would have with the freedom to farm bill is that it presupposes, with some up front attractive transitional payments, that we would then get rid of the farm program. In exchange for giving transitional payments to farmers now, it would repeal permanent farm law, the 1949 act. The purpose of all that is to provide some payment up front. You take the payment in exchange for getting out of the business of providing any kind of price supports at all in the future.

I understand the short-term attractiveness of that. Yet, we know farm prices are going to go down. Grain prices go up, and they go down. The problem is they never go up on the upside grid aggressively. Every time grain prices start to go up—and they are up some now—what happens is the grain trade starts floating rumors about embargoes, or somebody else starts doing something saying this is going to hurt consumers. They try to dampen prices. The farmers then never get the uplifting side of higher prices for any length of time. They should, but they do not because the larger economic interests are always in there trying to mess with grain prices. And they do it in a way that tends to collapse prices that family farmers need to make a living.

Grain prices are up some points now. They are stronger, and they are higher. But they will go down, and they will collapse because we have these cycles of ups and downs of grain prices. When these prices collapse, family farmers will not make it unless there is a safety net with some kind of loan rate or deficiency payment.

Unless there is some safety net, these family farmers will get washed away, and they will be bankrupt. They do not have big enough financial strength to sustain a number of years of low prices, and these family farmers will be washed away.

The freedom to farm bill would take away the safety net. It would give you some attractive payments up front. But, there will no longer be a farm program down the road. I can understand why that is attractive to some. However, it seems to me this is not a good trade. We ought to have a farm program in the long term. We ought to provide a basic safety net for family-size farmers.

Tomorrow some of us will offer a Farm Security Act which provides some attractiveness on the front end as well. We would provide that we would not only forgive the advanced deficiency payments of last year for those who suffered a crop loss, but also that we would provide what would normally be a 50-percent advance deficiency payment this spring. This would not have to be repaid. This would be done in order to help family farms recapitalize their farms. Its a repayment of sorts for some difficult situations, acknowledging that Congress did not do its job and did not provide a farm bill when it should have done it last year.

I do not mind providing some upfront attractive features. I am just as happy to do that in the Farm Security Act as they might be in the Freedom to Farm bill. But I will not do it under the condition that it is in exchange for pulling the rug out from under farmers later. I am not willing to say to farmers that when prices collapse you will not have a safety net. That is not a good trade.

I think we have to decide in the Senate and in the Congress whether we care a rip whether there are family farmers in this country? Do we care at all? Some people may say it does not matter. Some say let corporations farm from California to Maine. And they will.

Food prices will be higher when the large corporate interests capture most of the enterprises in family farming and they become part of large agrifactories. We will certainly have much higher food prices. But it will mean more than that, more than food price economics.

Go to a small town. I come from a small town of 300 people. Go to a small town and look around that town. We need to understand what is it that feeds the economic life of that small community. All across this country the blood vessels of our small towns are those yard lights out on the family farms. If you turn off those yard lights and turn those family farms into corporate agrifactories, all of those small towns die quickly.

The question before us is both social and economic. Is there an interest in maintaining a network of family farms in this country's future? I think the answer is yes. If the answer is yes, then we ought to put together something with price supports that make sense for family farmers.

When prices drop and stay down, we ought to put something together to put some payment in place which we will provide in the same basic level of a safety net in the long term.

If we fail to provide some long-term safety net it means that we do not care whether our young farmers get started. It means we do not care whether there is renewal on family farms, and we do not care whether there are family farms and small towns in the future.

I hope we can find a way by tomorrow evening to reach agreement on a bipartisan basis to pass a farm bill out of this Senate and put it into conference. We need a farm bill that provides some attractive features on the front end and one that provides much greater flexibility of planting for farmers, forgiveness of advance deficiency payments, and certainly the retention in the long term of a network of price supports for family farms.

If we can do that, we will have done something significant. There is no reason, if we work together, that we cannot have finished a farm bill by the end of next week, one which the President could sign and one which will provide family farmers some certainty about their future.

MERCHANDISE TRADE DEFICIT

Mr. DORGAN. Mr. President, none of my colleagues is here. We are not in business with votes today. We are in business today for the purpose of introduction of legislation, and we will have votes tomorrow. I would like to turn to one additional topic.

I am going to bring to the floor of the Senate some information about our merchandise trade deficit in the next couple of days. It is interesting to me that we have an enormous amount of debate in this country about the budget deficit. It is appropriate because our budget deficit is a serious problem for this country. We are spending money which we do not have. We are borrowing it. When we do that, we run into trouble if we keep doing it. We need to have a budget that is in balance. We need to do it the right way with the right priorities. No one disputes that.

Yet, the interesting thing is that there is a conspiracy of silence it seems to me. Its almost a complete conspiracy of silence about another deficit that is even larger than the budget deficit in this country. That is this country's trade deficit. Our merchandise trade deficit in America last year was higher than the Federal budget deficit. I will bet hardly anybody knows that.

We had over a $60 billion trade deficit with Japan, over a $30 billion deficit with China, and nearly a $40 billion deficit with Canada and Mexico combined.

What does all of that mean? It means fewer American jobs, lower American wages, less American growth, and less opportunity for the people who live in this country.

I am not suggesting we ought to construct a trade strategy that says, "Let us put walls around our country and keep out the exports from other countries in order to reduce our trade deficit." That is not the point I am making.

The point I am making is that China says to us, "We are going to ship you all of our goods, all of our trinkets. We will ship you all of our manufactured products, all of our textiles. And, we are going to do it in sufficient quantities so that we will run up a $30 billion trade surplus with you." That is real trouble because what that means is we have transferred jobs that used to be good-paying manufacturing jobs in the United States to China. They are now lower paid manufacturing jobs in China. It is also true with Mexico. It is true with Japan.

Did you know that every single day there are two to three permits approved down on the Mexican-United States border from the maquiladora plants, the plants by which companies transfer their production from America to just outside of our country. They move just across that invisible line, the international border, so that they do not have to comply with the pollution laws of America, so they can pay lower wages for someone living outside of our country, and then manufacture goods there and ship them back to us here?

Do you know Hershey kisses used to be American? Not any longer. They are now made in Mexico. Hanes underwear closed six plants in America. Guess where most of that underwear is going to come from in the future?

Moving jobs from America to other countries means less opportunity here. It means slower economic growth. It means trouble for American workers and for American young people who want to go to school to learn and to get a good job. Nobody seems to care much about it. Trade deficits, that does not matter. Nobody talks about that.

NAFTA is a good example of what I am concerned about. When NAFTA was proposed to the U.S. Congress, there was one major study called the Hufbauer-Schott study. One of the fellows was Gary Hufbauer, an economist. He predicted an enormous number of new jobs in America if we would pass NAFTA, the trade agreement with Mexico and Canada.

Well, I did not support NAFTA for a lot of reasons. I felt that we would have a wholesale loss of American jobs. The year before the United States-Mexican trade agreement was approved by the Congress, we had a $2 billion trade surplus with Mexico. Two years later, we now have in this last year nearly an $18 billion trade deficit with Mexico. We went from a $2 billion surplus to an $18 billion deficit.

Mr. Hufbauer in that study had predicted I think 130,000 new American jobs if we would pass NAFTA. He now says maybe he ought to be in a different business. He says, "I am not much of an estimator." He now says he thinks we lost 220,000 American jobs as a result of NAFTA.

That is just one example of a trade circumstance that has gone awry. I suppose in theory it does not matter much. I have never found a journalist who has lost a job because of imports or exports. So, you are not going to read a lot in the Washington Post about our merchandise trade deficit.

In fact, when we debated NAFTA in the Congress, I counted the column inches devoted, pro and con, to the trade agreement in the Washington Post, New York Times, Wall Street Journal, and Los Angeles Times, four major papers. Do you know what these citadels of free speech and free expression gave? It was a 6 to 1 ratio, 6 column inches for NAFTA on their editorial and op-ed pages, and 1 column inch against. They gave a 6-to-1 advantage for those who were proposing this trade agreement versus those who were opposed to it. That is what we faced in dealing with this topic.

What I wish to do is to call this deficit to the attention of the Congress and the American people. We need to understand the trade deficit, especially the merchandise trade deficit.

You do not in this country move America ahead by measuring our progress by what we consume. You measure it by what we produce. Economic progress is what we produce. And yet every single month you will hear on the news the economy is rolling along because we consumed more of this or we bought more cars or bought more of that, or that retail sales were up.

That is not a barometer of economic progress. The barometer of progress is what has happened to production in this country. Are we producing more or less? And the second barometer, equally as important as it relates to production, is what has happened to wages.

It has hurt over 60 percent of American families. When they sit down for dinner tonight at their dinner table—actually, in my hometown they sit down for supper; we still call it supper, but out East they call it dinner. But, when they sit down at the dinner table and they talk about their situation, 60 percent of American workers, are making less money now than they did 20 years ago when you adjust their income for inflation. They are making less money now than 20 years ago. They have made no progress in 20 years. In fact, they have lost ground.

Now, why would people lose ground in 20 years with respect to their personal income? Because we have constructed a trade circumstance where we say to them, you American workers, especially you lower skilled American workers, we are going to ask you to compete with 2 or 3 billion other people and those people are willing to work for 12 cents an hour, 40 cents an hour or a dollar an hour. And they work for people who put up factories where they do not have to worry about pollution. They can pump the waste in the water. They can pump the pollution straight up in the air.

So, the result is we get somebody working an hour and a quarter of direct labor to make a pair of tennis shoes in Malaysia, making 14 cents an hour. Thus there is roughly 20 cents or slightly less in direct labor costs in a pair of tennis shoes from a plant in Malaysia. The labor comes from a woman, often under age, who works 12 hours a day at 14 cents an hour. Then that tennis shoe made there is shipped to Pittsburgh or Fargo or Denver and sold for $80 a pair. It comes with a 20-cent direct labor cost from a foreign country. It is under these kind of circumstances that we have told American workers: "You compete with someone making 14 cents an hour."

We cannot do that. You cannot compete with that. You lose. What do you lose? You lose the jobs. You lose the plants and the jobs, and you lose economic opportunity and economic vitality in our country.

As perverse as it may sound, we not only have this problem in merchandise trade deficits, but we also have a provision in our tax law that says we are going to make it easier for companies to do that. Our tax laws say, "We will provide a tax incentive in America's tax code if you will please shut the doors to your plant in America and move your jobs overseas."

We have a tax incentive that says, "Shut your plant down here and move your jobs overseas. We will give you a tax cut."

Interestingly enough, in the bill that went to the President for a veto during this budget battle there was another provision that made it even a sweeter deal to close a plant here and move jobs overseas.

When that bill was in this Chamber, I offered an amendment which would shut down this perverse incentive that says, "If you move your jobs overseas, we will give you a tax break." I said. "Let us shut that down."

If we can agree on anything, it ought to be on this. We ought not give a tax break for moving jobs out of America."

Do you know the vote was a partisan vote, essentially a partisan vote? Everybody on one side voted for my amendment, everybody on the other side voted against it, and we lost. It makes no sense at all. We need to come together and decide as a matter of economic strategy what we want for this country.

Part of it is a more sensible tax law. Part of it is a more sensible trade strategy that provides fairness and opportunity for American workers and provides for the resurgence of an American manufacturing sector. We need to do that soon.

The reason I mention it today is it in some respects fits with what we are talking about with respect to agriculture. I do not want to build walls. I wish to build bridges. As a fellow who represents a State that needs to find a foreign home for a fair amount of grain, I understand the need for international trade. I want to expand trade, not restrict it.

I wish to make darned sure that the circumstances of trade are represented by fair rules. I do not mind that Americans should have to compete. They must compete and must win in competition, but the competition must be fair. We should not say to an American worker and his family, "You compete against someone overseas making 14 cents an hour employed by someone who does not have to follow any laws with respect to pollution." I say that is not fair. We need to dig into this and be concerned about it and respond to it. It relates to the issue that I described about where we are going with respect to wages and opportunity and where we are going with respect to jobs in this country's future.

Mr. President, I will be in the Chamber tomorrow to offer some amendments and discuss in some detail the alternatives that we will be discussing when we talk about the farm program. There will be some differences, and as I said the major difference between us is that many of us feel we should not withdraw a long-term safety net from family farmers. Notwithstanding those differences, I hope there will be significant agreement as well because I want by the end of the day tomorrow to have this Senate pass out into a conference committee some kind of basic farm legislation. This Senate owes that to American farmers.

Mr. President, I yield the floor, and I make a point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SMITH). Without objection, it is so ordered. The Senator from South Dakota.

Mr. PRESSLER. I thank the Chair.

AGRICULTURAL MARKET TRANSITION ACT OF 1996

The Senate continued with the consideration of the bill.

Mr. PRESSLER. Mr. President, I hope that we can enact farm legislation quickly. I just met with a group of farmers in my State. They expressed to me the need to work with their bankers to make their spring plans for planting. They expressed to me the need to have a farm bill passed for purposes of their planning, so that they could have certainty of their investment.

There has been much debate in this Chamber over the years on farm policy. I know that there are currently several approaches that are floating around the Chamber. One is, more or less, some modification of the Freedom to Farm Act, as suggested by Congressman ROBERTS and others, there is another plan to have a new farm bill and another to continue the present farm bill for a year.

I suspect that in this Senate with the need for cloture, it will be hard to get a cleancut decision on any one of those bills. I suspect that we will have to have a compromise of one of those approaches.

Let me say that in talking to the farmers from my State—these particular farmers were grain farmers, corn and wheat farmers—they thought the Freedom to Farm Act would be most advantageous to them from what they had heard and from what they knew about it. They felt strongly that they might even like to try some new crops, crops that they do not presently grow now, or do some experimenting with new crops. Under the traditional farm programs where we have commodity programs for this crop and that crop, as defined in legislation, producers are locked in to growing corn or wheat or whatever. They expressed to me support for planting flexibility under the concept of freedom to farm.

I am concerned about having a cap on who receives benefits. If we had freedom to farm, a cap on the income levels of farmers who might receive benefits or possibly the size of farm or something other test might be needed. There also has been a debate over the budgetary numbers, and we always have different budgetary numbers. Congressman ROBERTS argues that his plan would actually save the taxpayers money and lead us into the time when commodity prices might be much higher.

The advantage to extending the current farm bill would be that we are in the midst of a planting season, that this is a program that our people have become accustomed to and that they can farm and prosper, to some extent.

Underlying all of this is the fact that commodity prices have gone above what the target price trigger is; that is wheat and corn prices are above the level that they receive a subsidy. So farmers are paying back the so-called deficiency payments, and this has caused some hardship because people have used those deficiency payments in their operations. But there is provision for the Secretary of Agriculture to make adjustments where there is hardship.

Mr. President, I know that tomorrow we will have a cloture vote—we may have more than one cloture vote—and then we will have some amendments. It might well be that we have an experimental 2-year freedom to farm with some continuation of the deficiency payments program. But above all, we should act, because on too many issues, for one reason or another, Washington has not produced either a budget or a farm bill or, indeed, a telecommunications bill, which I hope we will produce soon also.

We have the people's work to do, and I hope we are here and doing it. But I urge that this Chamber come to a conclusion on the farm bill tomorrow or, hopefully, within a week. I will be here to assist in that process, as will my colleagues.

Mr. President, I yield the floor.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, the farm bill has become a focal point now for legislation in Washington and not too soon. I think it is the first time in 40 or 50 years we have failed to enact a farm bill in the year that the farm program expired. So we are a year late, and this is what my distinguished friend from South Dakota is saying.

I worry about the Freedom to Farm Act because that is a check that goes to the farmer, and, basically, some farmers are referring to it as welfare. You can lock your door, go to Florida, and still get your check and not raise any grain, not raise any crop. Therefore, your local fertilizer dealer, local equipment dealer, local feed and seed people no longer will be selling. So, therefore, it worries a lot of folks that the so-called payment, regardless of whether you have a high price or a low price, will be received.

That does not seem quite fair to me, where under the present program you stabilize the market. If you go under, the prices are lower than the set price, then you get some help. If it goes above that, then you make a profit and you do not need the money. So somehow or another, it has stabilized, in my mind, the market.

What is so frustrating now to the farmers is it appears that it is this or nothing. In the beginning, the Freedom to Farm Act was opposed by the American Farm Bureau late last November. We have copies of the letter where they oppose the Freedom to Farm Act.

Now, as we fail to enact a farm bill and we get closer to the time where southern States are beginning to plant, or within the next few weeks, they are very concerned. The farmers in my State who are preparing for the spring are very concerned about their financial situation.

I think we have to be very careful that we do not allow the last-minute gasp here to remove the safety net for the farmers in the future, because under the Freedom to Farm Act, the farm program in 7 years is gone, or sooner than that when the general public finds that if you do not farm, you get a check every year, and it could be up to as high as $120,000 a year. The general public is not going to like that.

You can cut all the deals you want to for milk and nutrition and all those sort of things and pass the Freedom to Farm Act, or at least send it to conference. I think that it is incumbent upon all of us to be sure that the future of farming stays around.

In my State, the average farm is 157 acres. So farming is a very narrow operation as to the products, as to the income and for stability in our farm program.

Mr. President, I have real concerns. The Senator from South Dakota talks about flexibility. You have a quota, you have an allotment, whatever it might be, as to acres. We propose that you have flexibility, that you do not lose—say you have 100 acres and you want to take 30 acres to try something else. If something else does not work, then you can revert back to your 100 acres. So it gives flexibility.

You can give to farmers a good, well-thought-out, debated farm bill to give them a future and a safety net that I think will be more in keeping with our, or at least, what my idea is of a farm bill for agriculture's future.

So, Mr. President, I hope that when tomorrow comes and we try to push a farm bill through quickly—and maybe a telecommunications bill, whatever it might be here—that we do not rush through without giving as much thought to the future of farming in this great country as we should.

I think you will find some offers tomorrow, ways that can be, I feel, a good future for agriculture, rather than saying, "Here is a check every year for the next 7 years, and at the end of that time, you are out on your own."

My small farmer will not be able to accommodate that. I think we ought to pass a farm bill that gives hope to the farmer and encouragement to young farmers to stay on the farm and not move so quickly on the basis of being under the gun.

We have delayed in this Congress, more than any time during my 21 years, right up to the hilt. It is the first time I have not been able to see a farm bill until this late—yesterday afternoon—which we are going to be called upon to vote on tomorrow. Just highlights of the farm bill were in the RECORD, but I would like an opportunity to read the fine print. I was brought up that "the devil is in the fine print." I want to read the fine print and see what this bill and piece of legislation says.

Mr. President, I hope that eventually we have a farm bill that we all can be proud of, which the farming community can rally around, and that we do not leave any particular field—if that is a good word for farming—out hanging by itself, not protected and cared for as we would like it to be for the future.

So I am very concerned about the farm bill. I am concerned that we will just get rid of it or push it so we can go out and have Presidential politics in the next few weeks. I think that happens to be very important to several of our colleagues. But I do not believe that the farm States are interested in us doing something hastily, which would not bring them a future as it relates to the community.

Farm products and prices are good. So, as I understand it, we have saved about $5 billion that was set aside for the farmers if the prices were projected, as CBO said they were going to be, downward. Instead of that, CBO was wrong on this one. The prices have gone up. There is about $5 billion not expended that was based on the projection of CBO about this time last year.

So it just proves that CBO is not right all the time and that we have the ability to make the farm bill substantial and stabilize the market through some of the procedures we have held onto in the past. Second, we can give flexibility to the farmer to try new products, without losing their total allotment or set-aside.

So, Mr. President, I urge my colleagues to be very careful in their deliberation of the farm bill tomorrow. If it takes another day, so be it. We have waited now a year. We are about a year late in passing the farm bill. Usually, we have a 5-year farm bill. At least, in 1985 and 1990 we did. Most of the farmers were able to operate under that because we gave them some long-term stability.

My colleague from South Dakota indicated there might be just an extension with a few changes in the present farm bill in order to give us more time to be sure that our farm bill for the future is correct. That may be something we want to give serious consideration to—a year or two extension of the present farm bill, with some modification as it relates to the deficiency payments.

I understand the dilemma. You have a deficiency payment, you are not entitled to it, and you are supposed to pay it back. Now the farmers have used it and do not want to pay it back or cannot pay it back. I understand that. But there was an understanding in the beginning.

So my point here—and it may not be very cogent—is that I hope my colleagues will be very careful before they rush pell-mell into trying to get a farm bill out of here tomorrow so we can go home tomorrow night. We ought to stay here and develop a good farm bill that would be in the interest of the future of the farmers.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KYL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KYL. I ask unanimous consent that I be able to speak for up to 20 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

BALANCING THE BUDGET

Mr. KYL. Mr. President, the reason I wanted to address the Senate at this time is that having spent a few days in Arizona recently visiting with constituents, I think that I have learned something that is important for us to share as we continue this debate about the budget impasse and whether we are going to be able to reach an agreement on a balanced budget.

What I have heard from my constituents is, they are as concerned about the other side of the equation, namely, the income side of the equation, as they are about the balancing of the budget by the saving money side of the equation. Specifically, in the context of the new report issued a couple of weeks ago by the so-called Kemp Commission, they are suggesting that we should turn more of our attention to how we raise our revenue as much as we do to how we save our revenue. The report, entitled "Unleashing America's Potential," is the official name of the National Commission on Economic Growth and Tax Reform Report, the so-called Kemp Commission Report that was issued about 2 weeks ago of this past month.

Jack Kemp, who is the chairman of that commission, traveled to Phoenix and gave a couple presentations to constituents of mine talking about this, and combined with other meetings I have attended, as I have said, the conclusion I have come to is that while my constituents are very interested in balancing the budget—and they have encouraged me to stay the course and continue to try to press the President to reach a meaningful balanced budget over 7 years—they have also concluded, as I have, that that may not be practicable right now, the President just may not be ready to make a budget deal, that the incentives are not there for him to reach an agreement.

If that is so, what they are saying is, look at the other side of the equation, because there is another debate that is starting in this country about how to raise tax revenues, and that debate could have as much to do not only with how we balance the budget but also how we promote economic growth in this country.

Today, very briefly, I want to talk about those two subjects. When a family sits down at the table and figures up how they can do better economically to send their child to college or to buy the new car they have to buy because the old one is pretty much on its last legs, or any other way try to figure how they will do better economically, they generally look at both sides of the equation.

They say, "Well, first of all, are we spending too much money? Can we save money? Are we going out to dinner too much? Are we going out to the movies too much? We can save some money. We can pinch some pennies." And they figure out how much they can save.

That is what we are trying to do with our balanced budget. We are trying to say the Government can save a lot of money. Republicans are talking about saving hundreds of billions of dollars over a 7-year period, thus being able to balance our budget. The President would like to spend about $400 to $500 billion more than we would. That is why we have not been able to reach agreement with him on a balanced budget. Clearly, we ought to be looking at the side of the equation that tells us whether we are spending too much money.

But the other side of the equation is how can we cause the economy to grow so that not only will families be better off, so that they will not have to rely upon the Government so much, but that they will actually be producing more in terms of productivity and therefore more revenue to the Federal Government with existing tax policy? We can actually talk just like a family talks about getting a raise or doing something in business so they can make more money, which is the other half of their fiscal health, I guess you can call it.

The Federal Government can be doing the same thing. There are two ways to do that. There is a wrong way and a right way. The wrong way says let us raise tax rates. That will bring in more money to the Federal Treasury. We know the last tax increase, the biggest in this country's history, promoted by the President, did not raise income nearly as much as the administration projected because, of course, people changed their behavior. The most graphic example of that was the 1990 tax increase which included a much higher tax on luxury items, such as expensive cars and yachts and furs. And what happened to the people that were building the yachts? They went out of business, because people could not afford to pay the high tax so they stopped buying the yachts, as a result of which not only did the Federal Government not get the revenue but it actually had to pay money in terms of unemployment compensation because a lot of people lost their jobs because the yachts were not being made. Of course those people did not pay income taxes.

So the bottom line was that even though the income tax rate was increased, the revenues did not increase at all. That is what we found in this last tax increase. Revenues to the Treasury have not increased nearly as much as the administration predicted. So we know that raising tax rates does not necessarily mean an increase in income.

We also know that lowering tax rates can sometimes mean an increase in revenues to the Treasury. It is a little bit like the person who puts goods on sale about Christmastime. He does not do that to lose money. The retailer knows you can more than make up in volume what you lose in terms of the price cut. The same thing in taxes. You can reduce taxes and make more revenue for the Treasury because you have promoted commercial activity.

As a matter of fact, in the preamble to this report, "Unleashing America's Potential," former HUD Secretary and Representative, Jack Kemp, quotes John F. Kennedy who gave a speech before the Economic Club of New York in December 1962 and said this:

> In short, it is a paradoxical truth that tax rates are too high today and tax revenues are too low, and the soundest way to raise the revenues in the long run is to cut the rates now. . . . The purpose of cutting taxes now is not to incur a budget deficit, but to achieve the more prosperous, expanding economy which can bring a budget surplus.

That is John F. Kennedy in 1962, who also said "A rising tide lifts all boats," meaning if we can get the economy growing again everyone will benefit, the entrepreneur who has had his tax rates cut as well as the person looking for a job who finds that there are jobs available because there is increased economic activity. It all has to do with injecting more capital into the private sector. John F. Kennedy made the point.

Ronald Reagan made the point 20 years later. When tax rates were reduced in the Reagan administration, tax revenues for the Treasury were increased. That is what we are talking about here in the Kemp economic report, a fairer, simpler, single-rate tax that would promote economic growth and opportunity and job creation because it would provide the incentive for investment and savings rather than the incentive which we have today which is get as many deductions as you can by borrowing, because that is how you can, in effect, work the Tax Code.

Some of our friends on the other side of the aisle say, "A tax cut for the rich is what you are talking about. Capital gains are enjoyed by rich people, so if you cut the capital gains tax that helps them."

You know, nothing can be further from the truth. As Jack Kemp has pointed out, a capital gains tax cut benefits the poor more than the rich. The rich people do not have to sell their assets. What they can do is use their assets as collateral to borrow money and take an income tax deduction on the interest costs of borrowing and they still have their capital assets. So the rich people do not have to have a capital gains tax cut. They can use the capital as the equity to borrow money and then write off the interest on their income taxes.

It is the poorer people in our society, who are looking for a job, or a better job, who can benefit by a capital gains tax cut. Not only do many families have small assets tied up that they would like to sell so they could utilize that money to send a child to school or invest or for whatever purpose—on rates now they are paying 28-percent if they sell that asset—but it is also the entrepreneurs who can free those assets up, take the money and invest it in something more productive, thus creating jobs, thus providing more opportunities for people at all levels of the economic spectrum in our society. So a tax cut can be beneficial, and it can benefit everybody in society, not simply those who are more well off.

We are going to be introducing a constitutional amendment in the next day or two, a resolution which would provide that a two-thirds vote in each House of the Congress would be required to approve a tax rate increase. Representatives BARTON and SHADEGG are introducing a similar initiative on the House side. This is similar to constitutional amendments that have been proposed and sometimes passed in States around the country. As a matter of fact, my own State of Arizona has had such a proposition.

The idea here is that tax increases have almost always been antithetical to growth, both in the private sector and to revenues of the Government. At least they have not been helpful. What the Kemp Commission suggested is that if we are going to have a single-rate, simple-income Tax Code—scrapping all of the existing code and going to a new, simpler, fairer single-rate code—we also need to have a mechanism in there to prevent the Congress from raising the rates after we get it into effect. I do not know whether the rate will be 17 or 19 percent or if it has to be 20 percent. But wherever that rate is set, it ought to stay there and it should not be going up over time. Of course that is the experience with Congress, because there are some, and some Presidents, who thought they could raise revenues by raising tax rates.

I think I have demonstrated that is not true, but it has not stopped them from trying. So we would like to build in a two-thirds requirement to approve any tax rate increase. I think that resolution should be debated and considered, along with the recommendations of the Kemp Commission, as they are introduced as legislation in force over the next several months. So we are going to be introducing that legislation and I will be looking for support to get that moving.

Mr. President, in the time I have remaining let me just note a couple of statistical things of interest, I think. I made the point that the tax cuts of the early 1980's demonstrated that we can increase revenues by cutting rates. The figures are as follows. Revenues increased from $599 billion in fiscal year 1981 to over $990 billion in fiscal year 1989, an increase of about 65 percent. High tax rates, on the other hand, of course we know discourage work, discourage production, savings and investment, so there is ultimately less economic activity to tax. Revenues amounted to about 19 percent of the gross national product when the top marginal income tax rate was in the 90 percent range in the 1950's. They amounted to just about the same 19 percent of GNP when the top marginal rate was in the 28-percent range in the 1980's, and again we are at about 19 percent of GNP in the 1970's, one of the longest postwar economic contractions in our history, and also at about 19 percent during the longest peacetime expansion, the 1980's.

The point is, as a percentage of GNP, the tax revenues have been almost constant at 19 percent. You cannot increase revenues as a percent of GNP by increasing tax rates.

But what you can do is decrease tax rates, increase the size of the GNP, and still be at 19 percent of GNP in terms of Federal revenues. But the total dollar amount, of course, is much higher because you have increased the size of the GNP.

So the question is not just the percentage but a percentage of what? And a percentage of a much more vibrant and larger GNP at 19 percent obviously represents more tax dollars than 19 percent of a contracting and lower gross national product.

So that is why we need to focus not just on the question of how much taxes are raised, or cut, but how they are raised. Of course, that is why we think it is important to have a very firm consensus in the Congress. In this case, we would like to have a two-thirds vote to approve any kind of tax increase. But more importantly, as the Kemp Commission recommends, we would like to have a reduction in tax rates, which we think will then produce a higher GNP and at least the same percent of revenues to the Federal Treasury.

Let me just read one quotation. Then I will conclude this point from the Kemp Commission report.

> The roller coaster ride of tax policy in the past few decades has spent citizens' cynicism about the possibility of real long-term reform while fueling frustration with Washington. The initial optimism inspired by the low tax rate of the 1986 Tax Reform Act soured into disillusionment and anger when taxes subsequently were hiked two times in less than 7 years. The commission concludes that a two-thirds supermajority vote of Congress will earn American's confidence in the longevity, predictability, and stability of any new tax system.

That is why, Mr. President, we think it is important to introduce this constitutional amendment to require two-thirds of Congress to support a tax increase for stability and for predictability so the American people have confidence that, if we go to a single rate, a simpler and fairer tax system, as the Kemp Commission recommends and we set a rate to produce the revenues that we are gathering today to the Federal Treasury, that Congress is not going to come along later and begin increasing that rate, because clearly, once most of the deductions and exemptions are eliminated, then taxpayers will no longer have those areas in which to retreat when rates are raised, which has been historically what has happened. Americans adjust their behavior in order not to pay taxes. They will buy municipal bonds so they do not have to pay taxes, for example.

What we are saying, if we eliminate most of, or many of, those reductions, or exemptions, or credits, we do not want Congress and the President then to come along and raise the rates of income tax. That is why we think it is important to have a two-thirds majority. The Kemp Commission made the recommendations to eliminate the estate tax, to provide full deductibility of payroll taxes so that working Americans are not taxed on a tax. I think that would be a good idea. They encourage us to consider deductibility of charitable contributions and mortgage interest deductions. I think that debate needs to occur because that will affect the rate at which we end up having to set income tax, if we are going to have a single rate. The higher the deduction for mortgage interest, for example, the higher the single rate will have to be. We will have to consider what that tradeoff tells us in terms of actual tax policy.

I am hopeful during this Presidential campaign that, armed with the Kemp Commission report, the candidates will get out there and debate this concept thoroughly, and that the American people will evaluate the different proposals. I am not an advocate of any specific proposal, but I think each of them has some merit. What we ought to be focusing on is the end result here of a simpler, fairer, predictable tax structure. If we can do that, then I am sure the specific decisions we make will fall into line. But the American people need to focus on that during the campaign, need to question the candidates, and need to come to some kind of conclusion as to what they want us to do.

I am hoping that the next election will result in a mandate of sorts that in 1997 will cause us to come together and conclude that the American people have spoken in the election, they have supported candidates who generally believe in a certain approach to income tax reform, and then in 1997 we will begin the legislative process of fundamentally reforming our Tax Code.

What I would like to do beginning this week is to begin the debate on the two-thirds supermajority because it would be the only constitutional amendment that would accompany the Kemp Commission recommendations. It is going to take longer to put into effect. We know by historical reference that constitutional amendments do not pass very quickly around here, and they should not. That is why we want to begin the debate now so that by the time we debate legislative changes in the Tax Code we will have been able to thoroughly air this constitutional proposal as well as perhaps pass the bill at the same time because clearly we would want to be able to restrict future Congress' ability to raise taxes.

Mr. President, the bottom line here is, yes, we need to focus on balancing the budget, on pinching pennies, and on saving in every way we can so we are not spending taxpayer dollars unwisely. That has been our focus all this year. We came close to getting a balanced budget agreement, but we did not quite do it. It would still be nice if we could. Since we have not been able to, I think we have to focus equally on the other side. How do we get the economy growing again, moving forward, providing opportunity for growth, for job creation, for entrepreneurship, and for capital infusion for the economy. And the best way to do that is to follow the recommendations of the Kemp Commission—to give everybody a better opportunity by having a simpler, fairer, single-rate Tax Code.

I look forward to this debate in the ensuing weeks and months. I hope many of my colleagues will join me in sponsorship of the constitutional amendment to require a two-thirds vote to approve any income tax rate increases.

Mr. INHOFE addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. I ask unanimous consent to be recognized to speak as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE TAX CODE

Mr. INHOFE. Mr. President, first of all, let me stand up and be the first one to officially accept the challenge made by the distinguished Senator from Arizona. He is absolutely correct in his analysis as to what is happening in the country right now. It is refreshing to listen to someone who can look at historical data and come to a decision that is really incontrovertible.

The Senator from Arizona quoted the Kemp report as to what can happen in order to stimulate the economy and actually result in increasing revenues by reducing marginal tax rates. If we think back and look at what happened in 1980, the total revenues derived from our marginal tax rates was $244 billion. In 1990, it was $466 billion. And during that 10-year period, we had a greater reduction in marginal rates, including capital gains. Obviously, what happened is exactly what the Senator is suggesting would happen in the future if we would we do this now.

I have heard so many times on this floor people say, "look what happened in the 1980's when we had a President who was reducing tax rates and the deficit went up." The deficit went up not because revenues were not coming in. Clearly they were coming in at a much more rapid rate as a result of giving the free enterprise system a chance to breathe by reducing marginal rates.

THE MISSILE THREAT

Mr. INHOFE. I wanted to take just a moment, Mr. President, to mention something else that will be very dear to the heart of our previous speaker, Senator JOHN KYL, from Arizona. I am sure, since he was quoted in the article that I am about to quote, that he shares my concern over an article that appeared in the Washington Times yesterday entitled "Missile Threat Report Politicized, GOP Says."

I will just read the first paragraph of this article. It says:

> A new intelligence estimate by the Clinton administration which foresees no ballistic missile threat to the United States for at least 15 years enraged GOP lawmakers who want to deploy a defense against a limited missile attack.

This is factual. I am one of those who was enraged because there is a lot of redundancy here. We have stood on this floor. We have tried through talk radio, through every other means possible, to convince the American people that we really do have a very serious threat out there. This estimate was made by the national intelligence estimate which only a year ago stated, as was pointed out by Senator KYL, that there is a risk out there. And it specifically talked about North Korea and the Taepo Dong II missile that would have the capability—this was a year ago—of reaching Hawaii and Alaska by the year 2000 and the Continental United States by the year 2002.

We just had a defense authorization bill that was vetoed by President Clinton. In his veto message he said we did not want to spend that money on a missile defense system to defend Americans against a missile attack. This is something that came not too long after the statement made by James Woolsey, who was the CIA Director appointed by President Clinton, that between 20 and 25 nations either have, or are developing, weapons of mass destruction, either chemical, biological or nuclear, and the missile means to deliver them. We also know that there are countries, as he pointed out, that now have this technology, and what they have they will sell.

This article goes on to report that the new national intelligence estimate indicates that it is very unlikely that any of the countries with this missile technology would sell it. I find that very difficult to believe when you look at such countries as China and North Korea. Then you look at countries in the Middle East that have an abundance of wealth due to their oil holdings—Iraq, Iran, Libya, Syria, any number of countries—and you begin to realize that they could be willing buyers, not to mention in potential nations which could be inclined to fire a missile at the United States.

I have to say this. I hesitate to stand on the floor of the Senate and make this statement, but I tend to think that this national intelligence estimate was dramatically influenced by the White House.

It was just a week ago that we heard the State of the Union Message when the President of the United States made a statement that seemingly went unnoticed when he said that we are changing the role of our military from defense to peacemaking. Earlier, in vetoing the defense authorization bill, he talked about the fact that there is a linkage between the START II arms limitation agreement that was supported and ratified by this body a couple of days ago and the 1972 ABM Treaty.

Well, I have questioned that linkage, but since the President believes it is there, I have to go back and talk about it and see how that relates to this article that came out just yesterday. The ABM Treaty was put together, it was a philosophy that was articulated for national defense to defend our strategic interests by the Nixon administration, by Dr. Henry Kissinger.

Back at that time, they formulated a plan that was called MAD, mutually assured destruction, and what we were talking about at that time was we only had two superpowers in the world. We had the U.S.S.R. and the United States of America. They said, "Well, I tell you what. You don't defend yourselves; we won't defend ourselves. If somebody shoots at us, we'll shoot back and we all die." That was fine. That was the policy. I did not agree with it at that time, but at least it was predicated on the assumption there were two superpowers in the world, and at that time it was true, the U.S.S.R. and the United States of America.

Now, in light of the statement of James Woolsey and of what our intelligence has reported to us, there are probably 25 countries now that have this power. So we are not talking about just two.

In a way, I think things were more secure back during the cold war; at least then we could identify a singular enemy. Now we do not know where it is coming from. So if the President has his way and we are to accept his idea of continuing a policy that was articulated and established back in 1972 of mutually assured destruction—assuming, of course, that Russia, which is the other party of this policy, this being the START II Treaty, if they do what they say they will do—and their performance is not very good in the past in their arms reduction commitment—but assuming that they do, then you have Russia and the United States reducing our nuclear capability at the same time there are 24 other nations out there that are not reducing theirs; they are raising theirs.

That is the situation, the environment that we find ourselves in today. I felt we could win this argument on the debate because the American people are intelligent people. There are a lot of ways of getting to the American people and getting the truth that is not filtered through the Washington, DC, media, and that is going straight on talk radio and other means.

Now, all of a sudden, as reported in yesterday's paper, we are confronted with this dramatic conversion in the national intelligence estimate from one that only a year ago said we were under a threat of nuclear attack within 5 years to one that now says there is no problem for the next 15 years. This is very disturbing because to most people, it is surely an implausible conclusion.

If you look at the hits that have been taken on the budget that Senator KYL was talking about, the only real reduction that we have had during this administration is in our military capability. We have consistently, time and time again each year for 10 consecutive years, reduced our military spending while all other spending has gone up.

The Senator from Arizona quoted President Kennedy. The more I hear quotes of President Kennedy, the more he sounds like a present-day Republican. He did make the statements that Senator KYL mentioned. But he also recognized back in 1961, when he developed his first budget, that we had to have a strong national defense. And the first budget under President Kennedy had 50 percent for military and 30 percent for human resources. Today, in the budget we have, only 17 percent is for military and defense and 60 percent is for human resources. So it is just reversed, and yet we are saying this at a time when some would like to lull the American people into believing that there is no threat out there when, in fact, we know that there is. So it may be only a handful of us in the Senate who are going to do our very best to keep America strong. And, again, I would reiterate my concern about what was reported in the article that just came out in yesterday's paper. I am personally outraged that this critically important estimate of the threat to our national security has been totally reversed from previous estimates seemingly just to support a position that the President is holding.

I yield the floor.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I ask unanimous consent to speak as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

POTENTIAL THREAT OF NUCLEAR MISSILES

Mr. KYL. Mr. President, I compliment the Senator from Oklahoma for his remarks on the report in the Washington Times concerning the potential threat of ballistic missiles from not only North Korea but other nations around the world, and the apparent modification of the threat estimate from our security agencies.

Both of us sit on the Intelligence Committee and are well aware of the work that goes into our national intelligence estimates, well aware of the difficulty in gathering information and analyzing it, and the difficulty really of discussing the analysis in a way that does not compromise our ability to gather that information.

The public does need to know that the factual information acquired over the years about the potential threat specifically from North Korea led to some conclusions in 1995 that were very disturbing. The Senator from Oklahoma just reiterated several of them.

I would add that Admiral Studeman, then the acting Director, testified publicly a year ago that the North Koreans could be expected to deploy a missile within 3 to 5 years and that that missile could reach the United States of America. Why this is important is that some Members of the Congress have used a revision in the intelligence estimate to say there is no problem and therefore we do not need to fund ballistic missile defense.

A year ago, the national intelligence estimate clearly would have led anybody to the conclusion that we needed to move forward with ballistic missile defense. Now, a year later, the estimate is that that is not necessarily required because countries like North Korea may not be in a position to deploy a missile that could harm the United States as early as we thought. But the facts have not changed, and that is what disturbs Senator INHOFE; it is what disturbs me. If the facts have not changed, what has changed? Has there been a change in the methodology of the assessment? If so, I am not aware of it. I intend to find out. Might there be other considerations for reaching a different conclusion based on the same information?

I know the newspaper article speculated that politics could be involved. I would find it very hard to believe that the Central Intelligence Agency would permit that to happen. But something happened. And I think we have to find out because in this matter we are talking about the most serious possible consequences. It is literally a potential life and death situation.

If, in fact, according to our intelligence estimates, countries that are unfriendly to the United States are going to develop capabilities that they could use against us in the very near future, we have to be prepared to deal with that, period. If, on the other hand, that threat is further away than we originally thought, we have a little bit more flexibility in determining when and how to respond. But it is important that the information be real and that it not be subjected to rose-colored filters of some kind either based upon hope or based upon politics.

As I said, I cannot believe that anybody in the administration would skew the analysis of such an important matter just in order to cause the Congress not to move forward robustly with the ballistic missile defense system. That is why Senator INHOFE and I and others are going to get to the bottom of this and determine whether or not there is a reason for the change in the estimate.

But the interesting part of this, Mr. President, is that it probably does not matter one way or the other in the sense that, if we began today to get on with the job of developing and deploying an effective ballistic missile defense system, it still would not be ready by the time the threat is said to exist.

Mr. INHOFE. Would the Senator yield?

Mr. KYL. We need to move forward as robustly as we can.

I would be glad to.

Mr. INHOFE. I was hoping it would come out that the Defense authorization bill would have put us in the position to deploy a system, a very crude system, a very basic system, by the year 2003. The estimates are that this would actually be 2 years beyond the time when the threat would exist, so we would still have 2 years of vulnerability. I believe I am correct when I say that.

Mr. KYL. The Senator is absolutely correct, which is why it makes it so important for the Senator from Oklahoma to have brought this to the Senate floor today. Even if you assume the most conservative estimate—or I should say the most liberal estimate—of the time that the threat will be there, we are still not moving forward to meet that threat.

Mr. INHOFE. If the Senator would yield further, it is also very important, any time a discussion or debate takes place like this, to remind the American people and ourselves in this body that we have a system that is about 80 to 85 percent paid for right now. We have approximately $40 billion already invested in the Navy's Aegis system that we are merely trying to upgrade to reach into the upper tier.

I would have to say that what offends me more than anything else, because I watch it at work, are the liberals who do not want to invest any money at all in a national defense system, referring to it as star wars because what you get in your head when you hear "star wars" is that it is some kind of an image of something from Buck Rogers—some of you may not remember that—or science fiction, when in fact anyone who was watching CNN during the Persian Gulf war knows the technology is there. This is something for which the technology is here.

We are almost there. It is a matter of spending a little more, about 10 percent more than what we have already spent to be able to defend ourselves against missile attack.

I did not really become wrapped up in this issue, Mr. President, until the bombing took place in my State of Oklahoma. I saw all the disaster surrounding that. I watched and heard the stories, and I knew people who were in there, people later found to be dead. I looked at that and I thought, that bomb was equal to 1 ton of TNT. The smallest nuclear warhead that we know of today is 1,000 times that size.

If you multiply the disaster that the whole world grieved over in Oklahoma City, multiply that by 1,000, it gives you some idea. Maybe it is the fact that this magnitude is more than we can comprehend. I do not know.

Mr. KYL. If I could make another comment. Perhaps the Senator from Oklahoma would want to add to this, too.

Let us go back a little bit and put this in perspective. The weapon that killed 28 Americans in Saudi Arabia during the gulf war was a conventional explosive organ, just high explosives they call it, and yet the single largest number of American casualties occurred in that one instant. And 28 Americans died when that 1 Scud missile hit the barracks in Saudi Arabia. That was a relatively crude Scud missile with a range of maybe 300 miles or thereabouts.

The point is that every year countries learn how to cause their missiles to go farther and farther and farther, and they put heavier payloads on them, and they make them more accurate in terms of where they will fall.

What our intelligence has been telling us about the North Korean missile is that they are on a subsequent generation now. They have already developed missiles that will go these intermediate distances. They are working on missiles that will go farther and farther and farther. So what we are trying to do is estimate just when will it be that they will have advanced to the point that they can deliver that warhead all the way to the United States? We cannot tell that with precision. We do not know when that will happen. But the information we had suggested they were now getting along to the point where it would be perhaps within 3 to 5 years that they had that capability. That is what we are talking about here.

Mr. INHOFE. Would the Senator yield on that point?

Mr. KYL. Yes.

Mr. INHOFE. I think that is interesting because it was a week ago today in the New York Times that a story came out about China, making reference to the fact that they were talking about possible missile attacks against Taiwan. But do not worry, they said, because the Americans are not going to go to Taiwan's defense because they are more concerned about Los Angeles than they are about Taipei.

What does that tell you? Certainly there is an interpretation on that that could be very close to a warning to us. It just bothers me that we in this country have adopted a policy, just during this administration and specifically this year, that we are going to be downgrading our nuclear capability, our missile technology, our capability when, as the Senator from Arizona states, the rest of the countries are raising theirs up.

If there is one lesson from the Persian Gulf war that the American people learned, it is that the leader of that country is capable of doing anything. If he had a missile, I do not doubt that most people in America believe he would use it.

Mr. KYL. If the Senator from Oklahoma would like to respond to this: Is it not a fact that Saddam Hussein said that if he had had the bomb, he would have used it? I know Muammar Qadhafi said that, the leader of Libya.

Mr. INHOFE. Yes.

Mr. KYL. It seems to me Saddam Hussein said the same thing.

May I ask the Senator another question?

Mr. INHOFE. He went on to say, "If we waited, if the war was 2 years from now, we would have the capability."

Mr. KYL. The nuclear capability.

Mr. INHOFE. Yes.

Mr. KYL. Suppose it is 3 or 4 years from now and the North Koreans have a missile which has enough range now to finally hit the continental United States or even, Mr. President, Alaska or Hawaii—maybe even just Japan, although presumably they are already there. North Korea clearly could get into Japan at this point.

But suppose they had a missile that could get to Hawaii or Alaska, and they decide that they have had it with Taiwan, that they have threatened Taiwan long enough and it is time for them to incorporate Taiwan into China, not only in a rhetorical and political sense, but in an actual and military sense; therefore, they are going to threaten Taiwan with obliteration if it does not agree to become an effective part of the Chinese Government—they call themselves a state now, but they are not subject to the government in Beijing—suppose that China begins rattling its sword and says, "We are now going to do this," and Taiwan has to go along. And the United States says, "No. We have a treaty obligation, or we have obligations, in any event, if not rising to the level of a treaty, which have commitments to Taiwan to protect them in the event you attack." And the North Koreans say, or the Chinese, either one, says, "Well, we have weapons that we know can reach Alaska and Hawaii, and you know that, too. So we would suggest that you not step in the way of China taking over Taiwan or step in the way of North Korea taking over South Korea," whatever the target between China and North Korea would be.

What do you think the United States would do in that event, if we knew that if the Chinese taking over Taiwan or the North Koreans taking over South Korea could launch a missile against the United States and we could not stop them? Would we intervene militarily to protect South Korea against North Korea or Taiwan against China?

Mr. INHOFE. I will respond to the Senator from Arizona. It is even more complicated than that, assuming we continue our present course of blindly adhering this to the provisions of the ABM Treaty. Taking the same scenario, if we have an Aegis ship in Sea of Japan, and two missiles are launched from, say, China or North Korea—one bound for Taiwan and one bound for Los Angeles, we could very well be in the adsurd position of being fully able to intercept the one bound for Taiwan, but not the one bound for Los Angeles, because that would be a violation of the ABM Treaty.

We have debated this before as to the fact that the ABM Treaty does not have valid application today. In fact, it was Henry Kissinger, the architect of the treaty, who said to me—and you can quote me, he said, "It's nuts to make a virtue out of our vulnerability."

So this is the environment that we are dealing with. I am very thankful to the leadership of the Senator from Arizona and a few others who share our concern over the vulnerability of the United States.

Mr. KYL. I appreciate the Senator from Oklahoma bringing this issue up. I also know that the Senator in the chair, the Senator from New Hampshire, has a very strong voice speaking in favor of the development and deployment of the U.S. ballistic missile defense system, and I thank him.

AGRICULTURAL MARKET TRANSITION ACT OF 1996

The Senate continued with the consideration of the bill.

Mr. CRAIG. May I inquire of the Chair what is the current order?

The PRESIDING OFFICER. The pending business is S. 1541, the farm bill.

Mr. CRAIG. Thank you very much, Mr. President.

The PRESIDING OFFICER (Mr. KYL). The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, earlier this afternoon, I spoke on the floor of the importance of this Senate dealing with farm policy in a timely manner that sends the appropriate signals to American agriculture of what they can expect in the reform policy that the 104th Congress is proposing.

This afternoon, I earlier spoke of the commodity programs and how they would be affected as we move with production agriculture much closer to the market and away from a Government program with which to farm.

There is a good deal more that Government can do for agriculture and still stay out of the business of telling them what to grow and how to grow it, because I think that is the responsibility of the family farmer, and I think that family farmer, or anybody in agriculture today, ought to be attuned to the market and ought to be farming to the market and deciding what his or her business may be, to what the world needs and what our consuming public needs than what a Government program will provide them or not provide them in telling them what to do.

In other words, what I am saying, Mr. President, is there are legitimate roles for the Federal Government in its association with agriculture. I think some of those obvious areas are in the area of research, trade and conservation. I say that because where Government should involve itself is where the individual farmer or family farmer really cannot help themselves or cannot help themselves in an individual way.

American farmers, without question, lead the world in productivity. One American farmer today, and we have all heard it said, produces enough for himself or herself and 120 other citizens. It was not very long ago, at least it was not very long ago in this Senator's mind, when I was traveling as a national officer for the Future Farmers of America in the 1960's, the midsixties.

I remember well giving speech after speech where I spoke of the productivity of the American farmer. I oftentimes said that the American farmer produces enough for himself and 52 other Americans or 52 other citizens of the world. I just got through saying in 1996 that the American farmer produces enough for himself or herself and 120 other Americans or world citizens. Is it possible that productivity has more than doubled in 30-plus years? That is absolutely right, Mr. President, and the reason it has is because of research, the kind of research long term that has been done in direct association with the Federal Government where we, as taxpayers and as policymakers, can recognize the importance of long-term investment in the research area and that is, of course, where our land grant colleges and universities and our ag research stations have worked so very well over the years.

That is a legitimate role. That is the right kind of role that Government can play an important part in doing and, of course, that is where we ought to continue to work so closely together.

The different varieties, the E. coli bacteria problem that has cost lives in this country, can be dealt with and solved by the simple application of some research and by the proper education that can be a part and should be a part of a Government's role in participating with production agriculture.

In my State of Idaho, there are some extraordinary things being done. Just recently, I was part of an announcement between USDA and the Department of Energy working cooperatively in a new research program. You scratch your head and say, "Well, what is the Department of Energy doing in agriculture?" Because of the kind of technology that has been developed in DOE, in sensors, in the ability to use satellite and satellite technology, USDA and DOE are coming together in a project out in Idaho that literally links the farmer and his or her tractor and applicator on the ground with a satellite back to a computer to tell them exactly where they are in the field, how much fertilizer to apply or not to apply. Phenomenal efficiencies come from the application, a greater sense of environmental control comes from the application and, as a result, cost savings and extremely high levels of productivity.

Could that be done by the individual farmer? No, it certainly cannot be done. Can it be done by industry? Not very well. When the kind of research and turnaround time is measured in decades, that is where Government can play a role, and that is where this Congress recognizes Government should play a role. It is a much better place for Government to be associated with agriculture than telling the farmer what to farm, telling them how to farm it, and oftentimes then saying, "And we'll provide you a safety net at the end."

While we recognize the importance of those kinds of commodity programs, what our bill says and what we are clearly saying in the 104th Congress, as we have said over the last decade to production agriculture, learn to farm to the market and not to the program.

The other area that I mention this afternoon is in the area of trade. Obviously, if we are as highly productive as I mentioned we are, then we have to have a market for our crops. That kind of productivity, absent the market, says that we are not going to get the kind of price for the product that deserves to be had and certainly provide that kind of profitability. Therefore, it is important that we have a strong domestic trade policy and, as we know, trade means you have to involve governments, you have to cross political boundaries, and that cannot be accomplished very well oftentimes by the individual farmer unless it is the Government working with their farmers to accomplish that.

In my State of Idaho, almost three-fourths of our annual wheat crop is exported. It has to move in world markets to maintain levels of profitability. In addition, we send large amounts of meat, peas, lentils, dairy products, and potato products to other countries around the world. Since the passage of NAFTA, we have seen some positive and some negative results. Cattle producers in my State are increasingly worried about the slaughter cattle moving in across the boundary, both from Mexico and from Canada.

Now and in the future, we must be assured that our trade negotiations and our trade policy fairly represents

American agriculture, and if we are to walk away from and work with agriculture to move away from the kind of direct Federal payment and safety net to productivity in the marketplace, we have to make sure that they have full access to foreign markets. That is a legitimate role of Government associated with agriculture.

We also must continue our effort to develop and maintain the foreign market by investing in those markets, by working with production agriculture to teach foreign consumers how to consume the agricultural products of this country. That is an important and successful partnership that has worked time and time again over the years, whether it is actually the development of wheat products in China that my State has been involved in with the Federal Government and our wheat growers, to the marketing of lentils somewhere in the Middle East and to a market use and expanded diversity in their use in the recipes of the Mideasterners. That is all a role, once again, that Government plays very successfully.

So let me urge my colleagues to support all of these approaches. It is one thing to say we are going to simply provide for agriculture, and historically that is some of what we did to what we have been saying for the last decade: American agriculture, farm to the market, be productive, do what you know how to do and do it well, and then we will help you break down the foreign barriers which will access you to the world so that you can be productive.

The third area that I believe Government can play a cooperative partnership role in is in the area of conservation. For example, the CRP program, while originally quite controversial in its introduction, has proved to be a highly successful program in the saving of topsoil and the improving of water quality and wildlife habitat.

In my State of Idaho, almost 850,000 acres went into CRP. The record is now very, very clear of the tremendously positive effect, converting those acreages into sod bases, and what allowing them to rest undisturbed has done for all of the areas I have mentioned, including wildlife habitat. Upland game bird population increases in my State have been very dramatic as a result of these programs.

So that, again, is the kind of partnership that the Government can associate itself with, and I think oftentimes should. Targeting truly erodible lands, we can continue a successful program under a voluntary participation. I believe, Mr. President, voluntary is the key when we discuss agricultural conservation. We have made some changes over the years that I have not liked and that American agriculture has not liked.

We, historically, did allow Government to work in a voluntary, cooperative way with production agriculture, except in the mid 1980's, when we started making some changes and making conservation policy mandatory, and dictating. We started saying to the USDA, "You are going to be the cop out in the field saying, 'You are doing it wrong, and you have to do it differently or suffer the consequences.'" When that kind of news hit the ground—and we saw it in the late 1980's—relationships and partnerships began to change. There was no longer the voluntary aspect that had caused the conservation program to be as successful as it was. And we heard about it, very loudly and clearly, this year as we held hearings on this issue in the subcommittee, which I chair.

Conservation, partnership, cooperation, and voluntary relationships have proven very successful over the years. Any other form and our resource base suffers, and it should not have to suffer. Farmers and ranchers, in my opinion, always have been, and must always be, the original environmentalists. We are the groundskeepers, the stewards of the private land, and the private land is the largest base in this country. If we are going to have a positive environment, that private property base must recognize the responsibility it has, and it has successfully done so over the years, whether it is erodible lands or whether it is the wetlands that we dealt with in the sod buster provisions of the farm bill of a few years ago and now, working with that again, to not make it so punitive, to make it cooperative, to include wetlands in the CRP base, so that you reward the farmer for moving that land out of production and into a protected type of classification, is what we ought to be doing, because we all recognize the value of wetlands to our Nation as a habitat and as a filtering system to the aquifers and to the productive sector of our country. That is cooperation, partnership, and that is the way it ought to be.

I am certainly pleased that the kind of legislation that I have helped craft this year in revamping and bringing forth the new farm bill fits these criteria and moves us in a direction that I think most of production agriculture wants to move in. It puts Government in a relationship that it ought to be in.

Mr. SMITH addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH. Mr. President, I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

BALLISTIC MISSILE DEFENSE

Mr. SMITH. Mr. President, just a few minutes ago, I was occupying the chair, as the Senator from Arizona is now, and I witnessed, first, a few remarks by the Senator from Arizona regarding the two-thirds supermajority vote for a tax increase, legislation that he is planning to introduce. And later, hearing the distinguished Senator from Oklahoma, Senator INHOFE, come down and engage in a debate on both that issue with the Senator from Arizona and the issue of ballistic missile defense, I was very much taken by the debate.

First of all, I want to compliment both the Senator from Arizona and the Senator from Oklahoma for the distinguished service they have given their country just in allowing this dialog to come to the forefront. In the case of the Senator from Arizona and the Senator from Oklahoma, I have worked very closely with both of them on this ballistic missile defense matter, taking that issue first, knowing that here we have a situation where the entire defense authorization bill was held hostage by the President of the United States because he did not want national missile defense. Not only did he not want national missile defense, he did not even want language talking about national missile defense. So in order to get a pay raise for our military, whom the President of the United States sent to Bosnia, we had to agree to take missile defense language out of the bill.

What came to my mind as I listened to the debate between my two colleagues was one simple line: Elections have consequences. I found myself saying that if a President sat down at the White House who shared the philosophy of the Senators from Arizona and Oklahoma, sticking to missile defense, we would have had a Defense authorization bill not only with language, but with a real direction to move toward building a defense against incoming ballistic missiles against the people of the United States of America. We now do not have that.

As the Senator knows, there have been a number of focus groups where people throughout America have been asked one very basic question: If the United States were fired on by a ballistic missile from another country, what would the United States do? Overwhelmingly, the response is, "Shoot it down." In fact, we know we cannot shoot it down.

It is shocking to me that a President, and many of the colleagues in his party, would hold a Defense authorization bill hostage to simply get that language out. I am outraged by it, to be candid about it. I think that what the Senator from Oklahoma brought to the floor with this intelligence information is shocking. I said to him, privately, as he was leaving the floor, "I hope that both of you Senators, who are members of the Intelligence Committee, pursue this diligently because it goes really to the heart of our democracy here." If, in fact, those charges are true, or even remotely true, as they appeared in the Washington Times, that somehow this was falsified, this is a very, very serious matter because the defense of the United States of America is at stake.

I just cannot understand why anyone would not want to do what needs to be done to defend American cities and American people. That is our obligation. That is one of the primary obligations of the U.S. Congress, certainly, as outlined in the Constitution. Yet, we have this situation where a report—and the Senator well knows we heard reports to the contrary. I am also on the Armed Services Committee. We heard reports to the contrary that this could be a problem within 2, 3, 4, 5 years. Now we are hearing maybe it is 15 years, or even further down the road.

Something is wrong, Mr. President, because you and I both know of the technology that is out there. We know it is being shipped all around the world. The Chinese have this missile technology, the Iraqis have it, the Iranians have it, the North Koreans have it, and Qadhafi would like to have it, and he may have it soon. It goes on and on and on.

The Senator from Arizona, the occupant of the chair, made an excellent point, which reminded me—and I want to accent it, comment on it a little further, expand on it a little further—that when those 28 brave men and women were killed in the Persian Gulf by that missile, that is the first time in the history of America that a missile—in this case a theater missile, but a missile—attacked, hit, and killed American service men and women.

I find myself thinking, what if we had not had Jack Kennedy, to his credit, as you mentioned, and Ronald Reagan in the positions they were in at the time to see to it that we had even just the remotest possibility of defending against that missile. As the Senator knows, the missile that was used to shoot that missile down was not designed for that purpose, it was not designed to do that. So this is a very, very serious matter. We investigate a lot of things in the Congress, but if the intelligence community truly has information that says that the threat of attack from an incoming ballistic missile from one of those countries I mentioned, or another one, is possibly 15 years down the road, then I think they need to prove that to the Intelligence Committee.

I do not believe that is going to be the case. I do not think they can prove it. We know the range of these missiles. We know how this technology is being exported. We know our own technology has in some cases been bought and in some cases stolen and has been shipped around the world and in some cases encouraged to be sold by the current administration—certain types of technology which may or may not be used in building these missiles.

It is a perfect example, again, of one of the basic differences between the two political parties. So much focus has gone on the budget debate, and rightfully so, that we are trying to turn around 4 years of big government spending. That is a huge issue in and of itself, but also this issue of defending America, the basic responsibility that we have as Government servants of the people of the United States to preserve, protect, and defend our country is at stake here.

I am certainly going to be pursuing this, as well, on my own and in conjunction with my colleagues on the Intelligence Committee to find out the facts. I hope that we are not going to find that somehow this thing was inflated to be something that it is not, and that some pressure was put on to play this down, because I have been in some meetings over the past several months and years that I have been on the Armed Services Committee where I have heard the contrary from very high-ranking administration and military officials, as I am sure the Senator from Arizona has. I am looking forward to hearing the results of this investigation. I think it should be on the front burner.

TAX INITIATIVE

Mr. SMITH. Let me also say in regard to the tax initiative that the Senator brought up a few moments ago, this again goes to the heart and soul of the differences between our two parties.

George Bush said recently on national television that it might be nice if the American people just gave—it has not happened since 1952—one party, in this case the Republican Party, the opportunity to govern. The Democrats have had that opportunity once under Clinton, under Carter, to do it, and we did not see the debt go down. We did not see deficits diminish. On the contrary, we saw the opposite. Give us a shot at it. If we do not do well, throw us out. That is fair. Give us a shot. That is what President Bush said.

There is such a dramatic difference. How many times have we heard the debate from our friends on the other side that somehow growth is bad, making a profit is evil, that there is something wrong with that; and yet at the same time this debate occurs we see dollars being taken away, almost stolen, from the families of America. So we promote big government with the dollars taken from our families and at the same time denying them the opportunity to do the things that they would like to do for themselves, including education, getting a job, and being able to be productive in society.

There are no jobs, as the Senator pointed out, if there is no growth in America and if there is no opportunity for businesses to create those jobs. Government should not be in the business of creating jobs. The economy—business—should be creating jobs. That is what we are all about.

Somehow we have gotten into this debate that it is evil for anybody to make any money. I am pleased to hear when people make money. It delights me because I know somebody is getting dollars when somebody is making money.

The Senator brought up the point about the luxury tax, which I am proud to say I opposed and voted against, where all the people who built boats and luxury cars lost their jobs because of the tax increase, and people did not buy then.

When are we going to get the message that the greatness of America—we grew more at any time in the history when we did not have an income tax. Again, it is taking dollars. If all of the dollars that have been taken away from the American families throughout especially the last 40 or 50 years—if it worked, welfare would have been a success. We would not have all the crime we have today. We would not have to be spending money on crime or on welfare and other things that we find we are not satisfied with in America. The truth is, it has not worked. Since it has not worked, we should try something new.

What we have—and you hear the American people say they are tired of the gridlock, the deadlock, tired of you fighting with each other. Again, the issue here is standing for principle, standing up for principle, because we believe deep in our hearts that these principles we espouse are right, they are correct, and we need to move this President. He is not moving. We understand that. If he is not moving, and we go as far as we go, we go to the American people, and essentially the decision is, very simply, we either move on with more debt and more deficits, or we move toward more growth, more economic prosperity, and more revenues to the Treasury, as the Senator pointed out.

Again, going back to the issue of missile defense, same thing—two very, very, important issues, if not the two most important issues that we face today in America, and a President with a distinctly different position than the House and the Senate.

I really want to compliment the Senator from Arizona, who is now in the chair, and the Senator from Oklahoma for two very, very worthwhile points in bringing to the attention of the Senate—although it is in the middle of the debate on a farm bill. Sometimes when other Senators are not here to participate in that debate, we have the opportunity, under Senate rules, to make these points. They are excellent points. I want to compliment both Senators.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRAIG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AGRICULTURAL MARKET TRANSITION ACT OF 1996

The Senate continued with the consideration of the bill.

Mr. CRAIG. Mr. President, may I inquire, what is the pending business?

The PRESIDING OFFICER. The pending business is S. 1541.

AMENDMENT NO. 3184

(Purpose: To provide a substitute amendment)

Mr. CRAIG. Mr. President, I send an amendment to S. 1541 to the desk. In doing so, let me say this amendment is in behalf of myself, Senator LEAHY, Senator LUGAR, Senator BREAUX, Senator DOLE, Senator JOHNSTON, Senator COCHRAN, Senator GRAHAM of Florida, Senator GRASSLEY, Senator JEFFORDS and Senator MCCONNELL.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

> The Senator from Idaho [Mr. CRAIG], for Mr. LEAHY, for himself, Mr. CRAIG, Mr. LUGAR, Mr. BREAUX, Mr. DOLE, Mr. JOHNSTON, Mr. COCHRAN, Mr. GRAHAM, Mr. GRASSLEY, Mr. JEFFORDS and Mr. MCCONNELL, proposes an amendment numbered 3184.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

CLOTURE MOTION

Mr. LOTT. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

> We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the substitute amendment to S. 1541, the farm bill.
>
> Larry E. Craig, James M. Jeffords, Don Nickles, John H. Chafee, Robert F. Bennett, Thad Cochran, Ted Stevens, Trent Lott, Richard G. Lugar, Craig Thomas, Alan Simpson, John Warner, Larry Pressler, Dan Coats, Connie Mack, Kay Bailey Hutchison.

Mr. CRAIG. Mr. President, for the information of all Senators, this cloture and another one I filed earlier will occur back-to-back beginning at 1:30 on Thursday.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, the amendment that has just been filed for Senator LEAHY and myself and others is a substitute to S. 1541 as I earlier introduced this afternoon. This substitute is an effort to put together a bipartisan coalition of Senators with all of us very intent on producing farm legislation as soon as possible to do exactly what I talked about doing earlier today; that is, sending a clear message to the agricultural community of this country as to the certainty and the timing of key farm bill legislation. There are a variety of adjustments in the substitute—the language which deals with $100 million per year in additional mandatory funding for crop-oriented conservation cost-sharing programs similar to S. 854 that was introduced by Senators LUGAR and LEAHY earlier this year.

There is a grazing lands conservation initiative program which will encourage innovative rangeland management techniques across the country. Certainly in my State of Idaho and other States, this can be a valuable resource in improving livestock grazing lands. State technical commitments would make it possible for farmers to serve on these committees where they now do not have standing.

There are some nutritional reauthorizations that would reauthorize food stamps and other nutritional programs for the period of time of this legislation. Much of this will be corrected and adjusted when the House, the Senate, and the President agree on welfare legislation.

There is a Northeast dairy compact provision in there to allow New England States to implement a price enhancement compact. We wish we could have gone further. The House acted yesterday on dairy legislation. Certainly in conference, it is my hope that we can refine and clarify dairy policy inside the farm bill for the coming year. The dairy industry of our country has worked now for the last 6 months with the House and the Senate Agriculture Committees to arrive at a compromise that reduces the overall budget profile for dairy programs and creates greater flexibility in the program. We hope that can get accomplished. Certainly there is a conservation foundation in this program that creates a nonprofit foundation to promote conservation. I know this has been something Senator LEAHY has worked at for a good number of years.

There is legislation in here also to deal with wetlands and the Florida Everglades issue. There is a concern that I will express for the RECORD that deals with this section as it applies to the program and the restoration of these vital wetlands in Florida. There is a provision for eminent domain. I think it is very important that the RECORD show that this Senator and many others recognize that authority of the Government, but also recognize under a former Executive order on March 15, 1988, signed by President Reagan, that Federal departments and agencies must consider the takings implication and deal with willing seller-willing buyer. I certainly, through the balance of this legislation, activities, debate, and in the conference, will work with the Senators from Florida to assure that in all instances we have a willing seller-willing buyer relationship as the State of Florida and the Senators from that State work to maintain the Florida Everglades and any consideration there with private property acquisition for the purpose of enhancement of the Everglades. All of us want to see that valuable natural resource protected. But at the same time, it is very important that the right of the private property owner be maintained.

Mr. President, I chair the Private Property Rights Caucus here on the Hill. We just brought out of the Judiciary Committee the private property rights bill that I think is sweeping in its protection of private property rights. It sets the Government on notice. Certainly this legislation, if that act would become law, would fall subject to that new law. That would be important.

MORNING BUSINESS

Mr. CRAIG. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, before discussing today's bad news about the Federal debt, how about "another go," as the British put it, with our pop quiz. Remember—one question, one answer.

The question: How many millions of dollars in a trillion? While you are thinking about it, bear in mind that it was the U.S. Congress that ran up the enormous Federal debt that is now about $13 billion shy of $5 trillion.

To be exact, as of the close of business Tuesday, January 30, the total Federal debt—down to the penny—stood at $4,987,589,544,052.52. Another depressing figure means that on a per capita basis, every man, woman and child in America owes $18,931.32.

Mr. President, back to our quiz (how many million in a trillion?): There are a million million in a trillion, which means that the Federal Government will shortly owe five million million dollars.

Now who's not in favor of balancing the Federal budget?

TIME TO PRIVATIZE THE WILLIAM LANGER PLANT

Mr. DORGAN. Mr. President, late Friday evening the Senate passed by voice vote S. 1544, a bill of mine to permit the conveyance of the William Langer Plant to the Job Development Authority of the city of Rolla, ND. The bill is crucial to the immediate economic future of the plant, which is why I sought its expedited approval. I am glad to say that my good friend and senior colleague from North Dakota, Senator CONRAD, cosponsored S. 1544, which now goes over to the House.

Most of my colleagues have probably never been to Rolla, and do not know what the Langer Plant is, or what it has been doing over the past several decades. So let me describe the background and purpose of my bill.

The Langer Plant has roots in the cold war. Back in the 1950's, our defense leadership realized that we lacked the ability to produce jewel bearings, which are finely machined bits of carborundum and were crucial components in military avionics systems. So the Congress located a jewel bearing plant in our State, because of our strategic location in the middle of the country. The Langer Plant has been making jewel bearings as a government-owned, contractor-operated facility since the 1950's.

My colleagues should also know that the plant is a few miles from the Turtle Mountain Indian Reservation. Of the plant's 100 or so employees remaining after a downsizing, about 60 percent are Native American. The Langer Plant brings crucial skilled jobs to an economically depressed area.

However, changing technology means that the National Defense Stockpile no longer needs to buy jewel bearings. The Defense Department has now reported the plant to the General Services Administration as surplus property. Those of my colleagues who are dealing with base closures and defense downsizing know that this situation presents Rolla with a crisis and an opportunity.

The future of this factory depends on its ability to become a commercial manufacturer. Normal surplus property rules would require the GSA to sell the plant for fair market value. The problem is that no local entity can afford the plant, which had an original cost of $4.2 million. The plant itself is not now healthy enough in a business sense to finance its own acquisition by a new management team.

In fact, the plant's economic position is so tenuous that the plant will likely run out of money in March, because it has not had a chance to build a strong commercial customer base. The plant has worked hard to cut costs, and it has already had to cut its workforce by 30 percent. I am deeply concerned that the plant may fold before it can be auctioned.

My colleagues will understand that as a government-owned facility, the plant is not able to compete freely, nor is it eligible for the kind of small business or economic development assistance that is available to private sector firms. However, once conveyed, the plant will be in a position to aggressively seek commercial contracts and assistance from the State and other agencies.

I would like to stress to the Senate that the Rolla community, the State of North Dakota, the Turtle Mountain Band of Chippewa, and the local business community have been working hard to ensure that the plant makes a successful transition to the private sector. The local community is united behind the plan to transfer the Plant to the Job Development Authority of the city of Rolla. Of course, the conveyance is conditional on the community and the General Services Administration reaching a mutually acceptable legal agreement on the conveyance. But I am confident that the GSA and the community can reach that agreement swiftly.

Let me also remind my colleagues that in September the Senate approved by voice vote an amendment of mine to the defense authorization bill that was exactly identical to the bill that we passed on Friday. So this is the second time that the Senate has approved this legislation.

Let me thank the Chair and ranking member of the Governmental Affairs Committee, Senators STEVENS and GLENN, for their support of this bill. And the Chair and ranking member of the Armed Services Committee, Senators THURMOND and NUNN, have been helpful to me for almost half a year now. Senator MCCAIN has also assisted in expediting this conveyance. I am deeply grateful to all five Senators and their staffs for the support and assistance they have given me on this matter.

Mr. President, to sum up, I would simply say that S. 1544 tries to give a helping hand to the Langer Plant and the city of Rolla. It also will relieve the Federal Government of a facility that the Defense Department no longer needs. I am grateful to the Senate for its approval of S. 1544 on Friday, and I look forward to its swift passage by the House.

Thank you, Mr. President. I yield the floor.

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 11:20 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 1868. An act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1996, and for other purposes.

H.R. 2029. An act to amend the Farm Credit Act of 1971 to provide regulatory relief.

H.R. 2111. An act to designate the Federal Building located at 1221 Nevin Avenue, Richmond, California, as the "Francis J. Hagel Building".

H.R. 2726. An act to make certain technical corrections in laws relating to Native Americans, and for other purposes.

The enrolled bills were signed subsequently by the President pro tempore [Mr. THURMOND].

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1838. A communication from the Chief of Legislative Affairs, Department of the Navy, transmitting, pursuant to law, notice of the intention to offer transfer by sale of one vessel; to the Committee on Armed Services.

EC–1839. A communication from the Chief of Legislative Affairs, Department of the Navy, transmitting, pursuant to law, notice of the intention to offer transfer by sale of one vessel; to the Committee on Armed Services.

EC–1840. A communication from the Chief of Legislative Affairs, Department of the Navy, transmitting, pursuant to law, notice of the intention to offer transfer by sale of two vessels; to the Committee on Armed Services.

EC–1841. A communication from the Chief of Legislative Affairs, Department of the Navy, transmitting, pursuant to law, notice of the intention to offer transfer by sale of three vessels; to the Committee on Armed Services.

EC–1842. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, the report on strategic and critical materials during the period October 1, 1994 through September 30, 1995; to the Committee on Armed Services.

EC–1843. A communication from the Director of the Office of Management and Budget, the Executive Office of the President, transmitting, pursuant to law, the report on appropriations legislation within five days of enactment; to the Committee on the Budget.

EC–1844. A communication from the Director of the Office of Management and Budget, the Executive Office of the President, transmitting, pursuant to law, the report on appropriations legislation within five days of enactment; to the Committee on the Budget.

EC–1845. A communication from the Secretary of Agriculture and the Secretary of the Army, transmitting jointly, a notice to interchange jurisdiction relative to civil works and national forest lands; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1846. A communication from the President of the United States, transmitting, pursuant to law, a notice concerning the continuation of the emergency regarding terrorists who threaten to disrupt the Middle East peace process; to the Committee on Banking, Housing, and Urban Affairs.

EC–1847. A communication from the Secretary of Commerce, transmitting, pursuant to law, the 1996 annual report on Foreign Policy Export Controls; to the Committee on Banking, Housing, and Urban Affairs.

EC–1848. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the report on credit availability for small business and small farms in calendar year 1995; to the Committee on Banking, Housing, and Urbans.

EC–1849. A communication from the Chairman of the Board of the Panama Canal Commission, transmitting, pursuant to law, the annual report of the Commission relative to unaudited financial statements for fiscal year 1995; to the Committee on Armed Services.

EC–1850. A communication from the President and Chairman of the Export-Import Bank, transmitting, pursuant to law, the semiannual report on tied aid credits; to the Committee on Banking, Housing, and Urban Affairs.

EC–1851. A communication from the Secretary of Energy, transmitting, pursuant to law, the report on Coal Research, Development, and Commercial Application Programs; to the Committee on Energy and Natural Resources.

EC–1852. A communication from the Secretary of Energy, transmitting, pursuant to law, the report on Federal Government energy management and conservation programs for fiscal year 1994; to the Committee on Energy and Natural Resources.

EC–1853. A communication from the Secretary of Energy, transmitting, pursuant to law, the annual report on the automotive technology development program for fiscal year 1994; to the Committee on Energy and Natural Resources.

EC–1854. A communication from the Secretary of Energy, transmitting, pursuant to law, the report on the Coke Oven Emission Control Program for fiscal year 1995; to the Committee on Energy and Natural Resources.

EC–1855. A communication from the Deputy Associate Director for Compliance, Royalty Management Program, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, notice of the intention to make refunds of offshore lease revenues where a refund or recoupment is appropriate; to the Committee on Energy and Natural Resources.

ADDITIONAL COSPONSORS

S. 704

At the request of Mr. SIMON, the names of the Senator from Maine [Mr. COHEN] and the Senator from Arkansas [Mr. BUMPERS] were added as cosponsors of S. 704, a bill to establish the Gambling Impact Study Commission.

S. 1028

At the request of Mrs. KASSEBAUM, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 1028, a bill to provide increased access to health care benefits, to provide increased portability of health care benefits, to provide increased security of health care benefits, to increase the purchasing power of individuals and small employers, and for other purposes.

S. 1039

At the request of Mr. ABRAHAM, the name of the Senator from North Carolina [Mr. FAIRCLOTH] was added as a cosponsor of S. 1039, a bill to require Congress to specify the source of authority under the United States Constitution for the enactment of laws, and for other purposes.

S. 1183

At the request of Mr. HATFIELD, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 1183, a bill to amend the Act of March 3, 1931 (known as the Davis-Bacon Act), to revise the standards for coverage under the Act, and for other purposes.

S. 1247

At the request of Mr. GRASSLEY, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1247, a bill to amend the Internal Revenue Code of 1986 to allow a deduction for contributions to a medical savings account by any individual who is covered under a catastrophic coverage health plan.

S. 1469

At the request of Mr. BROWN, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of S. 1469, a bill to extend the United States-Israel free trade agreement to the West Bank and Gaza Strip.

S. 1491

At the request of Mr. GRAMS, the names of the Senator from Louisiana [Mr. JOHNSTON], the Senator from Virginia [Mr. WARNER], and the Senator from Idaho [Mr. CRAIG] were added as cosponsors of S. 1491, a bill to reform antimicrobial pesticide registration, and for other purposes.

SENATE RESOLUTION 152

At the request of Mr. ABRAHAM, the name of the Senator from North Carolina [Mr. FAIRCLOTH] was added as a cosponsor of Senate Resolution 152, a resolution to amend the Standing Rules of the Senate to require a clause in each bill and resolution to specify the constitutional authority of the Congress for enactment, and for other purposes.

AMENDMENTS SUBMITTED

THE AGRICULTURAL MARKET TRANSITION ACT OF 1996

GREGG (AND REID) AMENDMENTS NOS. 3123–3124

(Ordered to lie on the table.)

Mr. GREGG (for himself and Mr. REID) submitted two amendments intended to be proposed by them to the bill (S. 1541) to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes; as follows:

AMENDMENT NO. 3123

Strike section 17 relating to the sugar program.

AMENDMENT NO. 3124

On page 43, strike lines 10 through 19.

Strike section 17 relating to the sugar program and insert the following:

SEC. 17. ELIMINATION OF SUGAR PRICE SUPPORT AND PRODUCTION ADJUSTMENT PROGRAMS.

(a) ACREAGE ALLOTMENTS AND MARKETING QUOTAS.—Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa et seq.) is repealed.

(b) SUGAR LOAN FORFEITURES.—Section 902 of the Food Security Act of 1985 (7 U.S.C. 1446 note) is amended—

(1) by striking subsection (a); and

(2) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively.

(c) COMMODITY CREDIT CORPORATION.—Section 5(a) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(a)) is amended by inserting after "agricultural commodities" the following: "(other than sugar)".

(d) SECTION 32.—The second sentence of the first paragraph of section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (7 U.S.C. 612c), is amended—

(1) by inserting "(other than sugar)" after "commodities" each place it appears; and

(2) by inserting "(other than sugar)" after "commodities" each place it appears.

(e) TRANSITION PROVISIONS.—The amendments made by this section shall not affect the liability of any person under any provision of law as in effect before the application of the amendments in accordance with subsection (f).

(f) APPLICATION OF SECTION.—This section and the amendments made by this section shall apply beginning with the 1996 crop of sugar beets and sugarcane.

DORGAN AMENDMENT NO. 3125

(Ordered to lie on the table.)

Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Farm Security Act of 1996".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—COMMODITY PROGRAMS

Sec. 101. Wheat, feed grain, and oilseed program.
Sec. 102. Upland cotton program.
Sec. 103. Rice program.
Sec. 104. Peanut program.
Sec. 105. Dairy program.
Sec. 106. Sugar program.
Sec. 107. Sheep industry transition program.
Sec. 108. Suspension of permanent price support authority.
Sec. 109. Extension of related price support provisions.
Sec. 110. Crop insurance administrative fee.
Sec. 111. Effective date.

TITLE II—CONSERVATION

Sec. 201. Conservation reserve program.
Sec. 202. Environmental quality incentives program.

TITLE III—NUTRITION ASSISTANCE

Sec. 301. Food stamp program.
Sec. 302. Commodity distribution program; commodity supplemental food program.
Sec. 303. Emergency food assistance program.
Sec. 304. Soup kitchens program.
Sec. 305. National commodity processing.

TITLE I—COMMODITY PROGRAMS

SEC. 101. WHEAT, FEED GRAIN, AND OILSEED PROGRAM.

(a) IN GENERAL.—Title I of the Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) is amended by adding at the end the following:

"SEC. 116. MARKETING LOANS AND LOAN DEFICIENCY PAYMENTS FOR 1996 THROUGH 2002 CROPS OF WHEAT, FEED GRAINS, AND OILSEEDS.

"(a) DEFINITIONS.—In this section:

"(1) COVERED COMMODITIES.—The term 'covered commodities' means wheat, feed grains, and oilseeds.

"(2) FEED GRAINS.—The term 'feed grains' means corn, grain sorghum, barley, oats, millet, rye, or as designated by the Secretary, other feed grains.

"(3) OILSEEDS.—The term 'oilseeds' means soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or as designated by the Secretary, other oilseeds.

"(b) ADJUSTMENT ACCOUNT.—

"(1) DEFINITION OF PAYMENT BUSHEL OF PRODUCTION.—In this subsection, the term 'payment bushel of production' means—

"(A) in the case of wheat, $\frac{7}{10}$ of a bushel;

"(B) in the case of corn, a bushel; and

"(C) in the case of other feed grains, a quantity determined by the Secretary.

"(2) ESTABLISHMENT.—The Secretary shall establish an Adjustment Account (referred to in this subsection as the 'Account') for making—

"(A) payments to producers of the 1996 through 2002 crops of covered commodities who participate in the marketing loan program established under subsection (c); and

"(B) payments to producers of the 1994 and 1995 crops of covered commodities that are authorized, but not paid, under sections 105B and 107B prior to the date of enactment of this section.

"(3) AMOUNT IN ACCOUNT.—The Secretary shall transfer from funds of the Commodity Credit Corporation into the Account—

"(A) $3,000,000,000 for fiscal year 1996; and

"(B) $3,900,000,000 for each of fiscal years 1997 through 2002;

to remain available until expended.

"(4) PAYMENTS.—The Secretary shall use funds in the Account to make payments to producers of wheat and feed grains in accordance with this subsection.

"(5) TIER 1 SUPPORT.—

"(A) IN GENERAL.—The producers on a farm referred to in paragraph (2) shall be entitled to a payment computed by multiplying—

"(i) the payment quantity determined under subparagraph (B); by

"(ii) the payment factor determined under subparagraph (C).

"(B) PAYMENT QUANTITY.—

"(i) IN GENERAL.—Subject to clause (ii), the payment quantity for payments under subparagraph (A) shall be determined by the Secretary based on—

"(I) 90 percent of the 5-year average of the quantity of wheat and feed grains produced on the farm;

"(II) an adjustment to reflect any disaster or other circumstance beyond the control of the producers that adversely affected production of wheat or feed grains, as determined by the Secretary; and

"(III) an adjustment for planting resource conservation crops on the crop acreage base for covered commodities, and adopting conserving uses, on the base not enrolled in the environmental reserve program provided in paragraph (6).

"(ii) LIMITATIONS.—The quantity determined under clause (i) for an individual, directly or indirectly, shall not exceed 30,000 payment bushels of wheat or feed grains and may be adjusted by the Secretary to reflect the availability of funds.

"(C) PAYMENT FACTOR.—

"(i) WHEAT.—The payment factor for wheat under subparagraph (A) shall be equal to the difference between a price established by the Secretary, of not to exceed $4.00 per bushel, and the greater of—

"(I) the marketing loan rate for the crop of wheat; or

"(II) the average domestic price for wheat for the crop for the calendar year in which the crop is normally harvested.

"(ii) CORN.—The payment factor for corn under subparagraph (A) shall be equal to the difference between a price established by the Secretary, of not to exceed $2.75 per bushel, and the greater of—

"(I) the marketing loan rate for the crop of corn; or

"(II) the average domestic price for corn for the crop for the calendar year in which the crop is normally harvested;

"(iii) OTHER FEED GRAINS.—The payment factor for other feed grains under subparagraph (A) shall be established by the Secretary at such level as the Secretary determines is fair and reasonable in relation to the payment factor for corn.

"(D) ADVANCE PAYMENT.—

"(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the Secretary shall make available to producers on a farm 50 percent of the projected payment under this subsection at the time the producers agree to participate in the program.

"(ii) 1995 PAYMENTS.—In the case of producers on a farm who were prevented from planting, or incurred a reduced yield of 20 percent or more of, the 1995 crop due to weather or related condition, the Secretary may settle claims for the repayment by the producers on terms determined by the Secretary to be fair and equitable, except that no claim shall be reduced by more than $3,500.

"(iii) 1996 PAYMENTS.—

"(I) IN GENERAL.—In the case of 1996 crops, advanced payments shall be made in accordance with the formula under subclause (II).

"(II) FORMULA.—Payments authorized under this clause shall be based on a rate equal to 50 percent of the average deficiency payment rate for the 1990 through 1994 crops.

"(III) NONREFUNDABLE.—Payments authorized under this clause shall not be refundable.

"(6) ENVIRONMENTAL RESERVE PROGRAM.—

"(A) IN GENERAL.—The Secretary may enter into 1 to 5 year contracts with producers on a farm referred to in paragraph (2) for the purposes of enrolling flexible acreage base for conserving use purposes.

"(B) LIMITATION.—Flexible acreage base enrolled in the environmental reserve program shall not be eligible for benefits provided in paragraph (5)(B).

"(c) MARKETING LOANS.—

"(1) IN GENERAL.—The Secretary shall make available to producers on a farm marketing loans for each of the 1996 through 2002 crops of covered commodities produced on the farm.

"(2) ELIGIBILITY.—

"(A) IN GENERAL.—To be eligible for a loan under this subsection, the producers on a farm may not plant covered commodities on the farm in excess of the flexible acreage base of the farm determined under section 502.

"(B) AMOUNT.—The Secretary shall provide marketing loans for their normal production of covered commodities produced on a farm.

"(3) LOAN RATE.—

"(A) IN GENERAL.—Loans made under this subsection shall be made at the rate of 90 percent of the average price for the commodity for the previous 5 crop years, as determined by the Secretary.

"(B) ADJUSTMENTS.—For each of the 1996 through 2002 crops of covered commodities, the Secretary may not adjust local loan rates by a factor greater than 3 percent of the national loan rate.

"(4) REPAYMENT.—

"(A) CALCULATION.—Producers on a farm may repay loans made under this subsection for a crop at a level that is the lesser of—

"(i) the loan level determined for the crop; or

"(ii) the prevailing domestic market price for the commodity (adjusted to location and quality), as determined by the Secretary.

"(B) PREVAILING DOMESTIC MARKET PRICE.—The Secretary shall prescribe by regulation—

"(i) a formula to determine the prevailing domestic market price for each covered commodity; and

"(ii) a mechanism by which the Secretary shall announce periodically the prevailing domestic market prices established under this subsection.

"(d) LOAN DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—The Secretary may, for each of the 1996 through 2002 crops of covered commodities, make payments (referred to in this subsection as 'loan deficiency payments') available to producers who, although eligible to obtain a marketing loan under subsection (c), agree to forgo obtaining the loan in return for payments under this subsection.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of a covered commodity the producer is eligible to place under loan but for which the producer forgoes obtaining the loan in return for payments under this subsection.

"(3) LOAN PAYMENT RATE.—

"(A) IN GENERAL.—For the purposes of this subsection, the loan payment rate shall be the amount by which—

"(i) the marketing loan rate determined for the crop under subsection (c)(3); exceeds

"(ii) the level at which a loan may be repaid under subsection (c)(4).

"(B) DATE.—The date on which the calculation required under subparagraph (A) for the producers on a farm shall be determined by the producers, except that the date may not be later than the earlier of—

"(i) the date the producers lost beneficial interest in the crop; or

"(ii) the end of the marketing year for the crop.

"(4) APPLICATION.—Producers on a farm may apply for a payment for a covered commodity under this subsection at any time prior to the end of the marketing year for the commodity.

"(e) EQUITABLE RELIEF.—If the failure of a producer to comply fully with the terms and conditions of programs conducted under this section precludes the making of loans and payments, the Secretary may, nevertheless, make the loans and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure.

"(f) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(g) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(h) TENANTS AND SHARECROPPERS.—In carrying out this section, the Secretary shall provide adequate safeguards to protect the interest of tenants and sharecroppers.

"(i) Crops.—This section shall be effective only for the 1996 through 2002 crops of a covered commodity.".

(b) Flexible Acreage Base.—

(1) Definitions.—Section 502 of the Agricultural Act of 1949 (7 U.S.C. 1462) is amended by striking paragraphs (2) and (3) and inserting the following:

"(2) Feed grains.—The term 'feed grains' means corn, grain sorghum, barley, oats, millet, rye, or as designated by the Secretary, other feed grains.

"(3) GO crops.—The term 'GO crops' means wheat, feed grains, and oilseeds.

"(4) Oilseeds.—The term 'oilseed' means a crop of soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, other oilseeds.

"(5) Program crop.—The term 'program crop' means a GO crop and a crop of upland cotton or rice.".

(2) Crop acreage bases.—Section 503(a) of the Act (7 U.S.C. 1463(a)) is amended by striking paragraph (1) and inserting the following:

"(1) In general.—

"(A) GO crops.—The Secretary shall provide for the establishment and maintenance of a single crop acreage base for GO crops, including any GO crops produced under an established practice of double cropping.

"(B) Cotton and rice.—The Secretary shall provide for the establishment and maintenance of crop acreage bases for cotton and rice crops, including any program crop produced under an established practice of double cropping.".

SEC. 102. UPLAND COTTON PROGRAM.

(a) Extension.—Section 103B of the Agricultural Act of 1949 (7 U.S.C. 1444-2) is amended—

(1) in the section heading, by striking "**1997**" and inserting "**2002**";

(2) in subsections (a)(1), (b)(1), (c)(1), and (o), by striking "1997" each place it appears and inserting "2002";

(3) in subsection (a)(5), by striking "1998" each place it appears and inserting "2002";

(4) in the heading of subsection (c)(1)(D)(v)(II), by striking "1997" and inserting "2002";

(5) in subsection (e)(1)(D), by striking "the 1997 crop" and inserting "each of the 1997 through 2002 crops"; and

(6) in subsections (e)(3)(A) and (f)(1), by striking "1995" each place it appears and inserting "2002".

(b) Increase in Nonpayment Acres.—Section 103B(c)(1)(C) of the Act is amended by striking "85 percent" and inserting "80 percent for each of the 1996 through 2002 crops".

(c) Advance Payment.—Section 103B(c)(1) of the Act is amended by adding at the end the following:

"(F) Advance payment.—

"(i) In general.—Except as provided in clauses (ii) and (iii), the Secretary shall make available to producers on a farm 50 percent of the projected payment under this subsection at the time the producers agree to participate in the program.

"(ii) 1995 payments.—In the case of producers on a farm who were prevented from planting, or incurred a reduced yield of 20 percent or more of, the 1995 crop due to weather or related condition, the Secretary may settle claims for the repayment by the producers on terms determined by the Secretary to be fair and equitable, except that no claim shall be reduced by more than $3,500.

"(iii) 1996 payments.—

"(I) In general.—In the case of 1996 crops, advanced payments shall be made in accordance with the formula under subclause (II).

"(II) Formula.—Payments authorized under this clause shall be based on a rate equal to 50 percent of the average deficiency payment rate for the 1990 through 1994 crops.

"(III) Nonrefundable.—Payments authorized under this clause shall not be refundable.".

SEC. 103. RICE PROGRAM.

(a) Extension.—Section 101B of the Agricultural Act of 1949 (7 U.S.C. 1441-2) is amended—

(1) in the section heading, by striking "**1995**" and inserting "**2002**";

(2) in subsections (a)(1), (a)(3), (b)(1), (c)(1)(A), (c)(1)(B)(iii), (e)(3)(A), (f)(1), and (n), by striking "1995" each place it appears and inserting "2002";

(3) in subsection (a)(5)(D)(i), by striking "1996" and inserting "2003"; and

(4) in subsection (c)(1)—

(A) in subparagraph (B)(ii)—

(i) by striking "and 1995" and inserting "through 2002"; and

(ii) by striking "and 1995" and inserting "through 2002"; and

(B) in subparagraph (D)—

(i) in clauses (i) and (v)(II), by striking "1997" each place it appears and inserting "2002"; and

(ii) in the heading of clause (v)(II), by striking "1997" and inserting "2002".

(b) Increase in Nonpayment Acres.—Section 101B(c)(1)(C)(ii) of the Act is amended by striking "85 percent" and inserting "80 percent for each of the 1998 through 2002 crops".

(c) Advance Payment.—Section 101B(c)(1) of the Act is amended by adding at the end the following:

"(F) Advance payment.—

"(i) In general.—Except as provided in clauses (ii) and (iii), the Secretary shall make available to producers on a farm 50 percent of the projected payment under this subsection at the time the producers agree to participate in the program.

"(ii) 1995 payments.—In the case of producers on a farm who were prevented from planting, or incurred a reduced yield of 20 percent or more of, the 1995 crop due to weather or related condition, the Secretary may settle claims for the repayment by the producers on terms determined by the Secretary to be fair and equitable, except that no claim shall be reduced by more than $3,500.

"(iii) 1996 payments.—

"(I) In general.—In the case of 1996 crops, advanced payments shall be made in accordance with the formula under subclause (II).

"(II) Formula.—Payments authorized under this clause shall be based on a rate equal to 50 percent of the average deficiency payment rate for the 1990 through 1994 crops.

"(III) Nonrefundable.—Payments authorized under this clause shall not be refundable.".

SEC. 104. PEANUT PROGRAM.

(a) Extension.—

(1) Agricultural Act of 1949.—Section 108B of the Agricultural Act of 1949 (7 U.S.C. 1445c-3) is amended—

(A) in the section heading, by striking "**1997**" and inserting "**2002**";

(B) in subsection (a)(1), (b)(1), and (h), by striking "1997" each place it appears and inserting "2002"; and

(C) in subsection (g)—

(i) by striking "1997" in paragraphs (1) and (2)(A)(ii)(II) and inserting "2002"; and

(ii) by striking "the 1997 crop" each place it appears and inserting "each of the 1997 through 2002 crops".

(2) Agricultural Adjustment Act of 1938.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

(A) in section 358-1 (7 U.S.C. 1358-1)—

(i) in the section heading, by striking "**1997**" and inserting "**2002**"; and

(ii) in subsections (a)(1), (b), and (f), by striking "1997" each place it appears and inserting "2002";

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking "**1995**" and inserting "**2002**"; and

(ii) in subsection (c), by striking "1995" and inserting "2002";

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking "1995" and inserting "2002"; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking "**1997**" and inserting "**2002**"; and

(ii) in subsection (i), by striking "1997" and inserting "2002".

(b) Support Rates for Peanuts.—Section 108B(a)(2) of the Agricultural Act of 1949 (7 U.S.C. 1445c-3(a)(2)) is amended—

(1) by striking "(2) Support rates.—The" and inserting the following:

"(2) Support rates.—

"(A) 1991–1995 crops.—The"; and

(2) by adding at the end the following:

"(B) 1996–2002 crops.—The national average quota support rate for each of the 1996 through 2002 crops of quota peanuts shall be $678 per ton.".

(c) Undermarketings.—

(1) In general.—Section 358-1(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358-1(b)) is amended—

(A) in paragraph (7), by adding at the end the following::

"(C) Transfer of additional peanuts.—Additional peanuts on a farm from which the quota poundage was not harvested or marketed may be transferred to the quota loan pool for pricing purposes at the quota price on such basis as the Secretary shall by regulation provide, except that the poundage of the peanuts so transferred shall not exceed the difference in the total quantity of peanuts meeting quality requirements for domestic edible use, as determined by the Secretary, marketed from the farm and the total farm poundage quota."; and

(B) by striking paragraphs (8) and (9).

(2) Conforming amendments.—Section 358b(a) of the Act (7 U.S.C. 1358b(a)) is amended—

(A) in paragraph (1)(A), by striking "undermarketings and"; and

(B) in paragraph (3), by striking "(including any applicable undermarketings)".

SEC. 105. DAIRY PROGRAM.

(a) Price Support.—Section 204 of the Agricultural Act of 1949 (7 U.S.C. 1446e) is amended—

(1) in the section heading, by striking "**1996**" and inserting "**2002**";

(2) in subsections (a), (b), (f), (g), and (k), by striking "1996" each place it appears and inserting "2002";

(3) in subsection (h)(2)(C), by striking "and 1997" and inserting "through 2002".

(b) Support Price for Butter and Powdered Milk.—Section 204(c)(3) of the Act is amended—

(1) in subparagraph (A), by striking "Subject to subparagraph (B), the" and inserting "The";

(2) by striking subparagraph (B); and

(3) by redesignating subparagraph (C) as subparagraph (B).

(c) Support Rate.—Section 204(d) of the Act is amended—

(1) by striking paragraphs (1) through (3);

(2) by redesignating paragraphs (4) and (5) as paragraphs (1) and (2) respectively; and

(3) in paragraph (1) (as so redesignated), by striking "$10.10" and inserting "$10.35".

SEC. 106. SUGAR PROGRAM.

(a) IN GENERAL.—Section 206 of the Agricultural Act of 1949 (7 U.S.C. 1446g) is amended to read as follows:

"SEC. 206. SUGAR SUPPORT FOR 1996 THROUGH 2002 CROPS.

"(a) DEFINITIONS.—In this section:

"(1) AGREEMENT ON AGRICULTURE.—The term 'Agreement on Agriculture' means the Agreement on Agriculture resulting from the Uruguay Round of Multilateral Trade Negotiations.

"(2) MAJOR COUNTRY.—The term 'major country' includes—

"(A) a country that is allocated a share of the tariff rate quota for imported sugars and syrups by the United States Trade Representative pursuant to additional U.S. note 5 to chapter 17 of the Harmonized Tariff Schedule;

"(B) a country of the European Union; and

"(C) the People's Republic of China.

"(3) MARKET.—The term 'market' means to sell or otherwise dispose of in commerce in the United States (including, with respect to any integrated processor and refiner, the movement of raw cane sugar into the refining process) and delivery to a buyer.

"(4) TOTAL ESTIMATED DISAPPEARANCE.—The term 'total estimated disappearance' means the quantity of sugar, as estimated by the Secretary, that will be consumed in the United States during a fiscal year (other than sugar imported for the production of polyhydric alcohol or to be refined and reexported in refined form or in a sugar-containing product), plus the quantity of sugar that would provide for adequate carryover stocks.

"(b) PRICE SUPPORT.—The price of each of the 1996 through 2002 crops of sugar beets and sugarcane shall be supported in accordance with this section.

"(c) SUGARCANE.—Subject to subsection (e), the Secretary shall support the price of domestically grown sugarcane through loans at a support level of 18 cents per pound for raw cane sugar.

"(d) SUGAR BEETS.—Subject to subsection (e), the Secretary shall support the price of each crop of domestically grown sugar beets through loans at the level provided for refined beet sugar produced from the 1995 crop of domestically grown sugar beets.

"(e) ADJUSTMENT IN SUPPORT LEVEL.—

"(1) DOWNWARD ADJUSTMENT IN SUPPORT LEVEL.—

"(A) IN GENERAL.—The Secretary shall decrease the support price of domestically grown sugarcane and sugar beets from the level determined for the preceding crop, as determined under this section, if the quantity of negotiated reductions in export and domestic subsidies of sugar that apply to the European Union and other major countries in the aggregate exceed the quantity of the reductions in the subsidies agreed to under the Agreement of Agriculture.

"(B) EXTENT OF REDUCTION.—The Secretary shall not reduce the level of price support under subparagraph (A) below a level that provides an equal measure of support to the level provided by the European Union or any other major country through domestic and export subsidies that are subject to reduction under the Agreement on Agriculture.

"(2) INCREASES IN SUPPORT LEVEL.—The Secretary may increase the support level for each crop of domestically grown sugarcane and sugar beets from the level determined for the preceding crop based on such factors as the Secretary determines appropriate, including changes (during the 2 crop years immediately preceding the crop year for which the determination is made) in the cost of sugar products, the cost of domestic sugar production, the amount of any applicable assessments, and other factors or circumstances that may adversely affect domestic sugar production.

"(f) LOAN TYPE; PROCESSOR ASSURANCES.—

"(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall carry out this section by making recourse loans to sugar producers.

"(2) MODIFICATION.—During any fiscal year in which the tariff rate quota for imports of sugar into the United States is established at, or is increased to, a level that exceeds the minimum level for the imports committed to by the United States under the Agreement on Agriculture, the Secretary shall carry out this section by making nonrecourse loans available to sugar producers. Any recourse loan previously made available by the Secretary and not repaid under this section during the fiscal year shall be converted into a nonrecourse loan.

"(3) PROCESSOR ASSURANCES.—To effectively support the prices of sugar beets and sugarcane received by a producer, the Secretary shall obtain from each processor that receives a loan under this section such assurances as the Secretary considers adequate that, if the Secretary is required under paragraph (2) to make nonrecourse loans available, or convert recourse loans into nonrecourse loans, each producer served by the processor will receive the appropriate minimum payment for sugar beets and sugarcane delivered by the producer, as determined by the Secretary.

"(g) ANNOUNCEMENTS.—The Secretary shall announce the type of loans available and the loan rates for beet and cane sugar for any fiscal year under this section as far in advance as is practicable.

"(h) LOAN TERM.—

"(1) IN GENERAL.—Except as provided in paragraph (2) and subsection (i), a loan under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature at the end of 3 months.

"(2) EXTENSION.—The maturity of a loan under this section may be extended for up to 2 additional 3-month periods, at the option of the borrower, except that the maturity of a loan may not be extended under this paragraph beyond the end of the fiscal year.

"(i) SUPPLEMENTARY LOANS.—Subject to subsection (e), the Secretary shall make available to eligible processors price support loans with respect to sugar processed from sugar beets and sugarcane harvested in the last 3 months of a fiscal year. The loans shall mature at the end of the fiscal year. The processor may repledge the sugar as collateral for a price support loan in the subsequent fiscal year, except that the second loan shall—

"(1) be made at the loan rate in effect at the time the second loan is made; and

"(2) mature in not more than 9 months, less the quantity of time that the first loan was in effect.

"(j) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

"(k) MARKETING ASSESSMENTS.—

"(1) IN GENERAL.—Assessments shall be collected in accordance with this subsection with respect to all sugar marketed within the United States during the 1996 through 2002 fiscal years.

"(2) BEET SUGAR.—The first seller of beet sugar produced from domestic sugar beets or domestic sugar beet molasses shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to 1.1894 percent of the loan level established under subsection (d) per pound of sugar marketed.

"(3) CANE SUGAR.—The first seller of raw cane sugar produced from domestic sugarcane or domestic sugarcane molasses shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to 1.11 percent of the loan level established under subsection (c) per pound of sugar marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing).

"(4) COLLECTION.—

"(A) TIMING.—Marketing assessments required under this subsection shall be collected and remitted to the Commodity Credit Corporation not later than 30 days after the date that the sugar is marketed.

"(B) MANNER.—Subject to subparagraph (A), marketing assessments shall be collected under this subsection in the manner prescribed by the Secretary and shall be nonrefundable.

"(5) PENALTIES.—If any person fails to remit an assessment required by this subsection or fails to comply with such requirements for recordkeeping or otherwise fails to comply with this subsection, the person shall be liable to the Secretary for a civil penalty of not more than an amount determined by multiplying—

"(A) the quantity of sugar involved in the violation; by

"(B) the loan level for the applicable crop of sugarcane or sugar beets from which the sugar is produced.

For the purposes of this paragraph, refined sugar shall be treated as produced from sugar beets.

"(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

"(l) INFORMATION REPORTING.—

"(1) DUTY OF PROCESSORS AND REFINERS TO REPORT.—A sugarcane processor, cane sugar refiner, and sugar beet processor shall furnish the Secretary, on a monthly basis, such information as the Secretary may require to administer sugar programs, including the quantity of purchases of sugarcane, sugar beets, and sugar, and production, importation, distribution, and stock levels of sugar.

"(2) DUTY OF PRODUCERS TO REPORT.—To efficiently and effectively carry out the program under this section, the Secretary may require a producer of sugarcane or sugar beets to report, in the manner prescribed by the Secretary, the producer's sugarcane or sugar beet yields and acres planted to sugarcane or sugar beets, respectively.

"(3) PENALTY.—Any person willfully failing or refusing to furnish the information, or furnishing willfully any false information, required under this subsection shall be subject to a civil penalty of not more than $10,000 for each such violation.

"(4) MONTHLY REPORTS.—Taking into consideration the information received under paragraph (1), the Secretary shall publish on a monthly basis composite data on production, imports, distribution, and stock levels of sugar.

"(m) SUGAR ESTIMATES.—

"(1) DOMESTIC REQUIREMENT.—Before the beginning of each fiscal year, the Secretary shall estimate the domestic sugar requirement of the United States in an amount that is equal to the total estimated disappearance, minus the quantity of sugar that will be available from carry-in stocks.

"(2) QUARTERLY REESTIMATES.—The Secretary shall make quarterly reestimates of sugar consumption, stocks, production, and imports for a fiscal year not later than the beginning of each of the second through fourth quarters of the fiscal year.

"(n) CROPS.—This section shall be effective only for the 1996 through 2002 crops of sugar beets and sugarcane.".

(b) MARKETING QUOTAS.—Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa et seq.) is repealed.

SEC. 107. SHEEP INDUSTRY TRANSITION PROGRAM.

Title II of the Agricultural Act of 1949 (7 U.S.C. 1446 et seq.) is amended by adding at the end the following:

"SEC. 208. SHEEP INDUSTRY TRANSITION PROGRAM.

"(a) LOSS.—

"(1) IN GENERAL.—The Secretary shall, on presentation of warehouse receipts or other acceptable evidence of title as determined by the Secretary, make available for each of the 1996 through 1999 marketing years recourse loans for wool at a loan level, per pound, that is not less than the smaller of—

"(A) the average price (weighted by market and month) of the base quality of wool at average location in the United States as quoted during the 5-marketing year period preceding the year in which the loan level is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

"(B) 90 percent of the average price for wool projected for the marketing year in which the loan level is announced, as determined by the Secretary.

"(2) ADJUSTMENTS TO LOAN LEVEL.—

"(A) LIMITATION ON DECREASE IN LOAN LEVEL.—The loan level for any marketing year determined under paragraph (1) may not be reduced by more than 5 percent from the level determined for the preceding marketing year, and may not be reduced below 50 cents per pound.

"(B) LIMITATION ON INCREASE IN LOAN LEVEL.—If for any marketing year the average projected price determined under paragraph (1)(B) is less than the average United States market price determined under paragraph (1)(A), the Secretary may increase the loan level to such level as the Secretary may consider appropriate, not in excess of the average United States market price determined under paragraph (1)(A).

"(C) ADJUSTMENT FOR QUALITY.—

"(i) IN GENERAL.—Notwithstanding subparagraphs (A) and (B), the Secretary may adjust the loan level of a loan made under this section with respect to a quantity of wool to more accurately reflect the quality of the wool, as determined by the Secretary.

"(ii) ESTABLISHMENT OF GRADING SYSTEM.—To allow producers to establish the quality of wool produced on a farm, the Secretary shall establish a grading system for wool, based on micron diameter of the fibers in the wool.

"(iii) FEES.—The Secretary may charge each person that requests a grade for a quantity of wool a fee to offset the costs of testing and establishing a grade for the wool.

"(iv) TESTING FACILITIES.—To the extent practicable, the Secretary may certify State, local, or private facilities to carry out the grading of wool for the purpose of carrying out this subparagraph.

"(3) ANNOUNCEMENT OF LOAN LEVEL.—The loan level for any marketing year of wool shall be determined and announced by the Secretary not later than December 1 of the calendar year preceding the marketing year for which the loan is to be effective or, in the case of the 1996 marketing year, as soon as is practicable after December 1, 1995.

"(4) TERM OF LOAN.—

"(A) IN GENERAL.—Recourse loans provided for in this section may be made for an initial term of 9 months from the first day of the month in which the loan is made.

"(B) EXTENSIONS.—Except as provided in subparagraph (C), recourse loans provided for in this section shall, on request of the producer during the 9th month of the loan period for the wool, be made available for an additional term of 8 months.

"(C) LIMITATION.—A request to extend the loan period shall not be approved in any month in which the average price of the base quality of wool, as determined by the Secretary, in the designated markets for the preceding month exceeded 130 percent of the average price of the base quality of wool in the designated United States markets for the preceding 36-month period.

"(5) MARKETING LOAN PROVISIONS.—If the Secretary determines that the prevailing world market price for wool (adjusted to United States quality and location) is below the loan level determined under paragraphs (1) through (4), to make United States wool competitive, the Secretary shall permit a producer to repay a loan made for any marketing year at the lesser of—

"(A) the loan level determined for the marketing year; or

"(B) the higher of—

"(i) the loan level determined for the marketing year multiplied by 70 percent; or

"(ii) the prevailing world market price for wool (adjusted to United States quality and location), as determined by the Secretary.

"(6) PREVAILING WORLD MARKET PRICE.—

"(A) IN GENERAL.—The Secretary shall prescribe by regulation—

"(i) a formula to define the prevailing world market price for wool (adjusted to United States quality and location); and

"(ii) a mechanism by which the Secretary shall announce periodically the prevailing world market price for wool (adjusted to United States quality and location).

"(B) USE.—The prevailing world market price for wool (adjusted to United States quality and location) established under this paragraph shall be used to carry out paragraph (5).

"(C) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE.—

"(i) IN GENERAL.—The prevailing world market price for wool (adjusted to United States quality and location) established under this paragraph shall be further adjusted if the adjusted prevailing world market price is less than 115 percent of the current marketing year loan level for the base quality of wool, as determined by the Secretary.

"(ii) FURTHER ADJUSTMENT.—The adjusted prevailing world market price shall be further adjusted on the basis of some or all of the following data, as available:

"(I) The United States share of world exports.

"(II) The current level of wool export sales and wool export shipments.

"(III) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for wool (adjusted to United States quality and location).

"(D) MARKET PRICE QUOTATION.—The Secretary may establish a system to monitor and make available on a weekly basis information with respect to the most recent average domestic and world market prices for wool.

"(7) PARTICIPATION.—The Secretary may make loans available under this subsection to producers, cooperatives, or marketing pools.

"(b) LOAN DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—The Secretary shall, for each of the 1996 through 1999 marketing years of wool, make payments available to producers who, although eligible to obtain a loan under subsection (a), agree to forgo obtaining the loan in return for payments under this subsection.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of wool the producer is eligible to place under loan but for which the producer forgoes obtaining the loan in return for payments under this subsection.

"(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan level determined for the marketing year under subsection (a); exceeds

"(B) the level at which a loan may be repaid under subsection (a).

"(c) DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—The Secretary shall make available to producers deficiency payments for each of the 1996 through 1999 marketing years of wool in an amount computed by multiplying—

"(A) the payment rate; by

"(B) the payment quantity of wool for the marketing year.

"(2) PAYMENT RATE.—

"(A) IN GENERAL.—The payment rate for wool shall be the amount by which the established price for the marketing year of wool exceeds the higher of—

"(i) the national average market price received by producers during the marketing year, as determined by the Secretary; or

"(ii) the loan level determined for the marketing year.

"(B) MINIMUM ESTABLISHED PRICE.—The established price for wool shall not be less than $2.12 per pound on a grease wool basis for each of the 1996 through 1999 marketing years.

"(3) PAYMENT QUANTITY.—Payment quantity of wool for a marketing year shall be the number of pounds of wool produced during the marketing year.

"(d) EQUITABLE RELIEF.—

"(1) LOANS AND PAYMENTS.—If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans and payments, the Secretary may, nevertheless, make the loans and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of the program in determining whether equitable relief is warranted under this paragraph.

"(2) DEADLINES AND PROGRAM REQUIREMENTS.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(e) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(f) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(g) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(h) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(i) TENANTS AND SHARECROPPERS.—The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(j) CROSS-COMPLIANCE.—

"(1) IN GENERAL.—Compliance on a farm with the terms and conditions of any other commodity program, or compliance with marketing year acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans or payments under this section.

"(2) COMPLIANCE ON OTHER FARMS.—The Secretary may not require producers on a farm, as a condition of eligibility for loans or payments under this section for the farm, to comply with the terms and conditions of the wool program with respect to any other farm operated by the producers.

"(k) LIMITATION ON OUTLAYS.—

"(1) IN GENERAL.—The total amount of payments that may be made available to all producers under this section may not exceed—

"(A) $75,000,000, during any single marketing year; or

"(B) $200,000,000 in the aggregate for marketing years 1996 through 1999.

"(2) PRORATION OF BENEFITS.—To the extent that the total amount of benefits for which producers are eligible under this section exceeds the limitations in paragraph (1), funds made available under this section shall be prorated among all eligible producers.

"(3) PERSON LIMITATION.—

"(A) LOANS.—No person may realize gains or receive payments under subsection (a) or (b) that exceed $75,000 during any marketing year.

"(B) DEFICIENCY PAYMENTS.—No person may receive payments under subsection (c) that exceed $50,000 during any marketing year.

"(l) MARKETING YEARS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 1999 marketing years for wool.".

SEC. 108. SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) WHEAT.—

(1) NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS.—Sections 379d through 379j of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379d–1379j) shall not be applicable to wheat processors or exporters during the period June 1, 1995, through May 31, 2003.

(2) SUSPENSION OF LAND USE, WHEAT MARKETING ALLOCATION, AND PRODUCER CERTIFICATE PROVISIONS.—Sections 331 through 339, 379b, and 379c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1331 through 1339, 1379b, and 1379c) shall not be applicable to the 1996 through 2002 crops of wheat.

(3) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—The joint resolution entitled "A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended", approved May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1996 through 2002.

(4) NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949.—Section 107 of the Agricultural Act of 1949 (7 U.S.C. 1445a) shall not be applicable to the 1996 through 2002 crops of wheat.

(b) FEED GRAINS.—

(1) NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949.—Section 105 of the Agricultural Act of 1949 (7 U.S.C. 1444b) shall not be applicable to the 1996 through 2002 crops of feed grains.

(2) RECOURSE LOAN PROGRAM FOR SILAGE.—Section 403 of the Food Security Act of 1985 (7 U.S.C. 1444e–1) is amended by striking "1996" and inserting "2002".

(c) OILSEEDS.—Section 201(a) of the Agricultural Act of 1949 (7 U.S.C. 1446(a)) is amended by striking "oilseeds" and all that follows through "determine),".

(d) UPLAND COTTON.—

(1) SUSPENSION OF BASE ACREAGE ALLOTMENTS, MARKETING QUOTAS, AND RELATED PROVISIONS.—Sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1342–1346 and 1377) shall not be applicable to any of the 1996 through 2002 crops of upland cotton.

(2) MISCELLANEOUS COTTON PROVISIONS.—Section 103(a) of the Agricultural Act of 1949 (7 U.S.C. 1444(a)) shall not be applicable to the 1996 through 2002 crops.

(e) PEANUTS.—

(1) SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1996 through 2002 crops of peanuts:

(A) Subsections (a) through (j) of section 358 (7 U.S.C. 1358).

(B) Subsections (a) through (h) of section 358a (7 U.S.C. 1358a).

(C) Subsections (a), (b), (d), and (e) of section 358d (7 U.S.C. 1359).

(D) Part I of subtitle C of title III (7 U.S.C. 1361 et seq.).

(E) Section 371 (7 U.S.C. 1371).

(2) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before "all brokers and dealers in peanuts" the following: "all producers engaged in the production of peanuts,".

(3) SUSPENSION OF CERTAIN PRICE SUPPORT PROVISIONS.—Section 101 of the Agricultural Act of 1949 (7 U.S.C. 1441) shall not be applicable to the 1996 through 2002 crops of peanuts.

SEC. 109. EXTENSION OF RELATED PRICE SUPPORT PROVISIONS.

(a) DEFICIENCY AND LAND DIVERSION PAYMENTS.—Section 114 of the Agricultural Act of 1949 (7 U.S.C. 1445j) is amended—

(1) in subsections (a)(1) and (c), by striking "1997" each place it appears and inserting "2002"; and

(2) in subsection (b), by striking "1995" and inserting "2002".

(b) ADJUSTMENT OF ESTABLISHED PRICES.—Section 402(b) of the Agricultural Act of 1949 (7 U.S.C. 1422(b)) is amended by striking "1995" and inserting "2002".

(c) ADJUSTMENT OF SUPPORT PRICES.—Section 403(c) of the Agricultural Act of 1949 (7 U.S.C. 1423(c)) is amended by striking "1995" and inserting "2002".

(d) APPLICATION OF TERMS IN THE AGRICULTURAL ACT OF 1949.—Section 408(k)(3) of the Agricultural Act of 1949 (7 U.S.C. 1428(k)(3)) is amended by striking "1995" and inserting "2002".

(e) ACREAGE BASE AND YIELD SYSTEM.—Title V of the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) is amended—

(1) in subsections (c)(3) and (h)(2)(A) of section 503 (7 U.S.C. 1463), by striking "1997" each place it appears and inserting "2002";

(2) in paragraphs (1) and (2) of section 505(b) (7 U.S.C. 1465(b)), by striking "1997" each place it appears and inserting "2002"; and

(3) in section 509 (7 U.S.C. 1469), by striking "1997" and inserting "2002".

(f) PAYMENT LIMITATIONS.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking "1997" each place it appears and inserting "2002".

(g) NORMALLY PLANTED ACREAGE.—Section 1001 of the Food and Agriculture Act of 1977 (7 U.S.C. 1309) is amended by striking "1995" each place it appears in subsections (a), (b)(1), and (c) and inserting "2002".

(h) OPTIONS PILOT PROGRAM.—The Options Pilot Program Act of 1990 (subtitle E of title XI of Public Law 101–624; 104 Stat. 3518; 7 U.S.C. 1421 note) is amended—

(1) in subsections (a) and (b) of section 1153, by striking "1995" each place it appears and inserting "2002"; and

(2) in section 1154(b)(1)(A), by striking "1995" each place it appears and inserting "2002".

(i) FOOD SECURITY WHEAT RESERVE.—Section 302(i) of the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f–1(i)) is amended by striking "1995" each place it appears and inserting "2002".

SEC. 110. CROP INSURANCE ADMINISTRATIVE FEE.

Section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended—

(1) by striking paragraph (5); and

(2) by redesignating paragraphs (6) through (10) as paragraphs (5) through (9), respectively.

SEC. 111. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise specifically provided in this title, this title and the amendments made by this title shall apply beginning with the 1996 crop of an agricultural commodity.

(b) PRIOR CROPS.—Except as otherwise specifically provided and notwithstanding any other provision of law, this title and the amendments made by this title shall not affect the authority of the Secretary of Agriculture to carry out a price support, production adjustment, or payment program for—

(1) any of the 1991 through 1995 crops of an agricultural commodity established under a provision of law as in effect immediately before the enactment of this Act; or

(2) the 1996 crop of an agricultural commodity established under section 406(b) of the Agricultural Act of 1949 (7 U.S.C. 1426(b)).

TITLE II—CONSERVATION

SEC. 201. CONSERVATION RESERVE PROGRAM.

Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended by striking "1995" each place it appears in subsections (a) and (d) and inserting "2002".

SEC. 202. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

Chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.) is amended to read as follows:

"CHAPTER 2—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

"SEC. 1238. DEFINITIONS.

"In this chapter:

"(1) LAND MANAGEMENT PRACTICE.—The term 'land management practice' means nutrient or manure management, integrated pest management, irrigation management, tillage or residue management, grazing management, or another land management practice the Secretary determines is needed to protect soil, water, or related resources in the most cost efficient manner.

"(2) LARGE CONFINED LIVESTOCK OPERATION.—The term 'large confined livestock operation' means a farm or ranch that—

"(A) is a confined animal feeding operation; and

"(B) has more than—

"(i) 700 mature dairy cattle;

"(ii) 1,000 beef cattle;

"(iii) 100,000 laying hens or broilers;

"(iv) 55,000 turkeys;

"(v) 2,500 swine; or

"(vi) 10,000 sheep or lambs.

"(3) LIVESTOCK.—The term 'livestock' means mature dairy cows, beef cattle, laying hens, broilers, turkeys, swine, sheep, or lambs.

"(4) OPERATOR.—The term 'operator' means a person who is engaged in crop or livestock production (as defined by the Secretary).

"(5) STRUCTURAL PRACTICE.—The term 'structural practice' means the establishment of an animal waste management facility, terrace, grassed waterway, contour grass strip, filterstrip, permanent wildlife habitat, or another structural practice that the Secretary determines is needed to protect soil, water, or related resources in the most cost effective manner.

"SEC. 1238A. ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—During the 1996 through 2006 fiscal years, the Secretary shall enter into contracts with operators to provide technical assistance, cost-sharing payments, and incentive payments to operators, who enter into contracts with the Secretary, through an environmental quality incentives program in accordance with this chapter.

"(2) CONSOLIDATION OF EXISTING PROGRAMS.—In establishing the environmental quality incentives program authorized under this chapter, the Secretary shall combine into a single program the functions of—

"(A) the agricultural conservation program authorized by sections 7 and 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g and 590h);

"(B) the Great Plains conservation program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p(b));

"(C) the water quality incentives program established under this chapter; and

"(D) the Colorado River Basin salinity control program established under section 202(c) of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592(c)).

"(b) APPLICATION AND TERM.—

"(1) IN GENERAL.—A contract between an operator and the Secretary under this chapter may—

"(A) apply to 1 or more structural practices or 1 or more land management practices, or both; and

"(B) have a term of not less than 5, nor more than 10, years, as determined appropriate by the Secretary, depending on the practice or practices that are the basis of the contract.

"(2) CONTRACT EFFECTIVE DATE.—A contract between an operator and the Secretary under this chapter shall become effective on October 1st following the date the contract is fully entered into.

"(c) COST-SHARING AND INCENTIVE PAYMENTS.—

"(1) COST-SHARING PAYMENTS.—

"(A) IN GENERAL.—The Federal share of cost-sharing payments to an operator proposing to implement 1 or more structural practices shall not be more than 75 percent of the projected cost of the practice, as determined by the Secretary, taking into consideration any payment received by the operator from a State or local government.

"(B) LIMITATION.—An operator of a large confined livestock operation shall not be eligible for cost-sharing payments to construct an animal waste management facility.

"(C) OTHER PAYMENTS.—An operator shall not be eligible for cost-sharing payments for structural practices on eligible land under this chapter if the operator receives cost-sharing payments or other benefits for the same land under chapter 1 or 3.

"(2) INCENTIVE PAYMENTS.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage an operator to perform 1 or more land management practices.

"(d) TECHNICAL ASSISTANCE.—

"(1) FUNDING.—The Secretary shall allocate funding under this chapter for the provision of technical assistance according to the purpose and projected cost for which the technical assistance is provided in a fiscal year. The allocated amount may vary according to the type of expertise required quantity of time involved, and other factors as determined appropriate by the Secretary. Funding shall not exceed the projected cost to the Secretary of the technical assistance provided in a fiscal year.

"(2) OTHER AUTHORITIES.—The receipt of technical assistance under this chapter shall not affect the eligibility of the operator to receive technical assistance under other authorities of law available to the Secretary.

"(e) FUNDING.—The Secretary shall use to carry out this chapter not less than—

"(1) $200,000,000 for fiscal year 1997; and

"(2) $250,000,000 for each of fiscal years 1998 through 2002.

"(f) COMMODITY CREDIT CORPORATION.—The Secretary may use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this subchapter.

"SEC. 1238B. CONSERVATION PRIORITY AREAS.

"(a) IN GENERAL.—The Secretary shall designate watersheds or regions of special environmental sensitivity, including the Chesapeake Bay region (located in Pennsylvania, Maryland, and Virginia), the Great Lakes region, the Long Island Sound region, prairie pothole region (located in North Dakota, South Dakota, and Minnesota), Rainwater Basin (located in Nebraska), and other areas the Secretary considers appropriate, as conservation priority areas that are eligible for enhanced assistance through the programs established under this chapter and chapter 1.

"(b) APPLICABILITY.—A designation shall be made under this section if an application is made by a State agency and agricultural practices within the watershed or region pose a significant threat to soil, water, and related natural resources, as determined by the Secretary.

"SEC. 1238C. EVALUATION OF OFFERS AND PAYMENTS.

"(a) REGIONAL PRIORITIES.—The Secretary shall provide technical assistance, cost-sharing payments, and incentive payments to operators in a region, watershed, or conservation priority area under this chapter based on the significance of soil, water, and related natural resources problems in the region, watershed, or area, and the structural practices or land management practices that best address the problems, as determined by the Secretary.

"(b) MAXIMIZATION OF ENVIRONMENTAL BENEFITS.—

"(1) IN GENERAL.—In providing technical assistance, cost-sharing payments, and incentive payments to operators in regions, watersheds, or conservation priority areas under this chapter, the Secretary shall accord a higher priority to assistance and payments that maximize environmental benefits per dollar expended.

"(2) STATE OR LOCAL CONTRIBUTIONS.—The Secretary shall accord a higher priority to operators whose agricultural operations are located within watersheds, regions, or conservation priority areas in which State or local governments have provided, or will provide, financial or technical assistance to the operators for the same conservation or environmental purposes.

"SEC. 1238D. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

"(a) IN GENERAL.—Prior to approving cost-share or incentive payments authorized under this chapter, the Secretary shall require the preparation and evaluation of an environmental quality incentives program plan described in subsection (b), unless the Secretary determines that such a plan is not necessary to evaluate the application for the payments.

"(b) TERMS.—An environmental quality incentives program plan shall include (as determined by the Secretary) a description of relevant—

"(1) farming or ranching practices on the farm;

"(2) characteristics of natural resources on the farm;

"(3) specific conservation and environmental objectives to be achieved including those that will assist the operator in complying with Federal and State environmental laws;

"(4) dates for, and sequences of, events for implementing the practices for which payments will be received under this chapter; and

"(5) information that will enable evaluation of the effectiveness of the plan in achieving the conservation and environmental objectives, and that will enable evaluation of the degree to which the plan has been implemented.

"SEC. 1238E. LIMITATION ON PAYMENTS.

"(a) PAYMENTS.—The total amount of cost-share and incentive payments paid to a person under this chapter may not exceed—

"(1) $10,000 for any fiscal year; or

"(2) $50,000 for any multiyear contract.

"(b) REGULATIONS.—The Secretary shall issue regulations that are consistent with section 1001 for the purpose of—

"(1) defining the term 'person' as used in subsection (a); and

"(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations contained in subsection (a).".

TITLE III—NUTRITION ASSISTANCE

SEC. 301. FOOD STAMP PROGRAM.

(a) EMPLOYMENT AND TRAINING.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended by striking "1995" each place it appears and inserting "2002".

(b) AUTHORIZATION OF PILOT PROJECTS.—The last sentence of section 17(b)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(A)) is amended by striking "1995" and inserting "2002".

(c) AUTHORIZATION FOR APPROPRIATIONS.—The first sentence of section 18(a)(1) of the

Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking "1995" and inserting "2002".

(d) REAUTHORIZATION OF PUERTO RICO NUTRITION ASSISTANCE PROGRAM.—The first sentence of section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended by striking "$974,000,000" and all that follows through "fiscal year 1995" and inserting "$1,143,000,000 for each of fiscal years 1995 and 1996, $1,182,000,000 for fiscal year 1997, $1,223,000,000 for fiscal year 1998, $1,266,000,000 for fiscal year 1999, $1,310,000,000 for fiscal year 2000, $1,357,000,000 for fiscal year 2001, and $1,404,000,000 for fiscal year 2002".

SEC. 302. COMMODITY DISTRIBUTION PROGRAM; COMMODITY SUPPLEMENTAL FOOD PROGRAM.

(a) REAUTHORIZATION.—The first sentence of section 4(a) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(b) FUNDING.—Section 5 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86; 7 U.S.C. 612c note) is amended—

(1) in subsection (a)(2), by striking "1995" and inserting "2002"; and

(2) in subsection (d)(2), by striking "1995" and inserting "2002".

SEC. 303. EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) REAUTHORIZATION.—The first sentence of section 204(a)(1) of the Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(b) PROGRAM TERMINATION.—Section 212 of the Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(c) REQUIRED PURCHASES OF COMMODITIES.—Section 214 of the Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking "1995" and inserting "2002"; and

(2) in subsection (e), by striking "1995" each place it appears and inserting "2002".

SEC. 304. SOUP KITCHENS PROGRAM.

Section 110 of the Hunger Prevention Act of 1988 (Public Law 100-435; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking "1995" and inserting "2002"; and

(2) in subsection (c)(2)—

(A) in the paragraph heading, by striking "1995" and inserting "2002"; and

(B) by striking "1995" each place it appears and inserting "2002".

SEC. 305. NATIONAL COMMODITY PROCESSING.

The first sentence of section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended by striking "1995" and inserting "2002".

MIKULSKI AMENDMENTS NOS. 3126-3127

(Ordered to lie on the table.)

Ms. MIKULSKI submitted two amendments intended to be proposed by her to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3126

At the appropriate place insert: "Whenever the domestic price of raw sugar exceeds 120% of the loan rate, then the Secretary of Agriculture shall permit the importation of additional raw cane sugar from exiting quota holders until he determines that such conditions no longer prevail in the market."

AMENDMENT NO. 3127

At the appropriate place insert: "Whenever the domestic price of raw sugar exceeds 120% of the loan rate, then the Secretary of Agriculture shall permit the importation of additional raw cane sugar from existing quota holders until he determines that such conditions no longer prevail in the market."

BUMPERS (AND PRYOR) AMENDMENT NO. 3128

(Ordered to lie on the table.)

Mr. BUMPERS (for himself and Mr. PRYOR) submitted an amendment intended to be proposed by them to the bill S. 1541, supra; as follows:

At the appropriate place add the following: "Any program authorized to be administered by the Secretary of Agriculture on January 1, 1995, shall be deemed authorized under the same terms and conditions until December 31, 1996, unless other terms and conditions are established by law."

PRYOR (AND BUMPERS) AMENDMENT NO. 3129

(Ordered to lie on the table.)

Mr. PRYOR (for himself and Mr. BUMPERS) submitted an amendment intended to be proposed by them to the bill S. 2541 supra; as follows:

Strike all after the first word and insert in lieu thereof:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Agricultural Competitiveness Act of 1995".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings, policy, and purpose.
Sec. 3. Sense of Congress on ending the Federal deficit.

TITLE I—WHEAT

Sec. 101. Loans, payments, and acreage reduction programs for the 1996 through 2002 crops of wheat.
Sec. 102. Nonapplicability of certificate requirements.
Sec. 103. Suspension of land use, wheat marketing allocation, and producer certificate provisions.
Sec. 104. Suspension of certain quota provisions.
Sec. 105. Nonapplicability of section 107 of the Agricultural Act of 1949.

TITLE II—FEED GRAINS

Sec. 201. Loans, payments, and acreage reduction programs for the 1996 through 2002 crops of feed grains.
Sec. 202. Nonapplicability of section 105 of the Agricultural Act of 1949.
Sec. 203. Recourse loan program for silage.

TITLE III—COTTON

Sec. 301. Loans, payments, and acreage reduction programs for the 1996 through 2002 crops of upland cotton.
Sec. 302. Extra long staple cotton program.
Sec. 303. Suspension of base acreage allotments, marketing quotas, and related provisions.
Sec. 304. Miscellaneous cotton provisions.
Sec. 305. Skiprow practices.
Sec. 306. Preliminary allotments for 2003 crop of upland cotton.
Sec. 307. Cottonseed and cottonseed oil.
Sec. 308. Cotton classification services.

TITLE IV—RICE

Sec. 401. Loans, payments, and acreage reduction programs for the 1996 through 2002 crops of rice.

TITLE V—OILSEEDS

Sec. 501. Loans and payments for oilseeds for 1996 through 2002 marketing years.

TITLE VI—PEANUTS

Sec. 601. Suspension of marketing quotas and acreage allotments.
Sec. 602. National poundage quotas and acreage allotments.
Sec. 603. Sale, lease, or transfer of farm poundage quota.
Sec. 604. Marketing penalties; disposition of additional peanuts.
Sec. 605. Experimental and research programs for peanuts.
Sec. 606. Price support program.
Sec. 607. Reports and records.
Sec. 608. Suspension of certain price support provisions.
Sec. 609. Regulations.

TITLE VII—SUGAR

Sec. 701. Sugar price support.
Sec. 702. Marketing assessment bases for processors and refiners.
Sec. 703. Prevention of sugar loan forfeitures.

TITLE VIII—GENERAL COMMODITY PROVISIONS

Subtitle A—Amendments to Agricultural Act of 1949

Sec. 801. Deficiency and land diversion payments.
Sec. 802. Adjustment of established prices.
Sec. 803. Adjustment of support prices.
Sec. 804. Program option for 2003 and subsequent crops.
Sec. 805. Application of terms in the Agricultural Act of 1949.
Sec. 806. Double cropping.
Sec. 807. Acreage base and yield system.

Subtitle B—Miscellaneous Commodity Provisions

Sec. 811. Payment limitations.
Sec. 812. Normally planted acreage.
Sec. 813. Normal supply.
Sec. 814. Determinations of the Secretary.
Sec. 815. Options pilot program.
Sec. 816. National Agricultural Cost of Production Standards Review Board.

Subtitle C—Conforming Amendments

Sec. 821. Conforming amendments.

Subtitle D—Application

Sec. 831. Application.

SEC. 2. FINDINGS, POLICY, AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1)(A) a sound and prosperous economy in the United States is dependent on American agriculture and related industries, including producers, processors, handlers, manufacturers, marketers, transporters, and the banking and credit industry;

(B) American agriculture and related industries account for over 21,000,000 jobs and approximately 16 percent, or over $1,000,000,000,000, of the gross domestic product; and

(C) because of the combined effort of American agriculture and related industries, consumers in the United States enjoy a dependable supply of food and fiber at fair prices;

(2)(A) the future of American agriculture is dependent on the continued viability of the American agricultural producer, the underpinning of the agricultural economy; and

(B) agricultural producers must receive a fair return on their productivity and investment in an industry characterized by continued subsidized foreign competition and wide fluctuations in production and prices due to weather and related factors;

(3)(A) one of the essential elements of a sound agricultural economy is the ability of the United States to compete in the world market;

(B) agricultural exports are expected to reach nearly $50,000,000,000 in 1995 and contribute about $20,000,000,000 to the United States balance of trade; and

(C) agricultural exports alone account for over 1,000,000 American jobs; and

(4)(A) Commodity Credit Corporation outlays for farm programs have declined from a high of approximately $26,000,000,000 for fiscal year 1986 to less than $9,000,000,000 for fiscal year 1995, a reduction of over 65 percent that is unique among the many mandatory spending programs of the Federal Government; and

(B) according to the Congressional Budget Office, farm program outlays are projected to remain below the outlay level for fiscal year 1995 for the next 5 years and continue to decline by nearly 8 percent, even if no changes are made in current law for existing farm programs.

(b) POLICY.—It is the policy of the United States that—

(1) continued Federal Government support is necessary to provide stability for American agricultural producers to—

(A) enable the producers to continue to provide consumers with a steady and dependable supply of food and fiber at fair prices;

(B) maintain the competitiveness of the United States in the world market; and

(C) otherwise preserve the underpinnings of a sound agricultural economy; and

(2) to meet the objective of achieving a balanced budget for the Federal Government in a manner consistent with paragraph (1), reductions in farm program spending should be made in a fair and equitable manner.

(c) PURPOSE.—The purpose of this Act is to establish agricultural price support and production adjustment programs for the 1996 through 2002 crop years that provide a structure for a sound agricultural economy in a manner consistent with subsection (b).

SEC. 3. SENSE OF CONGRESS ON ENDING THE FEDERAL DEFICIT.

It is the sense of Congress that—

(1) the continuation of significant Federal budgetary deficits harms the economic wellbeing of the United States and is detrimental to the development of sound, long-term agricultural policy;

(2) agricultural price support and production adjustment programs are necessary for the continued economic health of United States agriculture, which must compete in international markets against subsidized foreign competition; and

(3) agricultural price support and production adjustment programs should be—

(A) implemented, to the maximum extent practicable, in a manner that is consistent with the primary goal of the concurrent resolution on the budget for fiscal year 1996 (H.Con.Res. 67, agreed to June 29, 1995) to end Federal budget deficits; and

(B) modified, as necessary, to ensure that the programs comply with applicable budget reconciliation instructions in the concurrent resolution that are designed to end Federal budget deficits, in a manner consistent with section 306 of the concurrent resolution.

TITLE I—WHEAT

SEC. 101. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1996 THROUGH 2002 CROPS OF WHEAT.

Section 107B of the Agricultural Act of 1949 (7 U.S.C. 1445b–3a) is amended to read as follows:

"SEC. 107B. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1996 THROUGH 2002 CROPS OF WHEAT.

"(a) LOANS AND PURCHASES.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the Secretary shall make available to producers on a farm loans and purchases for each of the 1996 through 2002 crops of wheat produced on the farm at such level as the Secretary determines will maintain the competitive relationship of wheat to other grains in domestic and export markets after taking into consideration the cost of producing wheat, supply and demand conditions, and world prices for wheat.

"(2) MINIMUM LOAN AND PURCHASE LEVEL.—Except as provided in paragraph (3), the loan and purchase level determined under paragraph (1) shall be not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period, except that the loan and purchase level for a crop determined under this paragraph may not be reduced by more than 5 percent from the level determined for the preceding crop.

"(3) MARKETING LOANS.—

"(A) IN GENERAL.—The Secretary shall permit the producers on a farm to repay a loan made under this subsection for a crop at a level (except as provided in subparagraph (C)) that is the lesser of—

"(i) the loan level determined for the crop; and

"(ii) the prevailing world market price for wheat (adjusted to United States quality and location), as determined by the Secretary.

"(B) PREVAILING WORLD MARKET PRICE.—The Secretary shall prescribe by regulation—

"(i) a formula to determine the prevailing world market price for wheat, adjusted to United States quality and location; and

"(ii) a mechanism by which the Secretary shall announce periodically the prevailing world market price for wheat.

"(C) ALTERNATIVE REPAYMENT RATES.—For each of the 1996 through 2002 crops of wheat, if the world market price for wheat (adjusted to United States quality and location), as determined by the Secretary, is less than the loan level determined for the crop, the Secretary may permit the producers on a farm to repay a loan made under this subsection for a crop at such level (not in excess of the loan level determined for the crop) as the Secretary determines will—

"(i) minimize potential loan forfeitures;

"(ii) minimize the accumulation of wheat stocks by the Federal Government;

"(iii) minimize the cost incurred by the Federal Government in storing wheat; and

"(iv) allow wheat produced in the United States to be marketed freely and competitively, both domestically and internationally.

"(4) SIMPLE AVERAGE PRICE.—For purposes of this section, the simple average price received by producers for the immediately preceding marketing year shall be based on the latest information available to the Secretary at the time of the determination.

"(b) LOAN DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—For each of the 1996 through 2002 crops of wheat, the Secretary may make payments (referred to in this section as 'loan deficiency payments') available to producers who, although eligible to obtain a loan or an agreement for purchase under subsection (a), agree to forgo obtaining the loan or agreement in return for payments under this subsection.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; and

"(B) the quantity of wheat the producers on a farm are eligible to place under loan (or obtain a purchase agreement) but for which the producers forgo obtaining the loan or agreement in return for payments under this subsection.

"(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan level determined for the crop under subsection (a); exceeds

"(B) the level at which a loan may be repaid under subsection (a).

"(c) PAYMENTS.—

"(1) DEFICIENCY PAYMENTS.—

"(A) IN GENERAL.—The Secretary shall make available to producers payments (referred to in this section as 'deficiency payments') for each of the 1996 through 2002 crops of wheat in an amount computed by multiplying—

"(i) the payment rate;

"(ii) the payment acres for the crop; and

"(iii) the farm program payment yield established for the crop for the farm.

"(B) PAYMENT RATE.—

"(i) IN GENERAL.—The payment rate for each of the 1996 through 2002 crops of wheat shall be the amount by which the established price for the crop of wheat exceeds the higher of—

"(I) the lesser of—

"(aa) the national weighted average market price received by producers during the marketing year for the crop, as determined by the Secretary; and

"(bb) the national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary, plus 10 cents per bushel; and

"(II) the loan level determined for the crop.

"(ii) MINIMUM ESTABLISHED PRICE.—The established price for wheat shall not be less than $4.00 per bushel for each of the 1996 through 2002 crops.

"(C) PAYMENT ACRES.—Payment acres for a crop shall be the lesser of—

"(i) the number of acres planted to the crop for harvest within the permitted acreage (as defined in subsection (e)(2)(D)(ii)); or

"(ii) 75 percent of the crop acreage base for the crop for the farm less the quantity of reduced acreage (as defined in subsection (e)(2)(D)(ii)).

"(D) 0/85 PROGRAM.—

"(i) IN GENERAL.—If an acreage limitation program under subsection (e)(2) is in effect for a crop of wheat and the producers on a farm devote a portion of the maximum payment acres of the farm for wheat as calculated under subparagraph (C)(ii) equal to more than 15 percent (except as provided in clause (vii)) of the wheat acreage of the farm for the crop to conservation uses (except as provided in subparagraph (E))—

"(I) the portion of the maximum payment acres of the farm in excess of 15 percent (except as provided in clause (vii)) of the acreage devoted to conservation uses (except as provided in subparagraph (E)) shall be considered to be planted to wheat for the purpose of determining the acreage on the farm required to be devoted to conservation uses in accordance with subsection (e)(2)(D); and

"(II) the producers shall be eligible for payments under this paragraph with respect to the acreage.

"(ii) DEFICIENCY PAYMENTS.—Notwithstanding any other provision of this section, any producers on a farm who devote a portion of the maximum payment acres of the farm for wheat to conservation uses (or other uses as provided in subparagraph (E)) under this subparagraph shall receive deficiency payments on the acreage that is considered to be planted to wheat and eligible for payments under this subparagraph for the crop at a per-bushel rate established by the Secretary, except that the rate may not be established at less than the projected deficiency payment rate for the crop, as determined by the Secretary. The projected payment rate for the crop shall be announced by the Secretary prior to the period during which wheat producers may agree to participate in the program for the crop.

"(iii) ADVERSE EFFECT ON AGRIBUSINESS AND OTHER INTERESTS.—The Secretary shall carry out this subparagraph in such a manner as to minimize the adverse effect on agribusiness and other agriculturally related economic interests within any county, State, or region. In carrying out this subparagraph, the Secretary may restrict the total quantity of wheat acreage that may be taken out of production under this subparagraph, taking into consideration the total quantity of acreage that has or will be removed from production under other price support, production adjustment, or conservation program activities. No restrictions on the quantity of acreage that may be taken out of production in accordance with this subparagraph in a crop year shall be imposed in the case of a county in which producers were eligible to receive disaster emergency loans under section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) as a result of a disaster that occurred during the crop year.

"(iv) CROP ACREAGE AND PAYMENT YIELD.—The wheat crop acreage base and wheat farm program payment yield of the farm shall not be reduced because of the fact that a portion of the permitted acreage for wheat for the farm was devoted to conserving uses (except as provided in subparagraph (E)) under this subparagraph.

"(v) LIMITATION.—Other than as provided in clauses (i) through (iv), payments may not be made under this paragraph for any crop on a greater acreage than the acreage actually planted to wheat.

"(vi) CONSERVATION USE ACREAGE UNDER OTHER PROGRAMS.—Any acreage considered to be planted to wheat in accordance with clauses (i) and (iv) may not also be designated as conservation use acreage for the purpose of fulfilling any provision under any acreage limitation or land diversion program requiring that the producers devote a specified quantity of acreage to conservation uses.

"(vii) EXCEPTIONS TO 0/85.—In the case of each of the 1996 through 2002 crops of wheat, producers on a farm shall be eligible to receive deficiency payments as provided in clause (ii) if an acreage limitation program under subsection (e) is in effect for the crop and the producers—

"(I)(aa) have been determined by the Secretary (in accordance with section 503(c)) to be prevented from planting the crop, or to have incurred a reduced yield for the crop, because of a natural disaster; and

"(bb) elect to devote a portion of the maximum payment acres for wheat (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the wheat acreage to conservation uses; or

"(II) elect to devote a portion of the maximum payment acres for wheat (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the wheat acreage, to alternative crops as provided in subparagraph (E).

"(E) ALTERNATIVE CROPS.—

"(i) INDUSTRIAL AND OTHER CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (D) to be devoted to sweet sorghum, guar, castor beans, plantago ovato, triticale, rye, millet, mung beans, commodities for which no substantial domestic production or market exists but that could lead to industrial raw material being imported, or likely to be imported, into the United States, or commodities grown for experimental purposes (including kenaf and milkweed), subject to the following sentence. The Secretary may permit the acreage to be devoted to the production only if the Secretary determines that the production is—

"(I) not likely to increase the cost of the price support program; and

"(II) needed to provide an adequate supply of the commodity, or, in the case of a commodity for which no substantial domestic production or market exists but that could yield industrial raw materials, the production is needed to encourage domestic manufacture of the raw material and could lead to increased industrial use of the raw material to the long-term benefit of United States industry.

"(ii) OILSEEDS.—The Secretary shall permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (D) to be devoted to sunflowers, rapeseed, canola, safflower, flaxseed, mustard seed, sesame, crambe, or other minor oilseeds designated by the Secretary (excluding soybeans). In carrying out this clause, the Secretary shall provide that, to receive payments under subparagraph (D), the producers shall agree to forgo eligibility to receive a loan under section 205 for the crop of any such oilseed produced on the farm.

"(iii) DOUBLE CROPPING.—The Secretary shall permit, subject to such terms and conditions as the Secretary may prescribe, all or any portion of the acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (D) that is devoted to an industrial, oilseed, or other crop pursuant to clause (i) or (ii) to be subsequently planted during the same crop year to any crop described in subparagraph (B), (C), or (D) of section 504(b)(1). The planting of soybeans as the subsequently planted crop shall be limited to farms determined by the Secretary to have an established history of double cropping soybeans during at least 3 of the preceding 5 years. In carrying out this clause, the Secretary shall require producers to agree to forego eligibility to receive loans under this Act for the crop of the subsequently planted crop that is produced on a farm under this clause.

"(2) CROP INSURANCE REQUIREMENT.—As a condition of eligibility for wheat loans, purchases, and payments, the producers on a farm shall obtain catastrophic risk protection insurance coverage in accordance with section 427.

"(d) PAYMENT YIELDS.—The farm program payment yields for farms for each crop of wheat under this section shall be determined under title V.

"(e) ACREAGE REDUCTION PROGRAMS.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—Notwithstanding any other provision of this Act, if the Secretary determines that the total supply of wheat, in the absence of an acreage limitation program, will be excessive taking into account the need for an adequate carry-over to maintain reasonable and stable supplies and prices and to meet a national emergency, the Secretary may provide for any crop of wheat an acreage limitation program as described in paragraph (2).

"(B) AGRICULTURAL RESOURCES CONSERVATION PROGRAM.—In making a determination under subparagraph (A), the Secretary shall take into consideration the number of acres placed in the agricultural resources conservation program established under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.).

"(C) ANNOUNCEMENTS.—If the Secretary elects to implement an acreage limitation program for any crop year, the Secretary shall announce the program not later than the June 1 preceding the calendar year in which the crop is harvested, except that in the case of the 1996 crop, the Secretary shall announce the program as soon as practicable after the date of enactment of the Agricultural Competitiveness Act of 1995.

"(D) ADJUSTMENTS.—Not later than July 31 of the year preceding the year in which the crop is harvested, the Secretary may make adjustments in the program announced under subparagraph (C) if the Secretary determines that there has been a significant change in the total supply of wheat since the program was first announced.

"(E) COMPLIANCE.—As a condition of eligibility for loans, purchases, and payments for any such crop of wheat, except as provided in subsections (f) and (g) and section 504, the producers on a farm shall comply with the terms and conditions of the acreage limitation program and, if applicable, a land diversion program as provided in paragraph (5).

"(F) ACREAGE LIMITATION PROGRAMS.—If the Secretary estimates for a marketing year for the crop that the ratio of ending stocks of wheat to total disappearance of wheat for the preceding marketing year will be—

"(i) more than 40 percent, the Secretary shall provide for an acreage limitation program (as described in paragraph (2)) under which the acreage planted to wheat for harvest on a farm is limited to the wheat crop acreage base for the farm for the crop reduced by not less than 10 percent nor more than 20 percent; or

"(ii) equal to or less than 40 percent, the Secretary may provide for such an acreage limitation program under which the acreage planted to wheat for harvest on a farm is limited to the wheat crop acreage base for the farm for the crop reduced by not more than 15 percent.

"(G) DEFINITION OF TOTAL DISAPPEARANCE.—In this paragraph, the term 'total disappearance' means all wheat utilization, including total domestic, total export, and total residual disappearance.

"(2) ACREAGE LIMITATION PROGRAM.—

"(A) PERCENTAGE REDUCTIONS.—Except as provided in paragraph (3), if a wheat acreage limitation program is announced under paragraph (1), the limitation shall be achieved by applying a uniform percentage reduction (from 0 to 20 percent) to the wheat crop acreage base for the crop for each wheat-producing farm.

"(B) COMPLIANCE.—Except as provided in subsection (g) and section 504, producers who knowingly produce wheat in excess of the permitted acreage for wheat for the farm shall be ineligible for wheat loans, purchases, and payments with respect to the farm.

"(C) CROP ACREAGE BASES.—Wheat crop acreage bases for each crop of wheat shall be determined under title V.

"(D) ACREAGE DEVOTED TO CONSERVATION USES.—

"(i) IN GENERAL.—A number of acres on the farm shall be devoted to conservation uses, in accordance with regulations issued by the Secretary.

"(ii) NUMBER.—The number shall be determined by multiplying the wheat crop acreage base by the percentage reduction required by the Secretary. The number of acres so determined is referred to in this section as 'reduced acreage'. The remaining acreage is referred to in this section as 'permitted acreage'.

"(iii) ADJUSTMENT.—Permitted acreage may be adjusted by the Secretary as provided in paragraph (3) and in section 504.

"(E) INDIVIDUAL FARM PROGRAM ACREAGE.—Except as otherwise provided in subsection (c), the individual farm program acreage shall be the acreage planted on the farm to wheat for harvest within the permitted acreage for wheat for the farm as established under this paragraph.

"(F) PLANTING DESIGNATED CROPS ON REDUCED ACREAGE.—

"(i) DEFINITION OF DESIGNATED CROP.—In this subparagraph, the term 'designated crop' means a crop specified in section 504(b)(1), excluding any program crop as defined in section 502(3).

"(ii) PLANTING DESIGNATED CROPS.—Subject to clause (iii), the Secretary may permit producers on a farm to plant a designated crop on not more than ½ of the reduced acreage on the farm.

"(iii) LIMITATIONS.—If the producers on a farm elect to plant a designated crop on reduced acreage under this subparagraph—

"(I) the amount of the deficiency payment that the producers are otherwise eligible to receive under subsection (c) shall be reduced, for each acre (or portion of an acre) that is planted to the designated crop, by an amount equal to the deficiency payment that would be made with respect to a number of acres of the crop that the Secretary considers appropriate, except that if the producers on the farm are participating in a program established for more than 1 program crop, the amount of the reduction shall be determined by prorating the reduction based on the acreage planted or considered planted on the farm to all of the program crops; and

"(II) the Secretary shall ensure that reductions in deficiency payments under subclause (I) are sufficient to ensure that this subparagraph will result in no additional cost to the Commodity Credit Corporation.

"(3) TARGETED OPTION PAYMENTS.—

"(A) IN GENERAL.—Notwithstanding any other provision of this section, if the Secretary implements an acreage limitation program with respect to any of the 1996 through 2002 crops of wheat, the Secretary may make available to producers on a farm adjustments in the level of deficiency payments that would otherwise be made available to the producers if the producers exercise the payment options provided in this paragraph.

"(B) PAYMENT OPTIONS.—If the Secretary elects to carry out this paragraph, the Secretary shall make the payment options specified in subparagraphs (C) and (D) available to producers who agree to make adjustments in the quantity of acreage diverted from the production of wheat under an acreage limitation program in accordance with this paragraph.

"(C) INCREASED ACREAGE LIMITATION OPTION.—

"(i) INCREASE IN ESTABLISHED PRICE.—If the Secretary elects to carry out this paragraph, the producers on a farm shall be eligible to receive an increase in the established price for wheat in accordance with clause (ii) if the producers agree to an increase in the acreage limitation percentage to be applied to the wheat acreage base of the producers above the acreage limitation percentage announced by the Secretary.

"(ii) METHOD OF CALCULATION.—For the purposes of calculating deficiency payments to be made available to producers who participate in the program under this paragraph, the Secretary shall increase the established price for wheat by an amount determined by the Secretary of not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point increase in the acreage limitation percentage applied to the wheat acreage base of the producers.

"(iii) LIMITATION.—The acreage limitation percentage to be applied to the wheat acreage base of the producers shall not be increased by more than 15 percentage points above the acreage limitation percentage announced by the Secretary for the crop or above 25 percent total for the crop.

"(D) DECREASED ACREAGE LIMITATION OPTION.—

"(i) DECREASE IN ACREAGE LIMITATION REQUIREMENT.—If the Secretary elects to carry out this paragraph, the producers on a farm shall be eligible to decrease the acreage limitation percentage applicable to the wheat acreage base of the producers (as announced by the Secretary) if the producers agree to a decrease in the established price for wheat in accordance with clause (ii) for the purpose of calculating deficiency payments to be made available to the producers.

"(ii) METHOD OF CALCULATION.—For the purposes of calculating deficiency payments to be made available to producers who choose the option established under this subparagraph, the Secretary shall decrease the established price for wheat by an amount to be determined by the Secretary of not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point decrease in the acreage limitation percentage applied to the wheat acreage base of the producers.

"(iii) LIMITATION.—The producers on a farm may not choose to decrease the acreage limitation percentage applicable to the wheat acreage base of the producers under this paragraph by more than ½ of the announced acreage limitation percentage.

"(E) PARTICIPATION AND PRODUCTION EFFECTS.—Notwithstanding any other provision of this paragraph, the Secretary shall, to the extent practicable, ensure that the program provided for in this paragraph does not have a significant effect on participation in the program established by this section or total production and is offered in such a manner that the Secretary determines will result in no additional budget outlays. The Secretary shall provide an analysis of the determination of the Secretary to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(4) ADMINISTRATION.—

"(A) PROTECTION FROM WEEDS AND EROSION.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall ensure protection of the acreage from weeds and wind and water erosion.

"(B) CONSERVING CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the acreage to be devoted to sweet sorghum, guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, mung beans, milkweed, or other commodity, if the Secretary determines that the production is needed to provide an adequate supply of the commodity, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(C) HAYING AND GRAZING.—

"(i) IN GENERAL.—Except as provided in clause (ii), haying and grazing of reduced acreage and acreage diverted from production under a land diversion program established under this subsection shall be permitted, except during any consecutive 5-month period that is established by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. The 5-month period shall be established during the period beginning April 1, and ending October 31, of a year.

"(ii) NATURAL DISASTERS.—In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on the acreage. The Secretary may not exclude irrigated or irrigable acreage not planted to alfalfa when exercising the authority under this clause.

"(D) WATER STORAGE USES.—

"(i) IN GENERAL.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall provide that land that has been converted to water storage uses shall be considered to be devoted to conservation uses if the land was devoted to wheat, feed grains, cotton, rice, or oilseeds in at least 3 of the immediately preceding 5 crop years. The land shall be considered to be devoted to conservation uses for the period that the land remains in water storage uses, but not to exceed 5 crop years subsequent to the conversion of the land to water storage uses.

"(ii) LIMITATIONS.—Land converted to water storage uses for the purposes of this subparagraph may not be devoted to any commercial use, including commercial fish production. The water stored on the land may not be ground water. The farm on which the land is located must have been irrigated with ground water during at least 1 of the preceding 5 crop years.

"(E) SUMMER FALLOW.—In determining the quantity of land to be devoted to conservation uses under an acreage limitation program with respect to land that has been farmed under summer fallow practices, as defined by the Secretary, the Secretary shall consider the effects of soil erosion and such other factors as the Secretary considers appropriate.

"(5) LAND DIVERSION PAYMENTS.—

"(A) IN GENERAL.—The Secretary may make land diversion payments to producers of wheat, whether or not an acreage limitation program for wheat is in effect, if the Secretary determines that the land diversion payments are necessary to assist in adjusting the total national acreage of wheat to desirable goals. The land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with the producers.

"(B) AMOUNTS.—The amounts payable to producers under land diversion contracts may be determined through the submission of bids for the contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

"(C) LIMITATION ON DIVERTED ACREAGE.—The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(6) CONSERVATION PRACTICES.—

"(A) WILDLIFE FOOD PLOTS OR HABITAT.—The reduced acreage and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out this subparagraph.

"(B) SOIL AND WATER CONSERVATION PRACTICES.—The Secretary may pay an appropriate share of the cost of approved soil and water conservation practices (including practices that may be effective for a number of years) established by the producers on a farm on acreage required to be devoted to conservation uses or on additional diverted acreage.

"(C) PUBLIC ACCESSIBILITY.—The Secretary may provide for an additional payment on the acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producers on a farm agree to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable Federal and State regulations.

"(7) PARTICIPATION AGREEMENTS.—

"(A) IN GENERAL.—Producers on a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for the participation with respect to a crop year not later than such date as the Secretary may prescribe.

"(B) MODIFICATION OR TERMINATION.—The Secretary may, by mutual agreement with producers on a farm, modify or terminate any such agreement if the Secretary determines the action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities. The Secretary may modify the agreement under this subparagraph for the purpose of alleviating a shortage in the supply of agricultural commodities only if there has been a significant change in the estimated stocks of the commodity since the Secretary announced the final terms and conditions of the program for the crop of wheat.

"(8) SPECIAL OATS PLANTINGS.—In the case of a crop year for which the Secretary determines that projected domestic production of oats will not fulfill the projected domestic demand for oats, notwithstanding paragraphs (1) through (7), the Secretary—

"(A) may provide that any reduced acreage may be planted to oats for harvest;

"(B) may make program benefits (including loans, purchases, and payments) available under the annual program for oats under section 105B available to producers with respect to acreage planted to oats under this paragraph; and

"(C) shall not make program benefits other than the benefits specified in subparagraph (B) available to producers with respect to acreage planted to oats under this paragraph.

"(f) INVENTORY REDUCTION PAYMENTS.—

"(1) IN GENERAL.—The Secretary may make payments available to producers on a farm who meet the requirements of this subsection.

"(2) FORM.—The payments may be made in the form of marketing certificates.

"(3) PAYMENTS.—Payments under this subsection shall be determined in the manner provided in subsection (b).

"(4) ELIGIBILITY.—The producers on a farm shall be eligible to receive a payment under this subsection for a crop if the producers—

"(A) agree to forgo obtaining a loan or purchase agreement under subsection (a);

"(B) agree to forgo receiving payments under subsection (c);

"(C) do not plant wheat for harvest in excess of the crop acreage base reduced by ½ of any acreage required to be diverted from production under subsection (e); and

"(D) otherwise comply with this section.

"(g) PILOT VOLUNTARY PRODUCTION LIMITATION PROGRAM.—

"(1) IN GENERAL.—Effective for each of the 1996 through 2002 crops, if a wheat acreage limitation program or a land diversion program is announced under subsection (e) for a crop, the Secretary may carry out a pilot program in at least 15 counties in at least 2 States where producers express an interest in participating in the pilot program. Under the pilot program, the producers on a farm shall be considered to have met the requirements of the acreage limitation or land diversion program if the producers meet the requirements of the voluntary production limitation program established under this subsection.

"(2) LIMITATION ON MARKETING.—To comply with the voluntary production limitation program, the producers on a farm must agree not to market, barter, donate, or use on the farm (including use as feed for livestock) in a marketing year a quantity of wheat in excess of the wheat production limitation quantity for the farm for the marketing year.

"(3) PRODUCTION LIMITATION QUANTITY.—For purposes of this subsection, the wheat production limitation quantity for a farm for a marketing year for a crop shall equal the product obtained by multiplying—

"(A) the acreage permitted to be planted to wheat under the acreage reduction program or land diversion program in effect for the crop for the farm; and

"(B) the greater of—

"(i) the farm program payment yield for the farm; and

"(ii) the average of the yield per harvested acre for wheat for the farm for each of the 5 crop years immediately preceding the crop year during which the producers first participate in the program established under this subsection, excluding the crop years with the highest and lowest yield per harvested acre and any crop year in which the commodity was not planted on the farm.

"(4) TERMS AND CONDITIONS.—Producers on a farm who elect to participate in the program established under this subsection for a crop of wheat shall—

"(A) enter into an agreement with the Secretary providing that the producers shall comply with the program for the crop;

"(B) not plant program commodities for harvest in a quantity in excess of the sum of the crop acreage bases for the farm; and

"(C) be considered to have complied with the terms and conditions of the wheat acreage reduction program or land diversion program for the crop, even though the acreage planted to wheat on the farm exceeds the permitted acreage provided under the acreage reduction or land diversion program.

"(5) EXCESS PRODUCTION.—

"(A) IN GENERAL.—Any quantity of wheat produced in a crop year on a farm in excess of the production limitation quantity for the farm may be stored by the producers for a period of not to exceed 5 marketing years and may be used only in accordance with this paragraph.

"(B) MARKETING IN SUBSEQUENT YEAR.—

"(i) PARTICIPANTS IN PROGRAM.—Producers on a farm who are participating in the program established under this subsection may market, barter, or use a quantity of the excess wheat referred to in subparagraph (A) equal to the difference between the production limitation quantity for the farm for the crop year subsequent to the crop year in which the excess wheat is produced less the quantity of wheat produced on the farm during the crop year.

"(ii) PARTICIPANTS IN ACREAGE REDUCTION PROGRAM.—Producers on a farm who are participating in the program established under this subsection may market, barter, or use a quantity of the excess wheat referred to in subparagraph (A) in an amount that reflects the quantity of wheat that would be expected to be produced on acreage that the producers agree to devote to approved conservation uses (in excess of any acreage reduction or land diversion requirements) during a crop year, as determined by the Secretary.

"(6) DUTIES OF SECRETARY.—In carrying out the pilot program established under this subsection, the Secretary—

"(A) shall issue such regulations as are necessary to carry out the program;

"(B) may establish increased acreage reduction or land diversion requirements with respect to producers who have had excess wheat production in order to allow the producers to market, barter, or use the production in subsequent years;

"(C) shall take appropriate measures designed to prevent the circumvention of the program established under this subsection, including the imposition of penalties;

"(D) may require producers who participate in the program for a crop, but who fail to comply with the terms and conditions of the program, to refund all or a part of any deficiency payments received with respect to the crop;

"(E) may require the forfeiture to the Commodity Credit Corporation of any wheat that is produced in excess of the production limitation quantity and that is not marketed, bartered, or used within 5 marketing years; and

"(F) shall ensure equitable treatment for producers who participate in the pilot program if the Secretary allows increases (based on actual production levels) in the determination of farm program payment yields for wheat for the farm.

"(7) REPORT.—

"(A) IN GENERAL.—The Comptroller General shall prepare a report that evaluates the pilot program carried out under this subsection.

"(B) SUBMISSION.—The Comptroller General shall submit a copy of the report required by subparagraph (A) to the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, and the Secretary.

"(h) EQUITABLE RELIEF.—

"(1) LOANS, PURCHASES, AND PAYMENTS.—If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, notwithstanding the failure, make the loans, purchases, and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of the program in determining whether equitable relief is warranted under this paragraph.

"(2) DEADLINES AND PROGRAM REQUIREMENTS.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet the other requirements does not affect adversely the operation of the program.

"(i) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(j) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(k) ASSIGNMENT OF PAYMENTS.—Section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) shall apply to payments made under this section.

"(l) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(m) TENANTS AND SHARECROPPERS.—In carrying out this section, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(n) CROSS-COMPLIANCE.—

"(1) IN GENERAL.—Compliance on a farm with the terms and conditions of any other commodity program, or compliance with crop acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans, purchases, or payments under this section.

"(2) COMPLIANCE ON OTHER FARMS.—The Secretary may not require producers on a farm, as a condition of eligibility for loans, purchases, or payments under this section for the farm, to comply with the terms and conditions of the wheat program with respect to any other farm operated by the producers.

"(o) PUBLIC COMMENT ON WHEAT PROGRAM.—

"(1) IN GENERAL.—To ensure that producers and consumers of wheat are provided with reasonable opportunity to comment on the annual program determinations concerning the price support and acreage reduction program for each of the 1997 through 2002 crops of wheat, the Secretary shall request public comment regarding the wheat program in accordance with this subsection.

"(2) OPTIONS.—Not less than 60 days before the program is announced for a crop of wheat under this section, the Secretary shall propose for public comment various program options for the crop of wheat.

"(3) ANALYSES.—Each option proposed by the Secretary shall be accompanied by an analysis that includes the estimated planted acreage, production, domestic and export use, ending stocks, season average producer price, program participation rate, and cost to the Federal Government that would likely result from the option.

"(4) ESTIMATES.—In announcing the program for a crop of wheat under this section, the Secretary shall include an estimate of the planted acreage, production, domestic and export use, ending stocks, season average producer price, program participation rate, and cost to the Federal Government that is expected to result from the program as announced.

"(p) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of wheat.".

SEC. 102. NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS.

Sections 379d through 379j of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379d–1379j) shall not be applicable to wheat processors or exporters during the period June 1, 1996, through May 31, 2003.

SEC. 103. SUSPENSION OF LAND USE, WHEAT MARKETING ALLOCATION, AND PRODUCER CERTIFICATE PROVISIONS.

Sections 331 through 339, 379b, and 379c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1331 through 1339, 1379b, and 1379c) shall not be applicable to the 1996 through 2002 crops of wheat.

SEC. 104. SUSPENSION OF CERTAIN QUOTA PROVISIONS.

The joint resolution entitled "A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended", approved May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1996 through 2002.

SEC. 105. NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949.

Section 107 of the Agricultural Act of 1949 (7 U.S.C. 1445a) shall not be applicable to the 1996 through 2002 crops of wheat.

TITLE II—FEED GRAINS

SEC. 201. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1996 THROUGH 2002 CROPS OF FEED GRAINS.

Section 105B of the Agricultural Act of 1949 (7 U.S.C. 1444f) is amended to read as follows:

"SEC. 105B. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1996 THROUGH 2002 CROPS OF FEED GRAINS.

"(a) LOANS AND PURCHASES.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the Secretary shall make available to producers on a farm loans and purchases for each of the 1996 through 2002 crops of corn produced on the farm at such level as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains after taking into consideration the cost of producing corn, supply and demand conditions, and world prices for corn.

"(2) MINIMUM LOAN AND PURCHASE LEVEL.—Except as provided in paragraphs (3) and (4), the loan and purchase level determined under paragraph (1) shall be not less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period, except that the loan and purchase level for a crop determined under this paragraph may not be reduced by more than 5 percent from the level determined for the preceding crop.

"(3) ADJUSTMENTS TO SUPPORT LEVEL.—

"(A) STOCKS TO USE RATIO.— If the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

"(i) equal to or greater than 25 percent, the Secretary may reduce the loan and purchase level for corn for the crop corresponding to the marketing year by an amount not to exceed 10 percent in any year;

"(ii) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan and purchase level for corn for the crop corresponding to the marketing year by an amount not to exceed 5 percent in any year; or

"(iii) less than 12.5 percent the Secretary may not reduce the loan and purchase level for corn for the crop corresponding to the marketing year.

"(B) REPORT TO CONGRESS.—

"(i) IN GENERAL.—If the Secretary adjusts the level of loans and purchases for corn under subparagraph (A), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report—

"(I) certifying the adjustment as necessary to prevent the accumulation of stocks and to retain market share; and

"(II) containing a description of the need for the adjustment.

"(ii) EFFECTIVE DATE OF ADJUSTMENT.—The adjustment shall become effective not earlier than 60 calendar days after the date of submission of the report to the Committees, except that in the case of the 1996 crop of feed grains, the adjustment shall become effective on the date of submission of the report.

"(C) COMPETITIVE POSITION.—Notwithstanding subparagraph (A), if the Secretary determines, not later than 60 days prior to the beginning of a marketing year for a crop, that the effective loan rate established for the crop will not maintain a competitive market position for corn, the Secretary may reduce the loan and purchase level for corn for the marketing year by an amount, in addition to any reduction under subparagraph (A), not to exceed 10 percent in any year.

"(D) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan and purchase level for corn under this paragraph shall not be considered in determining the loan and purchase level for corn for subsequent years.

"(E) MINIMUM LOAN RATE.—Notwithstanding subparagraph (A), the loan rate for corn shall not be less than $1.76 per bushel, unless the rate would exceed 80 percent of the 5-year average market price determined under paragraph (2).

"(4) MARKETING LOANS.—

"(A) IN GENERAL.—The Secretary shall permit the producers on a farm to repay a loan made under this subsection for a crop at a level (except as provided in subparagraph (C)) that is the lesser of—

"(i) the loan level determined for the crop;

"(ii) the higher of—

"(I) 70 percent of the level; and

"(II) if the loan level for a crop was reduced under paragraph (3), 70 percent of the loan level that would have been in effect but for the reduction under paragraph (3); and

"(iii) the prevailing world market price for feed grains (adjusted to United States quality and location), as determined by the Secretary.

"(B) PREVAILING WORLD MARKET PRICE.—The Secretary shall prescribe by regulation—

"(i) a formula to determine the prevailing world market price for feed grains, adjusted to United States quality and location; and "(ii) a mechanism by which the Secretary shall announce periodically the prevailing world market price for feed grains.

"(C) ALTERNATIVE REPAYMENT RATES.—For each of the 1996 through 2002 crops of feed grains, if the world market price for feed grains (adjusted to United States quality and location), as determined by the Secretary, is less than the loan level determined for the crop, the Secretary may permit the producers on a farm to repay a loan made under this subsection for a crop at such level (not in excess of the loan level determined for the crop) as the Secretary determines will—

"(i) minimize potential loan forfeitures;

"(ii) minimize the accumulation of feed grain stocks by the Federal Government;

"(iii) minimize the cost incurred by the Federal Government in storing feed grains; and

"(iv) allow feed grains produced in the United States to be marketed freely and competitively, both domestically and internationally.

"(5) SIMPLE AVERAGE PRICE.—For purposes of this section, the simple average price received by producers for the immediately preceding marketing year shall be based on the latest information available to the Secretary at the time of the determination.

"(6) OTHER FEED GRAINS.—The Secretary shall make available to producers loans and purchases for each of the 1996 through 2002 crops of grain sorghums, barley, oats, and rye, respectively, produced on the farm at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of the commodity in relation to corn and other factors specified in section 401(b).

"(b) LOAN DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—For each of the 1996 through 2002 crops of feed grains, the Secretary may make payments (referred to in this section as 'loan deficiency payments') available to producers who, although eligible to obtain a loan or an agreement for purchase under subsection (a), agree to forgo obtaining the loan or agreement in return for payments under this subsection.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; and

"(B) the quantity of feed grains the producers on a farm are eligible to place under loan (or obtain a purchase agreement) but for which the producers forgo obtaining the loan or agreement in return for payments under this subsection.

"(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan level determined for the crop under subsection (a); exceeds

"(B) the level at which a loan may be repaid under subsection (a).

"(c) PAYMENTS.—

"(1) DEFICIENCY PAYMENTS.—

"(A) IN GENERAL.—The Secretary shall make available to producers payments (referred to in this section as 'deficiency payments') for each of the 1996 through 2002 crops of corn, grain sorghums, oats, and barley, in an amount computed by multiplying—

"(i) the payment rate;

"(ii) the payment acres for the crop; and

"(iii) the farm program payment yield established for the crop for the farm.

"(B) PAYMENT RATE.—

"(i) IN GENERAL.—The payment rate for each of the 1996 through 2002 crops of corn, grain sorghums, oats, and barley shall be the amount by which the established price for the respective crop of feed grains exceeds the higher of—

"(I) the lesser of—

"(aa) the national weighted average market price received by producers during the marketing year for the crop, as determined by the Secretary; and

"(bb) the national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary, plus 7 cents per bushel; and

"(II) the loan level determined for the crop, prior to any adjustment made under subsection (a)(3) for the marketing year for the respective crop of feed grains.

"(ii) MINIMUM ESTABLISHED PRICES.—

"(I) CORN.—The established price for corn shall not be less than $2.75 per bushel for each of the 1996 through 2002 crops of corn.

"(II) OATS.—The established price for oats shall be such price as the Secretary determines is fair and reasonable in relation to the established price for corn, but not less than $1.45 per bushel.

"(III) GRAIN SORGHUMS.—The established price for each of the 1996 through 2002 crops of grain sorghums shall not be less than $2.61 per bushel.

"(IV) BARLEY.—

"(aa) IN GENERAL.—The established price for barley shall be such price as the Secretary determines is fair and reasonable in relation to the established price for corn, taking into consideration the various feed and food uses for barley. The established price for barley shall not be less than 85.8 percent of the established price for corn.

"(bb) BARLEY CALCULATIONS.—The Secretary shall, for purposes of determining the payment rate for barley under clauses (i) and (ii) and subparagraph (D)(ii), use the national weighted average market price received by producers of barley sold primarily for feed purposes.

"(cc) ADVANCE PAYMENTS.—In the case of the 1996 crop of barley, the Secretary shall, for purposes of determining any advance deficiency payment made to the producers of barley under section 114, use the national weighted average market price received by producers for all barley, as determined by the Secretary.

"(dd) EQUITY.—In carrying out this subsection, the Secretary shall make available to producers of the 1996 crop of barley, notwithstanding the method of calculation or the amount of the advance deficiency payment, the total amount of payments as calculated under item (bb).

"(C) PAYMENT ACRES.—Payment acres for a crop shall be the lesser of—

"(i) the number of acres planted to the crop for harvest within the permitted acreage (as defined in subsection (e)(2)(D)(ii)); or

"(ii) 75 percent of the crop acreage base for the crop for the farm less the quantity of reduced acreage (as defined in subsection (e)(2)(D)(ii)).

"(D) EMERGENCY COMPENSATION.—

"(i) IN GENERAL.—Notwithstanding subparagraphs (A) through (C), if the Secretary adjusts the level of loans and purchases for feed grains under subsection (a)(3), the Secretary shall provide emergency compensation to producers by increasing the deficiency payments for feed grains by such amount as the Secretary determines is necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been made.

"(ii) CALCULATION.—In determining the payment rate, per bushel, for emergency compensation payments for a crop of feed grains under this subparagraph, the Secretary shall use the national weighted average market price, per bushel of feed grains, received by producers during the marketing year for the crop, as determined by the Secretary.

"(E) 0/85 PROGRAM.—

"(i) IN GENERAL.—If an acreage limitation program under subsection (e)(2) is in effect for a crop of feed grains and the producers on a farm devote a portion of the maximum payment acres of the farm for feed grains as calculated under subparagraph (C)(ii) equal to 15 percent (except as provided in clause (vii)) of the feed grain acreage of the farm for the crop to conservation uses (except as provided in subparagraph (F))—

"(I) the portion of the maximum payment acres of the farm in excess of 15 percent (except as provided in clause (vii)) of the acreage devoted to conservation uses (except as provided in subparagraph (F)) shall be considered to be planted to feed grains for the purpose of determining the acreage on the farm required to be devoted to conservation uses in accordance with subsection (e)(2)(D); and

"(II) the producers shall be eligible for payments under this paragraph with respect to the acreage.

"(ii) DEFICIENCY PAYMENTS.—Notwithstanding any other provision of this section, any producers on a farm who devote a portion of the maximum payment acres of the farm for feed grains to conservation uses (or other uses as provided in subparagraph (F)) under this subparagraph shall receive deficiency payments on the acreage that is considered to be planted to feed grains and eligible for payments under this subparagraph for the crop at a per-bushel rate established by the Secretary, except that the rate may not be established at less than the projected deficiency payment rate for the crop, as determined by the Secretary. The projected payment rate for the crop shall be announced by the Secretary prior to the period during which feed grain producers may agree to participate in the program for the crop.

"(iii) ADVERSE EFFECT ON AGRIBUSINESS AND OTHER INTERESTS.—The Secretary shall carry out this subparagraph in such a manner as to minimize the adverse effect on agribusiness and other agriculturally related economic interests within any county, State, or region. In carrying out this subparagraph, the Secretary may restrict the total quantity of feed grain acreage that may be taken out of production under this subparagraph, taking into consideration the total quantity of acreage that has or will be removed from production under other price support, production adjustment, or conservation program activities. No restrictions on the quantity of acreage that may be taken out of production in accordance with this subparagraph in a crop year shall be imposed in the case of a county in which producers were eligible to receive disaster emergency loans under section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) as a result of a disaster that occurred during the crop year.

"(iv) CROP ACREAGE AND PAYMENT YIELD.—The feed grain crop acreage base and feed grain farm program payment yield of the farm shall not be reduced because of the fact that a portion of the permitted acreage for feed grains for the farm was devoted to conserving uses (except as provided in subparagraph (F)) under this subparagraph.

"(v) LIMITATION.—Other than as provided in clauses (i) through (iv), payments may not be made under this paragraph for any crop on a greater acreage than the acreage actually planted to feed grains.

"(vi) CONSERVATION USE ACREAGE UNDER OTHER PROGRAMS.—Any acreage considered to be planted to feed grains in accordance with clauses (i) and (iv) may not also be designated as conservation use acreage for the purpose of fulfilling any provision under any acreage limitation or land diversion program requiring that the producers devote a specified quantity of acreage to conservation uses.

"(vii) EXCEPTIONS TO 0/85.—In the case of each of the 1996 through 2002 crops of feed grains, producers on a farm shall be eligible to receive deficiency payments as provided in clause (ii) if an acreage limitation program under subsection (e) is in effect for the crop and the producers—

"(I)(aa) have been determined by the Secretary (in accordance with section 503(c)) to be prevented from planting the crop, or have incurred a reduced yield for the crop because of a natural disaster; and

"(bb) elect to devote a portion of the maximum payment acres for feed grains (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the feed grain acreage, to conservation uses; or

"(II) elect to devote a portion of the maximum payment acres for feed grains (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the feed grain acreage, to alternative crops as provided in subparagraph (F).

"(F) ALTERNATIVE CROPS.—

"(i) INDUSTRIAL AND OTHER CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (E) to be devoted to sweet sorghum, guar, castor beans, plantago ovato, triticale, rye, millet, mung beans, commodities for which no substantial domestic production or market exists but that could lead to industrial raw material being imported, or likely to be imported, into the United States, or commodities grown for experimental purposes (including kenaf and milkweed), subject to the following sentence. The Secretary may permit the acreage to be devoted to the production only if the Secretary determines that the production is—

"(I) not likely to increase the cost of the price support program; and

"(II) needed to provide an adequate supply of the commodity, or, in the case of a commodity for which no substantial domestic production or market exists but that could yield industrial raw materials, the production is needed to encourage domestic manufacture of the raw material and could lead to increased industrial use of the raw material to the long-term benefit of United States industry.

"(ii) OILSEEDS.—The Secretary shall permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (E) to be devoted to sunflowers, rapeseed, canola, safflower, flaxseed, mustard seed, sesame, crambe, or other minor oilseeds designated by the Secretary (excluding soybeans). In carrying out this clause, the Secretary shall provide that, to receive payments under subparagraph (E), the producers shall agree to forgo eligibility to receive a loan under section 205 for the crop of any such oilseed produced on the farm.

"(iii) DOUBLE CROPPING.—The Secretary shall permit, subject to such terms and conditions as the Secretary may prescribe, all or any portion of the acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (E) that is devoted to an industrial, oilseed, or other crop pursuant to clause (i) or (ii) to be subsequently planted during the same crop year to any crop described in subparagraph (B), (C), or (D) of section 504(b)(1). The planting of soybeans as the subsequently planted crop shall be limited to farms determined by the Secretary to have an established history of double cropping soybeans during at least 3 of the preceding 5 years. In carrying out this clause, the Secretary shall require producers to agree to forego eligibility to receive loans under this Act for the crop of the subsequently planted crop that is produced on a farm under this clause.

"(2) CROP INSURANCE REQUIREMENT.—As a condition of eligibility for feed grain loans, purchases, and payments, the producers on a farm shall obtain catastrophic risk protection insurance coverage in accordance with section 427.

"(d) PAYMENT YIELDS.—The farm program payment yields for farms for each crop of feed grains under this section shall be determined under title V.

"(e) ACREAGE REDUCTION PROGRAMS.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—Notwithstanding any other provision of this Act, if the Secretary determines that the total supply of corn, grain sorghum, barley, or oats, in the absence of an acreage limitation program, will be excessive taking into account the need for an adequate carry-over to maintain reasonable and stable supplies and prices and to meet a national emergency, the Secretary may provide for any crop of corn, grain sorghum, barley, or oats an acreage limitation program as described in paragraph (2).

"(B) AGRICULTURAL RESOURCES CONSERVATION PROGRAM.—In making a determination under subparagraph (A), the Secretary shall take into consideration the number of acres placed in the agricultural resources conservation program established under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.).

"(C) ANNOUNCEMENTS.—If the Secretary elects to implement an acreage limitation program for any crop year, the Secretary shall announce the program not later than the September 30 preceding the calendar year in which the crop is harvested, except that in the case of the 1996 crop, the Secretary shall announce the program as soon as practicable after the date of enactment of the Food, Agriculture, Conservation, and Trade Act of 1995.

"(D) ADJUSTMENTS.—Not later than November 15 of the year preceding the year in which the crop is harvested, the Secretary may make adjustments in the program announced under subparagraph (C) if the Secretary determines that there has been a significant change in the total supply of feed grains since the program was first announced.

"(E) COMPLIANCE.—As a condition of eligibility for loans, purchases, and payments for any such crop of feed grains, except as provided in subsections (f) and (g) and section 504, the producers on a farm shall comply with the terms and conditions of the acreage limitation program and, if applicable, a land diversion program as provided in paragraph (5).

"(F) ACREAGE LIMITATION PROGRAMS.—If the Secretary estimates for a marketing year for the crop that the ratio of ending stocks of corn to total disappearance of corn for the preceding marketing year will be—

"(i) more than 25 percent, the Secretary shall provide for an acreage limitation program (as described in paragraph (2)) under which the acreage planted to corn for harvest on a farm is limited to the corn crop acreage base for the farm for the crop reduced by not less than 10 percent nor more than 20 percent; or

"(ii) equal to or less than 25 percent, the Secretary may provide for such an acreage limitation program under which the acreage planted to corn for harvest on a farm is limited to the corn crop acreage base for the farm for the crop reduced by not more than 12.5 percent.

"(G) DEFINITION OF TOTAL DISAPPEARANCE.—In this paragraph, the term 'total disappearance' means all corn utilization, including total domestic, total export, and total residual disappearance.

"(H) ACREAGE LIMITATION PROGRAM FOR 1996 THROUGH 2002 CROPS OF OATS.—In the case of each of the 1996 through 2002 crops of oats, the Secretary shall provide for an acreage limitation program (as described in paragraph (2)) under which the acreage planted to oats for harvest on a farm would be limited to the oat crop acreage base for the farm for the crop reduced by not more than 0 percent.

"(2) ACREAGE LIMITATION PROGRAM.—

"(A) PERCENTAGE REDUCTIONS.—Except as provided in paragraph (3), if a feed grain acreage limitation program is announced under paragraph (1), the limitation shall be achieved by applying a uniform percentage reduction (from 0 to 20 percent) to the crop acreage base for corn, grain sorghum, barley, or oats, respectively, for each feed grain-producing farm.

"(B) COMPLIANCE.—Except as provided in subsection (g) and section 504, producers who knowingly produce a feed grain in excess of the respective permitted acreage for feed grains for the farm shall be ineligible for feed grain loans, purchases, and payments with respect to the farm.

"(C) CROP ACREAGE BASES.—Feed grain crop acreage bases for each crop of feed grains shall be determined under title V.

"(D) ACREAGE DEVOTED TO CONSERVATION USES.—

"(i) IN GENERAL.—A number of acres on the farm shall be devoted to conservation uses, in accordance with regulations issued by the Secretary.

"(ii) NUMBER.—The number shall be determined by multiplying the respective feed grain crop acreage base by the percentage reduction required by the Secretary. The number of acres so determined is referred to in this section as 'reduced acreage'. The remaining acreage is referred to in this section as 'permitted acreage'.

"(iii) ADJUSTMENT.—Permitted acreage may be adjusted by the Secretary as provided in paragraph (3) and in section 504.

"(E) INDIVIDUAL FARM PROGRAM ACREAGE.—Except as otherwise provided in subsection (c), the individual farm program acreage shall be the acreage planted on the farm to feed grains for harvest within the permitted acreage for feed grains for the farm as established under this paragraph.

"(F) PLANTING DESIGNATED CROPS ON REDUCED ACREAGE.—

"(i) DEFINITION OF DESIGNATED CROP.—In this subparagraph, the term 'designated crop' means a crop specified in section 504(b)(1), excluding any program crop as defined in section 502(3).

"(ii) PLANTING DESIGNATED CROPS.—Subject to clause (iii), the Secretary may permit producers on a farm to plant a designated crop on not more than ½ of the reduced acreage on the farm.

"(iii) LIMITATIONS.—If the producers on a farm elect to plant a designated crop on reduced acreage under this subparagraph—

"(I) the amount of the deficiency payment that the producers are otherwise eligible to receive under subsection (c) shall be reduced, for each acre (or portion of an acre) that is planted to the designated crop, by an amount equal to the deficiency payment that would be made with respect to a number of acres of the crop that the Secretary considers appropriate, except that if the producers on the farm are participating in a program established for more than 1 program crop, the amount of the reduction shall be determined by prorating the reduction based on the acreage planted or considered planted on the farm to all of the program crops; and

"(II) the Secretary shall ensure that reductions in deficiency payments under subclause (I) are sufficient to ensure that this subparagraph will result in no additional cost to the Commodity Credit Corporation.

"(G) EXCEPTION FOR MALTING BARLEY.—The Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for feed grain loans, purchases, and payments to comply with any acreage limitation under this paragraph if the producer has previously produced a malting variety of barley for harvest, plants barley only of an acceptable malting variety for harvest, and meets such other conditions as the Secretary may prescribe. The Secretary shall make an annual determination of whether to exempt the producers from compliance with any acreage limitation under this paragraph and shall announce the determination in the Federal Register.

"(H) CORN AND SORGHUM BASES.—Notwithstanding any other provision of this Act, with respect to each of the 1996 through 2002 crops of corn and grain sorghums—

"(i) the Secretary shall combine the permitted acreages established under subparagraph (D) for a farm for a crop year for corn and grain sorghums;

"(ii) for each crop year, the sum of the acreage planted and considered planted to corn and grain sorghum, as determined by the Secretary under this section and title V, shall be prorated to corn and grain sorghum based on the ratio of the crop acreage base for the individual crop of corn or grain sorghum, as applicable, to the sum of the crop acreage bases for corn and grain sorghum established for each crop year; and

"(iii) for each crop year, the sum of the corn and grain sorghum payment acres, as determined under subsection (c), shall be prorated to corn and grain sorghum based on the ratio of the maximum payment acres for the individual crop of corn or grain sorghum, as applicable, to the sum of the maximum payment acres for corn and grain sorghum established for each crop year.

"(3) TARGETED OPTION PAYMENTS.—

"(A) IN GENERAL.—Notwithstanding any other provision of this section, if the Secretary implements an acreage limitation program with respect to any of the 1996 through 2002 crops of feed grains, the Secretary may make available to producers on a farm who do not receive payments under subsection (c)(1)(E) for the crop on the farm, adjustments in the level of deficiency payments that would otherwise be made available to the producers if the producers exercise the payment options provided in this paragraph.

"(B) PAYMENT OPTIONS.—If the Secretary elects to carry out this paragraph, the Secretary shall make the payment options specified in subparagraphs (C) and (D) available to producers who agree to make adjustments in the quantity of acreage diverted from the production of feed grains under an acreage limitation program in accordance with this paragraph.

"(C) INCREASED ACREAGE LIMITATION OPTION.—

"(i) INCREASE IN ESTABLISHED PRICE.—If the Secretary elects to carry out this paragraph, the producers on a farm shall be eligible to receive an increase in the established price for corn in accordance with clause (ii) if the producers agree to an increase in the acreage limitation percentage to be applied to the corn acreage base of the producers above the acreage limitation percentage announced by the Secretary.

"(ii) METHOD OF CALCULATION.—For the purposes of calculating deficiency payments to be made available to producers who participate in the program under this paragraph, the Secretary shall increase the established price for corn by an amount determined by the Secretary of not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point increase in the acreage limitation percentage applied to the corn acreage base of the producers.

"(iii) LIMITATION.—The acreage limitation percentage to be applied to the corn acreage base of the producers shall not be increased by more than 10 percentage points above the acreage limitation percentage announced by the Secretary for the crop or above 20 percent total for the crop.

"(D) DECREASED ACREAGE LIMITATION OPTION.—

"(i) DECREASE IN ACREAGE LIMITATION REQUIREMENT.—If the Secretary elects to carry out this paragraph, the producers on a farm shall be eligible to decrease the acreage limitation percentage applicable to the corn acreage base of the producers (as announced by the Secretary) if the producers agree to a decrease in the established price for corn in accordance with clause (ii) for the purpose of calculating deficiency payments to be made available to the producers.

"(ii) METHOD OF CALCULATION.—For the purposes of calculating deficiency payments to be made available to producers who choose the option established under this subparagraph, the Secretary shall decrease the established price for corn by an amount to be determined by the Secretary of not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point decrease in the acreage limitation percentage applied to the corn acreage base of the producers.

"(iii) LIMITATION.—The producers on a farm may not choose to decrease the acreage limitation percentage applicable to the corn acreage base of the producers under this paragraph by more than ½ of the announced acreage limitation percentage.

"(E) OTHER FEED GRAINS.—The Secretary shall carry out the program provided for by this paragraph for other feed grains similar to the manner in which the program is implemented for corn.

"(F) PARTICIPATION AND PRODUCTION EFFECTS.—Notwithstanding any other provision of this paragraph, the Secretary shall, to the extent practicable, ensure that the program provided for in this paragraph does not have a significant effect on participation in the program established by this section or total production and is offered in such a manner that the Secretary determines will result in no additional budget outlays. The Secretary shall provide an analysis of the determination of the Secretary to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(4) ADMINISTRATION.—

"(A) PROTECTION FROM WEEDS AND EROSION.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall ensure protection of the acreage from weeds and wind and water erosion.

"(B) CONSERVING CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the acreage to be devoted to sweet sorghum, guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, mung beans, milkweed, or other commodity, if the Secretary determines that the production is needed to provide an adequate supply of the commodity, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(C) HAYING AND GRAZING.—

"(i) IN GENERAL.—Except as provided in clause (ii), haying and grazing of reduced acreage, acreage devoted to a conservation use under subsection (c)(1)(E), and acreage diverted from production under a land diversion program established under this subsection shall be permitted, except during any consecutive 5-month period that is established by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. The 5-month period shall be established during the period beginning April 1, and ending October 31, of a year.

"(ii) NATURAL DISASTERS.—In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on the acreage. The Secretary may not exclude irrigated or irrigable acreage not planted to alfalfa when exercising the authority under this clause.

"(D) WATER STORAGE USES.—

"(i) IN GENERAL.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall provide that land that has been converted to water storage uses shall be considered to be devoted to conservation uses if the land was devoted to wheat, feed grains, cotton, rice, or oilseeds in at least 3 of the immediately preceding 5 crop years. The land shall be considered to be devoted to conservation uses for the period that the land remains in water storage uses, but not to exceed 5 crop years subsequent to the conversion of the land to water storage uses.

"(ii) LIMITATIONS.—Land converted to water storage uses for the purposes of this subparagraph may not be devoted to any commercial use, including commercial fish production. The water stored on the land may not be ground water. The farm on which the land is located must have been irrigated with ground water during at least 1 of the preceding 5 crop years.

"(E) SUMMER FALLOW.—In determining the quantity of land to be devoted to conservation uses under an acreage limitation program with respect to land that has been farmed under summer fallow practices, as defined by the Secretary, the Secretary shall consider the effects of soil erosion and such other factors as the Secretary considers appropriate.

"(5) LAND DIVERSION PAYMENTS.—

"(A) IN GENERAL.—The Secretary may make land diversion payments to producers of feed grains, whether or not an acreage limitation program for feed grains is in effect, if the Secretary determines that the land diversion payments are necessary to assist in adjusting the total national acreage of feed grains to desirable goals. The land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with the producers.

"(B) AMOUNTS.—The amounts payable to producers under land diversion contracts may be determined through the submission of bids for the contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

"(C) LIMITATION ON DIVERTED ACREAGE.—The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(6) CONSERVATION PRACTICES.—

"(A) WILDLIFE FOOD PLOTS OR HABITAT.—The reduced acreage and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out this subparagraph.

"(B) SOIL AND WATER CONSERVATION PRACTICES.—The Secretary may pay an appropriate share of the cost of approved soil and water conservation practices (including practices that may be effective for a number of years) established by the producers on a farm on acreage required to be devoted to conservation uses or on additional diverted acreage.

"(C) PUBLIC ACCESSIBILITY.—The Secretary may provide for an additional payment on the acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producers on a farm agree to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable Federal and State regulations.

"(7) PARTICIPATION AGREEMENTS.—

"(A) IN GENERAL.—Producers on a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for the participation with respect to a crop year not later than such date as the Secretary may prescribe.

"(B) MODIFICATION OR TERMINATION.—The Secretary may, by mutual agreement with producers on a farm, modify or terminate any such agreement if the Secretary determines the action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities. The Secretary may modify the agreement under this subparagraph for the purpose of alleviating a shortage in the supply of agricultural commodities only if there has been a significant change in the estimated stocks of the commodity since the Secretary announced the final terms and conditions of the program for the crop of feed grains.

"(8) SPECIAL OATS PLANTINGS.—In the case of a crop year for which the Secretary determines that projected domestic production of oats will not fulfill the projected domestic demand for oats, notwithstanding paragraphs (1) through (7), the Secretary—

"(A) may provide that any reduced acreage may be planted to oats for harvest;

"(B) may make program benefits (including loans, purchases, and payments) available under the annual program for oats under this section available to producers with respect to acreage planted to oats under this paragraph; and

"(C) shall not make program benefits other than the benefits specified in subparagraph (B) available to producers with respect to acreage planted to oats under this paragraph.

"(f) INVENTORY REDUCTION PAYMENTS.—

"(1) IN GENERAL.—The Secretary may make payments available to producers on a farm who meet the requirements of this subsection.

"(2) FORM.—The payments may be made in the form of marketing certificates.

"(3) PAYMENTS.—Payments under this subsection shall be determined in the same manner as provided in subsection (b).

"(4) ELIGIBILITY.—The producers on a farm shall be eligible to receive a payment under this subsection for a crop if the producers—

"(A) agree to forgo obtaining a loan or purchase agreement under subsection (a);

"(B) agree to forgo receiving payments under subsection (c);

"(C) do not plant feed grains for harvest in excess of the crop acreage base reduced by ½ of any acreage required to be diverted from production under subsection (e); and

"(D) otherwise comply with this section.

"(g) PILOT VOLUNTARY PRODUCTION LIMITATION PROGRAM.—

"(1) IN GENERAL.—Effective for each of the 1996 through 2002 crops, if a feed grain acreage limitation program or a land diversion program is announced under subsection (e) for a crop, the Secretary may carry out a pilot program in at least 15 counties in at least 2 States where producers express an interest in participating in the pilot program. Under the pilot program, the producers on a farm shall be considered to have met the requirements of the acreage limitation or land diversion program if the producers meet the requirements of the voluntary production limitation program established under this subsection.

"(2) LIMITATION ON MARKETING.—To comply with the voluntary production limitation program, the producers on a farm must agree not to market, barter, donate, or use on the farm (including use as feed for livestock) in a marketing year a quantity of feed grains in excess of the feed grain production limitation quantity for the farm for the marketing year.

"(3) PRODUCTION LIMITATION QUANTITY.—For purposes of this subsection, the production limitation quantity for a crop for a farm for a marketing year for a crop shall equal the product obtained by multiplying—

"(A) the acreage permitted to be planted to feed grains under the acreage reduction program or land diversion program in effect for the crop for the farm; and

"(B) the greater of—

"(i) the farm program payment yield for the farm; and

"(ii) the average of the yield per harvested acre for feed grains for the farm for each of the 5 crop years immediately preceding the crop year during which the producers first participate in the program established under this subsection, excluding the crop years with the highest and lowest yield per harvested acre and any crop year in which the commodity was not planted on the farm.

"(4) TERMS AND CONDITIONS.—Producers on a farm who elect to participate in the program established under this subsection for a crop of feed grains shall—

"(A) enter into an agreement with the Secretary providing that the producers shall comply with the program for the crop;

"(B) not plant program commodities for harvest in a quantity in excess of the sum of the crop acreage bases for the farm; and

"(C) be considered to have complied with the terms and conditions of the feed grain acreage reduction program or land diversion program for the crop, even though the acreage planted to feed grains on the farm exceeds the permitted acreage provided under the acreage reduction or land diversion program.

"(5) EXCESS PRODUCTION.—

"(A) IN GENERAL.—Any quantity of feed grains produced in a crop year on a farm in excess of the production limitation quantity for the farm may be stored by the producers for a period of not to exceed 5 marketing years and may be used only in accordance with this paragraph.

"(B) MARKETING IN SUBSEQUENT YEAR.—

"(i) PARTICIPANTS IN PROGRAM.—Producers on a farm who are participating in the program established under this subsection may market, barter, or use a quantity of the excess feed grains referred to in subparagraph (A) equal to the difference between the production limitation quantity for the farm for the crop year subsequent to the crop year in which the excess feed grains are produced less the quantity of feed grains produced on the farm during the crop year.

"(ii) PARTICIPANTS IN ACREAGE REDUCTION PROGRAM.—Producers on a farm who are participating in the program established under this subsection may market, barter, or use a quantity of the excess feed grains referred to in subparagraph (A) in an amount that reflects the quantity of feed grains that would be expected to be produced on acreage that the producers agree to devote to approved conservation uses (in excess of any acreage reduction or land diversion requirements) during a crop year, as determined by the Secretary.

"(6) DUTIES OF SECRETARY.—In carrying out the pilot program established under this subsection, the Secretary—

"(A) shall issue such regulations as are necessary to carry out the program;

"(B) may establish increased acreage reduction or land diversion requirements with respect to producers who have had excess feed grain production in order to allow the producers to market, barter, or use the production in subsequent years;

"(C) shall take appropriate measures designed to prevent the circumvention of the program established under this subsection, including the imposition of penalties;

"(D) may require producers who participate in the program for a crop, but who fail to comply with the terms and conditions of the program, to refund all or a part of any deficiency payments received with respect to the crop;

"(E) may require the forfeiture to the Commodity Credit Corporation of any feed grains that are produced in excess of the production limitation quantity and that are not marketed, bartered, or used within 5 marketing years; and

"(F) shall ensure equitable treatment for producers who participate in the pilot program if the Secretary allows increases (based on actual production levels) in the determination of farm program payment yields for feed grains for the farm.

"(7) REPORT.—

"(A) IN GENERAL.—The Comptroller General shall prepare a report that evaluates the pilot program carried out under this subsection.

"(B) SUBMISSION.—The Comptroller General shall submit a copy of the report required by subparagraph (A) to the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, and the Secretary.

"(h) EQUITABLE RELIEF.—

"(1) LOANS, PURCHASES, AND PAYMENTS.—If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, notwithstanding the failure, make the loans, purchases, and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of the program in determining whether equitable relief is warranted under this paragraph.

"(2) DEADLINES AND PROGRAM REQUIREMENTS.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet the other requirements does not affect adversely the operation of the program.

"(i) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(j) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(k) ASSIGNMENT OF PAYMENTS.—Section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) shall apply to payments made under this section.

"(l) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(m) TENANTS AND SHARECROPPERS.—In carrying out this section, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(n) CROSS-COMPLIANCE.—

"(1) IN GENERAL.—Compliance on a farm with the terms and conditions of any other commodity program, or compliance with crop acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans, purchases, or payments under this section.

"(2) COMPLIANCE ON OTHER FARMS.—The Secretary may not require producers on a farm, as a condition of eligibility for loans, purchases, or payments under this section for the farm, to comply with the terms and conditions of the feed grains program with respect to any other farm operated by the producers.

"(o) PUBLIC COMMENT ON FEED GRAINS PROGRAM.—

"(1) IN GENERAL.—To ensure that producers and consumers of feed grains are provided with reasonable opportunity to comment on the annual program determinations concerning the price support and acreage reduction program for each of the 1997 through 2002 crops of feed grains, the Secretary shall request public comment regarding the feed grains program in accordance with this subsection.

"(2) OPTIONS.—Not less than 60 days before the program is announced for a crop of feed grains under this section, the Secretary shall propose for public comment various program options for the crop of feed grains.

"(3) ANALYSES.—Each option proposed by the Secretary shall be accompanied by an analysis that includes the estimated planted acreage, production, domestic and export use, ending stocks, season average producer price, program participation rate, and cost to the Federal Government that would likely result from the option.

"(4) ESTIMATES.—In announcing the program for a crop of feed grains under this section, the Secretary shall include an estimate of the planted acreage, production, domestic and export use, ending stocks, season average producer price, program participation rate, and cost to the Federal Government that is expected to result from the program as announced.

"(p) MALTING BARLEY.—

"(1) ASSESSMENT REQUIRED.—To help offset costs associated with deficiency payments made available under this section to producers of barley, the Secretary shall provide for an assessment for each of the 1996 through 2002 crop years to be levied on any producer of malting barley produced on a farm that is enrolled for the crop year in the production adjustment program under this section. The Secretary shall establish the assessment at not more than 5 percent of the value of the malting barley produced on program payment acres on the farm during each of the 1996 through 2002 crop years. The production per acre on which the assessment is based shall not be greater than the farm program payment yield.

"(2) VALUE OF MALTING BARLEY.—The Secretary may establish the value of the malting barley at the lesser of the State or national weighted average market price received by producers of malting barley for the first 5 months of the marketing year. In calculating the State or national weighted average market price, the Secretary may exclude the value of malting barley that is contracted for sale by producers prior to planting.

"(3) EXCEPTION TO ASSESSMENT.—In a county where malting barley is produced, participating barley producers may certify to the Secretary prior to computation of final deficiency payments that part or all of the production of the producer was (or will be) sold or used for nonmalting purposes. The portion certified as sold or used for nonmalting purposes shall not be subject to the assessment. The Secretary may require producers to provide to the Secretary such documentation as the Secretary considers appropriate to carry out this paragraph.

"(q) PRICE SUPPORT FOR HIGH-MOISTURE FEED GRAINS.—

"(1) RECOURSE LOANS.—Notwithstanding any other provision of law, effective for each of the 1996 through 2002 crops of feed grains, the Secretary (through the Commodity Credit Corporation) shall make available recourse loans, as determined by the Secretary, to producers on a farm who—

"(A) normally harvest all or a portion of the crop of feed grains of the producers with a moisture content in excess of Commodity Credit Corporation standards for loans made by the Secretary under paragraphs (1) and (6) of subsection (a) (referred to in this section as 'high-moisture');

"(B)(i) present certified scale tickets from an inspected, certified commercial scale, including licensed warehouses, feedlots, feed mills, distilleries, or other similar entities approved by the Secretary, pursuant to regulations issued by the Secretary; or

"(ii) present field or other physical measurements of the standing or stored feed grain crop in regions of the country, as determined by the Secretary, that do not have certified commercial scales from which certified scale tickets may be obtained within reasonable proximity of harvest operation;

"(C) certify that the producers were the owners of the feed grain at the time of delivery to, and that the quantity to be placed under loan was harvested on the farm and delivered to, a feedlot, feed mill, or commercial or on-farm high-moisture storage facility, or to the facilities maintained by the users of the high-moisture feed grain;

"(D) comply with deadlines established by the Secretary for harvesting the feed grain and submit applications for loans within deadlines established by the Secretary; and

"(E) participate in an acreage limitation program for the crop of feed grains established by the Secretary.

"(2) ELIGIBILITY OF ACQUIRED FEED GRAINS.—The loans shall be made on a quantity of feed grains of the same crop acquired by the producers on a farm equivalent to a quantity determined by multiplying—

"(A) the acreage of the feed grain in a high-moisture state harvested on the farm of the producer; and

"(B) the lower of the farm program payment yield or the actual yield on a field, as determined by the Secretary, that is similar to the field from which the high-moisture feed grain was obtained.

"(r) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of feed grains.".

SEC. 202. NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949.

Section 105 of the Agricultural Act of 1949 (7 U.S.C. 1444b) shall not be applicable to the 1996 through 2002 crops of feed grains.

SEC. 203. RECOURSE LOAN PROGRAM FOR SILAGE.

Section 403 of the Food Security Act of 1985 (7 U.S.C. 1444e–1) is amended by striking "1996" and inserting "2002".

TITLE III—COTTON

SEC. 301. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1996 THROUGH 2002 CROPS OF UPLAND COTTON.

Section 103B of the Agricultural Act of 1949 (7 U.S.C. 1444–2) is amended to read as follows:

"SEC. 103B. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1996 THROUGH 2002 CROPS OF UPLAND COTTON.

"(a) LOANS.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the Secretary shall, on presentation of warehouse receipts or other acceptable evidence of title, as determined by the Secretary, reflecting accrued storage charges of not more than 60 days, make available for each of the 1996 through 2002 crops of upland cotton to producers on a farm nonrecourse loans for upland cotton produced on the farm for a term of 10 months from the first day of the month in which the loan is made at such loan level, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at an average location in the United States a level that is not less than the lesser of—

"(A) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 of the year in which the loan level is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

"(B) 90 percent of the average price, for the 15-week period beginning July 1 of the year in which the loan level is announced, of the 5 lowest-priced growths of the growths quoted for Middling $1\frac{3}{32}$-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between the average Northern European price quotation of the quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

"(2) ADJUSTMENTS TO LOAN LEVEL.—

"(A) LIMITATION ON DECREASE IN LOAN LEVEL.—The loan level for any crop determined under paragraph (1) may not be reduced by more than 5 percent from the level determined for the preceding crop, and may not be reduced below 50 cents per pound.

"(B) LIMITATION ON INCREASE IN LOAN LEVEL.—If for any crop the average Northern European price determined under paragraph (1)(B) is less than the average United States spot market price determined under paragraph (1)(A), the Secretary may increase the loan level to such level as the Secretary may consider appropriate, not in excess of the average United States spot market price determined under paragraph (1)(A).

"(3) ANNOUNCEMENT OF LOAN LEVEL.—The loan level for any crop of upland cotton shall be determined and announced by the Secretary not later than November 1 of the calendar year preceding the marketing year for which the loan is to be effective or, in the case of the 1996 crop, as soon as practicable after the date of enactment of the Agricultural Competitiveness Act of 1995. The loan level for a crop shall not be changed after announcement.

"(4) EXTENSION OF LOAN PERIOD.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), nonrecourse loans provided for in this section shall, on request of the producers on a farm during the 10th month of the loan period for the cotton, be made available for an additional term of 8 months.

"(B) LIMITATION.—A request to extend the loan period shall not be approved in any month in which the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for the preceding month exceeds 130 percent of the average price of the base quality of cotton in the designated United States spot markets for the preceding 36-month period.

"(5) MARKETING LOANS.—

"(A) IN GENERAL.—If the Secretary determines that the prevailing world market price for upland cotton (adjusted to United States quality and location) is below the loan level determined under paragraphs (1) through (4), to make United States upland cotton competitive in world markets, the Secretary shall permit the producers on a farm to repay a loan made for any crop at—

"(i) a level that is the lesser of—

"(I) the loan level determined for the crop; and

"(II) the greater of—

"(aa) 70 percent of the loan level determined for the crop; and

"(bb) the prevailing world market price for upland cotton (adjusted to United States quality and location), as determined by the Secretary; or

"(ii) such other level (not in excess of the loan level determined for the crop nor less than 70 percent of the loan level) that the Secretary determines will—

"(I) minimize potential loan forfeitures;

"(II) minimize the accumulation of upland cotton stocks by the Federal Government;

"(III) minimize the cost incurred by the Federal Government in storing upland cotton; and

"(IV) allow upland cotton produced in the United States to be marketed freely and competitively, both domestically and internationally.

"(B) FIRST HANDLER MARKETING CERTIFICATES.—

"(i) IN GENERAL.—During the period beginning August 1, 1996, and ending July 31, 2003, if a program carried out under subparagraph (A) or subsection (b) fails to make United States upland cotton fully competitive in world markets and the prevailing world market price of upland cotton (adjusted to United States quality and location), as determined by the Secretary, is below the current loan repayment rate for upland cotton determined under subparagraph (A), to make United States upland cotton competitive in world markets and to maintain and expand domestic consumption and exports of upland cotton produced in the United States, the Secretary shall provide for the issuance of marketing certificates or cash payments in accordance with this subparagraph.

"(ii) PAYMENTS.—The Commodity Credit Corporation, under such regulations as the Secretary may prescribe, shall make payments, through the issuance of marketing certificates or cash payments, to first handlers of cotton (who shall be persons regularly engaged in buying or selling upland cotton) who have entered into an agreement with the Commodity Credit Corporation to participate in the program established under this subparagraph. The payments shall be made in such monetary amounts and subject to such terms and conditions as the Secretary determines will make upland cotton produced in the United States available at competitive prices, consistent with the purposes of this subparagraph.

"(iii) VALUE.—The value of each certificate or cash payment issued under clause (ii) shall be based on the difference between—

"(I) the loan repayment rate for upland cotton; and

"(II) the prevailing world market price of upland cotton (adjusted to United States quality and location), as determined by the Secretary.

"(iv) REDEMPTION, MARKETING, OR EXCHANGE.—The Commodity Credit Corporation, under regulations prescribed by the Secretary, may assist any person receiving marketing certificates under this subparagraph in the redemption of the certificates for cash, or marketing or exchange of the certificates for agricultural commodities or products owned by the Commodity Credit Corporation, at such times, in such manner, and at such price levels as the Secretary determines will best effectuate the purposes of the program established under this subparagraph. Any price restrictions that may otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this subparagraph.

"(v) DESIGNATION OF COMMODITIES AND PRODUCTS; CHARGES.—Insofar as practicable, the Secretary shall permit owners of certificates to designate the commodities and the products of the commodities, including storage sites of the commodities and products, that the owners would prefer to receive in exchange for certificates. If any certificate is not presented for redemption, marketing, or exchange within a reasonable number of days after the issuance of the certificate (as determined by the Secretary), the reasonable costs of storage and other carrying charges, as determined by the Secretary, shall be deducted from the value of the certificate for the period beginning after the reasonable number of days and ending on the date of the presentation of the certificate to the Commodity Credit Corporation.

"(vi) DISPLACEMENT.—The Secretary shall take such measures as may be necessary to prevent the marketing or exchange of agricultural commodities and products for certificates under this subsection from adversely affecting the income of producers of the commodities or products.

"(vii) TRANSFERS.—Under regulations prescribed by the Secretary, certificates issued to cotton handlers under this subparagraph may be transferred to other handlers and persons approved by the Secretary.

"(C) PREVAILING WORLD MARKET PRICE.—

"(i) IN GENERAL.—The Secretary shall prescribe by regulation—

"(I) a formula to determine the prevailing world market price for upland cotton (adjusted to United States quality and location); and

"(II) a mechanism by which the Secretary shall announce periodically the prevailing world market price for upland cotton (adjusted to United States quality and location).

"(ii) USE.—The prevailing world market price for upland cotton (adjusted to United States quality and location) established under this subparagraph shall be used under subparagraphs (A), (B), and (E).

"(D) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE.—

"(i) IN GENERAL.—During the period beginning August 1, 1996, and ending July 31, 2003, the prevailing world market price for upland cotton (adjusted to United States quality and location) established under subparagraph (C) shall be further adjusted if—

"(I) the adjusted prevailing world market price is less than 115 percent of the current crop year loan level for the base quality of upland cotton, as determined by the Secretary; and

"(II) the Friday through Thursday average price for the lowest-priced United States growth as quoted for Middling $1\frac{3}{32}$-inch cotton delivered C.I.F. Northern Europe is greater than the Friday through Thursday average price of the 5 lowest-priced growths of upland cotton, as quoted for Middling $1\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe (referred to in this subsection as the 'Northern Europe price').

"(ii) FURTHER ADJUSTMENT.—Except as provided in clause (iii), the adjusted prevailing world market price shall be further adjusted on the basis of some or all of the following data, as available:

"(I) The United States share of world exports.

"(II) The current level of cotton export sales and cotton export shipments.

"(III) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for upland cotton (adjusted to United States quality and location).

"(iii) LIMITATION ON FURTHER ADJUSTMENT.—The adjustment under clause (ii) may not exceed the difference between—

"(I) the Friday through Thursday average price for the lowest-priced United States growth as quoted for Middling $1\frac{3}{32}$-inch cotton delivered C.I.F. Northern Europe; and

"(II) the Northern Europe price.

"(E) COTTON USER MARKETING CERTIFICATES.—

"(i) ISSUANCE.—Subject to clause (iv), during the period beginning August 1, 1996, and ending July 31, 2003, the Secretary shall issue marketing certificates or cash payments to domestic users and exporters for documented purchases by domestic users and sales for export by exporters made in the week following a consecutive 4-week period in which—

"(I) the Friday through Thursday average price for the lowest-priced United States growth, as quoted for Middling 1$\frac{3}{32}$-inch cotton delivered C.I.F. Northern Europe exceeds the Northern Europe price by more than 1.25 cents per pound; and

"(II) the prevailing world market price for upland cotton (adjusted to United States quality and location), established under subparagraph (C), does not exceed 130 percent of the current crop year loan level for the base quality of upland cotton, as determined by the Secretary.

"(ii) VALUE.—The value of the marketing certificates or cash payments shall be based on the amount of the difference (reduced by 1.25 cents per pound) in the prices during the 4th week of the consecutive 4-week period multiplied by the quantity of upland cotton included in the documented sales.

"(iii) ADMINISTRATION.—Clauses (iv) through (vii) of subparagraph (B) shall apply to marketing certificates issued under this subparagraph. Any such certificates may be transferred to other persons in accordance with regulations issued by the Secretary.

"(iv) EXCEPTION.—The Secretary shall not issue marketing certificates or cash payments under clause (i) if, for the immediately preceding consecutive 10-week period, the Friday through Thursday average price for the lowest priced United States growth, as quoted for Middling 1$\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificate issued under this subparagraph, exceeds the Northern Europe price by more than 1.25 cents per pound.

"(F) SPECIAL IMPORT QUOTA.—

"(i) IN GENERAL.—The President shall carry out an import quota program that shall provide that, during the period beginning August 1996 and ending July 31, 2003, whenever the Secretary determines and announces that for any consecutive 10-week period, the Friday through Thursday average price for the lowest-priced United States growth, as quoted for Middling 1$\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificates issued under subparagraph (E), exceeds the Northern Europe price by more than 1.25 cents per pound, there shall immediately be in effect a special import quota.

"(ii) QUANTITY.—The quota shall be equal to the consumption of upland cotton for 1 week by domestic mills at the seasonally adjusted average rate of the most recent 3 months for which data are available.

"(iii) APPLICATION.—The quota shall apply to upland cotton purchased not later than 90 days after the date of the announcement of the Secretary under clause (i) and entered into the United States not later than 180 days after the date.

"(iv) OVERLAP.—A special quota period may be established that overlaps any existing quota period if required by clause (i), except that a special quota period may not be established under this paragraph if a quota period has been established under subsection (n).

"(v) PREFERENTIAL TARIFF TREATMENT.—The quantity under a special import quota shall be considered to be an in-quota quantity for purposes of—

"(I) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

"(II) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

"(III) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

"(IV) General Note 3(a)(iv) to the Harmonized Tariff Schedule of the United States (19 U.S.C. 1202 note).

"(vi) DEFINITION.—In this subparagraph, the term 'special import quota' means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

"(6) RECOURSE LOANS FOR SEED COTTON.—To encourage and assist producers in the orderly ginning and marketing of production of upland cotton by the producers, the Secretary shall make recourse loans available to the producers on seed cotton in accordance with authority vested in the Secretary under the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.).

"(b) LOAN DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—For each of the 1996 through 2002 crops of upland cotton, the Secretary shall make payments (referred to in this section as 'loan deficiency payments') available to producers who, although eligible to obtain a loan under subsection (a), agree to forgo obtaining the loan in return for payments under this subsection.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; and

"(B) the quantity of upland cotton the producers on a farm are eligible to place under loan but for which the producers forgo obtaining the loan in return for payments under this subsection.

"(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan level determined for the crop under subsection (a); exceeds

"(B) the level at which a loan may be repaid under subsection (a).

"(4) MARKETING CERTIFICATES.—The Secretary may make up to ½ the amount of a payment under this subsection available in the form of marketing certificates, subject to the terms and conditions provided in subsection (a)(5)(B).

"(c) PAYMENTS.—

"(1) DEFICIENCY PAYMENTS.—

"(A) IN GENERAL.—The Secretary shall make available to producers payments (referred to in this section as 'deficiency payments') for each of the 1996 through 2002 crops of upland cotton in an amount computed by multiplying—

"(i) the payment rate;

"(ii) the payment acres for the crop; and

"(iii) the farm program payment yield established for the crop for the farm.

"(B) PAYMENT RATE.—

"(i) IN GENERAL.—The payment rate for upland cotton shall be the amount by which the established price for the crop of upland cotton exceeds the greater of—

"(I) the national average market price received by producers during the calendar year that includes the first 5 months of the marketing year for the crop, as determined by the Secretary; and

"(II) the loan level determined for the crop.

"(ii) MINIMUM ESTABLISHED PRICE.—The established price for upland cotton shall be not less than $0.729 per pound for each of the 1996 through 2002 crops.

"(C) PAYMENT ACRES.—Payment acres for a crop shall be the lesser of—

"(i) the number of acres planted to the crop for harvest within the permitted acreage (as defined in subsection (e)(2)(D)(ii)); or

"(ii) 75 percent of the crop acreage base for the crop for the farm less the quantity of reduced acreage (as defined in subsection (e)(2)(D)(ii)).

"(D) 50/85 PROGRAM.—

"(i) IN GENERAL.—If an acreage limitation program under subsection (e)(2) is in effect for a crop of upland cotton and the producers on a farm devote a portion of the maximum payment acres of the farm for upland cotton as calculated under subparagraph (C)(ii) equal to more than 15 percent (except as provided in clause (v)) of the upland cotton acreage of the farm for the crop to conservation uses (except as provided in subparagraph (E))—

"(I) the portion of the maximum payment acres in excess of 15 percent (except as provided in clause (v)) of the acreage devoted to conservation uses (except as provided in subparagraph (E)) shall be considered to be planted to upland cotton for the purpose of determining the acreage on the farm required to be devoted to conservation uses in accordance with subsection (e)(2)(D); and

"(II) the producers shall be eligible for payments under this paragraph with respect to the acreage, subject to the compliance of the producers with clause (ii).

"(ii) MINIMUM PLANTING REQUIREMENT.—To be eligible for payments under clause (i), except as provided in clauses (iv) and (v), the producers on a farm must actually plant upland cotton for harvest on at least 50 percent of the maximum payment acres for cotton for the farm.

"(iii) DEFICIENCY PAYMENTS.—Notwithstanding any other provision of this section, any producers on a farm who devote a portion of the maximum payment acres of the farm for upland cotton to conservation uses (or other uses as provided in subparagraph (E)) under this subparagraph shall receive deficiency payments on the acreage that is considered to be planted to upland cotton and eligible for payments under this subparagraph for the crop at a per-pound rate established by the Secretary, except that the rate may not be established at less than the projected deficiency payment rate for the crop, as determined by the Secretary. The projected payment rate for the crop shall be announced by the Secretary prior to the period during which upland cotton producers may agree to participate in the program for the crop.

"(iv) QUARANTINES.—If a State or local agency has imposed in an area of a State or county a quarantine on the planting of upland cotton for harvest on farms in the area, the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) may recommend to the Secretary that payments be made under this paragraph, without regard to the requirement imposed under clause (ii), to producers in the area who were required to forgo the planting of upland cotton for harvest on acreage to alleviate or eliminate the condition requiring the quarantine. If the Secretary determines that the condition exists, the Secretary may make payments under this paragraph to the producers. To be eligible for payments under this clause, the producers must devote the acreage to conservation uses (except as provided in subparagraph (E)).

"(v) PREVENTED PLANTING AND REDUCED YIELDS.—In the case of each of the 1996 through 2002 crops of upland cotton, producers on a farm shall be eligible to receive deficiency payments as provided in clause (iii) without regard to clause (ii) if an acreage limitation program under subsection (e) is in effect for the crop and the producers—

"(I)(aa) have been determined by the Secretary (in accordance with section 503(c)) to be prevented from planting the crop, or have incurred a reduced yield for the crop because of a natural disaster; and

"(bb) elect to devote a portion of the maximum payment acres for upland cotton (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the upland cotton acreage, to conservation uses; or

"(II) elect to devote a portion of the maximum payment acres for upland cotton (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the upland cotton acreage, to alternative crops as provided in subparagraph (E).

"(vi) Crop acreage and payment yield.—The upland cotton crop acreage base and upland cotton farm program payment yield of the farm shall not be reduced because of the fact that a portion of the permitted acreage for upland cotton for the farm was devoted to conserving uses (except as provided in subparagraph (E)) under this subparagraph.

"(vii) Limitation.—Other than as provided in clauses (i) through (vi), payments may not be made under this paragraph for any crop on a greater acreage than the acreage actually planted to upland cotton.

"(viii) Conservation use acreage under other programs.—Any acreage considered to be planted to upland cotton in accordance with clauses (i) and (vi) may not also be designated as conservation use acreage for the purpose of fulfilling any provisions under any acreage limitation or land diversion program requiring that the producers devote a specified quantity of acreage to conservation uses.

"(ix) Black-eyed peas for donation.—The Secretary may permit, under such terms and conditions as will ensure optimum producer participation, all or any part of the acreage required to be devoted to conservation uses as a condition for qualifying for payments under this subparagraph to be devoted to the production of black-eyed peas if—

"(I) the producers on a farm agree to donate the harvested peas from the acreage to a food bank, food pantry, or soup kitchen (as defined in paragraphs (3), (4), and (7) of section 110(b) of the Hunger Prevention Act of 1988 (Public Law 100–435; 7 U.S.C. 612c note)) that is approved by the Secretary; and

"(II) the Secretary finds that the action will not result in the disruption of normal channels of trade.

"(E) Alternative crops.—

"(i) Industrial and other crops.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (D) to be devoted to sweet sorghum, guar, castor beans, plantago ovato, triticale, rye, millet, mung beans, commodities for which no substantial domestic production or market exists but that could yield industrial raw material being imported, or likely to be imported, into the United States, or commodities grown for experimental purposes (including kenaf and milkweed), subject to the following sentence. The Secretary may permit the acreage to be devoted to the production only if the Secretary determines that the production is—

"(I) not likely to increase the cost of the price support program; and

"(II) needed to provide an adequate supply of the commodity, or, in the case of a commodity for which no substantial domestic production or market exists but that could yield industrial raw materials, the production is needed to encourage domestic manufacture of the raw material and could lead to increased industrial use of the raw material to the long-term benefit of United States industry.

"(ii) Sesame and crambe.—The Secretary shall permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (D) to be devoted to sesame or crambe. In carrying out this clause, if the Secretary determines that sesame or crambe are considered oilseeds under section 205, the Secretary shall provide that, to receive payments under subparagraph (D), the producers shall agree to forgo eligibility to receive a loan under section 205 for the crop of sesame or crambe produced on the farm.

"(2) Crop insurance requirement.—As a condition of eligibility for upland cotton loans, purchases, and payments, the producers on a farm shall obtain catastrophic risk protection insurance coverage in accordance with section 427.

"(d) Payment Yields.—The farm program payment yields for farms for each crop of upland cotton under this section shall be determined under title V.

"(e) Acreage Reduction Programs.—

"(1) In general.—

"(A) Establishment.—Notwithstanding any other provision of this Act, if the Secretary determines that the total supply of upland cotton, in the absence of an acreage limitation program, will be excessive taking into account the need for an adequate carry-over to maintain reasonable and stable supplies and prices and to meet a national emergency, the Secretary may provide for any crop of upland cotton an acreage limitation program as described in paragraph (2).

"(B) Agricultural resources conservation program.—In making a determination under subparagraph (A), the Secretary shall take into consideration the number of acres placed in the agricultural resources conservation program established under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.).

"(C) Announcements.—

"(i) Preliminary announcement.—If the Secretary elects to implement an acreage limitation program for any crop year, the Secretary shall make a preliminary announcement of any such program not later than November 1 of the calendar year preceding the year in which the crop is harvested, except that in the case of the 1996 crop, the Secretary shall announce the program as soon as practicable after the date of enactment of the Agricultural Competitiveness Act of 1995. The announcement shall include, among other information determined necessary by the Secretary, an announcement of the uniform percentage reduction in the upland cotton crop acreage base described in paragraph (2)(A).

"(ii) Final announcement.—Not later than January 1 of the calendar year in which the crop is harvested, the Secretary shall make a final announcement of the program. The announcement shall include, among other information determined necessary by the Secretary, an announcement of the uniform percentage reduction in the upland cotton crop described in paragraph (2)(A).

"(iii) Optional programs in early planting areas.—The Secretary shall allow producers in early planting areas to elect to participate in the program on the terms of the acreage limitation program—

"(I) first announced for the crop under clause (i); or

"(II) as subsequently revised under clause (ii);

if the Secretary determines that the producers may be unfairly disadvantaged by the revision.

"(D) Desired carry-over.—The Secretary shall carry out an acreage limitation program described in paragraph (2) for a crop of upland cotton in a manner that will result in a ratio of carry-over to total disappearance of 29½ percent for the 1996 crop and 29 percent for each of the 1997 through 2002 crops, based on the most recent projection of the Secretary of carry-over and total disappearance at the time of announcement of the acreage limitation program. In this subparagraph, the term 'total disappearance' means all upland cotton utilization, including total domestic, total export, and total residual disappearance.

"(2) Acreage limitation program.—

"(A) Uniform percentage reduction.—Except as provided in paragraph (3), if an upland cotton acreage limitation program is announced under paragraph (1), the limitation shall be achieved by applying a uniform percentage reduction (from 0 to 25 percent) to the upland cotton crop acreage base for the crop for each upland cotton-producing farm.

"(B) Compliance.—Except as provided in section 504, producers who knowingly produce upland cotton in excess of the permitted acreage for upland cotton for the farm, as established in accordance with subparagraph (A), shall be ineligible for upland cotton loans and payments with respect to the farm.

"(C) Crop acreage bases.—Upland cotton crop acreage bases for each crop of upland cotton shall be determined under title V.

"(D) Acreage devoted to conservation uses.—

"(i) In general.—A number of acres on the farm shall be devoted to conservation uses, in accordance with regulations issued by the Secretary.

"(ii) Number.—The number shall be determined by multiplying the upland cotton crop acreage base by the percentage reduction required by the Secretary. The number of acres so determined is referred to in this section as 'reduced acreage'. The remaining acreage is referred to in this section as 'permitted acreage'.

"(iii) Adjustment.—Permitted acreage may be adjusted by the Secretary as provided in paragraph (3) and in section 504.

"(E) Individual farm program acreage.—Except as otherwise provided in subsection (c), the individual farm program acreage shall be the acreage planted on the farm to upland cotton for harvest within the permitted acreage for upland cotton for the farm as established under this paragraph.

"(F) Planting designated crops on reduced acreage.—

"(i) Definition of designated crop.—In this subparagraph, the term 'designated crop' means a crop described in section 504(b)(1), excluding any program crop as defined in section 502(3).

"(ii) Planting designated crops.—Subject to clause (iii), the Secretary may permit producers on a farm to plant a designated crop on not more than ½ of the reduced acreage on the farm.

"(iii) Limitations.—If the producers on a farm elect to plant a designated crop on reduced acreage under this subparagraph—

"(I) the amount of the deficiency payment that the producers are otherwise eligible to receive under subsection (c) shall be reduced, for each acre (or portion of an acre) that is planted to the designated crop, by an amount equal to the deficiency payment that would be made with respect to a number of acres of the crop that the Secretary considers appropriate, except that if the producers on the farm are participating in a program established for more than 1 program crop, the amount of the reduction shall be determined by prorating the reduction based on the acreage planted or considered planted on the farm to all of the program crops; and

"(II) the Secretary shall ensure that reductions in deficiency payments under subclause (I) are sufficient to ensure that this subparagraph will result in no additional cost to the Commodity Credit Corporation.

"(G) Black-eyed peas for donation.—The Secretary may permit, under such terms and conditions as will ensure optimum producer participation, producers on a farm to plant black-eyed peas on not more than ½ of the reduced acreage on the farm if—

"(i) the producers agree to donate the harvested peas from the acreage to a food bank, food pantry, or soup kitchen (as defined in paragraphs (3), (4), and (7) of section 110(b) of the Hunger Prevention Act of 1988 (Public Law 100–435; 7 U.S.C. 612c note)) that is approved by the Secretary; and

"(ii) the Secretary finds that the action will not result in the disruption of normal channels of trade.

"(3) Targeted option payments.—

"(A) In general.—Notwithstanding any other provision of this section, if the Secretary implements an acreage limitation program with respect to any of the 1996 through 2002 crops of upland cotton, the Secretary may make available to producers on a farm who do not receive payments under subsection (c)(1)(D) for the crop on the farm, adjustments in the level of deficiency payments that would otherwise be made available to the producers if the producers exercise the payment options provided in this paragraph.

"(B) Payment options.—If the Secretary elects to carry out this paragraph, the Secretary shall make the payment options specified in subparagraphs (C) and (D) available to producers who agree to make adjustments in the quantity of acreage diverted from the production of upland cotton under an acreage limitation program in accordance with this paragraph.

"(C) Increased acreage limitation option.—

"(i) Increase in established price.—If the Secretary elects to carry out this paragraph, the producers on a farm shall be eligible to receive an increase in the established price for upland cotton in accordance with clause (ii) if the producers agree to an increase in the acreage limitation percentage to be applied to the upland cotton acreage base of the producers above the acreage limitation percentage announced by the Secretary.

"(ii) Method of calculation.—For the purposes of calculating deficiency payments to be made available to producers who participate in the program under this paragraph, the Secretary shall increase the established price for upland cotton by an amount determined by the Secretary of not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point increase in the acreage limitation percentage applied to the upland cotton acreage base of the producers.

"(iii) Limitation.—The acreage limitation percentage to be applied to the upland cotton acreage base of the producers shall be increased by not more than 10 percentage points above the acreage limitation percentage announced by the Secretary for the crop or above 25 percent total for the crop.

"(iv) Adjustment for underplantings.—In determining the increased acreage limitation percentage that is applied to the upland cotton base of the producers on a farm under this paragraph, the Secretary shall exclude an amount of acreage equal to the average difference between the permitted acreage for upland cotton for the farm of the producers and the acreage actually planted (including acreage devoted to conserving uses under subsection (c)(1)(D)) to upland cotton for harvest during the previous 2 years.

"(D) Decreased acreage limitation option.—

"(i) Decrease in acreage limitation requirement.—If the Secretary elects to carry out this paragraph, the producers on a farm shall be eligible to decrease the acreage limitation percentage applicable to the upland cotton acreage base of the producers (as announced by the Secretary) if the producers agree to a decrease in the established price for upland cotton in accordance with clause (ii) for the purpose of calculating deficiency payments to be made available to the producers.

"(ii) Method of calculation.—For the purposes of calculating deficiency payments to be made available to producers who choose the option established under this subparagraph, the Secretary shall decrease the established price for upland cotton by an amount to be determined by the Secretary of not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point decrease in the acreage limitation percentage applied to the upland cotton acreage base of the producers.

"(iii) Limitation.—The producers on a farm may not choose to decrease the acreage limitation percentage applicable to the upland cotton acreage base of the producers under this paragraph by more than ½ of the announced acreage limitation percentage.

"(E) Participation and production effects.—Notwithstanding any other provision of this paragraph, the Secretary shall, to the extent practicable, ensure that the program provided for in this paragraph does not have a significant effect on participation in the program established by this section or total production and shall be offered in such a manner that the Secretary determines will result in no additional budget outlays. The Secretary shall provide an analysis of the determination of the Secretary to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(4) Administration.—

"(A) Protection from weeds and erosion.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall ensure protection of the acreage from weeds and wind and water erosion.

"(B) Conserving crops.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the acreage to be devoted to sweet sorghum, guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, mung beans, milkweed, or other commodity, if the Secretary determines that the production is needed to provide an adequate supply of the commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(C) Haying and grazing.—

"(i) In general.—Except as provided in clause (ii), haying and grazing of reduced acreage, acreage devoted to a conservation use under subsection (c)(1)(D), and acreage diverted from production under a land diversion program established under this subsection shall be permitted, except during any consecutive 5-month period that is established by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. The 5-month period shall be established during the period beginning April 1, and ending October 31, of a year.

"(ii) Natural disasters.—In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on the acreage. The Secretary may not exclude irrigated or irrigable acreage not planted to alfalfa when exercising the authority under this clause.

"(D) Water storage uses.—

"(i) In general.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall provide that land that has been converted to water storage uses shall be considered to be devoted to conservation uses if the land was devoted to wheat, feed grains, cotton, rice, or oilseeds in at least 3 of the immediately preceding 5 crop years. The land shall be considered to be devoted to conservation uses for the period that the land remains in water storage uses, but not to exceed 5 crop years subsequent to the conversion of the land to water storage uses.

"(ii) Limitations.—Land converted to water storage uses for the purposes of this subparagraph may not be devoted to any commercial use, including commercial fish production. The water stored on the land may not be ground water. The farm on which the land is located must have been irrigated with ground water during at least 1 of the preceding 5 crop years.

"(5) Land diversion program.—

"(A) Payments.—

"(i) In general.—The Secretary may make land diversion payments to producers of upland cotton, whether or not an acreage limitation program for upland cotton is in effect, if the Secretary determines that the land diversion payments are necessary to assist in adjusting the total national acreage of upland cotton to desirable goals. The land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with the producers.

"(ii) Excess carry-over.—If, at the time of final announcement of the acreage limitation program established under this subsection, the Secretary projects that the ratio of carry-over to total disappearance of upland cotton for the crop year is equal to or greater than 40 percent, the Secretary shall offer a paid land diversion program to producers of upland cotton. Payments to producers under the program shall be determined by multiplying—

"(I) the payment rate, of not less than 35 cents per pound of cotton, established by the Secretary;

"(II) the program payment yield established for the crop for the farm; and

"(III) the number of permitted acreage for upland cotton for the farm diverted on the farm.

"(B) BIDS FOR CONTRACTS.—The amounts payable to producers under land diversion contracts may be determined through the submission of bids for the contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

"(C) LIMITATIONS ON DIVERTED ACREAGE.—

"(i) MAXIMUM ACREAGE PER FARM, COUNTY, OR COMMUNITY.—The Secretary shall limit the total acreage to be diverted under this paragraph—

"(I) to not more than 15 percent of the upland cotton crop acreage base for a farm; and

"(II) under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(ii) LOWER PARTICIPATION LEVELS.—The Secretary may allow producers to participate in a land diversion program under this paragraph at a level lower than the maximum level announced by the Secretary, at the option of the producer, if the Secretary determines that the lower level will increase participation in the program.

"(6) CONSERVATION PRACTICES.—

"(A) WILDLIFE FOOD PLOTS OR HABITAT.—The reduced acreage and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out this subparagraph.

"(B) PUBLIC ACCESS.—The Secretary may provide for an additional payment on the acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producers on a farm agree to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable Federal and State regulations.

"(7) PARTICIPATION AGREEMENTS.—

"(A) IN GENERAL.—Producers on a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for the participation not later than such date as the Secretary may prescribe.

"(B) MODIFICATION OR TERMINATION.—The Secretary may, by mutual agreement with producers on a farm, modify or terminate any such agreement if the Secretary determines the action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities. The Secretary may modify the agreement under this subparagraph for the purpose of alleviating a shortage in the supply of agricultural commodities only if there has been a significant change in the estimated stocks of the commodity since the Secretary announced the final terms and conditions of the program for the crop of upland cotton.

"(f) INVENTORY REDUCTION PAYMENTS.—

"(1) IN GENERAL.—For each of the 1996 through 2002 crops of upland cotton, the Secretary may make payments available to producers on a farm who meet the requirements of this subsection.

"(2) FORM.—The payments may be made in the form of marketing certificates.

"(3) PAYMENTS.—

"(A) IN GENERAL.—Payments under this subsection shall be determined in the same manner as provided in subsection (b).

"(B) QUANTITY OF COTTON MADE AVAILABLE.—The quantity of upland cotton to be made available to the producers on a farm under this subsection shall be equal in value to the payments so determined under this subsection.

"(4) ELIGIBILITY.—The producers on a farm shall be eligible to receive a payment under this subsection for a crop if the producers—

"(A) agree to forgo obtaining a loan under subsection (a);

"(B) agree to forgo receiving payments under subsection (c);

"(C) do not plant upland cotton for harvest in excess of the crop acreage base reduced by ½ of any acreage required to be diverted from production under subsection (e); and

"(D) otherwise comply with this section.

"(g) EQUITABLE RELIEF.—

"(1) LOANS AND PAYMENTS.—If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans and payments, the Secretary may, notwithstanding the failure, make the loans and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of the program in determining whether equitable relief is warranted under this paragraph.

"(2) DEADLINES AND PROGRAM REQUIREMENTS.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet the other requirements does not affect adversely the operation of the program.

"(h) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(i) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(j) ASSIGNMENT OF PAYMENTS.—Section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) shall apply to payments made under this section.

"(k) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(l) TENANTS AND SHARECROPPERS.—In carrying out this section, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(m) CROSS-COMPLIANCE.—

"(1) IN GENERAL.—Compliance on a farm with the terms and conditions of any other commodity program, or compliance with crop acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans or payments under this section.

"(2) COMPLIANCE ON OTHER FARMS.—The Secretary may not require producers on a farm, as a condition of eligibility for loans or payments under this section for the farm, to comply with the terms and conditions of the upland cotton program with respect to any other farm operated by the producers.

"(n) LIMITED GLOBAL IMPORT QUOTA.—

"(1) DEFINITIONS.—In this subsection:

"(A) DEMAND.—The term 'demand' means—

"(i) the average seasonally adjusted annual rate of domestic mill consumption in the most recent 3 months for which data are available; plus

"(ii) the larger of—

"(I) average exports of upland cotton during the preceding 6 marketing years; or

"(II) cumulative exports of upland cotton plus outstanding export sales for the marketing year in which the quota is established.

"(B) LIMITED GLOBAL IMPORT QUOTA.—The term 'limited global import quota' means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

"(C) SUPPLY.—The term 'supply' means, using the latest official data of the Bureau of the Census, the Department of Agriculture, and the Department of the Treasury—

"(i) the carry-over of upland cotton at the beginning of the marketing year (adjusted to 480-pound bales) in which the quota is established;

"(ii) production of the current crop; and

"(iii) imports to the latest date available during the marketing year.

"(2) QUOTA.—The President shall carry out an import quota program that shall provide that whenever the Secretary determines and announces that the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for a month exceeded 130 percent of the average price of the quality of cotton in the markets for the preceding 36 months, notwithstanding any other provision of law, there shall immediately be in effect a limited global import quota subject to the following conditions:

"(A) QUANTITY.—The quantity of the quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent 3 months for which data are available.

"(B) QUANTITY IF PRIOR QUOTA.—If a quota has been established under this subsection during the preceding 12 months, the quantity of the quota next established under this subsection shall be the smaller of 21 days of domestic mill consumption calculated as set forth in subparagraph (A) or the quantity required to increase the supply to 130 percent of the demand.

"(C) PREFERENTIAL TARIFF TREATMENT.—The quantity under a limited global import quota shall be considered to be an in-quota quantity for purposes of—

"(i) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

"(ii) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

"(iii) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

"(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule of the United States (19 U.S.C. 1202 note).

"(3) QUOTA ENTRY PERIOD.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), when a quota is established under this subsection, cotton may be entered under the quota during the 90-day period beginning on the date the quota is established by the Secretary.

"(B) NO OVERLAP.—Notwithstanding paragraphs (1) and (2), a quota period may not be established that overlaps an existing quota period or a special quota period established under subsection (a)(5)(F).

"(o) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of upland cotton.".

SEC. 302. EXTRA LONG STAPLE COTTON PROGRAM.

Section 103(h)(16) of the Agricultural Act of 1949 (7 U.S.C. 1444(h)(16)) is amended by striking "1996" and inserting "2003".

SEC. 303. SUSPENSION OF BASE ACREAGE ALLOTMENTS, MARKETING QUOTAS, AND RELATED PROVISIONS.

Sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1342–1346 and 1377) shall not be applicable to any of the 1996 through 2002 crops of upland cotton.

SEC. 304. MISCELLANEOUS COTTON PROVISIONS.

Section 103(a) of the Agricultural Act of 1949 (7 U.S.C. 1444(a)) shall not be applicable to the 1996 through 2002 crops.

SEC. 305. SKIPROW PRACTICES.

The third sentence of section 374(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1374(a)) is amended—

(1) by striking "1995" each place it appears and inserting "2002"; and

(2) by striking "1991" each place it appears and inserting "1996".

SEC. 306. PRELIMINARY ALLOTMENTS FOR 2003 CROP OF UPLAND COTTON.

Notwithstanding any other provision of law, the permanent State, county, and farm base acreage allotments for the 1977 crop of upland cotton, adjusted for any underplantings in 1977 and reconstituted as provided in section 379 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379), shall be the preliminary allotments for the 2003 crop.

SEC. 307. COTTONSEED AND COTTONSEED OIL.

Section 203(b) of the Agricultural Act of 1949 (7 U.S.C. 1446d(b)) is amended by striking "1995" and inserting "2002".

SEC. 308. COTTON CLASSIFICATION SERVICES.

The first sentence of section 3a of the Act of March 3, 1927 (commonly known as the "Cotton Statistics and Estimates Act") (chapter 337; 7 U.S.C. 473a), is amended by striking "1996" and inserting "2002".

TITLE IV—RICE

SEC. 401. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1996 THROUGH 2002 CROPS OF RICE.

Section 101B of the Agricultural Act of 1949 (7 U.S.C. 1441-2) is amended to read as follows:

"SEC. 101B. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1996 THROUGH 2002 CROPS OF RICE.

"(a) LOANS AND PURCHASES.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the Secretary shall make available to producers on a farm nonrecourse loans and purchases for each of the 1996 through 2002 crops of rice produced on the farm at a level that is not less than the greater of—

"(A) 85 percent of the simple average price received by producers, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of rice, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

"(B) $6.50 per hundredweight.

"(2) MAXIMUM REDUCTION.—The loan level for any crop of rice determined under paragraph (1) may not be reduced by more than 5 percent from the level determined for the preceding crop.

"(3) ANNOUNCEMENT OF LOAN LEVEL AND ESTABLISHED PRICE.—The loan and purchase level and the established price for each of the 1996 through 2002 crops of rice shall be announced not later than January 31 of each calendar year for the crop harvested in the calendar year or, in the case of the 1996 crop, as soon as practicable after the date of enactment of the Farm Commodities Act of 1995.

"(4) TERM.—A loan made under this subsection shall have a term of not more than 9 months beginning after the month in which the application for the loan is made.

"(5) MARKETING LOANS.—

"(A) IN GENERAL.—To ensure that a competitive market position is maintained for rice, the Secretary shall permit the producers on a farm to repay a loan made under paragraph (1) for a crop at a level that is the lesser of—

"(i) the loan level determined for the crop; or

"(ii) the greater of—

"(I) 70 percent of the loan level determined for the crop; or

"(II) the prevailing world market price for rice, as determined by the Secretary.

"(B) PREVAILING WORLD MARKET PRICE.—The Secretary shall prescribe by regulation—

"(i) a formula to determine the prevailing world market price for rice that does not take into account any price for the sale of rice produced in the United States; and

"(ii) a mechanism by which the Secretary shall announce periodically the prevailing world market price for rice.

"(C) PRODUCER PURCHASE OF MARKETING CERTIFICATES.—

"(i) IN GENERAL.—As a condition of permitting the producers on a farm to repay a loan as provided in subparagraph (A), the Secretary may require the producers to purchase marketing certificates equal in value to an amount that does not exceed ½ the difference, as determined by the Secretary, between the amount of the loan obtained by the producers and the amount of the loan repayment.

"(ii) REDEMPTION FOR RICE OR CASH.—The certificates shall be redeemable for agricultural commodities owned by the Commodity Credit Corporation valued at the prevailing market price, as determined by the Secretary, or for cash, under such terms and conditions as the Secretary may prescribe.

"(iii) REDEMPTION, MARKETING, OR EXCHANGE.—The Commodity Credit Corporation, under regulations prescribed by the Secretary, shall assist any person receiving marketing certificates under this subparagraph in the redemption or marketing or exchange of the certificates at such times, in such manner, and at such price levels as the Secretary determines will best effectuate the purposes of the program established under this section.

"(iv) CHARGES.—If any such certificate is not presented for redemption or marketing within a reasonable number of days after issuance, as determined by the Secretary, reasonable costs of storage and other carrying charges, as determined by the Secretary, shall be deducted from the value of the certificate for the period beginning after the reasonable number of days and ending on the date of the presentation of the certificate to the Commodity Credit Corporation.

"(v) DESIGNATION OF COMMODITIES AND PRODUCTS.—Insofar as practicable, the Secretary shall permit owners of certificates to designate the commodities and the products of commodities, including storage sites of the commodities and products, that the owners would prefer to receive in exchange for certificates.

"(vi) SALES PRICE RESTRICTIONS.—Notwithstanding any other provision of law, any price restrictions that may otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this subparagraph.

"(vii) DISPLACEMENT.—The Secretary shall take such measures as may be necessary to prevent the marketing or exchange of agricultural commodities and the products of the commodities for certificates under this subparagraph from adversely affecting the income of producers of the commodities or products.

"(viii) TRANSFERS.—Under regulations prescribed by the Secretary, certificates issued under this subparagraph may be transferred to other persons approved by the Secretary.

"(D) CERTIFICATES TO MAINTAIN COMPETITIVENESS.—

"(i) IN GENERAL.—Notwithstanding any other provision of law, whenever, during the period beginning August 1, 1996, and ending July 31, 2003, the prevailing world market price for a class of rice (adjusted to United States quality and location), as determined by the Secretary, is below the current loan repayment rate for that class of rice, to make United States rice competitive in world markets and to maintain and expand exports of rice produced in the United States, the Commodity Credit Corporation shall make payments, through the issuance of marketing certificates, to persons who have entered into an agreement with the Commodity Credit Corporation to participate in the program established under this subparagraph. The payments shall be made in such monetary amounts and subject to such terms and conditions as the Secretary determines will make rice produced in the United States available at competitive prices consistent with the purposes of this subparagraph.

"(ii) VALUE.—The value of each certificate issued under this subparagraph shall be based on the difference between—

"(I) the loan repayment rate for the class of rice; and

"(II) the prevailing world market price for the class of rice, as determined by the Secretary.

"(iii) TERMS AND CONDITIONS OF CERTIFICATES.—Marketing certificates issued under this subparagraph shall be subject to the same terms and conditions as certificates issued under subparagraph (C).

"(6) SIMPLE AVERAGE PRICE.—For purposes of this section, the simple average price received by producers for the immediately preceding marketing year shall be based on the latest information available to the Secretary at the time of the determination.

"(b) LOAN DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—The Secretary shall, for each of the 1996 through 2002 crops of rice, make payments (referred to in this section as 'loan deficiency payments') available to producers who, although eligible to obtain a loan or an agreement for purchase under subsection (a), agree to forgo obtaining the loan or agreement in return for payments under this subsection.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; and

"(B) the quantity of rice that the producers are eligible to place under loan (or obtain a purchase agreement) but for which the producers forgo obtaining the loan or agreement in return for payments under this subsection.

"(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan level determined for the crop under subsection (a); exceeds

"(B) the level at which a loan may be repaid under subsection (a).

"(4) MARKETING CERTIFICATES.—The Secretary may make up to ½ the amount of a payment under this subsection available in the form of marketing certificates, subject to the terms and conditions provided in subsection (a)(5)(C).

"(c) PAYMENTS.—

"(1) DEFICIENCY PAYMENTS.—

"(A) IN GENERAL.—The Secretary shall make available to producers payments (referred to in this section as 'deficiency payments') for each of the 1996 through 2002 crops of rice in an amount computed by multiplying—

"(i) the payment rate;

"(ii) the payment acres for the crop; and

"(iii) the farm program payment yield established for the crop for the farm.

"(B) PAYMENT RATE.—

"(i) IN GENERAL.—The payment rate for each of the 1996 through 2002 crops of rice shall be the amount by which the established price for the crop of rice exceeds the greater of—

"(I) the lesser of—

"(aa) the national average market price received by producers during the calendar year that contains the first 5 months of the marketing year for the crop, as determined by the Secretary; or

"(bb) the national average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary, plus an appropriate amount that is fair and equitable in relation to wheat and feed grains (as determined by the Secretary); or

"(II) the loan level determined for the crop.

"(ii) MINIMUM ESTABLISHED PRICE.—The established price for rice shall not be less than $10.71 per hundredweight for each of the 1996 through 2002 crops.

"(C) PAYMENT ACRES.—Payment acres for a crop shall be the lesser of—

"(i) the number of acres planted to the crop for harvest within the permitted acreage (as defined in subsection (e)(2)(D)(ii)); or

"(ii) 75 percent of the crop acreage base for the crop for the farm less the quantity of reduced acreage (as defined in subsection (e)(2)(D)(ii)).

"(D) 50/85 PROGRAM.—

"(i) IN GENERAL.—If an acreage limitation program under subsection (e)(2) is in effect for a crop of rice and the producers on a farm devote a portion of the maximum payment acres of the farm for rice as calculated under subparagraph (C)(ii) equal to more than 15 percent (except as provided in clause (v)(II)) of the rice acreage of the farm for the crop to conservation uses (except as provided in subparagraph (E))—

"(I) the portion of the maximum payment acres of the farm in excess of 15 percent (except as provided in clause (v)(II)) of the acreage devoted to conservation uses (except as provided in subparagraph (E)) shall be considered to be planted to rice for the purpose of determining the acreage on the farm required to be devoted to conservation uses in accordance with subsection (e)(2)(D); and

"(II) the producers shall be eligible for payments under this paragraph with respect to the acreage, subject to the compliance of the producers with clause (ii).

"(ii) MINIMUM PLANTING REQUIREMENT.—To be eligible for payments under clause (i), except as provided in clauses (iv) and (v), the producers on a farm shall actually plant rice for harvest on at least 50 percent of the maximum payment acres for rice for the farm.

"(iii) DEFICIENCY PAYMENTS.—Notwithstanding any other provision of this section, any producers on a farm who devote a portion of the maximum payment acres of the farm for rice to conservation uses (or other uses as provided in subparagraph (E)) under this subparagraph shall receive deficiency payments on the acreage that is considered to be planted to rice and eligible for payments under this subparagraph for the crop at a per-hundredweight rate established by the Secretary, except that the rate may not be established at less than the projected deficiency payment rate for the crop, as determined by the Secretary. The projected deficiency payment rate for the crop shall be announced by the Secretary prior to the period during which rice producers may agree to participate in the program for the crop.

"(iv) QUARANTINES.—If a State or local agency has imposed in an area of a State or county a quarantine on the planting of rice for harvest on farms in the area, the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) may recommend to the Secretary that payments be made under this paragraph, without regard to the requirement imposed under clause (ii), to producers in the area who were required to forgo the planting of rice for harvest on acreage to alleviate or eliminate the condition requiring the quarantine. If the Secretary determines that the condition exists, the Secretary may make payments under this paragraph to the producers. To be eligible for payments under this clause, the producers must devote the acreage to conservation uses (except as provided in subparagraph (E)).

"(v) PREVENTED PLANTING AND REDUCED YIELDS.—In the case of each of the 1996 through 2002 crops of rice, producers on a farm shall be eligible to receive deficiency payments as provided in clause (iii) without regard to clause (ii) if an acreage limitation program under subsection (e) is in effect for the crop and the producers—

"(I)(aa) have been determined by the Secretary (in accordance with section 503(c)) to be prevented from planting the crop, or have incurred a reduced yield for the crop because of a natural disaster; and

"(bb) elect to devote a portion of the maximum payment acres for rice (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the rice acreage, to conservation uses; or

"(II) elect to devote a portion of the maximum payment acres for rice (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the rice acreage, to alternative crops as provided in subparagraph (E).

"(vi) CROP ACREAGE AND PAYMENT YIELD.—The rice crop acreage base and rice farm program payment yield of the farm shall not be reduced because of the fact that a portion of the permitted acreage for rice for the farm was devoted to conserving uses (except as provided in subparagraph (E)) under this subparagraph.

"(vii) LIMITATION.—Other than as provided in clauses (i) through (vi), payments may not be made under this paragraph for any crop on a greater acreage than the acreage actually planted to rice.

"(viii) CONSERVATION USE ACREAGE UNDER OTHER PROGRAMS.—Any acreage considered to be planted to rice in accordance with clauses (i) and (vi) may not also be designated as conservation use acreage for the purpose of fulfilling any provision under any acreage limitation or land diversion program requiring that the producers devote a specified quantity of acreage to conservation uses.

"(E) ALTERNATIVE CROPS.—

"(i) INDUSTRIAL AND OTHER CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (D) to be devoted to sweet sorghum, guar, castor beans, plantago ovato, triticale, rye, millet, mung beans, commodities for which no substantial domestic production or market exists but that could yield industrial raw material being imported, or likely to be imported, into the United States, or commodities grown for experimental purposes (including kenaf and milkweed), subject to the following sentence. The Secretary may permit the acreage to be devoted to the production only if the Secretary determines that the production is—

"(I) not likely to increase the cost of the price support program; and

"(II) needed to provide an adequate supply of the commodity, or, in the case of a commodity for which no substantial domestic production or market exists but that could yield industrial raw materials, the production is needed to encourage domestic manufacture of the raw material and could lead to increased industrial use of the raw material to the long-term benefit of United States industry.

"(ii) SESAME AND CRAMBE.—The Secretary shall permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (D) to be devoted to sesame or crambe. In carrying out this clause, if the Secretary determines that sesame or crambe are considered oilseeds under section 205, the Secretary shall provide that, in order to receive payments under subparagraph (D), the producers shall agree to forgo eligibility to receive a loan under section 205 for the crop of sesame or crambe produced on the farm.

"(2) CROP INSURANCE REQUIREMENT.—As a condition of eligibility for rice loans, purchases, and payments, the producers on a farm shall obtain catastrophic risk protection insurance coverage in accordance with section 427.

"(d) PAYMENT YIELDS.—The farm program payment yields for farms for each crop of rice under this section shall be determined under title V.

"(e) ACREAGE REDUCTION PROGRAMS.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—Notwithstanding any other provision of this Act, if the Secretary determines that the total supply of rice, in the absence of an acreage limitation program, will be excessive taking into account the need for an adequate carry-over to maintain reasonable and stable supplies and prices and to meet a national emergency, the Secretary may provide for any crop of rice an acreage limitation program as described in paragraph (2).

"(B) AGRICULTURAL RESOURCES CONSERVATION PROGRAM.—In making a determination under subparagraph (A), the Secretary shall take into consideration the number of acres placed in the agricultural resources conservation program established under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.).

"(C) ANNOUNCEMENTS.—

"(i) PRELIMINARY ANNOUNCEMENT.—If the Secretary elects to implement an acreage limitation program for any crop year, the Secretary shall make a preliminary announcement of any such program not later than December 1 of the calendar year preceding the year in which the crop is harvested (or, for the 1996 crop, as soon as practicable after the date of enactment of the Farm Commodities Act of 1995). The preliminary announcement shall include, among other information determined necessary by the Secretary, an announcement of the uniform percentage reduction in the rice crop acreage base described in paragraph (2)(A).

"(ii) FINAL ANNOUNCEMENT.—Not later than January 31 of the calendar year in which the crop is harvested, the Secretary shall make a final announcement of the program. The announcement shall include, among other information determined necessary by the Secretary, an announcement of the uniform percentage reduction in the rice crop acreage base described in paragraph (2)(A).

"(D) CARRY-OVER.—The Secretary shall carry out an acreage limitation program described in paragraph (2) for a crop of rice in a manner that will result in carry-over stocks equal to 16.5 to 20 percent of the simple average of the total disappearance of rice for each of the 3 marketing years preceding the year for which the announcement is made. In this subparagraph, the term 'total disappearance' means all rice utilization, including total domestic, total export, and total residual disappearance.

"(2) ACREAGE LIMITATION PROGRAM.—

"(A) PERCENTAGE REDUCTIONS.—Except as provided in paragraph (3), if a rice acreage limitation program is announced under paragraph (1), the limitation shall be achieved by applying a uniform percentage reduction (from 0 to 35 percent) to the rice crop acreage base for the crop for each rice-producing farm.

"(B) COMPLIANCE.—Except as provided in section 504, producers on a farm who knowingly produce rice in excess of the permitted acreage for rice for the farm, as established in accordance with subparagraph (A), shall be ineligible for rice loans, purchases, and payments with respect to the farm.

"(C) CROP ACREAGE BASES.—Rice crop acreage bases for each crop of rice shall be determined under title V.

"(D) ACREAGE DEVOTED TO CONSERVATION USES.—

"(i) IN GENERAL.—A number of acres on the farm shall be devoted to conservation uses, in accordance with regulations issued by the Secretary.

"(ii) NUMBER.—The number shall be determined by multiplying the rice crop acreage base by the percentage reduction required by the Secretary. The number of acres so determined is referred to in this section as 'reduced acreage'. The remaining acreage is referred to in this section as 'permitted acreage'.

"(iii) ADJUSTMENT.—Permitted acreage may be adjusted by the Secretary as provided in paragraph (3) and in section 504.

"(E) INDIVIDUAL FARM PROGRAM ACREAGE.—Except as otherwise provided in subsection (c), the individual farm program acreage shall be the acreage planted on the farm to rice for harvest within the permitted acreage for rice for the farm as established under this paragraph.

"(F) PLANTING DESIGNATED CROPS ON REDUCED ACREAGE.—

"(i) DEFINITION OF DESIGNATED CROP.—In this subparagraph, the term 'designated crop' means a crop described in section 504(b)(1), excluding any program crop as defined in section 502(3).

"(ii) PLANTING DESIGNATED CROPS.—Subject to clause (iii), the Secretary may permit producers on a farm to plant a designated crop on not more than ½ of the reduced acreage on the farm.

"(iii) LIMITATIONS.—If the producers on a farm elect to plant a designated crop on reduced acreage under this subparagraph—

"(I) the amount of the deficiency payment that the producers are otherwise eligible to receive under subsection (c) shall be reduced, for each acre (or portion of an acre) that is planted to the designated crop, by an amount equal to the deficiency payment that would be made with respect to a number of acres of the crop that the Secretary considers appropriate, except that if the producers on the farm are participating in a program established for more than 1 program crop, the amount of the reduction shall be determined by prorating the reduction based on the acreage planted or considered planted on the farm to all of the program crops; and

"(II) the Secretary shall ensure that reductions in deficiency payments under subclause (I) are sufficient to ensure that this subparagraph will result in no additional cost to the Commodity Credit Corporation.

"(3) TARGETED OPTION PAYMENTS.—

"(A) IN GENERAL.—Notwithstanding any other provision of this section, if the Secretary implements an acreage limitation program with respect to any of the 1996 through 2002 crops of rice and announces an acreage limitation percentage of 20 percent or less, the Secretary may make available to producers on a farm who do not receive payments under subsection (c)(1)(D) for the crop on the farm, adjustments in the level of deficiency payments that would otherwise be made available to the producers if the producers exercise the payment options provided in this paragraph.

"(B) PAYMENT OPTIONS.—If the Secretary elects to carry out this paragraph, the Secretary shall make the payment options specified in subparagraphs (C) and (D) available to producers who agree to make adjustments in the quantity of acreage diverted from the production of rice under an acreage limitation program in accordance with this paragraph.

"(C) INCREASED ACREAGE LIMITATION OPTION.—

"(i) INCREASE IN ESTABLISHED PRICE.—If the Secretary elects to carry out this paragraph, the producers on a farm shall be eligible to receive an increase in the established price for rice in accordance with clause (ii) if the producers agree to an increase in the acreage limitation percentage to be applied to the rice acreage base of the producers above the acreage limitation percentage announced by the Secretary.

"(ii) METHOD OF CALCULATION.—For the purposes of calculating deficiency payments to be made available to producers who participate in the program under this paragraph, the Secretary shall increase the established price for rice by an amount determined by the Secretary of not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point increase in the acreage limitation percentage applied to the rice acreage base of the producers.

"(iii) LIMITATION.—The acreage limitation percentage to be applied to the rice acreage base of the producers shall be increased by not more than 5 percentage points above the acreage limitation percentage announced by the Secretary.

"(iv) ADJUSTMENT FOR UNDER- PLANTINGS.—In determining the increased acreage limitation percentage that is applied to the rice acreage base of the producers under this paragraph, the Secretary shall exclude an amount of acreage equal to the average difference between the permitted acreage for rice for the farm of the producers and the acreage actually planted (including acreage devoted to conserving uses under subsection (c)(1)(D)) to rice for harvest during the previous 2 years.

"(D) DECREASED ACREAGE LIMITATION OPTION.—

"(i) DECREASE IN ACREAGE LIMITATION REQUIREMENT.—If the Secretary elects to carry out this paragraph, the producers on a farm shall be eligible to decrease the acreage limitation percentage applicable to the rice acreage base of the producers (as announced by the Secretary) if the producers agree to a decrease in the established price for rice in accordance with clause (ii) for the purpose of calculating deficiency payments to be made available to the producers.

"(ii) METHOD OF CALCULATION.—For the purposes of calculating deficiency payments to be made available to producers who choose the option established under this subparagraph, the Secretary shall decrease the established price for rice by an amount to be determined by the Secretary of not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point decrease in the acreage limitation percentage applied to the rice acreage base of the producers.

"(iii) LIMITATION.—The producers on a farm may not choose to decrease the acreage limitation percentage applicable to the rice acreage base of the producers under this paragraph by more than ½ of the announced acreage limitation percentage.

"(E) PARTICIPATION AND PRODUCTION EFFECTS.—Notwithstanding any other provision of this paragraph, the Secretary shall, to the extent practicable, ensure that the program provided for in this paragraph does not have a significant effect on participation on the program established under this section or total production and shall be offered in such a manner that the Secretary determines will result in no additional budget outlays. The Secretary shall provide an analysis of the determination of the Secretary to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(4) ADMINISTRATION.—

"(A) PROTECTION FROM WEEDS AND EROSION.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall ensure protection of the acreage from weeds and wind and water erosion.

"(B) CONSERVING CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the acreage to be devoted to sweet sorghum, guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, mung beans, milkweed, or other commodity, if the Secretary determines that the production is needed to provide an adequate supply of the commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(C) HAYING AND GRAZING.—

"(i) IN GENERAL.—Except as provided in clause (ii), haying and grazing of reduced acreage, acreage devoted to a conservation use under subsection (c)(1)(D), and acreage diverted from production under a land diversion program established under this subsection shall be permitted, except during any consecutive 5-month period that is established by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. The 5-month period shall be established during the period beginning April 1, and ending October 31, of a year.

"(ii) NATURAL DISASTERS.—In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on the acreage. The Secretary may not exclude irrigated or irrigable acreage not planted to alfalfa when exercising the authority under this clause.

"(D) WATER STORAGE USES.—

"(i) IN GENERAL.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall provide that land that has been converted to water storage uses shall be considered to be devoted to conservation uses if the land was devoted to wheat, feed grains, cotton, rice, or oilseeds in at least 3 of the immediately preceding 5 crop years. The land shall be considered to be devoted to conservation uses for the period that the land remains in water storage uses, but not to exceed 5 crop years subsequent to the conversion of the land to water storage uses.

"(ii) LIMITATIONS.—Land converted to water storage uses for the purposes of this subparagraph may not be devoted to any commercial use, including commercial fish production. The water stored on the land may not be ground water. The farm on which the land is located must have been irrigated with ground water during at least 1 of the preceding 5 crop years.

"(5) LAND DIVERSION PROGRAM.—

"(A) IN GENERAL.—The Secretary may make land diversion payments to producers of rice, whether or not an acreage limitation program for rice is in effect, if the Secretary determines that the land diversion payments are necessary to assist in adjusting the total national acreage of rice to desirable goals. The land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with the producers.

"(B) AMOUNTS.—The amounts payable to producers under land diversion contracts may be determined through the submission of bids for the contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

"(C) LIMITATION ON DIVERTED ACREAGE.—The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(6) CONSERVATION PRACTICES.—

"(A) WILDLIFE FOOD PLOTS OR HABITAT.—The reduced acreage and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out this subparagraph.

"(B) PUBLIC ACCESS.—The Secretary may provide for an additional payment on the acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producers on a farm agree to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable Federal and State regulations.

"(7) PARTICIPATION AGREEMENTS.—

"(A) IN GENERAL.—Producers on a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for the participation not later than such date as the Secretary may prescribe.

"(B) MODIFICATION OR TERMINATION.—The Secretary may, by mutual agreement with producers on a farm, modify or terminate any such agreement if the Secretary determines the action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities. The Secretary may modify the agreement under this subparagraph for the purpose of alleviating a shortage in the supply of agricultural commodities only if there has been a significant change in the estimated stocks of the commodity since the Secretary announced the final terms and conditions of the program for the crop of rice.

"(f) INVENTORY REDUCTION PAYMENTS.—

"(1) IN GENERAL.—For each of the 1996 through 2002 crops of rice, the Secretary may make payments available to producers on a farm who meet the requirements of this subsection.

"(2) FORM.—The payments may be made in the form of marketing certificates.

"(3) PAYMENTS.—

"(A) IN GENERAL.—Payments under this subsection shall be determined in the same manner as provided in subsection (b).

"(B) QUANTITY OF RICE MADE AVAILABLE.—The quantity of rice to be made available to the producers on a farm under this subsection shall be equal in value to the payments so determined under this subsection.

"(4) ELIGIBILITY.—The producers on a farm shall be eligible to receive a payment under this subsection for a crop if the producers—

"(A) agree to forgo obtaining a loan or purchase agreement under subsection (a);

"(B) agree to forgo receiving payments under subsection (c);

"(C) do not plant rice for harvest in excess of the crop acreage base reduced by ½ of any acreage required to be diverted from production under subsection (e); and

"(D) otherwise comply with this section.

"(g) EQUITABLE RELIEF.—

"(1) LOANS, PURCHASES, AND PAYMENTS.—If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, notwithstanding the failure, make the loans, purchases, and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of the program in determining whether equitable relief is warranted under this paragraph.

"(2) DEADLINES AND PROGRAM REQUIREMENTS.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet the other requirements does not affect adversely the operation of the program.

"(h) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(i) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(j) ASSIGNMENT OF PAYMENTS.—Section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) shall apply to payments made under this section.

"(k) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(l) TENANTS AND SHARECROPPERS.—In carrying out this section, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(m) CROSS-COMPLIANCE.—

"(1) IN GENERAL.—Compliance on a farm with the terms and conditions of any other commodity program, or compliance with crop acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans, purchases, or payments under this section.

"(2) COMPLIANCE ON OTHER FARMS.—The Secretary may not require producers on a farm, as a condition of eligibility for loans, purchases, or payments under this section for the farm, to comply with the terms and conditions of the rice program with respect to any other farm operated by the producers.

"(n) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of rice.".

TITLE V—OILSEEDS

SEC. 501. LOANS AND PAYMENTS FOR OILSEEDS FOR 1996 THROUGH 2002 MARKETING YEARS.

Section 205 of the Agricultural Act of 1949 (7 U.S.C. 1446f) is amended to read as follows:

"SEC. 205. LOANS AND PAYMENTS FOR OILSEEDS FOR 1996 THROUGH 2002 MARKETING YEARS.

"(a) DEFINITION OF OILSEEDS.—In this section, the term 'oilseeds' means soybeans, sunflower seed, canola, rapeseed, safflower, flaxseed, mustard seed, and such other oilseeds as the Secretary may determine.

"(b) LOANS AND PURCHASES.—The Secretary shall make available to producers on a farm loans and purchases for each of the 1996 through 2002 crops of oilseeds produced on the farm at such level as the Secretary determines will maintain the competitiveness of oilseeds with other crops and will not result in excessive total stocks of oilseeds, taking into consideration the cost of producing oilseeds, supply and demand conditions, and world prices for oilseeds.

"(c) LOAN AND PURCHASE LEVEL.—

"(1) SOYBEANS.—Except as provided in paragraph (4), the loan and purchase level for each of the 1996 through 2002 crops of soybeans shall be not less than the greater of—

"(A) 85 percent of the simple average price received by producers, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

"(B) $5.50 per bushel.

"(2) SUNFLOWER SEED, CANOLA, RAPESEED, AND FLAXSEED.—Except as provided in paragraph (4), the loan and purchase level for each of the 1996 through 2002 crops of sunflower seed, canola, rapeseed, and flaxseed shall be not less than the greater of—

"(A) 85 percent of the simple average price received by producers, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of sunflower seed, canola, rapeseed, and flaxseed, respectively, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

"(B) $9.75 per hundredweight.

"(3) OTHER OILSEEDS.—Except as provided in paragraph (4), the loan and purchase level for each of the 1996 through 2002 crops of oilseeds not covered by paragraph (1) or (2) shall be established at such level as the Secretary determines is fair and reasonable in relation to the loan and purchase level available for soybeans, except that the loan and purchase level for cottonseed may not be established at a level that is less than the level established for soybeans on a per-pound basis for the same crop year.

"(4) ADJUSTMENT.—If the Secretary determines for any marketing year that the loan and purchase level established under this subsection will result in outlays in the form of loan deficiency payments to producers of an oilseed, the Secretary shall reduce the loan and purchase level for a crop of the oilseed for the marketing year to a level at which, as determined by the Secretary, payments will not be made, except that the level may not be less than—

"(A) in the case of soybeans, $5.00 per bushel; and

"(B) in the case of sunflower seed, canola, rapeseed, and flaxseed, $8.90 per hundredweight.

"(5) REPORT.—If the Secretary adjusts the level of loans and purchases for an oilseed under paragraph (4), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report—

"(A) certifying that the adjustment is necessary to reduce outlays in the form of loan deficiency payments; and

"(B) containing a description of the production, stocks, and price circumstances under which the adjustment is needed.

"(6) FUTURE CROP YEARS.—Any reduction in the loan and purchase level for a crop of an oilseed under paragraph (4) shall not be considered in determining the loan and purchase level for a future crop of the oilseed.

"(d) MARKETING LOANS.—

"(1) IN GENERAL.—The Secretary shall permit a producer to repay a loan made under this section for a crop—

"(A) at a level that is the lesser of—

"(i) the loan and purchase level determined for the crop; and

"(ii) the prevailing world market price for the applicable oilseed (adjusted to United States quality and location), as determined by the Secretary; or

"(B) such other level (not in excess of the loan and purchase level determined for the crop) that the Secretary determines will—

"(i) minimize potential loan forfeitures;

"(ii) minimize the accumulation of oilseed stocks by the Federal Government;

"(iii) minimize the cost incurred by the Federal Government in storing oilseeds; and

"(iv) allow oilseeds produced in the United States to be marketed freely and competitively, both domestically and internationally.

"(2) PREVAILING WORLD MARKET PRICE.—The Secretary shall prescribe by regulation—

"(A) a formula for determining the prevailing world market price for oilseeds (adjusted to United States quality and location); and

"(B) a mechanism by which the Secretary shall announce periodically the prevailing world market price for oilseeds (adjusted to United States quality and location).

"(e) LOAN DEFICIENCY PAYMENT.—

"(1) IN GENERAL.—For each of the 1996 through 2002 crops of oilseeds, the Secretary shall make payments available to producers who, although eligible to obtain a loan or purchase under subsection (b), agree to forgo obtaining the loan and purchase in return for payments under this subsection.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan and purchase payment rate; by

"(B) the quantity of oilseeds the producer is eligible to place under loan but for which the producer forgoes obtaining the loan and purchase in return for payments under this subsection.

"(3) LOAN AND PURCHASE PAYMENT RATE.—For purposes of this subsection, the loan and purchase payment rate shall be the amount by which—

"(A) the loan and purchase level determined for the crop under subsection (c); exceeds

"(B) the level at which a loan may be repaid under subsection (d).

"(4) MARKETING CERTIFICATES.—

"(A) IN GENERAL.—The Secretary may make payments under this section available in the form of certificates redeemable for any agricultural commodity owned by the Commodity Credit Corporation.

"(B) MINIMAL OILSEED STOCKS.—The Secretary shall make certificates available under subparagraph (A) in such a manner as to minimize the accumulation of oilseed stocks.

"(f) MARKETING YEAR.—For purposes of this section, the marketing year for—

"(1) soybeans shall be the 1-year period beginning on September 1 and ending on August 31; and

"(2) other oilseeds shall be prescribed by the Secretary by regulation.

"(g) ANNOUNCEMENTS.—The Secretary shall make an announcement of the loan and purchase level for the crop not later than 15 days prior to the beginning of the marketing year for the crop.

"(h) LOAN MATURITY.—A loan made for a crop of oilseeds under this section shall mature on the last day of the 9th month following the month in which the application for the loan is made, except that the loan may not mature later than the last day of the fiscal year in which the application is made.

"(i) OTHER TERMS AND CONDITIONS.—Notwithstanding any other provision of law—

"(1) the Secretary shall not require participation in any production adjustment program for oilseeds or any other commodity as a condition of eligibility for price support for oilseeds;

"(2) the Secretary may not authorize payments to producers to cover the cost of storing oilseeds; and

"(3) oilseeds may not be considered an eligible commodity for any reserve program.

"(j) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(k) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(l) ASSIGNMENT OF PAYMENTS.—Section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) shall apply to payments under this section.

"(m) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of oilseeds.".

TITLE VI—PEANUTS

SEC. 601. SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.

The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1996 through 2002 crops of peanuts:

(1) Subsections (a) through (j) of section 358 (7 U.S.C. 1358).

(2) Subsections (a) through (h) of section 358a (7 U.S.C. 1358a).

(3) Subsections (a), (b), (d), and (e) of section 358d (7 U.S.C. 1359).

(4) Part I of subtitle C of title III (7 U.S.C. 1361 et seq.).

(5) Section 371 (7 U.S.C. 1371).

SEC. 602. NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS.

Section 358–1 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1) is amended to read as follows:

"SEC. 358–1. NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.

"(a) NATIONAL POUNDAGE QUOTAS.—

"(1) ESTABLISHMENT.—The national poundage quota for peanuts for each of the 1996 through 2002 marketing years shall be established by the Secretary at a level that is equal to the quantity of peanuts (in tons) that the Secretary estimates will be devoted in each such marketing year to domestic edible and related uses, excluding seed. The Secretary shall include in the annual estimate of domestic edible and related uses, the estimated quantity of peanuts and peanut products to be imported into the United States for the marketing year for which the quota is being established.

"(2) ANNOUNCEMENT.—The national poundage quota for a marketing year shall be announced by the Secretary not later than the December 15 preceding the marketing year.

"(3) APPORTIONMENT AMONG STATES.—The national poundage quota established under paragraph (1) shall be apportioned among the States so that the poundage quota allocated to each State is equal to the percentage of the national poundage quota allocated to farms in the State for 1995.

"(b) FARM POUNDAGE QUOTAS.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—A farm poundage quota for each of the 1996 through 2002 marketing years shall be established—

"(i) for each farm that had a farm poundage quota for peanuts for the 1995 marketing year;

"(ii) if the poundage quota apportioned to a State under subsection (a)(3) for any such marketing year is larger than the quota for the immediately preceding marketing year, for each other farm on which peanuts were produced for marketing in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary; and

"(iii) as approved and determined by the Secretary under section 358c, for each farm on which peanuts are produced in connection with experimental and research programs.

"(B) QUANTITY.—

"(i) IN GENERAL.—The farm poundage quota for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(i) shall be the same as the farm poundage quota for the farm for the immediately preceding marketing year, as adjusted under paragraph (2), but not including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

"(ii) INCREASED QUOTA.—The farm poundage quota, if any, for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(ii) shall be equal to the quantity of peanuts allocated to the farm for the year under paragraph (2).

"(C) TRANSFERS.—For purposes of this subsection, if the farm poundage quota, or any part of the quota, is permanently transferred in accordance with section 358a or 358b, the receiving farm shall be considered as possessing the farm poundage quota (or portion of the quota) of the transferring farm for all subsequent marketing years.

"(2) ADJUSTMENTS.—

"(A) ALLOCATION OF INCREASED QUOTA GENERALLY.—Subject to subparagraphs (B) and (D), if the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is increased over the poundage quota apportioned to farms in the State for the immediately preceding marketing year, the increase shall be allocated proportionately, based on farm production history for peanuts for the 3 immediately preceding years, among—

"(i) all farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made; and

"(ii) all other farms in the State on which peanuts were produced in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary.

"(B) TEMPORARY QUOTA ALLOCATION.—

"(i) IN GENERAL.—Subject to clause (iv), temporary allocation of a poundage quota for the marketing year in which a crop of peanuts is planted shall be made to producers for each of the 1996 through 2002 marketing years in accordance with this subparagraph.

"(ii) QUANTITY.—The temporary quota allocation shall be equal to the quantity of seed peanuts (in pounds) planted on a farm, as determined in accordance with regulations issued by the Secretary.

"(iii) ALLOCATION.—The allocation of quota pounds to producers under this subparagraph shall be performed in such a manner as will not result in a net decrease in quota pounds on a farm in excess of 3 percent, after the temporary seed quota is added, from the basic farm quota for the 1995 marketing year. A decrease shall occur only once, shall be applicable only to the 1996 marketing year.

"(iv) NO INCREASED COSTS.—The Secretary may carry out this subparagraph only if this subparagraph does not result in—

"(I) an increased cost to the Commodity Credit Corporation through displacement of quota peanuts by additional peanuts in the domestic market;

"(II) an increased loss in a loan pool of an area marketing association designated pursuant to section 108B(c)(1) of the Agricultural Act of 1949 (7 U.S.C. 1445c-3(c)(1)); or

"(III) other increased costs.

"(v) USE OF QUOTA AND ADDITIONAL PEANUTS.—Nothing in this subparagraph affects the requirements of section 358b(b).

"(vi) ADDITIONAL ALLOCATION.—The temporary allocation of quota pounds under this subparagraph shall be in addition to the farm poundage quota established under this subsection and shall be credited to the producers of the peanuts on the farm in accordance with regulations issued by the Secretary.

"(C) DECREASE.—If the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is decreased from the poundage quota apportioned to farms in the State under subsection (a)(3) for the immediately preceding marketing year, the decrease shall be allocated among all the farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made.

"(D) SPECIAL RULE ON TENANT'S SHARE OF INCREASED QUOTA.—Subject to terms and conditions prescribed by the Secretary, on farms that were leased to a tenant for peanut production, the tenant shall share equally with the owner of the farm in the percentage of the quota made available under subparagraph (A) and otherwise allocated to the farm as the result of the production of the tenant on the farm of additional peanuts. Not later than April 1 of each year or as soon as practicable during the year, the share of the tenant of any such quota shall be allocated to a farm within the county owned by the tenant or sold by the tenant to the owner of any farm within the county and permanently transferred to the farm. Any quota not so disposed of as provided in this subparagraph shall be allocated to other quota farms in the State under paragraph (6) as part of the quota reduced from farms in the State due to the failure to produce the quota.

"(3) QUOTA NOT PRODUCED.—

"(A) IN GENERAL.—Insofar as practicable and on such fair and equitable basis as the Secretary may by regulation prescribe, the farm poundage quota established for a farm for any of the 1996 through 2002 marketing years shall be reduced to the extent that the Secretary determines that the farm poundage quota established for the farm for any 2 of the 3 marketing years preceding the marketing year for which the determination is being made was not produced, or considered produced, on the farm.

"(B) EXCLUSIONS.—For the purposes of this paragraph, the farm poundage quota for any such preceding marketing year shall not include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

"(4) QUOTA CONSIDERED PRODUCED.—

"(A) IN GENERAL.—For purposes of this subsection, subject to subparagraph (B), the farm poundage quota shall be considered produced on a farm if—

"(i) the farm poundage quota was not produced on the farm because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, as determined by the Secretary;

"(ii) the farm poundage quota for the farm was released voluntarily under paragraph (7) for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; or

"(iii) the farm poundage quota was leased to another owner or operator of a farm within the same county for transfer to the farm for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made.

"(B) MARKETING YEARS.—For purposes of clauses (ii) and (iii) of subparagraph (A)—

"(i) the farm poundage quota leased or transferred shall be considered produced for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; and

"(ii) the farm shall not be considered to have produced for more than 1 marketing year out of the 3 immediately preceding marketing years.

"(5) QUOTA PERMANENTLY RELEASED.—Notwithstanding any other provision of law—

"(A) the farm poundage quota established for a farm under this subsection, or any part of the quota, may be permanently released by the owner of the farm, or the operator with the permission of the owner; and

"(B) the poundage quota for the farm for which the quota is released shall be adjusted downward to reflect the quota that is released.

"(6) ALLOCATION OF QUOTAS REDUCED OR RELEASED.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the total quantity of the farm poundage quotas reduced or voluntarily released from farms in a State for any marketing year under paragraphs (3) and (5) shall be allocated, as the Secretary may by regulation prescribe, to other farms in the State on which peanuts were produced in at least 2 of the 3 crop years immediately preceding the year for which the allocation is being made.

"(B) SET-ASIDE FOR FARMS WITH NO QUOTA.—The total amount of farm poundage quota to be allocated in the State under subparagraph (A) shall be allocated to farms in the State for which no farm poundage quota was established for the crop of the immediately preceding year. The allocation to any such farm shall not exceed the average farm production of peanuts for the 3 immediately preceding years during which peanuts were produced on the farm. Any farm poundage quota remaining after allocation to farms under this subparagraph shall be allocated to farms in the State on which poundage quotas were established for the crop of the immediately preceding year.

"(7) QUOTA TEMPORARILY RELEASED.—

"(A) IN GENERAL.—The farm poundage quota, or any portion of the quota, established for a farm for a marketing year may be voluntarily released to the Secretary to the extent that the quota, or any part of the quota, will not be produced on the farm for the marketing year. Any farm poundage quota so released in a State shall be allocated to other farms in the State on such basis as the Secretary may by regulation prescribe.

"(B) EFFECTIVE PERIOD.—Except as otherwise provided in this section, any adjustment in the farm poundage quota for a farm under subparagraph (A) shall be effective only for the marketing year for which the adjustment is made and shall not be taken into consideration in establishing a farm poundage quota for the farm from which the quota was released for any subsequent marketing year.

"(c) FARM YIELDS.—

"(1) IN GENERAL.—For each farm for which a farm poundage quota is established under subsection (b), and when necessary for purposes of this Act, a farm yield of peanuts shall be determined for each such farm.

"(2) QUANTITY.—The yield shall be equal to the average of the actual yield per acre on the farm for each of the 3 crop years in which yields were highest on the farm during the 5-year period consisting of the 1973 through 1977 crop years.

"(3) APPRAISED YIELDS.—If peanuts were not produced on the farm in at least 3 years during the 5-year period or there was a substantial change in the operation of the farm during the period (including a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that quantity determined to be fair and reasonable on the basis of yields established for similar farms that are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

"(d) Referendum Respecting Poundage Quotas.—

"(1) In general.—Not later than December 15 of each calendar year, the Secretary shall conduct a referendum of producers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether the producers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the 5 calendar years immediately following the year in which the referendum is held, except that, if at least ⅔ of the producers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the remaining years of the 5-calendar year period.

"(2) Proclamation.—The Secretary shall proclaim the result of the referendum within 30 days after the date on which the referendum is held.

"(3) Vote against quotas.—If more than ⅓ of the producers voting in the referendum vote against poundage quotas, the Secretary shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held.

"(e) Definitions.—In this part and title I of the Agricultural Act of 1949 (7 U.S.C. 1441 et seq.):

"(1) Additional peanuts.—The term 'additional peanuts' means, for any marketing year—

"(A) any peanuts that are marketed from a farm for which a farm poundage quota has been established and that are in excess of the marketings of quota peanuts from the farm for the year; and

"(B) all peanuts marketed from a farm for which no farm poundage quota has been established in accordance with subsection (b).

"(2) Crush.—The term 'crush' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary.

"(3) Domestic edible use.—The term 'domestic edible use' means use for milling to produce domestic food peanuts (other than a use described in paragraph (2)) and seed and use on a farm, except that the Secretary may exempt from this paragraph seeds of peanuts that are used to produce peanuts excluded under section 358d(c), are unique strains, and are not commercially available.

"(4) Quota peanuts.—The term 'quota peanuts' means, for any marketing year, any peanuts produced on a farm having a farm poundage quota, as determined under subsection (b), that—

"(A) are eligible for domestic edible use as determined by the Secretary;

"(B) are marketed or considered marketed from a farm; and

"(C) do not exceed the farm poundage quota of the farm for the year.

"(f) Crops.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.".

SEC. 603. SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.

Section 358b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b) is amended to read as follows:

"SEC. 358b. SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA FOR 1996 THROUGH 2000 CROPS OF PEANUTS.

"(a) In General.—

"(1) Authority.—

"(A) In general.—Subject to such terms, conditions, or limitations as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm poundage quota has been established under this Act may sell or lease all or any part of the poundage quota to any other owner or operator of a farm within the same county for transfer to the farm, except that any such lease of poundage quota may be entered into in the fall or after the normal planting season—

"(i) if not less than 90 percent of the basic quota (consisting of the farm quota and temporary quota transfers), plus any poundage quota transferred to the farm under this subsection, has been planted or considered planted on the farm from which the quota is to be leased; and

"(ii) under such terms and conditions as the Secretary may by regulation prescribe.

"(B) Fall transfers.—

"(i) No transfer authorization.—In the case of a fall transfer or a transfer after the normal planting season by a cash lessee, the landowner shall not be required to sign the transfer authorization.

"(ii) Time limitation.—A fall transfer or a transfer after the normal planting season may be made not later than 72 hours after the peanuts that are the subject of the transfer are inspected and graded.

"(iii) Lessees.—In the case of a fall transfer, poundage quota from a farm may be leased to an owner or operator of another farm within the same county or to an owner or operator of another farm in any other county within the State.

"(iv) Effect of transfer.—A fall transfer of poundage quota shall not affect the farm quota history for the transferring or receiving farm and shall not result in the reduction of the farm poundage quota on the transferring farm.

"(2) Transfers to other self-owned farms.—The owner or operator of a farm may transfer all or any part of the farm poundage quota for the farm to any other farm owned or controlled by the owner or operator that is in the same State and that had a farm poundage quota for the crop of the preceding year, if both the transferring and receiving farms were under the control of the owner or operator for at least 3 crop years prior to the crop year in which the farm poundage quota is to be transferred. Any farm poundage quota transferred under this paragraph shall not result in any reduction in the farm poundage quota for the transferring farm if sufficient acreage is planted on the receiving farm to produce the quota pounds transferred.

"(3) Transfers in states with small quotas.—In the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota may be transferred by sale or lease or otherwise from a farm in 1 county to a farm in another county in the same State.

"(4) Transfers by sale in states having quotas of 10,000 tons or more.—

"(A) In general.—Subject to the other provisions of this paragraph and such terms and conditions as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm quota has been established under this Act in a State having a poundage quota of 10,000 tons or more may sell poundage quota to any other eligible owner or operator of a farm within the same State.

"(B) Limitations based on total poundage quota.—

"(i) 1996 marketing year.—Not more than 15 percent of the total poundage quota within a county as of January 1, 1996, may be sold and transferred under this paragraph during the 1996 marketing year.

"(ii) 1997–2002 marketing years.—

"(I) In general.—Except as provided in subclause (II), not more than 5 percent of the quota pounds remaining in a county as of January 1, 1997, and each January 1 thereafter through January 1, 2002, may be sold and transferred under this paragraph during the applicable marketing year.

"(II) Carryover.—Any eligible quota that is not sold or transferred under clause (i) shall be eligible for sale or transfer under subclause (I).

"(C) County limitation.—Not more than 40 percent of the total poundage quota within a county may be sold and transferred under this paragraph.

"(D) Subsequent leases or sales.—Quota pounds sold and transferred to a farm under this paragraph may not be leased or sold by the farm to another owner or operator of a farm within the same State for a period of 5 years following the date of the original transfer to the farm.

"(E) Application.—This paragraph shall not apply to a sale within the same county or to any sale, lease, or transfer described in paragraph (1).

"(b) Conditions.—Transfers (including transfer by sale or lease) of farm poundage quotas under this section shall be subject to all of the following conditions:

"(1) Lienholders.—No transfer of the farm poundage quota from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders.

"(2) Tillable cropland.—No transfer of the farm poundage quota shall be permitted if the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) determines that the receiving farm does not have adequate tillable cropland to produce the farm poundage quota.

"(3) Record.—No transfer of the farm poundage quota shall be effective until a record of the transfer is filed with the county committee of each county to, and from, which the transfer is made and each committee determines that the transfer complies with this section.

"(4) Other terms.—The Secretary may establish by regulation other terms and conditions.

"(c) Crops.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2000 crops of peanuts.".

SEC. 604. MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS.

Section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a) is amended to read as follows:

"SEC. 358e. MARKETING PENALTIES AND DISPOSITION OF ADDITIONAL PEANUTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.

"(a) Marketing Penalties.—

"(1) In general.—

"(A) Marketing peanuts in excess of quota.—The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which the peanuts are produced shall be subject to a penalty at a rate equal to 140 percent of the support price for quota peanuts for the marketing year in which the marketing occurs. The penalty shall not apply to the marketing of breeder or Foundation seed peanuts grown and marketed by a publicly owned agricultural experiment station (including a State operated seed organization) under such regulations as the Secretary may prescribe.

"(B) MARKETING YEAR.—For purposes of this section, the marketing year for peanuts shall be the 12-month period beginning August 1 and ending July 31.

"(C) MARKETING ADDITIONAL PEANUTS.—The marketing of any additional peanuts from a farm shall be subject to the same penalty as the penalty prescribed in subparagraph (A) unless the peanuts, in accordance with regulations established by the Secretary, are—

"(i) placed under loan at the additional loan rate in effect for the peanuts under section 108B of the Agricultural Act of 1949 (7 U.S.C. 1445c–3) and not redeemed by the producers;

"(ii) marketed through an area marketing association designated pursuant to section 108B(c)(1) of the Agricultural Act of 1949; or

"(iii) marketed under contracts between handlers and producers pursuant to subsection (f).

"(2) PAYER.—The penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer or, if the peanuts are marketed by the producer through an agent, the penalty shall be paid by the agent. The person or agent may deduct an amount equivalent to the penalty from the price paid to the producer.

"(3) FAILURE TO COLLECT.—If the person required to collect the penalty fails to collect the penalty, the person and all persons entitled to share in the peanuts marketed from the farm or the proceeds of the marketing shall be jointly and severally liable with the persons who failed to collect the penalty for the amount of the penalty.

"(4) APPLICATION OF QUOTA.—Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning in the calendar year shall be subject to the quotas even though the peanuts are marketed prior to the date on which the marketing year begins.

"(5) FALSE INFORMATION.—If any producer falsely identifies, fails to accurately certify planted acres, or fails to account for the disposition of any peanuts produced on the planted acres, a quantity of peanuts equal to the greater of the average or actual yield of the farm, as determined by the Secretary, multiplied by the number of planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts. Any penalty payable under this paragraph shall be paid and remitted by the producer.

"(6) UNINTENTIONAL VIOLATIONS.—The Secretary shall authorize, under such regulations as the Secretary shall issue, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or reduce marketing penalties provided for under this subsection in cases with respect to which the committees determine that the violations that were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned.

"(7) DE MINIMIS VIOLATIONS.—An error in weight that does not exceed 1/10 of 1 percent in the case of any 1 marketing document shall not be considered to be a marketing violation except in a case of fraud or conspiracy.

"(b) USE OF QUOTA AND ADDITIONAL PEANUTS.—

"(1) QUOTA PEANUTS.—Only quota peanuts may be retained for use as seed or for other uses on a farm. When peanuts are so retained, the retention shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts for the quantity involved that are used to produce peanuts excluded under section 358d(c), are unique strains, and are not commercially available.

"(2) ADDITIONAL PEANUTS.—Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use, except as provided in subsection (g).

"(3) SEED.—Except as provided in paragraph (1), seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

"(c) MARKETING PEANUTS WITH EXCESS QUANTITY, GRADE, OR QUALITY.—On a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by the handler from the crop for the marketing year, the handler shall be subject to a penalty equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts that the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

"(d) HANDLING AND DISPOSAL OF ADDITIONAL PEANUTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 108B(c)(1) of the Agricultural Act of 1949 (7 U.S.C. 1445c–3(c)(1)).

"(2) NONSUPERVISION OF HANDLERS.—

"(A) IN GENERAL.—Supervision of the handling and disposal of additional peanuts by a handler shall not be required under paragraph (1) if the handler agrees in writing, prior to any handling or disposal of the peanuts, to comply with regulations that the Secretary shall issue.

"(B) REGULATIONS.—The regulations issued by the Secretary under subparagraph (A) shall include the following provisions:

"(i) TYPES OF EXPORTED OR CRUSHED PEANUTS.—Handlers of shelled or milled peanuts may export or crush peanuts classified by type in each of the following quantities:

"(I) SOUND SPLIT KERNEL PEANUTS.—Sound split kernel peanuts purchased by the handler as additional peanuts to which, under price support loan schedules, a mandated deduction with respect to the price paid to the producer of the peanuts would be applied due to the percentage of the sound splits.

"(II) SOUND MATURE KERNEL PEANUTS.—Sound mature kernel peanuts (which term includes sound split kernel peanuts and sound whole kernel peanuts) in an amount equal to the poundage of the peanuts purchased by the handler as additional peanuts, less the total poundage of sound split kernel peanuts described in subclause (I).

"(III) REMAINDER.—The remaining quantity of total kernel content of peanuts purchased by the handler as additional peanuts.

"(ii) DOCUMENTATION.—Handlers shall ensure that any additional peanuts exported or crushed are evidenced by onboard bills of lading or other appropriate documentation as may be required by the Secretary, or both.

"(iii) LOSS OF PEANUTS.—If a handler suffers a loss of peanuts as a result of fire, flood, or any other condition beyond the control of the handler, the portion of the loss allocated to contracted additional peanuts shall not be greater than the portion of the total peanut purchases of the handler for the year attributable to contracted additional peanuts purchased for export or crushing by the handler during the year.

"(iv) SHRINKAGE ALLOWANCE.—

"(I) IN GENERAL.—The obligation of a handler to export or crush peanuts in quantities described in this subparagraph shall be reduced by a shrinkage allowance, to be determined by the Secretary, to reflect actual dollar value shrinkage experienced by handlers in commercial operations, except that the allowance shall not be less than 4 percent, except as provided in subclause (II).

"(II) COMMON INDUSTRY PRACTICES.—The Secretary may provide a lower shrinkage allowance for a handler who fails to comply with restrictions on the use of peanuts, as may be specified by the Commodity Credit Corporation, to take into account common industry practices.

"(3) ADEQUATE FINANCES AND FACILITIES.—A handler shall submit to the Secretary adequate financial guarantees, as well as evidence of adequate facilities and assets, with respect to the facilities under the control and operation of the handler, to ensure the compliance of the handler with the obligation to export peanuts.

"(4) COMMINGLING OF LIKE PEANUTS.—Quota and additional peanuts of like type and segregation or quality may, under regulations issued by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

"(5) PENALTY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the failure by a handler to comply with regulations issued by the Secretary governing the disposition and handling of additional peanuts shall subject the handler to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts involved in the violation.

"(B) NONDELIVERY.—A handler shall not be subject to a penalty for failure to export additional peanuts if the peanuts were not delivered to the handler.

"(6) REENTRY OF EXPORTED PEANUTS.—

"(A) PENALTY.—If any additional peanuts or peanut products exported by a handler are reentered into the United States in commercial quantities as determined by the Secretary, the importer of the peanuts and peanut products shall be subject to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts reentered.

"(B) RECORDS.—Each person, firm, or handler who imports peanuts into the United States shall maintain such records and documents as are required by the Secretary to ensure compliance with this subsection.

"(e) SPECIAL EXPORT CREDITS.—

"(1) IN GENERAL.—The Secretary shall, with due regard for the integrity of the peanut program, promulgate regulations that will permit any handler of peanuts who manufactures peanut products from domestic edible peanuts to export the products and receive credit for the fulfillment of export obligations for the peanut content of the products against which export credit the handler may subsequently apply, up to the amount of the credit, equivalent quantities of additional peanuts of the same type acquired by the handler and used in the domestic edible market. The peanuts so acquired for the domestic edible market as provided in this subsection shall be of the same crop year as the peanuts used in the manufacture of the products so exported.

"(2) CERTIFICATION.—Under the regulations, the Secretary shall require all handlers who are peanut product manufacturers to submit annual certifications of peanut product content on a product-by-product basis. Any changes in peanut product formulas as affecting peanut content shall be recorded within 90 days after the changes. The Secretary shall conduct an annual review of the certifications. The Secretary shall pursue all available remedies with respect to persons who fail to comply with this paragraph.

"(3) RECORDS.—The Secretary shall require handlers who are peanut product manufacturers to maintain and provide such documents as are necessary to ensure compliance with this subsection and to maintain the integrity of the peanut program.

"(f) CONTRACTS FOR PURCHASE OF ADDITIONAL PEANUTS.—

"(1) IN GENERAL.—A handler may, under such regulations as the Secretary may issue, contract with a producer for the purchase of additional peanuts for crushing or export, or both.

"(2) SUBMISSION TO SECRETARY.—

"(A) CONTRACT DEADLINE.—Any such contract shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval not later than September 15 of the year in which the crop is produced.

"(B) EXTENSION OF DEADLINE.—The Secretary may extend the deadline under subparagraph (A) by up to 15 days in response to damaging weather or related condition (as defined in section 112 of the Disaster Assistance Act of 1989 (Public Law 101–82; 7 U.S.C. 1421 note)). The Secretary shall announce the extension not later than September 5 of the year in which the crop is produced.

"(3) FORM.—The contract shall be executed on a form prescribed by the Secretary. The form shall require such information as the Secretary determines appropriate to ensure the proper handling of the additional peanuts, including the identity of the contracting parties, poundage and category of the peanuts, the disclosure of any liens, and the intended disposition of the peanuts.

"(4) INFORMATION FOR HANDLING AND PROCESSING ADDITIONAL PEANUTS.—Notwithstanding any other provision of this section, any person wishing to handle and process additional peanuts as a handler shall submit to the Secretary (or if designated by the Secretary, the area marketing association), such information as may be required under subsection (d) by such date as is prescribed by the Secretary so as to permit final action to be taken on the application by July 1 of each marketing year.

"(5) TERMS.—Each such contract shall contain the final price to be paid by the handler for the peanuts involved and a specific prohibition against the disposition of the peanuts for domestic edible or seed use.

"(6) SUSPENSION OF RESTRICTIONS ON IMPORTED PEANUTS.—Notwithstanding any other provision of this Act, if the President issues a proclamation under section 404(b) of the Uruguay Round Agreements Act (19 U.S.C. 3601(b)) expanding the quantity of peanuts subject to the in-quota rate of duty under a tariff-rate quota, or under section 22 of the Agricultural Adjustment Act (7 U.S.C. 624), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, temporarily suspending restrictions on the importation of peanuts, the Secretary shall, subject to such terms and conditions as the Secretary may prescribe, permit a handler, with the written consent of the producer, to purchase additional peanuts from any producer who contracted with the handler and to offer the peanuts for sale for domestic edible use.

"(g) MARKETING OF PEANUTS OWNED OR CONTROLLED BY THE COMMODITY CREDIT CORPORATION.—

"(1) IN GENERAL.—Subject to section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427), any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use, in accordance with regulations issued by the Secretary, so long as doing so does not result in substantially increased cost to the Commodity Credit Corporation. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices that are not less than the prices that are required to cover all costs incurred with respect to the peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus—

"(A) not less than 100 percent of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season on delivery by and with the written consent of the producer;

"(B) not less than 105 percent of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year; or

"(C) not less than 107 percent of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year.

"(2) ACCEPTANCE OF BIDS BY AREA MARKETING ASSOCIATIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), for the period from the date additional peanuts are delivered for loan to March 1 of the calendar year following the year in which the additional peanuts were harvested, the area marketing association designated pursuant to section 108B(c)(1) of the Agricultural Act of 1949 (7 U.S.C. 1445c–3(c)(1)) shall have sole authority to accept or reject lot list bids when the sales price, as determined under this subsection, equals or exceeds the minimum price at which the Commodity Credit Corporation may sell the stocks of additional peanuts of the Corporation.

"(B) MODIFICATION.—The area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by subparagraph (A) to facilitate the orderly marketing of additional peanuts.

"(3) PRODUCER MARKETING AND EXPENSES.—Notwithstanding any other provision of this Act, the Secretary shall, in any determination required under subsections (a)(2) and (b)(1) of section 108B of the Agricultural Act of 1949 (7 U.S.C. 1445c–3), include any additional marketing expenses required by law, excluding the amount of any assessment required under section 108B(g) of the Agricultural Act of 1949 (7 U.S.C. 1445c–3(g)).

"(h) ADMINISTRATION.—

"(1) INTEREST.—The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest on the penalty at a rate per annum equal to the rate per annum of interest that was charged the Commodity Credit Corporation by the Treasury of the United States on the date the penalty became due.

"(2) DE MINIMIS QUANTITY.—This section shall not apply to peanuts produced on any farm on which the acreage harvested for peanuts is 1 acre or less if the producers who share in the peanuts produced on the farm do not share in the peanuts produced on any other farm.

"(3) LIENS.—Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which the penalty is incurred, and on any subsequent crop of peanuts subject to farm poundage quotas in which the person liable for payment of the penalty has an interest, shall be in effect in favor of the United States.

"(4) PENALTIES.—

"(A) PROCEDURES.—Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary may by regulation prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Federal Government.

"(B) JUDICIAL REVIEW.—Nothing in this section prohibits any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether the determination was made in conformity with applicable law.

"(C) CIVIL PENALTIES.—All penalties imposed under this section shall for all purposes be considered civil penalties.

"(5) REDUCTION OF PENALTIES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B) and notwithstanding any other provision of law, the Secretary may reduce the amount of any penalty assessed against handlers under this section by any appropriate amount, including, in an appropriate case, eliminating the penalty entirely, if the Secretary finds that the violation on which the penalty is based was minor or inadvertent, and that the reduction of the penalty will not impair the operation of the peanut program.

"(B) FAILURE TO EXPORT CONTRACTED ADDITIONAL PEANUTS.—The amount of any penalty imposed on a handler under this section that resulted from the failure to export or crush contracted additional peanuts shall not be reduced by the Secretary.

"(i) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.".

SEC. 605. EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.

Section 358c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358c) is amended to read as follows:

"SEC. 358c. EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.

"(a) IN GENERAL.—Notwithstanding any other provision of this Act, the Secretary may permit a portion of the poundage quota for peanuts apportioned to any State to be allocated from the quota reserve of the State to land-grant institutions identified in the Act of May 8, 1914 (38 Stat. 372, chapter 79; 7 U.S.C. 341 et seq.), and colleges eligible to receive funds under the Act of August 30, 1890 (26 Stat. 419, chapter 841; 7 U.S.C. 321 et seq.), including Tuskegee Institute and, as appropriate, the Agricultural Research Service of the Department of Agriculture to be used for experimental and research purposes.

"(b) QUANTITY.—The quantity of the quota allocated to an institution under this section shall not exceed the quantity of the quota held by each such institution during the 1985 crop year, except that the total quantity allocated to all institutions in a State shall not exceed 1/10 of 1 percent of the basic quota of the State.

"(c) LIMITATION.—The director of the agricultural experiment station for a State shall be required to ensure, to the extent practicable, that farm operators in the State do not produce quota peanuts under subsection (a) in excess of the quantity needed for experimental and research purposes.

"(d) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.".

SEC. 606. PRICE SUPPORT PROGRAM.

Section 108B of the Agricultural Act of 1949 (7 U.S.C. 1445c–3) is amended to read as follows:

"SEC. 108B. PRICE SUPPORT PROGRAM FOR 1996 THROUGH 2002 CROPS OF PEANUTS.

"(a) QUOTA PEANUTS.—

"(1) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts for each of the 1996 through 2002 crops.

"(2) SUPPORT RATES.—

"(A) IN GENERAL.—Subject to subparagraph (B), the national average quota support rate for each of the 1996 through 2002 crops of quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase or decrease, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land and the cost of any assessments required under subsection (g).

"(B) MAXIMUM RATE.—In no event shall the national average quota support rate for any such crop be increased or decreased by more than 5 percent of the national average quota support rate for the preceding crop.

"(3) INSPECTION, HANDLING, OR STORAGE.—The level of support determined under paragraph (2) shall not be reduced by any deduction for inspection, handling, or storage.

"(4) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 403.

"(5) ANNOUNCEMENT.—The Secretary shall announce the level of support for quota peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

"(b) ADDITIONAL PEANUTS.—

"(1) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1996 through 2002 crops at such levels as the Secretary considers appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

"(2) ANNOUNCEMENT.—The Secretary shall announce the level of support for additional peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

"(c) AREA MARKETING ASSOCIATIONS.—

"(1) WAREHOUSE STORAGE LOANS.—

"(A) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the 3 producing areas described in section 1446.95 of title 7, Code of Federal Regulations (as of January 1, 1989), to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and sections 358d and 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359 and 1359a).

"(B) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—The area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this section and sections 358d and 358e of the Agricultural Adjustment Act of 1938.

"(C) ASSOCIATION COSTS.—Loans made to an area marketing association under this paragraph shall include, in addition to the price support value of the peanuts, such costs as the association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this section and sections 358d and 358e of the Agricultural Adjustment Act of 1938.

"(2) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

"(A) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Peanuts produced outside New Mexico shall not be eligible for entry into or participation in the separate pools established for Valencia peanuts produced in New Mexico. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

"(B) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

"(i) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

"(ii) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in clause (i).

"(d) LOSSES.—Notwithstanding any other provision of this section:

"(1) QUOTA PEANUTS PLACED UNDER LOAN.—Any distribution of net gains on additional peanuts (other than net gains on additional peanuts in separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) shall be first reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts placed under loan.

"(2) QUOTA LOAN POOLS.—

"(A) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)).

"(B) OTHER LOSSES.—Losses in area quota pools shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the producer from the sale of additional peanuts for domestic and export edible use.

"(e) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938.

"(f) QUALITY IMPROVEMENT.—

"(1) PRICE SUPPORT PEANUTS.—With respect to peanuts under price support loan, the Secretary shall—

"(A) promote the crushing of peanuts at a greater risk of deterioration before peanuts at a lesser risk of deterioration;

"(B) ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use are shown to have been officially inspected by licensed Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

"(C) continue to endeavor to operate the peanut price support program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

"(D) ensure that any changes made in the price support program as a result of this subsection requiring additional production or handling at the farm level are reflected as an upward adjustment in the Department of Agriculture loan schedule.

"(2) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts, including peanuts imported into the United States, meet all United States quality standards under Marketing Agreement No. 146 and that importers of the peanuts fully comply with inspection, handling, storage, and processing requirements implemented under Marketing Agreement No. 146. The Secretary shall ensure that peanuts produced for the export market meet quality, inspection, handling, storage, and processing requirements under Marketing Agreement No. 146.

"(g) MARKETING ASSESSMENT.—

"(1) IN GENERAL.—The Secretary shall provide, by regulation, for a nonrefundable marketing assessment applicable to each of the 1996 through 2002 crops of peanuts. The assessment shall be made in accordance with this subsection and shall be on a per pound basis in an amount equal to 1.2 percent of the national average quota or additional peanut support rate per pound, as applicable, for the applicable crop. No peanuts shall be assessed more than 1.2 percent of the applicable support rate under this subsection.

"(2) FIRST PURCHASERS.—

"(A) IN GENERAL.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall—

"(i) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by .65 percent of the applicable national average support rate;

"(ii) pay, in addition to the amount collected under clause (i), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average support rate; and

"(iii) remit the amounts required under clauses (i) and (ii) to the Commodity Credit Corporation in a manner specified by the Secretary.

"(B) DEFINITION.—In this subsection, the term 'first purchaser' means a person acquiring peanuts from a producer, except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

"(3) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

"(4) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a price support loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For the purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

"(5) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

"(A) the quantity of peanuts involved in the violation; by

"(B) the national average quota peanut price support level for the applicable crop year.

"(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

"(h) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.".

SEC. 607. REPORTS AND RECORDS.

Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before "all brokers and dealers in peanuts" the following: "all producers engaged in the production of peanuts,".

SEC. 608. SUSPENSION OF CERTAIN PRICE SUPPORT PROVISIONS.

Section 101 of the Agricultural Act of 1949 (7 U.S.C. 1441) shall not be applicable to the 1996 through 2002 crops of peanuts.

SEC. 609. REGULATIONS.

The Secretary of Agriculture shall issue such regulations as are necessary to carry out this title and the amendments made by this title. In issuing the regulations, the Secretary shall—

(1) comply with subchapter II of chapter 5 of title 5, United States Code;

(2) provide public notice through the Federal Register of any such proposed regulations; and

(3) allow adequate time for written public comment prior to the formulation and issuance of any final regulations.

TITLE VII—SUGAR

SEC. 701. SUGAR PRICE SUPPORT.

Section 206 of the Agricultural Act of 1949 (7 U.S.C. 1446g) is amended to read as follows:

"SEC. 206. SUGAR PRICE SUPPORT FOR 1996 THROUGH 2002 CROPS.

"(a) IN GENERAL.—The price of each of the 1996 through 2002 crops of sugar beets and sugarcane, respectively, shall be supported in accordance with this section.

"(b) SUGARCANE.—The Secretary shall support the price of domestically grown sugarcane through nonrecourse loans at 18 cents per pound for raw cane sugar.

"(c) SUGAR BEETS.—The Secretary shall support the price of domestically grown sugar beets through nonrecourse loans at the basic loan rate level established by the Secretary for the 1994 crop of sugar beets.

"(d) ADJUSTMENT IN SUPPORT PRICE.—The Secretary may increase the support price for each of the 1997 through 2002 crops of domestically grown sugarcane and sugar beets from the price determined for the preceding crop based on such factors as the Secretary determines appropriate, including changes (during the 2 crop years immediately preceding the crop year for which the determination is made) in the cost of sugar products, the cost of domestic sugar production, and other circumstances that may adversely affect domestic sugar production.

"(e) ANNOUNCEMENTS.—The Secretary shall announce the basic loan rates for cane sugar and beet sugar to be applicable during any fiscal year under this section as far in advance of the beginning of the fiscal year as is practicable consistent with this section.

"(f) TERM.—

"(1) IN GENERAL.—Except as provided in paragraph (2) and subsection (g), loans under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature at the end of 3 months.

"(2) EXTENSION.—At the option of the borrower, on furnishing written notice to the Commodity Credit Corporation, the maturity of a loan may be extended for 2 additional 3-month periods, except that the maturity may not be extended beyond the end of the fiscal year subsequent to the fiscal year in which the loan is made.

"(g) SUPPLEMENTARY NONRECOURSE LOANS.—

"(1) IN GENERAL.—The Secretary shall make available to eligible processors price support loans with respect to sugar processed from sugarcane and sugar beets harvested in the last 3 months of a fiscal year.

"(2) TERM.—Except as provided in paragraph (4), a loan made under paragraph (1) shall mature at the end of the fiscal year.

"(3) REPLEDGING SUGAR.—The processor may repledge the sugar as collateral for a price support loan in the subsequent fiscal year, except that the second loan shall—

"(A) be made at the loan rate in effect at the time the second loan is made; and

"(B) mature in 3 months.

"(4) EXTENSION.—At the option of the borrower, on furnishing written notice to the Commodity Credit Corporation, the maturity of a loan may be extended for 2 additional 3-month periods, except that the total term of the loan may not be greater than 9 months.

"(h) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

"(i) MARKETING ASSESSMENT.—

"(1) TIER 1 ASSESSMENT.—

"(A) SUGARCANE.—Effective only for marketings of raw cane sugar during fiscal years 1997 through 2003, the first processor of sugarcane shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to 1.1 percent of the loan level established under subsection (b) per pound of raw cane sugar (but not more than .198 cents per pound of raw cane sugar) processed by the processor from domestically produced sugarcane or sugarcane molasses that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing). The assessment shall be payable on marketings within the base of the processor, as established by the Secretary under section 359b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359bb).

"(B) SUGAR BEETS.—

"(i) IN GENERAL.—Effective only for marketings of beet sugar during fiscal years 1997 through 2003, the first processor of sugar beets shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to 1.1794 percent of the loan level established under subsection (b) per pound of beet sugar (but not more than .2123 cents per pound of beet sugar), processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed.

"(ii) BASE.—The assessment shall be payable on marketings within the base of the processor, as established by the Secretary under section 359b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359bb).

"(C) IMPORTED SUGAR.—Effective only for fiscal years 1997 through 2003—

"(i) each holder of a certificate of quota eligibility for raw cane sugar imported into the United States shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in the amount specified in subparagraph (A) per pound of raw cane sugar; and

"(ii) each holder of a certificate of quota eligibility for refined sugar (beet or cane) imported into the United States shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in the amount specified in subparagraph (B) per pound of refined sugar.

"(D) EXEMPT MARKETINGS.—No marketing assessment shall be required to be paid under this paragraph with respect to marketings of sugar to enable another processor or refiner to fill the marketing assessment base of the processor or refiner or to facilitate the exportation of the sugar.

"(2) TIER 2 ASSESSMENT.—

"(A) IN GENERAL.—Effective for marketings of raw cane sugar or beet sugar during fiscal year 1997, the first processor of sugarcane or sugar beets, or the refiner of cane sugar, shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to 100 percent of the loan level established under subsection (b) or (c) per pound of raw cane sugar or beet sugar, respectively, marketed in excess of the base of the processor or refiner, as established by the Secretary under section 359b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359bb).

"(B) REDUCTION.—The assessment rate shall be reduced to 97 percent of the loan level for marketings for fiscal year 1998, 94 percent for fiscal year 1999, 91 percent for fiscal year 2000, and 88 percent for each of fiscal years 2001, 2002, and 2003.

"(3) COLLECTION.—

"(A) TIMING.—Marketing assessments required under this subsection shall be collected on a monthly basis and shall be remitted to the Commodity Credit Corporation not later than 30 days after the end of the month in which the sugar is marketed or imported.

"(B) MANNER.—Subject to subparagraph (A), marketing assessments shall be collected under this subsection in the manner prescribed by the Secretary and shall be nonrefundable.

"(4) PENALTIES.—If any person fails to remit the assessment required by this subsection or fails to comply with such requirements for recordkeeping or such other requirements as are specified by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

"(A) the quantity of cane sugar or beet sugar involved in the violation; by

"(B) the support level for the applicable crop of sugarcane or sugar beets.

"(5) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

"(j) ASSURANCE OF SUPPLY OF RAW CANE SUGAR.—

"(1) IN GENERAL.—Subject to paragraphs (2) and (3), if, during a period of 7 consecutive market days, the price for raw cane sugar for the nearest future contract month, as reported by the New York Coffee, Sugar, and Cocoa Exchange, the No. 14 price, averages more than 128 percent of the loan rate established under subsection (b) for raw cane sugar, within 3 market days, the Secretary shall take all actions authorized by law to increase the supply of raw cane sugar, in increments of not less than 50,000 tons, to a level that is sufficient to reduce the average price for raw cane sugar to not more than 128 percent of the loan rate.

"(2) ACTIONS.—

"(A) MARKETING ASSESSMENT BASES.—In carrying out paragraph (1), before taking any other action, the Secretary shall increase the marketing assessment bases for processors of raw cane sugar established under sections 359c and 359d of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359cc and 1359dd) to the extent necessary to increase the supply of domestically-produced raw cane sugar to the maximum extent available.

"(B) OTHER ACTIONS.—If the Secretary determines that further action is necessary to increase the supply of raw cane sugar under this subsection, the Secretary shall take the action.

"(3) BEET SUGAR.—The Secretary shall not take an action under this subsection if, during the 7-day period referred to in paragraph (1), the average bulk, FOB factory net price for refined beet sugar reported by all sellers is more than 128 percent of the average price for raw cane sugar for the nearest future contract month.

"(4) REFINER BASE.—Any action taken under this subsection shall not affect the base for any refiner established by the Secretary under sections 359c and 359d of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359cc and 1359dd).

"(k) CROPS.—Except as provided in subsection (i), this section shall be effective only for the 1996 through 2002 crops of sugar beets and sugarcane.".

SEC. 702. MARKETING ASSESSMENT BASES FOR PROCESSORS AND REFINERS.

Effective October 1, 1996, part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa et seq.) is amended to read as follows:

"PART VII—MARKETING ASSESSMENT BASES FOR PROCESSORS AND REFINERS

"SEC. 359a. INFORMATION REPORTING.

"(a) DUTY OF PROCESSORS, REFINERS, AND MANUFACTURERS TO REPORT.—

"(1) PROCESSORS AND REFINERS.—All sugarcane processors, cane sugar refiners, and sugar beet processors shall provide the Secretary such information as the Secretary may require to administer sugar programs, including the quantity of purchases of sugarcane, sugar beets, and sugar and production, importation, distribution, and stock levels of sugar.

"(2) MANUFACTURERS OF CRYSTALLINE FRUCTOSE.—All manufacturers of crystalline fructose from corn (referred to in this part as 'crystalline fructose') shall provide the Secretary such information as the Secretary may require with respect to the distribution of crystalline fructose by the manufacturer.

"(b) DUTY OF PRODUCERS TO REPORT.—The Secretary may require a producer of sugarcane or sugar beets to report, in the manner prescribed by the Secretary, the sugarcane or sugar beet yields of the producer and acres planted to sugarcane or sugar beets, respectively.

"(c) PENALTY.—Any person willfully failing or refusing to provide the information required under this section, or providing willfully any false information, shall be subject to a civil penalty of not more than $10,000 for each such violation.

"(d) MONTHLY REPORTS.—Taking into consideration the information received under subsection (a), the Secretary shall publish on a monthly basis composite data on production, imports, distribution, and stock levels of sugar and composite data on distributions of crystalline fructose.

"SEC. 359b. ESTABLISHMENT OF MARKETING ASSESSMENT BASES.

"(a) IN GENERAL.—Before the beginning of each of fiscal years 1997 through 2003, the Secretary shall establish, for the fiscal year, marketing assessment bases for processors of sugar processed from domestically produced sugarcane and sugar beets and for cane sugar refiners, based on the estimate of the Secretary of sugar consumption in the United States for the fiscal year.

"(b) PRODUCTS.—The Secretary may include in the marketing assessment bases established under subsection (a) only sugar products that contain at least 50 percent sucrose or crystalline fructose for human consumption, derived from sugarcane, sugar beets, molasses, or sugar.

"SEC. 359c. CALCULATION OF MARKETING ASSESSMENT BASES.

"(a) IN GENERAL.—The Secretary shall establish marketing assessment bases for sugar for each of fiscal years 1997 through 2003 in accordance with this section.

"(b) OVERALL BASE.—

"(1) IN GENERAL.—The Secretary shall establish the overall base to be distributed for a fiscal year (referred to in this part as the 'overall base') on the basis of the estimate of the Secretary of sugar consumption for the fiscal year.

"(2) ADJUSTMENT.—The Secretary shall adjust the overall base, to the maximum extent practicable, to prevent the accumulation of sugar acquired by the Commodity Credit Corporation.

"(c) ESTABLISHMENT OF BASE.—The overall base for each fiscal year shall be distributed among sugar derived from sugar beets and sugar derived from sugarcane in the following proportions:

"(1) Sugar derived from sugar beets—47 percent.

"(2) Sugar derived from sugarcane, including raw cane sugar imported from foreign countries for consumption in the United States—53 percent.

"(d) DISTRIBUTION OF BASE.—

"(1) SUGAR BEETS.—The base for sugar derived from sugar beets for a fiscal year shall be a quantity equal to the product obtained by multiplying—

"(A) the overall base quantity for the fiscal year; by

"(B) the percentage referred to in subsection (c)(1).

"(2) SUGARCANE.—The base for raw sugar derived from sugarcane for a fiscal year shall be the quantity obtained by subtracting—

"(A) 1,257,000 short tons, raw value; from

"(B) the quantity equal to the product obtained by multiplying—

"(i) the overall base quantity for the fiscal year; by

"(ii) the percentage referred to in subsection (c)(2).

"(3) REFINED CANE SUGAR.—The base for refined cane sugar shall be a quantity equal to the product obtained by multiplying—

"(A) the overall base quantity for the fiscal year; by

"(B) the percentage referred to in subsection (c)(2).

"(e) STATE SUGARCANE BASE.—The base for sugar derived from sugarcane shall be further distributed, among the 5 States in the United States in which sugarcane is produced, in a fair and equitable manner on the basis of past marketings of sugar (considering the average marketings of sugar processed from sugarcane in the 2 highest years of production from each State from the 1990 through 1994 crops), processing capacity, and the ability of processors to market the sugar covered under the bases.

"(f) ADJUSTMENT OF MARKETING ASSESSMENT BASES.—

"(1) IN GENERAL.—The Secretary shall adjust marketing assessment bases established under subsections (a) through (d) in accordance with this subsection.

"(2) ADJUSTMENT BASED ON PRICE.—If the weighted average bulk, FOB factory or refinery net price (including the price of representative consumer and industrial products, adjusted to a bulk basis) reported by all sellers of refined sugar for any week is—

"(A) more than 111 percent of the average bulk, FOB factory price for refined beet sugar during fiscal years 1990 through 1994 (as reported in Appendix Table 11 of Agricultural Economic Report No. 711 of the Economic Research Service), the Secretary may increase the marketing assessment bases of cane sugar refiners and sugar beet processors established under subsections (a) through (d); or

"(B) less than 104 percent of the price referred to in subparagraph (A), the Secretary shall decrease—

"(i) the marketing assessment bases of cane sugar refiners and sugar beet processors established under subsections (a) through (d); and

"(ii) the marketing assessment bases of cane sugar processors established under this section;

to the extent necessary to maintain the minimum access level for imports of sugar set forth in Additional Note 5 to Chapter 17 of the Harmonized Tariff Schedule of the United States.

"(3) DISTRIBUTION TO PROCESSORS.—In the case of any increase or decrease in assessment bases, the share of each processor of an assessment base under section 359d, and each proportionate share established under section 359f(b), shall be increased or decreased by the same percentage that the assessment base is increased or decreased.

"(4) REDUCTIONS.—If an assessment base for a fiscal year is required to be reduced during the fiscal year under this subsection and the quantity of sugar marketed, including sugar pledged as collateral for a price support loan under section 206 of the Agricultural Act of 1949 (7 U.S.C. 1446g) and acquired by the Commodity Credit Corporation, for the fiscal year at the time of the reduction by any individual processor covered by the assessment base exceeds the reduced assessment base of the processor, the assessment base next established for the processor shall be reduced by the quantity of the excess sugar marketed.

"(g) FILLING SUGARCANE AND SUGAR BEET ASSESSMENT BASES.—

"(1) CANE SUGAR.—Each marketing assessment base for cane sugar established under this section may be filled only with sugar processed from domestically grown sugarcane or imported raw cane sugar.

"(2) BEET SUGAR.—Each marketing assessment base for beet sugar established under this section may be filled only with sugar processed from domestically grown sugar beets.

"SEC. 359d. DISTRIBUTION OF MARKETING ASSESSMENT BASES.

"(a) DISTRIBUTION TO PROCESSORS AND REFINERS.—

"(1) IN GENERAL.—Subject to the other provisions of this subsection, during each of fiscal years 1997 through 2003, the Secretary shall distribute each assessment base among the processors or cane sugar refiners covered by the base in a fair, efficient, and equitable manner, as determined by the Secretary.

"(2) AFTER FISCAL YEAR 1997.—Except as necessary to provide for new beet sugar processors or refiners of cane sugar under paragraph (5), the Secretary shall distribute any increase or decrease in the assessment bases for processors of beet sugar or refiners of cane sugar for fiscal years after fiscal year 1997 in proportion to the shares of the beet sugar processors or refiners of cane sugar for fiscal year 1997.

"(3) CANE SUGAR ASSESSMENT BASE.—In distributing the cane sugar assessment base among processors, the Secretary shall take into consideration processing capacity, past marketings of sugar, and the ability of each processor to market sugar covered by the portion of the base distributed.

"(4) SUGAR BEET ASSESSMENT BASE.—In distributing the sugar beet assessment base among processors of sugar beets, the Secretary shall assign processor bases in accordance with the highest quantity of each processor of sugar produced in any year from sugar beets produced from the 1990 through 1994 crops.

"(5) NEW PROCESSORS AND REFINERS.—In making distributions under this subsection, the Secretary shall make reasonable provision for new processors and refiners.

"(b) FILLING CANE SUGAR ASSESSMENT BASES.—Except as otherwise provided in section 359e, a State cane sugar assessment base established under section 359c(e) for a fiscal year may be filled only with sugar processed from sugarcane grown in the State covered by the assessment base.

"SEC. 359e. REASSIGNMENT OF DEFICITS.

"(a) ESTIMATES OF DEFICITS.—The Secretary shall, in a timely manner, determine whether, in view of then current inventories of sugar, the estimated production of sugar and expected marketings, and other pertinent factors—

"(1) any processor of sugarcane will be unable to market the sugar covered by the portion of the State cane sugar assessment base distributed to the processor;

"(2) any processor of sugar beets will be unable to market sugar covered by the portion of the beet sugar assessment base distributed to the processor; and

"(3) any cane sugar refiner will be unable to market sugar covered by the portion of the refined cane sugar assessment base distributed to the refiner.

"(b) REASSIGNMENT OF DEFICITS.—

"(1) CANE SUGAR.—If the Secretary determines that any sugarcane processor who has received a share of a State cane sugar base will be unable to market the share of the processor of the allotment of the State for the fiscal year—

"(A) the Secretary first shall reassign the estimated quantity of the deficit to the bases of other processors within the State, depending on the capacity of each other processor to fill the portion of the deficit to be assigned to the processor and taking into account the interests of producers served by the processors;

"(B) if after the reassignments the deficit cannot be completely eliminated, the Secretary shall reassign the estimated quantity of the deficit proportionately to the bases for other cane sugar States, depending on the capacity of each other State to fill the portion of the deficit to be assigned to the State, with the reassigned quantity to each State to be distributed among processors in the State in proportion to the bases of the processors; and

"(C) if after the reassignments, the deficit cannot be completely eliminated, the Secretary shall reassign the remainder to imports.

"(2) BEET SUGAR.—If the Secretary determines that a sugar beet processor who has received a share of the beet sugar assessment base will be unable to market the share—

"(A) the Secretary first shall reassign the estimated quantity of the deficit to the bases for other sugar beet processors, depending on the capacity of each other processor to fill the portion of the deficit to be assigned to the processor and taking into account the interests of producers served by the processors; and

"(B) if after the reassignments, the deficit cannot be completely eliminated, the Secretary shall reassign the remainder to imports.

"(3) REFINED CANE SUGAR.—If the Secretary determines that a cane sugar refiner who has received a share of the refined cane sugar assessment base will be unable to market the share, the Secretary shall promptly reassign the estimated quantity of the deficit to the bases of other refiners, as the Secretary considers appropriate.

"(4) CORRESPONDING INCREASE.—The base of each processor or refiner receiving a reassigned quantity of an assessment base under this subsection for a fiscal year shall be increased to reflect the reassignment. The Secretary shall, subject to conditions specified by regulation, provide that marketings in the next fiscal year of deficits reassigned in the last quarter of any fiscal year shall not count against the base of the processor or refiner for the next fiscal year.

"SEC. 359f. PROVISIONS APPLICABLE TO PRODUCERS.

"(a) PROCESSOR ASSURANCES.—During each of fiscal years 1997 through 2003, the Secretary shall obtain from the processors such assurances as the Secretary considers adequate that the assessment base will be shared among producers served by the processor in a fair and equitable manner that adequately reflects the production histories of producers. Any dispute between a processor and a producer, or group of producers, with respect to the sharing of the base of the processor shall be resolved through arbitration by the Secretary on the request of either party.

"(b) PROPORTIONATE SHARES OF CERTAIN STATE BASES.—

"(1) IN GENERAL.—

"(A) STATES AFFECTED.—In any case in which a State share of an assessment base is established under section 359c(e) and there are in excess of 250 producers in the State (other than Puerto Rico), the Secretary shall make a determination under subparagraph (B).

"(B) DETERMINATION.—The Secretary shall determine, for each State base described in subparagraph (A), whether the production of sugarcane, in the absence of proportionate shares, will be greater than the quantity needed to enable processors to fill the assessment base and provide a normal carryover inventory.

"(2) ESTABLISHMENT OF PROPORTIONATE SHARES.—If the Secretary determines under paragraph (1) that the quantity of sugar processed from all crops by all processors covered by a State base for a fiscal year will be in excess of the quantity needed to enable processors to fill the base for the fiscal year and provide a normal carryover inventory of sugar, the Secretary shall establish a proportionate share for each sugarcane producing farm that limits the acreage of sugarcane that may be harvested on the farm for sugar or seed during the fiscal year the base is in effect as provided in this subsection. Each such proportionate share shall be subject to adjustment under paragraph (7) and section 359g(c).

"(3) METHOD OF DETERMINING PROPORTIONATE SHARES.—For purposes of determining proportionate shares for any crop of sugarcane:

"(A) ESTABLISHMENT OF STATE'S PER-ACRE YIELD.—The Secretary shall establish the State's per-acre yield goal for a crop at a level (not less than the average per-acre yield in the State for the preceding 5 years, as determined by the Secretary) that will ensure an adequate net return per pound to sugarcane produced in the State, taking into consideration any available production research data that the Secretary considers relevant.

"(B) ADJUSTMENT OF PER-ACRE YIELD GOAL.—The Secretary shall adjust the per-acre yield goal by the average recovery rate of sugar produced from sugarcane by processors in the State.

"(C) STATE ACREAGE BASE.—The Secretary shall convert the State base for the fiscal year involved into a State acreage base for the crop by dividing the State base by the per-acre yield goal for the State, as established under subparagraph (A) and as further adjusted under subparagraph (B).

"(D) UNIFORM REDUCTION PERCENTAGE.—The Secretary shall establish a uniform reduction percentage for the crop by dividing the State acreage base, as determined for the crop under subparagraph (C), by the sum of all adjusted acreage bases in the State, as determined by the Secretary.

"(E) PROPORTIONATE SHARE OF FARM OF SUGARCANE ACREAGE.—The uniform reduction percentage for the crop, as determined under subparagraph (D), shall be applied to the acreage base for each sugarcane-producing farm in the State to determine the proportionate share of the farm of sugarcane acreage that may be harvested for sugar or seed.

"(4) ACREAGE BASE.—For purposes of this subsection, the acreage base for each sugarcane-producing farm shall be determined by the Secretary, as follows:

"(A) IN GENERAL.—The acreage base for any farm shall be the number of acres that is equal to the average of the acreage planted and considered planted for harvest for sugar or seed on the farm in each of the 5 crop years preceding the fiscal year the proportionate share will be in effect.

"(B) DISASTERS.—Acreage planted to sugarcane that producers on a farm were unable to harvest to sugarcane for sugar or seed because of drought, flood, other natural disaster, or other condition beyond the control of the producers may be considered as harvested for the production of sugar or seed for purposes of this paragraph.

"(5) VIOLATION.—

"(A) IN GENERAL.—If proportionate shares are in effect in a State for a crop of sugarcane, producers on a farm shall not knowingly harvest, or allow to be harvested, for sugar or seed an acreage of sugarcane in excess of the proportionate share of the farm for the fiscal year, or otherwise violate proportionate share regulations issued by the Secretary under section 359h(a).

"(B) DETERMINATION OF VIOLATION.—No producer shall be considered to have violated subparagraph (A) unless the processor of the sugarcane harvested by the producer from acreage in excess of the proportionate share of the farm markets a quantity of sugar that exceeds the allocation of the processor for a fiscal year.

"(C) CIVIL PENALTY.—Any producer on a farm who violates subparagraph (A) by knowingly harvesting, or allowing to be harvested, an acreage of sugarcane in excess of the proportionate share of the farm shall be liable to the Commodity Credit Corporation for a civil penalty equal to 1½ times the United States market value of the quantity of sugar that is marketed by the processor of the sugarcane in excess of the allocation of the processor for the fiscal year. The Secretary shall prorate penalties imposed under this subparagraph in a fair and equitable manner among all the producers of sugarcane harvested from excess acreage that is acquired by the processor.

"(6) WAIVER.—Notwithstanding paragraph (5), the Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other proportionate share requirements in cases in which lateness or failure to meet the other requirements does not affect adversely the operation of proportionate shares.

"(7) ADJUSTMENTS.—If the Secretary determines that, because of a natural disaster or other condition beyond the control of producers that adversely affects a crop of sugarcane subject to proportionate shares, the quantity of sugarcane produced by producers subject to the proportionate shares will not be sufficient to enable processors in the State to meet the cane sugar base of the State and provide a normal carryover inventory of sugar, the Secretary may uniformly allow producers to harvest a quantity of sugarcane in excess of the proportionate share of the producers, or suspend proportionate shares entirely, as necessary to enable processors to meet the State base and provide a normal carryover inventory of sugar.

"SEC. 359g. SPECIAL RULES.

"(a) TRANSFER OF ACREAGE BASE HISTORY.—For the purpose of establishing proportionate shares for sugarcane farms under section 359f, the Secretary, on application of any producer, with the written consent of all owners of a farm, may transfer the acreage base history of the farm to any other parcels of land of the applicant.

"(b) PRESERVATION OF ACREAGE BASE HISTORY.—If for reasons beyond the control of a producer on a farm, the producer is unable to harvest an acreage of sugarcane for sugar or seed with respect to all or a portion of the proportionate share established for the farm under section 359f, the Secretary, on the application of the producer and with the written consent of all owners of the farm, may preserve for a period of not more than 3 consecutive years the acreage base history of the farm to the extent of the proportionate share involved. The Secretary may permit the proportionate share to be redistributed to other farms, except that no acreage base history for purposes of establishing acreage bases shall accrue to the other farms by virtue of the redistribution of the proportionate share.

"(c) REVISIONS OF DISTRIBUTIONS AND PROPORTIONATE SHARES.—The Secretary, after such notice as the Secretary by regulation may prescribe, may revise or amend any distribution of a marketing assessment base under section 359d, or any proportionate share established for a farm under section 359f, on the same basis as the initial distribution or proportionate share was required to be established.

"SEC. 359h. REGULATIONS; VIOLATIONS; PUBLICATION OF SECRETARY'S DETERMINATIONS; JURISDICTION OF THE COURTS; UNITED STATES ATTORNEYS.

"(a) REGULATIONS.—The Secretary or the Commodity Credit Corporation, as appropriate, shall issue such regulations as are necessary to carry out this part.

"(b) PUBLICATION IN FEDERAL REGISTER.—Each determination issued by the Secretary to establish or adjust a marketing assessment base under this part shall be promptly published in the Federal Register and shall be accompanied by a statement of the reasons for the determination.

"(c) VIOLATION.—Any person knowingly violating any regulation of the Secretary issued under subsection (a) shall be subject to a civil penalty of not more than $5,000 for each violation.

"(d) JURISDICTION OF COURTS; UNITED STATES ATTORNEYS.—

"(1) JURISDICTION OF COURTS.—A district court of the United States shall have jurisdiction specifically to enforce, and to prevent and restrain any person from violating, this part or any regulation issued under this part.

"(2) UNITED STATES ATTORNEYS.—On request of the Secretary, a United States attorney, in the district of the attorney, shall institute a proceeding to enforce the remedies and to collect the penalties provided for in this part. The Secretary may elect not to refer to a United States attorney any violation of this part or a regulation if the Secretary determines that the administration and enforcement of this part would be adequately served by written notice or warning to any person committing the violation.

"(e) NONEXCLUSIVITY OF REMEDIES.—The remedies and penalties provided for in this part shall be in addition to, and not exclusive of, any remedies or penalties existing at law or in equity.

"SEC 359i. APPEALS.

"(a) IN GENERAL.—An appeal may be taken to the Secretary from any decision under section 359d establishing allocations of marketing assessment bases, or under section 359f, by any person adversely affected by reason of any such decision.

"(b) PROCEDURE.—

"(1) NOTICE OF APPEAL.—Any appeal from such a decision shall be taken by filing with the Secretary, not later than 20 days after the decision is effective, notice in writing of the appeal and a statement of the reasons for the appeal. Unless a later date is specified by the Secretary as part of the decision of the Secretary, the decision shall be considered to be effective as of the date on which announcement of the decision is made. The Secretary shall deliver a copy of any notice of appeal to each person shown by the records of the Secretary to be adversely affected by reason of the decision appealed. After delivery of notice, the Secretary shall at all times permit any such person to inspect and make copies of the statement of the reasons of the appellant for the appeal and shall on application permit the person to intervene in the appeal.

"(2) HEARING.—The Secretary shall provide each appellant an opportunity for a hearing before an administrative law judge in accordance with sections 554 and 556 of title 5, United States Code. The expenses for conducting the hearing shall be reimbursed by the Commodity Credit Corporation.

"SEC. 359j. ADMINISTRATION.

"(a) USE OF CERTAIN AGENCIES.—In carrying out this part, the Secretary may use the services of local committees of sugarcane or sugar beet producers or sugarcane or sugar beet processors, State and county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)), and departments and agencies of the United States Government.

"(b) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the services, facilities, funds, and authorities of the Commodity Credit Corporation to carry out sections 359a through 359i.

"(c) DEFINITIONS OF UNITED STATES AND STATE.—Notwithstanding section 301, for purposes of this part, the terms 'United States' and 'State' mean the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.".

SEC. 703. PREVENTION OF SUGAR LOAN FORFEITURES.

Section 902(c)(2)(A) of the Food Security Act of 1985 (Public Law 99-198; 7 U.S.C. 1446g note) is amended by striking "1995" and inserting "2002".

TITLE VIII—GENERAL COMMODITY PROVISIONS

Subtitle A—Amendments to Agricultural Act of 1949

SEC. 801. DEFICIENCY AND LAND DIVERSION PAYMENTS.

Section 114 of the Agricultural Act of 1949 (7 U.S.C. 1445j) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking "1997" and inserting "2002"; and

(B) in paragraph (2)(F), by striking clause (iii) and inserting the following:

"(iii) 50 percent of the projected payment rate;";

(2) in subsection (b), by striking "1995" and inserting "2002"; and

(3) in subsection (c), by striking "1997" and inserting "2002".

SEC. 802. ADJUSTMENT OF ESTABLISHED PRICES.

Section 402(b) of the Agricultural Act of 1949 (7 U.S.C. 1422(b)) is amended by striking "1995" and inserting "2002".

SEC. 803. ADJUSTMENT OF SUPPORT PRICES.

Section 403(c) of the Agricultural Act of 1949 (7 U.S.C. 1423(c)) is amended by striking "1995" and inserting "2002".

SEC. 804. PROGRAM OPTION FOR 2003 AND SUBSEQUENT CROPS.

Section 406 of the Agricultural Act of 1949 (7 U.S.C. 1426) is amended by striking subsection (b) and inserting the following:

"(b) PROGRAM OPTION FOR 2003 AND SUBSEQUENT CROPS.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary may offer an option to producers of each of the 2003 and subsequent crops of wheat, feed grains, upland cotton, extra long staple cotton, rice, sugar, peanuts, and oilseeds to participate in commodity price support, production adjustment, and payment programs as provided in this subsection.

"(2) TERMS AND CONDITIONS.—The Secretary may offer the programs based on such terms and conditions as are provided producers of the commodities for the 2002 crop year in accordance with this Act, as determined by the Secretary. Any established price or loan and purchase level made available in accordance with this subsection shall be established at the same level as the level established for the 2002 crop year or using the same terms and conditions as are provided for the commodity for the 2002 crop year.

"(3) FINAL ANNOUNCEMENTS.—The Secretary may offer each of the programs provided for by this subsection if the Secretary has not made final announcement of the terms of the commodity price support, production adjustment, or payment programs for the 2003 crops of the commodities referred to in paragraph (1) on or before November 1, 2002.

"(4) COMMODITY CREDIT CORPORATION.—The Secretary may use the funds, facilities and authorities of the Commodity Credit Corporation to carry out this subsection.".

SEC. 805. APPLICATION OF TERMS IN THE AGRICULTURAL ACT OF 1949.

Section 408(k)(3) of the Agricultural Act of 1949 (7 U.S.C. 1428(k)(3)) is amended by striking "1995" and inserting "2002".

SEC. 806. DOUBLE CROPPING.

Title IV of the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) is amended by adding at the end the following:

"SEC. 428. DOUBLE CROPPING.

"(a) WAIVER OF CONSERVATION USE REQUIREMENTS.—Effective for each of the 1996 through 2002 crops of wheat, feed grains, cotton, and rice, the requirements of sections 107B(e), 105B(e), 103B(e), 103(h)(5), and 101B(e) concerning acreage that must be devoted to conservation uses and administration of the conserving use acres shall not be applicable to the producers of a program crop (as defined in section 502(3)) on a farm as of the normal harvest date for the program crop, as determined by the Secretary, if, under an established practice of double cropping, the producers of the program crop on the farm plant for harvest in the same calendar year in which the program crop is harvested a crop that is not a program crop.

"(b) REGULATIONS.—The Secretary shall issue such regulations as are necessary to carry out this section.".

SEC. 807. ACREAGE BASE AND YIELD SYSTEM.

(a) CROP ACREAGE BASES.—Section 503 of the Agricultural Act of 1949 (7 U.S.C. 1463) is amended—

(1) in subsection (a)—

(A) by striking paragraph (2) and inserting the following:

"(2) LIMITATION.—The sum of the crop acreage bases and historical soybean acreage on the farm may not exceed the cropland on the farm, except to the extent there is an established practice of double cropping on the farm."; and

(B) by adding at the end the following:

"(4) HISTORICAL SOYBEAN ACREAGE.—

"(A) IN GENERAL.—The Secretary shall provide for the establishment and maintenance of a historical soybean acreage for each farm.

"(B) QUANTITY.—

"(i) IN GENERAL.—Except as provided in clause (ii), the historical soybean acreage for a farm for a crop year shall be equal to the average of the acreage planted to soybeans for harvest on the farm in each of the previous 5 crop years.

"(ii) EXCEPTION.—In determining the historical soybean acreage for a farm for a crop year, the Secretary shall exclude from the acreage any soybean plantings that were considered planted to a program crop or are planted for harvest on a crop acreage base in accordance with section 504.";

(2) in subsection (b), by striking paragraph (2) and inserting the following:

"(2) COTTON AND RICE.—In the case of upland cotton and rice, the crop acreage base for a crop for a crop year shall be equal to the average of the acreage planted and considered planted to the crop for harvest on the farm in each of the 3 crop years preceding the crop year.";

(3) in subsection (c)—

(A) in paragraph (3), by striking "1997" and inserting "2002";

(B) in paragraph (7), by striking "and" at the end;

(C) in paragraph (8), by striking the period at the end and inserting "; and"; and

(D) by adding at the end the following:

"(9) any acreage on the farm that is planted in accordance with subsection (i)."; and

(4) by striking subsection (h) and inserting the following:

"(h) ADJUSTMENT OF BASES.—The county committee, in accordance with regulations prescribed by the Secretary, may adjust any crop acreage base for any program crop for any farm if the crop acreage base for the crop on the farm would otherwise be adversely affected by a condition or occurrence beyond the control of the producer.

"(i) SPECIAL EXEMPTION FOR CROP MANAGEMENT PURPOSES.—

"(1) PLANTING NOT-FOR-HARVEST IN EXCESS OF PERMITTED ACREAGE.—Notwithstanding any other provision of this Act, the Secretary may provide that producers of a program crop on a farm who are participating in the production adjustment program for the program crop under this Act may plant the program crop in a quantity that exceeds the permitted acreage for the crop without losing the eligibility of the producers for loans, purchases, or payments with respect to the crop under this Act if the acreage planted to the program crop on the farm in excess of the permitted acreage—

"(A) is planted as part of a crop management plan that is designed to maintain the important role of plant varieties that possess genetic qualities aimed at reducing the dependence of agriculture on crop protection materials to suppress weeds, diseases, and insects;

"(B) does not exceed 10 percent of the crop acreage base of the farm for the program crop;

"(C) is not planted to a crop that is harvested; and

"(D) is not planted to a variety of the program crop that possesses transgenic characteristics.

"(2) OPTIONAL MINIMUM ACREAGE FOR GENETICALLY IMPROVED TRANSGENIC VARIETY.—The Secretary may require producers on a farm, to be eligible to plant in excess of the permitted acreage of the producers under this subsection, to plant not less than 90 percent of the permitted acreage of the producers on the farm to a genetically improved transgenic variety of the program crop.

"(3) ADDITIONAL AUTHORITY.—Any authority to plant a program crop in excess of the permitted acreage for the crop under this subsection shall be in addition to the authority provided under subsection (d), (e), and (f).".

(b) PLANTING FLEXIBILITY.—Section 504 of the Act (7 U.S.C. 1464) is amended—

(1) by striking subsection (c) and inserting the following:

"(c) LIMITATION ON ACREAGE.—The quantity of the crop acreage base that may be planted to a commodity, other than the specific program crop, under this section may not exceed 100 percent of the crop acreage base.";

(2) in subsection (d)—

(A) by striking "Notwithstanding" and inserting "Except as provided in subsection (f) and notwithstanding"; and

(B) in paragraph (1), by striking "25 percent" and inserting "100 percent";

(3) in subsection (e)(2)(A), by striking "25 percent" and inserting "100 percent"; and

(4) by adding at the end the following:

"(f) TWO-WAY FLEXIBILITY.—

"(1) PLANTING ON HISTORICAL SOYBEAN ACREAGE.—Notwithstanding any other provision of this Act, producers of a program crop on a farm who are participating in the production adjustment program for the program crop under this Act shall be allowed to plant the program crop in a quantity that exceeds the permitted acreage for the crop without losing the eligibility of the producers for loans, purchases, or payments with respect to the crop under this Act if the acreage planted to the program crop on the farm in excess of the permitted acreage does not exceed 25 percent of the historical soybean acreage on the farm for the crop.

"(2) ADDITIONAL FLEXIBILITY.—Any authority to plant a program crop in excess of the permitted acreage for the crop under this subsection shall be in addition to authority provided under subsection (d).

"(3) LIMITATION.—The Secretary may limit the application of this subsection with respect to a program crop if the Secretary determines the limitation to be necessary to prevent an increase in the acreage limitation program that would otherwise be implemented in accordance with sections 101B, 103B, 105B, and 107B during a crop year for the crop.".

(c) FARM PROGRAM PAYMENT YIELDS.—Section 505(b) of the Act (7 U.S.C. 1465(b)) is amended—

(1) in subsection (b)—

(A) in paragraphs (1) and (2), by striking "1997" each place it appears and inserting "2002"; and

(B) in paragraph (3), by striking "1981 through 1985 crop years (or, as appropriate, the 1986 through 1990 crop years)" and inserting "applicable crop years, as determined by the Secretary"; and

(2) in subsection (c)(2)—

(A) by inserting "(if applicable)" after the "1986 crop year"; and

(B) by inserting "(as applicable)" after "subsequent crop years".

(d) CROPS.—Section 509 of the Act (7 U.S.C. 1469) is amended by striking "1997" and inserting "2002".

Subtitle B—Miscellaneous Commodity Provisions

SEC. 811. PAYMENT LIMITATIONS.

Title X of the Food Security Act of 1985 (Public Law 99–198; 99 Stat. 1444) is amended—

(1) in paragraphs (1)(A), (1)(B), and (2)(A) of section 1001 (7 U.S.C. 1308), by striking "1997" each place it appears and inserting "2002"; and

(2) in section 1001C(a) (7 U.S.C. 1308–3(a)), by striking "1997" each place it appears and inserting "2002".

SEC. 812. NORMALLY PLANTED ACREAGE.

Section 1001 of the Food and Agriculture Act of 1977 (7 U.S.C. 1309) is amended by striking "1995" each place it appears in subsections (a), (b)(1), and (c) and inserting "2002".

SEC. 813. NORMAL SUPPLY.

Section 1019 of the Food Security Act of 1985 (7 U.S.C. 1310a) is amended by striking "1995" and inserting "2002".

SEC. 814. DETERMINATIONS OF THE SECRETARY.

Section 1017(b) of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1385 note) is amended by striking "1995" and inserting "2002".

SEC. 815. OPTIONS PILOT PROGRAM.

The Options Pilot Program Act of 1990 (subtitle E of title XI of Public Law 101–624; 104 Stat. 3518; 7 U.S.C. 1421 note) is amended—

(1) in subsections (a) and (b) of section 1153, by striking "1995" each place it appears and inserting "2002"; and

(2) in section 1154(b)(1)(A), by striking "1995" each place it appears and inserting "2002".

SEC. 816. NATIONAL AGRICULTURAL COST OF PRODUCTION STANDARDS REVIEW BOARD.

Section 1014 of the Agriculture and Food Act of 1981 (7 U.S.C. 4110) is amended by striking "1995" and inserting "2002".

Subtitle C—Conforming Amendments

SEC. 821. CONFORMING AMENDMENTS.

(a) Section 1001(2)(B) of the Food Security Act of 1985 (7 U.S.C. 1308(2)(B)) is amended by striking clause (iv) and inserting the following:

"(iv) any deficiency payment received for a crop of feed grains under section 105B(c)(1) of the Agricultural Act of 1949 as the result of a reduction of the loan level for the crop under section 105B(a)(3) of the Act;".

(b) Section 1001(c) of the Food and Agriculture Act of 1977 (7 U.S.C. 1309(c)) is amended by striking paragraph (2) and inserting the following:

"(2) the crop acreage base for the farm established under section 503 of the Agricultural Act of 1949 (7 U.S.C. 1463).".

(c) Section 114(c) of the Agricultural Act of 1949 (7 U.S.C. 1445j(c)) is amended by striking "section 107B(c)(1)(B)(ii), 107B(p), or 105B(c)(1)(B)(ii)" and inserting "section 107B(c)(1)(B) or 105B(c)(1)(B)".

Subtitle D—Application

SEC. 831. APPLICATION.

(a) CROPS.—Except as otherwise specifically provided this Act, this Act and the amendments made by this Act shall apply beginning with the 1996 crop of an agricultural commodity.

(b) PRIOR CROPS.—Except as otherwise specifically provided and notwithstanding any other provision of law, this Act and the amendments made by this Act shall not affect the authority of the Secretary of Agriculture to carry out a price support, production adjustment, or payment program for—

(1) any of the 1991 through 1995 crops of an agricultural commodity established under a provision of law as in effect immediately before the enactment of this Act; or

(2) the 1996 crop of an agricultural commodity established under section 406(b) of the Agricultural Act of 1949 (as in effect immediately before the effective date of the amendment made by section 804).

KOHL AMENDMENTS NOS. 3130–3133

(Ordered to lie on the table.)

Mr. KOHL submitted four amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3130

At the appropriate place, insert the following new section:

SEC. . NATIONAL MILK MARKETING ORDER.

(a) IN GENERAL.—Paragraphs (A) and (B) of section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, are amended to read as follows:

"(A) DEFINITIONS.—In this subsection:

"(i) CLASS I MILK.—The term 'class I milk' means grade A milk that is used to produce a fluid milk product.

"(ii) CLASS II MILK.—The term 'class II milk' means grade A milk that is used to produce a milk product other than a product produced from class I milk or class III milk.

"(iii) CLASS III MILK.—The term 'class III milk' means grade A milk that is used to produce butter, nonfat dry milk, or hard cheese.

"(iv) NATIONAL ORDER.—The term 'national order' means the order described in paragraph (B).

"(B) CLASSIFICATION AND MINIMUM PRICES FOR MILK.—

"(i) IN GENERAL.—Classifying, and establishing minimum prices, for class I milk, class II milk, and class III milk in accordance with a national order issued under this section that applies to all handlers of the milk produced in the 48 contiguous States and the products of the milk.

"(ii) UNIFORM PRICE DIFFERENTIAL.—The Secretary shall establish 1 uniform price differential for milk of the highest use classification. The price shall be equal to $1.60 per hundredweight.

"(iii) PHASE OUT OF MINIMUM PRICE FOR CLASS III MILK.—Not later than December 31, 1995, the Secretary shall phase out the minimum price for class IIIA milk. Until the Secretary phases out the minimum price for class IIIA milk, the Secretary shall require reclassification of class IIIA milk as class III milk if the fat and powder used in the milk is used in higher value dairy products.".

(b) CONFORMING AMENDMENTS.—Section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in paragraph (C)—

(A) by striking "paragraphs (A) and (B) of this subsection (5)" and inserting "Paragraph (B)"; and

(B) by striking "paragraph (A) hereof" and inserting "paragraph (B)";

(2) in the proviso of paragraph (F), by striking "paragraph (A) of this subsection (5)" and inserting "paragraph (B)";

(3) in paragraph (J), by striking "paragraph (A)" and inserting "paragraph (B)"; and

(4) by striking paragraph (L).

AMENDMENT NO. 3131

On page 72, between lines 8 and 9, insert the following:

SEC. . NATIONAL MILK MARKETING ORDER.

(a) IN GENERAL.—Paragraphs (A) and (B) of section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, are amended to read as follows:

"(A) DEFINITIONS.—In this subsection:

"(i) CLASS I MILK.—The term 'class I milk' means grade A milk that is used to produce a fluid milk product.

"(ii) CLASS II MILK.—The term 'class II milk' means grade. A milk that is used to produce a milk product other than a product produced from class I milk or class III milk.

"(iii) CLASS III MILK.—The term 'class III milk' means grade A milk that is used to produce butter, nonfat dry milk, or hard cheese.

"(iv) NATIONAL ORDER.—The term 'national order' means the order described in paragraph (B).

"(B) CLASSIFICATION AND MINIMUM PRICES FOR MILK.—

"(i) IN GENERAL.—Classifying and establishing minimum prices, for class I milk, class II milk, and class III milk in accordance with a national order issued under this section that applies to all handlers of the milk produced in the 48 contiguous States and the products of the milk.

"(ii) UNIFORM PRICE DIFFERENTIAL.—The Secretary shall establish 1 uniform price differential for milk of the highest use classification. The price shall be equal to $1.60 per hundredweight.

"(iii) PHASE OUT OF MINIMUM PRICE FOR CLASS III MILK.—Not later than December 31, 1995, the Secretary shall phase out the minimum price for class IIIA milk. Until the Secretary phases out the minimum price for class IIIA milk, the Secretary shall require reclassification of class IIIA milk as class III milk if the fat and powder used in the milk is used in higher value dairy products.".

(b) CONFORMING AMENDMENTS.—Section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in paragraph (C)—

(A) by striking "paragraphs (A) and (B) of this subsection (5)" and inserting "paragraph (B)"; and

(B) by striking "paragraph (A) hereof" and inserting "paragraph (B)";

(2) in the proviso of paragraph (F), by striking "paragraph (A) of this subsection (5)" and inserting "paragraph (B)";

(3) in paragraph (J), by striking "paragraph (A)" and inserting "paragraph (B)"; and

(4) by striking paragraph (L).

AMENDMENT NO. 3132

At the appropriate place, add the following new section:

SEC. . UPGRADE PAYMENT.

Section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by adding at the end the following:

"(M) UPGRADE PAYMENT.—A handler that uses a product of Class IV milk to manufacture a product of Class II milk or a product of class III milk shall be responsible to pay into the Class IV milk national equalization pool an upgrade payment equal to the product of—

"(i) the difference between—

"(I) the milk reference price for the class of milk of final use; and

"(II) the Class IV milk reference price during the month in which the final manufactured product is produced; and

"(ii) the quantity of milk equivalent (measured in hundredweights) contained in the product of Class IV milk used to produce the Class II milk product or the Class III milk product.".

AMENDMENT No. 3133

On page 72, between lines 8 and 9, insert the following:

SEC. . UPGRADE PAYMENT.

Section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by adding at the end the following:

"(M) UPGRADE PAYMENT.—A handler that uses a product of Class IV milk to manufacture a product of Class II milk or a product of Class III milk shall be responsible to pay into the Class IV milk national equalization pool an upgrade payment equal to the product of—

"(i) the difference between—

"(I) the milk reference price for the class of milk of final use; and

"(II) the Class IV milk reference price during the month in which the final manufactured product is produced; and

"(ii) the quantity of milk equivalent (measured in hundredweights) contained in the product of Class IV milk used to produce the Class II milk product or the Class III milk product.".

KOHL (AND FEINGOLD) AMENDMENT NO. 3134

(Ordered to lie on the table.)

Mr. KOHL (for himself and Mr. FEINGOLD) submitted an amendment intended to be proposed by them to the bill, S. 1541, supra; as follows:

At the appropriate place insert the following:

TITLE ___—DAIRY

Subtitle A—Milk Price Support and Other Activities

SEC. ___01. MILK PRICE SUPPORT PROGRAM.

(a) SUPPORT ACTIVITIES.—To replace the milk price support program established under section 204 of the Agricultural Act of 1949 (7 U.S.C. 1446e), which is repealed by section 19(b)(2)), the Secretary of Agriculture shall use the authority provided in this section to support the price of milk produced in the 48 contiguous States through the purchase of cheddar cheese produced from such milk. Until the first day of the first month beginning not less than 30 days after the date of the enactment of this Act, the Secretary also may support the price of milk under this section through the purchase of butter and nonfat dry milk produced from milk produced in the 48 contiguous States.

(b) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(1) During calendar year 1996, not less than $10.35.

(2) During calendar year 1997, not less than $10.25.

(3) During calendar year 1998, not less than $10.15.

(4) During calendar year 1999, not less than $10.05.

(5) During calendar year 2000, not less than $9.95.

(6) During calendar years 2001 and 2002, not less than $9.85.

(c) BID PRICES.—The Commodity Credit Corporation support purchase prices under this section for cheddar cheese (and for butter and nonfat dry milk subject to subsection (a)) announced by the Corporation shall be the same for all of that milk product sold by persons offering to sell the product to the Corporation. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price not less than the rate of price support for milk in effect during a 12-month period under this section.

(d) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

(e) RESIDUAL AUTHORITY FOR REFUND OF BUDGET DEFICIT ASSESSMENTS.—

(1) APPLICATION OF SUBSECTION.—This subsection shall apply with respect to the reductions made under subsection (h)(2) of section 204 of the Agricultural Act of 1949, as in effect on the day before the date of the enactment of this Act, in the price of milk received by producers during calendar years 1995 and 1996.

(2) REFUND REQUIRED.—The Secretary shall provide a refund of the entire reduction made under such subsection (h)(2) in the price of milk received by a producer during a calendar year referred to in paragraph (1) if the producer provides evidence that the producer did not increase marketings in that calendar year when compared to the preceding calendar year.

(3) TREATMENT OF REFUNDS.—A refund under this subsection shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811, 3821).

(g) TRANSFER OF MILK PRODUCTS TO MILITARY AND VETERANS HOSPITALS.—

(1) TRANSFER AUTHORIZED.—As a means of increasing the utilization of milk and milk products, upon the certification by the Secretary of Veterans Affairs or by the Secretary of the Army, acting for the military departments under the Single Service Purchase Assignment for Subsistence of the Department of Defense, that the usual quantities of milk products have been purchased in the normal channels of trade, the Commodity Credit Corporation shall make available—

(A) to the Secretary of Veterans Affairs at warehouses where milk products are stored, such milk products acquired under this section as the Secretary of Veterans Affairs certifies are required in order to provide milk products as a part of the ration in hospitals under the jurisdiction of the Secretary of Veterans Affairs; and

(B) to the Secretary of the Army, at warehouses where milk products are stored, such milk products acquired under this section as the Secretary of the Army certifies can be utilized in order to provide additional milk products as a part of the ration—

(i) of the Army, Navy, Air Force, or Coast Guard;

(ii) in hospitals under the jurisdiction of the Department of Defense; and

(iii) of cadets and midshipmen at, and other personnel assigned to, the United States Merchant Marine Academy.

(2) REPORTS.—The Secretary of Veterans Affairs and the Secretary of the Army shall report every six months to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives and the Secretary of Agriculture the amount of milk products used under this subsection.

(3) PROCESS.—The Secretary of Veterans Affairs and the Secretary of the Army shall reimburse the Commodity Credit Corporation for all costs associated in making milk products available under this subsection.

(4) LIMITATION.—The obligation of the Commodity Credit Corporation to make milk products available pursuant to this subsection shall be limited to milk products acquired by the Corporation under this section and not disposed of under provisions (1) and (2) of section 390B(a) of the Agricultural Adjustment Act of 1938.

(h) PERIOD OF EFFECTIVENESS.—Notwithstanding any other provision of law, this section shall be effective only during the period

(1) beginning on the date of the enactment of this Act; and

(2) ending on December 31, 2002.

SEC. ___02. RECOURSE LOANS FOR COMMERCIAL PROCESSORS OF DAIRY PRODUCTS.

(a) RECOURSE LOANS AVAILABLE.—The Secretary of Agriculture shall make recourse loans available to commercial processors of eligible dairy products to assist such processors to manage inventories of eligible dairy products to assure a greater degree of price stability for the dairy industry during the year. Recourse loans may be made available under such reasonable terms and conditions as the Secretary may prescribe. The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

(b) AMOUNT OF LOAN.—The Secretary shall establish the amount of a loan for eligible dairy products, which shall reflect 90 percent of the reference price for that product. The rate of interest charged participants in this program shall not be less than the rate of interest charged the Commodity Credit Corporation by the United States Treasury.

(c) PERIOD OF LOANS.—A recourse loan made under this section may not extend beyond the end of the fiscal year during which the loan is made, except that the Secretary may extend the loan for an additional period not to exceed the end of the next fiscal year.

(d) DEFINITIONS.—In this section:

(1) The term "eligible dairy products" means cheddar cheese, butter, and nonfat dry milk.

(2) The term "reference price" means—

(A) for cheddar cheese, the average National (Green Bay) Cheese Exchange price for 40 pound blocks of cheddar cheese for the previous three months;

(B) for butter, the average Chicago Mercantile Exchange price for Grade AA butter for the previous three months; and

(C) for nonfat dry milk, the average Western States Extra Grade and Grade A price for nonfat dry milk for the previous three months.

SEC. ___03. DAIRY EXPORT INCENTIVE PROGRAM.

(a) DURATION.—Subsection (a) of section 153 of the Food Security Act of 1985 (15 U.S.C. 713a-14) is amended by striking "2001" and inserting "2002".

(b) ELEMENTS OF PROGRAM.—Subsection (c) of such section is amended—

(1) by striking "and" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting "; and"; and

(3) by adding at the end the following new paragraphs:

"(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization are exported under the program each year (minus the volume sold under section 1163 of this Act (7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

"(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.".

(c) SOLE DISCRETION.—Subsection (b) of such section is amended by inserting "sole" before "discretion".

(d) MARKET DEVELOPMENT.—Subsection (e)(1) of such section is amended—

(1) by striking "and" and inserting "the"; and

(2) by inserting before the period the following: ", and any additional amount that may be required to assist in the development of world markets for United States dairy products".

(e) MAXIMUM ALLOWABLE AMOUNTS.—Such section is further amended by adding at the end the following:

"(f) REQUIRED FUNDING.—The Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of this Act (7 U.S.C. 1731 note) during that year. However, the Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.".

SEC. ___04. DAIRY PROMOTION PROGRAM.

(a) EXPANSION TO COVER DAIRY PRODUCTS IMPORTED INTO THE UNITED STATES.—Section 110(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4501(b)) is amended by inserting after "commercial use" the following: "and dairy products imported into the United States".

(b) DEFINITIONS.—

(1) MILK.—Subsection (d) of section 111 of such Act (7 U.S.C. 4502) is amended by inserting before the semicolon the following: "or cow's milk imported into the United States in the form of dairy products intended for consumption in the United States".

(2) DAIRY PRODUCTS.—Subsection (e) of such section is amended by inserting before the semicolon the following: "and casein (except casein imported under sections 3501.90.20 (casein glue) and 3501.90.50 (other) of the Harmonized Tariff Schedule)".

(3) RESEARCH.—Subsection (j) of such section is amended by inserting before the semicolon the following: "or to reduce the costs associated with processing or marketing those products".

(4) UNITED STATES.—Subsection (l) of such section is amended to read as follows:

"(l) the term 'United States' means the several States and the District of Columbia;".

(5) IMPORTERS AND EXPORTERS.—Such section is further amended—

(A) in subsection (k), by striking "and" at the end of such subsection; and

(B) by adding at the end the following new subsections:

"(m) the term 'importer' means the first person to take title to dairy products imported into the United States for domestic consumption; and

"(n) the term 'exporter' means any person who exports dairy products from the United States.".

(c) MEMBERSHIP OF BOARD.—Section 113(b) of such Act (7 U.S.C. 4504(b)) is amended—

(1) in the first sentence, by striking "thirty-six members" and inserting "38 members, including one representative of importers and one representative of exporters to be appointed by the Secretary";

(2) in the second sentence, by striking "Members" and inserting "The remaining members"; and

(3) in the third sentence, by striking "United States" and inserting "United States, including Alaska and Hawaii".

(d) ASSESSMENT.—Section 113(g) of such Act (7 U.S.C. 4504(g)) is amended—

(1) by inserting "(1)" after "(g)"; and

(2) by adding at the end the following new paragraph:

"(2) The order shall provide that each importer of dairy products intended for consumption in the United States shall remit to the Board, in the manner prescribed by the order, an assessment equal to 1.2 cents per pound of total milk solids contained in the imported dairy products, or 15 cents per hundredweight of milk contained in the imported dairy products, whichever is less. If an importer can establish that it is participating in active, ongoing qualified State or regional dairy product promotion or nutrition programs intended to increase the consumption of milk and dairy products, the importer shall receive credit in determining the assessment due from that importer for contributions to such programs of up to .8 cents per pound of total milk solids contained in the imported dairy products, or 10 cents per hundredweight of milk contained in the imported dairy products, whichever is less. The assessment collected under this paragraph shall be used for the purpose specified in paragraph (1).".

(e) RECORDS.—Section 113(k) of such Act (7 U.S.C. 4504(k)) is amended in the first sentence by inserting after "commercial use," the following: "each importer of dairy products,".

(f) TERMINATION OR SUSPENSION OF ORDER.—Section 116(b) of such Act (7 U.S.C. 4507(b)) is amended—

(1) by inserting "and importers" after "producers" each place it appears;

(2) by striking "who, during a representative period (as determined by the Secretary), have been engaged in the production of milk for commercial use"; and

(3) by adding at the end the following new sentences: "A producer shall be eligible to vote in the referendum if the producer, during a representative period (as determined by the Secretary), has been engaged in the production of milk for commercial use. An importer shall be eligible to vote in the referendum if the importer, during a representative period (as determined by the Secretary), has been engaged in the importation of dairy products into the United States intended for consumption in the United States.".

(g) PROMOTION IN INTERNATIONAL MARKETS.—Section 113(e) of such Act (7 U.S.C. 4504(e)) is amended by adding at the end the following new sentence: "For each of the fiscal years 1996 through 2000, the Board's budget shall provide for the expenditure of not less than 10 percent of the anticipated revenues available to the Board to develop international markets for, and to promote within such markets, the consumption of dairy products produced in the United States from milk produced in the United States.".

(h) IMPLEMENTATION OF AMENDMENTS.—

(1) IMPLEMENTATION PROCESS.—To implement the amendments made by this section, the Secretary of Agriculture shall issue an amended dairy products promotion and research order under section 112 of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4503) reflecting such amendments, and no other changes, in the order in existence on the date of the enactment of this Act.

(2) PROPOSAL OF AMENDED ORDER.—Not later than 60 days after the date of the enactment of this Act, the Secretary shall publish a proposed dairy products promotion and research order reflecting the amendments made by this section. The Secretary shall provide notice and an opportunity for public comment on the proposed order.

(3) ISSUANCE OF AMENDED ORDER.—After notice and opportunity for public comment are provided in accordance with paragraph (2), the Secretary shall issue a final dairy products promotion and research order, taking into consideration the comments received and including in the order such provisions as are necessary to ensure that the order is in conformity with the amendments made by this section.

(4) EFFECTIVE DATE.—The final dairy products promotion and research order shall be issued and become effective not later than 120 days after publication of the proposed order.

(i) REFERENDUM ON AMENDMENTS.—Not later than 36 months after the issuance of the dairy products promotion and research order reflecting the amendments made by this section, the Secretary of Agriculture shall conduct a referendum under section 115 of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4506) for the sole purpose of determining whether the requirements of such amendments shall be continued. The Secretary shall conduct the referendum among persons who have been producers or importers (as defined in section 111 of such Act (7 U.S.C. 4502)) during a representative period as determined by the Secretary. The requirements of such amendments shall be continued only if the Secretary determines that such requirements have been approved by not less than a majority of the persons voting in the referendum. If continuation of the amendments is not approved, the Secretary shall issue a new order, within six months after the announcement of the results of the referendum, that is identical to the order in effect on the date of the enactment of this Act. The new order shall become effective upon issuance and shall not be subject to referendum for approval.

SEC. ___05. FLUID MILK STANDARDS UNDER MILK MARKETING ORDERS.

(a) NATURE OF STANDARDS.—Each marketing order issued with respect to milk and its products under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, shall contain terms and conditions to provide that all dispositions of fluid milk products containing milk of the highest use classification covered by such orders shall comply with the following requirements:

(1) In the case of milk marketed as whole milk, not less than 12.05 percent total milk solids consisting of not less than 8.8 percent milk solids not fat and not less than 3.25 percent milk fat.

(2) In the case of milk marketed as 2 percent (or lowfat) milk, not less than 12 percent total milk solids consisting of not less

than 10 percent milk solids not fat and not less than 2 percent milk fat.

(3) In the case of milk marketed as 1 percent (or light) milk, not less than 12 percent total milk solids consisting of not less than 11 percent milk solids not fat and not less than 1 percent milk fat.

(4) In the case of milk marketed as skim (or nonfat) milk, not less than 9 percent total milk solids consisting of not less than 9 percent milk solids not fat and not more than .25 percent milk fat.

(b) VIOLATIONS.—A violation of the requirements specified in subsection (a) shall be subject to the penalties provided in section 8c(14) of the Agricultural Adjustment Act (7 U.S.C. 608c(14)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.

(c) EFFECTIVE DATE.—The requirements imposed by this section shall apply to fluid milk marketed on and after the first day of the first month beginning not less than 30 days after the date of the enactment of this Act.

(d) EFFECT OF ENACTMENT.—The requirements imposed by this section shall supersede any conflicting requirements regarding fluid milk imposed pursuant to the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.).

SEC. ___06. MANUFACTURING ALLOWANCE.

(a) MAXIMUM ALLOWANCES ESTABLISHED.—No State shall provide for a manufacturing allowance for the processing of milk in excess of—

(1) in the case of milk manufactured into butter, butter oil, nonfat dry milk, or whole dry milk—

(A) $1.65 per hundredweight of milk, for milk marketed during the 2-year period beginning on the effective date of this section; and

(B) such allowance per hundredweight of milk as the Secretary of Agriculture may establish under section ___21(b)(3), for milk marketed after the end of such period; and

(2) in the case of milk manufactured into cheese and whey—

(A) $1.80 per hundredweight of milk, for milk marketed during the 2-year period beginning on the effective date of this section; and

(B) such allowance per hundredweight of milk as the Secretary may establish under section ___21(b)(3), for milk marketed after the end of such period.

(b) YIELDS.—In converting the weight of milk to dairy products during the two-year period beginning on the effective date of this section, the Secretary shall use the following yields with respect to a hundred pounds of milk:

(1) Butter: 4.2 pounds.

(2) Nonfat dry milk: 8.613 pounds.

(3) 40-pound block cheddar cheese: 10.169 pounds.

(4) Whey cream butter: .27 pounds.

(c) SOURCES OF PRODUCT PRICE VALUES.—In determining the manufacturing allowance applicable in a State during the 2-year period beginning on the effective date of this section, the Secretary shall use the following sources for product price values:

(1) For butter, Chicago Mercantile Exchange Grade AA butter.

(2) For nonfat dry milk, California Manufacturing Plants Extra Grade and Grade A nonfat dry milk.

(3) For cheese, National (Green Bay) Cheese Exchange 40 pound block cheddar cheese.

(4) For whey cream butter, Chicago Mercantile Exchange Grade B butter.

(d) MANUFACTURING ALLOWANCE DEFINED.—In this section, the term "manufacturing allowance" means—

(1) the amount by which the product price value of butter and nonfat dry milk manufactured from a hundred pounds of milk containing 3.5 pounds of milk fat and 8.7 pounds of milk solids not fat exceeds the class price for the milk used to produce those products; or

(2) an amount by which the product price value of cheese and whey manufactured from a hundred pounds of milk containing 3.6 pounds of milk fat and 8.7 pounds of milk solids not fat exceeds the class price for the milk used to produce those products.

(e) EFFECT OF VIOLATION.—If the Secretary determines that a State has in effect a manufacturing allowance that exceeds the manufacturing allowance authorized in subsection (a), the Secretary shall suspend, until such time as the State complies with such subsection—

(1) purchases under section ___01 of cheddar cheese produced in that State; and

(2) disbursements from the Class IV equalization pool under section ___08 to milk marketing orders operating in that State with respect to milk produced in that State.

(f) CONFORMING SUSPENSION AND REPEAL.—

(1) SUSPENSION AND REPEAL.—During the 2-year period beginning on the effective date of this section, the requirements of section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) shall not apply. Effective on the first day after the end of such period, such section is repealed.

(2) EXCEPTION.—Notwithstanding paragraph (1), in the event that an injunction or other order of a court prohibits or impairs the implementation of this section or the activities of the Secretary under this section, the Secretary shall use the authorities provided by section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) until such time as the injunction or other court order is lifted.

(g) EFFECTIVE DATE; IMPLEMENTATION.—This section shall take effect on the first day of the first month beginning not less than 30 days after the date of the enactment of this Act. After such effective date, the Secretary may exercise the authority provided to the Secretary under this section without regard to the issuance of regulations intended to carry out this section.

SEC. ___07. ESTABLISHMENT OF TEMPORARY CLASS I PRICE AND TEMPORARY CLASS I EQUALIZATION POOLS.

(a) TEMPORARY PRICING FOR MILK OF THE HIGHEST USE CLASSIFICATION (CLASS I MILK).—

(1) ESTABLISHMENT OF MINIMUM PRICE.—During the 2-year period beginning on the effective date of this section, the minimum price for milk of the highest use classification marketed under a marketing order issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, shall not be less than the sum of—

(A) $12.87 per hundredweight; and

(B) the aggregate adjustment in effect under clauses (1) and (2) of the second sentence of paragraph (5)(A) of such section on December 31, 1995, for milk of the highest use classification in that order.

(2) ADDITION TO MINIMUM PRICE.—If the basic formula price for milk exceeds $12.87 per hundredweight in any month during the 2-year period beginning on the effective date of this section, the positive difference between the basic formula price and $12.87 shall be added to the price for milk of the highest use classification marketed under a marketing order issued under such section 8c in the second month following the month in which the difference occurred.

(3) EFFECT ON OTHER USE CLASSIFICATIONS.—This subsection shall not affect the calculation of the basic formula price used to determine the price for milk of use classifications other than the highest use classification.

(b) CLASS I EQUALIZATION POOLS.—

(1) COLLECTIONS.—During the 2-year period beginning on the effective date of this section, the Secretary of Agriculture shall collect, on a monthly basis, from each marketing order issued with respect to milk and its products under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, and from the comparable milk marketing order issued by the State of California, an amount equal to the product of—

(A) $0.80 per hundredweight; and

(B) the total hundredweights of all milk of the highest use classification marketed under the order for the month.

(2) DISBURSEMENTS.—The Secretary shall pay, on a monthly basis, to each marketing order referred to in paragraph (1) an amount equal to the product of—

(A) the total collection under paragraph (1) for the month; and

(B) the ratio of the total hundredweights of all milk marketed for the month under that order to all milk marketed for the month under all such orders.

(3) EFFECT ON BLEND PRICES.—Producer blend prices under a milk marketing order shall be adjusted to account for collections made under paragraph (1) and disbursements made under paragraph (2).

(c) ENFORCEMENT.—

(1) IN GENERAL.—Amounts for which a milk marketing order are responsible under subsection (b) shall be determined on a monthly basis and shall be collected and remitted to the Secretary in the manner prescribed by the Secretary.

(2) PENALTIES.—If any person fails to remit the amount required in subsection (b) or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this section, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of milk involved in the violation; by

(B) the support rate for milk in effect at the time of the violation under section ___01.

(3) ENFORCEMENT.—The Secretary may enforce this section in the courts of the United States.

(d) CONFORMING REPEAL.—Section 8c(5)(A) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)(A)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking out the sentence beginning "Throughout the 2-year period" and all that follows through the end of the subparagraph.

(e) EFFECTIVE DATE.—Except as provided in subsection (f), this section shall take effect on the first day of the first month beginning not less than 30 days after the date of the enactment of this Act.

(f) IMPLEMENTATION.—Not later than the effective date of this section, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to effectuate the requirements of this section. The amendments shall not be—

(1) subject to a referendum under subsection (17) or (19) of such section among milk producers to determine whether issuance of such order is approved or favored by milk producers;

(2) preconditioned on the existence of a marketing agreement among handlers under subsection (8) of such section and section 8b of such Act (7 U.S.C. 608b);

(3) subject to rulemaking under title 5, United States Code; or

(4) subject to review or approval by other executive agencies.

SEC. ___08. ESTABLISHMENT OF TEMPORARY CLASS IV PRICE AND TEMPORARY CLASS IV EQUALIZATION POOL.

(a) TEMPORARY CLASSIFICATION OF CLASS IV MILK.—

(1) CLASSIFICATION.—For purposes of classifying milk in accordance with the form in which or the purpose for which it is used, the Secretary of Agriculture shall designate all milk marketed in the 48 contiguous States of the United States and used to produce butter, butter oil, nonfat dry milk, or dry whole milk as Class IV milk. The Secretary may include other products of milk, except cheese, within the Class IV classification if the Secretary determines that inclusion of the product would be fair and equitable.

(2) USE OF CLASSIFICATION.—Each marketing order issued with respect to milk and its products under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, and each comparable State milk marketing order, shall use the classification required by paragraph (1) in lieu of any other classification, such as Class III-A milk, to properly classify milk used to produce butter, butter oil, nonfat dry milk, or dry whole milk.

(b) ESTABLISHMENT OF CLASS IV POOL.—The Secretary shall establish a Class IV pool for the purpose of making collections and disbursements related to milk classified as Class IV milk under subsection (a). The Class IV pool shall apply to milk covered by a milk marketing order referred to in subsection (a) and unregulated milk.

(c) ESTABLISHMENT OF MONTHLY CLASS IV PRICE.—For the purpose of determining whether the Secretary will make collections and disbursements under the Class IV equalization pool, the Secretary shall establish, on a monthly basis, a price for dairy products manufactured from Class IV milk on a 3.5 percent butterfat basis. In determining that price, the Secretary shall calculate the amount equal to—

(1) the sum of—

(A) the product of the Western States Extra Grade and Grade A price per pound for nonfat dry milk and 8.613; and

(B) the product of the Chicago Mercantile Exchange Grade AA price per pound for butter and 4.2; less

(2) a manufacturing allowance equal to $1.65 per hundredweight of milk.

(d) OPERATION OF CLASS IV EQUALIZATION POOL.—

(1) APPLICATION OF SUBSECTION.—This subsection shall apply in any month in which the support price for milk under section ___01, adjusted to 3.5 percent butterfat, exceeds the Class IV price established under subsection (c).

(2) COLLECTION.—In any month in which the Class IV equalization pool is in operation under paragraph (1), each milk marketing order referred to in subsection (a) and each handler of unregulated milk shall pay into the Class IV equalization pool an amount equal to the product of—

(A) the total hundredweights of Class IV milk used to manufacture dairy products during that month under all such orders and by all such handlers;

(B) 50 percent of the amount by which the support price for milk under section ___01, adjusted to 3.5 percent butterfat, exceeded the Class IV price determined under subsection (c) for that month; and

(C) the ratio of the total hundredweights of all milk marketed during that month under that order or by that handler to the total hundredweights of all milk marketed for that month under all such orders and by all such handlers.

(3) DISBURSEMENTS.—In any month in which the Class IV equalization pool is in operation under paragraph (1), each milk marketing order referred to in subsection (a) in which products were manufactured from Class IV milk during that month and each handler of unregulated milk that manufactured products from Class IV milk during that month shall receive from the Class IV equalization pool an amount equal to the product of—

(A) the total collection under paragraph (2) for the month; and

(B) the ratio of the total hundredweights of Class IV milk manufactured into dairy products during that month under that order or by that handler to the total hundredweights of Class IV milk manufactured into dairy products during that month under all such orders and by all such handlers.

(4) EFFECT ON BLEND PRICES.—Producer blend prices under a milk marketing order referred to in subsection (a) shall be adjusted to account for collections under paragraph (2) and disbursements under paragraph (3).

(e) ENFORCEMENT.—

(1) IN GENERAL.—Amounts for which a milk marketing order or handler are responsible under subsection (b) shall be determined on a monthly basis and shall be collected and remitted to the Secretary in the manner prescribed by the Secretary.

(2) PENALTIES.—If any person fails to remit the amount required in subsection (c) or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this section, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of milk involved in the violation; by

(B) the support rate for milk in effect at the time of the violation under section ___01.

(3) ENFORCEMENT.—The Secretary may enforce this section in the courts of the United States.

(f) EFFECTIVE DATE.—Except as provided in subsection (g), this section shall—

(1) take effect on the first day of the first month beginning not less than 30 days after the date of the enactment of this Act; and

(2) apply during the 2-year period beginning on such effective date.

(g) IMPLEMENTATION.—Not later than the start of the effective date of this section, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to effectuate the requirements of this section. The amendments shall not be—

(1) subject a referendum under subsection (17) or (19) of such section among milk producers to determine whether issuance of such order is approved or favored by milk producers;

(2) preconditioned on the existence of a marketing agreement among handlers under subsection (8) of such section and section 8b of such Act (7 U.S.C. 608b);

(3) subject to rulemaking under title 5, United States Code; or

(4) subject to review or approval by other executive agencies.

SEC. ___09. AUTHORITY FOR ESTABLISHMENT OF STANDBY POOLS.

(a) AUTHORITY TO ESTABLISH.—As soon as possible after the effective date of this section, the Secretary of Agriculture shall publish in the Federal Register an invitation for interested persons to submit proposals for the establishment within Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, of standby pools to facilitate the movement of milk over long distances during periods of shortage through the sharing of proceeds from sales of milk of the highest use classification due to producers under the order with producers shipping to plants regulated by another order to provide a reserve supply of milk in the other market.

(b) APPROVAL OR TERMINATION OF PARTICIPATION IN STANDBY POOL.—Order provisions under this section shall not become effective in any marketing order unless such provisions are approved by producers in the manner provided for the approval of marketing orders under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, but separately from other order provisions. Standby pool provisions approved under this section in an order may be disapproved separately by producers or terminated separately by the Secretary under section 8c(16)(B) of such Act. Such disapproval or termination shall not be considered to be a disapproval or termination of the other terms of that order.

(c) EFFECTIVE DATE.—This section shall take effect on the first day of the first month beginning not less than 30 days after the date of the enactment of this Act.

Subtitle B—Reform of Federal Milk Marketing Orders

SEC. ___21. ISSUANCE OR AMENDMENT OF FEDERAL MILK MARKETING ORDERS TO IMPLEMENT CERTAIN REFORMS.

(a) ISSUANCE OF AMENDED ORDERS.—Subject to the time limits specified in section ___22, the Secretary of Agriculture shall issue new or amended marketing orders with respect to milk and its products under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to effectuate the requirements of subsection (b). The orders shall take effect on the date the orders are issued and shall supersede all other marketing orders and any other statutes, rules, and regulations that are applicable to the pricing and marketing of milk and its products in effect immediately before that date, whether under the authority of section 8c of such Act or a State or local law.

(b) REFORM REQUIREMENTS.—The Secretary shall reform the Federal milk marketing order system under subsection (a) to accomplish the following purposes:

(1) Consolidation of Federal milk marketing orders into not less than 8 nor more than 13 orders, which shall also include those areas of the 48 contiguous States not covered

by a Federal milk marketing order on the date of the enactment of this Act. One of the new Federal milk marketing orders shall only cover the State of California. A new or amended order shall have the right to blend order receipts to address unique issues to that order such as a preexisting State quota system.

(2) Implementation of uniform multiple component pricing for milk used in manufactured dairy products.

(3) Establishment of class prices for milk used to produce cheese, nonfat dry milk, and butter based on national product prices, less a manufacturing allowance. The resulting prices shall not vary regionally, except to reflect variances in transportation and reasonable operating costs, if any, of efficient processing plants in different geographical areas.

(c) STATUS OF PRODUCER HANDLERS.—In amending Federal milk marketing orders under this section, the Secretary shall ensure that the legal status of producer handlers of milk under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, shall be the same after the amendments made by this section take effect as it was before the effective date of the amendments.

SEC. ____22. REFORM PROCESS.

(a) PROCESS.—In preparation for the issuance of the new or amended Federal milk marketing orders required under section ____21, the Secretary of Agriculture shall comply with the following expedited procedural requirements:

(1) Not later than 165 days after the date of the enactment of this Act, the Secretary shall issue proposed amendments or new milk marketing orders to effectuate the reform requirements specified in such section .

(2) The Secretary shall provide for a 75-day comment period on the proposed amendments or orders issued under paragraph (1).

(3) Not later than 120 days after the end of the comment period provided under paragraph (2), the Secretary shall publish in the Federal Register a final administrative decision regarding the issuance or amendment of Federal milk marketing orders to effectuate the reform requirements specified in such section.

(b) REFERENDUM AND MARKETING AGREEMENT.—After the issuance of the new or amended Federal milk marketing orders under section ____21, the Secretary may conduct a referendum in the manner provided in section 8c(16)(B) of the Agricultural Adjustment Act (7 U.S.C. 608c(16)(B)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, with respect to each order to determine whether milk producers subject to the order favor the termination of the order.

(c) APPLICATION OF ADMINISTRATIVE PROCEDURES ACT.—The issuance of the new or amended Federal milk marketing orders required under section ____21 shall not be subject to rulemaking under title 5, United States Code.

(d) REVIEW AND APPROVAL.—The action of the Secretary under section ____21 shall not be subject to review or approval by any other executive agency.

SEC. ____23. EFFECT OF FAILURE TO COMPLY WITH REFORM PROCESS REQUIREMENTS.

(a) FAILURE TO TIMELY ISSUE OR AMEND ORDERS.—If, before the end of the 1-year period beginning on the date of the enactment of this Act, the Secretary of Agriculture does not issue new or amended Federal milk marketing orders under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to effectuate the requirements of section ____21(b), then the Secretary may not assess or collect assessments from milk producers or handlers under such section 8c for marketing order administration and services provided under such section after the end of that period. The Secretary may not reduce the level of services provided under such section on account of the prohibition against assessments, but shall rather cover the cost of marketing order administration and services through funds available for the Agricultural Marketing Service of the Department of Agriculture.

(b) FAILURE TO TIMELY IMPLEMENT ORDERS.—Unless the Secretary certifies to Congress before the end of the 2-year period beginning on the date of the enactment of this Act that all of the Federal marketing order reforms required by section ____21(b) have been fully implemented, then, effective at the end of that period—

(1) the Secretary shall immediately cease all price support activities under section ____01;

(2) the Secretary shall immediately terminate all Federal milk marketing orders under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, and may not issue any further order under such Act with respect to milk;

(3) the Commodity Credit Corporation shall immediately cease to operate the dairy export incentive program under section 153 of the Food Security Act of 1985 (15 U.S.C. 713a–14);

(4) the Secretary and the National Processor Advertising and Promotion Board shall immediately cease all activities under the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6401 et seq.); and

(5) the Secretary and the National Dairy Promotion and Research Board shall immediately cease all activities under the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4501 et seq.).

CONRAD AMENDMENTS NOS. 3135–3144

(Ordered to lie on the table.)

Mr. CONRAD submitted 10 amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3135

At the appropriate place in the title relating to conservation, insert the following:

SEC. . WATER BANK PROGRAM.

Section 1230 of the Food Security Act of 1985 (16 U.S.C. 3830) is amended by adding at the end the following:

"(d) WATER BANK PROGRAM.—For purposes of this Act, acreage enrolled, prior to the date of enactment of this subsection, in the water bank program authorized by the Water Bank Act (16 U.S.C. 1301 et seq.) shall be considered to have been enrolled in the conservation reserve program on the date the acreage was enrolled in the water bank program.".

AMENDMENT NO. 3136

At the end of the title relating to conservation, add the following:

SEC. . FLOOD WATER RETENTION PILOT PROJECTS.

Section 16 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p) is amended by adding at the end the following:

"(l) FLOOD WATER RETENTION PILOT PROJECTS.—

"(1) IN GENERAL.—In cooperation with States, the Secretary shall carry out at least 1 but not more than 2 pilot projects to create and restore natural water retention areas to control storm water and snow melt runoff within closed drainage systems.

"(2) PRACTICES.—To carry out paragraph (1), the Secretary shall provide cost-sharing and technical assistance for the establishment of nonstructural landscape management practices, including agricultural tillage practices and restoration, enhancement, and creation of wetland characteristics.

"(3) FUNDING.—

"(A) LIMITATION.—The funding used by the Secretary to carry out this subsection shall not exceed $10,000,000 per project.

"(B) USE OF THE COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this subsection.

"(4) ADDITIONAL PILOT PROJECTS.—

"(A) EVALUATION.—Not later than 2 years after a pilot project is implemented, the Secretary shall evaluate the extent to which the project has reduced or may reduce Federal outlays for emergency spending and unplanned infrastructure maintenance by an amount that exceeds the Federal cost of the project.

"(B) ADDITIONAL PROJECTS.—If the Secretary determines that pilot projects carried out under this subsection have reduced or may reduce Federal outlays as described in subparagraph (A), the Secretary may carry out, in accordance with this subsection, pilot projects in addition to the projects authorized under paragraph (1).".

AMENDMENT NO. 3137

At the appropriate place in the title relating to conservation, insert the following:

SEC. . ELIGIBLE LANDS UNDER CONSERVATION RESERVE PROGRAM.

Section 1231(b)(4) of the Food Security Act of 1985 (16 U.S.C. 3831(b)(4)) is amended—

(1) in subparagraph (C), by striking "or" at the end;

(2) in subparagraph (D), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(E) if the Secretary determines that the lands will be used to store water for flood control in a closed basin.".

AMENDMENT NO. 3138

At the appropriate place in the title relating to conservation, insert the following:

SEC. . ABANDONMENT OF CONVERTED WETLANDS.

Section 1222 of the Food Security Act of 1985 (16 U.S.C. 3822) is amended by adding at the end the following:

"(k) ABANDONMENT OF CONVERTED WETLANDS.—The Secretary shall not determine that a prior converted or cropped wetland is abandoned, and therefore that the wetland is subject to section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344) or this subtitle, on the basis that a producer has not planted an agricultural crop on the prior converted or cropped wetland after the date of enactment of this subsection.".

AMENDMENT NO. 3139

At the appropriate place in the title relating to conservation, insert the following:

SEC. . EASEMENT PRIORITY.

Section 1237C of the Food Security Act of 1985 (16 U.S.C. 3837c) is amended by striking subsection (d) and inserting the following:

"(d) EASEMENT PRIORITY.—In carrying out this subchapter, the Secretary shall—

"(1) take into consideration costs and future agricultural and food needs; and

"(2) give priority to—

"(A) restoration on acres that will provide the greatest wetlands functions and values and cost effectiveness for the wetlands functions and values achieved; and

"(B) in consultation with the Secretary of the Interior, restoring wetlands based on the value of the acres for protecting and enhancing habitat for migratory birds and other wildlife.".

AMENDMENT NO. 3140

At the appropriate place in the title relating to conservation, insert the following:

SEC. . WETLANDS RESERVE PROGRAM RESTORATION COST-SHARE.

Section 1237 of the Food Security Act of 1985 (16 U.S.C. 3837) is amended by adding at the end the following:

"(h) RESTORATION COST-SHARE.—

"(1) IN GENERAL.—The Secretary may use up to 20 percent of the funds made available under this subchapter to carry out projects through cooperative agreements with landowners, in lieu of the purchase of an easement.

"(2) TERMS.—An agreement under paragraph (1) shall—

"(A) be for a term of not less than 10 years and not more than 30 years;

"(B) make available at no cost to the Secretary the land on which restoration is to occur; and

"(C) provide for a restoration cost-share payment to the landowner in an amount that does not exceed 75 percent of the eligible costs.

"(3) PARTNERSHIP ARRANGEMENTS.—The Secretary may enter into a partnership arrangement with a public or private entity to carry out a project under this subsection, including an agreement to share financial, technical, management, or other resources.".

AMENDMENT NO. 3141

On page 85, strike lines 19 through 24 and insert the following:

(A) IN GENERAL.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended—

(i) in subsection (a), by striking "1995" and inserting "2002"; and

(ii) by striking subsection (d) and inserting the following:

"(d) MAXIMUM ENROLLMENT.—

"(1) IN GENERAL.—Not more than 36,520,000 acres (including acreage subject to contracts extended by the Secretary pursuant to section 1437 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 16 U.S.C. 3831 note) and the Water Bank Act (16 U.S.C. 1301 et seq.)) may be enrolled in the conservation reserve during the 1996 through 2002 calendar years.

"(2) FUNDING.—Funding for the conservation reserve program shall be sufficient to enroll the maximum number of acres specified in paragraph (1) during the 1996 through 2002 calendar years.

"(3) EXCEPTION.—Notwithstanding paragraphs (1) and (2), the Secretary may enroll fewer than the maximum number of acres specified in paragraph (1) if the Secretary makes a formal determination that the national environmental and conservation objectives of the conservation reserve program can be achieved by enrolling fewer acres.".

AMENDMENT NO. 3142

On page 87, strike lines 19 through 25.

AMENDMENT NO. 3143

SEC. 101. SHORT TITLE.

This Act may be cited as the "Agricultural Extension Act of 1995".

SEC. 102. AUTHORITY FOR 1996 AND 1997 AGRICULTURAL PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law except as provided in this Act and the amendments made by this Act, the provisions of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.), the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), the Food Security Act of 1985 (Public Law 99-198), and the Food, Agriculture, Conservation and Trade Act of 1990 (Public Law 101-624) and each program that was authorized or reauthorized by any of the Acts, that were applicable on September 30, 1995, shall be applicable for 1996 and 1997.

(b) FLEXIBILITY.—Amend section 504 of the Agricultural Act of 1949 (7 U.S.C. 1464) by striking subsections (c), (d), and (e) and inserting the following:

"(c) NON-PAYMENT ACRES.—In the case of the 1996 and 1997 crops, any crop or conserving crop listed in subsection (b)(1) may be planted on the acres of a crop acreage base not eligible for payment under this Act.

"(d) LOAN ELIGIBILITY.—In the case of the 1996 and 1997 crops, producers on a farm with crop acreage base may plant any program crop on the crop acreage base and shall be eligible to receive purchases, loans, and loan deficiency payments for the program crop.".

(c) FINDLEY ADJUSTMENT.—Amend the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.)—

(1) in section 105B(a)(3)—

(A) by striking subparagraph (C); and

(B) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D).

(2) in section 107B(a)(3)—

(A) by striking subparagraph (C); and

(B) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D).

(d) 1997 CROP PAYMENTS—

(1) REVENUE PAYMENTS.—

(A) IN GENERAL.—In the case of the 1997 crops of wheat, feed grain, upland cotton, and rice in addition to payments authorized in subsection (a), the Secretary shall issue payments to producers who participate in price support programs authorized by subsection (a) in accordance with the formula described in subparagraph (B).

(B) FORMULA.—In accordance with subparagraph (A), the Secretary shall provide a payment per acre equal to the amount in which the Average Revenue for the producer's farm, described in clause (i) exceeds the Producers' Revenue described in clause (ii) for each of the producer's payment acres.

(i) AVERAGE REVENUE.—For the purposes of this subparagraph, "average revenue" means the five year Olympic average price for the county for the program multiplied by the producer's program payment yield for the farm.

(ii) PRODUCER'S REVENUE.—For the purposes of this paragraph, the term "producer's revenue" means the per acre revenue received for production from:

(I) Commodity Credit Corporation (CCC) deficiency payments;

(II) revenue from sales of the program crop in excess of any CCC price support loans received;

(III) crop insurance indemnity payments;

(IV) CCC price support loans; and

(V) CCC loan deficiency payments.

(2) GUARANTEED ADVANCED PAYMENTS FOR THE 1997 CROPS.—In the case of 1997 crops of wheat, feed grains, upland cotton, and rice, the Secretary shall provide to producers who participate in programs authorized by subsection (a) a nonrefundable advanced deficiency payment subject to paragraph (3) which shall equal the greater of—

(A) the advanced deficiency payment authorized by subsection (a); or

(B) the payment authorized in section 103(c)(1).

(3) LIMITATION.—In calculating deficiency payments in accordance with programs authorized in subsection (a), the Secretary shall deduct any payments received by the producer under paragraph (2) from the producer's deficiency payments.

(e) ACREAGE REDUCTION PROGRAMS.—In the case of price support programs authorized by subsection (a) for the 1996 and 1997 crops of wheat, feed grains, upland cotton, and rice, the Secretary shall set the acreage reduction level to be zero.

SEC. 103. SPECIAL FUNDS FOR DEFICIENCY PAYMENTS, AND CONSERVATION AND RURAL AMERICA.

(a) ACCOUNT.—Notwithstanding any other provision of law, the Commodity Credit Corporation shall transfer $ into a Deficiency Payment, Account (hereafter referred as "Deficiency Account") which shall remain available until expended for the purposes specified in this subsection and $ into a Conservation and Fund for Rural America Account (hereafter referred as "Conservation and Rural America Account") which shall remain available until expended.

(b) DEFICIENCY ACCOUNT.—

(1) Funds from the Deficiency Account shall be used for the following purposes:

(A) Advanced deficiency payments for 1996 crops of wheat, feed grain, upland cotton, and rice authorized by paragraph (2); and

(B) Any deficiency payments authorized by the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) for 1995 crops of wheat, feed grains, upland cotton, and rice issued after date of enactment of this Act.

(1) PAYMENTS.—

(A) 1996—CROP ADVANCED DEFICIENCY PAYMENTS.—

(i) IN GENERAL.—The Secretary shall issue nonfundable advanced deficiency payments for the 1996 crops of wheat, feed grains, upland cotton, and rice to producers who participate in price support programs authorized in section 102 from the Account in accordance with the formula specified in clause (ii).

(ii) FORMULA.—The advanced deficiency payment rate for wheat, feed grains, upland cotton, and rice shall be the greater of—

(I) the 1995 advanced payment rate for the crop; or

(II) the 1996 advanced payment rate for the crop determined in accordance with section 102.

(c) CONSERVATION AND RURAL AMERICA ACCOUNT.—

(1) IN GENERAL.—Funds the Conservation and Rural America Account may be used to conduct programs as follows:

(A) CONSERVATION PROGRAMS.—The Secretary may conduct the Environmental Quality Incentive Program described in section 1201 of S. 1357 (as passed by the Senate on October 27, 1995); and

(B) FUND FOR RURAL AMERICA.—Notwithstanding any other provision of law, the Secretary may transfer funds from the Fund for Rural America to—

(i) rural development programs authorized by the Consolidated Farm and Rural Development Act; and

(ii) research programs authorized or reauthorized by Title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624) or by section 102 of this Act.

AMENDMENT NO. 3144

Strike all after the first word and insert:

SEC. 101 SHORT TITLE.

This Act may be cited as the "Agricultural Extension Act of 1995".

SEC. 102. AUTHORITY FOR 1996 AND 1997 AGRICULTURAL PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law except as provided in this Act and the amendments made by this Act, the provisions of the Agricultural Adjustment of 1938 (7 U.S.C. 1281 et seq.), the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), the Food Security Act of 1985 (Public Law 99–198), and the Food, Agriculture, Conservation and Trade Act of 1990 (Public Law 101–624) and each program that was authorized or reauthorized by any of the Acts, that were applicable on September 30, 1995, shall be applicable for 1996 and 1997.

(b) FLEXIBILITY.—Amend section 504 of the Agricultural Act of 1949 (7 U.S.C. 1464) by striking subsections (c), (d), and (e) and inserting the following:

"(c) NON-PAYMENT ACRES.—In the case of the 1996 and 1997 crops, any crop or conserving crop listed in subsection (b)(1) may be planted on the acres of a crop acreage base not eligible for payment under this Act.

"(d) LOAN ELIGIBILITY.—In the case of the 1996 and 1997 crops, producers on a farm with crop acreage base may plant any program crop on the crop acreage base and shall be eligible to receive purchases, loans, and loan deficiency payments for the program crop.".

(c) FINDLEY ADJUSTMENT.—Amend the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.)—

(1) in section 105B(a)(3)—

(A) by striking subparagraph (C); and

(B) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D).

(2) in section 107B(a)(3)—

(A) by striking subparagraph (C); and

(B) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D).

(d) 1997 CROP PAYMENTS.—

(1) REVENUE PAYMENTS.—

(A) IN GENERAL.—In the case of the 1997 crops of wheat, feed grain, upland cotton, and rice in addition to payments authorized in subsection (a), the Secretary shall issue payments to producers who participate in price support programs authorized by subsection (a) in accordance with the formula described in subparagraph (B).

(B) FORMULA.—In accordance with subparagraph (A), the Secretary shall provide a payment per acre equal to the amount in which the Average Revenue for the producer's farm, described in clause (i) exceeds the Producers' Revenue described in clause (ii) for each of the producer's payment acres.

(i) AVERAGE REVENUE.—For the purposes of this subparagraph, "average revenue" means the five year Olympic average price for the county for the program multiplied by the producer's program payment yield for the farm.

(ii) PRODUCER'S REVENUE.—For the purposes of this paragraph, the term "producer's revenue" means the per acre revenue received for production from:

(I) Commodity Credit Corporation (CCC) deficiency payments;

(II) revenue from sales of the program crop in excess of any CCC price support loans received;

(III) crop insurance indemnity payments;

(IV) CCC price support loans; and

(V) CCC loan deficiency payments.

(2) GUARANTEED ADVANCED PAYMENTS FOR THE 1997 CROPS.—In the case of 1997 crops of wheat, feed grains, upland cotton, and rice, the Secretary shall provide to producers who participate in programs authorized by subsection (a) a nonrefundable advanced deficiency payment subject to paragraph (3) which shall equal the greater of—

(A) the advanced deficiency payment authorized by subsection (a); or

(B) the payment authorized in section 103(c)(1).

(3) LIMITATION.—In calculating deficiency payments in accordance with programs authorized in subsection (a), the Secretary shall deduct any payments received by the producer under paragraph (2) from the producer's deficiency payments.

(e) ACREAGE REDUCTION PROGRAMS.—In the case of price support programs authorized by subsection (a) for the 1996 and 1997 crops of wheat, feed grains, upland cotton, and rice, the Secretary shall set the acreage reduction level to be zero.

SEC. 103. SPECIAL FUNDS FOR DEFICIENCY PAYMENTS, AND CONSERVATION AND RURAL AMERICA.

(a) ACCOUNT.—Notwithstanding any other provision of law, the Commodity Credit Corp shall transfer $ into a Deficiency Payment Account (hereafter referred to as "Deficiency Account") which shall remain available until expended for the purposes specified in this subsection and $ into a Conservation and Fund for Rural America Account (hereafter referred to as "Conservation and Rural America Account") which shall remain available until expended.

(b) DEFICIENCY ACCOUNT.—

(1) Funds from the Deficiency Account shall be used for the following purposes:

(A) Advanced deficiency payments for 1996 crops of wheat, feed grain, upland cotton, and rice authorized by paragraph (2); and

(B) Any deficiency payments authorized by the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) for 1995 crops of wheat, feed grains, upland cotton, and rice issued after date of enactment of this Act.

(2) PAYMENTS.—

(A) 1996 CROP ADVANCED DEFICIENCY PAYMENTS.—

(i) IN GENERAL.—The Secretary shall issue nonfundable advanced deficiency payments for the 1996 crops of wheat, feed grains, upland cotton, and rice to producers who participate in price support programs authorized in section 102 from the Account in accordance with the formula specified in clause (ii).

(ii) FORMULA.—The advanced deficiency payment rate for wheat, feed grains, upland cotton, and rice shall be the greater of—

(I) the 1995 advanced payment rate for the crop; or

(II) the 1996 advanced payment rate for the crop determined in accordance with section 102.

(c) CONSERVATION AND RURAL AMERICA ACCOUNT.—

(1) IN GENERAL.—Funds the Conservation and Rural America Account may be used to conduct programs as follows:

(A) CONSERVATION PROGRAMS.—The Secretary may conduct the Environmental Quality Incentive Program described in section 1201 of S. 1357 (as passed by the Senate on October 27, 1995); and

(B) FUND FOR RURAL AMERICA.—Notwithstanding any other provision of law, the Secretary may transfer funds from the Fund for Rural America to—

(i) rural development programs authorized by the Consolidated Farm and Rural Development Act; and

(ii) research programs authorized or reauthorized by title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624) or by section 102 of this Act.

KOHL AMENDMENT NO. 3145

(Ordered to lie on the table.)

Mr. KOHL submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

On page 74, strike lines 5 through 24 and insert the following:

(B) by transferring sections 111 and 201(c) (7 U.S.C. 1445f and 1446(c)) to appear after section 304 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1304) and redesignating the transferred sections as sections 305 and 306, respectively; and

(C) by transferring sections 404 and 416 (7 U.S.C. 1424 and 1431) to appear after section 390 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1390) and redesignating the transferred sections as sections 390A and 390B, respectively.

(2) REPEAL.—The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) (as amended by paragraph (1)) is repealed.

(c) CONFORMING AMENDMENTS.—

(1) Section 306 of the Agricultural Adjustment Act of 1938 (as transferred and redesignated by subsection (b)(1)(B)) is amended by striking "section 204" and inserting "section _____01 of the Agricultural Market Transition Act of 1996".

TITLE ___—DAIRY

Subtitle A—Milk Price Support and Other Activities

SEC. ___01. MILK PRICE SUPPORT PROGRAM.

(a) SUPPORT ACTIVITIES.—To replace the milk price support program established under section 204 of the Agricultural Act of 1949 (7 U.S.C. 1446e), which is repealed by section 19(b)(2)), the Secretary of Agriculture shall use the authority provided in this section to support the price of milk produced in the 48 contiguous States through the purchase of cheddar cheese produced from such milk. Until the first day of the first month beginning not less than 30 days after the date of the enactment of this Act, the Secretary also may support the price of milk under this section through the purchase of butter and nonfat dry milk produced from milk produced in the 48 contiguous States.

(b) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(1) During calendar year 1996, not less than $10.35.

(2) During calendar year 1997, not less than $10.25.

(3) During calendar year 1998, not less than $10.15.

(4) During calendar year 1999, not less than $10.05.

(5) During calendar year 2000, not less than $9.95.

(6) During calendar years 2001 and 2002, not less than $9.85.

(c) BID PRICES.—The Commodity Credit Corporation support purchase prices under this section for cheddar cheese (and for butter and nonfat dry milk subject to subsection (a)) announced by the Corporation shall be the same for all of that milk product sold by persons offering to sell the product to the Corporation. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price not less than the rate of price support for milk in effect during a 12-month period under this section.

(d) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

(e) RESIDUAL AUTHORITY FOR REFUND OF BUDGET DEFICIT ASSESSMENTS.—

(1) APPLICATION OF SUBSECTION.—This subsection shall apply with respect to the reductions made under subsection (h)(2) of section 204 of the Agricultural Act of 1949, as in effect on the day before the date of the enactment of this Act, in the price of milk received by producers during calendar years 1995 and 1996.

(2) REFUND REQUIRED.—The Secretary shall provide a refund of the entire reduction made under such subsection (h)(2) in the price of milk received by a producer during a calendar year referred to in paragraph (1) if the producer provides evidence that the producer did not increase marketings in that calendar year when compared to the preceding calendar year.

(3) TREATMENT OF REFUNDS.—A refund under this subsection shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811, 3821).

(g) TRANSFER OF MILK PRODUCTS TO MILITARY AND VETERANS HOSPITALS.—

(1) TRANSFER AUTHORIZED.—As a means of increasing the utilization of milk and milk products, upon the certification by the Secretary of Veterans Affairs or by the Secretary of the Army, acting for the military departments under the Single Service Purchase Assignment for Subsistence of the Department of Defense, that the usual quantities of milk products have been purchased in the normal channels of trade, the Commodity Credit Corporation shall make available—

(A) to the Secretary of Veterans Affairs at warehouses where milk products are stored, such milk products acquired under this section as the Secretary of Veterans Affairs certifies are required in order to provide milk products as a part of the ration in hospitals under the jurisdiction of the Secretary of Veterans Affairs; and

(B) to the Secretary of the Army, at warehouses where milk products are stored, such milk products acquired under this section as the Secretary of the Army certifies can be utilized in order to provide additional milk products as a part of the ration—

(i) of the Army, Navy, Air Force, or Coast Guard;

(ii) in hospitals under the jurisdiction of the Department of Defense; and

(iii) of cadets and midshipmen at, and other personnel assigned to, the United States Merchant Marine Academy.

(2) REPORTS.—The Secretary of Veterans Affairs and the Secretary of the Army shall report every six months to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives and the Secretary of Agriculture the amount of milk products used under this subsection.

(3) PROCESS.—The Secretary of Veterans Affairs and the Secretary of the Army shall reimburse the Commodity Credit Corporation for all costs associated in making milk products available under this subsection.

(4) LIMITATION.—The obligation of the Commodity Credit Corporation to make milk products available pursuant to this subsection shall be limited to milk products acquired by the Corporation under this section and not disposed of under provisions (1) and (2) of section 390B(a) of the Agricultural Adjustment Act of 1938.

(h) PERIOD OF EFFECTIVENESS.—Notwithstanding any other provision of law, this section shall be effective only during the period

(1) beginning on the date of the enactment of this Act; and

(2) ending on December 31, 2002.

SEC. ___02. RECOURSE LOANS FOR COMMERCIAL PROCESSORS OF DAIRY PRODUCTS.

(a) RECOURSE LOANS AVAILABLE.—The Secretary of Agriculture shall make recourse loans available to commercial processors of eligible dairy products to assist such processors to manage inventories of eligible dairy products to assure a greater degree of price stability for the dairy industry during the year. Recourse loans may be made available under such reasonable terms and conditions as the Secretary may prescribe. The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

(b) AMOUNT OF LOAN.—The Secretary shall establish the amount of a loan for eligible dairy products, which shall reflect 90 percent of the reference price for that product. The rate of interest charged participants in this program shall not be less than the rate of interest charged the Commodity Credit Corporation by the United States Treasury.

(c) PERIOD OF LOANS.—A recourse loan made under this section may not extend beyond the end of the fiscal year during which the loan is made, except that the Secretary may extend the loan for an additional period not to exceed the end of the next fiscal year.

(d) DEFINITIONS.—In this section:

(1) The term "eligible dairy products" means cheddar cheese, butter, and nonfat dry milk.

(2) The term "reference price" means—

(A) for cheddar cheese, the average National (Green Bay) Cheese Exchange price for 40 pound blocks of cheddar cheese for the previous three months;

(B) for butter, the average Chicago Mercantile Exchange price for Grade AA butter for the previous three months; and

(C) for nonfat dry milk, the average Western States Extra Grade and Grade A price for nonfat dry milk for the previous three months.

SEC. ___03. DAIRY EXPORT INCENTIVE PROGRAM.

(a) DURATION.—Subsection (a) of section 153 of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking "2001" and inserting "2002".

(b) ELEMENTS OF PROGRAM.—Subsection (c) of such section is amended—

(1) by striking "and" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting "; and"; and

(3) by adding at the end the following new paragraphs:

"(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization are exported under the program each year (minus the volume sold under section 1163 of this Act (7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

"(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.".

(c) SOLE DISCRETION.—Subsection (b) of such section is amended by inserting "sole" before "discretion".

(d) MARKET DEVELOPMENT.—Subsection (e)(1) of such section is amended—

(1) by striking "and" and inserting "the"; and

(2) by inserting before the period the following: ", and any additional amount that may be required to assist in the development of world markets for United States dairy products".

(e) MAXIMUM ALLOWABLE AMOUNTS.—Such section is further amended by adding at the end the following:

"(f) REQUIRED FUNDING.—The Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of this Act (7 U.S.C. 1731 note) during that year. However, the Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.".

SEC. ___04. DAIRY PROMOTION PROGRAM.

(a) EXPANSION TO COVER DAIRY PRODUCTS IMPORTED INTO THE UNITED STATES.—Section 110(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4501(b)) is amended by inserting after "commercial use" the following: "and dairy products imported into the United States".

(b) DEFINITIONS.—

(1) MILK.—Subsection (d) of section 111 of such Act (7 U.S.C. 4502) is amended by inserting before the semicolon the following: "or cow's milk imported into the United States in the form of dairy products intended for consumption in the United States".

(2) DAIRY PRODUCTS.—Subsection (e) of such section is amended by inserting before the semicolon the following: "and casein (except casein imported under sections 3501.90.20 (casein glue) and 3501.90.50 (other) of the Harmonized Tariff Schedule)".

(3) RESEARCH.—Subsection (j) of such section is amended by inserting before the semicolon the following: "or to reduce the costs associated with processing or marketing those products".

(4) UNITED STATES.—Subsection (l) of such section is amended to read as follows:

"(l) the term 'United States' means the several States and the District of Columbia;".

(5) IMPORTERS AND EXPORTERS.—Such section is further amended—

(A) in subsection (k), by striking "and" at the end of such subsection; and

(B) by adding at the end the following new subsections:

"(m) the term 'importer' means the first person to take title to dairy products imported into the United States for domestic consumption; and

"(n) the term 'exporter' means any person who exports dairy products from the United States.".

(c) MEMBERSHIP OF BOARD.—Section 113(b) of such Act (7 U.S.C. 4504(b)) is amended—

(1) in the first sentence, by striking "thirty-six members" and inserting "38 members, including one representative of importers and one representative of exporters to be appointed by the Secretary";

(2) in the second sentence, by striking "Members" and inserting "The remaining members"; and

(3) in the third sentence, by striking "United States" and inserting "United States, including Alaska and Hawaii".

(d) ASSESSMENT.—Section 113(g) of such Act (7 U.S.C. 4504(g)) is amended—

(1) by inserting "(1)" after "(g)"; and

(2) by adding at the end the following new paragraph:

"(2) The order shall provide that each importer of dairy products intended for consumption in the United States shall remit to the Board, in the manner prescribed by the order, an assessment equal to 1.2 cents per pound of total milk solids contained in the imported dairy products, or 15 cents per hundredweight of milk contained in the imported dairy products, whichever is less. If an importer can establish that it is participating in active, ongoing qualified State or regional dairy product promotion or nutrition programs intended to increase the consumption of milk and dairy products, the importer shall receive credit in determining the assessment due from that importer for contributions to such programs of up to .8 cents per pound of total milk solids contained in the imported dairy products, or 10 cents per hundredweight of milk contained in the imported dairy products, whichever is less. The assessment collected under this paragraph shall be used for the purpose specified in paragraph (1).".

(e) RECORDS.—Section 113(k) of such Act (7 U.S.C. 4504(k)) is amended in the first sentence by inserting after "commercial use," the following: "each importer of dairy products,".

(f) TERMINATION OR SUSPENSION OF ORDER.—Section 116(b) of such Act (7 U.S.C. 4507(b)) is amended—

(1) by inserting "and importers" after "producers" each place it appears;

(2) by striking "who, during a representative period (as determined by the Secretary), have been engaged in the production of milk for commercial use"; and

(3) by adding at the end the following new sentences: "A producer shall be eligible to vote in the referendum if the producer, during a representative period (as determined by the Secretary), has been engaged in the production of milk for commercial use. An importer shall be eligible to vote in the referendum if the importer, during a representative period (as determined by the Secretary), has been engaged in the importation of dairy products into the United States intended for consumption in the United States.".

(g) PROMOTION IN INTERNATIONAL MARKETS.—Section 113(e) of such Act (7 U.S.C. 4504(e)) is amended by adding at the end the following new sentence: "For each of the fiscal years 1996 through 2000, the Board's budget shall provide for the expenditure of not less than 10 percent of the anticipated revenues available to the Board to develop international markets for, and to promote within such markets, the consumption of dairy products produced in the United States from milk produced in the United States.".

(h) IMPLEMENTATION OF AMENDMENTS.—

(1) IMPLEMENTATION PROCESS.—To implement the amendments made by this section, the Secretary of Agriculture shall issue an amended dairy products promotion and research order under section 112 of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4503) reflecting such amendments, and no other changes, in the order in existence on the date of the enactment of this Act.

(2) PROPOSAL OF AMENDED ORDER.—Not later than 60 days after the date of the enactment of this Act, the Secretary shall publish a proposed dairy products promotion and research order reflecting the amendments made by this section. The Secretary shall provide notice and an opportunity for public comment on the proposed order.

(3) ISSUANCE OF AMENDED ORDER.—After notice and opportunity for public comment are provided in accordance with paragraph (2), the Secretary shall issue a final dairy products promotion and research order, taking into consideration the comments received and including in the order such provisions as are necessary to ensure that the order is in conformity with the amendments made by this section.

(4) EFFECTIVE DATE.—The final dairy products promotion and research order shall be issued and become effective not later than 120 days after publication of the proposed order.

(i) REFERENDUM ON AMENDMENTS.—Not later than 36 months after the issuance of the dairy products promotion and research order reflecting the amendments made by this section, the Secretary of Agriculture shall conduct a referendum under section 115 of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4506) for the sole purpose of determining whether the requirements of such amendments shall be continued. The Secretary shall conduct the referendum among persons who have been producers or importers (as defined in section 111 of such Act (7 U.S.C. 4502)) during a representative period as determined by the Secretary. The requirements of such amendments shall be continued only if the Secretary determines that such requirements have been approved by not less than a majority of the persons voting in the referendum. If continuation of the amendments is not approved, the Secretary shall issue a new order, within six months after the announcement of the results of the referendum, that is identical to the order in effect on the date of the enactment of this Act. The new order shall become effective upon issuance and shall not be subject to referendum for approval.

SEC. ___05. FLUID MILK STANDARDS UNDER MILK MARKETING ORDERS.

(a) NATURE OF STANDARDS.—Each marketing order issued with respect to milk and its products under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, shall contain terms and conditions to provide that all dispositions of fluid milk products containing milk of the highest use classification covered by such orders shall comply with the following requirements:

(1) In the case of milk marketed as whole milk, not less than 12.05 percent total milk solids consisting of not less than 8.8 percent milk solids not fat and not less than 3.25 percent milk fat.

(2) In the case of milk marketed as 2 percent (or lowfat) milk, not less than 12 percent total milk solids consisting of not less than 10 percent milk solids not fat and not less than 2 percent milk fat.

(3) In the case of milk marketed as 1 percent (or light) milk, not less than 12 percent total milk solids consisting of not less than 11 percent milk solids not fat and not less than 1 percent milk fat.

(4) In the case of milk marketed as skim (or nonfat) milk, not less than 9 percent total milk solids consisting of not less than 9 percent milk solids not fat and not more than .25 percent milk fat.

(b) VIOLATIONS.—A violation of the requirements specified in subsection (a) shall be subject to the penalties provided in section 8c(14) of the Agricultural Adjustment Act (7 U.S.C. 608c(14)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.

(c) EFFECTIVE DATE.—The requirements imposed by this section shall apply to fluid milk marketed on and after the first day of the first month beginning not less than 30 days after the date of the enactment of this Act.

(d) EFFECT OF ENACTMENT.—The requirements imposed by this section shall supersede any conflicting requirements regarding fluid milk imposed pursuant to the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.).

SEC. ___06. MANUFACTURING ALLOWANCE.

(a) MAXIMUM ALLOWANCES ESTABLISHED.—No State shall provide for a manufacturing allowance for the processing of milk in excess of—

(1) in the case of milk manufactured into butter, butter oil, nonfat dry milk, or whole dry milk—

(A) $1.65 per hundredweight of milk, for milk marketed during the 2-year period beginning on the effective date of this section; and

(B) such allowance per hundredweight of milk as the Secretary of Agriculture may establish under section ___21(b)(3), for milk marketed after the end of such period; and

(2) in the case of milk manufactured into cheese and whey—

(A) $1.80 per hundredweight of milk, for milk marketed during the 2-year period beginning on the effective date of this section; and

(B) such allowance per hundredweight of milk as the Secretary may establish under section ___21(b)(3), for milk marketed after the end of such period.

(b) YIELDS.—In converting the weight of milk to dairy products during the two-year period beginning on the effective date of this section, the Secretary shall use the following yields with respect to a hundred pounds of milk:

(1) Butter: 4.2 pounds.

(2) Nonfat dry milk: 8.613 pounds.

(3) 40 pound block cheddar cheese: 10.169 pounds.

(4) Whey cream butter: .27 pounds.

(c) SOURCES OF PRODUCT PRICE VALUES.—In determining the manufacturing allowance applicable in a State during the 2-year period beginning on the effective date of this section, the Secretary shall use the following sources for product price values:

(1) For butter, Chicago Mercantile Exchange Grade AA butter.

(2) For nonfat dry milk, California Manufacturing Plants Extra Grade and Grade A nonfat dry milk.

(3) For cheese, National (Green Bay) Cheese Exchange 40 pound block cheddar cheese.

(4) For whey cream butter, Chicago Mercantile Exchange Grade B butter.

(d) MANUFACTURING ALLOWANCE DEFINED.—In this section, the term "manufacturing allowance" means—

(1) the amount by which the product price value of butter and nonfat dry milk manufactured from a hundred pounds of milk containing 3.5 pounds of milk fat and 8.7 pounds of milk solids not fat exceeds the class price for the milk used to produce those products; or

(2) an amount by which the product price value of cheese and whey manufactured from a hundred pounds of milk containing 3.6 pounds of milk fat and 8.7 pounds of milk solids not fat exceeds the class price for the milk used to produce those products.

(e) EFFECT OF VIOLATION.—If the Secretary determines that a State has in effect a manufacturing allowance that exceeds the manufacturing allowance authorized in subsection (a), the Secretary shall suspend, until such time as the State complies with such subsection—

(1) purchases under section ____01 of cheddar cheese produced in that State; and

(2) disbursements from the Class IV equalization pool under section ____08 to milk marketing orders operating in that State with respect to milk produced in that State.

(f) CONFORMING SUSPENSION AND REPEAL.—

(1) SUSPENSION AND REPEAL.—During the 2-year period beginning on the effective date of this section, the requirements of section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e-1) shall not apply. Effective on the first day after the end of such period, such section is repealed.

(2) EXCEPTION.—Notwithstanding paragraph (1), in the event that an injunction or other order of a court prohibits or impairs the implementation of this section or the activities of the Secretary under this section, the Secretary shall use the authorities provided by section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e-1) until such time as the injunction or other court order is lifted.

(g) EFFECTIVE DATE; IMPLEMENTATION.—This section shall take effect on the first day of the first month beginning not less than 30 days after the date of the enactment of this Act. After such effective date, the Secretary may exercise the authority provided to the Secretary under this section without regard to the issuance of regulations intended to carry out this section.

SEC. ____07. ESTABLISHMENT OF TEMPORARY CLASS I PRICE AND TEMPORARY CLASS I EQUALIZATION POOLS.

(a) TEMPORARY PRICING FOR MILK OF THE HIGHEST USE CLASSIFICATION (CLASS I MILK).—

(1) ESTABLISHMENT OF MINIMUM PRICE.—During the 2-year period beginning on the effective date of this section, the minimum price for milk of the highest use classification marketed under a marketing order issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, shall not be less than the sum of—

(A) $12.87 per hundredweight; and

(B) the aggregate adjustment in effect under clauses (1) and (2) of the second sentence of paragraph (5)(A) of such section on December 31, 1995, for milk of the highest use classification in that order.

(2) ADDITION TO MINIMUM PRICE.—If the basic formula price for milk exceeds $12.87 per hundredweight in any month during the 2-year period beginning on the effective date of this section, the positive difference between the basic formula price and $12.87 shall be added to the price for milk of the highest use classification marketed under a marketing order issued under such section 8c in the second month following the month in which the difference occurred.

(3) EFFECT ON OTHER USE CLASSIFICATIONS.—This subsection shall not affect the calculation of the basic formula price used to determine the price for milk of use classifications other than the highest use classification.

(b) CLASS I EQUALIZATION POOLS.—

(1) COLLECTIONS.—During the 2-year period beginning on the effective date of this section, the Secretary of Agriculture shall collect, on a monthly basis, from each marketing order issued with respect to milk and its products under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, and from the comparable milk marketing order issued by the State of California, an amount equal to the product of—

(A) $0.80 per hundredweight; and

(B) the total hundredweights of all milk of the highest use classification marketed under the order for the month.

(2) DISBURSEMENTS.—The Secretary shall pay, on a monthly basis, to each marketing order referred to in paragraph (1) an amount equal to the product of—

(A) the total collection under paragraph (1) for the month; and

(B) the ratio of the total hundredweights of all milk marketed for the month under that order to all milk marketed for the month under all such orders.

(3) EFFECT ON BLEND PRICES.—Producer blend prices under a milk marketing order shall be adjusted to account for collections made under paragraph (1) and disbursements made under paragraph (2).

(c) ENFORCEMENT.—

(1) IN GENERAL.—Amounts for which a milk marketing order are responsible under subsection (b) shall be determined on a monthly basis and shall be collected and remitted to the Secretary in the manner prescribed by the Secretary.

(2) PENALTIES.—If any person fails to remit the amount required in subsection (b) or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this section, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of milk involved in the violation; by

(B) the support rate for milk in effect at the time of the violation under section ____01.

(3) ENFORCEMENT.—The Secretary may enforce this section in the courts of the United States.

(d) CONFORMING REPEAL.—Section 8c(5)(A) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)(A)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking out the sentence beginning "Throughout the 2-year period" and all that follows through the end of the subparagraph.

(e) EFFECTIVE DATE.—Except as provided in subsection (f), this section shall take effect on the first day of the first month beginning not less than 30 days after the date of the enactment of this Act.

(f) IMPLEMENTATION.—Not later than the effective date of this section, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to effectuate the requirements of this section. The amendments shall not be—

(1) subject to a referendum under subsection (17) or (19) of such section among milk producers to determine whether issuance of such order is approved or favored by milk producers;

(2) preconditioned on the existence of a marketing agreement among handlers under subsection (8) of such section and section 8b of such Act (7 U.S.C. 608b);

(3) subject to rulemaking under title 5, United States Code; or

(4) subject to review or approval by other executive agencies.

SEC. ____08. ESTABLISHMENT OF TEMPORARY CLASS IV PRICE AND TEMPORARY CLASS IV EQUALIZATION POOL.

(a) TEMPORARY CLASSIFICATION OF CLASS IV MILK.—

(1) CLASSIFICATION.—For purposes of classifying milk in accordance with the form in which or the purpose for which it is used, the Secretary of Agriculture shall designate all milk marketed in the 48 contiguous States of the United States and used to produce butter, butter oil, nonfat dry milk, or dry whole milk as Class IV milk. The Secretary may include other products of milk, except cheese, within the Class IV classification if the Secretary determines that inclusion of the product would be fair and equitable.

(2) USE OF CLASSIFICATION.—Each marketing order issued with respect to milk and its products under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, and each comparable State milk marketing order, shall use the classification required by paragraph (1) in lieu of any other classification, such as Class III-A milk, to properly classify milk used to produce butter, butter oil, nonfat dry milk, or dry whole milk.

(b) ESTABLISHMENT OF CLASS IV POOL.—The Secretary shall establish a Class IV pool for the purpose of making collections and disbursements related to milk classified as Class IV milk under subsection (a). The Class IV pool shall apply to milk covered by a milk marketing order referred to in subsection (a) and unregulated milk.

(c) ESTABLISHMENT OF MONTHLY CLASS IV PRICE.—For the purpose of determining whether the Secretary will make collections and disbursements under the Class IV equalization pool, the Secretary shall establish, on a monthly basis, a price for dairy products manufactured from Class IV milk on a 3.5 percent butterfat basis. In determining that price, the Secretary shall calculate the amount equal to—

(1) the sum of—

(A) the product of the Western States Extra Grade and Grade A price per pound for nonfat dry milk and 8.613; and

(B) the product of the Chicago Mercantile Exchange Grade AA price per pound for butter and 4.2; less

(2) a manufacturing allowance equal to $1.65 per hundredweight of milk.

(d) OPERATION OF CLASS IV EQUALIZATION POOL.—

(1) APPLICATION OF SUBSECTION.—This subsection shall apply in any month in which the support price for milk under section ____01, adjusted to 3.5 percent butterfat, exceeds the Class IV price established under subsection (c).

(2) COLLECTION.—In any month in which the Class IV equalization pool is in operation under paragraph (1), each milk marketing order referred to in subsection (a) and each handler of unregulated milk shall pay into the Class IV equalization pool an amount equal to the product of—

(A) the total hundredweights of Class IV milk used to manufacture dairy products during that month under all such orders and by all such handlers;

(B) 50 percent of the amount by which the support price for milk under section ____01, adjusted to 3.5 percent butterfat, exceeded the Class IV price determined under subsection (c) for that month; and

(C) the ratio of the total hundredweights of all milk marketed during that month under that order or by that handler to the total hundredweights of all milk marketed for that month under all such orders and by all such handlers.

(3) DISBURSEMENTS.—In any month in which the Class IV equalization pool is in operation under paragraph (1), each milk marketing order referred to in subsection (a) in

which products were manufactured from Class IV milk during that month and each handler of unregulated milk that manufactured products from Class IV milk during that month shall receive from the Class IV equalization pool an amount equal to the product of—

(A) the total collection under paragraph (2) for the month; and

(B) the ratio of the total hundredweights of Class IV milk manufactured into dairy products during that month under that order or by that handler to the total hundredweights of Class IV milk manufactured into dairy products during that month under all such orders and by all such handlers.

(4) EFFECT ON BLEND PRICES.—Producer blend prices under a milk marketing order referred to in subsection (a) shall be adjusted to account for collections under paragraph (2) and disbursements under paragraph (3).

(e) ENFORCEMENT.—

(1) IN GENERAL.—Amounts for which a milk marketing order or handler are responsible under subsection (b) shall be determined on a monthly basis and shall be collected and remitted to the Secretary in the manner prescribed by the Secretary.

(2) PENALTIES.—If any person fails to remit the amount required in subsection (c) or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this section, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of milk involved in the violation; by

(B) the support rate for milk in effect at the time of the violation under section ___01.

(3) ENFORCEMENT.—The Secretary may enforce this section in the courts of the United States.

(f) EFFECTIVE DATE.—Except as provided in subsection (g), this section shall—

(1) take effect on the first day of the first month beginning not less than 30 days after the date of the enactment of this Act; and

(2) apply during the 2-year period beginning on such effective date.

(g) IMPLEMENTATION.—Not later than the start of the effective date of this section, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to effectuate the requirements of this section. The amendments shall not be—

(1) subject a referendum under subsection (17) or (19) of such section among milk producers to determine whether issuance of such order is approved or favored by milk producers;

(2) preconditioned on the existence of a marketing agreement among handlers under subsection (8) of such section and section 8b of such Act (7 U.S.C. 608b);

(3) subject to rulemaking under title 5, United States Code; or

(4) subject to review or approval by other executive agencies.

SEC. ___09. AUTHORITY FOR ESTABLISHMENT OF STANDBY POOLS.

(a) AUTHORITY TO ESTABLISH.—As soon as possible after the effective date of this section, the Secretary of Agriculture shall publish in the Federal Register an invitation for interested persons to submit proposals for the establishment within Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, of standby pools to facilitate the movement of milk over long distances during periods of shortage through the sharing of proceeds from sales of milk of the highest use classification due to producers under the order with producers shipping to plants regulated by another order to provide a reserve supply of milk in the other market.

(b) APPROVAL OR TERMINATION OF PARTICIPATION IN STANDBY POOL.—Order provisions under this section shall not become effective in any marketing order unless such provisions are approved by producers in the manner provided for the approval of marketing orders under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, but separately from other order provisions. Standby pool provisions approved under this section in an order may be disapproved separately by producers or terminated separately by the Secretary under section 8c(16)(B) of such Act. Such disapproval or termination shall not be considered to be a disapproval or termination of the other terms of that order.

(c) EFFECTIVE DATE.—This section shall take effect on the first day of the first month beginning not less than 30 days after the date of the enactment of this Act.

Subtitle B—Reform of Federal Milk Marketing Orders

SEC. ___21. ISSUANCE OR AMENDMENT OF FEDERAL MILK MARKETING ORDERS TO IMPLEMENT CERTAIN REFORMS.

(a) ISSUANCE OF AMENDED ORDERS.—Subject to the time limits specified in section ___22, the Secretary of Agriculture shall issue new or amended marketing orders with respect to milk and its products under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to effectuate the requirements of subsection (b). The orders shall take effect on the date the orders are issued and shall supersede all other marketing orders and any other statutes, rules, and regulations that are applicable to the pricing and marketing of milk and its products in effect immediately before that date, whether under the authority of section 8c of such Act or a State or local law.

(b) REFORM REQUIREMENTS.—The Secretary shall reform the Federal milk marketing order system under subsection (a) to accomplish the following purposes:

(1) Consolidation of Federal milk marketing orders into not less than 8 nor more than 13 orders, which shall also include those areas of the 48 contiguous States not covered by a Federal milk marketing order on the date of the enactment of this Act. One of the new Federal milk marketing orders shall only cover the State of California. A new or amended order shall have the right to blend order receipts to address unique issues to that order such as a preexisting State quota system.

(2) Implementation of uniform multiple component pricing for milk used in manufactured dairy products.

(3) Establishment of class prices for milk used to produce cheese, nonfat dry milk, and butter based on national product prices, less a manufacturing allowance. The resulting prices shall not vary regionally, except to reflect variances in transportation and reasonable operating costs, if any, of efficient processing plants in different geographical areas.

(c) STATUS OF PRODUCER HANDLERS.—In amending Federal milk marketing orders under this section, the Secretary shall ensure that the legal status of producer handlers of milk under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, shall be the same after the amendments made by this section take effect as it was before the effective date of the amendments.

SEC. ___22. REFORM PROCESS.

(a) PROCESS.—In preparation for the issuance of the new or amended Federal milk marketing orders required under section ___21, the Secretary of Agriculture shall comply with the following expedited procedural requirements:

(1) Not later than 165 days after the date of the enactment of this Act, the Secretary shall issue proposed amendments or new milk marketing orders to effectuate the reform requirements specified in such section .

(2) The Secretary shall provide for a 75-day comment period on the proposed amendments or orders issued under paragraph (1).

(3) Not later than 120 days after the end of the comment period provided under paragraph (2), the Secretary shall publish in the Federal Register a final administrative decision regarding the issuance or amendment of Federal milk marketing orders to effectuate the reform requirements specified in such section.

(b) REFERENDUM AND MARKETING AGREEMENT.—After the issuance of the new or amended Federal milk marketing orders under section ___21, the Secretary may conduct a referendum in the manner provided in section 8c(16)(B) of the Agricultural Adjustment Act (7 U.S.C. 608c(16)(B)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, with respect to each order to determine whether milk producers subject to the order favor the termination of the order.

(c) APPLICATION OF ADMINISTRATIVE PROCEDURES ACT.—The issuance of the new or amended Federal milk marketing orders required under section ___21 shall not be subject to rulemaking under title 5, United States Code.

(d) REVIEW AND APPROVAL.—The action of the Secretary under section ___21 shall not be subject to review or approval by any other executive agency.

SEC. ___23. EFFECT OF FAILURE TO COMPLY WITH REFORM PROCESS REQUIREMENTS.

(a) FAILURE TO TIMELY ISSUE OR AMEND ORDERS.—If, before the end of the 1-year period beginning on the date of the enactment of this Act, the Secretary of Agriculture does not issue new or amended Federal milk marketing orders under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to effectuate the requirements of section ___21(b), then the Secretary may not assess or collect assessments from milk producers or handlers under such section 8c for marketing order administration and services provided under such section after the end of that period. The Secretary may not reduce the level of services provided under such section on account of the prohibition against assessments, but shall rather cover the cost of marketing order administration and services through funds available for the Agricultural Marketing Service of the Department of Agriculture.

(b) FAILURE TO TIMELY IMPLEMENT ORDERS.—Unless the Secretary certifies to Congress before the end of the 2-year period beginning on the date of the enactment of this Act that all of the Federal marketing order reforms required by section ___21(b) have been fully implemented, then, effective at the end of that period—

(1) the Secretary shall immediately cease all price support activities under section ___01;

(2) the Secretary shall immediately terminate all Federal milk marketing orders under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, and may not issue any further order under such Act with respect to milk;

(3) the Commodity Credit Corporation shall immediately cease to operate the dairy export incentive program under section 153 of the Food Security Act of 1985 (15 U.S.C. 713a–14);

(4) the Secretary and the National Processor Advertising and Promotion Board shall immediately cease all activities under the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6401 et seq.); and

(5) the Secretary and the National Dairy Promotion and Research Board shall immediately cease all activities under the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4501 et seq.).

MOYNIHAN (AND MIKULSKI) AMENDMENTS NOS. 3146–3147

(Ordered to lie on the table.)

Mr. MOYNIHAN (for himself and Ms. MIKULSKI) submitted two amendments intended to be proposed by them to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3146

At the appropriate place insert the following: "Whenever the domestic price of raw sugar exceeds 115 percent of the loan rate, then the Secretary of Agriculture shall permit the importation of additional raw cane sugar from existing quota holders until he determines that such conditions no longer prevail in the market."

AMENDMENT NO. 3147

At the appropriate place insert the following: "Whenever the domestic price of raw sugar exceeds 115 percent of the loan rate, then the Secretary of Agriculture shall permit the importation of additional raw cane sugar from existing quota holders until he determines that such conditions no longer prevail in the market."

WELLSTONE AMENDMENT NO. 3148

(Ordered to lie on the table.)

Mr. WELLSTONE submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

SEC. 2. PAYMENT LIMITATION.

Section 15(b)(3) is amended by striking (A) and inserting the following:

"(A) by striking "(a) PREVENTION OF CREATION OF ENTITIES" and all that follows through "(b) PAYMENTS LIMITED TO ACTIVE FARMERS.—"

BRYAN AMENDMENTS NOS. 3149–3152

(Ordered to lie on the table.)

Mr. BRYAN submitted four amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3149

On page 88, line 10, strike "$100,000,000" and insert "$2,000,000".

AMENDMENT NO. 3150

On page 88, line 10, strike "$100,000,000" and insert "$70,000,000".

AMENDMENT NO. 3151

Strike the section 17 beginning on page 65, line 21 through page 72, line 8.

AMENDMENT NO. 3152

Strike the section 16 beginning on page 49, line 13 through page 65, line 20.

BROWN (AND REID) AMENDMENT NO. 3153

(Ordered to lie on the table.)

Mr. BROWN (for himself and Mr. REID) submitted an amendment intended to be proposed by them to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following:

(a) None of the funds appropriated or made available to the Federal Drug Administration shall be used to operate the Board of Tea Experts and related activities.

(b) The Tea Importation Act (21 U.S.C. 41 et seq.) is repealed.

BROWN AMENDMENTS NOS. 3154–3158

(Ordered to lie on the table.)

Mr. BROWN submitted five amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3154

In subsection (g) of the section relating to peanuts—

(1) in paragraph (2)(A), strike "paragraphs (3) and (4)" and insert "paragraphs (4) and (5)";

(2) redesignate paragraphs (3), (4), (5), and (6) as paragraphs (4), (5), (6), and (7), respectively; and

(3) insert after paragraph (2) the following:

(3) ADDITIONAL MARKETING ASSESSMENT TO COVER EXPENSES OF THE SECRETARY.—In addition to the marketing assessment required under the other provisions of his subsection, the Secretary shall charge producers a marketing assessment applicable to each crop of peanuts to cover the costs of the salaries of the employees, and the expenses, of the Consolidated Farm Service Agency in carrying out the program established under this section.

AMENDMENT NO. 3155

At the appropriate place in title I, insert the following:

SEC. . ADDITIONAL TOBACCO MARKETING ASSESSMENT TO COVER EXPENSES OF THE SECRETARY.

Section 315(g) of the Agricultural Adjustment Act of 1938 (as transferred and redesignated by section 19(b)(1)(A)) is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(2) by inserting after paragraph (1) the following:

"(2) ADDITIONAL MARKETING ASSESSMENT TO COVER EXPENSES OF THE SECRETARY.—In addition to the marketing assessment required under paragraph (1), the Secretary shall charge producers, purchasers, and importers of tobacco a marketing assessment applicable to each crop of tobacco to cover the costs of the salaries of the employees, and the expenses, of the Consolidated Farm Service Agency in carrying out the program under this section.".

AMENDMENT NO. 3156

At the appropriate place, insert the following:

SEC. . AGRICULTURAL PAYMENTS.

(a) None of the funds authorized under this Act shall be used to make any payments described in this Act to individuals with an annual net taxable income of more than $120,000 or corporations with an annual net taxable income of more than $5,000,000.

(b) CERTIFICATION.—

(1) INDIVIDUALS.—The Secretary of Agriculture shall certify to the appropriate committees of the Congress that no individuals receiving payments under this Act had an annual net taxable income greater than $120,000 in the previous tax year.

(2) CORPORATIONS.—The Secretary of Agriculture shall certify to the appropriate committees of the Congress that no corporations receiving payments under this Act had an annual net taxable income greater than $5,000,000 in the previous tax year.

(c) Subsection (a) and (b) shall not apply to any existing subsidy contracts.

AMENDMENT NO. 3157

At the appropriate place, insert:

SEC. . PEANUT PROGRAM.

(a) IN GENERAL.—Each year the Secretary of Agriculture shall calculate the costs, including expenses and salaries of the employees, to the Consolidated Farm Services Agency in order to administer the peanut program.

(b) ASSESSMENT.—The Secretary, based on these findings, shall raise the current marketing assessment to a level sufficient to cover all costs of the peanut program.

AMENDMENT NO. 3158

At the appropriate place, insert the following:

SEC. . TOBACCO PROGRAM.

(a) IN GENERAL.—Each year the Secretary of Agriculture shall calculate the costs, including expenses and salaries of the employees, to the Consolidated Farm Services Agency in order to administer the tobacco program.

(b) ASSESSMENT.—The Secretary, based on these findings, shall raise the current marketing assessment to a level sufficient to cover all costs of the tobacco program. The cost of the tobacco program shall not be offset by any revenues raised through tariffs imposed under the Uruguay Round Agreements Act (Public Law 103-465) on imports of tobacco or tobacco products into the United States.

FEINGOLD AMENDMENT NO. 3159

(Ordered to lie on the table.)

Mr. FEINGOLD submitted an amendment intended to be proposed by them to the bill S. 1541, supra; as follows:

On page 95, after line 10, add the following:

SEC. 7. COMPETITIVE MATCHING GRANT PROGRAM FOR APPLIED RESEARCH.

(a) PURPOSE.—The purpose of this section is to convert the current special grants program administered by the Secretary under subsection (c) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 4501(c)) into a competitive matching grant program for applied research in coordination with the research priorities outlined in section 1402 of the National Agricultural Research Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101).

(b) TITLE CHANGES.—The Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i) is amended—

(1) In the section heading, by striking ", SPECIAL, AND FACILITIES" AFTER "COMPETITIVE";

(2) In subsection (a)(2), by striking ", Special, and Facilities" after "Competitive"; and

(3) In the heading of subsection (b) by striking "Competitive" and inserting "National research initiative".

(c) COMPETITIVE GRANT PROGRAM FOR APPLIED RESEARCH.—Section 2(c) (7 U.S.C. 450i(c) is amended—

(1) In the heading, by striking "SPECIAL GRANTS" and inserting "COMPETITIVE GRANTS FOR APPLIED RESEARCH";

(2) In paragraph (1) by striking "grants," and all that follows, including subparagraphs (A) and (B), and inserting "competitive grants for applied research in the research priority areas identified in section 1402 of National Agricultural Research, Extension and Teaching Policy Act of 1977.";

(3) In paragraph (3), by striking all that follows "Matching Funds.—" and inserting "The Secretary may establish such matching requirements for grants made pursuant to this section as the Secretary deems appropriate. Such matching requirements established by the Secretary may be met with unreimbursed indirect costs and in-kind contributions, except that the Secretary may include and evaluation preference for projects for which the applicant proposes funds for the direct costs of the project to meet the required match."; and

(4) In paragraph (4), by striking all text after "(4)" and inserting "Eligible Institutions.—For purposes of this subsection, "eligible institutions" means State agricultural experiment stations, land-grant colleges and universities, research foundations established by land-grant colleges and universities, colleges and universities receiving funds under the Act of October 10, 1962 (16 U.S.C. 582a, *et seq.*), and accredited schools or colleges of veterinary medicine.".

WELLSTONE AMENDMENT NO. 3160

(Ordered to lie on the table.)

Mr. WELLSTONE submitted an amendment intended to be proposed by them to the bill S. 1541, supra; as follows:

On page 11 strike all beginning on line 3 through the end of page 48 and insert the following:

(A) For fiscal year 1996, $5,430,000,000.

(B) For fiscal year 1997, $5,245,000,000.

(C) For fiscal year 1998, $5,660,000,000.

(D) For fiscal year 1999, $5,463,000,000.

(E) For fiscal year 2000, $4,990,000,000.

(F) For fiscal year 2001, $3,990,000,000.

(G) For fiscal year 2002, $3,868,000,000.

(2) ALLOCATION.—The amount made available for a fiscal year under paragraph (1) shall be allocated as follows:

(A) For wheat, 26.26 percent.

(B) For corn, 46.22 percent.

(C) For grain sorghum, 5.11 percent.

(D) For barley, 2.16 percent.

(E) For oats, 0.15 percent.

(F) For upland cotton, 11.63 percent.

(G) For rice, 8.47 percent.

(3) ADJUSTMENT.—The Secretary shall adjust the amounts allocated for each contract commodity under paragraph (2) for a particular fiscal year by—

(A) subtracting an amount equal to the amount, if any, necessary to satisfy payment requirements under sections 101B, 103B, 105B, and 107B of the Agricultural Act of 1949 (as in effect prior to the amendment made by section 19(b)(2)) for the 1994 and 1995 crops of the commodity;

(B) adding an amount equal to the sum of all repayments of deficiency payments received under section 114(a)(2) of the Act (as so in effect) for the commodity;

(C) to the maximum extent practicable, adding an amount equal to the sum of all contract payments withheld by the Secretary, at the request of an owner or operator subject to a contract, as an offset against repayments of deficiency payments otherwise required under section 114(a)(2) of the Act (as so in effect) for the commodity; and

(D) adding an amount equal to the sum of all refunds of contract payments received during the preceding fiscal year under subsection (h) for the commodity.

(f) DETERMINATION OF CONTRACT PAYMENTS.—

(1) INDIVIDUAL PAYMENT QUANTITY OF CONTRACT COMMODITIES.—For each contract, the payment quantity of a contract commodity for each fiscal year shall be equal to the product of—

(A) 85 percent of the contract acreage; and

(B) the farm program payment yield.

(2) ANNUAL PAYMENT QUANTITY OF CONTRACT COMMODITIES.—The payment quantity of each contract commodity covered by all contracts for each fiscal year shall equal the sum of the amounts calculated under paragraph (1) for each individual contract.

(3) ANNUAL PAYMENT RATE.—The payment rate for a contract commodity for each fiscal year shall be equal to—

(A) the amount made available under subsection (e) for the contract commodity for the fiscal year; divided by

(B) the amount determined under paragraph (2) for the fiscal year.

(4) ANNUAL PAYMENT AMOUNT.—The amount to be paid under a contract in effect for each fiscal year with respect to a contract commodity shall be equal to the product of—

(A) the payment quantity determined under paragraph (1) with respect to the contract; and

(B) the payment rate in effect under paragraph (3).

(5) ASSIGNMENT OF CONTRACT PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to contract payments under this subsection. The owner or operator making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require in the contract, of any assignment made under this paragraph.

(6) SHARING OF CONTRACT PAYMENTS.—The Secretary shall provide for the sharing of contract payments among the owners and operators subject to the contract on a fair and equitable basis.

(g) PAYMENT LIMITATION.—The total amount of contract payments made to a person under a contract during any fiscal year may not exceed the payment limitations established under sections 1001 through 1001C of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308–3).

(h) EFFECT OF VIOLATION.—

(1) TERMINATION OF CONTRACT.—Except as provided in paragraph (2), if an owner or operator subject to a contract violates the conservation plan for the farm containing eligible farmland under the contract, wetland protection requirements applicable to the farm, or the planting flexibility requirements of subsection (j), the Secretary shall terminate the contract with respect to the owner or operator on each farm in which the owner or operator has an interest. On the termination, the owner or operator shall forfeit all rights to receive future contract payments on each farm in which the owner or operator has an interest and shall refund to the Secretary all contract payments received by the owner or operator during the period of the violation, together with interest on the contract payments as determined by the Secretary.

(2) REFUND OR ADJUSTMENT.—If the Secretary determines that a violation does not warrant termination of the contract under paragraph (1), the Secretary may require the owner or operator subject to the contract—

(A) to refund to the Secretary that part of the contract payments received by the owner or operator during the period of the violation, together with interest on the contract payments as determined by the Secretary; or

(B) to accept a reduction in the amount of future contract payments that is proportionate to the severity of the violation, as determined by the Secretary.

(3) FORECLOSURE.—An owner or operator subject to a contract may not be required to make repayments to the Secretary of amounts received under the contract if the contract acreage has been foreclosed on and the Secretary determines that forgiving the repayments is appropriate in order to provide fair and equitable treatment. This paragraph shall not void the responsibilities of such an owner or operator under the contract if the owner or operator continues or resumes operation, or control, of the contract acreage. On the resumption of operation or control over the contract acreage by the owner or operator, the provisions of the contract in effect on the date of the foreclosure shall apply.

(4) REVIEW.—A determination of the Secretary under this subsection shall be considered to be an adverse decision for purposes of the availability of administrative review of the determination.

(i) TRANSFER OF INTEREST IN LANDS SUBJECT TO CONTRACT.—

(1) EFFECT OF TRANSFER.—Except as provided in paragraph (2), the transfer by an owner or operator subject to a contract of the right and interest of the owner or operator in the contract acreage shall result in the termination of the contract with respect to the acreage, effective on the date of the transfer, unless the transferee of the acreage agrees with the Secretary to assume all obligations of the contract. At the request of the transferee, the Secretary may modify the contract if the modifications are consistent with the objectives of this section as determined by the Secretary.

(2) EXCEPTION.—If an owner or operator who is entitled to a contract payment dies, becomes incompetent, or is otherwise unable to receive the contract payment, the Secretary shall make the payment, in accordance with regulations prescribed by the Secretary.

(j) PLANTING FLEXIBILITY.—

(1) PERMITTED CROPS.—Subject to paragraph (2), any commodity or crop may be planted on contract acreage on a farm.

(2) LIMITATIONS.—

(A) HAYING AND GRAZING.—

(i) TIME LIMITATIONS.—Haying and grazing on land exceeding 15 percent of the contract acreage on a farm as provided in clause (iii) shall be permitted, except during any consecutive 5-month period between April 1 and October 31 that is determined by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on the contract acreage of a farm.

(ii) CONTRACT COMMODITIES.—A contract commodity may be hayed or grazed on contract acreage on a farm without limitation.

(iii) HAYING AND GRAZING LIMITATION ON PORTION OF CONTRACT ACREAGE.—Unlimited haying and grazing shall be permitted on not more than 15 percent of the contract acreage on a farm.

(B) ALFALFA.—Alfalfa may be planted for harvest without limitation on the contract acreage on a farm, except that each contract acre that is planted for harvest to alfalfa in excess of 15 percent of the total contract acreage on a farm shall be ineligible for contract payments.

(C) FRUITS AND VEGETABLES.—

(i) IN GENERAL.—The planting for harvest of fruits and vegetables shall be prohibited on contract acreage.

(ii) UNRESTRICTED VEGETABLES.—Lentils, mung beans, and dry peas may be planted without limitation on contract acreage.

SEC. 14. NONRECOURSE MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS.

(a) AVAILABILITY OF NONRECOURSE LOANS.—

(1) AVAILABILITY.—For each of the 1996 through 2002 crops of each loan commodity, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for loan commodities produced on the farm. The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (b) for the loan commodity.

(2) ELIGIBLE PRODUCTION.—The following production shall be eligible for a marketing assistance loan under this section:

(A) In the case of a marketing assistance loan for a contract commodity, any production by a producer who has entered into a production flexibility contract.

(B) In the case of a marketing assistance loan for extra long staple cotton and oilseeds, any production.

(b) LOAN RATES.—

(1) WHEAT.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for wheat shall be—

(i) not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not more than $3.25 per bushel.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(i) equal to or greater than 30 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for wheat under subparagraph (B) shall not be considered in determining the loan rate for wheat for subsequent years.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for corn shall be—

(i) not less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not more than $2.25 per bushel.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

(i) equal to or greater than 25 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 12.5 percent the Secretary may not reduce the loan rate for corn for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for corn under subparagraph (B) shall not be considered in determining the loan rate for corn for subsequent years.

(D) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

(3) UPLAND COTTON.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for upland cotton shall be established by the Secretary at such loan rate, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is not less than the smaller of—

(i) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 in the year in which the loan rate is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

(ii) 90 percent of the average, for the 15-week period beginning July 1 of the year in which the loan rate is announced, of the 5 lowest-priced growths of the growths quoted for Middling $1\frac{3}{32}$-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

(B) LIMITATIONS.—The loan rate for a marketing assistance loan for upland cotton shall not be less than $0.50 per pound or more than $0.60 per pound.

(4) EXTRA LONG STAPLE COTTON.—The loan rate for a marketing assistance loan for extra long staple cotton shall be—

(A) not less than 85 percent of the simple average price received by producers of extra long staple cotton, as determined by the Secretary, during 3 years of the 5 previous marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $0.7965 per pound.

(5) RICE.—The loan rate for a marketing assistance loan for rice shall be $7.00 per hundredweight.

(6) OILSEEDS.—

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be $4.92 per bushel.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rates for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be $0.087 per pound.

(C) OTHER OILSEEDS.—The loan rates for a marketing assistance loan for other oilseeds shall be established at such level as the Secretary determines is fair and reasonable in relation to the loan rate available for soybeans, except in no event shall the rate for the oilseeds (other than cottonseed) be less than the rate established for soybeans on a per-pound basis for the same crop.

(c) TERM OF LOAN.—In the case of each loan commodity (other than upland cotton or extra long staple cotton), a marketing assistance loan under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made. A marketing assistance loan for upland cotton or extra long staple cotton shall have a term of 10 months beginning on the first day of the first month after the month in which the loan is made. The Secretary may not extend the term of a marketing assistance loan for any loan commodity.

(d) REPAYMENT.—

(1) REPAYMENT RATES FOR WHEAT AND FEED GRAINS.—The Secretary shall permit a producer to repay a marketing assistance loan under subsection (a) for wheat, corn, grain sorghum, barley, and oats at a level that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of the commodities by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing the commodities; and

(D) allow the commodities produced in the United States to be marketed freely and competitively, both domestically and internationally.

(2) REPAYMENT RATES FOR UPLAND COTTON, OILSEEDS AND RICE.—The Secretary shall permit producers to repay a marketing assistance loan under subsection (a) for upland cotton, oilseeds and rice at a level that is the lesser of—

(A) the loan rate established for upland cotton, oilseeds and rice, respectively, under subsection (b); or

(B) the prevailing world market price for upland cotton, oilseeds and rice, respectively (adjusted to United States quality and location), as determined by the Secretary.

(3) REPAYMENT RATES FOR EXTRA LONG STAPLE COTTON.—Repayment of a marketing assistance loan for extra long staple cotton shall be at the loan rate established for the commodity under subsection (b), plus interest (as determined by the Secretary).

(4) PREVAILING WORLD MARKET PRICE.—For purposes of paragraph (2)(B) and subsection (f), the Secretary shall prescribe by regulation—

(A) a formula to determine the prevailing world market price for each loan commodity, adjusted to United States quality and location; and

(B) a mechanism by which the Secretary shall announce periodically the prevailing world market price for each loan commodity.

(5) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON.—

(A) IN GENERAL.—During the period ending July 31, 2003, the prevailing world market price for upland cotton (adjusted to United States quality and location) established under paragraph (4) shall be further adjusted if—

(i) the adjusted prevailing world market price is less than 115 percent of the loan rate for upland cotton established under subsection (b), as determined by the Secretary; and

(ii) the Friday through Thursday average price quotation for the lowest-priced United States growth as quoted for Middling (M) 1$\frac{3}{32}$-inch cotton delivered C.I.F. Northern Europe is greater than the Friday through Thursday average price of the 5 lowest-priced growths of upland cotton, as quoted for Middling (M) 1$\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe (referred to in this subsection as the "Northern Europe price").

(B) FURTHER ADJUSTMENT.—Except as provided in subparagraph (C), the adjusted prevailing world market price for upland cotton shall be further adjusted on the basis of some or all of the following data, as available:

(i) The United States share of world exports.

(ii) The current level of cotton export sales and cotton export shipments.

(iii) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for upland cotton (adjusted to United States quality and location).

(C) LIMITATION ON FURTHER ADJUSTMENT.—The adjustment under subparagraph (B) may not exceed the difference between—

(i) the Friday through Thursday average price for the lowest-priced United States growth as quoted for Middling 1$\frac{3}{32}$-inch cotton delivered C.I.F. Northern Europe; and

(ii) the Northern Europe price.

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—Except as provided in paragraph (4), the Secretary may make loan deficiency payments available to producers who, although eligible to obtain a marketing assistance loan under subsection (a) with respect to a loan commodity, agree to forgo obtaining the loan for the commodity in return for payments under this subsection.

(2) COMPUTATION.—A loan deficiency payment under this subsection shall be computed by multiplying—

(A) the loan payment rate determined under paragraph (3) for the loan commodity; by

(B) the quantity of the loan commodity that the producers on a farm are eligible to place under loan but for which the producers forgo obtaining the loan in return for payments under this subsection.

(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

(A) the loan rate established under subsection (b) for the loan commodity; exceeds

(B) the rate at which a loan for the commodity may be repaid under subsection (d).

(4) EXCEPTION FOR EXTRA LONG STAPLE COTTON.—This subsection shall not apply with respect to extra long staple cotton.

(f) SPECIAL MARKETING LOAN PROVISIONS FOR UPLAND COTTON.—

(1) COTTON USER MARKETING CERTIFICATES.—

(A) ISSUANCE.—Subject to subparagraph (D), during the period ending July 31, 2003, the Secretary shall issue marketing certificates or cash payments to domestic users and exporters for documented purchases by domestic users and sales for export by exporters made in the week following a consecutive 4-week period in which—

(i) the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1$\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe exceeds the Northern Europe price by more than 1.25 cents per pound; and

(ii) the prevailing world market price for upland cotton (adjusted to United States quality and location) does not exceed 130 percent of the loan rate for upland cotton established under subsection (b).

(B) VALUE OF CERTIFICATES OR PAYMENTS.—The value of the marketing certificates or cash payments shall be based on the amount of the difference (reduced by 1.25 cents per pound) in the prices during the 4th week of the consecutive 4-week period multiplied by the quantity of upland cotton included in the documented sales.

(C) ADMINISTRATION OF MARKETING CERTIFICATES.—

(i) REDEMPTION, MARKETING, OR EXCHANGE.—The Secretary shall establish procedures for redeeming marketing certificates for cash or marketing or exchange of the certificates for agricultural commodities owned by the Commodity Credit Corporation in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates. Any price restrictions that would otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this paragraph.

(ii) DESIGNATION OF COMMODITIES AND PRODUCTS.—To the extent practicable, the Secretary shall permit owners of certificates to designate the commodities and products, including storage sites, the owners would prefer to receive in exchange for certificates. If any certificate is not presented for redemption, marketing, or exchange within a reasonable number of days after the issuance of the certificate (as determined by the Secretary), reasonable costs of storage and other carrying charges, as determined by the Secretary, shall be deducted from the value of the certificate for the period beginning after the reasonable number of days and ending with the date of the presentation of the certificate to the Commodity Credit Corporation.

(iii) TRANSFERS.—Marketing certificates issued to domestic users and exporters of upland cotton may be transferred to other persons in accordance with regulations issued by the Secretary.

(D) EXCEPTION.—The Secretary shall not issue marketing certificates or cash payments under subparagraph (A) if, for the immediately preceding consecutive 10-week period, the Friday through Thursday average price quotation for the lowest priced United States growth, as quoted for Middling (M) 1$\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificate issued under this paragraph, exceeds the Northern Europe price by more than 1.25 cents per pound.

(E) LIMITATION ON EXPENDITURES.—Total expenditures under this paragraph shall not exceed $701,000,000 during fiscal years 1996 through 2002.

(2) SPECIAL IMPORT QUOTA.—

(A) ESTABLISHMENT.—The President shall carry out an import quota program that provides that, during the period ending July 31, 2003, whenever the Secretary determines and announces that for any consecutive 10-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1$\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificates issued under paragraph (1), exceeds the Northern Europe price by more than 1.25 cents per pound, there shall immediately be in effect a special import quota.

(B) QUANTITY.—The quota shall be equal to 1 week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the most recent 3 months for which data are available.

(C) APPLICATION.—The quota shall apply to upland cotton purchased not later than 90 days after the date of the Secretary's announcement under subparagraph (A) and entered into the United States not later than 180 days after the date.

(D) OVERLAP.—A special quota period may be established that overlaps any existing quota period if required by subparagraph (A), except that a special quota period may not be established under this paragraph if a quota period has been established under subsection (g).

(E) PREFERENTIAL TARIFF TREATMENT.—The quantity under a special import quota shall be considered to be an in-quota quantity for purposes of—

(i) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(ii) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(iii) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(F) DEFINITION.—In this paragraph, the term "special import quota" means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(g) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND COTTON.—

(1) IN GENERAL.—The President shall carry out an import quota program that provides that whenever the Secretary determines and announces that the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for a month exceeded 130 percent of the average price of such quality of cotton in the markets for the preceding 36 months, notwithstanding any other provision of law, there shall immediately be in effect a limited global import quota subject to the following conditions:

(A) QUANTITY.—The quantity of the quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent 3 months for which data are available.

(B) QUANTITY IF PRIOR QUOTA.—If a quota has been established under this subsection during the preceding 12 months, the quantity of the quota next established under this subsection shall be the smaller of 21 days of domestic mill consumption calculated under subparagraph (A) or the quantity required to increase the supply to 130 percent of the demand.

(C) PREFERENTIAL TARIFF TREATMENT.—The quantity under a limited global import quota shall be considered to be an in-quota quantity for purposes of—

(i) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(ii) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(iii) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(D) DEFINITIONS.—In this subsection:

(i) SUPPLY.—The term "supply" means, using the latest official data of the Bureau of the Census, the Department of Agriculture, and the Department of the Treasury—

(I) the carry-over of upland cotton at the beginning of the marketing year (adjusted to 480-pound bales) in which the quota is established;

(II) production of the current crop; and

(III) imports to the latest date available during the marketing year.

(ii) DEMAND.—The term "demand" means—

(I) the average seasonally adjusted annual rate of domestic mill consumption in the most recent 3 months for which data are available; and

(II) the larger of—

(aa) average exports of upland cotton during the preceding 6 marketing years; or

(bb) cumulative exports of upland cotton plus outstanding export sales for the marketing year in which the quota is established.

(iii) LIMITED GLOBAL IMPORT QUOTA.—The term "limited global import quota" means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(E) QUOTA ENTRY PERIOD.—When a quota is established under this subsection, cotton may be entered under the quota during the 90-day period beginning on the date the quota is established by the Secretary.

(2) NO OVERLAP.—Notwithstanding paragraph (1), a quota period may not be established that overlaps an existing quota period or a special quota period established under subsection (f)(2).

(h) SOURCE OF LOANS.—

(1) IN GENERAL.—The Secretary shall provide the loans authorized by this section and the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) through the Commodity Credit Corporation and other means available to the Secretary.

(2) PROCESSORS.—Whenever any loan or surplus removal operation for any agricultural commodity is carried out through purchases from or loans or payments to processors, the Secretary shall, to the extent practicable, obtain from the processors such assurances as the Secretary considers adequate that the producers of the commodity have received or will receive maximum benefits from the loan or surplus removal operation.

(i) ADJUSTMENTS OF LOANS.—

(1) IN GENERAL.—The Secretary may make appropriate adjustments in the loan levels for any commodity for differences in grade, type, quality, location, and other factors.

(2) LOAN LEVEL.—The adjustments shall, to the maximum extent practicable, be made in such manner that the average loan level for the commodity will, on the basis of the anticipated incidence of the factors, be equal to the level of support determined as provided in this section or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.).

(j) PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.—

(1) IN GENERAL.—Except as provided in paragraph (2), no producer shall be personally liable for any deficiency arising from the sale of the collateral securing any nonrecourse loan made under this section or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) unless the loan was obtained through a fraudulent representation by the producer.

(2) LIMITATIONS.—Paragraph (1) shall not prevent the Commodity Credit Corporation or the Secretary from requiring a producer to assume liability for—

(A) a deficiency in the grade, quality, or quantity of a commodity stored on a farm or delivered by the producer;

(B) a failure to properly care for and preserve a commodity; or

(C) a failure or refusal to deliver a commodity in accordance with a program established under this section or the Agricultural Adjustment Act of 1938.

(3) ACQUISITION OF COLLATERAL.—The Secretary may include in a contract for a nonrecourse loan made under this section or the Agricultural Adjustment Act of 1938 a provision that permits the Commodity Credit Corporation, on and after the maturity of the loan or any extension of the loan, to acquire title to the unredeemed collateral without obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

(4) SUGARCANE AND SUGAR BEETS.—A security interest obtained by the Commodity Credit Corporation as a result of the execution of a security agreement by the processor of sugarcane or sugar beets shall be superior to all statutory and common law liens on raw cane sugar and refined beet sugar in favor of the producers of sugarcane and sugar beets and all prior recorded and unrecorded liens on the crops of sugarcane and sugar beets from which the sugar was derived.

(k) COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS.—

(1) IN GENERAL.—The Commodity Credit Corporation may sell any commodity owned or controlled by the Corporation at any price that the Secretary determines will maximize returns to the Corporation.

(2) NONAPPLICATION OF SALES PRICE RESTRICTIONS.—Paragraph (1) shall not apply to—

(A) a sale for a new or byproduct use;

(B) a sale of peanuts or oilseeds for the extraction of oil;

(C) a sale for seed or feed if the sale will not substantially impair any loan program;

(D) a sale of a commodity that has substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage;

(E) a sale for the purpose of establishing a claim arising out of a contract or against a person who has committed fraud, misrepresentation, or other wrongful act with respect to the commodity;

(F) a sale for export, as determined by the Corporation; and

(G) a sale for other than a primary use.

(3) PRESIDENTIAL DISASTER AREAS.—

(A) IN GENERAL.—Notwithstanding paragraph (1), on such terms and conditions as the Secretary may consider in the public interest, the Corporation may make available any commodity or product owned or controlled by the Corporation for use in relieving distress—

(i) in any area in the United States (including the Virgin Islands) declared by the President to be an acute distress area because of unemployment or other economic cause, if the President finds that the use will not displace or interfere with normal marketing of agricultural commodities; and

(ii) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

(B) COSTS.—Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making a commodity available under subparagraph (A) beyond the cost of the commodity to the Corporation incurred in—

(i) the storage of the commodity; and

(ii) the handling and transportation costs in making delivery of the commodity to designated agencies at 1 or more central locations in each State or other area.

(4) EFFICIENT OPERATIONS.—Paragraph (1) shall not apply to the sale of a commodity the disposition of which is desirable in the interest of the effective and efficient conduct of the operations of the Corporation because of the small quantity of the commodity involved, or because of the age, location, or questionable continued storability of the commodity.

SEC. 15. PAYMENT LIMITATIONS.

(a) IN GENERAL.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking paragraphs (1) through (4) and inserting the following:

"(1) LIMITATION ON PAYMENTS UNDER PRODUCTION FLEXIBILITY CONTRACTS.—The total amount of contract payments made under section 13 of the Agricultural Market Transition Act to a person under 1 or more production flexibility contracts during any fiscal year may not exceed $40,000.

"(2) LIMITATION ON MARKETING LOAN GAINS AND LOAN DEFICIENCY PAYMENTS.—

"(A) LIMITATION.—The total amount of payments specified in subparagraph (B) that a person shall be entitled to receive under section 14 of the Agricultural Market Transition Act for contract commodities and oilseeds during any crop year may not exceed $75,000.

"(B) DESCRIPTION OF PAYMENTS.—The payments referred to in subparagraph (A) are the following:

"(i) Any gain realized by a producer from repaying a marketing assistance loan for a crop of any loan commodity at a lower level than the original loan rate established for the commodity under section 14(b) of the Act.

"(ii) Any loan deficiency payment received for a loan commodity under section 14(e) of the Act.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) (as amended by subsection (a)) is amended—

(A) by redesignating paragraphs (5), (6), and (7) as paragraphs (3), (4), and (5), respectively; and

(B) in the second sentence of paragraph (3)(A) (as so redesignated), by striking "paragraphs (6) and (7)" and inserting "paragraphs (4) and (5)".

(2) Section 1305(d) of the Agricultural Reconciliation Act of 1987 (Public Law 100-203; 7 U.S.C. 1308 note) is amended by striking "paragraphs (5) through (7) of section 1001, as amended by this subtitle," and inserting "paragraphs (3) through (5) of section 1001,".

(3) Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308-1(a)(1)) is amended—

"(A) by striking "(a) PREVENTION OF CREATION OF ENTITIES" and all that follows through "(b) PAYMENTS LIMITED TO ACTIVE FARMERS.".

REID (AND BROWN) AMENDMENT NO. 3161

(Ordered to lie on the table.)

Mr. REID (for himself and Mr. BROWN) submitted an amendment intended to be proposed by them to the bill S. 1541, supra; as follows:

At the appropriate place in the bill insert the following:

SEC. . TEA IMPORTATION.

(a) PROHIBITION OF FUNDING.—None of the funds appropriated or made available to the Food and Drug Administration shall be used to operate the Board of Tea Experts and related activities.

(b) REPEAL OF THE TEA IMPORTATION ACT.—The Act entitled "An Act To prevent the importation of impure and unwholesome tea", approved March 2, 1897 (commonly known as the Tea Importation Act; 21 U.S.C. 41 et seq.), is repealed.

(c) EFFECTIVE DATE.—This section shall take effect on the date of enactment of this Act.

FEINGOLD AMENDMENTS NOS. 3162–3166

(Ordered to lie on the table.)

Mr. FEINGOLD submitted five amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3162

At the appropriate place in the miscellaneous title, insert the following:

Subtitle ___—Agricultural Promotion Accountability

SEC. ___1. SHORT TITLE.

This subtitle may be cited as the "Agricultural Promotion Accountability Act of 1996".

SEC. ___2. PURPOSE.

The purpose of this subtitle is to make agricultural promotion boards and councils more responsive to producers whose mandatory assessments support the activities of such boards and councils, to improve the representation and participation of such producers on such boards and councils, to ensure the independence of such boards and councils, to ensure the appropriate use of promotion funds, and to prevent legislatively authorized agricultural promotion and research boards from using mandatory assessments to directly or indirectly influence legislation or governmental action or policy.

SEC. ___3. DEFINITIONS.

In this subtitle:

(1) INFLUENCING LEGISLATION OR GOVERNMENTAL ACTION OR POLICY.—The term "influencing legislation or governmental action or policy" includes—

(A) establishing, administering, contributing to, or paying the expenses of a political party campaign, political action committee, or other organization established for the purpose of influencing the outcome of an election;

(B) attempting to influence—

(i) the outcome of any Federal, State or local election, referendum, initiative, or similar procedure through a cash contribution, in-kind contribution, endorsement, publicity or public relations activity or similar activity;

(ii) the introduction, modification, or enactment of any Federal or State legislation or signature or veto of any enrolled Federal or State legislation, including through—

(I) communication with any member or employee of a legislative body or agency or with any governmental official or employee who may participate in the formulation of the legislation, including engaging State or local officials in similar activity (not including a communication to an appropriate government official in response to a written request by the official for factual, scientific, or technical information relating to the conduct, implementation, or results of promotion, research, consumer information and education, industry information, or producer information activities under a promotion program);

(II) planning, preparing, funding, or distributing any publicity or propaganda to affect the opinion of the general public or a segment of the public in connection with a pending legislative matter; or

(III) urging members of the general public or any segment of the general public to contribute to, or participate in, any mass demonstration, march, rally, fund-raising drive, lobbying campaign, letter-writing campaign, or telephone campaign in connection with a pending legislative matter;

(C) carrying out a legislative liaison activity, including attendance at a legislative session or committee hearing to gather information regarding legislation or to analyze the effect of legislation, if the activity is carried on in support of, or in knowing preparation for, an effort to influence legislation or government action or policy;

(D) carrying out an opinion survey of the general public or a segment of the public, general research, or information gathering, if carried out in support of, or in knowing preparation for, an effort to influence legislation or government action or policy; or

(E) attempting to influence any agency action or agency proceeding, as the terms are defined in section 551 of title 5, United States Code, through—

(i) communication with any government official or employee who may participate in the action or proceeding (not including a communication to an appropriate government official in response to a written request by the official for factual, scientific, or technical information relating to the conduct, implementation, or results of promotion, research, consumer information or education, or industry information of producer information activities under a promotion program);

(ii) planning, preparing, funding, or distributing any publicity or propaganda to affect the opinions of the general public or any segment of the general public in connection with the action or proceeding; or

(iii) urging members of the general public or any segment of the general public to contribute to, or participate in, any mass demonstration, march, rally, fundraising drive, lobbying campaign, letter-writing campaign, or telephone campaign in connection with the action or proceeding.

(2) PROMOTION PROGRAM.—The term "promotion program" means—

(A) the cotton research and promotion program established under the Cotton Research and Promotion Act (7 U.S.C. 2101 et seq.);

(B) the potato research, development, advertising, and promotion program established under the Potato Research and Promotion Act (7 U.S.C. 2611 et seq.);

(C) the egg research, consumer and producer education, and promotion program established under the Egg Research and Consumer Information Act (7 U.S.C. 2701 et seq.);

(D) the beef promotion and research program established under the Beef Research and Information Act (7 U.S.C. 2901 et seq.);

(E) the wheat research and nutrition education program established under the Wheat and Wheat Foods Research and Nutrition Education Act (7 U.S.C. 3401 et seq.);

(F) the dairy promotion program established under the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4501 et seq.);

(G) the honey research, promotion, and consumer education program established under the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4601 et seq.);

(H) the pork promotion, research, and consumer information program established under the Pork Promotion, Research, and Consumer Information Act (7 U.S.C. 4801 et seq.);

(I) the watermelon research, development, advertising, and promotion program established under the Watermelon Research and Promotion Act (7 U.S.C. 4901 et seq.);

(J) the pecan promotion, research, industry information, and consumer information program established under the Pecan Promotion and Research Act of 1990 (7 U.S.C. 6001 et seq.);

(K) the mushroom promotion, research, and consumer and industry information program established under the Mushroom Promotion, Research, and Consumer Information Act of 1990 (7 U.S.C. 6101 et seq.);

(L) the lime research, promotion, and consumer information program established under the Lime Research, Promotion, and Consumer Information Act of 1990 (7 U.S.C. 6201 et seq.);

(M) the soybean promotion, research, consumer information, and industry information program established under the Soybean Promotion, Research, and Consumer Information Act (7 U.S.C. 6301 et seq.);

(N) the fluid milk advertising and promotion program established under the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6401 et seq.);

(O) the flowers and greens promotion, consumer information, and related research program established under the Fresh Cut Flowers and Fresh Cut Greens Promotion and Information Act of 1993 (7 U.S.C. 6801 et seq.);

(P) the sheep promotion, research, consumer information, education, and industry information program established under the Sheep Promotion, Research, and Information Act of 1994 (7 U.S.C. 7101 et seq.); and

(Q) any other coordinated program of promotion, research, industry information, and consumer information that is funded by mandatory assessments on producers and designed to maintain and expand markets and uses for an agricultural commodity, as determined by the Secretary.

(3) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

SEC. ___4. INFLUENCING LEGISLATION OR GOVERNMENTAL ACTION OR POLICY.

(a) IN GENERAL.—A board or council established by a promotion program may not use any funds collected by the board or council for the purpose of directly or indirectly influencing legislation or governmental action or policy, except for the development and recommendation of amendments to the promotion program to the Secretary.

(b) CONFORMING AMENDMENTS.—

(1) COTTON.—Section 7(h) of the Cotton Research and Promotion Act (7 U.S.C. 2106(h)) is amended by striking "influencing governmental policy or action" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996)".

(2) POTATOES.—Section 308(f)(3) of the Potato Research and Promotion Act (7 U.S.C. 2617(f)(3)) is amended by striking "influencing governmental policy or action" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996)".

(3) EGGS.—Section 8(h) of the Egg Research and Consumer Information Act (7 U.S.C.

2707) is amended by striking "influencing governmental policy or action" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ____3(1) of the Agricultural Promotion Accountability Act of 1996)".

(4) BEEF.—Section 5(10) of the Beef Research and Information Act (7 U.S.C. 2904(10)) is amended—

(A) by striking "influencing governmental action or policy" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ____3(1) of the Agricultural Promotion Accountability Act of 1996)"; and

(B) by inserting "to the Secretary" before the period at the end.

(5) WHEAT.—Section 1706(i) of the Wheat and Wheat Foods Research and Nutrition Education Act (7 U.S.C. 3405(i)) is amended by striking "influencing governmental policy or action" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ____3(1) of the Agricultural Promotion Accountability Act of 1996)".

(6) DAIRY.—Section 113(j) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(j)) is amended by striking "influencing governmental policy or action" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ____3(1) of the Agricultural Promotion Accountability Act of 1996),".

(7) HONEY.—Section 7(h) of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4606(h)) is amended by striking "influencing governmental policy or action" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ____3(1) of the Agricultural Promotion Accountability Act of 1996)".

(8) PORK.—Section 1620(e) of the Pork Promotion, Research, and Consumer Information Act (7 U.S.C. 4809(e)) is amended by striking "influencing legislation" and all that follows through the period at the end and inserting the following: "directly or indirectly influencing legislation or governmental action or policy (as defined in section ____3(1) of the Agricultural Promotion Accountability Act of 1996), except to recommend amendments to the order to the Secretary.".

(9) WATERMELONS.—Section 1647(g)(3) of the Watermelon Research and Promotion Act (7 U.S.C. 4906(g)(3)) is amended by striking "influencing governmental policy or action" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ____3(1) of the Agricultural Promotion Accountability Act of 1996)".

(10) PECANS.—Section 1910(g)(1) of the Pecan Promotion and Research Act of 1990 (7 U.S.C. 6005(g)(1)) is amended—

(A) in the matter preceding paragraph (1)—

(i) by striking "to," and inserting "for the purpose of,"; and

(ii) by striking "to—" and inserting "for the purpose of—";

(B) in paragraph (1), by striking "influence legislation or governmental action" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ____3(1) of the Agricultural Promotion Accountability Act of 1996)";

(C) in paragraph (2), by striking "engage" and inserting "engaging"; and

(D) in paragraph (3), by striking "engage" and inserting "engaging".

(11) MUSHROOMS.—Section 1925(h) of the Mushroom Promotion, Research, and Consumer Information Act of 1990 (7 U.S.C. 6104(h)) is amended by striking "influencing legislation or governmental action or policy" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ____3(1) of the Agricultural Promotion Accountability Act of 1996)".

(12) LIMES.—Section 1955(g) of the Lime Research, Promotion, and Consumer Information Act of 1990 (7 U.S.C. 6204(g)) is amended by striking "influencing legislation or governmental policy or action" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ____3(1) of the Agricultural Promotion Accountability Act of 1996)".

(13) SOYBEANS.—Section 1969(p) of the Soybean Promotion, Research, and Consumer Information Act (7 U.S.C. 6304(p) is amended—

(A) in paragraph (1), by striking "influencing legislation or governmental action or policy" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ____3(1) of the Agricultural Promotion Accountability Act of 1996)"; and

(B) in paragraph (2)—

(i) in subparagraph (A), by inserting "to the Secretary" before the semicolon; and

(ii) in subparagraph (B), by inserting ", in response to a request made by the officials," after "officials".

(14) MILK.—Section 1999H(j)(1) of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6407(j)(1)) is amended by striking "influencing legislation or governmental action or policy" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ____3(1) of the Agricultural Promotion Accountability Act of 1996)".

(15) FLOWERS AND GREENS.—Section 5(i) of the Fresh Cut Flowers and Fresh Cut Greens Promotion and Information Act of 1993 (7 U.S.C. 6804(i)) is amended by striking "influencing legislation or government action or policy" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ____3(1) of the Agricultural Promotion Accountability Act of 1996)".

(16) SHEEP.—Section 5(l)(1) of the Sheep Promotion, Research, and Information Act of 1994 (7 U.S.C. 7104(l)(1)) is amended by striking "influencing legislation or government action or policy" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ____3(1) of the Agricultural Promotion Accountability Act of 1996)".

SEC. ____5. PROMOTING THE IMAGE OF AN INDUSTRY PROHIBITED.

(a) IN GENERAL.—A board or council established by a promotion program may not use any funds collected by the board or council for the purpose of enhancing the image of an industry, except that the board or council may promote the image of a product with the express intent of stimulating demand for and sales of an agricultural product in the marketplace.

(b) CONFORMING AMENDMENTS.—

(1) BEEF.—Section 3(9) of the Beef Research and Information Act (7 U.S.C. 2902(9)) is amended by striking ", increased efficiency" and all that follows through "industry" and inserting "and increased efficiency".

(2) PECANS.—Section 1907(12) of the Pecan Promotion and Research Act of 1990 (7 U.S.C. 6002(12)) is amended by striking ", increased efficiency" and all that follows through "industry" and inserting "and increased efficiency".

(3) MUSHROOMS.—Section 1923(7) of the Mushroom Promotion, Research, and Consumer Information Act of 1990 (7 U.S.C. 6103(7)) is amended by striking ", increased efficiency" and all that follows through "industry" and inserting "and increased efficiency".

(4) SOYBEANS.—Section 1967(7) of the Soybean Promotion, Research, and Consumer Information Act (7 U.S.C. 6302(7)) is amended by striking ", and activities" and all that follows through "industry".

SEC. ____6. LIMITATIONS ON CONTRACTING.

(a) PERMITTED CONTRACTS OR AGREEMENTS.—Notwithstanding any other provision of law, a board or council established by a promotion program shall not be limited to contracting with, or entering into an agreement with, an established national nonprofit industry-governed organization.

(b) COMPETITIVE BIDDING.—It is the policy of Congress that boards and councils should, to the extent practicable, use competitive bidding in the awarding of contracts and grants for activities authorized under a promotion program.

(c) INDEPENDENCE OF BOARDS AND COUNCILS.—

(1) APPLICATIONS AND RECOMMENDATIONS NOT BINDING.—Notwithstanding any other provision of law, a board or council established by a promotion program shall not be bound by a proposed application for a board or council contract or a recommendation or advice of a potential contractor or a national nonprofit industry-governed organization on the use of board or council receipts.

(2) INTERLOCKING BOARDS OR MEMBERSHIP.—Notwithstanding any other provision of law, no person shall be eligible to be a member of any board or council established by a promotion program (including operating and nominating committees) if the person serves in any decision making capacity, such as that of a member of the board of directors, executive committee, or other committee, for an entity that enters into a contract or other agreement with the board or council.

(3) REQUIREMENTS FOR CONTRACTING.—A contractor or grantee of a board or council may not use funds collected through mandatory assessments under a promotion program to fund any staff (including expenses or other activities of the staff) who, in part, engage in 1 or more activities to influence legislation or governmental action or policy.

(d) PRODUCER APPROVAL OF RELATIONSHIPS WITH BOARDS OR COUNCILS.—

(1) IN GENERAL.—Except as provided in paragraph (2) and notwithstanding any other provision of law, the entering into of a permanent cooperative arrangement or the establishment of a joint committee (including an arrangement that is advisory in nature) by a board or council established by a promotion program with a national nonprofit industry-governed organization shall require the prior approval of at least ⅔ of the eligible producers under the promotion program.

(2) EXCEPTION.—Paragraph (1) shall not apply to a cooperative arrangement or joint committee—

(A) that was established prior to January 1, 1995; or

(B) that includes representatives or participation from all producer-, processor-, or handler-governed national nonprofit organizations (including general farm organizations) that represent any but an insignificant number of producers, processors, or handlers paying assessments under the promotion program to the board or council, as determined by the Secretary.

(3) PERMANENT COOPERATIVE ARRANGEMENT.—In this subsection, the term "permanent cooperative arrangement" means a formal or informal, written or unwritten agreement or understanding establishing a relationship, a liaison, a sole source contract, or an operational mechanism under which a board or council shares staff, facilities, or other resources or carries out coordinated activities with any entity on a more or less permanent and exclusive basis.

(e) FUNGIBILITY OF BOARD OR COUNCIL FUNDS.—

(1) IN GENERAL.—The Inspector General of the Department of Agriculture shall conduct an annual review of contractual arrangements between each board or council established by a promotion program and any entity or association that engages in activities to influence legislation or governmental action or policy and receives a significant amount of funding from the board or council as determined by the Secretary.

(2) SCOPE OF REVIEW.—A review under paragraph (1) shall examine whether any funds collected by the board or council are used to directly or indirectly fund or subsidize an entity or association that engages in influencing legislation or governmental action or policy.

(3) REPORT.—The Secretary shall submit a report on the findings of any review under this subsection and make recommendations for any actions that should be taken as a result of the findings to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. ___7. PERIODIC REFERENDA.

(a) IN GENERAL.—Notwithstanding any other provision of law, not less than 4 nor more than 6 years after the date of enactment of this Act or the date on which the Secretary determines the results of the most recent referendum for a promotion program, whichever is earlier, and not less than once every 5 years thereafter, the Secretary shall conduct a referendum to determine whether to approve or terminate the order under the promotion program and whether refunds should be made under the order.

(b) PROCEDURE.—The referendum under subsection (a) shall be conducted using the same eligibility and other procedures as the referendum used to approve the original order under the promotion program, except that, notwithstanding any other provision of law, no greater than a simple majority of eligible producers shall be required to approve the making of refunds to producers.

(c) TERMINATION.—

(1) IN GENERAL.—If the percentage of persons voting to approve the order does not equal or exceed the percentage of persons necessary to approve the continuation of the original order under the promotion program, the Secretary shall terminate the order.

(2) TIME OF TERMINATION.—The Secretary shall terminate the order at the end of the marketing year during which the referendum is conducted.

(d) REFUNDS.—If the making of refunds is approved in a referendum under subsection (a), the Secretary shall establish a procedure for making the refunds not later than 180 days after the date of the referendum.

(e) COOPERATIVE ASSOCIATION.—Notwithstanding subsection (b), a cooperative association may not vote on behalf of the members of the association in a referendum conducted under this section.

(f) INACTIVE PROMOTION PROGRAMS.—The Secretary shall not conduct a referendum of a promotion program under this section if the Secretary determines that the promotion program is not active.

AMENDMENT NO. 3163

At the appropriate place in the bill, insert the following:

SEC. ___. DAIRY PROMOTION PROGRAM IMPROVEMENT.

(a) FUNDING OF DAIRY PROMOTION AND RESEARCH PROGRAM.—

(1) DECLARATION OF POLICY.—The first sentence of section 110(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4501(b)) is amended—

(A) by inserting after "commercial use" the following: "and on imported dairy products"; and

(B) by striking "products produced in" and inserting "products produced in or imported into".

(2) DEFINITIONS.—Section 111 of the Act (7 U.S.C. 4502) is amended—

(A) in subsection (k), by striking "and" at the end;

(B) in subsection (l), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following new subsections:

"(m) the term 'imported dairy product' means—

"(1) any dairy product, including milk and cream and fresh and dried dairy products;

"(2) butter and butterfat mixtures;

"(3) cheese;

"(4) casein and mixtures; and

"(5) other dairy products;

that are imported into the United States; and

"(n) the term 'importer' means a person that imports an imported dairy product into the United States.".

(2) FUNDING.—

(A) REPRESENTATION ON BOARD.—Section 113(b) of the Act (7 U.S.C. 4504(b)) is amended—

(i) by designating the first through ninth sentences as paragraphs (1) through (5) and paragraphs (7) through (10), respectively;

(ii) in paragraph (1) (as so designated), by striking "thirty-six" and inserting "38";

(iii) in paragraph (2) (as so designated), by striking "Members" and inserting "Of the members of the Board, 36 members"; and

(iv) by inserting after paragraph (5) (as so designated) the following new paragraph:

"(6) Of the members of the Board, 2 members shall be representatives of importers of imported dairy products. The importer representatives shall be appointed by the Secretary from nominations submitted by importers under such procedures as the Secretary determines to be appropriate.".

(B) ASSESSMENT.—Section 113(g) of the Act is amended—

(i) by designating the first through fifth sentences as paragraphs (1) through (5), respectively; and

(ii) by adding at the end the following new paragraph:

"(6)(A) The order shall provide that each importer of imported dairy products shall pay an assessment to the Board in the manner prescribed by the order.

"(B) The rate of assessment on imported dairy products shall be determined in the same manner as the rate of assessment per hundredweight or the equivalent of milk.

"(C) For the purpose of determining the assessment on imports under subparagraph (B), the value to be placed on imported dairy products shall be established by the Secretary in a fair and equitable manner.".

(C) RECORDS.—The first sentence of section 113(k) of the Act is amended by striking "person receiving" and inserting "importer of imported dairy products, each person receiving".

(D) REFERENDUM.—Section 116 of the Act (7 U.S.C. 4507) is amended by adding at the end the following new subsection:

"(d)(1) On the request of a representative group comprising 10 percent or more of the number of producers subject to the order, the Secretary shall—

"(A) conduct a referendum to determine whether the producers favor suspension of the application of the amendments made by section 2 of the Dairy Promotion Program Improvement Act of 1995; and

"(B) suspend the application of the amendments until the results of the referendum are known.

"(2) The Secretary shall continue the suspension of the application of the amendments made by section 2 only if the Secretary determines that suspension of the application of the amendments is favored by a majority of the producers voting in the referendum who, during a representative period (as determined by the Secretary), have been engaged in the production of milk for commercial use.".

(b) PERIODIC REFERENDA.—Section 115(a) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4506(a)) is amended—

(1) in the first sentence, by striking "Within the sixty-day period immediately preceding September 30, 1985" and inserting "Every 5 years"; and

(2) in the second sentence, by striking "six months" and inserting "3 months".

(c) PROHIBITION ON BLOC VOTING.—Section 117 of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4508) is amended—

(1) in the first sentence, by striking "Secretary shall" and inserting "Secretary shall not"; and

(2) by striking the second through fifth sentences.

AMENDMENT NO. 3164

On page 72, between lines 8 and 9, insert the following:

SEC. . LOCATION ADJUSTMENTS FOR MINIMUM PRICES FOR CLASS I MILK.

Section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in paragraph (A)—

(A) in clause (3) of the second sentence, by inserting after "the locations" the following: "within a marketing area subject to the order"; and

(B) by striking the last 2 sentences and inserting the following: "Notwithstanding paragraph (18) or any other provision of law, when fixing minimum prices for milk of the highest use classification in a marketing area subject to an order under this subsection, the Secretary may not, directly or indirectly, base the prices on the distance from, or all or part of the costs incurred to transport milk to or from, any location that is not within the marketing area subject to the order, unless milk from the location constitutes at least 50 percent of the total supply of milk of the highest use classification in the marketing area. The Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the criteria that are used as the basis for the minimum prices referred to in the preceding sentence, including a certification that the minimum prices are made in accordance with the preceding sentence."; and

(2) in paragraph (B)(c), by inserting after "the locations" the following: "within a marketing area subject to the order".

AMENDMENT NO. 3165

On page 72, between lines 8 and 9, insert the following:

SEC. . MILK MANUFACTURING MARKETING ADJUSTMENT.

Subsections (a) and (b) of section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) are amended to read as follows:

"(a) DEFINITIONS.—In this section:

"(1) FEDERAL MAKE ALLOWANCE.—The term 'Federal make allowance' means the allowance for the processing of milk that is permitted under a Federal program to establish a Grade A price for manufacturing butter, nonfat dry milk, or cheese.

"(2) PERSON.—The term 'person' includes a cooperative.

"(3) STATE MAKE ALLOWANCE.—The term 'State make allowance' means the allowance for the processing of milk that is permitted by a State for manufacturing butter, nonfat dry milk, or cheese.

"(b) MILK MANUFACTURING MARKETING ADJUSTMENT.—Notwithstanding any other provision of law, if a person collects a State make allowance that is higher than the Federal make allowance and the milk or product of milk that is subject to the allowance is purchased by the Commodity Credit Corporation, regardless of the point of sale, the Corporation shall reduce the support purchase price for the milk and each product of the milk by an amount that is equal to the difference between the State make allowance and the Federal make allowance for the milk and product, as determined by the Secretary of Agriculture.".

AMENDMENT NO. 3166

On page 95, after line 10, add the following:

SEC. . SPECIAL RESEARCH GRANTS PROGRAM.

(a) IN GENERAL.—Section 2(c)(2) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(c)(2)) is amended—

(1) in subparagraph (A), by striking "or" at the end;

(2) in subparagraph (B), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(C) unless the project to receive the grant has been subject to a competitive selection process and a scientific peer review evaluation by qualified scientists in the Federal Government, colleges and universities, State agricultural experiment stations, and the private sector.".

(b) APPLICATION.—The amendments made by subsection (a) shall apply only in the case of a project that has not been specifically authorized, or for which no funds have been made available, as of the date of enactment of this Act.

HARKIN AMENDMENTS NOS. 3167–3169

(Ordered to lie on the table.)

Mr. HARKIN submitted three amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3167

On page 20, strike lines 15 and 16 and insert the following: "loan for wheat shall not be less than 90 percent of the".

On page 20, strike lines 23 and 24 and insert the following: "age price was the lowest in the period."

On page 22, strike lines 3 and 4 and insert the following: "ing assistance loan for corn shall not be less than 90 percent of the".

On page 22, strike lines 11 and 12 and insert the following: "price was the lowest in the period."

On page 25, strike lines 24 and 25 and insert the following: "keting assistance loan for soybeans shall be—

"(i) 90 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

"(ii) not less than $4.92 per bushel."

On page 26, strike line 6 and insert the following: "individually, shall be—

"(i) 90 percent of the simple average price received by producers of each such oilseed, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of the oilseed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

"(ii) not less than $0.087 per pound."

AMENDMENT NO. 3168

On page 74, strike lines 5 through 10 and insert the following:

(B) by transferring sections 110, 111, 201(c), and 204 (7 U.S.C. 1445e, 1445f, 1446(c), and 1446e) to appear after section 304 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1304) and redesignating the transferred sections as sections 305, 306, 307, and 308, respectively; and

On page 74, strike lines 21 through 24 and insert the following:

(1) Section 307 of the Agricultural Adjustment Act of 1938 (as transferred and redesignated by subsection (b)(1)(B)) is amended by striking "204" and inserting "308".

AMENDMENT NO. 3169

Strike the section relating to the Commodity Credit Corporation interest rate.

KERREY AMENDMENTS NOS. 3170–3175

Mr. KERREY submitted six amendments intended to be proposed by him to the bill (S. 1541), supra; as follows:

AMENDMENT NO. 3170

On page 22, line 1, strike "subject to subparagraph (B),".

AMENDMENT NO. 3171

On page 20, line 13, strike "subject to subparagraph (B),".

AMENDMENT NO. 3172

On page 20, line 23, strike "; but" through page 21, line 23, and insert in lieu thereof ".".

AMENDMENT NO. 3173

On page 22, line 12, strike "; but" through page 23, line 10, and insert in lieu thereof ".".

AMENDMENT NO. 3174

On page 25, line 23 strike line 23 through page 26, line 6, and insert in lieu thereof, "The loan rate for a marketing assistance loan for soybeans shall be not less than 85 percent of the simple coverage price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period."

"B. Sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed.—The loan rates for a marketing assistance loan for a sunflower seed, canola, rapeseed, safflowers, mustard seed, and flaxseed, individually, shall be not less than 85 percent of the simple average price received by producers of such crops, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of such crops, excluding, the year in which the average price was the highest and the year in which the average price was the lowest in the period."

AMENDMENT NO. 3175

On page 73, strike all of section 19.

KERREY amendment no. 3176

(Ordered to lie on the table.)

Mr. KERREY submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

On page 77, line 18, strike "means an operation that—" through page 78 line 9, and insert in lieu thereof, "shall be determined by each State's State Technical Committee, which shall consider local conditions in its determination."

KERREY AMENDMENTS NOS. 3177–3181

(Ordered to lie on the table.)

Mr. KERREY submitted five amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3177

On page 91, between line 11 and 12, insert the following:

(c) RECONFIGURATION OF BOARD OF DIRECTORS.—Section 505 of the Federal Crop Insurance Act (7 U.S.C. 1505) is amended to read as follows:

"SEC. 505. BOARD OF DIRECTORS.

"(a) AUTHORITY.—The management of the Corporation shall be vested in a Board of Directors subject to the general supervision of the Secretary.

"(b) MEMBERSHIP.—

"(1) IN GENERAL.—The Board shall be appointed by the Secretary and shall consist of the Manager of the Corporation, the Under Secretary of Agriculture responsible for the Federal crop insurance program, one person who is an officer or employee of an approved insurance provider, one person who is a licensed crop insurance agent, one person experienced in the reinsurance business who is not otherwise employed by the Federal Government, and four active producers who are not otherwise employed by the Federal Government. The Secretary may not be a member of the Board.

"(2) PRODUCER MEMBERS.—In appointing the four active producers who are not otherwise employed by the Federal Government, the Secretary shall ensure that three such members are policyholders and are from different geographic areas of the United States, in order that diverse agricultural interests in the United States are at all times represented on the Board. The Secretary shall ensure that the fourth active producer, who may also be a policyholder, receives a significant portion of crop income from crops covered by the noninsured crop disaster assistance program established under section 519.

"(c) TERMS OF OFFICE.—

"(1) TERMS OF USDA EMPLOYEES.—The Manager of the Corporation and the Under Secretary of Agriculture responsible for the Federal crop insurance program shall hold office at the pleasure of the Secretary.

"(2) TERMS OF OTHER MEMBERS.—Other than the Manager of the Corporation and the Under Secretary of Agriculture responsible for the Federal crop insurance program, the members of the Board shall be appointed by the Secretary for a term of 3 years. However, in the initial appointment of such members, the Secretary shall appoint two members for one year, two members for two years, and two members for three years in order to provide greater continuity to the Board.

"(3) SUCCESSION.—A member of the Board appointed under paragraph (2) may serve after the expiration of the term of office of such member until the successor for such member has taken office.

"(d) QUORUM.—Five of the members in office shall constitute a quorum for the transaction of the business of the Board.

"(e) IMPAIRMENT OF POWERS.—The powers of the Board to execute the functions of the Corporation shall be impaired at any time there are not six members of the Board in office.

"(f) COMPENSATION.—

"(1) EMPLOYEES OF THE DEPARTMENT.—The Directors of the Corporation who are employed in the Department shall receive no additional compensation for their services as such Directors but may be allowed necessary traveling and subsistence expenses when engaged in business of the Corporation, outside of the District of Columbia.

"(2) NON-EMPLOYEES OF THE FEDERAL GOVERNMENT.—The Directors of the Corporation who are not employed by the Federal Government shall be paid such compensation for their services as Directors as the Secretary shall determine, but such compensation shall not exceed the daily equivalent of the rate prescribed for positions at level V of the Executive Schedule under section 5316 of Title 5, United States Code, when actually employed. Such members may also receive actual necessary traveling and subsistence expenses, or a per diem allowance in lieu of subsistence expenses, as authorized by section 5703 of such title for persons in Government service employed intermittently, when on the business of the Corporation away from their homes or regular places of business.

"(g) CHIEF EXECUTIVE OFFICER.—The Manager of the Corporation shall be its chief executive officer, with such power and authority as may be conferred by the Board. The Manager shall be appointed by, and hold office at the pleasure of, the Secretary.".

AMENDMENT NO. 3178

On page 91, between lines 11 and 12, insert the following:

(c) ESTABLISHMENT OF THE OFFICE OF RISK MANAGEMENT.—

(1) ESTABLISHMENT.—The Department of Agriculture Reorganization Act of 1994 is amended by inserting after section 226 (7 U.S.C. 6932) the following new section:

"SEC. 226A. OFFICE OF RISK MANAGEMENT.

"(a) ESTABLISHMENT.—The Secretary shall establish and maintain in the Department an independent Office of Risk Management.

or

"(a) ESTABLISHMENT.—Nothing in this Act shall change the status of the Federal Crop Insurance Corporation, an agency created under the Federal Crop Insurance Act (7 U.S.C. 1503), as an agency within the Department. The administration of the agency shall be carried out by an independent Office of Risk Management that is separate and independent of the Consolidated Farm Services Agency and of equal or higher ranking than that agency within the Department.

"(b) FUNCTIONS OF THE OFFICE OF RISK MANAGEMENT.—The Office of Risk Management shall have jurisdiction over the following functions:

"(1) Supervision of the Federal Crop Insurance Corporation.

"(2) Administration and oversight of all aspects, including delivery through local offices of the Department, of all programs authorized under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).

"(3) Any pilot or other programs involving revenue insurance, risk management savings account, or the use of the futures market to manage risk and support farm income that may be established under the Federal Crop Insurance Act or other law.

"(4) Such other functions as the Secretary considers appropriate.

"(c) MANAGER.—The Manager of the Federal Crop Insurance Corporation shall serve as head of the Office of Risk Management but not in any other capacity.

"(d) RESOURCES.—

"(1) FUNCTIONAL COORDINATION.—Certain functions of the Office of Risk Management such as human resources, public affairs, and legislative affairs may be provided by a consolidation of such functions under the Under Secretary of Agriculture responsible for the crop insurance program.

"(2) MINIMUM PROVISIONS.—Notwithstanding paragraph (1) or any other provision of law or order of the Secretary, the Secretary shall provide the Office of Risk Management with human and capital resources sufficient for it to carry out its functions in a timely and efficient manner.

"(3) FISCAL YEAR 1996 FUNDING.—Not less than $88,500,000 of the appropriation provided for the salaries and expenses of the Consolidated Farm Services Agency in the Agricultural, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1996 shall be provided to the Office of Risk Management for the salaries and expenses of the Office.".

(2) CONFORMING AMENDMENT.—Section 226(b) of such Act (7 U.S.C. 6932(b)) is amended by striking paragraph (2).

AMENDMENT NO. 3179

On page 85, strike lines 12 through line 17.

AMENDMENT NO. 3180

On page 87, strike lines 19 through line 25.

AMENDMENT NO. 3181

On page 95, strike lines 3 through line 10.

KERRY AMENDMENT NO. 3182

(Ordered to lie on the table.)

Mr. KERRY submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

On page 88, strike all after "$100,000,000" on line 10 through "2002,"." on line 11 and insert in lieu thereof the following: "$1,000,000 for each of fiscal years 1996 through 2002, and notwithstanding any other provision of law or this Act, $90,000,000 shall be placed in a separate fund in each of fiscal years 1996 through 2002 which fund is to be administered by the Secretary of Agriculture, and from which fund the Secretary is authorized to make grants to the states and to non-profit organizations for the purpose of alleviating the hunger of women, infants, and children which exceeds the ability of government programs to alleviate because of funding limitations imposed by this Act or any other law on the federal programs intended to accomplish that objective."

KERRY AMENDMENT NO. 3183

(Ordered to lie on the table.)

Mr. KERRY submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

On page 88, strike "$100,000,000" on line 10 and insert in lieu thereof "$500,000".

LEAHY (AND OTHERS) AMENDMENT NO. 3184

Mr. CRAIG (for Mr. LEAHY, for himself, Mr. LUGAR, Mr. BREAUX, Mr. DOLE, Mr. JOHNSTON, Mr. COCHRAN, Mr. GRAHAM, Mr. GRASSLEY, Mr. JEFFORDS, and Mr. MCCONNELL), proposed an amendment to the bill S. 1541, supra; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Agricultural Reform and Improvement Act of 1996".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—AGRICULTURAL MARKET TRANSITION PROGRAM

Sec. 101. Short title.
Sec. 102. Definitions.
Sec. 103. Production flexibility contracts.
Sec. 104. Nonrecourse marketing assistance loans and loan deficiency payments.
Sec. 105. Payment limitations.
Sec. 106. Peanut program.
Sec. 107. Sugar program.
Sec. 108. Consent to Northeast Interstate Dairy Compact.
Sec. 109. Administration.
Sec. 110. Elimination of permanent price support authority.
Sec. 111. Effect of amendments.

TITLE II—AGRICULTURAL TRADE

Sec. 201. Public Law 480.
Sec. 202. Market promotion program.
Sec. 203. Export enhancement program.
Sec. 204. Food for progress.
Sec. 205. Emerging democracies.

TITLE III—CONSERVATION

Subtitle A—Definitions

Sec. 301. Definitions.

Subtitle B—Environmental Conservation Acreage Reserve Program

Sec. 311. Environmental conservation acreage reserve program.
Sec. 312. Conservation reserve program.
Sec. 313. Wetlands reserve program.
Sec. 314. Environmental quality incentives program.

Subtitle C—Conservation Funding

Sec. 321. Conservation funding.

Subtitle D—National Natural Resources Conservation Foundation

Sec. 331. Short title.
Sec. 332. Definitions.
Sec. 333. National Natural Resources Conservation Foundation.
Sec. 334. Composition and operation.

Sec. 335. Officers and employees.
Sec. 336. Corporate powers and obligations of the Foundation.
Sec. 337. Administrative services and support.
Sec. 338. Audits and petition of Attorney General for equitable relief.
Sec. 339. Release from liability.
Sec. 340. Authorization of appropriations.

Subtitle E—Miscellaneous

Sec. 351. Flood risk reduction.
Sec. 352. Forestry.
Sec. 353. State technical committees.
Sec. 354. Conservation of private grazing land.
Sec. 355. Conforming amendments.

TITLE IV—NUTRITION ASSISTANCE

Sec. 401. Food stamp program.
Sec. 402. Commodity distribution program; commodity supplemental food program.
Sec. 403. Emergency food assistance program.
Sec. 404. Soup kitchens program.
Sec. 405. National commodity processing.

TITLE V—MISCELLANEOUS

Sec. 501. Fund for dairy producers to pay for nutrient management.
Sec. 502. Crop insurance.
Sec. 503. Revenue insurance.
Sec. 504. Collection and use of agricultural quarantine and inspection fees.
Sec. 505. Commodity Credit Corporation interest rate.
Sec. 506. Everglades Agricultural Area.

TITLE I—AGRICULTURAL MARKET TRANSITION PROGRAM

SEC. 101. SHORT TITLE.

This title may be cited as the "Agricultural Market Transition Act".

SEC. 102. DEFINITIONS.

In this title:

(1) CONSIDERED PLANTED.—The term "considered planted" means acreage that is considered planted under title V of the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) (as in effect prior to the amendment made by section 110(b)(2)).

(2) CONTRACT.—The term "contract" means a production flexibility contract entered into under section 103.

(3) CONTRACT ACREAGE.—The term "contract acreage" means 1 or more crop acreage bases established for contract commodities under title V of the Agricultural Act of 1949 (as in effect prior to the amendment made by section 110(b)(2)) that would have been in effect for the 1996 crop (but for the amendment made by section 110(b)(2)).

(4) CONTRACT COMMODITY.—The term "contract commodity" means wheat, corn, grain sorghum, barley, oats, upland cotton, and rice.

(5) CONTRACT PAYMENT.—The term "contract payment" means a payment made under section 103 pursuant to a contract.

(6) CORN.—The term "corn" means field corn.

(7) DEPARTMENT.—The term "Department" means the United States Department of Agriculture.

(8) FARM PROGRAM PAYMENT YIELD.—The term "farm program payment yield" means the farm program payment yield established for the 1995 crop of a contract commodity under title V of the Agricultural Act of 1949 (as in effect prior to the amendment made by section 110(b)(2)).

(9) LOAN COMMODITY.—The term "loan commodity" means each contract commodity, extra long staple cotton, and oilseeds.

(10) OILSEED.—The term "oilseed" means a crop of soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, other oilseeds.

(11) PERSON.—The term "person" means an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or State agency.

(12) PRODUCER.—

(A) IN GENERAL.—The term "producer" means a person who, as owner, landlord, tenant, or sharecropper, shares in the risk of producing a crop, and is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.

(B) HYBRID SEED.—The term "producer" includes a person growing hybrid seed under contract. In determining the interest of a grower of hybrid seed in a crop, the Secretary shall not take into consideration the existence of a hybrid seed contract.

(13) PROGRAM.—The term "program" means the agricultural market transition program established under this title.

(14) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(15) STATE.—The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

(16) UNITED STATES.—The term "United States", when used in a geographical sense, means all of the States.

SEC. 103. PRODUCTION FLEXIBILITY CONTRACTS.

(a) CONTRACTS AUTHORIZED.—

(1) OFFER AND TERMS.—Beginning as soon as practicable after the date of the enactment of this title, the Secretary shall offer to enter into a contract with an eligible owner or operator described in paragraph (2) on a farm containing eligible farmland. Under the terms of a contract, the owner or operator shall agree, in exchange for annual contract payments, to comply with—

(A) the conservation plan for the farm prepared in accordance with section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812);

(B) wetland protection requirements applicable to the farm under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.); and

(C) the planting flexibility requirements of subsection (j).

(2) ELIGIBLE OWNERS AND OPERATORS DESCRIBED.—The following persons shall be considered to be an owner or operator eligible to enter into a contract:

(A) An owner of eligible farmland who assumes all of the risk of producing a crop.

(B) An owner of eligible farmland who shares in the risk of producing a crop.

(C) An operator of eligible farmland with a share-rent lease of the eligible farmland, regardless of the length of the lease, if the owner enters into the same contract.

(D) An operator of eligible farmland who cash rents the eligible farmland under a lease expiring on or after September 30, 2002, in which case the consent of the owner is not required.

(E) An operator of eligible farmland who cash rents the eligible farmland under a lease expiring before September 30, 2002, if the owner consents to the contract.

(F) An owner of eligible farmland who cash rents the eligible farmland and the lease term expires before September 30, 2002, but only if the actual operator of the farm declines to enter into a contract. In the case of an owner covered by this subparagraph, contract payments shall not begin under a contract until the fiscal year following the fiscal year in which the lease held by the nonparticipating operator expires.

(G) An owner or operator described in a preceding subparagraph regardless of whether the owner or operator purchased catastrophic risk protection for a fall-planted 1996 crop under section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)).

(3) TENANTS AND SHARECROPPERS.—In carrying out this section, the Secretary shall provide adequate safeguards to protect the interests of operators who are tenants and sharecroppers.

(b) ELEMENTS.—

(1) TIME FOR CONTRACTING.—

(A) DEADLINE.—Except as provided in subparagraph (B), the Secretary may not enter into a contract after April 15, 1996.

(B) CONSERVATION RESERVE LANDS.—

(i) IN GENERAL.—At the beginning of each fiscal year, the Secretary shall allow an eligible owner or operator on a farm covered by a conservation reserve contract entered into under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) that terminates after the date specified in subparagraph (A) to enter into or expand a production flexibility contract to cover the contract acreage of the farm that was subject to the former conservation reserve contract.

(ii) AMOUNT.—Contract payments made for contract acreage under this subparagraph shall be made at the rate and amount applicable to the annual contract payment level for the applicable crop.

(2) DURATION OF CONTRACT.—

(A) BEGINNING DATE.—A contract shall begin with—

(i) the 1996 crop of a contract commodity; or

(ii) in the case of acreage that was subject to a conservation reserve contract described in paragraph (1)(B), the date the production flexibility contract was entered into or expanded to cover the acreage.

(B) ENDING DATE.—A contract shall extend through the 2002 crop.

(3) ESTIMATION OF CONTRACT PAYMENTS.—At the time the Secretary enters into a contract, the Secretary shall provide an estimate of the minimum contract payments anticipated to be made during at least the first fiscal year for which contract payments will be made.

(c) ELIGIBLE FARMLAND DESCRIBED.—Land shall be considered to be farmland eligible for coverage under a contract only if the land has contract acreage attributable to the land and—

(1) for at least 1 of the 1991 through 1995 crops, at least a portion of the land was enrolled in the acreage reduction program authorized for a crop of a contract commodity under section 101B, 103B, 105B, or 107B of the Agricultural Act of 1949 (as in effect prior to the amendment made by section 110(b)(2)) or was considered planted;

(2) was subject to a conservation reserve contract under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) whose term expired, or was voluntarily terminated, on or after January 1, 1995; or

(3) is released from coverage under a conservation reserve contract by the Secretary during the period beginning on January 1, 1995, and ending on the date specified in subsection (b)(1)(A).

(d) TIME FOR PAYMENT.—

(1) IN GENERAL.—An annual contract payment shall be made not later than September 30 of each of fiscal years 1996 through 2002.

(2) ADVANCE PAYMENTS.—

(A) FISCAL YEAR 1996.—At the option of the owner or operator, 50 percent of the contract payment for fiscal year 1996 shall be made not later than June 15, 1996.

(B) SUBSEQUENT FISCAL YEARS.—At the option of the owner or operator for fiscal year 1997 and each subsequent fiscal year, 50 percent of the annual contract payment shall be made on December 15.

(e) AMOUNTS AVAILABLE FOR CONTRACT PAYMENTS FOR EACH FISCAL YEAR.—

(1) IN GENERAL.—The Secretary shall, to the maximum extent practicable, expend on a fiscal year basis the following amounts to satisfy the obligations of the Secretary under all contracts:

(A) For fiscal year 1996, $5,570,000,000.

(B) For fiscal year 1997, $5,385,000,000.

(C) For fiscal year 1998, $5,800,000,000.

(D) For fiscal year 1999, $5,603,000,000.

(E) For fiscal year 2000, $5,130,000,000.

(F) For fiscal year 2001, $4,130,000,000.

(G) For fiscal year 2002, $4,008,000,000.

(2) ALLOCATION.—The amount made available for a fiscal year under paragraph (1) shall be allocated as follows:

(A) For wheat, 26.26 percent.

(B) For corn, 46.22 percent.

(C) For grain sorghum, 5.11 percent.

(D) For barley, 2.16 percent.

(E) For oats, 0.15 percent.

(F) For upland cotton, 11.63 percent.

(G) For rice, 8.47 percent.

(3) ADJUSTMENT.—The Secretary shall adjust the amounts allocated for each contract commodity under paragraph (2) for a particular fiscal year by—

(A) subtracting an amount equal to the amount, if any, necessary to satisfy payment requirements under sections 103B, 105B, and 107B of the Agricultural Act of 1949 (as in effect prior to the amendment made by section 110(b)(2)) for the 1994 and 1995 crops of the commodity;

(B) adding an amount equal to the sum of all repayments of deficiency payments received under section 114(a)(2) of the Agricultural Act of 1949 (as in effect prior to the amendment made by section 110(b)(2)) for the commodity;

(C) to the maximum extent practicable, adding an amount equal to the sum of all contract payments withheld by the Secretary, at the request of an owner or operator subject to a contract, as an offset against repayments of deficiency payments otherwise required under section 114(a)(2) of the Act (as so in effect) for the commodity; and

(D) adding an amount equal to the sum of all refunds of contract payments received during the preceding fiscal year under subsection (h) for the commodity.

(4) ADDITIONAL RICE ALLOCATION.—In addition to the allocations provided under paragraphs (1), (2), and (3), the amounts made available for rice contract payments shall be increased by $17,000,000,000 for each of fiscal years 1997 through 2002.

(f) DETERMINATION OF CONTRACT PAYMENTS.—

(1) INDIVIDUAL PAYMENT QUANTITY OF CONTRACT COMMODITIES.—For each contract, the payment quantity of a contract commodity for each fiscal year shall be equal to the product of—

(A) 85 percent of the contract acreage; and

(B) the farm program payment yield.

(2) ANNUAL PAYMENT QUANTITY OF CONTRACT COMMODITIES.—The payment quantity of each contract commodity covered by all contracts for each fiscal year shall equal the sum of the amounts calculated under paragraph (1) for each individual contract.

(3) ANNUAL PAYMENT RATE.—The payment rate for a contract commodity for each fiscal year shall be equal to—

(A) the amount made available under subsection (e) for the contract commodity for the fiscal year; divided by

(B) the amount determined under paragraph (2) for the fiscal year.

(4) ANNUAL PAYMENT AMOUNT.—The amount to be paid under a contract in effect for each fiscal year with respect to a contract commodity shall be equal to the product of—

(A) the payment quantity determined under paragraph (1) with respect to the contract; and

(B) the payment rate in effect under paragraph (3).

(5) ASSIGNMENT OF CONTRACT PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to contract payments under this subsection. The owner or operator making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require in the contract, of any assignment made under this paragraph.

(6) SHARING OF CONTRACT PAYMENTS.—The Secretary shall provide for the sharing of contract payments among the owners and operators subject to the contract on a fair and equitable basis.

(g) PAYMENT LIMITATION.—The total amount of contract payments made to a person under a contract during any fiscal year may not exceed the payment limitations established under sections 1001 through 1001C of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308–3).

(h) EFFECT OF VIOLATION.—

(1) TERMINATION OF CONTRACT.—Except as provided in paragraph (2), if an owner or operator subject to a contract violates the conservation plan for the farm containing eligible farmland under the contract, wetland protection requirements applicable to the farm, or the planting flexibility requirements of subsection (j), the Secretary shall terminate the contract with respect to the owner or operator on each farm in which the owner or operator has an interest. On the termination, the owner or operator shall forfeit all rights to receive future contract payments on each farm in which the owner or operator has an interest and shall refund to the Secretary all contract payments received by the owner or operator during the period of the violation, together with interest on the contract payments as determined by the Secretary.

(2) REFUND OR ADJUSTMENT.—If the Secretary determines that a violation does not warrant termination of the contract under paragraph (1), the Secretary may require the owner or operator subject to the contract—

(A) to refund to the Secretary that part of the contract payments received by the owner or operator during the period of the violation, together with interest on the contract payments as determined by the Secretary; or

(B) to accept a reduction in the amount of future contract payments that is proportionate to the severity of the violation, as determined by the Secretary.

(3) FORECLOSURE.—An owner or operator subject to a contract may not be required to make repayments to the Secretary of amounts received under the contract if the contract acreage has been foreclosed on and the Secretary determines that forgiving the repayments is appropriate in order to provide fair and equitable treatment. This paragraph shall not void the responsibilities of such an owner or operator under the contract if the owner or operator continues or resumes operation, or control, of the contract acreage. On the resumption of operation or control over the contract acreage by the owner or operator, the provisions of the contract in effect on the date of the foreclosure shall apply.

(4) REVIEW.—A determination of the Secretary under this subsection shall be considered to be an adverse decision for purposes of the availability of administrative review of the determination.

(i) TRANSFER OF INTEREST IN LANDS SUBJECT TO CONTRACT.—

(1) EFFECT OF TRANSFER.—Except as provided in paragraph (2), the transfer by an owner or operator subject to a contract of the right and interest of the owner or operator in the contract acreage shall result in the termination of the contract with respect to the acreage, effective on the date of the transfer, unless the transferee of the acreage agrees with the Secretary to assume all obligations of the contract. At the request of the transferee, the Secretary may modify the contract if the modifications are consistent with the objectives of this section as determined by the Secretary.

(2) EXCEPTION.—If an owner or operator who is entitled to a contract payment dies, becomes incompetent, or is otherwise unable to receive the contract payment, the Secretary shall make the payment, in accordance with regulations prescribed by the Secretary.

(j) PLANTING FLEXIBILITY.—

(1) PERMITTED CROPS.—Subject to paragraph (2), any commodity or crop may be planted on contract acreage on a farm.

(2) LIMITATIONS.—

(A) HAYING AND GRAZING.—

(i) TIME LIMITATIONS.—Haying and grazing on land exceeding 15 percent of the contract acreage on a farm as provided in clause (iii) shall be permitted, except during any consecutive 5-month period between April 1 and October 31 that is determined by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on the contract acreage of a farm.

(ii) CONTRACT COMMODITIES.—A contract commodity may be hayed or grazed on contract acreage on a farm without limitation.

(iii) HAYING AND GRAZING LIMITATION ON PORTION OF CONTRACT ACREAGE.—Unlimited haying and grazing shall be permitted on not more than 15 percent of the contract acreage on a farm.

(B) ALFALFA.—Alfalfa may be planted for harvest without limitation on the contract acreage on a farm, except that each contract acre that is planted for harvest to alfalfa in excess of 15 percent of the total contract acreage on a farm shall be ineligible for contract payments.

(C) FRUITS AND VEGETABLES.—

(i) IN GENERAL.—The planting for harvest of fruits and vegetables shall be prohibited on contract acreage.

(ii) UNRESTRICTED VEGETABLES.—Lentils, mung beans, and dry peas may be planted without limitation on contract acreage.

(k) CONSERVATION FARM OPTION.—

(1) IN GENERAL.—The Secretary shall offer eligible owners and operators with contract acreage under this title on a farm who also have entered into a conservation reserve program contract under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (7 U.S.C. 3831 et seq.), the option of entering into a conservation farm option contract for a period of 10 years, as an alternative to the market transition payment contract.

(2) TERMS.—Under the conservation farm option contract—

(A) the Secretary shall provide eligible owners and operators with payments that reflect the Secretary's estimate of the payments and benefits the eligible owner or operator is expected to receive during the 10-year period under—

(i) conservation cost-share programs administered by the Secretary;

(ii) conservation reserve program rental and cost-share payments;

(iii) market transition payments; and

(iv) loan programs for contract commodities, oilseeds, and extra long staple cotton; and

(B) the eligible owner and operator shall—

(i) forgo eligibility to participate in the conservation reserve program, conservation cost-share program payments, and market transition contracts; and

(ii) comply with a conservation plan for the farm approved by the Secretary that is consistent with the State conservation farm option plan established under paragraph (3).

(3) State Conservation Farm Option Plan.—In consultation with the State Technical Committee established under section 1261 of the Food Security Act of 1985 (16 U.S.C. 3801), the Secretary shall establish a plan for each State that is designed to—

(A) protect wildlife habitat;

(B) improve water quality; and

(C) reduce soil erosion.

SEC. 104. NONRECOURSE MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS.

(a) Availability of Nonrecourse Loans.—

(1) Availability.—For each of the 1996 through 2002 crops of each loan commodity, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for loan commodities produced on the farm. The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (b) for the loan commodity.

(2) Eligible Production.—The following production shall be eligible for a marketing assistance loan under this section:

(A) In the case of a marketing assistance loan for a contract commodity, any production by a producer who has entered into a production flexibility contract.

(B) In the case of a marketing assistance loan for extra long staple cotton and oilseeds, any production.

(b) Loan Rates.—

(1) Wheat.—

(A) Loan Rate.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for wheat shall be—

(i) not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not more than $2.58 per bushel.

(B) Stocks to Use Ratio Adjustment.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(i) equal to or greater than 30 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(C) No Effect on Future Years.—Any reduction in the loan rate for wheat under subparagraph (B) shall not be considered in determining the loan rate for wheat for subsequent years.

(2) Feed Grains.—

(A) Loan Rate for Corn.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for corn shall be—

(i) not less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not more than $1.89 per bushel.

(B) Stocks to Use Ratio Adjustment.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

(i) equal to or greater than 25 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 12.5 percent the Secretary may not reduce the loan rate for corn for the corresponding crop.

(C) No Effect on Future Years.—Any reduction in the loan rate for corn under subparagraph (B) shall not be considered in determining the loan rate for corn for subsequent years.

(D) Other Feed Grains.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

(3) Upland Cotton.—

(A) Loan Rate.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for upland cotton shall be established by the Secretary at such loan rate, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is not less than the smaller of—

(i) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 in the year in which the loan rate is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

(ii) 90 percent of the average, for the 15-week period beginning July 1 of the year in which the loan rate is announced, of the 5 lowest-priced growths of the growths quoted for Middling $1\frac{3}{32}$-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

(B) Limitations.—The loan rate for a marketing assistance loan for upland cotton shall not be less than $0.50 per pound or more than $0.5192 per pound.

(4) Extra Long Staple Cotton.—The loan rate for a marketing assistance loan for extra long staple cotton shall be—

(A) not less than 85 percent of the simple average price received by producers of extra long staple cotton, as determined by the Secretary, during 3 years of the 5 previous marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $0.7965 per pound.

(5) Rice.—The loan rate for a marketing assistance loan for rice shall be $6.50 per hundredweight.

(6) Oilseeds.—

(A) Soybeans.—The loan rate for a marketing assistance loan for soybeans shall be $4.92 per bushel.

(B) Sunflower Seed, Canola, Rapeseed, Safflower, Mustard Seed, and Flaxseed.—The loan rates for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be $0.087 per pound.

(C) Other Oilseeds.—The loan rates for a marketing assistance loan for other oilseeds shall be established at such level as the Secretary determines is fair and reasonable in relation to the loan rate available for soybeans, except in no event shall the rate for the oilseeds (other than cottonseed) be less than the rate established for soybeans on a per-pound basis for the same crop.

(c) Term of Loan.—In the case of each loan commodity (other than upland cotton or extra long staple cotton), a marketing assistance loan under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made. A marketing assistance loan for upland cotton or extra long staple cotton shall have a term of 10 months beginning on the first day of the first month after the month in which the loan is made. The Secretary may not extend the term of a marketing assistance loan for any loan commodity.

(d) Repayment.—

(1) Repayment Rates for Wheat and Feed Grains.—The Secretary shall permit a producer to repay a marketing assistance loan under subsection (a) for wheat, corn, grain sorghum, barley, and oats at a level that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of the commodities by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing the commodities; and

(D) allow the commodities produced in the United States to be marketed freely and competitively, both domestically and internationally.

(2) Repayment Rates for Upland Cotton, Oilseeds, and Rice.—The Secretary shall permit producers to repay a marketing assistance loan under subsection (a) for upland cotton, oilseeds, and rice at a level that is the lesser of—

(A) the loan rate established for upland cotton, oilseeds, and rice, respectively, under subsection (b); or

(B) the prevailing world market price for upland cotton, oilseeds, and rice, respectively (adjusted to United States quality and location), as determined by the Secretary.

(3) Repayment Rates for Extra Long Staple Cotton.—Repayment of a marketing assistance loan for extra long staple cotton

shall be at the loan rate established for the commodity under subsection (b), plus interest (as determined by the Secretary).

(4) PREVAILING WORLD MARKET PRICE.—For purposes of paragraph (2)(B) and subsection (f), the Secretary shall prescribe by regulation—

(A) a formula to determine the prevailing world market price for each loan commodity, adjusted to United States quality and location; and

(B) a mechanism by which the Secretary shall announce periodically the prevailing world market price for each loan commodity.

(5) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON.—

(A) IN GENERAL.—During the period ending July 31, 2003, the prevailing world market price for upland cotton (adjusted to United States quality and location) established under paragraph (4) shall be further adjusted if—

(i) the adjusted prevailing world market price is less than 115 percent of the loan rate for upland cotton established under subsection (b), as determined by the Secretary; and

(ii) the Friday through Thursday average price quotation for the lowest-priced United States growth as quoted for Middling (M) 1$\frac{3}{32}$-inch cotton delivered C.I.F. Northern Europe is greater than the Friday through Thursday average price of the 5 lowest-priced growths of upland cotton, as quoted for Middling (M) 1$\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe (referred to in this subsection as the "Northern Europe price").

(B) FURTHER ADJUSTMENT.—Except as provided in subparagraph (C), the adjusted prevailing world market price for upland cotton shall be further adjusted on the basis of some or all of the following data, as available:

(i) The United States share of world exports.

(ii) The current level of cotton export sales and cotton export shipments.

(iii) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for upland cotton (adjusted to United States quality and location).

(C) LIMITATION ON FURTHER ADJUSTMENT.—The adjustment under subparagraph (B) may not exceed the difference between—

(i) the Friday through Thursday average price for the lowest-priced United States growth as quoted for Middling 1$\frac{3}{32}$-inch cotton delivered C.I.F. Northern Europe; and

(ii) the Northern Europe price.

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—Except as provided in paragraph (4), the Secretary may make loan deficiency payments available to producers who, although eligible to obtain a marketing assistance loan under subsection (a) with respect to a loan commodity, agree to forgo obtaining the loan for the commodity in return for payments under this subsection.

(2) COMPUTATION.—A loan deficiency payment under this subsection shall be computed by multiplying—

(A) the loan payment rate determined under paragraph (3) for the loan commodity; by

(B) the quantity of the loan commodity that the producers on a farm are eligible to place under loan but for which the producers forgo obtaining the loan in return for payments under this subsection.

(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

(A) the loan rate established under subsection (b) for the loan commodity; exceeds

(B) the rate at which a loan for the commodity may be repaid under subsection (d).

(4) EXCEPTION FOR EXTRA LONG STAPLE COTTON.—This subsection shall not apply with respect to extra long staple cotton.

(f) SPECIAL MARKETING LOAN PROVISIONS FOR UPLAND COTTON.—

(1) COTTON USER MARKETING CERTIFICATES.—

(A) ISSUANCE.—Subject to subparagraph (D), during the period ending July 31, 2003, the Secretary shall issue marketing certificates or cash payments to domestic users and exporters for documented purchases by domestic users and sales for export by exporters made in the week following a consecutive 4-week period in which—

(i) the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1$\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe exceeds the Northern Europe price by more than 1.25 cents per pound; and

(ii) the prevailing world market price for upland cotton (adjusted to United States quality and location) does not exceed 130 percent of the loan rate for upland cotton established under subsection (b).

(B) VALUE OF CERTIFICATES OR PAYMENTS.—The value of the marketing certificates or cash payments shall be based on the amount of the difference (reduced by 1.25 cents per pound) in the prices during the 4th week of the consecutive 4-week period multiplied by the quantity of upland cotton included in the documented sales.

(C) ADMINISTRATION OF MARKETING CERTIFICATES.—

(i) REDEMPTION, MARKETING, OR EXCHANGE.—The Secretary shall establish procedures for redeeming marketing certificates for cash or marketing or exchange of the certificates for agricultural commodities owned by the Commodity Credit Corporation in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates. Any price restrictions that would otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this paragraph.

(ii) DESIGNATION OF COMMODITIES AND PRODUCTS.—To the extent practicable, the Secretary shall permit owners of certificates to designate the commodities and products, including storage sites, the owners would prefer to receive in exchange for certificates. If any certificate is not presented for redemption, marketing, or exchange within a reasonable number of days after the issuance of the certificate (as determined by the Secretary), reasonable costs of storage and other carrying charges, as determined by the Secretary, shall be deducted from the value of the certificate for the period beginning after the reasonable number of days and ending with the date of the presentation of the certificate to the Commodity Credit Corporation.

(iii) TRANSFERS.—Marketing certificates issued to domestic users and exporters of upland cotton may be transferred to other persons in accordance with regulations issued by the Secretary.

(D) EXCEPTION.—The Secretary shall not issue marketing certificates or cash payments under subparagraph (A) if, for the immediately preceding consecutive 10-week period, the Friday through Thursday average price quotation for the lowest priced United States growth, as quoted for Middling (M) 1$\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificate issued under this paragraph, exceeds the Northern Europe price by more than 1.25 cents per pound.

(E) LIMITATION ON EXPENDITURES.—Total expenditures under this paragraph shall not exceed $701,000,000 during fiscal years 1996 through 2002.

(2) SPECIAL IMPORT QUOTA.—

(A) ESTABLISHMENT.—The President shall carry out an import quota program that provides that, during the period ending July 31, 2003, whenever the Secretary determines and announces that for any consecutive 10-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1$\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificates issued under paragraph (1), exceeds the Northern Europe price by more than 1.25 cents per pound, there shall immediately be in effect a special import quota.

(B) QUANTITY.—The quota shall be equal to 1 week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the most recent 3 months for which data are available.

(C) APPLICATION.—The quota shall apply to upland cotton purchased not later than 90 days after the date of the Secretary's announcement under subparagraph (A) and entered into the United States not later than 180 days after the date.

(D) OVERLAP.—A special quota period may be established that overlaps any existing quota period if required by subparagraph (A), except that a special quota period may not be established under this paragraph if a quota period has been established under subsection (g).

(E) PREFERENTIAL TARIFF TREATMENT.—The quantity under a special import quota shall be considered to be an in-quota quantity for purposes of—

(i) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(ii) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(iii) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(F) DEFINITION.—In this paragraph, the term "special import quota" means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(g) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND COTTON.—

(1) IN GENERAL.—The President shall carry out an import quota program that provides that whenever the Secretary determines and announces that the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for a month exceeded 130 percent of the average price of such quality of cotton in the markets for the preceding 36 months, notwithstanding any other provision of law, there shall immediately be in effect a limited global import quota subject to the following conditions:

(A) QUANTITY.—The quantity of the quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent 3 months for which data are available.

(B) QUANTITY IF PRIOR QUOTA.—If a quota has been established under this subsection during the preceding 12 months, the quantity of the quota next established under this subsection shall be the smaller of 21 days of domestic mill consumption calculated under subparagraph (A) or the quantity required to increase the supply to 130 percent of the demand.

(C) PREFERENTIAL TARIFF TREATMENT.—The quantity under a limited global import quota shall be considered to be an in-quota quantity for purposes of—

(i) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(ii) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(iii) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(D) DEFINITIONS.—In this subsection:

(i) SUPPLY.—The term "supply" means, using the latest official data of the Bureau of the Census, the Department of Agriculture, and the Department of the Treasury—

(I) the carry-over of upland cotton at the beginning of the marketing year (adjusted to 480-pound bales) in which the quota is established;

(II) production of the current crop; and

(III) imports to the latest date available during the marketing year.

(ii) DEMAND.—The term "demand" means—

(I) the average seasonally adjusted annual rate of domestic mill consumption in the most recent 3 months for which data are available; and

(II) the larger of—

(aa) average exports of upland cotton during the preceding 6 marketing years; or

(bb) cumulative exports of upland cotton plus outstanding export sales for the marketing year in which the quota is established.

(iii) LIMITED GLOBAL IMPORT QUOTA.—The term "limited global import quota" means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(E) QUOTA ENTRY PERIOD.—When a quota is established under this subsection, cotton may be entered under the quota during the 90-day period beginning on the date the quota is established by the Secretary.

(2) NO OVERLAP.—Notwithstanding paragraph (1), a quota period may not be established that overlaps an existing quota period or a special quota period established under subsection (f)(2).

(h) SOURCE OF LOANS.—

(1) IN GENERAL.—The Secretary shall provide the loans authorized by this section and the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) through the Commodity Credit Corporation and other means available to the Secretary.

(2) PROCESSORS.—Whenever any loan or surplus removal operation for any agricultural commodity is carried out through purchases from or loans or payments to processors, the Secretary shall, to the extent practicable, obtain from the processors such assurances as the Secretary considers adequate that the producers of the commodity have received or will receive maximum benefits from the loan or surplus removal operation.

(i) ADJUSTMENTS OF LOANS.—

(1) IN GENERAL.—The Secretary may make appropriate adjustments in the loan levels for any commodity for differences in grade, type, quality, location, and other factors.

(2) LOAN LEVEL.—The adjustments shall, to the maximum extent practicable, be made in such manner that the average loan level for the commodity will, on the basis of the anticipated incidence of the factors, be equal to the level of support determined as provided in this section or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.).

(j) PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.—

(1) IN GENERAL.—Except as provided in paragraph (2), no producer shall be personally liable for any deficiency arising from the sale of the collateral securing any nonrecourse loan made under this section or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) unless the loan was obtained through a fraudulent representation by the producer.

(2) LIMITATIONS.—Paragraph (1) shall not prevent the Commodity Credit Corporation or the Secretary from requiring a producer to assume liability for—

(A) a deficiency in the grade, quality, or quantity of a commodity stored on a farm or delivered by the producer;

(B) a failure to properly care for and preserve a commodity; or

(C) a failure or refusal to deliver a commodity in accordance with a program established under this section or the Agricultural Adjustment Act of 1938.

(3) ACQUISITION OF COLLATERAL.—The Secretary may include in a contract for a nonrecourse loan made under this section or the Agricultural Adjustment Act of 1938 a provision that permits the Commodity Credit Corporation, on and after the maturity of the loan or any extension of the loan, to acquire title to the unredeemed collateral without obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

(4) SUGARCANE AND SUGAR BEETS.—A security interest obtained by the Commodity Credit Corporation as a result of the execution of a security agreement by the processor of sugarcane or sugar beets shall be superior to all statutory and common law liens on raw cane sugar and refined beet sugar in favor of the producers of sugarcane and sugar beets and all prior recorded and unrecorded liens on the crops of sugarcane and sugar beets from which the sugar was derived.

(k) COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS.—

(1) IN GENERAL.—The Commodity Credit Corporation may sell any commodity owned or controlled by the Corporation at any price that the Secretary determines will maximize returns to the Corporation.

(2) NONAPPLICATION OF SALES PRICE RESTRICTIONS.—Paragraph (1) shall not apply to—

(A) a sale for a new or byproduct use;

(B) a sale of peanuts or oilseeds for the extraction of oil;

(C) a sale for seed or feed if the sale will not substantially impair any loan program;

(D) a sale of a commodity that has substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage;

(E) a sale for the purpose of establishing a claim arising out of a contract or against a person who has committed fraud, misrepresentation, or other wrongful act with respect to the commodity;

(F) a sale for export, as determined by the Corporation; and

(G) a sale for other than a primary use.

(3) PRESIDENTIAL DISASTER AREAS.—

(A) IN GENERAL.—Notwithstanding paragraph (1), on such terms and conditions as the Secretary may consider in the public interest, the Corporation may make available any commodity or product owned or controlled by the Corporation for use in relieving distress—

(i) in any area in the United States (including the Virgin Islands) declared by the President to be an acute distress area because of unemployment or other economic cause, if the President finds that the use will not displace or interfere with normal marketing of agricultural commodities; and

(ii) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

(B) COSTS.—Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making a commodity available under subparagraph (A) beyond the cost of the commodity to the Corporation incurred in—

(i) the storage of the commodity; and

(ii) the handling and transportation costs in making delivery of the commodity to designated agencies at 1 or more central locations in each State or other area.

(4) EFFICIENT OPERATIONS.—Paragraph (1) shall not apply to the sale of a commodity the disposition of which is desirable in the interest of the effective and efficient conduct of the operations of the Corporation because of the small quantity of the commodity involved, or because of the age, location, or questionable continued storability of the commodity.

SEC. 105. PAYMENT LIMITATIONS.

(a) IN GENERAL.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking paragraphs (1) through (4) and inserting the following:

"(1) LIMITATION ON PAYMENTS UNDER PRODUCTION FLEXIBILITY CONTRACTS.—The total amount of contract payments made under section 103 of the Agricultural Market Transition Act to a person under 1 or more production flexibility contracts during any fiscal year may not exceed $40,000.

"(2) LIMITATION ON MARKETING LOAN GAINS AND LOAN DEFICIENCY PAYMENTS.—

"(A) LIMITATION.—The total amount of payments specified in subparagraph (B) that a person shall be entitled to receive under section 104 of the Agricultural Market Transition Act for contract commodities and oilseeds during any crop year may not exceed $75,000.

"(B) DESCRIPTION OF PAYMENTS.—The payments referred to in subparagraph (A) are the following:

"(i) Any gain realized by a producer from repaying a marketing assistance loan for a crop of any loan commodity at a lower level than the original loan rate established for the commodity under section 104(b) of the Act.

"(ii) Any loan deficiency payment received for a loan commodity under section 104(e) of the Act.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) (as amended by subsection (a)) is amended—

(A) by redesignating paragraphs (5), (6), and (7) as paragraphs (3), (4), and (5), respectively; and

(B) in the second sentence of paragraph (3)(A) (as so redesignated), by striking "paragraphs (6) and (7)" and inserting "paragraphs (4) and (5)".

(2) Section 1305(d) of the Agricultural Reconciliation Act of 1987 (Public Law 100–203; 7 U.S.C. 1308 note) is amended by striking "paragraphs (5) through (7) of section 1001, as amended by this subtitle," and inserting "paragraphs (3) through (5) of section 1001,".

(3) Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–1(a)(1)) is amended—

(A) in the first sentence of subsection (a)(1)—

(i) by striking "section 1001(5)(B)(i)" and inserting "section 1001(3)(B)(i)";

(ii) by striking "under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.)"; and

(iii) by striking "section 1001(5)(B)(i)(II)" and inserting "section 1001(3)(B)(i)(II)"; and

(B) in subsection (b)—

(i) in paragraph (1)—

(I) by striking "under the Agricultural Act of 1949"; and

(II) by striking "section 1001(5)(B)(i)" and inserting "section 1001(3)(B)(i)"; and

(ii) in paragraph (2)(B), by striking "section 1001(5)(B)(i)(II)" and inserting "section 1001(3)(B)(i)(II)".

(4) Section 1001C(a) of the Food Security Act of 1985 (7 U.S.C. 1308–3(a)) is amended—

(A) by striking "For each of the 1991 through 1997 crops, any" and inserting "Any";

(B) by striking "price support program loans, payments, or benefits made available under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.)," and inserting "loans or payments made available under the Agricultural Market Transition Act"; and

(C) by striking "during the 1989 through 1997 crop years".

SEC. 106. PEANUT PROGRAM.

(a) QUOTA PEANUTS.—

(1) AVAILABILITY OF LOANS.—The Secretary shall make nonrecourse loans available to producers of quota peanuts.

(2) LOAN RATE.—The national average quota loan rate for quota peanuts shall be $610 per ton.

(3) INSPECTION, HANDLING, OR STORAGE.—The loan amount may not be reduced by the Secretary by any deductions for inspection, handling, or storage.

(4) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments in the loan rate for quota peanuts for location of peanuts and such other factors as are authorized by section 411 of the Agricultural Adjustment Act of 1938.

(b) ADDITIONAL PEANUTS.—

(1) IN GENERAL.—The Secretary shall make nonrecourse loans available to producers of additional peanuts at such rates as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

(2) ANNOUNCEMENT.—The Secretary shall announce the loan rate for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the loan rate is being determined.

(c) AREA MARKETING ASSOCIATIONS.—

(1) WAREHOUSE STORAGE LOANS.—

(A) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(B) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—An area marketing association shall be used in administrative and supervisory activities relating to loans and marketing activities under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(C) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include such costs as the area marketing association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(2) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

(B) ELIGIBILITY TO PARTICIPATE.—

(i) IN GENERAL.—Except as provided in clause (ii), in the case of the 1996 and subsequent crops, Valencia peanuts not physically produced in the State of New Mexico shall not be eligible to participate in the pools of the State.

(ii) EXCEPTION.—A resident of the State of New Mexico may enter Valencia peanuts that are produced outside of the State into the pools of the State in a quantity that is not greater than the 1995 crop of the resident.

(C) TYPES OF PEANUTS.—Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(D) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(i) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool.

(ii) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts.

(d) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(1) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)).

(2) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(3) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under subsection (g) (except funds attributable to handlers) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(4) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)), shall be offset by any gains or profits from quota pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(5) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under subsection (g) by such an amount as the Secretary considers necessary to cover the losses. The increased assessment shall apply only to quota peanuts in the production area covered by the pool. Amounts collected under subsection (g) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(e) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no loan for quota peanuts may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(d)).

(f) QUALITY IMPROVEMENT.—

(1) IN GENERAL.—With respect to peanuts under loan, the Secretary shall—

(A) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

(B) ensure that all Commodity Credit Corporation inventories of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(C) continue to endeavor to operate the peanut program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(D) ensure that any changes made in the peanut program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department loan schedule.

(2) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts in the domestic and export markets fully comply with all quality standards under Marketing Agreement No. 146.

(g) MARKETING ASSESSMENT.—

(1) IN GENERAL.—The Secretary shall provide for a nonrefundable marketing assessment. The assessment shall be made on a per pound basis in an amount equal to 1.1 percent for each of the 1994 and 1995 crops, 1.15 percent for the 1996 crop, and 1.2 percent for each of the 1997 through 2002 crops, of the national average quota or additional peanut loan rate for the applicable crop.

(2) FIRST PURCHASERS.—

(A) IN GENERAL.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall—

(i) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by—

(I) in the case of each of the 1994 and 1995 crops, .55 percent of the applicable national average loan rate;

(II) in the case of the 1996 crop, .6 percent of the applicable national average loan rate; and

(III) in the case of each of the 1997 through 2002 crops, .65 percent of the applicable national average loan rate;

(ii) pay, in addition to the amount collected under clause (i), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average loan rate; and

(iii) remit the amounts required under clauses (i) and (ii) to the Commodity Credit Corporation in a manner specified by the Secretary.

(B) DEFINITION OF FIRST PURCHASER.—In this subsection, the term "first purchaser" means a person acquiring peanuts from a producer except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(3) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(4) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(5) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with the requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of peanuts involved in the violation; by

(B) the national average quota peanut rate for the applicable crop year.

(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(h) CROPS.—Subsections (a) through (f) shall be effective only for the 1996 through 2002 crops of peanuts.

(i) MARKETING QUOTAS.—

(1) IN GENERAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

(A) in section 358–1 (7 U.S.C. 1358–1)—

(i) in the section heading, by striking "**1991 through 1997 crops of**";

(ii) in subsections (a)(1), (b)(1)(B), (b)(2)(A), (b)(2)(C), and (b)(3)(A), by striking "of the 1991 through 1997 marketing years" each place it appears and inserting "marketing year";

(iii) in subsection (a)(3), by striking "1990" and inserting "1990, for the 1991 through 1995 marketing years, and 1995, for the 1996 through 2002 marketing years";

(iv) in subsection (b)(1)(A)—

(I) by striking "each of the 1991 through 1997 marketing years" and inserting "each marketing year"; and

(II) in clause (i), by inserting before the semicolon the following: ", in the case of the 1991 through 1995 marketing years, and the 1995 marketing year, in the case of the 1996 through 2002 marketing years"; and

(v) in subsection (f), by striking "1997" and inserting "2002";

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking "**1991 through 1995 crops of**"; and

(ii) in subsection (c), by striking "1995" and inserting "2002";

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking "1995" and inserting "2002"; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking "**for 1991 through 1997 crops of peanuts**"; and

(ii) in subsection (i), by striking "1997" and inserting "2002".

(2) ELIMINATION OF QUOTA FLOOR.—Section 358–1(a)(1) of the Act (7 U.S.C. 1358–1(a)(1)) is amended by striking the second sentence.

(3) TEMPORARY QUOTA ALLOCATION.—Section 358–1 of the Act (7 U.S.C. 1358–1) is amended—

(A) in subsection (a)(1), by striking "domestic edible, seed," and inserting "domestic edible use";

(B) in subsection (b)(2)—

(i) in subparagraph (A), by striking "subparagraph (B) and subject to"; and

(ii) by striking subparagraph (B) and inserting the following:

"(B) TEMPORARY QUOTA ALLOCATION.—

"(i) ALLOCATION RELATED TO SEED PEANUTS.—Temporary allocation of quota pounds for the marketing year only in which the crop is planted shall be made to producers for each of the 1996 through 2002 marketing years as provided in this subparagraph.

"(ii) QUANTITY.—The temporary quota allocation shall be equal to the pounds of seed peanuts planted on the farm, as may be adjusted under regulations prescribed by the Secretary.

"(iii) ADDITIONAL QUOTA.—The temporary allocation of quota pounds under this paragraph shall be in addition to the farm poundage quota otherwise established under this subsection and shall be credited, for the applicable marketing year only, in total to the producer of the peanuts on the farm in a manner prescribed by the Secretary.

"(iv) EFFECT OF OTHER REQUIREMENTS.—Nothing in this section alters or changes the requirements regarding the use of quota and additional peanuts established by section 358e(b)."; and

(C) in subsection (e)(3), strike "and seed and use on a farm".

(4) UNDERMARKETINGS.—Part VI of subtitle B of title III of the Act is amended—

(A) in section 358–1(b) (7 U.S.C. 1358–1(b))—

(i) in paragraph (1)(B), by striking "including—" and clauses (i) and (ii) and inserting "including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).";

(ii) in paragraph (3)(B), by striking "include—" and clauses (i) and (ii) and inserting "include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7)."; and

(iii) by striking paragraphs (8) and (9); and

(B) in section 358b(a) (7 U.S.C. 1358b(a))—

(i) in paragraph (1), by striking "(including any applicable under marketings)" both places it appears;

(ii) in paragraph (1)(A), by striking "of undermarketings and";

(iii) in paragraph (2), by striking "(including any applicable under marketings)"; and

(iv) in paragraph (3), by striking "(including any applicable undermarketings)".

(5) DISASTER TRANSFERS.—Section 358–1(b) of the Act (7 U.S.C. 1358–1(b)), as amended by paragraph (4)(A)(iii), is further amended by adding at the end the following:

"(8) DISASTER TRANSFERS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts produced on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation provide.

"(B) LIMITATION.—The poundage of peanuts transferred under subparagraph (A) shall not exceed the difference between—

"(i) the total quantity of peanuts meeting quality requirements for domestic edible use, as determined by the Secretary, marketed from the farm; and

"(ii) the total farm poundage quota, excluding quota pounds transferred to the farm in the fall.

"(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at not more than 70 percent of the quota support rate for the marketing years in which the transfers occur. The transfers for a farm shall not exceed 25 percent of the total farm quota pounds, excluding pounds transferred in the fall.".

SEC. 107. SUGAR PROGRAM.

(a) SUGARCANE.—The Secretary shall make loans available to processors of domestically grown sugarcane at a rate equal to 18 cents per pound for raw cane sugar.

(b) SUGAR BEETS.—The Secretary shall make loans available to processors of domestically grown sugar beets at a rate equal to 22.9 cents per pound for refined beet sugar.

(c) TERM OF LOANS.—

(1) IN GENERAL.—Loans under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature at the earlier of—

(A) the end of 9 months; or

(B) the end of the fiscal year.

(2) SUPPLEMENTAL LOANS.—In the case of loans made under this section in the last 3 months of a fiscal year, the processor may repledge the sugar as collateral for a second loan in the subsequent fiscal year, except that the second loan shall—

(A) be made at the loan rate in effect at the time the second loan is made; and

(B) mature in 9 months less the quantity of time that the first loan was in effect.

(d) LOAN TYPE; PROCESSOR ASSURANCES.—

(1) RECOURSE LOANS.—Subject to paragraph (2), the Secretary shall carry out this section through the use of recourse loans.

(2) NONRECOURSE LOANS.—During any fiscal year in which the tariff rate quota for imports of sugar into the United States is established at, or is increased to, a level in excess of 1,500,000 short tons raw value, the Secretary shall carry out this section by making available nonrecourse loans. Any recourse loan previously made available by the Secretary under this section during the fiscal year shall be changed by the Secretary into a nonrecourse loan.

(3) PROCESSOR ASSURANCES.—If the Secretary is required under paragraph (2) to make nonrecourse loans available during a fiscal year or to change recourse loans into nonrecourse loans, the Secretary shall obtain from each processor that receives a loan under this section such assurances as the Secretary considers adequate to ensure that the processor will provide payments to producers that are proportional to the value of the loan received by the processor for sugar beets and sugarcane delivered by producers served by the processor. The Secretary may establish appropriate minimum payments for purposes of this paragraph.

(e) MARKETING ASSESSMENT.—

(1) SUGARCANE.—Effective for marketings of raw cane sugar during the 1996 through

2003 fiscal years, the first processor of sugarcane shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to—

(A) in the case of marketings during fiscal year 1996, 1.1 percent of the loan rate established under subsection (a) per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing); and

(B) in the case of marketings during each of fiscal years 1997 through 2003, 1.375 percent of the loan rate established under subsection (a) per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing).

(2) SUGAR BEETS.—Effective for marketings of beet sugar during the 1996 through 2003 fiscal years, the first processor of sugar beets shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to—

(A) in the case of marketings during fiscal year 1996, 1.1794 percent of the loan rate established under subsection (a) per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed; and

(B) in the case of marketings during each of fiscal years 1997 through 2003, 1.47425 percent of the loan rate established under subsection (a) per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed.

(3) COLLECTION.—

(A) TIMING.—A marketing assessment required under this subsection shall be collected on a monthly basis and shall be remitted to the Commodity Credit Corporation not later than 30 days after the end of each month. Any cane sugar or beet sugar processed during a fiscal year that has not been marketed by September 30 of the year shall be subject to assessment on that date. The sugar shall not be subject to a second assessment at the time that it is marketed.

(B) MANNER.—Subject to subparagraph (A), marketing assessments shall be collected under this subsection in the manner prescribed by the Secretary and shall be nonrefundable.

(4) PENALTIES.—If any person fails to remit the assessment required by this subsection or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of cane sugar or beet sugar involved in the violation; by

(B) the loan rate for the applicable crop of sugarcane or sugar beets.

(5) ENFORCEMENT.—The Secretary may enforce this subsection in a court of the United States.

(f) FORFEITURE PENALTY.—

(1) IN GENERAL.—A penalty shall be assessed on the forfeiture of any sugar pledged as collateral for a nonrecourse loan under this section.

(2) CANE SUGAR.—The penalty for cane sugar shall be 1 cent per pound.

(3) BEET SUGAR.—The penalty for beet sugar shall bear the same relation to the penalty for cane sugar as the marketing assessment for sugar beets bears to the marketing assessment for sugarcane.

(4) EFFECT OF FORFEITURE.—Any payments owed producers by a processor that forfeits of any sugar pledged as collateral for a nonrecourse loan shall be reduced in proportion to the loan forfeiture penalty incurred by the processor.

(g) INFORMATION REPORTING.—

(1) DUTY OF PROCESSORS AND REFINERS TO REPORT.—A sugarcane processor, cane sugar refiner, and sugar beet processor shall furnish the Secretary, on a monthly basis, such information as the Secretary may require to administer sugar programs, including the quantity of purchases of sugarcane, sugar beets, and sugar, and production, importation, distribution, and stock levels of sugar.

(2) PENALTY.—Any person willfully failing or refusing to furnish the information, or furnishing willfully any false information, shall be subject to a civil penalty of not more than $10,000 for each such violation.

(3) MONTHLY REPORTS.—Taking into consideration the information received under paragraph (1), the Secretary shall publish on a monthly basis composite data on production, imports, distribution, and stock levels of sugar.

(h) MARKETING ALLOTMENTS.—Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa et seq.) is repealed.

(i) CROPS.—This section (other than subsection (h)) shall be effective only for the 1996 through 2002 crops of sugar beets and sugarcane.

SEC. 108. CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.

Congress consents to the Northeast Interstate Dairy Compact entered into among the States of Vermont, New Hampshire, Maine, Connecticut, Rhode Island, and Massachusetts as specified in section 1(b) of Senate Joint Resolution 28 of the 104th Congress, as placed on the calendar of the Senate, subject to the following conditions:

(1) COMPENSATION OF CCC.—Before the end of each fiscal year that a Compact price regulation is in effect, the Compact Commission shall compensate the Commodity Credit Corporation for the cost of any purchases of milk and milk products by the Corporation that result from projected fluid milk production for the fiscal year within the Compact region in excess of the national average rate of purchases of milk and milk products by the Corporation.

(2) MILK MARKET ORDER ADMINISTRATOR.—By agreement among the States and the Secretary, the Administrator shall provide technical assistance to the Compact Commission, and be reimbursed for the assistance, with respect to the applicable milk marketing order issued under section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.

(3) LIMITATION OF MANUFACTURING PRICE REGULATION.—The Compact Commission may not regulate Class II, Class III, or Class III-A milk used for manufacturing purposes or any other milk, other than Class I, or fluid milk, as defined by a Federal milk marketing order issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Act of 1937, unless both Houses of Congress have first consented to and approved the authority by a law enacted after the date of enactment of this Act.

(4) TERMINATION AND RENEWAL.—The consent for the Compact—

(A) shall terminate on the date that is 5 years after the date of enactment of this Act, subject to subparagraph (B); and

(B) may be renewed by Congress, without prior re-ratification by the States' legislatures.

SEC. 109. ADMINISTRATION.

(a) COMMODITY CREDIT CORPORATION.—

(1) USE OF CORPORATION.—The Secretary shall carry out this title through the Commodity Credit Corporation.

(2) SALARIES AND EXPENSES.—No funds of the Corporation shall be used for any salary or expense of any officer or employee of the Department of Agriculture.

(b) DETERMINATIONS BY SECRETARY.—A determination made by the Secretary under this title or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) shall be final and conclusive.

(c) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this title.

SEC. 110. ELIMINATION OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—The Agricultural Adjustment Act of 1938 is amended—

(1) in title III—

(A) in subtitle B—

(i) by striking parts II through V (7 U.S.C. 1326–1351); and

(ii) in part VI—

(I) by moving subsection (c) of section 358d (7 U.S.C. 1358d(c)) to appear after section 301(b)(17) (7 U.S.C. 1301(b)(17)) and redesignating the subsection as paragraph (18); and

(II) by striking sections 358, 358a, and 358d (7 U.S.C. 1358, 1358a, and 1359); and

(B) by striking subtitle D (7 U.S.C. 1379a–1379j); and

(2) by striking title IV (7 U.S.C. 1401–1407).

(b) AGRICULTURAL ACT OF 1949.—

(1) TRANSFER OF CERTAIN SECTIONS.—The Agricultural Act of 1949 is amended—

(A) by transferring sections 106, 106A, and 106B (7 U.S.C. 1445, 1445–1, 1445–2) to appear after section 314A of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314–1) and redesignating the transferred sections as sections 315, 315A, and 315B, respectively;

(B) by transferring sections 111, 201(c), and 204 (7 U.S.C. 1445f, 1446(c), and 1446e) to appear after section 304 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1304) and redesignating the transferred sections as sections 305, 306, and 307, respectively; and

(C) by transferring sections 404 and 416 (7 U.S.C. 1424 and 1431) to appear after section 390 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1390) and redesignating the transferred sections as sections 390A and 390B, respectively.

(2) REPEAL.—The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) (as amended by paragraph (1)) is repealed.

(c) CONFORMING AMENDMENTS.—

(1) Section 306 of the Agricultural Adjustment Act of 1938 (as transferred and redesignated by subsection (b)(1)(B)) is amended by striking "204" and inserting "307".

(2) Section 361 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1361) is amended by striking ", corn, wheat, cotton, peanuts, and rice, established".

SEC. 111. EFFECT OF AMENDMENTS.

(a) EFFECT ON PRIOR CROPS.—Except as otherwise specifically provided and notwithstanding any other provision of law, this title and the amendments made by this title shall not affect the authority of the Secretary to carry out a price support or production adjustment program for any of the 1991 through 1995 crops of an agricultural commodity established under a provision of law in effect immediately before the date of the enactment of this Act.

(b) LIABILITY.—A provision of this title or an amendment made by this title shall not affect the liability of any person under any provision of law as in effect before the date of the enactment of this Act.

TITLE II—AGRICULTURAL TRADE

SEC. 201. PUBLIC LAW 480.

(a) GENERAL LEVELS OF ASSISTANCE.—Section 204(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724(a)) is amended—

(1) in paragraph (1)(E), by striking "for fiscal year 1995" and inserting "for each of fiscal years 1995 and 1996"; and

(2) in paragraph (2)(E), by striking "for fiscal year 1995" and inserting "for each of fiscal years 1995 and 1996".

(b) FOOD AID CONSULTATIVE GROUP.—Section 205(f) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1725(f)) is amended by striking "1995" and inserting "1996".

(c) AUTHORITY TO ENTER INTO AGREEMENTS.—Section 408 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736b) is amended by striking "1995" and inserting "1996".

(d) FARMER-TO-FARMER PROGRAM.—Section 501(c) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1737(c)) is amended by striking "1995" and inserting "1996".

SEC. 202. MARKET PROMOTION PROGRAM.

Effective October 1, 1995, section 211(c)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1)) is amended—

(1) by striking "and" after "1991 through 1993,"; and

(2) by striking "through 1997," and inserting "through 1995, and not more than $100,000,000 for each of fiscal years 1996 through 2002,".

SEC. 203. EXPORT ENHANCEMENT PROGRAM.

Effective October 1, 1995, section 301(e)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5651(e)(1)) is amended to read as follows:

"(1) IN GENERAL.—The Commodity Credit Corporation shall make available to carry out the program established under this section not more than—

"(A) $350,000,000 for fiscal year 1996;

"(B) $350,000,000 for fiscal year 1997;

"(C) $500,000,000 for fiscal year 1998;

"(D) $550,000,000 for fiscal year 1999;

"(E) $579,000,000 for fiscal year 2000;

"(F) $478,000,000 for fiscal year 2001; and

"(G) $478,000,000 for fiscal year 2002.".

SEC. 204. FOOD FOR PROGRESS.

Section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) is amended by striking "1995" each place it appears in subsections (g), (k), and (l)(1) and inserting "1996".

SEC. 205. EMERGING DEMOCRACIES.

Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 7 U.S.C. 5622 note) is amended—

(1) in subsection (a), by striking "1995" and inserting "1996"; and

(2) in subsection (d)(1)(A)(i), by striking "1995" and inserting "1996".

TITLE III—CONSERVATION

Subtitle A—Definitions

SEC. 301. DEFINITIONS.

Section 1201(a) of the Food Security Act of 1985 (16 U.S.C. 3801(a)) is amended—

(1) by redesignating paragraphs (3) through (16) as paragraphs (4) through (17), respectively; and

(2) by inserting after paragraph (2) the following:

"(3) CONSERVATION SYSTEM.—The term 'conservation system' means the conservation measures and practices that are approved for application by a producer to a highly erodible field and that provide for cost effective and practical erosion reduction on the field based on local resource conditions and standards contained in the Natural Resources Conservation Service field office technical guide.".

Subtitle B—Environmental Conservation Acreage Reserve Program

SEC. 311. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM.

Section 1230 of the Food Security Act of 1985 (16 U.S.C. 3830) is amended to read as follows:

"SEC. 1230. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—During the 1996 through 2002 calendar years, the Secretary shall establish an environmental conservation acreage reserve program (referred to in this section as 'ECARP') to be implemented through contracts and the acquisition of easements to assist owners and operators of farms and ranches to conserve and enhance soil, water, and related natural resources, including grazing land, wetland, and wildlife habitat.

"(2) MEANS.—The Secretary shall carry out the ECARP by—

"(A) providing for the long-term protection of environmentally sensitive land; and

"(B) providing technical and financial assistance to farmers and ranchers to—

"(i) improve the management and operation of the farms and ranches; and

"(ii) reconcile productivity and profitability with protection and enhancement of the environment.

"(3) PROGRAMS.—The ECARP shall consist of—

"(A) the conservation reserve program established under subchapter B;

"(B) the wetlands reserve program established under subchapter C; and

"(C) the environmental quality incentives program established under chapter 4.

"(b) ADMINISTRATION.—

"(1) IN GENERAL.—In carrying out the ECARP, the Secretary shall enter into contracts with owners and operators and acquire interests in land through easements from owners, as provided in this chapter and chapter 4.

"(2) PRIOR ENROLLMENTS.—Acreage enrolled in the conservation reserve or wetlands reserve program prior to the effective date of this paragraph shall be considered to be placed into the ECARP.

"(c) CONSERVATION PRIORITY AREAS.—

"(1) DESIGNATION.—

"(A) IN GENERAL.—The Secretary shall designate watersheds or regions of special environmental sensitivity, including the Chesapeake Bay Region (consisting of Pennsylvania, Maryland, and Virginia), the Great Lakes Region, and the Long Island Sound Region, as conservation priority areas that are eligible for enhanced assistance through the programs established under this chapter and chapter 4.

"(B) APPLICATION.—A designation shall be made under this paragraph if agricultural practices on land within the watershed or region pose a significant threat to soil, water, and related natural resources, as determined by the Secretary, and an application is made by—

"(i) a State agency in consultation with the State technical committee established under section 1261; or

"(ii) State agencies from several States that agree to form an interstate conservation priority area.

"(C) ASSISTANCE.—The Secretary shall designate a watershed or region of special environmental sensitivity as a conservation priority area to assist, to the maximum extent practicable, agricultural producers within the watershed or region to comply with nonpoint source pollution requirements under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) and other Federal and State environmental laws.

"(2) APPLICABILITY.—The Secretary shall designate a watershed or region of special environmental sensitivity as a conservation priority area in a manner that conforms, to the maximum extent practicable, to the functions and purposes of the conservation reserve, wetlands reserve, and environmental quality incentives programs, as applicable, if participation in the program or programs is likely to result in the resolution or amelioration of significant soil, water, and related natural resource problems related to agricultural production activities within the watershed or region.

"(3) TERMINATION.—A conservation priority area designation shall terminate on the date that is 5 years after the date of the designation, except that the Secretary may—

"(A) redesignate the area as a conservation priority area; or

"(B) withdraw the designation of a watershed or region if the Secretary determines the area is no longer affected by significant soil, water, and related natural resource impacts related to agricultural production activities.".

SEC. 312. CONSERVATION RESERVE PROGRAM.

(a) IN GENERAL.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended—

(1) by striking "1995" each place it appears and inserting "2002"; and

(2) in subsection (d), by striking "38,000,000" and inserting "36,400,000".

(b) DUTIES OF OWNERS AND OPERATORS.—Section 1232(c) of the Food Security Act of 1985 (16 U.S.C. 3832(c)) is amended by striking "1995" and inserting "2002".

SEC. 313. WETLANDS RESERVE PROGRAM.

(a) PURPOSES.—Section 1237(a) of the Food Security Act of 1985 (16 U.S.C. 3837(a)) is amended by striking "to assist owners of eligible lands in restoring and protecting wetlands" and inserting "to protect wetlands for purposes of enhancing water quality and providing wildlife benefits while recognizing landowner rights".

(b) ENROLLMENT.—Section 1237 of the Food Security Act of 1985 (16 U.S.C. 3837) is amended by striking subsection (b) and inserting the following:

"(b) MINIMUM ENROLLMENT.—The Secretary shall enroll into the wetlands reserve program—

"(1) during the 1996 through 2002 calendar years, a total of not more than 975,000 acres; and

"(2) beginning with offers accepted by the Secretary during calendar year 1997, to the maximum extent practicable, ⅓ of the acres in permanent easements, ⅓ of the acres in 30-year easements, and ⅓ of the acres in restoration cost-share agreements.".

(c) ELIGIBILITY.—Section 1237(c) of the Food Security Act of 1985 (16 U.S.C. 3837(c)) is amended—

(1) by striking "2000" and inserting "2002";

(2) by inserting "the land maximizes wildlife benefits and wetland values and functions and" after "determines that";

(3) in paragraph (1)—

(A) by striking "December 23, 1985" and inserting "January 1, 1996"; and

(B) by striking "and" at the end;

(4) by redesignating paragraph (2) as paragraph (3);

(5) by inserting after paragraph (1) the following:

"(2) enrollment of the land meets water quality goals through—

"(A) creation of tailwater pits or settlement ponds; or

"(B) enrollment of land that was enrolled (on the day before the effective date of this subparagraph) in the water bank program established under the Water Bank Act (16 U.S.C. 1301 et seq.) at a rate not to exceed the rates in effect under the program;";

(6) in paragraph (3) (as so redesignated), by striking the period at the end and inserting "; and"; and

(7) by adding at the end the following:

"(4) enrollment of the land maintains or improves wildlife habitat.".

(d) OTHER ELIGIBLE LANDS.—Section 1237(d) (16 U.S.C. 3837(d)) is amended by inserting after "subsection (c)" the following ", land that maximizes wildlife benefits and that is".

(e) EASEMENTS.—Section 1237A of the Food Security Act of 1985 (16 U.S.C. 3837a) is amended—

(1) in the section heading, by inserting before the period at the end the following: "**and agreements**";

(2) by striking subsection (c) and inserting the following:

"(c) RESTORATION PLANS.—The development of a restoration plan, including any compatible use, under this section shall be made through the local Natural Resources Conservation Service representative, in consultation with the State technical committee.";

(3) in subsection (f), by striking the third sentence and inserting the following: "Compensation may be provided in not less than 5, nor more than 30, annual payments of equal or unequal size, as agreed to by the owner and the Secretary."; and

(4) by adding at the end the following:

"(h) COST SHARE AGREEMENTS.—The Secretary may enroll land into the wetland reserve through agreements that require the landowner to restore wetlands on the land, if the agreement does not provide the Secretary with an easement.".

(f) COST SHARE AND TECHNICAL ASSISTANCE.—Section 1237C of the Food Security Act of 1985 (16 U.S.C. 3837c) is amended by striking subsection (b) and inserting the following:

"(b) COST SHARE AND TECHNICAL ASSISTANCE.—In the case of an easement entered into during the 1996 through 2002 calendar years, in making cost share payments under subsection (a)(1), the Secretary shall—

"(1) in the case of a permanent easement, pay the owner an amount that is not less than 75 percent, but not more than 100 percent, of the eligible costs;

"(2) in the case of a 30-year easement or a cost-share agreement, pay the owner an amount that is not less than 50 percent, but not more than 75 percent, of the eligible costs; and

"(3) provide owners technical assistance to assist landowners in complying with the terms of easements and agreements.".

SEC. 314. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.) is amended by adding at the end the following:

"CHAPTER 4—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

"SEC. 1238. FINDINGS AND PURPOSES.

"(a) FINDINGS.—Congress finds that—

"(1) farmers and ranchers cumulatively manage more than ½ of the private lands in the continental United States;

"(2) because of the predominance of agriculture, the soil, water, and related natural resources of the United States cannot be protected without cooperative relationships between the Federal Government and farmers and ranchers;

"(3) farmers and ranchers have made tremendous progress in protecting the environment and the agricultural resource base of the United States over the past decade because of not only Federal Government programs but also their spirit of stewardship and the adoption of effective technologies;

"(4) it is in the interest of the entire United States that farmers and ranchers continue to strive to preserve soil resources and make more efforts to protect water quality and wildlife habitat, and address other broad environmental concerns;

"(5) environmental strategies that stress the prudent management of resources, as opposed to idling land, will permit the maximum economic opportunities for farmers and ranchers in the future;

"(6) unnecessary bureaucratic and paperwork barriers associated with existing agricultural conservation assistance programs decrease the potential effectiveness of the programs; and

"(7) the recent trend of Federal spending on agricultural conservation programs suggests that assistance to farmers and ranchers in future years will, absent changes in policy, dwindle to perilously low levels.

"(b) PURPOSES.—The purposes of the environmental quality incentives program established by this chapter are to—

"(1) combine into a single program the functions of—

"(A) the agricultural conservation program authorized by sections 7 and 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g and 590h) (as in effect before the amendments made by section 355(a)(1) of the Agricultural Reform and Improvement Act of 1996);

"(B) the Great Plains conservation program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p(b)) (as in effect before the amendment made by section 355(b)(1) of the Agricultural Reform and Improvement Act of 1996); and

"(C) the water quality incentives program established under chapter 2 (as in effect before the amendment made by section 355(k) of the Agricultural Reform and Improvement Act of 1996); and

"(D) the Colorado River Basin salinity control program established under section 202(c) of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592(c)) (as in effect before the amendment made by section 355(c)(1) of the Agricultural Reform and Improvement Act of 1996); and

"(2) carry out the single program in a manner that maximizes environmental benefits per dollar expended, and that provides—

"(A) flexible technical and financial assistance to farmers and ranchers that face the most serious threats to soil, water, and related natural resources, including grazing lands, wetlands, and wildlife habitat;

"(B) assistance to farmers and ranchers in complying with this title and Federal and State environmental laws, and to encourage environmental enhancement;

"(C) assistance to farmers and ranchers in making beneficial, cost-effective changes to cropping systems, grazing management, manure, nutrient, pest, or irrigation management, land uses, or other measures needed to conserve and improve soil, water, and related natural resources; and

"(D) for the consolidation and simplification of the conservation planning process to reduce administrative burdens on the owners and operators of farms and ranches.

"SEC. 1238A. DEFINITIONS.

"In this chapter:

"(1) LAND MANAGEMENT PRACTICE.—The term 'land management practice' means nutrient or manure management, integrated pest management, irrigation management, tillage or residue management, grazing management, or another land management practice the Secretary determines is needed to protect soil, water, or related resources in the most cost effective manner.

"(2) LARGE CONFINED LIVESTOCK OPERATION.—The term 'large confined livestock operation' means a farm or ranch that—

"(A) is a confined animal feeding operation; and

"(B) has more than—

"(i) 700 mature dairy cattle;

"(ii) 10,000 beef cattle;

"(iii) 150,000 laying hens or broilers;

"(iv) 55,000 turkeys;

"(v) 15,000 swine; or

"(vi) 10,000 sheep or lambs.

"(3) LIVESTOCK.—The term 'livestock' means mature dairy cows, beef cattle, laying hens, broilers, turkeys, swine, sheep, or lambs.

"(4) OPERATOR.—The term 'operator' means a person who is engaged in crop or livestock production (as defined by the Secretary).

"(5) STRUCTURAL PRACTICE.—The term 'structural practice' means the establishment of an animal waste management facility, terrace, grassed waterway, contour grass strip, filterstrip, permanent wildlife habitat, or another structural practice that the Secretary determines is needed to protect soil, water, or related resources in the most cost effective manner.

"SEC. 1238B. ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—During the 1996 through 2002 fiscal years, the Secretary shall provide technical assistance, cost-sharing payments, and incentive payments to operators, who enter into contracts with the Secretary, through an environmental quality incentives program in accordance with this chapter.

"(2) ELIGIBLE PRACTICES.—

"(A) STRUCTURAL PRACTICES.—An operator who implements a structural practice shall be eligible for technical assistance or cost-sharing payments, or both.

"(B) LAND MANAGEMENT PRACTICES.—An operator who performs a land management practice shall be eligible for technical assistance or incentive payments, or both.

"(b) APPLICATION AND TERM.—A contract between an operator and the Secretary under this chapter may—

"(1) apply to 1 or more structural practices or 1 or more land management practices, or both; and

"(2) have a term of not less than 5, nor more than 10, years, as determined appropriate by the Secretary, depending on the practice or practices that are the basis of the contract.

"(c) STRUCTURAL PRACTICES.—

"(1) COMPETITIVE OFFER.—The Secretary shall administer a competitive offer system for operators proposing to receive cost-sharing payments in exchange for the implementation of 1 or more structural practices by the operator. The competitive offer system shall consist of—

"(A) the submission of a competitive offer by the operator in such manner as the Secretary may prescribe; and

"(B) evaluation of the offer in light of the priorities established in section 1238C and the projected cost of the proposal, as determined by the Secretary.

"(2) CONCURRENCE OF OWNER.—If the operator making an offer to implement a structural practice is a tenant of the land involved in agricultural production, for the offer to be acceptable, the operator shall obtain the concurrence of the owner of the land with respect to the offer.

"(d) LAND MANAGEMENT PRACTICES.—The Secretary shall establish an application and evaluation process for awarding technical assistance or incentive payments, or both, to an operator in exchange for the performance of 1 or more land management practices by the operator.

"(e) COST-SHARING AND INCENTIVE PAYMENTS.—

"(1) COST-SHARING PAYMENTS.—

"(A) IN GENERAL.—The Federal share of cost-sharing payments to an operator proposing to implement 1 or more structural practices shall not be less than 75 percent of the projected cost of the practice, as determined by the Secretary, taking into consideration any payment received by the operator from a State or local government.

"(B) LIMITATION.—An operator of a large confined livestock operation shall not be eligible for cost-sharing payments to construct an animal waste management facility.

"(C) OTHER PAYMENTS.—An operator shall not be eligible for cost-sharing payments for structural practices on eligible land under this chapter if the operator receives cost-sharing payments or other benefits for the same land under chapter 1 or 3.

"(2) INCENTIVE PAYMENTS.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage an operator to perform 1 or more land management practices.

"(f) TECHNICAL ASSISTANCE.—

"(1) FUNDING.—The Secretary shall allocate funding under this chapter for the provision of technical assistance according to the purpose and projected cost for which the technical assistance is provided in a fiscal year. The allocated amount may vary according to the type of expertise required, quantity of time involved, and other factors as determined appropriate by the Secretary. Funding shall not exceed the projected cost to the Secretary of the technical assistance provided in a fiscal year.

"(2) OTHER AUTHORITIES.—The receipt of technical assistance under this chapter shall not affect the eligibility of the operator to receive technical assistance under other authorities of law available to the Secretary.

"(g) MODIFICATION OR TERMINATION OF CONTRACTS.—

"(1) VOLUNTARY MODIFICATION OR TERMINATION.—The Secretary may modify or terminate a contract entered into with an operator under this chapter if—

"(A) the operator agrees to the modification or termination; and

"(B) the Secretary determines that the modification or termination is in the public interest.

"(2) INVOLUNTARY TERMINATION.—The Secretary may terminate a contract under this chapter if the Secretary determines that the operator violated the contract.

"(h) NON-FEDERAL ASSISTANCE.—

"(1) IN GENERAL.—The Secretary may request the services of a State water quality agency, State fish and wildlife agency, State forestry agency, or any other governmental or private resource considered appropriate to assist in providing the technical assistance necessary for the development and implementation of a structural practice or land management practice.

"(2) LIMITATION ON LIABILITY.—No person shall be permitted to bring or pursue any claim or action against any official or entity based on or resulting from any technical assistance provided to an operator under this chapter to assist in complying with a Federal or State environmental law.

"SEC. 1238C. EVALUATION OF OFFERS AND PAYMENTS.

"(a) REGIONAL PRIORITIES.—The Secretary shall provide technical assistance, cost-sharing payments, and incentive payments to operators in a region, watershed, or conservation priority area under this chapter based on the significance of the soil, water, and related natural resource problems in the region, watershed, or area, and the structural practices or land management practices that best address the problems, as determined by the Secretary.

"(b) MAXIMIZATION OF ENVIRONMENTAL BENEFITS.—

"(1) IN GENERAL.—In providing technical assistance, cost-sharing payments, and incentive payments to operators in regions, watersheds, or conservation priority areas under this chapter, the Secretary shall accord a higher priority to assistance and payments that maximize environmental benefits per dollar expended.

"(2) NATIONAL AND REGIONAL PRIORITY.—The prioritization shall be done nationally as well as within the conservation priority area, region, or watershed in which an agricultural operation is located.

"(3) CRITERIA.—To carry out this subsection, the Secretary shall establish criteria for implementing structural practices and land management practices that best achieve conservation goals for a region, watershed, or conservation priority area, as determined by the Secretary.

"(c) STATE OR LOCAL CONTRIBUTIONS.—The Secretary shall accord a higher priority to operators whose agricultural operations are located within watersheds, regions, or conservation priority areas in which State or local governments have provided, or will provide, financial or technical assistance to the operators for the same conservation or environmental purposes.

"(d) PRIORITY LANDS.—The Secretary shall accord a higher priority to structural practices or land management practices on lands on which agricultural production has been determined to contribute to, or create, the potential for failure to meet applicable water quality standards or other environmental objectives of a Federal or State law.

"SEC. 1238D. DUTIES OF OPERATORS.

"To receive technical assistance, cost-sharing payments, or incentives payments under this chapter, an operator shall agree—

"(1) to implement an environmental quality incentives program plan that describes conservation and environmental goals to be achieved through a structural practice or land management practice, or both, that is approved by the Secretary;

"(2) not to conduct any practices on the farm or ranch that would tend to defeat the purposes of this chapter;

"(3) on the violation of a term or condition of the contract at any time the operator has control of the land, to refund any cost-sharing or incentive payment received with interest, and forfeit any future payments under this chapter, as determined by the Secretary;

"(4) on the transfer of the right and interest of the operator in land subject to the contract, unless the transferee of the right and interest agrees with the Secretary to assume all obligations of the contract, to refund all cost-sharing payments and incentive payments received under this chapter, as determined by the Secretary;

"(5) to supply information as required by the Secretary to determine compliance with the environmental quality incentives program plan and requirements of the program; and

"(6) to comply with such additional provisions as the Secretary determines are necessary to carry out the environmental quality incentives program plan.

"SEC. 1238E. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

"An environmental quality incentives program plan shall include (as determined by the Secretary)—

"(1) a description of the prevailing farm or ranch enterprises, cropping patterns, grazing management, cultural practices, or other information that may be relevant to conserving and enhancing soil, water, and related natural resources;

"(2) a description of relevant farm or ranch resources, including soil characteristics, rangeland types and condition, proximity to water bodies, wildlife habitat, or other relevant characteristics of the farm or ranch related to the conservation and environmental objectives set forth in the plan;

"(3) a description of specific conservation and environmental objectives to be achieved;

"(4) to the extent practicable, specific, quantitative goals for achieving the conservation and environmental objectives;

"(5) a description of 1 or more structural practices or 1 or more land management practices, or both, to be implemented to achieve the conservation and environmental objectives;

"(6) a description of the timing and sequence for implementing the structural practices or land management practices, or both, that will assist the operator in complying with Federal and State environmental laws; and

"(7) information that will enable evaluation of the effectiveness of the plan in achieving the conservation and environmental objectives, and that will enable evaluation of the degree to which the plan has been implemented.

"SEC. 1238F. DUTIES OF THE SECRETARY.

"To the extent appropriate, the Secretary shall assist an operator in achieving the conservation and environmental goals of an environmental quality incentives program plan by—

"(1) providing an eligibility assessment of the farming or ranching operation of the operator as a basis for developing the plan;

"(2) providing technical assistance in developing and implementing the plan;

"(3) providing technical assistance, cost-sharing payments, or incentive payments for developing and implementing 1 or more structural practices or 1 or more land management practices, as appropriate;

"(4) providing the operator with information, education, and training to aid in implementation of the plan; and

"(5) encouraging the operator to obtain technical assistance, cost-sharing payments, or grants from other Federal, State, local, or private sources.

"SEC. 1238G. ELIGIBLE LANDS.

"Agricultural land on which a structural practice or land management practice, or both, shall be eligible for technical assistance, cost-sharing payments, or incentive payments under this chapter include—

"(1) agricultural land (including cropland, rangeland, pasture, and other land on which crops or livestock are produced) that the Secretary determines poses a serious threat to soil, water, or related resources by reason of the soil types, terrain, climatic, soil, topographic, flood, or saline characteristics, or other factors or natural hazards;

"(2) an area that is considered to be critical agricultural land on which either crop or livestock production is carried out, as identified in a plan submitted by the State under section 319 of the Federal Water Pollution Control Act (33 U.S.C. 1329) as having priority problems that result from an agricultural nonpoint source of pollution;

"(3) an area recommended by a State lead agency for protection of soil, water, and related resources, as designated by a Governor of a State; and

"(4) land that is not located within a designated or approved area, but that if permitted to continue to be operated under existing management practices, would defeat the purpose of the environmental quality incentives program, as determined by the Secretary.

"SEC. 1238H. LIMITATIONS ON PAYMENTS.

"(a) Payments.—The total amount of cost-sharing and incentive payments paid to a person under this chapter may not exceed—

"(1) $10,000 for any fiscal year; or

"(2) $50,000 for any multiyear contract.

"(b) Regulations.—The Secretary shall issue regulations that are consistent with section 1001 for the purpose of—

"(1) defining the term 'person' as used in subsection (a); and

"(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations contained in subsection (a).".

Subtitle C—Conservation Funding

SEC. 321. CONSERVATION FUNDING.

(a) In General.—Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) is amended to read as follows:

"Subtitle E—Funding

"SEC. 1241. FUNDING.

"(a) Mandatory Expenses.—For each of fiscal years 1996 through 2002, the Secretary shall use the funds of the Commodity Credit Corporation to carry out the programs authorized by—

"(1) subchapter B of chapter 1 of subtitle D (including contracts extended by the Secretary pursuant to section 1437 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 16 U.S.C. 3831 note));

"(2) subchapter C of chapter 1 of subtitle D; and

"(3) chapter 4 of subtitle D.

"(b) Environmental Quality Incentives Program.—

"(1) In general.—For each of fiscal years 1996 through 2002, $200,000,000 of the funds of the Commodity Credit Corporation shall be available for providing technical assistance, cost-sharing payments, and incentive payments under the environmental quality incentives program under chapter 4 of subtitle D.

"(2) Livestock production.—For each of fiscal years 1996 through 2002, 50 percent of the funding available for technical assistance, cost-sharing payments, and incentive payments under the environmental quality incentives program shall be targeted at practices relating to livestock production.

"(c) Advance Appropriations to CCC.—The Secretary may use the funds of the Commodity Credit Corporation to carry out chapter 3 of subtitle D, except that the Secretary may not use the funds of the Corporation unless the Corporation has received funds to cover the expenditures from appropriations made available to carry out chapter 3 of subtitle D.

"SEC. 1242. ADMINISTRATION.

"(a) Plans.—The Secretary shall, to the extent practicable, avoid duplication in—

"(1) the conservation plans required for—

"(A) highly erodible land conservation under subtitle B;

"(B) the conservation reserve program established under subchapter B of chapter 1 of subtitle D; and

"(C) the wetlands reserve program established under subchapter C of chapter 1 of subtitle D; and

"(2) the environmental quality incentives program established under chapter 4 of subtitle D.

"(b) Acreage Limitation.—

"(1) In general.—The Secretary shall not enroll more than 25 percent of the cropland in any county in the programs administered under the conservation reserve and wetlands reserve programs established under subchapters B and C, respectively, of chapter 1 of subtitle D. Not more than 10 percent of the cropland in a county may be subject to an easement acquired under the subchapters.

"(2) Exception.—The Secretary may exceed the limitations in paragraph (1) if the Secretary determines that—

"(A) the action would not adversely affect the local economy of a county; and

"(B) operators in the county are having difficulties complying with conservation plans implemented under section 1212.

"(3) Shelterbelts and windbreaks.—The limitations established under this subsection shall not apply to cropland that is subject to an easement under chapter 1 or 3 of subtitle D that is used for the establishment of shelterbelts and windbreaks.

"(c) Tenant Protection.—Except for a person who is a tenant on land that is subject to a conservation reserve contract that has been extended by the Secretary, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under the programs established under subtitles B through D.

"(d) Regulations.—Not later than 90 days after the effective date of this subsection, the Secretary shall issue regulations to implement the conservation reserve and wetlands reserve programs established under chapter 1 of subtitle D.".

Subtitle D—National Natural Resources Conservation Foundation

SEC. 331. SHORT TITLE.

This subtitle may be cited as the "National Natural Resources Conservation Foundation Act".

SEC. 332. DEFINITIONS.

In this subtitle (unless the context otherwise requires):

(1) Board.—The term "Board" means the Board of Trustees established under section 334.

(2) Department.—The term "Department" means the United States Department of Agriculture.

(3) Foundation.—The term "Foundation" means the National Natural Resources Conservation Foundation established by section 333(a).

(4) Secretary.—The term "Secretary" means the Secretary of Agriculture.

SEC. 333. NATIONAL NATURAL RESOURCES CONSERVATION FOUNDATION.

(a) Establishment.—A National Natural Resources Conservation Foundation is established as a charitable and nonprofit corporation for charitable, scientific, and educational purposes specified in subsection (b). The Foundation is not an agency or instrumentality of the United States.

(b) Purposes.—The purposes of the Foundation are to—

(1) promote innovative solutions to the problems associated with the conservation of natural resources on private lands, particularly with respect to agriculture and soil and water conservation;

(2) promote voluntary partnerships between government and private interests in the conservation of natural resources;

(3) conduct research and undertake educational activities, conduct and support demonstration projects, and make grants to State and local agencies and nonprofit organizations;

(4) provide such other leadership and support as may be necessary to address conservation challenges, such as the prevention of excessive soil erosion, enhancement of soil and water quality, and the protection of wetlands, wildlife habitat, and strategically important farmland subject to urban conversion and fragmentation;

(5) encourage, accept, and administer private gifts of money and real and personal property for the benefit of, or in connection with, the conservation and related activities and services of the Department, particularly the Natural Resources Conservation Service;

(6) undertake, conduct, and encourage educational, technical, and other assistance, and other activities, that support the conservation and related programs administered by the Department (other than activities carried out on National Forest System lands), particularly the Natural Resources Conservation Service, except that the Foundation may not enforce or administer a regulation of the Department; and

(7) raise private funds to promote the purposes of the Foundation.

(c) Limitations and Conflicts of Interests.—

(1) Political activities.—The Foundation shall not participate or intervene in a political campaign on behalf of any candidate for public office.

(2) Conflicts of interest.—No director, officer, or employee of the Foundation shall participate, directly or indirectly, in the consideration or determination of any question before the Foundation affecting—

(A) the financial interests of the director, officer, or employee; or

(B) the interests of any corporation, partnership, entity, organization, or other person in which the director, officer, or employee—

(i) is an officer, director, or trustee; or

(ii) has any direct or indirect financial interest.

(3) Legislation or government action or policy.—No funds of the Foundation may be used in any manner for the purpose of influencing legislation or government action or policy.

(4) Litigation.—No funds of the Foundation may be used to bring or join an action against the United States or any State.

SEC. 334. COMPOSITION AND OPERATION.

(a) Composition.—The Foundation shall be administered by a Board of Trustees that shall consist of 9 voting members, each of whom shall be a United States citizen and not a Federal officer. The Board shall be composed of—

(1) individuals with expertise in agricultural conservation policy matters;

(2) a representative of private sector organizations with a demonstrable interest in natural resources conservation;

(3) a representative of statewide conservation organizations;

(4) a representative of soil and water conservation districts;

(5) a representative of organizations outside the Federal Government that are dedicated to natural resources conservation education; and

(6) a farmer or rancher.

(b) NONGOVERNMENTAL EMPLOYEES.—Service as a member of the Board shall not constitute employment by, or the holding of, an office of the United States for the purposes of any Federal law.

(c) MEMBERSHIP.—

(1) INITIAL MEMBERS.—The Secretary shall appoint 9 persons who meet the criteria established under subsection (a) as the initial members of the Board and designate 1 of the members as the initial chairperson for a 2-year term.

(2) TERMS OF OFFICE.—

(A) IN GENERAL.—A member of the Board shall serve for a term of 3 years, except that the members appointed to the initial Board shall serve, proportionately, for terms of 1, 2, and 3 years, as determined by the Secretary.

(B) LIMITATION ON TERMS.—No individual may serve more than 2 consecutive 3-year terms as a member.

(3) SUBSEQUENT MEMBERS.—The initial members of the Board shall adopt procedures in the constitution of the Foundation for the nomination and selection of subsequent members of the Board. The procedures shall require that each member, at a minimum, meets the criteria established under subsection (a) and shall provide for the selection of an individual, who is not a Federal officer or a member of the Board.

(d) CHAIRPERSON.—After the appointment of an initial chairperson under subsection (c)(1), each succeeding chairperson of the Board shall be elected by the members of the Board for a 2-year term.

(e) VACANCIES.—A vacancy on the Board shall be filled by the Board not later than 60 days after the occurrence of the vacancy.

(f) COMPENSATION.—A member of the Board shall receive no compensation from the Foundation for the service of the member on the Board.

(g) TRAVEL EXPENSES.—While away from the home or regular place of business of a member of the Board in the performance of services for the Board, the member shall be allowed travel expenses paid by the Foundation, including per diem in lieu of subsistence, at the same rate as a person employed intermittently in the Government service would be allowed under section 5703 of title 5, United States Code.

SEC. 335. OFFICERS AND EMPLOYEES.

(a) IN GENERAL.—The Board may—

(1) appoint, hire, and discharge the officers and employees of the Foundation, other than the appointment of the initial Executive Director of the Foundation;

(2) adopt a constitution and bylaws for the Foundation that are consistent with the purposes of the Foundation and this subtitle; and

(3) undertake any other activities that may be necessary to carry out this subtitle.

(b) OFFICERS AND EMPLOYEES.—

(1) APPOINTMENT AND HIRING.—An officer or employee of the Foundation—

(A) shall not, by virtue of the appointment or employment of the officer or employee, be considered a Federal employee for any purpose, including the provisions of title 5, United States Code, governing appointments in the competitive service, except that such an individual may participate in the Federal employee retirement system as if the individual were a Federal employee; and

(B) may not be paid by the Foundation a salary in excess of $125,000 per year.

(2) EXECUTIVE DIRECTOR.—

(A) INITIAL DIRECTOR.—The Secretary shall appoint an individual to serve as the initial Executive Director of the Foundation who shall serve, at the direction of the Board, as the chief operating officer of the Foundation.

(B) SUBSEQUENT DIRECTORS.—The Board shall appoint each subsequent Executive Director of the Foundation who shall serve, at the direction of the Board, as the chief operating officer of the Foundation.

(C) QUALIFICATIONS.—The Executive Director shall be knowledgeable and experienced in matters relating to natural resources conservation.

SEC. 336. CORPORATE POWERS AND OBLIGATIONS OF THE FOUNDATION.

(a) IN GENERAL.—The Foundation—

(1) may conduct business throughout the United States and the territories and possessions of the United States; and

(2) shall at all times maintain a designated agent who is authorized to accept service of process for the Foundation, so that the serving of notice to, or service of process on, the agent, or mailed to the business address of the agent, shall be considered as service on or notice to the Foundation.

(b) SEAL.—The Foundation shall have an official seal selected by the Board that shall be judicially noticed.

(c) POWERS.—To carry out the purposes of the Foundation under section 333(b), the Foundation shall have, in addition to the powers otherwise provided under this subtitle, the usual powers of a corporation, including the power—

(1) to accept, receive, solicit, hold, administer, and use any gift, devise, or bequest, either absolutely or in trust, of real or personal property or any income from, or other interest in, the gift, devise, or bequest;

(2) to acquire by purchase or exchange any real or personal property or interest in property, except that funds provided under section 310 may not be used to purchase an interest in real property;

(3) unless otherwise required by instrument of transfer, to sell, donate, lease, invest, reinvest, retain, or otherwise dispose of any property or income from property;

(4) to borrow money from private sources and issue bonds, debentures, or other debt instruments, subject to section 339, except that the aggregate amount of the borrowing and debt instruments outstanding at any time may not exceed $1,000,000;

(5) to sue and be sued, and complain and defend itself, in any court of competent jurisdiction, except that a member of the Board shall not be personally liable for an action in the performance of services for the Board, except for gross negligence;

(6) to enter into a contract or other agreement with an agency of State or local government, educational institution, or other private organization or person and to make such payments as may be necessary to carry out the functions of the Foundation; and

(7) to do any and all acts that are necessary to carry out the purposes of the Foundation.

(d) INTEREST IN PROPERTY.—

(1) IN GENERAL.—The Foundation may acquire, hold, and dispose of lands, waters, or other interests in real property by donation, gift, devise, purchase, or exchange.

(2) INTERESTS IN REAL PROPERTY.—For purposes of this subtitle, an interest in real property shall be treated, among other things, as including an easement or other right for the preservation, conservation, protection, or enhancement of agricultural, natural, scenic, historic, scientific, educational, inspirational, or recreational resources.

(3) GIFTS.—A gift, devise, or bequest may be accepted by the Foundation even though the gift, devise, or bequest is encumbered, restricted, or subject to a beneficial interest of a private person if any current or future interest in the gift, devise, or bequest is for the benefit of the Foundation.

SEC. 337. ADMINISTRATIVE SERVICES AND SUPPORT.

For each of fiscal years 1996 through 1998, the Secretary may provide, without reimbursement, personnel, facilities, and other administrative services of the Department to the Foundation.

SEC. 338. AUDITS AND PETITION OF ATTORNEY GENERAL FOR EQUITABLE RELIEF.

(a) AUDITS.—

(1) IN GENERAL.—The accounts of the Foundation shall be audited in accordance with Public Law 88–504 (36 U.S.C. 1101 et seq.), including an audit of lobbying and litigation activities carried out by the Foundation.

(2) CONFORMING AMENDMENT.—The first section of Public Law 88–504 (36 U.S.C. 1101) is amended by adding at the end the following:

"(77) The National Natural Resources Conservation Foundation.".

(b) RELIEF WITH RESPECT TO CERTAIN FOUNDATION ACTS OR FAILURE TO ACT.—The Attorney General may petition in the United States District Court for the District of Columbia for such equitable relief as may be necessary or appropriate, if the Foundation—

(1) engages in, or threatens to engage in, any act, practice, or policy that is inconsistent with this subtitle; or

(2) refuses, fails, neglects, or threatens to refuse, fail, or neglect, to discharge the obligations of the Foundation under this subtitle.

SEC. 339. RELEASE FROM LIABILITY.

(a) IN GENERAL.—The United States shall not be liable for any debt, default, act, or omission of the Foundation. The full faith and credit of the United States shall not extend to the Foundation.

(b) STATEMENT.—An obligation issued by the Foundation, and a document offering an obligation, shall include a prominent statement that the obligation is not directly or indirectly guaranteed, in whole or in part, by the United States (or an agency or instrumentality of the United States).

SEC. 340. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Department to be made available to the Foundation $1,000,000 for each of fiscal years 1997 through 1999 to initially establish and carry out activities of the Foundation.

Subtitle E—Miscellaneous

SEC. 351. FLOOD RISK REDUCTION.

(a) IN GENERAL.—During fiscal years 1996 through 2002, the Secretary of Agriculture (referred to in this section as the "Secretary") may enter into a contract with contract acreage under title I on a farm with land that is frequently flooded.

(b) DUTIES OF PRODUCERS.—Under the terms of the contract, with respect to acres that are subject to the contract, the producer must agree to—

(1) the termination of any contract acreage;

(2) forgo loans for contract commodities, oilseeds, and extra long staple cotton;

(3) not apply for crop insurance issued or reinsured by the Secretary;

(4) comply with applicable wetlands and high erodible land conservation compliance requirements established under title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.);

(5) not apply for any conservation program payments from the Secretary;

(6) not apply for disaster program benefits provided by the Secretary; and

(7) refund the payments, with interest, issued under the flood risk reduction contract to the Secretary, if the producer violates the terms of the contract or if the producer transfers the property to another person who violates the contract.

(c) DUTIES OF SECRETARY.—In return for a flood risk reduction contract entered into by a producer under this section, the Secretary shall agree to pay the producer for the 1996 through 2002 crops not more than 95 percent of the projected contract payments under title I, and not more than 95 percent of the projected payments and subsidies from the Federal Crop Insurance Corporation.

(d) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

SEC. 352. FORESTRY.

(a) FORESTRY INCENTIVES PROGRAM.—Section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103) is amended by striking subsection (k).

(b) OFFICE OF INTERNATIONAL FORESTRY.—Section 2405 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6704) is amended by adding at the end the following:

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized each fiscal year such sums as are necessary to carry out this section.".

SEC. 353. STATE TECHNICAL COMMITTEES.

Section 1261(c) of the Food Security Act of 1985 (16 U.S.C. 3861(c)) is amended—

(1) in paragraph (7), by striking "and" at the end;

(2) in paragraph (8), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(9) agricultural producers.".

SEC. 354. CONSERVATION OF PRIVATE GRAZING LAND.

(a) FINDINGS.—Congress finds that—

(1) privately owned grazing land constitutes nearly one-half of the non-Federal land of the United States and is basic to the environmental, social, and economic stability of rural communities;

(2) privately owned grazing land contains a complex set of interactions among soil, water, air, plants, and animals;

(3) grazing land constitutes the single largest watershed cover type in the United States and contributes significantly to the quality and quantity of water available for all of the many uses of the land;

(4) private grazing land constitutes the most extensive wildlife habitat in the United States;

(5) private grazing land can provide opportunities for improved nutrient management from land application of animal manures and other by-product nutrient resources;

(6) owners and managers of private grazing land need to continue to recognize conservation problems when the problems arise and receive sound technical assistance to improve or conserve grazing land resources to meet ecological and economic demands;

(7) new science and technology must continually be made available in a practical manner so owners and managers of private grazing land may make informed decisions concerning vital grazing land resources;

(8) agencies of the Department of Agriculture with private grazing land responsibilities are the agencies that have the expertise and experience to provide technical assistance, education, and research to owners and managers of private grazing land for the long-term productivity and ecological health of grazing land;

(9) although competing demands on private grazing land resources are greater than ever before, assistance to private owners and managers of private grazing land is currently limited and does not meet the demand and basic need for adequately sustaining or enhancing the private grazing lands resources; and

(10) privately owned grazing land can be enhanced to provide many benefits to all Americans through voluntary cooperation among owners and managers of the land, local conservation districts, and the agencies of the Department of Agriculture responsible for providing assistance to owners and managers of land and to conservation districts.

(b) PURPOSE.—It is the purpose of this section to authorize the Secretary of Agriculture to provide a coordinated technical, educational, and related assistance program to conserve and enhance private grazing land resources and provide related benefits to all citizens of the United States by—

(1) establishing a coordinated and cooperative Federal, State, and local grazing conservation program for management of private grazing land;

(2) strengthening technical, educational, and related assistance programs that provide assistance to owners and managers of private grazing land;

(3) conserving and improving wildlife habitat on private grazing land;

(4) conserving and improving fish habitat and aquatic systems through grazing land conservation treatment;

(5) protecting and improving water quality;

(6) improving the dependability and consistency of water supplies;

(7) identifying and managing weed, noxious weed, and brush encroachment problems on private grazing land; and

(8) integrating conservation planning and management decisions by owners and managers of private grazing land, on a voluntary basis.

(c) DEFINITIONS.—In this section:

(1) PRIVATE GRAZING LAND.—The term "private grazing land" means privately owned, State-owned, tribally-owned, and any other non-federally owned rangeland, pastureland, grazed forest land, and hay land.

(2) SECRETARY.—The term "Secretary" means the Secretary of Agriculture, acting through the Natural Resources Conservation Service.

(d) PRIVATE GRAZING LAND CONSERVATION ASSISTANCE.—

(1) ASSISTANCE TO GRAZING LANDOWNERS AND OTHERS.—Subject to the availability of appropriations, the Secretary shall establish a voluntary program to provide technical, educational, and related assistance to owners and managers of private grazing land and public agencies, through local conservation districts, to enable the landowners, managers, and public agencies to voluntarily carry out activities that are consistent with this section, including—

(A) maintaining and improving private grazing land and the multiple values and uses that depend on private grazing land;

(B) implementing grazing land management technologies;

(C) managing resources on private grazing land, including—

(i) planning, managing, and treating private grazing land resources;

(ii) ensuring the long-term sustainability of private grazing land resources;

(iii) harvesting, processing, and marketing private grazing land resources; and

(iv) identifying and managing weed, noxious weed, and brush encroachment problems;

(D) protecting and improving the quality and quantity of water yields from private grazing land;

(E) maintaining and improving wildlife and fish habitat on private grazing land;

(F) enhancing recreational opportunities on private grazing land;

(G) maintaining and improving the aesthetic character of private grazing lands; and

(H) identifying the opportunities and encouraging the diversification of private grazing land enterprises.

(2) PROGRAM ELEMENTS.—

(A) FUNDING.—The program under paragraph (1) shall be funded through a specific line-item in the annual appropriations for the Natural Resources Conservation Service.

(B) TECHNICAL ASSISTANCE AND EDUCATION.—Personnel of the Department of Agriculture trained in pasture and range management shall be made available under the program to deliver and coordinate technical assistance and education to owners and managers of private grazing land, at the request of the owners and managers.

(e) GRAZING TECHNICAL ASSISTANCE SELF-HELP.—

(1) FINDINGS.—Congress finds that—

(A) there is a severe lack of technical assistance for grazing producers;

(B) the Federal budget precludes any significant expansion, and may force a reduction of, current levels of technical support; and

(C) farmers and ranchers have a history of cooperatively working together to address common needs in the promotion of their products and in the drainage of wet areas through drainage districts.

(2) ESTABLISHMENT OF GRAZING DEMONSTRATION.—The Secretary may establish 2 grazing management demonstration districts at the recommendation of the Grazing Lands Conservation Initiative Steering Committee.

(3) PROCEDURE.—

(A) PROPOSAL.—Within a reasonable time after the submission of a request of an organization of farmers or ranchers engaged in grazing, the Secretary shall propose that a grazing management district be established.

(B) FUNDING.—The terms and conditions of the funding and operation of the grazing management district shall be proposed by the producers.

(C) APPROVAL.—The Secretary shall approve the proposal if the Secretary determines that the proposal—

(i) is reasonable;

(ii) will promote sound grazing practices; and

(iii) contains provisions similar to the provisions contained in the promotion orders in effect on the effective date of this section.

(D) AREA INCLUDED.—The area proposed to be included in a grazing management district shall be determined by the Secretary on the basis of a petition by farmers or ranchers.

(E) AUTHORIZATION.—The Secretary may use authority under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to operate, on a demonstration basis, a grazing management district.

(F) ACTIVITIES.—The activities of a grazing management district shall be scientifically sound activities, as determined by the Secretary in consultation with a technical advisory committee composed of ranchers, farmers, and technical experts.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

(1) $20,000,000 for fiscal year 1996;

(2) $40,000,000 for fiscal year 1997; and

(3) $60,000,000 for fiscal year 1998 and each subsequent fiscal year.

SEC. 355. CONFORMING AMENDMENTS.

(a) AGRICULTURAL CONSERVATION PROGRAM.—

(1) ELIMINATION.—

(A) Section 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h) is amended—

(i) in subsection (b)—

(I) by striking paragraphs (1) through (4) and inserting the following:

"(1) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—The Secretary shall provide technical assistance, cost share payments, and incentive payments to operators through the environmental quality incentives program in accordance with chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)."; and

(II) by striking paragraphs (6) through (8); and

(ii) by striking subsections (d), (e), and (f).

(B) The first sentence of section 11 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590k) is amended by striking "performance: *Provided further*," and all that follows through "or other law" and inserting "performance".

(C) Section 14 of the Act (16 U.S.C. 590n) is amended—

(i) in the first sentence, by striking "or 8"; and

(ii) by striking the second sentence.

(D) Section 15 of the Act (16 U.S.C. 590o) is amended—

(i) in the first undesignated paragraph—

(I) in the first sentence, by striking "sections 7 and 8" and inserting "section 7"; and

(II) by striking the third sentence; and

(ii) by striking the second undesignated paragraph.

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of the last proviso of the matter under the heading "CONSERVATION RESERVE PROGRAM" under the heading "SOIL BANK PROGRAMS" of title I of the Department of Agriculture and Farm Credit Administration Appropriation Act, 1959 (72 Stat. 195; 7 U.S.C. 1831a) is amended by striking "Agricultural Conservation Program" and inserting "environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)".

(B) Section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103) is amended by striking "as added by the Agriculture and Consumer Protection Act of 1973" each place it appears in subsections (d) and (i) and inserting "as in effect before the amendment made by section 355(a)(1) of the Agricultural Reform and Improvement Act of 1996".

(C) Section 226(b)(4) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6932(b)(4)) is amended by striking "and the agricultural conservation program under the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g et seq.)".

(D) Section 246(b)(8) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)(8)) is amended by striking "and the agricultural conservation program under the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g et seq.)".

(E) Section 1271(c)(3)(C) of the Food, Agriculture, Conservation, and Trade Act of 1990 (16 U.S.C. 2106a(c)(3)(C)) is amended by striking "Agricultural Conservation Program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h, 590l, or 590p)" and inserting "environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)".

(F) Section 126(a)(5) of the Internal Revenue Code of 1986 is amended to read as follows:

"(5) The environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.).".

(G) Section 304(a) of the Lake Champlain Special Designation Act of 1990 (Public Law 101–596; 33 U.S.C. 1270 note) is amended—

(i) in the subsection heading, by striking "SPECIAL PROJECT AREA UNDER THE AGRICULTURAL CONSERVATION PROGRAM" and inserting "A PRIORITY AREA UNDER THE ENVIRONMENTAL QUALITY INCENTIVES PROGRAM"; and

(ii) in paragraph (1), by striking "special project area under the Agricultural Conservation Program established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b))" and inserting "priority area under the environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)".

(H) Section 6 of the Department of Agriculture Organic Act of 1956 (70 Stat. 1033) is amended by striking subsection (b).

(b) GREAT PLAINS CONSERVATION PROGRAM.—

(1) ELIMINATION.—Section 16 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p) is repealed.

(2) CONFORMING AMENDMENTS.—

(A) The Agricultural Adjustment Act of 1938 is amended by striking "Great Plains program" each place it appears in sections 344(f)(8) and 377 (7 U.S.C. 1344(f)(8) and 1377) and inserting "environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)".

(B) Section 246(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)) is amended by striking paragraph (2).

(C) Section 126(a) of the Internal Revenue Code of 1986 is amended—

(i) by striking paragraph (6); and

(ii) by redesignating paragraphs (7) through (10) as paragraphs (6) through (9), respectively.

(c) COLORADO RIVER BASIN SALINITY CONTROL PROGRAM.—

(1) ELIMINATION.—Section 202 of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592) is amended by striking subsection (c).

(2) CONFORMING AMENDMENT.—Section 246(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)) is amended by striking paragraph (6).

(d) RURAL ENVIRONMENTAL CONSERVATION PROGRAM.—

(1) ELIMINATION.—Title X of the Agricultural Act of 1970 (16 U.S.C. 1501 et seq.) is repealed.

(2) CONFORMING AMENDMENTS.—Section 246(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)) is amended—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) through (8) as paragraphs (1) through (7), respectively.

(e) OTHER CONSERVATION PROVISIONS.—Subtitle F of title XII of the Food Security Act of 1985 (16 U.S.C. 2005a and 2101 note) is repealed.

(f) COMMODITY CREDIT CORPORATION CHARTER ACT.—Section 5(g) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(g)) is amended to read as follows:

"(g) Carry out conservation functions and programs.".

(g) RESOURCE CONSERVATION.—

(1) ELIMINATION.—Subtitles A, B, D, E, F, G, and J of title XV of the Agriculture and Food Act of 1981 (95 Stat. 1328; 16 U.S.C. 3401 et seq.) are repealed.

(2) CONFORMING AMENDMENT.—Section 739 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1982 (7 U.S.C. 2272a), is repealed.

(h) ENVIRONMENTAL EASEMENT PROGRAM.—Section 1239(a) of the Food Security Act of 1985 (16 U.S.C. 3839(a)) is amended by striking "1991 through 1995" and inserting "1996 through 2002".

(i) RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.—Section 1538 of the Agriculture and Food Act of 1981 (16 U.S.C. 3461) is amended by striking "1991 through 1995" and inserting "1996 through 2002".

(j) TECHNICAL AMENDMENT.—The first sentence of the matter under the heading "Commodity Credit Corporation" of Public Law 99–263 (100 Stat. 59; 16 U.S.C. 3841 note) is amended by striking ": Provided further," and all that follows through "Acts".

(k) AGRICULTURAL WATER QUALITY INCENTIVES PROGRAM.—Chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.) is repealed.

TITLE IV—NUTRITION ASSISTANCE

SEC. 401. FOOD STAMP PROGRAM.

(a) EMPLOYMENT AND TRAINING.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended by striking "1995" each place it appears and inserting "2002".

(b) AUTHORIZATION OF PILOT PROJECTS.—The last sentence of section 17(b)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(A)) is amended by striking "1995" and inserting "2002".

(c) OUTREACH DEMONSTRATION PROJECTS.—The first sentence of section 17(j)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(j)(1)(A)) is amended by striking "1995" and inserting "2002".

(d) AUTHORIZATION FOR APPROPRIATIONS.—The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking "1995" and inserting "2002".

(e) REAUTHORIZATION OF PUERTO RICO NUTRITION ASSISTANCE PROGRAM.—The first sentence of section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended by striking "$974,000,000" and all that follows through "fiscal year 1995" and inserting "$1,143,000,000 for fiscal year 1996,

$1,174,000,000 for fiscal year 1997, $1,204,000,000 for fiscal year 1998, $1,236,000,000 for fiscal year 1999, $1,268,000,000 for fiscal year 2000, $1,301,000,000 for fiscal year 2001, and $1,335,000,000 for fiscal year 2002".

(f) AMERICAN SAMOA.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

"SEC. 24. TERRITORY OF AMERICAN SAMOA.

"From amounts made available to carry out this Act, the Secretary may pay to the Territory of American Samoa not more than $5,300,000 for each of fiscal years 1996 through 2002 to finance 100 percent of the expenditures for the fiscal year for a nutrition assistance program extended under section 601(c) of Public Law 96–597 (48 U.S.C. 1469d(c)).".

SEC. 402. COMMODITY DISTRIBUTION PROGRAM; COMMODITY SUPPLEMENTAL FOOD PROGRAM.

(a) REAUTHORIZATION.—The first sentence of section 4(a) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(b) FUNDING.—Section 5 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) is amended—

(1) in subsection (a)(2), by striking "1995" and inserting "2002"; and

(2) in subsection (d)(2), by striking "1995" and inserting "2002".

SEC. 403. EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) REAUTHORIZATION.—The first sentence of section 204(a)(1) of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(b) PROGRAM TERMINATION.—Section 212 of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(c) REQUIRED PURCHASES OF COMMODITIES.—Section 214 of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking "1995" and inserting "2002"; and

(2) in subsection (e), by striking "1995" each place it appears and inserting "2002".

SEC. 404. SOUP KITCHENS PROGRAM.

Section 110 of the Hunger Prevention Act of 1988 (Public Law 100–435; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking "1995" and inserting "2002"; and

(2) in subsection (c)(2)—

(A) in the paragraph heading, by striking "1995" and inserting "2002"; and

(B) by striking "1995" each place it appears and inserting "2002".

SEC. 405. NATIONAL COMMODITY PROCESSING.

The first sentence of section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended by striking "1995" and inserting "2002".

TITLE V—MISCELLANEOUS

SEC. 501. FUND FOR DAIRY PRODUCERS TO PAY FOR NUTRIENT MANAGEMENT.

Section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in paragraph (A), by adding at the end the following: "The minimum price for milk of the highest classification in any order (other than an order amended under paragraph (M)) may not be higher than the minimum price required under this paragraph."; and

(2) by adding at the end the following:

"(M) SAFE HARBOR.—

"(i) IN GENERAL.—Providing that each order may be amended such that not more than $.10 per hundredweight of milk of the highest use classification may be added to the minimum applicable price to be set aside in a fund called the 'Safe Harbor Fund Account' (referred to in this paragraph as the 'Account').

"(ii) ADMINISTRATION.—

"(I) MARKET ADMINISTRATOR.—The Account shall be administered by the Market Administrator.

"(II) USE OF FUNDS.—A determination regarding the use of the funds in the Account shall be made by the Safe Harbor Committee established under clause (iii).

"(iii) SAFE HARBOR COMMITTEE.—The Secretary shall establish a Safe Harbor Committee consisting of 7 milk producers appointed by the Secretary who supply milk to handlers regulated under a Federal milk marketing order.

"(iv) USE OF FUNDS.—

"(I) APPLICATIONS.—To be eligible to use amounts in the fund, a milk producer who supplies milk to handlers regulated under a Federal milk marketing order shall submit an application to the Safe Harbor Committee.

"(II) APPROVAL.—The Safe Harbor Committee may approve only applications that fund conservation practices approved by the Secretary that control the off-migration of nutrients from the farm.

"(III) STATE WATER QUALITY PRIORITIES.—In approving applications, the Safe Harbor Committee shall take into account, to the extent practicable, the applicable State water quality priorities.".

SEC. 502. CROP INSURANCE.

(a) CATASTROPHIC RISK PROTECTION.—Section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)) is amended—

(1) in paragraph (4), by adding at the end the following:

"(C) DELIVERY OF COVERAGE.—

"(i) IN GENERAL.—In full consultation with approved insurance providers, the Secretary may continue to offer catastrophic risk protection in a State (or a portion of a State) through local offices of the Department if the Secretary determines that there is an insufficient number of approved insurance providers operating in the State or portion to adequately provide catastrophic risk protection coverage to producers.

"(ii) COVERAGE BY APPROVED INSURANCE PROVIDERS.—To the extent that catastrophic risk protection coverage by approved insurance providers is sufficiently available in a State as determined by the Secretary, only approved insurance providers may provide the coverage in the State.

"(iii) CURRENT POLICIES.—Subject to clause (ii), all catastrophic risk protection policies written by local offices of the Department shall be transferred (including all fees collected for the crop year in which the approved insurance provider will assume the policies) to the approved insurance provider for performance of all sales, service, and loss adjustment functions."; and

(2) in paragraph (7), by striking subparagraph (A) and inserting the following:

"(A) IN GENERAL.—Effective for the spring-planted 1996 and subsequent crops, to be eligible for any payment or loan under the Agricultural Market Transition Act or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301 et seq.), the conservation reserve program, or any benefit described in section 371 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008f), a person shall—

"(i) obtain at least the catastrophic level of insurance for each crop of economic significance in which the person has an interest; or

"(ii) provide a written waiver to the Secretary that waives any eligibility for emergency crop loss assistance in connection with the crop.".

(b) COVERAGE OF SEED CROPS.—Section 519(a)(2)(B) of the Act (7 U.S.C. 1519(a)(2)(B)) is amended by inserting "seed crops," after "turfgrass sod,".

SEC. 503. REVENUE INSURANCE.

Section 508(h) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)) is amended by adding at the end the following:

"(9) REVENUE INSURANCE PILOT PROGRAM.—

"(A) IN GENERAL.—Not later than December 31, 1996, the Secretary shall carry out a pilot program in a limited number of counties, as determined by the Secretary, for crop years 1997, 1998, 1999, and 2000, under which a producer of corn, wheat, or soybeans may elect to receive insurance against loss of revenue, as determined by the Secretary.

"(B) ADMINISTRATION.—Revenue insurance under this paragraph shall—

"(i) be offered through reinsurance arrangements with private insurance companies;

"(ii) offer at least a minimum level of coverage that is an alternative to catastrophic crop insurance;

"(iii) be actuarially sound; and

"(iv) require the payment of premiums and administrative fees by an insured producer.".

SEC. 504. COLLECTION AND USE OF AGRICULTURAL QUARANTINE AND INSPECTION FEES.

Subsection (a) of section 2509 of the Food, Agriculture, Conservation, and Trade Act of 1990 (21 U.S.C. 136a) is amended to read as follows:

"(a) QUARANTINE AND INSPECTION FEES.—

"(1) FEES AUTHORIZED.—The Secretary of Agriculture may prescribe and collect fees sufficient—

"(A) to cover the cost of providing agricultural quarantine and inspection services in connection with the arrival at a port in the customs territory of the United States, or the preclearance or preinspection at a site outside the customs territory of the United States, of an international passenger, commercial vessel, commercial aircraft, commercial truck, or railroad car;

"(B) to cover the cost of administering this subsection; and

"(C) through fiscal year 2002, to maintain a reasonable balance in the Agricultural Quarantine Inspection User Fee Account established under paragraph (5).

"(2) LIMITATION.—In setting the fees under paragraph (1), the Secretary shall ensure that the amount of the fees are commensurate with the costs of agricultural quarantine and inspection services with respect to the class of persons or entities paying the fees. The costs of the services with respect to passengers as a class includes the costs of related inspections of the aircraft or other vehicle.

"(3) STATUS OF FEES.—Fees collected under this subsection by any person on behalf of the Secretary are held in trust for the United States and shall be remitted to the Secretary in such manner and at such times as the Secretary may prescribe.

"(4) LATE PAYMENT PENALTIES.—If a person subject to a fee under this subsection fails to pay the fee when due, the Secretary shall assess a late payment penalty, and the overdue fees shall accrue interest, as required by section 3717 of title 31, United States Code.

"(5) AGRICULTURAL QUARANTINE INSPECTION USER FEE ACCOUNT.—

"(A) ESTABLISHMENT.—There is established in the Treasury of the United States a no-year fund, to be known as the 'Agricultural Quarantine Inspection User Fee Account', which shall contain all of the fees collected under this subsection and late payment penalties and interest charges collected under paragraph (4) through fiscal year 2002.

"(B) USE OF ACCOUNT.—For each of the fiscal years 1996 through 2002, funds in the Agricultural Quarantine Inspection User Fee Account shall be available, in such amounts as are provided in advance in appropriations Acts, to cover the costs associated with the provision of agricultural quarantine and inspection services and the administration of this subsection. Amounts made available under this subparagraph shall be available until expended.

"(C) EXCESS FEES.—Fees and other amounts collected under this subsection in any of the fiscal years 1996 through 2002 in excess of $100,000,000 shall be available for the purposes specified in subparagraph (B) until expended, without further appropriation.

"(6) USE OF AMOUNTS COLLECTED AFTER FISCAL YEAR 2002.—After September 30, 2002, the unobligated balance in the Agricultural Quarantine Inspection User Fee Account and fees and other amounts collected under this subsection shall be credited to the Department of Agriculture accounts that incur the costs associated with the provision of agricultural quarantine and inspection services and the administration of this subsection. The fees and other amounts shall remain available to the Secretary until expended without fiscal year limitation.

"(7) STAFF YEARS.—The number of full-time equivalent positions in the Department of Agriculture attributable to the provision of agricultural quarantine and inspection services and the administration of this subsection shall not be counted toward the limitation on the total number of full-time equivalent positions in all agencies specified in section 5(b) of the Federal Workforce Restructuring Act of 1994 (Public Law 103–226; 5 U.S.C. 3101 note) or other limitation on the total number of full-time equivalent positions.".

SEC. 505. COMMODITY CREDIT CORPORATION INTEREST RATE.

Notwithstanding any other provision of law, the monthly Commodity Credit Corporation interest rate applicable to loans provided for agricultural commodities by the Corporation shall be 100 basis points greater than the rate determined under the applicable interest rate formula in effect on October 1, 1995.

SEC. 506. EVERGLADES AGRICULTURAL AREA.

(a) IN GENERAL.—On July 1, 1996, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide $200,000,000 to the Secretary of the Interior to carry out this section.

(b) ENTITLEMENT.—The Secretary of the Interior—

(1) shall accept the funds made available under subsection (a);

(2) shall be entitled to receive the funds; and

(3) shall use the funds to conduct restoration activities in the Everglades ecosystem, which may include acquiring the remaining private acreage in Townships 46, 47, and 48 of the Everglades Agricultural Area of approximately 52,000 acres that is commonly known as the "Talisman tract".

(c) DEADLINE.—The Secretary of the Interior shall acquire acreage referred to in subsection (b)(3) not later than December 31, 1998.

(d) EMINENT DOMAIN.—If necessary, the Secretary of the Interior may use the power of eminent domain to carry out this section.

NICKLES AMENDMENT NO. 3185

(Ordered to lie on the table.)

Mr. NICKLES submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

Section 13(j)(2)(ii), and insert in lieu thereof the following:

(ii) CONTRACT COMMODITIES.—Contract acreage planted to contract commodities may be hayed or grazed at any time without limitation.

NOTICE OF HEARING

COMMITTEE ON RULES AND ADMINISTRATION

Mr. WARNER. Mr. President, I wish to announce that the Committee on Rules and Administration will meet in SR–301, Russell Senate Office Building, on Thursday, February 1, 1996, at 9:30 a.m., to receive testimony on campaign finance reform.

For further information concerning this hearing, please contact Ed Edens of the committee staff on 224–6684.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FINANCE

Mr. CRAIG. Mr. President, I ask unanimous consent that the Finance Committee be permitted to meet Wednesday, January 31, 1996, beginning at 10 a.m., in room 215 of the Dirksen Senate Office Building, to conduct a hearing on the tax reform report issued by the National Commission on Economic Growth and Tax Reform.

The PRESIDING Officer. Without objection, it is so ordered.

SPECIAL COMMITTEE TO INVESTIGATE WHITEWATER DEVELOPMENT AND RELATED MATTERS

Mr. CRAIG. Mr. President, I ask unanimous consent that the Special Committee To Investigate Whitewater Development and Related Matters be authorized to meet during the session of the Senate on Tuesday, January 30, Wednesday, January 31, and Thursday, February 1, 1996, to conduct hearings pursuant to Senate Resolution 120.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

CHINA THREATENS TAIWAN

• Mr. SIMON. Mr. President, the New York Times carried an article titled "As China Threatens Taiwan, It Makes Sure U.S. Listens," written by Patrick E. Tyler, about irresponsible talk from Chinese leaders against Taiwan. I ask that the article be printed at the end of my remarks.

It is the kind of talk that inevitably sours relations between China and the United States but, also, causes apprehension among the entire community of nations.

The United States made a mistake in the Shanghai Communique of not recognizing that Taiwan and China, in fact, today are two separate countries. If they eventually want to merge as East Germany and West Germany did, that is up to them.

But China should not think that when we read accounts like that in the New York Times, we sit idly by and think that it makes no difference. The New York Times editorial response to it, which I ask to be printed at the end of my remarks, is appropriate.

I want a good relationship with China. All of my colleagues want a good relationship with China. But China is impeding the possibility of that good relationship with its threats to Taiwan.

The New York Times article and editorial response follow:

AS CHINA THREATENS TAIWAN, IT MAKES SURE UNITED STATES LISTENS

(By Patrick E. Tyler)

BEIJING, Jan. 23.—The Chinese leadership has sent unusually explicit warnings to the Clinton Administration that China has completed plans for a limited attack on Taiwan that could be mounted in the weeks after Taiwan's President, Lee Tenghui, wins the first democratic balloting for the presidency in March.

The purpose of this saber-rattling is apparently to prod the United States to rein in Taiwan and President Lee, whose push for greater international recognition for the island of 21 million people, has been condemned here as a drive for independence.

While no one familiar with the threats thinks China is on the verge of risking a catastrophic war against Taiwan, some China experts fear that the Taiwan issue has become such a test of national pride for Chinese leaders that the danger of war should be taken seriously.

A senior American official said the Administration has "no independent confirmation or even credible evidence" that the Chinese are contemplating an attack, and spoke almost dismissively of the prospect.

"They can fire missiles, but Taiwan has some teeth of its own," the official said. "And does China want to risk that and the international effects?"

The most pointed of the Chinese warnings was conveyed recently through a former Assistant Secretary of Defense, Chas. W. Freeman Jr., who traveled to China this winter for discussions with senior Chinese officials. On Jan. 4, after returning to Washington, Mr. Freeman informed President Clinton's national security adviser, Anthony Lake, that the People's Liberation Army had prepared plans for a missile attack against Taiwan consisting of one conventional missile strike a day for 30 days.

This warning followed similar statements relayed to Administration officials by John W. Lewis, a Stanford University political scientist who meets frequently with senior Chinese military figures here.

These warnings do not mean that an attack on Taiwan is certain or imminent. Instead, a number of China specialists say that China, through "credible preparations" for an attack, hopes to intimidate the Taiwanese and to influence American policy toward

Taiwan. The goal, these experts say, is to force Taiwan to abandon the campaign initiated by President Lee, including his effort to have Taiwan seated at the United Nations, and to end high-profile visits by President Lee to the United States and to other countries.

If the threats fail to rein in Mr. Lee, however, a number of experts now express the view that China could resort to force, despite the enormous consequences for its economy and for political stability in Asia.

Since last summer, when the White House allowed Mr. Lee to visit the United States, the Chinese leadership has escalated its attacks on the Taiwan leader, accusing him of seeking to "split the motherland" and undermine the "one China" policy that had been the bedrock of relations between Beijing and its estranged province since 1949.

A Chinese Foreign Ministry spokesman, asked to comment on reports that the Chinese military has prepared plans for military action against Taiwan, said he was awaiting a response from his superiors. Last month, a senior ministry official said privately that China's obvious preparations for military action have been intended to head off an unwanted conflict.

"We have been trying to do all we can to avoid a scenario in which we are confronted in the end with no other option but a military one," the official said. He said that if China does not succeed in changing Taiwan's course, "then I am afraid there is going to be a war."

Mr. Freeman described the most recent warning during a meeting Mr. Lake had called with nongovernmental China specialists.

Participants said that Mr. Freeman's presentation was arresting as he described being told by a Chinese official of the advanced state of military planning. Preparations for a missile attack on Taiwan, he said, and the target selection to carry it out, have been completed and await a final decision by the Politburo in Beijing.

One of the most dramatic moments came when Mr. Freeman quoted a Chinese official as asserting that China could act militarily against Taiwan without fear of intervention by the United States because American leaders "care more about Los Angeles than they do about Taiwan," a statement that Mr. Freeman characterized as an indirect threat by China to use nuclear weapons against the United States.

An account of the White House meeting was provided by some of the participants. Mr. Freeman, reached by telephone, confirmed the gist of his remarks, reiterating that he believes that while "Beijing clearly prefers negotiation to combat," there is a new sense of urgency in Beijing to end Taiwan's quest for "independent international status."

Mr. Freeman said that President Lee's behavior "in the weeks following his re-election will determine" whether Beijing's Communist Party leaders feel they must act "by direct military means" to change his behavior.

In recent months, Mr. Freeman said he has relayed a number of warnings to United States Government officials. "I have quoted senior Chinese who told me" that China "would sacrifice 'millions of men' and 'entire cities' to assure the unity of China and who opined that the United States would not make comparable sacrifices."

He also asserted that "some in Beijing may be prepared to engage in nuclear blackmail against the U.S. to insure that Americans do not obstruct" efforts by the People's Liberation Army "to defend the principles of Chinese sovereignty over Taiwan and Chinese national unity."

Some specialists at the meeting wondered if Mr. Freeman's presentation was too alarmist and suggested that parliamentary elections on Taiwan in December had resulted in losses for the ruling Nationalist Party and that President Lee appeared to be moderating his behavior to avoid a crisis.

"I am not alarmist at this point," said one specialist, who would not comment on the substance of the White House meeting. "I don't think the evidence is developing in that direction."

Other participants in the White House meeting, who said they would not violate the confidentiality pledge of the private session, separately expressed their concern that a potential military crisis is building in the Taiwan Strait.

"I think there is evidence to suggest that the Chinese are creating at least the option to apply military pressure to Taiwan if they feel that Taiwan is effectively moving out of China's orbit politically," said Kenneth Lieberthal, a China scholar at the University of Michigan and an informal adviser to the Administration.

Mr. Lieberthal, who also has traveled to China in recent months, said Beijing has redeployed forces from other parts of the country to the coastal areas facing Taiwan and set up new command structures "for various kinds of military action against Taiwan."

"They have done all this in a fashion they know Taiwan can monitor," he said, "so as to become credible on the use of force."

"I believe there has been no decision to use military force," he continued, "and they recognize that it would be a policy failure for them to have to resort to force; but they have set up the option, they have communicated that in the most credible fashion and, I believe, the danger is that they would exercise it in certain circumstances."

Several experts cited their concern that actions by Congress in the aftermath of President Lee's expected election could be a critical factor contributing to a military confrontation. If President Lee perceives that he has a strong base of support in the United States Congress and presses forward with his campaign to raise Taiwan's status, the risk of a military crisis is greater, they said. A chief concern is that Congress would seek to invite the Taiwan leader back to the United States as a gesture of American support. A Chinese military leader warned in November that such a step could have "explosive" results.

In recent months, American statements on whether United States forces would come to the defense of Taiwan if it came under attack have been deliberately vague so as to deter Beijing through a posture of what the Pentagon calls "strategic ambiguity."

Some members of Congress assert that the Taiwan Relations Act of 1979 includes an implicit pledge to defend Taiwan if attacked, but Administration officials say that, in the end, the decision would depend on the timing, pretext and nature of Chinese aggression.

CHINA THREATENS TAIWAN

China has made no secret of its concern that Taiwan is drifting toward independence with the tacit support of the United States. Beijing pounced on an unofficial visit to America last year by Taiwan's President, Lee Teng-hui, to register its strong objection to any potential change in Taiwan's status. But China has now escalated tensions by recklessly raising the prospect that it might use military force to intimidate Taiwan. The United States and other countries must make clear that such a step would unravel Beijing's relations with the international community and undermine China's prized economic boom.

Patrick Tyler of The Times reports that Chinese officials have let the Clinton Administration know that Beijing has completed plans for a limited military attack on Taiwan as soon as this spring unless the island bows to demands for a lower-profile foreign policy.

These warnings may well be nine-tenths diplomatic bluff. But even so they suggest that Beijing has lost sight of one of the basic understandings underlying improved Chinese-American relations since the Nixon Administration—that Taiwan's future status must be settled by peaceable means.

Beijing is plainly infuriated by the recent efforts of President Lee to win increased recognition for his country in foreign capitals and international bodies like the United Nations. The mainland Government sees Taiwan as an integral part of the historical Chinese empire, torn away by foreign imperialists and Chiang Kai-shek at a time when China was weak. Taiwanese see it differently, pointing to their centuries of separate cultural development and, more importantly, their hard-won political democracy and thriving capitalist economy as good reasons for standing somewhat apart.

China apparently hopes its warnings will lead Washington to lean on Mr. Lee to accommodate Beijing. While Washington should urge caution on both sides, the United States must vigorously reject military bullying from Beijing in cases like this.

Taiwan is too big to be treated as a mere pawn in relations between Washington and Beijing. It is America's seventh-largest trading partner, with 21 million people, a vibrant democracy and one of Asia's highest living standards.

More than anything else, it is the fear that today's freedoms and prosperity would be lost under Beijing's harsh authoritarian rule that fuels Taiwan's quest for a separate identity. Beijing would do better to address this fear with political and economic reforms at home rather than threatening the use of force across the Taiwan Straits.•

TRIBUTE TO THE FAITH HOUSE

• Mr. BOND. Mr. President, I rise today to pay a special tribute to the Faith House. It is a great pleasure to recognize this organization for its 4 years of superior service to the underprivileged children of the St. Louis community.

The Faith House was established in 1992 to meet the ever-increasing demand for the care of infants and children exposed to drugs. This residential facility has already succeeded in serving over 250 infants and children in its stable, home-like environment through the dedication of numerous volunteers and professional medical staff. The 24-hour comfort and security provided by the caring individuals comprising the Faith House is essential to the long-term physical, emotional, and intellectual development of our children.

As a father and long-term advocate for children and families, I believe the welfare and security of our Nation's children are of paramount importance to the future of our society. The Faith House aspires to continue its tireless dedication to improving the quality of life for those children who have been some of the least fortunate in our society.

The Faith House is endeavoring to meet the increasing demand for growth and expansion of its quality care through construction of a new 50-bed home. Efforts are currently underway to realize this project, and on February 23, 1996, a dinner-dance and auction will be held in St. Louis to recognize this outstanding facility. It is an honor to congratulate the people of the Faith House on all of their successes and to wish them the best of luck in their future pursuits.•

TRIBUTE TO FATHER MAC

• Mr. SIMON. Mr. President, I would like to bring attention to the outstanding work of Msgr. Ignatius McDermott and Haymarket House. It is my pleasure to inform you that in December, Haymarket celebrated its 20th anniversary. One of largest treatment and detoxification centers in Chicago and the Midwest, Haymarket is the culmination of one man's lifetime of education and devotion to helping the addicted.

Haymarket was founded in December 1975, when "Father Mac" was in his early sixties. For the last 20 years they have made history, establishing programs for those no one else wishes to serve. The programs include Illinois' first non-medical detox center and Illinois' first sanctuary program for skid row alcoholics. These programs, along with the tireless efforts of Monsignor McDermott, have helped change attitudes about alcoholism and have helped establish it as a disease to be treated, rather than as a social problem.

Through Haymarket, Father McDermott reached out to serve those ostracized by today's society. His goal—to serve the homeless, the chemically dependent, the substance abuser, the disadvantaged, and the unfortunate—is reached through the providing of shelter and care for these people and their families.

When drug-addicted infants enraged the public, Haymarket provided the first residential treatment program for drug-addicted pregnant women. This was at a time when those providing treatment were more concerned with liability issues than with the treatment of these women. Since it began, the Maternal Addiction Center [MAC] has delivered 350 drug-free babies. Haymarket, along with Maryville Academy, has also established Illinois' first residential treatment program for post-partum women who have delivered drug-addicted babies.

Haymarket currently runs 28 programs and has served over 13,000 clients. Their unique program is centered around the idea that to achieve long-term recovery the whole person must be addressed. They believe that without a continuum of care, people are more likely to relapse. This continuum brings together drug abuse prevention and treatment, health services, day care, parent training, vocational education, and job placement. These services help the center improve the prevention and treatment services and increase the savings to taxpayers associated with these services.

I encourage my colleagues to join me in commending Father Mac and Haymarket for their continued commitment to the services they provide. I extend to my colleagues an invitation to visit Haymarket when they visit the Chicago area.•

CONGRATULATING PETER CRISTIANO ON HIS DECADES OF SERVICE TO SOUTHFIELD, MI

• Mr. ABRAHAM. Mr. President, I rise today to congratulate and pay tribute to Peter Cristiano on his long and successful service to the city of Southfield, MI. Mr. Cristiano began his public service in Southfield in 1960, when he was chosen superintendent of parks and recreation. By 1964, he had been appointed deputy city administrator. From 1968 to 1980, he served as Southfield's city administrator, moving on to the city council in 1981 and serving as council president from 1986 to 1988.

Peter won numerous awards during his tenure in Southfield, including the Governor's Distinguished Public Employee Award, the Jaycees' "Man of the Year," and the International City Managers Association's Management Innovation Award. He won these awards the hard way: By making substantial improvements in his city's structure and way of life. Capital improvements, park land acquisition, and development, addition of a sports arena, municipal golf arena, and an animal control facility, all were part of his program to improve Southfield, as were new police-court facilities, a senior adult housing complex, and a new headquarters fire station and training center. As important, Peter initiated and implemented a nationally renowned life support unit emergency medical service—one of the first of its kind in the Nation. And Peter restored the city's lovely historical site, "The Burgh," for all of us to enjoy.

Peter will be missed as a fixture of Southfield city government. His long, dedicated service helped his community in many concrete ways. And his example should serve as an inspiration to all of us concerning what we can accomplish for our neighbors. Thankfully, Peter will not be leaving us altogether; instead he is merely giving up his government position to concentrate on his duties as president and CEO of his own telecommunications company. I would like to wish Peter all the best in his new endeavors and thank him for all the hard work and good service he has done for his community.•

FEDERAL CONTRACTORS AND AFFIRMATIVE ACTION

• Mr. SIMON. Mr. President, the Federal Government has played an important role in promoting equal opportunity in employment by Federal contractors for the past 55 years. Current Federal policy requires contractors to review their own hiring practices for any intentional or unintentional discrimination. Academic studies show that enforcement of these policies has led to increases in hiring of ethnic minority and female workers and that these programs continue to have a positive and significant impact on remedying discrimination in the workplace.

The Federal affirmative action guidelines not only benefit workers. Employers have found that affirmative action programs help them to ensure that they locate and select the best qualified candidates from an expanded talent pool. Companies also report that a diverse work force leads to enhanced performance and productivity.

There is always room for improvement, however. A Labor and Human Resources Committee hearing last June 15 suggested that some contractors are not aware that their progress in achieving recruitment goals is lagging behind industry or regional norms unless or until they are selected for a compliance review. Witnesses also raised several concerns about the burdens some regulations may impose on the businesses—particularly paperwork.

Shortly after the hearing, my colleague from Michigan, Mr. ABRAHAM, and I wrote to Shirley J. Wilcher, the Deputy Assistant Secretary of Labor who oversees the Office of Federal Contract Compliance Programs (OFCCP). We suggested that OFCCP develop a way of providing employers with earlier indications that their progress toward compliance with affirmative action guidelines should be reviewed for possible problems. We also requested that they meet with representatives from contracting, consulting, and other constituent groups to review OFCCP regulations and to suggest how they may be improved upon or eliminated.

I am pleased to report that OFCCP has made significant progress toward resolution of many of the complaints raised at the hearings. They have developed strategies to ensure that compliance officers are consistent and uniform when administering and enforcing laws and regulations. They are creating a technical assistance manual that will allow contractors to develop affirmative action plans without retaining expensive law firms or consultants. They have clarified the relationship between OFCCP and the Equal Employment Opportunity Commission to ensure that employers are not subject to duplicative, inconsistent, or unnecessary regulatory burdens.

OFCCP officials have had substantive discussions with a variety of constituent groups. These meetings will likely lead to regulatory reforms that will reduce paperwork, reduce the time involved in developing written affirmative action programs, and establish practical reporting requirements without undermining OFCCP's mission. They are also considering the development of an early alert system that would provide contractors with feedback on progress before the need arises for a full compliance review.

I commend Deputy Assistant Secretary Wilcher for the progress she has made. I encourage her and her colleagues to continue to work toward these important changes.

I ask that Ms. Wilcher's written response be printed in the Record.

The material follows:

U.S. Department of Labor, Employment Standards Administration, Office of Federal Contract Compliance Programs,
Washington, DC, December 15, 1995.

Hon. Paul Simon,
U.S. Senate, Washington, DC.

Dear Senator Simon: On June 27, 1995, following the Labor and Human Resources Committee's hearing on the Office of Federal Contract Programs (OFCCP), you wrote to suggest some actions that I might take to respond to the concerns of the agency that were highlighted in the hearing testimony. This letter responds to your request that we report by December 15th on the progress we have made toward reducing the contractors' compliance burdens and improving OFCCP's performance. I appreciate the opportunity to report on our efforts.

Since coming to OFCCP in February 1994, I have been committed to pursuing a fair enforcement strategy. Over the past several months, I have heard the concerns about the internal program management and administration of the contract compliance program. As noted in your letter, several of the witnesses at the June hearing voiced concerns about the time involved in preparing affirmative action programs; the use of goals as rigid quotas; inconsistency in interpretation and application of the regulations; and duplication of efforts with the Equal Employment Opportunity Commission (EEOC). Because these issues seriously affect our ability to administer and enforce the equal employment opportunity requirements in a manner consistent with our fair enforcement approach, we have taken actions to address each of these concerns.

Several measures have been taken to ensure that compliance officers are consistent and uniform when administering and enforcing our laws and regulations. First, in order to clear up any confusion about how affirmative action works under Executive Order 11246, on August 2, 1995, the agency issued a policy directive on "Numerical Goals under Executive Order 11246." The directive reaffirms OFCCP's longstanding policy that affirmative action program goals are not to be used as quotas which must be achieved through race-based and gender-based preferences.

Rather, as the policy directive explains, goals under Executive Order 11246 are to be used as a tool to aid in breaking down barriers to equal employment opportunity for women and minorities without impinging upon the rights and expectations of other members of the workforce.

Additionally, we provided enhanced training to the staff; conducted several accountability reviews of regional and district office operations; and implemented a customer service improvement plan. Further, we are establishing the position of ombudsperson to handle contractor and constituent complaints about the program and actions of compliance officers. The person assigned to the position will be responsible for outreach, public education and alternative dispute resolution.

In response to complaints about the time and expense associated with developing an affirmative action program, in FY 1995 OFCCP began work on developing a comprehensive compliance assistance program, which will include a technical assistance or "how to" manual. The agency has not had an effective public educational component or a "user friendly" technical assistance manual. As a result, small and newly covered contractors feel obligated to retain law firms and consultants to assist them in developing a written affirmative action program. Our goal is to increase technical support to Federal contractors by establishing programs that expand training about our regulatory requirements and enhance voluntary compliance.

In light of the concerns that OFCCP and EEOC are duplicating work, OFCCP and EEOC have examined the interagency coordinating mechanisms that were established to ensure that employers are not subject to duplicative, inconsistent, or unnecessary regulatory burdens. OFCCP and EEOC staff routinely communicate on issues of mutual interest and concern. This coordination is prescribed in Executive Order 12067, the 1981 Memorandum of Understanding between DOL and EEOC, and Title I of the Americans with Disabilities Act of 1990 (ADA). EEOC and OFCCP have issued joint regulations which delineate the respective responsibilities for processing complaints that are within the jurisdiction of both the ADA and Section 503 of the Rehabilitation Act of 1973. Further, employers generally are not subject to simultaneous or dual enforcement proceedings by OFCCP and EEOC. In the rare instance where both agencies may investigate or seek enforcement against the same employer, one of the agencies defers to the other, or the matter is handled on a joint basis by OFCCP and EEOC.

As you suggested, between August and October, we held meetings with representatives of the employer and constituency groups to discuss proposals to revise the regulations under the Executive Order program. We met separately with representatives of the following employer groups: the Society for Human Resource Management (SHRM), the Equal Employment Advisory Council (EEAC) and the Organization Resources Counselors, Inc. (ORC). We also met with representatives of civil rights and women's rights organizations. These recent meetings with OFCCP stakeholders were the latest in a series of consultations on regulatory reforms that began in April 1994 in connection with an earlier proposal to revise certain of the provisions in the Executive Order regulations. OFCCP also convened four partnership meetings outside of Washington with several hundred representatives from the contractor and constituent communities in the Spring of 1995. The purpose of the meetings, which were held in Dallas, Pittsburgh, San Diego, and Chicago, was to elicit recommendations for changing the regulatory requirements for written affirmative action programs and the procedures for evaluating a contractor's compliance with the regulatory requirements. The participants at the partnership meetings were also asked to suggest data requirements for a proposed affirmative action program summary format.

We have identified a number of issues we would like to change through regulatory reforms. OFCCP staff is in the process of drafting rulemaking proposals to effect the contemplated revisions to the regulations. These consultative meetings not only are required by Executive Order 12866, which requires agencies to involve the public in proposed rulemaking, but also have been an integral part of OFCCP's established rulemaking practices. The discussions with our stockholders have been worthwhile and productive. In addition, we are examining whether some of the issues raised during the consultations can be addressed through policy guidance or other kinds of programmatic changes.

Our overall objectives are to reduce paperwork, reduce the time involved in preparing a written affirmative action program, and establish practical reporting requirements without undermining the ability of OFCCP to be an effective enforcement agency. Further, revising the compliance review procedures would enable OFCCP to better focus its limited resources while reaching a greater percentage of the contractor universe than it currently reaches.

Finally, the agency also intends to prepare annual monitoring reports by geographic area and industry to track how different industries are performing. You also recommended that we develop a way of providing contractors early indications of compliance problems. We are considering the concept of an "early alert system" to give a contractor advance notice of potential deficiencies so that the contractor would have the opportunity to "self-correct" and thereby lessen (if not obviate) the need for a full compliance review. Such an alert system could assist the agency in targeting its limited resources. Accordingly, we are trying to determine the feasibility and administrative costs involved.

Again, thank you for the opportunity to provide an update on our efforts to develop and implement changes to the Executive Order program.

Sincerely,

Shirley J. Wilcher,
Deputy Assistant Secretary for Federal Contract Compliance.•

DANGEROUS PATHOGENS

• Mr. HATCH. Mr. President, I intend to hold hearings in the Judiciary Committee in the very near future on the subject of possession of dangerous human pathogens, such as bubonic plague, anthrax, and similar pathogens. My purpose will be to determine what legislation may be necessary to protect the American people from the misuse of such pathogens.

These are very dangerous and deadly organisms which, apparently, are readily available to just about anyone, including those with legitimate needs, such as researchers, and those who, instead, may have an evil intent or who simply do not know how to store and handle properly these organisms.

The December 30, 1995, Washington Post has a story with a headline that leaps off the page: "Man Gets Hands on Bubonic Plague Germ, but That's No Crime." The story is more chilling than the headline. An Ohio white supremacist purchased, through the mail, three vials of this extremely dangerous pathogen, which wiped out about one-third of Europe in the Middle Ages. When the purchaser called the seller to complain about slow delivery, the sales representative got concerned about whether the caller was someone who really ought to have the bubonic plague in his possession. Ohio authorities were contacted, according to the story. When police, public health officials, the FBI, and emergency workers in space suits scoured the purchaser's house, they found nearly a dozen M-1 rifles, smoke grenades, blasting caps, and white separatist literature, but no bubonic plague. The deadly microorganisms were found in the glove compartment of his automobile, still packed as shipped.

Apparently, while the U.S. Department of Agriculture requires permits for shipping animal pathogens, at least between States, there is no Federal domestic regulation of who may receive these deadly human pathogens. According to the Washington Post story, "* * * the only domestic restrictions on human pathogens * * * are the rules the handlers impose themselves." As Kenneth Gage, acting chief of the plague section at the Centers for Disease Control and Prevention's vector-borne diseases division, stated: "I don't think it's going too much out on a limb by saying this kind of thing shouldn't happen."

So, for the purchase of three strains of bubonic plague, what was the purchaser charged with? Three counts of wire fraud and one count of mail fraud. And these charges have been plea bargained down to a guilty plea for one count of wire fraud. Even these charges would not have been possible if the purchaser had not faxed a false statement on the letterhead of a nonexistent laboratory stating the laboratory assumed responsibility for the shipment, as the seller had required.

Earlier this year, a group released a nerve gas in Tokyo's subway station, killing 12 and injuring over 5,000. The ready availability of deadly human pathogens raises the obvious concern that such organisms not fall into the wrong hands. The task will be to meet the legitimate needs of scientists while assuring protection of our citizens from the inadvertent or deliberate misuse of these pathogens.•

ENFIELD FIRE DEPARTMENT

• Mr. LIEBERMAN. Mr. President, I rise today to honor the Enfield Fire Department on the occasion of their 100th anniversary.

For the past 100 years this dedicated group of men and women have strived to ensure the safety of the community of Enfield, CT. Their dedication is evident in their unshakable commitment to self sacrifice for the security of their friends, families, and neighbors. Indeed some have given the ultimate sacrifice, giving their lives while trying to protect their fellow citizens.

This organization's dedication and commitment to the town of Enfield can be seen not only through the fire department's actions but also in the great confidence and respect the residents of Enfield place upon these men and women. Ordinary men and women asked to perform extraordinary tasks, never asking what was in it for them. The community's faith in their fire department has not wavered in its first 100 years and will undoubtedly continue through the next century.

The Enfield Fire Department has been an important stone in the foundation of the town of Enfield. The people of Connecticut thank them for their service, dedication, and contribution to their community.•

U.S. TROOPS AS PEACEKEEPERS

• Mr. ABRAHAM. Mr. President, I rise today to address America's role in implementing peace accords around the world, and in providing peacekeeping troops to enforce them. As we all know, President Clinton decided unilaterally to send American ground troops to Bosnia. During our debate on that decision, I argued that our troops have too high a political profile and represent too powerful a nation to successfully implement the Dayton Accord.

This is not to say, Mr. President, that our troops can never succeed as peacekeepers. In my opinion there have been and will continue to be occasions when our participation in peacekeeping efforts will advance U.S. strategic and political interests. But we do a disservice to our troops and to our Nation if we do not examine such operations coolly and dispassionately to determine whether we should, in fact, engage in them. Because we are likely to receive requests for American peacekeepers from a variety of sources in the future, Mr. President, I would like to further clarify my views on the criteria we should apply before putting our sons and daughters in harm's way.

In my view it is our duty in dealing with such requests to assess the nature of the conflict and determine if our troops are appropriate. We also, however, must assess how directly events in the area impact on our interests. We then must determine whether in fact a peace exists which we can help keep, and whether our relations with any of the parties to the conflict are sufficiently close that we would be willing to assume this greater responsibility.

Therefore, let me express an overall theme which I believe warrants specific elaboration. When we previously considered the issue of peacekeeping and U.S. troop deployments, I felt many in this body were searching for some absolute, universal theories to guide our actions. I do not believe that is necessary. In fact, I would argue that decisions such as these require us to accept that our national interests vary from region to region and from situation to situation. We must therefore consider our options on a case-by-case basis. These situations almost never call for black-or-white, do-or-die, absolute decisions. Instead we are usually presented with a sliding scale of U.S. interests, transitory levels of progress toward establishing a just and lasting peace, and fluid relationships with the parties involved. It may be possible to develop a theoretical model to address these gradations, and give us a quantitative output as to whether or not we should intercede, but I doubt such a model would be workable if it could even be developed. Therefore, I believe we must accept that these situations are best analyzed on an individualized and prudential basis, where the sliding scales of U.S. national interests, the probability of success, and the current state of U.S. international relations are all measured against one another.

Having said that, Mr. President, let me now discuss one area where I believe some generalizations can be made regarding the deployment of U.S. troops as peacekeepers. I believe American troops are singularly ill-suited to serve in traditional peacekeeping roles, and that their deployment in such roles should be the exception rather than the rule. Because our national interests are so extensive and widespread, we almost always will be seen as an interested party, taking sides in the conflict rather than serving as neutral arbiters. Traditional peacekeeping demands objectivity and strict neutrality. Peacekeeping troops themselves may be forced to take action against one side or the other in particular circumstances, but they must be perceived as being, on the whole, scrupulously neutral.

Our troops are the fighting forces of the world's sole remaining superpower. This means that they bring to the field their status as fighting forces for the world's sole remaining superpower, and the living representation of our Nation's political will. Because our influence and interests are so far-flung, the mere presence of our troops in a particular area is a political statement. Both sides will see our troops as potential allies or enemies who can decide the outcome of a continued conflict.

Therefore, I believe traditional peacekeeping is best conducted by smaller countries who are not perceived to have any vested interest in the outcome of a conflict; who, because their country's interests are marginal in the area of conflict, are undeniably neutral.

However, even if circumstances favor use of American peacekeepers we must keep in mind that our ability to deploy troops is not sufficient reason to do so. In my view this administration has too willingly committed our troops and national resources to foreign hot spots on the naive assumption that we can and should develop a world police force. Mr. President, I believe we must remember that a peacekeeping mission is not just another peacetime deployment overseas. It is a dangerous situation in which troops are intentionally placed among warring parties in order to construct some sense of order and discipline.

American troops are highly visible and so will be especially at risk in these conditions. This makes it our duty, as policy makers, to commit troops only where our vital interests are at stake. We neither can nor should subordinate our interests to those of any abstract, world-wide organization beholden to dictators who see us as enemies. Rather, in deciding whether to deploy U.S. troops to a particular area, we first must weigh the extent to which success in that area will advance our national interests. Only where vital national interests are at stake should we expose our troops to extraordinary danger.

Mr. President, please let me also reiterate my earlier statement as to the sliding-scale of interests that usually lay before us. The more directly and significantly our national interests are effected by instability in a particular area, the greater will be the argument for the deployment of U.S. troops. Again, I do not believe that there is some definitive level of American interests that signals the call for U.S. involvement, but rather, the effect upon our interests must be measured against the degree to which the other criteria I have established are impacted.

Which brings me to my second criteria—the probability of success in furthering our national interests. It makes little sense to me to undertake a mission that has little or no chance of success unless the threats to our national interests are so great, that such a high level of risk is justified. With peacekeeping, compared to other, more traditional military missions, the risk should be low given the relatively low return we can expect from a mission, which by definition, is supposed to be nonconfrontational. I will repeat again that there is not, in my opinion, some definitive level of risk which we should not cross in a peacekeeping mission; the measurement of that risk should be weighed along the sliding scale of national interests and broader international relations we maintain with the various parties to the conflict.

Furthermore, the probability of success will, in my opinion, be much greater for those conflicts where a peace is already at hand, arrived at by the parties themselves from a true desire to end the conflict and find some common ground from which to build a future. In those situations, a peacekeeping force from a trusted friend may be just the step necessary to allay fears and allow the peace process to continue. But when the United States, from a position of superiority or paternalism, attempts to impose a peace upon warring factions in an essentially unresolved conflict, the underlying issues continue to smolder, and the chances for success drop dramatically.

There is, however, a third factor which I believe must be considered in any decision to deploy U.S. forces: the degree to which our relationships with the countries of the region will be improved by our participation. At times, for example, while both sides of a conflict wish for peace, one side or the other is so frightened that only American assurances will be sufficient to quiet them. Furthermore, there are countries who are such trusted friends and allies, that their security is a national interest for us too. And just as I have stated earlier regarding the sliding scale with which I believe we should make such analyses, the closer and more significant our relations are with the countries of the region, the more willing we should be to deploy our troops in support of a peace accord.

But in such a case we must not seek merely to mimic traditional peacekeepers like the Swedes or Fijians, following some inflexible policy of impartiality. Rather, we should, in my view, make clear that we will not tolerate threats to our interests, or to the interests of our friends. Precisely because we always are perceived as choosing sides, such a statement of interest, if backed up by military presence, will be believed.

Two cases where we have become involved may shed some light on how I think we should apply these criteria. In the Sinai, America saw the confluence of vital national security interests, a strong probability of success emerging from a peace accord initiated and completed by Egypt and Israel, and a conflict where two of our close allies requested our involvement. The Middle East conflicts of the last 50 years have repeatedly placed the United States at odds with the Arab world. The threats to the vital energy supplies of the West's industrial base threatened our most significant national interests. Indeed, the worldwide economic recessions of the late 1970's and early 1990's are both directly attributable to the oil shocks of 1973 and 1990.

The threats to our national security alone were sufficient to warrant our involvement. But, in this case, the criteria of our international relations with the involved countries was also met through our ties with Egypt and Israel. The Camp David Accord was a consummation of a growing United States-Egyptian relationship, heralding a breakthrough in United States-Arab relations. Started with the shuttle diplomacy of Henry Kissinger, and culminating in the extensive military-to-military relationship developing through our assistance programs, the deployment of American troops to the Sinai helped cement our emerging relationship with Egypt. Furthermore, our commitment to Israeli sovereignty and security has always been a cornerstone of United States Middle East policy. Our participation in the Sinai multinational observer force directly improved our relationship with both countries, helped stabilize the Middle East, and directly represented our commitment to the success of the Camp David Accords. It is doubtful our close relations with either country, the successful establishment of Palestinian authority, or the Israeli-Jordanian Peace Agreement, would have been possible without our peacekeeping pledge.

Finally, the probability of success for the Camp David Accord was particularly high given that the combatant states themselves initiated the process and had the most to lose by its failure. It was apparent from the start that both Anwar Sadat and Menachem Begin wanted peace, but needed assistance in finding a way to protect their vital national security interests. In such a situation, the good offices provided by the United States, and the assurances to Israeli security provided by the presence of our troops, were the critical elements in securing the Accord.

The Dayton agreement, on the other hand, in my view represents a situation in which an American peacekeeping presence is not justified. As I stated during the authorization debate, there is an American interest in resolving the Balkan conflict arising from the threat of broader European instability, the strain the conflict places on our relationships with our NATO allies, and the friction it causes between Eastern and Western Europe. But none of these threats is so far along the scale of national interest that they warrant our involvement in and of their own right. In fact, when measured against the other criteria of success probability and our relationships with the regional states, I believe a compelling case is made for the United States to participate in a peacekeeping mission.

As I just explained, I believe American troops are particularly ill-suited to serve as traditional, impeccably neutral peacekeepers. They present too ripe a political target and bring too much political baggage simply because of the flag they fly. Because there are alternatives to United States ground involvement, including the provision of air and naval forces, logistical support, and financial resources to support other nations' forces, I believe it is wiser to use smaller, more traditional peacekeeping forces from areas such as Scandinavia, Africa, and Asia.

Furthermore, I am not convinced the Dayton Accord was anything other than an imposed peace by a paternalistic Clinton administration. Whereas both the Israelis and Egyptians had concluded that further use of arms was fruitless and counterproductive, the Balkan parties, in my opinion, believe force may still be a legitimate tool to achieve their political aims. In fact, the Washington Times of 31 January 1996 quoted a draft version of a new national intelligence estimate as stating, "the former combatants share a deep, mutual distrust and will continue to seek achievement of their fundamental goals, rather than accommodation, even as the Dayton agreement proceeds * * *. They will see compromise as a zero-sum game and attempt to divide and manipulate the international community in the way the accords are implemented." Until all sides truly want peace, I am doubtful that any peace agreement, no matter how elegantly crafted, will hold in the long run. An imposed peace is, to me, only conflict delayed. Once we leave, I believe the conflict will start anew.

Mr. President, I wish we could decide when and where to deploy American troops in support of peacekeeping missions by consulting a checklist of clearly definable and easily quantifiable criteria. Unfortunately, the world is not so simplistic. Each conflict, each situation that begs our involvement, each call for America to serve as policeman or arbiter of justice, presents an enormous range of national security concerns. Along the broad scales of national interests, international relations, and mission success feasibility, we must identify the net result for each situation and determine what action will best advance our national goals. It is not easy, it is not clean, but we must do it. Oftentimes, I believe we will discover that our national interests are not sufficiently implicated to warrant the disproportionate risk under which our military must labor simply because they are the highly visible political force of the world's only superpower. But at other times, especially when our interests do lie with the protection of one or more parties to a conflict, the deployment of U.S. peacekeepers may reasonably advance our national interests. At times like these, we must be ready and willing to make such a commitment to assisting our friends and allies in achieving true and lasting peace.•

JOSEPH GENTILE

• Mr. LIEBERMAN. Mr. President, I rise today to recognize Joseph Gentile from the State of Connecticut. Over the last three decades, Mr. Gentile, who resides in the Morris Cove section of New Haven with his wife, Bernadette, and three children, has truly demonstrated a genuine love for his fellow man. He has devoted himself tirelessly to his community in his quest to help the area youth and underprivileged succeed. Through his participation in sports and community organizations, he has always extended a helping hand and his good will to those in need.

His accomplishments, as are the lives that Joseph has touched and help shape, are countless. As a coach, commissioner, administrator, and friend of the Annex Y.M.A. Little League, the East Haven Midget Football League, and East Haven High School he produced winners on and off the field. His football, baseball, and softball teams won numerous league, State, and district championships throughout his coaching career. More importantly, the youngsters he came in contact with learned lessons in humility, sportsmanship, and perseverance from a true role model.

Joseph Gentile has also exemplified these same qualities as a long-standing member and former board of governor and director of the Walter Camp Football Foundation, as a volunteer for the Connecticut Special Olympics and while serving as a New Haven commissioner for persons with disabilities. He has also played an instrumental role while serving as district coordinator for the New Challenger Division in Little League baseball for physically and mentally handicapped children. When called upon for assistance, Joseph Gentile has always answered the call.

Therefore, Mr. President, I see it only fitting that this outstanding and caring individual be commended for his many contributions, hard work, and for always having a golden heart.•

ORDER OF BUSINESS

Mr. CRAIG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FAIRCLOTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FAIRCLOTH. Mr. President, I ask unanimous consent that I be allowed to speak as in morning business for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

WELFARE REFORM

Mr. FAIRCLOTH. Mr. President, on the night of January 9, while this city was buried under a record snowfall, President Clinton vetoed the welfare reform conference report by this Congress, thereby blocking real welfare reform. Recent news accounts suggest that an effort is underway to resurrect the Senate-passed welfare bill and send that to the President.

I rise today to state that I would be strongly opposed to doing that. As I just said, Mr. President, the fact of the matter is simply this: The Congress has passed a bill and demonstrated its commitment to real welfare reform. It is time the President quit talking about welfare reform and demonstrate his commitment to it.

Mr. President, the President promised to "end welfare as we know it," but I think it is time he did a better job explaining what he means by ending welfare as we know it before we send him another bill.

The welfare reform bill that President Clinton opposes takes the first step in 60 years of the welfare programs toward requiring that recipients work for their benefits.

The welfare reform bill that President Clinton opposes takes important steps to stop and slow the growth in illegitimacy, which is the root cause of welfare dependency, and we are still subsidizing it.

The welfare reform bill that we have passed places a 5-year limit on receiving benefits and consolidates the Federal welfare bureaucracy and returns power to the States; toughens child support enforcement laws; prevents noncitizens from receiving benefits; and saves working American taxpayers $60 billion. It was a good bill that we sent the President. The conference report was a good bill, and he stood up at the State of the Union Address and said, "I am for welfare reform," but vetoes it.

I voted against the Senate welfare reform bill because it excluded critically important illegitimacy provisions such as a family cap and a limit on the subsidies for children born out of wedlock. I support the improved conference report as it was sent to the President as a first step toward requiring real work from welfare recipients, reducing illegitimacy, and slowing the unrestrained growth of welfare spending.

President Clinton simply does not want welfare reform by requiring work and reducing illegitimacy. What he means by "welfare reform" and what he meant when he said we "misunderstood him," what he meant when he said he was going to "end welfare as we have known it," was that he was going to put more money into it than we ever heard of, he was going to hire more people to administer the program, and he was going to put more people on the welfare program. That is what he means by ending welfare as we have known it.

I urge my colleagues in both Houses to stand by the welfare reform conference report, let the President come forward with his version of welfare reform before we retreat from a good product and a year's work. Let him bring us one.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. FAIRCLOTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT MEETING OF THE TWO HOUSES—ADDRESS BY THE PRESIDENT OF THE FRENCH REPUBLIC

Mr. FAIRCLOTH. Mr. President, I ask unanimous consent that the President of the Senate be authorized to appoint a committee on the part of the Senate to join with a like committee on the part of the House of Representatives to escort His Excellency Jacques Chirac, President of the French Republic, into the House Chamber for the joint meeting on Thursday, February 1, 1996.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR THURSDAY, FEBRUARY 1, 1996

Mr. FAIRCLOTH. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 10:30 a.m., Thursday, February 1; further, that immediately following the prayer the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day, and the Senate then immediately resume consideration of S. 1541, the farm bill, as under the previous agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FAIRCLOTH. Mr. President, I further ask unanimous consent that, notwithstanding rule XXII and the recess of the Senate for the joint meeting, Senators have until the hour of 12 noon on Thursday in order to file first-degree amendments to the substitute amendment, and that Senators have until the hour of 1 p.m. on Thursday in order to file second-degree amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. FAIRCLOTH. For the information of all Senators, the Senate will reconvene on Thursday at 10:30 a.m. and will resume consideration of the farm bill under the unanimous-consent agreement. There will be at least two cloture votes beginning at 1:30 p.m. on Thursday. Additional rollcall votes may be necessary in order to complete action on the farm bill during tomorrow's session.

Again, as a reminder to Senators, there will be a joint meeting beginning at 11:45 a.m. on Thursday for an address by the President of France, President Chirac.

ADJOURNMENT UNTIL 10:30 A.M. TOMORROW

Mr. FAIRCLOTH. Mr. President, if there is no further business to come before the Senate, I ask that the Senate now stand in adjournment as under the previous order.

There being no objection, the Senate, at 5:13 p.m., adjourned until Thursday, February 1, 1996, at 10:30 a.m.

HOUSE OF REPRESENTATIVES—*Wednesday, January 31, 1996*

The House met at 11 a.m. and was called to order by the Speaker pro tempore [Mr. RADANOVICH].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

> WASHINGTON, DC,
> *January 31, 1996.*
>
> I hereby designate the Honorable GEORGE P. RADANOVICH to act as Speaker pro tempore on this day.
>
> NEWT GINGRICH,
> *Speaker of the House of Representatives.*

PRAYER

The Reverend Joe Voss, Valley Center Assembly of God, Valley Center, KS, offered the following prayer:

Lord, we pause at the beginning of this session to humbly bow our hearts before You. We acknowledge Your lordship and Your majesty and our utter dependence upon You.

From the beginning of creation, You have moved the hearts of kings like a river. So move the hearts of this House, and the great Nation they represent. Lord, move our hearts to submit under Your hand and to seek Your wisdom from above. Give us that wisdom that You declared is first, pure, and peaceable and gentle, willing to yield, full of mercy and good faith, without partiality and without hypocrisy.

Lord, forgive us for the times we have walked outside of this wisdom. Be merciful to us as a nation and forgive us our sins, both against You and one another.

Help us to be a light to the world, to do justly, to love mercy, and to walk humbly with our God.

We ask this in the precious name of our Lord and Savior, Jesus Christ. Amen.

THE JOURNAL

The SPEAKER pro tempore (Mr. RADANOVICH). The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Florida (Mr. DIAZ-BALART) come forward and lead the House in the Pledge of Allegiance.

Mr. DIAZ-BALART led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one if its clerks, announced that the Senate agrees to the amendments of the House to the amendments of the Senate to the bill (H.R. 2353) "An Act to amend title 38, United States Code, to extend certain expiring authorities of the Department of Veterans Affairs relating to delivery of health and medical care, and for other purposes.".

The message also announced that the Senate has passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

> S. Con. Res. 40. Concurrent Resolution to commemorate the sesquicentennial of Texas statehood.

The message also announced that pursuant to Public Law 103–227, the Chair, on behalf of the Republican leader, appoints Mr. JEFFORDS as a member of the national education goals panel, vice Mr. GREGG.

The message also announced that in accordance with Public Law 81–754, as amended by Public Law 93–536 and Public Law 100–365, the Chair, on behalf of the Vice President, appoints Mr. HATFIELD to the National Historical Publications and Records Commission.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. RADANOVICH). The Chair will recognize Members for an unlimited number of 1-minute speeches.

WELCOME TO REV. JOE VOSS, VALLEY CENTER ASSEMBLY OF GOD CHURCH

(Mr. TIAHRT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TIAHRT. Mr. Speaker, today the House was opened in prayer by my friend and pastor, Joe Voss. Joe is from a tough neighborhood in St. Louis. As a teenager, he was sent to a correctional school for boys, but thanks to Salvation Army officers, Major Froeberg and Clarence Harvey, who is currently a Divisional Commander here in D.C., Joe turned his life around.

He went to Forest Park Community College and graduated from the Salvation Army Seminary in Chicago in 1970. Joe married Connie 25 years ago and they have a 21-year-old son, Joey, and a daughter who is 18, named April.

But the real story is what Joe and Connie are doing today. He has just finished heading up a building program for a new sanctuary without borrowing money. Instead of mortgage payments, Joe and the members of Valley Center Assembly of God are investing in young boys and girls, many from single homes, through a scouting program called Royal Rangers and Missionettes.

They are not only working with the teenagers in their church, but also reaching out to the gangs in Wichita. They have even reached out to those trapped by prostitution, by drugs, and by alcohol through their "Christ in the Streets" program.

Joe has exchanged pulpits with black congregations in our community, allowing them to come into Valley Center Assembly of God, while he goes to other community churches. Some would say that this is innovative for a church to reach outside its walls. Joe would simply say it is changing the hearts and minds of America one soul at a time.

Welcome to the House, Pastor Voss.

CONGRESS SHOULD STAY IN SESSION AND WORK

(Mr. EDWARDS asked and was given permission to address the House for 1 minute.)

Mr. EDWARDS. Mr. Speaker, a moment ago we put our right hands over our hearts and pledged allegiance to our flag and the Nation for which it stands. I would like to challenge every Member of this House today to take another pledge, a pledge that we will not go home in February for a month, a pledge we will not take a paid vacation as Members of Congress, while this Nation is on the brink of defaulting on its good faith and credit for the first time in two centuries.

Mr. Speaker, I think every Member of Congress tomorrow who would vote to recess, when we are on this brink, are playing Russian roulette with the American economy and average working people's lives whose mortgage rates will go up and veterans who will not receive their paychecks and the widows of veterans who will not receive their pensions.

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Anybody who votes to go on recess tomorrow should volunteer not only to give up his or her paycheck for the month of February. They should volunteer to explain to 44 million senior citizens why on March 1 they may not get their Social Security checks and Medicare recipients will not get their checks. We should stay here and work.

PROTECT CALIFORNIA'S FRUIT AND VEGETABLE INDUSTRY

(Mr. CALVERT asked and was given permission to address the House for 1 minute.)

Mr. CALVERT. Mr. Speaker, the rumor going around the California agricultural community is that USDA Secretary Dan Glickman is out to ruin California's multibillion-dollar-a-year fruit and vegetable industry.

Why would Secretary Glickman want to destroy California's Agricultural industry? Only he knows.

Bill Clinton will get the blame—conventional wisdom says this is a no brainer—costing Clinton the November election.

An independent study by University of California, Riverside, Boston University, Cornell University, and Oregon State University states that USDA has not used good science.

Allowing pest-ridden Mexican avocados into the United States is a recipe for disaster. They will bring in fruit flies, stem borers, and seed weevils. The invasion of these pests will destroy California's crops for generations to come.

Secretary Glickman, use common sense. Don't allow pest-ridden Mexican avocados into our country. It is bad policy, based on bad science.

LOAN GUARANTEES

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, let us see if this makes any sense. Uncle Sam borrows money from Japan and Germany and then gives that borrowed money to Russia. Russia then sells nuclear technology, fighter jets, tanks, and submarines to Iran and China. Military experts say that Iran threatens the gulf and that China, as we speak, threatens to nuke Taiwan.

If that is not enough to float your boat, the White House wants to guarantee part of a $9 billion loan, another one to Russia, $9 billion.

Mr. Speaker, did anyone ever stop to think that America with these policies just may be aiding and abetting our enemies?

Beam me up, Mr. Speaker.

If we can guarantee any loans for anybody, it should be for the people in the United States of America.

CASTRO'S THREATS AGAINST DISSIDENTS' YOUNG CHILDREN

(Mr. DIAZ-BALART asked and was given permission to address the House for 1 minute.)

Mr. DIAZ-BALART. Mr. Speaker, since the time of the visits of two of our colleagues to Cuba a few weeks ago, dissidents and independent journalists there are facing increased repression. Dissident leaders Miriam Garcia, Mercedes Parada Antunes, Leonel Morejon Almagro, Pedro Brito Hernandez, and many others, have reported being the victims of increasing repression. But perhaps the most spine-chilling example of Castro's new wave of brutality is the way in which Vicky Ruiz, a member of the dissident umbrella group Concilio Cubano, is being threatened.

State security has not only repeatedly threatened Vicky Ruiz's physical safety, but Castro agents have also told her that, if she does not stop her human rights advocacy, her young children, a 9-year-old girl and a 6-year-old boy, will be physically assaulted, as will be her 13-year-old nephew, who also lives with her in the same house.

I, Mr. Speaker, have personally heard her plea for help sent by telephone. All human rights groups, international organizations, our Government, and all governments have a duty to immediately condemn these acts of cowardly brutality with all vehemence, and to intercede on behalf of Vicky Ruiz and her young family.

STOP JEOPARDIZING AMERICA'S CREDIT

(Mr. DOGGETT asked and was given permission to address the House for 1 minute.)

Mr. DOGGETT. Mr. Speaker, as so many Texans gathered yesterday in Austin to honor Senator Ralph Yarborough, I was reminded of his urging that we ought to put the jam on the lower shelf so the little people can reach it. How appropriate those words are this morning.

Speaker GINGRICH wants to put all the jam up there on the top shelf so that those who are sitting comfortably on the top ladder can reach up there and get the tax breaks and the crown jewels. Those that are down there on the bottom rung, working families, they reach into the cupboard and they find it bare. All they get is a notice for raised taxes under this Republican economic plan.

Mr. Speaker, meanwhile the Speaker is talking about getting this country into a jam of a far different type: Defaulting on the full faith and credit of the United States of America, the kind of idea we would have only heard on the crackpot circuit a year ago. Well, it is time to stop jeopardizing with these political shenanigans the future of working families across America.

PRESIDENT CLINTON AND BIG GOVERNMENT

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to include extraneous material.)

Mr. BALLENGER. Mr. Speaker, last week President Clinton said this was the end of the era of big government. And this week, the President says that he established a record of remarkable consistency.

Mr. Speaker, let's review the facts. President Clinton is responsible for the largest tax increase in American history. He tried to take over one-seventh of the U.S. economy by socializing the Nation's health care system. Last year, the President submitted four budget plans, none of which balanced, all of which had $200 billion deficits as far as the eye could see. And only until very recently has the President submitted a balanced budget, but even that puts off the tough choices for future politicians and spends $326 billion more on failed Washington programs.

If this is the end of big government, I must be in political fantasyland.

Mr. Speaker, let's cut through the double-speak see that, in reality, Bill Clinton has become big government's little buddy.

Mr. Speaker, I submit the following for the RECORD:

[From the Washington Post, Jan. 31, 1996]

CLINTON SAYS RECORD SHOWS "REMARKABLE CONSISTENCY"

(By Ann Devroy and John F. Harris)

President Clinton said yesterday his declaration last week that the era of big government is over was not a departure from the philosophy he brought to the White House three years ago and said he will show voters this year that he has compiled a record of "remarkable consistency."

Clinton's comments came in an Oval Office interview a week after a State of the Union address in which he embraced many of the limited-government themes sounded by congressional Republicans. Despite his advocacy of a federal overhaul of health care earlier in his administration and recurrent charges by his critics that he has moved across the political spectrum with the polls, Clinton said his basic approach to the presidency has not changed.

"I believe I've given the American people a coherent view of the world," he said, adding: "Just because I'm not for big government doesn't mean I think we should have a weak government or that there's nothing for government to do."

Clinton said that while he hopes other Democrats share this vision, he will not make recapturing Congress for the Democrats a primary goal of his 1996 campaign. Such an appeal based solely on party, he said, would be "self-defeating."

On welfare reform, Clinton said he has not given up hope that a compromise bill acceptable to him will be approved this year. But he set a new price for his signature on a welfare system overhaul, asserting that the Senate proposal he indicated he would support last fall will have to be changed for him to support it now. He called on Republicans to send him a revised bill that would contain fewer cuts in funding for food stamps, provide child care for welfare recipients who work and preserve current protections for disabled children.

One of Clinton's major campaign pledges in 1992 was to replace welfare "as we know it," but he must reconcile that with his veto of a Republican welfare plan earlier this year because it was too hard on children. Since the veto, Republicans have been debating among themselves how to revive the issue. One alternative they have discussed is to agree to unite behind the Senate version, which was adamantly opposed by House Republicans.

That way, some Republicans argue, Clinton would have to sign the bill—as he earlier indicated he would do—hereby angering liberals in his party, who think the Senate bill amounts to an abandonment of the party's traditional commitment to the needy.

Clinton's comments yesterday appear to add a new hurdle to getting any version of welfare overhaul through Congress this year. Some argue it is an academic discussion anyway, because Republicans have deep disagreements over whether to try for a deal, how to proceed and whether a more limited measure like the Senate version could make it through the House.

In the interview and later talking to reporters, Clinton said any new version sent him should "at least reflect" understandings on improvements reached between him and congressional Republicans during their marathon balanced-budget talks at the end of 1995.

"We reached an understanding," Clinton said, that "we should do more" on child care funding, food stamp proposals, funding that covers Social Security disability payments to children and provisions affecting the children of legal immigrants.

Republicans disputed Clinton's description of the talks and his call for using them as a basis for new legislation. Tony Blankley, spokesman for House Speaker Newt Gingrich (R-Ga.), said the welfare discussions were in the context of Republicans taking less than real reform in order to get more of a real balanced budget. Without the balanced budget, he said, the equation doesn't hold up.

"It's not going to happen," he said of legislation rewritten to reflect the president's newest specifications. Adding new requirements now to the one version he did embrace "offers a flavor of the kind of two-step he did in the Oval Office last month," moving the goal posts as the game proceeded, Blankley said.

Administration officials are vague on what precisely Clinton and the Republicans reached understandings about. But one senior official said Republicans agreed to add back about $4 billion of the $26 billion in cuts they proposed for food stamps, and were no longer seeking to make the program a block grant. On child care, they did not object to adding $2 billion in spending and to allowing women who work 20 hours a week to meet the work requirement to keep benefits.

On Social Security disability payments, the Republicans, officials said, did not object to loosening requirements to allow more traditionally disabled recipients to retain their benefits, while removing alcoholics and others. The two sides also "threw out a number of ideas" on how to loosen the GOP requirement that legal immigrants not be eligible for most welfare benefits, an official said.

Clinton was relaxed and voluble for most of the interview, becoming more intense only when defending himself when asked if he has been inconsistent in his approach to government. He was joined in the Oval Office by a handful of senior aides, including senior adviser George Stephanopoulos, press secretary Michael McCurry and communications director Don Baer, none of whom joined the discussion.

Regarding the 1996 campaign, Clinton said he has gotten a good reception to the conciliatory tone of his State of the Union speech and said seeking common ground with Republicans would be part of his election-year message.

But asked if he would ask voters to give him a Democratic Congress to help accomplish second-term goals, Clinton said, "The American people don't think it's the president's business to tell them what ought to happen in the congressional elections."

Presidents have been only modestly successful in recent elections in getting voters to link their presidential votes to congressional votes by party. George Bush, when he was elected in 1988, saw his party lose seats in Congress, as did Clinton in his 1992 election. But the reelections of Richard M. Nixon and Ronald Reagan, in 1972 and 1984, saw their Republican Party make double-digit gains in congressional seats.

"The evidence that the president's been successful making that kind of argument to the American people is not very heavy," Clinton said.

He added, "I think it ought to be obvious to people that Speaker Gingrich would like to have a Republican president and it's obvious to people that I would like to have more Democrats in the Congress, but I think what the American people want to know is: What are these people saying, how's it going to affect me, and then I'll make a decision about how I'm going to vote." The president said he would "make my case" about what he wants to do in a second term. "I hope it will embrace a lot of the people that are running for Congress in my party. But to tie the two things together I think would probably be self-defeating."

Asked about his changes in governing philosophy since he took office and to reconcile his first speech to Congress in 1993 with his State of the Union address last week, the president flushed and rejected the premise that the different themes showed a different philosophy.

In 1993, he began his speech by saying, "Tonight I want to talk to you about what government can do because I believe government must do more," and went on to outline a "package of jobs investments of over $30 billion to put people to work now, to create half a million jobs: jobs to rebuild our highways and airports, to renovate housing, to bring new life to rural communities." Last week, he twice proclaimed, "The era of big government is over."

Clinton said the two speeches are inconsistent "only if you have that kind of selective quotes."

"I've worked very hard to work out a coherent philosophy that is different from either just letting the market run the world and America, or pretending that the government can solve all the problems," he said. "I have worked on it very hard for years and years and I believe that there's a remarkable consistency in what we have done."

CONGRESS SHOULD BALANCE THE BUDGET IN THE RIGHT WAY

(Mr. OLVER asked and was given permission to address the House for 1 minute.)

Mr. OLVER. Mr. Speaker, as American workers and families struggle for economic security, the 104th Congress has an obligation to help. First, this Congress must protect the credit and good name of our Nation. Congress should pass clean legislation to avoid default on our debt now, this week.

Next, we should raise the national minimum wage so working families can survive without Government assistance. Then we should provide workers with portable health insurance and guarantee that no one can be denied health coverage due to a preexisting condition.

We should balance this budget, but only in a way that protects our parents' pensions, provides education and job training, keeps our streets and schools safe, and protects our environment.

Mr. Speaker, Americans are skeptical that their Government can do anything to make their futures brighter. We should prove them wrong.

BALANCE THE BUDGET

(Mr. METCALF asked and was given permission to address the House for 1 minute.)

Mr. METCALF. Mr. Speaker, the interest on the debt this year is $235 billion; that is more than the deficit. In other words, Government spending is really less than Government income, if we do not count the deficit.

We are paying interest on a debt that Congress overspent, the result of Congress overspending for decades. It has resulted in this disgraceful deficit, and the budget we now begin this year, the interest on the debt will exceed the huge defense budget. Interest on the debt costs $1,300 for every American. That is $5,200 for a family of four. Think what $5,200 would do for the standard of living of each American family.

We have a moral responsibility to balance the budget and a moral responsibility to protect the American dream for our grandchildren.

DEBT CEILING

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, for the first time in the history of the United States, the President and Secretary of the Treasury are sitting in consultation as to what to do if this Nation defaults on its debt. What a crisis. Not in World War I, not in the Civil War, not in World War II did we ever sit to determine what we would do if we default on the debt.

What an irresponsible act, Mr. Speaker, that we in a couple of days will not be able to pay our Social Security benefits to those who are living on the margin of life. This includes our benefits to the veterans, and, yes, our military pay to active duty military, particularly to those in Bosnia. I have been there, to Bosnia, Croatia, and the former Yugoslavia, to Germany and Italy, where our men and women are serving. I say to my colleagues that they are committed, but we will not be able to pay them.

In addition, we will have working men and women who will see interest rates on their credit cards go up, as well as student loans, mortgages, and unemployment.

Join me in supporting a privileged resolution that I will offer. We will not go home until we pass a bill creating a clean debt ceiling.

Mr. Speaker, I rise today to urge this House to stop playing games with the full faith and credit of the United States and pass a clean debt ceiling extension.

If the debt ceiling is not extended or is sent to the President in a form that he cannot sign, the repercussions will be devastating. Already, the leaders of our European Allies are warning of an international financial crisis should the United States default on its debt payments. Bond rating agencies are raising alarm that our Nation's triple A bond rating is in jeopardy.

An actual default would cause interest rates on Treasury Bonds to rise, making a balanced budget almost impossible to achieve. Home mortgage and business borrowing rates would increase, slowing economic growth.

In the past, many clean debt limit extensions have been passed in a bipartisan manner by this House. It was the right thing to do then, and it is the right thing to do now.

Because of the devastating effects of a default, I plan to offer a privileged resolution to keep this House working until a clean debt ceiling is sent to the President.

I urge my colleagues on both sides, do the right thing. Vote for my resolution, pass a clean debt ceiling extension and preserve the full faith and credit of the United States.

REVITALIZING AMERICA'S MANUFACTURING SECTOR

(Mr. FRANKS of New Jersey asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRANKS of New Jersey. Mr. Speaker, today, along with Representatives JACK QUINN, PAUL MCHALE, and MARTY MEEHAN, I will introduce legislation aimed at revitalizing America's industrial sector. Our bill encourages businesses to reclaim old, abandoned industrial sites known as Brownfields and redevelop them into sites of economic activity. The bill will help bring jobs and much needed revenue to blighted areas across the country.

Our bill complements State Brownfields initiatives by removing existing Federal barriers that inhibit site cleanup and impose threats of liability on prospective buyers. Importantly, however, our bill does not compromise public health or environmental quality. Also, our legislation creates a Brownfields IRA which will serve as a key resource to businesses by allowing tax-free contributions of up to $5 million which can only be used for Brownfield site remediation costs.

I urge Members to cosponsor this bill and help revitalize our country's urban industrial centers.

PASS A CLEAN DEBT CEILING NOW

(Mrs. KENNELLY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. KENNELLY. Mr. Speaker, this past Sunday, there was a large, black headline in the Washington Post. "Default," it said—with an exclamation point. It was a frightening story, depicting the cascading effect of a U.S. Government default from worldwide currency markets to home mortgages.

Fortunately, it was a story that has not yet come true. And more and more Members are now saying publicly that they do not think it will come true.

But the question remains: If no one wants a default, and if everyone understands that the debt limit must be raised, and if a majority of the House and Senate are willing to take the tough but necessary vote to do so—why have we not done so yet?

Lifting the debt limit should not be a matter of politics, but of governance. Ensuring that it is done should not be a question of partisan leverage, but of leadership.

As the sponsor of critical legislation to pass a clean debt ceiling, I urge my colleagues to cosponsor this bill. I further urge them to sign the discharge petition that would bring this legislation to the floor. And above all, I urge: Pass a clean debt ceiling now.

□ 1120

HOW FAIR ARE OUR TAXES?

(Mr. STEARNS asked and was given permission to address the House for 1 minute and the revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, I rise today to bring to my colleagues' attention a Reader's Digest article in the February issue entitled, "How Fair Are Our Taxes?" The results should not be surprising. Simply put, and I am quoting from the article, "Americans at every income level think we are overtaxed." Furthermore Americans, according to this poll, think a family of four should bear a maximum tax of 25 percent. And that is not just Federal income tax, that is all taxes at all levels.

I remind my colleagues, the Reader's Digest is a publication which is fair. They conclude clearly that a large majority of Americans, nearly 70 percent of those polled, regard the tax burden as unfair.

Mr. Speaker, my colleagues, we need to act now to reduce the tax burden for Americans. Not only is reducing taxes a matter of fairness, but a matter of economic opportunity for America and a matter of shrinking the Federal bureaucracy.

DEFAULTING ON THE DEBT

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, last month, House Republicans shut down the Government to try to blackmail the President into signing their extreme agenda. Now, they are at it again. This time, the crowd that brought us two Government shutdowns is threatening to destroy our country's credit rating by defaulting on our debt.

If Republicans have their way, the United States will default on our financial obligations for the first time in our history. Think about that—for 220 years our country has paid its bills and now that is about to change because extremists in this Congress would rather force a Government default then compromise on their right wing agenda for America.

Two hundred and twenty years is a long time and much has changed. Once America was led by Madison and Jefferson, who became known as the Founding Fathers of our democracy. Now, we are left with GINGRICH and DOLE, who seem intent on becoming the deadbeat dads of democracy.

PASS A CLEAN DEBT CEILING EXTENSION

(Mr. PALLONE asked and was given permission to address the House for 1 minute.)

Mr. PALLONE. Mr. Speaker, again I wanted to comment on the possibility of the default on March 1. I find it incredible that the Republican leadership first attempted to shut down the Government on several occasions in the past few months in order to try to enforce their radical agenda and essentially hold the Government hostage because the Democrats would not agree to major cuts in Medicare and Medicaid, environmental protection, and education.

Now, realizing that the American people could not support the Government shutdown and that they were losing the support of the American people, they decided they would leave the Government open again, and now they are moving toward this default. They are jeopardizing the credit rating of the

United States which, as of March 1, there is a real possibility that this Government would default.

What they are saying is, that is OK. We will go home for 3 weeks. We will adjourn after tomorrow. We will come back at the very end of February, just a few days before March 1. And if you do not go along with our radical agenda and cut Medicare and cut Medicaid and do the other things that we want to you to do, based on our ideology, then we are going to default.

I think it is a terrible way to operate. We should put a stop to it.

A FRIGHTENING STRATEGY

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, I read with interest of the remarks of Albert J. "Chainsaw Al" Dunlap to the Republican freshman caucus. Mr. Dunlap earned his nickname by firing thousands of employees at various companies, most recently Scott Paper Co.

American workers and voters, take note.

Mr. Dunlap's frightening strategy involves firing loyal employees, ignoring impacts on communities, and maximizing profits to stockholders and the corporate elite—like Mr. Dunlap.

Two years of firing employees made Chainsaw Dunlap a very rich man; he pocketed about $100 million, much of it in stock gains that would be untaxed under the Republicans' flat tax scheme.

Along the way, he fired 20 percent of hourly workers and 50 percent of managers, barred community activities, and reneged on charitable commitments. But as the chairman of Wharton's management department noted, "Dunlap didn't create value. He redistributed income from the employees and the community to the shareholders."

Let us hope that the Republican revolutionaries who listened to Dunlap do not buy into his prescription that people are as disposable as Scott tissue as long as the bottom line spells money for the wealthy

FINANCIAL CREDIBILITY

(Mr. STUPAK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STUPAK. Mr. Speaker, the United States faces a major threat to its financial credibility from the new majority, which is playing politics with the Nation's credit and refusing to raise the Nation's debt limit. Their tactics hurt all Americans, just as Americans were hurt by the expense and inconvenience of two Government shutdowns.

But the issue involves more than finances. The credibility of this very Nation is hurt by such tactics. We approve spending measures for Social Security, for education, for the environment, for the defense of this Nation, and then we tell America that we are simply not going to pay our bills. Whatever happened to the fullfaith and credit of this country? What ever happened to one's good word.

Republicans may try to fool the public by suggesting that raising the debt ceiling will somehow cap future spending, part of their agenda to reduce spending on Medicare, or Medicaid, the environment, and education, but the new majority should be honest with the American people. The debt limit must be approved to pay for current spending, not future spending. We must be responsible and protect our Nation's finances and reject this destructive extremism by passing a clean resolution to raise the Nation's debt ceiling.

OREGON ELECTION RESULTS

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute.)

Mr. BROWN of Ohio. Mr. Speaker, yesterday for the first time in 34 years, voters in Oregon elected a Democrat to the U.S. Senate. Despite being outspent over 3 to 1 and largely from Washington special interest money, Democrat RON WYDEN was elected to replace Republican Bob Packwood. Why? Because Oregon voters are sick and tired of Speaker GINGRICH shutting down Government in this country, not once but twice, and voters are sick and tired of Speaker GINGRICH threatening over and over to force our Nation into bankruptcy, all because the Speaker wants his extremist agenda enacted into law in this country.

People all over the country are rejecting this kind of thinking. They are rejecting cuts in Medicare to give tax breaks to the wealthiest individuals in this country. Voters are rejecting cuts in student loans and cuts in environmental programs in order to give tax breaks to the largest companies in America. That kind of extremist thinking is not what the American people want. Let us have a balanced budget that protects Medicare, protects the environment, and does not give major tax breaks to the wealthiest people in this country that do not need it.

ARTIFICIAL DEFAULT

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, the Republicans in this Congress, in the House of Representatives, are trying to force this Government into an artificial default. This is not a new power that the Congress suddenly possesses. It is something that has been embedded in the Constitution since the founding of this Government.

The power to force a default has always been there, but in all of the 200-plus years of the history of this country, it has never been used by either political party, except the Republicans are now attempting to use it to force a default.

The consequences of a default are unthinkable. It is so drastic that no one has really ever actively played a scenario as to what would happen.

I hope our Republican colleagues will relent and give the American people an opportunity to pay their debts when they come due and to allow the Government to function in a normal manner.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. RADANOVICH). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

REMEMBERING CHRISTA McAULIFFE AND THE CREW OF THE "CHALLENGER"

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. MORELLA] is recognized for 5 minutes.

Mrs. MORELLA. Mr. Speaker, a decade after the *Challenger* exploded, Christa McAuliffe is still fulfilling her mission, inspiring young people to look skyward with curiosity about science and outer space.

On January 26, 1996, the Christa McAuliffe Elementary School in Germantown, MD, honored their namesake by devoting a day of activities to her memory. In keeping with the wishes of Christa McAuliffe's mother, the students and teachers worked with a shared sense of purpose to remember the teacher-astronaut in a dignified manner. "Christa, This One's For You and the Challenger Crew," was the theme for the day.

Under the expert guidance of teacher Bettie Shortt, the children in the Head Start Program made a mural of the *Challenger*. The kindergartners listed Christa McAuliffe's character traits and elaborated on each one.

Team leader Lynne Barrett asked the first graders to read an important book about the *Challenger* flight. Students then discussed why Christa McAuliffe was important. Each second grade teacher selected a subject and prepared a 45-minute lesson. The subjects included: Astronauts, the Space Shuttle, the Moon, Planets, and Christa McAuliffe. Teacher and team leader for the second-graders, Susan Gougeon made sure that the classes were rotated so that each class was afforded the opportunity to participate in all of the relevant lessons.

Peggy Duffy asked each third-grader to make a symbol to put into a goal quilt, keeping in mind that "Christa McAuliffe set a goal and went for it." The finished quilt was hung in the school hall and was "quite a display," according to Dr. Edith Rohrbacher, the assistant principal.

The fourth graders viewed the film, "The Dream is Alive," and then discussed the concept of being part of a team. The fifth graders wrote essays. One of the fifth grade classes will correspond with Christa McAuliffe's mother. Jean Withee and Kristin Dillman deserve credit and praise for their outstanding efforts as team leaders for the fourth and fifth grades.

Mr. Speaker, I am proud of the winning combination of students and faculty at the Christa McAuliffe Elementary School in Germantown, MD, for it is my understanding that the day set aside to remember the *Challenger*, was a huge success. I congratulate Principal Eugene Haines and the entire McAuliffe Elementary School on their ambitious program, and I wish them continued success in all of their future educational challenges and endeavors.

As Keith Geiger, President of the NEA, stated: "Christa taught us about living life to the fullest. Because she reached for the stars, she made the world a brighter place for all of us."

As a member of the Committee on Science that has under its jurisdiction our space program and as somebody who is a former educator myself, I commend the school. I hope that the *Challenger* tragedy becomes a symbol for future generations to adopt the kind of theme that the Christa McAuliffe School has, and that is, reach out and touch the future.

THREATS OF DEFAULT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. BROWN] is recognized for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, a lot of us in this institution are troubled by the threats to force the Nation into default, the comments made throughout the year by Speaker GINGRICH and the gentleman from Texas, Mr. ARMEY, majority leader, that if they do not get their way on the balanced budget or if they do not get their way on a host of things that are they are going to shut the Government down.

We heard those threats throughout 1995. Unfortunately, come November once and then in December a second time, they made good on their threats because they did not get the kind of, exactly the kind of balanced budget that they wanted. And they went ahead and shut the Government down. What that meant to lots of American families that depended on services from the Government, what it meant to people that work in Government, what it meant across the board to this country.

Now the threats, in a lot of ways, Mr. Speaker, are even more serious, because those threats are to force the Nation into default, again, if Speaker GINGRICH and the gentleman from Texas, Mr. ARMEY, majority leader do not get their way with the balanced budget. At the same time as we move toward this default on March 1 or February 29, the Congress is going to recess today or tomorrow for 2 weeks and just go home and forget about it, when default can be imminent, when they are threatening default.

The gentleman from Texas is with me who knows more probably about what default will mean to veterans, has been a leader on these issues, what exactly it will mean to an awful lot of veterans in this country in addition to all the other problems that the first default in the history of the United States of America in 220 years would mean.

Mr. Speaker, I yield to the gentleman from Texas [Mr. EDWARDS].

Mr. EDWARDS. Mr. Speaker, I know this issue of defaulting on the good faith and credit of the American economy and our Government debts is an issue that a lot of folks back home do not necessarily relate to themselves personally. But I would like to specifically address what the default on March 1 could do to men and women who put their lives on the line for our country.

I am very grateful to have the opportunity to be the ranking Democrat on the Subcommittee on Hospitals and Health Care of the Committee on Veterans' Affairs. So on a regular basis I have a chance to go out to our VA hospitals and see those men and women who were combat injured and put their lives on the line.

Let me quote from Jesse Brown himself, a very distinguished combat veteran who was very seriously wounded in service to our Nation. He said that veterans and their families have suffered enough. They should not be the victims of a battle they cannot even fight. The battle that Secretary Brown is talking about is the game of Russian roulette that is being played with the American economy in threatening to shut down our Government once again and to default on our debt.

Let me just put this in real terms, to how a Republican pushed default on our debt, especially if we are going into recess and get a paid vacation for the next month and only come back 4 days before the March 1 default, let me talk about how this would affect real American veterans: 2.2 million veterans with service-connected disabilities may receive bad checks March 1. More than 300,000 survivors of veterans who died from service-connected causes may receive bad checks.

To be even more clear on that, what that means is that widows of combat veterans who died in service to our Nation may receive bad checks, in effect, hot checks on March 1 from the VA.

□ 1140

Nearly three-quarters of a million poor wartime veterans or survivors may receive bad checks. Also, $140 million a month in education program funds, G.I. Montgomery College loan funds would not go out to veterans on March 1 and for each month thereafter, if the leadership of this House does not keep us here for the month of February, and have us deal directly and honestly with the debt default issue. Hardworking VA employers and employees, people who try to take care of our veterans and hospitals all over this country, once again will not be paid for their work. That will have a devastating impact on the quality of people we can attract to work in our VA hospitals.

The bottom line to all of this, Mr. Speaker, I would say to the gentleman and to our American veterans, is they need to understand that this complex, convoluted discussion of default is something that affects America's veterans, it affects 44 million senior citizens receiving Social Security checks, including many that are on SSI, that receive checks because they are disabled, in wheelchairs, and need that check to pay for their bills.

This is a real issue, a terribly important one that affects real families. It is devastating, most importantly, to America's working families, those people who are working hard to pay their bills and put their children through college. Their mortgage interest rates could go up after March 1. The money they borrowed to keep their farm alive or to expand their business or keep their business alive, that they have struggled so hard to support for years, those costs could go up.

Mr. BROWN of Ohio. Mr. Speaker, I would say to the gentleman, that simply does not have to happen. In 220 years it never has happened in this country, through the Civil War, through World War II, through the burning of the Capitol.

THE IMPACT OF GOVERNMENTAL DEFAULT, AND URGING SUPPORT FOR THE FAN FREEDOM AND COMMUNITY PROTECTION ACT

The SPEAKER pro tempore (Mr. RADANOVICH). Under a previous order of the House, the gentleman from Ohio [Mr. HOKE] is recognized for 5 minutes.

Mr. HOKE. Mr. Speaker, before my colleague, the gentleman from Ohio, leaves the floor, I want to shock him, if I can get his attention. If I can get the gentleman's attention, I want to shock him with the disclosure that I, in fact, am in at least partial agreement with the comments that he just made regarding the debt service, or, I am sorry, the debt ceiling and the extension of the debt ceiling. I would certainly not characterize the shutdown of the Government as, first of all, having been the responsibility of this Congress, but was, in fact, the responsibility of the President.

I also think that the impact of a shutdown of the Federal Government is very, very different from the impact of a default on the full faith and creditworthiness of the U.S. Government. But notwithstanding those differences I, in fact, agree with you that the creditworthiness of our country should not be tampered with and that, in fact, the impact that such a thing might have would be far-reaching.

Mr. Speaker, I had not specifically thought about the impact it would have on veterans, but you can be darned sure that it would have a tremendous impact on every single person who holds any kind of obligation bearing interest on any debt in this country, including mortgages, including car loans, including student loans, et cetera, et cetera. Nobody knows this better than somebody from northeastern Ohio, where we were thrown into a default situation some two decades ago in the city of Cleveland.

And not only is there an economic consequence from this, but there is also a psychological stigma. It is a stigma that we have suffered under for some time, and only recently dug ourselves out of in the past 5 or so years.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HOKE. Mr. Speaker, I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, I thank my friend, the gentleman from Cleveland, Ohio. When he talks about the prospective default, never before have I heard political leaders in this country that are responsible leaders with titles like Speaker of the House and majority leader of the House make threats about default similar to the threats that were made about closing the Government down.

You can say it was the President's fault that the Government shut down, but the fact is it was written on the sleeve of the Speaker and lots of other leaders that "If we do not get what we want, we are going to shut the Government down. If we do not get what we want, we are going to force a default." That kind of discussion, those kinds of statements, send all kinds of uncertainties and tremors through the financial markets, something that is not good for the country, something that makes the United States look weak rather than strong, something that, frankly, scares a lot of people in this country.

Mr. HOKE. Reclaiming my time, Mr. Speaker, just to recap, and we will agree to disagree, but I really reject your characterization of the reason that we got to the situation we got to. It clearly was a result of the President's absolute refusal to negotiate in good faith what he had said he would, in fact, negotiate in good faith. I think it probably suffices to say that we will just disagree on that.

Mr. Speaker, in any event, I think that there are real consequences that have to be thought about in a very, and I only have a couple more minutes, and I actually did not want to talk about this, I wanted to talk about something completely different, so I am not going to yield any more time, but I do agree at least in that respect.

Mr. Speaker, what I want to talk about this morning for the probably 3 minutes that I have remaining is football, good, old National Football League football.

I think it is particularly appropriate, since the Superbowl was just on Sunday, to remind my colleagues that it was in 1961 that Mr. Pete Rozelle came to the U.S. Congress and he asked this Congress to give a specific benefit not only to the NFL but also to the NBA, to the NHL, and to major league baseball, with an exemption from antitrust laws that would allow them to bundle all of their broadcasting rights and take them from each city and put them in one package and sell them.

This resulted in a bill called the Sports Broadcasting Act of 1961. It was passed in the House, it was passed in the Senate, it was signed into law by the President. I can assure you this was not something instigated by the House and Senate, I can assure you it was instigated by the NFL and other pro leagues.

What did they ask for? What was it they were asking for? What would they get in return? They said if they got this, it would allow them to be financially stable. What they would do in return is they would protect communities and they would protect fans.

I would ask the question, Mr. Speaker, do you think that fans and communities have, in fact, been protected over the past 35 years by the NFL, or in fact, have they taken this market power that came as the result of the Sports Broadcasting Act of 1961 and have they used it as a bludgeon to exploit, extort, and legally blackmail cities to compete against each other in order to not lose their franchise?

The 1961 act, by the way, Mr. Speaker, was followed by the 1966 act, and the 1966 act is the act of Congress that specifically, and Mr. Speaker, I see I am out of time, but I want to take more time later to explain the problem we have here to my colleagues, and then to ask for their support for the Fan Freedom and Community Protection Act that now has 40 cosponsors in the House, and to support that.

SUBSTITUTION OF SPECIAL ORDER TIME

Mr. DOGGETT. Mr. Speaker, I ask unanimous consent to substitute my name for that of the next Democrat who is up.

THe SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

URGING REPUBLICAN MEMBERS TO SIGN DISCHARGE PETITION TO AVOID GOVERNMENTAL DEFAULT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. DOGGETT] is recognized for 5 minutes.

Mr. DOGGETT. Mr. Speaker, before my colleague, the gentleman from Cleveland, OH [Mr. HOKE] leaves, I appreciate his comments about governmental default. I would just offer the gentleman from Ohio [Mr. HOKE] the opportunity to come down here in the well and join over 150 Members.

Mr. HOKE. Mr. Speaker, will the gentleman yield?

Mr. DOGGETT. No, I will not yield. Mr. Speaker, we do not need any more of this crybaby nonsense around here. The question that I was asking the gentleman from Ohio is, that in the event that he feels, and I do commend him for his comments on default, he feels as strongly about it as he said, then I would ask him to come down and join the over 150 Members of this House who have already signed on a discharge petition so that today, if we could get a few more signatures, we could vote to avoid this problem of default and go ahead and resolve the debt limit right now.

Mr. Speaker, if the gentleman wishes to respond to that, I would be glad to yield to him briefly to do that.

Mr. HOKE. Mr. Speaker, I thank the gentleman very much. I appreciate the gentleman yielding.

Mr. Speaker, I would say to the gentleman, no, I will not join. I will tell him why I will not. Because that particular piece of legislation gives another $500 billion of additional extension on the debt ceiling, a half a trillion dollars. I think that is absolutely dead wrong. It is the kind of license that he and the other lovers of big government in this Congress on the other side that are now in the minority want. I refuse it. I reject it.

Mr. DOGGETT. Mr. Speaker, that is interesting to hear, since it was a limit that was already in the Republican reconciliation bill. You have already voted to do that two or three times here. But now you feel a need to have a crowbar to highjack the Government, to pressure the President, to threaten the future of this country by waiting until a few days before we enter the first default in the 200-plus-year history of this country. It is that kind of political shenanigans that the people of this country are rejecting.

Mr. Speaker, I heard on the way over here this morning that there was another low in the temperature in Embarrassment, MN. They had gotten down to minus 40 or minus 50. That may be a low in terms of the temperature, but you know, I have not seen a low like we have here in this House this morning.

Just look around. You will not find many Members on the floor. Why is that? Because after a 5- or 6-day weekend that we just celebrated, the Republican leadership does not have one piece of legislation on this floor for the Congress to act on today. They think work is not only a four-letter word, but a dirty four-letter word. What is this Congress doing, if here, even before the lunch hour, we cannot get about working and dealing with the critical problems that this country faces?

I will tell you, Mr. Speaker, all the news from the north end of this country is not cold news, because I see a report here from the State of Oregon. Our distinguished colleague here in the House, the gentleman from Oregon, Congressman RON WYDEN, is now Senator RON WYDEN, because the people of Oregon had an opportunity to consider this proposal to let Medicare wither on the vine, to consider the proposal to have unilateral disarmament on our environment, to consider the mistaken priorities of this House Republican leadership, and they voted "no," and in favor of sending a Democrat to the U.S. Senate.

Mr. Speaker, last week the Senate came within one vote, one vote, of passing the very kind of adjustment in the debt limit to protect the full faith and credit of this country, the same type that I asked the gentleman form Ohio [Mr. HOKE] to come down here and sign, along with over 150 Democrats, to not threaten the creditworthiness of our country. One vote. And now Senator RON WYDEN will be over there to cast a vote for fiscal responsibility.

I commend and congratulate him, Mr. Speaker, but I particularly commend the people of Oregon for speaking out against this extremist agenda and doing what they have the power to do, and that is hold their public officials accountable, and replace a Republican with a Democrat, and a very progressive and responsible Democrat, to do something about the tragic circumstances which this extremist agenda has placed the country in.

Mr. EDWARDS. Mr. Speaker, will the gentleman yield?

Mr. DOGGETT. I yield to the gentleman from Texas.

Mr. EDWARDS. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I am disappointed that some Members on the Republican side of the aisle would not walk those 45 feet it would take to sign a discharge petition so we would not default on our debt, so that on March 1 we could pay Social Security recipients their checks, and veterans, and even soldiers serving in Bosnia now will not get paid if we do not do something about this debt problem.

Mr. Speaker, I would like to ask the gentleman a question. If he and I were in business and we were within 30 days of our company going bankrupt, and we took a 26-day vacation and went to Hawaii and got a paid vacation and said, "We will come back 4 days before our company goes bankrupt," what do you think the stockholders of that company would do to you and me?

Mr. DOGGETT. Mr. Speaker, I think they would throw out the management of the company. That is exactly what the people of the United States are going to do if we continue to have the kind of shenanigans that have been going on here. It is time to protect the full faith and credit of this country.

THE DANGERS OF THREATENING DEFAULT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, I think it is very dangerous to keep threatening a default of this country. I think the Democrat Members would be well served to look at the real financial situations. No. 1, if Secretary Rubin or the President of the United States default on our debt, and that is, not pay principal, not pay interest, they both should be impeached. What we are talking about is 1½ percent of existing revenues coming into this Government to totally satisfy the interest and principal; so to play these political games, to scare the American people, to try to convince Wall Street that something disastrous is going to happen I think is a very dangerous, a very dangerous commentary, because it does have, what you say does have an effect on people in trying to understand and believe what is actually going to happen.

We talked about a director of a company or a manager or a CEO of a company being fired. If there was a manager of a company that took the actions of Secretary Rubin last June and July, developing the plans on how he is going to come up with additional cash flow to meet those needs, and at the same time proclaim to the Nation that there was going to be a disastrous danger of default, interest rates would be going up across the country.

Let us look at what Mr. Rubin just did the day before yesterday. He sent out a memo to the Veterans Administration, to Social Security, and what he said was if people call in and ask if they are going to get their payments, telling them that there is a problem, we might not have enough money to pay Social Security payments, to pay veterans' payments, to pay civil service retiree payments. What a tremendous disaster, to threaten people, to scare people, when it is absolutely untrue, uncalled for.

What this administration has done so far is they have reached into the trust funds, they have reached into the Federal financing bank, they have reached into the exchange stabilization funds, to the tune of $20 billion for the Mexican bailout. Now they are reaching in again for another $3.5 billion, to say that they are going to have additional money to pay this out. They are saying they do not want to go any further, because they think they can blame everything on Republicans now.

Mr. Speaker, I ask the ladies and gentlemen of America to take some time to study this budget, to study the reality of the consequences. Fifty percent of the spending of the United States is now in the hands of the President. Article 1, section 8 of the Constitution says that Congress has the control over spending, Congress has control over borrowing. Now the President has taken control over welfare spending. He has said, "No, we are not going to cut that spending." Somehow, if we give a hang for our kids and our grandkids, and for the future economy of this country, we are going to have to somehow have a real, honest balanced budget.

Mr. HOKE. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Michigan. I yield to the gentleman from Ohio.

Mr. HOKE. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I did not have an opportunity to respond a little earlier to the gentleman, but I wanted to point out that in the Budget Reconciliation Act, in the balanced budget agreement that the President vetoed and that all of my colleagues on the other side of the aisle voted against, and that I did vote for, that did extend the debt ceiling, there was a very good reason for it; because, in fact, in that situation what we did is we balanced the budget of the Federal Government. We actually set the glide path so we could bring back fiscal responsibility and fiscal integrity and fiscal authenticity. But that is something that my colleague, the gentleman from Texas, refused to agree to and would not agree to, and did not agree to.

Mr. SMITH of Michigan. Mr. Speaker, I think we should mention that the President has now vetoed two debt limit increases. There is not a Member on this floor that has ever voted for a clean debt limit increase. I pause, because is it not sad that they are doing so much political rhetoric, yet all of the debt ceiling increases that have been used over the years have been used over the years to put in the Kemp-Roth, the Gramm-Rudman, the tax increases?

Mr. ROHRABACHER. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Michigan. I yield to the gentleman from California.

Mr. ROHRABACHER. Mr. Speaker, I thank the gentleman.

Mr. SCHUMER. Mr. Speaker, the gentleman has made some statements.

Mr. ROHRABACHER. Excuse me, I think I have the floor.

Mr. SMITH of Michigan. Mr. Speaker, I yielded to the gentleman from California.

Mr. ROHRABACHER. I have asked for someone to yield to me on the floor during debate and they have not done it. I would like to express some thoughts about some of the thoughts expressed earlier when your side controlled the floor. Unfortunately, it looks like I will not have time to do that, after being interrupted.

THE LOOMING DEFAULT CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, it is good that we are here this morning in vigorous debate, and hearing my colleague, the gentleman from Michigan, who serves as the chair of a 130-person panel from the Republican Conference, it is interesting that he would say that we on this side of the aisle are frivolously representing to the American people that this is not a crisis.

I beg to differ with my colleague, and I respect him, Mr. Speaker, but we have strong differences by the very fact that he made a statement that said that if this was to delay tax refund payments, to not allow tax refund payments into the spring or next year, it did not matter to him. So we do have a decided difference about the reality of what is going on today.

I would simply like to draw the American people to not a frivolous discussion that my colleagues have been raising here, but one that is very serious. As I understand, it has been commented on by Wall Street representatives, commented on by individuals outside of the Beltway who truly will feel the impact.

Let me call upon some of their names, Mr. Speaker. Those who live on the margin and receive their Social Security payments, by a default of this Government, they will not receive it. It sounds like I have said this before, but it is the seriousness of this issue. Veterans will not get their money, retirees, and our existing military personnel in Bosnia, will not get their money. We will be seeing some $965 million of payments to veterans that have been diminished by all of this.

□ 1200

We know this, as I see my colleague from New York had the opportunity to chair a Democratic Committee on Banking and Financial Services hearing yesterday. He called upon the Republican chair to have a hearing to get the facts on what a default would cause and what would happen.

Unfortunately, they did not join in this hearing. I think some letter came to Mr. SCHUMER that said, we will do it next week. That puts us some 10 days away from default.

Mr. SCHUMER, I would like to yield to you, if I might, just to provide us with some insight on that hearing.

Mr. SCHUMER. I thank the gentlewoman for yielding to me.

It was a great hearing. One point that came up time and time again, and the gentleman from Michigan is misstating and misleading on this issue, it is true that clean debt ceilings have not come before us. It is also true that when there was a division, both sides agreed what should be done with the debt ceiling.

Not once, not once, I say to the gentleman from Michigan, as when Bush was President and the Democrats had Congress, or Reagan, President, and the Democrats had Congress, did one side say, unless you are doing it our way, we are not going to approve the debt ceiling. Not once. The bottom line is, these are bully-boy tactics which were never used before.

Yes, there has been agreement with the debt ceiling put on ABDC, but it was bipartisan, et cetera. I thank the gentlewoman for yielding, because that is a grave misstatement of the facts.

Ms. JACKSON-LEE of Texas. I think your point is very well taken. I think it is important, as Mr. SCHUMER indicated, that any time that we have not had the passing of a clean debt ceiling or lifting of such, it has been bipartisan; but more importantly, let me state that all of the economists will confirm, we have never, never, never defaulted on payments that the American people must make and that this Nation must make on their behalf.

We must understand, this Nation must understand, that the creditworthiness of this country is based upon its ability to pay its debt. The alternative: Sell all our gold. The other alternative: Do not pay any tax refunds.

The President of the United States will not stand on those alternatives. That is a crisis.

Has any other Western civilization nation or any other nation defaulted? Yes, four of them in the past 100 years, and they have not done so since 1970. Places like Argentina, Stalinist Russia. Is that the kind of company we want to keep to ensure that we have a nation that can be respected internationally and have the economy stable?

Do we want to default? Do we understand that the Republican majority is saying to us, we are going to leave tomorrow, not come back, and take us to the brink of March 1, when we have not passed a clean debt ceiling in order to prevent default. That is the crisis which we face; and my colleague from Michigan, who, as I said, I respect, is clearly on the wrong road if he thinks he can bring the American people to the brink of default and we not constantly get on the floor of the House and explain it.

We will not leave here tomorrow, and I will offer a resolution that we not have a recess so that we can continue this, and that we not go home while we are without the responsibility or the action of making sure that we can pay on our responsibilities and our debt on March 1.

DEMOCRATS SO-CALLED SCAMS ARE SHAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. MICA] is recognized for 5 minutes.

Mr. MICA. Mr. Speaker, and my colleagues, I come to the floor this morning to talk about two scams that have been perpetrated by both the administration and the other side of the aisle.

The first scam is what I call the Clinton shutdown and the charges that were made about balancing the budget and about getting our Nation's finances in order. It is part of a scare scam, and it is pretty clever. It says, that Republicans will hurt the elderly, the environment, education.

In fact, if we just take a minute and look at the facts involved here, in the area of Medicare, we have heard it over and over: Republicans are going to cut it. In fact, over the next 7 years we will add $724 billion in spending.

Medicaid, we will add $348 billion in spending. In education and job training and student loans, we will add $25.7 billion in spending. But we hear it over and over.

What they do not in fact tell us is that part of this argument is about the bureaucracy. EPA has 6,069 employees in Washington, DC. That is almost as many as a dozen years ago, a total of 18,000. I am not talking about the 12,000 outside of Washington, but 6,000 in Washington, DC.

Education, we have 3,322 employees in Washington, D.C., out of a total of 4,876 employees. A total of 358,000 Federal employees. These are not defense; these are not civilian defense. These are part of that bureaucracy within just earshot of the Capitol building. That is what this debate is really about.

Now, my colleagues, a second scam comes before us, and the second scam is this: If the Republicans do not continue taxing and spending and driving this Nation into debt, then we will not be able to pay our Social Security recipients, and they have even said, Mr.

SMITH said, we are not going to be able to pay our veterans.

This administration, which has just gotten through robbing the Federal retirement trust funds, now is engaged in the second scam. They can pay welfare payments to illegal aliens, they can pay medical benefits better than we have for our veterans, but they cannot pay Social Security.

They can pay for bilingual education for illegal aliens. They can find $50 billion to bail out Mexico. But, in fact, they cannot pay Social Security and our veterans.

So the President is making these choices. The administration is making these choices. They can even pay AmeriServe, or whatever the name of the President's volunteer, so-called volunteer program, which pays volunteers for the first time in the history of this country and gives them an array of perks that would make any veteran blush.

These are the choices that we face. I will say again, the greatest threat facing our senior citizens today is that we get this mess in order.

We debated here about extending the debt limit of this country for 34 days, and we needed $67 billion. We are going into the hole at the rate of over half a billion dollars a day, and they want to continue this tax-and-spend policy; and they say that in fact we cannot pay our senior citizens Social Security checks. Well, that is their choice, because they have other choices, and that is what this debate is about, whether the debate deals with in fact balancing the budget or extending the debt limit.

So we are in fact here today. Let me tell my colleagues, I chair the Subcommittee on Civil Service, and let me describe the mess we inherited: 35 of 39 Federal retirement trust funds have unfunded liabilities in the trillions of dollars. Now they have spent the last number of days robbing what little remains, what shred remains, so now they are threatening our senior citizens. That is what this is about.

Mr. SMITH of Michigan. Mr. Speaker, will the gentleman yield?

Mr. MICA. I yield to the gentleman from Michigan.

Mr. SMITH of Michigan. Let me just say that I asked the Congressional Research Service whether Secretary Rubin could legally withhold trust funds. They said their first review of the law said, no, it would be illegal to withhold trust fund payments for any trust fund where there is a surplus coming into those trust funds. I have written Secretary Rubin the day before yesterday asking him to give us the reasons why he thinks he can do this.

Mr. MICA. Finally, my colleagues, let me say that the President, after this Congress and this new majority did its job and came forward with 12 funding bills, the President never came up with a balanced budget proposal until January 6, 1996.

TIME FOR RESPONSIBILITY IS NOW

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, this debate, I think, for people at home is very frustrating, except I think the people are a lot smarter than those of us in the Chamber, and they see right through it. They know what is going on here. They see people saying, we are not going to pay our bills.

Now, that has never happened. There have never been elected representatives that have come in and said, we are not going to pay our bills. That is not anything that anybody respects in America. Try that as a family. Furthermore, if you know you are just about to go into bankruptcy, you know you are just about to run up against that brick wall, you go on vacation for 3 weeks.

Mr. BUNNING of Kentucky. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. Well, let me finish, if you do not mind, because I do have a few things to say. I have asked others to yield and they do not. I remember the days when we used to yield, but I guess that seems to be over.

I sit here and on one hand, I get depressed because people come to me and they say, why are you leaving? And I say to them, why are you staying? Why are you staying? This place has just fallen to its new, all-time low. Never in the history of this Republic, during several wars, during depressions, during anything, have people stood up here and refused to pay the bills and said, OK, we will just take the full faith and credit of this great Nation, this Nation that has the best credit rating on the planet and we will just shove it off the cliff because we want our way. Never has it done that. I am embarrassed to be here.

The good news is, the reason some of my colleagues are staying is because today in Oregon we know that the people are waking up and the people are saying, this is outrageous. We just saw a race where one person who spent $1 million more than the other lost. That says the people are saying, we have to pay our bills and we want this Government to pay theirs, and we do not want people playing fast and loose with the credit rating of this country.

I have a question and my question is, if we know that March 1 is a very serious date, why are we leaving and not having any votes until February 27? Why are we having the French Prime Minister in here, the guy who is dropping nuclear tests all over the Pacific that most people and most countries are outraged about? Why is he coming here to give a speech? We have time to do everything in the world except deal with the one basic responsibility we have, and that is to pay our bills.

Everything that is being discussed and everything that has already been committed to, this is not new spending; this is stuff that has been committed to. I think if we listen real closely and we are real quiet, we can hear the rest of the world laughing at us.

I think that we ought to stay here, we ought to get started on this debt issue. We should not be running toward being a defaulting Nation or a deadbeat Nation.

I just find it absolutely outrageous people saying, look, we are either going to be deadbeats or you are going to do it my way. It is like saying to Visa, "I am not going to pay my bill unless you come paint my house, take care of my kids, walk my dog, and do anything I ask you to." I do not think that is how it works, and I think we all know that is not how it works.

So I guess I am basically saying, remember, this is about paying our bills. We have had over 200 years of history where people in this Chamber have never, never used that as a leverage or a gun at the head of a President or anyone else. That should be done. Those things were decided upon; that happened, and we should pay those bills just like every other American.

To play with the credit rating of this Nation we love is every bit as bad as desecrating the flag, as desecrating any other thing. I think it is really about patriotism. I cannot think of anything worse that we could do to our country at this moment than just trampling all over the credit rating and make this country be a deadbeat.

Think about what other countries are going to think. They are going to think, hey, if we default, we default. We could have National Default Day.

That is not what we were about, I thought. I thought we were about responsibility. I thought that is what Republicans were about, responsibility.

I listen to all of this with 23-plus years of experience, sitting on this floor, and it saddens me greatly. Every single thing that the President has been asked to do, he has come forward with a proposal. It ends up, they do not like what he did, so they want it still to be their proposal.

We do not have tantrums. Let us move on. Let us pay our bills and let us not be deadbeats.

PRESIDENT HAS NOT KEPT HIS PROMISES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. ROHRABACHER] is recognized for 5 minutes.

Mr. ROHRABACHER. Mr. Speaker, this President has kept all of his promises? I mean, who is kidding whom? This President was the President who campaigned vigorously across America 4 years ago, and what were the issues? He is going to end welfare as we know it, and now we see him vetoing and threatening to veto any piece of legitimate welfare reform.

What was the second thing that he campaigned on? That he was going to balance the budget; he is a new Democrat. This President is not a new Democrat, he is just like the old Democrats and the fact is, it is the old Democrats and his philosophy that have gotten America in the position it is in today, that we are going to have to make these tough choices or we will go broke.

Now, earlier I heard criticism of how this body is functioning and how much work we are putting out. I happen to have been here, and this is my eighth year as a Member of Congress. We have done more since the Republicans took over a year ago legislatively than in the entire 6 years that I served before the Republicans took over.

□ 1215

The reform efforts before that were thwarted time and time again.

Let me cite just one example. Our country is going broke, we are being told now we have to borrow more and more money from our children, and we cannot even put any type of restrictions on spending in that process. But let me give one example of a reform that has actually cost the American people tens of billions of dollars since I have been a Member of Congress, and how the other side thwarted our attempts over and over again to get even a vote on the floor. It was mentioned earlier by the gentleman from Florida. Should illegal aliens be consuming scarce dollars when we are going to the poorhouse, we are having to borrow from our children? We tried to get that reform so illegal aliens would not be encouraged to come into this country to consume scarce dollars. We could not even get a vote on it.

Mr. HAYWORTH. Mr. Speaker, if the gentleman will yield, I just wanted to make a point.

We heard the gentlewoman from Colorado make the statement, we should pay our bills. I could not agree more with that, but the question becomes this: Are we willing to rob future generations to pay the seemingly endless bills of today? That is the bottom line on this issue.

Mr. ROHRABACHER. There is nothing standing in the way of a balanced budget, there is nothing standing in the way to bring to an end this policy that we have had of having to increase the debt limit over and over and over again because we are nowhere in sight of a balanced budget. There is no one standing in the way except the President of the United States.

The other side had a chance. For 2 years the President controlled both Houses, or his party, controlled both Houses of Congress and every executive department and every executive office. All of those were controlled by the liberal Democrats who control the Democratic Party, and what did we get? We got no reform. We got no reform at all.

What do we Republicans get now, after working as hard as we possibly can, passing more reforms in a shorter period of time? We get criticism that we are not working hard enough, when in reality we all know it is the President of the United States that is standing in the way of these reforms, it is the President of the United States standing in the way of a balanced budget, it is the President of the United States who is putting the burden of higher and higher debt onto our children. That is what the problem is.

I am proud to be a Member of this body. I am proud to be a reformer in this Republican effort and NEWT GINGRICH's effort.

Mr. MICA. Will the gentleman yield?

Mr. ROHRABACHER. I yield to the gentleman from Florida.

Mr. MICA. Mr. Speaker, we on this side, I think, were foxed before by the President because he promised to come up with a balanced budget. He never did. Now they are telling us the responsible thing to do is raise the debt limit without any guarantees, to continue taxing and spending. We were betrayed before.

The alternative is the President's budget, which they are afraid to really even bring on the floor today. It has in it $210 billion in additional spending. That is more than 1 entire year's deficit that we are running now. Then another surprise, $66 billion in taxes.

They are saying we cannot pay our senior citizens or our veterans, but in fact we are going to make choices and we are going to pay if we do not make some changes here; our illegal aliens, we are going to pay volunteers for paid volunteer programs, and we can dig up $50 billion here or there for Mexico. We cannot make these wrong choices again.

REPUBLICANS ASKED TO PASS CLEAN DEBT LIMIT

The SPEAKER pro tempore (Mr. RADANOVICH). Under a previous order of the House, the gentleman from California [Mr. MILLER] is recognized for 5 minutes.

Mr. MILLER of California. Mr. Speaker, there is a lot of revisionist history going on here on the other side.

First let us understand something. The demand was that the President would submit a 7-year CBO-scored balanced budget. The Republicans came saying, "He won't do it, he won't do it." He did it. They called off the negotiations. Apparently they were not serious about that.

They spent 50 hours at the White House. The leaders of the legislative branch, Senator DOLE, Speaker GINGRICH, and the President of the United States, first time in history, high-level negotiations, at the 50-hour point after conferring on a number of topics, the President put down a budget that was CBO-scored, 7 years, balanced the budget, and the Republicans said the meetings are off. Why did they do that? Because apparently they cannot stand success.

So now they want to up the ante, and what they want to suggest is what they are now prepared to do is to jeopardize the credit rating of the United States of America, to put this Government into default, and to potentially cost American families billions of dollars because they want to play fast and loose with the debt of this country and the debt limit.

They should not be allowed to do that. They should not be allowed to cost the American people billions of dollars by leaving town tomorrow. I guess they are going to stay to hear Jacques Chirac, the Prime Minister of France, and they are going to listen to him and then they are going to leave for 3 weeks and come back, apparently on the 26th or the 27th, 2 days before the debt limit expires, and play brinksmanship with the White House or with themselves.

Or really what they are doing is, they are going to play brinksmanship with the American people and their families. Because of the speculation and going down to the wire, people in the bond market will make decisions, the price of bonds will go up or they will not go up, and all of the American families that have automobile loans, that have adjustable rate mortgages on their home, that have a credit card whose interest rate is tied to indexes, who have home loans that are tied to indexes, all of those people will immediately be disadvantaged because the Republicans decided they want to leave town for 3 weeks.

I guess they want to leave town for 3 weeks because their program is not working. Someone just said they will not put the President's budget on the floor. No; the Republicans will not put the President's budget on the floor. That was the decision today. That is why we are doing 5-minute special orders, because they do not have anything to put on the floor, except we have this huge backlog of business to do.

We have not done the 1996 budget. The 1997 budget is supposed to be getting underway. We have not dealt with the appropriations bills. We have not dealt with the farm bill. We have not dealt with the Endangered Species Act, we have not dealt with the Clean Water Act, we have not dealt with regulatory reform, but yet the Republicans want to go home.

If your children did this, you would say, "Eat your vegetables first before you get dessert." If a corporation did this who was contemplating going into chapter 11 and they said, "We're going to leave town for 3 weeks, we'll get back to you on the day before the default," they would be fired. But somehow the Republican-led Congress can decide that we are just going to take 3 weeks off so Mr. DOLE can go campaign in New Hampshire and in Iowa, and the deficit be damned.

That kind of cavalier attitude is going to cost American families billions of dollars. It is going to cost this country its standing in the credit markets of the world. That should not be allowed.

It was the same cavalier attitude that led to the tragedy of shutting down the Government, to deny American taxpayers the benefits of the Government for which they were paying and to jeopardize the financial stability of governmental workers and their families. It was unfair, it was rude, it was reckless, and it turned out it was repudiated by the American public; repudiated again as late as yesterday in the Oregon election where the citizens of Oregon chose not to go with an extremist attitude, chose not to go with an extremist agenda but rather to try to go with a constructive individual who is interested in working for change, to bring about real change as opposed to extreme rhetorical charges and rhetorical comments about change.

Mr. Speaker, this Congress should stay here, it should do its work and get its job done. If Mr. DOLE wants to run for President, let him resign as the leader of the Senate and get on with his campaign, and let the American public get the benefit of us meeting the debt limit on a timely basis, on a clean basis, without threats of blackmail, without threats of taking hostages, without threats of shutting down the Government. That is the way we ought to do business.

This obstructionism, this extremism ought to be brought to an end. Maybe the Oregon election will help bring that to an end. Maybe the Oregon election will get these people to understand that their agenda is being repudiated as being anti-American and American family.

BOEHNER SEES NO PROSPECT OF DEFAULT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BOEHNER) is recognized for 5 minutes.

Mr. BOEHNER. Mr. Speaker, there has been an awful lot of talk about the credit of the United States of America. Over the last 15 years, the Congress of the United States has consistently used the statute to increase the debt limit to move their agenda, the congressional agenda, through the White House and into law. We have seen this over these past 15 years by Democrat Congresses.

Over the last year, Republicans in Congress have felt pretty strongly about the need to bring fiscal responsibility to Washington, DC. We have accumulated some $5 trillion worth of debt that none of us in this room are ever really going to pay off. Our children and our grandchildren are going to pay that off. We are imprisoning our children and our grandchildren by our irresponsibility over the last 25 to 30 years.

So now is the time to do something about it. The President of the United States wants us to give him a clean increase in the debt limit. He wants to put more debt on the backs of our children. What we are going to insist is that we make a down payment, a down payment on saving the future for our children and theirs, a downpayment on moving us toward a plan to bring fiscal responsibility to Washington.

Our friends on the other side and the White House are making this big issue about whether we are going to default. Well, there is going to be no default, not now, nor is there going to be any default in the future. We believe that the debt limit is being handled by the Treasury, probably not in a way that I would do it, but it is being handled.

But I have to tell Members the frustration amongst Members on both sides of this Capitol about the refusal of the President of the United States to deal honestly with trying to bring fiscal responsibility to Washington is excessive. We sat through 6 weeks of meetings at the White House over trying to find some agreement on balancing the budget.

I have got to tell Members, looking back over those last 6 weeks, nothing really happened other than we were diddled with. We were props for the cameras at the White House, because the President of the United States in fact made hardly no movement toward any honest effort to balance the budget. Oh, yes, the President wants to agree on some numbers but never agree on the policies that would actually get us there. He wanted to do the same thing the politicians from both sides of the aisle over the last 30 years have done to the American people, and that is to sell them out.

We are not going to get into a debate with the President about balancing the budget unless it is real. We are not going to do to our children and theirs what has gone on in this town far too long. So if we are going to have a plan to balance the budget, it is going to be with real numbers, it is going to be with real policies that will move us toward actually balancing the budget.

But the President has refused. Negotiations and discussions have stopped. So what we are going to do this year is that we are going to make attempts to get down payments on our plan to balance this budget. One such down payment will come as we bring the debt limit extension to the floor of the House the last week in February.

The President has said that he needs a debt limit extension by March 1. The President will have a debt limit extension by March 1. There is no threat, let me repeat, no threat that this country will default on its debts now, nor is there any threat in the future that we will default on our debt. There is not going to be any default.

But we are going to have a down payment on this debt limit. The Balanced Budget Down Payment Act that we passed last week to extend to the Government funding authority for those six departments or appropriation areas that had not been funded continued that process. We are seeing funding for these agencies reduced over what we spent last year. We are seeing grants by agencies, that have been agreed to by the House and Senate, not allowed to make new grants.

☐ 1230

If you look at that one-third of the budget which is discretionary spending, we expected to save about $23 billion this year. These are real dollars, less spending this year than what we spent in the last fiscal year, and if we continue on this course with continuing resolutions for the balance of this year, we expect to save $29 to $30 billion in real spending.

This is a downpayment for our children's future, and it is the right thing for our kids and theirs.

BRING UP A CLEAN BILL TO EXTEND THE DEBT LIMIT

The SPEAKER pro tempore (Mr. RADANOVICH). Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I listened to what the previous speaker, the gentleman from Ohio, said, and I do have the utmost respect for him. But I just do not understand how he can say some of the things he is saying based on what has been happening in this House in the last year.

The only reason that we can wait until March 1 before we go into default is because the Secretary of the Treasury, Mr. Rubin, has been doing things basically since November 15 when the debt ceiling expired to try to prevent the Nation from going into default, and he has been criticized by the same Republican leadership for doing that.

I think it should be understood by the American people that the default was a possibility on November 15, because the Republican leadership refused to bring up a clean bill to extend the debt limit, and in fact, some of the Republican leaders have actually called for the Secretary of the Treasury's impeachment because he has been doing what he has to do in order to avoid default.

Now we see the leadership get up and say, oh, there is no problem until March 1; trust us, we will extend the debt ceiling when it comes to March 1. If you are going to do it, why not do it now? Why send us home for 3 weeks after tomorrow and basically risk the possibility that sometime before March 1 that it is not going to happen, or why suggest that you are going to load up this debt ceiling bill with all kinds of budget items that reflect your own ideology, come back here February 26 or 27, just a couple days before this March 1 deadline? There is no question that what the Republican leadership is trying to do here is to hold this Congress hostage just like they did with the Government shutdown. They said, "We are going to shut the Government down. If you do not go along with our budget, which is cut Medicaid, cut Medicare, cut environmental programs, cut educational programs, if you do not go along with this, we are going to shut the Government down." They did that several times.

Now they are doing the same thing again. They are saying, "We are going to send you home so you cannot sit here and debate this or try to come to a reasonable conclusion on this. We are going to bring you back 2 or 3 days before this March 1 deadline, default deadline, that we have engineered essentially because we have not passed a clean debt ceiling, and we are going to then force you to our own ideology, to these same budget cuts. It is only going to be a down payment." Now it is not going to be the full-blown cut in Medicare, Medicaid, environmental programs, education, student loans. It is just going to be a down payment on that.

I maintain it is the same thing. It is the same hostage environment. It is the same idea if you do not go along with our plan, then we are going to hold the Government hostage, either shut it down, or now, send it into default.

How can sending this Government into default or decreasing or destroying the United States' credit rating possibly be the responsible thing to do? If I listened to the previous speaker's statements, he basically was saying in a somewhat, it seemed to him logical sense, we do not have to worry about this, because it is more important how the down payment and how these budget cuts that he has proposed, than it is to preserve the Nation's credit rating. That does not make any sense.

The responsible thing is to preserve the credit rating. If the Nation goes into default, our budget situation, our financial situation is in critical condition. We are going to have higher interest rates. We could have a possibility where other countries, central banks in other countries or pension funds, decide they want to start selling our Government bonds. We do not know what our securities are going to be worth. We do not know what the impact is going to be of the higher interest rates not only on the Government but also on individuals who may have their mortgage rates go up or other interest rates that they have to face or their car payments or whatever. The potential, the real potential, exists for an economic downturn not only in this country but around the world.

We are going to risk that? How could that possibly be the responsible thing to do?

I would maintain over and over again that this Republican leadership has gone haywire. Some of us on the Democratic side have described them as a bunch of crackpots. No one, no one who is involved in the Nation's finances would ever suggest that it makes sense for us to threaten default, to even use it as a tool of Government policy. It makes no sense at all if you are concerned about the Government, if you are concerned about the economy, if you are concerned about where this country is going in terms of creating jobs and making it possible for us to have an economic upturn rather than an economic downturn.

Let me tell you, this is not pie in the sky. We have already heard statements from some of the leading credit rating firms. Moody's, I think a week or two ago, came out and said the possibility of a default or the effect on the credit rating could be devastating to the Nation's economy. We have had statements this morning in our Democratic Caucus. We had statements from various Department heads who pointed out what the impact would be. Donna Shalala, Secretary of Health and Human Services and Welfare, she said that if we do not pay our bills March 1, $26 billion in Social Security payments are threatened, $1 billion in veterans' payments are threatened, civil service payments and survivor annuities.

These are people that are going to be negatively impacted, the little people, by this Republican default.

REPUBLICANS ARE WORKING TO BALANCE THE BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. JONES] is recognized for 5 minutes.

Mr. JONES. Mr. Speaker, I was home the last couple of weeks, and I represent eastern North Carolina, the Third District. I am a freshman, and I campaigned with a promise to the people of my district and the people of America that I would work with my colleagues to balance the budget.

I had to come to the floor when I hear some of these scare tactics of not meeting our obligations as a government and letting this Government default. That is such an outrageous statement, and the people in my district do not believe that.

I am a little bit tired, from Medicare to default, that we are going to let the Government default, we are not going to take care of our senior citizens.

I want to make just a couple of comments. My father served in the U.S. Congress for 26 years. He was a Member of the other side, a Democrat, and many times we would talk about in the late 1980's why the Congress did not balance the budget. And several times he would make the statement to me, "Well, WALTER, you know, we could have chaos if we do. Programs would be cut. People would feel threatened." I would say to my father, "Father, I don't understand if we don't balance the budget, we also are going to have economic chaos," and that is what this debate is all about.

When we know the General Accounting Office, the GAO, says that in 17 years without a balanced budget, working people will pay 80 cents out of a dollar. People are not going to stand for that. We have got to deal with these problems now, and putting our heads in the sand is not going to solve these problems. We have got to deal with the problems now.

I just could not sit in the office and hear this debate go any further.

I yield to the gentleman from Arizona.

Mr. HAYWORTH. I thank my friend from North Carolina. I listened with great interest. I am sure the gentleman from Florida did as well to hear our friend from New Jersey kind of rhetorically gloss over the actions taken by the Treasury Secretary.

Quoting my friend from New Jersey now: Secretary Rubin has been "doing some things" to keep this Government in business.

Mr. Speaker, what the Secretary has been doing is raiding the pension funds. What the Secretary has done, and this is the fundamental part of this debate, are we so in love with government that we fail to live up to our responsibility? For, as my friend from North Carolina points out, the ultimate economic disaster, what unleashes chaos on the world markets is runaway spending of the type we have seen for the past 4 decades.

The real question is not doing some things, like raiding the pension funds and using that as really the epitome of the examples of what has gone on here for the last 40 years. The key is to change things now.

How? With positive economic initiatives for the future that deal with growth, growth that emphasizes the freedom of the marketplace; that is the essence of the debate, not to be in love with government, but to love every generation, our seniors and generations yet unborn, to end business as usual, end this runaway spending, restore true fiscal integrity.

Mr. JONES. I yield to the gentleman from Florida.

Mr. MICA. I thank the gentleman for yielding.

This really does concern me, because it is again another scare tactic. We saw the scare tactic with Medicare, the comments about Medicare dying on the vine.

In fact, the President's own commission said that this program was going to die on the vine if we did not do anything. God forbid we should give seniors another choice. You just take this is full of waste, fraud and abuse, and everybody is dipping their bucket into it and profiting from it except the seniors it is to serve. So here again we are scaring the seniors that we are not going to be able to pay their checks, using them as pawns, giving them only one choice, but in fact we, the President and this administration, will make a choice, and the choice is also in these budget figures. They want to pay illegal aliens. They want to pay people not to work.

Now this has not worked. We have seen the mess it has created in our society, and it is related to crime, it is related to our juvenile problem, it is related to teenage pregnancies, and you can do all you want, put them in uniforms or do whatever you want to do, I am telling you, unless you make people responsible and people to work; they want to pay people not to work, but they do not want to pay the senior citizens when this bill comes due. They do not want to pay our veterans; they would rather pay volunteers in a volunteer program with better perks and benefits than pay our seniors and our veterans.

So this is what this debate is all about, really. We have got to get a grip in this Congress.

We came here as the new majority. We said we were going to do things. We cut a quarter of a billion dollars out of our legislative appropriations. They talked about cutting here. They talked about congressional accountability. We passed it. We live under the same laws. We passed gift ban, lobbying reforms, things they talked about and dreamed about for years and never did a darn thing about.

THE MEANING OF OUR CURRENT DEBATE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. SCHUMER] is recognized for 5 minutes.

Mr. SCHUMER. Mr. Speaker, we just had an election in Oregon, and we saw what happened. The Democrat won a seat that had been held by a Republican for a very long period of time. And so today all the pundits and prognosticators have been asking what does that election mean. Why did it happen?

Well, anyone who listened to the debate in the last 10 minutes, in the last half hour, on this floor knows exactly why it happened. It happened because a group of extremists have taken over this House.

I would admit and say that in 1994, Republicans appeared to be the more centrist party. Democrats appeared to be too far over to the left, and Republicans won. And in a short span of a year, folks, you have ceded the center ground to us by doing all sorts of things that most people regard as lunatic, and probably at the top of the list is the idea of letting us default.

But I would say one other thing about Oregon. Oregon is going to be the predecessor of what is going to happen in the 1996 elections. Oregon foretells the 1996 elections.

Yes, the Republicans had, the Republicans had much more money. Many would argue he was more attractive, better looking, smoother and suaver, but you know what, the voters of Oregon said no more of this extremism, no more of sending people who are so far to the right that they are not where the American people are, to this body.

And if anything shows how crazy things have become here, it is their idea that we should default. I have heard the other side talk on and on about balancing the budget. Well, guess what, President Clinton has submitted a balanced budget. He has done it in 7 years. He has done it with CBO numbers.

First, the Republicans said we want him to submit a balanced budget. He did. Then they said no, that is not good enough, 7 years. He did. Then they said that is not good enough, CBO numbers.

You know what the dirty little secret is here, there is a group of 80 or 100 extremists on that side of the aisle who really do not want a balanced budget. They just want as deep a tax cut as possible. And so they say President Clinton is not telling the truth, but everyone knows that is that he submitted a balanced budget. It just does not have as much tax cuts as you guys want, and you gals want.

Well, ask the American people. They want it. But that is not the point here today. They want fewer tax cuts and fewer cuts in Medicare and Medicaid. But nobody wants America to default.

It is interesting, I see all of my colleagues here, they do not talk about what default is. The gentleman from Ohio [Mr. BOEHNER] got up, and he said we will never default. And then the next guy gets up and says, oh no, we will never default if the President submits to our balanced budget. That is blackmail. That is blackmail. You know that, the gentleman from Arizona, you want him to say, "I will go for a balanced budget that you attach what you want." You do not want to negotiate with him.

□ 1245

You want to say balanced budget plus ABC, Mr. President; take it or leave it, or we will cause disaster to the American people.

Well, gentlemen, learn your lesson. Your great theory was let the Government shut down, and that would bring the White House to its knees and you would get what you want by bullying tactics. It failed. You looked miserable. You had to retreat with your tail between your legs. And what do you do now? You come up with even a more ludicrous theory, and that is that we should let the Government default.

You know, I believe each of you does not think the Government will default, because maybe he will back off. Maybe you will back off. Well, when I was a teenager there was this game that certain people played called chicken. They each get in cars at one end of the highway, and they would rev up the engines to *x* miles per hour, and whoever swerved first was the chicken. And you know what? If no one swerved, there was a big crash. And that crash will mean nothing compared to the crash that will occur if no one swerves here.

So you are playing with fire, and you should have learned your lesson. What I would do, since my words are rather strong and maybe we can get a debate going again, I would yield to the gentleman from Arizona, but only please for 30 seconds, so I might have the chance to answer.

Mr. HAYWORTH. I am so grateful to my friend from New York for yielding. There goes the time right there, so your noble experiment has failed.

Mr. SCHUMER. Let the RECORD show I did not know my time was about to expire.

COMPROMISE ON BUDGET NEEDED NOW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. GILMAN] is recognized for 5 minutes.

Mr. GILMAN. Mr. Speaker, I think our goals are all similar, having a balanced budget. We are pleased to hear the President in his State of the Union Message adopt the call for a balanced budget and challenge the Congress to make certain we have a balanced budget.

None of us wants to put the Government in default. We want to have a good debt measure. We want to have a good balanced budget adopted before we leave the Congress for any recess period. But we do need cooperation. People are willing to negotiate across the table. Too often in the process it has been finger pointing and one party or another walking out of the negotiating area.

I think the American public wants to see us get down to work, develop a balanced budget, and develop a clean debt ceiling measure, and I think most of us in the House would like to see that happen. But that means good intentions by all parties and the willingness to stop the finger pointing, and an intense desire to bring these problems to a halt by finding a proper solution.

I am pleased to yield to the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. I thank the gentleman very much. I think we should all really tone down our rhetoric, if we could. I have to say, I use a lot of descriptions of my friends, but let me say to my friend from New York, telling us that we are a bunch of extremists and you now are centrists, does not further the debate. You must have used the word "extremist" five or six times. We will let the American people determine who is in the extreme and who is in the center and who most closely reflects their point of view.

I do not accept the notion that we Republicans closed down the Government. I heard that this morning as well. I believe it was the President of the United States and his refusal to act that resulted in the shutdown of the Federal Government. In fact, if we indeed were putting pressure on the President to do certain things, you might say that we came to the point where we had to put him in a position of shutting down the Government himself before he would come forward with even a semblance of a balanced budget plan. If you remember, the President did not feel compelled even to put a balanced budget plan on the table.

So what we are talking about, all of these things, whether you are talking about default or closing the Federal Government, all these things, I do not believe we are doing. We are doing what is responsible and putting the President in the position of saying he will have to make the decision in terms of default or shutting down the Federal Government.

One last point. In order to achieve his objective, his objective is opposite from what he ran on. He ran on a balanced budget, he ran on changing welfare as we know it, but now he is willing to shut down the Government, he is willing to default, rather than come forward with an honest discussion and negotiation of how we get to a balanced budget.

Mr. GILMAN. I yield to the gentleman from Arizona.

Mr. HAYWORTH. I thank my friend from New York, and thank him for coming to this floor and responding in measured tones to some of the shrill rhetoric we heard this morning. I have one comment in particular about blackmail. The record will show in our discussions with the White House, the new majority has moved some $400 billion in the direction of the White House, and the White House has responded with only incremental efforts to reach some sort of consensus.

Therein lies the rub here, because, again, in the wake of the rhetoric, I would simply make this statement: The only thing extreme on this floor is the extreme good sense the new majority is showing in trying to put our fiscal house in order. As my friend who chairs the committee so vital to international relations understands, it is fiscal responsibility, not only in our own financial markets, but internationally, that builds and expands the full faith and credit of the United States. And after almost a half century of runaway deficit spending, now trying to put our house in order should be paramount.

So let the record reflect that this new majority has moved in the direction of trying to reach some sort of consensus. But as everyone in any business knows, a bad deal is not the answer. No deal may be better than a bad deal.

Mr. GILMAN. I thank the gentleman from Arizona for reflecting on how important our economic status is, not only domestically, but internationally.

CONGRESS SHOULD BE WORKING ON SUBSTANTIVE ISSUES, NOT DISCUSSING GOVERNMENT DEFAULT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York [Mrs. LOWEY] is recognized for 5 minutes.

Mrs. LOWEY. Mr. Speaker, yesterday I visited with some high school students in Ryenek High School and we were talking about the Endangered Species Act. They wanted to know what the Congress was doing. They wanted to know how the debate was proceeding.

I also visited with students in another school to talk about education and what the Federal Government was doing or could do. It is hard for me to believe, Mr. Speaker, that it is almost 5 minutes to 1 in the afternoon. We are not working on the Clean Water Act or education, the Endangered Species Act or Head Start. We are here on the House floor because the Republican leadership cannot get their act together, and we are debating whether we should shut the Government down or not, whether we should allow a default of the Federal Government.

Mr. Speaker, a default of the Federal Government should be unheard of. It should not even be discussed, to even put in question the credit of the United States, to even think that we would talk about adjourning to just before the brink of March 1 when the Government could default.

Mr. Speaker, I appreciate the effort to be bipartisan, and I do so hope we could. Look, I think it is a fair debate to talk about the programs, to talk about what is efficient, what is not. That is what AL GORE's reinventing government was all about. In fact, the Government is 200,000 positions smaller because of President Clinton and AL GORE's reinventing government program. We have already reduced the deficit because of courage in 1993 by $500 billion. We have already done that. Now we know that the deficit was cut in half this year. It is $160 billion rather than $300 billion when the President took office. So we have already done some things.

No one ever thought in my district when I went home it was the subject of conversation that we would ever, the Congress of the United States, led by the Republicans, would shut down the Government. Twice. In fact, if that had not happened, I am sure no one would even believe, anyone in their right mind, that we could even think about the United States Government defaulting, putting our credit at risk.

That is unheard of. I was on the phone the other day with the head of the National Cancer Institute. Because of the Government shutdown, six cancer drugs were not released. In fact, the Geological Survey could not release maps to businesses that wanted to build projects. In fact, the SBA could not make loans to small business.

We are still trying to figure out what the impact of shutting the Government down was. I know it is difficult for NEWT GINGRICH and the Republican leadership, because they are a group of freshman that feel that it is their way or no way. I have always worked in a bipartisan way. I saw my colleague the gentleman from New York, BEN GILMAN, was here before. I wish my colleague from North Carolina, WALTER JONES, Jr., was here now, because I would have liked to have applauded his father, who was the chairman of the Committee on Merchant Marine and Fisheries on which I served.

We did all kinds of good things on that committee. We passed the Coastal Zone Management Act, we worked to preserve Long Island Sound, we passed an ocean dumping bill. There is a lot of work that has to be done in the Congress of the United States for my constituents and for the country. We should be working on these issues at 10 minutes to 1, not talking about a possible default of the Federal Government.

The President put a balanced budget on the table. Now, originally I heard day after day the Republicans saying "We need a balanced budget, we need a balanced budget. We need it scored by the Congressional Budget Office." I apologize to all our constituents. They probably may not be aware of all these details. But the President did put a balanced budget on the table, scored by the Congressional Budget Office. Now the Republicans are saying "That is not good enough."

Well, let us bring that bill to the table. Let us bring that balanced budget on the table. We can agree on $711 billion. Let us vote on it. Let us balance the budget and move forward and get to work.

I am very worried about how we are going to educate the next generation. I visit our schools. We can do so much more. It is legitimate to talk about what is the Federal role, what kind of investments can we make. There was an article just this week on the success of some boot camps. Can we invest in more boot camps so we can ensure our kids can get that education?

Let us not talk about default. That is an outrage. Let us get to work at 1 o'clock.

U.S. MONETARY POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. DINGELL] is recognized for 5 minutes.

Mr. DINGELL. Mr. Speaker, the House will be adjourning shortly until February 6. Mark Twain would have greeted that news with great joy and said that during that period of time the Republic was safe.

The fact of the matter is the Republic is going to be in greater danger during that period. As the first Secretary of the Treasury, Alexander Hamilton, found, the one thing that was important for him to do as the Secretary of the Treasury was to assure the credit of the United States. This was something which had not existed prior to that time. In consequence, the currency, the full faith and credit of the United States, and, indeed, the economic promises and commitments of this country, meant very little.

Alexander Hamilton set in place a tradition and a history and a culture which during those years since his tenure have been manifested by two things: First, that the United States paid its debts when due; and, second, that the United States' credit was regarded as the best in the world.

Today as we sit here, credit rating agencies are reviewing the credit of the United States to see whether in fact the credit of the United States should continue to be AAA or whether in fact it should be reduced to some lower number.

During the time that we have been discussing the budget, we have been talking to our Republican colleagues about that matter, they have been stressing that there were two purposes that they were going to carry out to assure that the President agreed to their stand with regard to a balanced budget.

The first was to bring a Government shutdown. That has happened not once, but twice. The American taxpayers, American business, American industry, American citizens, have undergone substantial hardship. Our foreign trade has been impaired. The programs upon which business, industry, ordinary citizens are dependent, have all been hurt. Checks by the Government to its contractors have been delayed and withheld. Losses of employment amongst Government contractors have occurred.

Federal employees have been laid off. Federal employees have been paid for not working.

□ 1300

That need not have been done. Indeed, with wise fiscal management, no party in control of a legislative branch of government would permit a situation of that kind to obtain.

We have seen the consequences of that: new trucking unable to be certified, businesses unable to send delegations abroad to promote sale of U.S. commodities and goods and services, Americans incapable of bringing in foreigners to see things like the automobile show; our monuments to the success of that unfortunate policy.

We are now looking at February 29. What will happen on February 29? On February 29, the United States will go into default on its obligations. At that time, the credit of the United States will be reduced in the eyes of all on that sole event. It need not happen.

Never before in my memory in this body, or indeed in the history of the United States since Alexander Hamilton was the first Secretary of Treasury, has that sort of event occurred.

We are going to adjourn here shortly then until February 29. We will probably do so without having addressed the question of the debt ceiling. Let us look a little bit at what happens to this country if a default occurs.

My Republican colleagues are feeling very, very macho about this matter, because they are now able to say they have a tool which they can use which will force the President to do their bidding. Well, the President has not been forced to do their bidding by the shutdown of the Government. Indeed, the only persons who have been hurt have been the United States and the people of the United States.

The President has done his best to see to it that the country is run during those periods of time. But we have wasted billions in paying salaries to people who did not work. We are now paying people who are not able to work effectively because their agencies are not fully funded, even though we are paying them. But let us look ahead to see what will occur.

A BALANCED BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri [Mr. VOLKMER] is recognized for 5 minutes.

Mr. VOLKMER. Mr. Speaker, I yield to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, interest rates will rise. Prices of U.S. Government obligations will fall. Interest rates will rise on municipal bonds, State securities, and private debt, corporate and individual.

Prices of bonds will drop. The securities markets, both stocks and bonds, will fall. The credit rating of the United States will be impaired. Employment will rise. Home mortgages will be thrown into disarray. Homeowners will find the value of their real estate declining. Pension funds will be impaired by reason of the loss of the value of their equity and the loss of earnings. Perhaps high unemployment in this country and around the world will occur because of a significant breakdown in the world money markets and the world currency markets.

Mr. Speaker, I urge my colleagues on the Republican side, if they are going to play with fire, to burn only themselves, but be careful of what they do.

Mr. VOLKMER. Mr. Speaker, reclaiming my time, I have been listening to some of the debate that is going on over here, and it is really amazing to me that we have adults here masquerading as Congressmen that will not accept the responsibility for their own actions.

I can remember back when my children were young. One of the things that I tried to teach them was if they take an action, do something, to accept the responsibility for what has been done. But what we find here among the Republican majority is that they will not accept the responsibility at all for shutting down the Government. They want to blame it on somebody else.

Mr. Speaker, I have known of people that way. They do things and they think of all kinds of reasons to blame somebody else for what has happened to them instead of accepting responsibility for their own shortcomings.

Come March 15, I want to see the President continue this Government in those areas that expire by March 15. There is only one group that can do that, and that is the majority in the House. Senator DOLE cannot even do it on a continuing resolution. It is an appropriation that has to originate in the House. Only the Republicans can originate a bill of appropriations. If they do not do it, like they did not do it in December, they did not do it, and, for not doing it, the Government shut down. The same thing happened in November. When they did not do it, the Government shut down.

That is all it amounts to, folks, and now they tell us that all this big fight is over a balanced budget, that the President has not submitted a balanced budget. But the President has. And not only the President, the Democratic Coalition submitted a balanced budget that is a lot better than the Republican balanced budget.

The Congressional Budget Office tells us that the Democratic Coalition budget, by the year 2002, that Federal debt is $66 billion less under the Democratic Coalition budget than under the Newt

Gingrich Budget. No, they will not take that.

Know why? I will say why, Mr. Speaker. Because it does not have a tax cut for the wealthy in it. It does not have a tax cut at all. Some of us believe that we should not be cutting taxes until we see a balanced budget. All I am doing and my colleagues are doing in these balanced budget resolutions is estimating that by the year 2002 there is going to be a balanced budget.

There is not one person in this world that can guarantee that there is going to be a balanced budget. So let us wait until we get to a balanced budget, then we will do tax cuts. They say: Oh, no. We want the tax cut now. We want the tax cut now.

What that tells me is that they really want a tax cut more than they want a balanced budget. That is what it tells me. They are more interested in seeing a tax cut. Let us wait and see the debt limit. I hear talk now that the gentleman from Texas [Mr. ARCHER] is going to put some of those tax cuts on the debt limit. That tells me something. That tells me that that tax cut is really important, more important than the credit of the United States.

That is what my colleagues are taking a risk with doing, by doing that. It is more important than the balanced budget. It is the most important thing of all among the whole area, this whole year, is the tax cuts. That is what the Republican majority really wants.

Mr. Speaker, it is not really the balanced budget. If they wanted that, they could have had that a long time ago. We gave that to them, the Democratic Coalition. CBO says, yes, it just does not have the tax cut. And if they really want a debt limit increase, I suggest that they pass a clean one. Once they do not, the Senate will add all kinds of amendments. If my colleagues add some, the Senate will add a bunch more, and we will not have it done.

TRIBUTE TO RONALD REAGAN

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Arizona [Mr. HAYWORTH] is recognized for 60 minutes as the designee of the majority leader.

CONGRESS MUST WORK TOGETHER TO END DEFICIT SPENDING

Mr. HAYWORTH. Mr. Speaker, we were to use this time for a special occasion that appears on the calendar in a few days, and we will get to that in a few minutes. But after hearing the rhetoric bandied about this floor this morning and on into the afternoon, I think it is important to make several points.

First and foremost, when we talk about credit and credit ratings, when we talk about abdication of responsibility, Mr. Speaker, the problem is this: For too long those who have come to this Chamber have always found a reason to say yes; have always found a reason to spend more and more of the American taxpayers' money.

For almost a half century, it has been fact in this city, in this Chamber, that it is always easier to say yes. It is always easier to say, oh, gee, we should be able to find some money for that. To that extent, we have now spent ourselves to almost $5 trillion of debt.

No, Mr. Speaker, the ultimate abdication of responsibility is not facing up to this problem and saying, let us work together to change these ways. The ultimate abdication of responsibility would be to continue to heap debt upon debt upon those who have no voice in this Chamber, for they are generations yet unborn.

We have heard a lot about bipartisanship. Let me congratulate the President and his budgeteers for something they did a couple of years ago, something called generational accounting, where the President asked his budgeteers to take a look at Government as it exists today and extrapolate what it would cost the average American taxpayer if nothing changed. The President's own budgeteers said, if nothing changes, the average American 25 years from now will surrender 82 percent of his or her income in taxation to some level of government, to some governmental entity.

Today the American taxpayer, the average American family, pays more in taxes than on food, shelter, and clothing combined. Yet, our friends would come here and say, gee, if you want to make the Government work, we will just take more or hang on to more of people's hard-earned money, and we will get our act together.

Yet the inescapable fact is, for every dollar raised in taxes for years, this Congress has spent $1.59. Now it is supposed to be different. My distinguished friend, the gentleman from Michigan, quoted Mark Twain. Mark Twain also said this: "History does not repeat itself, but it rhymes."

Yes, momentous decisions await us in this Chamber. Yes, the American people deserve the best. Yes, the American people deserve a Government that will allow pro-growth policies by letting people hang on to more of their hard-earned money and at the same time deliver a one-two punch, not only allowing Americans to hang on to more of their money but, yes, curtailing the levels of spending.

It is only extreme in the sense that it makes extremely good sense.

Mr. Speaker, with that I yield to my friend from California.

Mr. ROHRABACHER. Mr. Speaker, I think it is important to realize that, when we say 80 percent of people's income will have to be taken from them in taxes in the future in order to pay for government if we leave the situation the way it is, let us remember what that 80 percent will mean. That 80 percent will not be providing those future generations with services. What we are talking about is leaving future generations to pay a majority of their income simply to pay for the interest on the debt that we have left them.

Mr. Speaker, we are basically condemning future generations of Americans to slavery. Our fellow Americans should take a look and see what we are talking about here. One is not a free person if one has to work half of one's life simply to pay the interest on the debt that someone else has given. That is what the young people of our country have to look forward to unless we are responsible.

Our country will not be a prosperous country in a situation like that, and our people will not be a free people. It is the freedom of our fellow Americans in the future that we are talking about. It is the freedom of our children and our children's children; not only their prosperity but their freedom as well.

Let us note this: that we have heard a lot of talk today and a lot of names called. I heard one of our colleagues suggest that we are "masquerading as Congressmen." I heard another colleague say that we are just a "bunch of extremists." This type of name calling should raise the red flag in American homes and say, wait a minute, what is going on here? Why do people have to call these types of names? What about the basic argument at hand?

I think we should look at some of the basic things. We have been told today, for example, that 200,000 Federal employees have been cut by this administration. Well, we know almost all of those are a result of a reduction in our military forces. Is that being forthright with the American people, to claim that we have reduced the size of Government when in reality all we have done is reduced the size of the American military?

Then we heard about the $500 billion cut in our deficit. Does anyone believe that in the last 2 years we have seen a reduction of $500 billion in our deficit? That is absolutely ludicrous, to say that over these last 2 years we have seen a $500 billion cut in the deficit.

Mr. Speaker, what reduction there has been in the deficit, however, might be attributed simply to, No. 1, the good economy that this President inherited, and, No. 2, the fact that the President passed, immediately upon entering office, one of the largest tax increases in American history. Before that has its chance to wreak havoc upon our economy, there seems to be a little bit more revenue coming in because of tax increases.

☐ 1315

It is absolutely ludicrous to suggest that this cut in the deficit has anything to do with a reduction in the size of Government or Vice President GORE's plan to reinvent Government. This is not an honest debate when we move forward like this. The American people should understand that what we have today and the reason we are in a budget confrontation, the reason people are talking about default, the reason the Federal Government was closed down is, there is a philosophical struggle going on in Washington, DC. And the democratic process is playing it out, just as our Founding Fathers intended this democratic process to work.

The fact is that one group of people is demanding more and more Federal spending and an ever-increasing Government versus a shrinking proportion of take-home pay for the American people.

On the other side, we Republicans believe that a free society means that people have a chance to take home some of their hard-earned dollars and make choices for themselves, how they will educate their children, how they will spend the money that they have earned, how they will allocate these limited resources. It is not a free society, as I say, if a greater and greater portion is taken away from someone who has earned that money. We are condemning our children to a future of virtual slavery unless we change that pattern.

But changing the pattern is exactly what this is about. This President and the minority, who by the way had a chance to do anything they wanted to do for the last 2 years, they had the Presidency and both Houses of Congress, but the other side is so committed to bigger Government, to taking resources away from the people and giving them to bureaucrats and officials in Washington, who are bestowed, I guess, with some benevolence in that they understand how to use those resources, have a greater understanding than the people themselves who earned them. This is what they would like to do, and they want to do that so much, they are so committed to a bigger and bigger Government that they are willing to shut down the Federal Government. We hear time and time again of all of the consequences of the short shutdown that we faced with the Federal Government. The fact is, I understand that. You understand that. The majority understands that.

We did our job. The reason the Government was shut down was that the President of the United States did not do his job because he was committed to bigger Government and higher taxes and more controls and more regulation and Washington, DC, the omnipotent Washington DC, rather than committed to the freedom and prosperity of the people.

That is what is going on here. That is what is playing out. When you hear talk of default, the Republicans are forcing no default, just as the Republicans did not force the closing down of the Government. What we are doing, we are doing our very best to turn around a situation where if the United States continues to go in the direction that it is that we will be sacrificing the freedom and prosperity of young Americans and future generations.

Mr. HAYWORTH. Mr. Speaker, I thank my dear friend from California, again, for expounding on some of the rhetoric we heard this morning.

One who preceded us in America's public affairs said it this way, Mr. Speaker:

> This is the issue, whether we believe in our capacity for self-government or whether we abandon the American Revolution and confess that a little intellectual elite in a far distant capital can plan our lives for us better than we can plan them ourselves.

The truth of those words rings true. And it is in that spirit that we move today to our reason for taking this time, as Members of the majority, to commemorate the fact that on February 6, the great communicator, indeed one of the greatest Presidents ever to serve in the Oval Office, Ronald Wilson Reagan, will turn 85 years of age. There are so many inspiring factors, when one looks at the life of Ronald Reagan and his life in public service, but I look to his earlier years. Indeed, many, to offer this personal note, have looked at my career, those pundits and would-be potentates of the fourth estate inside this beltway, as some have written of my stewardship in this Congress, my heavens, he is a sportscaster.

Well, let the record show that Ronald Reagan began his working career on the air in radio, first at WOC Davenport and then WHO Des Moines and indeed, the bulk of his duties entailed sportscasting.

Now, I will be the first to admit, Mr. Speaker, that I am certainly no Ronald Reagan, but we are joined today in this Chamber, Mr. Speaker, by those who have served President Reagan and those who continue to serve former President Reagan. I would be happy to yield some time again to my good friend from California, one of the surfing Congressmen, indeed, one of the surfing speechwriters who worked in the Reagan White House, who was present at the Reagan revolution, my good friend, Mr. ROHRABACHER.

Mr. ROHRABACHER. I thank the gentleman very much. I was blessed to be born in California and to have lived in California at the time when Ronald Reagan was Governor of that State. In fact, I worked on his very first campaign.

I was the Los Angeles County high school chairman of Youth for Reagan. And one little anecdote that might give people a better sense of who we are talking about is that after that campaign, it was a very hard-fought campaign, Ronald Reagan was always told during his entire career that he would lose the election that he was in because he was an extremist. And we have heard that word bandied about here today.

Ronald Reagan was always called an extremist and was always told that the American people would never elect him and that he could not win, that was always the argument against him in the Republican primaries.

It was a hard-fought primary and Reagan won handily. During that primary in the youth group, in the youth movement that we had there working for Ronald Reagan, there was a conflict between the Young Republicans and the Young Americans for Freedom. And it was a very brutal conflict, even though we had a great man to work for. Everybody was fighting each other and some of us tried to just walk the precincts and pay attention to the job, but everybody seemed to get sucked into this battle.

What happened was, the senior staff of the Reagan campaign determined after the primary that what they would do is eliminate Youth for Reagan and then they would just put all the young people into the organization that was based for everybody, for the adult volunteers of the campaign. I just felt terrible about this. I just did not know what to do.

I had walked about 20 precincts myself. I had 120 kids in my area that had just worked their hearts out for Ronald Reagan and Youth for Reagan, and I was crestfallen. What was this going to mean? There would be no Youth for Reagan.

I decided to talk to Ronald Reagan himself about this problem. And there I was, 17, I guess I was more like 18 years old. I got up one morning and went to Ronald Reagan's home at 2 or 3 in the morning. And I walked up this narrow driveway, and this shows you how different things are, there was not even a guard on the outside of the house. And I went to the backyard and camped out in the backyard. And I had a little sign.

And the next morning about 7 in the morning, Nancy stuck her head out of the door and said, Who are you? I had this little sign and it said, Ronald Reagan, please speak to me. And she explained, she said, Now, look, my husband cannot come out; otherwise I know him, he will miss his breakfast or he will be late for the rest of the day.

How can you argue with a wife who is concerned about her husband? And so she said, If you will go down and if you will leave now, I will make sure that you get an appointment with one of the top campaign people. You can discuss your problem with him.

So, OK, I started walking down that long driveway. And then behind me I heard a thump, thump, thump. And it was Ronald Reagan. His shirt was half off. There was shaving cream on his face. He said, Wait a minute, wait a minute. He said, If you can camp out on my back lawn all night, I can at least spend a couple minutes with you.

Sure enough, he spent 5 minutes with me. And I would like to think that that was the 5 minutes that saved Youth for Reagan, because the adult organization did not take over. But this is just the type of man Ronald Reagan was. He had a wonderful heart. He thought about young people.

We have just been discussing what will happen if we do not set our country on the right path. It will be our young people that suffer. Ronald Reagan knew this. Ronald Reagan's whole goal, when he became President of the United States, was to make sure that we passed onto our children a country that was more prosperous and a world that was more free and a world that was more likely to be at peace than the one that we inherited.

President Clinton, by the way, has had an easy job of this. I know that our colleagues on the other side of the aisle will not accept this, but the fact is, President Clinton inherited a great economy, an economy that was growing, an economy that had almost no inflation. And in fact, he also inherited a world in which the United States was the supreme power and that the cold war was a memory, the cold war was over.

For the first half of Mr. Clinton's Presidency, he had control of both Houses of Congress. His party could have done anything they wanted. This is so different than when Ronald Reagan took over as President. Ronald Reagan inherited a disaster. Our economy, I remember that, because I was a journalist at the time. I remember that in the 2 years prior to Ronald Reagan becoming President, my income was reduced by 25 percent due to inflation.

All those people who were not getting raises found out that with an inflation rate of 13 percent and 12 percent a year, that their income was going down, that they could not afford to live. In fact, one of the greatest drops in the economic well-being of minority Americans and less affluent Americans happened in the 2 years just prior to Ronald Reagan taking over as President.

And when Reagan came to office, we faced this incredible economic catastrophe. We also faced an enemy intent on destroying the United States of America, an enemy that had been arming itself to the teeth for years, and a situation in which our own Armed Forces had been neglected out of some ideological commitment by the left. I guess the left at that time felt that a strong United States was an enemy of peace and not a friend of peace.

Ronald Reagan had to turn that situation around or we would have been at war. He had to turn the situation around or our young people would never have had any chance of prosperity or the economic lives that we lived even in this generation would have continued to decline.

On top of that, the Democrats had control of this body, of the House of Representatives, during his entire time as President. In fact, the Democrats did everything they could to undermine President Reagan. I know there is a lot of revisionist history going on these days about the cold war, but I will tell you this right now, that when Ronald Reagan tried to confront Soviet aggression, tried to rebuild America's strength, tried to do what he could to confront this bully that threatened all of mankind, we did not have the liberal wing of the Democratic Party on our side. In fact, they were doing everything they possibly could to undermine our effort.

In fact, at the time in the domestic area, when Ronald Reagan proposed cuts, today we hear him blamed for the great deficit increase that happened during his years.

□ 1330

I remember very well what happened during those years. What happened was Ronald Reagan was personally attacked. He was villified, not for spending too much, not for creating a bigger deficit. The very same people who today call him those names and blame him for the deficit were the ones in charge of this House who were attacking Ronald Reagan for not spending enough money. They were the ones who pushed Ronald Reagan to the wall in order to get more money put into the budget, not less. It is funny now that we hear the revisionist history about Ronald Reagan being the one responsible for the deficit by the very same people who demanded more and more spending, and villified Ronald Reagan for fighting it.

Worse than that, however, When Ronald Reagan tried to confront the Soviet Union, in our efforts, for example, before Ronald Reagan became President, there was a movement by the Soviets to dominate Europe with a buildup of intermediate range missiles. Immediately thereafter, after the Soviet Union expanded its military might, it called for what they call a nuclear freeze, which would have frozen them into a military superiority which would not put them in domination of Europe, and would have put them in a situation where the cold war would never have ended, because they would have been a dominant force on this planet.

Ronald Reagan countered that with a proposal saying, "Look, if we are going to limit nuclear weapons, and we are talking about intermediate range nuclear weapons, let us bring down the levels of nuclear weapons in Europe to zero, so both sides will be able to decrease their spending on the military, and you will not have to have any missiles in Europe on either side."

The proposal was considered seriously in the Soviet Union. Where it is not considered seriously was by the liberal wing of the Democratic Party who attacked Ronald Reagan publicly for offering this, saying that they knew that the Soviet Union would never seriously consider this, and that Ronald Reagan was just hiding his true intent, which was wasting money on the military.

In fact, 5 years later the Soviet Union agreed to that arms control proposal, the zero option, and it was signed by President Reagan and Mr. Gorbachev into an agreement, a historic agreement, that signaled a change in the cold war. But that was not, that was not due to bipartisan, as we hear now, bipartisan support from the other side of the aisle. It was due despite the nitpicking and the public disagreement and the public undermining of the President's position.

I well remember sitting in the White House when we were discussing having arms control negotiations and what was going on in the arms control negotiations with the Soviet Union, when we had demanded that they live up to their past treaty obligations. The Soviet Union had built a huge radar facility, in total violation of one of its treaty obligations to the United States, but yet, people, liberal Democrats on the other side of the aisle, came forward in this body to defend the Soviet position, and to suggest that it was really the belligerence of Ronald Reagan and we extremists, which we hear all the time, extremists, which was at the heart of the cold war.

Liberal Democrats were proclaiming that there was a moral equivalency between the United States and the Soviet Union. This was not the bipartisan support that we hear time and time again, now that the cold war is over. The fact is that there was not bipartisan support. There was some bipartisan support, because there were some Democrats that come over, but by and large, Ronald Reagan had a two-front war to fight in order to end the cold war.

Mr. HAYWORTH. Mr. Speaker, I thank my friend, the gentleman from California, for his unique perspective. Now we know it will be in the history books one day, and perhaps in the archives of those who follow American political endeavors, that our good friend, the gentleman from California [Mr. ROHRABACHER], camped out on the back lawn of Ronald Reagan.

A couple of points and then I will yield to the gentlewoman who has the distinction of having the former President as a constituent, at least part of the time. It is this notion of optimism. Dwight Eisenhower said that a great leader should always be optimistic; not a cockeyed optimist, to be sure, but one who believed in the basic goodness of people, and one who would defend the notions and the ideas he put forth.

President Reagan said it this way. Before he ever became a candidate for office, quoting him now, "They say the world has become too complex for simple answers. They are wrong. There are no easy answers, but there are simple answers. We must have the courage to do what we know is morally right."

As the gentleman from California outlined, facing considerable odds here at home domestically, facing the pundits and those who would fail to acknowledge the common sense of his policies, Ronald Reagan was willing to see a policy through. Because of his efforts, it has been said by our friend from Great Britain, the former Prime Minister, Mrs. Thatcher, if there is one individual responsible for the victory of the free world in the cold war, his name is Ronald Wilson Reagan.

With that, I am happy to yield to my good friend and fellow freshman, the gentlewoman from California [Mrs. SEASTRAND].

Mrs. SEASTRAND. Mr. Speaker, it is truly an honor to pay tribute to Ronald Reagan, and it is an honor that we do it here on the House floor. The gentleman from California talked about this involvement in trying to get the President elected. I have the unique pleasure to say, I go way back when, and I can remember stuffing those envelopes in the local headquarters for Ronald Reagan when he was running for Governor of California, and all the wonderful stories that, when we sit here and mull these things over and think about it, it is an honor, again, as I said to be here, and go way back when.

Today, as the Republican Congress moves our agenda of fiscal responsibility and bureaucratic downsizing through the House of Representatives, we are reminded of the first revolution—the Reagan revolution—that swept through Washington during the 1980's. Many of the things President Reagan championed throughout his Presidency have found a home and a new life in the Republican Congress. Welfare reform, real spending cuts, the balanced budget amendment, giving more flexibility to the States, and the line-item veto were all regular features of the Reagan program stifled by the Democrat Congress.

President Reagan's list of accomplishments seems unending. On the economic front, Reaganomics—as it was derided by his opponents—produced the longest peacetime economic expansion since World War II and blew holes right through the traditional and current Democrat appeals to class warfare. The Reagan tax cuts reduced the top marginal income tax rate from 70 to 28 percent and took many low-income people off the tax rolls altogether. The double-digit inflation and soaring interest rates of the Carter years crumbled to record lows. As Mr. Reagan himself has pointed out on many occasions, his only regret was an inability to get Congress to cut spending.

In foreign policy, Mr. Reagan's steadfast commitment to peace through strength sent an important signal to the world that the United States would no longer stand back and watch an expansionist Soviet Union roll up more territory. From Afghanistan to Angola to Nicaragua, the Reagan Doctrine put the United States firmly behind the freedom fighters who sought to throw off the oppressive Communists.

President Reagan was truly the man of the decade during the 1980's. There was no single figure more responsible for ending the cold war than Ronald Reagan. One sterling example was the 1986 Reykjavik summit. For 2 days the United States and the Soviets negotiated the most comprehensive arms reduction treaty in history only to have Mikhail Gorbachev throw a big curve at the end—the United States would have to give up the Strategic Defense Initiative. Ronald Reagan stood before Gorbachev and the world, held his ground, and said no deal. More than any single moment of his Presidency that was the nail right through the heart of the Soviet empire. As Gorbachev himself later admitted, when the Soviets realized that Reagan could not be bowled over, the game had changed and they did not have the resources to keep up.

President Reagan's policy of peace through strength was a hands down winner. It was a winner in spite of his critics. All during his Presidency Ronald Reagan withstood a vigorous assault from the left. But, through it all, he remained committed to restoring our Nation's defenses. There would be no further fears of a hollow army, and no lack of morale on the part of American serviceman. Having lived through four major wars in his lifetime, President Reagan was determined to make sure that our Armed Forces—those who would be asked to defend American interests at home and abroad at a moment's notice—had the resources, the respect, and the commitment from their government to do the job. As he so passionately and eloquently stated in perhaps his finest speech, the 40th anniversary of the Allied invasion at Normandy: "We will always remember. We will always be proud. We will always be prepared, so we may always be free."

It was a great honor for me to introduce legislation earlier this year that has since been enacted into law, legislation naming the newest constructed Federal building located on the last undeveloped stretch of Pennsylvania Avenue—America's Main Street—the Ronald Reagan Building and International Trade Center.

Ronald Reagan spoke of "Main Street America" as the "millions who work so hard to support their families and keep our country together." He often talked of the rising tide of optimism in Main Street America and that is why it is fitting that we named this Federal building after him.

The structure is designed by James Ingo Freed of Pei Cobb Freed & Partners; I.M. Pei designed the east wing of the National Gallery of Art and Freed designed the Holocaust Museum on 14th street and will be the centerpiece of downtown Washington. The building will dedicate 500,000 square feet for an international trade center and will attract additional business and tourism to our Nation's Capital. It seems fitting that this building that will feature free trade should bear Ronald Reagan's name.

Despite the arguments put forth by revisionist thinkers, President Reagan's place in history is secure. He stands next to the giants, Presidents like Roosevelt and Lincoln, who arrived at a time when the Nation desperately needed the passion and the leadership of a true believer. As he fights with courage, conviction, and that famous Reagan optimism against his current physical ailment, let us remember and pay tribute to a man who embodies the American Dream.

Mr. HAYWORTH. Mr. Speaker, I thank the gentlewoman from California, and reclaiming my time, I would ask if during the course of her busy day if she still has time to pause with us and reflect on those personal glimpses of President Reagan, she is more than welcome during the remainder of our time to do so.

My good friend, the gentleman from California, reflecting and offering yet more personal glimpses, as well as policy analysis of those years, the Reagan years in the White House and those years before, I am happy to yield to the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Mr. Speaker, it is such a pleasure to be here with the gentleman, and celebrating the birthday of this great American, who has done so much for my life personally and also for the lives of every American.

People would like to know what kind of man Ronald Reagan was. I think I will make this a little personal as well as oriented towards his policy. I worked with him on his campaign in 1976 when he ran for President against Gerald Ford and lost. I remember one day when the President was speaking before a rally at a parking lot in North Carolina, where a young lady grabbed me by the arm and said, "I am here with a group of blind children. They cannot see. They cannot really get up into this crowd to hear as much as they should be able to, so I have had to keep them back here on the side. I was wondering if it was possible for," and they called him Governor Reagan at that time, because he was not elected President yet, "for Governor Reagan to come here and to shake hands with these young people."

As the rally was over, the press were getting into their buses, and I mentioned this to Mike Deaver, and Ronald Reagan was in earshot and heard me talking about these young blind children. He said "Look, I don't want anybody in the press to come over there, because I don't want these young people to think that I'm trying to exploit young people, or blind children, for my candidacy, so do not tell the press anything. Let them get on the bus, and then I will go over there and meet with these young people and talk to them for a moment."

Sure enough, we jogged over to the side of the parking lot and there were about five children, probably 11 or 12 years old, that were blind. Ronald Reagan was speaking to them.

□ 1345

As he spoke to them, he said, would you like to touch my face? I will never forget that, because it would not have dawned on me to say that. It was not a thought that came to my mind. But he was so understanding and so sensitive that he knew that they could not see him unless they touched his face.

Of course, they all wanted to touch his face. As they were there, these five blind children touching his face in the corner of that parking lot, I thought to myself, what politician in this country would not give millions of dollars to have his picture on the front of Time magazine or Newsweek magazine to have all of these children touching his face. It was such a heartfelt picture, it would have been a Pulitzer Prize. But, instead, Ronald Reagan knew that this was a private moment, and that he was talking to these young people, and if he was going to keep faith with them, he did not want them ever to have the thought that he was exploiting them for those purposes.

I guess that is what our basic challenge was when we were working for Ronald Reagan as President. Before people could really see him, they had to feel Ronald Reagan, and the American people got a feel of Ronald Reagan. During his presidency, they knew that he was a good and decent man. Even though during his entire presidency, and during his campaigns he was maligned over and over again, as if trying to be responsible, trying to say that we cannot spend everything for everybody, that that in some way makes you a malicious person.

Reagan was attacked over and over and over again, as if he did not have a good heart. But the American people saw that he had a good heart. They felt that. They knew that about him, just like those little blind children, when they touched his face, knew what this man looked like.

Well, the American people knew what Ronald Reagan looked like on the inside. That is why they trusted him. To the degree that he was successful, it had a lot to do with the trust that the American people put in him. He spoke to them.

I was Ronald Reagan's speech writer for 7 years. I had never written a speech for anyone else before I wrote a speech for Ronald Reagan as President of the United States. He was the one who taught me how to write. A lot of people, again maligning Ronald Reagan, tried to say that he was some sort of puppet and that he could not do anything without his cards.

Well, the fact is, Ronald Reagan was an excellent writer. I always said that if he had not been president, he was a good enough writer to be a presidential speech writer. He taught us that.

He was, as you had mentioned, an expert in communication, and that served him well, it served the country well. When Ronald Reagan took over the country, it was in a funk. The country and the American people had been told to lower their expectations. They had been told that all of the problems of the world dealt with our own faults as Americans. They were told that we could not succeed, that we were in a malaise, and Ronald Reagan, with his buoyant optimism and with his great sense of the people themselves and his ability to communicate, turned the American spirit around.

People complained that the deficit expanded during Reagan's years. Again, he tried to cut it and the Congress would not do it. But on top of that, just figure out where our country would have been had the same policies been in place that the Democrats had in place before Reagan was elected and those same economic trends would have continued. Our deficit would have been twice as big, and our inflation rate would have destroyed the economic well-being and the standard of living of all of our people. So Ronald Reagan was successful at that.

But perhaps what I am most proud of, through it all, Ronald Reagan was called a warmonger, called a militarist. He was portrayed as someone who wanted to spend money on all of these weapons. But in fact, Ronald Reagan was a champion of freedom and liberty, and in doing so, he was a champion of peace in the world. We have a more peaceful world today because of what he did, the stands he took.

I remember when Ronald Reagan was castigated; and this side of the aisle, the Democrats who controlled the Congress at the time, did everything they could to undermine his policy of supporting freedom fighters in the various parts of the world who were fighting Soviet aggression. I mean, it made every sense to me that we should arm local people to defend themselves rather than send Americans all over the world to have to fight; and in fact, we drained the Soviet Empire of its military capabilities by forcing them to fight for their gains rather than just giving it to them and letting people surrender without a fight.

In Nicaragua, where the Soviet Union was perched and ready to roll up Central America right into Mexico and to the borders of the United States, before Reagan was elected, in Nicaragua, the Communists were ready. The Soviet Union pumped billions of dollars of military aid into that country, and the Democrats on that side of the aisle undermined Reagan's effort over and over and over again to try to give the Nicaraguan people the right to fight for their own freedom.

I have no understanding of why that happened, but in today's revisionist history, we are told that a bipartisan effort ended the cold war. There would have been no end to the cold war had there been a major Soviet offensive in Latin America that was victorious, and that would have happened had not Ronald Reagan come in and supported those who were struggling for freedom.

Finally, let us not forget that it was Ronald Reagan's speeches and his ability to communicate to the world, his ability to champion the cause of freedom and to condemn communism. Ronald Reagan was the first President of the United States not just to condemn Soviet actions, but to condemn communism as an evil, tyrannical force on the planet. Let us not forget that those words, along with his policies, are what brought an end to the Soviet imperial empire that threatened our freedom and threatened the peace of the world.

I will leave you with one last story of Ronald Reagan, because Reagan was called, he was called names, too, about his rhetoric. I have heard speeches over and over again about how he was a warmonger and his speeches were going to get us into trouble. But I remember very well the incident when Ronald Reagan was going to go to Berlin, and Reagan, one of his speech writers went to Berlin before him, and we came back.

Ronald Reagan had mentioned that he thought that this was the place to talk about the tearing down of the Berlin Wall. And we speech writers did our job; we gave him text.

He approved it, and all of a sudden volcanoes began to erupt all over the world. Diplomats, foreign policy experts, George Shultz, our Secretary of State, you name it, everybody, the National Security Advisor to the President himself, they were just—they were screaming at the top of their lungs, do not do it. Do not tell Mr. Gorbachev to tear down the Wall, because it will be an insult to Gorbachev. He is our only hope.

It was said by many that Gorbachev was the man who was making the world more peaceful, which is what we hear from the liberal side, and not Reagan and a commitment to freedom that was changing the world. Reagan in fact was told just the day before he gave the speech in Berlin by his own National Security Advisor to take out of his speech that reference to tearing down the Berlin Wall. He was handed another speech draft and told, Mr. President, you should use this draft instead of the one you have. And Ronald Reagan, being the leader that he was said, well, no, I think I will use the one I have.

He went to Berlin, and he pointed to the Wall and he said, Mr. Gorbachev, if you believe in democracy and peace, tear down this wall. That strength of purpose and that commitment to freedom sent a shock wave around the world which unnerved the last vestiges of power in the Soviet Union and brought about the end of the cold war.

Ronald Reagan made that decision on his own, against the advice of the experts, because he knew in his heart that saying and demanding the tearing down of the Berlin Wall made everything that he had done and everything America stood for real, not only to the people of the world, but to the leaders of the Soviet Union; and within a few days the CIA told us that Gorbachev had had a meeting and had been seriously discussing with his advisors how to move forward in bringing down the Berlin Wall as a symbol of peace. What a magnificent, magnificent victory.

Then, one moment, I am going to tell you about my best day at the White House. I remember when Nathan Sharansky came to the White House. Many people do not know who Nathan Sharansky is. He used to be called Anatoly Sharansky and was a true hero of the cause of human liberty. He was a Jewish dissident in Russia, Soviet Russia, and he was thrown into the slammer, thrown into the gulag and told, all you have to do is sign a slip of paper saying that the Soviet Union is really a democracy and does not persecute Jews, and we will let you out of the gulag; and Sharansky refused to do so.

When the word of this heroic stand of this individual got around the world, he became one of our heroes. He became in the 1980's not just a Jewish hero; he was a hero to all people who believed in liberty, especially to Ronald Reagan's speech writers.

Well, when he was let loose from the gulag, it was because we traded a spy for him, a Russian spy. We got a heroic champion of freedom and they got some low-life spy who was trying to help Soviet tyranny. Boy, did we get the better part of that deal.

Sharansky ended up coming to the White House to visit Ronald Reagan, and he told Ronald Reagan, he said, Mr. President, whatever you do, do not tone down your speeches, because apparently when he was at the bottom of despair, in the dark and damp dungeon of a gulag, he was slipped a small piece of paper and on that paper was written, President Reagan has called it an "evil empire." And he said that is what gave him hope. That is what gave the world a reason to resist Soviet tyranny.

Not only did Sharansky prevail, but all of the freedom-loving people prevailed, because Ronald Reagan had the courage to speak about the values and the principles of this country at a time of great adversity.

So today, I am very pleased to join you and my other colleagues in saying "happy birthday" to my old boss, a man who may now have lost his memory, but will never be forgotten. Thank you.

Mr. HAYWORTH. Mr. Speaker, reclaiming my time, I thank my friend from California for that heartfelt tribute, and for his willingness to share the very personal side of history, a history of this Nation, a history of this world, in which our former President, Ronald Reagan, served as a catalyst; a man who had the courage to point out the world as it was and the conviction to help change the world to the place it ought to be.

I look here in this Chamber, Mr. Speaker, and I see another of our good friends who has joined us in this effort to continue the battle, to restore the notion of freedom and constitutional government to this great constitutional Republic, and for his perspectives on the service and stewardship of President Reagan. I am happy to yield time to the gentleman from Minnesota [Mr. GUTKNECHT].

Mr. GUTKNECHT. Well, I thank the gentleman from Minnesota. After listening to Mr. ROHRABACHER from California, particularly that close, it is really very difficult to speak, because we all have our own personal recollections and memories.

I had never been to Washington, I do not think, during the Reagan administration; I had never been to Washington until the Bush administration, so my memory is somewhat different.

I appreciate your having this Special Order. We have heard a lot today about President Reagan as the great communicator. Sometimes we forget, and we remember the tremendous speeches that he gave and some of the powerful things that he said. But it is easy to forget that communication is always a two-way street.

It seems to me that one of the parts that is forgotten about President Reagan is that he had a tremendous listening ear. He understood. He had an empathy for the American people that sometimes is forgotten.

One of his favorite expressions, and I have stolen a lot of things from the President; one of his expressions that he used frequently, and I subsequently found out he got from John Adams, but I use it a lot. He said, facts are stubborn things. You know, we can ignore the facts, we can deny the facts, but ultimately facts are facts. And he deeply believed that.

He also believed that ideas matter, that words have meaning, and that actions have consequences. As Mr. ROHRABACHER talked about earlier, when he went to Berlin and he said, Mr. Gorbachev, if you mean what you say, then tear down this wall.

□ 1400

Those words were barely even reported here in Washington and in the western press. It was passed along and does not appear anywhere in the lists of famous quotations, so that expression was almost forgotten here in the West. But those words had meaning, and they rolled across Eastern Europe all the way to Moscow, and ultimately the reverberation of those words brought that wall down.

I will always remember, and I have got to be brief because I have to run, but again I appreciate so much the gentleman having this special order today. But I remember the day that Ronald Reagan was sworn in as our President in his first inaugural address. I remember I was traveling in central Minnesota and I pulled the car off the side of the road to listen to that speech. It was one of the most powerful and most moving speeches I have ever heard.

In fact I was in New Ulm, MN when I heard the speech, and I will always remember. In fact I do not have it in front of me and I cannot do it word for word, but I will paraphrase only slightly the last paragraph of that speech.

Some may remember he talked about a young man from Wisconsin who during World War I had written on his diary that he was going to work and he was going to fight and he was going to serve as if the entire outcome of that long and bloody war depended upon him and him alone. President Reagan closed his inaugural address with these words.

He said,

> Our problems do not require that kind of sacrifice. They do, however, require our best effort and our willingness to believe in ourselves, to believe in our capacity to perform great deeds, that together, with God's help, we can resolve the problems which confront us now. And, after all, why shouldn't we believe that? We are Americans.

Those words were powerful then; they are powerful today. I think the most important thing about that sentence is that he believed in us, he believed in the American people, he believed in those deep core values that made this country work, and he talked about them often. He talked about the values of faith, of family, of freedom, of work and personal responsibility, and he believed deeply that Government policy ought to reinforce those values and that liberal programs, no matter how well intentioned, have had the net practical effect of undermining those values.

I remember, too, the day that he left office. It was a poignant moment for me, because I was watching when President Bush was sworn in, and at the end of the ceremony he and Mrs. Reagan walked out on the east side of this building. They turned around and he saluted to President Bush. Then he got up on the stairs to get on the helicopter which was to take him to the airport to take him back to California.

I will never forget, I was watching this, my wife and I, who are both big Ronald Reagan fans, and I turned to my wife Mary and I said, "You know, he was a long time coming, he'll be a long time gone." It will be a long time before we see a President like President Reagan who could communicate so clearly to the American people, and indeed to the world. I want to thank the gentleman from Arizona for having this special order.

I want to thank you, Mr. President, for all that you did for me, all that you did for the American people, and all that you did for all the freedom-loving people of the world. You will always be a blessing to us and you will always be that symbol that speaks to the best in the American people, that appeals to our best hopes, not our worst fears. I thank you, Mr. President. I wish you a happy birthday, and may God bless you.

Mr. HAYWORTH. Reclaiming my time, I would like to thank the gentleman from Minnesota for his perspective. It is worth noting, as the gentleman from Minnesota points out, Mr. Speaker, that President Reagan's observations still make the point today. Indeed, in a speech delivered about a year ago the President said these words, and I think they still pertain to our situation today:

> After watching the State of the Union address the other night, I'm reminded of the old adage that imitation is the sincerest form of flattery. Only in this case it's not flattery but grand larceny, the intellectual theft of ideas that you and I recognize as our own. Speech delivery counts for little on the world stage unless you have the convictions and, yes, the vision to see beyond the front row seats.

How important that is, Mr. Speaker. My friend from Minnesota was absolutely correct. Words do mean something. Promises must be made but, more importantly, promises must be kept. It is the vision that President Reagan spoke of in his inaugural address, on that day in January of 1981, that made the point so well:

> It is not my intention to do away with government. It is, rather, to make it work, work with us, not over us, stand by our side, not ride on our back. Government can and must provide opportunity, not smother it; foster productivity, not stifle it.

Indeed as the words are bandied about on this floor, as the epithets are hurled, remarks of blackmail and extortion and extremist, let us remember the observation of Mark Twain, that history does not repeat itself but it rhymes. And as President Reagan embraced the vision of Abraham Lincoln, that the American people once fully informed would make the right decision, let us dedicate our work and our labors in this legislative branch of Government to that same endeavor, recognizing that good people can disagree, recognizing that in a free society debate leads to decision, and also recognizing the contributions of a great American.

Mr. Speaker, let us wish the happiest of birthdays to Ronald Wilson Reagan as he approaches his 85th, and let us remember his example and do all that we can to ensure that his vision of America, a vision that harkens back to our founders, is remembered, not for its novelty, not for cutting back, to seem to embrace antiquity, but because it embraces the basic goodness of the American people and an undying optimism that is uniquely American. Happy birthday, Ronald Reagan.

ONGOING BUDGET DEBATE

The SPEAKER pro tempore (Mr. JONES). Under a previous order of the House, the gentleman from Minnesota [Mr. GUTKNECHT] is recognized for 60 minutes.

Mr. GUTKNECHT. Mr. Speaker, after the last hour we would like to talk a little bit about what is happening with the budget. The gentleman from Arizona is going to join me for a while and I believe one of my freshman colleagues from Idaho is going to join us in a little bit.

I know that the gentleman from Arizona, I do not believe he had a chance to join us in Baltimore over the weekend, but I think we should maybe take a few minutes to talk about, because I know the press has talked a lot about what has happened in the budget negotiations of recent and that somehow, I know that within the course of just a couple of weeks, in referring to the freshmen, we have been described as being mean spirited, and then last week we were being described as being dispirited. I think the only thing I can honestly say is, we are still spirited as freshmen, are we not?

I yield to the gentleman from Arizona.

Mr. HAYWORTH. I thank my friend for yielding. Yes, I was unable to be at the freshman advance—note, Mr. Speaker, we do not use the word "retreat" in any way, shape, or form—with the freshman advance, and I was interested to read the comments in one east coast newspaper, "Humbled Freshmen Regroup," or words to that effect.

Mr. Speaker, my good friend from Minnesota shares the same sense of honor and awe that comes with serving in this House. Indeed, as old man eloquent John Quincy Adams said upon his election, after serving as President, upon his election to the House of Representatives, there is no higher honor than service in the people's House.

Mr. Speaker, and to my friend from Minnesota, I think what confounds the fourth estate is that though we are honored and awed to serve here, we understand that we were sent here to change business as usual, and the spirit remains and the almost, you could see it coming a mile off, from my days in the media, we were bound to get a story at the halfway point that, gee, some folks have grown, that is, they have accepted the ways of Washington; some people have matured, that is, they have been willing to accept compromises in certain ways, and that somehow reasonableness, the Washington definition, higher spending, higher taxes, more big Government, and an abandonment of campaign promises, that type of reasonableness had infected our ranks.

Well, Mr. Speaker and to my colleague from Minnesota—I am sure he will join me on this—we do not for a minute accept the Washington definition of what is reasonable. Our mission is to serve our constituents and the American public who have the ultimate wisdom, who understand what is reasonable, who know what it is like to sit around a kitchen table and try to make ends meet, who know what it is to try and pay the tax man, who understand the notion not only of trying to pay the tax man and trying to take care of their many obligations but also who look for unlimited economic growth, who try time and again to deal with the impediments that this Government has placed upon them in trying to start a business, in trying to create jobs, people who are willing to see this economy grow if only the shackles are taken off and truly a free market is embraced.

Mr. GUTKNECHT. This sort of goes back to the discussion we were having in the last hour. While they continue to try and belittle Reaganomics, the facts are stubborn things. The economy grew at an unbelievable rate during the 1980's, in part because there was a commitment to lower taxes, to less regulation, and to smaller Government.

It was not complete, but we have the opportunity now to complete that revolution and really free up the free enterprise system, to free up the American people, because the Government does not create jobs, the Government does not create wealth. Businesses do. People do. We have got to allow them to have more control over their futures. That is what this is about.

I think it is important that we have this discussion, because I think there is a view out there perhaps that now we have been tempered now after a year, and that our basic goals and our basic mission and our basic visions of what ought to happen in Washington have changed. I do not think that is the case at all.

I think we still understand who it is that controls the wealth, who it is that creates the jobs, who it is that can do the best job in helping to shape America's future. It certainly is not bureaucrats here in Washington. It obviously is people out in communities like Phoenix and like Rochester, MN, and all across the fruited plain.

It is people out there who Ronald Reagan believed in that are going to make the difference, that are going to make this a better country. It is not 5 trillion dollars' worth of debt. We look at the welfare issue. Maybe we can talk a little bit about that.

Unfortunately, sometimes when we talk about restructuring and reforming and in fact starting over with a blank sheet of paper, hopefully with the States having far more control in determining what kind of a system they are going to have to help people who truly need help. And I think there is a genuine commitment on all of our parts that when people genuinely need help, we should help them, but we should also find the most efficient way, and that the definition that we have used in the past of helping people simply has not worked.

I yield to the gentleman.

Mr. HAYWORTH. Again recalling the words of President Reagan, and I think this rings so true today, "The size of the Federal budget is not an appropriate barometer of social conscience or charitable concern."

Indeed what we have seen for the past half century is a usurpation, if you will, of charitable concerns by the Federal Government. None of us here are willing to abandon the notion of a safety net for those less fortunate, for those who may face physical challenges, for those who may face mental challenges, for those who literally have no way to take advantage of the freedom that they have to better themselves.

☐ 1415

But what so tragically has happened, with ofttimes the best of intentions, is that we have turned the safety net into a hammock, and that we have made it more lucrative for some to stay away from work and that we have, in the words of one official from a charitable organization with whom I visited in the 6th District of Arizona, he said to me, "You know, J.D., the Federal Government basically stepped into my line of work about 30 years ago, and they have taken over the bulk of it."

Now, we have a fundamental debate going on. But to those who would claim it is mean-spirited, it is extreme to look at restraining the rate of growth of Government, to those who would claim it is selfish or somehow ignoble, or less than honorable to allow the American people to hang onto more of their hard-earned money, to those who would accept the misguided notion that it is the Government that controls the wealth, that it is the Government that should be the catalyst for every program from soup to nuts, from cradle to grave, that it is the Government with whom the power resides, they are ignoring one basic fact of our remarkable constitutional republic. Our Founders who composed this document believed this, and I believe though good people can disagree, we should understand this, in this Nation it is the people who are sovereign, and it is the people who confer power upon the Government. This Government belongs to the people, and again, to quote President Reagan, Government is the people's business, and every man, woman and child becomes a shareholder with the first penny of tax paid.

There is nothing dishonorable and there is nothing selfish and there is nothing mean-spirited about the average American family which now spends more on taxes than on food, shelter, and clothing combined hanging onto more of their income. There is nothing ignoble about letting a small business owner be free of the shackles of capital gains taxation which would limit growth and economic expansion. There is nothing ignoble about empowering the people. Good people can disagree, to be sure.

But we must work, as we have this historic debate, to listen to the people, to understand their concerns, and to deal with these concerns in what some would call a new way, but what I would maintain is the way that that has improved this Nation since its foundation, not reinventing Government, but remembering those principles embodied in our Constitution, recognizing there is room for dissent and debate, but moving to do the people's business, because we are stewards of their money, and the Government has taken from them, not that the Government gives to everyone else.

Mr. GUTKNECHT. I think one of the most frustrating, and there are many frustrating parts about the debate we have been having in Washington about restructuring the way Government works and what functions should be done at the Federal level, downsizing Federal Government. One of the most frustrating things is facts do not mean anything anymore, at least according to some people.

If you look at the facts, there is overwhelming amounts of evidence to suggest the Great Society has failed. In fact, even President Clinton in some respects when he gave his State of the Union Address the other night said the era of Big Government is over. I think he said that several times during his speech. But yet, the next day it was like some of the Members of this body did not hear that or do not agree with that or do not share that particular view.

But I think we have to look at the facts. Facts are stubborn things. If you look at the facts about what has happened to the welfare state over the last 30 or 40 years, we have spent $5 trillion, and if you want to see the evidence of what we have gotten for $5 trillion, you do not have to go very far from this building, because Washington, DC is perhaps the greatest social welfare experiment of any city.

In fact, if you go around Washington, DC, you will see the product that we have produced. We have created debt. We have created dependency. We have created despair. If you look at the housing projects, for example, here in Washington, DC, 80 percent of the violent crime in the city of Washington is committed within two blocks of a Federal housing project. Some people believe the answer is more and bigger Federal housing programs. We believe it ought to be decentralized.

We also understand there are some people who need some help. Maybe they need a voucher. We certainly do not need a large Department of Housing and Urban Development based here in Washington, DC, that has created what is has created, and that is throughout the entire social welfare system. It has been an abysmal failure.

The facts demonstrate that, and yet so many of our colleagues want to ignore the facts.

Now, is our answer perfect? No, absolutely not. But it cannot be any worse than the system that has been created over the last 30 or 40 years. That is the important point.

I yield to the gentleman.

Mr. HAYWORTH. I thank my friend from Minnesota. Yes, it was with great interest and, indeed, somewhat of surprise, although I expected in part the rhetoric that came from the President the other night when he said the days of Big Government are over, and now the challenge becomes, Mr. Speaker, for this President to join with this new majority and to really live up to that notion.

I ran into a reporter who will remain nameless, from one of the major television networks. "How is it going, Congressman?" "Great." "Did you see the headlines in the paper? It says President embracing GOP agenda." This reporter said, "You managed to make victory look like defeat." I said, "No, sir, with all due respect, you have. There is great reason to be optimistic. The President has now at least turned the page and changed the terms of debate and has taken a look at fiscal responsibility. Yes, there are many details to be worked out. Let us rejoice in that realization."

Mr. GUTKNECHT. I think that is the good message. We talked about the incurable optimist President Ronald Reagan was.

If you talk about the freshman class, you will see incurable optimists. While we have stubbed our toes and made a few mistakes and have not accomplished all we wanted to accomplish, the bottom line, the truth of the matter is the entire fulcrum of this debate has moved, and even the President now is acknowledging the era of Big Government is over and big Washington solutions to all of our problems are not the answers.

And now we may not win on every point now, but it is not really a matter of whether we win or the President wins, the Republicans versus Democrats. The real issue is whether the American people win. This is not a battle between Republicans and Democrats. It is a battle between those who believe that the Government is the answer to most of our problems and those who believe that government is a big part of a lot of our problems; those who believe that Big Government solutions are the way to solve problems and those who believe we ought to decentralize and let individuals have more responsibility and authority in their lives, and we start with that basic premise, we the people. The three most important words are "We the people."

What has happened over the last several months has obviously given us a better education about how this place works, but it has not changed our optimism. It has not changed our view. We may have to change our tactics somewhat. We are not going to keep this Napoleonic, all lined up in a straight line and let people stand behind trees and fight a guerilla war; we are not going to change the goals, not going to change principles, not going to change what we came here for. As long as the people keep sending us back, we are going to fight for the fundamental principles President Reagan talked about, that we fought for in the last election. We are not going to give up. The freshman class is not going to change.

WE MUST GET PAST THE CLICHES

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12 1995, the gentlewoman from Ohio [Ms. KAPTUR] is recognized for 60 minutes as the designee of the minority leader.

Ms. KAPTUR. Mr. Speaker, I would like to yield to the distinguished Member from the great State of Montana, Mr. WILLIAMS, who announced a little earlier in the month that he would not be returning after this year, and that is a great disappointment, not just to myself as a Member of this body, but to every person in this country.

Few know this man. Let me say to the people of Montana, you sent the best.

Now you can say whatever you want to say.

Mr. WILLIAMS. I thank the gentlewoman very much for yielding.

I first want to say to my colleague and friend, the gentlewoman from Ohio [Ms. KAPTUR], how pleased I am with your kind and overly generous introduction and thoughts about me.

But I am here for another year. One of the reasons I am glad enough for that is I continue to get to work with the gentlewoman.

We have just heard on the House floor an argument for apple pie and motherhood and American flags. The previous speakers, it seems to me, are well-intentioned, but nonetheless were just filled with cliches. They condemned debt dependency and despair, they talked about fighting for fundamental principles, they condemned more and bigger government, and accused only one side of the aisle of being for that awful thing, talked about bloated regulations and big Washington solutions. I really did not hear anything they said with which I disagreed. It is just that almost everything they said, in my judgment, was somewhat meaningless and mostly cliches.

One has to, it seems to me, in difficult times like this get past cliches and move to facts if we are really to change this Government and our response to people in the way they want. For example, let me take education. I serve on that committee. There has been for at least a decade, and particularly for the past year, howls coming out of this Chamber about the fat bureaucracy in education. So that is the cliche.

Whether one, however, bothers, takes a few minutes to check the facts, you find out that in the schools of this country, central office personnel constitute less than 2 percent of school employees. We have heard, particularly during this last year on the floor of the House, a lot of talk about regulations in the schools, mandates from Washington, horrible regulations, how bad they are, how overwhelming, overwhelmingly destructive they are, but when you look at the facts of it, you find out some interesting things.

Goals 2000 has no regulations. School-to-work legislation, relatively new, school-to-work law, no regulations. Under President Clinton, who came to office believing there were too many regulations, the Department of Education has eliminated two-thirds of the regulations surrounding elementary and secondary education in this country. Now I know there is a little cloud that follows President Clinton around, that no-credit cloud, he never gets any credit, but he has eliminated two-thirds of the elementary and secondary regulations in this country.

A Member of this House, I will not name him or his State because it would not be fair, he is not here today, said about a week ago, speaking from the well of the House not far from where the gentlewoman from Ohio is standing, he said to the American people over C-SPAN with how many people listening, 100,000, 200,000, 1 million, 2 million, he said, You know, folks, I am not quoting him, I am paraphrasing him, I will quote him in a second, he said, You know, the problem, with Federal expenditures is only 23 cents of the dollars that we appropriate ever leaves Washington, only 23 cents on the dollar ever leaves Washington and gets down to the student; the rest of it, he said, feeds the Federal bureaucracy. So out of a dollar, he is saying only 23 cents gets to the student.

Now, I suppose, what, hundreds of thousands, millions of people heard that. It is totally inaccurate when one checks the facts. The Department of Education in Washington DC, has the best, lowest overhead administrative record of any department. The Defense Department would kill for a record as good as the Department of Education has; less than 2 percent, less than two cents of every dollar is used for the bureaucracy, for the overhead here in Washington, DC. So one needs to get past the cliches. One needs to get past the mistakes, some of them I think quite intentional.

One really needs to get down to the facts, particularly, I want to say as I conclude, particularly in this representative democracy of ours, where the citizens need the facts if they are to make proper choices in November and on election days at the ballot box. If they are to place upon their elected representatives their will, their choices, their options, those must be based on facts—not cliches, not myths, not intolerance, not lack of compromise—facts.

□ 1430

Again, I am appreciative of the gentlewoman sharing some of her time with me.

COME SHOP WITH ME AT SCOTT PAPER CO.

Ms. KAPTUR. I will reclaim my remaining time. I thank the gentleman very much for offering that important clarification. I think one of the difficulties is when you have a large number of new Members that are elected, it takes a long time to learn the ropes, and sometimes perhaps people speak out before they check the facts. I think the gentleman's commentary this afternoon is helpful to the country.

Let me say I come down here for a similar reason, and that is to offer a word of caution to Members of the freshman class, especially on the Republican side of the aisle, who this past Friday held a retreat. According to the press accounts, the purpose of the retreat was to reflect on how their best-laid plans for the so-called revolution went awry and to reflect why the American people have turned their backs thus far on their message.

There was an article in my local paper, the Toledo Blade, last Saturday, which I am going to submit for the RECORD, which talks about the fact that this group of new Members was very concerned after the President's

State of the Union that he was able to get his message across to the country, but that their leadership, according to this quote in the newspaper, that their leaders did not understand the importance of what they are calling communication. They were criticizing some of their leaders as too in your face, too extreme, too ideological. In order to help them out of this mess, one of the speakers that was invited to the retreat was the chief executive officer of Scott Paper Co.

When I read down to that point in the article, I knew that I had to come down here today and speak a bit. I would just say to the Members of the new class that rather than seeking political assistance from speakers like this Mr. Dunlap, I think maybe it might be important to have some quiet reflection, more in a spiritual sense, on your own, because when I tell you about this gentleman, I am not so sure you would want to invite him back.

He is one of the most well known chief executive officers in our country, who is referred to as "Chainsaw Al," the meanest boss in America, the country's most notorious employee killer. In his own biography he describes himself as Rambo in pinstripes because of the way that he cut employment and laid off, terminated, thousands of workers at Scott Paper Company, his home company. In fact, the May 1995 issue of Fortune Magazine indicates a reduction in work force at Scott Paper of nearly half. Thousands and thousands and thousands of workers at that particular company were given the pink slip.

Now, if I could give my colleagues some advice, it would be don't listen to Mr. Dunlap. Yet I see that he was invited. Over the last couple of years he has fired over 30,000 people in our country and shipped most of those jobs overseas. Recently he was a party to a merger between Kimberly Clark and Scott Paper, which he ended up coming out of that deal looking pretty good. He made over $100 million on the deal.

I would like to ask Mr. Dunlap, in giving his advice to the new Members, I would like to know what happened to those thousands and thousands of workers that gave their loyal service to Scott Paper? What happened to them?

During the time that all these workers were cut and terminated, Scott Paper enjoyed profits like it had never seen. Well, who would not, when you cut our work force in half? But he benefited, $100 million.

It is interesting to look at Scott Paper as a company, because it has manufacturing facilities all over the world. I know our listeners and Members of the House here buy their products. Viva paper towels is one you will notice on the shelves, or Scotties facial tissues, or Cottonelle, that you use in the bathroom.

But the company whose products are familiar to us all is cleaning up at the expense of the U.S. taxpayers. Some of the countries that they do business in have the most dirt cheap labor anywhere on the globe. Honduras, gosh, they are a great respect for workers in Honduras. They are shot if they try to earn a decent living down there. Costa Rica, China, Thailand, Malaysis, Taiwan, South Korea. Scott Paper has a huge presence in Mexico. In fact, its Mexican subsidiary, Compania Industrial de San Cristobal, operates five manufacturing facilities in Mexico, and plans for more expansion are under way.

In other words, all these people that got laid off in this country and are terminated coast to coast, they are going to be replaced by workers in Mexico who earn less than $1 an hour. Yet if you go to the store and buy any one of those products from Scott Paper, your prices did not go down. So what happened to the money? Mr. Dunlap took it.

Though the productivity of the workers at Scott even prior to the layoffs was very high and their profits were high, they were not a bankrupt company, workers in Scott Paper's tissue mill in Everett, WA, and I hope there are citizens from Everett, WA, who are listening, and other mills across the country, saw their jobs transferred to Mexico already. It is very interesting. In Mexico those workers have no benefits, they have no benefits. The workers in Washington made a living wage. That company really used to stand for something, before "Chain Saw Al" got involved.

In January 1994, Scott employed 33,000 people worldwide. But by December, when he had finished, there were 19,900 people left. Those who did not lose their job last year, imagine what it must be like to come to work every day in that company wondering whether the hatchet is going to fall on your neck in spite of how hard you work, in spite of your loyalty to the company, because every worker in that company knows they can be replaced by a worker in another country where Scott has a plant that earns almost nothing, not even enough to afford to buy Scott's products in the countries where those products are sold and made.

Scott Paper essentially put U.S. employees out of work, and, by building up operations in companies like Honduras and Mexico, the company continues to undercut the wages of this country and the American people.

But, wait. It gets worse. We know prices have not gone down. In fact, prices in the tissue area have been going up for years, at the same time as people like Mr. Dunlap are reaping huge profits while they take advantage of dirt cheap labor elsewhere and put our people out of work in this country. The company does not even have the decency to pass along its cost savings as a result of manufacturing and other companies in the form of price reductions at the shelves when our people go to the supermarkets to shop.

In the last year alone, however, as a result of this kind of shredding of a corporate charter with the American people, where so many of our folks are thrown out of work, its stock price skyrocketed. Wall Street could not be happier, its price value going up over 100 percent.

Now, what happened recently was Kimberly Clark just bought Scott Paper in July of this past year for $6.9 billion. Mr. Dunlap, that is where he managed to get $100 million on the deal, and effectively built a rising stock price on the swelling ranks of jobless people. How would you like to have him live next door to you?

Kimberly Clark is the largest paper product company in Mexico, having invested over $100 million there, and millions more in other countries. It is interesting to see, a gentleman who came into address the new freshmen, who disdains Government, who disdains the laws of this country, benefits so much from Government programs.

In 1994, Kimberly Clark, get ready for this, obtained $9.27 million from the Overseas Private Investment Corporation, for insurance. That is an instrumentality of the Government of the United States, paid for by our taxpayers to invest their money in other countries.

In the same year, our Department of Labor certified 636 U.S. employees of Kimberly Clark as approved to receive help, unemployment help, because they were being put out of work because imports were coming in from Scott and Kimberly, the same products from these other countries, putting our workers out of work, and the American people have to pay for the families that have been put out of work by this very same company. Scott Paper, with its presence in Mexico, also had 300 workers. So that is nearly 800 workers just in the past year that we are paying for, unemployed people, that these very same companies put out of work in the United States.

You could say that is a form of corporate welfare, because, on the one hand these companies are using our money to go abroad, insurance through the taxpayers of the United States, and then putting the U.S. work force out of work and having to get the money to pay for those unemployed workers through our Department of Labor. We know Americans are paying for the training of nearly 1,000 workers just over the last year because of the actions of these two companies.

Now, it is amazing, because Mr. Dunlap began working for Scott Paper at the beginning of 1994. The terms of his contract, though hidden from the public, specify a base salary of no less than $1 million per year. While 13,100 workers got pink slips, Scott Paper bought Mr. Dunlap a multimillion-dollar home in Boca Raton, FL, and gave him a $333,000 hiring bonus. I sure hope that the new freshmen did not have to pay him to speak before their group, because he certainly could afford to come on his own.

So I guess what I wanted to point out today, there were articles that were included in Roll Call on Monday talking about some of his comments to that group, where he said, and I can't repeat some of these words, by the way, but I will just leave a blank, where he advised the freshmen, "Never give up. Never give up. Never let the 'blank' get you down. This nonsense about the working people, don't ever apologize for being successful."

This is the kind of person that is being listened to here in Washington. It says here, and I quote directly,

> The sleepy-eyed freshmen were greeted with a take no prisoners exhortation from Al Dunlap, the chief executive of the Scott Paper Company, who has been described variously as the meanest boss in America, the country's most notorious employee killer.

What an attitude at the end of the 20th century for someone with this kind of rapacious greed to be invited to address Members of the Congress of the United States, which means that they are acquiescing in the actions that he has taken.

Mr. KILDEE. Mr. Speaker, will the gentlewoman yield?

Ms. KAPTUR. I yield to the gentleman from Michigan.

Mr. KILDEE. I have been listening to the gentlewoman's remarks. I was wondering, Mr. Dunlap is being asked by the Republican Conference to address them and to give them advice? Is that what the article states?

Ms. KAPTUR. The article states that they were asking for his advice.

Mr. KILDEE. His advice on Medicare, how to cut Medicare, the school lunch program, the WIC program for pregnant women? They have already cut those programs. He could advise them further on how to cut those programs. He is good at cutting programs. Is he coming in because he is an expert on cutting and they are going to go further in taking his advice on how to cut these programs for the people?

Ms. KAPTUR. I think it is very interesting they would invite him in as an expert and listen to a gentleman like this, and try to shape their agenda for 1996. That is why I bring it to the attention of the body.

Mr. KILDEE. I suggest after Mr. Dunlap, they should at least balance things out and maybe have someone like Mother Theresa come in and give them some spiritual guidance.

Mr. HEFNER. I think he probably has a special interest, Mr. Dunlap. If you make the drastic cuts in Medicare and Medicaid and these other programs, it will make more room for a tax cut, which he will benefit very greatly from. So I admire the man for being honest about it. He at least is sticking to his principles. The more working folks you can get rid of and you can cut the Medicare and Medicaid and programs for children, then you give him a bigger tax cut. I do not have any idea what $100 million would be in a tax cut, but I think it would probably be substantial under the proposed budget that the Republicans are offering. So at least he is going to his constituency, those that sympathize with him and feel the same way that he does. It would have been kind of nice if we had heard what his views are on Medicare and Medicaid and family leave and this sort of thing.

□ 1445

Maybe the next retreat that they have—no, it is not a retreat. Maybe the next whatever you call it that they have, what is it? The next one they have, they will discuss some of these programs and let the American people know how they truly feel about some of the programs that affect the most vulnerable people in our country rather than the most privileged few, rather than those that made their fortunes on the backs of the working people of this country. And do not apologize for getting wealthy. How much in tax breaks did the company get under the overseas advertising program that we did?

Ms. KAPTUR. The Overseas Private Investment Corporation, they received nearly $10 million in insurance in 1994, for investment in other countries. So it shows how he is thinking.

Mr. HEFNER. Mr. Speaker, if the gentlewoman will yield, that would be investing in other countries where the labor force would be cheaper, and labor would be more kind to a company of this size, and that the benefits would tend to not be as great as they are if they had all of their production in this country? Would that be a fair assumption?

Ms. KAPTUR. That is a fair assumption. What is interesting to look at is that, even before this is done, they were making profits in the United States. They had a good work force. They were making profits as a company. It is not that they had a work force that was not producing for them, but they wanted not to just make reasonable profits, they wanted excessive profits. They disinfested this country and used our tax dollars to do it to us.

Mr. HEFNER. I think we have to admire the gentleman's intestinal fortitude to come to people that think along the same lines and have the same philosophy. At least we have to give him that. He goes to where he has the potential to get even more goodies from this Congress if the budget passes along the lines that our Republican friends want to pass it.

Ms. KAPTUR. I thank the gentleman for bringing up a good point about his personal tax benefits that would flow from the tax package that they are proposing. He earns, who knows, millions and millions of dollars a year. The benefit to him would be absolutely incredible, probably in the hundreds of thousands of dollars, figuring his stock options, and so forth. So, he certainly would not be the example I would have chosen.

We have so many good companies in this country that are making profits that are well-managed and that treat their workers with respect, that have respect for people. But I thought that this was just a terrible indictment on the freshman class. I hope that the caution we have given them today might encourage them to bring business leaders to this Congress that are worthy of the kind of recognition that they give to this type of gentleman.

Mr. Speaker, I yield to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Mr. Speaker, I have been talking about one aspect of the House freshmen and women.

I would like to, if I might, talk about another one of their, I think, extreme causes. That is essentially the debt ceiling be damned. All torpedoes ahead, no matter what we are going to hit or whom we are going to hit.

I wanted to say just a few words about a letter that one of my colleagues from Michigan sent to Secretary Rubin, and I quote. The gentleman from Michigan [Mr. SMITH] said, "It is my understanding that you are considering withholding Social Security and other trust fund payments due on March 1, 1996, despite the positive cash-flows of such trust funds."

There is a grave misunderstanding here. The Treasury is not going to withhold Social Security and other trust fund payments. Here is the problem: If the debt ceiling is not extended, the Treasury is going to be put in this position, as I understand it. They are not going to be able to redeem the nonmarketable funds that they have. And if they cannot do that, they have to do it by issuing marketable securities. Then they may not have the money to honor the Social Security checks that would have been mailed to millions and millions of people.

So, it is not the Treasury Department that is, as the gentleman from Michigan [Mr. SMITH] put it in his letter, withholding Social Security and other fund payments, despite the positive cash-flows of such trust funds. It would be that the Republican majority here, I think a reckless act it would be, and I find it hard to believe that they will ultimately do this, would put the Government in the position of not being able to honor these checks.

Now, even if they could find the funds if cash came in, et cetera, the day that these checks were presented, if there were not enough money, if there were not enough monies to honor all the checks that came in from Social Security on that day, and every other source, none of these checks under Federal Reserve policies would be honored, none of them.

There is because the Treasury Department does not at this point have the ability to segregate the kinds of checks that are paid. Social Security checks for mothers, they all come in. The software is such that either they are all handled together or they are not, under Federal Reserve rules, handled at all.

That is my understanding of it. So, the Republican majority, again they have got blinders on. They are seeing only what they want to see. Here they are being terribly myopic. They are so myopic they cannot even see what is in front of them, let alone, what is far away.

So, I would strongly urge that we do this: I heard a lot of the back and forth earlier on the floor, and to my colleague from Ohio, that is why I am here. I am deeply troubled. The gentlewoman referred to an example of the extremism of some of the House Republicans, especially some of the freshman, not all. I think that the ultimate example of this is playing around with the debt ceiling. There are other examples pointed out.

This is the ultimate. The faith and credit of the United States, their ability, when checks are presented, including by Social Security recipients, the question of whether they will be honored. What do other people think about this? I know that my colleagues on the other side, they do not like us to call them extremists, but they ought to understand that the public is calling them extremists, because playing around with the debt ceiling is an example of it.

I was reading the article on the House freshman in Business Week, the January 29 edition. it refers to a Business Week Harris Poll where 45 percent of the Americans thought of the first-termers on the Republican side as extremists. That is a huge number. They are doing so because it is based on the reality they see, extreme actions are well as rhetoric.

So, my reaction to the back and forth today, and all the oratory that went on, I know that my colleagues have trouble just giving ground in terms of some of these extreme ideas. I know they want to use every leverage they can, because they hold there views so deeply. But the problem with extreme ideas is that sometimes it causes people to adopt extreme means. In this case, the extremity, the extremeness of the end leads people to justify extreme means.

Mr. Speaker, playing around with the debt ceiling is an extreme means that is going to lead, I fear, if it were ever undertaken, the default, to extreme results.

So, the mainstream of America, which we are part of here, those of us who are pleading that we end the leveraging with the debt ceiling, even talking about it, the mainstream of America is saying resist the temptation. They talk about people who touch a hot stove, they learn having touched it once. In this case, our colleagues on the Republican side touched the stove twice at least in terms of shutting down the Government, and they got burned, but so did America. You would think people would learn. I hope so.

Ms. KAPTUR. Mr. Speaker, reclaiming my time, and I would be happy to yield again, talking about measures that go too far, I think part of the problem is who they might be listening to. Again this Mr. Dunlap, and this is a direct quote from Roll Call on Monday, January 29, suggested, just think about this for a second, that they should abolish the Senate, the other body. And if they did that, then they could get somewhere.

Now, a lot of us have problems with the way things are set up. We are not always pleased with the way we make our laws in this country, but I do not think that that remark was made in jest. And I think there are a lot of people that would want to dismantle the very tenets of our Constitution. To me that borders on anarchy. That is not just reform. That someone would come before them and offer that as a proposal, I find not just to be off the edge, I find that to be about as extreme a recommendation as they could make.

It goes to the very fundamental rights of representation that the small States and the large States have in our country. It goes back to the founding of the Republic. What gives this person the right to speak before this group in this way?

Mr. LEVIN. Mr. Speaker, if the gentlewoman will continue to yield, I think she put her finger on it. There is an obligation on the part of some of our colleagues on the Republican side who really do not like this extremism, who have said to a number of us on many occasions privately that it is reckless, and sometimes they used the word "crazy," that they now speak out publicly.

We should not leave here tomorrow or the next day wit the debt ceiling issue up in the air. It could have all kinds of results. And, look, it might help us politically, Democrats, if the Republicans playing with fire unleashed an inferno, but I do not want that and my colleague does not want that.

What the Republicans here should do is to say, look, we are reluctant to give up this leverage, if they think it is. It is not, and we are going to cut it cleanly. Cut it cleanly, extend the debt ceiling and let us argue out these important issues. We are in favor of a balanced budget. We are arguing out how we do it. Let that be the argument, not the debt ceiling.

I deeply appreciate the distinguished gentlewoman from Ohio yielding to me. I just wanted to come to the floor and to straighten out this issue about Social Security, the debt ceiling that would cause the checks perhaps to be dishonored, not because the Treasury was taking steps. The onus is on our colleagues over there, and I just pray that they will act responsibly and do it this week.

Ms. KAPTUR. Mr. Speaker, I thank the gentleman for raising a very important matter that frankly we could have taken care of weeks ago, months ago. We do not have to be constantly operating at the edge.

I think, as the gentleman says, and he is a very moderate individual in his own views, that perhaps people feel so strongly that they think this is their only alternative. But for the sake of the Nation I think it is best to put on the shelf some of the deeper urges we might have and for the sake of the Nation do what is right for all of the people, not just for a small subset or how we might personally feel about something.

□ 1500

OUR COVENANT TO PROTECT THE ENVIRONMENT WHILE PRESERVING LIBERTY AND UPHOLDING THE CONSTITUTION

The SPEAKER pro tempore (Mr. RADANOVICH). Under the Speaker's announced policy of May 12, 1995, the Chair recognizes the gentlewoman from Idaho [Mrs. CHENOWETH] for 43 minutes.

Mrs. CHENOWETH. Mr. Speaker, it is a rare individual who does not want an effective environmental policy. Sometimes these policies, or the remedies thereof, have been called extreme, just like we heard from my friends on the other side of the aisle. I am one of the freshman Members, but I find it interesting that a party who has lost its vision can use only one word to define the other party, and that is the word "extreme." I beg of my colleagues on the other side of the aisle to come up with alternative programs that will benefit the American people.

I just have to say, Mr. Speaker, this was not a planned part of my speech, but I do want to say that it is private individuals who risk and who invest who employ Americans. I join the gentlewoman from Ohio [Ms. KAPTUR], a woman I admire greatly, about the fact that we do want to keep American jobs here in America. I do agree with her there. But, you know, we either have one of two employers: Either you, the taxpayers, are employing individuals through government, or we have private businesses employing people. I prefer private entrepreneurs in employing people and downsizing government.

Mr. Speaker, it is a rare individual who doesn't want an effective environmental policy. We all want to promote the wise use of America's natural resources, but the driving force behind our current policies have little to do with sound science, foresight, or reason. Instead, environmental policies are driven by a kind of emotional spiritualism that threatens the very foundation of our society, by eroding basic principles of our Constitution.

Mr. Speaker, if there is one quote I could center my remarks around today, I think it would be a personal statement made by Thomas Jefferson, who probably was the world's greatest articulator of man's heavenly endowed individual rights and liberties. Jefferson wrote in 1776:

> I may grow rich by an art I am compelled to follow, I may recover health by medicines I am compelled to take against my own judgement; but I cannot be saved by a worship I disbelieve and abhor.

Mr. Speaker, the very first clause of the very first amendment to our Constitution states that "Congress shall make no law respecting an establishment of religion," and yet there is increasing evidence of a government sponsored religion in America. This religion, a cloudy mixture of new age mysticism, Native American folklore, and primitive Earth worship (Pantheism) is being promoted and enforced by the Clinton administration in violation of our rights and freedoms.

Proponents of this new-environmentalism are the first to recognize its religious nature. Just to name a few: Sierra Club Director David Brower announced "We are a kind of religion." Scientist James Lovelock, author of the bestseller "Gaia," admits that "Gaia is a religious as well as a scientific concept." Bill McKibbon, author of "The End of Nature," proclaimed that "it is not in God's house that I feel his presence most—it is in His outdoors." According to columnist Alston Chase, nearly all environmental leaders have conceded that environmentalism is a religious movement.

The trouble is that these sentiments are not just expressed by leaders in the environmental movement, but frequently, by government leaders who influence and promulgate the regulations we live under. When Vice President AL GORE was invited to speak at the Episcopal Cathedral of St. John the Divine, he sermonized that "God is not separate from the Earth." Espousal of this environmental religion by political leaders and regulators carries profound constitutional implications.

I recently came across the transcript of a speech delivered by U.S. Secretary of the Interior Bruce Babbitt on November 11 to a joint meeting of the National Religious Partnership for the Environment and the American Association for the Advancement of Science. It was entitled "Between the flood and the rainbow: Our Covenant to Protect the Whole of Creation." In this speech, Babbitt explains how he became disillusioned with Christianity because the commandment that man should have dominion "over every living thing that moveth upon the Earth" conflicted with his view of nature's supremacy. "I always had a nagging instinct," he explained, "that the vast landscape was somehow sacred, and holy, and connected to me in a sense that my catechism ignored." Babbitt explains how a young Hopi friend taught him "that the blue mountain was, truly, a sacred place," and he became "acutely aware of a vacancy, a poverty amidst [his] own religious tradition."

To fill this vacancy he adopted the new environmentalism, and he has every intention of regulating and enforcing his dream of utopia into reality.

You may ask, what is the harm of public officials maintaining deeply held beliefs? The problem, Mr. Speaker, comes when those deeply held beliefs become the driving force for policy which that nonbelievers face persecution. Mr. Babbitt has made it clear that environmentalism—the religion—is driving this Nation's regulatory scheme. This is a violation of the establishment clause of the Constitution. It smothers our values and it threatens our liberties.

James Madison wrote his great "Memorial and Remonstrance" against a Virginia tax for the support of an established church. In it, he eloquently argued that a true religion did not need the support of law; that no person, either believer or nonbeliever, should be taxed to support a religious institution of any kind; that the best interest of a society required that the minds of men always be wholly free; and that cruel persecution were the inevitable result of government-established religions.

Madison was right. The backbone of America—workers, small businessmen, and property owners—are becoming victims of this new-environmentalism.

Businesses like Stibnite Mine in my district, whose mining operation was shut down for 2 years waiting for the National Marine Fisheries Service to determine whether they could haul supplies on a Forest Service road.

People like the Yantis family in my district, who were told by the National Marine Fisheries Service that they should just give up their right to irrigate for a fish that is not instream now, but could be one day.

People like a Minnesota farmer who had two 1-acre glacial potholes on his property. To make farming around them easier, the farmer filled one and expanded the other two acres. The U.S. Army Corps of Engineers objected, and the Federal Government ordered him to dig out the pothole he had filled and fined him $45,000.

Whole families throughout the Northwest who have lost their jobs because government restrictions and environmental lawsuits have shut down the region's ability to keep forests healthy.

Farmers in the Bruneau Valley whose livelihoods have been held hostage to a snail the size of a buck shot. The Fish and Wildlife Service has yet to scientifically prove that farming activities have an effect on the snail.

For those who still refuse to see the dangerous character of an established religious environmental movement, let me give you another example:

Wayne and Jean Hage bought a cattle ranch in Nevada in 1978. The former owner had been forced to sell because the regulatory pressure by the U.S. Forest Service had become unbearable. But Hage was confident that he could work with the Forest Service to resolve any problems that might occur. He was wrong. Problems started when, without warning or notification, a nearby Forest Service Ranger Station began to pump water from a critical spring on Hage's property into the ranger's cabin. The Forest Service maintained a fence around the spring so that cattle could not drink, but Hage felt that if the Service needed the water an amicable agreement could be reached. The Forest Service refused to cooperate, and when Hage held a field hearing on the issue, they launched an all-out holy war against the rancher.

For the sacrilege of questioning Forest Service actions, Wayne was contacted no less than 110 times with violations of bureaucratic regulations. Most, if not all, were wild goose chases, but each required time consuming and often expensive responses. The Forest Service even resorted to several armed raids on the ranch, confiscating 104 head of cattle and keeping the proceeds of their sale. Hage also faced felony charges for clearing brush from his own irrigation drains. The charges were thrown out by the courts, but this was the last straw—Hage filed a suit for the regulatory and physical taking of his ranch.

Unfortunately, CIGNA Corporation, the lender and lien holder on Hage's property is one of the environmentalist faithful, and has been attempting to foreclose on the property to effectively kill the case. CIGNA is a major corporate donor to the National Wildlife Federation which is acting as a friend of the court on behalf of the Forest Service. This is an organization that instructs environmental activists on how to use Forest Service and Bureau of Land Management regulatory power to "Make it so expensive for the rancher to operate that he goes broke."

Mr. Speaker, there is something seriously wrong with this picture.

Environmentalism need not be a religion. It could—and should—be based on science and logic and aimed at secular goals. But Secretary Babbitt rejects the protection of species for potential cures for disease, or new strains of drought-resistant crops, or bioremediation of oil spills, in favor of uniting "all state, county and federal workers under a common moral goal." He concluded his speech by affirming that "religious values remain at the heart of the Endangered Species Act, that they make themselves manifest through the green eyes of the grey wolf, through the call of the whooping crane, through the splash of the Pacific salmon."

The fact that this moral philosophy makes villains of hard working, productive citizens makes it repugnant to American values. The fact that it dismisses science prevents technological progress. The fact that it violates the Establishment Clause of the Constitution makes it an attack on our form of government. And the fact that it places obstacles in the way of American prosperity makes it a threat to our children's future.

Mr. Speaker, policies inspired by this new green religion are having devastating effects on my State. One example that I think exemplifies this new trend is unnecessary introduction of predators such as wolves and grizzlies against the will of the people and at great expense to the taxpayer.

Many people do not realize that the idea of releasing wolves in Idaho and in the west is not a new one. There were attempts as far back as 1982, when Senator CRAIG held the seat that I hold now. At that time, when the U.S. Fish and Wildlife Service introduced this idea, the plan was quickly shelved after then-Congressman CRAIG held hearings in which obvious flaws of artificially introducing the wolves were exposed.

In those hearings biologists admitted that the wolf was recovering naturally in Canada and Alaska, where there are currently as many as 40,000 to 50,000 of the grey wolves. Moreover, the plan was soundly rejected after it became clear what the consequences would be of introducing a dangerous predator into an area that was no longer completely wild, but in fact, where there are activities such as ranching, logging, mining, and recreation.

The mere suggestion of introducing wolves prompted the State legislature to pass a number of bills prohibiting the introduction of wolves unless it was under the terms and conditions of the State. I would like to insert into the RECORD the testimony of State representative JoAn Wood, who came before the House Resources Committee and testified to the long history of Idaho's objection to Federal wolf introductions.

Nevertheless, when President Clinton was elected, Bruce Babbitt, the President's appointed Secretary of the Interior, again resurrected the idea of introducing wolves in the West. This time, instead of trying to establish a sound, practical, scientific basis for the program, the Government promoted wolf introduction as a romantic notion of restoring the western ecosystem to its pre-Colombian state. Indeed, Mr. Babbitt has gone as far as saying that it fulfills a "spiritual" void. Mr. Babbitt proclaimed in his November 11 speech that wolf introduction efforts were driven by the "elevated nature of America's conservation laws: laws with the power to make creation whole * * *." in essence recover "our ancient religious values."

The Department of the Interior also responded differently to the avid opposition to wolf reintroduction by States of Montana, Idaho, and Wyoming. The Fish and Wildlife Service promised the States that no wolves would be released until an agreement of how these wolves would be managed was in place. The Department of the Interior, in conjunction with the many environmental groups also initiated a large-scale nationwide advertising campaign—in places where nobody would have to worry about managing the critters—to sell the romantic notion of returning these animals to the west.

Very little has been mentioned during the Government's public campaign blitz of the overall costs of the wolf introduction, which includes aircraft, ground vehicles, equipment such as kennels, shipping crates, sophisticated radar tracking devices, radio collars, tranquilizing guns, and extensive staff of biologists, veterinarians, technicians, and administrators—not to mention a massive publicity campaign. Added up, it amounts to about $1 million per wolf.

I first dealt with Mr. Babbitt's infatuation with the green eyes of the wolf just after I was sworn in to represent the citizens of Idaho's First Congressional District. It was apparent that after the fiscally austere Republicans won the majority in Congress, Babbitt determined that the release of the wolves must be greatly expedited or his chance "to make nature whole" would once again be jeopardized. We found that his attempts to work out an arrangement with the States were not only completely disingenuous, but merely used as a device to detour the legitimate concerns of the States while he found a way to implement his plan. When Babbitt realized that his costly wolf scheme could come under scrutiny by this Congress, he went into emergency mode, bypassing all the processes, including State laws and section 6(f) of the Endangered Species Act which specifically requires the Secretary to work in coordination with the States in any introduction effort. He did this while ignoring the pleas of Governors and legislators to not proceed, but by actually speeding up the capture of the wolves.

By early January, just days after the new Congress had been sworn in, Babbitt had his wolves ready to be released at Yellowstone and in Idaho. My office received a firestorm of pleas and concerns from constituents and State officials calling for an immediate halt to the releases. In fact, one of my first official acts as a Congressman was to send a letter to the Secretary requesting that he halt any releases, and at the very least let due process take place. Babbitt defiantly responded by immediately releasing the wolves into Idaho—and even forging a highly questionable agreement with the Nez Perce Indian Tribe to manage the wolves.

Despite all, Secretary Babbitt proceeded with the release of his imprisoned green-eyed friends—although I don't know how anyone can consider him a friend of the wolf considering the abrupt way these wolves were tracked down and shot by a tranquilizer gun, forced into a pen, had a collar placed around their neck, taken away from their native habitat, and released into unfamiliar and unfriendly territory. Moreover, problems resulting from the unnatural methods used became evident when wolves which were released into Yellowstone, that were under the care of humans for weeks, refused for a time to leave their newfound comforts and security. Even now the wolves, which in the wild stear clear of humans, are routinely seen—and quite possibly fed—by many of the tourists visiting the park. It is easy to see that the wolf program in Yellowstone Park has done nothing more than create more dependents on the Government dole.

The released wolves faced—and caused—even more dire consequences in Idaho. Shortly after the wolves were released in Central Idaho, a wolf was shot near Salmon after feeding on the carcass of a newborn calf. The body of the wolf was found on the property of a 74-year-old World War II veteran and rancher by the name of Mr. Gene Hussey. The reaction of the Fish and Wildlife Service was to initiate a full-blown investigation that included a $500,000 autopsy performed on the dead wolf. The Fish and Wildlife Service obtained a search warrant, and without notifying Mr. Hussey or the local sheriff, proceeded to send several officers to investigate Mr. Hussey's property. In a hearing about this incident held jointly with the Resources and Agriculture Committees, on which I sit, Mr. Hussey testified that on arriving home from his neighbor's house, he discovered several armed Fish and Wildlife officers crawling over his gate—damaging the gate in the process—and refusing to heed his warnings to leave his property until the local sheriff arrived. The predicament escalated to the point that the Federal agents accused this 74-

year-old man of throwing rocks at them, and rushed across a stream to confront him about it. In the meantime, the local sheriff, Mr. Barsalou, was speeding to the scene—very concerned about the possibility of a violent confrontation. Fortunately, he was able to arrive in time to defuse the situation.

After some of the problems that we have witnessed with the release of only 14 wolves last year, I am amazed to see the media reporting the program as "remarkably successful." I was even more disappointed to find out that even during the Government shutdown, and before their appropriations were approved, the Fish and Wildlife Service was busy preparing to capture another 30 wolves in Canada for release in Idaho and Wyoming. The Service has spared no expense and has let nothing stop them including inclement weather, lack of appropriations, animal rights protesters, the continued disapproval of the State legislature, and another call by this Congressman to refrain from capturing and releasing more wolves.

Apparently one of Mr. Babbitt's green-eyed friends did not like the whole idea and bit one of his handlers before receiving the unlucky fate of being killed by one of the Fish and Wildlife officials. Of course, if I had just been tracked down from my home, snared, darted, caged, drugged, and jostled, I would have bitten someone too.

The truth of the matter is that there remain many unanswered questions and unaddressed concerns about the wolf introduction program. Despite the fact that the Government continues to disregard the wishes of the local citizens, to implement a program that serves no scientific purpose, creates the potential for more conflicts, and costs taxpayers a bundle, the Government and the national media continue to paint the program as a better than expected success with few hitches. I believe this is because the media, like Mr. Babbitt, are not focusing on the logic or scientific merits of the program, but on how well it has fulfilled their own spiritual expectations.

Some wonder why I have fought so hard against a Federal program that has little direct impact on most Americans. I fight because I believe that we should be practicing great fiscal constraint, because excessive deficits threaten the future stability of this country. I fight because the taxpayer deserves to know that millions of their dollars are being spent on aircraft outfitted with sophisticated radio equipment which daily track a handful of confused wolves meandering about and stirring up trouble in the mountains of Idaho, Wyoming, and Montana.

I also fight because I believe there are deep implications about the wolf introduction program that affects all Americans—and that is the precedent it has set.

Now the Federal Government is finalizing plans to introduce an even more dangerous predator into the Selway-Bitteroot mountain range located in Idaho and Montana—the grizzly bear. Mr. Speaker, only a few years ago—the very idea of introducing grizzlies into central Idaho was considered pure lunacy. Why? Quite frankly, the grizzly bear, a species that now numbers over 100,000 in Canada, Alaska, parts of Montana, and in Yellowstone, simply has a propensity for violence against humans and animals. Last year there were numerous incidents of bear maulings during unprovoked situations. In one case a hiker was merely taking his shoes and socks off to cool his feet in a mountain stream when the odor of his socks apparently caught the attention of a nearby grizzly. And in the State of Wyoming and Montana, there has been an epidemic of nuisance bears which have been killing cattle and sheep, and rummaging around human habitation. Some are even suggesting that the grizzly no longer needs the special protection of the Endangered Species Act.

Mr. Speaker, the response that I have received from my constituents—even some who do not normally agree with me—has been overwhelmingly against the introduction of the grizzly. I believe that some in the forest industry have been driven by fear or strong coercive tactics into supporting a program that simply will not work. Other than that, the reaction against the idea comes from all types of individuals and for many legitimate reasons. Campers and hikers are concerned for obvious safety reasons, and that many of the trails and areas would be made off-limits. Hunters are concerned about dramatic reductions in game animal population. Ranchers are concerned about the loss of cattle and road closures. Miners are concerned about the possibility of restrictions on their activity as well, and property owners are deeply concerned about bears foraging about their garbage, and around their homes. Overall, people are not only afraid of the potential danger of having the bears in their backyard, but also having severe restrictions in accessing the forests and lands, both for recreational and industrial purposes. In fact the public comments compiled by the Fish and Wildlife Service show overwhelming opposition to the grizzly introduction plan in the Selway-Bitteroot coming from places as far as California and Colorado.

Moreover, introducing the bear has little scientific merit. The Fish and Wildlife Service has not shown how the grizzly is vital to the survival of the ecosystem of the Selway-Bitteroot. In fact, no solid evidence proves that the bear once roamed there in great numbers. Some have pointed to a supposed journal entry by Lewis and Clark claiming that they shot around 20 grizzly in the area during their travels. Considering that no taxonomy was even in place at the time to distinguish between types of bears, it is ludicrous to use a journal entry almost 200 years ago as a solid basis of the facts. Finally, the small amount of data that does exist from previous attempts to capture and release grizzly into unfamiliar and rugged terrain shows that it is impossible to predict the behavioral response of the bear. I believe it is not worth the cost, both in human and budgetary terms, to find out.

Mr. Speaker, considering the significant amount of opposition to, and the lack of scientific need for the proposed grizzly introduction, we must look again at what is clearly the real impetus behind this idea. Introducing the bears addresses only an emotional attachment to the romance of having grizzly bears roaming the wilderness. It contributes to Mr. Babbitt's realization of the spiritual dream that he envisioned with his Hopi Indian friend so many years ago.

If environmentalists get their way with the grizzlies, there will be a devastating impact on the freedoms and livelihoods of my constituents, and significant ramifications throughout this country. I have seen evidence lately of ambitious goals by the Fish and Wildlife Service and environmental groups to populate regions of the West with thousands of grizzly bears. This would have the drastic consequence of shutting down access to many of our lands and forests to all human activity, including hiking and camping which virtually all Americans enjoy from time to time.

This would be a giant step closer to the utopia religious environmentalists are striving to create—a utopia where human beings have only as much value as the razorback sucker fish, and possibly less.

Mr. Speaker, this religious vision is not shared by every American and no American should be forced to promote a religious vision contrary to their own beliefs. The environmentalists want a new Inquisition to eradicate those with opposing views, and they have the might of the Executive behind them. This threatens, in the most profound way, our entire way of life. It is thoroughly un-American, and I won't stand for it.

Mr. Speaker, I include for the RECORD the following documents:

TESTIMONY OF JOAN WOOD, IDAHO HOUSE OF REPRESENTATIVES, BEFORE THE HOUSE RESOURCES COMMITTEE, JANUARY 26, 1995

Madam Chairman, I am JoAn Wood of the Idaho House of Representatives. I am the ranking member of the House State Affairs committee, Resources and Conservation committee, and presently chairman of the House Transportation and Defense. I was the first committee co-chair of the Idaho Wolf oversight committee.

My purpose here is to establish before the committee the stand the people of Idaho, represented by its legislature, have taken concerning the federal policies of the re-introduction of wolves into our state and region. I am also here as the representative of the state government to demand that, first, the Department of Interior immediately cease and desist the releasing of wolves into central Idaho, which has been done without the consent of the Idaho Legislature or any of its elected official—as required by Idaho State law; and, second, it abandon this wolf re-introduction program entirely, which is both scientifically and economically flawed.

I have a number of items that are pertinent to my testimony that I would at this time ask unanimous consent to be entered into the record.

I would like to refer to a letter and petition signed by elected officials of our state government, including our governor, and over ⅔ of our state legislature to our Congressional delegation stating a request that the delegation demand Secretary Babbitt immediately stop this illegal action. I would like to include this letter in the record.

Let me call your attention to Idaho law, code 36–103, which states that wildlife is the property of the state, and that it "shall be preserved, protected, perpetuated, and managed." We are outraged because of the possible legal liability that has been forced upon our state by the unauthorized release of these wolves on January 14, 1995.

Further, Idaho code 36–715, pertaining to wolf/dog hybridizations, which are not protected by the Endangered Species Act (ESA), requires a biological evaluation be performed on wolves to determine species priority before the Department of Fish and Game may take any action in accordance with the U.S. ESA. A request by the legislative committee and the Idaho State Veterinarian to quarantine and biologically test, as required by this law, was ignored by the U.S. Fish and Wildlife. This was in direct violation of Idaho State law.

Also, this law (36–715) gives direction to our own Fish and Game Department that they not expend funds, transfer assets, or enter into any cooperative agreements with any agency, department, or entity of the United States Government concerning wolves unless expressly authorized by state statute, with the exception that one representative participate in the wolf recovery team. The total recovery cost for this wolf re-introduction program is estimated to be 12.7 million dollars. We are concerned that Idaho may be forced by federal mandate to pick up as much as 25 percent of this cost. This has not been agreed to by the Idaho Legislature. The fear of this forced obligation is born out by a letter received by Idaho Fish and Game Director from Mr. Donald Friberg, Deputy Assistant Regional Director, and a copy of a letter from Minnesota State Director, Richard Wetzel, as to the problems encountered in Minnesota concerning wolf depredation and cost to that program. We received a letter also from the Wildlife federation under the signature of Thomas France Esquire, that once wolf populations are recovered, defenders of Wildlife will make a decision about continuing the compensation in conjunction with the states and other affected interests.

Further we charge that the agencies involved did not comply with Idaho Code 36–715(b), by not taking into consideration local economies, custom, culture, and private property rights. Proper notifications were not given for hearings on this matter. In addition, Suggestions that the government provide funding for compensation to livestock owners for all losses and to all people economically affected by land-use restrictions, among other local economic considerations, given to the Fish and Wildlife Services by the Wolf Oversight Committee, of which I was the ranking member, were completely struck out of the completed wolf plan. I would like to include a copy of the original plan in the record.

As early as 1984, the Idaho Legislature sent House Joint Memorial 11 to the President, the secretary of Interior, and other federal authorities wherein we urged the department of Interior and US FG&W service terminate any plans to plant wolf populations into Idaho. It is obvious that was ignored. Again in 1991, the state legislature sent a memorial (to also be included in the record) to the same federal officials (HJM6) stating the serious negative impact on the resource base of our state. The federal government responded to this memorial by threatening to turn the wolves over to the Nez Pierce Indians, who have no plan or process in place whatsoever to handle the wolves and compliances required by law.

We presented in the 1991 memorial five criteria for cooperation of Idaho oversight if the reintroduction cannot be stopped. I am submitting a copy of Dr. Tod Hoffman's testimony an Idaho Veterinarian and member of the Wolf Oversight Committee as a further witness of my testimony.

In conclusion, we submit to this congressional committee that the U.S. F&W under the direction and authority of the Secretary of Interior comply with 17.81 of the rules and regulations (A) refuted by Dr. Charles E. Kay and also Dr. Edward Goldman, renowned scientists in wildlife biology and ecology. We also request from Congress that you support Senator Kay Bailey Hutchinson's legislation to stop any further ESA action in Texas, but Idaho as well.

I am the latest effort by Idaho to petition Congress for relief from these recent unwarranted actions of U.S. Fish and Wildlife Program, and urge for a desisting of the wolf and a stop to this 6.4 million waste of tax payer money. So far, we have been ignored.

Ladies and Gentlemen, I hope my state does not have to sue our own Federal Government.

OFFICE OF THE GOVERNOR,
Boise, ID, January 25, 1996.

Hon. HELEN CHENOWETH,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE CHENOWETH: The state of Idaho is strongly opposed to reintroduction of grizzly bears in Idaho. The state has many concerns regarding reintroduction, however there are two major areas that stand out. First, introduced bears will pose serious public safety concerns for Idahoans and tourists vacationing in our wonderful state. Second, the reintroduction has the potential to affect the social and economic stability of our rural communities by imposing undue burdens and restrictions on Idaho's natural resources based industries.

As you are aware, the United States Fish and Wildlife Service is developing an Environmental Impact Statement on the reintroduction of grizzly bears in central Idaho. I urge you to explore every available option to stop this reintroduction process as soon as possible.

Very truly yours,

PHILIP E. BATT,
Governor.

STATE OF IDAHO,
Boise, ID, January 18, 1996.

Mr. ED BANGS,
Wolf Reintroduction Coordinator,
U.S. Fish and Wildlife Service, Helena, MT.

DEAR MR. BANGS: I write to reiterate the State of Idaho's objection to the reintroduction of wolves into central Idaho. Last year, the Idaho legislature determined that the United States Fish and Wildlife Service's wolf reintroduction program did not adequately respond to the concerns of the people of Idaho. Those inadequacies have been pointed out to you many times.

Since that time, the United States Congress has also indicated its dissatisfaction with wolf reintroduction by holding up the appropriation for the program. I cannot overemphasize my frustration that the Service has decided to proceed with wolf reintroduction despite the State of Idaho's and the U.S. Congress' opposition to the program.

I am encouraged, however, by the statements attributed to you in an article carried in the January 18, 1996, issue of the Idaho Statesman newspaper. In that article, you state that the 1996 shipment of wolves into Idaho may be the last shipment that is necessary to meet the goals of the program. I certainly hope so. I implore you to make this the last year that is marked by the controversy of this ill-conceived program.

Thank you for being responsive to the concerns of the people of Idaho.

Sincerely,

ALAN G. LANCE,
Attorney General.

OFFICE OF THE GOVERNOR,
Boise, ID, January 17, 1996.

ED BANGS,
Wolf Reintroduction Coordinator,
U.S. Fish and Wildlife Service, Helena, MT.

DEAR MR. BANGS: According to the Gray Wolf Reintroduction Progress Report, the United States Fish and Wildlife Service (USFWS) began capturing gray wolves, to be released in central Idaho, on January 16, 1996. This capture is being commenced even though the USFWS has not been issued the appropriate wildlife importation permits by the Idaho Department of Fish and Game. Without these permits, the USFWS is ignoring Idaho state laws and its responsibility under the Endangered Species Act to cooperate with affected states to the greatest extent possible.

USFWS management of the wolves released in January of 1995 has been unsatisfactory. The monitoring of the wolves has been inadequate. There have been a number of occasions when some of the wolves could not be located. Additionally, the USFWS has failed to notify Idaho citizens, or state agencies, when wolves were in close proximity to residential areas or livestock.

Until the USFWS adequately addresses the concerns of the state of Idaho, I must reiterate my opposition to the release of any more wolves in central Idaho. Please advise me of the USFWS's intentions.

Very truly yours,

PHILIP E. BATT,
Governor.

IDAHO FISH & GAME,
Boise, ID, 21 December 1995.

ED BANGS,
Wolf Reintroduction Coordinator,
U.S. Fish and Wildlife Service, Helena, MT.

DEAR MR. BANGS: In 1995, the Idaho Legislature rejected a wolf recovery and management plan that would have allowed the Idaho Department of Fish and Game to assume the lead role in wolf recovery in Idaho. As a result of this legislative action, our Department will not be issuing a special permit for the release of additional wolves into Idaho. Because we remain the agency responsible for the management of elk, deer, and other potential prey of the wolf, we will continue to work with your agency, the Nez Perce Tribe, and other agencies and organizations as wolf recovery proceeds.

If you have any questions regarding this matter, please feel free to call.

Sincerely,

JERRY M. CONLEY,
Director.

CONFERENCE REPORT ON H.R. 2546, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1996

Mr. LIVINGSTON submitted the following conference report and statement on the bill (H.R. 2546) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1996, and for other purposes:

CONFERENCE REPORT (H. REPT. 104–455)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2546) "making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1996, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Government of the District of Columbia for the fiscal year ending September 30, 1996, and for other purposes, namely:

TITLE I—FISCAL YEAR 1996 APPROPRIATIONS

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

For payment to the District of Columbia for the fiscal year ending September 30, 1996, $660,000,000, as authorized by section 502(a) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93–198, as amended (D.C. Code, sec. 47–3406.1).

FEDERAL CONTRIBUTION TO RETIREMENT FUNDS

For the Federal contribution to the Police Officers and Fire Fighters', Teachers', and Judges' Retirement Funds, as authorized by the District of Columbia Retirement Reform Act, approved November 17, 1979 (93 Stat. 866; Public Law 96–122), $52,070,000.

FEDERAL CONTRIBUTION FOR EDUCATIONAL REFORM

For a Federal contribution to Education Reform, $14,930,000 which shall be deposited into an escrow account of the District of Columbia Financial Responsibility and Management Assistance Authority, pursuant to section 205 of Public Law 104–8, approved April 17, 1995 (109 Stat. 131), and shall be disbursed from such account pursuant to the instructions of the Authority and in accordance with title II of this Act, where applicable, as follows:

$200,000 shall be available for payments to charter schools;

$300,000 shall be available for Public Charter School Board;

$2,000,000 shall be transferred directly, notwithstanding any other provision of law, to the United States Department of Education for awarding grants to carry out Even Start programs in the District of Columbia as provided for in Subtitle C of title II of this Act;

$1,250,000 shall be available to establish core curriculum, content standards, and assessments;

$500,000 shall be available for payment to the Administrator of the General Services Administration for the costs of developing engineering plans for donated work on District of Columbia public school facilities;

$100,000 shall be available to develop a plan for a residential school;

$860,000 shall be available for the District Education and Learning Technologies Advancement Council;

$1,450,000 shall be available to the District Employment and Learning Center;

$1,000,000 shall be available for a professional development program for teachers and administrators administered by the nonprofit corporation selected under section 2701 of title II of this Act;

$1,450,000 shall be available for the Jobs for D.C. Graduates Program;

$70,000 shall be available for the Everybody Wins program: Provided, That $35,000 of this amount shall not be available until the Superintendent certifies to the Chairman of the District of Columbia Financial Responsibility and Management Assistance Authority that he has raised a like amount from private sources;

$100,000 shall be available for the Fit Kids program: Provided, That $50,000 of this amount shall not be available until the Superintendent certifies to the Chairman of the District of Columbia Financial Responsibility and Management Assistance Authority that he has raised a like amount from private sources;

$250,000 shall be transferred directly, notwithstanding any other provision of law, to the United States Department of Education to carry out the evaluation of the scholarship program as provided for in Subtitle N of title II of this Act;

$400,000 shall be available to the District of Columbia Public Schools to improve security (such as installing electronic door locking devices) at such schools, including at a minimum the following schools: Winston Education Center; McKinley High School; Ballou High School; and Cardozo High School; and

$5,000,000 shall be available for scholarships for low-income students and shall not be disbursed by the Authority until the Authority receives a certification from the District of Columbia Scholarship Corporation that the proposed allocation between the tuition scholarships and enhanced achievement scholarships has been approved by the Council of the District of Columbia consistent with the Scholarship Corporation's most recent proposal concerning the implementation of the low-income scholarship program. These funds shall lapse and be returned by the Authority to the U.S. Treasury on September 30, 1996, if the required certification from the Scholarship Corporation is not received by July 1, 1996: Provided, That no funds provided under this heading may be used for any indirect cost charges of the District of Columbia Board of Education, the District of Columbia Public Schools or the District of Columbia government.

DIVISION OF EXPENSES

The following amounts are appropriated for the District of Columbia for the current fiscal year out of the general fund of the District of Columbia, except as otherwise specifically provided.

GOVERNMENTAL DIRECTION AND SUPPORT

Governmental direction and support, $149,130,000 and 1,498 full-time equivalent positions (end of year) (including $117,464,000 and 1,158 full-time equivalent positions from local funds, $2,464,000 and 5 full-time equivalent positions from Federal funds, $4,474,000 and 71 full-time equivalent positions from other funds, and $24,728,000 and 264 full-time equivalent positions from intra-District funds): Provided, That not to exceed $2,500 for the Mayor, $2,500 for the Chairman of the Council of the District of Columbia, and $2,500 for the City Administrator shall be available from this appropriation for expenditures for official purposes: Provided further, That any program fees collected from the issuance of debt shall be available for the payment of expenses of the debt management program of the District of Columbia: Provided further, That no revenues from Federal sources shall be used to support the operations or activities of the Statehood Commission and Statehood Compact Commission: Provided further, That the District of Columbia shall identify the sources of funding for Admission to Statehood from its own locally-generated revenues: Provided further, That $29,500,000 is for pay-as-you-go capital projects of which $1,500,000 shall be for a capital needs assessment study, and $28,000,000 shall be for a new financial management system, if so determined following the evaluation and review process subsequently described in this paragraph, of which $2,000,000 shall be used to develop a needs analysis and assessment of the existing financial management environment, and the remaining $26,000,000 shall be used to procure the necessary hardware and installation of new software, conversion, testing and training: Provided further, That the $26,000,000 shall not be obligated or expended until: (1) the District of Columbia Financial Responsibility and Management Assistance Authority submits a report to the Committees on Appropriations of the House and the Senate, the Committee on Governmental Reform and Oversight of the House, and the Committee on Governmental Affairs of the Senate reporting the results of a needs analysis and assessment of the existing financial management environment, specifying the deficiencies in, and recommending necessary improvements to or replacement of the District's financial management system including a detailed explanation of each recommendation and its estimated cost; and (2) 30 days lapse after receipt of the report by Congress.

ECONOMIC DEVELOPMENT AND REGULATION

Economic development and regulation, $140,983,000 and 1,692 full-time equivalent positions (end-of-year) (including $68,203,000 and 698 full-time equivalent positions from local funds, $38,792,000 and 509 full-time equivalent positions from Federal funds, $17,658,000 and 258 full-time equivalent positions from other funds, and $16,330,000 and 227 full-time equivalent positions from intra-District funds): Provided, That the District of Columbia Housing Finance Agency, established by section 201 of the District of Columbia Housing Finance Agency Act, effective March 3, 1979 (D.C. Law 2–135; D.C. Code, sec. 45–2111), based upon its capability of repayments as determined each year by the Council of the District of Columbia from the Housing Finance Agency's annual audited financial statements to the Council of the District of Columbia, shall repay to the general fund an amount equal to the appropriated administrative costs plus interest at a rate of four percent per annum for a term of 15 years, with a deferral of payments for the first three years: Provided further, That notwithstanding the foregoing provision, the obligation to repay all or *part of the amounts due shall be subject to the rights of the owners of any bonds or notes issued by the Housing Finance Agency and shall be repaid to the District of Columbia government only from available operating revenues of the Housing Finance Agency that are in excess of the amounts required for debt service, reserve funds, and operating expenses: Provided further, That upon commencement of the debt service payments, such payments shall be deposited into the general fund of the District of Columbia.*

PUBLIC SAFETY AND JUSTICE

Public safety and justice, including purchase of 135 passenger-carrying vehicles for replacement only, including 130 for police-type use and five for fire-type use, without regard to the general purchase price limitation for the current fiscal year, $963,848,000 and 11,544 full-time equivalent positions (end-of-year) (including $940,631,000 and 11,365 full-time equivalent positions from local funds, $8,942,000 and 70 full-time equivalent positions from Federal funds, $5,160,000 and 4 full-time equivalent positions from other funds, and $9,115,000 and 105 full-time equivalent positions from intra-District funds): Provided, That the Metropolitan Police Department is authorized to replace not to exceed 25 passenger-carrying vehicles and the Fire Department of the District of Columbia is authorized to replace not to exceed five passenger-carrying vehicles annually whenever the cost of repair to any damaged vehicle exceeds three-fourths of the cost of the replacement: Provided further, That not to exceed $500,000 shall be available from this appropriation for the Chief of Police for the prevention and detection of crime: Provided further, That the Metropolitan Police Department shall provide quarterly reports to the Committees on Appropriations of the House and Senate on efforts to increase efficiency and improve the professionalism in the department: Provided further, That notwithstanding any other provision of law, or Mayor's Order 86–45, issued March 18, 1986, the Metropolitan Police Department's delegated small purchase authority shall be $500,000: Provided further, That the District of Columbia government may not require the Metropolitan Police Department to submit to any other procurement review process, or to obtain the approval of or be restricted in any manner by any official or employee of the District of Columbia government, for purchases that do not exceed $500,000: Provided further, That $250,000 is used for the Georgetown Summer Detail; $200,000 is used for East of the River Detail; $100,000 is used for Adams Morgan Detail; and $100,000 is used for the Capitol Hill Summer Detail: Provided further, That the Metropolitan Police Department shall employ an authorized level of sworn officers not to be less than 3,800 sworn officers for the fiscal year ending September 30, 1996: Provided further, That funds appropriated for expenses under the District of Columbia Criminal Justice Act, approved September 3, 1974 (88 Stat. 1090; Public Law 93–412; D.C. Code, sec. 11–2601 et seq.), for the fiscal year ending September 30, 1996, shall be available for obligations incurred under the Act in each fiscal year since inception in the fiscal year 1975: Provided further, That funds appropriated for expenses under the District of Columbia Neglect Representation Equity Act of 1984, effective March 13, 1985 (D.C. Law 5–129; D.C. Code, sec. 16–2304), for the fiscal year ending September 30, 1996, shall be available for obligations incurred under the Act in each fiscal year since inception in the fiscal year 1985: Provided further, That funds appropriated for expenses under the District of Columbia Guardianship, Protective Proceedings, and Durable Power of Attorney Act of 1986, effective February 27, 1987 (D.C. Law 6–204; D.C. Code, sec. 21–2060), for the fiscal year ending September 30, 1996, shall be available for obligations incurred under the Act in each fiscal year since inception in fiscal year 1989: Provided further, That not to exceed $1,500 for the Chief Judge of the District of Columbia Court of Appeals, $1,500 for the Chief Judge of the Superior Court of the District of Columbia, and $1,500 for the Executive Officer of the District of Columbia Courts shall be available from this appropriation for official purposes: Provided further, That the District of Columbia shall operate and maintain a free, 24-hour telephone information service whereby residents of the area surrounding Lorton prison in Fairfax County, Virginia, can promptly obtain information from District of Columbia government officials on all disturbances at the prison, including escapes, riots, and similar incidents: Provided further, That the District of Columbia government shall also take steps to publicize the availability of the 24-hour telephone information service among the residents of the area surrounding the Lorton prison: Provided further, That not to exceed $100,000 of this appropriation shall be used to reimburse Fairfax County, Virginia, and Prince William County, Virginia, for expenses incurred by the counties during the fiscal year ending September 30, 1996, in relation to the Lorton prison complex: Provided further, That such reimbursements shall be paid in all instances in which the District requests the counties to provide police, fire, rescue, and related services to help deal with escapes, fires, riots, and similar disturbances involving the prison: Provided further, That the Mayor shall reimburse the District of Columbia National Guard for expenses incurred in connection with services that are performed in emergencies by the National Guard in a militia status and are requested by the Mayor, in amounts that shall be jointly determined and certified as due and payable for these services by the Mayor and the Commanding General of the District of Columbia National Guard: Provided further, That such sums as may be necessary for reimbursement to the District of Columbia National Guard under the preceding proviso shall be available from this appropriation, and the availability of the sums shall be deemed as constituting payment in advance for emergency services involved.

PUBLIC EDUCATION SYSTEM

Public education system, including the development of national defense education programs, $795,201,000 and 11,670 full-time equivalent positions (end-of-year) (including $676,251,000 and 9,996 full-time equivalent positions from local funds, $87,385,000 and 1,227 full-time equivalent positions from Federal funds, $21,719,000 and 234 full-time equivalent positions from other funds, and $9,846,000 and 213 full-time equivalent positions from intra-District funds), to be allocated as follows: $580,996,000 and 10,167 full-time equivalent positions (including $498,310,000 and 9,014 full-time equivalent positions from local funds $75,786,000 and 1,058 full-time equivalent positions from Federal funds, $4,343,000 and 44 full-time equivalent positions from other funds, and $2,557,000 and 51 full-time equivalent positions from intra-District funds), for the public schools of the District of Columbia; $111,800,000 (including $111,000,000 from local funds and $800,000 from intra-District funds) shall be allocated for the District of Columbia Teachers' Retirement Fund; $79,396,000 and 1,079 full-time equivalent positions (including $45,388,000 and 572 full-time equivalent positions from local funds, $10,611,000 and 156 full-time equivalent positions from Federal funds, $16,922,000 and 189 full-time equivalent positions from other funds, and $6,486,000 and 162 full-time equivalent positions from intra-District funds) for the University of the District of Columbia; $20,742,000 and 415 full-time equivalent positions (including $19,839,000 and 408 full-time equivalent positions from local funds, $446,000 and 6 full-time equivalent positions from Federal funds, $454,000 and 1 full-time equivalent position from other funds, and $3,000 from intra-District funds) for the Public Library; $2,267,000 and 9 full-time equivalent positions (including $1,725,000 and 2 full-time equivalent positions from local funds and $542,000 and 7 full-time equivalent positions from Federal funds) for the Commission on the Arts and Humanities: Provided, That the public schools of the District of Columbia are authorized to accept not to exceed 31 motor vehicles for exclusive use in the driver education program: Provided further, That not to exceed $2,500 for the Superintendent of Schools, $2,500 for the President of the University of the District of Columbia, and $2,000 for the Public Librarian shall be available from this appropriation for expenditures for official purposes: Provided further, That this appropriation shall not be available to subsidize the education of nonresidents of the District of Columbia at the University of the District of Columbia, unless the Board of Trustees of the University of the District of Columbia adopts, for the fiscal year ending September 30, 1996, a tuition rate schedule that will establish the tuition rate for nonresident students at a level no lower than the nonresident tuition rate charged at comparable public institutions of higher education in the metropolitan area.

EDUCATION REFORM

Education reform, $14,930,000, to be allocated as follows:

$200,000 shall be available for payments to charter schools as authorized under Subtitle B of title II of this Act;

$300,000 shall be available for the Public Charter School Board as authorized under Subtitle B of title II of this Act;

$2,000,000 shall be transferred directly, notwithstanding any other provision of law, to the United States Department of Education for awarding grants to carry out Even Start programs in the District of Columbia as provided for in Subtitle C of title II of this Act;

$1,250,000 shall be available to establish core curriculum, content standards, and assessments as authorized under Subtitle D of title II of this Act;

$500,000 shall be available for payment to the Administrator of the General Services Administration for the costs of developing engineering plans for donated work on District of Columbia public school facilities as authorized under Subtitle F of title II of this Act;

$100,000 shall be available to develop a plan for a residential school as authorized under Subtitle G of title II of this Act;

$860,000 shall be available for the District Education and Learning Technologies Advancement Council as authorized under Subtitle I of title II of this Act;

$1,450,000 shall be available to the District Employment and Learning Center as authorized under Subtitle I of title II of this Act;

$1,000,000 shall be available for a professional development program for teachers and administrators administered by the nonprofit corporation selected under section 2701 of title II of this Act as authorized under Subtitle I of title II of this Act;

$1,450,000 shall be available for the Jobs for D.C. Graduates Program as authorized under Subtitle I of title II of this Act;

$70,000 shall be available for the Everybody Wins program;

$100,000 shall be available for the Fit Kids program;

$250,000 shall be transferred directly, notwithstanding any other provision of law, to the United States Department of Education to carry out the evaluation of the scholarship program as provided for in Subtitle N of title II of this Act;

$400,000 shall be available to the District of Columbia Public Schools to improve security (such as installing electronic door locking devices) at such schools, including at a minimum the following schools: Winston Education Center; McKinley High School; Ballou High School; and Cardozo High School; and

$5,000,000 shall be paid to the District of Columbia Scholarship Corporation authorized under Subtitle N of title II of this Act for scholarships for low-income students: Provided, That the District of Columbia government shall enter into negotiations with Gallaudet University to transfer, at a fair market value rate, Hamilton School from the District of Columbia to Gallaudet University with the proceeds, if such a sale takes place, deposited into the general fund of the District and used to improve public school facilities in the same ward as the Hamilton School.

HUMAN SUPPORT SERVICES

Human support services, $1,855,014,000 and 6,469 full-time equivalent positions (end-of-year) (including $1,076,856,000 and 3,650 full-time equivalent positions from local funds, $726,685,000 and 2,639 full-time equivalent positions from Federal funds, $46,799,000 and 66 full-time equivalent positions from other funds, and $4,674,000 and 114 full-time equivalent positions from intra-District funds): Provided, That $26,000,000 of this appropriation, to remain available until expended, shall be available solely for District of Columbia employees' disability compensation: Provided further, That the District shall not provide free government services such as water, sewer, solid waste disposal or collection, utilities, maintenance, repairs, or similar services to any legally constituted private nonprofit organization (as defined in section 411(5) of Public Law 100–77, approved July 22, 1987) providing emergency shelter services in the District, if the District would not be qualified to receive reimbursement pursuant to the Stewart B. McKinney Homeless Assistance Act, approved July 22, 1987 (101 Stat. 485; Public Law 100–77; 42 U.S.C. 11301 et seq.).

PUBLIC WORKS

Public works, including rental of one passenger-carrying vehicle for use by the Mayor and three passenger-carrying vehicles for use by the Council of the District of Columbia and purchase of passenger-carrying vehicles for replacement only, $297,568,000 and 1,914 full-time equivalent positions (end-of-year) (including $225,915,000 and 1,158 full-time equivalent positions from local funds, $2,682,000 and 32 full-time equivalent positions from Federal funds, $18,342,000 and 68 full-time equivalent positions from other funds, and $50,629,000 and 656 full-time equivalent positions from intra-District funds): Provided, That this appropriation shall not be available for collecting ashes or miscellaneous refuse from hotels and places of business.

WASHINGTON CONVENTION CENTER FUND TRANSFER PAYMENT

For payment to the Washington Convention Center Enterprise Fund, $5,400,000 from local funds.

REPAYMENT OF LOANS AND INTEREST

For reimbursement to the United States of funds loaned in compliance with An Act to provide for the establishment of a modern, adequate, and efficient hospital center in the District of Columbia, approved August 7, 1946 (60 Stat. 896; Public Law 79–648); section 1 of An Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City, approved June 6, 1958 (72 Stat. 183; Public Law 85–451; D.C. Code, sec. 9–219); section 4 of An Act to authorize the Commissioners of the District of Columbia to plan, construct, operate, and maintain a sanitary sewer to connect the Dulles International Airport with the District of Columbia system, approved June 12, 1960 (74 Stat. 211; Public Law 86–515); sections 723 and 743(f) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973, as amended (87 Stat. 821; Public Law 93–198; D.C. Code, sec. 47–321, note; 91 Stat. 1156; Public Law 95–131; D.C. Code, sec. 9–219, note), including interest as required thereby, $327,787,000 from local funds.

REPAYMENT OF GENERAL FUND RECOVERY DEBT

For the purpose of eliminating the $331,589,000 general fund accumulated deficit as of September 30, 1990, $38,678,000 from local funds, as authorized by section 461(a) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973, as amended (105 Stat. 540; Public Law 102–106; D.C. Code, sec. 47–321(a)).

REPAYMENT OF INTEREST ON SHORT-TERM BORROWING

For repayment of interest on short-term borrowing, $9,698,000 from local funds.

PAY RENEGOTIATION OR REDUCTION IN COMPENSATION

The Mayor shall reduce appropriations and expenditures for personal services in the amount of $46,409,000, by decreasing rates of compensation for District government employees; such decreased rates are to be realized from employees who are subject to collective bargaining agreements to the extent possible through the renegotiation of existing collective bargaining agreements: Provided, That, if a sufficient reduction from employees who are subject to collective bargaining agreements is not realized through renegotiating existing agreements, the Mayor shall decrease rates of compensation for such employees, notwithstanding the provisions of any collective bargaining agreements: Provided further, That the Congress hereby ratifies and approves legislation enacted by the council of the District of Columbia during fiscal year 1995 to reduce the compensation and benefits of all employees of the District of Columbia government during that fiscal year: Provided further, That notwithstanding any other provision of law, the legislation enacted by the Council of the District of Columbia during fiscal year 1995 to reduce the compensation and benefits of all employees of the District of Columbia government during that fiscal year shall be deemed to have been ratified and approved by the Congress during fiscal year 1995.

RAINY DAY FUND

For mandatory unavoidable expenditures within one or several of the various appropriation headings of this Act, to be allocated to the budgets for personal services and nonpersonal services as requested by the Mayor and approved by the Council pursuant to the procedures in section 4 of the Reprogramming Policy Act of 1980, effective September 16, 1980 (D.C. Law 3–100; D.C. Code, sec. 47–363), $4,563,000 from local funds: Provided, That the District of Columbia shall provide to the Committees on Appropriations of the House of Representatives and the Senate quarterly reports by the 15th day of the month following the end of the quarter showing how monies provided under this fund are expended with a final report providing a full accounting of the fund due October 15, 1996 or not later than 15 days after the last amount remaining in the fund is disbursed.

INCENTIVE BUYOUT PROGRAM

For the purpose of funding costs associated with the incentive buyout program, to be apportioned by the Mayor of the District of Columbia within the various appropriation headings in this Act from which costs are properly payable, $19,000,000.

OUTPLACEMENT SERVICES

For the purpose of funding outplacement services for employees who leave the District of Columbia government involuntarily, $1,500,000.

BOARDS AND COMMISSIONS

The Mayor shall reduce appropriations and expenditures for boards and commissions under the various headings in this Act in the amount of $500,000.

GOVERNMENT RE-ENGINEERING PROGRAM

The Mayor shall reduce appropriations and expenditures for personal and nonpersonal services in the amount of $16,000,000 within one or several of the various appropriation headings in this Act.

CAPITAL OUTLAY

(INCLUDING RESCISSIONS)

For construction projects, $168,222,000 (including $82,850,000 from local funds and $85,372,000 from Federal funds), as authorized by An Act authorizing the laying of water mains and service sewers in the District of Columbia, the levying of assessments therefor, and for other purposes, approved April 22, 1904 (33 Stat. 244; Public Law 58–140; D.C. Code, secs. 43–1512 through 43–1519); the District of Columbia Public Works Act of 1954, approved May 18, 1954 (68 Stat. 101; Public Law 83–364); An Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City, approved June 6, 1958 (72 Stat. 183; Public Law 85–451; including acquisition of sites, preparation of plans and specifications, conducting preliminary surveys, erection of structures, including building improvement and alteration and treatment of grounds, to remain available until expended: Provided, That $105,660,000 from local funds appropriated under this heading in prior fiscal years is rescinded: Provided further, That funds for use of each capital project implementing agency shall be managed and controlled in accordance with all procedures and limitations established under the Financial Management System: Provided further, That all funds provided by this appropriation title shall be available only for the specific projects and purposes intended: Provided further, That notwithstanding the foregoing, all authorizations for capital outlay projects, except those projects covered by the first sentence of section 23(a) of the Federal-Aid Highway Act of 1968, approved August 23, 1968 (82 Stat. 827; Public Law 90–495; D.C. Code, sec. 7–134, note), for which funds are provided by this appropriation title, shall expire on September 30, 1997, except authorizations for projects as to which funds have been obligated in whole or in part prior to September 30, 1997: Provided further, That upon expiration of any such project authorization the funds provided herein for the project shall lapse.

WATER AND SEWER ENTERPRISE FUND

For the Water and Sewer Enterprise Fund, $242,253,000 and 1,024 full-time equivalent positions (end-of-year) (including $237,076,000 and 924 full-time equivalent positions from local funds, $433,000 from other funds, and $4,744,000 and 100 full-time equivalent positions from intra-District funds), of which $41,036,000 shall be apportioned and payable to the debt service fund for repayment of loans and interest incurred for capital improvement projects.

For construction projects, $39,477,000 from Federal funds, as authorized by An Act authorizing the laying of water mains and service sewers in the District of Columbia, the levying of *assessments therefor, and for other purposes, approved April 22, 1904 (33 Stat. 244; Public Law 58–140; D.C. Code, sec. 43–1512 et seq.): Provided, That the requirements and restrictions that are applicable to general fund capital improvement projects and set forth in this Act under the Capital Outlay appropriation title shall apply to projects approved under this appropriation title.*

LOTTERY AND CHARITABLE GAMES ENTERPRISE FUND

For the Lottery and Charitable Games Enterprise Fund, established by the District of Columbia Appropriation Act for the fiscal year ending September 30, 1982, approved December 4, 1981 (95 Stat. 1174, 1175; Public Law 97–91), as amended, for the purpose of implementing the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia, effective March 10, 1981 (D.C. Law 3–172; D.C. Code, secs. 2–2501 et seq. and 22–1516 et seq.), $229,950,000 and 88 full-time equivalent positions (end-of-year) (including $7,950,000 and 88 full-time equivalent positions for administrative expenses and $222,000,000 for non-administrative expenses from revenue generated by the Lottery Board), to be derived from non-Federal District of Columbia revenues: Provided, That the District of Columbia shall identify the source of funding for this appropriation title from the District's own locally-generated revenues: Provided further, That no revenues from Federal sources shall be used to support the operations or activities of the Lottery and Charitable Games Control Board.

CABLE TELEVISION ENTERPRISE FUND

For the Cable Television Enterprise Fund, established by the Cable Television Communications Act of 1981, effective October 22, 1983 (D.C. Law 5–36; D.C. Code, sec. 43–1801 et seq.), $2,351,000 and 8 full-time equivalent positions (end-of-year) (including $2,019,000 and 8 full-time equivalent positions from local funds and $332,000 from other funds), of which $572,000 shall be transferred to the general fund of the District of Columbia.

STARPLEX FUND

For the Starplex Fund, $6,580,000 from other funds for the expenses incurred by the Armory Board in the exercise of its powers granted by An Act To Establish A District of Columbia Armory Board, and for other purposes, approved June 4, 1948 (62 Stat. 339; D.C. Code, sec. 2–301 et seq.) and the District of Columbia Stadium Act of 1957, approved September 7, 1957 (71 Stat. 619; Public Law 85–300; D.C. Code, sec. 2–321 et seq.): Provided, That the Mayor shall submit a budget for the Armory Board for the forthcoming fiscal year as required by section 442(b) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 824; Public Law 93–198; D.C. Code, sec. 47–301(b)).

D.C. GENERAL HOSPITAL

For the District of Columbia General Hospital, established by Reorganization Order No. 57 of the Board of Commissioners, effective August 15, 1953, $115,034,000, of which $56,735,000 shall be derived by transfer as intra-District funds from the general fund, $52,684,000 is to be derived from the other funds, and $5,615,000 is to be derived from intra-District funds.

D.C. RETIREMENT BOARD

For the D.C. Retirement Board, established by section 121 of the District of Columbia Retirement Reform Act of 1989, approved November 17, 1989 (93 Stat. 866; D.C. Code, sec. 1–711), $13,440,000 and 11 full-time equivalent positions (end-of-year) from the earnings of the applicable retirement funds to pay legal, management, investment, and other fees and administrative expenses of the District of Columbia Retirement Board: Provided, That the District of Columbia Retirement Board shall provide to the Congress and to the Council of the District of Columbia a quarterly report of the allocations of charges by fund and of expenditures of all funds: Provided further, That the District of Columbia Retirement Board shall provide the Mayor, for transmittal to the Council of the District of Columbia, an item accounting of the planned use of appropriated funds in time for each annual budget submission and the actual use of such funds in time for each annual audited financial report.

CORRECTIONAL INDUSTRIES FUND

For the Correctional Industries Fund, established by the District of Columbia Correctional Industries Establishment Act, approved October 3, 1964 (78 Stat. 1000; Public Law 88–622), $10,516,000 and 66 full-time equivalent positions (end-of-year) (including $3,415,000 and 22 full-time equivalent positions from other funds and $7,101,000 and 44 full-time equivalent positions from intra-District funds).

WASHINGTON CONVENTION CENTER ENTERPRISE FUND

For the Washington Convention Center Enterprise Fund, $37,957,000, of which $5,400,000 shall be derived by transfer from the general fund.

DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE AUTHORITY

For the District of Columbia Financial Responsibility and Management Assistance Authority, established by section 101(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, approved April 17, 1995 (109 Stat. 97; Public Law 104–8), $3,500,000.

PERSONAL AND NONPERSONAL SERVICES ADJUSTMENTS

Notwithstanding any other provision of law, the Chief Financial Officer established under section 302 of Public Law 104–8, approved April 17, 1995 (109 Stat. 142) shall, on behalf of the Mayor, adjust appropriations and expenditures for personal and nonpersonal services, together with the related full-time equivalent positions, in accordance with the direction of the District of Columbia Financial Responsibility and Management Assistance Authority such that there is a net reduction of $165,837,000, within or among one or several of the various appropriation headings in this Act, pursuant to section 208 of Public Law 104–8, approved April 17, 1995 (109 Stat. 134).

GENERAL PROVISIONS

SEC. 101. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 102. Except as otherwise provided in this Act, all vouchers covering expenditures of appropriations contained in this Act shall be audited before payment by the designated certifying official and the vouchers as approved shall be paid by checks issued by the designated disbursing official.

SEC. 103. Whenever in this Act, an amount is specified within an appropriation for particular purposes or objects of expenditure, such amount, unless otherwise specified, shall be considered as the maximum amount that may be expended for said purpose or object rather than an amount set apart exclusively therefor.

SEC. 104. Appropriations in this Act shall be available, when authorized by the Mayor, for allowances for privately owned automobiles and motorcycles used for the performance of official duties at rates established by the Mayor: Provided, That such rates shall not exceed the maximum prevailing rates for such vehicles as prescribed in the Federal Property Management Regulations 101–7 (Federal Travel Regulations).

SEC. 105. Appropriations in this Act shall be available for expenses of travel and for the payment of dues of organizations concerned with the work of the District of Columbia government, when authorized by the Mayor: Provided, That the Council of the District of Columbia and the District of Columbia Courts may expend such funds without authorization by the Mayor.

SEC. 106. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making refunds and for the payment of judgments that have been entered against the District of Columbia government: Provided, That nothing contained in this section shall be construed as modifying or affecting the provisions of section 11(c)(3) of title XII of the District of Columbia Income and Franchise Tax Act of 1947, approved March 31, 1956 (70 Stat. 78; Public Law 84–460; D.C. Code, sec. 47–1812.11(c)(3)).

SEC. 107. Appropriations in this Act shall be available for the payment of public assistance without reference to the requirement of section 544 of the District of Columbia Public Assistance Act of 1982, effective April 6, 1982 (D.C. Law 4–101; D.C. Code, sec. 3–205.44), and for the non-Federal share of funds necessary to qualify for Federal assistance under the Juvenile Delinquency Prevention and Control Act of 1968, approved July 31, 1968 (82 Stat. 462; Public Law 90–445, 42 U.S.C. 3801 et seq.).

SEC. 108. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 109. No funds appropriated in this Act for the District of Columbia government for the operation of educational institutions, the compensation of personnel, or for other educational purposes may be used to permit, encourage, facilitate, or further partisan political activities. Nothing herein is intended to prohibit the availability of school buildings for the use of any community or partisan political group during non-school hours.

SEC. 110. The annual budget for the District of Columbia government for the fiscal year ending September 30, 1997, shall be transmitted to the Congress no later than April 15, 1996 or as provided for under the provisions of Public Law 104–8, approved April 17, 1995.

SEC. 111. None of the funds appropriated in this Act shall be made available to pay the salary of any employee of the District of Columbia government whose name, title, grade, salary, past work experience, and salary history are not available for inspection by the House and Senate Committees on Appropriations, the House Committee on Government Reform and Oversight, District of Columbia Subcommittee, the Subcommittee on Oversight of Government Management, of the Senate Committee on Governmental Affairs, and the Council of the District of Columbia, or their duly authorized representative: Provided, That none of the funds contained in this Act shall be made available to pay the salary of any employee of the District of Columbia government whose name and salary are not available for public inspection.

SEC. 112. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making payments authorized by the District of Columbia Revenue Recovery Act of 1977, effective September 23, 1977 (D.C. Law 2–20; D.C. Code, sec. 47–421 et seq.).

SEC. 113. No part of this appropriation shall be used for publicity or propaganda purposes or implementation of any policy including boycott *designed to support or defeat legislation pending before Congress or any State legislature.*

SEC. 114. At the start of the fiscal year, the Mayor shall develop an annual plan, by quarter and by project, for capital outlay borrowings: Provided, That within a reasonable time after the close of each quarter, the Mayor shall report to the Council of the District of Columbia and the Congress the actual borrowings and spending progress compared with projections.

SEC. 115. The Mayor shall not borrow any funds for capital projects unless the Mayor has obtained prior approval from the Council of the District of Columbia, by resolution, identifying the projects and amounts to be financed with such borrowings.

SEC. 116. The Mayor shall not expend any moneys borrowed for capital projects for the operating expenses of the District of Columbia government.

SEC. 117. None of the funds appropriated by this Act may be obligated or expended by reprogramming except pursuant to advance approval of the reprogramming granted according to the procedure set forth in the Joint Explanatory Statement of the Committee of Conference (House Report No. 96–443), which accompanied the District of Columbia Appropriation Act, 1980, approved October 30, 1979 (93 Stat. 713; Public Law 96–93), as modified in House Report No. 98–265, and in accordance with the Reprogramming Policy Act of 1980, effective September 16, 1980 (D.C. Law 3–100; D.C. Code, sec. 47–361 et seq.): Provided, That for the fiscal year ending September 30, 1996 the above shall apply except as modified by Public Law 104–8.

SEC. 118. None of the Federal funds provided in this Act shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of the District of Columbia.

SEC. 119. None of the Federal Funds provided in this Act shall be obligated or expended to procure passenger automobiles as defined in the Automobile Fuel Efficiency Act of 1980, approved October 10, 1980 (94 Stat. 1824; Public Law 96–425; 15 U.S.C. 2001(2)), with an Environmental Protection Agency estimated miles per gallon average of less than 22 miles per gallon: Provided, That this section shall not apply to security, emergency rescue, or armored vehicles.

SEC. 120. (a) Notwithstanding section 422(7) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 790; Public Law 93–198; D.C. Code, sec. 1–242(7)), the City Administrator shall be paid, during any fiscal year, a salary at a rate established by the Mayor, not to exceed the rate established for level IV of the Executive Schedule under 5 U.S.C. 5315.

(b) For purposes of applying any provision of law limiting the availability of funds for payment of salary or pay in any fiscal year, the highest rate of pay established by the Mayor under subsection (a) of this section for any position for any period during the last quarter of calendar year 1995 shall be deemed to be the rate of pay payable for that position for September 30, 1995.

(c) Notwithstanding section 4(a) of the District of Columbia Redevelopment Act of 1945, approved August 2, 1946 (60 Stat. 793; Public Law 79–592; D.C. Code, sec. 5–803(a)), the Board of Directors of the District of Columbia Redevelopment Land Agency shall be paid, during any fiscal year, per diem compensation at a rate established by the Mayor.

SEC. 121. Notwithstanding any other provisions of law, the provisions of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2–139; D.C. Code, sec. 1–601.1 et seq.), enacted pursuant to section 422(3) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 790; Public Law 93–198; D.C. Code, sec. 1–242(3)), shall apply with respect to the compensation of District of Columbia employees: Provided, That for pay purposes, employees of the District of Columbia government shall not be subject to the provisions of title 5 of the United States Code.

SEC. 122. The Director of the Department of Administrative Services may pay rentals and repair, alter, and improve rented premises, without regard to the provisions of section 322 of the Economy Act of 1932 (Public Law 72–212; 40 U.S.C. 278a), upon a determination by the Director, that by reason of circumstances set forth in such determination, the payment of these rents and the execution of this work, without reference to the limitations of section 322, is advantageous to the District in terms of economy, efficiency, and the District's best interest.

SEC. 123. No later than 30 days after the end of the first quarter of the fiscal year ending September 30, 1996, the Mayor of the District of Columbia shall submit to the Council of the District of Columbia the new fiscal year 1996 revenue estimates as of the end of the first quarter of fiscal year 1996. These estimates shall be used in the budget request for the fiscal year ending September 30, 1997. The officially revised estimates at midyear shall be used for the midyear report.

SEC. 124. No sole source contract with the District of Columbia government or any agency thereof may be renewed or extended without opening that contract to the competitive bidding process as set forth in section 303 of the District of Columbia Procurement Practices Act of 1985, effective February 21, 1986 (D.C. Law 6–85; D.C. Code, sec. 1–1183.3), except that the District of Columbia Public Schools may renew or extend sole source contracts for which competition is not feasible or practical, provided that the determination as to whether to invoke the competitive bidding process has been made in accordance with duly promulgated Board of Education rules and procedures.

SEC. 125. For purposes of the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99–177), as amended, the term "program, project, and activity" shall be synonymous with and refer specifically to each account appropriating Federal funds in this Act, and any sequestration order shall be applied to each of the accounts rather than to the aggregate total of those accounts: Provided, That sequestration orders shall not be applied to any account that is specifically exempted from sequestration by the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99–177), as amended.

SEC. 126. In the event of a sequestration order is issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037: Public Law 99–177), as amended, after the amounts appropriated to the District of Columbia for the fiscal year involved have been paid to the District of Columbia, the Mayor of the District of Columbia shall pay to the Secretary of the Treasury, within 15 days after receipt of a request therefor from the Secretary of the Treasury, such amounts as are sequestered by the order: Provided, That the sequestration percentage specified in the order shall be applied proportionately to each of the Federal appropriation accounts in this Act that are not specifically exempted from sequestration by the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99–177), as amended.

SEC. 127. For the fiscal year ending September 30, 1996, the District of Columbia shall pay interest on its quarterly payments to the United States that are made more than 60 days from the date of receipt of an itemized statement from the Federal Bureau of Prisons of amounts due for housing District of Columbia convicts in Federal penitentiaries for the preceding quarter.

SEC. 128. Nothing in this Act shall be construed to authorize any office, agency or entity to expend funds for programs or functions for which a reorganization plan is required but has not been approved by the Council pursuant to section 422(12) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 790; Public Law 93–198; D.C. Code, sec. 1–242(12)) and the Governmental Reorganization Procedures Act of 1981, effective October 17, 1981 (D.C. Law 4–42; D.C. Code, sec. 1–299.1 to 1–299.7). Appropriations made by this Act for such programs or functions are conditioned on the approval by the Council, prior to October 1, 1995, of the required reorganization plans.

SEC. 129. (a) An entity of the District of Columbia government may accept and use a gift or donation during fiscal year 1996 if—

(1) the Mayor approves the acceptance and use of the gift or donation: Provided, That the Council of the District of Columbia may accept and use gifts without prior approval by the Mayor; and

(2) the entity uses the gift or donation to carry out its authorized functions or duties.

(b) Each entity of the District of Columbia government shall keep accurate and detailed records of the acceptance and use of any gift or donation under subsection (a) of this section, and shall make such records available for audit and public inspection.

(c) For the purposes of this section, the term "entity of the District of Columbia government" includes an independent agency of the District of Columbia.

(d) This section shall not apply to the District of Columbia Board of Education, which may, pursuant to the laws and regulations of the District of Columbia, accept and use gifts to the public schools without prior approval by the Mayor.

SEC. 130. None of the Federal funds provided in this Act may be used by the District of Columbia to provide for salaries, expenses, or other costs associated with the offices of United States Senator or United States Representative under section 4(d) of the District of Columbia Statehood Constitutional Convention Initiatives of 1979, effective March 10, 1981 (D.C. Law 3–171; D.C. Code, sec. 1–113(d)).

PROHIBITION AGAINST USE OF FUNDS FOR ABORTIONS

SEC. 131. None of the funds appropriated under this Act shall be expended for any abortion except where the life of the mother would be endangered if the fetus were carried to term or where the pregnancy is the result of an act of rape or incest.

PROHIBITION ON DOMESTIC PARTNERS ACT

SEC. 132. No funds made available pursuant to any provision of this Act shall be used to implement or enforce any system of registration of unmarried, cohabiting couples whether they are homosexual, lesbian, or heterosexual, including but not limited to registration for the purpose of extending employment, health, or governmental benefits to such couples on the same basis that such benefits are extended to legally married couples; nor shall any funds made available pursuant to any provision of this Act otherwise be used to implement or enforce D.C. Act 9–188, signed by the Mayor of the District of Columbia on April 15, 1992.

COMPENSATION FOR THE COMMISSION ON JUDICIAL DISABILITIES AND TENURE AND FOR THE JUDICIAL NOMINATION COMMISSION

SEC. 133. Sections 431(f) and 433(b)(5) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 813; Public Law 93–198; D.C. Code, secs. 11–1524 and title 11, App. 433), are amended to read as follows:

(a) Section 431(f) (D.C. Code, sec. 11–1524) is amended to read as follows:

"(f) Members of the Tenure Commission shall serve without compensation for services rendered in connection with their official duties on the Commission.".

(b) Section 433(b)(5) (title 11, App. 433) is amended to read as follows:

"(5) Members of the Commission shall serve without compensation for services rendered in connection with their official duties on the Commission.".

MULTIYEAR CONTRACTS

SEC. 134. Section 451 of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 803; Public Law 93–198; D.C. Code, sec. 1–1130), is amended by adding a new subsection (c) to read as follows:

"(c)(1) The District may enter into multiyear contracts to obtain goods and services for which funds would otherwise be available for obligation only within the fiscal year for which appropriated.

"(2) If the funds are not made available for the continuation of such a contract into a subsequent fiscal year, the contract shall be cancelled or terminated, and the cost of cancellation or termination may be paid from—

"(A) appropriations originally available for the performance of the contract concerned;

"(B) appropriations currently available for procurement of the type of acquisition covered by the contract, and not otherwise obligated; or

"(C) funds appropriated for those payments.

"(3) No contract entered into under this section shall be valid unless the Mayor submits the contract to the Council for its approval and the Council approves the contract (in accordance with criteria established by act of the Council). The Council shall be required to take affirmative action to approve the contract within 45 days. If no action is taken to approve the contract within 45 calendar days, the contract shall be deemed disapproved.".

CALCULATED REAL PROPERTY TAX RATE RESCISSION AND REAL PROPERTY TAX FREEZE

SEC. 135. The District of Columbia Real Property Tax Revision Act of 1974, approved September 3, 1974 (88 Stat. 1051; D.C. Code, sec. 47–801 et seq.), is amended as follows:

(1) Section 412 (D.C. Code, sec. 47–812) is amended as follows:

(A) Subsection (a) is amended by striking the third and fourth sentences and inserting the following sentences in their place: "If the Council does extend the time for establishing the rates of taxation on real property, it must establish those rates for the tax year by permanent legislation. If the Council does not establish the rates of taxation of real property by October 15, and does not extend the time for establishing rates, the rates of taxation applied for the prior year shall be the rates of taxation applied during the tax year.".

(B) A new subsection (a–2) is added to read as follows:

"(a–2) Notwithstanding the provisions of subsection (a) of this section, the real property tax rates for taxable real property in the District of Columbia for the tax year beginning October 1, 1995, and ending September 30, 1996, shall be the same rates in effect for the tax year beginning October 1, 1993, and ending September 30, 1994.".

(2) Section 413(c) (D.C. Code, sec. 47–815(c)) is repealed.

PRISONS INDUSTRIES

SEC. 136. Title 18 U.S.C. 1761(b) is amended by striking the period at the end and inserting the phrase "or not-for-profit organizations." in its place.

REPORTS ON REDUCTIONS

SEC. 137. Within 120 days of the effective date of this Act, the Mayor shall submit to the Congress and the Council a report delineating the actions taken by the executive to effect the directives of the Council in this Act, including—

(1) negotiations with representatives of collective bargaining units to reduce employee compensation;

(2) actions to restructure existing long-term city debt;

(3) actions to apportion the spending reductions anticipated by the directives of this Act to the executive for unallocated reductions; and

(4) a list of any position that is backfilled including description, title, and salary of the position.

MONTHLY REPORTING REQUIREMENTS—BOARD OF EDUCATION

SEC. 138. The Board of Education shall submit to the Congress, Mayor, and Council of the District of Columbia no later than fifteen (15) calendar days after the end of each month a report that sets forth—

(1) current month expenditures and obligations, year-to-date expenditures and obligations, and total fiscal year expenditure projections vs. budget broken out on the basis of control center, responsibility center, agency reporting code, and object class, and for all funds, including capital financing;

(2) a breakdown of FTE positions and staff for the most current pay period broken out on the basis of control center, responsibility center, and agency reporting code within each responsibility center, for all funds, including capital funds;

(3) a list of each account for which spending is frozen and the amount of funds frozen, broken out by control center, responsibility center, detailed object, and agency reporting code, and for all funding sources;

(4) a list of all active contracts in excess of $10,000 annually, which contains; the name of each contractor; the budget to which the contract is charged broken out on the basis of control center, responsibility center, and agency reporting code; and contract identifying codes used by the D.C. Public Schools; payments made in the last month and year-to-date, the total amount of the contract and total payments made for the contract and any modifications, extensions, renewals; and specific modifications made to each contract in the last month;

(5) all reprogramming requests and reports that are required to be, and have been, submitted to the Board of Education; and

(6) changes made in the last month to the organizational structure of the D.C. Public Schools, displaying previous and current control centers and responsibility centers, the names of the organizational entities that have been changed, the name of the staff member supervising each entity affected, and the reasons for the structural change.

MONTHLY REPORTING REQUIREMENT

UNIVERSITY OF THE DISTRICT OF COLUMBIA

SEC. 139. The University of the District of Columbia shall submit to the Congress, Mayor, and Council of the District of Columbia no later than fifteen (15) calendar days after the end of each month a report that sets forth—

(1) current month expenditures and obligations, year-to-date expenditures and obligations, and total fiscal year expenditure projections vs. budget broken out on the basis of control center, responsibility center, and object class, and for all funds, including capital financing;

(2) a breakdown of FTE positions and all employees for the most current pay period broken out on the basis of control center and responsibility center, for all funds, including capital funds;

(3) a list of each account for which spending is frozen and the amount of funds frozen, broken out by control center, responsibility center, detailed object, and for all funding sources;

(4) a list of all active contracts in excess of $10,000 annually, which contains: the name of each contractor; the budget to which the contract is charged broken out on the basis of control center and responsibility center, and contract identifying codes used by the University of the District of Columbia; payments made in the last month and year-to-date, the total amount of the contract and total payments made for the contract and any modifications, extensions, renewals; and specific modifications made to each contract in the last month;

(5) all reprogramming requests and reports that have been made by the University of the District of Columbia within the last month in compliance with applicable law; and

(6) changes in the last month to the organizational structure of the University of the District of Columbia, displaying previous and current control centers and responsibility centers, the names of the organizational entities that have been changed, the name of the staff member supervising each entity affected, and the reasons for the structural change.

ANNUAL REPORTING REQUIREMENTS

SEC. 140. (a) The Board of Education of the District of Columbia and the University of the District of Columbia shall annually compile an accurate and verifiable report on the positions and employees in the public school system and the university, respectively. The annual report shall set forth—

(1) the number of validated schedule A positions in the District of Columbia Public Schools and the University of the District of Columbia for fiscal year 1995, fiscal year 1996, and thereafter on full-time equivalent basis, including a compilation of all positions by control center, responsibility center, funding source, position type, position title, pay plan, grade, and annual salary; and

(2) a compilation of all employees in the District of Columbia Public Schools and the University of the District of Columbia as of the preceding December 31, verified as to its accuracy in accordance with the functions that each employee actually performs, by control center, responsibility center, agency reporting code, program (including funding source), activity, location for accounting purposes, job title, grade and classification, annual salary, and position control number.

(b) The annual report required by subsection (a) of this section shall be submitted to the Congress, the Mayor and Council of the District of Columbia, by not later than February 8 of each year.

ANNUAL BUDGETS AND BUDGET REVISIONS

SEC. 141. (a) Not later than October 1, 1995, or within 15 calendar days after the date of the enactment of the District of Columbia Appropriations Act, 1996, whichever occurs later, and each succeeding year, the Board of Education and the University of the District of Columbia shall submit to the Congress, the Mayor, and Council of the District of Columbia, a revised appropriated funds operating budget for the public school system and the University of the District of Columbia for such fiscal year that is in the total amount of the approved appropriation and that realigns budgeted data for personal services and other-than-personal services, respectively, with anticipated actual expenditures.

(b) The revised budget required by subsection (a) of this section shall be submitted in the format of the budget that the Board of Education and the University of the District of Columbia submit to the Mayor of the District of Columbia for inclusion in the Mayor's budget submission to the Council of the District of Columbia for inclusion in the Mayor's budget submission to the Council of the District of Columbia pursuant to section 442 of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93–198, as amended (D.C. Code, sec. 47–301).

BUDGET APPROVAL

SEC. 142. The Board of Education the Board of Trustees of the University of the District of Columbia, the Board of Library Trustees, and the Board of Governors of the D.C. School of Law shall vote on and approve their respective annual or revised budgets before submission to the Mayor of the District of Columbia for inclusion in the Mayor's budget submission to the Council of the District of Columbia in accordance with section 442 of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93–198, as amended (D.C. Code, sec. 47–301), or before submitting their respective budgets directly to the Council.

PUBLIC SCHOOL EMPLOYEE EVALUATIONS

SEC. 143. Notwithstanding any other provision of law, rule, or regulation, the evaluation process and instruments for evaluating District of Columbia Public Schools employees shall be a non-negotiable item for collective bargaining purposes.

POSITION VACANCIES

SEC. 144. (a) No agency, including an independent agency, shall fill a position wholly funded by appropriations authorized by this Act, which is vacant on October 1, 1995, or becomes vacant between October 1, 1995, and September 30, 1996, unless the Mayor or independent agency submits a proposed resolution of intent to fill the vacant position to the Council. The Council shall be required to take affirmative action on the Mayor's resolution within 30 legislative days. If the Council does not affirmatively approve the resolution within 30 legislative days, the resolution shall be deemed disapproved.

(b) No reduction in the number of full-time equivalent positions or reduction-in-force due to privatization or contracting out shall occur if the District of Columbia Financial Responsibility and Management Assistance Authority, established by section 101(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, approved April 17, 1995 (109 Stat. 97; Public Law 104–8), disallows the full-time equivalent position reduction provided in this act in meeting the maximum ceiling of 35,984 for the fiscal year ending September 30, 1996.

(c) This section shall not prohibit the appropriate personnel authority from filling a vacant position with a District government employee currently occupying a position that is funded with appropriated funds.

(d) This section shall not apply to local school-based teachers, school-based officers, or school-based teachers' aides; or court personnel covered by title 11 of the D.C. Code, except chapter 23.

MODIFICATIONS OF BOARD OF EDUCATION REDUCTION-IN-FORCE PROCEDURES

SEC. 145. The District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2–139; D.C. Code, sec. 1–601.1 et seq.), is amended as follows:

(a) Section 301 (D.C. Code, sec. 1–603.1) is amended as follows:

(1) A new paragraph (13A) is added to read as follows:

"(13A) 'Nonschool-based personnel' means any employee of the District of Columbia Public Schools who is not based at a local school or who does not provide direct services to individual students.".

(2) A new paragraph (15A) is added to read as follows:

"(15A) 'School administrators' means principals, assistant principals, school program directors, coordinators, instructional supervisors, and support personnel of the District of Columbia Public Schools.".

(b) Section 801A(b)(2) (D.C. Code, sec. 1–609.1(b)(2)) is amended by adding a new subparagraph (L–i) to read as follows:

"(L–i) Notwithstanding any other provision of law, the Board of Education shall not issue rules that require or permit nonschool-based personnel or school administrators to be assigned or reassigned to the same competitive level as classroom teachers;"

(c) Section 2402 (D.C. Code, sec. 1–625.2) is amended by adding a new subsection (f) to read as follows:

"(f) Notwithstanding any other provision of law, the Board of Education shall not require or permit nonschool-based personnel or school administrators to be assigned or reassigned to the same competitive level as classroom teachers.".

SEC. 146. (a) Notwithstanding any other provision of law, rule, or regulation, an employee of the District of Columbia Public Schools shall be—

(1) classified as an Educational Service employee;

(2) placed under the personnel authority of the Board of Education; and

(3) subject to all Board of Education rules.

(b) School-based personnel shall constitute a separate competitive area from nonschool-based personnel who shall not compete with school-based personnel for retention purposes.

SEC. 147. None of the funds provided in this Act may be used directly or indirectly for the renovation of the property located at 227 7th Street Southeast (commonly known as Eastern Market), except that funds provided in this Act may be used for the regular maintenance and upkeep of the current structure and grounds located at such property.

CAPITAL PROJECT EMPLOYEES

SEC. 148. (a) Not later than 15 days after the end of every fiscal quarter (beginning October 1, 1995), the Mayor shall submit to the Council of the District of Columbia, the District of Columbia Financial Responsibility and Management Assistance Authority, and the Committees on Appropriations of the House of Representatives and the Senate a report with respect to the employees on the capital project budget for the previous quarter.

(b) Each report submitted pursuant to subsection (a) of this section shall include the following information—

(1) a list of all employees by position, title, grade and step;

(2) a job description, including the capital project for which each employee is working;

(3) the date that each employee began working on the capital project and the ending date that each employee completed or is projected to complete work on the capital project; and

(4) a detailed explanation justifying why each employee is being paid with capital funds.

MODIFICATION OF REDUCTION-IN-FORCE PROCEDURES

SEC. 149. The District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2–139; D.C. Code, sec. 1–601.1 et seq.), is amended as follows:

(a) Section 2401 (D.C. Code, sec. 1–625.1) is amended by amending the third sentence to read as follows: "A personnel authority may establish lesser competitive areas within an agency on the basis of all or a clearly identifiable segment of an agency's mission or a division or major subdivision of an agency.".

(b) A new section 2406 is added to read as follows:

"SEC. 2406. Abolishment of positions for Fiscal Year 1996.

"(a) Notwithstanding any other provision of law, regulation, or collective bargaining agreement either in effect or to be negotiated while this legislation is in effect for the fiscal year ending September 30, 1996, each agency head is authorized, within the agency head's discretion, to identify positions for abolishment.

"(b) Prior to February 1, 1996, each personnel authority shall make a final determination that a position within the personnel authority is to be abolished.

"(c) Notwithstanding any rights or procedures established by any other provision of this title, any District government employee, regardless of date of hire, who encumbers a position identified for abolishment shall be separated without competition or assignment rights, except as provided in this section.

"(d) An employee affected by the abolishment of a position pursuant to this section who, but for this section would be entitled to compete for retention, shall be entitled to 1 round of lateral competition pursuant to Chapter 24 of the District of Columbia Personnel Manual, which shall be limited to positions in the employee's competitive level.

"(e) Each employee who is a bona fide resident of the District of Columbia shall have added 5 years to his or her creditable service for reduction-in-force purposes. For purposes of this subsection only, a nonresident District employee who was hired by the District government prior to January 1, 1980, and has not had a break in service since that date, or a former employee of the U.S. Department of Health and Human Services at Saint Elizabeths Hospital who accepted employment with the District government on October 1, 1987, and has not had a break in service since that date, shall be considered a District resident.

"(f) Each employee selected for separation pursuant to this section shall be given written notice of at least 30 days before the effective date of his or her separation.

"(g) Neither the establishment of a competitive area smaller than an agency, nor the determination that a specific position is to be abolished, nor separation pursuant to his section shall be subject to review except as follows—

"(1) an employee may file a complaint contesting a determination or a separation pursuant to title XV of this Act or section 303 of the Human Rights Act of 1977, effective December 13, 1977 (D.C. Law 2–38; D.C. Code, sec. 1–2543); and

"(2) an employee may file with the Office of Employee Appeals an appeal contesting that the separation procedures of subsections (d) and (f) of this section were not properly applied.

"(h) An employee separated pursuant to this section shall be entitled to severance pay in accordance with title XI of this Act, except that the following shall be included in computing creditable service for severance pay for employees separated pursuant to this section—

"(1) four years for an employee who qualified for veteran's preference under this act, and

"(2) three years for an employee who qualified for residency preference under this act.

"(i) Separation pursuant to this section shall not affect an employee's rights under either the Agency Reemployment Priority Program or the

Displaced Employee Program established pursuant to Chapter 24 of the District Personnel Manual.

"(j) The Mayor shall submit to the Council a listing of all positions to be abolished by agency and responsibility center by March 1, 1996, or upon the delivery of termination notices to individual employees.

"(k) Notwithstanding the provisions of section 1708 or section 2402(d), the provisions of this act shall not be deemed negotiable.

"(l) A personnel authority shall cause a 30-day termination notice to be served, no later than September 1, 1996, on any incumbent employee remaining in any position identified to be abolished pursuant to subsection (b) of this section".

Sec. 150. (a) CEILING ON TOTAL OPERATING EXPENSES.—Notwithstanding any other provision of law, the total amount appropriated in this Act for operating expenses for the District of Columbia for fiscal year 1996 under the caption "Division of Expenses" shall not exceed $4,994,000,000 of which $165,339,000 shall be from intra-District funds.

(b) ACCEPTANCE AND USE OF GRANTS NOT INCLUDED IN CEILING.—

(1) IN GENERAL.—Notwithstanding subsection 9a), the Mayor of the District of Columbia may accept, obligate, and expend Federal, private, and other grants received by the District government that are not reflected in the amounts appropriated in this Act.

(2) REQUIREMENT OF CHIEF FINANCIAL OFFICER REPORT AND FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE AUTHORITY APPROVAL.—No such Federal, private, or other grant may be accepted, obligated, or expended pursuant to paragraph (1) until—

(A) the Chief Financial Officer of the District submits to the District of Columbia Financial Responsibility and Management Assistance Authority established by Public Law 104–8 (109 Stat. 97) a report setting forth detailed information regarding such grant; and

(B) the District of Columbia Financial Responsibility and Management Assistance Authority has reviewed and approved the acceptance, obligation, and expenditure of such grant in accordance with review and approval procedures consistent with the provisions of Public Law 104–8.

(3) PROHIBITION ON SPENDING IN ANTICIPATION OF APPROVAL OR RECEIPT.—No amount may be obligated or expended from the general fund or other funds of the District government in anticipation of the approval or receipt of a grant under paragraph (2)(B) or in anticipation of the approval or receipt of a Federal, private, or other grant not subject to such paragraph.

(4) MONTHLY REPORTS.—The Chief Financial Officer of the District shall prepare a monthly report setting forth detailed information regarding all Federal, private, and other grants subject to this subsection. Each such report shall be submitted to the Council of the District of Columbia, and to the Committees on Appropriations of the House of Representatives and the Senate, not later than 15 days after the end of the month covered by the report.

PLANS FOR LORTON CORRECTIONAL COMPLEX

SEC. 151. (a) DEVELOPMENT OF PLANS.—Not later than March 15, 1996, the District of Columbia shall develop a series of alternative plans meeting the requirements of subsection (b) for the use and operation of the Lorton Correctional Complex (hereafter in this section referred to as the "Complex"), including—

(1) a plan under which the Complex will be closed;

(2) a plan under which the Complex will remain in operation under the management of the District of Columbia subject to such modifications as the District considers appropriate;

(3) a plan under which the Complex will be operated under the management of the Federal government;

(4) a plan under which the Complex will be operated under private management; and

(5) such other plans as the District of Columbia considers appropriate.

(b) REQUIREMENTS FOR PLANS.—Each of the plans developed by the District of Columbia under subsection (a) shall meet the following requirements:

(1) The plan shall provide for an appropriate transition period not to exceed 5 years in length.

(2) The plan shall include provisions specifying how and to what extent the District will utilize alternative management, including the private sector, for the operation of correctional facilities for the District, and shall include provisions describing the treatment under such alternative management (including under contracts) of site selection, design, financing, construction, and operation of correctional facilities for the District.

(3) The plan shall include a description of any legislation required to implement the plan.

(4) The plan shall include an implementation schedule, together with specific performance measures and timelines to determine the extent to which the District is meeting the schedule during the transition period.

(5) Under the plan, the Mayor of the District of Columbia shall submit a semi-annual report to the President, Congress, and the District of Columbia Financial Responsibility and Management Assistance Authority describing the actions taken by the District under the plan, and in addition shall regularly report to the President, Congress, and the District of Columbia Financial Responsibility and Management Assistance Authority on all significant measures taken under the plan as soon as such measures are taken.

(6) For each of the years during which the plan is in effect, the plan shall be consistent with the financial plan and budget for the District of Columbia for the year under subtitle A of title II of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

(c) SUBMISSION OF PLAN.—Upon completing the development of the plans under subsection (a), the District of Columbia shall submit the plans to the President, Congress, and the District of Columbia Financial Responsibility and Management Assistance Authority.

PROHIBITION AGAINST ADOPTION BY UNMARRIED COUPLES

SEC. 152. (a) IN GENERAL.—Section 16–302, D.C. Code, is amended—

(1) by striking "Any person" and inserting "(a) Subject to subsection (b), any person"; and

(2) by adding at the end the following subsection:

"(b)(1) Except as provided in paragraph (2), no person may join in a petition under this section unless the person is the spouse of the petitioner.

"(2) An unmarried person may file a petition for adoption where no other person joins in the petition or where the co-petitioner is the natural parent of the child.".

TECHNICAL CORRECTIONS TO FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE ACT

SEC. 153. (a) REQUIRING GSA TO PROVIDE SUPPORT SERVICES.—Section 103(f) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 is amended by striking "may provide" and inserting "shall promptly provide".

(b) AVAILABILITY OF CERTAIN FEDERAL BENEFITS FOR INDIVIDUALS WHO BECOME EMPLOYED BY THE AUTHORITY.—

(1) FORMER FEDERAL EMPLOYEES.—Subsection (e) of section 102 of such Act is amended to read as follows:

"(e) PRESERVATION OF RETIREMENT AND CERTAIN OTHER RIGHTS OF FEDERAL EMPLOYEES WHO BECOME EMPLOYED BY THE AUTHORITY.—

"(1) IN GENERAL.—Any Federal employee who becomes employed by the Authority—

"(A) may elect, for the purposes set forth in paragraph (2)(A), to be treated, for so long as that individual remains continuously employed by the Authority, as if such individual had not separated from service with the Federal Government, subject to paragraph (3); and

"(B) shall, if such employee subsequently becomes reemployed by the Federal Government, be entitled to have such individual's service with the Authority treated, for purposes of determining the appropriate leave accrual rate, as if it had been service with the Federal Government.

"(2) EFFECT OF AN ELECTION.—An election made by an individual under the provisions of paragraph (1)(A)—

"(A) shall qualify such individual for the treatment describe in such provisions for purposes of—

"(i) chapter 83 or 84 of title 5, United States Code, as appropriate (relating to retirement), including the Thrift Savings Plan;

"(ii) chapter 87 of such title (relating to life insurance); and

"(iii) chapter 89 of such title (relating to health insurance); and

"(B) shall disqualify such individual, while such election remains in effect, from participating in the programs offered by the government of the District of Columbia (if any) corresponding to the respective programs referred to in subparagraph (A).

"(3) CONDITIONS FOR AN ELECTION TO BE EFFECTIVE.—An election made by an individual under paragraph (1)(A) shall be ineffective unless—

"(A) it is made before such individual separates from service with the Federal Government; and

"(B) such individual's service with the Authority commences within 3 days after so separating (not counting any holiday observed by the government of the District of Columbia).

"(4) CONTRIBUTIONS.—If an individual makes an election under paragraph (1)(A), the Authority shall, in accordance with applicable provisions of law referred to in paragraph (2)(A), be responsible for making the same deductions from pay and the same agency contributions as would be required if it were a Federal agency.

"(5) REGULATIONS.—Any regulations necessary to carry out this subsection shall be prescribed in consultation with the Authority by—

"(A) the Office of Personnel Management, to the extent that any program administered by the office is involved;

"(B) the appropriate office or agency of the government of the District of Columbia, to the extent that any program administered by such office or agency is involved; and

"(C) the Executive Director referred to in section 8474 of title 5, United States Code, to the extent that the Thrift Savings Plan is involved.".

"(2) OTHER INDIVIDUALS.—Section 102 of such Act is further amended by adding at the end the following:

"(f) FEDERAL BENEFITS FOR OTHERS.—

"(1) IN GENERAL.—The Office of personnel Management, in conjunction with each corresponding office or agency of the government of the District of Columbia and in consultation with the Authority, shall prescribe regulations under which any individual who becomes employed by the Authority (under circumstances other than as described in subsection (e)) may elect either—

"(A) to be deemed a Federal employee for purposes of the programs referred to in subsection (e)(2)(A) (i)–(iii); or

"(B) to participate in 1 or more of the corresponding programs offered by the government of the District of Columbia.

"(2) EFFECT OF AN ELECTION.—An individual who elects the option under subparagraph (A) or (B) of paragraph (1) shall be disqualified, while such election remains in effect, from participating in any of the programs referred to in the other such subparagraph.

"(3) DEFINITION OF 'CORRESPONDING OFFICE OR AGENCY'.—For purposes of paragraph (1), the term 'corresponding office or agency of the government of the District of Columbia' means, with respect to any program administered by the Office of Personnel Management, the office or agency responsible for administering the corresponding program (if any) offered by the government of the District of Columbia.

"(4) THRIFT SAVINGS PLAN.—To the extent that the Thrift Savings Plan is involved, the preceding provisions of this subsection shall be applied by substituting 'the Executive Director referred to in section 8474 of title 5, United States Code' for 'the Office of Personnel Management'.".

"(3) EFFECTIVE DATE; ADDITIONAL ELECTION FOR FORMER FEDERAL EMPLOYEES SERVING ON DATE OF ENACTMENT; ELECTION FOR EMPLOYEES APPOINTED DURING INTERIM PERIOD.—

"(A) EFFECTIVE DATE.—Not later than 6 months after the date of enactment of this Act, there shall be prescribed in consultation with the Authority (and take effect)—

"(i) regulations to carry out the amendments made by this subsection; and

"(ii) any other regulations necessary to carry out this subsection.

"(B) ADDITIONAL ELECTION FOR FORMER FEDERAL EMPLOYEES SERVING ON DATE OF ENACTMENT.—

"(i) IN GENERAL.—Any former Federal employee employed by the Authority on the effective date of the regulations referred to in subparagraph (A)(i) may, within such period as may be provided for under those regulations, make an election similar, to the maximum extent practicable, to the election provided for under section 102(e) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, as amended by this subsection. Such regulations shall be prescribed jointly by the Office of Personnel Management and each corresponding office or agency of the government of the District of Columbia (in the same manner as provided for in section 102(f) of such Act, as so amended).

"(ii) EXCEPTION.—An election under this subparagraph may not be made by any individual who—

"(I) is not then participating in a retirement system for Federal employees (disregarding Social Security); or

"(II) is then participating in any program of the government of the District of Columbia referred to in section 102(e)(2)(B) of such Act (as so amended).

(C) ELECTION FOR EMPLOYEES APPOINTED DURING INTERIM PERIOD.—

(i) FROM THE FEDERAL GOVERNMENT.—Subsection (e) of section 102 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 (as last in effect before the date of enactment of this Act) shall be deemed to have remained in effect for purposes of any Federal employee who becomes employed by the District of Columbia Financial Responsibility and Management Assistance Authority during the period beginning on such date of enactment and ending on the day before the effective date of the regulations prescribed to carry out subparagraph (B).

(ii) OTHER INDIVIDUALS.—The regulations prescribed to carry out subsection (f) of section 102 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 (as amended by this subsection) shall include provisions under which an election under such subsection shall be available to any individual who—

(I) becomes employed by the District of Columbia Financial Responsibility and Management Assistance Authority during the period beginning on the date of enactment of this Act and ending on the day before the effective date of such regulations;

(II) would have been eligible to make an election under such regulations had those regulations been in effect when such individual became so employed; and

(III) is not then participating in any program of the government of the District of Columbia referred to in subsection (f)(1)(B) of such section 102 (as so amended).

(c) EXEMPTION FROM LIABILITY FOR CLAIMS FOR AUTHORITY EMPLOYEES.—Section 104 of such Act is amended—

(1) by striking "the Authority and its members" and inserting "the Authority, its members, and its employees"; and

(2) by striking "the District of Columbia" and inserting "the Authority or its members or employees or the District of Columbia".

(d) PERMITTING REVIEW OF EMERGENCY LEGISLATION.—Section 203(a)(3) of such Act is amended by striking subparagraph (C).

ESTABLISHMENT OF EXCLUSIVE ACCOUNTS FOR BLUE PLAINS ACTIVITIES

SEC. 154. (a) OPERATION AND MAINTENANCE ACCOUNT.—

(1) CONTENTS OF ACCOUNT.—There is hereby established within the Water and Sewer Enterprise Fund the Operation and Maintenance Account, consisting of all fund paid to the District of Columbia on or after the date of the enactment of this Act which are—

(A) attributable to waste water treatment user charges;

(B) paid by users jurisdictions for the operation and maintenance of the Blue Plains Wastewater Treatment Facility and related waste water treatment works; or

(C) appropriated or otherwise provided for the operation and maintenance of the Blue Plains Wastewater Treatment Facility and related waste water treatment works.

(2) USE OF FUNDS IN ACCOUNT.—Funds in the Operation and Maintenance Account shall be used solely for funding the operation and maintenance of the Blue Plains Wastewater Treatment Facility and related waste water treatment works and may not be obligated or expended for any other purpose, and may be used for related debt service and capital costs if such funds are not attributable to user charges assessed for purposes of section 204(b)(1) of the Federal Water Pollution Control Act.

(b) EPA GRANT ACCOUNT.—

(1) CONTENTS OF ACCOUNT.—There is hereby established within the Water and Sewer Enterprise Fund and EPA Grant Account, consisting of all funds paid to the District of Columbia on or after the date of the enactment of this Act which are—

(A) attributable to grants from the Environmental Protection Agency for construction at the Blue Plains Wastewater Treatment Facility and related waste water treatment works; or

(B) appropriated or otherwise provided for construction at the Blue Plains Wastewater Treatment Facility and related waste water treatment works.

(2) USE OF FUNDS IN ACCOUNT.—Funds in the EPA Grant Account shall be used solely for the purposes specified under the terms of the grants and appropriations involved, and may not be obligated or expended for any other purpose.

SEC. 155. (a) Up to 50 police officers and up to 50 Fire and Emergency Medical Services members who were hired before February 14, 1980, and who retire on disability before the end of calendar year 1996 shall be excluded from the computation of the rate of disability retirements under subsection 145(a) of the District of Columbia Retirement Reform Act of 1979 (93 Stat. 882; D.C. Code, sec. 1–725(a)), for purposes of reducing the authorized Federal payment to the District of Columbia Police Offices and Fire Fighters' Retirement Fund pursuant to subsection 145(c) of the District of Columbia Retirement Reform Act of 1979.

(b) The Mayor, within 30 days after the enactment of this provision, shall engage an enrolled actuary, to be paid by the District of Columbia Retirement Board, and shall comply with the requirements of section 142(d) and section 144(d) of the District of Columbia Retirement Reform Act of 1979 (Public Law 96–122, approved November 17, 1979; D.C. Code, secs. 1–722(d) and 1–724(d)).

This title may be cited as the "District of Columbia Appropriations Act, 1996".

TITLE II—DISTRICT OF COLUMBIA SCHOOL REFORM

SEC. 2001. SHORT TITLE.

This title may be cited as the "District of Columbia School Reform Act of 1995".

SEC. 2002. DEFINITIONS.

Except as otherwise provided, for purposes of this title:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means—

(A) the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate;

(B) the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate; and

(C) the Committee on Government Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate.

(2) AUTHORITY.—The term "Authority" means the District of Columbia Financial Responsibility and Management Assistance Authority established under section 101(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 (Public Law 104–8).

(3) AVERAGE DAILY ATTENDANCE.—The term "average daily attendance" means the aggregate attendance of students of the school during the period divided by the number of days during the period in which—

(A) the school is in session; and

(B) the students of the school are under the guidance and direction of teachers.

(4) AVERAGE DAILY MEMBERSHIP.—The term "average daily membership" means the aggregate enrollment of students of the school during the period divided by the number of days during the period in which—

(A) the school is in session; and

(B) the students of the school are under the guidance and direction of teachers.

(5) BOARD OF EDUCATION.—The term "Board of Education" means the Board of Education of the District of Columbia.

(6) BOARD OF TRUSTEES.—The term "Board of Trustees" means the governing board of a public charter school, the members of which are selected pursuant to the charter granted to the school and in a manner consistent with this title.

(7) CONSENSUS COMMISSION.—The term "Consensus Commission" means the Commission on Consensus Reform in the District of Columbia public schools established under subtitle L.

(8) CORE CURRICULUM.—The term "core curriculum" means the concepts, factual knowledge, and skills that students in the District of Columbia should learn in kindergarten through

grade 12 in academic content areas, including, at a minimum, English, mathematics, science, and history.

(9) DISTRICT OF COLUMBIA COUNCIL.—The term "District of Columbia Council" means the Council of the District of Columbia established pursuant to section 401 of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 1–221).

(10) DISTRICT OF COLUMBIA GOVERNMENT.—

(A) IN GENERAL.—The term "District of Columbia Government" means the government of the District of Columbia, including—

(i) any department, agency, or instrumentality of the government of the District of Columbia;

(ii) any independent agency of the District of Columbia established under part F of title IV of the District of Columbia Self-Government and Governmental Reorganization Act;

(iii) any other agency, board, or commission established by the Mayor or the District of Columbia Council;

(iv) the courts of the District of Columbia;

(v) the District of Columbia Council; and

(vi) any other agency, public authority, or public nonprofit corporation that has the authority to receive moneys directly or indirectly from the District of Columbia (other than moneys received from the sale of goods, the provision of services, or the loaning of funds to the District of Columbia).

(B) EXCEPTION.—The term "District of Columbia Government" neither includes the Authority nor a public charter school.

(11) DISTRICT OF COLUMBIA GOVERNMENT RETIREMENT SYSTEM.—The term "District of Columbia Government retirement system" means the retirement programs authorized by the District of Columbia Council or the Congress for employees of the District of Columbia Government.

(12) DISTRICT OF COLUMBIA PUBLIC SCHOOL.—

(A) IN GENERAL.—The term "District of Columbia public school" means a public school in the District of Columbia that offers classes—

(i) at any of the grade levels from prekindergarten through grade 12; or

(ii) leading to a secondary school diploma, or its recognized equivalent.

(B) EXCEPTION.—The term "District of Columbia public school" does not include a public charter school.

(13) DISTRICTWIDE ASSESSMENTS.—The term "districtwide assessments" means a variety of assessment tools and strategies (including individual student assessments under subparagraph (E)(ii)) administered by the Superintendent to students enrolled in District of Columbia public schools and public charter schools that—

(A) are aligned with the District of Columbia's content standards and core curriculum;

(B) provide coherent information about student attainment of such standards;

(C) are used for purposes for which such assessments are valid, reliable, and unbiased, and are consistent with relevant nationally recognized professional and technical standards for such assessments;

(D) involve multiple up-to-date measures of student performance, including measures that assess higher order thinking skills and understanding; and

(E) provide for—

(i) the participation in such assessments of all students;

(ii) individual student assessments for students that fail to reach minimum acceptable levels of performance;

(iii) the reasonable adaptations and accommodations for students with special needs (as defined in paragraph (32)) necessary to measure the achievement of such students relative to the District of Columbia's content standards; and

(iv) the inclusion of limited-English proficient students, who shall be assessed, to the extent practicable, in the language and form most likely to yield accurate and reliable information regarding such students' knowledge and abilities.

(14) ELECTRONIC DATA TRANSFER SYSTEM.—The term "electronic data transfer system" means a computer-based process for the maintenance and transfer of student records designed to permit the transfer of individual student records among District of Columbia public schools and public charter schools.

(15) ELEMENTARY SCHOOL.—The term "elementary school" means an institutional day or residential school that provides elementary education, as determined under District of Columbia law.

(16) ELIGIBLE APPLICANT.—The term "eligible applicant" means a person, including a private, public, or quasi-public entity, or an institution of higher education (as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))), that seeks to establish a public charter school in the District of Columbia.

(17) ELIGIBLE CHARTERING AUTHORITY.—The term "eligible chartering authority" means any of the following:

(A) The Board of Education.

(B) The Public Charter School Board.

(C) Any one entity designated as an eligible chartering authority by enactment of a bill by the District of Columbia Council after the date of the enactment of this Act.

(18) FAMILY RESOURCE CENTER.—The term "family resource center" means an information desk—

(A) located in a District of Columbia public school or a public charter school serving a majority of students whose family income is not greater than 185 percent of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act applicable to a family of the size involved (42 U.S.C. 9902(3))); and

(B) which links students and families to local resources and public and private entities involved in child care, adult education, health and social services, tutoring, mentoring, and job training.

(19) INDIVIDUAL CAREER PATH.—The term "individual career path" means a program of study that provides a secondary school student the skills necessary to compete in the 21st century workforce.

(20) LITERACY.—The term "literacy" means—

(A) in the case of a minor student, such student's ability to read, write, and speak in English, and compute and solve problems at levels of proficiency necessary to function in society, to achieve such student's goals, and develop such student's knowledge and potential; and

(B) in the case of an adult, such adult's ability to read, write, and speak in English, and compute and solve problems at levels of proficiency necessary to function on the job and in society, to achieve such adult's goals, and develop such adult's knowledge and potential.

(21) LONG-TERM REFORM PLAN.—The term "long-term reform plan" means the plan submitted by the Superintendent under section 2101.

(22) MAYOR.—The term "Mayor" means the Mayor of the District of Columbia.

(23) METROBUS AND METRORAIL TRANSIT SYSTEM.—The term "Metrobus and Metrorail Transit System" means the bus and rail systems administered by the Washington Metropolitan Area Transit Authority.

(24) MINOR STUDENT.—The term "minor student" means an individual who—

(A) is enrolled in a District of Columbia public school or a public charter school; and

(B) is not beyond the age of compulsory school attendance, as prescribed in section 1 of article I, and section 1 of article II, of the Act of February 4, 1925 (sections 31–401 and 31–402, D.C. Code).

(25) NONRESIDENT STUDENT.—The term "nonresident student" means—

(A) an individual under the age of 18 who is enrolled in a District of Columbia public school or a public charter school, and does not have a parent residing in the District of Columbia; or

(B) an individual who is age 18 or older and is enrolled in a District of Columbia public school or public charter school, and does not reside in the District of Columbia.

(26) PARENT.—The term "parent" means a person who has custody of a child, and who—

(A) is a natural parent of the child;

(B) is a stepparent of the child;

(C) has adopted the child; or

(D) is appointed as a guardian for the child by a court of competent jurisdiction.

(27) PETITION.—The term "petition" means a written application.

(28) PROMOTION GATE.—The term "promotion gate" means the criteria, developed by the Superintendent and approved by the Board of Education, that are used to determine student promotion at different grade levels. Such criteria shall include student achievement on districtwide assessments established under subtitle D.

(29) PUBLIC CHARTER SCHOOL.—The term "public charter school" means a publicly funded school in the District of Columbia that—

(A) is established pursuant to subtitle B; and

(B) except as provided under sections 2212(d)(5) and 2213(c)(5) is not a part of the District of Columbia public schools.

(30) PUBLIC CHARTER SCHOOL BOARD.—The term "Public Charter School Board" means the Public Charter School Board established under section 2214.

(31) SECONDARY SCHOOL.—The term "secondary school" means an institutional day or residential school that provides secondary education, as determined by District of Columbia law, except that such term does not include any education beyond grade 12.

(32) STUDENT WITH SPECIAL NEEDS.—The term "student with special needs" means a student who is a child with a disability as provided in section 602(a)(1) of the Individuals with Disabilities Education Act (20 U.S.C. 1401(a)(1)) or a student who is an individual with a disability as provided in section 7(8) of the Rehabilitation Act of 1973 (29 U.S.C. 706(8)).

(33) SUPERINTENDENT.—The term "Superintendent" means the Superintendent of the District of Columbia public schools.

(34) TEACHER.—The term "teacher" means any person employed as a teacher by the Board of Education or by a public charter school.

SEC. 2003. GENERAL EFFECTIVE DATE.

Except as otherwise provided in this title, this title shall be effective during the period beginning on the date of enactment of this Act and ending 5 years after such date.

Subtitle A—District of Columbia Reform Plan

SEC. 2101. LONG-TERM REFORM PLAN.

(a) IN GENERAL.—

(1) PLAN.—The Superintendent, with the approval of the Board of Education, shall submit to the Mayor, the District of Columbia Council, the Authority, the Consensus Commission, and the appropriate congressional committees, a long-term reform plan, not later than 90 days after the date of enactment of this Act, and each February 15 thereafter. The long-term reform plan shall be consistent with the financial plan and budget for the District of Columbia for fiscal year 1996, and each financial plan and budget for a subsequent fiscal year, as the case may be, required under section 201 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

(2) CONSULTATION.—

(A) IN GENERAL.—In developing the long-term reform plan, the Superintendent—

(i) shall consult with the Board of Education, the Mayor, the District of Columbia Council, the Authority, and the Consensus Commission; and

(ii) shall afford the public, interested organizations, and groups an opportunity to present their views and make recommendations regarding the long-term reform plan.

(B) SUMMARY OF RECOMMENDATIONS.—The Superintendent shall include in the long-term plan a summary of the recommendations made under subparagraph (A)(ii) and the response of the Superintendent to the recommendations.

(b) CONTENTS.—

(1) AREAS TO BE ADDRESSED.—The long-term reform plan shall describe how the District of Columbia public schools will become a world-class education system that prepares students for lifetime learning in the 21st century and which is on a par with the best education systems of other cities, States, and nations. The long-term reform plan shall include a description of how the District of Columbia public schools will accomplish the following:

(A) Achievement at nationally and internationally competitive levels by students attending District of Columbia public schools.

(B) The preparation of students for the workforce, including—

(i) providing special emphasis for students planning to obtain a postsecondary education; and

(ii) the development of individual career paths.

(C) The improvement of the health and safety of students in District of Columbia public schools.

(D) Local school governance, decentralization, autonomy, and parental choice among District of Columbia public schools.

(E) The implementation of a comprehensive and effective adult education and literacy program.

(F) The identification, beginning in grade 3, of each student who does not meet minimum standards of academic achievement in reading, writing, and mathematics in order to ensure that such student meets such standards prior to grade promotion.

(G) The achievement of literacy, and the possession of the knowledge and skills necessary to think critically, communicate effectively, and perform competently on districtwide assessments, by students attending District of Columbia public schools prior to such student's completion of grade 8.

(H) The establishment of after-school programs that promote self-confidence, self-discipline, self-respect, good citizenship, and respect for leaders, through such activities as arts classes, physical fitness programs, and community service.

(I) Steps necessary to establish an electronic data transfer system.

(J) Encourage parental involvement in all school activities, particularly parent teacher conferences.

(K) Development and implementation, through the Board of Education and the Superintendent, of a uniform dress code for the District of Columbia public schools, that—

(i) shall include a prohibition of gang membership symbols;

(ii) shall take into account the relative costs of any such code for each student; and

(iii) may include a requirement that students wear uniforms.

(L) The establishment of classes, beginning not later than grade 3, to teach students how to use computers effectively.

(M) The development of community schools that enable District of Columbia public schools to collaborate with other public and nonprofit agencies and organizations, local businesses, recreational, cultural, and other community and human service entities, for the purpose of meeting the needs and expanding the opportunities available to residents of the communities served by such schools.

(N) The establishment of programs which provide counseling, mentoring (especially peer mentoring), academic support, outreach, and supportive services to elementary, middle, and secondary school students who are at risk of dropping out of school.

(O) The establishment of a comprehensive remedial education program to assist students who do not meet basic literacy standards, or the criteria of promotion gates established in section 2421.

(P) The establishment of leadership development projects for middle school principals, which projects shall increase student learning and achievement and strengthen such principals as instructional school leaders.

(Q) The implementation of a policy for performance-based evaluation of principals and teachers, after consultation with the Superintendent and unions (including unions that represent teachers and unions that represent principals).

(R) The implementation of policies that require competitive appointments for all District of Columbia public school positions.

(S) The implementation of policies regarding alternative teacher certification requirements.

(T) The implementation of testing requirements for teacher licensing renewal.

(U) A review of the District of Columbia public school central office budget and staffing reductions for each fiscal year compared to the level of such budget and reductions at the end of fiscal year 1995.

(V) The implementation of the discipline policy for the District of Columbia public schools in order to ensure a safe, disciplined environment conducive to learning.

(2) OTHER INFORMATION.—For each of the items described in subparagraphs (A) through (V) of paragraph (1), the long-term reform plan shall include—

(A) a statement of measurable, objective performance goals;

(B) a description of the measures of performance to be used in determining whether the Superintendent and Board of Education have met the goals;

(C) dates by which the goals shall be met;

(D) plans for monitoring and reporting progress to District of Columbia residents, the Mayor, the District of Columbia Council, the Authority, the Consensus Commission, and the appropriate congressional committees regarding the carrying out of the long-term reform plan; and

(E) the title of the management employee of the District of Columbia public schools most directly responsible for the achievement of each goal and, with respect to each such employee, the title of the employee's immediate supervisor or superior.

(c) AMENDMENTS.—The Superintendent, with the approval of the Board of Education, shall submit any amendment to the long-term reform plan to the Mayor, the District of Columbia Council, the Authority, the Consensus Commission, and the appropriate congressional committees. Any amendment to the long-term reform plan shall be consistent with the financial plan and budget for fiscal year 1996, and each financial plan and budget for a subsequent fiscal year, as the case may be, for the District of Columbia required under section 201 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

Subtitle B—Public Charter Schools

SEC. 2201. PROCESS FOR FILING CHARTER PETITIONS.

(a) EXISTING PUBLIC SCHOOL.—An eligible applicant seeking to convert a District of Columbia public school into a public charter school—

(1) shall prepare a petition to establish a public charter school that meets the requirements of section 2202;

(2) shall provide a copy of the petition to—

(A) the parents of minor students attending the existing school;

(B) adult students attending the existing school; and

(C) employees of the existing school; and

(3) shall file the petition with an eligible chartering authority for approval after the petition—

(A) is signed by two-thirds of the sum of—

(i) the total number of parents of minor students attending the school; and

(ii) the total number of adult students attending the school; and

(B) is endorsed by at least two-thirds of full-time teachers employed in the school.

(b) PRIVATE OR INDEPENDENT SCHOOL.—An eligible applicant seeking to convert an existing private or independent school in the District of Columbia into a public charter school—

(1) shall prepare a petition to establish a public charter school that is approved by the Board of Trustees or authority responsible for the school and that meets the requirements of section 2202;

(2) shall provide a copy of the petition to—

(A) the parents of minor students attending the existing school;

(B) adult students attending the existing school; and

(C) employees of the existing school; and

(3) shall file the petition with an eligible chartering authority for approval after the petition—

(A) is signed by two-thirds of the sum of—

(i) the total number of parents of minor students attending the school; and

(ii) the total number of adult students attending the school; and

(B) is endorsed by at least two-thirds of full-time teachers employed in the school.

(c) NEW SCHOOL.—An eligible applicant seeking to establish in the District of Columbia a public charter school, but not seeking to convert a District of Columbia public school or a private or independent school into a public charter school, shall file with an eligible chartering authority for approval a petition to establish a public charter school that meets the requirements of section 2202.

SEC. 2202. CONTENTS OF PETITION.

A petition under section 2201 to establish a public charter school shall include the following:

(1) A statement defining the mission and goals of the proposed school and the manner in which the school will meet the content standards, and conduct the districtwide assessments, described in section 2411(b).

(2) A statement of the need for the proposed school in the geographic area of the school site.

(3) A description of the proposed instructional goals and methods for the proposed school, which shall include, at a minimum—

(A) the area of focus of the proposed school, such as mathematics, science, or the arts, if the school will have such a focus;

(B) the methods that will be used, including classroom technology, to provide students with the knowledge, proficiency, and skills needed—

(i) to become nationally and internationally competitive students and educated individuals in the 21st century; and

(ii) to perform competitively on any districtwide assessments; and

(C) the methods that will be used to improve student self-motivation, classroom instruction, and learning for all students.

(4) A description of the scope and size of the proposed school's program that will enable students to successfully achieve the goals established by the school, including the grade levels to be served by the school and the projected and maximum enrollment of each grade level.

(5) A description of the plan for evaluating student academic achievement at the proposed school and the procedures for remedial action that will be used by the school when the academic achievement of a student falls below the expectations of the school.

(6) An operating budget for the first 2 years of the proposed school that is based on anticipated enrollment and contains—

(A) a description of the method for conducting annual audits of the financial, administrative, and programmatic operations of the school;

(B) either—

(i) an identification of the site where the school will be located, including a description of any buildings on the site and any buildings proposed to be constructed on the site; or

(ii) a timetable by which such an identification will be made;

(C) a description of any major contracts planned, with a value equal to or exceeding $10,000, for equipment and services, leases, improvements, purchases of real property, or insurance; and

(D) a timetable for commencing operations as a public charter school.

(7) A description of the proposed rules and policies for governance and operation of the proposed school.

(8) Copies of the proposed articles of incorporation and bylaws of the proposed school.

(9) The names and addresses of the members of the proposed Board of Trustees and the procedures for selecting trustees.

(10) A description of the student enrollment, admission, suspension, expulsion, and other disciplinary policies and procedures of the proposed school, and the criteria for making decisions in such areas.

(11) A description of the procedures the proposed school plans to follow to ensure the health and safety of students, employees, and guests of the school and to comply with applicable health and safety laws, and all applicable civil rights statutes and regulations of the Federal Government and the District of Columbia.

(12) An explanation of the qualifications that will be required of employees of the proposed school.

(13) An identification, and a description, of the individuals and entities submitting the petition, including their names and addresses, and the names of the organizations or corporations of which such individuals are directors or officers.

(14) A description of how parents, teachers, and other members of the community have been involved in the design and will continue to be involved in the implementation of the proposed school.

(15) A description of how parents and teachers will be provided an orientation and other training to ensure their effective participation in the operation of the public charter school.

(16) An assurance the proposed school will seek, obtain, and maintain accreditation from at least one of the following:

(A) The Middle States Association of Colleges and Schools.

(B) The Association of Independent Maryland Schools.

(C) The Southern Association of Colleges and Schools.

(D) The Virginia Association of Independent Schools.

(E) American Montessori Internationale.

(F) The American Montessori Society.

(G) The National Academy of Early Childhood Programs.

(H) Any other accrediting body deemed appropriate by the eligible chartering authority that granted the charter to the school.

(17) In the case that the proposed school's educational program includes preschool or prekindergarten, an assurance the proposed school will be licensed as a child development center by the District of Columbia Government not later than the first date on which such program commences.

(18) An explanation of the relationship that will exist between the public charter school and the school's employees.

(19) A statement of whether the proposed school elects to be treated as a local educational agency or a District of Columbia public school for purposes of part B of the Individuals With Disabilities Education Act (20 U.S.C. 1411 et seq.) and section 504 of the Rehabilitation Act of 1973 (20 U.S.C. 794), and notwithstanding any other provision of law the eligible chartering authority shall not have the authority to approve or disapprove such election.

SEC. 2203. PROCESS FOR APPROVING OR DENYING PUBLIC CHARTER SCHOOL PETITIONS.

(a) SCHEDULE.—An eligible chartering authority shall establish a schedule for receiving petitions to establish a public charter school and shall publish any such schedule in the District of Columbia Register and newspapers of general circulation.

(b) PUBLIC HEARING.—Not later than 45 days after a petition to establish a public charter school is filed with an eligible chartering authority, the eligible chartering authority shall hold a public hearing on the petition to gather the information that is necessary for the eligible chartering authority to make the decision to approve or deny the petition.

(c) NOTICE.—Not later than 10 days prior to the scheduled date of a public hearing on a petition to establish a public charter school, an eligible chartering authority—

(1) shall publish a notice of the hearing in the District of Columbia Register and newspapers of general circulation; and

(2) shall send a written notification of the hearing date to the eligible applicant who filed the petition.

(d) APPROVAL.—Subject to subsection (i), an eligible chartering authority may approve a petition to establish a public charter school, if—

(1) the eligible chartering authority determines that the petition satisfies the requirements of this subtitle;

(2) the eligible applicant who filed the petition agrees to satisfy any condition or requirement, consistent with this subtitle and other applicable law, that is set forth in writing by the eligible chartering authority as an amendment to the petition; and

(3) the eligible chartering authority determines that the public charter school has the ability to meet the educational objectives outlined in the petition.

(e) TIMETABLE.—An eligible chartering authority shall approve or deny a petition to establish a public charter school not later than 45 days after the conclusion of the public hearing on the petition.

(f) EXTENSION.—An eligible chartering authority and an eligible applicant may agree to extend the 45-day time period referred to in subsection (e) by a period that shall not exceed 30 days.

(g) DENIAL EXPLANATION.—If an eligible chartering authority denies a petition or finds the petition to be incomplete, the eligible chartering authority shall specify in writing the reasons for its decision and indicate, when the eligible chartering authority determines appropriate, how the eligible applicant who filed the petition may revise the petition to satisfy the requirements for approval.

(h) APPROVED PETITION.—

(1) NOTICE.—Not later than 10 days after an eligible chartering authority approves a petition to establish a public charter school, the eligible chartering authority shall provide a written notice of the approval, including a copy of the approved petition and any conditions or requirements agreed to under subsection (d)(2), to the eligible applicant and to the Chief Financial Officer of the District of Columbia. The eligible chartering authority shall publish a notice of the approval of the petition in the District of Columbia Register and newspapers of general circulation.

(2) CHARTER.—The provisions described in paragraphs (1), (7), (8), (11), (16), (17), and (18) of section 2202 of a petition to establish a public charter school that are approved by an eligible chartering authority, together with any amendments to the petition containing conditions or requirements agreed to by the eligible applicant under subsection (d)(2), shall be considered a charter granted to the school by the eligible chartering authority.

(i) NUMBER OF PETITIONS.—

(1) FIRST YEAR.—For academic year 1996–1997, not more than 10 petitions to establish public charter schools may be approved under this subtitle.

(2) SUBSEQUENT YEARS.—For academic year 1997–1998 and each academic year thereafter each eligible chartering authority shall not approve more than 5 petitions to establish a public charter school under this subtitle.

(j) EXCLUSIVE AUTHORITY OF THE ELIGIBLE CHARTERING AUTHORITY.—No governmental entity, elected official, or employee of the District of Columbia shall make, participate in making, or intervene in the making of, the decision to approve or deny a petition to establish a public charter school, except for officers or employees of the eligible chartering authority with which the petition is filed.

SEC. 2204. DUTIES, POWERS, AND OTHER REQUIREMENTS, OF PUBLIC CHARTER SCHOOLS.

(a) DUTIES.—A public charter school shall comply with all of the terms and provisions of its charter.

(b) POWERS.—A public charter school shall have the following powers:

(1) To adopt a name and corporate seal, but only if the name selected includes the words "public charter school".

(2) To acquire real property for use as the public charter school's facilities, from public or private sources.

(3) To receive and disburse funds for public charter school purposes.

(4) Subject to subsection (c)(1), to secure appropriate insurance and to make contracts and leases, including agreements to procure or purchase services, equipment, and supplies.

(5) To incur debt in reasonable anticipation of the receipt of funds from the general fund of the District of Columbia or the receipt of Federal or private funds.

(6) To solicit and accept any grants or gifts for public charter school purposes, if the public charter school—

(A) does not accept any grants or gifts subject to any condition contrary to law or contrary to its charter; and

(B) maintains for financial reporting purposes separate accounts for grants or gifts.

(7) To be responsible for the public charter school's operation, including preparation of a budget and personnel matters.

(8) To sue and be sued in the public charter school's own name.

(c) PROHIBITIONS AND OTHER REQUIREMENTS.—

(1) CONTRACTING AUTHORITY.—

(A) NOTICE REQUIREMENT.—Except in the case of an emergency (as determined by the eligible chartering authority of a public charter school), with respect to any contract proposed to be awarded by the public charter school and having a value equal to or exceeding $10,000, the school shall publish a notice of a request for proposals in the District of Columbia Register and newspapers of general circulation not less than 30 days prior to the award of the contract.

(B) SUBMISSION TO THE AUTHORITY.—

(i) DEADLINE FOR SUBMISSION.—With respect to any contract described in subparagraph (A) that is awarded by a public charter school, the school shall submit to the Authority, not later than 3 days after the date on which the award is made, all bids for the contract received by the school, the name of the contractor who is awarded the contract, and the rationale for the award of the contract.

(ii) EFFECTIVE DATE OF CONTRACT.—

(I) IN GENERAL.—Subject to subclause (II), a contract described in subparagraph (A) shall become effective on the date that is 15 days after the date the school makes the submission under clause (i) with respect to the contract, or the effective date specified in the contract, whichever is later.

(II) EXCEPTION.—A contract described in subparagraph (A) shall be considered null and void if the Authority determines, within 12 days of the date the school makes the submission under clause (i) with respect to the contract, that the contract endangers the economic viability of the public charter school.

(2) TUITION.—A public charter school may not charge tuition, fees, or other mandatory payments, except to nonresident students, or for field trips or similar activities.

(3) CONTROL.—A public charter school—

(A) shall exercise exclusive control over its expenditures, administration, personnel, and instructional methods, within the limitations imposed in this subtitle; and

(B) shall be exempt from District of Columbia statutes, policies, rules, and regulations established for the District of Columbia public schools by the Superintendent, Board of Education, Mayor, District of Columbia Council, or Authority, except as otherwise provided in the school's charter or this subtitle.

(4) HEALTH AND SAFETY.—A public charter school shall maintain the health and safety of all students attending such school.

(5) CIVIL RIGHTS AND IDEA.—The Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.), and the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.), shall apply to a public charter school.

(6) GOVERNANCE.—A public charter school shall be governed by a Board of Trustees in a manner consistent with the charter granted to the school and the provisions of this subtitle.

(7) OTHER STAFF.—No employee of the District of Columbia public schools may be required to accept employment with, or be assigned to, a public charter school.

(8) OTHER STUDENTS.—No student enrolled in a District of Columbia public school may be required to attend a public charter school.

(9) TAXES OR BONDS.—A public charter school shall not levy taxes or issue bonds.

(10) CHARTER REVISION.—A public charter school seeking to revise its charter shall prepare a petition for approval of the revision and file the petition with the eligible chartering authority that granted the charter. The provisions of section 2203 shall apply to such a petition in the same manner as such provisions apply to a petition to establish a public charter school.

(11) ANNUAL REPORT.—

(A) IN GENERAL.—A public charter school shall submit an annual report to the eligible chartering authority that approved its charter and to the Consensus Commission. The school shall permit a member of the public to review any such report upon request.

(B) CONTENTS.—A report submitted under subparagraph (A) shall include the following data:

(i) A report on the extent to which the school is meeting its mission and goals as stated in the petition for the charter school.

(ii) Student performance on any districtwide assessments.

(iii) Grade advancement for students enrolled in the public charter school.

(iv) Graduation rates, college admission test scores, and college admission rates, if applicable.

(v) Types and amounts of parental involvement.

(vi) Official student enrollment.

(vii) Average daily attendance.

(viii) Average daily membership.

(ix) A financial statement audited by an independent certified public accountant in accordance with Government auditing standards for financial audits issued by the Comptroller General of the United States.

(x) A report on school staff indicating the qualifications and responsibilities of such staff.

(xi) A list of all donors and grantors that have contributed monetary or in-kind donations having a value equal to or exceeding $500 during the year that is the subject of the report.

(C) NONIDENTIFYING DATA.—Data described in clauses (i) through (ix) of subparagraph (B) that are included in an annual report shall not identify the individuals to whom the data pertain.

(12) CENSUS.—A public charter school shall provide to the Board of Education student enrollment data necessary for the Board of Education to comply with section 3 of article II of the Act of February 4, 1925 (D.C. Code, sec. 31–404) (relating to census of minors).

(13) COMPLAINT RESOLUTION PROCESS.—A public charter school shall establish an informal complaint resolution process.

(14) PROGRAM OF EDUCATION.—A public charter school shall provide a program of education which shall include one or more of the following:

(A) Preschool.

(B) Prekindergarten.

(C) Any grade or grades from kindergarten through grade 12.

(D) Adult, community, continuing, and vocational education programs.

(15) NONSECTARIAN NATURE OF SCHOOLS.—A public charter school shall be nonsectarian and shall not be affiliated with a sectarian school or religious institution.

(16) NONPROFIT STATUS OF SCHOOL.—A public charter school shall be organized under the District of Columbia Nonprofit Corporation Act (D.C. Code, sec. 29–501 et seq.).

(17) IMMUNITY FROM CIVIL LIABILITY.—

(A) IN GENERAL.—A public charter school, and its incorporators, Board of Trustees, officers, employees, and volunteers, shall be immune from civil liability, both personally and professionally, for any act or omission within the scope of their official duties unless the act or omission—

(i) constitutes gross negligence;

(ii) constitutes an intentional tort; or

(iii) is criminal in nature.

(B) COMMON LAW IMMUNITY PRESERVED.—Subparagraph (A) shall not be construed to abrogate any immunity under common law of a person described in such subparagraph.

SEC. 2205. BOARD OF TRUSTEES OF A PUBLIC CHARTER SCHOOL.

(a) BOARD OF TRUSTEES.—The members of a Board of Trustees of a public charter school shall be elected or selected pursuant to the charter granted to the school. Such Board of Trustees shall have an odd number of members that does not exceed 7, of which—

(1) a majority shall be residents of the District of Columbia; and

(2) at least 2 shall be parents of a student attending the school.

(b) ELIGIBILITY.—An individual is eligible for election or selection to the Board of Trustees of a public charter school if the person—

(1) is a teacher or staff member who is employed at the school;

(2) is a parent of a student attending the school; or

(3) meets the election or selection criteria set forth in the charter granted to the school.

(c) ELECTION OR SELECTION OF PARENTS.—In the case of the first Board of Trustees of a public charter school to be elected or selected after the date on which the school is granted a charter, the election or selection of the members under subsection (a)(2) shall occur on the earliest practicable date after classes at the school have commenced. Until such date, any other members who have been elected or selected shall serve as an interim Board of Trustees. Such an interim Board of Trustees may exercise all of the powers, and shall be subject to all of the duties, of a Board of Trustees.

(d) FIDUCIARIES.—The Board of Trustees of a public charter school shall be fiduciaries of the school and shall set overall policy for the school. The Board of Trustees may make final decisions on matters related to the operation of the school, consistent with the charter granted to the school, this subtitle, and other applicable law.

SEC. 2206. STUDENT ADMISSION, ENROLLMENT, AND WITHDRAWAL.

(a) OPEN ENROLLMENT.—Enrollment in a public charter school shall be open to all students who are residents of the District of Columbia and, if space is available, to nonresident students who meet the tuition requirement in subsection (e).

(b) CRITERIA FOR ADMISSION.—A public charter school may not limit enrollment on the basis of a student's race, color, religion, national origin, language spoken, intellectual or athletic ability, measures of achievement or aptitude, or status as a student with special needs. A public charter school may limit enrollment to specific grade levels.

(c) RANDOM SELECTION.—If there are more applications to enroll in a public charter school from students who are residents of the District of Columbia than there are spaces available, students shall be admitted using a random selection process.

(d) ADMISSION TO AN EXISTING SCHOOL.—During the 5-year period beginning on the date that a petition, filed by an eligible applicant seeking to convert a District of Columbia public school or a private or independent school into a public charter school, is approved, the school may give priority in enrollment to—

(1) students enrolled in the school at the time the petition is granted;

(2) the siblings of students described in paragraph (1); and

(3) in the case of the conversion of a District of Columbia public school, students who reside within the attendance boundaries, if any, in which the school is located.

(e) NONRESIDENT STUDENTS.—Nonresident students shall pay tuition to attend a public charter school at the applicable rate established for

District of Columbia public schools administered by the Board of Education for the type of program in which the student is enrolled.

(f) STUDENT WITHDRAWAL.—A student may withdraw from a public charter school at any time and, if otherwise eligible, enroll in a District of Columbia public school administered by the Board of Education.

(g) EXPULSION AND SUSPENSION.—The principal of a public charter school may expel or suspend a student from the school based on criteria set forth in the charter granted to the school.

SEC. 2207. EMPLOYEES.

(a) EXTENDED LEAVE OF ABSENCE WITHOUT PAY.—

(1) LEAVE OF ABSENCE FROM DISTRICT OF COLUMBIA PUBLIC SCHOOLS.—The Superintendent shall grant, upon request, an extended leave of absence, without pay, to an employee of the District of Columbia public schools for the purpose of permitting the employee to accept a position at a public charter school for a 2-year term.

(2) REQUEST FOR EXTENSION.—At the end of a 2-year term referred to in paragraph (1), an employee granted an extended leave of absence without pay under such paragraph may submit a request to the Superintendent for an extension of the leave of absence for an unlimited number of 2-year terms. The Superintendent may not unreasonably (as determined by the eligible chartering authority) withhold approval of the request.

(3) RIGHTS UPON TERMINATION OF LEAVE.—An employee granted an extended leave of absence without pay for the purpose described in paragraph (1) or (2) shall have the same rights and benefits under law upon termination of such leave of absence as an employee of the District of Columbia public schools who is granted an extended leave of absence without pay for any other purpose.

(b) RETIREMENT SYSTEM.—

(1) CREDITABLE SERVICE.—An employee of a public charter school who has received a leave of absence under subsection (a) shall receive creditable service, as defined in section 2604 of D.C. Law 2–139, effective March 3, 1979 (D.C. Code, sec. 1–627.4) and the rules established under such section, for the period of the employee's employment at the public charter school.

(2) AUTHORITY TO ESTABLISH SEPARATE SYSTEM.—A public charter school may establish a retirement system for employees under its authority.

(3) ELECTION OF RETIREMENT SYSTEM.—A former employee of the District of Columbia public schools who becomes an employee of a public charter school within 60 days after the date the employee's employment with the District of Columbia public schools is terminated may, at the time the employee commences employment with the public charter school, elect—

(A) to remain in a District of Columbia Government retirement system and continue to receive creditable service for the period of their employment at a public charter school; or

(B) to transfer into a retirement system established by the public charter school pursuant to paragraph (2).

(4) PROHIBITED EMPLOYMENT CONDITIONS.—No public charter school may require a former employee of the District of Columbia public schools to transfer to the public charter school's retirement system as a condition of employment.

(5) CONTRIBUTIONS.—

(A) EMPLOYEES ELECTING NOT TO TRANSFER.—In the case of a former employee of the District of Columbia public schools who elects to remain in a District of Columbia Government retirement system pursuant to paragraph (3)(A), the public charter school that employs the person shall make the same contribution to such system on behalf of the person as the District of Columbia would have been required to make if the person had continued to be an employee of the District of Columbia public schools.

(B) EMPLOYEES ELECTING TO TRANSFER.—In the case of a former employee of the District of Columbia public schools who elects to transfer into a retirement system of a public charter school pursuant to paragraph (3)(B), the applicable District of Columbia Government retirement system from which the former employee is transferring shall compute the employee's contribution to that system and transfer this amount, to the retirement system of the public charter school.

(c) EMPLOYMENT STATUS.—Notwithstanding any other provision of law and except as provided in this section, an employee of a public charter school shall not be considered to be an employee of the District of Columbia Government for any purpose.

SEC. 2208. REDUCED FARES FOR PUBLIC TRANSPORTATION.

A student attending a public charter school shall be eligible for reduced fares on the Metrobus and Metrorail Transit System on the same terms and conditions as are applicable under section 2 of D.C. Law 2–152, effective March 9, 1979 (D.C. Code, sec. 44–216 et seq.), to a student attending a District of Columbia public school.

SEC. 2209. DISTRICT OF COLUMBIA PUBLIC SCHOOL SERVICES TO PUBLIC CHARTER SCHOOLS.

The Superintendent may provide services, such as facilities maintenance, to public charter schools. All compensation for costs of such services shall be subject to negotiation and mutual agreement between a public charter school and the Superintendent.

SEC. 2210. APPLICATION OF LAW.

(a) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—

(1) TREATMENT AS LOCAL EDUCATIONAL AGENCY.—

(A) IN GENERAL.—For any fiscal year, a public charter school shall be considered to be a local educational agency for purposes of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.), and shall be eligible for assistance under such part, if the fraction the numerator of which is the number of low-income students enrolled in the public charter school during the fiscal year preceding the fiscal year for which the determination is made and the denominator of which is the total number of students enrolled in such public charter school for such preceding year, is equal to or greater than the lowest fraction determined for any District of Columbia public school receiving assistance under such part A where the numerator is the number of low-income students enrolled in such public school for such preceding year and the denominator is the total number of students enrolled in such public school for such preceding year.

(B) DEFINITION.—For the purposes of this subsection, the term "low-income student" means a student from a low-income family determined according to the measure adopted by the District of Columbia to carry out the provisions of part A of title I of the Elementary and Secondary Education Act of 1965 that is consistent with the measures described in section 1113(a)(5) of such Act (20 U.S.C. 6313(a)(5)) for the fiscal year for which the determination is made.

(2) ALLOCATION FOR FISCAL YEARS 1996 THROUGH 1998.—

(A) PUBLIC CHARTER SCHOOLS.—For fiscal years 1996 through 1998, each public charter school that is eligible to receive assistance under part A of title I of the Elementary and Secondary Education Act of 1965 shall receive a portion of the District of Columbia's total allocation under such part which bears the same ratio to such total allocation as the number described in subparagraph (C) bears to the number described in subparagraph (D).

(B) DISTRICT OF COLUMBIA PUBLIC SCHOOLS.—For fiscal years 1996 through 1998, the District of Columbia public schools shall receive a portion of the District of Columbia's total allocation under part A of title I of the Elementary and Secondary Education Act of 1965 which bears the same ratio to such total allocation as the total of the numbers described in clauses (ii) and (iii) of subparagraph (D) bears to the aggregate total described in subparagraph (D).

(C) NUMBER OF ELIGIBLE STUDENTS ENROLLED IN THE PUBLIC CHARTER SCHOOL.—The number described in this subparagraph is the number of low-income students enrolled in the public charter school during the fiscal year preceding the fiscal year for which the determination is made.

(D) AGGREGATE NUMBER OF ELIGIBLE STUDENTS.—The number described in this subparagraph is the aggregate total of the following numbers:

(i) The number of low-income students who, during the fiscal year preceding the fiscal year for which the determination is made, were enrolled in a public charter school.

(ii) The number of low-income students who, during the fiscal year preceding the fiscal year for which the determination is made, were enrolled in a District of Columbia public school selected to provide services under part A of title I of the Elementary and Secondary Education Act of 1965.

(iii) The number of low-income students who, during the fiscal year preceding the fiscal year for which the determination is made—

(I) were enrolled in a private or independent school; and

(II) resided in an attendance area of a District of Columbia public school selected to provide services under part A of title I of the Elementary and Secondary Education Act of 1965.

(3) ALLOCATION FOR FISCAL YEAR 1999 AND THEREAFTER.—

(A) CALCULATION BY SECRETARY.—Notwithstanding sections 1124(a)(2), 1124A(a)(4), and 1125(d) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333(a)(2), 6334(a)(4), and 6335(d)), for fiscal year 1999 and each fiscal year thereafter, the total allocation under part A of title I of such Act for all local educational agencies in the District of Columbia, including public charter schools that are eligible to receive assistance under such part, shall be calculated by the Secretary of Education. In making such calculation, such Secretary shall treat all such local educational agencies as if such agencies were a single local educational agency for the District of Columbia.

(B) ALLOCATION.—

(i) PUBLIC CHARTER SCHOOLS.—For fiscal year 1999 and each fiscal year thereafter, each public charter school that is eligible to receive assistance under part A of title I of the Elementary and Secondary Education Act of 1965 shall receive a portion of the total allocation calculated under subparagraph (A) which bears the same ratio to such total allocation as the number described in paragraph (2)(C) bears to the aggregate total described in paragraph (2)(D).

(ii) DISTRICT OF COLUMBIA PUBLIC SCHOOL.—For fiscal year 1999 and each fiscal year thereafter, the District of Columbia public schools shall receive a portion of the total allocation calculated under subparagraph (A) which bears the same ratio to such total allocation as the total of the numbers described in clauses (ii) and (iii) of paragraph (2)(D) bears to the aggregate total described in paragraph (2)(D).

(4) USE OF ESEA FUNDS.—The Board of Education may not direct a public charter school in the school's use of funds under part A of title I of the Elementary and Secondary Education Act of 1965.

(5) ESEA REQUIREMENTS.—Except as provided in paragraph (6), a public charter school receiving funds under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) shall comply with all requirements applicable to schools receiving such funds.

(6) INAPPLICABILITY OF CERTAIN ESEA PROVISIONS.—The following provisions of the Elementary and Secondary Education Act of 1965 shall not apply to a public charter school:

(A) Paragraphs (5) and (8) of section 1112(b) (20 U.S.C. 6312(b)).

(B) Paragraphs (1)(A), (1)(B), (1)(C), (1)(D), (1)(F), (1)(H), and (3) of section 1112(c) (20 U.S.C. 6312(c)).

(C) Section 1113 (20 U.S.C. 6313).

(D) Section 1115A (20 U.S.C. 6316).

(E) Subsections (a), (b), and (c) of section 1116 (20 U.S.C. 6317).

(F) Subsections (d) and (e) of section 1118 (20 U.S.C. 6319).

(G) Section 1120 (20 U.S.C. 6321).

(H) Subsections (a) and (c) of section 1120A (20 U.S.C. 6322).

(I) Section 1126 (20 U.S.C. 6337).

(b) PROPERTY AND SALES TAXES.—A public charter school shall be exempt from District of Columbia property and sales taxes.

(c) EDUCATION OF CHILDREN WITH DISABILITIES.—Notwithstanding any other provision of this title, each public charter school shall elect to be treated as a local educational agency or a District of Columbia public school for the purpose of part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.) and section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

SEC. 2211. POWERS AND DUTIES OF ELIGIBLE CHARTERING AUTHORITIES.

(a) OVERSIGHT.—

(1) IN GENERAL.—An eligible chartering authority—

(A) shall monitor the operations of each public charter school to which the eligible chartering authority has granted a charter;

(B) shall ensure that each such school complies with applicable laws and the provisions of the charter granted to such school; and

(C) shall monitor the progress of each such school in meeting student academic achievement expectations specified in the charter granted to such school.

(2) PRODUCTION OF BOOKS AND RECORDS.—An eligible chartering authority may require a public charter school to which the eligible chartering authority has granted a charter to produce any book, record, paper, or document, if the eligible chartering authority determines that such production is necessary for the eligible chartering authority to carry out its functions under this subtitle.

(b) FEES.—

(1) APPLICATION FEE.—An eligible chartering authority may charge an eligible applicant a fee, not to exceed $150, for processing a petition to establish a public charter school.

(2) ADMINISTRATION FEE.—In the case of an eligible chartering authority that has granted a charter to a public charter school, the eligible chartering authority may charge the school a fee, not to exceed one-half of one percent of the annual budget of the school, to cover the cost of undertaking the ongoing administrative responsibilities of the eligible chartering authority with respect to the school that are described in this subtitle. The school shall pay the fee to the eligible chartering authority not later than November 15 of each year.

(c) IMMUNITY FROM CIVIL LIABILITY.—

(1) IN GENERAL.—An eligible chartering authority, the Board of Trustees of such an eligible chartering authority, and a director, officer, employee, or volunteer of such an eligible chartering authority, shall be immune from civil liability, both personally and professionally, for any act or omission within the scope of their official duties unless the act or omission—

(A) constitutes gross negligence;

(B) constitutes an intentional tort; or

(C) is criminal in nature.

(2) COMMON LAW IMMUNITY PRESERVED.—Paragraph (1) shall not be construed to abrogate any immunity under common law of a person described in such paragraph.

(d) ANNUAL REPORT.—On or before July 30 of each year, each eligible chartering authority that issues a charter under this subtitle shall submit a report to the Mayor, the District of Columbia Council, the Board of Education, the Secretary of Education, the appropriate congressional committees, and the Consensus Commission that includes the following information:

(1) A list of the members of the eligible chartering authority and the addresses of such members.

(2) A list of the dates and places of each meeting of the eligible chartering authority during the year preceding the report.

(3) The number of petitions received by the eligible chartering authority for the conversion of a District of Columbia public school or a private or independent school to a public charter school, and for the creation of a new school as a public charter school.

(4) The number of petitions described in paragraph (3) that were approved and the number that were denied, as well as a summary of the reasons for which such petitions were denied.

(5) A description of any new charters issued by the eligible chartering authority during the year preceding the report.

(6) A description of any charters renewed by the eligible chartering authority during the year preceding the report.

(7) A description of any charters revoked by the eligible chartering authority during the year preceding the report.

(8) A description of any charters refused renewal by the eligible chartering authority during the year preceding the report.

(9) Any recommendations the eligible chartering authority has concerning ways to improve the administration of public charter schools.

SEC. 2212. CHARTER RENEWAL.

(a) TERM.—A charter granted to a public charter school shall remain in force for a 5-year period, but may be renewed for an unlimited number of times, each time for a 5-year period.

(b) APPLICATION FOR CHARTER RENEWAL.—In the case of a public charter school that desires to renew its charter, the Board of Trustees of the school shall file an application to renew the charter with the eligible chartering authority that granted the charter not later than 120 days nor earlier than 365 days before the expiration of the charter. The application shall contain the following:

(1) A report on the progress of the public charter school in achieving the goals, student academic achievement expectations, and other terms of the approved charter.

(2) All audited financial statements for the public charter school for the preceding 4 years.

(c) APPROVAL OF CHARTER RENEWAL APPLICATION.—The eligible chartering authority that granted a charter shall approve an application to renew the charter that is filed in accordance with subsection (b), except that the eligible chartering authority shall not approve such application if the eligible chartering authority determines that—

(1) the school committed a material violation of applicable laws or a material violation of the conditions, terms, standards, or procedures set forth in its charter, including violations relating to the education of children with disabilities; or

(2) the school failed to meet the goals and student academic achievement expectations set forth in its charter.

(d) PROCEDURES FOR CONSIDERATION OF CHARTER RENEWAL.—

(1) NOTICE OF RIGHT TO HEARING.—An eligible chartering authority that has received an application to renew a charter that is filed by a Board of Trustees in accordance with subsection (b) shall provide to the Board of Trustees written notice of the right to an informal hearing on the application. The eligible chartering authority shall provide the notice not later than 15 days after the date on which the eligible chartering authority received the application.

(2) REQUEST FOR HEARING.—Not later than 15 days after the date on which a Board of Trustees receives a notice under paragraph (1), the Board of Trustees may request, in writing, an informal hearing on the application before the eligible chartering authority.

(3) DATE AND TIME OF HEARING.—

(A) NOTICE.—Upon receiving a timely written request for a hearing under paragraph (2), an eligible chartering authority shall set a date and time for the hearing and shall provide reasonable notice of the date and time, as well as the procedures to be followed at the hearing, to the Board of Trustees.

(B) DEADLINE.—An informal hearing under this subsection shall take place not later than 30 days after an eligible chartering authority receives a timely written request for the hearing under paragraph (2).

(4) FINAL DECISION.—

(A) DEADLINE.—An eligible chartering authority shall render a final decision, in writing, on an application to renew a charter—

(i) not later than 30 days after the date on which the eligible chartering authority provided the written notice of the right to a hearing, in the case of an application with respect to which such a hearing is not held; and

(ii) not later than 30 days after the date on which the hearing is concluded, in the case of an application with respect to which a hearing is held.

(B) REASONS FOR NONRENEWAL.—An eligible chartering authority that denies an application to renew a charter shall state in its decision the reasons for denial.

(5) ALTERNATIVES UPON NONRENEWAL.—If an eligible chartering authority denies an application to renew a charter granted to a public charter school, the Board of Education may—

(A) manage the school directly until alternative arrangements can be made for students at the school; or

(B) place the school in a probationary status that requires the school to take remedial actions, to be determined by the Board of Education, that directly relate to the grounds for the denial.

(6) JUDICIAL REVIEW.—

(A) AVAILABILITY OF REVIEW.—A decision by an eligible chartering authority to deny an application to renew a charter shall be subject to judicial review by an appropriate court of the District of Columbia.

(B) STANDARD OF REVIEW.—A decision by an eligible chartering authority to deny an application to renew a charter shall be upheld unless the decision is arbitrary and capricious or clearly erroneous.

SEC. 2213. CHARTER REVOCATION.

(a) CHARTER OR LAW VIOLATIONS.—An eligible chartering authority that has granted a charter to a public charter school may revoke the charter if the eligible chartering authority determines that the school has committed a violation of applicable laws or a material violation of the conditions, terms, standards, or procedures set forth in the charter, including violations relating to the education of children with disabilities.

(b) FISCAL MISMANAGEMENT.—An eligible chartering authority that has granted a charter to a public charter school shall revoke the charter if the eligible chartering authority determines that the school—

(1) has engaged in a pattern of nonadherence to generally accepted accounting principles;

(2) has engaged in a pattern of fiscal mismanagement; or

(3) is no longer economically viable.

(c) PROCEDURES FOR CONSIDERATION OF REVOCATION.—

(1) NOTICE OF RIGHT TO HEARING.—An eligible chartering authority that is proposing to revoke a charter granted to a public charter school shall provide to the Board of Trustees of the school a written notice stating the reasons for the proposed revocation. The notice shall inform the Board of Trustees of the right of the Board of Trustees to an informal hearing on the proposed revocation.

(2) REQUEST FOR HEARING.—Not later than 15 days after the date on which a Board of Trustees receives a notice under paragraph (1), the Board of Trustees may request, in writing, an informal hearing on the proposed revocation before the eligible chartering authority.

(3) DATE AND TIME OF HEARING.—

(A) NOTICE.—Upon receiving a timely written request for a hearing under paragraph (2), an eligible chartering authority shall set a date and time for the hearing and shall provide reasonable notice of the date and time, as well as the procedures to be followed at the hearing, to the Board of Trustees.

(B) DEADLINE.—An informal hearing under this subsection shall take place not later than 30 days after an eligible chartering authority receives a timely written request for the hearing under paragraph (2).

(4) FINAL DECISION.—

(A) DEADLINE.—An eligible chartering authority shall render a final decision, in writing, on the revocation of a charter—

(i) not later than 30 days after the date on which the eligible chartering authority provided the written notice of the right to a hearing, in the case of a proposed revocation with respect to which such a hearing is not held; and

(ii) not later than 30 days after the date on which the hearing is concluded, in the case of a proposed revocation with respect to which a hearing is held.

(B) REASONS FOR REVOCATION.—An eligible chartering authority that revokes a charter shall state in its decision the reasons for the revocation.

(5) ALTERNATIVES UPON REVOCATION.—If an eligible chartering authority revokes a charter granted to a public charter school, the Board of Education may manage the school directly until alternative arrangements can be made for students at the school.

(6) JUDICIAL REVIEW.—

(A) AVAILABILITY OF REVIEW.—A decision by an eligible chartering authority to revoke a charter shall be subject to judicial review by an appropriate court of the District of Columbia.

(B) STANDARD OF REVIEW.—A decision by an eligible chartering authority to revoke a charter shall be upheld unless the decision is arbitrary and capricious or clearly erroneous.

SEC. 2214. PUBLIC CHARTER SCHOOL BOARD.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established within the District of Columbia Government a Public Charter School Board (in this section referred to as the "Board").

(2) MEMBERSHIP.—The Secretary of Education shall present the Mayor a list of 15 individuals the Secretary determines are qualified to serve on the Board. The Mayor, in consultation with the District of Columbia City Council, shall appoint 7 individuals from the list to serve on the Board. The Secretary of Education shall recommend, and the Mayor shall appoint, members to serve on the Board so that a knowledge of each of the following areas is represented on the Board:

(A) Research about and experience in student learning, quality teaching, and evaluation of and accountability in successful schools.

(B) The operation of a financially sound enterprise, including leadership and management techniques, as well as the budgeting and accounting skills critical to the startup of a successful enterprise.

(C) The educational, social, and economic development needs of the District of Columbia.

(D) The needs and interests of students and parents in the District of Columbia, as well as methods of involving parents and other members of the community in individual schools.

(3) VACANCIES.—Any time there is a vacancy in the membership of the Board, the Secretary of Education shall present the Mayor a list of 3 individuals the Secretary determines are qualified to serve on the Board. The Mayor, in consultation with the District of Columbia Council, shall appoint 1 individual from the list to serve on the Board. The Secretary shall recommend and the Mayor shall appoint, such member of the Board taking into consideration the criteria described in paragraph (2). Any member appointed to fill a vacancy occurring prior to the expiration of the term of a predecessor shall be appointed only for the remainder of the term.

(4) TIME LIMIT FOR APPOINTMENTS.—If, at any time, the Mayor does not appoint members to the Board sufficient to bring the Board's membership to 7 within 30 days of receiving a recommendation from the Secretary of Education under paragraph (2) or (3), the Secretary shall make such appointments as are necessary to bring the membership of the Board to 7.

(5) TERMS OF MEMBERS.—

(A) IN GENERAL.—Members of the Board shall serve for terms of 4 years, except that, of the initial appointments made under paragraph (2), the Mayor shall designate—

(i) 2 members to serve terms of 3 years;

(ii) 2 members to serve terms of 2 years; and

(iii) 1 member to serve a term of 1 year.

(B) REAPPOINTMENT.—Members of the Board shall be eligible to be reappointed for one 4-year term beyond their initial term of appointment.

(6) INDEPENDENCE.—No person employed by the District of Columbia public schools or a public charter school shall be eligible to be a member of the Board or to be employed by the Board.

(b) OPERATIONS OF THE BOARD.—

(1) CHAIR.—The members of the Board shall elect from among their membership 1 individual to serve as Chair. Such election shall be held each year after members of the Board have been appointed to fill any vacancies caused by the regular expiration of previous members' terms, or when requested by a majority vote of the members of the Board.

(2) QUORUM.—A majority of the members of the Board, not including any positions that may be vacant, shall constitute a quorum sufficient for conducting the business of the Board.

(3) MEETINGS.—The Board shall meet at the call of the Chair, subject to the hearing requirements of sections 2203, 2212(d)(3), and 2213(c)(3).

(c) NO COMPENSATION FOR SERVICE.—Members of the Board shall serve without pay, but may receive reimbursement for any reasonable and necessary expenses incurred by reason of service on the Board.

(d) PERSONNEL AND RESOURCES.—

(1) IN GENERAL.—Subject to such rules as may be made by the Board, the Chair shall have the power to appoint, terminate, and fix the pay of an Executive Director and such other personnel of the Board as the Chair considers necessary, but no individual so appointed shall be paid in excess of the rate payable for level EG–16 of the Educational Service of the District of Columbia.

(2) SPECIAL RULE.—The Board is authorized to use the services, personnel, and facilities of the District of Columbia.

(e) EXPENSES OF BOARD.—Any expenses of the Board shall be paid from such funds as may be available to the Mayor.

(f) AUDIT.—The Board shall provide for an audit of the financial statements of the Board by an independent certified public accountant in accordance with Government auditing standards for financial audits issued by the Comptroller General of the United States.

(g) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out the provisions of this section and conducting the Board's functions required by this subtitle, there are authorized to be appropriated $300,000 for fiscal year 1996 and such sums as may be necessary for each of the 4 succeeding fiscal years.

SEC. 2215. FEDERAL ENTITIES.

(a) IN GENERAL.—The following Federal agencies and federally established entities are encouraged to explore whether it is feasible for the agency or entity to establish one or more public charter schools:

(1) The Library of Congress.

(2) The National Aeronautics and Space Administration.

(3) The Drug Enforcement Administration.

(4) The National Science Foundation.

(5) The Department of Justice.

(6) The Department of Defense.

(7) The Department of Education.

(8) The Smithsonian Institution, including the National Zoological Park, the National Museum of American History, the John F. Kennedy Center for the Performing Arts, and the National Gallery of Art.

(b) REPORT.—Not later than 120 days after date of enactment of this Act, any agency or institution described in subsection (a) that has explored the feasibility of establishing a public charter school shall report its determination on the feasibility to the appropriate committees of the Congress.

Subtitle C—Even Start

SEC. 2301. AMENDMENTS FOR EVEN START PROGRAMS.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 1002 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6302) is amended by striking subsection (b) and inserting the following:

"(b) EVEN START.—

"(1) IN GENERAL.—For the purpose of carrying out part B, there are authorized to be appropriated $118,000,000 for fiscal year 1995 and such sums as may be necessary for each of the four succeeding fiscal years.

"(2) DISTRICT OF COLUMBIA.—For the purpose of carrying out Even Start programs in the District of Columbia described in section 1211, there are authorized to be appropriated—

"(A) $2,000,000 for fiscal year 1996;

"(B) $3,500,000 for fiscal year 1997;

"(C) $5,000,000 for fiscal year 1998;

"(D) $5,000,000 for fiscal year 1999; and

"(E) $5,000,000 for fiscal year 2000.".

(b) EVEN START FAMILY LITERACY PROGRAMS.—Part B of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6361 et seq.) is amended—

(1) in section 1202(a)(1) (20 U.S.C. 6362(a)(1)), by inserting "(1)" after "1002(b)";

(2) in section 1202(b) (20 U.S.C. 6362(b)), by inserting "(1)" after "1002(b)";

(3) in section 1202(d)(3) (20 U.S.C. 6362(d)(3)), by inserting "(1)" after "1002(b)";

(4) in section 1204(a) (20 U.S.C. 6364(a)), by inserting "intensive" after "cost of providing";

(5) in section 1205(4) (20 U.S.C. 6365(4)), by inserting ", intensive" after "high-quality"; and

(6) by adding at the end the following new section:

"SEC. 1211. DISTRICT OF COLUMBIA EVEN START INITIATIVES.

"(a) DISTRICT OF COLUMBIA PROGRAM AUTHORIZED.—

"(1) IN GENERAL.—In addition to any grant for the District of Columbia authorized under section 1202, the Secretary shall provide grants, on a competitive basis, to eligible entities to enable such entities to carry out Even Start programs in the District of Columbia that build on the findings of the National Evaluation of the Even Start Family Literacy Program, such as providing intensive services in early childhood education, parent training, and adult literacy or adult education.

"(2) NUMBER OF GRANTS.—The Secretary shall award—

"(A) not more than 8 grants under this section for fiscal year 1996;

"(B) not more than 14 grants under this section for fiscal year 1997;

"(C) not more than 20 grants under this section for each of the fiscal years 1998 and 1999; and

"(D) not more than 20 grants under this section, or such number as the Secretary determines appropriate taking into account the results of evaluations described in subsection (i), for fiscal year 2000.

"(b) DEFINITION.—For the purpose of this section, the term 'eligible entity' means a partnership composed of at least—

"(1) a District of Columbia public school;

"(2) the local educational agency in existence on September 1, 1995 for the District of Columbia, any other public organization, or an institution of higher education (as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))); and

"(3) a private nonprofit community-based organization.

"(c) USES OF FUNDS; FEDERAL SHARE.—

"(1) COMPLIANCE.—Each eligible entity that receives funds under this section shall comply with section 1204(a) and 1204(b)(3), relating to the use of such funds.

"(2) FEDERAL SHARE.—Each program funded under this section is subject to the Federal share requirement of section 1204(b)(1), except that the Secretary may waive that requirement, in whole or in part, for any eligible entity that demonstrates to the Secretary's satisfaction that such entity otherwise would not be able to participate in the program under this section.

"(3) MINIMUM.—Except as provided in paragraph (4), each eligible entity selected to receive a grant under this section shall receive not more than $250,000 in any fiscal year, except that the Secretary may increase such amount if the Secretary determines that—

"(A) such entity needs additional funds to be effective; and

"(B) the increase will not reduce the amount of funds available to other eligible entities that receive funds under this section.

"(4) REMAINING FUNDS.—If funds remain after payments are made under paragraph (3) for any fiscal year, the Secretary shall make such remaining funds available to each eligible entity receiving a grant under this section for such year in an amount that bears the same relation to such funds as the amount each such entity received under this section bears to the amount all such entities received under this section.

"(d) PROGRAM ELEMENTS.—Each program assisted under this section shall comply with the program elements described in section 1205, including intensive high quality instruction programs of early childhood education, parent training, and adult literacy or adult education.

"(e) ELIGIBLE PARTICIPANTS.—

"(1) IN GENERAL.—Individuals eligible to participate in a program under this section are—

"(A) the parent or parents of a child described in subparagraph (B), or any other adult who is substantially involved in the day-to-day care of the child, if such parent or adult—

"(i) is eligible to participate in an adult education program under the Adult Education Act; or

"(ii) is attending, or is eligible by age to attend, a District of Columbia public school; and

"(B) any child, from birth through age 7, of an individual described in subparagraph (A).

"(2) ELIGIBILITY REQUIREMENTS.—The eligibility factors described in section 1206(b) shall apply to programs under this section, except that for purposes of this section—

"(A) the reference in paragraph (1) to subsection (a) shall be read to refer to paragraph (1); and

"(B) references in such section to this part shall be read to refer to this section.

"(f) APPLICATIONS.—Each eligible entity that wishes to receive a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

"(g) SELECTION OF GRANTEES.—In awarding grants under this section, the Secretary shall—

"(1) use the selection criteria described in subparagraphs (A) through (F), and (H), of section 1208(a)(1); and

"(2) give priority to applications for programs that—

"(A) target services to schools in which a schoolwide program is being conducted under section 1114; or

"(B) are located in areas designated as empowerment zones or enterprise communities.

"(h) DURATION OF PROGRAMS.—The priority for subgrants described in section 1208(a)(2), and the progress requirement described in section 1208(b)(4), shall apply to grants made under this section, except that—

"(1) references in those sections to the State educational agency and to subgrants shall be read to refer to the Secretary and to grants under this section, respectively; and

"(2) notwithstanding section 1208(b), the Secretary shall not provide continuation funding to a grant recipient under this section if the Secretary determines, after affording the recipient notice and an opportunity for a hearing, that the recipient has not made substantial progress in accomplishing the objectives of this section.

"(i) TECHNICAL ASSISTANCE AND EVALUATION.—

"(1) TECHNICAL ASSISTANCE.—(A) The Secretary shall use not more than 5 percent of the amounts authorized under section 1002(b)(2) for any fiscal year—

"(i) to provide technical assistance to eligible entities, including providing funds to one or more District of Columbia nonprofit organizations to enable such organizations to provide technical assistance to eligible entities in the areas of community development and coalition building; and

"(ii) for the evaluation conducted pursuant to paragraph (2).

"(B) The Secretary shall allocate 5 percent of the amounts authorized under section 1002(b)(2) for any fiscal year to enter into a contract with the National Center for Family Literacy for the provision of technical assistance to eligible entities.

"(2) EVALUATION.—(A) The Secretary shall use funds available under paragraph (1)(A)—

"(i) to provide for independent evaluations of programs under this section in order to determine the effectiveness of such programs in providing high quality family literacy services, including—

"(I) intensive and high quality early childhood education;

"(II) intensive and high quality services in adult literacy or adult education;

"(III) intensive and high quality services in parent training;

"(IV) coordination with related programs; and

"(V) training of related personnel in appropriate skill areas; and

"(ii) to determine if the grant amount provided to eligible recipients to carry out such projects is appropriate to accomplish the objectives of this section.

"(B)(i) Such evaluation shall be conducted by individuals not directly involved in the administration of a program operated with funds provided under this section. Such independent evaluators and the program administrators shall jointly develop evaluation criteria which provide for appropriate analysis of the factors listed in subparagraph (A).

"(ii) In order to determine a program's effectiveness, each evaluation shall contain objective measures of such effectiveness, and whenever feasible, shall contain the specific views of program participants about such programs.

"(C) The Secretary shall prepare and submit to the appropriate congressional committees a report regarding the results of such evaluations not later than March 1, 1999. The Secretary shall provide an interim report regarding the results of such evaluations by March 1, 1998.".

Subtitle D—World Class Schools Task Force, Core Curriculum, Content Standards, Assessments, and Promotion Gates

PART 1—WORLD CLASS SCHOOLS TASK FORCE, CORE CURRICULUM, CONTENT STANDARDS, AND ASSESSMENTS

SEC. 2411. GRANT AUTHORIZED AND RECOMMENDATION REQUIRED.

(a) GRANT AUTHORIZED.—

(1) IN GENERAL.—The Superintendent is authorized to award a grant to a World Class Schools Task Force to enable such task force to make the recommendation described in subsection (b).

(2) DEFINITION.—For the purpose of this subtitle, the term "World Class Schools Task Force" means 1 nonprofit organization located in the District of Columbia that—

(A) has a national reputation for advocating content standards;

(B) has a national reputation for advocating a strong liberal arts curriculum;

(C) has experience with at least 4 urban school districts for the purpose of establishing content standards;

(D) has developed and managed professional development programs in science, mathematics, the humanities and the arts; and

(E) is governed by an independent board of directors composed of citizens with a variety of experiences in education and public policy.

(b) RECOMMENDATION REQUIRED.—

(1) IN GENERAL.—The World Class Schools Task Force shall recommend to the Superintendent, the Board of Education, and the District of Columbia Goals Panel the following:

(A) Content standards in the core academic subjects that are developed by working with the District of Columbia community, which standards shall be developed not later than 12 months after the date of enactment of this Act.

(B) A core curriculum developed by working with the District of Columbia community, which curriculum shall include the teaching of computer skills.

(C) Districtwide assessments for measuring student achievement in accordance with content standards developed under subparagraph (A). Such assessments shall be developed at several grade levels, including at a minimum, the grade levels with respect to which the Superintendent establishes promotion gates under section 2421. To the extent feasible, such assessments shall, at a minimum, be designed to provide information that permits comparisons between—

(i) individual District of Columbia public schools and public charter schools; and

(ii) individual students attending such schools.

(D) Model professional development programs for teachers using the standards and curriculum developed under subparagraphs (A) and (B).

(2) Special Rule.—The World Class Schools Task Force is encouraged, to the extent practicable, to develop districtwide assessments described in paragraph (1)(C) that permit comparisons among—

(A) individual District of Columbia public schools and public charter schools, and individual students attending such schools; and

(B) students of other nations.

(c) Content.—The content standards and assessments recommended under subsection (b) shall be judged by the World Class Schools Task Force to be world class, including having a level of quality and rigor, or being analogous to content standards and assessments of other States or nations (including nations whose students historically score high on international studies of student achievement).

(d) Submission to Board of Education for Adoption.—If the content standards, curriculum, assessments, and programs recommended under subsection (b) are approved by the Superintendent, the Superintendent may submit such content standards, curriculum, assessments, and programs to the Board of Education for adoption.

SEC. 2412. CONSULTATION.

The World Class Schools Task Force shall conduct its duties under this part in consultation with—

(1) the District of Columbia Goals Panel;

(2) officials of the District of Columbia public schools who have been identified by the Superintendent as having responsibilities relevant to this part, including the Deputy Superintendent for Curriculum;

(3) the District of Columbia community, with particular attention given to educators, and parent and business organizations; and

(4) any other persons or groups that the task force deems appropriate.

SEC. 2413. ADMINISTRATIVE PROVISIONS.

The World Class Schools Task Force shall ensure public access to its proceedings (other than proceedings, or portions of proceedings, relating to internal personnel and management matters) that are relevant to its duties under this part and shall make available to the public, at reasonable cost, transcripts of such proceedings.

SEC. 2414. CONSULTANTS.

Upon the request of the World Class Schools Task Force, the head of any department or agency of the Federal Government may detail any of the personnel of such agency to such task force to assist such task force in carrying out such task force's duties under this part.

SEC. 2415. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $2,000,000 for fiscal year 1996 to carry out this part. Such funds shall remain available until expended.

PART 2—PROMOTION GATES

SEC. 2421. PROMOTION GATES.

(a) Kindergarten Through 4th Grade.—Not later than one year after the date of adoption in accordance with section 2411(d) of the assessments described in section 2411(b)(1)(C), the Superintendent shall establish and implement promotion gates for mathematics, reading, and writing, for not less than 1 grade level from kindergarten through grade 4, including at least grade 4, and shall establish dates for establishing such other promotion gates for other subject areas.

(b) 5th Through 8th Grades.—Not later than one year after the adoption in accordance with section 2411(d) of the assessments described in section 2411(b)(1)(C), the Superintendent shall establish and implement promotion gates with respect to not less than one grade level from grade 5 through grade 8, including at least grade 8.

(c) 9th Through 12th Grades.—Not later than one year after the adoption in accordance with section 2411(d) of the assessments described in section 2411(b)(1)(C), the Superintendent shall establish and implement promotion gates with respect to not less than one grade level from grade 9 through grade 12, including at least grade 12.

Subtitle E—Per Capita District of Columbia Public School and Public Charter School Funding

SEC. 2501. ANNUAL BUDGETS FOR SCHOOLS.

(a) In General.—For fiscal year 1997 and for each subsequent fiscal year, the Mayor shall make annual payments from the general fund of the District of Columbia in accordance with the formula established under subsection (b).

(b) Formula.—

(1) In general.—The Mayor and the District of Columbia Council, in consultation with the Board of Education and the Superintendent, shall establish on or before April 15, 1996, a formula to determine the amount of—

(A) the annual payment to the Board of Education for the operating expenses of the District of Columbia public schools, which for purposes of this paragraph includes the operating expenses of the Board of Education and the Office of the Superintendent; and

(B) the annual payment to each public charter school for the operating expenses of each public charter school.

(2) Formula calculation.—Except as provided in paragraph (3), the amount of the annual payment under paragraph (1) shall be calculated by multiplying a uniform dollar amount used in the formula established under such paragraph by—

(A) the number of students calculated under section 2502 that are enrolled at District of Columbia public schools, in the case of the payment under paragraph (1)(A); or

(B) the number of students calculated under section 2502 that are enrolled at each public charter school, in the case of a payment under paragraph (1)(B).

(3) Exceptions.—

(A) Formula.—Notwithstanding paragraph (2), the Mayor and the District of Columbia Council, in consultation with the Board of Education and the Superintendent, may adjust the formula to increase or decrease the amount of the annual payment to the District of Columbia public schools or each public charter school based on a calculation of—

(i) the number of students served by such schools in certain grade levels; and

(ii) the cost of educating students at such certain grade levels.

(B) Payment.—Notwithstanding paragraph (2), the Mayor and the District of Columbia Council, in consultation with the Board of Education and the Superintendent, may adjust the amount of the annual payment under paragraph (1) to increase the amount of such payment if a District of Columbia public school or a public charter school serves a high number of students—

(i) with special needs; or

(ii) who do not meet minimum literacy standards.

SEC. 2502. CALCULATION OF NUMBER OF STUDENTS.

(a) School Reporting Requirement.—

(1) In general.—Not later than September 15, 1996, and not later than September 15 of each year thereafter, each District of Columbia public school and public charter school shall submit a report to the Mayor and the Board of Education containing the information described in subsection (b) that is applicable to such school.

(2) Special rule.—Not later than April 1, 1997, and not later than April 1 of each year thereafter, each public charter school shall submit a report in the same form and manner as described in paragraph (1) to ensure accurate payment under section 2503(a)(2)(B)(ii).

(b) Calculation of Number of Students.—Not later than 30 days after the date of the enactment of this Act, and not later than October 15 of each year thereafter, the Board of Education shall calculate the following:

(1) The number of students, including nonresident students and students with special needs, enrolled in each grade from kindergarten through grade 12 of the District of Columbia public schools and in public charter schools, and the number of students whose tuition for enrollment in other schools is paid for with funds available to the District of Columbia public schools.

(2) The amount of fees and tuition assessed and collected from the nonresident students described in paragraph (1).

(3) The number of students, including nonresident students, enrolled in preschool and prekindergarten in the District of Columbia public schools and in public charter schools.

(4) The amount of fees and tuition assessed and collected from the nonresident students described in paragraph (3).

(5) The number of full time equivalent adult students enrolled in adult, community, continuing, and vocational education programs in the District of Columbia public schools and in public charter schools.

(6) The amount of fees and tuition assessed and collected from resident and nonresident adult students described in paragraph (5).

(7) The number of students, including nonresident students, enrolled in nongrade level programs in District of Columbia public schools and in public charter schools.

(8) The amount of fees and tuition assessed and collected from nonresident students described in paragraph (7).

(c) Annual Reports.—Not later than 30 days after the date of the enactment of this Act, and not later than October 15 of each year thereafter, the Board of Education shall prepare and submit to the Authority, the Mayor, the District of Columbia Council, the Consensus Commission, the Comptroller General of the United States, and the appropriate congressional committees a report containing a summary of the most recent calculations made under subsection (b).

(d) Audit of Initial Calculations.—

(1) In general.—The Board of Education shall arrange with the Authority to provide for the conduct of an independent audit of the initial calculations described in subsection (b).

(2) Conduct of audit.—In conducting the audit, the independent auditor—

(A) shall provide an opinion as to the accuracy of the information contained in the report described in subsection (c); and

(B) shall identify any material weaknesses in the systems, procedures, or methodology used by the Board of Education—

(i) in determining the number of students, including nonresident students, enrolled in the District of Columbia public schools and in public charter schools, and the number of students whose tuition for enrollment in other school systems is paid for by funds available to the District of Columbia public schools; and

(ii) in assessing and collecting fees and tuition from nonresident students.

(3) Submission of audit.—Not later than 45 days, or as soon thereafter as is practicable, after the date on which the Authority receives the initial annual report from the Board of Education under subsection (c), the Authority shall submit to the Board of Education, the Mayor, the District of Columbia Council, and the appropriate congressional committees, the audit conducted under this subsection.

(4) COST OF THE AUDIT.—The Board of Education shall reimburse the Authority for the cost of the independent audit, solely from amounts appropriated to the Board of Education for staff, stipends, and other-than-personal-services of the Board of Education by an Act making appropriations for the District of Columbia.

SEC. 2503. PAYMENTS.

(a) IN GENERAL.—

(1) ESCROW FOR PUBLIC CHARTER SCHOOLS.—Except as provided in subsection (b), for any fiscal year, not later than 10 days after the date of enactment of an Act making appropriations for the District of Columbia for such fiscal year, the Mayor shall place in escrow an amount equal to the aggregate of the amounts determined under section 2501(b)(1)(B) for use only by District of Columbia public charter schools.

(2) TRANSFER OF ESCROW FUNDS.—

(A) INITIAL PAYMENT.—Not later than October 15, 1996, and not later than October 15 of each year thereafter, the Mayor shall transfer, by electronic funds transfer, an amount equal to 75 percent of the amount of the annual payment for each public charter school determined by using the formula established pursuant to section 2501(b) to a bank designated by such school.

(B) FINAL PAYMENT.—

(i) Except as provided in clause (ii), not later than May 1, 1997, and not later than May 1 of each year thereafter, the Mayor shall transfer the remainder of the annual payment for a public charter school in the same manner as the initial payment was made under subparagraph (A).

(ii) Not later than March 15, 1997, and not later than March 15 of each year thereafter, if the enrollment number of a public charter school has changed from the number reported to the Mayor and the Board of Education, as required under section 2502(a), the Mayor shall increase the payment in an amount equal to 50 percent of the amount provided for each student who has enrolled in such school in excess of such enrollment number, or shall reduce the payment in an amount equal to 50 percent of the amount provided for each student who has withdrawn or dropped out of such school below such enrollment number.

(C) PRO RATA REDUCTION OR INCREASE IN PAYMENTS.—

(i) PRO RATA REDUCTION.—If the funds made available to the District of Columbia Government for the District of Columbia public school system and each public charter school for any fiscal year are insufficient to pay the full amount that such system and each public charter school is eligible to receive under this subtitle for such year, the Mayor shall ratably reduce such amounts for such year on the basis of the formula described in section 2501(b).

(ii) INCREASE.—If additional funds become available for making payments under this subtitle for such fiscal year, amounts that were reduced under subparagraph (A) shall be increased on the same basis as such amounts were reduced.

(D) UNEXPENDED FUNDS.—Any funds that remain in the escrow account for public charter schools on September 30 of a fiscal year shall revert to the general fund of the District of Columbia.

(b) EXCEPTION FOR NEW SCHOOLS.—

(1) AUTHORIZATION.—There are authorized to be appropriated $200,000 for each fiscal year to carry out this subsection.

(2) DISBURSEMENT TO MAYOR.—The Secretary of the Treasury shall make available and disburse to the Mayor, not later than August 1 of each of the fiscal years 1996 through 2000, such funds as have been appropriated under paragraph (1).

(3) ESCROW.—The Mayor shall place in escrow, for use by public charter schools, any sum disbursed under paragraph (2) and not paid under paragraph (4).

(4) PAYMENTS TO SCHOOLS.—The Mayor shall pay to public charter schools described in paragraph (5), in accordance with this subsection, any sum disbursed under paragraph (2).

(5) SCHOOLS DESCRIBED.—The schools referred to in paragraph (4) are public charter schools that—

(A) did not operate as public charter schools during any portion of the fiscal year preceding the fiscal year for which funds are authorized to be appropriated under paragraph (1); and

(B) operated as public charter schools during the fiscal year for which funds are authorized to be appropriated under paragraph (1).

(6) FORMULA.—

(A) 1996.—The amount of the payment to a public charter school described in paragraph (5) that begins operation in fiscal year 1996 shall be calculated by multiplying $6,300 by $^{1}/_{12}$ of the total anticipated enrollment as set forth in the petition to establish the public charter school; and

(B) 1997 THROUGH 2000.—The amount of the payment to a public charter school described in paragraph (5) that begins operation in any of fiscal years 1997 through 2000 shall be calculated by multiplying the uniform dollar amount used in the formula established under section 2501(b) by $^{1}/_{12}$ of the total anticipated enrollment as set forth in the petition to establish the public charter school.

(7) PAYMENT TO SCHOOLS.—

(A) TRANSFER.—On September 1 of each of the years 1996 through 2000, the Mayor shall transfer, by electronic funds transfer, the amount determined under paragraph (6) for each public charter school from the escrow account established under subsection (a) to a bank designated by each such school.

(B) PRO RATA AND REMAINING FUNDS.—Subparagraphs (C) and (D) of subsection (a)(2) shall apply to payments made under this subsection, except that for purposes of this subparagraph references to District of Columbia public schools in such subparagraphs (C) and (D) shall be read to refer to public charter schools.

Subtitle F—School Facilities Repair and Improvement

SEC. 2550. DEFINITIONS.

For purposes of this subtitle—

(1) the term "facilities" means buildings, structures, and real property of the District of Columbia public schools, except that such term does not include any administrative office building that is not located in a building containing classrooms; and

(2) the term "repair and improvement" includes administration, construction, and renovation.

PART 1—SCHOOL FACILITIES

SEC. 2551. TECHNICAL ASSISTANCE.

(a) IN GENERAL.—Not later than 90 days after the date of enactment of this Act the Administrator of the General Services Administration shall enter into a Memorandum of Agreement or Understanding (referred to in this subtitle as the "Agreement") with the Superintendent regarding the terms under which the Administrator will provide technical assistance and related services with respect to District of Columbia public schools facilities management in accordance with this section.

(b) TECHNICAL ASSISTANCE AND RELATED SERVICES.—The technical assistance and related services described in subsection (a) shall include—

(1) the Administrator consulting with and advising District of Columbia public school personnel responsible for public schools facilities management, including repair and improvement with respect to facilities management of such schools;

(2) the Administrator assisting the Superintendent in developing a systemic and comprehensive facilities revitalization program, for the repair and improvement of District of Columbia public school facilities, which program shall—

(A) include a list of facilities to be repaired and improved in a recommended order of priority;

(B) provide the repair and improvement required to support modern technology; and

(C) take into account the Preliminary Facilities Master Plan 2005 (prepared by the Superintendent's Task Force on Education Infrastructure for the 21st Century);

(3) the method by which the Superintendent will accept donations of private goods and services for use by the District of Columbia public schools without regard to any law or regulation of the District of Columbia;

(4) the Administrator recommending specific repair and improvement projects in District of Columbia public school facilities to the Superintendent that are appropriate for completion by members and units of the National Guard and the Reserves in accordance with the program developed under paragraph (2);

(5) upon the request of the Superintendent, the Administrator assisting the appropriate District of Columbia public school officials in the preparation of an action plan for the performance of any repair and improvement recommended in the program developed under paragraph (2), which action plan shall detail the technical assistance and related services the Administrator proposes to provide in the accomplishment of the repair and improvement;

(6) upon the request of the Superintendent, and if consistent with the efficient use of resources as determined by the Administrator, the coordination of the accomplishment of any repair and improvement in accordance with the action plan prepared under paragraph (5), except that in carrying out this paragraph, the Administrator shall not be subject to the requirements of title III of the Federal Property and Administrative Services Act of 1949 (42 U.S.C. 471 et seq.), the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), or any other law governing procurements or public contracts, nor shall such action plan be subject to review under the bid protest procedures described in sections 3551 through 3556 of title 31, United States Code, or the Contract Disputes Act of 1978 (41 U.S.C. 601 et seq.);

(7) providing access for the Administrator to all District of Columbia public school facilities as well as permitting the Administrator to request and obtain any record or document regarding such facilities as the Administrator determines necessary, except that any such record or document shall not become a record (as defined in section 552a of title 5, United States Code) of the General Services Administration; and

(8) the Administrator making recommendations regarding how District of Columbia public school facilities may be used by the District of Columbia community for multiple purposes.

(c) AGREEMENT PROVISIONS.—The Agreement shall include—

(1) the procedures by which the Superintendent and Administrator will consult with respect to carrying out this section, including reasonable time frames for such consultation;

(2) the scope of the technical assistance and related services to be provided by the General Services Administration in accordance with this section;

(3) assurances by the Administrator and the Superintendent to cooperate with each other in any way necessary to ensure implementation of

the Agreement, including assurances that funds available to the District of Columbia shall be used to pay the obligations of the District of Columbia public school system that are incurred as a result of actions taken under, or in furtherance of, the Agreement, in addition to funds available to the Administrator for purposes of this section; and

(4) the duration of the Agreement, except that in no event shall the Agreement remain in effect later than the day that is 24 months after the date that the Agreement is signed, or the day that the agency designated pursuant to section 2552(a)(2) assumes responsibility for the District of Columbia public school facilities, whichever day is earlier.

(d) Limitation on Administrator's Liability.—No claim, suit, or action may be brought against the Administrator in connection with the discharge of the Administrator's responsibilities under this subtitle.

(e) Special Rule.—Notwithstanding any other provision of law, the Administrator is authorized to accept and use a conditioned gift made for the express purpose of repairing or improving a District of Columbia public school, except that the Administrator shall not be required to carry out any repair or improvement under this section unless the Administrator accepts a donation of private goods or services sufficient to cover the costs of such repair or improvement.

(f) Effective Date.—This subtitle shall cease to be effective on the earlier day specified in subsection (c)(4).

SEC. 2552. FACILITIES REVITALIZATION PROGRAM.

(a) Program.—Not later than 24 months after the date that the Agreement is signed, the Mayor and the District of Columbia Council in consultation with the Administrator, the Authority, the Board of Education, and the Superintendent, shall—

(1) design and implement a comprehensive long-term program for the repair and improvement, and maintenance and management, of the District of Columbia public school facilities, which program shall incorporate the work completed in accordance with the program described in section 2551(b)(2); and

(2) designate a new or existing agency or authority within the District of Columbia Government to administer such program.

(b) Proceeds.—Such program shall include—

(1) identifying short-term funding for capital and maintenance of facilities, which may include retaining proceeds from the sale or lease of a District of Columbia public school facility; and

(2) identifying and designating long-term funding for capital and maintenance of facilities.

(c) Implementation.—Upon implementation of such program, the agency or authority created or designated pursuant to subsection (a)(2) shall assume authority and responsibility for the repair and improvement, and maintenance and management, of District of Columbia public schools.

SEC. 2553. AUTHORIZATION OF APPROPRIATIONS FOR ENGINEERING PLANS.

There are authorized to be appropriated to the Administrator, $500,000 for fiscal year 1996, which funds only shall be available for the costs of engineering plans developed to carry out this subtitle.

PART 2—WAIVERS

SEC. 2561. WAIVERS.

(a) In General.—

(1) Requirements waived.—Subject to subsection (b), all District of Columbia fees and all requirements contained in the document entitled "District of Columbia Public Schools Standard Contract Provisions" (as such document was in effect on November 2, 1995 and including any revisions or modifications to such document) published by the District of Columbia public schools for use with construction or maintenance projects, are waived, for purposes of repair and improvement of District of Columbia public schools facilities for a period beginning on the date of enactment of this Act and ending 24 months after such date.

(2) Donations and services.—Notwithstanding any other provision of law, any employer may accept, and any person may voluntarily donate, materials and services for the repair and improvement of a District of Columbia public school facility.

(b) Limitation.—A waiver under subsection (a) shall apply only to a contractor, subcontractor, and any other group, entity, or individual who donates materials and services for the repair or improvement of a District of Columbia public school facility.

PART 3—GIFTS, DONATIONS, BEQUESTS, AND DEVISES

SEC. 2571. GIFTS, DONATIONS, BEQUESTS, AND DEVISES.

(a) In General.—A District of Columbia public school or a public charter school may accept directly from any person a gift, donation, bequest, or devise of any property, real or personal, without regard to any law or regulation of the District of Columbia.

(b) Tax Laws.—For the purposes of the income tax, gift tax, and estate tax laws of the Federal Government, any money or other property given, donated, bequeathed, or devised to a District of Columbia public school or a public charter school, shall be deemed to have been given, donated, bequeathed, or devised to or for the use of the District of Columbia.

Subtitle G—Residential School

SEC. 2601. RESIDENTIAL SCHOOL AUTHORIZED.

(a) In General.—The Superintendent is authorized to develop a plan to establish for the District of Columbia a residential school for academic year 1997–1998 and to assist in the startup of such school.

(b) Plan Requirements.—If developed, the plan for the residential school shall include, at a minimum—

(1) options for the location of the school, including the renovation or construction of a facility;

(2) financial plans for the facility, including annual costs to operate the school, capital expenditures required to open the facility, maintenance of facilities, and staffing costs; and

(3) staff development and training plans.

SEC. 2602. USE OF FUNDS.

Funds under this subtitle may be used—

(1) to develop the plan described in section 2601; and

(2) for capital costs associated with the startup of a residential school, including the purchase of real and personal property and the renovation or construction of facilities.

SEC. 2603. FUTURE FUNDING.

The Superintendent shall identify, not later than December 31, 1996, in a report to the Mayor, the District of Columbia Council, the Authority, and the appropriate congressional committees, non-Federal funding sources for the operation of the residential school.

SEC. 2604. GIFTS.

The Superintendent may accept donations of money, property, and personal services for purposes of the establishment and operation of the residential school.

SEC. 2605. AUTHORIZATION OF APPROPRIATIONS.

(a) Plan.—There are authorized to be appropriated to the District of Columbia $100,000 for fiscal year 1996 to develop the plan described in section 2601.

(b) Capital Costs.—There are authorized to be appropriated $1,900,000 for fiscal year 1997 to carry out section 2602(2).

SEC. 2606. ELIGIBILITY FOR SCHOLARSHIPS.

Notwithstanding any other provision of law, the residential school established under this subtitle shall be an eligible institution for the purposes of scholarships awarded under section 2923(d)(2).

Subtitle H—Progress Reports and Accountability

SEC. 2651. SUPERINTENDENT'S REPORT ON REFORMS.

Not later than December 1, 1996, the Superintendent shall submit to the appropriate congressional committees, the Board of Education, the Mayor, the Consensus Commission, and the District of Columbia Council a report regarding the progress of the District of Columbia public schools toward achieving the goals of the long-term reform plan.

SEC. 2652. DISTRICT OF COLUMBIA COUNCIL REPORT.

Not later than April 1, 1997, the Chairperson of the District of Columbia Council shall submit to the appropriate congressional committees a report describing legislative and other actions the District of Columbia Council has taken or will take to facilitate the implementation of the goals of the long-term reform plan.

Subtitle I—Partnerships With Business

SEC. 2701. PURPOSE.

The purpose of this subtitle is—

(1) to leverage private sector funds utilizing initial Federal investments in order to provide students and teachers within the District of Columbia public schools and public charter schools with access to state-of-the-art educational technology;

(2) to establish a regional job training and employment center;

(3) to strengthen workforce preparation initiatives for students within the District of Columbia public schools and public charter schools;

(4) to coordinate private sector investments in carrying out this title; and

(5) to assist the Superintendent with the development of individual career paths in accordance with the long-term reform plan.

SEC. 2702. DUTIES OF THE SUPERINTENDENT OF THE DISTRICT OF COLUMBIA PUBLIC SCHOOLS.

Not later than 45 days after the date of the enactment of this Act, the Superintendent shall provide a grant to a private, nonprofit corporation that meets the eligibility criteria under section 2703 for the purposes of carrying out the duties under sections 2704 and 2707.

SEC. 2703. ELIGIBILITY CRITERIA FOR PRIVATE, NONPROFIT CORPORATION.

A private, nonprofit corporation shall be eligible to receive a grant under section 2702 if the corporation is a national business organization incorporated in the District of Columbia, that—

(1) has a board of directors which includes members who are also chief executive officers of technology-related corporations involved in education and workforce development issues;

(2) has extensive practical experience with initiatives that link business resources and expertise with education and training systems;

(3) has experience in working with State and local educational agencies throughout the United States with respect to the integration of academic studies with workforce preparation programs; and

(4) has a nationwide structure through which additional resources can be leveraged and innovative practices disseminated.

SEC. 2704. DUTIES OF THE PRIVATE, NONPROFIT CORPORATION.

(a) District Education and Learning Technologies Advancement Council.—

(1) Establishment.—The private, nonprofit corporation shall establish a council to be known as the "District Education and Learning

Technologies Advancement Council" (in this subtitle referred to as the "council").

(2) MEMBERSHIP.—

(A) IN GENERAL.—The private, nonprofit corporation shall appoint members to the council. An individual shall be appointed as a member to the council on the basis of the commitment of the individual, or the entity which the individual is representing, to providing time, energy, and resources to the council.

(B) COMPENSATION.—Members of the council shall serve without compensation.

(3) DUTIES.—The council—

(A) shall advise the private, nonprofit corporation with respect to the duties of the corporation under subsections (b) through (e) of this section; and

(B) shall assist the corporation in leveraging private sector resources for the purpose of carrying out such duties.

(b) ACCESS TO STATE-OF-THE-ART EDUCATIONAL TECHNOLOGY.—

(1) IN GENERAL.—The private, nonprofit corporation, in conjunction with the Superintendent, students, parents, and teachers, shall establish and implement strategies to ensure access to state-of-the-art educational technology within the District of Columbia public schools and public charter schools.

(2) ELECTRONIC DATA TRANSFER SYSTEM.—The private, nonprofit corporation shall assist the Superintendent in acquiring the necessary equipment, including computer hardware and software, to establish an electronic data transfer system. The private, nonprofit corporation shall also assist in arranging for training of District of Columbia public school employees in using such equipment.

(3) TECHNOLOGY ASSESSMENT.—

(A) IN GENERAL.—In establishing and implementing the strategies under paragraph (1), the private, nonprofit corporation, not later than September 1, 1996, shall provide for an assessment of the availability, on the date of enactment of this Act, of state-of-the-art educational technology within the District of Columbia public schools and public charter schools.

(B) CONDUCT OF ASSESSMENT.—In providing for the assessment under subparagraph (A), the private, nonprofit corporation—

(i) shall provide for onsite inspections of the state-of-the-art educational technology within a minimum sampling of District of Columbia public schools and public charter schools; and

(ii) shall ensure proper input from students, parents, teachers, and other school officials through the use of focus groups and other appropriate mechanisms.

(C) RESULTS OF ASSESSMENT.—The private, nonprofit corporation shall ensure that the assessment carried out under this paragraph provides, at a minimum, necessary information on state-of-the-art educational technology within the District of Columbia public schools and public charter schools, including—

(i) the extent to which typical District of Columbia public schools have access to such state-of-the-art educational technology and training for such technology;

(ii) how such schools are using such technology;

(iii) the need for additional technology and the need for infrastructure for the implementation of such additional technology;

(iv) the need for computer hardware, software, training, and funding for such additional technology or infrastructure; and

(v) the potential for computer linkages among District of Columbia public schools and public charter schools.

(4) SHORT-TERM TECHNOLOGY PLAN.—

(A) IN GENERAL.—Based upon the results of the technology assessment under paragraph (3), the private, nonprofit corporation shall develop a 3-year plan that includes goals, priorities, and strategies for obtaining the resources necessary to implement strategies to ensure access to state-of-the-art educational technology within the District of Columbia public schools and public charter schools.

(B) IMPLEMENTATION.—The private, nonprofit corporation, in conjunction with schools, students, parents, and teachers, shall implement the plan developed under subparagraph (A).

(5) LONG-TERM TECHNOLOGY PLAN.—Prior to the completion of the implementation of the short-term technology plan under paragraph (4), the private, nonprofit corporation shall develop a plan under which the corporation will continue to coordinate the donation of private sector resources for maintaining the continuous improvement and upgrading of state-of-the-art educational technology within the District of Columbia public schools and public charter schools.

(c) DISTRICT EMPLOYMENT AND LEARNING CENTER.—

(1) ESTABLISHMENT.—The private, nonprofit corporation shall establish a center to be known as the "District Employment and Learning Center" (in this subtitle referred to as the "center"), which shall serve as a regional institute providing job training and employment assistance.

(2) DUTIES.—

(A) JOB TRAINING AND EMPLOYMENT ASSISTANCE PROGRAM.—The center shall establish a program to provide job training and employment assistance in the District of Columbia and shall coordinate with career preparation programs in existence on the date of enactment of this Act, such as vocational education, school-to-work, and career academies in the District of Columbia public schools.

(B) CONDUCT OF PROGRAM.—In carrying out the program established under subparagraph (A), the center—

(i) shall provide job training and employment assistance to youths who have attained the age of 18 but have not attained the age of 26, who are residents of the District of Columbia, and who are in need of such job training and employment assistance for an appropriate period not to exceed 2 years;

(ii) shall work to establish partnerships and enter into agreements with appropriate agencies of the District of Columbia Government to serve individuals participating in appropriate Federal programs, including programs under the Job Training Partnership Act (29 U.S.C. 1501 et seq.), the Job Opportunities and Basic Skills Training Program under part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.), the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.), and the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.);

(iii) shall conduct such job training, as appropriate, through a consortium of colleges, universities, community colleges, businesses, and other appropriate providers, in the District of Columbia metropolitan area;

(iv) shall design modular training programs that allow students to enter and leave the training curricula depending on their opportunities for job assignments with employers; and

(v) shall utilize resources from businesses to enhance work-based learning opportunities and facilitate access by students to work-based learning and work experience through temporary work assignments with employers in the District of Columbia metropolitan area.

(C) COMPENSATION.—The center may provide compensation to youths participating in the program under this paragraph for part-time work assigned in conjunction with training. Such compensation may include need-based payments and reimbursement of expenses.

(d) WORKFORCE PREPARATION INITIATIVES.—

(1) IN GENERAL.—The private, nonprofit corporation shall establish initiatives with the District of Columbia public schools, and public charter schools, appropriate governmental agencies, and businesses and other private entities, to facilitate the integration of rigorous academic studies with workforce preparation programs in District of Columbia public schools and public charter schools.

(2) CONDUCT OF INITIATIVES.—In carrying out the initiatives under paragraph (1), the private, nonprofit corporation shall, at a minimum, actively develop, expand, and promote the following programs:

(A) Career academy programs in secondary schools, as such programs are established in certain District of Columbia public schools, which provide a school-within-a-school concept, focusing on career preparation and the integration of the academy programs with vocational and technical curriculum.

(B) Programs carried out in the District of Columbia that are funded under the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).

(e) PROFESSIONAL DEVELOPMENT PROGRAM FOR TEACHERS AND ADMINISTRATORS.—

(1) ESTABLISHMENT OF PROGRAM.—The private, nonprofit corporation shall establish a consortium consisting of the corporation, teachers, school administrators, and the consortium of universities located in the District of Columbia (in existence on the date of the enactment of this Act), for the purpose of establishing a program for the professional development of teachers and school administrators employed by the District of Columbia public schools and public charter schools.

(2) CONDUCT OF PROGRAM.—In carrying out the program established under paragraph (1), the consortium established under such paragraph, in consultation with the task force established under subtitle D and the Superintendent, at a minimum, shall provide for the following:

(A) Professional development for teachers consistent with the model professional development programs for teachers under section 2411(b)(4), or consistent with the core curriculum developed by the Superintendent under section 2411(b)(2), as the case may be, except that for fiscal year 1996, such professional development shall focus on curriculum for elementary school grades in reading and mathematics that have been demonstrated to be effective for students from low-income backgrounds.

(B) Professional development for principals, with a special emphasis on middle school principals, focusing on effective practices that reduce the number of students who drop out of school.

(C) Private sector training of teachers in the use, application, and operation of state-of-the-art technology in education.

(D) Training for school principals and other school administrators in effective private sector management practices for the purpose of site-based management in the District of Columbia public schools, and training in the management of public charter schools established in accordance with this title.

SEC. 2705. MATCHING FUNDS.

The private, nonprofit corporation, to the extent practicable, shall provide matching funds, or in-kind contributions, or a combination thereof, for the purpose of carrying out the duties of the corporation under section 2704, as follows:

(1) For fiscal year 1996, the nonprofit corporation shall provide matching funds or in-kind contributions of $1 for every $1 of Federal funds provided under this subtitle for such year for activities under section 2704.

(2) For fiscal year 1997, the nonprofit corporation shall provide matching funds or in-kind

contributions of $3 for every $1 of Federal funds provided under this subtitle for such year for activities under section 2704.

(3) For fiscal year 1998, the nonprofit corporation shall provide matching funds or in-kind contributions of $5 for every $1 of Federal funds provided under this subtitle for such year for activities under section 2704.

SEC. 2706. REPORT.

The private, nonprofit corporation shall prepare and submit to the appropriate congressional committees on a quarterly basis, or, with respect to fiscal year 1996, on a biannual basis, a report which shall contain—

(1) the activities the corporation has carried out, including the duties of the corporation described in section 2704, for the 3-month period ending on the date of the submission of the report, or, with respect to fiscal year 1996, the 6-month period ending on the date of the submission of the report;

(2) an assessment of the use of funds or other resources donated to the corporation;

(3) the results of the assessment carried out under section 2704(b)(3); and

(4) a description of the goals and priorities of the corporation for the 3-month period beginning on the date of the submission of the report, or, with respect to fiscal year 1996, the 6-month period beginning on the date of the submission of the report.

SEC. 2707. JOBS FOR D.C. GRADUATES PROGRAM.

(a) IN GENERAL.—The nonprofit corporation shall establish a program, to be known as the "Jobs for D.C. Graduates Program", to assist District of Columbia public schools and public charter schools in organizing and implementing a school-to-work transition system, which system shall give priority to providing assistance to at-risk youths and disadvantaged youths.

(b) CONDUCT OF PROGRAM.—In carrying out the program established under subsection (a), the nonprofit corporation, consistent with the policies of the nationally recognized Jobs for America's Graduates, Inc., shall—

(1) establish performance standards for such program;

(2) provide ongoing enhancement and improvements in such program;

(3) provide research and reports on the results of such program; and

(4) provide preservice and inservice training.

SEC. 2708. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION.—

(1) DELTA COUNCIL; ACCESS TO STATE-OF-THE-ART EDUCATIONAL TECHNOLOGY; AND WORKFORCE PREPARATION INITIATIVES.—There are authorized to be appropriated to carry out subsections (a), (b), and (d) of section 2704, $1,000,000 for each of the fiscal years 1996, 1997, and 1998.

(2) DEAL CENTER.—There are authorized to be appropriated to carry out section 2704(c), $2,000,000 for each of the fiscal years 1996, 1997, and 1998.

(3) PROFESSIONAL DEVELOPMENT PROGRAM FOR TEACHERS AND ADMINISTRATORS.—There are authorized to be appropriated to carry out section 2704(e), $1,000,000 for each of the fiscal years 1996, 1997, and 1998.

(4) JOBS FOR D.C. GRADUATES PROGRAM.—There are authorized to be appropriated to carry out section 2707—

(A) $2,000,000 for fiscal year 1996; and

(B) $3,000,000 for each of the fiscal years 1997 through 2000.

(b) AVAILABILITY.—Amounts authorized to be appropriated under subsection (a) are authorized to remain available until expended.

SEC. 2709. TERMINATION OF FEDERAL SUPPORT; SENSE OF THE CONGRESS RELATING TO CONTINUATION OF ACTIVITIES.

(a) TERMINATION OF FEDERAL SUPPORT.—The authority under this subtitle to provide assistance to the private, nonprofit corporation or any other entity established pursuant to this subtitle shall terminate on October 1, 1998.

(b) SENSE OF THE CONGRESS RELATING TO CONTINUATION OF ACTIVITIES.—It is the sense of the Congress that—

(1) the activities of the private, nonprofit corporation under section 2704 should continue to be carried out after October 1, 1998, with resources made available from the private sector; and

(2) the corporation should provide oversight and coordination for such activities after such date.

Subtitle J—Management and Fiscal Accountability

SEC. 2751. MANAGEMENT SUPPORT SYSTEMS.

(a) FOOD SERVICES AND SECURITY SERVICES.—Notwithstanding any other law, rule, or regulation, the Board of Education shall enter into a contract for academic year 1995–1996 and each succeeding academic year, for the provision of all food services operations and security services for the District of Columbia public schools, unless the Superintendent determines that it is not feasible and provides the Superintendent's reasons in writing to the Board of Education and the Authority.

(b) DEVELOPMENT OF NEW MANAGEMENT AND DATA SYSTEMS.—Notwithstanding any other law, rule, or regulation, the Board of Education shall, in academic year 1995–1996, consult with the Authority on the development of new management and data systems, as well as training of personnel to use and manage the systems in areas of budget, finance, personnel and human resources, management information services, procurement, supply management, and other systems recommended by the Authority. Such plans shall be consistent with, and contemporaneous to, the District of Columbia Government's development and implementation of a replacement for the financial management system for the District of Columbia Government in use on the date of enactment of this Act.

(c) FISCAL YEAR 1996 FOR MANAGEMENT AND DATA SYSTEMS.—Not less than $1,500,000 of the amount appropriated under title I of this Act for staff, stipends, and other-than-personal-services of the Board of Education shall be available to carry out subsection (b).

SEC. 2752. ANNUAL REPORTING REQUIREMENTS.

(a) IN GENERAL.—The Board of Education shall annually compile an accurate and verifiable report on the positions and employees in the District of Columbia public school system. The annual report shall set forth—

(1) the number of validated schedule A positions in the District of Columbia public schools for fiscal year 1995, fiscal year 1996, and thereafter on a full-time equivalent basis, including a compilation of all positions by control center, responsibility center, funding source, position type, position title, pay plan, grade, and annual salary; and

(2) a compilation of all employees in the District of Columbia public schools as of December 31, of the year preceding the year for which the report is made, verified as to its accuracy in accordance with the functions that each employee actually performs, by control center, responsibility center, agency reporting code, program (including funding source), activity, location for accounting purposes, job title, grade and classification, annual salary, and position control number.

(b) SUBMISSION.—The annual report required by subsection (a) shall be submitted to the Congress, the Mayor, the District of Columbia Council, the Consensus Commission, and the Authority, not later than February 8, 1996, and each February 8 thereafter.

SEC. 2753. ANNUAL BUDGETS AND BUDGET REVISIONS.

(a) IN GENERAL.—Not later than October 1, 1996, or prior to 15 calendar days after the date of the enactment of the District of Columbia Appropriations Act, 1996, whichever occurs first, and each succeeding year thereafter, the Board of Education shall submit to the appropriate congressional committees, the Mayor, the District of Columbia Council, the Consensus Commission, and the Authority, a revised appropriated funds operating budget for the District of Columbia public school system for such fiscal year that is consistent with the total amount appropriated in an Act making appropriations for the District of Columbia for such fiscal year and that realigns budgeted data for personal services and other than personal services, with anticipated actual expenditures.

(b) SUBMISSION.—The revised budget required by subsection (a) shall be submitted in the format of the budget that the Board of Education submits to the Mayor for inclusion in the Mayor's budget submission to the District of Columbia Council pursuant to section 442 of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93–198 (D.C. Code, sec. 47–301).

SEC. 2754. ACCESS TO FISCAL AND STAFFING DATA.

(a) IN GENERAL.—The budget, financial-accounting, personnel, payroll, procurement, and management information systems of the District of Columbia public schools shall be coordinated and interface with related systems of the District of Columbia Government.

(b) ACCESS.—The Board of Education shall provide read-only access to its internal financial management systems and all other data bases to designated staff of the Mayor, the Council, the Authority, and appropriate congressional committees.

SEC. 2755. DEVELOPMENT OF FISCAL YEAR 1997 BUDGET REQUEST.

(a) IN GENERAL.—The Board of Education shall develop its fiscal year 1997 gross operating budget and its fiscal year 1997 appropriated funds budget request in accordance with this section.

(b) FISCAL YEAR 1996 BUDGET REVISION.—Not later than February 15, 1996, the Board of Education shall develop, approve, and submit to the Mayor, the District of Columbia Council, the Authority, and appropriate congressional committees, a revised fiscal year 1996 gross operating budget that reflects the amount appropriated in the District of Columbia Appropriations Act, 1996, and which—

(1) is broken out on the basis of appropriated funds and nonappropriated funds, control center, responsibility center, agency reporting code, object class, and object; and

(2) indicates by position title, grade, and agency reporting code, all staff allocated to each District of Columbia public school as of October 15, 1995, and indicates on an object class basis all other-than-personal-services financial resources allocated to each school.

(c) ZERO-BASE BUDGET.—For fiscal year 1997, the Board of Education shall build its gross operating budget and appropriated funds request from a zero-base, starting from the local school level through the central office level.

(d) SCHOOL-BY-SCHOOL BUDGETS.—The Board of Education's initial fiscal year 1997 gross operating budget and appropriated funds budget request submitted to the Mayor, the District of Columbia Council, and the Authority shall contain school-by-school budgets and shall also—

(1) be broken out on the basis of appropriated funds and nonappropriated funds, control center, responsibility center, agency reporting code, object class, and object;

(2) indicate by position title, grade, and agency reporting code all staff budgeted for each District of Columbia public school, and indicate on an object class basis all other-than-personal-services financial resources allocated to each school; and

(3) indicate the amount and reason for all changes made to the initial fiscal year 1997 gross operating budget and appropriated funds request from the revised fiscal year 1996 gross operating budget required by subsection (b).

SEC. 2756. TECHNICAL AMENDMENTS.

Section 1120A of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6322) is amended—

(1) in subsection (b)(1), by—

(A) striking "(A) Except as provided in subparagraph (B), a State" and inserting "A State"; and

(B) striking subparagraph (B); and

(2) by adding at the end thereof the following new subsection:

"(d) EXCLUSION OF FUNDS.—For the purpose of complying with subsections (b) and (c), a State or local educational agency may exclude supplemental State or local funds expended in any school attendance area or school for programs that meet the intent and purposes of this part.".

Subtitle K—Personal Accountability and Preservation of School-Based Resources

SEC. 2801. PRESERVATION OF SCHOOL-BASED STAFF POSITIONS.

(a) RESTRICTIONS ON REDUCTIONS OF SCHOOL-BASED EMPLOYEES.—To the extent that a reduction in the number of full-time equivalent positions for the District of Columbia public schools is required to remain within the number of full-time equivalent positions established for the public schools in appropriations Acts, no reductions shall be made from the full-time equivalent positions for school-based teachers, principals, counselors, librarians, or other school-based educational positions that were established as of the end of fiscal year 1995, unless the Authority makes a determination based on student enrollment that—

(1) fewer school-based positions are needed to maintain established pupil-to-staff ratios; or

(2) reductions in positions for other than school-based employees are not practicable.

(b) DEFINITION.—The term "school-based educational position" means a position located at a District of Columbia public school or other position providing direct support to students at such a school, including a position for a clerical, stenographic, or secretarial employee, but not including any part-time educational aide position.

SEC. 2802. MODIFICATIONS OF BOARD OF EDUCATION REDUCTION-IN-FORCE PROCEDURES.

The District of Columbia Government Comprehensive Merit Personnel Act of 1978 (D.C. Code, sec. 1–601.1 et seq.) is amended—

(1) in section 301 (D.C. Code, sec. 1.603.1)—

(A) by inserting after paragraph (13), the following new paragraph:

"(13A) The term 'nonschool-based personnel' means any employee of the District of Columbia public schools who is not based at a local school or who does not provide direct services to individual students."; and

(B) by inserting after paragraph (15), the following new paragraph:

"(15A) The term 'school administrators' means principals, assistant principals, school program directors, coordinators, instructional supervisors, and support personnel of the District of Columbia public schools.";

(2) in section 801A(b)(2) (D.C. Code, sec. 1–609.1(b)(2)(L)—

(A) by striking "(L) reduction-in-force" and inserting "(L)(i) reduction-in-force"; and

(B) by inserting after subparagraph (L)(i), the following new clause:

"(ii) Notwithstanding any other provision of law, the Board of Education shall not issue rules that require or permit nonschool-based personnel or school administrators to be assigned or reassigned to the same competitive level as classroom teachers;"; and

(3) in section 2402 (D.C. Code, sec. 1–625.2), by adding at the end the following new subsection:

"(f) Notwithstanding any other provision of law, the Board of Education shall not require or permit nonschool-based personnel or school administrators to be assigned or reassigned to the same competitive level as classroom teachers.".

SEC. 2803. PUBLIC SCHOOL EMPLOYEE EVALUATIONS.

Notwithstanding any other provision of law, rule, or regulation, the evaluation process and instruments for evaluating District of Columbia public school employees shall be a nonnegotiable item for collective bargaining purposes.

SEC. 2804. PERSONAL AUTHORITY FOR PUBLIC SCHOOL EMPLOYEES.

(a) IN GENERAL.—Notwithstanding any other provision of law, rule, or regulation, an employee of a District of Columbia public school shall be—

(1) classified as an educational service employee;

(2) placed under the personnel authority of the Board of Education; and

(3) subject to all Board of Education rules.

(b) SCHOOL-BASED PERSONNEL.—School-based personnel shall constitute a separate competitive area from nonschool-based personnel who shall not compete with school-based personnel for retention purposes.

Subtitle L—Establishment and Organization of the Commission on Consensus Reform in the District of Columbia Public Schools

SEC. 2851. COMMISSION ON CONSENSUS REFORM IN THE DISTRICT OF COLUMBIA PUBLIC SCHOOLS.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established within the District of Columbia Government a Commission on Consensus Reform in the District of Columbia Public Schools, consisting of 7 members to be appointed in accordance with paragraph (2).

(2) MEMBERSHIP.—The Consensus Commission shall consist of the following members:

(A) 1 member to be appointed by the President chosen from a list of 3 proposed members submitted by the Majority Leader of the Senate.

(B) 1 member to be appointed by the President chosen from a list of 3 proposed members submitted by the Speaker of the House of Representatives.

(C) 2 members to be appointed by the President, of which 1 shall represent the local business community and 1 of which shall be a teacher in a District of Columbia public school.

(D) The President of the District of Columbia Congress of Parents and Teachers.

(E) The President of the Board of Education.

(F) The Superintendent.

(G) The Mayor and District of Columbia Council Chairman shall each name 1 nonvoting ex officio member.

(H) The Chief of the National Guard Bureau who shall be an ex officio member.

(3) TERMS OF SERVICE.—The members of the Consensus Commission shall serve for a term of 3 years.

(4) VACANCIES.—Any vacancy in the membership of the Consensus Commission shall be filled by the appointment of a new member in the same manner as provided for the vacated membership. A member appointed under this paragraph shall serve the remaining term of the vacated membership.

(5) QUALIFICATIONS.—Members of the Consensus Commission appointed under subparagraphs (A), (B), and (C) of paragraph (2) shall be residents of the District of Columbia and shall have a knowledge of public education in the District of Columbia.

(6) CHAIR.—The Chair of the Consensus Commission shall be chosen by the Consensus Commission from among its members, except that the President of the Board of Education and the Superintendent shall not be eligible to serve as Chair.

(7) NO COMPENSATION FOR SERVICE.—Members of the Consensus Commission shall serve without pay, but may receive reimbursement for any reasonable and necessary expenses incurred by reason of service on the Consensus Commission.

(b) EXECUTIVE DIRECTOR.—The Consensus Commission shall have an Executive Director who shall be appointed by the Chair with the consent of the Consensus Commission. The Executive Director shall be paid at a rate determined by the Consensus Commission, except that such rate may not exceed the highest rate of pay payable for level EG–16 of the Educational Service of the District of Columbia.

(c) STAFF.—With the approval of the Chair and the Authority, the Executive Director may appoint and fix the pay of additional personnel as the Executive Director considers appropriate, except that no individual appointed by the Executive Director may be paid at a rate greater than the rate of pay for the Executive Director.

(d) SPECIAL RULE.—The Board of Education, or the Authority, shall reprogram such funds, as the Chair of the Consensus Commission shall in writing request, from amounts available to the Board of Education.

SEC. 2852. PRIMARY PURPOSE AND FINDINGS.

(a) PURPOSE.—The primary purpose of the Consensus Commission is to assist in developing a long-term reform plan that has the support of the District of Columbia community through the participation of representatives of various critical segments of such community in helping to develop and approve the plan.

(b) FINDINGS.—The Congress finds that—

(1) experience has shown that the failure of the District of Columbia educational system has been due more to the failure to implement a plan than the failure to develop a plan;

(2) national studies indicate that 50 percent of secondary school graduates lack basic literacy skills, and over 30 percent of the 7th grade students in the District of Columbia public schools drop out of school before graduating;

(3) standard student assessments indicate only average performance for grade level and fail to identify individual students who lack basic skills, allowing too many students to graduate lacking these basic skills and diminishing the worth of a diploma;

(4) experience has shown that successful schools have good community, parent, and business involvement;

(5) experience has shown that reducing dropout rates in the critical middle and secondary school years requires individual student involvement and attention through such activities as arts or athletics; and

(6) experience has shown that close coordination between educators and business persons is required to provide noncollege-bound students the skills necessary for employment, and that personal attention is vitally important to assist each student in developing an appropriate career path.

SEC. 2853. DUTIES AND POWERS OF THE CONSENSUS COMMISSION.

(a) PRIMARY RESPONSIBILITY.—The Board of Education and the Superintendent shall have primary responsibility for developing and implementing the long-term reform plan for education in the District of Columbia.

(b) DUTIES.—The Consensus Commission shall—

(1) identify any obstacles to implementation of the long-term reform plan and suggest ways to remove such obstacles;

(2) assist in developing programs that—

(A) ensure every student in a District of Columbia public school achieves basic literacy skills;

(B) ensure every such student possesses the knowledge and skills necessary to think critically and communicate effectively by the completion of grade 8; and

(C) lower the dropout rate in the District of Columbia public schools;

(3) assist in developing districtwide assessments, including individual assessments, that identify District of Columbia public school students who lack basic literacy skills, with particular attention being given to grade 4 and the middle school years, and establish procedures to ensure that a teacher is made accountable for the performance of every such student in such teacher's class;

(4) make recommendations to improve community, parent, and business involvement in District of Columbia public schools and public charter schools;

(5) assess opportunities in the District of Columbia to increase individual student involvement and attention through such activities as arts or athletics, and make recommendations on how to increase such involvement; and

(6) assist in the establishment of procedures that ensure every District of Columbia public school student is provided the skills necessary for employment, including the development of individual career paths.

(c) POWERS.—The Consensus Commission shall have the following powers:

(1) To monitor and comment on the development and implementation of the long-term reform plan.

(2) To exercise its authority, as provided in this subtitle, as necessary to facilitate implementation of the long-term reform plan.

(3) To review and comment on the budgets of the Board of Education, the District of Columbia public schools and public charter schools.

(4) To recommend rules concerning the management and direction of the Board of Education that address obstacles to the development or implementation of the long-term reform plan.

(5) To review and comment on the core curriculum for kindergarten through grade 12 developed under subtitle D.

(6) To review and comment on a core curriculum for prekindergarten, vocational and technical training, and adult education.

(7) To review and comment on all other educational programs carried out by the Board of Education and public charter schools.

(8) To review and comment on the districtwide assessments for measuring student achievement in the core curriculum developed under subtitle D.

(9) To review and comment on the model professional development programs for teachers using the core curriculum developed under subtitle D.

(d) LIMITATIONS.—

(1) IN GENERAL.—Except as otherwise provided in this subtitle, the Consensus Commission shall have no powers to involve itself in the management or operation of the Board of Education with respect to the implementation of the long-term reform plan.

(2) SPECIAL RULE.—If the Consensus Commission determines that the Board of Education has failed to take an action necessary to develop or implement the long-term reform plan or that the Board of Education is unable to do so, the Consensus Commission shall request the Authority to take appropriate action, and the Authority shall take such action as the Authority deems appropriate, to develop or implement, as the case may be, the long-term reform plan.

SEC. 2854. IMPROVING ORDER AND DISCIPLINE.

(a) COMMUNITY SERVICE REQUIREMENT FOR SUSPENDED STUDENTS.—

(1) IN GENERAL.—Any student suspended from classes at a District of Columbia public school who is required to serve the suspension outside the school shall perform community service for the period of suspension. The community service required by this subsection shall be subject to rules and regulations promulgated by the Mayor.

(2) EFFECTIVE DATE.—This subsection shall take effect on the first day of the 1996–1997 academic year.

(b) EXPIRATION DATE.—This section, and sections 2101(b)(1)(K) and 2851(a)(2)(H), shall cease to be effective on the last day of the 1997–1998 academic year.

(c) REPORT.—The Consensus Commission shall study the effectiveness of the policies implemented pursuant to this section in improving order and discipline in District of Columbia public schools and report its findings to the appropriate congressional committees not later than 60 days prior to the last day of the 1997–1998 academic year.

SEC. 2855. EDUCATIONAL PERFORMANCE AUDITS.

(a) IN GENERAL.—The Consensus Commission may examine and request the Inspector General of the District of Columbia or the Authority to audit the records of the Board of Education to ensure, monitor, and evaluate the performance of the Board of Education with respect to compliance with the long-term reform plan and such plan's overall educational achievement. The Consensus Commission shall conduct an annual review of the educational performance of the Board of Education with respect to meeting the goals of such plan for such year. The Board of Education shall cooperate and assist in the review or audit as requested by the Consensus Commission.

(b) AUDIT.—The Consensus Commission may examine and request the Inspector General of the District of Columbia or the Authority to audit the records of any public charter school to assure, monitor, and evaluate the performance of the public charter school with respect to the content standards and districtwide assessments described in section 2411(b). The Consensus Commission shall receive a copy of each public charter school's annual report.

SEC. 2856. INVESTIGATIVE POWERS.

The Consensus Commission may investigate any action or activity which may hinder the progress of any part of the long-term reform plan. The Board of Education shall cooperate and assist the Consensus Commission in any investigation. Reports of the findings of any such investigation shall be provided to the Board of Education, the Superintendent, the Mayor, the District of Columbia Council, the Authority, and the appropriate congressional committees.

SEC. 2857. RECOMMENDATIONS OF THE CONSENSUS COMMISSION.

(a) IN GENERAL.—The Consensus Commission may at any time submit recommendations to the Board of Education, the Mayor, the District of Columbia Council, the Authority, the Board of Trustees of any public charter school and the Congress with respect to actions the District of Columbia Government or the Federal Government should take to ensure implementation of the long-term reform plan.

(b) AUTHORITY ACTIONS.—Pursuant to the District of Columbia Financial Responsibility and Management Assistance Act of 1995 or upon the recommendation of the Consensus Commission, the Authority may take whatever actions the Authority deems necessary to ensure the implementation of the long-term reform plan.

SEC. 2858. EXPIRATION DATE.

Except as otherwise provided in this subtitle, this subtitle shall be effective during the period beginning on the date of enactment of this Act and ending 7 years after such date.

Subtitle M—Parent Attendance at Parent-Teacher Conferences

SEC. 2901. POLICY.

Notwithstanding any other provision of law, the Mayor is authorized to develop and implement a policy encouraging all residents of the District of Columbia with children attending a District of Columbia public school to attend and participate in at least one parent-teacher conference every 90 days during the academic year.

Subtitle N—Low-Income Scholarships

SEC. 2921. DEFINITIONS.

As used in this subtitle—

(1) the term "Board" means the Board of Directors of the Corporation established under section 2922(b)(1);

(2) the term "Corporation" means the District of Columbia Scholarship Corporation established under section 2922(a);

(3) the term "eligible institution"—

(A) in the case of an eligible institution serving a student who receives a tuition scholarship under section 2923(d)(1), means a private or independent elementary or secondary school; and

(B) in the case of an eligible institution serving a student who receives an enhanced achievement scholarship under section 2923(d)(2), means an elementary or secondary school, or an entity that provides services to a student enrolled in an elementary or secondary school to enhance such student's achievement through activities described in section 2923(d)(2); and

(4) the term "poverty line" means the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved.

SEC. 2922. DISTRICT OF COLUMBIA SCHOLARSHIP CORPORATION.

(a) GENERAL REQUIREMENTS.—

(1) IN GENERAL.—There is authorized to be established a private, nonprofit corporation, to be known as the "District of Columbia Scholarship Corporation", which is neither an agency nor establishment of the United States Government or the District of Columbia Government.

(2) DUTIES.—The Corporation shall have the responsibility and authority to administer, publicize, and evaluate the scholarship program in accordance with this subtitle, and to determine student and school eligibility for participation in such program.

(3) CONSULTATION.—The Corporation shall exercise its authority—

(A) in a manner consistent with maximizing educational opportunities for the maximum number of interested families; and

(B) in consultation with the Board of Education, the Superintendent, the Consensus Commission, and other school scholarship programs in the District of Columbia.

(4) APPLICATION OF PROVISIONS.—The Corporation shall be subject to the provisions of this subtitle, and, to the extent consistent with this subtitle, to the District of Columbia Nonprofit Corporation Act (D.C. Code, sec. 29–501 et seq.).

(5) RESIDENCE.—The Corporation shall have its place of business in the District of Columbia and shall be considered, for purposes of venue in civil actions, to be a resident of the District of Columbia.

(6) FUND.—There is hereby established in the District of Columbia general fund a fund that shall be known as the "District of Columbia Scholarship Fund".

(7) DISBURSEMENT.—The Mayor shall disburse to the Corporation, before October 15 of each fiscal year or not later than 15 days after the date of enactment of an Act making appropriations for the District of Columbia for such year,

whichever occurs later, such funds as have been appropriated to the District of Columbia Scholarship Fund for the fiscal year for which such disbursement is made.

(8) AVAILABILITY.—Funds authorized to be appropriated under this subtitle shall remain available until expended.

(9) USES.—Funds authorized to be appropriated under this subtitle shall be used by the Corporation in a prudent and financially responsible manner, solely for scholarships, contracts, and administrative costs.

(10) AUTHORIZATION.—

(A) IN GENERAL.—There are authorized to be appropriated to the District of Columbia Scholarship Fund—

(i) $5,000,000 for fiscal year 1996;

(ii) $7,000,000 for fiscal year 1997; and

(iii) $10,000,000 for each of fiscal years 1998 through 2000.

(B) LIMITATION.—Not more than $250,000 of the amount appropriated to carry out this subtitle for any fiscal year may be used by the Corporation for any purpose other than assistance to students.

(b) ORGANIZATION AND MANAGEMENT; BOARD OF DIRECTORS.—

(1) BOARD OF DIRECTORS; MEMBERSHIP.—

(A) IN GENERAL.—The Corporation shall have a Board of Directors comprised of 7 members, with 6 members of the Board appointed by the President not later than 30 days after receipt of nominations from the Speaker of the House of Representatives, the Minority Leader of the House of Representatives, the Majority Leader of the Senate, and the Minority Leader of the Senate.

(B) HOUSE NOMINATIONS.—The President shall appoint 2 members of the Board from a list of at least 6 individuals nominated by the Speaker of the House of Representatives, and 1 member of the Board from a list of at least 3 individuals nominated by the Minority Leader of the House of Representatives.

(C) SENATE NOMINATIONS.—The President shall appoint 2 members of the Board from a list of at least 6 individuals nominated by the Majority Leader of the Senate, and 1 member of the Board from a list of at least 3 individuals nominated by the Minority Leader of the Senate.

(D) DEADLINE.—The Speaker and Minority Leader of the House of Representatives and Majority Leader and Minority Leader of the Senate shall submit their nominations to the President not later than 30 days after the date of the enactment of this Act.

(E) APPOINTEE OF MAYOR.—The Mayor shall appoint 1 member of the Board not later than 60 days after the date of the enactment of this Act.

(F) POSSIBLE INTERIM MEMBERS.—If the President does not appoint the 6 members of the Board in the 30-day period described in subparagraph (A), then the Speaker of the House of Representatives and the Majority Leader of the Senate shall each appoint 2 members of the Board, and the Minority Leader of the House of Representatives and the Minority Leader of the Senate shall each appoint 1 of the Board, from among the individuals nominated pursuant to subparagraphs (A) and (B), as the case may be. The appointees under the preceding sentence together with the appointee of the Mayor, shall serve as an interim Board with all the powers and other duties of the Board described in this subtitle, until the President makes the appointments as described in this subsection.

(2) POWERS.—All powers of the Corporation shall vest in and be exercised under the authority of the Board.

(3) ELECTIONS.—Members of the Board annually shall elect 1 of the members of the Board to be chairperson of the Board.

(4) RESIDENCY.—All members appointed to the Board shall be residents of the District of Columbia at the time of appointment and while serving on the Board.

(5) NONEMPLOYEE.—No member of the Board may be an employee of the United States Government or the District of Columbia Government when appointed to or during tenure on the Board, unless the individual is on a leave of absence from such a position while serving on the Board.

(6) INCORPORATION.—The members of the initial Board shall serve as incorporators and shall take whatever steps are necessary to establish the Corporation under the District of Columbia Nonprofit Corporation Act (D.C. Code, sec. 29-501 et seq.).

(7) GENERAL TERM.—The term of office of each member of the Board shall be 5 years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which the predecessor was appointed shall be appointed for the remainder of such term.

(8) CONSECUTIVE TERM.—No member of the Board shall be eligible to serve in excess of 2 consecutive terms of 5 years each. A partial term shall be considered as 1 full term. Any vacancy on the Board shall not affect the Board's power, but shall be filled in a manner consistent with this subtitle.

(9) NO BENEFIT.—No part of the income or assets of the Corporation shall inure to the benefit of any Director, officer, or employee of the Corporation, except as salary or reasonable compensation for services.

(10) POLITICAL ACTIVITY.—The Corporation may not contribute to or otherwise support any political party or candidate for elective public office.

(11) NO OFFICERS OR EMPLOYEES.—The members of the Board shall not, by reason of such membership, be considered to be officers or employees of the United States Government or of the District of Columbia Government.

(12) STIPENDS.—The members of the Board, while attending meetings of the Board or while engaged in duties related to such meetings or other activities of the Board pursuant to this subtitle, shall be provided a stipend. Such stipend shall be at the rate of $150 per day for which the member of the Board is officially recorded as having worked, except that no member may be paid a total stipend amount in any calendar year in excess of $5,000.

(13) CONGRESSIONAL INTENT.—Subject to the results of the program appraisal under section 2933, it is the intention of the Congress to turn over to District of Columbia officials the control of the Board at the end of the 5-year period beginning on the date of enactment of this Act, under terms and conditions to be determined at that time.

(c) OFFICERS AND STAFF.—

(1) EXECUTIVE DIRECTOR.—The Corporation shall have an Executive Director, and such other staff, as may be appointed by the Board for terms and at rates of compensation, not to exceed level EG-16 of the Educational Service of the District of Columbia, to be fixed by the Board .

(2) STAFF.—With the approval of the Board, the Executive Director may appoint and fix the salary of such additional personnel as the Executive Director considers appropriate.

(3) ANNUAL RATE.—No staff of the Corporation may be compensated by the Corporation at an annual rate of pay greater than the annual rate of pay of the Executive Director.

(4) SERVICE.—All officers and employees of the Corporation shall serve at the pleasure of the Board.

(5) QUALIFICATION.—No political test or qualification may be used in selecting, appointing, promoting, or taking other personnel actions with respect to officers, agents, or employees of the Corporation.

(d) POWERS OF THE CORPORATION.—

(1) GENERALLY.—The Corporation is authorized to obtain grants from, and make contracts with, individuals and with private, State, and Federal agencies, organizations, and institutions.

(2) HIRING AUTHORITY.—The Corporation may hire, or accept the voluntary services of, consultants, experts, advisory boards, and panels to aid the Corporation in carrying out this subtitle.

(e) FINANCIAL MANAGEMENT AND RECORDS.—

(1) AUDITS.—The financial statements of the Corporation shall be—

(A) maintained in accordance with generally accepted accounting principles for nonprofit corporations; and

(B) audited annually by independent certified public accountants.

(2) REPORT.—The report for each such audit shall be included in the annual report to Congress required by section 2933(c).

SEC. 2923. SCHOLARSHIPS AUTHORIZED.

(a) ELIGIBLE STUDENTS.—The Corporation is authorized to award tuition scholarships under subsection (d)(1) and enhanced achievement scholarships under subsection (d)(2) to students in kindergarten through grade 12—

(1) who are residents of the District of Columbia; and

(2) whose family income does not exceed 185 percent of the poverty line.

(b) SCHOLARSHIP PRIORITY.—

(1) FIRST.—The Corporation shall first award scholarships to students described in subsection (a) who—

(A) are enrolled in a District of Columbia public school or preparing to enter a District of Columbia kindergarten, except that this subparagraph shall apply only for academic years 1996, 1997, and 1998; or

(B) have received a scholarship from the Corporation in the year preceding the year for which the scholarship is awarded.

(2) SECOND.—If funds remain for a fiscal year for awarding scholarships after awarding scholarships under paragraph (1), the Corporation shall award scholarships to students described in subsection (a) who are not described in paragraph (1).

(c) SPECIAL RULE.—The Corporation shall attempt to ensure an equitable distribution of scholarship funds to students at diverse academic achievement levels.

(d) USE OF SCHOLARSHIP.—

(1) TUITION SCHOLARSHIPS.—A tuition scholarship may be used only for the payment of the cost of the tuition and mandatory fees for, and transportation to attend, an eligible institution located within the geographic boundaries of the District of Columbia.

(2) ENHANCED ACHIEVEMENT SCHOLARSHIP.—An enhanced achievement scholarship may be used only for the payment of—

(A) the costs of tuition and mandatory fees for, and transportation to attend, a program of nonsectarian instruction provided by an eligible institution which enhances student achievement of the core curriculum and is operated outside of regular school hours to supplement the regular school program;

(B) the costs of tuition and mandatory fees for, and transportation to attend, after-school activities that do not have an academic focus, such as athletics or music lessons; or

(C) the costs of tuition and mandatory fees for, and transportation to attend, vocational, vocational-technical, and technical training programs.

(e) NOT SCHOOL AID.—A scholarship under this subtitle shall be considered assistance to the student and shall not be considered assistance to an eligible institution.

SEC. 2924. SCHOLARSHIP PAYMENTS AND AMOUNTS.

(a) AWARDS.—From the funds made available under this subtitle, the Corporation shall award *a scholarship to a student and make payments in accordance with section 2930 on behalf of such student to a participating eligible institution chosen by the parent of the student.*

(b) NOTIFICATION.—Each eligible institution that desires to receive payment under subsection (a) shall notify the Corporation not later than 10 days after—

(1) the date that a student receiving a scholarship under this subtitle is enrolled, of the name, address, and grade level of such student;

(2) the date of the withdrawal or expulsion of any student receiving a scholarship under this subtitle, of the withdrawal or expulsion; and

(3) the date that a student receiving a scholarship under this subtitle is refused admission, of the reasons for such a refusal.

(c) TUITION SCHOLARSHIP.—

(1) EQUAL TO OR BELOW POVERTY LINE.—For a student whose family income is equal to or below the poverty line, a tuition scholarship may not exceed the lesser of—

(A) the cost of tuition and mandatory fees for, and transportation to attend, an eligible institution; or

(B) $3,000 for fiscal year 1996, with such amount adjusted in proportion to changes in the Consumer Price Index for all urban consumers published by the Department of Labor for each of fiscal years 1997 through 2000.

(2) ABOVE POVERTY LINE.—For a student whose family income is greater than the poverty line, but not more than 185 percent of the poverty line, a tuition scholarship may not exceed the lesser of—

(A) 50 percent of the cost of tuition and mandatory fees for, and transportation to attend, an eligible institution; or

(B) $1,500 for fiscal year 1996, with such amount adjusted in proportion to changes in the Consumer Price Index for all urban consumers published by the Department of Labor for each of fiscal years 1997 through 2000.

(d) ENHANCED ACHIEVEMENT SCHOLARSHIP.—

(1) EQUAL TO OR BELOW POVERTY LINE.—For a student whose family income is equal to or below the poverty line, an enhanced achievement scholarship may not exceed the lesser of—

(A) the costs of tuition and mandatory fees for, and transportation to attend, a program of nonsectarian instruction at an eligible institution; or

(B) $1,500 for 1996, with such amount adjusted in proportion to changes in the Consumer Price Index for all urban consumers published by the Department of Labor for each of fiscal years 1997 through 2000.

(2) ABOVE POVERTY LINE.—For a student whose family income is greater than the poverty line, but not more than 185 percent of the poverty line, an enhanced achievement scholarship may not exceed the lesser of—

(A) 50 percent of the costs of tuition and mandatory fees for, and transportation to attend, a program of nonsectarian instruction at an eligible institution; or

(B) $750 for fiscal year 1996 with such amount adjusted in proportion to changes in the Consumer Price Index for all urban consumers published by the Department of Labor for each of fiscal years 1997 through 2000.

(e) ALLOCATION OF FUNDS.—

(1) FEDERAL FUNDS.—

(A) PLAN.—The Corporation shall submit to the District of Columbia Council a proposed allocation plan for the allocation of Federal funds between the tuition scholarships under section 2923(d)(1) and enhanced achievement scholarships under section 2923(d)(2).

(B) CONSIDERATION.—Not later than 30 days after receipt of each such plan, the District of Columbia Council shall consider such proposed allocation plan and notify the Corporation in writing of its decision to approve or disapprove such allocation plan.

(C) OBJECTIONS.—In the case of a vote of disapproval of such allocation plan, the District of Columbia Council shall provide in writing the District of Columbia Council's objections to such allocation plan.

(D) RESUBMISSION.—The Corporation may submit a revised allocation plan for consideration to the District of Columbia Council.

(E) PROHIBITION.—No Federal funds provided under this subtitle may be used for any scholarship until the District of Columbia Council has approved the allocation plan for the Corporation.

(2) PRIVATE FUNDS.—The Corporation shall annually allocate unrestricted private funds equitably, as determined by the Board, for scholarships under paragraphs (1) and (2) of section 2923(d), after consultation with the public, the Mayor, the District of Columbia Council, the Board of Education, the Superintendent, and the Consensus Commission.

SEC. 2925. CERTIFICATION OF ELIGIBLE INSTITUTIONS.

(a) APPLICATION.—An eligible institution that desires to receive a payment on behalf of a student who receives a scholarship under this subtitle shall file an application with the Corporation for certification for participation in the scholarship program under this subtitle. Each such application shall—

(1) demonstrate that the eligible institution has operated with not less than 25 students during the 3 years preceding the year for which the determination is made unless the eligible institution is applying for certification as a new eligible institution under subsection (c);

(2) contain an assurance that the eligible institution will comply with all applicable requirements of this subtitle;

(3) provide the most recent audit of the financial statements of the eligible institution by an independent certified public accountant using generally accepted auditing standards, completed not earlier than 3 years before the date such application is filed;

(4) describe the eligible institution's proposed program, including personnel qualifications and fees;

(5) contain an assurance that a student receiving a scholarship under this subtitle shall not be required to attend or participate in a religion class or religious ceremony without the written consent of such student's parent;

(6) contain an assurance that funds received under this subtitle will not be used to pay the costs related to a religion class or a religious ceremony, except that such funds may be used to pay the salary of a teacher who teaches such class or participates in such ceremony if such teacher also teaches an academic class at such eligible institution;

(7) contain an assurance that the eligible institution will abide by all regulations of the District of Columbia Government applicable to such eligible institution; and

(8) contain an assurance that the eligible institution will implement due process requirements for expulsion and suspension of students, including at a minimum, a process for appealing the expulsion or suspension decision.

(b) CERTIFICATION.—

(1) IN GENERAL.—Except as provided in paragraph (3), not later than 60 days after receipt of an application in accordance with subsection (a), the Corporation shall certify an eligible institution to participate in the scholarship program under this subtitle.

(2) CONTINUATION.—An eligible institution's certification to participate in the scholarship program shall continue unless such eligible institution's certification is revoked in accordance with subsection (d).

(3) EXCEPTION FOR 1996.—For fiscal year 1996 only, and after receipt of an application in accordance with subsection (a), the Corporation shall certify the eligibility of an eligible institution to participate in the scholarship program under this subtitle at the earliest practicable date.

(c) NEW ELIGIBLE INSTITUTION.—

(1) IN GENERAL.—An eligible institution that did not operate with at least 25 students in the 3 years preceding the year for which the determination is made may apply for a 1-year provisional certification to participate in the scholarship program under this subtitle for a single year by providing to the Corporation not later than July 1 of the year preceding the year for which the determination is made—

(A) a list of the eligible institution's board of directors;

(B) letters of support from not less than 10 members of the community served by such eligible institution;

(C) a business plan;

(D) an intended course of study;

(E) assurances that the eligible institution will begin operations with not less than 25 students;

(F) assurances that the eligible institution will comply with all applicable requirements of this subtitle; and

(G) a statement that satisfies the requirements of paragraph (2), and paragraphs (4) through (8), of subsection (a).

(2) CERTIFICATION.—Not later than 60 days after the date of receipt of an application described in paragraph (1), the Corporation shall certify in writing the eligible institution's provisional certification to participate in the scholarship program under this subtitle unless the Corporation determines that good cause exists to deny certification.

(3) RENEWAL OF PROVISIONAL CERTIFICATION.—After receipt of an application under paragraph (1) from an eligible institution that includes an audit of the financial statements of the eligible institution by an independent certified public accountant using generally accepted auditing standards completed not earlier than 12 months before the date such application is filed, the Corporation shall renew an eligible institution's provisional certification for the second and third years of the school's participation in the scholarship program under this subtitle unless the Corporation finds—

(A) good cause to deny the renewal, including a finding of a pattern of violation of requirements described in section 2926(a); or

(B) consistent failure of 25 percent or more of the students receiving scholarships under this subtitle and attending such school to make appropriate progress (as determined by the Corporation) in academic achievement.

(4) DENIAL OF CERTIFICATION.—If provisional certification or renewal of provisional certification under this subsection is denied, then the Corporation shall provide a written explanation to the eligible institution of the reasons for such denial.

(d) REVOCATION OF ELIGIBILITY.—

(1) IN GENERAL.—The Corporation, after notice and hearing, may revoke an eligible institution's certification to participate in the scholarship program under this subtitle for a year succeeding the year for which the determination is made for—

(A) good cause, including a finding of a pattern of violation of program requirements described in section 2926(a); or

(B) consistent failure of 25 percent or more of the students receiving scholarships under this subtitle and attending such school to make appropriate progress (as determined by the Corporation) in academic achievement.

(2) EXPLANATION.—If the certification of an eligible institution is revoked, the Corporation shall provide a written explanation of its decision to such eligible institution and require a

pro rata refund of the payments received under this subtitle.

SEC. 2926. PARTICIPATION REQUIREMENTS FOR ELIGIBLE INSTITUTIONS.

(a) REQUIREMENTS.—Each eligible institution participating in the scholarship program under this subtitle shall—

(1) provide to the Corporation not later than June 30 of each year the most recent audit of the financial statements of the eligible institution by an independent certified public accountant using generally accepted auditing standards completed not earlier than 3 years before the date the application is filed; and

(2) charge a student that receives a scholarship under this subtitle the same amounts for the cost of tuition and mandatory fees for, and transportation to attend, such eligible institution as other students who are residents of the District of Columbia and enrolled in such eligible institution.

(b) COMPLIANCE.—The Corporation may require documentation of compliance with the requirements of subsection (a), but neither the Corporation nor any governmental entity may impose additional requirements upon an eligible institution as a condition of participation in the scholarship program under this subtitle.

SEC. 2927. CIVIL RIGHTS.

(a) IN GENERAL.—An eligible institution participating in the scholarship program under this subtitle shall be deemed to be a recipient of Federal financial assistance for the purposes of the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), and section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

(b) REVOCATION.—Notwithstanding section 2926(b), if the Secretary of Education determines that an eligible institution participating in the scholarship program under this subtitle is in violation of any of the laws listed in subsection (a), then the Corporation shall revoke such eligible institution's certification to participate in the program.

SEC. 2928. CHILDREN WITH DISABILITIES.

(a) IN GENERAL.—Nothing in this subtitle shall affect the rights of students or the obligations of the District of Columbia public schools under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.).

(b) PRIVATE OR INDEPENDENT SCHOOL SCHOLARSHIPS.—

(1) DETERMINATION OF ELIGIBLITY FOR SERVICES.—If requested by either a parent of a child with a disability who attends a private or independent school receiving funding under this subtitle or by the private or independent school receiving funding under this subtitle, the Board of Education shall determine the eligibility of such child for services under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.).

(2) REQUIREMENTS.—If a child is determined eligible for services under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) pursuant to paragraph (1), the Board of Education shall—

(A) develop an individualized education program, as defined in section 602 of the Individuals with Disabilities Education Act (20 U.S.C. 1401), for such child; and

(B) negotiate with the private or independent school to deliver to such child the services described in the individualized education program.

(3) APPEAL.—If the Board of Education determines that a child is not eligible for services under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) pursuant to paragraph (1), such child shall retain the right to appeal such determination under such Act as if such child were attending a District of Columbia public school.

SEC. 2929. CONSTRUCTION PROHIBITION.

No funds under this subtitle may be used for construction of facilities.

SEC. 2930. SCHOLARSHIP PAYMENTS.

(a) IN GENERAL.—

(1) PROPORTIONAL PAYMENT.—The Corporation shall make scholarship payments to participating eligible institutions on a schedule established by the Corporation.

(2) PRO RATA AMOUNTS FOR STUDENT WITHDRAWAL.—

(A) BEFORE PAYMENT.—If a student receiving a scholarship withdraws or is expelled from an eligible institution before a scholarship payment is made, the eligible institution shall receive a pro rata payment based on the amount of the scholarship and the number of days the student was enrolled in the eligible institution.

(B) AFTER PAYMENT.—If a student receiving a scholarship withdraws or is expelled after a scholarship payment is made, the eligible institution shall refund to the Corporation on a pro rata basis the proportion of any scholarship payment received for the remaining days of the school year. Such refund shall occur not later than 30 days after the date of the withdrawal or expulsion of the student.

(b) FUND TRANSFERS.—The Corporation shall make scholarship payments to participating eligible institutions by electronic funds transfer. If such an arrangement is not available, then the eligible institution shall submit an alternative payment proposal to the Corporation for approval.

SEC. 2931. APPLICATION SCHEDULE AND PROCEDURES.

The Corporation shall implement a schedule and procedures for processing applications for awarding student scholarships under this subtitle that includes a list of certified eligible institutions, distribution of information to parents and the general public (including through a newspaper of general circulation), and deadlines for steps in the scholarship application and award process.

SEC. 2932. REPORTING REQUIREMENTS.

(a) IN GENERAL.—An eligible institution participating in the scholarship program under this subtitle shall report not later than July 30 of each year in a manner prescribed by the Corporation, the following data:

(1) Student achievement in the eligible institution's programs.

(2) Grade advancement for scholarship students.

(3) Disciplinary actions taken with respect to scholarship students.

(4) Graduation, college admission test scores, and college admission rates, if applicable for scholarship students.

(5) Types and amounts of parental involvement required for all families of scholarship students.

(6) Student attendance for scholarship and nonscholarship students.

(7) General information on curriculum, programs, facilities, credentials of personnel, and disciplinary rules at the eligible institution.

(8) Number of scholarship students enrolled.

(9) Such other information as may be required by the Corporation for program appraisal.

(b) CONFIDENTIALITY.—No personal identifiers may be used in such report, except that the Corporation may request such personal identifiers solely for the purpose of verification.

SEC. 2933. PROGRAM APPRAISAL.

(a) STUDY.—Not later than 4 years after the date of enactment of this Act, the Department of Education shall provide for an independent evaluation of the scholarship program under this subtitle, including—

(1) a comparison of test scores between scholarship students and District of Columbia public school students of similar backgrounds, taking into account the students' academic achievement at the time of the award of their scholarships and the students' family income level;

(2) a comparison of graduation rates between scholarship students and District of Columbia public school students of similar backgrounds, taking into account the students' academic achievement at the time of the award of their scholarships and the students' family income level; and

(3) the satisfaction of parents of scholarship students with the scholarship program.

(b) PUBLIC REVIEW OF DATA.—All data gathered in the course of the study described in subsection (a) shall be made available to the public upon request except that no personal identifiers shall be made public.

(c) REPORT TO CONGRESS.—Not later than September 1 of each year, the Corporation shall submit a progress report on the scholarship program to the appropriate congressional committees. Such report shall include a review of how scholarship funds were expended, including the initial academic achievement levels of students who have participated in the scholarship program.

(d) AUTHORIZATION.—There are authorized to be appropriated for the study described in subsection (a), $250,000, which shall remain available until expended.

SEC. 2934. JUDICIAL REVIEW.

The United States District Court for the District of Columbia shall have jurisdiction over any constitutional challenges to the scholarship program under this subtitle and shall provide expedited review.

And the Senate agree to the same.

JAMES T. WALSH,
HENRY BONILLA,
JACK KINGSTON,
RODNEY P. FRELINGHUYSEN,
MARK W. NEUMANN,
BOB LIVINGSTON,
Managers on the Part of the House.

JIM JEFFORDS,
BEN NIGHTHORSE CAMPBELL,
MARK O. HATFIELD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2546) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1996, and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the actions agreed upon by the managers and recommended in the accompanying conference report.

The conference agreement on the District of Columbia Appropriations Act, 1996, incorporates some of the provisions of both the House and Senate versions of the bill. The language and allocations set forth in House Report 104–294 and Senate Report 104–144 are to be complied with unless specifically addressed in the accompanying bill and statement of the managers to the contrary. The conference agreement also includes various technical changes to titles, headings and section numbers.

LIMITATION ON OPERATING EXPENDITURES

The conference agreement includes a limitation on operating expenditures of

$4,994,000,000, instead of $4,867,283,000 as proposed by the House and $5,137,083,000 as proposed by the Senate. The conference agreement is $154,347,000 below the District's August 8, 1995 request of $5,148,347,000. Language under "Personal and Nonpersonal Services Adjustments" requires a net reduction of $150,907,000 in personal and nonpersonal services to meet the limitation on operating expenditures. The language also provides that the reduction is to be made by the District's Chief Financial Officer on behalf of the Mayor in accordance with the direction of the District of Columbia Financial Responsibility and Management Assistance Authority.

CONGRESSIONAL CONCERNS REFERRED TO THE AUTHORITY

House Report 104-294 identified 28 items of congressional concern which were referred to the District of Columbia Financial Responsibility and Management Assistance Authority. The conferees request the Authority to resolve those items at the local level and to report to the House and Senate Committees on Appropriations by April 1, 1996 instead of March 1, 1996 as required in the House report, concerning the disposition of those that have been resolved and recommendations to resolve the others. The conferees recognize that between the present and March 1, 1996 the members and staff of the Authority will be focused on fulfilling one of the requirements of title II of the District of Columbia Financial Responsibility and Management Assistance Act pertaining to the consideration and approval of the fiscal year 1997 financial plan and budget. However, the conferees recognize too that an important part of title II, specifically section 222, addresses the need to improve the management and delivery of services of the District government. The conferees believe that both the financial and management problems of the District government must be addressed together as the Authority conducts its work. According to information from the General Accounting Office, a common action taken in cities in financial trouble was an improvement in city management. The conferees believe that the Authority should give equal attention to this area as it does to the financial area in working to remedy the fiscal problems of the District.

CONGRESSIONAL SUPPORT OF THE AUTHORITY

The conferees fully support the Financial Management Authority and its actions and are confident that the Authority will take appropriate actions in the future that are necessary to restore financial stability to the District of Columbia. The financial difficulties encountered by the District government are grave, but by no means insurmountable. The conferees recognize the leadership demonstrated by the Financial Management Authority in challenging the status quo to bring about a profound change in the District's direction which was headed toward financial insolvency and is now being redirected toward financial stability. The conferees are pleased with the actions taken by the Authority and its staff and recognize that even more difficult and unpopular decisions lie ahead. Those decisions, which now rest with the Authority, have been avoided for far too long and have led to disastrous consequences. The conferees recognize the difficulty and strongly support the Authority and its staff in their actions.

CHILDREN'S NATIONAL MEDICAL CENTER

The conferees strongly support the work of Children's National Medical Center's Community Pediatric Health Centers (CPHC) which bring primary health care services to approximately 7,000 low income, high risk children annually in the Shaw and Adams Morgan neighborhoods.

For twenty-eight years, the Community Pediatric Health Centers have contributed services to an underserved population, some of which are third generation clients. This program has succeeded in significantly reducing hospitalization rates and the impact of childhood diseases by providing early intervention and comprehensive primary care and preventive health care services at a cost-savings to the District government in fiscal year 1995 of approximately $146,000 based on 15,000 visits. Only 1 percent of CPHC patients have been hospitalized, and they have a 98 percent immunization rate by age two.

The conferees are aware that the District government has canceled its health services contracts with the Community Pediatric Health Centers effective March 1995. The contract included a subsidy of $18.77 per visit which totaled $262,000 annually. According to information supplied to the conferees, this subsidy, which was made available primarily to the uninsured who have no alternative source for funding, was only a portion of the total direct per visit cost of providing care to these children and has not increased in a decade. The conferees are informed that Children's National Medical Center has used its own operating revenues to subsidize the clinics for years, but the District's actions have threatened the viability of the clinics by doubling their annual operating deficit to $700,000.

It appears that Children's National Medical Center will be forced to close or severely reduce services provided at the clinics unless immediate funding requirements are met to sustain operations. The conferees are concerned about the financial impact to the District government if the closure of these clinics occurs. The conferees therefore expect District officials to immediately reassess their priorities and evaluate the potential additional costs to the District government should these patients be forced to seek alternative medical care, including hospitalization. This reassessment must be reflected in the budget and financial plan for fiscal years 1996 and 1997 submitted to the Financial Management Authority on February 1, 1996.

YCARE 2000 PRIVATE-PUBLIC PARTNERSHIP

The conferees fully support the YCARE 2000 program sponsored by the YMCA of Metropolitan Washington. The program provides work-readiness, conflict resolution training, tutoring, socialization and other skills to at-risk District youth who are in the age range of 5 to 18 years old. The conferees believe that YCARE 2000 is an example of an efficient and well-managed private-public partnership which can provide social services to improve the lives and futures of the city's young people. The conferees note that the Council of the District of Columbia has formally recognized the achievements of the YCARE 2000 initiative in a July 11, 1995 resolution.

In order to provide and facilitate private-public partnerships such as YCARE 2000, the conferees request that the Mayor consult with representatives of private, not-for-profit community organizations with demonstrated experience and expertise in providing services to children and youth in the District and, to the extent financial constraints permit, make funds available to such groups on the condition that the groups themselves provide equal matching amounts.

DISTRICT OF COLUMBIA APPROPRIATIONS

Senate Amendment: The Senate deleted the entire House bill after the enacting clause and inserted the text of the Senate passed bill (S. 1244). The conference agreement includes a revised bill consisting of titles I and II.

A comparative summary showing amounts appropriated by title starting with the fiscal year 1995 approved budget to the fiscal year 1996 recommended level is included at the end of this joint statement.

TITLE I—FISCAL YEAR 1996 APPROPRIATIONS

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

The conference action inserts a title and fiscal year heading to separate appropriations matter from education reform legislation relative to the District of Columbia public schools which is in Title II. The conference action also appropriates a Federal payment of $660,000,000 as proposed by the House and the Senate.

FEDERAL CONTRIBUTION TO RETIREMENT FUNDS

The conference action appropriates $52,070,000 instead of $52,000,000 as proposed by the House and the Senate. The increase of $70,000 above the House and Senate allowances reflects the amount authorized as well as the amount requested by the District government.

FEDERAL CONTRIBUTION FOR EDUCATION REFORM

The conference action appropriates $14,930,000 for Education Reform for the District of Columbia Public Schools and requires that the amount be placed in an escrow account of the District of Columbia Financial Responsibility and Management Assistance Authority and disbursed by the Authority in accordance with title II of this Act. Language is included in the bill prohibiting the use of these funds for any indirect cost charges by the D.C. Board of Education, the D.C. public school system, or the District government. A detailed explanation on the use of these funds is included in title II of this joint statement. A listing of the allocation follows:

$200,000 for charter schools;

$300,000 for the Public Charter School Board;

$2,000,000 for Even Start programs;

$500,000 for the Federal General Services Administration for engineering plans relative to D.C. public school facilities;

$100,000 to develop plans for a residential school;

$702,000 for the District Education and Learning Technologies Advancement Council which is part of the Partnerships With Business program;

$1,404,000 for the District Employment and Learning Center within the Partnerships With Business program;

$1,000,000 for a professional development program for teachers and administrators which is also within the Partnerships With Business program;

$1,404,000 for Jobs for D.C. Graduates within the Partnerships With Business program;

$70,000 for the Everybody Wins program;

$100,000 for the Fit Kids program;

$250,000 for the operations of the Consensus Commission on Public School Reform; and

$5,000,000 for low-income scholarships.

GOVERNMENTAL DIRECTION AND SUPPORT

The conference action appropriates $149,130,000 and 1,498 full-time equivalent positions including $117,464,000 and 1,158 full-time equivalent positions from local funds, $2,464,000 and 5 full-time equivalent positions from Federal funds, $4,474,000 and 71 full-time equivalent positions from other funds, and $24,728,000 and 264 full-time equivalent positions from intra-District funds instead of $149,793,000 and 1,465 full-time equivalent positions including $118,167,000 and 1,125 full-time equivalent positions from local funds, $2,464,000 and 5 full-time equivalent positions from Federal funds, $4,474,000 and 71 full-time equivalent positions from other funds, and $24,688,000 and 264 full-time equivalent positions from intra-District funds as proposed by the House and $150,721,000 and 1,465 full-time equivalent positions as proposed by the Senate. The Senate did not allocate the appropriation and full-time equivalent positions by source of funding.

The net decrease of $1,591,000 below the Senate allowance consists of an increase of $889,000 for the Board of Elections and Ethics and a reduction of $2,480,000 associated with the decrease of 160 full-time equivalent positions recommended by the Financial Management Authority as adjusted to reflect the restoration of 5 full-time equivalent positions for the operation of the Contract Appeals Board.

The conferees have included $3,015,000 and 63 full-time equivalent positions for the Board of Elections and Ethics instead of $2,606,000 and 35 full-time equivalent positions as recommended by the Financial Management Authority and proposed by the House and $2,126,000 and 35 full-time equivalent positions as requested by the District government and proposed by the Senate. The increase of $889,000 and 28 full-time equivalent positions above the Senate allowance will provide the funds and positions necessary to conduct the District's two primary elections in fiscal year 1996. This increase is based on correspondence from the Chairman of the Council of the District of Columbia and officials of the Board of Elections and Ethics.

The conference agreement provides $511,000 and 5 full-time equivalent positions for the Contract Appeals Board as requested in the District's revised budget dated August 8, 1995.

The conference action prohibits the use of revenues from Federal sources to support the operations or activities of the Statehood Commission and Statehood Compact Commission and requires the District to identify the sources of funding for Admission to Statehood from its own locally-generated revenues as proposed by the Senate. The House bill had no similar provision.

Capital needs study and new FMS.—The conference agreement provides $29,500,000 for pay-as-you-go capital projects of which $1,500,000 is for a capital needs assessment study and $28,000,000 is for the possible purchase of a new financial management system that would serve all District agencies including those that are considered independent such as the Board of Education and the Courts as proposed by the House and the Senate. The conference action also provides that $2,000,000 of the $28,000,000 shall be made available immediately for the first two phases of the project and that the remaining $26,000,000 be made available after the evaluation and assessment resulting from phases one and two have been reviewed during a 30-day Congressional layover. The House proposal required that the Financial Management Authority submit a report to the General Accounting Office within 90 days after the date of enactment of this Act for a 60-day review period to be followed by a 30-day Congressional layover. The Senate proposal required the Financial Management Authority to give prior approval to the work plan and procurement documents for necessary hardware and software before commencing work on phase 3, as described in the Authority's report dated August 15, 1995.

The conferees note that the present FMS was designed and installed as a state-of-the-art system 15 years ago at which time it was estimated to cost $16,000,000. However, because of various matters that were overlooked or not thoroughly evaluated the cost of the system more than doubled to $38,000,000. The conferees also note that the General Accounting Office reported on June 21, 1995 that: "* * * Millions of dollars of bills are not entered into the Financial Management System until months and sometimes years after they are paid.". The conferees expect such problems to be addressed and corrected as part of the phased approach to evaluate the present system's capabilities.

The conferees expect the evaluation and assessment report to specify the deficiencies in the present financial management system and to recommend improvements to the present system as well as options other than purchasing a new financial management system. To provide the best cost estimates possible and to insure the proper identification of the problems with the present FMS as well as to avoid any delays in installing a new FMS, should one be needed, the General Accounting Office is requested to review and monitor the assessment process closely as it is being performed so that a thorough and completely objective and competent assessment is provided to the Congress.

The following summary shows the allocation of the Governmental Direction and Support appropriation by agency from the fiscal year 1995 approved budget to the fiscal year 1996 conference approved level:

GOVERNMENTAL DIRECTION AND SUPPORT

Agency/Activity	Fiscal year 1995 approved	Budget estimates, fiscal year 1996	Revised request fiscal year 1996	Authority recommended fiscal year 1996	House recommendation	Senate recommendation	Conference allowance[1]
Council of the District of Columbia	$8,848,000	$8,380,000	$8,380,000	$8,284,000	$8,284,000	$8,380,000	$8,380,000
Office of the District of Columbia Auditor	1,029,000	1,057,000	961,000	961,000	961,000	961,000	961,000
Advisory Neighborhood Commissions	1,196,000	572,000	572,000	572,000	572,000	572,000	572,000
Office of the Mayor	1,552,000	1,753,000	1,753,000	1,753,000	1,753,000	1,753,000	1,753,000
Office of the Secretary	2,380,000	2,721,000	2,497,000	2,529,000	2,529,000	2,497,000	2,497,000
Office of Inspector General	1,283,000	792,000	728,000	760,000	760,000	728,000	728,000
Office of Communications	339,000	300,000	300,000	284,000	284,000	300,000	300,000
Office of Intergovernmental Relations	1,528,000	1,831,000	1,735,000	1,623,000	1,623,000	1,735,000	1,735,000
Office of City Administrator/Deputy Mayor of Operations	10,509,000	2,776,000	4,776,000	4,680,000	4,680,000	4,776,000	4,776,000
Office of Personnel	0	12,217,000	11,828,000	11,716,000	11,716,000	11,828,000	11,220,000
Department of Administrative Services	40,720,000	29,621,000	39,496,000	38,496,000	38,496,000	39,168,000	38,288,000
Contract Appeals Board	647,000	607,000	511,000	479,000	479,000	511,000	511,000
Office of the Deputy Mayor for Finance	318,000	320,000	320,000	320,000	320,000	320,000	320,000
Office of the Budget	2,645,000	2,606,000	4,042,000	3,946,000	3,946,000	4,042,000	4,010,000
Office of Financial Management	15,146,000	23,417,000	43,329,000	43,377,000	43,377,000	43,329,000	43,009,000
Department of Finance and Revenue	21,218,000	25,143,000	21,535,000	21,487,000	21,487,000	21,535,000	21,183,000
Board of Elections and Ethics	2,612,000	3,086,000	2,126,000	2,606,000	2,606,000	2,126,000	3,015,000
Office of Campaign Finance	1,018,000	997,000	933,000	805,000	805,000	933,000	773,000
Public Employee Relations Board	502,000	486,000	486,000	470,000	470,000	486,000	470,000
Office of Employee Appeals	1,741,000	1,509,000	1,477,000	1,429,000	1,429,000	1,477,000	1,413,000
D.C. Retirement Board	12,432,000	0	0	0	0	0	0
Metreopolitan Washington Council of Governments	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Statehood Commission	150,000	0	0	0	0	0	0
Office of Grants Management and Development	2,864,000	2,864,000	2,864,000	2,816,000	2,816,000	2,864,000	2,816,000
Total, Government Direction and Support	131,077,000	123,455,000	150,721,000	149,793,000	149,793,000	150,721,000	149,130,000

[1] Does not reflect allocation of Personal and Nonpersonal Services Adjustment of −$150,907,000 to be made by Mayor under the direction of the District of Columbia Financial Responsibility and Management Assistance Authority.

ECONOMIC DEVELOPMENT AND REGULATION

The conference action appropriates $140,983,000 and 1,692 full-time equivalent positions, including $68,203,000 and 698 full-time equivalent positions from local funds, $38,792,000 and 509 full-time equivalent positions from Federal funds, $17,658,000 and 258 full-time equivalent positions from other funds, and $16,330,000 and 227 full-time equivalent positions from intra-District funds instead of $139,285,000 and 1,692 full-time equivalent positions including $66,505,000 and 696 full-time equivalent positions from local funds, $38,792,000 and 509 full-time equivalent positions from Federal funds, $17,658,000 and 260 full-time equivalent positions from other funds, and $16,330,000 and 227 full-time equivalent positions from intra-District funds as proposed by the House and $142,711,000 and 1,692 full-time equivalent positions as proposed by the Senate. The Senate did not allocate the appropriation and full-time equivalent positions by source of funding.

The decrease below the Senate allowance reflects a reduction of $1,728,000 associated with the decrease of 108 full-time equivalent positions as recommended by the Financial Management Authority.

The following summary shows the allocation of the Economic Development and Regulation appropriation by agency from the fiscal year 1995 approved budget to the fiscal year 1996 conference approved level:

ECONOMIC DEVELOPMENT AND REGULATION

Agency/Activity	Fiscal year 1995 approved	Budget estimates, fiscal year 1996	Revised request fiscal year 1996	Authority recommended fiscal year 1996	House recommendation	Senate recommendation	Conference allowance[1]
Assistant City Administrator for Economic Development	$4,531,000	$4,039,000	$4,039,000	$3,847,000	$3,847,000	$4,039,000	$3,943,000
Office of Banking and Financial Institutions	627,000	296,000	296,000	296,000	296,000	296,000	296,000
Office of Tourism and Promotion	463,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Office of Planning	3,116,000	2,019,000	2,019,000	1,955,000	1,955,000	2,019,000	1,955,000
Office of Zoning	611,000	653,000	589,000	523,000	523,000	589,000	541,000
Department of Housing and Community Development	17,154,000	16,196,000	16,036,000	15,508,000	15,508,000	16,036,000	15,988,000
Department of Public and Assisted Housing	76,573,000	73,176,000	8,500,000	8,420,000	8,420,000	8,500,000	8,420,000
Department of Employment Services	....	65,909,000	64,821,000	63,397,000	63,397,000	64,821,000	63,925,000
Board of Appeals and Review	130,000	147,000	147,000	131,000	131,000	147,000	131,000
Board of Real Property Assessments and Appeals	453,000	386,000	370,000	338,000	338,000	370,000	338,000
Department of Consumer and Regulatory Affairs	37,149,000	36,701,000	36,797,000	36,285,000	36,285,000	36,797,000	36,349,000
Public Service Commission	6,192,000	5,600,000	5,600,000	6,080,000	6,080,000	5,600,000	5,600,000
Office of the People's Counsel	2,859,000	2,497,000	2,497,000	1,505,000	1,505,000	2,497,000	2,497,000
Total, Economic Development and Regulation	149,858,000	208,619,000	142,711,000	139,285,000	139,285,000	142,711,000	140,983,000

[1] Does not reflect allocation of Personal and Nonpersonal Services Adjustment of −$150,907,000 to be made by Mayor under the direction of the District of Columbia Financial Responsibility and Management Assistance Authority.

PUBLIC SAFETY AND JUSTICE

The conference action appropriates $963,848,000 and 11,544 full-time equivalent positions, including $940,631,000 and 11,365 full-time equivalent positions from local funds, $8,942,000 and 70 full-time equivalent positions from Federal funds, $5,160,000 and 4 full-time equivalent positions from other funds, and $9,115,000 and 105 full-time equivalent positions from intra-District funds instead of $954,106,000 and 11,544 full-time equivalent positions including $930,889,000 and 11,365 full-time equivalent positions from local funds, $8,942,000 and 70 full-time equivalent positions from Federal funds, $5,160,000 and 4 full-time equivalent positions from other funds, and $9,115,000 and 105 full-time equivalent positions from intra-District funds as proposed by the House and $960,747,000 and 11,544 full-time equivalent positions as proposed by the Senate. The Senate did not allocate the appropriation and full-time equivalent positions by source of funding.

The net increase of $3,101,000 above the Senate allowance reflects an increase of $3,325,000 for the Police and Firefighters Retirement Fund and a reduction of $224,000 associated with the decrease of 14 full-time equivalent positions recommended by the Financial Management Authority.

The conference action provides $220,000,000 for the Police and Firefighters Retirement Fund instead of $216,908,000 as proposed by the House and $216,675,000 as proposed by the Senate. The House allowance is based on the recommendations of the Financial Management Authority and the Senate allowance is based on the District's revised budget request. The conference allowance of $220,000,000 is based on the certification of the D.C. Retirement Board as required by section 142(c)(2) of the D.C. Retirement Reform Act (Public Law 96–122, approved November 17, 1979; 93 Stat. 880). District officials failed to include the statutorily required amount in their budget request.

The conference action allocates funds under the Metropolitan Police Department for the Georgetown Summer Detail ($250,000), East of the River Detail ($200,000), Adams Morgan detail ($100,000), and the Capitol Hill Summer Detail ($100,000) as proposed by the Senate.

The conferees did not approve bill language proposed by the Senate that would have limited the number of inmates housed in District operated or contracted community correctional centers to no more than 1,000 on any given date.

The following summary shows the allocation of the Public Safety and Justice appropriation by agency from the fiscal year 1995 approved budget to the fiscal year 1996 conference approved level:

PUBLIC SAFETY AND JUSTICE

Agency/Activity	Fiscal year 1995 approved	Budget estimates, fiscal year 1996	Revised request fiscal year 1996	Authority recommended fiscal year 1996	House recommendation	Senate recommendation	Conference allowance[1]
Metropolitan Police Department	$231,168,000	$246,357,000	$245,717,000	$246,011,000	$246,011,000	$245,717,000	$245,717,000
Fire and Emergency Medical Services Department	73,149,000	87,292,000	87,292,000	86,860,000	86,860,000	87,292,000	87,292,000
Police and Fire Retirement System	204,900,000	216,675,000	216,675,000	216,908,000	216,908,000	216,675,000	220,000,000
Judges' Retirement System	5,100,000	4,700,000	4,700,000	4,700,000	4,700,000	4,700,000	4,700,000
Court of Appeals	6,041,000	6,390,000	5,974,000	6,182,000	6,182,000	5,974,000	5,974,000
Superior Court	78,095,000	82,135,000	80,919,000	80,372,000	80,327,000	80,919,000	80,919,000
Court System	33,383,000	35,285,000	34,677,000	34,981,000	34,981,000	34,677,000	34,677,000
Office of the Corporation Counsel	17,434,000	18,266,000	16,954,000	17,610,000	17,610,000	16,954,000	16,954,000
Settlements and Judgments	11,000,000	14,800,000	14,800,000	14,800,000	14,800,000	14,800,000	14,800,000
Public Defender Service	7,315,000	7,702,000	7,702,000	0	0	7,702,000	7,702,000
Pretrial Services Agency	4,658,000	4,759,000	4,407,000	4,599,000	4,599,000	4,407,000	4,407,000
Department of Corrections	219,793,000	233,518,000	232,302,000	232,628,000	232,628,000	232,302,000	232,302,000
Board of Parole	5,458,000	5,386,000	5,322,000	5,370,000	5,370,000	5,322,000	5,322,000
National Guard	1,056,000	1,030,000	902,000	742,000	742,000	902,000	678,000
Office of Emergency Preparedness	2,563,000	2,226,000	2,194,000	2,178,000	2,178,000	2,194,000	2,194,000
Commission on Judicial Disabilities and Tenure	127,000	130,000	130,000	130,000	130,000	130,000	130,000
Judicial Nomination Commission	89,000	80,000	80,000	80,000	80,000	80,000	80,000
Civilian Complaint Review Board	1,173,000	0	0	0	0	0	0
Total, Public Safety and Justice	902,466,000	966,731,000	960,747,000	954,106,000	954,106,000	960,747,000	963,848,000

[1] Does not reflect allocation of Personal and Nonpersonal Services Adjustment of −$150,907,000 to be made by Mayor under the direction of the District of Columbia Financial Responsibility and Management Assistance Authority.

PUBLIC EDUCATION SYSTEM

The conference action appropriates $795,201,000 and 11,670 full-time equivalent positions, (including $676,251,000 and 9,996 full-time equivalent positions from local funds, $87,385,000 and 1,227 full-time equivalent positions from Federal funds, $21,719,000 and 234 full-time equivalent positions from other funds, and $9,846,000 and 213 full-time equivalent positions from intra-District funds instead of $788,983,000 and 11,670 full-time equivalent positions including $670,833,000 and 9,996 full-time equivalent positions from local funds, $87,385,000 and 1,227 full-time equivalent positions from Federal funds, $21,719,000 and 234 full-time equivalent positions from other funds, and $9,046,000 and 213 full-time equivalent positions from intra-District funds as proposed by the House and $800,080,000 and 11,670 full-time equivalent positions as proposed by the Senate. The Senate did not allocate the appropriation and full-time equivalent positions by source of funding.

The net decrease of $4,879,000 below the Senate allowance consists of an increase of $2,625,000 for the Teachers' Retirement System and a decrease of $7,504,000 associated with the reduction of 469 full-time equivalent positions recommended by the Financial Management Authority.

The conference action also allocates to the public schools of the District of Columbia $580,996,000 and 10,167 full-time equivalent positions including $498,310,000 and 9,014 full-time equivalent positions from local funds, $75,786,000 and 1,058 full-time equivalent positions from Federal funds, $4,343,000 and 44 full-time equivalent positions from other funds, and $2,557,000 and 51 full-time equivalent positions from intra-District funds instead of $577,242,000 and 10,167 full-time equivalent positions including $494,556,000 and 9,014 full-time equivalent positions from local funds, $75,786,000 and 1,058 full-time equivalent positions from Federal funds, $4,343,000 and 44 full-time equivalent positions from other funds, and $2,557,000 and 51 full-time equivalent positions from intra-District funds as proposed by the House and $585,956,000 and 10,167 full-time equivalent positions as proposed by the Senate. The Senate did not allocate the appropriation and full-time equivalent positions by source of funding.

The conference action provides an additional $14,930,000 in Federal funds appropriated under title I for the District's public schools for Education Reform which are explained in title II of this joint statement.

The conferees urge that as resources permit, every effort be made by District officials to provide funds to support improvements to the Bell Multicultural High School building facility and its academic programs.

The conference action allocates $111,800,000 including $111,000,000 from local funds and $800,000 from intra-District funds for the Teachers' Retirement Fund instead of $109,175,000 allocated by the House and the Senate. The conference allowance of $111,800,000 is based on the certification of the D.C. Retirement Board to the Mayor and Council as required by the D.C. Retirement Reform Act (Public Law 96–122, approved November 17, 1979). District officials failed to include the statutorily required amount in their budget request.

The conference action allocates to the University of the District of Columbia $79,396,000 and 1,079 full-time equivalent positions including $45,377,000 and 572 full-time equivalent positions from local funds, $10,611,000 and 156 full-time equivalent positions from Federal funds, $16,922,000 and 189 full-time equivalent positions from other funds, and $6,486,000 and 162 full-time equivalent positions from intra-District funds instead of $79,269,000 and 1,079 full-time equivalent positions including $45,250,000 and 572 full-time equivalent positions from local funds, $10,611,000 and 156 full-time equivalent positions from Federal funds, $16,922,000 and 189 full-time equivalent positions from other funds, and $6,486,000 and 162 full-time equivalent positions from intra-District funds as proposed by the House and $81,940,000 and 1,079 full-time equivalent positions as proposed by the Senate. The Senate did not allocate the appropriation and full-time equivalent positions by source of funding.

The decrease of $2,544,000 below the Senate allowance reflects the amount associated with the decrease of 159 full-time equivalent positions recommended by the Financial Management Authority.

The conference action allocates to the Public Library $20,742,000 and 415 full-time equivalent positions including $19,839,000 and 408 full-time equivalent positions from local funds, $446,000 and 6 full-time equivalent positions from Federal funds, $454,000 and 1 full-time equivalent positions from other funds, and $3,000 from intra-District funds instead of $21,062,000 and 415 full-time equivalent positions including $20,159,000 and 408 full-time equivalent positions from local funds, $446,000 and 6 full-time equivalent positions from Federal funds, $454,000 and 1 full-time equivalent positions from other funds, and $3,000 from intra-District funds as proposed by the House and $20,742,000 and 415 full-time equivalent positions as proposed by the Senate. The Senate did not allocate the appropriation and full-time equivalent positions by source of funding.

The conference action allocates to the Commission on the Arts and Humanities $2,267,000 and 9 full-time equivalent positions as proposed by the House and the Senate including $1,725,000 and 2 full-time equivalent positions from local funds and $542,000 and 7 full-time equivalent positions from Federal funds as proposed by the House. The Senate did not allocate the appropriation and full-time equivalent positions by source of funding.

The conference action deletes the allocation of $64,000 from local funds for the District of Columbia School of Law and the reduction of $96,000 for the Education Licensure Commission proposed by the House based on the recommendation of the Financial Management Authority and stricken by the Senate.

The following summary shows the allocation of the Public Education System appropriation by agency from the fiscal year 1995 approved budget to the fiscal year 1996 conference approved level:

PUBLIC EDUCATION SYSTEM

Agency/Activity	Fiscal year 1995 approved	Budget estimates, fiscal year 1996	Revised request fiscal year 1996	Authority recommended fiscal year 1996	House recommendation	Senate recommendation	Conference allowance[1]
Board of Education (Public Schools)	$621,100,000	$585,956,000	$585,956,000	$577,242,000	$577,242,000	$585,956,000	$580,996,000
Teachers' Retirement System	87,100,000	109,175,000	109,175,000	109,175,000	109,175,000	109,175,000	111,800,000
University of the District of Columbia	89,768,000	84,820,000	81,940,000	79,269,000	79,269,000	81,940,000	79,396,000
D.C. School of Law	8,288,000	0	0	64,000	64,000	0	0
Educational Licensure Commission	0	320,000	0	(96,000)	(96,000)	0	0
Public Library	22,213,000	21,382,000	20,742,000	21,062,000	21,062,000	20,742,000	20,742,000
Commission on the Arts and Humanities	3,834,000	2,267,000	2,267,000	2,267,000	2,267,000	2,267,000	2,267,000
Total, Public Education System	832,303,000	803,920,000	800,080,000	788,983,000	788,983,000	800,080,000	795,201,000

[1] Does not reflect allocation of Personal and Nonpersonal Services Adjustment of −$150,907,000 to be made by Mayor under the direction of the District of Columbia Financial Responsibility and Management Assistance Authority.

EDUCATION REFORM

The conference action provides $14,930,000 for Education Reform as authorized under title II of this Act. An explanation of the programs involved is included under title II of this joint statement.

HUMAN SUPPORT SERVICES

The conference action appropriates $1,855,014,000 and 6,469 full-time equivalent positions, including $1,076,856,000 and 3,650 full-time equivalent positions from local funds, $726,685,000 and 2,639 full-time equivalent positions from Federal funds, $46,799,000 and 66 full-time equivalent positions from other funds, and $4,674,000 and 114 full-time equivalent positions from intra-District funds instead of $1,845,638,000 and 6,469 full-time equivalent positions including $1,067,516,000 and 3,650 full-time equivalent positions from local funds, $726,685,000 and 2,639 full-time equivalent positions from Federal funds, $46,763,000 and 66 full-time equivalent positions from other funds, and $4,674,000 and 114 full-time equivalent positions from intra-District funds as proposed by the House and $1,859,622,000 and 6,469 full-time equivalent positions as proposed by the Senate. The Senate did not allocate the appropriation and full-time equivalent positions by source of funding.

The decrease of $4,608,000 below the Senate allowance reflects the amount associated with the decrease of 288 full-time equivalent positions as recommended by the Financial Management Authority.

LaShawn General Receivership.—On August 23, 1995, the United States District Court for the District of Columbia issued an order in the matter of *LaShawn A.* v. *Barry*. The court appointed a General Receiver for the District of Columbia child welfare system, including responsibility for programs located in several District agencies, and directed the Receiver to propose a comprehensive annual budget for fiscal year 1996 to the Court and to the District of Columbia Financial Responsibility and Management Assistance Authority. The order further directed the "creation of an independent budget function" and "independent fiduciary mechanism for receipt and disbursement of funds to operate the child welfare system." On November 27, 1995, the Receiver submitted a proposed budget to the Court and the Financial Management Authority in the amount of $130,569,925.

Unlike the receiver controlling the District's public housing program, the LaShawn receiver is responsible for programs and functions that cut across departmental lines. The judge's order identifies child welfare functions in the Department of Human Services, the Department of Administrative Services, the District of Columbia Office of Personnel, and the Department of Consumer and Regulatory Affairs.

As with all court orders, and particularly court-appointed receivers, the LaShawn Receivership reduces the District's ability to set budgets based on local priorities. It also makes the job that Congress has charged the Financial Management Authority with carrying out more difficult. It is that relationship between the receiver and the Financial Management Authority that is potentially most troublesome. Certainly, the conferees agree that the children in the District's foster care program as well as other elements of the child welfare system should be cared for adequately and appropriately. The conferees hope that the receivership and the Financial Management Authority will work together to ensure that adequate resources are available.

Human Support Services Appropriation.—The following summary shows the allocation of the Human Support Services appropriation by agency from the fiscal year 1995 approved budget to the fiscal year 1996 conference approved level:

HUMAN SUPPORT SERVICES

Agency/Activity	Fiscal year 1995 approved	Budget estimates, fiscal year 1996	Revised request, fiscal year 1996	Authority recommended, fiscal year 1996	House recommendation	Senate recommendation	Conference allowance[1]
Department of Human Services	$1,404,633,000	$1,718,211,000	$1,709,827,000	$1,694,979,000	$1,694,979,000	$1,709,827,000	$1,705,427,000

HUMAN SUPPORT SERVICES—Continued

Agency/Activity	Fiscal year 1995 approved	Budget estimates, fiscal year 1996	Revised request, fiscal year 1996	Authority recommended, fiscal year 1996	House recommendation	Senate recommendation	Conference allowance [1]
Department of Recreation and Parks	30,635,000	35,877,000	31,653,000	32,613,000	32,613,000	31,653,000	31,653,000
Office on Aging	19,082,000	19,089,000	19,025,000	19,009,000	19,009,000	19,025,000	19,009,000
D.C. General Hospital Payment	46,735,000	56,735,000	56,735,000	56,735,000	56,735,000	56,735,000	56,735,000
Unemployment Compensation Fund	7,944,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Disability Compensation Fund	20,800,000	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000
Department of Human Rights and Minority Business Development	1,796,000	1,621,000	1,301,000	1,429,000	1,429,000	1,301,000	1,301,000
Office on Latino Affairs	1,128,000	657,000	657,000	657,000	657,000	657,000	657,000
Commission for Women	282,000	20,000	20,000	20,000	20,000	20,000	20,000
Energy Office	9,613,000	4,404,000	4,404,000	4,196,000	4,196,000	4,404,000	4,212,000
Total, Human Support Services	1,542,648,000	1,872,614,000	1,859,622,000	1,845,638,000	1,845,638,000	1,859,622,000	1,855,014,000

[1] Does not reflect allocation of Personal and Nonpersonal Services Adjustment of −$150,907,000 to be made by Mayor under the direction of the District of Columbia Financial Responsibility and Management Assistance Authority.

PUBLIC WORKS

The conference action appropriates $297,568,000 and 1,914 full-time equivalent positions as proposed by the House and the Senate including $225,915,000 and 1,158 full-time equivalent positions from local funds, $2,682,000 and 32 full-time equivalent positions from Federal funds, $18,342,000 and 68 full-time equivalent positions from other funds, and $50,629,000 and 656 full-time equivalent positions from intra-District funds instead of $297,326,000 and 1,914 full-time equivalent positions including $225,673,000 and 1,158 full-time equivalent positions from local funds, $2,682,000 and 32 full-time equivalent positions from Federal funds, $18,342,000 and 68 full-time equivalent positions from other funds, and $50,629,000 and 656 full-time equivalent positions from intra-District funds as proposed by the House. The Senate did not allocate the appropriation and full-time equivalent positions by source of funding.

D.C. Canine Facility.—The Metropolitan Police Department has had a long-standing need to construct a modernized canine training facility at a location near D.C. Village. The design plan has been finalized, requests for proposal have been issued, construction proposals have been received, and the project is ready to commence but awaits the necessary funds. The funding for this project is available from the Washington Metropolitan Area Transit Authority as a result of earlier agreements but is being withheld until payment by DPW of certain highway trust funds owed to WMATA. The canine program is an integral component of the entire public safety program in the District and the availability of these funds represents an opportunity that should not be ignored. The conferees direct the Department of Public Works and other appropriate authorities to work out the transfer of these funds between DPW and WMATA and expedite this project as quickly as possible. The conferees further direct DPW and WMATA to submit a report on the first of each month to the House and Senate Committees on Appropriations on their efforts to begin the construction of this facility. These reports are to be submitted until a construction contract has been signed with periodic reports thereafter on the status of construction and completion dates.

Washington Metropolitan Area Transit Authority.—The conference action provides $130,899,000 as proposed by the House and the Senate for the District's share of the operating expenses and debt service for Metrorail and Metrobus operations. The conferees expect the District to meet its obligations to the Washington Metropolitan Area Transit Authority on time and in full. The District's obligation to make payments to WMATA is determined through regional agreements and service levels in place and is not discretionary in nature. The conferees strongly urge the District to uphold its regional commitments to avoid the associated adverse impacts for other jurisdictions in the region. Further, the conferees fear that any level of funding below that recommended could jeopardize those regional agreements and result in significant service curtailments in the District, thus impeding the ability of residents to access employment opportunities throughout the region.

A discussion of the D.C. Canine Facility precedes the above paragraph and is called to the attention of WMATA officials. The conferees urge WMATA and DPW officials to expedite the transfer of the necessary funds and to submit monthly reports on their progress until a construction contract is signed, as required above.

Public Works Appropriation.—The following summary shows the allocation of the Public Works appropriation by agency from the fiscal year 1995 approved budget to the fiscal year 1996 conference approved level:

PUBLIC WORKS

Agency/Activity	Fiscal year 1995 approved	Budget estimates, fiscal year 1996	Revised request fiscal year 1996	Authority recommended fiscal year 1996	House recommendation	Senate recommendation	Conference allowance [1]
Department of Public Works	$156,348,000	$164,848,000	$161,227,000	$160,985,000	$160,985,000	$161,227,000	$161,227,000
Pay-as-you-go	0	0	0	288,000	288,000	0	0
Taxicab Commission	1,787,000	1,661,000	1,501,000	1,213,000	1,213,000	1,501,000	1,501,000
Washington Metropolitan Area Transit Commission	96,000	96,000	96,000	96,000	96,000	96,000	96,000
Washington Metropolitan Area Transit Authority (Metro)	117,051,000	126,899,000	130,899,000	130,899,000	130,899,000	130,899,000	130,899,000
School transit subsidy	4,345,000	3,845,000	3,845,000	3,845,000	3,845,000	3,845,000	3,845,000
Total, Public Works	279,627,000	297,349,000	297,568,000	297,326,000	297,326,000	297,568,000	297,568,000

[1] Does not reflect allocation of personal and nonpersonal services adjustment of −$150,907,000 to be made by Mayor under the direction of the District of Columbia Financial Responsibility and Management Assistance Authority.

WASHINGTON CONVENTION CENTER FUND TRANSFER PAYMENT

The conference action revises the heading as proposed by the Senate and appropriates $5,400,000 as proposed by the House and the Senate from local funds as proposed by the House. The Senate did not allocate the appropriation by source of funding.

REPAYMENT OF LOANS AND INTEREST

The conference action appropriates $327,787,000 from local funds as proposed by the House instead of $257,787,000 as proposed by the Senate. The Senate did not allocate the appropriation by source of funding.

REPAYMENT OF GENERAL FUND RECOVERY DEBT

The conference action appropriates $38,678,000 as proposed by the House and the Senate to be derived from local funds as proposed by the House. The Senate did not allocate the appropriation by source of funding.

REPAYMENT OF INTEREST ON SHORT-TERM BORROWING

The conference action changes the heading and appropriating language for Repayment of Interest on Short-Term Borrowing as proposed by the Senate and appropriates $9,698,000 from local funds as proposed by the House and the Senate to be derived from local funds as proposed by the House. The Senate did not allocate the appropriation by source of funding.

PAY RENEGOTIATION OR REDUCTION IN COMPENSATION

The conference action requires a reduction in personal services of $46,409,000 as proposed by the House and the Senate. The reduction is to be derived by reducing the rates of compensation for District government employees, who are subject to collective bargaining agreements, to the extent possible through the renegotiation of existing agreements. The bill language as requested by the District government and proposed by the House and the Senate provides that if a sufficient reduction through renegotiating existing agreements is not realized from employees who are subject to collective bargaining agreements, the Mayor shall decrease rates of compensation for such employees, notwithstanding the provisions of any collective bargaining agreements.

In addition, the conference action includes bill language ratifying and approving legislation enacted during fiscal year 1995 by the Council of the District of Columbia reducing the compensation and benefits of all employees of the District of Columbia government during that fiscal year. Because of the District's fiscal crisis, the Council passed a series of emergency, temporary, and permanent measures during fiscal year 1995 to provide immediate and concrete savings in personal services through reducing the wages of all District government employees in the latter half of fiscal year 1995 and into fiscal year 1996. These measures affected both union and non-union employees. The terms, nature, and effective dates of these reductions varied, both for those groups of employees who negotiated reduction plans with District representatives and those groups of employees who did not. The reductions were made effective through acts of the Council which were ultimately included in the Omnibus Budget Support Act of 1995, D.C. Law 11-52, effective September 26, 1995, 42 DCR 3684, 5604. Substantial savings were achieved during fiscal year 1995 through these reductions. In ratifying the actions of the Council in enacting these wage reductions, some of which have been challenged in the courts, it is the express intent of the conferees that the savings realized in fiscal year 1995 be preserved and that wage reductions be continued into fiscal year 1996 and future years.

RAINY DAY FUND

The conference action appropriates $4,563,000 for the rainy day fund as proposed by the House and the Senate to be derived from local funds as proposed by the House. The Senate did not allocate the appropriation by source of funding.

INCENTIVE BUYOUT PROGRAM

The conference action appropriates $19,000,000 as proposed by the House and the Senate for costs associated with the incentive buyout program. The Senate did not allocate the appropriation by source of funding.

OUTPLACEMENT SERVICES

The conference action changes the heading and appropriating language for Outplacement Services as proposed by the Senate and appropriates $1,500,000 as proposed by the House and the Senate.

BOARDS AND COMMISSIONS

The conference action requires a reduction of $500,000 as proposed by the House and the Senate to reflect the elimination of stipends for most boards and commissions.

GOVERNMENT RE-ENGINEERING PROGRAM

The conference action requires a reduction of $16,000,000 as proposed by the House and the Senate to be realized by consolidating and eliminating agencies, procurement reform, privatization, and program service re-engineering.

The following summary shows the allocation of the various "Financing and Other Uses" appropriations from the fiscal year 1995 approved budget to the fiscal year 1996 conference approved level:

FINANCING AND OTHER USES

Agency/Activity	Fiscal year 1995 approved	Budget estimates, fiscal year 1996	Revised request fiscal year 1996	Authority recommended fiscal year 1996	House recommendation	Senate recommendation	Conference allowance[1]
Washington Convention Center transfer payment	$12,850,000	$5,400,000	$5,400,000	$5,400,000	$5,400,000	$5,400,000	$5,400,000
Repayment of loans and interest	306,768,000	285,787,000	257,787,000	327,787,000	327,787,000	257,787,000	327,787,000
Repayment of General Fund recovery debt	38,678,000	38,678,000	38,678,000	38,678,000	38,678,000	38,678,000	38,678,000
Short-term borrowing	5,000,000	9,698,000	9,698,000	9,698,000	9,698,000	9,698,000	9,698,000
Optical and dental benefits	3,312,000	0	0	0	0	0	0
Restructure health benefits program	0	0	0	0	0	0	0
Pay adjustment	106,095,000	0	0	0	0	0	0
Pay renegotiation or reduction in compensation	0	(46,409,000)	(46,409,000)	(46,409,000)	(46,409,000)	(46,409,000)	(46,409,000)
Incentive buyout payments	0	8,000,000	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000
Outplacement services	0	0	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
D.C. General Hospital deficit payment	10,000,000	0	0	0	0	0	0
Rainy day fund	22,508,000	0	4,563,000	4,563,000	4,563,000	4,563,000	4,563,000
Job-producing economic development incentives	22,600,000	0	0	0	0	0	0
Cash reserve fund	3,957,000	0	0	0	0	0	0
Boards and Commissions reduction	0	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Government re-engineering program	0	(20,000,000)	(16,000,000)	(16,000,000)	(16,000,000)	(16,000,000)	(16,000,000)
Personal and nonpersonal services adjustment	(13,632,000)	0	0	0	(148,411,000)	(11,264,000)	(150,907,000)
Sec. 138 spending reductions	(140,000,000)	0	0	0	0	0	0
Total, financing and other uses	378,136,000	280,654,000	273,717,000	343,717,000	195,306,000	262,453,000	192,810,000

[1] Does not reflect allocation of personal and nonpersonal services adjustment of −$150,907,000 to be made by Mayor under the direction of the District of Columbia Financial Responsibility and Management Assistance Authority.

CAPITAL OUTLAY
(INCLUDING RESCISSIONS)

The conference action restores "(Including Rescissions)" in the heading as proposed by the House and stricken by the Senate and appropriates $168,222,000 (including $82,850,000 from local funds and $85,372,000 from Federal funds) instead of $168,222,000 as proposed by the House and $82,850,000 proposed by the Senate. The House and Senate did not allocate the appropriation by source of funding. The conference action restores the provisos under capital outlay proposed by the House and stricken by the Senate requiring that each project shall be managed and controlled in accordance with all procedures and limitations of the financial management system (FMS); that all funds provided shall be available only for the specific projects and purposes intended; that authorizations and funds for projects covered by the first sentence of section 23(a) of the Federal-Aid Highway Act of 1968 shall expire on September 30, 1997 unless funds have been obligated in whole or in part prior to September 30, 1997; and provides that funds for expiring projects shall lapse.

WATER AND SEWER ENTERPRISE FUND

The conference action appropriates $242,253,000 and 1,024 full-time equivalent positions, including $237,076,000 and 924 full-time equivalent positions from local funds, $433,000 from other funds, and $4,744,000 and 100 full-time equivalent positions from intra-District funds instead of $193,398,000 and 1,024 full-time equivalent positions including $188,221,000 and 924 full-time equivalent positions from local funds, $433,000 from other funds, and $4,744,000 and 100 full-time equivalent positions from intra-District funds as proposed by the House and $243,853,000 and 1,024 full-time equivalent positions as proposed by the Senate. The Senate did not allocate the appropriation and full-time equivalent positions by source of funding.

The decrease of $1,600,000 below the Senate reflects the reduction associated with the decrease of 100 full-time equivalent positions recommended by the Financial Management Authority.

The conference action appropriates $39,477,000 from Federal funds for capital outlay projects with the necessary bill language as proposed by the House. The House bill did not allocate the appropriation by source of funding. The Senate bill did not include an appropriation or bill language for this purpose.

Language in section 154 establishes two separate accounts within the Water and Sewer Enterprise Fund—one for waste water treatment user charges and the other for EPA grants and other construction appropriations and funds.

The conferees are concerned about reports that District officials have diverted to other programs at least $233 million in user charges and other funds collected for the construction, operation and maintenance of the Blue Plains Wastewater Treatment Facility and waste water treatment works. As a result of this diversion of funds, issues have surfaced concerning the availability of resources necessary to ensure the safe and effective maintenance and operation of the facility. The conferees are also concerned that construction grant funds for wastewater treatment works from the United States Environmental Protection Agency have been used by District officials for other purposes contrary to law. To address these concerns, statutory provisions have been added in section 154 to require that the District government maintain separate accounts or subaccounts for user charges collected and monies paid by user jurisdictions specifically for the operation and maintenance, including debt service and capital costs, of the waste water treatment works and for grant funds received by the District government from EPA for construction of the Blue Plains Wastewater Treatment Facility and related waste water treatment works.

The conferees have learned that the District of Columbia government has failed to pay certain outstanding contractor and vendor invoices for construction and operation and maintenance of the Blue Plains facility. This practice is unacceptable and must be addressed and must be reflected in the budget and financial plan for fiscal years 1996 and 1997 submitted to the Financial Management Authority on February 1, 1996. The conferees direct that the District government submit to the House and Senate Committee on Appropriations a report by April 1, 1996, on the status of the actions taken to resolve these financial issues.

The conferees intend that these statutory provisions not be construed to impede any plans to turn the Blue Plains Wastewater Treatment Plant over to a regional authority or some other entity upon approval of such plans by the appropriate parties. The conferees request that the April 1, 1996 report referred to above provide an update on progress made to establish a regional authority which would be responsible for the overall management of the Blue Plains Wastewater Treatment Facility and related waste water treatment works.

LOTTERY AND CHARITABLE GAMES ENTERPRISE FUND

The conference action appropriates $229,950,000 and 88 full-time equivalent positions as proposed by the Senate including $7,950,000 and 88 full-time equivalent positions for administrative expenses and $222,000,000 for non-administrative expenses from revenue generated by the Lottery Board instead of $229,907,000 and 88 full-time equivalent positions including $8,099,000 and 88 full-time equivalent positions for administrative expenses and $221,808,000 for non-administrative expenses from revenue generated by the Lottery Board as proposed by the House. The Senate did not allocate the appropriation and full-time equivalent positions by source of funding.

The decrease of $192,000 and 12 full-time equivalent positions below the Senate allowance reflects a reduction in the Board's administrative expenses.

CABLE TELEVISION ENTERPRISE FUND

The conference action appropriates $2,351,000 and 8 full-time equivalent positions including $2,019,000 and 8 full-time equivalent positions from local funds and $332,000 from other funds instead of $2,469,000 including $2,137,000 from local funds and $332,000 from other funds as proposed by the House and $2,351,000 and 8 full-time equivalent positions as proposed by the Senate. The Senate did not allocate the appropriation and full-time equivalent positions by source of funding.

The conference action transfers $572,000 to the general fund as proposed by the Senate instead of $690,000 as proposed by the House.

STARPLEX FUND

The conference action appropriates $6,580,000 from other funds instead of $8,637,000 from other funds as proposed by the House and $6,580,000 as proposed by the Senate. The Senate did not allocate the appropriation by source of funding.

D.C. GENERAL HOSPITAL

The conference action appropriates $115,034,000 of which $56,735,000 is to be derived by transfer as intra-District funds from the general fund, $52,684,000 is to be derived from other funds and $5,615,000 is to be derived from intra-District funds instead of a reduction of $2,487,000 and a reduction of 180 full-time equivalent positions as proposed by the House in accordance with the recommendation of the Financial Management Authority and $115,034,000 of which $56,735,000 is to be derived by transfer from the general fund as proposed by the Senate.

D.C. RETIREMENT BOARD

The conference action appropriates $13,440,000 and 11 full-time equivalent positions from the earnings of the applicable retirement funds as proposed by the Senate instead of $13,417,000 and 11 full-time equivalent positions from the earnings of the applicable retirement funds as proposed by the House.

CORRECTIONAL INDUSTRIES FUND

The conference action appropriates $10,516,000 and 66 full-time equivalent positions including $3,415,000 and 22 full-time equivalent positions from other funds and $7,101,000 and 44 full-time equivalent positions from intra-District funds instead of $10,048,000 including $3,415,000 and 22 full-time equivalent positions from other funds and $6,633,000 and 44 full-time equivalent positions from intra-District funds as proposed by the House and $10,516,000 and 66 full-time equivalent positions as proposed by the Senate. The Senate did not allocate the appropriation and full-time equivalent positions by source of funding.

WASHINGTON CONVENTION CENTER ENTERPRISE FUND

The conference action appropriates $37,957,000 of which $5,400,000 shall be derived by transfer from the general fund and $32,557,000 from other funds for the Washington Convention Center Enterprise as proposed by the House and the Senate.

D.C. FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE AUTHORITY

The conference action appropriates $3,500,000 from local funds for the District of Columbia Financial Responsibility and Management Assistance Authority as proposed by the House and the Senate.

PERSONAL AND NONPERSONAL SERVICES ADJUSTMENTS

The conference agreement requires a general net reduction of 165,837,000 in personal and nonpersonal services for fiscal year 1996 instead of $148,411,000 as proposed by the House and $11,264,000 proposed by the Senate. The conference agreement also provides that the net reduction is to be made by the District's Chief Financial Officer on behalf of the Mayor in accordance with the direction of the Financial Management Authority pursuant to section 208 of Public Law 104–8, approved April 17, 1995, as proposed by the House. The Senate language required by the Mayor, in consultation with the Council and the Financial Management Authority, to reduce appropriations and expenditures for personal services costs in the amount of $11,264,000. The conferees direct that the allocation of this reduction to the departments, agencies and programs be made within 30 days after the date of enactment of this Act and reflected in the financial plan that will be transmitted to the Congress by March 1, 1996 with the District's fiscal year 1996 supplemental budget request.

The District's judicial branch of government is one of the better managed entities in the District government. All personnel including those in supervisory roles appear to be well trained and dedicated to excellence. Its financial management and information systems appear to be well designed with state-of-the-art automation. Requests for financial information such as obligations incurred, accounts receivable and payable, and balances are readily available which is not always the case elsewhere in the District government. While the conferees understand the need for independence by the District's judicial branch of government, the conferees also expect its full cooperation with the executive and legislative branches of the District government as well as the Financial Management Authority in addressing the District's financial crisis. The conferees do not expect the judicial branch to make budget reductions that are proportionately greater than those experienced by the executive and legislative branches. However, at a minimum, the judicial branch must meet the level of reductions applied to the executive and legislative branches. The conferees believe the high quality and caliber of all court personnel including the management staff provide the courts with the capability to meet the challenges posed by the current financial crisis without sacrificing standards and public service. Although language in Public Law 104–8, approved April 17, 1995, specifically exempts the courts from oversight by the Financial Management Authority, that exemption applies only to the independence of the courts which are still an integral part of the District government and therefore must share proportionately in all budget and full-time equivalent position reductions as recommended by the Financial Management Authority. The exemption allows the courts to determine how to allocate the reductions; it does not absolve the courts from making them and should not be interpreted otherwise. Section 445 of the Home Rule Act (Public Law 93–198, approved December 24, 1973) requires that the courts' budget as prepared by the courts be transmitted by the Mayor and Council without change but subject to their comments and recommendations. The conferees expect the District's Chief Financial Officer and the Financial Management Authority to likewise comment and make recommendations on the courts' budget.

The following summary shows the allocation of the various appropriations for enterprise funds by agency from the fiscal year 1995 approved budget to the fiscal year 1996 conference approved level:

ENTERPRISE FUNDS

Agency/Activity	Fiscal year 1995 approved	Budget estimates, fiscal year 1996	Revised request, fiscal year 1996	Authority recommended, fiscal year 1996	House recommendation	Senate recommendation	Conference allowance [1]
Department of Public Works (Utility Administration)	254,563,000	204,329,000	204,329,000	193,398,000	193,398,000	204,329,000	202,729,000
Washington Aqueduct	21,013,000	39,524,000	39,524,000	0	0	39,524,000	39,524,000
Total, Water and Sewer Enterprise Fund	275,576,000	243,853,000	243,853,000	193,398,000	193,398,000	243,853,000	242,253,000
Lottery and Charitable Games	192,068,000	229,950,000	229,950,000	229,907,000	229,907,000	229,950,000	229,950,000
Cable Television	2,654,000	2,351,000	2,351,000	2,469,000	2,469,000	2,351,000	2,351,000
Sports Commission (STARPLEX)	6,392,000	6,580,000	6,580,000	8,637,000	8,637,000	6,580,000	6,580,000
D.C. General Hospital	143,920,000	115,034,000	115,034,000	(2,487,000)	(2,487,000)	115,034,000	58,299,000
Retirement Board	0	13,440,000	13,440,000	13,417,000	13,417,000	13,440,000	13,440,000
Correctional Industries Fund	7,642,000	10,516,000	10,516,000	10,048,000	10,048,000	10,516,000	10,516,000
Washington Convention Center	19,541,000	37,957,000	37,957,000	37,957,000	37,957,000	37,957,000	32,557,000
D.C. Financial Responsibility and Management Assistance Authority	0	0	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Total, Enterprise Funds	647,793,000	659,681,000	663,181,000	496,846,000	496,846,000	663,181,000	599,446,000

[1] Does not reflect allocation of Personal and Nonpersonal Services Adjustment of −$150,907,000 to be made by Mayor under the direction of the District of Columbia Financial Responsibility and Management Assistance Authority.

GENERAL PROVISIONS

The conference action amends section 110 by requiring that the District's fiscal year 1997 budget be transmitted to Congress "no later than April 15, 1996 or as provided for under the provisions of Public Law 104-8, approved April 17, 1995" instead of by April 15, 1996 as proposed by the House and the Senate. This change allows for additional time that may be required by the Financial Management Authority to review the District's budget as provided in Public Law 104-8.

The conference action amends section 117 to take cognizance of the Financial Management Authority's role in the re-programming process. The Financial Management Authority was established by Public Law 104-8, approved April 17, 1995.

The conference action deletes section 124 proposed by the Senate which would have extended for one year the period of time the District could sell general obligation bonds through a private sale on a negotiated basis rather than on a competitive bid basis.

Section 466 of the Home Rule Act (Public Law 93-198, approved December 24, 1973; 87 Stat. 806) requires that all general obligation bonds be sold at public sale with sealed proposals. To acclimate the District to the bond market, the Home Rule Act was amended in 1981 by Public Law 97-105 to give the District a 3-year grace period when it could sell bonds "at either a public sale or at a private sale on a negotiated basis in such manner as the Mayor may determine to be in the public interest".

The purpose of the grace period was to give the District some exposure or "experience" in the municipal bond market. The District did not enter the bond market until after the grace period had expired. To provide for the 3-year grace period, the District requested one-year extensions for negotiated sales in the appropriations bills. Those requests were approved in each of the last 10 years. The normal 3-year grace period ended in 1988.

The conference action deletes section 131 proposed by the House and deleted by the Senate that would have amended section 602(a) of the Home Rule Charter (Public Law 93-198, approved December 24, 1973) to prohibit the District government from enacting legislation that obligates funds for any abortion or appropriates funds to any facility owned or operated by the District in which any abortion is performed, except where the life of the mother would be endangered if the fetus were carried to term, or in cases of forcible rape reported within 30 days to a law enforcement agency, or cases of incest reported to a law enforcement agency or child abuse agency prior to the performance of the abortion.

The conference action amends section 132 proposed by the Senate by changing the section number to 131 and prohibiting the use of any funds in this Act for any abortion except to save the life of the mother or in cases of rape or incest.

The conference action deletes section 132 proposed by the House and stricken by the Senate which would have prohibited the use of funds appropriated in this Act on any proposed change in either the use or configuration of, or on any improvement to, the Municipal Fish Wharf until the proposed change or improvement had been reviewed and approved by Federal and local authorities.

The conference action deletes section 133 proposed by the House and stricken by the Senate that expressed the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American made.

The conference action deletes section 134 proposed by the House and stricken by the Senate which would have prohibited the use of any funds in the bill to implement or enforce any system of registration of unmarried, cohabiting couples whether they are homosexual, lesbian, or heterosexual, including but not limited to registration for the purpose of extending employment, health, or governmental benefits to such couples on the same basis that such benefits are extended to legally married couples. The language also would have repealed the District's Health Care Benefits Expansion Act (D.C. Law 9-114, D.C. Code, sec. 36-1401 et seq.) commonly referred to as the Domestic Partners Act. Section 132 of this Act reflects section 140 as proposed by the Senate amended to continue current law which prohibits the use of any appropriated funds to (1) implement or enforce any registration system of unmarried, cohabiting couples and (2) implement or enforce the Domestic Partners Act.

The conference action amends section 140 proposed by the Senate by changing the section number to 132 and striking the word "Federal" thereby prohibiting the use of any funds in this Act to implement or enforce (1) the District's Health Care Benefits Expansion Act of 1992 (commonly referred to as the Domestic Partners Act) or (2) any system of registration of unmarried cohabiting couples whether they are homosexual, lesbian, or heterosexual.

The conference action amends section 146 proposed by the House and section 145 proposed by the Senate by changing the section number to 144 and revising the maximum ceiling for full-time equivalent positions funded in this Act to 35,984 instead of 35,771 as proposed by the House and recommended by the Financial Management Authority and 39,778 as proposed by the Senate. The following summary shows the number of full-time equivalent positions by agency from the FY approved budget to the FY 1996 conference allowance:

(The summary referred to follows:)

DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1996 (H.R. 2546) SUMMARY FULL-TIME EQUIVALENT POSITIONS BY AGENCY, FISCAL YEAR 1995–1996

	Fiscal year 1995 approved	Fiscal year 1996 original request	Fiscal year 1996 revised request	Fiscal year 1996 authority recom.	Fiscal year 1996 House allowance	Fiscal year 1996 Senate allowance	Fiscal year 1996 conference allowance
Governmental Direction and Support:							
Council of the District of Columbia	170	149	143	143	143	143	143
Office of the D.C. Auditor	15	15	12	12	12	12	12
Office of the Mayor	31	25	25	25	25	25	25
Office of the Secretary	50	46	34	34	34	34	34
Office of Inspector General	18	9	7	7	7	7	7
Office of Communications	7	6	5	5	5	5	5
Office of Intergovernmental Relations	42	35	22	22	22	22	22
Office of the City Administrator/Deputy Mayor for Operations	44	35	29	29	29	29	29
Office of Personnel	0	265	230	192	192	192	192
Department of Administrative Services	434	329	272	217	217	217	217
Contract Appeals Board	8	8	5	0	0	0	5
Office of the Deputy Mayor for Finance	5	5	5	5	5	5	5
Office of the Budget	54	52	44	42	42	42	42
Office of Financial Management	291	279	234	214	214	214	214
Department of Finance and Revenue	507	492	473	451	451	451	451
Board of Elections and Ethics	52	65	35	35	35	35	63
Office of Campaign Finance	22	22	20	10	10	10	10
Public Employee Relations Board	4	4	4	3	3	3	3
Office of Employee Appeals	23	18	17	13	13	13	13
Retirement Board	14	0	0	0	0	0	0
Office of Grants Management	9	9	9	6	6	6	6
Total, Governmental Direction and Support	1,800	1,868	1,625	1,465	1,465	1,465	1,498
Economic Development and Regulation:							
Deputy Mayor for Economic Development	47	37	31	25	25	25	25
Office of Banking and Financial Institutions	8	5	5	5	5	5	5
Office of Tourism and Promotion	6	4	4	4	4	4	4
Office of Planning	42	27	27	23	23	23	23
Office of Zoning	12	10	8	5	5	5	5
Department of Housing and Community Development	219	212	172	169	169	169	169
Department of Public and Assisted Housing	879	923	10	5	5	5	5
Department of Employment Services	0	915	814	730	758	758	758
Board of Appeals and Review	2	2	2	1	1	1	1
Board of Equalization and Review	5	4	3	1	1	1	1
Department of Consumer and Regulatory Affairs	736	658	640	584	612	610	612
Public Service Commission	93	86	60	120	60	60	60
Office of People's Counsel	38	30	24	48	24	24	24
Total, Economic Development and Regulation	2,087	2,913	1,800	1,720	1,692	1,690	1,692
Human Resources Development:							
Assistant City Administrator for Human Resources	24	0	0	0	0	0	0
Office of Personnel	285	0	0	0	0	0	0

DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1996 (H.R. 2546) SUMMARY FULL-TIME EQUIVALENT POSITIONS BY AGENCY, FISCAL YEAR 1995–1996—Continued

	Fiscal year 1995 approved	Fiscal year 1996 original request	Fiscal year 1996 revised request	Fiscal year 1996 authority recom.	Fiscal year 1996 House allowance	Fiscal year 1996 Senate allowance	Fiscal year 1996 conference allowance
Department of Employment Services	948	0	0	0	0	0	0
Education Licensure Commission	6	0	0	0	0	0	0
Total, Human Resources Development	1,263	0	0	0	0	0	0
Public Safety and Justice:							
Metropolitan Police Department	5,430	4,564	4,512	4,512	4,512	4,512	4,512
Fire and Emergency Medical Services	1,821	1,817	1,790	1,790	1,790	1,790	1,790
Court of Appeals	97	96	83	83	83	83	83
Superior Court	1,277	1,255	1,142	1,142	1,142	1,142	1,142
D.C. Court System	108	122	103	103	103	103	103
Office of the Corporation Counsel	340	330	289	289	289	289	289
Public Defender Service	152	139	139	0	0	0	0
Pretrial Services Agency	101	104	93	93	93	93	93
Department of Corrections	3,949	3,759	3,369	3,369	3,369	3,369	3,369
Parole Board	125	115	113	113	113	113	113
National Guard	34	30	26	12	12	12	12
Office of Emergency Preparedness	49	38	35	35	35	35	35
Commission on Judicial Disabilities and Tenure	2	2	2	2	2	2	2
Judicial Nomination Commission	1	1	1	1	1	1	1
Civilian Complaint Review Board	24	0	0	0	0	0	0
Total, Public Safety and Justice	13,510	12,372	11,697	11,544	11,544	11,544	11,544
Public Education System:							
Public Schools	12,299	11,559	10,477	10,167	10,167	10,167	10,167
University of the District of Columbia	1,538	1,426	1,238	1,079	1,079	1,079	1,079
District of Columbia School of Law	78	0	0	0	0	0	0
Education Licensure Commission	0	6	0	0	0	0	0
Public Library	469	435	414	415	415	415	415
Commission on the Arts and Humanities	20	9	9	9	9	9	9
Total, Public Education System	14,404	13,435	12,139	11,670	11,670	11,670	11,670
Human Support Services:							
Department of Human Services	7,758	7,529	6,162	5,859	5,887	5,887	5,887
Department of Recreation and Parks	822	719	515	515	515	515	515
Office on Aging	33	31	27	26	26	26	26
Department of Human Rights & Minority Business Development	45	37	25	25	25	25	25
Office on Latino Affairs	13	3	3	3	3	3	3
Commission for Women	7	0	0	0	0	0	0
Energy Office	39	26	25	13	13	13	13
Total, Human Support Services	8,717	8,345	6,757	6,441	6,469	6,469	6,469
Public Works:							
Department of Public Works	2,509	2,219	1,896	1,896	1,896	1,896	1,896
D.C. Taxicab Commission	32	28	18	18	18	18	18
Total, Public Works	2,541	2,247	1,914	1,914	1,914	1,914	1,914
Sec. 141 Limitation on FTEs and Retirement Incentives	(2,000)	0	(1,000)	0	0	0	0
Total, General Fund	42,322	41,180	35,932	34,754	34,754	34,752	34,787
Enterprise Funds:							
Department of Public Works (Utility Administration)	1,711	1,793	1,124	1,024	1,024	1,024	1,024
Washington Aqueduct	267	271	0	0	0	0	0
Lottery and Charitable Games Control Board	124	117	100	88	88	88	88
Office of Cable Television	30	8	8	8	8	8	8
D.C. Retirement Board	0	14	11	11	11	11	11
Correctional Industries	63	106	66	66	66	66	66
D.C. General Hospital	2,562	1,760	0	(180)	(180)	0	0
Total, Enterprise Funds	4,757	4,069	1,309	1,017	1,017	1,197	1,197
Total, Operating Funds	47,079	45,249	36,241	35,771	35,771	35,949	35,984

Excludes 3,083 FTE positions for agencies shifted to off-budget status for FY 1996 that continue to be paid by District Government:

Department of Public and Assisted Housing	913
Public Defender Service	193
Washington Aqueduct	271
D.C. General Hospital	1,760
Total	3,083

The conference action also restores language in subsection (d) of the new section 144 proposed by the House and stricken by the Senate which includes personnel of the District of Columbia Court System in the exemption from Council action for the filling of vacant positions. As noted earlier under the appropriation for "Personal and Nonpersonal Services Adjustments", the conferees recognize the need for independence by the District's judicial branch of government; however, the conferees also expect the judicial branch to meet the level of reductions applied to the executive and legislative branches by the District's Chief Financial Officer and the Financial Management Authority. The conferees expect the judicial branch to allocate the recommended reductions and do not expect those reductions to be proportionately greater than those experienced by the executive and legislative branches.

The conference action amends section 147 proposed by the House and section 146 proposed by the Senate by changing the section number to 148 and by requiring that the reports on capital project employees also be provided to the Financial Management Authority. The language proposed by the Senate required that the reports be provided to the Committees on Appropriations of the House of Representatives and the Senate. The requirement for these reports was included in the District's fiscal year 1996 budget request.

The conference action deletes section 150 proposed by the Senate which would have extended by two years the time for the conveyance of property of Columbia Hospital for Women for the National Women's Health Resource Center. The request for the extension was withdrawn by the Hospital.

The conference action restores section 151 proposed by the House and stricken by the Senate and changes the section number to 150 and places a ceiling of $4,994,000,000 (of which $165,339,000 shall be from intra-District funds) on the total amount available for obligation from all funding sources appropriated for operating expenses for the District of Columbia for fiscal year 1996 under the caption "Division of Expenses" instead of $4,867,283,000 as proposed by the House. The Senate did not have a similar provision. The conference action also amends section 150 by adding language that allows the District government to accept and spend Federal and other grants that are not included in this Act subject to prior approval by the Financial Management Authority with monthly reports to the Council and the House and Senate Committees on Appropriations. The language also prohibits the obligation or expenditure from the general fund or any other fund for grant programs in anticipation of the approval and receipt of a grant. However, this language is not intended to prohibit the use of any funds for the development of grant proposals and applications.

The conference action restores section 152 proposed by the House and stricken by the Senate and changes the section number to 151 and amends the bill language to require that plans for the Lorton Correctional Complex (1) be submitted by March 15, 1996 rather than February 15, 1996 as proposed by the House and (2) include options other than the closing of the facility. The amended language requires that the options are to include the use of alternative Federal or private arrangements for housing District inmates with an appropriate transition period not to exceed five years. The conferees agree that each option considered for Lorton facility location and management is to be identified and the costs and benefits of each option documented. There should also be a justification supporting the recommendation or rejection of each option. In addition, the plans are to address how and to what extent the District can use the private sector for the operation of correctional facilities to house District inmates, including site selection, design, financing, construction, and operation of the facilities. The conferees agree that each plan is to include a description of any proposed legislation required to implement the plan and an implementation schedule, together with specific performance measures and timetables, and be consistent with the financial plan and budget developed for the District government under subtitle A of title II of the D.C. Financial Responsibility and Management Assistance Act of 1995. The conferees are aware that the National Institute of Corrections, which provides technical assistance, training, and information services to State and local corrections departments, is performing an in-depth study of the District's Department of Corrections as requested by the House and Senate Committees on Appropriations in their report accompanying the fiscal year 1995 appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies. The NIC report should provide a foundation for further actions by the District to address the problems that exist at the Lorton complex.

The conference action amends section 153 proposed by the House and stricken by the Senate by restoring the language proposed by the House prohibiting adoptions by unmarried couples. The conference action adds language that allows unmarried couples to file joint petitions in those cases where the co-petitioner is the natural parent of the child. The conference action also changes the section number to 152.

The conference action amends section 154 proposed by the House and stricken by the Senate by changing the section number to 153 and restoring the language proposed by the House concerning technical corrections to the Financial Responsibility and Management Assistance Act (Public Law 104-8, approved April 17, 1995). These technical corrections were offered as an amendment on the House floor by the committee of jurisdiction with the explanation that the amendment is noncontroversial and conforms to the legislative intent of Public Law 104-8. A brief description of the technical changes is reflected in the following paragraphs.

The conference action restores subsection (a) as proposed by the House which revises section 103(f) of Public Law 104-8 by striking "may provide" and inserting "shall promptly provide". This revision provides the General Services Administration with the appropriate degree of discretion and clarifies that GSA has a duty to provide the administration services requested by the Financial Management Authority in a prompt manner.

The conference action restores subsection (b) as proposed by the House which—

(1) amends section 102(e)(1)(A) of Public Law 104-8 to insure that Federal employees joining the Financial Management Authority's staff may elect to have their service with the Authority treated as if performed within the Federal government for purposes of the thrift savings plan, health insurance, life insurance, and any other Federal benefit program. The statute already provides such persons that election for purposes of the Federal retirement program.

(2) amends section 102(e)(2)(B) of Public Law 104-8 to clarify congressional intent and make clear that an individual electing coverage under the Federal programs referred to in section 102(e)(1)(A) will not be entitled to double coverage under comparable District government programs.

(3) amends section 102(e)(3) of Public Law 104-8 to provide that the Office of Personnel Management, in promulgating regulations authorized by section 102(e) must consult with the Financial Management Authority as well as with the District government. When OPM first promulgated interim regulations as authorized by the statute, it failed to consult with the Authority or even send on its own initiative a copy of the proposed regulations.

(4) adds a new section 102(f) to Public Law 104-8 to carry out the policy mandate created in section 102(e) and clarify that persons employed by the Financial Management Authority have an election to be treated as if they were employees of the Federal government or employees of the District government for purposes of the retirement system, health insurance, and any other employee benefit programs. Section 102(e) deals only with employees of the Authority who come from the Federal government. Several other categories of persons are becoming employees of the Authority, including Federal retirees, District employees, and private sector employees. This new section gives these employees the same options as persons joining the Authority from the Federal government. It will help to insure that qualified employees will not be discouraged from seeking employment with the Authority by clarifying legislative intent so as to provide that such persons would not lose benefits.

The conference action restores subsection (c) as proposed by the House which amends section 104 of Public Law 104-8 to protect the Financial Management Authority and those who act on its behalf from claims arising from their official actions.

The conference action restores subsection (d) as proposed by the House which deletes in its entirety section 203(a)(3)(C) of Public Law 104-8. The language being deleted exempted emergency legislation from review by the Financial Management Authority and, in practice, would have effectively undermined the fundamental responsibilities of the Authority, contrary to the clear legislative intent of the statute as a whole. A significant amount of District legislation is now being enacted on an emergency basis, and since emergency legislation goes into effect immediately, rights could be created or claimed under the emergency legislation and objections asserted to any subsequent disapproval by the Authority if and when the legislation were subsequently submitted as permanent legislation. Emergency legislation can clearly have a substantial fiscal impact while it is in force and effect. Therefore, the current subparagraph (C) is not only an undesirable and significant dilution of the Authority's intended ability to function, but it also casts doubt on the Authority's ability to require that emergency legislation be reviewed, separate and apart from the issue of approval or disapproval.

The conference action inserts a new section 154 to establish two separate accounts within the Water and Sewer Enterprise Fund—one for waste water treatment user charges and the other for EPA grants and other construction appropriations and funds. An explanation concerning the establishment of these accounts can be found under the heading "Water and Sewer Enterprise Fund" earlier in this statement.

The conference action inserts a new section 155 requested by the Mayor in a letter dated December 12, 1995, that allows up to 50 police officers and up to 50 Fire and Emergency Medical Services members with less than 20 years of departmental service who were hired prior to February 14, 1980 and who retire on disability before the end of calendar year 1996 to be excluded from the computation of the rate of disability retirement under subsection 145(a) of the District of Columbia Retirement Reform Act of 1979 (Public Law 96-122, approved November 17, 1979). The conferees have included language in subsection (c) that delays the effective date of section 155 until 30 days after the Mayor transmits the actuarial report required by section 142(d) of Public Law 96-122, approved November 17, 1979. The conferees direct the Mayor to forward all future requests that affect the District's finances and budget through the Financial Management Authority.

The conference action amends title II—District of Columbia School Reform proposed by the House and stricken by the Senate and title II—District of Columbia Schools Improvements Act proposed by the Senate. The following paragraphs contain a brief description of the conference action.

TITLE II—DISTRICT OF COLUMBIA SCHOOL REFORM

The concluding of this conference agreement culminates a year of debate, discussion, and negotiation from the local school level to the Congress regarding the amount, shape and pace of education reform necessary in the District of Columbia. The catalysts for this latest debate include the January 1995 report by the D.C. Committee on Public Education (COPE) entitled "Our Children Are Still Waiting" and a renewed interest by Congress in ensuring greater educational opportunity for D.C. children.

The January 1995 COPE report recounts the lack of real progress in implementing education reform since the first COPE report in June, 1989. The opening line of the 1995 COPE report reads "in 1989, the Committee on Public Education issued a report that described a school system in need of serious reform." The report states that "no progress and setbacks in other areas paint a grim picture." These are not the words of a harsh critic or an unsympathetic observer, instead they represent a concerned community. COPE reported that:

By almost any measure, student academic performance worsened;

No significant progress had been made in improving the teaching workforce;

Problems persist in providing timely and adequate material support to local schools;

School buildings need renovations and repairs (totaling $1.2 billion according to the Superintendent's task force);

Schools are still shackled by an oppressive bureaucracy that hopes to exploit divisions within the Board and between the Board and the Superintendent.

COPE argues that "so little progress has been made because, quite frankly, this community has not really tried reform." COPE cites as reasons the following:

All too many are invested in the status quo;

Serious fragmentation of responsibility and accountability exist in the school governance structure;

The school system does not systematically recognize good teaching, nor does it aggressively weed-out non-performers;

The Board of Education's micromanagement of the schools undermines the Superintendent and his reform efforts; and

There has been a lack of focus and consistent follow-through within the school system.

At the same time as the District of Columbia community was recognizing the need for fundamental and comprehensive education reform, the Members of the Congress became committed to supporting such reform.

Title II of this conference agreement, the "District of Columbia School Reform Act of 1995," goes a long way toward creating the local structure to address the concerns expressed by the community, particularly through local education reform groups such as the Committee on Public Education.

The conference action extends the definition of District-wide assessments to clarify the type of assessments that should be used and the professional standards they need to meet, as proposed by the Senate.

The conference action adds a definition of an electronic data system to be developed by the District of Columbia public schools as proposed by the Senate.

The conference action amends the definition of who is an eligible chartering authority, striking the House proposal designating local universities and adding the charter schools board created in Subtitle B, as proposed by the Senate.

The conference action includes a definition of individual career path, a course of study to prepare older students for the workforce, as proposed by the Senate.

The conference action adds a definition of literacy as proposed by the Senate.

The conference action changes the definition of student with special needs to limit it to a student with a disability.

Subtitle A requires that the Superintendent of Schools, with approval of the Board of Education, develop a long term reform plan for the District of Columbia Public School System. This provision builds on the efforts currently underway by the District. The long term reform plan outlined in the legislation uses the same philosophy outlined by the Schools Board President and the Superintendent in the one-year action plan entitled "Accelerating Education Reform in the District of Columbia: Building on BESST" that was submitted to Congress on July 13, 1995. The agreement requires that the plan be consistent with the financial plan and budget for the District of Columbia required by the District of Columbia Financial Responsibility and Management Assistance Act of 1995 (Public Law 104-8).

The conference action amends the District of Columbia public schools long term reform plan, adding items to be required in the plan, as proposed by the Senate. These items were proposed by the House for inclusion in Subtitle H, Progress Reports and Accountability but the conferees determined that it is only possible to hold the school system accountable for these actions after it is required by this Act to develop a reform plan addressing these issues.

The conference action adds several items to be included in the long term reform plan, including improving students' health and establishment of after-school programs, as proposed by the Senate.

In Subtitle B, the agreement authorizes the establishment of public charter schools. On October 23, 1995, the Education and Libraries Committee of the D.C. Council passed, by a vote of 4-0, very similar legislation authorizing the establishment of independent public charter schools. Prior to that, a recommendation that either the D.C. Council or the Congress enact legislation authorizing independent public charter schools was included in the reform plan submitted by the President of the D.C. Board of Education and the Superintendent to Congress on July 13, 1995.

The conferees find that public charter schools represent a new type of public education, but one that retains essential elements: public charter schools are funded by the public, are open to the public, and are accountable to the public for results. They are different from traditional public schools, however, in that they are not required to be managed by a government bureaucracy. Educators may establish new schools and have an opportunity to establish their vision. Such schools may not charge tuition, except to non-residents, and must be open to students with a broad range of aptitudes. A public charter school may limit admission based on grade levels and may choose to have an instructional focus, such as the arts, science, or advanced technology.

A number of accountability provisions are included. Eligible chartering authorities are responsible for reviewing the quality of a charter applicant's petition, as well as determining whether a school has been effective and its five-year charter should be renewed. Parental choice, informed by a school's performance on the District-wide assessments as well as other factors, constitutes another form of accountability. Further, the charter of a school may be revoked at any time for financial mismanagement.

The conferees find that public charter schools represent a key component of comprehensive reform. They encourage innovation and entrepreneurialism by educators and ensure freedom from the many burdensome rules and regulations that frustrate so many good teachers. Within certain limitations defined in the agreement, public charter schools have full control over their day-to-day operations, including budgeting, personnel, and contracting, but they are nonsectarian and nonprofit.

The conference action adds several items to the petition that applicants to establish public charter schools are required to file, as proposed by the Senate. These include a description of the proposed scope and size of the school, any special area of focus for the proposed school, and the employment relationship between the public charter school and its employees, and assurances that the public charter school will seek accreditation or licensing, as appropriate.

The conference action adds to the criteria that must be considered in approving or disapproving charter petitions whether the applicant can implement the petition, as proposed by the Senate. The conference action leaves to the discretion of the charter-approving entity whether to approve a petition even in cases where it determines that the petition satisfies all of the provisions of this title, as proposed by the Senate.

The conference action includes a provision limiting the number of charters that may be approved in the first year to ten, and limiting the number to five per charter-approving entity in future years, as proposed by the Senate.

The conference action adds a provision applying Part B of the Individuals with Disabilities Act and Section 504 of the Rehabilitation Act to public charter schools, proposed by the Senate. The conference agreement allows each public charter school to determine whether it is to be treated as a regular District of Columbia public school or as a Local Education Agency (LEA), for the purposes of those two laws.

The conference action adds a section establishing a public charter schools board, which would be a charter-approving body in the District of Columbia government, as proposed by the Senate. The agreement calls for the charter schools board to be appointed by the Mayor from nominees provided by the Secretary of Education.

The agreement encourages a number of federal agencies and institutions to explore the feasibility of establishing public charter schools, including the Smithsonian, the National Science Foundation, and others, as proposed by the House. The conference action adds the Department of Education to the list of entities encouraged to consider establishing public charter schools, as proposed by the Senate.

Subtitle C of the agreement creates a District of Columbia Even Start program, expanding the federal Even Start program in the District, as proposed by the House. The inclusion of Even Start as a part of the agreement is a reflection of the conferees' belief in the power of family literacy to ensure positive educational outcomes for young children. In a recent national adult literacy survey there were approximately 40 million adults who scored in the lowest level of the literacy scale. Twenty percent of the population of this country have been found to have minimal basic skills. Even Start is based on the knowledge that children who have parents who can help and support them in their educational endeavors are more likely to succeed than those who have parents with low literacy skills and little knowledge of how to help their children succeed in school.

The District of Columbia Even Start initiative requires programs to be built on the findings of the "National Evaluation of the Even Start Family Literacy Programs," including the provision of intensive services in parent training and adult literacy or adult education. In addition the Chapter 1 Even Start Program is amended through this legislation to include comparable language on intensity of services. It is estimated that a quality Even Start Program requires $225,000 per year to operate. The District of Columbia Program authorization level assumes this level of funding for each program by limiting the number of projects which can be funded in a given year.

The agreement includes the National Center for Family Literacy, a recognized authority in this field, for technical assistance to eligible entities. It is expected that the National Center for Family Literacy will assist in ensuring that funded projects are of high quality and provide the intensity of services necessary for success.

The agreement also includes an independent evaluation of District of Columbia Even Start programs in order to determine their effectiveness in providing high quality family literacy services.

Subtitle D of the conference agreement provides for assistance to the District of Columbia Public Schools in the development of a world-class core curriculum and Districtwide student assessments, as proposed by the House, and content standards, as proposed by the Senate. The core of education is the curriculum. There is a need to ensure that students' competence in this core curriculum represent a high level of achievement, in fact that it be world class.

The provisions establishing such a task force originated with a request by the President of the D.C. Board of Education and the Superintendent—as part of the draft reform plan submitted to Congress on July 13, 1995—for approximately $2,000,000 to be used for a new curriculum and assessments.

The conference action deletes the World Class Schools Panel, to have been appointed by Congress, the President, and the Mayor, replacing it with a grant to a nonprofit entity described as the "World Class Schools Task Force," as proposed by the Senate. The "World Class Schools Task Force" must meet several criteria in order to receive the grant (including a national reputation for advocating rigorous core curriculum and experience working with large urban school districts on content standards). The conferees expect that the Council for Basic Education (CBE) will serve as the World Class Schools Task Force.

Because even the formal adoption of a high-quality curriculum constitutes only the first step in enabling students to master such a curriculum, assessments that describe how well students are performing in the new curriculum are also vital. To be of maximum use, assessments need to inform parents of their own child's progress, as well as the progress of the school. Such information needs to be placed in the context of the performance of other schools. In order to judge whether such performance is truly "world class," it must be placed in the context of student achievement in other nations, such as Germany, France, Japan, and South Korea. Tools useful for developing assessments providing such comparisons are becoming increasingly available, such as the Third International Mathematics and Science Study (TIMSS). Further, it is also important that such assessments satisfy professional technical standards, such as validity, reliability and freedom from bias, as established by the American Psychological Association and the American Education Research Association.

The conference action deletes the requirement that information from assessments be comparable with information from other states and the nation as a whole, as proposed by the Senate. The agreement maintains, however, the expectation that assessments, to the extent feasible, provide comparable information with students from other nations.

The establishment of new criteria for grade promotion, taking into account the new curriculum and assessments, was also included in the reform plan submitted by the President of the D.C. Board of Education and the Superintendent to Congress on July 13, 1995. The conference action amends the grades for which criteria for student promotion ("promotion gates") are to established to include at least grades four, eight and twelve, as proposed by the Senate.

Subititle E of the conference agreement directs the District of Columbia to develop a per pupil formula for funding K–12 education starting in FY 1997. This uniform formula will be used to provide operating budgets on the basis of enrollment for the school system as a whole and for individual public charter schools. According to the January 1995 report by COPE, "Of the 40 largest school systems in the country, the District ranked first in per pupil expenditures."

In the context of low student academic achievement, this information is disturbing and as a result the District of Columbia is directed to establish a uniform and efficient formula for funding public education. The same formula will be used for students enrolled in individual public charter schools authorized in subtitle B of this agreement and the District of Columbia Public School System. The formula may take into account such variations as students at different grade levels and students with special needs. Such a formula will clarify and focus decisions regarding funding for public education around students' needs.

For each of fiscal years 1996 through 2000, funds are authorized to pay for transition costs associated with starting public charter schools. These funds are necessary because the school years begin in September while the fiscal year begins in October, therefore resulting in a one month funding gap for new public charter schools.

The conference action amends a House proposal to direct the General Accounting Office (GAO) to determine the number of students in the District of Columbia Public Schools, instead directing the Board of Education to arrange with the Financial Responsibility and Management Assistance Authority to conduct an independent audit of the school system's count, as proposed by the Senate.

Subtitle F of the conference agreement seeks to begin addressing the facilities problems that plague the District of Columbia Public Schools. On August 14, 1995, the Superintendent received the report of his task force on education infrastructure for the 21st century, "Preliminary Facilities Master Plan 2005." The report describes the physical state of public school facilities and the necessary steps to remedy that state. It sets out in plain terms the current condition of the public schools:

Sixty-two percent of the District's public schools are over forty-five years old but only 8 of the 163 operating schools have ever had total renovations.

There is an inability to accommodate educational programs, initiatives, and technology.

There is no school building able to support a comprehensive vocational or career focus to prepare students for work in the 21st century.

The Superintendent's task force put a price tag of $1.2 billion to restore the buildings to a state of good repair, modernize schools and provide infrastructure support for technology.

The agreement encourages assistance by the private sector and government agencies to bring new life to the bricks and mortar of the school buildings. The Superintendent and the Administrator of the General Services Administration (GSA) are expected to enter into an agreement whereby the GSA will provide technical assistance for donated work from the private sector. The conferees have included $500,000 to offset GSA expenses related to the engineering work.

In addition, the agreement calls on the Mayor and the District of Columbia Council, in consultation with the Administrator, the Financial Responsibility and Management Assistance Authority, the Board of Education and the Superintendent, to design a long-term facilities revitalization program and designate a new or existing agency or to carry out this program.

The conference action gives the District of Columbia Public School system the authority to accept gifts on behalf of the District of Columbia, as proposed by the Senate.

Subtitle G of the conference agreement authorizes funds for the planning and initial capital costs to develop a residential school within the District of Columbia, as proposed by the House.

In a July 13, 1995 reform plan submitted to Congress, the President of the Board of Education and the Superintendent proposed allowing the District of Columbia to establish a public residential school. This amendment provides funds to the District to establish such a school. The District of Columbia Public School System has indicated that it intends for such a school to be designed for highly disruptive or troubled youth and this is the expectation. Several school systems have public residential schools operating, including in Texas and North Carolina. The city of Chicago is experimenting with the idea in a public housing complex.

The conference agreement changes the distribution of the $2 million authorized for a residential school in the House proposal. Instead of the entire amount authorized in FY 1996, there are authorized $100,000 in FY 1996 for developing a comprehensive implementation plan and $1,900,000 in FY 1997 for the capital costs associated with preparing a school facility.

Subtitle H of the conference agreement requires the Superintendent to report by December 1, 1996, on the progress of the District of Columbia Public School system in implementing the long-term reform plan described in subtitle A. Conference action deleted a number of specific items proposed by the House for this report, as proposed by the Senate. These items were moved to subtitle A as items to be addressed in the long-term reform plan. Since the Superintendent is expected to report on the implementation of those goals on December 1, the report should address many of these same issues.

The agreement also requires the Chairperson of the D.C. Council to report, by April 1, 1996, on legislative actions taken or planned by the D.C. Council to support implementation of the goals of the long-term reform plan. Among other topics, the Council Chairperson will also be expected to report on actions taken or planned in response to the Council's responsibility under subtitle G to develop a long-term facilities revitalization program and to designate, or create, an agency or authority to implement such a program.

The conference agreement includes in subtitle I the House proposal for "Partnerships with Business." Within the context of limited public resources and an ever increasing demand for additional and more effective services—this subtitle is intended to facilitate a process and develop an infrastructure under which private sector contributions are effectively leveraged to bring about positive change in the community.

The DELTA Council is designed to be the formal private sector entity that will solicit, organize, and coordinate private sector contributions that would be made available to the D.C. public schools under this initiative. The Council will be particularly important in securing in-kind contributions of technology, equipment, hardware, and software, and pro bono contributions of time and expertise of private sector personnel. An individual is appointed as a member of the Council on the basis of the commitment of the individual, and the private sector entity the individual is representing, to provide time, energy, and resources to the Council.

The private nonprofit corporation that establishes the DELTA Council under this subtitle will work cooperatively with the Superintendent, school administrators, teachers, parents, and students to devise plans for how private sector resources will be utilized in the schools for maximum impact. The corporation will coordinate plans with the schools for private sector contributions to career academies, school-to-work opportunities, voluntary assistance with repairs and improvements, and other related activities intended to benefit the students of the District.

The private nonprofit corporation will have a number of specified duties to increase private sector assistance for the school system. Such duties and activities would include: devising a short term and long term plan to ensure access to needed technology in the schools; the design and establishment of a model District Employment and Learning Center; promoting the participation of local employers in career academy programs and school-to-work opportunities; voluntary assistance in support of repairs and improvements to schools; establishing a professional development program for teachers and administrators; and developing a program of rewards for student accomplishment in cooperation with participating local businesses.

Most of these duties require on-going cooperation with the Superintendent, school administrators, teachers, parents, students, and the corporate donors. It is expected, therefore, that funds made available to the corporation to carry out its duties under this subtitle may be used for staff expertise and other costs associated with the design, start-up, and administrative responsibilities necessary to accomplish major duties that may not be covered by private sector contributions.

It is expected that the designated nonprofit corporation will solicit the expertise and resources of private sector businesses, universities, nonprofit entities, teachers, and school administrators to help establish a professional development program for teachers and administrators. As with other key initiatives under this subtitle, it is expected that participating entities will donate time, expertise, resources, equipment, and facilities to the success of the professional development program.

This subtitle requires that the professional development program will, at a minimum, provide for: training of teachers in core curriculum subjects; private sector training of teachers in the use, application, and operation of state-of-the-art technology in education; and training for principals in effective private sector management practices. In FY 1996, the focus of curriculum training will be on curriculum for elementary grades in reading and mathematics that have been demonstrated to be effective for students from low-income backgrounds.

As a collaborative venture with the private sector, particularly those businesses contributing technology to the schools, the professional development program is expected to provide teachers with a wide variety of world-class applications for educational technologies. For students to get the maximum benefit from advanced technology, it is important that teachers gain a sophisticated knowledge of technology and understand its role in the modern workplace. As a result, teacher knowledge and principals' management skills are important goals of the professional development program.

The unemployment rate for 18–25 year olds in the District of Columbia is simply too high. There needs to be an effective effort, beyond school reform, to assist these individuals in gaining the skills necessary to obtain and retain employment. This subtitle provides for the District Employment and Learning Center, "DEAL Center". The center will provide the District with a regional institute to provide job training and employment assistance for these individuals. The basic premise behind this programs is that one of the most effective approaches to employment programs is the combination of on-the-job and classroom training. As such, the center will focus on job placement, including temporary work assignments, combined with training opportunities. This training may be supported with needs-based payments in order to make training a viable option for those individuals who may otherwise not be able to afford the time to participate in such a program.

The center will use funds from a variety of sources (beyond what is made available under this section), including funds leveraged through the private sector by the DELTA council and through partnerships with other governmental agencies and appropriate federal employment and training programs.

It is recognized that there are currently efforts in this Congress aimed at streamlining the multitude of Federal job training and employment programs and providing a simpler framework for state and local implementation of such federal program. This subtitle encourages such reforms to be started within the District by the Mayor as soon as possible and further supports full accountability for these funds. The conferees encourage the Mayor and other local officials to coordinate the design and implementation of such reforms with the efforts of the DELTA council and with the efforts of the DEAL Center.

It is recognized that the DEAL Center does not currently exist and must be established. The Congress intends that the Center be established as a demonstration program which may serve as a model to be replicated. It is recognized that it will take considerable effort in the first year to establish the Center, design curriculum, enter into partnership agreements with education providers such as universities and community and technical colleges, enter into agreements with employers, and enroll students. It is expected that a greater portion of the funds appropriated for the Center will be used for start-up costs in the first year than in subsequent years.

It is expected that, in designing the curriculum for programs under the Center, particular attention will be given to identifying sectors where jobs are, or will be, available. As part of the private sector commitment to these youth, it is expected that the wages paid to students during any worksite training experience with employers will be paid for largely with private sector funds. It is expected that employers who engage in training the Center's participants will hire successful graduates of the programs.

As a regional institute, the DEAL Center will draw on a variety of employment and training opportunities throughout the Washington metropolitan area. Training assistance and job opportunities for D.C. youth will be funded from resources provided under this subtitle or from other resources identified by the Center.

This subtitle also recognizes the value of implementing nationally-proven programs. One such example is the Jobs for America's Graduates (JAG) program. According to the 1994 Annual Report issued by JAG, the program has benefited over 175,000 young people in 22 different states and 400 communities. Over 90 percent of them have successfully completed high school and over 80 percent, at the end of nine months after leaving school are either on the job, in the military or enrolled in postsecondary education or training.

This subtitle authorizes funding for a Jobs for D.C. Graduates Program modeled after the JAG program and consistent with Jobs for America's Graduates, Inc. This program would assist schools in workforce preparation initiatives. Specifically, these initiatives assist at-risk and disadvantaged youth in graduating from high school and in finding and maintaining quality jobs thereafter. It is expected that FY 1996 funding would serve approximately half of all 12th grade students and funding authorized in future years would include all interested 12th grade students.

Subtitle J of the conference agreement includes measures that are designed to enhance management and fiscal accountability in the District of Columbia Public School system, some of which had been added to the D.C. budget by the D.C. Council.

The agreement includes a requirement that the Superintendent contract for food and security services unless he determines that it is not feasible.

The agreement includes a requirement that the District of Columbia Public School system work with the Financial Responsibility and Management Assistance Authority to develop management and data systems that are consistent with those being developed across the District of Columbia government. The agreement provides that the Board of Education pay for these upgrades with $1.5 million out of the Board's own budget, which is currently being used to pay for Board members' salaries, Board staff, and other Board expenses.

The agreement requires the Board of Education to report on positions and staff in the District of Columbia public schools.

The agreement requires that the Board of Education develop revised annual budgets that are consistent with the D.C. Appropriations Act, including all staff allocated to each public school, zero-based budgeting, and school-by-school budgets.

Subtitle K of the conference agreement includes provisions that had been added to the D.C. Budget by the D.C. Council. These include protection for school-based personnel in the case of a Reduction In Force (RIF), reforms of personnel laws, and removal of evaluation of teachers from collective bargaining.

Subtitle L of the agreement establishes a seven member Commission on Consensus Reform in the District of Columbia Public School system, as proposed by the Senate. The conference action deletes sections of the Senate proposal that would give a Consensus Reform Commission authority to approve the long-term reform plan to be developed by the District of Columbia Board of Education under subtitle A, or to direct the Board of Education to take specific actions to implement the long-term reform plan, as proposed by the House. The Consensus Commission will play a key role in the implementation of reforms in the District of Columbia public schools as it will monitor the effectuation of the long-term reform plan. As part of that role, the Consensus Commission will identify any obstacles to the realization of the reform plan and suggest ways to remove those obstacles, up to and including recommending actions to the Financial Responsibility and Management Assistance Authority to remove such obstacles.

In Subtitle M, the conference action removes a House proposal to link federal AFDC benefits to attendance at parent-teacher conferences. The conferees retain language proposed by the House authorizing the Mayor to encourage parents to attend parent-teacher conferences.

In Subtitle N, the conference agreement includes the House proposal to establish a "Low-Income Scholarships" program that, in the context of Title II, the "District of Columbia School Reform Act of 1995," would provide low-income residents of the District of Columbia with greater equality of educational opportunity. The Senate recedes on the "Low-Income Scholarships" program with substantial amendments.

It is widely agreed that adequate improvement in all of the District of Columbia public schools, especially those schools that primarily serve low-income families, will take a number of years. At least until such a time, low-income parents deserve the same opportunity as higher-income parents to seek out the best education for their children. Further, some point out that even after adequate improvement has been made in the public schools, and the Consensus Commission as entities that must be consulted by the non-profit corporation in administering the scholarship program, as proposed by the Senate.

The conference action establishes an account in the District of Columbia General Fund, with the Mayor required to disburse funds to the non-profit corporation.

The conference action limits the federal funds that may be used by the nonprofit corporation for administrative expenses to $250,000, as proposed by the Senate, a reduction from the House proposal of $500,000.

The conference agreement establishes the following nominating process for Presidentially-appointed members of the Board of the scholarship corporation: two will be appointed from nominees submitted by the Speaker, one will be appointed from nominees submitted by the House minority leader, two will be appointed from nominees submitted by the Senate majority leader, and one will be appointed from nominees submitted by the Senate minority leader. The Mayor retains one appointment.

The conference action adds a provision stating that it is the intention of the Congress to turn over to the District of Columbia control of the scholarship program established under this subtitle at the end of five years, as proposed by the Senate.

The conference action strikes a proposal by the House that only U.S. citizens may serve on the Board of the nonprofit corporation, or as staff to, the nonprofit corporation, as proposed by the Senate.

The conference action adds a provision directing the nonprofit corporation to attempt to ensure an equitable distribution of scholarship funds among eligible students with a range of academic achievement, as proposed by the Senate.

The conference action extends from one year to three years the period during which the nonprofit corporation must place a priority on serving students who are either enrolled in the District of Columbia public schools or are preparing to enter kindergarten, as proposed by the Senate.

The conference agreement permits tuition scholarships to be used for the cost of tuition at private religious or non-religious schools in the District.

The conference agreement extends permissible uses for tuition scholarships to include the costs to recipients of mandatory fees and transportation to schools.

The conference agreement authorizes "enhanced achievement" scholarships for the following purposes: the costs of non-sectarian, after-school instruction focused on helping students learn the new core curriculum (established under this Act for the District of Columbia public schools); the costs of non-academic, after-school programs, such as music lessons or athletics, and, tuition, transportation costs, and mandatory fees for vocational and technical training programs for older students.

The conference action increases the maximum amount of scholarships for after-school activities from no more than $500 in the House proposal to no more than $1,500 for students in families whose income is not more than the poverty rate, and no more than $750 for students in families whose income is more than the poverty rate but less than 185% of the poverty rate, as proposed by the Senate.

The conference agreement establishes a process for approval by the District of Columbia Council of the non-profit corporation's allocation of funds between tuition scholarships and enhanced achievement scholarships. The non-profit corporation will submit to the D.C. Council a proposed allocation of federal funds between the two types of scholarships. The D.C. Council will have thirty days to consider the proposed allocation and either approve or disapprove it. If the D.C. Council disapproves it, the non-profit corporation will resubmit a revised allocation. No federal funds may be spent on scholarship assistance to students by the non-profit corporation until the D.C. Council has approved a proposed allocation between the two scholarships. Before such approval is secured, the non-profit corporation may spend federal funds on administration expenses, but not on direct assistance to students (i.e., through payments on their behalf to service providers).

The conference agreement expands the "provisional" certification process to include eligible institutions serving enhanced achievement scholarship students, as well as "schools." In addition, the conference agreement lengthens the period of time to three years for which schools are required to have been in operation in order to receive permanent (rather than provisional) certification. Thus a brand new school begun with scholarship students would need to apply for provisional certification for each of its first three years of operation before it could receive permanent certification.

The conference agreement requires that private schools and other organizations seeking to participate in the program provide assurances that they will not require students to participate in religious ceremonies or attend religion classes unless their parents provide written approval. This prohibition is only intended to apply to classes or activities whose sole or primary purpose is to encourage sectarian beliefs or practices. It would not apply, for example, to a comparative religion class where the general framework was analytic nor would it apply to passing references to religious or moral tenets in a social studies class.

The conference action requires that private schools and other organizations seeking to participate in the program provide assurances that they will not use federal scholarship funds to pay for religion classes or religious ceremonies, except for teacher salaries in the case where such teachers also teach academic classes, as proposed by the Senate.

The conference agreement requires that private schools and other organizations seeking to participate provide assurances that they will design and implement due process procedures for suspension or expulsion that must include an appeals process.

The conference agreement permits the nonprofit corporation to deny recertification for new schools, or to revoke eligibility for participating schools, for: good cause, including a pattern of violation of program requirements; or for consistent failure of at least twenty-five percent of scholarship students to make appropriate progress in academic achievement.

The conference agreement establishes a section that clarifies that private schools and other organizations that serve scholarship students shall be deemed to be recipients of federal financial assistance for the purpose of triggering application of relevant federal civil rights laws. The enforcement of such civil rights laws, as well as applicable local civil rights laws, is to be handled in the normal manner by the appropriate entities designated such responsibility.

The conference agreement provides that receipt of scholarship funds by a private school will be deemed receipt of Federal funds for purposes of section 504 of the Rehabilitation Act of 1973, ensuring that the section will apply to all such schools. The conference agreement also ensures that students with disabilities are identified for purposes of the Individuals with Disabilities Education Act (IDEA). At the request of the student's parent or the private school, D.C. public schools will be required to evaluate disabled students and develop an Individualized Education Program for qualified students.

The conference agreement requires that private schools and other organizations applying for certification to participate in the program provide assurances that they will abide by all local regulations applicable to such institutions. Primary responsibility for enforcing such compliance will remain with the public entities normally responsible for such enforcement.

The conference agreement prohibits the use of scholarship funds for construction of new facilities, such as school buildings. The use of scholarship funds for repair, renovation, or improvement of existing facilities is permitted.

The conference agreement includes a provision requiring that the evaluation of the scholarship program shall be provided for by the Department of Education and authorizing $250,000 for this purpose. The conference action also requires that the Department make available for public review the data gathered from this evaluation (with appropriate protections for students' privacy), as proposed by the House.

The conference action requires that the nonprofit corporation's annual report to Congress address how scholarship funds were expended, including the initial academic achievement of participating students, as proposed by the Senate.

Fundamental to the concept of this scholarship program—taken in the context of Title II as a whole, including the provision in Subtitle A requiring that the Board of Education's long-term reform plan include greater choice among District of Columbia public schools, as well as Subtitle B, which would allow choice among public charter schools—is the maximization of equality of opportunity for low-income families. Some First Amendment establishment clause concerns have been expressed regarding whether this subtitle provides direct Federal assistance to sectarian schools. It does not, however, provide direct Federal assistance to any participating schools. Rather, the assistance is to the student. The intent of the bill is to make clear that the students are the primary beneficiaries of the scholarships, and not the schools. This subtitle envisions no discrimination for or against the participation of private schools in this program on the basis of religion, but instead neutrality.

The low-income scholarship program was carefully designed to satisfy Constitutional requirements under the First Amendment. Over the past twelve years, the U.S. Supreme Court consistently has upheld programs that provide assistance for students who attend private schools. In *Mueller* v. *Allen*, 463 U.S. 388 (1983), the Court upheld Minnesota's income tax credits for educational expenses, most of which were incurred in religious schools. In *Witters* v. *Department of Services for the Blind*, 474 U.S. 481 (1986), a program paying for a blind student to pursue training for the ministry at a religious seminary was upheld. In *Zobrest* v. *Catalina Foothills School Dist.*, 113 S. Ct. 2462 (1993), the Court sustained the use of funds under the Individuals with Disabilities Education Act to pay an interpreter for a deaf child attending a Catholic high school.

In these cases, the Court established that such assistance is permissible if: (1) the choice where to use such assistance is made by parents of students, not the government; (2) the program does not create a financial incentive to choose private schools; and (3) it does not involve the government in the school's affairs.

The proposed scholarship program, together with other provisions in the "District of Columbia School Reform Act of 1995", fulfills these criteria. Like the G.I. Bill and federal day-care assistance, the choice of where scholarship funds are expended is made not by the government but by the scholarship recipients. Because the tuition scholarships amount only to the cost of tuition and necessary expenses or some lesser amount, the program does not create a financial incentive to choose private schools. Scholarships are also available to pay the costs of supplemental services for public school students, who already receive a free education. Moreover, the program involves only the most limited regulations necessary to ensure that reasonable educational and public policy objectives are met, and does not create entanglement between the government and religious schools.

The conference action deletes the proposal by the House to establish a "D.C. Desk" in the Department of Education, as proposed by the Senate. The conferees are supportive of the work currently being done by the nonstatutorily authorized D.C. Desk in the Department's Office of Educational Research and Improvement (OERI), as well as the efforts of the Deputy Secretary to support education reform in the District of Columbia, but see no need to enact legislation in this regard at this time. The conferees encourage the Secretary of Education to upgrade activities supporting education reform in the District of Columbia and coordinate them Department-wide, perhaps by establishing a "D.C. Desk" in the Office of the Deputy Secretary.

OTHER GENERAL PROVISIONS

The conference action amends section 301 proposed by the Senate by changing the section number to 147 and restoring the language proposed by the Senate that prohibits the use of any funds in this Act for the renovation of Eastern Market located at 227 7th Street Southeast. The language permits the use of funds in this Act for the regular maintenance and upkeep of the current structure and grounds.

The conference action deletes section 302 proposed by the Senate that would have required the District government to reduce energy costs in facilities used by District agencies.

The conference action deletes section 303 proposed by the Senate that would have prohibited Members of Congress and the President from receiving basic pay because of Federal government shutdowns resulting from (1) a failure to enact a regular appropriations bill or continuing resolution or (2) the Federal government not being able to make payments or meet obligations because the public debt limit had been reached. The language would have also prohibited any retroactive pay.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1996 recommended by the Committee of Conference, with comparisons to the fiscal year 1995 amount, the 1996 budget estimates, and the House and Senate bills for 1996 follow:

Federal funds	
New budget (obligational) authority, fiscal year 1995	$712,070,000
Budget estimates of new (obligational) authority, fiscal year 1996	712,070,000
House bill, fiscal year 1996	712,000,000
Senate bill, fiscal year 1996	712,000,000
Conference agreement, fiscal year 1996	727,000,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1995	+14,930,000
Budget estimates of new (obligational) authority, fiscal year 1996	+14,930,000
House bill, fiscal year 1996	+15,000,000
Senate bill, fiscal year 1996	+15,000,000
District of Columbia funds	
New budget (obligational) authority, fiscal year 1995	$5,069,252.635
Budget estimates of new (obligational) authority, fiscal year 1996	5,250,386,000
House bill, fiscal year 1996	4,969,322,000
Senate bill, fiscal year 1996	5,114,273,000
Conference agreement, fiscal year 1996	5,096,039,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1995	+26,786,365
Budget estimates of new (obligational) authority, fiscal year 1996	−154,347,000
House bill, fiscal year 1996	126,717,000
Senate bill, fiscal year 1996	−18,234,000

JAMES T. WALSH,
HENRY BONILLA,
JACK KINGSTON,
RODNEY P. FRELINGHUYSEN,
MARK W. NEUMANN,
BOB LIVINGSTON,
Managers on the Part of the House.

JIM JEFFORDS,
BEN NIGHTHORSE CAMPBELL,
MARK O. HATFIELD,
Managers on the Part of the Senate.

□ 1530

BOYCOTT FRENCH PRESIDENT CHIRAC'S JOINT ADDRESS BEFORE CONGRESS

The SPEAKER pro tempore (Mr. HAYWORTH). Under a previous order of the House, the gentleman from American Samoa [Mr. FALEOMAVAEGA] is recognized for 60 minutes.

Mr. FALEOMAVAEGA. Mr. Speaker, I would like to premise my remarks this afternoon on a very serious issue, in my humble opinion, for my colleagues and certainly for the American public to be better informed about this very serious issue.

First of all, I hold no personal grudge or animosity toward the President of France, President Chirac, who will be visiting us today and is scheduled to address a joint session of the Congress tomorrow.

Second, I also hold no personal animosity toward the good people and the citizens of France. But, Mr. Speaker, it is out of fundamental principle that I take this special order on behalf of some 200,000 French citizens living in French Polynesia who all oppose President Chirac's ambitious plan to explode now six nuclear explosions in the South Pacific. I take this special order also in behalf of some 28 million men, women, and children who live in the Pacific region, whose lives depend on a good safe environment, especially the marine environment.

I take this special order on behalf of some 167 nations of the world who officially protested to President Chirac not to explode these nuclear bombs. Note also, Mr. Speaker, that 10 of the 15 member-countries of the European Union also protested against France for conducting nuclear explosions in the Pacific. Some have suggested, Mr. Speaker, earlier that the issue now is moot since 5 days ago France and Mr. Chirac has decided to end its nuclear testing program.

Mr. Speaker, on Monday, January 29, 3 short days before he is to arrive in Washington, and I presume he is now in Washington, President Chirac of France announced in a formal news release the end of his nuclear testing program in the South Pacific. Though he makes a pretty speech, just in time to come to Washington posing as a fervent advocate of nuclear disarmament and warm ties with America, I want to point out to my colleagues and to the American people, Mr. Speaker, the height of hypocrisy of Mr. Chirac's conduct and remarks.

Mr. Chirac began his news release with these words, and I quote:

> Dear compatriots, I announce to you today the final end to French nuclear tests.

> Thanks to the final series that has just taken place, France will have a durable, reliable and modern defense.

Point No. 1, Mr. Speaker. France already has the fourth largest Navy in the world. France also has the world's third largest arsenal of nuclear weapons. Before it even began its final series of nuclear tests, France had already exploded over 200 nuclear bombs in land, air, and water far from the home of enlightenment. In particular, Mr. Speaker, France had already exploded 178 nuclear bombs in the South Pacific.

Were those 200-plus nuclear bomb explosions not enough to ensure a durable, reliable, and modern defense, Mr. Speaker? If those 200 were not enough, why should we now believe that the 6 additional nuclear bombs France has just conducted in the South Pacific will be enough to stay its appetite in the future for an even more modern defense?

Point No. 2, Mr. Speaker. The, quote, final series of French nuclear tests were not even necessary. They were not even necessary. The United States freely offered France the technology it sought to ensure its so-called nuclear weapons reliability.

Why did France not accept the United States offer, I ask, Mr. Speaker? Because of a combination of two basic things, in my opinion: No. 1, French national pride, and I must give them that sense of credit; and, No. 2, there is French suspicion that the United States was withholding the state-of-the-art technology.

Mr. Speaker, Chirac wants to be perceived as promoting nuclear disarmament and expects to have warm ties now with America.

Mr. Speaker, this is the height of hypocrisy. One who defiantly violates a world moratorium and resumes unnecessary nuclear testing cannot and must not be regarded as a promoter of nuclear disarmament. And one who is suspicious of assistance from the U.S. offers cannot be regarded as promoting warm ties with America.

Mr. Speaker, President Chirac continued his speech by saying, and I quote, "The security of our country and our children is assured."

In turn, Mr. Speaker, I say at what price and whose children is President Chirac referring to? The sixth nuclear bomb explosion that France just exploded last Saturday, since violating the world's moratorium on nuclear testing, was over six times more powerful than the bomb that we dropped on Hiroshima 50 years ago. That atom bomb, Mr. Speaker, incidentally vaporized and killed some 150,000 men, women, and children in the city of Hiroshima, and later claimed another 50,000 who died as a result of nuclear contamination and related illnesses.

Mr. Speaker, in response to France's latest nuclear explosion in Fangataufa Atoll, the mayor of Hiroshima, Japan, said these words, and I quote:

> I feel renewed anger. Nuclear tests aimed at developing and maintaining nuclear technology will do nothing but increase the risk of putting human beings on the brink of ruin.

Mr. Speaker, I might now ask, what kind of security has France really secured for our children? France's nuclear test sites are leaking cancerous radioactive waste into the swirling waters of the Pacific Ocean which cover one-third of the world's surface. I submit, Mr. Speaker, that France has put not only its children but all of our children on the brink of ruin by exposing them to nuclear contamination through a resulting toxic food chain.

Mr. Speaker, Chirac's reckless actions have also initiated the nuclear arms race all over again. Horrific environmental concerns aside, Chirac's decision to resume unnecessary nuclear testing in the South Pacific has opened a Pandora's box that holds chilling implications for nuclear and non-nuclear nations alike. Prime Minister Keating of Australia recently said, and I quote:

> The French government is to be strongly condemned for the latest test at Fangataufa Atoll and for conducting it during negotiations for a comprehensive test ban treaty which are now entering the final stages in Geneva, Switzerland.

What implications, Mr. Speaker, does Chirac's reckless decision to initiate the nuclear arms race all over again hold for the security of the world?

Let me share, Mr. Speaker, the domino effect of Chirac's reckless decision last June. There is now a serious move by India to link the negotiations of a comprehensive test ban treaty in Geneva to its call for negotiations to start this year on removing all nuclear weapons in a specified time. The five nuclear superpowers are, of course, against this move, but joining India in this initiative, ironically, Mr. Speaker, is its archenemy Pakistan.

Adding to this difficulty, Mr. Speaker, India refuses to sign the nuclear nonproliferation treaty on the basis that the nuclear nations are still maintaining their nuclear arsenals, which in effect makes the whole treaty meaingless and discriminatory. India's representative to the current and disarmament conference in Geneva made this observation, and I quote:

> We are of the view that to be meaningful, the treaty should be securely anchored in a global disarmament context and be linked through treaty language to the eliminating of all nuclear weapons in a time-bound framework.

In other words, Mr. Speaker, India is pushing for no loopholes in the nuclear nonproliferation treaty. As it currently stands, what assurances do non-nuclear nations have if nuclear nations retain their nuclear arsenals?

I submit, Mr. Speaker, if France's resumption of nuclear tests in the South Pacific is a case in point, non-nuclear nations have next to nothing in assurances from the five-nation nuclear club, comprised of one that is willing to defy world moratoriums at will and four that are willing to act in complicity by looking the other way.

I submit, Mr. Speaker, because of Chirac's reckless and selfish decision, India is now resisting Western pressure to forgo the nuclear option and is now initiating an ambitious ballistic missiles program. India is saying, "If France can defy world moratoriums to assure a durable, reliable and modern defense, then so can we."

Just this week, India successfully launched a new ballistic missile, the improved Prithvi No. 2, that has a range exceeding 150 miles and a capability of being fitted with nuclear warheads. This means, Mr. Speaker, that India has a missile with nuclear capabilities that can reach the capital of Pakistan.

□ 1545

Is it surprising that Pakistan now wants to utilize M–11 ballistic missiles from China? These M–11 missiles are also capable of carrying nuclear warheads, and can hit key cities throughout India.

But the chain reaction Chirac has created does not stop there, Mr. Speaker. India and China have just signed a contract for India to purchase uranium from China. Now, China, in an expression of its own security concerns, is developing warm relations with Russia. China's position is that it cannot depend on Western powers for its security, as renewed apprehension grows between Russia and the NATO powers. Meanwhile, China and Russia may still conduct nuclear tests and have not unconditionally accepted a genuine zero-yield comprehensive test ban treaty. All of this, Mr. Speaker, has been fueled in part by France's defiant violation of the international testing moratorium, which has contributed to a global atmosphere of distrust and paranoia where nations are reluctant to give up their nuclear options.

Australian Prime Minister Keating sums it up this way: "Such irresponsible actions send the worst possible signal to nations that aspire to possess nuclear weapons, and damages efforts to advance nuclear disarmament and nonproliferation. The French Government is to be strongly condemned."

Despite world condemnation, Mr. Speaker, Chirac arrogantly continued his speech of eurocentric rationale by marginalizing Asia-Pacific concerns. President Chirac states: "I know the decision I took last June may have caused worries and emotions." Mr. Speaker, can you believe this? Chirac thinks his decision only caused "worries and emotions." Is he still denying the environmental effects of his unnecessary nuclear bomb explosions in waters conveniently located halfway around the world from Paris? Is he still claiming that his nuclear bomb explosions have no ecological consequences?

Is he unaware that he has initiated a nuclear arms race all over again? Or does he just take nuclear proliferation lightly, suggesting that it should cause nothing more than a few worries and emotions? What kind of world leader could be so barbaric in his interpretations, Mr. Speaker?

President Chirac continues by claiming that, "While my resolve was not affected, I was not insensitive to those movements of public opinion." How sensitive, Mr. Speaker, was he? Was he sensitive enough to stop nuclear explosions? Was he sensitive enough to consider the 28 million people living in the Pacific region whose lives will be affected for decades to come as a result of the nuclear nightmare Chirac's unaffected resolve created for them?

As Prime Minister Bolger of New Zealand has noted, and I quote, "Despite all suggestions from France that this is a totally safe and benign operation, there is no such thing as a safe nuclear test. They all create massive damage. It is just a matter of how much, when, and what leakage there is."

Even Philippines President Ramos also has this to say, Mr. Speaker, and I quote once again: "I condemn in the strongest terms the latest tests by France. This latest test is a continued defiance of the international communities' appeals to France."

Mr. Speaker, I might also note, this latest test comes shortly after all 10 Southeast Asian countries signed a treaty providing for a nuclear-free zone in that part of the world.

While President Chirac may claim sensitivity, the latest in French nuclear testings are an affront, a slap in the face to Asia-Pacific countries. Since when is a slap in the face, Mr. Speaker, considered to be an expression of sensitivity?

Promoting his propaganda to the hilt, Mr. Speaker, Chirac continues his response to the world's condemnation of French nuclear testing. These "movements," as Chirac likes to describe, "testified to the growing importance the world's inhabitants attach to collective security and safeguarding the environment. I share these concerns."

Mr. Speaker, I am appalled that the world's No. 1 nuclear proliferator, the man responsible for initiating the nuclear arms race all over again, would now try to convince us that he shares our concerns for collective security and safeguarding of the environment. If this were the case, why did he not just accept the technology the United States offered?

Why conduct unnecessary nuclear testing? Why reopen the nuclear arms race? Why create the paranoia? Why pit nuclear nations against nonnuclear nations? Why pit Western powers against non-Western powers? Why, on the one hand, claim that there are no ecological consequences of nuclear testings, but on the other hand, choose to conduct these nuclear tests far from the borders of France?

Whose environment is Chirac really interested in safeguarding, Mr. Speaker? And whose security is he really concerned about?

In a very patronizing way, Mr. Speaker, Chirac also said, and I quote, "I know that nuclear energy can be frightening, but in a world that is still dangerous, our weapon is a deterrent—that means a weapon that can serve peace. Today I have the feeling of having accomplished one of my most important duties by giving France, for decades to come, the capability for its independence and security."

I think that answers the question for us, Mr. Speaker, right there. It is French security and the French environment that Chirac is concerned about. To heck with everyone else's independence and security. France has its own rules. France does its own thing. If it wants to violate world moratoriums, it will. France, after all, comes first.

Mr. Speaker, excuse me, but I thought peace meant working together to create an equitable environment for all citizens of the world, not just French ones.

While I am on the subject, Mr. Speaker, I might question Chirac's use of the word "Independence." Does "Independence" in Chirac's vocabulary include freedom for the native people of French Polynesia who have felt the brunt of French colonial reign since the islands of French Polynesia were what Westerners would call "colonized" by France, after some 500 French soldiers with guns and cannons subdued the Tahitian chiefs and their warriors in the 1840's. Or is independence just a concept, like security, that Chirac applies only to the people of France?

Mr. Speaker, Chirac continued his dramatic monologue by saying, and I quote, "a new chapter is opening. France will play an active and determined role in world disarmament and for a better European defense," end of quote. Mr. Speaker, do I hear Chirac correctly? Do I hear him trying to justify his latest nuclear testings by saying he did it all to stabilize relations in Europe?

For him to suggest that the resumption of French nuclear testing was done to stabilize relations in Europe is ridiculous. When France first presented the idea of "concerted deterrence" and offered to extend its nuclear umbrella to its European partners, there were few takers, Mr. Speaker. In fact, Mr. Speaker, 10 of the 15 European Union countries voted with the United Nations, protesting the resumption of French nuclear testing.

Why, Mr. Speaker, are the European Union members not more anxious to be shielded by the French nuclear umbrella? This is partly because the European Union nations are more comfortable with the protection the United States has provided them for the past 50 years, and partly, Mr. Speaker, because historically, France just cannot be trusted.

Mr. Speaker, in the 1940's France surrendered to Nazi Germany. In 1966, at the height of the cold war, when nuclear missiles were pointed at every major country in Europe, France pulled out of the NATO alliance. Today France has still not officially joined NATO, and as we have clearly seen from September of 1995 to January of this year, France cannot even be trusted to honor a world moratorium it called for and agreed to only 3 short years ago. How can any nation, European or not, be assured of any French position?

Mr. Speaker, Chirac says, and I quote, "I will take intiatives in this direction in the coming weeks. As all of you, dear compatriots, I want peace—solid and durable peace. We all know that peace, like freedom, has to be built each day. That is the purpose of the decision I took and that will be the guideline for my action tomorrow."

Mr. Speaker, can we really put stock in Chirac's guideline for tomorrow? France's own urban minister said about Chirac's decision to explode six additional bombs in the South Pacific, and I quote, "He did what he said he would do, and he did the right thing."

Mr. Speaker, something is rotten in Denmark when world leaders consider that they have done the right thing by violating world moratoriums that they agreed to. Chirac's aide said Chirac will earn international respect for sticking determinedly to a decision almost as unpopular domestically as it was internationally.

Mr. Speaker, if the responses of world leaders from Australia, New Zealand, Japan, the Philippines, the Pacific nations and Europe is any indication of international sentiment, Chirac will be a long time in earning anybody's respect. Anyone with a social conscience, world leader or not, knows that the only interest Chirac considered in resuming nuclear testing was the higher interests of French military industrial lobbyists and their profitable $2.5 billion nuclear program.

Mr. Speaker, now Chirac wants to come to Washington and make a case for peace and act as a spokesperson for the world's poor. But, Mr. Speaker, did you know that France is now the top weapons exporter and weapons supplier in the world? Mr. Speaker, is it with irony or with hypocrisy that President Chirac will promote peace and act as a spokesman for the world's poor when France is the biggest exporter of weapons to developing nations?

Mr. Speaker, while Chirac may script his story for Eurocentric audiences, the people of the Pacific who feel the brunt of colonial reign have their own story to tell. It is a travesty that tomorrow their voices will be made mute in this Chamber by one who so arrogantly and so openly marginalizes not only their concerns, but the concerns of the world community as well.

Mr. Speaker, it is an act devoid of all social conscience that has afforded Mr. Chirac the opportunity of delivering his downright deceptive message from a Chamber that symbolically represents the highest of democratic values.

I urge my colleagues on both sides of the aisle to join together and support the privileged resolution, H.R. 350, introduced by the Honorable PATSY MINK of Hawaii, the distinguished gentleman from Guam, ROBERT UNDERWOOD, the Honorable PATRICIA SCHROEDER from Colorado, and myself, which requests the Speaker to withdraw the invitation to President Chirac to address a joint session of Congress. If the invitation is not revoked, then I urge my colleagues not to attend the joint session of Congress.

To attend the session is to act in complicity, to validate France's position that it is okay to violate world moratoriums, to resume nuclear testings that poison the Pacific, to initiate a nuclear arms race all over again, to place humanity on the brink of destruction.

As a member of both the Pacific island community and the U.S. House of Representatives, and as one who has sailed to the nuclear testing site of Mururoa and been arrested at the hands of French commandos in waters of French Polynesia, as one who has considered the kind of world that I want my children to live in—Mr. Speaker, I urge my colleagues, I cannot in good conscience be a party to such hypocrisy.

Mr. UNDERWOOD. Mr. Speaker, if the gentleman will yield, I thank the gentleman for yielding. I appreciate very much, and I want to recognize the leadership you have taken, I say to the gentleman from American Samoa [Mr. FALEOMAVAEGA], on this particular issue. The kind of research and the kind of energy that you have devoted to this has been remarkable. The fact that you are standing up on behalf of the peoples of the South Pacific is commendable, and I want to stress to those that are hearing this that the representation of the Pacific point of view in this institution as well as other institutions is limited because of the size of the islands that we represent. And I rise to urge, along with you and the other Members that you have mentioned, to urge my colleagues in this House to boycott the President Chirac address to a joint session of Congress tomorrow in protest of his decision to test nuclear weapons in the South Pacific.

I do not think people understand the kind of offense that these series of nuclear tests present for people in the Pacific who have been historically dealt with as if we are some kind of nuclear playground for world powers throughout the world.

□ 1600

A number of tests, over 200 nuclear tests have been conducted in the Pacific, and not in French Polynesia alone. It is this, despite the fact that apparently we all felt secure, that people acknowledged that this was an affront to the small peoples of the world. That a great power like France would insist and continue on this task, is not only an affront to the sensibilities of the world community, but, indeed, in particular to the lives, the peaceful lives, of the people in the Pacific.

Defying international criticism, France carried out six nuclear tests over the past 4 months to verify a new warhead and to perfect simulation technology that will be used to monitor the reliability of its nuclear weapons. As you have so eloquently pointed out, despite diplomatic objections, economic boycotts, world public opinion, and even French public opinion and letters from Members of this body, all were ignored summarily and arrogantly by President Chirac.

France maintained throughout this test that its underground blasts inflicted no damage on the fragile ecology of Mururoa Atoll, and last week we learned otherwise through an article in the Washington Post, something that we had suspected and you have pointed out over the past few months.

After years of denial, France has finally acknowledged that radioactive materials have indeed leaked into the lagoon near the Mururoa test site. The director of France's nuclear tests went so far as to state that radioactive material was usually "vented" into the lagoon when scientists drilled down into the rock to obtain samples after every blast. However, since the French do not allow any independent verification, it is impossible to assess the extent of damage during this testing period.

These latest accounts raise further questions about President Chirac's credibility. According to a confidential French Defense Ministry report, France has been aware, at least since 1979, that Mururoa's underwater foundation is cracked in several places. The report described underwater avalanches that followed the three tests as proof that the growing number of tests posed serious environmental risk to Mururoa Atoll, and, of course, we do not know how this will end up in the entire Pacific Basin, particularly for your area, which is much closer than my own.

Regardless of the environmental consequences, President Chirac arrogantly continued his testing program. Clearly he was not bothered by environmental contamination to the world's largest ocean and its ecosystem, perhaps as you have pointed out because he does not live there, and it begs the question as to whether President Chirac would have been more concerned about the environmental impact of his tests if they were conducted in France proper.

Last October France agreed to sign the protocols to the South Pacific Nuclear Free Zone Treaty. These protocols specifically prohibit nuclear testing within the South Pacific. Unfortunately, France refused to live by its own commitment. Agreeing to signing a treaty, but begging off on obeying it until it completes its own nuclear testing is the height of arrogance. Apparently France thought that by acceding to the protocols it would exonerate their past tests and their future tests for future nuclear blasts.

When I heard, and I am sure you felt the same way, when I heard that France conducted yet another test last Saturday, I knew that they would subsequently announce it as their last test in what is obviously, obviously, a cynical ploy to neutralize whatever objections people may raise to the French nuclear testing program as President Chirac, who is already in this country, comes to the United States.

I would point out what we need to understand is that this is the height of cynicism. This is a political ploy, pure and simple. The Congress should not and needs not be duped by President Chirac's double talk. With the latest acknowledgement of environmental contamination, President Chirac has lost all credibility. With the timing of nuclear tests to coincide with his visit here in the United States, he has lost any shred of credibility on this issue.

By the Members of this institution attending his address to the joint session of Congress tomorrow, Members of Congress will be giving President Chirac an audience that he simply does not deserve.

I urge my colleagues to join me and the distinguished gentleman from American Samoa, and other members of the Congressional Asian Pacific American Caucus, in protesting this address, in bringing attention to this serious problem. If he had perhaps admitted the duplicity of what they had been carrying out all along, perhaps we would be in a more forgiving mood, but he has not done so. By far, this is the most arrogant behavior by any world leader in the Pacific that I have borne witness to in the past 20 years.

I thank the gentleman for his eloquent remarks and for the time yielded to me. I also want to point out and support the comments that point out that France's very behavior on this, begging off, making a commitment but begging off, timing the tests, the whole nature of it simply threatens the whole nuclear nonproliferation treaty process.

Mr. FALEOMAVAEGA. I think one thing that I want to add, and also for our colleagues to know, this is not a Pacific issue. I think this is something that we need to kind of widen our perspectives and think just because you and I are from this region of the world that this makes it somewhat un-American.

The fact of the matter is, the United States is a Pacific Nation. The fact is that we conducted 160 nuclear bomb explosions in the Marshall Islands in the late fifities and early sixties. I might also add that we had to stop doing these tests because what happened was they found strontium 90, a by-product of nuclear contamination, in dairy products in the State of Wisconsin and other States. What happens, all of a sudden, everybody says, "Oh, it is a hazard to our health to conduct these nuclear tests." Despite our efforts to tell France, do not do this, they went right ahead and conducted these tests.

I might also note to the good gentleman's comments about the nuclear tests that were conducted in 1979. They drilled a hole or shaft in this atoll, which was supposed to be 2,600 feet, where the bomb was to explode. The thing went down halfway and got stuck. Guess what? They went right ahead and exploded that bomb, which caused not only a tidal wave, but tons of fish and all forms of marine life totally contaminated in the explosion they conducted in 1979. That is just one incident.

Another point I think my good friend and colleague should know, I think some 12,000 Tahitians, French Polynesians, were exposed directly to nuclear contamination. No records are kept, everything is held in secrecy. I say the issue is not moot. The issue is that our good friend from France, President Chirac, has got to come clean. He has got to tell the world that that Mururoa Atoll, which some scientists estimate is the equivalent of five Chernobyls, 181 nuclear bombs exploded in that one atoll alone, can you imagine what happens if that atoll starts to leak, starts to break apart? What is going to happen to the marine environment in the Pacific?

Oh, perhaps our good citizens from the State of California, maybe from the State of Washington or Oregon, might have something to say about nuclear contamination in the Pacific; of course, our good friends from the State of Hawaii.

I think it is outrageous. It is an outrage that we are going to allow this man to tell us what democracy is about, to tell us that France is a true democracy of the world, when just the opposite, exploding six nuclear bombs that are going to affect the health of these people that live in that part of the world. I think it is an insult to the people that live in the world, and I would surely hope that our colleagues will help us in this boycott.

Mr. UNDERWOOD. I would like to add that unlike the experience that the United States had in the Marshalls in the fifties, there is ample evidence that this is risky. This is something that is occurring some 40 years after the testing in the Marshall Islands, and perhaps we could excuse some of the earlier testing because we were unsure about the consequences. But in this particular instance we are very sure of the consequences, but France proceeded without any respect, without any attention to the kinds of outrage which were expressed in the Pacific.

I would like to commend again the gentleman from American Samoa for his diligent work on this issue and his leadership on this issue.

Mr. FALEOMAVAEGA. I thank my good friend from Guam.

[From the Washington Times, Jan. 31, 1996]

INDIA'S STAND COULD STOP TEST-BAN TREATY

(By Brahma Chellaney)

NEW DELHI.—After the halt to French nuclear testing in the South Pacific this week, India may stand as the biggest obstacle to American hopes for the completion of the Comprehensive Test Ban Treaty this year.

France, having conducted six nuclear tests the past five months, now favors an early conclusion to the CTB talks in Geneva. President Clinton listed the treaty as a priority in his State of the Union address.

China said yesterday it will continue testing until the implementation of the treaty, an outcome that is far from certain.

The CTB negotiations stand in jeopardy of being derailed by Indian Prime Minister P.V. Narasimha Rao's decision, announced in Geneva last week, to insist that the declared nuclear powers first agree to a timetable for total nuclear disarmament.

Analysts say there can be no credible treaty without the participation of India, which exploded a nuclear device in 1974. Pakistan, also on the verge of developing nuclear weapons, would not sign if India did not, and a number of other developing countries could be expected to follow suit.

Despite intense Western diplomatic pressure, India also plans to seek clauses in the treaty to bar the nuclear powers from updating their arsenals through laboratory testing, a move that would sharply raise the political and technical costs of the treaty.

"To be meaningful, the treaty should be securely anchored in the global disarmament context and be linked through treaty language to the elimination of all nuclear weapons in a time-bound framework," the Rao government said.

It said it would insert specific language into the treaty's draft text to prevent it from becoming "another flawed instrument aimed at curbing horizontal proliferation."

China's announcement that it will continue testing was another blow to nonproliferation efforts. Beijing, which is expected to carry out two or three nuclear tests this year, supports a comprehensive test ban but says it will abide by a pact only when it takes effect in international law.

"The position of the Chinese government on nuclear testing is clear-cut and remains unchanged," a Foreign Ministry spokesman said. "China has conducted a very limited number of nuclear tests, and things will continue to be that way".

Mr. Clinton has made the conclusion of a test-ban treaty a priority, renewing his call for a completion of the negotiations in his State of the Union address last week.

"We must end the race to create new nuclear weapons by signing a truly comprehensive nuclear test-ban treaty—this year," he said.

Mr. Clinton also has written to Mr. Rao seeking support for the treaty, but Indian officials said the prime minister has not replied to the letter.

The treaty negotiations are entering a critical phase in Geneva, where this year's session opened Jan. 22.

After a year of talks, there remain some 1,200 unsettled political and technical differences, including all the key provisions. With a number of countries working to influence the 104-page draft text, the final form of the treaty is very much in question.

The conference functions on the basis of consensus, bestowing effective veto power on each of its 37 members.

Although India could block Washington's plans by itself, it is building support among other non-aligned countries. It got a major boost last year when the U.N. General Assembly voted 106–39 to adopt a Burma-sponsored resolution calling for parallel negotiations on complete nuclear disarmament.

Mr. Rao, who is under growing domestic pressure to test and modernize his country's nuclear option, has argued that the permanent extension of the nuclear Non-Proliferation Treaty last May left India with no other way to pursue its goal of total nuclear disarmament.

[From the Washington Times, Jan. 31, 1996]

CHIRAC VISIT SIGNALS RECOGNITION OF U.S. DOMINANCE

(By Andrew Borowiec)

PARIS.—Western strategy in the post-communist era and France's closer links with the North Atlantic Treaty Organization will dominate French President Jacques Chirac's visit to the United States.

Mr. Chirac is to arrive in Washington today. After a stop in Chicago, he returns to France on Friday.

It is more than a routine call on Washington by the conservative French head of state. It signals France's concern about the shape of Europe's new geopolitical map and acknowledges the United States as a power with responsibilities in Europe.

For the time being, there is no question of complete French reintegration into NATO's military structure, from which the late Charles de Gaulle withdrew 30 years ago, officials say.

But the cautious process already has started, with France joining two key NATO military committees in December. Earlier this month, U.S. reconnaissance planes arrived at the French air base of Istres, with a backup unit of about 100 personnel.

Members of the ruling centrist-conservative coalition have called on Mr. Chirac to explain his intentions, or more specifically the contrast between consistent calls for closer European unity with its own defense and France's unquestionable. tendency to regard Washington as the key military power in the world.

According to an analysis by the Center of Strategic Studies in Paris, by seeking closer links with Washington, "France has chosen strategic considerations over political and ideological ones."

Officials close to Mr. Chirac stressed that the events in Bosnia "showed a political will by the United States rather than by Europe. Hence, the French government concluded that the United States is the only world power to be considered."

With few specific indications, it is not clear what shape Mr. Chirac's discussions in Washington will take. Some officials speak of a historic change that might emerge from the visit.

It has been made obvious that, after the initial applause for French-German military cooperation and the creation of the Eurocorps, the French are becoming more and more skeptical and believe that NATO, albeit under U.S. influence, is the best answer to future European security.

News from the presidential Elysee Palace frequently has been cryptic.

France exploded the sixth and last nuclear devise of the current tests Saturday, thus ending the experiments. But the controversy over testing the devices is not over.

Mr. Chirac told his nation the tests were essential to make the French independent nuclear force credible.

Mr. Chirac is scheduled to address a joint session of Congress tomorrow. But a handful of Democratic members, opposed to nuclear testing, are calling for members to boycott the session.

French officials acknowledge that it was reluctant U.S. involvement in the former Yugoslavia that brought the fragile peace to Bosnia and that "we can't do much without Americans."

Presidential palace sources also say that Mr. Chirac wants to build a more solid relationship with President Clinton because he believes strongly in the chances of Mr. Clinton's reelection in November.

Above all, some members of the governing establishment fear that the expansion of the 15-member European Union precludes chances of a unified and credible European defense.

NATO, often described here as a U.S. proxy in Europe, has once more emerged as the most viable formula for joint military action on a continent made more unstable by the Soviet Union's disintegration.

COMMUNICATION FROM THE HONORABLE BARBARA-ROSE COLLINS, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable BARBARA-ROSE COLLINS, Member of Congress:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, January 22, 1996.

Hon. NEWT GINGRICH,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you, pursuant to Rule L (50) of the Rules of the House of Representatives, that Meredith Cooper, my Chief of Staff, Royal Hart, my Deputy Chief of Staff, and the custodian of the records in my Washington office, have all been served with grand jury subpoenas duces tecum issued by the U.S. District Court for the Eastern District of Michigan.

After consultation with the Office of General Counsel, I have determined that compliance with the subpoenas is consistent with the precedents and privileges of the House.

Sincerely,

BARBARA-ROSE COLLINS.

TRIBUTE TO CONGRESSMAN KWEISI MFUME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. CARDIN] is recognized for 5 minutes.

Mr. CARDIN. Mr. Speaker, I take this time to join, I know, all the Members of this House to acknowledge that in the next few days this House will be losing one of its most distinguished Members, a person who has contributed much to this Nation, who will be resigning to take on the presidency of the NAACP. I refer to my colleague and friend, the gentleman from Maryland, KWEISI MFUME.

When Congressman MFUME resigns from Congress, I will be losing one of my closest friends in this House, and one of my closest colleagues. Both of us were elected to Congress at the same time in the 100th Congress. Both of us were elected from Baltimore to represent that community in the Congress of the United States.

He is my seatmate, he is my colleague, he is my advisor and friend, and I will miss him dearly here in the House. We share the same vision for our communities, and we have worked together in order to effectively represent those communities here in the Congress of the United States.

What a record has Congressman MFUME achieved during his now 9 years in the Congress of the United States. He has been an articulate spokesperson for the Nation's cities. As a result of his work, we now have empowerment zone legislation that is working to renew America's cities. Because of Congressman MFUME's role, Baltimore is designated as one of those empowerment zones, and we are already seeing the fruits of that labor in Baltimore, thanks to Congressman MFUME's leadership here in the Congress of the United States.

He serves on the Committee on Banking and Financial Services, and has been a frequent speaker on this floor, to speak out for the needs of our Nation's cities. Of course, I think most of us know him best for the leadership that he displayed as chairman of the Congressional Black Caucus, particularly during the first 2 years of the Clinton administration. He brought forward the vision of so many Americans that we can do better for all of our communities.

He was keenly responsible for much of the progress that we made during those 2 years. He united not just the Black Caucus, but he united all of us who were interested in renewing our commitment to America's urban areas and to all of our people.

But you know what I think KWEISI's greatest legacy will be to this House will be the style in which he conducted his affairs. He brought the highest degree of integrity, hard work, coalition building, and what a communicator. What a way he has with words and can carry out on the floor in a very articulate way and get us all to work together.

I could relate some stories in Baltimore where he brought communities together. He worked with me to build bridges between the African-American community of Baltimore and the Jewish community in Baltimore. We learned from former Congressman Gray of Philadelphia about efforts that he made in Philadelphia, which we copied in Baltimore, known as Operation Understanding, where we arranged for African-American students and Jewish students to travel together to Africa and Israel to better understand each other's roots, an historic reason why we work together on civil rights legislation.

□ 1615

That program succeeded in bringing together children who are now good friends and are spreading, I think, an important message to our community that we must work together in order to move forward on areas such as civil rights and improvement in all ways of life.

Mr. Speaker, the Civil Rights Act of 1991 was another accomplishment in which I know Congressman MFUME is very proud. He had a major part to play in that achievement. In minority businesses having greater opportunity, Congressman MFUME was there with legislation and gaining support throughout the Nation in order to infuse more capital, more dollars, more opportunities, and more jobs in our inner-cities.

In Baltimore, we now see the Columbus Center, which was a dream a few years ago, become a reality where we will become the leader in marine biotech research in this country. It will mean jobs in Baltimore. It is good for this Nation, and it is another achievement that Congressman MFUME can be proud of, a proud legacy that he will leave when he resigns from this institution.

The drug courts and law enforcement area was another idea that he brought forward.

Mr. Speaker, let me say in conclusion that the loss of this Chamber will be the gain to the NAACP. I know I speak for all Members of the House to wish him only the best as he goes forward with this new challenge.

RECESS

The SPEAKER pro tempore (Mr. HAYWORTH). Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair, but not beyond 5 p.m. today.

Accordingly (at 4 o'clock and 16 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1628

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. HAYWORTH] at 4 o'clock and 28 minutes p.m.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The House will resume special orders without prejudice to the resumption of legislative business at 5 p.m.

TRIBUTE TO THE HONORABLE KWEISI MFUME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. HOYER] is recognized for 5 minutes.

Mr. HOYER. Mr. Speaker, it is a sad occasion for me to rise at this time to note and to lament the leaving of our colleague, the gentleman from Maryland, KWEISI MFUME.

Most of you know that KWEISI MFUME is in many ways the embodiment of the American dream and American ideal. He was a young man, like so many of us when we were young, who had trouble coming to grips with life. I can empathize with that. I am sure many of you can as well. In fact, as a teenager he was, from the perspective of many, a teenager that would not make a positive contribution to his community. The joy of the story is that KWEISI MFUME looked at himself and make a similar conclusion, and decided that that was not the route he wanted to go.

Robert Frost wrote a poem "The Road Not Taken." He said in that poem "I shall be telling this with a smile somewhere ages and ages hence: Two roads diverged in a wood and I, I took the one less traveled by."

The road less traveled by, as all of us knows who go through a woods, has more briars, has more brambles, has more branches in the way of progress. But if one is prepared to overcome those obstacles, one can prevail and be admired for that victory of the spirit.

I am not objective, Mr. Speaker. KWEISI MFUME is my friend. As the dean of the Maryland delegation, I can say with pride and with conviction that KWEISI MFUME has served the citizens of not only his district but of my district and of every district of our State exceedingly well. But more than that, KWEISI MFUME has been a leader in our country. Indeed, he has been a leader on the international scene.

KWEISI MFUME was picked by his African-American colleagues to lead the Black Caucus here in the Congress. Frankly, it was perhaps, one of the high points of the history of the Black Caucus during the 2 years of his leadership, in which he became perceived by the President of the United States, by the Speaker of the House, and by the minority leader as an individual of great consequence and conscience, as an individual prepared to fight for that which he believed, an individual who was in the best tradition of service in this House.

There have been some 10,200 Members, citizens, who have been selected by their communities to serve in this House since 1789. Few have served with such distinction as KWEISI MFUME.

KWEISI MFUME called me a few weeks ago, early on a Saturday morning. He informed me before it was to happen that he was going to be selected as the President and CEO of one of the historic and great institutions in this country, the National Association for the Advancement of Colored People.

That organization has done as much for civil rights as any organization in this country, but that organization, frankly, has fallen on hard times. It was confronted with problems of great magnitude, not just financially but in terms of energy and direction and focus and agenda. The genius of that organization was that they looked around the breadth of America and made what I think was the very best possible selection they could have made.

I am sad that they chose KWEISI MFUME, for myself, for my State, but I am glad that he will have an even broader stage, in some respects, on which to work. I am glad that the character of KWEISI MFUME will be associated with one of the great associations of this country.

KWEISI MFUME is on the floor and stands before me just now, and KWEISI, I say to you as a friend, as a colleague, but as well, as an American concerned about my country, concerned about bringing blacks and whites together, not dividing us, concerned about the rise in racism and the lack of understanding between the white and black communities in America, an understanding which is critical for both communities if we are to be the kind of successful American dream which the rest of the world thinks about and admires.

I want to thank the Speaker for his consideration of my closing with these comments about my brother, the gentleman from Maryland, KWEISI MFUME, who has served his country and his people so well. We wish him Godspeed and great success.

FAREWELL TO THE HONORABLE KWEISI MFUME

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida [Mrs. MEEK] is recognized for 5 minutes.

Mr. MFUME. Mr. Speaker, will the gentlewoman yield?

Mrs. MEEK of Florida. I yield to the gentleman from Maryland.

Mr. MFUME. Mr. Speaker, I would like to direct my remarks to the gentleman from Maryland [Mr. HOYER], who spoke earlier, and I recognize the duties of the Chair, having served there for many years.

Mr. Speaker, let me thank the gentleman from Maryland, on the gentlewoman's time, for his kind remarks, for his friendship over the years, for leading the delegation, from all of us who served the State of Maryland, and for extending the first hand toward me shortly after my election in 1986. Both he and former Congressman Tony Coelho came to Baltimore at that particular time to find out what it was they could do for me as an incoming Member. It has been that kind of relationship over the years, STENY, and I really appreciate your kind remarks.

Mrs. MEEK of Florida. Mr. Speaker, I say to the gentleman from Maryland [Mr. MFUME], it is a distinct pleasure to come to the well and tell you how much we are going to miss you, because you have shown the kind of leadership that is seldom seen, not only in the Congress, but throughout this country. The leadership you have demonstrated was one that was fed by character, one that was fed by dignity, one that was fed by knowledge, one that was fed by your strong desire to bring people together and not to separate them, regardless of their views.

Your name stands with the son of kings, and that you are, you are a son of kings. You are a conqueror. You have shown your lineage by your leadership and your example, which you have shown to all of us. You did not lead by talking. You could not say anything about a sermon, because I think from all of your work, you have shown that you would rather be a sermon than to preach one any day.

You have been the hope of all America, but most specifically, you have been the hope of black America. You have been a hero to us, and you still are. I am greatly saddened, at least I was, when you decided to retire and go to the NAACP, because I knew you had more and more to give to us, but God saw it better to send you someplace where you would be needed most. So I was saddened, but I was also encouraged, because they saw the same thing that we saw: The ability to lead, the ability to pull people together, the ability to start initiatives that work.

You were president of the Black Caucus for the first 2 years I was here. I say to you, if it were not for your leadership, we never could have accomplished the things that we accomplished. You even took people in the Caucus who were not directly associated with the idea of the kind of movement that you were trying to make, but you were such a person as to allow everyone a chance and to think of their opportunities.

You are a man of class. You are a cut above, MFUME, quite a bit a cut above, because we will never find a father, a leader, a peacemaker, above you in this Congress. I like the way you work with everybody, white, black, regardless of color or creed. You did not play the race card at any time. What you did was to play the people card, and you made that card work for us in the Congressional Black Caucus.

Mr. Speaker, I think in the end, MFUME, even though I am saddened by your leaving, that your particular dictum may be and your shibboleth could be: Service is the price you have paid for the space which God has let you occupy.

Mr. MFUME. Mr. Speaker, if the gentlewoman will continue to yield, I could not, obviously, not respond to your heartfelt comments, CARRIE, and the friendship that we have developed over the last several years working on a number of issues, both here in Washington and down in your district in Florida and elsewhere. It is those kinds of words at this kind of moment that really makes the last 10 years worth more than they might have been otherwise.

I know that words are inadequate on my part to tell you how much you mean to me as a person, and why I will miss this institution, not because of the partisan bantering that takes place, but because of the genuine kind of dialog and fellowship that I have learned to develop and I have learned to develop with people like you. I love you very much. Thank you for your kind words.

CONGRATULATIONS TO KWEISI MFUME ON HIS SELECTION AS PRESIDENT OF THE NAACP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PAYNE] is recognized for 5 minutes.

Mr. PAYNE of New Jersey. Mr. Speaker, I have had the great privilege of serving as chairman of the Congressional Black Caucus in the 104th Congress, taking over the reins from my good friend, KWEISI MFUME, who served with such distinction during the 103d Congress. He has been tremendously supportive and helpful to me, and I am personally grateful for his friendship and encouragement.

Following his election to the House of Representatives in 1986, Congressman MFUME quickly gained a reputation as one of the most energetic and effective Members of Congress.

As a member of the Banking and Financial Services Committee and the Small Business Committee, he has been active on a wide range of issues, including the development of minority business opportunities. He was successful in adding minority contracting and employment amendments to the Financial Institutions Reform and Recovery Act. He also played a leading role in strengthening the Equal Credit Opportunity Act and the Community Reinvestment Act. In addition, he was actively involved in the passage of the Civil Rights Act of 1991.

Congressman MFUME's election by this colleagues to serve as chairman of the Congressional Black Caucus came at a historic point in time. President Clinton had just been elected along with 110 new Members of the House of Representatives. The Congressional Black Caucus had grown to include 39 House Members and 1 Senator.

Congressman MFUME took on the task of chairing the Congressional Black Caucus with the same enthusiasm and tenacity which he brought to all of his other successful endeavors. He broadened the scope of the Caucus, reaching out to members of the business community, building new coalitions, and seeking the ideas and input of young people.

While Congressman MFUME's presence in Congress will be greatly missed, we are thrilled that he will be using his talent and exceptional leadership ability to re-energize one of our Nation's most prominent civil rights organizations, the NAACP.

Having joined the NAACP myself as a high school student, and later serving as the president of New Jersey youth councils and college chapters of the NAACP, I know the potential the organization has to guide our community through the challenges that lie ahead. In fact, I had the honor of attending the NAACP convention in 1957 when the prestigious Spingarn Award was bestowed on Dr. Martin Luther King, Jr.

As the next leader of the NAACP, Congressman MFUME will be following in the distinguished tradition of such giants as W.E.B. DuBois, Walter White, Roy Wilkins, and Benjamin Hooks. I am certain that he will approach the job with the same passion for justice and equality as these heros of the past. Just as his chosen name indicates, no obstacle will impede this "conquering son of kings" from achieving his goals.

Let me just close by saying that Congressman MFUME has been an inspiration to all of us, and to many people, young and old, throughout this country. His rise from his Baltimore neighborhood to the halls of Congress, his success against the odds and his belief in himself remind us of the immortal words of Rudyard Kipling, that success will come "If you can dream, and not make dreams your master; if you can think, and not make thoughts your aim; if you can meet with Triumph and Disaster, and treat those two imposters just the same * * *. If you can force your heart and nerve and sinew to serve your turn long after they are gone, and so hold on when there is nothing in you except the will which says to them: hold on * * *."

Again, we congratulate Congressman MFUME and look forward to our continued association as he takes on this exciting new challenge.

Mr. MFUME. Mr. Speaker, will the gentleman yield?

Mr. PAYNE of New Jersey. I yield to the gentleman from Maryland.

□ 1645

Mr. MFUME. First, Mr. Speaker, let me thank the gentleman for his words regarding the time that he and I have shared and many of the things that I have worked on here in the Congress and to say to you, DON, how much I appreciate the way you have also had the opportunity to lead this caucus, as have Congressman TOWNS, Congresswoman COLLINS, and others who are here on the floor.

It is a very difficult task. In fact, it is one I say that everybody ought to have the opportunity to do just once, just once.

But you are a great friend and your words are very heartfelt. I thank you for taking the time to come over here today. I almost feel like I am being memorialized, but I knew it is from your heart, and I appreciate all the time we have spent together here and throughout the country, and I wish the best for both you and your family.

TRIBUTE TO KWEISI MFUME

The SPEAKER pro tempore (Mr. HAYWORTH). Under a previous order of the House, the gentleman from the Virgin Islands [Mr. FRAZER] is recognized for 5 minutes.

Mr. FRAZER. Mr. Speaker, I come to the floor to join my colleagues in the special order honoring Congressman KWEISI MFUME. For the past 8 years Mr. MFUME has served this body with distinction and honor.

He led the fight for fairness and equity in Federal contracting for small and minority businesses. During the 103d Congress Mr. MFUME chaired the House Small Business Subcommittee on Minority Business. Under his leadership the committee investigated Federal agencies who were in noncompliance with Public Law 95–507, the Small Business Act. As a result of that investigation those agencies have established small disadvantage business offices and are meeting their contractual goals for small and minority businesses. Mr. MFUME is a master negotiator. He has the ability to listen, synthesize, and reach compromises when a impasse seem inevitable. He has negotiated with Members on both sides of the aisle, because he is open-minded and does not let ideology prevent him from getting the job done.

The U.S. House of Representatives is a better place because of Mr. MFUME's, leadership. Members who have served with him always respected his ability to build consensus. I know these qualities will be tremendous asset to him as he goes forward to be the chief executive officer of the NAACP.

For those who will ask why would KWEISI MFUME leave one of he safest districts in this body, it is because he is a selfless person.

Mr. Speaker and other Members, there is no doubt in anybody's mind that KWEISI MFUME would be elected if he chose to run in November and Novembers and Novembers after that, but he is leaving what is obviously, as we said, a safe seat to take on the task of the NAACP at a time when it is most troubled and needs leadership. I, too, applaud the NAACP for choosing the best person to sail the ship out of troubled waters.

Mr. Speaker, KWEISI MFUME has caused many young people, especially black African-American males, to recognize the political side of the country, and because of him, they are coming forward in large numbers and partaking.

KWEISI MFUME, I applaud you for the service to this body. I wish you well, and I thank you for being a friend.

Mr. Speaker, I yield to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am pleased to add my voice to the chorus of colleagues who are singing the praises of KWEISI MFUME. We both were elected to serve the people of Maryland during the 100th Congress. I have enjoyed his friendship, and I have appreciated his courage and determination to fight for those Americans whose voices are often not heard in the halls of Congress.

KWEISI MFUME grew up on the streets of west Baltimore where he was known as Frizzel Grey. The people who still live there are proud of KWEISI, proud that he made something of himself. The old neighborhood is deteriorating and impoverished, but KWEISI keeps going back there—to his roots. He believes that the work he has been doing in Washington can only be relevant if it has an impact on his old neighborhood.

Although he has been an outspoken advocate of equitable and excellent education for women and minorities, scholarship wasn't always high on KWEISI's agenda. He was a high school dropout who hung out on Baltimore's streets drinking and swapping stories. He turned his life around during the 1970's when he changed his name and worked toward a high school equivalency degree. Then it was on to Morgan State and Johns Hopkins University.

His name is pronounced "Kwah-EE-see Oom-FOO-may," and it hasn't hampered him one bit. He adopted the name during the 1970's because he wanted to embrace his African heritage. It means "conquering son of kings."

During his 9 years in Congress, KWEISI MFUME has distinguished himself with an impressive record of advocacy for human rights and social justice. As the chair of the Congressional Black Caucus, he strengthened and brought national attention to a growing organization, establishing a rapport with African-American communities across the Nation and boosting the organization's reputation and morale.

I could go on and on, and I know I will in my extension of remarks, but I want to say that he has worked also for what he believes in with people on both sides of the aisle. I, for one, can attest to that. As Shakespeare would have said of him, the force of his own merit makes his way; and for me, here is a dear and true industrious friend. I will miss you.

I know that we will be working together as you chair the NAACP, and from the bottom of my heart, you are a good friend, and you have been a great statesman. Thank you.

I thank the gentleman for yielding to me.

TRIBUTE TO KWEISI MFUME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. TOWNS] is recognized for 5 minutes.

Mr. TOWNS. Mr. Speaker, I yield to the gentleman from Maryland [Mr. MFUME].

Mr. MFUME. Mr. Speaker, I know the time of the gentleman is short, but I do first of all want to thank my colleague from Maryland. We were elected together in 1986, kind of cut our teeth here in this House together and grew to be dear, dear friends. CONNIE, I will miss you very much also, and I thank you for your kind words and for coming here.

VIC, let me thank you also for yielding part of your time that the gentlewoman from Maryland [Mrs. MORELLA] might in fact be recognized. We have a long way to go in this institution, but clearly, individuals, such as yourself, who are coming here with bright ideas and a real commitment for change will make that happen.

Thank you so much for coming out and for being a part of this, and I mean that honestly from the bottom of my heart. I look forward, beyond this point, to working more with you. Thank you.

Mr. TOWNS. Mr. Speaker, as chairman of the Congressional Black Caucus, the voice of Mr. KWEISI MFUME was loud and his message was clear. On the issue of establishing democracy in South Africa and throughout his career, KWEISI has spoken his mind and supported first amendment protection for freedom of speech, even in the face of vile and hateful remarks uttered by others.

Wherever the fight has had to be, KWEISI has been in the thick of it. His vision, strength, and leadership have been vitally needed. He has never wavered in his support of affirmative action, minority small business development, health care reform, community reinvestment, and protection of civil rights.

KWEISI's voice has been one of reason, vision, and principle. He has been a foot soldier on the front line and an able member of the Democratic leadership. He has been effective in the boardroom, courtroom, and the streets of public opinion have been his battleground and pulpit for highlighting causes that are just and necessary.

Those of us who have served in this body have seen an erosion in the confidence of voters regarding public officials and institutions of government.

Mrs. COLLINS of Illinois. Mr. Speaker, will the gentleman yield?

Mr. TOWNS. I yield to the gentlewoman from Illinois.

Mrs. COLLINS of Illinois. Mr. Speaker, I thank the gentleman for yielding, because I too want to pay the highest tribute to our longtime colleague and close friend, former Congressional Black Caucus Chairman, KWEISI MFUME, and to say that he has been a wonderful leader in our Congressional Black Caucus, as well as a premier Member of this body; and I thank you for yielding, because I know your time is short.

Mr. Speaker, I rise today to pay the highest tribute to my long-time colleague, close friend, former CBC chairman, and one of the most outstanding Members of this body, Congressman KWEISI MFUME of Maryland. There is no doubt that he will be sorely missed by this institution as he moves on to his new role as chief executive officer of the NAACP.

Throughout his tenure in Congress, Representative MFUME has been a powerful, articulate, and respected champion of average hard-working Americans, the elderly, our children, and the underprivileged. He has generously lent his time and his talents to the causes of justice, civil rights, and economic and educational empowerment for all citizens of this Nation. In so doing, he has been extremely successful in building coalitions to help advance the needs of those whose voices are least often heard in Washington and in the corridors of the Capitol.

I recall a commercial jingle that I think is a fitting phrase to describe Congressman MFUME's significant presence: "When Kweisi Mfume speaks, people listen."

It is particularly in the area of minority business and community development that Congressman MFUME has been without peer in the House of Representatives. As an active force on the Banking and Financial Services Committee, KWEISI MFUME has tirelessly advocated landmark legislative initiatives to expand access to credit and lending opportunities for small, disadvantaged entrepreneurs and firms. He expertly crafted minority contracting and employment amendments to the Financial Institutions Reform and Recovery Act. In addition, he deftly strengthened the Equal Credit Opportunity Act and amended the Community Reinvestment Act in the interest of minority financial institutions.

But it was in the 103d Congress, as chairman of the Congressional Black Caucus, that KWEISI MFUME's star shined the brightest and America stood up and took notice of this remarkable and truly distinguished gentleman. His term as chairman of the CBC marked the pinnacle of the caucus' power and influence on Capitol Hill, at the White House, and, yes, across the country. From securing increased funding levels for targeted education, environmental protection, and health care programs in the 1993 budget to negotiating effective prevention initiatives included in the 1994 crime bill, KWEISI MFUME stood firm for the convictions of the caucus, the rights and needs of our constituents, and the principles of equality and liberty for all.

I thank my colleague, Congressman CARDIN, for holding this special order in honor of Representative MFUME. I wish KWEISI all the best in both his personal and professional endeavors. It has been not only a pleasure but also a privilege to serve with him in this august body.

I know for certain that the NAACP will thrive under KWEISI's direction. They are lucky to have someone with his stature, strength, honor, and intellect to lead them forward at this important time in the history of that vital organization and the history of our Nation.

Mr. LEWIS of Georgia. Mr. Speaker, will the gentleman yield?

Mr. TOWNS. I yield to the gentleman from Georgia.

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank the gentleman for yielding and take just a moment, and I will have a much more extensive statement to submit for the RECORD, because I believe that Mr. MFUME represents the very best that this body has to offer. He is the personification of leadership, of vision.

We came here together, elected in 1986 and came here in 1987. He has been a great Member, a good Member. I hate to see him leave this place, but I know he is going on to bigger and better things. He will provide leadership for the NAACP, but in providing leadership for the NAACP, he will be providing leadership for this Nation.

So let me say to Congressman MFUME, my friend, my leader, and my brother, we wish you well, and Godspeed.

Mr. TOWNS. I would be delighted to yield to the gentleman from Ohio, the dean of the Ohio delegation [Mr. STOKES].

Mr. STOKES. I thank my distinguished colleague and friend from New York for yielding to me.

Mr. Speaker, I regret that because of the time constraints today, due to our schedule on the floor, that we will be unable to spend time paying tribute to a man who deserve tribute from so many of us who want to participate. Hopefully, we are going to be able to get additional time, so at this time what I would like to do is just commend Mr. CARDIN and Mr. HOYER and others who have spoken here for providing us the opportunity to pay tribute to this distinguished colleague who will be departing.

I will reserve the balance of my comments, either for submission to the RECORD or for a later Special Order, if we can get additional time.

I just want to say to KWEISI MFUME that we have great respect and admiration and love for you, and all of us wish you Godspeed in your new career.

Miss COLLINS of Michigan. Mr. Speaker, will the gentleman yield?

Mr. TOWNS. I yield to the gentlewoman from Michigan.

Miss COLLINS of Michigan. Mr. Speaker, on a personal level, I want to pay special tribute to Mr. MFUME's contributions to the Congressional Black Caucus. As chairman for 2 years, he energized our membership and inspired our organization to attain new and unprecedented heights.

In closing, not only do I applaud you, Mr. MFUME, for your outstanding political achievements, but I also thank you for your profound contributions in preserving equal rights for all citizens. You have truly emerged as a national leader and one of the most respected voices in the ongoing human rights struggle. Thank you.

I am very pleased today to pay tribute to my distinguished colleague, the Honorable KWEISI MFUME. Mr. MFUME, I first want to congratulate you on your outstanding political career. As we know, Mr. MFUME was elected to Congress 9 years ago to represent the interests of Maryland's Seventh District. And, while he has represented the interests of his constituents with unquestionable excellence, Mr. MFUME's influence extends far beyond the boundaries of Maryland. Indeed, all of here in Congress and across these United States have benefited from Mr. MFUME's exceptional leadership.

During his tenure in the U.S. House of Representatives, Mr. MFUME has been a dedicated advocate of landmark civil rights legislation. Minority businesses across the Nation have particularly benefited from Mr. MFUME's contributions in obtaining favorable amendments to the Financial Institutions Reform and Recovery Act, the Equal Credit Opportunity Act, and Community Reinvestment Act. Impressively, Mr. MFUME also successfully cosponsored the Americans with Disabilities Act, and amended the Civil Rights Act of 1991 to apply to U.S. citizens working abroad.

On a personal level, I want to pay special tribute to Mr. MFUME's contributions to the Congressional Black Caucus. As chairman of the CBC for 2 highly successful years, Mr. MFUME energized the membership and inspired the organization to attain new and unprecedented heights.

In closing, Mr. MFUME, not only do I applaud you for your outstanding political achievements, but I also thank you for your profound contributions in preserving equal rights for all citizens. You have truly emerged as a national leader and one of the most respected voices in the ongoing human rights struggle. I wish you blessings and the best of wishes in your new appointment as chairman of the NAACP, which will undoubtedly benefit from your exceptional leadership.

Mr. HORN. Mr. Speaker, will the gentleman yield?

Mr. TOWNS. I yield to the gentleman from California.

Mr. HORN. I thank the gentleman for yielding.

Mr. Speaker, it is with great sadness that I see Mr. MFUME leave this Chamber. He is one of the most respected Members in the House of Representatives. When the Democrats were the majority in the last Congress, he presided with great dignity and great presence over the proceedings of the House of Representatives. But if he has to leave, he could not go to a more worthy organization that the National Association for the Advancement of Colored People.

He and I share in common a friendship with the late Clarence Mitchell. It was Clarence Mitchell and others of the NAACP who were walking the Halls of Congress before any of the more prominent civil rights leaders of the latter part of the 20th century were walking the Halls of Congress. Clarence Mitchell and a few colleagues were the ones that were bringing the cause of the African-American to these doors on a bipartisan basis. I am sure that KWEISI MFUME's presence and leadership in reassembling and restructuring and improving the work of the NAACP will be a great service to this Nation and thus to the provision of equal opportunity for many of our citizens.

Mr. TOWNS. Mr. Speaker, I yield to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. I thank the gentleman from New York, and I will be brief and reserve written comments for the RECORD.

As a freshman, I just could not remain in my office. I call him, still, Chairman MFUME for his 2 years of leadership. I personally want to thank him for the kindness extended to one during her interest and climb in public service. He was never too busy to answer a question, to come and visit with constituents.

Now we will have the same kind of gentle kindness going on at the helm in the leadership of our mother organization, the NAACP, leading America into the 21st century of civil rights. I am gratified that he will do that.

KWEISI, my friend, I thank you for your leadership and your kindness. Congratulations. But most of all, best wishes in your new role and challenge.

Mr. CARDIN. Mr. Speaker, if the gentleman will continue to yield, I want to thank the Speaker for his understanding in making this time available in this unusual process that we have used. You have been very understanding, and we thank you.

It is a real occasion to celebrate KWEISI MFUME's service to his Nation and how we will all miss him. I know tomorrow we are going to have some additional time on the floor, and I would urge those Members who did not have a chance during this opportunity that we will have time tomorrow. I know that the time has passed for today.

Once again, I want to thank the Speaker for his courtesy.

The SPEAKER pro tempore. The Chair thanks all of the speakers during this special order and would take time also to commend my good friend from Maryland.

Mr. TOWNS. In closing, Mr. Speaker, let me say to the gentleman from Maryland [Mr. MFUME] that you can count on me to be a soldier in your army for justice as you continue to fight on the outside as you have been able to fight on the inside.

One that note, I yield to the gentleman from Maryland [Mr. MFUME].

Mr. MFUME. I appreciate the gentleman yielding. I recognize the time constraints that the House is under, and I appreciate the comments of Mr. CARDIN that perhaps we can conclude this portion of the special order tomorrow or perhaps later today. I know there are a lot of Members that are starting to come over on the floor for that.

Quite frankly, I am honored and flattered by it, and I appreciate their presence here and look forward perhaps to spending some more time on this special order either later today or certainly tomorrow.

Mr. LAFALCE. Mr. Speaker, I am pleased to join with my colleagues today in honoring KWEISI MFUME, an extraordinary legislator and a good friend. KWEISI is leaving the House of Representatives where he has capably represented the people of Maryland's Seventh Congressional District to assume new responsibilities as chief executive officer of the NAACP.

I have had the privilege of working closely with KWEISI since his arrival in Congress in 1987. We have served together on both the Committee on Banking and the Committee on Small Business, where KWEISI held leadership positions as chairman of the Minority Enterprise Subcommittee and, this year, as the ranking Democratic member on the Banking Oversight Subcommittee. In these positions, as well as in his leadership of the Congressional Black Caucus, KWEISI demonstrated outstanding qualities of leadership and unshakable integrity. Throughout his years in Congress, KWEISI has been a champion for people in need, a powerful voice for equal justice and affirmative action and an effective advocate for small business rights and economic opportunity.

With KWEISI's departure, the House of Representatives loses one of its most able Members. But our loss is a tremendous gain for the NAACP and for the cause of equal justice generally. Although we look back to praise KWEISI's many accomplishments in Congress, we also look forward knowing that even greater accomplishments await him in the future. I look forward to working with KWEISI in the future and wish him every success in his new role.

Mrs. KENNELLY. Mr. Speaker, I rise to join my colleagues in honoring one of this body's most distinguished and dedicated Members.

When Congressman KWEISI MFUME takes the helm of the NAACP in February, this body will lose one of its finest leaders. Since entering Congress over a decade ago, Congressman MFUME has stood on the front lines of the battle for equality and opportunity for all Americans.

As chairman of the Congressional Black Caucus during the 103d Congress, he was instrumental in passing legislation to increase opportunities for minority-owned businesses and banks. And this past year, as chairman of the Joint Economic Committee, he has insisted on focusing our attention on those Americans the economy often leaves behind. His efforts have made a real difference in people's lives, from his neighbors in Baltimore to men, women and children a continent away who he has never met but whose plight compels him to act.

Congressman MFUME has amassed an impressive legislative record in the House of Representatives. He could have taken the safe route by staying in Congress; in fact, he would have been reelected easily in November. But doing what is easy or safe has never been Congressman MFUME's way. He has dedicated his entire life to accepting new challenges and pursuing higher goals. Each time, he has met those challenges and achieved those goals.

Leading the NAACP through uncertain times will certainly be a tough challenge, but the organization's unanimous vote to make him their new president and CEO underscores the amount of confidence it has in him to do the job. His talents and commitment will lead the NAACP in its fight to improve educational opportunities, promote personal responsibility and rejuvenate our cities. Congressman MFUME is ready to use life's lessons he learned growing up in Baltimore and the political experiences he gained in Congress to move the NAACP into the 21st century as a proud, vibrant voice for equality and civil rights.

Already, Congressman MFUME is making his presence felt with the NAACP, leading the charge to register 8 million African-Americans to vote in time for the next election.

At a time of dissatisfaction with the political process and those who embody it, I can think of a few better role models than Congressman MFUME, who has chosen to leave the confines of Capitol Hill and a near-certain reelection for a far riskier venture, simply because he believed it is the right thing to do.

I think every one of us recognizes that, come February 15, this body will be less passionate about helping the most vulnerable members of our society, and a measure less vocal about expanding opportunities to all Americans. However, we are comforted by the fact that our loss is the NAACP's gain. And we are inspired to know that, as long as Congressman MFUME plays a role in the affairs of our Nation—whether it is here in Washington, up in Baltimore, or anywhere else in this Nation—the progress we have made over recent years will not be lost.

Mr. CONYERS. Mr. Speaker, I rise today to honor my good friend and colleague, KWEISI MFUME. The gentleman from Maryland will be leaving this body next month to accept the job as president and CEO of the NAACP, the most important civil rights organization in the United States. I also want to thank Mr. CARDIN for convening this special order.

In 1986, KWEISI MFUME was elected to represent Maryland's Seventh Congressional District, a seat that Parren Mitchell had held for 16 years. So, even before he arrived, our expectations of Mr. MFUME were great—filling Mr. Mitchell's shoes would not be easy. But Mr. MFUME has shown us on many occasions that he has been more than able in meeting the challenges of representing his constituents to this body.

Mr. MFUME's lasting mark in Congress will most certainly be his tenure as chairman of the Congressional Black Caucus. Elected chairman for the 103rd Congress, Mr. MFUME shepherded our caucus to become a prominent coalition in shaping legislation during President Clinton's first 2 years in office. Under his leadership, the caucus achieved a critical mass of some 41 members, its largest presence ever. With Mr. MFUME at the helm the caucus played an integral role in assuring that the President's budget passed, and that it included programs to help the urban poor. Among the victories in that budget were an expanded earned-income tax credit, the creation of urban empowerment zones, an expanded Food Stamp Program, and mandatory immunization for all children. The caucus, through Chairman MFUME's leadership, has also been at the forefront of many struggles of particular importance to African-Americans, including the efforts to preserve affirmative action and to restore democracy to Haiti, one of the foreign policy highlights of the Clinton administration.

As a member of the Committee on Banking, Finance and Urban Affairs, Mr. MFUME has worked diligently on issues important to cities, African-Americans, and the urban poor. He has worked hard to assure that banks loan money and offer services in poor neighborhoods to assure that the underserved have the same opportunities as others. In 1990, KWEISI successfully offered an amendment that changes the way public housing tenants pay their rent. Rent payments are now based on actual income, not estimated income.

This year Mr. MFUME, as a member of the Minority Leader GEPHARDT's Policy Committee, has led the fight against attacks on Medicare, Medicaid, welfare, job training, and other important elements of our social safety net. We, certainly, can't afford the cuts the Budget leaders have prescribed, and KWEISI has worked to preserve these important programs.

Mr. MFUME has served his Maryland constituents with dignity and honor throughout his 9-year career. He is now leaving us to manage the largest civil rights organization in our Nation. I must confess that when I first heard of KWEISI's decision to leave Congress I was disappointed. I felt that his exemplary leadership was needed more than ever as Congress grappled with the extraordinary agenda of reactionary legislative initiative now confronting it.

Upon reflection I embrace and salute without reservation Mr. MFUME's decision. He leaves us in order to lead the revitalization of an organization that has a critical, perhaps seminal, role to play in mobilizing millions of African-Americans and progressive Americans of all types to halt this Nation's slide into a reactionary abyss and to move this Nation toward the full realization of justice and the promise of democracy. His decision is one that all Americans, in and out of Congress, committed to the struggle for justice can endorse.

The NAACP is very important to me. I am a lifelong member of the NAACP and my home city boasts this Nation's largest NAACP Chapter. I have no doubt that the NAACP is in good hands and that KWEISI will raise the NAACP to new heights, and will continue to fight for civil rights, social change, and economic justice. I wish him well in his new career. His commitment and passion will be sorely missed in this Congress. It is not often that we are able to work with a more dedicated or honorable individual. We, certainly, could use a few more Members like KWEISI in the U.S. Congress.

Mr. STOKES. Mr. Speaker, earlier today, the gentleman from Maryland, Mr. CARDIN, took time in the well to pay tribute to our colleague, KWEISI MFUME, who is a retiring member of the Maryland delegation. I join Mr. CARDIN, Mr. STENY HOYER, and my colleagues who take time today to pay tribute to Mr. MFUME.

As one who has seen a number of colleagues go and come over the years, I can say that the departure of KWEISI leaves me with mixed emotions. On the one hand, I am proud to see the good judgment shown by the NAACP in selecting KWEISI as its chief executive officer. On the other hand, for those of us who know this institution, his leadership qualities bode a bright future for him as a leader in future Congresses.

As a life member of the NAACP, I salute this organization for what has to be recognized as a coup in getting KWEISI to head up the most important civil rights organization in America. In light of its current financial problems, declining membership, and lack of national focus and direction, I think that KWEISI MFUME is the right man, at the right time, for the right reasons.

He will bring to this organization the type of fresh, new leadership and eloquence that will return it to its stature of greatness.

Mr. Speaker, KWEISI's whole life has been that of a man who accepts challenges head on. In this case, he will be confronted with a formidable challenge in restoring the NAACP to its rightful place of prominence as the preeminent civil rights organization in the history of this Nation.

But everything in his background cries out, indeed screams, that all of these years he has been preparing for the day when a challenge of this magnitude would come. And indeed, he is ready.

A part of his preparation took place in this very body when he was selected by the members of the Congressional Black Caucus to chair our organization for 2 years. This was a daunting challenge, but he undertook it with vigor and determination, and in my opinion, he took the Congressional Black Caucus to a new level of success and stature during his chairmanship.

In that post, he demonstrated a level of commitment that is unsurpassed. He was able to bring to the forefront a wide range of economic and foreign policy issues. He fought hard for the millions of Americans whose voices go unheard in the Halls of Congress.

Mr. Speaker, KWEISI MFUME has also exercised strong leadership as a member of the House Banking Committee. He has fought efforts aimed at increasing rents for the Nation's public housing residents. He has also authored language which would require a commitment from banks to make loans and services available in poor neighborhoods and underserved banking markets. He is a thoughtful and skilled lawmaker who has earned the respect and admiration of his colleagues.

Mr. Speaker, I take special pride in saluting KWEISI MFUME today. In closing, I am reminded of how, a few years ago, shortly after he came to the Hill, that I invited KWEISI to a meeting with some of my constituents from Cleveland. In his speech to the group, he brought the house down by relating a story of how, as a high school student, he had been assigned the task of writing a research paper on me. We still, from time to time, get a laugh out of that story.

Mr. Speaker, KWEISI MFUME will be missed on Capitol Hill. Our loss is certainly the NAACP's gain. We salute KWEISI and look forward to working closely with him in the days ahead.

Mr. MARTINEZ. Mr. Speaker, I rise today to join my colleagues in paying tribute to Congressman KWEISI MFUME, a remarkable man from Maryland who has served his constituents and all Americans with exceptional integrity and distinction. KWEISI MFUME is leaving the House to accept a new and exciting challenge as president and chief executive officer of the NAACP. This historic civil rights organization is indeed fortunate to have such a skilled and highly respected man at its helm.

During his tenure in the U.S. House of Representatives, Congressman MFUME has emerged as a national leader and champion for the most vulnerable Americans. He has consistently been a voice of reason in Congress, never shying from the good fight. KWEISI's eloquence and advocacy for progressive cause have affected the lives of millions of Americans for the better.

So tonight, Mr. Speaker, I salute KWEISI MFUME, conqueror of kings, and wish him nothing but success in all his future endeavors.

Mr. DIXON. Mr. Speaker, I rise to join my colleagues today to recognize the very significant contributions that the gentleman from Maryland has made during his 9 years in the House of Representatives and to wish him great success as he begins a new and very important endeavor.

We know that Congressman MFUME's constituents in the Seventh Congressional District, who have consistently reelected him with over 80 percent of the vote, will miss his representation in the House. We also know that millions of Americans outside the seventh district, who have relied on him to give voice to their needs and aspirations, will sorely miss that voice coming from the Congress of the United States.

Throughout his tenure in the House, Representative MFUME has been a champion for the rights of those denied opportunity in this Nation, and particularly for the expansion of economic opportunity for those denied. He has been one of our most eloquent spokesman for the need for economic empowerment in the Nation's urban and minority communities, focusing his legislative efforts on minority business development.

During his 2 years as chairman of the Congressional Black Caucus [CBC], Congressman MFUME energized the caucus and focused our message, culminating in major legislative achievements in the 104th Congress. Included in those achievements were expansion of the earned-income tax credit for working families, and creation of enterprise zones to spur economic development in inner-cities. As a member of the House Banking Committee he has been an advocate for the needs of low-income housing residents and for greater responsibility on the part of financial institutions to offer services in their communities.

Representative MFUME has been an articulate, forceful, and passionate presence in the House of Representatives. All Americans will benefit as he brings these qualities to his new role as chief executive officer of the NAACP.

Congressman MFUME is uniquely suited to the task of reviving membership and reenergizing the NAACP—particularly among the Nation's African-American youth. The challenges he overcame in his own youth and the accomplishments he has achieved during a distinguished career in Congress bode well for his efforts to recruit a new generation of leaders to the cause of ensuring that all Americans share in the prosperity of this Nation.

I join my colleagues in thanking Representative MFUME for his service to the country as a Member of the House of Representatives and wish him much success as he meets his new challenge at the helm of the NAACP.

Mr. FROST. Mr. Speaker, I would like to take this opportunity to honor Representative KWEISI MFUME, former chairman of the Congressional Black Caucus, on the occasion of his leaving the House in order to head the NAACP.

During his tenure in Congress, KWEISI MFUME, who has represented Maryland's Seventh Congressional District since 1986, has displayed a strong commitment to public service and a stellar record of legislative accomplishment.

Through serving on the Banking and Financial Services Committee, Representative MFUME has been able to focus congressional attention on a variety of issues, including minority businesses, health care, and civil rights legislation.

He authored the minority contracting and employment amendments to the Financial Institutions Reform and Recovery Act, strengthened the Equal Credit Opportunity Act, and amended the Community Reinvestment Act to strengthen the protection of minority financial institutions.

It has been an honor and a privilege to serve in the House with Representative MFUME. Clearly, his hard work and dedication to public service have improved the lives of all Americans.

Mr. SENSENBRENNER. Mr. Speaker, I rise to pay tribute to our departing colleague from Maryland, Congressman KWEISI MFUME.

For the past 10 years, the people of Maryland's Seventh District have benefited from the representation of Congressman MFUME.

Representative MFUME's political career began as a Baltimore City Council member where he promoted the causes of his innercity constituents. He was elected to the House of Representatives in 1986 and recently served on the Banking and Financial Services and Small Business committees.

His record reflects a dedication of addressing the needs of his district while balancing those with the needs of the Nation. His hard work and legislative ability have earned him the respect of his colleagues on both sides of the aisle.

Representative MFUME's outspoken support of civil rights and other traditional minority concerns lead to his election as Chairman of the Congressional Black Caucus in 1992, where he elevated the level of influence for the caucus to a new level.

I wish Congressman MFUME good luck as he assumes his new responsibilities as chief executive officer of the National Association for the Advancement of Colored People, where he will have a new platform to fight for the causes he believes in. This is an exciting opportunity for him and I know I am joined by my colleagues in wishing him continued success.

Mr. WATTS of Oklahoma. Mr. Speaker, I want to thank the gentleman from Maryland, Mr. CARDIN, for making this time available to recognize our good friend and colleague, KWEISI MFUME. It is a distinct pleasure to have the opportunity to speak about a gentleman who has earned a place of high respect and honor here in the Congress.

We all know that there's often a lot of talk in this Chamber, but there's seldom a lot of listening. KWEISI MFUME is one of those soft-spoken voices that rises above the din, above the crowd—one of those rare voices that Members listen to on both sides of the aisle.

KWEISI has earned our ear, and our respect, not only because of his dedicated work for this great Nation and his effective advocacy for our most disadvantaged citizens—but also because of the hard road he took to Congress—from the troubled neighborhoods of west Baltimore to the heights of Capitol Hill, his is a story of determination. It is a story which teaches our Nation's youth great lessons about dignity and self-respect.

We applaud the NAACP for choosing a leader of the caliber of KWEISI MFUME. Quite sincerely, I can think of no one more qualified and respected to lead that venerable institution into the 21st century. Our only regret is the loss we will feel here in this institution when we lose the reasoned voice and seasoned leadership of KWEISI MFUME.

I wish my friend every success as he confronts the challenges of his new position.

Ms. PELOSI. Mr. Speaker, I rise today with mixed feelings of joy and sadness as we honor our good friend and colleague KWEISI MFUME. I am saddened to lose our esteemed colleague as a relentless advocate in Congress for the poor and disadvantaged, yet I am so pleased and proud that a man of such leadership, courage, dignity, and vision will now guide the NAACP to marvelous new heights.

Congressman MFUME has spent most of the last 10 years representing an area I know very well—the city in which my father, Thomas D'Alesandro, once served as mayor and as Member of Congress. KWEISI and I were both born and raised in Baltimore and had the good fortune to learn at the feet of some of the Nation's finest Democrats. While I moved to San Francisco, Congressman MFUME remained to represent the interests of those living in Maryland's Seventh Congressional District, which includes some of Baltimore's poorest neighborhoods.

KWEISI MFUME is the best possible role model for the youth he has worked to assist because he has experienced the challenges of life's adversity and knows that it is possible to triumph. After surviving difficulties in his childhood, he adopted not only a new name but a new way of life, completing his education, achieving popularity for his outspoken views as a radio talk show host, then winning a seat on the Baltimore City Council to promote the causes of the poor and disadvantaged living in distressed communities. In 1986, he was elected to Congress to continue his good work on Baltimore's behalf.

The limited time we have on the floor today is not nearly enough to list this member's many accomplishments and successes. We all know that Congressman MFUME has been a tireless advocate and a national leader for minority business development and civil rights legislation. His voice is always clearly and eloquently heard in defense of the rights and needs of children, people of color, the poor, the elderly, and the disabled—people who do not often have access to the halls of power.

During his impressive term as the leader of the Congressional Black Caucus, KWEISI's style was to build coalitions, not to tear them down. He was instrumental in shaping the caucus into the formidable force that it is.

At the announcement of his selection as president and CEO of the NAACP, A. Leon Higginbotham said that Congressman MFUME "combined the brilliance of W.E.B. Dubois, the eloquence of Martin Luther King, the toughness of Thurgood Marshall, and the caring of Harriet Tubman." This great and natural leader could receive no more fitting tribute.

The name Kweisi means conquering son of kings. He has conquered everything he has sought to achieve in this Congress. Now he is moving on, not to conquer, but to bring together the people of our Nation and to continue to fight for the causes in which he believes. I join with his many, many friends, family, and colleagues in this body in bidding him farewell and wishing our friend good luck and great success in his new and very important endeavor. We look forward to working with him in his new capacity as president of the NAACP.

Mr. COSTELLO. Mr. Speaker, I want to join my colleagues in honoring our colleague, Congressman KWEISI MFUME, as he prepares to leave Congress to take over the National Association for the Advancement of Colored People [NAACP].

I have had the privilege of serving with KWEISI for many years, and can testify to the fact that he has had an enormously positive impact on the U.S. House of Representatives. He has well represented his constituents in Baltimore, and has been an aggressive advocate for the causes of human rights and urban development.

As the former chairman of the Congressional Black Caucus, KWEISI was successful in raising the profile of the caucus agenda, and speaking for millions of African-Americans who look to the caucus for leadership. By becoming chief executive officer of the NAACP, KWEISI will continue those efforts and represent that organization with the same vigor and competence as he represented his constituents in Maryland's Seventh District.

Mr. Speaker, I know many of my colleagues join me in bidding KWEISI best wishes on his new challenge, and will be working closely with him on issues of concern to all of us in the future.

GENERAL LEAVE

Mr. CARDIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

□ 1700

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 2546, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1996

Mr. LINDER, from the Committee on Rules, submitted a privileged report (Rept. No. 104–456) on the resolution (H. Res. 351) waiving points of order against the conference report to accompany the bill (H.R. 2546) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1996, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION AUTHORIZING SPEAKER TO DECLARE RECESSES SUBJECT TO THE CALL OF THE CHAIR

Mr. LINDER, from the Committee on Rules, submitted a privileged report (Rept. No. 104–457) on the resolution (H. Res. 352) authorizing the Speaker to declare recesses subject to the call of the Chair from February 2, 1996, through February 26, 1996, which was referred to the House Calendar and ordered to be printed.

PRIVILEGES OF THE HOUSE—WITHDRAWAL OF INVITATION TO FRENCH PRESIDENT JACQUES CHIRAC AND NOT AGREEING TO FUTURE APPEARANCES TO ADDRESS JOINT MEETINGS OF CONGRESS BY HEADS OF STATE OF NATIONS CONDUCTING NUCLEAR TESTS

Mrs. MINK of Hawaii. Mr. Speaker, I rise to a question of the privileges of the House and offer a privileged resolution that I noticed pursuant to rule IX yesterday, and ask for its immediate consideration.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 350

Whereas virtually every nation in the world has adhered to a moratorium on nuclear tests since September 1992;

Whereas, on June 13, 1995, President Jacques Chirac of France ended his nation's adherence to the moratorium by ordering a series of nuclear tests in the South Pacific;

Whereas France has since conducted six nuclear tests on the Pacific atolls of Moruroa and Fangataufa in French Polynesia;

Whereas France has acknowledged that radioactive materials from some of the tests have leaked into the ocean;

Whereas, as a result of the tests, the people of the Pacific are extremely concerned about the health and safety of those who live near the test sites, as well as the adverse environmental effects of the tests on the region;

Whereas, in conducting the tests, France has callously ignored world-wide protests and global concern;

Whereas the United States is one of 167 nations that have objected to the tests;

Whereas the tests are inconsistent with the "Principles and Objectives for Disarmament", as adopted by the 1995 Review and Extension Conference of the Parties to the Treaty on Non-Proliferation of Nuclear Weapons;

Whereas, in proceeding with the tests, France has acted contrary to the commitment of the international community to the non-proliferation of nuclear weapons and the moratorium on nuclear testing;

Whereas the President of France, Jacques Chirac, is scheduled to appear before a joint meeting of the Congress on February 1, 1996; and

Whereas, in light of the tests, the appearance of the President of France before the Congress violates the dignity and integrity of the proceedings of the House: Now, therefore, be it

Resolved, That, by reason of the recent nuclear tests conducted by France in the South Pacific, the Speaker of the House shall take such action as may be necessary to withdraw the invitation to the President of France, Jacques Chirac, to address a joint meeting of the Congress, as scheduled to occur on February 1, 1996.

SEC. 2. On and after the date on which this resolution is agreed to, the Speaker of the House may not agree to the appearance before a joint meeting of the Congress by any head of state or head of government whose nation conducts nuclear tests.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Does the gentlewoman request time to discuss the question of privilege?

Mrs. MINK of Hawaii. Yes, I do, Mr. Speaker.

The SPEAKER pro tempore. The gentlewoman from Hawaii is recognized on the question of whether the resolution constitutes a question of privilege.

Mrs. MINK of Hawaii. Mr. Speaker, I offer this question of the privileges of the House because I believe that the invitation to President Jacques Chirac to address the joint session of the Congress on February 1, 1996, violates the integrity of the House.

Despite world wide objection to the resumption of nuclear tests, President Chirac proceeded with callous disregard to the concerns and consequences of his actions.

The House of Representatives Chambers must be reserved to those individuals whose actions and political courage bring dignity to this institutional. Invitations to address joint sessions are reserved to those persons who have demonstrated their leadership and character as deserving of honor and reverence.

I believe that many Members of Congress are as offended as I am by the idea of President Chirac coming to this Chamber to address this Nation. After refusing to listen to the pleas of hundreds of nations, and in particular the people of the Pacific rim, why should the Congress afford him a podium from which to advance his unwelcome views?

This offense is not just against the people of French Polynesia. It is an offense against all the people of the world who believed that there would be an end to the nuclear arms race. For France to resume nuclear tests in the Pacific after previously announcing an end to these tests, is a moral travesty that shakes the very foundation of world governments.

For France to argue that they needed to do these tests to ensure the reliability of their nuclear arsenal is to state that the French Government has repudiated the basis of the Test Ban Treaty which is that nuclear war is impossible and that no government should be planning for such an inevitability.

If those nations who possess the nuclear bomb are allowed with opprobrium to re-test their arsenal, then the appeal to others not to seek nuclear capability is an empty gesture at best. At a critical time when we want to curb the nuclear adventures in China and other countries, how do we justify playing host to a Western Power who has already conducted 192 tests, most of them in the Pacific, 140 of them underground and yet insisted that it needed 8 more tests to prove its reliability, and to perfect its computer based simulation technology.

Sadly President Chirac's decision opens the way for other nations to squander our precious environment for their own purposes. Why is France's national security of greater importance than other nations?

The sixth and last nuclear blast that was set off by the French Government on January 27, 1996, in Fangataufa Atoll in French Polynesia had the equivalency to 120,000 tons of TNT, more than six times the Hiroshima bomb.

This defiance of international policy, and deliberate renunciation of their own government's prior announcement of a test ban moratorium must not be received by this Chamber with regular order.

On the contrary, I believe, as I have stated in this resolution that the invitation should be withdrawn on the basis that his presence in this Chamber would constitute approval of his conduct in this regard.

Other than this resolution we had no opportunity to express our disapproval of this invitation. I urge this House to approve this resolution and serve notice to the world of our solemn adherence to a nuclear free world.

The SPEAKER pro tempore. Does any other Member wish to be heard on this?

Mr. LEWIS of Georgia. Mr. Speaker, I wish to be heard on the privileged resolution.

The SPEAKER pro tempore. The gentleman from Georgia is recognized on the question of privilege.

Mr. LEWIS of Georgia. Mr. Speaker, I want to join with my colleagues to strongly protest France's actions in the South Pacific. I am pleased that France has stopped testing its nuclear weapons. But I must say—it is too late. The damage has been done.

France ignored the pleas of the governments and people of the South Pacific and throughout the world. We live on this planet together. We share its bounty. These are our oceans, our land, our people. We must respect each other.

President Chirac did not listen to the groans and moans, the hopes, the dreams and the aspirations of those who are longing for a planet free of nuclear waste, free of nuclear destruction, free of nuclear poison. This man—this President of France and his government—refused to listen to the community of nations.

And now, he wants to come to our house. To the people's house. President Chirac, our people do not support nuclear testing. Our people do not support radiation in the waters. Our people do not support a government that ignores the community of nations.

Six times, France has poisoned our earth. Six times, nuclear poison has seeped into the waters of this little planet. This poison remains with each and every one of us.

If France truly wants to atone for its wrongs, they must apologize to the people of the South Pacific. They must join with them to right the wrongs, to help heal the environment, to help heal the hurt.

As France's actions demonstrate, nuclear testing should be banned from this planet forever. We must never again engage in this desolate deed. It is time to evolve to another level, to a better world where we lay down the tools of poison and destruction and respect the community of nations.

Nuclear testing is obsolete. Nuclear testing is evil. To paraphrase the words of Mahatma Gandhi, "Noncooperation with evil is as much a moral obligation as cooperation with good."

So I cannot be silent. I cannot close my eyes to France's deeds.

I know France is our ally, but even with our good friends, we must have the courage to say that a wrong is wrong. We must have the courage to do what is right. I don't know about any other Member, but for me and my house, I will not be seated here tomorrow when Mr. Chirac comes to this House.

The SPEAKER pro tempore. Are there other Members that wish to be heard?

Before recognizing the gentlewoman from Texas [Ms. JACKSON-LEE], the Chair would remind Members if they speak on this to confine their remarks to the issue of the question of privilege under rule IX rather than on the pros and cons of the policy they are speaking about, but confine your remarks simply to the question of privilege.

The Chair recognizes the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to speak on the privileged resolution of the gentlewoman from Hawaii.

Mr. Speaker, I think that rule IX in particular speaks to the integrity and collective impact on this body.

Mr. Speaker, I respect the people of France as I do all of our world citizens, and I also know that there is some good to nuclear testing.

I think, Mr. Speaker, that we recognize that over the past decade, the international community has agreed that nuclear-weapon testing is a practice that must be ceased for the good of both humanity and Mother Earth. As evidence, the nations of the world are currently in Geneva negotiating the Comprehensive Test Ban Treaty. Additionally as early as 1985, the countries of the South Pacific Forum negotiated and signed the Rarotonga Treaty establishing the South Pacific Free Zone.

Mr. Speaker, this body has invited many individuals to be at the helm and provide insight and information to this august body, this Nation, and, of course, the American people. It is a responsibility of this body to ensure that factual information is exuded from this body. And I believe that in allowing this leader to come, it goes against the factual basis of this country's standing on nuclear testing.

In spite of this international effort to end nuclear testing on our planet, the French Government, of which this leader will represent, chose to ignore the interests and the pleas of many Pacific nations and conduct its six full-scale detonations of its TN75.

Mr. Speaker, in light of this singularly egotistical decision, I believe that it is inappropriate for this body to invite President Chirac to speak before it. It is a question of presenting of the facts to the American people. His presence here only serves to defend, however subtly, these deplorable tests. I believe that although this Government did not vigorously speak out against these tests, we can now help to correct that error by giving symbolic support to our Pacific allies. Why should we be party to repairing the credibility of President Chirac when he has marginalized both the Pacific neighbors to these tests and the international community?

Mr. Speaker, I think it is important that we in this body have the responsibility to uphold the laws of this land, the policies of this land, and the policies of this land have been to date that we have not supported nuclear proliferation or the testing of nuclear weapons.

□ 1715

For this body's integrity to stand as under rule IX and privileged resolutions, I would say to you that we have the responsibility to disinvite this President, for this impacts the collective integrity of this body.

It should be noted also, Mr. Speaker, that although President Chirac has decided to stop the nuclear tests, it was hardly due to respect for any nation other than his own. Before the tests even began, he stated France, and France only, would, indeed, conduct six to eight tests, and the gentleman has been good to his word.

Mr. Speaker, this is an honorable institution and under rule IX I think it is our responsibility again to preserve its integrity. I would ask that the privileged resolution be considered and, of course, accepted by this body, and that we uninvite President Chirac in order to maintain the collective responsibility of the United States House of Representatives.

Mr. Speaker, I respect the people of France as I do all of our world citizens. I also know there is some good in nuclear technology. Mr. Speaker, over the past decade, the international community has agreed that nuclear-weapon testing is a practice that must be ceased, for the good of both humanity and Mother Earth. As evidence, the nations of the world are currently in Geneva negotiating the Comprehensive Test Ban Treaty. Additionally, as early as 1985, the countries of the South Pacific Forum negotiated and signed the Rarotonga Treaty, establishing the South Pacific Free Zone.

Yet, in spite of this international effort to end nuclear testing on our planet, the French Government chose to ignore the interests and pleas of many Pacific nations and conducted six full-scale detonations of its TN75 warheads.

Mr. Speaker, in light of this singularly, egotistical decision, I believe that it is inappropriate for this body to invite President Chirac to speak before it. His presence here only serves to defend, however, subtlely, these deplorable tests. I believe that although this Government did not vigorously speak out against these tests, we can now help to correct that error by giving symbolic support to our Pacific allies. Why should we be party to repairing the credibility of President Chirac when he has marginalized both the Pacific neighbors to his tests, and the international community.

It should be noted that although President Chirac has decided to stop the nuclear tests, it was hardly due to his respect for any nation other than his own. Before the tests even began, he stated that France would indeed conduct six to eight tests, and the gentleman has been good to his word.

Mr. Speaker, this is an honorable institution, let us preserve its integrity.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Do other Members wish to be heard?

Mr. FALEOMAVAEGA. Mr. Speaker, I would like to address the issue, the privileged resolution, before the body.

The SPEAKER pro tempore. The gentleman from American Samoa is recognized.

Mr. FALEOMAVAEGA. Mr. Speaker, as I have spoken earlier concerning the issue now before this body, the question of privilege, in terms of the tradition of the House and whether or not the President of France should be honored or be given the privilege of addressing a joint session of Congress tomorrow, as I speak, Mr. Speaker, as it is true with almost every young American learning about civics, the history of our Nation itself, how it was conceived, the fact that this Nation itself has a tradition of being a former colony of the British Empire, the fact that there are some very fundamental traditions that I think I can say without equivocation about what America stands for, the principles of democracy and human rights and all due respect for other human beings to live in their respective areas or regions, as I speak before my colleagues in this body, I notice there are only two murals or two picture frames that are part of the decor of our Chamber, and that of the great President, our first President of the United States, George Washington, and I see on the other corner of this Chamber a great leader, a great French patriot by the name of Marquis de Lafayette, a great patriot who supported wholeheartedly the cause of the American colony for its interests in wanting very much to be free from the shackles of British colonialism, and the fact that representation without taxation, as a principle, simply was not in order, and the fact that our country was conceived in blood, and we fought for those freedoms against British colonialism.

So I think in the spirit of tradition and what we talk about the great Lafayette that came and helped us tells us something about what it means to be a free human being, what it means to go against colonialism, what it means to believe in the principles of democracy, human rights, and the right of human beings to live. I think this is the core of the issue that is now before us, and the privileged resolution expressing this sense, strong sense, among the Members of this Chamber that the Speaker ought not extend an invitation to the President of France to address us at a joint session tomorrow.

I support wholeheartedly the provisions of this resolution, and I ask my colleagues in this Chamber to help us by making this point. The point is that this man really did not have to permit six nuclear explosions, to do this nuclear testing, despite the fact of protestations of some 167 nations, 28 million people who live in the Pacific region, 200,000 of their own citizens in French Polynesia who also opposed the testing, and ironically of all, Mr. Speaker, 60 percent of the French people themselves did not want President Chirac to conduct this nuclear testing. It is an abomination. It is an outrage.

Mr. Speaker, I ask my colleagues, do not support the Speaker's invitation by allowing this man to address the Chamber tomorrow.

The SPEAKER pro tempore. Do further Members wish to address the question of privilege?

Mr. UNDERWOOD. Yes, I wish to address the privileged resolution.

The SPEAKER pro tempore. The gentleman from Guam is recognized.

Mr. UNDERWOOD. Mr. Speaker, as an American citizen and as a Pacific Islander, I must rise today in strong support of the privileged resolution offered by the gentlewoman from Hawaii [Mrs. MINK].

This resolution speaks to the issue of this body's integrity because of President Chirac's behavior, and in order to argue that President Chirac should, in fact, should be disinvited, we must analyze President Chirac's duplicitous and cynical behavior in the conduct of nuclear testing in the South Pacific.

A speech before a joint session of Congress is President Chirac's way of trying to win back the good graces of this body and of world opinion and to recover some very lost credibility. After he has ignored world opinion for over 4 months by proceeding with these series of tests, he does not deserve the honor of speaking before this body. Just days prior to their final nuclear test, thousands of miles from the French capital, France acknowledged radioactive waste was leaked, and in fact, frequently vented into the lagoon adjacent to the test site. Of course, this did not stop France from finishing their last test.

And now the French President wants this Congress as his audience. With the precedent of inviting someone responsible for a potentially major environmental disaster in the Pacific, you have to wonder who the congressional leadership will invite next. Can we expect to hear a joint session speech by the captain of the Exxon Valdez, the manager of Three Mile Island, or maybe we will have the opportunity to attend a joint session by the director the Chernobyl nuclear power plan.

I ask this body, I implore this body to support the privileged resolution offered by the gentlewoman from Hawaii.

The SPEAKER pro tempore. The Chair is prepared to rule. If there are others, the Chair will hear one more Member speak on this question.

The gentlewoman from North Carolina [Mrs. CLAYTON] is recognized.

Mrs. CLAYTON. Mr. Speaker, I will be brief, and maybe you can hear both of us. I will abbreviate my remarks.

I just want to join in strong support of the privileged resolution that is offered by the gentlewoman from Hawaii [Mrs. MINK] and also to say that the dignity and integrity of who we invite, who speaks from that well says volumes about what is important to us as Americans.

Americans have gone on record of not advocating the proliferation of nuclear testing, and yet the President of France has negated that altogether, although France itself has signed that treaty.

So I implore all of my Members and colleagues that this will say volumes about our integrity when we sign a treaty that we would honor that and certainly we should not give the well to someone who violated the treaty.

The SPEAKER pro tempore. Does the gentlewoman from Illinois desire to be heard on this issue?

Mrs. COLLINS of Illinois. Yes, I do, Mr. Speaker.

The SPEAKER pro tempore. The gentlewoman from Illinois is recognized.

Mrs. COLLINS of Illinois. Mr. Speaker, my concern, as was pointed out a few minutes ago, Lafayette over there was one who believed in justice and the fact that we would have a free country here or should have. I thought it was very interesting that it was the French, indeed, who sent us the Statue of Liberty, you know, the great symbol of freedom for our country.

Yet here is the President of that great country who has decided to do some nuclear testing. You know, we believe in fairness, but we believe in not having nuclear proliferation in our country, and to have that very President of that country to come before us in a joint session sends a message that we endorse what he did. We do not endorse what he did.

I think, therefore, that we should certainly follow and support the privileged resolution offered by the gentlewoman from Hawaii [Mrs. MINK]. I think it makes a great deal of sense to do so.

It seems to me we ought to disinvite the President; in fact, we urge the Speaker to disinvite, if he can, the President of France, because it is something that we do not want to be associated with.

The SPEAKER pro tempore. Do other Members wish to be heard?

The gentlewoman from Florida [Mrs. MEEK] is recognized.

Mrs. MEEK of Florida. Mr. Speaker, first of all, anyone who is within earshort of my words, we should strongly and vehemently oppose any visit by the French President Chirac.

We stand firmly to support the gentlewoman from Hawaii [Mrs. MINK] and her resolution which does not stand for anything extraordinary. It stands up for a clean environment. It stands for the health and safety of the residents of this country. It stands for honor among all the world's peoples, and to think that we are recognizing him as someone to come hear and address a joint meeting of Congress is, to me, really abominable and that we would allow that to happen. He should not be invited. We should put the strength of our voices against this by not even appearing here tomorrow and to show strength behind the resolution offered by the gentlewoman from Hawaii [Mrs. MINK].

Do not be discouraged. The way to take care of this is to boycott his visit. He will address this body. He has not thought about the human rights of this country. We have come a long way in that. He has not thought about our environmental concerns, how far we have come. We will not turn back. He has not thought about health and safety.

So he has been able to say this to the Pacific islanders, well, we will go ahead and run these tests on your shores. Think about it, it may be your shores next.

The SPEAKER pro tempore. Are there further Members who wish to be heard on the question?

The gentleman from New Jersey [Mr. PAYNE] is recognized.

Mr. PAYNE of New Jersey. Mr. Speaker, as a member of the International Relations Committee, I question the invitation to French President Jacques Chirac's address to the joint session of Congress on tomorrow.

I am strongly opposed to any nuclear tests in the South Pacific. The French have already conducted a total of 6 nuclear tests.

They have directly violated international law. The United States has ratified Conventions and Comprehensive Test Ban Treaties. Chirac's tests are contradictory to the codes outlined in the "Principles and Objectives for Disarmament."

This was adopted by the 1995 Review and Extension Conference of the Parties to the Treaty on Non-Proliferation of Nuclear Weapons.

We are living in a post-cold-war era. The United States and its allies have made a commitment to nuclear nonproliferation. France has breached the contract by not adhering to the moratorium.

On June 13, 1995, President Jacques Chirac ordered a series of nuclear tests in the South Pacific. This has outraged members of the international community.

Chirac is endangering the land on and above the French Polynesia's coral atolls. They have conducted approximately 187 nuclear detonations since 1966.

Radioactive materials from their tests have caused environmental damage.

The coral reefs in the sea and the bordering islands have been affected by the nuclear explosions.

Nuclear proliferation will not be tolerated in this post-cold war era. Despite many critical attempts to halt nuclear testing in the Pacific Basin by 166 nations, French nuclear testing remains.

The threat of nuclear exposure is a concern not only to the people of Pacific but to all of us in the international community.

We must curb the nuclear arms race with China, Iran, North Korea, and now even France.

Mr. Speaker, if we allow Chirac to come and speak to the Members of Congress, we will be saying OK to the nuclear arms race. We should not support this measure.

The SPEAKER pro tempore. Does the gentleman from Hawaii wish to address the issue on the question of privilege?

Mr. ABERCROMBIE. Yes, Mr. Speaker, I wish to address the question of privilege under rule IX of our rules.

The SPEAKER pro tempore. The gentleman from Hawaii is recognized.

Mr. ABERCROMBIE. Mr. Speaker, I take very seriously your admonition that we must address the question of privilege, that is to say, within the privileged resolution. That is what we must address here, is this a pertinent resolution to have before this House to be decided, not the merits or demerits of the proposition which may be under question? Am I correct that that is your admonition to us, Mr. Speaker?

The SPEAKER pro tempore. The gentleman is correct.

Mr. ABERCROMBIE. I thank the Chair.

I wish to address that quite directly, Mr. Speaker, because I believe that the issue under consideration as embodied in the privileged resolution most certainly is in order to be discussed, should we pass this privileged resolution, and the decision as to whether or not we should pass the privileged resolution and whether or not we should pass the privileged resolution and whether it is properly before us is yours to make.

I would like to argue, Mr. Speaker, as follows: That in the House rules and manual which the Parliamentarian has been kind enough to provide to me, there are numerous citations in here with respect to precedents as to the question of personal privilege, questions of privilege, in the absence of a quorum, et cetera.

□ 1730

But fundamentally and elementally what is before the Chair is as follows: The question of privilege shall be first those affecting the rights of the House collectively, its safety, dignity, integrity of its proceedings.

I do not think that is necessarily at issue here. Probably a rather abstract argument or intellectual argument could be made it is.

But I rest my case to the Chair on the second part, those affecting the rights, reputation, and conduct of Members individually in their representative capacity only.

Mr. Speaker, we have in the Pacific, aside from the representation with the capacity to vote on this floor existing in Hawaii, Members from Guam and American Samoa. In addition, we have certain jurisdiction over island groupings in the Pacific under the Department of the Interior.

Mr. Speaker, I maintain to the Chair and to the Members that the rights and reputation and conduct of Members individually in their representative capacity is seriously impaired if they cannot succeed in being able to make an argument to the floor Members assembled as to whether or not Mr. Chirac should be able to appear.

I do believe it is well within the boundaries, because those Members cannot vote on this floor. Their representative capacity is solely on the basis of being able to persuade us on behalf of the peoples of the Pacific that there are matters which require our attention. This privileged resolution is directed exactly at that issue. Questions about radioactivity, and so forth, would be discussed under that privileged resolution as to why an affirmative vote is sought.

So, Mr. Speaker, I most sincerely request your favorable ruling with respect to the question of privilege, and ask that it be allowed to be voted on, because this is the only way that the peoples of the Pacific, through their representatives, particularly from Guam and American Samoa, who do not have the right to vote on this floor, will be able to make a representation that they are otherwise obligated and required to do so by virtue of their presence here on the floor.

It is clear, it seems to me, given the massive implications of radioactive leakage in the Pacific with the numerous explosions that have taken place in these tests, that other than through this representation through the privileged motion, the desirability or undesirability of having Mr. Chirac speak will not be able to be adequately addressed, and it seems to me a very powerful argument can be made for that, should we be allowed to proceed.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The Chair is prepared to rule on whether the resolution of the gentlewoman from Hawaii [Mrs. MINK] presents a question of privilege under rule IX.

The Speaker has been authorized to declare a recess by order of the House to accommodate the joint meeting with the Senate in order to receive President Chirac. This standing order was established by unanimous consent on Friday, January 26, 1996. No objection was heard, and the Speaker was authorized to declare a recess to receive President Chirac.

If there had been objection by any Member to the appearance of President Chirac before a joint meeting of Congress, a resolution reported from the Committee on Rules and adopted by the House might have been required to establish the order for the joint meeting. As is customary for all joint meetings to receive foreign dignitaries and heads of state, the letter of invitation to President Chirac was not transmitted until both Houses had agreed to receive the invitee.

Procedures exist within the rules of the House to permit the House to vote on the authorization of joint meetings where objection is made to that arrangement. The Chair does not believe it proper to collaterally challenge such standing order of the House under the guise of a question of privilege.

As recorded on page 362 of the House Rules and Manual, on February 3, 1993, Speaker Foley ruled that a question of privilege could not be used to collaterally challenge the validity or fairness of an adopted rule of the House by delaying its implementation. In addition, as recorded on page 361 in the House Rules and Manual, a question of the privileges of the House may not be invoked to effect a change in the Rules of the House.

The gentlewoman's resolution would, in effect, constitute a new rule of the House restricting the issuance of invitations to future joint meetings, and, therefore, does not constitute a question of the privileges of the House.

Also, no question of personal privilege of individual Members under rule IX is involved at this time.

PARLIAMENTARY INQUIRY

Mr. ABERCROMBIE. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. ABERCROMBIE. Mr. Speaker, I hope I understood the Chair correctly. Did you indicate as part of your ruling that an objection would have had to have been made on January 26 of this year?

The SPEAKER pro tempore. An objection could have been made at that time to the unanimous-consent request.

Mr. ABERCROMBIE. Mr. Speaker, was the House in session? Were Members expected to be assembled or be able to be called to the House at that date? My recollection is we were in recess.

The SPEAKER pro tempore. As is customary, it was done at a time that had been requested for the program to be announced for the next week. When the program was announced for the next week, that was when the unanimous-consent request was made.

Mr. ABERCROMBIE. Mr. Speaker, further parliamentary inquiry. I maybe did not understand correctly. Did the Chair say in reply to my question that the House was in session on January 26 and that this proposition was presented to the Members for their assent?

The SPEAKER pro tempore. The gentleman is correct.

Mrs. MINK of Hawaii. Mr. Speaker, I appeal the ruling of the Chair.

The SPEAKER pro tempore. The question is, Shall the decision of the Chair stand as the judgment of the House?

Ms. PRYCE. Mr. Speaker, I move to lay the appeal on the table.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Ohio [Ms. PRYCE] to lay on the table the appeal of the ruling of the Chair.

The motion to lay on the table the appeal of the ruling of the Chair was agreed to.

A motion to reconsider was laid on the table.

PARLIAMENTARY INQUIRY

Mr. ABERCROMBIE. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. ABERCROMBIE. Mr. Speaker, my distinct recollection is we were not in session on January 26. I just want to make sure for the record. Were the Members in fact here assembled on January 26? If they were not, I do not wish to get into a dispute with you, Mr. Speaker, but whether or not we could have made an objection or should have made objection I think does rest at least upon the practical possibility that we would have been in attendance here to be able to do that, if that in fact is the basis upon which the initial premise of your ruling was made. I am in no position to state for a fact whether we were here or not, because I am making the inquiry.

The SPEAKER pro tempore. The Chair would remind the gentleman that the House was in session on Friday, but the schedule was laid out on Thursday by the majority leader. The request was made on Friday along with other requests.

Mr. ABERCROMBIE. Mr. Speaker, was it a pro forma session?

The SPEAKER pro tempore. The gentleman is correct.

Mr. ABERCROMBIE. Mr. Speaker, further parliamentary inquiry then. Again, I hold the Speaker in the highest respect in this regard, but my information is that if it is a pro forma session, I receive a piece of paper which says that no business is to be conducted. If no business is to be conducted, I hardly think it is fair for the Chair to then state that I should be or any other Member should be expected to make objection, if that is our intent with respect to this particular issue. If I receive information that no business is to be conducted, I do not see how I could come to the floor then demanding that business be conducted.

The SPEAKER pro tempore. It has been customary in the past for these sorts of requests to be made and these unanimous-consent requests are done even on days when there are pro forma sessions. It has been customary in the past that those requests generally are taken up when the schedule is announced, generally in a colloquy with the minority leader or his designee and the majority leader, which was done on Thursday. These are things that have happened in the past on pro forma days.

Mr. ABERCROMBIE. Mr. Speaker, further parliamentary inquiry. Then it is also in order under the rules to bring a privileged resolution to the floor. Now, if we were not in session, even if I take your word for it, and I will for purposes of our discussion, I would hope you would grant me my good intentions as well. If I could have or someone else could have come to this floor and made such a representation as you indicate, I will accept that.

However, the rules also allow us to bring a privileged resolution to the floor at any time with the proper notice and to have it considered. One of the reasons or the principal reason that the Chair stated for turning down this privileged resolution offered by the gentlewoman from Hawaii [Mrs. MINK] is that it was not presented on January 26. From what the Chair just told me, it does not matter that it was not presented on January 26. It could have been presented on January 26, but it was not imperative that it be presented on January 26. So if that is the only reason, why can it not be presented today?

The SPEAKER pro tempore. The Chair regrets that the request was made on January 26, custom has done that in the past. This has been done, as has been customary in the House for many years.

Mr. ABERCROMBIE. Mr. Speaker, because it is customary does not mean it is within the rules. I made a parliamentary inquiry based upon the rules. It may have been customary, it may have been desirable, but it is not against the rules to present the privileged resolution today. You have not offered a reason then. Simply because it was customary does not mean it is against the rules. There is nothing substantive that you have offered that prevents this privileged resolution from being before us. I believe I am correct.

Mr. SOLOMON. Mr. Speaker, we are going to have to pursue regular order.

Mr. ABERCROMBIE. With all due respect, Mr. SOLOMON, I am doing my level best to maintain regular order.

The SPEAKER pro tempore. The gentleman will suspend. At this point, it is not in order to collaterally challenge the unanimous-consent order that has been entered the previous week, even though it was done on a pro forma day. Again, that was because of custom.

Mr. ABERCROMBIE. Our only recourse is to appeal?

The SPEAKER pro tempore. That has been done. The appeal has been laid on the table.

Mr. ABERCROMBIE. I thank the Speaker very much for replying to me. I find this line of response very, very unfortunate in terms of what the House should be about in terms of its business.

Ms. SLAUGHTER. Mr. Speaker, I rise today to join with my colleagues who have already expressed their concern and distress about France's nuclear testing, and President Chirac's visit to the United States.

With the end of the cold war and the recent ratification of START II, we have high hopes and have made great steps forward in stopping the proliferation of nuclear weapons. And, just when we were making real progress toward a permanent moratorium on nuclear testing, France embarked on a series of nuclear tests in the South Pacific. These tests not only damage the strides we are making to stop nuclear testing, but they have once again endangered the health and safety of Pacific islanders.

As the threat of nuclear proliferation continues, it does not make sense for the leaders of the world to engage in such reckless activities. The free world must lead by example. The example set by France is deplorable, and the United States should not directly, or indirectly, condone such actions.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed on Tuesday, January 30, 1996, in the order in which the motion was entertained.

Votes will be taken in the following order:

House Resolution 349, de novo; and
H.R. 2036, de novo.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

INTERSTATE TRANSPORTATION OF MUNICIPAL SOLID WASTE ACT OF 1995

The SPEAKER pro tempore. The unfinished business is on the question de novo of suspending the rules and agreeing to the resolution, House Resolution 349.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia [Mr. BLILEY] that the House suspend the rules and agree to the resolution, House Resolution 349.

The question was taken.

Mr. BOUCHER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 150, nays 271, not voting 12, as follows:

[Roll No. 20]

YEAS—150

Abercrombie
Ackerman
Andrews
Baker (LA)
Baldacci
Ballenger
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Bono
Brewster
Browder
Bunn
Calvert
Canady
Cardin
Chambliss
Clement
Coble
Collins (GA)
Cramer
Cunningham
Davis
Deal
DeFazio
DeLauro
Deutsch
Diaz-Balart
Doolittle
Dunn
Edwards
Ehlers
Engel
Fields (TX)
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Furse
Gallegly
Ganske
Gejdenson
Gilchrest
Gillmor
Gilman
Goodling
Goss
Gunderson
Gutknecht
Hansen
Hastings (FL)
Hayes
Herger
Hobson
Hoekstra
Houghton
Hunter
Hyde
Jacobs
Johnson (CT)
Johnston
Kelly
Kennedy (RI)
Kennelly
Kim
King
Kleczka
Klug
Lazio
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lowey
Luther
Manton
Martini
McCarthy
McCollum
McCrery
McDade
McHugh
McKeon
McNulty
Menendez
Metcalf
Mica
Miller (FL)
Minge
Molinari
Moran
Myrick
Nethercutt
Norwood
Oberstar
Oxley
Packard
Pallone
Pastor
Paxon
Payne (NJ)
Peterson (FL)
Peterson (MN)
Quinn
Ramstad
Rangel
Reed
Riggs
Rogers
Ros-Lehtinen
Roukema
Sabo
Sawyer
Saxton
Schaefer
Schumer
Shaw
Shays
Smith (MI)
Smith (NJ)
Solomon
Stearns
Tauzin
Taylor (NC)
Thomas
Thurman
Torricelli
Upton
Vento
Waldholtz
Walker
Walsh
Weldon (FL)
Weldon (PA)
White
Whitfield
Wilson
Wolf
Wynn
Young (AK)
Zimmer

NAYS—271

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bishop
Blute
Boehner
Bonilla
Bonior
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Camp
Campbell
Castle
Chabot
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clinger
Clyburn
Coburn
Coleman
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Crane
Crapo
Cremeans
Cubin
Danner
de la Garza
Dellums
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Dornan
Doyle
Dreier
Duncan
Durbin
Ehrlich
Emerson
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Flanagan
Foglietta
Ford
Frank (MA)
Frost
Funderburk
Gekas
Gephardt
Gibbons
Gonzalez
Goodlatte
Gordon
Graham
Green
Greenwood
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Hancock
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Hilleary
Hilliard
Hinchey
Hoke
Holden
Horn
Hostettler
Hoyer
Hutchinson
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kennedy (MA)
Kildee
Kingston
Klink
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Leach
Levin
Lewis (CA)
Lewis (GA)
Lincoln
Lofgren
Lucas
Maloney
Manzullo
Markey
Martinez
Mascara
Matsui
McDermott
McHale
McInnis
McIntosh
McKinney
Meehan
Meek
Meyers
Mfume
Miller (CA)
Mink
Moakley
Mollohan
Montgomery
Moorhead
Murtha
Myers
Nadler
Neal
Neumann
Ney
Nussle
Obey
Olver
Ortiz
Orton
Parker
Payne (VA)
Pelosi
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Radanovich
Rahall
Regula
Richardson
Rivers
Roberts
Roemer
Rohrabacher
Roth
Roybal-Allard
Royce
Rush
Salmon
Sanders
Sanford
Scarborough
Schiff
Schroeder
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (TX)
Smith (WA)
Souder
Spence
Spratt
Stark
Stenholm
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Taylor (MS)
Tejeda
Thompson
Thornberry
Thornton
Tiahrt
Torkildsen
Torres
Towns
Traficant
Velazquez
Visclosky
Volkmer
Vucanovich
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weller
Wicker
Williams
Wise
Woolsey
Yates
Young (FL)
Zeliff

NOT VOTING—12

Bryant (TX)
Chapman
DeLay
Filner
Flake
Geren
Johnson (SD)
Morella
Owens
Rose
Stockman
Wyden

□ 1806

Ms. PRYCE of Ohio, Mrs. VUCANOVICH, and Messrs. GEKAS, ROTH, DICKEY, MOAKLEY, MCDERMOTT, PARKER, WATTS of Oklahoma, COMBEST, ISTOOK, DORNAN, CRANE, BATEMAN, and PAYNE of Virginia changed their vote from "yea" to "nay."

Mrs. LOWEY and Messrs. BEVILL, BAKER of Louisiana, HASTINGS of Florida, ENGEL, HOBSON, YOUNG of Alaska, and WALSH changed their vote from "nay" to "yea."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

LAND DISPOSAL PROGRAM FLEXIBILITY

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The unfinished business is the question de novo of suspending the rules and passing the bill, H.R. 2036, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia [Mr. BLILEY] that the House suspend the rules and pass the bill, H.R. 2036, as amended.

The question was taken.

RECORDED VOTE

Mr. MARKEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 402, noes 19, not voting 12, as follows:

[Roll No. 21]

AYES—402

Abercrombie
Ackerman
Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bunn
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Combest
Condit
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeLauro
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary

Hilliard
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McNulty
Meehan
Meek
Metcalf
Meyers
Mfume
Mica
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Murtha
Myers
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Parker
Pastor
Paxon
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—19

Andrews
Bunning
Collins (MI)
Conyers
DeFazio
Dellums
Evans
Gejdenson
Hinchey
Johnston
Markey
McKinney
Menendez
Nadler
Pallone
Payne (NJ)
Sanders
Schroeder
Yates

NOT VOTING—12

Bryant (TX)
Chapman
DeLay
Filner
Flake
Geren
Jacobs
Johnson (SD)
Morella
Rose
Stockman
Wyden

□ 1817

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

PRIVILEGES OF THE HOUSE—KEEPING THE HOUSE IN SESSION TO CONSIDER BILL REGARDING DEBT CEILING TO AVOID DEFAULT OF FULL FAITH AND CREDIT OF THE UNITED STATES

Ms. JACKSON-LEE of Texas. Mr. Speaker, pursuant to clause 2(a)(1) of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

Mr. Speaker, the form of the resolution is as follows:

H. RES. —

Whereas the inability of the House to pass a bill to raise the public debt limit will cause the Federal Government to default on its obligations and affect the dignity and integrity of House proceedings; and

Whereas the inability of the House to pass a bill to raise the public debt limit will cause severe hardship on Federal employees, Federal contractors, and the American people and cause millions of American citizens to hold the House in disrepute: Now, therefore, be it

Resolved, That upon the adoption of this resolution, the Speaker of the House shall take such action to keep the House in session until the House considers a clean bill regarding the debt ceiling to avoid default of the full faith and credit of the United States.

Mr. Speaker, I hereby give notice with some 40 cosponsors from around the Nation for this privileged resolution.

The SPEAKER pro tempore (Mr. HASTINGS). Under rule IX, a resolution offered from the floor by a Member other than the majority leader or the minority leader as a question of the privileges of the House has immediate precedence only at a time or place designated by the Chair in the legislative schedule within 2 legislative days its being properly noticed. That designation will be announced at a later time. In the meantime, the form of the resolution proffered by the gentlewoman from Texas will appear in the RECORD at this point.

The Chair is not at this point making a determination as to whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

PARLIAMENTARY INQUIRY

Mr. FIELDS of Louisiana. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. FIELDS of Louisiana. Mr. Speaker, I was trying to hear the ruling of the Chair, if the Chair would be so kind, because the last two or three sentences of his ruling I did not understand because the House was not in order.

The SPEAKER pro tempore. I will repeat the last part of that for the gentleman.

The Chair is not at this point making a determination as to whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

Mr. FIELDS of Texas. And what time is that, may I ask, Mr. Speaker?

The SPEAKER pro tempore. The Chair will announce that when the Speaker makes his determination.

CONFERENCE REPORT ON H.R. 2546, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1996

Mr. LINDER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 351 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 351

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 2546) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1996, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore. The gentleman from Georgia [Mr. LINDER] is recognized for 1 hour.

Mr. LINDER. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas [Mr. FROST], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 351 provides for consideration of the conference report for H.R. 2546, the District of Columbia appropriations bill for fiscal year 1996, and waives all points of order against this bill. This rule provides for the orderly consideration of this conference agreement and will facilitate its consideration. Normal procedures of the House allow for 1 hour of general debate divided equally between the chairman and ranking minority member of the Committee on Appropriations.

Finally, House rules provide for a motion to recommit with or without instructions as is the right of the minority.

Mr. Speaker, the appropriations process is clearly more difficult when you attempt to pass fiscally responsible legislation. The District of Columbia appropriations conference report will not satisfy everyone and does not cut as much spending as many of us would have liked, but I am hopeful that the President will sign this commonsense bill which will move us closer to restoring the District's fiscal health.

Mr. Speaker, this bill will stem the fiscal crisis that the District has created. The gentlelady from the District of Columbia has stated that we all have a duty to help raise our Nation's capital out of its fiscal crisis, and I believe that this bill fulfills that obligation. The District must now restore fiscal sanity and create a more efficient and productive Capital City for its residents and all Americans.

The conference report provides a total appropriation of $4.99 billion for fiscal year 1996. In addition, the conferees have included a number of legislative provisions that will ensure that a few specified activities are achieved by the local government.

I am particularly pleased that the bill includes reforms that are imperative to the revival of the D.C. school system. The conference agreed to include low-income scholarships of up to $3,000 that qualified students could use to attend private schools in the District. The conference also designates $15 million dollars in order to repair deteriorating schools and produce an acceptable environment for our children's education. Representative GUNDERSON deserves high praise for his persistent efforts to reform the District's school system.

Mr. Speaker, given the size and population of the District, it is difficult to argue that a bill that provides this city with about $5 billion dollars is not generous. For those who still believe this bill is unfair, consider this: the Federal per capita spending equals about $9,000. I would argue that no other city in America receives so much Federal funding and has so many mismanaged and inefficient services to show for it.

Nonetheless, the District shamelessly comes to us with yet another exorbitant wish list for funding. The House has been very charitable in preserving home rule, but we have a constitutional duty to keep the District's budget in balance. To fulfill this obligation, Congress will appropriate funds for the District and set the fiscal and policy parameters. The Financial Authority will then provide guidance for a sound financial operation. We are giving the District a golden opportunity with this bill to prove that it can control spending in a disciplined and competent manner. It is a fiscally responsible solution that is more than generous and the District cannot expect any better.

I certainly hope that the District will be held accountable for the expenditure of this funding by the District Financial Management Assistance Authority which has been tasked to quickly implement commonsense money management. We are all aware of the apprehension that remains about the District's ability to govern itself competently, and I hope that we can agree that this bill is a proper vehicle to drive the District into an era of financial stability.

This is a city that has been wasting other people's money for an awfully long time and has wanted unconditional freedom in doing it. The city has reached a point where it cannot pay its bills, protect its streets, or even plow its streets, for that matter. While the bill may not go as far as many would like, the House needs to pass an appropriations bill to keep the District going.

The conferees, under the leadership of Chairman JIM WALSH, have worked well to balance an assortment of concerns, including home rule, and made difficult choices with the limited funding available this year. As is the case with the other appropriations bills, the product of their work reflects the Nation's new budget realities. While we currently do not have a Balanced Budget Act with tax relief and entitlement reform, we will continue to move toward our goal as a Nation to spend within our means.

This fiscal emergency requires drastic action, and the conference report is designed to insure, once and for all, that the available funding is spent efficiently and where it is needed most.

Mr. Speaker, this rule was favorably reported by the Rules Committee. I urge my colleagues to support the rule so that we may complete our work on the District's 1996 funding and start the process of restoring the District's financial health.

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Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong opposition to this rule and to this conference report. I oppose this rule because the text of this conference report has only a few minutes ago been made available to the Members of this body. I do not think it would be too much to ask to allow interested Members the opportunity to fully study the conference report, especially if it still contains far-reaching language relating to the creation of a multimillion-dollar school-voucher program in the District of Columbia.

Mr. Speaker, we are scheduled to be here tomorrow, so why not take up this bill at that time? Is our schedule so full tomorrow that we cannot fit an hour's debate on this conference report into the floor schedule for Thursday? It seems that if we are going to consider this conference report at all before the month of March, we must do it today since the Republican leadership is so bent on taking a 3-week vacation starting tomorrow afternoon. Mr. Speaker, this procedure is not fair to the residents of the District of Columbia and it is not a responsible way to legislate.

But, in addition to my opposition to considering this conference report before the Members have had an opportunity to study its contents, I am opposed to the conference report itself. If the information that is available to me is correct, this report still contains language which creates a school voucher program. I have been and I remain opposed to the use of Federal funds for school vouchers. While the conferees have attempted to cloak the creation of a voucher program in the District of Columbia in a veil of respectability, the fact is that these provisions would ultimately allow the use of Federal funds to pay tuition at private schools. Mr. Speaker, that is a provision I cannot support and for that reason I will oppose this conference report.

Mr. Speaker, this appropriation is not a place to practice the social engineering of the Republican right. Instead, what this appropriation is for is to provide the District with critically needed funds that will allow the city to serve its citizens. It is time that the Republican majority stop trying to impose its social agenda on this city and to act in the best interests of its residents. I urge my colleagues to oppose this rule and to oppose this conference report.

Mr. MOAKLEY. Mr. Speaker, on January 25, 1996, during the debate on House Resolution 342, Representative HOYER asked me, in reference to "martial-law" rules, whether or not this kind of rule has ever been proposed prior to June 30 of any legislative year in the history of the Congress. My response was, no, it has never been proposed before June 30. Martial-law rules are multipurpose rules clearing the way for the House to act quickly on a broad range of legislative measures by stating that certain of the standing rules will not apply for a specified period of time, usually the few remaining days at the end of a session. If this were the end of the session, House Resolution 342 would be a typical example of a martial-law rule.

At one point late in the debate, Representative MCINNIS, who managed the rule for the majority, recited a list of rules that waived clause 4(b) of rule XI—requiring a two-thirds vote to consider a rule on the same day it is reported from the Committee on Rules—and that were reported prior to June 30 by the Rules Committee during the 103d Congress. He made the statement that these rules were all reported before June 30 of each session of the Congress and were no different from House Resolution 342. He is correct in his statement only with regard to the fact that these rules were reported before June 30 in each session and that each contained a two-thirds waiver but that is where the similarities end. There are indeed major differences between the resolutions he cited and House Resolution 342.

I believe my friend, the gentleman from Colorado, can clearly see the differences between the rules on his list and House Resolution 342. Those on his list are single purpose rules waiving the two-thirds requirement for same-day consideration for one specifically identified measure and the waiver usually lasted 1 day and never more than 2 days. Representative HOYER was referring to martial-law rules when he spoke of House Resolution 342 as "a rule which allows for 1 day of consideration of matters." The word "matters" is plural. The 103d Congress never waived the two-thirds rule against a rule that covered multiple bills before June 30 in either year. House consideration of this rule is indeed setting history or a new precedent because it has never been done before. Having reviewed the Rules Committee surveys of activities from the 98th Congress through the 103d, I can say with assurance, the House has not once considered a martial-law rule this early in the session. I also made clear in my response to the gentleman from Colorado that we were referring to multiple bill waivers—martial-law rules—and not single purpose rules like those he recited.

The following summary and accompanying chart will clarify and shed further light on the distinct and important differences between those single-purpose rules and House Resolution 342.

First, House Resolution 342 provides for consideration of an unlimited number of separate and distinct bills or resolutions within three subject categories. The rules, recited by Mr. MCINNIS, were all single issue resolutions providing in each instance for only one specific bill or resolution. The authority granted by each of the rules could be used only one time and not over and over as is the case with House Resolution 342.

Second, the duration of the authority provided in each of these rules was for only 1 day in six of the rules and not longer than 2 days in the other two rules. House Resolution 342 provides authority for the extremely long and unnecessary period of 51 days, from January 25 through March 15.

Third, of those rules that were reported before June 30 during each of the two sessions of the 103d Congress, only four: House Resolution 61, House Resolution 142, House Resolution 395, and House Resolution 441 were considered by the House. The other four rules were either tabled—House Resolution 111, House Resolution 150, House Resolution 153—or not used by the effective date contained in the rule—House Resolution 356. All four rules considered by the House were effective for 1 day only. In one of the rules, House Resolution 395, the waiver of the two-thirds rule was combined with a general debate provision for the bill so the House could continue its consideration of the bill the following day.

Finally, in all four instances where the House considered and voted on the two-thirds waiver, my colleagues on the other side of the aisle opposed the waiver and voted against the rule. Now that they are responsible for conducting the business of the House they embrace the idea and are willing to take it to new and historic levels. The House has passed five martial-law rules since November 15, 1995, and will be operating under the authority of these five rules with regard to budgetary legislation for a period of 4 months, from November 15, 1995 until March 16, 1996. The combined result of this prolonged authority makes the long standing House rule against same-day consideration of rules of little effect. The purpose of the two-thirds rule is to allow for adequate notice to Members before a bill comes to the floor. A review of all the budgetary bills considered by the House during this period reveals a disturbing trend. Almost all have been considered under the martial-law authority. I only hope that this rule will be the last instance of martial-law and that this type of rule does not become the management tool of choice for the majority during the remainder of the second session.

RESOLUTIONS WAIVING CLAUSE 4(B) OF RULE XI REPORTED BEFORE JUNE 30

H.R. 61.—Family and Medical Leave Act.—reported from Rules 2/3/93; adopted 2/4/93 (239–155); no limit on duration. (However, H.Res. 71, the rule providing for consideration of H.R. 1, Family and Medical Leave Act, was considered and adopted on 2/4/93 making the effective duration only one day.)

H.R. 111.—Emergency Unemployment Compensation—reported from Rules 3/3/93; tabled 3/9/93; effective one day (3/4/93). NOT USED

H.Res. 142—H.Con.Res. 64—Concurrent Resolution on the Budget—reported from Rules 3/30/93; adopted 3/31/93 (248–171); effective one day (3/31/93).

H.Res. 150.—H.R. 1335—Emergency Supplemental Appropriations—reported from Rules 4/1/93; tabled 10/27/93; effective two days (4/2/93–4/3/93). NOT USED

H.Res. 153.—H.R. 1335—Emergency Supplemental Appropriations—reported from Rules 4/21/93; tabled 10/27/93; effective one day (4/22/93). NOT USED

H.Res. 356.—H.R. 3759—Emergency Supplemental Appropriations—reported from Rules 2/9/94; pending; effective two days (2/10/94–2/11/94). NOT USED

H.Res. 395.—H.R. 4092—Violent Crime Control and Law Enforcement Act—reported from Rules 3/22/94; adopted 3/23/94 (240–174); effective one day (3/23/94). This rule provided for general debate and next day consideration of a subsequent rule for H.R. 4092.

H.Res. 441.—H.R. 4426—Foreign Operations Appropriations—reported from Rules 5/24/94; adopted 5/25/94 (246–174); effective one day (5/25/94).

Mr. FROST. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LINDER. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. WALSH. Mr. Speaker, pursuant to House Resolution 351, I call up the conference report on the bill (H.R. 2546) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1996, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Pursuant to House Resolution 351, the conference report is considered as having been read.

(For conference report and statement, see prior proceedings of the House of today.)

The SPEAKER pro tempore. The gentleman from New York [Mr. WALSH] and the gentleman from California [Mr. DIXON] each will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York [Mr. WALSH].

GENERAL LEAVE

Mr. WALSH. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the conference report on the bill, H.R. 2546, and the amendment in disagreement, and that I be permitted to include a tabulation summarizing the conference agreement.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WALSH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this evening we have before the House the conference agreement on H.R. 2546, the District of Columbia Appropriations Act for Fiscal Year 1996. The bill passed the other body on September 22, and passed this House on November 2. We had five meetings with our Senate counterparts, including one at 10 o'clock this morning, as well as numerous other meetings in our efforts to work out the differences between the House and Senate versions of this bill.

In the meantime, we provided funding to the District government through continuing resolutions under which a portion of the Federal payment was paid to the city. Under these CR's, $441 million of the $660 million annual Federal payment has been disbursed. These funds were placed in the Control Board's hands with half of the money going back to the U.S. Treasury to repay last year's loan to the District.

On January 3, I introduced a CR that allows the District to continue operating through September 30 using its own local funds. That CR passed the Congress and was signed by the President on January 4. Even though this bill has been pending in conference, the District and Control Board have had the authority as well as a substantial part of the Federal payment to continue operations.

Mr. Speaker, this conference agreement provides the District government with a budget of $4.994 billion—that is an enormous sum of money for a population of 554,000—over $9,000 for every resident. For that kind of money the District residents should be receiving the highest quality city services in America.

The latest revenue estimates for fiscal 1996 made by the District's new chief financial officer are now $4.848 billion, which is $150 million below our conference agreement on expenditures of $4.994 billion. Our amount is only a cap on spending, so we are expecting that the Control Board will make the necessary reductions in expenditures to match that revenue estimate. Had we accepted the city's budget of $5.148 billion, we would now be looking at a $300 million deficit.

The Financial Control Board has been in place for about 7 months and I am confident they are headed in the proper direction to bring the District government back from the brink of financial insolvency brought about by 20 years of home rule and 15 years of unrestrained spending. I fully support what they are doing and look forward to the 4-year financial plan and recommendations they will be sending to the Congress.

Mr. Speaker, there were numerous items that we resolved early in the conference—but some of the issues were extremely difficult.

First, on the abortion issue, the conference agreement provides that no Federal or local funds shall be used to perform abortions except to save the life of the mother or in cases of rape or incest. This language has been signed into law by the President in the continuing resolutions that have passed this Congress over the past few months. The Senate bill reflected current law which restricted the use of Federal funds only.

On domestic partners, the Senate language prohibited the use of only Federal funds to implement or enforce the District's Domestic Partners Act. The conference agreement continues current law which prohibits the use of both Federal and local funds.

In the past few months there has been a great deal of discussion about local efforts to reform city operations. The school board is considering reducing their generous salaries and even introducing some privatization to their operations and management. The local governments are considering making Blue Plains Wastewater Treatment Plant a regional authority. City departments involved with economic development and planning are looking to consolidate and eliminate duplication. These initiatives were set in motion by this year's appropriations bill and our strong encouragement.

In order to bring about additional change in the District, our committee identified 28 items of concern which were referred to the Control Board. We have asked the Control Board to resolve those items and report back by April 1, 1996. I believe that both the financial and management problems of this city must be addressed in tandem. Improving city management is a No. 1 priority. For example, we have requested management assessment studies to improve the delivery of services especially in the areas of trash collection, school and office maintenance, and police, fire and ambulance maintenance, and deployment.

What is needed is action and results now.

The District government spends over $5 billion a year for city services. The city's per capita cost for education, safety, trash collection, aid-to-families with dependent children, job training, homelessness, and substance abuse appear to be the highest in the Nation. We have asked the Control Board to seek out the best management and operating practices of other cities and introduce them into the District government to improve operations.

So Mr. Speaker, the most contentious issues discussed at our conference meetings involved reforming the District of Columbia's failing public school system. This conference agreement culminates a year of debate, discussion, and negotiation from the local school level to the Congress regarding the amount, shape, and pace of education reform necessary in the District of Columbia.

One of the items I am most proud of is the low-income scholarship program. This program will provide many of the District's most needy children with the opportunity to receive a first-rate education. I believe we need to begin educating tomorrow's city leaders today. The scholarship program provides up to $3,000 that can be used by students to attend private schools in the District as well as public or private schools in the surrounding jurisdictions. It will give these kids and their parents a choice they have never had. This will also, in my opinion, be the catalyst that is needed to transform the District's public schools into better educational institutions. To meet the early objections posed by the other body to the school reform proposals, we have provided the city council with final approval of the program, but I am confident the city council will support this program. In fact, the council's committee on education unanimously supported parent choice. I quote from a letter the council's committee sent to our colleague from Wisconsin:

> The Committee embraces the creation of a federally funded scholarship program that would assist low-income parents in enrolling their children in * * * the school of their choice in the District of Columbia.

So Mr. Speaker, I would urge all Members including our colleagues on the other side of the aisle to pass this conference report and help the residents of this District.

I would like to thank the members of the subcommittee for their hard work on this bill.

I want to especially thank the full committee chairman, the gentleman from Louisiana [Mr. LIVINGSTON] for his extraordinary efforts on this bill. He took time to participate in our markups and meetings while still tending to other important appropriation matters.

Each of these members is to be commended. I also want to thank the House and Senate staff as well as my personal staff for their hard work and their assistance.

Mr. Speaker, at this point in the RECORD, I will insert a tabulation summarizing the conference action.

FY 1996 DISTRICT OF COLUMBIA APPROPRIATIONS BILL (H.R. 2546)

	FY 1995 Enacted	FY 1996 Estimate	House	Senate	Conference	Conference compared with enacted
TITLE I						
FISCAL YEAR 1996 APPROPRIATIONS						
FEDERAL FUNDS						
Federal payment to the District of Columbia	660,000,000	660,000,000	660,000,000	660,000,000	660,000,000	
Federal contribution to retirement funds	52,070,000	52,070,000	52,000,000	52,000,000	52,070,000	
Federal contribution for education reform					14,930,000	+14,930,000
Total, Federal funds to the District of Columbia	712,070,000	712,070,000	712,000,000	712,000,000	727,000,000	+14,930,000
DISTRICT OF COLUMBIA FUNDS						
Operating Expenses						
Governmental direction and support	(131,077,000)	(150,721,000)	(149,793,000)	(150,721,000)	(149,130,000)	(+18,053,000)
Economic development and regulation	(149,858,000)	(142,711,000)	(139,285,000)	(142,711,000)	(140,983,000)	(-8,875,000)
Human resources development	(87,752,000)					(-87,752,000)
Public safety and justice	(902,466,000)	(960,747,000)	(954,106,000)	(960,747,000)	(963,848,000)	(+61,382,000)
Public education system	(832,303,000)	(800,080,000)	(788,983,000)	(800,080,000)	(795,201,000)	(-37,102,000)
Education reform					(14,930,000)	(+14,930,000)
Human support services	(1,542,648,000)	(1,859,622,000)	(1,845,638,000)	(1,859,622,000)	(1,855,014,000)	(+312,366,000)
Public works	(279,627,000)	(297,568,000)	(297,326,000)	(297,568,000)	(297,568,000)	(+17,941,000)
Financing and other		(269,654,000)				
Washington Convention Center Fund	(12,850,000)		(5,400,000)	(5,400,000)	(5,400,000)	(-7,450,000)
Repayment of loans and interest	(306,768,000)		(327,787,000)	(257,787,000)	(327,787,000)	(+21,019,000)
Repayment of general fund recovery debt	(38,678,000)		(38,678,000)	(38,678,000)	(38,678,000)	
Short-term borrowing	(5,000,000)		(9,698,000)	(9,698,000)	(9,698,000)	(+4,698,000)
Pay renegotiation or reduction in compensation			(-46,409,000)	(-46,409,000)	(-46,409,000)	(-46,409,000)
Optical and dental benefits	(3,312,000)					(-3,312,000)
Pay adjustment	(106,095,000)					(-106,095,000)
D.C. General Hospital deficit payment	(10,000,000)					(-10,000,000)
Rainy day fund	(22,508,000)	(4,563,000)	(4,563,000)	(4,563,000)	(4,563,000)	(-17,945,000)
Job-producing economic development incentives	(22,600,000)					(-22,600,000)
Cash reserve fund	(3,957,000)					(-3,957,000)
Incentive buyout program			(19,000,000)	(19,000,000)	(19,000,000)	(+19,000,000)
Outplacement			(1,500,000)	(1,500,000)	(1,500,000)	(+1,500,000)
Boards and Commissions		(-500,000)	(-500,000)	(-500,000)	(-500,000)	(-500,000)
Government reengineering program			(-16,000,000)	(-16,000,000)	(-16,000,000)	(-16,000,000)
Personal and nonpersonal services adjustments	(-13,632,000)		(-148,411,000)	(-11,264,000)	(-165,837,000)	(-152,205,000)
Sec. 138(a) reduction in FY 1995 expenses	(-140,000,000)					(+140,000,000)
Total, operating expenses, general fund	(4,303,867,000)	(4,485,166,000)	(4,370,437,000)	(4,473,902,000)	(4,394,554,000)	(+90,687,000)
Capital Outlay						
General fund	(94,238,000)	(62,562,000)	(62,562,000)	(-22,810,000)	(62,562,000)	(-31,676,000)
Enterprise Funds						
Water and Sewer Enterprise Fund:						
Operating expenses	(275,576,000)	(243,853,000)	(193,398,000)	(243,853,000)	(242,253,000)	(-33,323,000)
Capital outlay	(23,354,635)	(39,477,000)	(39,477,000)		(39,477,000)	(+16,122,365)
Total, Water and Sewer Enterprise Fund	(298,930,635)	(283,330,000)	(232,875,000)	(243,853,000)	(281,730,000)	(-17,200,635)
Lottery and Charitable Games Enterprise Fund	(192,068,000)	(229,950,000)	(229,907,000)	(229,950,000)	(229,950,000)	(+37,882,000)
Cable Television Enterprise Fund	(2,654,000)	(2,351,000)	(2,469,000)	(2,351,000)	(2,351,000)	(-303,000)
Sports Commission (STARPLEX)	(6,392,000)	(6,580,000)	(8,637,000)	(6,580,000)	(6,580,000)	(+188,000)
D.C. General Hospital	(143,920,000)	(115,034,000)	(-2,487,000)	(115,034,000)	(58,299,000)	(-85,621,000)
D.C. Retirement Board		(13,440,000)	(13,417,000)	(13,440,000)	(13,440,000)	(+13,440,000)
Correctional Industries	(7,642,000)	(10,516,000)	(10,048,000)	(10,516,000)	(10,516,000)	(+2,874,000)
Washington Conventional Center Enterprise Fund	(19,541,000)	(37,957,000)	(37,957,000)	(37,957,000)	(32,557,000)	(+13,016,000)
D.C. Financial Responsibility and Management Assistance Authority		(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(+3,500,000)
Total, Enterprise Funds	(671,147,635)	(702,658,000)	(536,323,000)	(663,181,000)	(638,923,000)	(-32,224,635)
Total, District of Columbia funds	(5,069,252,635)	(5,250,386,000)	(4,969,322,000)	(5,114,273,000)	(5,096,039,000)	(+26,786,365)
Total, title I, fiscal year 1996 appropriations:						
Federal Funds to the District of Columbia	712,070,000	712,070,000	712,000,000	712,000,000	727,000,000	+14,930,000
District of Columbia funds	(5,069,252,635)	(5,250,386,000)	(4,969,322,000)	(5,114,273,000)	(5,096,039,000)	(+26,786,365)

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But I am confident the city council will support it. In fact, the council's committee on education unanimously supported parental choice in schools, and I quote from a letter from the council's committee to our colleague from Wisconsin, the gentleman from Wisconsin, Mr. GUNDERSON: "The committee embraces the creation of a federally funded scholarship program that would assist low-income parents in enrolling their children in the school of their choice in the District of Columbia."

So, Mr. Speaker, I would urge all Members, including our colleagues on the other side of the aisle, to pass this conference report, to help the residents of this District.

I would like to thank the members of the subcommittee for their hard work on this bill, and I would remind my colleagues that this is going to be very difficult, a very difficult bill to pass. There is enough in this bill to make everybody angry. It is a compromise bill, but overall, it is the best bill we could bring to the floor. It is a good bill, in my estimation, and it begins the reforms that are needed in this most important of all American cities.

There is a special relationship here between the Congress and the city, and we need to enhance that relationship. We are spending a little bit more money this year than we did last year, about $15 million, but it is for one purpose, to reform these schools. Most of the money will go to the private school system, but it will also provide for educational choice and for charter schools.

Mr. Speaker, lastly, let me commend my colleagues on the subcommittee and my distinguished ranking member, the former chairman of the subcommittee, the gentleman from California [Mr. DIXON], for working through this very, very difficult bill.

Mr. Speaker, I reserve the balance of my time.

Mr. DIXON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first of all, I too would like to commend the chairman of the subcommittee for doing what I consider a good job under extraordinary circumstances, and thank the staff of the subcommittee for their fine efforts.

Mr. Speaker, let me give the body a little bit of history here as to what is really happening with the D.C. bill. First of all, it is no secret that it is the smallest of the 13 appropriation bills, and when the District got home rule there was a Federal payment that was worked out in lieu of the District paying property taxes. This year that amounts to $660 million.

At the same time that we provide this Federal payment, there has been a philosophical move nationally to provide vouchers or, as some people would describe it, to make it a purr word instead of the snarl word scholarships, and the majority of this House have decided they would try this out on the District of Columbia.

On the other side of the Capitol in the Senate, the Senate would not go along with this issue, and since both Houses have passed the bill, and for some 65 or 70 days it has been the issue of vouchers that has held this up. Because we did not have a bill for the District, there was a continuing resolution, and one way to put pressure on this issue was to dribble out the Federal payment so that at some point in time the District would have to say "uncle."

As a matter of fact, the last continuing resolution that passed here, the chairman of the committee saw fit not to include any of the $250 million that is still owed the District in the Federal payment, because you see, that puts more pressure on to get this bill out so they can get the money and, therefore, in fact the voucher system stands a better chance.

Now, as it relates to my participation in any of the negotiations, I do not think anyone on the committee would disagree that I have had none, zero. And when the chairman of the committee says that, in fact, they have reached an agreement, what he means is that the House majority, the Republicans, and the Senate majority under Mr. JEFFORDS, that they have reached an agreement, and as a matter of fact, when we met at 10 o'clock this morning, the agreement that was presented to us was not in its final version until such time as we took a vote. The chairman on the Senate side was kind enough to wait until the document arrived in the room before we took a vote on it.

When I began to raise questions about some of the things that I had been informed that had been agreed to last night, the chairman of the committee, Mr. JEFFORDS, informed me that that part, part of that, had been changed this morning. Now, I point that out to say that I think the chairman of the subcommittee spoke incorrectly as he related to describing the vouchers.

It is my understanding, Mr. Speaker, of the vouchers, that the $5 million that is dedicated to the vouchers, that that voucher proposal, and I am really asking at this point because I am not sure, that that voucher proposal, one, would allow for vouchers to be used only in the District of Columbia, but what I would describe as the tutorial program, the bill is silent as to where those people would go for tutorial services and, therefore, it is my understanding at this point that the voucher itself cannot be used outside of the District, contrary to what you made in your State.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. DIXON. I yield to the gentleman from New York.

Mr. WALSH. Mr. Speaker, I thank the gentleman for yielding.

It is my understanding that the priority, the priority for spending of the vouchers is within the District, and I might add that the priority for spending is in the District. There may be, it may be used outside of the District, but the priority is within the District, but the scholarship board will work with the District council to determine how much of that is used for tutorial and remedial programs and how much of it is used for vouchers.

Mr. DIXON. Reclaiming my time, I thoroughly understand that the scholarship corporation would, in fact, disburse the money in a manner it saw fit. But I think that Members that are watching can see that the gentleman from Wisconsin [Mr. GUNDERSON] is not clear on it. I do not think the staff is clear on it.

Mr. GUNDERSON. Mr. Speaker, will the gentleman yield?

Mr. DIXON. I yield to the gentleman from Wisconsin.

Mr. GUNDERSON. Mr. Speaker, I appreciate the gentleman yielding.

What I was trying to do was find the exact bill language that I might read to you.

Under the conference agreement, the scholarship board shall propose the allocation of scholarships.

Mr. DIXON. I understand that.

Mr. GUNDERSON. That shall be approved by the council, so the scholarship board has no authority to disburse this money as they see fit.

Mr. DIXON. I say to the gentleman from Wisconsin [Mr. GUNDERSON], it is my time. I understand all of that. I am asking the question: Can a voucher be used outside of the District of Columbia?

Mr. GUNDERSON. It can be, but there is a priority within the District. The reason we did not totally exclude it is because there are going to be some kind of special needs students that are already served outside of the District.

Mr. DIXON. Let me reclaim my time and say to the gentleman that I certainly admire the hard work and energy that he has put into this. Obviously the gentlewoman from the District is on the floor. That was not her understanding of it at the beginning. But since we are on the voucher system, let me say that probably since it allows for the voucher outside of the District, that most of the vouchers would be applied outside of the District.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. DIXON. I yield to the gentleman from New York.

Mr. WALSH. Just briefly, there are, as I think my colleague is aware, there are a number of children in the District with special needs, and the District, it is necessary for the District to have these kids taken outside of the District so that those special needs can be met. They cannot meet them within the public school system of the District. So we have to keep these available for those children.

Mr. DIXON. Is the gentleman saying, and I hope since we are having this dialogue that you will be kind enough to yield me some time, are you saying then, is it only the kids that have special needs, that is, a categorical group that will take the voucher outside the District?

Mr. WALSH. If the gentleman will yield further, as I understand it, no.

Mr. DIXON. So my point is that with the voucher system, I dare say that most of the vouchers would be exercised outside the District.

The reason I say that, Mr. Speaker and Members, is because according to the information that I have obtained, there are only 51 private schools in the District, as I indicated in the Committee on Rules. The maximum that a person with 185 percent above the poverty level could receive is $3,000, unless they had some other supplemental help, and I do not know at this point where that would come from. That would mean that there are only seven schools in the District that have tuition of $3,000 or less. The average is from $6,000 to $12,000. Six of those seven are religious schools.

So I would guess from that, since it allows the person to take the voucher anywhere they want to, that because there are very few schools in the District that have the low tuition, then most of that would be used outside the District. But most importantly, as it relates to this voucher system, there are some 80,000 children in the school district, and I am not here defending the District of Columbia School System, but I know for a fact that 50,000 students would be eligible for some form of scholarship, and if you take half of that money and apply it to scholarships and the other half to tutorial programs, it would work out that 1,500 to 2,000 students would probably be helped in one form or another if they could find a school that would take their voucher.

But what about the 97 percent of the rest of the schools? We are putting $5,000 of Federal money in here to demonstrate what, I do not know. Private schools, under certain circumstances, can do a good job. Those circumstances are usually a strong parental support for a zest for education. As a matter of fact, the State of Wisconsin has a voucher system, and the testing has shown that those kids that have received the voucher, that this is no substantial difference in the testing of the ones in the public schools and the ones in private schools under the voucher. But there is a substantial difference between those students that voluntarily went to the school, and I would suggest to you that it has a lot to do with the kind the family support, the kind of transportation, the kind of environment that that person lives in, and, yes, under certain conditions, you can do very well.

So for this first year in putting $5 million of Federal money into it for 1,500 to 2,000 people, in my estimation, does not prove a thing, and so I am going to oppose this conference report this evening.

I understand that those people who want to vote for it, who feel that the District needs the money, I understand that. It has been the level that has been applied here for Federal payment that on its merits the District deserves and should be provided to them without this kind of blackmail.

There is no doubt that there is a financial crisis, and unfortunately that works to the benefit of those who would hold this as a lever over their head.

But I would ask Members to vote "no" on this conference report, for as hard as the gentleman from Wisconsin, Mr. GUNDERSON, has worked and the good things that Mr. JEFFORDS feels about the Commission and the activities of this chairman, they too, I would suggest to you, do not have the key in the 2 or 3 months in putting together legislation that is going to cure the deplorable conditions of this school district.

Mr. Speaker, I reserve the balance of my time.

Mr. WALSH. Mr. Speaker, I yield 3 minutes to the distinguished chairman of the authorizing subcommittee of the Committee on Government Reform and Oversight.

Mr. DAVIS. Mr. Speaker, first of all, I just want to thank the appropriations subcommittee chairman, the gentleman from New York [Mr. WALSH], and the gentleman from California [Mr. DIXON], the chief minority member of the committee, for their work on this, working with the Senate.

This has been one of the more difficult appropriation bills this year. It has had a lot of contention in it. It is not a perfect bill as it comes here, but it is a bill that I can stand up here and proudly support.

It is going to give the District of Columbia the money needed. They have been faced with shutdowns and no Federal payment, and the result of that has been that a number of vendors who have been performing in good faith contractual obligations to the city have been stiffed for payments, sometimes delayed for months, because the city has not had the money to pay them.

This will help free that up. This will help allow the city to go ahead with its plans for its reinventing government proposals and put them, for the rest of the fiscal year, on a fair and even basis.

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I congratulate the fiscal restraint that is shown in this bill by the gentleman from New York [Mr. WALSH] in writing this. I think it strikes a delicate but essential balance between what the city's obligations are and what they ought to be able to pay with a reasonable appropriation.

Let me also say that the act brings some reforms that are needed to the District of Columbia Government. We talked about some of the restrictions in spending. You have heard the discussion center on education.

Let me say right now the District of Columbia today is sending literally thousands of kids out to the suburbs to private schools to be educated. Many of these, as my colleague from New York noted, are individuals and students with special needs. This will expand that opportunity now to the poorest citizens in the District of Columbia, those who are below the poverty line, who would like to have the same kind of educational opportunities that are offered throughout the rest of this country, the same kind of educational opportunities, if you will, that Members of Congress and the President and the Vice President are able to offer their kids who have the opportunity to send their kids to the District of Columbia public schools, but decline to do so, and in lieu of that send their kids to private schools.

The poorest of the poor, those below the poverty line, there is a pool of money here that will allow those parents to operate for private schools in some cases and have some seed money, up to $3,000 annually to be able to do that. The city currently is spending over $9,000 per year per student, yet the output in terms of the number who are graduating, their test scores, going on to college, I think you could deem the public school system in the city today a miserable failure.

This proposal also calls for the establishment of charter schools. I think this is very, very important, because it will allow groups like the Smithsonian and other groups to set up charter schools which will offer opportunities to citizens from the District of Columbia to come in and get other options for education to encourage them to move up. If we really want to help this city, bring the city out of poverty, reduce crime, education is the key to doing that. The current educational system is not doing that.

This bill does not solve that problem, but it goes a long way toward that goal by starting some innovation and some competition within the public sector. I think that is essential.

I would finally add it is not a perfect bill in many ways, but this is a good bill, and one that I am proud to support at this point. I urge my colleagues to do the same.

Mr. DIXON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I do not want to belabor the point. The gentleman from Virginia [Mr. DAVIS] says this is a good bill. I honestly do not know how he knows that, because I do not think he knows what is in it.

But I would like to ask the chairman of the subcommittee, it is my understanding that there are two classes of scholarships in this bill. One is called a tuition scholarship, and the other is called an enhancement scholarship.

My question was whether you could take the tuition scholarship outside of the District? I thought the gentleman said yes, you could, and he used the example of children with special needs as one example. Then I questioned is it only that class that could, and the gentleman's response was no. Then I went on talking about I thought that most of them would go outside the District then. Is that in essence it?

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. DIXON. I yield to the gentleman from New York.

Mr. WALSH. Mr. Speaker, I strongly would disagree with that. As I understand the way the bill is written, there is priority for use of all these funds within the District of Columbia first. If all of the spaces available are taken up within the District of Columbia, after that is accomplished, then the money would be available outside.

Mr. DIXON. Mr. Speaker, reclaiming my time, calling attention to page 160 of the bill on line 10, which indicates tuition scholarships, a tuition scholarship may be used only for payment of the cost of tuition and mandatory fees and transportation to attend an eligible institution, emphasis added, located within the geographic boundaries of the District of Columbia.

Mr. GUNDERSON. Mr. Speaker, will the gentleman yield?

Mr. DIXON. I yield to the gentleman from Wisconsin.

Mr. GUNDERSON. Mr. Speaker, what we tried to point out earlier is that the scholarships generally do both have a priority for District of Columbia. There are two kinds of scholarships, a tuition scholarship and an enhancement scholarship.

Mr. DIXON. I said that a moment ago.

Mr. GUNDERSON. Mr. Speaker, if the gentleman will continue to yield, the tuition scholarships, as the gentleman read, can only go within the boundaries of the District of Columbia under the conference agreement. The other scholarships can go anywhere. But those are public school scholarships.

Mr. DIXON. Mr. Speaker, reclaiming my time, that was just my point. I asked the chairman of the subcommittee whether one could take the tuition scholarships and send that scholarship outside the District. He said yes, and he gave the illustration of one of the examples, a kid with special needs. I asked him was that the only example, and he said no.

My only point is that there is a great deal of confusion as to what is in this bill. Contrary to what everyone is talking about that it is a good bill and it has all this in it, I do not think anybody really knows, including the chairman, who I think his statement was wrong.

Mr. WALSH. Mr. Speaker, if the gentleman will yield further, there was a good deal of effort in the drawing up of this bill to make sure that the District had some local control. There is leeway within the legislation for the District and the Scholarship Board.

Mr. DIXON. Mr. Speaker, reclaiming my time, this is not leeway. This is very clearly that you cannot take, which is good, the voucher out of the District when you are dealing with what you call a tuition scholarship. The tutorial thing, after school, you can take it any place. But if you are to get a voucher to go to school, you can only use it in the District. I think that is good. But it has been misstated here on the floor, plus the people who drafted the bill, they do not know what is in it. That is my only point.

Mr. Speaker, I yield 4 minutes to the gentleman from Wisconsin, Mr. OBEY the distinguished minority member of the committee.

Mr. OBEY. Mr. Speaker, first of all, let me simply say I have heard many a time Members take the floor of this House and object to the fact that the District of Columbia Government often did not seem to know what it was doing. At times I certainly have shared that perception. I know that imitation is the sincerest form of flattery. But with all due respect, I think certainly on something which is such a major departure from existing law, the Congress ought to know what it is doing. Very frankly, on this issue, it does not.

I walked into the meeting of the conference this morning. We voted on this package. But up until the moment that we voted, I had not seen a single page of the legislative language, and neither had the gentleman from California. I think that is a quaint way to do business.

I have several objections to this bill. First of all, I am going to vote no because I do not believe that we should be adopting 168 pages of new language without at least having had the opportunity to analyze it, and we certainly did not.

Second, this bill is going to be used as a national precedent. And as soon as this bill is passed we are then going to see organizations with an ideological agenda who will begin to pressure each and every school district in the country to follow the same model. With all due respect, I think if we are going to create that kind of a precedent, at least again we ought to know what it is we are doing. I doubt that many Members do tonight.

Third, this Congress has already cut well over $6 million in Federal funds for the District of Columbia school system in the Labor-HEW bill. Yet, despite the fact we are squeezing down that money, we are asking that $5 million from a reduced budget level be set aside for this new experiment. As the gentleman from California has already indicated, even though there are about 50,000 youngsters who will be eligible for this experiment, less than 2,000 will probably be able to participate.

I think the precedent which is going to be set and the pressures which will then be brought upon State legislatures and Members of Congress to apply this all over the country, I think is a very high price to pay based on the kind of tokenism which this provision provides.

So while I have a great deal of respect for many of the people involved, and I have full confidence they are trying to do the right thing, I would simply suggest that this is a very high price for each of our school districts to pay to begin this tiny experiment here in the District of Columbia, and certainly the process which has been followed in bringing this product to the floor tonight does a disservice to each and every Member in this House and to the public we are supposed to represent.

Mr. Speaker, I would respectfully urge a "no" vote on the proposition when we get to the vote.

Mr. WALSH. Mr. Speaker, I yield myself 1 minute to respond to some of the other comments made earlier.

Mr. Speaker, we have worked on this bill now since almost a year ago this time. We had at least a dozen hearings. We had four or five meetings on the conference itself. The gentleman from California says he was not included in any of the discussion. That is not entirely true. He made some suggestions in other aspects of the bill that were heard and in fact actually compromised in honor.

But the issue of education here, what in God's name are you afraid of? The kids in this school system are being abused. We are trying to create some options for parents who do not have them now. Rich people can afford to go to private schools. Middle-class people who save their money can have that choice, too. Poor people do not have that choice. This is about providing kids a hand up and a handout and an opportunity to become leaders in this community, a community sorely in need of leaders.

Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. GUNDERSON].

Mr. GUNDERSON. Mr. Speaker, let me begin by thanking the gentleman from New York [Mr. WALSH] and his staff for their cooperation, and the gentleman from California [Mr. DIXON], and his staff, and the gentlewoman from the District of Columbia [Ms. NORTON], for their patience.

Let me begin by saying the confusion you heard about the tuition versus the enhanced educational scholarships is my fault. To Mr. WALSH's credit, he looked at me for assurance, and I miscommunicated with him. I want everybody to understand, blame me for that.

Having said that, I want to also make it clear that Mr. WALSH, for the first time in this debate, just mentioned the words "school children." Somehow in this whole debate we have lost sight of the very purpose we are here for, which is to try to help the children of the District of Columbia.

Mr. DIXON. Mr. Speaker, will the gentleman yield?

Mr. GUNDERSON. I yield to the gentleman from California.

Mr. DIXON. Mr. Speaker, first of all, as I indicated to the gentleman, I have the greatest respect for the gentleman and his activities in this area. I just think the gentleman is off on the wrong foot.

More importantly, I mentioned the school kids very clearly. I said there were 80,000, 50,000 of whom would be eligible, but only about 1,500 to 2,000 could be funded. Do not characterize the debate as no one talking about the kids.

Mr. GUNDERSON. Mr. Speaker, reclaiming my time, I would say the gentleman mentioned the word "children" and would also say the gentleman from New York [Mr. WALSH] is the only one that said let us talk about what is good for the children of District of Columbia rather than what is good for the bureaucracy or the teacher's union or somebody else.

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The gentleman from Wisconsin [Mr. OBEY], my colleague and friend, suggested that what we are going to establish here today is a national precedent. Know what? I hope he is right. I hope he is right, because I would suggest this is the first time in America where we have sat down and, first and foremost, at the request of the gentlewoman from the District of Columbia [Ms. NORTON] we have gone to the community and listened to those people and asked them what they thought we ought to do. Based upon their suggestions, literally hundreds if not thousands of them, we put together what I would like to believe is the most comprehensive education reform initiative that Congress has ever considered.

First and foremost, it is the first time that I know of where we have designed a system, a delivery system recognizing we do not have the public resources. We do not have them in this Congress, and they do not have them in the District of Columbia to pay for everything that needs to be done to help these children. So we have designed a system that gets the private sector to come in and provide additional money, additional scholarship money, additional foundation money, additional help to fix the school buildings, additional help to provide the technology.

The fact is, under this education reform initiative, what my colleagues are going to vote for tonight is a proposal that provides $96 million in new Federal funds for the D.C. school system at a time in which we are balancing the budget. It also is going to result in a foundation matching that $96 million over 5 years with 96 million additional dollars. We project that the private sector will provide $36 million in new technology assistance grants to provide the computers and the technology equipment these students from these schools need to learn.

Then we project that there will be $100 million in bona fide donations to the District of Columbia schools repairing those facilities and making them workable and learnable again. Add all of that up, and what do we have? We have 328 million new dollars for D.C. children over the next 5 years.

Know what? At a maximum, if the D.C. Council approves it, up to 10 percent of that money could end up in private schools. Not a penny could be used for religious instruction.

So tonight, the Republicans are bringing those who support increased funds for public schools, increased resources for public schools, we are bringing a proposal that not only does real comprehensive reform, but it does so through the public schools of D.C. for the children of D.C. I encourage its support and its approval.

Mr. WALSH. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. DIXON. Mr. Speaker, may I inquire as to how much time I have remaining?

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The gentleman from California [Mr. DIXON] has 11 minutes remaining, and the gentleman from New York [Mr. WALSH] has 13½ minutes remaining.

Mr. DIXON. Mr. Speaker, I yield 6 minutes to the gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Speaker, as we approach the fifth month of the fiscal year, the appropriation of the District has finally come to the floor. This is the first time in more than 200 years that the D.C. appropriation has been so late. The subcommittee was prepared to move much sooner, but a disagreement on vouchers has held the bill up until now. Because of the District's dire financial condition, I hope all will agree that we must do whatever is necessary to avoid similar delay in the future.

Mr. Speaker, I want to work even more closely with the gentleman from New York [Mr. WALSH], chairman, and the gentleman from California [Mr. DIXON], ranking member, on next year's appropriations to try to help prevent any similar delay.

Mr. Speaker, I want to thank the gentleman from Louisiana [Mr. LIVINGSTON] and the gentleman from Wisconsin [Mr. OBEY] for the extra hours of work this bill has required of them. I thank the gentleman from New York [Mr. WALSH], the chairman, and the gentleman from California [Mr. DIXON], the ranking member, who had the major responsibility for the hard work that has been done on this bill.

Very special thanks are due to Senator JEFFORDS, who worked hard for a compromise and is himself a volunteer in the D.C. public schools. The gentleman from Wisconsin [Mr. GUNDERSON], who is the author of the entire education reform package attached to this bill, of which vouchers is only a tiny part, deserves to be congratulated for exceptional service beyond the call of duty. The gentleman could not have spent more time or effort on the education package if his next election depended on it. Unfortunately, the gentleman from Wisconsin has decided to retire, taking with him his special talent and effectiveness for making real changes in a collegial fashion, the only way to assure that change sticks.

The original package of the gentleman from Wisconsin [Mr. GUNDERSON] was the result of countless hours of work with D.C. residents and officials. The gentleman's tough package of reforms and benefits demonstrates that real changes can indeed be produced on a home rule basis. The voucher provision that has held this bill up for 4 months was not in the original package designed in cooperation with District residents.

Mr. Speaker, this bill puts me in an awkward position because I do not support many of its provisions. At the same time, it is impossible for me to oppose the appropriation bill for my own city 4 months into the appropriation year, after consultation with the mayor.

I should note first that among the improvements in the bill are the domestic partners restriction and the abortion restriction. I do not support these provisions, but each has been improved over prior provisions that actually changed DC law.

The abortion provision was especially onerous. Its restrictions were worse than were placed on other jurisdictions. I appreciate that, however unacceptable, these two provisions are at least no worse than the strictures under which the District has historically suffered.

Like me, the mayor does not support the voucher provision that has been the subject of most of the contention. If I am in an awkward position, he of course is in an impossible position. Only 2-weeks ago, the District's financial position left residents, businesses and the Federal Government itself snowed in when the District could not get vendors in the midst of a blizzard.

The Congress shut down the District for a full week in November. During 4 months without an appropriation, the District's financial position has deteriorated.

The negotiations between the gentleman from Wisconsin, [Mr. GUNDERSON], and Senator JEFFORDS have improved the bill and left open the possibility that no tuition vouchers will occur.

If the scholarship board and the council cannot agree, no voucher program can go forward. This provision, vesting authority with local authorities, is cited by Mayor Barry in indicating his support for passage, if not for the specific provisions of this bill.

I am doubtful that the voucher program will go into effect at all. A court suit challenging the constitutionality of the voucher proposal is inevitable. For the first time in more than 200 years that we have been a nation, this bill would allow direct tuition payments to religious schools. The provision allowing for the vouchers to be vetoed at the city council does not cure the problem. For a court, the issue would be, is the voucher proposal allowing for the funding of religious schools unconstitutional on its face? I believe that it is.

Ironically, the voucher provision respects home rule with one hand and disrespects it with the other. The DC council has to approve the plan. Indeed, the council could approve programs, such as afterschool programs in private schools that are in keeping with existing law and practices, allowing public school funds to follow children to private schools for special purposes.

At the same time the scholarship board is anti-home rule. It is a Federal board with a token appointment by the mayor. The Speaker, minority leader and majority and minority leaders of the Senate are the appointing authorities for a local school entity. How is that for devaluation of power back to the localities?

Ultimately, the appropriations bill is perhaps the ultimate home rule bill. I have, therefore, consulted with District officials. Both the mayor and I, I repeat, oppose the voucher provision. He believes that the way to address that provision is through the home rule council provision in the bill.

The position of the District, therefore, is that the only way to bring any relief to the District, which is insolvent at this time, after months of great suffering, is to free its appropriation.

Mr. WALSH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to thank the gentlewoman from the District of Columbia [Ms. NORTON] for her summation of this bill. No one knows how important this bill is to the District more than she does. She knows that the money is needed. She knows that the District is hard-pressed.

Mr. Speaker, I am sure I understand the difficult position that the gentlewoman is in, because there may be an issue or two in the bill with which she has a philosophical problem. But overall, I think she has some sympathy for us supporting this bill. She did not support it, I do not want to put words in her mouth, but I understand the dilemma that she has. I would say to my colleague, I am deeply concerned that if we do not get an appropriation conference report passed today, I think it would be very, very difficult for us to come back with a continuing resolution that authorized or appropriated any of this Federal money, at least for the foreseeable future. I know that would be a difficulty for the District.

We have to move on. The status quo is not acceptable. It is not defensible. I see this conference report as progress.

While, again, there are issues in here that everyone may not agree with, it is needed and it is necessary.

Mr. Speaker, I reserve the balance of my time.

Mr. DIXON. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. COLEMAN], a member of the Committee on Appropriations.

Mr. COLEMAN. Mr. Speaker, I think it should come as no surprise to anyone when the gentleman says there are two classes of children. We have two classes of women in the bill: the rich, who can afford an abortion for a young teenager, and the poor, who, of course, cannot get one because if they need Federal help they cannot get it because of this bill.

So we recognize there is a difference there for young women. So we should not be surprised about the fact that the gentleman from Wisconsin [Mr. GUNDERSON] stands up and says that he hopes that this will be the new national thing that we are going to do.

Mr. Speaker, I want to know this. How many of the private schools are going to accept vouchers and take kids with learning disabilities, physical impairments, mental problems? How many of those private schools are going to take these special kinds of cases and special children that the public school are required to take? Are they going to take all of those?

Mr. GUNDERSON. Mr. Speaker, will the gentleman yield?

Mr. COLEMAN. I yield to the gentleman from Wisconsin.

Mr. GUNDERSON. Mr. Speaker, I am glad the gentleman asked that question. We have total prohibition on any kind of discrimination, and we require that any private school has to take an academically representative group of students that apply.

Mr. COLEMAN. Mr. Speaker, reclaiming my time, academically representative. The gentleman has not answered the question.

The reality is that what we are doing here is picking and choosing and leaving all the rest of the children in the public school, and I know that is the goal of the Republican agenda. I am not too worried, I will tell the gentleman from Wisconsin [Mr. OBEY] that the rest of the country will follow this example because it will not work.

Mr. DIXON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would say to the gentleman from Wisconsin [Mr. GUNDERSON], I am informed that the bill, as a matter of fact, allows private schools to screen out and deny admission to students on the basis of religion, disability, test scores, and behavior. That, in fact, the corporation encourages the private school not to do that. After the gentleman from Maryland [Mr. HOYER] speaks, we will come back and look at the specific language that says that.

Mr. Speaker, I yield 3 minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, I rise today in reluctant opposition to this bill. However, I am pleased the conference report language contains language I offered during full committee markup. The language requests the District of Columbia Financial Responsibility and Management Assistance Authority to address in its March 1996 financial report and plan, first, how the District plans to restore funds removed from the Blue Plains budget and second, the timing for that restoration.

During fiscal year 1994, over $80 million dollars was transferred from the Water and Sewer Enterprise Fund. The Blue Plains budget falls within this fund. This substantial loss of funds had led to serious maintenance and plant operations problems at the facility.

According to the Environmental Protection Agency which recently inspected the facility, the plant is short of staff, maintenance, and chemicals. These shortages could potentially lead to a real threat of sewage flowing into the Potomac River. This can cause a serious threat to the ratepayers and suburban jurisdictions and have a devastating environmental impact on the region.

During its inspection, EPA found failure to pay vendors and contractors in a timely manner has resulted in contractors walking off their jobs at Blue Plains and vendors failing to make deliveries of chemicals or supply spare parts. This further hampers the plant's ability to operate and maintain plant equipment. Moreover, lack of preventive maintenance of and replacement parts for essential treatment process units has resulted in many units becoming inoperable and/or inaccurate.

According to EPA, the current level of staff has had a deleterious effect on plant operations: Shortages in the required number of engineers has restricted use of the plants ability to monitor the large number of environmentally sensitive processes, plan for necessary maintenance, and oversee ongoing construction projects.

In turn, EPA required the District to submit a short and long action plan demonstrating the city's ability to address current problems and how the city plans to meet its long term obligations.

The District submitted its plan to EPA on October 13. After a brief review of the plan, early indications are that the plans lay out proper activities, yet it is still uncertain how the District will be able to finance these activities and how the transferred funds will be returned in a timely fashion.

Current conditions at Blue Plains pose a health and safety threat to the sewage rate payers and residents of the metropolitan area who live downstream from the flow of untreated sewage. It poses a serious threat to the fragile environmental conditions of the Potomac, Chesapeake Bay, Anacostia, and Patuxent Rivers and the water life they support.

In order to prevent danger to life or environment, swift return of the funds is necessary so that the Blue Plains facility can return to operating in a more safe and efficient manner.

□ 1930

Mr. WALSH. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana [Mr. LIVINGSTON], the distinguished chairman of the Committee on Appropriations.

Mr. LIVINGSTON. Mr. Speaker, I just want to take this opportunity to commend the distinguished chairman of the subcommittee, the distinguished ranking minority member, the gentleman from California, and all of the members of the subcommittee. I realize that my friend, the gentleman from California, is not entirely happy with this bill, but this, for my friends on the Republican side, is a good bill.

Members can always find reasons to vote against this bill: they do not represent the District of Columbia, they are back in California or the Midwest or the Northwest or the Northeast or wherever. The fact is, we are not going to get a better bill than this. This has gone through the process, through the hoops. There are reasons for conservatives to be happy, and there are reasons for moderates and liberals to be happy. The most important thing is that we are paying the bills for the District, and we are getting the District on a track toward downsizing their ever-increasing demands for more taxpayers' dollars.

This is a good bill. Let us put this to rest, and frankly, this will bring us closer to completing our appropriations process for fiscal year 1996. When this passes it will mean we only have four more bills on the appropriation cycle.

I urge my colleagues on both sides to vote for this bill.

Mr. WALSH. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. KINGSTON], a member of the subcommittee.

Mr. KINGSTON. Mr. Speaker, I thank the gentleman from New York for yielding time to me.

Mr. Speaker, I will not speak to the details of this bill. We have been batting it around enough. I do want to speak to the spirit of the bill and the compromise that went into it.

We all knew when we went into this bill that Washington, DC, was in financial trouble. We all knew that Washington, DC, had to change. We all knew that the estimates that we had for revenues and taxes and savings based on past legislation never came through quite the way we guessed they would. We knew it would be difficult. Yet, somehow through this process, we have a bill together. Now it appears that folks on one side of the aisle do not like it because it is too conservative and folks on the other side of the aisle do not like it because it is too liberal.

Mr. Speaker, this bill gives $1.4 billion as a budget for the District. That is a lot of money for a city of 554,000 people, which is about 50,000 lower than it had 10 years ago. Because of the many problems they have had, people have moved out of it.

This bill reduces their spending about $150 million. We know on the committee we actually passed a bill at one time that had $260 million in savings, but we were unable to get that through the Senate and we were unable to move it through the floor. In anticipation of being unable to move it through the floor, we have changed that amount of money.

We have the Financial Control Board. It is something that I think is going to take many, many years to change the city around, but I have here a list of folks who are going to vote "no" because the spending level is too high and the changes do not go far enough. Yet, as I hear from this side of the aisle, you have a list of people who are going to vote "no" because the cuts are too much.

Mr. Speaker, I think in order to keep this process going, in order to not go through the continuing resolution route, this bill represents the best compromise. We will never have a perfect Washington, DC, bill. It is never going to be the way the liberals would write it, it is never going to be the way the conservatives would write it, but this is our best shot for a reasonable bill. I urge my colleagues on both sides of the aisle to vote "yes."

Mr. WALSH. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. RIGGS].

Mr. RIGGS. Mr. Speaker, first of all, I rise to salute my colleagues, the gentleman from New York [Mr. WALSH] and the gentleman from Wisconsin [Mr. GUNDERSON], for their excellent work on this legislation, and to urge my Democrat colleagues to support the conference report on the District of Columbia appropriations bill.

This is a good opportunity to put your vote where your rhetoric has been. In fact, we have heard repeatedly claims from this side of the aisle during this session of Congress that we Republicans are somehow antieducation. The District of Columbia appropriations bill, which includes the Gunderson package of educational reforms, is a very proeducation bill.

We are all part-time residents of the Washington, DC, area because of our congressional duties, so we have heard the horror stories about the District of Colombia public schools. For example, we have heard stories regarding the restrooms at the schools, so unsanitary that the kids refuse to use them. We have heard stories about classrooms going without textbooks, about students going without teachers or having to face a succession of teachers who are in the schools on a temporary or substitute basis.

Listen to what the Gunderson bill does. First of all, it creates public charter schools. It would allow the District of Columbia public schools to align with other educational facilities in the District of Columbia such as the National Science Foundation, the National Gallery of Art, the Library of Congress, to help establish these charter schools.

In addition, these charter schools would help restructure the existing public schools, allowing innovative principals and teachers to work with parents, students, and academic associations to overhaul a system that is failing our kids. Make no doubt about it, the District of Columbia public schools are failing our kids. They have the worst test scores of any school district, any urban inner city school district in the country, and only 56 percent of the kids in the District of Columbia public schools actually graduate. This is a good bill that brings education innovation and progress to the District of Columbia public schools.

You say you are for education. You say we are antieducation. Here is an opportunity to join together in a bipartisan fashion to improve these schools, and give all students in these schools some educational opportunity and a new lease on life.

Mr. WALSH. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin [Mr. GUNDERSON].

Mr. GUNDERSON. Mr. Speaker, I just want to respond to the concerns of the ranking member, the gentleman from California [Mr. DIXON], earlier about where the scholarship money would go.

First of all, on page 160 of the bill, we require on line 8 that the corporation shall ensure an equitable distribution of scholarship funds to students at diverse academic achievement levels. On page 172 of the bill, section 2927, we require that all eligible institutions participating in the scholarship program must be participating in all civil rights acts, including section 504 of the rehabilitation act.

Then we go on, on page 173, section 2928, children with disabilities, that any private school that participates in the scholarship program must meet all of the idea requirements here as determined by the District of Columbia Board of Education.

Finally, I would point out on page 177, the Department of Education at the end of 4 years must do a comparison, which includes a comparison of test scores between scholarship students and D.C. public school students of similar backgrounds and academic achievement.

Mr. WALSH. Mr. Speaker, I have no more requests for time, and I reserve the balance of my time to close.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The gentleman from California [Mr. DIXON] has 2 minutes remaining.

Mr. DIXON. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I will have a motion to recommit to strike the voucher section. Let me speak very fast. The gentleman from Wisconsin [Mr. GUNDERSON] says on page 160, line 6, he reads, and he reads part of the paragraph. The paragraph reads: "The corporation," now this is the person giving the scholarship, "The corporation shall attempt to ensure an equitable distribution of funds to students of diverse academic backgrounds," "shall attempt."

The other side of it is the recipient and the school. He reads, I guess, part of the section on page 172. Keep in mind that I said that a person could be turned down for religion, disability, test scores, or behavior. In short, the Civil Rights Act and the AIDS Discrimination Act say nothing about a kid being turned away for behavior or for test scores. I am correct, a school can turn down somebody for behavior. They can turn them down for test scores. Yes, the corporation shall attempt to make a distribution.

At the appropriate time I will be asking to return this bill for the purpose of striking this section. Perhaps we can write a better voucher plan. I am interested in the kids of this District, too. From one through six, I went to school here. I am interested in all of the kids, not the 1,500 that this voucher system would serve. At the appropriate time I will ask Members to vote aye on a motion to recommit.

Mr. WALSH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I will be brief. We stand here and fiddle while Rome burns all around us. It is time for action. The status quo that is the District of Columbia is no longer defendable. We need to move and we need to move now. You can see how difficult any change is. We are talking about minimal change, but this is all we could get, and it is a fight, but it is a worthy fight. The future of the kids of this city, is at stake.

We have an opportunity here to give them some positive options, give them some opportunity in life that they did not have before, and I just cannot understand why we would not take that action.

Mr. RIGGS. Mr. Speaker, will the gentleman yield?

Mr. WALSH. I yield to the gentleman from California.

Mr. RIGGS. For a point of clarification, Mr. Speaker, I do not know if the ranking member is following our conversation, but I would like to clarify one more time for our colleagues that under the gentleman's proposal, and in particular the Gunderson provisions, it would permit low-income parents to choose a private school if they are dissatisfied with their child's public school.

So under that scenario, if a low-income family is dissatisfied with the education, the performance of the public school their child is attending, then they would have another option available to them. They would be able to choose a private school through the use of the scholarships or vouchers that are in the gentleman's bill?

Mr. WALSH. That is correct. That is what this is about, providing some choice to the parents.

Mr. Speaker, in conclusion, let me say, in our relationship with the District of Columbia, we need to pay them what we have promised. We need to make that formula payment. Basically, it is paying our rent for being in this district. This is the vehicle to do it. If we do not do it with this vehicle, I do not know if we will get it done.

Mr. METCALF. Mr. Speaker, I rise to address the House for 1 minute and ask permission to extend and revise my remarks.

It is time for Congress to recognize that school choice is a viable and legitimate option. This is not an issue of preferring either private or public schools, but who should have the fundamental right to choose what is best for their children.

For those who can afford it, school choice is already an option. In fact, an increasing number of parents, including the President, are sending their children to private schools. Unfortunately, this option is not available for the rest of us.

In the end, this is really about who is more capable of caring for children. If you believe government cares more about your children than yourself, then we should keep the status quo and make minor changes. However, if you have the best in mind for your children, why can't you determine what school your child attends?

School choice is about giving parents and their children access to quality education. In a time when many schools are deteriorating, we need to reform our education system and give parents choice.

Mr. SAWYER. Mr. Speaker, I rise today in opposition to the conference report. As a former mayor, I sympathize with the need for a city to have a set budget to work from. I greatly regret that Washington, DC, has had to wait this long. However, the conferees have made it impossible for me to support this legislation by including a voucher proposal that represents a radical shift in Federal education policy.

This voucher proposal poses as a locally controlled program, while it really holds hostage millions of dollars that could be used for children in the District schools to force the city council to accept vouchers that they have said they do not want. I see many problems with this voucher program. However, the one that I find most objectionable is the lack of provisions for an unbiased, scientific evaluation of the effects of this experiment.

This legislation is unclear on who evaluates the program. In one place the legislation seems to state that the corporation administering the voucher program evaluates itself. In another, the department evaluates the program, but only after 4 years, and is only required to take into account a limited amount of data. Test scores, graduation rates, and parental satisfaction are mentioned as criteria for evaluation, but not the education levels of the parents or information about the families. There is no provision that the schools that accept the scholarships must administer the same tests so as to provide comparable data. This bill does not even specify the need to examine the overall effect this program has on the D.C. public schools. I thought that was the whole reason for reform.

This is a broad-based experiment in children's lives and yet we are not even going to evaluate the results properly. That is unconscionable. For these reasons, and for all of the others mentioned by my colleagues, I must oppose this conference report.

Mr. CLAY. Mr. Speaker, with some reluctance, I rise to oppose the D.C. appropriations bill and to urge my colleagues to support the motion to recommit that will prevent the use of Federal funds for private school vouchers.

Here we are again, on the floor of the House debating an appropriations bill that should have been passed 4 months ago. But the Republican majority continues to mismanage the people's business, seeking to bootstrap their radical ideas to regular spending bills. And this D.C. appropriations bill is the latest egregious example of their scheme of legislative blackmail.

I commend my colleague from Wisconsin, Mr. GUNDERSON, for his good faith attempt to help the District of Columbia improve its public schools. The citizens of this city and their elected officials have embraced many of his ideas. But, they have categorically rejected the idea that public dollars should be siphoned off to finance private school education. And, yet this conference report ignores the expressed will of D.C. citizens because radical elements in the Republican Party insist that its their way or the highway. Those same elements have made clear their intent to destroy public education, and they are wiling to trample on the democratic rights of over one-half million U.S. citizens in order to gain a foothold in their war against public education. While this Capitol

Building is the seat of national Government, it is not the "big house" and the District of Columbia is not Jerry Falwell's plantation.

Isn't it ironic that the very people who complain about Federal intrusion into the affairs of local school districts, and other aspects of modern life for that matter, are fighting to impose a federally funded, federally mandated private school voucher plan on the District of Columbia? Rest assured, if they try to force that idea on my constituents they will be in for the fight of their political lives.

Mr. Speaker, by substantial margins the American people rate improvement of public education as their No. 1 priority. I urge my colleagues to reject this attempt to highjack Federal tax dollars that instead should address that priority.

The SPEAKER pro tempore. All time has expired. Without objection, the previous question is ordered.

There was no objection.

MOTION TO RECOMMIT OFFERED BY MR. DIXON

Mr. DIXON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the conference report?

Mr. DIXON. I am, in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. DIXON moves to recommit the conference report on the bill (H.R. 2546) to the committee of the conference with the instruction that the conferees amend the conference report to delete the following provisions: $5,000,000 for low-income scholarships under the heading "Federal Contribution for Education Reform", $5,000,000 for the District of Columbia Scholarship Corporation under the heading "Education Reform", and the entire text of "Subtitle N—Low-Income Scholarships" of Title II authorizing scholarships for low-income students.

The SPEAKER pro tempore. Under the rule, there is no debate on this motion. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. DIXON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 180, nays 232, not voting 21, as follows:

[Roll No. 22]

YEAS—180

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bishop
Boehlert
Bonior
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Cardin
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Danner
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
English
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Horn
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lincoln
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McHugh
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Minge
Mink
Moakley
Mollohan
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Ramstad
Rangel
Reed
Richardson
Rivers
Roemer
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stokes
Studds
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Wise
Woolsey
Wynn
Yates

NAYS—232

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehner
Bonilla
Bono
Brewster
Browder
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
de la Garza
Deal
Diaz-Balart
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
Ensign
Everett
Ewing
Fawell
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Laughlin
Lazio
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McInnis
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Montgomery
Moorhead
Moran
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Packard
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Solomon
Souder
Spence
Stearns
Stenholm
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—21

Bryant (TX)
Chapman
DeLay
Dickey
Fields (TX)
Filner
Flake
Gephardt
Geren
Hayes
Largent
Leach
McIntosh
Oxley
Rose
Roukema
Smith (WA)
Stockman
Williams
Wilson
Wyden

□ 2003

Mr. GUTKNECHT and Mr. RADANOVICH changed their vote from "yea" to "nay."

Mr. BAESLER and Mr. PETERSON of Minnesota changed their vote from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The question is on the conference report.

Pursuant to clause 7 of rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 211, nays 201, not voting 22, as follows:

[Roll No. 23]

YEAS—211

Abercrombie
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Christensen
Chrysler
Clement
Clinger
Collins (GA)
Cox
Crane
Crapo
Cremeans
Cubin
Davis
de la Garza
Deal
Diaz-Balart
Doolittle
Dornan
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Ensign
Ewing
Fawell
Flanagan
Foley
Forbes
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk

Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gingrich
Gonzalez
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hastert
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hobson
Hoekstra
Hoke
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Laughlin
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Manton
Manzullo
Martini
Matsui
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
McNulty
Metcalf
Mica
Miller (FL)
Minge
Molinari
Moorhead
Moran
Morella
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Packard
Parker
Pastor
Paxon
Pombo
Porter
Portman
Pryce
Quinn
Radanovich
Regula
Richardson
Riggs
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Shadegg
Shaw
Shays
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Solomon
Souder
Spence
Stearns
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (NC)
Thomas
Torres
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff

NAYS—201

Ackerman
Allard
Andrews
Baesler
Baldacci
Barr
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Boehlert
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Campbell
Cardin
Chenoweth
Clay
Clayton
Clyburn
Coble
Coburn
Coleman
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Coyne
Cramer
Cunningham
Danner
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Duncan
Durbin
Engel
English
Eshoo
Evans
Everett
Farr
Fattah
Fazio
Fields (LA)
Foglietta
Ford
Fowler
Frank (MA)
Frost
Furse
Gejdenson
Gibbons
Gilman
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Hancock
Harman
Hastings (FL)
Hilleary
Hilliard
Hinchey
Holden
Horn
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
Klug
LaFalce
Lantos
Lazio
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney
Markey
Martinez
Mascara
McCarthy
McDermott
McHale
McKinney
Meehan
Meek
Menendez
Meyers
Mfume
Miller (CA)
Mink
Moakley
Mollohan
Montgomery
Murtha
Myers
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pomeroy
Poshard
Quillen
Rahall
Ramstad
Rangel
Reed
Rivers
Roberts
Roemer
Roybal-Allard
Rush
Sabo
Salmon
Sanders
Sawyer
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Sisisky
Skaggs
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stump
Taylor (MS)
Tejeda
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Wise
Woolsey
Wynn
Yates
Zimmer

NOT VOTING—22

Bryant (TX)
Chapman
DeLay
Dickey
Fields (TX)
Filner
Flake
Gephardt
Geren
Hansen
Hayes
Largent
Leach
McIntosh
Oxley
Rose
Roukema
Smith (WA)
Stockman
Williams
Wilson
Wyden

□ 2021

Mr. ROBERTS changed his vote from "yea" to "nay."

Messrs. ZELIFF, BROWNBACK, and SCARBOROUGH changed their vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

WHAT WOULD HAPPEN IF THE UNITED STATES OF AMERICA DEFAULTED?

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia [Ms. NORTON] is recognized for 5 minutes.

Ms. NORTON. Mr. Speaker, the D.C. appropriation has just passed this House after 4 very arduous months. The concern that I have had all along relates to the financial condition of the District.

As I have seen what has happened to this city, I have not been able to keep from analyzing the situation of the District to the situation that the United States of America could find itself. The District, Mr. Speaker, courted default as it was running out of money. It did not know what to do or could not do what had to be done, and so a financial authority was appointed, and that authority was necessary in order for the District to be able to borrow.

As one contemplates the problems facing this body with a debt limit, one wonders what would happen if the United States of America got close to default.

I can say this to you, Mr. Speaker, there would not be any higher authority to take over the United States of America. We are the ultimate authority, and so I would hope that we all try to figure out how to make sure that we do not get any closer to the threat of default.

I wanted to talk about the threat of default for a moment. The District, for example, has heard in the last couple of days from the bond ratings that they still do not believe that the District will rise again, and they are considering lowering the District's bond rating yet again. What trembles and shakes that has sent through the District of Columbia. In effect, Moody's did the same thing to the United States of America this very week when it threatened to downgrade our credit, the best credit in the world for over 200 years.

I want, therefore, to ask this body to consider not default but what the threat of default can do to interest rates, to confidence, how it can ripple through our country and through the world.

□ 2030

I want, therefore, to ask this body to consider not default, but what the threat of default can do to interest rates, to confidence, and how it can ripple through our country and the world.

I recognize the United States of America and the District of Columbia are different. Yet the fact is that there have been only a few large jurisdictions that have ever been threatened with default, and, for all of those, the results have been catastrophic.

So I would ask this body in the next few weeks to try to consider what is at stake. History will remember us for how we handle the first threat of default in the history of the United States. The threat of default is as bad in a very real sense as default itself. Who can forget what led to the budget agreement under which we now operate? What led to that agreement, of course, was a crash on Wall Street that came one day, absolutely unexpected, that came one day without warning. It is the possibility that the credit of the United States could be affected without warning that I hope this body will take into account in deciding what to do with the debt limit.

I am asking this body to respect the long record of the United States and to pass a clean debt limit bill. We must not allow the shutdown experience to be born again in the debt limit bill. The only way to respond to the experience we have had in the last couple of months with the shutdown experience is to make sure we do not repeat bad history. If we are ever to repeat that history, we certainly should not repeat it with the full faith and credit of the United States.

I know what it is to lose your credit. I am from the District of Columbia, which today does not have credit. I ask my country then to look at its Capital City and to make sure that its credit in no way resembles that of its fallen city. I appreciate that there is a great difference. I hope that difference will continue to be great, and I hope that we will return to this body, not to have 4 days of haggling about what to do about the debt limit or what to attach to the debt limit, but that we will march forward together in a bipartisan way and pass, finally, one clean debt limit bill.

BUDGET MATTERS

The SPEAKER pro tempore (Mr. CHRYSLER). Under a previous order of the House, the gentleman from Hawaii [Mr. ABERCROMBIE] is recognized for 5 minutes.

Mr. ABERCROMBIE. Mr. Speaker, in light of Ms. NORTON's just-delivered remarks, I would like to say as someone coming from the last State to be admitted to the Union, the State of Hawaii, that I recognize only too fully what the implications are when you find yourself without representation, when you find yourself having to look to the good will of others.

In this particular instance, Mr. Speaker, I think that we need to pay some final attention before we leave the building, before we leave the floor, and pay some particular attention to the proposition, is this actually what we should be doing?

I do not mean tonight, Mr. Speaker. I think that the majority party, the Republican Party, and the House, have the opportunity to reconsider in the next day or two whether we want to go home, whether we need to go home bearing the burden of not having resolved the question of the debt limit.

Now, we have had arguments made, we can show headlines and present charts indicating that there was ostensibly a breakdown in the budget negotiations. The budget negotiations, I submit, Mr. Speaker, are separate and apart from those negotiations that might occur or should be occurring with respect to the extension of the debt limit.

In that regard, Mr. Speaker, I do not think they should be connected.

I have listened with care. I have listened with intensity today to the arguments being made. As you know, earlier today, in the absence of immediate legislative business, there was quite an extensive discussion of some hours' length on the floor by various Members with respect to the question of debt limitation, balancing of the budget, and the implications for tax credits or tax cuts.

Mr. Speaker, you may recall that I finished a special order just the other day, if you will, paraphrasing the title of an editorial to which I was referring in the Washington Post, the title being "Who won the budget battle?" I finished by saying the real question, Mr. Speaker, was who might lose in the budget battle? That is what really counts.

We do not want anybody to lose in that budget battle, because we are talking about not only the future, which has been brought up many times by speakers on both sides of the aisle, children, grandchildren, great grandchildren, who will pay, but, rather, what will be lost in terms of what has been referred to over and over again as the full faith and credit of the United States with respect to paying its debts.

Mr. Speaker, I submit there are two separate issues here that you and I, either individually, as Members of this body, or as representatives of positions in both caucuses can have, of fruitful discussion on this floor and in the context of the House of Representatives, institutionally speaking, as to what the best course of action is or should be with respect either to the budget or the debt limit.

But to argue or make the debt limit extension part of that discussion at the present time I think advances no one's agenda, Mr. Speaker. Not mine. I do not come down to the floor to try and make a political game, rhetorically or otherwise, over arguing this issue. It is much too important, bigger than you or I.

So I would hope that there would be consideration in the Republican Conference in the hours and immediate days to come, or, if we do leave without resolving the issue, that there would be a consideration that at least as far as the debt limit is concerned, that for now we set that aside as not being relevant to resolving the very real differences that may be between us politically or otherwise in terms of policy, and that we put the health and welfare literally of the Nation ahead of or at the top of all our priority lists, of all political parties concerned; that we separate that out, and that we have a full and fair discussion, not about the credit standing of the United States, but what kind of credit we can bring to ourselves as Members of this body, and what kind of credibility we can bring to the arguments that we are able to make about the budget: How we balance it, what we do about that, what we do about tax credits, what we do about whether or not there should be tax cuts; and that we argue this thing in a manner and in a context that establishes for the people of the United States, our colleagues, and those who may be viewing or observing our deliberations, that we do it in such a manner and in a context that reflects well not just on us, but on the seriousness of the issues at hand.

With that, Mr. Speaker, I close by reiterating my plea that we do not utilize the debt limit extension as one of the fundamental blocks in the building of whatever political stance we may take with respect to balancing the budget or any other aspect of the political discussion that has been under way in these last days.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 8 o'clock and 40 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 2113

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. CHRYSLER] at 9 o'clock and 13 minutes p.m.

CONFERENCE REPORT ON S. 652, TELECOMMUNICATIONS ACT OF 1996

Mr. BLILEY submitted the following conference report and statement on the Senate bill (S. 652) to provide for a pro-competitive, deregulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition, and for other purposes:

CONFERENCE REPORT (H. REPT. 104–458)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 652), to provide for a pro-competitive, de-regulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

SECTION 1. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the "Telecommunications Act of 1996".

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other

provision, the reference shall be considered to be made to a section or other provision of the Communications Act of 1934 (47 U.S.C. 151 et seq.).

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title; references.
Sec. 2. Table of contents.
Sec. 3. Definitions.

TITLE I—TELECOMMUNICATION SERVICES

Subtitle A—Telecommunications Services

Sec. 101. Establishment of part II of title II.

"PART II—DEVELOPMENT OF COMPETITIVE MARKETS

"Sec. 251. Interconnection.
"Sec. 252. Procedures for negotiation, arbitration, and approval of agreements.
"Sec. 253. Removal of barriers to entry.
"Sec. 254. Universal service.
"Sec. 255. Access by persons with disabilities.
"Sec. 256. Coordination for interconnectivity.
"Sec. 257. Market entry barriers proceeding.
"Sec. 258. Illegal changes in subscriber carrier selections.
"Sec. 259. Infrastructure sharing.
"Sec. 260. Provision of telemessaging service.
"Sec. 261. Effect on other requirements."
Sec. 102. Eligible telecommunications carriers.
Sec. 103. Exempt telecommunications companies.
Sec. 104. Nondiscrimination principle.

Subtitle B—Special Provisions Concerning Bell Operating Companies

Sec. 151. Bell operating company provisions.

"PART III—SPECIAL PROVISIONS CONCERNING BELL OPERATING COMPANIES

"Sec. 271. Bell operating company entry into interLATA services.
"Sec. 272. Separate affiliate; safeguards.
"Sec. 273. Manufacturing by Bell operating companies.
"Sec. 274. Electronic publishing by Bell operating companies.
"Sec. 275. Alarm monitoring services.
"Sec. 276. Provision of payphone service."

TITLE II—BROADCAST SERVICES

Sec. 201. Broadcast spectrum flexibility.
"Sec. 336. Broadcast spectrum flexibility."
Sec. 202. Broadcast ownership.
Sec. 203. Term of licenses.
Sec. 204. Broadcast license renewal procedures.
Sec. 205. Direct broadcast satellite service.
Sec. 206. Automated ship distress and safety systems.
"Sec. 365. Automated ship distress and safety systems."
Sec. 207. Restrictions on over-the-air reception devices.

TITLE III—CABLE SERVICES

Sec. 301. Cable Act reform.
Sec. 302. Cable service provided by telephone companies.

"PART V—VIDEO PROGRAMMING SERVICES PROVIDED BY TELEPHONE COMPANIES

"Sec. 651. Regulatory treatment of video programming services.
"Sec. 652. Prohibition on buy outs.
"Sec. 653. Establishment of open video systems."
Sec. 303. Preemption of franchising authority regulation of telecommunications services.
Sec. 304. Competitive availability of navigation devices.
"Sec. 629. Competitive availability of navigation devices."
Sec. 305. Video programming accessibility.
"Sec. 713. Video programming accessibility."

TITLE IV—REGULATORY REFORM

Sec. 401. Regulatory forbearance.
"Sec. 10. Competition in provision of telecommunications service."
Sec. 402. Biennial review of regulations; regulatory relief.
"Sec. 11. Regulatory reform."
Sec. 403. Elimination of unnecessary Commission regulations and functions.

TITLE V—OBSCENITY AND VIOLENCE

Subtitle A—Obscene, Harassing, and Wrongful Utilization of Telecommunications Facilities

Sec. 501. Short title.
Sec. 502. Obscene or harassing use of telecommunications facilities under the Communications Act of 1934.
Sec. 503. Obscene programming on cable television.
Sec. 504. Scrambling of cable channels for nonsubscribers.
"Sec. 640. Scrambling of cable channels for nonsubscribers."
Sec. 505. Scrambling of sexually explicit adult video service programming.
"Sec. 641. Scrambling of sexually explicit adult video service programming."
Sec. 506. Cable operator refusal to carry certain programs.
Sec. 507. Clarification of current laws regarding communication of obscene materials through the use of computers.
Sec. 508. Coercion and enticement of minors.
Sec. 509. Online family empowerment.
"Sec. 230. Protection for private blocking and screening of offensive material."

Subtitle B—Violence

Sec. 551. Parental choice in television programming.
Sec. 552. Technology fund.

Subtitle C—Judicial Review

Sec. 561. Expedited review.

TITLE VI—EFFECT ON OTHER LAWS

Sec. 601. Applicability of consent decrees and other law.
Sec. 602. Preemption of local taxation with respect to direct-to-home services.

TITLE VII—MISCELLANEOUS PROVISIONS

Sec. 701. Prevention of unfair billing practices for information or services provided over toll-free telephone calls.
Sec. 702. Privacy of customer information.
"Sec. 222. Privacy of customer information."
Sec. 703. Pole attachments.
Sec. 704. Facilities siting; radio frequency emission standards.
Sec. 705. Mobile services direct access to long distance carriers.
Sec. 706. Advanced telecommunications incentives.
Sec. 707. Telecommunications Development Fund.
"Sec. 714. Telecommunications Development Fund."
Sec. 708. National Education Technology Funding Corporation.
Sec. 709. Report on the use of advanced telecommunications services for medical purposes.
Sec. 710. Authorization of appropriations.

SEC. 3. DEFINITIONS.

(a) ADDITIONAL DEFINITIONS.—Section 3 (47 U.S.C. 153) is amended—

(1) in subsection (r)—

(A) by inserting "(A)" after "means"; and

(B) by inserting before the period at the end the following: ", or (B) comparable service provided through a system of switches, transmission equipment, or other facilities (or combination thereof) by which a subscriber can originate and terminate a telecommunications service"; and

(2) by adding at the end thereof the following:

"(33) AFFILIATE.—The term 'affiliate' means a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person. For purposes of this paragraph, the term 'own' means to own an equity interest (or the equivalent thereof) of more than 10 percent.

"(34) AT&T CONSENT DECREE.—The term 'AT&T Consent Decree' means the order entered August 24, 1982, in the antitrust action styled United States v. Western Electric, Civil Action No. 82-0192, in the United States District Court for the District of Columbia, and includes any judgment or order with respect to such action entered on or after August 24, 1982.

"(35) BELL OPERATING COMPANY.—The term 'Bell operating company'—

"(A) means any of the following companies: Bell Telephone Company of Nevada, Illinois Bell Telephone Company, Indiana Bell Telephone Company, Incorporated, Michigan Bell Telephone Company, New England Telephone and Telegraph Company, New Jersey Bell Telephone Company, New York Telephone Company, U S West Communications Company, South Central Bell Telephone Company, Southern Bell Telephone and Telegraph Company, Southwestern Bell Telephone Company, The Bell Telephone Company of Pennsylvania, The Chesapeake and Potomac Telephone Company, The Chesapeake and Potomac Telephone Company of Maryland, The Chesapeake and Potomac Telephone Company of Virginia, The Chesapeake and Potomac Telephone Company of West Virginia, The Diamond State Telephone Company, The Ohio Bell Telephone Company, The Pacific Telephone and Telegraph Company, or Wisconsin Telephone Company; and

"(B) includes any successor or assign of any such company that provides wireline telephone exchange service; but

"(C) does not include an affiliate of any such company, other than an affiliate described in subparagraph (A) or (B).

"(36) CABLE SERVICE.—The term 'cable service' has the meaning given such term in section 602.

"(37) CABLE SYSTEM.—The term 'cable system' has the meaning given such term in section 602.

"(38) CUSTOMER PREMISES EQUIPMENT.—The term 'customer premises equipment' means equipment employed on the premises of a person (other than a carrier) to originate, route, or terminate telecommunications.

"(39) DIALING PARITY.—The term 'dialing parity' means that a person that is not an affiliate of a local exchange carrier is able to provide telecommunications services in such a manner that customers have the ability to route automatically, without the use of any access code, their telecommunications to the telecommunications services provider of the customer's designation from among 2 or more telecommunications services providers (including such local exchange carrier).

"(40) EXCHANGE ACCESS.—The term 'exchange access' means the offering of access to telephone exchange services or facilities for the purpose of the origination or termination of telephone toll services.

"(41) INFORMATION SERVICE.—The term 'information service' means the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications, and includes electronic publishing, but does not include any use of any such capability for the

management, control, or operation of a telecommunications system or the management of a telecommunications service.

"(42) INTERLATA SERVICE.—The term 'interLATA service' means telecommunications between a point located in a local access and transport area and a point located outside such area.

"(43) LOCAL ACCESS AND TRANSPORT AREA.—The term 'local access and transport area' or 'LATA' means a contiguous geographic area—

"(A) established before the date of enactment of the Telecommunications Act of 1996 by a Bell operating company such that no exchange area includes points within more than 1 metropolitan statistical area, consolidated metropolitan statistical area, or State, except as expressly permitted under the AT&T Consent Decree; or

"(B) established or modified by a Bell operating company after such date of enactment and approved by the Commission.

"(44) LOCAL EXCHANGE CARRIER.—The term 'local exchange carrier' means any person that is engaged in the provision of telephone exchange service or exchange access. Such term does not include a person insofar as such person is engaged in the provision of a commercial mobile service under section 332(c), except to the extent that the Commission finds that such service should be included in the definition of such term.

"(45) NETWORK ELEMENT.—The term 'network element' means a facility or equipment used in the provision of a telecommunications service. Such term also includes features, functions, and capabilities that are provided by means of such facility or equipment, including subscriber numbers, databases, signaling systems, and information sufficient for billing and collection or used in the transmission, routing, or other provision of a telecommunications service.

"(46) NUMBER PORTABILITY.—The term 'number portability' means the ability of users of telecommunications services to retain, at the same location, existing telecommunications numbers without impairment of quality, reliability, or convenience when switching from one telecommunications carrier to another.

"(47) RURAL TELEPHONE COMPANY.—The term 'rural telephone company' means a local exchange carrier operating entity to the extent that such entity—

"(A) provides common carrier service to any local exchange carrier study area that does not include either—

"(i) any incorporated place of 10,000 inhabitants or more, or any part thereof, based on the most recently available population statistics of the Bureau of the Census; or

"(ii) any territory, incorporated or unincorporated, included in an urbanized area, as defined by the Bureau of the Census as of August 10, 1993;

"(B) provides telephone exchange service, including exchange access, to fewer than 50,000 access lines;

"(C) provides telephone exchange service to any local exchange carrier study area with fewer than 100,000 access lines; or

"(D) has less than 15 percent of its access lines in communities of more than 50,000 on the date of enactment of the Telecommunications Act of 1996.

"(48) TELECOMMUNICATIONS.—The term 'telecommunications' means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received.

"(49) TELECOMMUNICATIONS CARRIER.—The term 'telecommunications carrier' means any provider of telecommunications services, except that such term does not include aggregators of telecommunications services (as defined in section 226). A telecommunications carrier shall be treated as a common carrier under this Act only to the extent that it is engaged in providing telecommunications services, except that the Commission shall determine whether the provision of fixed and mobile satellite service shall be treated as common carriage.

"(50) TELECOMMUNICATIONS EQUIPMENT.—The term 'telecommunications equipment' means equipment, other than customer premises equipment, used by a carrier to provide telecommunications services, and includes software integral to such equipment (including upgrades).

"(51) TELECOMMUNICATIONS SERVICE.—The term 'telecommunications service' means the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.".

(b) COMMON TERMINOLOGY.—Except as otherwise provided in this Act, the terms used in this Act have the meanings provided in section 3 of the Communications Act of 1934 (47 U.S.C. 153), as amended by this section.

(c) STYLISTIC CONSISTENCY.—Section 3 (47 U.S.C. 153) is amended—

(1) in subsections (e) and (n), by redesignating clauses (1), (2) and (3), as clauses (A), (B), and (C), respectively;

(2) in subsection (w), by redesignating paragraphs (1) through (5) as subparagraphs (A) through (E), respectively;

(3) in subsections (y) and (z), by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(4) by redesignating subsections (a) through (ff) as paragraphs (1) through (32);

(5) by indenting such paragraphs 2 em spaces;

(6) by inserting after the designation of each such paragraph—

(A) a heading, in a form consistent with the form of the heading of this subsection, consisting of the term defined by such paragraph, or the first term so defined if such paragraph defines more than one term; and

(B) the words "The term";

(7) by changing the first letter of each defined term in such paragraphs from a capital to a lower case letter (except for "United States", "State", "State commission", and "Great Lakes Agreement"); and

(8) by reordering such paragraphs and the additional paragraphs added by subsection (a) in alphabetical order based on the headings of such paragraphs and renumbering such paragraphs as so reordered.

(d) CONFORMING AMENDMENTS.—The Act is amended—

(1) in section 225(a)(1), by striking "section 3(h)" and inserting "section 3";

(2) in section 332(d), by striking "section 3(n)" each place it appears and inserting "section 3"; and

(3) in sections 621(d)(3), 636(d), and 637(a)(2), by striking "section 3(v)" and inserting "section 3".

TITLE I—TELECOMMUNICATION SERVICES

Subtitle A—Telecommunications Services

SEC. 101. ESTABLISHMENT OF PART II OF TITLE II.

(a) AMENDMENT.—Title II is amended by inserting after section 229 (47 U.S.C. 229) the following new part:

"PART II—DEVELOPMENT OF COMPETITIVE MARKETS

"SEC. 251. INTERCONNECTION.

"(a) GENERAL DUTY OF TELECOMMUNICATIONS CARRIERS.—Each telecommunications carrier has the duty—

"(1) to interconnect directly or indirectly with the facilities and equipment of other telecommunications carriers; and

"(2) not to install network features, functions, or capabilities that do not comply with the guidelines and standards established pursuant to section 255 or 256.

"(b) OBLIGATIONS OF ALL LOCAL EXCHANGE CARRIERS.—Each local exchange carrier has the following duties:

"(1) RESALE.—The duty not to prohibit, and not to impose unreasonable or discriminatory conditions or limitations on, the resale of its telecommunications services.

"(2) NUMBER PORTABILITY.—The duty to provide, to the extent technically feasible, number portability in accordance with requirements prescribed by the Commission.

"(3) DIALING PARITY.—The duty to provide dialing parity to competing providers of telephone exchange service and telephone toll service, and the duty to permit all such providers to have nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listing, with no unreasonable dialing delays.

"(4) ACCESS TO RIGHTS-OF-WAY.—The duty to afford access to the poles, ducts, conduits, and rights-of-way of such carrier to competing providers of telecommunications services on rates, terms, and conditions that are consistent with section 224.

"(5) RECIPROCAL COMPENSATION.—The duty to establish reciprocal compensation arrangements for the transport and termination of telecommunications.

"(c) ADDITIONAL OBLIGATIONS OF INCUMBENT LOCAL EXCHANGE CARRIERS.—In addition to the duties contained in subsection (b), each incumbent local exchange carrier has the following duties:

"(1) DUTY TO NEGOTIATE.—The duty to negotiate in good faith in accordance with section 252 the particular terms and conditions of agreements to fulfill the duties described in paragraphs (1) through (5) of subsection (b) and this subsection. The requesting telecommunications carrier also has the duty to negotiate in good faith the terms and conditions of such agreements.

"(2) INTERCONNECTION.—The duty to provide, for the facilities and equipment of any requesting telecommunications carrier, interconnection with the local exchange carrier's network—

"(A) for the transmission and routing of telephone exchange service and exchange access;

"(B) at any technically feasible point within the carrier's network;

"(C) that is at least equal in quality to that provided by the local exchange carrier to itself or to any subsidiary, affiliate, or any other party to which the carrier provides interconnection; and

"(D) on rates, terms, and conditions that are just, reasonable, and nondiscriminatory, in accordance with the terms and conditions of the agreement and the requirements of this section and section 252.

"(3) UNBUNDLED ACCESS.—The duty to provide, to any requesting telecommunications carrier for the provision of a telecommunications service, nondiscriminatory access to network elements on an unbundled basis at any technically feasible point on rates, terms, and conditions that are just, reasonable, and nondiscriminatory in accordance with the terms and conditions of the agreement and the requirements of this section and section 252. An incumbent local exchange carrier shall provide such unbundled network elements in a manner that allows requesting carriers to combine such elements in order to provide such telecommunications service.

"(4) RESALE.—The duty—

"(A) to offer for resale at wholesale rates any telecommunications service that the carrier provides at retail to subscribers who are not telecommunications carriers; and

"(B) not to prohibit, and not to impose unreasonable or discriminatory conditions or limitations on, the resale of such telecommunications

service, except that a State commission may, consistent with regulations prescribed by the Commission under this section, prohibit a reseller that obtains at wholesale rates a telecommunications service that is available at retail only to a category of subscribers from offering such service to a different category of subscribers.

"(5) NOTICE OF CHANGES.—The duty to provide reasonable public notice of changes in the information necessary for the transmission and routing of services using that local exchange carrier's facilities or networks, as well as of any other changes that would affect the interoperability of those facilities and networks.

"(6) COLLOCATION.—The duty to provide, on rates, terms, and conditions that are just, reasonable, and nondiscriminatory, for physical collocation of equipment necessary for interconnection or access to unbundled network elements at the premises of the local exchange carrier, except that the carrier may provide for virtual collocation if the local exchange carrier demonstrates to the State commission that physical collocation is not practical for technical reasons or because of space limitations.

"(d) IMPLEMENTATION.—

"(1) IN GENERAL.—Within 6 months after the date of enactment of the Telecommunications Act of 1996, the Commission shall complete all actions necessary to establish regulations to implement the requirements of this section.

"(2) ACCESS STANDARDS.—In determining what network elements should be made available for purposes of subsection (c)(3), the Commission shall consider, at a minimum, whether—

"(A) access to such network elements as are proprietary in nature is necessary; and

"(B) the failure to provide access to such network elements would impair the ability of the telecommunications carrier seeking access to provide the services that it seeks to offer.

"(3) PRESERVATION OF STATE ACCESS REGULATIONS.—In prescribing and enforcing regulations to implement the requirements of this section, the Commission shall not preclude the enforcement of any regulation, order, or policy of a State commission that—

"(A) establishes access and interconnection obligations of local exchange carriers;

"(B) is consistent with the requirements of this section; and

"(C) does not substantially prevent implementation of the requirements of this section and the purposes of this part.

"(e) NUMBERING ADMINISTRATION.—

"(1) COMMISSION AUTHORITY AND JURISDICTION.—The Commission shall create or designate one or more impartial entities to administer telecommunications numbering and to make such numbers available on an equitable basis. The Commission shall have exclusive jurisdiction over those portions of the North American Numbering Plan that pertain to the United States. Nothing in this paragraph shall preclude the Commission from delegating to State commissions or other entities all or any portion of such jurisdiction.

"(2) COSTS.—The cost of establishing telecommunications numbering administration arrangements and number portability shall be borne by all telecommunications carriers on a competitively neutral basis as determined by the Commission.

"(f) EXEMPTIONS, SUSPENSIONS, AND MODIFICATIONS.—

"(1) EXEMPTION FOR CERTAIN RURAL TELEPHONE COMPANIES.—

"(A) EXEMPTION.—Subsection (c) of this section shall not apply to a rural telephone company until (i) such company has received a bona fide request for interconnection, services, or network elements, and (ii) the State commission determines (under subparagraph (B)) that such request is not unduly economically burdensome, is technically feasible, and is consistent with section 254 (other than subsections (b)(7) and (c)(1)(D) thereof).

"(B) STATE TERMINATION OF EXEMPTION AND IMPLEMENTATION SCHEDULE.—The party making a bona fide request of a rural telephone company for interconnection, services, or network elements shall submit a notice of its request to the State commission. The State commission shall conduct an inquiry for the purpose of determining whether to terminate the exemption under subparagraph (A). Within 120 days after the State commission receives notice of the request, the State commission shall terminate the exemption if the request is not unduly economically burdensome, is technically feasible, and is consistent with section 254 (other than subsections (b)(7) and (c)(1)(D) thereof). Upon termination of the exemption, a State commission shall establish an implementation schedule for compliance with the request that is consistent in time and manner with Commission regulations.

"(C) LIMITATION ON EXEMPTION.—The exemption provided by this paragraph shall not apply with respect to a request under subsection (c) from a cable operator providing video programming, and seeking to provide any telecommunications service, in the area in which the rural telephone company provides video programming. The limitation contained in this subparagraph shall not apply to a rural telephone company that is providing video programming on the date of enactment of the Telecommunications Act of 1996.

"(2) SUSPENSIONS AND MODIFICATIONS FOR RURAL CARRIERS.—A local exchange carrier with fewer than 2 percent of the Nation's subscriber lines installed in the aggregate nationwide may petition a State commission for a suspension or modification of the application of a requirement or requirements of subsection (b) or (c) to telephone exchange service facilities specified in such petition. The State commission shall grant such petition to the extent that, and for such duration as, the State commission determines that such suspension or modification—

"(A) is necessary—

"(i) to avoid a significant adverse economic impact on users of telecommunications services generally;

"(ii) to avoid imposing a requirement that is unduly economically burdensome; or

"(iii) to avoid imposing a requirement that is technically infeasible; and

"(B) is consistent with the public interest, convenience, and necessity.

The State commission shall act upon any petition filed under this paragraph within 180 days after receiving such petition. Pending such action, the State commission may suspend enforcement of the requirement or requirements to which the petition applies with respect to the petitioning carrier or carriers.

"(g) CONTINUED ENFORCEMENT OF EXCHANGE ACCESS AND INTERCONNECTION REQUIREMENTS.—On and after the date of enactment of the Telecommunications Act of 1996, each local exchange carrier, to the extent that it provides wireline services, shall provide exchange access, information access, and exchange services for such access to interexchange carriers and information service providers in accordance with the same equal access and nondiscriminatory interconnection restrictions and obligations (including receipt of compensation) that apply to such carrier on the date immediately preceding the date of enactment of the Telecommunications Act of 1996 under any court order, consent decree, or regulation, order, or policy of the Commission, until such restrictions and obligations are explicitly superseded by regulations prescribed by the Commission after such date of enactment. During the period beginning on such date of enactment and until such restrictions and obligations are so superseded, such restrictions and obligations shall be enforceable in the same manner as regulations of the Commission.

"(h) DEFINITION OF INCUMBENT LOCAL EXCHANGE CARRIER.—

"(1) DEFINITION.—For purposes of this section, the term 'incumbent local exchange carrier' means, with respect to an area, the local exchange carrier that—

"(A) on the date of enactment of the Telecommunications Act of 1996, provided telephone exchange service in such area; and

"(B)(i) on such date of enactment, was deemed to be a member of the exchange carrier association pursuant to section 69.601(b) of the Commission's regulations (47 C.F.R. 69.601(b)); or

"(ii) is a person or entity that, on or after such date of enactment, became a successor or assign of a member described in clause (i).

"(2) TREATMENT OF COMPARABLE CARRIERS AS INCUMBENTS.—The Commission may, by rule, provide for the treatment of a local exchange carrier (or class or category thereof) as an incumbent local exchange carrier for purposes of this section if—

"(A) such carrier occupies a position in the market for telephone exchange service within an area that is comparable to the position occupied by a carrier described in paragraph (1);

"(B) such carrier has substantially replaced an incumbent local exchange carrier described in paragraph (1); and

"(C) such treatment is consistent with the public interest, convenience, and necessity and the purposes of this section.

"(i) SAVINGS PROVISION.—Nothing in this section shall be construed to limit or otherwise affect the Commission's authority under section 201.

"SEC. 252. PROCEDURES FOR NEGOTIATION, ARBITRATION, AND APPROVAL OF AGREEMENTS.

"(a) AGREEMENTS ARRIVED AT THROUGH NEGOTIATION.—

"(1) VOLUNTARY NEGOTIATIONS.—Upon receiving a request for interconnection, services, or network elements pursuant to section 251, an incumbent local exchange carrier may negotiate and enter into a binding agreement with the requesting telecommunications carrier or carriers without regard to the standards set forth in subsections (b) and (c) of section 251. The agreement shall include a detailed schedule of itemized charges for interconnection and each service or network element included in the agreement. The agreement, including any interconnection agreement negotiated before the date of enactment of the Telecommunications Act of 1996, shall be submitted to the State commission under subsection (e) of this section.

"(2) MEDIATION.—Any party negotiating an agreement under this section may, at any point in the negotiation, ask a State commission to participate in the negotiation and to mediate any differences arising in the course of the negotiation.

"(b) AGREEMENTS ARRIVED AT THROUGH COMPULSORY ARBITRATION.—

"(1) ARBITRATION.—During the period from the 135th to the 160th day (inclusive) after the date on which an incumbent local exchange carrier receives a request for negotiation under this section, the carrier or any other party to the negotiation may petition a State commission to arbitrate any open issues.

"(2) DUTY OF PETITIONER.—

"(A) A party that petitions a State commission under paragraph (1) shall, at the same time as it submits the petition, provide the State commission all relevant documentation concerning—

"(i) the unresolved issues;

"(ii) the position of each of the parties with respect to those issues; and

"(iii) any other issue discussed and resolved by the parties.

"(B) A party petitioning a State commission under paragraph (1) shall provide a copy of the petition and any documentation to the other party or parties not later than the day on which the State commission receives the petition.

"(3) OPPORTUNITY TO RESPOND.—A non-petitioning party to a negotiation under this section may respond to the other party's petition and provide such additional information as it wishes within 25 days after the State commission receives the petition.

"(4) ACTION BY STATE COMMISSION.—

"(A) The State commission shall limit its consideration of any petition under paragraph (1) (and any response thereto) to the issues set forth in the petition and in the response, if any, filed under paragraph (3).

"(B) The State commission may require the petitioning party and the responding party to provide such information as may be necessary for the State commission to reach a decision on the unresolved issues. If any party refuses or fails unreasonably to respond on a timely basis to any reasonable request from the State commission, then the State commission may proceed on the basis of the best information available to it from whatever source derived.

"(C) The State commission shall resolve each issue set forth in the petition and the response, if any, by imposing appropriate conditions as required to implement subsection (c) upon the parties to the agreement, and shall conclude the resolution of any unresolved issues not later than 9 months after the date on which the local exchange carrier received the request under this section.

"(5) REFUSAL TO NEGOTIATE.—The refusal of any other party to the negotiation to participate further in the negotiations, to cooperate with the State commission in carrying out its function as an arbitrator, or to continue to negotiate in good faith in the presence, or with the assistance, of the State commission shall be considered a failure to negotiate in good faith.

"(c) STANDARDS FOR ARBITRATION.—In resolving by arbitration under subsection (b) any open issues and imposing conditions upon the parties to the agreement, a State commission shall—

"(1) ensure that such resolution and conditions meet the requirements of section 251, including the regulations prescribed by the Commission pursuant to section 251;

"(2) establish any rates for interconnection, services, or network elements according to subsection (d); and

"(3) provide a schedule for implementation of the terms and conditions by the parties to the agreement.

"(d) PRICING STANDARDS.—

"(1) INTERCONNECTION AND NETWORK ELEMENT CHARGES.—Determinations by a State commission of the just and reasonable rate for the interconnection of facilities and equipment for purposes of subsection (c)(2) of section 251, and the just and reasonable rate for network elements for purposes of subsection (c)(3) of such section—

"(A) shall be—

"(i) based on the cost (determined without reference to a rate-of-return or other rate-based proceeding) of providing the interconnection or network element (whichever is applicable), and

"(ii) nondiscriminatory, and

"(B) may include a reasonable profit.

"(2) CHARGES FOR TRANSPORT AND TERMINATION OF TRAFFIC.—

"(A) IN GENERAL.—For the purposes of compliance by an incumbent local exchange carrier with section 251(b)(5), a State commission shall not consider the terms and conditions for reciprocal compensation to be just and reasonable unless—

"(i) such terms and conditions provide for the mutual and reciprocal recovery by each carrier of costs associated with the transport and termination on each carrier's network facilities of calls that originate on the network facilities of the other carrier; and

"(ii) such terms and conditions determine such costs on the basis of a reasonable approximation of the additional costs of terminating such calls.

"(B) RULES OF CONSTRUCTION.—This paragraph shall not be construed—

"(i) to preclude arrangements that afford the mutual recovery of costs through the offsetting of reciprocal obligations, including arrangements that waive mutual recovery (such as bill-and-keep arrangements); or

"(ii) to authorize the Commission or any State commission to engage in any rate regulation proceeding to establish with particularity the additional costs of transporting or terminating calls, or to require carriers to maintain records with respect to the additional costs of such calls.

"(3) WHOLESALE PRICES FOR TELECOMMUNICATIONS SERVICES.—For the purposes of section 251(c)(4), a State commission shall determine wholesale rates on the basis of retail rates charged to subscribers for the telecommunications service requested, excluding the portion thereof attributable to any marketing, billing, collection, and other costs that will be avoided by the local exchange carrier.

"(e) APPROVAL BY STATE COMMISSION.—

"(1) APPROVAL REQUIRED.—Any interconnection agreement adopted by negotiation or arbitration shall be submitted for approval to the State commission. A State commission to which an agreement is submitted shall approve or reject the agreement, with written findings as to any deficiencies.

"(2) GROUNDS FOR REJECTION.—The State commission may only reject—

"(A) an agreement (or any portion thereof) adopted by negotiation under subsection (a) if it finds that—

"(i) the agreement (or portion thereof) discriminates against a telecommunications carrier not a party to the agreement; or

"(ii) the implementation of such agreement or portion is not consistent with the public interest, convenience, and necessity; or

"(B) an agreement (or any portion thereof) adopted by arbitration under subsection (b) if it finds that the agreement does not meet the requirements of section 251, including the regulations prescribed by the Commission pursuant to section 251, or the standards set forth in subsection (d) of this section.

"(3) PRESERVATION OF AUTHORITY.—Notwithstanding paragraph (2), but subject to section 253, nothing in this section shall prohibit a State commission from establishing or enforcing other requirements of State law in its review of an agreement, including requiring compliance with intrastate telecommunications service quality standards or requirements.

"(4) SCHEDULE FOR DECISION.—If the State commission does not act to approve or reject the agreement within 90 days after submission by the parties of an agreement adopted by negotiation under subsection (a), or within 30 days after submission by the parties of an agreement adopted by arbitration under subsection (b), the agreement shall be deemed approved. No State court shall have jurisdiction to review the action of a State commission in approving or rejecting an agreement under this section.

"(5) COMMISSION TO ACT IF STATE WILL NOT ACT.—If a State commission fails to act to carry out its responsibility under this section in any proceeding or other matter under this section, then the Commission shall issue an order preempting the State commission's jurisdiction of that proceeding or matter within 90 days after being notified (or taking notice) of such failure, and shall assume the responsibility of the State commission under this section with respect to the proceeding or matter and act for the State commission.

"(6) REVIEW OF STATE COMMISSION ACTIONS.—In a case in which a State fails to act as described in paragraph (5), the proceeding by the Commission under such paragraph and any judicial review of the Commission's actions shall be the exclusive remedies for a State commission's failure to act. In any case in which a State commission makes a determination under this section, any party aggrieved by such determination may bring an action in an appropriate Federal district court to determine whether the agreement or statement meets the requirements of section 251 and this section.

"(f) STATEMENTS OF GENERALLY AVAILABLE TERMS.—

"(1) IN GENERAL.—A Bell operating company may prepare and file with a State commission a statement of the terms and conditions that such company generally offers within that State to comply with the requirements of section 251 and the regulations thereunder and the standards applicable under this section.

"(2) STATE COMMISSION REVIEW.—A State commission may not approve such statement unless such statement complies with subsection (d) of this section and section 251 and the regulations thereunder. Except as provided in section 253, nothing in this section shall prohibit a State commission from establishing or enforcing other requirements of State law in its review of such statement, including requiring compliance with intrastate telecommunications service quality standards or requirements.

"(3) SCHEDULE FOR REVIEW.—The State commission to which a statement is submitted shall, not later than 60 days after the date of such submission—

"(A) complete the review of such statement under paragraph (2) (including any reconsideration thereof), unless the submitting carrier agrees to an extension of the period for such review; or

"(B) permit such statement to take effect.

"(4) AUTHORITY TO CONTINUE REVIEW.—Paragraph (3) shall not preclude the State commission from continuing to review a statement that has been permitted to take effect under subparagraph (B) of such paragraph or from approving or disapproving such statement under paragraph (2).

"(5) DUTY TO NEGOTIATE NOT AFFECTED.—The submission or approval of a statement under this subsection shall not relieve a Bell operating company of its duty to negotiate the terms and conditions of an agreement under section 251.

"(g) CONSOLIDATION OF STATE PROCEEDINGS.—Where not inconsistent with the requirements of this Act, a State commission may, to the extent practical, consolidate proceedings under sections 214(e), 251(f), 253, and this section in order to reduce administrative burdens on telecommunications carriers, other parties to the proceedings, and the State commission in carrying out its responsibilities under this Act.

"(h) FILING REQUIRED.—A State commission shall make a copy of each agreement approved under subsection (e) and each statement approved under subsection (f) available for public inspection and copying within 10 days after the agreement or statement is approved. The State commission may charge a reasonable and nondiscriminatory fee to the parties to the agreement or to the party filing the statement to cover the costs of approving and filing such agreement or statement.

"(i) AVAILABILITY TO OTHER TELECOMMUNICATIONS CARRIERS.—A local exchange carrier shall make available any interconnection, service, or network element provided under an *agreement approved under this section to which it is a party to any other requesting telecommunications carrier upon the same terms and conditions as those provided in the agreement.*

"(j) DEFINITION OF INCUMBENT LOCAL EXCHANGE CARRIER.—For purposes of this section, the term 'incumbent local exchange carrier' has the meaning provided in section 251(h).

"SEC. 253. REMOVAL OF BARRIERS TO ENTRY.

"(a) IN GENERAL.—No State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service.

"(b) STATE REGULATORY AUTHORITY.—Nothing in this section shall affect the ability of a State to impose, on a competitively neutral basis and consistent with section 254, requirements necessary to preserve and advance universal service, protect the public safety and welfare, ensure the continued quality of telecommunications services, and safeguard the rights of consumers.

"(c) STATE AND LOCAL GOVERNMENT AUTHORITY.—Nothing in this section affects the authority of a State or local government to manage the public rights-of-way or to require fair and reasonable compensation from telecommunications providers, on a competitively neutral and nondiscriminatory basis, for use of public rights-of-way on a nondiscriminatory basis, if the compensation required is publicly disclosed by such government.

"(d) PREEMPTION.—If, after notice and an opportunity for public comment, the Commission determines that a State or local government has permitted or imposed any statute, regulation, or legal requirement that violates subsection (a) or (b), the Commission shall preempt the enforcement of such statute, regulation, or legal requirement to the extent necessary to correct such violation or inconsistency.

"(e) COMMERCIAL MOBILE SERVICE PROVIDERS.—Nothing in this section shall affect the application of section 332(c)(3) to commercial mobile service providers.

"(f) RURAL MARKETS.—It shall not be a violation of this section for a State to require a telecommunications carrier that seeks to provide telephone exchange service or exchange access in a service area served by a rural telephone company to meet the requirements in section 214(e)(1) for designation as an eligible telecommunications carrier for that area before being permitted to provide such service. This subsection shall not apply—

"(1) to a service area served by a rural telephone company that has obtained an exemption, suspension, or modification of section 251(c)(4) that effectively prevents a competitor from meeting the requirements of section 214(e)(1); and

"(2) to a provider of commercial mobile services.

"SEC. 254. UNIVERSAL SERVICE.

"(a) PROCEDURES TO REVIEW UNIVERSAL SERVICE REQUIREMENTS.—

"(1) FEDERAL-STATE JOINT BOARD ON UNIVERSAL SERVICE.—Within one month after the date of enactment of the Telecommunications Act of 1996, the Commission shall institute and refer to a Federal-State Joint Board under section 410(c) a proceeding to recommend changes to any of its regulations in order to implement sections 214(e) and this section, including the definition of the services that are supported by Federal universal service support mechanisms and a specific timetable for completion of such recommendations. In addition to the members of the Joint Board required under section 410(c), one member of such Joint Board shall be a State-appointed utility consumer advocate nominated by a national organization of State utility consumer advocates. The Joint Board shall, after notice and opportunity for public comment, make its recommendations to the Commission 9 months after the date of enactment of the Telecommunications Act of 1996.

"(2) COMMISSION ACTION.—The Commission shall initiate a single proceeding to implement the recommendations from the Joint Board required by paragraph (1) and shall complete such proceeding within 15 months after the date of enactment of the Telecommunications Act of 1996. The rules established by such proceeding shall include a definition of the services that are supported by Federal universal service support mechanisms and a specific timetable for implementation. Thereafter, the Commission shall complete any proceeding to implement subsequent recommendations from any Joint Board on universal service within one year after receiving such recommendations.

"(b) UNIVERSAL SERVICE PRINCIPLES.—The Joint Board and the Commission shall base policies for the preservation and advancement of universal service on the following principles:

"(1) QUALITY AND RATES.—Quality services should be available at just, reasonable, and affordable rates.

"(2) ACCESS TO ADVANCED SERVICES.—Access to advanced telecommunications and information services should be provided in all regions of the Nation.

"(3) ACCESS IN RURAL AND HIGH COST AREAS.—Consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high cost areas, should have access to telecommunications and information services, including interexchange services and advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas.

"(4) EQUITABLE AND NONDISCRIMINATORY CONTRIBUTIONS.—All providers of telecommunications services should make an equitable and nondiscriminatory contribution to the preservation and advancement of universal service.

"(5) SPECIFIC AND PREDICTABLE SUPPORT MECHANISMS.—There should be specific, predictable and sufficient Federal and State mechanisms to preserve and advance universal service.

"(6) ACCESS TO ADVANCED TELECOMMUNICATIONS SERVICES FOR SCHOOLS, HEALTH CARE, AND LIBRARIES.—Elementary and secondary schools and classrooms, health care providers, and libraries should have access to advanced telecommunications services as described in subsection (h).

"(7) ADDITIONAL PRINCIPLES.—Such other principles as the Joint Board and the Commission determine are necessary and appropriate for the protection of the public interest, convenience, and necessity and are consistent with this Act.

"(c) DEFINITION.—

"(1) IN GENERAL.—Universal service is an evolving level of telecommunications services that the Commission shall establish periodically under this section, taking into account advances in telecommunications and information technologies and services. The Joint Board in recommending, and the Commission in establishing, the definition of the services that are supported by Federal universal service support mechanisms shall consider the extent to which such telecommunications services—

"(A) are essential to education, public health, or public safety;

"(B) have, through the operation of market choices by customers, been subscribed to by a substantial majority of residential customers;

"(C) are being deployed in public telecommunications networks by telecommunications carriers; and

"(D) are consistent with the public interest, convenience, and necessity.

"(2) ALTERATIONS AND MODIFICATIONS.—The Joint Board may, from time to time, recommend to the Commission modifications in the definition of the services that are supported by Federal universal service support mechanisms.

"(3) SPECIAL SERVICES.—In addition to the services included in the definition of universal service under paragraph (1), the Commission may designate additional services for such support mechanisms for schools, libraries, and health care providers for the purposes of subsection (h).

"(d) TELECOMMUNICATIONS CARRIER CONTRIBUTION.—Every telecommunications carrier that provides interstate telecommunications services shall contribute, on an equitable and nondiscriminatory basis, to the specific, predictable, and sufficient mechanisms established by the Commission to preserve and advance universal service. The Commission may exempt a carrier or class of carriers from this requirement if the carrier's telecommunications activities are limited to such an extent that the level of such carrier's contribution to the preservation and advancement of universal service would be de minimis. Any other provider of interstate telecommunications may be required to contribute to the preservation and advancement of universal service if the public interest so requires.

"(e) UNIVERSAL SERVICE SUPPORT.—After the date on which Commission regulations implementing this section take effect, only an eligible telecommunications carrier designated under section 214(e) shall be eligible to receive specific Federal universal service support. A carrier that receives such support shall use that support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Any such support should be explicit and sufficient to achieve the purposes of this section.

"(f) STATE AUTHORITY.—A State may adopt regulations not inconsistent with the Commission's rules to preserve and advance universal service. Every telecommunications carrier that provides intrastate telecommunications services shall contribute, on an equitable and nondiscriminatory basis, in a manner determined by the State to the preservation and advancement of universal service in that State. A State may adopt regulations to provide for additional definitions and standards to preserve and advance universal service within that State only to the extent that such regulations adopt additional specific, predictable, and sufficient mechanisms to support such definitions or standards that do not rely on or burden Federal universal service support mechanisms.

"(g) INTEREXCHANGE AND INTERSTATE SERVICES.—Within 6 months after the date of enactment of the Telecommunications Act of 1996, the Commission shall adopt rules to require that the rates charged by providers of interexchange telecommunications services to subscribers in rural and high cost areas shall be no higher than the rates charged by each such provider to its subscribers in urban areas. Such rules shall also require that a provider of interstate interexchange telecommunications services shall provide such services to its subscribers in each State at rates no higher than the rates charged to its subscribers in any other State.

"(h) TELECOMMUNICATIONS SERVICES FOR CERTAIN PROVIDERS.—

"(1) IN GENERAL.—

"(A) HEALTH CARE PROVIDERS FOR RURAL AREAS.—A telecommunications carrier shall, upon receiving a bona fide request, provide telecommunications services which are necessary for the provision of health care services in a State, including instruction relating to such services, to any public or nonprofit health care

provider that serves persons who reside in rural areas in that State at rates that are reasonably comparable to rates charged for similar services in urban areas in that State. A telecommunications carrier providing service under this paragraph shall be entitled to have an amount equal to the difference, if any, between the rates for services provided to health care providers for rural areas in a State and the rates for similar services provided to other customers in comparable rural areas in that State treated as a service obligation as a part of its obligation to participate in the mechanisms to preserve and advance universal service.

"(B) EDUCATIONAL PROVIDERS AND LIBRARIES.—All telecommunications carriers serving a geographic area shall, upon a bona fide request for any of its services that are within the definition of universal service under subsection (c)(3), provide such services to elementary schools, secondary schools, and libraries for educational purposes at rates less than the amounts charged for similar services to other parties. The discount shall be an amount that the Commission, with respect to interstate services, and the States, with respect to intrastate services, determine is appropriate and necessary to ensure affordable access to and use of such services by such entities. A telecommunications carrier providing service under this paragraph shall—

"(i) have an amount equal to the amount of the discount treated as an offset to its obligation to contribute to the mechanisms to preserve and advance universal service, or

"(ii) notwithstanding the provisions of subsection (e) of this section, receive reimbursement utilizing the support mechanisms to preserve and advance universal service.

"(2) ADVANCED SERVICES.—The Commission shall establish competitively neutral rules—

"(A) to enhance, to the extent technically feasible and economically reasonable, access to advanced telecommunications and information services for all public and nonprofit elementary and secondary school classrooms, health care providers, and libraries; and

"(B) to define the circumstances under which a telecommunications carrier may be required to connect its network to such public institutional telecommunications users.

"(3) TERMS AND CONDITIONS.—Telecommunications services and network capacity provided to a public institutional telecommunications user under this subsection may not be sold, resold, or otherwise transferred by such user in consideration for money or any other thing of value.

"(4) ELIGIBILITY OF USERS.—No entity listed in this subsection shall be entitled to preferential rates or treatment as required by this subsection, if such entity operates as a for-profit business, is a school described in paragraph (5)(A) with an endowment of more than $50,000,000, or is a library not eligible for participation in State-based plans for funds under title III of the Library Services and Construction Act (20 U.S.C. 335c et seq.).

"(5) DEFINITIONS.—For purposes of this subsection:

"(A) ELEMENTARY AND SECONDARY SCHOOLS.—The term 'elementary and secondary schools' means elementary schools and secondary schools, as defined in paragraphs (14) and (25), respectively, of section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

"(B) HEALTH CARE PROVIDER.—The term 'health care provider' means—

"(i) post-secondary educational institutions offering health care instruction, teaching hospitals, and medical schools;

"(ii) community health centers or health centers providing health care to migrants;

"(iii) local health departments or agencies;

"(iv) community mental health centers;

"(v) not-for-profit hospitals;

"(vi) rural health clinics; and

"(vii) consortia of health care providers consisting of one or more entities described in clauses (i) through (vi).

"(C) PUBLIC INSTITUTIONAL TELECOMMUNICATIONS USER.—The term 'public institutional telecommunications user' means an elementary or secondary school, a library, or a health care provider as those terms are defined in this paragraph.

"(i) CONSUMER PROTECTION.—The Commission and the States should ensure that universal service is available at rates that are just, reasonable, and affordable.

"(j) LIFELINE ASSISTANCE.—Nothing in this section shall affect the collection, distribution, or administration of the Lifeline Assistance Program provided for by the Commission under regulations set forth in section 69.117 of title 47, Code of Federal Regulations, and other related sections of such title.

"(k) SUBSIDY OF COMPETITIVE SERVICES PROHIBITED.—A telecommunications carrier may not use services that are not competitive to subsidize services that are subject to competition. The Commission, with respect to interstate services, and the States, with respect to intrastate services, shall establish any necessary cost allocation rules, accounting safeguards, and guidelines to ensure that services included in the definition of universal service bear no more than a reasonable share of the joint and common costs of facilities used to provide those services.

"SEC. 255. ACCESS BY PERSONS WITH DISABILITIES.

"(a) DEFINITIONS.—As used in this section—

"(1) DISABILITY.—The term 'disability' has the meaning given to it by section 3(2)(A) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102(2)(A)).

"(2) READILY ACHIEVABLE.—The term 'readily achievable' has the meaning given to it by section 301(9) of that Act (42 U.S.C. 12181(9)).

"(b) MANUFACTURING.—A manufacturer of telecommunications equipment or customer premises equipment shall ensure that the equipment is designed, developed, and fabricated to be accessible to and usable by individuals with disabilities, if readily achievable.

"(c) TELECOMMUNICATIONS SERVICES.—A provider of telecommunications service shall ensure that the service is accessible to and usable by individuals with disabilities, if readily achievable.

"(d) COMPATIBILITY.—Whenever the requirements of subsections (b) and (c) are not readily achievable, such a manufacturer or provider shall ensure that the equipment or service is compatible with existing peripheral devices or specialized customer premises equipment commonly used by individuals with disabilities to achieve access, if readily achievable.

"(e) GUIDELINES.—Within 18 months after the date of enactment of the Telecommunications Act of 1996, the Architectural and Transportation Barriers Compliance Board shall develop guidelines for accessibility of telecommunications equipment and customer premises equipment in conjunction with the Commission. The Board shall review and update the guidelines periodically.

"(f) NO ADDITIONAL PRIVATE RIGHTS AUTHORIZED.—Nothing in this section shall be construed to authorize any private right of action to enforce any requirement of this section or any regulation thereunder. The Commission shall have exclusive jurisdiction with respect to any complaint under this section.

"SEC. 256. COORDINATION FOR INTERCONNECTIVITY.

"(a) PURPOSE.—It is the purpose of this section—

"(1) to promote nondiscriminatory accessibility by the broadest number of users and vendors of communications products and services to public telecommunications networks used to provide telecommunications service through—

"(A) coordinated public telecommunications network planning and design by telecommunications carriers and other providers of telecommunications service; and

"(B) public telecommunications network interconnectivity, and interconnectivity of devices with such networks used to provide telecommunications service; and

"(2) to ensure the ability of users and information providers to seamlessly and transparently transmit and receive information between and across telecommunications networks.

"(b) COMMISSION FUNCTIONS.—In carrying out the purposes of this section, the Commission—

"(1) shall establish procedures for Commission oversight of coordinated network planning by telecommunications carriers and other providers of telecommunications service for the effective and efficient interconnection of public telecommunications networks used to provide telecommunications service; and

"(2) may participate, in a manner consistent with its authority and practice prior to the date of enactment of this section, in the development by appropriate industry standards-setting organizations of public telecommunications network interconnectivity standards that promote access to—

"(A) public telecommunications networks used to provide telecommunications service;

"(B) network capabilities and services by individuals with disabilities; and

"(C) information services by subscribers of rural telephone companies.

"(c) COMMISSION'S AUTHORITY.—Nothing in this section shall be construed as expanding or limiting any authority that the Commission may have under law in effect before the date of enactment of the Telecommunications Act of 1996.

"(d) DEFINITION.—As used in this section, the term 'public telecommunications network interconnectivity' means the ability of two or more public telecommunications networks used to provide telecommunications service to communicate and exchange information without degeneration, and to interact in concert with one another.

"SEC. 257. MARKET ENTRY BARRIERS PROCEEDING.

"(a) ELIMINATION OF BARRIERS.—Within 15 months after the date of enactment of the Telecommunications Act of 1996, the Commission shall complete a proceeding for the purpose of identifying and eliminating, by regulations pursuant to its authority under this Act (other than this section), market entry barriers for entrepreneurs and other small businesses in the provision and ownership of telecommunications services and information services, or in the provision of parts or services to providers of telecommunications services and information services.

"(b) NATIONAL POLICY.—In carrying out subsection (a), the Commission shall seek to promote the policies and purposes of this Act favoring diversity of media voices, vigorous economic competition, technological advancement, and promotion of the public interest, convenience, and necessity.

"(c) PERIODIC REVIEW.—Every 3 years following the completion of the proceeding required by subsection (a), the Commission shall review and report to Congress on—

"(1) any regulations prescribed to eliminate barriers within its jurisdiction that are identified under subsection (a) and that can be prescribed consistent with the public interest, convenience, and necessity; and

"(2) the statutory barriers identified under subsection (a) that the Commission recommends be eliminated, consistent with the public interest, convenience, and necessity.

"SEC. 258. ILLEGAL CHANGES IN SUBSCRIBER CARRIER SELECTIONS.

"(a) PROHIBITION.—No telecommunications carrier shall submit or execute a change in a subscriber's selection of a provider of telephone exchange service or telephone toll service except in accordance with such verification procedures as the Commission shall prescribe. Nothing in this section shall preclude any State commission from enforcing such procedures with respect to intrastate services.

"(b) LIABILITY FOR CHARGES.—Any telecommunications carrier that violates the verification procedures described in subsection (a) and that collects charges for telephone exchange service or telephone toll service from a subscriber shall be liable to the carrier previously selected by the subscriber in an amount equal to all charges paid by such subscriber after such violation, in accordance with such procedures as the Commission may prescribe. The remedies provided by this subsection are in addition to any other remedies available by law.

"SEC. 259. INFRASTRUCTURE SHARING.

"(a) REGULATIONS REQUIRED.—The Commission shall prescribe, within one year after the date of enactment of the Telecommunications Act of 1996, regulations that require incumbent local exchange carriers (as defined in section 251(h)) to make available to any qualifying carrier such public switched network infrastructure, technology, information, and telecommunications facilities and functions as may be requested by such qualifying carrier for the purpose of enabling such qualifying carrier to provide telecommunications services, or to provide access to information services, in the service area in which such qualifying carrier has requested and obtained designation as an eligible telecommunications carrier under section 214(e).

"(b) TERMS AND CONDITIONS OF REGULATIONS.—The regulations prescribed by the Commission pursuant to this section shall—

"(1) not require a local exchange carrier to which this section applies to take any action that is economically unreasonable or that is contrary to the public interest;

"(2) permit, but shall not require, the joint ownership or operation of public switched network infrastructure and services by or among such local exchange carrier and a qualifying carrier;

"(3) ensure that such local exchange carrier will not be treated by the Commission or any State as a common carrier for hire or as offering common carrier services with respect to any infrastructure, technology, information, facilities, or functions made available to a qualifying carrier in accordance with regulations issued pursuant to this section;

"(4) ensure that such local exchange carrier makes such infrastructure, technology, information, facilities, or functions available to a qualifying carrier on just and reasonable terms and conditions that permit such qualifying carrier to fully benefit from the economies of scale and scope of such local exchange carrier, as determined in accordance with guidelines prescribed by the Commission in regulations issued pursuant to this section;

"(5) establish conditions that promote cooperation between local exchange carriers to which this section applies and qualifying carriers;

"(6) not require a local exchange carrier to which this section applies to engage in any infrastructure sharing agreement for any services or access which are to be provided or offered to consumers by the qualifying carrier in such local exchange carrier's telephone exchange area; and

"(7) require that such local exchange carrier file with the Commission or State for public inspection, any tariffs, contracts, or other arrangements showing the rates, terms, and conditions under which such carrier is making available public switched network infrastructure and functions under this section.

"(c) INFORMATION CONCERNING DEPLOYMENT OF NEW SERVICES AND EQUIPMENT.—A local exchange carrier to which this section applies that has entered into an infrastructure sharing agreement under this section shall provide to each party to such agreement timely information on the planned deployment of telecommunications services and equipment, including any software or upgrades of software integral to the use or operation of such telecommunications equipment.

"(d) DEFINITION.—For purposes of this section, the term 'qualifying carrier' means a telecommunications carrier that—

"(1) lacks economies of scale or scope, as determined in accordance with regulations prescribed by the Commission pursuant to this section; and

"(2) offers telephone exchange service, exchange access, and any other service that is included in universal service, to all consumers without preference throughout the service area for which such carrier has been designated as an eligible telecommunications carrier under section 214(e).

"SEC. 260. PROVISION OF TELEMESSAGING SERVICE.

"(a) NONDISCRIMINATION SAFEGUARDS.—Any local exchange carrier subject to the requirements of section 251(c) that provides telemessaging service—

"(1) shall not subsidize its telemessaging service directly or indirectly from its telephone exchange service or its exchange access; and

"(2) shall not prefer or discriminate in favor of its telemessaging service operations in its provision of telecommunications services.

"(b) EXPEDITED CONSIDERATION OF COMPLAINTS.—The Commission shall establish procedures for the receipt and review of complaints concerning violations of subsection (a) or the regulations thereunder that result in material financial harm to a provider of telemessaging service. Such procedures shall ensure that the Commission will make a final determination with respect to any such complaint within 120 days after receipt of the complaint. If the complaint contains an appropriate showing that the alleged violation occurred, the Commission shall, within 60 days after receipt of the complaint, order the local exchange carrier and any affiliates to cease engaging in such violation pending such final determination.

"(c) DEFINITION.—As used in this section, the term 'telemessaging service' means voice mail and voice storage and retrieval services, any live operator services used to record, transcribe, or relay messages (other than telecommunications relay services), and any ancillary services offered in combination with these services.

"SEC. 261. EFFECT ON OTHER REQUIREMENTS.

"(a) COMMISSION REGULATIONS.—Nothing in this part shall be construed to prohibit the Commission from enforcing regulations prescribed prior to the date of enactment of the Telecommunications Act of 1996 in fulfilling the requirements of this part, to the extent that such regulations are not inconsistent with the provisions of this part.

"(b) EXISTING STATE REGULATIONS.—Nothing in this part shall be construed to prohibit any State commission from enforcing regulations prescribed prior to the date of enactment of the Telecommunications Act of 1996, or from prescribing regulations after such date of enactment, in fulfilling the requirements of this part, if such regulations are not inconsistent with the provisions of this part.

"(c) ADDITIONAL STATE REQUIREMENTS.—Nothing in this part precludes a State from imposing requirements on a telecommunications carrier for intrastate services that are necessary to further competition in the provision of telephone exchange service or exchange access, as long as the State's requirements are not inconsistent with this part or the Commission's regulations to implement this part.".

(b) DESIGNATION OF PART I.—Title II of the Act is further amended by inserting before the heading of section 201 the following new heading:

"PART I—COMMON CARRIER REGULATION"

(c) STYLISTIC CONSISTENCY.—The Act is amended so that—

(1) the designation and heading of each title of the Act shall be in the form and typeface of the designation and heading of this title of this Act; and

(2) the designation and heading of each part of each title of the Act shall be in the form and typeface of the designation and heading of part I of title II of the Act, as amended by subsection (a).

SEC. 102. ELIGIBLE TELECOMMUNICATIONS CARRIERS.

(a) IN GENERAL.—Section 214 (47 U.S.C. 214) is amended by adding at the end thereof the following new subsection:

"(e) PROVISION OF UNIVERSAL SERVICE.—

"(1) ELIGIBLE TELECOMMUNICATIONS CARRIERS.—A common carrier designated as an eligible telecommunications carrier under paragraph (2) or (3) shall be eligible to receive universal service support in accordance with section 254 and shall, throughout the service area for which the designation is received—

"(A) offer the services that are supported by Federal universal service support mechanisms under section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications carrier); and

"(B) advertise the availability of such services and the charges therefor using media of general distribution.

"(2) DESIGNATION OF ELIGIBLE TELECOMMUNICATIONS CARRIERS.—A State commission shall upon its own motion or upon request designate a common carrier that meets the requirements of paragraph (1) as an eligible telecommunications carrier for a service area designated by the State commission. Upon request and consistent with the public interest, convenience, and necessity, the State commission may, in the case of an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an eligible telecommunications carrier for a service area designated by the State commission, so long as each additional requesting carrier meets the requirements of paragraph (1). Before designating an additional eligible telecommunications carrier for an area served by a rural telephone company, the State commission shall find that the designation is in the public interest.

"(3) DESIGNATION OF ELIGIBLE TELECOMMUNICATIONS CARRIERS FOR UNSERVED AREAS.—If no common carrier will provide the services that are supported by Federal universal service support mechanisms under section 254(c) to an unserved community or any portion thereof that requests such service, the Commission, with respect to interstate services, or a State commission, with respect to intrastate services, shall determine which common carrier or carriers are best able to provide such service to the requesting unserved community or portion thereof and shall order such carrier or carriers to provide such service for that unserved community or portion thereof. Any carrier or carriers ordered to provide such service under this paragraph shall meet the requirements of paragraph (1)

and shall be designated as an eligible telecommunications carrier for that community or portion thereof.

"(4) RELINQUISHMENT OF UNIVERSAL SERVICE.—A State commission shall permit an eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than one eligible telecommunications carrier. An eligible telecommunications carrier that seeks to relinquish its eligible telecommunications carrier designation for an area served by more than one eligible telecommunications carrier shall give advance notice to the State commission of such relinquishment. Prior to permitting a telecommunications carrier designated as an eligible telecommunications carrier to cease providing universal service in an area served by more than one eligible telecommunications carrier, the State commission shall require the remaining eligible telecommunications carrier or carriers to ensure that all customers served by the relinquishing carrier will continue to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier. The State commission shall establish a time, not to exceed one year after the State commission approves such relinquishment under this paragraph, within which such purchase or construction shall be completed.

"(5) SERVICE AREA DEFINED.—The term 'service area' means a geographic area established by a State commission for the purpose of determining universal service obligations and support mechanisms. In the case of an area served by a rural telephone company, 'service area' means such company's 'study area' unless and until the Commission and the States, after taking into account recommendations of a Federal-State Joint Board instituted under section 410(c), establish a different definition of service area for such company.".

SEC. 103. EXEMPT TELECOMMUNICATIONS COMPANIES.

The Public Utility Holding Company Act of 1935 (15 U.S.C. 79 and following) is amended by redesignating sections 34 and 35 as sections 35 and 36, respectively, and by inserting the following new section after section 33:

"SEC. 34. EXEMPT TELECOMMUNICATIONS COMPANIES.

"(a) DEFINITIONS.—For purposes of this section—

"(1) EXEMPT TELECOMMUNICATIONS COMPANY.—The term 'exempt telecommunications company' means any person determined by the Federal Communications Commission to be engaged directly or indirectly, wherever located, through one or more affiliates (as defined in section 2(a)(11)(B)), and exclusively in the business of providing—

"(A) telecommunications services;

"(B) information services;

"(C) other services or products subject to the jurisdiction of the Federal Communications Commission; or

"(D) products or services that are related or incidental to the provision of a product or service described in subparagraph (A), (B), or (C).

No person shall be deemed to be an exempt telecommunications company under this section unless such person has applied to the Federal Communications Commission for a determination under this paragraph. A person applying in good faith for such a determination shall be deemed an exempt telecommunications company under this section, with all of the exemptions provided by this section, until the Federal Communications Commission makes such determination. The Federal Communications Commission shall make such determination within 60 days of its receipt of any such application filed after the enactment of this section and shall notify the Commission whenever a determination is made under this paragraph that any person is an exempt telecommunications company. Not later than 12 months after the date of enactment of this section, the Federal Communications Commission shall promulgate rules implementing the provisions of this paragraph which shall be applicable to applications filed under this paragraph after the effective date of such rules.

"(2) OTHER TERMS.—For purposes of this section, the terms 'telecommunications services' and 'information services' shall have the same meanings as provided in the Communications Act of 1934.

"(b) STATE CONSENT FOR SALE OF EXISTING RATE-BASED FACILITIES.—If a rate or charge for the sale of electric energy or natural gas (other than any portion of a rate or charge which represents recovery of the cost of a wholesale rate or charge) for, or in connection with, assets of a public utility company that is an associate company or affiliate of a registered holding company was in effect under the laws of any State as of December 19, 1995, the public utility company owning such assets may not sell such assets to an exempt telecommunications company that is an associate company or affiliate unless State commissions having jurisdiction over such public utility company approve such sale. Nothing in this subsection shall preempt the otherwise applicable authority of any State to approve or disapprove the sale of such assets. The approval of the Commission under this Act shall not be required for the sale of assets as provided in this subsection.

"(c) OWNERSHIP OF ETCS BY EXEMPT HOLDING COMPANIES.—Notwithstanding any provision of this Act, a holding company that is exempt under section 3 of this Act shall be permitted, without condition or limitation under this Act, to acquire and maintain an interest in the business of one or more exempt telecommunications companies.

"(d) OWNERSHIP OF ETCS BY REGISTERED HOLDING COMPANIES.—Notwithstanding any provision of this Act, a registered holding company shall be permitted (without the need to apply for, or receive, approval from the Commission, and otherwise without condition under this Act) to acquire and hold the securities, or an interest in the business, of one or more exempt telecommunications companies.

"(e) FINANCING AND OTHER RELATIONSHIPS BETWEEN ETCS AND REGISTERED HOLDING COMPANIES.—The relationship between an exempt telecommunications company and a registered holding company, its affiliates and associate companies, shall remain subject to the jurisdiction of the Commission under this Act: Provided, That—

"(1) section 11 of this Act shall not prohibit the ownership of an interest in the business of one or more exempt telecommunications companies by a registered holding company (regardless of activities engaged in or where facilities owned or operated by such exempt telecommunications companies are located), and such ownership by a registered holding company shall be deemed consistent with the operation of an integrated public utility system;

"(2) the ownership of an interest in the business of one or more exempt telecommunications companies by a registered holding company (regardless of activities engaged in or where facilities owned or operated by such exempt telecommunications companies are located) shall be considered as reasonably incidental, or economically necessary or appropriate, to the operations of an integrated public utility system;

"(3) the Commission shall have no jurisdiction under this Act over, and there shall be no restriction or approval required under this Act with respect to (A) the issue or sale of a security by a registered holding company for purposes of financing the acquisition of an exempt telecommunications company, or (B) the guarantee of a security of an exempt telecommunications company by a registered holding company; and

"(4) except for costs that should be fairly and equitably allocated among companies that are associate companies of a registered holding company, the Commission shall have no jurisdiction under this Act over the sales, service, and construction contracts between an exempt telecommunications company and a registered holding company, its affiliates and associate companies.

"(f) REPORTING OBLIGATIONS CONCERNING INVESTMENTS AND ACTIVITIES OF REGISTERED PUBLIC-UTILITY HOLDING COMPANY SYSTEMS.—

"(1) OBLIGATIONS TO REPORT INFORMATION.—Any registered holding company or subsidiary thereof that acquires or holds the securities, or an interest in the business, of an exempt telecommunications company shall file with the Commission such information as the Commission, by rule, may prescribe concerning—

"(A) investments and activities by the registered holding company, or any subsidiary thereof, with respect to exempt telecommunications companies, and

"(B) any activities of an exempt telecommunications company within the holding company system,

that are reasonably likely to have a material impact on the financial or operational condition of the holding company system.

"(2) AUTHORITY TO REQUIRE ADDITIONAL INFORMATION.—If, based on reports provided to the Commission pursuant to paragraph (1) of this subsection or other available information, the Commission reasonably concludes that it has concerns regarding the financial or operational condition of any registered holding company or any subsidiary thereof (including an exempt telecommunications company), the Commission may require such registered holding company to make additional reports and provide additional information.

"(3) AUTHORITY TO LIMIT DISCLOSURE OF INFORMATION.—Notwithstanding any other provision of law, the Commission shall not be compelled to disclose any information required to be reported under this subsection. Nothing in this subsection shall authorize the Commission to withhold the information from Congress, or prevent the Commission from complying with a request for information from any other Federal or State department or agency requesting the information for purposes within the scope of its jurisdiction. For purposes of section 552 of title 5, United States Code, this subsection shall be considered a statute described in subsection (b)(3)(B) of such section 552.

"(g) ASSUMPTION OF LIABILITIES.—Any public utility company that is an associate company, or an affiliate, of a registered holding company and that is subject to the jurisdiction of a State commission with respect to its retail electric or gas rates shall not issue any security for the purpose of financing the acquisition, ownership, or operation of an exempt telecommunications company. Any public utility company that is an associate company, or an affiliate, of a registered holding company and that is subject to the jurisdiction of a State commission with respect to its retail electric or gas rates shall not assume any obligation or liability as guarantor, endorser, surety, or otherwise by the public utility company in respect of any security of an exempt telecommunications company.

"(h) PLEDGING OR MORTGAGING OF ASSETS.—Any public utility company that is an associate company, or affiliate, of a registered holding company and that is subject to the jurisdiction of a State commission with respect to its retail electric or gas rates shall not pledge, mortgage, or otherwise use as collateral any assets of the

public utility company or assets of any subsidiary company thereof for the benefit of an exempt telecommunications company.

"(i) PROTECTION AGAINST ABUSIVE AFFILIATE TRANSACTIONS.—A public utility company may enter into a contract to purchase services or products described in subsection (a)(1) from an exempt telecommunications company that is an affiliate or associate company of the public utility company only if—

"(1) every State commission having jurisdiction over the retail rates of such public utility company approves such contract; or

"(2) such public utility company is not subject to State commission retail rate regulation and the purchased services or products—

"(A) would not be resold to any affiliate or associate company; or

"(B) would be resold to an affiliate or associate company and every State commission having jurisdiction over the retail rates of such affiliate or associate company makes the determination required by subparagraph (A).

The requirements of this subsection shall not apply in any case in which the State or the State commission concerned publishes a notice that the State or State commission waives its authority under this subsection.

"(j) NONPREEMPTION OF RATE AUTHORITY.—Nothing in this Act shall preclude the Federal Energy Regulatory Commission or a State commission from exercising its jurisdiction under otherwise applicable law to determine whether a public utility company may recover in rates the costs of products or services purchased from or sold to an associate company or affiliate that is an exempt telecommunications company, regardless of whether such costs are incurred through the direct or indirect purchase or sale of products or services from such associate company or affiliate.

"(k) RECIPROCAL ARRANGEMENTS PROHIBITED.—Reciprocal arrangements among companies that are not affiliates or associate companies of each other that are entered into in order to avoid the provisions of this section are prohibited.

"(l) BOOKS AND RECORDS.—(1) Upon written order of a State commission, a State commission may examine the books, accounts, memoranda, contracts, and records of—

"(A) a public utility company subject to its regulatory authority under State law;

"(B) any exempt telecommunications company selling products or services to such public utility company or to an associate company of such public utility company; and

"(C) any associate company or affiliate of an exempt telecommunications company which sells products or services to a public utility company referred to in subparagraph (A),

wherever located, if such examination is required for the effective discharge of the State commission's regulatory responsibilities affecting the provision of electric or gas service in connection with the activities of such exempt telecommunications company.

"(2) Where a State commission issues an order pursuant to paragraph (1), the State commission shall not publicly disclose trade secrets or sensitive commercial information.

"(3) Any United States district court located in the State in which the State commission referred to in paragraph (1) is located shall have jurisdiction to enforce compliance with this subsection.

"(4) Nothing in this section shall—

"(A) preempt applicable State law concerning the provision of records and other information; or

"(B) in any way limit rights to obtain records and other information under Federal law, contracts, or otherwise.

"(m) INDEPENDENT AUDIT AUTHORITY FOR STATE COMMISSIONS.—

"(1) STATE MAY ORDER AUDIT.—Any State commission with jurisdiction over a public utility company that—

"(A) is an associate company of a registered holding company; and

"(B) transacts business, directly or indirectly, with a subsidiary company, an affiliate or an associate company that is an exempt telecommunications company,

may order an independent audit to be performed, no more frequently than on an annual basis, of all matters deemed relevant by the selected auditor that reasonably relate to retail rates: Provided, That such matters relate, directly or indirectly, to transactions or transfers between the public utility company subject to its jurisdiction and such exempt telecommunications company.

"(2) SELECTION OF FIRM TO CONDUCT AUDIT.—(A) If a State commission orders an audit in accordance with paragraph (1), the public utility company and the State commission shall jointly select, within 60 days, a firm to perform the audit. The firm selected to perform the audit shall possess demonstrated qualifications relating to—

"(i) competency, including adequate technical training and professional proficiency in each discipline necessary to carry out the audit; and

"(ii) independence and objectivity, including that the firm be free from personal or external impairments to independence, and should assume an independent position with the State commission and auditee, making certain that the audit is based upon an impartial consideration of all pertinent facts and responsible opinions.

"(B) The public utility company and the exempt telecommunications company shall cooperate fully with all reasonable requests necessary to perform the audit and the public utility company shall bear all costs of having the audit performed.

"(3) AVAILABILITY OF AUDITOR'S REPORT.—The auditor's report shall be provided to the State commission not later than 6 months after the selection of the auditor, and provided to the public utility company not later than 60 days thereafter.

"(n) APPLICABILITY OF TELECOMMUNICATIONS REGULATION.—Nothing in this section shall affect the authority of the Federal Communications Commission under the Communications Act of 1934, or the authority of State commissions under State laws concerning the provision of telecommunications services, to regulate the activities of an exempt telecommunications company.".

SEC. 104. NONDISCRIMINATION PRINCIPLE.

Section 1 (47 U.S.C. 151) is amended by inserting after "to all the people of the United States" the following: ", without discrimination on the basis of race, color, religion, national origin, or sex,".

Subtitle B—Special Provisions Concerning Bell Operating Companies

SEC. 151. BELL OPERATING COMPANY PROVISIONS.

(a) ESTABLISHMENT OF PART III OF TITLE II.—Title II is amended by adding at the end of part II (as added by section 101) the following new part:

"PART III—SPECIAL PROVISIONS CONCERNING BELL OPERATING COMPANIES

"SEC. 271. BELL OPERATING COMPANY ENTRY INTO INTERLATA SERVICES.

"(a) GENERAL LIMITATION.—Neither a Bell operating company, nor any affiliate of a Bell operating company, may provide interLATA services except as provided in this section.

"(b) INTERLATA SERVICES TO WHICH THIS SECTION APPLIES.—

"(1) IN-REGION SERVICES.—A Bell operating company, or any affiliate of that Bell operating company, may provide interLATA services originating in any of its in-region States (as defined in subsection (i)) if the Commission approves the application of such company for such State under subsection (d)(3).

"(2) OUT-OF-REGION SERVICES.—A Bell operating company, or any affiliate of that Bell operating company, may provide interLATA services originating outside its in-region States after the date of enactment of the Telecommunications Act of 1996, subject to subsection (j).

"(3) INCIDENTAL INTERLATA SERVICES.—A Bell operating company, or any affiliate of a Bell operating company, may provide incidental interLATA services (as defined in subsection (g)) originating in any State after the date of enactment of the Telecommunications Act of 1996.

"(4) TERMINATION.—Nothing in this section prohibits a Bell operating company or any of its affiliates from providing termination for interLATA services, subject to subsection (j).

"(c) REQUIREMENTS FOR PROVIDING CERTAIN IN-REGION INTERLATA SERVICES.—

"(1) AGREEMENT OR STATEMENT.—A Bell operating company meets the requirements of this paragraph if it meets the requirements of subparagraph (A) or subparagraph (B) of this paragraph for each State for which the authorization is sought.

"(A) PRESENCE OF A FACILITIES-BASED COMPETITOR.—A Bell operating company meets the requirements of this subparagraph if it has entered into one or more binding agreements that have been approved under section 252 specifying the terms and conditions under which the Bell operating company is providing access and interconnection to its network facilities for the network facilities of one or more unaffiliated competing providers of telephone exchange service (as defined in section 3(47)(A), but excluding exchange access) to residential and business subscribers. For the purpose of this subparagraph, such telephone exchange service may be offered by such competing providers either exclusively over their own telephone exchange service facilities or predominantly over their own telephone exchange service facilities in combination with the resale of the telecommunications services of another carrier. For the purpose of this subparagraph, services provided pursuant to subpart K of part 22 of the Commission's regulations (47 C.F.R. 22.901 et seq.) shall not be considered to be telephone exchange services.

"(B) FAILURE TO REQUEST ACCESS.—A Bell operating company meets the requirements of this subparagraph if, after 10 months after the date of enactment of the Telecommunications Act of 1996, no such provider has requested the access and interconnection described in subparagraph (A) before the date which is 3 months before the date the company makes its application under subsection (d)(1), and a statement of the terms and conditions that the company generally offers to provide such access and interconnection has been approved or permitted to take effect by the State commission under section 252(f). For purposes of this subparagraph, a Bell operating company shall be considered not to have received any request for access and interconnection if the State commission of such State certifies that the only provider or providers making such a request have (i) failed to negotiate in good faith as required by section 252, or (ii) violated the terms of an agreement approved under section 252 by the provider's failure to comply, within a reasonable period of time, with the implementation schedule contained in such agreement.

"(2) SPECIFIC INTERCONNECTION REQUIREMENTS.—

"(A) AGREEMENT REQUIRED.—A Bell operating company meets the requirements of this paragraph if, within the State for which the authorization is sought—

"(i)(I) such company is providing access and interconnection pursuant to one or more agreements described in paragraph (1)(A), or

"(II) such company is generally offering access and interconnection pursuant to a statement described in paragraph (1)(B), and

"(ii) such access and interconnection meets the requirements of subparagraph (B) of this paragraph.

"(B) COMPETITIVE CHECKLIST.—Access or interconnection provided or generally offered by a Bell operating company to other telecommunications carriers meets the requirements of this subparagraph if such access and interconnection includes each of the following:

"(i) Interconnection in accordance with the requirements of sections 251(c)(2) and 252(d)(1).

"(ii) Nondiscriminatory access to network elements in accordance with the requirements of sections 251(c)(3) and 252(d)(1).

"(iii) Nondiscriminatory access to the poles, ducts, conduits, and rights-of-way owned or controlled by the Bell operating company at just and reasonable rates in accordance with the requirements of section 224.

"(iv) Local loop transmission from the central office to the customer's premises, unbundled from local switching or other services.

"(v) Local transport from the trunk side of a wireline local exchange carrier switch unbundled from switching or other services.

"(vi) Local switching unbundled from transport, local loop transmission, or other services.

"(vii) Nondiscriminatory access to—

"(I) 911 and E911 services;

"(II) directory assistance services to allow the other carrier's customers to obtain telephone numbers; and

"(III) operator call completion services.

"(viii) White pages directory listings for customers of the other carrier's telephone exchange service.

"(ix) Until the date by which telecommunications numbering administration guidelines, plan, or rules are established, nondiscriminatory access to telephone numbers for assignment to the other carrier's telephone exchange service customers. After that date, compliance with such guidelines, plan, or rules.

"(x) Nondiscriminatory access to databases and associated signaling necessary for call routing and completion.

"(xi) Until the date by which the Commission issues regulations pursuant to section 251 to require number portability, interim telecommunications number portability through remote call forwarding, direct inward dialing trunks, or other comparable arrangements, with as little impairment of functioning, quality, reliability, and convenience as possible. After that date, full compliance with such regulations.

"(xii) Nondiscriminatory access to such services or information as are necessary to allow the requesting carrier to implement local dialing parity in accordance with the requirements of section 251(b)(3).

"(xiii) Reciprocal compensation arrangements in accordance with the requirements of section 252(d)(2).

"(xiv) Telecommunications services are available for resale in accordance with the requirements of sections 251(c)(4) and 252(d)(3).

"(d) ADMINISTRATIVE PROVISIONS.—

"(1) APPLICATION TO COMMISSION.—On and after the date of enactment of the Telecommunications Act of 1996, a Bell operating company or its affiliate may apply to the Commission for authorization to provide interLATA services originating in any in-region State. The application shall identify each State for which the authorization is sought.

"(2) CONSULTATION.—

"(A) CONSULTATION WITH THE ATTORNEY GENERAL.—The Commission shall notify the Attorney General promptly of any application under paragraph (1). Before making any determination under this subsection, the Commission shall consult with the Attorney General, and if the Attorney General submits any comments in writing, such comments shall be included in the record of the Commission's decision. In consulting with and submitting comments to the Commission under this paragraph, the Attorney General shall provide to the Commission an evaluation of the application using any standard the Attorney General considers appropriate. The Commission shall give substantial weight to the Attorney General's evaluation, but such evaluation shall not have any preclusive effect on any Commission decision under paragraph (3).

"(B) CONSULTATION WITH STATE COMMISSIONS.—Before making any determination under this subsection, the Commission shall consult with the State commission of any State that is the subject of the application in order to verify the compliance of the Bell operating company with the requirements of subsection (c).

"(3) DETERMINATION.—Not later than 90 days after receiving an application under paragraph (1), the Commission shall issue a written determination approving or denying the authorization requested in the application for each State. The Commission shall not approve the authorization requested in an application submitted under paragraph (1) unless it finds that—

"(A) the petitioning Bell operating company has met the requirements of subsection (c)(1) and—

"(i) with respect to access and interconnection provided pursuant to subsection (c)(1)(A), has fully implemented the competitive checklist in subsection (c)(2)(B); or

"(ii) with respect to access and interconnection generally offered pursuant to a statement under subsection (c)(1)(B), such statement offers all of the items included in the competitive checklist in subsection (c)(2)(B);

"(B) the requested authorization will be carried out in accordance with the requirements of section 272; and

"(C) the requested authorization is consistent with the public interest, convenience, and necessity.

The Commission shall state the basis for its approval or denial of the application.

"(4) LIMITATION ON COMMISSION.—The Commission may not, by rule or otherwise, limit or extend the terms used in the competitive checklist set forth in subsection (c)(2)(B).

"(5) PUBLICATION.—Not later than 10 days after issuing a determination under paragraph (3), the Commission shall publish in the Federal Register a brief description of the determination.

"(6) ENFORCEMENT OF CONDITIONS.—

"(A) COMMISSION AUTHORITY.—If at any time after the approval of an application under paragraph (3), the Commission determines that a Bell operating company has ceased to meet any of the conditions required for such approval, the Commission may, after notice and opportunity for a hearing—

"(i) issue an order to such company to correct the deficiency;

"(ii) impose a penalty on such company pursuant to title V; or

"(iii) suspend or revoke such approval.

"(B) RECEIPT AND REVIEW OF COMPLAINTS.—The Commission shall establish procedures for the review of complaints concerning failures by Bell operating companies to meet conditions required for approval under paragraph (3). Unless the parties otherwise agree, the Commission shall act on such complaint within 90 days.

"(e) LIMITATIONS.—

"(1) JOINT MARKETING OF LOCAL AND LONG DISTANCE SERVICES.—Until a Bell operating company is authorized pursuant to subsection (d) to provide interLATA services in an in-region State, or until 36 months have passed since the date of enactment of the Telecommunications Act of 1996, whichever is earlier, a telecommunications carrier that serves greater than 5 percent of the Nation's presubscribed access lines may not jointly market in such State telephone exchange service obtained from such company pursuant to section 251(c)(4) with interLATA services offered by that telecommunications carrier.

"(2) INTRALATA TOLL DIALING PARITY.—

"(A) PROVISION REQUIRED.—A Bell operating company granted authority to provide interLATA services under subsection (d) shall provide intraLATA toll dialing parity throughout that State coincident with its exercise of that authority.

"(B) LIMITATION.—Except for single-LATA States and States that have issued an order by December 19, 1995, requiring a Bell operating company to implement intraLATA toll dialing parity, a State may not require a Bell operating company to implement intraLATA toll dialing parity in that State before a Bell operating company has been granted authority under this section to provide interLATA services originating in that State or before 3 years after the date of enactment of the Telecommunications Act of 1996, whichever is earlier. Nothing in this subparagraph precludes a State from issuing an order requiring intraLATA toll dialing parity in that State prior to either such date so long as such order does not take effect until after the earlier of either such dates.

"(f) EXCEPTION FOR PREVIOUSLY AUTHORIZED ACTIVITIES.—Neither subsection (a) nor section 273 shall prohibit a Bell operating company or affiliate from engaging, at any time after the date of enactment of the Telecommunications Act of 1996, in any activity to the extent authorized by, and subject to the terms and conditions contained in, an order entered by the United States District Court for the District of Columbia pursuant to section VII or VIII(C) of the AT&T Consent Decree if such order was entered on or before such date of enactment, to the extent such order is not reversed or vacated on appeal. Nothing in this subsection shall be construed to limit, or to impose terms or conditions on, an activity in which a Bell operating company is otherwise authorized to engage under any other provision of this section.

"(g) DEFINITION OF INCIDENTAL INTERLATA SERVICES.—For purposes of this section, the term 'incidental interLATA services' means the interLATA provision by a Bell operating company or its affiliate—

"(1)(A) of audio programming, video programming, or other programming services to subscribers to such services of such company or affiliate;

"(B) of the capability for interaction by such subscribers to select or respond to such audio programming, video programming, or other programming services;

"(C) to distributors of audio programming or video programming that such company or affiliate owns or controls, or is licensed by the copyright owner of such programming (or by an assignee of such owner) to distribute; or

"(D) of alarm monitoring services;

"(2) of two-way interactive video services or Internet services over dedicated facilities to or for elementary and secondary schools as defined in section 254(h)(5);

"(3) of commercial mobile services in accordance with section 332(c) of this Act and with the regulations prescribed by the Commission pursuant to paragraph (8) of such section;

"(4) of a service that permits a customer that is located in one LATA to retrieve stored information from, or file information for storage in, information storage facilities of such company that are located in another LATA;

"(5) of signaling information used in connection with the provision of telephone exchange services or exchange access by a local exchange carrier; or

"(6) of network control signaling information to, and receipt of such signaling information from, common carriers offering interLATA services at any location within the area in which such Bell operating company provides telephone exchange services or exchange access.

"(h) LIMITATIONS.—The provisions of subsection (g) are intended to be narrowly construed. The interLATA services provided under subparagraph (A), (B), or (C) of subsection (g)(1) are limited to those interLATA transmissions incidental to the provision by a Bell operating company or its affiliate of video, audio, and other programming services that the company or its affiliate is engaged in providing to the public. The Commission shall ensure that the provision of services authorized under subsection (g) by a Bell operating company or its affiliate will not adversely affect telephone exchange service ratepayers or competition in any telecommunications market.

"(i) ADDITIONAL DEFINITIONS.—As used in this section—

"(1) IN-REGION STATE.—The term 'in-region State' means a State in which a Bell operating company or any of its affiliates was authorized to provide wireline telephone exchange service pursuant to the reorganization plan approved under the AT&T Consent Decree, as in effect on the day before the date of enactment of the Telecommunications Act of 1996.

"(2) AUDIO PROGRAMMING SERVICES.—The term 'audio programming services' means programming provided by, or generally considered to be comparable to programming provided by, a radio broadcast station.

"(3) VIDEO PROGRAMMING SERVICES; OTHER PROGRAMMING SERVICES.—The terms 'video programming service' and 'other programming services' have the same meanings as such terms have under section 602 of this Act.

"(j) CERTAIN SERVICE APPLICATIONS TREATED AS IN-REGION SERVICE APPLICATIONS.—For purposes of this section, a Bell operating company application to provide 800 service, private line service, or their equivalents that—

"(1) terminate in an in-region State of that Bell operating company, and

"(2) allow the called party to determine the interLATA carrier,

shall be considered an in-region service subject to the requirements of subsection (b)(1).

"SEC. 272. SEPARATE AFFILIATE; SAFEGUARDS.

"(a) SEPARATE AFFILIATE REQUIRED FOR COMPETITIVE ACTIVITIES.—

"(1) IN GENERAL.—A Bell operating company (including any affiliate) which is a local exchange carrier that is subject to the requirements of section 251(c) may not provide any service described in paragraph (2) unless it provides that service through one or more affiliates that—

"(A) are separate from any operating company entity that is subject to the requirements of section 251(c); and

"(B) meet the requirements of subsection (b).

"(2) SERVICES FOR WHICH A SEPARATE AFFILIATE IS REQUIRED.—The services for which a separate affiliate is required by paragraph (1) are:

"(A) Manufacturing activities (as defined in section 273(h)).

"(B) Origination of interLATA telecommunications services, other than—

"(i) incidental interLATA services described in paragraphs (1), (2), (3), (5), and (6) of section 271(g);

"(ii) out-of-region services described in section 271(b)(2); or

"(iii) previously authorized activities described in section 271(f).

"(C) InterLATA information services, other than electronic publishing (as defined in section 274(h)) and alarm monitoring services (as defined in section 275(e)).

"(b) STRUCTURAL AND TRANSACTIONAL REQUIREMENTS.—The separate affiliate required by this section—

"(1) shall operate independently from the Bell operating company;

"(2) shall maintain books, records, and accounts in the manner prescribed by the Commission which shall be separate from the books, records, and accounts maintained by the Bell operating company of which it is an affiliate;

"(3) shall have separate officers, directors, and employees from the Bell operating company of which it is an affiliate;

"(4) may not obtain credit under any arrangement that would permit a creditor, upon default, to have recourse to the assets of the Bell operating company; and

"(5) shall conduct all transactions with the Bell operating company of which it is an affiliate on an arm's length basis with any such transactions reduced to writing and available for public inspection.

"(c) NONDISCRIMINATION SAFEGUARDS.—In its dealings with its affiliate described in subsection (a), a Bell operating company—

"(1) may not discriminate between that company or affiliate and any other entity in the provision or procurement of goods, services, facilities, and information, or in the establishment of standards; and

"(2) shall account for all transactions with an affiliate described in subsection (a) in accordance with accounting principles designated or approved by the Commission.

"(d) BIENNIAL AUDIT.—

"(1) GENERAL REQUIREMENT.—A company required to operate a separate affiliate under this section shall obtain and pay for a joint Federal/State audit every 2 years conducted by an independent auditor to determine whether such company has complied with this section and the regulations promulgated under this section, and particularly whether such company has complied with the separate accounting requirements under subsection (b).

"(2) RESULTS SUBMITTED TO COMMISSION; STATE COMMISSIONS.—The auditor described in paragraph (1) shall submit the results of the audit to the Commission and to the State commission of each State in which the company audited provides service, which shall make such results available for public inspection. Any party may submit comments on the final audit report.

"(3) ACCESS TO DOCUMENTS.—For purposes of conducting audits and reviews under this subsection—

"(A) the independent auditor, the Commission, and the State commission shall have access to the financial accounts and records of each company and of its affiliates necessary to verify transactions conducted with that company that are relevant to the specific activities permitted under this section and that are necessary for the regulation of rates;

"(B) the Commission and the State commission shall have access to the working papers and supporting materials of any auditor who performs an audit under this section; and

"(C) the State commission shall implement appropriate procedures to ensure the protection of any proprietary information submitted to it under this section.

"(e) FULFILLMENT OF CERTAIN REQUESTS.—A Bell operating company and an affiliate that is subject to the requirements of section 251(c)—

"(1) shall fulfill any requests from an unaffiliated entity for telephone exchange service and exchange access within a period no longer than the period in which it provides such telephone exchange service and exchange access to itself or to its affiliates;

"(2) shall not provide any facilities, services, or information concerning its provision of exchange access to the affiliate described in subsection (a) unless such facilities, services, or information are made available to other providers of interLATA services in that market on the same terms and conditions;

"(3) shall charge the affiliate described in subsection (a), or impute to itself (if using the access for its provision of its own services), an amount for access to its telephone exchange service and exchange access that is no less than the amount charged to any unaffiliated interexchange carriers for such service; and

"(4) may provide any interLATA or intraLATA facilities or services to its interLATA affiliate if such services or facilities are made available to all carriers at the same rates and on the same terms and conditions, and so long as the costs are appropriately allocated.

"(f) SUNSET.—

"(1) MANUFACTURING AND LONG DISTANCE.—The provisions of this section (other than subsection (e)) shall cease to apply with respect to the manufacturing activities or the interLATA telecommunications services of a Bell operating company 3 years after the date such Bell operating company or any Bell operating company affiliate is authorized to provide interLATA telecommunications services under section 271(d), unless the Commission extends such 3-year period by rule or order.

"(2) INTERLATA INFORMATION SERVICES.—The provisions of this section (other than subsection (e)) shall cease to apply with respect to the interLATA information services of a Bell operating company 4 years after the date of enactment of the Telecommunications Act of 1996, unless the Commission extends such 4-year period by rule or order.

"(3) PRESERVATION OF EXISTING AUTHORITY.—Nothing in this subsection shall be construed to limit the authority of the Commission under any other section of this Act to prescribe safeguards consistent with the public interest, convenience, and necessity.

"(g) JOINT MARKETING.—

"(1) AFFILIATE SALES OF TELEPHONE EXCHANGE SERVICES.—A Bell operating company affiliate required by this section may not market or sell telephone exchange services provided by the Bell operating company unless that company permits other entities offering the same or similar service to market and sell its telephone exchange services.

"(2) BELL OPERATING COMPANY SALES OF AFFILIATE SERVICES.—A Bell operating company may not market or sell interLATA service provided by an affiliate required by this section within any of its in-region States until such company is authorized to provide interLATA services in such State under section 271(d).

"(3) RULE OF CONSTRUCTION.—The joint marketing and sale of services permitted under this subsection shall not be considered to violate the nondiscrimination provisions of subsection (c).

"(h) TRANSITION.—With respect to any activity in which a Bell operating company is engaged on the date of enactment of the Telecommunications Act of 1996, such company shall have one year from such date of enactment to comply with the requirements of this section.

"SEC. 273. MANUFACTURING BY BELL OPERATING COMPANIES.

"(a) AUTHORIZATION.—A Bell operating company may manufacture and provide telecommunications equipment, and manufacture customer premises equipment, if the Commission authorizes that Bell operating company or any Bell operating company affiliate to provide interLATA services under section 271(d), subject

to the requirements of this section and the regulations prescribed thereunder, except that neither a Bell operating company nor any of its affiliates may engage in such manufacturing in conjunction with a Bell operating company not so affiliated or any of its affiliates.

"(b) COLLABORATION; RESEARCH AND ROYALTY AGREEMENTS.—

"(1) COLLABORATION.—Subsection (a) shall not prohibit a Bell operating company from engaging in close collaboration with any manufacturer of customer premises equipment or telecommunications equipment during the design and development of hardware, software, or combinations thereof related to such equipment.

"(2) CERTAIN RESEARCH ARRANGEMENTS; ROYALTY AGREEMENTS.—Subsection (a) shall not prohibit a Bell operating company from—

"(A) engaging in research activities related to manufacturing, and

"(B) entering into royalty agreements with manufacturers of telecommunications equipment.

"(c) INFORMATION REQUIREMENTS.—

"(1) INFORMATION ON PROTOCOLS AND TECHNICAL REQUIREMENTS.—Each Bell operating company shall, in accordance with regulations prescribed by the Commission, maintain and file with the Commission full and complete information with respect to the protocols and technical requirements for connection with and use of its telephone exchange service facilities. Each such company shall report promptly to the Commission any material changes or planned changes to such protocols and requirements, and the schedule for implementation of such changes or planned changes.

"(2) DISCLOSURE OF INFORMATION.—A Bell operating company shall not disclose any information required to be filed under paragraph (1) unless that information has been filed promptly, as required by regulation by the Commission.

"(3) ACCESS BY COMPETITORS TO INFORMATION.—The Commission may prescribe such additional regulations under this subsection as may be necessary to ensure that manufacturers have access to the information with respect to the protocols and technical requirements for connection with and use of telephone exchange service facilities that a Bell operating company makes available to any manufacturing affiliate or any unaffiliated manufacturer.

"(4) PLANNING INFORMATION.—Each Bell operating company shall provide, to interconnecting carriers providing telephone exchange service, timely information on the planned deployment of telecommunications equipment.

"(d) MANUFACTURING LIMITATIONS FOR STANDARD-SETTING ORGANIZATIONS.—

"(1) APPLICATION TO BELL COMMUNICATIONS RESEARCH OR MANUFACTURERS.—Bell Communications Research, Inc., or any successor entity or affiliate—

"(A) shall not be considered a Bell operating company or a successor or assign of a Bell operating company at such time as it is no longer an affiliate of any Bell operating company; and

"(B) notwithstanding paragraph (3), shall not engage in manufacturing telecommunications equipment or customer premises equipment as long as it is an affiliate of more than 1 otherwise unaffiliated Bell operating company or successor or assign of any such company.

Nothing in this subsection prohibits Bell Communications Research, Inc., or any successor entity, from engaging in any activity in which it is lawfully engaged on the date of enactment of the Telecommunications Act of 1996. Nothing provided in this subsection shall render Bell Communications Research, Inc., or any successor entity, a common carrier under title II of this Act. Nothing in this subsection restricts any manufacturer from engaging in any activity in which it is lawfully engaged on the date of enactment of the Telecommunications Act of 1996.

"(2) PROPRIETARY INFORMATION.—Any entity which establishes standards for telecommunications equipment or customer premises equipment, or generic network requirements for such equipment, or certifies telecommunications equipment or customer premises equipment, shall be prohibited from releasing or otherwise using any proprietary information, designated as such by its owner, in its possession as a result of such activity, for any purpose other than purposes authorized in writing by the owner of such information, even after such entity ceases to be so engaged.

"(3) MANUFACTURING SAFEGUARDS.—(A) Except as prohibited in paragraph (1), and subject to paragraph (6), any entity which certifies telecommunications equipment or customer premises equipment manufactured by an unaffiliated entity shall only manufacture a particular class of telecommunications equipment or customer premises equipment for which it is undertaking or has undertaken, during the previous 18 months, certification activity for such class of equipment through a separate affiliate.

"(B) Such separate affiliate shall—

"(i) maintain books, records, and accounts separate from those of the entity that certifies such equipment, consistent with generally acceptable accounting principles;

"(ii) not engage in any joint manufacturing activities with such entity; and

"(iii) have segregated facilities and separate employees with such entity.

"(C) Such entity that certifies such equipment shall—

"(i) not discriminate in favor of its manufacturing affiliate in the establishment of standards, generic requirements, or product certification;

"(ii) not disclose to the manufacturing affiliate any proprietary information that has been received at any time from an unaffiliated manufacturer, unless authorized in writing by the owner of the information; and

"(iii) not permit any employee engaged in product certification for telecommunications equipment or customer premises equipment to engage jointly in sales or marketing of any such equipment with the affiliated manufacturer.

"(4) STANDARD-SETTING ENTITIES.—Any entity that is not an accredited standards development organization and that establishes industry-wide standards for telecommunications equipment or customer premises equipment, or industry-wide generic network requirements for such equipment, or that certifies telecommunications equipment or customer premises equipment manufactured by an unaffiliated entity, shall—

"(A) establish and publish any industry-wide standard for, industry-wide generic requirement for, or any substantial modification of an existing industry-wide standard or industry-wide generic requirement for, telecommunications equipment or customer premises equipment only in compliance with the following procedure:

"(i) such entity shall issue a public notice of its consideration of a proposed industry-wide standard or industry-wide generic requirement;

"(ii) such entity shall issue a public invitation to interested industry parties to fund and participate in such efforts on a reasonable and nondiscriminatory basis, administered in such a manner as not to unreasonably exclude any interested industry party;

"(iii) such entity shall publish a text for comment by such parties as have agreed to participate in the process pursuant to clause (ii), provide such parties a full opportunity to submit comments, and respond to comments from such parties;

"(iv) such entity shall publish a final text of the industry-wide standard or industry-wide generic requirement, including the comments in their entirety, of any funding party which requests to have its comments so published; and

"(v) such entity shall attempt, prior to publishing a text for comment, to agree with the funding parties as a group on a mutually satisfactory dispute resolution process which such parties shall utilize as their sole recourse in the event of a dispute on technical issues as to which there is disagreement between any funding party and the entity conducting such activities, except that if no dispute resolution process is agreed to by all the parties, a funding party may utilize the dispute resolution procedures established pursuant to paragraph (5) of this subsection;

"(B) engage in product certification for telecommunications equipment or customer premises equipment manufactured by unaffiliated entities only if—

"(i) such activity is performed pursuant to published criteria;

"(ii) such activity is performed pursuant to auditable criteria; and

"(iii) such activity is performed pursuant to available industry-accepted testing methods and standards, where applicable, unless otherwise agreed upon by the parties funding and performing such activity;

"(C) not undertake any actions to monopolize or attempt to monopolize the market for such services; and

"(D) not preferentially treat its own telecommunications equipment or customer premises equipment, or that of its affiliate, over that of any other entity in establishing and publishing industry-wide standards or industry-wide generic requirements for, and in certification of, telecommunications equipment and customer premises equipment.

"(5) ALTERNATE DISPUTE RESOLUTION.—Within 90 days after the date of enactment of the Telecommunications Act of 1996, the Commission shall prescribe a dispute resolution process to be utilized in the event that a dispute resolution process is not agreed upon by all the parties when establishing and publishing any industry-wide standard or industry-wide generic requirement for telecommunications equipment or customer premises equipment, pursuant to paragraph (4)(A)(v). The Commission shall not establish itself as a party to the dispute resolution process. Such dispute resolution process shall permit any funding party to resolve a dispute with the entity conducting the activity that significantly affects such funding party's interests, in an open, nondiscriminatory, and unbiased fashion, within 30 days after the filing of such dispute. Such disputes may be filed within 15 days after the date the funding party receives a response to its comments from the entity conducting the activity. The Commission shall establish penalties to be assessed for delays caused by referral of frivolous disputes to the dispute resolution process.

"(6) SUNSET.—The requirements of paragraphs (3) and (4) shall terminate for the particular relevant activity when the Commission determines that there are alternative sources of industry-wide standards, industry-wide generic requirements, or product certification for a particular class of telecommunications equipment or customer premises equipment available in the United States. Alternative sources shall be deemed to exist when such sources provide commercially viable alternatives that are providing such services to customers. The Commission shall act on any application for such a determination within 90 days after receipt of such application, and shall receive public comment on such application.

"(7) ADMINISTRATION AND ENFORCEMENT AUTHORITY.—For the purposes of administering this subsection and the regulations prescribed thereunder, the Commission shall have the same remedial authority as the Commission has in administering and enforcing the provisions of this

title with respect to any common carrier subject to this Act.

"(8) DEFINITIONS.—For purposes of this subsection:

"(A) The term 'affiliate' shall have the same meaning as in section 3 of this Act, except that, for purposes of paragraph (1)(B)—

"(i) an aggregate voting equity interest in Bell Communications Research, Inc., of at least 5 percent of its total voting equity, owned directly or indirectly by more than 1 otherwise unaffiliated Bell operating company, shall constitute an affiliate relationship; and

"(ii) a voting equity interest in Bell Communications Research, Inc., by any otherwise unaffiliated Bell operating company of less than 1 percent of Bell Communications Research's total voting equity shall not be considered to be an equity interest under this paragraph.

"(B) The term 'generic requirement' means a description of acceptable product attributes for use by local exchange carriers in establishing product specifications for the purchase of telecommunications equipment, customer premises equipment, and software integral thereto.

"(C) The term 'industry-wide' means activities funded by or performed on behalf of local exchange carriers for use in providing wireline telephone exchange service whose combined total of deployed access lines in the United States constitutes at least 30 percent of all access lines deployed by telecommunications carriers in the United States as of the date of enactment of the Telecommunications Act of 1996.

"(D) The term 'certification' means any technical process whereby a party determines whether a product, for use by more than one local exchange carrier, conforms with the specified requirements pertaining to such product.

"(E) The term 'accredited standards development organization' means an entity composed of industry members which has been accredited by an institution vested with the responsibility for standards accreditation by the industry.

"(e) BELL OPERATING COMPANY EQUIPMENT PROCUREMENT AND SALES.—

"(1) NONDISCRIMINATION STANDARDS FOR MANUFACTURING.—In the procurement or awarding of supply contracts for telecommunications equipment, a Bell operating company, or any entity acting on its behalf, for the duration of the requirement for a separate subsidiary including manufacturing under this Act—

"(A) shall consider such equipment, produced or supplied by unrelated persons; and

"(B) may not discriminate in favor of equipment produced or supplied by an affiliate or related person.

"(2) PROCUREMENT STANDARDS.—Each Bell operating company or any entity acting on its behalf shall make procurement decisions and award all supply contracts for equipment, services, and software on the basis of an objective assessment of price, qualify, delivery, and other commercial factors.

"(3) NETWORK PLANNING AND DESIGN.—A Bell operating company shall, to the extent consistent with the antitrust laws, engage in joint network planning and design with local exchange carriers operating in the same area of interest. No participant in such planning shall be allowed to delay the introduction of new technology or the deployment of facilities to provide telecommunications services, and agreement with such other carriers shall not be required as a prerequisite for such introduction or deployment.

"(4) SALES RESTRICTIONS.—Neither a Bell operating company engaged in manufacturing nor a manufacturing affiliate of such a company shall restrict sales to any local exchange carrier of telecommunications equipment, including software integral to the operation of such equipment and related upgrades.

"(5) PROTECTION OF PROPRIETARY INFORMATION.—A Bell operating company and any entity it owns or otherwise controls shall protect the proprietary information submitted for procurement decisions from release not specifically authorized by the owner of such information.

"(f) ADMINISTRATION AND ENFORCEMENT AUTHORITY.—For the purposes of administering and enforcing the provisions of this section and the regulations prescribed thereunder, the Commission shall have the same authority, power, and functions with respect to any Bell operating company or any affiliate thereof as the Commission has in administering and enforcing the provisions of this title with respect to any common carrier subject to this Act.

"(g) ADDITIONAL RULES AND REGULATIONS.—The Commission may prescribe such additional rules and regulations as the Commission determines are necessary to carry out the provisions of this section, and otherwise to prevent discrimination and cross-subsidization in a Bell operating company's dealings with its affiliate and with third parties.

"(h) DEFINITION.—As used in this section, the term 'manufacturing' has the same meaning as such term has under the AT&T Consent Decree.

"SEC. 274. ELECTRONIC PUBLISHING BY BELL OPERATING COMPANIES.

"(a) LIMITATIONS.—No Bell operating company or any affiliate may engage in the provision of electronic publishing that is disseminated by means of such Bell operating company's or any of its affiliates' basic telephone service, except that nothing in this section shall prohibit a separated affiliate or electronic publishing joint venture operated in accordance with this section from engaging in the provision of electronic publishing.

"(b) SEPARATED AFFILIATE OR ELECTRONIC PUBLISHING JOINT VENTURE REQUIREMENTS.—A separated affiliate or electronic publishing joint venture shall be operated independently from the Bell operating company. Such separated affiliate or joint venture and the Bell operating company with which it is affiliated shall—

"(1) maintain separate books, records, and accounts and prepare separate financial statements;

"(2) not incur debt in a manner that would permit a creditor of the separated affiliate or joint venture upon default to have recourse to the assets of the Bell operating company;

"(3) carry out transactions (A) in a manner consistent with such independence, (B) pursuant to written contracts or tariffs that are filed with the Commission and made publicly available, and (C) in a manner that is auditable in accordance with generally accepted auditing standards;

"(4) value any assets that are transferred directly or indirectly from the Bell operating company to a separated affiliate or joint venture, and record any transactions by which such assets are transferred, in accordance with such regulations as may be prescribed by the Commission or a State commission to prevent improper cross subsidies;

"(5) between a separated affiliate and a Bell operating company—

"(A) have no officers, directors, and employees in common after the effective date of this section; and

"(B) own no property in common;

"(6) not use for the marketing of any product or service of the separated affiliate or joint venture, the name, trademarks, or service marks of an existing Bell operating company except for names, trademarks, or service marks that are owned by the entity that owns or controls the Bell operating company;

"(7) not permit the Bell operating company—

"(A) to perform hiring or training of personnel on behalf of a separated affiliate;

"(B) to perform the purchasing, installation, or maintenance of equipment on behalf of a separated affiliate, except for telephone service that it provides under tariff or contract subject to the provisions of this section; or

"(C) to perform research and development on behalf of a separated affiliate;

"(8) each have performed annually a compliance review—

"(A) that is conducted by an independent entity for the purpose of determining compliance during the preceding calendar year with any provision of this section; and

"(B) the results of which are maintained by the separated affiliate or joint venture and the Bell operating company for a period of 5 years subject to review by any lawful authority; and

"(9) within 90 days of receiving a review described in paragraph (8), file a report of any exceptions and corrective action with the Commission and allow any person to inspect and copy such report subject to reasonable safeguards to protect any proprietary information contained in such report from being used for purposes other than to enforce or pursue remedies under this section.

"(c) JOINT MARKETING.—

"(1) IN GENERAL.—Except as provided in paragraph (2)—

"(A) a Bell operating company shall not carry out any promotion, marketing, sales, or advertising for or in conjunction with a separated affiliate; and

"(B) a Bell operating company shall not carry out any promotion, marketing, sales, or advertising for or in conjunction with an affiliate that is related to the provision of electronic publishing.

"(2) PERMISSIBLE JOINT ACTIVITIES.—

"(A) JOINT TELEMARKETING.—A Bell operating company may provide inbound telemarketing or referral services related to the provision of electronic publishing for a separated affiliate, electronic publishing joint venture, affiliate, or unaffiliated electronic publisher, provided that if such services are provided to a separated affiliate, electronic publishing joint venture, or affiliate, such services shall be made available to all electronic publishers on request, on nondiscriminatory terms.

"(B) TEAMING ARRANGEMENTS.—A Bell operating company may engage in nondiscriminatory teaming or business arrangements to engage in electronic publishing with any separated affiliate or with any other electronic publisher if (i) the Bell operating company only provides facilities, services, and basic telephone service information as authorized by this section, and (ii) the Bell operating company does not own such teaming or business arrangement.

"(C) ELECTRONIC PUBLISHING JOINT VENTURES.—A Bell operating company or affiliate may participate on a nonexclusive basis in electronic publishing joint ventures with entities that are not a Bell operating company, affiliate, or separated affiliate to provide electronic publishing services, if the Bell operating company or affiliate has not more than a 50 percent direct or indirect equity interest (or the equivalent thereof) or the right to more than 50 percent of the gross revenues under a revenue sharing or royalty agreement in any electronic publishing joint venture. Officers and employees of a Bell operating company or affiliate participating in an electronic publishing joint venture may not have more than 50 percent of the voting control over the electronic publishing joint venture. In the case of joint ventures with small, local electronic publishers, the Commission for good cause shown may authorize the Bell operating company or affiliate to have a larger equity interest, revenue share, or voting control but not to exceed 80 percent. A Bell operating company participating in an electronic publishing joint venture may provide promotion, marketing, sales, or

advertising personnel and services to such joint venture.

"(d) BELL OPERATING COMPANY REQUIREMENT.—A Bell operating company under common ownership or control with a separated affiliate or electronic publishing joint venture shall provide network access and interconnections for basic telephone service to electronic publishers at just and reasonable rates that are tariffed (so long as rates for such services are subject to regulation) and that are not higher on a per-unit basis than those charged for such services to any other electronic publisher or any separated affiliate engaged in electronic publishing.

"(e) PRIVATE RIGHT OF ACTION.—

"(1) DAMAGES.—Any person claiming that any act or practice of any Bell operating company, affiliate, or separated affiliate constitutes a violation of this section may file a complaint with the Commission or bring suit as provided in section 207 of this Act, and such Bell operating company, affiliate, or separated affiliate shall be liable as provided in section 206 of this Act; except that damages may not be awarded for a violation that is discovered by a compliance review as required by subsection (b)(7) of this section and corrected within 90 days.

"(2) CEASE AND DESIST ORDERS.—In addition to the provisions of paragraph (1), any person claiming that any act or practice of any Bell operating company, affiliate, or separated affiliate constitutes a violation of this section may make application to the Commission for an order to cease and desist such violation or may make application in any district court of the United States of competent jurisdiction for an order enjoining such acts or practices or for an order compelling compliance with such requirement.

"(f) SEPARATED AFFILIATE REPORTING REQUIREMENT.—Any separated affiliate under this section shall file with the Commission annual reports in a form substantially equivalent to the Form 10-K required by regulations of the Securities and Exchange Commission.

"(g) EFFECTIVE DATES.—

"(1) TRANSITION.—Any electronic publishing service being offered to the public by a Bell operating company or affiliate on the date of enactment of the Telecommunications Act of 1996 shall have one year from such date of enactment to comply with the requirements of this section.

"(2) SUNSET.—The provisions of this section shall not apply to conduct occurring after 4 years after the date of enactment of the Telecommunications Act of 1996.

"(h) DEFINITION OF ELECTRONIC PUBLISHING.—

"(1) IN GENERAL.—The term 'electronic publishing' means the dissemination, provision, publication, or sale to an unaffiliated entity or person, of any one or more of the following: news (including sports); entertainment (other than interactive games); business, financial, legal, consumer, or credit materials; editorials, columns, or features; advertising; photos or images; archival or research material; legal notices or public records; scientific, educational, instructional, technical, professional, trade, or other literary materials; or other like or similar information.

"(2) EXCEPTIONS.—The term 'electronic publishing' shall not include the following services:

"(A) Information access, as that term is defined by the AT&T Consent Decree.

"(B) The transmission of information as a common carrier.

"(C) The transmission of information as part of a gateway to an information service that does not involve the generation or alteration of the content of information, including data transmission, address translation, protocol conversion, billing management, introductory information content, and navigational systems that enable users to access electronic publishing services, which do not affect the presentation of such electronic publishing services to users.

"(D) Voice storage and retrieval services, including voice messaging and electronic mail services.

"(E) Data processing or transaction processing services that do not involve the generation or alteration of the content of information.

"(F) Electronic billing or advertising of a Bell operating company's regulated telecommunications services.

"(G) Language translation or data format conversion.

"(H) The provision of information necessary for the management, control, or operation of a telephone company telecommunications system.

"(I) The provision of directory assistance that provides names, addresses, and telephone numbers and does not include advertising.

"(J) Caller identification services.

"(K) Repair and provisioning databases and credit card and billing validation for telephone company operations.

"(L) 911-E and other emergency assistance databases.

"(M) Any other network service of a type that is like or similar to these network services and that does not involve the generation or alteration of the content of information.

"(N) Any upgrades to these network services that do not involve the generation or alteration of the content of information.

"(O) Video programming or full motion video entertainment on demand.

"(i) ADDITIONAL DEFINITIONS.—As used in this section—

"(1) The term 'affiliate' means any entity that, directly or indirectly, owns or controls, is owned or controlled by, or is under common ownership or control with, a Bell operating company. Such term shall not include a separated affiliate.

"(2) The term 'basic telephone service' means any wireline telephone exchange service, or wireline telephone exchange service facility, provided by a Bell operating company in a telephone exchange area, except that such term does not include—

"(A) a competitive wireline telephone exchange service provided in a telephone exchange area where another entity provides a wireline telephone exchange service that was provided on January 1, 1984, or

"(B) a commercial mobile service.

"(3) The term 'basic telephone service information' means network and customer information of a Bell operating company and other information acquired by a Bell operating company as a result of its engaging in the provision of basic telephone service.

"(4) The term 'control' has the meaning that it has in 17 C.F.R. 240.12b-2, the regulations promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) or any successor provision to such section.

"(5) The term 'electronic publishing joint venture' means a joint venture owned by a Bell operating company or affiliate that engages in the provision of electronic publishing which is disseminated by means of such Bell operating company's or any of its affiliates' basic telephone service.

"(6) The term 'entity' means any organization, and includes corporations, partnerships, sole proprietorships, associations, and joint ventures.

"(7) The term 'inbound telemarketing' means the marketing of property, goods, or services by telephone to a customer or potential customer who initiated the call.

"(8) The term 'own' with respect to an entity means to have a direct or indirect equity interest (or the equivalent thereof) of more than 10 percent of an entity, or the right to more than 10 percent of the gross revenues of an entity under a revenue sharing or royalty agreement.

"(9) The term 'separated affiliate' means a corporation under common ownership or control with a Bell operating company that does not own or control a Bell operating company and is not owned or controlled by a Bell operating company and that engages in the provision of electronic publishing which is disseminated by means of such Bell operating company's or any of its affiliates' basic telephone service.

"(10) The term 'Bell operating company' has the meaning provided in section 3, except that such term includes any entity or corporation that is owned or controlled by such a company (as so defined) but does not include an electronic publishing joint venture owned by such an entity or corporation.

"SEC. 275. ALARM MONITORING SERVICES.

"(a) DELAYED ENTRY INTO ALARM MONITORING.—

"(1) PROHIBITION.—No Bell operating company or affiliate thereof shall engage in the provision of alarm monitoring services before the date which is 5 years after the date of enactment of the Telecommunications Act of 1996.

"(2) EXISTING ACTIVITIES.—Paragraph (1) does not prohibit or limit the provision, directly or through an affiliate, of alarm monitoring services by a Bell operating company that was engaged in providing alarm monitoring services as of November 30, 1995, directly or through an affiliate. Such Bell operating company or affiliate may not acquire any equity interest in, or obtain financial control of, any unaffiliated alarm monitoring service entity after November 30, 1995, and until 5 years after the date of enactment of the Telecommunications Act of 1996, except that this sentence shall not prohibit an exchange of customers for the customers of an unaffiliated alarm monitoring service entity.

"(b) NONDISCRIMINATION.—An incumbent local exchange carrier (as defined in section 251(h)) engaged in the provision of alarm monitoring services shall—

"(1) provide nonaffiliated entities, upon reasonable request, with the network services it provides to its own alarm monitoring operations, on nondiscriminatory terms and conditions; and

"(2) not subsidize its alarm monitoring services either directly or indirectly from telephone exchange service operations.

"(c) EXPEDITED CONSIDERATION OF COMPLAINTS.—The Commission shall establish procedures for the receipt and review of complaints concerning violations of subsection (b) or the regulations thereunder that result in material financial harm to a provider of alarm monitoring service. Such procedures shall ensure that the Commission will make a final determination with respect to any such complaint within 120 days after receipt of the complaint. If the complaint contains an appropriate showing that the alleged violation occurred, as determined by the Commission in accordance with such regulations, the Commission shall, within 60 days after receipt of the complaint, order the incumbent local exchange carrier (as defined in section 251(h)) and its affiliates to cease engaging in such violation pending such final determination.

"(d) USE OF DATA.—A local exchange carrier may not record or use in any fashion the occurrence or contents of calls received by providers of alarm monitoring services for the purposes of marketing such services on behalf of such local exchange carrier, or any other entity. Any regulations necessary to enforce this subsection shall be issued initially within 6 months after the date of enactment of the Telecommunications Act of 1996.

"(e) DEFINITION OF ALARM MONITORING SERVICE.—The term 'alarm monitoring service' means

a service that uses a device located at a residence, place of business, or other fixed premises—

"(1) to receive signals from other devices located at or about such premises regarding a possible threat at such premises to life, safety, or property, from burglary, fire, vandalism, bodily injury, or other emergency, and

"(2) to transmit a signal regarding such threat by means of transmission facilities of a local exchange carrier or one of its affiliates to a remote monitoring center to alert a person at such center of the need to inform the customer or another person or police, fire, rescue, security, or public safety personnel of such threat,

but does not include a service that uses a medical monitoring device attached to an individual for the automatic surveillance of an ongoing medical condition.

"SEC. 276. PROVISION OF PAYPHONE SERVICE.

"(a) NONDISCRIMINATION SAFEGUARDS.—After the effective date of the rules prescribed pursuant to subsection (b), any Bell operating company that provides payphone service—

"(1) shall not subsidize its payphone service directly or indirectly from its telephone exchange service operations or its exchange access operations; and

"(2) shall not prefer or discriminate in favor of its payphone service.

"(b) REGULATIONS.—

"(1) CONTENTS OF REGULATIONS.—In order to promote competition among payphone service providers and promote the widespread deployment of payphone services to the benefit of the general public, within 9 months after the date of enactment of the Telecommunications Act of 1996, the Commission shall take all actions necessary (including any reconsideration) to prescribe regulations that—

"(A) establish a per call compensation plan to ensure that all payphone service providers are fairly compensated for each and every completed intrastate and interstate call using their payphone, except that emergency calls and telecommunications relay service calls for hearing disabled individuals shall not be subject to such compensation;

"(B) discontinue the intrastate and interstate carrier access charge payphone service elements and payments in effect on such date of enactment, and all intrastate and interstate payphone subsidies from basic exchange and exchange access revenues, in favor of a compensation plan as specified in subparagraph (A);

"(C) prescribe a set of nonstructural safeguards for Bell operating company payphone service to implement the provisions of paragraphs (1) and (2) of subsection (a), which safeguards shall, at a minimum, include the nonstructural safeguards equal to those adopted in the Computer Inquiry-III (CC Docket No. 90–623) proceeding;

"(D) provide for Bell operating company payphone service providers to have the same right that independent payphone providers have to negotiate with the location provider on the location provider's selecting and contracting with, and, subject to the terms of any agreement with the location provider, to select and contract with, the carriers that carry interLATA calls from their payphones, unless the Commission determines in the rulemaking pursuant to this section that it is not in the public interest; and

"(E) provide for all payphone service providers to have the right to negotiate with the location provider on the location provider's selecting and contracting with, and, subject to the terms of any agreement with the location provider, to select and contract with, the carriers that carry intraLATA calls from their payphones.

"(2) PUBLIC INTEREST TELEPHONES.—In the rulemaking conducted pursuant to paragraph (1), the Commission shall determine whether public interest payphones, which are provided in the interest of public health, safety, and welfare, in locations where there would otherwise not be a payphone, should be maintained, and if so, ensure that such public interest payphones are supported fairly and equitably.

"(3) EXISTING CONTRACTS.—Nothing in this section shall affect any existing contracts between location providers and payphone service providers or interLATA or intraLATA carriers that are in force and effect as of the date of enactment of the Telecommunications Act of 1996.

"(c) STATE PREEMPTION.—To the extent that any State requirements are inconsistent with the Commission's regulations, the Commission's regulations on such matters shall preempt such State requirements.

"(d) DEFINITION.—As used in this section, the term 'payphone service' means the provision of public or semi-public pay telephones, the provision of inmate telephone service in correctional institutions, and any ancillary services.".

(b) REVIEW OF ENTRY DECISIONS.—Section 402(b) (47 U.S.C. 402(b)) is amended—

(1) in paragraph (6), by striking "(3), and (4)" and inserting "(3), (4), and (9)"; and

(2) by adding at the end the following new paragraph:

"(9) By any applicant for authority to provide interLATA services under section 271 of this Act whose application is denied by the Commission.".

TITLE II—BROADCAST SERVICES

SEC. 201. BROADCAST SPECTRUM FLEXIBILITY.

Title III is amended by inserting after section 335 (47 U.S.C. 335) the following new section:

"SEC. 336. BROADCAST SPECTRUM FLEXIBILITY.

"(a) COMMISSION ACTION.—If the Commission determines to issue additional licenses for advanced television services, the Commission—

"(1) should limit the initial eligibility for such licenses to persons that, as of the date of such issuance, are licensed to operate a television broadcast station or hold a permit to construct such a station (or both); and

"(2) shall adopt regulations that allow the holders of such licenses to offer such ancillary or supplementary services on designated frequencies as may be consistent with the public interest, convenience, and necessity.

"(b) CONTENTS OF REGULATIONS.—In prescribing the regulations required by subsection (a), the Commission shall—

"(1) only permit such licensee or permittee to offer ancillary or supplementary services if the use of a designated frequency for such services is consistent with the technology or method designated by the Commission for the provision of advanced television services;

"(2) limit the broadcasting of ancillary or supplementary services on designated frequencies so as to avoid derogation of any advanced television services, including high definition television broadcasts, that the Commission may require using such frequencies;

"(3) apply to any other ancillary or supplementary service such of the Commission's regulations as are applicable to the offering of analogous services by any other person, except that no ancillary or supplementary service shall have any rights to carriage under section 614 or 615 or be deemed a multichannel video programming distributor for purposes of section 628;

"(4) adopt such technical and other requirements as may be necessary or appropriate to assure the quality of the signal used to provide advanced television services, and may adopt regulations that stipulate the minimum number of hours per day that such signal must be transmitted; and

"(5) prescribe such other regulations as may be necessary for the protection of the public interest, convenience, and necessity.

"(c) RECOVERY OF LICENSE.—If the Commission grants a license for advanced television services to a person that, as of the date of such issuance, is licensed to operate a television broadcast station or holds a permit to construct such a station (or both), the Commission shall, as a condition of such license, require that either the additional license or the original license held by the licensee be surrendered to the Commission for reallocation or reassignment (or both) pursuant to Commission regulation.

"(d) PUBLIC INTEREST REQUIREMENT.—Nothing in this section shall be construed as relieving a television broadcasting station from its obligation to serve the public interest, convenience, and necessity. In the Commission's review of any application for renewal of a broadcast license for a television station that provides ancillary or supplementary services, the television licensee shall establish that all of its program services on the existing or advanced television spectrum are in the public interest. Any violation of the Commission rules applicable to ancillary or supplementary services shall reflect upon the licensee's qualifications for renewal of its license.

"(e) FEES.—

"(1) SERVICES TO WHICH FEES APPLY.—If the regulations prescribed pursuant to subsection (a) permit a licensee to offer ancillary or supplementary services on a designated frequency—

"(A) for which the payment of a subscription fee is required in order to receive such services, or

"(B) for which the licensee directly or indirectly receives compensation from a third party in return for transmitting material furnished by such third party (other than commercial advertisements used to support broadcasting for which a subscription fee is not required),

the Commission shall establish a program to assess and collect from the licensee for such designated frequency an annual fee or other schedule or method of payment that promotes the objectives described in subparagraphs (A) and (B) of paragraph (2).

"(2) COLLECTION OF FEES.—The program required by paragraph (1) shall—

"(A) be designed (i) to recover for the public a portion of the value of the public spectrum resource made available for such commercial use, and (ii) to avoid unjust enrichment through the method employed to permit such uses of that resource;

"(B) recover for the public an amount that, to the extent feasible, equals but does not exceed (over the term of the license) the amount that would have been recovered had such services been licensed pursuant to the provisions of section 309(j) of this Act and the Commission's regulations thereunder; and

"(C) be adjusted by the Commission from time to time in order to continue to comply with the requirements of this paragraph.

"(3) TREATMENT OF REVENUES.—

"(A) GENERAL RULE.—Except as provided in subparagraph (B), all proceeds obtained pursuant to the regulations required by this subsection shall be deposited in the Treasury in accordance with chapter 33 of title 31, United States Code.

"(B) RETENTION OF REVENUES.—Notwithstanding subparagraph (A), the salaries and expenses account of the Commission shall retain as an offsetting collection such sums as may be necessary from such proceeds for the costs of developing and implementing the program required by this section and regulating and supervising advanced television services. Such offsetting collections shall be available for obligation subject to the terms and conditions of the receiving appropriations account, and shall be deposited in such accounts on a quarterly basis.

"(4) REPORT.—Within 5 years after the date of enactment of the Telecommunications Act of

1996, the Commission shall report to the Congress on the implementation of the program required by this subsection, and shall annually thereafter advise the Congress on the amounts collected pursuant to such program.

"(f) EVALUATION.—Within 10 years after the date the Commission first issues additional licenses for advanced television services, the Commission shall conduct an evaluation of the advanced television services program. Such evaluation shall include—

"(1) an assessment of the willingness of consumers to purchase the television receivers necessary to receive broadcasts of advanced television services;

"(2) an assessment of alternative uses, including public safety use, of the frequencies used for such broadcasts; and

"(3) the extent to which the Commission has been or will be able to reduce the amount of spectrum assigned to licensees.

"(g) DEFINITIONS.—As used in this section:

"(1) ADVANCED TELEVISION SERVICES.—The term 'advanced television services' means television services provided using digital or other advanced technology as further defined in the opinion, report, and order of the Commission entitled 'Advanced Television Systems and Their Impact Upon the Existing Television Broadcast Service', MM Docket 87-268, adopted September 17, 1992, and successor proceedings.

"(2) DESIGNATED FREQUENCIES.—The term 'designated frequency' means each of the frequencies designated by the Commission for licenses for advanced television services.

"(3) HIGH DEFINITION TELEVISION.—The term 'high definition television' refers to systems that offer approximately twice the vertical and horizontal resolution of receivers generally available on the date of enactment of the Telecommunications Act of 1996, as further defined in the proceedings described in paragraph (1) of this subsection.".

SEC. 202. BROADCAST OWNERSHIP.

(a) NATIONAL RADIO STATION OWNERSHIP RULE CHANGES REQUIRED.—The Commission shall modify section 73.3555 of its regulations (47 C.F.R. 73.3555) by eliminating any provisions limiting the number of AM or FM broadcast stations which may be owned or controlled by one entity nationally.

(b) LOCAL RADIO DIVERSITY.—

(1) APPLICABLE CAPS.—The Commission shall revise section 73.3555(a) of its regulations (47 C.F.R. 73.3555) to provide that—

(A) in a radio market with 45 or more commercial radio stations, a party may own, operate, or control up to 8 commercial radio stations, not more than 5 of which are in the same service (AM or FM);

(B) in a radio market with between 30 and 44 (inclusive) commercial radio stations, a party may own, operate, or control up to 7 commercial radio stations, not more than 4 of which are in the same service (AM or FM);

(C) in a radio market with between 15 and 29 (inclusive) commercial radio stations, a party may own, operate, or control up to 6 commercial radio stations, not more than 4 of which are in the same service (AM or FM); and

(D) in a radio market with 14 or fewer commercial radio stations, a party may own, operate, or control up to 5 commercial radio stations, not more than 3 of which are in the same service (AM or FM), except that a party may not own, operate, or control more than 50 percent of the stations in such market.

(2) EXCEPTION.—Notwithstanding any limitation authorized by this subsection, the Commission may permit a person or entity to own, operate, or control, or have a cognizable interest in, radio broadcast stations if the Commission determines that such ownership, operation, control, or interest will result in an increase in the number of radio broadcast stations in operation.

(c) TELEVISION OWNERSHIP LIMITATIONS.—

(1) NATIONAL OWNERSHIP LIMITATIONS.—The Commission shall modify its rules for multiple ownership set forth in section 73.3555 of its regulations (47 C.F.R. 73.3555)—

(A) by eliminating the restrictions on the number of television stations that a person or entity may directly or indirectly own, operate, or control, or have a cognizable interest in, nationwide; and

(B) by increasing the national audience reach limitation for television stations to 35 percent.

(2) LOCAL OWNERSHIP LIMITATIONS.—The Commission shall conduct a rulemaking proceeding to determine whether to retain, modify, or eliminate its limitations on the number of television stations that a person or entity may own, operate, or control, or have a cognizable interest in, within the same television market.

(d) RELAXATION OF ONE-TO-A-MARKET.—With respect to its enforcement of its one-to-a-market ownership rules under section 73.3555 of its regulations, the Commission shall extend its waiver policy to any of the top 50 markets, consistent with the public interest, convenience, and necessity.

(e) DUAL NETWORK CHANGES.—The Commission shall revise section 73.658(g) of its regulations (47 C.F.R. 658(g)) to permit a television broadcast station to affiliate with a person or entity that maintains 2 or more networks of television broadcast stations unless such dual or multiple networks are composed of—

(1) two or more persons or entities that, on the date of enactment of the Telecommunications Act of 1996, are "networks" as defined in section 73.3613(a)(1) of the Commission's regulations (47 C.F.R. 73.3613(a)(1)); or

(2) any network described in paragraph (1) and an English-language program distribution service that, on such date, provides 4 or more hours of programming per week on a national basis pursuant to network affiliation arrangements with local television broadcast stations in markets reaching more than 75 percent of television homes (as measured by a national ratings service).

(f) CABLE CROSS OWNERSHIP.—

(1) ELIMINATION OF RESTRICTIONS.—The Commission shall revise section 76.501 of its regulations (47 C.F.R. 76.501) to permit a person or entity to own or control a network of broadcast stations and a cable system.

(2) SAFEGUARDS AGAINST DISCRIMINATION.—The Commission shall revise such regulations if necessary to ensure carriage, channel positioning, and nondiscriminatory treatment of nonaffiliated broadcast stations by a cable system described in paragraph (1).

(g) LOCAL MARKETING AGREEMENTS.—Nothing in this section shall be construed to prohibit the origination, continuation, or renewal of any television local marketing agreement that is in compliance with the regulations of the Commission.

(h) FURTHER COMMISSION REVIEW.—The Commission shall review its rules adopted pursuant to this section and all of its ownership rules biennially as part of its regulatory reform review under section 11 of the Communications Act of 1934 and shall determine whether any of such rules are necessary in the public interest as the result of competition. The Commission shall repeal or modify any regulation it determines to be no longer in the public interest.

(i) ELIMINATION OF STATUTORY RESTRICTION.—Section 613(a) (47 U.S.C. 533(a)) is amended—

(1) by striking paragraph (1);

(2) by redesignating paragraph (2) as subsection (a);

(3) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively;

(4) by striking "and" at the end of paragraph (1) (as so redesignated);

(5) by striking the period at the end of paragraph (2) (as so redesignated) and inserting "; and"; and

(6) by adding at the end the following new paragraph:

"(3) shall not apply the requirements of this subsection to any cable operator in any franchise area in which a cable operator is subject to effective competition as determined under section 623(l).".

SEC. 203. TERM OF LICENSES.

Section 307(c) (47 U.S.C. 307(c)) is amended to read as follows:

"(c) TERMS OF LICENSES.—

"(1) INITIAL AND RENEWAL LICENSES.—Each license granted for the operation of a broadcasting station shall be for a term of not to exceed 8 years. Upon application therefor, a renewal of such license may be granted from time to time for a term of not to exceed 8 years from the date of expiration of the preceding license, if the Commission finds that public interest, convenience, and necessity would be served thereby. Consistent with the foregoing provisions of this subsection, the Commission may by rule prescribe the period or periods for which licenses shall be granted and renewed for particular classes of stations, but the Commission may not adopt or follow any rule which would preclude it, in any case involving a station of a particular class, from granting or renewing a license for a shorter period than that prescribed for stations of such class if, in its judgment, the public interest, convenience, or necessity would be served by such action.

"(2) MATERIALS IN APPLICATION.—In order to expedite action on applications for renewal of broadcasting station licenses and in order to avoid needless expense to applicants for such renewals, the Commission shall not require any such applicant to file any information which previously has been furnished to the Commission or which is not directly material to the considerations that affect the granting or denial of such application, but the Commission may require any new or additional facts it deems necessary to make its findings.

"(3) CONTINUATION PENDING DECISION.—Pending any hearing and final decision on such an application and the disposition of any petition for rehearing pursuant to section 405, the Commission shall continue such license in effect.".

SEC. 204. BROADCAST LICENSE RENEWAL PROCEDURES.

(a) RENEWAL PROCEDURES.—

(1) AMENDMENT.—Section 309 (47 U.S.C. 309) is amended by adding at the end thereof the following new subsection:

"(k) BROADCAST STATION RENEWAL PROCEDURES.—

"(1) STANDARDS FOR RENEWAL.—If the licensee of a broadcast station submits an application to the Commission for renewal of such license, the Commission shall grant the application if it finds, with respect to that station, during the preceding term of its license—

"(A) the station has served the public interest, convenience, and necessity;

"(B) there have been no serious violations by the licensee of this Act or the rules and regulations of the Commission; and

"(C) there have been no other violations by the licensee of this Act or the rules and regulations of the Commission which, taken together, would constitute a pattern of abuse.

"(2) CONSEQUENCE OF FAILURE TO MEET STANDARD.—If any licensee of a broadcast station fails to meet the requirements of this subsection, the Commission may deny the application for renewal in accordance with paragraph (3), or grant such application on terms and conditions as are appropriate, including renewal for a term less than the maximum otherwise permitted.

"(3) STANDARDS FOR DENIAL.—If the Commission determines, after notice and opportunity for a hearing as provided in subsection (e), that a licensee has failed to meet the requirements specified in paragraph (1) and that no mitigating factors justify the imposition of lesser sanctions, the Commission shall—

"(A) issue an order denying the renewal application filed by such licensee under section 308; and

"(B) only thereafter accept and consider such applications for a construction permit as may be filed under section 308 specifying the channel or broadcasting facilities of the former licensee.

"(4) COMPETITOR CONSIDERATION PROHIBITED.—In making the determinations specified in paragraph (1) or (2), the Commission shall not consider whether the public interest, convenience, and necessity might be served by the grant of a license to a person other than the renewal applicant.".

(2) CONFORMING AMENDMENT.—Section 309(d) (47 U.S.C. 309(d)) is amended by inserting after "with subsection (a)" each place it appears the following: "(or subsection (k) in the case of renewal of any broadcast station license)".

(b) SUMMARY OF COMPLAINTS ON VIOLENT PROGRAMMING.—Section 308 (47 U.S.C. 308) is amended by adding at the end the following new subsection:

"(d) SUMMARY OF COMPLAINTS.—Each applicant for the renewal of a commercial or noncommercial television license shall attach as an exhibit to the application a summary of written comments and suggestions received from the public and maintained by the licensee (in accordance with Commission regulations) that comment on the applicant's programming, if any, and that are characterized by the commentor as constituting violent programming.".

(c) EFFECTIVE DATE.—The amendments made by this section apply to applications filed after May 1, 1995.

SEC. 205. DIRECT BROADCAST SATELLITE SERVICE.

(a) DBS SIGNAL SECURITY.—Section 705(e)(4) (47 U.S.C. 605(e)(4)) is amended by inserting "or direct-to-home satellite services," after "programming,".

(b) FCC JURISDICTION OVER DIRECT-TO-HOME SATELLITE SERVICES.—Section 303 (47 U.S.C. 303) is amended by adding at the end thereof the following new subsection:

"(v) Have exclusive jurisdiction to regulate the provision of direct-to-home satellite services. As used in this subsection, the term 'direct-to-home satellite services' means the distribution or broadcasting of programming or services by satellite directly to the subscriber's premises without the use of ground receiving or distribution equipment, except at the subscriber's premises or in the uplink process to the satellite.".

SEC. 206. AUTOMATED SHIP DISTRESS AND SAFETY SYSTEMS.

Part II of title III is amended by inserting after section 364 (47 U.S.C. 362) the following new section:

"SEC. 365. AUTOMATED SHIP DISTRESS AND SAFETY SYSTEMS.

"Notwithstanding any provision of this Act or any other provision of law or regulation, a ship documented under the laws of the United States operating in accordance with the Global Maritime Distress and Safety System provisions of the Safety of Life at Sea Convention shall not be required to be equipped with a radio telegraphy station operated by one or more radio officers or operators. This section shall take effect for each vessel upon a determination by the United States Coast Guard that such vessel has the equipment required to implement the Global Maritime Distress and Safety System installed and operating in good working condition.".

SEC. 207. RESTRICTIONS ON OVER-THE-AIR RECEPTION DEVICES.

Within 180 days after the date of enactment of this Act, the Commission shall, pursuant to section 303 of the Communications Act of 1934, promulgate regulations to prohibit restrictions that impair a viewer's ability to receive video programming services through devices designed for over-the-air reception of television broadcast signals, multichannel multipoint distribution service, or direct broadcast satellite services.

TITLE III—CABLE SERVICES

SEC. 301. CABLE ACT REFORM.

(a) DEFINITIONS.—

(1) DEFINITION OF CABLE SERVICE.—Section 602(6)(B) (47 U.S.C. 522(6)(B)) is amended by inserting "or use" after "the selection".

(2) CHANGE IN DEFINITION OF CABLE SYSTEM.—Section 602(7) (47 U.S.C. 522(7)) is amended by striking "(B) a facility that serves only subscribers in 1 or more multiple unit dwellings under common ownership, control, or management, unless such facility or facilities uses any public right-of-way;" and inserting "(B) a facility that serves subscribers without using any public right-of-way;".

(b) RATE DEREGULATION.—

(1) UPPER TIER REGULATION.—Section 623(c) (47 U.S.C. 543(c)) is amended—

(A) in paragraph (1)(B), by striking "subscriber, franchising authority, or other relevant State or local government entity" and inserting "franchising authority (in accordance with paragraph (3))";

(B) in paragraph (1)(C), by striking "such complaint" and inserting "the first complaint filed with the franchising authority under paragraph (3)"; and

(C) by striking paragraph (3) and inserting the following:

"(3) REVIEW OF RATE CHANGES.—The Commission shall review any complaint submitted by a franchising authority after the date of enactment of the Telecommunications Act of 1996 concerning an increase in rates for cable programming services and issue a final order within 90 days after it receives such a complaint, unless the parties agree to extend the period for such review. A franchising authority may not file a complaint under this paragraph unless, within 90 days after such increase becomes effective it receives subscriber complaints.

"(4) SUNSET OF UPPER TIER RATE REGULATION.—This subsection shall not apply to cable programming services provided after March 31, 1999.".

(2) SUNSET OF UNIFORM RATE STRUCTURE IN MARKETS WITH EFFECTIVE COMPETITION.—Section 623(d) (47 U.S.C. 543(d)) is amended by adding at the end thereof the following: "This subsection does not apply to (1) a cable operator with respect to the provision of cable service over its cable system in any geographic area in which the video programming services offered by the operator in that area are subject to effective competition, or (2) any video programming offered on a per channel or per program basis. Bulk discounts to multiple dwelling units shall not be subject to this subsection, except that a cable operator of a cable system that is not subject to effective competition may not charge predatory prices to a multiple dwelling unit. Upon a prima facie showing by a complainant that there are reasonable grounds to believe that the discounted price is predatory, the cable system shall have the burden of showing that its discounted price is not predatory.".

(3) EFFECTIVE COMPETITION.—Section 623(l)(1) (47 U.S.C. 543(l)(1)) is amended—

(A) by striking "or" at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting "; or"; and

(C) by adding at the end the following:

"(D) a local exchange carrier or its affiliate (or any multichannel video programming distributor using the facilities of such carrier or its affiliate) offers video programming services directly to subscribers by any means (other than direct-to-home satellite services) in the franchise area of an unaffiliated cable operator which is providing cable service in that franchise area, but only if the video programming services so offered in that area are comparable to the video programming services provided by the unaffiliated cable operator in that area."

(c) GREATER DEREGULATION FOR SMALLER CABLE COMPANIES.—Section 623 (47 U.S.C 543) is amended by adding at the end thereof the following:

"(m) SPECIAL RULES FOR SMALL COMPANIES.—

"(1) IN GENERAL.—Subsections (a), (b), and (c) do not apply to a small cable operator with respect to—

"(A) cable programming services, or

"(B) a basic service tier that was the only service tier subject to regulation as of December 31, 1994,

in any franchise area in which that operator services 50,000 or fewer subscribers.

"(2) DEFINITION OF SMALL CABLE OPERATOR.—For purposes of this subsection, the term 'small cable operator' means a cable operator that, directly or through an affiliate, serves in the aggregate fewer than 1 percent of all subscribers in the United States and is not affiliated with any entity or entities whose gross annual revenues in the aggregate exceed $250,000,000.".

(d) MARKET DETERMINATIONS.—

(1) MARKET DETERMINATIONS; EXPEDITED DECISIONMAKING.—Section 614(h)(1)(C) (47 U.S.C. 534(h)(1)(C)) is amended—

(A) by striking "in the manner provided in section 73.3555(d)(3)(i) of title 47, Code of Federal Regulations, as in effect on May 1, 1991," in clause (i) and inserting "by the Commission by regulation or order using, where available, commercial publications which delineate television markets based on viewing patterns,"; and

(B) by striking clause (iv) and inserting the following:

"(iv) Within 120 days after the date on which a request is filed under this subparagraph (or 120 days after the date of enactment of the Telecommunications Act of 1996, if later), the Commission shall grant or deny the request.".

(2) APPLICATION TO PENDING REQUESTS.—The amendment made by paragraph (1) shall apply to—

(A) any request pending under section 614(h)(1)(C) of the Communications Act of 1934 (47 U.S.C. 534(h)(1)(C)) on the date of enactment of this Act; and

(B) any request filed under that section after that date.

(e) TECHNICAL STANDARDS.—Section 624(e) (47 U.S.C. 544(e)) is amended by striking the last two sentences and inserting the following: "No State or franchising authority may prohibit, condition, or restrict a cable system's use of any type of subscriber equipment or any transmission technology.".

(f) CABLE EQUIPMENT COMPATIBILITY.—Section 624A (47 U.S.C. 544A) is amended—

(1) in subsection (a) by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting "; and"; and by adding at the end the following new paragraph:

"(4) compatibility among televisions, video cassette recorders, and cable systems can be assured with narrow technical standards that mandate a minimum degree of common design and operation, leaving all features, functions, protocols, and other product and service options for selection through open competition in the market.";

(2) in subsection (c)(1)—

(A) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively; and

(B) by inserting before such redesignated subparagraph (B) the following new subparagraph:

"(A) the need to maximize open competition in the market for all features, functions, protocols, and other product and service options of converter boxes and other cable converters unrelated to the descrambling or decryption of cable television signals;"; and

(3) in subsection (c)(2)—

(A) by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively; and

(B) by inserting after subparagraph (C) the following new subparagraph:

"(D) to ensure that any standards or regulations developed under the authority of this section to ensure compatibility between televisions, video cassette recorders, and cable systems do not affect features, functions, protocols, and other product and service options other than those specified in paragraph (1)(B), including telecommunications interface equipment, home automation communications, and computer network services;".

(g) SUBSCRIBER NOTICE.—Section 632 (47 U.S.C. 552) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

"(c) SUBSCRIBER NOTICE.—A cable operator may provide notice of service and rate changes to subscribers using any reasonable written means at its sole discretion. Notwithstanding section 623(b)(6) or any other provision of this Act, a cable operator shall not be required to provide prior notice of any rate change that is the result of a regulatory fee, franchise fee, or any other fee, tax, assessment, or charge of any kind imposed by any Federal agency, State, or franchising authority on the transaction between the operator and the subscriber.".

(h) PROGRAM ACCESS.—Section 628 (47 U.S.C. 548) is amended by adding at the end the following:

"(j) COMMON CARRIERS.—Any provision that applies to a cable operator under this section shall apply to a common carrier or its affiliate that provides video programming by any means directly to subscribers. Any such provision that applies to a satellite cable programming vendor in which a cable operator has an attributable interest shall apply to any satellite cable programming vendor in which such common carrier has an attributable interest. For the purposes of this subsection, two or fewer common officers or directors shall not by itself establish an attributable interest by a common carrier in a satellite cable programming vendor (or its parent company).".

(i) ANTITRAFFICKING.—Section 617 (47 U.S.C. 537) is amended—

(1) by striking subsections (a) through (d); and

(2) in subsection (e), by striking "(e)" and all that follows through "a franchising authority" and inserting "A franchising authority".

(j) AGGREGATION OF EQUIPMENT COSTS.—Section 623(a) (47 U.S.C. 543(a)) is amended by adding at the end the following new paragraph:

"(7) AGGREGATION OF EQUIPMENT COSTS.—

"(A) IN GENERAL.—The Commission shall allow cable operators, pursuant to any rules promulgated under subsection (b)(3), to aggregate, on a franchise, system, regional, or company level, their equipment costs into broad categories, such as converter boxes, regardless of the varying levels of functionality of the equipment within each such broad category. Such aggregation shall not be permitted with respect to equipment used by subscribers who receive only a rate regulated basic service tier.

"(B) REVISION TO COMMISSION RULES; FORMS.—Within 120 days of the date of enactment of the Telecommunications Act of 1996, the Commission shall issue revisions to the appropriate rules and forms necessary to implement subparagraph (A).".

(k) TREATMENT OF PRIOR YEAR LOSSES.—

(1) AMENDMENT.—Section 623 (48 U.S.C. 543) is amended by adding at the end thereof the following:

"(n) TREATMENT OF PRIOR YEAR LOSSES.—Notwithstanding any other provision of this section or of section 612, losses associated with a cable system (including losses associated with the grant or award of a franchise) that were incurred prior to September 4, 1992, with respect to a cable system that is owned and operated by the original franchisee of such system shall not be disallowed, in whole or in part, in the determination of whether the rates for any tier of service or any type of equipment that is subject to regulation under this section are lawful.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on the date of enactment of this Act and shall be applicable to any rate proposal filed on or after September 4, 1993, upon which no final action has been taken by December 1, 1995.

SEC. 302. CABLE SERVICE PROVIDED BY TELEPHONE COMPANIES.

(a) PROVISIONS FOR REGULATION OF CABLE SERVICE PROVIDED BY TELEPHONE COMPANIES.—Title VI (47 U.S.C. 521 et seq.) is amended by adding at the end the following new part:

"PART V—VIDEO PROGRAMMING SERVICES PROVIDED BY TELEPHONE COMPANIES

"SEC. 651. REGULATORY TREATMENT OF VIDEO PROGRAMMING SERVICES.

"(a) LIMITATIONS ON CABLE REGULATION.—

"(1) RADIO-BASED SYSTEMS.—To the extent that a common carrier (or any other person) is providing video programming to subscribers using radio communication, such carrier (or other person) shall be subject to the requirements of title III and section 652, but shall not otherwise be subject to the requirements of this title.

"(2) COMMON CARRIAGE OF VIDEO TRAFFIC.—To the extent that a common carrier is providing transmission of video programming on a common carrier basis, such carrier shall be subject to the requirements of title II and section 652, but shall not otherwise be subject to the requirements of this title. This paragraph shall not affect the treatment under section 602(7)(C) of a facility of a common carrier as a cable system.

"(3) CABLE SYSTEMS AND OPEN VIDEO SYSTEMS.—To the extent that a common carrier is providing video programming to its subscribers in any manner other than that described in paragraphs (1) and (2)—

"(A) such carrier shall be subject to the requirements of this title, unless such programming is provided by means of an open video system for which the Commission has approved a certification under section 653; or

"(B) if such programming is provided by means of an open video system for which the Commission has approved a certification under section 653, such carrier shall be subject to the requirements of this part, but shall be subject to parts I through IV of this title only as provided in 653(c).

"(4) ELECTION TO OPERATE AS OPEN VIDEO SYSTEM.—A common carrier that is providing video programming in a manner described in paragraph (1) or (2), or a combination thereof, may elect to provide such programming by means of an open video system that complies with section 653. If the Commission approves such carrier's certification under section 653, such carrier shall be subject to the requirements of this part, but shall be subject to parts I through IV of this title only as provided in 653(c).

"(b) LIMITATIONS ON INTERCONNECTION OBLIGATIONS.—A local exchange carrier that provides cable service through an open video system or a cable system shall not be required, pursuant to title II of this Act, to make capacity available on a nondiscriminatory basis to any other person for the provision of cable service directly to subscribers.

"(c) ADDITIONAL REGULATORY RELIEF.—A common carrier shall not be required to obtain a certificate under section 214 with respect to the establishment or operation of a system for the delivery of video programming.

"SEC. 652. PROHIBITION ON BUY OUTS.

"(a) ACQUISITIONS BY CARRIERS.—No local exchange carrier or any affiliate of such carrier owned by, operated by, controlled by, or under common control with such carrier may purchase or otherwise acquire directly or indirectly more than a 10 percent financial interest, or any management interest, in any cable operator providing cable service within the local exchange carrier's telephone service area.

"(b) ACQUISITIONS BY CABLE OPERATORS.—No cable operator or affiliate of a cable operator that is owned by, operated by, controlled by, or under common ownership with such cable operator may purchase or otherwise acquire, directly or indirectly, more than a 10 percent financial interest, or any management interest, in any local exchange carrier providing telephone exchange service within such cable operator's franchise area.

"(c) JOINT VENTURES.—A local exchange carrier and a cable operator whose telephone service area and cable franchise area, respectively, are in the same market may not enter into any joint venture or partnership to provide video programming directly to subscribers or to provide telecommunications services within such market.

"(d) EXCEPTIONS.—

"(1) RURAL SYSTEMS.—Notwithstanding subsections (a), (b), and (c) of this section, a local exchange carrier (with respect to a cable system located in its telephone service area) and a cable operator (with respect to the facilities of a local exchange carrier used to provide telephone exchange service in its cable franchise area) may obtain a controlling interest in, management interest in, or enter into a joint venture or partnership with the operator of such system or facilities for the use of such system or facilities to the extent that—

"(A) such system or facilities only serve incorporated or unincorporated—

"(i) places or territories that have fewer than 35,000 inhabitants; and

"(ii) are outside an urbanized area, as defined by the Bureau of the Census; and

"(B) in the case of a local exchange carrier, such system, in the aggregate with any other system in which such carrier has an interest, serves less than 10 percent of the households in the telephone service area of such carrier.

"(2) JOINT USE.—Notwithstanding subsection (c), a local exchange carrier may obtain, with the concurrence of the cable operator on the rates, terms, and conditions, the use of that part of the transmission facilities of a cable system extending from the last multi-user terminal to the premises of the end user, if such use is reasonably limited in scope and duration, as determined by the Commission.

"(3) ACQUISITIONS IN COMPETITIVE MARKETS.—Notwithstanding subsections (a) and (c), a local exchange carrier may obtain a controlling interest in, or form a joint venture or other partnership with, or provide financing to, a cable system (hereinafter in this paragraph referred to as 'the subject cable system'), if—

"(A) the subject cable system operates in a television market that is not in the top 25 markets, and such market has more than 1 cable system *operator, and the subject cable system is not the cable system with the most subscribers in such television market;*

"(B) the subject cable system and the cable system with the most subscribers in such television market held on May 1, 1995, cable television franchises from the largest municipality in the television market and the boundaries of such franchises were identical on such date;

"(C) the subject cable system is not owned by or under common ownership or control of any one of the 50 cable system operators with the most subscribers as such operators existed on May 1, 1995; and

"(D) the system with the most subscribers in the television market is owned by or under common ownership or control of any one of the 10 largest cable system operators as such operators existed on May 1, 1995.

"(4) EXEMPT CABLE SYSTEMS.—Subsection (a) does not apply to any cable system if—

"(A) the cable system serves no more than 17,000 cable subscribers, of which no less than 8,000 live within an urban area, and no less than 6,000 live within a nonurbanized area as of June 1, 1995;

"(B) the cable system is not owned by, or under common ownership or control with, any of the 50 largest cable system operators in existence on June 1, 1995; and

"(C) the cable system operates in a television market that was not in the top 100 television markets as of June 1, 1995.

"(5) SMALL CABLE SYSTEMS IN NONURBAN AREAS.—Notwithstanding subsections (a) and (c), a local exchange carrier with less than $100,000,000 in annual operating revenues (or any affiliate of such carrier owned by, operated by, controlled by, or under common control with such carrier) may purchase or otherwise acquire more than a 10 percent financial interest in, or any management interest in, or enter into a joint venture or partnership with, any cable system within the local exchange carrier's telephone service area that serves no more than 20,000 cable subscribers, if no more than 12,000 of those subscribers live within an urbanized area, as defined by the Bureau of the Census.

"(6) WAIVERS.—The Commission may waive the restrictions of subsections (a), (b), or (c) only if—

"(A) the Commission determines that, because of the nature of the market served by the affected cable system or facilities used to provide telephone exchange service—

"(i) the affected cable operator or local exchange carrier would be subjected to undue economic distress by the enforcement of such provisions;

"(ii) the system or facilities would not be economically viable if such provisions were enforced; or

"(iii) the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served; and

"(B) the local franchising authority approves of such waiver.

"(e) DEFINITION OF TELEPHONE SERVICE AREA.—For purposes of this section, the term 'telephone service area' when used in connection with a common carrier subject in whole or in part to title II of this Act means the area within which such carrier provided telephone exchange service as of January 1, 1993, but if any common carrier after such date transfers its telephone exchange service facilities to another common carrier, the area to which such facilities provide telephone exchange service shall be treated as part of the telephone service area of the acquiring common carrier and not of the selling common carrier.

"SEC. 653. ESTABLISHMENT OF OPEN VIDEO SYSTEMS.

"(a) OPEN VIDEO SYSTEMS.—

"(1) CERTIFICATES OF COMPLIANCE.—A local exchange carrier may provide cable service to its cable service subscribers in its telephone service area through an open video system that complies with this section. To the extent permitted by such regulations as the Commission may prescribe consistent with the public interest, convenience, and necessity, an operator of a cable system or any other person may provide video programming through an open video system that complies with this section. An operator of an open video system shall qualify for reduced regulatory burdens under subsection (c) of this section if the operator of such system certifies to the Commission that such carrier complies with the Commission's regulations under subsection (b) and the Commission approves such certification. The Commission shall publish notice of the receipt of any such certification and shall act to approve or disapprove any such certification within 10 days after receipt of such certification.

"(2) DISPUTE RESOLUTION.—The Commission shall have the authority to resolve disputes under this section and the regulations prescribed thereunder. Any such dispute shall be resolved within 180 days after notice of such dispute is submitted to the Commission. At that time or subsequently in a separate damages proceeding, the Commission may, in the case of any violation of this section, require carriage, award damages to any person denied carriage, or any combination of such sanctions. Any aggrieved party may seek any other remedy available under this Act.

"(b) COMMISSION ACTIONS.—

"(1) REGULATIONS REQUIRED.—Within 6 months after the date of enactment of the Telecommunications Act of 1996, the Commission shall complete all actions necessary (including any reconsideration) to prescribe regulations that—

"(A) except as required pursuant to section 611, 614, or 615, prohibit an operator of an open video system from discriminating among video programming providers with regard to carriage on its open video system, and ensure that the rates, terms, and conditions for such carriage are just and reasonable, and are not unjustly or unreasonably discriminatory;

"(B) if demand exceeds the channel capacity of the open video system, prohibit an operator of an open video system and its affiliates from selecting the video programming services for carriage on more than one-third of the activated channel capacity on such system, but nothing in this subparagraph shall be construed to limit the number of channels that the carrier and its affiliates may offer to provide directly to subscribers;

"(C) permit an operator of an open video system to carry on only one channel any video programming service that is offered by more than one video programming provider (including the local exchange carrier's video programming affiliate), provided that subscribers have ready and immediate access to any such video programming service;

"(D) extend to the distribution of video programming over open video systems the Commission's regulations concerning sports exclusivity (47 C.F.R. 76.67), network nonduplication (47 C.F.R. 76.92 et seq.), and syndicated exclusivity (47 C.F.R. 76.151 et seq.); and

"(E)(i) prohibit an operator of an open video system from unreasonably discriminating in favor of the operator or its affiliates with regard to material or information (including advertising) provided by the operator to subscribers for the purposes of selecting programming on the open video system, or in the way such material or information is presented to subscribers;

"(ii) require an operator of an open video system to ensure that video programming providers or copyright holders (or both) are able suitably and uniquely to identify their programming services to subscribers;

"(iii) if such identification is transmitted as part of the programming signal, require the carrier to transmit such identification without change or alteration; and

"(iv) prohibit an operator of an open video system from omitting television broadcast stations or other unaffiliated video programming services carried on such system from any navigational device, guide, or menu.

"(2) CONSUMER ACCESS.—Subject to the requirements of paragraph (1) and the regulations thereunder, nothing in this section prohibits a common carrier or its affiliate from negotiating mutually agreeable terms and conditions with over-the-air broadcast stations and other unaffiliated video programming providers to allow consumer access to their signals on any level or screen of any gateway, menu, or other program guide, whether provided by the carrier or its affiliate.

"(c) REDUCED REGULATORY BURDENS FOR OPEN VIDEO SYSTEMS.—

"(1) IN GENERAL.—Any provision that applies to a cable operator under—

"(A) sections 613 (other than subsection (a) thereof), 616, 623(f), 628, 631, and 634 of this title, shall apply,

"(B) sections 611, 614, and 615 of this title, and section 325 of title III, shall apply in accordance with the regulations prescribed under paragraph (2), and

"(C) sections 612 and 617, and parts III and IV (other than sections 623(f), 628, 631, and 634), of this title shall not apply,

to any operator of an open video system for which the Commission has approved a certification under this section.

"(2) IMPLEMENTATION.—

"(A) COMMISSION ACTION.—In the rulemaking proceeding to prescribe the regulations required by subsection (b)(1), the Commission shall, to the extent possible, impose obligations that are no greater or lesser than the obligations contained in the provisions described in paragraph (1)(B) of this subsection. The Commission shall complete all action (including any reconsideration) to prescribe such regulations no later than 6 months after the date of enactment of the Telecommunications Act of 1996.

"(B) FEES.—An operator of an open video system under this part may be subject to the payment of fees on the gross revenues of the operator for the provision of cable service imposed by a local franchising authority or other governmental entity, in lieu of the franchise fees permitted under section 622. The rate at which such fees are imposed shall not exceed the rate at which franchise fees are imposed on any cable operator transmitting video programming in the franchise area, as determined in accordance with regulations prescribed by the Commission. An operator of an open video system may designate that portion of a subscriber's bill attributable to the fee under this subparagraph as a separate item on the bill.

"(3) REGULATORY STREAMLINING.—With respect to the establishment and operation of an open video system, the requirements of this section shall apply in lieu of, and not in addition to, the requirements of title II.

"(4) TREATMENT AS CABLE OPERATOR.—Nothing in this Act precludes a video programming provider making use of a open video system from being treated as an operator of a cable system for purposes of section 111 of title 17, United States Code.

"(d) DEFINITION OF TELEPHONE SERVICE AREA.—For purposes of this section, the term 'telephone service area' when used in connection with a common carrier subject in whole or in part to title II of this Act means the area

within which such carrier is offering telephone exchange service.".

(b) CONFORMING AND TECHNICAL AMENDMENTS.—

(1) REPEAL.—Subsection (b) of section 613 (47 U.S.C. 533(b)) is repealed.

(2) DEFINITIONS.—Section 602 (47 U.S.C. 531) is amended—

(A) in paragraph (7), by striking ", or (D)" and inserting the following: ", unless the extent of such use is solely to provide interactive on-demand services; (D) an open video system that complies with section 653 of this title; or (E)";

(B) by redesignating paragraphs (12) through (19) as paragraphs (13) through (20), respectively; and

(C) by inserting after paragraph (11) the following new paragraph:

"(12) the term 'interactive on-demand services' means a service providing video programming to subscribers over switched networks on an on-demand, point-to-point basis, but does not include services providing video programming prescheduled by the programming provider;".

(3) TERMINATION OF VIDEO-DIALTONE REGULATIONS.—The Commission's regulations and policies with respect to video dialtone requirements issued in CC Docket No. 87–266 shall cease to be effective on the date of enactment of this Act. This paragraph shall not be construed to require the termination of any video-dialtone system that the Commission has approved before the date of enactment of this Act.

SEC. 303. PREEMPTION OF FRANCHISING AUTHORITY REGULATION OF TELECOMMUNICATIONS SERVICES.

(a) PROVISION OF TELECOMMUNICATIONS SERVICES BY A CABLE OPERATOR.—Section 621(b) (47 U.S.C. 541(b)) is amended by adding at the end thereof the following new paragraph:

"(3)(A) If a cable operator or affiliate thereof is engaged in the provision of telecommunications services—

"(i) such cable operator or affiliate shall not be required to obtain a franchise under this title for the provision of telecommunications services; and

"(ii) the provisions of this title shall not apply to such cable operator or affiliate for the provision of telecommunications services.

"(B) A franchising authority may not impose any requirement under this title that has the purpose or effect of prohibiting, limiting, restricting, or conditioning the provision of a telecommunications service by a cable operator or an affiliate thereof.

"(C) A franchising authority may not order a cable operator or affiliate thereof—

"(i) to discontinue the provision of a telecommunications service, or

"(ii) to discontinue the operation of a cable system, to the extent such cable system is used for the provision of a telecommunications service, by reason of the failure of such cable operator or affiliate thereof to obtain a franchise or franchise renewal under this title with respect to the provision of such telecommunications service.

"(D) Except as otherwise permitted by sections 611 and 612, a franchising authority may not require a cable operator to provide any telecommunications service or facilities, other than institutional networks, as a condition of the initial grant of a franchise, a franchise renewal, or a transfer of a franchise.".

(b) FRANCHISE FEES.—Section 622(b) (47 U.S.C. 542(b)) is amended by inserting "to provide cable services" immediately before the period at the end of the first sentence thereof.

SEC. 304. COMPETITIVE AVAILABILITY OF NAVIGATION DEVICES.

Part III of title VI is amended by inserting after section 628 (47 U.S.C. 548) the following new section:

"SEC. 629. COMPETITIVE AVAILABILITY OF NAVIGATION DEVICES.

"(a) COMMERCIAL CONSUMER AVAILABILITY OF EQUIPMENT USED TO ACCESS SERVICES PROVIDED BY MULTICHANNEL VIDEO PROGRAMMING DISTRIBUTORS.—The Commission shall, in consultation with appropriate industry standard-setting organizations, adopt regulations to assure the commercial availability, to consumers of multichannel video programming and other services offered over multichannel video programming systems, of converter boxes, interactive communications equipment, and other equipment used by consumers to access multichannel video programming and other services offered over multichannel video programming systems, from manufacturers, retailers, and other vendors not affiliated with any multichannel video programming distributor. Such regulations shall not prohibit any multichannel video programming distributor from also offering converter boxes, interactive communications equipment, and other equipment used by consumers to access multichannel video programming and other services offered over multichannel video programming systems, to consumers, if the system operator's charges to consumers for such devices and equipment are separately stated and not subsidized by charges for any such service.

"(b) PROTECTION OF SYSTEM SECURITY.—The Commission shall not prescribe regulations under subsection (a) which would jeopardize security of multichannel video programming and other services offered over multichannel video programming systems, or impede the legal rights of a provider of such services to prevent theft of service.

"(c) WAIVER.—The Commission shall waive a regulation adopted under subsection (a) for a limited time upon an appropriate showing by a provider of multichannel video programming and other services offered over multichannel video programming systems, or an equipment provider, that such waiver is necessary to assist the development or introduction of a new or improved multichannel video programming or other service offered over multichannel video programming systems, technology, or products. Upon an appropriate showing, the Commission shall grant any such waiver request within 90 days of any application filed under this subsection, and such waiver shall be effective for all service providers and products in that category and for all providers of services and products.

"(d) AVOIDANCE OF REDUNDANT REGULATIONS.—

"(1) COMMERCIAL AVAILABILITY DETERMINATIONS.—Determinations made or regulations prescribed by the Commission with respect to commercial availability to consumers of converter boxes, interactive communications equipment, and other equipment used by consumers to access multichannel video programming and other services offered over multichannel video programming systems, before the date of enactment of the Telecommunications Act of 1996 shall fulfill the requirements of this section.

"(2) REGULATIONS.—Nothing in this section affects section 64.702(e) of the Commission's regulations (47 C.F.R. 64.702(e)) or other Commission regulations governing interconnection and competitive provision of customer premises equipment used in connection with basic common carrier communications services.

"(e) SUNSET.—The regulations adopted under this section shall cease to apply when the Commission determines that—

"(1) the market for the multichannel video programming distributors is fully competitive;

"(2) the market for converter boxes, and interactive communications equipment, used in conjunction with that service is fully competitive; and

"(3) elimination of the regulations would promote competition and the public interest.

"(f) COMMISSION'S AUTHORITY.—Nothing in this section shall be construed as expanding or limiting any authority that the Commission may have under law in effect before the date of enactment of the Telecommunications Act of 1996.".

SEC. 305. VIDEO PROGRAMMING ACCESSIBILITY.

Title VII is amended by inserting after section 712 (47 U.S.C. 612) the following new section:

"SEC. 713. VIDEO PROGRAMMING ACCESSIBILITY.

"(a) COMMISSION INQUIRY.—Within 180 days after the date of enactment of the Telecommunications Act of 1996, the Federal Communications Commission shall complete an inquiry to ascertain the level at which video programming is closed captioned. Such inquiry shall examine the extent to which existing or previously published programming is closed captioned, the size of the video programming provider or programming owner providing closed captioning, the size of the market served, the relative audience shares achieved, or any other related factors. The Commission shall submit to the Congress a report on the results of such inquiry.

"(b) ACCOUNTABILITY CRITERIA.—Within 18 months after such date of enactment, the Commission shall prescribe such regulations as are necessary to implement this section. Such regulations shall ensure that—

"(1) video programming first published or exhibited after the effective date of such regulations is fully accessible through the provision of closed captions, except as provided in subsection (d); and

"(2) video programming providers or owners maximize the accessibility of video programming first published or exhibited prior to the effective date of such regulations through the provision of closed captions, except as provided in subsection (d).

"(c) DEADLINES FOR CAPTIONING.—Such regulations shall include an appropriate schedule of deadlines for the provision of closed captioning of video programming.

"(d) EXEMPTIONS.—Notwithstanding subsection (b)—

"(1) the Commission may exempt by regulation programs, classes of programs, or services for which the Commission has determined that the provision of closed captioning would be economically burdensome to the provider or owner of such programming;

"(2) a provider of video programming or the owner of any program carried by the provider shall not be obligated to supply closed captions if such action would be inconsistent with contracts in effect on the date of enactment of the Telecommunications Act of 1996, except that nothing in this section shall be construed to relieve a video programming provider of its obligations to provide services required by Federal law; and

"(3) a provider of video programming or program owner may petition the Commission for an exemption from the requirements of this section, and the Commission may grant such petition upon a showing that the requirements contained in this section would result in an undue burden.

"(e) UNDUE BURDEN.—The term 'undue burden' means significant difficulty or expense. In determining whether the closed captions necessary to comply with the requirements of this paragraph would result in an undue economic burden, the factors to be considered include—

"(1) the nature and cost of the closed captions for the programming;

"(2) the impact on the operation of the provider or program owner;

"(3) the financial resources of the provider or program owner; and

"(4) the type of operations of the provider or program owner.

"(f) VIDEO DESCRIPTIONS INQUIRY.—Within 6 months after the date of enactment of the Telecommunications Act of 1996, the Commission shall commence an inquiry to examine the use of video descriptions on video programming in order to ensure the accessibility of video programming to persons with visual impairments, and report to Congress on its findings. The Commission's report shall assess appropriate methods and schedules for phasing video descriptions into the marketplace, technical and quality standards for video descriptions, a definition of programming for which video descriptions would apply, and other technical and legal issues that the Commission deems appropriate.

"(g) VIDEO DESCRIPTION.—For purposes of this section, 'video description' means the insertion of audio narrated descriptions of a television program's key visual elements into natural pauses between the program's dialogue.

"(h) PRIVATE RIGHTS OF ACTIONS PROHIBITED.—Nothing in this section shall be construed to authorize any private right of action to enforce any requirement of this section or any regulation thereunder. The Commission shall have exclusive jurisdiction with respect to any complaint under this section.".

TITLE IV—REGULATORY REFORM

SEC. 401. REGULATORY FORBEARANCE.

Title I is amended by inserting after section 9 (47 U.S.C. 159) the following new section:

"SEC. 10. COMPETITION IN PROVISION OF TELECOMMUNICATIONS SERVICE.

"(a) REGULATORY FLEXIBILITY.—Notwithstanding section 332(c)(1)(A) of this Act, the Commission shall forbear from applying any regulation or any provision of this Act to a telecommunications carrier or telecommunications service, or class of telecommunications carriers or telecommunications services, in any or some of its or their geographic markets, if the Commission determines that—

"(1) enforcement of such regulation or provision is not necessary to ensure that the charges, practices, classifications, or regulations by, for, or in connection with that telecommunications carrier or telecommunications service are just and reasonable and are not unjustly or unreasonably discriminatory;

"(2) enforcement of such regulation or provision is not necessary for the protection of consumers; and

"(3) forbearance from applying such provision or regulation is consistent with the public interest.

"(b) COMPETITIVE EFFECT TO BE WEIGHED.—In making the determination under subsection (a)(3), the Commission shall consider whether forbearance from enforcing the provision or regulation will promote competitive market conditions, including the extent to which such forbearance will enhance competition among providers of telecommunications services. If the Commission determines that such forbearance will promote competition among providers of telecommunications services, that determination may be the basis for a Commission finding that forbearance is in the public interest.

"(c) PETITION FOR FORBEARANCE.—Any telecommunications carrier, or class of telecommunications carriers, may submit a petition to the Commission requesting that the Commission exercise the authority granted under this section with respect to that carrier or those carriers, or any service offered by that carrier or carriers. Any such petition shall be deemed granted if the Commission does not deny the petition for failure to meet the requirements for forbearance under subsection (a) within one year after the Commission receives it, unless the one-year period is extended by the Commission. The Commission may extend the initial one-year period by an additional 90 days if the Commission finds that an extension is necessary to meet the requirements of subsection (a). The Commission may grant or deny a petition in whole or in part and shall explain its decision in writing.

"(d) LIMITATION.—Except as provided in section 251(f), the Commission may not forbear from applying the requirements of section 251(c) or 271 under subsection (a) of this section until it determines that those requirements have been fully implemented.

"(e) STATE ENFORCEMENT AFTER COMMISSION FORBEARANCE.—A State commission may not continue to apply or enforce any provision of this Act that the Commission has determined to forbear from applying under subsection (a).".

SEC. 402. BIENNIAL REVIEW OF REGULATIONS; REGULATORY RELIEF.

(a) BIENNIAL REVIEW.—Title I is amended by inserting after section 10 (as added by section 401) the following new section:

"SEC. 11. REGULATORY REFORM.

"(a) BIENNIAL REVIEW OF REGULATIONS.—In every even-numbered year (beginning with 1998), the Commission—

"(1) shall review all regulations issued under this Act in effect at the time of the review that apply to the operations or activities of any provider of telecommunications service; and

"(2) shall determine whether any such regulation is no longer necessary in the public interest as the result of meaningful economic competition between providers of such service.

"(b) EFFECT OF DETERMINATION.—The Commission shall repeal or modify any regulation it determines to be no longer necessary in the public interest.".

(b) REGULATORY RELIEF.—

(1) STREAMLINED PROCEDURES FOR CHANGES IN CHARGES, CLASSIFICATIONS, REGULATIONS, OR PRACTICES.—

(A) Section 204(a) (47 U.S.C. 204(a)) is amended—

(i) by striking "12 months" the first place it appears in paragraph (2)(A) and inserting "5 months";

(ii) by striking "effective," and all that follows in paragraph (2)(A) and inserting "effective."; and

(iii) by adding at the end thereof the following:

"(3) A local exchange carrier may file with the Commission a new or revised charge, classification, regulation, or practice on a streamlined basis. Any such charge, classification, regulation, or practice shall be deemed lawful and shall be effective 7 days (in the case of a reduction in rates) or 15 days (in the case of an increase in rates) after the date on which it is filed with the Commission unless the Commission takes action under paragraph (1) before the end of that 7-day or 15-day period, as is appropriate.".

(B) Section 208(b) (47 U.S.C. 208(b)) is amended—

(i) by striking "12 months" the first place it appears in paragraph (1) and inserting "5 months"; and

(ii) by striking "filed," and all that follows in paragraph (1) and inserting "filed.".

(2) EXTENSIONS OF LINES UNDER SECTION 214; ARMIS REPORTS.—The Commission shall permit any common carrier—

(A) to be exempt from the requirements of section 214 of the Communications Act of 1934 for the extension of any line; and

(B) to file cost allocation manuals and ARMIS reports annually, to the extent such carrier is required to file such manuals or reports.

(3) FORBEARANCE AUTHORITY NOT LIMITED.—Nothing in this subsection shall be construed to limit the authority of the Commission to waive, modify, or forbear from applying any of the requirements to which reference is made in paragraph (1) under any other provision of this Act or other law.

(4) EFFECTIVE DATE OF AMENDMENTS.—The amendments made by paragraph (1) of this subsection shall apply with respect to any charge, classification, regulation, or practice filed on or after one year after the date of enactment of this Act.

(c) CLASSIFICATION OF CARRIERS.—In classifying carriers according to section 32.11 of its regulations (47 C.F.R. 32.11) and in establishing reporting requirements pursuant to part 43 of its regulations (47 C.F.R. part 43) and section 64.903 of its regulations (47 C.F.R. 64.903), the Commission shall adjust the revenue requirements to account for inflation as of the release date of the Commission's Report and Order in CC Docket No. 91–141, and annually thereafter. This subsection shall take effect on the date of enactment of this Act.

SEC. 403. ELIMINATION OF UNNECESSARY COMMISSION REGULATIONS AND FUNCTIONS.

(a) MODIFICATION OF AMATEUR RADIO EXAMINATION PROCEDURES.—Section 4(f)(4) (47 U.S.C. 154(f)(4)) is amended—

(1) in subparagraph (A)—

(A) by inserting "or administering" after "for purposes of preparing";

(B) by inserting "of" after "than the class"; and

(C) by inserting "or administered" after "for which the examination is being prepared";

(2) by striking subparagraph (B);

(3) in subparagraph (H), by striking "(A), (B), and (C)" and inserting "(A) and (B)";

(4) in subparagraph (J)—

(A) by striking "or (B)"; and

(B) by striking the last sentence; and

(5) by redesignating subparagraphs (C) through (J) as subparagraphs (B) through (I), respectively.

(b) AUTHORITY TO DESIGNATE ENTITIES TO INSPECT.—Section 4(f)(3) (47 U.S.C. 154(f)(3)) is amended by inserting before the period at the end the following: ": And provided further, That, in the alternative, an entity designated by the Commission may make the inspections referred to in this paragraph".

(c) EXPEDITING INSTRUCTIONAL TELEVISION FIXED SERVICE PROCESSING.—Section 5(c)(1) (47 U.S.C. 155(c)(1)) is amended by striking the last sentence and inserting the following: "Except for cases involving the authorization of service in the instructional television fixed service, or as otherwise provided in this Act, nothing in this paragraph shall authorize the Commission to provide for the conduct, by any person or persons other than persons referred to in paragraph (2) or (3) of section 556(b) of title 5, United States Code, of any hearing to which such section applies.".

(d) REPEAL SETTING OF DEPRECIATION RATES.—The first sentence of section 220(b) (47 U.S.C. 220(b)) is amended by striking "shall prescribe for such carriers" and inserting "may prescribe, for such carriers as it determines to be appropriate,".

(e) USE OF INDEPENDENT AUDITORS.—Section 220(c) (47 U.S.C. 220(c)) is amended by adding at the end thereof the following: "The Commission may obtain the services of any person licensed to provide public accounting services under the law of any State to assist with, or conduct, audits under this section. While so employed or engaged in conducting an audit for the Commission under this section, any such person shall have the powers granted the Commission under this subsection and shall be subject to subsection (f) in the same manner as if that person were an employee of the Commission.".

(f) DELEGATION OF EQUIPMENT TESTING AND CERTIFICATION TO PRIVATE LABORATORIES.—Section 302 (47 U.S.C. 302) is amended by adding at the end the following:

"(e) The Commission may—

"(1) authorize the use of private organizations for testing and certifying the compliance of devices or home electronic equipment and systems with regulations promulgated under this section;

"(2) accept as prima facie evidence of such compliance the certification by any such organization; and

"(3) establish such qualifications and standards as it deems appropriate for such private organizations, testing, and certification.".

(g) MAKING LICENSE MODIFICATION UNIFORM.—Section 303(f) (47 U.S.C. 303(f)) is amended by striking "unless, after a public hearing," and inserting "unless".

(h) ELIMINATE FCC JURISDICTION OVER GOVERNMENT-OWNED SHIP RADIO STATIONS.—

(1) Section 305 (47 U.S.C. 305) is amended by striking subsection (b) and redesignating subsections (c) and (d) as (b) and (c), respectively.

(2) Section 382(2) (47 U.S.C. 382(2)) is amended by striking "except a vessel of the United States Maritime Administration, the Inland and Coastwise Waterways Service, or the Panama Canal Company,".

(i) PERMIT OPERATION OF DOMESTIC SHIP AND AIRCRAFT RADIOS WITHOUT LICENSE.—Section 307(e) (47 U.S.C. 307(e)) is amended to read as follows:

"(e)(1) Notwithstanding any license requirement established in this Act, if the Commission determines that such authorization serves the public interest, convenience, and necessity, the Commission may by rule authorize the operation of radio stations without individual licenses in the following radio services: (A) the citizens band radio service; (B) the radio control service; (C) the aviation radio service for aircraft stations operated on domestic flights when such aircraft are not otherwise required to carry a radio station; and (D) the maritime radio service for ship stations navigated on domestic voyages when such ships are not otherwise required to carry a radio station.

"(2) Any radio station operator who is authorized by the Commission to operate without an individual license shall comply with all other provisions of this Act and with rules prescribed by the Commission under this Act.

"(3) For purposes of this subsection, the terms 'citizens band radio service', 'radio control service', 'aircraft station' and 'ship station' shall have the meanings given them by the Commission by rule.".

(j) EXPEDITED LICENSING FOR FIXED MICROWAVE SERVICE.—Section 309(b)(2) (47 U.S.C. 309(b)(2)) is amended by striking subparagraph (A) and redesignating subparagraphs (B) through (G) as subparagraphs (A) through (F), respectively.

(k) FOREIGN DIRECTORS.—Section 310(b) (47 U.S.C. 310(b)) is amended—

(1) in paragraph (3), by striking "of which any officer or director is an alien or"; and

(2) in paragraph (4), by striking "of which any officer or more than one-fourth of the directors are aliens, or".

(l) LIMITATION ON SILENT STATION AUTHORIZATIONS.—Section 312 (47 U.S.C. 312) is amended by adding at the end the following:

"(g) If a broadcasting station fails to transmit broadcast signals for any consecutive 12-month period, then the station license granted for the operation of that broadcast station expires at the end of that period, notwithstanding any provision, term, or condition of the license to the contrary.".

(m) MODIFICATION OF CONSTRUCTION PERMIT REQUIREMENT.—Section 319(d) is amended by striking the last two sentences and inserting the following: "With respect to any broadcasting station, the Commission shall not have any authority to waive the requirement of a permit for construction, except that the Commission may by regulation determine that a permit shall not be required for minor changes in the facilities of authorized broadcast stations. With respect to any other station or class of stations, the Commission shall not waive the requirement for a construction permit unless the Commission determines that the public interest, convenience, and necessity would be served by such a waiver.".

(n) CONDUCT OF INSPECTIONS.—Section 362(b) (47 U.S.C. 362(b)) is amended to read as follows:

"(b) Every ship of the United States that is subject to this part shall have the equipment and apparatus prescribed therein inspected at least once each year by the Commission or an entity designated by the Commission. If, after such inspection, the Commission is satisfied that all relevant provisions of this Act and the station license have been complied with, the fact shall be so certified on the station license by the Commission. The Commission shall make such additional inspections at frequent intervals as the Commission determines may be necessary to ensure compliance with the requirements of this Act. The Commission may, upon a finding that the public interest could be served thereby—

"(1) waive the annual inspection required under this section for a period of up to 90 days for the sole purpose of enabling a vessel to complete its voyage and proceed to a port in the United States where an inspection can be held; or

"(2) waive the annual inspection required under this section for a vessel that is in compliance with the radio provisions of the Safety Convention and that is operating solely in waters beyond the jurisdiction of the United States, provided that such inspection shall be performed within 30 days of such vessel's return to the United States.".

(o) INSPECTION BY OTHER ENTITIES.—Section 385 (47 U.S.C. 385) is amended—

(1) by inserting "or an entity designated by the Commission" after "The Commission"; and

(2) by adding at the end thereof the following: "In accordance with such other provisions of law as apply to Government contracts, the Commission may enter into contracts with any person for the purpose of carrying out such inspections and certifying compliance with those requirements, and may, as part of any such contract, allow any such person to accept reimbursement from the license holder for travel and expense costs of any employee conducting an inspection or certification.".

TITLE V—OBSCENITY AND VIOLENCE

Subtitle A—Obscene, Harassing, and Wrongful Utilization of Telecommunications Facilities

SEC. 501. SHORT TITLE.

This title may be cited as the "Communications Decency Act of 1996".

SEC. 502. OBSCENE OR HARASSING USE OF TELECOMMUNICATIONS FACILITIES UNDER THE COMMUNICATIONS ACT OF 1934.

Section 223 (47 U.S.C. 223) is amended—

(1) by striking subsection (a) and inserting in lieu thereof:

"(a) Whoever—

"(1) in interstate or foreign communications—

"(A) by means of a telecommunications device knowingly—

"(i) makes, creates, or solicits, and

"(ii) initiates the transmission of,

any comment, request, suggestion, proposal, image, or other communication which is obscene, lewd, lascivious, filthy, or indecent, with intent to annoy, abuse, threaten, or harass another person;

"(B) by means of a telecommunications device knowingly—

"(i) makes, creates, or solicits, and

"(ii) initiates the transmission of,

any comment, request, suggestion, proposal, image, or other communication which is obscene or indecent, knowing that the recipient of the communication is under 18 years of age, regardless of whether the maker of such communication placed the call or initiated the communication;

"(C) makes a telephone call or utilizes a telecommunications device, whether or not conversation or communication ensues, without disclosing his identity and with intent to annoy, abuse, threaten, or harass any person at the called number or who receives the communications;

"(D) makes or causes the telephone of another repeatedly or continuously to ring, with intent to harass any person at the called number; or

"(E) makes repeated telephone calls or repeatedly initiates communication with a telecommunications device, during which conversation or communication ensues, solely to harass any person at the called number or who receives the communication; or

"(2) knowingly permits any telecommunications facility under his control to be used for any activity prohibited by paragraph (1) with the intent that it be used for such activity,

shall be fined under title 18, United States Code, or imprisoned not more than two years, or both."; and

(2) by adding at the end the following new subsections:

"(d) Whoever—

"(1) in interstate or foreign communications knowingly—

"(A) uses an interactive computer service to send to a specific person or persons under 18 years of age, or

"(B) uses any interactive computer service to display in a manner available to a person under 18 years of age,

any comment, request, suggestion, proposal, image, or other communication that, in context, depicts or describes, in terms patently offensive as measured by contemporary community standards, sexual or excretory activities or organs, regardless of whether the user of such service placed the call or initiated the communication; or

"(2) knowingly permits any telecommunications facility under such person's control to be used for an activity prohibited by paragraph (1) with the intent that it be used for such activity,

shall be fined under title 18, United States Code, or imprisoned not more than two years, or both.

"(e) In addition to any other defenses available by law:

"(1) No person shall be held to have violated subsection (a) or (d) solely for providing access or connection to or from a facility, system, or network not under that person's control, including transmission, downloading, intermediate storage, access software, or other related capabilities that are incidental to providing such access or connection that does not include the creation of the content of the communication.

"(2) The defenses provided by paragraph (1) of this subsection shall not be applicable to a person who is a conspirator with an entity actively involved in the creation or knowing distribution of communications that violate this section, or who knowingly advertises the availability of such communications.

"(3) The defenses provided in paragraph (1) of this subsection shall not be applicable to a person who provides access or connection to a facility, system, or network engaged in the violation of this section that is owned or controlled by such person.

"(4) No employer shall be held liable under this section for the actions of an employee or agent unless the employee's or agent's conduct is within the scope of his or her employment or

agency and the employer (A) having knowledge of such conduct, authorizes or ratifies such conduct, or (B) recklessly disregards such conduct.

"(5) It is a defense to a prosecution under subsection (a)(1)(B) or (d), or under subsection (a)(2) with respect to the use of a facility for an activity under subsection (a)(1)(B) that a person—

"(A) has taken, in good faith, reasonable, effective, and appropriate actions under the circumstances to restrict or prevent access by minors to a communication specified in such subsections, which may involve any appropriate measures to restrict minors from such communications, including any method which is feasible under available technology; or

"(B) has restricted access to such communication by requiring use of a verified credit card, debit account, adult access code, or adult personal identification number.

"(6) The Commission may describe measures which are reasonable, effective, and appropriate to restrict access to prohibited communications under subsection (d). Nothing in this section authorizes the Commission to enforce, or is intended to provide the Commission with the authority to approve, sanction, or permit, the use of such measures. The Commission shall have no enforcement authority over the failure to utilize such measures. The Commission shall not endorse specific products relating to such measures. The use of such measures shall be admitted as evidence of good faith efforts for purposes of paragraph (5) in any action arising under subsection (d). Nothing in this section shall be construed to treat interactive computer services as common carriers or telecommunications carriers.

"(f)(1) No cause of action may be brought in any court or administrative agency against any person on account of any activity that is not in violation of any law punishable by criminal or civil penalty, and that the person has taken in good faith to implement a defense authorized under this section or otherwise to restrict or prevent the transmission of, or access to, a communication specified in this section.

"(2) No State or local government may impose any liability for commercial activities or actions by commercial entities, nonprofit libraries, or institutions of higher education in connection with an activity or action described in subsection (a)(2) or (d) that is inconsistent with the treatment of those activities or actions under this section: Provided, however, That nothing herein shall preclude any State or local government from enacting and enforcing complementary oversight, liability, and regulatory systems, procedures, and requirements, so long as such systems, procedures, and requirements govern only intrastate services and do not result in the imposition of inconsistent rights, duties or obligations on the provision of interstate services. Nothing in this subsection shall preclude any State or local government from governing conduct not covered by this section.

"(g) Nothing in subsection (a), (d), (e), or (f) or in the defenses to prosecution under (a) or (d) shall be construed to affect or limit the application or enforcement of any other Federal law.

"(h) For purposes of this section—

"(1) The use of the term 'telecommunications device' in this section—

"(A) shall not impose new obligations on broadcasting station licensees and cable operators covered by obscenity and indecency provisions elsewhere in this Act; and

"(B) does not include an interactive computer service.

"(2) The term 'interactive computer service' has the meaning provided in section 230(e)(2).

"(3) The term 'access software' means software (including client or server software) or enabling tools that do not create or provide the content of the communication but that allow a user to do any one or more of the following:

"(A) filter, screen, allow, or disallow content;

"(B) pick, choose, analyze, or digest content; or

"(C) transmit, receive, display, forward, cache, search, subset, organize, reorganize, or translate content.

"(4) The term 'institution of higher education' has the meaning provided in section 1201 of the Higher Education Act of 1965 (20 U.S.C. 1141).

"(5) The term 'library' means a library eligible for participation in State-based plans for funds under title III of the Library Services and Construction Act (20 U.S.C. 355e et seq.).".

SEC. 503. OBSCENE PROGRAMMING ON CABLE TELEVISION.

Section 639 (47 U.S.C. 559) is amended by striking "not more than $10,000" and inserting "under title 18, United States Code,".

SEC. 504. SCRAMBLING OF CABLE CHANNELS FOR NONSUBSCRIBERS.

Part IV of title VI (47 U.S. C. 551 et seq.) is amended by adding at the end the following:

"SEC. 640. SCRAMBLING OF CABLE CHANNELS FOR NONSUBSCRIBERS.

"(a) Subscriber Request.—Upon request by a cable service subscriber, a cable operator shall, without charge, fully scramble or otherwise fully block the audio and video programming of each channel carrying such programming so that one not a subscriber does not receive it.

"(b) Definition.—As used in this section, the term 'scramble' means to rearrange the content of the signal of the programming so that the programming cannot be viewed or heard in an understandable manner.".

SEC. 505. SCRAMBLING OF SEXUALLY EXPLICIT ADULT VIDEO SERVICE PROGRAMMING.

(a) Requirement.—Part IV of title VI (47 U.S.C. 551 et seq.), as amended by this Act, is further amended by adding at the end the following:

"SEC. 641. SCRAMBLING OF SEXUALLY EXPLICIT ADULT VIDEO SERVICE PROGRAMMING.

"(a) Requirement.—In providing sexually explicit adult programming or other programming that is indecent on any channel of its service primarily dedicated to sexually-oriented programming, a multichannel video programming distributor shall fully scramble or otherwise fully block the video and audio portion of such channel so that one not a subscriber to such channel or programming does not receive it.

"(b) Implementation.—Until a multichannel video programming distributor complies with the requirement set forth in subsection (a), the distributor shall limit the access of children to the programming referred to in that subsection by not providing such programming during the hours of the day (as determined by the Commission) when a significant number of children are likely to view it.

"(c) Definition.—As used in this section, the term 'scramble' means to rearrange the content of the signal of the programming so that the programming cannot be viewed or heard in an understandable manner.".

(b) Effective Date.—The amendment made by subsection (a) shall take effect 30 days after the date of enactment of this Act.

SEC. 506. CABLE OPERATOR REFUSAL TO CARRY CERTAIN PROGRAMS.

(a) Public, Educational, and Governmental Channels.—Section 611(e) (47 U.S.C. 531(e)) is amended by inserting before the period the following: ", except a cable operator may refuse to transmit any public access program or portion of a public access program which contains obscenity, indecency, or nudity".

(b) Cable Channels for Commercial Use.—Section 612(c)(2) (47 U.S.C. 532(c)(2)) is amended by striking "an operator" and inserting "a cable operator may refuse to transmit any leased access program or portion of a leased access program which contains obscenity, indecency, or nudity and".

SEC. 507. CLARIFICATION OF CURRENT LAWS REGARDING COMMUNICATION OF OBSCENE MATERIALS THROUGH THE USE OF COMPUTERS.

(a) Importation or Transportation.—Section 1462 of title 18, United States Code, is amended—

(1) in the first undesignated paragraph, by inserting "or interactive computer service (as defined in section 230(e)(2) of the Communications Act of 1934)" after "carrier"; and

(2) in the second undesignated paragraph—

(A) by inserting "or receives," after "takes";

(B) by inserting "or interactive computer service (as defined in section 230(e)(2) of the Communications Act of 1934)" after "common carrier"; and

(C) by inserting "or importation" after "carriage".

(b) Transportation for Purposes of Sale or Distribution.—The first undesignated paragraph of section 1465 of title 18, United States Code, is amended—

(1) by striking "transports in" and inserting "transports or travels in, or uses a facility or means of,";

(2) by inserting "or an interactive computer service (as defined in section 230(e)(2) of the Communications Act of 1934) in or affecting such commerce" after "foreign commerce" the first place it appears;

(3) by striking ", or knowingly travels in" and all that follows through "obscene material in interstate or foreign commerce," and inserting "of".

(c) Interpretation.—The amendments made by this section are clarifying and shall not be interpreted to limit or repeal any prohibition contained in sections 1462 and 1465 of title 18, United States Code, before such amendment, under the rule established in United States v. Alpers, 338 U.S. 680 (1950).

SEC. 508. COERCION AND ENTICEMENT OF MINORS.

Section 2422 of title 18, United States Code, is amended—

(1) by inserting "(a)" before "Whoever knowingly"; and

(2) by adding at the end the following:

"(b) Whoever, using any facility or means of interstate or foreign commerce, including the mail, or within the special maritime and territorial jurisdiction of the United States, knowingly persuades, induces, entices, or coerces any individual who has not attained the age of 18 years to engage in prostitution or any sexual act for which any person may be criminally prosecuted, or attempts to do so, shall be fined under this title or imprisoned not more than 10 years, or both.".

SEC. 509. ONLINE FAMILY EMPOWERMENT.

Title II of the Communications Act of 1934 (47 U.S.C. 201 et seq.) is amended by adding at the end the following new section:

"SEC. 230. PROTECTION FOR PRIVATE BLOCKING AND SCREENING OF OFFENSIVE MATERIAL.

"(a) Findings.—The Congress finds the following:

"(1) The rapidly developing array of Internet and other interactive computer services available to individual Americans represent an extraordinary advance in the availability of educational and informational resources to our citizens.

"(2) These services offer users a great degree of control over the information that they receive, as well as the potential for even greater control in the future as technology develops.

"(3) The Internet and other interactive computer services offer a forum for a true diversity *of political discourse, unique opportunities for cultural development, and myriad avenues for intellectual activity.*

"(4) The Internet and other interactive computer services have flourished, to the benefit of all Americans, with a minimum of government regulation.

"(5) Increasingly Americans are relying on interactive media for a variety of political, educational, cultural, and entertainment services.

"(b) POLICY.—It is the policy of the United States—

"(1) to promote the continued development of the Internet and other interactive computer services and other interactive media;

"(2) to preserve the vibrant and competitive free market that presently exists for the Internet and other interactive computer services, unfettered by Federal or State regulation;

"(3) to encourage the development of technologies which maximize user control over what information is received by individuals, families, and schools who use the Internet and other interactive computer services;

"(4) to remove disincentives for the development and utilization of blocking and filtering technologies that empower parents to restrict their children's access to objectionable or inappropriate online material; and

"(5) to ensure vigorous enforcement of Federal criminal laws to deter and punish trafficking in obscenity, stalking, and harassment by means of computer.

"(c) PROTECTION FOR 'GOOD SAMARITAN' BLOCKING AND SCREENING OF OFFENSIVE MATERIAL.—

"(1) TREATMENT OF PUBLISHER OR SPEAKER.—No provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider.

"(2) CIVIL LIABILITY.—No provider or user of an interactive computer service shall be held liable on account of—

"(A) any action voluntarily taken in good faith to restrict access to or availability of material that the provider or user considers to be obscene, lewd, lascivious, filthy, excessively violent, harassing, or otherwise objectionable, whether or not such material is constitutionally protected; or

"(B) any action taken to enable or make available to information content providers or others the technical means to restrict access to material described in paragraph (1).

"(d) EFFECT ON OTHER LAWS.—

"(1) NO EFFECT ON CRIMINAL LAW.—Nothing in this section shall be construed to impair the enforcement of section 223 of this Act, chapter 71 (relating to obscenity) or 110 (relating to sexual exploitation of children) of title 18, United States Code, or any other Federal criminal statute.

"(2) NO EFFECT ON INTELLECTUAL PROPERTY LAW.—Nothing in this section shall be construed to limit or expand any law pertaining to intellectual property.

"(3) STATE LAW.—Nothing in this section shall be construed to prevent any State from enforcing any State law that is consistent with this section. No cause of action may be brought and no liability may be imposed under any State or local law that is inconsistent with this section.

"(4) NO EFFECT ON COMMUNICATIONS PRIVACY LAW.—Nothing in this section shall be construed to limit the application of the Electronic Communications Privacy Act of 1986 or any of the amendments made by such Act, or any similar State law.

"(e) DEFINITIONS.—As used in this section:

"(1) INTERNET.—The term 'Internet' means the international computer network of both Federal and non-Federal interoperable packet switched data networks.

"(2) INTERACTIVE COMPUTER SERVICE.—The term 'interactive computer service' means any information service, system, or access software provider that provides or enables computer access by multiple users to a computer server, including specifically a service or system that provides access to the Internet and such systems operated or services offered by libraries or educational institutions.

"(3) INFORMATION CONTENT PROVIDER.—The term 'information content provider' means any person or entity that is responsible, in whole or in part, for the creation or development of information provided through the Internet or any other interactive computer service.

"(4) ACCESS SOFTWARE PROVIDER.—The term 'access software provider' means a provider of software (including client or server software), or enabling tools that do any one or more of the following:

"(A) filter, screen, allow, or disallow content;

"(B) pick, choose, analyze, or digest content; or

"(C) transmit, receive, display, forward, cache, search, subset, organize, reorganize, or translate content.".

Subtitle B—Violence

SEC. 551. PARENTAL CHOICE IN TELEVISION PROGRAMMING.

(a) FINDINGS.—The Congress makes the following findings:

(1) Television influences children's perception of the values and behavior that are common and acceptable in society.

(2) Television station operators, cable television system operators, and video programmers should follow practices in connection with video programming that take into consideration that television broadcast and cable programming has established a uniquely pervasive presence in the lives of American children.

(3) The average American child is exposed to 25 hours of television each week and some children are exposed to as much as 11 hours of television a day.

(4) Studies have shown that children exposed to violent video programming at a young age have a higher tendency for violent and aggressive behavior later in life than children not so exposed, and that children exposed to violent video programming are prone to assume that acts of violence are acceptable behavior.

(5) Children in the United States are, on average, exposed to an estimated 8,000 murders and 100,000 acts of violence on television by the time the child completes elementary school.

(6) Studies indicate that children are affected by the pervasiveness and casual treatment of sexual material on television, eroding the ability of parents to develop responsible attitudes and behavior in their children.

(7) Parents express grave concern over violent and sexual video programming and strongly support technology that would give them greater control to block video programming in the home that they consider harmful to their children.

(8) There is a compelling governmental interest in empowering parents to limit the negative influences of video programming that is harmful to children.

(9) Providing parents with timely information about the nature of upcoming video programming and with the technological tools that allow them easily to block violent, sexual, or other programming that they believe harmful to their children is a nonintrusive and narrowly tailored means of achieving that compelling governmental interest.

(b) ESTABLISHMENT OF TELEVISION RATING CODE.—

(1) AMENDMENT.—Section 303 (47 U.S.C. 303) is amended by adding at the end the following:

"(w) Prescribe—

"(1) on the basis of recommendations from an advisory committee established by the Commission in accordance with section 551(b)(2) of the Telecommunications Act of 1996, guidelines and recommended procedures for the identification and rating of video programming that contains sexual, violent, or other indecent material about which parents should be informed before it is displayed to children, provided that nothing in this paragraph shall be construed to authorize any rating of video programming on the basis of its political or religious content; and

"(2) with respect to any video programming that has been rated, and in consultation with the television industry, rules requiring distributors of such video programming to transmit such rating to permit parents to block the display of video programming that they have determined is inappropriate for their children.".

(2) ADVISORY COMMITTEE REQUIREMENTS.—In establishing an advisory committee for purposes of the amendment made by paragraph (1) of this subsection, the Commission shall—

(A) ensure that such committee is composed of parents, television broadcasters, television programming producers, cable operators, appropriate public interest groups, and other interested individuals from the private sector and is fairly balanced in terms of political affiliation, the points of view represented, and the functions to be performed by the committee;

(B) provide to the committee such staff and resources as may be necessary to permit it to perform its functions efficiently and promptly; and

(C) require the committee to submit a final report of its recommendations within one year after the date of the appointment of the initial members.

(c) REQUIREMENT FOR MANUFACTURE OF TELEVISIONS THAT BLOCK PROGRAMS.—Section 303 (47 U.S.C. 303), as amended by subsection (a), is further amended by adding at the end the following:

"(x) Require, in the case of an apparatus designed to receive television signals that are shipped in interstate commerce or manufactured in the United States and that have a picture screen 13 inches or greater in size (measured diagonally), that such apparatus be equipped with a feature designed to enable viewers to block display of all programs with a common rating, except as otherwise permitted by regulations pursuant to section 330(c)(4).".

(d) SHIPPING OF TELEVISIONS THAT BLOCK PROGRAMS.—

(1) REGULATIONS.—Section 330 (47 U.S.C. 330) is amended—

(A) by redesignating subsection (c) as subsection (d); and

(B) by adding after subsection (b) the following new subsection (c):

"(c)(1) Except as provided in paragraph (2), no person shall ship in interstate commerce or manufacture in the United States any apparatus described in section 303(x) of this Act except in accordance with rules prescribed by the Commission pursuant to the authority granted by that section.

"(2) This subsection shall not apply to carriers transporting apparatus referred to in paragraph (1) without trading in it.

"(3) The rules prescribed by the Commission under this subsection shall provide for the oversight by the Commission of the adoption of standards by industry for blocking technology. Such rules shall require that all such apparatus be able to receive the rating signals which have been transmitted by way of line 21 of the vertical blanking interval and which conform to the signal and blocking specifications established by industry under the supervision of the Commission.

"(4) As new video technology is developed, the Commission shall take such action as the Commission determines appropriate to ensure that blocking service continues to be available to

consumers. If the Commission determines that an alternative blocking technology exists that—

"(A) enables parents to block programming based on identifying programs without ratings,

"(B) is available to consumers at a cost which is comparable to the cost of technology that allows parents to block programming based on common ratings, and

"(C) will allow parents to block a broad range of programs on a multichannel system as effectively and as easily as technology that allows parents to block programming based on common ratings,

the Commission shall amend the rules prescribed pursuant to section 303(x) to require that the apparatus described in such section be equipped with either the blocking technology described in such section or the alternative blocking technology described in this paragraph.".

(2) CONFORMING AMENDMENT.—Section 330(d), as redesignated by subsection (d)(1)(A), is amended by striking "section 303(s), and section 303(u)" and inserting in lieu thereof "and sections 303(s), 303(u), and 303(x)".

(e) APPLICABILITY AND EFFECTIVE DATES.—

(1) APPLICABILITY OF RATING PROVISION.—The amendment made by subsection (b) of this section shall take effect 1 year after the date of enactment of this Act, but only if the Commission determines, in consultation with appropriate public interest groups and interested individuals from the private sector, that distributors of video programming have not, by such date—

(A) established voluntary rules for rating video programming that contains sexual, violent, or other indecent material about which parents should be informed before it is displayed to children, and such rules are acceptable to the Commission; and

(B) agreed voluntarily to broadcast signals that contain ratings of such programming.

(2) EFFECTIVE DATE OF MANUFACTURING PROVISION.—In prescribing regulations to implement the amendment made by subsection (c), the Federal Communications Commission shall, after consultation with the television manufacturing industry, specify the effective date for the applicability of the requirement to the apparatus covered by such amendment, which date shall not be less than two years after the date of enactment of this Act.

SEC. 552. TECHNOLOGY FUND.

It is the policy of the United States to encourage broadcast television, cable, satellite, syndication, other video programming distributors, and relevant related industries (in consultation with appropriate public interest groups and interested individuals from the private sector) to—

(1) establish a technology fund to encourage television and electronics equipment manufacturers to facilitate the development of technology which would empower parents to block programming they deem inappropriate for their children and to encourage the availability thereof to low income parents;

(2) report to the viewing public on the status of the development of affordable, easy to use blocking technology; and

(3) establish and promote effective procedures, standards, systems, advisories, or other mechanisms for ensuring that users have easy and complete access to the information necessary to effectively utilize blocking technology and to encourage the availability thereof to low income parents.

Subtitle C—Judicial Review

SEC. 561. EXPEDITED REVIEW.

(a) THREE-JUDGE DISTRICT COURT HEARING.—Notwithstanding any other provision of law, any civil action challenging the constitutionality, on its face, of this title or any amendment made by this title, or any provision thereof, shall be heard by a district court of 3 judges convened pursuant to the provisions of section 2284 of title 28, United States Code.

(b) APPELLATE REVIEW.—Notwithstanding any other provision of law, an interlocutory or final judgment, decree, or order of the court of 3 judges in an action under subsection (a) holding this title or an amendment made by this title, or any provision thereof, unconstitutional shall be reviewable as a matter of right by direct appeal to the Supreme Court. Any such appeal shall be filed not more than 20 days after entry of such judgment, decree, or order.

TITLE VI—EFFECT ON OTHER LAWS

SEC. 601. APPLICABILITY OF CONSENT DECREES AND OTHER LAW.

(a) APPLICABILITY OF AMENDMENTS TO FUTURE CONDUCT.—

(1) AT&T CONSENT DECREE.—Any conduct or activity that was, before the date of enactment of this Act, subject to any restriction or obligation imposed by the AT&T Consent Decree shall, on and after such date, be subject to the restrictions and obligations imposed by the Communications Act of 1934 as amended by this Act and shall not be subject to the restrictions and the obligations imposed by such Consent Decree.

(2) GTE CONSENT DECREE.—Any conduct or activity that was, before the date of enactment of this Act, subject to any restriction or obligation imposed by the GTE Consent Decree shall, on and after such date, be subject to the restrictions and obligations imposed by the Communications Act of 1934 as amended by this Act and shall not be subject to the restrictions and the obligations imposed by such Consent Decree.

(3) MCCAW CONSENT DECREE.—Any conduct or activity that was, before the date of enactment of this Act, subject to any restriction or obligation imposed by the McCaw Consent Decree shall, on and after such date, be subject to the restrictions and obligations imposed by the Communications Act of 1934 as amended by this Act and subsection (d) of this section and shall not be subject to the restrictions and the obligations imposed by such Consent Decree.

(b) ANTITRUST LAWS.—

(1) SAVINGS CLAUSE.—Except as provided in paragraphs (2) and (3), nothing in this Act or the amendments made by this Act shall be construed to modify, impair, or supersede the applicability of any of the antitrust laws.

(2) REPEAL.—Subsection (a) of section 221 (47 U.S.C. 221(a)) is repealed.

(3) CLAYTON ACT.—Section 7 of the Clayton Act (15 U.S.C. 18) is amended in the last paragraph by striking "Federal Communications Commission,".

(c) FEDERAL, STATE, AND LOCAL LAW.—

(1) NO IMPLIED EFFECT.—This Act and the amendments made by this Act shall not be construed to modify, impair, or supersede Federal, State, or local law unless expressly so provided in such Act or amendments.

(2) STATE TAX SAVINGS PROVISION.—Notwithstanding paragraph (1), nothing in this Act or the amendments made by this Act shall be construed to modify, impair, or supersede, or authorize the modification, impairment, or supersession of, any State or local law pertaining to taxation, except as provided in sections 622 and 653(c) of the Communications Act of 1934 and section 602 of this Act.

(d) COMMERCIAL MOBILE SERVICE JOINT MARKETING.—Notwithstanding section 22.903 of the Commission's regulations (47 C.F.R. 22.903) or any other Commission regulation, a Bell operating company or any other company may, except as provided in sections 271(e)(1) and 272 of the Communications Act of 1934 as amended by this Act as they relate to wireline service, jointly market and sell commercial mobile services in conjunction with telephone exchange service, exchange access, intraLATA telecommunications service, interLATA telecommunications service, and information services.

(e) DEFINITIONS.—As used in this section:

(1) AT&T CONSENT DECREE.—The term "AT&T Consent Decree" means the order entered August 24, 1982, in the antitrust action styled United States v. Western Electric, Civil Action No. 82–0192, in the United States District Court for the District of Columbia, and includes any judgment or order with respect to such action entered on or after August 24, 1982.

(2) GTE CONSENT DECREE.—The term "GTE Consent Decree" means the order entered December 21, 1984, as restated January 11, 1985, in the action styled United States v. GTE Corp., Civil Action No. 83–1298, in the United States District Court for the District of Columbia, and any judgment or order with respect to such action entered on or after December 21, 1984.

(3) MCCAW CONSENT DECREE.—The term "McCaw Consent Decree" means the proposed consent decree filed on July 15, 1994, in the antitrust action styled United States v. AT&T Corp. and McCaw Cellular Communications, Inc., Civil Action No. 94-01555, in the United States District court for the District of Columbia. Such term includes any stipulation that the parties will abide by the terms of such proposed consent decree until it is entered and any order entering such proposed consent decree.

(4) ANTITRUST LAWS.—The term "antitrust laws" has the meaning given it in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)), except that such term includes the Act of June 19, 1936 (49 Stat. 1526; 15 U.S.C. 13 et seq.), commonly known as the Robinson-Patman Act, and section 5 of the Federal Trade Commission Act (15 U.S.C. 45) to the extent that such section 5 applies to unfair methods of competition.

SEC. 602. PREEMPTION OF LOCAL TAXATION WITH RESPECT TO DIRECT-TO-HOME SERVICES.

(a) PREEMPTION.—A provider of direct-to-home satellite service shall be exempt from the collection or remittance, or both, of any tax or fee imposed by any local taxing jurisdiction on direct-to-home satellite service.

(b) DEFINITIONS.—For the purposes of this section—

(1) DIRECT-TO-HOME SATELLITE SERVICE.—The term "direct-to-home satellite service" means only programming transmitted or broadcast by satellite directly to the subscribers' premises without the use of ground receiving or distribution equipment, except at the subscribers' premises or in the uplink process to the satellite.

(2) PROVIDER OF DIRECT-TO-HOME SATELLITE SERVICE.—For purposes of this section, a "provider of direct-to-home satellite service" means a person who transmits, broadcasts, sells, or distributes direct-to-home satellite service.

(3) LOCAL TAXING JURISDICTION.—The term "local taxing jurisdiction" means any municipality, city, county, township, parish, transportation district, or assessment jurisdiction, or any other local jurisdiction in the territorial jurisdiction of the United States with the authority to impose a tax or fee, but does not include a State.

(4) STATE.—The term "State" means any of the several States, the District of Columbia, or any territory or possession of the United States.

(5) TAX OR FEE.—The terms "tax" and "fee" mean any local sales tax, local use tax, local intangible tax, local income tax, business license tax, utility tax, privilege tax, gross receipts tax, excise tax, franchise fees, local telecommunications tax, or any other tax, license, or fee that is imposed for the privilege of doing business, regulating, or raising revenue for a local taxing jurisdiction.

(c) PRESERVATION OF STATE AUTHORITY.—This section shall not be construed to prevent taxation of a provider of direct-to-home satellite service by a State or to prevent a local taxing jurisdiction from receiving revenue derived from a tax or fee imposed and collected by a State.

TITLE VII—MISCELLANEOUS PROVISIONS

SEC. 701. PREVENTION OF UNFAIR BILLING PRACTICES FOR INFORMATION OR SERVICES PROVIDED OVER TOLL-FREE TELEPHONE CALLS.

(a) PREVENTION OF UNFAIR BILLING PRACTICES.—

(1) IN GENERAL.—Section 228(c) (47 U.S.C. 228(c)) is amended—

(A) by striking out subparagraph (C) of paragraph (7) and inserting in lieu thereof the following:

"(C) the calling party being charged for information conveyed during the call unless—

"(i) the calling party has a written agreement (including an agreement transmitted through electronic medium) that meets the requirements of paragraph (8); or

"(ii) the calling party is charged for the information in accordance with paragraph (9); or";

(B)(i) by striking "or" at the end of subparagraph (C) of such paragraph;

(ii) by striking the period at the end of subparagraph (D) of such paragraph and inserting a semicolon and "or"; and

(iii) by adding at the end thereof the following:

"(E) the calling party being assessed, by virtue of being asked to connect or otherwise transfer to a pay-per-call service, a charge for the call."; and

(C) by adding at the end the following new paragraphs:

"(8) SUBSCRIPTION AGREEMENTS FOR BILLING FOR INFORMATION PROVIDED VIA TOLL-FREE CALLS.—

"(A) IN GENERAL.—For purposes of paragraph (7)(C)(i), a written subscription does not meet the requirements of this paragraph unless the agreement specifies the material terms and conditions under which the information is offered and includes—

"(i) the rate at which charges are assessed for the information;

"(ii) the information provider's name;

"(iii) the information provider's business address;

"(iv) the information provider's regular business telephone number;

"(v) the information provider's agreement to notify the subscriber at least one billing cycle in advance of all future changes in the rates charged for the information; and

"(vi) the subscriber's choice of payment method, which may be by direct remit, debit, prepaid account, phone bill, or credit or calling card.

"(B) BILLING ARRANGEMENTS.—If a subscriber elects, pursuant to subparagraph (A)(vi), to pay by means of a phone bill—

"(i) the agreement shall clearly explain that the subscriber will be assessed for calls made to the information service from the subscriber's phone line;

"(ii) the phone bill shall include, in prominent type, the following disclaimer:

'Common carriers may not disconnect local or long distance telephone service for failure to pay disputed charges for information services.'; and

"(iii) the phone bill shall clearly list the 800 number dialed.

"(C) USE OF PINS TO PREVENT UNAUTHORIZED USE.—A written agreement does not meet the requirements of this paragraph unless it—

"(i) includes a unique personal identification number or other subscriber-specific identifier and requires a subscriber to use this number or identifier to obtain access to the information provided and includes instructions on its use; and

"(ii) assures that any charges for services accessed by use of the subscriber's personal identification number or subscriber-specific identifier be assessed to subscriber's source of payment elected pursuant to subparagraph (A)(vi).

"(D) EXCEPTIONS.—Notwithstanding paragraph (7)(C), a written agreement that meets the requirements of this paragraph is not required—

"(i) for calls utilizing telecommunications devices for the deaf;

"(ii) for directory services provided by a common carrier or its affiliate or by a local exchange carrier or its affiliate; or

"(iii) for any purchase of goods or of services that are not information services.

"(E) TERMINATION OF SERVICE.—On receipt by a common carrier of a complaint by any person that an information provider is in violation of the provisions of this section, a carrier shall—

"(i) promptly investigate the complaint; and

"(ii) if the carrier reasonably determines that the complaint is valid, it may terminate the provision of service to an information provider unless the provider supplies evidence of a written agreement that meets the requirements of this section.

"(F) TREATMENT OF REMEDIES.—The remedies provided in this paragraph are in addition to any other remedies that are available under title V of this Act.

"(9) CHARGES BY CREDIT, PREPAID, DEBIT, CHARGE, OR CALLING CARD IN ABSENCE OF AGREEMENT.—For purposes of paragraph (7)(C)(ii), a calling party is not charged in accordance with this paragraph unless the calling party is charged by means of a credit, prepaid, debit, charge, or calling card and the information service provider includes in response to each call an introductory disclosure message that—

"(A) clearly states that there is a charge for the call;

"(B) clearly states the service's total cost per minute and any other fees for the service or for any service to which the caller may be transferred;

"(C) explains that the charges must be billed on either a credit, prepaid, debit, charge, or calling card;

"(D) asks the caller for the card number;

"(E) clearly states that charges for the call begin at the end of the introductory message; and

"(F) clearly states that the caller can hang up at or before the end of the introductory message without incurring any charge whatsoever.

"(10) BYPASS OF INTRODUCTORY DISCLOSURE MESSAGE.—The requirements of paragraph (9) shall not apply to calls from repeat callers using a bypass mechanism to avoid listening to the introductory message, provided that information providers shall disable such a bypass mechanism after the institution of any price increase and for a period of time determined to be sufficient by the Federal Trade Commission to give callers adequate and sufficient notice of a price increase.

"(11) DEFINITION OF CALLING CARD.—As used in this subsection, the term 'calling card' means an identifying number or code unique to the individual, that is issued to the individual by a common carrier and enables the individual to be charged by means of a phone bill for charges incurred independent of where the call originates.".

(2) REGULATIONS.—The Federal Communications Commission shall revise its regulations to comply with the amendment made by paragraph (1) not later than 180 days after the date of enactment of this Act.

(3) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on the date of enactment of this Act.

(b) CLARIFICATION OF "PAY-PER-CALL SERVICES".—

(1) TELEPHONE DISCLOSURE AND DISPUTE RESOLUTION ACT.—Section 204(1) of the Telephone Disclosure and Dispute Resolution Act (15 U.S.C. 5714(1)) is amended to read as follows:

"(1) The term 'pay-per-call services' has the meaning provided in section 228(i) of the Communications Act of 1934, except that the Commission by rule may, notwithstanding subparagraphs (B) and (C) of section 228(i)(1) of such Act, extend such definition to other similar services providing audio information or audio entertainment if the Commission determines that such services are susceptible to the unfair and deceptive practices that are prohibited by the rules prescribed pursuant to section 201(a).".

(2) COMMUNICATIONS ACT.—Section 228(i)(2) (47 U.S.C. 228(i)(2)) is amended by striking "or any service the charge for which is tariffed,".

SEC. 702. PRIVACY OF CUSTOMER INFORMATION.

Title II is amended by inserting after section 221 (47 U.S.C. 221) the following new section:

"SEC. 222. PRIVACY OF CUSTOMER INFORMATION.

"(a) IN GENERAL.—Every telecommunications carrier has a duty to protect the confidentiality of proprietary information of, and relating to, other telecommunication carriers, equipment manufacturers, and customers, including telecommunication carriers reselling telecommunications services provided by a telecommunications carrier.

"(b) CONFIDENTIALITY OF CARRIER INFORMATION.—A telecommunications carrier that receives or obtains proprietary information from another carrier for purposes of providing any telecommunications service shall use such information only for such purpose, and shall not use such information for its own marketing efforts.

"(c) CONFIDENTIALITY OF CUSTOMER PROPRIETARY NETWORK INFORMATION.—

"(1) PRIVACY REQUIREMENTS FOR TELECOMMUNICATIONS CARRIERS.—Except as required by law or with the approval of the customer, a telecommunications carrier that receives or obtains customer proprietary network information by virtue of its provision of a telecommunications service shall only use, disclose, or permit access to individually identifiable customer proprietary network information in its provision of (A) the telecommunications service from which such information is derived, or (B) services necessary to, or used in, the provision of such telecommunications service, including the publishing of directories.

"(2) DISCLOSURE ON REQUEST BY CUSTOMERS.—A telecommunications carrier shall disclose customer proprietary network information, upon affirmative written request by the customer, to any person designated by the customer.

"(3) AGGREGATE CUSTOMER INFORMATION.—A telecommunications carrier that receives or obtains customer proprietary network information by virtue of its provision of a telecommunications service may use, disclose, or permit access to aggregate customer information other than for the purposes described in paragraph (1). A local exchange carrier may use, disclose, or permit access to aggregate customer information other than for purposes described in paragraph (1) only if it provides such aggregate information to other carriers or persons on reasonable and nondiscriminatory terms and conditions upon reasonable request therefor.

"(d) EXCEPTIONS.—Nothing in this section prohibits a telecommunications carrier from using, disclosing, or permitting access to customer proprietary network information obtained from its customers, either directly or indirectly through its agents—

"(1) to initiate, render, bill, and collect for telecommunications services;

"(2) to protect the rights or property of the carrier, or to protect users of those services and other carriers from fraudulent, abusive, or unlawful use of, or subscription to, such services; or

"(3) to provide any inbound telemarketing, referral, or administrative services to the customer

for the duration of the call, if such call was initiated by the customer and the customer approves of the use of such information to provide such service.

"(e) SUBSCRIBER LIST INFORMATION.—Notwithstanding subsections (b), (c), and (d), a telecommunications carrier that provides telephone exchange service shall provide subscriber list information gathered in its capacity as a provider of such service on a timely and unbundled basis, under nondiscriminatory and reasonable rates, terms, and conditions, to any person upon request for the purpose of publishing directories in any format.

"(f) DEFINITIONS.—As used in this section:

"(1) CUSTOMER PROPRIETARY NETWORK INFORMATION.—The term 'customer proprietary network information' means—

"(A) information that relates to the quantity, technical configuration, type, destination, and amount of use of a telecommunications service subscribed to by any customer of a telecommunications carrier, and that is made available to the carrier by the customer solely by virtue of the carrier-customer relationship; and

"(B) information contained in the bills pertaining to telephone exchange service or telephone toll service received by a customer of a carrier;

except that such term does not include subscriber list information.

"(2) AGGREGATE INFORMATION.—The term 'aggregate customer information' means collective data that relates to a group or category of services or customers, from which individual customer identities and characteristics have been removed.

"(3) SUBSCRIBER LIST INFORMATION.—The term 'subscriber list information' means any information—

"(A) identifying the listed names of subscribers of a carrier and such subscribers' telephone numbers, addresses, or primary advertising classifications (as such classifications are assigned at the time of the establishment of such service), or any combination of such listed names, numbers, addresses, or classifications; and

"(B) that the carrier or an affiliate has published, caused to be published, or accepted for publication in any directory format.".

SEC. 703. POLE ATTACHMENTS.

Section 224 (47 U.S.C. 224) is amended—

(1) in subsection (a)(1), by striking the first sentence and inserting the following: "The term 'utility' means any person who is a local exchange carrier or an electric, gas, water, steam, or other public utility, and who owns or controls poles, ducts, conduits, or rights-of-way used, in whole or in part, for any wire communications.";

(2) in subsection (a)(4), by inserting after "system" the following: "or provider of telecommunications service";

(3) by inserting after subsection (a)(4) the following:

"(5) For purposes of this section, the term 'telecommunications carrier' (as defined in section 3 of this Act) does not include any incumbent local exchange carrier as defined in section 251(h).";

(4) by inserting after "conditions" in subsection (c)(1) a comma and the following: "or access to poles, ducts, conduits, and rights-of-way as provided in subsection (f),";

(5) in subsection (c)(2)(B), by striking "cable television services" and inserting "the services offered via such attachments";

(6) by inserting after subsection (d)(2) the following:

"(3) This subsection shall apply to the rate for any pole attachment used by a cable television system solely to provide cable service. Until the effective date of the regulations required under subsection (e), this subsection shall also apply to the rate for any pole attachment used by a cable system or any telecommunications carrier (to the extent such carrier is not a party to a pole attachment agreement) to provide any telecommunications service."; and

(7) by adding at the end thereof the following:

"(e)(1) The Commission shall, no later than 2 years after the date of enactment of the Telecommunications Act of 1996, prescribe regulations in accordance with this subsection to govern the charges for pole attachments used by telecommunications carriers to provide telecommunications services, when the parties fail to resolve a dispute over such charges. Such regulations shall ensure that a utility charges just, reasonable, and nondiscriminatory rates for pole attachments.

"(2) A utility shall apportion the cost of providing space on a pole, duct, conduit, or right-of-way other than the usable space among entities so that such apportionment equals two-thirds of the costs of providing space other than the usable space that would be allocated to such entity under an equal apportionment of such costs among all attaching entities.

"(3) A utility shall apportion the cost of providing usable space among all entities according to the percentage of usable space required for each entity.

"(4) The regulations required under paragraph (1) shall become effective 5 years after the date of enactment of the Telecommunications Act of 1996. Any increase in the rates for pole attachments that result from the adoption of the regulations required by this subsection shall be phased in equal annual increments over a period of 5 years beginning on the effective date of such regulations.

"(f)(1) A utility shall provide a cable television system or any telecommunications carrier with nondiscriminatory access to any pole, duct, conduit, or right-of-way owned or controlled by it.

"(2) Notwithstanding paragraph (1), a utility providing electric service may deny a cable television system or any telecommunications carrier access to its poles, ducts, conduits, or rights-of-way, on a non-discriminatory basis where there is insufficient capacity and for reasons of safety, reliability and generally applicable engineering purposes.

"(g) A utility that engages in the provision of telecommunications services or cable services shall impute to its costs of providing such services (and charge any affiliate, subsidiary, or associate company engaged in the provision of such services) an equal amount to the pole attachment rate for which such company would be liable under this section.

"(h) Whenever the owner of a pole, duct, conduit, or right-of-way intends to modify or alter such pole, duct, conduit, or right-of-way, the owner shall provide written notification of such action to any entity that has obtained an attachment to such conduit or right-of-way so that such entity may have a reasonable opportunity to add to or modify its existing attachment. Any entity that adds to or modifies its existing attachment after receiving such notification shall bear a proportionate share of the costs incurred by the owner in making such pole, duct, conduit, or right-of-way accessible.

"(i) An entity that obtains an attachment to a pole, conduit, or right-of-way shall not be required to bear any of the costs of rearranging or replacing its attachment, if such rearrangement or replacement is required as a result of an additional attachment or the modification of an existing attachment sought by any other entity (including the owner of such pole, duct, conduit, or right-of-way).".

SEC. 704. FACILITIES SITING; RADIO FREQUENCY EMISSION STANDARDS.

(a) NATIONAL WIRELESS TELECOMMUNICATIONS SITING POLICY.—Section 332(c) (47 U.S.C. 332(c)) is amended by adding at the end the following new paragraph:

"(7) PRESERVATION OF LOCAL ZONING AUTHORITY.—

"(A) GENERAL AUTHORITY.—Except as provided in this paragraph, nothing in this Act shall limit or affect the authority of a State or local government or instrumentality thereof over decisions regarding the placement, construction, and modification of personal wireless service facilities.

"(B) LIMITATIONS.—

"(i) The regulation of the placement, construction, and modification of personal wireless service facilities by any State or local government or instrumentality thereof—

"(I) shall not unreasonably discriminate among providers of functionally equivalent services; and

"(II) shall not prohibit or have the effect of prohibiting the provision of personal wireless services.

"(ii) A State or local government or instrumentality thereof shall act on any request for authorization to place, construct, or modify personal wireless service facilities within a reasonable period of time after the request is duly filed with such government or instrumentality, taking into account the nature and scope of such request.

"(iii) Any decision by a State or local government or instrumentality thereof to deny a request to place, construct, or modify personal wireless service facilities shall be in writing and supported by substantial evidence contained in a written record.

"(iv) No State or local government or instrumentality thereof may regulate the placement, construction, and modification of personal wireless service facilities on the basis of the environmental effects of radio frequency emissions to the extent that such facilities comply with the Commission's regulations concerning such emissions.

"(v) Any person adversely affected by any final action or failure to act by a State or local government or any instrumentality thereof that is inconsistent with this subparagraph may, within 30 days after such action or failure to act, commence an action in any court of competent jurisdiction. The court shall hear and decide such action on an expedited basis. Any person adversely affected by an act or failure to act by a State or local government or any instrumentality thereof that is inconsistent with clause (iv) may petition the Commission for relief.

"(C) DEFINITIONS.—For purposes of this paragraph—

"(i) the term 'personal wireless services' means commercial mobile services, unlicensed wireless services, and common carrier wireless exchange access services;

"(ii) the term 'personal wireless service facilities' means facilities for the provision of personal wireless services; and

"(iii) the term 'unlicensed wireless service' means the offering of telecommunications services using duly authorized devices which do not require individual licenses, but does not mean the provision of direct-to-home satellite services (as defined in section 303(v)).".

(b) RADIO FREQUENCY EMISSIONS.—Within 180 days after the enactment of this Act, the Commission shall complete action in ET Docket 93-62 to prescribe and make effective rules regarding the environmental effects of radio frequency emissions.

(c) AVAILABILITY OF PROPERTY.—Within 180 days of the enactment of this Act, the President or his designee shall prescribe procedures by which Federal departments and agencies may make available on a fair, reasonable, and nondiscriminatory basis, property, rights-of-way, *and easements under their control for the placement of new telecommunications services that are dependent, in whole or in part, upon the utilization of Federal spectrum rights for the transmission or reception of such services. These procedures may establish a presumption that requests for the use of property, rights-of-way, and easements by duly authorized providers should be granted absent unavoidable direct conflict with the department or agency's mission, or the current or planned use of the property, rights-of-way, and easements in question. Reasonable fees may be charged to providers of such telecommunications services for use of property, rights-of-way, and easements. The Commission shall provide technical support to States to encourage them to make property, rights-of-way, and easements under their jurisdiction available for such purposes.*

SEC. 705. MOBILE SERVICES DIRECT ACCESS TO LONG DISTANCE CARRIERS.

Section 332(c) (47 U.S.C. 332(c)) is amended by adding at the end the following new paragraph:

"(8) MOBILE SERVICES ACCESS.—A person engaged in the provision of commercial mobile services, insofar as such person is so engaged, shall not be required to provide equal access to common carriers for the provision of telephone toll services. If the Commission determines that subscribers to such services are denied access to the provider of telephone toll services of the subscribers' choice, and that such denial is contrary to the public interest, convenience, and necessity, then the Commission shall prescribe regulations to afford subscribers unblocked access to the provider of telephone toll services of the subscribers' choice through the use of a carrier identification code assigned to such provider or other mechanism. The requirements for unblocking shall not apply to mobile satellite services unless the Commission finds it to be in the public interest to apply such requirements to such services.".

SEC. 706. ADVANCED TELECOMMUNICATIONS INCENTIVES.

(a) IN GENERAL.—The Commission and each State commission with regulatory jurisdiction over telecommunications services shall encourage the deployment on a reasonable and timely basis of advanced telecommunications capability to all Americans (including, in particular, elementary and secondary schools and classrooms) by utilizing, in a manner consistent with the public interest, convenience, and necessity, price cap regulation, regulatory forbearance, measures that promote competition in the local telecommunications market, or other regulating methods that remove barriers to infrastructure investment.

(b) INQUIRY.—The Commission shall, within 30 months after the date of enactment of this Act, and regularly thereafter, initiate a notice of inquiry concerning the availability of advanced telecommunications capability to all Americans (including, in particular, elementary and secondary schools and classrooms) and shall complete the inquiry within 180 days after its initiation. In the inquiry, the Commission shall determine whether advanced telecommunications capability is being deployed to all Americans in a reasonable and timely fashion. If the Commission's determination is negative, it shall take immediate action to accelerate deployment of such capability by removing barriers to infrastructure investment and by promoting competition in the telecommunications market.

(c) DEFINITIONS.—For purposes of this subsection:

(1) ADVANCED TELECOMMUNICATIONS CAPABILITY.—The term "advanced telecommunications capability" is defined, without regard to any transmission media or technology, as high-speed, switched, broadband telecommunications capability that enables users to originate and receive high-quality voice, data, graphics, and video telecommunications using any technology.

(2) ELEMENTARY AND SECONDARY SCHOOLS.—The term "elementary and secondary schools" means elementary and secondary schools, as defined in paragraphs (14) and (25), respectively, of section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

SEC. 707. TELECOMMUNICATIONS DEVELOPMENT FUND.

(a) DEPOSIT AND USE OF AUCTION ESCROW ACCOUNTS.—Section 309(j)(8) (47 U.S.C. 309(j)(8)) is amended by adding at the end the following new subparagraph:

"(C) DEPOSIT AND USE OF AUCTION ESCROW ACCOUNTS.—Any deposits the Commission may require for the qualification of any person to bid in a system of competitive bidding pursuant to this subsection shall be deposited in an interest bearing account at a financial institution designated for purposes of this subsection by the Commission (after consultation with the Secretary of the Treasury). Within 45 days following the conclusion of the competitive bidding—

"(i) the deposits of successful bidders shall be paid to the Treasury;

"(ii) the deposits of unsuccessful bidders shall be returned to such bidders; and

"(iii) the interest accrued to the account shall be transferred to the Telecommunications Development Fund established pursuant to section 714 of this Act.".

(b) ESTABLISHMENT AND OPERATION OF FUND.—Title VII is amended by inserting after section 713 (as added by section 305) the following new section:

"SEC. 714. TELECOMMUNICATIONS DEVELOPMENT FUND.

"(a) PURPOSE OF SECTION.—It is the purpose of this section—

"(1) to promote access to capital for small businesses in order to enhance competition in the telecommunications industry;

"(2) to stimulate new technology development, and promote employment and training; and

"(3) to support universal service and promote delivery of telecommunications services to underserved rural and urban areas.

"(b) ESTABLISHMENT OF FUND.—There is hereby established a body corporate to be known as the Telecommunications Development Fund, which shall have succession until dissolved. The Fund shall maintain its principal office in the District of Columbia and shall be deemed, for purposes of venue and jurisdiction in civil actions, to be a resident and citizen thereof.

"(c) BOARD OF DIRECTORS.—

"(1) COMPOSITION OF BOARD; CHAIRMAN.—The Fund shall have a Board of Directors which shall consist of 7 persons appointed by the Chairman of the Commission. Four of such directors shall be representative of the private sector and three of such directors shall be representative of the Commission, the Small Business Administration, and the Department of the Treasury, respectively. The Chairman of the Commission shall appoint one of the representatives of the private sector to serve as chairman of the Fund within 30 days after the date of enactment of this section, in order to facilitate rapid creation and implementation of the Fund. The directors shall include members with experience in a number of the following areas: finance, investment banking, government banking, communications law and administrative practice, and public policy.

"(2) TERMS OF APPOINTED AND ELECTED MEMBERS.—The directors shall be eligible to serve for terms of 5 years, except of the initial members, as designated at the time of their appointment—

"(A) 1 shall be eligible to service for a term of 1 year;

"(B) 1 shall be eligible to service for a term of 2 years;

"(C) 1 shall be eligible to service for a term of 3 years;

"(D) 2 shall be eligible to service for a term of 4 years; and

"(E) 2 shall be eligible to service for a term of 5 years (1 of whom shall be the Chairman).

Directors may continue to serve until their successors have been appointed and have qualified.

"(3) MEETINGS AND FUNCTIONS OF THE BOARD.—The Board of Directors shall meet at the call of its Chairman, but at least quarterly. The Board shall determine the general policies which shall govern the operations of the Fund. The Chairman of the Board shall, with the approval of the Board, select, appoint, and compensate qualified persons to fill the offices as may be provided for in the bylaws, with such functions, powers, and duties as may be prescribed by the bylaws or by the Board of Directors, and such persons shall be the officers of the Fund and shall discharge all such functions, powers, and duties.

"(d) ACCOUNTS OF THE FUND.—The Fund shall maintain its accounts at a financial institution designated for purposes of this section by the Chairman of the Board (after consultation with the Commission and the Secretary of the Treasury). The accounts of the Fund shall consist of—

"(1) interest transferred pursuant to section 309(j)(8)(C) of this Act;

"(2) such sums as may be appropriated to the Commission for advances to the Fund;

"(3) any contributions or donations to the Fund that are accepted by the Fund; and

"(4) any repayment of, or other payment made with respect to, loans, equity, or other extensions of credit made from the Fund.

"(e) USE OF THE FUND.—All moneys deposited into the accounts of the Fund shall be used solely for—

"(1) the making of loans, investments, or other extensions of credits to eligible small businesses in accordance with subsection (f);

"(2) the provision of financial advice to eligible small businesses;

"(3) expenses for the administration and management of the Fund (including salaries, expenses, and the rental or purchase of office space for the fund);

"(4) preparation of research, studies, or financial analyses; and

"(5) other services consistent with the purposes of this section.

"(f) LENDING AND CREDIT OPERATIONS.—Loans or other extensions of credit from the Fund shall be made available in accordance with the requirements of the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.) and any other applicable law to an eligible small business on the basis of—

"(1) the analysis of the business plan of the eligible small business;

"(2) the reasonable availability of collateral to secure the loan or credit extension;

"(3) the extent to which the loan or credit extension promotes the purposes of this section; and

"(4) other lending policies as defined by the Board.

"(g) RETURN OF ADVANCES.—Any advances appropriated pursuant to subsection (d)(2) shall be disbursed upon such terms and conditions (including conditions relating to the time or times of repayment) as are specified in any appropriations Act providing such advances.

"(h) GENERAL CORPORATE POWERS.—The Fund shall have power—

"(1) to sue and be sued, complain and defend, in its corporate name and through its own counsel;

"(2) to adopt, alter, and use the corporate seal, which shall be judicially noticed;

"(3) to adopt, amend, and repeal by its Board of Directors, bylaws, rules, and regulations as may be necessary for the conduct of its business;

"(4) to conduct its business, carry on its operations, and have officers and exercise the power granted by this section in any State without regard to any qualification or similar statute in any State;

"(5) to lease, purchase, or otherwise acquire, own, hold, improve, use, or otherwise deal in and with any property, real, personal, or mixed, or any interest therein, wherever situated, for the purposes of the Fund;

"(6) to accept gifts or donations of services, or of property, real, personal, or mixed, tangible or intangible, in aid of any of the purposes of the Fund;

"(7) to sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of its property and assets;

"(8) to appoint such officers, attorneys, employees, and agents as may be required, to determine their qualifications, to define their duties, to fix their salaries, require bonds for them, and fix the penalty thereof; and

"(9) to enter into contracts, to execute instruments, to incur liabilities, to make loans and equity investment, and to do all things as are necessary or incidental to the proper management of its affairs and the proper conduct of its business.

"(i) ACCOUNTING, AUDITING, AND REPORTING.—The accounts of the Fund shall be audited annually. Such audits shall be conducted in accordance with generally accepted auditing standards by independent certified public accountants. A report of each such audit shall be furnished to the Secretary of the Treasury and the Commission. The representatives of the Secretary and the Commission shall have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Fund and necessary to facilitate the audit.

"(j) REPORT ON AUDITS BY TREASURY.—A report of each such audit for a fiscal year shall be made by the Secretary of the Treasury to the President and to the Congress not later than 6 months following the close of such fiscal year. The report shall set forth the scope of the audit and shall include a statement of assets and liabilities, capital and surplus or deficit; a statement of surplus or deficit analysis; a statement of income and expense; a statement of sources and application of funds; and such comments and information as may be deemed necessary to keep the President and the Congress informed of the operations and financial condition of the Fund, together with such recommendations with respect thereto as the Secretary may deem advisable.

"(k) DEFINITIONS.—As used in this section:

"(1) ELIGIBLE SMALL BUSINESS.—The term 'eligible small business' means business enterprises engaged in the telecommunications industry that have $50,000,000 or less in annual revenues, on average over the past 3 years prior to submitting the application under this section.

"(2) FUND.—The term 'Fund' means the Telecommunications Development Fund established pursuant to this section.

"(3) TELECOMMUNICATIONS INDUSTRY.—The term 'telecommunications industry' means communications businesses using regulated or unregulated facilities or services and includes broadcasting, telecommunications, cable, computer, data transmission, software, programming, advanced messaging, and electronics businesses.".

SEC. 708. NATIONAL EDUCATION TECHNOLOGY FUNDING CORPORATION.

(a) FINDINGS; PURPOSE.—

(1) FINDINGS.—The Congress finds as follows:

(A) CORPORATION.—There has been established in the District of Columbia a private, nonprofit corporation known as the National Education Technology Funding Corporation which is not an agency or independent establishment of the Federal Government.

(B) BOARD OF DIRECTORS.—The Corporation is governed by a Board of Directors, as prescribed in the Corporation's articles of incorporation, consisting of 15 members, of which—

(i) five members are representative of public agencies representative of schools and public libraries;

(ii) five members are representative of State government, including persons knowledgeable about State finance, technology and education; and

(iii) five members are representative of the private sector, with expertise in network technology, finance and management.

(C) CORPORATE PURPOSES.—The purposes of the Corporation, as set forth in its articles of incorporation, are—

(i) to leverage resources and stimulate private investment in education technology infrastructure;

(ii) to designate State education technology agencies to receive loans, grants or other forms of assistance from the Corporation;

(iii) to establish criteria for encouraging States to—

(I) create, maintain, utilize and upgrade interactive high capacity networks capable of providing audio, visual and data communications for elementary schools, secondary schools and public libraries;

(II) distribute resources to assure equitable aid to all elementary schools and secondary schools in the State and achieve universal access to network technology; and

(III) upgrade the delivery and development of learning through innovative technology-based instructional tools and applications;

(iv) to provide loans, grants and other forms of assistance to State education technology agencies, with due regard for providing a fair balance among types of school districts and public libraries assisted and the disparate needs of such districts and libraries;

(v) to leverage resources to provide maximum aid to elementary schools, secondary schools and public libraries; and

(vi) to encourage the development of education telecommunications and information technologies through public-private ventures, by serving as a clearinghouse for information on new education technologies, and by providing technical assistance, including assistance to States, if needed, to establish State education technology agencies.

(2) PURPOSE.—The purpose of this section is to recognize the Corporation as a nonprofit corporation operating under the laws of the District of Columbia, and to provide authority for Federal departments and agencies to provide assistance to the Corporation.

(b) DEFINITIONS.—For the purpose of this section—

(1) the term "Corporation" means the National Education Technology Funding Corporation described in subsection (a)(1)(A);

(2) the terms "elementary school" and "secondary school" have the same meanings given such terms in section 14101 of the Elementary and Secondary Education Act of 1965; and

(3) the term "public library" has the same meaning given such term in section 3 of the Library Services and Construction Act.

(c) ASSISTANCE FOR EDUCATION TECHNOLOGY PURPOSES.—

(1) RECEIPT BY CORPORATION.—Notwithstanding any other provision of law, in order to carry out the corporate purposes described in subsection (a)(1)(C), the Corporation shall be eligible to receive discretionary grants, contracts, gifts, contributions, or technical assistance from any Federal department or agency, to the extent otherwise permitted by law.

(2) AGREEMENT.—In order to receive any assistance described in paragraph (1) the Corporation shall enter into an agreement with the Federal department or agency providing such assistance, under which the Corporation agrees—

(A) to use such assistance to provide funding and technical assistance only for activities which the Board of Directors of the Corporation determines are consistent with the corporate purposes described in subsection (a)(1)(C);

(B) to review the activities of State education technology agencies and other entities receiving assistance from the Corporation to assure that the corporate purposes described in subsection (a)(1)(C) are carried out;

(C) that no part of the assets of the Corporation shall accrue to the benefit of any member of the Board of Directors of the Corporation, any officer or employee of the Corporation, or any other individual, except as salary or reasonable compensation for services;

(D) that the Board of Directors of the Corporation will adopt policies and procedures to prevent conflicts of interest;

(E) to maintain a Board of Directors of the Corporation consistent with subsection (a)(1)(B);

(F) that the Corporation, and any entity receiving the assistance from the Corporation, are subject to the appropriate oversight procedures of the Congress; and

(G) to comply with—

(i) the audit requirements described in subsection (d); and

(ii) the reporting and testimony requirements described in subsection (e).

(3) CONSTRUCTION.—Nothing in this section shall be construed to establish the Corporation as an agency or independent establishment of the Federal Government, or to establish the members of the Board of Directors of the Corporation, or the officers and employees of the Corporation, as officers or employees of the Federal Government.

(d) AUDITS.—

(1) AUDITS BY INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS.—

(A) IN GENERAL.—The Corporation's financial statements shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants who are certified by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audits, and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(B) REPORTING REQUIREMENTS.—The report of each annual audit described in subparagraph (A) shall be included in the annual report required by subsection (e)(1).

(2) RECORDKEEPING REQUIREMENTS; AUDIT AND EXAMINATION OF BOOKS.—

(A) RECORDKEEPING REQUIREMENTS.—The Corporation shall ensure that each recipient of assistance from the Corporation keeps—

(i) separate accounts with respect to such assistance;

(ii) such records as may be reasonably necessary to fully disclose—

(I) the amount and the disposition by such recipient of the proceeds of such assistance;

(II) the total cost of the project or undertaking in connection with which such assistance is given or used; and

(III) the amount and nature of that portion of the cost of the project or undertaking supplied by other sources; and

(iii) such other records as will facilitate an effective audit.

(B) AUDIT AND EXAMINATION OF BOOKS.—The Corporation shall ensure that the Corporation, or any of the Corporation's duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of any recipient of assistance from the Corporation that are pertinent to such assistance. Representatives of the Comptroller General shall also have such access for such purpose.

(e) ANNUAL REPORT; TESTIMONY TO THE CONGRESS.—

(1) ANNUAL REPORT.—Not later than April 30 of each year, the Corporation shall publish an annual report for the preceding fiscal year and submit that report to the President and the Congress. The report shall include a comprehensive and detailed evaluation of the Corporation's operations, activities, financial condition, and accomplishments under this section and may include such recommendations as the Corporation deems appropriate.

(2) TESTIMONY BEFORE CONGRESS.—The members of the Board of Directors, and officers, of the Corporation shall be available to testify before appropriate committees of the Congress with respect to the report described in paragraph (1), the report of any audit made by the Comptroller General pursuant to this section, or any other matter which any such committee may determine appropriate.

SEC. 709. REPORT ON THE USE OF ADVANCED TELECOMMUNICATIONS SERVICES FOR MEDICAL PURPOSES.

The Secretary of Commerce, in consultation with the Secretary of Health and Human Services and other appropriate departments and agencies, shall submit a report to the Committee on Commerce of the House of Representatives and the Committee on Commerce, Science and Transportation of the Senate concerning the activities of the Joint Working Group on Telemedicine, together with any findings reached in the studies and demonstrations on telemedicine funded by the Public Health Service or other Federal agencies. The report shall examine questions related to patient safety, the efficacy and quality of the services provided, and other legal, medical, and economic issues related to the utilization of advanced telecommunications services for medical purposes. The report shall be submitted to the respective Committees by January 31, 1997.

SEC. 710. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—In addition to any other sums authorized by law, there are authorized to be appropriated to the Federal Communications Commission such sums as may be necessary to carry out this Act and the amendments made by this Act.

(b) EFFECT ON FEES.—For the purposes of section 9(b)(2) (47 U.S.C. 159(b)(2)), additional amounts appropriated pursuant to subsection (a) shall be construed to be changes in the amounts appropriated for the performance of activities described in section 9(a) of the Communications Act of 1934.

(c) FUNDING AVAILABILITY.—Section 309(j)(8)(B) (47 U.S.C. 309(j)(8)(B)) is amended by adding at the end the following new sentence: "Such offsetting collections are authorized to remain available until expended.".

And the House agree to the same.

From the Committee on Commerce, for consideration of the Senate bill, and the House amendment, and modifications committed to conference:

TOM BLILEY,
JACK FIELDS,
MICHAEL G. OXLEY,
RICK WHITE,
JOHN D. DINGELL,
EDWARD J. MARKEY,
RICK BOUCHER,
ANNA G. ESHOO,
BOBBY L. RUSH,

Provided, Mr. Pallone is appointed in lieu of Mr. Boucher solely for consideration of sec. 205 of the Senate bill:

FRANK PALLONE, JR.,

As additional conferees, for consideration of secs. 1–6, 101–04, 106–07, 201, 204–05, 221–25, 301–05, 307–11, 401–02, 405–06, 410, 601–06, 703, and 705 of the Senate bill, and title I of the House amendment, and modifications committed to conference:

DAN SCHAEFER,
JOE BARTON,
J. DENNIS HASTERT,
BILL PAXON,
SCOTT KLUG,
DAN FRISA,
CLIFF STEARNS,
SHERROD BROWN,
BART GORDON,
BLANCHE LAMBERT LINCOLN,

As additional conferees, for consideration of secs. 102, 202–03, 403, 407–09, and 706 of the Senate bill, and title II of the House amendment, and modifications committed to conference:

DAN SCHAEFER,
J. DENNIS HASTERT,
DAN FRISA,

As additional conferees, for consideration of secs. 105, 206, 302, 306, 312, 501–05, and 701–02 of the Senate bill, and title III of the House amendment, and modifications committed to conference:

CLIFF STEARNS,
BILL PAXON,
SCOTT KLUG,

As additional conferees, for consideration of secs. 7–8, 226, 404, and 704 of the Senate bill, and titles IV–V of the House amendment, and modifications committed to conference:

DAN SCHAEFER,
J. DENNIS HASTERT,
SCOTT KLUG,

As additional conferees, for consideration of title VI of the House amendment, and modifications committed to conference:

DAN SCHAEFER,
JOE BARTON,
SCOTT KLUG,

As additional conferees from the Committee on the Judiciary, for consideration of the Senate bill (except secs. 1–6, 101–04, 106–07, 201, 204–05, 221–25, 301–05, 307–11, 401–02, 405–06, 410, 601–06, 703, and 705), and of the House amendment (except title I), and modifications committed to conference:

HENRY HYDE,
CARLOS J. MOORHEAD,
BOB GOODLATTE,
STEVE BUYER,
MIKE FLANAGAN,

As additional conferees, for consideration of secs. 1–6, 101–04, 106–07, 201, 204–05, 221–25, 301–05, 307–11, 401–02, 405–06, 410, 601–06, 703, and 705 of the Senate bill, and title I of the House amendment, and modifications committed to conference:

HENRY HYDE,
CARLOS J. MOORHEAD,
BOB GOODLATTE,
STEVE BUYER,
MIKE FLANAGAN,
ELTON GALLEGLY,
BOB BARR,
MARTIN R. HOKE,
HOWARD L. BERMAN,

Managers on the Part of the House.

LARRY PRESSLER,
TED STEVENS,
SLADE GORTON,
TRENT LOTT,
FRITZ HOLLINGS,
DANIEL K. INOUYE,
WENDELL FORD,
J.J. EXON,
JAY ROCKEFELLER,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill S. 652, to provide for a procompetitive, de-regulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment that is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clerical changes.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

SECTION 1—SHORT TITLE AND SECTION 2—TABLE OF CONTENTS

Senate bill

Section 1 provides that the bill may be cited as the "Telecommunications Competition and Deregulation Act of 1995." Section 2 contains a table of contents for the Senate bill.

House amendment

Section 1 designates the short title as the "Communications Act of 1995." Section 2 contains a table of contents for the House amendment.

Conference agreement

Section 1 designates the title of the bill as the "Telecommunications Act of 1996." Section 2 contains a table of contents for the conference agreement.

SECTION 3—DEFINITIONS

Senate bill

Section 8(a) includes definitions of the Modification of the Final Judgment (MFJ), the GTE Consent Decree, and an "integrated telecommunications service provider." An "integrated telecommunications service provider" means a person engaged in the provision of multiple services, such as voice, data, image, graphics, and video services, which make common use of all or part of the same transmission facilities, switches, signaling, or control devices.

Section 8(b) adds several definitions to section 3 of the Communications Act of 1934 (47 U.S.C. 153) ("the Communications Act") including definitions for "local exchange carrier," "telecommunications" "telecommunications service," "telecommunications carrier," "telecommunications number portability," "information service," "rural telephone company," and "service area."

New subsection (kk) defines "local exchange carrier" to mean a provider of telephone exchange service or exchange access service. "Telephone exchange service" is already defined in section 3 of the Communications Act.

"Telecommunications" is defined in new subsection (ll) to mean the transmission, between or among points specified by the user, of information of the user's choosing including voice, data, image, graphics, and video, without change in the form or content of the information, as sent and received, with or without benefit of any closed transmission medium.

The term "telecommunications service" defined in new subsection (mm) of section 3 of the communications Act means the offering of telecommunications for a fee directly to the public or to such classes of users as to be effectively available to the public, regardless of the facilities used to transmit the telecommunications service. This definition is intended to include commercial mobile service ("CMS"), competitive access service, and alternative local telecommunications services to the extent they are offered to the public or to such classes of users as to be effectively available to the public.

Subsection (nn) defines "telecommunications carrier" to mean any provider of telecommunications service, except that the term does not include aggregator of telecommunications services as defined in section 226 of the Communications Act. The definition amends the Communications Act to explicitly provide that a "telecommunications carrier" shall be treated as a common carrier for purposes of the Communications Act, but only to the extent that it is engaged in providing telecommunications services.

New subsection (oo) defines "telecommunications number portability" to mean the ability of users of telecommunications services to retain, at the same location, existing telecommunications numbers without impairment of quality, reliability, or convenience when switching from one telecommunications carrier to another. Number portability allows consumers remaining at the same location to retain their existing telephone number when switching from one telecommunications carrier to another.

New subsection (pp) defines "information service" similar to the Federal Communications Commission's ("the Commission") definition of "enhanced services." The Senate intends that the Commission would have the continued flexibility to modify its definition and rules pertaining to enhanced services as technology changes

Subsection (rr) adds a definition of "rural telephone company" that includes companies that (i) do not serve areas containing any part of an incorporated place of 10,000 or more inhabitants, or any incorporated or unincorporated territory in an urbanized area, or (ii) have fewer than 100,000 access lines in a State.

New subsection (ss) adds to the Communications Act a definition of "service area." "Service area" means a geographic area established by the Commission and the State for the purpose of determining universal service obligations and support mechanisms. The Service are of a rural telephone company means such company's study are until the Commission and State, based on a recommendation of a Federal-State Joint Board, establish a different definition.

House amendment

Subsection (a) of section 501 adds new definitions, including for "information service" "telecommunications." "telecommunications service," "telecommunications equipment," "local exchange carrier," "affiliate," "customer premises equipment," "electronic publishing," "exchange area," and "rural telephone company." "Information service" and "telecommunications" are defined based on the definition used in the Modification of Final Judgment. The definition of "telecommunications" refers to transmission "by means of an electromagnetic transmission medium.

The term "local exchange carrier" does not include a person insofar as such person is engaged in the provision of CMS under section 332(c) of the Communications Act, except to the extent that the Commission finds that such service as provided by such persons in State is a replacement for a substantial portion of the wireless telephone exchange service within such State.

The term "telecommunication service" is defined as those services and facilities offered on a "common carrier" basis, recognizing the distinction between common carrier offerings that are provided to the public or to such classes of users as to be effectively available to a substantial portion of the public, and private services.

This section defines the term "rural telephone company" to means a local exchange carrier (LEC) to the extent that such carrier services an unincorporated area of less than 10,000 residents, or any territory defined by the Bureau of the Census as a rural area; or if such carrier has fewer than 50,000 access lines; or if such carrier provides telephone exchange service to a local study area with fewer than 100,000 access lines; or if such carrier has less than 15 percent of the access lines in communities of more than 50,000 residents.

The definition of a "Bell Operating Company" does not include an entity that owns a former Bell Operating Company's wireless operations that are no longer affiliated with a Bell Operating Company's wireline exchange facilities.

Conference agreement

Section 3(a) of the conference agreement both amends and adds definitions to section 3 of the Communications Act. The Senate recedes to the House with respect to the definitions of "cable system," "customer premises equipment," "dialing parity," "interLATA service," "LATA," "rural telephone company," and "telecommunications equipment," as well as on the House amendment to the existing definition of "telephone exchange service." The Senate recedes to the House with amendments regarding the definitions of "Bell Operating Company," "exchange access," "information service," and "local exchange carrier."

The Senate definition of "Bell Operating Company" was included; however, the conference agreement included the language in the House amendment clarifying that the term the "successor and assign" is limited to those providing wireline telephone exchange service so that Airtouch Communications, a former affiliate of Pacific Telesis that does not provide wireline telephone exchange service, or any other similarly situated former affiliate of a Bell Operating Company ("BOC"), is not included in that definition. The Senate definition of "local exchange carrier" was included to ensure that the Commission could, if future circumstances warrant, include CMS providers which provide telephone exchange service or exchange access in the definition of "local exchange carrier."

The House recedes to the Senate with respect to the definitions of "affiliate" and "cable service." The House recedes to the Senate with amendments with respect to the definitions of "number portability," "telecommunications," "telecommunications carrier," and "telecommunications service."

The conference agreement includes two new definitions to clarify certain provisions in the Senate bill and the House amendment. The term "AT&T Consent Decree" was substituted for "Modification of Final Judgment" in order to characterize more accurately the intent of the Senate bill and House amendment with respect to the supersession issues addressed in title VI. The term "network element" was included to describe the facilities, such as local loops, equipment, such as switching, and the features, functions, and capabilities that a local exchange carrier must provide for certain purposes under other sections of the conference agreement.

The House recedes to the Senate with an amendment with respect to new subsection 3(b) of the conference agreement, which provides that, except where otherwise provided, the terms used in the conference agreement have the same meaning as those terms have in the Communications Act.

The Senate recedes to the House amendment with respect to new subsection 3(c) of the conference agreement, which amends section 3 of the Communications Act to reorder the definitions in that section alphabetically and to make other stylistic changes.

TITLE I—TELECOMMUNICATIONS SERVICES

SUBTITLE A—TELECOMMUNICATIONS SERVICES

SECTION 101—INTERCONNECTION

Senate bill

The Senate bill creates new sections of the Communications Act to create competitive markets.

House amendment

The House amendment creates new sections of the Communications Act to create competitive markets.

Conference agreement

Section 101 of the conference agreement establishes a new "Part II" of title II of the Communications Act. Part II contains new sections 251–261 of the Communications Act to create competitive communications markets.

NEW SECTION 251—INTERCONNECTION

Senate bill

New subsection 251(a) imposes a duty on local exchange carriers possessing market power in the provision of telephone exchange service or exchange access service in a particular local area to negotiate in good faith and to provide interconnection with other telecommunications carriers that have requested interconnection for the purpose of providing telephone exchange service or exchange access service. The obligations and procedures prescribed in this section do not apply to interconnection arrangements between local exchange carriers and telecommunications carriers under section 201 of the Communications Act for the purpose of providing interexchange service, and nothing in this section is intended to affect the Commission's access charge rules. Local exchange carriers with market power are required to provide interconnection at reasonable and nondiscriminatory rates.

The Commission will determine which local exchange carriers have market power for purposes of this section. In determining market power, the relevant market shall include all providers of telephone exchange service or exchange access service in a local service area, regardless of the technology used to provide such service.

The obligation to negotiate interconnection shall apply to a local exchange carrier or a class of local exchange carriers that are determined by the Commission to have market power in providing exchange services. The references to a "class" of carriers are intended to relieve the Commission of the need to make a separate market power determination for each individual carrier. These references are not intended to require the local exchange carriers to engage in negotiations as a class, although subsection 251(a)(2) provides that multilateral negotiations are permitted. However, a local exchange carrier that chooses to participate in multilateral negotiations will be subject to an individual obligation to negotiate in good faith and will remain subject to the time limitations contained in this and other provisions of section 251.

New section 251 provides two alternative methods for reaching interconnection agreements.

New subsection 251(b) provides a list of minimum standards relating to types of interconnection the local exchange carrier must agree to provide, if sought by the telecommunications carrier requesting interconnection. The minimum standards include unbundled access to the network functions and services of the local exchange carrier's network, and unbundled access to the local exchange carrier's telecommunications facilities and information, including databases and signaling, that are necessary for transmission and routing and the interoperability of both carriers' networks. The negotiation process established by this section is intended to resolve questions of economic reasonableness with respect to the interconnection requirements. That is, either the parties resolve the issue or the State will impose conditions for interconnection consistent with section 251 and the Commission's rules.

The minimum standards also require interconnection to the local exchange carrier's network that is at least equal in type, quality, and price to the interconnection the carrier provides to any other party, including itself or affiliated companies. At a minimum, the Senate intends that any technically feasible point would be any point at which the local exchange carrier provides access to any other party, including itself or any affiliated entry. Access to poles, ducts, conduits, and rights-of-way owned or controlled by the local exchange carrier is also a minimum standard.

Number portability and local dialing parity are included in the minimum standards of subsection 251(b). If requested, a local exchange carrier must take any action under its control to provide interim or final number portability as soon as it is technically feasible. Section 307 of the bill adds new section 261 of the Communications Act which establishes a neutral telecommunications numbering administration and defines interim and final number portability. The Commission will determine when final number portability is technically feasible. A similar requirement applies to local dialing parity.

The minimum standards also cover resale or sharing of the local exchange carrier's unbundled telecommunications services and network functions. The carrier is not permitted to attach unreasonable conditions to the resale or sharing of those services or functions. Subsection 251(b) provides certain circumstances where it would not be unreasonable for a State to limit the resale of services included within the definition of universal service.

Additional minimum standards relate to reciprocal compensation arrangements, including in-kind exchange of traffic or traffic balance measures, reasonable notice of changes in the information necessary for transmission and routing of services over the carrier's network, and schedules of itemized charges and conditions.

Subsection 251(i) requires the Commission to promulgate rules to implement section 251 within 6 months after enactment. If a State fails to carry out its responsibilities under section 251 in accordance with the rules promulgated by the Commission, the Senate intends that the Commission assume the responsibilities of the State in the applicable proceeding or matter.

Subsection 251(i) also requires the Commission or a State to waive or modify the requirements of the minimum standards of subsection 251(b) in the case of a rural telephone company, and allows the Commission or a State to waive or modify those requirements in the case of a local exchange carrier with fewer than two percent of the nation's subscriber lines installed in the aggregate nationwide. In order to waive or modify the requirements of subsection 251(b) for such companies or carriers, the Commission or a State must determine that the application of such requirements would result in unfair competition, impose a significant adverse economic impact on users of telecommunications services, be technically infeasible, or otherwise not be in the public interest. The Senate intends that the Commission or a State shall, consistent with the protection of consumers and allowing for competition, use this authority to provide a level playing field, particularly when a company or carrier to which this subsection applies faces competition from a telecommunications carrier that is a large global or nationwide entity that has financial or technological resources that are significantly greater than the resources of the company or carrier.

New subsection 251(j) provides that nothing in section 251 precludes a State from imposing requirements on telecommunications carriers with respect to intrastate services that the State determines are necessary to further competition in the provision of telephone exchange service or exchange access service, so long as any such requirements are not inconsistent with the Commission's rules to implement section 251.

New subsection 251(k) provides that nothing in section 251 is intended to change or modify the Commission's rules at 47 CFR 69 et seq. regarding the charges that an interexchange carrier pays to local exchange carriers for access to the local exchange carrier's network. The Senate also does not intend that section 251 should affect regulations implemented under section 201 with respect to interconnection between interexchange carriers and local exchange carriers.

Section 307 of the bill adds a new section 261 to the Communications Act. New section 261 requires local exchange carriers to provide for number portability and also requires the neutral administration of a nationwide telephone numbering system.

Subsection 261(a) requires that, as of the date of enactment, interconnection agreements reached under section 251 must, if requested, provide for interim number portability.

Interim number portability may require that calls to or from the subscriber be routed through the local exchange carrier's switch. Some method of call forwarding or similar arrangement could be used to satisfy this requirement. The method of providing interim number portability and the amount of compensation, if any, for providing such service is subject to the negotiated interconnection agreement, pursuant to section 251.

Subsection 261(b) provides that final number portability shall be made available, upon request, when the Commission determines that final telecommunications portability is technically feasible. Subsection 261(d) states that the cost of such number portability shall be borne by all providers on a competitively neutral basis.

Subsection 261(c) of new section 261 requires that all providers of telephone exchange service or exchange access service comply with the guidelines, rules, or plans, of the entity or entities responsible for administering a nationwide neutral number system. This provision is not intended to affect the Commission's ongoing proceeding on numbering administration.

Subsection 261(c)(2) requires that all telecommunications carriers which provide local exchange or exchange access service in the same telephone service area be assigned the same numbering plan area code.

House amendment

Section 241 of section 101 of the House amendment restates the obligation contained in section 201(a) of the Communications Act on all common carriers to interconnect with the facilities and equipment of other providers of telecommunications services and information services.

Section 242(a)(1) sets out the specific requirements of openness and accessibility that apply to LECs as competitors enter the local market and seek access to, and interconnection with, the incumbent's network facilities. Under section 242(a)(2), LECs have the duty to offer unbundled services, elements, features, functions, and capabilities whenever technically feasible. Section 242(a)(3) imposes the duty to offer resale at wholesale rates, which are defined as retail, less the avoided costs. Section 242(a)(4) sets out the duty to provide number portability, to the extent technically feasible. Section 242(a)(5) sets out the duty to provide dialing parity. Section 242(a)(6) sets out the duty to afford access to the poles, ducts, conduits, and rights-of-way of the incumbent carrier, as provided under the pole attachment provisions of the Communications Act. Section 242(a)(7) places the responsibility on local telephone companies not to install network features, functions, and capabilities that violate the requirement of network functionality and accessibility. Section 242(a)(8) places a duty on both parties to negotiate in good faith on all requirements relating to interconnection agreements.

Section 242(b)(1) describes the specific terms and conditions for interconnection, compensation, and equal access, which are integral to a competing provider seeking to offer local telephone services over its own facilities. Under section 242(b)(2), any interconnection agreement entered into must provide for mutual and reciprocal recovery of costs, and may include a range of compensation schemes, such as an in-kind exchange of traffic without cash payment (known as bill-and-keep arrangements). Under section 242(b)(3), the LEC has a responsibility to offer reasonable and nondiscriminatory access on an unbundled basis "that is equal in type and quality" to that which it affords itself or any other person. Section 242(b)(4) directs the Commission to establish regulations requiring actual collocation, or physicial collocation, of equipment necessary for interconnection at the premises of a LEC, except that virtual collocation is permitted where the LEC demonstrates that actual collocation is not practical for technical reasons or because of space limitations.

This section also directs the Commission to establish regulations requiring full compensation to the LEC for costs of providing services to equal access, interconnection, number portability, and unbundling and requires a carrier, to the extent it provides a telecommunications service or an information service over its own network, to impute to itself the charge for access and interconnection that it charges other persons for providing such services. Subsection 242(c) mandates the manner in which number portability and dialing parity must be provided. This section does not require intraLATA toll dialing parity until a BOC is authorized to offer long distance service.

Section 242(d)(1) prohibits a provider from joint marketing of local and interLATA toll service until the BOC in that State is authorized to provide long distance service pursuant to section 245. Section 242(d)(2) grandfathers joint marketing arrangements in place before the date of enactment. Section 242(e) grants to the Commission the authority to waive or modify, in whole or in part, the requirements of section 242 for any carrier that has, in the aggregate nationwide, fewer than 500,000 access lines installed, to the extent that the Commission determines the effect of the requirements would be economically burdensome, or technologically infeasible. Section 242(f) gives State commissions the authority to waive section 242 requirements with respect to rural telephone companies, and subsection 242(g) sets out the time and manner for compliance if the State determines that the exemption should not apply.

Conference agreement

The conference agreement adopts a new model for interconnection that incorporates provisions from both the Senate bill and House amendment in a new section 251 of the Communications Act. New section 251(a) imposes a general duty to interconnect directly or indirectly between all telecommunications carriers and the duty not to install network features and functions that do not comply with the guidelines and standards established under new sections 255 and 256 of the Communications Act.

New section 251(b) imposes several duties on all local exchange carriers, including the "new entrants" into the local exchange market. These include the duties: (1) not to prohibit resale of their service; (2) to provide number portability; (3) to provide dialing parity; (4) to afford access to poles, ducts, conduits, and rights-of-way consistent with the pole attachment provisions in section 224 of the Communications Act; and (5) to establish reciprocal compensation arrangements for the transport and termination of traffic. The conferees note that the duties imposed under new section 251(b) make sense only in the context of a specific request from another telecommunications carrier or any other person who actually seeks to connect with or provide services using the LEC's network.

New section 251(c) imposes several additional obligations on incumbent LECs. These include the duties: (1) to negotiate in good faith, subject to the provisions of section 252, binding agreements to provide all of the obligations imposed in new sections 251(b) and 251(c); (2) to provide interconnection at any technically feasible point of the same type and quality it provides to itself, on just, reasonable, and nondiscriminatory terms and conditions; (3) to provide access to network elements on an unbundled basis; (4) to offer resale of its telecommunications services at wholesale rates; (5) to provide reasonable public notice of changes to its network; and (6) to provide physical collocation, or virtual collocation if physical collocation is not practical.

New section 251(d) requires the Commission to adopt regulations to implement new section 251 within 6 months, and states that nothing precludes the enforcement of State regulations that are consistent with the requirements of new section 251. New section 251(e) clarifies the Commission's authority for numbering administration. The costs for numbering administration and number portability shall be borne by all providers on a competitively neutral basis.

New section 251(f)(1) provides for the exemption of rural telephone companies from the requirements of new subsection (c) until a bona fide request is received that the State commission determines is not unduly economically burdensome, is technically feasible, and is consistent with the universal service provisions of new section 254, except the specific public interest determinations thereunder. The State commission receiving notice of a bona fide request must rule on it within 120 days and, if no exemption is granted, shall establish a schedule for compliance with the request. The exemption is not available where an incumbent cable operator makes a request to an incumbent telephone company providing video programming in the same service area, except where rural telephone companies offer video programming directly to subscribers on the date of enactment.

New section 251(f)(2) allows a local exchange carrier with less than 2% of the subscribed access lines nationwide to petition for a suspension or modification of the requirements under new sections 251(b) and 251(c) for the telephone exchange service facilities specified in the petition. The State commission shall grant the petition to the extent that it is necessary to avoid significant adverse impacts on consumers, imposing an undue economic burden or a technically infeasible requirement on the incumbent, and provided that the modification or suspension is in the public interest.

The approach of both the Senate bill and the House amendment assumed that Bell Operating Companies ("BOCs") would be required to continue to provide equal access and nondiscrimination to interexchange carriers and information service providers under those parts of the AT&T Consent Decree that would have remained in effect under either approach. Because the new approach completely eliminates the prospective effect of the AT&T Consent Decree, some provision is necessary to keep these requirements in place. By the same token, although not specifically addressed in either the Senate bill or the House amendment, some provision is also needed to ensure that the GTE Operating Companies that provide local exchange services continue to provide equal access and nondiscrimination to interexchange carriers and information service providers.

Accordingly, the conference agreement includes a new section 251(g). This section provides that, on and after the date of enactment, each local exchange carrier, to the extent that it provides wireline services, shall have a statutory duty to provide equal access and nondiscrimination to interexchange carriers and information service providers. In the interim, between the date of enactment and the date the Commission promulgate new regulations under this section, the substance of this new statutory duty shall be the equal access and nondiscrimination restrictions and obligations, including receipt of compensation, that applied to the local exchange carrier immediately prior to the date of enactment, regardless of the source. When the Commission promulgates its new regulations, the conferees expect that the commission will explicitly identify those parts of the interim restrictions and obligations that it is superseding so that there is no confusion as to what restrictions and obligations remain in effect. These interim restrictions and obligations shall be enforceable in the same manner as Commission regulations.

Even though the substance of the interim restrictions and obligations on the BOCs and GTE Operating Companies will be taken from the respective consent decrees, these restrictions and obligations shall not be enforceable under either consent decree because the provisions of section 601(a) of the bill eliminate the prospective effect of both consent decrees. The use of the provisions of the respective consent decrees to provide, on an interim basis, the substance of the new statutory duty in no way revives the consent decrees. In particular, the use of the provisions of the GTE consent decree relating to equal access and nondiscrimination on this interim basis should not be construed in any way as recreating or continuing the GTE Consent Decree's prohibition on GTE's or the GTE Operating Companies' entry into the interexchange market.

The old consent decree obligations no longer exist with respect to post-enactment conduct, and the new obligations flow only from the statute. These new statutory obligations shall be enforceable only through the means provided under law for the enforcement of Commission regulations. Nothing in this section should be construed as providing any authority for the enforcement of these statutory obligations under either of the consent decrees from which their substance will be taken. Nothing in this section should be construed as requiring any parties to renegotiate any agreements currently in existence unless the new Commission regulations under this section require such renegotiation.

New subsection 251(h) provides the definition of "incumbent local telephone carrier."

New subsection 251(i) makes clear the conferees' intent that the provisions of new section 251 are in addition to, and in no way limit or affect, the Commission's existing authority regarding interconnection under section 201 of the Communications Act.

NEW SECTION 252—PROCEDURES FOR NEGOTIATION, ARBITRATION, AND APPROVAL OF AGREEMENTS

Senate bill

Section 251(c) makes clear that a local exchange carrier may meet its section 251 interconnection obligations by negotiating and entering into a binding agreement that does not reflect the minimum standards listed in section 251(b). Each such negotiated interconnection agreement must include a schedule of itemized charges for each service, facility, or function included in the agreement, and must be submitted to a State under section 251(e).

Section 251(d) provides procedures under which any party negotiating an interconnection agreement may ask the State to participate in the negotiations and to arbitrate any differences arising in the negotiations. A

State may be asked to arbitrate at any point in the negotiations.

In addition to the possibility of arbitration by the State, section 251(d) provides a more formal remedy under which any party may petition the State to intervene in the negotiations. If issues remain unresolved more than 135 days after the date the local exchange carrier received the request to negotiate, any party to the negotiations may petition the State to intervene for the purpose of resolving any issues that remain open in the negotiation. Requests to the State to intervene must be made during the 25 day period that begins 135 days after the local exchange carrier received the negotiation request. The State is required to resolve any open issues and conduct its review of the agreement under section 251(e) not later than 10 months after the date the local exchange carrier received the request to negotiate. In resolving any open issues the solution imposed by a State must be consistent with the Commission's rules to implement this section, the minimum standards required under section 251(b) and the provisions of section 351(d)(6) with respect to any charges imposed.

Section 251(e) requires that any interconnection agreement under section 251 must be submitted to the State for approval. The State must approve or reject the agreement and make written findings as to any deficiencies in the agreement. An agreement successfully negotiated under subsection (c) by the parties without regard to the minimum standards set forth in section 251(b) may only be rejected if the State finds the agreement discriminates against a telecommunications carrier that is not a party to the agreement. The State may reject interconnection agreements negotiated under subsection (d) if the State finds the agreement does not meet the minimum standards set forth in subsection 251(b), or if the State finds that implementation of the agreement is not in the public interest.

Section 251(f) requires a State to make a copy of each agreement approved by the State under section 251(e) available for public inspection and copying within 10 days after the agreement is approved.

Section 251(g) requires a local exchange carrier to make available any service, facility, or function provided under an interconnection agreement to which that local exchange carrier is a party to any other telecommunications carrier that requests such service, facility, or function on the same terms and conditions as are provided in that agreement.

Section 251(i) provides that if a State fails to carry out its responsibilities under section 251 in accordance with the rules promulgated by the Commission, the Commission shall assume the responsibilities of the State in the applicable proceeding or matter.

House amendment

Section 244 of the House amendment requires, within eighteen months, an exchange carrier to file with the State commission in that State in which it is offering service, and with the Commission for interstate services, a statement of terms and conditions confirming that it is in compliance with the section 242 requirements.

Section 244(b)(1) provides for State commission review of an exchange carrier's statement and permits a State to impose its own intrastate service standards. Paragraph (2) requires the Commission to conduct a similar review. Under section 244(c), both reviews must be completed within 60 days of the submission of statements to the respective regulatory authorities, or simply be allowed to take effect, as commonly occurs at present with most tariffs. Section 244(c)(2) clarifies that the authority to review the statements does not terminate once they take effect.

Section 244(d) allows an exchange carrier to file an agreement as a statement of services under section 244(a). It also permits exchange carriers to enter into subsequent agreements on different terms and conditions, but with two caveats. First, the subsequent agreement must undergo the same review process, and second, it may not be discriminatory with respect to other agreements it has entered into.

Finally, subsection (e) sunsets the requirement of filing statements of terms and conditions once the local exchange market is deemed competitive.

Conference agreement

In new section 252(a), the House recedes to the Senate with an amendment to provide that any party may ask the State to participate during a voluntary negotiation period in the mediation of agreements. Agreements arrived at voluntarily do not need to meet the requirements of new section 251 (b) and (c).

The House recedes to the Senate on new section 252(b), with an amendment to clarify the role of a State commission in arbitrating and resolving agreements at the request of any of the parties.

New section 252(c) requires a State commission to ensure that any resolution of unresolved issues in a negotiation meets the requirements of new section 251 and any regulations to implement that section. To the extent that a State establishes the rates for specific provisions of an agreement, it must do so according to new section 252(d). In addition, a State must provide a schedule for implementation of the terms of the agreement.

New section 252(d) combines the pricing standards in the Senate bill and the House amendment. Charges for interconnection under new section 251(c)(2) and for network elements under new section 251(c)(3) are to be determined based on cost and may include a reasonable profit. Charges for transport and termination of traffic pursuant to new section 251(b)(5) are to be based on reciprocal compensation. The wholesale rate for resold telecommunications services under new section 251(c)(4) is to be determined by the State commission on the basis of the retail rate charged to subscribers of such telecommunications services, excluding costs that will be avoided by the incumbent carrier.

The House recedes to the Senate on new section 252(e). Agreements arrived at through voluntary negotiation or compulsory arbitration must be approved by the State commission under new section 252(e), which provides a specific timetable for State action, provides Commission authority to act if a State does not, and preserves State authority to enforce State law requirements in agreements approved under this section.

The Senate recedes to the House with an amendment to new section 252(f), which permits a BOC to file a statement of the terms and conditions under which it generally offers interconnection and access to network elements. Any such statement must be approved by the State commission.

New section 252(g) was included by the conferees to permit a State commission, to the extent practical, to consolidate certain proceedings required under the Communications Act to promote administrative efficiency.

New section 252(h) requires that all agreements or statements approved by a State commission be available from such commission for public inspection and copying.

New section 252(i) requires a local exchange carrier to make available on the same terms and conditions to any telecommunications carrier that requests it any interconnection, service, or network element that the local exchange carrier provides to any other party under an approved agreement or statement.

New section 252(j) states that the term "incumbent local exchange carrier" has the same meaning as that term has in new section 251(h).

NEW SECTION 253—REMOVAL OF BARRIERS TO ENTRY

Senate bill

Section 201(a) adds a new section 254 to the Communications Act and is intended to remove all barriers to entry in the provision of telecommunications services.

Subsection (a) of new section 254 preempts any State and local statutes and regulations, or other State and local legal requirements, that may prohibit or have the effect of prohibiting any entity from providing interstate or intrastate telecommunications services.

Subsection (b) of section 254 preserves a State's authority to impose, on a competitively neutral basis and consistent with universal service provisions, requirements necessary to preserve and advance universal service, protect the public safety and welfare, ensure the continued quality of telecommunications services, and safeguard the rights of consumers. States may not exercise this authority in a way that has the effect of imposing entry barriers or other prohibitions preempted by new section 254(a).

Subsection (c) of new section 254 provides that nothing in new section 254 affects the authority of States or local governments to manage the public rights-of-way or to require, on a competitively neutral and nondiscriminatory basis, fair and reasonable compensation for the use of public rights-of-way, on a nondiscriminatory basis, provided any compensation required is publicly disclosed.

Subsection (d) requires the Commission, after notice and an opportunity for public comment, to preempt the enforcement of any State or local statutes, regulations or legal requirements that violate or are inconsistent with the prohibition on entry barriers contained in subsections (a) or (b) of section 254.

Subsection (e) of new section 254 simply clarifies that new section 254 does not affect the application of section 332(c)(3) of the Communications Act to CMS providers.

Section 309 adds a new section 263 to the Communications Act and is intended to permit States to adopt certain statutes or regulations regarding the provision of service by competing telecommunications carriers in rural markets. Such statutes or regulations may be no more restrictive than the criteria set forth in section 309. The Commission is authorized to preempt any State statute or regulation that is inconsistent with the Commission's regulations implementing this section.

House amendment

The House provisions are identical or similar to subsections 254 (a), (b) and (c). The House amendment does not have a similar provision (d) requiring the Commission to preempt State or local barriers to entry, if it makes a determination that they have been erected.

Conference agreement

The conference agreement adopts the Senate provisions.

New section 253(b) clarifies that nothing in this section shall affect the ability of a State to safeguard the rights of consumers. In addition to consumers of telecommunications services, the conferees intend that this includes the consumers of electric, gas, water or steam utilities, to the extent such utilities choose to provide telecommunications services. Existing State laws or regulations that reasonably condition telecommunications activities of a monopoly utility and are designed to protect captive utility ratepayers from the potential harms caused by such activities are not preempted under this section. However, explicit prohibitions on entry by a utility into telecommunications are preempted under this section.

The rural markets provision in section 309 of the Senate bill is simplified and moved to this section. The modification clarifies that, without violating the prohibition on barriers to entry, a State may require a competitor seeking to provide service in a rural market to meet the requirements for designation as an eligible telecommunications carrier. That is, the State may require the competitor to offer service and advertise throughout the service area served by a rural telephone company. The provision would not apply if the rural telephone company has obtained an exemption, suspension, or modification under new section 251(f) that effectively prevents a competitor from meeting the eligible telecommunications carrier requirements. In addition, the provision would not apply to providers of CMS.

NEW SECTION 254—UNIVERSAL SERVICE

Senate bill

Section 103 of the bill establishes a Federal-State Joint Board to review existing universal service support mechanisms and make recommendations regarding steps necessary to preserve and advance this fundamental communications policy goal. Section 103 also adds a new section 253, entitled "Universal Service," to the Communications Act. As new section 253 explicitly provides, the Senate intends that States shall continue to have the primary role in implementing universal service for intrastate services, so long as the level of universal service provided by each State meets the minimum definition of universal service established under new section 253(b) and a State does not take any action inconsistent with the obligation for all telecommunications carriers to contribute to the preservation and advancement of universal service under new section 253(c).

Section 103(a) of the bill requires the Commission to institute a Federal-State Joint Board under section 410(c) of the Communications Act to recommend within 9 months of the date of enactment new rules regarding implementation of universal service.

Section 103(a) also provides that at least once every four years the Commission is required to institute a new Joint Board proceeding to review the implementation of new section 253 regarding universal service, and to make recommendations regarding any changes that are needed.

Section 103(b) of the bill requires the Commission to complete any proceeding to implement the recommendations of the initial Joint Board within one year of the date of enactment of the bill, any other Joint Board on universal service matters within one year of receiving such recommendations.

Section 103(c) of the bill simply clarifies that the amendments to the Communications Act made by the Senate bill do not necessarily affect the Commission's existing separations rules for local exchange or interexchange carriers. However, this subsection does not prohibit or restrict the Commission's ability to change those separations rules through an appropriate proceeding.

Section 103(d) establishes new section 253 in the Communications Act. New section 253(a) establishes seven principles on which the Joint Board and the Commission shall base policies for the preservation and advancement of universal service.

Subsection (b) of new section 253 provides that the Commission shall define universal service, based on recommendations from the public, Congress, and the Joint Board. To ensure that the definition of universal service evolves over time to keep pace with modern life, the subsection requires the Commission to include, at a minimum, any telecommunications service that is subscribed to by a substantial majority of residential customers.

Subsection (c) of new section 253 requires all telecommunications carriers to contribute on an equitable and nondiscriminatory basis to the preservation and advancement of universal service. The Commission or a State may require any other telecommunications provider, such as private telecommunications providers, to contribute to the preservation and advancement of universal service, if the public interest so requires.

Subsection (d) of new section 253 provides that a State may adopt additional definitions, mechanisms, and standards to preserve and advance universal service within such State, provided that they are not inconsistent with the regulations of the Commission. A State must adopt separate support mechanisms for any additional standards or definitions required by the State.

Subsection (e) of new section 253 provides that only telecommunications carriers that are designated as essential telecommunications carriers under new section 214(d) shall be eligible to receive support payments, if any, established by the Commission or a State to preserve and advance universal service. Any such support payment must accurately reflect the amount reasonably necessary to preserve and advance universal service.

Subsection (e) is not intended to prohibit support mechanisms that directly help individuals afford universal service.

Subsection (f) of new section 253 directs the Commission and the States to make universal service support explicit and to ensure that essential telecommunications carriers are able to provide universal service at just, reasonable and affordable rates. Carriers receiving such support must use it to provide service in the area for which the support was received.

Subsection (g) of new section 253 simply incorporates in the Communications Act the existing practice of geographic rate averaging and rate integration for interexchange, or long distance, telecommunications rates to ensure that rural customers continue to receive such service at rates that are comparable to those charged to urban customers. States shall continue to be responsible for enforcing this subsection with respect to intrastate interexchange services, so long as the State rules are not inconsistent with Commission rules and policies on rate averaging.

Subsection (h) of new section 253 prohibits telecommunications carriers from subsidizing competitive services with revenues from non-competitive services. The Commission and the States are required to establish any necessary cost allocation rules, accounting safeguards, and other guidelines to ensure that universal service bears no more than a reasonable share (and may bear less than a reasonable share) of the joint and common costs of facilities used to provide both competitive and noncompetitive services.

Subsection (i) of new section 253 requires the Commission to submit a report to Congress prior to increasing support for universal service or requiring increased participation by telecommunications carriers. Any such increase cannot take effect until 120 days after the report is submitted to Congress.

Subsection (j) of new section 253 states that nothing in new section 253 limits or expands the Commission's authority with respect to universal service.

Subsection (k) of new section 253 states that the subsections that provide that all telecommunications carriers shall contribute to universal service, preserve the States' authority to adopt their own definitions and mechanisms, establish eligibility for universal service support, and control the level of universal service support shall take effect one year after the date of enactment of this bill.

Section 310 of the Senate bill, known as the Snowe-Rockefeller-Exon-Kerrey Amendment, provides for preferential rates to schools, libraries and rural health care facilities.

House amendment

Section 247(a) establishes a Federal-State Joint Board, pursuant to section 410(c) of the Communications Act, for the purpose of recommending actions the Commission and the States should take to preserve universal service.

Section 247(b) sets forth six principles upon which the Board shall base its policies for the preservation of universal service.

Section 247(b)(1) states that any plan adopted should maintain just and reasonable rates. Section 247(b)(2) states that the Joint Board should recommend a definition of the nature and extent of services included within the carriers' obligations to provide universal service. Section 247(b) (3) and (4) state that the plan should provide adequate and sustainable support mechanisms and require equitable and non-discriminatory contributions from all providers to support the plan. The plan should also seek to promote access to advanced telecommunications services and reasonably comparable services between rural and urban areas. Section 247(b)(5) directs that the plan include recommendations to ensure access to advanced telecommunications services for students in elementary and secondary schools.

Section 247(c) requires the Joint Board, in defining carrier obligations with respect to universal service pursuant to subsection (b)(2), to consider several factors: (1) the extent to which a telecommunications service has been subscribed to by customers; (2) whether such service is essential to public health, safety, or the public interest; (3) whether such service is deployed in the public switched network; and (4) whether inclusion of such service is otherwise consistent with the public interest, convenience, and necessity.

Section 247(d) requires that the Joint Board be convened and report its recommendations within 270 days after enactment. The Commission is required to act on the recommendations within one year.

Section 247(e) makes clear that States are free to adopt regulations imposing universal service obligations on intrastate services.

Section 247(f) sunsets the Joint Board created by this section five years after enactment.

Conference agreement

The conference agreement amends the Communications Act to add a new section 254 entitled "Universal Service." The House recedes to the Senate with modifications. New section 254(a) incorporates the provisions of section 103(a) of the Senate bill, with the addition of a State-appointed utility consumer advocate to the Joint Board. The conferees intend that, in making its recommendations to the Commission, the Joint Board will thoroughly review the existing system of Federal universal service support.

To the extent possible, the conferees intend that any support mechanisms continued or created under new section 254 should be explicit, rather than implicit as many support mechanisms are today. In addition, the conferees do not view the existing proceeding under Common Carrier Docket 80–286 (regarding Amendment of Part 36 of the Commission's Rules and appointment of a Joint Board) as an appropriate foundation on which to base the proceeding required by new section 254(a).

New section 254(b) combines the principles found in both the Senate bill and the House amendment, with the addition of "insular areas" (such as the Pacific Island territories) and "low-income consumers" to the list of consumers to whom access to telecommunications and information services should be provided.

New section 254(c) defines universal service as "an evolving level of telecommunications services" established periodically by the Commission. The definition is to take into account advances in telecommunications and information technology, and should be based on a consideration of the four criteria set forth in the subsection. The Commission is given specific authority to alter the definition from time to time, and to provide a different definition for schools, libraries, and health care facilities.

New section 254(d) requires that all telecommunications carriers providing interstate telecommunications services shall contribute to the preservation and advancement of universal service. The Commission is given specific authority to exempt a telecommunications carrier or class of telecommunications carriers from this requirement if their contribution would be "de minimis." The conferees intend that this authority would only be used in cases where the administrative cost of collecting contributions from a carrier or carriers would exceed the contribution that carrier would otherwise have to make under the formula for contributions selected by the Commission. This section preserves the Commission's authority to require all providers of intestate telecommunications to contribute, if the public interest requires it, to preserve and advance universal service.

New section 254(e) provides that only eligible telecommunications carriers designated under new section 214(e) shall be eligible to receive specific Federal universal service support. Any eligible telecommunications carrier that receives such support shall only use that support to provide, maintain, and upgrade facilities and services for universal service in the area for which the support is received. In keeping with the conferees' intent that all universal service support should be clearly identified, this subsection states that such support should be made explicit and should be sufficient to achieve the purposes of new section 254. The conferees intend that only eligible telecommunications carriers should receive support from specific Federal universal service support mechanisms; however, this restriction should not be construed to prohibit any telecommunications carrier from using any particular method to establish rates or charges for its services to other telecommunications carriers, to the extent such rates or charges are otherwise permissible under the Communications Act or other law.

State authority with respect to universal service is specifically preserved under new section 254(f). A State may adopt any measure with respect to universal service that is not inconsistent with the Commission's rules. This subsection also requires all providers of intrastate telecommunications to contribute to universal service within a State in an equitable and non-discriminatory manner, as determined by the State. A State may adopt additional requirements with respect to universal service in that State, so long as those additional requirements do not rely upon or burden Federal universal service support mechanisms.

New section 254(g) is intended to incorporate the policies of geographic rate averaging and rate integration of interexchange services in order to ensure that subscribers in rural and high cost areas throughout the Nation are able to continue to receive both intrastate and interstate interexchange services at rates no higher than those paid by urban subscribers. The conferees intend the Commission's rules to require geographic rate averaging and rate integration, and to incorporate the policies contained in the Commission's proceeding entitled "Integration of Rates and Services for the Provision of Communications by Authorized Common Carriers between the United States Mainland and the Offshore Points of Hawaii, Alaska and Puerto Rico/Virgin Islands (61 FCC2d 380 (1976)). The conferees are aware that the Commission has permitted interexchange providers to offer non-averaged rates for specific services in limited circumstances (such as services offered under Tariff 12 contracts), and intend that the Commission, where appropriate, could continue to authorize limited exceptions to the general geographic rate averaging policy using the authority provided by new section 10 of the Communications Act. Further, the conferees expect that the Commission will continue to require that geographically averaged and rate integrated services, and any services for which an exception is granted, be generally available in the area served by a particular provider. In addition, the conferees do not intend that this subsection would require the renegotiation of existing contracts for the provision of telecommunications services.

New subsection 254(h) incorporates, with modifications, the provisions of section 310 of the Senate bill. New subsection (h) of section 254 is intended to ensure that health care providers for rural areas, elementary and secondary school classrooms, and libraries have affordable access to modern telecommunications services that will enable them to provide medical and educational services to all parts of the Nation.

The ability of K–12 classrooms, libraries and rural health care providers to obtain access to advanced telecommunications services is critical to ensuring that these services are available on a universal basis. The provisions of subsection (h) will help open new worlds of knowledge, learning and education to all Americans—rich and poor, rural and urban. They are intended, for example, to provide the ability to browse library collections, review the collections of museums, or find new information on the treatment of an illness, to Americans everywhere via schools and libraries. This universal access will assure that no one is barred from benefiting from the power of the Information Age.

New subsection (h)(1)(A) provides that any telecommunications carrier shall, upon a bona fide request, provide telecommunications services necessary for the provision of health care services to any health care provider serving persons who reside in rural areas. The rates charged for the service shall be rates that are reasonably comparable to rates charged for similar services in urban areas. It is intended that the rural health care provider receive an affordable rate for the services necessary for the purposes of telemedicine and instruction relating to such services.

New subsection (h)(1)(B) requires that any telecommunications carrier shall, upon a bona fide request, provide services for educational purposes included in the definition of universal service under new subsection (c)(3) for elementary and secondary schools and libraries at rates that are less than the amounts charged for similar services to other parties, and are necessary to ensure affordable access to and use of such telecommunications services.

A telecommunications carrier providing service under new subsection (h)(1)(B) is permitted either to have the amount of the discount treated as an offset to its obligation to contribute to the mechanisms to preserve and advance universal service; or, to receive reimbursement utilizing the support mechanisms to preserve and advance universal service.

Pursuant to new subsection (c)(3), the Commission is authorized to designate a separate definition of universal service applicable only to public institutional telecommunications users. In so doing, the conferees expect the Commission and the Joint Board to take into account the particular needs of hospitals, K–12 schools and libraries.

New subsection (h)(2) requires the Commission to establish rules to enhance the availability of advanced telecommunications and information services to public institutional telecommunications users. For example, the Commission could determine that telecommunications and information services that constitute universal service for classrooms and libraries shall include dedicated data links and the ability to obtain access to educational materials, research information, statistics, information on Government services, reports developed by Federal, State, and local governments, and information services which can be carried over the Internet. The Commission also is required to determine under what circumstances a telecommunications carrier may be required to connect public institutional telecommunications users to its network.

New subsection (h)(3) clarifies that telecommunications services and network capacity provided to health care providers, schools and libraries may not be resold or transferred for monetary gain.

New subsection (h)(4) specifies that the following entities are not eligible to receive discounted rates under this section: for-profit businesses, elementary and secondary schools with endowments of more than $50,000,000, and libraries that are not eligible to participate in Statebased applications for Library Services and Technology Funds.

New subsection (h)(5) defines the terms "elementary and secondary schools," "health care provider." and "public institutional telecommunications user" as used throughout this subsection. The conferees intend that consortiums of educational institutions providing distance learning to elementary and secondary schools be considered an educational provider for purposes of this section.

New subsection (i) states that the Commission and the States should ensure that universal service is available at rates that are just, reasonable and affordable.

New subsection 254(j) has been added to clarify that this section is not intended to alter the existing provision of Lifeline Service to needy consumers.

The House recedes to the Senate with minor technical modifications on new subsection 254(k), which prohibits cross-subsidization and permits the Commission and the States to establish cost allocation rules for facilities used in the provision of services supported through Federal universal support mechanisms.

NEW SECTION 255—ACCESS BY PERSONS WITH DISABILITIES

Senate bill

Section 308(a) of the Senate bill adds a new section 262 to the Communications Act to require that manufacturers of telecommunications equipment and customer premises equipment ensure that equipment is designed, developed, and fabricated to be accessible and usable by individuals with disabilities, if readily achievable.

Similarly, providers of telecommunications services must ensure that telecommunications services are accessible to and usable by individuals with disabilities, if readily achievable. In addition, the Commission is required to undertake a study of closed captioning and to promulgate rules to implement section 262. Section 308(b) adds a Commission study of video description.

Section 262(a) defines the terms used in this section.

New section 262(b) requires manufacturers of telecommunications and customer premises equipment to ensure that such equipment is designed, developed, and fabricated to be accessible to and usable by individuals with disabilities, if readily achievable.

New section 262(c) requires providers of telecommunications service to ensure that such service be accessible to and usable by individuals with disabilities, if readily achievable.

New section 262(d) requires that whenever the provisions of subsections (b) and (c) are not readily achievable, the manufacturer of telecommunications and customer premises equipment, or the provider of telecommunications service, shall ensure that such equipment or service is compatible with existing peripheral devices or specialized customer premises equipment commonly used by individuals with disabilities to achieve access, if readily achievable.

New section 262(e) requires the Architectural and Transportation Barriers Compliance Board ("Board") to develop guidelines for accessibility of telecommunications and customer premises equipment and telecommunication service, as lead agency in consultation with the National Telecommunications and Information Administration (NTIA) and the National Institute of Standards and Technology (NIST), within 1 year of enactment of this Act. The Board shall periodically review and update such guidelines. The Senate has elsewhere assigned responsibility for promulgating regulations for this new section to the Commission.

House amendment

Section 249(c) of section 101 directs the Commission within one year to establish regulations designed to make network capabilities and services accessible to individuals with disabilities. Section 249(d) prohibits private rights of action, and mandates that all remedies are available only through the Communications Act.

Conference agreement

The conferees adopt the Senate provisions with several modifications as a new section 255 of the Communications Act. Specifically, the conferees adopted the provisions of subsections (a), (b), (c), (d) and (e) of new section 262 of the Communications Act, as added by the Senate bill. The conferees deleted the provision in subsection (e) of the Senate bill creating roles for NTIA and NIST. In addition, the conferees adopted the provisions of section 249(d) of the House amendment, which states that nothing in this section authorizes any private rights of action. The remedies available under the Communications Act, including the provisions of sections 207 and 208, are available to enforce compliance with the provisions of section 255.

NEW SECTION 256—COORDINATION FOR INTERCONNECTIVITY

Senate bill

Section 107 of the Senate bill concerns the coordination for telecommunications network-level interoperability. The provision permits the Commission to participate, in a manner consistent with its authority and practice prior to the date of enactment of this Act in the development of voluntary industry standards-setting organizations to promote interoperability. The purpose of the provision is to promote nondiscriminatory access to telecommunications networks by the broadest number of users and vendors of communications products and services.

House amendment

Section 249(a) reaffirms the duty of all common carriers to ensure network functionality. Section 249(b) directs the Commission to establish procedures for Commission oversight of coordinated network planning by common carriers and other providers of telecommunications services. However, the Commission is not given authority to set standards for interconnection. Instead, voluntary industry standard-setting organizations shall establish any standards. The standard-setting process described in this provision applies to interconnection of the public's switched telecommunications networks. It is not intended to apply to telephone equipment or other customer premises equipment (CPE). Nothing in section 249(b) should be construed as limiting or superseding these interconnectivity requirements or the existing authority and responsibilities of the Commission in enforcing them.

Conference agreement

The conference agreement adopts the Senate provision with minor modifications as a new section 256 of the Communications Act.

NEW SECTION 257—MARKET ENTRY BARRIERS PROCEEDING

Senate bill

No provision.

House amendment

Section 250 requires the Commission to adopt rules that identify and eliminate market entry barriers for entrepreneurs and small businesses in the provision and ownership of telecommunications and information services. The Commission must review these rules and report to Congress every three years on how it might prescribe or eliminate rules to promote the purposes of this section.

Conference agreement

The conference agreement adopts the House provisions with minor modifications as a new section 257 of the Communications Act.

NEW SECTION 258—ILLEGAL CHANGES IN SUBSCRIBER CARRIER SELECTIONS

Senate bill

No provision.

House amendment

Section 251 requires the Commission to adopt rules to prevent illegal changes in subscriber selections, a practice known as "slamming." The Commission has adopted rules to address problems in the long distance industry of unauthorized changes of a consumer's long distance carrier. The House provision is designed to extend the protections of the current rule to local exchange carriers as well.

Conference agreement

The conferees adopt the House provision as a new section 258 of the Communications Act. It is the understanding of the conferees that in addition to requiring that the carrier violating the Commission's procedures must reimburse the original carrier for forgone revenues, the Commission's rules should also provide that consumers are made whole. Specifically, the Commission's rules should require that carriers guilty of "slamming" should be held liable for premiums, including travel bonuses, that would otherwise have been earned by telephone subscribers but were not earned due to the violation of the Commission's rules under this section.

NEW SECTION 259—INFRASTRUCTURE SHARING

Senate bill

Section 106(a) of the Senate bill requires that within one year of the date of enactment, the Commission shall prescribe rules requiring local exchange carriers that were subject to Part 69 of the Commission's rules on the date of enactment to share network facilities, technology, and information with qualifying carriers. The qualifying carrier may request such sharing for the purpose of providing telecommunications services or access to information services in areas where the carrier is designated as an essential telecommunications carrier under new section 214(d). The bill does not grant immunity from the antitrust laws for activities undertaken pursuant to this section.

Section 106(b) establishes the terms and conditions of the Commission's regulations. Such regulations shall:

(1) not require a local exchange carrier to take any action that is economically unreasonable or contrary to public interest;

(2) permit, but not require, joint ownership of facilities among local exchange carriers and qualifying carriers;

(3) ensure that the local exchange carrier not be treated as a common carrier for hire with respect to technology, information or facilities shared with the qualifying carrier under this section;

(4) ensure that qualifying carriers benefit fully from sharing;

(5) establish conditions to promote cooperation;

(6) not require a local exchange carrier to share in areas where the local exchange carrier provides telephone exchange service or exchange access service; and

(7) require the local exchange carrier to file with the Commission or State, any tariffs, contract or other arrangement showing

the rate, terms, and conditions under which such local exchange carrier is complying with the sharing requirements of this section.

Subsection (c) requires that local exchange carriers sharing infrastructure must provide information to sharing parties about deployment of services and equipment, including software.

Subsection (d) defines those carriers eligible to request infrastructure sharing under this section.

House amendment

No provision.

Conference agreement

The conference agreement adopts the Senate provisions as a new section 259 of the Communications Act.

NEW SECTION 260—PROVISION OF TELEMESSAGING SERVICE

Senate bill

Section 311 of the Senate bill adds a new section 265 to the Communications Act, to address certain practices of the BOCs with regard to telemessaging. This section is designed to prohibit cross-subsidization between a BOC's telephone exchange or exchange access services and its telemessaging services.

This section prohibits a BOC from discriminating between affiliated and nonaffiliated telemessaging services, under rules set forth by the Commission. If, however, the Commission finds that these safeguards are insufficient, the Commission may require the BOC's to provide telemessaging services through a separate subsidiary.

New section 265 directs the Commission to complete, within 18 months after the date of enactment of the bill, a rulemaking proceeding to prescribe regulations to carry out this new section. The Commission also is directed to determine whether, in order to enforce the requirements of section 265, it is appropriate to require the BOCs to provide telemessaging services through a separate subsidiary that meets the requirements of new section 252, as added to the Communications Act by section 102 of the bill.

House amendment

Section 273(b) prohibits discrimination by a telephone company in the provision of telemessaging services, either by refusing to provide its competitors with the same network services it provides itself, or by cross-subsidizing from its local telephone service.

Section 273(c) establishes procedures for expedited consideration of complaints of violations of subsection (b), requiring the Commission to make a final determination within 120 days after the receipt of a complaint. If a violation is found, the Commission is required to issue a cease and desist order within 60 days.

Section 601 establishes a new complaint procedure for violations of the Communications Act and Commission rules and regulations for providers of telemessaging service, or other small businesses providing information or telecommunications services. This section defines a small business as any business entity, including any affiliate or subsidiary, with fewer than 300 employees.

Conference agreement

The conference agreement creates a new section 260 in the Communications Act relating specifically to the provision of telemessaging services. This section prohibits local exchange carriers subject to new section 251(c) that are engaged in telemessaging from subsidizing their telemessaging services, either directly or indirectly, from telephone exchange service operations or revenues. It also prohibits such carriers from discriminating against nonaffiliated entities with respect to the terms and conditions of any network services they provide to their own telemessaging operations. This section requires the Commission to establish procedures or regulations thereunder for the expedited receipt and review of complaints alleging discrimination or cross-subsidization that result in material financial harm to providers of telemessaging services. Such procedures shall ensure that the Commission makes a determination regarding any such complaint within 120 days. If the complaint contains an appropriate showing that the alleged violation occurred, the Commission shall, within 60 days of receipt, order such local exchange carrier to cease engaging in such violation.

NEW SECTION 261—EFFECT ON OTHER REQUIREMENTS

Senate bill

The Senate bill contains several savings clauses.

House amendment

The House amendment contains several savings clauses.

Conference agreement

The conferees included new section 261 of the Communications Act to consolidate savings clauses found in both the Senate bill and the House amendment. New section 261(a) makes clear that the Commission may continue to enforce its existing regulations in fulfilling new part II of title II of the Communications Act, provided they are not inconsistent with that part. New sections 261(b) and (c) preserve State authority to enforce existing regulations and to prescribe additional requirements, so long as those regulations and requirements are not inconsistent with the Communications Act.

SECTION 102—ELIGIBLE TELECOMMUNICATIONS CARRIERS

Senate bill

Section 104 of the Senate bill amends section 214(d) of the Communications Act by designating the existing text of section 214(d) as paragraph (1) and by adding seven new paragraphs regarding designation of essential telecommunications carriers. The bill provides that the Commission shall designate essential telecommunications carriers for interstate services and the States shall designate such carriers for intrastate services.

New paragraph (2) of section 214(d) makes explicit the implicit authority of the Commission or a State to require a common carrier to provide service to any community or portion of a community that requests such service. In the event that more than one common carrier provides service in an area, and none of the carrier will provide service to a community or portion thereof in that area which requests service, this paragraph gives the Commission or a State the authority to decide which common carrier is best suited to provide such service. If the Commission or a State orders a carrier to provide service to a community or portion thereof under this paragraph, it shall designate such carrier an essential telecommunications carrier.

Paragraph (3) of section 214(d) provides that the Commission or a State may designate a common carrier as an essential telecommunications carrier for a particular service area, thus making that carrier eligible for support payments to preserve and advance universal service, if any such payments are established under new section 253 of the Communications Act. Any carrier designated as an essential telecommunications carrier must provide universal service and any additional services specified by the Commission or a State throughout the service area for which the designation is made. In addition, these services must be offered throughout that service area at nondiscriminatory rates established by the Commission or a State, and the carrier must advertise those rates using media of general distribution.

New paragraph (4) of section 214(d) allows the Commission to designate more than one common carrier as a communications carrier for a particular service area. In addition, the bill requires a State to make additional findings before designating more than one carrier as an essential telecommunications carrier.

To the extent that more than one common carrier is designated as an essential telecommunications carrier, each additional carrier so designated must meet the same requirements with respect to service throughout the same service area at nondiscriminatory rates established by the Commission or a State, as well as the advertisement of those rates.

New paragraph (5) of section 214(d) requires the Commission and States to establish rules governing the use of resale by a carrier to meet the requirements for designation as an essential telecommunications carrier, as well as rules to permit a carrier that has been designated as an essential telecommunications carrier to relinquish that designation so long as at least one other carrier also has been designated as an essential telecommunications carrier for that area. Paragraph (5) also requires the Commission and the States to provide appropriate rules to govern how quickly an essential telecommunications carrier whose services are to be resold may cease service to an area, in order to provide other essential telecommunications carriers adequate notice to extend facilities or to arrange for the purchase of replacement facilities or services.

New paragraph (6) of section 214(d) sets forth the penalties applicable to an essential telecommunications carrier with respect to a Commission or State order to provide universal service within a reasonable period of time. In determining what constitutes a reasonable period of time, the bill provides that the Commission or a State must consider the nature of the construction required to provide such service, the time interval that normally would attend such construction and the time needed to obtain regulatory or financial approval.

New paragraph (7) of section 214(d) of the Communications Act requires the Commission or a State to designate an essential telecommunications carrier for interexchange services for any unserved community or portion thereof that requests such service. An essential telecommunications carrier designated under this paragraph must provide service at nationwide geographically averaged rates, in the case of interstate services, and geographically averaged rates in the case of intrastate services. The Commission or a State may allow a carrier designated under this paragraph to receive support payments, if any, that may be provided under section 253.

New paragraph (8) of section 214(d) grants the Commission authority to promulgate guidelines for the States to implement this section.

House amendment

No provision.

Conference agreement

The House recedes to the Senate with an amendment. The conference agreement amends section 214 of the Communications Act by adding a new subsection (e) regarding the provision of universal service and the designation of carriers which are eligible to receive support through the specific Federal universal support mechanisms established under new section 254 of the Communications Act.

New section 214(e)(1) states that a common carrier designated as an "eligible telecommunications carrier" shall offer the services included in the definition of universal service throughout the area specified by the State commission, and that such services must be advertised generally throughout that area. Upon designation, a carrier is eligible for any specific support provided under new section 254 for the provision of universal service in the area for which that carrier is designated.

Upon its own motion or upon request, a State commission is required under new section 214(e)(2) to designate a common carrier that meets the requirements of new section 214(e)(1) as an eligible telecommunications carrier. If more than one common carrier that meets the requirements of new section 214(e)(1) requests designation as an eligible telecommunications carrier in a particular area, the State commission shall, in the case of areas not served by a rural telephone company, designate all such carriers as eligible. If the area for which a second carrier requests designation as an eligible telecommunications carrier is served by a rural telephone company, then the State commission may only designate an additional carrier as an eligible telecommunications carrier if the State commission first determines that such additional designation is in the public interest.

If no common carrier will provide universal service to a community or portion of a community that requests such service, new section 214(e)(3) makes explicit the implicit authority of the Commission, with respect to interstate services, and a State, with respect to intrastate services, to order a common carrier to provide such service. If more than one common carrier provides service in an area and none of those carriers will provide service to a community or portion thereof, this provision gives the Commission or a State the authority to decide which common carrier is best suited to provide service. Any carrier required to provide service under this paragraph shall be designated as an eligible telecommunications carrier under new section 214(e)(1) for the community or portion thereof such carrier is required to serve. For purposes of new section 214(e)(1), the conferees intend that the service area for a carrier designated by the Commission or a State under section 214(e)(3) shall be the community or portion thereof that requests service and for which that carrier is ordered to provide service.

New section 214(e)(4) establishes rules for the relinquishment by a carrier of its designation as an eligible telecommunications carrier. A state commission must permit an eligible telecommunications carrier to relinquish that designation if more than one eligible telecommunications carrier serves an area, and must require that the remaining eligible telecommunications carrier or carriers continue to offer universal service to all consumers in that area. The conferees note that a carrier must be permitted to relinquish the designation within one year after the State commission approves the request, and expect that the Commission and the States will adopt appropriate mechanisms to ensure that any additional carrier designated as an eligible telecommunications carrier will be able to acquire or construct any necessary facilities for that area within the time limit set in new section 214(e)(4).

New Section 214(e)(5) provides the definition of "service area," which in general is determined by a State commission.

SECTION 103—EXEMPT TELECOMMUNICATIONS COMPANIES

Senate bill

Sections 102 and 205 contained provisions pertaining to the entry by utility companies into telecommunications and related businesses, and exempting the telecommunications activities of registered holding companies from the Public Utility Holding Company Act (PUHCA).

House amendment

No provision.

Conference agreement

The conference agreement amends PUHCA to allow registered holding companies to divesify into telecommunications, information and related services and products. The Commission must determine that a registered holding company is providing telecommunications services, information services and other related services through a single purpose subsidiary, designated an "exempt telecommunications company" (ETC). Prior State approval is required before any utility that is associated with a registered holding company may sell to an ETC any asset in the retail rates of that utility as of December 19, 1995. State approval is also required for a contract when a public utility company seeks to purchase telecommunications products or services from an ETC that is an associate company or affiliate of such public utility unless the State or State commission waives such requirement.

The financing and other relationships between ETCs and registered holding companies shall not be subject to prior approval or other restriction by the Securities and Exchange Commission (SEC). However, the SEC shall continue to have jurisdiction to find violations of the federal securities laws (including PUHCA) and to bring enforcement actions related to such violations. The section provides reporting requirements concerning investments and activities of registered public utility holding company systems. Public utility companies are prohibited from assuming the liabilities of an ETC and from pledging or mortgaging the assets of a utility for the benefit of an ETC. State commissions may examine the books and records of the ETC and any public utility company, associate company or affiliate in the registered holding company system as they relate to the activities of the ETC. States may also order an audit of a public utility company that is an associate of an ETC. Nothing in this section affects the ability of the FCC or a State commission to regulate the activities of an ETC. Nothing in PUHCA shall preclude the rate review authority of the Federal Energy Regulatory Commission or a State commission with respect to purchases from or sale to an ETC.

The relevant portion of section 102 of the Senate bill is deleted from the conference agreement.

SECTION 104—NONDISCRIMINATION PRINCIPLE

Senate bill

Subsection 103(f) adds new section 253A to the Communications Act concerning exclusion of telecommunications services. New subsection (a) directs the Commission to prohibit any telecommunications carrier from excluding from its services any high-cost area, any rural location or any resident based on the person's income, provided that a carrier may exclude an area if the carrier demonstrates that there will be insufficient demand for the carrier to earn a return over the long term and that providing a service to such area will be less profitable for the carrier than providing the service in areas to which the carrier is already providing or has proposed to provide service. New subsection (b) would direct the Commission to provide for public comment on the adequacy of the carrier's proposed service area.

House amendment

Section 201 of the House amendment adds new section 653(b)(1) to the Communications Act concerning safeguards on video platforms. Subparagraph (G) of that section prohibits a common carrier from excluding areas from its video platform service area on the basis of the ethnicity, race, or income of the residents of that area, and provides for public comments on the adequacy of the proposed service area on the basis of the standards.

Conference agreement

The conference agreement in section 104 amends section 1 of the Communications Act by adding a new provision to make clear that a purpose of the Communications Act is to make available service to all the people of the United States "without discrimination on the basis of race, color, religion, national origin, or sex." This amendment to section 1 applies to all entities covered by the Communications Act.

SUBTITLE B—SPECIAL PROVISIONS CONCERNING BELL OPERATING COMPANIES

SECTION 151—BELL OPERATING COMPANY PROVISIONS

Senate bill

The Senate bill creates new sections of the Communications Act with respect to special provisions applicable to BOCs.

House amendment

The House amendment creates new sections of the Communications Act with respect to special provisions applicable to BOCs.

Conference agreement

Section 151 of the conference agreement establishes a new "Part III" of title II of the Communications Act. Part III contains new sections 271–276 of the Communications Act with respect to special provisions applicable to BOCs.

NEW SECTION 271—BELL OPERATING COMPANY ENTRY INTO INTERLATA SERVICES

Senate bill

Section 221(a) of the Senate bill adds a new section 255 to the Communications Act. Subsection (a) of new section 255 establishes the general requirements for the three different categories of service: in region interLATA; out of region interLATA; and incidental services.

New section 255(b) establishes specific interLATA interconnection requirements that must be fully implemented in order for the Commission to provide authorization for a BOC to provide in region interLATA services. The Commission is specifically prohibited from limiting or extending the terms of the "competitive checklist" contained in subsection (b)(2). The competitive checklist is not intended to be a limitation on the interconnection requirements contained in section 251, but rather, at a minimum, be provided by a BOC in any interconnection agreement approved under section 251 to which that company is a party (assuming the other party or parties to that agreement have requested the items included in the checklist) before the Commission may authorize the BOC to provide in region interLATA services.

Finally, section 255(b) includes a restriction on the ability of telecommunications carriers that serve greater than five percent of the nation's presubscribed access lines to jointly market local exchange service purchased from a BOC and interLATA service offered by the telecommunications carrier until such time as the BOC is authorized to provide interLATA services in that telephone exchange area or until three years after the date of enactment, whichever is earlier. New subsection 255(c) provides the process for application by a BOC to provide in region interLATA services, as well as the process for approval or rejection of that application by the Commission and for review by the courts. The application by the BOC must state with particularity the nature and scope of the activity and each product market or service market, as well as the geographic market for which in region interLATA authorization is sought. Within 90 days of receiving an application, the Commission must issue a written determination, after notice and opportunity for a hearing on the record, granting or denying the application in whole or in part. The Commission is required to consult with the Attorney General regarding the application during that 90 day period. The Attorney General may analyze a BOC application under any legal standard (including the Clayton Act, Sherman Act, other antitrust laws, section VIII(C) of the MFJ, Robinson-Patman Act or any other standard).

The Commission may only grant an application, or any part of an application, if the Commission finds that the petitioning BOC has fully implemented the competitive checklist in new section 255(b)(2), that the interLATA services will be provided through a separate subsidiary that meets the requirements of new section 252, and that the provision of the requested interLATA services is consistent with the public interest, convenience, and necessity. As noted earlier, the Commission is specifically prohibited from limiting or extending the terms used in the competitive checklist, and the Senate intends that the determination of whether the checklist has been fully implemented should be a straightforward analysis based on ascertainable facts. Likewise, the Senate believes that the Commission should be able to readily determine if the requested services will or will not be provided through a separate subsidiary that meets all of the requirements of section 252. Finally, the Senate notes that the Commission's determination of whether the provision of the requested interLATA services is consistent with the public interest, convenience, and necessity must be based on substantial evidence on the record as a whole.

Subsection (c) also requires a BOC which is authorized to provide interLATA services under this subsection to provide intraLATA toll dialing parity throughout the market in which that company is authorized to provide interLATA service. In the event that the Commission finds that the BOC has not provided the required intraLATA toll dialing parity, or fails to continue to provide that parity (except for inadvertent interruptions that are beyond the control of the BOC), then the Commission shall suspend the authorization to provide interLATA services in that market until that company provides or restores the required intraLATA toll dialing parity. Lastly, subsection (c) provides that a State may not order a BOC to provide intraLATA toll dialing parity before the company is authorized to provide interLATA services in that area or until three years after the date of enactment, whichever is earlier. However, this restriction does not apply to single LATA States or States that have ordered intraLATA toll dialing in that State prior to June 1, 1995.

BOC's (including any subsidiary or affiliate) are permitted under new section 255(d) to provide interLATA telecommunications services immediately upon the date of enactment of the bill if those services originate in any area in which that BOC is not the dominant provider of wireline telephone exchange service or exchange access service.

New subsection 255(e) establishes the rules for the provision by a BOC of in-region interLATA services that are incidental to the provision of specific services listed in paragraph (1) of subsection (e). This list of specific services is intended to be narrowly construed by the Commission. A BOC must first obtain authorization under new section 255(c) before it may provide any in region InterLATA services not listed in subsection (e)(1). In addition, the BOC may only provide the services specified in subparagraphs (C) and (D) of subsection (e)(1), which in general are information storage and retrieval services, through the use of telecommunications facilities that are leased from an unaffiliated provider of those services until the BOC receives authority to provide InterLATA services under subsection (c). Finally, subsection (e) requires that the provision of incidental services by the BOC shall not adversely affect telephone exchange ratepayers or competition in any telecommunications market. The Senate intends that the Commission will ensure that these requirements are met.

New section 255(f) provides that a BOC may provide interLATA service in connection with CMS upon the date of enactment.

The terms "interLATA," "audio programming services," "video programming services," and "other programming services" are defined in new section 255(g).

House amendment

Section 245 provides the method by which a BOC may seek entry to offer interLATA or long distance, service on a State-by-State basis. Section 245(a) provides that a BOC may file a verification of access and interconnection compliance anytime after six months after the date of enactment. The verification must include, under section 245(a)(1), a State certification of "openness" or the so-called "checklist" requirements, and under section 245(a)(2), either of the following pursuant to section 245(a)(2)(A), the presence of a facilities-based competitor; or pursuant to section 245(a)(2)(B), a statement of the terms and conditions the BOC would make available under section 244, if no provider had requested access and interconnection within three (3) months prior to the BOC filing under section 245. For purposes of section 245(a)(2)(B), a BOC shall not be considered to have received a request for access and interconnection if a requesting provider failed to bargain in good faith, as required under section 242(a)(8), or if the provider failed to comply, within a reasonable time period, with the requirements under section 242(a)(1) to implement the schedule contained in its access and interconnection agreement.

Section 245(b) sets out the "checklist" requirements that must be included in the State certification that the BOC files with the Commission as part of its verification. These checklist requirements include the following: (1) interconnection; (2) unbundling of network elements; (3) resale; (4) number portability; (5) dialing parity; (6) access to conduits and rights-of-way; (7) no State or local barriers to entry; (8) network functionality and accessibility; and (9) good faith negotiations by the BOC. Section 245(c)(1) sets out the Commission review process for interLATA authorization on a Statewide, permanent basis. Under section 245(c)(2), the Commission may conduct a *de nova* review only if a State commission lacks, under relevant State law, the jurisdiction or authority to make the required certification, fails to act within ninety (90) days of receiving a BOC request for certification, or has attempted to impose a term or condition that exceeds its authority, as limited in section 243. Under section 245(c)(3), the Commission has ninety (90) days to approve, disapprove, or approve with conditions the BOC request, unless the BOC consents to a longer period of time. Under Section 245(c)(4), the Commission must determine that the BOC has complied with each and every one of the requirements. As mandated in section 245(d), the Commission has continuing authority after approving a BOC's application for entry into long distance to review a BOC's compliance with the certification requirements under this section.

Section 245(f) prohibits a BOC from providing interLATA service, unless authorized by the Commission. Section 245(f) grandfathers any activity authorized by court order or pending before the court prior to the date of enactment. Section 245(g) creates exceptions for the provision of incidental services.

Section 245(g)(1) permits a BOC to engage in interLATA activities related to the provision of cable services. Section 245(g)(2) permits a BOC to offer interLATA services over cable system facilities located outside the BOC's region. Section 245(g)(3) allows a BOC to offer CMS, as defined in section 332(d)(1) of the Communications Act. Section 245(g)(4) allows a BOC to engage in interLATA services relevant to the provision of information services from a central computer. Section 245(g)(5) and (6) allow a BOC to engage in interLATA services related to signaling information integral to the internal operation of the telephone network.

Notwithstanding the dialing parity requirements of section 242(a)(5), as provided in section 245(i), a BOC is not required to provide dialing parity for intraLATA toll service ("short haul" long distance) before the BOC is authorized to provide long distance service in that State. Section 245(j) prohibits the Commission from exercising the general authority to forbear from regulation granted to the Commission under section 230 until five years after the date of enactment. Section 245(k) sunsets this section once the Commission and State commission, in the relevant local exchange market, determine that the BOC has become subject to full and open competition.

Conference agreement

The conference agreement adds a new section 271 to the Communications Act relating to BOC entry into the interLATA market. New section 271(b)(1) requires a BOC to obtain Commission authorization prior to offering interLATA services within its region unless those services are previously authorized, as defined in new section 271(f), or "incidental" to the provision of another service, as defined in new section 271(g), in which case, the interLATA service may be offered after the date of enactment. New section 271(b)(2) permits a BOC to offer out-of-region services immediately after the date of enactment.

New section 271(c) sets out the requirements for a BOC's provision of interLATA services originating in an in-region State (as defined in new section 271(i)). In addition to complying with the specific interconnection requirements under new section 271(c)(2), a BOC must satisfy the "in-region" test by virtue of the presence of a facilities-based competitor or competitors under new section 271(c)(1)(A), or by the failure of a facilities-based competitor to request access or interconnection (under new section 251) as required under new section 271(c)(1)(B). This test that the conference agreement adopts comes virtually verbatim from the House amendment.

With respect to the facilities-based competitor requirement, the presence of a competitor offering the following services specifically does *not* suffice to meet the requirement: (1) exchange access; (2) telephone exchange service offered exclusively through the resale of the BOC's telephone exchange service; and (3) cellular service. The competitor must offer telephone exchange service either exclusively over its own facilities or predominantly over its own facilities in combination with the resale of another carrier's service.

This conference agreement recognizes that it is unlikely that competitors will have a fully redundant network in place when they initially offer local service, because the investment necessary is so significant. Some facilities and capabilities (*e.g.*, central office switching) will likely need to be obtained from the incumbent local exchange carrier as network elements pursuant to new section 251. Nonetheless, the conference agreement includes the "predominantly over their own telephone exchange service facilities" requirement to ensure a competitor offering service exclusively through the resale of the BOC's telephone exchange service does not qualify, and that an unaffiliated competing provider is present in the market.

The House has specifically considered how to describe the facilities-based competitor in new subsection 271(c)(1)(A). While the definition of facilities-based competition has evolved through the legislative process in the House, the Commerce Committee Report (House Report 104–204 part I) that accompanied H.R. 1555 pointed out that meaningful facilities-based competition is possible, given that cable services are available to more than 95% of United States homes. Some of the initial forays of cable companies into the field of local telephony therefore hold the promise of providing the sort of local residential competition that has consistently been contemplated. For example, large, well established companies such as Time Warner and Jones Intercable are actively pursuing plans to offer local telephone service in significant markets. Similarly, Cablevision has recently entered into an interconnection agreement with New York Telephone with the goal of offering telephony on Long Island to its 650,000 cable subscribers.

For purposes of new section 271(c)(1)(A), the BOC must have entered into one or more binding agreements under which it is providing access and interconnection to one or more competitors providing telephone exchange service to residential and business subscribers. The requirement that the BOC "is providing access and interconnection" means that the competitor has implemented the agreement and the competitor is operational. This requirement is important because it will assist the appropriate State commission in providing its consultation and in the explicit factual determination by the Commission under new section 271(d)(2)(B) that the requesting BOC has fully implemented the interconnection agreement elements set out in the "checklist" under new section 271(c)(2).

New section 271(c)(1)(B) also is adopted from the House amendment, and it is intended to ensure that a BOC is not effectively prevented from seeking entry into the interLATA services market simply because no facilities-based competitor that meets the criteria set out in new section 271(c)(1)(A) has sought to enter the market. The conference agreement stipulates that a BOC may seek entry under new section 271(c)(1)(B) at any time following 10 months after the date of enactment, provided no qualifying facilities-based competitor has requested access and interconnection under new section 251 by the date that is 3 months prior to the date that the BOC seeks interLATA authorization. Consequently, it is important that the Commission rules to implement new section 251 be promulgated within 6 months after the date of enactment, so that potential competitors will have the benefit of being informed of the Commission rules in requesting access and interconnection before the statutory window in new section 271(c)(1)(B) shuts.

New section 271(c)(2) sets out the specific interconnection requirements that comprise the "checklist" that a BOC must satisfy as part of its entry test.

New section 271(d), the conference agreement adopts the basic structure of the Senate bill concerning authorization of BOC entry by the Commission, with a modification to permit the BOC to apply on a State-by-State basis.

New section 271(d) sets forth administrative provisions regarding applications for BOC entry under this section. In making an evaluation, the Attorney General may use any appropriate standard, including: (1) the standard included in the House amendment, whether there is a dangerous probability that the BOC or its affiliates would successfully use market power to substantially impede competition in the market such company seeks to enter; (2) the standard contained in section VIII(C) of the AT&T Consent Decree, whether there is no substantial possibility that the BOC or its affiliates could use monopoly power to impede competition in the market such company seeks to enter; or (3) any other standard the Attorney General deems appropriate.

New section 271(e)(1) prohibits joint marketing of local services obtained from the BOC under new section 251(c)(4) and long distance service within a State by telecommunications carriers with more than five percent of the Nation's presubscribed access lines for three years after the date of enactment, or until a BOC is authorized to offer interLATA services within that State, whichever is earlier.

New section 271(e)(2) requires any BOC authorized to offer interLATA services to provide intraLATA toll dialing parity coincident with its exercise of that interLATA authority. States may not order a BOC to implement toll dialing parity prior to its entry into interLATA service. Any single-LATA State or any State that has issued an order by December 19, 1995, requiring a BOC to implement intraLATA toll dialing parity is grandfathered under this Act. The prohibition against "non-grandfathered" States expires three years after the date of enactment.

The conference agreement in new section 271(f) adopts the House provision grandfathering activities under existing waivers. Both the House and Senate bill included separate grandfather provisions for manufacturing in the manufacturing section. The conference agreement combines these separate provisions into one provision covering both interLATA services and manufacturing, and that provision is included in the interLATA section. Because of the new approach to the supersession of the AT&T Consent Decree described below, this section was modified to clarify that requests for waivers pending with the court on the date of enactment are no longer included within this section. Instead, only those waiver requests that have been acted on before the date of enactment will be included. All conduct occurring after the date of enactment will no longer be subject to the AT&T Consent Decree and will be subject to the Communications Act, as amended by the conference agreement.

New section 271(g) sets out the "incidental" interLATA activities that the BOCs are permitted to provide upon the date of enactment.

NEW SECTION 272—SEPARATE AFFILIATE; SAFEGUARDS

Senate bill

Section 102 of the Senate bill amends the Communications Act to add a new section 252 to impose separate subsidiary and other safeguards on certain activities of the BOCs. Section 102 requires that to the extent a BOC engages in certain businesses, it must do so through an entity that is separate from any entities that provide telephone exchange service. Subsection 252(b) spell out the structural and transactional requirements that apply to the separate subsidiary, section 252(c) details the nondiscrimination safeguards, section 252(d) requires a biennial audit of compliance with the separate subsidiary requirements, sections 252(e) imposes restrictions on joint marketing, and subsection 252(f) sets forth additional requirements with respect to the provision of interLATA services.

The activities that must be separated from the entity providing telephone exchange service include telecommunications equipment manufacturing and interLATA telecommunications services, except out-of-region and incidental services (not including information services) and interLATA services that have been authorized by the MFJ court. A BOC also would have to provide alarm monitoring services and certain information services through a separate subsidiary, including cable services and information services which the company was not permitted to offer before July 24, 1991. In a related provision, section 203 of the bill provides that a BOC need not use a separate affiliate to provide video programming services over a common carrier video platform if it complies with certain obligations.

Under section 252(e) of this section the BOC entity that provides telephone exchange service may not jointly market the services required to be provided through a separate subsidiary with telephone exchange service in an area until that company is authorized to provide interLATA service under new section 255. In addition, a separate subsidiary required under this section may not jointly market its services with the telephone exchange service provided by its affiliated BOC entity unless such entity allows other unaffiliated entities that offer the same or similar services to those that are offered by the separate subsidiary to also market its telephone exchange services.

Additional requirements for the provision of interLATA services are included in new section 252(f). These provisions are intended to reduce litigation by establishing in advance the standard to which a BOC entity that provides telephone exchange service or exchange access service must comply in providing interconnection to an unaffiliated entity.

Section 252(g) establishes rules to ensure that the BOC protect the confidentiality of proprietary information they receive and to prohibit the sharing of such information in aggregate form with any subsidiary or affiliate unless that information is available to all other persons on the same terms and conditions. In general, a BOC may not share with anyone customer-specific proprietary information without the consent of the person to whom it relates. Exceptions to this general rule permit disclosure in response to a court order or to initiate, render, bill and collect for telecommunications services.

New subsection 252(h) provides that the Commission may grant exceptions to the requirements of section 252 upon a showing that granting of such exception is necessary for the public interest, convenience, and necessity. The Senate intends this exception authority to be used whenever a requirement of this section is not necessary to protect consumers or to prevent anti-competitive behavior. However, the Senate does not intend that the Commission would grant an exception to the basic separate subsidiary requirements of this section for any service prior to authorizing the provision of linterLATA service under section 255 by the BOC seeking the exception to a requirement of this section.

Public utility holding companies that engage in the provision of telecommunications services are required to do so through a separate subsidiary under new section 252(i). In addition, a State may require a public utility company that provides telecommunications services to do so through a separate subsidiary. The separate subsidiary for public utility holding companies is required to meet some, but not all, of the structural separation and nondiscriminatory safeguard provisions that are applicable to BOC subsidiaries. Section 252(i) provides that a public utility holding company shall be treated as a BOC for the purpose of those provisions of section 252 that subsection (i) applies to those holding companies.

Subsection (b) of section 102 requires the Commission to promulgate any regulations necessary to implement new section 252 of the Communications Act within nine months of the date of enactment of this bill. The subsection also provides that any separate subsidiary established or designated by a BOC for purposes of complying with new section 252(a) prior to the issuance of the regulations shall be required to comply with the regulations when they are issued.

Section 102(c) provides that the amendment to the Communications Act made by this section takes effect on the date of enactment of this bill.

House amendment

Section 246(a) creates a separate subsidiary requirement for the BOC provision of interLATA telecommunications or information services. Section 246(b) requires transactions between a BOC and its subsidiary to be on an arm's length basis. Sections 246(c) and (d) mandates fully separate operations and property, including books, records, and accounts between the BOC and its subsidiary. Sections 246(e) and (f) prohibit discrimination and cross-subsidies, respectively. Under section 246(k), this provision sunsets eighteen months after the date of enactment.

Conference agreement

The conference agreement adopts the Senate provisions with several modifications. New section 272 of the Communications Act does not contain the provision in the Senate bill requiring that alarm monitoring services, and the interLATA services that are incidental thereto, be provided through the separate affiliate required by this section. The conferees also accepted the provision in the House amendment that requires a separate affiliate for interLATA information services, other than electronic publishing and alarm monitoring, which permit a customer located in one LATA to retrieve stored information from, or file information for storage in, information storage facilities of such company that are located in another LATA.

The conferees deleted the Senate provision providing for Commission exceptions to the requirements of this section. Instead, the conferees adopted a three year "sunset" of the separate affiliate requirement for interLATA services and manufacturing activities. The three year period commences on the date on which the BOC is authorized to offer interLATA services. In addition, the conference agreement provides that the separate affiliate requirement for interLATA information services "sunsets" four years after the date of enactment of the Telecommunications Act of 1996.

In any case, the Commission is given authority to extend the separate affiliate requirement by rule or order.

New section 272(g)(1) permits the separate affiliate required by this section to jointly market any of its services in conjunction with the telephone exchange services and other services of the BOC so long as the BOC permits other entities offering the same or similar services to sell and market the BOC's telephone exchange services.

New section 272(g)(2) permits a BOC, once it has been authorized to provide interLATA service pursuant to new section 271(d), to jointly market its telephone exchange services in conjunction with the interLATA service being offered by the separate affiliate in that State required by this section.

New section 272(g)(3) provides that the joint marketing authorized by new sections 272(g)(1) and (g)(2) does not violate the nondiscrimination safeguards in new subsection (e).

NEW SECTION 273—MANUFACTURING BY BELL OPERATING COMPANIES

Senate bill

Section 222 of the Senate bill adds a new section 256 to the Communications Act to remove the restrictions on manufacturing imposed by the MFJ on the BOCs under certain conditions, and allows those companies to engage in manufacturing subject to certain safeguards.

New section 256(a) permits a BOC, through a separate subsidiary that meets the requirements of new section 252, to engage in the manufacture and provision of telecommunications equipment and the manufacture of customer premises equipment (CPE) as soon as that company receives authorization to provide in region interLATA services under new section 255(c).

Subsection (b) of new section 256 requires that a BOC engaged in manufacturing may only do so through a separate subsidiary that meets the requirements of new section 252.

New section 256(c) requires that a BOC make available to local exchange carriers telecommunications equipment and any software integral to that equipment that is manufactured by the BOC's affiliate under certain conditions. The manufacturing subsidiary has the obligation to sell telecommunications equipment to an unaffiliated local telephone exchange carrier. This obligation may only be enforced on the manufacturing subsidiary if the local telephone company either does not manufacture equipment (by itself or through an affiliated entity), or it agrees to make available to the BOC any telecommunications equipment (including software integral to such equipment) that the local telephone company manufactures (by itself or through an affiliated entity) without discrimination or self-preference as to price, delivery, germs, or conditions.

In addition, subsection (c) prohibits a BOC from discriminating with respect to bids for services or equipment, establishing standards or certifying equipment, or the sale of telecommunications equipment and software. A BOC and any entity that the company owns or controls also is required to protect any proprietary information submitted to it with contract bids or with respect to establishing standards or certifying equipment, and may not release that information to anyone unless specifically authorized to do so by the owner of the proprietary information.

New section 256(d) permits a BOC or its subsidiaries or affiliates to engage in close collaboration with any manufacturer of customer premises equipment or telecommunications equipment not affiliated with the BOC during the design and development of hardware, software, equipment.

Subsection (e) requires the Commission to prescribe regulations to require each BOC to file information concerning technical requirements concerning its telephone exchange facilities.

Subsection (f) of new section 256 simply authorizes the Commission to prescribe such additional rules and regulations as the Commission determines necessary to carry out the provisions and purposes of section 256.

Administration and enforcement of new section 256 are provided for in subsection (g) of that section. Paragraph (1) of new subsection 256(g) makes clear that the Commission has the same authority, power, and functions with respect to the BOC as it has with respect to enforcement or administration of title II for any other common carrier subject to the Communications Act. Paragraph (2) allows any injured party by an act or omission of the BOC or its manufacturing subsidiary which violates the requirements of new section 256 to bring a civil action in any U.S. District Court to recover the full amount of any damages and to obtain any appropriate court order to remedy the violation. In the alternative, the party may seek relief from the Commission pursuant to sections 206 through 209 of the Communications Act.

New section 256(h) makes clear that nothing in new section 256 is intended to change the status of Bell Communications Research (Bellcore). Subsection (h) specifically states that nothing in this section permits Bellcore or any successor entity that is jointly owned by any of the BOCs to manufacture or provide telecommunications equipment or manufacture CPE.

Subsection (b) of section 222 of the bill permits the BOCs to continue to engage in activities in which they were authorized to engage prior to the date of enactment of the bill.

House amendment

Section 271(a) allows a BOC to engage in equipment manufacturing when the Commission has approved verifications that a parent BOC, and each BOC within the parent company's region, are in compliance with the access and interconnection requirements of section 242. A BOC may engage in manufacturing only through a separate subsidiary for the first eighteen months after it is authorized.

Section 271(b) allows a BOC to engage in close collaboration with manufacturers during the design and development of hardware and software. Notwithstanding subsection (a), a BOC may engage in research and enter royalty agreements.

Section 271(c) requires a BOC to file at the Commission all protocol and technical requirements relating to connection with and proposed changes to the network. The BOCs must provide access to this information on a non-discriminatory basis.

Section 271(d) prohibits Bell Communications Research, or "Bellcore," from engaging in manufacturing so long as Bellcore is owned by one or more BOC or is involved in equipment standard setting or product certification activities.

Section 271(e) requires BOCs to make equipment procurement decisions based on objective commercial criteria, such as price, quality, delivery, and other commercial factors.

Section 271(e)(2) prohibits each BOC from restricting sales to any other local telephone company. Section 271(e)(3) requires that the proprietary information which vendors share with BOCs as their transactions are carried out is protected from release not specifically authorized by the owner of such information.

Section 271(f) provides the Commission with the same enforcement authority with respect to a BOC as with any common carrier.

Section 271(g) grandfathers all previously authorized manufacturing related activities.

Conference agreement

The conference agreement adopts the Senate provisions with modifications as a new section 273 of the Communications Act. The agreement permits a BOC to engage in manufacturing after the Commission authorizes the company to provide interLATA services under new section 271(d) in any in-region State. A BOC and its affiliates may not engage in manufacturing in conjunction with another unaffiliated BOC or any of its affiliates. BOCs may engage in research and enter royalty agreements.

The conference agreement includes provisions governing a standards-setting organization such as Bellcore. Additionally, the overall intent of establishing a dispute resolution provision, as contained in new subsection 273(d)(5), is to enable all interested parties to influence the final resolution of the dispute without significantly impairing the efficiency, timeliness, and technical quality of the activity.

Further, under new section 273, a BOC may not discriminate in favor of equipment produced or supplied by an affiliate for the duration of a requirement for a manufacturing separate subsidiary under this Act. Each BOC shall make procurement decisions on the basis of an objective assessment of price, quality, delivery, and other commercial factors.

NEW SECTION 274—ELECTRONIC PUBLISHING BY BELL OPERATING COMPANIES

Senate bill

The Senate bill included electronic publishing in the provisions applicable to information services under the separate affiliate requirements of section 252 of the Senate bill.

House amendment

Section 272 sets forth regulatory requirements for BOC participation in electronic publishing. Subsection (a) of this section states generally that a BOC or any affiliate may only engage in electronic publishing through a separate affiliate or an electronic publishing joint venture.

Subsection (b)(1) requires the separate affiliate or electronic publishing joint venture to maintain books, records, and accounts separately from those of the BOC. Under subsection (b)(2), the affiliate is prohibited from incurring debt in a manner that would permit a creditor upon default to have recourse to the assets of the BOC. Subsections (b)(3) and (b)(4) govern the manner in which transactions by the affiliate must be carried out, so as to ensure that they are fully auditable. These subsections also govern the valuation of assets transferred to the affiliate to prevent cross subsidies. Subsection (b)(5) prohibits the affiliate and the BOC from having corporate officers or property in common.

Under subsection (b)(6), the affiliate is prohibited from using the name or trademarks of the affiliated BOC except where used in common with the entity that owns or controls the BOC. Subsection (b)(7) prohibits a BOC from performing a number of activities on behalf of the affiliate, including the hiring or training of personnel, the provision of equipment, and research and development (R&D). Subsection (b)(8) and (b)(9) require the separate affiliate to have an annual compliance review performed for five years and to file a report of any exceptions and the corrective action taken. These reviews are to be conducted by an independent entity.

Subsection (c)(1) prohibits a BOC from engaging in joint marketing of any promotion, marketing, sales or advertising with its affiliate, with certain exceptions. Subsection (c)(2) permits three types of joint activities between a BOC and its electronic publishing affiliate, under specified conditions. Subsection (c)(2)(A) permits a BOC to provide inbound telemarketing or referral services related to the provision of electronic publishing, if the BOC provides the same service on the same terms and conditions, and prices to non-affiliates as to its affiliates. The term "inbound telemarketing or referral services" is defined in subsection (i)(7) to mean "the marketing of property, goods, or services by telephone to a customer or potential customer who initiated the call." Subsection (c)(2)(B) permits a BOC to engage in nondiscriminatory teaming or business arrangements. Subsection (c)(2)(C) permits a BOC to participate in electronic publishing joint ventures, provided that the BOC or affiliate has not more than a 50% (or for small publishers, 80%) direct or indirect equity interest in the publishing joint venture.

Subsection (d) provides that a BOC that enters the electronic publishing business through a separated affiliate or joint venture must provide network access and interconnection to electronic publishers at just and reasonable rates that are not higher on a per-unit basis than those charged to any other electronic publisher or any separated affiliate engaged in electronic publishing. Subsection (e) entitles a person claiming a violation of this section to file a complaint with the Commission or to bring a suit as provided in section 207 of the Communications Act. The BOC, affiliate, or separate affiliate is liable for damages for any violation found, unless it is discovered first through the internal compliance review process and corrected within 90 days of such discovery. A person may apply for a cease and desist order, or apply to a district court of the United States for an injunction. Subsection (f) requires separated affiliates to file annual reports with the Commission similar to Form 10-K. Subsection (g)(1) gives the BOC one year from the date of enactment to comply with the requirements of this section. Subsection (g)(2) provides that the provisions of this section cease to apply after June 30, 2000.

Conference agreement

The conference agreement adopts the House provisions with modifications as a new section 274 of the Communications Act. Subsection (b)(6) of the House provisions, relating to use of trademarks, was modified to make it clear that the separate affiliate or electronic publishing joint venture may not use for marketing the name, trademarks, or service marks of an existing BOC except for names, trademarks, or service marks that are owned by the entity that owns or controls the BOC. Subsection (g)(2) was modified so that the sunset date will be four years after the date of enactment rather than June 30, 2000.

NEW SECTION 275—ALARM MONITORING SERVICES

Senate bill

Section 225 of the Senate bill adds a new section 258 to the Communications Act authorizing a BOC to provide alarm monitoring services four years after the date of enactment if the BOC has been authorized by the Commission to provide in-region interLATA service unless the Commission finds that such provision is not in the public interest. It requires the Commission to establish rules governing the provision of alarm services by a BOC. It provides for expedited consideration of complaints and allows the Commission to use title V remedies.

The one exception to this general rule is contained in section 258(f). It provides that the limitations of subsections (a) and (b) do not apply to any alarm monitoring services provided by a BOC that was in that business as of June 1, 1995, as long as certain conditions specified in that subsection are met.

House amendment

Section 273(a) prohibits a BOC from offering alarm service until six (6) years after the date of enactment, unless a BOC was already providing such service on January 1, 1995.

Section 273(b) prohibits discrimination by a telephone company in the provision of alarm services, either by refusing to provide its competitors with the same network services it provides itself, or by cross-subsidizing from its local telephone service.

Section 273(c) establishes procedures for expedited consideration of complaints of violations of subsection (b), requiring the Commission to make a final determination within 120 days after the receipt of a complaint. If a violation is found, the Commission is required to issue a cease and desist order within 60 days.

Conference agreement

The conference agreement adopts the House provisions with modifications as a new section 275 of the Communications Act. The prohibition on BOC entry is shortened to 5 years. The grandfather provision is modified to clarify that new subsection (a) does not prohibit or limit the provision, directly or through an affiliate, of alarm monitoring services by a BOC that was engaged in providing alarm monitoring services as of November 30, 1995, directly or through an affiliate. However, such a BOC may not acquire an equity interest in or obtain financial control of any unaffiliated alarm monitoring services entities from November 30, 1995, until five years after the date of enactment. This section further provides that nothing in the language prohibiting acquisitions or control should be construed to prevent the exchange of customer accounts and related assets with unaffiliated alarm monitoring services entities.

The House nondiscrimination provisions are adopted with the clarification that they apply to incumbent local exchange carriers rather than all common carriers. The House provisions on expedited consideration of complaints are adopted with the clarification that they apply to incumbent local telephone carriers rather than all common carriers. The Senate provisions on the use of data by local exchange carriers are adopted with the clarification that they apply to all local exchange carriers. The House definition of "alarm monitoring service" is adopted with the clarification that the definition applies to the transmission of signals by means of the facilities of any local exchange carrier rather than just those of a BOC.

NEW SECTION 276—PROVISION OF PAYPHONE SERVICES

Senate bill

Section 311 of the Senate bill adds a new section 265 to the Communications Act, to address certain practices of the BOCs with regard to telemessaging and payphone services. This section is designed to prohibit cross-subsidization between a BOC's telephone exchange or exchange access services and its payphone and telemessaging services. Existing joint-cost rules are not adequate to prevent such activities.

This section prohibits a BOC from discriminating between affiliated and nonaffiliated payphone and telemessaging services, under rules set forth by the Commission. If, however, the Commission finds that these safeguards are insufficient, the Commission may require the BOCs to provide telemessaging services through a separate subsidiary.

New section 265 directs the Commission to complete, within 18 months after the date of enactment of the bill, a rulemaking proceeding to prescribe regulations to carry out this new section. The Commission also is directed to determine whether, in order to enforce the requirements of section 265, it is appropriate to require the BOCs to provide payphone service or telemessaging services through a separate subsidiary that meets the requirements of new section 252.

Payphone services are defined to include the provision of telecommunications service through public or semipublic pay telephones, and includes the provision of inmate phone service in correctional institutions. Semipublic payphones are also included within the definition of payphone services.

New section 265 prohibits the BOCs from cross-subsidizing and from preferring or discriminating in favor of their own payphone operations. The Commission is directed to conduct rulemaking proceedings to implement new section 265.

Nothing in section 265 is intended to limit the authority of the commission to address these structural issues, or other payphone related issues, under the existing provisions of the Communications Act.

House amendment

Section 274 directs the Commission to adopt rules that eliminate all discrimination between BOC and independent payphones and all subsidies or cost recovery for BOC payphones from regulated interstate or intrastate exchange or exchange access revenue. The BOC payphone operations will be transferred, at an appropriate valuation, from the regulated accounts associated with local exchange services to the BOC's unregulated books. The Commission's implementing safeguards must be at least equal to those adopted in the Commission's *Computer III* proceedings. In place of the existing regulatory structure, the Commission is directed to establish a new system whereby all payphone service providers are fairly compensated for every interstate and intrastate call made using their payphones, including, for example, "toll-free" calls to subscribers to 800 and new 888 services and calls dialed by means of carrier access codes. In crafting implementing rules, the commission is not bound to adhere to existing mechanisms or procedures established for general regulatory purposes in other provisions of the Communications Act.

Section 274(b)(1)(D) also makes it possible for independent payphone service providers, as well as BOCs, in all jurisdictions, to select the intraLATA carriers service their payphones. However, existing contracts and agreements between location providers and payphone service providers, interLATA, or intraLATA carriers are grandfathered. Location providers prospectively also have control over the ultimate choice of interLATA and intraLATA carriers in connection with their choice of payphone service providers.

Section 274(b)(2) directs the Commission to determine whether it is necessary to support the maintenance of "public interest payphones." This term refers to payphones at locations where payphone service would not otherwise be available as a result of the operation of the market. Thus, the term does not apply to a payphone located near other payphones, or to a payphone that, even though unprofitable by itself, is provided for a location provider with whom the payphone provider has a contract.

Section 274(c) authorizes the Commission to preempt State regulations that are inconsistent with the commission's regulations under section 274.

Conference agreement

The conference agreement adopts the House provision with some modifications and a clarification as a new section 276 of the Communications Act. The conferees added to subsection (b)(1)(D) the phrase "unless the Commission determines in the rulemaking that it is not in the public interest." This modification would allow the Commission, if it determines that it is in the public interest, *not* to allow the BOCs to have the same rights as independent payphone providers in negotiating with the interLATA carriers for their payphones. In addition, the conferees clarify in subsection (b)(1)(E) that the location provider has the ultimate decision-making authority in determining interLATA services in connection with the choice of payphone providers.

TITLE II—BROADCAST SERVICES

SECTION 201—BROADCASTER SPECTRUM FLEXIBILITY

Senate bill

If the Commission, by rule, permits a licensee to provide advanced television services, subsection (a) of section 207 of the Senate bill requires the Commission to adopt rules to permit broadcasters flexibility to use the advanced television spectrum for ancillary or supplementary services. The broadcaster must provide at least one free, over-the-air advanced television broadcast service on that spectrum. Similar rules for existing broadcast spectrum must also be adopted.

Paragraph (2) requires that if the licensee offers ancillary or supplementary service for which payment of a subscription fee is required, or is compensated for transmitting material furnished by a third party, then the Commission will collect an annual fee from the licensee. The fee shall be based, in part, on the licensee's total amount of spectrum, and the amount of spectrum used and the amount of time the spectrum is used for those ancillary and supplementary services. The fee, however, cannot exceed the amount, on an annualized basis, paid by licensees providing competing services on spectrum subject to auction.

Paragraph (3) states that licensees are not relieved of their public interest requirements. Paragraph (4) defines "advanced television services" as a television service using digital or other advanced technology to enhance audio quality and visual resolution. The paragraph also defines "existing" spectrum as that spectrum used for television broadcast purposes as of the date of enactment.

House amendment

Section 301 of the House amendment directs the Commission, if the Commission issues licenses for advanced television services, to limit the initial eligibility for such licenses to incumbent broadcast licensees and permittees and authorizes the Commission to adopt regulations that would permit broadcasters to use such spectrum for ancillary or supplementary services. Apart from the restrictions contained herein, this section leaves the final determination of the uses of spectrum assigned to the broadcasters. This section restricts any potential use of spectrum apart from the main channel signal to "ancillary and supplementary" uses, provided the use of a designated frequency for such services is consistent with the technology or method designated by the Commission for the provision of advanced television services.

Paragraph (b)(2) requires the Commission to prescribe regulations that avoid the derogation of any advanced television services, including high definition television (HDTV) services.

Paragraph (b)(3) clarifies the regulation of ancillary and supplementary services. It requires that Commission regulations that are applicable to such services be applicable to the offering of analogous services by any other person. This section, however, specifically does not confer "must carry" status on any of these ancillary or supplementary services.

Paragraph (b)(4) requires the Commission to adopt any technical or other requirements necessary to assure signal quality for ATV services and provides, inter alia, that the Commission may review and update its requirements concerning minimum broadcast hours for television broadcasters for both NTSC and ATV services.

Subsection (c) provides that if the Commission issues licenses for advanced television services, it shall precondition such issuance on the requirement that one or the other of the licenses be surrendered to the Commission pursuant to its regulations. Subsection (c) also requires that any license surrendered must be reassigned through competitive bidding. This provision is designed to ensure that licensees' use of 12 megahertz would be for temporary simulcast purposes only, and that, in due course, one of the licensed channels will revert to the Commission for assignment by competitive bidding. Subsection (c) also requires that the Commission must base its decision regarding the surrender of the license on public acceptance of the new technology through obtaining television receivers capable of receiving an ATV signal or on the potential loss of reception for a substantial portion of the public.

Subsection (d) requires the Commission to establish a fee program for any ancillary or supplementary services if subscription fees or any other compensation fees apart from commercial advertisements are required in order to receive such services.

Subsecion (e) requires the Commission to conduct an evaluation within 10 years after the date it issues its licenses for advanced television services.

In subsection (f), the House adopts the Commission's definition of high definition television

Conference agreement

The conference agreement adopts the House amendment with modifications. The conference agreement retains the requirement in the House amendment that the Commission condition the issuance of a new license of the return, after some period, of either the original broadcast license or the new license. However, the conference agreement leaves to the Commission the determination of when such licenses shall be returned and how to reallocate returned spectrum. With respect to paragraph (b)(3), the conferees do not intend this paragraph to confer must carry status on advanced television or other video services offered on designated frequencies. Under the 1992 Cable Act, that issue is to be the subject of a Commission proceeding under section 614(b)(4)(B) of the Communications Act. Further, the conference agreement also adopts the Senate language that the Act's public interest obligations extend to the new licenses and services. The conference agreement modifies the House amendment to provide that if the Commission decides to issue additional licenses for ATV services, it should limit the initial eligibility to broadcast licensees.

SECTION 202—BROADCAST OWNERSHIP

Senate bill

Section 207(b) of the Senate bill requires the Commission to change its rules regarding the amount of national audience a single broadcast licensee may reach. The current cap is 25% of the nation's television households. The Senate bill raises that to 35%. Section 207 directs the Commission to eliminate its rules regarding the number of radio stations one entity may own, either nationally or within a particular market. The Commission may refuse a transfer of a radio license if it would result in an undue concentration of control or would thereby harm competition. Section 207(b)(3) grandfathers existing television local marketing agreements (LMAs). Section 207(b)(4) eliminates the cable-broadcast crossownership ban in section 613(a) of the Communications Act, and the Commission is also required to review its ownership rules biennially, as part of its overall regulatory review required by new section 259 of the Communications Act. This provision is effective upon enactment.

House amendment

Section 302 of the House amendment adds a new section 337 to the Communications Act addressing broadcast ownership. Section 337, subject to specified restrictions and consistent with the cross-ownership restrictions of section 613(a) of the Communications Act, prohibits the Commission from prescribing or enforcing any regulation which prohibits or limits, on a national or local basis, a licensee from holding any form of ownership or other interest in two or more broadcast stations or in a broadcast station and any other medium of mass communication. This section also prohibits the Commission from prescribing or enforcing any regulation which prohibits a person or entity from owning, operating, or controlling two or more networks of broadcast stations or from owning, operating, or controlling a network of broadcast stations and any other medium of mass communications. Section 337(b)(1) eliminates current limits placed on television audience nationwide and places new limits on ownership of television stations by a single entity at a national audience reach exceeding 35 percent for the year following enactment of this section. This section directs the Commission to conduct a study of the operation of these national ownership limitations and to submit a report to Congress on the development of competition in the television marketplace and the need, if any, to revisit these limitations.

Section 337(b)(2) sets forth the circumstances under which one entity may own or operate two television stations in a local market. Subparagraph (B) creates a presumption in favor of UHF/UHF and UHF/VHF combinations. Subparagraph (C) clarifies that the Commission may also permit VHF/VHF combinations where it determines that doing so will not harm competition and diversity.

Subsection (c) permits the Commission, under certain circumstances, to consider concentrations of local media interests in proceedings to grant, renew or authorize the assignment of station licenses. In a proceeding to grant, renew, or authorize the assignment of any station license under this title, the Commission may deny the application if the Commission determines that the combination of such station and more than one other non-broadcast media of mass communication would result in an undue concentration of media voices in the respective local market. The Commission shall not grant applications that would result in two or fewer persons or entities controlling all the media of mass communications in the market. There is no requirement that any existing interests be divested, but the Commission may condition the grant of an application to acquire additional media interests.

Subsection (d) clarifies that any Commission rule prescribed prior to the date of enactment of this legislation that is inconsistent with the requirements of this section is repealed on the date of enactment. Nothing in subsection (d) is to be construed to prohibit the continuation or renewal of any television local marketing agreement in effect on the date of enactment.

Conference agreement

Section 202(a) of the conference agreement directs the Commission to modify its multiple ownership rules to eliminate its limitations on the number of radio stations which may be owned or controlled nationally. New subsection (b) directs the Commission to further modify its rules with respect to the radio stations a party may own, operate or control in a local market. Subsection (b)(2) provides an exception to the local market limits, where the acquisition or interest in a radio station will result in an increase in the number of radio stations.

Subsection 202(c)(1) directs the Commission to modify its multiple ownership rules to eliminate the number of television stations which may be owned or controlled nationally and to increase the national audience reach limitation for television stations to 35 percent. Subsection (c)(2) directs the Commission to conduct a rulemaking proceeding to determine whether its rules restricting ownership of more than one television station in a local market should be retained, modified or eliminated. It is the intention of conferees that, if the Commission revises the multiple ownership rules, it shall permit VHF-VHF combinations only in compelling circumstances.

Section 202(d) directs the Commission to extend its waiver policy with respect to its one to a market ownership rules to any of the top fifty markets. The Commission now generally bans crossownerships of radio and television stations in the same market, but has implemented a waiver policy which recognizes the potential for public interest benefits of such combinations when bedrock diversity interested are not threatened. The conferees in adopting subsection (d), intend to extend the benefits of this policy to the top fifty markets. Also, in the Commission's proceeding to review its television ownership rules generally, the Commission is considering whether generally to allow such local crossownerships, including combinations of a television station and more than one radio station in the same service. The conferees expect that the Commission's future implementation of its current radio-television waiver policy, as well as any changes to its rules it may adopt in its pending review, will take into account the increased competition and the need for diversity in today's radio marketplace that is the rationale for subsection (d).

Subsection (e) directs the Commission to revise its rules at 47 CFR 73.658(g) to permit a television station to affiliate with a person or entity that maintains two or more networks unless such dual or multiple networks are composed of (1) two or more of the four existing networks (ABC, CBS, NBC, FOX) or, (2) any of the four existing networks and one of the two emerging networks, (WBTN, UPN). The conferees do not intend these limitations to apply if such networks are not operated simultaneously, or if there is no substantial overlap in the territory served by the group of stations comprising each such networks.

Subsection (f) directs the Commission to revise its rules to permit crossownership interests between a broadcast network and a cable system. If necessary, the Commission is directed to revise its rules to ensure carriage, channel positioning and nondiscriminatory treatment of non-affiliated broadcast stations by cable systems affiliated with a broadcast network.

Subsection (g) grandfathers LMAs currently in existence upon enactment of this legislation and allows LMAs in the future, consistent with the Commission's rules. The conferees note the positive contributions of television LMAs and this subsection assures that this legislation does not deprive the public of the benefits of existing LMAs that were otherwise in compliance with Commission regulations on the date of enactment.

Subsection (h) directs the Commission to review its rules adopted under section 202 and all of its ownership rules biennially. In its review, the Commission shall determine whether any of its ownership rules, including those adopted pursuant to this section, are necessary in the public interest as the result of competition. Based on its findings in such a review, the Commission is directed to repeal or modify any regulation it determines is no longer in the public interest. Apart from the biennial review required by subsection (h), the conferees are aware that the Commission already has several broadcast deregulation proceedings underway. It is the intention of the conferees that the Commission continue with these proceedings and conclude them in a timely manner.

Subsection (i) amends section 613(a) of the Communications Act by repealing the restriction on broadcast-cable crossownership. The conferees do not intend that this repeal of the statutory prohibition should prejudge the outcome of any review by the Commission of its rules. Subsection (i) also amends 613(a) by revising the cable-MMDS crossownership restriction so that it does not apply in any franchise area in which a cable operator faces effective competition.

SECTION 203—TERMS OF LICENSES

Senate bill

Section 207 of the Senate bill amends section 307(c) of the Communications Act to increase the term of license renewal for television licenses from five to ten years and for radio licenses from seven to ten years.

House amendment

Section 306 of the House amendment contains a similar provision but amends section 307(c) of the Communications Act to provide for a seven year license term for all broadcast licenses.

Conference agreement

The conference agreement adopts the House provisions but extends the license term for broadcast licensees to eight years for both television and radio.

SECTION 204—BROADCAST LICENSE RENEWAL PROCEDURES

Senate bill

Subsection (d) of section 207 amends the broadcast license renewal procedures. This subsection amends section 309 of the Communications Act by adding a new subsection (k) which gives the incumbent broadcaster the ability to apply for its license renewal without competing applications. A broadcaster would apply for its renewal, and the Commission would grant such a renewal, if, during the preceding term of its license the station has served the public interest, convenience, and necessity, has not made any serious violations of the Communications Act or of the Commission's rules, and has not, through other violations, shown a pattern of abuse.

The Commission may not consider whether the granting of a license to a person other than the renewal applicant might serve the public interest, convenience, and necessity prior to its decision to approve or deny the renewal application. Under this section, the Commission has discretion to consider what is a serious violation of the Communications Act. If a licensee does not meet those criteria, the Commission may either deny the renewal, or impose conditions on the renewal. Once the Commission, after conducting a hearing on the record, denies an application for renewal, it is then able to accept applications for a construction permit for the channel or facilities of the former licensee.

Subparagraph (4) would require broadcast licensees to attach a summary of comments regarding violent programming to its renewal application.

House amendment

Section 305 of the House amendment similarly amends section 309 of the Communications Act by adding a new subsection (k) mandating a change in the manner in which broadcast license renewal applications are processed. Subsection (k) allows for Commission consideration of the renewal application of the incumbent broadcast licensee without the contemporaneous consideration of competing applications. Under this subsection, the Commission would grant a renewal application if it finds that the station, during its term, had served the public interest, convenience, and necessity; there had been no serious violations by the licensee of the Communications Act or Commission rules; and there had been no other violations of the Communications Act or Commission rules which, taken together, indicate a pattern of abuse. If the Commission finds that the licensee has failed to meet these requirements, it could deny the renewal application or grant a conditional approval, including renewal for a lesser term. Only after denying a renewal application could the Commission accept and consider competing applications for the license.

Conference agreement

The conference agreement adopts the House provisions with modifications to include the Senate provision requiring a renewal applicant to attach to its application a summary of comments regarding violent programming. The conference agreement sets the effective date for this section at May 1, 1995.

SECTION 205—DIRECT BROADCAST SATELLITE SERVICE

Senate bill

Section 312(a) of the Senate bill amends section 705(e)(4) of the Communications Act to extend the current legal protection against signal piracy to direct-broadcast services.

Section 312(b) amends section 303 of the Communications Act to clarify that the Commission has exclusive jurisdiction over the regulation of direct broadcast satellite (DBS) service.

House amendment

The House has identical provisions in sections 308 and 311 of the House amendment.

Conference agreement

The conference agreement adopts the Senate provision with a conforming change to the definition of "direct-to-home."

SECTION 206—AUTOMATED SHIP DISTRESS AND SAFETY SYSTEMS

Senate bill

Section 306 of the Senate bill provides that notwithstanding any other provision of the Communications Act, any ship documented under the laws of the United States operating in accordance with the Global Maritime Distress and Safety System provisions of the Safety of Life at Sea Convention is not required to be equipped with a radio telegraphy station operated by one or more radio officers or operators.

House amendment

This House provision is identical.

Conference agreement

The conference agreement adopts the Senate provision with a modification placing the provision as an amendment to section 364 of the Communications Act. This provision permits a ship that fully complies with the Global Maritime Distress and Safety System (GMDSS) provisions of the Safety of Life at Sea Convention to be exempted from requirements to carry a radio telegraph station operated by one or more radio operators. Due to the conferees' concern about the proper implementation of the GMDSS, the provision specifies that this exemption shall only take effect upon the United States Coast Guard's determination that the system is fully installed, maintained, and is operating properly on each vessel.

SECTION 207—RESTRICTIONS ON OVER-THE-AIR RECEPTION DEVICES

Senate bill

No provision.

House amendment

Section 308 of the House amendment directs the Commission to promulgate rules prohibiting restrictions which inhibit a viewer's ability to receive video programming from over-the-air broadcast stations or direct broadcast satellite services.

Conference agreement

The conference agreement adopts the House provision with modifications to extend the prohibition to devices that permit reception of multichannel multipoint distribution services.

TITLE III—CABLE SERVICES

SECTION 301—CABLE ACT REFORM

Senate bill

Section 203(a) of the Senate bill amends the definition of "cable system" in section 602 of the Communications Act.

Section 203(b) of section 204 of the bill limits the rate regulations currently imposed by the 1992 Cable Act.

Paragraph (1) amends the rate regulation provisions of section 623 of the Communications Act for the expanded tier. First, it eliminates the ability of a single subscriber to initiate a rate complaint proceeding at the Commission. Franchising authorities are the relevant State and local government entities that still retain the ability to initiate a rate proceeding. Second, rates for cable programming services will only be considered unreasonable, and subject to regulation, if the rates substantially exceed the national average for comparable cable programming services.

Paragraph (2) amends the definition of effective competition in section 623(l)(1) to allow the provision of video services by a local exchange carrier either through a common carrier video platform, or as a cable operator, in an unaffiliated cable operator's franchise area to satisfy the effective competition test.

Section 203(c) eliminates cable rate regulation for small cable operators serving areas of 35,000 or fewer subscribers.

Section 203(d) provides that any programming access rules that apply to a cable operator under section 628 of the Communications Act also apply to a telecommunications carrier or its affiliate that provides video programming directly to subscribers.

Section 203(e) provides for expedited decisions by the Commission regarding market determinations under section 614 of the Communications Act.

Section 203(f) provides that the provisions of this section take effect on the date of enactment.

House amendment

Section 307(a) of the House amendment amends the definition of "cable service" in section 602(6) of the Communications Act by adding "or use" to the definition, reflecting the evolution of video programming toward interactive services.

Subsection (b) prohibits the Commission from requiring the divestiture of, or preventing or restricting the acquisition of, any cable system based solely on the geographic location of the system.

Subsection (c) amends section 623(a) of the Communications Act to deregulate equipment, installations, and additional connections furnished to subscribers that receive more than basic cable service when a cable system has effective competition pursuant to section 623(l)(1)(b).

Subsection (d) amends section 623(a) of the Communications Act to limit basic tier rate increases by a cable operator to once every six months and permits cable operators to implement such increases after 30 days notice. Subsection (d) limits the franchising authority's scope of review to the incremental change in the basic tier rate effected by a rate increase.

Subsection (e) amends section 623(a) of the Communications Act to promote the development of a broadband, two-way telecommunications infrastructure. Under this paragraph, cable operators are permitted to aggregate equipment costs broadly. However, subsection (e) does not permit averaging for equipment used by consumers that subscribe only to basic service tier. Subsection (e) directs the Commission to complete its revisions to current rules necessary to implement this subsection within 120 days.

Subsection (f) amends section 623(c) of the Communications Act governing review of complaints by inserting a new paragraph (3) requiring that the Commission receive complaints from three percent of a system's subscribers, or 10 subscribers, whichever is greater, before it initiates a rate case.

Subsection (f) extends from 45 days to 90 days the amount of time after a cable programming service rate increase goes into effect that during which subscribers may file a complaint. Pending rate cases will be subject to the new complaint threshold and complaining parties are granted a 90-day extension to bring complaints into conformance with the new complaint threshold requirement. Subsection (f) clarifies that the Commission's scope of review is limited to the last incremental consumer programming service rate increase consistent with the intent of the 1992 Cable Act.

Subsection (g) clarifies that a cable operator must comply with the uniform rate structure requirement in section 623(d) of the 1992 Cable Act only with respect to regulated services. Subsection (g) also amends section 623(d) of the Communications Act to exempt bulk discounts to multiple dwelling units ("MDUs") from the uniform rate requirement.

Subsection (h) amends section 623(l)(1) of the Communications Act by adding a fourth effective competition test. Under this new test, effective competition for cable programming service tier and subscriber equipment (other than that necessary for receiving the basic service tier) is present: (1) where a common carrier has been authorized to provide video dialtone service in the cable franchise area; (2) where a common carrier has been authorized by the Commission or pursuant to a franchise to provide video programming directly to subscribers in the cable franchise area; or (3) when the Commission completes all actions necessary to prescribe the video platform rules pursuant to section 653(b)(1). When any of these events occurs, the rates for a cable system's cable programming services, as well as equipment, installations, and additional television connections are deregulated.

Subsection (h) does not apply to basic cable service. Basic service, including all equipment, additional television connections, and installations furnished to basic-only subscribers, remains subject to regulation until the cable operator meets one of the effective competition tests contained in section 623(l)(1)(A), (B), and (C) of the Communications Act.

Subsection (i) amends section 623 of the Communications Act to deregulate the rates for the cable programming service tiers of small companies and the rates for the basic service tier of small company systems that offered only a single tier of service as of December 31, 1994. Subsection (i) does not deregulate the basic tier of small cable systems that offer multiple tiers of cable service.

In order to qualify as a "small cable operator," a cable operator must: (1) directly, or through an affiliate, serve in the aggregate fewer than one percent of all cable subscribers nationwide; and (2) not be affiliated with any entity whose annual gross revenues in the aggregate exceed $250,000,000.

Subsection (j) amends section 624(e) of the Communications Act by prohibiting States or franchising authorities from regulating in the areas of technical standards, customer equipment, and transmission technologies.

Subsection (k) amends section 624A(b)(2) of the Communications Act and directs that no Federal agency, State, or franchising authority may prohibit a cable operator's use of any security system, including scrambling, but permits the Commission to prohibit scrambling of video programming on the broadcast-basic service tier unless scrambling is necessary to prevent signal piracy.

Subsection (l) amends section 624A of the Communications Act to direct the Commission to set only minimal standards when implementing regulations to assure compatibility between cable "set-top" boxes, televisions, and video cassette recorders, and to rely on the marketplace for other features, services, and functions to ensure basic compatibility. This subsection clarifies section 624(c)(1)(A) further to ensure that Commission efforts with respect to cable compatibility do not affect unrelated markets, such as computers or home automation communications, or result in a preference for one home automation protocol over another.

Subsection (m) amends section 625(d) of the Communications Act by clarifying that a cable operator may move any service off the basic service tier at its discretion, other than the local broadcast signals and access channels required to be carried on the basic service tier under section 623(b)(7)(A) of the Communications Act.

Subsection (n) amends section 632 of the Communications Act to provide cable operators with flexibility to use "reasonable" written means to convey rate and service changes to consumers. Notice need not be inserted in the subscriber's bill.

Subsection (n) also provides that prior notice is not required for any rate change that is the result of a regulatory fee, franchise fee, or any other fee, tax, assessment or change of any kind imposed by the Government on the transaction between a cable operator and a subscriber.

Subsection (o) amends section 623 of the Communications Act to clarify that losses incurred prior to the enactment of the 1992 Cable Act by a cable system owned and operated by the original franchisee may not be disallowed in determination of rate regulation.

Conference agreement

The conference agreement adopts the House provisions with modifications. It adopts the House provision amending the definition of cable service. The conferees intend the amendment to reflect the evolution of cable to include interactive services such as game channels and information services made available to subscribers by the cable operator, as well as enhanced services. This amendment is not intended to affect Federal or State regulation of telecommunications service offered through cable system facilities, or to cause dial-up access to information services over telephone lines to be classified as a cable service. The conference agreement adopts the Senate provision amending the definition of cable system to clarify that the term does not include a facility that serves subscribers without using any public right-of-way.

The conference agreement sunsets regulation of the cable programming services tier on March 31, 1999. The agreement directs the Commission to review a rate increase for an operator's cable programming services tier within 90 days of a complaint.

The conference agreement amends the Communications Act's requirements for a uniform rate structure to clarify that such requirements do not apply to (1) a cable operator with respect to the provision of cable service over its cable system in any geographic area in which the video programming services offered by the operator in that area are subject to effective competition, or (2) any video programming offered on a per channel or per program basis. Bulk discounts to multiple dwelling units shall not be subject to the uniform rate requirement except that a cable operator may not charge predatory prices to a multiple dwelling unit. Upon a prima facie showing by a complainant that there are reasonable grounds to believe that the discounted price is predatory, the cable system shall have the burden of showing that its discounted price is not predatory.

The conference agreement adopts an amendment to section 623(l) of the Communications Act to expand the effective competition test for deregulating both basic and cable programming service tiers. The test provides that effective competition exists when a telephone company or any multichannel video programming distributor is offering video programming services directly to subscribers by any means in the franchise area of an unaffiliated cable operator. "By any means," includes any medium (other than direct-to-home satellite service) for the delivery of comparable programming, including MMDS, LMDS, an open video system, or a cable system. For purposes of section 623(l)(1)(D) of the Communications Act, "offer" has the same meaning given that term in the Commission's rules as in effect on the date of enactment of the bill. *See* 47 CFR 76.905(e). The conferees intend that "comparable" requires that the video programming services should include access to at least 12 channels of programming, at least some of which are television broadcasting signals. *See* 47 CFR 76.905(g).

The conference agreement adopts the Senate provision with respect to deregulation of small cable systems with the modification that the franchise area served by such system must reach 50,000 or fewer subscribers. The agreement adopts the House provisions on market determinations, technical standards, cable equipment compatibility, and subscriber notices. The agreement amends section 628 of the Communications Act to extend the program access requirements to satellite cable programming vendors in which a common carrier providing video programming by any means has an attributable interest. This provision clarifies that such common carrier shall not be deemed to have an attributable interest in such programming vendor (or its parent company) solely as a result of the common carrier's holding, or having the right to appoint or elect, two or fewer common officers or directors. The conference agreement amends section 617 of the Communications Act to repeal the anti-trafficking restrictions. The conference agreement adopts the House provisions on equipment aggregation and treatment of prior year losses.

The conference agreement also adopts the House provision on cable equipment compatibility. As used in section 624A of the Communications Act, the term "affect" means to produce a material influence upon, or alteration in, such features, functions, protocols, and other product and service options. The conferees intend that the Commission should promptly complete its pending rulemaking on cable equipment compatibility, but not at the risk that premature or overbroad Government standards may interfere in the market-driven process of standardization in technology intensive markets.

SECTION 302—CABLE SERVICE PROVIDED BY TELEPHONE COMPANIES

Senate bill

The Senate bill creates new sections of the Communications Act to provide for the provision of video programming by telephone companies.

House amendment

The House amendment creates new sections of the Communications Act to provide for the provision of video programming by telephone companies.

Conference agreement

Section 302 of the conference agreement establishes a new "Part V" of title VI of the Communications Act. Part V contains new sections 651–653 to provide for the provision of video programming by telephone companies.

NEW SECTION 651—REGULATORY TREATMENT OF VIDEO PROGRAMMING SERVICES

Senate bill

Section 202 of the Senate bill eliminates the cable/telephone cross ownership restriction and grants telephone companies the option of providing video programming to subscribers over a cable system or over a video platform. It also states that a BOC need not use a separate affiliate if it provides facilities, services or information to all programmers on the same terms and conditions as it provides to its own operations, and if it does not use telecommunications services to subsidize the provision of video programming. In addition, it states that when a BOC provides cable service as a cable operator, it must do so through a separate affiliate, except that if the cable service is provided using the company's own telephone exchange facilities, it is not required to make capacity available on a nondiscriminatory basis to other video service providers because of such use.

House amendment

Section 201 of the House amendment permits a common carrier that provides video programming directly to subscribers in its telephone service area, to do so either over a video platform or over a cable system. In addition, it requires the carrier to provide notice to programming providers and to submit detailed information to the Commission concerning its intention to establish capacity for the provision of video programming. Carriers are required to establish channel capacity sufficient to meet all bona fide demand and to expand capacity in response to demand for additional capacity.

Conference agreement

New section 651 of the Communications Act specifically addresses the regulatory treatment of video programming services provided by telephone companies. Recognizing that there can be different strategies, services and technologies for entering video markets, the conferees agree to multiple entry options to promote competition, to encourage investment in new technologies and to maximize consumer choice of services that best meet their information and entertainment needs.

New section 651(a)(1) states that common carriers, or other persons, that use radio communication to provide video programming will be regulated under title III of the Communications Act, and are subject to the requirements of new section 652 of the Communications Act but are not otherwise subject to the requirements of title VI. This will create parity among providers of services using radio communication.

New section 651(a)(2) states that when common carriers provide only video transmission on a common carrier basis, they are subject only to title II and to new section 652, and are not otherwise subject to the requirements of title VI merely by engaging in common carrier transport of video programming.

New section 651(a)(3) states that common carriers providing video programming to subscribers by any means other than those described in new section 651(a)(1) or (a)(2), are subject to the requirements of title VI, unless such programming is provided by means of an open video system that has been certified by the Commission. New section 651(a)(3) also states that carriers that provide programming using a certified open video system are subject to the requirements of part V, and only those provisions of parts I through IV of title VI as are specifically provided in new section 653(c). Open video systems are not subject to the requirements of title II for the provision of video programming or cable services.

Common carriers that provide video programming using radio communication or using common carriage transmission, or a combination of those services, also may choose to provide an open video system. New section 651(a)(4) provides that such systems are subject to the same requirements as other open video systems.

New section 651(b) states that a local exchange carrier that provides cable service by means of an open video system, or by means of an integrated cable system utilizing its own telephone exchange facilities, is not required by title II to also make transmission capacity and related services available on a nondiscriminatory basis to any other person for the provision of cable service or video programming directly to subscribers. This provision clarifies that the open video system operator's obligation to provide system capacity and facilities to others is limited to, and governed by, part V and the other requirements specifically provided in new section 653(c). Likewise, a local exchange carrier that utilizes its own telephone exchange facilities and services to provide cable services other than through an open video system is required by such use only to make cable and video programming capacity and facilities available to others for the provision of cable service to the extent provided in parts I through IV of title VI, regardless of whether those facilities also are used to provide telephone exchange service under title II. Similarly, under new section 651(c) common carriers that establish video delivery systems, including cable and open video systems, are not required to obtain section 214 authority prior to establishing or operating such systems. This requirement has served as an obstacle to competitive entry and has disproportionately disadvantaged new competitors. Eliminating this barrier to entry will hasten the development of video competition and will provide consumers with increased program choice.

NEW SECTION 652—PROHIBITION ON BUYOUTS

Senate bill

Section 202 of the Senate bill adds to section 613(b) of the Communications Act several provisions restricting the ability of a local exchange carrier to acquire more than a 10 percent financial interest or any management interest in a cable operator in its telephone service area and restricting the ability of a cable operator to acquire similar interests in a local exchange carrier in the cable operator's franchise area. It includes certain exceptions for acquisitions in non-urban areas with less than 50,000 inhabitants, and it authorizes the Commission to grant waivers for economic distress, economic viability of the cable system, or where any anti-competitive effects of the proposed transaction are clearly outweighed by the public interest, and where the local franchising authority approves the waiver. The bill directs the Commission to act on such waiver requests within 180 days of filing. The Senate provisions also permit a local exchange carrier, if certain conditions are met, to use excess capacity of a cable company for that portion of the transmission facilities of the cable operator from the last multi-user terminal to the premises of the end user.

Section 706 of the Senate bill authorizes a local exchange carrier or any of its affiliates to purchase or otherwise acquire more than 10 percent of the financial interest or any management interest in any cable system in its telephone service area so long as (1) the cable system serves no more than 20,000 cable subscribers and (2) no more than 12,000 of those cable subscribers live in an urbanized area

House amendment

Section 655 of the House amendment contains a general prohibition on buy-outs by a common carrier of a cable system within its service territory. Subsection (b) provides exceptions that would permit a common carrier to purchase a cable system or systems under circumstances including the following: (1) the cable system serves a rural area; (2) the total number of subscribers served by such systems adds up to less than ten percent of the households served by the carrier in the telephone service area, and no such system or systems serve a franchise area with more than 35,000 inhabitants for an affiliated system, or more than 50,000 inhabitants for any system that is not affiliated with any system whose franchise area is contiguous; and (3) the exemption would permit a carrier to obtain, by contract with a cable operator, use of the "drop" from the curb to the home that is controlled by the cable company, if such use was reasonably limited in scope and duration as determined by the Commission.

The exception under subparagraph (4) is intended to address a market situation where a dominant cable operator that is a large multiple systems operator (MSO) shares a market with a small independent cable system.

Subsection (c) also contains the waiver process for the buy-out provision under which the Commission may grant a waiver upon a showing of undue economic distress by the owner of the cable system if a sale to a telephone company is blocked. The Commission is directed to act on a waiver application within 180 days after it is filed.

Conference agreement

The conference agreement adopts the provisions of the Senate bill limiting acquisitions and prohibiting joint ventures between local exchange companies and cable operators that operate in the same market to provide video programming to subscribers or to provide telecommunications services in such market. Such carriers or cable operators may enter into a joint venture or partnership for other purposes, including the construction of facilities for the provision of such programming or services. With respect to exceptions to these general rules contained in new section 652(a), (b), and (c), the conferees agreed, in general, to take the most restrictive provisions of both the Senate bill and the House amendment in order to maximize competition between local exchange carriers and cable operators within local markets.

In new section 652(d)(1) the conference agreement allows a local exchange carrier to obtain a controlling interest in, management interest in, or a joint venture or partnership with a cable system operator for the use of such system located within its telephone service area to the extent that such system or facilities only serve places or territories that have fewer than 35,000 inhabitants and are outside urbanized areas. The agreement further stipulates that such systems in the aggregate serve less than 10 percent of the households in the telephone service area of such local exchange carrier. New section 652(d)(1) also permits a cable operator to obtain a controlling interest in, management interest in, or a joint venture or partnership with a local exchange carrier for the use of such carrier's facilities if such facilities serve places or territories that have fewer than 35,000 inhabitants and are outside of urbanized areas. The agreement contains other very limited exceptions to the general rules contained in new section 652 (a), (b), and (c). In new section 652(d)(3) acquisitions would be permitted in competitive markets where a local exchange carrier seeking to obtain a controlling interest or form a joint venture with a cable system may do so if narrowly drawn requirements are met. New section 652(d)(4) provides that new section 652(a) shall not apply to certain cable systems serving less than 17,000 subscribers outside of the top television markets. New section 652(d)(5) of the conference agreement allows a non-Tier I local exchange carrier to obtain more than a ten percent interest in, or to form a joint venture or partnership with, a small cable system that serves no more than 20,000 cable subscribers within the telephone company's service territory, provided that no more than 12,000 of those subscribers live within an urbanized area.

The conference agreement also allows for limited joint use of certain cable system facilities. In new section 652(d)(2) the agreement adopts language from the Senate bill that will allow a local exchange carrier to obtain, with the concurrence of the cable operator on the rates, terms and conditions, the use of that part of the transmission facilities of a cable system extending from the last multi-user terminal to the premises of the end user. The agreement stipulates that such joint use is permitted if such use is reasonably limited in scope and duration as determined by the Commission.

The conferees also provided for the establishment of a waiver process of the statutory rules. In new section 652(d)(6), the conferees give specific guidance to the Commission with respect to granting waivers. In that regard, the conferees allow the Commission to waive the various restrictions in this section if: the cable company or telephone company would be subjected to undue economic stress, the cable system of local exchange facilities would not be economically viable, the anticompetitive effects of the proposed transaction are clearly outweighed by the public interest, and the local franchising authority approves of such waiver.

Finally, new section 652(e) contains a definition of telephone service area for the purposes of this section.

NEW SECTION 653—ESTABLISHMENT OF OPEN VIDEO SYSTEMS

Senate bill

Section 202 of the Senate bill amends section 613(b) of the Communications Act to state that nothing precludes a telecommunications carrier from carrying video programming provided by others directly to subscribers over a common carrier video platform. It also states that nothing precludes a video program provider that makes use of a common carrier video platform from being treated as an operator of a cable system for purposes of section 111 of title 17, U.S.C.

It also requires providers of common carrier video platform services to provide local broadcast stations, and public, educational and governmental entities, access to platforms for the purpose of transmission of television broadcast programming at rates no higher than the incremental-cost-based rates of providing such access.

It states that video program providers may be required to pay fees in lieu of franchise fees, if the fees are competitively neutral and are separately identified in consumer billing. It also states that common carriers are not required to obtain certificates under section 214 in order to construct facilities to provide video programming services. Within 1 year after enactment, the Commission must prescribe regulations that set forth a number of safeguards. Finally, it specifies that the amendment made by subsection (a) takes effect on the date enactment, while the amendment made by subsection (b) (which states that no section 214 is required to build platform facilities) takes effect 1 year after enactment.

House amendment

Section 201 of the House amendment adds new section 653 to the Communications Act. Section 653 permits common carriers to establish video platforms but requires them to notify the Commission of their intent to do so; it also specifies the information that must be included in such notification. Carriers establishing platforms are required to establish channel capacity for the provision of video programming in response to bona fide requests for capacity and must notify the Commission if there is a delay in or denial of capacity and are required to construct additional capacity to meet excess demand. The Commission is required to resolve disputes arising from requests for capacity within 180 days of notice of such a dispute.

The Commission is given 6 months from the date of enactment to complete all actions necessary (including any reconsideration) to prescribe regulations that—prohibit carriers from discriminating among video programming providers with regard to carriage on the platform; determine what constitutes a bona fide request for capacity; permit channel sharing; extend regulations concerning sports exclusivity, network nonduplication and syndicated exclusivity to video platforms; require platforms to provide service, transmission and interconnection to unaffiliated programmers that is equivalent to that provided to the common carrier's video affiliate; prohibit unreasonable discrimination in favor of the common carrier's video affiliate concerning material or information needed to select programming; and, prohibit a common carrier from excluding areas from its video platform service area on the basis of ethnicity, race or income.

Section 656, as added by the House amendment, set forth the applicability of parts I through IV of title VI to any video programming affiliate established by a common carrier in accordance with the requirements of part V. Subsection (a) states that, in general, any provision that applies to a cable operator under the following sections also applies to such affiliate—section 613 (other than subsection (a)(2)), 616, 617, 628, 631, 632 and 643 of title VI. Sections 611, 612, 614 and 615 of title VI and section 325 of title III also apply to such affiliates in accordance with the regulations prescribed under subsection (b). Parts III and IV (other than sections 628, 631, 632 and 634) of title VI to apply to such affiliates.

Subsection (b) addresses implementation. The Commission is required to prescribe regulations to ensure that common carriers that operate video platforms provide: capacity, services, facilities and equipment for public, educational and governmental use; capacity for commercial use; capacity for broadcast television stations; and, an opportunity for commercial broadcast stations to choose between mandatory carriage and reimbursement for retransmission. It also directs the Commission to impose obligations that are no greater or lesser than the corresponding cable operator obligations referenced in subsection (a)(2) of section 656.

Finally, this subsection also states that video programming affiliates of common carriers that establish platforms, and multichannel video programming distributors that use such platforms to offer competing service, are subject to the payment of local franchise fees. It adds that such fees are in lieu of fees imposed under section 622 and that the rate of such fees may not exceed the rate at which franchise fees are imposed on cable operators in the same franchise area.

Conference agreement

The conference agreement adds a new section 653 to the Communications Act. The conferees recognize that telephone companies need to be able to choose from among multiple video entry options to encourage entry, and so systems under this section allowed to tailor services to meet the unique competitive and consumer needs of individual markets. New section 653(a) focuses on the establishment of open video systems by local exchange carriers and provides for reduced regulatory burdens subject to compliance with the provisions of new section 653(b) and Commission certification of a carrier's intent to comply. New section 653(a) also gives the Commission authority to resolve disputes (and award damages), but requires such resolution to occur within 180 days after notice of the dispute is submitted to the Commission.

New section 653(b) gives the Commission six months from the date of enactment to complete all actions necessary, including any reconsideration, to prescribe regulations to accomplish the following—

except as required by section 611, 614 or 615, to prohibit open video system operators from discriminating among video programmers with regard to carriage, and ensure that the rates, terms and conditions for carriage are just and reasonable and are not unjustly or unreasonably discriminatory;

if demand exceeds channel capacity, to prohibit an open video system operator and its affiliates from selecting the video programming services that occupy more than one-third of the activated channel capacity of the system; but this limitation does not in any way limit the number of channels a carrier and its affiliates may offer to provide directly to subscribers;

to permit an open video system operator to require channel sharing; that is, to carry only one channel of any video programming service that is offered by more than one video programming provider (including the local exchange carrier's video programming affiliate), provided that subscribers have ready and immediate access to any such video programming service;

to extend the Commission's regulations concerning sports exclusivity, network nonduplication and syndicated exclusivity to the distribution of video programming over open video systems, must carry for commercial and noncommercial broadcast stations, and retransmission content; and,

to prohibit an open video system operator from unreasonably discriminating in favor of itself and its affiliates with regard to material or information provided for the purpose of selecting programming or presenting information to subscribers; to require an open video system operator to ensure that video programming providers or copyright holders are able to identify their programming services to subscribers; to require the operator to transmit such identification without change or alteration; and to prohibit an open video system operator from omitting television broadcasters or other unaffiliated video programming services from carriage on any navigational device, guide, or menu.

New section 653(c) sets forth the reduced regulatory burdens imposed on open video systems. There are several reasons for streamlining the regulatory obligations of such systems. First, the conferees hope that this approach will encourage common carriers to deploy open video systems and introduce vigorous competition in entertainment and information markets. Second, the conferees recognize that common carriers that deploy open systems will be "new" entrants in established markets and deserve lighter regulatory burdens to level the playing field. Third, the development of competition and the operation of market forces mean that government oversight and regulation can and should be reduced.

New section 653(c)(1)(A) states that the following provisions that apply to cable operators also apply to certified operators of open video systems—sections 613 (other than subsection (a)(2) thereof), 616, 623(f), 628, 631, and 634; new section 653(c)(1)(B) states that the following sections—611, 612, 614, and 615, and section 325 of title III—apply in accordance with regulations prescribed under paragraph (2); and, new section 653(c)(1)(C) states that sections 612 and 617, and parts III and IV (other than sections 623(f), 628, 631, and 634), of this title do not apply.

With respect to the rulemaking proceeding required by new section 653(b)(1), new section 653(c)(2)(A) requires that the Commission shall, to the extent possible, impose obligations that are no greater or lesser than the obligations contained in the provisions described in new section 653(c)(1)(B).

New section 653(c)(2)(B) states that open video system operators may be subject to fees imposed by local franchising authorities, but that such fees are in lieu of fees required under section 622. A State governmental authority could also impose taxes, fees or other assessments in lieu of franchise or franchise-like fees imposed by municipalities. In another effort to ensure parity among video providers, the conferees state that such fees may only be assessed on revenues derived from comparable cable services and the rate at which such fees are imposed on operators of open video systems may not exceed the rate at which franchise fees are imposed on any cable operator in the corresponding franchise area. Open system operators would have the same flexibility as their cable operator competitors to state separately these fees on their customer bills.

The conferees intend that an operator of an open video system under this part shall be subject, to the extent permissible under State and local law, to the authority of a local government to manage its public rights-of-way in a nondiscriminatory and competitively neutral manner.

New section 653(c)(3) is a further attempt to ensure that operators of open video systems are not burdened with unreasonable regulatory obligations. It states that the requirements of new section 653 are intended to operate in lieu of, and not in addition to, the requirements of title II. The conferees do not intend that the Commission impose title II-like regulation under the authority of this section.

Rules and regulations adopted by the Commission pursuant to its jurisdiction under title II should not be merged with or added to the rules and regulations governing open video systems, which will be subject to new section 653, not title II. Section 302(b)(3) of the conference agreement specifically repeals the Commission's video dialtone rules. Those rules implemented a rigid common carrier regime, including the Commission's customer premises equipment and *Computer III* rules, and thereby created substantial obstacles to the actual operation of open video systems.

New section 653(c)(4) provides that nothing in the Communications Act precludes a video programming provider making use of an open video system from being treated as an operator of a cable system for purposes of section 111 of title 17, United States Code.

New section 653(d) contains the definition of the term "telephone service area" to be used in conjunction with the provisions of new section 653.

Section 302(b) of the conference agreement contains technical and conforming amendments. Paragraph (1) repeals subsection (b) of section 613 of the Communications Act (47 U.S.C. 533(b)). Paragraph (2) amends paragraph (7) of section 602 of the Communications Act to clarify that the provision solely of interactive on-demand services over a common carrier facility or the provision of an open video system does not render the facility a cable system and redesignates paragraphs (12) through (19) as (13) through (20) and, inserts paragraph (12), defining "interactive on-demand services." Paragraph (3), as noted previously, provides that the Commission's video dialtone regulations, adopted in CC Docket No. 87-266, are repealed on the date of enactment and shall not apply to the operation of an open video system. Repeal of the Commission's video dialtone regulations is not intended to alter the status of any video dialtone service offered before the regulations required by this section become effective.

SECTION 303—PREEMPTION OF FRANCHISING AUTHORITY REGULATION OF TELECOMMUNICATIONS SERVICES

Senate bill

Subsection 201(b) of the Senate bill establishes the principles applicable to the provision of telecommunications by a cable operator. Paragraph (1) of this subsection adds a news paragraph 3(A) to section 62 1(b) of the Communications Act, which sets forth the jurisdiction of and limitations on franchising authorities over cable operators engaged in the provision of telecommunications services. Specifically, a cable operator or affiliate engaged in the provision of telecommunications services is not required to obtain a franchise under title VI of the Communications Act, nor do the provisions of title VI apply to a cable operator or affiliate to the extent they are engaged in the provision of telecommunications services. Franchising authorities are prohibited from ordering a cable operator or affiliate to discontinue the provision of telecommunications service, requiring cable operators to obtain a franchise to provide telecommunications services, or requiring a cable operator to provide telecommunications services or facilities as a condition of initial grant of franchise, franchise renewal, or transfer of a franchise. However, the Senate intends that telecommunications services provided by a cable company shall be subject to the authority of a local government to manage its public rights of way in a non-discriminatory and competitively neutral manner and to charge fair and reasonable fees for its use. These changes do not affect existing Federal or State authority with respect to telecommunications services.

House amendment

Section 106 of the House amendment creates a new section 621(b)(3)(A) of the Communications Act that provides that, to the extent a cable operator is engaged in providing a telecommunications service other than cable service, it shall not be required to obtain a franchise, and the provisions of title VI of the Communications Act shall not apply. Subparagraph (B) provides that a franchising authority may not impose any requirement that has the effect of prohibiting or limiting the provision of telecommunications service by a cable operator.

Subparagraph (C) provides that a franchising authority may not terminate an operator's offering of a telecommunications service or cable service because of the failure of the operator to obtain a franchise for the provision of telecommunications services. Subparagraph (D) establishes that franchising authorities may not require a cable operator to provide any telecommunications service or facilities, other than intergovernmental services, as a condition of the initial grant of a franchise or renewal.

Subsection (b) amends section 622(b) of the Communications Act by inserting the phrase "to provide cable services." This amendment makes clear that the franchise fee provision is not intended to reach revenues that a cable operator derives for providing new telecommunications services over its system, but only the operators cable-related revenues.

Conference agreement

The conference agreement adopts the House provision with some minor, technical modifications. The conferees intend that, to the extent permissible under State and local law, telecommunications services, including those provided by a cable company, shall be subject to the authority of a local government to, in a nondiscriminatory and competitively neutral way, manage its public rights-of-way and charge fair and reasonable fees.

SECTION 304—COMPETITIVE AVAILABILITY OF NAVIGATION DEVICES

Senate bill

No provision.

House amendment

Section 203 of the House amendment directs the Commission to adopt regulations to assure the competitive availability to consumers of converter boxes, interactive communications devices, and other customer premises equipment from manufacturers, retailers, and other vendors not affiliated with a telecommunications operator. Section 203 does not prohibit telecommunications system operators from also offering navigation devices and other customer premise equipment to customers provided that the system operators' charges for navigation devices and equipment are separately stated, and are not subsidized by the charges for the network service.

Section 203 specifically recognizes that cable and other telecommunications system operators have a valid interest, which the Commission should continue to protect, in system or signal security and in preventing theft of service and, therefore, the Commission may not prescribe regulations which would jeopardize signal security or impede the legal rights of a provision to preempt theft of service.

Section 203 directs the Commission to waive a regulation for a limited time where the telecommunications system operator has shown that the waiver is necessary to the introduction of a new telecommunications subscription service.

Section 203(f) sunsets the regulations adopted pursuant to this section when the Commission determines that the market for customer premises equipment, including navigation devises, has become competitive.

Conference agreement

The conference agreement adopts the House provision with modifications as a new section 629 of the Communications Act. The scope of the regulations are narrowed to include only equipment used to access services provided by multichannel video programming distributors. In prescribing regulations to ensure the commercial availability of such equipment to consumers, the Commission is directed to consult with private standard-setting organizations, such as IEEE, DAVIC (Digital Audio Video Council), MPEG, ANSI and other appropriate bodies. The conferees intend that the Commission avoid actions which could have the effect of freezing or chilling the development of new technologies and services. One purpose of this section is to help ensure that consumers are not forced to purchase or lease a specific, proprietary converter box, interactive device or other equipment from the cable system or network operator. Thus, in implementing this section, the Commission should take cognizance of the current state of the marketplace and consider the results of private standards setting activities.

The conference agreement also directs the Commission to act on waiver requests within 90 days. The agreement sunsets the regulations when the Commission determines the following: the market for the multichannel video programming distributors is competitive, the market for equipment used in conjunction with the services is competitive; and elimination of the regulations are in the public interest and would promote competition. The agreement makes clear that nothing in this section expands or limits current Commission authority.

SECTION 305—VIDEO PROGRAMMING ACCESSIBILITY

Senate bill

Section 308 of the Senate bill adds a new section 262 to the Communications Act in part to require the Commission to ensure that video programming is accessible through closed captions and that video programming providers or owners maximize the accessibility of video programming previously published or exhibited through the provision of closed captions. New section 262(f) further provides the Commission with authority to exempt various program and providers of video programs from this requirement. In addition, a provider of video programming or program owner may petition the Commission for an exemption from the requirements of this subsection.

Section 252(f) also requires the Commission to undertake a study of the current extent of closed captioning of video programming and of previously published video programming; providers of video programming; the cost and market for closed captioning; strategies to improve competition and innovation in the provision of closed captioning; and such other matters as the Commission considers relevant.

New section 262(g) requires the Commission to prescribe regulations to implement all provisions of this new section, not later than eighteen (18) months after the date of enactment of this Act. As noted above, such regulations shall be consistent with the standards developed by the Board in accordance with section 262(e) of this new section.

New section 262(h) authorizes the Commission to enforce this new section. The Commission shall resolve, by final order, a complaint alleging a violation of this section within 180 days after the date such complaint is filed.

Subsection (b) section 308 requires that the Commission undertake within 6 months of enactment of this Act a study of the feasibility of requiring the use of video descriptions on video programming in order to ensure the accessibility of video programming to individuals with visual impairments.

House amendment

Section 204 of the House amendment is designed to ensure that video services are accessible to hearing impaired and visually impaired individuals. Subsection (a) requires the Commission to complete an inquiry within 180 days of enactment of this section to ascertain the level at which video programming is closed captioned. In its inquiry, the Commission should examine the level of closed captioning for live and prerecorded programming, the extent to which existing or previously published programming is closed captioned, the type and size of the provider or owner providing the closed captioning, the size of the markets served, the relative audience shares achieved, and any other relevant factors. The Commission also should examine the quality of closed captioning and the style and standards which are appropriate for the particular type of programming. Finally, the Commission should examine the costs of closed captioning to programs and program providers.

Subsection (b) provides that, consistent with the results of its inquiry, the Commission is instructed to establish an appropriate schedule of deadlines and technical requirements regarding closed captioning of programming. Accordingly, the Commission shall establish reasonable timetables and exceptions for implementing this section. Such schedules should not be economically burdensome on program providers, distributors or the owners of such programs.

Section 204(d) allows the Commission to exempt specific programs, or classes of programs, or entire services from captioning requirements. Any exemption should be granted using the information collected during the inquiry, and should be based on a finding that the provision of closed captioning would be economically burdensome to the provider or owner of such programs.

The term "provider" contained throughout section 204(d) refers to the specific television station, cable operator, cable network or other service that provides programming to the public. When considering such exemptions, the Commission should focus on the individual outlet and not on the financial conditions of that outlet's corporate parent, nor on the resources of other business units within the parent's corporate structure.

When considering exemptions under paragraph (d)(1), the Commission shall consider several factors, including but not limited to: (1) the nature and cost of providing closed captions; (2) the impact on the operations of the program provider, distributor, or owner; (3) the financial resources of the program provider, distributor, or owner and the financial impact of the program; (4) the cost of the captioning, considering the relative size of the market served or the audience share; (5) the cost of the captioning, considering whether the program is locally or regionally produced and distributed; (6) the non-profit status of the provider; and (7) the existence of alternative means of providing access to the hearing impaired, such as signing.

Paragraph (d)(2) recognizes that closed captioning should not be required where it would be inconsistent with programming contracts between program owners, distributors, or providers, already in effect as of the date of enactment of this section, or inconsistent in effect as of the date of enactment of this section, or inconsistent with copyright law. In addition, cable operators and common carriers establishing video platforms may not refuse to carry programming or services which are required to be carried under the carriage provisions of title VI of the Communications Act or pursuant to retransmission consent obligations due to closed captioning requirements.

Paragraph (d)(3) authorizes the Commission to grant additional exemptions, on a case-by-case basis, where providing closed captions would constitute an undue burden. In making such determinations, the Commission shall balance the need for closed captioned programming against the potential for hindering the production and distribution of programming.

Subsection (f) directs the Commission to initiate an inquiry within six months of the date of enactment, regarding the use of video descriptions on video programming in order to ensure the accessibility of video programming to persons with visual impairments. The Commission shall report to Congress on its findings. The report shall assess appropriate methods for phasing video descriptions into the marketplace, technical and quality standards for video descriptions, a definition of programming for which video descriptions would apply, and other technical and legal issues. Following the completion of this inquiry the Commission may adopt regulations it deems necessary to promote the accessibility of video programming to persons with visual impairments. It is the goal of the House to ensure that all Americans ultimately have access to video services and programs, particularly as video programming becomes an increasingly important part of the home, school and workplace.

Subparagraph (h) makes clear that the Commission has exclusive jurisdiction over complaints arising under this section.

Conference agreement

The conference agreement adopts the House provision with modifications which are incorporated as new section 713 of the Communications Act. The agreement deletes the House provision referencing a Commission rulemaking with respect to video description. The remedies available under the Communications Act, including the provisions of sections 207 and 208, are available to enforce compliance with the provisions of section 713.

TITLE IV—REGULATORY REFORM

SECTION 401—REGULATORY FORBEARANCE

Senate bill

Section 303 of the Senate bill adds a new section 260 of the Communications Act, under which the Commission must forbear from regulation of a carrier or a service if it determines that enforcement is not necessary to ensure that charges are just and reasonable and not unjustly or unreasonably discriminatory or to protect consumers, and that forbearance is consistent with the public interest. In making the determination to forbear, the Commission shall consider whether forbearance would promote competition. This section allows a carrier to petition the Commission to request that the Commission exercise the authority granted by this section, and such petition shall be deemed granted if the Commission does not deny the petition within 90 days (unless extended for an additional 60 day period). The Commission may grant the petition in whole or in part, and must justify its decision in writing.

House amendment

Section 103 of the House amendment adds new section 230 to the Communications Act. Section 230 requires that the Commission forbear from applying regulation from part I or part II of title II (except for sections 201, 202, 208, 243, and 248) to a common carrier or service unless it determines that enforcement is necessary to ensure that the charges are reasonable and not unjustly or unreasonably discriminatory or to protect consumers, or that forbearance is inconsistent with the public interest. In making the determination to forbear, the Commission shall consider whether forbearance would promote competition.

Section 230 allows joint marketing of mobile services in connection with telephone exchange service, exchange access, intra- and interLATA telecommunication service and information services.

Conference agreement

The conferees agree to create a new section 10 in title I of the Communications Act. New subsection (a) of section 10 requires the Commission to forbear from applying any provision of the Communications Act or from applying any of its regulations to a telecommunications carrier or telecommunications service, if the Commission determines that enforcement is not necessary to:

ensure that charges, practices, classifications or regulations for such carrier or service are just and reasonable, and not unjustly or unreasonably discriminatory;

protect consumers; and

protect the public interest.

In making its public interest determinations, the Commission under new subsection (b) of section 10 shall consider whether or not forbearance will promote competition.

New subsection (c) permits carriers to petition for forbearance and these petitions shall be deemed granted if the Commission does not deny such petition within one year of the Commission's receipt of the petition. The Commission may only extend this one-year time period for 90 days. The Commission can also approve or deny the petition in whole or in part.

New subsection (d) provides that the Commission may not forbear from applying the requirements of new sections 251(c) or 271 until the Commission determines that those requirements have been fully implemented.

New subsection (e) provides that a State may not continue to apply or enforce any provision of the Communications Act that the Commission has determined to forbear from applying under new subsection (a). This new subsection is not intended to limit or preempt State enforcement of State statutes or regulations.

SECTION 402—BIENNIAL REVIEW OF REGULATIONS; REGULATORY RELIEF

Senate bill

Section 302 of the Senate bill adds a new section 259 of the Communications Act, under which every two years the Commission and a Federal-State Joint Board must review all regulations issued under the Communications Act or any State legislation to determine whether they are still necessary in the public interest as a result of meaningful competition. The Commission is required to repeal any of its regulations found to be no longer necessary.

House amendment

No provision.

Conference agreement

The conferees agree to create a new section 11 in title I of the Communications Act. New subsection (a) of section 11 requires the Commission, beginning in 1998 and in every even numbered year thereafter, to review all of its regulations that apply to the operations and activities of providers of telecommunications services and determine whether any of these regulations are no longer in the public interest because competition between providers renders the regulation no longer meaningful.

New subsection (b) of section 11 requires the Commission to eliminate the regulations that it determines are no longer in the public interest.

New subsection (b) of section 402 of the conference agreement addresses regulatory relief that streamlines the procedures for revision by local exchange carriers of charges, classifications and practices under section 204 of the Communications Act. New subsection (b) of section 402 also eliminates the section 214 approval requirement for extension of lines and permits carriers to file ARMIS reports annually.

New subsection (c) of section 402 of the conference agreement requires the Commission in classifying carriers according to 47 CFR 32.11, and in establishing reporting requirements pursuant to 47 CFR part 43 and 47 CFR 64.903, to adjust revenue requirements to account for inflation as of the date the Commission's Report and Order on Docket No. CC 91-141 was released, and annually thereafter.

SECTION 403—ELIMINATION OF UNNECESSARY COMMISSION REGULATIONS AND FUNCTIONS

Senate bill

Section 302(b) of the Senate bill is intended to eliminate unnecessary Commission regulations and functions. Subsection (b)(1) repeals the current requirement that the Commission set depreciation rates for common carriers, thus allowing the Commission flexibility to assess whether doing so would serve the public interest.

Subsection (b)(2) authorizes the Commission to hire outside, independent licensed CPA's to audit telecommunications carriers and vests those outsiders with the same authority as Commission staff auditors.

Subsection (b)(3) streamlines the Federal-State coordination process by allowing states and the Commission to select the least formal method appropriate in revolving specific regulatory issues.

Subsection (b)(4) allows for inspection of ship radio stations by private entities and provides the Commission with authority to waive the current mandatory annual inspection while providing greater flexibility in scheduling ship inspections.

Subsection (b)(5) would give the Commission flexibility in determining whether broadcast construction permits are required where the likelihood of interference is minimal or does not exist.

Subsection (b)(6) allows automatic cancellation of a broadcaster's license if the station does not transmit for 12 consecutive months.

Subsection (b)(7) provides Commission staff with authority to process routine comparative ITFS applications.

Subsection (b)(8) permits the Commission to delegate, subject to established Commission standards, testing and certification of telecommunications devices and home electronics equipment to private laboratories.

Subsection (b)(9) eliminates the requirement that a public hearing be held for a station to make routine changes in frequency, hours of operation, and authorized power.

Section (b)(10) also eliminates the individual licensing requirement currently imposed on domestic ships and aircraft, citizens band radio and personal radio services, if the Commission determines it is in the public interest.

Subsection (b)(11) expedites the licensing of fixed microwave service by eliminating the requirement that 30 days public notice be given prior to granting these licenses.

Subsection (b)(12) also ends redundant Commission jurisdiction over ship radios owned by other government agencies.

Subsection (b)(13) broadens the number of individuals authorized to administer amateur radio examinations and reduces the amount of paperwork that must be kept.

Subsection (b)(14) authorizes the Commission to streamline and reduce its renewal procedures for non-broadcast radio license renewal applicants such as cellular licensees.

House amendment

The House has no comparable provisions, except for the provision delegating equipment testing authority.

Conference agreement

The conference agreement adopts the Senate provisions, except for subsection (b)(3), with modifications. Specifically, subsections (b)(4), (b)(7), (b)(10) and (b)(11) of the Senate bill have been modified to incorporate provisions as passed in the House budget reconciliation legislation (House Report 104-280).

The conference agreement also amends section 310(b) of the Communications Act to remove the restrictions on corporations having foreign officers or directors.

TITLE V—OBSCENITY AND VIOLENCE

SUBTITLE A—OBSCENE, HARASSING, AND WRONGFUL UTILIZATION OF TELECOMMUNICATIONS FACILITIES

SECTION 502—OBSCENE OR HARASSING USE OF TELECOMMUNICATIONS FACILITIES UNDER THE COMMUNICATIONS ACT OF 1934

Senate bill

Section 401 of the Senate bill updates section 223(a) of the Communications Act by using the term "telecommunications service" as a replacement for or in addition to "telephone" references in the present law. The term "communication" is added to current law references to "conversation." An intent requirement is added to section 223(a)(1)(A) that liability is incurred for "obscene, lewd, lascivious, filthy, or indecent" communications with the intent to "annoy, abuse, threaten, or harass another person."

Current law "Dial-a-Porn" provisions (sections 223 (b) and (c)) are untouched by the Senate bill.

A new section 223(e) is added to prohibit the use of a telecommunications device to make or make available an obscene communication.

A new section 223(e) is added to prohibit the use of a telecommunications device to make or make available an indecent communication to minors.

New defenses are provided to assure that the mere provision of access to an interactive computer service does not create liability. The access providers provision is not available to one who provides access to a system with which they conspire or own or control. Employers are provided a defense for actions by employees unless the employee's conduct is within the scope of employment and is known, authorized, or ratified by the employer. A good faith defense is provided for "reasonable, effective, and appropriate" measures to restrict access to prohibited communications. The word "effective" is given its common meaning and does not require an absolute 100 percent restriction of access to be judged "effective."

Nothing in the defenses to section 223 are intended to narrow or effect the application of the existing dial-a-porn law or other Federal criminal law or to provide a defense for the person who created and sent a prohibited communication.

The use of the good faith defenses which are otherwise legal shall not expose an individual to liability and the States may not impose obligations for commercial activities which are inconsistent with the treatment of activities or actions described in this section.

House amendment

No provision.

Conference agreement

The conference agreement adopts the Senate provisions with modifications. New subsection 223(d)(1) applies to content providers who send prohibited material to a specific person or persons under 18 years of age. Its "display" prohibition applies to content providers who post indecent material for online display without taking precautions that shield that material from minors.

New section 223(d)(1) codifies the definition of indecency from *FCC* v. *Pacifica Foundation*, 438 U.S. 726 (1978). Defenses to violations of the new sections assure that attention is focused on bad actors and not those who lack knowledge of a violation or whose actions are equivalent to those of common carriers.

The conferees intend that the term indecency (and the rendition of the definition of that term in new section 502) has the same meaning as established in *FCC* v. *Pacifica Foundation*, 438 U.S. 726 (1978), and *Sable Communications of California, Inc.* v. *FCC*, 492 U.S. 115 (1989). These cases clearly establish the principle that the federal government has a compelling interest in shielding minors from indecency. Moreover, these cases firmly establish the principle that the indecency standard is fully consistent with the Constitution and specifically limited in its reach so that the term is not unconstitutionally vague. See also *Action for Children's Television* v. *FCC*, 58 F. 3d 654, 662-63 (en banc) (D.C. Cir. 1995), cert. denied, 64 U.S.L.W. 3465 (1996); *Alliance For Community Media* v. *FCC*, 56 F. 3d 105, 1124-25 (D.C. Cir. 1995) cert. granted sub. nom., *Denver Area Education Telecommunications Consortium* v. *FCC*, 116 S.CT. 471 (1995), *Dial Information Services Corp. of New York* v. *Thornburgh*, 938 F.2d 1535, 1540-41 (2d Cir. 1991) cert. denied sub. nom., *Dial Information Services Corp. of New York* v. *Barr*, 502 U.S. 1072 (1992); *Action for Children's Television* v. *FCC*, 932 F. 2d 1504, 1508 (D.C. Cir. 1991).

The precise contours of the definition of indecency have varied slightly depending on the communications medium to which it has been applied. The essence of the phrase—patently offensive descriptions of sexual and excretory activities—has remained constant, however. At the time of this writing, the Supreme Court will consider at least one constitutional challenge to federal indecency statutes. Importantly, the question whether indecency is overly broad or unconstitutionally vague is not seriously at issue in that challenge. See Alliance for Community Media, supra, (whether State action exists as to private decisions by cable operators). There is little doubt that indecency can be applied to computer-mediated communications consistent with constitutional strictures, insofar as it has already been applied without rejection in other media contexts, including telephone, cable, and broadcast radio.

The conferees considered, but rejected, the so-called "harmful to minors" standard. See *Ginsberg* v. *New York*, 390 U.S. 629, 641–43 (1968). The proponents of the "harmful to minors" standard contended that that standard contains an exemption for material with "serious literary, artistic, political, and scientific value," and therefore was the better of the two alternative standards. ("Harmful to minors" laws use the "variable obscenity" test and prohibit the sale, and sometimes the display, of certain sexually explicit material to minors.) This assertion misapprehends the indecency standard itself, and disregards the Supreme Court's various rulings on this issue. See Pacifica, 438 U.S. at 743, n. 18, and its progeny.

The gravamen of the indecency concept is "patent offensiveness." Such a determination cannot be made without a consideration of the context of the description or depiction at issue. It is the understanding of the conferees that, as applied, the patent offensiveness inquiry involves two distinct elements: the intention to be patently offensive, and a patently offensive result. In the Matter of Sagittarius Broadcasting Corp. et al, 7 FCC Rcd. 6873, 6875, (1992); In the Matter of Audio Enterprises, Inc., 3 FCC Rcd. 930, 932 (1987). Material with serious redeeming value is quite obviously intended to edify and educate, not to offend. Therefore, it will be imperative to consider the context and the nature of the material in question when determining its "patent offensiveness."

In view of the solid constitutional pedigree of the indecency standard (see Pacifica), 438 U.S. at 743 (describing indecency as low value and marginally protected by the First Amendment)), use of the indecency standard poses no significant risk to the free-wheeling and vibrant nature of discourse or to serious, literary, and artistic works that currently can be found on the Internet, and which is expected to continue and grow. As the Supreme Court itself noted when upholding the constitutionality of indecency prohibitions, prohibiting indecency merely focuses speakers to re-cast their message into less offensive terms, but does not prohibit or disfavor the essential meaning of the communication. Pacifica, 438 U.S. at 743, n. 18. Likewise, requiring that access restrictions be imposed to protect minors from exposure to indecent material does not prohibit or disfavor the essential meaning of the indecent communication, it merely puts it in its appropriate place: away from children.

Violators of this section shall be fined under title 18, U.S. Code, or imprisoned not more than two years, or both.

Each intentional act of posting indecent content for display shall be considered a separate violation of this subsection, rather than each occasion upon which indecent material is accessed or downloaded from an interactive computer service or posted without the content provider's knowledge on such a service. New subsection 223(d)(2) sets forth the standard of liability for facilities providers who intentionally permit their facilities to be used for an activity prohibited by new subsection 223(d)(1).

New subsection 223(e) includes statutory defenses for violations of new sections 223 (a) and (d) that supplement other defenses available at law, such as common law defenses. New subsections 223(e)(1), (e)(2) and (e)(3) set forth the "access provider" defense. The defense protects entities from liability for providing access or connection to or from a facility, network or system not under their control. The defense covers provision of related capabilities incidental to providing access, such as server and software functions, that do not involve the creation of content.

The defense does not apply to entities that conspire with entities actively involved in the creation of content prohibited by this section, or who advertise that they offer access to prohibited content. Nor does it apply to provision of access or connection to a facility, system or network that engages in violations of this section and that is owned or controlled by the access provider. In the absence of these conditions, commercial and non-profit Internet operators who provide access to the Internet and other interactive computer services shall not be liable for indecent material accessed by means of their services. This provision is designed to target the criminal penalties of new sections 223(a) and (d) at content providers who violate this section and persons who conspire with such content providers, rather than entities that simply offer general access to the Internet and other online content. The conferees intend that this defense be construed broadly to avoid impairing the growth of online communications through a regime of vicarious liability.

New subsection 223(e)(4) provides a defense to employers whose employees or agents make unauthorized use of office communications systems. This defense is intended to limit vicarious or imputed liability of employers for actions of their employees or agents. To be outside the defense, the prohibited action must be within the scope of the employee's or agent's employment. In addition, the employer must either have knowledge of the prohibited action and affirmately act to authorize or ratify it, or recklessly disregard the action. Both conditions must be met in order for employers to be held liable for the actions of an employee or agent.

The good faith defenses set forth in new subsection 223(e)(5) are provided for "reasonable, effective, and appropriate" measures to restrict access to prohibited communications. The word "effective" is given its common meaning and does not require an absolute 100% restriction of access to be judged effective. The managers acknowledge that content selection standards, and other technologies that enable restriction of minors from prohibited communications, which are currently under development, might qualify as reasonable, effective, and appropriate access restriction devices if they are effective at protecting minors from exposure to indecent material via the Internet.

New subsection 223(e)(6) permits the Commission to describe its view of what constitute "reasonable, effective and appropriate" measures and provides that use of such measures shall be admissible as evidence that the defendant qualifies for the good faith defense. This new subsection grants no further authority to the Commission over interactive computer services and should be narrowly construed.

New subsection 223(f)(1) supplements, without in any way limiting, the "Good Samaritan" liability protections of new section 230.

New subsection 223(f)(2) preempts inconsistent State and local regulations of activities and actions described in new subsections 223(a)(2) and (d). This provision is intended to establish a uniform national standard of content regulation for a national, and indeed a global, medium, in which content is transmitted instantaneously in point-to-point, and point-to-multipoint communications. As originally passed by the Senate, this subsection excluded non-commercial content providers. The conferees have expanded this section to provide for consistent national and State and local content regulation of both commercial and non-commercial providers. The conferees recognize and wish to protect the important work of nonprofit libraries and higher educational institutions in providing the public with both access to electronic communications networks like the Internet, and valuable content which they are uniquely well-positioned to provide. Accordingly, nonprofit libraries and educational institutions, like commercial entities, are assured by this provision that they will not be subjected to liability at the State or local level in a manner inconsistent with the treatment of their activities or actions under this legislation.

The conferees also recognize the critical importance of access software in making the Internet and other interactive computer services accessible to Americans who are not computer experts. Accordingly, provisions of "access software" is included within the access provider defense. As defined in new subsection 223(h)(3), in term includes software that enables a user to do any of an enumerated list of functions that are set forth in technical language. It includes client and server software, such as proxy server software that downloads and caches popular web pages to reduce the load of traffic on the Internet and to permit faster retrieval. The definition distinguishes between software that actually creates or includes prohibited content and software that allows the user to access content provided by others.

SECTION 503—OBSCENE PROGRAMMING ON CABLE TELEVISION

Senate bill

Section 403 of the Senate bill amends section 639 of the Communications Act to increase the maximum fine for transmitting obscene programming on cable television from $10,000 to $100,000.

House amendment

No provision.

Conference agreement

The conference agreement adopts the Senate provision with modifications, $10,000 is struck from the current law and "under title 18, United States Code" is inserted.

SECTION 504—SCRAMBLING OF CABLE CHANNELS FOR NONSUBSCRIBERS

Senate bill

Section 407 of the Senate bill adds a new section 640 to the Communications Act requiring cable television operators to fully scramble or otherwise block upon subscriber request and at no charge to the subscriber, the audio and video portions of programming not specifically subscribed to by a household and unsuitable for children in the judgment of the subscriber.

House amendment

No provision.

Conference agreement.

The conference agreement adopts the Senate provision with modifications as a new section 640 of the Communications Act. The "unsuitable for children" standard is dropped. Programming not subscribed to by a household shall be blocked on request without charge.

SECTION 505—SCRAMBLING OF SEXUALLY EXPLICIT ADULT VIDEO SERVICE PROGRAMMING

Senate bill

Section 408 of the Senate bill requires that cable operators offering sexually explicit adult programming or other programming that is indecent on any channel of its service primarily dedicated to sexually-oriented programming fully scramble or block the video and audio portions of such channel or channels so that one not a subscriber does not receive it.

House amendment

No provision.

Conference agreement

The conference agreement adopts the Senate provision with modifications as a new section 641 of the Communications Act.

SECTION 506—CABLE OPERATOR REFUSAL TO CARRY CERTAIN PROGRAMS

Senate bill

Section 408 of the Senate bill amends title VI of the Communications Act to allow cable operators to refuse to transmit any public access or leased access program or portion of a program which contains obscenity, indecency, or nudity.

House amendment

No provision.

Conference agreement

The conference agreement adopts the Senate provision.

SECTION 507—PROTECTION OF MINORS AND CLARIFICATION OF CURRENT LAWS REGARDING COMMUNICATION OF OBSCENE MATERIALS THROUGH THE USE OF COMPUTERS.

Senate bill

No provision.

House amendment

Section 403(a)(2) of the House amendment made conforming and clarifying amendments to sections 1462, 1467, and 1469 of title 18, United States Code. Those statutes currently prohibit the interstate transportation of obscenity for the purpose of sale or distribution, whether commercial or non-commercial in nature. These statutes outlaw the importation of obscenity, by whatever means. These provisions were intended to simply clarify sections 1462, 1465, and 1467 of title 18, U.S. Code.

Confernce agreement

The Senate recedes to the House with modifications. Section 507 simply clarifies that the current obscenity statutes, in fact, do prohibit using a computer to import and receive an importation of, and transport to sell or distribute, "obscene" material.

The amendments made by this section are clarifying and shall not be interpreted to limit or repeal any prohibition contained in sections 1462 or 1465 of title 18, United States Code, before such amendment, sunder the rule established in *United States v. Alpers*, 338 U.S. 680 (1950).

SECTION 508—COERCION AND ENTICEMENT OF MINORS

Senate bill

Several provisions of the Senate bill protect children from harassing, indecent or obscene communications.

House amendment

Several provisions of the House amendment protect children from obscene or indecent communications.

Confernce agreement

Section 508 would amend section 2422 of title 18 to prohibit the use of a facility of interstate commerce which includes telecommunications devices and other forms of communication for the purpose of luring, enticing, or coercing a minor into prostitution or a sexual crime for which a person could be held criminally liable, or attempt to do so. On July 24, 1995, the Senate Judiciary Committee held a hearing on online indecency, obscenity, and child endangerment. The record of this hearing supports the need for Congress to take effective action to protect children and families from online harm.

SECTION 509—ONLINE FAMILY EMPOWERMENT

Senate bill

No provision.

House amendment

Section 104 of the House amendment protects from civil liability those providers and users of interactive computer services for actions to restrict or to enable restriction of access to objectionable online material.

Conference agreement

The conference agreement adopts the House provision with minor modifications as a new section 230 of the Communications Act. This section provides "Good Samaritan" protections from civil liability for providers or users of an interactive computer service for actions to restrict or to enable restriction of access to objectionable online material. One of the specific purposes of this section is to overrule *Stratton-Oakmont* v. *Prodigy* and any other similar decisions which have treated such providers and users as publishers or speakers of content that is not their own because they have restricted access to objectionable material. The conferees believe that such decisions create serious obstacles to the important federal policy of empowering parents to determine the content of communications their children receive through interactive computer services.

These protections apply to all interactive computer services, as defined in new subsection 230(e)(2), including non-subscriber systems such as those operated by many businesses for employee use. They also apply to all access software providers, as defined in new section 230(e)(5), including providers of proxy server software.

The conferees do not intend, however, that these protections from civil liability apply to so-called "cancelbotting," in which recipients of a message respond by deleting the message from the computer systems of others without the consent of the originator or without having the right to do so.

SUBTITLE B—VIOLENCE

SECTION 551—PARENTAL CHOICE IN TELEVISION PROGRAMMING

Senate bill

Sections 501–505 of Senate bill gives the industry one year to voluntarily develop a ratings system for TV programs. If the industry fails to do so, a Federal TV Ratings Commission would set the ratings. The Commission would be appointed by the President, subject to confirmation by the Senate and would establish rules for rating the level of violence and other objectionable content in programs. The Board would also establish rules for TV broadcasters and cable systems to transmit the ratings to viewers. The Commission would be authorized funds necessary to carry out its duties. The Senate bill requires TV manufacturers to equip all 13 inch or greater TV sets with circuitry to block rated shows.

House amendment

Section 305 of the House amendment gives the cable and broadcast industries one year to develop voluntary ratings for video programming containing violence, sex and other indecent materials and to agree voluntarily to broadcast signals containing such ratings. If the industry fails to come up with an acceptance plan, the Commission must develop guidelines for rating programs based on recommendations from an advisory committee that is fairly balanced politically. If a program is rated, the broadcasters must transmit the signal of the rating. The House amendment requires TV manufacturers to equip 13 inch or greater sets with circuitry that will enable the set to block out all programs with a common rating.

Conference agreement

The conference agreement adopts the House provisions with modifications. In subsection (a), Congress makes findings concerning the adverse impact of violent and indecent video programming on children, the compelling interest of the government in addressing this problem, and the promise of technological tools that allow parents to protect their children by blocking harmful programming on their television sets.

In subsection (b), Congress provides the Commission the authority to set up an advisory committee to recommend a system for rating video programming that contains sexual, violent or other indecent material about which parents should be informed before it is displayed to children. It also provides the Commission with authority to prescribe rules requiring a distributor to transmit a rating if the distributor has decided to rate a video program. However, in subsection (e), Congress delays the Commission's exercise of this authority to no sooner than one year after the date of enactment, and only if it determines that distributors of video programming have not established an acceptable voluntary system for rating programming nor agreed voluntarily to broadcast signals that contain ratings of such programming.

In subsection (b)(1), the Commission is authorized to prescribe guidelines and recommended procedures for a rating system based on the recommendations from the advisory committee. Nothing in this language is intended to preclude publishing the rating in print advertisements or on the air, but under this subsection the distributor must include the electronic transmission of the rating as an additional method of empowering parents to block programming carrying the rating.

The rules prescribed for transmitting a rating are requirements. In contrast, the guidelines and recommended procedures for a rating system are not rules and do not include requirements. They are intended to provide industry with a carefully considered and practical system for rating programs if industry does not develop such a system itself. However, nothing in subsection (b)(1) authorizes, and the conferees do not intend that, the Commission require the adoption of the recommended rating system nor that any particular program be rated.

In subsection (b)(2), Congress directs the Commission to ensure that the advisory committee is composed of representatives from the private sector and be fairly balanced in terms of political affiliation, the points of view represented, and the functions to be performed by the committee. It also direct the Commission to provide to the committee such staff and resources as may be necessary and require the committee to submit a final report no later than one year after the appointment of its members.

In new subsections (c) and (d), the conferees have removed language from the House amendment concerning the importation of televisions, and clarified that the requirements of these subsections apply to all televisions above a certain size shipped in interstate commerce (regardless of where they were manufactured) or televisions manufactured in the United States. Such sets are required by these two subsections to include a feature designed to enable viewers to block display of programs carrying a common rating in compliance with rules prescribed by the Commission. Under subsection (c)(4), the Commission is authorized to amend these rules as appropriate to allow set manufacturers to comply with this subsection using alternative technology that meets certain standards of cost, effectiveness and ease of use.

Under subsection (e)(1), the effective date for subsection (b) (regarding the appointment of an advisory committee to recommend a rating system and the rules for transmitting a rating) is no less than one year after the date of enactment. The actual effective date has also been made contingent on a determination by the Commission that distributors of video programming have not, by such date, established a voluntary system for rating video programming and such programming is acceptable to the Commission and have also agreed to include ratings in the transmission of signals to television sets for blocking.

Under subsection (e)(2), the effective date for subsection (c) (regarding the rules for the manufacture of television sets capable of blocking) is no less than two years after the date of enactment. The conferees intend that the actual effective date be specified by the Commission after consultation with the television manufacturing industry.

SECTION 552—TECHNOLOGY FUND

Senate bill

No provision.

House amendment

Section 304 of the House amendment encourages broadcast, cable, satellite, syndication, and other video programming distributors to establish a technology fund to encourage TV and electronics equipment manufacturers to facilitate the development of blocking technology that would empower parents to block TV programming they deem inappropriate for their children.

Conference agreement

The conference agreement adopts the House provision with modifications to encourage the availability of blocking technology to low income families.

SUBTITLE C—JUDICIAL REVIEW

SECTION 561—EXPEDITED REVIEW

Conference agreement

The conference agreement adds new language to provide for expedited judicial review of the indecency, obscenity and violence provisions of this title. In any civil action in which a party makes a facial challenge to these provisions, the challenge shall be heard by a three-judge district court convened under 28 U.S.C. §2284. Any decision of the three-judge district court holding a provision unconstitutional shall be directly appealable to the Supreme Court as a matter of right. However, the direct right of appeal provided in subsection (b) in this limited circumstance does not limit any appeal rights applicable to other circumstances under general statutes.

The conferees emphasize that these provisions are limited in several ways. They apply only in civil actions. If a party makes a facial challenge in a criminal context, that party would not be able to use the procedures provided in this section. These provisions apply only to facial challenges. These provisions do not apply to actions in which the party only challenges the provision as applied to the particular party involved. However, the three-judge district court could hear both a facial challenge and an "as applied" challenge if they were combined in the same action, and facial validity had not yet been determined. Thus, the conferees intend that these provisions should be invoked in only the limited number of cases necessary to determine the facial validity of these provisions. If that facial validity is upheld by the courts, these provisions may not be used in every "as applied" challenge brought thereafter.

TITLE VI—EFFECT ON OTHER LAWS

SECTION 601—APPLICABILITY OF CONSENT DECREES AND OTHER LAW

Senate bill

Section 7(a) of the Senate bill provides that except for the supersession of the Modification of Final Judgment, nothing in the Communications Act shall be construed to modify, impair, or supersede the applicability of any antitrust law. Section 7(b) provides that the Communications Act shall supersede the Modification of Final Judgment to the extent that it is inconsistent with the Communications Act. Section 7(c) of the bill transfers jurisdiction of any parts of the Modification of Final Judgment which are not superseded to the Commission. Section 7(d) supersedes the GTE consent decree.

Section 201(c) of the Senate bill provides that except as provided in section 202, nothing in the Communications Act shall be construed to modify, impair, or supersede any State or local tax law.

Section 226 of the Senate bill provides that notwithstanding any other provision of law or any judicial order, no person shall be subject to the provisions of the Modification of Final Judgment solely by reason by having acquired CMS or private mobile service assets or operations previously owned by a BOC or an affiliate of a BOC.

House amendment

Section 401(a) of the House amendment provides that certain specified sections of the Modification of Final Judgment are superseded. Section 401(b) provides that nothing in the Communications Act or the amendments made by the conference agreement shall be construed to modify, impair, or supersede any of the antitrust laws. Section 401(c)(1) provides that parts II and III of title II of the Communications Act shall not be construed to modify, impair, or supersede Federal, State, or local law unless expressly so provided in such part. Section 401(c)(2) provides that notwithstanding section 401(c)(1), nothing in the Communications Act or the amendments made by the conference agreement shall be construed to modify, impair, or supersede any State or local tax law except as provided in sections 243(e) and 622 of the Communications Act and section 402 of this Act.

Section 401(d) of the House amendment provides that the GTE consent decree is superseded. Section 401(e) provides that no person shall be considered an affiliate, successor, or an assign of a BOC under section III of the Modification of Final Judgment by reason of having acquired wireless exchange assets or operations previously owned by a BOC or an affiliate of a BOC. Section 401(f) defines the term "antitrust laws" as used in section 401. Section 401(g) provides that for the purposes of this section, the terms "Modification of Final Judgment" and "Bell Operating Company" have the same meanings provided such terms in section 3 of the Communications Act.

Conference agreement

The conference agreement adopts a new approach to the supersession of the Modification of Final Judgment (now called the AT&T Consent Decree in the conference agreement) and the GTE consent decree, and it adds language superseding the AT&T-McCaw Consent Decree ("McCaw Consent Decree"). The conferees sought to avoid any possibility that the language in the conference agreement might be interpreted as impinging on the judicial power. Congress may not by legislation retroactively overturn a final judgment. *Plaut* v. *Spendthrift Farm, Inc.*, 115 S.Ct. 1447 (1995). On the other hand, Congress may by legislation modify or eliminate the prospective effect of a continuing injunction. *Robertson* v. *Seattle Audubon Society*, 503 U.S. 429 (1992); *Plaut*, 115 S.Ct. 1447; *Pennsylvania* v. *Wheeling & Belmont Bridge Co.*, 59 U.S. 421 (1856).

The conferees believe that the AT&T Consent Decree, the GTE Consent Decree, and the McCaw Consent Decree are continuing injunctions rather than final judgments. The Committee has chosen to use the term "AT&T Consent Decree" rather than "Modification of Final Judgment" to emphasize that point.

To avoid any possible constitutional problem, the conferees adopted the following new approach. Rather than "superseding" all or part of these continuing injunctions, the conference agreement simply provides that all conduct or activities that are currently subject to these consent decrees shall, on and after the date of enactment, become subject to the requirements and obligations of the Communications Act and shall no longer be subject to the restrictions and obligations of the respective consent decrees.

The conferees intend that the court shall retain jurisdiction over the three consent decrees for the limited purpose of dealing with any conduct or activity occurring before the date of enactment. Nothing in the language eliminating the prospective effect of the three consent decrees should be construed as eliminating the jurisdiction of the Court to deal with preenactment conduct or activities under the consent decrees.

At the time of the divestiture of AT&T under the AT&T Consent Decree, AT&T and the BOCs entered into a number of long-term contracts that dealt with pensions, contingent liabilities, and the like. These contracts are not incorporated by reference in the AT&T Consent Decree, and nothing in the language eliminating the prospective effect of the AT&T Consent Decree should be construed as affecting these contracts.

By eliminating the prospective effect of the GTE Consent Decree, this language removes entirely the GTE Consent Decree's prohibition on GTE's and the GTE Operating Companies' entry into the interexchange market. No provision in the Communications Act should be construed as creating or continuing in any way the GTE Consent Decree's prohibition on GTE or its operating companies' entry into the interexchange market.

Language explicitly overturning the McCaw Consent Decree was not included in either bill. However, the new approach to the AT&T and GTE Consent Decrees, as well as intervening events, justify the overturning of the McCaw Consent Decree in the conference agreement.

The McCaw Consent Decree includes three major elements: (1) equal access and interconnection requirements for AT&T's cellular business, (2) restrictions on AT&T's manufacturing business, and (3) a separate subsidiary requirement for AT&T's cellular business. Both bills contained language that would have overturned the equal access and interconnection requirements for all cellular businesses, and that language is included in the conference agreement. Since the passage of the original bills in both the House and Senate, AT&T has announced that it will spin off its manufacturing business, and so the manufacturing aspects of the decrees will soon become moot. Finally, a recent decision of the Sixth Circuit, *Cincinnati Bell Tel. Co.*, v. *FCC*, 69 F.3d 752 (6th Cir. 1995), may lead to the removal of the separate subsidiary requirement for other cellular businesses. Accordingly, there is little reason to keep the McCaw Consent Decree in place.

The McCaw Consent Decree presents a slightly different problem than the other two consent decrees because it has not yet been formally entered by the court. The parties agreed to the McCaw Consent Decree and filed it with the court on July 15, 1994. AT&T entered into a stipulation to abide by the proposed consent decree until the court completed its review under the Tunney Act. That review is still continuing. Nonetheless, the conferees believe that the same basic principles of law set forth above relating to modifying the prospective effect of injunctions apply to the McCaw Consent Decree, which is defined to include the stipulation.

The new approach adopted in the Committee required that several new provisions be added to the conference agreement. Two of these provisions are described below. Two other provisions, relating to equal access and nondiscrimination for interexchange carriers and existing activities under consent decree waivers, are also related to this change and they are described in the appropriate sections of this Joint Statement.

Both the Senate bill and the House amendment specifically provided that a company would not be considered a successor to a BOC or otherwise subject to restrictions imposed on BOCs solely because the company acquired (by spinoff, transfer, or any other manner) wireless exchange assets or operations from a BOC. The language of these provisions provided this protection under the AT&T Consent Decree. Because of the new approach to the AT&T Consent Decree, the language in the bills no longer worked to provide the protection that was intended. For that reason, those specific provisions in both bills are omitted from the conference agreement.

In lieu of those provisions, the conference agreement modifies the definition of BOC so that successors or assigns of the listed BOC's fall within the definition only if they provide wireline telephone exchange service. This change of definition is intended to provide the same protection that the provisions in the two bills provided—that a successor to a BOC's wireless assets shall not be treated as a BOC simply because of the acquisition of those assets.

The conference agreement adopts the House antitrust savings clause with modifications. The antitrust savings clause provides that except as provided in paragraphs two and three, nothing in this Act or the amendments made by the conference agreement shall be construed to modify, impair, or supersede the applicability of any of the antitrust laws. The clause was modified to include the repeal of section 221(a) of the Communications Act (47 U.S.C. § 221(a)). Congress enacted section 221(a) in the days when local telephone service was viewed as a natural monopoly. Its purpose was to allow competing local telephone companies to merge without facing antitrust scrutiny. Thus, the statute provides that when any two telephone companies merge, the Commission should determine whether the merger will be "of advantage to the persons to whom service is to be rendered and in the public interest." If so, the Commission can render the transaction immune from "any Act or Acts of Congress making the proposed transaction unlawful." In a world of regulated monopolies, this idea made sense.

However, section 221(a) could inadvertently undercut several of the provisions of the Telecommunciations Act of 1996. The problem arises for at least two reasons. First, the critical term "telephone company" is not defined. In the old world of regulated monopolies, a definition probably was not necessary. However, in the new world of competition, many companies will be able to argue plausibly that they are telephone companies.

Second, section 221(a) allows the Commission to confer immunity from any Act of Congress (including the Telecommunications Act of 1996) after performing a public interest review. Section 221(a) could be used to avoid the cable-telco buyout provisions of the Telecommunications Act of 1996. Any cable company that owned any telephone assets could become a telephone company and be bought out by a BOC by applying for immunity under this section.

In addition, if immunity were conferred under section 221(a), it would allow mergers between telecommunications giants to go forward without any antitrust or securities review. In the old world, the statute was usually used to confer immunity on mergers between non-competing Bell operating subsidiaries or mergers between Bells and small independents within their territories. Neither of these situations involved competitive considerations.

However, in the future, the conferees anticipate that cable companies will be providing local telephone service and the BOCs will be providing cable service. Mergers between these kinds of companies should not be allowed to go through without a thorough antitrust review under the normal Hart-Scott-Rodino process. The new language contains a conforming change to clarify that these mergers will now be subject to Hart-Scott-Rodino review. By returning review of mergers in a competitive industry to the DOJ, this repeal would be consistent with one of the underlying themes of the bill—to get both agencies back to their proper roles and to end government by consent decree. The Commission should be carrying out the policies of the Communications Act, and the DOJ should be carrying out the policies of the antitrust laws. The repeal would not affect the Commission's ability to conduct any review of a merger for Communications Act purposes, e.g. transfer of licenses. Rather, it would simply end the Commission's ability to confer antitrust immunity.

The conference agreement adopts the House provision stating that the bill does not have any effect on any other Federal, State, or local law unless the bill expressly so provides. This provision prevents affected parties from asserting that the bill impliedly preempts other laws.

The conference agreement adopts the House version of the State tax savings clause with a modification to clarify that fees for open video systems are excluded from the savings clause.

SECTION 602—PREEMPTION OF LOCAL TAXATION WITH RESPECT TO DIRECT-TO-HOME SERVICES

Senate bill

No provision.

House amendment

Section 402 of the House amendment preempts local taxation on the provision of direct-to-home (DTH) satellite services. This section exempts DTH satellite service providers and their sales and distribution agents and representatives from collecting and remitting local taxes on satellite-delivered programming services. Section 402 does not preempt local taxes on the sale of the equipment needed to receive these services.

Conference agreement

The conference agreement adopts the House provisions with modifications. This section exempts DTH satellite service providers from collecting and remitting local taxes and fees on DTH satellite services. DTH satellite service is programming delivered via satellite directly to subscribers equipped with satellite receivers at their premises; it does not require the use of public rights-of-way or the physical facilities or services of a community.

The conferees adopt the House language, but narrow the language to ensure that the exemption is only provided for the actual sale of the programming delivered by the direct-to-home satellite service. The conference agreement amends the House provisions to clarify that the exemption applies to taxes "on" direct-to-home satellite service rather than "with respect to the provision of" such service. The conference agreement deletes the language specifying that the sale of equipment was not within the exemption. The conference agreement amends the definition of "direct-to-home satellite service" so that it includes only programming transmitted or broadcast by satellite.

The intent of these amendments is to clarify that the exemption applies only to the programming provided by the direct-to-home satellite service. To give two illustrative examples, the exemption does not apply to the sale of equipment; that language was deleted only because it could have created a negative implication that the exemption was broader than intended. In addition, the exemption does not apply to real estate taxes that are otherwise applicable when the provider owns or leases real estate in a jurisdiction. Also, States are free to tax the sale of the service and they may rebate some or all of those monies to localities if they so desire.

TITLE VII—MISCELLANEOUS PROVISIONS

SECTION 701—PREVENTION OF UNFAIR BILLING PRACTICES FOR INFORMATION OR SERVICES PROVIDED OVER TOLL-FREE TELEPHONE CALLS

Senate bill

Section 406 of the Senate bill amends section 228(c) of the Communications Act to add protection against the use of toll free telephone numbers to connect an individual to a "pay-per-call" service. Published reports have indicated that toll free numbers have been used to defeat the blocking of "pay-per-call" numbers by connecting a caller to a "pay-per-call" service after a toll free connection has been made. Households, businesses and other institutions have been billed for "pay-per-call" charges even though "pay-per-call" blocking techniques were used. This provision is intended to stop that practice.

Section 703 of the Senate bill also amends section 228(c) of the Communications Act to clarify that subscribers who call an 800 number or other toll-free numbers shall not be charged for the calls unless the calling party agrees to be charged under a written subscription agreement or other appropriate means. Section 703(a) enumerates findings made by Congress concerning the prevention of unfair billing practices for information or services provided over toll-free telephone calls.

House amendment

Section 110 protects unsuspecting caller from being charged for 800 calls that they expect to be toll-free—thereby preserving the toll-free status and integrity of the 800 number exchange and $8 billion industry—by requiring strict cost disclosure requirements to ensure that consumers clearly know when there is a charge for a call, how much the charge will be, and how they will be billed.

Pursuant to the provisions of this section, information providers must obtain legal, informed consent from a caller through either a written pre-authorized contract between the information providers and the caller, or through the use of an instructive preamble at the start of all non-free 800 calls. Both of these options ensure that consumers know there is a charge for the information service and that they are giving their consent to be charged.

Conference agreement

The conference agreement adopts the Senate provisions with modifications. The conferees agreed to close a loophole in current law, which permits information providers to evade the restrictions of section 228 by filing tariffs for the provision of information services. Many information providers have taken advantage of this exemption by filing tariffs—especially for 1-500, 1-700 and 10XXX numbers—and charging customers high prices for the services. This exemption has proven to be a problem because consumers have none of the protections that were enacted as part of the Telephone Disclosure and Dispute Resolution Act (P.L. 102-556). Section 701(b) of the conference agreement closes that loophole.

SECTION 702—PRIVACY OF CUSTOMER INFORMATION

Senate bill

Section 102 of the Senate bill amends the Communications Act to add a new section 252 to impose separate affiliate and other safeguards on certain activities of the BOCs. Subsection (g) of new section 252 establishes rules to ensure that the BOCs protect the confidentiality of proprietary information they receive and to prohibit the sharing of such information in aggregate form with any subsidiary or affiliate unless that information is a vaialble to all other persons on the same terms and conditions. In general, a BOC may not share with anyone customer-specific proprietary information without the consent of the person to whom it relates. Exceptions to this general rule permit disclosure in response to a court order or to initiate, render, bill and collect for telecommunications services. For purposes of this subsection the term "customer proprietary information" does not include subscriber list information.

Subsection 301(c) of the Senate bill defines the term "subscriber list information" and requires local exchange carriers to provide subscriber list information on a timely and unbundled basis and at nondiscriminatory and reasonable rates, terms and conditions to anyone upon request for the purpose of publishing directories in any format.

Subsection 301(d) provides that telecommunications carriers have a duty to protect the confidentiality of proprietary information of other common carriers and customers, including resellers. A telecommunications carrier that receives such from another carrier may not use such information for its own marketing efforts.

House amendment

Section 105 of the House amendment adds a new section 222 to the Communications Act. Section 222 establishes privacy protections for customer proprietary network information (CPNI). Section 222(a) imposes on carriers a statutory duty to provide subscriber list information on a timely basis, under nondiscriminatory and reasonable rates, terms and conditions, to any publisher of directories upon request.

Section 222(b)(1)(B) prohibits the use of CPNI "in the identifications or solicitation of potential customers for any service other than the service from which such information is derived."

With respect to section 222(b)(2), the House recognizes that carriers are likely to incur some costs in complying with the customer-requested disclosures contemplated by this section. This section does not preclude a carrier from being reimbursed by the customers of third parties for the costs associated with making such disclosures. In addition, the disclosures described in this section include only the information provided to the carrier by the customer. A carrier is not required to disclose any of its work product based on such information.

In section 222(b)(3), the term "aggregate information" should not be construed as a mechanism whereby carriers are forced to disclose sensitive information to their competitors. Indeed, the key component of "aggregate information" is that such information would have to be able to be disclosed only to those persons who have the approval of the customer. Thus, the House intends that the use of "aggregate information" would be rather limited or restricted

Section 222(c) states that this section shall not prevent the use of CPNI to combat toll fraud or to bill and collect for services requested by the customers.

Section 222(d) allows the Commission to exempt from its requirements of subsection (b) carriers with fewer than 500,000 access lines, if the Commission determines either that such an exemption is in the public interest or that compliance would impose an undue burden.

Section 222(e) defines terms used in this section.

Section 104(b) directs the Commission to review the impact of converging communications technologies on customer privacy. This section requires the Commission to commence a proceeding within one year after the date of enactment to examine the impact of converging technologies and globalization of communications networks has on the privacy rights of consumers and possible remedies to protect them. This section also directs changes in the Commission's regulations to ensure that customer privacy rights are considered in the introduction of new telecommunications service and directs the Commission to correct any defects in its privacy regulations that are identified pursuant to this section. The Commission is also directed to make any recommendations to Congress for any legislative changes required to correct such defects within 18 months after the date of enactment of this Act.

This section defines three fundamental principles to protect all consumers. These principles are: (1) the right of consumers to know the specific information that is being collected about them; (2) the right of consumers to have proper notice that such information is being used for other purposes; and (3) the right of consumers to stop the reuse or sale of that information.

Conference agreement

The conference agreement adopts the Senate provisions with modifications. Section 702 of the conference agreement amends title II of the Communications Act by adding a new section 222.

In general, the new section 222 strives to balance both competitive and consumer privacy interests with respect to CPNI. New subsection 222(a) stipulates that it is the duty of every telecommunications carrier to protect the confidentiality of proprietary information of and relating to other carriers, equipment manufacturers and customers, including carriers reselling telecommunications services provided by a telecommunications carrier.

New subsection 222(b) provides that a telecommunications carrier that receives or obtains proprietary information from another carrier for purposes of providing any telecommunications service shall use such information only for such purpose and shall not use such information for its own marketing efforts.

In new subsection 222(c) use of CPNI by telecommunications carriers is limited, except as provided by law or with the approval of the customer. New subsection (c) specifies that telecommunications carriers shall only use, disclose, or permit access to individually identifiable CPNI in its provision of the telecommunications service for which such information is derived or in its provision of services necessary to or used in the provision of such telecommunications service, including directory services. The conferees also agreed upon a provision that will require disclosure of CPNI by a telecommunications carrier upon affirmative written request by the customer, to any person designated by the customer.

The conference agreement also asserts carriers' rights in new subsection 222(d) to use CPNI to initiate, render, bill, and collect for telecommunications service. New subsection (d) also allows use of CPNI to protect the rights or property of the carrier. The conferees intend new subsection 222(d)(2) to allow carriers to use CPNI in limited fashion for credit evaluation to protect themselves from fraudulent operators who subscribe to telecommunications services, run up large bills, and then change carriers without payment.

New subsection 222(e) stipulates that subscriber list information shall be made available by telecommunications carriers that provide telephone exchange service on a timely and unbundled basis to any person upon request for the purpose of publishing directories in any format. The subscriber list information provision guarantees independent publishers access to subscriber list information at reasonable and nondiscriminatory rates, terms and conditions from any provider of local telephone service.

New subsection 222(f) contains definitions of CPNI, aggregate information and subscriber list information.

SECTON 703—POLE ATTACHMENTS

Senate bill

Section 204 of the Senate bill amends section 224 of the Communications Act. Section 204 requires that poles, ducts, conduits and rights-of-way controlled by utilities are made available to cable television systems at the rates, terms and conditions that are just and reasonable regardless of whether the cable system is providing cable television services or telecommunications services. Section 204 further requires the Commission to prescribe additional regulations to establish rates for attachments by telecommunications carriers. Such rates will take effect five years from date of enactment and be phased in over a five year period.

House amendment

Section 105 of the House amendment is intended to remedy the inequity of charges for pole attachments among providers of telecommunications services. First, it expands the scope of the coverage of section 224 of the Communications Act. Under current law, section 224(a)(4) currently defines "pole attachment" to mean any attachment by a cable television system to a pole, conduit, or right of way owned or controlled by a utility. This section expands the definition of "pole attachment" to include attachments by all providers of telecommunications services.

Second, it amends section 224 to direct the Commission, no later than one year after the date of enactment of the Communications Act of 1995, to prescribe regulations for ensuring that utilities charge just and reasonable and nondiscriminatory rates for pole attachments to all providers of telecommunications services, including such attachments used by cable television systems to provide telecommunications services.

The new provision directs the Commission to regulate pole attachment rates based on a "fully allocated cost" formula. In prescribing pole attachment rates, the Commission shall: (1) recognize that the entire pole, duct, conduit, or right-of-way other than the usable space is of equal benefit to all entities attaching to the pole and therefore apportion the cost of the space other than the usable space equally among all such attachments; (2) recognize that the usable space is of proportional benefit to all entities attaching to the pole, duct, conduit, or right-of-way and therefore apportion the cost of the usable space according to the percentage of usable space required for each entity; and (3) allow for reasonable terms and conditions relating to health, safety, and the provision of reliable utility service.

This new provision further provides that, to the extent that a company seeks pole attachment for a wire used solely to provide cable television services (as defined by section 602(6) of the Communications Act), that cable company will continue to pay the rate authorized under current law (as set forth in subparagraph (d)(1) of the 1978 Act). If, however, a cable television system also provides telecommunications services, then that company shall instead pay the pole attachment rate prescribed by the Commission pursuant to the fully allocated cost formula.

Finally, the new provision requires that whenever the owner of a conduit or right-of-way intends to modify or to alter such conduit or right-of-way, the owner shall provide written notification of such action to any entity that has obtained an attachment so that such entity may have a reasonable opportunity to add to or modify its existing attachment. Any entity that adds to or modifies its existing attachment after receiving such notification shall bear a proportionate share of the costs incurred by the owner in making such conduit or right-of-way accessible.

Conference agreement

The conference agreement adopts the Senate provision with modifications. The conference agreement section 224 of the Communications Act by adding new subsection (e)(1) to allow parties to negotiate the rates, terms, and conditions for attaching to poles, ducts, conduits, and rights-of-way owned or controlled by utilities. New subsection 224(e)(2) establishes a new rate formula charged to telecommunications carriers for the non-useable space of each pole. Such rate shall be based upon the number of attaching entities. The conferees also agree to three additional provisions from the House amendment. First, subsection (g) requires utilities that engage in the provision of telecommunications services or cable services to impute to its costs of providing such service an equal amount to the pole attachment rate for which such company would be liable under section 224. Second, new subsection 224(h) requires utilities to provide written notification to attaching entities of any plans to modify or alter its poles, ducts, conduit, or rights-of-way. New subsection 224(h) also requires any attaching entity that takes advantage of such opportunity to modify its own attachments shall bear a proportionate share of the costs of such alterations. Third, new subsection 224(i) prevents a utility from imposing the cost of rearrangements to other attaching entities if done solely for the benefit of the utility.

SECTION 704—FACILITIES SITING; RADIO FREQUENCY EMISSION STANDARDS

Senate bill

No provision.

House amendment

Section 108 of the House amendment required the Commission to issue regulations within 180 days of enactment for siting of CMS. A negotiated rulemaking committee comprised of State and local governments, public safety agencies and the affected industries were to have attempted to develop a uniform policy to propose to the Commission for the siting of wireless tower sites.

The House amendment also required the Commission to complete its pending Radio Frequency (RF) emission exposure standards within 180 days of enactment. The siting of facilities could not be denied on the basis of RF emission levels for facilities that were in compliance with the Commission standard.

The House amendment also required that to the greatest extent possible the Federal government make available the use of Federal property, rights-of-way, easements and any other physical instruments in the siting of wireless telecommunications facilities.

Conference agreement

The conference agreement creates a new section 704 which prevents Commission preemption of local and State land use decisions and preserves the authority of State and local governments over zoning and land use matters except in the limited circumstances set forth in the conference agreement. The conference agreement also provides a mechanism for judicial relief from zoning decisions that fail to comply with the provisions of this section. It is the intent of the conferees that other than under section 332(c)(7)(B)(iv) of the Communications Act of 1934 as amended by this Act and section 704 of the Telecommunications Act of 1996 the courts shall have exclusive jurisdiction over all other disputes arising under this section. Any pending Commission rulemaking concerning the preemption of local zoning authority over the placement, construction or modification of CMS facilities should be terminated.

When utilizing the term "functionally equivalent services" the conferees are referring only to personal wireless services as defined in this section that directly compete against one another. The intent of the conferees is to ensure that a State or local government does not in making a decision regarding the placement, construction and modification of facilities of personal wireless services described in this section unreasonably favor one competitor over another. The conferees also intend that the phrase "unreasonably discriminate among providers of functionally equivalent services" will provide localities with the flexibility to treat facilities that create different visual, aesthetic, or safety concerns differently to the extent permitted under generally applicable zoning requirements even if those facilities provide functionally equivalent services. For example, the conferees do not intend that if a State or local government grants a permit in a commercial district, it must also grant a permit for a competitor's 50-foot tower in a residential district.

Actions taken by State or local governments shall not prohibit or have the effect of prohibiting the placement, construction or modification of personal wireless services. It is the intent of this section that bans or policies that have the effect of banning personal wireless services or facilities not be allowed and that decisions be made on a case-by-case basis.

Under subsection (c)(7)(B)(ii), decisions are to be rendered in a reasonable period of time, taking into account the nature and scope of each request. If a request for placement of a personal wireless service facility involves a zoning variance or a public hearing or comment process, the time period for rendering a decision will be the usual period under such circumstances. It is not the intent of this provision to give preferential treatment to the personal wireless service industry in the processing of requests, or to subject their requests to any but the generally applicable time frames for zoning decision.

The phrase "substantial evidence contained in a written record" is the traditional standard used for judicial review of agency actions.

The conferees intend section 332(c)(7)(B)(iv) to prevent a State or local government or its instrumentalities from basing the regulation of the placement, construction or modification of CMS facilities directly or indirectly on the environmental effects of radio frequency emissions if those facilities comply with the Commission's regulations adopted pursuant to section 704(b) concerning such emissions.

The limitations on the role and powers of the Commission under this subparagraph relate to local land use regulations and are not intended to limit or affect the Commission's general authority over radio telecommunications, including the authority to regulate the construction, modification and operation of radio facilities.

The conferees intend that the court to which a party appeals a decision under section 332(c)(7)(B)(v) may be the Federal district court in which the facilities are located or a State court of competent jurisdiction, at the option of the party making the appeal, and that the courts act expeditiously in deciding such cases. The term "final action" of that new subparagraph means final administrative action at the State or local government level so that a party can commence action under the subparagraph rather than waiting for the exhaustion of any independent State court remedy otherwise required.

With respect to the availability of Federal property for the use of wireless telecommunications infrastructure sites under section 704(c), the conferees generally adopt the House provisions, but substitute the President or his designee for the Commission.

It should be noted that the provisions relating to telecommunications facilities are not limited to commercial mobile radio licensees, but also will include other Commission licensed wireless common carriers such as point to point microwave in the extremely high frequency portion of the electromagnetic spectrum which rely on line of sight for transmitting communication services.

SECTION 705—MOBILE SERVICE DIRECT ACCESS TO LONG DISTANCE CARRIERS

Senate bill

Subsection (b) of section 221 of the Senate bill, as passed, states that notwithstanding the MFJ or any other consent decree, no CMS provider will be required by court order or otherwise to provide long distance equal access. The Commission may only order equal access if a CMS provider is subject to the interconnection obligations of section 251 and if the Commission finds that such a requirement is in the public interest. CMS providers shall ensure that its subscribers can obtain unblocked access to the interexchange carrier of their choice through the use of interexchange carrier identification codes, except that the unblocking requirement shall not apply to mobile satellite services unless the Commission finds it is in the public interest.

House amendment

Under section 109 of the House amendment, the Commission shall require providers of two-way switched voice CMS to allow their subscribers to access the telephone toll services provider of their choice through the use of carrier identification codes. The Commission rules will supersede the equal access, balloting and prescription requirements imposed by the MFJ and the AT&T-McCaw consent decree. The Commission may exempt carriers or classes of carriers from the requirements of this section if it is consistent with the public interest, convenience, and necessity, and the provision of mobile services by satellite is specifically exempt from this section.

Conference agreement

The conference agreement adopts the House provision with modifications as a new paragraph (8) of section 332 of the Communications Act. Specifically, no CMS provider is required to provide equal access to common carriers providing telephone toll services. However, the Commission may impose rules to require unblocked access through the use of mechanisms such as carrier identification codes or toll-free numbers, if it determines that customers are being denied access to the telephone toll service provider of their choice, and such denial is contrary to the public interest, convenience, and necessity. The requirements for unblocked access to providers of telephone toll service shall not apply to mobile satellite services unless the Commission finds it to be in the public interest.

SECTION 706—ADVANCED TELECOMMUNICATIONS INCENTIVES

Senate bill

Section 304 of the Senate bill ensures that advanced telecommunications capability is promptly deployed by requiring the Commission to initiate and complete regular inquiries to determine whether advanced telecommunications capability, particularly to schools and classrooms, is being deployed in a "reasonable and timely fashion." Such determinations shall include an assessment by the Commission of the availability, at reasonable cost, of equipment needed to deliver advanced broadband capability. If the Commission makes a negative determination, it is required to take immediate action to accelerate deployment. Measures to be used include: price cap regulation, regulatory forbearance, and other methods that remove barriers and provide the proper incentives for infrastructure investment. The Commission may preempt State commissions if they fail to act to ensure reasonable and timely access.

House amendment

No provision.

Conference agreement

The conference agreement adopts the Senate provision with a modification.

SECTION 707—TELECOMMUNICATIONS DEVELOPMENT FUND

Senate bill

No provision.

House amendment

Section 112 creates the Telecommunications Development Fund (TDF). The TDF is an organization to provide funds for small businesses involved in telecommunications application. The TDF is formulated to serve as a quasi-governmental entity that will provide low interest loans as well as financial guarantees. The capital for the Fund will be derived from the deposit of up-front payments for spectrum auctions into an interest bearing account.

Businesses with gross assets of less that $50 million will be eligible to receive loans, based upon an assessment of their loan application. The fund will be administered as a not-for-profit organization, and funds will be disbursed on a race and gender neutral basis. The board of directors will consist of seven members: four from the private sector, and one from three Federal agencies (the Commission, Department of Treasury, and the Small Business Administration).

The fund will provide for reinvestment, create jobs, and promote technological innovation in the telecommunications industry.

A unique aspect of the Fund is that it will promote public/private sector partnerships to enhance fund assets, and promote technology development and transfer.

Conference agreement

The conference agreement adopts the House provision as a new section 714 of the Communications Act.

SECTION 708—NATIONAL EDUCATION TECHNOLOGY FUNDING CORPORATION

Senate bill

Title VI of the Senate bill adds the National Education Technology Funding Corporation Act of 1995. The provisions of this title authorize a corporation, established in the District of Columbia as a private, nonprofit corporation which is not an agency or independent establishment of the Federal Government, to receive financial assistance from Federal departments and agencies. The Corporation will receive such assistance to leverage resources and stimulate private investment in education technology infrastructure, to encourage States to create and upgrade interactive high capacity networks for elementary schools, secondary schools and public libraries, to provide loans, grants and other forms of assistance to State education technology agencies, and other educational purposes. The Corporation's financial statements shall be audited annually, and the Corporation shall publish an annual report to the President and the Congress.

House amendment

No provision.

Conference agreement

The conference agreement adopts the Senate provision.

SECTION 709—REPORT ON THE USE OF ADVANCED TELECOMMUNICATIONS SERVICES FOR MEDICAL PURPOSES

Senate bill

No provision.

House amendment

The House amendment directs the Assistant Secretary of Commerce for Communications and Information, in consultation with the Secretary of Health and Human Services, to submit a report on telemedicine grant programs conducted by the government.

Conference agreement

The conference agreement adopts the House provision.

SECTION 710—AUTHORIZATION OF APPROPRIATIONS

Senate bill

No provision.

House amendment

This section authorizes appropriations for the Commission of such sums as may be necessary to carry out this Act, and provides that additional amounts appropriated to carry out this Act shall be construed to be changes in the amounts appropriated for the performance of the activities described in section 9(a) of the Communications Act.

Conference agreement

The conference agreement adopts the House provision with a technical modification to section 309(j)(8)(B) of the Communications Act.

From the Committee on Commerce, for consideration of the Senate bill, and the House amendment, and modifications committed to conference:

TOM BLILEY,
JACK FIELDS,
MICHAEL G. OXLEY,
RICK WHITE,
JOHN D. DINGELL,
EDWARD J. MARKEY,
RICK BOUCHER,
ANNA G. ESHOO,
BOBBY L. RUSH,

Provided, Mr. Pallone is appointed in lieu of Mr. Boucher solely for consideration of sec. 205 of the Senate bill:

FRANK PALLONE, JR.,

As additional conferees, for consideration of secs. 1-6, 101-04, 106-07, 201, 204-05, 221-25, 301-05, 307-11, 401-02, 405-06, 410, 601-06, 703, and 705 of the Senate bill, and title I of the House amendment, and modifications committed to conference:

DAN SCHAEFER,
JOE BARTON,
J. DENNIS HASTERT,
BILL PAXON,
SCOTT KLUG,
DAN FRISA,
CLIFF STEARNS,
SHERROD BROWN,
BART GORDON,
BLANCHE LAMBERT LINCOLN,

As additional conferees, for consideration of secs. 102, 202-03, 403, 407-09, and 706 of the Senate bill, and title II of the House amendment, and modifications committed to conference:

DAN SCHAEFER,
J. DENNIS HASTERT,
DAN FRISA,

As additional conferees, for consideration of secs. 105, 206, 302, 306, 312, 501-05, and 701-02 of the Senate bill, and title III of the House amendment, and modifications committed to conference:

CLIFF STEARNS,
BILL PAXON,
SCOTT KLUG,

As additional conferees, for consideration of secs. 7-8, 226, 404, and 704 of the Senate bill, and titles IV-V of the House amendment, and modifications committed to conference:

DAN SCHAEFER,
J. DENNIS HASTERT,
SCOTT KLUG,

As additional conferees, for consideration of title IV of the House amendment, and modifications committed to conference:

DAN SCHAEFER,
JOE BARTON,
SCOTT KLUG,

As additional conferees from the Committee on the Judiciary, for consideration of the Senate bill (except secs. 1-6, 101-04, 106-07, 201, 204-05, 221-25, 301-05, 307-11, 401-02, 405-06, 410, 601-06, 703, and 705), and of the House amendment (except title I), and modifications committed to conference:

HENRY HYDE,
CARLOS J. MOORHEAD,
BOB GOODLATTE,
STEVE BUYER,
MIKE FLANAGAN,

As additional conferees, for consideration of secs. 1-6, 101-04, 106-07, 201, 204-05, 221-25, 301-05, 307-11, 401-02, 405-06, 410, 601-06, 703, and 705 of the Senate bill, and title I of the House amendment, and modifications committed to conference:

HENRY HYDE,
CARLOS J. MOORHEAD,
BOB GOODLATTE,
STEVE BUYER,
MIKE FLANAGAN,
ELTON GALLEGLY,
BOB BARR,
MARTIN R. HOKE,
HOWARD L. BERMAN,
Managers on the Part of the House.

LARRY PRESSLER,
TED STEVENS,
SLADE GORTON,
TRENT LOTT,
FRITZ HOLLINGS,
DANIEL K. INOUYE,
WENDELL FORD,
J.J. EXON,
JAY ROCKEFELLER,
Managers on the Part of the Senate.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 9 o'clock and 14 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 2202

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. GOSS] at 10 o'clock and 2 minutes p.m.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON S. 652, TELECOMMUNICATIONS ACT OF 1996

Mr. LINDER, from the Committee on Rules, submitted a privileged report (Rept. No. 104-459) on the resolution (H. Res. 353) waiving points of order against the conference report to accompany the Senate bill (S. 652) to provide for a pro-competitive, deregulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition, and for other purposes, which was referred to the House Calendar and ordered to be printed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DELAY (at the request of Mr. ARMEY) for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:)

Mr. TOWNS, for 5 minutes, today.
Mr. UNDERWOOD, for 5 minutes, today.
Mr. CARDIN, for 5 minutes, today.
Mr. HOYER, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. WYNN, for 5 minutes, today.

Mr. FIELDS of Louisiana, for 5 minutes, today.

Mr. FLAKE, for 5 minutes, today.

Miss COLLINS of Michigan, for 5 minutes, today.

Mr. CONYERS, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

(The following Members (at the request of Mrs. MORELLA) to revise and extend their remarks and include extraneous material:)

Mrs. SEASTRAND, for 5 minutes, today.

Mr. MCCOLLUM, for 5 minutes, today.

Mrs. MORELLA, for 5 minutes, today.

Mr. MICA, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. BROWN of Ohio, for 5 minutes, today.

(The following Members (at their own request) to revise and extend their remarks and include extraneous material:)

Mrs. SCHROEDER, for 5 minutes, today.

Mr. ROHRABACHER, for 5 minutes, today.

(The following Members (at their own request) to revise and extend their remarks and include extraneous material:)

Mr. GILMAN, for 5 minutes, today.

Mrs. LOWEY, for 5 minutes, today.

Mr. DINGELL, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. MILLER of California.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. BOEHNER.

(The following Members (at their own request) to revise and extend their remarks and include extraneous material:)

Mr. SMITH of Michigan, for 5 minutes, today.

Mr. HOKE, for 5 minutes, today.

Mr. DOGGETT, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. VOLKMER, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. PALLONE, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. JONES, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. SCHUMER, for 5 minutes, today.

(The following Members (at their own request) to revise and extend their remarks and include extraneous material:)

Mrs. MEEK of Florida, for 5 minutes, today.

Mr. FRAZER, for 5 minutes, today.

(The following Members (at their own request) to revise and extend their remarks and include extraneous material:)

Mrs. MEEK of Florida, for 5 minutes, today.

Mr. PAYNE of New Jersey, for 5 minutes, today.

Mr. FRAZER, for 5 minutes, today.

(The following Member (at his own request) to revise and extend their remarks and include extraneous material:)

Mr. ABERCROMBIE, for 5 minutes, today.

(The following Members (at the request of Mr. HAYWORTH) to revise and extend their remarks and include extraneous material:)

Mrs. MORELLA, for 5 minutes, on February 1.

Mr. HUNTER, for 5 minutes, today.

Mr. HORN, for 5 minutes, on February 1.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Ms. NORTON) and to include extraneous matter:)

Mr. LANTOS.

Mr. DELLUMS.

Ms. WOOLSEY.

Mr. ACKERMAN.

Mr. HAMILTON in five instances.

Mr. SCHUMER.

Mr. WILSON in two instances.

Mr. KLECZKA.

Mr. KILDEE in two instances.

Mr. FROST.

Mr. HOYER.

Mr. POSHARD.

Mr. GEPHARDT in two instances.

Mr. UNDERWOOD.

Mr. MANTON.

Mr. MORAN.

Mr. RUSH.

Mr. MCDERMOTT.

Mr. KENNEDY of Rhode Island.

Mrs. MEEK of Florida in two instances.

Mr. SABO.

Mr. MENENDEZ.

Ms. NORTON.

Mr. HASTINGS of Florida.

Mr. LAFALCE.

Mr. MARTINEZ.

Mr. STUPAK.

Mr. ENGEL.

Mr. VENTO.

Mr. REED.

Mr. RICHARDSON.

Mr. DEFAZIO.

(The following Members (at the request of Mr. HAYWORTH) and to include extraneous matter:)

Mr. BAKER of California in two instances.

Mr. WALSH.

Mr. PACKARD.

Mr. RADANOVICH.

Mr. NORWOOD in two instances.

Mr. GREENWOOD.

Mr. QUINN.

Mr. LAZIO.

Mr. BURTON.

Mr. CRANE in two instances.

Mrs. SEASTRAND.

Mr. GILMAN.

Mr. DUNCAN in two instances.

Mr. FRELINGHUYSEN.

Mr. FRANKS of New Jersey.

(The following Members (at the request of Mr. LINDER) and to include extraneous matter:)

Mr. SOLOMON.

Mr. POSHARD.

ENROLLED BILL SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2353. An act to amend title 38, United States Code, to extend the authority of the Secretary of Veterans Affairs to carry out certain programs and activities, to require certain reports from the Secretary of Veterans Affairs, and for other purposes.

ADJOURNMENT

Mr. LINDER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 3 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, February 1, 1996, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1988. A letter from the Director of Defense Research and Engineering, Department of Defense, transmitting the annual report to Congress describing the activities of the Defense Production Act fund, pursuant to 50 U.S.C. app. 2094; to the Committee on Banking and Financial Services.

1989. A communication from the President of the United States, transmitting a copy of Presidential Determination No. 95-45: Exempting the U.S. Air Force's operating location near Groom Lake, NV, from any Federal State, interstate, or local hazardous or solid waste laws that might require the disclosure of classified information concerning that operating location to unauthorized persons, pursuant to 42 U.S.C. 6961(a); to the Committee on Commerce.

1990. A letter from the Secretary of Energy, transmitting the Department's annual report on Federal Government energy management and conservation programs during fiscal year 1994, pursuant to 42 U.S.C. 6361(c); to the Committee on Commerce.

1991. A letter from the Chairman, United States Merit Systems Merit Protection Board, transmitting the 1995 annual report in compliance with the Inspector General Act Amendments of 1988, pursuant to Public Law 100–504, section 104(a) (102 Stat. 2525); to the Committee on Government Reform and Oversight.

1992. A letter from the Secretary of Energy, transmitting the Department's report entitled "Coal Research, Development, Demonstration, and Commercial Application Programs," pursuant to Public Law 102–486, section 1301(d) (106 Stat. 2972); to the Committee on Science.

1993. A letter from the Secretary of Defense, transmitting a report on proposed obligations of $5 million of unobligated funds remaining from fiscal year 1994 cooperative threat reduction [CTR] funds to complete defense conversion/housing activities in Ukraine and to obligate $5 million of unobligated funds remaining from fiscal year 1995 CTR defense military contracts funds to support strategic offensive arms elimination [SOAE] in Belarus, pursuant to 22 U.S.C. 5955; jointly, to the Committees on National Security and International Relations.

1994. A letter from the Secretary of Health and Human Services, transmitting the Department's first annual report to the Congress on tribal program services and expenditures for the child care and development block grant [CCDBG], pursuant to Public Law 101–508, section 5082 (104 Stat. 1388–244); jointly, to the Committees on Economic and Educational Opportunities and Resources.

1995. A letter from the Director, Audit Oversight and Liaison, General Accounting Office, transmitting a report entitled "Financial Audit: Expenditures by Six Independent Counsels for the Six Months Ended March 31, 1995" (GOA/AIMD–95–233), pursuant to 28 U.S.C. 591 note; jointly, to the Committees on the Judiciary and Government Reform and Oversight.

1996. A letter from the Secretaries of the Army and Agriculture, transmitting notification of the intention of the Departments of the Army and Agriculture to interchange jurisdiction of civil works and national forest lands at the Sam Rayburn Dam and reservoir project and Angelina and Sabine National Forest, TX, pursuant to 16 U.S.C. 505a; jointly, to the Committees on Transportation and Infrastructure and Agriculture.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALSH: Committee of Conference. Conference report on H.R. 2546. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1996, and for other purposes (Rept. 104–455). Ordered to be printed.

Mr. LINDER: Committee on Rules. House Resolution 351. Resolution waiving points of order against the conference report to accompany the bill (H.R. 2546) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1996, and for other purposes (Rept. 104–456). Referred to the House Calendar.

Mrs. WALDHOLTZ: Committee on Rules. House Resolution 352. Resolution authorizing the Speaker to declare recesses subject to the call of the Chair from February 2, 1996, through February 26, 1996 (Rept. 104–457). Referred to the House Calendar.

Mr. BLILEY: Committee of Conference. Conference report on S. 652. An act to provide for a pro-competitive, deregulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition, and for other purposes (Rept. 104–458). Ordered to be printed.

Mr. LINDER: Committee on Rules. House Resolution 353. Resolution waiving points of order against the conference report to accompany the bill (S. 652) to provide for a pro-competitive, deregulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition, and for other purposes (Rept. 104–459). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HASTINGS of Washington:

H.R. 2908. A bill to promote international trade and interstate commerce in the broodstock and seedstock of domesticated salmonid by authorizing the Secretary of Agriculture to provide diagnostic and certification services to reduce the risk of transmission of diseases associated with domesticated salmonid; to the Committee on Resources, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BASS:

H.R. 2909. A bill to amend the Silvio O. Conte National Fish and Wildlife Refuge Act to provide that the Secretary of the Interior may acquire lands for purposes of that act only by donation or exchange, or otherwise with the consent of the owner of the lands; to the Committee on Resources.

By Mr. CRANE (for himself and Mr. RANGEL):

H.R. 2910. A bill to amend the Internal Revenue Code of 1986 to clarify the restrictions on the lobbying and campaign activities of churches; to the Committee on Ways and Means.

By Mr. CRANE:

H.R. 2911. A bill to amend the Internal Revenue Code of 1986 to limit the tax rate for certain small businesses, and for other purposes; to the Committee on Ways and Means.

By Mr. DEUTSCH (for himself, Mr. GONZALEZ, Mr. HEINEMAN, Mr. LIPINSKI, and Mr. FROST):

H.R. 2912. A bill to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to require a 33 percent reduction in certain assistance to a State under such title unless public safety officers who retire as a result of injuries sustained in the line of duty continue to receive health insurance benefits; to the Committee on the Judiciary.

By Mr. ENGLISH of Pennsylvania (for himself, Mr. CLINGER, Mr. WATTS of Oklahoma, and Mr. TAYLOR of North Carolina):

H.R. 2913. A bill to amend title 38, United States Code, to provide that amounts collected with respect to the provision of health care at a Department of Veterans Affairs medical center may be retained by that medical center; to the Committee on Veterans' Affairs.

By Mr. FRANK of Massachusetts:

H.R. 2914. A bill to amend the Higher Education Act of 1965 to clarify the authority of the Secretary of Education with respect to eligibility standards for short term educational programs; to the Committee on Economic and Educational Opportunities.

By Mr. HAYES:

H.R. 2915. A bill to enhance support and work opportunities for families with children, reduce welfare dependence, and control welfare spending; to the Committee on Ways and Means, and in addition to the Committees on Agriculture, Economic and Educational Opportunities, Banking and Financial Services, Government Reform and Oversight, Commerce, the Judiciary, and International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. KENNEDY of Rhode Island (for himself and Mr. REED):

H.R. 2916. A bill to amend title 46, United States Code, to ensure the safety of towing vessels; to the Committee on Transportation and Infrastructure.

By Ms. NORTON:

H.R. 2917. A bill to authorize the Chief of Engineers of the Army Corps of Engineers to make capital improvements for the Washington Aqueduct, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. OWENS:

H.R. 2918. A bill to deny funds to educational programs that allow corporal punishment; to the Committee on Economic and Educational Opportunities.

By Mr. QUINN (for himself, Mr. MCHALE, Mr. FRANKS of New Jersey, Mr. MEEHAN, and Mr. BLUTE):

H.R. 2919. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to provide for the development and use of brownfields, and for other purposes; to the Committee on Commerce, and in addition to the Committees on Transportation and Infrastructure, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SMITH of Michigan (for himself, Mr. SOLOMON, and Mr. SHAYS):

H.R. 2920. A bill to limit the issuance of public debt obligations after December 31, 2001, and to impose maximum limits on the amount of the public debt limit; to the Committee on Ways and Means.

By Mrs. THURMAN (for herself, Mr. FOLEY, Mr. CANADY, Ms. BROWN of Florida, Mr. DIAZ-BALART, Mr. DEUTSCH, Mrs. FOWLER, Mr. GOSS, Mr. JOHNSTON of Florida, Mrs. MEEK of Florida, Mr. MICA, Mr. PETERSON of Florida, Ms. ROS-LEHTINEN, Mr. SHAW, Mr. STEARNS, and Mr. WELDON of Florida):

H.R. 2921. A bill to amend the Agricultural Adjustment Act to provide that imported tomatoes are subject to packing standards contained in marketing orders issued by the Secretary of Agriculture, and for other purposes; to the Committee on Agriculture, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TRAFICANT:

H.R. 2922. A bill to amend part Q of title I of the Omnibus Crime Control and Safe Streets Act of 1968 to ensure that Federal funds made available to hire or rehire law enforcement officers are used in a manner that produces a net gain of the number of law enforcement officers who perform nonadministrative public safety services; to the Committee on the Judiciary.

By Ms. WATERS:

H.R. 2923. A bill to extend for 4 additional years the waiver granted to the Watts Health Foundation from the membership mix requirement for health maintenance organizations participating in the Medicare Program; to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FARR (for himself, Mr. HALL of Ohio, Mr. WARD, Mr. WALSH, Mr. PETRI, and Mr. SHAYS):

H.J. Res. 158. Joint resolution to recognize the Peace Corps on the occasion of its 35th anniversary and the Americans who have served as Peace Corps volunteers; to the Committee on International Relations.

By Mr. MINGE (for himself, Mr. BLUTE, Mr. BROWDER, Mr. CRAMER, Mr. KLUG, Mr. LIPINSKI, Ms. MCKINNEY, and Mr. QUINN):

H. Con. Res. 137. Concurrent resolution expressing the sense of Congress that mediators should be used in discussions between Congress and the President to produce a balanced budget; to the Committee on Government Reform and Oversight.

By Mr. SOLOMON (for himself, Mr. GILMAN, Mr. LANTOS, Mr. ROYCE, Mr. ROHRABACHER, Mr. COX, and Mr. ACKERMAN):

H. Con. Res. 138. Concurrent resolution expressing the sense of the Congress regarding the movement toward democracy by the 21 million people of the Republic of China (Taiwan), and addressing the increasingly dangerous behavior of the People's Republic of China; to the Committee on International Relations.

By Mr. STEARNS:

H. Con. Res. 139. Concurrent resolution expressing the sense of the Congress that the George Washington University is important to the Nation and urging that the importance of the university be recognized and celebrated through regular ceremonies; to the Committee on Economic and Educational Opportunities.

By Mr. TORRICELLI (for himself, Mr. DEUTSCH, Mr. LANTOS, Mr. ACKERMAN, Mr. ANDREWS, and Mr. BROWN of Ohio):

H. Con. Res. 140. Concurrent resolution expressing the sense of the Congress with respect to the peace and security of Taiwan; to the Committee on International Relations.

By Ms. JACKSON-LEE (for herself, Mr. BONIOR, Mrs. CLAYTON, Mrs. COLLINS of Illinois, Ms. PELOSI, Mr. JACKSON, Mr. WISE, Mr. RICHARDSON, Mr. FAZIO of California, Mr. STUDDS, Mrs. MINK of Hawaii, Ms. MCKINNEY, Mr. LEWIS of Georgia, Mr. EDWARDS, Mr. GENE GREEN of Texas, Mr. MCNULTY, Mr. DURBIN, Mr. GEJDENSON, Mr. MILLER of California, Mr. REED, Mr. STUPAK, Mrs. LINCOLN, Ms. DELAURO, Mr. HEFNER, Mr. HASTINGS of Florida, Mr. GIBBONS, Mr. DELLUMS, Ms. LOFGREN, Mrs. SCHROEDER, Ms. MCCARTHY, Ms. BROWN of Florida, Mrs. MEEK of Florida, Mr. PAYNE of New Jersey, Mr. OWENS, Mr. ENGEL, Mr. BARRETT of Wisconsin, Mr. WYNN, Ms. WATERS, Mr. BERMAN, Ms. WOOLSEY, Mr. DOGGETT, and Mr. LUTHER):

H. Res. 354. Resolution relating to a question of the privileges of the House; to the Committee on Rules.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 240: Mr. PARKER and Mr. SAXTON.

H.R. 447: Mr. FRAZER, Mr. FOGLIETTA, Mr. ACKERMAN, Mr. BEREUTER, and Mr. LEWIS of Georgia.

H.R. 598: Mr. SHADEGG.

H.R. 619: Mr. FOGLIETTA, Mr. OLVER, and Mr. MEEHAN.

H.R. 620: Mr. FOGLIETTA.

H.R. 784: Mrs. MYRICK, Mr. SCARBOROUGH, and Mr. BUNNING of Kentucky.

H.R. 820: Mr. LARGENT and Mr. BAESLER.

H.R. 995: Mr. GUNDERSON.

H.R. 1023: Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 1078: Mr. JOHNSTON of Florida.

H.R. 1202: Ms. LOFGREN and Mr. MCNULTY.

H.R. 1325: Mr. GENE GREEN of Texas, Mr. JOHNSTON of Florida, and Ms. NORTON.

H.R. 1400: Mr. HASTINGS of Florida and Mr. LIPINSKI.

H.R. 1402: Mr. FATTAH.

H.R. 1484: Mr. MENENDEZ.

H.R. 1610: Mr. POMEROY.

H.R. 1625: Mr. BARCIA of Michigan, Mr. SOUDER, and Mr. FORBES.

H.R. 1627: Mr. BARCIA of Michigan.

H.R. 1776: Mr. HEFNER.

H.R. 1856: Mr. CAMPBELL, Mr. HUNTER, Mr. HEFNER, Mr. BACHUS, Mr. WELDON of Florida, and Mr. BEVILL.

H.R. 1900: Mr. CRAPO.

H.R. 1955: Ms. JACKSON-LEE.

H.R. 1963: Mrs. MINK of Hawaii.

H.R. 2003: Mr. STARK and Mr. VOLKMER.

H.R. 2009: Mr. BROWN of Ohio.

H.R. 2019: Mr. ANDREWS and Mr. DUNCAN.

H.R. 2181: Mr. PORTER.

H.R. 2190: Mr. ORTON and Mr. ISTOOK.

H.R. 2200: Mr. HAMILTON, Mr. SHADEGG, and Mr. HALL of Texas.

H.R. 2246: Mr. HASTINGS of Florida, Mr. OWENS, and Mr. BISHOP.

H.R. 2260: Mr. LEACH.

H.R. 2270: Mr. HEFLEY.

H.R. 2310: Mr. MARTINI.

H.R. 2342: Mr. BISHOP.

H.R. 2400: Mr. BISHOP and Mrs. MALONEY.

H.R. 2406: Mr. SHAYS.

H.R. 2416: Mr. SHAW and Mr. WAMP.

H.R. 2450: Mr. COX.

H.R. 2506: Mr. CONDIT.

H.R. 2508: Mr. FRISA, Mr. SMITH of Michigan, Mr. CASTLE, and Mr. FORBES.

H.R. 2534: Ms. MCKINNEY, Mr. OLVER, and Mr. MEEHAN.

H.R. 2579: Mr. WELLER, Mr. BARRETT of Nebraska, Ms. JACKSON-LEE, Mr. BROWDER, Mr. BROWN of Ohio, Mr. PARKER, Mr. RAMSTAD, Mrs. JOHNSON of Connecticut, Mr. FRISA, and Mr. LEWIS of Kentucky.

H.R. 2597: Mr. DIAZ-BALART and Mr. JOHNSTON of Florida.

H.R. 2651: Mr. GALLEGLY, Mr. BLUTE, Mr. KLECZKA, Mr. DOYLE, and Mrs. MEEK of Florida.

H.R. 2664: Mr. ROBERTS, Mrs. ROUKEMA, and Mr. STARK.

H.R. 2699: Mr. MEEHAN, Mr. LATOURETTE, Mr. SAWYER, Mr. GENE GREEN of Texas, Mr. LIPINSKI, Mr. BROWN of Ohio, Ms. KAPTUR, Mr. LAFALCE, and Mr. GIBBONS.

H.R. 2713: Mr. MARTINI, Mr. BILBRAY, Mr. LATOURETTE, and Mr. GENE GREEN of Texas.

H.R. 2714: Mr. TORRES.

H.R. 2764: Mr. BLILEY, Mrs. MEEK of Florida, Mr. ACKERMAN, Mr. STEARNS, and Mr. LEVIN.

H.R. 2779: Mr. BENTSEN, Mr. HANSEN, Mr. HAYES, and Mr. LARGENT.

H.R. 2798: Mr. NETHERCUTT and Mr. MINGE.

H.R. 2848: Mr. QUINN and Mr. GENE GREEN of Texas.

H.R. 2856: Mr. FARR.

H.R. 2894: Mr. BARTLETT of Maryland, Mr. BURTON of Indiana, Mr. SCARBOROUGH, and Mr. WELDON of Pennsylvania.

H. Con. Res. 134: Mr. BAKER of California, Mr. MICA, Mr. WELDON of Florida, Mr. METCALF, and Mr. NEY.

H. Res. 263: Mr. BUNN of Oregon and Mr. MINGE.

H. Res. 346: Mr. WALSH.

H. Res. 348: Mr. HAYWORTH, Mr. SKELTON, Mr. NETHERCUTT, Mr. HERGER, Mr. BACHUS, Mr. FOLEY, Mr. WELDON OF PENNSYLVANIA, MR. SHAYS, Mr. MCCRERY, Mr. BUNNING of Kentucky, and Mr. CALVERT.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2854

OFFERED BY: MR. SANDERS

AMENDMENT NO. 1: At the end of title II, add the following new subtitle:

Subtitle C—Northeast Interstate Dairy Compact

SEC. 231. CONGRESSIONAL CONSENT FOR NORTHEAST INTERSTATE DAIRY COMPACT.

Congress consents to the Northeast Interstate Dairy Compact entered into among the States of Vermont, New Hampshire, Maine, Connecticut, Rhode Island, and Massachusetts, subject to the following conditions:

(1) COMPENSATION OF CCC.—Before the end of each fiscal year that a Compact price regulation is in effect, the Compact Commission shall compensate the Commodity Credit Corporation for the cost of any purchases of milk and milk products by the Corporation that result from any projected increase in fluid milk production for the fiscal year within the Compact region in excess of the national average rate of production.

(2) MILK MARKET ORDER ADMINISTRATOR.—By agreement among the States and the Secretary of Agriculture, the Administrator shall provide technical assistance to the Compact Commission, and be reimbursed for assistance, with respect to the applicable milk marketing order issued under section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.

(3) TERMINATION AND RENEWAL.—The consent for the Compact—

(A) shall terminate on the date that is 5 years after the date of establishment of a Compact over-order price, subject to subparagraph (B); and

(B) may be renewed by Congress, without prior re-ratification by the States' legislatures.

EXTENSIONS OF REMARKS

U.S. FOREIGN MILITARY SALES DURING FISCAL YEAR 1995

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. HAMILTON. Mr. Speaker, I would like to bring to my colleagues' attention information submitted pursuant to the Arms Export Control Act with respect to U.S. foreign military sales during fiscal year 1995.

The first table details worldwide government-to-government foreign military sales during fiscal year 1995 for defense articles and services and for construction sales. Total FMS sales for fiscal year 1995 were $9.029 billion, a decline from $12.865 billion in fiscal year 1994.

The second table details licenses/approval for the export of commercially sold defense articles and services for fiscal year 1995.

The tables follow:

Total value of defense articles and services sold to each country/purchaser as of September 30, 1995 under foreign military sales (see part II for construction sales)

[In thousands of dollars][1]

Countries	*Accepted—fiscal year 1995*
Part I—Foreign Military Sales:	
Antigua and Barbuda	162
Argentina	15,909
Australia	164,756
Austria	10,462
Bahrain	57,266
Bangladesh	7,542
Barbados	88
Belgium	24,213
Belize	298
Bolivia—Intl. Narc	13,631
Botswana	75
Brazil	58,259
Brunei	20
Cambodia	1,688
Canada	197,661
Cape Verde	2
Chad	343
Chile	4,084
Colombia	20,732
Colombia—Intl. Narc	10,235
Costa Rica	2,009
Denmark	47,222
Djibouti	50
Dominica	73
Dominican Republic	610
Ecuador	134
Ecuador—Intl. Narc	129
Egypt	1,080,975
El Salvador	7,214
Eritrea	204
Estonia	168
Ethiopia	544
Fiji	15
Finland	218,175
France	767,735
Germany	266.461
Ghana	85
Greece	216,194
Grenada	95
Guyana	67
Haiti	918
Honduras	3,952
India	15
Indonesia	11,293
Ireland	45
Israel	661,282
Italy	31,012
Jamaica	1,169
Japan	715,389
Jordan	15,316
Kenya	2,754
Korea (Seoul)	494,320
Kuwait	83,694
Latvia	234
Lebanon	66,044
Lithuania	341
Luxembourg	68
Malaysia	25,697
Malta	12
Mexico	1,608
Morocco	4,482
Mozambique	368
Nacisa	397
Namibia	60
Namma	1,371
Namsa—F104	350
Namsa—General+Nike	20,011
Namsa—Hawk	928
Namsa—Weapons	7,384
Napmo	2,734
NATO	1,670
NATO AEW+C (0+S)	26,750
NATO Headquarters	221
Netherlands	947,526
New Zealand	9,390
NHPLO	1,630
Niger	589
Norway	12,131
Oas Hq	33
Oman	8,108
Org. of African Unity	763
Pakistan	78
Panama	55
Paraguay	13
Portugal	13,519
Rep. of Philippines	23,025
Romania	12,431
Saclant	6,507
Saudi Arabia	485,613
Senegal	451
Shape	3,287
Sierra Leone	3
Singapore	198,146
Slovakia	(2)
Spain	401,722
Sri Lanka	67
St. Kitts and Nevis	15
St. Lucia	292
St. Vincent+Gren	25
Sweden	12,865
Switzerland	22,393
Taiwan	208,123
Thailand	193,496
Trinidad—Tobago	155
Tunisia	10,552
Turkey	599,092
United Arab Emirates	4,698
United Kingdom	114,369
UNOCHA	766
Uruguay	2,323
Venezuela	36,172
Zambia	322
Zimbabwe	292
Classified totals[3]	320,801
Subtotal	9,029,308
Part II—Construction Sales:	
Bolivia—Intl. Narc	1,340
Cape Verde	58
Chad	194
Colombia—Intl. Narc	451
Ecuador—Intl. Narc	243
Egypt	4,241
El Salvador	2,442
Eritrea	456
Ethiopia	243
Honduras	388
Morocco	4,854
Saudi Arabia	10,000
Subtotal	24,911
Total	9,054,218

[1] Totals may not add due to rounding.
[2] Dollar value less than $500.00.
[3] See the classified annex to the CPD.

Licenses/approvals for the export of commercially sold defense articles/services as of September 30, 1995

[In thousands of dollars]

	Cumulative
Albania	39
Algeria	29,520
Andorra	40
Angola	863
Antigua	3
Argentina	45,631
Aruba	6
Australia	698,814
Austria	23,277
Azerbaijan	64
Bahamas, The	2.057
Bahrain	10,124
Bangladesh	5,531
Barbados	28,146
Belgium	192,327
Belize	125
Bermuda	54
Bolivia	31,616
Botswana	1,188
Brazil	108,544
British Virgin Islands	61
Brunei	23,405
Bulgaria	728
Burma	3
Burkina Faso	18
Cambodia	38
Cameroon	626
Canada	19,016
Cayman Islands	35
Chad	5,233
Chile	51,411
China	222,784
Colombia	27,134
Congo	600
Comoros	7
Costa Rica	21,514
Cote D'Ivoire	653
Cyprus	995
Czech Republic	10,128
Denmark	131,470
Dominican Republic	22,967
Ecuador	52,195

	Cumulative
Egypt	163,788
El Salvador	23,605
Eritrea	111
Estonia	620
Ethiopia	93
Finland	1,688,348
Faroe Islands	4,000
Fiji	10
Finland	16,310
France	204,516
French Guiana	441,629
French Polynesia	22
Gambia	2
Gabon	1,600
Germany	797,503
Ghana	7
Gibraltar	12
Greece	177,800
Greenland	27
Guatemala	21,997
Guyana	82
Haiti	799
Honduras	22,234
Hong Kong	21,274
Hungary	331
Iceland	5,585
India	17,001
Indonesia	80,214
Ireland	3,502
Israel	679,993
Italy	510,828
Jamaica	21,284
Japan	2,163,667
Jordan	2,854
Kazakhstan	229,027
Kenya	421
Korea, Republic of	985,611
Kuwait	568,711
Latvia	269
Lebanon	732
Lithuania	16
Luxembourg	315,693
Macau	279
Malaysia	97,974
Maldives	12
Mali	1
Malta	18
Mauritius	1
Mexico	44,506
Monaco	9
Morocco	13,409
Namibia	1,327
Nepal	62
Netherlands	464,058
Netherlands Antilles	3,381
New Caledonia	216
New Zealand	72,728
Nicaragua	2,056
Niger	420
Nigeria	1,231
Norway	199,616
Oman	10,072
Pakistan	105,897
Panama	21,494
Papua New Guinea	1,925
Paraguay	37,198
Peru	41,616
Philippines	112,923
Poland	1,449
Portugal	57,584
Qatar	2,743
Reunion	4
Romania	3,430
Russia	10,613
Saudi Arabia	816,656
Senegal	454
Singapore	333,244
Slovakia	167
Slovenia	18,497
Solomon Islands	169
South Africa	30,178
Spain	285,188
Sri Lanka	3,697
St. Kitts and Nevis Anguilla	4
St. Lucia	?
St. Vincent	53
Suriname	37
Sweden	1,071,849
Switzerland	238,531
Taiwan	27,757
Tanzania	25
Thailand	159,882
Trinidad and Tobago	21,789
Tunisia	5,470
Turkey	574,747
Turkmenistan	600
Uganda	133
Ukraine	1,528
United Arab Emirates	53,546
United Kingdom	2,444,015
United Nations	97
Uruguay	23,284
Uzbekistan	9
Various Countries	403,383
Venezuela	61,694
Vietnam	1,060
Yemen	1,392
Zambia	2,475
Zimbabwe	719
Classified Totals[1]	875,292
Worldwide Total	19,707,041

[1] See classified annex to CPD.

Note.—Details may not add due to rounding.

Source: This information was prepared and submitted by the Office of Defense Trade Controls, State Department.

RALPH YARBOROUGH TRIBUTE

HON. CHARLES WILSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. WILSON. Mr. Speaker, in 1969 when I was a member of the Texas State Senate I had the great honor of introducing the late Senator Ralph Yarborough at a United Labor Legislative Committee luncheon. What I said that day about my friend held true until the day he died. I ask that this tribute to Senator Yarborough be printed in the CONGRESSIONAL RECORD as a memorial to one of the best and most compassionate statesmen that Texas and the U.S. Senate will ever know.

Ralph Yarborough has been in the arena for the little people of Texas as long as I can remember. He has represented the folks from Diboll and Dallas, from Huntington and Houston, from San Augustine and San Antonio, from Kountze and Corsicana, and he has represented them with vigor, compassion and complete disregard for the special interest and the greedy.

This is rare in a Texas politician. Too often the rest of us have to find a reason why we can't do what we know we should. Too often, we find it necessary to compromise with the special interests. Not Ralph Yarborough. He is totally incorruptible. His record of courage and consistency cannot be matched in the United States Senate.

He is the only Senator from the old Confederacy who has dared represent the black man with votes rather than words. He is the only prominent Texas politician who would march with the brown man in their effort to obtain a decent minimum wage.

His trail has been glorious but it's also been long and torturous. He is the most hated of all by the privileged and the powerful. But he is loved by us. Loved because he does right, and loved because he is all we have.

HONORING RUSSELL L. CARSON

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. KILDEE. Mr. Speaker, it is my pleasure to rise before my colleagues in the U.S. House of Representatives to recognize Mr. Russell L. Carson. Mr. Carson recently retired as captain of the Waterford Township Police Department after 25 years of dedicated public service. A retirement party in his honor is to be held on February 3, 1996, in Keego Harbor, MI.

Mr. Carson has spent his entire career protecting the public and preserving the laws of this Nation. During his illustrious career, he has received many awards and commendations for his selfless devotion to duty. His tireless spirit has earned him the respect of his colleagues not only in the police department that he helped to command, but also with the countless people whose lives were touched by him. During his 25-year career, Mr. Carson has worked as a patrolman, detective, school liaison officer, lieutenant, staff lieutenant, and captain. Also included in his many duties were detective bureau commander, patrol bureau commander, and administrative services commander.

Mr. Speaker, Russell Carson has worked diligently to help make his community a safer and better place to live. I know that his retirement dinner is not meant to celebrate his departure from law enforcement, rather, the dinner is meant to show him the deep love and respect his colleagues, his family, his friends, and his community have for him. I ask you and my fellow Members of the 104th Congress to join me in paying tribute to such a dedicated public servant, Mr. Russell L. Carson.

HONORING CONGRESSWOMAN BARBARA JORDAN

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. FROST. Mr. Speaker, in honor of this year's theme of African-American women, I wish to recognize the passing of former Congresswoman Barbara Jordan, one of Texas' greatest political figures. She died at the age of 59 from pneumonia, one of the many illnesses which she suffered from in the last years of her life. But the life that she led was extraordinary, and she left a mark that few will ever match, and that none will ever forget.

Mr. Speaker, Congresswoman Jordan distinguished herself from an early age. With her family's encouragement she worked hard to rise above the poverty of her childhood in Houston. She graduated magna cum laude from Texas Southern University. It was there that she first displayed her powerful oratorical skills as a member of the debate team. In 1959 she received her law degree from Boston University.

Mr. Speaker, Barbara Jordan made history by setting a number of firsts. She was the first black State senator in Texas history, elected in 1966. In 1972 she was accorded the high honor of being elected president pro tempore of the Texas Senate, another first for an African-American. Eight years later she recorded another first, becoming the first black from Texas to be elected to Congress. Although she only served for 6 years in the House of Representatives, her impact was monumental.

It was as a freshman Congresswoman, Mr. Speaker, that the Nation first came to know Barbara Jordan. As a member of the House Judiciary Committee she made one of the defining speeches of the Richard Nixon impeachment hearings. Rising above the political rhetoric, she told the world, "My faith in the Constitution is whole, it is complete, it is total, and I am not going to sit here and be an idle spectator to the diminution, the subversion, the destruction of the Constitution." Indeed, her statements reminded America of what was truly great about this country.

On a more personal note, Mr. Speaker, Barbara Jordan served as one of my earliest political role models. I had a chance to see Congresswoman Jordan speak at the 1976 Democratic National Convention. Like everyone else that heard her speech I was moved not only by her eloquence, but by her definition of public service. "More is required of public officials than slogans and handshakes and press releases," she said. "We must hold ourselves strictly accountable. We must provide the people with a vision of the future." These words continue to guide and inspire me 20 years later.

I wish in the coming days that all Texans would join me in reflecting upon the legacy of Barbara Jordan. She stood for honesty, integrity, and an unswerving commitment to the principles on which this country was founded. Her legacy will endure as we continue to honor these ideals.

SMALL BUSINESS INVESTMENT AND GROWTH ACT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. CRANE. Mr. Speaker, today I am introducing legislation, the Small Business Investment and Growth Act, to provide needed tax relief for some of America's small business manufacturers.

As a member of the Ways and Means Committee, I strenuously objected to the tax increases of 1990 and 1993, knowing of the negative economic impact these would have on American businesses and individuals. In particular, increasing the maximum individual marginal tax rate from 28 percent to 39.6 percent put a tremendous strain on small businesses organized as S corporations, because they must pay taxes at the individual rate. S corporation manufacturers, facing 36-percent and 39.6-percent tax rates at the highest levels, compete at a significant disadvantage against C corporation manufacturers, which pay a maximum 34-percent rate.

I propose to end this Government-created inequity with the Small Business Investment and Growth Act. Small businesses have created the overwhelming majority of jobs in the United States. We cannot allow the intrusiveness of the Federal Government to neutralize this proven formula of prosperity and job growth.

This act will establish at 34 percent the maximum tax rate for manufacturers organized as S corporations. The taxable small business income would be limited to income from the trade or business of certain eligible small businesses, specifically excluding passive income. To benefit from the maximum 34-percent rate, businesses must also reinvest their after-tax income into the business.

To encourage business reinvestment, each eligible S corporation would establish a new qualified retained earnings account [QREA]. Each year, the QREA will be increased by the taxable earnings of the business. The QREA may then be decreased by either "qualified" or "nonqualified" distributions. Qualified distributions are to enable shareholders to pay the income taxes due on their pro rata share of the taxable income. Should a business choose to make nonqualified distributions from its QREA, it will incur an additional tax, designed to negate the benefit of the maximum rate of 34 percent.

Again, the intent of this legislation is to reward eligible S corporations which reinvest income into the business, thereby creating more jobs. Indeed, successful small manufacturers have been able to create three to four new jobs for every additional $100,000 they retain in the business.

I recognize that this legislation is a rather modest and narrowly crafted bill, and I realize that there may be other ways to accomplish the end goal of this proposal, which is to equalize the tax treatment of all manufacturers whether they organize as S corporations or C corporations. In that regard, I would welcome a debate on the best means to achieve this end. Personally, I would prefer to lower even further corporate and business taxes, but we are currently constrained by our budget rules. Furthermore, I look forward to an opportunity to completely abolish the present tax code in order to replace it with a more simple tax code that eliminates the inequities inherent in the current code.

The Small Business Investment and Growth Act will, in the near term, provide much needed tax relief to spur economic and job growth, and I would strongly encourage my colleagues to cosponsor it.

TRIBUTE TO CHIEF CLARENCE HARMON ON HIS RETIREMENT

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. GEPHARDT. Mr. Speaker, I rise today to congratulate one of the great citizens of my hometown, St. Louis, on his retirement from a unique and valuable career of public service.

Col. Clarence Harmon, who will celebrate his retirement later this week, had a truly distinguished career with the Metropolitan St. Louis Police Department. After working his way up through the ranks, he became the first African-American police chief in the city's history.

Perhaps Chief Harmon's greatest contribution to the police department, and to the safety of our citizens, was his early and fervent commitment to community oriented policing. The success of this program can be seen as the crime rate in St. Louis declines—with the murder rate dropping by 18 percent last year. By encouraging the police to work hand in hand with the community to address problems before they become crises he has been instrumental in increasing community confidence and police effectiveness.

I join my fellow St. Louisans in congratulating Chief Harmon on a job well done and wish him the best in his future endeavors.

RECOGNIZING FIRST PRESBYTERIAN CHURCH OF LIVERMORE, CA

HON. BILL BAKER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. BAKER of California. Mr. Speaker, in 1871, a group of nine farmers drew together to form a new church in the Livermore Valley in northern California. Started at a time when bars were more prevalent in Livermore than churches, what became the First Presbyterian Church of Livermore has witnessed the remarkable events that have shaped our country—the sorrow of war and the prosperity of peace, the anxiety of drought and the blessing of abundant harvest. And throughout its 125-year history, First Presbyterian has celebrated the importance of family and the centrality of enduring values.

Over its 125-year history, the First Presbyterian Church has grown to a ministry serving not only its 800 members but the greater Livermore Community. Very deliberately, the Church has chosen to stay in its downtown location rather than move to a more comfortable suburban area precisely because of its desire to serve those who most need its assistance. First Presbyterian has been a leader in supporting such vital efforts as the Family Crisis Center and the Emergency Fund Center, which help persons needing food, shelter, and other critical assistance.

In addition, the Church has worked actively with the Tri-Valley Haven for Women, which ministers to women and children suffering from abusive situations. First Presbyterian has also played a lead role in the Interfaith Backpack project, through which the greater religious community works together at the beginning of each school year to provide backpacks for young people whose families can't afford them.

First Presbyterian celebrates its 125th anniversary with the grateful knowledge that it has improved the lives of countless men, women, and children in central California. In coming years, this legacy will serve to inspire new acts of charity and generosity that, in themselves, will encourage others to serve as they have been served. It is an honor for me to recognize First Presbyterian Church of Livermore in the CONGRESSIONAL RECORD, and to express my personal thanks to Pastor William E. Nebo and all the members of the Church for what they are doing to build the Livermore community. My best to each of them on this unique and special occasion.

CAMPAIGN FINANCE REFORM

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, January 3, 1996, into the CONGRESSIONAL RECORD.

COMMON-SENSE CAMPAIGN REFORMS

The past year was productive for congressional reform. Congress acted to apply private sector laws to Congress, ban gifts, and restrict lobbying. These common-sense reforms are important, and Congress should build on this momentum and pass sweeping campaign finance reform this year.

In the past few decades, Congress has made substantial progress in opening up the political process and making Members more accountable. Members of Congress are now required to make comprehensive financial disclosure, and public and private transactions are subject to careful scrutiny. This exposure is directly responsible for the numerous successful ethics investigations in recent years. Prior to these changes—thirty, fifty, or a hundred years ago—such ethics violations were rarely prosecuted because the public knew nothing about them. We need to build continually on this progress, including the important steps taken last year.

CONGRESSIONAL ACCOUNTABILITY ACT

Last January Congress passed a law to apply private sector laws to Congress. This legislation was based on a recommendation of the Joint Committee on the Organization of Congress, which I co-chaired, and is an expansion of a measure passed by the House in 1994. This new law establishes an Office of Compliance to apply these laws to Congress, including labor regulations of the Occupational Safety and Health Administration (OSHA).

LOBBYING REFORM

With my strong support, Congress passed a lobbying reform law that requires paid lobbyists to disclose who pays them, whom they lobby, what issues they lobby for, and how much they are paid to influence the government. A similar bill was filibustered by the Senate in 1994. I am pleased that leaders of both parties removed their opposition to these reforms.

GIFT BAN

The House passed a bill to ban all gifts to Members, with limited exceptions for close family or friends. There is simply no reason to take valuable gifts, meals, or vacations from lobbyists.

THE 1996 REFORM AGENDA

We must push hard for additional reforms in 1996. The forces against reform are strong—last year lobbying reform and the gift ban were blocked five times before public pressure forced the House leadership to have a vote. Congress must build on these successes to complete additional reforms.

CAMPAIGN FINANCE REFORM

The overriding reform issue for 1996 is campaign finance reform. Some observers liken congressional reform to a three-legged stool. Banning gifts and restricting lobbying are the first two legs, but without the third leg—campaign finance reform—the stool will fall over. Hoosiers are fed up with the flood of campaign money and favors from lobbyists.

I have expressed the concern for many years that money plays a disproportionate role in American politics. The system forces candidates to spend too much time raising money instead of meeting with the public and focusing on issues of national importance. My sense is that the public will demand major change in the present system. Reforming campaign finance is critical if Congress is to be a truly representative body.

There are a number of key issues in campaign finance reform:

Political action committees (PACs)

The importance of PACs should be reduced. We should cap total PAC contributions to a candidate and reduce the limit on contributions from a single PAC. Members of Congress should also be prohibited from running "leadership PACs", which a few Members use to gain power and influence over other Members for their own personal agenda. We should also block "bundling" of checks by PACs, which evades the $5,000 limit on PAC contributions.

"Soft money"

We should limit contributions by corporations, wealthy individuals, and other organizations to political parties and PACs affiliated with Members of Congress. These donors now give hundreds of thousands of dollars for "independent" expenditures. While direct expenditures for candidates are prohibited—advertising, campaign salaries, etc.—the indirect efforts, such as organization and issue or party advertising, can be as influential. Because these actions are theoretically not for federal candidates, they skirt federal campaign limits and can avoid public disclosure.

Small contributors

Reforms should emphasize the importance of grassroots political fundraising over big-ticket donors. The number of large contributions should be capped, and candidates should be encouraged to seek a broad base of support from contributions of less than $200—perhaps with a tax deduction for individuals who make small contributions. A balance should also be struck between small in-state contributions and larger national contributions.

Spending limits

Congress passed some mandatory spending limits in 1974, but the Supreme Court overturned them as an unconstitutional restriction on free speech. We should examine ways to encourage voluntary limits, such as providing reduced-cost television and radio time to candidates who abide by the limits. Presidential campaigns now provide public matching funds for candidates who agree to abide by voluntary spending limits.

Enforcement

Congress must also give more authority to the Federal Election Commission to crack down on election law violations. In one recent case, the FEC needed 12 months to audit a House Member's campaign records that turned out to be fraudulent. Prompt, tough enforcement is the key to cleaning up the system.

CONCLUSION

Congress made significant progress on reforms in 1995, but it must build on that momentum in 1996. Major campaign finance reform will be the overriding reform issue this year in Congress. The purpose of reform is to reduce special interest influence and increase political competition. The campaign finance system may never be perfect, but the influence of money can and should be reduced. Until we begin limiting money's disproportionate influence, public cynicism will continue to grow.

The passage of a complete reform agenda will help demonstrate that members are serious about enhancing the openness, effectiveness, and public credibility of Congress. I strongly support sweeping campaign finance reform, and will urge my colleagues to act now to make these commonsense changes that reflect on the integrity of Congress.

OIL SPILL PROTECTION

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. REED. Mr. Speaker, I am pleased to join my colleague, Representative PATRICK KENNEDY, in an effort to protect Rhode Island's precious coastline from the environmental devastation of oil spills.

Tragically, on January 19, the tug boat *Scandia* caught fire in severe weather off the coast of my congressional district.

The tug's crew could not control the fire and abandoned both the tug and the barge's cargo of 4 million gallons of oil to the high winds and seas.

While the tug crew was swiftly pulled from the sea by brave members of the Coast Guard, the same cannot be said for the unmanned barge which spilled 1 million gallons of oil off the Rhode Island coast.

The environmental and economic destruction of the spill is, at the present time, incalculable. Indeed, no one can estimate the damage to the fishery's long-term health, the wildlife, or my State's tourism industry.

But what has become clear in articles from the Providence Journal and my own experience as a member of the now defunct Merchant Marine and Fisheries Committee, is that Congress must address the growing reliance of this Nation on towing vessels to transport hazardous materials like oil.

It may surprise some of my colleagues that a tug boat which pulls 4 million gallons of oil and has a crew of 6 is not required to be inspected by the Coast Guard.

That's correct, the tug boat that pulled thousands of barrels of oil off the coast of my district and the estimated 2 to 4 barges that ply the waters of Narragansett Bay each day do not even get inspected once a year like an automobile.

Moreover, even though the *Scandia*'s pilot had a master's license, no license is actually required to pilot these vessels.

And, perhaps even more disturbing is the fact that tug boats are not required to have some of the most basic navigational and safety equipment on board.

This body has tried to address this situation in previous years, only to have efforts to improve tug safety sink in the other body.

However, I would urge my colleagues, especially those from our Nation's coastal States, to consider joining me and Congressman KENNEDY in supporting legislation that tries to prevent avoidable accidents in the future.

The Towing Vessel Safety Act of 1996 takes a better safe than sorry approach to protecting our Nation's environment and the hard-working families who make their living on the water.

This legislation will require tugs that pull hazardous materials to be inspected once a year, just like the cars of my constituents.

It will also establish licensing standards for the pilot and crew of tug boats towing hazardous materials, just like truckers who have a license to carry these items.

The bill would also ask the Coast Guard and Secretary of Transportation to ensure that tug boats carry basic navigational items like a radar system, a compass, and up-to-date charts as well as adequate fire fighting equipment, just as oil tankers must do.

The legislation protects crew members who report safety violations from wrongful discharge, like other employees who handle volatile cargo.

These common sense, preventative measures are a responsible first-step in addressing the increase in oil barge traffic off our Nation's pristine beaches. Indeed, the National Transportation Safety Board has made similar recommendations in the past.

At the same time, we need to take other steps to ensure that the barges pulled by these tugs are safe, and in the weeks to come we will be examining legislation to accomplish this aim.

The Coast Guard recognizes that there is a need to improve tug and barge safety, and it has proposed some new safety measures. And, the towing industry plans to have a self-inspection regime ready in 2 years.

However, I believe we need to take direct, reasonable steps to prevent environmental and economic catastrophes like the spill off Rhode Island.

Prevention is not without cost, but as the saying goes, an ounce of prevention is worth a pound of cure.

At the present time, questions remain as to the cause of the accident and whether the accident could have been prevented, but concerns remain that this disaster was preventable. It is in this spirit that we are introducing the Towing Vessel Safety Act.

Mr. Speaker, my State has seen the results of an oil spill once, and I hope this legislation can reduce the chances of it happening again.

NORMA MATHES KNIGHT, KINGS PARK CHAMBER OF COMMERCE 1995 WOMAN OF THE YEAR

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. ACKERMAN. Mr. Speaker, I rise today to offer my sincere congratulations to Norma Mathes Knight on being named the Kings Park, NY, Chamber of Commerce 1995 Woman of the Year.

In 1963, Norma Mathes Knight, her husband Harold (Harry) Mathes and their daughters Patricia, Marilyn, and son Bill moved to Fort Salonga in Suffolk County, NY.

Patricia was then a freshman at Immaculate College in Pennsylvania, Marilyn a freshman at Kings Park High School, and Bill a student at Ralph J. Osgood Elementary School.

In 1970, Norma and Harry opened Mathes & Son, Inc. at 95 Pulaski Road in Kings Park. In 1980, they bought the building at 101 Pulaski Road where their business Mathes & Son Auto Parts Supply became a familiar sight and an integral part of the hamlet of Kings Park. This year will mark the 25th anniversary in business of Mathes & Son.

Norma was one of the founding members of the Kings Park Chamber of Commerce. In 1971, she became one of its original directors. She is presently the vice president of the chamber. Her participation in all aspects of the functioning of the chamber has not only been an integral part of Norma's life, but has served as an outstanding contribution and benefit to the entire community.

Norma has dedicated herself to improving the quality of life for others. She has demonstrated this over and over through her involvement and deep commitment to community service. She is also a member of the Fort Salonga Civic Association, St. Charles Hospital Auxiliary, and the Smithtown Professional Women's Network.

Mr. Speaker, I ask my colleagues to join me in saluting Norma Mathes Knight for her outstanding commitment and selfless dedication to her community, and to extend our best wishes and congratulations on her being named 1995 Woman of the Year.

INDIA'S NUCLEAR PROGRAM

HON. CHARLES WILSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. WILSON. Mr. Speaker, the Government of India appears to be playing a game of nuclear chicken with the United States. In the past 3 months India has: Prepared for nuclear testing, tested for eventual deployment of the medium-range Prithvi missile, capable of carrying nuclear warheads, and repudiated the Comprehensive Test Ban Treaty.

While India—under great pressure from the United States and the lender nations—reluctantly decided to refrain from nuclear testing for the time being, it is planning to go ahead with testing and deployment of its medium-range Prithvi missile, possibly even as we meet here today. The United States has urged India not to proceed with the deployment of the Prithvi missiles because deployment could increase tensions between India and Pakistan, the only nation within logistical range of this new Indian offensive weapons system. The United States has urged restraint in missile development and deployment on the subcontinent as we continue our efforts to reduce tensions and slow the arms buildup.

One hears all kinds of rather lame excuses for India's potential Prithvi deployment. The Indian Government would lead us to believe that deployment is being done in response to internal domestic political pressure. Issues that affect the security and safety of an entire subcontinent, such as nuclear and missile proliferation, cannot and should not be equated with political expediency. The internal political pressures cannot be carelessly applied when the result of those pressures is a direct threat to Pakistan's security. And surely if this rationale for nuclear provocation is good for the goose, will it not soon become equally good for the gander?

Mr. Speaker, since 1974 India has freely pursued its nuclear program. Pakistan, on the other hand has been severely penalized: for 10 years Pakistan has endured the Pressler sanctions that have adversely affected Pakistan's conventional defense. Yet Pakistan has consistently supported the elimination of nuclear weapons in the region. Since 1974 Pakistan has proposed to India the establishment of a nuclear weapons free zone in south Asia (1974); a joint Indo-Pakistan declaration renouncing the acquisition and manufacture of nuclear weapons (1978); mutual inspections by India and Pakistan of nuclear facilities (1979); simultaneous adherence to the NPT by India and Pakistan (1979); simultaneous acceptance of full-scope IAEA safeguards (1979); agreement on a bilateral or regional nuclear test ban treaty (1987); commencement of a multilateral conference on the nuclear proliferation in south Asia (1991); and creation of a missile-free zone in south Asia (1993).

All of these proposals have been rejected by India.

Mr. Speaker, if Pakistan and India are ever to resolve the differences between them it must be done through confidence-building measures, not through an arms race or nuclear contest. Prime Minister Benazir Bhutto of Pakistan and her predecessors have made a series of good faith gestures, and have put significant non-proliferation proposals on the table. Pakistan has demonstrated significant restraint in its own sophisticated technological program. It is long time that such restraint be matched by India, and that India respond substantively to the arms reduction proposals that have been promulgated by Islamabad. And above all, Mr. Speaker, this is hardly the right time or the right circumstances for a major provocation such as the deployment of the Indian Prithvi program.

I urge the President and the Secretary of State to use their good offices to have New Delhi take positive steps forward, not dangerous steps backward.

HONORING DR. DUANE R. BROWN

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. KILDEE. Mr. Speaker, it is my pleasure to rise before my colleagues in the U.S. House of Representatives to recognize Duane Brown, Ph.D. Dr. Brown is retiring today after almost 29 years in the field of education.

Dr. Brown began his career in 1957 in the Flint community schools. Starting out as a community school director he quickly showed he understood the importance of the community's role in the education of the students. He worked tirelessly with the parents and other community members to insure that each and every child had the best education possible. He worked with numerous organizations throughout the community to provide whatever services the residents of the community needed, whether that person was a student, parent or member of the community. At various stages in Dr. Brown's career he served as a principal and a director of elementary education. While serving as principal at Williams Community Education Center; he was responsible for the coordination of a comprehensive elementary school, recreational center, and facility offering health and other needed community services to the students and residents of the area; a true full service school.

In 1978, Dr. Brown began serving as executive director of the National Center for Community Education. It was through this center that Dr. Brown continued his mission by traveling to nearly every State in our great Nation and several foreign countries to conduct workshops for educators and parents on the benefits of community education. Additionally, many thousands of people have traveled from all over the world to the National Center and the Flint School District to learn more about community education. It was through these opportunities that many participants came to realize the dream that Charles Stewart Mott and Frank Manley had many years ago, when they looked around the Flint community at the many empty school buildings commenting and dreaming about all of the wonderful clubs for the young people.

Mr. Speaker, Duane R. Brown is one of those educators that each of us as parents hope our children have the opportunity to become acquainted with because he cares. It is with great pleasure that I stand before you today to ask you and my fellow members of the 104th Congress to join me in paying tribute to a individual who certainly made his community a better place for all because he was there.

IN COMMEMORATION OF KINDNESS WEEK

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. FROST. Mr. Speaker, I would like to recognize the Kindness Foundation of Dallas, TX, and to praise their efforts to establish the week of February 11–18, 1996, as Kindness Week in Texas.

The Kindness Foundation's mission is to improve the quality of life throughout Dallas, and challenge every city in the United States to encourage intentional acts of kindness among all of its citizens.

The Foundation was founded by Dee Silverstein and Jackie Waldman of Dallas after they were inspired by the movie, Schindler's List. Silverstein and Waldman were stuck by the impact that one committed individual could make in the world. They realized that they too could make a difference and sought the counsel of the late James C. McCormick, a best-selling author and prominent Dallas area businessman and city leader; together the three enlisted the help of other committed Texans to form Dallas Acts Kind, the grassroots group that organized Kindness Week '95.

The Dallas mayor endorsed the idea and declared February 12–18 1995, Dallas Acts Kind Week. The first week of its kind, the event was a huge success. Activities included a Kindness Youth Rally for 16,000 area seventh and eighth graders with a message to make kindness a way of life, an All-City Rally promoting racial harmony and religious tolerance, and a gathering in Thanks-Giving Square to celebrate unity.

As a result of Dallas Acts Kind Week '95, a Universal Prayer was written by leaders of the three monotheistic religions—Judaism, Christianity, and Islam.

In addition, the success of last year's event prompted Dr. Don Benton, a pastor in the United Methodist Church, to accept a calling to serve as the first president of The Kindness Foundation.

For 1996, a special task force has been coordinating the efforts of more than 100 volunteers in planning for Kindness Week '96. Thus far, events will include a youth rally designed to promote kindness as a strength, the planting of the first "Kindness Tree," an interfaith service, a free showing of *Schindler's List*, an evening of multicultural family entertainment, and a city-wide rally organized to foster oneness.

The Kindness Foundation was created by three caring individuals who were committed to make their community a better place in which to live. Since then, many more have joined them in this worthy cause. It is now up to all of us to participate in the effort to spread kindness in the course of our daily lives. After all, we all share the responsibility in building nurturing and supportive communities.

THE 104TH CONGRESS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, January 10, 1996, into the CONGRESSIONAL RECORD:

THE FIRST SESSION OF THE 104TH CONGRESS

It is hard to remember a busier session of Congress than the first year of the 104th Congress in 1995. The House was in session through Christmas, and cast over 880 votes. But is also true that the achievements of the first session are meager. Even the strongest champions of the first session admit the sparse results and say the session made history but not laws.

CONGRESSIONAL AGENDA

The new congressional leadership certainly defined the debate during 1995 and they deserve credit for making a start on the central question of balancing the federal budget by the year 2002. Major progress was made in reducing the deficit and trimming the size of government in the first two years of the Clinton Administration, and the new congressional leadership is building on those achievements. The issue now is not whether the budget should be balanced, but how; and not whether federal responsibilities should be devolved to the states, but which ones. I voted for a seven-year balanced budget, a balanced budget amendment to the Constitution, and a line-item veto.

Some of the major achievements of the session came on issues that transcended partisan politics. Congress, with my support, passed long delayed legislation to tighten registration and disclosure rules for lobbyists; banned virtually all gifts to lawmakers, including expensive paid trips to resorts; required Congress to abide by federal workplace laws; and limited the imposition of unfunded mandates on states and localities.

The congressional leadership has brought about major changes in the manner Congress operates. Speaker Gingrich has centralized power in his office, at the expense of the committee system. For the most part, he has simply bypassed the slow process of congressional hearings and committee work, and attempted to use spending bills to make changes in policy. He has succeeded in keeping a remarkable level of discipline in his caucus.

FAILURES

Even so, the ambitions of the new House leadership have outstripped its achievements and left one of the least productive sessions in modern history in terms of the number of laws enacted. The most important piece of legislation—a huge omnibus bill calling for reform of hundreds of programs and a seven year plan to balance the budget—remains stalled in negotiations with the White House. In all, 67 bills were enacted into law in 1995, by far the lowest number for a first session of Congress since the end of World War II. Among them are six of the 13 annual appropriations bills funding the operations of the government that should have been passed by October 1, 1995.

The list of items under the Contract with America not passed is extensive. It includes a balanced budget amendment, a line item veto, crime bill, welfare reform, tax cuts, national security measures, deregulation, litigation restraints, and term limits. Speaker Gingrich was able to get most of his Contract through the House with ease, but came up hard against the unique role that the Constitution gives to the Senate. The Senate traditionally serves as a break on the excesses of the House. The revolutionary zeal that has often marked the Republicans in the House still courses through the House, but the Senate has proved to be far more cautious and skeptical, slowing some measures and blocking others.

This has been a special-interest driven Congress. I suppose that's always true to some extent, but the new Republican leadership, while vowing to end it, just came up with a new list of political winners and losers. The working poor have certainly been on the wrong side of their list; the wealthy on the right side. It is one thing to run on a promise of curbing all government entitlements to everyone but quite another to target lower income working Americans for a disproportionate share of the cuts. Many members came to Congress this year to shake up Washington, but they have become among the leaders in campaign contributions from special interests. As a remedy, I support sweeping campaign finance reform, and will urge its consideration this year.

LACK OF CIVILITY

The congressional session was as contentious as I can remember, epitomized by the bitter fight over the budget that closed the government for 21 days—a record—and kept

Congress in session over Christmas for the first time in 15 years, and reached new heights for vituperative debate.

I have seen more flat-out partisanship in the House this year than ever before. It spreads from the floor to the committees, which were once largely free of it, and certainly to the television cameras. There have been shouting and shoving matches on and off the House floor and harsh partisan and personal attacks.

RETIREMENTS

There's not much doubt that Congress is going through a real shakeout. So far, 24 members of the House and 12 members of the Senate have announced their retirements, with another 10 House members running for higher office. Many have talked about the very long hours and demanding schedule. Others have cited the extreme partisanship. Still others have said they simply want to pursue other career opportunities, and spend more time with their families.

Change and turnover can be beneficial as new members bring fresh energy and new ideas to the institution. Congress, however, also benefits from the leadership and experience of veteran legislators, who know how to build consensus and make the legislative process work. My concern is that so many retirements come from the political center of both parties. Moderates are where most of the American people are on issues. What we need in Congress and government today is a dynamic center that represents and responds to the needs and concerns of the average American, not special interests on the right and left.

CONCLUSION

My own guess is that, under the present balance of forces in the White House and Congress, all of the questions on the budget and the role of government will not be resolved completely. We can reasonably expect incremental changes, rather than revolution. Nobody knows, of course, what happens to the Republican proposals in the days ahead. Many of the questions, unsettled in 1995, may be resolved in 1996.

A SALUTE TO BLACK HISTORY MONTH

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. SCHUMER. Mr. Speaker, I urge my colleagues to join me this February in celebrating Black History Month. I would like to take a moment to reflect on the courageous leadership and civic duty that has shaped the communities of New York throughout this decade. As we approach a new century, New Yorkers of all ethnic backgrounds will face a new set of economic, social, and political challenges. If we stop and recognize the perseverance of African-Americans in times of change, their record of commitment to the pursuit of prosperity, integrity, and opportunity for their families and friends speaks for itself.

The tireless work of community and religious leaders in guiding African-American communities have done much to improve the quality of life in our city. I am proud to honor this important occasion where African-Americans join hands to acknowledge their accomplishments and their unique contributions to our society and the world.

The level of civic participation in today's culture is depressingly low among average American citizens. However, I am always inspired by the surge of community spirit and leadership from African-Americans in New York. Our society would be a better place if more Americans emulated the civic duty and moral strength of their African-American counterparts. I hope that Black History Month is recognized and honored by citizens of all backgrounds. I honor the work and vision of my African-American colleagues in Congress and throughout New York. May our city continue to be blessed with their leadership.

HONORING LIVERMORE PUBLIC SCHOOLS

HON. BILL BAKER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. BAKER of California. Mr. Speaker, Money Magazine is generally recognized as one of the most reliable financial guides in the country. That's why, when Money recognized the public schools in Livermore, CA as among the "100 Top Schools in Towns You Can Afford," America took notice.

Livermore is a lovely community situated amid rolling hills and farmland in central California's east bay region. Home of the Lawrence Livermore National Laboratory, Livermore is committed to the community values that make for a high quality of life. It is not surprising to me that its school system would be cited for excellence.

Money set demanding criteria as the basis of its selections. Money said the school systems on its list are rated in the academic top 20 percent of all systems. Money also scored its "Top 100" in the context of housing affordability. In other words, Money combined high scholastic standards with community liveability—and Livermore was one of the top 100 school systems out of 16,665 systems in the Nation to meet this stringent test.

It is an honor for me to recognize the parents, teachers, administrators, and students of the Livermore public school system for achieving this exceptional honor. I am proud to represent this remarkable group of people in Congress, and appreciate all they have done to make their schools and community the wonderful places they are.

AUTISM SOCIETY OF AMERICA CELEBRATES NATIONAL AUTISM AWARENESS MONTH

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. GEPHARDT. Mr. Speaker, I rise today to join the Autism Society of America [ASA] in recognition of January as National Autism Awareness Month.

This has been a year of progress and achievement for the ASA. Last spring, in response to a request from Congress, the National Institutes of Health [NIH] held an Autism State-of-the-Science Conference. The conference brought researchers, clinicians and parents together in an effort to evaluate existing science and identify new areas for research.

The conference highlighted the fact that autism affects some 400,000 Americans. While the exact cause of autism is still unknown, conference participants agreed that, at least for some individuals with autism, there appears to be a genetic link—one that could very probably be identified with the work being conducted by the NIH National Center for Human Genome Research.

Undoubtedly the most important outcome of the conference was the conclusion that more research is desperately needed. Autism is a lifelong disability. Its social, emotional, and financial costs are staggering, ranging from $30,000 to $100,000 per year per person—millions of dollars for each individual over the course of a normal lifespan. These numbers speak to the need for more research on the possible causes of autism as well as medical, social, and behavioral interventions.

The ASA was the major force behind this conference. Backed by the strength and knowledge of its 18,000 parent members, the ASA has been the primary source of information and referral on autism and the largest collective voice representing the autism community. Founded over three decades ago, its members are now connected through a volunteer network of over 220 chapters in 48 States.

Mr. Speaker, I ask my colleagues to join me in congratulating the Autism Society of America for its 30 years of service and in sharing in their celebration of National Autism Awareness Month.

TIME TO CLARIFY THE ROLE OF CHURCHES IN THE POLITICAL SPHERE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. CRANE. Mr. Speaker, today I am introducing legislation along with my colleague from New York, CHARLIE RANGEL, which will allow churches to carry on a minimal degree of grassroots lobbying and campaign activity without jeopardizing their tax exempt status.

The proposal can best be described in two parts, with the first part focusing on the grassroots lobbying activity of churches. Section 501(c)(3) of the Internal Revenue Code states that "no substantial part of [church] activities [can] consist of carrying on propaganda or otherwise attempting to influence legislation."

While this language clearly suggests that some such activity is acceptable, churches have had a hard time determining just exactly what level will pass muster with the Internal Revenue Service. Because of the verbiage "no substantial part," and varying court interpretations as to just exactly what "substantial" means, churches are very shy about engaging in any lobbying activity on issues at all because of the fear that they could lose their tax exempt status. In an effort to give churches a better idea of just exactly how much in the way of resources they can devote to grass roots lobbying, we have drafted a proposal which would give churches and the IRS a bright line test.

Working with legislative counsel, we have crafted a proposal which allows churches to continue to maintain their tax exempt status as long as they do not make lobbying expenditures in a taxable year "in excess of an amount equal to 20 percent of such organization's gross revenue for such year." This "20 percent rule" for lobbying activity parallels another provision in the Code for nonprofits (501(h)).

The second part of the proposal addresses church involvement in actual campaign activity. The Code currently states that churches cannot engage in "any political campaign on behalf of—or in opposition to—any candidate for public office." In other words, a church is prohibited from campaigning for or against a specific candidate.

The current language begs some questions. Is allowing a candidate to come into a church to speak from the pulpit or allowing a meeting of a candidate's volunteers in the church basement really something we want to prohibit? Shouldn't a certain minimal degree of activity be acceptable? Without getting into a lengthy debate on the subject of separation of church and state, I do need to make some observations on that matter at this juncture. As a Ph.D. in American History, I have taken great pains to study our Constitution and the writings of the Founding Fathers. There is no question in my mind that the so-called wall erected to separate church and state was erected to prevent the state from interfering with the activities of the church—not to prevent the church from being involved in the activities of the state. In other words, it is my view that church involvement in the political process is not something that would have been frowned upon at all by the Founding Fathers. Indeed, I would imagine that they might be surprised if there were no such activity.

Frankly, plenty of churches on both the right and left currently allow such activity, and that fact raises the question of selective enforcement by the IRS. If the IRS decides to step up enforcement in this area, are we going to see some churches lose their tax exempt status simply because of a volunteer meeting in the church basement? Will we see a situation where, depending on the political party in power at the time, harassment of churches exclusively on the right or churches exclusively on the left? If the reality is that the IRS currently looks the other way when it comes to such minimal activity, putting a bright line test in law for such minimal activity will put everyone's mind at ease and would seem reasonable.

To address these concerns and questions, the second part of this bill states that it is acceptable for a church to devote up to 5 percent of the organization's gross revenues to campaign on behalf of—or in opposition to—any political campaign or candidate for public office. This would allow for the very limited and modest activities given as examples above.

Finally, I would note that the legislation contains an aggregate limit which states that both the grass roots lobbying activity and the campaign activity combined cannot exceed 20 percent of gross revenues.

It is my hope that this proposal will generate broad bipartisan support, and I encourage my colleagues to join us and cosponsor this legislation.

A TRIBUTE TO THE CREW OF SPACE SHUTTLE "CHALLENGER"

HON. ALCEE L. HASTINGS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. HASTINGS of Florida. Mr. Speaker, I rise to pay tribute to the seven crew members of the space shuttle *Challenger.* Ten years ago on January 28, 1986, these brave astronauts fell victim to one of our Nation's most horrific tragedies—the *Challenger* explosion. Indeed, human space exploration is and has always been inherently risky but this should not deter us from reaching for the stars or from exploring this new frontier.

Forty-nine space shuttle missions have been succssfully completed since 1986. The safety features of the space shuttle have improved substantially since the *Challenger* tragedy. It is possible, NASA officials believe, that if a similar accident happened today, crew members could escape with their own oxygen supply and parachutes.

A healthy shuttle program is fundamental to construction of the international space station—starting in late 1997, which will be the basis of further human exploration of Mars and beyond. NASA plans to launch 26 shuttle flights between 1997 and 2002 to help assemble this station. Additionally, a preliminary plan designed by NASA and the Russian Space Agency envisions using the space shuttle to deliver Russian hardware to resupply the orbiting Mir station. Therefore, the space shuttle program will be instrumental in the enhancement of international cooperation, the forerunner of world space. Furthermore, the reusable space shuttle is the way of the future for launching commercial and military satellites.

As one of the parents of the astronauts remarked, he was "pleased that the crew's footsteps were being followed" and "that their hopes and dreams are marching forward." On the 10th anniversary of this disaster, we must express support for the continuation of the space exploration mission in order to truly honor those seven brave explorers.

TRIBUTE TO GERARD KLUPP

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. KLECZKA. Mr. Speaker, I rise today to pay tribute to a lifelong friend and resident of Milwaukee, my hometown, Mr. Gerard Klupp, as he is honored as Person of the Year by the South Side Advancement Association at the 49th annual Lincoln Day banquet.

Jerry Klupp is devoted to his family, his God, and his Nation. He is the proud father of two children and grandfather of five and has served his parish, St. Adalbert's, in many capacities. Enlisting in the Air National Guard in 1949, Jerry was activated into the Air Force in 1951, and was honorably discharged in 1953 as a sergeant. He is currently active in his American Legion Post and the AMVETS.

Jerry Klupp is also a successful businessman. Working in his father's business, Frank J. Klupp & Sons, a construction firm, Jerry has had a personal, hands-on influence on many public and private projects, both big and small, in the Milwaukee area.

Many Milwaukee civic organizations have also been graced with Jerry's service over the years. Beneficiaries of Jerry's gifts of time and talents include the South Side Business Club, the Milwaukee Society—Polish National Alliance, the South Side Advancement Association, and Polish Fest.

Mr. Speaker, Jerry Klupp's dedication to his community should serve as an example to us all.

With all of this in mind, I am pleased to present Jerry Klupp with an American flag which has proudly flown over our Nation's Capitol. Keep up the good work, God Bless, and thanks for being a model citizen, Jerry.

TELEVISION VIOLENCE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, January 17, 1996 into the CONGRESSIONAL RECORD:

TELEVISION VIOLENCE

Most of us have seen something offensive on television—portrayals of casual sex, talk shows which glorify all the wrong values, or graphic violence. Adults can, and often do, turn off the set in disgust; but these images can be both powerful and confusing to children. While many parents try to closely monitor what their children watch, in this age of cable television they are frequently confounded by the proliferation of new programs.

TV has become a very strong competitor to families, schools, and other community institutions in shaping young people's attitudes and values about acceptable behavior. Television is cheap, accessible and convenient. Most research on the effects of television on children has centered on violent programming. Congress has also discussed a number of approaches to lessen TV violence.

RESEARCH

Virtually every American household has at least one television set, and children are among the most avid viewers. The average pre-schooler and school-aged child watches two to four hours of TV per day. By the time children finish elementary school, they have on average viewed 8,000 murders and over 100,000 additional acts of violence on television. A 1994 report analyzed ten television channels for 18 hours one day and found over 1,800 acts of violence—more than 10 violent scenes per hour, per channel, all day. But perhaps most disturbing is the finding that TV violence is most common on Saturday morning, when children are most likely to be watching.

No one believes that television by itself causes aggression, but research indicates convincingly that violent programming contributes to the problem. Most of the 1,000 or so studies on TV violence show that it can influence viewers of all ages and socioeconomic levels toward more violent and aggressive behavior. Watching the more violent shows can easily lead a person to develop an image of a mean world in which people cannot be trusted and in which violence is commonplace, even acceptable.

WHAT CAN BE DONE

The public has increasingly demanded that broadcasters show more restraint, but progress was slow. The industry for many years denied that violent programming was harmful to children, and argued that restrictions could limit creativity and interfere with First Amendment protections on free speech. However, the four major television networks agreed in 1993 to place parental warnings on programs that might contain excessive violence. In early 1994, network and cable television executives agreed to have their programming independently monitored for two years.

Meanwhile, pressure for greater government involvement in limiting violent programming has also mounted. The federal government generally has imposed only limited restrictions on the content of television shows. The Supreme Court this month upheld federal regulations that ban indecent programming between 6:00 a.m. and 10:00 p.m. However, this ban has usually been enforced against programming which is sexually explicit or contains vulgar language—not against violent programming.

Attention has recently focused on the so-called "V-chip," which would allow parents to block violent programming. Under this proposal, television programs would be rated much as movies are. These ratings would be electronically transmitted to the V-chip, a receptor inside the television set. Parents could then program their TVs not to receive programs with certain ratings.

During consideration of a telecommunications reform bill in August 1995, I voted for an amendment to require that all 13-inch and larger TVs sold in the United States include a V-chip. The measure, which was approved by the House, would give broadcasters one year to establish voluntary rules for rating video programming and to begin transmitting such ratings. If the industry failed to act, the Federal Communications Commission (FCC) would develop its own guidelines. A House-Senate conference committee has agreed to the V-chip provisions.

Critics of the V-chip charge that it would impose unconstitutional restrictions on TV programming. However, the V-chip proposal does not bar broadcasters from showing violent programs—it simply allows consumers to regulate the reception of such programs in their homes. Just as the system of voluntary movie ratings has survived legal scrutiny, I believe that the V-chip will as well.

In addition, the Chairman of the FCC has proposed greater requirements on broadcasters to air educational programs for children. Some schools have also begun media literacy programs to encourage students to view TV more critically.

OUTLOOK

Many parents feel bombarded by ideas and images hostile to the values they want to instill in their children. Television is not the only source of trouble—music, video games, movies, and the Internet can also be conduits for violence or vulgarity. But TV remains by far the most influential type of media, and how we deal with it will be instructive in dealing with other types.

Many questions remain: How can the V-chip technology be made more affordable? What distinctions should we make between different violent images—for example, Wile E. Coyote attacking the Road Runner vs. a documentary on the Holocaust? How should violence depicted on television news be treated? Not all instances of violent programming are necessarily inappropriate, but we must figure out how to protect children from violence that is clearly excessive. I think it might help to require each broadcaster to say when it applies to the FCC for renewal of its license what it intends to do for the children that it serves and how it intends to discourage violence.

It is clear that there are no easy solutions to this problem, but we cannot abandon our children to the wasteland of television violence. I believe the V-chip can come to be an important tool for parents to use in combatting the effects of TV violence. But I do not believe that technology will ever serve as a substitute for the role parents play in screening the programs their children watch and discussing with them what they see. Right now, violence sells. It is up to the public to remove this perverse economic incentive by voting with our feet—or more accurately, with our remote controls. Without any doubt public pressure will be more important than a federal statute to make the purveyors of media violence display good judgment and exercise self-restraint.

TRIBUTE TO WILLIE JULIUS MORRISON

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mrs. MEEK of Florida. Mr. Speaker, I rise today to announce the retirement of Willie Julius Morrison, assistant director Metro-Dade Police Department. After serving 4 years in the Air Force, on January 17, 1966 Willie Morrison became a patrol officer with the public safety department.

This was the beginning of a quick and steady rise to leadership. In 1970 Officer Morrison became Sergeant Morrison. Three years later, he was promoted to lieutenant. By 1979 he was the police major for the north region. In February 1980, he was designated as chief of the newly formed special services division.

During this rapid rise within the leadership ranks, Willie Morrison achieved several firsts. He was the first black lieutenant in the Metro-Dade Police Department, the first black police major; the first black police chief; and the first and only black assistant director within the department.

Willie Morrison has served in a variety of professional positions and he faithfully serves as husband and father to Rose and Julius respectively.

It is important for you to know that this distinguished leader has served the Metropolitan Dade County community well. We thank him for 30 years of public service.

TRIBUTE TO BENJAMIN LONGMAN

HON. MARTIN OLAV SABO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. SABO. Mr. Speaker, our Nation recently celebrated the 50th anniversary of our hard-fought victory in World War II. During this conflict, many people at home and abroad made sacrifices for their country. One of these was my constituent, Mr. Benjamin Longman.

Mr. Longman served in World War II as a flight trainee and later as a flight instructor. Due to an administrative error, however, military records did not accurately reflect his service until they were corrected in May of 1982. At that time, the U.S. Air Force confirmed that Mr. Longman did in fact serve on active military duty in 1943.

Mr. Longman, now 82 years old, was honorably discharged from military service in 1945. As his representative in Congress, I wish to publicly thank him for his military service to the United States of America. All of our fellow citizens should be grateful for his patriotism. Mr. Speaker, I commend Benjamin Longman's example of service to all Members of Congress and to all Americans.

ODELL JOHNSON, JR., AND HIS COMMITMENT TO HIGHER EDUCATION

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. DELLUMS. Mr. Speaker, I rise today to share with my colleagues the fact that Mr. Odell Johnson, Jr., has dedicated over 25 years of committed service to the education of Oakland and the bay area.

Odell served as Laney College president for 15 years, longer than any other president in the history of the Peralta Community College District. He received his education from Fresno City College, St. Mary's College, and the California State University at Hayward. He then became the dean of students of St. Mary's College and dean of instruction at the College of Alameda.

He continued to make important contributions to increase standards for higher education as president of Laney College, where he oversaw the educational opportunities afforded to the most ethnically diverse of the California community colleges.

Odell's many contributions as a respected leader extend beyond the boundaries of the bay area. They include State and national recognition for his outstanding service to higher education. In addition to his services as an educator, he has been active on boards in community-based organizations such as the West Oakland Health Center, the Black Adoption Placement and Research Center, the Oakland Ensemble Theater, and the Bay Area Dance Series.

Odell also maintains a strong commitment to assisting young people in identifying and achieving their personal, educational, and career goals. Through his leadership, he has assisted many students in developing and understanding a respect and an appreciation for people from diverse backgrounds and cultures.

THE TOWING VESSEL SAFETY ACT OF 1996

HON. PATRICK J. KENNEDY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. KENNEDY of Rhode Island. Mr. Speaker, I rise today to announce the introduction of the Towing Vessel Safety Act of 1996. This bill was brought to the top of my legislative agenda due to the recent oil spill that occurred off the coast of Rhode Island.

Almost 1 million gallons of home heating oil spilled into our waters when the *Scandia* tugboat caught fire and caused the North Cape barge to run aground. Sadly, this incident has had serious environmental and economic repercussions in my State. Most notable is the damage to our coastal ecosystems. Thousands of lobsters and other wildlife were heavily impacted by this tragedy. In all, it will take months to remediate the damage and restore our environment and industries like commercial fishing and tourism to their full health.

The Towing Vessel Safety Act will establish guidelines that every tugboat have navigational, fire prevention, and various other safety provisions necessary to avoid incidents like the one in Rhode Island. Moreover, the bill will ensure that the master and crew of tugboats are properly trained and licensed in the operation of the vessel and its equipment. Lastly, the Towing Vessel Safety Act will require the Coast Guard to make routine inspections to guarantee that all guidelines are followed.

Mr. Speaker, I am deeply saddened by what has happened in Rhode Island. I am hopeful, however, that the Towing Vessel Safety Act will be an important first step in avoiding similar tragedies.

I am looking forward to working with the Coast Guard, the House Transportation Committee, and all my colleagues in Congress to ensure that this important legislation becomes law.

Mr. Speaker, I insert the text of the Towing Vessel Safety Act for the RECORD.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Towing Vessel Safety Act of 1996".

SEC. 2. MINIMUM NAVIGATIONAL SAFETY EQUIPMENT FOR TOWING VESSELS.

(a) IN GENERAL.—Section 4102 of title 46, United States Code, is amended by adding at the end the following:

"(f)(1) In prescribing regulations for towing vessels, the Secretary shall—

"(A) consider the characteristics, methods of operation, and nature of the service of towing vessels;

"(B) consult with the Towing Safety Advisory Committee; and

"(C) require, to the extent appropriate, the installation, maintenance, and use of and familiarity with the following equipment on each towing vessel, other than a towing vessel that is used only for towing disabled vessels:

"(i) A radar system.

"(ii) An electronic position-fixing device.

"(iii) A sonic depth finder.

"(iv) A compass or swing meter.

"(v) Adequate towing wire and associated equipment.

"(vi) Up-to-date navigational charts and publications for the areas normally transited by the vessel.

"(vii) Other safety equipment the Secretary determines to be necessary.

"(2) The Secretary shall establish in regulations under this chapter requirements that—

"(A) any equipment required on a towing vessel under paragraph (1) shall be maintained in effective operating condition; and

"(B) if such equipment on a vessel ceases to operate, the master of the vessel shall exercise due diligence to restore the equipment to effective operating condition, or cause it to be restored to that condition, at the earliest practicable date.".

(b) REGULATIONS.—The Secretary of Transportation shall issue regulations by not later than 12 months after the date of the enactment of this Act, prescribing navigational publication and equipment requirements under subsection (f) of section 4102 of title 46, United States Code, as added by subsection (a) of this section.

SEC. 3. REPORTING MARINE CASUALTIES.

(a) EXPEDITED REPORTING REQUIRED.—Section 6101(b) of title 46 United States Code, is amended by striking "within 5 days" and inserting "by as soon as practicable, but in no case later than within 5 days,".

(b) PENALTY FOR FAILURE TO REPORT A CASUALTY.—Section 6103(a) of title 46, United States Code is amended by striking "$1,000" and inserting "not more than $25,000".

SEC. 4. REPORT ON FEASIBILITY OF ESTABLISHING A DIFFERENTIAL GLOBAL POSITIONING SATELLITE NAVIGATION SYSTEM AND ELECTRONIC CHARTS FOR INLAND WATERWAYS.

Not later than 6 months after the date of the enactment of this Act, the Secretary of Transportation shall submit a report to the Congress on the feasibility of establishing a differential global positioning satellite navigation system and creating electronic charts for the inland waterways of the United States.

SEC. 5. PROTECTION OF SEAMEN AGAINST DISCRIMINATION.

Section 2114 of title 46, United States Code, is amended—

(1) by amending subsection (a) to read as follows:

"(a) An owner, charterer, managing operator, agent, master, or individual in charge of a vessel may not discharge, temporarily remove, or in any manner discriminate against a seaman because the seaman—

"(1) in good faith has reported or is about to report to the Coast Guard that the seaman believes that a violation of this subtitle, or a regulation issued under this subtitle, has occurred; or

"(2) refuses to violate this subtitle or a regulation issued under this subtitle."; and

(2) in subsection (b)—

(A) in paragraph (1) by striking "and" after the semicolon;

(B) in paragraph (2) by striking the period and inserting "; and"; and

(C) by adding at the end the following:

"(3) an award of cost and reasonable attorney's fees to the prevailing plaintiff.".

SEC. 6. MANNING AND LICENSING REQUIREMENTS FOR TOWING VESSELS.

(a) MANNING REQUIREMENTS.—Section 8904 of title 46, United States Code, is amended by adding at the end the following:

"(c) A towing vessel, other than a vessel referred to in subsection (b), shall—

"(1) while being operated, have on board an individual licensed by the Secretary as a master of that type of towing vessel; and

"(2) be operated by an individual licensed by the Secretary to operate that type of towing vessel.".

(b) REGULATIONS ESTABLISHING LICENSES FOR MASTERS AND OPERATORS.—Section 7101 of title 46, United States Code, is amended by adding at the end the following:

"(j)(1) The Secretary shall prescribe regulations which establish licenses for masters and mates of towing vessels.

"(2) Regulations under this subsection shall provide that an individual may be issued a license as a master or mate of a towing vessel only if the individual—

"(A) demonstrates proficiency in the use of the equipment required pursuant to section 4102(f)(1)(C) of this title; and

"(B) demonstrates proficiency in operating a towing vessel.

"(3) Regulations under this subsection may establish standards and procedures under which the Secretary may delegate, to individuals who have experience in the operation of towing vessels and to other qualified persons, the authority to conduct examinations required for the issuance of a license as a master or mate of a towing vessel.".

(c) EXISTING UNINSPECTED TOWING VESSEL OPERATOR LICENSE HOLDERS.—An uninspected towing vessel operator license that is valid on the date of enactment of this Act shall be valid as a master or mate license required under section 8904 of title 46, United States Code, as amended by this section, until otherwise required to be renewed. The Secretary shall require that an individual applying for a first renewal of such a license as a master or mate license under that section demonstrate proficiency under the requirements of section 7101(j) of title 46, United States Code, as added by this section.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect 2 years after the date of the enactment of this Act.

(e) DEADLINE FOR REGULATIONS.—The Secretary of the department in which the Coast Guard is operating shall issue regulations under the amendments made by this section by not later than 1 year after the date of the enactment of this Act.

SEC. 7. INSPECTION OF TOWING VESSELS.

(a) IN GENERAL.—Section 3301 of title 46, United States Code, is amended by adding at the end the following:

"(14) towing vessels.".

(b) EXCEPTION.—Section 3302 of title 46, United States Code, is amended by adding at the end the following:

"(n) A towing vessel is not subject to inspection under section 3301(14) of this title if the vessel—

"(1) is used only for towing disabled vessels; or

"(2) is not used to pull, push, or haul alongside a barge that is subject to inspection under section 3301 of this title.".

(c) EQUIPMENT REQUIREMENTS.—Section 3306 of title 46, United States Code, is amended by adding at the end the following:

"(j) In prescribing regulations for towing vessels, the Secretary shall—

"(1) consider the characteristics, methods of operation, and nature of the service of towing vessels;

"(2) consult with the Towing Safety Advisory Committee; and

"(3) require, to the extent appropriate, the installation, maintenance, and use of the following equipment on each towing vessel, other than a towing vessel that is used only for towing disabled vessels:

"(A) A radar system.

"(B) An electronic position-fixing device.

"(C) Adequate communications equipment.

"(D) A sonic depth finder.

"(E) A compass or swing meter.

"(F) Adequate towing equipment.

"(G) Up-to-date navigational charts and publications for the areas normally transited by the vessel.

"(H) Adequate fire fighting equipment.

"(I) Other equipment the Secretary determines will minimize the risk of injury to the crew or the risk of a vessel or barge casualty.".

(d) REGULATIONS.—The Secretary of Transportation shall prescribe regulations implementing this section within 1 year after the date of enactment of this Act.

SEC. 8. CIVIL PENALTIES.

(a) PROHIBITED OPERATION OF UNINSPECTED TOWING VESSEL, GENERALLY.—Section 4106 of title 46, United States Code, is amended by striking "$5,000" and inserting "$25,000".

(b) OPERATION OF UNINSPECTED TOWING VESSEL IN VIOLATION OF MANNING REQUIREMENTS.—Section 8906 of title 46, United States Code, is amended by striking "$1,000" and inserting "not more than $25,000".

HONORING DR. RON GALLOWAY

HON. CHARLIE NORWOOD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. NORWOOD. Mr. Speaker, I am pleased to bring to your attention the distinguished career of Dr. Ronald Frost Galloway. Dr. Galloway is retiring today from University Hospital in Augusta, GA. He has practiced at University Hospital since 1963, where he established the first cardiac surgical program at the hospital in 1974. He has served on the Richmond County Hospital Authority for 7 years helping shape what University Hospital is today.

Mr. Speaker, Dr. Galloway has enhanced the quality of life for the people of the Augusta community for many years. He is a man of uncompromising integrity, a truly remarkable physician, and a gentleman. I am pleased to honor him today before the House of Representatives.

SMALL BUSINESS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, January 24, 1996 into the CONGRESSIONAL RECORD:

SMALL BUSINESS: CREATING OPPORTUNITY

Small businesses are the backbone of the American economy. They generate a majority of our new jobs and provide many important technological innovations. They also play a vital role in satisfying the country's need for opportunity and choice. For years, small businesses have repeatedly led this country out of troubled economic times and into prosperity.

There are over 5.8 million small businesses in the U.S. today, employing more than 92 million private sector workers. Small businesses account for 50% of the nation's sales, 50% of private sector output, 53% of U.S. employment, and 99.7% of all employers. There are over 129,000 small businesses in Indiana, employing over 2.1 million people. By any measure, small businesses are a key source of growth and dynamism in our economy.

WHITE HOUSE CONFERENCE

The small business community, however, does face numerous challenges in the national and global marketplaces. Last summer a bipartisan delegation of over 2,000 small business men and women, including representatives from southern Indiana, met in Washington to identify the key concerns of America's entrepreneurs and develop specific recommendations for maintaining and encouraging the economic viability of small business.

The White House Conference on Small Business made 60 recommendations, focusing on three critical areas: improving access to capital; easing regulatory burdens; and making investments in our workforce. Congress and the President took some steps over the last year to address these concerns, but more work needs to be done.

CAPITAL FORMATION

Access to capital is a critical problem for many small businesses. More than two-thirds of all new firms begin with less than $10,000 in total capital, much of it provided by the owner, family members or friends. Once established, a small firm must face interest rates on bank loans two or three percentage points above the prime rate. The White House Conference made several recommendations to improve access to the capital needed to finance the survival and growth of small businesses, and Congress has acted on some of those proposals.

Congress, with my support, approved the Small Business Lending Enhancement Act which will allow SBA to increase total loan volume at a lower cost to the taxpayers, and SBA has acted independently to simplify the application process for small businesses. Furthermore, federal bank regulators have reduced regulation and paperwork burdens for small national banks, and securities regulators have eased registration and filing burdens for small business.

Small business is also keenly interested in tax relief, particularly relating to capital gains and estate taxes. I agree that the federal government should encourage investment, and have been supportive of carefully designed efforts to increase savings and investment. I would expect to support such changes again in the context of comprehensive, fiscally responsible tax reform.

REGULATORY RELIEF

Federal, state and local governments impose too many requirements on the operation of businesses. The burdens often include substantial paperwork and recordkeeping requirements. The White House Conference made several recommendations for easing or eliminating federal regulations, some of which have been acted upon and others of which are under consideration in Congress.

Congress, with my support, approved a measure to minimize the paperwork burden for regulatory compliance. I have also supported bills, approved by the House and pending in the Senate, to impose a temporary moratorium on regulations; require federal agencies to conduct risk assessment and cost-benefit analysis of federal regulations; permit small businesses to challenge proposed federal rules in court; require compensation for property owners adversely affected by regulations; reform product liability laws; and change federal procurement laws to increase government use of commercial items.

We need a commonsense regulatory system that works for small businesses, not against them. The system should protect health, safety and the environment without imposing unacceptable or unreasonable costs on small business. Regulations should recognize that the private sector is the best engine for economic growth, respect the role of state and local governments, and be effective, sensible and understandable.

WORKFORCE INVESTMENT

As business technology has become more complex and the world economy more competitive, the strength of the American economy depends on the skills and training of our workforce. Small business owners often tell me of the need to improve the quality of education and access to skill training. The White House Conference echoed these views.

The task of preparing our workers falls on many of us: parents, educators, businesses, and the public sector. The federal government has a secondary, though, important role. Congress, with my support, is currently reforming federal job training efforts—streamlining various programs and giving more flexibility to the states. I do not support, however, the deep cuts in job training and school-to-work programs favored by Speaker Gingrich.

The White House Conference also focused attention on the rising cost of providing workplace benefits, urging various pension and health care reforms to ease these pressures. Congress, with my support, approved a measure to reinstate the 25% health insurance premium deduction for the self-employed and raise the deduction level to 30% in tax year 1996. I favor a 100% deduction. Congress is also debating proposals to encourage greater retirement savings.

CONCLUSION

We Americans should try to help small businesses compete by increasing their productivity—by increasing the quality and quantity of capital their workers use, by improving their employee skills through training, and by enhancing their management skills. Ensuring that financing is available and affordable will be critical to allowing small business to achieve these goals. Their competitiveness will also be improved by easing regulations. Small firms must also continue to do what they do best—experiment with new products and process innovations—if they are to hold their important position at the leading edge of the American economy.

ELLA LEE COLLINS TURNS 100 FEBRUARY 20

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. WALSH. Mr. Speaker, I ask my colleagues to join me today in wishing a special happy birthday to Ella Lee Collins of Syracuse, NY, who turns 100 on February 20.

On behalf of her 3 children, 19 grandchildren, and 26 great-grandchildren, all of whom turn to her for advice and guidance as she remains an active matriarch and all of whom have never been neglected a birthday wish from her—I wish her a happy, happy centennial celebration.

On my own behalf I want to thank her for 30 years of service as an active member of the Board of Elections in Baldwinsville, NY. Fulfilling civic responsibility in this way, she has gained many admirers through her career.

Having spent her life in service to family and community, Ella Lee Collins now lives in the Bishop Ludden Apartments and spends her private time on some favorite TV watching: The Guiding Light soap opera and New York Yankees games.

May God grant us all the longevity and vitality of Mrs. Collins.

BILL TO AUTHORIZE THE ARMY CORPS OF ENGINEERS TO MAKE CAPITAL IMPROVEMENTS TO WASHINGTON AQUEDUCT

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Ms. NORTON. Mr. Speaker, since 1859, the Washington Aqueduct has provided Washington, DC, and the metropolitan region with safe drinking water. Each and every day, 24 hours each day, the Aqueduct collects, treats, and transports water to the District, Arlington County, Falls Church, the Pentagon, National Airport, and Arlington Cemetery. The Army Corps of Engineers owns and operates the Aqueduct on behalf of the Department of the Army and in fiscal year 1994 alone, delivered 67 billion gallons of water to Aqueduct customers—60 percent of that amount to the District of Columbia.

In his February 1, 1996 report, The Washington Aqueduct: Financing and Ownership Study, Secretary of the Army Togo West reports that throughout its history, the Aqueduct has been continually upgraded and improved to meet changing regulations and new technology. The Secretary, however, admits that Aqueduct facilities currently are "in need of modernization to meet future drinking water and water quality." Evolving Safe Water Drinking Act standards in fact require upgrading Aqueduct facilities.

Last November, Virginia Senator JOHN WARNER, chair of the Senate Subcommittee on Transportation and Infrastructure, included a provision in both the Water Resources Development Act (S. 640) and the Safe Drinking Water Act (S. 1316) which authorizes the Army Corps of Engineers to borrow the funds from the Treasury necessary for improving the Washington Aqueduct. This loan would have to be repaid by the Aqueduct's customers and, as such, the Congressional Budget Office scores it as no cost to the Federal Government. The measure I introduce today is identical to Senator WARNER's legislation.

This bill will provide a financial mechanism for the repairs so that the hundreds of millions of dollars for the work do not result in exorbitant hikes in water rates. Under current rules, any needed capital improvements at the Aqueduct must be paid for in advance by District consumers and consumers in Arlington County and the city of Falls Church.

In response to more stringent water quality requirements being implemented nationally by the EPA, substantial costly improvements of $200–$500 million will be necessary at the Aqueduct over the next 10–15 years. Affordable water rates can be maintained only if payments are spread out over an extended period of time. This bill will ensure the long term future of the Aqueduct at reasonable consumer rates.

I urge my colleagues to support this important measure granting the Corps of Engineers the authority to provide vital improvements to the Aqueduct and ensuring safe drinking water for all of those served by this facility.

H.R.—

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CAPITAL IMPROVEMENTS FOR THE WASHINGTON AQUEDUCT.

(a) AUTHORIZATIONS.—

(1) AUTHORIZATION OF MODERNIZATION.—Subject to approval in, and in such amounts as may be provided in appropriations Acts, the Chief of Engineers of the Army Corps of Engineers is authorized to modernize the Washington Aqueduct.

(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Army Corps of Engineers borrowing authority in amounts sufficient to cover the full costs of modernizing the Washington Aqueduct. The borrowing authority shall be provided by the Secretary of the Treasury, under such terms and conditions as are established by the Secretary of the Treasury, after a series of contracts with each public water supply customer has been entered into under subsection (b).

(b) CONTRACTS WITH PUBLIC WATER SUPPLY CUSTOMERS.—

(1) CONTRACTS TO REPAY CORPS DEBT.—To the extent provided in appropriations Acts, and in accordance with paragraphs (2) and (3), the Chief of Engineers of the Army Corps of Engineers is authorized to enter into a series of contracts with each public water supply customer under which the customer commits to repay a pro-rata share of the principal and interest owed by the Army Corps of Engineers to the Secretary of the Treasury under subsection (a). Under each of the contracts, the customer that enters into the contract shall commit to pay any additional amount necessary to fully offset the risk of default on the contract.

(2) OFFSETTING OF RISK OF DEFAULT.—Each contract under paragraph (1) shall include such additional terms and conditions as the Secretary of the Treasury may require so that the value to the Government of the contracts is estimated to be equal to the obligational authority used by the Army Corps of Engineers for modernizing the Washington Aqueduct at the time that each series of contracts is entered into.

(3) OTHER CONDITIONS.—Each contract entered into under paragraph (1) shall—

(A) provide that the public water supply customer pledges future income from fees assessed to operate and maintain the Washington Aqueduct;

(B) provide the United States priority over all other creditors; and

(C) include other conditions that the Secretary of the Treasury determines to be appropriate.

(c) BORROWING AUTHORITY.—Subject to an appropriation under subsection (a)(2) and after entering into a series of contracts under subsection (b), the Secretary, acting through the Chief of Engineers of the Army Corps of Engineers, shall seek borrowing authority from the Secretary of the Treasury under subsection (a)(2).

(d) DEFINITIONS.—In this section:

(1) PUBLIC WATER SUPPLY CUSTOMER.—The term "public water supply customer" means the District of Columbia, the county of Arlington, Virginia, and the city of Falls Church, Virginia.

(2) VALUE TO THE GOVERNMENT.—The term "value to the Government" means the net present value of a contract under subsection (b) calculated under the rules set forth in subparagraphs (A) and (B) of section 502(5) of the Congressional Budget Act of 1974 (2 U.S.C. 661a(5)), excluding section 502(5)(B)(i) of the Act, as though the contracts provided for the repayment of direct loans to the public water supply customers.

(3) WASHINGTON AQUEDUCT.—The term "Washington Aqueduct" means the water supply system of treatment plans, raw water intakes, conduits, reservoirs, transmission mains, and pumping stations owned by the Federal Government located in the metropolitan Washington, District of Columbia, area.

TRIBUTE TO HELEN G. JACOB

HON. JACK QUINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. QUINN. Mr. Speaker, I rise today to recognize the distinguished community service of Helen G. Jacob, on the occasion of the opening of the Department of Veteran's Affairs Western New York Healthcare System Women's Wellness Center dedicated in her honor.

Ms. Jacob has served the State of New York as the chairperson of the Rehabilitation Committee for Women Veterans, a project which she initiated in 1984. She has also served as the vice president of the National Historians' Association, Area I, which encompasses 12 States and 3 separate countries.

In addition to these remarkable duties, Helen Jacob is also the women's coordinator for the Veterans Administration Medical Center in Buffalo, NY. In this capacity, she has selflessly dedicated countless hours on a volunteer basis to the personal needs of both inpatient and outpatient women in the medical center's care.

Helen also holds the prestigious honor of being the only women elected as Commander of the American Legion of Erie County, a position responsible for approximately 14,000 members in over 50 posts.

Since its inception in 1992, Ms. Jacob has provided insight and expertise in veteran related issues on my 30th Congressional District Veterans Advisory Committee. Helen's insight and sage advise on matters concerning our Nation's veterans is truly appreciated, and I unreservedly offer her my enthusiastic congratulations and commendations for this dedication.

The dedication of the Helen G. Jacob Women's Wellness Center is also testimony to the innovative spirit of the hospital itself, as it is the only one of its kind nationwide in a veterans hospital or medical center.

Mr. Speaker, today I join with the Jacob family, her colleagues, friends, all of those who served our Nation in the Armed Forces, and indeed, the entire western New York community to honor Ms. Helen G. Jacob for her dedication, hard work, and commitment to western New York and its veterans.

AMERICORPS: INVESTMENTS WORTH MAKING IN OUR CHILDREN AND COMMUNITIES

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. VENTO. Mr. Speaker, I rise today in support of a valuable initiative that is an investment in both our Nation's communities and the citizens who live in them, the AmeriCorps Program. AmeriCorps participants earn money for their education by giving their time to efforts that improve communities and help people in need. The goal of the AmeriCorps Program is to support communities' efforts to provide for the human, educational, environmental, and public safety needs in their area. AmeriCorps initiatives serve to strengthen communities, increase civic responsibility, and expand opportunities for our Nation's citizens in need. These goals mean the AmeriCorps Program benefits our Nation on two fronts. It expands the knowledge and skill of our Nation's next generation of workers while simultaneously benefiting community organizations that are struggling to deliver essential assistance to our most vulnerable citizens, a struggle that will only increase in future years as budgets tighten and these organizations are asked to take a more prominent role in the delivery of such assistance.

When discussing AmeriCorps, some of my colleagues have referred to a General Accounting Office [GAO] study that shows higher costs per participant in the AmeriCorps Program than first calculated. The study states that the average cost per AmeriCorps member is $26,654. The study, however, neglects to calculate the benefits, economic or social, that the program provides. In fact, the very objective of this GAO study was solely to calculate the per participant cost figure, not to determine whether the AmeriCorps Program provides higher benefits than those costs or whether the program has been effective in reaching its goals. The GAO analysis, therefore, is a one dimensional study because major value is added by AmeriCorps participants that is not considered.

The University of Minnesota recently completed a study of the benefits of the AmeriCorps Program in Minnesota and how those benefits compare with program costs. The study noted a number of economic and social benefits that the GAO study ignores, concluding that AmeriCorps initiatives benefit communities far more than they cost. One example is an AmeriCorps project in Minneapolis where nine AmeriCorps youths, some having a prior brush with the law, renovated four homes. The resulting benefits to the city include property appreciation, increased tax payments, decreased cost to the justice system, and the benefit of having the participating youth learn valuable skills and a strong work ethic. The University of Minnesota study concludes that the community received a benefit of $3.90 per every dollar put into the project; that is nearly a 4 to 1 benefit ratio.

In West St. Paul, 14 dedicated AmeriCorps members coached and tutored 800 students, contributing to a 30-percent drop in theft and vandalism in the area. This drop in crime saved taxpayers $160,000 in law enforcement and property costs, and helped earn this program a $2.94 benefit to each dollar of cost. In addition to the direct economic benefits measured by the study, this project helped to educate hundreds of students who will benefit from that education long after their participation in the project is finished. AmeriCorps members in Minnesota also ran a program to help high school drop-outs gain their diplomas. Forty young people earned their diploma from this effort. The community, however, gained much more in the form of increased income tax revenue resulting from these new graduates' higher expected incomes and, more importantly, it gained a more educated population which is more likely to see the value of voluntarism and give back to their community in later years.

AmeriCorps is working for our communities and youth in Minnesota and, I expect, throughout the Nation. In Minnesota, the AmeriCorps Program has indeed been effective in reaching its goals and has proven to be an efficient use of public funds. Minnesota members of AmeriCorps work with organizations such as the Boys and Girls Clubs, the Salvation Army, the YMCA, Habitat for Humanity, and the National Multiple Sclerosis Society as well as with public entities like Minneapolis Public Schools and the Minnesota Department of Natural Resources. Their activities include tutoring and mentoring young students, reducing adult illiteracy, rehabilitating and constructing low-income housing, restoring deteriorating parks and green spaces, aiding elderly citizens with independent living, and providing outreach services to victims of domestic violence, to name only a fraction of their past and ongoing efforts. These are civic endeavors that make a real difference in peoples' lives in our State, and the AmeriCorps members that are achieving these successes are young people who, because of AmeriCorps, will gain the opportunity to go to college or acquire other types of training so that they can build better lives for themselves and their families.

A recent Gallup Poll found that 94 percent of Americans agree that national service initiatives like AmeriCorps are important efforts for the Federal Government to organize and maintain. Furthermore, 75 percent of Americans object to reducing or eliminating the program. Nonetheless, the Republican majority has, ironically, targeted national service initiatives such as AmeriCorps for elimination while citing a study that only analyzes costs and is blind to the benefits of the program, therefore, concluding erroneously that our Nation cannot afford such an effort.

Proposed reductions in funding for education, welfare, and other programs that help our children and disadvantaged families make the work of AmeriCorps even more essential. The AmeriCorps Program is a double investment in the future of this Nation. The program not only gives struggling social service organizations a helping hand assisting our most vulnerable children, adults and elderly citizens, it helps AmeriCorps participants become relevant, productive, successful members of their communities and teaches all participants the value and importance of giving back to the communities in which they live. The AmeriCorps Program is a good investment in our Nation, and it is working. Let us keep AmeriCorps in place to serve our youth and our communities.

MILLIONS SUFFER UNDER INDIAN REPRESSION

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. BURTON of Indiana. Mr. Speaker, last week the nation of India celebrated its Republic Day, the 46th anniversary of the adoption of its constitution in 1950. On this occasion, it seems fitting to step back and assess India's progress in the areas of human rights and conflict resolution with its neighbors.

It is unfortunate to report that India's progress in many areas has not been very good. In terms of making peace with its neighbor, Pakistan, India's record has frankly been abysmal. In fact, on the very day that India was celebrating Republic Day, two rockets were fired into a small town in the Kashmiri region of Pakistan. One struck a mosque just after noon prayers, killing 20 civilians and injuring many more. It is widely assumed that the rockets were fired by the Indian Army. The next day, India took the very belligerent step of test-firing its Prithvi II missile. This new missile is nuclear-capable and able to reach any major city in Pakistan.

India's refusal to negotiate seriously with its neighbor Pakistan, and with the Kashmiri people, over the status of Kashmir has been a major disappointment to the world community. Much more disappointing has been India's inhuman record of government-sanctioned murder and torture in Kashmir. For years, India's security forces have run amuck in Kashmir, committing gang-rapes, extrajudicial killings, burning down entire villages, spraying gunfire into crowds of civilians and committing unspeakable acts of torture on the Kashmiri people. India has conducted a carefully orchestrated campaign of rape, torture, and murder in order to keep the people of Kashmir from demonstrating for independence.

I was particularly struck by one story reported by Professor William Baker in a recent book:

He interviewed a young woman who had been abducted by Indian soldiers who had just searched her village. They dragged her off to their compound, where they kept her naked in a pit. They raped her in a pit for 10 days. They extinguished their cigarettes all over her body. When they were through with her, they took her to the bank of a river, stabbed her in the head with a bayonet, and left her for dead. Today she is so traumatized, she has lost most of her memory.

For the people of Kashmir, such treatment is all too common. In neighboring Punjab, where the Sikh people have also been fighting for their right to self-determination, the human rights situation has been just as dismal. In June of 1984, 11 years ago, as the movement for a free Khalistan was gaining steam, the Indian Army launched an assault on the holiest Sikh shrine—the Golden Temple in Amritsar. Thirty-eight other temples were also attacked, and over 20,000 Sikh civilians were murdered. Since that time, life in Punjab has been a nightmare of repression. Thousands of Sikhs are imprisoned without charges and tortured. Young men are abducted by security forces and disappear forever. Entire families are brutalized.

Mr. Speaker, recently, the Indian Government has been making the claim that the human rights situation in Punjab has improved dramatically. Unfortunately, there is no truth to the claim. It has been estimated that as many as 70,000 Sikhs languish in Indian prisons without charges. Asia Watch has reported that "virtually everyone detained in Punjab is tortured."

Last month, I sent around a Dear Colleague letter detailing a particularly horrible encounter that happened late last year. A human rights activist was detained by Indian police along with his driver. The driver's legs were tied to two separate jeeps that drove off in opposite directions, tearing the man into pieces. The human right activist had disappeared.

In another case that has received widespread attention, well-known human rights figure Jaswant Singh Khalra was abducted by police last September. Mr. Khalra earned the wrath of the Indian Government by publicizing charges that the army had murdered over 25,000 Sikhs and cremated their bodies to cover up their crimes. Despite international protests, including a letter from myself and 64 of my House colleagues, Mr. Khalra has disappeared into the Indian prison system.

Mr. Speaker, Mr. Khalra should be released immediately, along with all prisoners of conscience in Punjab and Kashmir. It is long past time for India's reign of terror to come to an end. The Indian Government cannot achieve its goals through the systematic abuses of basic human rights. The time has come for the Government of India to sit down and negotiate agreements with Sikh and Kashmiri political leaders that respect their rights to democracy, self-determination, and human rights.

I would like to make one final observation. In the very near future, India's Ambassador to the United States, Mr. S.S. Ray, will be returning to India. Mr. Ray has been a controversial figure. During the late 1980's, he was the Governor of the State of Punjab. This was at the time when some of the worst atrocities were taking place there, and Ambassador Ray was, at the time, in command of the security forces who were committing them. It was highly inappropriate for the Government of India to send to us an ambassador who has been widely charged with responsibility for a campaign of human rights abuses by security forces under his watch. I hope that, in selecting a new ambassador, the Indian Government will be more sensitive to the concerns of the American people and the international community.

TRIBUTE TO CHARLES H. CURLEY

HON. LYNN C. WOOLSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Ms. WOOLSEY. Mr. Speaker, I rise today to honor one of my district's more dedicated and caring individuals, Charles H. Curley. Chuck is being honored as Marin Citizen of the Year for 1995. I wish that I could be with his colleagues, friends, and family tonight as we celebrate his remarkable accomplishments.

Chuck has been a devoted resident of Marin County since he moved here over 35 years ago. Chuck's work has come as both monetary support and as direct participation on task forces and focus groups. Serving as mayor of Larkspur, councilman, planning commissioner, president of the Police Commission, Chuck has spent countless hours working with community leaders in an effort to create a strong alliance throughout Marin. I wish to recognize Chuck for his commitment to the people of Marin County, and to thank him for his long record of public service.

The enthusiasm that Chuck has for both the arts and the environment is seen through his participation in various activities throughout the county. In addition to serving as president of the Marin Arts Council, Chuck is also a patron of the Marin Society of Artists. His effort and dedication has opened the door for numerous artists and has introduced young children to the world of art. Chuck and his wife Nancy were honored in 1994 for their outstanding contribution to the Arts of Marin.

Chuck is also committed to protecting our environment. He was vice-president of the Marin Conservation League, and is currently a member of the Pt. Reyes Bird Observatory and the Sierra Club.

Mr. Speaker, it is my great pleasure to pay tribute to Charles H. Curley during this special evening at the Marin Civic Center. Marin County owes a great deal of gratitude for the tireless efforts of Chuck over the years. He has worked hard time and time again on behalf of many people and for many important causes. I extend my hearty congratulations and best wishes to Chuck and his wife Nancy for continued success in the years to come.

LET'S DON'T RISK THE AVOCADO INDUSTRY

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. PACKARD. Mr. Speaker, growers in my district produce the most and the best avocados in the world. In order to ensure that we remain competitive we need to make sure our crops remain the best in the world.

For that reason, I rise to urge the USDA to stop the rulemaking process that would modify the quarantine on Mexican Hass avocados. I ask Secretary Glickman, to prevent a rule from going forward which risks the entire avocado industry, especially when there is so much disagreement about the quality of the science underlying the USDA's determination.

As a member of the appropriations Committee, I worked with my colleagues to address this issue in the fiscal year 1996 agriculture appropriations legislation. The bill, which the President signed into law back in October, expects the U.S. Department of Agriculture to use scientifically credible pest risk assessment and risk management before lifting the current quarantine on Mexican avocados.

During the appropriations process, we asked for the USDA to conduct an independent review of the science. Unfortunately, the Secretary turned us down and suggested that the avocado industry take the lead in this regard.

The Center for Exotic Pest Research at the University of California at Riverside reviewed the proposed rule and published an extremely troubling report. Their findings were strikingly different from those of the USDA and give me great cause for concern. UC Riverside found, and I quote:

> The proposed rule's risk assessment contains undocumented assertions, highly questionable estimates, and improper methodology, and as a result, we find it to be invalid.

Free trade is the engine that drives a vibrant economy. I know that growers in my district will compete against any avocado grower in the world. However, the UC Riverside report gives credence to their fears that Mexican avocados coming across the border could carry infestation that could spread throughout the country. I certainly don't believe Secretary Glickman wants to usher in another disaster like the Mediterranean fruit fly.

I think it just makes sense to learn our lesson and take a cautious approach. I urge the Secretary to listen to the experts at UC Riverside and craft a rule that does not put the American avocado industry at risk.

TRIBUTE TO EUGENE JUNETTE

HON. GEORGE P. RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. RADANOVICH. Mr. Speaker, I want to bring to the attention of my colleagues an extraordinary program that began in government but has for the past 20 years been supported by the private sector to the benefit of millions of children in this country and countries around the world.

Most particularly I wish to point with pride to the individual who has carried this splendid program forward from its beginning in a U.S. Justice Department agency in the 1970's to the worldwide anticrime program that is has become today. He is my constituent, Eugene Junette of Fresno, CA.

The program that Mr. Junette has spearheaded since 1976 is Play It Safe, a crime prevention program launched by the Law Enforcement Assistance Administration [LEAA]

Office of Public Affairs in 1974 by its director, Malcolm Barr. Mr. Junette has asked that Mr. Barr, who retired Feb. 3, 1996, as an Associate Director of Public Affairs, U.S. Department of Commerce, following an illustrious 26-year government career, and other Federal Government officials who helped him—Wilbur Brantley, the late Cornelius Cooper, and Joseph Mulvey—share credit for this highly acclaimed program.

Play It Safe is, in fact, a simple coloring book, originally approved by the U.S. Justice Department and various sheriffs, police, and juvenile justice organizations.

It began in Mr. Barr's office on a shoestring budget and was visualized and developed by Mr. Barr and his small staff. When funds ran out, Mr. Barr approached Kiwanis International which agreed to promote, print, and distribute the booklet among preschool, kindergarten, and elementary school children in the United States, at no cost to the Government. Eugene Junette was appointed chairman.

Under Mr. Junette's enthusiastic guidance, the Play It Safe program multiplied to all 50 States and into 61 foreign countries. The coloring book is translated into 31 languages. Thousands of volunteers now work with what has become Play It Safe International, Inc., whose address is 1289 N. Temperance Avenue, Fresno, CA 93727.

Numerous service clubs and other nonprofit organizations are responsible for the distribution of some 26 million copies of the coloring book. Play It Safe, through Mr. Barr, used the nationally syndicated children's television program "Romper Room" in Baltimore, MD, to jump-start the project that I am told cost the American taxpayer no more than $20,000. As a result, millions of young children have been effectively educated about how to minimize criminal opportunities against themselves and their friends.

Play It Safe volunteers have also helped develop a parent/teacher guide and home safety check list. Mr. Junette has dedicated the last 20 years of his life, often working 16 to 18 hour days, to help protect children from criminal activity. I join him in drawing attention to Mr. Barr, of Alexandria, VA, who he credits as the man with the vision to see the future possibilities of Play It Safe, not as a Government-sponsored project, but as a private sector program dedicated to the safety and wellbeing of children in this and many nations around the world. Mr. Barr described Play It Safe as a major accomplishment of his long Government career. I join his colleagues and friends wishing him well in his retirement.

As the Play It Safe program completes its 20th year of private sector sponsorship, I wish to particularly salute my constituent Mr. Junette, and all the thousands of volunteers who have helped in furthering the Play It Safe project, and to point to this amazing display of volunteerism that I am proud to say has emanated from my congressional district for two decades.

ACADEMY REVIEW BOARD

HON. RODNEY P. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. FRELINGHUYSEN. Mr. Speaker, every year, more high school seniors from the 11th Congressional District trade in varsity jackets for Navy peacoats, Air Force flight suits, and Army brass buckles than any other district in the country. But this is nothing new: our area has repeatedly sent an above average proportion of its sons and daughters to the Nation's military academies for decades.

This shouldn't come as a surprise. The educational excellence of our area is well known and has long been a magnet for families looking for the best environment in which to raise their children. Our graduates are skilled not only in mathematics, science, and social studies, but also have solid backgrounds in sports, debate teams, and other extracurricular activities. This diverse upbringing makes military academy recruiters sit up and take note—indeed, many recruiters know our towns and schools by name.

Since the 1830's, Members of Congress have enjoyed meeting, talking with, and nominating these superb young people to our military academies. But how did this process evolve?

In 1843, when West Point was the sole academy, Congress ratified the nominating process and became directly involved in the makeup of our military's leadership. This was not an act of an imperial Congress bent on controlling every aspect of the Government. Rather, the procedure still used today was and id one further check and balance in our democracy. It was originally designed to weaken and divide political coloration in the officer corps, provide geographical balance to our armed services, and to make the officer corps more resilient to unfettered nepotism that handicapped European armies.

In 1854, Representative Gerrit Smith of New York added a new component to the academy nomination process—the academy review board. This was the first time a Member of Congress appointed prominent citizens from his district to screen applicants and assist with the serious duty of nominating candidates for academy admission. Today, I am honored to continue this wise tradition in my service to the 11th Congressional District.

The Academy Review Board is composed of nine local citizens who have shown exemplary service to New Jersey, to their communities, and to the continued excellence of education in our area—many are veterans. Though from diverse background and professions, they all share a common dedication to seeing that the best qualified and motivated graduates attend our academies. And, as is true for most volunteer panels, their service goes largely unnoticed.

I would like to take a moment to recognize these men and women and to thank them publicly for participating in this important panel. Being on this board requires hard work and an objective mind. Members have the responsibility of interviewing upwards of 50 outstanding high school seniors every year in the academy review process.

The nomination process follows a general timetable. High school seniors mail personal information directly to the Military Academy, the Naval Academy, the Air Force Academy, and the Merchant Marine Academy once they become interested in attending. Information includes academic achievement, college entry test scores, and other activities. At this time, they also inform their Representative of their desire to be nominated.

The academies then assess the applicants, rank them based on the data supplied, and return the files to my office with their notations. In mid-December, our Academy Review Board interviews all of the applicants over the course of 2 days. They assess a student's qualifications and analyze character, desire to serve, and other talents that may be hidden on paper.

Last year, the board interviewed 41 applicants. Nominations included 20 to the Naval Academy, 10 to the Military Academy, 6 to the Air Force Academy, and 1 to the Merchant Marine Academy (the Coast Guard Academy does not use the Congressional Nomination process). The Board then forwards their recommendations to the academies by January 31, where recruiters review files and notify applicants and my office of their final decisions on admission.

It is both reassuring and rewarding to know that many of our military officers hail from our hometowns or close by. When we consider the role of these officers in peace or war, we can rest easier knowing that the best and brightest are in command. Wherever they are sent, be that Bosnia, Somalia, Haiti, or Vietnam, many of these officers have academy training.

And while a few people may question the motivations and ambitions of some young people, the academy review process shows that the large majority of our graduates are just as highly motivated as the generation before them. They still seek guidance from loving parents, dedicated teachers, and schools, and from trusted clergy and rabbis. Indeed, every time I visit a school, speak at a college, or meet a young academy nominee, I am constantly reminded that we as a Nation are blessed with fine young men and women.

Their willingness and desire to serve their country is perhaps the most persuasive evidence of all.

ACADEMY NOMINEES FOR 1995, 11TH CONGRESSIONAL DISTRICT, NEW JERSEY

NAME, HOMETOWN, HIGH SCHOOL, AND ACADEMY

Justin White, Basking Ridge, Ridge, Naval.

Robert Vuolo, Morris Plains, Delbarton, Naval.

Renuka Vijayanathan, N. Caldwell, West Essex, Naval.

Kevin Orisini, Sparta, Sparta, Naval.

Meghan Neumann, Succassunna, Roxbury, Military.

John Eure, Rockaway, Morris Catholic, Naval.

Michael Kester, Bridgewater, Bridgewater/Raritan, Naval.

Patrick Nelson, Hackettstown, Bridgeton Academy, Naval.

Brian Fitzgerald, Mendham, West Morris Mendham, Naval.

Daniel Figenshu, Madison, Delbarton, Naval.

Richard Evans, Flanders, Mt. Olive, Naval.

Robert Poggio, Long Valley, West Morris Central, Naval.

Cory Winer, Wharton, Choate Rosemary Hall, Military.

Anthony Bruno, East Hanover, Hanover Park, Naval.

Louis Amorosa, Somerville, Immaculata, Naval.

Jason Corbisiero, Rockaway, Morris Catholic, Naval.

Andrew Gassman, Chatham, Oratory Prep, Naval.

Damon Finaldi, Florham Park, Hanover Park Regional, Naval.

Frederic Haeussler, Florham Park, Choate Rosemary Hall, Naval.

John Neuhart, Chatham, Ohio State ROTC, Naval.

Mary Faulkner, Long Valley, West Morris Central, Air Force.

Brent Kruel, Dover, Randolph, Air Force.

Jeffrey Melitski, Bernardsville, Bernardsville, Air Force.

Hunter Lonsberry, Morristown, Morristown Beard, Air Force.

Timothy Larkin, Long Valley, West Morris Central, Merchant Marine.

James Wong, Randolph, Randolph, Military.

Scott Magaziner, Randolph, Randolph, Air Force.

Mark Chiarvalloti, Rockaway, Penn State USMA Prep., Military.

Victor Camaya, Pompton Plains, Pequannock, Military.

Andrew Moan, Far Hills, Pingry, Naval.

Louis Kuo, Parsippany, Parsippany, Military.

Michael DeCicco, Raritan, Bridgewater/Raritan, Military.

David Esposito, Caldwell, James Caldwell, Military.

Joel Tompkins, Chatham, Chatham, Military.

Tatiana Kazdoba, Denville, Villa Walsh Academy, Naval.

Shane Rowe, Dover, New Mexico Military Institute, Military.

Thomas Rogers, Rockaway, Morris Knolls, Air Force.

TRIBUTE TO SIDDHARTHA SHANKAR RAY

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. MANTON. Mr. Speaker, I rise today to pay tribute to Siddhartha Shankar Ray for serving with distinction as India's Ambassador to the United States for the past 3½ years. During his tenure, relations between the United States and India have reached a new plateau of strength, friendship, and understanding. The United States has become India's largest investor, and India has been named by the Department of Commerce as one of the key emerging markets for United States business for this decade and the next century.

There are many reasons for this dramatic improvement in relations between our two countries. However, I believe it is clear that no one has made a greater contribution or played a more central role in this transformation than Siddhartha Shankar Ray. He has worked tirelessly with the Congress and the executive branch as well as State and local officials around the country to help ensure that our Government fully understands India's needs and concerns. He has been a bridge builder between the United States business and investment community and the Indian private and public sector. He has been a sought after speaker and commentator in the academic community here, along with numerous important think tanks and private foundations. Finally, Ambassador Ray has been an ambassador "par excellence" in the Indian-American community. He has travelled to almost every State and city with an Indian-American population reminding Americans of Indian descent and of the important economic reforms unfolding on the subcontinent, while urging Indian-Americans to be active participants in the transformation of the Indian economy.

Mr. Speaker, Ambassador Ray has greatly impressed many of us in the Congress with his artful diplomacy, his keen logic and his persuasive skills. He has taken the thorniest issues in the Indo-United States relationship and presented them to decision makers in the United States in a manner which has been both convincing and reassuring. It is obvious to anyone who has worked with him during the past several years that Ambassador Ray's skills as an imminent India barrister have served India well during his term as Ambassador.

Of course, Ambassador Ray has not achieved all of these successes by himself. He possesses another invaluable asset: his lovely wife, Maya, who also is a noted barrister and former elected official. Maya Ray has been a gracious host, trusted advisor and articulate spokesperson. Together, they have proven to be a superb team.

Mr. Speaker, later this month, Siddhartha Shankar Ray will leave his position as Ambassador to the United States to return to Calcutta, his home city, to stand for election to the Lokh Sabha, India's House of Parliament. While it would be improper for any Member of this body on either side of the aisle to endorse a candidate for office in India, I am certain all of my colleagues agree that Ambassador Ray will approach the coming campaign with the same level of energy, dedication and articulate persuasion that were the hallmark of his years in Washington.

Mr. Speaker, I know my colleagues join me in wishing Siddhartha Shankar Ray and Maya every good wish in the months and years to come. We invite them to visit us in Washington often to witness the fruits of Ambassador Ray's labor as the Indo-United States relationship continues to grow and prosper.

SUPPORT PEACE AND DEMOCRACY IN TURKEY: SUPPORT HOUSE CONCURRENT RESOLUTION 136

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. HOYER. Mr. Speaker, on January 25, 1995, I joined the chairman of the Helsinki Commission, CHRIS SMITH, in introducing H. Con. Res. 136, legislation which advocates a peaceful end to the conflict between the Government of Turkey and Kurdish militants. I urge my colleagues to join us as cosponsors of this important resolution aimed at ending a vicious cycle of violence and terror which has claimed so many lives over the past decade and has eroded the impressive strides made by a government committed to achieving full-fledged democracy.

Mr. Speaker, for more than a decade Turkey's citizens, especially those residing in the southeast, have suffered the horrors of terrorism and the excesses of a government committed to eradicating terrorism at any cost. More than 20,000 people have died in clashes among security forces, the Kurdistan Workers Party [PKK] and shadowy Muslim fundamentalist groups. Turkish troops in southeast Turkey have forcibly evacuated or destroyed more that 2,650 Kurdish villages, burned crops, killed livestock, and displaced more than three million people. Citizens are detained, tortured, extrajudicially executed or disappear without a trace. The PKK has also killed innocent civilians, mined local roads, and set off bombs in populated areas—contributing to the cycle of violence and the climate of fear that pervades southeast Turkey.

Mr. Speaker, earlier this month, European newspapers printed color pictures of Turkish soldiers posing with the heads of decapitated Kurdish guerrillas. These gruesome and despicable photos all too graphically underline the hatred and brutality fueling this conflict. But even more, the pictures reinforce the urgent need for reconciliation. Violence and terrorism will not resolve this conflict. Only dialog can help overcome bitterness inspired by 12 years of war. House Concurrent Resolution 136 promotes an end to violence and a beginning for efforts promoting reconciliation and understanding.

Mr. Speaker, Chairman SMITH and I are sending letters to officials of the Organization for Security and Cooperation in Europe [OSCE] urging them to initiate and support steps to resolve the escalating conflict in Turkey. We believe the OSCE should establish a million of long-duration to monitor human rights abuses and help defuse sources of conflict and have asked that the OSCE chairman-in-office send a personal representative to develop recommendations concerning the mandate and scope of future OSCE activities in Turkey. We have also asked the president of the OSCE Parliamentary Assembly to designate a parliamentary delegation to Turkey to assist in this task. The OSCE has played a critical role in conflict prevention, mediation, and human rights monitoring in the former Yugoslavia, the Caucasus, the Baltic States, and elsewhere. An OSCE presence in Turkey would be especially helpful as local non-governmental organizations, international humanitarian groups, including the International Committee of the Red Cross, and even journalists are not allowed by authorities to operate freely in this region.

Mr. Speaker, Turkey and Israel are the only functional democratic states in the Middle East. Turkey is a NATO ally and OSCE member. The government's inability to peacefully and democratically resolve the Kurdish conflict jeopardizes Turkey's democratic foundations, drains a stumbling economy, threatens regional stability, and makes closer relations with Europe and the United States problematic. Our Government has been instrumental in helping resolve conflicts in the Middle East, the Balkans and elsewhere. Mr. Speaker, if we truly value our strategic, economic and political partnership with Turkey, and I believe we do, we must act now to help end this brutal conflict. It is precisely because of that partnership that we seek to assist Turkey in ending this conflict.

Mr. Speaker, I urge my colleagues to review House Concurrent Resolution 136. I believe it represents a balanced and thoughtful first step that our Government can and should take to promote peaceful resolution of a difficult and divisive conflict. I call on all my colleagues who value human rights and our partnership with Turkey to cosponsor this resolution. We must try to help stop the violence.

THE STATE OF THE UNION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, January 31, 1996 into the CONGRESSIONAL RECORD:

THE PRESIDENT'S STATE OF THE UNION ADDRESS

Declaring that the era of big government is over, the President embraced a centrist view of government in his State of the Union address. The speech had no soaring rhetoric, and it was rather blandly written and probably too long, but he delivered it forcefully and appeared robust and strong. By complimenting his chief political opponent he came across as gracious and fair minded. As usual, he threw about everything into the speech. Most observers felt that he had a very good night.

OVERVIEW

He gave an upbeat view of the nation, saying that the state of the union is strong and that America has made progress in reducing the deficit, creating new jobs, and keeping unemployment and inflation low. He emphasized that the crime rate, teen pregnancies, high school drop out rates, poverty and welfare rolls are all down, and that we have had great success in lowering air pollution, cutting tons of pesticides from water and food supplies. He emphasized progress made abroad, with the United States leading toward peace in Haiti, Northern Ireland, Bosnia, and the Middle East.

But the President did not dwell upon the progress; he emphasized the challenges that are before us—to balance the budget, keep families together, provide educational opportunities and economic security, continue the fight against crime and drugs, protect the environment, continue American world leadership, and make our government and its democracy work better for less money.

SIZE OF GOVERNMENT

Throughout the speech the President highlighted the theme of smaller government, saying that big government does not have all the answers, that there's not a program for every problem. He's right. He said that we need a smaller, less bureaucratic government in Washington, one that lives within its means, and he noted that the federal workforce is now at its lowest level in 30 years. He laid out the challenges for an age of possibility. He hit hard on the point that the government shutdowns are a mistake, also now acknowledged by Speaker Gingrich, and he challenged Congress never to shut the federal government down again. The President was equally sharp in his comments on the efforts to threaten the full faith and credit of the U.S. to try to force presidential budget or other policy concessions.

ECONOMY

The President was both optimist and critic of the American economy. He mentioned the impressive list of economic statistics that now characterize the American economy. The economy overall is in good shape, with low inflation and interest rates, steady growth, and relatively low unemployment. Yet at the same time, many Americans are fearful of layoffs, concerned about the growing gap between the rich and the poor, worried that wages are not keeping up with inflation, and doubtful about the future of the American dream.

MAJOR POINTS

As usual in a State of the Union address there was something in it for most everybody. The President hit very popular themes emphasizing a balanced budget, a strengthened American family, moving people from welfare to work, making health care more available to every American, and supporting the efforts of state and local police to catch criminals and prevent crime. He also stressed improving educational opportunities, reducing the drug problem, working with business to cut pollution, curbing the influence of special interests in politics, attacking the problem of illegal immigration, and maintaining America's role as a peacemaker in the world.

Strongly applauded were his references to education and cultural values, and his calls for responsible parents, decency on television and in the movies, and a crackdown on gangs. Reiterating themes he has often expressed in the past, he put heavy emphasis on working together as a community and reaching across the lines that divide us in order to find common ground and to make America work better. Again and again he said that the future can only be achieved by teamwork between Republicans and Democrats and between government and the private sector.

He spent remarkably little time talking about the protracted struggle over the budget, sounding at times as if the fight was already over. His eyes were clearly focused on the future and not the contentious and hostile battles going on with Congress. He did not lambast the Republicans, indeed he complimented their commitment to a balanced budget and took the high road throughout his speech.

The speech was significant in that it proposed few if any bold new initiatives and basically repeated calls the President has made in the past. He is clearly constrained by the fact that he has little money to play with and his emphasis on the limitations of government. The prominence of the traditional values of family and work were strong themes in his speech. A significant omission in the speech was any reference to his and the First Lady's problems with Whitewater.

PROTECTING AGAINST EXCESSES

I think the President sought to portray himself as a reasonable man who shared many of the goals of his political opponents but thought their means were too harsh. He conceded that government programs had become too costly and inefficient, but he did not abandon the fundamental obligations to the people who rely on Medicare and Medicaid, stating: "America cannot become stronger if they become weaker." I think the President is saying that he will cut back big government but he will do it compassionately, that he will keep many government programs but he will run them more efficiently.

CONCLUSION

The themes the President hit in his speech—limited government, an optimistic view of the future of America with great challenges and possibilities—hit responsive chords among Americans. In outlining the challenges to the country, the President for the most part chose not to attack his political opponents' positions but rather to emphasize common ground, and that also was well received. The key test for the President will be whether he is able to follow through on the themes and vision he laid out.

TRIBUTE TO OFFICER RUSSELL F. PITKIN

HON. BILL BAKER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. BAKER of California. Mr. Speaker, in March, one of California's finest law officers will retire after 31 years of dedicated service. Russell F. Pitkin has been an integral part of the Contra Costa Sheriff's Office for more than three decades, providing the kind of leadership and excellence that sets the standard for his peers.

During the course of his career, Mr. Pitkin participated in the 99th session of the FBI Academy in Quantico, VA. A holder of a master's degree in public administration, he rose from being a deputy sheriff to becoming undersheriff, and has served in every rank in the investigation division.

One of the highlights of his career came when he was involved in the felony investigation involving members of the Symbionese Liberation Army, which resulted in the arrest warrants for the kidnappers of Patty Hearst. His diligence in this effort was characteristic of his assiduous performance throughout his time in the sheriff's office.

The men and women who daily put their lives on the line for our safety and well-being are among the true heroes of our time. Russell Pitkin is one of the foremost of these heroes, and all Contra Costans owe him a debt of gratitude for all he has done to make the east bay the wonderful place it is. I am honored to recognize him today in the CONGRESSIONAL RECORD, and to wish him every success in his retirement.

TRIBUTE TO H. E. AMBASSADOR SIDDHARTHA SHANKAR RAY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. GILMAN. Mr. Speaker, I rise to pay tribute to my friend and colleague, Ambassador Siddhartha Shankar Ray, India's envoy to the

United States. During his 4 years in the United States, Indo-United States relations significantly improved. Ambassador Ray's efforts on behalf of his nation helped to educate so many of us in the Congress about the important economic reforms currently being implemented in the world's largest democracy. A distinguished diplomat, gentleman, and friend, Ambassador Ray and his wife, Maya, will be missed in Washington.

Prior to coming to Washington, both Ambassador and Mrs. Ray had distinguished legal careers and both also served their nation as Members of Parliament. Immediately preceding his current post, Ambassador Ray served with distinction as Governor of Punjab. Those of us who closely follow events in South Asia fully recognize the challenges Ambassador Ray faced in Punjab. Despite the seemingly intractable problems in that region, Ambassador Ray left Punjab, as he now leaves Washington with an impressive list of accomplishments.

Mr. Ray was appointed Ambassador to the United States on October 10, 1992, with the rank of Federal Cabinet Minister. That appointment, at that level, demonstrates Prime Minister Rao's confidence in Ambassador Ray. As chairman of the House International Relations Committee, I fully agree that the Prime Minister's confidence was well-placed.

It was during Ambassador Ray's tenure in Washington that Prime Minister Rao addressed a joint session of the U.S. Congress—the highest honor our Nation can convey upon a foreign dignitary. It was during Ambassador Ray's tenure in Washington that the United States and India moved beyond almost all of the difficulties of the cold war. The improved climate in Indo-United States relations can be tangibly measured by the number of high-level United States official visits to Washington.

It is with great regret that we bid farewell to Siddhartha and Maya Ray. We commend the Ambassador and Mrs. Ray for their outstanding work in Washington and we wish them success in all of their future endeavors.

INTERVIEW WITH PRESIDENT WILLIAM J. CLINTON

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. ENGEL. Mr. Speaker, in a very succinct and incisive interview with Middle East Insight president and editor George Nader in the magazine's 15th anniversary issue in December President Clinton articulated his vision for the future of the Middle East and for American interests in the region. The President said, "We want to see the establishment of a peaceful and prosperous region in which all nations and people can live in freedom and security."

Real progress made in the Middle East peace process under the Clinton administration has been unprecedented. As the Israeli-Syrian talks continue to move ahead, and our attention remains focused on further process toward lasting peace in the Middle East, I commend the entire interview to my colleagues.

[From Middle East Insight, November-December, 1995]

INTERVIEW WITH PRESIDENT WILLIAM J. CLINTON

(By George A. Nader)

In this 15th Anniversary issue, President Bill Clinton gives an exclusive interview about U.S. interests in the Middle East to Middle East Insight editor George A. Nader. This interview is a follow-up to President Clinton's first interview with Middle East Insight as President-elect.

President Clinton's term in office has been marked by historic agreements between Israel and the PLO, a formal peace treaty between Israel and Jordan, ongoing negotiations under U.S. auspices between Israel and Syria and Lebanon, and continued enforcement of dual containment of Iraq and Iran. President Clinton had developed a warm and productive relationship with Israeli Prime Minister Yitzhak Rabin before his assassination last November, and will now be working closely with his successor, Shimon Peres, on many vital areas of interest to the United States in the Middle East.

We are privileged to have President Clinton share his views below on these subjects as well as his vision for the future of the region.

Q: Mr. President, as spiral of violence in the Middle East, capped by the assassination of Israeli Prime Minister Yitzhak Rabin, has challenged the peace process. What are your thoughts about the impact of this assassination on the state of the peace process?

A: The tragic death of Prime Minister Rabin was an attempt to stop the historic progress which has been made toward a comprehensive and lasting settlement of the Arab-Israeli conflict. But the reaction in Israel, the Middle East, and around the world to this crime demonstrates the marginalization of those who would use violence to achieve their ends and the overwhelming support which exists for the peace process. The world lost a great man and I—along with all Americans—a great friend in Yitzhak Rabin. A champion of his nation in conflict, he became a hero for reconciliation and understanding as well. His life paralleled that of the Middle East in his time: he fought tirelessly for the security and prosperity of his people, and then turned that same strength and wisdom to forging a peace that would ensure that this security and prosperity would live on after him.

His death reminds us all that the cost of leadership is sometimes very high. But his life serves as an example for what can be achieved through courage and determination to do what is right. The tributes paid to Prime Minister Rabin by King Hussein, President Mubarak, and other leaders from the region and around the world have been mirrored in the unprecedented outpouring of support expressed by the people of Israel for his living legacy, the pursuit of a just and enduring peace of all the people of the Middle East. I am committed to continue doing all I can to ensure that this goal is realized.

Q: What is your view of the importance of Palestinian economic development to the success of the peace process?

A: We agree that Palestinian economic development is a key ingredient in building a lasting peace. It is essential that the Palestinian people see that the peace process has produced tangible benefits in their daily lives, that their future—and that of their children—has changed for the better because of the decision to pursue dialogue and reconciliation over confrontation. Since October 1993, the United States has taken the lead in mobilizing the international donor effort to support the Palestinian Authority and to help provide the foundations for a better and more prosperous life for the Palestinian people.

The United States has met fully its pledge of $100 million per year in assistance and we are encouraging other donors to ensure that their aid commitments are fulfilled as rapidly as possible. In order to help the Palestinian Authority meet its responsibilities under the Interim Agreement and to move forward on infrastructure development projects critical to the building of a vibrant economy, we are a major organizer of the Conference on Assistance to the Palestinians to be held in Europe this December.

In addition to our leading role in the international donor effort, we are also working to improve the environment for private sector economic growth and investment. We are discussing with Israel and the Palestinians the possible establishment of industrial zones, as well as ways in which Israel's justifiable security concerns can be addressed consistent with our shared desire to promote development of the Palestinian economy. Consistent with our desire to promote Palestinian entrepreneurship, US Trade Representative Kantor has recently announced an agreement to extend duty-free treatment to Palestinian goods entering the United States.

Q: With the recent imposition of Presidential sanctions on Iran, US-Iranian relations have reached a new low. What are the prospects for the success of sanctions on Iran and what is the potential value of a dialogue with Iran?

A: Our problem is not with the people of Iran; it is with the unacceptable behavior of the Iranian government: direct and indirect support for and use of terror; subversion of states friendly to the United States; military intimidation of its neighbors; and acquisition of weapons and technologies of mass destruction—including nuclear.

The Executive Order I signed earlier this year, imposing a complete ban on US financial and commercial dealings with Iran, is intended to demonstrate our resolve that Tehran pay a price for continuing its threatening activities. To be fully successful, we need the support of Iran's other trading partners in Europe, Asia, and around the world. We are urging them to follow our example and help ensure that sustained and meaningful economic pressure is brought to bear until the behavior of the Iranian government changes.

While we are prepared to have a dialogue with authoritative representatives of the government of Iran at any time, it must be made clear that normal relations cannot exist until such time as Iran ceases its objectionable activities.

Q: UN economic sanctions have been imposed on Iraq for five years now. While the sanctions seem to have checked the military capabilities of Saddam Hussein, he still remains in power and the Iraqi people suffer. How successful can sanctions be?

A. The United States is committed to the maintenance of sanctions against Iraq until Baghdad complies fully with all its UN Security Council obligations. Recent revelations by Iraqi defectors and the work of UN inspectors provide compelling evidence that Saddam Hussein has consistently attempted to deceive the United Nations. They also show that as recently as last summer, Saddam was planning new threats against his neighbors.

We are deeply concerned about the humanitarian plight of Iraqi people. But there must be no doubt that Saddam is responsible for their suffering. He has refused to avail himself of the opportunity under UNSC resolutions to sell oil to pay for food and medicine, preferring to divert resources to his supporters and military and to use his own people as hostages in the pursuit of international sympathy for lifting of the sanctions.

Sanctions are the primary means available to the international community to compel Iraqi compliance with Security Council resolutions and to ensure that Iraq does not again become a threat to the region. Given Saddam Hussein's track record, the Council has a responsibility to hold him to the highest possible standard. With respect to the future of Saddam Hussein and his regime, that is a matter for the Iraqi people alone to decide.

Q. As you are involved in the peace process, and as the region undergoes important changes, what is your vision for the future of the Middle East and for America's interests there?

A. Our vision for the future of the Middle East is a simple one. We want to see the establishment of a peaceful and prosperous region in which all nations and peoples can live in freedom and security.

There is much work still before us, but we are making real progress toward our goal. The peace process has made unprecedented advances in the last two years, and despite the loss of one of its greatest champions, it continues to gather momentum. The enemies of peace such as Iran, Iraq, and Libya are increasingly isolated. More and more regional governments are recognizing that dialogue and reconciliation—and the trade and development that accompany and reinforce peace—are the best means of ensuring a better future for their nations. The United States will continue to stand by those who take risks for peace and work together with them to ensure that our mutual vision is realized.

OCEAN TOWNSHIP HADASSAH PAYS TRIBUTE TO ISRAEL PRIME MINISTER RABIN

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. PALLONE. Mr. Speaker, in memory and honor of the late Israeli Prime Minister Yitzhak Rabin, Ocean Township Hadassah in Monmouth County, NJ, has pledged a donation to the Hadassah-Hebrew University Medical Center at Ein Karem, Israel, so that it may continue its life-saving work of healing, teaching, and research. I rise today, both to pay tribute to the slain Israeli soldier, statesman, and peacemaker, and to my friends from the Jersey shore area who are striving to pay a lasting tribute to this great world leader.

Mr. Speaker, I shall never forget September 13, 1995. On that brilliantly sunny day I was fortunate to be among those on the White House lawn to witness the signing of the Israel-PLO treaty by Prime Minister Rabin and PLO Chairman Yasir Arafat. We witnessed in person, as did millions of others the world over who watched on television, an event we had hoped for but never really thought we would see. In his moving speech, the Prime Minister summed up the feelings of the people of Israel and their many strong supporters here in America: "Enough of blood and tears. Enough."

Yitzhak Rabin's life in many ways mirrored the history and destiny of his country. He fought valiantly in Israel's War of Independence in 1948. In the Six Day War of 1967, he brilliantly led the Israel Defense Forces in a stunning victory that greatly enhanced Israel's security. Yet it would still be many years before Israel's recalcitrant Arab neighbors were ready to negotiate with the Jewish State. First, Egypt's President Anwar Sadat came forward in the cause of peace—and, like Yitzhak Rabin, paid with his life at the hands of fellow countrymen who were not yet ready to say "Enough" to war. Finally, PLO Leader Arafat and, more recently, Jordan's King Hussein, also chose the road of peace with Israel. During the years that the Arab state of war and economic boycott against Israel remained in effect, Yitzhak Rabin stood ready to fight, if necessary, to defend Israel's security. Yet, late in his career, the Prime Minister had the courage to recognize a changing world and to accept, indeed embrace, change. The huge turnout of world leaders at Mr. Rabin's funeral demonstrates—including many of his former Arab enemies—just how rare and impressive his courage was. While most of us will remember Mr. Rabin's gruff demeanor and military bearing, minutes before his death, Yitzhak Rabin was smiling and singing a song of peace with thousands of Israelis in Tel Aviv.

On the day of the historic signing of the peace accord, my guest was Sharon Portman of Ocean Township, a long-time supporter and leader in Ocean Township Hadassah and many other community organizations. Sadly, Sharon passed away last summer. Sharon had dedicated so much of her time and energy to working for a strong and secure Israel, and believed passionately that one day Israel would achieve peace with her Arab neighbors. Whenever I think back to that signing ceremony on the White House Lawn, there is a tinge of sadness as I think about Sharon.

Mr. Speaker, Ocean Township Hadassah is a volunteer organization of close to 450 women ranging in age from their midtwenties to their midfifties. After the assassination of Prime Minister Rabin, members of the organization, as well other members of the community, sought a way to make a lasting tribute consistent with Mr. Rabin's life-long dedication to the betterment of the Jewish State. Prime Minister Rabin spoke to the women of Hadassah at their convention in Israel last summer, praising their fundraising efforts to build and maintain hospitals in Israel. The Prime Minister expressed the fervent hope that Hadassah Hospital would treat Israeli children for many years—but "never again to be treated due to the ravages of war."

Mr. Speaker, I would like to pay particular tribute to Elynn Shapiro, president of Ocean Township Hadassah, for her leadership in this tribute to Yitzhak Rabin, and to the many other citizens of our community who have contributed to this most worthy effort.

SECRETARY OF VETERANS AFFAIRS, JESSE BROWN

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. MORAN. Mr. Speaker, I would like to express my gratitude for the noteworthy accomplishments achieved by Secretary Jesse Brown on behalf of the veterans of this great Nation. Since his selection as the Secretary of Veterans Affairs, the women and men who served our country have had a knowledgeable and responsive supporter in that post.

Among some of Secretary Brown's greatest accomplishments are:

The creation of new clinics allowing veterans more access to VA health care.

Assistance to one and a half million veterans with employment services in a joint venture with the Department of Labor to increase the number of veterans hired in the Federal Government.

The expansion of programs for homeless veterans by doubling the resources dedicated to these initiatives, and the institution of a grant program to assist public and non-profit organizations in assisting homeless veterans.

A more complete accounting on the register of Vietnam veterans' diseases for which services-connected compensation is awarded based on exposure to herbicide agents.

The expansion and great improvement in health care services for those combat veterans who suffer from post-traumatic stress disorder.

The increased attention given to the needs of women veterans including mammography quality control and counseling, and medical programs for women veterans who suffer the after-effects of service-related sexual trauma.

The establishment of a home refinancing program that enables veterans to obtain lower home loan rates, thus saving an average of $1,500 a year.

There are about 70,000 veterans in the Eighth Congressional District of Virginia, so I am very concerned about the service these individuals receive. Even with such a large number of veterans' needs to be processed from just northern Virginia, the VA procedures are exceptional. The VA under Secretary Brown has worked so well, in fact, that my need for inquiries has declined from several cases a month to several cases a year.

Secretary Brown's initiative to improve services to veterans also saved money through streamlining, privatizing or consolidating activities. I could not ask for better support for those who served this country.

While Secretary Brown's promotion of a decent budget to support these benefits has frequently been rebuffed, the services his Department provides shows his steadfast commitment to our Nation's veterans and their families. We should not forget the responsibility this Nation has to our service members and their survivors. Budgets and associated dollars cannot replace the sacrifices these veterans have made.

As a combat veteran himself, Secretary Brown has walked the walk. He has ensured that VA benefits and the health care system are efficient and support our veterans. He is a true American, a friend, and a great man.

CONGRATULATIONS TO CITIBANK FOR EXCELLENCE

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. UNDERWOOD. Mr. Speaker, as the saying goes "we reap what we sow." In my home district of Guam, one of our local banking institutions is showing a commitment to our island in a wonderful way: They are sowing seeds, or in this case "seed money."

Since 1992, Citibank of Guam has awarded $10,000 in cash to our island's top teacher of the year. This is a competition for public and private school teachers from kindergarten through high school, but the winners are the children.

We have many noteworthy teachers on Guam, and I know they work under difficult conditions which demand commitment and integrity. As a former educator, I salute the teachers of Guam and also Citibank for honoring excellence among professional educators.

Citibank helped to form a private corporation to expand this fine program. In addition to Citibank, the newly formed Excellence in Teaching Foundation now includes corporate citizens Ernst & Young and the Pacific Daily News. Kudos to them as well.

It is events like this program that display the character of our island community. Our corporate citizens took this task upon themselves. They know that a quality education for our children is the key to their company's success.

Our teachers are vital, yet their work requires much more than Government can fund, more than parents can give and more than the private sector can donate. This program provides a little incentive, or seed money, to push an already taxed teacher corps. To our 1993 winner, Ms. Jelly Flores and to our 1994 winner Ms. Sandra Bojtos, I commend you.

TRIBUTE TO JOSEPH O. BUSICK

HON. JAMES C. GREENWOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. GREENWOOD. Mr. Speaker, today I rise to pay tribute to an outstanding businessman from the Eighth District of Pennsylvania upon the occasion of the 50th anniversary of his business, Delaware Landscape Stone and Delaware Quarries, Inc.

Mr. Busick served in the Air Force in World War II and was decorated as a bomber pilot flying the Flying Fortress B–17.

At the end of his active duty in 1946, Mr. Busick returned to Bucks County and started a small quarry in Mt. Pleasant. He continued to serve in the Air Force Reserve and retired as a lieutenant colonel in 1969.

In the intervening years his business grew from that small quarry to a company with four operational locations and between 80 and 125 employees, depending upon the time of year. In 1955 Mr. Busick took over an abandoned quarry that has been in existence since 1758. In the first year of operation that quarry was flooded out, but Mr. Busick was undaunted and continued to work for the growth of his business. The company produces decorative stone of all kinds and also building stone for facades. Stone from these quarries graces universities, churches, and commercial buildings all over the country as well as private homes and garden walls. Mr. Busick also sells stone produced by other quarries throughout the United States.

It was in 1972 that the company's newest operation was opened near Orlando, FL. That operation, called Pebble Junction, creates most of Disney World's stone work. Mr. Busick and his son, J. Kevan Busick, who is now CBO of the business, have recently created a park in Sanford, FL. The park which is open to the public is beautified with waterfalls, ponds and landscaping stone from their quarries.

Joe Busick continues to be active in the business with his son, Kevan, but he is also an avid gardener and staunch defender of the environment. He has turned more than 300 acres of his own land into a wildlife preserve to protect animals from the rapid development taking place in our district.

Mr. Busick has contributed much to our communities through his successful business and through his many other endeavors.

ED MEYER: 25 YEARS AT THE HELM OF GREY ADVERTISING

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. LANTOS. Mr. Speaker, today marks a very important milestone for one of the most respected and enduring leaders of the business world. Ed Meyer celebrates his 25th anniversary as chairman and chief executive officer of Grey Advertising, during which time he has been a shining example of a good corporate citizen. I feel it is important to bring Ed Meyer's many extraordinary accomplishments to the attention of this body so that we may appreciate and honor this exemplary American.

There are many successful executives in this country, but relatively few have been at the helm of an industry giant for so long. Indeed, Grey Advertising is an industry giant—largely because of the vision, skill, integrity and humaneness of Ed Meyer. When he joined the firm, Grey had 1 office and 14 clients. Today, under Ed's leadership, there are 277 offices in 72 countries, including APCO public affairs here in Washington.

As a highly successful international entrepreneur, Ed Meyer has been a pioneer in leading U.S. firms to new markets throughout the world, thereby advancing America's position as a leader in the global marketplace of products and ideas. Ed has been an ambassador of the American way of doing business and an example of the best of American executives.

Ed is also a good employer. No one can run an organization for 25 years without building a lasting relationship of trust and respect with the individuals who are behind the successes. Ed is a good citizen, generously giving his valuable time and energy to the community. Grey Advertising is a model American company and Ed Meyer is a model executive.

Ed Meyer is truly an invaluable American resource and I invite my colleagues to join me in congratulating Ed Meyer on the 25th anniversary of his enlightened leadership of Grey Advertising.

TRIBUTE TO AMBASSADOR SIDDHARTHA SHANKAR RAY, INDIA'S ENVOY TO WASHINGTON

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. MENENDEZ. Mr. Speaker, I would like to pay tribute and bid a fond farewell to Ambassador Siddhartha Shankar Ray, India's envoy to Washington since 1992. I am certain he will be successful in achieving his goals when he returns to India.

During his service, relations between the United States and India have grown to new heights. In his position, he has stressed the importance of ties to India. High level visits by U.S. officials have increased significantly since Ambassador Ray came to Washington. Since Prime Minister P.V. Narasimha Rao instituted his historic economic reform program for India in 1991, United States investment in India has grown at a substantial rate.

In Washington, Ambassador Ray has been able to express India's concerns in an articulate manner. He has publicized the huge market potential that India possesses for business investments and consumer goods. Also, he has worked to improve the strategic relationship between the United States and India in South Asia.

Since 1957, Ambassador Ray has served the citizens of the world's largest democracy. He has been a member of the West Bengal Assembly, a member of the Lower House of the Indian Parliament, Governor of Punjab, Chief Minister of West Bengal, and Minister of Education, Social Welfare and Culture for India. The appointment of such an experienced and respected public servant demonstrates the level of importance that the Government of India places on its relations with the United States.

Both Ambassador Ray and his wife, Mrs. Maya Ray, have played an important role in building United States-India relations during the post-cold-war era. When he returns to India, I am confident that Ambassador Ray will continue to be a strong advocate of cordial and fruitful United States-India relations.

I ask that my colleagues join me in paying tribute to Ambassador Ray for his service, and I wish him and his wife best wishes for the future.

TRIBUTE TO HY ROSENBLUM

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. SOLOMON. Mr. Speaker, I would like to pay my final tribute to a man I have praised before on this floor, Hy Rosenblum of East Greenbush, NY.

May he rest in peace. His life was one long act of giving to his community.

Had he only served as assistant State attorney general, town attorney for Schodack and East Greenbush, and village attorney for Castelton, he would have inscribed his name on the honor roll of outstanding citizens. But he also gave 41 years of his life to Hudson Valley Community College.

He was appointed to the college's original board of trustees by Gov. Thomas Dewey. He was later named secretary of the board, and served in that capacity for more than 40 years. He did not miss a graduation at the college for 41 years.

But that was not all. In 1943 he created the Consideration Award for local high school graduates who had shown high regard for the personal and property rights of others. In 1946, he incorporated the Hudson Valley Broadcasting Corp., which led to the creation of radio station WROW and WROW–TV. He served on that board of directors as well. In 1957 he chaired the Rensselaer County Park Committee, and played a major role in establishing the Grafton Lakes State Park. He also participated in such community efforts as lobbying for more State police, and preventing the closing of the Fort Orange Paper Co.

As you can see, Mr. Speaker, Mr. Rosenblum's contributions were many and lasting. I was proud to call him a friend, and I speak for many others when I say I will miss him. You do not replace someone like Hy Rosenblum.

Mr. Speaker, I ask you and other Members to join me in a final salute to a great American, Hy Rosenblum, and in offering our condolences and deepest regret to his wife, Doris, and grieving family.

A FATHER'S LETTER TO SANTA

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. DUNCAN. Mr. Speaker, one of the most respected men in Tennessee, Jim Haslam, chairman of the Pilot Oil Corporation, recently sent me a copy of "A Father's Letter to Santa."

This letter was sent to Mr. Haslam by Kevin O'Neill, the head basketball coach of the University of Tennessee. This piece was originally written by David Chartrand, a columnist for the Olathe, KS, Daily News.

I hope that all of my colleagues and many readers of the RECORD from all across the country will take time to read this and pass it on to others:

A FATHER'S LETTER TO SANTA

DEAR SANTA: My five-year-old boy scribbled out his Christmas list. It's there by the fireplace. The Coke and M&Ms are from him, in case you're hungry. You know five-year-olds these days. The Cheezits are from me.

Santa, if you don't mind, I thought I'd go ahead and leave my list, too. It's long, but do what you can.

It's all I want for Christmas.

CHRISTMAS LIST FROM HIS FATHER

Santa, let my little boy grow up still believing that he has the funniest dad in the neighborhood.

Give him many close friends, both boys and girls. May they fill his days with adventure, security and dirty fingernails.

Leave his mom and me some magic dust that will keep him just the size he is now. We'd just as soon he stayed five years old three feet, four inches.

If he must grow up, make sure he still wants to sit on my lap at bedtime and read "The Frog and the Toad."

If you can help it, Santa, never let him be sent into war. His mother and I love our country, but we love our five-year-old boy more.

While you're at it, give our world leaders a copy of the "The Killer Angels," Michael Shaara's retelling of the Battle of Gettysburg. May it remind them that too many moms and dads have wept at Christmas for soldiers who died in battles that needn't have been fought.

Let our house always be filled with slamming doors and toilet seats, which are the official sounds of little boys.

Break it to him gently, Santa, that his dad won't always be able to carry him to bed at night or brush his teeth for him. Teach him courage in the face of such change.

Let him understand that no matter how nice you are to everyone, the world will sometimes break your heart. As you know, Santa, a child's feelings are fragile as moth wings.

Let him become a piano player, a soccer star or a priest. Or all three. Anything but a tax-and-spend Democrat.

Give him a hunger for books, music and geography. May he be the first kid in Kindergarten to be able to find Madagascar on a map.

The kid's a born artist, Santa, so send more crayons. May our kitchen window and refrigerator doors be ever plastered with his sketches of surreal rainbows and horses with big ears.

Through the years steer him oh so carefully to that little girl destined to be his bride. Let his mother and me still be around when he walks her down the aisle. If there's a just God, let her daddy be obscenely rich.

Grant him a heart that will cherish what his parents did right and forgive us for the mistakes we surely will have made over a lifetime of raising him.

Let him not hold it against us that he was born with my chin and his mother's ears. Time will teach him that these are God's ways of girding him for life's adversities.

Hold him steady on the day that he learns the truth about you and the Easter Bunny. May he take the news better than I did.

While you're flying around the heavens, Santa, make sure God has heard our prayer for this child: Lead my little boy not into temptation; deliver him from evil.

Be careful out there, Santa. And close the flue on your way up.

IN MEMORY OF EFFIE OLIVER

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. POSHARD. Mr. Speaker, I rise today to remember the passing of Effie Oliver of Decatur, IL. Mrs. Oliver died last March after serving that community for decades in numerous caring capacities. Known especially for her devotion to children, the Longview Day Care Center of Decatur was renamed last October the Effie Oliver Child and Family Center in her honor. I would like to join the people of Decatur in offering my thanks in recognition of Mrs. Oliver's hard work, and my condolences to her surviving family.

Leadership and caring were a way of life for Effie. She donated her time and energy to numerous organizations, including the National Association for the Advancement of Colored People, the Democratic Women's Club, and the Women's Progressive Club. Mrs. Oliver was also a deaconess at St. Peter's AME Church and served on the advisory council at the Longview Day Care Center. Her husband, Bill Oliver, still serves the community as a Decatur city councilman.

In her over 20 years of service to the children of Longview Day Care Center Effie touched many lives. She improved the environment in which these kids spent their days, so it was utterly appropriate that when the center was renamed for her, it also was improved. The Effie Oliver Child and Family Care Center has expanded classrooms, brand new restrooms, and beautiful interior additions. A portrait of Mrs. Oliver hangs inside.

Mr. Speaker, in this day of increasing distrust in our neighbors and institutions, the life of Effie Oliver should be a reminder to us all of what great things can be accomplished when we give of ourselves. She led an exemplary life, and I am proud to have represented her in the U.S. Congress.

FAREWELL TO THE HONORABLE KWEISI MFUME

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. DELLUMS. Mr. Speaker, I rise to honor an esteemed Member of the House as he departs to fulfill the role of chief executive officer and president of the National Association for the Advancement of Colored People. As I bid farewell to my colleague, I am saddened, but I rejoice and am pleased that my friend goes forward to guide and nurture our Nation's premier civil rights organization in its continued struggle on behalf of those less fortunate. He leaves an indelible mark on the institution and in the hearts of many. He has set himself apart as a distinguished Member of the House.

Since the 1960's, KWEISI MFUME has been a staunch supporter of civil rights and economic development and economic empowerment through his seven-point plan to revitalize urban areas. As a member of the Banking and Financial Institutions Committee, KWEISI has proposed amendments to voice the concerns of public housing residents, and has sought to strengthen the Community Reinvestment Act.

As chair of the Congressional Black Caucus he heightened substantially the CBC's influence on major policy issues of concern, both domestically and internationally. In his efforts to ensure security, growth, and development for the African-American community, Kweisi has exercised his adeptness to build coalitions. His resourcefulness and ability to make allies is only one of his tremendous leadership qualities.

He leaves a legacy of leadership, commitment, and responsibility that must be carried on and preserved in this institution. He serves as an example to our youth and others who aspire greatness.

In fondly remembering his first days in Congress and his dear colleague advising Members of the correct pronunciation of his name, today we all know who he is and how to pronounce his name, and now we all cheer for his future and success.

Go forward my friend and do good work.

OPPOSES FRENCH GOVERNMENT NUCLEAR TESTING PROGRAM

HON. PETER A. DeFAZIO

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. DEFAZIO. Mr. Speaker, I wish to voice my strong disapproval with the French Government's nuclear testing program. I join with many of my colleagues—and most the world community—in protesting the detonation of six French nuclear weapons in the South Pacific. That is why I am joining the congressional boycott of the French President's visit to Congress.

French President Jacques Chirac will appear February 1 before a joint session of Congress. I cannot of good conscience attend. France and the United States have a proud relationship of cooperation extending back to the beginning of our Nation. However, France's conduct in the South Pacific cannot be justified. Exploding nuclear weapons in pursuit of further weapons development contradicts the view of 175 nations—including France and the United States—who signed the Nuclear Non-Proliferation Treaty. It also needlessly endangers the environment and people of the region.

Just last week, France acknowledged the presence of radioactive iodine in the lagoon near the Mururoa test site. Despite their declaration that the tests blast are perfectly safe, we have no way to know if this is true. Since the French Government refuses to allow independent assessment of the environmental impact of these nuclear explosions, I must remain suspicious. Are the people who live in the South Pacific threatened by nuclear poison in their region of the world? What will the ecological and human health threats 10, 20, or a 100 years from now?

Although the Clinton administration has officially denounced the French nuclear testing program, its actions hardly match its rhetoric. I urge the White House to put real pressure on the Chirac government. Let us not forget our responsibility in this matter: the United States has long supported the French nuclear weapons program.

I must take special exception to the U.S. decision to allow French military aircraft to flying to the South Pacific test site the use of U.S. airspace. How can the world take seriously a United States criticism of the French nuclear weapons testing program when the United States refuse to take even the most basic action to resist the French action. The only assurance Congress can get from the U.S. State Department is that no nuclear materials are being transported "according to the best of our knowledge." This hardly represents strong scrutiny by our Government.

Now that the French Government has ended its series of nuclear detonations, I call on President Chirac to firmly commit his nation to end all future test. At the very least, France should declare the permanent closing of the South Pacific test site. France should also clean up the nuclear mess if left behind and allow independent monitoring the area. It is the least they can do for the South Pacific peoples who will have to live with the legacy of decades of nuclear weapons testing.

The rationale for nuclear testing ran out years ago. If the world governments won't stop this cold war relic now, then when? I look forward to the recognition by France that their ongoing nuclear weapons testing program was simply wrong. Perhaps we can now move toward a international ban on all future such explosive tests. The United States must continue to press for a comprehensive ban on all such future nuclear test explosions. And France must become an active player in these negotiations.

It is my hope that a change in the behavior of France's Government will allow me to participate in Mr. Chirac's next visit to Congress. I also look forward to a successful conclusion to the ongoing comprehensive nuclear talks so the world can take an important step toward nuclear disarmament.

HONORING WALTER HAGAN

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. RICHARDSON. Mr. Speaker, few of us have the opportunity, desire, or even the ability to spend 50 years in any one profession. Those of us who do accomplish this amazing feat deserve special commendation.

I urge my colleagues to join me in congratulating Walter Hagan of Dallas, TX, as he celebrates his 50th year in the airline business. Mr. Hagan's half-century tenure is particularly remarkable as the airline industry is highly competitive, oftentimes turbulent, and never a cakewalk.

Mr. Hagan started working for American Overseas Airline at LaGuardia Field on January 10, 1946. After working as an operations representative, he was transferred to Paris, Copenhagen, and then London where he was appointed relief station manager for Europe. He returned to the United States where he worked his way up at American from lead agent in Dallas in 1949 to Dallas sales representative in 1964. After holding various positions with Braniff Airlines in the late 1960's and 1970's, Mr. Hagan returned to American Airlines in 1982 to serve as manager of special services.

It was in this latest position that I had the opportunity to see Mr. Hagan in operation and understand why he's been such a valued employee for 50 years. Mr. Speaker, Walter Hagan has extended hospitality to many Members of Congress, Senators, and other VIP's at the Dallas Airport. Luminaries such as Dolly Parton, Roger Staubach, and many others celebrated his 50 years with a January 10 luncheon in Dallas.

While Mr. Hagan recently announced his formal retirement, Mr. Hagan's admirers were not surprised to learn that he's still helping out at his office. So, even in retirement, Walter Hagan is still contributing and adding on to his now 50-plus years in the airline industry.

TOMHANNOCK UNITED METHODIST CHURCH

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. SOLOMON. Mr. Speaker, the 22d district of New York is one of the most historic in the country. Our oldest churches, in particular, are virtual repositories of history.

The growth of those churches paralleled that of the communities they served. And nearly every one of them has a wealth of interesting anecdotal information worth preserving. One of these churches is the Tomhannock United Methodist Church in the Rensselaer County community of Valley Falls.

A constituent of mine, Mrs. Zillah S. Herrington of Johnsonville, was kind enough to forward a letter from the church's pastor, Rev. Gaylord Campbell. I'd like to share the letter with you, Mr. Speaker, and proudly place it in today's RECORD.

DEAR GERRY: We learn that the first sermon preached by a Methodist minister near Tomhannock was in 1788. From that small beginning, a service in Tomhannock that particular Sabbath Day, Methodism has a start in June 1789. Tomhannock had a preaching appointment is the erection of a church—it was built the summer of 1811 at a cost of about $1000. This church later burned and the present one was built on the same site in 1845.

Before continuing the appointments of 1832 an interesting story of Christian adventure must be told. James Caughey, an Irish lad, was licensed to preach by the Tomhannock Class. For eight years he preached in our conference. Then on one special occasion following a season for prayer, he felt a call to return to Europe. On July 19, 1841, he set sail for England. His ministry took him to Dublin Limerick, Cork in Ireland and Liverpool, Sheffield in England. During those six years of untiring ministry fully 20,000 were converted by his preaching. While in England, he met a boy by the name of Wm. Booth and led him to Christ. That boy became the famous General Booth, head of the Salvation

Army. Our interest is intensified when we learn that a man from Tomhannock was instrumental in leading this famous leader of a worldwide known, religious organization to Christ. This is a great heritage that comes down to us.

In 1845, this present church building was erected on the site of the old church. The total cost of the building was $3300. Subscriptions of $300 and less made possible the building of the church. Roswell Brown had the contract for the mason work. This came to $1200. Two men from Cambridge had the contract to the carpenters work. This bill totaled $1400. This did not include the steeple which was extra. While the church was being built, a committee was busy raising funds to repair the parsonage. This also was done. In 1855, the Social Rooms in back of the church were added at cost of $626.38. In 1859, the church bell was purchased at a cost of $53,876. In 1866, the parsonage was rebuilt at a cost of $2000. In 1871, the church was repaired and refurnished at an expense of $1188.

The period from 1870 to 1880 reveals that Tomhannock Methodist Church was the outstanding rural church of the Conference in points of membership, missionary zeal and local activity.

In 1896, a building committee raised $2100 which was used to redecorate the interior of the church. Three Gothic Pulpit Chairs (these are in the church today and used each Sunday) and a Pulpit were presented to the church by the pastor, Rev. Thomas Munro. The Rededication of the church occurred October 14, 1896. Dr. John H. Coleman preached the sermon.

DR. CORRIE BLAIR ENDURES

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. DUNCAN. Mr. Speaker, there are two causes for the exorbitant, excessive cost of healthcare in this country—the Federal Government and large insurance companies.

If it were not for the involvement of these two entities, medical care would cost only a tiny fraction of what it does.

If we paid for anything else through a third-party payor system, costs would skyrocket.

That is why I read with great interest the opening comments of a recent feature article about Dr. Corrie Blair in the Knoxville News-Sentinel.

I also would like to call attention to a similar story in today's Wall Street Journal entitled "A Magnificent Misfit" by W.E. Gutman.

I wish we had more old-fashioned doctors like Dr. Blair and Dr. Gutman.

[From the Knoxville News-Sentinel]

LOUDON WOMAN HAS BEEN PRACTICING MEDICINE FOR MORE THAN 54 YEARS

(By Don Williams)

"I'm one of a dying breed," says Dr. Corrie Blair.

"I don't like government medicine, I don't like insurance medicine. I don't like pharmacists telling you how to practice medicine."

If Blair seems set in her ways, she has reason to be.

She is 80 years old, although with her clear brown eyes and brown hair, she doesn't look it. She started practicing medicine when common sense directed how to treat common colds.

In this age of HMOs, TennCare and other programs brought in by big business and government, the bureaucrats and politicians have laid down a thick stratum of regulation on what used to be an uncluttered profession.

When Blair entered medicine more than 54 years ago, so-called innovations, such as preventive medicine, boiled down to using good common sense.

These organizations and things they're doing now are all based on economics rather than treating the patient," says Blair in a clear, high voice. There was a time, however, a time when . . .

Blair was a child when the bridge was put across the Tennessee River in Loudon, cutting her family out of the ferry business. Her family's ownership of choice real estate made life easy for her. Maybe too easy.

It could be that's one reason she chose medicine. For a young lady in the 1930s, training to be a doctor was far from easy.

Blair made good grades in Loudon County High School, but while the boys were studying biology and algebra, she was studying "domestic science" with the other girls.

"The only thing they thought we could do was get married or teach school, but when I got out there was no one I wanted to marry who wanted to marry me, so I went to college."

She attended two years at Agnes Scott College in Decatur, Ga., taking her first real science course there as a sophomore.

"I like science better than anything, so I thought, I'll study more science and be a doctor."

She returned to Tennessee and entered the University of Tennessee pre-med program.

"It wasn't too popular for women to do," she says, and her family and friends needed convincing that she was serious. Her first cousin, Dr. Blair Harrison, was chief of staff at Knoxville General Hospital, and he offered to let her take nurse's training to test her mettle.

"After that was over, I told them, why yes, I still want to be a doctor, and I applied to the UT College of Medicine in Memphis. Back then there were no dormitories and we lived in houses with residents. My family thought it would be OK. There was another girl in my class, and we went all the way through together."

It was while in Memphis that she met Dr. William Thomas McPeake.

"He was an old country boy, and I was an old country girl. We were staying at the same boarding house, and every evening we would get together on the front porch. I'd go for a walk and he'd go with me. He was working his way through."

McPeake graduated ahead of Blair, but stayed in Memphis to intern until she graduated in 1941. When he was called up for military training in Pennsylvania, Blair went to Philadelphia to serve her medical internship.

There, on Jan. 25, 1942, they were married. When McPeake shipped out to North Africa for service under Gen. George S. Patton, he left behind a pregnant wife.

"Our daughter, Molly, was 3 years old when he got back," she remembers. She was the first of four children.

Molly Peeler is a physician at Fort Sanders Regional Medical Center.

William T. McPeake is an orthopedic specialist, practicing mostly at St. Mary's.

Sara Louise Gilkey, now a lawyer in Lynchburg, Va., married a doctor.

Ed Blair McPeake operates the family farm, raising cattle in Loudon.

The children were all born in Loudon, and it was there where McPeake rejoined his wife after the war.

"I told him this is the garden spot of the world, and this is where I want to live."

By the time he returned, Blair had cobbled together a family practice.

Together they made house calls, mostly in a Jeep, like those McPeake knew in the Army.

"We used to deliver all the babies. We'd carry a little ether into the home and knock 'em out if they needed it. We'd spend the night with them and charge about $25. If they didn't have the money, sometimes they'd give us something. If they were killing hogs, they'd give you some part of it, or maybe a chicken.

"We had real good luck. The Lord took care of us."

The pair bought a little house downtown, where they conducted their practice. Later they built the modern Loudon Health Care Clinic, of concrete and steel, and moved the little house out to their farm.

Blair, who kept her maiden name rather than face a mountain of paperwork to change it on licenses, certificates and other forms, was ahead of her time.

"I was the first in our hospital (the old Charles H. Bacon Hospital, now Fort Sanders Loudon Medical Center) to let a man come in for the delivery of his baby. It worked out well. I've had husbands jumping up and down when the baby came out.

"One of the old things, which is good, is stressing preventive care. I've stressed it all my life. We told people they shouldn't smoke. We had tobacco allotments on the farm, but quit growing it. We got to feeling guilty."

McPeake died three years ago, and despite hands, swollen at times from arthritis, Blair still wears her wedding rings on a chain around her neck.

People in town call her Dr. Corrie, and she has a personal relationship with literally thousands of them.

"I think it's real important for doctors to know their patients. In these new programs they just rush you through like a herd of cattle. They don't talk to you. They don't listen to you."

Blair still listens, even though specialists have taken away many of her patients.

She quit delivering babies, for instance, shortly after babies she had delivered began having babies of their own. These days, more often than not, find her visiting area nursing homes, a practice she enjoys.

Asked when she plans to retire, she says resolutely, "When something comes along and knocks me over. Of course, these new medical programs might put me out of business. If that happens, I'll find something else I like to do, but not any better."

[From the Wall Street Journal, Jan. 31, 1996]

A MAGNIFICENT MISFIT

(By W.E. Gutman)

My father the doctor did everything himself without benefit of nurses, clerical staff, or drafty assembly-line consultation cubicles. He took your temperature as you sat on a white enamel swivel chair. He even drew blood from your finger and let it run up a thin graded tube as you marveled at the strange powers of capillary action.

This wonderful man had his own centrifuge, a gleaming autoclave and an old Roentgen that hummed with imperturbable omnipotence in a bright, cheerful room that smelled of lavender and cloves. When he administered injections, he'd deaden the point of impact with a dry little slap, and he'd talk about this and that with neighborly solicitude long after the needle was out.

You were never surprised to learn that he'd pedaled several kilometers at night in the rain to deliver a baby on an old kitchen table, or to hold the hand of a dying village patriarch as family and friends looked on. Sometimes it lasted till morning. He'd go straight back to his office looking tired, but he'd smile, put on a fresh smock and patch up scraped elbows and knees, and he'd even ask how Aunt Lucy or Uncle John was feeling these days.

"How much do I owe you, doctor?" I'd often hear his patients ask.

"Oh I don't know," he'd answer, staring at his feet, clearly embarrassed by the question. "Whatever you can." Then he'd quickly add, "Don't worry if you're short. You can pay me next time."

Money made him feel uncomfortable. He had an almost prudish disdain toward it, "There is something incongruous about charging money to heal, relieve pain or save lives," he once told me. "I shall never get used to it"—a remarkable ethos for a man who, by his own admission, had embraced medicine to escape the abject poverty of his childhood.

"It all happened in dissection class," he recalled in a rare moment of wishful introspection. "I wept at the sight of my first cadaver. He was so very young, so very much alone, forgotten. Who is this wretched mass no one had claimed, I asked myself. Has he no family? Is there no one to mourn him? He was alive, he felt pleasure and pain, joy and sorrow. He had dreams. He loved. Was he loved in return? Could he have been saved? did poverty deprive him of good health or rob him of a decent funeral?

A pre-med student who now boasts a Fifth Avenue practice, a New Canaan estate, and a yacht at anchor in a secluded cove on some Caribbean coral archipelago once asked my father what he considered to be the three most important medical taboos. My father replied:

"Do not operate unless your patients's life clearly is in danger. Do not overmedicate. Never charge more than patients can afford. Ignore the first two injunctions and you are unprincipled. Break the third and I shall call you a vampire."

I miss my father, He was incorruptible. He had no time for sophistry, no patience for equivocation, no room for the shaded areas separating right and wrong. Compassion was his guide, his patients' health and welfare his sole mission and reward. He lived frugally—"how much does one really need to live with dignity?" he once asked a wealthy colleague who found the question incongruous and contentious. My father died poor but debtless.

I wish I had a dollar in my pocket for every patient this 1935 summa cum laude graduate of the Paris Faculty of Medicine treated for nothing, for every leg of lamb or basket of eggs he accepted in lieu of honorarium, for every debt he forgave. I would have had more than enough to afford the thorough checkup doctors denied me when I lost my job, when unemployment benefits ran out and I could no longer afford medical insurance.

I was 45 then. I am now 58. Will I find a doctor like my father when I retire and my meager scribblings barely cover the cost of a simple pine casket? They say it's cheaper to die than to live. My father devoted his career to reconstructing aphorisms. He was the magnificent misfit lesser men do not have the courage to be.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, February 1, 1996, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

FEBRUARY 2

9:30 a.m.
Joint Economic
To hold hearings to examine the employment-unemployment situation for January.
SD–562

FEBRUARY 5

1:00 p.m.
Joint Economic
To hold hearings to examine Federal barriers to State and local privatization efforts.
SD–106

FEBRUARY 6

10:00 a.m.
Judiciary
Immigration Subcommittee
To hold hearings on the use of the Supplemental Security Income program and other welfare programs by immigrants.
SD–226

2:00 p.m.
Energy and Natural Resources
Oversight and Investigations Subcommittee
To hold hearings to review trends in Federal land ownership.
SD–366

FEBRUARY 28

9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Disabled American Veterans.
345 Cannon Building

MARCH 5

9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Veterans of Foreign Wars.
345 Cannon Building

MARCH 14

9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Paralyzed Veterans of America, the Jewish War Veterans, the Retired Officers Association, the Association of the U.S. Army, the Non-Commissioned Officers Association, and the Blinded Veterans Association.
345 Cannon Building

MARCH 27

9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Veterans of World War I, AMVETS, the American Ex-Prisoners of War, the Vietnam Veterans of America, and the Military Order of the Purple Heart.
345 Cannon Building

SEPTEMBER 17

9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion.
335 Cannon Building

SENATE—*Thursday, February 1, 1996*

The Senate met at 10:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Dear God, our Father, we thank You for the blessings You release when Your people pray. The President and Vice President and their families, the Justices of the Supreme Court, the Members of the House of Representatives, and the men and women of this Senate, along with those of us who are privileged to work with them, are recipients of the impact of the prayers of intercession prayed by millions of Americans around the clock. Help us to remember that You are seeking to answer these prayers as we receive Your wisdom and guidance. May we never feel alone or only dependent on our own strength. Your mighty power is impinging on us here as a result of people's prayers. An unlimited supply of supernatural strength, wisdom, and vision from You is ready to be released.

Also, remind us that our ability to receive is dependent on our willingness to pray for each other here as we work together in the Senate. We recommit ourselves to be channels of prayer power not only to our friends and those with whom we agree, but also for those with whom we disagree, those we consider our political adversaries, and especially those who test our patience, or those we need to forgive. So, lift our life together from a battle zone of combative words to a caring community of leaders who pray for and communicate esteem for one another. Thank You for giving us unity in spirit as we deal with diversity of ideas. In our Lord's name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, Senator LOTT, is recognized.

Mr. LOTT. I thank the Chair.

THANKING THE SENATE CHAPLAIN

Mr. LOTT. Mr. President, we thank our Chaplain for his assistance and his daily prayers and for his efforts this very morning with the Congressional Prayer Breakfast. We assure him of our prayers for him and his loved ones. We know it is a difficult circumstance he is dealing with at this time.

SCHEDULE

Mr. LOTT. Mr. President, today, the Senate will resume consideration of S. 1541, the farm bill. Under the previous order, all Senators should be aware that there will be two cloture votes today beginning at 1:30 p.m. Additional rollcall votes can be expected in order to complete action on the farm bill today.

Also as a reminder, Senators have until 12 noon today to file first-degree amendments to the pending substitute and until 1 p.m. to file second-degree amendments.

Today, there will be a joint meeting of Congress at 11:45 a.m. to hear an address by the President of France, President Chirac. Members should be in the Chamber at 11:25 in order to proceed to the House of Representatives for the address.

Mr. President, I would like to also this morning make some brief remarks with regard to the need for truth in packaging on welfare reform. I observe the Senator from Indiana, the chairman of the Agriculture Committee is here. There may be a need for the others that are involved in the agriculture bill to come to the floor. So, if the Senator will indulge me just a couple minutes, I would like to talk with regard to what is happening with welfare reform.

WELFARE REFORM

Mr. LOTT. Mr. President, someday, perhaps a year from now, we will finally achieve genuine welfare reform to change welfare from the way we have known it, but it will not happen today. Indeed, it may not happen this year, not while President Clinton continues to brandish his veto pen against all efforts to clean up the welfare mess, to encourage work, and to help people who need assistance to get off welfare and get a job.

His first veto of welfare reform received little notice because it was part of our larger Balanced Budget Act. That legislation was long and complicated, touching upon many different programs. So the President was able to block welfare reform in the process of opposing other provisions in the bill.

His second veto of welfare reform likewise received scant attention because much of the country was distracted by the blizzard of 1996. It was vetoed late at night, and there was not much press coverage because most of official Washington was not paying attention. They were still concentrating on the overall budget agreement.

Now the President has promised a third veto of welfare reform, and he has done so in a way that blatantly violates his previous pledges on this issue. In an interview that appeared in yesterday's, that is Wednesday's, Washington Post, the President made clear that his earlier endorsement of the welfare reform bill that passed the Senate last fall is no longer operative.

The bill that passed the Senate was H.R. 4, which this body approved on September 19, 1995, by a strongly bipartisan vote of 87 to 12. It sailed through the Senate with the strong personal support of the President. But that was then, and now I guess his position has changed, based on this interview in the Washington Post. This is what Ann Devroy and John Harris reported in the Post interview:

> On welfare reform, Clinton said he has not given up hope that a compromise bill acceptable to him will be approved this year. But he set a new price for his signature on a welfare system overhaul, asserting that the Senate proposal he indicated he would support last fall will have to be changed for him to support it now. He called on Republicans to send him a revised bill that would contain fewer cuts in funding for food stamps, provide child care for welfare recipients who work and preserve current protections for disabled children.

This is another example of the President's acknowledged skill at packaging and repackaging his positions, but it is a far cry from what was actually involved in the legislation that we considered.

The truth, as every Member of the Senate knows, is that the bill we passed last September was a compromise. A lot of work was put into that legislation by members of the committees involved, including the Senator from Connecticut, Senator DODD. That is why it gathered 87 votes on the Senate floor. It is why few Senators on both sides of the aisle opposed it.

The truth is that the Senate-passed bill did provide additional funding for child care for welfare recipients. It earmarked $1 billion per year for child care assistance, and it provided another $3 billion over the next 4 fiscal years for child care in certain States. In sum, that was a few billion more than what President Clinton had called for in his budget.

The truth is that the Senate-passed bill provided a base amount of $16.8 billion in welfare funding in each of the next 5 years; an additional $879 million for States with higher growth; a $1.7 billion revolving fund for special borrowing; additional funds as incentive grants to States which make the most progress in getting persons off the welfare rolls; a $800 million emergency assistance fund; a contingency fund of up to $1 billion; $150 million for second chance homes for unwed mothers and more.

The truth is that by returning control of public assistance to the States, the Senate-passed bill did not weaken protections for disabled children. On the contrary, 87 Members of the Senate, from both sides of the political aisle, voted to give flexibility to States in meeting the needs of those children.

The truth is that the Senate-passed bill required an 80-percent maintenance of effort—80-percent maintenance of effort—by the States to allay any fears that benefits to the needy might be recklessly reduced.

In fact, we made so many changes, we put in so much more money, that it was just marginally possible for this Senator to even vote for the bill. But it was a compromise; it was a step in the right direction, and, like a lot of others on both sides, I went along with it.

But, based on what we are hearing from the administration, all that goes down the memory hole. The President is now upping the ante, demanding that the Congress give him a version of welfare reform not worthy of the name. His goal in doing so is obvious. Having campaigned on a promise to end welfare as we know it, he has done his utmost to end welfare reform as we know it, substituting in its place a gutted, toothless, costly sham.

As far as this Senator is concerned—and I am certain I speak for a number of other Members of Congress—that just cannot happen. We are not going to betray our promise to the American people in order to get the President's signature on a welfare bill.

There is nothing worse than for Congress to say, as we have too many times in the past, that we have accomplished something with a bill, giving it a glorious sounding title, when there is no substance to it—and when there will be no glorious results when it is actually implemented.

There are some things worse than no welfare reform. Phony reform is the main one. A welfare bill that leaves AFDC as an entitlement is phony reform. A welfare bill that keeps control of welfare in Washington in the Federal bureaucracy, in my opinion, is phony reform. A welfare bill that makes dependency more attractive by providing more benefits to more people is not genuine reform.

The President's latest comments on this subject present us with a stark choice between false reforms, misleading action, and nothing at all. He is probably hoping that, rather than return to the voters empty-handed, we will collude with him to give the public the appearance of reform, that we all declare victory, and it will be years before the taxpayers figure out they have been duped by what is called welfare reform.

I do not believe the majority in Congress is going to play that game. We are not going to break faith with the American people on this issue. If welfare reform has to wait until next year, I guess it will be worth the wait. If welfare reform must wait until the veto pen has been removed from the President, then so be it. But that delay is not necessary.

We can get genuine welfare reform. It can be one that will be supported in a bipartisan way, and it can be one that will be good for the people who now depend on the system and are looking for a way out. But that will take real cooperation. We must make sure that whatever we do is genuine reform that will produce the results we promised.

Mr. President, I yield the floor.

AGRICULTURAL MARKET TRANSITION ACT OF 1996

The PRESIDING OFFICER (Mr. DEWINE). Under the previous order, the Senate will now resume consideration of S. 1541, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1541) to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Craig (for Leahy-Lugar) amendment No. 3184, in the nature of a substitute.

The PRESIDING OFFICER. The time for debate is equally divided between now and 11:25.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I yield myself as much time as I may require.

The PRESIDING OFFICER. The Senator is recognized.

Mr. LUGAR. Mr. President, in beginning debate on S. 1541, the farm bill, let me just say that it is very important to farmers all over the country who have been notifying Senators and Members of the House that they want, certainly, a degree of certainty before they get into the fields to plant.

They would like, as a matter of fact, to see the Congress at work on this vital legislation. In response to that, the distinguished majority leader has, in fact, called us to that cause today, as Senators are aware.

This is a very important day. It is extraordinarily important legislation for all of America. Farmers want to know what is going to happen now. Hopefully, the Senate will provide that guidance through constructive action to completion and passage of this legislation today.

Over a year ago, at the beginning of the 1995—and now 1996—farm bill debate, I posed 53 questions about future agricultural policy in this country. The answers to those questions made it clear that a status quo farm policy was not a good idea. S. 1541, the legislation before us today, represents a bold new direction. It answers the 53 questions that I asked and that other Senators posed in a broad review of farm policy in this country.

There were five basic reasons to support Senate bill 1541.

First of all, a good reason to support it is its simplicity of approach. Traditional farm policy is so arcane that even many U.S. Department of Agriculture officials can barely comprehend all of its complexity. The bill we consider today offers a straightforward, commonsense policy.

Second, the bill offers certainty. Farmers who sign contracts will know their future payments for the next 7 years. Taxpayers, importantly, will know precisely what money is going to be spent during the next 7 years and that the budget savings we have already debated in this Chamber are certain.

That is especially important, Mr. President, because as you will recall, we debated a farm bill that has just expired, estimating that the taxpayers' expense would be about $41 billion. In fact, the final cost to the bill was close to $57 billion due to all the contingencies, including the weather and foreign trade and demand. In this particular instance it was important for those of us who favor a balanced budget approach to know precisely how much was for agriculture, and for farmers to know precisely the payments that would come to them.

Third, the bill does provide very substantial savings for taxpayers. With this bill, agriculture has done its part to help balance the Federal budget in 7 years. Senate bill 1541 will reduce Federal spending by about $4.6 billion over the 7 years from a new baseline which reflects actual market prices in this country.

I might add, Mr. President, that baseline recognizes that outlays, as expenditures by taxpayers, to the farm community will be $7 to $8 billion less than earlier anticipated largely because market prices for many of the farm programs are very high this year and, therefore, the normal deficiency payments do not kick in under those formulas.

The fourth reason for supporting this legislation is its market orientation. Farmers' payments will be the same even if they plant alternate crops. As a matter of fact, they will make planting decisions based on market forces, on the signs of prices in the market. Today planting decisions affect eligibility for Government payments, and subsidies have driven much of the business planning of many farmers.

Under Senate bill 1541, farmers will have full planting freedom, thus, the label given to this act, the "freedom to farm," the ability to manage your land, to make decisions for the market.

We will end, in fact, Federal Government production controls. That is an important step forward all by itself.

A fifth reason for support is that farmers support Senate bill 1541. This long-term plan for U.S. agriculture has been endorsed by a wide range of farm groups. National groups such as the American Farm Bureau and the National Corn Growers and State groups such as the Kansas Wheat Growers and the North Dakota Grain Growers have given strong endorsement to this legislation.

Mr. President, the Senate has approved this bill once already as a part of the Balanced Budget Act. Unfortunately for our Nation, the President vetoed that act and thus vetoed the farm bill. That veto creates a problem for U.S. agriculture. Since commodity support programs were a part of the Balanced Budget Act, we are left with no workable farm program for many crops, except for the outdated 1949 and 1938 laws, which could cause price supports. For wheat, for example, for those farmers who had allotments in that period of time almost 50 years ago, those price supports could triple.

Now the Clinton administration confirms that implementing these old statutes, the 1949 and the 1938 acts, could add $10 to $12 billion to the cost of running farm programs for the 1996 crops alone. That is clearly intolerable. We have talked, Mr. President, about savings as a part of the Balanced Budget Act. Failure to enact this legislation could mean that $10 to $12 billion in only 1 year alone would be added to the deficit.

It is clear, Mr. President, that the Congress and the President will be ridiculed by the public for gridlock, for inactivity, for myopia, given the apparent crisis that lies immediately ahead of us. The new bill must be fiscally responsible.

Proposals to raise loan rates, as some of our colleagues want to do, potentially is a very expensive option. And some of our colleagues have charged, in fact, that we have delayed writing a farm bill and that the Senate bill 1541 was written without full participation, without hearings.

Mr. President, Congress did produce a farm bill. It passed two Houses and went as a part of the Balanced Budget Act to the President. President Clinton vetoed it, and only that veto has prevented timely passage of new farm laws.

Second, the Senate Agriculture Committee held thorough hearings. The committee held 15 farm bill hearings in 1995 involving 157 witnesses from all over our country. Additional and lengthy hearings were held on farm legislation in the Budget Committee. Every conceivable approach to farm policy was discussed in those hearings.

Much of the farm bill has, in fact, been developed in a bipartisan way. In July 1995, the Agriculture Committee of the Senate gave preliminary, but unanimous, approval to four titles of the farm bill. They cover trade, farm credit, research, and rural development. Since then, there have been further bipartisan efforts on a miscellaneous title and a conservation title.

Some of our colleagues have declined to be involved in the balanced budget amendment consideration. They informed us in the Agriculture Committee that they would not vote for the cuts required by the Balanced Budget Act. We were told that we would have to pass that act with Republican votes alone in the committee, and we did so. If some colleagues feel left out at this point, it is because they chose to be left out. They were within their rights to take that option, but it is strange now to hear complaints about a process that included 15 full hearings and very thorough debate before passage of the farm bill from the Senate Agriculture Committee.

I suspect the real complaint is with the substance of the bill. It calls for the end of Government planting controls. It calls for freedom to farm. It provides an entirely new outlook for American agriculture, which I find very exciting as a farmer, as somebody who has walked through this legislation not only as a legislator but as one who is subject to it.

I will say, Mr. President, parenthetically, with the exception of the distinguished Senator from Iowa, Senator GRASSLEY, I am the only farmer on the committee, the only one that might be visibly affected by this legislation and have some idea of how it actually works. So from that standpoint, I have a sense of liberation about the process, which is shared, I might say, by farmers in the State of Ohio, the State of the distinguished Chair, and Indiana, and, in large number, farmers in Iowa, whom I have been visiting the last 2 days. They want action, and that is why I am here as opposed to staying another day with friends in Iowa with whom I have been visiting.

Fundamentally, a few of our colleagues do not want to reduce spending on farm programs. That is their privilege, but most of us believe they are mistaken. Most farmers know that they, as well as other Americans, will benefit from a balanced budget. They know as well that our Nation will be stronger for that, and they know that S. 1541 defines exactly what the farm commitment is, and it is an acceptable commitment to farm groups.

Therefore, Mr. President, S. 1541 is a bold departure from the past. It is clearly a new direction. It will reduce Federal spending and Federal deficits with certainty. It will reform farm programs and give them both certainty and much greater simplicity, and it will prepare U.S. agriculture for what promises to be a very exciting new century.

One of the great ironies of consideration of farm legislation during the past year is that initially we talked in terms of Federal programs very similar to the ones which we now have. As the Chair knows, for the large program crops—corn, wheat, cotton, and rice—target prices are established. If the market prices are below those target prices, farmers may receive deficiency payments, the difference between the two, the target price and the market price, for the crop history on the covered acreage they have in the plan for which they have signed. These are the so-called deficiency payments. Others would call them subsidies. They have mounted up to very large totals in some years.

In this particular year of the farm bill, suddenly, export demand took off in a very dynamic way. The Chinese changed from becoming exporters to very strong importers. That provided new opportunities for the United States in Southeast Asia, but our traditional customers in Europe and in Japan come in for much stronger orders really across the border. Cattle feeders and hog producers throughout this country have continued to feed large herds of livestock and, despite the rising price of feed, have continued the size of those herds.

Mr. President, we have a situation unlike any that I have seen in agriculture in the last generation in which clearly the price in the market went way above the target price and remains there. If a farmer were to go into the futures market this morning and he was bold enough to know exactly what his crop was going to be for this year, the planting of 1996 or 1997, a farmer could sell both crops for prices higher than the target price for corn, for example. I addressed this issue, as I mentioned to the Chair a moment ago, in Iowa in the last few days, with farmers saying, "What should we do? How much fertilizer should we buy, or other inputs, for our crop?"

My advice has been to take a look at the markets, take a look at the futures prices. Note that we are going to have strong demand for corn, for wheat, for soybeans, and at least it would appear for cotton for some time to come. Freedom to farm means that, that you plant for the market. I would advise farmers to do that.

Farmers, being prudent people, say, "That is clearly the decision we are going to make anyway, but at the same time, we want to know what you legislators are going to do sort of postmortem, after those decisions. If you come back then and say, 'We really didn't mean freedom to farm. As a matter of fact, we wanted the same old status quo legislation with all of the controls, the set-asides, the planting decisions made in Washington,' if, in fact, that is what happens weeks, months, years down the trail after gridlock finally is gone and polarization is less intense, what would be the penalties for us if, in fact, we made sound decisions for our farms and for our country, for the general export thrust of a country that exports a great deal more in agriculture than it imports and with a balance of payments that grows stronger every year?"

That is the fundamental question. It is not that farmers need market signals. They are there and abundantly clear what we ought to be doing. They are worried about being undercut by legislators who are not farmers, who really do not understand what is going on out there but purport to do so in behalf of farmers, and by a President who has apparently, through the Secretary of Agriculture, threatened to veto almost all legislation that bears some idea of freedom to farm.

So this is why we are having this debate today to bring some certainty to the field. We are having it in the context, as the Chair knows, as the distinguished Senator from Mississippi has already announced, that we are going to have a cloture vote at 1:30 p.m. Why would we already understand we are going to have a cloture vote? It is because the distinguished Democratic leader, in conversations with Senators, has indicated that there is strong opposition on his side of many Senators to this legislation, such strong opposition that it might lead to extended debate, and, therefore, the cloture vote at 1:30 is very important.

If cloture is established, we are going to have farm legislation, probably today, but whenever the cloture procedure runs out. If we are not successful, as the Chair knows, another cloture vote will be held on freedom to farm, plus additional amendments that have been offered by the distinguished ranking member of the Agriculture Committee, Senator LEAHY. And, hopefully, we will bring debate to a conclusion in some orderly way on that proposition, in the event my legislation that I have introduced and am debating this morning should not pass.

In any event, this is a very important day for agriculture and for America. It is a privilege to lay before the Senate, I believe, remarkable legislation that I hope will find favor with the Senate today.

Mr. President, I yield the floor to the Senator from Mississippi, such a valued and important member of our committee and, in his own right, chairman of the Agriculture Subcommittee on Appropriations.

The PRESIDING OFFICER. The Chair advises the Senator he has 3 minutes, 30 seconds remaining.

Mr. LUGAR. I yield the remaining time to my distinguished colleague.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I thank my distinguished friend, the chairman of the Agriculture Committee, for yielding to me. I urge the Senate to approve this Agricultural Market Transition Act. We are confronted with an emergency. It is essential that farmers know immediately what the farm programs for this crop year will be. Farmers are unable to make the decisions that must be made about what to plant or how much to plant, with the current uncertainty of this year's farm law.

If we fail to pass a new farm bill, wheat and feed grain farmers will be operating under the provisions of the 1938 and 1949 agricultural acts. There will be no rice program. This forces the Secretary of Agriculture to announce a new rice program under the authority he has under the 1948 Commodity Credit Corporation. And while cotton, peanut, and sugar titles of the previous farm bill would continue for the 1996 crop-year, a great deal of confusion and possible economic hardship for many of our Nation's farmers could result.

The Department of Agriculture has even suggested that this chaos could add $10 to $12 billion to the cost of farm programs this year. This is just not acceptable for either farmers or the taxpayers.

So I urge the Senate to act favorably on this cloture vote so we can have a vote on the bill, S. 1541, to continue the commitment to protecting public and private investments in production agriculture and in rural America.

I am pleased that the bill includes, with the support of the chairman, the Marketing Loan Program that has proved so workable and helpful in the rice and cotton areas. There are also other provisions that have been tried and tested and proven to be helpful to your effort to compete effectively in the international marketplace with our strong agriculture sector.

Our farmers are ready to go to work, but they need to know what the programs are going to be so they can make rational and thoughtful decisions. The Government's role in providing stability and an orderly transition to a market economy in agriculture is very important and will be carried forward and implemented in this bill. It does it fairly and with a clear-cut commitment to curb spending.

I urge my colleagues to vote for cloture so we can get a vote on this bill.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. INHOFE). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOND. Mr. President, I understand we are technically out of time on the farm bill, but I see no other Senators seeking the floor.

I ask unanimous consent that I be allotted the remaining time before the recess in order to make remarks about S. 1541, the farm legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOND. Mr. President, I believe S. 1541, the underlying legislation, which is the subject of discussion in the cloture motions today, presents a very important opportunity for the Senate to move forward in a bipartisan way to shape policy in behalf of our Nation's farmers and consumers. This modified freedom-to-farm legislation offers reform, opportunity, flexibility and predictability in a fiscally responsible way and with the growing support of Members on both sides of the aisle and, I would say most important, growing support from the people in America who are looking to the Congress to tell them what the Federal farm policy will be.

All of us, as Senators, should understand that farmers need to know what the Federal policy will be. For better or worse, the Federal Government has been a very large part of decisions made by farmers in deciding what to plant, where to plant, and how to plant. We know that a new, long-term plan is far better than an extension of the current law. We know that if we do not move this legislation, the alternative is delay, confusion, frustration, continuation of current law, or perhaps even the reinstitution of long-outdated policies still on the books.

We also should know, based on the discussions that have gone on here, that there is only one vehicle that has been under the light, has been scrutinized, has met the test, and can bring a legislative bipartisan consensus. Simply put, I find no constituency for continuing the status quo. We cannot leave the Federal farm programs in the quandary in which they now find themselves. Farmers do not want it. Fiscal conservatives do not want it. Reformers do not want it. Urban Members who have been critical of the current farm programs, certainly they should not want it.

This process is terribly difficult under normal circumstances, but it is especially difficult when working under balanced budget constraints. It is even more difficult when the comprehensive proposal which has survived this legislative marathon represents significant change because change produces political anxiety. There is no question that this will be a very difficult measure, but it has been through the process and it has reached a consensus that I believe is absolutely essential.

I offer my thanks and congratulations, on behalf of farmers in my State and all those of us who want to put this country on a path towards a balanced budget, to the distinguished majority leader, Senator DOLE, to Chairman

LUGAR, to Senator GRASSLEY, particularly to Senator LEAHY, the ranking member on the agriculture authorizing committee, and the others who have worked under difficult circumstances to find a bipartisan consensus for which the Senate now has an opportunity to move, to a post-cloture scenario that can get a bill to the President's desk.

I know the majority leader and Chairman LUGAR and their staffs have labored tirelessly to find a bipartisan solution and I applaud them for taking decisive action to answer the pressing need to produce a farm bill for the future.

I regret that some remain opposed to this legislation. I believe that the stage was set during consideration of the budget resolution when Congress voted cuts—not disproportionate cuts—but real cuts nonetheless. At that time, I think some on the other side decided that the cuts were too great and that any program that carried these cuts would be opposed.

I want to warn anyone listening, if you find yourself confused, there may be ample reason. You may hear from some that this legislation cuts farming too much and that it simultaneously pays farmers too much under the fixed market transition payments. We may also hear from some who have historically opposed existing law that this reform legislation should be defeated to preserve existing law.

Mr. President, I am hearing from my farmers that they want modified freedom to farm, and they do not want an extension of current law. Let me address this notion that we are cutting agriculture too much and paying farmers too much. In my State, farm prices may be better than they were last year, but to them, there is no way these prices are high. These prices are the same as they were 13 years ago while the cost of a pickup truck has doubled over that same period. "High prices" is a relative term. If you ask a rancher feeding steers corn—corn is high. If you ask a corn farmer, prices are not high—hardly enough to cover the costs of production. I read a wire story where Secretary Glickman observed from China that he was concerned that farmers will get a tremendous windfall.

I know the Secretary is doing marvelous work promoting trade and he should be applauded for that, but he would not want to sit down with farmers in my State and explain to them how this slimmed down program, combined with moderate prices is going to give them a windfall.

Additionally, prices may be higher than they were several years ago, but after this past year's flood, drought, and frost, many farmers had nothing or significantly less to sell. The existing program does not address that problem and this is a critically important point. You cannot tell my farmers who have little to sell while facing a refund of their advanced deficiency payments that the current program is a safety net and the modified freedom to farm is not.

I might also suggest to Members who are worried that farmers might get a payment when prices are higher than normal that farmers can allocate the money to prepare for the bad years—they do not need the Government to do it for them. I believe farmers can manage a predictable 7-year income stream to mitigate economic risk just as well or better than Washington can do it on their behalf. They can sock it away for the bad year, they can buy down their debt, they might buy a new used 15-year-old tractor to improve their efficiency.

Mr. President, I urge Members to take a look at this bill and recognize that it is an exciting new approach to the challenge of maintaining a healthy food-producing sector, promoting important environment practices, and doing so within the budget constraints that we are imposing on ourselves on behalf of future farmers who want our Nation to afford farm programs.

The first feature of this package is that it is responsible. As the other side has testified again and again, farmers were not exempt from the difficult choices necessary to balance a budget. Farmers have always been supportive of a balanced Federal budget and have proven their willingness to share in the sacrifice necessary to get there. Farmers are highly sensitive to the cost of capital and, according to FAPRI at the University of Missouri, stand to save over $15 billion over the next 7 years if we achieve a balanced budget.

This package provides predictability. Farmers, bankers, and the taxpayers know how much this program will cost over the next 7 years. It locks in spending to protect agriculture from the next round of budget cuts while simultaneously preventing the fluctuations that have shocked budgets in the past.

This package dramatically reduces burdensome paperwork and the perverse antimarket incentives that frustrate farmers who are aggressively competing for and securing growing international markets. Farmers would rather compete to feed Asia than protect their crop base necessary to maximize deficiency payments.

Simplicity, flexibility, predictability, and budgetary soundness are features—any one of which is a step forward in this debate—but together, they mark an historic effort to make the transition to the future.

Mr. President, I do not blame Members for being hesitant to embrace changes to a program that has lasted my lifetime. It was only after multiple meetings with farmers in my State that I was prepared to make this change. In this town, if one is in doubt, she or he is expected to stick with the status quo. But there are two things that have changed.

There is a recognition that the deficit must be addressed and farmers are ready to free themselves from the regulations of the current program.

There is one other observation I wish to share from my experience traveling in Missouri. As Senators know, the number of farmers is decreasing and the age of the average farmer is increasing. Most talented young rural people are moving to town. Of the young people who are endeavoring to be our next generation of farmers, there is a great optimism despite the difficulties in agriculture. These young farmers will tell you they want to farm for the market. They think the current system is old, outdated, complicated, frustrating, inflexible, bureaucratic, and costly. Our next generation of farmers tell me they want to turn the corner as we move into the next century and I think we owe these young farmers that opportunity.

Mr. President, this legislation has been out there since last summer and it was included in the Balanced Budget Act passed by Congress in November and vetoed by the President on December 6, 1995. It was carefully crafted after months of negotiations between House and Senate conferees. As all Members know, this was a difficult process and many delicate regional issues were addressed.

Since the veto, I know there have been bipartisan negotiations led by the distinguished majority leader, Chairman LUGAR, and Members on the other side. I must tell Senators, until the most recent bipartisan negotiations with Senator LEAHY, one of the more difficult press inquiries I have fielded is, "Who are the Republicans negotiating with?" I know that the distinguished minority leader introduced a bill on marketing loans and the House has a blue dog plan. The administration once hinted at 21 percent unpaid flex but I see in a report off the wire that they now support a 2-year freedom to farm experiment and, here is the kicker, with dramatically reduced transition payments. I raise this point because there is simply no consensus alternative. There is, however, consensus in the agricultural community on this legislation and I believe it is time for us to join together to reflect that consensus.

Mr. President, we all share the goal of continuing to provide the safest, most abundant, and the most affordable supply of food and fiber in the world. I know there are some who may call this welfare. As farm State Senators know, we have argued until we are blue in the face that the current system is not welfare but people are not listening.

Farmers know it is not welfare and most Senators do not consider the existing program welfare, but try to pass that off on an editorial board or local chamber of commerce. You cannot argue that the reform program will be accused of welfare when the existing system is accused of welfare.

In my State, farmers are supportive. Over time, more and more of the commodity groups representing farmers have weighed in. Missouri's corngrowers were in this week to request that freedom to farm be adopted and a continuation of current law be rejected. Farm Bureau is asking us to move this legislation. The underlying bill represents serious reform, it moves us in the right direction and it is fiscally responsible. This is why it has been endorsed by: the U.S. Chamber of Commerce; Citizens Against Government Waste; representatives of the Heritage Foundation; Citizens for a Sound Economy; National Taxpayers Union, Americans for Tax Reform, Consumer Alert; the Cato Institute; and the Competitive Enterprise Institute.

I understand that change is not easy and I congratulate again the efforts of the majority leader, Chairman LUGAR, and the bipartisan negotiators who have been searching for a way to move this legislation forward and get farmers a program that moves them into the next century. I think the President will see that farmers and citizens will be best served if he adopts this legislation and I am hopeful that Congress can continue to work on sensible regulatory reform, capital gains and estate tax relief and other measures that will help our farmers compete in the next century. I urge adoption of the bipartisan compromise.

I urge my colleagues to invoke cloture. The farmers of America deserve better than to be filibustered into uncertainty for the rest of the spring. We need to move forward on this bill.

JOINT MEETING OF THE TWO HOUSES—ADDRESS BY THE PRESIDENT OF THE FRENCH REPUBLIC

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess and proceed to the House of Representatives for a joint meeting.

Thereupon, the Senate, at 11:27 a.m., recessed until 12:45 p.m., and the Senate, preceded by the Secretary of the Senate, Kelly D. Johnston; the Deputy Sergeant at Arms, Joyce McCluney; the Vice President of the United States; and the President pro tempore of the Senate, Mr. STROM THURMOND, proceeded to the Hall of the House of Representatives to hear the address by His Excellency Jacques Chirac, President of the French Republic.

(The address delivered by the President of the French Republic to the joint meeting of the two Houses of Congress is printed in the Proceedings of the House of Representatives in today's RECORD.)

Thereupon, at 12:45 p.m., the Senate reassembled and was called to order by the Presiding Officer (Mr. COATS).

The PRESIDING OFFICER. The Presiding Officer, in his capacity as a Senator from Indiana, suggests the absence of a quorum. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BROWN). Is there objection? Without objection, it is so ordered.

AGRICULTURAL MARKET TRANSITION ACT OF 1996

The Senate continued with the consideration of the bill.

Mr. GRASSLEY. Mr. President, how many minutes are left on our side of the aisle on debate of the farm bill at this time?

The PRESIDING OFFICER. There are 18 minutes 45 seconds remaining on the Republican side.

Mr. GRASSLEY. I yield myself 10 minutes. Before speaking, I ask unanimous consent that George Stickels, a fellow in my office, have access to the floor during the debate on the farm bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, the issue before us is one of the utmost importance, the farm bill. We have to debate this now because, as everybody knows, the commodity provisions of the new farm bill were part of the Balanced Budget Act of 1995. That Budget Act was vetoed by the President. The farm bill provisions went down with that. We did not have the votes to overturn the President's veto on the Balanced Budget Act.

Consequently, the farmers of America do not know for the first time in 5 years, since we passed the 1990 farm bill, what the Government policy is toward agriculture. This is necessary information that must be factored in to a lot of business decisions that are made by farmers.

The legislation that is before us will guarantee an investment of $6 billion in rural America this crop year, an investment in rural America at a time when there is a tremendous transition from the agriculture of the last half of the 20th century to the more free market, international-trade-oriented agriculture of the 21st century. When this transition is going on, this is when we need to bring some certainty to the business decisions of agriculture as best we can.

There has been some fault found, particularly on the other side of the aisle, with the fact that we might be spending $6 billion in rural America as an investment when grain prices are high, even though there is not a profit in cattle, there is not a profit in livestock generally, particularly cattle and pigs, but right now there is some profit in grain.

Some people have said on the floor of this body that we are giving welfare to farmers at a time when there are high prices. The inclination is to say that there is too much money in this farm bill for agriculture. I have heard some of those same Members say that they could not vote for farm bills in the past because they did not do enough for agriculture. How ironic that we have the same people today suggesting that we might be passing a farm bill that is too good for agriculture. It just does not add up.

Not only does it guarantee an investment in agriculture of about $43.5 billion over the next 7 years in this transition from a Government-controlled agriculture to a free market agriculture, but it goes from an agriculture system inclined toward domestic production for domestic consumption to a farm program for production to meet the competition and the demand of international trade. There is no more important time to do that.

Also, this legislation locks in the agricultural baseline and guarantees an investment in rural America of this $43 billion. It is important to have that baseline out there because this legislation, like most legislation, does not provide for a farm program beyond the sunset year of 2002.

There will be plenty of time for Congress to enact legislation beyond that period of time. But if we are not careful, what we do today will preclude agriculture having a baseline, and then when we come up with a farm program beyond the year 2002, it may be impossible to raise the money for that baseline.

This bill before us locks in that baseline, guarantees payments to farmers and for other programs such as conservation programs and export programs. It provides a real safety net by making sure that there are payments even when we have low yields that push prices higher.

Again, we have an ironic situation here where some people on the other side of the aisle are suggesting that because grain prices are high, there should not be any Government program. Do not forget about those farmers in west central Illinois, the northern third of Missouri, the southern third of Iowa, plus a lot of other places—I only mention those because they are close to the Midwest where I am from—who do have high prices but because of the wet spring and the flooding conditions could not plant their grains last year. They do not have grain to sell at a high price.

This program will help those people as well.

So it guarantees a 7-year payment. It will help a farmer in his cash flow situation have a steady, predictable cashflow. At least a portion of that would come in Government payments that will allow the farmers and their bankers to make long-term business decisions that are so important to the success of agriculture.

This legislation also maximizes farmers' profit potential. The Food and Agriculture Policy Research Institute—this is a combination research institute of the University of Missouri and Iowa State University—estimates that even though payments from the Treasury will decline 21 percent under this bill from the previous 5 years, gross farm income will increase by 13 percent and net farm income by 27 percent over the next 10 years.

We eliminate this process by which people in the urban areas can say farmers are getting paid for not tilling the soil. This eliminates the set-aside authority so that farmers can send a clear signal to our international competition that we are going to produce on every productive acre what we can to meet international trade demands, to meet the humanitarian demands of a growing population throughout the world that otherwise, without the productivity of the American farmer, could have more instances of famine.

We give increased flexibility to the farmers to make planting decisions. We take that decisionmaking out of the hands of Washington bureaucrats and public servants.

It will be in the mind and office of every farmer to decide how many acres of corn or how many acres of soybeans to plant. Presently, those decisions are made, to the greatest extent, by people in Washington, far removed from the reality of farming, ignoring the marketplace and trying to insert their judgment upon the people on the spot. Full flexibility means plant what you want to plant, not what some Washington bureaucrat says.

This legislation significantly reduces Government regulation and bureaucratic redtape, thus enabling our farmers to compete in the world marketplace. It increases flexibility, or the increased flexibility allows farmers to plant specifically beyond what they would normally plant, moving to other crops, particularly the emphasis in American agriculture today to have value-added products instead of simply the traditional commodities.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. GRASSLEY. I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. I thank the Chair for yielding to me. I ask if the Chair will remind me when I reach the 4-minute mark. At that point, I will yield the floor.

The PRESIDING OFFICER. That is 4 minutes remaining on your time or 4 minutes——

Mr. PRYOR. No, I want to speak only 4 minutes, Mr. President, and then I will yield to the distinguished minority leader.

Mr. President, I was standing here listening a moment ago to my good friend from Iowa, Senator GRASSLEY. He talked about regulations and bureaucrats and freedom to farm and all of those things that we talk about generally when we have an agriculture bill on the floor. For us to have an agriculture bill on the floor for a 1996 program, I might say, is somewhat unique, because the normal process for the first time in 60 years did not work.

We did not draft this legislation in the Agriculture Committee. This legislation, basically, was born and drafted, passed from the Budget Committees of the House and the Senate. But when we talk about regulations and bureaucrats and freedom to farm and all of the constraints placed on farmers today in our country, let us also remember something else: That we today are the envy of the world with the production of food and fiber in our country for the rest of the world. We have the opportunity to feed the rest of the world. In many instances, had it not been for the American farmer and the American farm system, which we are about to annihilate, we would see that many areas of the world would have gone hungry.

I say this in all respect to those advocates for the freedom to farm legislation. If we pass this legislation, we will be going on a cheap drunk. We will be sorry, and we will rue the day that we totally dismantled the farm programs that have served this country and served this world so well.

The two people and the two groups of persons and the two entities, I think, who should be supporting the freedom to farm bill are those competitors of ours in the international market. They should be supporting the freedom to farm bill, because it is going to be a total disruption of farm ownership ultimately in our country. We are going to see the small fail and the large and the powerful prevail.

Second, the big landowners should love the freedom-to-farm bill. They should love the freedom to farm bill because their farms are going to get bigger, their farms are going to become richer, their farms are going to produce more and more, and the small family farmers are going to be there with less and less.

The other aspect of this legislation—and I hope my friend from Iowa will address this, or some other proponent of freedom to farm—does anyone in this Chamber feel that we can in this calendar year implement, have the regulations and administer a totally new farm program for all of America's farmers? This is not a 7-year farm bill. This is a bill that is going to last until the first show on "60 Minutes" embarrasses us, embarrasses farmers by showing that the farmer no longer has to produce in order to get a big paycheck from the Federal Government. It is a 7-year welfare program.

It is wrong, Mr. President, and we should be no part of it. We should defeat the motion for cloture. We should enact a farm bill only after we, in this Senate, and in the Senate Agriculture Committee, perhaps the House committee, have the opportunity to shape a farm bill that will look beyond 7 years and then to the next seven generations.

Mr. President, today we are considering what will prove to be one of the most important and most disastrous pieces of legislation affecting the State of Arkansas and family farms across this Nation. Agriculture has been and continues to be an integral part of the fabric that makes up rural America and is responsible, directly or indirectly, for about 1 out of every 5 jobs throughout America.

In Arkansas, from Texarkana to Blytheville, from Gentry to Eudora, families all across our State make enormous contributions to the world's food and fiber supply. In 1994 alone, Arkansas farmers harvested over 8 million acres of agricultural products: rice: 1.42 million acres produced over 175 million bushels of rice; cotton: 970,000 acres produced over 1.7 million bales of cotton; soybeans: 3.4 million acres produced 115.6 million bushels of soybeans; wheat: 880,000 acres produced 40.5 million bushels of wheat; and corn: 90,000 acres produced 10.8 million bushels of corn.

With crops, poultry, and livestock combined, Arkansas' farmers and ranchers were responsible for over $5 billion in economic activity for our State. So why am I concerned? Because, the legislation under consideration before the U.S. Senate is the beginning of the end for farm programs and the safety net function they perform. We can argue over whether it will happen in 2 years or in 7, but the undisputable fact is that the safety net will disappear.

Perhaps some of my colleagues favor this approach. Perhaps some Senators feel that farm programs are not a good deal. I would simply point out that for roughly one-half cent out of every Federal dollar, our farm programs provide the safest, most affordable, and abundant supply of food and fiber in the world. Americans spend about 10 percent of their disposable income on food—compared to the French who spend 16 percent, the Japanese who spend 18 percent, Chinese who spend 48 percent, and Indians who spend 53 percent—it is hard to imagine a better deal.

My good friends may be wondering—how did this come to be, how could we pay so little and get so much? The answer, in large part, is due to just how productive our farmers and ranchers have become. The U.S. agriculture represents some 3 percent of the world's agriculture labor force, yet it produces about 40 percent of the world's corn, about 15 percent of the world's cotton, about 50 percent of the world's soybeans, about 10 percent of the world's wheat, about 25 percent of the world's beef, and about 11 percent of the world's pork.

Now, I can hear someone suggesting that if agriculture is so productive and costs so little, why do they need any support at all? Why should we help agriculture over other industries? Mr. President, agriculture is unique. It is like no other industry in our economy. Farmers are almost entirely at the mercy of Mother Nature, as well as the actions of foreign governments, both of which are entirely out of their control. But even worse, unlike most businesses, farmers and ranchers have no control over the prices they receive. They are price takers, not price setters. The weather and policy in China could, and usually does, have more control over how well an Arkansas cotton farmer does from one year to the next than anything the farmer could do.

Perhaps, there are other colleagues who are under illusions that agriculture spending has been like most other Federal programs that have grown ever larger. Perhaps they believe agriculture must be one of those programs where we debate what is a true cut or what is just a cut in the rate of increase.

Among many other points, a bipartisan group of Senators pointed out to the Budget Committee that agriculture spending has come down by about 60 percent in the last decade, from $26 billion in fiscal year 1986 to less than $11 billion in fiscal year 1994.

Mr. President, I wanted to point out all of this information for one simple reason. It makes absolutely no sense to abandon these successes—and successes they are—for a policy that is irresponsible, irrational and, most importantly, indefensible.

The freedom-to-farm bill under consideration would pay farmers whether the market warranted it or not—despite the other side calling this a market-oriented bill. Under freedom to farm, it makes absolutely no difference what the market conditions are. The farmer gets his or her payment regardless. According to economists, prices are supposed to be good for the next couple of years, but as we all know, few years of high prices are most commonly followed by a few years of low prices as farmers around the world create an oversupply of a commodity chasing that higher price. The tragedy, in this scenario, is as follows: Suppose in 2 years farmers receive payments despite high market prices. The media and the public become outraged by the waste and the 105th Congress responds to the outcry by removing the remaining payments from the farmer. This could happen because the so-called contract doesn't bind a future Congress. The next time commodity prices plummet and farmers need a safety net, it will be gone.

Some proponents have called this a contract modeled after the popular CRP contract which paid farmers to remove land from production. They point out that over the 10-year life of these contracts, Congress always honored them. The difference, Mr. President, is that in return for funding a CRP contract the taxpayers receive a specific public benefit such as conservation, wildlife habitat, or water quality. The freedom-to-farm contract has nothing in it for the public or taxpayer. The taxpayer simply transfers money to the farmer for no other reason than that the farmer was in some sort of agriculture program in at least 1 out of the last 5 years.

The bill we are considering is a perfect script for a "60 Minutes" or a "Prime Time Live" show called the "Fleecing of America," when it's discovered that under this bill a farmer can receive the freedom-to-farm payment and not do anything at all. That's right, Mr. President, under this legislation, a farmer can receive thousands upon thousands of tax dollars and spend the entire growing season in the Caribbean or Bahamas. In fact, the only restriction is that if they grow something it can't be fruits or vegetables. Other than that, sand and sun would be the only worries on the minds of farmers as the taxpayer would foot the bill.

But, a word of warning. For all those that would take this approach, may I suggest they invest your payments wisely. Find a good money manager or investment banker because they're going to need them. If what many predict will happen when word gets out about this program, you will have to make a couple of years worth of promised payments last a very long time.

Mr. President, supporters of this bill tout endorsements by agribusiness companies and big processors. This should not come as a surprise to my colleagues. It is very simple; this freedom-to-farm bill will ultimately drive the price of commodities down. Whether a big company is purchasing feed for livestock or grain to process and mill, they want to pay the family farmer as little as possible. They want to buy low and sell high like Wall Street speculators, with no concern for the future of farming.

The freedom-to-farm bill gets worse. By capping the programs based on economic projections and theoretically locking those in, we give no room for error. I would defy anyone to find an economist anywhere in the world who has accurately predicted the price of a commodity with any accuracy for a full 7-year stretch. It simply cannot be done. Yet, that is the logic embodied in this bill. We are entrusting the future of the farmers of this country with some guess by economists down at the Congressional Budget Office [CBO]. And, if they guess wrong about, for instance, the price of rice in the year 2001, the farmers in my State will be left with little recourse and less help.

The proponents of this legislation have said that it is important because of the baseline problem. Baselines in agriculture only matter in two circumstances: First, if you require ag to come up with unfair and unreasonable cuts, as the Republicans have; or second, if you cap the programs so the baseline can never adjust upward, which the Republicans also have done. So, there is a budget baseline problem, but only if you buy into the rest of the flawed Republican policy.

Although the Republicans did indeed manage to capture the baseline, I am at a loss to understand why they would want to capture it after a decade of reduction—over 60 percent. Conversely, why not wait until this bill forces a decline in market prices that will automatically raise the baseline again before we try to capture anything.

We will rue the day we pass a freedom-to-farm bill. What we must all realize is this ends farm programs. It unilaterally disarms our farmers against the rest of the world. In fact, the only farmers this bill is good for are those in France, Thailand, Argentina, and any other foreign country.

In the first years, this bill will prove to be a taxpayer ripoff. In the later years, it will prove to be false hope and empty promises as the safety net for American agriculture is destroyed. Let us at least change the name to reflect accuracy. Maybe we should call it the bait and switch act of 1995, or as others have suggested, the freedom-from-farming bill or the farmers death assistance act.

For all the reasons I have mentioned today and many more I have not had the opportunity to make, I cannot and will not be associated with ending the necessary safety net our farmers and our consumers depend on. Therefore, I will vote against the freedom-to-farm bill.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PRYOR. Mr. President, I ask unanimous consent that a letter sent to Senator DOMENICI be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, February 6, 1995.
Hon. PETE DOMENICI,
Chairman, Senate Budget Committee, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: As the Senate Budget Committee begins consideration of the FY 1996 budget resolution, we understand it has under review a number of options, including possible reductions in agriculture-related spending. Difficult challenges are facing your committee as well as Congress as a whole. However, we believe it is important for a number of reasons that agriculture not be unfairly singled out to bear a disproportionate share of any required spending reduction as part of any budget proposal.

First, agriculture spending has already been reduced substantially in recent years as a result of the 1990 Omnibus Budget Reconciliation Act and subsequent legislation which reduced income and price supports; limited eligibility and participation; imposed new or higher fees and other assessments related to certain programs; and reduced the availability of funds for certain export and market promotion programs. As a result, Commodity Credit Corporation (CCC) outlays for farm commodity programs have declined from a high of $26 billion in FY 1986 to less than $11 billion in FY 1994, a reduction of almost 60 percent. Outlays are projected to remain below this level for FY 1995–2000. By contrast, total federal spending during this same period increased by approximately 50 percent, and entitlement programs nearly doubled. Such spending is projected to continue to increase significantly in the future.

Second, as a result of legislation relating to USDA reorganization, future agriculture outlays are further expected to decline by as much as $3.6 billion through FY 1999 with the closing of over 1,200 field offices, eliminating approximately 11,000 employees, and consolidating 43 separate agencies into 29. No other Department or federal agency has undergone such an extensive reorganization.

Third, while there may be opportunities for additional savings, it is important before any further reductions are required to ensure that such action does not jeopardize the continued ability of U.S. agriculture to meet the food and fiber needs of consumers at home and abroad. U.S. farmers are the most efficient and competitive in the world, and our government policies and programs should help maintain the technological advantages that will enable them to stay that way.

Under the recent Uruguay Round GATT agreement, the U.S. along with other countries, is required to reduce its support for domestic farm programs by 20 percent by the year 2000 from the 1986–88 base period. However, the U.S. has already more than achieved such reductions. To make further reductions in such programs without requiring similar corresponding reductions by the European Union and other foreign competitors would be unfair to U.S. farmers.

History has shown that our foreign competitors will utilize every possible resource to maintain and expand their share of the world market. The European Union (EU), for example, continues to significantly outspend the U.S. in terms of its support for agriculture and in competing for foreign markets. In 1994, outlays for domestic farm programs by the EU amounted to more than $30 billion, nearly three times the U.S. level of outlays.

In terms of export subsidies, the EU has outspent the U.S. 6 to 1 over the past 5 years. Although the GATT agreement will require a reduction in the use of such subsidies, the EU will be able to more than maintain its substantial advantage. Further, as export subsidies are reduced, the EU can be expected to redirect much of those resources into other GATT-allowable programs to maintain and strengthen the competitiveness of its agricultural sector.

Without asssistance from our government, U.S. agriculture will be at a competitive disadvantage. Not only would this adversely affect America's ability to capitalize on potential market opportunities as a result of GATT, but our ability to remain competitive in existing markets, both domestic and foreign, could be affected as well.

This could have significant consequences for both the economy and the budget. Nearly one million Americans have jobs which are dependent on agricultural exports alone. Exports now account for more than a third of total U.S. crop production and total over $43 billion. This results in a positive trade balance of nearly $18 billion. Such exports also account for approximately $100 billion in economic activity and, in turn, helps generate as much as $8 billion in related Federal tax revenues.

Overall, our agriculture and food industries account for nearly 16 percent of GDP and nearly 1 out of every 6 American jobs. Other sectors of the economy, including input manufacturing, handling, processing, marketing and transportation, are heavily dependent on a healthy agricultural economy. Any significant reduction in agriculture's balance sheet will have a corresponding effect on commercial banks and other lending institutions, including the farm credit system.

Finally, it is important to recognize why we have farm programs. Every nation has a responsibility to ensure that its citizens have access to a dependable supply of food. This is one of the basic purposes of U.S. farm programs. To meet this objective, farmers must receive a fair return on their productivity and investment in an industry characterized by continued subsidized foreign competition and subject to wide swings in production and prices due to weather and other related factors.

By any measure, U.S. farm programs have been successful and cost-effective. Currently, such programs represent less than one percent of the entire federal budget. And, for that, we have an agricultural system that is the envy of the world. It has provided our citizens with a dependable source of reasonably priced food and fiber. U.S. consumers, for example, spend the lowest percent of disposable personal income on food—approximately 11 percent—of any country in the world.

If other federal programs had been reduced by the same percentage as agriculture commodity programs, we would have a budget surplus.

As your Committee examines the options in the budget process, we hope you will consider the interests of U.S. agriculture.

Sincerely,

Thad Cochran, John Warner, Robert Kerrey, David Pryor, Howell Heflin, Jesse Helms, Tom Harkin, Dale Bumpers, Max Baucus, Trent Lott.

The PRESIDING OFFICER. The distinguished Democratic leader is recognized.

Mr. DASCHLE. Mr. President, let me begin by commending the distinguished Senator from Arkansas for his strong statement just now. I wish to associate myself completely with his remarks. I think it is fair to say that we all agree we are in a mess, we are in a big mess, and there are a lot of reasons why we find ourselves in the situation we are in this afternoon.

The last time we failed to produce a farm bill was the year I was born, 1947. Coincidentally, it was the last time Republicans controlled the Congress. We should have passed this legislation, as the distinguished Senator from Arkansas said, last year, but the bill did not even come to the floor. The bill was not even allowed up for debate. It was the first time in memory, and may be the first time ever—we are checking it now—that legislation this important passed out of the Senate Agriculture Committee on a strict party-line vote.

It was then, as everyone recalls, buried in the budget agreement, and it went absolutely nowhere. And now here we are in February of 1996 considering a farm bill for 1995. Even if we passed a piece of legislation as radical as this is, let there be no mistake, it will take months and months and months for the Department of Agriculture to get set up to administer it.

So the situation is very unfortunate. Farmers are out there clamoring, as the distinguished Senator from Iowa said, for some answers. They need to know the 1996 winter wheat crop has been planted, southern crops are going to be planted this month, and farmers should not be put in the untenable position of making huge investments in their agricultural operations without knowing anything about what farm policy will be this year or the next.

Last year, farmers were prevented from planting due to excessive rain. This year, they will be prevented from planting due to excessive politics.

There is only one option for 1996—only one. I do not like it. Not many people here would consider it their first option. It certainly is not mine. But there is no other alternative right now but to extend for 1 year at least current legislation. We need to extend current law only because we have to provide farmers with that certainty.

It is no secret that we have put a tremendous amount of effort and time into finding an alternative that we feel very excited about. It is no secret that there may not be a resolution between the Farm Security Act and the so-called freedom-to-farm bill. But there is a realization that we have to do something, and there is no possibility of doing anything with the mess we are in right now.

We have to do what the Senator from Iowa has suggested, and that is give farmers the maximum degree of flexibility. We need to extend current law but ensure that those farmers who have to have additional flexibility are given every opportunity to do so. Plant whatever their management dictates, whatever their desires may be given current marketing conditions.

There ought to be no constraints at all on their ability to make decisions for themselves. Farmers are familiar with the current legislation. Prices are relatively high. The administration infrastructure for the current farm bill is in place.

Most importantly, Mr. President, we can do it today. What some of my Republican colleagues want to do at this late date is to pass the most radical farm bill in 60 years. They eliminate permanent law; they slash the conservation reserve, one of the most successful programs for conservation on the books this time or any time; they cut exports just when we need to expand the export markets abroad; we eliminate the farmer-owned reserve; we ignore completely the need for rural development, and we destroy research. And at the same time we do all of that, there are those on the other side who argue that we ought to be giving huge payments to farmers, whether or not they plant, regardless of whether they have good prices or not.

I would like my Republican colleagues to explain to a small businessman or a working family why a farmer is entitled to a quarter of a million dollar payment while they idle their land and spend a year in Hawaii. If a farmer could idle his land, not do a thing on it for an entire year, go to Hawaii and spend that quarter of a million dollars, why cannot a small businessman or a working family or anybody else do that?

How ironic that at this very time when we are trying to cut back and reduce the tremendous budgetary exposure we have in so many ways, we can find ways with which to give farmers huge payments whether they do anything to farm or not.

Mr. President, the closer you look, the worse this gets. Even with the laudable improvements Senator LEAHY has suggested that we make to the freedom to farm, this bill is a disaster.

I was very pleased for the letter we received just this morning from a large number of very reputable organizations—including the National Audubon Society; Environmental Working Group; Henry A. Wallace Institute for Alternative Agriculture; Sustainable Agriculture Coalition; Natural Resources Defense Council; National Rural Housing Coalition; National Family Farm Coalition—who are saying that even with the Leahy improvements, they are very strongly in opposition to passing this so-called freedom to farm.

Most important, Mr. President, the President has indicated that he will veto this legislation if we were to see it pass and sent to him for signature. He is making the right decision.

I ask unanimous consent that a letter from the Secretary of Agriculture, Secretary Glickman, laying out the President's grave concerns about this bill, be printed in the RECORD at this time.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, February 1, 1996.

Hon. THOMAS A. DASCHLE,
Democratic Leader, U.S. Senate, Washington, DC.

DEAR TOM: S. 1541, the Agricultural Market Transition Act of 1996, as well as several amendments to it, may be considered in the Senate today, and I want to take this opportunity to reiterate the Administration's position on a farm bill.

As discussed in the Statement of Administration Policy issued yesterday, I would recommend that the President veto S. 1541 if it were presented to the President in its current form. In my view, the bill fails to adequately address a number of basic requirements I believe should be included in the farm bill. These requirements include the preservation of the farm program "safety net," continuation and enhancement of conservation programs and environmental protection, and enhancement of economic opportunities for rural America and production agriculture.

I understand that Senator Leahy may offer one of the amendments to S. 1541. This amendment appears to be a positive step in the direction of a farm bill that meets the Administration's priorities. For example, it contains authority to sign up new acres in the Conservation Reserve program, continues the option of offering permanent easements through the Wetlands Reserve Program, and reauthorizes food and nutrition programs. However, the amendment fails to address other needed improvements in S. 1541, such as changes to strengthen the safety net for farmers and increase support for rural development. Therefore, I would recommend that S. 1541, as amended by Senator Leahy, be vetoed by the President.

I want to reiterate my willingness to work with the Congress to enact a comprehensive farm bill as soon as possible that best serves American agriculture and the American people.

Sincerely,

DAN GLICKMAN,
Secretary.

Mr. DASCHLE. Mr. President, let us be clear. Win or lose on these cloture votes, we are no closer to an agreement if that is what happens today. Sooner or later, we are going to have to compromise. The House Republicans just do not seem to get it. So far, the 104th Congress could be summed up simply in two words: lost opportunity. On welfare, on reg reform, on the budget, and on appropriations, many in the House seem to think compromise is a four-letter word.

Let us not allow the farms to fall victim to this, too. We can work this out. We can find compromise. We can find a way to ensure that farmers are going to have the certainty that they are asking for this afternoon, and we can begin all of that by defeating both cloture motions in the next hour.

I yield the floor.

Mrs. BOXER. Mr. President, I rise today in opposition to the Lugar-Dole Agricultural Market Transition Act. This bill is not good for my State of California because it cuts and caps export promotion programs; excludes critically important agricultural research and nutrition programs, and phases out farmland conservation programs. The Lugar-Dole bill contains essentially the same provisions, with some changes, as the Agricultural Reconciliation Act of 1995 which was vetoed by President Clinton.

The most important positive aspect of this bill is that it preserves a provision in current law that is of enormous importance to fruit and vegetable growers in my State of California and across the Nation. Previous versions of this legislation included so-called "flex acre" provisions, which would have permitted the production of fruits and vegetables on up to 15 percent of a program crop farmer's former base acres.

Nationwide, there are approximately 11 million acres planted with fruits and vegetables. This acreage supplies U.S. and foreign consumers with a ready supply of high quality and affordable produce, while allowing fruit and vegetable producers to go about their business free of Government involvement or Federal subsidies.

The "flex acres" language would have resulted in nearly 32 million acres becoming eligible for fruit and vegetable production on subsidized farms that traditionally have been planted to program crops. If even a small number of those acres were to shift into fruits and vegetables, farm prices for many fruit and vegetable commodities were expected to drop abruptly and dramatically.

Republican budget negotiators originally argued that the "flex acres" provision would help balance the budget. However, they now concede that the provisions would have no impact on the deficit. They would, however, help subsidized commodity crop growers at the expense of nonsubsidized fruit and vegetable growers.

The California produce industry recognizes that should a 7-year phaseout of subsidies be enacted, growers will eventually have to compete in the marketplace with one and all. But in the interim, it would be grossly unfair to require unsupported fruit and vegetable growers to compete with their subsidized brethren.

I am pleased that we have won the flex-acre battle by fighting hard to keep current law on the books. Current law has now been reinstated in both the House bill and this Senate bill. However, I remain very concerned about the impact of flexible planting on California farmers in the long run—7 years from now.

Mr. President, we are in unprecedented times. The 1990 Farm Act expired in December, leaving only the permanent 1949 law in place. So clearly, the Congress needs to enact a farm bill.

But the Lugar-Dole bill is a radical departure from an American farm policy which for almost 5 decades has supported the world's most successful agricultural system—one that has resulted in consistently high quality produce and low consumer food prices.

Some changes are necessary in these tight budget times, to ensure that we are getting the most for every taxpayer dollar spent. But changes in a system that has been so enormously successful must be done carefully, thoughtfully, slowly, and responsibly. They must make the system better. We must not take chances that might result in weakening a terrifically successful system.

Farm policy is not just about supporting the growing of our crops. It is also about promoting exports of American farm products; promoting environmentally sound uses of farmlands; emergency food assistance programs; the distribution of surplus farm produce to soup kitchens and food banks; and critically important agricultural research programs such as research on the California Medfly and research on alternatives to methyl bromide.

The Lugar-Dole bill does not achieve these objectives. In fact it excludes most of them. It does not reauthorize nutrition and agricultural research programs; it phases out conservation programs; it cuts and caps export promotion programs.

If nutrition programs are not reauthorized, they will be in jeopardy during the appropriations process. Federal funding for domestic food assistance represents over 60 percent of the U.S. Department of Agriculture's budget and includes the food stamp program, child and elderly nutrition programs, the special and commodity supplemental food programs for women, infants and children [WIC and CSFP], commodities for soup kitchens and food banks, and the Temporary Emergency Food Assistance Program [TEFAP].

I oppose the provisions in the bill that cap the Market Promotion Program at $100 million per year and the Export Enhancement Program at levels far below the Congressional Budget Office baseline and the Uruguay round permitted levels for fiscal year 1996 through 1999. The Market Promotion Program is an important tool in expanding markets for our agricultural products. The Export Enhancement Program is used to subsidize export sales to more than 80 foreign countries. It is the primary means by which the United States has attempted to meet price competition in world markets when domestic policies supported prices above the world market or to counter subsidies used by foreign competitors.

The Conservation Reserve Program [CRP] is a voluntary program that enables producers to bid to retire highly erodible or environmentally sensitive land for 10 years. It is one of the most important conservation programs in the Nation. To date, about 36.5 million acres have been enrolled in 375,000 contracts. CRP saves soil, enhances wetlands, improves soil and water quality, expands wildlife habitat and populations, encourages tree planting, and helps balance commodity supply and demand.

The Lugar-Dole bill in effect phases out CPR by capping enrollment at the current 36.4 million acres and providing no new enrollment authority. Contracts on 24 million acres expire in 1996 and 1997. If they are not renewed, CRP would be reduced by 56 percent by 1997.

This bill also guts current law which allows acres to be enrolled permanently in the Wetlands Reserve Program. About 335,000 acres are currently enrolled permanently. The bill only allows 15 year easements and places a cap on enrollment. The 7-year savings of $387 million are false economy. Short term contracts may reduce outlays over next 7 years, but outlays would increase in subsequent years and no protections remain in place after contracts expire. Over half a million acres are bid into the Wetlands Reserve Program each year by farmers who want permanent easements. Congress should not take away this option for farmers.

Finally, I believe that the principal intention of the Lugar-Dole bill—to phase out Federal support for the "program crops", for example, rice, cotton, wheat, and feed grains—is bad policy for family farmers. Under current law, program crop farmers get "safety net" payments when market prices fall below a certain threshold. Under the Lugar-Dole bill, farmers will receive subsidy payments—decreasing over 7 years—based only on the production history of a farmer—with no relation to market prices or actual output. In other words, the nature of farm payments changes from being a "safety net" received only when prices are low, to a form of direct "welfare payment" received no matter what the market conditions and regardless of how profitable the farming operation. Although "Freedom to Farm" lowers the payment limitation from $50,000 to $40,000, it retains the "three entity rule". So, one farmer could theoretically earn $120,000 from the Federal Government in 1996 while on a year-long sabbatical.

Farmers need predictability in order to make planting decisions and secure financing from lending institutions. This bill is being sold to the agriculture community as the best vehicle to guarantee an income safety net to farmers through direct payments for 7 years. Many farmers believe that given the Federal deficit and efforts to balance the budget, this bill is the best way to look in Federal support payments. But decoupling makes no sense. Under this bill, one farmer could be receiving windfall gains while another hard-working farmer could go bankrupt in a bad year because of lack of assistance.

I urge my colleagues to oppose the Lugar-Dole bill.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota [Mr. CONRAD] is recognized.

Mr. CONRAD. Mr. President, I rise to urge my colleagues to defeat cloture so that we can come together in a bipartisan way to write a farm program that makes sense for the future. Mr. President, this could be a very dark day for farmers, for their families, and the future of American agriculture, because—make no mistake—if the so-called freedom-to-farm legislation is passed, it will be the death knell for farm programs in this country.

I have just come from my office and talked to a farmer who was urging me to vote for freedom to farm. He told me, "Senator, we need the money and we know that the design of this program is to phase out farm program payments and kill the underlying law that allows us to have a farm program for the future." He said, "Senator, we know you will not let us down in the future."

Mr. President, I am just saying to that farmer that that is not what this plan is all about. They are making transition payments. You are getting that money for a reason. The reason is that they then ratchet them down and eliminate them and kill the permanent authority to have a farm program. I am saying to them, despite the best efforts we might make in the future, this will be the end, make no mistake about it. This will be the end. I told him that it is a little like the Rev. Jim Jones, who had all of his followers drink the Kool-Aid that was laced with poison, and then they died. I said it is a little like Reverend Jones and that Kool-Aid. It tastes good going down—just like those couple of years of initial payments look good—but it will kill you.

There is not a farmer I know that does not realize that sometimes prices are high and sometimes they are low. The purpose of a farm program is to be there as a safety net when prices are low. This program provides a payment, regardless of what the price is.

Mr. President, it is a scandal waiting to happen. Wait until "60 Minutes" gets a hold of this one. In the high-priced years, farmers are making good money, and, in addition, they get a payment from the Government. I do not think so, Mr. President. I think it would be a profound mistake, and it would kill farm programs and reduce, according to the State university in North Dakota, farm income by 30 percent.

Mr. President, I yield the floor so that my colleague might have a chance to speak as well.

Mr. DORGAN. Mr. President, it is my understanding that there are about 4 minutes remaining. At that point, the majority leader intends to use the remaining time on the Republican side.

This vote is going to be a cloture vote on a farm proposal. We did not have a debate on the floor of the Senate on a farm proposal last year. Last year was the time when we were supposed to have had a 5-year farm plan debated. We did not have a farm bill debated at all on the Senate floor. A farm bill was put in the reconciliation bill. Right now is the first time we have had a farm bill debated on the floor, and we started about an hour or two ago. We had an hour or two of debate and now there is a cloture vote at 1:30.

The issue is something called the freedom to farm, which is an attractive name. This plan is to disconnect farm program payments from production or prices. The interesting thing about the freedom-to-farm proposal is you do not have to farm in order to receive payments.

All you have to have is land with a base, but you do not need a tractor. All you need is a bank account and some land, and you can get a payment. It is decoupling the support price from whether or not you produce, decoupling the support price from whether or not market prices are high.

You could have a bumper crop with very high market prices, and you still get a payment under this plan. Or you can have a circumstance where you have no crop because you just went off to Puerto Rico and had a vacation and did not plant a thing, and you can still get a big payment under freedom to farm. It defies logic to me to understand why you want to move in this direction.

For those who want to give a big payment to farmers, I say, fine, sign me up, let us try to recapitalize family farms. But if you want to do that, I disagree with coupling it with the notion that we must then repeal permanent farm law. That is the understanding—as Congressman ROBERTS said last evening on a program I was on—that we are going to transition you out of a farm program, make some payments up front, and there will be no farm program later. I am not willing to agree that there ought not be permanent farm law.

FAPRI says wheat prices go to $3.22 next year. USDA says grain prices are going down in 1998. What happens when grain prices are $3 a bushel for wheat and there is no support price at all, none at all? What happens to a family farmer? They are going to be washed away, and all of us know it.

Who will farm then? The big agrifactories will farm from California to Maine. This is great for a corporate farm bill. If you like corporate farms, and you want agrifactories to farm America, this is a great and quick way to get rid of family farmers.

They will get dollars maybe next year, maybe the year after, and every single year after that they will be worse off, and at the end of it they will have no support at all against the risk of low prices. Zero. No safety net at all. This takes a safety net we have had for 50 years and yanks it right out from under family farmers. If you like that, vote for this.

If all of you who want to add some extra money to farmers' pocketbooks, you want to do that now, I will support you in doing that now. However, I want you to join me in retaining some permanent law that provides some safety net for the risks that family farmers will inherit when prices become very low. Why would you want to pull out that rug and say, "Well, the risk is your own; we do not care whether you succeed or fail"?

I had a farmer call me yesterday who said, "I want the Freedom-To-Farm Act but I want you to make sure, that, if prices are low, you give me a farm program." I had a farm commodity group come in to see me that has endorsed the Freedom-To-Farm Act, and they said, "We endorsed it with one condition: We have a farm program." I said, "You do not understand; when Congressman ROBERTS talks about transitioning, when someone with a white shirt from Washington says we will transition you, you had better get your seat belt on the tractor seat and buckle up. Transitioning means you will get a payment up front in exchange for which they will abolish the farm program down the road."

No debate about that. That is exactly what will happen. That is why many of us cannot support this. No one wants to be more generous than I to family-sized farms. I believe in the future of this country there ought to be a network of family sized farms. I also believe that we will not see a network of family sized farms in America if we decide that when market prices collapse to $2.50 a bushel there should be no program for a safety net to continue family farming. We will have corporate farming from California to Maine under this proposal.

I hope we will reach a compromise that is much better for the future of family farmers sometime this afternoon.

The PRESIDING OFFICER (Mr. COATS). The time on the Democratic side is expired. There are 8 minutes and 45 seconds remaining on the Republican side.

Mr. DOLE. Mr. President, here we go again, another farm debate. Winter wheat farmers have already planted. They could not wait any longer for Congress to act. It happens about the end of every 5-year farm program. There is always a little gap, and particularly winter wheat producers do not have much choice but to plant fence to fence and hope we will pass the farm bill, and then they can comply with the law at that time.

President Eisenhower was born in Kansas and raised in rural America. He hit the nail on the head when he said, "Farming looks mighty easy when your plow is a pencil, and you're 1,000 miles from a corn field." That statement was made a long time ago, but it has not changed over the years.

What I see happening here is we thought we had a pretty good compromise worked out, but now I understand the other side of the aisle, for the most part, has said, "No, we are not going to let it happen. We do not believe in the freedom to farm. We do not believe in transition payments. We do not believe you ought to take a look at many farmers and say, OK, have this 7-year period also be a transition and during that period they will determine whether or not we ought to continue farm programs or whether we ought to bring them to an end."

I must say, as I sat in a meeting here a while back with Secretary Glickman—a good friend of mine who is doing a good job as Secretary—one thing he said bothered me: "Farm prices are so high in the market, people may not sign up for the program." I thought that was the goal—go back into the marketplace with high prices so farmers could rely on the market rather than the Government. Produce for the market. That is what the freedom to farm act is all about.

I do not know where we go from here if we do not get cloture on the so-called compromise. I want to congratulate the distinguished chairman of our committee, Senator LUGAR, and Senator LEAHY, the ranking Democrat on the committee, and others, Senator CRAIG from Idaho and Senator GRASSLEY from Iowa, my own staff and others who have been working, we thought, in sort of a bipartisan way so we can get to conference. If we do not go to conference, we will not have anything.

I know farm bills are difficult. We have had farm bill debates on this floor before and they are even more difficult on the House side. Normally you can pass a farm bill in the Senate. It is a little easier because most of us represent some farmers. Some may not fully realize it, but there are always a few farmers in every State. I know in my State we have a saying, "if you do not eat, don't worry about the farm." A lot of people do eat, but not many worry about the farm.

We have the best food bargain in the world. We spend less of our disposable income on food in America than any other industrialized nation because of our farmers and ranchers in America, and now we are trying to have a little safety net here, a little farm bill, to make certain that certain things happen and there will be some protection there.

Farming looks pretty easy to some. But we know the tremendous amount of work required by not only farmers but their families. We know there is overregulation, overtaxation, and I have had farmers tell me if we get rid of some of the regulations and other things we could keep the subsidies. We would probably be better off. Farmers make a lot of sacrifices. They have hailstorms, winter kill, a lot of other things to contend with, sometimes they do not have any crop at all, sometimes they live from crop to crop, and sometimes they borrow money every year and every year and every year.

It is pretty important that we move ahead in this Chamber. They have enough uncertainties out there without the uncertainty of whether or not we will act. I believe on this side of the aisle we are prepared almost unanimously to act. It does not mean we think it is perfect. It does not mean we cannot address some of the concerns expressed by my distinguished colleagues on the other side, including the Democratic leader, who also understands agriculture, coming from South Dakota, and hopefully we will be able to work together on this.

While negotiations continue, as I said, Kansas farmers have planted their crop without knowing any program details, and farmers of other crops will be in the same position unless we take action. We did take action last year, and we attached the legislation to our historic Balanced Budget Act. The legislation would have provided farmers with certainty, simplicity, and flexibility—three key words when you are on the farm. It would have allowed them to plant for the market and not for the Government. It would have set a policy that transitions our farmers into the next century, without disrupting the farm economy or land values. That act was vetoed by the President of the United States. I do not think the American farmer should forget that—or the farm families. That act was vetoed by President Clinton. That is why we are here today. That is why we are late. That is why we do not have our work done.

It seems to me that we ought to get together here, pass the legislation contained—the language we passed last year. That will be the first vote on cloture. I urge my colleagues to support that. I believe the plan is good for farmers and good for taxpayers and good for America. I have some reservations just as some of the others have reservations, that we could address in conference. I probably would be a conferee.

After that vote, we will also have a cloture vote on a bipartisan package, and I congratulate those who put that together. I think it does respond to the crisis. I thought we would have a third cloture vote but the Senator from North Dakota, Senator DORGAN, vitiated cloture, which really started all this—I do not quite understand that—on a 1-year extension. My view is we have two votes, we have two opportunities to move ahead for American agriculture. Stop the uncertainty right now.

I guess the good news for America's farmers is that this bipartisan agreement keeps intact the provisions farmers have overwhelmingly endorsed: Certainty, simplicity, and flexibility. We also have dairy provisions, nutrition, and conservation. I believe the Senate must provide leadership and keep faith with our commitment to rural America and move this farm bill forward. I believe it is good for farmers, it is good for America.

I finally say, if I can take a minute or two of leader's time, over 200 years ago, George Washington wrote: "I know of no pursuit in which more real and important services can be rendered to any country than by improving its agriculture."

I think those words were probably pretty good a couple hundred years ago and I think they are just as true today.

Now, I certainly hope that we could obtain cloture on both bills, if not on the bipartisan efforts put together by Democrats and Republicans—by Democrats and Republicans. Then let us go to conference, let us work together in a bipartisan way in the conference, come up with a package that the American farmer can live with, the American consumers will benefit from, and that the American taxpayers will also support.

Mr. DORGAN. Mr. President, will the majority leader allow me to respond to the point he made about vitiating?

Mr. DOLE. I thought we had an agreement about voting on yours first, then you vitiated the yeas and nays, and so there is nothing there.

Mr. DORGAN. Mr. President, if I might just mention to the majority leader, the Senate will now have two cloture votes. If cloture is invoked, of course, the issue of extending the current farm program will probably be moot. But if cloture is not invoked, then it would be my desire to offer the Senate an opportunity to vote on the question of whether we extend the current farm program or whether we provide for some Farm Security Act approach. But the only way we will get to that point is if we get past these two cloture votes. So we would still have an opportunity to vote on an extension of the farm program if there is not cloture invoked.

Mr. DOLE. Not today.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I ask unanimous consent I might be added as a cosponsor of both measures, S. 1541 and the Lugar-Leahy bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

CLOTURE MOTION

The PRESIDING OFFICER. All time has expired. Pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on S. 1541, the farm bill:

Bob Dole, Strom Thurmond, Dirk Kempthorne, James M. Jeffords, John H. Chafee, Thad Cochran, Ted Stevens, Trent Lott, Richard G. Lugar, Craig Thomas, Don Nickles, Bob Bennett, Alan K. Simpson, John Warner, Larry Pressler, Dan Coats, Larry E. Craig.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on S. 1541, the farm bill, shall be brought to a close?

The yeas and nays are required under the rule.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from West Virginia [Mr. ROCKEFELLER] is necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia [Mr. ROCKEFELLER] would vote "nay."

The yeas and nays resulted—yeas 53, nays 45, as follows:

[Rollcall Vote No. 7 Leg.]

YEAS—53

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Johnston
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Pell
Pressler
Roth
Shelby
Simpson
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone

NAYS—45

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Gregg
Harkin
Heflin
Hollings
Inouye
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pryor
Reid
Robb
Santorum
Sarbanes
Simon
Smith

NOT VOTING—1

Rockefeller

The PRESIDING OFFICER. On this vote, the yeas are 53, the nays are 45. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the cloture motion is not agreed to.

Under the previous order, the clerk will report the motion to invoke cloture.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SMITH). The absence of a quorum is suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

By unanimous consent the Senator may proceed.

Mr. PRESSLER. The farm bill is the most important legislation we have before us insofar as my State of South Dakota and insofar as our Nation is concerned. We forget that we are an agricultural Nation. Most of our exports in our Nation are agriculture. In fact, we pay our trade bills through agricultural exports.

Many economists have predicted that in the next few years commodity prices will be at an all-time high because of the demand in Asia and elsewhere for our farm products. Therefore, I hope this farm bill will take into account the key role that agriculture plays.

Mr. President, we seem to be split between two approaches here, temporarily: The freedom-to-farm approach and the traditional Department of Agriculture subsidy approach. It appears to me we will have to find a compromise between the two. In the long run, this Senator likes the concept of freedom to farm, possibly with a cap, because it may be that new crops will be developed. A farmer might well experiment with a totally new crop. Right now with our bureaucratic approach, the Department of Agriculture basically defines what crops are appropriate.

However, I realize legislation is the art of the possible. It appears we will have to reach a compromise. I am very much anxious to be part of that compromise. I look forward to discussing this with my colleagues.

Mr. FORD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUCTIONING THE TELECOMMUNICATIONS SPECTRUM

Mr. MCCAIN. Mr. President, I am informed that there is going to be, shortly, a unanimous-consent request to take up the telecommunications bill. I will not object to the unanimous-consent request, nor aspects of it.

I would like to point out that there have been letters exchanged between the members of the Federal Communications Commission and Chairman PRESSLER, chairman of the Committee on Commerce, Science, and Transportation, and also between Republican Members of the other body as well as the majority whip, to Senator DOLE, concerning the issue of spectrum auction, and a letter from Congressmen BLILEY and GINGRICH, Senator PRESSLER and Senator LOTT, to the Honorable Reed Hundt, Chairman of the Federal Communications Commission.

Mr. President, I ask unanimous consent these letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, DC, February 1, 1996.

Hon. LARRY PRESSLER,
Chairman, Committee on Commerce, Science and Transportation, U.S. Senate, Washington, DC.

DEAR CHAIRMAN PRESSLER: Thank you very much for your letter this morning about the concerns expressed by Senate Majority Leader Dole and others regarding the distribution of additional spectrum to television broadcasters. We share the determination of you, Senator Dole and others to protect American taxpayers. As you know, under current law and pursuant to the language of the Telecommunications Act of 1996 (should it become law), the Commission lacks authority to auction, or charge broadcasters for the use of, the spectrum that has been identified for the provision of these broadcast services. In addition, given the many administrative steps necessary to implement any assignment of digital broadcast licenses, we would not be in a position to issue those licenses any earlier than 1997.

We recognize the serious policy questions involved, and that you intend to hold hearings and enact legislation dealing with this issue as part of an overhaul of policies governing the electromagnetic spectrum. Any award of initial licenses or construction permits for Advanced Television Services will only be made in compliance with the express intent of Congress and only pursuant to additional legislation it may adopt resolving this issue.

Very truly yours,

REED E. HUNDT, *Chairman,*
JAMES H. QUELLO,
Commissioner,
ANDREW C. BARRETT,
Commissioner,
SUSAN NESS, *Commissioner,*
RACHELLE B. CHONG,
Commissioner.

CONGRESS OF THE UNITED STATES,
Washington, DC, January 31, 1996.

Hon. ROBERT J. DOLE,
Majority Leader, U.S. Senate, Washington, DC.

DEAR MR. LEADER: We appreciate your leadership on telecommunications reform. Clearly the next step in bolstering America's edge as we enter the Information Age will be to overhaul outdated policies governing the electromagnetic spectrum or airwaves.

We agree that you have raised legitimate concerns that must be addressed, and we share your determination to protect America's taxpayers. To this end we are committed to moving comprehensive legislation this year and plan to be ready for floor action this summer. As part of this reform, we believe it is of the utmost importance to closely examine and question the Federal Communications Commission's proposals to give additional spectrum to television broadcasters. Until action is completed on this legislation, we agree that the FCC should not issue any initial licenses or construction permits for Advance Television Services until Congress sets policy in this area.

The Commission is a creature of Congress and our committees have oversight over its operations. In the attached letter, we inform the Commission of our concerns and have requested that the Commission take no further action until instructed otherwise.

We agree this issue should be subject to full, public scrutiny, and we look forward to working with you to ensure that America's taxpayers are fairly compensated for this precious national resource.

Sincerely,

TOM BLILEY,
LARRY PRESSLER,
NEWT GINGRICH,
TRENT LOTT.

CONGRESS OF THE UNITED STATES,
Washington, DC, January 31, 1996.

Hon. REED E. HUNDT,
Chairman, Federal Communications Commission, Washington, DC.

DEAR MR. CHAIRMAN: As you are aware, Senate Majority Leader Dole and others have raised legitimate concerns about giving additional spectrum to television broadcasters. As you are aware, these concerns raise serious policy questions which include providing taxpayers fair compensation for the use of a national resource to the policy implications of giving preference to the broadcasters over all other potential competitors.

We share Senator Dole's determination to protect America's taxpayers, and to satisfactorily resolve this issue. We wish to inform the Commission that it is our intention to conduct open hearings and move legislation to overhaul our nation's policies governing the electromagnetic spectrum. We request that the Commission not issue any initial licenses or construction permits for Advance Television Services until legislation is completed. Furthermore, your input would be greatly appreciated as we work to solve this complicated issue.

We appreciate your cooperation in advance on this issue of the utmost importance.

Sincerely,

TOM BLILEY,
LARRY PRESSLER,
NEWT GINGRICH,
TRENT LOTT.

Mr. MCCAIN. Mr. President, the interesting thing about this is we are about to see what should have been done, not done, and what may happen is a loss to the taxpayers of, conservatively, about $30 billion in spectrum that would be auctioned off.

In the language of the bill that we will be considering, there is no authority for the Commission to auction or charge broadcasters for the use of the spectrum that has been identified for the provision of broadcast services.

I want to repeat. In the present bill we are about to consider, there is no provision for spectrum auction. The fair and decent thing to do for the American taxpayer was to strip that language out of the bill, thereby leaving it neutral, and saying that this issue will be taken up and the issue of spectrum auction will be decided through hearings and freestanding legislation.

I have been around here long enough to know what is going on here. What is going to probably happen is that we will not act on this issue this year; that sometime in 1997 the broadcasters will begin to sue for the provision of their spectrum, and in court will probably have standing because of this bill we are about to pass. I am not sure how any court could refuse when in the legislation it does not provide the Commission authority to auction off the spectrum.

I want to tell you what should have been done here. What should have been done is the language stripped out of the bill that does not give them authority and does allow them to give spectrum to the broadcasters.

About a month ago we had a vote around here on some spectrum that was about to be given away to a company. We had a vote here. It ended up, thanks to my colleague from Colorado and his cooperation and assistance, with a vote of 98 to 0 that mandated that this spectrum, which was about to be given away, be auctioned off. The estimates of the value of that spectrum at that time ranged between $150 to $170 million. The auction took place a little over 2 weeks ago, and the spectrum was auctioned off for $682 million.

Now, what we are about to do here is allow, over time, this spectrum to be given away to the broadcasters. I congratulate the broadcasters and their surrogates here in the Senate and the Congress. I congratulate them on prevailing. I congratulate them for their incredible influence that has prevented us from mandating an auction of the spectrum which belongs to the taxpayers.

The estimates are that this spectrum is worth somewhere around $30 billion—"b," billion dollars. Now we are going to accept language which is exactly what the broadcasters wanted.

In exchange for it, we get letters. We get letters which have no standing in law, which have no standing anywhere. I have grown a bit cynical in the years that I have spent here in Congress, not to recognize what is happening.

I can only speak for people on this side of the aisle about our philosophy of the role of Government. When something is owned by the taxpayer and is of great value and we are facing debts of incredible proportions, $4, $5 trillion, annual deficits of $150 billion, and we have a way of taking that very valuable commodity that is owned by the taxpayers and auctioning it off, and now we are being prevented basically from doing so—despite the fig leaf of these letters—I think it is a very sad day. Because in this legislation the broadcasters are well represented. The taxpayers of America are not represented at all.

So, as we adopt this legislation, and these letters, which I could describe in somewhat graphic terms but will not—they are entered into the RECORD—let us have no illusions about what is happening here. What is happening here is the odds are the taxpayers of America will never receive that $30 billion in return for the auctioning off of a commodity which they own.

Mr. President, I had a lot of problems with the telecommunications bill, as is well known here. I proposed numerous amendments which were defeated. But all of them pale in comparison to what we are talking about here, especially since we already have proof, with a $682 million auction of a small amount of spectrum that took place a couple of weeks ago, of the value which we are not addressing in this legislation today.

Mr. President, I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, I first want to thank the Senator from Arizona for his statement. I can assure him that if the FCC means what they say in the letter, "only pursuant to additional legislation it may adopt resolving this issue"—I think both the Senator from Arizona and the Senator from Kansas are going to be around. And there will not be any legislation unless it resolves the issue fairly for the American taxpayer.

I think this is very important. I know there are Members on each side of the aisle who are concerned about it. It is not a partisan issue. Here we are, trying to balance the budget, cutting welfare, cutting other programs, and about to give a big handout here to the rich, the powerful.

We have not seen a single story on any of the networks about this issue. We see a lot of stories on the networks about some Member of Congress going somewhere on a "junket," they always like to say on the networks. But I have not seen anybody, except for CNN, not a single story on what could be the biggest giveaway of the century—not one.

I think we could have done better in the discussions, myself, yesterday.

I talked to the Speaker, and the Speaker said, "You got rolled." Everybody got rolled. But that is history. It will not happen again. I think this is a very important issue. You will not see it on television. You will not see it on the networks. You probably will not see it in any newspaper that owns television because this affects them. We should not raise things, in effect, for the rich and the powerful.

So I appreciate the concerns expressed, and we will continue to pursue this matter.

Mr. MCCAIN. Mr. President, will the majority leader yield for a comment?

Mr. DOLE. I am happy to yield.

Mr. MCCAIN. I want to thank the majority leader for his efforts on the spectrum auction. It would have sailed right through, because the fix was in. Had it not been for his efforts—I am sorry that he was out of town yesterday. I am sorry that we did not get, as the leader said, a better deal.

The thing I worry about, of course, is that with the present language in the bill, which should have been stripped out, next year sometime someone will sue and go to court with the FCC and force the FCC to be in compliance with the law that we are about to pass today. That is what I worry about.

But I do want to thank the majority leader sincerely for his efforts for bringing this issue to the attention at least to the print media. As the majority leader mentioned, we will not see this story on any television or hear it on any radio broadcast because it directly affects them.

But I want to thank the majority leader for his efforts. I take in good faith his commitment for us to try to get it up. I just know that the forces that are represented—the special interests here in Washington—have won. I regret it because it is the American taxpayer who now may be losing $30 billion. If we had done the right thing and stripped that language out of the bill, there was no chance that anything else would have happened.

I thank the majority leader for his efforts.

AGRICULTURAL MARKET TRANSITION ACT OF 1996

The Senate continued with the consideration of the bill.

Mr. DOLE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The cloture motion.

Mr. DOLE. I ask unanimous consent that the pending cloture vote be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE TELECOMMUNICATIONS BILL

Mr. DOLE. I think the managers on each side of the aisle are here. We do not want to take a lot of time. We are trying to work out something on the agriculture bill, a bipartisan solution, if you please. Senator LUGAR, Senator LEAHY, and others on both sides have been active. We had a meeting in Senator DASCHLE's office, including myself, Senator DASCHLE, Senator LEAHY, and Senator LUGAR. We believe there can be a resolution. But rather than keep people here late, late tonight, we would like to move ahead and have the debate on the telecommunications conference report.

I understand that is agreeable to the Senators from South Dakota and South Carolina. I think there is a need to get consent on the other side of the aisle before we can proceed. There is no time limit. We hope to get an hour or two for a time limit. We said we cannot get that at the present time. But we would like to ask consent—I will not make the request now, but if we can get it cleared, I would simply ask consent that, notwithstanding the absence of official papers, the Senate now turn to the consideration of the conference report to accompany S. 652, the telecommunications bill, and the conference report be considered read.

That would just permit us to go ahead and have the debate.

I ask unanimous consent, notwithstanding the absence of official papers——

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN addressed the Chair.

Mr. DOLE. I have not made the request yet. I will repeat what I said and make the request.

Mr. HARKIN. I understand that there is a consent request to move right now to the conference report on the telecommunications bill. Mr. President, I ask that the bill be read.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader has not yet finished the request.

Mr. DOLE. Let me repeat the request.

Mr. LEAHY. Mr. President, will the distinguished majority leader yield for a moment?

Mr. DOLE. Yes.

THE FARM BILL

Mr. LEAHY. Mr. President, without going into the issue of the telecommunications bill—which I will not—I just want to emphasize what the distinguished majority leader said. As my colleagues know, he, I, and some others had an amendment at the desk. We would have voted cloture under normal circumstances. Following the first cloture vote today, the distinguished majority leader, the distinguished Democratic leader, Senator LUGAR, and I have met. I want to emphasize one thing.

In the 21 years that I have been here, the most successful farm legislation has been bipartisan farm legislation. The most successful farm legislation has been that where we have worked together. There are a lot of issues in this, from the normal crops to issues of nutrition, conservation, reserve areas, which are very important to me. I know that the only kind of legislation we are ever actually going to see go into law is something we all work together on.

I commend Senator DOLE and Senator DASCHLE and Senator LUGAR and others for working so hard to bring us together. I think we will shortly be in a position to put before the body a piece of legislation that we can at least all vote cloture on and then go on in the normal course of things on the farm bill.

But I commend those Senators again on both sides of the aisle who have been willing to work together on legislation to protect the farmers of our country, to require the production of food and fiber and allow family farms to continue, but also to protect the environment of this country and to feed the people of this country through the nutrition programs. Those programs work best when we come together to pass it. I think we are coming very close to that.

I thank the distinguished majority leader for yielding to me.

THE TELECOMMUNICATIONS BILL

Mr. DOLE. Mr. President, I think the Senator from Iowa has a legitimate request here. We are trying to clarify that now with the Senator from South Dakota. If we can do that, then we will start the debate on the telecommunications bill. I have read the colloquy. I do not see any problem with it. But I am not on the committee. I am not the committee chairman. So I hope we can work that out.

THE FARM BILL

Mr. BUMPERS. Mr. President, will the majority leader yield for a question?

The majority leader may have already covered this. I am concerned about this. I am vitally interested in the farm bill. I have no objection whatever going to the telecommunications bill. But if at some point this afternoon some sort of a compromise is reached, I hope that we will not have any difficulty setting the telecommunications bill aside and then get back to the farm bill and, hopefully, dispose of it this evening.

Mr. DOLE. We would like to dispose of it this evening. We are hoping there can be an agreement and that we have 80 votes on cloture—not 61 or 59, or whatever. I know some Members have to depart fairly soon. We are trying to accommodate everyone. It is difficult to do. But I think they are meeting as we speak in a bipartisan group.

Mr. LEAHY. Mr. President, if the leader will yield, his staff, mine, Senator LUGAR's, and Senator DASCHLE's are meeting. I think we are going to have very soon a package on the farm bill before us, at least the original package most of us can vote for and, obviously, subject to amendment after that. But the desire, I think, of the principals—those of us on both sides of the aisle who are handling this—is to get something that we can compress in time, if at all possible, and protect the legitimate interests reflected not only geographically but politically.

Mr. BUMPERS. My concern, Mr. President, to the majority leader was, I wish we could incorporate into the unanimous-consent request that the majority leader will have a right to automatically set the telecommunications bill aside. I do not want somebody to object to that and get us bogged down here so that we cannot get back to the farm bill.

Mr. DOLE. I will assure the Senator I am interested, too, just as the Senator from Arkansas is. If we get bogged down on this, we could set it aside. We have regular order to bring it back.

TELECOMMUNICATIONS ACT OF 1996—CONFERENCE REPORT

Mr. DOLE. Mr. President, I now ask unanimous consent that notwithstanding the absence of the official papers—they are somewhere else—the Senate now turn to the consideration of the conference report to accompany S. 652, the telecommunications bill, and the conference report be considered read.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The report will be stated.

The legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill S. 652, to provide for a procompetitive, deregulatory national policy framework designed to accelerate rapid private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. The Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of January 31, 1996.)

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. THOMPSON). Without objection, it is so ordered.

Mr. PRESSLER. Mr. President, it is with a sense of relief and pride that we bring to the Senate floor the conference report on the telecommunications bill. I wish to commend my colleague, Senator HOLLINGS, for his outstanding leadership and bipartisan spirit throughout this debate. This long debate has brought us to the point today where we have a conference report that is very positive. It is procompetitive and deregulatory. The Telecommunications Act of 1996 will get everybody into everybody else's business.

The purpose of this bill is to update the 1934 Communications Act. This is the first complete rewrite of the telecommunications law in our country. It is very much needed.

I predict that this will be succeeded someday as we get into the wireless age by another act, maybe in 10 or 15 years. But this Telecommunications Act will provide us with a road map into the wireless age and into the next century.

Mr. President, what has occurred in our country is that through court decisions and through the 1934 act we have developed an economic apartheid regarding telecommunications, that is, the regional Bell companies have the local telephone service, the long-distance companies have the long-distance service, the cable companies have their section, the broadcast companies have their section.

This bill attempts to get everybody into everybody else's business and let in new entrants. For example, at President Clinton's recent White House conference on small business many small business people wrote and said, we want the Telecommunications Act of 1996 to pass because it will allow small business people to get into local telephone service, it will allow small business people to get into different segments of telecommunications.

Mr. President, this conference report we bring here today is a vast bill. It covers everything from the rules of entry into local telephone service by other competitors—it deals with long distance, it deals with cable, it deals with broadcast, it deals with the public utilities getting into telecommunications, it deals with burglar alarm issues, it deals with the authority of State and local governments over their rights of way, and it deals with the rules of satellite communication.

It will result in many things for consumers. For example, I believe it will accelerate an explosion of new devices, an explosion of new investment. What has happened in our country is that we have forced our regional Bell companies to invest overseas because we limit what they can manufacture. We have limited many of our companies in what they can do in our country. This legislation unleashes them, makes them competitive and is deregulatory in nature.

It will do a great deal for consumers. For example, and specifically, it will lower prices on local telephone calls through competition. It will lower prices on long-distance calls through competition. It will lower cable TV rates through competition. It will provide an explosion of new devices, services and inventions.

Mr. LOTT. Mr. President, will the distinguished Senator from South Dakota yield? I hate to interrupt.

Mr. PRESSLER. I do yield.

UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. Mr. President, we have a unanimous-consent agreement I believe we are ready to enter. It is a very important effort to complete this legislation.

After consultation with the Democratic leadership, Mr. President, I ask unanimous consent that there now be 90 minutes on the conference report to be equally divided in the usual form, and following the conclusion or yielding back of the time, the Senate proceed to the adoption of the conference report without any intervening action or debate.

Mr. FORD. Reserving the right to object, Mr. President, I ask that my friend allow the ranking Member to have equal time for what the chairman has had, say 5 minutes, and add that to that.

Mr. LOTT. I amend my unanimous-consent request to that effect.

Mr. FORD. I thank my friend.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LOTT. I thank the Senator for yielding.

Mr. PRESSLER. I thank my colleagues and my colleague from Kentucky.

So, Mr. President, this bill is an industrial restructuring. It will be like the Oklahoma land rush because many investors have not had a road map as to what to do. It will mean we will be more competitive internationally, and it will mean many of our companies can form alliances internationally.

Some have said, well, will this just allow one or two companies to take everything over? No, it will not. I think it will prove to be the age of the small, nimble business. I believe that we will see small businesses emerging. We have seen AT&T break up into three companies. I think that is going to happen more and more.

This bill does not affect our antitrust laws. The antitrust laws stay in place. But this bill will encourage small, nimble companies and entrepreneurs to enter the telecommunications area.

It will also bring us to a point where many of our companies that have not been able to get into other areas can do so. For example, the public utilities will be able to get into telecommunications.

What does this mean to the average consumer? I have already mentioned I think it will mean lower prices through competition. It also will mean many new devices for senior citizens who might be living alone and want to summon emergency help with some of the wireless technologies that will be available. They can stay in their own homes longer with the security of mind of being able to call for help by pushing a button.

For the home, I believe we will see the computer and TV and telephone blended into one source of education, news, and entertainment. For the small town hospital, it will mean telemedicine, new devices and investment, where a large hospital can partner with a small hospital in research.

For the small business located in a smaller town, it will mean that a small businessman there will be on an equal footing with a bigger businessman in an urban center in terms of access to research and the ability to partner.

As a member of the Finance Committee, I have asked my staff to help find ways that when big universities get a research grant for cancer research, for example, that they use telecommunications to partner with a small university. That will make the research more accurate at lower cost.

So there are a number of benefits to consumers, farmers, small business people, and universities. There are many new devices that will come online that we have not even heard of yet. This bill will be like the Oklahoma land rush in terms of investment, inventions and development. We have just begun imagining what the telecommunications revolution will be like.

This will be the starting gun. We have kept our companies in bondage. Those companies will break free and there will be a whole group of new small entrepreneurs coming forth to participate in the telecommunications revolution.

Another area that it will help our country is jobs. This is the biggest jobs bill ever to pass this Congress. It will result in a creation of thousands of jobs, good jobs, good-paying jobs across our country.

We read about layoffs every day, but they are frequently in industries that have grown obsolete. This bill will allow an unleashing of new high-technology jobs in the information age. And it is very important.

This bill is a jobs bill without spending any Federal money. It will go down in history as the largest jobs bill in American history.

So, Mr. President, I shall, to save time, because I know some of my colleagues wish to speak—I want to pay tribute to both the Republicans and Democrats who have worked on this bipartisan bill, to my colleague, Senator HOLLINGS, to my colleague, Senator DASCHLE, who is on the floor, and many others on both sides of the aisle, Republicans and Democrats.

This is a bipartisan bill. It has been all the way through the Senate. First of all, this bill has been simmering for many years. We have worked on it first in the Senate and then in the House. There were bipartisan staff meetings.

We have brought the White House into the conference discussions. I spoke with President Clinton and Vice President GORE on a number of occasions throughout this process. I thank them for their participation. Mr. Simon of Vice President GORE's staff was a guest speaker at the conference staff's first meeting. We invited him so we could bring this together on a bipartisan basis.

This bill is not one that could be partisan. I think it is one of the most bipartisan pieces of legislation in the Congress. Mr. President, I shall have additional remarks as time goes on. I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, today the Senate considers the conference agreement to S. 652, the Telecommunications Act of 1996. This bill is intended to promote competition in every sector of the communications industry, including the broadcast, cable, wireless, long distance, local telephone, manufacturing, pay telephone, electronic publishing, cable equipment, and direct broadcast satellite industries. This legislation has the support of the Clinton administration and almost every sector of the communications industry. I urge my colleagues to pass this comprehensive legislation.

Mr. President, this conference agreement comes before the Senate for final passage after years of debate. In 1991, I authored legislation to allow the Regional Bell Operating Companies [RBOC's] into manufacturing. That bill passed the Senate by almost ¾ of the Senate, but the House could not pass it. Several other bills were offered, but at each stage, one industry blocked the other. As a result, communications policy has been set by the courts, not by Congress and not by the Federal Communications Commission [FCC], the expert agency.

In 1994, I introduced S. 1822, the Communications Act of 1994, which contained the most comprehensive revision of the communications law since 1934. In that year, the committee held 31 hours of testimony in 11 days of hearings from 86 witnesses. Though that bill was reported by the Commerce Committee by a vote of 18 to 2, there was not enough time in the 103d Congress to complete our work.

Senator PRESSLER and I decided earlier this year to pick up where we left off in the last Congress. We jointly introduced S. 652 early in 1995 and succeeded in passing the bill out of the Commerce Committee by a vote of 17–2 on March 23 of last year. The bill passed the Senate in June by an overwhelming vote of 81–18. After the House passed its version of the legislation in August, the two Houses entered into the difficult task of reconciling the two bills over several months through the fall and winter.

I am pleased that the conferees have succeeded in reconciling these bills. I believe that the conference report that is brought before the Senate today is a fair and balanced compromise between the bills passed by the two Houses. It retains many of the concepts contained in my legislation from the 103d Congress. For instance, it promotes competition, it retains strong protections for universal service and rural telephone companies, it promotes consumer privacy, and it allows the RBOC's into long distance and manufacturing under certain safeguards.

At the same time, this legislation contains many more deregulatory provisions than were contained in my legislation from last year. It allows greater media concentration than I would have preferred. It deregulates cable on a date certain, rather than upon a determination that there is actual competition. Nevertheless, I believe that this legislation on the whole presents a balanced package that deserves the support of every Member of this body.

The basic thrust of the bill is clear: competition is the best regulator of the marketplace. Until that competition exists, monopoly providers of services must not be able to exploit their monopoly power to the consumer's disadvantage. Timing is everything. Telecommunications services should be deregulated after, not before, markets become competitive.

Competition is spurred by the bill's provisions specifying the criteria for entry into various markets. For example, on a broad scale, cable companies soon will provide telephone service, and telephone companies will offer video services. Consumers will soon be able to purchase local telephone service from several competitors, and vice versa. Electric utility companies will offer telecommunications services. The RBOC's will engage in manufacturing activities. All these participants will foster competition to each other and create jobs along the way.

We should not attempt to micromanage the marketplace; rather, we must set the rules in a way that neutralizes any party's inherent market power, so that robust and fair competition can ensue. This is Congress' responsibility, and so the bill transfers jurisdiction over the modification of final judgment [MFJ] from the courts to the FCC. Judge Greene, who has been overseeing the MFJ, has been doing yeoman's work in attempting to ensure that monopolies do not abuse their market power. But it is time for Congress to reassert its responsibilities in this area, and this conference agreement does just that.

Mr. President, let me address some of the specific areas of important in the bill.

UNIVERSAL SERVICE

The need to protect and advance universal service is one of the fundamental concerns of the conferees in drafting this conference agreement. Universal service must be guaranteed; the world's best telephone system must continue to grow and develop, and we must attempt to ensure the widest availability of telephone service.

The conference agreement retains the provision in the Senate bill that requires all telecommunications carriers to contribute to universal service. A Federal-State joint board will define universal service, and this definition will evolve over time as technologies change so that consumers have access to the best possible services. Special provisions in the legislation address universal service in rural areas to guarantee that harm to universal service is avoided there.

RBOC ENTRY INTO LONG DISTANCE

One of the most contentious issues in this whole discussion has been when, or if, the RBOC's should be allowed to enter the long-distance market. I share the concern of many consumers that the RBOC's should not be permitted to enter the long-distance market while they retain a monopoly over local telephone service. For this reason, I strongly opposed the idea that the RBOC's should be permitted to enter the long-distance market on a date certain, whether they face competition or not. I am pleased that the conference agreement recognizes that the RBOC's must open their networks to competition prior to their entry into long distance.

CABLE RATE DEREGULATION

The 1992 Cable Act was a great success. The rate regulation provisions of that legislation have saved consumers about $3 billion a year. The 1992 law also stimulated competition for cable service by wireless cable providers and direct broadcast satellite [DBS]. For these reason, I have agreed to go along with the provisions in the final conference agreement what would deregulate the upper tiers of cable service on March 31, 1999. By that time, we expect that competition from DBS and wireless cable, and perhaps from the telephone companies, will provide enough restraint on further cable rate increases. I believe that this is a fair compromise that serves the interests of consumers and the cable industry.

BROADCAST ISSUES

The conference agreement changes some of the current rules and statutory provisions concerning media concentration. I share the concerns of the Clinton administration and others that excessive media concentration could harm the diversity of voices in the communications marketplace. At the same time, that marketplace has undergone several changes since many of these rules were first adopted in the 1970's. As a result, I have agreed to some changes in the ownership rules to allow the broadcast and cable industries to compete on more equal footing.

IMPORTANCE OF MUST-CARRY

I would like to add one more point concerning the importance of must-carry. Broadcast stations are important sources of local news, public affairs programming and other local broadcast services. This category of service will be an important part of the public interest determination to be made by the Commission when deciding whether a broadcast renewal application shall be granted by the Commission. To prevent local television broadcast signals from being subject to non-carriage or repositioning by cable television systems and those providing cable services, we must recognize and reaffirm the importance of mandatory carriage of local commercial television stations, as implemented by Commission rules and regulations.

CONCLUSION

This comprehensive bill strikes a balance between competition and regulation. New markets will be opened, competitors will begin to offer services, and consumers will be better served by having choices among providers of services. I urge my colleagues to adopt this bill. I myself would go further in several areas covered by the legislation, and not as far in other areas. But I have seen that, unless we adopt a comprehensive approach to legislation, any one sector of the telecommunications industry can stop this bill and checkmate the others. Telecommunications reform is too important to let this opportunity go by. This conference agreement is an equitable approach to most of the areas covered by the bill, and I urge my colleagues to support it.

Mr. President, I ask unanimous consent that a "Resolved Issues" table be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TELECOMMUNICATIONS BILL RESOLVED ISSUES

1. Long Distance.

a. FCC decides whether to allow a Regional Bell Operating Company to provide long distance under the following conditions:

i. FCC gives substantial weight to the DOJ;

ii. RBOC application must be in the public interest;

iii. RBOC must face a facilities-based competitor or must have received approval from the State that it has met the unbundling requirements;

iv. RBOC must have opened and unbundled its network using a specific checklist;

v. RBOC must apply on a state-by-state basis;

vi. RBOC must use a separate subsidiary for long distance;

b. RBOCs can provide long distance outside their region immediately upon enactment;

c. RBOCs can provide incidental long distance (i.e. long distance related to cellular, information services cable services, cable services) immediately after enactment;

d. The RBOC can jointly market local and long distance service immediately after enactment;

2. Media Ownership:

a. Nationwide reach raised from 25% to 35%—no waivers

b. Duopoly rule—FCC will study whether to change duopoly rule. Current rule prohibits ownership of two TV stations in the same market. If it changes the rule, there should be a higher standard on V–V combinations than U–U or U–V combinations

c. Local Radio—raise the limits on the number of stations one person can own as follows:

NUMBER OF STATIONS IN A MARKET

	Current limit	New limit
1–14	3	5
15–29	4	6
30–44	4	7
45 or more	4	8

This also includes raising the current 49% limit on small markets (1–14 stations) to 50%.

d. Cable-Broadcast: remove statutory ban, direct the FCC to review its rule that has the same effect without prejudice.

e. Dual Network: allow someone to own a second network if it is starting a new network.

f. One-to-a-market: allow someone to own one TV, one AM radio, and one FM radio in the top 50 markets (current rule allows common ownership in top 25 markets). Allow existing waiver process to continue.

g. Network-cable: allow networks to buy cable systems subject to FCC safeguards.

h. Cable-MMDS: allow cable operator that face effective competition to buy an MMDS system in the same market; but a cable system that retains its monopoly cannot buy an MMDS system in the same market.

3. Cable-telephone: allow telephone companies to provide cable service in their regions.

4. Cable-telephone buyouts: allow a telephone company and cable company to buy each other in markets below 50,000 and outside an urbanized area.

5. Cable rates: deregulate small cable companies of fifty thousand or less immediately; deregulate upper tier rates as of March 31, 1999; no change to the regulation of the basic tier.

6. Universal Service: universal telephone service shall evolve over time, and the rates should be affordable. An FCC-State Joint Board will recommend changes to the current system to insure that all providers contribute.

7. Rural Telephone Company Protections: States may protect rural telephone companies from competition; only essential carriers will be eligible to receive universal service support.

8. Snowe-Rockefeller: give schools and hospitals discounted rates for telephone services.

9. V-chip: require TV sets to include a chip to screen out programs; encourage broadcasters to develop rating codes for violent programs.

10. Foreign Ownership: provisions taken out. No agreement was reached on how to enforce the reciprocity approach.

11. Cyberporn: require operators of computer networks to screen out indecent material for children; carriers of indecent information will not be liable for the content of information generated by others; expedited judicial review.

12. Set-top Box: allows consumers to purchase the cable set-top box on a retail basis from stores; cable companies will no longer have a monopoly over set-top boxes.

13. DBS Taxation: Cities are preempted from taxing the services provided by Direct Broadcast Satellite.

14. Pole Attachments: Cable companies may continue to pay the same rate as long as they provide only cable service; once cable companies start to provide telephone service, a higher rate will phase in over 10 years.

15. Electronic Publishing: The RBOCs must use a separate subsidiary when they provide electronic publishing in their regions. Electronic publishing includes generating stock information, sports scores, newspaper stories, and other databases of information.

16. Manufacturing: The RBOCs are allowed into manufacturing after they are permitted into long distance in any one State in their region. The RBOC must use a separate affiliate.

17. Privacy Information: All telecommunications companies must protest the privacy of customer information.

18. Anti-redlining: amends Section 1 of the Communications Act to prohibit discrimination based upon race, national origin, religion, sex; applies to broadcasters, common carriers and cable.

19. Disabilities: ensures access by disabled persons to telecommunications equipment and services, if readily achievable.

20. Pricing Flexibility: provisions taken out. The provisions in both bills would have told the States to adopt price cap regulation with consumer safeguards. Companies and consumers are better off leaving these issues to the States.

21. Spectrum Flexibility: allows broadcasters to provide ancillary and supplementary services once they deploy HDTV.

22. Preemption of state and local entry barriers: allows competition for local telephone service.

23. Infrastructure Sharing: allows small telephone companies to share the infrastructure provided by the RBOCS; parties may negotiate the rates for such sharing.

24. Payphones: prohibit the RBOCs from cross-subsidizing their payphone business.

25. Broadcast License Renewal: extends radio license terms from 7 years to 8 years; extends television license terms from 5 years to 8 years.

26. Anti-slamming: requires long distance companies to be liable for charges if they switch a customer to its long distance service unlawfully.

27. Regulatory Forbearance: allows the FCC to forbear from applying any provision of the Act in the public interest.

28. Educational Technology Corporation: Sen. Moseley-Braun sponsored this provision to allow this corporation to receive federal funds to provide technologies to schools.

29. Telecommunications Development Fund: makes funds available for small telecommunications businesses; sponsored by Rep. Towns.

ALARM MONITORING INDUSTRY

Mr. HARKINS. Mr. President, I want to begin by making a comment to the Senator from South Dakota, the distinguished chairman of the Commerce Committee, and chairman of the Senate-House conference which labored long and hard to produce this bill. I want to thank the Senator for the attention he has personally given to the small business alarm industry. I know that on several occasions we have talked about the impact of this bill on the alarm industry, and when the bill was on the Senate floor last year we worked out an agreement on the waiting period prior to Bell entry into alarm monitoring.

I also want to express my gratitude to the distinguished ranking member, the Senator from South Carolina, who has taken a special interest in the economic vitality of small businesses that comprise the alarm industry.

There is one issue that deserves some additional clarification. The bill and the report language clearly prohibit any Bell company already in the industry from purchasing another alarm company for 5 years from date of enactment. However, it is not entirely clear whether such a Bell could circumvent the prohibition by purchasing the underlying customer accounts and assets of an alarm company, but not the company itself. It was my understanding that the conferees intended to prohibit for 5 years the acquisition of other alarm companies in any form, including the purchases of customer accounts and assets. I would ask both the chairman and ranking member whether my understanding is correct?

Mr. PRESSLER. Yes; the understanding of the Senator is correct. The language in the bill designed to prevent further acquisitions by a Bell engaged in alarm monitoring services as of November 30, 1995, is intended to include a prohibition on the acquisition of the underlying customer accounts and assets by a Bell during the 5-year waiting period.

This would not prohibit, as is stated in the bill, the so-called swap of accounts on a comparable basis, whereby a Bell which was engaged in alarm monitoring as of November 30, 1995, would be allowed to swap, or exchange, existing customer accounts for a similar number and value of customer accounts with a non-Bell alarm company.

I thank the Senator for helping the committee to further clarify the meaning of the legislation in the area of alarm monitoring services.

Mr. HOLLINGS. I would agree with the explanation given by the chairman and am pleased to have this opportunity to further clarify our intent in the alarm industry provisions.

Mr. President, I am trying to save time and yield to our distinguished colleague from North Dakota. While he is coming to the floor, let me first acknowledge the leadership and the understanding and, more than anything else, the persistence of our distinguished chairman.

Senator PRESSLER has been a dogged fighter all last year. He set history, there is no question in my mind, in this particular measure. I have been here 28 years, now in my 29th year. I have been chairman of the Budget Committee, and on the Budget Committee for over 20 years, and this measure is far more complex than any annual budget or any nonsensical 7-year budget plan. It is totally ludicrous to think that we could bind Congresses into the next century. That is gamesmanship that has been going on.

On the contrary, here is a bipartisan measure that was reported out overwhelmingly from our Commerce Committee, not only 2 years ago under S. 1822, but again this year under S. 652. I will acknowledge and then get back to two leaders in this particular cause, in addition to our distinguished chair.

The former chairman of our Communications Subcommittee and now ranking member, Senator DANIEL INOUYE of Hawaii, has been in the trenches all the time giving his leadership, and also most particularly to Judge Harold Greene. I do not see how, having worked intimately on this particular measure, one Federal judge could do the remarkable job that has been done by Judge Greene.

Now we move from the judiciary back over to the jurisdiction of the Federal Communications Commission, let it be noted, not on account of any inadequacy of the court in the person of Judge Harold Greene, but rather because no single entity could possibly enunciate and pursue the policy of communications of the national Congress.

Mr. President, I reserve the remainder of my time and yield 10 minutes, under our agreement, to the distinguished Senator from North Dakota.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, the conference report on the telecommunications reform legislation embodies a unique characterization. While this report is, in many respects, a substantial improvement from either the Senate or House versions, it also invites one of the most serious policy errors of this Congress.

This dramatic overhaul of our Nation's communications laws will, in my judgement, lead to many significant advancements for American consumers and help spur an already explosive industry. Indeed, consumers will, in many areas, have more choices and lower prices. Also, there will, without a doubt, be thousands of new jobs created by the accelerated expansion of the telecommunications industry.

The legislation that came out of the conference report is better than the bill that left the Senate and better than the bill that left the House. That is pretty unusual. We seldom ever see that in the Congress, but this is better.

Last June, I voted against the telecommunications bill when it left the Senate for a number of reasons. One reason being the lack of the role of the Justice Department in determining when there is competition in the local exchange before the baby Bells will be allowed to go out and compete in the long distance service areas.

As some may recall, a couple of us stood on the Senate floor and led the fight for a role of the Justice Department. We lost that vote, and I made the case then that this bill is supposed to be a bill about competition, a bill to promote, expand and foster competition when, in fact, if we do not have a Justice Department role, it is and can be increasingly a bill about monopolies and concentration.

In the conference, they did address a Justice Department role. There will now be a strong role for the Justice Department in evaluating competition in local exchanges before allowing the Bell Companies to go out and compete in long distance service. The role provided for the Department of Justice will ensure that competition and antitrust issues will be reviewed adequately. This is an important guarantee that competition, and the innovation that results from healthy market forces, will be the centerpiece of our telecommunications policy.

The conference report contains a bulk of the key rural provisions that are designed to protect rural areas. One provision will maintain the universal service system which ensures that rural and high cost areas will continue to receive affordable phone services. This issue is of enormous importance to those of us from small States.

We have always felt that way about telephone service. A telephone in the smallest city in North Dakota or the smallest town in North Dakota is as important as a telephone in lower Manhattan in New York because one makes the other more valuable. The lack of universal opportunity and universal communications services is very troublesome. That is why we have a universal service fund. This conference report protects that and does so in a meaningful way.

The conference report contains important provisions that will help link our schools, libraries, and rural hospitals with advanced telecommunications services.

I do not want to oversell this piece of legislation either. There are deficiencies in it. There is one which gives me enormous pause and almost persuaded me to continue voting against it. This report makes some serious steps toward concentration in broadcasting by eliminating the television ownership cap.

We now say you can own no more than 12 television stations covering no more than 25 percent of the population of the country. This report says, "By the way, we've changed that; you can own as many television stations as you want covering up to 35 percent of the population of this country." I guarantee you, if that stands, a dozen years from now we will have six, maybe eight major companies owning most of the television stations in America. That is not a march toward competition; that is a march backwards towards concentration. It makes no sense. I almost voted against this bill because of that defect.

Today, Senators HOLLINGS, DASCHLE, KERREY, and I are introducing a piece of legislation that will call for the restoration of those ownership limits. I believe very strongly that we ought not remove the ownership caps.

Upon enactment of the conference report cable rates for 20 percent of Americans will go up. While the bill maintains controls on cable rates for the next 3 years, the fine print immediately lifts all controls for so-called small systems. Under this definition, over 60 percent of all North Dakota cable subscribers will likely see their rates increased.

Again, I want to say we have seen a virtual explosion in the telecommunications area of this country. It has changed everything. I grew up in a town of 300 people. Every day that I went to school I understood, and everybody in our town understood, our major disadvantage was that we lived too far from everybody. We could not have a manufacturing plant because we were too remote, we were too far.

Mr. President, do you know what telecommunications has done? Telecommunications makes Regent, ND, as close to Manhattan as is the Hudson River. The telecommunications revolution has eliminated a whole range of products and services, and the disadvantage of geography.

We see telecommunications firms springing up all over the country in rural areas. Why? Because geography is no longer a disadvantage. We see breathtaking changes occurring all over this country with firms that have innovative approaches to transmitting information, to new telephone services.

We are going to see cable companies compete with new telephone services and new transmission of data. We are going to see broadcast signals change dramatically to be able to transmit information services. Everything is changing. There will be circumstances in our future in which you will have access to every corner of this country and probably every corner of the globe with the latest information and with the most breathtaking technology that any of us can imagine. All of this is occurring despite the fact that our communications laws are 61 years old and in desperate need of revision.

Again, let me say that it is unusual to come to the floor and say this is a better bill than the bill that left the Senate, or the House last year, and this advances the interests of telecommunications in this country. The people who worked on this bill did awfully good work, and I commend them.

I yield the floor.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from North Dakota for his leadership and participation within the committee. Throughout the entire debate, it was his influence, and he almost won a vote on the floor. At one time, it seemed down in the well here he had prevailed. That kind of pressure I welcome, because I happen to have agreed with him. But you have to get together in a bipartisan fashion in order to get things done. I emphasize that. I will also join as a cosponsor on the bill of the distinguished Senator. I think the Senator from Vermont momentarily is proceeding to the floor.

Mr. DORGAN. If I might ask a question, Mr. President, the Senator is correct. I did prevail on a vote on the Senate floor, and dinner intervened, and about eight people came back with arms in slings and we had another vote and it turns out that some people changed their minds over dinner, and I lost. Some of that was remedied later.

One additional comment. The reason competition is so important—and the Senator has talked about it—is that we have seen the result in long distance. We have 500 companies in long distance competing aggressively in this country, and prices have dropped 60 percent. That is good for this country. We want to make sure the companies competing in those circumstances do not face unfair competition. That is why we were so concerned about the Justice role. I appreciate the work the Senator did to restore the role of the Justice Department in conference.

Mr. STEVENS. Mr. President, I ask that the chairman yield me 10 minutes.

Mr. PRESSLER. I yield the Senator 10 minutes.

Mr. STEVENS. Mr. President, I think this is among one of the most significant days I have been here on the floor of the Senate. The 1934 Communications Act has served this Nation well. It brought us from a country with a fledgling communications system to the age of telecommunications. And now with the advent of digital communications becoming universal, this bill is absolutely necessary to assure the expansion of these industries that depend upon telecommunications.

This is not a total deregulation bill. It is not time yet for a total deregulation bill. We are dealing with a bill that lessens regulation. But it is not a re-regulation bill. It begins to bring into our present system the total power of competition, with the approval of the National Government.

I think one needs only to look at the definitions to see the scope of this bill as compared to the 1934 act. Look at it: Dialing parity, exchange access, information service, interLATA services, local exchange carriers, network elements, number portability, rural telephone companies, telecommunications, telecommunications carrier. If you look at the scope of the definitions alone, it signifies the changes in our system that are driven by telecommunications.

I am particularly pleased to be here with the two leaders of our committee, who have worked so hard—Senator PRESSLER, as chairman and Senator HOLLINGS, the ranking member and former chairman. We have worked many years now to bring us to this day, where we could literally say that we are ready now to take the telecommunications industry of the United States into the 21st century.

In doing so, we have been careful to recognize that there are places in the country that have not been totally served by the existing telephone and information communications system. This bill has extensive universal service concepts. It has specific provisions regarding telecommunications services for health care providers, education providers, education and secondary schools. It is a bill, the scope of which I think every American is going to have, at some time, reason to understand.

I am going to present here, soon, a unanimous-consent request to assure that there will be sufficient copies printed so that we can immediately send a copy of this conference report to those people in our individual States that must have this law available as soon as it is signed.

I believe you could literally say, without being thought of as improper at all, that this is going to be the telecommunications "bible." This is a bill that sets new parameters. It sets new requirements. It changes the authority of the Federal Communications Commission. It deals with the scope of the authority of the State commissioners, as well as with the regulation of utilities. In some places, it preempts State and local authorities, which is something I am very, very slow to do, but in this instance, I agree that it is necessary.

The real reason, I think, for the application of this now relates back to the suggestion I made to the Congress many years ago that we ought to stop having lotteries for the excess capacity on the broadcast spectrum. In days gone by, Mr. President, for $20, you would file an application without having any interest at all in the broadcast system or the telecommunications system, and if there was a spectrum available, there would be a lottery. If you were lucky, you then got the spectrum license, and immediately the world beat a path to your door to get the certificate that you had just won in a lottery.

We thought, and I thought, that we ought to auction that available spectrum, which is, after all, something that belongs to the public. I felt it had a substantial chance to bring in revenue. Mr. President, the first estimate we got from the Congressional Budget Office, if memory serves me, was that it would bring in about $250 million if we auctioned these licenses rather than having lotteries. I remember a conversation very well with the Chairman of the FCC, Reed Hunt, where he told me they had taken in $12 billion last year from the auction of spectrum licenses.

We now are in the budget process of planning additional amounts to come in from spectrum. As we do so—and there has been discussions here on the floor—we have to keep in mind the equities of the situation and the fact that the telecommunications system is not all going to transition to digital concepts immediately. It is going to take time, and it is going to take the formation of a substantial amount of capital to be able to utilize the powers and privileges that are available to the American business and American public under this bill.

I hope everyone realizes it is not going to happen overnight. There may be some substantial challenges in court to some of these provisions. We are not unanimous here, and certainly the industry is not unanimous in terms of every provision in the bill. But I view this bill as an interim measure, Mr. President. I hope that our successors in the Senate, within 10 or 15 years, will move forward and take us into an era where there is even greater impact of competition and of the marketplace, and a reduced need for any Government involvement in this system. I described once to a friend of mine that I believe the current system is a series of playing fields, but they are on different levels. It is like they are on different levels of a very tall building. We have been talking, in the past, about trying to level the playing field. But you could not do it because some were on one floor and some on another, and now we have tried to find a way to literally level the playing field and set down the rules for competition. I do believe that we have succeeded. Even though I still have some reservation as to portions of this bill, as I know others do. We have succeeded.

There was a reluctance on the part of many people to present this bill to the Congress. I am glad it has come because I think its time has come. We have spent, those of us on the Commerce Committee now, I think, the last 4 years working on a version of this bill. This means, now, that we have the chance to send to the President an advanced telecommunications and information bill that is generally accepted. There is a general consensus that this is timely and that the provisions are right. Those who have reservations, I hope they will be careful, because I think to force this country back to relying once again on the 1934 Act would be wrong.

The Members of the House who worked on this bill, particularly Chairman BLILEY, I think deserve substantial credit. And we ought to have credit here for the staff. I hope my staff assistant joins me soon, but Earl Comstock, who has worked with the Commerce Committee as one of the draftsmen on this bill, joins the ranks of a few members of the staff who literally deserve credit for what they have done to bring us together by getting the language that meets our needs and eliminates the controversy among us over particular provisions.

I am very pleased to be able to present this bill and be part of the group that presents this bill to the Senate. I have signed the conference report. Not all of us did. I do think it is imperative we act, and I congratulate the leader for being willing to bring this bill forward under these circumstances today.

Let me once again thank Senator PRESSLER for his leadership on our side, for the hard work that he has done. As he pointed out to others, he has been on call and so have the rest of us, literally daily and through the weekends and on holidays as our staff people labor to carry out the instructions that we had given them and to reflect the decisions we made accurately in the text of this bill.

I have followed drafting of legislative bills now for a substantial portion of my life, Mr. President. I think this is the finest drafted bill I have been able to participate in. I congratulate the staff members who worked so hard and so long.

Let me say to my good friend, the former chairman of the committee, Senator HOLLINGS, I know how hard he worked in the last session, and Senator PRESSLER and I joined and worked hard with him, trying to get the bill during the period that he was chairman. This is a bipartisan bill. I think, by passing this bill, we may send a signal to the Congress. It is time we stop the fighting among us and start getting down to passing the laws that the Nation needs to provide the new job opportunities for the next century.

As Chairman PRESSLER has said, this is the largest jobs bill that has ever been before the Senate. This has more to do with developing new technologies, implementing new technologies, and stimulating the growth of new business than any bill I have ever been involved with.

I am delighted to be able to be here. As a matter of fact—again, I will yield in a moment, but I want to reserve a portion of the time to be able to ask later for agreement to the unanimous consent agreements being framed that will make available immediately an additional 5,000 copies of this as a Senate document so we can distribute this as soon as it is available.

I come from a State, Mr. President, one-fifth the size of the United States. It is rural in nature. We have a small population. We have people in our State who are just now getting telephone service as known to the rest of the country for the whole century, almost. Now, what we have assured here, as this program goes forward, is that universal service will be available to rural areas. It will be the state-of-the-art telecommunications system. It will mean that the small schools in rural America will have access to modern technology, and can participate through telecommunications. It means that telemedicine will now come to my State.

My State, when I first came here, had no assistance whatever for people in small villages. They had to find their way to Indian hospitals in regional areas. We created a system of clinics. Those clinics are, by and large, operated by young women from the villages who have a high school education and some technical training now. This bill means telecommunications will bring telemedicine in. They will be able to have a direct exposure of patients to doctors miles and miles away. They will be able to get assistance in dealing with mothers who have complications in pregnancies.

This bill, above all the things I have dealt with—in particular universal service, eligible telecommunications carriers, and rate integration, opens the whole horizon of telecommunications to the people of this country, and it does so on a fair basis. It has been criticized by some, but the universal service provisions that I mentioned when I first started my comments here, I think are the most important to me. They mean that rural America will come into the 21st century with everyone else as far as telecommunications is concerned. I could not be more happy that the bill is here. I could not be more proud of those who have worked on it and to be able to be part of the group that presents it to the Senate. I urge its early approval.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PRESSLER. I pay tribute to Senator STEVENS of Alaska. He is the father of spectrum auctions. In my opinion, he is a real U.S. Senator. Everybody seems to be leaving the Senate, and they get a 21-gun salute when they leave. Some stay and do the hard work on difficult bills. TED STEVENS is such a man. He and Senator HOLLINGS are examples of people who stay and do public service—honest, hard-working experts on this technical legislation.

Some day I will be a professor in a university, I hope, out in western South Dakota. One of my lectures will be on real U.S. Senators—those who are not necessarily media stars, but who do the hard, honest work on the technical things, the real U.S. Senators. Certainly TED STEVENS is one of those, along with Senator HOLLINGS. I believe both are in about their fifth term, and if they announced they were retiring, they would get a 21-gun salute.

I thank TED STEVENS, the father of spectrum auctions and one of the originators of this legislation.

Mr. HOLLINGS. Mr. President, let me join in the comments of my chairman. There is not any question that we would not have this bill if we did not have TED STEVENS and his wonderful leadership and work. He took over the so-called farm team.

We have been working for 4 years, as the Senator from South Dakota knows. The farm team, the rural areas—we wanted to protect those. We learned in airline deregulation that we did not protect the rural areas, sparsely settled areas. So we made, under the leadership of Senator STEVENS, requirements that any competition, any competitor coming in must serve the entire area, and the States had the authority to say how that competition would develop in the rural areas.

We provided infrastructure sharing with the RBOC's, and on down the list. That is all attributed to the wisdom of our distinguished Senator and colleague from Alaska. I join in the complimentary remarks made by my distinguished chairman.

The Senator from Vermont has given leadership to this from the very beginning and has had various provisions in the bill while we debated it on the floor, and I want to thank him publicly for his leadership. I yield now 10 minutes under our time agreement.

Mr. LEAHY. Mr. President, I thank my good friend from South Carolina, a man whom I have been privileged to serve with in my whole Senate career. He was already a senior Member of the Senate when I came here. I appreciate all the help he has given me. I appreciate the fact that he and the chairman were able to protect the Breaux-Leahy amendment on 1-plus dialing parity as part of the conference report to permit intraLATA toll dialing parity requirements to stand in States that already ordered it by December 19, 1995, and in single-LATA States like Vermont. Preserving this amendment, which Senator BREAUX and I worked out on this floor, has helped my State.

There are so many things I like about this bill. For example, the conference agreement places restrictions on buyouts between phone companies and cable. The conference agreement also includes a very strong savings clause to make clear that mergers between companies in the media and communications markets are subject to a thorough antitrust review.

Competition, not concentration, is the surest way to assure lower prices and greater choices for consumers. So, while there are some improvements in this legislation that I support, I will not be voting in favor.

I have expressed my concern on the lack of a stronger Department of Justice role in evaluating the anticompetitive effect of a Bell operating company's entry into the long-distance market, as well as my concern that this legislation is placing censorship restrictions on the Internet. As a user of the Internet and as one who communicates electronically with constituents and others around the country, I am concerned this legislation places restrictions on the Internet that will come back to haunt us.

I know these provisions were done with the best of intentions. All of us, 100 Members of the U.S. Senate, oppose the idea of child pornography. All of us abhor child pornographers and child abusers. I am one person who has prosecuted, convicted, and sent to prison child abusers. We do not have to demonstrate our adherence to that principle. But I am concerned we have not upheld our adherence to the first amendment with the proposed restrictions on the Internet. That creates an overwhelming barrier for me.

I am also concerned that after passing the 1992 Cable Act over a Presidential veto, that we are now taking the lid off all cable rates in 3 years, whether or not there is competition in cable service. Before the 1992 Cable Act was passed, cable rates were rising three times faster than inflation rates. I do not think you can name a consumer in this country who did not feel that he or she was being gouged.

But the law worked. Since passage of the law, consumers have saved an estimated $3.5 billion in their monthly bills. And, as the rates have gone down, more people have signed up. In 1994 alone, nearly 2.5 million new customers have signed up for cable service.

I do not want to see a repeat of the skyrocketing cable rates that prompted passage of that law. It is too easy to see what might happen if the cable companies are not restrained, either by competition or by laws.

I do not have cable in my home in Vermont. I live out in the country where we get 1½ channels. I think sometimes I am blessed by that because I actually get to read, which is a good way of obtaining the news. You can make up your own mind. You can read in detail or not, and not be limited by the photographs selected by multimillion-dollar news media.

But I digress.

With the cable company I subscribe to here, you get these $2 remote controls but they charge you $3 a month, or something like that. They can give you antiquated equipment and charge as though you were getting good equipment and even make it impossible to watch one show and tape another one. All the things that sound great are not available because there is no competition. We are about to make that even worse. We had some restrictions in the cable bill, but I am afraid we are going to let them go before we have the protections provided by effective competition.

I must admit, having said all that, I do not envy the managers of this bill. This is probably the most complex piece of legislation I think I have seen in 21 years. It has probably had more conflicting interests that had to be reconciled than I have seen in 21 years.

I commend the Senators who had the ability to stick it out and bring it this far. Senators still have to determine whether they will vote for it or not, but whether you like or dislike different parts, we can all appreciate the hard work and long hours it took.

The telecommunications legislation that has emerged from the conference will have an enormous impact on multibillion dollar cable, phone and broadcast industries and, most importantly, on the American consumer. This legislation will affect how much we pay and from whom we can obtain cable, TV, phone, fax, and information services. It will also, unfortunately, affect what we can say online.

We have heard a lot about the support for this legislation by the Bell phone companies, AT&T and other long-distance phone companies, the giant cable companies and other media interests. But while they have been arguing over business advantages, who have been advocates for American consumers and fundamental American values, like first amendment free speech rights?

Most of us have no choice who gives us cable TV service or our local phone service. Whether or not the service is good, we are stuck with our local phone or cable company. And, if the price is too high, our only choice is to drop the service altogether. The goal of this telecommunications legislation must be to foster competition, not just for the short term, but over the long haul. Competition will give consumers lower prices and more choices than simply dropping a service.

I raised a number of questions about the Senate-passed bill, and fought for several amendments that in my view would have made the bill more consumer-friendly, pro-competitive and constitutional. I commend the conferees for the progress they made in several of these areas, which I detail below.

First, the bill proposed by the Commerce Committee would have permitted our local phone monopoly to buy out our local cable monopoly so that consumers have even less choice rather than more. Senator THURMOND, the distinguished chairman of the Judiciary Committee's Antitrust Subcommittee, and I raised concerns that allowing such unlimited buyouts between monopoly phone companies and cable companies could result in giant monopolies providing both phone and video programming services.

The conference agreement makes a significant improvement in these provisions by limiting buy-outs between cable and phone companies to rural areas where fewer than 35,000 people live. The conference agreement also limits a phone company's purchase of cable systems to less than 10 percent of the households in its service area. This will insure that a single large phone company cannot simply buy up all the small cable systems serving the small towns in its service area. This part of the conference agreement helps fulfill the promise of the bill to maximize competition between local phone companies and cable companies.

The conference agreement also contains a very strong "savings clause" to make clear that mergers between cable and telephone companies, or between independent telephone companies or between any companies in the media and communications markets are subject to a thorough antitrust review under the normal Hart-Scott-Rodino process. Nothing in this conference agreement even impliedly preempts our Federal antitrust laws. Mega-mergers between telecommunications giants, such as the rumored merger between NYNEX and Bell Atlantic, or the gigantic network mergers now underway, raise obvious concerns about concentrating control in a few gigantic companies of both the content and means of distributing the information and entertainment American consumers receive. Competition, not concentration, is the surest way to assure lower prices and greater choices for consumers. Rigorous oversight and enforcement by our antitrust agencies is more important than ever to insure that such megamergers do not harm consumers.

I have been particularly concerned about how well the telecommunications legislation protects universal service. Vermont is among the most rural States in the country, but those of us who live there do not want to be denied access to the advanced telecommunications services our urban neighbors enjoy. I, therefore, commend the conference report for including the Snowe-Rockefeller-Exon-Kerry provision requiring preferential rates for telecommunications services provided to schools, libraries, and hospitals in rural areas, which I supported. This requirement provides an important building block to ensure universal access to advanced telecommunications services. Students whose families cannot afford sophisticated hi-technology services at home will be able to use those services at school or at their neighborhood public library. Rural hospitals will be able to use advanced technology to provide better treatment at lower costs to their patients. This provision assures the broadest possible access to advanced telecommunications services.

I am also pleased to see that the conference report includes the addition of a State-appointed consumer advocate to the newly created Federal-State joint board. This board will have the critical task of preserving and expanding universal service, and I agree with the conference that a consumer advocate will bring a necessary and important perspective to that task.

The conference agreement also adopts a provision designed to make cable equipment cheaper and easier to use for all consumers, who are tired of paying rent for cable converter boxes and struggling with multiple clickers for the TV set-top box and their video machines. This provision is one that Senator THURMOND and I urged to be included as part of the telecommunications legislation in the last Congress. Under the conference agreement, the FCC is directed to assure the competitive availability to consumers of converter boxes and other electronic equipment used to access cable video programming services.

As a member of the Judiciary Committee, I remain ready to address the copyright issues that will arise as a result of this legislation. There was no consideration of copyright matters during the debate over this legislation and I commend the conferees for not prejudging these matters.

The bill proposed by the Commerce Committee would have unnecessarily preempted State efforts to promote the development of competition in local phone service. Richard Cowart, the chairman of the Vermont Public Service Board, provided invaluable testimony to the Antitrust Subcommittee last year about the detrimental preemption provisions in the bill.

For example, this bill rolled-back State requirements to implement "1+" dialing parity for short-haul toll calls. A number of States already require dialing parity. Without "1+" dialing parity, consumers must dial lengthy access codes to use carriers other than the local phone company for in-State toll calls. IntraLATA "1+" dialing parity encourages competition in the in-State toll market and helps consumers.

As I noted before, I am pleased that the Breaux-Leahy amendment on "1+" dialing parity is part of the conference report. The report permits dialing parity requirements to stand in the States that already ordered it by December 19, 1995, and in single-LATA States, including Vermont. The prohibition against "1+" dialing parity for intraLATA calls in nongrandfathered States expires at a date certain 3 years after enactment.

In addition, the Commerce Committee bill would have prohibited State regulators from using rate-of-return regulation for large phone companies. As Chairman Cowart of the Vermont Public Service Board made clear when he testified, this prohibition would have tied the hands of State regulators trying to adopt different forms of pricing regulation to stimulate local phone service competition. The conference agreement took a constructive step by dropping the prohibition on rate-of-return regulation.

Despite this significant progress, the conference agreement still suffers from such serious flaws that I cannot support it.

First, and foremost, the conference agreement contains unconstitutional provisions that would impose far-reaching new Federal crimes for so-called indecent speech. I do not often agree with Speaker GINGRICH, but I share his view that this legislation violates free speech rights.

Apparently, the conferees also have serious doubts about its constitutionality. They added a section to speed up judicial review to see if the legislation passes constitutional muster. In my view, this legislation will not pass that test.

You would think the telecommunications conference would have their hands full with just the task of changing our communications laws to allow new competition among phone companies, broadcasters, cable operators, and wireless systems while also protecting universal service and other appropriate consumer protections. Yet, they also decided to add new Federal crimes, despite the absence of any hearings on these provisions, or any Senate Judiciary Committee members on the conference. I called for an in-depth, fast-track study of these issues before we took precipitous action in legislation. That study was included in the House-passed bill but dropped by the conference, in favor of provisions that will ban constitutionally protected speech on the Internet.

I note that the explanatory statement accompanying the conference report refers to a July 24, 1995 hearing, at which I participated, before the Senate Judiciary Committee on "online indecency, obscenity, and child endangerment." This hearing did not address the constitutionality of the indecency standard adopted by the conference report, nor the least restrictive means by which to implement such a standard, particularly in an electronic environment like the Internet. The hearing referred to in the statement of the conference committee dealt with stalking, obscenity and indecency with regard to an entirely different bill, S. 892. No witnesses at the hearing defended the constitutionality of the indecency standard in the telecommunications bill. Nor did any witness testifying in support of S. 892 examine in detail whether the indecency standard as applied to online communications complies with the least restrictive means test. On the contrary, several witnesses questioned whether any indecency standard could be constitutional as applied to online communications. Thus, Congress has opted to appear tough on pornography without examining the constitutional implications of this unprecedented restriction on freedom of expression.

Let us make no mistake about what these provisions in the conference agreement will do and how it could affect you.

The bill will make it a felony crime to send a private e-mail message with an indecent or filthy word that you hope will annoy another person, even if you were responding in kind to an e-mail message you received. Who knows when you might annoy another person with your e-mail message? To avoid liability under this legislation, users of e-mail will have to ban curse words and other expressions that might be characterized as offensive from their online vocabulary.

The bill will punish with 2-year jail terms any Internet user who uses one of the seven dirty words in a message to a minor. You will risk criminal liability by using a computer to share with a child any material containing indecent passages. In some areas of the country, a copy of Seventeen magazine, could be viewed as indecent because it contains information on sex and sexuality. Indeed, this magazine is among the 10 most frequently challenged school library materials in the country.

This legislation sweeps more broadly than just regulating e-mail messages sent to children. It will impose felony penalties for using an indecent four-letter word, or discussing material deemed to be indecent, on electronic bulletin boards or Internet chat areas accessible to children.

Once this bill becomes law, no longer will Internet users be able to engage in free-wheeling discussions in news groups and other areas on the Internet accessible to minors. They will have to limit all language used and topics discussed to that appropriate for kindergartners, just in case a minor clicks onto the discussion. No literary quotes from racy parts of Catcher in the Rye or Ulysses will be allowed. Certainly online discussions of safe sex practices, of birth control methods, and of AIDS prevention methods will be suspect. Any user who crosses the vague and undefined line of indecency will be subject to two years in jail and fines.

Imagine if the Whitney Museum, which currently operates a Web page, were dragged into court for permitting representations of Michelangelo's David to be looked at by kids.

The conferees call this a display prohibition and explain that it "applies to content providers who post indecent material for online display without taking precautions that shield that material from minors."

What precautions are the conferees talking about? What precautions will Internet users have to take to avoid criminal liability? These users, after all, are the ones who provide the content read in news groups and on electronic bulletin boards. The legislation gives the FCC authority to describe the precautions that can be taken to avoid criminal liability. All Internet users will have to wait and look to the FCC for what they must do to protect themselves from criminal liability.

We have already seen the chilling effect that even the prospect of this legislation has had on online service providers. A few weeks ago, America Online deleted the profile of a Vermonter who communicated with fellow breast cancer survivors online. Why? Because, according to AOL, she used the vulgar word "breast". AOL later apologized and indicated it would permit the use of that word where appropriate.

Complaints by German prosecutors prompted another online service provider to cut off subscriber access to over 200 Internet news groups with the words "sex", "gay" or "erotica" in the name. They censored such groups as "clarinet.news.gays," which is an online newspaper focused on gay issues, and "gay-net.coming-out", which is a support group for gay men and women dealing with going public with their sexual orientation.

What is next? The Washington Post reports today that one software program used to protect children from offensive material blocked the White House home page because it showed pictures of two couples together. Those two couples happened to be the President and Mrs. Clinton and the Vice-President and Mrs. Gore. Will Federal Government censors do any better when they dictate blocking technologies?

The Communications Decency Act is the U.S. Government's answer to the problem that China is dealing with by creating an intranet. According to news reports, this censored version of the Internet allows Chinese users online access to each other, but an official censor controls all outside access to the world-wide Internet.

We already have crimes on the books that apply to the Internet, by banning obscenity, child pornography, and threats from being distributed over computers. In fact, just before Christmas, the President signed a new law we passed last year sharply increasing penalties for child pornography and sexual exploitation crimes.

Unlike these current laws, which do not regulate constitutionally protected speech, this legislation would censor indecent speech. While the proponents of the proposals claim that they do not ban indecency—only prohibit making it available to minors—the practical result of such a restriction on the Internet is the criminalization of all indecent speech.

Because indecency means very different things to different people, an unimaginable amount of valuable political, artistic, scientific and other speech will disappear in this new medium. What about, for example, the university health service that posts information online about birth control and protections against the spread of AIDS? With many students in college under 18, this information would likely disappear under threat of prosecution. In bookstores and on library shelves the protection of indecent speech is clear, and the courts are unwavering. Altering the protections of the first amendment for online communications could cripple this new mode of communication.

The Internet is a great new communications medium. We should not underestimate the effect that the heavy-hand of Government regulation will have on its future growth both here and abroad. With the passage of this bill the U.S. Government is paving the way for the censorship of Internet speech. Apparently, China already censors weather predictions from foreigners. What do we think the Iranian Government will make illegal? What could Libya ban and criminalize?

Also, as I alluded earlier, I continue to have grave concerns about letting the Bell operating companies, with their monopoly control over the phone wires going into our homes, enter the long-distance market even when the Department of Justice finds an anticompetitive impact. I supported efforts to amend the bill and give the Justice Department the authority to review the Bell companies' long-distance entry in advance. These efforts were unsuccessful.

The conference report requires the FCC to consult with the Justice Department and give substantial weight to the Justice Department's opinion, in determining whether to permit entry of a Bell company into long-distance service. Although this provision strengthens the Senate-passed bill, it does not go far enough. It fails to achieve the balance proposed by the Commerce Committee in 1994. In the end, the FCC is the final decision maker and can decide to disregard the Justice Department's evaluation of the anticompetitive effect of letting the Bell companies offer long-distance service.

The conference agreement would permit a Bell company to offer long distance service in its own region, upon approval by the FCC and after satisfying an in-region checklist. This checklist could be satisfied by the presence of a competitor with its own networking facilities. Despite recognition by the conferees that building local telephone network facilities will require a significant investment in time and money, the bill allows only 10 months after enactment for facilities-based competitors to get established and apply for interconnection and access to the Bell company's network. Absent a facilities-based competitor in those 10 months, I fear that the language of this bill could be interpreted broadly to allow the Bell operating company to seek approval to enter long-distance service, and authorize the FCC to grant that approval, even without any actual competition in local phone service. The short time-frame provided in the bill to establish a facilities-based competitor, compounded by the lack of a dispositive Justice Department role in the approval process, could provide the incumbent Bell company with the ability to use its stranglehold monopoly on local service to leverage its new long-distance service, to the detriment of consumers. Regulators will have to be vigilant to this potential consequence.

As I noted, the conference agreement takes the lid off all cable rates in 3 years, whether or not there is any competition in cable service.

We passed the 1992 Cable Act over a Presidential veto because consumers were being gouged by cable company monopolists. Cable rates were rising three times faster than the inflation rate. Consumers demanded action to stop the rising cable rates. This law worked. Since passage of that law, consumers have saved an estimated $3.5 billion in their monthly rates. As rates have gone down, more people have signed up.

Congress has already responded once to complaints of cable subscribers in the 1992 Cable Act. I, for one, do not want to see a repeat of the sky-rocketing cable rates that prompted passage of that law. The conferees must be predicting that, in 3 years, cable companies will face plenty of competition from satellite systems and phone companies offering video services. But if their prediction is accurate, and the cable companies faced effective competition, they would be deregulated under the 1992 Cable Act anyway. This is a precipitous action to sunset a law that worked to reduce cable rates on the hope that effective competition will grow over the next 3 years.

Finally, the conference report requires the FCC to preempt State or local rules that may have the effect of barring any entity from providing telecommunications services. Although the report says this is not supposed to affect local management of public rights-of-way or local safeguards for the rights of consumers, in Vermont, citizens are rightly concerned that rules designed to protect our environment and health may be preempted by bureaucrats at the FCC who are focused on helping entrants in the telecommunications business.

I recognize the need for an over-haul of our communications laws. We have not kept up with the dramatic technological changes that are fueling the Information Age. But I cannot support this bill, which threatens fundamental constitutional rights of free speech over the Internet and provides insufficient consumer protection from monopolistic pricing for cable and telephone service.

The PRESIDING OFFICER. The Senator from South Dakota.

COMMENDING STAFF

Mr. PRESSLER. Mr. President, I should pay tribute to the staff on both sides who have worked so hard on this.

On our side of the aisle there has been Paddy Link, Katie King, Donald McClellan and Earl Comstock. On the Democratic side, Kevin Curtin, John Windhausen, Kevin Joseph and Chris McClean. The committee's legislative counsel, Lloyd Ator. All this staff has done a magnificent job.

Let me also mention the dilligent efforts of David Wilson, Mark Buse, Brett Scott, Jeanne Bumpus, Dave Hoppe, Kevin Pritchett, Margaret Cummisky, Tom Zoeller and Cheryl Bruner.

I do not know if people know it, but the only days the staff got off were Thanksgiving Day, Christmas Day and barely Christmas Eve, in drafting this technical legislation and in all the negotiations. This piece of legislation was drafted entirely by Senators and staff. Many times there have been accusations that legislation was drafted by outsiders, but this technical piece of legislation was drafted line by line by Senators and staff. Many times we would have to call a Senator on the weekends and ask about a line or word change.

I do not know if people realize how hard these staff people work. I just wanted to pay tribute to them because, to me this technical document is a remarkable achievement. They did it as public servants.

One day I went in on a Sunday and bought them some pizza. I said, "Someday a judge may look down upon you from his bench and say, 'Obviously, counsel does not know what he or she is talking about.' And you can look up at the judge and say, 'Oh, yes, I do. I wrote that.' "

That is not their motive. But these young people should be heralded. Again, I pay tribute to the staff on both sides of the aisle.

The PRESIDING OFFICER. The Senator from South Carolina.

COMMENDING STAFF

Mr. HOLLINGS. Mr. President, awaiting the attendance here, to deliver his comments, of the distinguished Senator from Nebraska, Senator KERREY, let me join with my distinguished chairman in thanking the hardest-working staff I have ever been associated with during my years.

The truth is, as the Senator from South Dakota has said, they only had that 1 day off at Thanksgiving. We worked all weekends and everything else. But this started, really, in October 1993. We had worked very hard, gotten a three-fourths vote of the U.S. Senate on a manufacturing bill. We learned the hard way that these entities, the various disciplines in telecommunications, had the power to obviate or cancel out the enactment or passage of any measure, once they got determined to do so. With a three-fourths vote, we still could not pass the simple manufacturing bill, the text of which is already in this measure here as a minor item compared to being a single bill.

So we agreed to work in a bipartisan fashion and bring in every week the various interests involved—every Friday the regional Bell companies, the principals involved, and thereupon on every Monday, the various long distance carriers. They have been doing this now for the past almost 3 years.

So, I thank, as I pointed out, Paddy Link, Don McClellan over on the minority side—as well as Katie King and Earl Comstock. I particularly want to thank for their guidance and counseling Kevin Curtin, John Windhausen, and Kevin Joseph on our Commerce Committee Democratic side—because I never really would be able to imbibe this entire measure without their help. They have really been in the trenches over the many years. They have given expert advice. They have listened to all the parties. They know all the lawyers.

This town has 60,000 lawyers registered to practice before the District of Columbia bar. I think 59,000 of them are in the communications discipline. And I think we met all 59,000, I am convinced, in the last 3 years.

I also want to thank Jim Drewry, Yvonne Portee, Sylvia Cikins, Pierre Golpira, Lloyd Ator, and Joyce Kennedy of our Commerce Committee staff; Jim Weber of Senator DASCHLE's leadership staff; Greg Simon for Vice President GORE; Steve Richetti for the White House; Carol Ann Bischoff for Senator KERREY; and the staff members of our Commerce Committee members. These include Margaret Cummisky for Senator INOUYE, Tom Zoeller and the late Martha Moloney for Senator FORD, Chris McLean for Senator EXON, Cheryl Bruner for Senator ROCKEFELLER, Scott Bunton and Carole Grunberg for Senator KERRY, Mark Ashby and Thomas Moore for Senator BREAUX, Andy Vermilye for Senator BRYAN, and Greg Rohde for Senator DORGAN.

Let me also thank, Mr. President, talking about the bipartisan nature, the leadership over on the House side that we have the privilege to work with. Because Chairman DREIER on the House side was a tiger on this measure. He was determined that we get this bill passed. In fact, we were ready really before Christmas. And working with him, Mr. MARKEY, Mr. DINGELL, Mr. FIELDS—all on that Communications Committee, a major committee over on the Judiciary Committee—Mr. HYDE, and Mr. CONYERS, they all worked hand in glove to make sure that the public interest was protected.

Particularly, since I mentioned the Judiciary Committee feature of this measure, the Department of Justice was protected in the sense that what we did was have the savings clause for all antitrust laws included, positive language, and the substantial weight of the Department of Justice be given by the Federal Communications Commission in their decision.

I yield now to our distinguished colleague from Nebraska, Senator BOB KERREY, who has worked intimately with us. He was not on our Communications Committee, but I thought he was by the way he attended the meetings, and his staff was in there making suggestions and making sure that the public interest was protected.

So it is a particular pleasure for me at this time to yield to the distinguished Senator from Nebraska, Senator KERREY.

The PRESIDING OFFICER (Mr. GREGG). The Senator from Nebraska.

Mr. KERREY. Mr. President, I thank the Senator from South Carolina and the Senator from South Dakota.

I believe this conference report is substantially improved from both the House and the Senate bill. I voted against the bill when it left here, and I intend to support the conference report in its current form.

I appreciate in particular the language that provides a more meaningful role for the Department of Justice. I, frankly, would have preferred the language which the Commerce Committee produced last year. I think that would have been better than the 14-part interconnection competitive checklist requirement that is in there. But I think that a meaningful role, including the substantial weight requirement for the Department of Justice, will make it more likely that we will see competition at the local level.

I appreciate very much the concern of both the chairman and the ranking member, concern about including some good consumer protection provisions as well as the inclusion of interconnectivity language, incidental interLATA relief for the RBOC's to provide Internet and interactive distance learning services to K through 12 schools, and the so-called Snowe-Rockefeller-Exon-Kerrey, et al, language that will allow the K through 12 schools to be able to go either to the Public Service Commission or the FCC. They will now have the force of law to be able to argue for subsidized rates.

I particularly appreciate as well, finally, the inclusion of the so-called farm team provisions in the conference report.

Mr. President, when the request came for a unanimous consent on a time agreement, I asked for 15 minutes. I do not know if it will take that long given where I am right now in my comments.

I will observe, as I did on a number of occasions during the debate earlier on the bill, that this is a very unusual piece of legislation in that the demand for it is not coming from the citizens; it is really coming from corporations, the whole range of corporations—I do not mean the RBOC's; I mean RBOC's, long-distance, cable, broadcast; all of them are in this business—that feel the current law, which does not allow them to do a variety of things, is too restrictive. And they say, if you change the law and allow us to do these things, you are going to generate a lot of new economic activity and create new jobs. We have heard all kinds of representations about all the good things that are going to happen.

I am an advocate for embracing the future and changing the current law. So there is no question in my mind that the Communications Act needs to be changed. But I am very mindful and very aware that the demand for this change does not come from at least the citizens of Nebraska, whom I represent. I did not hear any question in my reelection campaign in 1994 coming from citizens saying, "Well, Senator, how do you feel about the regulation of local telephone, long distance, and so forth, because I do not like the structure? I am unhappy with my phone, I am unhappy with my cable, or I am unhappy with my network service, whatever it is I am buying." Yes. They might complain sometimes about the rates and have concerns about that sort of thing, and a lot of concern about the content, pornography, violence, and so forth. But nobody was really coming to me asking for this change. This is Congress initiating change and saying it is going to be good for the people.

It must be said, Mr. President, that that requires a substantial amount of courage at the beginning. It is not my intention to come here and say that Members who are enthusiastic about this change are under the influence of special interest money. That is not my point at all. I am not trying to say that any Member has been bought out or anything like that. The problem, though, when you once cross the line, is saying, OK, we are going to try to do something that is good for the people. It seems to me that you have to do, in an irrationally cold-blooded way, an analysis of what the impact is going to be.

There are about 100 million households in the United States of America, and we have achieved, over the 60 years of this Communications Act, a remarkable degree of not just penetration, but of universal service. Ninety-four percent of all households today have a telephone. It may be significantly lower than that when the Communications Act was passed in 1934. But we did not do it by saying let us let the market run wild. We did it by monopoly, by creating a monopoly and giving monopoly rights in 1934. We changed it substantially by divestiture. But even with divestiture, we retained monopoly rights for local telephone service. We have accomplished a remarkable thing.

Yes, there are market forces. There is lots of private capital. Most of these companies are private shareowner companies. But we have achieved not just universal service, but by all accounts the best telephone and telecommunications system in the world, an active, vibrant industry, competitive industry, and it is a great success story.

So when we radically alter the landscape, as we are with this legislation, it seems to me appropriate to sort of ask ourselves: What is the consumer going to get out of it? I know the one thing that is going to happen is that the subsidy that has been in place for all these years at the local level in order to achieve universal service is going to begin to come off. Say I have a market. If I am going to be out there trying to compete with a long distance company, to compete with a cable company, whoever, at the local level, that subsidy is going to come off.

Indeed, the regional Bell operating company in our region has already indicated they would like to increase the residential rate by a $2 State subscriber-line charge in order to provide lower costs for long distance. For those of us whose incomes are over $100,000, that sounds like a pretty good deal. We have a lot of long distance charges. But there are, I would surmise, a majority of Americans for whom long distance is still a bit of a luxury. They budget it. They watch it. They are careful about it. They do not have unlimited long distance service. They may not come out so good in that transaction.

In fact, one of the things that is very often not understood in this whole debate about universal service is there still is a substantial means test on it. Ninety-nine percent of the households in America with incomes over $100,000, which includes all of us in Congress, have telephones. Only 75 percent with incomes under $5,000 have telephones, largely because of cost. They probably would say, "I cannot afford it. I cannot afford to buy it. So I am not going to have a telephone connected to my house."

There is a means test on these services. There is a means test as these dollar figures go up for the cost of local service. I think you are going to see people say, "I cannot afford it any longer. I cannot afford to pay the price." Though we have some protection in the farm team universal service provisions, I think that we are going to have to be alert in the first instance that there are going to be households out there currently able to afford the fare who are going to find themselves saying, "I cannot afford it any longer."

I think, on the basis of policy, if the market does not get the job done, we as

Members of Congress are going to have to ask ourselves a question: Well, what is it like if you are in a household without a telephone? How essential is it? How important, how valuable is it? One measure is going to be: Can I get out and talk to the people who may need to come to my household and haul me to the hospital if I have a heart attack or some other sort of health problem?

But increasingly the question is going to be not only if I do not have the dial tone, but if I do not have the volume, the enhanced services, I may not be able to get as good an education as my neighbor, I may not be able to get as good a break with the economy, I may not be able to have a home-based company. One out of seven jobs in the State of Nebraska are self-employed today. We are seeing an increasing number of households that, in fact, are taking advantage of enhanced telecommunications services. I think we are going to have to be alert to that in the second instance. Many Americans are not going to be able to buy enhanced services.

I think there is general agreement among Republicans and Democrats, before you ever get to the point of are we going to spend money, that this land of opportunity ought to be a land of opportunity for everybody. That opportunity does not necessarily fall equally as a consequence of your birth.

The next thing, Mr. President, that I think we are going to have to be alert to is this question of the control of content. I have heard the concentration debate. I appreciate very much the language changes made in the legislation on media concentration. I think that we do have to worry about this even though there are all kinds of other choices out there.

All of us know it is the networks that dominate this deal. If the networks decide they want to raise a stink about something, they will raise a stink about something and they will drive it into the household. If they decide they are not going to, as the distinguished majority leader said earlier about the sale of digital spectrum, they are not going to say anything about it. They are not going to talk about that ripoff. They are not going to talk about something that might have an impact upon them.

This concentration issue is a very important issue, and we, it seems to me, are going to have to be alert to it and watch it very carefully in the aftermath of passing this conference report, and watch what happens to universal service. Is there change in rural America? Are there people who are genuinely not going to get service? We have accomplished a great thing in the United States of America with universal service.

Second, we are going to have to watch very carefully as to whether or not people can afford to buy enhanced services. The laws of this land ought to provide equal opportunity for all Americans who are willing to make the effort. It ought to reward people who work hard and are determined through self-discipline to be a success. We need to be careful over this legislation and watch in the aftermath and see what the impact is going to be.

Finally, whether it is in education or whether it is in health care or whether it is merely trying to find out what is going on in your country with the budget and other sorts of things, we are going to have to pay a great deal of attention to content. Content determines what an individual receives in their household. We do not want to follow this legislation sort of blindly in presuming it is going to in all cases do good.

Again, I intend to vote for the conference report. I appreciate very much the efforts made by the distinguished chairman, the Senator from South Dakota, and the distinguished ranking member, the Senator from South Carolina. I think this conference report is substantially better than the bill that we earlier passed. I believe it will in the main be good for the economy, but there is a great deal of scrutiny that is going to have to occur in the aftermath of this legislation being enacted and signed by the President.

Mr. President, the conference report before us is substantially better than the bill that this body considered last summer for competition and consumers, for a number of reasons.

First, the House and Senate bills did not contain a meaningful role for the Department of Justice [DOJ] in safeguarding competition before local telephone companies are allowed to enter new markets. Under the conference report, the DOJ's opinion on regional Bell operating company [RDOC] entry will be accorded substantial weight by the Federal Communications Commission [FCC] in its proceeding and will be included in the official record of decision.

Neither bill had sufficient provisions to ensure that the local telephone market was open to competition before the RBOC's entered long distance. The conference report provides that before RBOC's can enter long distance, they must complete an interconnection checklist, have a facilities-based competitor and satisfy a public interest analysis at the FCC. They are required to offer long distance through a separate subsidiary for 3 years, which the FCC can extend for a longer period.

The underlying legislation also would have preempted the States from using rate-of-return regulation and forced them to use price caps or alternative rate regulation. Under the conference report, States continue to regulate local phone rates as they choose.

I strongly supported retention in the final bill of the Snowe-Rockefeller-Exon-Kerrey [SREK] provision—which was not included in the House bill—that will ensure that K–12 schools, libraries, and rural hospitals have access to advanced telecommunications services. SREK was retained in the conference report, and there are important provisions to help rural areas, health care providers, libraries, and citizens with disabilities.

Both House and Senate bills permitted waiver of the cable-telco buyout provision. These were overly broad, and would have permitted an excessive number of in-region buyouts between telephone companies and cable operators. The conference report limits cable-telco mergers to communities with fewer than 35,000 inhabitants that are outside of urban areas according to the Census Bureau.

Both bills also deregulated cable monopolies before there was effective competition. The conference report deregulates small cable systems only immediately, and does not deregulate enhanced basic programming for all cable systems until March 31, 1999.

And both bills permitted excessive concentration in ownership of local TV and radio stations. The conference report retains the cross-ownership ban on newspaper/broadcast and cable/broadcast; retains limits prohibiting one person from owning two stations in one market; expands the limits on local radio stations but retains numeric limits on the number of stations in a market; dropped the provision allowing a loophole in the ownership attribution rules for TV stations; and expands the national limit on TV ownership to 35 percent national market reach, but drops the provision allowing waivers.

"MEANINGFUL ROLE" FOR DOJ

Mr President, I would like to elaborate further on the role afforded the Department of Justice in the conference report. The final bill appropriately includes a strong role for the Justice Department in evaluating applications by regional bell operating companies to provide interLATA telecommunications.

The Antitrust Division has unrivaled expertise in assessing marketplace effects, particularly so in telecommunications, where it has been deeply involved continuously for more than 20 years.

During floor debate on S. 652, we worked hard to secure an independence role for the Antitrust Division in determining when and to what extent to remove the consent decrees's core restriction, the long distance or interLATA restriction.

Independent DOJ role narrowly lost in the Senate, but conferees were persuaded to give DOJ a special, strong advisory role within FCC procedure, almost equivalent protection for competitive freedom. Thirty-six Senators cosigned a letter supporting this meaningful role.

As I earlier indicated, the FCC is required by the conference report to consult with the Attorney General and give the Attorney General's evaluation substantial weight.

In conjunction with this evaluation, the Attorney General may submit any comments and supporting materials under any standard she believes appropriate. Through its work in investigating the telecommunications industry and enforcing the MFJ, DOJ has important knowledge, evidence, and experience that will be of critical importance in evaluating proposed long-distance entry—which, as I indicated earlier, requires an FCC finding that such entry is in the public interest, and that a facilities-based competitor is present. On both of these issues, the DOJ's expertise in telecommunications and competitive issues generally should be of great value to the FCC.

While the substantial-weight requirement does not preclude FCC departure from the Attorney General's recommendation if sufficiently indicated by other evidence on the record, this additional legal requirement means that the FCC's decision must be appropriately mindful of the Antitrust Division's special expertise in competition matters generally and in making predictive judgments regarding marketplace effects in particular.

This requirement will ensure that DOJ's position is given serious substantive consideration on the merits—by the courts on appeal as well as by the FCC. DOJ also retains its full statutory authority to represent the interests of the United States before the courts on appeal.

Moreover, even after entry occurs, there are important separate affiliate requirements—section 271—that will apply for at least 3 years.

The conference report further contains an absolute savings clause for antitrust laws. No authority that is given to the FCC, and no authorization that is given to any private entity, will diminish in any way the full applicability of the antitrust laws. This is an important guarantee that competition, and the innovation that results from healthy market forces, will be the centerpiece of our telecommunications policy. In addition, telco-cable, broadcast and other media mergers are subject to full antitrust scrutiny, regardliess of how they are treated by the FCC.

REPEAL OF ANTITRUST EXEMPTION

Finally, the conference report repeals a provision (47 U.S.C. Sec. 221(a)) that exempts mergers between telephone companies from antitrust review—a provision left over from the 1920's, a bygone era when Federal telecommunications policy was actually to promote monopoly over competition.

If not repealed, this provision could have taken on a new meaning under the bill, since the provision did not define telephone company. And, as a result of the walls brought down and the forces unleashed by the bill, it is not clear what will constitute a telephone company in the future—perhaps every firm that transmits information by any electronic means. Absent repeal of this provision, the entire communications industry might have merged into one vast monopoly without ever being subject to antitrust review.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Who yields time?

Mr. LOTT. Mr. President, on behalf of the distinguished chairman, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Mississippi has 21 minutes.

Mr. LOTT. We have 21 minutes remaining. I will take then 5.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I would like to begin by sincerely thanking and congratulating the members of the Commerce Committee in the Senate and also our House colleagues for the outstanding work that has been put into this legislation. But I particularly have to recognize the dogged, determined, tenacious, informed effort by the chairman of the Senate Commerce, Science and Transportation Committee. We would not be here without question if he had not continued to work on this legislation to try to find ways to keep informed all the Members on both sides of the Capitol on both sides of the aisle. He has been willing to accept some compromises, and, after all, that is the art of legislating. He has done a fantastic job. He has made history with this legislation.

I believe we will pass this conference report overwhelmingly in a few minutes, and I venture to say right now there will not be a bigger, more important piece of legislation that passes the Congress this year and probably not one in the last decade in terms of the impact this is going to have in the creation of jobs and bringing legislation out of the Edsel era of the 1934 Communications Act into a modern Explorer because that is what this legislation is going to do—open up tremendous horizons for our people.

So I just have to say I take my hat off to the chairman, Senator PRESSLER, from the great State of South Dakota. He has done a fantastic job.

I also have to say we would not be here without the leadership and effort of the ranking member on the committee, Senator HOLLINGS. He has been good to his word. He has worked hard. He has been tough. He even thought I was trying to game him one time, which I might have been trying to do. But he was always open. He was always willing to talk with us. When he has made commitments, he has kept those commitments. He has continued to work with the chairman to move this thing forward. He has worked to keep his Members informed, and we have been informed on this side.

I just think they have done a fantastic job. I think we will look back in years ahead and call this truly a historic activity and piece of legislation. I also have to say that Chairman BLILEY in the House took some real risks with his leadership, and the ranking member there, Congressman DINGELL, who is obviously a very experienced, longtime, tough negotiator. But they have all done a great job.

I wish to also commend the staff. There have been times, I am sure, when our staffs on both sides of the aisle were ready to throw in the towel or did not want to see us come in again. They worked hard, long hours, weekends, and they produced outstanding legislation.

Let me take a minute to talk just a bit about the process. There were those who thought we could not get this bill through the Senate. There were those who thought we could not get it through the House. There were those who thought we could not get it through the conference. There were those who did not want a conference agreement. But we moved it forward, and we reached a point where some decisions had to be made, and the leaders of the committees in the House and Senate stepped up and made a decision.

It has been suggested that maybe some Senators or some Congressmen or some of us got rolled. In some respects, all of us got rolled a little bit. I have some things I would like to change in this conference report that are important to me and my State. But when you look at the entire package, this is good legislation. It took a little extra effort during the past couple days to push it to where it could be completed today. And so while it is not perfect, it certainly is very good legislation that is going to be good for our country and good for the economy.

This legislation is deregulatory. Just take a look at what it does in terms of opening up markets; the local markets, the cable industry. We are going to have competition. Local telephone companies will be able to get into long-distance business and long distance will be able to get into local telephone service. They will be able to get into the cable area. Cable will be able to provide phone service. What it is going to mean is great competition and choices for the people. It is so fundamental to what America is all about. It is amazing to me it has been so hard to make this happen. But it is a bill that opens up markets. It is about more competition. It is deregulatory. I think that we should say that over and over again and recognize that is what we have here.

There are all kinds of people who are supporting this legislation now.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LOTT. Mr. President, I ask the Chairman, could I have an additional 5 minutes?

Mr. PRESSLER. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. The telephone companies are supporting this legislation. The long-distance companies are supporting this legislation—both of them would like to have a little more in their sections, but basically they know this is good legislation—the cable industry, the broadcasters. The utility industry is going to be able to be involved and provide another option, more competition. We made sure that the public utilities law on the books did not keep the utilities from offering the services they could offer. We made sure that it was a fair bill even for the burglar alarm industry.

There is going to be a tremendous explosion in technology. It will help education. It will help health care. We will have manufacturing. I hope we are going to have manufacturing of telephone equipment in America. But there will be more of it. At least now our companies that have been prohibited over the past 15 or 20 years will be able to get in there, get into manufacturing and offer additional equipment and create some jobs.

But most of all, the beneficiaries of this bill will be the people. They are going to be staggered by the choices, Mr. President, that they are going to have to choose between on their telephones and on their television sets. There is going to be an absolute revolution occurring in the next 10 years in the telecommunications industry.

It was a question, frankly, of would the Congress step up and acknowledge what was happening. Would the Congress take off the shackles and allow the telecommunications industry to move forward aggressively, or would we retard and restrain and regulate that potential?

We have decided in this legislation to open it up. The people will be the beneficiaries. There are adequate safeguards in this legislation for consumers. Some people might say too much. But I think that they are there. I think they are important. We are going to get jobs creation from this legislation. The people will get choice in how they get their services. They can choose to have one company in the future to give them their local service, their long-distance service, their television.

There is no end to the ideas that will come as a result of this legislation. It is going to provide opportunities for growth and development and lower prices. Competition will give us more choices, tremendous developments and activities at lower prices.

So I just wanted to say briefly how important I think this legislation is. We are changing 60 years of law with it. It is going to have a tremendous impact.

I have been honored to be a part of the process through the committee, on the floor of the Senate, in conference. I thank the distinguished majority leader for allowing us to get this legislation up this afternoon. Without his being willing to step up and say we should go forward with this, it would not be happening.

He raises legitimate questions about the spectrum question. But the chairman and the ranking Member have made a commitment we are going to have hearings on this. We are going to see what can be done there. We are going to make sure we do it right. The FCC is not going to go forward with giving away spectrum until we have taken an additional look at it. But I have to say it is a very complicated area, and one we need to be careful about.

We should not break our word, and we should not say we can get more money than we can get. And we should not take actions that slow down or stop the move to digital, the next step in the very pure picture that we can get. So we are going to get this legislation, and we are going to get additional action on spectrum. We are going to do it, and we are going to do it properly.

Mr. President, I thank the Chair for recognizing me at this time. I thank the chairman for yielding it to me. I am anxiously awaiting the final vote on this historic legislation.

Mr. PRESSLER. Mr. President, may I say to the Senator from Mississippi that this legislation would not have happened without him. He has been a valued member of the committee and a valuable friend. He has taken great personal risks. I have seen him in meetings really perform as a leader. I am very proud to have him as a friend. This legislation would not have happened without him. I pay tribute to Senator LOTT of Mississippi who made this happen. I thank him very, very much.

The PRESIDING OFFICER. The Senator from South Dakota has 11 minutes. The Senator from South Carolina has 14 minutes.

Mr. PRESSLER. I yield 4 minutes to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BURNS. Mr. President, I thank my chairman and the Chair.

First of all, I rise today to join my colleague in pledging my support for this piece of legislation, the Telecommunications Act of 1995. Let me first start out talking about the leadership that Senator PRESSLER has shown on this particular piece of legislation.

As you know, we have gotten the reform of telecommunications further than it has come since I have been in this body. In 1989, we started working on telecommunications in the reform, the deregulation of it, to do one thing, and that was to push new technologies into areas where we desperately needed those new technologies, because all one has to do is to look around and say we are going to do things differently when it comes to educating our kids, we are going to do things differently when we talk about telemedicine.

I can remember almost 5 years ago I joined with then-Senator Gore to introduce a series of telecommunications infrastructure bills. I remember that day. I think the ranking member of the Commerce Committee was chairman at that time. I can remember that situation. We both strongly believed at that time in the need to unleash the digital revolution through the substitution of competition for excessive regulation. The bill basically achieves that basic goal, and because of this, it will accelerate by decades the deployment of advanced telecommunications infrastructure.

This is not to say, Mr. President, that the conference report is perfect or the best it could possibly be. In some places I would like to change it. But, you know, you do not get everything you want, but at least you want everything that you got. I think basically that is the position we are in. We cannot let the best become the enemy of the good. It is time that we take what we can get now and move forward with this piece of legislation.

Under this bill, the nature of regulation will change. Instead of regulating the profits of telephone companies, regulation will now focus on ensuring that competition can take root in all aspects of the telecommunications markets. Once full and effective competition can take root, it will protect the consumer interests and the need for regulation will end. This process of using regulation to embrace and advance the cause of competition toward an ultimate goal of deregulation will require the conscience and the constant vigilance of this Congress and Congresses to come. Cooperation between the FCC and the States will also be mandatory.

We all must be vigilant to ensure that competition can take root and that it grow and it prosper. If it does not, then this bill will be a failure. I believe this bill will not be a failure. I am proud of most of the agreements that were made and reached in this conference.

I believe that a good deal was struck where both rural and urban interests are well served. My home State of Montana will benefit greatly from the universal services provisions and lower telephone rates, better cable services, and increased competition in all segments of telecommunications across the board.

What does it do? It removes almost all State and local government restrictions on competition and local exchange telephone, video services, wireless, and other communications markets. It also reforms the broadcast license renewal process to forestall strike units or other abusive practices by self-styled consumer groups and community activists, removing network cable owner limits and raising current radio and television station ownership caps. It restructures the remaining FCC procedures and requires speedy action on complaints, petitions for forbearance, applications and other requests, and establishes a permanent biennial regulatory review of the process.

It also removes and relaxes the restrictions on the ability of public utility holding companies to engage in competitive telecommunications activities.

Furthermore, the report's rules on interconnection will empower competitors by ensuring that they can gain access on fair and reasonable terms to existing local telephone facilities without imposing unreasonable burdens on rural telephone companies.

The report also protects the continuation of universal service, an essential feature, especially for rural areas where competition will be slow to evolve.

And, a backup provision, the so-called advanced telecommunications provision, was included in the report to ensure that competition and, hence, infrastructure deployment evolve in a reasonable and timely manner. If competition is stalled, the report gives the FCC authority to quicken the pace of competition and deregulation to accelerate the deployment of advanced telecommunications infrastructure.

These provisions, taken together, will ensure that all Americans—in urban, suburban, rural, and remote areas—gain access to the most advanced telecommunications capability as quickly as market forces will allow.

Finally, I also support the radio ownership deregulation provision included in the report. The provision is a good compromise between those who wanted complete deregulation and those who were concerned about concentration in radio ownership in local markets. By deregulating radio ownership rules, we are setting the groundwork for our Nation's radio operators to compete and survive in this new telecommunications environment.

For these reasons, I support the conference report and hope that my colleagues will as well in the confidence that its enactment will ensure the rapid deployment of advanced telecommunications capability to the benefit to all Americans.

The PRESIDING OFFICER. The Senator from Montana's time has expired.

Mr. BURNS. Again, I want to congratulate the leadership of Senator PRESSLER and the many people that it took to put this together, because we know that it was frustrating at times. It was frustrating to all of us at times. But, nonetheless, I think it is a good piece of legislation. I yield the floor.

COMMERCIAL AVAILABILITY OF NAVIGATION DEVICES

Mr. FAIRCLOTH. The competitive availability of navigation devices provision, section 304, instructs the FCC to consult with appropriate voluntary industry standards setting organizations for the purpose of promulgating a regulation. Given that the FCC is not a standards setting organization, do you agree that this legislation does not authorize the FCC to set a standard for interactive video equipment?

Mr. BURNS. I agree. Moreover, FCC involvement in the emerging digital market could have the effect of freezing or chilling the development of that market. If private industry groups are able to develop sufficient standards on their own, there is no need for the FCC to intervene. One such example of this policy approach is the so-called Eshoo amendment which leaves the development of "features, functions, protocols, and other product and service options" for analog cable equipment to the private sector.

Mr. FAIRCLOTH. Do you also agree that the intent of this provision is that the use of rate regulated services to subsidize equipment might unfairly penalize the general rate-payer?

Mr. BURNS. I agree. However, when those services are no longer rate regulated such subsidy cannot be sustained and the prohibition on bundling is no longer necessary. The bill's prohibition on bundling and subsidization no longer applies when cable rates are deregulated. Consumers should have the option of obtaining digital devices through commercial outlets, but this does not mean that network operators must make each type of equipment available through commercial outlets. Network operators should have the flexibility to package and bundle equipment and services.

Mr. WELLSTONE. Mr. President, I speak today in opposition to the conference report on S. 652, the Telecommunications Deregulation Act of 1995. I regret that I cannot support this legislation, because it contains important protections for parents to be able to monitor what their children are viewing. I support the language in the conference report that requires manufacturers to include V-chips in new televisions. I also hope that the television industry will voluntarily develop ratings for video programming. Parents need this rating system so that they can more fully monitor what their kids are viewing.

This bill also represents so much for our country. I can imagine workers in rural Minnesota telecommuting to and from work as far away as New York or Washington without ever having to leave their homes or families. As a teacher the possibilities really excite me—schoolchildren in Minneapolis reading the latest publications at the Library of Congress via thin glowing fiber cables or rural health care providers on the iron range consulting with the top medical researchers at the Mayo Clinic in Rochester to better treat their patients. All of this is before us.

When the Senate debated this bill in June, I felt then and still feel now that this bill presents to each Senator a daunting responsibility. The concern that I still have now that we are voting on the conference report, has to do with whether or not we can make sure that there will be true competition, and that this technology and information will truly be available to everyone in the Nation, not just the most privileged or the most wealthy.

The conferees maintained some very important Senate provisions, including language to keep telecommunication rates low for schools and hospitals. This will help to ensure that our communication technologies are affordable for future generations. I was proud to support this provision when opponents tried to strip this provision in the Senate.

The conferees also kept language requiring V-chips in new televisions. I am proud to say that I supported this provision that will help keep adult-oriented video programs away from children. I believe that this will give those who know best, parents, the ability to control the flow of new services into their homes.

What disappoints me the most is that this bill did not go far enough to assure competition and therefor does not go far enough to protect consumers. I am not just concerned about the alphabet soup corporations. I am concerned about the people that live in Eveleth or Fergus Falls or Virginia or St. Paul or Northfield or Pipestone. I was hoping that at least we could build in more protection for consumers and more guarantees that there would in fact be the competition that we all talk about.

I ask my colleagues, after you remove the protections against huge rate increases, against monopoly, against service just for the privileged, what would you replace them with? Words, Mr. President. Promises, guarantees, reassurances that this time, although many of these companies have misbehaved in the past, and have been fined repeatedly for violating promises to protect consumers, that this time the corporations promise to behave themselves and to conduct themselves in the consumer's best interest.

Mr. President, I have said it before, and I will say it again. I do not buy it. I would rather put my trust in solid protections, written in law, to make sure that rates remain affordable, services are available for everyone, and no one is left behind in the stampede for corporate profits. Protections that ensure affordability, fairness, and access in local and long distance phone service and cable TV.

Mr. President, the need for the continuation of consumer protections and antitrust circuit breakers is clear. With every passing day, we see more integration in the telecommunications and information marketplace. Over the summer, we saw the Lotus Corp. agree to a friendly takeover by IBM. AT&T and McCaw Cellular will be joining forces, as will other companies, in preparing for this newly deregulated telecommunications environment. I am concerned that this integration will mean a broadcast concentration where consumers will get their news and information from fewer and fewer sources.

This integration at the top corporate level and the market position of many of these companies demands that consumers be given a voice—a trusted voice—to speak for them in the coming years. No more trusted voice could be found on this subject than that of the Department of Justice. It was through that Department's courageous leadership that the old AT&T Ma Bell monopoly was broken apart—it was a long, tough fight, but this experience gained by the DOJ has been invaluable in guiding the breakup of the Bell system, and the development of competition in long distance and other services. It only makes sense that we allow the DOJ to put this experience to use again as we move into an exciting, but potentially risky, new market. I believe that DOJ oversight is essential to ensure competition and consumer protection to keep telephone monopolies from reassembling themselves.

While I fully appreciate the potential of this legislation, I am really worried about where we are heading because I think there is going to be entirely too much concentration of power. The New York Times reported in a December 19, 1995, article:

> For Wall Street, a frenzy of deals would be a bonanza. For many consumers though, the activity is unlikely to make much difference in the price of quality of their phone service. Only in large metropolitan areas, where the lure of lucrative markets might intensify competition, could the average phone customer expect to see much benefit.

The article goes on to report from one investment analyst that "What you need to have is a large footprint to reach more customers with one network." He went on to say "There's no reason on God's Earth why you have to have seven bell companies."

Well this may be true if the only bottom line is to make money. But my bottom line is to ensure that consumers all over America have access to affordable, quality telecommunications services.

I believe that this legislation will lead to too much concentration of power in a very, very important and decisive area of public life in the United States of America. I think we are making a mistake if we pass this piece of legislation. I will therefore, vote against it.

Mr. GRAHAM. Mr. President, there is language within S. 652 which requires all must carry challenges filed with the FCC to be resolved within 120 days. Let me further state that broadcast stations are important sources of local news, public affairs programming, and other local broadcast services. This category of service will be an important part of the public interest determination to be made by the Commission when deciding whether a broadcast renewal application shall be granted by the Commission. To prevent local television broadcast signals from being subject to noncarriage or repositioning by cable television systems and those providing cable services, we must recognize and reaffirm the importance of mandatory carriage of local commercial television stations, as implemented by Commission rules and regulations.

Mr. GLENN. Mr. President, I rise to discuss the telecom conference report and its adherence to procedures we set up with passage of S. 1, the Unfunded Mandates Reform Act of 1995.

We passed S. 1 one year ago with overwhelming bipartisan support. It was one of the two major items in the Contract with America that has actually been enacted. I am proud to be its coauthor along with my colleague, Senator KEMPTHORNE.

S. 1 sets up a process where, first, we would understand the cost of future Federal mandates on State and local governments before we voted to enact them. We would get this cost information from CBO and, to do so, we secured an additional $1.4 million in fiscal year 1996 funds for CBO to hire the needed analysts. Second, S. 1 ensures that we would pay for those mandates or otherwise face a possible point of order on the floor. We set a date of January 1, 1996 for the act's cost estimating and funding requirements to take effect.

This telecom conference report violates S. 1's spirit, intent and requirements. Section 424(d) of the act stipulates that "the conference committee shall ensure, to the greatest extent practicable" that CBO shall perform cost estimates on conference reports containing Federal mandates. This provision was an amendment to S. 1 by Senator GRAMM from Texas that was unanimously adopted by the Senate. It is meant to address the possibility of Federal mandates all of a sudden showing up in conference reports.

State and local government groups alerted Members to three sections of the report, section 302, 303, and 602 that restricted or limited their authority to raise revenues through licensing and franchising fees. Section 421(3) of the act defines direct costs to mean "the aggregate estimated amounts that all State, local, and tribal governments would be prohibited from raising in revenues in order to comply with the Federal intergovernmental mandate." So the State and local groups were right to raise these concerns and ask that CBO do a scoring of the conference report as required under S. 1.

Unfortunately, CBO did not receive the conference report until this morning. Earlier efforts by the CBO analysts to get copies of earlier versions of the conference report were also unsuccessful. Apparently, they were ignored by the conference committee staff. That's not the process we envisioned under S. 1.

I understand that the rights of way provisions in section 303 were altered to address State and local concerns. Those were the provisions that were of the greatest concern to them. However, that still leaves sections 302 and 602. Those sections are being looked at right now by CBO for their cost on State and local governments, but I'm afraid it's too late. We are going to pass this conference report shortly without having any estimate of what those costs might be.

When we passed S. 1, I talked on the floor about how Congress and its committees would have to change the way they do business in order for the act to work. That change didn't happen on this conference report. I hope there is a better effort at compliance next time.

I support this conference report because it makes long-needed and important reforms in the telecom industry. But in terms of following S. 1's rules and procedures, it falls far short.

Mr. CONRAD. Mr. President, I am very pleased that the Senate will vote today on final passage of S. 652, the Telecommunications Competition and Deregulation Act of 1995—one of the most important bills to be considered by the 104th Congress. While there are many issues that have been addressed in this legislation, most notably to ensure that there is competition among the telecommunications technologies of the 21st century, I have been particularly concerned about one important issue associated with telecommunications reform—the impact of television programming on our children, and the importance of ensuring that parents have information and the technology necessary to make an informed decision about television programming for their children.

In this regard, I am very pleased that conferees have agreed to accept the Parental Choice in Television Programming provisions—the V-chip—that was adopted by both the House of Representatives and Senate by overwhelming margins during consideration of S. 652 and H.R. 1555 last summer. The importance of this parental choice technology for parents was underscored by

President Clinton last week in his State of the Union Message to the Nation.

In that message, the President called on Congress to pass the V-chip requirement in S. 652 that would permit parents to screen out television programming inappropriate for children. The President also called on the entertainment media to create movies, CD's, and television programming that members of the entertainment community would want their children to view. He further challenged the broadcast industry to help parents protect their children by providing families with more information about TV programming through improved advisories or rating system. To accomplish this goal, the President invited leaders of the major entertainment media to the White House later this month to discuss and work on ways to improve what children view in entertainment programming.

Mr. President, I commend President Clinton for strongly endorsing the V-chip in his State of the Union Message, as well as for his leadership on behalf of parental choice chip technology during consideration of telecommunications reform legislation in the Senate and House. President Clinton remarked that the V-chip represents a reasonable solution—not censorship—to the concerns of parents who have little control over the television programming that is available to their children, and want more information on the content of this programming. The President said, "when parents control what their children see, that's not censorship. That's enabling parents to assume more responsibility for their children's upbringing". I agree with President Clinton.

Regrettably, the reaction of the broadcast media to President Clinton's support for the V-chip technology and appeal to the media to work together to make the V-chip technology effective, has not been encouraging. Despite broad public support among parents, the medical community, educators and other children advocates for this technology, and successful tests of this technology in Canada, broadcasters say the V-chip proposal is unworkable, and unconstitutional on free-speech grounds. According to press reports, the broadcasters intend to oppose the V-chip in court. I believe this decision is unfortunate—children will be the losers if this technology does not become available to parents. Unfortunately, many in the television broadcast industry continue to misrepresent the provisions adopted in the conference agreement to S. 652.

As adopted in the conference report (Section 551—Parental Choice in Television Programming), manufacturers of television sets (13 inches or larger), both domestic and foreign, would be required to install technology—the V-chip—that would allow parents to block the display of programming with a common rating. The Federal Communications Commission, following consultation with the electronics industry, would determine a date for the implementation of this provision. There is also a provision under section 551 that would prohibit the shipping of television sets in interstate commerce that do not meet the requirements for the manufacture of television sets with blocking technology. These are the only mandates under section 551.

To make the parental choice chip technology an effective tool for parents, section 551 calls on television broadcasters, cable operators, and other video programmers to work with concerned interest groups, including parents, over a 12-month period—before any of the provisions of section 551 become effective—to voluntarily develop rules for rating television programming with violent, sexual, or other indecent content. Broadcasters and cable operators during this same period would also be encouraged to voluntarily develop rules for the transmission of signals encoding the ratings that would block certain television programming.

Effective voluntary rating systems have already been developed for television programming in Canada. In addition, as I noted during the telecommunications debate last summer, the Recreational Software Advisory Council and the Interactive Digital Software Association on behalf of video game manufacturers have voluntarily adopted a rating system that is included with most video games sold in the United States. A voluntary rating system is workable.

Mr. President, following the 12-month period from the date of enactment of S. 652, if the television broadcasters, cable operators have not taken the opportunity to voluntarily develop a rating system to guide parents, the Federal Communications Commission (FCC) would be authorized to establish an advisory committee to develop recommendations and guidelines for the identification and rating of television programming. The advisory committee would include industry representatives, parents, and public interest groups. Any guidelines or recommendations established by the advisory committee could serve as a model for the television broadcast industry in the development of a rating system.

Section 551 does not mandate a government rating system, or that a program be rated if a broadcaster refuses to rate programming. Nor does this legislation establish a government entity to rate television programming. There is also no authority or suggestion to rate or identify in any way religious or political programming. No penalties are established by this provision if a television broadcaster's cable operator refuses to develop ratings, or apply whatever ratings or identification system is established voluntarily, or by the advisory committee under the FCC. The development of any rating or other television program identification is entirely voluntary—the effectiveness of the V-chip technology as an aid for parents rests with television broadcasters and cable operators, not the Federal Government.

Mr. President, 90 percent of the public supports the installation of the V-chip on television sets—parents want more information on the contents of television programming, and to be able to block that programming if they consider it inappropriate for children. They should have that right. In Canada, recent trials of V-chip technology that were conducted in Toronto and other communities have shown that the V-chip is popular, and workable. More than 80 percent of the families that participated in the demonstration felt positively toward the V-chip, and more than 70 percent thought the system effective and should be maintained.

I urge television broadcasters, cable operators, and other video programmers to take advantage of the 12-month period provided under section 551 to voluntarily develop an identification or rating system that will help parents to make informed decisions about television programming that is appropriate for children. I hope that media executives will view the upcoming White House meeting on violence and children's programming as an opportunity for constructive dialog on this important issue for children, and to make this new parental choice technology an effective tool for parents and families. The time has come to work together.

I applaud House and Senate conferees on S. 652 for including the V-chip provisions in the final conference agreement. I also want to express my appreciation to Senator HOLLINGS for his leadership on behalf of children's television programming, and for his strong support of the V-chip provision in conference. I urge my colleagues to lend their strong support for passage of this important telecommunications reform conference report.

Mr. DOMENICI. Mr. President, as we approach the end of the 20th century, it becomes increasingly clear that our telecommunications industry has outgrown the Communications Act of 1934. Changes in technology and in consumer demands since then mean that it is now time to pass the Telecommunications Competition and Deregulation Act of 1995. This legislation will foster technological growth, bring more choices and lower prices to consumers, increase productivity, jobs, and international competitiveness.

The Telecommunications Competition and Deregulation Act of 1995 will provide consumers with more choices and lower prices in long distance phone service and television programming. And it will do so in a way that protects rural customers: This legislation explicitly preserves the universal service fund which subsidizes telephone services to rural areas.

Right now, consumers have a choice among long distance phone companies. After this legislation takes effect, consumers will also be able to choose among companies that offer them local phone service.

This legislation will also give consumers more choices in how they receive television programming. Currently, if a consumer's area is served by cable, a consumer may choose between the cable company and Direct Broadcast Satellite [DBS] service. This legislation will allow the phone company to offer television over phone lines, so consumers will be able to choose television services from among cable companies, phone companies, and DBS.

The Telecommunications Competition and Deregulation Act of 1995 will also encourage investment in domestic telecommunications industries. By requiring that local telephone service be provided solely through regulated monopolies, the Communications Act of 1934 has forced U.S. companies wanting to invest in local phone markets to invest overseas.

The President's Council of Economic Advisors estimates that as a result of deregulation, by 2003, 1.4 million service sector, U.S.-based jobs will be created.

Over the next 10 years, a total of 3.4 million jobs will be created, and, according to telecommunications analyst George Gilder, the gross domestic product will increase by as much as $2 trillion.

Increased investment in telecommunications products and services will bring a better quality of life to rural New Mexico. With fiber optic cable connections, doctors in Shiprock, NM, can consult with specialists at the University of New Mexico Medical Center or any medical center across the country.

These new technologies will enable students in Hidalgo County, NM, in towns like Lordsburg and Animas, to share teachers through a video and fiber optic link. This legislation will remove the regulations that currently prevent local phone companies from making the investments necessary to provide such technologies.

Mr. President, I support this legislation because it will help improve rural education and rural health care, enhance local and long distance phone services, and speed up the development of new technology and new jobs for Americans. I believe this legislation represents a key step forward toward achieving these valuable objectives.

As with any effort at serious, large-scale reform, this legislation leaves a few important policy questions unresolved. I am pleased that we have agreed to separate those issues out from this bill so that we can give them the full attention they deserve in the future.

I wish to commend the managers of this bill, and their staffs for their tireless work to craft this legislation. In particular, I appreciate the legislative skill of Chairman PRESSLER, Majority Leader DOLE, Senator STEVENS, and ranking member, Senator HOLLINGS, as well as their commitment to real reform of obsolete and burdensome regulations.

The public ought to be proud that by working together, Democrats and Republicans have succeeded in crafting legislation that will enhance the capacity of our economy to respond to the new and rapidly growing challenges of the information age.

Mr. HEFLIN, Mr. President, telecommunications technology has undergone a major evolution in the six decades since Congress passed the landmark "Communications Act" in 1934. Enacted during the Great Depression, the "Communications Act" alleviated the turf disputes which emerged when AT&T entered the broadcasting arena to compete with the well-established radio networks. The New Deal approach to this problem was to erect strict walls between public utility communication providers and broadcasters. Amazingly, though, the regulatory approach established 62 years ago is still the law of the land.

Mr. President, it is my belief that cellular telephones, fax machines, cable television, direct broadcast satellites, and computers have rendered obsolete the Nation's aging telecommunications regulatory framework. Therefore, I believe the time has come to overhaul that framework as we prepare to enter the 21st century. But as my friends on the Commerce Committee can attest, the task of rewriting the antiquated Communications Act of 1934 is much easier said than done.

I suspect that we all agree that the present regulatory structure needs revision, but forming a consensus on just how to create a new regulatory environment that acknowledges and fosters competition while at the same time protects the public interest has proven to be elusive. After reviewing the conference report on the Telecommunications Act, though, I feel that the conferees have done a commendable job in finding an equitable balance between these two competing goals.

The past few months have been witness to some historic agreements. For instance, those who negotiated the Dayton Peace Accord deserve credit for a job well done, but the conferees who were able to broker an agreement between the long distance industry and the Bell operating companies deserve the Nobel Peace Prize. The ability of these two divergent interests to come to terms in regards to the Baby Bell's entry into the long distance market is one of the reasons I plan to support the bill.

In addition, I am pleased that the bill will provide independent, rural cable systems with the option to merge or be bought out by their local exchange carrier if the cable system in question decides it cannot compete head-to-head. I specifically want to thank Senator HOLLINGS for his help on this section of the bill.

One other issue worth mentioning in regards to the telecommunications bill is the spectrum flexibility issue. All television stations will soon be making the transition from an analog signal to a digital signal. This will provide the consumer with a better signal and will give television stations new sources of revenue, such as digital paging and data transmission. In that broadcasters provide their services to the viewing public for free, I think it would be a mistake to require them to pay for spectrum on which to start digital broadcasts, particularly since they will turn their analog spectrum back to the Government once the transition to digital is complete. This bill would not actually give spectrum to broadcasters, but it would leave the decision on how best to handle the transition to digital in the hands of the FCC, where it should be.

Mr. President, in closing, this bill is good for the consumer because it will open the floodgates of competition among communications providers. As we all know, increased competition means lower prices and new services in the marketplace. In addition, the bill is supported by the regional Bell companies, the long distance industry, the cable industry, and broadcasters. Therefore, I intend to vote in favor of this bill, and I urge my colleagues to do the same.

Mr. FORD. Mr. President, today, I am pleased to join the distinguished Senator from South Dakota, Senator PRESSLER, and the Senator from South Carolina, Senator HOLLINGS, in supporting the conference report to S. 652, the telecommunications reform bill. As a conferee on this historic piece of legislation, I firmly believe that this bill is a balanced approach to the overhaul of our telecommunications laws and regulations and toward a deregulated and competitive telecommunications industry.

In the last several months, the Congress has been highly criticized for the partisan nature of our debates. And it is true that a significant number of legislative initiatives are caught in intense partisan differences. But at the same time, there have been a number of developments where both sides of the aisle have come together, where both sides have been able to reach an accommodation of differing views and opinions. I believe that this conference report is just one example of how this Congress can work in a bipartisan manner to produce solid legislation.

That is not to say that it is easy. This conference has been working throughout the fall and early winter to produce this conference report. Our negotiations were long and difficult ones. But, Mr. President, I am by nature a compromiser. I guess that is because I am from Kentucky. And Kentucky produced many fine legislators and statesmen, including the great compromiser, Henry Clay. And Henry Clay once said that compromise is "a mutual sacrifice." Well, let me tell you, Mr. President, that we conferees have made many sacrifices in order to reach a bipartisan conference report.

When the House passed its version of telecommunications reform last August, I was asked what the significance of that event meant. I stated then that I was fairly confident that we could produce a final bill—but that it was not going to be easy. There were significant differences between the Senate and House bills. In particular, I know I and many of my colleagues on this side of the aisle were concerned about the scope of the deregulation contained in the House bill. But something significant happened in this conference. We sat down and we listened to each other. Throughout numerous discussions and informal meetings of conferees, we were able to state our concerns and have those concerns understood and appreciated. And more importantly, we were able to have those concerns addressed in a satisfactory manner. I do not think that any one side prevailed over the other. This conference was one of significant negotiations and compromises. But the result is that today we have a bipartisan bill. I believe that this conference report is a fair, logical, and balanced approach towards reforming our Nation's telecommunications law and policies.

There is no question that we need to pass a reform bill. Not since the passage of the 1934 Communications Act has the Congress taken a step towards a major overhaul of that law. The 1934 Act has served its purpose in guiding our telecommunications policy for the last 60 years. But we are at a crossroads in terms of policy and technology. Our telecommunications industry has been in a state of complex transformation that began in 1984 with the divestiture of AT&T. Since that time, the seven regional telephone companies have actively sought permission to enter into other areas of business. And as the regional Bell companies have sought to expand, other companies and industries have sought to enter into the local telephone market. Clearly, these changes cannot be made through court rulings and petitions to the Federal Communications Commission.

The slow and haphazard de-regulation that has been on-going since 1984 has frustrated the ability for real and effective competition. In turn, I think that has also frustrated the ability for the telecommunications industry to develop and improve technology. In fact, Mr. President, I would argue that an initial and almost immediate effect of this legislation will be rapid advances in telecommunications technology.

Our telecommunications industry is on the cutting edge of technology. Research and development and existing technologies are inhibited by rules created several years ago, if not several decades ago. The reforms contained in this conference report will help ensure America remains competitive.

Throughout my experience in this legislation, I always hear people talking about the so-called "information superhighway". If we want to make that "information superhighway" a reality for all Americans, then I think we need to spur competition which will encourage investments.

Mr. President, competition and investments can only mean one thing—jobs. This conference report is not just a regulatory reform bill. It is a job creation bill as well. Today, the telecommunications industry is 15 percent of the GDP. And it is also a sector with high-growth potential which will create high-skill and high-paying jobs.

In fact, in a recent study conducted by the Wharton School of Business, the Wharton Econometrics Forecasting Association ("The WEFA Group") found that full competition in telecommunications has the potential to create 3.4 million jobs by the year 2005. And the potential to cause a $298 billion increase in the gross domestic product within 10 years.

In Kentucky, it is estimated that over 32,000 new jobs will be created during this same period. Telecommunications reform in Kentucky could mean the distribution of 1,000 new jobs in the mining industry; 2,900 jobs in the construction industry; 7,300 new jobs in manufacturing; 1,200 new jobs in the transportation and utilities sector; 11,200 new jobs in the wholesale and retail trade sector; 1,300 new jobs to the financial services industry; and, 7,500 new jobs to other services in general.

Mr. President, this telecommunications reform bill is also a pro-consumer bill because it will create more competition, and in turn, lower prices. It is estimated that telecommunications reform will lower rates by 22 percent, saving consumers nearly $550 billion over the next 10 years. Lower long distance rates alone will yield $333 billion in consumer savings. With lower local telephone rates, consumers can expect to save another $32 billion. Lower cellular rates could generate another $107 billion and lower cable television rates will yield another $78 billion in consumer savings.

But this bill is not simply about jobs and money. This bill also contains important provisions which will enhance access to advanced services in our public schools. I am pleased that this conference report retains the provisions of the Senate bill known as the Snowe-Rockefeller Amendment. Because of this provision in the legislation, our classrooms are going to be able to link with other institutions and other programs to enhance education. This is most important for a state like Kentucky with a large rural population. Students and teachers in rural areas will gain access to sources of information and libraries in other locations across Kentucky and the Nation. The reforms contained in this bill will hasten the pace by which schools in rural areas will receive comparable access to the Internet, just like those schools in more urban areas. Access to advanced services can lead to improvements and efficiencies in the administration of education. In fact, this is already occurring in Kentucky. Our State government has contracted for the establishment of the Kentucky Information Highway. Schools and school district offices are linked together on the network and advanced services are made available at preferential rates.

Mr. President, as I have mentioned, this conference report includes important changes to our telecommunications laws which enable the development of new technologies. I am pleased to say that the conference report includes a provision which will limit the role of the Federal Communications Commission in setting standards that may affect the computer and home automation technologies. Section 301(f) of the bill provides that the FCC may only set minimal standards for cable equipment compatibility, to maximize marketplace competition for all features and protocols unrelated to descrambling of cable programming, and to ensure that the FCC's cable compatibility regulations do not affect computer network services, home automation, or other types of telecommunications equipment. In short, this section keeps the government out of setting high technological standards and prevents the FCC from setting standards for the computer and communications services of the future.

I believe that this section is a small but important aspect of this historic bill: to embrace the future by allowing new technologies to flourish with minimal government interference. Just as this bill will help open markets by eliminating the barriers to long-distance and equipment manufacturing competition, Section 301(f) ensures that our vital computer and high-tech markets remain open and competitive by ensuring that the FCC's technical standards are kept to a minimum. Since almost all standards in the communications and computer industries are voluntary, private standards, this section of the bill maintains that this practice shall continue. This is very important as we see the accelerating pace of the convergence of the computer and the communications industries.

Section 301(f) modifies the FCC's authority in order to reign in the Commission's ongoing rulemaking on cable equipment compatibility. This is a problem that arises out of the 1992 Cable Act, which directed the FCC to assure compatibilitybetween televisions, VCR's and cable systems. But, I believe that the FCC has gone beyond the directions contained in that 1992 law. This section of the conference report prevents the FCC from standardizing any feature or protocols that are not necessary for descrambling, by preventing the selection of an other home automation protocol as part of the FCC's cable compatibility regulations. It further prevents the FCC from affecting products in the computer or home automation industry in any way. Simply put, Section 301(f) leaves these standards to be set, as they should be, by competition in the marketplace.

I understand that some have questioned whether the term "affect" is too broad. Indeed it is a broad term in order to effectively implement the principle that the FCC regulations should not interfere in competitive markets. Because there is no reason to affect computers or home automation products, and because even inadvertent or relatively small effects on emerging and rapidly changing markets can easily displace technological innovation, this section 301(f) is weighted toward protecting competition and open markets. The accompanying Statement of Managers states that any material influence on unrelated markets is prohibited. Because it is impossible for agencies or courts to judge whether the impact of technical standards in emerging markets would be harmful or substantial, Section 301(f) draws a bright line to avoid any regulatory impact whatsoever.

I think this is an important policy. The risk associated with wide regulatory powers over technological issues in a time when we are seeing rapid technical change is that premature or overbroad FCC standards may interfere in the market-driven process of standardization or impede technological innovation itself.

It is interesting to note that the industry itself has been able to solve compatibility problems, and create workable standards in the VCR, personal computer, compact discs and other products without any government involvement. I believe that the inclusion of Section 301(f) continues that tradition and will permit the industry to set the standards, not the FCC. That is in keeping with the nature of this legislation as a whole.

Mr. President, in addition to reforms of the local and long distance telephone companies, this conference report includes a number of overdue revisions to the laws regulating the broadcasters. I believe that these changes are necessary to respond to the changing competitive nature of the broadcast industry, in the same manner as the changes this conference report foresees for the telephone industry. One of the changes in this legislation includes directions to the Federal Communications Commission to conduct a rule-making on the so-called duopoly rule.

The duopoly rule was last revised by the FCC in 1964. And it prevents the ownership of more than one television station in a local market. This regulation served a useful purpose by ensuring there would be competition and a diversity of media voices in a television market.

However, in the last 32 years, the local media have gained so many new competitors that I have begun to question whether the duopoly rule still promotes good policy. That is why I endorse the provisions of the conference report which direct the FCC to conduct a rule-making to determine whether to retain, modify, or eliminate this rule.

Today, consumers have access to many more broadcast stations than a generation ago, let alone, a decade ago. More significantly, consumers today have access to a host of non-broadcast station video providers, all of which offer dozens or even hundreds of channels. Competition to broadcasters is coming from the cable industry, wireless cable systems, satellite systems, and video dialtone networks. With such competition, I believe that we may have reached the point where the viability of free over-the-air programming, provided by single-channel broadcasters, may be threatened by the new multi-channel competitors.

Too many local broadcasters, particularly in smaller markets, are already losing money. This is a concern to me, and should be a concern to other Members, because I believe that local television broadcasters are just as important as local radio stations and local newspapers. Together, these local broadcasters help to develop a sense of community through the coverage of local events. It is my hope that the FCC will examine this matter thoroughly and revise the duopoly rule appropriately.

In addition to the duopoly rule, I am also pleased to see that this conference report grandfathers local marketing agreements, or LMA's. Many local broadcasters have stayed competitive by entering into these LMA's with one another. These innovative joint ventures allow separately owned stations to function cooperatively, achieving economies of scale through combined sales and advertising efforts, and shared technical facilities. These local marketing agreements have served their communities in a number of ways: some have increased coverage of local news; others have increased coverage of local sports, particularly college sports; and, many LMA's have provided outlets for innovative local programming and children's programming.

Together, a review of the duopoly rule and the grandfathering of LMA's, these provisions will help ensure that consumers always have access to free local television programming.

Mr. President, it is clear that the reform of our communications laws is long overdue. This conference report is a comprehensive and balanced approach to rewrite our National telecommunications policy for the 21st Century and beyond. After years of debate, negotiations and compromise, we have finally reached the point where we can make the promises of the advanced telecommunications into realities.

I applaud the efforts of the Chairman and Ranking Member for their determination and persistence in bringing together a comprehensive and bi-partisan bill to the floor. We would not be here today without their combined leadership. We would not have bi-partisan support on the conference. As a result, it has earned the support of many on both sides of the aisle and the support of the President. S. 652 deserves to become law and I urge my colleagues to join in supporting final passage.

CLARIFICATION OF LOCAL STATION OWNERSHIP PROVISIONS

Mr. INOUYE. Will the gentleman from South Carolina, the ranking member of the Commerce Committee, yield for a colloquy?

Mr. HOLLINGS. I'd be delighted to yield to the gentleman from Hawaii.

Mr. INOUYE. The conference report directs the FCC to conduct a rulemaking proceeding to determine whether to retain, modify or eliminate its duopoly rule, which prevents ownership of more than one television station in a market. Is it the intent of Congress that in reviewing the duopoly rule the FCC should consider whether broadcasters are able to compete fairly with other media providers while ensuring that the public receives information from a diversity of media voices?

Mr. HOLLINGS. The gentleman's interpretation is my interpretation as well.

Mr. INOUYE. I'd appreciate my colleague's help in clarifying the conference report's effect on the Hawaiian television market. No one needs a geography lesson to learn that my state is located in the middle of the Pacific Ocean. As such, interference with adjacent television markets is not a concern and, unlike every other market in the United States, every VHF channel is utilized somewhere in Hawaii's market.

I'd ask of the gentleman, when the FCC considers the duopoly rule, does he agree that the FCC should strongly consider that Hawaii's unique situation represents an example of compelling circumstances that could permit the combination between two VHF stations in that market?

Mr. HOLLINGS. The gentleman from Hawaii is correct. His state's local television market developed differently from continental markets because of its unique geography and terrain, and thus is characterized by many VHF stations. Many of our concerns about combinations involving two VHF stations in local markets in the continental United States do not apply to Hawaii. The FCC should recognize this distinction when considering the duopoly rule.

Mr. INOUYE. I thank my colleague for his clarifications and for his expertise and leadership on this historic revision of our telecommunications law.

Today's local marketplace is characterized by an abundance of media outlets that were not present or contemplated when the rule was last revised, and the FCC should take this development into consideration.

This new competition, such as from clustered cable systems offering advertisers the same buy as local broadcasters (but on multiple channels), threatens the very viability of free, over-the-air programming. Broadcasters have searched for creative solutions to these marketplace changes, and one proven solution has been Local Marketing Agreements. These LMAs are innovative joint ventures which enable separately owned stations in the same market to find economies of scale through combined operations.

The need to relax the duopoly rule is illustrated by broadcasters' experience with LMAs. These joint ventures have generated substantial rewards for both competition and diversity, and improved the quality and quantity of free local programming. In Hawaii, an LMA has made possible a significant increase in local programming, including an in-depth local news program at 9 p.m., extensive coverage of the University of Hawaii's sporting events, weekly programs on Hawaiian culture and local issues, and a doubling of children's programming.

It is my understanding that Sec. 202(g) allows LMAs currently in existence to continue as long as they are consistent with FCC rules. These LMAs give stations the flexibility to meet the challenge of the multi-channel marketplace.

Again, I thank the ranking member of the Commerce Committee for clarifying the intent of the conference report regarding the duopoly rule.

Mr. GRASSLEY. Mr. President, I rise today in strong support of one portion of the telecommunications legislation we are currently considering. In particular, I wish to speak on the cyberporn provisions of the bill. I believe that it is high time that Congress apply the same rules to protect children on the Internet that have laws applied to other communications media. Since 1934, indecency has been regulated in broadcast. And when it became clear that children were vulnerable to sexually explicit material over the telephone, Congress prohibited providing indecency to children via the telephone. Today, we are taking the next step in protecting children from child molesters and unscrupulous porn merchants.

It is important to note that despite the best efforts of the liberal establishment, the Supreme Court has never—not even once—ruled that the indecency standard is unconstitutional. So the vocal opponents of the legislation before us today are going to have a very hard time to challenge it in court. Just a few weeks ago, in the Act III case, the Supreme Court was asked to review the constitutionality of the indecency standard. But the Supreme Court declined to do so, indicating to many constitutional lawyers that the indecency standard is on firmer footing than ever.

I predict that the left-wing free-speech absolutists who have promised to challenge the cyberporn provisions will have no more success with their antifamily efforts than they have had in the past.

This summer, I had the opportunity to chair the first-ever congressional hearings on cyberporn. During that hearing, I had the opportunity to hear from parents who had discovered that their children had been sent pornography or solicited by adults. One teenager girl was even stalked on-line by someone who was later arrested—but had to be released because his conduct was not illegal.

That's why, with the assistance of the distinguished chairman of the Commerce Committee, Senator PRESSLER, I worked to include a cyberstalking provision in the conference committee report. That section makes it a crime to use computers to seduce or lure children. I believe that this is an important step. As with indecency on computers, America's children should be given the same protections in the online world that they have in the real world.

In my hearing this summer, I asked each parent that appeared before the Judiciary Committee—do you believe that a technical solution alone, without Federal legislation, is enough to protect their children. Without exception these parents said no, that the technology is part of the Answer, but not the whole answer. So for those who claim that Congress has no role at all to play in protecting America's children from on-line pornography and child stalking, I say ask America's parents about that. The parents of America, who have to try to use cumbersome and highly technical computer programs to block out cyberporn and on-line child stalkers believe that congressional assistance is crucial and that there simply is no other way to keep America's children safe.

Finally, let me say that me of the most perplexing misrepresentations during the conference deliberations on this matter involved the so-called harmful to minors standard as opposed to the indecency standard. The harmful-to-minors standard is a creature of State law, and there has never, during the entire history of our Nation, been a Federal harmful-to-minors law. On the other hand, Congress has had indecency regulations on the books since 1934, the beginning of the mass communications era. So, despite statements to the contrary, the harmful-to-minors standard, which has never been the subject to congressional action, is too uncertain, too new to be applied to the dynamic medium of computer communications. I believe that the harmful-to-minors standards would unduly chill the kind of freewheeling discussions we have become used to on the Internet. The tired-and-true indecency standard is much better, in the opinion of this Senator and noted constitutional scholars like Bruce Fein.

I would like to take my hat off to Senator EXON, Senator COATS, and Senator HELMS for their work and leadership on this issue. I yield the floor.

Mr. HELMS. Mr. President, I am pleased that the Senate finally is going to pass this important telecommunications bill (S. 652). There have been many attempts down through the years to reform the telecommunications law, and I am happy that the Republicans have been able to get the job done this year.

This bill will remove barriers to competition and lead to lower prices for consumers. It can create as many as 100,000 jobs in North Carolina, help spur the economy, lead to innovative developments in technology, and provide children with greater access to educational opportunities. In addition, in the near future, millions of consumers will be able to shop and bank from their homes through the use of their computers or television sets.

Mr. President, one study conducted by the WEFA group projected that open competition could very well lead to 3.4 million new jobs in 10 years. It further concluded that consumers could pay $550 billion less in communications rates.

There have been many hard fought battles on this bill. But in the end this legislation is a very carefully crafted balance. For example, earlier versions of this bill would have allowed for an unhealthy concentration of media power. These proposals could have made local community broadcasting a thing of the past; but this concern has been resolved.

Perhpas most importantly, this bill will help protect children from computer pornography, which today is readily accessible on the Internet and elsewhere. I have been notified of numerous instances in which unscrupulous, sleazy individuals have used the Internet as a tool to distribute pornography to minors. This legislation provides tough prison terms for any smut peddler who uses a computer to send or display child pornography. This bill upholds standards of morality and decency as well as protects children and families from the peddlers of sleaze. This is a victory for families and children.

Mr. President, the Telecommunications Competition and Deregulation Act of 1995 provides the American consumer with less expensive prices, more competitive opportunities, and better service. Chairman LARRY PRESSLER and all of his colleagues on the Senate Commerce Committee deserve the gratitude and respect of all Americans for a job well done.

Mr. COATS. Mr. President, I stand before you today to urge my colleagues to support final passage of this telecommunications reform legislation. It is truly a monumental piece of work. The competitive forces that this legislation will unleash will create an explosion of new jobs, new technology. It will secure for this Nation, well into the future, its rightful place in the forefront of industry and technological development and utilization.

I am pleased that the conference report contains strong protections for America's children. This provision reflects the concern of our Nation to ensure that, as we establish the framework for the rising tide of the technology society, we take care to establish an environment safe for our children. I am speaking about the provision, sponsored by myself and Senator EXON, that deals with the issue of pornographic material on the internet.

Mr. President, sometimes our technology races beyond our reflection, and we are left with a dangerous gap—a period when society is unprepared to deal with the far-reaching results of rapid change. This is the situation we have on the internet. This is the situation which this legislation will address.

The type of pornography currently available on the internet includes images and text dealing with the sexual abuse of children, the torture of women and images of perversion and brutality beyond normal imagination, and beyond the boundaries of human civilization.

Childhood must be defended by parents and society as a safe harbor of innocence. It is a privileged time to develop values in an environment that is not hostile to them. But this foul material on the internet invades that place and destroys that innocence. It takes the worst excesses of that red-light district and places it directly into a child's bedroom, on the computer their parents bought them to help them with their homework.

Let me take a moment to outline exactly what this legislation will do:

Those who utilize a computer to persuade, include entice, or coerce a minor to engage in prostitution or any sexual act will be prosecuted, fined, and imprisoned up to 10 years.

If you use your computer to contact and harass another individual, you will be prosecuted under this bill.

This legislation would prosecute those who utilize an interactive computer service to send indecent material directly to a minor or use an interactive computer service to display indecent material in a manner easily available to a minor.

On-line services and access software providers are liable where they are conspirators with, advertise for, are involved in the creation of or knowing distribution of obscene material or indecent material to minors.

This legislation leaves unchanged E-mail privacy laws.

Simply put, this legislation extends the same protections for children that exist everywhere else in our society to the internet.

The bottom line is simple: we are removing indecency from areas of cyberspace easily accessible to children, if individuals want to provide that material, it must be in areas with barriers to minors, if adults want to access that material, they must make a positive effort to get it.

Our warning is equally clear: if you post indecent material on the internet in areas accessible to children, you will be held to account.

Mr. President, one of the most urgent questions in any modern society is how we humanize our technology—how we make it serve us. America is at the frontier of human knowledge, but it is incomplete without applying human values. And one of our most important values is the protection of our children—not only the protection of their bodies from violence, but the protection of their minds and souls from abuse.

We can not, and should not, resist change. But our brave new world must not be hostile to the innocence of our children.

Mr. President I am proud that we have taken this very important step. I am proud that as we usher in this information age, America has placed the protection of our children as a central issue in this landmark legislation.

Mr. HATCH. Mr. President, telecommunications technology is evolving at a speed that is unprecedented, and it has been and will continue to be difficult to keep up with these revolutionary developments. However, without a vehicle that allows us to at least attempt to keep pace with these changes, we cannot even hope to take full advantage of the benefits that today's technology potentially affords us.

That is why I am pleased to support the telecommunications conference report that we are considering today. It has been a very long and difficult process over a number of years in order to get to this point today. There have been many hearings held in several committees, long debates in both houses of Congress, and extensive hours spent in conference meetings. And, as is always the case with legislation that is as important and far-reaching, the conference report we will vote on shortly is not perfect.

As we have already heard on the floor today during this final debate, there are still a number of issues upon which total consensus has not been reached. In fact, we can expect to be revisiting a number of issues in the not too distant future, and I look forward to that.

Nevertheless, I believe we can all agree that this legislation establishes some basic principles that will provide a gateway to the future of communications in our country. I am convinced that the basic policy changes contained in this conference report will not only positively impact our Nation's economy be enhancing competition within a number of communications markets but will also result in noticeable benefits for individual consumers throughout the United States.

I do not wish to take up too much time, but I want to commend the distinguished chairman of the Senate Commerce Committee for his leadership over the past year in bringing this historic legislation to the floor of the Senate. I especially want to thank him and his committee colleagues for effectively keeping the conference focused on the communications issues under its jurisdiction. Implementation of the legislation will raise issues in the area of intellectual property, which will need to be addressed in the future. These issues are best left to the appropriate committees of jurisdiction and expertise. As the chairman of the Senate Judiciary Committee, which is the committee of jurisdiction over intellectual property issues in the Senate, I look forward to working on these matters. We can support the efforts of the conference and to increase the opportunities the legislation makes available to creators and users of intellectual property.

Again, let me commend the conferees for their work in the communications arena and thank them for not prejudicing the Judiciary Committee's work on any relevant intellectual property issues.

I am pleased to support this bill. It is a major step forward.

Ms. SNOWE. Mr. President, I rise today to speak in favor of the conference report to S. 652, the Telecommunications Competition and Deregulation Act. This legislation will revolutionize our telecommunications industry as broadly as telecommunications have revolutionized our society.

And I am pleased that it contains the Snowe-Rockefeller provision that was included in the original Senate bill—a provision of significant importance to rural regions and rural Americans.

I would first like to thank my friend and colleague, the distinguished chairman of the Senate Commerce Committee who also served as chairman of the House-Senate conference committee on this legislation, Senator PRESSLER.

For over a year now, he has worked tirelessly to shepherd this legislation through the Commerce Committee, the full Senate, and the House-Senate conference committee. In the process, he has worked to ensure that telecommunications reform remains a priority for our Nation as we enter the next century—a century that is certain to bring even greater advancements in technology and telecommunications.

I also want to congratulate the distinguished Senate majority leader, Senator DOLE, for his outstanding efforts in bringing this critical legislation to the floor of the Senate.

Telecommunications is an increasingly important part of our daily life. Over the past few years, most of us have become dependent on communications services as diverse as wireless telephones, fax machines, information services, computers, pagers, alarm monitoring services, and cable television. In many cases, it is hard to imagine functioning without them. We are clearly witnessing a revolution in the way we do business and in the way we live, a telecommunications and information revolution as important to our future as the industrial revolution was in the last century.

As I stated during debate on the legislation last summer, my State of Maine has, for more than a century, faced serious economic challenges in attracting business and industry. Thus, the revolution in telecommunications technologies which has opened the door to the information age continues to be especially important for Maine.

At 60 miles an hour, the speed of truck transportation, Maine's geography can be an economic disadvantage. At the speed of light—the speed with which information can be transmitted over Maine's state-of-the-art telecommunications networks—Maine's location becomes an asset. Information technology coupled with our outstanding quality of life has created substantial business and employment opportunities in my State.

Recognizing the importance of telecommunications to Maine, the Maine State Legislature adopted legislation that established the policy goal of ensuring that all of Maine's businesses and citizens have affordable access to an integrated telecommunications infrastructure capable of providing voice, data and image-based services.

Furthermore, Maine intends to adopt policies that encourage the development and deployment of new technologies, and encourages service applications that support economic development initiatives or otherwise improve the well-being of Maine citizens.

Mr. President, this conference report will bring unprecedented competition and development to the telecommunications industry. And while competition can bring an array of improved services at a lower cost, we must ensure that competition ultimately achieves this goal for all Americans, in both urban and rural areas.

I am, therefore, particularly pleased that the conference report before us recognizes that strong universal service provisions are a necessary and important part of telecommunications reform.

Residents of rural areas should bear no more cost for essential telecommunications services than residents of densely populated areas. Just as extending basic telephone service and electrification to rural areas rose to the top of our national agenda in the 1930's and 1940's, so telecommunications must be a top priority today. No American citizen should be left out of the communications revolution.

Indeed, the concept of universal service was established in the 1934 Communication Act, to establish widely available basic telephone service at reasonable rates. The rationale for this policy is that telephone service is essential to link Americans together, so that all Americans can communicate with each other on approximately equal footing. It was an important economic development tool, as well.

Everyone in our country must be able to engage in commerce using the tools and technologies necessary to interact with buyers and sellers, and be able to be informed and to inform others of emergency situations and to access emergency services.

Presently, every telephone can interconnect with every telephone, but every computer cannot hook up with every computer. If in the future, computers replace telephones and become the basic standard equipment for communication, a mechanism must be in place to ensure that all Americans can continue to be interconnected as they are presently via the telephone.

Central to the concept of universal service is access for public institutions, which provide services to a broad segment of our population. We must ensure that key institutions in our society—schools, libraries, and rural hospitals—are also assured affordable access to telecommunications services.

That can not be done when schools and libraries are paying business rates for educational services like access to the Internet. Business rates are frequently beyond these institutions' ability to pay—and without access, I am concerned about the consequences.

The Internet, the "information highway," is increasingly critical to our children and our Nation. How can we hope to compete in the world economy if our educational institutions are unable to link with a critical telecommunications link?

I strongly believe that the economic future of our children is inexorably tied to their education. In turn, education is becoming increasingly entwined with the use of emerging technologies and the information these services carry and provide.

Our schools need access to educational telecommunications services to prepare our children for economic success. In the 21st century, our children will be competing in a global economy where knowledge is power. Their future depends on their ability to master the tools and skills needed in that economy.

Unfortunately, there is a widening gap between the high expectations of an increasingly technologically driven society and the inability of most schools—particularly rural schools—to prepare students adequately for the high-technology future. Almost 90 percent of kindergarten through 12th grade classrooms lack even basic access to telephone service.

Telecommunications can help us provide a world class education to children across America. If we want young people to actively use the technology of the future so it becomes second nature to them, then we must ensure that schools are part of the national information infrastructure.

For starters, telecommunications will enable students and teachers to do research in libraries across the country and the world, and to connect to experts and other students across the country. It will ensure that small schools in remote rural areas, and schools with limited financial resources have access to the same rich learning resources.

Consider that only 30 percent of schools with enrollments of less than 300 have Internet access, while 58 percent of schools with enrollments of 1,000 or more reported having Internet access. Only 3 percent of classrooms in public schools are connected to the Internet, and cost is cited as a major barrier to access.

Rural schools and libraries usually pay more for access to information services than schools and libraries in urban areas because the information service providers do not have access points in local calling regions, meaning that rural schools and libraries must make a long distance telephone call to access the Internet and other information services. It is imperative that access the information superhighway be affordable, because America's schools and public libraries operate on very slim, inflexible budgets.

And it is an area where we need the strength and innovation of the private sector as well. That's why I am especially pleased to note that NYNEX and the independent telephone companies that serve Maine have already taken steps to deploy and encourage the utilization of needed telecommunications services throughout Maine. As a result of a unique agreement with Maine's telephone companies—all Maine libraries and schools are now eligible to receive substantially discounted long distance services that will now allow access to a broad range of information services.

But schools and libraries in Maine and across America will not be the only ones to benefit from this provision. So does our health care system through telemedicine. When I served in the House of Representatives, I cowrote the Rural Health Care Coalition's "Rural Health Care Bill of Rights."

The paper argued that Congress should adopt policies that seek to ensure that those who live in rural areas receive the same quality of health care as other Americans. All Americans, regardless of their age, income, employment status, medical history or geographic location, have a right to access affordable, quality health care.

Telemedicine can help us achieve this goal by enabling physicians in rural areas to communicate through state-of-the-art telecommunications networks with providers and specialists in other areas.

With Telemedicine, a burn victim in Presque Isle, ME, may be able to get care from some of the Nation's best burn specialists, without ever leaving the local hospital. Rural doctors will be able to connect directly to major hospital centers for consultation, diagnostic assistance, and ongoing professional education. However, rural areas pay significantly more than urban areas for transmission of Telemedicine services.

Mr. President, I believe that the Snowe-Rockefeller provision is fundamentally important to assuring that we do not end up with a two-tiered telecommunications system in America.

The Snowe-Rockefeller provision is fundamental to assuring that all areas in America have access to the essential telecommunications services of the future. And it is fundamental to ensuring that this legislation provides a solid foundation for the future.

Mr. President, I believe that this legislation offers tremendous promise, making this among the most exciting and meaningful bills we will vote on this session.

By promoting true competition in telecommunications while providing necessary safeguards that further the goal of competition and serve the public interest, this conference report offers a strong framework on which the technological future of America can be built. I believe that this bill strikes the right balance that is needed, and offer my strong support. Thank you, Mr. President. I yield the floor.

Mr. DASCHLE. Mr. President, I am pleased that after years of struggle, the Senate has before it, a telecommunications reform conference report that represents the dawning of a new telecommunications era in this country.

I want to commend the Commerce Committee chairman, Senator PRESSLER, and the ranking member, Senator HOLLINGS, for their hard work and efforts in bringing a measure before us today that will enhance true competition in telecommunications without shortchanging American consumers.

This is complex and potentially far-reaching legislation, that will affect an economic sector that constitutes 20 percent of our economy, and whose services reach virtually every American.

Mr. President, this bill is all about competition in telephone services, cable services, information and data services, and broadcasting services. By unleashing these competitive forces, innovation and progress will flourish in the rapidly expanding telecommunications field, and will greatly increase the opportunity for every citizen to affordably access the rapidly changing world of advanced telecommunications technology.

While this legislation focuses on competition and deregulation, the conference report contains essential rural safeguards in the form of universal service provisions that will benefit our rural communities and greatly increase their ability to persevere in the 21st century.

There is little doubt that our urban areas can and will sustain the enormous expansion of telecommunications services in the years ahead. We must make certain that our rural areas are not left behind as services expand and new products come on line. In the long run, universal service at high standards nationwide is in the best interests of the entire economy.

I believe that telecommunications reform is essential in preserving the economic vitality of rural America and am optimistic that the affordable accessibility to these new telecommunications services will be the harbinger for a new renaissance among the main street economies in communities throughout rural America.

Already, many in my home State of South Dakota are beginning to realize the importance and value of telecommunications services. Many small, rural medical clinics and hospitals are linking together with larger, more urban hospitals via telemedicine to provide their citizens with a higher quality of care. Children in schools that are hundreds of miles from the nearest population center can now have access to the world's greatest libraries at their fingertips. An increasing number of South Dakota agricultural producers are determining weather forecasts and market reports with a simple keystroke. And all across main street South Dakota, small businesses are reducing their overhead via networking services, reducing their paperwork through electronic mail, and saving thousands of dollars a year in travel expenses through their use of teleconferencing.

And all of this is just the beginning. As these technologies continue to develop, the playing field for economic development will begin to level. South Dakota is already enjoying the benefits of advanced telecommunications and they can only stand to benefit from further telecommunications reform.

The bill before us also recognizes the important role that must be played by Public Utilities Commissions [PUC's] in rural States. PUC's are the best entities to judge whether a given market within their State can support competition. That's not a judgment we should make from Washington.

Nor is it something we can or should leave to the unbridled, unsupervised judgment of the private sector. Those who have taken the risks and made the investments to extend cable or phone services to smaller rural communities should not be placed at risk of being overwhelmed by larger, better-financed companies.

I want to note, Mr. President, that consideration of this conference report was delayed by the concerns raised by Senator DOLE and others about the future use of broadcast spectrum. There is no question that the issues surrounding national spectrum management policy are complex, and worthy of full debate and thorough consideration in the Congress. I am pleased that the telecommunications conference report, which in my view is not a spectrum giveaway bill, will move to the President's desk for his signature.

Mr. President, let me once again congratulate the distinguished chairman and ranking member for their efforts in producing this telecommunications reform conference report.

Having been raised in a small community in rural South Dakota, I can truly remark with wonder and appreciation at the rapid pace in which our communities are being brought together through the use of telecommunications services. The changes that have occurred in our lives due to these services have been remarkable, and have benefited society greatly. I believe that the telecommunications reform conference report before us today strikes the balance needed between deregulation and consumer protection to allow these services to continue their remarkable advances in improving our society and preparing us for the challenges ahead.

Mr. KERRY. Mr. President, the United States and, indeed, the world have embarked upon a new technological revolution. Like previous revolutions sparked by technological innovation, this one has the potential to change dramatically our daily lives. It will certainly transform the way we communicate with each other.

What we are witnessing is the development of a fully interactive nationwide and, indeed, worldwide communications network. It has the potential to bring our Nation and our world enormous good; without appropriate groundrules to assure fair competition, however, this revolution could create giant monopolies. It could hurt workers and families. We bear a tremendous responsibility to assure that does not happen with this legislation. The communications policy framework we create here will determine whether many voices and views flourish, or few voices dominate our society.

The impact of this new age communications revolution on the way we send and receive information, and the way we will view ourselves and the world, is profound. Even more staggering is its potential impact on our economy. We could be seeing the largest market opportunity in history. Some forecasters, including the WEFA Group in Burlington, MA, predict an opening of the telecommunications market this year to full competition would create 3.4 million new jobs, increase GDP by $298 billion, save consumers nearly $550 billion in lower communications rates and increase the average household's annual disposable income by $850 over the next ten years. As the Communications Workers of America have underscored, delaying free and fair competition means fewer new high-wage, high-skill jobs.

For workers and companies in Massachusetts, which has a significant comparative advantage in technology or knowledge-intensive industries, this legislation is good news. It should expand opportunities for our current telecommunications companies, it should create a fertile climate for the creation of new companies and it should create more family-wage jobs. The telecommunications industry in Massachusetts is well situated to take advantage of the communications and information revolution.

New telecommunications-related or dependent technologies and industries seem to be emerging and merging almost daily. They range from such sectors as entertainment and education to broadcasting, advertising, home shopping and publishing. One key player in this revolution is the Internet—the global computer cooperative with a current subscriber base of approximately 37 million in North America alone and a 10–15 percent monthly growth rate. One billion people are expected to have access to the "net" by the end of the decade. While some may consider the "net" to be the revolution, it is only one of many players in the new communications network game.

We see examples of this new era almost daily, such as someone driving a car while talking on a cellularphone. In the future, we are likely to see more Americans accessing video dialtone, choosing their television programs through their telephone service. Likewise, cable franchises may enter the local telephone service market. Residents of Springfield, MA, may be able to watch their state legislators in Boston debate an education bill and instantaneously communicate with those legislators about how to vote on an amendment.

As we consider this brave new age of communications, it is clear the current law, the 1934 Communications Act, is not a sufficiently sturdy foundation upon which to build a communications system for the 21st Century. Moreover, although the courts on occasion properly have intervened to halt monopoly abuse—most notably a little over a decade ago in the telephone industry—we should no longer leave the fundamentals of telecommunications policy to the courts.

The conference report on S. 652, the Telecommunications Competition and Deregulation Act of 1996, is not perfect. In some respects, I would have preferred S. 1822, the bill crafted so ably by Senator HOLLINGS and reported by the committee in 1994. However, the conference report before the Senate now is preferable to the status quo. It will foster competition and establish fair and reasonable groundrules for the intense competition that will continue in the communications sector as we enter the next century.

This legislation sets forth a national policy framework to promote the private sector's deployment of new and advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition. Free and fair competition and maintaining universal service are the twin pillars of this new framework.

The bill seeks to assure that no competitor, no business and no technology may use its existing market strength to gain an advantage on the competition. The legislation requires that a company or group of companies satisfy certain competitive tests before being able to offer a new service or enter a new market. Entry into new services and new areas is contingent upon a demonstration that competition exists in the market in which the business currently competes. But once competition has been achieved, most Federal and State regulation is replaced by consumer demand to regulate the market.

These fundamental features of the conference report on S. 652 are designed to create a level playing field where every player will be able to compete on the basis of price, quality, and service, rather than on the basis of monopoly control of the market.

The conference report also maintains universal service as a cornerstone of our Nation's communications system. With many new entrants in the communications market, the legislation provides that every player is to pay his fair share to continue universal service throughout our Nation.

I am also pleased the conference report includes three amendments which I sponsored. The first deals with the cable broadcast rates for public, educational and governmental entities, known as "PEG" access groups. These are the local channels that produce and broadcast such things as town council meetings, Chamber of Commerce seminars and little league baseball games. My amendment will assure the continued production and broadcast of these important community events by guaranteeing that the PEG access groups are not charged more than local broadcasters to air their programs.

The second amendment will establish a level playing field for independent payphone providers. For too long, these small, independent entrepreneurs have gone toe-to-toe against some of the biggest players in the telecommunications market. We have in Massachusetts about 75 independent payphone providers, employing several hundred people. They range from "mom and pop" operations with a handful of payphones to several that have more than 1,000 payphones. Virtually all of them have invested their own capital in their businesses, from life savings to the proceeds of mortgages on their homes, and it is a tribute to their perseverance that they now own ten percent of the payphone market in Massachusetts. My amendment will allow all the players in the payphone market to compete against each other on the basis of price, quality and service, rather than on marketshare and subsidies.

The third amendment will make sure that as we build the information highway, the builders do not bypass poor rural or urban communities. When interstate highways were built through cities across our Nation, oftentimes they went directly through poor neighborhoods. Construction of the technology interstate system must not be allowed to detour around children and families in the same or similar areas who already face enormous challenges. My amendment is designed to assure that the telecommunications network will reach every neighborhood, offering access to those who need it most for a decent education, to upgrade their job skills or to connect them to medical help they need.

Another provision that I am pleased was included in the final hours of negotiations on the conference report relates to local regulation of public rights-of-way. The language added to the conference report brings needed clarification to this area. It retains for local authorities the right to regulate public rights-of-way while at the same time guaranteeing that if local authorities exercise that latitude, they do so in a manner that is non-discriminatory and competitively neutral. A cable or phone company that needs to tear up a street to lay new line should not be allowed to disturb a neighborhood in the middle of the night. The clarifying language on public rights-of-way should help in this regard.

Through the debate we have had on this legislation, I believe we have crafted a solid telecommunications policy framework for the next century. Today, each of us is in a sense a pioneer heading out on the new information highway. Each of us is not only a witness to, but a participant in, one of the most amazing technological revolutions in history. We, as legislators, bear a special responsibility to assure that competition in this new era is fair and that every American in this and future generations may enjoy the fruits of this competition. This is truly one of the greatest challenges we face as we enter the 21st century.

I want to express my deep admiration for the outstanding work my good friend and colleague from South Carolina, Senator HOLLINGS, has done on this landmark legislation. He has exercised visionary leadership throughout this long and arduous process. I also want to extend my appreciation to his very able staff, particularly Kevin Curtin, John Windhausen and Kevin Joseph, for their tireless efforts and the good humour they always brought to the task. I also want to thank Chairman PRESSLER and his staff for their hard work on this legislation.

Mr. THURMOND. Mr. President, I rise to commend the leadership, the distinguished chairman of the Commerce Committee, Senator PRESSLER, and the distinguished ranking member, Senator HOLLINGS, for their extensive efforts and good work on the Telecommunications Act of 1996. I am pleased that the Senate is now giving consideration to final passage of this legislation.

I have seen the telephone business develop from its infancy, when obtaining a party-line telephone was a truly amazing step for many Americans, to today's tremendous range of telecommunications products and services. It is impossible to predict what the future holds in this dynamic sector of our economy, but it is clear that telecommunications is among the most critical and far-reaching issues before the Congress.

As the chairman of the Judiciary Committee's Antitrust, Business Rights, and Competition Subcommittee, two important antitrust issues deserve mention as we consider final passage of this historic legislation.

First, I am pleased that the legislation now includes a meaningful role for the Department of Justice in determining when the Bell Operating Companies should be permitted to provide long distance telecommunications. As I have previously stated, the Bell companies certainly should be allowed to enter long distance markets under appropriate circumstances, for it is generally desirable to have as many competitors as possible in each market. The issue is how to determine the point at which entry by Bell companies will help rather than harm competition. That question, quite simply, is an antitrust matter which will be informed by the antitrust expertise and specialization of the Antitrust Division of the Justice Department.

The Justice Department's Antitrust Division has been deeply involved in nurturing and protecting a competitive environment in this industry for more than 20 years, through five administrations. The Justice Department was responsible for the breakup of the AT&T telephone monopoly, which created the current Bell companies. The Antitrust Division has been evaluating the potential competitive effects—positive and negative—of Bell entry into long distance since that time. Through this work, the Division has achieved unparalled expertise which is bolstered by its experience and perspective gained from evaluating numerous markets throughout our economy.

Anticompetitive conduct in long distance markets was at the heart of the Antitrust Division's case against the old Bell system monopoly, and it has been a central concern in the current legislation. During the debate over the telecommunications bill in the Senate in June 1995, I was on the floor for several days with an amendment to give the Department of Justice primary responsibility to determine when the Bell operating companies should be permitted to enter long distance markets, and to avoid duplicative efforts by the Federal Communications Commission.

My amendment to give the Antitrust Division independent authority only narrowly failed on the Senate floor last June, while in August a similar amendment received the support of more than one-third of the House of Representatives. When it became clear that there would be one consolidated procedure within the FCC to decide on Bell applications for long distance authorization, it became important to ensure that the antitrust expertise of the Antitrust Division would be given adequate weight in the decision.

I am pleased that in the final legislation we are considering today, proposed long distance entry is determined by the FCC subject to judicial review, but only after the FCC consults with the Attorney General on the application, and gives the Attorney General's evaluation substantial weight. This process, which permits the Attorney General to submit any comments and supporting materials deemed appropriate, is critical to making accurate and proper determinations about long distance entry. Through its work in investigating the telecommunications industry and enforcing the MFJ, the Antitrust Division has accumulated important knowledge, evidence, and experience that can be constructively brought to bear on these evaluations.

The substantial weight requirement will also ensure that the expertise of the Antitrust Division will be brought to bear in any appeal of a decision made on long distance entry. If the FCC rejects the Antitrust Division's recommendation, the court must look to the weight the FCC accorded the Attorney General's evaluation in ascertaining whether the FCC correctly followed the law.

Review of this legal requirement should be governed by the standard that generally applies to questions of law. As a practical matter, this legal requirement ensures that the reviewing court will consider the Antitrust Division's position on the merits—and will assess for itself the views and evidence put forward in support of that position—and will not discount that position out of customary judicial deference to the FCC's decision. Moreover, the Antitrust Division retains its full authority to represent the interests of the United States on appeal, which permits it to contribute its unique antitrust expertise and perspective to the judicial process.

The second important antitrust issue in this legislation is the unequivocal antitrust savings clause that explicitly maintains the full force of the antitrust laws in this vital industry. Today we take for granted that the antitrust laws apply to the communications sector. During the Antitrust Division's antitrust case in the 1970's against the Bell system, however, some argued that the existence of FCC regulations displaced the antitrust laws and made them inapplicable. The courts emphatically rejected that challenge them, and the antitrust savings clause in the bill today makes clear that that question cannot be reopened. A strong, competitive communications sector is essential to continued American prosperity in the next century. Application of the antitrust laws is the most reliable, time-tested means of ensuring that competition, and the innovation it fosters, can flourish to benefit consumers and the economy.

The antitrust savings clause makes clear, for example, that the antitrust enforcement agencies are not barred from scrutinizing, under appropriate circumstances, the home satellite broadcasting market, even though the new provision in section 205 of the bill gives the FCC exclusive jurisdiction to regulate the provision of direct-to-home satellite services. While some might have been tempted to read that provision to mean that the antitrust enforcement agencies would not have any jurisdiction over these activities, the antitrust savings clause makes clear that that is not the case. The same is true of other provisions of the bill, including those concerning access requirements for commercial mobile providers—section 705—limits on telco-cable buyouts—section 302—and broadcast ownership—section 202—and the joint marketing of commercial mobile services—section 601(d). In each case, the antitrust laws will continue to apply fully.

Continued application of the antitrust laws is also the rule where the Bell companies' entry into the long distance market is concerned. The fact that the Attorney General is given a defined role in the FCC proceeding to decide Bell entry does not in any way supplant or limit the separate applicability of the antitrust laws or the Justice Department's antitrust enforcement authority—either pre-entry or post-entry. For example, if a Bell operating company sought to enter long distance markets through a merger or acquisition, that merger or acquisition would be fully subject to review under the Clayton Act. Likewise, if a Bell operating company were to engage in anticompetitive conduct after being granted entry into the long distance market, the Antitrust Division would not be precluded from addressing that conduct through the antitrust laws.

The importance of the antitrust savings clause is underscored by the decision to repeal section 221(a) of the Communications Act of 1934. That provision, a relic from the period when Federal policy sought to promote monopoly over competition, exempts mergers between telephone companies from antitrust review. That is an era I believe all of us agree should be put behind us, and the fact that this exemption has been eliminated in this legislation is another confirmation that the Congress intends for the antitrust laws to be the means by which free markets are maintained in telecommunications.

Finally, the hearing of the Antitrust, Business Rights, and Competition Subcommittee, which I chaired in May 1995, confirmed the importance of competition to achieve lower prices, better services, and products, and more innovation in telecommunication markets for the benefit of consumers and our Nation. I am pleased, therefore, that this legislation preserves the role of the Antitrust Division in applying the antitrust laws—which have protected free enterprise for over 100 years—in the telecommunications industry.

Mr. President, enacting legislation of this magnitude, where the stakes are so high for so many businesses and other interested groups, inevitably requires the resolution of many conflicts. I would like to commend all those who worked on this legislation and kept focused on the ultimate objective—replacing regulation and monopoly with healthy free market forces. This is the role that the Congress should play to assist this industry, as well as American consumers and the entire American economy. I urge the Senate to pass this important legislation.

UNFUNDED MANDATES

Mr. KEMPTHORNE. The majority leader is aware that State and local governments had previously raised an issue with this Senator that certain provisions of the conference report on S. 562 may violate the Unfunded Mandates Reform Act of 1995 regarding local governments' ability to manage their rights-of-ways. The majority leader is also aware that I have worked with the Senate and House conferees for several days to resolve those difficulties and insert language to the satisfaction of the local representatives of State and local governments.

Mr. DOLE. The Senator from Idaho is correct. I am aware that he has worked to represent the interests of State and local governments to assure that there is no unfunded mandates impact on them in this bill.

Mr. KEMPTHORNE. The majority leader is aware that the Unfunded Mandates Reform Act of 1995 does not require the Congressional Budget Office to prepare an estimate of the impact of mandates on State and local governments for conference reports and that the Congressional Budget Office is currently preparing an estimate on this conference report. Based on discussions my staff have had with CBO, it is my understanding that this conference report does not include unfunded mandates.

Mr. DOLE. That is correct.

Mr. KEMPTHORNE. Will the majority leader agree that in the event the Congressional Budget Office determines that there are any unfunded mandates in S. 562 that he will work with me to make technical corrections in the bill to eliminate those mandates.

Mr. DOLE. Yes.

Mr. KEMPTHORNE. Will the majority leader agree that in the event such technical corrections bill comes from the House which corrects any unfunded mandates found by the Congressional Budget Office that he will seek to have the Senate take up the bill to make those corrections.

Mr. DOLE. Yes, I do agree.

Mr. FEINGOLD. Mr. President, I rise in opposition to the conference report on S. 652, the Telecommunications Act of 1996.

I know, Mr. President, that the conferees have made a number of improvements to this legislation and that many of the stakeholders in this bill are pleased with the results.

And it is with regret that I must oppose this bill. But I cannot in good conscience cast a vote for legislation that I believe violates our fundamental first amendment rights to freedom of expression.

The Internet indecency provisions of S. 652, as passed in the Senate, remain virtually intact in the conference report. I am referring to the sections of this bill which would subject to criminal penalties constitutionally protected speech via interactive telecommunications networks—the so-called Internet Indecency provisions.

The sponsors of the Internet provisions have good intentions—to protect children from those who might use the Internet to harm them. Sadly, there are those who will use the Internet, as they will use any tool, to victimize children. The sponsors of the Internet provisions of this bill have pointed to the obscene materials and child pornography that can be accessed via the Internet. To be sure, Mr. President, it is out there.

Unfortunately, the provisions in this bill will do very little, if anything to protect children. That is because much of what the proponents of this legislation wish to banish from cyberspace is already subject to criminal penalties—obscenity, child pornography and child exploitation via computer networks are already criminal acts.

So, if that is the case, what exactly does the provision in the conference report cover? It covers "indecent" speech which is afforded far greater constitutional protection than obscenity which is not protected by the first amendment. What is indecent speech? Indecent speech may include mild profanity that children hear on the playground well before they read it on a computer screen. While that language may be offensive to some, it is protected by the first amendment.

Mr. President, I have found the rhetoric of the Internet debate interesting. The terms obscenity and indecency have been used interchangeably even though they have very different meanings. I have heard parents voice legitimate concerns about the obscene materials available via computer networks. I have heard them express outrage that their children are solicited by adults for exploitative purposes. But I have never heard a parent say there is too much profanity on the Internet. And yet, that is precisely what this bill covers. Rather than addressing the enforcement needs of existing law, it adds unnecessary to provisions to criminal statutes.

That is a fundamental flaw, Mr. President. The legislation does not address the problem it seeks to solve. This does nothing more than current law does to prevent obscenity on the Internet. Instead, this bill steps in and decides for parents which speech is appropriate for their children and which is not. I would contend, Mr. President, that is the role of parents, not the federal government, particularly given that technology exists for parents to block objectionable material.

I think, Mr. President, this legislation will do more harm than good. Will parents become less observant of their childrens' use of the Internet now that they think the government has solved the problem? Will they fail to use the technology available to them to regulate their children's access to sites on the Internet? I fear that they will because the U.S. Congress has led them to believe that these new provisions protect children when in fact, they do not.

This legislation which provides no additional protection for children comes at a great cost—our rights to free speech over the Internet. This legislation, when it becomes law, will establish different standards for the same speech appearing in different media. More protection will be afforded for profanity that appears in a library book than for the same text which appears on-line. Equally important, this legislation will require all adults to self censor the speech on public newsgroups on USENET to what is appropriate for children in the most conservative American communities. This legislation will bring about the immediate demise of many socially valuable forums on the Internet. It will likely happen as quickly as CompuServe dumped some 200 newsgroups from their network after a German prosecutor suggested they might violate German law.

I have come to this floor many times to speak on this topic and I will not take the Senate's time to reiterate the many arguments against these provisions.

I do think, Mr. President, that this is a sad day on the Senate floor. That the Internet indecency provisions have met with the barest resistance in this Chamber, indicates how quickly this Congress is willing to abandon the United States Constitution in favor of political expediency.

My hope, Mr. President, is that the expedited judicial review process provided for in this bill, will quickly lead to a judgment that the Internet indecency provisions are unconstitutional. In the meantime, Mr. President, I will work toward solutions that will protect children on the Internet without trampling on the first amendment.

Mr. REID. Mr. President, the conference report on S. 652 is finally being considered by the Senate. We have heard much about the positive changes to this bill and the ramifications for the telecommunications industry. But I must still express my concern about the absence of a provision that I see as vital to the protection of the American consumer. I am referring to the capability of telecommunication entities to develop monopolies and dominate marketplaces to the detriment of the consumer.

This Nation learned through long and hard experience that laissez-faire attitudes towards industries does not protect smaller entities when larger competition comes along and certainly does not provide safeguards where consumers are concerned. I acknowledge the roles of government oversight that the bill does now provide. But the larger corporations will not be constrained in their ability, should they desire, to monopolize media and various telecommunication mediums. And in our effort to allow such an environment do we want to place the consumer on the altar of deregulation?

Nevertheless, my constituents from Nevada believe this bill will provide genuine competition. And I note with some pride, their foresight and fairness in establishing a telephony commission to watch over the changes within the industry. Mr. President, the telecommunications industry is clearly evolving. Everyday we read of new emerging technologies that will directly impact all that this bill is trying to accomplish. While we should give it freedom to compete; we must, as is our responsibility, watch carefully to protect the consumers and small businesses so that this sphere of our economy is truly competitive. Despite my reservations, I will vote for this bill because there are positives and I hope that steadfast government oversight will preserve the competitive marketplace.

Mr. BREAUX. Mr. President, anyone who has followed the debate over telecommunications legislation in recent years knows that much of it has been over when and under what conditions the Bell companies will be allowed to compete in the long distance market S. 652 resolves this issue.

Congress has determined that removing all court ordered barriers to competition—including the MFJ interLATA restriction—will benefit consumers by lowering prices and accelerating innovation. The legislation contemplates that the FCC should act favorably and expeditiously on Bell company petitions to compete in the long distance business. There are various conditions for interLATA relief. These include the establishment of State-by-State interconnection agreements that satisfy the 14 point check list outlined in Sec. 271 of the bill. Bell companies also have to show they face competition from a facilities based carrier. They can also show that they have not received a legitimate request for interconnection from a competing service provider within three months of enactment.

In short, interLATA relief should be granted as soon as competing communications service providers reach an interconnection agreement. In some States these agreements have already been put in place with the approval of state public service commissions. In those instances, we see no reason why the FCC should not act immediately and favorably on a Bell company's petition to compete, once the test for facilities based competition is satisfied.

Congress fully expects the FCC to recognize and further its intent to open all communications markets to competition at the earliest possible date. The debate over removing legal and regulatory barriers to competition has been resolved with this legislation. Unnecessary delays will do nothing more than invite vested interests to "game" the regulatory process to prevent or delay competition.

The time has come to let consumers—not bureaucrats—choose.

Mr. HARKIN. Mr. President, today we are voting on the approval of historic telecommunications legislation that will reshape the landscape of the entire communications industry and affect every household in this country. The future success of America's economy and society is inextricably linked to the universe of telecommunications. After a decade of intense debate, this legislation rewrites the Nation's communications laws from top to bottom.

The bill before us, S. 652, has come a long way and survived many battles. It is not a perfect bill in the sense that no one got everything they wanted—but I believe it will unleash a new era in telecommunications that will forever change our society and make our Nation a key driver on the information superhighway. We should applaud this amazing effort and support the conference report to S. 652.

The debate over this measure has never been about the need for reform—everyone agrees that it's time. The real debate has been over how we reform our telecommunications law. The 1934 Communications Act serves our country as the cornerstone of communications law in the United States. The current regulatory structure set up by the 1934 act is based on the premise that information transmitted over wires can be easily distinguished from information transmitted through the air. So regulations were put in place to treat cable, broadcast, and telephone industries separately and for the most part, to preclude competition.

However, advances in technology have brought us to a melding of telephone, video, computers, and cable. Digital technology allows all media to speak the same language. These once neat regulatory categories between telecommunications industries have started to blur and the assumptions upon which they are based are fast becoming obsolete.

The essential purpose of this measure is to foster competition by removing barriers between distinct telecommunications industries and allowing everyone to compete in each other's business. But how do we increase competition while simultaneously ensuring that everyone is playing on a level playing field?

Coming from a rural State, this was an especially important question for me. The overall goal of this legislation is to increase competition and I wholeheartedly believe that increased competition will benefit consumers. However, we must also recognize that telecommunications competition is limited in some areas, especially in many rural areas. The high cost of providing telecommunications to rural areas is prohibitive for most telecommunications service providers without some incentive. The 1934 communications bill understood this and adopted a principle called universal service, which was thankfully maintained and updated in S. 652.

The universal service concept charged the FCC with responsibility for "making available, so far as possible to all people of the United States a rapid, efficient, nationwide, and world-wide wire and radio communications service with adequate facilities at reasonable charges." So far we have done a heck of a job: 98 percent of American homes have television and radio, 94 percent have telephone, close to 80 percent have a VCR, while 65 percent subscribe to cable TV—96 percent have the option.

Without universal service protections, advanced telecommunications will blow right by rural America creating a society of information haves and have nots. S. 652 recognizes that the definition of universal service is evolving as the technology changes. S. 652 requires the FCC to establish a Federal-State joint board to recommend rules to reform the universal service system. The Joint Board will base its policies on principles which understands that access to quality, advanced telecommunications services should be provided to all Americans at a reasonable cost.

I was particularly pleased to support an amendment, now in the bill before us, which guarantees that our nation's K–12 schools, libraries and rural health care providers have affordable access to advanced telecommunications services for education. As Congress moves forward on this bold legislation it is vital to provide a mechanism to assure that children and other community users have access to the information superhighway. The information superhighway must be available and affordable to all Americans through schools and libraries.

And in the midst of the great battles among corporate titans like the Baby Bells and the major long distance carriers it's also important to balance the needs of the little guy. Small businesses are the backbone of economic and community life in this country. I was proud to put forward two provisions, included in this bill, which maintained the integrity of small businesses in the telecommunications revolution.

My first provision amended the telecommunications bill to allow companies with under 5 percent of the market nationally, to continue offering joint marketing services. Under current law, joint marketing companies can approach a business and offer to provide them local and long distance service together, at a low rate. The business therefore gets a low cost integrated service, with the convenience of having only one vendor and one bill to deal with for all their telephone service. In an effort to prevent the big long distance companies from having a competitive advantage, the original telecommunications bill would have prohibited joint marketing.

Such a prohibition would have put small company owners like Clark McLeod out of business. Mr. McLeod has been offering joint marketing services to businesses in Iowa for several years. In the process he has created thousands of jobs and filled a need for service. While I think any prohibition on joint marketing is anti-competitive, my proposal will at least allow the many innovative companies like Mr. McLeod, to continue their operations and continue to provide the services valued by so many Iowans.

My other small business provision prevents the Bell Operating companies from entering into the alarm industry before a level playing field exists. The burglar and alarm industry is unique among small businesses in the telecommunications industry. It is the only information service which is competitively available in every community across the nation. This highly competitive $10 billion industry is not dominated by large companies. Instead, it is dominated by approximately 13,000 small businesses employing, on average, less than ten workers. Vigorous competition among alarm industry companies benefits consumers by providing high quality service at lower prices.

Lastly, I am pleased that the Senate unanimously adopted two amendments I wrote to crack down on phone scams where enterprising swindlers have used the telephone to scam unsuspecting customers out of their hard earned money.

Today, it is all too easy for telemarketing rip-off artists to profit from the current system. The operators of many of these promotions set up telephone boiler rooms for a few months, stealing thousands of dollars from innocent victims. These scam artists often prey on our senior citizens. Then they simply disappear. They take the money and run—moving on to another location to start all over again.

My provision will protect consumers by providing law enforcement the authority to more quickly obtain the name, address, and physical location of businesses suspected of telemarketing fraud. It makes it easier for officers to identify and locate these operations and close them down. This change was requested by the U.S. Postal Inspection Service—our chief mail and wire fraud enforcement agency. They do a very good job and this provision gives them an important new tool to protect the elderly and other Americans from scam artists and swindlers.

I also succeeded in adopting a provision to help stop another outrageous phone scam that has added hundreds, even thousands of dollars, to a family's phone bill. Worst of all, this ripoff exposes young people to dial-a-porn phone sex services—even when families take the step of placing a block on extra cost 900-number calls from their home.

Companies promoting phone sex, psychic readings and other questionable services—often targeted at adolescents—use 800-numbers for calls and then patch them through to 900-number service via access codes. My amendment closes the loophole that allows these unseemly services to swindle families and restores public confidence in toll free 800-numbers.

If we pass this bill today, these provisions will become the law of the land. As Microsoft giant, Bill Gates said in a recent interview with Newsweek,

> The revolution in communications is just beginning. It is crucial that a broad set of people participate in the debate about how this technology should be shaped. If that can be done the highway will serve the purposes users want. Then it will * * * become a reality.

This bill is a starting point, a gateway to the revolution, that allows all Americans to participate. I urge my colleagues to support this conference report.

Mr. LEVIN. Mr. President, I would like to engage my colleague from Nebraska, the author of Title V of the telecommunications conference report, in a colloquy. I have a number of questions I hope you can answer to help clarify the intent of title V.

Is a company such as Compuserve which provides access to all mainframes on the Internet liable for anything on those mainframes which its users view?

Is a company like Compuserve which maintains its own mainframe and which allows people to post material on its mainframe liable for prohibited material that other people post there in the absence of an intent that it be used for a posting of prohibited material?

Is the entity that maintains a mainframe, such as a university, that allows a person to post material on its mainframe liable for prohibited material that other people post there in the absence of an intent that it be used for a posting of prohibited material?

When a user accesses prohibited material on a mainframe that was posted by a third party, does that constitute an "initiation" of transmission for which the entity maintaining the mainframe or the entity providing access to the mainframe is liable?

Mr. EXON. I appreciate the questions raised by my colleague, Senator LEVIN. These questions are important and helpful. In general, the legislation is directed at the creators and senders of obscene and indecent information. For instance, new section 223(d)(1) holds liable those persons who knowingly use an interactive computer service to send indecent information or to display indecent information to persons under 18 years of age. You can't use a computer to give pornography to children.

The legislation generally does not hold liable any entity that acts like a common carrier without knowledge of messages it transmits or hold liable an entity which provides access to another system over which the access provider has no ownership of content. Just like in other pornography statutes, Congress does not hold the mailman liable for the mail that he/she delivers. Nothing in CDA repeals the protections of the Electronic Message Privacy Act.

For instance, new section 223(e)(1) states that "no person shall be held to have violated subsection (a) or (d) solely for providing access or connection to or from a facility, system, or network not under that person's control, * * * that does not include the creation of the content of the communication." In other words, the telephone companies, the computer services such as Compuserve, universities that provide access to sites on Internet which they do not control, are not liable.

There are some circumstances, however, in which a computer service or telephone company or university could be held liable. If, for instance, the access provider is a conspirator with an entity actively involved in creating the proscribed information (223(e)(2)), or if the access provider owns or controls a facility, system, or network engaged in providing that information (223(e)(3)), the access provider could potentially be held liable. Access providers are responsible for what's on their system. They are generally not responsible for what's on someone else's system.

Even in these cases, however, an access provider that is involved in providing access to minors can take advantage of an affirmative defense against any liability if the entity takes "good faith, reasonable, effective, and appropriate actions * * * to restrict or prevent access by minors to such communications "(223(e)(5)). The Federal Communications Commission may describe procedures which would be taken as evidence of good faith. One such good faith method is set forth in the legislation itself—the access provider will not be liable if it has restricted access to such communications by requiring use of a verified credit card or adult access code (223(e)(5)(B)). This affirmative defense is similar to the defense provided under current law for so-called "dial-a-porn" providers.

I hope that this response provides clarification to the Senator.

Mr. LEVIN. Yes; it does, and I thank my friend from Nebraska for that clarification.

Mr. President, when the telecommunications reform bill was before the Senate in June, I supported giving the Justice Department a role to ensure that existing monopoly powers are not used to take advantage of the new markets being entered. While the effort to give the Justice Department a role in this process was not successful at that time, I'm pleased to see a Justice Department role included in the final version of the bill. This is good news for American consumers.

In addition to including a role for the Justice Department in determining when there is adequate competition in the local exchange, some of the other problems I had with the earlier bill have also been addressed in the conference report. For example, it protects the right of local governments to maintain access to their rights-of-way.

I believe we should try to keep obscene material from being transmitted on the Internet and by other electronic media. That is a constitutional standard that is well known. But the words used in title V of the bill dealing with this matter include "filthy" and "indecent," broad and vague enough so they are unlikely to meet the constitutional test. These words do, however, exist in current law covering telephone calls. That's why it's useful to have an expedited review to test the constitutionality of this provision which the bill provides for.

I don't think the intent of Title V is to hold Internet service providers liable for content they did not create or initiate. The previous colloquy with my colleague from Nebraska who is the sponsor of this provision developed this in greater detail.

While there are some problems with the bill, on the whole, it strikes a better balance between making needed regulatory changes to encourage technological innovations while maintaining adequate protections of the public interest than earlier versions of the bill. I will therefore vote for the conference report before the Senate today.

Mr. MOYNIHAN. Mr. President, I rise in support of the conference report to S. 652, the Telecommunications Competition and Deregulation Act. This legislation will promote significant new investment in and improvement of our Nation's telecommunications infrastructure. It will heighten opportunities to export American goods overseas. It will increase competition in many industries—the telephone industry, cable television, utilities, long-distance telephone service providers, telecommunications equipment manufacturers, and the alarm industry, to name several—leading to greater economic efficiency. Above all, the telecommunications bill marks a victory for consumers, who will enjoy lower prices and better services.

Mr. President, I voted against the bill when the Senate first considered it last June because I was concerned about a provision which purported to prohibit computer transmission of obscene or indecent material, particularly to minors. Such activity is, of course, reprehensible. But I voted against that amendment, No. 1362, which the Senate adopted, because I feared that we were taking action improvidently and without adequate consideration for its constitutional and practical implications.

I remain concerned that the conference report's provisions dealing with computer transmission of obscene or indecent material and language may be overly broad, but this is a matter for the courts to decide and the conferees have paved the way for expedited judicial review of the measure's constitutionality. Therefore, if this language is determined to be troublesome when put into practice, the courts will be able to correct it at the earliest possible moment.

Notwithstanding my concern about this particular matter, the bill on balance is meritorious and I urge the adoption of the conference report.

Mr. WARNER. Mr. President, today I rise to associate myself with the comments of the distinguished chairman of the Commerce Committee, Senator PRESSLER, and with the comments of the able majority leader, Mr. DOLE, regarding the conference report to S. 652, the Telecommunications Competition and Deregulation Act of 1995.

Mr. President, this is indeed a historic day in the annals of the Senate. By an overwhelming vote of 91 yeas to 5 nays, the Senate passed legislation which will revolutionize the telecommunications industry.

This landmark legislation will promote increased competition among telecommunications service providers and will remove Depression-era restrictions which have impaired the growth of this dynamic industry.

This bill will enact much needed reforms so that the telecommunications industry is prepared to meet the challenges, and opportunities, of the 21st century. The conference report language, while not perfect, represents a marked improvement over current law.

Consumers and firms in my own Commonwealth of Virginia will gain under this landmark legislation. Virginia is home to a rapidly developing high-technology and telecommunications industry. Northern Virginia, in particular, is at the forefront of this technological revolution and is poised to build on that lead under the bill.

Virginia's consumers will benefit from increased services and benefits at a lower cost as telecommunications providers compete for their business. At the same time, this legislation is pro-family and will assist parents in overseeing the type of programming that their children view.

In short, Mr. President, both consumers and industry will benefit from the passage of this historic bill. I would like to take this occasion to commend the distinguished chairman of the Senate Commerce Committee, Senator PRESSLER, and Chairman BLILEY of the House Commerce Committee, and the distinguished majority leader, Senator DOLE, for their leadership in bringing this critical legislation to the floor of the U.S. Senate. Most importantly, I want to thank the numerous Virginians who, over the past year, have provided me with their views and guidance on this issue.

Mr. President, I yield the floor.

Mrs. FEINSTEIN. Mr. President, I rise in support of the conference report for the Telecommunications Act of 1995. This legislation establishes real progress on important issues and I am pleased to provide my support.

This legislation creates a new regulatory structure for the rapidly evolving communications technology and fills an important need. The current regulatory scheme divides industries, like local telephone service and long-distance service, broadcast television, and cable television.

A new regulatory framework is needed, to permit the creation of new companies, new services, and promote competition between the previously separated lines of business. Stronger competition in the communications industry will bring new services to the market, present more choices for the public and lower prices to consumers. This bill significantly deregulates the communications industry to permit that competition to take place.

During consideration of the bill, I joined many of my colleagues in urging several components and I was pleased to see that a number of these important proposals were able to be incorporated in this legislation. Among the issues included were:

The V-Chip requirement, which will assist families to monitor television in their homes to protect children from unsuitable and inappropriate TV programming, including sex or violence. During the state of the union speech, President Clinton called for passage of the telecommunications legislation with the V-chip and a content ratings system for television programming. I am pleased Congress could address the concerns of families across America and incorporate these provisions.

The cable scrambling amendment I offered with Senator LOTT requiring cable companies to scramble indecent or sexually explicit materials to assist parents to protect minors.

Senator EXON's provisions to control access to indecent materials will require the operators of computer networks, like America Online, to screen out indecent materials for children. Conferees had a difficult time reconciling different proposals and I am pleased the provisions could be accommodated.

Assisting high-technology industry from inappropriate standards and requirements: During consideration of the bill, some of California's leading high-technology firms and computer companies raised a concern that regulations prepared by the FCC would deny flexibility and limit the computer industries' ability to develop standards based on market needs. Computer companies including Apple, Motorola, and Echelon, urge adoption of a provision prohibiting the FCC from developing overbroad regulations that could impede progress in the computer industry. I was pleased these provisions to allow the computer industry to develop and meet the needs of the market were incorporated.

I know my colleagues on both sides of the aisle don't want to stand in the way of technological innovation or consumer choice. When the Senate initially considered the legislation last May, Chairman PRESSLER observed that the computer industry has transformed America and that computer industry competition has brought huge benefits to our homes, schools and workplaces. These provisions preserve that competition, and keeps the government away from premature standards setting.

Adoption of a stronger role for the Justice Department to review competition in the telecommunications industry: In the years since the break-up of AT&T, the Justice Department has developed the expertise to promote competition in the communications industry and protect consumers. It would be a shame to squander that expertise just as new concerns for competition and fairness arise under this bill. With the passage of this legislation, we will enter a new era of telecommunications policy and the experience of the Justice Department will be critical in protecting strong competition and consumer interests.

Important steps to promote universal service: In the 1930's, the nation's universal service goals involved providing telephone service to everyone, but as communications have evolved, the concept of universal service also must develop and evolve as well. The bill recognizes the need to modernize the concept of universal service and will provide for telephone service discounts for schools, libraries and hospitals to protect against our station splitting into the high-technology haves and have-nots.

When this legislation came before the Senate last spring, I joined with our colleague Senator KEMPTHORNE raising concerns about the impact on our Nation's cities and counties. As a former mayor, I know how important it is to protect the cities' bridges, roads and other public rights-of-way. I know the local government officials remain concerned about the bill and the preemption provisions.

While legislative adjustments addressed some of the concerns of State and local governments, cities, counties and States remain concerned about the future and the possibility they could be brought to Washington before the Federal Communications Commission to defend local laws, regulations or fees.

The revised language clarifies that cities can impose fees on communications providers like cable companies, as long as the fees are imposed in a way that does not discriminate between different competitors and the fees are fair and reasonable. Further, the preemption authority only applies to communications issues and if the cities have other authority to regulate communications providers, they may continue to charge fees.

I am pleased that section 253(c) recognizes the historic authority of State and local governments to regulate and require compensation for the use of public rights-of-way. It further recognizes that State and local governments may apply different management and compensation requirements to different telecommunications providers' to the extent that they make different use of the public rights-of-way. Section 253(c) also makes clear that section 253 (a) is inapplicable to rights-of-way management and compensation requirements so long as those entities that make similar demands on the public rights-of-way are treated in a competitively neutral and nondiscriminatory manner.

As for the issue of FCC preemption, while I favored the complete elimination of the preemption provision, I am pleased that the committee could accept the view that authorizes the Commission to preempt the enforcement only of State or local requirements that violate subsection (a) or (b), but not (c). The courts, not the Commission, will address disputes under section 253(c).

The overwhelming vote in the House on the amendment offered by Representative BARTON and Representative STUPAK, as well as the unanimous acceptance of Senator GORTON's amendment in the Senate, indicate that the

Congress wishes to protect the legitimate authority of local governments to manage and receive compensation for use of the rights-of-way.

I am concerned that mayors, county commissioners, and State utility commissioners, including California Public Utility Commissioner, are concerned that State telephone regulations will be preeempted. This is an important issue in California where 31 companies have applied to begin offering services in July. Under the bill, California's efforts to license more competitors to offer local phone service could be preempted and slowed down if the Federal Government acts or declines to act. Under the bill, the State will be preempted and prohibited from acting contrary to the Federal decision.

I am troubled by the significant uncertainty which remains regarding the role of cities, counties, and States who may face added burdens. Earlier, the unfunded mandates legislation was signed into law, yet the Congressional Budget Office acknowledges that the legislation includes unfunded mandates for State and local governments. Further, CBO recognizes it lacks the ability to evaluate the potential cost. I will continue to monitor this issue and, if necessary, Congress may need to return to evaluate the balance between our State and local governments and the Federal Government on telecommunications policy.

Mr. President, the legislation raises important issues and represents important progress for the Nation. As a result of the bill, we can move forward with new technology, new products, and new services. The bill will open up exciting new challenges and opportunities and we should embrace them. I look forward to these exciting new challenges. While I remain concerned about mandates and the role of cities, States, and counties in our telecommunications policy, I am pleased by the exciting opportunities presented by the legislation. I am pleased to lend my support.

The PRESIDING OFFICER. Who yields time? The Senator from South Carolina has 14 minutes. The Senator from South Dakota has 6 minutes.

Mr. HOLLINGS. Mr. President, let me, as we acknowledge the contributions of so many—specifically on Senator STEVENS' staff, I meant to mention our friend Earl Comstock. I worked with him throughout the years on our Commerce Committee, and he was really diligent, along with Senator LOTT's staff, in the early days, Chip Pickering and now Kevin Pritchett, and, of course, Senator LOTT himself over there, along with Senator STEVENS.

On our side, you would have to comment on the contribution of Senator FORD, who has been down there helping us orchestrate everything. He has been there since the early times helping us, along with Senator EXON and his contribution on cyberporn and its control; Senator ROCKEFELLER, along with Senator SNOWE in the Snowe-Rockefeller particular amendment relative to the discounted rates of the schools, the libraries, the hospitals.

Senator BREAUX of Louisiana has been very, very active on this measure. I certainly want to thank him.

The reason we do this, Mr. President, to go right to the point while we have a minute, is so the public can understand the involvement.

We had involved in this particular measure and in the conference report, which has just been adopted, incidentally, over on the House side by a vote of 414 to 16. I do not know what happened to 16 people, how they got misled. I do not see why we did not get a unanimous vote, but, in any event, it shows the wonderful work done by Chairman BLILEY, Congressman MARKEY, and the others over on the House side.

Look at the entities involved: The regional Bell operating companies. They have a tremendous interest and influence, and the long-distance companies. I think that was the real contest. I mentioned earlier that on every Friday, we got together the RBOC's, the regional companies, and every Monday the staff would work. It was all on top of the table. There was no downtown lawyering and that kind of thing. It was all on top of the table with the long-distance companies. Necessarily, the long-distance companies had been thrown into competition at the time of the divestiture back some 10 years ago. And Bob Allen, chairman of AT&T said, "Look, I have a third less personnel. I am doing a third more work and making an increased profit." So as they downsized, as they call it, and became competitive, the best proof that competition has worked is with MCI and Sprint and AT&T and the rest of them that come in under that particular description.

But the long-distance companies have been so aggressive that they were beginning to move into the local exchange. I know of one particular concern this Senator had in the southern region where our friends at MCI said they were going to move into Atlanta with our friends of Bell South. Bell South is, yes, a monopoly, but it was a control monopoly whereby they could not get into long distance.

It was to our interest and the public interest, of course, that they not be cherry picked. In other words, take off the wonderful market of Atlanta and just leave the rest of the State wanting. That had occurred in downtown New York City with Teleport. So we wanted them to come in on an even-steven, balanced basis. Trying to work that out was really the task to bring them on board where they all approved of this particular bill and supported this particular bill. Not that they are 100 percent in agreement with every feature, obviously, but they realize this is a mammoth step forward in trying to bring the communications law of America into the modern technological age.

So we had the guidance of the 8(c) test from our friend Judge Greene where he ruled that there be no substantial possibility of using monopoly power to impede competition. Every word meant something to every communications lawyer. So we had to really get a checklist of "unbundling" and "dialing parity" and "access," and all these things to be agreed upon.

It took actually weeks on every one of those particular measures all last year where we worked around the clock to get it balanced and not overweighted one way and not let long distance come in and market without the ability, let us say, of our Bell companies to joint market also.

So we were educated about that and came around to a balance in this particular measure and now have the support of, and can you imagine of all of these entities supporting this particular measure: The regional Bell operating companies, the long-distance companies, the broadcasters, the cable TV companies, the cellular, satellite companies, the newspapers, burglar alarm, electronic publishing, public utilities, pay phones, minority groups, computers were vitally interested in the outcome of this particular measure, the schools, libraries, the hospitals. Snowe-Rockefeller, the Secretary of Education, Dick Reilly, and the administration were strong in this information superhighway of our distinguished Vice President.

The Department of Justice worked diligently to make sure it was not just a casual thing to send a letter or opinion over to the Federal Communications Commission and just be thrown in the wastebasket; that it should be given substantial weight to their opinion to make sure that no monopolistic tendencies and actual entities develop in opening up the markets for competition. The State public service commissions had to be coached and brought along. The cities, the retailers of equipment, the privacy groups, the local competition or competitors like Teleport, the manufacturers, the rural telephone companies, the independent program producers. I can go on and on. But we now have the support of every one of these groups.

I think we have it because we feel very strongly that the public interest has been protected in the long-distance section, in the broadcast section and carried over from the 1934 Telecommunications Act. The antitrust laws have been protected, as I pointed out.

One of the big disputes that we had was the takeover of 50 percent of the broadcast market in the United States. Mr. President, I could be President if I had that. I would call up Madison Avenue and say, "You're not going to advertise your Miller High Life unless," and then I would complete my thought. You can control 50 percent of the television advertising in this country, and we also already saw a tendency by cable news—CNN did not want to carry certain parts of advertisements because it was against their interest. We tried to protect against that.

But if you had 50 percent, you might as well forget it, because the money is there, they buy it out, they control it. You could become the President, as we can see right now on the buying of the Presidency up in the distinguished State of New Hampshire where the distinguished Presiding Officer lives. I as a candidate, if I take the public moneys, am limited to $600,000. But if I have millions, I have spent millions, go to Channel 5 in Boston and cover Highway 128 going up to Nashua where half of the population of that great State resides.

It is not so much the flat tax as it is the sweep of the television control and the purchase. We will get to that later on with campaign financing, because I have a one-line constitutional amendment: The Congress of the United States is hereby empowered to control expenditures in Federal elections.

We have had bipartisan support, a majority vote. All we lack is two-thirds for that particular amendment. I go back to the day when our colleague from Louisiana, Senator Russell Long, was elocuting in 1974 about the Federal Election Campaign Practices Act and said every mother's son was going to be able to run for President. Nobody was going to be able to buy it. Now they are buying it. But let me go back to communications.

We are about to vote. We protected the 50 percent. We never would yield on that. That would be embarrassing for anybody to stand on the floor and ask for it. To tell you, the only reason I agreed to 35 percent is CBS. Westinghouse already has 32 percent, and we did not want to have to go backwards. Twenty-five percent is enough.

We protected the rural areas. The distinguished chairman of our committee, Senator PRESSLER, Senator STEVENS of Alaska, and Senator BURNS of Montana and all, they protected those rural areas. Any competitor that comes in must serve the entire rural area. They cannot just come in and take a part. The public service commissions or authorities will determine how competition will occur in those rural areas. The infrastructure sharing is provided for from the regional Bell operating companies to help them sustain. We learned a lot with that blooming airline deregulation.

I see I have a colleague who wants a few minutes. I want to yield to make sure he can comment.

The RBOC's, the checklist, and the long distance I have touched on. Universal service: Every carrier, Mr. President, coming into the local market shall contribute.

We have the Rockefeller provision and Senator EXON's cyberporn provision, which he is momentarily ready to address.

How much time do I have left?

The PRESIDING OFFICER. About 3 minutes 10 seconds.

Mr. HOLLINGS. I yield that to my colleague from Nebraska.

Mr. EXON. I thank my friend from South Carolina. My heartiest congratulations to Senator PRESSLER, the chairman of the committee, and my friend and colleague from South Carolina, the ranking member, for a job well done under some extreme circumstances. I congratulate you. I understand that the House has just agreed to the conference report by an overwhelming majority. I think the same thing will happen here.

Mr. President, I am pleased to voice my enthusiastic support for this most significant piece of telecommunications legislation since the enactment of the Communications Act of 1934.

As a Conference Committee member and author and backer of key provisions of the bill I believe that this legislation is good for American families, children and citizens in rural America.

Too often progress and discussions of this legislation has been segregated to the business pages of many of America's newspapers. Too much attention has been paid to how this bill affects large corporations. This legislation is not only about large corporations. It is legislation which will touch every person's life. It will open unprecedented economic, educational and information opportunities for all Americans.

Few pieces of legislation considered by this or any other Congress have so embraced the concerns and needs of America's children and families as has this legislation. I am very proud of the fact that this legislation includes the Communications Decency Act which I introduced earlier this Congress and in the last Congress to protect children from indecent, pornographic communications on the Internet and other computer services and to protect all Americans from computer obscenity and electronic stalking. With the passage of this bill, the Congress will help make the Information Superhighway safer for kids and families to travel. The current lawlessness on the Internet has opened a virtual Triple-X (XXX)-rated bookstore in the bedrooms of every child with a computer. This law alone will not clean up the Internet. Parental supervision, industry cooperation along with strict law enforcement, need to work together to make this exciting new technology the family friendly resource that it should be.

I am especially pleased that the conference report also included legislation Senator GRASSLEY and I put forward to crack down on those who use various means of communications to lure children into illegal sexual activity.

Concurrent with our efforts to make the Internet and other computer services safe for families and children, this bill includes legislation which will help turn the information revolution to the benefit of all Americans but especially for America's children. The Snowe-Rockefeller-Exon-Kerrey amendment which is part of this bill creates a unique partnership with private industry. It will ensure discount telecommunications rates for schools, libraries and rural health care facilities. This landmark provision will, perhaps, give children in Harvard and Cambridge, NE, opportunities to use telecommunications technologies to learn from libraries and scholars at Harvard and Cambridge Universities.

Another area of critical importance is in enacting legislation to require new televisions to contain the so-called V-chip which will give families an opportunity to block violent, vulgar or other objectionable entertainment programming from their TV set. If successfully implemented, this legislation will lead to the objective rating of programs and give to parents the power to bar from their homes those programs which assault their values. I was proud to co-sponsor the Senate V-chip amendment.

Mr. President, this legislation also represents a major victory for rural America. The conference report gives approval to the so-called farm-team provisions. These provisions assure that rural citizens enjoy telephone technologies and prices which are comparable to those in urban areas. The provisions also allow rural phone companies to pool resources with each other and with cable companies to share new technologies and to give states the power to prevent unfair cherry-picking competition in rural markets. Under the farm-team provisions States can require new telephone competitors to offer service to an entire community rather than just a select few highly profitable rural phone users. The provisions also give the Federal and State regulators flexibility in dealing with small and mid-sized phone companies. Too often, one-size-fits-all regulation needlessly pushes up costs for Nebraska's home town phone companies.

The farm team, by the way, is a group of rural Senators which pushed a package of rural-oriented reforms during last year's consideration of telecommunications legislation. As a charter member of the farm team along with Senators BOB KERREY, JAY ROCKEFELLER, BYRON DORGAN, TED STEVENS, and the current chairman of the Commerce Committee Senator LARRY

PRESSLER, it is very gratifying that our ideas on universal service, rural markets, regulatory flexibility and preferential rates for schools, libraries and rural health care facilities are now central principles of America's future telecommunications policies.

In a real sense this legislation is less about big corporation and more about changing the way Americans live, work and learn. No one will be untouched by this legislation. New options may confuse and frustrate some consumers at first, but will bring new services, new choices and more affordable prices to all Americans.

The barriers to investment and innovation have been removed while protecting the essential elements of a free market. The telecommunications reform bill does not disrupt the Nation's antitrust laws and does not change the Justice Department's role in policing unfair competition and predatory pricing.

Mr. President, most importantly this legislation illustrates that a Congress can make revolutionary change when it puts party labels aside and works together not as Democrats and Republicans but as Americans. I congratulate Senators HOLLINGS and PRESSLER and all the members of both parties and both Houses who brought this complex piece of legislation together.

Thank you, Mr. President.

Mrs. BOXER. I would like to congratulate Senator EXON and the other members of the conference on bringing this very important conference report to the floor today. However, I would like to bring their attention to one section that is very troubling to me.

Section 507 amends a preexisting section of the Criminal Code, 18 U.S.C. 1462, and applies to the Internet. Now, it is my understanding that your intent behind adopting this provision was to place reasonable restrictions on obscenity on the Internet. I support this goal. However, a section of this act may be construed to curb discussions about abortion. It seems to me this provision would certainly be unconstitutional.

Mr. EXON. I appreciate the Senator's raising the issue of this provision. I certainly agree with her that any discussion about abortion is protected by the first amendment guarantee of free speech. I certainly agree that nothing in this title should be interpreted to inhibit free speech about the topic of abortion.

Further, she is quite right that our interest in adopting this provision was to curb the spread of obscenity—speech that is not protected by the first amendment—from the Internet in order to protect our children.

Mrs. BOXER. Mr. President, with that assurance, I feel comfortable supporting this bill. And I hope that my colleagues who were also concerned about this provision will now feel comfortable supporting this bill. Once again, I thank the Senator for clarifying this point, and for his hard work on this bill.

Mr. EXON. Mr. President, those who have fought all efforts to bring some level of decency to the Internet have employed all sorts of rhetorical devices to defeat the Communications Decency Act.

The latest attack comes from those who suggest that amendments originally in the House bill to title 18 section 1462 somehow revive obsolete provisions of the Comstock Act—(related in information on abortion)—which courts have essentially determined to be unconstitutional. The amendments to title 18 merely clarify that the current laws which prohibit the importation, transportation, or distribution of obscene materials apply to computers.

The conference committee went to great lengths in section 507(c) to underline that the changes to the Criminal Code are clarifying and do not change the substantive coverage of the current law. The Congress last amended section 1463 in 1994 by increasing penalties for violations of this section. Nothing in this legislation prohibits constitutionally protected speech and this legislation does not revive other-wise dead provisions of that law any more than the 1994 amendment revived those very provisions.

I thank the Chair and I thank again those who put this act together. I am pleased that it is about to pass the U.S. Senate.

I yield the floor.

INTRALATA TOLL DIALING PARITY

Mr. BREAUX. Mr. President, when the Senate debated S. 652, Senator LEAHY from Vermont and I proposed an important provision concerning the obligation of the Bell Operating Companies to provide dialing parity for intraLATA toll calls. That provision, which was accepted by the Senate, balanced the needs of competitors to have access to 1+dialing capabilities for intraLATA toll calls and the Bell Companies' need to have the opportunity to compete fairly for all long distance traffic.

As Senator LEAHY has already indicated, the conferees adopted that requirement. The Bell Operating Companies' obligations for providing dialing parity for intraLATA toll calls are contained in section 271(e)(2). It is important to recognize that the provisions in section 251(c)(3) do not impose any additional obligation to provide intraLATA toll dialing parity on the Bell Operating Companies. Section 251(c)(3) applies to BOCs only after they have been authorized to provide interLATA authority in a State.

Mr. DOLE. Mr. President, we are on the verge of passing the most important piece of legislation in this Congress. By unleashing competition in the communications industry, America will have more jobs, a stronger economy, and more opportunity. It is a real economic stimulus package with one big difference: It relies on private-sector America, and not big government.

Mr. President, this bill has been in the works for over a decade. It has stumped Congress after Congress. I know that because I introduced the first deregulation bill after the breakup of the old "Ma Bell" system back in 1986, 10 years ago.

There is no doubt about it. This conference report was crafted in a bipartisan, I think nonpartisan, manner. It could not have been accomplished without the hard work of Chairman PRESSLER and his staff. Senator HOLLINGS has played a key role for years on this important issue.

I want to say an additional word about Senator PRESSLER. I know the committee chairman sometimes gets a little anxious and comes to the leader quite often about, "When are you going to take up my bill?" And I can report that I did not get by one day without Senator PRESSLER asking me that at least two or three times.

So I want to congratulate Senator PRESSLER for his dogged determination. I am very proud of the work he has done and the work of the other Members in the conference. We have some differences. We think there are still some things that should be addressed.

I am satisfied with the letter which I have received from the FCC with reference to spectrum. I do not have any desire to put a roadblock in the way of the spectrum option. But I wish to make certain the taxpayers get their money's worth. If it is not worth anything, that is fine. Let us have public hearings. Let us get it all out in the open. Let us make a decision, and then let us make that determination.

I am proud of the fact that this bill willl pass in a Republican Congress. It is no small feat. It was only 3 years ago Congress reregulated the cable TV industry. That is not to say that cable TV did not have its problems, because it certainly did. The difference is Republicans believe competition and not Government is the best regulator of the marketplace. Competition also means more choices for the American people. And choice provides the highest level of consumer protection.

It has been a tough bill to put together and some issues were resolved and some were not resolved. Important issues like the foreign ownership provision that were dropped, they would have helped American corporations pry open foreign markets that have been closed for too long. Or maybe it was the relaxation of the broadcast ownership rule which would have given the little guy access to capital and thereby be a stronger competitor. There could have also been language included that would have forbidden the FCC from regulating the Internet. At the same time, we did take steps to help parents protect their children from indecent material that is prevalent on this new service.

I do not mean to take anything away from the bill and how it will propel our country into the next century. Instead, I wish to point out there is still much to be done. I think everybody has agreed to that.

I have also been openly critical of the provision in the telecommunications bill that would junk all television sets in the country and create a giant welfare program for television broadcasters. I have worked closely with Chairman PRESSLER, who has also been critical of this issue for some time, Senator MCCAIN, the Speaker, and many others.

So we have the letter. I am satisfied with it. They said, in any event, they would not be prepared until 1997, and it seems to me we are not going to retard progress in any way. We are just going to find out what the facts are. If it is worth $10 billion, $20 billion, $30 billion, $70 billion, or zero, the public will know after public hearings. We think the American taxpayers are entitled to at least that assurance. When we are talking about reducing the rate of growth of certain programs—Medicaid, Medicare, welfare—we ought to make certain we are not going at the bottom and giving somebody at the top a windfall. And again maybe someday, if we live long enough, this may be covered by the networks, the spectrum. I doubt it. They will be covering Members of Congress who might be going overseas on important business. But it could be that they might cover this, how much it is worth to them and how much it is worth to broadcasting generally.

I think it should happen. There should not be a double standard is what they keep telling us. I agree with them. So I expect we would have objective reporting on this particular issue.

Today we secured a letter signed by all five Commissioners at the Federal Communications Commission. These Commissioners stood with me, despite intense lobbying to do otherwise. That is courage and we owe them our thanks.

In that letter, these Commissioners committed to Congress,

> Any award of initial licenses or construction permits for advanced television services will only be made in compliance with the express intent of Congress and only pursuant to additional legislation it may resolving this issue.

I am determined to turn the FCC's commitment to us into a victory for the American taxpayer. But Congress will conduct hearings in the full light of day on this issue. We will follow through and address this issue. For those who think this is an idle threat, guess again. Because we will give this our utmost scrutiny.

Now, those may sound like tough words, but, Mr. President, taxpayers deserve nothing less.

In closing, let me also assure those skeptics that these letters are not—I repeat, are not—about saving face. It is about saving the American taxpayer billions of dollars and stopping a giveaway, a giant corporate welfare program.

Mr. President, despite this profound flaw, which we will fix, this legislation will create jobs and benefits that we yet cannot imagine.

I ask unanimous consent that the FCC letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, DC, February 1, 1996.

Hon. LARRY PRESSLER,
Chairman, Committee on Commerce, Science and Transportation, U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR CHAIRMAN PRESSLER: Thank you very much for your letter this morning about the concerns expressed by Senate Majority Leader Dole and others regarding the distribution of additional spectrum to television broadcasters. We share the determination of you, Senator Dole and others to protect American taxpayers. As you know, under current law and pursuant to the language of the Telecommunications Act of 1996 (should it become law), the Commission lacks authority to auction, or charge broadcasters for the use of, the spectrum that has been identified for the provision of these broadcast services. In addition, given the many administrative steps necessary to implement any assignment of digital broadcast licenses, we would not be in a position to issue those licenses any earlier than 1997.

We recognize the serious policy questions involved, and that you intend to hold hearings and enact legislation dealing with this issue as part of an overhaul of policies governing the electromagnetic spectrum. Any award of initial licenses or construction permits for Advanced Television Services will only be made in compliance with the express intent of Congress and only pursuant to additional legislation it may adopt resolving this issue.

Very truly yours,
REED E. HUNDT,
Chairman.
JAMES H. QUELLO,
Commissioner.
ANDREW C. BARRETT,
Commissioner.
SUSAN NESS,
Commissioner.
RACHELLE B. CHONG,
Commissioner.

Mr. BREAUX. Mr. President, this telecommunications legislation is a deregulatory bill, and I am particularly pleased in this regard with the provisions covering commercial mobile services that lift the restrictions now disadvantaging the BOC affiliated CMRS carriers.

As soon as this bill is signed into law, the BOC affiliated commercial mobile service carriers can begin to offer the full range of end-to-end interLATA services to their mobile customers just as their competitors are able to do now. They need no Government action or approval.

I am pleased to have had the chairman confirm that my understanding is correct. Upon enactment, the MFJ interLATA restriction on commercial mobile service affiliates of the Bell operating companies is eliminated.

Mr. PRESSLER. How much time is remaining?

The PRESIDING OFFICER. Senator HOLLING's time has expired, and the Senator from South Dakota has 5 minutes 58 seconds.

Mr. PRESSLER. Mr. President, I yield 3 minutes to my colleague from Washington. I thank him very much for his work on this bill. It would not have happened without him.

Mr. GORTON. Mr. President, in dealing with highly complex and technical legislation, two requirements seem to me to be essential. The first is that those who have an interest in the legislation and have conflicts among themselves over what is most desirable, express their views so that Members can evaluate conflicting arguments and attempt to reach the truth.

Each of these interest groups gives lip service to the consumer interest and to competition, but it is only by testing the groups' competing ideas against one another that the consumer interest and competition can truly be served. That has clearly been the case in connection with the many year debate over telecommunications legislation. There were myriad interest groups. They had highly conflicting interests. I believe that we have reached good accommodations in connection with almost every one of those conflicts.

But the second and even more important requirement for dealing with legislation of this type is that the Members who deal with the issue in the committees, and particularly those who are in charge, keep the public interest as their objective. In this connection, I want to say how much that has been the case with the junior Senator from South Carolina [Mr. HOLLINGS] during his leadership in this process. Most particularly, however, I offer my appreciation to Senator PRESSLER, who was willing to listen to everybody, but be the prisoner of no one, in arriving at the right answers in connection with this bill. He did so in the Senate proceedings, and he did so as chairman of the conference committee. The fact that we are here today passing, nearly unanimously, this important piece of legislation is a real tribute to him.

Personally, Mr. President, I should like to note two aspects of this comprehensive legislation. I have a great interest in the competitive nature of the wireless industry, and I am gratified that most of my suggestions in that connection, to strengthen the industry's competitive position, have been accepted. I am also delighted that we were able to protect our American children and the power of our American parents through the V-chip provisions and through other provisions, which will give more authority to family members to supervise what their children see.

Other details, obviously, cannot be gone into at the present time. This is a fine piece of legislation. As a result of the great work of our leaders, it will create employment for many tens of thousands of Americans, and ensure that telecommunications will be a cutting-edge industry in this country for many years to come.

I would like to clarify, and express my understanding, of a somewhat confusing provision in the bill regarding uniform pricing of cable rates. The conference report changes the uniform rate requirement in two essential ways. First, section 301(b)(2) of the legislation sunsets the uniform rate structure requirement in markets where the cable operator faces effective competition.

The second change to the uniform rate requirement is the addition of language that permits cable operators to offer bulk discounts to multiple dwelling units or MDU's. The language in this section permits cable operators to offer bulk discounts to MDU's, "except that a cable operator of a cable system that is not subject to effective competition may not charge predatory prices to a multiple dwelling unit."

I understand that there has been concern that this somewhat awkwardly worded section implicitly condones predatory pricing once there is competition in a market, or for subscribers who do not live in MDU's. Clearly it is not the intent of Congress to supersede the Sherman Act by allowing cable operators to engage in predatory pricing at any time or under any circumstances. In fact, the legislation includes a general antitrust savings clause in section 601(b). This clause guarantees that antitrust concerns still will be addressed in the telecommunications industry.

Mr. PRESSLER. I join in that praise of Senator DASCHLE and also Senator DOLE.

Mr. President, in closing this debate, let me say that we are passing a historic telecommunications bill that will have a sweeping impact. It is prospective, deregulatory, and it will affect every single American. It will have a great international impact. I know that our citizens will benefit greatly. There will be new devices and new technologies, and there will be lower prices. We are entering an era that is going to be like the Oklahoma land rush. There will be an explosion of new telecommunications opportunities for our citizens.

I thank all the Senators. I have had the privilege of visiting with all 100 Senators about this legislation. I also pay tribute to Congressman BLILEY, Congressman FIELDS, Congressman MARKEY, Congressman DINGELL, and others, whom I have had a chance, as chairman of the joint House-Senate conference, to become acquainted with. I have come to appreciate the work of a House-Senate conference. I want to pay tribute to our House colleagues who worked so hard on this legislation.

UNANIMOUS-CONSENT AGREEMENT

Mr. STEVENS. Mr. President, I ask unanimous-consent that, consistent with the law and the rules of the Senate Rules Committee, the maximum amount of copies of the Senate version of this conference report be printed and, if possible, that 50 copies be delivered to each Senator's office.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER. Mr. President, I want to thank everyone. I yield the remaining time to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the conference report accompanying S. 652. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Texas [Mr. GRAMM] is necessarily absent.

Mr. FORD. I announce that the Senator from Connecticut [Mr. DODD] and the Senator from West Virginia [Mr. ROCKEFELLER] are necessarily absent.

The PRESIDING OFFICER (Mr. THOMAS). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 91, nays 5, as follows:

[Rollcall Vote No. 8 Leg.]

YEAS—91

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dole
Domenici
Dorgan
Exon
Faircloth
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Levin
Lieberman
Lott
Lugar
Mack
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Pell
Pressler
Pryor
Reid
Robb
Roth
Santorum
Sarbanes
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—5

Feingold
Leahy
McCain
Simon
Wellstone

NOT VOTING—3

Dodd
Gramm
Rockefeller

So the conference report was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. PRESSLER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONFERENCE REPORT ON S. 652, THE TELECOMMUNICATIONS REFORM BILL

Mr. CHAFEE. Mr. President, I congratulate the managers of this bill and the leadership of the House and Senate on bringing to the floor this complex, overdue effort to bring our Nation's telecommunications laws into the 21st century. Although this legislation does not receive the attention in the media as do issues such as the Federal budget and tax cuts, its importance to our economy, to the livelihoods of all Americans, and to continued technological progress cannot be overstated. In fact, it has been said that the telecommunications reform bill is the most important piece of legislation we will pass in this Congress.

This bill recognizes that market forces and competition are the fuels that drive our Nation's economy. For too long, most sectors of our telecommunications industry, particularly the telephone industry, have been hamstrung by outdated laws that limit access to the marketplace. The great bulk of law in this area is actually some 61 years old. It should be obvious to everyone that communications technology has been revolutionized during these 61 years, and our laws ought to keep up with these changes in technology.

Since the 104th Congress began consideration of telecommunications reform early last year, there have been countless forces pulling the authors of this legislation is many different directions. There have been industry groups, individual companies, consumer groups, unions, think tanks, the administration, and many, many more all with an interest in this bill who have rightfully voiced their concerns as this process has gone forward. I admire the long hours of hard work performed by the Commerce Committee and its staff in sorting through the maze of this highly complex issue and producing this conference report. I certainly did not envy these individuals as they tackled this extraordinary difficult task.

While, as I have said, we all respect the ability of the free market to produce jobs and foster economic growth, there are many in Congress who are reluctant to let the marketplace operate completely freely in all telecommunications industries. For example, many of my colleagues are concerned that the regional Bell companies will take undue advantage of their ownership of local telephone networks to compete unfairly in the long distance market. On the other hand, many other colleagues are equally adamant that we should place very few restrictions on Bell companies as they are permitted to offer long distance service.

This debate over long distance represents just one of the many, many difficult balancing acts the managers of this bill struggled with. In short, my colleagues had to reconcile the views of those who wanted to let the marketplace more or less reign free with those who sought regulatory protection for industries and for consumers. And let me tell you, this was no easy task for the authors of this bill; I commend them for their legislative ability. No one is 100 percent happy with the final product, but I am confident that the benefits we will realize in enacting this bill in the way of job creation and technological progress are real. We can all be proud of the job done by the authors of this legislation.

Mr. WARNER. Mr. President, I wish to associate myself with the remarks made by the distinguished Senator from Rhode Island. Those of us who have worked with the distinguished chairman and ranking member on this bill wish to acknowledge the great credit for their leadership, and for our distinguished majority leader and the minority leader for their backup assistance.

CLOTURE VOTE POSTPONED ON THE FARM BILL

Mr. DOLE. Mr. President, if I could have the attention of my colleagues, I ask that the cloture vote be postponed.

Let me indicate what we believe is in progress. We have been working for the last 2 or 3 hours with a number of Members on each side of the aisle and with Chairman LUGAR and the ranking member, Senator LEAHY, on the Senate Agriculture Committee. I am not certain if there is an agreement yet, but we may be close to an agreement. We think it would save a considerable amount of time if we could suspend it temporarily. I understand the Democrats have a conference at 5:30.

Mr. DASCHLE. Assuming we have an agreement to talk about, but I was told that we were close to an agreement. I felt it was important that we set a time, if it were possible to do that, and then immediately go back to the floor and continue our work.

Mr. DOLE. I know a number of Members have other engagements. I will be in a position, maybe by 6 o'clock, to indicate whether we have an agreement or do not have an agreement. If we do not have an agreement, we will vote on cloture. If we do have an agreement, we will try to get a time agreement and consider all amendments—en bloc?

Mr. DASCHLE. Hopefully.

The PRESIDING OFFICER. Is there objection to the request to set aside the cloture vote and to come back at 6 o'clock on this issue? Without objection, it is so ordered.

Mr. DOLE. Mr. President, I can tell Members now that there will not be any votes for a while. We will try to give an a announcement at 6 o'clock. We hope we can have a short time agreement. If there is an agreement overall on the agriculture bill, we would not be here too late this evening. If not, we would have to come back tomorrow or sometime next week.

So I say to my colleagues that we will let you know as soon as we have any information. And I appreciate your cooperation.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Let me commend the distinguished Senator from South Dakota, and in particular our minority ranking member, the Senator from South Carolina [Mr. HOLLINGS] for the remarkable job he has done in bringing us to the point we achieved today. Were it not for his contribution and leadership and incredible determination over the last several months, we would simply not have achieved what we achieved this afternoon. Senator HOLLINGS deserves commendation on both sides of the aisle. I publicly want to again thank him for the effort that he put forth, for the remarkable teamwork that he demonstrated in allowing us the opportunity to at long last achieve what we have all hoped we could achieve.

So I commend Senator HOLLINGS and others who were involved, certainly the Senator from South Dakota, and I am very pleased with the result this afternoon.

I yield the floor.

RECOGNITION OF RONALD REAGAN'S 85TH BIRTHDAY

Mr. DOLE. Mr. President, I understand a resolution I am about to offer has been cleared on each side. I send it to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 220) in recognition of Ronald Reagan's 85th birthday.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOLE. Mr. President, 16 years ago, America was flat on her back. Our economy was a disaster. The only things up were inflation, interest rates, and unemployment—all in or near double digits. Abroad, our resolve was questioned by our allies and doubted by our adversaries.

Many so-called experts—including some in the Government—surveyed the situation, wrung their hands, shook their heads, and pronounced that the United States was in decline: That our best days were far behind us.

But one man knew better. And that man was Ronald Reagan.

Ronald Reagan knew that power belonged with the people, not with the Government. He knew that the best solutions to our problems came not from bureaucrats on the Potomac, but from men and women on the Mississippi, the Colorado, and the Columbia.

Ronald Reagan knew that economic recovery could be achieved not through regulations and redtape, but by allowing the magic of the marketplace to work its wonders.

Ronald Reagan knew that America was right far more often than she was wrong.

Ronald Reagan knew that military strength was not the means to war, but the key to peace.

Ronald Reagan knew that world respect came not from appeasement, but from standing by your friends, by speaking up for freedom, and by drawing the line against dictators.

Ronald Reagan knew that America was still a shining city on a hill, and that our Nation's best days were truly yet to come.

It was this vision that Ronald Reagan presented in 1980 and 1984.

It was this vision that the voters approved in overwhelming margins.

It was this vision that brought hope and opportunity to millions.

It was this vision that revitalized America, and changed the world.

Mr. President, next Tuesday is Ronald Reagan's 85th birthday. And the resolution we pass today will extend to President Reagan the greetings and best wishes of the U.S. Senate.

And I know I speak for all Members of the Senate, when I say that our thoughts and prayers are with the President and Nancy.

Mr. WARNER. Mr. President, I rise tonight to wish Ronald Reagan, one of this country's, indeed, one of the world's, great leaders, a happy 85th birthday. The "Gipper" and his family—and friends joining across the world—will celebrate his birthday on Saturday.

As a Senator in my first term, when President Reagan came to Washington, I found his vision, forthrightness and high principles, to be measures by which all elected officials can aspire. Ronald Reagan's faith in God and his tremendous belief in the common sense of the American people, were sources of great strength and wisdom. His courage and willingness to stand up for what he believed in were admired by friend and foe alike.

I am proud to say that I consider Ronald Reagan not just a friend, but a teacher and mentor to me and many other Senators back in our early Senate career.

I fondly recall our times together, especially while we were riding horses over my Atoka farm. Our conversations varied from personal stories to serious discussions about the threat of the former Soviet Empire and America's place in the world as a protector of freedom and Democracy. His humor paralleled that of Will Rogers.

Mr. President, I am very proud of the fact that next year, in my home State, the Newport News Shipyard will lay the keel of the Navy's newest aircraft carrier, the U.S.S. *Ronald Reagan*. I wish to join with my good friend from Idaho, Senator KEMPTHORNE, for together we sponsored the legislation that designated the ship with President Reagan's name. It is a rightful designation for his contribution to the demise of the Soviet Union.

I am also pleased that the Reagan Presidency will be honored just a few blocks from the Capitol. The Federal Triangle project under construction at 14th Street and Pennsylvania Avenue, Northwest, will be designated as the Ronald Reagan Building and International Trade Center, thanks to legislation introduced by Majority Leader ROBERT DOLE. I am proud to have been a co-sponsor of this legislation, which has been passed by the Congress and signed into law by the President.

I would like to close my remarks, Mr. President, by paying tribute to Nancy Reagan, a truly magnificent First Lady. In the White House and since President Reagan left office, Nancy Reagan has been a strong voice on significant public issues. Americans everywhere owe her a debt of gratitude for the outstanding work she has done and continues to do to educate the children and youth of this Nation, particularly about the tragedy of drug abuse.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 220) was agreed to.

The preamble was agreed to.

The resolution and its preamble are as follows:

S. RES. 220

Whereas, February 6, 1996 is the 85th Birthday of Ronald Wilson Reagan;

And Whereas, Ronald Reagan was twice elected by overwhelming margins as President of the United States;

And Whereas, Ronald Reagan is loved and admired by millions of Americans, and by countless others around the world;

And Whereas, Ronald Reagan, with the leadership of his wife, Nancy, led a national crusade against illegal drugs;

And Whereas, Ronald Reagan's eloquence united Americans in times of triumph and tragedy;

And Whereas, the thoughts and prayers of the Senate and the country are with Ronald Reagan in his courageous battle with Alzheimer's Disease; Therefore, be it

Resolved, That the Senate of the United States extends its birthday greetings and best wishes to Ronald Reagan.

SEC. 2. That the Secretary of the Senate shall transmit a copy of this resolution to Ronald Reagan.

Mr. DASCHLE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE D.C. APPROPRIATIONS CONFERENCE REPORT

Mr. JEFFORDS. Mr. President, it is with some sadness that I come to the floor this evening. Those of us who have been on the District of Columbia conference committee have now worked some 90 days in trying to get a conference agreement. We have had a very difficult time. We have at times reached an agreement and then had those agreements disappear.

This Congress has placed itself in a special relationship with the District of Columbia by recognizing the incredible problems it has, both with its financing as well with education. We have taken the responsibility of doing what we can to make this city proud and to give it the wherewithal in order to improve its educational system.

I think we have a conference report that certainly, although it is not perfect—and that is obvious from the situation we find ourselves in—is nevertheless one which could bring about a resolution of the problems involved with the educational system. It could also, in a noncontroversial manner, provide the economic wherewithal for the District to be able to move forward.

This is an appropriations bill that includes nearly $5 billion in spending authority for the city of Washington. We were held up by disagreement over a provision of $5 million for a scholarship program, that represents one-tenth of 1 percent of the money involved with this bill. Yet, it does reach such an emotional state with respect to those people who feel one way or the other about the utilization of Federal funds for scholarships to allow young people to go and seek another school in order to, hopefully, advance their education. However, this disagreement over the scholarship program is such a matter.

I had hoped very much, and had expected, that we would be able to take up the D.C. appropriations conference report today. The House passed it yesterday. They did so with a fairly good vote. But I find now, after having verified with my counterpart on the other side of the aisle, what would happen in the event that I attempted to bring up the conference report this evening. There would be no time agreement at all, there would be a filibuster, and there would not be any desire to move that conference agreement, in its present state out of this body.

I wish that we would stop damaging the District of Columbia's efforts to revitalize itself. And keeping in mind that by grabbing control as we have—and I do not disagree with that—over the power to do things, we have taken the responsibility, and I am only thinking of the kids. I have spent many, many hours of my own time in this city by going around from school to school.

I spend every Tuesday reading to a young man in the third grade whom I have seen change and he has become so much more able to participate in class in a meaningful way through knowing English. He is a student to whom English is a second language, I am incredibly impressed with his progress. We have 200 Senate staff members who are going every Tuesday and reading to kids. This program is going on. We are trying to do the best we can. But there is a lot that cannot be done without the ability to reorganize what is going on in the school system.

So I just stand before you very, very discouraged at all the effort that we have put forth to try to bring about a resolution which this body could consider, and hopefully adopt, to now find that that cannot be considered. So I will continue to do all I can to find the answers. I know that they will not be easy. But I also will do everything in my power to assure that we can proceed as best we can under the circumstances. I will work to pass the conference report at some later date, but if that cannot be done, I will do my best to work within the structure we have created with the Control Board and others to see what we can do while we wait for this legislation to pass.

I know the school board in Washington, DC, met today and had some concerns. Before I learned those concerns, I had initiated a call and a meeting with the chairwoman of the school board for tomorrow. I will be meeting with her tomorrow and we will look toward the future.

I am hopeful still that we will find this matter, which is of great national concern, should not be used to deprive those who want to help the schools to move forward. We are nearly halfway through the school year now, much needs to be done, and I hope both sides of this issue will calm down and let us proceed in some manner so that we can help the children of this city.

Mr. President, I yield the floor and I note the absence of a quorum.

The PRESIDING OFFICER (Mr. BENNETT). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

FARM BILL

Mr. HARKIN. Mr. President, the Senate is in session at this late hour—we just finished the telecom bill, a very important bill for our country—but we are in session now because we do not have a farm bill.

I have been on the Agriculture Committee now for 22 years, 10 in the House, 12 in the Senate. I have seen a lot of farm bills. I have worked on a lot of farm bills. Some were contentious, some sort of passed easily. But in every instance—in every single instance—in the House and in the Senate, we worked diligently on both sides of the aisle to try to reach accommodations to get a farm bill through before the end of the year. In most cases, we got it through long before the end of the year.

But I remember some particular ones. I remember the 1981 farm bill when I was in the House. We passed it in the early morning hours of December 17. Why do I remember that? Because my daughter was born about 2 hours later, and I remember being on the floor trying to get the farm bill passed.

The reason I recall that, aside from the fact my daughter was born a couple of hours after we finished the farm bill, was that it was late in the year. It was 1981, a very contentious year in agriculture regarding what kind of farm policy we were going to develop under the leadership of the new administration that had taken over that year. But we got our work done, and we got the farm bill passed and down to the President before the end of the year.

That was with a Democratic House and a Republican Senate and a Republican President. We did not filibuster, we did not hold it up. We did our work, and we got it through before the end of the year.

The hue and cry that came from around the country was that we had waited too long. A lot of the finger pointing was at the Democrats, because we allegedly had waited too long and we did not get the bill through by the end of the year. But we got it through.

Now here we are in February of 1996, and we still do not have a farm bill for this year. I do not want to engage in finger pointing, but I do want to say at least that no Democrat on this side has filibustered a farm bill. We have not held it up.

We passed a farm bill out of the Ag Committee in late September. We could have brought it out on the floor in the month of October. We could have brought it out in the month of November. We could have brought it out in the month of December. But, no, it was not brought up. No, instead, it was taken and put in the budget reconciliation bill so that we did not have an opportunity to really debate it and amend it and fashion a farm program for the future. The President vetoed that bill, as he should have.

So here we are in February, and once again, a farm bill was laid down yesterday. Immediately, a cloture motion was filed to cut off debate, to cut off amendments, to limit the time.

Well, I am not here to filibuster, but I do want some time to speak on the bill, to lay out what it would mean to farmers and rural communities in my State. I want some time to be able to offer amendments that I think are worthwhile. I may not win them, but at least I feel an obligation to my farmers in Iowa to try to craft and fashion a farm bill in their best interests.

Now I understand that at this late hour we are being told that the House is going to go out. The Senate wants to adjourn and come back at the end of February, and we have to pass a farm bill tonight, or we will not be able to get it done because the Senate is going to adjourn for another month. What kind of nonsense is that? We are elected to come here and get the people's legislation passed. I do not know of any compelling reason why we cannot bring the farm bill up, debate it tomorrow, or Saturday if need be. We do not need to be here Saturday; we can debate it Monday and Tuesday, and probably get it done by Tuesday night. At least everybody would have ample opportunity to speak, offer amendments, and have their amendments voted on. Then we can have a final vote on the passage of the bill and send it to conference.

Yet, somehow a gun is being held to our heads tonight, and we are told that if we do not rubberstamp some farm bill that has been crafted in the back rooms—and we do not even know what is in it—that we are going to be held to blame because a farm bill was not passed here on February 1. I am telling you, Mr. President, I find this whole process contrary to everything I believe in, in terms of a democratic Government, and in terms of what I believe in, in terms of the processes here of open and free debate, with amendments, and allowing us to state our case and to try to make the best case we can for our constituents.

So I am sorry, I am just not going to be a part of caving in and rubberstamping something simply because it is late, it is in February, and we have to get a farm bill passed. Our farmers need to know what to do. For Heaven's sake, they need to know what to do. But it was not this Senator, or any Senator on this side of the aisle, that kept the farm bill from coming to the floor in October, November, or December. That was not our call to make. It was not brought up on the floor. It should have been brought up. It should have been brought up in October. Then we could have finished our work and sent it to conference. It may not have been what I wanted, but at least the process would have been fair and open and I could not complain.

I am complaining now because the process is not fair and it is not open. I intend to make it so. I will use whatever power I have as a Senator to make sure we have that kind of an open process here on the farm bill and not be asked to rubberstamp something when we do not even know what is in it.

But the people that are really suffering are our farmers, along with others involved in agriculture. My farmers in Iowa and throughout the Midwest right now have to make decisions, and they are doing it in the blind—what seed to buy, what to plant, how much credit do they need, how much fertilizer they need. How can they make those decisions when they do not even know what kind of farm program we have? They should have known this and could have known this in December or earlier. We could have had a farm bill passed in December. It may not have been what I would have liked, but at least the process could have been fair and open.

We owe it, I believe, to our farmers and rural communities to act in a deliberate manner. We have a 1990 farm bill that was crafted here in a bipartisan fashion. I was not one of those preferring to extend the 1990 farm bill, I must admit. But at this late hour, it seems almost inevitable that some type of extension is probably the most realistic thing we can do. We can make some changes, I believe, that both sides of the aisle would agree with, such as more planting flexibility and getting rid of base acreage restrictions. We could do that. Then farmers would at least have some idea what the rules are because they have already operated under the 1990 farm bill for the past 5 years. They would know what to expect, what to do, and there would be some certainty out there. Perhaps we would have to come back this year, or maybe even next year. Maybe we should extend it 2 years because it looks like this is going to be a short year with everybody out campaigning. Then maybe we can come back next year and craft a longer term farm bill that would take care of us for the next 5 to 7 years. But this process of saying we have to do something tonight because we are going to adjourn in the Senate for the next month and, therefore, bang, we have to do something quickly tonight—we cannot debate it, look at it, or examine it—what kind of nonsense is that?

So I hope we do not have to adjourn tonight. I see no reason why we cannot be in next week. Those who want to vote to adjourn had better be ready to go back and tell their farmers, no, we thought it was more important to take time off than to debate this farm bill fully, in an open and free debate, with opportunity for amendments to it.

So, Mr. President, perhaps I am just venting frustration, but I believe a lot of others share those frustrations. I hope that in some way I am representing the frustrations of the farmers I represent, because they are frustrated. They do not know what to expect. They would like to have a little certainty, too. Right now, all we are giving them is uncertainty. If we adjourn for a month tonight, they have another month of uncertainty. It is unfair and unconscionable that we would walk out of this place tonight and adjourn without having a full, fair, and open debate on amendments to a farm bill, which cannot take place in 3 hours tonight. It may take tomorrow and it might take Monday. That is fair. I do not know how many days the 1990 farm bill took. I am informed that it took 7 days. The 1985 farm bill took about the same amount of time. We had the telecom bill. How many days did that take? I think a couple of weeks. The farm bill is every bit as important to our farmers as the telecom bill is to the people in telecommunications. I do not think the farm bill needs 7 days, but at least 2 or 3 days, to debate and amend it and have final passage. I do not see why we cannot do that tomorrow, Monday, and Tuesday. There is no reason we cannot do it.

I yield the floor.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, I ask unanimous consent that I be allowed to speak for approximately 5 minutes on the matter of the agricultural bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

AGRICULTURE

Mr. EXON. Mr. President, I have listened to my distinguished colleague from the neighboring State of Iowa. I want to share with the Senate the fact that my frustrations run very deep, as deep as so eloquently expressed by my colleague from the State of Iowa, Senator HARKIN.

Here we are, Mr. President, 10 minutes after 7:00 on the 1st day of February, and there is rapid talk in this body about adjourning this evening until sometime around February 28. Now, obviously, adjourning here without taking any action whatever on a farm bill is not only wrong, it is not only bad policy, but it is ridiculous.

How do we work ourselves out of the dilemma we find ourselves in right now? Mr. President, it would seem to me that it would be a time for cooler heads to prevail. I think we have two basic options: Either we stay here and work and not adjourn, as has been contemplated, and I suspect that would be the best possible course of action of all the options that we have; or the second option, it seems to me, would be if we are going to adjourn tonight, and if we adjourn I suspect we will have a rollcall vote on adjournment so that we will all know in this body and elsewhere as to who wanted to adjourn when we have important work that we should remain here doing. The other option of not staying here, if we are bound and determined to adjourn, which I will oppose, but if that happens, we are going to leave here without any resolution whatever on the farm bill, would be the worse of all possible worlds. If we are not going to continue to stay here and work and hammer out a compromise of some kind, then I think the next best option would be for a simple 1-year extension of the present farm bill.

The only significant changes that I suggest that we should make in that regard is to accept and provide a simplification of the rules, regulations, and red tape, and truly allow the farmers of America, for the most part, to farm for the 1996 year without all of the complicated restraints that they have. I simply say the simplification of the rules and allowing the farmers more freedom is one part of the Freedom to Farm Act that I generally have supported.

I hope that all would realize and recognize that we either have the option of trying to work out something tonight, which I think is going to be extremely difficult. If we cannot do that, I think we should schedule to be here tomorrow and Saturday, if necessary, and again next week, in an effort to try and come to some kind of a workable compromise that can get the required number of votes, and/or tonight stand to face reality and say it is going to be very difficult to come to some kind of an agreement. Probably the best thing for all sides to do would simply be to recognize and realize that the best thing to do under the circumstances in consideration to the farmers of America, who are anxiously awaiting what we are going to do here with regard to a farm bill, is to have a 1-year extension of the present farm bill with the caveats I have just expressed.

Mr. President, it seems to me, therefore, we once again are up against time constraints—some of them real, some of them imaginary. By and large, I see no reason why we should be adjourning when we should be here working. If adjournment is the way we are going to go, I appeal for all sides to realize and recognize, in the interests of agriculture, while extending the present farm bill for 1 year is not the way I would like to go, it may be the only way for us to go and provide a measure of assurance to the food producers of America that we do, indeed, care and appreciate what they are going through.

Here we are in February talking about a farm bill that should have been passed no later than the beginning of the new fiscal year last October 1. Here we are, Mr. President, as the ranking Democrat on the Budget Committee, starting to make plans for the budget discussions in 1996, and we have not even finished the budget from last year. We are sadly behind what we should be doing—doing it right or wrong.

I think that, by and large, most of the minority, and I hope a large portion of the majority, in the Senate would realize it is time to fish or cut bait. If we cannot come to an agreement, I suggest it would make sense and be reasonable for all sides to agree to an extension of 1 year, with the caveats I have outlined.

FEDERAL TEA TASTERS REPEAL ACT OF 1996

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar 306, S. 1518.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The bill clerk read as follows:

A bill (S. 1518) to eliminate the Board of Tea Experts by prohibiting funding for the Board and by repealing the Tea Importation Act of 1897.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. DOLE. I ask unanimous consent that the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and that any statements be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (S. 1518) was deemed read the third time and passed, as follows:

S. 1518

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Tea Tasters Repeal Act of 1996".

SEC. 2. PROHIBITION OF FUNDING.

None of the funds appropriated or made available to the Federal Drug Administration shall be used to operate the Board of Tea Experts and related activities.

SEC. 3. REPEAL OF TEA IMPORTATION ACT OF 1897.

The Tea Importation Act (21 U.S.C. 41 et seq.) is repealed.

SEC. 4. EFFECTIVE DATE.

This Act shall take effect on the date of enactment of this Act.

AWARDING THE CONGRESSIONAL GOLD MEDAL TO RUTH AND BILLY GRAHAM

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 2657 just received from the House.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The bill clerk read as follows:

A bill (H.R. 2657) to award a Congressional Gold Medal to Ruth and Billy Graham.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 3315

(Purpose: To strike section 5 of the bill)

Mr. DOLE. Mr. President, I send an amendment to the desk on behalf of Senator FAIRCLOTH and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Kansas [Mr. DOLE], for Mr. FAIRCLOTH, proposes an amendment numbered 3315.

Mr. DOLE. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, following the period on line 7, strike all that follows:

Mr. DOLE. Mr. President, I ask unanimous consent that the amendment be agreed to, that the bill be deemed read a third time and passed, as amended, the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 3315) was agreed to.

The bill (H.R. 2657) was deemed read the third time and passed.

THE FARM BILL

Mr. DOLE. Mr. President, let me indicate, while we are waiting for another matter here, we have not been able to reach an agreement on the farm bill. We have had discussions throughout the day. We have had one cloture vote.

What I would propose we do is postpone that cloture vote until after the leaders have conferred on Tuesday and, hopefully by that time, get some paper out there so that people can see what is proposed by Members on each side; if we cannot get an agreement, then have that cloture vote Tuesday and decide what to do after that. But I know there are Members probably waiting around in their offices. I would say there will probably be no further votes this evening, but there may be votes on next Tuesday. We will go out tonight and over until Tuesday; pro forma Monday.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, I want to commend those who have been involved in these discussions. I think we have made a lot of progress in the last several hours. We just had a caucus. I think it is fair to say that much of what we reported to them was very well received. I think the question is whether or not, without having finalized the agreement and without knowing for sure just how it all affects current law, whether or not we are in a position yet tonight to come to closure.

I think we are getting closer. I hope we can continue these negotiations, have an agreement that we could send out to everybody so in the next couple of days they could take a look at it, and then have a vote within a very limited timeframe on Tuesday. I would like to see if we can finish this on Tuesday and limit the votes and try to move this process along.

So, I share the leader's desire to come to closure and his expressed hope that we could do it as early as next Tuesday.

Mr. CRAIG. Will the leader yield?

Mr. DOLE. I will be happy to yield.

The PRESIDING OFFICER. The Senator from Idaho.

A CLEAR FARM POLICY

Mr. CRAIG. Mr. President, I think I and a lot of other Senators are very frustrated at this moment as we have tried to move this issue over the last several weeks.

All of us agree that the agricultural community deserves to hear a clear message from the Congress of the United States that relates to farm policy. I am terribly disappointed that this afternoon we could not gain cloture, that the other side chose to kill freedom to farm. We also put up an excellent alternative to that and that—we could not work with that issue.

Obviously, farm policy in its formation has always been bipartisan. I was confident this afternoon, or at least I thought I could be, that we had worked for several days to build that bipartisan compromise and still maintain the kind of levels of expenditure that sent a clear message to American agriculture that there would be some safety nets but, at the same time, that they were going to move toward the market as they have told us—week after week, month after month, as we have held hearings in the Senate Agriculture Committee this year—that a reinstatement of current policy simply would not work anymore and it should not work.

While I know none of us at this moment are working on a reinstatement of current policy, I am very concerned to see us edging back toward it at a time when agriculture has said to us that is not where we ought to head.

So I hope we can arrive at something over the weekend and into next week. It is my understanding the House may not be able to get there, as we had hoped, so we could at least show the American farm community a timetable that we are all going to be sensitive to. But I am disappointed, and I think we all are, that this cannot be resolved in the fashion we had hoped.

I am going to have to, as I think others on this side are, look a great deal more closely at the deals that are being put together. We, in my opinion—certainly from this Senator's point of view—have gone as far as I know is possible to go without saying to Idaho agriculture we have decided not to do what we told you we were going to do and what most of you had agreed to. I presented legislation yesterday that had the full endorsement of the American Farm Bureau and a variety of other organizations, wheat growers, corn growers and others. I had hoped we could arrive at that in a timely fashion.

It appears we are not there. I hope we are closer than I am led to believe we might be. But, to the leader who, I know, has worked today, and the minority leader, I hope we can get this accomplished and the final plans worked out. Timing is of the essence, that we resolve it. It should have been resolved today.

TEMPORARY EXTENSION IN STATUTORY DEBT LIMIT

Mr. MOYNIHAN. Mr. President, H.R. 2924 is, in effect, a temporary increase in the debt ceiling.

Under the bill, the Secretary of the Treasury may issue Treasury securities in excess of the current $4.9 trillion ceiling in order to pay the March 1996 Social Security benefits. Coupled with the normal end of month redeeming of Treasury securities held by the Social Security trust funds, this bill permits the Federal Government to meet all of its financial obligations on March 1.

The bill provides much-needed time to consider a longer and perhaps permanent increase in the debt ceiling. Congress may not take up this issue again until the week of February 26, and, without this legislation, action would be required almost immediately to prevent default on February 29 or March 1. That is cutting it too close. Under this bill, we will have until March 15 to work out a long-term increase in the debt ceiling.

And, importantly, this legislation commits the Congress to timely action. Item 1 in the bill's "FINDINGS" states:

(1) Congress intends to pass an increase in the public debt limit before March 1, 1996.

This is a welcome statement of good faith. It will shortly pass the House of Representatives. I urge the Senate to concur.

GUARANTEEING THE TIMELY PAYMENT OF SOCIAL SECURITY BENEFITS IN MARCH 1996

Mr. DOLE. Mr. President, I ask unanimous consent the Senate proceed to the immediate consideration of S. 1555, introduced today by Senators Roth and Dole, and that the bill be considered read a third time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1555) was considered read a third time.

Mr. DOLE. Further, I ask unanimous consent that the Senate proceed now to the consideration of H.R. 2924, the bill be considered, deemed read a third time and passed, the motion to reconsider be laid upon the table, that any statements relating to these measures appear at this point in the Record, and that S. 1555 be indefinitely postponed; provided, of course, that H.R. 2924 as received from the House is the same text that I now send to the desk and ask to be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 2924) was considered, deemed read a third time and passed.

There being no objection, the text was ordered to be printed in the Record, as follows:

H.R. 2924

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TIMELY PAYMENT OF MARCH 1996 SOCIAL SECURITY BENEFITS GUARANTEED.

(a) Findings.—

(1) Congress intends to pass an increase in the public debt limit before March 1, 1996.

(2) In the interim, social security beneficiaries should be assured that social security benefits will be paid on a timely basis in March 1996.

(b) Assurance of Social Security Benefit Payments.—In addition to any other authority provided by law, the Secretary of the Treasury may issue obligations of the United States before March 1, 1996, in an amount equal to the monthly insurance benefits payable under title II of the Social Security Act in March 1996.

(c) Obligations Exempt From Public Debt Limit.—

(1) In general.—Obligations issued under subsection (b) shall not be taken into account in applying the limitation in section 3101(b) of title 31, United States Code.

(2) Termination of exemption.—Paragraph (1) shall cease to apply on the earlier of—

(A) the date of the enactment of the first increase in the limitation in section 3101(b) of title 31, United States Code, after the date of the enactment of this Act, or

(B) March 15, 1996.

Mr. ROTH. Mr. President, during the past few weeks, we have been advised in writing by the Secretary of the Treasury, Robert Rubin, that it is unlikely that the Government can continue to meet its obligations on or about March 1, 1996. The Secretary believes that he will not have any difficulty meeting the Government's obligations prior to that time. In view of these circumstances, some have suggested that the March social security payments—not the current checks, for February, but those for March—will not be payable. In order to allay any concerns, I am pleased to join the majority leader along with Senator McCain, in introducing this legislation to ensure Government solvency and payment of all Social Security benefits on a timely basis in March.

I urge my colleagues to support swift passage of this legislation. Two important findings are stated at the beginning of this legislation. Two important findings are stated at the beginning of this piece of legislation which help explain our position. First, Congress intends to pass an increase in the public debt limit before March 1, 1996. Second, in the interim, Social Security beneficiaries should be assured that social security benefits will be paid on a timely basis in March 1996.

Let me be clear, it is this Senator's intention to work toward passage of a debt limit extension before March 1. We will not default on our debts. That I find unthinkable. What this legislation does is simply ensure that timely payment of the March Social Security benefit payments and allow these checks to be mailed and cashed without any delay.

The bill provides temporary relief from the current $4.9 trillion debt limit, and creates new legal borrowing authority not subject to the debt limit for a short period of time. The amount of this new legal borrowing authority is equal to the amount of the full Social Security benefit payments for March, approximately $28 billion.

By creating new borrowing authority, this bill also allows full payment of all other U.S. Government obligations due on March 1, 1996, including veterans benefits, Medicare and SSI payments, Federal employee pay, and military and civil service retirement payments.

Mr. DOLE. What this does do is it makes certain there will be timely payments made. There will not be any delay of payments of Social Security.

I ask unanimous consent a summary of H.R. 2924 and S. 1555 be printed in the Record at this point.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Summary of H.R. 2924, Social Security Benefit Payment Guarantee

Findings: Congress intends to pass an increase in the public debt limit before March 1, 1996.

Bill ensures the timely payment of the March Social Security benefit payments and allows these checks to be mailed and cashed without any delay.

Bill provides temporary relief from the current $4.9 trillion limit, and creates new legal borrowing authority not subject to the debt limit until March 15, 1996.

The amount of this new legal borrowing authority is equal to the amount of the full Social Security benefit payments for March (approximately $28 billion).

By creating new borrowing authority, this bill also allows full payment of all other U.S. Government obligations due on March 1, 1996, including veterans benefits, Medicare payments and military and civil service retirement payments.

THE FARM BILL

Mr. DOLE. Mr. President, I will yield the floor in just a moment. Farm bills are very difficult to pass. I can recall other years when we have had this same tug of war.

There was a time when farm bills were bipartisan. I am not certain that is the case. There is some bipartisanship now. Many years ago, we sat down in the Ag Committee, we worked out a bill, brought it to the floor, and the committee never wavered. Now most things are done on a party-line basis.

But I want the record to reflect that the President vetoed a farm bill. So, for those on the other side who say "What is going on?" they want us here next week and next week and next week, we are prepared to do anything we can. But if we cannot accomplish anything—we had a cloture vote today. We could have been on the farm bill right now. We could have had a second cloture vote. We had a bipartisan agreement led by Senators Lugar and Leahy. We were advised that some of the Members on the other side had been peeled off and we probably could not get cloture on that vote.

So, as we normally try to do, we sat down in a bipartisan way. Was there any progress made? I do not know. But I would share the views expressed by the Senator from Idaho that I think we have gone the extra mile in an effort to go to conference.

The House has not passed a bill. We would like to pass a bill in the Senate. But we are not going to be torpedoed by rhetoric on the other side. And keep in mind, we could have had a farm bill. The President vetoed it. That is why the farmers are concerned. That is why there is a lot of disarray in rural America. We could have had another farm bill today, but I think only two Democrats joined in a cloture vote. So, if we want to get partisan about farm legislation, that is fine. I have heard some very partisan statements this afternoon. But the bottom line is, we ought to go back where we used to be on farm legislation, sit down, work it out on a bipartisan basis.

Do I think that will happen by Tuesday? I do not know. I will be happy to try to help. But I am not very optimistic, as I see some partisanship setting in around here. Maybe there is some reason for it. But our farmers' winter wheat is planted. Winter wheat had to be planted. We could not wait. We planted our wheat. Now we are relying on the 1949 act. I assume farmers may conclude maybe that act is not so bad when they look at what the prices might be. But that is not how we ought to resolve it.

So we are prepared to accommodate the Democratic leader, who I think certainly in good faith will present something in writing, and see what happens by next Tuesday. If we cannot agree, then we will have another cloture vote. I do not know what will happen with that cloture vote. Hopefully, we will have enough support at that point to get enough votes to go on to the Leahy-Lugar compromise bill.

So I hope my colleagues on both sides will keep in mind that farmers really do not care about the politics. They do not care who stands up and shouts the loudest about who is at fault. All they know is that there is no farm bill. They would like to see us sit down and work it out. There are different philosophies in agriculture like most everything else, but we are prepared to try to accommodate some of the requests of our colleagues on both sides, particularly on the Democratic side, in an effort to get a bill done as quickly as possible.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I understand the frustration. I am a little frustrated, too. I would like to get a farm bill out. But let me make an observation or two.

I do not know, in my 21 years, that we have ever failed to renew a farm bill within the year that it expired. Now we are in the year after the 1990 farm bill expired. This bill should have been completed last September.

We also hear that the President vetoed a farm bill. Well, that farm bill that the President vetoed in reconciliation was a bill that they could not pass out of the Agriculture Committee in the House. So they take that bill and stick it in reconciliation. That was not passed out of the Agriculture Committee. Now, in the Senate, we have not passed an agriculture bill out of the Senate Agriculture Committee that I know of.

So here we are arguing over an agriculture bill that really has never gone through the process. And we are October, November, December, January, and February later. We finally bring it to the floor without knowing exactly what is in it and want cloture on it so we cannot debate it and so we cannot amend it.

The Senator from Vermont, when he was chairman of the Agriculture Committee in 1990, set a record. He completed the agriculture bill in 7 days of debate on the floor—7 days of debate on the floor. Now we want to bring it up 1 day, vote cloture on it, and get it out. No wonder some people are digging their heels in. What might be good for Kentucky may not be good for Utah. But it is a regional bill that we have to bring together and satisfy generally the farmers in those areas. If I were farming, I would be frustrated, too. We have been begging for a farm bill; begging for a farm bill. And all of a sudden we get it on Thursday, want to complete it on Thursday, and go out for 3 weeks.

I say to my friends that they can blame whoever they want to, but this bill is 5 months late, at least 5 months late.

Mr. LEAHY. Mr. President, will the Senator yield?

Mr. FORD. Mr. President, I will yield for a question without losing my right to the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I will note that the distinguished Senator from Kentucky is absolutely right. In the 1985 farm bill—I see my good friend from North Dakota here, and I think he recalls the numbers—but the 1985 farm bill took something like 11 or 12 weeks to complete. There were a lot of sessions, as my friend from Kentucky will recall, until midnight or later. The 1990 farm bill set a record. And with the House, the Senator from Kentucky, the Senator from North Dakota, and others, we passed it in 7 days with the distinguished Senator from Indiana—in 7 days. That was an all-time record. But that was 7 days, as my friends will recall, of very intensive debate on some major policy issues involving tens of billions of dollars.

Today I know is a long day. People may be tired. I know I am. I finished work in Vermont about 1:30 this morning and was on a flight right after 6 o'clock this morning to come down here for this.

The distinguished majority leader speaks of partisanship. It really has not been. Farm legislation, to my recollection, has always been bipartisan. We have worked it today. We had one vote of which everybody knew the outcome, the first vote today on cloture. Everybody knew. That was no surprise. The Republican leader, the Democratic leader, and all knew what that was going to be. We had a second one set up where there was a bipartisan coalition seeking it. But then we sought to make it better and to make it more bipartisan—I say to the distinguished presiding officers and others—by Republicans and Democrats. The Republican leader, the Democratic leader, the Republican chairman of the committee, the Democratic ranking member of the committee, and myself sat down and worked out at least some parameters to get us moving forward. I am convinced there is a bipartisan solution here.

This is very complex legislation. Farmers who have to deal with it know it is very complex. I wish it had been done last year. I urged that it be done last year. I understand the other body had difficulty and could not get a bill out of committee at first. We have not had one out of our committee for a number of reasons. It was not done last year. We can easily do it this year, but it would take a little bit of time to work this out.

There are distinguished Members on both sides of the aisle who have strong views who want to have votes. I have not heard a single one say they want to delay it. But at least they want to explain their amendments and have a vote on it. I might have some of my own. We ought to be able to do that. None is asking to hold it up. It takes a few days.

Somebody raised the novel idea today about working out some kind of compromise and maybe we could see it in writing and read it before we voted on it. I do not think that is a bad idea. That is an idea that might actually catch on around here—that we read a piece of legislation and then vote on it. Who knows what the results might be?

So I tell my friends on the other side of the aisle that this is something where Democrats and Republicans can work together. But while it should have been done last year, let us not make the problem worse by rushing it so much this year that it does not get done right.

I thank the Senator from Kentucky for yielding.

Mr. FORD. Mr. President, I ask unanimous consent that I yield to the Senator from North Dakota for a question, or a statement, without my losing the right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. I thank the Chair. I thank my colleague from Kentucky.

Mr. President, the Senator from Kansas indicated that the President had vetoed the farm bill. I ask the Senator from Kentucky, is not it a more accurate description that the President vetoed what we call reconciliation which contained the farm bill and which contained a lot more than the farm bill? It had $270 billion of cuts to Medicare, $182 billion of cuts to Medicaid, and a $245 billion tax reduction aimed disproportionately to the wealthiest among us.

Is it not the case that that bill had lots of things in it other than the farm bill?

Mr. FORD. I say to my friend, the Senator is absolutely correct. When you say just pick out one little piece—and the farm bill is a major piece to the farmers—that was in the overall reconciliation bill that contained the massive funding of Government. There were many things in there that even those—it was not bipartisan. We had some on the other side who objected to what was in the reconciliation bill, so voted here, and the President exercised his right and vetoed the legislation. So when you just single out the farm bill, there was much, much more in that bill than just the farm bill.

Mr. CONRAD. I thank the Senator from Kentucky. Is it not also the case that the farm bill part of it was a farm bill that many in farm country did not want? It cut farm programs $12 billion; it meant a reduction in farm income of about 40 percent. And so I remember being at a meeting at the White House with people from across my State urging the President to veto the whole reconciliation bill just because of the farm bill provision.

Mr. FORD. The Senator is absolutely correct. And I might say to him, the President of the American Farm Bureau at that time wrote us a letter saying they were opposed to it also. And I think that is a matter of record. The Senator from Nebraska [Mr. EXON] put it into the RECORD. I think he and the Senator from Iowa [Mr. HARKIN] had a colloquy on the floor and talked about bouncing like the ping-pong ball—the American Farm Bureau's position. I think that confused all of us who were trying to support our farm community.

One thing I found out a long time ago, whatever the American Farm Bureau says I do not follow anymore because my farm bureau at home is autonomous and they do not support anything of the American Farm Bureau until their board approves it or they approve it at their convention. So regardless of what the American Farm Bureau might say, I wait until my Kentucky Farm Bureau endorses that.

But just the idea of representing all of the American Farm Bureau, the head of that organization writing letters on both sides, bouncing back and forth, no wonder we are confused when last year they were opposed to it. That helped it not come out of the committee, I am sure, over there. And then they were for it. And then they want us to be for something they were against at their instructions.

So I think the time for debate and consideration of this bill is more important than I have ever seen it since I have been here. There are radical, radical changes in this bill that in the years to come—and not too many short years—if the freedom to farm bill is passed, the American people will be up in arms when you decouple.

If you do not understand what decoupling is, that is separating the payments, or the income from the commodity from the deficiency payments or the payments to the farmer so the farmer will continue to get the payments every year for 7 years up to $120,000 a year if you are in four different categories, which you can be and you can still raise your crop and still get big prices.

I think when you are doing that—and the farmers have always said they were against a welfare program, just absolutely, teetotally against a welfare program, and they are absolutely, teetotally for a balanced budget amendment, and to do something like that for them and for them to come up here and say this is something we want, I am not sure the leadership is speaking the grassroots attitude of the farmers, particularly of my State.

Now, you can come up here and say we want the money, we want you to pay us, but then decouple that to take away the safety net, take away the price stability of the marketplace, it is just something that is too radical to do immediately. Phased in, maybe. Phased out, maybe. But we need to think through this one. And I think 2 years from now, if we are paying farmers big prices and letting them get big prices for their product, somewhere the American taxpayer who is sending them the money when they are making big money, or making good profit on their crops, says that will not last very long. I think we ought to realize that and do it now and do it right rather than have to come back and be fussed at a year or two from now for doing something that the American taxpayers will not accept.

Mr. CONRAD. I thank the Senator from Kentucky.

Mr. FORD. Mr. President, I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I will conclude. I know my colleague, the Senator from Iowa, is waiting patiently.

GETTING A GOOD FARM BILL

Mr. CONRAD. I conclude by saying I hope very much that we can finish the farm bill matter by Tuesday of next week. I would have hoped we could have gotten it done today. It was not possible. But it is better to wait a few days and get it right than pass a farm bill that greased the skids from under farm producers and eliminate a program for the future.

That is precisely what this Chamber was faced with today, a plan to eliminate a farm program over time, a plan that would have guaranteed the elimination of farm programs because I believe there would have been a scandal when people discovered farmers were getting large Government payments even when they were having high income as a result of high prices that we are experiencing currently. The key is to have protection for farmers in low price years. That is when they need protection.

I think it is critically important we reach an agreement that provides a safety net in low price years and that also recognizes many farmers are hard-pressed by cash-flow this year because of the requirement to pay back advance deficiencies from last year.

I am hopeful we can achieve an agreement between the two sides that bridges those differences and achieves a settlement that is fair for American farmers, fair for the American taxpayers and that achieves a result that ensures we can pass farm legislation for the future.

I likened earlier today the proposal we had to the Reverend Jim Jones when he handed out the Kool-Aid that was laced with poison. It tasted good going down. When people drank it, they were dead.

Mr. President, there is no reason for us to take that kind of action. It is worth it to take a few extra days to get it right.

I thank the Chair. I thank my colleague from the State of Iowa.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

PASSAGE OF A FARM BILL

Mr. GRASSLEY. In the last hour and 15 minutes I believe, both before the floor leaders talked and since, we have heard people on both sides of the aisle speak about not having a farm bill, why we do not have a farm bill, even who is to blame for not having a farm bill. The fact is we do not have one, and it looks as if we are not going to have one.

We heard earlier during debate how awful it was—we heard this from the other side—that we were not going to be able to pass a farm bill. You have heard many times this evening that the President vetoed a farm bill, a 7-year farm bill in December. The President vetoed it after it passed Congress.

You heard this side of the aisle blamed because we have not passed a farm bill when this afternoon we had 53 votes for the Freedom to Farm Act. A majority of this body supported the Freedom to Farm Act.

Now, it is one thing to say it is too bad we do not have one, we ought to have one, we ought to stay here and work to get one, but it seems to me it takes a lot of gall from the other side of the aisle to blame this side of the aisle that we do not have a farm bill when we either did pass one and the President vetoed it or we demonstrated today that we had the votes to pass another one.

It just does not add up. It just does not make sense. I do not think the

American people are going to buy that argument. They can add. They know what a majority vote is. They know what it means when a President vetoes a bill. They know what it means when the President threatened this week to veto a bill that came out of the House Agriculture Committee by a bipartisan vote, the substance of which was the backbone for the legislation that we had 53 votes for here today. The President did not even wait until it got to his desk, a bipartisan bill. The President threatened to veto it.

It happens that there was a Lugar-Leahy alternative that could have been before this body. What is the Lugar-Leahy bill? It is the freedom to farm bill with a list of about 10 things that the Democrats wanted us to include in the bill, that we included. It was their language, their points. We included them. We never even got to a vote on that today. The President had already sent a letter up here—it has been put in the RECORD by the floor leader—that he was threatening to veto that. And we are being admonished by the other side of the aisle that we should have a bipartisan bill because we have always had farm bills developed in a bipartisan manner?

The Lugar-Leahy bill had added to it just exactly what the other side of the aisle wanted. Well, there may be people on the other side of the aisle who do not like what was in Lugar-Leahy, but they cannot say it was not bipartisan. It seems to me they cannot blame this side of the aisle because we do not have a farm bill, and particularly when the President said he was going to veto it before we ever got to it.

Then we are told that what was bad about the freedom to farm bill that was in the Balanced Budget Act was that it was going to cut $13 billion, three or four times what the President wanted cut, from farm programs in an attempt to balance the budget. But the bill that got 53 votes today only cut $4 billion, and that $4 billion is exactly equal to what the President had been suggesting all last year what should come from programs in an effort to balance the budget.

Mr. President, I think the debate today is bigger than the debate about just the farm bill. The debate today is what the last election was all about, whether or not we are going to continue to do business as usual or whether or not there is going to be some changes. The people in the last election sent a message—no longer business as usual.

It seems to me, as far as agriculture is concerned, no longer business as usual is that we do not continue to rely on 1949 legislation as backup legislation. The 1949 act was written for agriculture of the 1940's and 1950's, when all we were concerned about was domestic consumption and production to meet that domestic demand. It was all based upon allotments, a great deal of Government regulation, and a great deal of decisionmaking, even more than under the 1990 farm bill, here in Washington, DC. That is not the farm environment, the agricultural economic environment of the 1990's, and it surely is not for the next century. The 1990 farm bill is not even a Government program for the next century.

So what we tried to develop this year was a farm program that would bring us around to a point where we could meet the demands for agriculture in the next century and the realities of the world trading environment. That is what freedom to farm is all about, to provide transition payments that are certain payments that will get us from 1996 until the year 2002, with farmers being able to make decisions on what to plant and what to market based upon the marketplace and not on the decisions of faceless bureaucrats in Washington, and, lastly, not to set aside our productive capacity, but to produce for the demands of the world marketplace and to tell our world competition that we are going to do it and compete with every market we can and meet that world competition.

That is what the legislation that we got 53 votes today for is intended to do. But "business as usual" are people, as the vote went today, mostly on the other side of the aisle, as I can see it, who want to maintain Government involvement in the decisionmaking for the farmer, to have the possibility of not producing to capacity to meet the world marketplace, the demands of the hungry around the world, and to make sure that we have a roller coaster of Government support for agriculture—high payments when prices are moderate and no payments when prices are higher.

What is wrong with that, Mr. President, is, as we transition into an agriculture environment that meets world competition and trade, there is not any certainty in that as there is in the freedom to farm bill.

There are some farm organizations, Mr. President, who actually believe that the Government ought to have their fingers into every aspect of agriculture. I believe they will not be satisfied until there is as much regimentation of American agriculture as there is of European agriculture by the European governments.

Business as usual on the farm debate is a desire to maintain the fingers of Government into agriculture to the greatest extent possible. It is all right to do that if that is what you believe. But it is not, it seems to me, right in the process to blame Republicans when you cannot have a farm bill when the President of the other party vetoed it and we had 53 votes on a bipartisan bill to pass it this year or a bipartisan vote to get it out of the House Agriculture Committee earlier this week.

It seems to me it is OK to have that philosophy of maintaining Government's fingers in agriculture, but you should not be blaming us for not passing a farm program. What the major farm organizations of America want, it seems to me, is that we have to have a farm program that meets this new economic environment. That is what freedom to farm is all about.

It seems we heard debate today, again from the other side of the aisle, about sometimes not enough money being in agriculture because the Balanced Budget Act of 1995 would have taken $13 billion out of the baseline.

Then the next time, we are being admonished that we have a program that is going to let farmers receive some payments when prices are high. We present a farm bill that has $6 billion for the year we are in when the program that we accepted from the other side of the aisle would not have any payments this year in the sense that it would be done away with as a result of farmers paying back last year's deficiency payment.

With the certainty of $43 billion over the next 7 years, we have a chance in those parts of rural America where they did not have a good crop last year to benefit from the higher prices of grain this year, but yet they would be caught with writing a check back to the Federal Government for the advance deficiency payment that they got last year.

Our program would solve that. It would have a $6 billion investment in agriculture, it seems to me just exactly what we are hearing the other side of the aisle cry about that our farm program was taking $13 billion out of the baseline.

I hope that we can reach an agreement. The way things developed today, when you have a situation where the Democratic and Republican leaders get together and we on this side of the aisle buy everything that the Democratic leader asked for, and it looks like we have a bipartisan agreement put together, and then the other side cannot even go with a sweetheart deal that we accept—as I said once before on the Lugar-Leahy bill, there were 10 or 12 items that they put on a sheet of paper that they wanted, and we just accepted them. Yet, in the caucus for the other side, they cannot agree to move forward tonight. And when they come out of that caucus, then they come to the floor and blame us when we had 53 votes, a majority vote to pass a bill, they blame us?

That is what I mean when I say I think it takes a lot of gall when we take almost everything they want, I guess, in these two instances, everything they ask for, and then eventually we cannot move forward.

I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

CONSTRUCTING A COMPROMISE FARM PROGRAM

Mr. DORGAN. Mr. President, Ogden Nash wrote a little four line poem about a man who was a drunk and a spouse of his who nagged him about it all the time. I am reminded of that listening to what I have listened to in the last hour or so.

> He drinks because she scolds, he thinks.
> She scolds because he drinks, she thinks.
> And neither will admit what is really true.
> He's a drunk and she's a shrew.

I listened today to discussions about who is at fault for failure. I listened to creative inventive discussions in which any one of several people choose to say that "It's her fault," or "his fault" or "their fault."

It is of little use or value, it seems to me, to worry about anything other than how we construct a compromise farm program.

There is a wide range of agreement in this Chamber about a farm program. There ought to be total planting flexibility for farmers. Any new farm program should provide for total planting flexibility on base acres. There is wide agreement on that.

Most of us agree that there ought to be forgiveness of advance deficiency payments for those who suffered crop losses last year. Most of us would agree to some kind of advance deficiency payment that would not have to be repayable in the next year or two. I would have no objection to that.

I would not be pleased with providing payments for people who do not farm. If the requirement for getting a payment is simply to have some land and a bank account, but you do not have to plant a seed and you still get a generous payment, that is wrong. I have some trouble with that. But I have no problem at all with providing some kind of advance or certain payments for farmers in order to recapitalize their farm operation.

My hope had been this evening that we would proceed during this period to have constructed some kind of a compromise. The reason that we are not proceeding late tonight or tomorrow or Saturday or Sunday or Monday, I assume has a lot to do with what a lot of people are doing around the country.

There is a Presidential campaign going on. We have the equivalent of a football team in the U.S. Senate running for the Presidency. They are off around the country campaigning. I understand all that.

I have to tell you, I have enormous respect for the majority leader. I think the majority leader in this Chamber is a remarkable legislator, someone for whom I have had deep respect for many, many years. I had hoped, and I think the minority leader had hoped, and others had hoped, that there would be some method found by which we could reach a compromise. The talks that have been ongoing for the last number of hours have appeared to me to reach some significant agreement.

Will that agreement mean that next Tuesday there will be a compromise? I do not know the answer to that, but I sure hope there will be a compromise, because there is plenty of area for agreement between the aisles.

There is one area in which there is wide disagreement, and it seems to me it is the reason that we have not had a farm program to this point. The freedom to farm bill presupposes that there will be no further farm program. I know some of the supporters say, "No, that's not what we are trying to do." Others are more candid and up front and say, "Sure, that is what we are doing. We will have a buy-out up front with transition payments and we will transition you, and once you are transitioned, there will not be a safety net in the event that prices collapse."

My concern with that is I do not think we will have family farmers in our country if, when prices collapse—and there are plenty of reasons for grain prices to collapse from time to time—there is then not some kind of basic safety net.

The interesting thing about the farmers is they face a so-called free market with a lot of enemies in that free market. They have a big grain trade that would love to knock down prices at every opportunity. They would love to knock down prices the minute prices start to strengthen, and they do it in dozens of different ways. When farmers try to market, they have to market up the narrow neck of a bottle with about a dozen major grain trading firms controlling where that market stream of product goes.

The fact is, they want to buy grain at lower prices, not higher prices, and in dozens of ways, they try to find a way to knock down higher prices when prices firm up.

Do you think millers love to see high prices? No; no, they would like to find a way to knock down prices a bit. Food processors, do they like high grain prices? No, they find a way to knock them down. So every time prices start to firm up—and, yes, even USDA.

I heard an Assistant Secretary about 5 or 6 years ago sidle up to the table in the House Agriculture Committee and say, "We had to take action to release grain, because we thought prices were firming up too much." That is a euphemism for saying, "We over in USDA thought farm prices were getting too high, so we used our leverage and the mechanisms we have to try to trim them down a bit."

The interesting thing is, family farmers never seem to be able to take advantage on any continuing basis of a free market of higher prices, because there is always someone in there to interrupt those higher prices, big grain trading firms, food processors and others. Well, I do not object—in fact I think we must find a much more market-oriented, market-sensitive farm program. Those who say we should are absolutely correct and they will find support from me for that. But I do not believe that we ought to decide that there should be no further price supports in the outyears in order that when international prices drop, family farmers will be left with no ability to deal with that risk.

Frankly, they cannot deal with that risk. Family farmers will not survive. Prices will drop and family farmers will fail and FAPRI, the research agency, says wheat prices will drop to $3.22 next year. USDA predicts a drop in 1998. I do not know the facts. I know wheat prices go up and down. But they go down a lot easier than they go up.

When they go down, the question is, for somebody farming 800 acres of wheat land in the northern great plains, and wheat drops to $3 a bushel and their production costs are $4.50 a bushel, and there is no loan rate, no target price, no marketing loan, no restitution payment, no nothing, what happens to that family farm?

The family farm goes broke. Who farms it? An agrifactory buys it. Corporations farm in this country from California to Maine. That is what will happen if you decide this country has no interest in retaining a safety net for family farms.

Every time I hear somebody—especially somebody from Washington with a white shirt—talking about transitioning somebody—especially a farmer—I suggest you fasten the seatbelt on the tractor seat. If you are going to be transitioned, you better look at what is behind that so-called transition. It may be going to a marketing policy that says:

> Let us have a buyout and make some big payments up front in exchange for no further help, even some minimum safety net in the long-term.

There does need to be a farm program enacted by the U.S. Senate and the U.S. House, and it needs to be done soon. I do not want to revisit the question of who did what and why. I can make a strong case that this is the first day of the 104th Congress we have had a debate on the farm bill on the floor of the Senate. I know one was put in the reconciliation bill, but it was not debated on the floor. I am not interested in revisiting that because it is not very important.

What is important is the question of what do we do now, how quickly can we do it, and can we do it in a way that advantages the rural economies in this country. Can we do it in a way that especially tries to provide basic help to family-size farmers when prices drop.

It is my expectation and my hope that, with the leadership of Senator DOLE and Senator DASCHLE, and the work that has been ongoing today, in which I think there has been some fair amount of agreement, between now and next Tuesday, provide a proposal. We could provide to both caucuses an approach that provides a bridge, or deals with filling in the gaps between the divergent proposals, and come to the floor and truly, in a bipartisan way, join hands and say this makes sense and meets the test.

This does what some in this Chamber have counseled, which is to make a more market-oriented farm program work. It provides more flexibility and it moves into the future with a more modernistic program that is more market-sensitive. It still retains, for those concerned about whether we will have family farmers in the future, a basic safety net of some consequence, so that when prices drop, family farmers will be able to ride out those times.

I come from a town of 300 people and from an area that is a family farming area. I suppose some people can say, "Of what importance is it whether our farms are farmed by family farmers or whether they are farmed by one large giant corporation that farms two counties at a time?"

I think there is plenty of reason for us to believe, for both social and economic reasons, in the retention of the opportunity to farm, and that to have a network of family farms dotting these prairies in America, dotting the northern great plains, makes a lot of sense. It supports a lifestyle that I think is admired by a lot of Americans. Turn on the news in any major city in the country and ask yourself if what you hear there compares well with what you understand is going on in our small towns and out on our farms.

Does the news compare in terms of family values and good living, living in circumstances relatively free from crime, living in neighborhoods and farm areas where you know all of your neighbors. The fact is that there are a lot of reasons to care about whether we have a network of family farms in our future. The answer to that question depends on what kind of farm program we develop here in the U.S. Congress.

Mr. President, let me conclude by saying that it is not my intention to do anything other than suggest that all of us find a way to serve the common interests that we have in rural America. There are farm families who depend on us, and they depend on us to do the right thing. There are mixed messages coming from different groups, commodity groups and farm organizations. Some like this approach and some like that approach. It seems to me that there is a basis for compromise.

I hope that between now and next Tuesday, we will reach out and find that basis and, on Tuesday, move to a conference committee, a piece of farm legislation passed by the U.S. Senate in a bipartisan manner.

Mr. President, I yield the floor.

Mrs. KASSEBAUM. Mr. President, I just say, in answer to the Senator from North Dakota, I feel confident that Senators on both sides of the aisle want to reach an agreement on a substantial, constructive farm bill. Nothing is more important, and it is prime legislation. I feel sure that I can speak on behalf of Senators on my side of the aisle that would say we are going to reach that agreement, and we will all work together in good faith to achieve what is very important, coming from a farm State, as I do myself.

MORNING BUSINESS

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL APPRECIATION WEEK FOR CATHOLIC SCHOOLS

Mr. PRESSLER. Mr. President, during this National Appreciation Week for Catholic Schools I would like to take a few moments to recognize the high quality and the hard work of the Catholic School System.

Our thanks and praise should go to the Catholic Schools for their special efforts to put children first. In the midst of increased school drop-outs, illiteracy, teenage pregnancy, drug-abuse, youth violence and growing pressures on teenagers and children—Catholic Schools provide their students a safe and healthy environment for learning. These schools give pupils an advantage by helping them develop a solid moral foundation.

In today's challenging society, mere words and good intentions are not enough. Catholic Schools' actions demonstrate their commitment to children. With a 99.98 percent graduation rate and 85 percent college matriculation rate, South Dakota Catholic Schools are proving that a solid combination of educational and spiritual guidance is the key to healthy living. In assisting pupils to build better lives, Catholic Schools reaffirm the value of life.

Catholic Schools extend the lessons we try to teach children at home: respect and love of our fellow neighbors, respect of the individual, personal discipline, individual responsibility and concern for the larger community. Catholic schools reinforce these family values which are the key to strong communities. We want the best for our families, our communities, and South Dakota. We must work to put the best tools in the hands of the future—our children. The Catholic schools give students the tools to be responsible adults and concerned citizens.

I want to thank all the individuals who have contributed to Catholic School Systems' continued success and growth—the teachers, administrators, and of course the parents, many being graduates of Catholic schools themselves. One special week each year is a modest way to pay special tribute and thanks to the Catholic Schools across our country for the service they provide to our communities and our future.

GOOD THINGS ARE HAPPENING IN MALTA, MONTANA

Mr. BAUCUS. Mr. President, at a time when we hear so much about what is wrong with America, I want to take a moment to talk about a place where good things are happening. That place is Malta, Montana.

Malta is a small community in Northern Montana, up along what we in Montana call the "Hi-Line". Like any small Montana town, it is a place where people work hard and don't think twice about helping out a neighbor or a friend in need.

This past Christmas Eve, a fire destroyed Malta's high school and junior high school. But folks in Malta pitched right in to get a temporary school up and running.

Students, teachers, and others from the community have spent the past month salvaging lost items and fixing up temporary school sites. Almost every Montana community has helped by sending items to start up the new schools. Also, Federal and State Agencies, Veterans groups, private as well as small businesses and many other organizations have contributed to this effort.

And I was privileged to spend a day working as part of this effort. While the entire community deserves credit, I would like to recognize three individuals who have taken a leading role in this undertaking. First, I would like to acknowledge the Principal of Malta High, Marty Tyler, who quickly took control of the situation and led the students and the community in the effort to rebuild the schools. For example, Principal Tyler and members of the student council collected about 4,000 bricks to construct an entrance sign when the new school is built. During my work day at the Malta schools I participated in building windbreaks in front of doors and collecting bricks with Schoolboard Chairman Doug Ost and School Superintendent Bill Parker. Both of whom deserve a big thanks for the commitment and support they have given to the Malta School District.

Finally, this fire also prompted the creation of PRIDE, People Rebuilding Investing and Developing Education, a local group to offer advice and manpower to the school district. I would like to extend my sincere thanks for their community involvement.

Mr. President, it is an honor and a privilege for me to recognize the achievements of the students, teachers, administrators, and citizens of the Malta community and all others who have helped to get this project off to a great start.

A STRONG NATIONAL GUARD

Mr. HOLLINGS. Mr. President, over the last month I've traveled to every county in South Carolina. And one of the things that I heard from people was that they want America to keep a strong National Guard.

As a veteran, I know that a strong National Guard is vital to national security. Time and again, National Guard troops proved themselves to be as competent—if not more so—as regular troops in the active military. Air National Guard troops from South Carolina routinely are rated among the best in the service. They flew countless missions in the Persian Gulf War and flew them with skill, accuracy and expertise. Army National Guard troops from South Carolina proved themselves to be ready to mobilize and fight almost at the drop of a hat.

Mr. President, a strong National Guard also makes common sense. In these days where dollars are stretched thin, we can get three qualified and highly trained guardsmen for the cost of one active-duty soldier. Perhaps more importantly, however, having a strong Guard builds community support for the military. Think about it—the men and women who serve in the National Guard work in towns and counties every day across the country. They work in stores, construction sites, mills, factories and offices. And they set the example of public service for everyone. When their units are called up, their co-workers all turn out to support their efforts.

Mr. President, a couple of weeks ago when I was in Laurens, South Carolina, Rich Browne, the local newspaper editor, and I discussed the value of a strong Guard. His comments in a recent column are to-the-point. I hope every Senator would read this wise column and resist efforts to reduce the size of our National Guard units.

Mr. President, I ask that Rich Browne's column from the January 4 edition of the Laurens County Advertiser be reprinted in the CONGRESSIONAL RECORD.

The column follows:

AVOIDING MILITARY ADVENTURES

[From the Laurens County Advertiser by Rich Browne]

This should be an interesting year for the U.S. military.

With the active duty services once again calling on reserves to support the efforts to police the peace in Bosnia, according to news reports, the Department of Defense once again is leading a charge to reduce the role of National Guard units in preparing for the defense of the nation.

Well, the truth be known, the Department of the Army would like for all the combat arms units in the National Guard to just go away—they are a threat to the active Army's jobs. I saw this first-hand in Desert Storm and despite the Pentagon's contention that it would save the military a billion dollars per year to shift the focus of reserve units from fighting units to support units, the Army wants to deny that it would be cheaper and more effective to reduce the active component even further while increasing the number of troops in the reserve components.

However, don't look for this to happen and I'll tell you why.

First, it drastically would cut the number of active duty staff officer positions at the Pentagon and they are the ones who are drawing up the plans to downsize the military. No one, and I mean no one, is willingly going to say "Eliminate me and destroy my career," when an option can be made to eliminate someone else's job (even if they do it at less than half the cost).

Second, it is a matter of control. Because of its dual state-federal role, the National Guard is not totally under the control of federal army, something senior staff members resent and dream up ways to eliminate. Even though, again speaking from personal experience, Guard and reserve units often meet or exceed the standards set for active duty units, despite the fact they don't practice at the job 270 days a year.

Third, it limits the options of the executive branch to use the military in questionable operations. Note that the hue and cry about the use of U.S. forces in the Balkans and places like Somalia and Haiti are muted when the troops used are professional, full-time volunteers when compared to the times when the political leadership has to bite the bullet to tap into every village and hamlet to send forces in harm's way.

The civilian and military leadership in the Pentagon knows these things full well and, hence, would rather keep their jobs and control of careers, while keeping open the options for ticket-punching operations that are so vital to career progression.

The argument is that the combat units in the National Guard won't go to war and are ill-prepared to fight if they are sent, which—to borrow a phrase from retired Gen. H. Norman "Stormin' Norman" Schwarzkopf—is just so much bovine scatology.

When the Army went to war in the Persian Gulf, its units were no more prepared than many National Guard units. Most used the months preceding the ground attack to "train up" in the desert and bring their troops up to the needed "combat readiness."

The three National Guard armored brigades that were mobilized during Desert Storm where held in the U.S. not so much because their training was not up to snuff, but because if they had gone to the desert and acquitted themselves well . . . well, it would have disproved the myth that reserve soldiers can't perform up to the same standards as active duty soldiers.

Imagine what Congress and the budget cutters would have thought then. Gee, for 40 cents on the dollar, we can field a capable force that doesn't need all the full-time auxiliary services like housing, medical care and other benefits that we have to give the active duty force. We might be able to get a lot more bang for our buck.

Lay aside those arguments, and the arguments about all the support and benefits to national defense that come from a truly citizen army, and there is one vital reason why the political leadership in Washington and the Pentagon should not be allowed to reduce the Army to just professional soldiers: It removes the political cost on military adventures overseas.

If the civilian leadership has to go to every hamlet and village to draw men (and now women) to carry rifles and man tanks and artillery pieces, then it has to be able to justify the mission to the American people. This can be a tough sell and can be avoided if it is just a matter of sending in the professionals that have slipped under the radar of the folks back home. Hey, they volunteered for the job and it goes with the territory.

But don't look for that argument to be made. Even though we learned that lesson in Vietnam, when we didn't have large scale mobilizations of the reserve components and paid the price in 58,000 lives, we have forgotten it again. Gone, now, is the leadership that created the "Total Force", the Army that was built so that the civilian leadership couldn't commit U.S. forces in substantial numbers without paying the political price of getting the American people on board.

The new leadership wants to be able to go anywhere, anytime and not worry about support back home. It saves their careers.

HONORING BLACK HISTORY MONTH

Mr. HOLLINGS. Mr. President, I rise today to salute the fine work South Carolina Educational Television is doing to promote Black History Month. On Wednesday, February 21, SC ETV will feature the ninth annual Black History Teleconference live from the campus of Benedict College in Columbia, S.C.

"The Struggle Continues: African-American Women as Nurturing and Contributing Forces in America" will feature eight South Carolina high school seniors who will question a panel of nationally acclaimed African-American leaders. The 90-minute teleconference will be broadcast live via satellite to more than 500 school districts nationwide, colleges, and universities.

The eight high school panelists for South Carolina are Dion Alexander of Woodruff High School, LaShonda R. Davis of Bishopville High School, Felicia DuRante of Mauldin High School, Latasha Johnson of Baptist High School, Tahnee Johnson of Walterboro High School, Juontonio Pinckney of Battery Creek High School, Lemekia Stewart of Lockhart High School, and Joey Walker of Silver Bluff High School. I send my congratulations to each of them for their academic and civic achievements.

Also, I would like to commend Dr. Marianna Davis of Keenan High School in Columbia. She has been the driving force behind this annual event. She is an inspiring role model for our youth because she encourages them to set high goals and to work hard to reach them.

Mr. President, I also commend Henry Cauthen, president of South Carolina ETV; Dr. Davis; the students; and the panelists of "The Struggle Continues" for their continuing devotion to cultural excellence in broadcasting. We are very proud of our fine educational network in South Carolina. It serves as an example for the Nation in presenting this teleconference during Black History Month.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, about 4 years ago I commenced these daily reports to the Senate to make a matter of record the exact Federal debt as of close of business the previous day.

In that report, February 27, 1992, the Federal debt stood at $3,825,891,293,066.80, as of close of business the previous day. The point is, the Federal debt has escalated by $1,161,545,065,098.40 since February 26, 1992.

As of the close of business yesterday, Wednesday, January 31, 1996, the Federal debt stood at exactly $4,987,436,358,165.20. On a per capita basis, every man, woman and child in America owes $18,930.74 as his or her share of the Federal debt.

BOX SCORE ON IMPORTS OF FOREIGN OIL BY THE UNITED STATES

Mr. HELMS. Mr. President, the American Petroleum Institute reports that, for the week ending January 26, the U.S. imported 6,895,000 barrels of oil each day, 5 percent more than the 6,550,000 barrels imported during the same period 1 year ago.

Americans now rely on foreign oil for more than 50 percent of their needs, and there are no signs that this upward trend will abate.

Since a barrel of oil is 55 gallons, this means that the United States purchased 379,225,000 gallons of oil from foreign countries this past week.

Anybody else interested in restoring domestic production of oil—by U.S. producers using American workers? If the American people don't become concerned perhaps they had better ponder the economic calamity that will occur in America if and when foreign producers shut off our supply, or double the already enormous cost of imported oil flowing into the United States—now 6,895,000 barrels a day.

UNITED STATES-GERMANY AVIATION RELATIONS

Mr. PRESSLER. Mr. President, I rise today to discuss a critically important international aviation matter I have raised in this body on numerous occasions. I refer to the significant opportunity that has presented itself to fully liberalize our aviation relations with the Federal Republic of Germany.

I am delighted to inform my colleagues that this morning the United States and Germany agreed on a framework for an open skies agreement. This is a major step in liberalizing aviation relations with one of our most important trading partners. A United States-Germany open skies agreement would produce significant new air service opportunities for all U.S. passenger carriers. Now that the mutually agreed upon structure for a liberalized air service agreement is in place, a round of formal talks has been scheduled for February 22 in Washington to finalize any remaining details.

Mr. President, I would like to praise both the Department of Transportation and the State Department for the excellent work they are doing in pursuing this opportunity. Also, I would be remiss if I failed to recognize the outstanding leadership German Transport Minister Matthias Wissmann has provided. I appreciate fully that Germany's membership in the European Union creates an added challenge in accomplishing our shared goal of securing an open skies agreement. For that reason, I commend Minister Wissmann for the great political courage he and the German Government have shown in pursuing this initiative.

An open skies agreement with Germany is tremendously significant since it would benefit the U.S. economy, our airline industry and consumers. Let me briefly expand on each point.

First, both immediately and from a long-term perspective, a United States-Germany open skies agreement would produce significant economic benefits for the United States. Due to the competitiveness of U.S. passenger and cargo carriers, they consistently generate for the United States significant net trade surpluses. I fully expect the same will continue to be true under a fully liberalized aviation regime with Germany. In fact, the performance of our cargo carriers under the liberalized air cargo agreement we signed with Germany in 1993 has been very impressive.

Germany also would benefit greatly from such an agreement. To confirm this point, one need only look to the Netherlands which continues to reap enormous economic benefits from the open skies agreement we signed with the Dutch several years ago. Unquestionably, the economic benefits of open skies agreements are a two-way street. I believe a United States-Germany open skies agreement is an excellent long-term economic investment for both countries.

Second, an open skies agreement with Germany would create tremendous new international air service opportunities for the U.S. airline industry. As I have previously explained to this body, such an agreement would generate both direct and indirect benefits for all U.S. passenger carriers.

In terms of direct benefits, an open skies agreement with Germany would immediately produce new air service opportunities between the United States and Germany. Is there pent-up demand among U.S. passenger carriers to serve Germany? Absolutely. Recently, eight U.S. passenger carriers sought to offer 316 roundtrip flights between the United States and Germany each week during the 1996 summer season. Under the current bilateral aviation agreement, however, U.S. passenger carriers can only offer 276 weekly roundtrip flights to Germany. Under an open skies agreement, there would be no such limit and the number of roundtrip frequencies would be set by market demand, not governments.

Equally important, German airports would provide well-situated gateway opportunities for our carriers to serve points throughout Europe, the Middle East, Africa and the booming Asia-Pacific market. Is it realistic to think that German airports will provide key gateways to the rapidly expanding Asia-Pacific market? Absolutely. In fact, Japan Airlines recently announced it intends to initiate new service between Osaka and Frankfurt. Non-stop service is presently available from Frankfurt-Main Airport to cities throughout the Asia-Pacific market including Hong Kong, Seoul, Bangkok and Singapore. Moreover, non-stop service to the Asia-Pacific market also is currently available from Munich Airport. These examples illustrate my point well.

With respect to indirect benefits, an open skies agreement with Germany would be an important catalyst for further liberalization of air service opportunities throughout Europe. Since it is such a critical fact, let me reiterate a point I have made in this body before. An open skies agreement with Germany—in combination with liberalized air service agreements we already secured with the Netherlands in 1992 and with nine other European countries last year—would mean nearly half of all passengers traveling between the United States and Europe would be flying to or from European countries with open skies regimes. Under such a scenario, competition would be our best ally in opening the remaining restrictive air service markets in Europe.

Will an open skies agreement with Germany, or any other country for that matter, benefit all U.S. passenger carriers equally? Of course not. A market-oriented framework only guarantees carriers the opportunity to compete. As should be the case, the market will determine which carriers will benefit most under an open skies agreement with Germany. Overall, however, I do predict with confidence that the U.S. aviation industry as a whole will benefit immensely from unrestricted opportunities to serve Germany.

Third, undoubtedly consumers in the United States and Germany would be the biggest winners. Due to enhanced service options as well as the assurance of competitive air fares, consumers always benefit most under open skies agreements.

In conclusion, I am very pleased that we are well on our way to an open skies agreement with Germany. Such an agreement would be in the best economic interest of the United States and it would create considerable new international air service opportunities for all U.S. passenger carriers. Of great importance to me, consumers would reap significant benefits as well. I hope an open skies agreement with Germany will soon be in hand.

Let me add that I know some of my colleagues are frustrated that we have not made more progress liberalizing air service opportunities with several other major trading partners. I share this frustration but do not believe it results from a lack of effort on the part of our negotiators. In fact, our successful talks with the Germans illustrate a critical element which has been lacking in those other negotiations. I refer to the keen vision the Germans have shown in recognizing that the economic benefits of an open skies agreement with the United States are a two-way street.

In this regard, I believe my colleagues who are frustrated about the continued reluctance of the British to permit U.S. carriers greater access to London Heathrow Airport should be very pleased by this development with Germany. As I said earlier, competition will be our best ally in expanding air service opportunities with European countries such as the United Kingdom that continue to restrict the access of U.S. carriers. An open skies agreement with Germany will add great force to this market dynamic.

TRIBUTE TO LOWELL KRASSNER

Mr. LEAHY. Mr. President, I rise today in honor of the late Lowell Krassner of Burlington, VT, who passed away unexpectedly on January 15, 1996. As a longtime activist with the Vermont chapter of the Sierra Club, Lowell dedicated much of his life and energy to the conservation and stewardship of our natural resources—both in Vermont and nationally.

Lowell, together with his wife and partner Diane Geerken, worked tirelessly to protect the Vermont they loved, making major contributions to the eventual passage of the Vermont Wilderness Act of 1983 and the Green Mountain National Forest Management Plan of 1986.

Lowell and Diane functioned as a two-person citizen oversight committee, making sure that the actions of State and Federal public lands and natural resource managers were carefully reviewed. Indeed, friends and colleagues have often remarked how their South Burlington home served as both a hub of environmental activism and a Vermont conservation archive for so many years.

Lowell stood as a staunch defender of the Long/Appalachian Trail. He could also be both a strong supporter and sharp critic of the U.S. Forest Service, depending on the issue at hand.

In his commitment to the environment, Lowell Krassner also looked well beyond the Green Mountains, Lake Champlain, and the Connecticut River. He was well read on the various national environmental debates of the day—clean water, clean air, endangered species, wetlands, ANWR, Forest Service timber policy—and readily shared his views with his congressional representatives.

Lowell was particularly concerned with the recent attacks on our Nation's environmental laws represented by such actions as the timber salvage rider on the fiscal 1995 rescission legislation.

Over the last few years, Lowell immersed himself in the work of the Northern Forest Lands Council and strongly supported legislation to implement the council's recommendations.

Lowell Krassner will be truly missed, not only by his family and the Vermont chapter of the Sierra Club, but also by those many of us who counted on his unswerving commitment and honesty in furthering the cause we share—the wise stewardship of our public lands and natural resources.

JOYCE ROUILLE

Mr. LEAHY. Mr. President, I would like to let the entire Senate know how proud I am of Joyce Rouille, a wonderful person and someone who I am fortunate enough to call my friend. Joyce was recently named the Volunteer of the Week by the Burlington Free Press for her work at the Community Health Center in Burlington, VT. While Joyce may technically be retired, anyone who knows her will attest to her constant devotion to her family, church, and community. The time and love she spends each day on other people would exhaust any normal person. Joyce and Jack have shown all of us how to be good parents and good citizens.

I ask unanimous consent that the article appearing in the Burlington Free Press be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Burlington Free Press, Jan. 22, 1996]

VOLUNTEER OF THE WEEK

(By Beth Gillespie)

Joyce Rouille is enhancing her retirement by helping parents at the Community Health Center of Burlington.

As coordinator of the CHC library, Rouille helps ensure that patients have easy access to the hundreds of parenting books and other materials.

She keeps track of the books patients take out, sends notices for overdue items and generally keeps library materials organized. She also helps with filing, billing, mailing and other clerical work in the center's main office.

"Joyce does anything we ask her to," says CHC director Alison Calderara. "She's totally committed and always here when we need her. It's been really nice to have her around."

Rouille lives in Burlington with her husband, John. She enjoys sewing, seasonal crafts, gardening and quilting.

"After you stop working, you don't want to just sit in a chair and do nothing. I really do enjoy working at the center—the staff are very outgoing and friendly," Rouille says.

NATIONAL PRAYER BREAKFAST

Mr. WARNER. Mr. President, each year we celebrate in the Nation's Capital a National Prayer Breakfast. It was my privilege to attend today, the 44th consecutive gathering. The President of the United States and the First Lady, together with the Vice President and his wife are, as they were today, regular attendees. Leaders from many countries, leaders from every State join with members of the judiciary, executive, and legislative branches of our government. It is invariably an inspirational, memorable event.

As is customary, Members of Congress preside and today Senator ROBERT BENNETT, Utah, whose father likewise was a distinguished U.S. Senator, contributed masterfully as a master of ceremonies. Senators and House Members share in the program.

Strong messages were given by all, especially President Clinton and Vice President GORE. The Senate participants were Senator CAROL MOSELEY-BRAUN, Illinois, who read beautifully from the scriptures and Senator ALAN SIMPSON who spoke with deep sincerity and humility.

But the most memorable contribution of all was from the principal speaker, Senator SAM NUNN, Georgia. The audience, at the breakfast and watching television, all across America, were given a stirring, uplifting message. Remarks that are deserving to be recorded for present and future generations the world over.

It is with pride and humility that I ask unanimous consent to have printed in the RECORD the remarks of my two valued friends, Senator SIMPSON and Senator NUNN.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR SIMPSON, NATIONAL PRAYER BREAKFAST, FEBRUARY 1, 1996

Mr. President, First Lady Hillary, Mr. Vice President and President of our Senate and Tipper Gore, Distinguished guests. Greetings, my fellow seekers, discoverers, and wanderers (not necessarily in that order!) always a grand morning.

One of the great honors of my life was to give the principle address at this national prayer breakfast in 1989. I was filled with trepidation that a seeker like me would be asked.

The night before, the Reverend Billy Graham, one of the most loving, inspirational, caring men in this world, called and said, "Alan, we are praying for you." I said, "You're praying for me! I'm doing plenty of that for myself!" So typical of Billy Graham.

Long ago in public life I learned where to turn when I didn't know where to turn. One source.

The Senate prayer breakfast group gathers every Wednesday morning for a convivial half hour between 8 and 9:00. Our leaders are Bob Bennett, the Republican from Utah and Dan Akaka a Democrat from Hawaii. Rare gentlemen both.

The presentor of the day—after an opening prayer—shares much of himself or herself with us for fifteen or twenty minutes and then a time of discussion and fellowship. Promptly at the hour of nine we close with a prayer as we stand with hands joined around the tables. Sometimes the theme is the Bible. Sometimes it's public life. Sometimes it's about family and our jobs but always it's about ourselves and the impact of that greater force in our lives—a higher being. All faiths. All philosophies. All believers.

These are always very moving times. We share much with each other and we gain much from each other.

It helps us endure in the partisan and political world in which we have chosen to labor. Kindness, civility, tolerance and forgiveness all are part of the essence of our gatherings. We try to put aside harsh judgment and criticism.

I remember the words of a wonderful couplet my mother used to share.

There is so much good in the worst of us.
And so much bad in the best of us.
That it ill behooves any of us
To find fault with the rest of us.

I like that one. I knew you would!

We also talk about our human frailties. We talk about how easy it is to fall for the blandishments of flattery and be overcome by ego.

I have often said that those who travel the high road of humility in Washington DC are not really troubled by heavy traffic!

It is always a very uplifting time. Yes, actually too a time of sharing of our own vulnerabilities. It was Will Rogers, our great American humorist, who said, "It's great to be great but it is greater to be human."

We are very privileged to be able to serve in the United States Senate. A special obligation. People do observe us. We are scrutinized. (Indeed we are!) We hope to do more than just talk a good game. We need to live the things we learn and share.

Let me close with a poem that is something we try to take from the weekly Senate prayer breakfast group and something we might hope to remember from this marvelous convocation today. That little poem.

We'd rather see a sermon than hear one any day,
We'd rather you would walk with us than merely show the way.
The eye is a better pupil and more willing than the ear.
Fine counsel is confusing, but example's always clear.
We can soon learn how to do it if you'll let us see it done,
We can watch you well in action, but your tongue too fast may run
And the lecture you deliver may be very wise and true,
But we'd rather get our lessons by observing what you do.

Now there's "the word" for the day!
God bless you all.

REMARKS OF SENATOR NUNN

Thank you Bob Bennett, President and Mrs. Clinton, Vice President and Mrs. Gore, fellow sinners. Have I left anyone out? I say to my good friend, Alan Simpson, Billy Graham called me also, Alan. He said, as he did in his message, that he was praying for us all. But, he felt particularly compelled to pray for Alan Simpson and for me. Alan, I don't know what he meant by that, but you and I appreciate it.

A few years ago during the Bresznev era, Dr. Billy Graham returned from a highly publicized trip to Moscow and was confronted when he returned by one of his critics with these words, "Dr. Graham, you have set the church back 50 years." Billy Graham lowered his head and replied, "I am deeply ashamed. I have been trying very hard to set the church back 2,000 years."

Today we represent different political parties, different religions and different nations, but as your invitation states, we gather as brothers and sisters in the spirit of Jesus who lived 2,000 years ago, and who lives in our hearts and minds today.

The first prayer breakfast was held in 1953 in a world of great danger. President Eisenhower was newly inaugurated and had just returned from Korea where our young soldiers were fighting desperately. World Communism was on the move. Eastern Europe and the Baltics were locked behind the Iron Curtain. All across the globe, the lights of religious freedom and individual rights were going out, and the specter of nuclear destruction loomed over our planet.

I wonder this morning how those who attended that first national prayer breakfast 43 years ago would have reacted if God had given them a window to see the world of the 1980's and 1990's.

They would have seen truly amazing things: Catholic nuns kneeling to pray in the path of 50-ton tanks—the power of their faith bringing down the Philippine dictatorship; the Iron Curtain being smashed, not by tanks of war, but by the hands of those who built it and those who were oppressed by it; the Cold War ending, not in a nuclear inferno, but in a blaze of candles in the churches of Eastern Europe, in the singing of hymns and the opening of long-closed synagogues. I believe that God gave Joseph Stalin the answer to his question, "How many divisions does the Pope have?"

They also would have seen a black man in South Africa emerge from prison after 26 years and become the President of his nation, personifying forgiveness and reconciliation; the first hesitant but hopeful steps toward peace between Jews and Arabs in the Middle East, and between Protestants and Catholics in Northern Ireland. They would see that in 1996 we are blessed to live in a world where more people enjoy religious freedom than at any other time in history. Can we doubt this morning that a loving God has watched over us and guided us through this dangerous and challenging period?

During the early days of the Russian parliament, the Duma, I joined several other Senators in attending a meeting with a number of newly elected members of that body. The second day, a few of us were invited to a very small "prayer breakfast" with a group of Duma members who were just forming a fellowship, no doubt stimulated by Doug Coe. As in the larger meeting the day before, the breakfast discussion started with a degree of coldness and tension. One of the Russians, in obvious sadness and a little embarrassment, remarked that Russia was in great economic distress and that the United States was the only remaining superpower. It was clear that this was a very sensitive point for them. It had been abundantly clear the day before.

Senator Dirk Kempthorne and I then pointed out that in the real sense there is only one superpower in the world, our heavenly Father who watches over us all. The tension immediately eased and the spirit of fellowship was built, and we prayed together to that superpower, the God who loves us all.

Our world is a strange and tragic place. It is very ironic in many ways. The Cold War is now over, but in a tragic sense, the world has now been made safer for ethnic, tribal, and religious vengeance and savagery. Such tragedy has come to the people of Somalia, Bosnia, Rwanda, Burundi, Sudan, Haiti and others.

At home, the pillar of our national strength, the American family, is crumbling. Television and movies saturate our children with sex and violence. We have watered down our moral standards to the point where many of our youth are confused, discouraged and in deep trouble. We are reaping the harvest of parental neglect, divorce, child abuse, teen pregnancy, school dropouts, illegal drugs, and streets full of violence.

It's as if our house, having survived the great earthquake we call the Cold War, is now being eaten away by termites. Where should we turn this morning and in the days ahead?

Our problems in America today are primarily problems of the heart. The soul of our nation is the sum of our individual characters. Yes, we must balance the federal budget and there are a lot of other things we need to do at the Federal level, but unless we change our hearts we will still have a deficit of the soul.

The human inclination to seek political solutions for problems of the heart is nothing new. It is natural. Two thousand years ago, another society found itself in deeper trouble than our own. An oppressive empire strangled liberties. Violence and corruption were pervasive.

Many of the people of the day hoped for the triumphant coming of a political savior, a long-expected king to establish a new, righteous government. Instead, God sent his son, a baby, born in a stable. Jesus grew up to become a peasant carpenter in a backwater town called Nazareth. He condemned sin but made it clear that he loved the sinner. He befriended beggars and prostitutes and even tax collectors while condemning the hypocrisy of those in power. He treated every individual with love and dignity and taught that we should do the same. He died like a common criminal, on a cross, and gave us the opportunity for redemption and the hope of eternal life.

He also put the role of government in proper perspective when he said, "Render unto Caesar that which is Caesar's and unto God that which is God's."

Shortly after I announced that I would not seek reelection, a reporter asked me, "You've been in the Congress for 24 years; what do you consider to be your greatest accomplishment?" I paused for a moment and replied, "Keeping my family together for 24 years and helping my wife Colleen raise two wonderful children, Michelle and Brian." Upon hearing this, the reporter scoffed, "Don't give me that soft sound-bite stuff. What laws did you get passed?"

When he said that, I had several thoughts—only a couple of them I can share with you this morning. Four years ago, my daughter, Michelle, and a few of her friends started an organization in Atlanta called Hands on Atlanta, making it exciting, efficient and fun for young people to volunteer their time to help those in need. Now, about 5 years later, 10,000 volunteers each month render about 20,000 hours of personal, one-on-one service. What laws have I passed that have had this impact?

I also thought about the difference between being a Senator and being a father. When we in the Senate make a mistake, we have checks and balances—99 other Senate colleagues, plus the House of Representatives, plus the President, plus a final review by the Supreme Court. But, when we as parents make a mistake with our children, where are the checks and where are the balances?

Congress can pass laws cracking down on those who refuse to support their children. But we cannot force husbands to honor their wives, wives to love their husbands, and both parents to nurture their children. Congress can pass laws on civil rights and equal rights, but we cannot force people of different races to love each other as brothers. Congress can promote fairness and efficiency in our tax code, but we cannot force the rich to show compassion toward the poor. We can join with our NATO allies to separate the warring factions in Bosnia, as we are doing, and give them a breathing space, but we cannot force Muslims, Croats and Serbs to live together as brothers in peace.

I recently heard a story on the radio. It happened in Bosnia, but I think it has meaning for all of us. A reporter was covering that tragic conflict in the middle of Sarajevo, and he saw a little girl shot by a sniper. The back of her head had been torn away by the bullet. The reporter threw down his pad and pencil, and stopped being a reporter for a few minutes. He rushed to the man who was holding the child, and helped them both into his car.

As the reporter stepped on the accelerator, racing to the hospital, the man holding the bleeding child said, "Hurry, my friend, my child is still alive."

A moment or two later, "Hurry, my friend, my child is still breathing."

A moment later, "Hurry, my friend, my child is still warm."

Finally, "Hurry. Oh my God, my child is getting cold."

When they got to the hospital, the little girl had died. As the two men were in the lavatory, washing the blood off their hands and their clothes, the man turned to the reporter and said, "This is a terrible task for me. I must go tell her father that his child is dead. He will be heartbroken."

The reporter was amazed. He looked at the grieving man and said, "I though she was your child."

The man looked back and said, "No, but aren't they all our children?"

Aren't they all our children?

Yes, they are all our children. They are also God's children as well, and he has entrusted us with their care in Sarajevo, in Somalia, in New York City, in Los Angeles, in my hometown of Perry, Georgia and here in Washington, D.C.

In the book of Micah, the prophet asks, "Shall I give my firstborn for my transgressions, the fruit of my body for the sin of my soul?"

The cruelest aspect of our wars and our sins is what they do to our children. Jesus said, "Suffer the little children to come unto me * * * For of such is the kingdom of God." Too often today we shorten this commandment to—suffer—little children.

Mrs. Clinton, thank you for the emphasis you have put on children and the spotlight you have shined on our challenges. You are great.

The world is watching America today. People around the world are watching not just our President or our Congress or our economy or even our military deployments. They are watching our cities, our towns, and our families to see how much we value our children, and whether we care enough to stop America's moral and cultural erosion. Do we in America in 1996 love our neighbors as ourselves as explained by Bob Bennett as our theme for the morning and by Tom Lantos and his personal example?

I do not have the answer to these questions this morning, and I don't pretend to. These problems can be solved only in the hearts and minds of our people and one child at a time. I do, however, have a few observations.

The Cold War provided us with a clarity of purpose and a sense of unity as a people. Our survival as a nation was at stake. We came together often in fear. The challenges that confront us today are far different, but the stakes are the same. I pray that our children, all of our children, will be the bridge that brings us together, not in fear, but in love.

Each year millions of our children are abused, abandoned and aborted. Millions more receive little care, discipline and almost no love. While we continue to debate our deeply-held beliefs as to which of these sins should also be violations of our criminal code, I pray that we as parents, as extended families, and as communities, will come together to provide love and spiritual care to every mother and to every child, born or unborn.

Government at every level must play a role in these challenges, but I do not believe that it will be the decisive role. What, then, are our duties as leaders, not just in the world of politics and government, but in every field represented here this morning and throughout our land? Like basketball stars Charles Barkley and Dennis Rodman, we are role models whether we like it or not.

I believe that the example we set, particularly for our young people, may be the most important responsibility of public service. We must demonstrate with our daily lives that it is possible to be involved in politics and still retain intellectual honesty and moral and ethical behavior.

We are all sinners, so we will slip and we will fall. But I have felt God's sustaining hand through every phase of my life—growing up in Perry, Georgia, raising a family, my relationship with my wife Colleen, in Senate floor debates, in committee meetings, visiting our troops in war, or being part of a mission for peace.

In the years ahead, when I think back on my public service, I am certain that my most cherished memories will be those moments spent with my colleagues in the Senate prayer breakfasts and in my meetings with leaders from around the world, usually arranged by Doug Coe, in the spirit of Jesus.

I have also been blessed by many friends in the Senate and also a small fellowship with a group of Senate brothers like the late Dewey Bartlett, Republican of Oklahoma; Lawton Chiles, Democrat of Florida; Pete Domenici, Republican of New Mexico; Harold Hughes, Democrat of Iowa; and Mark Hatfield, Republican of Oregon. No one can accuse that group of being of like minds politically.

Yet, these brothers have listened to my problems, shared in my joys, held me accountable and upheld me in their prayers. Fellowship in the spirit of Jesus does amazing things. It puts political and philosophical differences, even profound differences, in a totally different perspective.

I believe that 2,000 years ago Jesus was speaking to each of us when he delivered his Sermon on the Mount. And, my prayer this morning for our leaders and our nation is in the spirit of his words then.

May we who would be leaders always be aware that we must first be servants. May we who compete in the arena of government and politics remember that we are commanded to love our enemies and pray for those who persecute us. I can't find any exception for the news media or our opponents. May we who seek to be admired by others remember that when we practice our piety before men in order to be seen by them, we will have no reward in heaven. May we who have large egos and great ambitions recall that the Kingdom of Heaven is promised to those who are humble and poor in spirit. May we who depend on publicity as our daily bread recall that when we do a secret kindness to others, our Father, who knows all secrets, will reward us. May the citizens whom we serve as stewards of government be sensitive to the fact that we are human beings subject to error and that while we need their critiques, we also desperately need their prayers. May we never forget that the final judgment of our tenure here on earth will not be decided by a majority vote, and that an election is not required to bring us home.

May God bless each of you.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 10:32 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2036. An act to amend the Solid Waste Disposal Act to make certain adjustments in the land disposal program to provide needed flexibility, and for other purposes.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2546) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1996, and for other purposes.

ENROLLED BILL SIGNED

The message further announced that the Speaker has signed the following enrolled bill:

H.R. 2353. An act to amend title 38, United States Code, to extend certain expiring authorities of the Department of Veterans' Affairs relating to delivery of health and medical care, and for other purposes.

The enrolled bill was signed subsequently by the President pro tempore [Mr. THURMOND].

At 4:49 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 652) to provide for a procompetitive, deregulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition, and for other purposes.

At 8:32 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 141. Concurrent resolution providing for the adjournment of the two Houses.

At 8:46 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2924. An act to guarantee the timely payment of Social Security benefits in March 1996.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 2036. An act to amend the Solid Waste Disposal Act to make certain adjustments in the land disposal program to provide needed flexibility, and for other purposes; to the Committee on Environment and Public Works.

REPORTS OF COMMITTEE

The following report of committee was submitted:

By Mr. HATFIELD, from the Committee on Appropriations:

Special Report entitled "Revised Allocation to Subcommittees of Budget Totals from the Concurrent Resolution for Fiscal Year 1996" (Rept. No. 104–228).

By Mr. CHAFEE, from the Committee on Environment and Public Works, without amendment:

H.R. 2005. A bill to direct the Secretary of the Interior to make technical corrections in maps relating to the Coastal Barrier Resources System (Rept. No. 104–229).

The committee of conference submitted a report on the disagreeing votes of the two Houses to the bill (S. 652) to provide for a procompetitive, deregulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition, and for other purposes (Rept. No. 104–230).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on Armed Services:

DEPARTMENT OF ENERGY

Derrick L. Forrister, of Tennessee, to be an Assistant Secretary of Energy (Congressional and Intergovernmental Affairs).

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

The following named officer for appointment to the grade of general while assigned to a position of importance and responsibility under title 10, United States Code, Section 601:

To be general

Lt. Gen. Eugene E. Habiger, [redacted] United States Air Force.

The following named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of Title 10, United States Code, Section 1370:

To be lieutenant general

Lt. Gen. Stephen B. Croker, [redacted] United States Air Force.

The following named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of Title 10, United States Code, Section 1370:

To be lieutenant general

Lt. Gen. Arlen D. Jameson, [redacted] United States Air Force.

The following named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be lieutenant general

Maj. Gen. Michael D. McGinty, [redacted] United States Air Force.

The following named officers for appointment in the Regular Air Force of the United States to the positions and grade indicated under title 10, U.S.C., section 8037:

THE JUDGE ADVOCATE GENERAL OF THE UNITED STATES AIR FORCE

To be major general

Brig. Gen. Bryan G. Hawley, [redacted]

THE DEPUTY JUDGE ADVOCATE GENERAL OF THE UNITED STATES AIR FORCE

To be major general

Brig. Gen. Andrew M. Egeland, Jr. [redacted]

The following named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United State Code, Section 601:

To be lieutenant general

Maj. Gen. Phillip J. Ford, [redacted] United States Air Force.

The following named officer for reappointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be lieutenant general

Lt. Gen. Kenneth A. Minihan, [redacted] United States Air Force.

IN THE ARMY

The following named officer for appointment to the grade of general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601(a):

To be general

Lt. Gen. Henry H. Shelton, [redacted] United States army.

The following named officer for appointment to the grade of lieutenant general in the United States Army while assigned to a position of importance and responsibility under title 10, U.S.C., section 601(a):

To be lieutenant general

Maj. Gen. John M. Keane, [redacted] United States Army.

The following named officer for appointment to the grade of lieutenant general in the United States Army while assigned to a position of importance and responsibility under title 10, U.S.C., section 601(a):

To be lieutenant general

Maj. Gen. Patrick M. Hughes, [redacted] United States Army.

NAVY

The following named officer to be placed on the retired list of the United States Navy in the grade indicated under section 1370 of title 10, U.S.C.

To be vice admiral

Vice Adm. David B. Robinson, 450–64–1881.

The following named officer to be placed on the retired list of the United States Navy in the grade indicated under section 1370 of title 10, U.S.C.

To be vice admiral

Vice Adm. John B. LaPlante, [redacted]

The following named officer to be placed on the retired list of the United States Navy in the grade indicated under section 1370 of title 10, U.S.C.

To be vice admiral

Vice Adm. John M. McConnell, [redacted]

(The nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BROWN:

S. 1549. A bill to improve regulation of the purchase and sale of municipal securities, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HELMS:

S. 1550. A bill to eliminate the duties on 2-Amino-3-chlorobenzoic acid, methyl ester; to the Committee on Finance.

By Mr. DORGAN (for himself, Mr. HOLLINGS, Mr. DASCHLE, Mr. CONRAD, and Mr. KERREY):

S. 1551. A bill to restore the broadcast ownership rules under the Communications Act of 1934 to the status quo ante the enactment of the Telecommunications Act of 1996; to the Committee on Commerce, Science, and Transportation.

By Mr. DASCHLE:

S. 1552. A bill to amend the Railroad Retirement Act of 1974 to prevent the canceling of annuities to certain divorced spouses of workers whose widows elect to receive lump sum payments; to the Committee on Labor and Human Resources.

By Mr. MCCAIN:

S. 1553. A bill to provide that members of the Armed Forces performing services for the peacekeeping effort in the Republic of Bosnia and Herzegovina shall be entitled to certain tax benefits in the same manner as if such services were performed in a combat zone; to the Committee on Finance.

By Mr. COCHRAN:

S. 1554. A bill to amend the Fair Labor Standards Act of 1938 to clarify the exemption for houseparents from the minimum wage and maximum hours requirements of that Act, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. DOLE (for himself, Mr. ROTH, Mr. MCCAIN, and Mr. DOMENICI):

S. 1555. A bill to guarantee the timely payment of social security benefits in March 1996; read twice.

By Mr. KOHL (for himself and Mr. SPECTER):

S. 1556. A bill to prohibit economic espionage, to provide for the protection of United States proprietary economic information in interstate and foreign commerce, and for other purposes; to the Committee on the Judiciary.

By Mr. SPECTER (for himself and Mr. KOHL):

S. 1557. A bill to prohibit economic espionage, to provide for the protection of United States vital proprietary economic information, and for other purposes; to the Select Committee on Intelligence.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SPECTER (for himself, Mr. SIMON, Mr. DOLE, Mr. LAUTENBERG, Mrs. BOXER, Mr. COCHRAN, Mr. HEFLIN, Ms. MIKULSKI, Ms. SNOWE, Mr. GRASSLEY, Mr. THURMOND, Mr. GLENN, Mr. BRADLEY, Mr. KENNEDY, Mr. KERRY, Mr. REID, Mr. MACK, Ms. MOSELEY-BRAUN, Mr. SARBANES, Mrs. FEINSTEIN, Mr. COHEN, Mrs. MURRAY, Mr. BIDEN, Mr. PRESSLER, Mr. LEVIN, Mr. THOMAS, Mr. DODD, and Mr. WARNER):

S. Res. 219. A resolution designating March 25, 1996 as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy"; to the Committee on the Judiciary.

By Mr. DOLE (for himself, Mr. DASCHLE, and Mr. WARNER):

S. Res. 220. A resolution in recognition of Ronald Reagan's 85th birthday; considered and agreed to.

By Mr. DOLE (for himself and Mr. DASCHLE):

S. Res. 221. A resolution to authorize testimony by a former Senate employee; considered and agreed to.

S. Res. 222. A resolution to authorize the production of documents by the Permanent Subcommittee on Investigations; considered and agreed to.

By Mrs. HUTCHISON (for herself and Mr. GRAMM):

S. Res. 223. A resolution to commemorate the sesquicentennial of Texas statehood; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BROWN:

S. 1549. A bill to improve regulation of the purchase and sale of municipal securities, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

THE MUNICIPAL SECURITIES INVESTOR PROTECTION ACT OF 1996

Mr. BROWN. Mr. President, I rise to offer a bill to protect municipal securities investors.

The Securities Act of 1933, and the Exchange Act of 1934 were drafted in response to the stock market crash of 1929. Congress passed the 1933 and 1934 acts to prevent fraud in the securities markets and ensure uniform and reliable information for investors. At that time however, Congress decided to exempt the relatively insignificant municipal securities market from new laws, because unlike corporations, the States, cities, and counties issuing bonds could back their obligations with their power to raise taxes.

Now, with over 52,000 municipal issuers, and $1.2 trillion in outstanding debt obligations, the municipal securities market in one of the largest unregulated markets in the world. Complex financing arrangements are created behind the shelter of the municipal securities exemption. Over 70 percent of all municipal bonds are revenue bonds, backed not by tax revenues, but the isolated revenues of special projects like toll roads, powerplants and airports. Revenue bonds for major projects can exceed $1 billion, and are often bought and sold internationally by individuals, corporations, banks, and governments. These revenue bonds present many of the same investment risks as corporate enterprises, but because they are municipal securities, they are subject only to voluntary market guidelines and the SEC's authority to prevent fraud.

Since its inception, people have questioned whether the Security and Exchange Commission's lack of authority over the municipal securities market was adequate to protect investors. A 1993 staff report of the Securities and Exchange Commission examined that question and commented on the shortcomings of the SEC's authority: "Because of the voluntary nature of municipal issuers disclosure, there is a marked variance in the quality of disclosure, during both the primary offering stage and in the secondary market." Other groups have echoed the SEC's sentiment. The Public Securities Association testified that, "secondary market information is difficult to come by even for professional municipal credit analysts, to say nothing of retail investors." The SEC staff concluded that while the SEC could take steps to improve disclosure, any comprehensive changes to the existing system would require congressional action.

The SEC took an indirect step toward improving municipal securities disclosure when it began enforcing 15c2–12 last summer. That rule requires municipal securities dealers to contract with issuers for the provision of disclosure documents and annual reports. These regulations however, fall short of the protections offered investors in the 1933 and 1934 acts because they do not give the SEC the authority to review municipal disclosures, regulate content, or require continuing disclosure of financial information.

This bill would take additional steps toward full disclosure. Under my proposal, a municipal security issuer who offers more than $1 billion in related securities, but does not pledge its taxing authority toward repayment of the obligations, must conform to the registration and continuous reporting requirements of the Securities Act of 1933 and the Exchange Act of 1934. In other words, when a municipal issuer acts like a corporation by pledging the revenues of a particular project toward repayment of debt, it should be treated like a corporation.

Recent collapses in the municipal securities market underline the need for congressional action:

New York: After issuing record levels of debt from 1974 through 1975, New York City was unable to issue additional debt to cover maturing obligations. As a result, $4 billion of the city's short-term bonds lost over 45 percent of their value by December 1975, and interest rates for municipalities across the Northeast and Mid-Atlantic regions rose 0.05 percent. The subsequent SEC investigation uncovered distorted financial information including a systematic overstatement of revenues.

Washington Public Power Supply System: With an initial cost estimate of $2.25 billion to build nuclear reactors, the Washington Public Power Supply System issued bonds between 1977 and 1981. By the time the final bond sale was issued, the project's estimated cost exceeded $12 billion. Construction was halted, the WPPSS went into default, and the SEC began investigating the WPPSS's disclosure practices.

The SEC found that the WPPSS had mislead investors by not releasing reports about cost overruns, that underwriters failed to critically analyze the information provided by the WPPSS, that bond rating agencies failed to conduct due diligence to confirm WPPSS information, and that attorneys provided unqualified legal opinions as to the validity of the financing agreements. Ultimately no enforcement action was taken because several class action civil suits concluded with the Federal district court approving a $580 million global settlement.

Orange County: In 1994, a lack of disclosure led many investors of Orange County bonds to be surprised when the Orange County investment fund declared bankruptcy. The fund's risky investments in derivatives led to a loss of over $1.7 billion and put every debt obligation of the county at risk.

Denver International Airport: Original plans called for Denver to finance its new $1.3 billion international airport with bonds backed by operation revenues following its October 1993 opening. The actual cost of the Denver International Airport [DIA] exceeded $4.8 billion and construction delays postponed its opening to February 28, 1995. Questions regarding contracting practices, construction problems, and delays caused by its high-technology baggage system led to several Federal and State investigations and class action lawsuits, including an investigation by the SEC to review Denver's knowledge and disclosure of delays with the baggage system.

These examples demonstrate how the voluntary nature of the municipal market is failing to adequately inform investors. Whereas updated, accurate information is readily available to investors of corporate securities, municipal securities investors are often caught offguard and unaware of the risks associated with their investment. Current law only encourages municipalities to comply with the voluntary guidelines of the Government Finance Officers Association, and only requires disclosure of facts so as not to violate the antifraud provisions of the 1933 and 1934 acts. In other words, municipal issuers are under no obligation to provide annual financial information, conform to generally accepted accounting principals, or report conflicts of interest. In addition, disclosure is only necessary to avoid making a material misstatements of fact, a standard which some commentators argue is met by remaining silent even as material events and facts change. The end result can be uniformed investors who suffer losses from undisclosed risks.

This legislation is designed to protect investors by requiring municipal issuers who act like corporations to meet the same requirements as corporations. Instead of receiving guidance from voluntary standards, municipalities and investors would have the benefit of mandatory guidelines and requirements for judging what information needs to be disclosed and what form it needs to take. Instead of relying on documents which can be outdated and unaudited, investors would be able to review the latest numbers when analyzing risk. The end result would be greater information for investors, more security for issuers, and lower cost for consumers.

In Denver's case, the requirements of the 1933 and 1934 acts could have eliminated some of the problems the city now faces. Since issuers under the 1933 act are strictly liable for misinformation in their documents, the city would have taken extra precautions to accurately disclose information in a timely manner—a practice which could have prevented the facts driving the current SEC investigation. Investors would be more willing to invest because they would be able to easily obtain current, audited financial information similar in form and content to other offerings. Finally, without the specter of pending lawsuits and investigations, the cost of borrowing would go down saving millions of dollars for the city and allowing it to lower rents to airlines. Lower rents in turn would allow the airlines to pass savings on to consumers in the form of lower ticket prices.

As the Denver example shows, everyone can benefit from the accurate and continuous disclosure required of corporations by the securities acts. If municipalities are going to operate like corporations, and back securities with revenues from specific projects, then the investing public deserves to receive complete and updated information regarding those revenues. This bill takes the commonsense approach of bringing municipalities who offer revenue bonds totaling more than $1 billion, under the same rules and regulations as faced by private companies.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1549

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Municipal Securities Investor Protection Act of 1996".

SEC. 2. TREATMENT OF MUNICIPAL SECURITIES IN THE SECURITIES ACT OF 1933.

Section 3 of the Securities Act of 1933 (15 U.S.C. 77c) is amended by adding at the end the following new subsection:

"(d)(1) Notwithstanding subsection (a)(2), a security issued by a municipal issuer shall only be exempt from the provisions of this title—

"(A) if the municipal issuer pledges the full faith and credit or the taxing power of that municipal issuer to make timely payments of principal and interest on the obligation; or

"(B) if the municipal issuer—

"(i) offers or sells such securities in a single transaction in an aggregate principal amount equal to less than $1,000,000,000; or

"(ii) offers or sells such securities in a series of related transactions, and at the time of the offer or sale of such securities, does not reasonably anticipate that the aggregate principal amount of the series of related transactions will exceed $1,000,000,000.

"(2) For purposes of this subsection—

"(A) the term 'municipal issuer' means—

"(i) a State, the District of Columbia, or a Territory of the United States; or

"(ii) a public instrumentality or political subdivision of an entity referred to in clause (i);

"(B) the term 'series of related transactions' means a series of separate securities offerings made—

"(i) as part of a single plan of financing; or

"(ii) for the same general purpose; and

"(C) the term 'reasonably anticipate' shall have the meaning provided that term by the Commission by regulation, taking into consideration, as necessary or appropriate—

"(i) the public interest;

"(ii) the protection of investors; and

"(iii) the need to prevent the circumvention of the requirements of this subsection.".

SEC. 3. TREATMENT OF MUNICIPAL SECURITIES IN THE SECURITIES EXCHANGE ACT OF 1934.

(a) IN GENERAL.—Section 3(a)(12) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(12)) is amended—

(1) in subparagraph (A), by striking clause (ii) and inserting the following:

"(ii) any security issued by a municipal issuer with respect to which the municipal issuer—

"(I) pledges the full faith and credit or the taxing power of that municipal issuer to make timely payments of principal and interest on the obligation; or

"(II)(aa) offers or sells such securities in a single transaction in an aggregate principal amount equal to less than $1,000,000,000; or

"(bb) offers or sells such securities in a series of related transactions, and at the time of the offer or sale of such securities, does not reasonably anticipate that the aggregate principal amount of the series of related transactions will exceed $1,000,000,000;";

(2) in subparagraph (B)(ii), by striking "municipal securities" and inserting "the securities described in subparagraph (A)(ii)";

(3) by redesignating subparagraph (C) as subparagraph (D); and

(4) by inserting after subparagraph (B) the following:

"(C) For purposes of subparagraph (A)(ii)—

"(i) the term 'municipal issuer' means—

"(I) a State or any political subdivision thereof, or an agency or instrumentality of a State or any political subdivision thereof; or

"(II) any municipal corporate instrumentality of a State;

"(ii) the term 'series of related transactions' means a series of separate securities offerings made—

"(I) as part of a single plan of financing; or

"(II) for the same general purpose; and

"(iii) the term 'reasonably anticipate' shall have the meaning provided that term by the Commission by regulation, taking into consideration, as necessary or appropriate—

"(I) the public interest;

"(II) the protection of investors; and

"(III) the need to prevent the circumvention of the requirements of subparagraph (A)(ii).".

(b) TREATMENT OF MUNICIPAL SECURITIES THAT ARE NOT EXEMPTED SECURITIES.—The third sentence of section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78*o*(d)) is amended by inserting before the period the following: ", except that, with respect to a class of municipal securities that are not exempted securities, the duty to file under this subsection may not be suspended by reason of the number of security holders of record of that class of municipal securities".

(c) REPORTING PRIOR TO THE SALE OF SECURITIES.—Section 15B(d)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78*o*-4(d)(1)) is amended—

(1) by striking "(d)(1) Neither" and inserting "(d)(1)(A) Except as provided in subparagraph (B), neither"; and

(2) by adding at the end the following new subparagraph:

"(B) Subparagraph (A) does not apply to an issuer of any municipal security that is not an exempted security.".

SEC. 4. TREATMENT OF CERTAIN MUNICIPAL SECURITIES IN THE TRUST INDENTURE ACT OF 1939.

Section 304(a)(4) of the Trust Indenture Act of 1939 (15 U.S.C. 77ddd(a)(4)) is amended by striking "of subsection 3(a) thereof" and inserting "of subsection (a), or subsection (d) of section 3 of that Act".

By Mr. DASCHLE:

S. 1552. A bill to amend the Railroad Retirement Act of 1974 to prevent the canceling of annuities to certain divorced spouses of workers whose widows elect to receive lump sum payments; to the Committee on Labor and Human Resources.

THE RAILROAD RETIREMENT AMENDMENT ACT OF 1996

Mr. DASCHLE. Mr. President, today I am introducing legislation on behalf of Valoris Carlson of Aberdeen, SD, and the handful of others like her whose lives have been terribly disrupted. This legislation will right a wrong that was not due to any error or deception on Valoris' part, but due to an administrative error by the Railroad Retirement Board [RRB].

In 1984 Valoris, as the divorced spouse of a deceased railroad employee, applied for a survivor's pension. The RRB failed to check if a lump sum withdrawal had previously been made on the account at the time of her former spouse's death—even though Valoris clearly stated on her application that there was a surviving widow. In fact, a lump sum payment had been made, but not identified. The RRB began paying Valoris $587 per month in 1984 and continued to pay her benefits for 11 years. Only recently did they discover that an error had been made over a decade ago.

Not until 1995 was Valoris told she was not eligible for the pension she was awarded in 1984. Had the RRB reviewed their records, they would have seen that a lump-sum payment had been made on that account. Valoris, who was married for 26 years, lost her eligibility to the widow of the railroad worker who had been married to him for only 3 years. Valoris made an honest application for benefits. The RRB failed to do their job properly, resulting in 11 years of "overpayments" to Valoris.

These payments affected Valoris' planning for the future. Valoris planned her retirement on that modest sum of $587. Had she been told she was not eligible for benefits, she would have worked longer to build up her own Social Security benefits. Her railroad divorced widow's pension has been her only steady income. She has picked up a few dollars here and there by renting out rooms in her home, but without her pension income, Valoris does not know how she will live.

The bill I am introducing today will address the errors made by the RRB that have disrupted the life of Valoris Carlson and others like her. The RRB advises that 17 other widows are similarly situated, and their pensions would also be restored by this bill.

The bill, which was developed with technical assistance from the RRB, would allow the 18 women impacted by the RRB's administrative error to begin receiving their monthly benefits again. It requires them to repay the lump sum, but they are allowed to do so through a marginal withholding from their monthly benefit. The monthly withholding can be waived if it would cause excessive hardship for a widow.

Mr. President, I will work to enact this legislation as quickly as possible to restore the benefits to those women who are now suffering as a result of the Government's mistakes. There is no excuse for further delay in providing these Americans with benefits they were led to expect by the RRB.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Railroad Retirement Amendment Act of 1996".

SEC. 2. PROTECTION OF DIVORCED SPOUSES.

(a) IN GENERAL.—Section 6(c) of the Railroad Retirement Act of 1974 is amended—

(1) in the last sentence of paragraph (1), by inserting "(other then to a survivor in the circumstances described in paragraph (3))" after "no further benefits shall be paid"; and

(2) by adding at the end the following:

"(3) Notwithstanding the last sentence of paragraph (1), benefits shall be paid to a survivor who—

"(A) is a divorced wife; and

"(B) through administrative error received benefits otherwise precluded by the making of a lump sum payment under this section to widow;

if that divorced wife makes an election to repay to the Board the lump sum payment. The Board may withhold up to 10 percent of each benefit amount paid after the date of the enactment of this paragraph toward such reimbursement. The Board may waive such repayment to the extent the Board determines it would cause an unjust financial hardship for the beneficiary.".

(b) APPLICATION OF AMENDMENT.—The amendment made by this section shall apply with respect to any benefits paid before the date of enactment of this Act as well as to benefits payable on or after the date of the enactment of this Act.

By Mr. MCCAIN:

S. 1553. A bill to provide that members of the Armed Forces performing services for the peacekeeping effort in the Republic of Bosnia and Herzegovina shall be entitled to certain tax benefits in the same manner as if such services were performed in a combat zone; to the Committee on Finance.

TAX RELIEF LEGISLATION

Mr. MCCAIN. Mr. President, as we continue to debate a balanced budget, 20,000 of our service men and women are participating in Operation Joint Endeavor in war torn Bosnia and Herzegovina.

The bill I am introducing today is designed to provide some peace of mind to our troops and their families. This bill is identical to H.R. 2778 introduced earlier this month by Congressman BUNNING from Kentucky. Specifically, this bill would provide a tax exemption and additional benefits for our service men and women serving in Bosnia, which is but a small gesture showing our support.

I hope and pray that this operation will remain a peaceful deployment, but the fact remains that the lives of our military personnel are continually at risk from landmines, sniper fire, or accident in this peacekeeping operation.

I know personally the character of the Americans who take up arms to defend our Nation's interests and to advance our democratic values. I know of all the battles, all the grim tests of courage and character, that have made our Armed Forces the envy of our allies and enemies alike.

Our people are our greatest asset. They make sacrifices day after day, and are prepared to make the ultimate sacrifice. Without the "can do" attitude our military personnel persistently display, we would not have the finest military force in the world today. As our troops carry out their assigned duties in Bosnia, we must do our part to let them know how much their dedication and efforts are appreciated by the American people.

Because it is a peacekeeping mission, Bosnia has not been declared a "combat zone" by the Department of Defense. Had the designation been made, tax exemptions and other benefits, as well as hazardous duty pay, would automatically be invoked without this bill. This bill would ensure that tax and certain other benefits are provided. I want to point out, however, that it does not authorize hazardous duty pay which would entail a very significant cost. In these times of fiscal constraint, we must take a conscientious look at the financial impact on the Federal budget of this initiative and how this standard may be applied to future peacekeeping or other non-combat missions.

I hope that the potential danger to our troops remains low. If, however, any U.S. soldiers were to be fatally injured while serving in this peacekeeping operation, this bill would provide additional benefits to their families.

Mr. President, the men and women participating in Operation Restore Hope in Somalia did not receive these benefits, and unfortunately some of those men lost their lives in a mission gone tragically awry. This bill is intended to help relieve some of the financial burdens on our service men and women caused by their deployment and allay the economic concerns of their families. I believe this measure deserves our careful and full review, and I intend to seek expeditious consideration of this legislation.

By Mr. COCHRAN:

S. 1554. A bill to amend the Fair Labor Standards Act of 1938 to clarify the exemption for houseparents from the minimum wage and maximum hours requirements of that Act, and for other purposes; to the Committee on Labor and Human Resources.

THE FAIR LABOR STANDARDS ACT OF 1938 AMENDMENT ACT OF 1996

• Mr. COCHRAN. Mr. President, today I am introducing legislation to provide a specific exemption for houseparents from the minimum wage and overtime requirements of the Fair Labor Standards Act. This bill will provide significant relief to orphanages and group homes throughout the United States.

Houseparents are men and women who work and live in a group home setting to care for, nurture, and supervise children. These children may live at the home for any number of reasons. They may be abused, neglected, orphaned, or homeless. The importance of houseparents in providing a family-like, healthy environment for these children cannot be overstated. It is the love, hard work, and dedication of these people that enables the children at the home to enjoy a caring and stable environment.

As compensation for their services, houseparents receive a very unconventional package of benefits, including a fixed annual salary, food, housing, and transportation. The Department of Labor, however, has determined that these men and women are also entitled to overtime wages.

For example, in Mississippi, the Department of Labor determined that since houseparents at a particular home answered long-distance calls, opened out-of-State mail, and took the children on trips across the State line that houseparents were engaged in commerce and therefore covered by the minimum wage and overtime provisions of the Fair Labor Standards Act. This interpretation has threatened the houseparent system by placing an unbearable burden on the extremely limited resources of non-profit group homes.

The legislation I am introducing today will remedy this situation by providing nonprofit group homes with a specific exemption for houseparents from minimum wage and overtime requirements. Without such an exemption, these homes would be forced to use a shift model of employment where quasi-houseparents work 8 hour shifts to care for the children. This alternative would not furnish the same family-like setting for these children that the houseparent system provides.

It is important to note that this measure creates only a very narrow exemption from the Fair Labor Standards Act. This bill would only exempt those houseparents who meet the following criteria: First, the houseparents must be employed by nonprofit homes; second, the group home in question must be the children's primary residence; third, the houseparents must reside with the children at the home for a minimum of 72 hours per week; and fourth, the houseparent must receive board and lodging from the home, free of charge, and be compensated, on a crash basis, at an annual rate of not less than $8,000.

This legislation will allow nonprofit group homes to continue to provide the best possible care for children. I hope my colleagues will carefully consider it and join me in support of its enactment.•

By Mr. KOHL (for himself and Mr. SPECTER):

S. 1556. A bill to prohibit economic espionage, to provide for the protection of United States proprietary economic information in interstate and foreign commerce, and for other purposes; to the Committee on the Judiciary.

THE ECONOMIC ESPIONAGE ACT OF 1996

• Mr. KOHL. Mr. President, we have a problem in America today: The systematic pilfering of our country's economic secrets by our trading partners which undermines our economic security. It would not be unfair to say that America has become a full-service shopping mall for foreign governments and companies who want to jump start their businesses with stolen trade secrets.

Sadly, we are under-unequipped to fight this new war. Our laws have glaring gaps, allowing people to steal our economic information with vitual impunity.

So I introduce the Industrial Espionage Act of 1996 with Senator SPECTER. I am also pleased to cosponsor with Senator SPECTER the Economic Security Act of 1996. Together these laws will enable Federal law enforcement agencies to catch and vigorously prosecute anyone who tries to steal proprietary information from American companies. Our two measures should be read together as a unified approach to the problem. They are not panaceas, but they are an effort to deal with this problem systematically and comprehensively. The Department of Justice and the FBI have also been extremely helpful in drafting these pieces of legislation, and we look forward to working with them as we move these measures forward.

Mr. President, businesses spend huge amounts of money, time, and thought developing proprietary economic information—their customer lists, pricing schedules, business agreements, manufacturing processes. This information is literally a business's lifeblood. And stealing it is the equivalent of shooting a company in the head. But these thefts have a far broader impact than on the American company that falls victim to an economic spy. The economic strength, competitiveness, and security of our country relies upon the ability of industry to compete without unfair interference from foreign governments and from their own domestic competitors. Without freedom from economic sabotage, our companies loose their hard-earned advantages and their competitive edge.

The problem is not new. But with expanding technology and a growing global economy, economic espionage is entering its boom years. American companies have estimated that in 1992, they lost $1.8 billion from the theft of their trade secrets. A 1993 study by the American Society for Industrial Security found a 260-percent increase in the theft of proprietary information since 1985. And the theft of these secrets is not random and disorganized. The press has reported that one government study of 173 nations discovered that 57 of them were trying to get advanced technologies from American companies. The French intelligence service has even admitted to forming a special unit devoted to obtaining confidential information from American companies.

Let me give you a few examples. Just last year, a former employee of two major computer companies admitted to stealing vital information on the manufacture of microchips and selling it to China, Cuba, and Iran. For almost a decade, he copied manufacturing specifications—information worth millions of dollars. And armed with it, the Chinese, Cubans, and Iranians have been able to close the gap on our technology leads. Late last year, the FBI arrested this man and charged him with the interstate transportation of stolen property and mail fraud. It appears that the charges may be a bit of a stretch because he did not actually steal tangible property. He only stole ideas.

Not all of the theft is sponsored by foreign governments. Domestic theft is as reprehensible and as threatening as theft by foreign governments. For example, in Arizona, an engineer for an automobile air bag manufacturer was arrested in 1993 for selling manufacturing designs, strategies, and plans. He asked the company's competition for more than half a million dollars—to be paid in small bills. And he sent potential buyers a laundry list of information they could buy: $500 for the company's capital budget plan; $1,000 for a piece of equipment; $6,000 for planning and product documents.

Sadly, current civil remedies are inadequate to deal with these problems. Although many companies can privately sue those who have stolen from them, these private remedies are too little, too late. A private suit against a foreign company or government often just goes nowhere, and the company continues to use the stolen information without pause.

Similarly, our current criminal laws are not specifically targeted at protection of proprietary economic information. Most of our Federal theft statutes deal with tangible property and not intellectual property. Federal prosecutors have done a valiant job finding laws they can use against these people, but they need something stronger and more coherent than what they have gerry-rigged.

Mr. President, the Industrial Espionage Act and the Economic Security Act provide the solution we need. These measures are simple, straightforward, and effective. They carefully define proprietary economic information—the data that corporations privately develop and need to maintain in secrecy. People who steal that information in order to harm the business that rightfully owns and developed it are subject to criminal penalties. They can serve up to 15 years in jail. And if the theft is sponsored by a foreign government, the penalties are even harsher. Moreover, the bills include forfeiture provisions, so that people will not benefit from their illegal acts. They authorize the President to impose sanctions on countries that engage in these activities. And they assure companies that their proprietary information will not seep out during a criminal prosecution.

We need to take steps to stem the flow of information out of our country. We need a new law that definitively and harshly punishes anyone who steals information from American companies. Over the coming months, these measures will provide a framework for our discussions about the best way to solve this problem, and we plan to hold hearings on them in both the Intelligence and Judiciary Committees.•

• Mr. SPECTER. Mr. President, I am pleased to join Senator KOHL as a cosponsor of this bill to make theft of proprietary information a crime. Senator KOHL is also a cosponsor of a bill I have introduced to cover economic espionage by foreign governments or those acting on their behalf and this bill is designed to protect that same vital economic information from theft by nongovernmental entities and individuals.

While economic espionage by foreign governments presents a clear issue of national concern, the economic cost of industrial espionage by domestic and nongovernment-owned foreign corporations may be even greater. Federal law already provides some sanctions to protect technology and innovation within the United States. For example, we accord protection to patents, trademarks, and copyrights. The Federal Government will not enter into a contract with a bidder who has inside information of another bidder's price. There are also laws in some States that specifically address the theft of proprietary information.

These laws may not, however, be adequate. Thus, I am also joining Senator KOHL in cosponsoring legislation to provide criminal penalties in title 18 of the United States Code for cases in which corporations and individuals, foreign or domestic, steal proprietary information from U.S. entities. While the bill I have introduced amending the National Security Act of 1947 focuses on our Nation's economic security against foreign governments, similar arguments can be made that protection is also needed for domestic economic interests from theft by nongovernmental sources. Moreover, even where there are strong indications that a foreign government is behind the theft of proprietary information, it may not be possible in all cases to prove such government involvement.

The normal recourse for protecting proprietary information from theft by private sector sources is through civil remedies governed by State law. Some businesses and Federal law enforcement agencies, however, believe that current State laws are inadequate and fail to provide remedies, particularly with respect to the kind of intangible proprietary information that is typical in today's computer age. They argue that comprehensive federal criminal sanctions are needed at this time to provide an adequate deterrent.

While I believe there are legitimate questions about the need for federal criminal penalties in this context, I am also convinced the issue needs to be considered. It may be that after thorough review, criminal penalties are the best means of deterring the misappropriation of proprietary information by individuals or business competitors. On the other hand, we may determine that a more efficient response would be to create a federal civil cause of action or to leave it to State law to develop sanctions against such theft if not committed by, or done on behalf of, a foreign government.

As part of this effort to address the economic threat from the theft of proprietary information from U.S. businesses, I therefore believe we need to consider how to address such thefts when carried out by the private sector. As a result, I am cosponsoring this second bill, with the expectation that it will generate discussion and debate and assist us in developing the best approach to this problem. I look forward to working with all interested parties to reach such a result.•

By Mr. SPECTER (for himself and Mr. KOHL):

S. 1557. A bill to prohibit economic espionage, to provide for the protection of United States vital proprietary economic information, and for other purposes; to the Select Committee on Intelligence.

THE ECONOMIC SECURITY ACT OF 1996

• Mr. SPECTER. Mr. President, I am introducing a bill today, along with my colleague, Senator KOHL, entitled the "Economic Security Act of 1996," which amends the National Security Act of 1947 to protect against the theft of vital proprietary economic information by or for foreign governments.

The bill would punish those who steal vital proprietary economic information from a U.S. owner for the benefit of a foreign government or a corporation, institution, instrumentality, or agent that is owned or guided by a foreign government. It provides penalties of up to $500,000 in fines or 25 years in prison, except that corporations working on behalf of a foreign government can be fined up to $10,000,000. The law would ensure that fruits of the espionage would be forfeited, and that victims would receive some restitution from funds recovered. This bill also provides for a ban for up to 5 years on the importation into, or export from, the United States of any product produced, made, assembled, or manufactured by a person convicted under this provision.

To address concerns by industry that criminal proceedings might result in the disclosure of the very trade secret the prosecution is aimed at protecting, the bill also gives courts authority to enter protective orders and take any other such measures as may be necessary, consistent with the applicable rules and laws. It also provides for an interlocutory appeal by the United States from a decision or order of a district court authorizing the disclosure of vital proprietary economic information.

The bill provides for extraterritorial jurisdiction where the offender is a U.S. person or the victim of the offense is a U.S. owner and the offense was intended to have, or had, a direct or substantial effect in the United States. In addition, the bill adds this newly created crime to the list of offenses in title 18, chapter 119, of the United

States Code—Wire and Electronic Communications Interception and Interception of Oral Communications—so that it may be investigated with authorized wire, oral, or electronic intercepts.

We have drafted this new provision as an amendment to the National Security Act of 1947 to emphasize the importance of this issue to the national security of our Nation. Anyone who doubts that this is a national security issue need only stop to consider why foreign governments would devote so much effort to obtaining this information from U.S. companies. The reality is that U.S. economic and technological information may be far more valuable to a foreign government than most of the information that is classified in the United States today. The March 1990 and February 1995 national security strategies published by the White House focus on economic security as an integral part not only of U.S. national interest but also of national security.

Economic espionage by foreign governments targeting U.S. industry and innovation is an issue the Senate Select Committee on Intelligence has been examining for some time. The Committee has held a number of hearings which addressed this issue and has met extensively with the intelligence and law enforcement communities. In 1992, then-Director of Central Intelligence Robert M. Gates told the Committee:

> We know that some foreign intelligence services have turned from politics to economics and that the United States is their prime target. We have cases of moles being planted in U.S. high-tech companies. We have cases of U.S. businessmen abroad being subjected to bugging, to room searches, and the like * * * [W]e are giving a very high priority to fighting it.

This reflects a shift from the traditional counterintelligence efforts directed at military, ideological, or subversive threats to national security. Beginning as early as 1990, the Intelligence and Counterintelligence Communities have been directed to detect and deter foreign intelligence targeting of U.S. economic and technological interests, including efforts to obtain U.S. proprietary information from companies and research institutions that form our strategic industrial base. These counterintelligence efforts, however, must be complemented by, and carefully coordinated with, a coherent and rigorous law enforcement effort. It is to strengthen this aspect of the fight against economic espionage that I introduce this bill today.

Some foreign governments have been quite open about the importance they attach to obtaining U.S. commercial secrets. Former French Intelligence Director Pierre Marion, for example, was quoted in a recent Foreign Affairs article as saying about the French-United States relationship: "In economics, we are competitors, not allies. America has the most technical information of relevance. It is easily accessible. So naturally your country will receive the most attention from the intelligence services."

It is important to emphasize that no one country can be singled out for engaging in economic espionage. While there are a handful of well-publicized incidents involving a few countries, the problem is actually much more widespread. FBI tells us that 23 countries are being actively investigated and that there has been a 100 percent increase in the number of investigative matters relating to economic espionage in the United States during the past year—from 400 to 800. Thus, this bill is not aimed at any one country, or even a handful of countries. It is designed to address a widespread threat from a broad spectrum of countries, including traditional counterintelligence adversaries and traditional allies.

Last year, the Congress included in the Intelligence Authorization Act for fiscal year 1995 a requirement that the President submit an annual report on the activities of foreign governments to obtain commercial secrets from U.S. companies and how the U.S. Government counters this threat. The Intelligence Committee received the first report in July 1995, accompanied by a classified annex.

According to the report, prepared by the National Counterintelligence Center in coordination with relevant agencies, "economic and technological information is often not specifically protected by Federal laws, making it difficult to prosecute thefts of propriety technology or intellectual property. Law enforcement efforts instead must rely on less specific criminal laws—such as espionage, fraud and stolen property, and export statutes—to build prosecutable cases." At our request, the FBI has provided some examples of the difficulties caused by this patchwork of laws.

According to the Bureau, there have been three specific declinations of prosecution over the past year. In the first, passage to a foreign power of proprietary economic information was declined for lack of a specific statute. In the second case, the unauthorized disclosure of a confidential U.S. Trade Representative document was not prosecuted because the document was not considered to contain "national defense information" as required by the espionage statute. In a third case, a foreign government-owned corporation attempted to use its position of power after a merger to gain access to proprietary economic information despite a specific prohibition in the sales agreement which would have provided for a "Chinese wall" between the foreign government corporation and the information. Again, the U.S. Attorney declined to prosecute because of the lack of a specific statutory basis. These examples do not include cases that were not fully investigated because of the lack of adequate statutory basis.

A legal review by the Administration has shown that there is currently no specific criminal statute that would apply to many of the 800 cases involving 22 foreign countries currently being investigated.

The National Counterintelligence Center Report states that "the aggregate losses that can mount as a result of [Foreign economic espionage] efforts can reach billions of dollars per year constituting a serious national security concern." Determining the full qualitative and quantitative scope and impact of economic espionage is difficult. Industry victims have reported the loss of hundreds of millions of dollars, lost jobs, and lost market share. However, U.S. industry may in fact be under-reporting these occurrences because of the negative impact publicity of a loss could have on stock values and customers' confidence, as well as the risk of broader exposure of the trade secret itself.

The industries that have been the targets in most cases of economic espionage, according to this report, include those "of strategic interest to the Untied States because they produce classified products for the Government, produce dual use technology used in both the public and private sectors, and are responsible for leading-edge technologies, critical to maintaining U.S. economic security."

Mr. President, these are complex issues and I do not assume that this bill represents the prefect solution. However, I believe this bill represents a reasonable and carefully tailored approach to addressing an issue of tremendous importance.●

ADDITIONAL COSPONSORS

S. 332

At the request of Mr. CONRAD, the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of S. 332, a bill to provide means of limiting the exposure of children to violent programming on television, and for other purposes.

S. 743

At the request of Mrs. HUTCHISON, the names of the Senator from Hawaii [Mr. INOUYE] and the Senator from Oklahoma [Mr. INHOFE] were added as cosponsors of S. 743, a bill to amend the Internal Revenue Code of 1986 to provide a tax credit for investment necessary to revitalize communities within the United States, and for other purposes.

S. 793

At the request of Mr. SIMPSON, the names of the Senator from Michigan [Mr. LEVIN] and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 793, a bill to amend the

Internal Revenue Code of 1986 to provide an exemption from income tax for certain common investment funds.

S. 953

At the request of Mr. CHAFEE, the names of the Senator from Pennsylvania [Mr. SPECTER], the Senator from Missouri [Mr. ASHCROFT], the Senator from Pennsylvania [Mr. SANTORUM], the Senator from Louisiana [Mr. BREAUX], the Senator from Maryland [Mr. SARBANES], the Senator from California [Mrs. FEINSTEIN], and the Senator from California [Mrs. BOXER] were added as cosponsors of S. 953, a bill to require the Secretary of the Treasury to mint coins in commemoration of black revolutionary war patriots.

S. 1093

At the request of Mr. REID, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 1093, a bill to prohibit the application of the Religious Freedom Restoration Act of 1993, or any amendment made by such act, to an individual who is incarcerated in a Federal, State, or local correctional, detention, or penal facility, and for other purposes.

S. 1095

At the request of Mr. MOYNIHAN, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of S. 1095, a bill to amend the Internal Revenue Code of 1986 to extend permanently the exclusion for educational assistance provided by employers to employees.

S. 1219

At the request of Mr. MCCAIN, the name of the Senator from Washington [Mrs. MURRAY] was added as a cosponsor of S. 1219, a bill to reform the financing of Federal elections, and for other purposes.

S. 1271

At the request of Mr. CRAIG, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 1271, a bill to amend the Nuclear Waste Policy Act of 1982.

At the request of Mr. LEVIN, his name was added as a cosponsor of S. 1271, supra.

S. 1392

At the request of Mr. BAUCUS, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 1392, a bill to impose temporarily a 25-percent duty on imports of certain Canadian wood and lumber products, to require the administering authority to initiate an investigation under title VII of the Tariff Act of 1930 with respect to such products, and for other purposes.

S. 1439

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. 1439, a bill to require the consideration of certain criteria in decisions to relocate professional sports teams, and for other purposes.

S. 1519

At the request of Mr. DOLE, the names of the Senator from Alaska [Mr. STEVENS], the Senator from Michigan [Mr. ABRAHAM], the Senator from New Hampshire [Mr. SMITH], and the Senator from Arizona [Mr. KYL] were added as cosponsors of S. 1519, a bill to prohibit United States voluntary and assessed contributions to the United Nations if the United Nations imposes any tax or fee on United States persons or continues to develop or promote proposals for such taxes or fees.

S. 1534

At the request of Mr. HATFIELD, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 1534, a bill to amend the Public Health Service Act to provide additional support for and to expand clinical research programs, and for other purposes.

S. 1541

At the request of Mr. LUGAR, the names of the Senator from Utah [Mr. HATCH], the Senator from Missouri [Mr. BOND], the Senator from Oklahoma [Mr. INHOFE], the Senator from Indiana [Mr. COATS], the Senator from Kentucky [Mr. MCCONNELL], the Senator from Michigan [Mr. ABRAHAM], the Senator from Missouri [Mr. ASHCROFT], and the Senator from Idaho [Mr. KEMPTHORNE] were added as cosponsors of S. 1541, a bill to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes.

At the request of Mr. CHAFEE, his name was added as a cosponsor of S. 1541, supra.

AMENDMENT NO. 3184

At the request of Mr. STEVENS, his name was added as a cosponsor of amendment No. 3184 proposed to S. 1541, a bill to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes.

At the request of Mr. CHAFEE, his name was added as a cosponsor of amendment No. 3184 proposed to S. 1541, supra.

SENATE RESOLUTION 219—TO DESIGNATE GREEK INDEPENDENCE DAY

Mr. SPECTER (for himself, Mr. SIMON, Mr. DOLE, Mr. LAUTENBERG, Mrs. BOXER, Mr. COCHRAN, Mr. HEFLIN, Ms. MIKULSKI, Ms. SNOWE, Mr. GRASSLEY, Mr. THURMOND, Mr. GLENN, Mr. BRADLEY, Mr. KENNEDY, Mr. KERRY, Mr. REID, Mr. MACK, Ms. MOSELEY-BRAUN, Mr. SARBANES, Mrs. FEINSTEIN, Mr. COHEN, Mrs. MURRAY, Mr. BIDEN, Mr. PRESSLER, Mr. LEVIN, Mr. THOMAS, Mr. DODD, and Mr. WARNER) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 219

Whereas the ancient Greeks developed the concept of democracy, in which the supreme power to govern was invested in the people;

Whereas the Founding Fathers of the United States of America drew heavily upon the political experience and philosophy of ancient Greece in forming our representative democracy;

Whereas the founders of the modern Greek state modeled their government after that of the United States in an effort to best imitate their ancient democracy;

Whereas Greece is one of only three nations in the world, beyond the former British Empire, that has been allied with the United States in every major international conflict this century;;

Whereas 1996 will mark the historic first official state visit to the United States of an elected head of state of Greece;

Whereas these and other ideals have forged a close bond between our two nations and their peoples;

Whereas March 25, 1996 marks the 175th anniversary of the beginning of the revolution which freed the Greek people from the Ottoman Empire; and

Whereas it is proper and desirable to celebrate with the Greek people, and to reaffirm the democratic principles from which our two great nations were born: Now, therefore, be it

Resolved, That March 25, 1996 is designated as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy". The President is requested to issue a proclamation calling upon the people of the United States to observe the day with appropriate ceremonies and activities.

• Mr. SPECTER. Mr. President, today I am submitting a resolution to designate March 25, 1996, as "Greek Independence Day: A Celebration of Greek and American Democracy."

One hundred and seventy-five years ago, the Greeks began the revolution that would free them from the Ottoman Empire and return Greece to its democratic heritage. It was, of course, the ancient Greeks who developed the concept of democracy in which the supreme power to govern was vested in the people. Our Founding Fathers drew heavily upon the political and philosophical experience of ancient Greece in forming our representative democracy. Thomas Jefferson proclaimed that, "to the ancient Greeks * * * we are all indebted for the light which led ourselves out of Gothic darkness." It is fitting, then, that we should recognize the anniversary of the beginning of their efforts to return to that democratic tradition.

The democratic form of government is only one of the most obvious of the many benefits we have gained from the Greek people. The ancient Greeks contributed a great deal to the modern world, particularly to the United States of America, in all areas of art, philosophy, science, and law. Today, Greek-Americans continue to enrich our culture and make valuable contributions to American society, business, and government.

It is my hope that strong support for this resolution in the Senate will serve as a clear goodwill gesture to the people of Greece with whom we have enjoyed such a close bond throughout history. Similar resolutions have been signed into law each of the past several years, with overwhelming support in both the House of Representatives and the Senate. Accordingly, I urge my Senate colleagues to join me in supporting this important resolution.●

SENATE RESOLUTION 220—IN RECOGNITION OF RONALD REAGAN'S 85TH BIRTHDAY

Mr. DOLE (for himself, Mr. DASCHLE, and Mr. WARNER) submitted the following resolution; which was considered and agreed to:

S. RES. 220

Whereas, February 6, 1996 is the 85th Birthday of Ronald Wilson Reagan;

And Whereas, Ronald Reagan was twice elected by overwhelming margins as President of the United States;

And Whereas, Ronald Reagan is loved and admired by millions of Americans, and by countless others around the world;

And Whereas, Ronald Reagan, with the leadership of his wife, Nancy, led a national crusade against illegal drugs;

And Whereas, Ronald Reagan's eloquence united Americans in times of triumph and tragedy;

And Whereas, the thoughts and prayers of the Senate and the country are with Ronald Reagan in his courageous battle with Alzheimer's Disease; Therefore, be it

Resolved, That the Senate of the United States extends its birthday greetings and best wishes to Ronald Reagan.

Section 2 That the Secretary of the Senate shall transmit a copy of this resolution to Ronald Reagan.

SENATE RESOLUTION 221—TO AUTHORIZE TESTIMONY BY FORMER SENATE EMPLOYEE

Mr. DOLE (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 221

Whereas, the plaintiff in *Margaret C. Carlson* v. *Mike Eassa, et al.*, No. MDA 7203, a civil action pending in the Superior Court of California, County of Monterey, is seeking testimony through submission of a declaration by Amy L. Silvestri, a former employee of the Senate on the Staff of Senator William V. Roth, Jr.;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That Amy L. Silvestri is authorized to submit a declaration in the case of *Margaret C. Carlson* v. *Mike Eassa, et al.*, except concerning matters for which a privilege should be asserted.

SENATE RESOLUTION 222—TO AUTHORIZE THE PRODUCTION OF DOCUMENTS BY THE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. DOLE (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 222

Whereas, the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs conducted an investigation into allegations concerning the Department of Justice's handling of a computer software contract with INSLAW, Inc.;

Whereas, in the case of *INSLAW, Inc., et al.* v. *United States of America*, Cong. Ref. No. 95-338X, pending in the United States Court of Federal Claims, counsel for the plaintiffs have requested that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs provide copies of records from its investigation;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That the chairman and ranking minority member of the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, acting jointly, are authorized to provide records to all parties in the case of *INSLAW, Inc., et al.* v. *United States of America*, except concerning matters for which a privilege should be asserted.

SENATE RESOLUTION 223—TO COMMEMORATE THE SESQUICENTENNIAL OF TEXAS STATEHOOD

Mrs. HUTCHISON (for herself and Mr. GRAMM) submitted the following resolution; which was considered and agreed to:

S. RES. 223

Whereas 1995 marks 150 years since the United States of America admitted Texas as the 28th State in the Union;

Whereas the sesquicentennial of Texas statehood is a truly momentous occasion that allows all Texans to reflect on their State's proud heritage and bright future;

Whereas acting on the advice of President John Tyler, the United States Congress adopted a joint resolution on February 28, 1845, inviting the Republic of Texas to enter the Union as a State with full retention of its public lands; today, a century and a half later, Texas enjoys the distinction of being the only State admitted with such extensive rights;

Whereas the citizens of the Republic of Texas were deeply committed to the goals and ideals embodied in the United States Constitution, and, on June 16, 1845, the Congress of the Republic of Texas was convened by President Anson Jones to consider the proposal of statehood;

Whereas Texas took advantage of the offer, choosing to unite with a large and prosperous Nation that could more effectively defend the borders of Texas and expand its flourishing trade with European countries; by October 1845, the Congress of the Republic of Texas had approved a State constitution, charting a bold new destiny for the Lone Star State;

Whereas the proposed State constitution was sent to Washington, DC, and on December 29, 1845, the United States of America formally welcomed Texas as a new State; the transfer of governmental authority, however, was not complete until February 19, 1846, when Anson Jones lowered the flag that had flown above the Capitol for nearly 10 years and stepped down from his position as president of the Republic of Texas; and

Whereas with the poignant retirement of the flag of the Republic, Texas emerged as a blazing Lone Star in America's firmament, taking its place as the 28th State admitted into the Union: Now, therefore, be it

Resolved, That the Senate—

(1) commemorate the sesquicentennial of Texas statehood; and

(2) encourage all Texans to observe such day with appropriate ceremonies and activities on this historic occasion.

The Secretary of the Senate shall transmit a copy of this resolution to the Texas Congressional Delegation, to the Governor of Texas, to the National Archives, and to the Texas Archives.

AMENDMENTS SUBMITTED

THE AGRICULTURAL MARKET TRANSITION ACT OF 1996

FEINGOLD AMENDMENTS NOS. 3186–3191

(Ordered to lie on the table.)

Mr. FEINGOLD submitted six amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill (S. 1541) to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes; as follows:

AMENDMENT NO. 3186

At the appropriate place insert the following:

Subtitle ___—Agricultural Promotion Accountability

SEC. ___1. SHORT TITLE.

This subtitle may be cited as the "Agricultural Promotion Accountability Act of 1996".

SEC. ___2. PURPOSE.

The purpose of this subtitle is to make agricultural promotion boards and councils more responsive to producers whose mandatory assessments support the activities of such boards and councils, to improve the representation and participation of such producers on such boards and councils, to ensure the independence of such boards and councils, to ensure the appropriate use of promotion funds, and to prevent legislatively authorized agricultural promotion and research boards from using mandatory assessments to directly or indirectly influence legislation or governmental action or policy.

SEC. ___3. DEFINITIONS.

In this subtitle:

(1) INFLUENCING LEGISLATION OR GOVERNMENTAL ACTION OR POLICY.—The term "influencing legislation or governmental action or policy" includes—

(A) establishing, administering, contributing to, or paying the expenses of a political party campaign, political action committee, or other organization established for the purpose of influencing the outcome of an election;

(B) attempting to influence—

(i) the outcome of any Federal, State or local election, referendum, initiative, or similar procedure through a cash contribution, in-kind contribution, endorsement, publicity or public relations activity or similar activity;

(ii) the introduction, modification, or enactment of any Federal or State legislation or signature or veto of any enrolled Federal or State legislation, including through—

(I) communication with any member or employee of a legislative body or agency or with any governmental official or employee who may participate in the formulation of the legislation, including engaging State or local officials in similar activity (not including a communication to an appropriate government official in response to a written request by the official for factual, scientific, or technical information relating to the conduct, implementation, or results of promotion, research, consumer information and education, industry information, or producer information activities under a promotion program);

(II) planning, preparing, funding, or distributing any publicity or propaganda to affect the opinion of the general public or a segment of the public in connection with a pending legislative matter; or

(III) urging members of the general public or any segment of the general public to contribute to, or participate in, any mass demonstration, march, rally, fund-raising drive, lobbying campaign, letter-writing campaign, or telephone campaign in connection with a pending legislative matter;

(C) carrying out a legislative liaison activity, including attendance at a legislative session or committee hearing to gather information regarding legislation or to analyze the effect of legislation, if the activity is carried on in support of, or in knowing preparation for, an effort to influence legislation or government action or policy;

(D) carrying out an opinion survey of the general public or a segment of the public, general research, or information gathering, if carried out in support of, or in knowing preparation for, an effort to influence legislation or government action or policy; or

(E) attempting to influence any agency action or agency proceeding, as the terms are defined in section 551 of title 5, United States Code, through—

(i) communication with any government official or employee who may participate in the action or proceeding (not including a communication to an appropriate government official in response to a written request by the official for factual, scientific, or technical information relating to the conduct, implementation, or results of promotion, research, consumer information or education, or industry information of producer information activities under a promotion program);

(ii) planning, preparing, funding, or distributing any publicity or propaganda to affect the opinions of the general public or any segment of the general public in connection with the action or proceeding; or

(iii) urging members of the general public or any segment of the general public to contribute to, or participate in, any mass demonstration, march, rally, fundraising drive, lobbying campaign, letter-writing campaign, or telephone campaign in connection with the action or proceeding.

(2) PROMOTION PROGRAM.—The term "promotion program" means—

(A) the cotton research and promotion program established under the Cotton Research and Promotion Act (7 U.S.C. 2101 et seq.);

(B) the potato research, development, advertising, and promotion program established under the Potato Research and Promotion Act (7 U.S.C. 2611 et seq.);

(C) the egg research, consumer and producer education, and promotion program established under the Egg Research and Consumer Information Act (7 U.S.C. 2701 et seq.);

(D) the beef promotion and research program established under the Beef Research and Information Act (7 U.S.C. 2901 et seq.);

(E) the wheat research and nutrition education program established under the Wheat and Wheat Foods Research and Nutrition Education Act (7 U.S.C. 3401 et seq.);

(F) the dairy promotion program established under the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4501 et seq.);

(G) the honey research, promotion, and consumer education program established under the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4601 et seq.);

(H) the pork promotion, research, and consumer information program established under the Pork Promotion, Research, and Consumer Information Act (7 U.S.C. 4801 et seq.);

(I) the watermelon research, development, advertising, and promotion program established under the Watermelon Research and Promotion Act (7 U.S.C. 4901 et seq.);

(J) the pecan promotion, research, industry information, and consumer information program established under the Pecan Promotion and Research Act of 1990 (7 U.S.C. 6001 et seq.);

(K) the mushroom promotion, research, and consumer and industry information program established under the Mushroom Promotion, Research, and Consumer Information Act of 1990 (7 U.S.C. 6101 et seq.);

(L) the lime research, promotion, and consumer information program established under the Lime Research, Promotion, and Consumer Information Act of 1990 (7 U.S.C. 6201 et seq.);

(M) the soybean promotion, research, consumer information, and industry information program established under the Soybean Promotion, Research, and Consumer Information Act (7 U.S.C. 6301 et seq.);

(N) the fluid milk advertising and promotion program established under the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6401 et seq.);

(O) the flowers and greens promotion, consumer information, and related research program established under the Fresh Cut Flowers and Fresh Cut Greens Promotion and Information Act of 1993 (7 U.S.C. 6801 et seq.);

(P) the sheep promotion, research, consumer information, education, and industry information program established under the Sheep Promotion, Research, and Information Act of 1994 (7 U.S.C. 7101 et seq.); and

(Q) any other coordinated program of promotion, research, industry information, and consumer information that is funded by mandatory assessments on producers and designed to maintain and expand markets and uses for an agricultural commodity, as determined by the Secretary.

(3) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

SEC. ___4. INFLUENCING LEGISLATION OR GOVERNMENTAL ACTION OR POLICY.

(a) IN GENERAL.—A board or council established by a promotion program may not use any funds collected by the board or council for the purpose of directly or indirectly influencing legislation or governmental action or policy, except for the development and recommendation of amendments to the promotion program to the Secretary.

(b) CONFORMING AMENDMENTS.—

(1) COTTON.—Section 7(h) of the Cotton Research and Promotion Act (7 U.S.C. 2106(h)) is amended by striking "influencing governmental policy or action" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996)".

(2) POTATOES.—Section 308(f)(3) of the Potato Research and Promotion Act (7 U.S.C. 2617(f)(3)) is amended by striking "influencing governmental policy or action" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996)".

(3) EGGS.—Section 8(h) of the Egg Research and Consumer Information Act (7 U.S.C. 2707) is amended by striking "influencing governmental policy or action" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996)".

(4) BEEF.—Section 5(10) of the Beef Research and Information Act (7 U.S.C. 2904(10)) is amended—

(A) by striking "influencing governmental action or policy" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996)"; and

(B) by inserting "to the Secretary" before the period at the end.

(5) WHEAT.—Section 1706(i) of the Wheat and Wheat Foods Research and Nutrition Education Act (7 U.S.C. 3405(i)) is amended by striking "influencing governmental policy or action" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996)".

(6) DAIRY.—Section 113(j) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(j)) is amended by striking "influencing governmental policy or action" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996),".

(7) HONEY.—Section 7(h) of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4606(h)) is amended by striking "influencing governmental policy or action" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996)".

(8) PORK.—Section 1620(e) of the Pork Promotion, Research, and Consumer Information Act (7 U.S.C. 4809(e)) is amended by striking "influencing legislation" and all that follows through the period at the end and inserting the following: "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996), except to recommend amendments to the order to the Secretary.".

(9) WATERMELONS.—Section 1647(g)(3) of the Watermelon Research and Promotion Act (7 U.S.C. 4906(g)(3)) is amended by striking "influencing governmental policy or action"

and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ____3(1) of the Agricultural Promotion Accountability Act of 1996)".

(10) PECANS.—Section 1910(g)(1) of the Pecan Promotion and Research Act of 1990 (7 U.S.C. 6005(g)(1)) is amended—

(A) in the matter preceding paragraph (1)—

(i) by striking "to," and inserting "for the purpose of,"; and

(ii) by striking "to—" and inserting "for the purpose of—";

(B) in paragraph (1), by striking "influence legislation or governmental action" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ____3(1) of the Agricultural Promotion Accountability Act of 1996)";

(C) in paragraph (2), by striking "engage" and inserting "engaging"; and

(D) in paragraph (3), by striking "engage" and inserting "engaging".

(11) MUSHROOMS.—Section 1925(h) of the Mushroom Promotion, Research, and Consumer Information Act of 1990 (7 U.S.C. 6104(h)) is amended by striking "influencing legislation or governmental action or policy" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ____3(1) of the Agricultural Promotion Accountability Act of 1996)".

(12) LIMES.—Section 1955(g) of the Lime Research, Promotion, and Consumer Information Act of 1990 (7 U.S.C. 6204(g)) is amended by striking "influencing legislation or governmental policy or action" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ____3(1) of the Agricultural Promotion Accountability Act of 1996)".

(13) SOYBEANS.—Section 1969(p) of the Soybean Promotion, Research, and Consumer Information Act (7 U.S.C. 6304(p) is amended—

(A) in paragraph (1), by striking "influencing legislation or governmental action or policy" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ____3(1) of the Agricultural Promotion Accountability Act of 1996)"; and

(B) in paragraph (2)—

(i) in subparagraph (A), by inserting "to the Secretary" before the semicolon; and

(ii) in subparagraph (B), by inserting ", in response to a request made by the officials," after "officials".

(14) MILK.—Section 1999H(j)(1) of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6407(j)(1)) is amended by striking "influencing legislation or governmental action or policy" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ____3(1) of the Agricultural Promotion Accountability Act of 1996)".

(15) FLOWERS AND GREENS.—Section 5(i) of the Fresh Cut Flowers and Fresh Cut Greens Promotion and Information Act of 1993 (7 U.S.C. 6804(i)) is amended by striking "influencing legislation or government action or policy" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ____3(1) of the Agricultural Promotion Accountability Act of 1996)".

(16) SHEEP.—Section 5(l)(1) of the Sheep Promotion, Research, and Information Act of 1994 (7 U.S.C. 7104(*l*)(1)) is amended by striking "influencing legislation or government action or policy" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ____3(1) of the Agricultural Promotion Accountability Act of 1996)".

SEC. ____5. PROMOTING THE IMAGE OF AN INDUSTRY PROHIBITED.

(a) IN GENERAL.—A board or council established by a promotion program may not use any funds collected by the board or council for the purpose of enhancing the image of an industry, except that the board or council may promote the image of a product with the express intent of stimulating demand for and sales of an agricultural product in the marketplace.

(b) CONFORMING AMENDMENTS.—

(1) BEEF.—Section 3(9) of the Beef Research and Information Act (7 U.S.C. 2902(9)) is amended by striking ", increased efficiency" and all that follows through "industry" and inserting "and increased efficiency".

(2) PECANS.—Section 1907(12) of the Pecan Promotion and Research Act of 1990 (7 U.S.C. 6002(12)) is amended by striking ", increased efficiency" and all that follows through "industry" and inserting "and increased efficiency".

(3) MUSHROOMS.—Section 1923(7) of the Mushroom Promotion, Research, and Consumer Information Act of 1990 (7 U.S.C. 6103(7)) is amended by striking ", increased efficiency" and all that follows through "industry" and inserting "and increased efficiency".

(4) SOYBEANS.—Section 1967(7) of the Soybean Promotion, Research, and Consumer Information Act (7 U.S.C. 6302(7)) is amended by striking ", and activities" and all that follows through "industry".

SEC. ____6. LIMITATIONS ON CONTRACTING.

(a) PERMITTED CONTRACTS OR AGREEMENTS.—Notwithstanding any other provision of law, a board or council established by a promotion program shall not be limited to contracting with, or entering into an agreement with, an established national nonprofit industry-governed organization.

(b) COMPETITIVE BIDDING.—It is the policy of Congress that boards and councils should, to the extent practicable, use competitive bidding in the awarding of contracts and grants for activities authorized under a promotion program.

(c) INDEPENDENCE OF BOARDS AND COUNCILS.—

(1) APPLICATIONS AND RECOMMENDATIONS NOT BINDING.—Notwithstanding any other provision of law, a board or council established by a promotion program shall not be bound by a proposed application for a board or council contract or a recommendation or advice of a potential contractor or a national nonprofit industry-governed organization on the use of board or council receipts.

(2) INTERLOCKING BOARDS OR MEMBERSHIP.—Notwithstanding any other provision of law, no person shall be eligible to be a member of any board or council established by a promotion program (including operating and nominating committees) if the person serves in any decision making capacity, such as that of a member of the board of directors, executive committee, or other committee, for an entity that enters into a contract or other agreement with the board or council.

(3) REQUIREMENTS FOR CONTRACTING.—A contractor or grantee of a board or council may not use funds collected through mandatory assessments under a promotion program to fund any staff (including expenses or other activities of the staff) who, in part, engage in 1 or more activities to influence legislation or governmental action or policy.

(d) PRODUCER APPROVAL OF RELATIONSHIPS WITH BOARDS OR COUNCILS.—

(1) IN GENERAL.—Except as provided in paragraph (2) and notwithstanding any other provision of law, the entering into of a permanent cooperative arrangement or the establishment of a joint committee (including an arrangement that is advisory in nature) by a board or council established by a promotion program with a national nonprofit industry-governed organization shall require the prior approval of at least ⅔ of the eligible producers under the promotion program.

(2) EXCEPTION.—Paragraph (1) shall not apply to a cooperative arrangement or joint committee—

(A) that was established prior to January 1, 1995; or

(B) that includes representatives or participation from all producer-, processor-, or handler-governed national nonprofit organizations (including general farm organizations) that represent any but an insignificant number of producers, processors, or handlers paying assessments under the promotion program to the board or council, as determined by the Secretary.

(3) PERMANENT COOPERATIVE ARRANGEMENT.—In this subsection, the term "permanent cooperative arrangement" means a formal or informal, written or unwritten agreement or understanding establishing a relationship, a liaison, a sole source contract, or an operational mechanism under which a board or council shares staff, facilities, or other resources or carries out coordinated activities with any entity on a more or less permanent and exclusive basis.

(e) FUNGIBILITY OF BOARD OR COUNCIL FUNDS.—

(1) IN GENERAL.—The Inspector General of the Department of Agriculture shall conduct an annual review of contractual arrangements between each board or council established by a promotion program and any entity or association that engages in activities to influence legislation or governmental action or policy and receives a significant amount of funding from the board or council as determined by the Secretary.

(2) SCOPE OF REVIEW.—A review under paragraph (1) shall examine whether any funds collected by the board or council are used to directly or indirectly fund or subsidize an entity or association that engages in influencing legislation or governmental action or policy.

(3) REPORT.—The Secretary shall submit a report on the findings of any review under this subsection and make recommendations for any actions that should be taken as a result of the findings to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. ____7. PERIODIC REFERENDA.

(a) IN GENERAL.—Notwithstanding any other provision of law, not less than 4 nor more than 6 years after the date of enactment of this Act or the date on which the Secretary determines the results of the most recent referendum for a promotion program, whichever is earlier, and not less than once every 5 years thereafter, the Secretary shall conduct a referendum to determine whether to approve or terminate the order under the promotion program and whether refunds should be made under the order.

(b) PROCEDURE.—The referendum under subsection (a) shall be conducted using the same eligibility and other procedures as the referendum used to approve the original order under the promotion program, except that, notwithstanding any other provision of law, no greater than a simple majority of eligible producers shall be required to approve the making of refunds to producers.

(c) Termination.—

(1) In general.—If the percentage of persons voting to approve the order does not equal or exceed the percentage of persons necessary to approve the continuation of the original order under the promotion program, the Secretary shall terminate the order.

(2) Time of termination.—The Secretary shall terminate the order at the end of the marketing year during which the referendum is conducted.

(d) Refunds.—If the making of refunds is approved in a referendum under subsection (a), the Secretary shall establish a procedure for making the refunds not later than 180 days after the date of the referendum.

(e) Cooperative Association.—Notwithstanding subsection (b), a cooperative association may not vote on behalf of the members of the association in a referendum conducted under this section.

(f) Inactive Promotion Programs.—The Secretary shall not conduct a referendum of a promotion program under this section if the Secretary determines that the promotion program is not active.

Amendment No. 3187

At the appropriate place insert the following:

SEC. ___. DAIRY PROMOTION PROGRAM IMPROVEMENT.

(a) Funding of Dairy Promotion and Research Program.—

(1) Declaration of policy.—The first sentence of section 110(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4501(b)) is amended—

(A) by inserting after "commercial use" the following: "and on imported dairy products"; and

(B) by striking "products produced in" and inserting "products produced in or imported into".

(2) Definitions.—Section 111 of the Act (7 U.S.C. 4502) is amended—

(A) in subsection (k), by striking "and" at the end;

(B) in subsection (l), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following new subsections:

"(m) the term 'imported dairy product' means—

"(1) any dairy product, including milk and cream and fresh and dried dairy products;

"(2) butter and butterfat mixtures;

"(3) cheese;

"(4) casein and mixtures; and

"(5) other dairy products;

that are imported into the United States; and

"(n) the term 'importer' means a person that imports an imported dairy product into the United States.".

(2) Funding.—

(A) Representation on board.—Section 113(b) of the Act (7 U.S.C. 4504(b)) is amended—

(i) by designating the first through ninth sentences as paragraphs (1) through (5) and paragraphs (7) through (10), respectively;

(ii) in paragraph (1) (as so designated), by striking "thirty-six" and inserting "38";

(iii) in paragraph (2) (as so designated), by striking "Members" and inserting "Of the members of the Board, 36 members"; and

(iv) by inserting after paragraph (5) (as so designated) the following new paragraph:

"(6) Of the members of the Board, 2 members shall be representatives of importers of imported dairy products. The importer representatives shall be appointed by the Secretary from nominations submitted by importers under such procedures as the Secretary determines to be appropriate.".

(B) Assessment.—Section 113(g) of the Act is amended—

(i) by designating the first through fifth sentences as paragraphs (1) through (5), respectively; and

(ii) by adding at the end the following new paragraph:

"(6)(A) The order shall provide that each importer of imported dairy products shall pay an assessment to the Board in the manner prescribed by the order.

"(B) The rate of assessment on imported dairy products shall be determined in the same manner as the rate of assessment per hundredweight or the equivalent of milk.

"(C) For the purpose of determining the assessment on imports under subparagraph (B), the value to be placed on imported dairy products shall be established by the Secretary in a fair and equitable manner.".

(C) Records.—The first sentence of section 113(k) of the Act is amended by striking "person receiving" and inserting "importer of imported dairy products, each person receiving".

(D) Referendum.—Section 116 of the Act (7 U.S.C. 4507) is amended by adding at the end the following new subsection:

"(d)(1) On the request of a representative group comprising 10 percent or more of the number of producers subject to the order, the Secretary shall—

"(A) conduct a referendum to determine whether the producers favor suspension of the application of the amendments made by section 2 of the Dairy Promotion Program Improvement Act of 1995; and

"(B) suspend the application of the amendments until the results of the referendum are known.

"(2) The Secretary shall continue the suspension of the application of the amendments made by section 2 only if the Secretary determines that suspension of the application of the amendments is favored by a majority of the producers voting in the referendum who, during a representative period (as determined by the Secretary), have been engaged in the production of milk for commercial use.".

(b) Periodic Referenda.—Section 115(a) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4506(a)) is amended—

(1) in the first sentence, by striking "Within the sixty-day period immediately preceding September 30, 1985" and inserting "Every 5 years"; and

(2) in the second sentence, by striking "six months" and inserting "3 months".

(c) Prohibition on Bloc Voting.—Section 117 of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4508) is amended—

(1) in the first sentence, by striking "Secretary shall" and inserting "Secretary shall not"; and

(2) by striking the second through fifth sentences.

Amendment No. 3188

At the appropriate place insert the following:

SEC. . LOCATION ADJUSTMENTS FOR MINIMUM PRICES FOR CLASS I MILK

Section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in paragraph (A)—

(A) in clause (3) of the second sentence, by inserting after "the locations" the following: "within a marketing area subject to the order"; and

(B) by striking the last 2 sentences and inserting the following: "Notwithstanding paragraph (18) or any other provision of law, when fixing minimum prices for milk of the highest use classification in a marketing area subject to an order under this subsection, the Secretary may not, directly or indirectly, base the prices on the distance from, or all or part of the costs incurred to transport milk to or from, any location that is not within the marketing area subject to the order, unless milk from the location constitutes at least 50 percent of the total supply of milk of the highest use classification in the marketing area. The Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the criteria that are used as the basis for the minimum prices referred to in the preceding sentence, including a certification that the minimum prices are made in accordance with the preceding sentence."; and

(2) in paragraph (B)(c), by inserting after "the locations" the following: "within a marketing area subject to the order".

Amendment No. 3189

At the appropriate place insert the following:

SEC. . MILK MANUFACTURING MARKETING ADJUSTMENT.

Subsections (a) and (b) of section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) are amended to read as follows:

"(a) Definitions.—In this section:

"(1) Federal make allowance.—The term 'Federal make allowance' means the allowance for the processing of milk that is permitted under a Federal program to establish a Grade A price for manufacturing butter, nonfat dry milk, or cheese.

"(2) Person.—The term 'person' includes a cooperative.

"(3) State make allowance.—The term 'State make allowance' means the allowance for the processing of milk that is permitted by a State for manufacturing butter, nonfat dry milk, or cheese.

"(b) Milk Manufacturing Marketing Adjustment.—Notwithstanding any other provision of law, if a person collects a State make allowance that is higher than the Federal make allowance and the milk or product of milk that is subject to the allowance is purchased by the Commodity Credit Corporation, regardless of the point of sale, the Corporation shall reduce the support purchase price for the milk and each product of the milk by an amount that is equal to the difference between the State make allowance and the Federal make allowance for the milk and product, as determined by the Secretary of Agriculture.".

Amendment No. 3190

At the appropriate place insert the following:

SEC. . SPECIAL RESEARCH GRANTS PROGRAM.

(a) In General.—Section 2(c)(2) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(c)(2)) is amended—

(1) in subparagraph (A), by striking "or" at the end;

(2) in subparagraph (B), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(C) unless the project to receive the grant has been subject to a competitive selection process and a scientific peer review evaluation by qualified scientists in the Federal

Government, colleges and universities, State agricultural experiment stations, and the private sector.".

(b) APPLICATION.—The amendments made by subsection (a) shall apply only in the case of a project that has not been specifically authorized, or for which no funds have been made available, as of the date of enactment of this Act.

AMENDMENT NO. 3191

At the appropriate place insert the following:

SEC. 7. COMPETITIVE MATCHING GRANT PROGRAM FOR APPLIED RESEARCH.

(a) PURPOSE.—The purpose of this section is to convert the current special grants program administered by the Secretary under subsection (c) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(c)) into a competitive matching grant program for applied research in coordination with the research priorities outlined in section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101).

(b) TITLE CHANGES.—The Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i) is amended—

(1) In the section heading, by striking ", SPECIAL, AND FACILITIES" after "COMPETITIVE";

(2) In subsection (a)(2), by striking ", Special, and Facilities" after "Competitive"; and

(3) In the heading of subsection (b) by striking "Competitive" and inserting "National research initiative".

(c) COMPETITIVE GRANT PROGRAM FOR APPLIED RESEARCH.—Section 2(c) (7 U.S.C. 450i)(c)) is amended—

(1) In the heading, by striking "SPECIAL GRANTS" and inserting "COMPETITIVE GRANTS FOR APPLIED RESEARCH";

(2) In paragraph (1) by striking "grants," and all that follows, including subparagraphs (A) and (B), and inserting "competitive grants for applied research in the research priority areas identified in section 1402 of National Agricultural Research, Extension, and Teaching Policy Act of 1977.";

(3) In paragraph (3), by striking all that follows "MATCHING FUNDS.—" and inserting "The Secretary may establish such matching requirements for grants made pursuant to this section as the Secretary deems appropriate. Such matching requirements established by the Secretary may be met with unreimbursed indirect costs and in-kind contributions, except that the Secretary may include an evaluation preference for projects for which the applicant proposes funds for the direct costs of the project to meet the required match."; and

(4) In paragraph (4), by striking all text after "(4)" and inserting "ELIGIBLE INSTITUTIONS.—For purposes of this subsection, "eligible institutions" mean State agricultural experiment stations, land-grant colleges and universities, research foundations established by land-grant colleges and universities, colleges and universities receiving funds under the Act of October 10, 1962 (16 U.S.C. 582a, *et seq.*), and accredited schools or colleges of veterinary medicine.".

DOMENICI AMENDMENT NO. 3192

(Ordered to lie on the table.)

Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

On page 52, line 16, strike "New Mexico." and insert the following: "New Mexico and that, in the case of the 1996 and subsequent crops, Valencia peanuts not physically produced in the State shall not be eligible to participate in the pools of the State, except that a resident of the State who entered a quantity of Valencia peanuts physically produced outside the State in the pools of the State during the 1995 crop year shall be eligible to enter not more than the same quantity of Valencia peanuts physically produced outside the State in the pools of the State."

STEVENS (AND MURKOWSKI) AMENDMENTS NOS. 3193-3194

Mr. STEVENS (for himself and Mr. MURKOWSKI) submitted two amendments intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra, as follows:

AMENDMENT NO. 3193

At the appropriate place in the amendment, insert the following:

SEC. . WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

The Consolidated Farm and Rural Development Act is amended by inserting after section 306C (7 U.S.C. 1926c) the following:

"SEC. 306D. WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

"(a) IN GENERAL.—The Secretary may make grants to the State of Alaska for the benefit of rural or Native villages in Alaska to provide for the development and construction of water and wastewater systems to improve the health and sanitation conditions in those villages.

"(b) MATCHING FUNDS.—To be eligible to receive a grant under subsection (a), the State of Alaska shall provide equal matching funds from non-Federal sources.

"(c) CONSULTATION WITH THE STATE OF ALASKA.—The Secretary shall consult with the State of Alaska on a method of prioritizing the allocation of grants under subsection (a) according to the needs of, and relative health and sanitation conditions in, each village.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 1996 through 2002.".

AMENDMENT NO. 3194

At the appropriate place in the substitute, insert the following:

SEC. . WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

The Consolidated Farm and Rural Development Act is amended by inserting after section 306C (7 U.S.C. 1926c) the following:

"SEC. 306D. WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

"(a) IN GENERAL.—The Secretary may make grants to the State of Alaska for the benefit of rural or Native villages in Alaska to provide for the development and construction of water and wastewater systems to improve the health and sanitation conditions in those villages.

"(b) MATCHING FUNDS.—To be eligible to receive a grant under subsection (a), the State of Alaska shall provide equal matching funds from non-Federal sources.

"(c) CONSULTATION WITH THE STATE OF ALASKA.—The Secretary shall consult with the State of Alaska on a method of prioritizing the allocation of grants under subsection (a) according to the needs of, and relative health and sanitation conditions in, each village.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 1996 through 2002.".

BRYAN AMENDMENTS NOS. 3195-3198

(Ordered to lie on the table.)

Mr. BRYAN submitted four amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3195

In Title I, strike the section 107 beginning on page 1-67, line 1 through page 1-73, line 11.

AMENDMENT NO. 3196

In Title II, Section 202, on page 2-2, line 8, strike "$100,000,000" and insert "$2,000,000" where appropriate.

AMENDMENT NO. 3197

In Title II, Section 202, on page 2-2, line 8, strike "$100,000,000" and insert "$70,000,000" where appropriate.

AMENDMENT NO. 3198

In Title I, strike the section 106 beginning on page 1-50, line 6 through page 1-66, line 24.

BAUCUS AMENDMENT NO. 3199

(Ordered to lie on the table.)

Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

Amend section 110 by adding the following at the end:

(d) NONRECOURSE MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS.—In the case of the 2003 and subsequent crops of wheat and feed grains, the Secretary shall provide marketing loans to producers of such crops.

(1) AVAILABILITY OF NONRECOURSE LOANS.—

(A) AVAILABILITY.—For each of the 1996 through 2002 crops, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for wheat and feed grains produced on the farm. The loans shall be made under the terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (2) for the commodity.

(B) ELIGIBLE PRODUCTION.—The following production shall be eligible for a marketing assistance loan under this section:

(i) In the case of a marketing assistance loan for a contract commodity, any production by a producer who has entered into a production flexibility contract.

(2) LOAN RATES.—

(A) WHEAT.—

(i) LOAN RATE.—The loan rate for wheat shall be—

(I) not less than 90 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately five preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) FEED GRAINS.—

(i) LOAN RATE.—The loan rate for a marketing assistance loan for corn shall be—

(I) not less than 90 percent of the simple average price received by producers of corn as determined by the Secretary, during the marketing years for the immediately five preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(II) OTHER FEED GRAINS.—The loan for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of commodity in relation to corn.

(3) TERM OF LOAN.—In the case of wheat and feed grains, a marketing assistance loan under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.

(4) REPAYMENT.—

(A) REPAYMENT RATES FOR WHEAT AND FEED GRAINS.—The Secretary shall permit a producer to repay a marketing assistance loan under subsection (a) for wheat, corn, grain sorghum, barley, and oats at a level that the Secretary determines will—

(i) minimize potential loan forfeitures;

(ii) minimize the accumulation of stocks of the commodities by the Federal Government;

(iii) minimize the costs incurred by the Federal Government in storing the commodities; and

(iv) allow the commodities produced in the United States to be marketed freely and competitively, both domestically and internationally.

(5) LOAN DEFICIENCY PAYMENTS.—

(A) AVAILABILITY.—The Secretary may make loan deficiency payments available to producers who, although ineligible to obtain a marketing assistance loan under subsection (a) with respect to a loan commodity, agree to forego obtaining the loan for the commodity in return for payments under this subsection.

(B) COMPUTATION.—A loan deficiency payment shall be computed by multiplying—

(i) the loan payment rate under paragraph (3) for the loan commodity; by

(ii) the quantity of the loan commodity that the producers on a farm are eligible to place under loan but for which the producers forego obtaining the loan in return for payments under this subsection.

(C) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

(i) the loan rate established under subsection (2) for the loan commodity; exceeds

(ii) the rate at which a loan for the commodity may be repaid under subsection (d).

(6) SOURCE OF LOANS.—

(A) IN GENERAL.—The Secretary shall provide the loans authorized by this section and the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) through the Commodity Credit Corporation and other means available to the Secretary.

(B) PROCESSORS.—Whenever any loan or surplus removal for any agricultural commodity is carried out through purchases from or loans or payments to processors, the Secretary shall, to the extent practicable, obtain from the processors such assurances as the Secretary considers adequate that the producers of the commodity have received or will receive the maximum benefit from the loan or surplus removal operation.

(7) ADJUSTMENTS OF LOANS.—

(A) IN GENERAL.—The Secretary may make appropriate adjustments in the loan levels for differences in grade, type, quality, location, and other factors.

(B) LOAN LEVEL.—The adjustments shall, to the maximum extent practicable, be made in such manner that the average loan level for the commodity will, on the basis of the anticipated incidence of the factors, be equal to the level of support determined as provided in this section or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.).

(8) PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.—

(A) IN GENERAL.—Except as provided in paragraph (2), no producer shall be personally liable for any deficiency arising from the sale of the collateral securing any nonrecourse loan made under this section or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et. seq.), unless the loan was obtained through a fraudulent representation by the producer.

(B) LIMITATIONS.—Paragraph (1) shall not prevent the Commodity Credit Corporation or the Secretary from requiring the producer to assume liability for—

(i) a deficiency in the grade, quality, or quantity of a commodity stored on a farm or delivered by the producer;

(ii) a failure to properly care for and preserve a commodity; or

(iii) a failure or refusal to deliver a commodity in accordance with a program established under this section or the Agricultural Adjustment Act of 1938.

(C) ACQUISITION OF COLLATERAL.—The Secretary may include in a contract for a nonrecourse loan made under this section or the Agricultural Adjustment Act of 1938 a provision that permits the Commodity Credit Corporation, on and after the maturity of the loan or any extension of the loan, to acquire title to the unredeemed collateral without obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

(D) SUGARCANE AND SUGAR BEETS.—A security interest obtained by the Commodity Credit Corporation as a result of the execution of a security agreement by the processor of sugarcane or sugar beets shall be superior to all statutory and common law liens on raw cane sugar and refined beet sugar in favor of the producers of sugarcane and sugar beets from which the sugar was derived.

(9) EXCEPTION.—Notwithstanding the provisions of the previous section, the provisions of this section shall be applicable to 1996 through 2002 crops if the provisions of title I of this Act are rendered inapplicable to such crops of wheat and feed grains.

EXON AMENDMENT NO. 3200

(Ordered to lie on the table.)

Mr. EXON submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Section 110 is amended by adding at the end the following:

"(d) PERMANENT LAW.—Title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301 et seq.) is amended by adding after section 307 the following:

'SEC. 308. MARKETING LOANS.

'(a) IN GENERAL.—Except as provided in subsection (c) in the case of the 1996 and subsequent crops, the Secretary shall make available to producers on a farm a nonrecourse marketing assistance loan for crops of wheat, feed grains, upland cotton, rice, and oilseeds (hereafter referred "loan crops") produced on the farm. The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (b).

'(b) LOAN RATE.—The loan rate shall be not less than 95 percent of the simple average price received by producers of loan crops, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops for the specific loan crop.

'(c) SUSPENSION.—The provisions of this section are suspended for the 1996 through 2002 crops of wheat, feed grains, upland cotton, rice, and oilseeds.' "

BAUCUS AMENDMENT NO. 3201

(Ordered to lie on the table.)

Mr. BAUCUS submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following: "Notwithstanding the provisions of the Federal Crop Insurance Act, the Secretary shall ensure that crop insurance is made available to producers so that protection at the 75 percent level of coverage shall be available at the rate for which coverage at the 65 percent level is available on the date prior to the date of enactment."

GREGG (AND OTHERS) AMENDMENT NO. 3202

(Ordered to lie on the table.)

Mr. GREGG (for himself, Mr. REID, Mr. SANTORUM, and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike section 107 on page 70.

WELLSTONE AMENDMENTS NOS. 3203–3204

(Ordered to lie on the table.)

Mr. WELLSTONE submitted two amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3203

Amend Title I by adding to the end the following:

SEC. 112. ADJUSTMENT TO LOAN RATE CAPS.

"(a) ATTRIBUTION.—Notwithstanding the provisions of sections 1001 and 1001A of the Food Security Act of 1985 (7 U.S.C. 1308 and 1308–1) in the case of the 1996 through 2002 crops of wheat, feed grains, and oilseeds, the Secretary shall attribute payments specified in section 1001 of Food Security Act of 1985 to persons who receive the payments directly, and attribute payments received by entities to the individuals who own such entities in proportion to their ownership interest in the entity."

"(b) ADJUSTMENTS IN CONTRACT ACCOUNTS AND LOAN GUARANTEE AUTHORITY.—For the crops after the Secretary has implemented subsection (a), the Secretary shall—

"(1) notwithstanding the provisions of this Title, reduce the Contract Payment wheat and feed grains provided in section 103 for each fiscal year by $80,000,000; and

"(2) use such savings generated in paragraph (1) to carry out a program to issue guarantee against the risk of non-payment arising out of loans taken out by agricultural producers to finance the purchase of stock or membership capital in cooperative associations engaged in value added, food, or industrial-use processing of agricultural commodities."

AMENDMENT NO. 3204

Amend Title I by adding to the end the following:

SEC. 112. ADJUSTMENT TO LOAN RATE CAPS.

"(a) ATTRIBUTION.—Notwithstanding the provisions of sections 1001 and 1001A of the Food Security Act of 1985 (7 U.S.C. 1308 and 1308–1) in the case of the 1996 through 2002 crops of wheat, feed grains, upland cotton, rice, and oilseeds, the Secretary shall attribute payments specified in section 1001 of Food Security Act of 1985 to persons who receive the payments directly, and attribute payments received by entities to the individuals who own such entities in proportion to their ownership interest in the entity."

"(b) ADJUSTMENTS IN CONTRACT ACCOUNTS AND LOAN RATE CAPS.—For the crops after the Secretary has implemented subsection (a), the Secretary shall—

"(1) notwithstanding the provisions of this Title, reduce the Contract Payment Account provided in section 103 for each fiscal year by $140,000,000; and

"(2) increase the loan rate caps in section 104 as follows:

"(A) $3.25 per bushel for wheat;

"(B) $2.25 per bushel for corn;

"(C) $0.60 per pound for upland cotton;

"(D) $7.00 per hunderweight for rice;

"(E) $5.10 per bushel for soybeans; and

"(F) $.10 per pound for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed."

MOYNIHAN (AND MIKULSKI) AMENDMENT NO. 3205

(Ordered to lie on the table.)

Mr. MOYNIHAN (for himself and Ms. MIKULSKI) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 1–73, strike line 9 and insert the following:

(i) EMERGENCY RELIEF FOR SUGARCANE REFINERS.—Section 902(a) of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1446g note) is amended by adding at the end the following: "The Secretary of Agriculture shall permit the importation of additional raw cane sugar, from individuals who held quotas under part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa et seq.) on the day before the date of enactment of the Agricultural Market Transition Act, during such time as the Secretary determines that the domestic price of raw cane sugar exceeds 115 percent of the loan rate determined under section 107 of the Agricultural Market Transition Act.".

(j) CROPS.—This section (other than subsections (h) and (i)).

DORGAN AMENDMENTS NOS. 3206–3207

(Ordered to lie on the table.)

Mr. DORGAN submitted two amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3206

SECTION 1. SHORT TITLE.

This Act may be referred to as the "Agricultural Act of 1996.".

SEC. 2. FINDINGS.

The Congress findings that failure to enact timely legislation extending farm and related programs will:

(a) Cause economic uncertainty to family farmers across the country who represent the backbone of American Agriculture;

(b) Create instability in commodity markets;

(c) Result in lost export markets for U.S. agricultural commodities; and

(d) Prevent the Secretary of Agriculture from administering such programs in an orderly and efficient manner.

SEC. 3. AUTHORITY FOR 1996 AGRICULTURAL PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provisions of law except as provided in this Act and the amendments made by this Act, the provisions of the Agricultural Adjustment of 1938 (7 U.S.C. 1281 et seq.), the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), the Food Security Act of 1985 (Public Law 99–198), and the Food, Agriculture, Conservation and Trade Act of 1990 (Public Law 101–624) and each program that was authorized or reauthorized by any of the Acts, that were applicable on September 30, 1995, shall be applicable for 1996.

(b) FLEXIBILITY.—Amend section 504 of the Agricultural Act of 1949 (7 U.S.C. 1464) by—

(1) Striking subsections (c), (d), and (e) and inserting the following:

"(c) NON-PAYMENT ACRES.—In the case of the 1996 crops, any crop or conserving crop specified in subsection (b)(1) may be planted on the acres of a crop acreage base that is not eligible for payment under this Act.";

"(d) LOAN ELIGIBILITY.—In the case of the 1996 crops, producers on a farm with crop acreage base may plant any program crop on the crop acreage base and shall be eligible to receive purchases, loans, and loan deficiency payments for the program crop.".

SEC. 4. MISCELLANEOUS PROVISIONS.

(a) PAYMENTS.—Section 114(a)(2) of the Agricultural Act of 1949 (7 U.S.C. 1445(j)(a)(2)) is amended by adding at the end the following:

"(K) 1995 DISASTERS.—In the case of the producers who were prevented from planting, or incurred a reduced yield of 20 percent or more of, the 1995 crop due to weather or related condition, the Secretary may settle claims for the repayment by producers required under subparagraph (G) or (H) on terms determined by the Secretary to be fair and equitable, except that no claim shall be reduced by more than $3,500."

(b) CONSERVATION.—Section 1231(b)(4) of the Food Security Act of 1985 (16 U.S.C. 3831(b)(4)) is amended—

(1) in subparagraph (C), by striking "or" at the end;

(2) in subparagraph (D), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(E) if the Secretary determines that such lands will be used to store water for flood control in a closed basin."

(c) ADVANCED PAYMENTS.—

(1) IN GENERAL.—In the case of 1996 crops, advanced payments shall be made in accordance with the formula described in paragraph (2).

(2) FORMULA.—Payments authorized under this subsection shall be based on a rate equal to 50 percent of the average deficiency payment rate for the 1990 through 1994 crops.

(3) NONREFUNDABLE.—Payments authorized under this subsection shall not be refundable.

AMENDMENT NO. 3207

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Farm Security Act of 1996".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—COMMODITY PROGRAMS

Sec. 101. Wheat, feed grain, and oilseed program.
Sec. 102. Upland cotton program.
Sec. 103. Rice program.
Sec. 104. Peanut program.
Sec. 105. Dairy program.
Sec. 106. Sugar program.
Sec. 107. Sheep industry transition program.
Sec. 108. Suspension of permanent price support authority.
Sec. 109. Extension of related price support provisions.
Sec. 110. Crop insurance administrative fee.
Sec. 111. Effective date.

TITLE II—CONSERVATION

Sec. 201. Conservation reserve program.
Sec. 202. Environmental quality incentives program.

TITLE III—NUTRITION ASSISTANCE

Sec. 301. Food stamp program.
Sec. 302. Commodity distribution program; commodity supplemental food program.
Sec. 303. Emergency food assistance program.
Sec. 304. Soup kitchens program.
Sec. 305. National commodity processing.

TITLE I—COMMODITY PROGRAMS

SEC. 101. WHEAT, FEED GRAIN, AND OILSEED PROGRAM.

(a) IN GENERAL.—Title I of the Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) is amended by adding the end the following:

"SEC. 116. MARKETING LOANS AND LOAN DEFICIENCY PAYMENTS FOR 1996 THROUGH 2002 CROPS OF WHEAT, FEED GRAINS, AND OILSEEDS.

"(a) DEFINITIONS.—In this section:

"(1) COVERED COMMODITIES.—The term 'covered commodities' means wheat, feed grains, and oilseeds.

"(2) FEED GRAINS.—The term 'feed grains' means corn, grain sorghum, barley, oats, millet, rye, or as designated by the Secretary, other feed grains.

"(3) OILSEEDS.—The term 'oilseeds' means soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or as designated by the Secretary, other oilseeds.

"(b) ADJUSTMENT ACCOUNT.—

"(1) DEFINITION OF PAYMENT BUSHEL OF PRODUCTION.—In this subsection, the term 'payment bushel of production' means—

"(A) in the case of wheat, $\frac{7}{10}$ of a bushel;

"(B) in the case of corn, a bushel; and

"(C) in the case of other feed grains, a quantity determined by the Secretary.

"(2) ESTABLISHMENT.—The Secretary shall establish an Adjustment Account (referred to in this subsection as the 'Account') for making—

"(A) payments to producers of the 1996 through 2002 crops of covered commodities who participate in the marketing loan program established under subsection (c); and

"(B) payments to producers of the 1994 and 1995 crops of covered commodities that are authorized, but not paid, under sections 105B and 107B prior to the date of enactment of this section.

"(3) AMOUNT IN ACCOUNT.—The Secretary shall transfer from funds of the Commodity Credit Corporation into the Account—

"(A) $3,000,000,000 for fiscal year 1996; and

"(B) $3,900,000,000 for each of fiscal years 1997 through 2002;

to remain available until expended.

"(4) PAYMENTS.—The Secretary shall use funds in the Account to make payments to producers of wheat and feed grains in accordance with this subsection.

"(5) TIER 1 SUPPORT.—

"(A) IN GENERAL.—The producers on a farm referred to in paragraph (2) shall be entitled to a payment computed by multiplying—

"(i) the payment quantity determined under subparagraph (B); by

"(ii) the payment factor determined under subparagraph (C).

"(B) PAYMENT QUANTITY.—

"(i) IN GENERAL.—Subject to clause (ii), the payment quantity for payments under subparagraph (A) shall be determined by the Secretary based on—

"(I) 90 percent of the 5-year average of the quantity of wheat and feed grains produced on the farm;

"(II) an adjustment to reflect any disaster or other circumstance beyond the control of the producers that adversely affected production of wheat or feed grains, as determined by the Secretary; and

"(III) an adjustment for planting resource conservation crops on the crop acreage base for covered commodities, and adopting conserving uses, on the base not enrolled in the environmental reserve program provided in paragraph (6).

"(ii) LIMITATIONS.—The quantity determined under clause (i) for an individual, directly or indirectly, shall not exceed 30,000 payment bushels of wheat or feed grains and may be adjusted by the Secretary to reflect the availability of funds.

"(C) PAYMENT FACTOR.—

"(i) WHEAT.—The payment factor for wheat under subparagraph (A) shall be equal to the difference between a price established by the Secretary, of not to exceed $4.00 per bushel, and the greater of—

"(I) the marketing loan rate for the crop of wheat; or

"(II) the average domestic price for wheat for the crop for the calendar year in which the crop is normally harvested.

"(ii) CORN.—The payment factor for corn under subparagraph (A) shall be equal to the difference between a price established by the Secretary, of not to exceed $2.75 per bushel, and the greater of—

"(I) the marketing loan rate for the crop of corn; or

"(II) the average domestic price for corn for the crop for the calendar year in which the crop is normally harvested;

"(iii) OTHER FEED GRAINS.—The payment factor for other feed grains under subparagraph (A) shall be established by the Secretary at such level as the Secretary determines is fair and reasonable in relation to the payment factor for corn.

"(D) ADVANCE PAYMENT.—

"(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the Secretary shall make available to producers on a farm 50 percent of the projected payment under this subsection at the time the producers agree to participate in the program.

"(ii) 1995 PAYMENTS.—In the case of producers on a farm who were prevented from planting, or incurred a reduced yield of 20 percent or more of, the 1995 crop due to weather or related condition, the Secretary may settle claims for the repayment by the producers on terms determined by the Secretary to be fair and equitable, except that no claim shall be reduced by more than $3,500.

"(iii) 1996 PAYMENTS.—

"(I) IN GENERAL.—In the case of 1996 crops, advanced payments shall be made in accordance with the formula under subclause (II).

"(II) FORMULA.—Payments authorized under this clause shall be based on a rate equal to 50 percent of the average deficiency payment rate for the 1990 through 1994 crops.

"(III) NONREFUNDABLE.—Payments authorized under this clause shall not be refundable.

"(6) ENVIRONMENTAL RESERVE PROGRAM.—

"(A) IN GENERAL.—The Secretary may enter into 1 to 5 year contracts with producers on a farm referred to in paragraph (2) for the purposes of enrolling flexible acreage base for conserving use purposes.

"(B) LIMITATION.—Flexible acreage base enrolled in the environmental reserve program shall not be eligible for benefits provided in paragraph (5)(B).

"(c) MARKETING LOANS.—

"(1) IN GENERAL.—The Secretary shall make available to producers on a farm marketing loans for each of the 1996 through 2002 crops of covered commodities produced on the farm.

"(2) ELIGIBILITY.—

"(A) IN GENERAL.—To be eligible for a loan under this subsection, the producers on a farm may not plant covered commodities on the farm in excess of the flexible acreage base of the farm determined under section 502.

"(B) AMOUNT.—The Secretary shall provide marketing loans for their normal production of covered commodities produced on a farm.

"(3) LOAN RATE.—

"(A) IN GENERAL.—Loans made under this subsection shall be made at the rate of 90 percent of the average price for the commodity for the previous 5 crop years, as determined by the Secretary.

"(B) ADJUSTMENTS.—For each of the 1996 through 2002 crops of covered commodities, the Secretary may not adjust local loan rates by a factor greater than 3 percent of the national loan rate.

"(4) REPAYMENT.—

"(A) CALCULATION.—Producers on a farm may repay loans made under this subsection for a crop at a level that is the lesser of—

"(i) the loan level determined for the crop; or

"(ii) the prevailing domestic market price for the commodity (adjusted to location and quality), as determined by the Secretary.

"(B) PREVAILING DOMESTIC MARKET PRICE.—The Secretary shall prescribe by regulation—

"(i) a formula to determine the prevailing domestic market price for each covered commodity; and

"(ii) a mechanism by which the Secretary shall announce periodically the prevailing domestic market prices established under this subsection.

"(d) LOAN DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—The Secretary may, for each of the 1996 through 2002 crops of covered commodities, make payments (referred to in this subsection as 'loan deficiency payments') available to producers who, although eligible to obtain a marketing loan under subsection (c), agree to forgo obtaining the loan in return for payments under this subsection.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of a covered commodity the producer is eligible to place under loan but for which the producer forgoes obtaining the loan in return for payments under this subsection.

"(3) LOAN PAYMENT RATE.—

"(A) IN GENERAL.—For the purposes of this subsection, the loan payment rate shall be the amount by which—

"(i) the marketing loan rate determined for the crop under subsection (c)(3); exceeds

"(ii) the level at which a loan may be repaid under subsection (c)(4).

"(B) DATE.—The date on which the calculation required under subparagraph (A) for the producers on a farm shall be determined by the producers, except that the date may not be later than the earlier of—

"(i) the date the producers lost beneficial interest in the crop; or

"(ii) the end of the marketing year for the crop.

"(4) APPLICATION.—Producers on a farm may apply for a payment for a covered commodity under this subsection at any time prior to the end of the marketing year for the commodity.

"(e) EQUITABLE RELIEF.—If the failure of a producer to comply fully with the terms and conditions of programs conducted under this section precludes the making of loans and payments, the Secretary may, nevertheless, make the loans and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure.

"(f) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(g) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(h) TENANTS AND SHARECROPPERS.—In carrying out this section, the Secretary shall provide adequate safeguards to protect the interest of tenants and sharecroppers.

"(i) CROPS.—This section shall be effective only for the 1996 through 2002 crops of a covered commodity.".

(b) FLEXIBLE ACREAGE BASE.—

(1) DEFINITIONS.—Section 502 of the Agricultural Act of 1949 (7 U.S.C. 1462) is amended by striking paragraphs (2) and (3) and inserting the following:

"(2) FEED GRAINS.—The term 'feed grains' means corn, grain sorghum, barley, oats, millet, rye, or as designated by the Secretary, other feed grains.

"(3) GO CROPS.—The term 'GO crops' means wheat, feed grains, and oilseeds.

"(4) OILSEEDS.—The term 'oilseed' means a crop of soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, other oilseeds.

"(5) PROGRAM CROP.—The term 'program crop' means a GO crop and a crop of upland cotton or rice.".

(2) CROP ACREAGE BASES.—Section 503(a) of the Act (7 U.S.C. 1463(a)) is amended by striking paragraph (1) and inserting the following:

"(1) IN GENERAL.—

"(A) GO CROPS.—The Secretary shall provide for the establishment and maintenance of a single crop acreage base for GO crops, including any GO crops produced under an established practice of double cropping.

"(B) COTTON AND RICE.—The Secretary shall provide for the establishment and maintenance of crop acreage bases for cotton and rice crops, including any program crop produced under an established practice of double cropping.".

SEC. 102. UPLAND COTTON PROGRAM.

(a) EXTENSION.—Section 103B of the Agricultural Act of 1949 (7 U.S.C. 1444–2) is amended—

(1) in the section heading, by striking "**1997**" and inserting "**2002**";

(2) in subsections (a)(1), (b)(1), (c)(1), and (o), by striking "1997" each place it appears and inserting "2002";

(3) in subsection (a)(5), by striking "1998" each place it appears and inserting "2002";

(4) in the heading of subsection (c)(1)(D)(v)(II), by striking "1997" and inserting "2002";

(5) in subsection (e)(1)(D), by striking "the 1997 crop" and inserting "each of the 1997 through 2002 crops"; and

(6) in subsections (e)(3)(A) and (f)(1), by striking "1995" each place it appears and inserting "2002".

(b) INCREASE IN NONPAYMENT ACRES.—Section 103B(c)(1)(C) of the Act is amended by striking "85 percent" and inserting "80 percent for each of the 1996 through 2002 crops".

(c) ADVANCE PAYMENT.—Section 103B(c)(1) of the Act is amended by adding at the end the following:

"(F) ADVANCE PAYMENT.—

"(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the Secretary shall make available to producers on a farm 50 percent of the projected payment under this subsection at the time the producers agree to participate in the program.

"(ii) 1995 PAYMENTS.—In the case of producers on a farm who were prevented from planting, or incurred a reduced yield of 20 percent or more of, the 1995 crop due to weather or related condition, the Secretary may settle claims for the repayment by the producers on terms determined by the Secretary to be fair and equitable, except that no claim shall be reduced by more than $3,500.

"(iii) 1996 PAYMENTS.—

"(I) IN GENERAL.—In the case of 1996 crops, advanced payments shall be made in accordance with the formula under subclause (II).

"(II) FORMULA.—Payments authorized under this clause shall be based on a rate equal to 50 percent of the average deficiency payment rate for the 1990 through 1994 crops.

"(III) NONREFUNDABLE.—Payments authorized under this clause shall not be refundable.".

SEC. 103. RICE PROGRAM.

(a) EXTENSION.—Section 101B of the Agricultural Act of 1949 (7 U.S.C. 1441-2) is amended—

(1) in the section heading, by striking "**1995**" and inserting "**2002**";

(2) in subsections (a)(1), (a)(3), (b)(1), (c)(1)(A), (c)(1)(B)(iii), (e)(3)(A), (f)(1), and (n), by striking "1995" each place it appears and inserting "2002";

(3) in subsection (a)(5)(D)(i), by striking "1996" and inserting "2003"; and

(4) in subsection (c)(1)—

(A) in subparagraph (B)(ii)—

(i) by striking "AND 1995" and inserting "THROUGH 2002"; and

(ii) by striking "and 1995" and inserting "through 2002"; and

(B) in subparagraph (D)—

(i) in clauses (i) and (v)(II), by striking "1997" each place it appears and inserting "2002"; and

(ii) in the heading of clause (v)(II), by striking "1997" and inserting "2002".

(b) INCREASE IN NONPAYMENT ACRES.—Section 101B(c)(1)(C)(ii) of the Act is amended by striking "85 percent" and inserting "80 percent for each of the 1998 through 2002 crops".

(c) ADVANCE PAYMENT.—Section 101B(c)(1) of the Act is amended by adding at the end the following:

"(F) ADVANCE PAYMENT.—

"(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the Secretary shall make available to producers on a farm 50 percent of the projected payment under this subsection at the time the producers agree to participate in the program.

"(ii) 1995 PAYMENTS.—In the case of producers on a farm who were prevented from planting, or incurred a reduced yield of 20 percent or more of, the 1995 crop due to weather or related condition, the Secretary may settle claims for the repayment by the producers on terms determined by the Secretary to be fair and equitable, except that no claim shall be reduced by more than $3,500.

"(iii) 1996 PAYMENTS.—

"(I) IN GENERAL.—In the case of 1996 crops, advanced payments shall be made in accordance with the formula under subclause (II).

"(II) FORMULA.—Payments authorized under this clause shall be based on a rate equal to 50 percent of the average deficiency payment rate for the 1990 through 1994 crops.

"(III) NONREFUNDABLE.—Payments authorized under this clause shall not be refundable.".

SEC. 104. PEANUT PROGRAM.

(a) EXTENSION.—

(1) AGRICULTURAL ACT OF 1949.—Section 108B of the Agricultural Act of 1949 (7 U.S.C. 1445c-3) is amended—

(A) in the section heading, by striking "**1997**" and inserting "**2002**";

(B) in subsection (a)(1), (b)(1), and (h), by striking "1997" each place it appears and inserting "2002"; and

(C) in subsection (g)—

(i) by striking "1997" in paragraphs (1) and (2)(A)(ii)(II) and inserting "2002"; and

(ii) by striking "the 1997 crop" each place it appears and inserting "each of the 1997 through 2002 crops".

(2) AGRICULTURAL ADJUSTMENT ACT OF 1938.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

(A) in section 358-1 (7 U.S.C. 1358-1)—

(i) in the section heading, by striking "**1997**" and inserting "**2002**"; and

(ii) in subsections (a)(1), (b), and (f), by striking "1997" each place it appears and inserting "2002";

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking "**1995**" and inserting "**2002**"; and

(ii) in subsection (c), by striking "1995" and inserting "2002";

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking "1995" and inserting "2002"; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking "**1997**" and inserting "**2002**"; and

(ii) in subsection (i), by striking "1997" and inserting "2002".

(b) SUPPORT RATES FOR PEANUTS.—Section 108B(a)(2) of the Agricultural Act of 1949 (7 U.S.C. 1445c-3(a)(2)) is amended—

(1) by striking "(2) SUPPORT RATES.—The" and inserting the following:

"(2) SUPPORT RATES.—

"(A) 1991–1995 CROPS.—The"; and

(2) by adding at the end the following:

"(B) 1996–2002 CROPS.—The national average quota support rate for each of the 1996 through 2002 crops of quota peanuts shall be $678 per ton.".

(c) UNDERMARKETINGS.—

(1) IN GENERAL.—Section 358-1(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358-1(b)) is amended—

(A) in paragraph (7), by adding at the end the following:

"(C) TRANSFER OF ADDITIONAL PEANUTS.—Additional peanuts on a farm from which the quota poundage was not harvested or marketed may be transferred to the quota loan pool for pricing purposes at the quota price on such basis as the Secretary shall be regulation provide, except that the poundage of the peanuts so transferred shall not exceed the difference in the total quantity of peanuts meeting quality requirements for domestic edible use, as determined by the Secretary, marketed from the farm and the total farm poundage quota."; and

(B) by striking paragraphs (8) and (9).

(2) CONFORMING AMENDMENTS.—Section 358b(a) of the Act (7 U.S.C. 1358b(a)) is amended—

(A) in paragraph (1)(A), by striking "undermarketings and"; and

(B) in paragraph (3), by striking "(including any applicable undermarketings)".

SEC. 105. DAIRY PROGRAM.

(a) PRICE SUPPORT.—Section 204 of the Agricultural Act of 1949 (7 U.S.C. 1446e) is amended—

(1) in the section heading, by striking "**1996**" and inserting "**2002**";

(2) in subsections (a), (b), (f), (g), and (k), by striking "1996" each place it appears and inserting "2002";

(3) in subsection (h)(2)(C), by striking "and 1997" and inserting "through 2002".

(b) SUPPORT PRICE FOR BUTTER AND POWDERED MILK.—Section 204(c)(3) of the Act is amended—

(1) in subparagraph (A), by striking "Subject to subparagraph (B), the" and inserting "The";

(2) by striking subparagraph (B); and

(3) by redesignating subparagraph (C) as subparagraph (B).

(c) SUPPORT RATE.—Section 204(d) of the Act is amended—

(1) by striking paragraphs (1) through (3);

(2) by redesignating paragraphs (4) and (5) as paragraphs (1) and (2) respectively; and

(3) in paragraph (1) (as so redesignated), by striking "$10.10" and inserting "$10.35".

SEC. 106. SUGAR PROGRAM.

(a) IN GENERAL.—Section 206 of the Agricultural Act of 1949 (7 U.S.C. 1446g) is amended to read as follows:

"SEC. 206. SUGAR SUPPORT FOR 1996 THROUGH 2002 CROPS.

"(a) DEFINITIONS.—In this section:

"(1) AGREEMENT ON AGRICULTURE.—The term 'Agreement on Agriculture' means the Agreement on Agriculture resulting from the Uruguay Round of Multilateral Trade Negotiations.

"(2) MAJOR COUNTRY.—The term 'major country' includes—

"(A) a country that is allocated a share of the tariff rate quota for imported sugars and syrups by the United States Trade Representative pursuant to additional U.S. note 5 to chapter 17 of the Harmonized Tariff Schedule;

"(B) a country of the European Union; and

"(C) the People's Republic of China.

"(3) MARKET.—The term 'market' means to sell or otherwise dispose of in commerce in the United States (including, with respect to any integrated processor and refiner, the movement of raw cane sugar into the refining process) and delivery to a buyer.

"(4) TOTAL ESTIMATED DISAPPEARANCE.—The term 'total estimated disappearance' means the quantity of sugar, as estimated by the Secretary, that will be consumed in the United States during a fiscal year (other than sugar imported for the production of polyhydric alcohol or to be refined and reexported in refined form or in a sugar-containing product), plus the quantity of sugar that would provide for adequate carryover stocks.

"(b) PRICE SUPPORT.—The price of each of the 1996 through 2002 crops of sugar beets and sugarcane shall be supported in accordance with this section.

"(c) SUGARCANE.—Subject to subsection (e), the Secretary shall support the price of domestically grown sugarcane through loans at a support level of 18 cents per pound for raw cane sugar.

"(d) SUGAR BEETS.—Subject to subsection (e), the Secretary shall support the price of each crop of domestically grown sugar beets through loans at the level provided for refined beet sugar produced from the 1995 crop of domestically grown sugar beets.

"(e) ADJUSTMENT IN SUPPORT LEVEL.—

"(1) DOWNWARD ADJUSTMENT IN SUPPORT LEVEL.—

"(A) IN GENERAL.—The Secretary shall decrease the support price of domestically grown sugarcane and sugar beets from the level determined for the preceding crop, as determined under this section, if the quantity of negotiated reductions in export and domestic subsidies of sugar that apply to the European Union and other major countries in the aggregate exceed the quantity of the reductions in the subsidies agreed to under the Agreement of Agriculture.

"(B) EXTENT OF REDUCTION.—The Secretary shall not reduce the level of price support under subparagraph (A) below a level that provides an equal measure of support to the level provided by the European Union or any other major country through domestic and export subsidies that are subject to reduction under the Agreement on Agriculture.

"(2) INCREASES IN SUPPORT LEVEL.—The Secretary may increase the support level for each crop of domestically grown sugarcane and sugar beets from the level determined for the preceding crop based on such factors as the Secretary determines appropriate, including changes (during the 2 crop years immediately preceding the crop year for which the determination is made) in the cost of sugar products, the cost of domestic sugar production, the amount of any applicable assessments, and other factors or circumstances that may adversely affect domestic sugar production.

"(f) LOAN TYPE; PROCESSOR ASSURANCES.—

"(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall carry out this section by making recourse loans to sugar producers.

"(2) MODIFICATION.—During any fiscal year in which the tariff rate quota for imports of sugar into the United States is established at, or is increased to, a level that exceeds the minimum level for the imports committed to by the United States under the Agreement on Agriculture, the Secretary shall carry out this section by making nonrecourse loans available to sugar producers. Any recourse loan previously made available by the Secretary and not repaid under this section during the fiscal year shall be converted into a nonrecourse loan.

"(3) PROCESSOR ASSURANCES.—To effectively support the prices of sugar beets and sugarcane received by a producer, the Secretary shall obtain from each processor that receives a loan under this section such assurances as the Secretary considers adequate that, if the Secretary is required under paragraph (2) to make nonrecourse loans available, or convert recourse loans into nonrecourse loans, each producer served by the processor will receive the appropriate minimum payment for sugar beets and sugarcane delivered by the producer, as determined by the Secretary.

"(g) ANNOUNCEMENTS.—The Secretary shall announce the type of loans available and the loan rates for beet and cane sugar for any fiscal year under this section as far in advance as is practicable.

"(h) LOAN TERM.—

"(1) IN GENERAL.—Except as provided in paragraph (2) and subsection (i), a loan under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature at the end of 3 months.

"(2) EXTENSION.—The maturity of a loan under this section may be extended for up to 2 additional 3-month periods, at the option of the borrower, except that the maturity of a loan may not be extended under this paragraph beyond the end of the fiscal year.

"(i) SUPPLEMENTARY LOANS.—Subject to subsection (e), the Secretary shall make available to eligible processors price support loans with respect to sugar processed from sugar beets and sugarcane harvested in the last 3 months of a fiscal year. The loans shall mature at the end of the fiscal year. The processor may repledge the sugar as collateral for a price support loan in the subsequent fiscal year, except that the second loan shall—

"(1) be made at the loan rate in effect at the time the second loan is made; and

"(2) mature in not more than 9 months, less the quantity of time that the first loan was in effect.

"(j) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

"(k) MARKETING ASSESSMENTS.—

"(1) IN GENERAL.—Assessments shall be collected in accordance with this subsection with respect to all sugar marketed within the United States during the 1996 through 2002 fiscal years.

"(2) BEET SUGAR.—The first seller of beet sugar produced from domestic sugar beets or domestic sugar beet molasses shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to 1.1894 percent of the loan level established under subsection (d) per pound of sugar marketed.

"(3) CANE SUGAR.—The first seller of raw cane sugar produced from domestic sugarcane or domestic sugarcane molasses shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to 1.11 percent of the loan level established under subsection (c) per pound of sugar marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing).

"(4) COLLECTION.—

"(A) TIMING.—Marketing assessments required under this subsection shall be collected and remitted to the Commodity Credit Corporation not later than 30 days after the date that the sugar is marketed.

"(B) MANNER.—Subject to subparagraph (A), marketing assessments shall be collected under this subsection in the manner prescribed by the Secretary and shall be nonrefundable.

"(5) PENALTIES.—If any person fails to remit an assessment required by this subsection or fails to comply with such requirements for recordkeeping or otherwise fails to comply with this subsection, the person shall be liable to the Secretary for a civil penalty of not more than an amount determined by multiplying—

"(A) the quantity of sugar involved in the violation; by

"(B) the loan level for the applicable crop of sugarcane or sugar beets from which the sugar is produced.

For the purposes of this paragraph, refined sugar shall be treated as produced from sugar beets.

"(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

"(l) INFORMATION REPORTING.—

"(1) DUTY OF PROCESSORS AND REFINERS TO REPORT.—A sugarcane processor, cane sugar refiner, and sugar beet processor shall furnish the Secretary, on a monthly basis, such information as the Secretary may require to administer sugar programs, including the quantity of purchases of sugarcane, sugar beets, and sugar, and production, importation, distribution, and stock levels of sugar.

"(2) DUTY OF PRODUCERS TO REPORT.—To efficiently and effectively carry out the program under this section, the Secretary may require a producer of sugarcane or sugar beets to report, in the manner prescribed by the Secretary, the producer's sugarcane or sugar beet yields and acres planted to sugarcane or sugar beets, respectively.

"(3) PENALTY.—Any person willfully failing or refusing to furnish the information, or furnishing willfully any false information, required under this subsection shall be subject to a civil penalty of not more than $10,000 for each such violation.

"(4) MONTHLY REPORTS.—Taking into consideration the information received under paragraph (1), the Secretary shall publish on a monthly basis composite data on production, imports, distribution, and stock levels of sugar.

"(m) SUGAR ESTIMATES.—

"(1) DOMESTIC REQUIREMENT.—Before the beginning of each fiscal year, the Secretary shall estimate the domestic sugar requirement of the United States in an amount that is equal to the total estimated disappearance, minus the quantity of sugar that will be available from carry-in stocks.

"(2) QUARTERLY REESTIMATES.—The Secretary shall make quarterly reestimates of sugar consumption, stocks, production, and imports for a fiscal year not later than the beginning of each of the second through fourth quarters of the fiscal year.

"(n) CROPS.—This section shall be effective only for the 1996 through 2002 crops of sugar beets and sugarcane.".

(b) MARKETING QUOTAS.—Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa et seq.) is repealed.

SEC. 107. SHEEP INDUSTRY TRANSITION PROGRAM.

Title II of the Agricultural Act of 1949 (7 U.S.C. 1446 et seq.) is amended by adding at the end the following:

"SEC. 208. SHEEP INDUSTRY TRANSITION PROGRAM.

"(a) LOSS.—

"(1) IN GENERAL.—The Secretary shall, on presentation of warehouse receipts or other acceptable evidence of title as determined by the Secretary, make available for each of the 1996 through 1999 marketing years recourse loans for wool at a loan level, per pound, that is not less than the smaller of—

"(A) the average price (weighted by market and month) of the base quality of wool at average location in the United States as quoted during the 5-marketing year period preceding the year in which the loan level is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

"(B) 90 percent of the average price for wool projected for the marketing year in which the loan level is announced, as determined by the Secretary.

"(2) ADJUSTMENTS TO LOAN LEVEL.—

"(A) LIMITATION ON DECREASE IN LOAN LEVEL.—The loan level for any marketing year determined under paragraph (1) may not be reduced by more than 5 percent from the level determined for the preceding marketing year, and may not be reduced below 50 cents per pound.

"(B) LIMITATION ON INCREASE IN LOAN LEVEL.—If for any marketing year the average projected price determined under paragraph (1)(B) is less than the average United States market price determined under paragraph (1)(A), the Secretary may increase the loan level to such level as the Secretary may consider appropriate, not in excess of the average United States market price determined under paragraph (1)(A).

"(C) ADJUSTMENT FOR QUALITY.—

"(i) IN GENERAL.—Notwithstanding subparagraphs (A) and (B), the Secretary may adjust the loan level of a loan made under this section with respect to a quantity of wool to more accurately reflect the quality of the wool, as determined by the Secretary.

"(ii) ESTABLISHMENT OF GRADING SYSTEM.—To allow producers to establish the quality of wool produced on a farm, the Secretary shall establish a grading system for wool, based on micron diameter of the fibers in the wool.

"(iii) FEES.—The Secretary may charge each person that requests a grade for a quantity of wool a fee to offset the costs of testing and establishing a grade for the wool.

"(iv) TESTING FACILITIES.—To the extent practicable, the Secretary may certify State, local, or private facilities to carry out the grading of wool for the purpose of carrying out this subparagraph.

"(3) ANNOUNCEMENT OF LOAN LEVEL.—The loan level for any marketing year of wool shall be determined and announced by the Secretary not later than December 1 of the calendar year preceding the marketing year for which the loan is to be effective or, in the case of the 1996 marketing year, as soon as is practicable after December 1, 1995.

"(4) TERM OF LOAN.—

"(A) IN GENERAL.—Recourse loans provided for in this section may be made for an initial term of 9 months from the first day of the month in which the loan is made.

"(B) EXTENSIONS.—Except as provided in subparagraph (C), recourse loans provided for in this section shall, on request of the producer during the 9th month of the loan period for the wool, be made available for an additional term of 8 months.

"(C) LIMITATION.—A request to extend the loan period shall not be approved in any month in which the average price of the base quality of wool, as determined by the Secretary, in the designated markets for the preceding month exceeded 130 percent of the average price of the base quality of wool in the designated United States markets for the preceding 36-month period

"(5) MARKETING LOAN PROVISIONS.—If the Secretary determines that the prevailing world market price for wool (adjusted to United States quality and location) is below the loan level determined under paragraphs (1) through (4), to make United States wool competitive, the Secretary shall permit a producer to repay a loan made for any marketing year at the lesser of—

"(A) the loan level determined for the marketing year; or

"(B) the higher of—

"(i) the loan level determined for the marketing year multiplied by 70 percent; or

"(ii) the prevailing world market price for wool (adjusted to United States quality and location), as determined by the Secretary.

"(6) PREVAILING WORLD MARKET PRICE.—

"(A) IN GENERAL.—The Secretary shall prescribe by regulation—

"(i) a formula to define the prevailing world market price for wool (adjusted to United States quality and location); and

"(ii) a mechanism by which the Secretary shall announce periodically the prevailing world market price for wool (adjusted to United States quality and location).

"(B) USE.—The prevailing world market price for wool (adjusted to United States quality and location) established under this paragraph shall be used to carry out paragraph (5).

"(C) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE.—

"(i) IN GENERAL.—The prevailing world market price for wool (adjusted to United States quality and location) established under this paragraph shall be further adjusted if the adjusted prevailing world market price is less than 115 percent of the current marketing year loan level for the base quality of wool, as determined by the Secretary.

"(ii) FURTHER ADJUSTMENT.—The adjusted prevailing world market price shall be further adjusted on the basis of some or all of the following data, as available:

"(I) The United States share of world exports.

"(II) The current level of wool export sales and wool export shipments.

"(III) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for wool (adjusted to United States quality and location).

"(D) MARKET PRICE QUOTATION.—The Secretary may establish a system to monitor and make available on a weekly basis information with respect to the most recent average domestic and world market prices for wool.

"(7) PARTICIPATION.—The Secretary may make loans available under this subsection to producers, cooperatives, or marketing pools.

"(b) LOAN DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—The Secretary shall, for each of the 1996 through 1999 marketing years of wool, make payments available to producers who, although eligible to obtain a loan under subsection (a), agree to forgo obtaining the loan in return for payments under this subsection.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of wool the producer is eligible to place under loan but for which the producer forgoes obtaining the loan in return for payments under this subsection.

"(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan level determined for the marketing year under subsection (a); exceeds

"(B) the level at which a loan may be repaid under subsection (a).

"(c) DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—The Secretary shall make available to producers deficiency payments for each of the 1996 through 1999 marketing years of wool in an amount computed by multiplying—

"(A) the payment rate; by

"(B) the payment quantity of wool for the marketing year.

"(2) PAYMENT RATE.—

"(A) IN GENERAL.—The payment rate for wool shall be the amount by which the established price for the marketing year of wool exceeds the higher of—

"(i) the national average market price received by producers during the marketing year, as determined by the Secretary; or

"(ii) the loan level determined for the marketing year.

"(B) MINIMUM ESTABLISHED PRICE.—The established price for wool shall not be less than $2.12 per pound on a grease wool basis for each of the 1996 through 1999 marketing years.

"(3) PAYMENT QUANTITY.—Payment quantity of wool for a marketing year shall be the number of pounds of wool produced during the marketing year.

"(d) EQUITABLE RELIEF.—

"(1) LOANS AND PAYMENTS.—If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans and payments, the Secretary may, nevertheless, make the loans and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of the program in determining whether equitable relief is warranted under this paragraph.

"(2) DEADLINES AND PROGRAM REQUIREMENTS.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(e) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(f) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(g) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(h) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(i) TENANTS AND SHARECROPPERS.—The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(j) CROSS-COMPLIANCE.—

"(1) IN GENERAL.—Compliance on a farm with the terms and conditions of any other commodity program, or compliance with marketing year acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans or payments under this section.

"(2) COMPLIANCE ON OTHER FARMS.—The Secretary may not require producers on a farm, as a condition of eligibility for loans or payments under this section for the farm, to comply with the terms and conditions of the wool program with respect to any other farm operated by the producers.

"(k) LIMITATION ON OUTLAYS.—

"(1) IN GENERAL.—The total amount of payments that may be made available to all producers under this section may not exceed—

"(A) $75,000,000, during any single marketing year; or

"(B) $200,000,000 in the aggregate for marketing years 1996 through 1999.

"(2) PRORATION OF BENEFITS.—To the extent that the total amount of benefits for which producers are eligible under this section exceeds the limitations in paragraph (1), funds made available under this section shall be prorated among all eligible producers.

"(3) PERSON LIMITATION.—

"(A) LOANS.—No person may realize gains or receive payments under subsection (a) or (b) that exceed $75,000 during any marketing year.

"(B) DEFICIENCY PAYMENTS.—No person may receive payments under subsection (c) that exceed $50,000 during any marketing year.

"(l) MARKETING YEARS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 1999 marketing years for wool.".

SEC. 108. SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) WHEAT.—

(1) NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS.—Sections 379d through 379j of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379d–1379j) shall not be applicable to wheat processors or exporters during the period June 1, 1995, through May 31, 2003.

(2) SUSPENSION OF LAND USE, WHEAT MARKETING ALLOCATION, AND PRODUCER CERTIFICATE PROVISIONS.—Sections 331 through 339, 379b, and 379c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1331 through 1339, 1379b, and 1379c) shall not be applicable to the 1996 through 2002 crops of wheat.

(3) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—The joint resolution entitled "A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended", approved May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1996 through 2002.

(4) NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949.—Section 107 of the Agricultural Act of 1949 (7 U.S.C. 1445a) shall not be applicable to the 1996 through 2002 crops of wheat.

(b) FEED GRAINS.—

(1) NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949.—Section 105 of the Agricultural Act of 1949 (7 U.S.C. 1444b) shall not be applicable to the 1996 through 2002 crops of feed grains.

(2) RECOURSE LOAN PROGRAM FOR SILAGE.—Section 403 of the Food Security Act of 1985 (7 U.S.C. 1444e–1) is amended by striking "1996" and inserting "2002".

(c) OILSEEDS.—Section 201(a) of the Agricultural Act of 1949 (7 U.S.C. 1446(a)) is amended by striking "oilseeds" and all that follows through "determine),".

(d) UPLAND COTTON.—

(1) SUSPENSION OF BASE ACREAGE ALLOTMENTS, MARKETING QUOTAS, AND RELATED PROVISIONS.—Sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1342–1346 and 1377) shall not be applicable to any of the 1996 through 2002 crops of upland cotton.

(2) MISCELLANEOUS COTTON PROVISIONS.—Section 103(a) of the Agricultural Act of 1949 (7 U.S.C. 1444(a)) shall not be applicable to the 1996 through 2002 crops.

(e) PEANUTS.—

(1) SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1996 through 2002 crops of peanuts:

(A) Subsections (a) through (j) of section 358 (7 U.S.C. 1358).

(B) Subsections (a) through (h) of section 358a (7 U.S.C. 1358a).

(C) Subsections (a), (b), (d), and (e) of section 358d (7 U.S.C. 1359).

(D) Part I of subtitle C of title III (7 U.S.C. 1361 et seq.).

(E) Section 371 (7 U.S.C. 1371).

(2) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before "all brokers and dealers in peanuts" the following: "all producers engaged in the production of peanuts,".

(3) SUSPENSION OF CERTAIN PRICE SUPPORT PROVISIONS.—Section 101 of the Agricultural Act of 1949 (7 U.S.C. 1441) shall not be applicable to the 1996 through 2002 crops of peanuts.

SEC. 109. EXTENSION OF RELATED PRICE SUPPORT PROVISIONS.

(a) DEFICIENCY AND LAND DIVERSION PAYMENTS.—Section 114 of the Agricultural Act of 1949 (7 U.S.C. 1445j) is amended—

(1) in subsections (a)(1) and (c), by striking "1997" each place it appears and inserting "2002"; and

(2) in subsection (b), by striking "1995" and inserting "2002";

(b) ADJUSTMENT OF ESTABLISHED PRICES.—Section 402(b) of the Agricultural Act of 1949 (7 U.S.C. 1422(b)) is amended by striking "1995" and inserting "2002".

(c) ADJUSTMENT OF SUPPORT PRICES.—Section 403(c) of the Agricultural Act of 1949 (7 U.S.C. 1423(c)) is amended by striking "1995" and inserting "2002".

(d) APPLICATION OF TERMS IN THE AGRICULTURAL ACT OF 1949.—Section 408(k)(3) of the Agricultural Act of 1949 (7 U.S.C. 1428(k)(3)) is amended by striking "1995" and inserting "2002".

(e) ACREAGE BASE AND YIELD SYSTEM.—Title V of the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) is amended—

(1) in subsections (c)(3) and (h)(2)(A) of section 503 (7 U.S.C. 1463), by striking "1997" each place it appears and inserting "2002";

(2) in paragraphs (1) and (2) of section 505(b) (7 U.S.C. 1465(b)), by striking "1997" each place it appears and inserting "2002"; and

(3) in section 509 (7 U.S.C. 1469), by striking "1997" and inserting "2002".

(f) PAYMENT LIMITATIONS.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking "1997" each place it appears and inserting "2002".

(g) NORMALLY PLANTED ACREAGE.—Section 1001 of the Food and Agriculture Act of 1977 (7 U.S.C. 1309) is amended by striking "1995" each place it appears in subsections (a), (b)(1), and (c) and inserting "2002".

(h) OPTIONS PILOT PROGRAM.—The Options Pilot Program Act of 1990 (subtitle E of title XI of Public Law 101–624; 104 Stat. 3518; 7 U.S.C. 1421 note) is amended—

(1) in subsections (a) and (b) of section 1153, by striking "1995" each place it appears and inserting "2002"; and

(2) in section 1154(b)(1)(A), by striking "1995" each place it appears and inserting "2002".

(i) FOOD SECURITY WHEAT RESERVE.—Section 302(i) of the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f–1(i)) is amended by striking "1995" each place it appears and inserting "2002".

SEC. 110. CROP INSURANCE ADMINISTRATIVE FEE.

Section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended—

(1) by striking paragraph (5); and

(2) by redesignating paragraphs (6) through (10) as paragraphs (5) through (9), respectively.

SEC. 111. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise specifically provided in this title, this title and the amendments made by this title shall apply beginning with the 1996 crop of an agricultural commodity.

(b) PRIOR CROPS.—Except as otherwise specifically provided and notwithstanding any other provision of law, this title and the amendments made by this title shall not affect the authority of the Secretary of Agriculture to carry out a price support, production adjustment, or payment program for—

(1) any of the 1991 through 1995 crops of an agricultural commodity established under a provision of law as in effect immediately before the enactment of this Act; or

(2) the 1996 crop of an agricultural commodity established under section 406(b) of the Agricultural Act of 1949 (7 U.S.C. 1426(b)).

TITLE II—CONSERVATION

SEC. 201. CONSERVATION RESERVE PROGRAM.

Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended by striking "1995" each place it appears in subsections (a) and (d) and inserting "2002".

SEC. 202. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

Chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.) is amended to read as follows:

"CHAPTER 2—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

"SEC. 1238. DEFINITIONS.

"In this chapter:

"(1) LAND MANAGEMENT PRACTICE.—The term 'land management practice' means nutrient or manure management, integrated pest management, irrigation management, tillage or residue management, grazing management, or another land management practice the Secretary determines is needed to protect soil, water, or related resources in the most cost efficient manner.

"(2) LARGE CONFINED LIVESTOCK OPERATION.—The term 'large confined livestock operation' means a farm or ranch that—

"(A) is a confined animal feeding operation; and

"(B) has more than—

"(i) 700 mature dairy cattle;

"(ii) 1,000 beef cattle;

"(iii) 100,000 laying hens or broilers;

"(iv) 55,000 turkeys;

"(v) 2,500 swine; or

"(vi) 10,000 sheep or lambs.

"(3) LIVESTOCK.—The term 'livestock' means mature dairy cows, beef cattle, laying hens, broilers, turkeys, swine, sheep, or lambs.

"(4) OPERATOR.—The term 'operator' means a person who is engaged in crop or livestock production (as defined by the Secretary).

"(5) STRUCTURAL PRACTICE.—The term 'structural practice' means the establishment of an animal waste management facility, terrace, grassed waterway, contour grass strip, filterstrip, permanent wildlife habitat, or another structural practice that the Secretary determines is needed to protect soil, water, or related resources in the most cost effective manner.

"SEC. 1238A. ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—During the 1996 through 2006 fiscal years, the Secretary shall enter into contracts with operators to provide technical assistance, cost-sharing payments, and incentive payments to operators, who enter into contracts with the Secretary, through an environmental quality incentives program in accordance with this chapter.

"(2) CONSOLIDATION OF EXISTING PROGRAMS.—In establishing the environmental quality incentives program authorized under this chapter, the Secretary shall combine into a single program the functions of—

"(A) the agricultural conservation program authorized by sections 7 and 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g and 590h);

"(B) the Great Plains conservation program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p(b));

"(C) the water quality incentives program established under this chapter; and

"(D) the Colorado River Basin salinity control program established under section 202(c) of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592(c)).

"(b) Application and Term.—

"(1) In general.—A contract between an operator and the Secretary under this chapter may—

"(A) apply to 1 or more structural practices or 1 or more land management practices, or both; and

"(B) have a term of not less than 5, nor more than 10, years, as determined appropriate by the Secretary, depending on the practice or practices that are the basis of the contract.

"(2) Contract effective date.—A contract between an operator and the Secretary under this chapter shall become effective on October 1st following the date the contract is fully entered into.

"(c) Cost-Sharing and Incentive Payments.—

"(1) Cost-sharing payments.—

"(A) In general.—The Federal share of cost-sharing payments to an operator proposing to implement 1 or more structural practices shall not be more than 75 percent of the projected cost of the practice, as determined by the Secretary, taking into consideration any payment received by the operator from a State or local government.

"(B) Limitation.—An operator of a large confined livestock operation shall not be eligible for cost-sharing payments to construct an animal waste management facility.

"(C) Other payments.—An operator shall not be eligible for cost-sharing payments for structural practices on eligible land under this chapter if the operator receives cost-sharing payments or other benefits for the same land under chapter 1 or 3.

"(2) Incentive payments.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage an operator to perform 1 or more land management practices.

"(d) Technical Assistance.—

"(1) Funding.—The Secretary shall allocate funding under this chapter for the provision of technical assistance according to the purpose and projected cost for which the technical assistance is provided in a fiscal year. The allocated amount may vary according to the type of expertise required quantity of time involved, and other factors as determined appropriate by the Secretary. Funding shall not exceed the projected cost to the Secretary of the technical assistance provided in a fiscal year.

"(2) Other authorities.—The receipt of technical assistance under this chapter shall not affect the eligibility of the operator to receive technical assistance under other authorities of law available to the Secretary.

"(e) Funding.—The Secretary shall use to carry out this chapter not less than—

"(1) $200,000,000 for fiscal year 1997; and

"(2) $250,000,000 for each of fiscal years 1998 through 2002.

"(f) Commodity Credit Corporation.—The Secretary may use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this subchapter.

"SEC. 1238B. CONSERVATION PRIORITY AREAS.

"(a) In General.—The Secretary shall designate watersheds or regions of special environmental sensitivity, including the Chesapeake Bay region (located in Pennsylvania, Maryland, and Virginia), the Great Lakes region, the Long Island Sound region, prairie pothole region (located in North Dakota, South Dakota, and Minnesota), Rainwater Basin (located in Nebraska), and other areas the Secretary considers appropriate, as conservation priority areas that are eligible for enhanced assistance through the programs established under this chapter and chapter 1.

"(b) Applicability.—A designation shall be made under this section if an application is made by a State agency and agricultural practices within the watershed or region pose a significant threat to soil, water, and related natural resources, as determined by the Secretary.

"SEC. 1238C. EVALUATION OF OFFERS AND PAYMENTS.

"(a) Regional Priorities.—The Secretary shall provide technical assistance, cost-sharing payments, and incentive payments to operators in a region, watershed, or conservation priority area under this chapter based on the significance of soil, water, and related natural resources problems in the region, watershed, or area, and the structural practices or land management practices that best address the problems, as determined by the Secretary.

"(b) Maximization of Environmental Benefits.—

"(1) In general.—In providing technical assistance, cost-sharing payments, and incentive payments to operators in regions, watersheds, or conservation priority areas under this chapter, the Secretary shall accord a higher priority to assistance and payments that maximize environmental benefits per dollar expended.

"(2) State or local contributions.—The Secretary shall accord a higher priority to operators whose agricultural operations are located within watersheds, regions, or conservation priority areas in which State or local governments have provided, or will provide, financial or technical assistance to the operators for the same conservation or environmental purposes.

"SEC. 1238D. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

"(a) In General.—Prior to approving cost-share or incentive payments authorized under this chapter, the Secretary shall require the preparation and evaluation of an environmental quality incentives program plan described in subsection (b), unless the Secretary determines that such a plan is not necessary to evaluate the application for the payments.

"(b) Terms.—An environmental quality incentives program plan shall include (as determined by the Secretary) a description of relevant—

"(1) farming or ranching practices on the farm;

"(2) characteristics of natural resources on the farm;

"(3) specific conservation and environmental objectives to be achieved including those that will assist the operator in complying with Federal and State environmental laws;

"(4) dates for, and sequences of, events for implementing the practices for which payments will be received under this chapter; and

"(5) information that will enable evaluation of the effectiveness of the plan in achieving the conservation and environmental objectives, and that will enable evaluation of the degree to which the plan has been implemented.

"SEC. 1238E. LIMITATION ON PAYMENTS.

"(a) Payments.—The total amount of cost-share and incentive payments paid to a person under this chapter may not exceed—

"(1) $10,000 for any fiscal year; or

"(2) $50,000 for any multiyear contract.

"(b) Regulations.—The Secretary shall issue regulations that are consistent with section 1001 for the purpose of—

"(1) defining the term 'person' as used in subsection (a); and

"(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations contained in subsection (a).".

TITLE III—NUTRITION ASSISTANCE

SEC. 301. FOOD STAMP PROGRAM.

(a) Employment and Training.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended by striking "1995" each place it appears and inserting "2002".

(b) Authorization of Pilot Projects.—The last sentence of section 17(b)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(A)) is amended by striking "1995" and inserting "2002".

(c) Authorization for Appropriations.—The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking "1995" and inserting "2002".

(d) Reauthorization of Puerto Rico Nutrition Assistance Program.—The first sentence of section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended by striking "$974,000,000" and all that follows through "fiscal year 1995" and inserting "$1,143,000,000 for each of fiscal years 1995 and 1996, $1,182,000,000 for fiscal year 1997, $1,223,000,000 for fiscal year 1998, $1,266,000,000 for fiscal year 1999, $1,310,000,000 for fiscal year 2000, $1,357,000,000 for fiscal year 2001, and $1,404,000,000 for fiscal year 2002".

SEC. 302. COMMODITY DISTRIBUTION PROGRAM; COMMODITY SUPPLEMENTAL FOOD PROGRAM.

(a) Reauthorization.—The first sentence of section 4(a) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(b) Funding.—Section 5 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86; 7 U.S.C. 612c note) is amended—

(1) in subsection (a)(2), by striking "1995" and inserting "2002"; and

(2) in subsection (d)(2), by striking "1995" and inserting "2002".

SEC. 303. EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) Reauthorization.—The first sentence of section 204(a)(1) of the Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(b) Program Termination.—Section 212 of the Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(c) Required Purchases of Commodities.—Section 214 of the Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking "1995" and inserting "2002"; and

(2) in subsection (e), by striking "1995" each place it appears and inserting "2002".

SEC. 304. SOUP KITCHENS PROGRAM.

Section 110 of the Hunger Prevention Act of 1988 (Public Law 100–435; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking "1995" and inserting "2002"; and

(2) in subsection (c)(2)—

(A) in the paragraph heading, by striking "1995" and inserting "2002"; and

(B) by striking "1995" each place it appears and inserting "2002".

SEC. 305. NATIONAL COMMODITY PROCESSING.

The first sentence of section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended by striking "1995" and inserting "2002".

DASCHLE AMENDMENTS NOS. 3208–3214

(Ordered to lie on the table.)

Mr. DASCHLE submitted seven amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3208

Strike section 104(b) and insert the following:

"(b) LOAN RATES.—

"(1) WHEAT.—The loan rate for a marketing assistance loan for wheat shall be—

(A) not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $2.58 per bushel.

"(2) FEED GRAINS.—

"(A) LOAN RATE FOR CORN.—The loan rate for a marketing assistance loan for corn shall be—

"(i) not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not more than $1.89 per bushel.

"(B) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines if fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

"(3) UPLAND COTTON.—

"(A) The loan rate for a marketing assistance loan for upland cotton shall be established by the Secretary at such loan rate, per pound, as well reflect for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 in the year in which the loan rate is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

"(B) 90 percent of the average, for the 15-week period beginning July 1 of the year in which the loan rate is announced, of the 5 lowest-priced growths of the growths quoted for Middling 1 3/32-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15

"(C) OTHER OILSEEDS.—The loan rates for a marketing assistance loan for other oilseeds shall be established at such level as the Secretary determines is fair and reasonable in relation to the loan rate available for soybeans, except in no event shall the rate for the oilseeds (other than cottonseed) be less than the rate established for soybeans on a per-pound basis for the same crop."

AMENDMENT NO. 3209

Strike section 104(b) and insert the following:

"(b) LOAN RATES.—

"(1) WHEAT.—

"(A) IN GENERAL.—The loan rate for a marketing assistance loan for wheat shall be not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

"(B) REDUCTIONS.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use of the marketing year will be—

"(i) equal to or greater than 30 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

"(ii) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year, or

"(iii) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

"(C) FUTURE YEARS.—Any reduction in the loan rate for wheat under subparagraph (B) shall not be considered in determining the loan rate for wheat for subsequent years.

"(2) FEED GRAINS.—

"(A) LOAN RATE FOR CORN.—The loan rate for a marketing assistance loan for corn shall be not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

"(B) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

"(C) REDUCTIONS.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

"(i) equal to or greater than 25 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 10 percent in any year;

"(ii) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 5 percent in any year; or

"(iii) less than 12.5, the Secretary may not reduce the loan rate for corn for the corresponding crop.

"(D) FUTURE YEARS.—Any reduction in the loan rate for corn under subparagraph (B) shall not be considered in determining the loan rate for corn for subsequent years.

"(3) UPLAND COTTON.—

"(A) The loan rate for a marketing assistance loan for upland cotton shall be established by the Secretary at such loan rate, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 in the year in which the loan rate is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

"(B) 90 percent of the average, for the 15-week period beginning July 1 of the year in which the loan rate is announced, of the 5 lowest-priced growths of the growths quoted for Middling $1\frac{3}{32}$-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

"(4) EXTRA LONG STAPLE COTTON.—The loan rate for marketing assistance loan for extra loan staple cotton shall be not less than 85 percent of the simple average price received by producers of extra long staple cotton, as determined by the Secretary, during 3 years of the 5 previous marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

"(5) RICE.—The loan rate for the marketing assistance loan for rice shall be $6.50 per hundredweight.

"(6) OILSEEDS.—

"(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be $4.92 per bushel.

"(B) SUNFLOWERS SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rates for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be $0.087 per pound.

"(C) OTHER OILSEEDS.—The loan rates for a marketing assistance loan for other oilseeds shall be established at such level as the Secretary determines is fair and reasonable in relation to the loan rate available for soybeans, except in no event shall the rate for the oilseeds (other than cottonseed) be less than the rate established for soybeans on a per-pound basis for the same crop."

AMENDMENT NO. 3210

Section 104(b) is amended by adding at the end the following:

"(7) LOCAL LOAN RATES.—The Secretary may not adjust the national loan for a crop in a county by an amount in excess of 5 percent the national loan."

AMENDMENT NO. 3211

Section 104(b) is amended by adding at the end the following:

"(7) LOCAL LOAN RATES.—The Secretary shall apply the national loan rate for a commodity to all marketing assistance loans established under this section."

AMENDMENT NO. 3212

Title V is amended by adding at the end the following:

"SEC. FUND FOR RURAL AMERICA.

"(a) IN GENERAL.—The Secretary shall create an account called the Fund for Rural America for the purposes of providing funds for activities described in subsection (c).

"(b) COMMODITY CREDIT CORPORATION.—In each of the 1996 through 2002 fiscal years, the Secretary shall transfer $250,000,000 into the Fund for Rural America.

"(c) PURPOSES.—Except as provided in subsection (d), the Secretary may use the funds in the Fund for Rural America for activities authorized under—

"(1) The Housing Act of 1949 for—

"(A) direct loans to low income borrowers pursuant to section 502;

"(B) loans for financial assistance for housing for domestic farm laborers pursuant to section 514;

"(C) financial assistance for housing of domestic farm labor pursuant to section 516;

"(D) grants and contracts for mutual and self help housing pursuant to section 523(b)(1)(A); and

"(E) grants for Rural Housing Preservation pursuant to section 533;

"(2) The Food Security Act of 1985 for loans to intermediary borrowers under the Rural Development Loan Fund;

"(3) Consolidated Farm and Rural Development Act for—

"(A) grants for Rural Business Enterprises pursuant to section 310B(c) and (j);

"(B) direct loans, loan guarantees and grants for water and waste water projects pursuant to section 306;

"(C) down payments assistance to farmers, section 310E; and

"(D) loans to socially disadvantaged farmers under section 355."

"(d) LIMITATIONS.—No funds from the Fund for Rural America may be used to for an activity specified in subsection (c) if the current level of appropriations for the activity is less than 90 percent of the 1996 fiscal year appropriations for the activity adjusted for inflation."

AMENDMENT NO. 3213

Title V is amended by adding at the end the following:

"SEC. 507 FUND FOR RURAL AMERICA.

"(a) IN GENERAL.—The Secretary shall create an account called the Fund for Rural America for the purposes of providing funds for activities described in subsection (c).

"(b) COMMODITY CREDIT CORPORATION.—In each of the 1996 through 2002 fiscal years, the Secretary shall transfer $250,000,000 into the Fund for Rural America.

"(c) PURPOSES.—Except as provided in subsection (d), the Secretary may use the funds in the Fund for Rural America for activities authorized under—

"(1) The Housing Act of 1949 for—

"(A) direct loans to low income borrowers pursuant to section 502;

"(B) loans for financial assistance for housing for domestic farm laborers pursuant to section 514;

"(C) financial assistance for housing of domestic farm labor pursuant to section 516;

"(D) grants and contracts for mutual and self help housing pursuant to section 523(b)(1)(A); and

"(E) grants for Rural Housing Preservation pursuant to section 533;

"(2) The Food Security Act of 1985 for loans to intermediary borrowers under the Rural Development Loan Fund;

"(3) Consolidated Farm and Rural Development Act for—

"(A) grants for Rural Business Enterprises pursuant to section 310B(c) and (j);

"(B) direct loans, loan guarantees and grants for water and waste water projects pursuant to section 306;

"(C) down payments assistance to farmers, section 310E; and

"(D) loans to socially disadvantaged farmers under section 355."

"(d) LIMITATIONS.—No funds from the Fund for Rural America may be used to for an activity specified in subsection (c) if the current level of appropriations for the activity is less than 90 percent of the 1996 fiscal year appropriations for the activity adjusted for inflation."

AMENDMENT NO. 3214

Strike all after the enacting clause and insert the following:

SEC. 101 SHORT TITLE.

This Act may be cited as the "Agricultural Extension Act of 1995".

SEC. 102. AUTHORITY FOR 1996 AND 1997 AGRICULTURAL PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law except as provided in this Act and the amendments made by this Act, the provisions of the Agricultural Adjustment of 1938 (7 U.S.C. 1281 et seq.), the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), the Food Security Act of 1985 (Public Law 99–198), and the Food, Agriculture, Conservation and Trade Act of 1990 (Public Law 101–624) and each program that was authorized or reauthorized by any of the Acts, that were applicable on September 30, 1995, shall be applicable for 1996 and 1997.

(b) FLEXIBILITY.—Amend section 504 of the Agricultural Act of 1949 (7 U.S.C. 1464) by striking subsections (c), (d), and (e) and inserting the following:

"(c) NON-PAYMENT ACRES.—In the case of the 1996 and 1997 crops, any crop or conserving crop listed in subsection (b)(1) may be planted on the acres of a crop acreage base not eligible for payment under this Act.

"(d) LOAN ELIGIBILITY.—In the case of the 1996 and 1997 crops, producers on a farm with crop acreage base may plant any program crop on the crop acreage base and shall be eligible to receive purchases, loans, and loan deficiency payments for the program crop.".

(c) FINLEY ADJUSTMENT.—Amend the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.)—

(1) in section 105B(a)(3)—

(A) by striking subparagraph (C); and

(B) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D).

(2) in section 107B(a)(3)—

(A) by striking subparagraph (C); and

(B) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D).

(d) 1997 CROP PAYMENTS.—

(1) REVENUE PAYMENTS.—

(A) IN GENERAL.—In the case of the 1997 crops of wheat, feed grain, upland cotton, and rice in addition to payments authorized in subsection (a), the Secretary shall issue payments to producers who participate in price support programs authorized by subsection (a) in accordance with the formula described in subparagraph (B).

(B) FORMULA.—In accordance with subparagraph (A), the Secretary shall provide a payment per acre equal to the amount in which the Average Revenue for the producer's farm, described in clause (i) exceeds the Producers' Revenue descried in clause (ii) for each of the producer's payment acres.

(i) AVERAGE REVENUE.—for the purposes of this subparagraph, "average revenue" means the five year Olympic average price for the county for the program multiplied by the producer's program payment yield for the farm.

(ii) PRODUCER'S REVENUE.—for the purposes of this paragraph, the term "producer's revenue" means the per acre revenue received for production from:

(I) Commodity Credit Corporation (CCC) deficiency payments;

(II) revenue from sales of the program crop in excess of any CCC price support loans received;

(III) crop insurance indemnity payments;

(IV) CCC price support loans; and

(V) CCC loan deficiency payments.

(2) GUARANTEED ADVANCED PAYMENTS FOR THE 1997 CROPS.—In the case of 1997 crops of wheat, feed grains, upland cotton, and rice, the Secretary shall provide to producers who participate in programs authorized by subsection (a) a nonrefundable advanced deficiency payment subject to paragraph (3) which shall equal the greater of—

(A) the advanced deficiency payment authorized by subsection (a); or

(B) the payment authorized in section 103(c)(1).

(3) LIMITATION.—In calculating deficiency payments in accordance with programs authorized in subsection (a), the Secretary shall deduct any payments received by the producer under paragraph (2) from the producer's deficiency payments.

(e) ACREAGE REDUCTION PROGRAMS.—In the case of price support programs authorized by subsection (a) for the 1996 and 1997 crops of wheat, feed grains, upland cotton, and rice, the Secretary shall set the acreage reduction level to be zero.

SEC. 103. SPECIAL FUND FOR DEFICIENCY PAYMENTS, CONSERVATION, AND RURAL AMERICA.

(a) ACCOUNT.—Notwithstanding any other provision of law, the Commodity Credit Corporation shall transfer $4.5 billion into a Deficiency Payment, Conservation, and Rural America Account (hereafter referred as "Account") which shall remain available until expended for the purposes specified in this subsection.

(b) USE OF ACCOUNT.—Funds from the Account shall be used for the following purposes:

(1) Advanced deficiency payments for 1996 crops of wheat, feed grain, upland cotton, and rice authorized by paragraph (c);

(2) Any deficiency payments authorized by the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) for 1995 crops of wheat, feed grains, upland cotton, and rice issued after date of enactment of this Act; and

(3) Conservation and Fund for Rural America program payments authorized by paragraph (c).

(c) PAYMENTS.—

(1) 1996 CROP ADVANCED DEFICIENCY PAYMENTS.—

(A) IN GENERAL.—The Secretary shall issue nonfundable advanced deficiency payments for the 1996 crops of wheat, feed grains, upland cotton, and rice to producers who participate in price support programs authorized in section 102 from the Account in accordance with the formula specified in subparagraph (B).

(B) FORMULA.—The advanced deficiency payment rate for wheat, feed grains, upland cotton, and rice shall be the greater of—

(i) the 1995 advanced payment rate for the crop; or

(ii) the 1996 advanced payment rate for the crop determined in accordance with section 102.

(2) CONSERVATION AND FUND FOR RURAL AMERICA PAYMENTS.—

(A) IN GENERAL.—If any funds remain in the Account after carrying out the provisions of paragraph (1), the Secretary may conduct programs described in this subparagraph.

(B) FUNDING.—The Secretary shall divide the remaining funds in the Account equally for Conservation programs described in subparagraph (C) and for Fund for Rural America described in subparagraph (D).

(C) CONSERVATION PROGRAMS.—The Secretary may conduct the Environmental Quality Incentive Program described in section 1201 of S. 1357 (as passed by the Senate on October 27, 1995).

(D) FUND FOR RURAL AMERICA.—

(i) IN GENERAL.—The Secretary may create the Fund for Rural America for the purposes of funding programs described in clause (ii).

(ii) PROGRAMS.—Notwithstanding any other provision of law, the Secretary may transfer funds from the Fund for Rural America to—

(I) rural development programs authorized by the Consolidated Farm and Rural Development Act; and

(II) research programs authorized or reauthorized by Title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624) or by section 102 of this Act.

CONRAD AMENDMENTS NOS. 3215–3220

(Ordered to lie on the table.)

Mr. CONRAD submitted six amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3215

Beginning on page 3–14, strike line 24 and all that follows through page 3–15, line 4, and insert the following:

"(i) 700 dairy cattle;

"(ii) 1,000 beef cattle;

"(iii) 30,000 laying hens or broilers (if the facility has continuous overflow watering);

"(iv) 100,000 laying hens or broilers (if the facility has a liquid manure system);

"(v) 55,000 turkeys;

"(vi) 2,500 swine; or

"(vii) 10,000 sheep or lambs.

The Secretary may reduce the number of animals specified in subparagraph (B) after consultation with State technical advisory committees.

AMENDMENT NO. 3216

On page 3–62, after line 22, insert the following:

SEC. 356. WETLAND CONSERVATION EXEMPTION.

Section 1222(b)(1) of the Food Security Act of 1985 (16 U.S.C. 3822(b)(1)) is amended—

(1) in subparagraph (C), by striking "or" at the end; and

(2) by adding at the end the following:

"(E) converted wetland, if—

"(i) the extent of the conversion is limited to the return of conditions that will be at least equivalent to the wetland functions and values that existed prior to implementation of the wetland restoration, enhancement, or creation action;

"(ii) technical determinations of the prior site conditions and the restoration, enhancement, or creation action have been adequately documented in a plan approved by the Natural Resources Conservation Service prior to implementation; and

"(iii) the conversion action proposed by the landowner is approved by the Natural Resources Conservation Service prior to implementation; or".

AMENDMENT NO. 3217

On page 3–9, line 14, strike the quotation marks and the following period and insert the following:

"(i) COST SHARE AGREEMENTS AND WETLAND STATUS.—Wetland restored on land under a cost share agreement funded under this section shall not be subject to section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1341) or section 1221 of the Food Security Act of 1985 (16 U.S.C. 3821) without the agreement of the landowner.".

AMENDMENT NO. 3218

On page 3–15, line 10, strike the period and insert "and is the owner of any crop or livestock for which assistance is requested under this chapter.".

AMENDMENT NO. 3219

Beginning on page 1–21, strike line 5 and all that follows through page 1–24, line 10, and insert the following:

(1) WHEAT.—The loan rate for a marketing assistance loan for wheat shall be—

(A) not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $2.58 per bushel.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—The loan rate for a marketing assistance loan for corn shall be—

(i) not less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not more than $1.89 per bushel.

(B) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

AMENDMENT NO. 3220

Beginning on page 1–21, strike line 6 and all that follows through page 1–23, line 3, and insert the following:

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for wheat shall be not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average prices was the highest and the year in which the average price was the lowest in the period.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(i) equal to or greater than 30 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for wheat under subparagraph (B) shall not be considered in determining the loan rate for wheat for subsequent years.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for corn shall be no less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average prices was the lowest in the period.

KOHL (AND OTHERS) AMENDMENT NO. 3221

(Ordered to lie on the table.)

Mr. KOHL (for himself, Mr. FEINGOLD, Mr. WELLSTONE, Mr. PRESSLER, and Mr. LAUTENBERG) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike from line 12 on page 1–73 through line 7 on page 1–75.

HATFIELD AMENDMENTS NOS. 3222–3224

(Ordered to lie on the table.)

Mr. HATFIELD submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3222

At the appropriate place in the miscellaneous title, insert the following new section:

SEC.___. RURAL MANAGED CARE COOPERATIVES.

Title XVII of the Public Health Service Act (42 U.S.C. 300u et seq.) is amended by adding at the end thereof the following new section:

"SEC. 1710. RURAL MANAGED CARE COOPERATIVES.

"(a) GRANTS.—The Secretary of Health and Human Services, acting through the Health Resources and Services Administration, and the Secretary of Agriculture, acting through the Rural Business and Cooperative Development Service (referred to jointly in this section as the 'Secretaries'), may jointly award competitive grants to eligible entities to enable such entities to develop and administer cooperatives in rural areas that will establish an effective case management and reimbursement system designed to support the economic infrastructure and viability of essential public or private health services, facilities, health care systems and health care resources in such rural areas.

"(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a) an entity shall—

"(1) prepare and submit to the Secretaries an application at such time, in such form and containing such information as the Secretaries may jointly require, including a description of the cooperative that the entity intends to develop and operate using grant funds; and

"(2) meet such other requirements as the Secretaries jointly determine to be appropriate.

"(c) COOPERATIVES.—

"(1) IN GENERAL.—Amounts provided under a grant awarded under subsection (a) shall be used to establish and operate a cooperative made up of all types of health care providers, hospitals, primary access hospitals, other alternate rural health care facilities, physicians, rural health clinics, rural nurse practitioners and physician assistant practitioners, public health departments and others located in, but not restricted to, the rural areas to be served by the cooperative.

"(2) BOARD OF DIRECTORS.—A cooperative established under paragraph (1) shall be administered by a board of directors elected by the members of the cooperative. A majority of the members of the board shall represent rural providers, and other representatives, from the local community. The board shall include representatives of the agricultural community if possible. Members of the board shall serve at the pleasure of members of the cooperative.

"(3) EXECUTIVE DIRECTOR.—The members of a cooperative established under paragraph (1) shall elect an executive director who shall serve as the chief operating officer of the cooperative. The executive director shall be responsible for conducting the day to day operation of the cooperative including—

"(A) maintaining an accounting system for the cooperative;

"(B) maintaining the business records of the cooperative;

"(C) negotiating contracts with provider members of the cooperative;

"(D) coordinating the membership and programs of the cooperative; and

"(E) serving as a liaison between the cooperative and the rural agricultural community.

"(4) REIMBURSEMENTS.—

"(A) NEGOTIATIONS.—A cooperative established under paragraph (1) shall facilitate negotiations among member health care providers and third party payors concerning the rates at which such providers will be reimbursed for services provided to individuals for which such payors may be liable.

"(B) AGREEMENTS.—Agreements reached under subparagraph (A) shall be binding on the members of the cooperative.

"(C) EMPLOYERS.—Employer entities may become members of a cooperative established under paragraph (a) in order to provide, through a member third party payor, health insurance coverage for its employees. Deductibles shall only be charged to employees covered under such insurance if such employees receive health care services from a provider that is not a member of the cooperative if similar services would have been available from a member provider.

"(D) MALPRACTICE INSURANCE.—A cooperative established under subsection (a) shall be responsible for identifying and implementing an affordable malpractice insurance program that shall include a requirement that such cooperative assume responsibility for the payment of a portion of the malpractice insurance premium of providers members.

"(5) MANAGED CARE AND PRACTICE STANDARDS.—A cooperative established under paragraph (1) shall establish joint case management and patient care practice standards programs that health care providers that are members of such cooperative must meet to be eligible to participate in agreements entered into under paragraph (4). Such standards shall be developed by such provider members and shall be subject to the approval of a majority of the board of directors. Such programs shall include cost and quality of care guidelines including a requirement that such providers make available preadmission screening, selective case management services, joint patient care practice standards development and compliance and joint utilization review.

"(6) CONFIDENTIALITY.—

"(A) IN GENERAL.—Patients records, records of peer review, utilization review, and quality assurance proceedings conducted by the cooperative should be considered confidential and protected from release outside of the cooperative. The provider members of the cooperative shall be indemnified by the cooperative for the good faith participation by such members in such the required activities.

"(B) QUALITY DATA.—Notwithstanding any other provision of law, quality data obtained by a hospital or other member of such a cooperative in the normal course of the operations of the hospital or member shall be immune from discovery regardless of whether such data is used for purposes other than peer review or is disclosed to other members of the cooperative involved.

"(d) LINKAGES.—Such a cooperative shall create linkages among member health care providers, employers, and payors for the joint consultation and formulation of the types, rates, costs, and quality of health care provided in rural areas served by the cooperative and for joint consideration of the impact that such types, rates, costs, and quality of health care will have on the agricultural community.

"(e) REPORTING.—Not less often than once every 2 years, the cooperative shall prepare and submit to the Secretaries a report that contains information on the status of the cooperative, the health status of the patients in the areas served by the cooperative, and the productivity of the relevant agricultural or other local industry.

"(f) MATCHING REQUIREMENT.—An entity that receives a grant under subsection (a) shall make available (directly or through donations from public or private entities), non-Federal contributions towards the costs of the operations of the network in an amount equal to the amount of the grant.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $15,000,000 for each of the fiscal years 1996 through 1999.

"(h) RELATION TO OTHER LAWS.—

"(1) IN GENERAL.—Notwithstanding any provision of the antitrust laws, it shall not be considered a violation of the antitrust laws for entities to develop and operate cooperatives in accordance with this section.

"(2) DEFINITION.—For purposes of this subsection, the term 'antitrust laws' means—

"(A) the Act entitled 'An Act to protect trade and commerce against unlawful restraints and monopolies', approved July 2, 1890, commonly known as the 'Sherman Act' (26 Stat. 209; chapter 647; 15 U.S.C. 1 et seq.);

"(B) the Federal Trade Commission Act, approved September 26, 1914 (38 Stat. 717; chapter 311; 15 U.S.C. 41 et seq.);

"(C) the Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes', approved October 15, 1914, commonly known as the 'Clayton Act' (38 Stat. 730; chapter 323; 15 U.S.C. 12 et seq.; 18 U.S.C. 402, 660, 3285, 3691; 29 U.S.C. 52, 53); and

"(D) the Act of June 19, 1936, commonly known as the Robinson-Patman Antidiscrimination Act (15 U.S.C. 13 et seq.); and

"(E) any State antitrust laws that would prohibit the activities described in paragraph (1).".

AMENDMENT NO. 3223

At the appropriate place, insert the following:

SEC. ___. WATERSHED PROTECTION AND FLOOD PREVENTION ACT AMENDMENTS.

(a) DECLARATION OF POLICY.—The first section of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001) is amended to read as follows:

"SECTION 1. DECLARATION OF POLICY.

"Erosion, flooding, sedimentation, and loss of natural habitats in the watersheds and waterways of the United States cause loss of life, damage to property, and a reduction in the quality of environment and life of citizens. It is therefore the sense of Congress that the Federal Government should join with States and their political subdivisions, public agencies, conservation districts, flood prevention or control districts, local citizens organizations, and Indian tribes for the purpose of conserving, protecting, restoring, and improving the land and water resources of the United States and the quality of the environment and life for watershed residents across the United States.".

(b) DEFINITIONS.—

(1) WORKS OF IMPROVEMENT.—Section 2 of the Act (16 U.S.C. 1002) is amended, with respect to the term "works of improvement"—

(A) in paragraph (1), by inserting ", nonstructural," after "structural";

(B) in paragraph (2), by striking "or" at the end;

(C) by redesignating paragraph (3) as paragraph (11);

(D) by inserting after paragraph (2) the following new paragraphs:

"(3) a land treatment or other nonstructural practice, including the acquisition of easements or real property rights, to meet multiple watershed needs,

"(4) the restoration and monitoring of the chemical, biological, and physical structure, diversity, and functions of waterways and their associated ecological systems,

"(5) the restoration or establishment of wetland and riparian environments as part of a multi-objective management system that provides floodwater or storm water storage, detention, and attenuation, nutrient filtering, fish and wildlife habitat, and enhanced biological diversity,

"(6) the restoration of steam channel forms, functions, and diversity using the principles of biotechnical slope stabilization to reestablish a meandering, bankfull flow channels, riparian vegetation, and floodplains,

"(7) the establishment and acquisition of multi-objective riparian and adjacent flood prone lands, including greenways, for sediment storage and floodwater storage,

"(8) the protection, restoration, enhancement and monitoring of surface and groundwater quality, including measures to improve the quality of water emanating from agricultural lands and facilities,

"(9) the provision of water supply and municipal and industrial water supply for rural communities having a population of less than 55,000, according to the most recent decennial census of the United States,

"(10) outreach to and organization of local citizen organizations to participate in project design and implementation, and the training of project volunteers and participants in restoration and monitoring techniques, or"; and

(E) in paragraph (11) (as so redesignated)—

(i) by inserting in the first sentence after "proper utilization of land" the following: ", water, and related resources"; and

(ii) by striking the sentence that mandates that 20 percent of total project benefits be directly related to agriculture.

(2) LOCAL ORGANIZATION.—Such section is further amended, with respect to the term "local organization", by adding at the end the following new sentence: "The term includes any nonprofit organization (defined as having tax exempt status under section 501(c)(3) of the Internal Revenue Code of 1986) that has authority to carry out and maintain works of improvement or is developing and implementing a work of improvement in partnership with another local organization that has such authority.".

(3) WATERWAY.—Such section is further amended by adding at the end the following new definition:

"WATERWAY.—The term 'waterway' means, on public or private land, any natural, degraded, seasonal, or created wetland on public or private land, including rivers, streams, riparian areas, marshes, ponds, bogs, mudflats, lakes, and estuaries. The term includes any natural or manmade watercourse which is culverted, channelized, or vegetatively cleared, including canals, irrigation ditches, drainage wages, and navigation, industrial, flood control and water supply channels.".

(c) ASSISTANCE TO LOCAL ORGANIZATIONS.—Section 3 of the Act (16 U.S.C. 1003) is amended—

(1) in paragraph (1), by inserting after "(1)" the following "to provide technical assistance to help local organizations";

(2) in paragraph (2)—

(A) by inserting after "(2)" the following: "to provide technical assistance to help local organizations"; and

(B) by striking "engineering" and inserting "technical and scientific"; and

(3) by striking paragraph (3) and inserting the following new paragraph:

"(3) to make allocations of costs to the project or project components to determine whether the total of all environmental, social, and monetary benefits exceed costs;".

(d) COST SHARE ASSISTANCE.—

(1) AMOUNT OF ASSISTANCE.—Section 3A of the Act (16 U.S.C. 1003a) is amended by striking subsection (b) and inserting the following:

"(b) NONSTRUCTURAL PRACTICES.—Notwithstanding any other provision of this Act, Federal cost share assistance to local organizations for the planning and implementation of nonstructural works of improvement may be provided using funds appropriated for the purposes of this Act for an amount not exceeding 75 percent of the total installation costs.

"(c) STRUCTURAL PRACTICES.—Notwithstanding any other provision of this Act, Federal cost share assistance to local organizations for the planning and implementation of structural works of improvement may be provided using funds appropriated for the purposes of this Act for 50 percent of the total cost, including the cost of mitigating damage to fish and wildlife habitat and the value of any land or interests in land acquired for the work of improvement.

"(d) SPECIAL RULE FOR LIMITED RESOURCE COMMUNITIES.—Notwithstanding any other provision of this Act, the Secretary may provide cost share assistance to a limited resource community for any works of improvement, using funds appropriated for the purposes of this Act, for an amount not to exceed 90 percent of the total cost.

"(e) TREATMENT OF OTHER FEDERAL FUNDS.—Not more than 50 percent of the non-Federal cost share may be satisfied using funds from other Federal agencies.".

(2) CONDITIONS ON ASSISTANCE.—Section 4(1) of the Act (16 U.S.C. 1004(1)) is amended by striking ", without cost to the Federal Government from funds appropriated for the purposes of this Act,".

(e) BENEFIT COST ANALYSIS.—Section 5(1) of the Act (16 U.S.C. 1005(1)) is amended by striking "the benefits" and inserting "the total benefits, including environmental, social, and monetary benefits,".

(f) PROJECT PRIORITIZATION.—The Watershed Protection and Flood Prevention Act is amended by inserting after section 5 (16 U.S.C. 1005) the following new section:

"SEC. 5A. FUNDING PRIORITIES.

"In making funding decisions under this Act, the Secretary shall give priority to projects with one or more of the following attributes:

"(1) Projects providing significant improvements in ecological values and functions in the project area.

"(2) Projects that enhance the long-term health of local economies or generate job or job training opportunities for local residents, including Youth Conservation and Service Corps participants and displaced resource harvesters.

"(3) Projects that provide protection to human health, safety, and property.

"(4) Projects that directly benefit economically disadvantaged communities and enhance participation by local residents of such communities.

"(5) Projects that restore or enhance fish and wildlife species of commercial, recreational, subsistence or scientific concern.

"(6) Projects or components of projects that can be planned, designed, and implemented within two years.".

(g) TRANSFER OF FUNDS.—The Watershed Protection and Flood Prevention Act (16 U.S.C. 1001–1010) is amended by adding at the end the following new section:

"SEC. 14. TRANSFERS OF FUNDS.

"The Secretary may accept transfers of funds from other Federal departments and agencies in order to carry out projects under this Act.".

AMENDMENT NO. 3224

At the appropriate place, insert the following:

SEC. . ELIGIBILITY FOR GRANTS TO BROADCASTING SYSTEMS.

Section 310B(j) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(j)) is amended by striking "SYSTEMS.—The" and inserting the following: "SYSTEMS.—

"(1) DEFINITION OF STATEWIDE.—In this subsection, the term 'statewide' means having a coverage area of not less than 90 percent of the population of a State and 90 percent of the rural land area of the State (as determined by the Secretary).

"(2) GRANTS.—The".

SANTORUM (AND OTHERS) AMENDMENT NO. 3225

(Ordered to lie on the table.)

Mr. SANTORUM (for himself, Mr. BRADLEY, Mr. BROWN, Mr. SMITH, Mr. GREGG, and Mr. KYL) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Amend Section 106, Peanut Program, by:

(a) Striking paragraph (2) in subsection (a), Quota Peanuts, and inserting the following:

"(2) SUPPORT RATES.—

"(A) MAXIMUM LEVELS.—The national average quota support rate for each of the 1995 through 2000 crops of quota peanuts shall not be more than $610 per ton for the 1996 crop, $542 per ton for the 1997 crop, $509 per ton for the 1998 crop, $475 per ton for the 1999 and 2000 crops.

"(B) DISBURSEMENT.—The Secretary shall initially disburse only 90 percent of the price support loan level required under this paragraph to producers for the 1996 and 1997 crops, and 85 percent for the 1998 through 2000 crops and provide for the disbursement to producers at maturity of any balances due the producers on the loans that may remain to be settled at maturity. The remainder of the loans for each crop shall be applied to offset losses in pools under subsection (d), if the losses exist, and shall be paid to producers only after the losses are offset."

"(C) NON-RECOURSE LOANS.—Notwithstanding any other provision of this Act, for the 2001 and 2002 crops of peanuts, the quota is eliminated and the Secretary shall offer to all peanut producers non-recourse loans at a level not to exceed 70 percent of the estimated market price anticipated for each crop.

"(D) MARKET PRICE.—In estimating the market price for the 2001 and 2002 crops of peanuts, the Secretary shall consider the export prices of additional peanuts during the last 5 crop years for which price support was available for additional peanuts and prices for peanuts in overseas markets, but shall not base the non-recourse loan levels for 2001–2002 on quota or additional support rates established under this Act.

SANTORUM AMENDMENTS NOS. 3226–3228

(Ordered to lie on the table.)

Mr. SANTORUM submitted three amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra, as follows:

AMENDMENT NO. 3226

Amend Section 106, Peanut Program, to read as follows:

"SEC. 106. ELIMINATION OF QUOTA AND PRICE SUPPORT PROGRAMS FOR PEANUTS.

"(a) IN GENERAL.—The Secretary of Agriculture and the Commodity Credit Corporation may not provide loans, purchases, payments, or other operations or take any other action to support the price, or adjust or control the production, of peanuts by using the funds of the Commodity Credit Corporation or under the authority of any law.

"(b) MARKETING QUOTAS.—

"(1) IN GENERAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357 et seq.) is repealed.

"(2) CONFORMING AMENDMENTS.—

"(A) DEFINITIONS.—Section 301(b) of the Act (7 U.S.C. 1301(b)) is amended—

"(i) in paragraph (3)(A), by striking 'corn, rice and peanuts' and inserting 'corn and rice';

"(ii) in paragraph (6), by striking subparagraph (C);

"(iii) in paragraph (10)(A)—

"(I) by striking 'wheat, and peanuts' and inserting 'and wheat'; and

"(II) by striking '; 20 per centum in the case of wheat; and 15 per centum in the case of peanuts' and inserting '; and 20 percent in the case of wheat';

"(iv) in paragraph (13)—

"(I) by striking subparagraphs (B) and (C); and

"(II) in subparagraph (G), by striking 'or peanuts' both places it appears; and

"(v) in paragraph (16)(A), by striking 'rice, and peanuts' and inserting 'and rice'.

"(B) ADMINISTRATIVE PROVISIONS.—Section 361 of the Act (7 U.S.C. 1361) is amended by striking 'peanuts,'.

"(C) ADJUSTMENT OF QUOTAS.—Section 371 of the Act (7 U.S.C. 1371) is amended—

"(i) in the first sentence of subsection (a), by striking 'peanuts'; and

"(ii) in the first sentence of subsection (b), by striking 'peanuts'.

"(D) REPORTS AND RECORDS.—Section 373 of the Act (7 U.S.C. 1373) is amended—

"(i) in subsection (a), by striking the first sentence and inserting the following new sentence: 'This subsection shall apply to warehousemen, processors, and common carriers of corn, wheat, cotton, rice, or tobacco, and all ginners of cotton, all persons engaged in the business of purchasing corn, wheat, cotton, rice, or tobacco from producers, and all persons engaged in the business of redrying, prizing, or stemming tobacco for producers.'; and

"(ii) in subsection (b), by striking 'peanuts,'.

"(E) REGULATIONS.—Section 375(a) of the Act (7 U.S.C. 1375(a)) is amended by striking 'peanuts,'.

"(F) EMINENT DOMAIN.—The first sentence of section 378(c) of the Act (7 U.S.C. 1378(c)) is amended by striking 'cotton, tobacco, and peanuts,'' and inserting 'cotton and tobacco,'.

"(c) PRICE SUPPORT PROGRAM.—

"(1) PERMANENT PRICE SUPPORT.—Section 101(b) of the Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) is amended by striking 'and peanuts'.

"(2) TEMPORARY PRICE SUPPORT.—Section 108, 108A, and 108B of the Act (7 U.S.C. 1445c through 1445c–3) are repealed.

"(3) CONFORMING AMENDMENTS.—

"(A) Section 301 of the Act (7 U.S.C. 1447) is amended by inserting after 'nonbasic agricultural commodity' the following: '(other than peanuts)'.

"(B) Section 408(c) of the Act (7 U.S.C. 1428(c)) is amended by striking 'peanuts,'.

"(C) Section 5(a) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(a)) is amended by inserting after 'agricultural commodities' the following: '(other than peanuts)'.

"(d) LIABILITY.—A provision of this section or an amendment made by this section shall not affect the liability of any person under any provision of law as in effect before the application of the provision of this section or the amendment in accordance with subsection (d).

"(e) APPLICATION.—This section and the amendments made by this section shall apply beginning with the 1996 crop of peanuts."

AMENDMENT NO. 3227

Amend Section 106, Peanut Program, to add a new subsection (j) to read as follows:

"(j) RESTORING THE DEMAND FOR U.S. PEANUTS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary shall endeavor to restore the demand for domestically produced peanuts in accordance with this subsection.

"(2) DOMESTIC MARKETING GOALS FOR PEANUTS PRODUCED IN THE UNITED STATES.—In order to restore the domestic demand for peanuts produced in the United States, the Secretary of Agriculture shall (i) permit increases in the quantity of non-quota peanuts grown in the United States to be sold for domestic human consumption; and (ii) reduce the national average quota price support level, whenever the Secretary estimates that the demand for domestically produced peanuts will fail to meet the following domestic peanut marketing goals:

Marketing years	Marketing goals for domestically produced peanuts
1996/1997	1.2 million tons
1997/1998	1.3 million tons
1998/1999	1.4 million tons
1999/2000	1.5 million tons
2000/2001	1.6 million tons
2001/2002	1.6 million tons

"(3) MARKETING NON-QUOTA PEANUTS.—In order to achieve the domestic marketing goals specified in paragraph (2), the Secretary shall, notwithstanding any other provision of law, set the national poundage quota for peanuts for the 1996/1997 marketing year at 1.2 million tons and shall, under regulations issued pursuant to this Act, permit the use for human consumption in the 1996/1997 marketing year of not less than 100,000 tons of non-quota or additional peanuts produced in the United States; and the Secretary shall, before each marketing year thereafter, in the event the marketing goal specified in paragraph (2) is not expected to be met during the marketing year, permit that quantity of non-quota or additional peanuts grown in the United States to be used domestically for human consumption that the Secretary estimates will be needed in any such marketing year to meet the domestic marketing goals specified in paragraph (2).

"(4) ADJUSTMENT OF POUNDAGE QUOTAS AND NATIONAL AVERAGE QUOTA PRICE SUPPORT LEVELS.—The national average quota support rate for quota peanuts shall be $610 per ton for the 1996 crop of quota peanuts. Whenever the Secretary establishes the national poundage quota for peanuts for the 1997 and ensuing crops covered by this Act, the Secretary shall (i) take into consideration the quantity of non-quota or additional peanuts produced in the United States to be used for human consumption under this Act to achieve the marketing goals specified in subsection (b), and shall for the 1997 crop of peanuts and each crop thereafter for which price support and marketing quotas are provided, reduce the national average level of price support for quota peanuts as the Secretary finds necessary to prevent losses to Commodity Credit Corporation in the event the Secretary estimates that the domestic marketing goals for the next marketing year will not be met.

"(5) FAILURE TO MEET MARKETING GOAL FOR DOMESTICALLY PRODUCED PEANUTS.—If the marketing goals for domestically produced peanuts are not achieved by the end of the last previous marketing year, the Secretary (i) shall, for the next succeeding marketing year, increase the quantity of non-quota or additional peanuts grown in the United States which he or she permitted to be used domestically for human consumption during the last previous marketing year by not less than a quantity of domestically produced non-quota or additional peanuts equal to the percentage by which the marketing goal for the last previous marketing year was not achieved; and (ii) shall also reduce the national average level of price support for quota peanuts by not less than a like percentage for the next succeeding crop of peanuts."

AMENDMENT NO. 3228

At the end of the title relating to conservation, insert the following:

SEC. 356. FARMLAND PROTECTION.

(a) OPERATION OF PROGRAM THROUGH THE STATES.—Section 1231(a) of the Food Security Act of 1985 (16 U.S.C. 3831(a)) is amended—

(1) by striking "(a) IN GENERAL.—Through the 1995 calendar year" and inserting the following:

"(a) AUTHORIZATION.—

"(1) IN GENERAL.—Through the 2002 calendar year"; and

(2) by adding at the end the following:

"(2) FARMLAND PROTECTION.—With respect to land described in subsection (b)(5), the Secretary shall carry out the program through the States.".

(b) ELIGIBLE LAND.—Section 1231(b) of the Food Security Act of 1985 (16 U.S.C. 3831(b)) is amended—

(1) by striking the period at the end of paragraph (4) and inserting "; and"; and

(2) by adding at the end the following:

"(5) land with prime, unique, or other productive soil that is subject to a pending offer from a State or local government for the purchase of a conservation easement or other interest in the land for the purpose of protecting topsoil by limiting nonagricultural uses of the land, but any highly erodible cropland shall be subject to the requirements of a conservation plan, including, if required by the Secretary, the conversion of the land to less intensive uses.".

(c) ENROLLMENT LIMITATIONS.—Section 1231(d) of the Food Security Act of 1985 (16 U.S.C. 3831(d)) is amended by inserting before the period at the end the following: ", of which not less than 170,000 nor more than 340,000 acres may be enrolled under subsection (b)(5)".

(d) DUTIES OF OWNERS AND OPERATORS.—Section 1232 of the Food Security Act of 1985 (16 U.S.C. 3832) is amended by adding at the end the following:

"(f) LAND WITH PRIME, UNIQUE, OR OTHER PRODUCTIVE SOIL.—In the case of land enrolled in the conservation reserve under section 1231(b)(5), an owner or operator shall be permitted to use the land for any lawful agricultural purpose, subject to the conservation easement or other interest in land purchased by the State or local government and to any conservation plan required by the Secretary.".

(e) DUTIES OF THE SECRETARY WITH RESPECT TO PAYMENTS.—Section 1233 of the Food Security Act of 1985 (16 U.S.C. 3833) is amended—

(1) by striking "and" at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting "; and"; and

(3) by adding at the end the following:

"(4) in the case of a contract relating to land enrolled under section 1231(b)(5), pay up to 50 percent of the cost of limiting the nonagricultural use of land to protect the topsoil from urban development.".

(f) ANNUAL RENTAL PAYMENTS.—Section 1234(c)(2) of the Food Security Act of 1985 (16 U.S.C. 3834(c)(2) is amended—

(1) by striking "or" at the end of subparagraph (A);

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following:

"(B) in the case of a contract relating to land enrolled under section 1231(b)(5), determination of the fair market value of the conservation easement or other interest acquired multiplied by 50 percent.".

DOMENICI AMENDMENTS NOS. 3229–3230

(Ordered to lie on the table.)

Mr. DOMENICI submitted two amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3229

On page 4–3, between lines 4 and 5, insert the following:

(c) CARRIED-OVER FUNDS.—20 percent of any commodity supplemental food program food funds carried over under section 5 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) shall be available for administrative expenses of the program.

AMENDMENT NO. 3230

At the end of the pending bill, insert the following new section:

SEC. . CARRIED-OVER FUNDS.—20 percent of any commodity supplemental food program food funds carried over under section 5 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) shall be available for administrative expenses of the program.

BROWN AMENDMENTS NOS. 3231–3232

(Order to lie on the table.)

Mr. BROWN submitted two amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3231

Beginning on page 1–58, strike line 7 and all that follows through page 1–60, line 25, and insert the following:

(2) FIRST PURCHASERS.—

(A) IN GENERAL.—Except as provided under paragraphs (4) and (5), the first purchaser of peanuts shall—

(i) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by—

(I) in the case of each of the 1994 and 1995 crops, .55 percent of the applicable national average loan rate;

(II) in the case of the 1996 crop, .6 percent of the applicable national average loan rate; and

(III) in the case of each of the 1997 through 2002 crops, .65 percent of the applicable national average loan rate;

(ii) pay, in addition to the amount collected under clause (i), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average loan rate; and

(iii) remit the amounts required under clauses (i) and (ii) to the Commodity Credit Corporation in a manner specified by the Secretary.

(B) DEFINITION OF FIRST PURCHASER.—In this subsection, the term "first purchaser" means a person acquiring peanuts from a producer except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(3) ADDITIONAL MARKETING ASSESSMENT TO COVER EXPENSES OF THE SECRETARY.—In addition to the marketing assessment required under the other provisions of this subsection, the Secretary shall charge producers a marketing assessment applicable to each crop of peanuts to cover the costs of the salaries of the employees, and the expenses, of the Consolidated Farm Service Agency in carrying out the program established under this section.

(4) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(5) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(6) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with the requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of peanuts involved in the violation; by

(B) the national average quota peanut rate for the applicable crop year.

(7) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

AMENDMENT NO. 3232

On page 1–48, strike line 3 and insert the following 104(e) of the Act.

"(3) LIMITATION ON MAXIMUM INCOME.—

"(A) IN GENERAL.—None of the funds made available pursuant to this Act may be used to make any payment described in paragraph (1) or (2) to—

"(i) an individual with an annual net taxable income of more than $120,000; or

"(ii) any other person with an annual net taxable income of more than $5,000,000.

"(B) CERTIFICATION.—The Secretary of Agriculture shall annually certify to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that no person receiving a payment referred to in subparagraph (A) had, in the previous tax year of the person, an annual net taxable income greater than the amount specified in subparagraph (A) with respect to the person.".

BROWN AMENDMENTS NOS. 3233–3235

(Ordered to lie on the table.)

Mr. BROWN submitted three amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3233

At the appropriate place, insert the following:

(a) None of the funds appropriated or made available to the Federal Drug Administration shall be used to operate the Board of Tea Experts and related activities.

(b) The Tea Importation Act (21 U.S.C. 41 et seq.) is repealed.

AMENDMENT NO. 3234

At the appropriate place in title I, insert the following:

SEC. . ADDITIONAL TOBACCO MARKETING ASSESSMENT TO COVER EXPENSES OF THE SECRETARY.

Section 315(g) of the Agricultural Adjustment Act of 1938 (as transferred and redesignated by section 19(b)(1)(A) is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(2) by inserting after paragraph (1) the following:

"(2) ADDITIONAL MARKETING ASSESSMENT TO COVER EXPENSES OF THE SECRETARY.—In addition to the marketing assessment required under paragraph (1), the Secretary shall charge producers, purchasers, and importers of tobacco a marketing assessment applicable to each crop of tobacco to cover the costs of the salaries of the employees, and the expenses, of the Consolidated Farm Service Agency in carrying out the program under this section.".

AMENDMENT NO. 3235

At the appropriate place in this bill, insert the following:

ADDITIONAL MARKETING ASSESSMENT TO COVER EXPENSES OF THE SECRETARY.—In addition to the marketing assessment required under paragraph (1), the Secretary shall charge producers, purchasers, and importers of tobacco a marketing assessment applicable to each crop of tobacco to cover the costs of the salaries of the employees, and the expenses, of the Consolidated Farm Services Agency in carrying out the program under this section. The cost of the tobacco program shall not be offset by any revenues raised though tariffs imposed under the Uruguay Round Agreements Act (Public Law 103–465) on imports of tobacco or tobacco products into the United States.

HELMS AMENDMENTS NOS. 3236–3238

(Ordered to lie on the table.)

Mr. HELMS submitted three amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3236

On page 1–55, strike lines 4 through 23 and insert the following:

(3) OFFSET WITHIN AREA.—Further losses in an area quota pool shall be offset by any gains or profits from additional peanuts (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) owned or controlled by the Commodity Credit Corporation in that area and sold for domestic edible use, in accordance with regulations issued by the Secretary.

(4) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under subsection (g) (except funds attributable to handlers) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(5) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred

as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)), shall be offset by any gains or profits from quota pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(6) OFFSET GENERALLY.—If losses in an area quota pool have not been entirely offset under paragraph (3), further losses shall be offset by any gains or profits from additional peanuts (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) owned or controlled by the Commodity Credit Corporation and sold for domestic edible use, in accordance with regulations issued by the Secretary.

(7) INCREASED ASSESSMENTS.—If use of the

AMENDMENT NO. 3237

On page 1–50, between lines 21 and 22, insert the following:

(5) REDUCTION FOR CERTAIN OFFERS FROM HANDLERS.—The Secretary shall reduce the loan rate for quota peanuts by 5 percent for any producer who had an offer from a handler, at the time and place of delivery, to purchase quota peanuts from the farm on which the peanuts were produced at a price equal to or greater than the applicable loan rate for quota peanuts.

AMENDMENT NO. 3238

On page 1–62, strike lines 4 and 5 and insert the following:

"through 2002 marketing years";

(v) in subsection (b)(1), by adding at the end the following:

"(D) CERTAIN FARMS INELIGIBLE FOR QUOTA.—Effective beginning with the 1997 marketing year, the Secretary shall not establish a farm poundage quota under subparagraph (a) for a farm owned or controlled by—

"(i) a municipality, airport authority, school, college, refuge, or other public entity (other than a university used for research purposes); or

"(ii) a person who is not a producer and resides in another State.";

(vi) in subsection (b)(2), by adding at the end the following:

"(E) TRANSFER OF QUOTA FROM INELIGIBLE FARMS.—Any farm poundage quota held at the end of the 1996 marketing year by a farm described in paragraph (1)(D) shall be allocated to other farms in the same State on such basis as the Secretary may by regulation prescribe."; and

(vii) in subsection (f), by striking

PRESSLER AMENDMENT NO. 3239

(Ordered to lie on the table.)

Mr. PRESSLER submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 1–8, line 13, after "was considered planted", insert the following: "(including, in the case of a beginning farmer (as defined by the Secretary), land that was used to build base acreage)".

MOSELEY-BRAUN AMENDMENT NO. 3240

(Ordered to lie on the table.)

Ms. MOSELEY-BRAUN submitted an amendment intended to be proposed by her to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place insert the following:

Amend language on oilseed loan rates as follows:

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be—

(i) not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $4.92 or more than $5.26 per bushel.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rate for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be—

(i) not less than 85 percent of the simple average price received by producers of these oilseeds, individually, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of these oilseeds, individually, excluding the year in which the average price was the highest and the year in which the average prices was the lowest in the period; but

(ii) not less than $0.87 or more than $0.93 per pound.

(C) OTHER OILSEEDS.—The loan rates for a marketing assistance loan for other oilseeds shall be established to such level as the Secretary determines is fair and reasonable in relation to the loan rate available for soybeans, except in no event shall the rate for the oilseeds (other than cottonseed) be less than the rate established for soybeans on a per-pound basis for the same crop.

HATCH AMENDMENT NO. 3241

(Ordered to lie on the table.)

Mr. HATCH submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 73, line 12, strike all of sec. 108 (page 75, line 7).

KENNEDY AMENDMENT NO. 3242

(Ordered to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

At the end of the amendment, add the following new title:

TITLE ___—HEALTH INSURANCE REFORM

SEC. ___01. SHORT TITLE.

This title may be cited as the "Health Insurance Reform Act of 1996".

SEC. ___02. DEFINITIONS.

As used in this title:

(1) BENEFICIARY.—The term "beneficiary" has the meaning given such term under section 3(8) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(8)).

(2) EMPLOYEE.—The term "employee" has the meaning given such term under section 3(6) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(6)).

(3) EMPLOYER.—The term "employer" has the meaning given such term under section 3(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(5)), except that such term shall include only employers of two or more employees.

(4) EMPLOYEE HEALTH BENEFIT PLAN.—

(A) IN GENERAL.—The term "employee health benefit plan" means any employee welfare benefit plan, governmental plan, or church plan (as defined under paragraphs (1), (32), and (33) of section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002 (1), (32), and (33))) that provides or pays for health benefits (such as provider and hospital benefits) for participants and beneficiaries whether—

(i) directly;

(ii) through a group health plan offered by a health plan issuer as defined in paragraph (8); or

(iii) otherwise.

(B) RULE OF CONSTRUCTION.—An employee health benefit plan shall not be construed to be a group health plan, an individual health plan, or a health plan issuer.

(C) ARRANGEMENTS NOT INCLUDED.—Such term does not include the following, or any combination thereof:

(i) Coverage only for accident, or disability income insurance, or any combination thereof.

(ii) Medicare supplemental health insurance (as defined under section 1882(g)(1) of the Social Security Act).

(iii) Coverage issued as a supplement to liability insurance.

(iv) Liability insurance, including general liability insurance and automobile liability insurance.

(v) Workers compensation or similar insurance.

(vi) Automobile medical payment insurance.

(vii) Coverage for a specified disease or illness.

(viii) Hospital or fixed indemnity insurance.

(ix) Short-term limited duration insurance.

(x) Credit-only, dental-only, or vision-only insurance.

(xi) A health insurance policy providing benefits only for long-term care, nursing home care, home health care, community-based care, or any combination thereof.

(5) FAMILY.—

(A) IN GENERAL.—The term "family" means an individual, the individual's spouse, and the child of the individual (if any).

(B) CHILD.—For purposes of subparagraph (A), the term "child" means any individual who is a child within the meaning of section 151(c)(3) of the Internal Revenue Code of 1986.

(6) GROUP HEALTH PLAN.—

(A) IN GENERAL.—The term "group health plan" means any contract, policy, certificate or other arrangement offered by a health plan issuer to a group purchaser that provides or pays for health benefits (such as provider and hospital benefits) in connection with an employee health benefit plan.

(B) ARRANGEMENTS NOT INCLUDED.—Such term does not include the following, or any combination thereof:

(i) Coverage only for accident, or disability income insurance, or any combination thereof.

(ii) Medicare supplemental health insurance (as defined under section 1882(g)(1) of the Social Security Act).

(iii) Coverage issued as a supplement to liability insurance.

(iv) Liability insurance, including general liability insurance and automobile liability insurance.

(v) Workers compensation or similar insurance.

(vi) Automobile medical payment insurance.

(vii) Coverage for a specified disease or illness.

(viii) Hospital or fixed indemnity insurance.

(ix) Short-term limited duration insurance.

(x) Credit-only, dental-only, or vision-only insurance.

(xi) A health insurance policy providing benefits only for long-term care, nursing home care, home health care, community-based care, or any combination thereof.

(7) GROUP PURCHASER.—The term "group purchaser" means any person (as defined under paragraph (9) of section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(9)) or entity that purchases or pays for health benefits (such as provider or hospital benefits) on behalf of two or more participants or beneficiaries in connection with an employee health benefit plan. A health plan purchasing cooperative established under section ____41 shall not be considered to be a group purchaser.

(8) HEALTH PLAN ISSUER.—The term "health plan issuer" means any entity that is licensed (prior to or after the date of enactment of this Act) by a State to offer a group health plan or an individual health plan.

(9) PARTICIPANT.—The term "participant" has the meaning given such term under section 3(7) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(7)).

(10) PLAN SPONSOR.—The term "plan sponsor" has the meaning given such term under section 3(16)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(16)(B)).

(11) SECRETARY.—The term "Secretary", unless specifically provided otherwise, means the Secretary of Labor.

(12) STATE.—The term "State" means each of the several States, the District of Columbia, Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

Subtitle A—Health Care Access, Portability, and Renewability

CHAPTER 1—GROUP MARKET RULES

SEC. ____11. GUARANTEED AVAILABILITY OF HEALTH COVERAGE.

(a) IN GENERAL.—

(1) NONDISCRIMINATION.—Except as provided in subsection (b), section ____12 and section ____13—

(A) a health plan issuer offering a group health plan may not decline to offer whole group coverage to a group purchaser desiring to purchase such coverage; and

(B) an employee health benefit plan or a health plan issuer offering a group health plan may establish eligibility, continuation of eligibility, enrollment, or premium contribution requirements under the terms of such plan, except that such requirements shall not be based on health status, medical condition, claims experience, receipt of health care, medical history, evidence of insurability, or disability.

(2) HEALTH PROMOTION AND DISEASE PREVENTION.—Nothing in this subsection shall prevent an employee health benefit plan or a health plan issuer from establishing premium discounts or modifying otherwise applicable copayments or deductibles in return for adherence to programs of health promotion and disease prevention.

(b) APPLICATION OF CAPACITY LIMITS.—

(1) IN GENERAL.—Subject to paragraph (2), a health plan issuer offering a group health plan may cease offering coverage to group purchasers under the plan if—

(A) the health plan issuer ceases to offer coverage to any additional group purchasers; and

(B) the health plan issuer can demonstrate to the applicable certifying authority (as defined in section ____52(d)), if required, that its financial or provider capacity to serve previously covered participants and beneficiaries (and additional participants and beneficiaries who will be expected to enroll because of their affiliation with a group purchaser or such previously covered participants or beneficiaries) will be impaired if the health plan issuer is required to offer coverage to additional group purchasers.

Such health plan issuer shall be prohibited from offering coverage after a cessation in offering coverage under this paragraph for a 6-month period or until the health plan issuer can demonstrate to the applicable certifying authority (as defined in section ____52(d)) that the health plan issuer has adequate capacity, whichever is later.

(2) FIRST-COME-FIRST-SERVED.—A health plan issuer offering a group health plan is only eligible to exercise the limitations provided for in paragraph (1) if the health plan issuer offers coverage to group purchasers under such plan on a first-come-first-served basis or other basis established by a State to ensure a fair opportunity to enroll in the plan and avoid risk selection.

(c) CONSTRUCTION.—

(1) MARKETING OF GROUP HEALTH PLANS.—Nothing in this section shall be construed to prevent a State from requiring health plan issuers offering group health plans to actively market such plans.

(2) INVOLUNTARY OFFERING OF GROUP HEALTH PLANS.—Nothing in this section shall be construed to require a health plan issuer to involuntarily offer group health plans in a particular market. For the purposes of this paragraph, the term "market" means either the large employer market or the small employer market (as defined under applicable State law, or if not so defined, an employer with not more than 50 employees).

SEC. ____12. GUARANTEED RENEWABILITY OF HEALTH COVERAGE.

(a) IN GENERAL.—

(1) GROUP PURCHASER.—Subject to subsections (b) and (c), a group health plan shall be renewed or continued in force by a health plan issuer at the option of the group purchaser, except that the requirement of this subparagraph shall not apply in the case of—

(A) the nonpayment of premiums or contributions by the group purchaser in accordance with the terms of the group health plan or where the health plan issuer has not received timely premium payments;

(B) fraud or misrepresentation of material fact on the part of the group purchaser;

(C) the termination of the group health plan in accordance with subsection (b); or

(D) the failure of the group purchaser to meet contribution or participation requirements in accordance with paragraph (3).

(2) PARTICIPANT.—Subject to subsections (b) and (c), coverage under an employee health benefit plan or group health plan shall be renewed or continued in force, if the group purchaser elects to continue to provide coverage under such plan, at the option of the participant (or beneficiary where such right exists under the terms of the plan or under applicable law), except that the requirement of this paragraph shall not apply in the case of—

(A) the nonpayment of premiums or contributions by the participant or beneficiary in accordance with the terms of the employee health benefit plan or group health plan or where such plan has not received timely premium payments;

(B) fraud or misrepresentation of material fact on the part of the participant or beneficiary relating to an application for coverage or claim for benefits;

(C) the termination of the employee health benefit plan or group health plan;

(D) loss of eligibility for continuation coverage as described in part 6 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1161 et seq.); or

(E) failure of a participant or beneficiary to meet requirements for eligibility for coverage under an employee health benefit plan or group health plan that are not prohibited by this title.

(3) RULES OF CONSTRUCTION.—Nothing in this subsection, nor in section ____11(a), shall be construed to—

(A) preclude a health plan issuer from establishing employer contribution rules or group participation rules for group health plans as allowed under applicable State law;

(B) preclude a plan defined in section 3(37) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1102(37)) from establishing employer contribution rules or group participation rules; or

(C) permit individuals to decline coverage under an employee health benefit plan if such right is not otherwise available under such plan.

(b) TERMINATION OF GROUP HEALTH PLANS.—

(1) PARTICULAR TYPE OF GROUP HEALTH PLAN NOT OFFERED.—In any case in which a health plan issuer decides to discontinue offering a particular type of group health plan, a group health plan of such type may be discontinued by the health plan issuer only if—

(A) the health plan issuer provides notice to each group purchaser covered under a group health plan of this type (and participants and beneficiaries covered under such group health plan) of such discontinuation at least 90 days prior to the date of the discontinuation of such plan;

(B) the health plan issuer offers to each group purchaser covered under a group health plan of this type, the option to purchase any other group health plan currently being offered by the health plan issuer; and

(C) in exercising the option to discontinue a group health plan of this type and in offering one or more replacement plans, the health plan issuer acts uniformly without regard to the health status or insurability of participants or beneficiaries covered under the group health plan, or new participants or beneficiaries who may become eligible for coverage under the group health plan.

(2) DISCONTINUANCE OF ALL GROUP HEALTH PLANS.—

(A) IN GENERAL.—In any case in which a health plan issuer elects to discontinue offering all group health plans in a State, a group health plan may be discontinued by the health plan issuer only if—

(i) the health plan issuer provides notice to the applicable certifying authority (as defined in section ____52(d)) and to each group purchaser (and participants and beneficiaries covered under such group health plan) of such discontinuation at least 180 days prior to the date of the expiration of such plan; and

(ii) all group health plans issued or delivered for issuance in the State are discontinued and coverage under such plans is not renewed.

(B) APPLICATION OF PROVISIONS.—The provisions of this paragraph and paragraph (3) may be applied separately by a health plan issuer—

(i) to all group health plans offered to small employers (as defined under applicable State law, or if not so defined, an employer with not more than 50 employees); or

(ii) to all other group health plans offered by the health plan issuer in the State.

(3) PROHIBITION ON MARKET REENTRY.—In the case of a discontinuation under paragraph (2), the health plan issuer may not provide for the issuance of any group health plan in the market sector (as described in paragraph (2)(B)) in which issuance of such group health plan was discontinued in the State involved during the 5-year period beginning on the date of the discontinuation of the last group health plan not so renewed.

(c) TREATMENT OF NETWORK PLANS.—

(1) GEOGRAPHIC LIMITATIONS.—A network plan (as defined in paragraph (2)) may deny continued participation under such plan to participants or beneficiaries who neither live, reside, nor work in an area in which such network plan is offered, but only if such denial is applied uniformly, without regard to health status or the insurability of particular participants or beneficiaries.

(2) NETWORK PLAN.—As used in paragraph (1), the term "network plan" means an employee health benefit plan or a group health plan that arranges for the financing and delivery of health care services to participants or beneficiaries covered under such plan, in whole or in part, through arrangements with providers.

(d) COBRA COVERAGE.—Nothing in subsection (a)(2)(E) or subsection (c) shall be construed to affect any right to COBRA continuation coverage as described in part 6 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1161 et seq.).

SEC. ___13. PORTABILITY OF HEALTH COVERAGE AND LIMITATION ON PREEXISTING CONDITION EXCLUSIONS.

(a) IN GENERAL.—An employee health benefit plan or a health plan issuer offering a group health plan may impose a limitation or exclusion of benefits relating to treatment of a preexisting condition based on the fact that the condition existed prior to the coverage of the participant or beneficiary under the plan only if—

(1) the limitation or exclusion extends for a period of not more than 12 months after the date of enrollment in the plan;

(2) the limitation or exclusion does not apply to an individual who, within 30 days of the date of birth or placement for adoption (as determined under section 609(c)(3)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(c)(3)(B)), was covered under the plan; and

(3) the limitation or exclusion does not apply to a pregnancy.

(b) CREDITING OF PREVIOUS QUALIFYING COVERAGE.—

(1) IN GENERAL.—Subject to paragraph (4), an employee health benefit plan or a health plan issuer offering a group health plan shall provide that if a participant or beneficiary is in a period of previous qualifying coverage as of the date of enrollment under such plan, any period of exclusion or limitation of coverage with respect to a preexisting condition shall be reduced by 1 month for each month in which the participant or beneficiary was in the period of previous qualifying coverage. With respect to an individual described in subsection (a)(2) who maintains continuous coverage, no limitation or exclusion of benefits relating to treatment of a preexisting condition may be applied to a child within the child's first 12 months of life or within 12 months after the placement of a child for adoption.

(2) DISCHARGE OF DUTY.—An employee health benefit plan shall provide documentation of coverage to participants and beneficiaries whose coverage is terminated under the plan. Pursuant to regulations promulgated by the Secretary, the duty of an employee health benefit plan to verify previous qualifying coverage with respect to a participant or beneficiary is effectively discharged when such employee health benefit plan provides documentation to a participant or beneficiary that includes the following information:

(A) the dates that the participant or beneficiary was covered under the plan; and

(B) the benefits and cost-sharing arrangement available to the participant or beneficiary under such plan.

An employee health benefit plan shall retain the documentation provided to a participant or beneficiary under subparagraphs (A) and (B) for at least the 12-month period following the date on which the participant or beneficiary ceases to be covered under the plan. Upon request, an employee health benefit plan shall provide a second copy of such documentation to such participant or beneficiary within the 12-month period following the date of such ineligibility.

(3) DEFINITIONS.—As used in this section:

(A) PREVIOUS QUALIFYING COVERAGE.—The term "previous qualifying coverage" means the period beginning on the date—

(i) a participant or beneficiary is enrolled under an employee health benefit plan or a group health plan, and ending on the date the participant or beneficiary is not so enrolled; or

(ii) an individual is enrolled under an individual health plan (as defined in section ___23) or under a public or private health plan established under Federal or State law, and ending on the date the individual is not so enrolled;

for a continuous period of more than 30 days (without regard to any waiting period).

(B) LIMITATION OR EXCLUSION OF BENEFITS RELATING TO TREATMENT OF A PREEXISTING CONDITION.—The term "limitation or exclusion of benefits relating to treatment of a preexisting condition" means a limitation or exclusion of benefits imposed on an individual based on a preexisting condition of such individual.

(4) EFFECT OF PREVIOUS COVERAGE.—An employee health benefit plan or a health plan issuer offering a group health plan may impose a limitation or exclusion of benefits relating to the treatment of a preexisting condition, subject to the limits in subsection (a)(1), only to the extent that such service or benefit was not previously covered under the group health plan, employee health benefit plan, or individual health plan in which the participant or beneficiary was enrolled immediately prior to enrollment in the plan involved.

(c) LATE ENROLLEES.—Except as provided in section ___14, with respect to a participant or beneficiary enrolling in an employee health benefit plan or a group health plan during a time that is other than the first opportunity to enroll during an enrollment period of at least 30 days, coverage with respect to benefits or services relating to the treatment of a preexisting condition in accordance with subsections (a) and (b) may be excluded, except the period of such exclusion may not exceed 18 months beginning on the date of coverage under the plan.

(d) AFFILIATION PERIODS.—With respect to a participant or beneficiary who would otherwise be eligible to receive benefits under an employee health benefit plan or a group health plan but for the operation of a preexisting condition limitation or exclusion, if such plan does not utilize a limitation or exclusion of benefits relating to the treatment of a preexisting condition, such plan may impose an affiliation period on such participant or beneficiary not to exceed 60 days (or in the case of a late participant or beneficiary described in subsection (c), 90 days) from the date on which the participant or beneficiary would otherwise be eligible to receive benefits under the plan. An employee health benefit plan or a health plan issuer offering a group health plan may also use alternative methods to address adverse selection as approved by the applicable certifying authority (as defined in section ___52(d)). During such an affiliation period, the plan may not be required to provide health care services or benefits and no premium shall be charged to the participant or beneficiary.

(e) PREEXISTING CONDITION.—For purposes of this section, the term "preexisting condition" means a condition, regardless of the cause of the condition, for which medical advice, diagnosis, care, or treatment was recommended or received within the 6-month period ending on the day before the effective date of the coverage (without regard to any waiting period).

(f) STATE FLEXIBILITY.—Nothing in this section shall be construed to preempt State laws that—

(1) require health plan issuers to impose a limitation or exclusion of benefits relating to the treatment of a preexisting condition for periods that are shorter than those provided for under this section; or

(2) allow individuals, participants, and beneficiaries to be considered to be in a period of previous qualifying coverage if such individual, participant, or beneficiary experiences a lapse in coverage that is greater than the 30-day period provided for under subsection (b)(3);

unless such laws are preempted by section 514 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144).

SEC. ___14. SPECIAL ENROLLMENT PERIODS.

In the case of a participant, beneficiary or family member who—

(1) through marriage, separation, divorce, death, birth or placement of a child for adoption, experiences a change in family composition affecting eligibility under a group health plan, individual health plan, or employee health benefit plan;

(2) experiences a change in employment status, as described in section 603(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1163(2)), that causes the loss of eligibility for coverage, other than COBRA continuation coverage under a group health plan, individual health plan, or employee health benefit plan; or

(3) experiences a loss of eligibility under a group health plan, individual health plan, or employee health benefit plan because of a change in the employment status of a family member;

each employee health benefit plan and each group health plan shall provide for a special enrollment period extending for a reasonable time after such event that would permit the participant to change the individual or family basis of coverage or to enroll in the plan if coverage would have been available to such individual, participant, or beneficiary but for failure to enroll during a previous enrollment period. Such a special enrollment period shall ensure that a child born or placed for adoption shall be deemed to be covered under the plan as of the date of such birth or placement for adoption if such child is enrolled within 30 days of the date of such birth or placement for adoption.

SEC. ___15. DISCLOSURE OF INFORMATION.

(a) DISCLOSURE OF INFORMATION BY HEALTH PLAN ISSUERS.—

(1) IN GENERAL.—In connection with the offering of any group health plan to a small employer (as defined under applicable State law, or if not so defined, an employer with not more than 50 employees), a health plan issuer shall make a reasonable disclosure to such employer, as part of its solicitation and sales materials, of—

(A) the provisions of such group health plan concerning the health plan issuer's right to change premium rates and the factors that may affect changes in premium rates;

(B) the provisions of such group health plan relating to renewability of coverage;

(C) the provisions of such group health plan relating to any preexisting condition provision; and

(D) descriptive information about the benefits and premiums available under all group health plans for which the employer is qualified.

Information shall be provided to small employers under this paragraph in a manner determined to be understandable by the average small employer, and shall be sufficiently accurate and comprehensive to reasonably inform small employers, participants and beneficiaries of their rights and obligations under the group health plan.

(2) EXCEPTION.—With respect to the requirement of paragraph (1), any information that is proprietary and trade secret information under applicable law shall not be subject to the disclosure requirements of such paragraph.

(3) CONSTRUCTION.—Nothing in this subsection shall be construed to preempt State reporting and disclosure requirements to the extent that such requirements are not preempted under section 514 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144).

(b) DISCLOSURE OF INFORMATION TO PARTICIPANTS AND BENEFICIARIES.—

(1) IN GENERAL.—Section 104(b)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1024(b)(1)) is amended in the matter following subparagraph (B)—

(A) by striking "102(a)(1)," and inserting "102(a)(1) that is not a material reduction in covered services or benefits provided,"; and

(B) by adding at the end thereof the following new sentences: "If there is a modification or change described in section 102(a)(1) that is a material reduction in covered services or benefits provided, a summary description of such modification or change shall be furnished to participants not later than 60 days after the date of the adoption of the modification or change. In the alternative, the plan sponsors may provide such description at regular intervals of not more than 90 days. The Secretary shall issue regulations within 180 days after the date of enactment of the Health Insurance Reform Act of 1996, providing alternative mechanisms to delivery by mail through which employee health benefit plans may notify participants of material reductions in covered services or benefits.".

(2) PLAN DESCRIPTION AND SUMMARY.—Section 102(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1022(b)) is amended—

(A) by inserting "including the office or title of the individual who is responsible for approving or denying claims for coverage of benefits" after "type of administration of the plan";

(B) by inserting "including the name of the organization responsible for financing claims" after "source of financing of the plan"; and

(C) by inserting "including the office, contact, or title of the individual at the Department of Labor through which participants may seek assistance or information regarding their rights under this Act and the Health Insurance Reform Act of 1996 with respect to health benefits that are not offered through a group health plan." after "benefits under the plan".

CHAPTER 2—INDIVIDUAL MARKET RULES

SEC. ___20. INDIVIDUAL HEALTH PLAN PORTABILITY.

(a) LIMITATION ON REQUIREMENTS.—

(1) IN GENERAL.—With respect to an individual desiring to enroll in an individual health plan, if such individual is in a period of previous qualifying coverage (as defined in section ___13(b)(3)(A)(i)) under one or more group health plans or employee health benefit plans that commenced 18 or more months prior to the date on which such individual desires to enroll in the individual plan, a health plan issuer described in paragraph (3) may not decline to offer coverage to such individual, impose a new period of exclusion or limitation of coverage with repsect to a preexisting condition (as defined in section ___13(e)), or deny enrollment to such individual based on the health status, medical condition, claims experience, receipt of health care, medical history, evidence of insurability, or disability of the individual, except as described in subsections (b) and (c).

(2) HEALTH PROMOTION AND DISEASE PREVENTION.—Nothing in this subsection shall be construed to prevent a health plan issuer offering an individual health plan from establishing premium discounts or modifying otherwise applicable copayments or deductibles in return for adherence to programs of health promotion or disease prevention.

(3) HEALTH PLAN ISSUER.—A health plan issuer described in this paragraph is a health plan issuer that issues or renews individual health plans.

(4) PREMIUMS.—Nothing in this subsection shall be construed to affect the determination of a health plan issuer as to the amount of the premium payable under an individual health plan under applicable State law.

(b) ELIGIBILITY FOR OTHER GROUP COVERAGE.—The provisions of subsection (a) shall not apply to an individual who is eligible for coverage under a group health plan or an employee health benefit plan, or who has had coverage terminated under a group health plan or employee health benefit plan for failure to make required premium payments or contributions, or for fraud or misrepresentation of material fact, or who is otherwise eligible for continuation coverage as described in part 6 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1161 et seq.) or under an equivalent State program.

(c) APPLICATION OF CAPACITY LIMITS.—

(1) IN GENERAL.—Subject to paragraph (2), a health plan issuer offering coverage to individuals under an individual health plan may cease enrolling individuals under the plan if—

(A) the health plan issuer ceases to enroll any new individuals; and

(B) the health plan issuer can demonstrate to the applicable certifying authority (as defined in section ___52(d)), if required, that its financial or provider capacity to serve previously covered individuals will be impaired if the health plan issuer is required to enroll additional individuals.

Such a health plan issuer shall be prohibited from offering coverage after a cessation in offering coverage under this paragraph for a 6-month period or until the health plan issuer can demonstrate to the applicable certifying authority (as defined in section ___52(d)) that the health plan issuer has adequate capacity, whichever is later.

(2) FIRST-COME-FIRST-SERVED.—A health plan issuer offering coverage to individuals under an individual health plan is only eligible to exercise the limitations provided for in paragraph (1) if the health plan issuer provides for enrollment of individuals under such plan on a first-come-first-served basis or other basis established by a State to ensure a fair opportunity to enroll in the plan and avoid risk selection.

(d) MARKET REQUIREMENTS.—

(1) IN GENERAL.—The provisions of subsection (a) shall not be construed to require that a health plan issuer offering group health plans to group purchasers offer individual health plans to individuals.

(2) CONVERSION POLICIES.—A health plan issuer offering group health plans to group purchasers under this title shall not be deemed to be a health plan issuer offering an individual health plan solely because such health plan issuer offers a conversion policy.

(3) MARKETING OF PLANS.—Nothing in this section shall be construed to prevent a State from requiring health plan issuers offering coverage to individuals under an individual health plan to actively market such plan.

SEC. ___21. GUARANTEED RENEWABILITY OF INDIVIDUAL HEALTH COVERAGE.

(a) IN GENERAL.—Subject to subsections (b) and (c), coverage for individuals under an individual health plan shall be renewed or continued in force by a health plan issuer at the option of the individual, except that the requirement of this subsection shall not apply in the case of—

(1) the nonpayment of premiums or contributions by the individual in accordance with the terms of the individual health plan or where the health plan issuer has not received timely premium payments;

(2) fraud or misrepresentation of material fact on the part of the individual; or

(3) the termination of the individual health plan in accordance with subsection (b).

(b) TERMINATION OF INDIVIDUAL HEALTH PLANS.—

(1) PARTICULAR TYPE OF INDIVIDUAL HEALTH PLAN NOT OFFERED.—In any case in which a health plan issuer decides to discontinue offering a particular type of individual health plan to individuals, an individual health plan may be discontinued by the health plan issuer only if—

(A) the health plan issuer provides notice to each individual covered under the plan of such discontinuation at least 90 days prior to the date of the expiration of the plan;

(B) the health plan issuer offers to each individual covered under the plan the option to purchase any other individual health plan currently being offered by the health plan issuer to individuals; and

(C) in exercising the option to discontinue the individual health plan and in offering one or more replacement plans, the health plan issuer acts uniformly without regard to the health status or insurability of particular individuals.

(2) DISCONTINUANCE OF ALL INDIVIDUAL HEALTH PLANS.—In any case in which a health plan issuer elects to discontinue all individual health plans in a State, an individual health plan may be discontinued by the health plan issuer only if—

(A) the health plan issuer provides notice to the applicable certifying authority (as defined in section ___52(d)) and to each individual covered under the plan of such discontinuation at least 180 days prior to the date of the discontinuation of the plan; and

(B) all individual health plans issued or delivered for issuance in the State are discontinued and coverage under such plans is not renewed.

(3) PROHIBITION ON MARKET REENTRY.—In the case of a discontinuation under paragraph (2), the health plan issuer may not provide for the issuance of any individual health plan in the State involved during the 5-year period beginning on the date of the discontinuation of the last plan not so renewed.

(c) TREATMENT OF NETWORK PLANS.—

(1) GEOGRAPHIC LIMITATIONS.—A health plan issuer which offers a network plan (as defined in paragraph (2)) may deny continued participation under the plan to individuals who neither live, reside, nor work in an area in which the individual health plan is offered, but only if such denial is applied uniformly, without regard to health status or the insurability of particular individuals.

(2) NETWORK PLAN.—As used in paragraph (1), the term "network plan" means an individual health plan that arranges for the financing and delivery of health care services to individuals covered under such health plan, in whole or in part, through arrangements with providers.

SEC. ___22. STATE FLEXIBILITY IN INDIVIDUAL MARKET REFORMS.

(a) IN GENERAL.—With respect to any State law with respect to which the Governor of the State notifies the Secretary of Health and Human Services that such State law will achieve the goals of sections ___20 and ___21, and that is in effect on, or enacted after, the date of enactment of this Act (such as laws providing for guaranteed issue, open enrollment by one or more health plan issuers, high-risk pools, or mandatory conversion policies), such State law shall apply in lieu of the standards described in sections ___20 and ___21 unless the Secretary of Health and Human Services determines, after considering the criteria described in subsection (b)(1), in consultation with the Governor and Insurance Commissioner or chief insurance regulatory official of the State, that such State law does not achieve the goals of providing access to affordable health care coverage for those individuals described in sections ___20 and ___21.

(b) DETERMINATION.—

(1) IN GENERAL.—In making a determination under subsection (a), the Secretary of Health and Human Services shall only—

(A) evaluate whether the State law or program provides guaranteed access to affordable coverage to individuals described in sections ___20 and ___21;

(B) evaluate whether the State law or program provides coverage for preexisting conditions (as defined in section ___13(e)) that were covered under the individuals' previous group health plan or employee health benefit plan for individuals described in sections ___20 and ___21;

(C) evaluate whether the State law or program provides individuals described in sections ___20 and ___21 with a choice of health plans or a health plan providing comprehensive coverage; and

(D) evaluate whether the application of the standards described in sections ___20 and ___21 will have an adverse impact on the number of individuals in such State having access to affordable coverage.

(2) NOTICE OF INTENT.—If, within 6 months after the date of enactment of this Act, the Governor of a State notifies the Secretary of Health and Human Services that the State intends to enact a law, or modify an existing law, described in subsection (a), the Secretary of Health and Human Services may not make a determination under such subsection until the expiration of the 12-month period beginning on the date on which such notification is made, or until January 1, 1997, whichever is later. With respect to a State that provides notice under this paragraph and that has a legislature that does not meet within the 12-month period beginning on the date of enactment of this Act, the Secretary shall not make a determination under subsection (a) prior to January 1, 1998.

(3) NOTICE TO STATE.—If the Secretary of Health and Human Services determines that a State law or program does not achieve the goals described in subsection (a), the Secretary of Health and Human Services shall provide the State with adequate notice and reasonable opportunity to modify such law or program to achieve such goals prior to making a final determination under subsection (a).

(c) ADOPTION OF NAIC MODEL.—If, not later than 9 months after the date of enactment of this Act—

(1) the National Association of Insurance Commissioners (hereafter referred to as the "NAIC"), through a process which the Secretary of Health and Human Services determines has included consultation with representatives of the insurance industry and consumer groups, adopts a model standard or standards for reform of the individual health insurance market; and

(2) the Secretary of Health and Human Services determines, within 30 days of the adoption of such NAIC standard or standards, that such standards comply with the goals of sections ___20 and ___21;

a State that elects to adopt such model standards or substantially adopt such model standards shall be deemed to have met the requirements of sections ___20 and ___21 and shall not be subject to a determination under subsection (a).

SEC. ___23. DEFINITION.

(a) IN GENERAL.—As used in this subtitle, the term "individual health plan" means any contract, policy, certificate or other arrangement offered to individuals by a health plan issuer that provides or pays for health benefits (such as provider and hospital benefits) and that is not a group health plan under section ___02(6).

(b) ARRANGEMENTS NOT INCLUDED.—Such term does not include the following, or any combination thereof:

(1) Coverage only for accident, or disability income insurance, or any combination thereof.

(2) Medicare supplemental health insurance (as defined under section 1882(g)(1) of the Social Security Act).

(3) Coverage issued as a supplement to liability insurance.

(4) Liability insurance, including general liability insurance and automobile liability insurance.

(5) Workers' compensation or similar insurance.

(6) Automobile medical payment insurance.

(7) Coverage for a specified disease or illness.

(8) Hospital or fixed indemnity insurance.

(9) Short-term limited duration insurance.

(10) Credit-only, dental-only, or vision-only insurance.

(11) A health insurance policy providing benefits only for long-term care, nursing home care, home health care, community-based care, or any combination thereof.

CHAPTER 3—COBRA CLARIFICATIONS

SEC. ___31. COBRA CLARIFICATIONS.

(a) PUBLIC HEALTH SERVICE ACT.—

(1) PERIOD OF COVERAGE.—Section 2202(2) of the Public Health Service Act (42 U.S.C. 300bb–2(2)) is amended—

(A) in subparagraph (A)—

(i) by transferring the sentence immediately preceding clause (iv) so as to appear immediately following such clause (iv); and

(ii) in the last sentence (as so transferred)—

(I) by inserting ", or a beneficiary-family member of the individual," after "an individual"; and

(II) by striking "at the time of a qualifying event described in section 2203(2)" and inserting "at any time during the initial 18-month period of continuing coverage under this title";

(B) in subparagraph (D)(i), by inserting before ", or" the following: ", except that the exclusion or limitation contained in this clause shall not be considered to apply to a plan under which a preexisting condition or exclusion does not apply to an individual otherwise eligible for continuation coverage under this section because of the provision of the Health Insurance Reform Act of 1996"; and

(C) in subparagraph (E), by striking "at the time of a qualifying event described in section 2203(2)" and inserting "at any time during the initial 18-month period of continuing coverage under this title".

(2) ELECTION.—Section 2205(1)(C) of the Public Health Service Act (42 U.S.C. 300bb-5(1)(C)) is amended—

(A) in clause (i), by striking "or" at the end thereof;

(B) in clause (ii), by striking the period and inserting ", or"; and

(C) by adding at the end thereof the following new clause:

"(iii) in the case of an individual described in the last sentence of section 2202(2)(A), or a beneficiary-family member of the individual, the date such individual is determined to have been disabled.".

(3) NOTICES.—Section 2206(3) of the Public Health Service Act (42 U.S.C. 300bb–6(3)) is amended by striking "at the time of a qualifying event described in section 2203(2)" and inserting "at any time during the initial 18-month period of continuing coverage under this title".

(4) BIRTH OR ADOPTION OF A CHILD.—Section 2208(3)(A) of the Public Health Service Act (42 U.S.C. 300bb–8(3)(A)) is amended by adding at the end thereof the following new flush sentence:

"Such term shall also include a child who is born to or placed for adoption with the covered employee during the period of continued coverage under this title.".

(b) EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—

(1) PERIOD OF COVERAGE.—Section 602(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1162(2)) is amended—

(A) in the last sentence of subparagraph (A)—

(i) by inserting ", or a beneficiary-family member of the individual," after "an individual"; and

(ii) by striking "at the time of a qualifying event described in section 603(2)" and inserting "at any time during the initial 18-month period of continuing coverage under this part";

(B) in subparagraph (D)(i), by inserting before ", or" the following: ", except that the exclusion or limitation contained in this clause shall not be considered to apply to a plan under which a preexisting condition or exclusion does not apply to an individual otherwise eligible for continuation coverage under this section because of the provision of the Health Insurance Reform Act of 1996"; and

(C) in subparagraph (E), by striking "at the time of a qualifying event described in section 603(2)" and inserting "at any time during the initial 18-month period of continuing coverage under this part".

(2) ELECTION.—Section 605(1)(C) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1165(1)(C)) is amended—

(A) in clause (i), by striking "or" at the end thereof;

(B) in clause (ii), by striking the period and inserting ", or"; and

(C) by adding at the end thereof the following new clause:

"(iii) in the case of an individual described in the last sentence of section 602(2)(A), or a beneficiary-family member of the individual, the date such individual is determined to have been disabled.".

(3) NOTICES.—Section 606(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1166(3)) is amended by striking "at the time of a qualifying event described in section 603(2)" and inserting "at any time during the initial 18-month period of continuing coverage under this part".

(4) BIRTH OR ADOPTION OF A CHILD.—Section 607(3)(A) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1167(3)) is amended by adding at the end thereof the following new flush sentence:

"Such term shall also include a child who is born to or placed for adoption with the covered employee during the period of continued coverage under this part.".

(c) INTERNAL REVENUE CODE OF 1986.—

(1) PERIOD OF COVERAGE.—Section 4980B(f)(2)(B) of the Internal Revenue Code of 1986 is amended—

(A) in the last sentence of clause (i) by striking "at the time of a qualifying event described in paragraph (3)(B)" and inserting "at any time during the initial 18-month period of continuing coverage under this section";

(B) in clause (iv)(I), by inserting before ", or" the following: ", except that the exclusion or limitation contained in this subclause shall not be considered to apply to a plan under which a preexisting condition or exclusion does not apply to an individual otherwise eligible for continuation coverage under this subsection because of the provision of the Health Insurance Reform Act of 1996"; and

(C) in clause (v), by striking "at the time of a qualifying event described in paragraph (3)(B)" and inserting "at any time during the initial 18-month period of continuing coverage under this section".

(2) ELECTION.—Section 4980B(f)(5)(A)(iii) of the Internal Revenue Code of 1986 is amended—

(A) in subclause (I), by striking "or" at the end thereof;

(B) in subclause (II), by striking the period and inserting ", or"; and

(C) by adding at the end thereof the following new subclause:

"(III) in the case of an qualified beneficiary described in the last sentence of paragraph (2)(B)(i), the date such individual is determined to have been disabled.".

(3) NOTICES.—Section 4980B(f)(6)(C) of the Internal Revenue Code of 1986 is amended by striking "at the time of a qualifying event described in paragraph (3)(B)" and inserting "at any time during the initial 18-month period of continuing coverage under this section".

(4) BIRTH OR ADOPTION OF A CHILD.—Section 4980B(g)(1)(A) of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new flush sentence:

"Such term shall also include a child who is born to or placed for adoption with the covered employee during the period of continued coverage under this section.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to qualifying events occurring on or after the date of the enactment of this Act for plan years beginning after December 31, 1996.

(e) NOTIFICATION OF CHANGES.—Not later than 60 days prior to the date on which this section becomes effective, each group health plan (covered under title XXII of the Public Health Service Act, part 6 of subtitle B of title I of the Employee Retirement Income Security Act of 1974, and section 4980B(f) of the Internal Revenue Code of 1986) shall notify each qualified beneficiary who has elected continuation coverage under such title, part or section of the amendments made by this section.

CHAPTER 4—PRIVATE HEALTH PLAN PURCHASING COOPERATIVES

SEC. __41. PRIVATE HEALTH PLAN PURCHASING COOPERATIVES.

(a) DEFINITION.—As used in this title, the term "health plan purchasing cooperative" means a group of individuals or employers that, on a voluntary basis and in accordance with this section, form a cooperative for the purpose of purchasing individual health plans or group health plans offered by health plan issuers. A health plan issuer, agent, broker or any other individual or entity engaged in the sale of insurance may not underwrite a cooperative.

(b) CERTIFICATION.—

(1) IN GENERAL.—If a group described in subsection (a), desires to form a health plan purchasing cooperative in accordance with this section and such group appropriately notifies the State and the Secretary of such desire, the State, upon a determination that such group meets the requirements of this section, shall certify the group as a health plan purchasing cooperative. The State shall make a determination of whether such group meets the requirements of this section in a timely fashion. Each such cooperative shall also be registered with the Secretary.

(2) STATE REFUSAL TO CERTIFY.—If a State fails to implement a program for certifying health plan purchasing cooperatives in accordance with the standards under this title, the Secretary shall certify and oversee the operations of such cooperatives in such State.

(3) INTERSTATE COOPERATIVES.—For purposes of this section, a health plan purchasing cooperative operating in more than one State shall be certified by the State in which the cooperative is domiciled. States may enter into cooperative agreements for the purpose of certifying and overseeing the operation of such cooperatives. For purposes of this subsection, a cooperative shall be considered to be domiciled in the State in which most of the members of the cooperative reside.

(c) BOARD OF DIRECTORS.—

(1) IN GENERAL.—Each health plan purchasing cooperative shall be governed by a Board of Directors that shall be responsible for ensuring the performance of the duties of the cooperative under this section. The Board shall be composed of a broad cross-section of representatives of employers, employees, and individuals participating in the cooperative. A health plan issuer, agent, broker or any other individual or entity engaged in the sale of individual health plans or group health plans may not hold or control any right to vote with respect to a cooperative.

(2) LIMITATION ON COMPENSATION.—A health plan purchasing cooperative may not provide compensation to members of the Board of Directors. The cooperative may provide reimbursements to such members for the reasonable and necessary expenses incurred by the members in the performance of their duties as members of the Board.

(3) CONFLICT OF INTEREST.—No member of the Board of Directors (or family members of such members) nor any management personnel of the cooperative may be employed by, be a consultant for, be a member of the board of directors of, be affiliated with an agent of, or otherwise be a representative of any health plan issuer, health care provider, or agent or broker. Nothing in the preceding sentence shall limit a member of the Board from purchasing coverage offered through the cooperative. This paragraph shall not apply to any management personnel who is not employed by, or getting any remuneration from, a health plan issuer offering a group health or individual health plan, but who, as a result of performing marketing functions as required under subsection (e)(1)(E), is mandated by State law to be licensed as an agent or broker.

(d) MEMBERSHIP AND MARKETING AREA.—

(1) MEMBERSHIP.—A health plan purchasing cooperative may establish limits on the maximum size of employers who may become members of the cooperative, and may determine whether to permit individuals to become members. Upon the establishment of such membership requirements, the cooperative shall, except as provided in subparagraph (B), accept all employers (or individuals) residing within the area served by the cooperative who meet such requirements as members on a first come, first-served basis, or on another basis established by the State to ensure equitable access to the cooperative.

(2) MARKETING AREA.—A State may establish rules regarding the geographic area that must be served by a health plan purchasing cooperative. With respect to a State that has not established such rules, a health plan purchasing cooperative operating in the State shall define the boundaries of the area to be served by the cooperative, except that such boundaries may not be established on the basis of health status or insurability of the populations that reside in the area.

(e) DUTIES AND RESPONSIBILITIES.—

(1) IN GENERAL.—A health plan purchasing cooperative shall—

(A) enter into agreements with multiple, unaffiliated health plan issuers, except that the requirement of this subparagraph shall not apply in regions (such as remote or frontier areas) in which compliance with such requirement is not possible;

(B) enter into agreements with employers and individuals who become members of the cooperative;

(C) participate in any program of risk-adjustment or reinsurance, or any similar program, that is established by the State;

(D) prepare and disseminate comparative health plan materials (including information about cost, quality, benefits, and other information concerning group health plans and individual health plans offered through the cooperative);

(E) actively market to all eligible employers and individuals residing within the service area; and

(F) act as an ombudsman for group health plan or individual health plan enrollees.

(2) PERMISSIBLE ACTIVITIES.—A health plan purchasing cooperative may perform such other functions as necessary to further the purposes of this title, including—

(A) collecting and distributing premiums and performing other administrative functions;

(B) collecting and analyzing surveys of enrollee satisfaction;

(C) charging membership fee to enrollees (such fees may not be based on health status) and charging participation fees to health plan issuers;

(D) cooperating with (or accepting as members) employers who provide health benefits directly to participants and beneficiaries only for the purpose of negotiating with providers; and

(E) negotiating with health care providers and health plan issuers.

(f) LIMITATIONS ON COOPERATIVE ACTIVITIES.—A health plan purchasing cooperative shall not—

(1) perform any activity relating to the licensing of health plan issuers;

(2) assume financial risk directly or indirectly on behalf of members of a health plan purchasing cooperative relating to any group health plan or individual health plan;

(3) establish eligibility, continuation of eligibility, enrollment, or premium contribution requirements for participants, beneficiaries, or individuals based on health status, medical condition, claims experience, receipt of health care, medical history, evidence of insurability, or disability;

(4) operate on a for-profit or other basis where the legal structure of the cooperative permits profits to be made and not returned to the members of the cooperative, except that a for-profit health plan purchasing cooperative may be formed by a nonprofit organization or organizations—

(A) in which membership in such organization is not based on health status, medical condition, claims experience, receipt of health care, medical history, evidence of insurability, or disability; and

(B) that accepts as members all employers or individuals on a first-come, first-served basis, subject to any established limit on the maximum size of and employer that may become a member; or

(5) perform any other activities that conflict or are inconsistent with the performance of its duties under this title.

(g) LIMITED PREEMPTION OF CERTAIN STATE LAWS.—

(1) IN GENERAL.—With respect to a health plan purchasing cooperative that meets the requirements of this section, State fictitious group laws shall be preempted.

(2) HEALTH PLAN ISSUERS.—

(A) RATING.—With respect to a health plan issuer offering a group health plan or individual health plan through a health plan purchasing cooperative that meets the requirements of this section, State premium rating requirement laws, except to the extent provided under subparagraph (B), shall be preempted unless such laws permit premium rates negotiated by the cooperative to be less than rates that would otherwise be permitted under State law, if such rating differential is not based on differences in health status or demographic factors.

(B) EXCEPTION.—State laws referred to in subparagraph (A) shall not be preempted if such laws—

(i) prohibit the variance of premium rates among employers, plan sponsors, or individuals that are members of a health plan purchasing cooperative in excess of the amount of such variations that would be permitted under such State rating laws among employers, plan sponsors, and individuals that are not members of the cooperative; and

(ii) prohibit a percentage increase in premium rates for a new rating period that is in excess of that which would be permitted under State rating laws.

(C) BENEFITS.—Except as provided in subparagraph (D), a health plan issuer offering a group health plan or individual health plan through a health plan purchasing cooperative shall comply with all State mandated benefit laws that require the offering of any services, category or care, or services of any class or type of provider.

(D) EXCEPTION.—In those States that have enacted laws authorizing the issuance of alternative benefit plans to small employers, health plan issuers may offer such alternative benefit plans through a health plan purchasing cooperative that meets the requirements of this section.

(h) RULES OF CONSTRUCTION.—Nothing in this section shall be construed to—

(1) require that a State organize, operate, or otherwise create health plan purchasing cooperatives;

(2) otherwise require the establishment of health plan purchasing cooperatives;

(3) require individuals, plan sponsors, or employers to purchase group health plans or individual health plans through a health plan purchasing cooperative;

(4) require that a health plan purchasing cooperative be the only type of purchasing arrangement permitted to operate in a State;

(5) confer authority upon a State that the State would not otherwise have to regulate health plan issuers or employee health benefits plans; or

(6) confer authority upon a State (or the Federal Government) that the State (or Federal Government) would not otherwise have to regulate group purchasing arrangements, coalitions, association plans, or other similar entities that do not desire to become a health plan purchasing cooperative in accordance with this section.

(i) APPLICATION OF ERISA.—For purposes of enforcement only, the requirements of parts 4 and 5 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1101) shall apply to a health plan purchasing cooperative as if such plan were an employee welfare benefit plan.

Subtitle B—Application and Enforcement of Standards

SEC. ___51. APPLICABILITY.

(a) CONSTRUCTION.—

(1) ENFORCEMENT.—

(A) IN GENERAL.—A requirement or standard imposed under this title on a group health plan or individual health plan offered by a health plan issuer shall be deemed to be a requirement or standard imposed on the health plan issuer. Such requirements or standards shall be enforced by the State insurance commissioner for the State involved or the official or officials designated by the State to enforce the requirements of this title. In the case of a group health plan offered by a health plan issuer in connection with an employee health benefit plan, the requirements or standards imposed under this title shall be enforced with respect to the health plan issuer by the State insurance commissioner for the State involved or the official or officials designated by the State to enforce the requirements of this title.

(B) LIMITATION.—Except as provided in subsection (c), the Secretary shall not enforce the requirements or standards of this title as they relate to health plan issuers, group health plans, or individual health plans. In no case shall a State enforce the requirements or standards of this title as they relate to employee health benefit plans.

(2) PREEMPTION OF STATE LAW.—Nothing in this title shall be construed to prevent a State from establishing, implementing, or continuing in effect standards and requirements—

(A) not prescribed in this title; or

(B) related to the issuance, renewal, or portability of health insurance or the establishment or operation of group purchasing arrangements, that are consistent with, and are not in direct conflict with, this title and provide greater protection or benefit to participants, beneficiaries or individuals.

(b) RULE OF CONSTRUCTION.—Nothing in this title shall be construed to affect or modify the provisions of section 514 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144).

(c) CONTINUATION.—Nothing in this title shall be construed as requiring a group health plan or an employee health benefit plan to provide benefits to a particular participant or beneficiary in excess of those provided under the terms of such plan.

SEC. ___52. ENFORCEMENT OF STANDARDS.

(a) HEALTH PLAN ISSUERS.—Each State shall require that each group health plan and individual health plan issued, sold, renewed, offered for sale or operated in such State by a health plan issuer meet the standards established under this title pursuant to an enforcement plan filed by the State with the Secretary. A State shall submit such information as required by the Secretary demonstrating effective implementation of the State enforcement plan.

(b) EMPLOYEE HEALTH BENEFIT PLANS.—With respect to employee health benefit plans, the Secretary shall enforce the reform standards established under this title in the same manner as provided for under sections 502, 504, 506, and 510 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132, 1134, 1136, and 1140). The civil penalties contained in paragraphs (1) and (2) of section 502(c) of such Act (29 U.S.C. 1132(c) (1) and (2)) shall apply to any information required by the Secretary to be disclosed and reported under this section.

(c) FAILURE TO IMPLEMENT PLAN.—In the case of the failure of a State to substantially enforce the standards and requirements set forth in this title with respect to group health plans and individual health plans as provided for under the State enforcement plan filed under subsection (a), the Secretary, in consultation with the Secretary of Health and Human Services, shall implement an enforcement plan meeting the standards of this title in such State. In the case of a State that fails to substantially enforce the standards and requirements set forth in this title, each health plan issuer operating in such State shall be subject to civil enforcement as provided for under sections 502, 504, 506, and 510 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132, 1134, 1136, and 1140). The civil penalties contained in paragraphs (1) and (2) of section 502(c) of such Act (29 U.S.C. 1132(c) (1) and (2)) shall apply to any information required by the Secretary to be disclosed and reported under this section.

(d) APPLICABLE CERTIFYING AUTHORITY.—As used in this subtitle, the term "applicable certifying authority" means, with respect to—

(1) health plan issuers, the State insurance commissioner or official or officials designated by the State to enforce the requirements of this title for the State involved; and

(2) an employee health benefit plan, the Secretary.

(e) REGULATIONS.—The Secretary may promulgate such regulations as may be necessary or appropriate to carry out this title.

(f) TECHNICAL AMENDMENT.—Section 508 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1138) is amended by inserting "and under the Health Insurance Reform Act of 1996" before the period.

Subtitle C—Miscellaneous Provisions

SEC. ___61. HMOS ALLOWED TO OFFER PLANS WITH DEDUCTIBLES TO INDIVIDUALS WITH MEDICAL SAVINGS ACCOUNTS.

(a) IN GENERAL.—Section 1301(b) of the Public Health Service Act (42 U.S.C. 300e(b)) is amended by adding at the end the following new paragraph:

"(6)(A) If a member certifies that a medical savings account has been established for the benefit of such member, a health maintenance organization may, at the request of such member reduce the basic health services payment otherwise determined under paragraph (1) by requiring the payment of a deductible by the member for basic health services.

"(B) For purposes of this paragraph, the term 'medical savings account' means an account which, by its terms, allows the deposit of funds and the use of such funds and income derived from the investment of such funds for the payment of the deductible described in subparagraph (A).".

(b) MEDICAL SAVINGS ACCOUNTS.—It is the sense of the Committee on Labor and Human Resources of the Senate that the establishment of medical savings accounts, including those defined in section 1301(b)(6)(B) of the Public Health Service Act (42 U.S.C. 300e(b)(6)(B)), should be encouraged as part of any health insurance reform legislation passed by the Senate through the use of tax incentives relating to contributions to, the income growth of, and the qualified use of, such accounts.

(c) SENSE OF THE SENATE.—It is the sense of the Senate that the Congress should take measures to further the purposes of this title, including any necessary changes to the Internal Revenue Code of 1986 to encourage groups and individuals to obtain health coverage, and to promote access, equity, portability, affordability, and security of health benefits.

SEC. ___62. HEALTH COVERAGE AVAILABILITY STUDY.

(a) IN GENERAL.—The Secretary of Health and Human Services, in consultation with the Secretary, representatives of State officials, consumers, and other representatives of individuals and entities that have expertise in health insurance and employee benefits, shall conduct a two-part study, and prepare and submit reports, in accordance with this section.

(b) EVALUATION OF AVAILABILITY.—Not later than January 1, 1997, the Secretary of Health and Human Services shall prepare and submit to the appropriate committees of Congress a report, concerning—

(1) an evaluation, based on the experience of States, expert opinions, and such additional data as may be available, of the various mechanisms used to ensure the availability of reasonably priced health coverage to employers purchasing group coverage and to individuals purchasing coverage on a nongroup basis; and

(2) whether standards that limit the variation in premiums will further the purposes of this title.

(c) EVALUATION OF EFFECTIVENESS.—Not later than January 1, 1998, the Secretary of Health and Human Services shall prepare and submit to the appropriate committees of Congress a report, concerning the effectiveness of the provisions of this title and the various State laws, in ensuring the availability of reasonably priced health coverage to employers purchasing group coverage and individuals purchasing coverage on a nongroup basis.

SEC. ___63. SENSE OF THE COMMITTEE CONCERNING MEDICARE.

(a) FINDINGS.—The Committee on Labor and Human Resources of the Senate finds that the Public Trustees of Medicare concluded in their 1995 Annual Report that—

(1) the Medicare program is clearly unsustainable in its present form;

(2) "the Hospital Insurance Trust Fund, which pays inpatient hospital expenses, will be able to pay benefits for only about 7 years and is severely out of financial balance in the long range"; and

(3) the Public Trustees "strongly recommend that the crisis presented by the financial condition of the Medicare trust fund be urgently addressed on a comprehensive basis, including a review of the programs's financing methods, benefit provisions, and delivery mechanisms".

(b) SENSE OF THE COMMITTEE.—It is the Sense of the Committee on Labor and Human Resources of the Senate that the Senate should take measures necessary to reform the Medicare program, to provide increased choice for seniors, and to respond to the findings of the Public Trustees by protecting the short-term solvency and long-term sustainability of the Medicare program.

SEC. ___64. EFFECTIVE DATE.

Except as otherwise provided for in this title, the provisions of this title shall apply as follows:

(1) With respect to group health plans and individual health plans, such provisions shall apply to plans offered, sold, issued, renewed, in effect, or operated on or after January 1, 1997; and

(b) With respect to employee health benefit plans, on the first day of the first plan year beginning on or after January 1, 1997.

SEC. ___65. SEVERABILITY.

If any provision of this title or the application of such provision to any person or circumstance is held to be unconstitutional, the remainder of this title and the application of the provisions of such to any person or circumstance shall not be affected thereby.

PRESSLER AMENDMENT NO. 3243

(Ordered to lie on the table.)

Mr. PRESSLER submitted on amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place in the bill, insert:

SEC. 1114. HONEY PROGRAM.

(a) IN GENERAL.—Title II of the Agricultural Act of 1949 (7 U.S.C. 1446 et seq.) (as amended by section 1101(b)(2)) is further amended by adding at the end the following:

"SEC. 207. HONEY RECOURSE LOANS.

"(a) IN GENERAL.—For each of the 1996 through 2002 crops of honey, the Secretary shall provide recourse loans of producers of honey at a level that is equal to 80 percent of the national average price of honey during the preceding crop year, as determined by the Secretary.

"(b) REPAYMENT.—A producer who receives a loan under subsection (a) shall be personally liable for repayment of the full amount of the loan, plus interest.

"(c) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.".

(b) CONFORMING AMENDMENT.—Section 405A of the Act (7 U.S.C. 1425a) is repealed.

GRASSLEY AMENDMENTS NOS. 3244–3246

(Ordered to lie on the table.)

Mr. GRASSLEY submitted three amendments to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3244

P. 1–17:

Line 25, Insert period after "farm" and strike everything through p. 1–18, line 3.

AMENDMENT NO. 3245

P. 3–14:

Line 25 strike "10,000" and replace with "1000".

P. 3–15:

Line 3 strike "15,000" and replace with "2500".

P. 3–27:

Line 11 insert period after "$10,000" and strike everything through line 12.

AMENDMENT NO. 3246

At the appropriate place, insert the following:

"The Secretary of Agriculture shall fully utilize and aggressively implement the full range of agricultural export programs authorized in this Act and any other Act, in any combination, to help U.S. agriculture maintain and expand export markets, promote U.S. agricultural commodity and product exports, counter subsidized foreign competition, and capitalize on potential new market opportunities. Notwithstanding this Act or any other Act, and consistent with U.S. obligations under GATT, if the Secretary determines that funds available under one or more export subsidy programs can not be fully or effectively utilized for such programs, the Secretary may utilize such funds for other authorized agricultural export programs to achieve the above objectives and to further enhance the overall global competitiveness of U.S. agriculture. Funds so utilized shall be in addition to funds which may otherwise be authorized or appropriated for such other agricultural export programs."

LEAHY AMENDMENT NOS. 3247–3248

(Ordered to lie on the table.)

Mr. LEAHY submitted two amendments intended to be proposed by him to amendment No. 3184 proposed by him to the bill S. 1541, supra; as follows:

Amendment No. 3247

Beginning on page 1-73, strike line 12 and all that follows through page 1-78, line 4, and insert the following:

SEC. 108. MILK PROGRAM.

(a) Milk Price Support Program.—

(1) Support activities.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the "Secretary") shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) Rate.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.10.

(B) During calendar year 1997, $10.05.

(C) During calendar year 1998, $9.95.

(D) During calendar year 1999, $9.85.

(E) During calendar year 2000, $9.75.

(F) During calendar year 2001, $9.65.

(G) During calendar year 2002, $9.55.

(3) Bid prices.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) Special rule for butter and nonfat dry milk.—

(A) Allocation of purchase prices.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) Timing of purchase price adjustments.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) Refunds of 1995 and 1996 assessments.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) Commodity credit corporation.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) Period of effectiveness.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) Consolidation and Reform of Federal Milk Marketing Orders.—

(1) Amendment of orders.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) Expedited process.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) Funding.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) Dairy Export Incentive Program.—

(1) Duration.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a-14) is amended by striking "2001" and inserting "2002".

(2) Sole discretion.—Section 153(b) of the Food Security Act of 1985 is amended by inserting "sole" before "discretion".

(3) Elements of program.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding at the end the following:

"(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99-198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

"(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.".

(4) Market development.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking "and" and inserting "the"; and

(B) by inserting before the period the following: ", and any additional amount that may be required to assist in the development of world markets for United States dairy products".

(5) Maximum allowable amounts.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

"(f) Required Funding.—

"(1) In general.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99-198; 7 U.S.C. 1731 note) during that year.

"(2) Volume limitations.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.".

(d) Effect on Fluid Milk Standards in the State of California.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) Repeal of Milk Manufacturing Marketing Adjustment.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e-1) is repealed.

(f) Consent to Northeast Interstate Dairy Compact.—Congress consents to the Northeast Interstate Dairy Compact entered into among the States of Vermont, New Hampshire, Maine, Connecticut, Rhode Island, and Massachusetts as specified in section 1(b) of Senate Joint Resolution 28 of the 104th Congress, as placed on the calendar of the Senate, subject to the following conditions:

(1) Compensation of ccc.—Before the end of each fiscal year that a Compact price regulation is in effect, the Compact Commission shall compensate the Commodity Credit Corporation for the cost of any purchases of milk and milk products by the Corporation that result from projected fluid milk production for the fiscal year within the Compact region in excess of the national average rate of purchases of milk and milk products by the Corporation.

(2) Milk market order administrator.—By agreement among the States and the Secretary, the Administrator shall provide technical assistance to the Compact Commission, and be reimbursed for the assistance, with respect to the applicable milk marketing order issued under section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.

(3) Limitation of manufacturing price regulation.—The Compact Commission may not regulate Class II, Class III, or Class III-A milk used for manufacturing purposes or any other milk, other than Class I, or fluid milk, as defined by a Federal milk marketing order issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Act of 1937, unless both Houses of Congress have first consented to and approved the authority by a law enacted after the date of enactment of this Act.

(4) Termination and renewal.—The consent for the Compact—

(A) shall terminate on the date that is 5 years after the date of the issuance of an over order price regulation by the Compact Commission, subject to subparagraph (B); and

(B) may be renewed by Congress, without prior re-ratification by the States' legislatures.

SEC. 109. ADMINISTRATION.

(a) Commodity Credit Corporation.—

(1) Use of corporation.—The Secretary shall carry out this title through the Commodity Credit Corporation.

(2) Salaries and expenses.—No funds of the Corporation shall be used for any salary or expense of any officer or employee of the Department of Agriculture.

(b) Determinations by Secretary.—A determination made by the Secretary under this title or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) shall be final and conclusive.

(c) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this title.

SEC. 110. ELIMINATION OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—The Agricultural Adjustment Act of 1938 is amended—

(1) in title III—

(A) in subtitle B—

(i) by striking parts II through V (7 U.S.C. 1326–1351); and

(ii) in part VI—

(I) by moving subsection (c) of section 358d (7 U.S.C. 1358d(c)) to appear after section 301(b)(17) (7 U.S.C. 1301(b)(17)) and redesignating the subsection as paragraph (18); and

(II) by striking sections 358, 358a, and 358d (7 U.S.C. 1358, 1358a, and 1359); and

(B) by striking subtitle D (7 U.S.C. 1379a–1379j); and

(2) by striking title IV (7 U.S.C. 1401–1407).

(b) AGRICULTURAL ACT OF 1949.—

(1) TRANSFER OF CERTAIN SECTIONS.—The Agricultural Act of 1949 is amended—

(A) by transferring sections 106, 106A, and 106B (7 U.S.C. 1445, 1445–1, 1445–2) to appear after section 314A of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314–1) and redesignating the transferred sections as sections 315, 315A, and 315B, respectively;

(B) by transferring sections 111 and 201(c) (7 U.S.C. 1445f and 1446(c)) to appear after section 304 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1304) and redesignating the transferred sections as sections 305 and 306, respectively; and

(C) by transferring sections 404 and 416 (7 U.S.C. 1424 and 1431) to appear after section 390 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1390) and redesignating the transferred sections as sections 390A and 390B, respectively.

(2) REPEAL.—The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) (as amended by paragraph (1)) is repealed.

(c) CONFORMING AMENDMENTS.—

(1) Section 306 of the Agricultural Adjustment Act of 1938 (as transferred and redesignated by subsection (b)(1)(B)) is amended by striking "section 204" and inserting "section 108(a) of the Agricultural Market Transition Act".

(2) Section 361 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1361) is amended by striking ", corn, wheat, cotton, peanuts, and rice, established".

AMENDMENT NO. 3248

On page 2 of the amendment, line 6, strike "$10.10" and insert "$10.15".

NICKLES AMENDMENT NO. 3249

(Ordered to lie on the table.)

Mr. NICKLES submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike Section 103(j)(2)(ii) and insert in lieu thereof the following:

(ii) CONTRACT COMMODITIES.—Contract acreage planted to a contract commodity during the crop year may be hayed or grazed without limitation.

LUGAR AMENDMENT NO. 3250–3251

(Ordered to lie on the table.)

Mr. LUGAR submitted two amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3250

In section 103(j)(2)(C)(i), before the period, insert the following: ", unless there is a history of double cropping of a contract commodity and fruits and vegetables".

AMENDMENT NO. 3251

On page 1–11, line 19, strike "$17,000,000,000" and insert "$17,000,000".

LUGAR AMENDMENT NO. 3252

(Ordered to lie on the table.)

Mr. LUGAR submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike titles II through V and insert the following:

TITLE II—AGRICULTURAL TRADE

Subtitle A—Amendments to Agricultural Trade Development and Assistance Act of 1954 and Related Statutes

SEC. 201. FOOD AID TO DEVELOPING COUNTRIES.

(a) IN GENERAL.—Section 3 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691a) is amended to read as follows:

"SEC. 3. FOOD AID TO DEVELOPING COUNTRIES.

"(a) POLICY.—In light of the Uruguay Round Agreement on Agriculture and the Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Program on Least-Developed and Net-Food Importing Developing Countries, the United States reaffirms the commitment of the United States to providing food aid to developing countries.

"(b) SENSE OF CONGRESS.—It is the sense of Congress that—

"(1) the President should initiate consultations with other donor nations to consider appropriate levels of food aid commitments to meet the legitimate needs of developing countries; and

"(2) the United States should increase its contribution of bona fide food assistance to developing countries consistent with the Agreement on Agriculture.".

(b) CONFORMING AMENDMENT.—Section 411 of the Uruguay Round Agreements Act (19 U.S.C. 3611) is amended by striking subsection (e).

SEC. 202. TRADE AND DEVELOPMENT ASSISTANCE.

Section 101 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701) is amended—

(1) by striking "developing countries" each place it appears and inserting "developing countries and private entities"; and

(2) in subsection (b), by inserting "and entities" before the period at the end.

SEC. 203. AGREEMENTS REGARDING ELIGIBLE COUNTRIES AND PRIVATE ENTITIES.

Section 102 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1702) is amended to read as follows:

"SEC. 102. AGREEMENTS REGARDING ELIGIBLE COUNTRIES AND PRIVATE ENTITIES.

"(a) PRIORITY.—In selecting agreements to be entered into under this title, the Secretary shall give priority to agreements providing for the export of agricultural commodities to developing countries that—

"(1) have the demonstrated potential to become commercial markets for competitively priced United States agricultural commodities;

"(2) are undertaking measures for economic development purposes to improve food security and agricultural development, alleviate poverty, and promote broad-based equitable and sustainable development; and

"(3) demonstrate the greatest need for food.

"(b) PRIVATE ENTITIES.—An agreement entered into under this title with a private entity shall require such security, or such other provisions as the Secretary determines necessary, to provide reasonable and adequate assurance of repayment of the financing extended to the private entity.

"(c) AGRICULTURAL MARKET DEVELOPMENT PLAN.—

"(1) DEFINITION OF AGRICULTURAL TRADE ORGANIZATION.—In this subsection, the term 'agricultural trade organization' means a United States agricultural trade organization that promotes the export and sale of a United States agricultural commodity and that does not stand to profit directly from the specific sale of the commodity.

"(2) PLAN.—The Secretary shall consider a developing country for which an agricultural market development plan has been approved under this subsection to have the demonstrated potential to become a commercial market for competitively priced United States agricultural commodities for the purpose of granting a priority under subsection (a).

"(3) REQUIREMENTS.—

"(A) IN GENERAL.—To be approved by the Secretary, an agricultural market development plan shall—

"(i) be submitted by a developing country or private entity, in conjunction with an agricultural trade organization;

"(ii) describe a project or program for the development and expansion of a United States agricultural commodity market in a developing country, and the economic development of the country, using funds derived from the sale of agricultural commodities received under an agreement described in section 101;

"(iii) provide for any matching funds that are required by the Secretary for the project or program;

"(iv) provide for a results-oriented means of measuring the success of the project or program; and

"(v) provide for graduation to the use of non-Federal funds to carry out the project or program, consistent with requirements established by the Secretary.

"(B) AGRICULTURAL TRADE ORGANIZATION.—The project or program shall be designed and carried out by the agricultural trade organization.

"(C) ADDITIONAL REQUIREMENTS.—An agricultural market development plan shall contain such additional requirements as are determined necessary by the Secretary.

"(4) ADMINISTRATIVE COSTS.—

"(A) IN GENERAL.—The Secretary shall make funds made available to carry out this title available for the reimbursement of administrative expenses incurred by agricultural trade organizations in developing, implementing, and administering agricultural market development plans, subject to such requirements and in such amounts as the Secretary considers appropriate.

"(B) DURATION.—The funds shall be made available to agricultural trade organizations for the duration of the applicable agricultural market development plan.

"(C) TERMINATION.—The Secretary may terminate assistance made available under this subsection if the agricultural trade organization is not carrying out the approved agricultural market development plan.".

SEC. 204. TERMS AND CONDITIONS OF SALES.

Section 103 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1703) is amended—

(1) in subsection (a)(2)(A)—

(A) by striking "a recipient country to make"; and

(B) by striking "such country" and inserting "the appropriate country";

(2) in subsection (c), by striking "less than 10 nor"; and

(3) in subsection (d)—

(A) by striking "recipient country" and inserting "developing country or private entity"; and

(B) by striking "7" and inserting "5".

SEC. 205. USE OF LOCAL CURRENCY PAYMENT.

Section 104 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704) is amended—

(1) in subsection (a), by striking "recipient country" and inserting "developing country or private entity"; and

(2) in subsection (c)—

(A) by striking "recipient country" each place it appears and inserting "appropriate developing country"; and

(B) in paragraph (3), by striking "recipient countries" and inserting "appropriate developing countries".

SEC. 206. VALUE-ADDED FOODS.

Section 105 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1705) is repealed.

SEC. 207. ELIGIBLE ORGANIZATIONS.

(a) IN GENERAL.—Section 202 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1722) is amended—

(1) by striking subsection (b) and inserting the following:

"(b) NONEMERGENCY ASSISTANCE.—

"(1) IN GENERAL.—The Administrator may provide agricultural commodities for nonemergency assistance under this title through eligible organizations (as described in subsection (d)) that have entered into an agreement with the Administrator to use the commodities in accordance with this title.

"(2) LIMITATION.—The Administrator may not deny a request for funds submitted under this subsection because the program for which the funds are requested—

"(A) would be carried out by the eligible organization in a foreign country in which the Agency for International Development does not have a mission, office, or other presence; or

"(B) is not part of a development plan for the country prepared by the Agency."; and

(2) in subsection (e)—

(A) in the subsection heading, by striking "PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES" and inserting "ELIGIBLE ORGANIZATIONS";

(B) in paragraph (1)—

(i) by striking "$13,500,000" and inserting "$28,000,000"; and

(ii) by striking "private voluntary organizations and cooperatives to assist such organizations and cooperatives" and inserting "eligible organizations described in subsection (d), to assist the organizations";

(C) by striking paragraph (2) and inserting the following:

"(2) REQUEST FOR FUNDS.—To receive funds made available under paragraph (1), a private voluntary organization or cooperative shall submit a request for the funds that is subject to approval by the Administrator."; and

(D) in paragraph (3), by striking "a private voluntary organization or cooperative, the Administrator may provide assistance to that organization or cooperative" and inserting "an eligible organization, the Administrator may provide assistance to the eligible organization".

(b) CONFORMING AMENDMENTS.—Section 207 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726a) is amended—

(1) in subsection (a), by striking "a private voluntary organization or cooperative" and inserting "an eligible organization"; and

(2) in subsection (b)—

(A) in paragraph (1), by striking "private voluntary organizations and cooperatives" and inserting "eligible organizations"; and

(B) in paragraph (2), by striking "organizations, cooperatives," and inserting "eligible organizations".

SEC. 208. GENERATION AND USE OF FOREIGN CURRENCIES.

Section 203 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1723) is amended—

(1) in subsection (a), by inserting ", or in a country in the same region," after "in the recipient country";

(2) in subsection (b)—

(A) by inserting "or in countries in the same region," after "in recipient countries,"; and

(B) by striking "10 percent" and inserting "15 percent";

(3) in subsection (c), by inserting "or in a country in the same region," after "in the recipient country,"; and

(4) in subsection (d)(2), by inserting "or within a country in the same region" after "within the recipient country".

SEC. 209. GENERAL LEVELS OF ASSISTANCE UNDER PUBLIC LAW 480.

Section 204(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724(a)) is amended—

(1) in paragraph (1), by striking "amount that" and all that follows through the period at the end and inserting "amount that for each of fiscal years 1996 through 2002 is not less than 2,025,000 metric tons.";

(2) in paragraph (2), by striking "amount that" and all that follows through the period at the end and inserting "amount that for each of fiscal years 1996 through 2002 is not less than 1,550,000 metric tons."; and

(3) in paragraph (3), by adding at the end the following: "No waiver shall be made before the beginning of the applicable fiscal year.".

SEC. 210. FOOD AID CONSULTATIVE GROUP.

Section 205 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1725) is amended—

(1) in subsection (a), by striking "private voluntary organizations, cooperatives and indigenous non-governmental organizations" and inserting "eligible organizations described in section 202(d)(1)";

(2) in subsection (b)—

(A) in paragraph (2), by striking "for International Affairs and Commodity Programs" and inserting "of Agriculture for Farm and Foreign Agricultural Services";

(B) in paragraph (4), by striking "and" at the end;

(C) in paragraph (5), by striking the period at the end and inserting "; and"; and

(D) by adding at the end the following:

"(6) representatives from agricultural producer groups in the United States.";

(3) in the second sentence of subsection (d), by inserting "(but at least twice per year)" after "when appropriate"; and

(4) in subsection (f), by striking "1995" and inserting "2002".

SEC. 211. SUPPORT OF NONGOVERNMENTAL ORGANIZATIONS.

(a) IN GENERAL.—Section 306(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1727e(b)) is amended—

(1) in the subsection heading, by striking "INDIGENOUS NON-GOVERNMENTAL" and inserting "NONGOVERNMENTAL"; and

(2) by striking "utilization of indigenous" and inserting "utilization of".

(b) CONFORMING AMENDMENT.—Section 402 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1732) is amended by striking paragraph (6) and inserting the following:

"(6) NONGOVERNMENTAL ORGANIZATION.—The term 'nongovernmental organization' means an organization that works at the local level to solve development problems in a foreign country in which the organization is located, except that the term does not include an organization that is primarily an agency or instrumentality of the government of the foreign country.".

SEC. 212. COMMODITY DETERMINATIONS.

Section 401 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1731) is amended—

(1) by striking subsections (a) through (d) and inserting the following:

"(a) AVAILABILITY OF COMMODITIES.—No agricultural commodity shall be available for disposition under this Act if the Secretary determines that the disposition would reduce the domestic supply of the commodity below the supply needed to meet domestic requirements and provide adequate carryover (as determined by the Secretary), unless the Secretary determines that some part of the supply should be used to carry out urgent humanitarian purposes under this Act.";

(2) by redesignating subsections (e) and (f) as subsections (b) and (c), respectively; and

(3) in subsection (c) (as so redesignated), by striking "(e)(1)" and inserting "(b)(1)".

SEC. 213. GENERAL PROVISIONS.

Section 403 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733) is amended—

(1) in subsection (b)—

(A) in the subsection heading, by striking "CONSULTATIONS" and inserting "IMPACT ON LOCAL FARMERS AND ECONOMY"; and

(B) by striking "consult with" and all that follows through "other donor organizations to";

(2) in subsection (c)—

(A) by striking "from countries"; and

(B) by striking "for use" and inserting "or use";

(3) in subsection (f)—

(A) by inserting "or private entities, as appropriate," after "from countries"; and

(B) by inserting "or private entities" after "such countries"; and

(4) in subsection (i)(2), by striking subparagraph (C).

SEC. 214. AGREEMENTS.

Section 404 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1734) is amended—

(1) in subsection (a), by inserting "with foreign countries" after "Before entering into agreements";

(2) in subsection (b)(2)—

(A) by inserting "with foreign countries" after "with respect to agreements entered into"; and

(B) by inserting before the semicolon at the end the following: "and broad-based economic growth"; and

(3) in subsection (c), by striking paragraph (1) and inserting the following:

"(1) IN GENERAL.—Agreements to provide assistance on a multi-year basis to recipient countries or to eligible organizations—

"(A) may be made available under titles I and III; and

"(B) shall be made available under title II.".

SEC. 215. USE OF COMMODITY CREDIT CORPORATION.

Section 406 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736) is amended—

(1) in subsection (a), by striking "shall" and inserting "may"; and

(2) in subsection (b)—

(A) by inserting "titles II and III of" after "commodities made available under"; and

(B) by striking paragraph (4) and inserting the following:

"(4) the vessel freight charges from United States ports or designated Canadian transshipment ports, as determined by the Secretary, to designated ports of entry abroad;".

SEC. 216. ADMINISTRATIVE PROVISIONS.

Section 407 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736a) is amended—

(1) in subsection (a)—

(A) in paragraph(1), by inserting "or private entity that enters into an agreement under title I" after "importing country"; and

(B) in paragraph (2), by adding at the end the following: "Resulting contracts may contain such terms and conditions as the Secretary determines are necessary and appropriate.";

(2) in subsection (c)—

(A) in paragraph (1)(A), by inserting "importer or" before "importing country"; and

(B) in paragraph (2)(A), by inserting "importer or" before "importing country";

(3) in subsection (d)—

(A) by striking paragraph (2) and inserting the following:

"(2) FREIGHT PROCUREMENT.—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) or other similar provisions of law relating to the making or performance of Federal Government contracts, ocean transportation under titles II and III may be procured on the basis of such full and open competitive procedures. Resulting contracts may contain such terms and conditions, as the Administrator determines are necessary and appropriate."; and

(B) by striking paragraph (4);

(4) in subsection (g)(2)—

(A) in subparagraph (B), by striking "and" at the end;

(B) in subparagraph (C), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(D) an assessment of the progress towards achieving food security in each country receiving food assistance from the United States Government, with special emphasis on the nutritional status of the poorest populations in each country."; and

(5) by striking subsection (h).

SEC. 217. EXPIRATION DATE.

Section 408 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736b) is amended by striking "1995" and inserting "2002".

SEC. 218. REGULATIONS.

Section 409 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736c) is repealed.

SEC. 219. INDEPENDENT EVALUATION OF PROGRAMS.

Section 410 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736d) is repealed.

SEC. 220. AUTHORIZATION OF APPROPRIATIONS.

Section 412 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736f) is amended—

(1) by striking subsections (b) and (c) and inserting the following:

"(b) TRANSFER OF FUNDS.—Notwithstanding any other provision of law, the President may direct that—

"(1) up to 15 percent of the funds available for any fiscal year for carrying out any title of this Act be used to carry out any other title of this Act; and

"(2) any funds available for title III be used to carry out title II."; and

(2) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

SEC. 221. COORDINATION OF FOREIGN ASSISTANCE PROGRAMS.

Section 413 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736g) is amended by inserting "title III of" before "this Act" each place it appears.

SEC. 222. MICRONUTRIENT FORTIFICATION PILOT PROGRAM.

Title IV of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1731 et seq.) is amended by adding at the end the following:

"SEC. 415. MICRONUTRIENT FORTIFICATION PILOT PROGRAM.

"(a) IN GENERAL.—Not later than September 30, 1997, the Secretary, in consultation with the Administrator, shall establish a micronutrient fortification pilot program under this Act. The purposes of the program shall be to—

"(1) assist developing countries in correcting micronutrient dietary deficiencies among segments of the populations of the countries; and

"(2) encourage the development of technologies for the fortification of whole grains and other commodities that are readily transferable to developing countries.

"(b) SELECTION OF PARTICIPATING COUNTRIES.—From among the countries eligible for assistance under this Act, the Secretary may select not more than 5 developing countries to participate in the pilot program.

"(c) FORTIFICATION.—Under the pilot program, whole grains and other commodities made available to a developing country selected to participate in the pilot program may be fortified with 1 or more micronutrients (including vitamin A, iron, and iodine) with respect to which a substantial portion of the population in the country are deficient. The commodity may be fortified in the United States or in the developing country.

"(d) TERMINATION OF AUTHORITY.—The authority to carry out the pilot program established under this section shall terminate on September 30, 2002.".

SEC. 223. USE OF CERTAIN LOCAL CURRENCY.

Title IV of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1731 et seq.) (as amended by section 222) is further amended by adding at the end the following:

"SEC. 416. USE OF CERTAIN LOCAL CURRENCY.

"Local currency payments received by the United States pursuant to agreements entered into under title I (as in effect on November 27, 1990) may be utilized by the Secretary in accordance with section 108 (as in effect on November 27, 1990).".

SEC. 224. LEVELS OF ASSISTANCE UNDER FARMER-TO-FARMER PROGRAM.

Section 501 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1737) is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (4) through (6) as paragraphs (5) through (7), respectively; and

(B) by inserting after paragraph (3) the following:

"(4) assist the travel of farmers and other agricultural professionals from developing countries, middle income countries, and emerging democracies to the United States for educational purposes consistent with the objectives of this section;"; and

(2) in subsection (c), by striking "1991 through 1995" and inserting "1996 through 2002".

SEC. 225. FOOD SECURITY COMMODITY RESERVE.

(a) IN GENERAL.—Title III of the Agricultural Act of 1980 (7 U.S.C. 1736f–1 et seq.) is amended to read as follows:

"TITLE III—FOOD SECURITY COMMODITY RESERVE

"SEC. 301. SHORT TITLE.

"This title may be cited as the 'Food Security Commodity Reserve Act of 1996'.

"SEC. 302. ESTABLISHMENT OF COMMODITY RESERVE.

"(a) IN GENERAL.—To provide for a reserve solely to meet emergency humanitarian food needs in developing countries, the Secretary of Agriculture (referred to in this title as the 'Secretary') shall establish a reserve stock of wheat, rice, corn, or sorghum, or any combination of the commodities, totalling not more than 4,000,000 metric tons for use as described in subsection (c).

"(b) COMMODITIES IN RESERVE.—

"(1) IN GENERAL.—The reserve established under this section shall consist of—

"(A) wheat in the reserve established under the Food Security Wheat Reserve Act of 1980 as of the effective date of the Agricultural Reform and Improvement Act of 1996;

"(B) wheat, rice, corn, and sorghum (referred to in this section as 'eligible commodities') acquired in accordance with paragraph (2) to replenish eligible commodities released from the reserve, including wheat to replenish wheat released from the reserve established under the Food Security Wheat Reserve Act of 1980 but not replenished as of the effective date of the Agricultural Reform and Improvement Act of 1996; and

"(C) such rice, corn, and sorghum as the Secretary may, at such time and in such manner as the Secretary determines appropriate, acquire as a result of exchanging an equivalent value of wheat in the reserve established under this section.

"(2) REPLENISHMENT OF RESERVE.—

"(A) IN GENERAL.—Subject to subsection (i), commodities of equivalent value to eligible commodities in the reserve established under this section may be acquired—

"(i) through purchases—

"(I) from producers; or

"(II) in the market, if the Secretary determines that the purchases will not unduly disrupt the market; or

"(ii) by designation by the Secretary of stocks of eligible commodities of the Commodity Credit Corporation.

"(B) FUNDS.—Any use of funds to acquire eligible commodities through purchases from producers or in the market to replenish the reserve must be authorized in an appropriation Act.

"(c) RELEASE OF ELIGIBLE COMMODITIES.—

"(1) EMERGENCY FOOD ASSISTANCE.—Notwithstanding any other law, eligible commodities designated or acquired for the reserve established under this section may be released by the Secretary to provide, on a donation or sale basis, emergency food assistance to developing countries at such time as the domestic supply of the eligible commodities is so limited that quantities of the eligible commodities cannot be made available for disposition under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) (other than disposition for urgent humanitarian purposes under section 401 of the Act (7 U.S.C. 1731)).

"(2) PROVISION OF URGENT HUMANITARIAN RELIEF.—

"(A) IN GENERAL.—Notwithstanding paragraph (1), eligible commodities may be released from the reserve established under this section for any fiscal year, without regard to the availability of domestic supply, for use under title II of the Agricultural Trade Development Assistance Act of 1954 (7 U.S.C. 1721 et seq.) in providing urgent humanitarian relief in any developing country suffering a major disaster (as determined by the Secretary) in accordance with this paragraph.

"(B) EXCEPTIONAL NEED.—If the eligible commodities needed for relief cannot be made available for relief in a timely manner under the normal means of obtaining eligible commodities for food assistance because of circumstances of unanticipated and exceptional need, up to 500,000 metric tons of eligible commodities may be released under subparagraph (A).

"(C) FUNDS.—If the Secretary certifies that the funds made available for a fiscal year to carry out title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.) are not less than the funds made available for the previous fiscal year, up to 1,000,000 metric tons of eligible commodities may be released under subparagraph (A).

"(D) WAIVER OF MINIMUM TONNAGE REQUIREMENTS.—Nothing in this paragraph shall require the exercise of the waiver under section 204(a)(3) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 5624(a)(3)) as a prerequisite for the release of eligible commodities under this paragraph.

"(E) LIMITATION.—The quantity of eligible commodities released under this paragraph may not exceed 1,000,000 metric tons in any fiscal year.

"(3) PROCESSING OF ELIGIBLE COMMODITIES.—Eligible commodities that are released from the reserve established under this section may be processed in the United States and shipped to a developing country when conditions in the recipient country require processing.

"(4) EXCHANGE.—The Secretary may exchange an eligible commodity for another United States commodity of equal value, including powdered milk, pulses, and vegetable oil.

"(d) USE OF ELIGIBLE COMMODITIES.—Eligible commodities that are released from the reserve established under this section for the purpose of subsection (c) shall be made available under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) to meet famine or other urgent or extraordinary relief needs, except that section 401 of the Act (7 U.S.C. 1731), with respect to determinations of availability, shall not be applicable to the release.

"(e) MANAGEMENT OF ELIGIBLE COMMODITIES.—The Secretary shall provide—

"(1) for the management of eligible commodities in the reserve established under this section as to location and quality of eligible commodities needed to meet emergency situations; and

"(2) for the periodic rotation or replacement of stocks of eligible commodities in the reserve to avoid spoilage and deterioration of the commodities.

"(f) TREATMENT OF RESERVE UNDER OTHER LAW.—Eligible commodities in the reserve established under this section shall not be—

"(1) considered a part of the total domestic supply (including carryover) for the purpose of subsection (c) or for the purpose of administering the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.); and

"(2) subject to any quantitative limitation on exports that may be imposed under section 7 of the Export Administration Act of 1979 (50 U.S.C. App. 2406).

"(g) USE OF COMMODITY CREDIT CORPORATION.—

"(1) IN GENERAL.—Subject to the limitations provided in this section, the funds, facilities, and authorities of the Commodity Credit Corporation shall be used by the Secretary in carrying out this section, except that any restriction applicable to the acquisition, storage, or disposition of eligible commodities owned or controlled by the Commodity Credit Corporation shall not apply.

"(2) REIMBURSEMENT.—

"(A) IN GENERAL.—The Commodity Credit Corporation shall be reimbursed for the release of eligible commodities from funds made available to carry out the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.).

"(B) BASIS FOR REIMBURSEMENT.—The reimbursement shall be made on the basis of the lesser of—

"(i) the actual costs incurred by the Commodity Credit Corporation with respect to the eligible commodity; or

"(ii) the export market price of the eligible commodity (as determined by the Secretary) as of the time the eligible commodity is released from the reserve for the purpose.

"(C) SOURCE OF FUNDS.—The reimbursement may be made from funds appropriated for the purpose of reimbursement in subsequent fiscal years.

"(h) FINALITY OF DETERMINATION.—Any determination by the Secretary under this section shall be final.

"(i) TERMINATION OF AUTHORITY.—

"(1) IN GENERAL.—The authority to replenish stocks of eligible commodities to maintain the reserve established under this section shall terminate on September 30, 2002.

"(2) DISPOSAL OF ELIGIBLE COMMODITIES.—Eligible commodities remaining in the reserve after September 30, 2002, shall be disposed of by release for use in providing for emergency humanitarian food needs in developing countries as provided in this section.".

(b) CONFORMING AMENDMENT.—Section 208(d) of the Agriculture Trade Suspension Adjustment Act of 1980 (7 U.S.C. 4001(d)) is amended by striking paragraph (2) and inserting the following:

"(2) APPLICABILITY OF CERTAIN PROVISIONS.—Subsections (c), (d), (e), (f), and (g)(2) of section 302 of the Food Security Commodity Reserve Act of 1996 shall apply to commodities in any reserve established under paragraph (1), except that the references to 'eligible commodities' in the subsections shall be deemed to be references to 'agricultural commodities'.".

SEC. 226. PROTEIN BYPRODUCTS DERIVED FROM ALCOHOL FUEL PRODUCTION.

Section 1208 of the Agriculture and Food Act of 1981 (7 U.S.C. 1736n) is repealed.

SEC. 227. FOOD FOR PROGRESS PROGRAM.

The Food for Progress Act of 1985 (7 U.S.C. 1736*o*) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) by striking "(b)(1)" and inserting "(b)"; and

(ii) in the first sentence, by inserting "intergovernmental organizations" after "cooperatives"; and

(B) by striking paragraph (2);

(2) in subsection (e)(4), by striking "203" and inserting "406";

(3) in subsection (f)—

(A) in paragraph (1), by striking "in the case of the independent states of the former Soviet Union,";

(B) by striking paragraph (2);

(C) in paragraph (4), by inserting "in each of fiscal years 1996 through 2002" after "may be used"; and

(D) by redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively;

(4) in subsection (g), by striking "1995" and inserting "2002";

(5) in subsection (j), by striking "shall" and inserting "may";

(6) in subsection (k), by striking "1995" and inserting "2002";

(7) in subsection (l)(1)—

(A) by striking "1991 through 1995" and inserting "1996 through 2002"; and

(B) by inserting ", and to provide technical assistance for monetization programs," after "monitoring of food assistance programs"; and

(8) in subsection (m)—

(A) by striking "with respect to the independent states of the former Soviet Union";

(B) by striking "private voluntary organizations and cooperatives" each place it appears and inserting "agricultural trade organizations, intergovernmental organizations, private voluntary organizations, and cooperatives"; and

(C) in paragraph (2), by striking "in the independent states".

SEC. 228. USE OF FOREIGN CURRENCY PROCEEDS FROM EXPORT SALES FINANCING.

Section 402 of the Mutual Security Act of 1954 (22 U.S.C. 1922) is repealed.

SEC. 229. STIMULATION OF FOREIGN PRODUCTION.

Section 7 of the Act of December 30, 1947 (61 Stat. 947, chapter 526; 50 U.S.C. App. 1917) is repealed.

Subtitle B—Amendments to Agricultural Trade Act of 1978

SEC. 241. AGRICULTURAL EXPORT PROMOTION STRATEGY.

(a) IN GENERAL.—Section 103 of the Agricultural Trade Act of 1978 (7 U.S.C. 5603) is amended to read as follows:

"SEC. 103. AGRICULTURAL EXPORT PROMOTION STRATEGY.

"(a) IN GENERAL.—The Secretary shall develop a strategy for implementing Federal agricultural export promotion programs that takes into account the new market opportunities for agricultural products, including opportunities that result from—

"(1) the North American Free Trade Agreement and the Uruguay Round Agreements;

"(2) any accession to membership in the World Trade Organization;

"(3) the continued economic growth in the Pacific Rim; and

"(4) other developments.

"(b) PURPOSE OF STRATEGY.—The strategy developed under subsection (a) shall encourage the maintenance, development, and expansion of export markets for United States agricultural commodities and related products, including high-value and value-added products.

"(c) GOALS OF STRATEGY.—The strategy developed under subsection (a) shall have the following goals:

"(1) By September 30, 2002, increasing the value of annual United States agricultural exports to $60,000,000,000.

"(2) By September 30, 2002, increasing the United States share of world export trade in agricultural products significantly above the average United States share from 1993 through 1995.

"(3) By September 30, 2002, increasing the United States share of world trade in high-value agricultural products to 20 percent.

"(4) Ensuring that the value of United States exports of agricultural products increases at a faster rate than the rate of increase in the value of overall world export trade in agricultural products.

"(5) Ensuring that the value of United States exports of high-value agricultural products increases at a faster rate than the rate of increase in overall world export trade in high-value agricultural products.

"(6) Ensuring to the extent practicable that—

"(A) substantially all obligations undertaken in the Uruguay Round Agreement on Agriculture that provide significantly increased access for United States agricultural commodities are implemented to the extent required by the Uruguay Round Agreements; or

"(B) applicable United States trade laws are used to secure United States rights under the Uruguay Round Agreement on Agriculture.

"(d) PRIORITY MARKETS.—

"(1) IDENTIFICATION OF MARKETS.—In developing the strategy required under subsection (a), the Secretary shall identify as priority markets—

"(A) those markets in which imports of agricultural products show the greatest potential for increase by September 30, 2002; and

"(B) those markets in which, with the assistance of Federal export promotion programs, exports of United States agricultural products show the greatest potential for increase by September 30, 2002.

"(2) IDENTIFICATION OF SUPPORTING OFFICES.—The President shall identify annually in the budget of the United States Government submitted under section 1105 of title 31, United States Code, each overseas office of the Foreign Agricultural Service that provides assistance to United States exporters in each of the priority markets identified under paragraph (1).

"(e) REPORT.—Not later than December 31, 2001, the Secretary shall prepare and submit a report to Congress assessing progress in meeting the goals established by subsection (c).

"(f) FAILURE TO MEET GOALS.—Notwithstanding any other law, if the Secretary determines that more than 2 of the goals established by subsection (c) are not met by September 30, 2002, the Secretary may not carry out agricultural trade programs under the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) as of that date.

"(g) NO PRIVATE RIGHT OF ACTION.—This section shall not create any private right of action.".

(b) CONTINUATION OF FUNDING.—

(1) IN GENERAL.—If the Secretary of Agriculture makes a determination under section 103(f) of the Agricultural Trade Act of 1978 (as amended by subsection (a)), the Secretary shall utilize funds of the Commodity Credit Corporation to promote United States agricultural exports in a manner consistent with the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.) and obligations pursuant to the Uruguay Round Agreements.

(2) FUNDING.—The amount of Commodity Credit Corporation funds used to carry out paragraph (1) during a fiscal year shall not exceed the total outlays for agricultural trade programs under the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) during fiscal year 2002.

(c) ELIMINATION OF REPORT.—

(1) IN GENERAL.—Section 601 of the Agricultural Trade Act of 1978 (7 U.S.C. 5711) is repealed.

(2) CONFORMING AMENDMENT.—The last sentence of section 603 of the Agricultural Trade Act of 1978 (7 U.S.C. 5713) is amended by striking ", in a consolidated report," and all that follows through "section 601" and inserting "or in a consolidated report".

SEC. 242. EXPORT CREDITS.

(a) EXPORT CREDIT GUARANTEE PROGRAM.—Section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622) is amended—

(1) in subsection (a)—

(A) by striking "GUARANTEES.—The" and inserting the following: "GUARANTEES.—

"(1) IN GENERAL.—The"; and

(B) by adding at the end the following:

"(2) SUPPLIER CREDITS.—In carrying out this section, the Commodity Credit Corporation may issue guarantees for the repayment of credit made available for a period of not more than 180 days by a United States exporter to a buyer in a foreign country.";

(2) in subsection (f)—

(A) by striking "(f) RESTRICTIONS.—The" and inserting the following:

"(f) RESTRICTIONS.—

"(1) IN GENERAL.—The"; and

(B) by adding at the end the following:

"(2) CRITERIA FOR DETERMINATION.—In making the determination required under paragraph (1) with respect to credit guarantees under subsection (b) for a country, the Secretary may consider, in addition to financial, macroeconomic, and monetary indicators—

"(A) whether an International Monetary Fund standby agreement, Paris Club rescheduling plan, or other economic restructuring plan is in place with respect to the country;

"(B) the convertibility of the currency of the country;

"(C) whether the country provides adequate legal protection for foreign investments;

"(D) whether the country has viable financial markets;

"(E) whether the country provides adequate legal protection for the private property rights of citizens of the country; and

"(F) any other factors that are relevant to the ability of the country to service the debt of the country.";

(3) by striking subsection (h) and inserting the following:

"(h) UNITED STATES AGRICULTURAL COMPONENTS.—The Commodity Credit Corporation shall finance or guarantee under this section only United States agricultural commodities.";

(4) in subsection (i)—

(A) by striking "INSTITUTIONS.—A financial" and inserting the following: "INSTITUTIONS.—

"(1) IN GENERAL.—A financial";

(B) by striking paragraph (1);

(C) by striking "(2) is" and inserting the following:

"(A) is";

(D) by striking "(3) is" and inserting the following:

"(B) is"; and

(E) by adding at the end the following:

"(2) THIRD COUNTRY BANKS.—The Commodity Credit Corporation may guarantee under subsections (a) and (b) the repayment of credit made available to finance an export sale irrespective of whether the obligor is located in the country to which the export sale is destined."; and

(5) by striking subsection (k) and inserting the following:

"(k) PROCESSED AND HIGH-VALUE PRODUCTS.—

"(1) IN GENERAL.—In issuing export credit guarantees under this section, the Commodity Credit Corporation shall, subject to paragraph (2), ensure that not less than 25 percent for each of fiscal years 1996 and 1997, 30 percent for each of fiscal years 1998 and 1999, and 35 percent for each of fiscal years 2000, 2001, and 2002, of the total amount of credit guarantees issued for a fiscal year is issued to promote the export of processed or high-value agricultural products and that the balance is issued to promote the export of bulk or raw agricultural commodities.

"(2) LIMITATION.—The percentage requirement of paragraph (1) shall apply for a fiscal year to the extent that a reduction in the total amount of credit guarantees issued for the fiscal year is not required to meet the percentage requirement.".

(b) FUNDING LEVELS.—Section 211(b) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)) is amended—

(1) by striking paragraph (2);

(2) by redesignating subparagraph (B) of paragraph (1) as paragraph (2) and indenting the margin of paragraph (2) (as so redesignated) so as to align with the margin of paragraph (1); and

(3) by striking paragraph (1) and inserting the following:

"(1) EXPORT CREDIT GUARANTEES.—The Commodity Credit Corporation shall make available for each of fiscal years 1996 through 2002 not less than $5,500,000,000 in credit guarantees under subsections (a) and (b) of section 202.".

(c) DEFINITIONS.—Section 102(7) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(7)) is amended by striking subparagraphs (A) and (B) and inserting the following:

"(A) an agricultural commodity or product entirely produced in the United States; or

"(B) a product of an agricultural commodity—

"(i) 90 percent or more of which by weight, excluding packaging and water, is entirely produced in the United States; and

"(ii) that the Secretary determines to be a high value agricultural product.".

(d) REGULATIONS.—Not later than 180 days after the effective date of this title, the Secretary of Agriculture shall issue regulations to carry out the amendments made by this section.

SEC. 243. MARKET PROMOTION PROGRAM.

Effective October 1, 1995, section 211(c)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1)) is amended—

(1) by striking "and" after "1991 through 1993,"; and

(2) by striking "through 1997," and inserting "through 1995, and not more than $100,000,000 for each of fiscal years 1996 through 2002,".

SEC. 244. EXPORT ENHANCEMENT PROGRAM.

Effective October 1, 1995, section 301(e)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5651(e)(1)) is amended to read as follows:

"(1) IN GENERAL.—The Commodity Credit Corporation shall make available to carry out the program established under this section not more than—

"(A) $350,000,000 for fiscal year 1996;

"(B) $350,000,000 for fiscal year 1997;

"(C) $500,000,000 for fiscal year 1998;

"(D) $550,000,000 for fiscal year 1999;

"(E) $579,000,000 for fiscal year 2000;

"(F) $478,000,000 for fiscal year 2001; and

"(G) $478,000,000 for fiscal year 2002.".

SEC. 245. ARRIVAL CERTIFICATION.

Section 401 of the Agricultural Trade Act of 1978 (7 U.S.C. 5662(a)) is amended by striking subsection (a) and inserting the following:

"(a) ARRIVAL CERTIFICATION.—With respect to a commodity provided, or for which financing or a credit guarantee or other assistance is made available, under a program authorized in section 201, 202, or 301, the Commodity Credit Corporation shall require the exporter of the commodity to maintain records of an official or customary commercial nature or other documents as the Secretary may require, and shall allow representatives of the Commodity Credit Corporation access to the records or documents as needed, to verify the arrival of the commodity in the country that was the intended destination of the commodity.".

SEC. 246. COMPLIANCE.

Section 402(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 5662(a)) is amended—

(1) by striking paragraph (2); and

(2) by redesignating paragraph (3) as paragraph (2).

SEC. 247. REGULATIONS.

Section 404 of the Agricultural Trade Act of 1978 (7 U.S.C. 5664) is repealed.

SEC. 248. TRADE COMPENSATION AND ASSISTANCE PROGRAMS.

Title IV of the Agricultural Trade Act of 1978 (7 U.S.C. 5661 et seq.) is amended by adding at the end the following:

"SEC. 417. TRADE COMPENSATION AND ASSISTANCE PROGRAMS.

"(a) IN GENERAL.—Notwithstanding any other law, if, after the effective date of this section, the President or any other member of the Executive branch causes exports from the United States to any country to be unilaterally suspended for reasons of national security or foreign policy, and if within 180 days after the date on which the suspension is imposed on United States exports no other country agrees to participate in the suspension, the Secretary shall carry out a trade compensation and assistance program in accordance with this section (referred to in this section as a 'program').

"(b) PROVISION OF FUNDS.—Under a program, the Secretary shall make available for each fiscal year funds of the Commodity Credit Corporation, in an amount calculated under subsection (c), to promote agricultural exports or provide agricultural commodities to developing countries, under any authorities available to the Secretary.

"(c) DETERMINATION OF AMOUNT OF FUNDS.—For each fiscal year of a program, the amount of funds made available under subsection (b) shall be equal to 90 percent of the average annual value of United States agricultural exports to the country with respect to which exports are suspended during the most recent 3 years prior to the suspension for which data are available.

"(d) DURATION OF PROGRAM.—

"(1) IN GENERAL.—For each suspension of exports for which a program is implemented under this section, funds shall be made available under subsection (b) for each fiscal year or part of a fiscal year for which the suspension is in effect, but not to exceed 2 fiscal years.

"(2) PARTIAL-YEAR EMBARGOES.—Regardless of whether an embargo is in effect for only part of a fiscal year, the full amount of funds as calculated under subsection (c) shall be made available under a program for the fiscal year. If the Secretary determines that making the required amount of funds available in a partial fiscal year is impracticable, the Secretary may make all or part of the funds required to be made available in the partial fiscal year available in the following fiscal year (in addition to any funds otherwise required under a program to be made available in the following fiscal year).".

SEC. 249. FOREIGN AGRICULTURAL SERVICE.

Section 503 of the Agricultural Trade Act of 1978 (7 U.S.C. 5693) is amended to read as follows:

"SEC. 503. ESTABLISHMENT OF THE FOREIGN AGRICULTURAL SERVICE.

"The Service shall assist the Secretary in carrying out the agricultural trade policy and international cooperation policy of the United States by—

"(1) acquiring information pertaining to agricultural trade;

"(2) carrying out market promotion and development activities;

"(3) providing agricultural technical assistance and training; and

"(4) carrying out the programs authorized under this Act, the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.), and other Acts.".

SEC. 250. REPORTS.

The first sentence of section 603 of the Agricultural Trade Act of 1978 (7 U.S.C. 5713) is amended by striking "The" and inserting "Subject to section 217 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6917), the".

Subtitle C—Miscellaneous

SEC. 251. REPORTING REQUIREMENTS RELATING TO TOBACCO.

Section 214 of the Tobacco Adjustment Act of 1983 (7 U.S.C. 509) is repealed.

SEC. 252. TRIGGERED EXPORT ENHANCEMENT.

(a) READJUSTMENT OF SUPPORT LEVELS.—Section 1302 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508; 7 U.S.C. 1421 note) is repealed.

(b) TRIGGERED MARKETING LOANS AND EXPORT ENHANCEMENT.—Section 4301 of the Omnibus Trade and Competitiveness Act of 1988 (Public Law 100–418; 7 U.S.C. 1446 note) is repealed.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective beginning with the 1996 crops of wheat, feed grains, upland cotton, and rice.

SEC. 253. DISPOSITION OF COMMODITIES TO PREVENT WASTE.

Section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by inserting after the first sentence the following: "The Secretary may use funds of the Commodity Credit Corporation to cover administrative expenses of the programs.";

(B) in paragraph (7)(D)(iv), by striking "one year of acquisition" and all that follows and inserting the following: "a reasonable length of time, as determined by the Secretary, except that the Secretary may permit the use of proceeds in a country other than the country of origin—

"(I) as necessary to expedite the transportation of commodities and products furnished under this subsection; or

"(II) if the proceeds are generated in a currency generally accepted in the other country.";

(C) in paragraph (8), by striking subparagraph (C); and

(D) by striking paragraphs (10), (11), and (12); and

(2) by striking subsection (c).

SEC. 254. DIRECT SALES OF DAIRY PRODUCTS.

Section 106 of the Agriculture and Food Act of 1981 (7 U.S.C. 1446c-1) is repealed.

SEC. 255. EXPORT SALES OF DAIRY PRODUCTS.

Section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) is repealed.

SEC. 256. DEBT-FOR-HEALTH-AND-PROTECTION SWAP.

(a) IN GENERAL.—Section 1517 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1706) is repealed.

(b) CONFORMING AMENDMENT.—Subsection (e)(3) of the Food for Progress Act of 1985 (7 U.S.C. 1736*o*(e)(3)) is amended by striking "section 106" and inserting "section 103".

SEC. 257. POLICY ON EXPANSION OF INTERNATIONAL MARKETS.

Section 1207 of the Agriculture and Food Act of 1981 (7 U.S.C. 1736m) is repealed.

SEC. 258. POLICY ON MAINTENANCE AND DEVELOPMENT OF EXPORT MARKETS.

Section 1121 of the Food Security Act of 1985 (7 U.S.C. 1736p) is amended—

(1) by striking subsection (a); and

(2) in subsection (b)—

(A) by striking "(b)"; and

(B) by striking paragraphs (1) through (4) and inserting the following:

"(1) be the premier supplier of agricultural and food products to world markets and expand exports of high value products;

"(2) support the principle of free trade and the promotion of fair trade in agricultural commodities and products;

"(3) cooperate fully in all efforts to negotiate with foreign countries further reductions in tariff and nontariff barriers to trade, including sanitary and phytosanitary measures and trade-distorting subsidies;

"(4) aggressively counter unfair foreign trade practices as a means of encouraging fairer trade;".

SEC. 259. POLICY ON TRADE LIBERALIZATION.

Section 1122 of the Food Security Act of 1985 (7 U.S.C. 1736q) is repealed.

SEC. 260. AGRICULTURAL TRADE NEGOTIATIONS.

Section 1123 of the Food Security Act of 1985 (7 U.S.C. 1736r) is amended to read as follows:

"SEC. 1123. TRADE NEGOTIATIONS POLICY.

"(a) FINDINGS.—Congress finds that—

"(1) on a level playing field, United States producers are the most competitive suppliers of agricultural products in the world;

"(2) exports of United States agricultural products will account for $53,000,000,000 in 1995, contributing a net $24,000,000,000 to the merchandise trade balance of the United States and supporting approximately 1,000,000 jobs;

"(3) increased agricultural exports are critical to the future of the farm, rural, and overall United States economy, but the opportunities for increased agricultural exports are limited by the unfair subsidies of the competitors of the United States, and a variety of tariff and nontariff barriers to highly competitive United States agricultural products;

"(4) international negotiations can play a key role in breaking down barriers to United States agricultural exports;

"(5) the Uruguay Round Agreement on Agriculture made significant progress in the attainment of increased market access opportunities for United States exports of agricultural products, for the first time—

"(A) restraining foreign trade-distorting domestic support and export subsidy programs; and

"(B) developing common rules for the application of sanitary and phytosanitary restrictions;

that should result in increased exports of United States agricultural products, jobs, and income growth in the United States;

"(6) the Uruguay Round Agreement on Agriculture did not succeed in completely eliminating trade distorting domestic support and export subsidies by—

"(A) allowing the European Union to continue unreasonable levels of spending on export subsidies; and

"(B) failing to discipline monopolistic state trading entities, such as the Canadian Wheat Board, that use nontransparent and discriminatory pricing as a hidden de facto export subsidy;

"(7) during the period 1996 through 2002, there will be several opportunities for the United States to negotiate fairer trade in agricultural products, including further negotiations under the World Trade Organization, and steps toward possible free trade agreements of the Americas and Asian-Pacific Economic Cooperation (APEC); and

"(8) the United States should aggressively use these opportunities to achieve more open and fair opportunities for trade in agricultural products.

"(b) GOALS OF THE UNITED STATES IN AGRICULTURAL TRADE NEGOTIATIONS.—The objectives of the United States with respect to future negotiations on agricultural trade include—

"(1) increasing opportunities for United States exports of agricultural products by eliminating or substantially reducing tariff and nontariff barriers to trade;

"(2) leveling the playing field for United States producers of agricultural products by limiting per unit domestic production supports to levels that are no greater than those available in the United States;

"(3) ending the practice of export dumping by eliminating all trade distorting export subsidies and disciplining state trading entities so that they do not (except in cases of bona fide food aid) sell in foreign markets at below domestic market prices nor their full costs of acquiring and delivering agricultural products to the foreign markets; and

"(4) encouraging government policies that avoid price-depressing surpluses.".

SEC. 261. POLICY ON UNFAIR TRADE PRACTICES.

Section 1164 of the Food Security Act of 1985 (Public Law 99–198; 99 Stat. 1499) is repealed.

SEC. 262. AGRICULTURAL AID AND TRADE MISSIONS.

(a) IN GENERAL.—The Agricultural Aid and Trade Missions Act (7 U.S.C. 1736bb et seq.) is repealed.

(b) CONFORMING AMENDMENT.—Section 7 of Public Law 100–277 (7 U.S.C. 1736bb note) is repealed.

SEC. 263. ANNUAL REPORTS BY AGRICULTURAL ATTACHES.

Section 108(b)(1)(B) of the Agricultural Act of 1954 (7 U.S.C. 1748(b)(1)(B)) is amended by striking "including fruits, vegetables, legumes, popcorn, and ducks".

SEC. 264. WORLD LIVESTOCK MARKET PRICE INFORMATION.

Section 1545 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 1761 note) is repealed.

SEC. 265. ORDERLY LIQUIDATION OF STOCKS.

Sections 201 and 207 of the Agricultural Act of 1956 (7 U.S.C. 1851 and 1857) are repealed.

SEC. 266. SALES OF EXTRA LONG STAPLE COTTON.

Section 202 of the Agricultural Act of 1956 (7 U.S.C. 1852) is repealed.

SEC. 267. REGULATIONS.

Section 707 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (Public Law 102–511; 7 U.S.C. 5621 note) is amended by striking subsection (d).

SEC. 268. EMERGING MARKETS.

(a) PROMOTION OF AGRICULTURAL EXPORTS TO EMERGING MARKETS.—

(1) EMERGING MARKETS.—Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 5622 note) is amended—

(A) in the section heading, by striking "EMERGING DEMOCRACIES" and inserting "EMERGING MARKETS";

(B) by striking "emerging democracies" each place it appears in subsections (b), (d), and (e) and inserting "emerging markets";

(C) by striking "emerging democracy" each place it appears in subsection (c) and inserting "emerging market"; and

(D) by striking subsection (f) and inserting the following:

"(f) EMERGING MARKET.—In this section and section 1543, the term 'emerging market' means any country that the Secretary determines—

"(1) is taking steps toward a market-oriented economy through the food, agriculture, or rural business sectors of the economy of the country; and

"(2) has the potential to provide a viable and significant market for United States agricultural commodities or products of United States agricultural commodities.".

(2) FUNDING.—Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended by striking subsection (a) and inserting the following:

"(a) FUNDING.—The Commodity Credit Corporation shall make available for fiscal years 1996 through 2002 not less than $1,000,000,000 of direct credits or export credit guarantees for exports to emerging markets under section 201 or 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5621 and 5622), in addition to the amounts acquired or authorized under section 211 of the Act (7 U.S.C. 5641) for the program.".

(3) AGRICULTURAL FELLOWSHIP PROGRAM.—Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended—

(A) in subsection (b), by striking the last sentence and inserting the following: "The Commodity Credit Corporation shall give priority under this subsection to—

"(A) projects that encourage the privatization of the agricultural sector or that benefit private farms or cooperatives in emerging markets; and

"(B) projects for which nongovernmental persons agree to assume a relatively larger share of the costs."; and

(B) in subsection (d)—

(i) in the matter preceding paragraph (1), by striking "the Soviet Union" and inserting "emerging markets";

(ii) in paragraph (1)—

(I) in subparagraph (A)(i)—

(aa) by striking "1995" and inserting "2002"; and

(bb) by striking "those systems, and identify" and inserting "the systems, including potential reductions in trade barriers, and identify and carry out";

(II) in subparagraph (B), by striking "shall" and inserting "may";

(III) in subparagraph (D), by inserting "(including the establishment of extension services)" after "technical assistance";

(IV) by striking subparagraph (F);

(V) by redesignating subparagraphs (G), (H), and (I) as subparagraphs (F), (G), and (H), respectively; and

(VI) in subparagraph (H) (as redesignated by subclause (V)), by striking "$10,000,000" and inserting "$20,000,000";

(iii) in paragraph (2)—

(I) by striking "the Soviet Union" each place it appears and inserting "emerging markets";

(II) in subparagraph (A), by striking "a free market food production and distribution system" and inserting "free market food production and distribution systems";

(III) in subparagraph (B)—

(aa) in clause (i), by striking "Government" and inserting "governments";

(bb) in clause (iii)(II), by striking "and" at the end;

(cc) in clause (iii)(III), by striking the period at the end and inserting "; and"; and

(dd) by adding at the end of clause (iii) the following:

"(IV) to provide for the exchange of administrators and faculty members from agricultural and other institutions to strengthen and revise educational programs in agricultural economics, agribusiness, and agrarian law, to support change towards a free market economy in emerging markets.";

(IV) by striking subparagraph (D); and

(V) by redesignating subparagraph (E) as subparagraph (D); and

(iv) by striking paragraph (3).

(4) UNITED STATES AGRICULTURAL COMMODITY.—Subsections (b) and (c) of section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 are amended by striking "section 101(6)" each place it appears and inserting "section 102(7)".

(5) REPORT.—The first sentence of section 1542(e)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended by striking "Not" and inserting "Subject to section 217 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6917), not".

(b) AGRICULTURAL FELLOWSHIP PROGRAM FOR MIDDLE INCOME COUNTRIES, EMERGING DEMOCRACIES, AND EMERGING MARKETS.—Section 1543 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3293) is amended—

(1) in the section heading, by striking "MIDDLE INCOME COUNTRIES AND EMERGING DEMOCRACIES" and inserting "MIDDLE INCOME COUNTRIES, EMERGING DEMOCRACIES, AND EMERGING MARKETS";

(2) in subsection (b), by adding at the end the following:

"(5) EMERGING MARKET.—Any emerging market, as defined in section 1542(f)."; and

(3) in subsection (c)(1), by striking "food needs" and inserting "food and fiber needs".

(c) CONFORMING AMENDMENTS.—

(1) Section 501 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1737) is amended—

(A) in subsection (a), by striking "emerging democracies" and inserting "emerging markets"; and

(B) in subsection (b), by striking paragraph (1) and inserting the following:

"(1) EMERGING MARKET.—The term 'emerging market' means any country that the Secretary determines—

"(A) is taking steps toward a market-oriented economy through the food, agriculture, or rural business sectors of the economy of the country; and

"(B) has the potential to provide a viable and significant market for United States agricultural commodities or products of United States agricultural commodities.".

(2) Section 201(d)(1)(C)(ii) of the Agricultural Trade Act of 1978 (7 U.S.C. 5621(d)(1)(C)(ii)) is amended by striking "emerging democracies" and inserting "emerging markets".

(3) Section 202(d)(3)(B) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(d)(3)(B)) is amended by striking "emerging democracies" and inserting "emerging markets".

SEC. 269. IMPORT ASSISTANCE FOR CBI BENEFICIARY COUNTRIES AND THE PHILIPPINES.

Section 583 of Public Law 100–202 (101 Stat. 1329–182) is repealed.

SEC. 270. STUDIES, REPORTS, AND OTHER PROVISIONS.

(a) IN GENERAL.—Sections 1551 through 1555, section 1559, and section 1560 of subtitle E of title XV of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 104 Stat. 3696) are repealed.

(b) LANGUAGE PROFICIENCY.—Section 1556 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 5694 note) is amended by striking subsection (c).

SEC. 271. IMPLEMENTATION OF COMMITMENTS UNDER URUGUAY ROUND AGREEMENTS.

Part III of subtitle A of title IV of the Uruguay Round Agreements Act (Public Law 103–465; 108 Stat. 4964) is amended by adding at the end the following:

"SEC. 427. IMPLEMENTATION OF COMMITMENTS UNDER URUGUAY ROUND AGREEMENTS.

"Not later than September 30 of each fiscal year, the Secretary of Agriculture shall determine whether the obligations undertaken by foreign countries under the Uruguay Round Agreement on Agriculture are being fully implemented. If the Secretary of Agriculture determines that any foreign country, by not implementing the obligations of the country, is significantly constraining an opportunity for United States agricultural exports, the Secretary shall—

"(1) submit to the United States Trade Representative a recommendation as to whether the President should take action under any provision of law; and

"(2) transmit a copy of the recommendation to the Committee on Agriculture, and the Committee on Ways and Means, of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Finance, of the Senate.".

SEC. 272. SENSE OF CONGRESS CONCERNING MULTILATERAL DISCIPLINES ON CREDIT GUARANTEES.

It is the sense of Congress that—

(1) in negotiations to establish multilateral disciplines on agricultural export credits and credit guarantees, the United States should not agree to any arrangement that is incompatible with the provisions of United States law that authorize agricultural export credits and credit guarantees;

(2) in the negotiations (which are held under the auspices of the Organization for Economic Cooperation and Development), the United States should not reach any agreement that fails to impose disciplines on the practices of foreign government trading entities such as the Australian Wheat Board and Canadian Wheat Board; and

(3) the disciplines should include greater openness in the operations of the entities as long as the entities are subsidized by the foreign government or have monopolies for exports of a commodity that are sanctioned by the foreign government.

TITLE III—CONSERVATION

Subtitle A—Definitions

SEC. 301. DEFINITIONS.

Section 1201(a) of the Food Security Act of 1985 (16 U.S.C. 3801(a)) is amended—

(1) by redesignating paragraphs (3) through (16) as paragraphs (4) through (17), respectively; and

(2) by inserting after paragraph (2) the following:

"(3) CONSERVATION SYSTEM.—The term 'conservation system' means the conservation measures and practices that are approved for application by a producer to a highly erodible field and that provide for cost effective and practical erosion reduction on the field based on local resource conditions and standards contained in the Natural Resources Conservation Service field office technical guide.".

Subtitle B—Environmental Conservation Acreage Reserve Program

SEC. 311. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM.

Section 1230 of the Food Security Act of 1985 (16 U.S.C. 3830) is amended to read as follows:

"SEC. 1230. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—During the 1996 through 2002 calendar years, the Secretary shall establish an environmental conservation acreage reserve program (referred to in this section as 'ECARP') to be implemented through contracts and the acquisition of easements to assist owners and operators of farms and ranches to conserve and enhance soil, water, and related natural resources, including grazing land, wetland, and wildlife habitat.

"(2) MEANS.—The Secretary shall carry out the ECARP by—

"(A) providing for the long-term protection of environmentally sensitive land; and

"(B) providing technical and financial assistance to farmers and ranchers to—

"(i) improve the management and operation of the farms and ranches; and

"(ii) reconcile productivity and profitability with protection and enhancement of the environment.

"(3) PROGRAMS.—The ECARP shall consist of—

"(A) the conservation reserve program established under subchapter B;

"(B) the wetlands reserve program established under subchapter C; and

"(C) the environmental quality incentives program established under chapter 4.

"(b) ADMINISTRATION.—

"(1) IN GENERAL.—In carrying out the ECARP, the Secretary shall enter into contracts with owners and operators and acquire interests in land through easements from owners, as provided in this chapter and chapter 4.

"(2) PRIOR ENROLLMENTS.—Acreage enrolled in the conservation reserve or wetlands reserve program prior to the effective date of this paragraph shall be considered to be placed into the ECARP.

"(c) CONSERVATION PRIORITY AREAS.—

"(1) DESIGNATION.—

"(A) IN GENERAL.—The Secretary shall designate watersheds or regions of special environmental sensitivity, including the Chesapeake Bay Region (consisting of Pennsylvania, Maryland, and Virginia), the Great Lakes Region, and the Long Island Sound Region, as conservation priority areas that are eligible for enhanced assistance through the programs established under this chapter and chapter 4.

"(B) APPLICATION.—A designation shall be made under this paragraph if agricultural practices on land within the watershed or region pose a significant threat to soil, water, and related natural resources, as determined by the Secretary, and an application is made by—

"(i) a State agency in consultation with the State technical committee established under section 1261; or

"(ii) State agencies from several States that agree to form an interstate conservation priority area.

"(C) ASSISTANCE.—The Secretary shall designate a watershed or region of special environmental sensitivity as a conservation priority area to assist, to the maximum extent practicable, agricultural producers within the watershed or region to comply with nonpoint source pollution requirements under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) and other Federal and State environmental laws.

"(2) APPLICABILITY.—The Secretary shall designate a watershed or region of special environmental sensitivity as a conservation priority area in a manner that conforms, to the maximum extent practicable, to the functions and purposes of the conservation reserve, wetlands reserve, and environmental quality incentives programs, as applicable, if participation in the program or programs is likely to result in the resolution or amelioration of significant soil, water, and related natural resource problems related to agricultural production activities within the watershed or region.

"(3) TERMINATION.—A conservation priority area designation shall terminate on the date that is 5 years after the date of the designation, except that the Secretary may—

"(A) redesignate the area as a conservation priority area; or

"(B) withdraw the designation of a watershed or region if the Secretary determines the area is no longer affected by significant soil,water, and related natural resource impacts related to agricultural production activities.".

SEC. 312. CONSERVATION RESERVE PROGRAM.

(a) IN GENERAL.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended—

(1) by striking "1995" each place it appears and inserting "2002"; and

(2) in subsection (d), by striking "38,000,000" and inserting "36,400,000".

(b) DUTIES OF OWNERS AND OPERATORS.—Section 1232(c) of the Food Security Act of 1985 (16 U.S.C. 3832(c)) is amended by striking "1995" and inserting "2002".

SEC. 313. WETLANDS RESERVE PROGRAM.

(a) PURPOSES.—Section 1237(a) of the Food Security Act of 1985 (16 U.S.C. 3837(a)) is amended by striking "to assist owners of eligible lands in restoring and protecting wetlands" and inserting "to protect wetlands for purposes of enhancing water quality and providing wildlife benefits while recognizing landowner rights".

(b) ENROLLMENT.—Section 1237 of the Food Security Act of 1985 (16 U.S.C. 3837) is amended by striking subsection (b) and inserting the following:

"(b) MINIMUM ENROLLMENT.—The Secretary shall enroll into the wetlands reserve program—

"(1) during the 1996 through 2002 calendar years, a total of not more than 975,000 acres; and

"(2) beginning with offers accepted by the Secretary during calendar year 1997, to the maximum extent practicable, ⅓ of the acres in permanent easements, ⅓ of the acres in

30-year easements, and ⅓ of the acres in restoration cost-share agreements.''.

(c) ELIGIBILITY.—Section 1237(c) of the Food Security Act of 1985 (16 U.S.C. 3837(c)) is amended—

(1) by striking "2000'' and inserting "2002'';

(2) by inserting "the land maximizes wildlife benefits and wetland values and functions and'' after "determines that'';

(3) in paragraph (1)—

(A) by striking "December 23, 1985'' and inserting "January 1, 1996''; and

(B) by striking "and'' at the end;

(4) by redesignating paragraph (2) as paragraph (3);

(5) by inserting after paragraph (1) the following:

"(2) enrollment of the land meets water quality goals through—

"(A) creation of tailwater pits or settlement ponds; or

"(B) enrollment of land that was enrolled (on the day before the effective date of this subparagraph) in the water bank program established under the Water Bank Act (16 U.S.C. 1301 et seq.) at a rate not to exceed the rates in effect under the program;'';

(6) in paragraph (3) (as so redesignated), by striking the period at the end and inserting "; and''; and

(7) by adding at the end the following:

"(4) enrollment of the land maintains or improves wildlife habitat.''.

(d) OTHER ELIGIBLE LANDS.—Section 1237(d) (16 U.S.C. 3837(d)) is amended by inserting after "subsection (c)'' the following ", land that maximizes wildlife benefits and that is''.

(e) EASEMENTS.—Section 1237A of the Food Security Act of 1985 (16 U.S.C. 3837a) is amended—

(1) in the section heading, by inserting before the period at the end the following: "and agreements'';

(2) by striking subsection (c) and inserting the following:

"(c) RESTORATION PLANS.—The development of a restoration plan, including any compatible use, under this section shall be made through the local Natural Resources Conservation Service representative, in consultation with the State technical committee.'';

(3) in subsection (f), by striking the third sentence and inserting the following: "Compensation may be provided in not less than 5, nor more than 30, annual payments of equal or unequal size, as agreed to by the owner and the Secretary.''; and

(4) by adding at the end the following:

"(h) COST SHARE AGREEMENTS.—The Secretary may enroll land into the wetland reserve through agreements that require the landowner to restore wetlands on the land, if the agreement does not provide the Secretary with an easement.''.

(f) COST SHARE AND TECHNICAL ASSISTANCE.—Section 1237C of the Food Security Act of 1985 (16 U.S.C. 3837c) is amended by striking subsection (b) and inserting the following:

"(b) COST SHARE AND TECHNICAL ASSISTANCE.—In the case of an easement entered into during the 1996 through 2002 calendar years, in making cost share payments under subsection (a)(1), the Secretary shall—

"(1) in the case of a permanent easement, pay the owner an amount that is not less than 75 percent, but not more than 100 percent, of the eligible costs;

"(2) in the case of a 30-year easement or a cost-share agreement, pay the owner an amount that is not less than 50 percent, but not more than 75 percent, of the eligible costs; and

"(3) provide owners technical assistance to assist landowners in complying with the terms of easements and agreements.''.

SEC. 314. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.) is amended by adding at the end the following:

"CHAPTER 4—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

"SEC. 1238. FINDINGS AND PURPOSES.

"(a) FINDINGS.—Congress finds that—

"(1) farmers and ranchers cumulatively manage more than ½ of the private lands in the continental United States;

"(2) because of the predominance of agriculture, the soil, water, and related natural resources of the United States cannot be protected without cooperative relationships between the Federal Government and farmers and ranchers;

"(3) farmers and ranchers have made tremendous progress in protecting the environment and the agricultural resource base of the United States over the past decade because of not only Federal Government programs but also their spirit of stewardship and the adoption of effective technologies;

"(4) it is in the interest of the entire United States that farmers and ranchers continue to strive to preserve soil resources and make more efforts to protect water quality and wildlife habitat, and address other broad environmental concerns;

"(5) environmental strategies that stress the prudent management of resources, as opposed to idling land, will permit the maximum economic opportunities for farmers and ranchers in the future;

"(6) unnecessary bureaucratic and paperwork barriers associated with existing agricultural conservation assistance programs decrease the potential effectiveness of the programs; and

"(7) the recent trend of Federal spending on agricultural conservation programs suggests that assistance to farmers and ranchers in future years will, absent changes in policy, dwindle to perilously low levels.

"(b) PURPOSES.—The purposes of the environmental quality incentives program established by this chapter are to—

"(1) combine into a single program the functions of—

"(A) the agricultural conservation program authorized by sections 7 and 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g and 590h) (as in effect before the amendments made by section 355(a)(1) of the Agricultural Reform and Improvement Act of 1996);

"(B) the Great Plains conservation program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p(b)) (as in effect before the amendment made by section 355(b)(1) of the Agricultural Reform and Improvement Act of 1996); and

"(C) the water quality incentives program established under chapter 2 (as in effect before the amendment made by section 355(k) of the Agricultural Reform and Improvement Act of 1996); and

"(C) the Colorado River Basin salinity control program established under section 202(c) of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592(c)) (as in effect before the amendment made by section 355(c)(1) of the Agricultural Reform and Improvement Act of 1996); and

"(2) carry out the single program in a manner that maximizes environmental benefits per dollar expended, and that provides—

"(A) flexible technical and financial assistance to farmers and ranchers that face the most serious threats to soil, water, and related natural resources, including grazing lands, wetlands, and wildlife habitat;

"(B) assistance to farmers and ranchers in complying with this title and Federal and State environmental laws, and to encourage environmental enhancement;

"(C) assistance to farmers and ranchers in making beneficial, cost-effective changes to cropping systems, grazing management, manure, nutrient, pest, or irrigation management, land uses, or other measures needed to conserve and improve soil, water, and related natural resources; and

"(D) for the consolidation and simplification of the conservation planning process to reduce administrative burdens on the owners and operators of farms and ranches.

"SEC. 1238A. DEFINITIONS.

"In this chapter:

"(1) LAND MANAGEMENT PRACTICE.—The term 'land management practice' means nutrient or manure management, integrated pest management, irrigation management, tillage or residue management, grazing management, or another land management practice the Secretary determines is needed to protect soil, water, or related resources in the most cost effective manner.

"(2) LARGE CONFINED LIVESTOCK OPERATION.—The term 'large confined livestock operation' means a farm or ranch that—

"(A) is a confined animal feeding operation; and

"(B) has more than—

"(i) 700 mature dairy cattle;

"(ii) 10,000 beef cattle;

"(iii) 150,000 laying hens or broilers;

"(iv) 55,000 turkeys;

"(v) 15,000 swine; or

"(vi) 10,000 sheep or lambs.

"(3) LIVESTOCK.—The term 'livestock' means mature dairy cows, beef cattle, laying hens, broilers, turkeys, swine, sheep, or lambs.

"(4) OPERATOR.—The term 'operator' means a person who is engaged in crop or livestock production (as defined by the Secretary).

"(5) STRUCTURAL PRACTICE.—The term 'structural practice' means the establishment of an animal waste management facility, terrace, grassed waterway, contour grass strip, filterstrip, permanent wildlife habitat, or another structural practice that the Secretary determines is needed to protect soil, water, or related resources in the most cost effective manner.

"SEC. 1238B. ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—During the 1996 through 2002 fiscal years, the Secretary shall provide technical assistance, cost-sharing payments, and incentive payments to operators, who enter into contracts with the Secretary, through an environmental quality incentives program in accordance with this chapter.

"(2) ELIGIBLE PRACTICES.—

"(A) STRUCTURAL PRACTICES.—An operator who implements a structural practice shall be eligible for technical assistance or cost-sharing payments, or both.

"(B) LAND MANAGEMENT PRACTICES.—An operator who performs a land management practice shall be eligible for technical assistance or incentive payments, or both.

"(b) APPLICATION AND TERM.—A contract between an operator and the Secretary under this chapter may—

"(1) apply to 1 or more structural practices or 1 or more land management practices, or both; and

"(2) have a term of not less than 5, nor more than 10, years, as determined appropriate by the Secretary, depending on the practice or practices that are the basis of the contract.

"(c) STRUCTURAL PRACTICES.—

"(1) COMPETITIVE OFFER.—The Secretary shall administer a competitive offer system for operators proposing to receive cost-sharing payments in exchange for the implementation of 1 or more structural practices by the operator. The competitive offer system shall consist of—

"(A) the submission of a competitive offer by the operator in such manner as the Secretary may prescribe; and

"(B) evaluation of the offer in light of the priorities established in section 1238C and the projected cost of the proposal, as determined by the Secretary.

"(2) CONCURRENCE OF OWNER.—If the operator making an offer to implement a structural practice is a tenant of the land involved in agricultural production, for the offer to be acceptable, the operator shall obtain the concurrence of the owner of the land with respect to the offer.

"(d) LAND MANAGEMENT PRACTICES.—The Secretary shall establish an application and evaluation process for awarding technical assistance or incentive payments, or both, to an operator in exchange for the performance of 1 or more land management practices by the operator.

"(e) COST-SHARING AND INCENTIVE PAYMENTS.—

"(1) COST-SHARING PAYMENTS.—

"(A) IN GENERAL.—The Federal share of cost-sharing payments to an operator proposing to implement 1 or more structural practices shall not be less than 75 percent of the projected cost of the practice, as determined by the Secretary, taking into consideration any payment received by the operator from a State or local government.

"(B) LIMITATION.—An operator of a large confined livestock operation shall not be eligible for cost-sharing payments to construct an animal waste management facility.

"(C) OTHER PAYMENTS.—An operator shall not be eligible for cost-sharing payments for structural practices on eligible land under this chapter if the operator receives cost-sharing payments or other benefits for the same land under chapter 1 or 3.

"(2) INCENTIVE PAYMENTS.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage an operator to perform 1 or more land management practices.

"(f) TECHNICAL ASSISTANCE.—

"(1) FUNDING.—The Secretary shall allocate funding under this chapter for the provision of technical assistance according to the purpose and projected cost for which the technical assistance is provided in a fiscal year. The allocated amount may vary according to the type of expertise required, quantity of time involved, and other factors as determined appropriate by the Secretary. Funding shall not exceed the projected cost to the Secretary of the technical assistance provided in a fiscal year.

"(2) OTHER AUTHORITIES.—The receipt of technical assistance under this chapter shall not affect the eligibility of the operator to receive technical assistance under other authorities of law available to the Secretary.

"(g) MODIFICATION OR TERMINATION OF CONTRACTS.—

"(1) VOLUNTARY MODIFICATION OR TERMINATION.—The Secretary may modify or terminate a contract entered into with an operator under this chapter if—

"(A) the operator agrees to the modification or termination; and

"(B) the Secretary determines that the modification or termination is in the public interest.

"(2) INVOLUNTARY TERMINATION.—The Secretary may terminate a contract under this chapter if the Secretary determines that the operator violated the contract.

"(h) NON-FEDERAL ASSISTANCE.—

"(1) IN GENERAL.—The Secretary may request the services of a State water quality agency, State fish and wildlife agency, State forestry agency, or any other governmental or private resource considered appropriate to assist in providing the technical assistance necessary for the development and implementation of a structural practice or land management practice.

"(2) LIMITATION ON LIABILITY.—No person shall be permitted to bring or pursue any claim or action against any official or entity based on or resulting from any technical assistance provided to an operator under this chapter to assist in complying with a Federal or State environmental law.

"SEC. 1238C. EVALUATION OF OFFERS AND PAYMENTS.

"(a) REGIONAL PRIORITIES.—The Secretary shall provide technical assistance, cost-sharing payments, and incentive payments to operators in a region, watershed, or conservation priority area under this chapter based on the significance of the soil, water, and related natural resource problems in the region, watershed, or area, and the structural practices or land management practices that best address the problems, as determined by the Secretary.

"(b) MAXIMIZATION OF ENVIRONMENTAL BENEFITS.—

"(1) IN GENERAL.—In providing technical assistance, cost-sharing payments, and incentive payments to operators in regions, watersheds, or conservation priority areas under this chapter, the Secretary shall accord a higher priority to assistance and payments that maximize environmental benefits per dollar expended.

"(2) NATIONAL AND REGIONAL PRIORITY.—The prioritization shall be done nationally as well as within the conservation priority area, region, or watershed in which an agricultural operation is located.

"(3) CRITERIA.—To carry out this subsection, the Secretary shall establish criteria for implementing structural practices and land management practices that best achieve conservation goals for a region, watershed, or conservation priority area, as determined by the Secretary.

"(c) STATE OR LOCAL CONTRIBUTIONS.—The Secretary shall accord a higher priority to operators whose agricultural operations are located within watersheds, regions, or conservation priority areas in which State or local governments have provided, or will provide, financial or technical assistance to the operators for the same conservation or environmental purposes.

"(d) PRIORITY LANDS.—The Secretary shall accord a higher priority to structural practices or land management practices on lands on which agricultural production has been determined to contribute to, or create, the potential for failure to meet applicable water quality standards or other environmental objectives of a Federal or State law.

"SEC. 1238D. DUTIES OF OPERATORS.

"To receive technical assistance, cost-sharing payments, or incentives payments under this chapter, an operator shall agree—

"(1) to implement an environmental quality incentives program plan that describes conservation and environmental goals to be achieved through a structural practice or land management practice, or both, that is approved by the Secretary;

"(2) not to conduct any practices on the farm or ranch that would tend to defeat the purposes of this chapter;

"(3) on the violation of a term or condition of the contract at any time the operator has control of the land, to refund any cost-sharing or incentive payment received with interest, and forfeit any future payments under this chapter, as determined by the Secretary;

"(4) on the transfer of the right and interest of the operator in land subject to the contract, unless the transferee of the right and interest agrees with the Secretary to assume all obligations of the contract, to refund all cost-sharing payments and incentive payments received under this chapter, as determined by the Secretary;

"(5) to supply information as required by the Secretary to determine compliance with the environmental quality incentives program plan and requirements of the program; and

"(6) to comply with such additional provisions as the Secretary determines are necessary to carry out the environmental quality incentives program plan.

"SEC. 1238E. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

"An environmental quality incentives program plan shall include (as determined by the Secretary)—

"(1) a description of the prevailing farm or ranch enterprises, cropping patterns, grazing management, cultural practices, or other information that may be relevant to conserving and enhancing soil, water, and related natural resources;

"(2) a description of relevant farm or ranch resources, including soil characteristics, rangeland types and condition, proximity to water bodies, wildlife habitat, or other relevant characteristics of the farm or ranch related to the conservation and environmental objectives set forth in the plan;

"(3) a description of specific conservation and environmental objectives to be achieved;

"(4) to the extent practicable, specific, quantitative goals for achieving the conservation and environmental objectives;

"(5) a description of 1 or more structural practices or 1 or more land management practices, or both, to be implemented to achieve the conservation and environmental objectives;

"(6) a description of the timing and sequence for implementing the structural practices or land management practices, or both, that will assist the operator in complying with Federal and State environmental laws; and

"(7) information that will enable evaluation of the effectiveness of the plan in achieving the conservation and environmental objectives, and that will enable evaluation of the degree to which the plan has been implemented.

"SEC. 1238F. DUTIES OF THE SECRETARY.

"To the extent appropriate, the Secretary shall assist an operator in achieving the conservation and environmental goals of an environmental quality incentives program plan by—

"(1) providing an eligibility assessment of the farming or ranching operation of the operator as a basis for developing the plan;

"(2) providing technical assistance in developing and implementing the plan;

"(3) providing technical assistance, cost-sharing payments, or incentive payments for developing and implementing 1 or more structural practices or 1 or more land management practices, as appropriate;

"(4) providing the operator with information, education, and training to aid in implementation of the plan; and

"(5) encouraging the operator to obtain technical assistance, cost-sharing payments, or grants from other Federal, State, local, or private sources.

"SEC. 1238G. ELIGIBLE LANDS.

"Agricultural land on which a structural practice or land management practice, or both, shall be eligible for technical assistance, cost-sharing payments, or incentive payments under this chapter include—

"(1) agricultural land (including cropland, rangeland, pasture, and other land on which crops or livestock are produced) that the Secretary determines poses a serious threat to soil, water, or related resources by reason of the soil types, terrain, climatic, soil, topographic, flood, or saline characteristics, or other factors or natural hazards;

"(2) an area that is considered to be critical agricultural land on which either crop or livestock production is carried out, as identified in a plan submitted by the State under section 319 of the Federal Water Pollution Control Act (33 U.S.C. 1329) as having priority problems that result from an agricultural nonpoint source of pollution;

"(3) an area recommended by a State lead agency for protection of soil, water, and related resources, as designated by a Governor of a State; and

"(4) land that is not located within a designated or approved area, but that if permitted to continue to be operated under existing management practices, would defeat the purpose of the environmental quality incentives program, as determined by the Secretary.

"SEC. 1238H. LIMITATIONS ON PAYMENTS.

"(a) PAYMENTS.—The total amount of cost-sharing and incentive payments paid to a person under this chapter may not exceed—

"(1) $10,000 for any fiscal year; or

"(2) $50,000 for any multiyear contract.

"(b) REGULATIONS.—The Secretary shall issue regulations that are consistent with section 1001 for the purpose of—

"(1) defining the term 'person' as used in subsection (a); and

"(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations contained in subsection (a).".

Subtitle C—Conservation Funding

SEC. 321. CONSERVATION FUNDING.

(a) IN GENERAL.—Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) is amended to read as follows:

"Subtitle E—Funding

"SEC. 1241. FUNDING.

"(a) MANDATORY EXPENSES.—For each of fiscal years 1996 through 2002, the Secretary shall use the funds of the Commodity Credit Corporation to carry out the programs authorized by—

"(1) subchapter B of chapter 1 of subtitle D (including contracts extended by the Secretary pursuant to section 1437 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 16 U.S.C. 3831 note));

"(2) subchapter C of chapter 1 of subtitle D; and

"(3) chapter 4 of subtitle D.

"(b) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—

"(1) IN GENERAL.—For each of fiscal years 1996 through 2002, $200,000,000 of the funds of the Commodity Credit Corporation shall be available for providing technical assistance, cost-sharing payments, and incentive payments under the environmental quality incentives program under chapter 4 of subtitle D.

"(2) LIVESTOCK PRODUCTION.—For each of fiscal years 1996 through 2002, 50 percent of the funding available for technical assistance, cost-sharing payments, and incentive payments under the environmental quality incentives program shall be targeted at practices relating to livestock production.

"(c) ADVANCE APPROPRIATIONS TO CCC.—The Secretary may use the funds of the Commodity Credit Corporation to carry out chapter 3 of subtitle D, except that the Secretary may not use the funds of the Corporation unless the Corporation has received funds to cover the expenditures from appropriations made available to carry out chapter 3 of subtitle D.

"SEC. 1242. ADMINISTRATION.

"(a) PLANS.—The Secretary shall, to the extent practicable, avoid duplication in—

"(1) the conservation plans required for—

"(A) highly erodible land conservation under subtitle B;

"(B) the conservation reserve program established under subchapter B of chapter 1 of subtitle D; and

"(C) the wetlands reserve program established under subchapter C of chapter 1 of subtitle D; and

"(2) the environmental quality incentives program established under chapter 4 of subtitle D.

"(b) ACREAGE LIMITATION.—

"(1) IN GENERAL.—The Secretary shall not enroll more than 25 percent of the cropland in any county in the programs administered under the conservation reserve and wetlands reserve programs established under subchapters B and C, respectively, of chapter 1 of subtitle D. Not more than 10 percent of the cropland in a county may be subject to an easement acquired under the subchapters.

"(2) EXCEPTION.—The Secretary may exceed the limitations in paragraph (1) if the Secretary determines that—

"(A) the action would not adversely affect the local economy of a county; and

"(B) operators in the county are having difficulties complying with conservation plans implemented under section 1212.

"(3) SHELTERBELTS AND WINDBREAKS.—The limitations established under this subsection shall not apply to cropland that is subject to an easement under chapter 1 or 3 of subtitle D that is used for the establishment of shelterbelts and windbreaks.

"(c) TENANT PROTECTION.—Except for a person who is a tenant on land that is subject to a conservation reserve contract that has been extended by the Secretary, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under the programs established under subtitles B through D.

"(d) REGULATIONS.—Not later than 90 days after the effective date of this subsection, the Secretary shall issue regulations to implement the conservation reserve and wetlands reserve programs established under chapter 1 of subtitle D.".

Subtitle D—National Natural Resources Conservation Foundation

SEC. 331. SHORT TITLE.

This subtitle may be cited as the "National Natural Resources Conservation Foundation Act".

SEC. 332. DEFINITIONS.

In this subtitle (unless the context otherwise requires):

(1) BOARD.—The term "Board" means the Board of Trustees established under section 334.

(2) DEPARTMENT.—The term "Department" means the United States Department of Agriculture.

(3) FOUNDATION.—The term "Foundation" means the National Natural Resources Conservation Foundation established by section 333(a).

(4) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

SEC. 333. NATIONAL NATURAL RESOURCES CONSERVATION FOUNDATION.

(a) ESTABLISHMENT.—A National Natural Resources Conservation Foundation is established as a charitable and nonprofit corporation for charitable, scientific, and educational purposes specified in subsection (b). The Foundation is not an agency or instrumentality of the United States.

(b) PURPOSES.—The purposes of the Foundation are to—

(1) promote innovative solutions to the problems associated with the conservation of natural resources on private lands, particularly with respect to agriculture and soil and water conservation;

(2) promote voluntary partnerships between government and private interests in the conservation of natural resources;

(3) conduct research and undertake educational activities, conduct and support demonstration projects, and make grants to State and local agencies and nonprofit organizations;

(4) provide such other leadership and support as may be necessary to address conservation challenges, such as the prevention of excessive soil erosion, enhancement of soil and water quality, and the protection of wetlands, wildlife habitat, and strategically important farmland subject to urban conversion and fragmentation;

(5) encourage, accept, and administer private gifts of money and real and personal property for the benefit of, or in connection with, the conservation and related activities and services of the Department, particularly the Natural Resources Conservation Service;

(6) undertake, conduct, and encourage educational, technical, and other assistance, and other activities, that support the conservation and related programs administered by the Department (other than activities carried out on National Forest System lands), particularly the Natural Resources Conservation Service, except that the Foundation may not enforce or administer a regulation of the Department; and

(7) raise private funds to promote the purposes of the Foundation.

(c) LIMITATIONS AND CONFLICTS OF INTERESTS.—

(1) POLITICAL ACTIVITIES.—The Foundation shall not participate or intervene in a political campaign on behalf of any candidate for public office.

(2) CONFLICTS OF INTEREST.—No director, officer, or employee of the Foundation shall participate, directly or indirectly, in the consideration or determination of any question before the Foundation affecting—

(A) the financial interests of the director, officer, or employee; or

(B) the interests of any corporation, partnership, entity, organization, or other person in which the director, officer, or employee—

(i) is an officer, director, or trustee; or

(ii) has any direct or indirect financial interest.

(3) Legislation or government action or policy.—No funds of the Foundation may be used in any manner for the purpose of influencing legislation or government action or policy.

(4) Litigation.—No funds of the Foundation may be used to bring or join an action against the United States or any State.

SEC. 334. COMPOSITION AND OPERATION.

(a) Composition.—The Foundation shall be administered by a Board of Trustees that shall consist of 9 voting members, each of whom shall be a United States citizen and not a Federal officer. The Board shall be composed of—

(1) individuals with expertise in agricultural conservation policy matters;

(2) a representative of private sector organizations with a demonstrable interest in natural resources conservation;

(3) a representative of statewide conservation organizations;

(4) a representative of soil and water conservation districts;

(5) a representative of organizations outside the Federal Government that are dedicated to natural resources conservation education; and

(6) a farmer or rancher.

(b) Nongovernmental Employees.—Service as a member of the Board shall not constitute employment by, or the holding of, an office of the United States for the purposes of any Federal law.

(c) Membership.—

(1) Initial members.—The Secretary shall appoint 9 persons who meet the criteria established under subsection (a) as the initial members of the Board and designate 1 of the members as the initial chairperson for a 2-year term.

(2) Terms of office.—

(A) In general.—A member of the Board shall serve for a term of 3 years, except that the members appointed to the initial Board shall serve, proportionately, for terms of 1, 2, and 3 years, as determined by the Secretary.

(B) Limitation on terms.—No individual may serve more than 2 consecutive 3-year terms as a member.

(3) Subsequent members.—The initial members of the Board shall adopt procedures in the constitution of the Foundation for the nomination and selection of subsequent members of the Board. The procedures shall require that each member, at a minimum, meets the criteria established under subsection (a) and shall provide for the selection of an individual, who is not a Federal officer or a member of the Board.

(d) Chairperson.—After the appointment of an initial chairperson under subsection (c)(1), each succeeding chairperson of the Board shall be elected by the members of the Board for a 2-year term.

(e) Vacancies.—A vacancy on the Board shall be filled by the Board not later than 60 days after the occurrence of the vacancy.

(f) Compensation.—A member of the Board shall receive no compensation from the Foundation for the service of the member on the Board.

(g) Travel Expenses.—While away from the home or regular place of business of a member of the Board in the performance of services for the Board, the member shall be allowed travel expenses paid by the Foundation, including per diem in lieu of subsistence, at the same rate as a person employed intermittently in the Government service would be allowed under section 5703 of title 5, United States Code.

SEC. 335. OFFICERS AND EMPLOYEES.

(a) In General.—The Board may—

(1) appoint, hire, and discharge the officers and employees of the Foundation, other than the appointment of the initial Executive Director of the Foundation;

(2) adopt a constitution and bylaws for the Foundation that are consistent with the purposes of the Foundation and this subtitle; and

(3) undertake any other activities that may be necessary to carry out this subtitle.

(b) Officers and Employees.—

(1) Appointment and hiring.—An officer or employee of the Foundation—

(A) shall not, by virtue of the appointment or employment of the officer or employee, be considered a Federal employee for any purpose, including the provisions of title 5, United States Code, governing appointments in the competitive service, except that such an individual may participate in the Federal employee retirement system as if the individual were a Federal employee; and

(B) may not be paid by the Foundation a salary in excess of $125,000 per year.

(2) Executive director.—

(A) Initial director.—The Secretary shall appoint an individual to serve as the initial Executive Director of the Foundation who shall serve, at the direction of the Board, as the chief operating officer of the Foundation.

(B) Subsequent directors.—The Board shall appoint each subsequent Executive Director of the Foundation who shall serve, at the direction of the Board, as the chief operating officer of the Foundation.

(C) Qualifications.—The Executive Director shall be knowledgeable and experienced in matters relating to natural resources conservation.

SEC. 336. CORPORATE POWERS AND OBLIGATIONS OF THE FOUNDATION.

(a) In General.—The Foundation—

(1) may conduct business throughout the United States and the territories and possessions of the United States; and

(2) shall at all times maintain a designated agent who is authorized to accept service of process for the Foundation, so that the serving of notice to, or service of process on, the agent, or mailed to the business address of the agent, shall be considered as service on or notice to the Foundation.

(b) Seal.—The Foundation shall have an official seal selected by the Board that shall be judicially noticed.

(c) Powers.—To carry out the purposes of the Foundation under section 333(b), the Foundation shall have, in addition to the powers otherwise provided under this subtitle, the usual powers of a corporation, including the power—

(1) to accept, receive, solicit, hold, administer, and use any gift, devise, or bequest, either absolutely or in trust, of real or personal property or any income from, or other interest in, the gift, devise, or bequest;

(2) to acquire by purchase or exchange any real or personal property or interest in property, except that funds provided under section 310 may not be used to purchase an interest in real property;

(3) unless otherwise required by instrument of transfer, to sell, donate, lease, invest, reinvest, retain, or otherwise dispose of any property or income from property;

(4) to borrow money from private sources and issue bonds, debentures, or other debt instruments, subject to section 339, except that the aggregate amount of the borrowing and debt instruments outstanding at any time may not exceed $1,000,000;

(5) to sue and be sued, and complain and defend itself, in any court of competent jurisdiction, except that a member of the Board shall not be personally liable for an action in the performance of services for the Board, except for gross negligence;

(6) to enter into a contract or other agreement with an agency of State or local government, educational institution, or other private organization or person and to make such payments as may be necessary to carry out the functions of the Foundation; and

(7) to do any and all acts that are necessary to carry out the purposes of the Foundation.

(d) Interest in Property.—

(1) In general.—The Foundation may acquire, hold, and dispose of lands, waters, or other interests in real property by donation, gift, devise, purchase, or exchange.

(2) Interests in real property.—For purposes of this subtitle, an interest in real property shall be treated, among other things, as including an easement or other right for the preservation, conservation, protection, or enhancement of agricultural, natural, scenic, historic, scientific, educational, inspirational, or recreational resources.

(3) Gifts.—A gift, devise, or bequest may be accepted by the Foundation even though the gift, devise, or bequest is encumbered, restricted, or subject to a beneficial interest of a private person if any current or future interest in the gift, devise, or bequest is for the benefit of the Foundation.

SEC. 337. ADMINISTRATIVE SERVICES AND SUPPORT.

For each of fiscal years 1996 through 1998, the Secretary may provide, without reimbursement, personnel, facilities, and other administrative services of the Department to the Foundation.

SEC. 338. AUDITS AND PETITION OF ATTORNEY GENERAL FOR EQUITABLE RELIEF.

(a) Audits.—

(1) In general.—The accounts of the Foundation shall be audited in accordance with Public Law 88-504 (36 U.S.C. 1101 et seq.), including an audit of lobbying and litigation activities carried out by the Foundation.

(2) Conforming amendment.—The first section of Public Law 88-504 (36 U.S.C. 1101) is amended by adding at the end the following:

"(77) The National Natural Resources Conservation Foundation.".

(b) Relief with Respect to Certain Foundation Acts or Failure to Act.—The Attorney General may petition in the United States District Court for the District of Columbia for such equitable relief as may be necessary or appropriate, if the Foundation—

(1) engages in, or threatens to engage in, any act, practice, or policy that is inconsistent with this subtitle; or

(2) refuses, fails, neglects, or threatens to refuse, fail, or neglect, to discharge the obligations of the Foundation under this subtitle.

SEC. 339. RELEASE FROM LIABILITY.

(a) In General.—The United States shall not be liable for any debt, default, act, or omission of the Foundation. The full faith and credit of the United States shall not extend to the Foundation.

(b) Statement.—An obligation issued by the Foundation, and a document offering an obligation, shall include a prominent statement that the obligation is not directly or indirectly guaranteed, in whole or in part, by the United States (or an agency or instrumentality of the United States).

SEC. 340. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Department to be made available to the Foundation $1,000,000 for each of fiscal years 1997 through 1999 to initially establish and carry out activities of the Foundation.

Subtitle E—Miscellaneous

SEC. 351. FLOOD RISK REDUCTION.

(a) IN GENERAL.—During fiscal years 1996 through 2002, the Secretary of Agriculture (referred to in this section as the "Secretary") may enter into a contract with contract acreage under title I on a farm with land that is frequently flooded.

(b) DUTIES OF PRODUCERS.—Under the terms of the contract, with respect to acres that are subject to the contract, the producer must agree to—

(1) the termination of any contract acreage;

(2) forgo loans for contract commodities, oilseeds, and extra long staple cotton;

(3) not apply for crop insurance issued or reinsured by the Secretary;

(4) comply with applicable wetlands and high erodible land conservation compliance requirements established under title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.);

(5) not apply for any conservation program payments from the Secretary;

(6) not apply for disaster program benefits provided by the Secretary; and

(7) refund the payments, with interest, issued under the flood risk reduction contract to the Secretary, if the producer violates the terms of the contract or if the producer transfers the property to another person who violates the contract.

(c) DUTIES OF SECRETARY.—In return for a flood risk reduction contract entered into by a producer under this section, the Secretary shall agree to pay the producer for the 1996 through 2002 crops not more than 95 percent of the projected contract payments under title I, and not more than 95 percent of the projected payments and subsidies from the Federal Crop Insurance Corporation.

(d) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

SEC. 352. FORESTRY.

(a) FORESTRY INCENTIVES PROGRAM.—Section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103) is amended by striking subsection (k).

(b) OFFICE OF INTERNATIONAL FORESTRY.—Section 2405 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6704) is amended by adding at the end the following:

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized each fiscal year such sums as are necessary to carry out this section.".

SEC. 353. STATE TECHNICAL COMMITTEES.

Section 1261(c) of the Food Security Act of 1985 (16 U.S.C. 3861(c)) is amended—

(1) in paragraph (7), by striking "and" at the end;

(2) in paragraph (8), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(9) agricultural producers.".

SEC. 354. CONSERVATION OF PRIVATE GRAZING LAND.

(a) FINDINGS.—Congress finds that—

(1) privately owned grazing land constitutes nearly ½ of the non-Federal land of the United States and is basic to the environmental, social, and economic stability of rural communities;

(2) privately owned grazing land contains a complex set of interactions among soil, water, air, plants, and animals;

(3) grazing land constitutes the single largest watershed cover type in the United States and contributes significantly to the quality and quantity of water available for all of the many uses of the land;

(4) private grazing land constitutes the most extensive wildlife habitat in the United States;

(5) private grazing land can provide opportunities for improved nutrient management from land application of animal manures and other by-product nutrient resources;

(6) owners and managers of private grazing land need to continue to recognize conservation problems when the problems arise and receive sound technical assistance to improve or conserve grazing land resources to meet ecological and economic demands;

(7) new science and technology must continually be made available in a practical manner so owners and managers of private grazing land may make informed decisions concerning vital grazing land resources;

(8) agencies of the Department of Agriculture with private grazing land responsibilities are the agencies that have the expertise and experience to provide technical assistance, education, and research to owners and managers of private grazing land for the long-term productivity and ecological health of grazing land;

(9) although competing demands on private grazing land resources are greater than ever before, assistance to private owners and managers of private grazing land is currently limited and does not meet the demand and basic need for adequately sustaining or enhancing the private grazing lands resources; and

(10) privately owned grazing land can be enhanced to provide many benefits to all Americans through voluntary cooperation among owners and managers of the land, local conservation districts, and the agencies of the Department of Agriculture responsible for providing assistance to owners and managers of land and to conservation districts.

(b) PURPOSE.—It is the purpose of this section to authorize the Secretary of Agriculture to provide a coordinated technical, educational, and related assistance program to conserve and enhance private grazing land resources and provide related benefits to all citizens of the United States by—

(1) establishing a coordinated and cooperative Federal, State, and local grazing conservation program for management of private grazing land;

(2) strengthening technical, educational, and related assistance programs that provide assistance to owners and managers of private grazing land;

(3) conserving and improving wildlife habitat on private grazing land;

(4) conserving and improving fish habitat and aquatic systems through grazing land conservation treatment;

(5) protecting and improving water quality;

(6) improving the dependability and consistency of water supplies;

(7) identifying and managing weed, noxious weed, and brush encroachment problems on private grazing land; and

(8) integrating conservation planning and management decisions by owners and managers of private grazing land, on a voluntary basis.

(c) DEFINITIONS.—In this section:

(1) PRIVATE GRAZING LAND.—The term "private grazing land" means privately owned, State-owned, tribally-owned, and any other non-federally owned rangeland, pastureland, grazed forest land, and hay land.

(2) SECRETARY.—The term "Secretary" means the Secretary of Agriculture, acting through the Natural Resources Conservation Service.

(d) PRIVATE GRAZING LAND CONSERVATION ASSISTANCE.—

(1) ASSISTANCE TO GRAZING LANDOWNERS AND OTHERS.—Subject to the availability of appropriations, the Secretary shall establish a voluntary program to provide technical, educational, and related assistance to owners and managers of private grazing land and public agencies, through local conservation districts, to enable the landowners, managers, and public agencies to voluntarily carry out activities that are consistent with this section, including—

(A) maintaining and improving private grazing land and the multiple values and uses that depend on private grazing land;

(B) implementing grazing land management technologies;

(C) managing resources on private grazing land, including—

(i) planning, managing, and treating private grazing land resources;

(ii) ensuring the long-term sustainability of private grazing land resources;

(iii) harvesting, processing, and marketing private grazing land resources; and

(iv) identifying and managing weed, noxious weed, and brush encroachment problems;

(D) protecting and improving the quality and quantity of water yields from private grazing land;

(E) maintaining and improving wildlife and fish habitat on private grazing land;

(F) enhancing recreational opportunities on private grazing land;

(G) maintaining and improving the aesthetic character of private grazing lands; and

(H) identifying the opportunities and encouraging the diversification of private grazing land enterprises.

(2) PROGRAM ELEMENTS.—

(A) FUNDING.—The program under paragraph (1) shall be funded through a specific line-item in the annual appropriations for the Natural Resources Conservation Service.

(B) TECHNICAL ASSISTANCE AND EDUCATION.—Personnel of the Department of Agriculture trained in pasture and range management shall be made available under the program to deliver and coordinate technical assistance and education to owners and managers of private grazing land, at the request of the owners and managers.

(e) GRAZING TECHNICAL ASSISTANCE SELF-HELP.—

(1) FINDINGS.—Congress finds that—

(A) there is a severe lack of technical assistance for grazing producers;

(B) the Federal budget precludes any significant expansion, and may force a reduction of, current levels of technical support; and

(C) farmers and ranchers have a history of cooperatively working together to address common needs in the promotion of their products and in the drainage of wet areas through drainage districts.

(2) ESTABLISHMENT OF GRAZING DEMONSTRATION.—The Secretary may establish 2 grazing management demonstration districts at the recommendation of the Grazing Lands Conservation Initiative Steering Committee.

(3) PROCEDURE.—

(A) PROPOSAL.—Within a reasonable time after the submission of a request of an organization of farmers or ranchers engaged in grazing, the Secretary shall propose that a grazing management district be established.

(B) FUNDING.—The terms and conditions of the funding and operation of the grazing management district shall be proposed by the producers.

(C) APPROVAL.—The Secretary shall approve the proposal if the Secretary determines that the proposal—

(i) is reasonable;

(ii) will promote sound grazing practices; and

(iii) contains provisions similar to the provisions contained in the promotion orders in effect on the effective date of this section.

(D) AREA INCLUDED.—The area proposed to be included in a grazing management district shall be determined by the Secretary on the basis of a petition by farmers or ranchers.

(E) AUTHORIZATION.—The Secretary may use authority under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to operate, on a demonstration basis, a grazing management district.

(F) ACTIVITIES.—The activities of a grazing management district shall be scientifically sound activities, as determined by the Secretary in consultation with a technical advisory committee composed of ranchers, farmers, and technical experts.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

(1) $20,000,000 for fiscal year 1996;

(2) $40,000,000 for fiscal year 1997; and

(3) $60,000,000 for fiscal year 1998 and each subsequent fiscal year.

SEC. 355. CONFORMING AMENDMENTS.

(a) AGRICULTURAL CONSERVATION PROGRAM.—

(1) ELIMINATION.—

(A) Section 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h) is amended—

(i) in subsection (b)—

(I) by striking paragraphs (1) through (4) and inserting the following:

"(1) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—The Secretary shall provide technical assistance, cost share payments, and incentive payments to operators through the environmental quality incentives program in accordance with chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)."; and

(II) by striking paragraphs (6) through (8); and

(ii) by striking subsections (d), (e), and (f).

(B) The first sentence of section 11 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590k) is amended by striking "performance: *Provided further*," and all that follows through "or other law" and inserting "performance".

(C) Section 14 of the Act (16 U.S.C. 590n) is amended—

(i) in the first sentence, by striking "or 8"; and

(ii) by striking the second sentence.

(D) Section 15 of the Act (16 U.S.C. 590o) is amended—

(i) in the first undesignated paragraph—

(I) in the first sentence, by striking "sections 7 and 8" and inserting "section 7"; and

(II) by striking the third sentence; and

(ii) by striking the second undesignated paragraph.

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of the last proviso of the matter under the heading "CONSERVATION RESERVE PROGRAM" under the heading "SOIL BANK PROGRAMS" of title I of the Department of Agriculture and Farm Credit Administration Appropriation Act, 1959 (72 Stat. 195; 7 U.S.C. 1831a) is amended by striking "Agricultural Conservation Program" and inserting "environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)".

(B) Section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103) is amended by striking "as added by the Agriculture and Consumer Protection Act of 1973" each place it appears in subsections (d) and (i) and inserting "as in effect before the amendment made by section 355(a)(1) of the Agricultural Reform and Improvement Act of 1996".

(C) Section 226(b)(4) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6932(b)(4)) is amended by striking "and the agricultural conservation program under the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g et seq.)".

(D) Section 246(b)(8) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)(8)) is amended by striking "and the agricultural conservation program under the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g et seq.)".

(E) Section 1271(c)(3)(C) of the Food, Agriculture, Conservation, and Trade Act of 1990 (16 U.S.C. 2106a(c)(3)(C)) is amended by striking "Agricultural Conservation Program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h, 590l, or 590p)" and inserting "environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)".

(F) Section 126(a)(5) of the Internal Revenue Code of 1986 is amended to read as follows:

"(5) The environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.).".

(G) Section 304(a) of the Lake Champlain Special Designation Act of 1990 (Public Law 101–596; 33 U.S.C. 1270 note) is amended—

(i) in the subsection heading, by striking "SPECIAL PROJECT AREA UNDER THE AGRICULTURAL CONSERVATION PROGRAM" and inserting "A PRIORITY AREA UNDER THE ENVIRONMENTAL QUALITY INCENTIVES PROGRAM"; and

(ii) in paragraph (1), by striking "special project area under the Agricultural Conservation Program established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b))" and inserting "priority area under the environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)".

(H) Section 6 of the Department of Agriculture Organic Act of 1956 (70 Stat. 1033) is amended by striking subsection (b).

(b) GREAT PLAINS CONSERVATION PROGRAM.—

(1) ELIMINATION.—Section 16 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p) is repealed.

(2) CONFORMING AMENDMENTS.—

(A) The Agricultural Adjustment Act of 1938 is amended by striking "Great Plains program" each place it appears in sections 344(f)(8) and 377 (7 U.S.C. 1344(f)(8) and 1377) and inserting "environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)".

(B) Section 246(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)) is amended by striking paragraph (2).

(C) Section 126(a) of the Internal Revenue Code of 1986 is amended—

(i) by striking paragraph (6); and

(ii) by redesignating paragraphs (7) through (10) as paragraphs (6) through (9), respectively.

(c) COLORADO RIVER BASIN SALINITY CONTROL PROGRAM.—

(1) ELIMINATION.—Section 202 of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592) is amended by striking subsection (c).

(2) CONFORMING AMENDMENT.—Section 246(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)) is amended by striking paragraph (6).

(d) RURAL ENVIRONMENTAL CONSERVATION PROGRAM.—

(1) ELIMINATION.—Title X of the Agricultural Act of 1970 (16 U.S.C. 1501 et seq.) is repealed.

(2) CONFORMING AMENDMENTS.—Section 246(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)) is amended—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) through (8) as paragraphs (1) through (7), respectively.

(e) OTHER CONSERVATION PROVISIONS.—Subtitle F of title XII of the Food Security Act of 1985 (16 U.S.C. 2005a and 2101 note) is repealed.

(f) COMMODITY CREDIT CORPORATION CHARTER ACT.—Section 5(g) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(g)) is amended to read as follows:

"(g) Carry out conservation functions and programs.".

(g) RESOURCE CONSERVATION.—

(1) ELIMINATION.—Subtitles A, B, D, E, F, G, and J of title XV of the Agriculture and Food Act of 1981 (95 Stat. 1328; 16 U.S.C. 3401 et seq.) are repealed.

(2) CONFORMING AMENDMENT.—Section 739 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1982 (7 U.S.C. 2272a), is repealed.

(h) ENVIRONMENTAL EASEMENT PROGRAM.—Section 1239(a) of the Food Security Act of 1985 (16 U.S.C. 3839(a)) is amended by striking "1991 through 1995" and inserting "1996 through 2002".

(i) RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.—Section 1538 of the Agriculture and Food Act of 1981 (16 U.S.C. 3461) is amended by striking "1991 through 1995" and inserting "1996 through 2002".

(j) TECHNICAL AMENDMENT.—The first sentence of the matter under the heading "Commodity Credit Corporation" of Public Law 99–263 (100 Stat. 59; 16 U.S.C. 3841 note) is amended by striking ": Provided further," and all that follows through "Acts".

(k) AGRICULTURAL WATER QUALITY INCENTIVES PROGRAM.—Chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.) is repealed.

TITLE IV—CREDIT

Subtitle A—Agricultural Credit

CHAPTER 1—FARM OWNERSHIP LOANS

SEC. 401. LIMITATION ON DIRECT FARM OWNERSHIP LOANS.

Section 302 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922) is amended by striking subsection (b) and inserting the following:

"(b) DIRECT LOANS.—

"(1) IN GENERAL.—Subject to paragraph (3), the Secretary may only make a direct loan under this subtitle to a farmer or rancher who has operated a farm or ranch for not less than 3 years and—

"(A) is a qualified beginning farmer or rancher;

"(B) has not received a previous direct farm ownership loan made under this subtitle; or

"(C) has not received a direct farm ownership loan under this subtitle more than 10 years before the date the new loan would be made.

"(2) YOUTH LOANS.—The operation of an enterprise by a youth under section 311(b) shall not be considered the operation of a farm or ranch for purposes of paragraph (1).

"(3) TRANSITION RULE.—

"(A) IN GENERAL.—Subject to subparagraphs (B) and (C), paragraph (1) shall not apply to a farmer or rancher who has a direct loan outstanding under this subtitle on the date of enactment of this paragraph.

"(B) LESS THAN 5 YEARS.—If, as of the date of enactment of this paragraph, a farmer or rancher has had a direct loan outstanding under this subtitle for less than 5 years, the Secretary shall not make another loan to the farmer or rancher under this subtitle after the date that is 10 years after the date of enactment of this paragraph.

"(C) 5 YEARS OR MORE.—If, as of the date of enactment of this paragraph, a farmer or rancher has had a direct loan outstanding under this subtitle for 5 years or more, the Secretary shall not make another loan to the farmer or rancher under this subtitle after the date that is 5 years after the date of enactment of this paragraph.".

SEC. 402. PURPOSES OF LOANS.

Section 303 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1923) is amended to read as follows:

"SEC. 303. PURPOSES OF LOANS.

"(a) ALLOWED PURPOSES.—

"(1) DIRECT LOANS.—A farmer or rancher may use a direct loan made under this subtitle only for—

"(A) acquiring or enlarging a farm or ranch;

"(B) making capital improvements to a farm or ranch;

"(C) paying loan closing costs related to acquiring, enlarging, or improving a farm or ranch; or

"(D) paying for activities to promote soil and water conservation and protection under section 304 on the farm or ranch.

"(2) GUARANTEED LOANS.—A farmer or rancher may use a loan guaranteed under this subtitle only for—

"(A) acquiring or enlarging a farm or ranch;

"(B) making capital improvements to a farm or ranch;

"(C) paying loan closing costs related to acquiring, enlarging, or improving a farm or ranch;

"(D) paying for activities to promote soil and water conservation and protection under section 304 on the farm or ranch; or

"(E) refinancing indebtedness.

"(b) PREFERENCES.—In making or guaranteeing a loan for farm or ranch purchase, the Secretary shall give a preference to a person who—

"(1) has a dependent family;

"(2) to the extent practicable, is able to make an initial down payment; or

"(3) is an owner of livestock or farm or ranch equipment that is necessary to successfully carry out farming or ranching operations.

"(c) HAZARD INSURANCE REQUIREMENT.—

"(1) IN GENERAL.—The Secretary may not make a loan to a farmer or rancher under this subtitle unless the farmer or rancher has, or agrees to obtain, hazard insurance on any real property to be acquired or improved with the loan.

"(2) DETERMINATION.—Not later than 180 days after the date of enactment of this subsection, the Secretary shall determine the appropriate level of insurance to be required under paragraph (1).

"(3) TRANSITIONAL PROVISION.—Paragraph (1) shall not apply until the Secretary makes the determination required under paragraph (2).".

SEC. 403. SOIL AND WATER CONSERVATION AND PROTECTION.

Section 304 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1924) is amended—

(1) by striking subsections (b) and (c);

(2) by striking "SEC. 304. (a)(1) Loans" and inserting the following:

"SEC. 304. SOIL AND WATER CONSERVATION AND PROTECTION.

"(a) IN GENERAL.—Loans";

(3) by striking "(2) In making or insuring" and inserting the following:

"(b) PRIORITY.—In making or guaranteeing";

(4) by striking "(3) The Secretary" and inserting the following:

"(c) LOAN MAXIMUM.—The Secretary";

(5) by redesignating subparagraphs (A) through (F) of subsection (a) (as amended by paragraph (2)) as paragraphs (1) through (6), respectively; and

(6) by redesignating subparagraphs (A) and (B) of subsection (c) (as amended by paragraph (4)) as paragraphs (1) and (2), respectively.

SEC. 404. INTEREST RATE REQUIREMENTS.

Section 307(a)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)) is amended—

(1) in subparagraph (B), by inserting "subparagraph (D) and in" after "Except as provided in"; and

(2) by adding at the end the following:

"(D) JOINT FINANCING ARRANGEMENT.—If a direct farm ownership loan is made under this subtitle as part of a joint financing arrangement and the amount of the direct farm ownership loan does not exceed 50 percent of the total principal amount financed under the arrangement, the interest rate on the direct farm ownership loan shall be 4 percent annually.".

SEC. 405. INSURANCE OF LOANS.

Section 308 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1928) is amended to read as follows:

"SEC. 308. FULL FAITH AND CREDIT.

"(a) IN GENERAL.—A contract of insurance or guarantee executed by the Secretary under this title shall be an obligation supported by the full faith and credit of the United States.

"(b) CONTESTABILITY.—A contract of insurance or guarantee executed by the Secretary under this title shall be incontestable except for fraud or misrepresentation that the lender or any holder—

"(1) has actual knowledge of at the time the contract or guarantee is executed; or

"(2) participates in or condones.".

SEC. 406. LOANS GUARANTEED.

Section 309(h) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(h)) is amended by adding at the end the following:

"(4) MAXIMUM GUARANTEE OF 90 PERCENT.—Except as provided in paragraph (5), a loan guarantee under this title shall be for not more than 90 percent of the principal and interest due on the loan.

"(5) REFINANCED LOANS GUARANTEED AT 95 PERCENT.—The Secretary shall guarantee 95 percent of—

"(A) in the case of a loan that solely refinances a direct loan made under this title, the principal and interest due on the loan on the date of the refinancing; or

"(B) in the case of a loan that is used for multiple purposes, the portion of the loan that refinances the principal and interest due on a direct loan made under this title that is outstanding on the date the loan is guaranteed.

"(6) BEGINNING FARMER LOANS GUARANTEED UP TO 95 PERCENT.—The Secretary may guarantee up to 95 percent of—

"(A) a farm ownership loan for acquiring a farm or ranch to a borrower who is participating in the down payment loan program under section 310E; or

"(B) an operating loan to a borrower who is participating in the down payment loan program under section 310E that is made during the period that the borrower has a direct loan for acquiring a farm or ranch.".

CHAPTER 2—OPERATING LOANS

SEC. 411. LIMITATION ON DIRECT OPERATING LOANS.

(a) IN GENERAL.—Section 311 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941) is amended by striking subsection (c) and inserting the following:

"(c) DIRECT LOANS.—

"(1) IN GENERAL.—Subject to paragraph (3), the Secretary may only make a direct loan under this subtitle to a farmer or rancher who—

"(A) is a qualified beginning farmer or rancher who has not operated a farm or ranch, or who has operated a farm or ranch for not more than 5 years;

"(B) has not had a previous direct operating loan under this subtitle; or

"(C) has not had a previous direct operating loan under this subtitle for more than 7 years.

"(2) YOUTH LOANS.—In this subsection, the term 'direct operating loan' shall not include a loan made to a youth under subsection (b).

"(3) TRANSITION RULE.—If, as of the date of enactment of this paragraph, a farmer or rancher has received a direct operating loan under this subtitle during each of 4 or more previous years, the borrower shall be eligible to receive a direct operating loan under this subtitle during 3 additional years after the date of enactment of this paragraph.".

(b) YOUTH ENTERPRISES NOT FARMING OR RANCHING.—Section 311(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(b)) is amended by adding at the end the following:

"(4) YOUTH ENTERPRISES NOT FARMING OR RANCHING.—The operation of an enterprise by a youth under this subsection shall not be considered the operation of a farm or ranch under this title.".

SEC. 412. PURPOSES OF OPERATING LOANS.

Section 312 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1942) is amended to read as follows:

"SEC. 312. PURPOSES OF LOANS.

"(a) IN GENERAL.—A direct loan may be made under this subtitle only for—

"(1) paying the costs incident to reorganizing a farming or ranching system for more profitable operation;

"(2) purchasing livestock, poultry, or farm or ranch equipment;

"(3) purchasing feed, seed, fertilizer, insecticide, or farm or ranch supplies, or to meet other essential farm or ranch operating expenses, including cash rent;

"(4) financing land or water development, use, or conservation;

"(5) paying loan closing costs;

"(6) assisting a farmer or rancher in effecting an addition to, or alteration of, the equipment, facilities, or methods of operation of a farm or ranch to comply with a standard promulgated under section 6 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 655) or a standard adopted by a State under a plan approved under section 18 of the Act (29 U.S.C. 667), if the Secretary determines that without assistance under this paragraph the farmer or rancher is likely to suffer substantial economic injury due to compliance with the standard;

"(7) training a limited-resource borrower receiving a loan under section 310D in maintaining records of farming and ranching operations;

"(8) training a borrower under section 359;

"(9) refinancing the indebtedness of a borrower if the borrower—

"(A) has refinanced a loan under this subtitle not more than 4 times previously; and

"(B)(i) is a direct loan borrower under this title at the time of the refinancing and has suffered a qualifying loss because of a natural disaster declared by the Secretary under this title or a major disaster or emergency designated by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.); or

"(ii) is refinancing a debt obtained from a creditor other than the Secretary; or

"(10) providing other farm, ranch, or home needs, including family subsistence.

"(b) GUARANTEED LOANS.—A loan may be guaranteed under this subtitle only for—

"(1) paying the costs incident to reorganizing a farming or ranching system for more profitable operation;

"(2) purchasing livestock, poultry, or farm or ranch equipment;

"(3) purchasing feed, seed, fertilizer, insecticide, or farm or ranch supplies, or to meet other essential farm or ranch operating expenses, including cash rent;

"(4) financing land or water development, use, or conservation;

"(5) refinancing indebtedness;

"(6) paying loan closing costs;

"(7) assisting a farmer or rancher in effecting an addition to, or alteration of, the equipment, facilities, or methods of operation of a farm or ranch to comply with a standard promulgated under section 6 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 655) or a standard adopted by a State under a plan approved under section 18 of the Act (29 U.S.C. 667), if the Secretary determines that without assistance under this paragraph the farmer or rancher is likely to suffer substantial economic injury due to compliance with the standard;

"(8) training a borrower under section 359; or

"(9) providing other farm, ranch, or home needs, including family subsistence.

"(c) HAZARD INSURANCE REQUIREMENT.—

"(1) IN GENERAL.—The Secretary may not make a loan to a farmer or rancher under this subtitle unless the farmer or rancher has, or agrees to obtain, hazard insurance on any property to be acquired with the loan.

"(2) DETERMINATION.—Not later than 180 days after the date of enactment of this paragraph, the Secretary shall determine the appropriate level of insurance to be required under paragraph (1).

"(3) TRANSITIONAL PROVISION.—Paragraph (1) shall not apply until the Secretary makes the determination required under paragraph (2).

"(d) PRIVATE RESERVE.—

"(1) IN GENERAL.—Notwithstanding any other provision of this title, the Secretary may reserve the lesser of 10 percent or $5,000 of the amount of a direct loan made under this subtitle, to be placed in a nonsupervised bank account that may be used at the discretion of the borrower for any necessary family living need or purpose that is consistent with any farming or ranching plan agreed to by the Secretary and the borrower prior to the date of the loan.

"(2) ADJUSTMENT OF RESERVE.—If a borrower exhausts the amount of funds reserved under paragraph (1), the Secretary may—

"(A) review and adjust the farm or ranch plan referred to in paragraph (1) with the borrower and reschedule the loan;

"(B) extend additional credit;

"(C) use income proceeds to pay necessary farm, ranch, home, or other expenses; or

"(D) provide additional available loan servicing.".

SEC. 413. PARTICIPATION IN LOANS.

Section 315 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1945) is repealed.

SEC. 414. LINE-OF-CREDIT LOANS.

Section 316 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1946) is amended by adding at the end the following:

"(c) LINE-OF-CREDIT LOANS.—

"(1) IN GENERAL.—A loan made or guaranteed by the Secretary under this subtitle may be in the form of a line-of-credit loan.

"(2) TERM.—A line-of-credit loan under paragraph (1) shall terminate not later than 5 years after the date that the loan is made or guaranteed.

"(3) ELIGIBILITY.—For purposes of determining eligibility for a farm operating loan, each year in which a farmer or rancher takes an advance or draws on a line-of-credit loan the farmer or rancher shall be considered to have received an operating loan for 1 year.".

SEC. 415. INSURANCE OF OPERATING LOANS.

Section 317 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1947) is repealed.

SEC. 416. SPECIAL ASSISTANCE FOR BEGINNING FARMERS AND RANCHERS.

(a) IN GENERAL.—Section 318 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1948) is repealed.

(b) CONFORMING AMENDMENT.—Section 310F of the Consolidated Farm and Rural Development Act (7 U.S.C. 1936) is repealed.

SEC. 417. LIMITATION ON PERIOD FOR WHICH BORROWERS ARE ELIGIBLE FOR GUARANTEED ASSISTANCE.

Section 319 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1949) is amended by striking subsection (b) and inserting the following:

"(b) LIMITATION ON PERIOD BORROWERS ARE ELIGIBLE FOR GUARANTEED ASSISTANCE.—

"(1) GENERAL RULE.—Subject to paragraph (2), the Secretary shall not guarantee a loan under this subtitle for a borrower for any year after the 15th year that a loan is made to, or a guarantee is provided with respect to, the borrower under this subtitle.

"(2) TRANSITION RULE.—If, as of October 28, 1992, a farmer or rancher has received a direct or guaranteed operating loan under this subtitle during each of 10 or more previous years, the borrower shall be eligible to receive a guaranteed operating loan under this subtitle during 5 additional years after October 28, 1992.".

CHAPTER 3—EMERGENCY LOANS

SEC. 421. HAZARD INSURANCE REQUIREMENT.

Section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) is amended by striking subsection (b) and inserting the following:

"(b) HAZARD INSURANCE REQUIREMENT.—

"(1) IN GENERAL.—The Secretary may not make a loan to a farmer or rancher under this subtitle to cover a property loss unless the farmer or rancher had hazard insurance that insured the property at the time of the loss.

"(2) DETERMINATION.—Not later than 180 days after the date of enactment of this paragraph, the Secretary shall determine the appropriate level of insurance to be required under paragraph (1).

"(3) TRANSITIONAL PROVISION.—Paragraph (1) shall not apply until the Secretary makes the determination required under paragraph (2).".

SEC. 422. MAXIMUM EMERGENCY LOAN INDEBTEDNESS.

Section 324 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1964) is amended by striking "SEC. 324. (a) No loan" and all that follows through the end of subsection (a) and inserting the following:

"SEC. 324. TERMS OF LOANS.

"(a) MAXIMUM AMOUNT OF LOAN.—The Secretary may not make a loan under this subtitle that—

"(1) exceeds the actual loss caused by a disaster; or

"(2) would cause the total indebtedness of the borrower under this subtitle to exceed $500,000.".

SEC. 423. INSURANCE OF EMERGENCY LOANS.

Section 328 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1968) is repealed.

CHAPTER 4—ADMINISTRATIVE PROVISIONS

SEC. 431. USE OF COLLECTION AGENCIES.

Section 331 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981) is amended by adding at the end the following:

"(d) PRIVATE COLLECTION AGENCY.—The Secretary may use a private collection agency to collect a claim or obligation described in subsection (b)(5).".

SEC. 432. NOTICE OF LOAN SERVICE PROGRAMS.

Section 331D(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981d(a)) is amended by striking "180 days delinquent in" and inserting "90 days past due on".

SEC. 433. SALE OF PROPERTY.

Section 335 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985) is amended—

(1) in subsection (b), by striking "subsection (e)" and inserting "subsections (c) and (e)";

(2) by striking subsection (c) and inserting the following:

"(c) SALE OF PROPERTY.—

"(1) IN GENERAL.—Subject to this subsection and subsection (e)(1)(A), the Secretary shall offer to sell real property that is acquired by the Secretary under this title in the following order and method of sale:

"(A) ADVERTISEMENT.—Not later than 15 days after acquiring real property, the Secretary shall publicly advertise the property for sale.

"(B) BEGINNING FARMER OR RANCHER.—

"(i) IN GENERAL.—Not later than 75 days after acquiring real property, the Secretary shall attempt to sell the property to a qualified beginning farmer or rancher at current market value based on a current appraisal.

"(ii) RANDOM SELECTION.—If more than 1 qualified beginning farmer or rancher offers to purchase the property, the Secretary shall select between the qualified applicants on a random basis.

"(iii) APPEAL OF RANDOM SELECTION.—A random selection or denial by the Secretary of a beginning farmer or rancher for farm inventory property under this subparagraph shall be final and not administratively appealable.

"(C) PUBLIC SALE.—If no acceptable offer is received from a qualified beginning farmer or rancher under subparagraph (B) within 75 days of acquiring the real property, the Secretary shall, within 30 days, sell the property after public notice at a public sale, and, if no acceptable bid is received, by negotiated sale, at the best price obtainable.

"(2) TRANSITIONAL RULES.—

"(A) PREVIOUS LEASE.—In the case of real property acquired prior to the date of enactment of this subparagraph that the Secretary leased prior to the date of enactment of this subparagraph, the Secretary shall offer to sell the property according to paragraph (1) not later than 60 days after the lease expires.

"(B) PREVIOUSLY IN INVENTORY.—In the case of real property acquired prior to the date of enactment of this subparagraph that the Secretary has not leased, the Secretary shall offer to sell the property according to paragraph (1) not later than 60 days after the date of enactment of this subparagraph.

"(3) INTEREST.—

"(A) IN GENERAL.—Subject to subparagraph (B), any conveyance under this subsection shall include all of the interest of the United States, including mineral rights.

"(B) CONSERVATION.—The Secretary may for conservation purposes grant or sell an easement, restriction, development right, or similar legal right to a State, a political subdivision of a State, or a private nonprofit organization separately from the underlying fee or other rights owned by the Secretary.

"(4) OTHER LAW.—This title shall not be subject to the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

"(5) LEASE OF PROPERTY.—

"(A) IN GENERAL.—Subject to subparagraph (B), the Secretary may not lease any real property acquired under this title.

"(B) EXCEPTION.—

"(i) BEGINNING FARMER OR RANCHER.—Notwithstanding paragraph (1), the Secretary may lease or contract to sell a farm or ranch acquired by the Secretary under this title to a beginning farmer or rancher if the beginning farmer or rancher qualifies for a credit sale or direct farm ownership loan but credit sale authority for loans or direct farm ownership funds, respectively, are not available.

"(ii) TERM.—A lease or contract to sell to a beginning farmer or rancher under clause (i) shall be until the earlier of—

"(I) the date that is 18 months after the date of the lease or sale; or

"(II) the date that direct farm ownership loan funds or credit sale authority for loans become available to the beginning farmer or rancher.

"(iii) INCOME-PRODUCING CAPABILITY.—In determining the rental rate on real property leased under this subparagraph, the Secretary shall consider the income-producing capability of the property during the term that the property is leased.

"(6) DETERMINATION BY SECRETARY.—

"(A) EXPEDITED REVIEW.—On the request of an applicant, the Secretary shall provide within 30 days of denial of the applicant's application for an expedited review by the appropriate State Director of whether the applicant is a beginning farmer or rancher for the purpose of acquiring farm inventory property.

"(B) APPEAL.—The results of a review conducted by a State Director under subparagraph (A) shall be final and not administratively appealable.

"(C) EFFECTS OF REVIEW.—

"(i) IN GENERAL.—The Secretary shall maintain statistical data on the number and results of reviews conducted under subparagraph (A) and whether the reviews adversely impact on—

"(I) selling farm inventory property to beginning farmers and ranchers; and

"(II) disposing of real property in inventory.

"(ii) NOTIFICATION.—The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate if the Secretary determines that reviews under subparagraph (A) are adversely impacting the selling of farm inventory property to beginning farmers or ranchers or on disposing of real property in inventory."; and

(3) in subsection (e)—

(A) in paragraph (1)—

(i) by striking subparagraphs (A) through (C);

(ii) by redesignating subparagraphs (D) through (G) as subparagraphs (A) through (D), respectively;

(iii) in subparagraph (A) (as redesignated by clause (ii))—

(I) in clause (i)—

(aa) in the matter preceding subclause (I), by striking "(G)" and inserting "(D)";

(bb) by striking subclause (I) and inserting the following:

"(I) the Secretary acquires property under this title that is located within an Indian reservation; and";

(cc) in subclause (II), by striking ", and" at the end and inserting a semicolon; and

(dd) by striking subclause (III); and

(II) in clause (iii), by striking "The Secretary shall" and all that follows through "of subparagraph (A)," and inserting "Not later than 90 days after acquiring the property, the Secretary shall"; and

(iv) in subparagraph (D) (as redesignated by clause (ii))—

(I) in clause (i), by striking "(D)" in the matter following subclause (IV) and inserting "(A)";

(II) in clause (iii)(I), by striking "subparagraphs (C)(i), (C)(ii), and (D)" and inserting "subparagraph (A)"; and

(III) by striking clause (v) and inserting the following:

"(v) FORECLOSURE PROCEDURES.—

"(I) NOTICE TO BORROWER.—If a borrower-owner does not voluntarily convey to the Secretary real property described in clause (i), not less than 30 days before a foreclosure sale of the property the Secretary shall provide the Indian borrower-owner with the option of—

"(aa) requiring the Secretary to assign the loan and security instruments to the Secretary of the Interior, provided the Secretary of the Interior agrees to the assignment, releasing the Secretary of Agriculture from all further responsibility for collection of any amounts with regard to the loan secured by the real property; or

"(bb) requiring the Secretary to assign the loan and security instruments to the tribe having jurisdiction over the reservation in which the real property is located, provided the tribe agrees to the assignment.

"(II) NOTICE TO TRIBE.—If a borrower-owner does not voluntarily convey to the Secretary real property described in clause (i), not less than 30 days before a foreclosure sale of the property the Secretary shall provide written notice to the Indian tribe that has jurisdiction over the reservation in which the real property is located of—

"(aa) the sale;

"(bb) the fair market value of the property; and

"(cc) the requirements of this subparagraph.

"(III) ASSUMED LOANS.—If an Indian tribe assumes a loan under subclause (I)—

"(aa) the Secretary shall not foreclose the loan because of any default that occurred prior to the date of the assumption;

"(bb) the loan shall be for the lesser of the outstanding principal and interest of the loan or the fair market value of the property; and

"(cc) the loan shall be treated as though the loan was made under Public Law 91-229 (25 U.S.C. 488 et seq.).";

(B) by striking paragraph (3);

(C) in paragraph (4)—

(i) by striking subparagraph (B);

(ii) in subparagraph (A)—

(I) in clause (i), by striking "(i)"; and

(II) by redesignating clause (ii) as subparagraph (B); and

(iii) in subparagraph (B) (as redesignated by clause (ii)(II)), by striking "clause (i)" and inserting "subparagraph (A)";

(D) by striking paragraph (5);

(E) by striking paragraph (6);

(F) by redesignating paragraph (4) as paragraph (3); and

(G) by redesignating paragraphs (7) through (10) as paragraphs (4) through (7), respectively.

SEC. 434. DEFINITIONS.

Section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) is amended—

(1) in paragraph (11)—

(A) in the text preceding subparagraph (A), by striking "applicant—" and inserting "applicant, regardless of whether participating in a program under section 310E—"; and

(B) in subparagraph (F)—

(i) by striking "15 percent" and inserting "35 percent"; and

(ii) by inserting before the semicolon at the end the following: ", except that this subparagraph shall not apply to loans under subtitle B"; and

(2) by adding at the end the following:

"(12) DEBT FORGIVENESS.—

"(A) IN GENERAL.—The term 'debt forgiveness' means reducing or terminating a farm loan made or guaranteed under this title, in a manner that results in a loss to the Secretary, through—

"(i) writing-down or writing-off a loan under section 353;

"(ii) compromising, adjusting, reducing, or charging-off a debt or claim under section 331;

"(iii) paying a loss on a guaranteed loan under section 357; or

"(iv) discharging a debt as a result of bankruptcy.

"(B) LOAN RESTRUCTURING.—The term 'debt forgiveness' does not include consolidation, rescheduling, reamortization, or deferral.".

SEC. 435. AUTHORIZATION FOR LOANS.

Section 346 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994) is amended—

(1) in the second sentence of subsection (a), by striking "with or without" and all that follows through "administration" and inserting the following: "without authority for the Secretary to transfer amounts between the categories"; and

(2) by striking subsection (b) and inserting the following:

"(b) AUTHORIZATION FOR LOANS.—

"(1) IN GENERAL.—The Secretary may make or guarantee loans under subtitles A and B from the Agricultural Credit Insurance Fund established under section 309 in not more than the following amounts:

"(A) FISCAL YEAR 1996.—For fiscal year 1996, $3,085,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,500,000,000 shall be for guaranteed loans, of which—

"(I) $600,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $1,900,000,000 shall be for operating loans under subtitle B.

"(B) FISCAL YEAR 1997.—For fiscal year 1997, $3,165,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,580,000,000 shall be for guaranteed loans, of which—

"(I) $630,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $1,950,000,000 shall be for operating loans under subtitle B.

"(C) FISCAL YEAR 1998.—For fiscal year 1998, $3,245,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,660,000,000 shall be for guaranteed loans, of which—

"(I) $660,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $2,000,000,000 shall be for operating loans under subtitle B.

"(D) FISCAL YEAR 1999.—For fiscal year 1999, $3,325,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,740,000,000 shall be for guaranteed loans, of which—

"(I) $690,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $2,050,000,000 shall be for operating loans under subtitle B.

"(E) FISCAL YEAR 2000.—For fiscal year 2000, $3,435,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,850,000,000 shall be for guaranteed loans, of which—

"(I) $750,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $2,100,000,000 shall be for operating loans under subtitle B.

"(F) FISCAL YEAR 2001.—For fiscal year 2001, $3,435,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,850,000,000 shall be for guaranteed loans, of which—

"(I) $750,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $2,100,000,000 shall be for operating loans under subtitle B.

"(G) FISCAL YEAR 2002.—For fiscal year 2002, $3,435,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,850,000,000 shall be for guaranteed loans, of which—

"(I) $750,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $2,100,000,000 shall be for operating loans under subtitle B.

"(2) BEGINNING FARMERS AND RANCHERS.—

"(A) DIRECT LOANS.—

"(i) FARM OWNERSHIP LOANS.—Of the amounts made available under paragraph (1) for direct farm ownership loans, the Secretary shall reserve 70 percent of available funds for qualified beginning farmers and ranchers.

"(ii) OPERATING LOANS.—Of the amounts made available under paragraph (1) for direct operating loans, the Secretary shall reserve for qualified beginning farmers and ranchers—

"(I) for fiscal year 1996, 25 percent;

"(II) for fiscal year 1997, 25 percent;

"(III) for fiscal year 1998, 25 percent;

"(IV) for fiscal year 1999, 30 percent; and

"(V) for each of fiscal years 2000 through 2002, 35 percent.

"(iii) FUNDS RESERVED UNTIL SEPTEMBER 1.—Funds reserved for beginning farmers or ranchers under this subparagraph shall be reserved only until September 1 of each fiscal year.

"(B) GUARANTEED LOANS.—

"(i) FARM OWNERSHIP LOANS.—Of the amounts made available under paragraph (1) for guaranteed farm ownership loans, the Secretary shall reserve 25 percent for qualified beginning farmers and ranchers.

"(ii) OPERATING LOANS.—Of the amounts made available under paragraph (1) for guaranteed operating loans, the Secretary shall reserve 40 percent for qualified beginning farmers and ranchers.

"(iii) FUNDS RESERVED UNTIL APRIL 1.—Funds reserved for beginning farmers or ranchers under this subparagraph shall be reserved only until April 1 of each fiscal year.

"(C) RESERVED FUNDS FOR ALL QUALIFIED BEGINNING FARMERS AND RANCHERS.—If a qualified beginning farmer or rancher meets the eligibility criteria for receiving a direct or guaranteed loan under section 302, 310E, or 311, the Secretary shall make or guarantee the loan if sufficient funds reserved under this paragraph are available to make or guarantee the loan.

"(3) TRANSFER FOR DOWN PAYMENT LOANS.—

"(A) IN GENERAL.—Notwithstanding subsection (a), subject to subparagraph (B)—

"(i) beginning on August 1 of each fiscal year, the Secretary shall use available unsubsidized guaranteed farm operating loan funds to fund approved direct farm ownership loans to beginning farmers and ranchers under the down payment loan program established under section 310E; and

"(ii) beginning on September 1 of each fiscal year, the Secretary shall use available unsubsidized guaranteed farm operating loan funds to fund approved direct farm ownership loans to beginning farmers and ranchers.

"(B) LIMITATION.—The Secretary shall limit the transfer of funds under subparagraph (A) so that all guaranteed farm operating loans that have been approved, or will be approved, during the fiscal year shall be funded to extent of appropriated amounts.

"(4) TRANSFER FOR CREDIT SALES OF FARM INVENTORY PROPERTY.—

"(A) IN GENERAL.—Notwithstanding subsection (a), subject to subparagraphs (B) and (C), beginning on September 1 of each fiscal year, the Secretary may use available emergency disaster loan funds appropriated for the fiscal year to fund the credit sale of farm real estate in the inventory of the Secretary.

"(B) SUPPLEMENTAL APPROPRIATIONS.—The transfer authority provided under subparagraph (A) does not include any emergency disaster loan funds made available to the Secretary for any fiscal year as a result of a supplemental appropriation made by Congress.

"(C) LIMITATION.—The Secretary shall limit the transfer of funds under subparagraph (A) so that all emergency disaster loans that have been approved, or will be approved, during the fiscal year shall be funded to extent of appropriated amounts.".

SEC. 436. LIST OF CERTIFIED LENDERS AND INVENTORY PROPERTY DEMONSTRATION PROJECT.

(a) IN GENERAL.—Section 351 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999) is amended—

(1) in subsection (f)—

(A) by striking "Each Farmers Home Administration county supervisor" and inserting "The Secretary";

(B) by striking "approved lenders" and inserting "lenders"; and

(C) by striking "the Farmers Home Administration"; and

(2) by striking subsection (h).

(b) TECHNICAL AMENDMENTS.—

(1) Section 1320 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1999 note) is amended by striking "Effective only" and all that follows through "1995, the" and inserting "The".

(2) Section 351(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999) is amended—

(A) by striking "SEC. 351. (a) The" and inserting the following:

"SEC. 351. INTEREST RATE REDUCTION PROGRAM.

"(a) ESTABLISHMENT OF PROGRAM.—

"(1) IN GENERAL.—The"; and

(B) by adding at the end the following:

"(2) TERMINATION OF AUTHORITY.—The authority provided by this subsection shall terminate on September 30, 2002.".

SEC. 437. HOMESTEAD PROPERTY.

Section 352(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2000(c)) is amended—

(1) in paragraph (1)(A), by striking "90" each place it appears and inserting "30"; and

(2) in paragraph (6), by striking "Within 30" and all that follows through "title," and insert "Not later than the date of acquisition of the property securing a loan made under this title (or, in the case of real property in inventory on the effective date of the Agricultural Reform and Improvement Act of 1996, not later than 5 days after the date of enactment of the Act)," and by striking the second sentence.

SEC. 438. RESTRUCTURING.

Section 353 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001) is amended—

(1) in subsection (c)—

(A) in paragraph (3) by striking subparagraph (C) and inserting the following:

"(C) CASH FLOW MARGIN.—

"(i) ASSUMPTION.—For the purpose of assessing under subparagraph (A) the ability of a borrower to meet debt obligations and continue farming operations, the Secretary shall assume that the borrower needs up to 110 percent of the amount indicated for payment of farm operating expenses, debt service obligations, and family living expenses.

"(ii) AVAILABLE INCOME.—If an amount up to 110 percent of the amount determined under subparagraph (A) is available, the Secretary shall consider the income of the borrower to be adequate to meet all expenses, including the debt obligations of the borrower."; and

(B) by striking paragraph (6) and inserting the following:

"(6) TERMINATION OF LOAN OBLIGATIONS.—The obligations of a borrower to the Secretary under a loan shall terminate if—

"(A) the borrower satisfies the requirements of paragraphs (1) and (2) of subsection (b);

"(B) the value of the restructured loan is less than the recovery value; and

"(C) not later than 90 days after receipt of the notification described in paragraph (4)(B), the borrower pays (or obtains third-party financing to pay) the Secretary an amount equal to the current market value.";

(2) by striking subsection (k); and

(3) by redesignating subsections (l) through (p) as subsections (k) through (o), respectively.

SEC. 439. TRANSFER OF INVENTORY LANDS.

Section 354 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2002) is amended—

(1) in the matter preceding paragraph (1), by striking "The Secretary, without reimbursement," and inserting the following:

"(a) IN GENERAL.—Subject to subsection (b), the Secretary";

(2) by striking paragraph (2) and inserting the following:

"(2) that is eligible to be disposed of in accordance with section 335; and"; and

(3) by adding at the end the following:

"(b) CONDITIONS.—The Secretary may not transfer any property or interest under subsection (a) unless—

"(1) at least 2 public notices are given of the transfer;

"(2) if requested, at least 1 public meeting is held prior to the transfer; and

"(3) the Governor and at least 1 elected county official are consulted prior to the transfer.".

SEC. 440. IMPLEMENTATION OF TARGET PARTICIPATION RATES.

Section 355 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003) is amended by adding at the end the following:

"(f) IMPLEMENTATION CONSISTENT WITH SUPREME COURT HOLDING.—Not later than 180 days after the date of enactment of this subsection, the Secretary shall ensure that the implementation of this section is consistent with the holding of the Supreme Court in Adarand Constructors, Inc. v. Federico Pena, Secretary of Transportation, 63 U.S.L.W. 4523 (U.S. June 12, 1995).".

SEC. 441. DELINQUENT BORROWERS AND CREDIT STUDY.

The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding at the end the following:

"SEC. 372. PAYMENT OF INTEREST AS A CONDITION OF LOAN SERVICING FOR BORROWERS.

"The Secretary may not reschedule or reamortize a loan for a borrower under this title who has not requested consideration under section 331D(e) unless the borrower pays a portion, as determined by the Secretary, of the interest due on the loan.

"SEC. 373. LOAN AND LOAN SERVICING LIMITATIONS.

"(a) DELINQUENT BORROWERS PROHIBITED FROM OBTAINING DIRECT OPERATING LOANS.—The Secretary may not make a direct operating loan under subtitle B to a borrower who is delinquent on any loan made or guaranteed under this title.

"(b) LOANS PROHIBITED FOR BORROWERS THAT HAVE RECEIVED DEBT FORGIVENESS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary may not make or guarantee a loan under this title to a borrower who received debt forgiveness under this title.

"(2) EXCEPTION.—The Secretary may make a direct or guaranteed farm operating loan for paying annual farm or ranch operating expenses to a borrower who was restructured with debt write-down under section 353.

"(c) NO MORE THAT 1 DEBT FORGIVENESS FOR A BORROWER ON A DIRECT LOAN.—The Secretary may not provide debt forgiveness to a borrower on a direct loan made under this title if the borrower has received debt forgiveness on another direct loan under this title.

"SEC. 374. CREDIT STUDY.

"(a) IN GENERAL.—The Secretary of Agriculture shall perform a study and report to the Committee on Agriculture in the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry in the Senate on the demand for and availability of credit in rural areas for agriculture, rural housing, and rural development.

"(b) PURPOSE.—The purpose of the study is to ensure that Congress has current and comprehensive information to consider as Congress deliberates on the credit needs of rural America and the availability of credit to satisfy the needs of rural America.

"(c) ITEMS IN STUDY.—The study should be based on the most current available data and should include—

"(1) rural demand for credit from the Farm Credit System, the ability of the Farm Credit System to meet the demand, and the extent to which the Farm Credit System provided loans to satisfy the demand;

"(2) rural demand for credit from the nation's banking system, the ability of banks to meet the demand, and the extent to which banks provided loans to satisfy the demand;

"(3) rural demand for credit from the Secretary, the ability of the Secretary to meet the demand, and the extent to which the Secretary provided loans to satisfy the demand;

"(4) rural demand for credit from other Federal agencies, the ability of the agencies to meet the demand, and the extent to which the agencies provided loans to satisfy the demand;

"(5) what measure or measures exist to gauge the overall demand for rural credit and the extent to which rural demand for credit is satisfied, and what the measures have shown;

"(6) a comparison of the interest rates and terms charged by the Farm Credit System Farm Credit Banks, production credit associations, and banks for cooperatives with the rates and terms charged by the nation's banks for credit of comparable risk and maturity;

"(7) the advantages and disadvantages of the modernization and expansion proposals of the Farm Credit System on the Farm Credit System, the nation's banking system, rural users of credit, local rural communities, and the Federal Government, including—

"(A) any added risk to the safety and soundness of the Farm Credit System that may result from approval of a proposal; and

"(B) any positive or adverse impacts on competition between the Farm Credit System and the nation's banks in providing credit to rural users;

"(8) the nature and extent of the unsatisfied rural credit need that the Farm Credit System proposal are supposed to address and what aspects of the present Farm Credit System prevent the Farm Credit System from meeting the need;

"(9) the advantages and disadvantages of the proposal by commercial bankers to allow banks access to the Farm Credit System as a funding source on the Farm Credit System, the nation's banking system, rural users of credit, local rural communities, and the Federal Government, including—

"(A) any added risk to the safety and soundness of the Farm Credit System that may result from approval of the proposal; and

"(B) any positive or adverse impacts on competition between the Farm Credit System and the nation's banks in providing credit to rural users; and

"(10) problems that commercial banks have in obtaining capital for lending in rural areas, how access to Farm Credit System funds would improve the availability of capital in rural areas in ways that cannot be achieved in the present system, and the possible effects on the viability of the Farm Credit System of granting banks access to Farm Credit System funds.

"(d) INTERAGENCY TASK FORCE.—In completing the study, the Secretary shall use, among other things, data and information obtained by the interagency task force on rural credit.".

CHAPTER 5—GENERAL PROVISIONS

SEC. 451. CONFORMING AMENDMENTS.

(a) Section 307(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)) is amended—

(1) in paragraph (4), by striking "304(b), 306(a)(1), and 310B" and inserting "306(a)(1) and 310B"; and

(2) in paragraph (6)(B)—

(A) by striking clauses (i), (ii), and (vii);

(B) in clause (v), by adding "and" at the end;

(C) in clause (vi), by striking ", and" at the end and inserting a period; and

(D) by redesignating clauses (iii) through (vi) as clauses (i) through (iv), respectively.

(b) The second sentence of section 309(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(g)(1)) is amended by striking "section 308,".

(c) Section 309A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929a) is amended—

(1) in the second sentence of subsection (a), by striking "304(b), 306(a)(1), 306(a)(14), 310B, and 312(b)" and inserting "306(a)(1), 306(a)(14), and 310B"; and

(2) in subsection (b), by striking "and section 308".

(d) Section 310B(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(d)) is amended—

(1) by striking "sections 304(b), 310B, and 312(b)" each place it appears in paragraphs (2), (3), and (4) and inserting "this section"; and

(2) in paragraph (6), by striking "this section, section 304, or section 312" and inserting "this section".

(e) The first sentence of section 310D(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1934(a)) is amended by striking "paragraphs (1) through (5) of section 303(a), or subparagraphs (A) through (E) of section 304(a)(1)" and inserting "section 303(a), or paragraphs (1) through (5) of section 304(b)".

(f) Section 311(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(b)(1)) is amended by striking "and for the purposes specified in section 312".

(g) Section 316(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1946(a)) is amended by striking paragraph (3).

(h) Section 343 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991) is amended—

(1) in subsection (a)(10), by striking "recreation loan (RL) under section 304,"; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "351(h),"; and

(B) by striking paragraph (4) and inserting the following:

"(4) PRESERVATION LOAN SERVICE PROGRAM.—The term "preservation loan service program" means homestead retention as authorized under section 352.".

(i) The first sentence of section 344 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1992) is amended by striking "304(b), 306(a)(1), 310B, 312(b), or 312(c)" and inserting "306(a)(1), 310B, or 312(c)".

(j) Section 353(l) of the Consolidated Farm and Rural Development Act (as redesignated by section 438(3)) is further amended by striking "and subparagraphs (A)(i) and (C)(i) of section 335(e)(1),".

Subtitle B—Farm Credit System

CHAPTER 1—AGRICULTURAL MORTGAGE SECONDARY MARKET

SEC. 461. DEFINITION OF REAL ESTATE.

Section 8.0(1)(B)(ii) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(1)(B)(ii)) is amended by striking "with a purchase price" and inserting ", excluding the land to which the dwelling is affixed, with a value".

SEC. 462. DEFINITION OF CERTIFIED FACILITY.

Section 8.0(3) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(3)) is amended—

(1) in subparagraph (A), by striking "a secondary marketing agricultural loan" and inserting "an agricultural mortgage marketing"; and

(2) in subparagraph (B), by striking ", but only" and all that follows through "(9)(B)".

SEC. 463. DUTIES OF FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Section 8.1(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-1(b)) is amended—

(1) in paragraph (2), by striking "and" at the end;

(2) in paragraph (3), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(4) purchase qualified loans and issue securities representing interests in, or obligations backed by, the qualified loans, guaranteed for the timely repayment of principal and interest.".

SEC. 464. POWERS OF THE CORPORATION.

Section 8.3(c) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-3(c)) is amended—

(1) by redesignating paragraphs (13) and (14) as paragraphs (14) and (15), respectively; and

(2) by inserting after paragraph (12) the following:

"(13) To purchase, hold, sell, or assign a qualified loan, to issue a guaranteed security, representing an interest in, or an obligation backed by, the qualified loan, and to perform all the functions and responsibilities of an agricultural mortgage marketing facility operating as a certified facility under this title.".

SEC. 465. FEDERAL RESERVE BANKS AS DEPOSITORIES AND FISCAL AGENTS.

Section 8.3 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-3) is amended—

(1) in subsection (d), by striking "may act as depositories for, or" and inserting "shall act as depositories for, and"; and

(2) in subsection (e), by striking "Secretary of the Treasury may authorize the Corporation to use" and inserting "Corporation shall have access to".

SEC. 466. CERTIFICATION OF AGRICULTURAL MORTGAGE MARKETING FACILITIES.

Section 8.5 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-5) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by inserting "(other than the Corporation)" after "agricultural mortgage marketing facilities"; and

(B) in paragraph (2), by inserting "(other than the Corporation)" after "agricultural mortgage marketing facility"; and

(2) in subsection (e)(1), by striking "(other than the Corporation)".

SEC. 467. GUARANTEE OF QUALIFIED LOANS.

Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-6) is amended—

(1) in subsection (a)(1)—

(A) by striking "Corporation shall guarantee" and inserting the following: "Corporation—

"(A) shall guarantee";

(B) by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(B) may issue a security, guaranteed as to the timely payment of principal and interest, that represents an interest solely in, or an obligation fully backed by, a pool consisting of qualified loans that—

"(i) meet the standards established under section 8.8; and

"(ii) have been purchased and held by the Corporation.";

(2) in subsection (d)—

(A) by striking paragraph (4); and

(B) by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively; and

(3) in subsection (g)(2), by striking "section 8.0(9)(B))" and inserting "section 8.0(9))".

SEC. 468. MANDATORY RESERVES AND SUBORDINATED PARTICIPATION INTERESTS ELIMINATED.

(a) GUARANTEE OF QUALIFIED LOANS.—Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-6) is amended by striking subsection (b).

(b) RESERVES AND SUBORDINATED PARTICIPATION INTERESTS.—Section 8.7 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-7) is repealed.

(c) CONFORMING AMENDMENTS.—

(1) Section 8.0(9)(B)(i) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(9)(B)(i)) is amended by striking "8.7, 8.8," and inserting "8.8".

(2) Section 8.6(a)(2) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-6(a)(2)) is amended by striking "subject to the provisions of subsection (b)".

SEC. 469. STANDARDS REQUIRING DIVERSIFIED POOLS.

(a) IN GENERAL.—Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-6) (as amended by section 468) is amended—

(1) by striking subsection (c); and

(2) by redesignating subsections (d) through (g) as subsections (b) through (e), respectively.

(b) CONFORMING AMENDMENTS.—

(1) Section 8.0(9)(B)(i) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(9)(B)(i)) is amended by striking "(f)" and inserting "(d)".

(2) Section 8.13(a) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-13(a)) is amended by striking "sections 8.6(b) and" in each place it appears and inserting "section".

(3) Section 8.32(b)(1)(C) of the Farm Credit Act of 1971 (12 U.S.C. 2279bb-1(b)(1)(C)) is amended—

(A) by striking "shall" and inserting "may"; and

(B) by inserting "(as in effect before the date of the enactment of the Agricultural Reform and Improvement Act of 1996)" before the semicolon.

(4) Section 8.6(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-6(b)) (as redesignated by subsection (a)(2)) is amended—

(A) by striking paragraph (4) (as redesignated by section 467(2)(B)); and

(B) by redesignating paragraphs (5) and (6) (as redesignated by section 467(2)(B)) as paragraphs (4) and (5), respectively.

SEC. 470. SMALL FARMS.

Section 8.8(e) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-8(e)) is amended by adding at the end the following: "The Board shall promote and encourage the inclusion of qualified loans for small farms and family farmers in the agricultural mortgage secondary market.".

SEC. 471. DEFINITION OF AN AFFILIATE.

Section 8.11(e) of the Farm Credit Act of 1971 (21 U.S.C. 2279aa-11(e)) is amended—

(1) by striking "a certified facility or"; and

(2) by striking "paragraphs (3) and (7), respectively, of section 8.0" and inserting "section 8.0(7)".

SEC. 472. STATE USURY LAWS SUPERSEDED.

Section 8.12 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-12) is amended by striking subsection (d) and inserting the following:

"(d) STATE USURY LAWS SUPERSEDED.—A provision of the Constitution or law of any State shall not apply to an agricultural loan made by an originator or a certified facility in accordance with this title for sale to the Corporation or to a certified facility for inclusion in a pool for which the Corporation has provided, or has committed to provide, a guarantee, if the loan, not later than 180 days after the date the loan was made, is sold to the Corporation or included in a pool for which the Corporation has provided a guarantee, if the provision—

"(1) limits the rate or amount of interest, discount points, finance charges, or other charges that may be charged, taken, received, or reserved by an agricultural lender or a certified facility; or

"(2) limits or prohibits a prepayment penalty (either fixed or declining), yield maintenance, or make-whole payment that may be charged, taken, or received by an agricultural lender or a certified facility in connection with the full or partial payment of the principal amount due on a loan by a borrower in advance of the scheduled date for the payment under the terms of the loan, otherwise known as a prepayment of the loan principal.".

SEC. 473. EXTENSION OF CAPITAL TRANSITION PERIOD.

Section 8.32 of the Farm Credit Act of 1971 (12 U.S.C. 2279bb-1) is amended—

(1) in the first sentence of subsection (a), by striking "Not later than the expiration of the 2-year period beginning on December 13,

1991," and inserting "Not sooner than the expiration of the 3-year period beginning on the date of enactment of the Agricultural Reform and Improvement Act of 1996,";

(2) in the first sentence of subsection (b)(2), by striking "5-year" and inserting "8-year"; and

(3) in subsection (d)—

(A) in the first sentence—

(i) by striking "The regulations establishing" and inserting the following:

"(1) IN GENERAL.—The regulations establishing"; and

(ii) by striking "shall contain" and inserting the following: "shall—

"(A) be issued by the Director for public comment in the form of a notice of proposed rulemaking, to be first published after the expiration of the period referred to in subsection (a); and

"(B) contain"; and

(B) in the second sentence, by striking "The regulations shall" and inserting the following:

"(2) SPECIFICITY.—The regulations referred to in paragraph (1) shall".

SEC. 474. MINIMUM CAPITAL LEVEL.

Section 8.33 of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–2) is amended to read as follows:

"SEC. 8.33. MINIMUM CAPITAL LEVEL.

"(a) IN GENERAL.—Except as provided in subsection (b), for purposes of this subtitle, the minimum capital level for the Corporation shall be an amount of core capital equal to the sum of—

"(1) 2.75 percent of the aggregate on-balance sheet assets of the Corporation, as determined in accordance with generally accepted accounting principles; and

"(2) 0.75 percent of the aggregate off-balance sheet obligations of the Corporation, which, for the purposes of this subtitle, shall include—

"(A) the unpaid principal balance of outstanding securities that are guaranteed by the Corporation and backed by pools of qualified loans;

"(B) instruments that are issued or guaranteed by the Corporation and are substantially equivalent to instruments described in subparagraph (A); and

"(C) other off-balance sheet obligations of the Corporation.

"(b) TRANSITION PERIOD.—

"(1) IN GENERAL.—For purposes of this subtitle, the minimum capital level for the Corporation—

"(A) prior to January 1, 1997, shall be the amount of core capital equal to the sum of—

"(i) 0.45 percent of aggregate off-balance sheet obligations of the Corporation;

"(ii) 0.45 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and

"(iii) 2.50 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2);

"(B) during the 1-year period ending December 31, 1997, shall be the amount of core capital equal to the sum of—

"(i) 0.55 percent of aggregate off-balance sheet obligations of the Corporation;

"(ii) 1.20 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and

"(iii) 2.55 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2);

"(C) during the 1-year period ending December 31, 1998, shall be the amount of core capital equal to—

"(i) if the Corporation's core capital is not less than $25,000,000 on January 1, 1998, the sum of—

"(I) 0.65 percent of aggregate off-balance sheet obligations of the Corporation;

"(II) 1.95 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and

"(III) 2.65 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2); or

"(ii) if the Corporation's core capital is less than $25,000,000 on January 1, 1998, the amount determined under subsection (a); and

"(D) on and after January 1, 1999, shall be the amount determined under subsection (a).

"(2) DESIGNATED ON-BALANCE SHEET ASSETS.—For purposes of this subsection, the designated on-balance sheet assets of the Corporation shall be—

"(A) the aggregate on-balance sheet assets of the Corporation acquired under section 8.6(e); and

"(B) the aggregate amount of qualified loans purchased and held by the Corporation under section 8.3(c)(13).".

SEC. 475. CRITICAL CAPITAL LEVEL.

Section 8.34 of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–3) is amended to read as follows:

"SEC. 8.34. CRITICAL CAPITAL LEVEL.

"For purposes of this subtitle, the critical capital level for the Corporation shall be an amount of core capital equal to 50 percent of the total minimum capital amount determined under section 8.33.".

SEC. 476. ENFORCEMENT LEVELS.

Section 8.35(e) of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–4(e)) is amended by striking "during the 30-month period beginning on the date of the enactment of this section," and inserting "during the period beginning on December 13, 1991, and ending on the effective date of the risk based capital regulation issued by the Director under section 8.32,".

SEC. 477. RECAPITALIZATION OF THE CORPORATION.

Title VIII of the Farm Credit Act of 1971 (12 U.S.C. 2279aa et seq.) is amended by adding at the end the following:

"SEC. 8.38. RECAPITALIZATION OF THE CORPORATION.

"(a) MANDATORY RECAPITALIZATION.—The Corporation shall increase the core capital of the Corporation to an amount equal to or greater than $25,000,000, not later than the earlier of—

"(1) the date that is 2 years after the date of enactment of this section; or

"(2) the date that is 180 days after the end of the first calendar quarter that the aggregate on-balance sheet assets of the Corporation, plus the outstanding principal of the off-balance sheet obligations of the Corporation, equal or exceed $2,000,000,000.

"(b) RAISING CORE CAPITAL.—In carrying out this section, the Corporation may issue stock under section 8.4 and otherwise employ any recognized and legitimate means of raising core capital in the power of the Corporation under section 8.3.

"(c) LIMITATION ON GROWTH OF TOTAL ASSETS.—During the 2-year period beginning on the date of enactment of this section, the aggregate on-balance sheet assets of the Corporation plus the outstanding principal of the off-balance sheet obligations of the Corporation may not exceed $3,000,000,000 if the core capital of the Corporation is less than $25,000,000.

"(d) ENFORCEMENT.—If the Corporation fails to carry out subsection (a) by the date required under paragraph (1) or (2) of subsection (a), the Corporation may not purchase a new qualified loan or issue or guarantee a new loan-backed security until the core capital of the Corporation is increased to an amount equal to or greater than $25,000,000.".

SEC. 478. LIQUIDATION OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Title VIII of the Farm Credit Act of 1971 (12 U.S.C. 2279aa et seq.) (as amended by section 477) is amended by adding at the end the following:

"Subtitle C—Receivership, Conservatorship, and Liquidation of the Federal Agricultural Mortgage Corporation

"SEC. 8.41. CONSERVATORSHIP; LIQUIDATION; RECEIVERSHIP.

"(a) VOLUNTARY LIQUIDATION.—The Corporation may voluntarily liquidate only with the consent of, and in accordance with a plan of liquidation approved by, the Farm Credit Administration Board.

"(b) INVOLUNTARY LIQUIDATION.—

"(1) IN GENERAL.—The Farm Credit Administration Board may appoint a conservator or receiver for the Corporation under the circumstances specified in section 4.12(b).

"(2) APPLICATION.—In applying section 4.12(b) to the Corporation under paragraph (1)—

"(A) the Corporation shall also be considered insolvent if the Corporation is unable to pay its debts as they fall due in the ordinary course of business;

"(B) a conservator may also be appointed for the Corporation if the authority of the Corporation to purchase qualified loans or issue or guarantee loan-backed securities is suspended; and

"(C) a receiver may also be appointed for the Corporation if—

"(i)(I) the authority of the Corporation to purchase qualified loans or issue or guarantee loan-backed securities is suspended; or

"(II) the Corporation is classified under section 8.35 as within level III or IV and the alternative actions available under subtitle B are not satisfactory; and

"(ii) the Farm Credit Administration determines that the appointment of a conservator would not be appropriate.

"(3) NO EFFECT ON SUPERVISORY ACTIONS.—The grounds for appointment of a conservator for the Corporation under this subsection shall be in addition to those in section 8.37.

"(c) APPOINTMENT OF CONSERVATOR OR RECEIVER.—

"(1) QUALIFICATIONS.—Notwithstanding section 4.12(b), if a conservator or receiver is appointed for the Corporation, the conservator or receiver shall be—

"(A) the Farm Credit Administration or any other governmental entity or employee, including the Farm Credit System Insurance Corporation; or

"(B) any person that—

"(i) has no claim against, or financial interest in, the Corporation or other basis for a conflict of interest as the conservator or receiver; and

"(ii) has the financial and management expertise necessary to direct the operations and affairs of the Corporation and, if necessary, to liquidate the Corporation.

"(2) COMPENSATION.—

"(A) IN GENERAL.—A conservator or receiver for the Corporation and professional personnel (other than a Federal employee) employed to represent or assist the conservator or receiver may be compensated for activities conducted as, or for, a conservator or receiver.

"(B) LIMIT ON COMPENSATION.—Compensation may not be provided in amounts greater than the compensation paid to employees of the Federal Government for similar services, except that the Farm Credit Administration may provide for compensation at higher rates that are not in excess of rates prevailing in the private sector if the Farm Credit Administration determines that compensation at higher rates is necessary in order to recruit and retain competent personnel.

"(C) CONTRACTUAL ARRANGEMENTS.—The conservator or receiver may contract with any governmental entity, including the Farm Credit System Insurance Corporation, to make personnel, services, and facilities of the entity available to the conservator or receiver on such terms and compensation arrangements as shall be mutually agreed, and each entity may provide the same to the conservator or receiver.

"(3) EXPENSES.—A valid claim for expenses of the conservatorship or receivership (including compensation under paragraph (2)) and a valid claim with respect to a loan made under subsection (f) shall—

"(A) be paid by the conservator or receiver from funds of the Corporation before any other valid claim against the Corporation; and

"(B) may be secured by a lien, on such property of the Corporation as the conservator or receiver may determine, that shall have priority over any other lien.

"(4) LIABILITY.—If the conservator or receiver for the Corporation is not a Federal entity, or an officer or employee of the Federal Government, the conservator or receiver shall not be personally liable for damages in tort or otherwise for an act or omission performed pursuant to and in the course of the conservatorship or receivership, unless the act or omission constitutes gross negligence or any form of intentional tortious conduct or criminal conduct.

"(5) INDEMNIFICATION.—The Farm Credit Administration may allow indemnification of the conservator or receiver from the assets of the conservatorship or receivership on such terms as the Farm Credit Administration considers appropriate.

"(d) JUDICIAL REVIEW OF APPOINTMENT.—

"(1) IN GENERAL.—Notwithstanding subsection (i)(1), not later than 30 days after a conservator or receiver is appointed under subsection (b), the Corporation may bring an action in the United States District Court for the District of Columbia for an order requiring the Farm Credit Administration Board to remove the conservator or receiver. The court shall, on the merits, dismiss the action or direct the Farm Credit Administration Board to remove the conservator or receiver.

"(2) STAY OF OTHER ACTIONS.—On the commencement of an action under paragraph (1), any court having jurisdiction of any other action or enforcement proceeding authorized under this Act to which the Corporation is a party shall stay the action or proceeding during the pendency of the action for removal of the conservator or receiver.

"(e) GENERAL POWERS OF CONSERVATOR OR RECEIVER.—The conservator or receiver for the Corporation shall have such powers to conduct the conservatorship or receivership as shall be provided pursuant to regulations adopted by the Farm Credit Administration Board. Such powers shall be comparable to the powers available to a conservator or receiver appointed pursuant to section 4.12(b).

"(f) BORROWINGS FOR WORKING CAPITAL.—

"(1) IN GENERAL.—If the conservator or receiver of the Corporation determines that it is likely that there will be insufficient funds to pay the ongoing administrative expenses of the conservatorship or receivership or that there will be insufficient liquidity to fund maturing obligations of the conservatorship or receivership, the conservator or receiver may borrow funds in such amounts, from such sources, and at such rates of interest as the conservator or receiver considers necessary or appropriate to meet the administrative expenses or liquidity needs of the conservatorship or receivership.

"(2) WORKING CAPITAL FROM FARM CREDIT BANKS.—A Farm Credit bank may loan funds to the conservator or receiver for a loan authorized under paragraph (1) or, in the event of receivership, a Farm Credit bank may purchase assets of the Corporation.

"(g) AGREEMENTS AGAINST INTERESTS OF CONSERVATOR OR RECEIVER.—No agreement that tends to diminish or defeat the right, title, or interest of the conservator or receiver for the Corporation in any asset acquired by the conservator or receiver as conservator or receiver for the Corporation shall be valid against the conservator or receiver unless the agreement—

"(1) is in writing;

"(2) is executed by the Corporation and any person claiming an adverse interest under the agreement, including the obligor, contemporaneously with the acquisition of the asset by the Corporation;

"(3) is approved by the Board or an appropriate committee of the Board, which approval shall be reflected in the minutes of the Board or committee; and

"(4) has been, continuously, from the time of the agreement's execution, an official record of the Corporation.

"(h) REPORT TO THE CONGRESS.—On a determination by the receiver for the Corporation that there are insufficient assets of the receivership to pay all valid claims against the receivership, the receiver shall submit to the Secretary of the Treasury, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the financial condition of the receivership.

"(i) TERMINATION OF AUTHORITIES.—

"(1) CORPORATION.—The charter of the Corporation shall be canceled, and the authority provided to the Corporation by this title shall terminate, on such date as the Farm Credit Administration Board determines is appropriate following the placement of the Corporation in receivership, but not later than the conclusion of the receivership and discharge of the receiver.

"(2) OVERSIGHT.—The Office of Secondary Market Oversight established under section 8.11 shall be abolished, and section 8.11(a) and subtitle B shall have no force or effect, on such date as the Farm Credit Administration Board determines is appropriate following the placement of the Corporation in receivership, but not later than the conclusion of the receivership and discharge of the receiver.".

CHAPTER 2—REGULATORY RELIEF

SEC. 481. COMPENSATION OF ASSOCIATION PERSONNEL.

Section 1.5(13) of the Farm Credit Act of 1971 (12 U.S.C. 2013(13)) is amended by striking ", and the appointment and compensation of the chief executive officer thereof,".

SEC. 482. USE OF PRIVATE MORTGAGE INSURANCE.

(a) IN GENERAL.—Section 1.10(a)(1) of the Farm Credit Act of 1971 (12 U.S.C. 2018(a)(1)) is amended by adding at the end the following:

"(D) PRIVATE MORTGAGE INSURANCE.—A loan on which private mortgage insurance is obtained may exceed 85 percent of the appraised value of the real estate security to the extent that the loan amount in excess of such 85 percent is covered by the insurance.".

(b) CONFORMING AMENDMENT.—Section 1.10(a)(1)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2018(a)(1)(A)) is amended by striking "paragraphs (2) and (3)" and inserting "subparagraphs (C) and (D)".

SEC. 483. REMOVAL OF CERTAIN BORROWER REPORTING REQUIREMENT.

Section 1.10(a) of the Farm Credit Act of 1971 (12 U.S.C. 2018(a)) is amended by striking paragraph (5).

SEC. 484. REFORM OF REGULATORY LIMITATIONS ON DIVIDEND, MEMBER BUSINESS, AND VOTING PRACTICES OF ELIGIBLE FARMER-OWNED COOPERATIVES.

(a) IN GENERAL.—Section 3.8(a) of the Farm Credit Act of 1971 (12 U.S.C. 2129(a)) is amended by adding at the end the following: "Any such association that has received a loan from a bank for cooperatives shall, without regard to the requirements of paragraphs (1) through (4), continue to be eligible for so long as more than 50 percent (or such higher percentage as is established by the bank board) of the voting control of the association is held by farmers, producers or harvesters of aquatic products, or eligible cooperative associations.".

(b) CONFORMING AMENDMENT.—Section 3.8(b)(1)(D) of the Farm Credit Act of 1971 (12 U.S.C. 2129(b)(1)(D)) is amended by striking "and (4) of subsection (a)" and inserting "and (4), or under the last sentence, of subsection (a)".

SEC. 485. REMOVAL OF FEDERAL GOVERNMENT CERTIFICATION REQUIREMENT FOR CERTAIN PRIVATE SECTOR FINANCINGS.

Section 3.8(b)(1)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2129(b)(1)(A)) is amended—

(1) by striking "have been certified by the Administrator of the Rural Electrification Administration to be eligible for such" and inserting "are eligible under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) for"; and

(2) by striking "loan guarantee, and" and inserting "loan guarantee from the Administration or the Bank (or a successor of the Administration or the Bank), and".

SEC. 486. BORROWER STOCK.

Section 4.3A of the Farm Credit Act of 1971 (12 U.S.C. 2154a) is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

(2) by inserting after subsection (e) the following:

"(f) LOANS DESIGNATED FOR SALE OR SOLD INTO THE SECONDARY MARKET.—

"(1) IN GENERAL.—Subject to paragraph (2) and notwithstanding any other provision of this section, the bylaws adopted by a bank or association under subsection (b) may provide—

"(A) in the case of a loan made on or after the date of enactment of this paragraph that is designated, at the time the loan is made, for sale into a secondary market, that no voting stock or participation certificate purchase requirement shall apply to the borrower for the loan; and

"(B) in the case of a loan made before the date of enactment of this paragraph that is sold into a secondary market, that all outstanding voting stock or participation certificates held by the borrower with respect to the loan shall, subject to subsection (d)(1), be retired.

"(2) APPLICABILITY.—Notwithstanding any other provision of this section, in the case of a loan sold to a secondary market under title VIII, paragraph (1) shall apply regardless of whether the bank or association retains a subordinated participation interest in a loan or pool of loans or contributes to a cash reserve.

"(3) Exception.—

"(A) In general.—Subject to subparagraph (B) and notwithstanding any other provision of this section, if a loan designated for sale under paragraph (1)(A) is not sold into a secondary market during the 180-day period that begins on the date of the designation, the voting stock or participation certificate purchase requirement that would otherwise apply to the loan in the absence of a bylaw provision described in paragraph (1)(A) shall be effective.

"(B) Retirement.—The bylaws adopted by a bank or association under subsection (b) may provide that if a loan described in subparagraph (A) is sold into a secondary market after the end of the 180-day period described in the subparagraph, all outstanding voting stock or participation certificates held by the borrower with respect to the loan shall, subject to subsection (d)(1), be retired.".

SEC. 487. DISCLOSURE RELATING TO ADJUSTABLE RATE LOANS.

Section 4.13(a)(4) of the Farm Credit Act of 1971 (12 U.S.C. 2199(a)(4)) is amended by inserting before the semicolon at the end the following: ", and notice to the borrower of a change in the interest rate applicable to the loan of the borrower may be made within a reasonable time after the effective date of an increase or decrease in the interest rate".

SEC. 488. BORROWERS' RIGHTS.

(a) Definition of Loan.—Section 4.14A(a)(5) of the Farm Credit Act of 1971 (12 U.S.C. 2202a(a)(5)) is amended—

(1) by striking "(5) Loan.—The" and inserting the following:

"(5) Loan.—

"(A) In general.—Subject to subparagraph (B), the"; and

(2) by adding at the end the following:

"(B) Exclusion for loans designated for sale into secondary market.—

"(i) In general.—Except as provided in clause (ii), the term 'loan' does not include a loan made on or after the date of enactment of this subparagraph that is designated, at the time the loan is made, for sale into a secondary market.

"(ii) Unsold loans.—

"(I) In general.—Except as provided in subclause (II), if a loan designated for sale under clause (i) is not sold into a secondary market during the 180-day period that begins on the date of the designation, the provisions of this section and sections 4.14, 4.14B, 4.14C, 4.14D, and 4.36 that would otherwise apply to the loan in the absence of the exclusion described in clause (i) shall become effective with respect to the loan.

"(II) Later sale.—If a loan described in subclause (I) is sold into a secondary market after the end of the 180-day period described in subclause (I), subclause (I) shall not apply with respect to the loan beginning on the date of the sale.".

(b) Borrowers' Rights for Pooled Loans.—The first sentence of section 8.9(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-9(b)) is amended by inserting "(as defined in section 4.14A(a)(5))" after "application for a loan".

SEC. 489. FORMATION OF ADMINISTRATIVE SERVICE ENTITIES.

Part E of title IV of the Farm Credit Act of 1971 is amended by inserting after section 4.28 (12 U.S.C. 2214) the following:

"SEC. 4.28A. DEFINITION OF BANK.

"In this part, the term 'bank' includes each association operating under title II.".

SEC. 490. JOINT MANAGEMENT AGREEMENTS.

The first sentence of section 5.17(a)(2)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2252(a)(2)(A)) is amended by striking "or management agreements".

SEC. 491. DISSEMINATION OF QUARTERLY REPORTS.

Section 5.17(a)(8) of the Farm Credit Act of 1971 (12 U.S.C. 2252(a)(8)) is amended by inserting after "except that" the following: "the requirements of the Farm Credit Administration governing the dissemination to stockholders of quarterly reports of System institutions may not be more burdensome or costly than the requirements applicable to national banks, and".

SEC. 492. REGULATORY REVIEW.

(a) Findings.—Congress finds that—

(1) the Farm Credit Administration, in the role of the Administration as an arms-length safety and soundness regulator, has made considerable progress in reducing the regulatory burden on Farm Credit System institutions;

(2) the efforts of the Farm Credit Administration described in paragraph (1) have resulted in cost savings for Farm Credit System institutions; and

(3) the cost savings described in paragraph (2) ultimately benefit the farmers, ranchers, agricultural cooperatives, and rural residents of the United States.

(b) Continuation of Regulatory Review.—The Farm Credit Administration shall continue the comprehensive review of regulations governing the Farm Credit System to identify and eliminate, consistent with law, safety, and soundness, all regulations that are unnecessary, unduly burdensome or costly, or not based on law.

SEC. 493. EXAMINATION OF FARM CREDIT SYSTEM INSTITUTIONS.

The first sentence of section 5.19(a) of the Farm Credit Act of 1971 (12 U.S.C. 2254(a)) is amended by striking "each year" and inserting "during each 18-month period".

SEC. 494. CONSERVATORSHIPS AND RECEIVERSHIPS.

(a) Definitions.—Section 5.51 of the Farm Credit Act of 1971 (12 U.S.C. 2277a) is amended—

(1) by striking paragraph (5); and

(2) by redesignating paragraph (6) as paragraph (5).

(b) General Corporate Powers.—Section 5.58 of the Farm Credit Act of 1971 (12 U.S.C. 2277a-7) is amended by striking paragraph (9) and inserting the following:

"(9) Conservator or receiver.—The Corporation may act as a conservator or receiver.".

SEC. 495. FARM CREDIT INSURANCE FUND OPERATIONS.

(a) Adjustment of Premiums.—

(1) In general.—Section 5.55(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a-4(a)) is amended—

(A) in paragraph (1), by striking "Until the aggregate of amounts in the Farm Credit Insurance Fund exceeds the secure base amount, the annual premium due from any insured System bank for any calendar year" and inserting the following: "If at the end of any calendar year the aggregate of amounts in the Farm Credit Insurance Fund does not exceed the secure base amount, subject to paragraph (2), the annual premium due from any insured System bank for the calendar year";

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following:

"(2) Reduced premiums.—The Corporation, in the sole discretion of the Corporation, may reduce by a percentage uniformly applied to all insured System banks the annual premium due from each insured System bank during any calendar year, as determined under paragraph (1).".

(2) Conforming amendments.—

(A) Section 5.55(b) of the Farm Credit Act of 1971 (12 U.S.C. 2277a-4(b)) is amended—

(i) by striking "Insurance Fund" each place it appears and inserting "Farm Credit Insurance Fund";

(ii) by striking "for the following calendar year"; and

(iii) by striking "subsection (a)" and inserting "subsection (a)(1)".

(B) Section 5.56(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a-5(a)) is amended by striking "section 5.55(a)(2)" each place it appears in paragraphs (2) and (3) and inserting "section 5.55(a)(3)".

(C) Section 1.12(b) (12 U.S.C. 2020(b)) is amended—

(i) in paragraph (1), by inserting "(as defined in section 5.55(a)(3))" after "government-guaranteed loans"; and

(ii) in paragraph (3), by inserting "(as so defined)" after "government-guaranteed loans" each place such term appears.

(b) Allocation to Insured System Banks and Other System Institutions of Excess Amounts in the Farm Credit Insurance Fund.—Section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a-4) is amended by adding at the end the following:

"(e) Allocation to System Institutions of Excess Reserves.—

"(1) Establishment of allocated insurance reserves accounts.—There is hereby established in the Farm Credit Insurance Fund an Allocated Insurance Reserves Account—

"(A) for each insured System bank; and

"(B) subject to paragraph (6)(C), for all holders, in the aggregate, of Financial Assistance Corporation stock.

"(2) Treatment.—Amounts in any Allocated Insurance Reserves Account shall be considered to be part of the Farm Credit Insurance Fund.

"(3) Annual allocations.—If, at the end of any calendar year, the aggregate of the amounts in the Farm Credit Insurance Fund exceeds the average secure base amount for the calendar year (as calculated on an average daily balance basis), the Corporation shall allocate to the Allocated Insurance Reserves Accounts the excess amount less the amount that the Corporation, in its sole discretion, determines to be the sum of the estimated operating expenses and estimated insurance obligations of the Corporation for the immediately succeeding calendar year.

"(4) Allocation formula.—From the total amount required to be allocated at the end of a calendar year under paragraph (3)—

"(A) 10 percent of the total amount shall be credited to the Allocated Insurance Reserves Account established under paragraph (1)(B), subject to paragraph (6)(C); and

"(B) there shall be credited to the Allocated Insurance Reserves Account of each insured System bank an amount that bears the same ratio to the total amount (less any amount credited under subparagraph (A)) as the average principal outstanding for the 3-year period ending on the end of the calendar year on loans made by the bank that are in accrual status bears to the average principal outstanding for the 3-year period ending on the end of the calendar year on loans made by all insured System banks that are in accrual status (excluding, in each case, the guaranteed portions of government-guaranteed loans described in subsection (a)(1)(C)).

"(5) USE OF FUNDS IN ALLOCATED INSURANCE RESERVES ACCOUNTS.—To the extent that the sum of the operating expenses of the Corporation and the insurance obligations of the Corporation for a calendar year exceeds the sum of operating expenses and insurance obligations determined under paragraph (3) for the calendar year, the Corporation shall cover the expenses and obligations by—

"(A) reducing each Allocated Insurance Reserves Account by the same proportion; and

"(B) expending the amounts obtained under subparagraph (A) before expending other amounts in the Fund.

"(6) OTHER DISPOSITION OF ACCOUNT FUNDS.—

"(A) IN GENERAL.—As soon as practicable during each calendar year beginning more than 8 years after the date on which the aggregate of the amounts in the Farm Credit Insurance Fund exceeds the secure base amount, but not earlier than January 1, 2005, the Corporation may—

"(i) subject to subparagraphs (D) and (F), pay to each insured System bank, in a manner determined by the Corporation, an amount equal to the lesser of—

"(I) 20 percent of the balance in the insured System bank's Allocated Insurance Reserves Account as of the preceding December 31; or

"(II) 20 percent of the balance in the bank's Allocated Insurance Reserves Account on the date of the payment; and

"(ii) subject to subparagraphs (C), (E), and (F), pay to each System bank and association holding Financial Assistance Corporation stock a proportionate share, determined by dividing the number of shares of Financial Assistance Corporation stock held by the institution by the total number of shares of Financial Assistance Corporation stock outstanding, of the lesser of—

"(I) 20 percent of the balance in the Allocated Insurance Reserves Account established under paragraph (1)(B) as of the preceding December 31; or

"(II) 20 percent of the balance in the Allocated Insurance Reserves Account established under paragraph (1)(B) on the date of the payment.

"(B) AUTHORITY TO ELIMINATE OR REDUCE PAYMENTS.—The Corporation may eliminate or reduce payments during a calendar year under subparagraph (A) if the Corporation determines, in its sole discretion, that the payments, or other circumstances that might require use of the Farm Credit Insurance Fund, could cause the amount in the Farm Credit Insurance Fund during the calendar year to be less than the secure base amount.

"(C) REIMBURSEMENT FOR FINANCIAL ASSISTANCE CORPORATION STOCK.—

"(i) SUFFICIENT FUNDING.—Notwithstanding paragraph (4)(A), on provision by the Corporation for the accumulation in the Account established under paragraph (1)(B) of funds in an amount equal to $56,000,000 (in addition to the amounts described in subparagraph (F)(ii)), the Corporation shall not allocate any further funds to the Account except to replenish the Account if funds are diminished below $56,000,000 by the Corporation under paragraph (5).

"(ii) WIND DOWN AND TERMINATION.—

"(I) FINAL DISBURSEMENTS.—On disbursement of $53,000,000 (in addition to the amounts described in subparagraph (F)(ii)) from the Allocated Insurance Reserves Account, the Corporation shall disburse the remaining amounts in the Account, as determined under subparagraph (A)(ii), without regard to the percentage limitations in subclauses (I) and (II) of subparagraph (A)(ii).

"(II) TERMINATION OF ACCOUNT.—On disbursement of $56,000,000 (in addition to the amounts described in subparagraph (F)(ii)) from the Allocated Insurance Reserves Account, the Corporation shall close the Account established under paragraph (1)(B) and transfer any remaining funds in the Account to the remaining Allocated Insurance Reserves Accounts in accordance with paragraph (4)(B) for the calendar year in which the transfer occurs.

"(D) DISTRIBUTION OF PAYMENTS RECEIVED.—Not later than 60 days after receipt of a payment made under subparagraph (A)(i), each insured System bank, in consultation with affiliated associations of the insured System bank, and taking into account the direct or indirect payment of insurance premiums by the associations, shall develop and implement an equitable plan to distribute payments received under subparagraph (A)(i) among the bank and associations of the bank.

"(E) EXCEPTION FOR PREVIOUSLY REIMBURSED ASSOCIATIONS.—For purposes of subparagraph (A)(ii), in any Farm Credit district in which the funding bank has reimbursed 1 or more affiliated associations of the bank for the previously unreimbursed portion of the Financial Assistance Corporation stock held by the associations, the funding bank shall be deemed to be the holder of the shares of Financial Assistance Corporation stock for which the funding bank has provided the reimbursement.

"(F) INITIAL PAYMENT.—Notwithstanding subparagraph (A), the initial payment made to each payee under subparagraph (A) shall be in such amount determined by the Corporation to be equal to the sum of—

"(i) the total of the amounts that would have been paid if payments under subparagraph (A) had been authorized to begin, under the same terms and conditions, in the first calendar year beginning more than 5 years after the date on which the aggregate of the amounts in the Farm Credit Insurance Fund exceeds the secure base amount, and to continue through the 2 immediately subsequent years;

"(ii) interest earned on any amounts that would have been paid as described in clause (i) from the date on which the payments would have been paid as described in clause (i); and

"(iii) the payment to be made in the initial year described in subparagraph (A), based on the amount in each Account after subtracting the amounts to be paid under clauses (i) and (ii)."

(c) TECHNICAL AMENDMENTS.—Section 5.55(d) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4(d)) is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking "subsections (a) and (c)" and inserting "subsections (a), (c), and (e)"; and

(B) by striking "a Farm Credit Bank" and inserting "an insured System bank"; and

(2) in paragraphs (1), (2), and (3), by striking "Farm Credit Bank" each place it appears and inserting "insured System bank".

SEC. 496. EXAMINATIONS BY THE FARM CREDIT SYSTEM INSURANCE CORPORATION.

Section 5.59(b)(1)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–8(b)(1)(A)) is amended by adding at the end the following: "Notwithstanding any other provision of this Act, on cancellation of the charter of a System institution, the Corporation shall have authority to examine the system institution in receivership. An examination shall be performed at such intervals as the Corporation shall determine.".

SEC. 497. POWERS WITH RESPECT TO TROUBLED INSURED SYSTEM BANKS.

(a) LEAST-COST RESOLUTION.—Section 5.61(a)(3) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–10(a)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (F); and

(2) by striking subparagraph (A) and inserting the following:

"(A) LEAST-COST RESOLUTION.—Assistance may not be provided to an insured System bank under this subsection unless the means of providing the assistance is the least costly means of providing the assistance by the Farm Credit Insurance Fund of all possible alternatives available to the Corporation, including liquidation of the bank (including paying the insured obligations issued on behalf of the bank). Before making a least-cost determination under this subparagraph, the Corporation shall accord such other insured System banks as the Corporation determines to be appropriate the opportunity to submit information relating to the determination.

"(B) DETERMINING LEAST COSTLY APPROACH.—In determining the least costly alternative under subparagraph (A), the Corporation shall—

"(i) evaluate alternatives on a present-value basis, using a reasonable discount rate;

"(ii) document the evaluation and the assumptions on which the evaluation is based; and

"(iii) retain the documentation for not less than 5 years.

"(C) TIME OF DETERMINATION.—

"(i) GENERAL RULE.—For purposes of this subsection, the determination of the costs of providing any assistance under any provision of this section with respect to any insured System bank shall be made as of the date on which the Corporation makes the determination to provide the assistance to the institution under this section.

"(ii) RULE FOR LIQUIDATIONS.—For purposes of this subsection, the determination of the costs of liquidation of any insured System bank shall be made as of the earliest of—

"(I) the date on which a conservator is appointed for the insured System bank;

"(II) the date on which a receiver is appointed for the insured System bank; or

"(III) the date on which the Corporation makes any determination to provide any assistance under this section with respect to the insured System bank.

"(D) RULE FOR STAND-ALONE ASSISTANCE.—Before providing any assistance under paragraph (1), the Corporation shall evaluate the adequacy of managerial resources of the insured System bank. The continued service of any director or senior ranking officer who serves in a policymaking role for the assisted insured System bank, as determined by the Corporation, shall be subject to approval by the Corporation as a condition of assistance.

"(E) DISCRETIONARY DETERMINATIONS.—Any determination that the Corporation makes under this paragraph shall be in the sole discretion of the Corporation.".

(b) CONFORMING AMENDMENTS.—Section 5.61(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–10(a)) is amended—

(1) in paragraph (1) by striking "IN GENERAL.—" and inserting "STAND-ALONE ASSISTANCE.—"; and

(2) in paragraph (2)—

(A) by striking "ENUMERATED POWERS.—" and inserting "FACILITATION OF MERGERS OR CONSOLIDATION.—"; and

(B) in subparagraph (A) by striking "Facilitation of Mergers or Consolidation.—" and inserting "In General.—".

SEC. 498. OVERSIGHT AND REGULATORY ACTIONS BY THE FARM CREDIT SYSTEM INSURANCE CORPORATION.

The Farm Credit Act of 1971 is amended by inserting after section 5.61 (12 U.S.C. 2279a–10) the following:

"SEC. 5.61A. OVERSIGHT ACTIONS BY THE CORPORATION.

"(a) Definitions.—In this section, the term 'institution' means—

"(1) an insured System bank; and

"(2) a production credit association or other association making loans under section 7.6 with a direct loan payable to the funding bank of the association that comprises 20 percent or more of the funding bank's total loan volume net of nonaccrual loans.

"(b) Consultation Regarding Participation of Undercapitalized Banks in Issuance of Insured Obligations.—The Farm Credit Administration shall consult with the Corporation prior to approving an insured obligation that is to be issued by or on behalf of, or participated in by, any insured System bank that fails to meet the minimum level for any capital requirement established by the Farm Credit Administration for the bank.

"(c) Consultation Regarding Applications for Mergers and Restructurings.—

"(1) Corporation to Receive Copy of Transaction Applications.—On receiving an application for a merger or restructuring of an institution, the Farm Credit Administration shall forward a copy of the application to the Corporation.

"(2) Consultation Required.—If the proposed merger or restructuring involves an institution that fails to meet the minimum level for any capital requirement established by the Farm Credit Administration applicable to the institution, the Farm Credit Administration shall allow 30 days within which the Corporation may submit the views and recommendations of the Corporation, including any conditions for approval. In determining whether to approve or disapprove any proposed merger or restructuring, the Farm Credit Administration shall give due consideration to the views and recommendations of the Corporation.

"SEC. 5.61B. AUTHORITY TO REGULATE GOLDEN PARACHUTE AND INDEMNIFICATION PAYMENTS.

"(a) Definitions.—In this section:

"(1) Golden Parachute Payment.—The term 'golden parachute payment'—

"(A) means a payment (or any agreement to make a payment) in the nature of compensation for the benefit of any institution-related party under an obligation of any Farm Credit System institution that—

"(i) is contingent on the termination of the party's relationship with the institution; and

"(ii) is received on or after the date on which—

"(I) the institution is insolvent;

"(II) a conservator or receiver is appointed for the institution;

"(III) the institution has been assigned by the Farm Credit Administration a composite CAMEL rating of 4 or 5 under the Farm Credit Administration Rating System, or an equivalent rating; or

"(IV) the Corporation otherwise determines that the institution is in a troubled condition (as defined in regulations issued by the Corporation); and

"(B) includes a payment that would be a golden parachute payment but for the fact that the payment was made before the date referred to in subparagraph (A)(ii) if the payment was made in contemplation of the occurrence of an event described in any subclause of subparagraph (A); but

"(C) does not include—

"(i) a payment made under a retirement plan that is qualified (or is intended to be qualified) under section 401 of the Internal Revenue Code of 1986 or other nondiscriminatory benefit plan;

"(ii) a payment made under a bona fide supplemental executive retirement plan, deferred compensation plan, or other arrangement that the Corporation determines, by regulation or order, to be permissible; or

"(iii) a payment made by reason of the death or disability of an institution-related party.

"(2) Indemnification Payment.—The term 'indemnification payment' means a payment (or any agreement to make a payment) by any Farm Credit System institution for the benefit of any person who is or was an institution-related party, to pay or reimburse the person for any liability or legal expense with regard to any administrative proceeding or civil action instituted by the Farm Credit Administration that results in a final order under which the person—

"(A) is assessed a civil money penalty; or

"(B) is removed or prohibited from participating in the conduct of the affairs of the institution.

"(3) Institution-Related Party.—The term 'institution-related party' means—

"(A) a director, officer, employee, or agent for a Farm Credit System institution or any conservator or receiver of such an institution;

"(B) a stockholder (other than another Farm Credit System institution), consultant, joint venture partner, or any other person determined by the Farm Credit Administration to be a participant in the conduct of the affairs of a Farm Credit System institution; and

"(C) an independent contractor (including any attorney, appraiser, or accountant) that knowingly or recklessly participates in any violation of any law or regulation, any breach of fiduciary duty, or any unsafe or unsound practice that caused or is likely to cause more than a minimal financial loss to, or a significant adverse effect on, the Farm Credit System institution.

"(4) Liability or Legal Expense.—The term 'liability or legal expense' means—

"(A) a legal or other professional expense incurred in connection with any claim, proceeding, or action;

"(B) the amount of, and any cost incurred in connection with, any settlement of any claim, proceeding, or action; and

"(C) the amount of, and any cost incurred in connection with, any judgment or penalty imposed with respect to any claim, proceeding, or action.

"(5) Payment.—The term 'payment' means—

"(A) a direct or indirect transfer of any funds or any asset; and

"(B) any segregation of any funds or assets for the purpose of making, or under an agreement to make, any payment after the date on which the funds or assets are segregated, without regard to whether the obligation to make the payment is contingent on—

"(i) the determination, after that date, of the liability for the payment of the amount; or

"(ii) the liquidation, after that date, of the amount of the payment.

"(b) Prohibition.—The Corporation may prohibit or limit, by regulation or order, any golden parachute payment or indemnification payment by a Farm Credit System institution (including any conservator or receiver of the Federal Agricultural Mortgage Corporation) in troubled condition (as defined in regulations issued by the Corporation).

"(c) Factors To Be Taken Into Account.—The Corporation shall prescribe, by regulation, the factors to be considered by the Corporation in taking any action under subsection (b). The factors may include—

"(1) whether there is a reasonable basis to believe that an institution-related party has committed any fraudulent act or omission, breach of trust or fiduciary duty, or insider abuse with regard to the Farm Credit System institution involved that has had a material effect on the financial condition of the institution;

"(2) whether there is a reasonable basis to believe that the institution-related party is substantially responsible for the insolvency of the Farm Credit System institution, the appointment of a conservator or receiver for the institution, or the institution's troubled condition (as defined in regulations prescribed by the Corporation);

"(3) whether there is a reasonable basis to believe that the institution-related party has materially violated any applicable law or regulation that has had a material effect on the financial condition of the institution;

"(4) whether there is a reasonable basis to believe that the institution-related party has violated or conspired to violate—

"(A) section 215, 657, 1006, 1014, or 1344 of title 18, United States Code; or

"(B) section 1341 or 1343 of title 18, United States Code, affecting a Farm Credit System institution;

"(5) whether the institution-related party was in a position of managerial or fiduciary responsibility; and

"(6) the length of time that the party was related to the Farm Credit System institution and the degree to which—

"(A) the payment reasonably reflects compensation earned over the period of employment; and

"(B) the compensation represents a reasonable payment for services rendered.

"(d) Certain Payments Prohibited.—No Farm Credit System institution may prepay the salary or any liability or legal expense of any institution-related party if the payment is made—

"(1) in contemplation of the insolvency of the institution or after the commission of an act of insolvency; and

"(2) with a view to, or with the result of—

"(A) preventing the proper application of the assets of the institution to creditors; or

"(B) preferring 1 creditor over another creditor.

"(e) Rule of Construction.—Nothing in this section—

"(1) prohibits any Farm Credit System institution from purchasing any commercial insurance policy or fidelity bond, so long as the insurance policy or bond does not cover any legal or liability expense of an institution described in subsection (a)(2); or

"(2) limits the powers, functions, or responsibilities of the Farm Credit Administration.".

SEC. 499. FARM CREDIT SYSTEM INSURANCE CORPORATION BOARD OF DIRECTORS.

(a) In General.—Section 5.53 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–2) is amended to read as follows:

"SEC. 5.53. BOARD OF DIRECTORS.

"(a) Establishment.—The Corporation shall be managed by a Board of Directors that shall consist of the members of the Farm Credit Administration Board.

"(b) Chairman.—The Board of Directors shall be chaired by any Board member other than the Chairman of the Farm Credit Administration Board.".

(b) Conforming Amendments.—

(1) Section 5314 of title 5, United States Code, is amended by striking "Chairperson, Board of Directors of the Farm Credit System Insurance Corporation.".

(2) Section 5315 of title 5, United States Code, is amended by striking "Members, Board of Directors of the Farm Credit System Insurance Corporation.".

SEC. 499A. LIABILITY FOR MAKING CRIMINAL REFERRALS.

(a) In General.—Any institution of the Farm Credit System, or any director, officer, employee, or agent of a Farm Credit System institution, that discloses to a Government authority information proffered in good faith that may be relevant to a possible violation of any law or regulation shall not be liable to any person under any law of the United States or any State—

(1) for the disclosure; or

(2) for any failure to notify the person involved in the possible violation.

(b) No Prohibition on Disclosure.—Any institution of the Farm Credit System, or any director, officer, employee, or agent of a Farm Credit System institution, may disclose information to a Government authority that may be relevant to a possible violation of any law or regulation.

TITLE V—RURAL DEVELOPMENT

Subtitle A—Amendments to the Food, Agriculture, Conservation, and Trade Act of 1990

CHAPTER 1—GENERAL PROVISIONS

SEC. 501. RURAL INVESTMENT PARTNERSHIPS.

(a) In General.—Section 2310(c)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2007(c)(1)) is amended by striking "1996" and inserting "2002".

(b) Authorization of Appropriations.—The first sentence of section 2313(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2007c) is amended by striking "$10,000,000" and all that follows through "1996" and inserting "$4,700,000 for each of fiscal years 1996 through 2002".

SEC. 502. WATER AND WASTE FACILITY FINANCING.

Section 2322 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1926–1) is repealed.

SEC. 503. RURAL WASTEWATER CIRCUIT RIDER PROGRAM.

Section 2324 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 1926 note) is repealed.

SEC. 504. TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL AREAS.

Chapter 1 of subtitle D of title XXIII of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa et seq.) is amended to read as follows:

"CHAPTER 1—TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL AREAS

"SEC. 2331. PURPOSE.

"The purpose of the financing programs established under this chapter is to encourage and improve telemedicine services and distance learning services in rural areas through the use of telecommunications, computer networks, and related advanced technologies by students, teachers, medical professionals, and rural residents.

"SEC. 2332. DEFINITIONS.

"In this chapter:

"(1) Construct.—The term 'construct' means to construct, acquire, install, improve, or extend a facility or system.

"(2) Cost of money loan.—The term 'cost of money loan' means a loan made under this chapter bearing interest at a rate equal to the then current cost to the Federal Government of loans of similar maturity.

"(3) Secretary.—The term 'Secretary' means the Secretary of Agriculture.

"SEC. 2333. TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL AREAS.

"(a) Services to Rural Areas.—The Secretary is authorized to provide financial assistance for the purpose of financing the construction of facilities and systems to provide telemedicine services and distance learning services to persons and entities in rural areas.

"(b) Financial Assistance.—

"(1) In general.—Financial assistance shall consist of grants or cost of money loans, or both.

"(2) Form.—The Secretary shall determine the portion of the financial assistance provided to a recipient that consists of grants and that consists of cost of money loans so as to result in the maximum feasible repayment to the Federal Government of the financial assistance, based on the ability to repay of the recipient and full utilization of funds made available to carry out this chapter.

"(c) Recipients.—

"(1) In general.—The Secretary may provide financial assistance under this chapter to—

"(A) entities using telemedicine services or distance learning services, or both; and

"(B) entities providing or proposing to provide telemedicine service or distance learning service, or both, to other persons at rates reflecting the benefit of the financial assistance.

"(2) Electric or telecommunications borrowers.—

"(A) Loans to borrowers.—Subject to subparagraph (B), the Secretary may provide a cost of money loan under this chapter to a borrower of an electric or telecommunications loan under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.). A borrower receiving a cost of money loan under this paragraph shall—

"(i) make the funds provided available to entities that qualify under paragraph (1) for projects satisfying the requirements of this chapter;

"(ii) use the funds provided to acquire, install, improve, or extend a system for the purposes of this chapter; or

"(iii) use the funds provided to install, improve, or extend a facility for the purposes of this chapter.

"(B) Limitations.—A borrower of an electric or telecommunications loan under the Rural Electrification Act of 1936 shall—

"(i) make a system or facility funded under subparagraph (A) available to entities that qualify under paragraph (1); and

"(ii) neither retain from the proceeds of a loan provided under subparagraph (A), nor assess a qualifying entity under paragraph (1), any amount except as may be required to pay the actual costs incurred in administering the loan funds or making the system or facility available.

"(3) Assistance to provide or improve services.—Financial assistance may be provided under this chapter for a facility regardless of the location of the facility if the Secretary determines that the assistance is necessary to provide or improve telemedicine services or distance learning services in a rural area.

"(d) Priority.—The Secretary shall establish procedures to prioritize financial assistance provided under this chapter considering—

"(1) the need for the assistance in the affected rural area;

"(2) the financial need of the applicant;

"(3) the population sparsity of the affected rural area;

"(4) the local involvement in the project serving the affected rural area;

"(5) geographic diversity among the recipients of financial assistance;

"(6) the utilization of the telecommunications facilities of the existing telecommunications provider;

"(7) the portion of total project financing provided by the applicant from the funds of the applicant;

"(8) the portion of project financing provided by the applicant with funds obtained from non-Federal sources;

"(9) the joint utilization of facilities financed by other financial assistance;

"(10) the coordination of the proposed project with regional projects or networks;

"(11) service to the widest practical number of persons within the general geographic area covered by the financial assistance;

"(12) conformity with the State strategic plan as prepared under section 381D of the Consolidated Farm and Rural Development Act; and

"(13) other factors determined appropriate by the Secretary.

"(e) Maximum Amount of Assistance to Individual Recipients.—The Secretary may establish the maximum amount of financial assistance to be made available to an individual recipient for each fiscal year under this chapter by publishing notice in the Federal Register. The notice shall be published not more than 45 days after funds are made available to carry out this chapter during a fiscal year.

"(f) Use of Funds.—Financial assistance provided under this chapter shall be used for—

"(1) the development and acquisition of instructional programming;

"(2) the development and acquisition, through lease or purchase, of computer hardware and software, audio and visual equipment, computer network components, telecommunications terminal equipment, telecommunications transmission facilities, data terminal equipment, or interactive video equipment, and other facilities that would further telemedicine services or distance learning services, or both;

"(3) providing technical assistance and instruction for the development or use of the programming, equipment, or facilities referred to in paragraphs (1) and (2); or

"(4) other uses that are consistent with this chapter, as determined by the Secretary.

"(g) Salaries and Expenses.—Notwithstanding subsection (f), financial assistance provided under this chapter shall not be used for paying salaries of employees or administrative expenses.

"(h) Expediting Coordinated Telephone Loans.—

"(1) In general.—The Secretary may establish and carry out procedures to ensure that expedited consideration and determination is given to applications for loans and advances of funds submitted by local exchange carriers under this chapter and the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) to enable the exchange carriers to provide advanced telecommunications services in rural areas in conjunction with any other projects carried out under this chapter.

"(2) DEADLINE IMPOSED ON SECRETARY.—Not later than 45 days after the receipt of a completed application for an expedited telephone loan under paragraph (1), the Secretary shall respond to the application. The Secretary shall notify the applicant in writing of the decision of the Secretary regarding each expedited loan application.

"(i) NOTIFICATION OF LOCAL EXCHANGE CARRIER.—

"(1) APPLICANTS.—Each applicant for a grant for a telemedicine or distance learning project established under this chapter shall notify the appropriate local telephone exchange carrier regarding the application filed with the Secretary for the grant.

"(2) SECRETARY.—The Secretary shall—

"(A) publish notice of applications received for grants under this chapter for telemedicine or distance learning projects; and

"(B) make the applications available for inspection.

"SEC. 2334. ADMINISTRATION.

"(a) NONDUPLICATION.—The Secretary shall ensure that facilities constructed using financial assistance provided under this chapter do not duplicate adequate established telemedicine services or distance learning services.

"(b) LOAN MATURITY.—The maturities of cost of money loans shall be determined by the Secretary, based on the useful life of the facility being financed, except that the loan shall not be for a period of more than 10 years.

"(c) LOAN SECURITY AND FEASIBILITY.—The Secretary shall make a cost of money loan only after determining that the security for the loan is reasonably adequate and that the loan will be repaid within the period of the loan.

"(d) ENCOURAGING CONSORTIA.—The Secretary shall encourage the development of consortia to provide telemedicine services or distance learning services, or both, through telecommunications in rural areas served by a telecommunications provider.

"(e) COOPERATION WITH OTHER AGENCIES.—The Secretary shall cooperate, to the extent practicable, with other Federal and State agencies with similar grant or loan programs to pool resources for funding meritorious proposals in rural areas.

"(f) INFORMATIONAL EFFORTS.—The Secretary shall establish and implement procedures to carry out informational efforts to advise potential end users located in rural areas of each State about the program authorized by this chapter.

"SEC. 2335. REGULATIONS.

"Not later than 180 days after the effective date of the Agricultural Reform and Improvement Act of 1996, the Secretary shall issue regulations to carry out this chapter.

"SEC. 2335A. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this chapter $100,000,000 for each of fiscal years 1996 through 2002.".

SEC. 505. LIMITATION ON AUTHORIZATION OF APPROPRIATIONS FOR RURAL TECHNOLOGY GRANTS.

Section 2347 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 4034) is amended—

(1) by striking "(a) IN GENERAL.—"; and

(2) by striking subsection (b).

SEC. 506. MONITORING THE ECONOMIC PROGRESS OF RURAL AMERICA.

Section 2382 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 13 U.S.C. 141 note) is repealed.

SEC. 507. ANALYSIS BY OFFICE OF TECHNOLOGY ASSESSMENT.

Section 2385 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 7 U.S.C. 950aaa-4 note) is repealed.

SEC. 508. RURAL HEALTH INFRASTRUCTURE IMPROVEMENT.

Section 2391 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 7 U.S.C. 2662 note) is repealed.

SEC. 509. CENSUS OF AGRICULTURE.

Section 2392 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 4057) is repealed.

CHAPTER 2—ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION

SEC. 521. DEFINITIONS.

Section 1657(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5901(c)) is amended—

(1) by striking paragraphs (3) and (4);

(2) by redesignating paragraph (5) as paragraph (3);

(3) by redesignating paragraphs (6) through (12) as paragraphs (7) through (13), respectively; and

(4) by inserting after paragraph (3) (as redesignated by paragraph (2)) the following:

"(4) CORPORATE BOARD.—The term 'Corporate Board' means the Board of Directors of the Corporation described in section 1659.

"(5) CORPORATION.—The term 'Corporation' means the Alternative Agricultural Research and Commercialization Corporation established under section 1658.

"(6) EXECUTIVE DIRECTOR.—The term 'Executive Director' means the Executive Director of the Corporation appointed under section 1659(d)(2).".

SEC. 522. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION.

(a) IN GENERAL.—Section 1658 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5902) is amended to read as follows:

"SEC. 1658. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION.

"(a) ESTABLISHMENT.—To carry out this subtitle, there is created a body corporate to be known as the Alternative Agricultural Research and Commercialization Corporation, which shall be an agency of the United States, within the Department of Agriculture, subject to the general supervision and direction of the Secretary, except as specifically provided for in this subtitle.

"(b) PURPOSE.—The purpose of the Corporation is to—

"(1) expedite the development and market penetration of industrial, nonfood, nonfeed products from agricultural and forestry materials; and

"(2) assist the private sector in bridging the gap between research results and the commercialization of the research.

"(c) PLACE OF INCORPORATION.—The Corporation shall be located in the District of Columbia.

"(d) CENTRAL OFFICE.—The Secretary shall provide facilities for the principal office of the Corporation within the Washington, D.C. metropolitan area.

"(e) WHOLLY-OWNED GOVERNMENT CORPORATION.—The Corporation shall be considered a wholly-owned government corporation for purposes of chapter 91 of title 31, United States Code.

"(f) GENERAL POWERS.—In addition to any other powers granted to the Corporation under this subtitle, the Corporation—

"(1) shall have succession in its corporate name;

"(2) may adopt, alter, and rescind any bylaw and adopt and alter a corporate seal, which shall be judicially noticed;

"(3) may enter into any agreement or contract with a person or private or governmental agency, except that the Corporation shall not provide any financial assistance unless specifically authorized under this subtitle;

"(4) may lease, purchase, accept a gift or donation of, or otherwise acquire, use, own, hold, improve, or otherwise deal in or with, and sell, convey, mortgage, pledge, lease, exchange, or otherwise dispose of, any property, real, personal, or mixed, or any interest in property, as the Corporation considers necessary in the transaction of the business of the Corporation, except that this paragraph shall not provide authority for carrying out a program of real estate investment;

"(5) may sue and be sued in the corporate name of the Corporation, except that—

"(A) no attachment, injunction, garnishment, or similar process shall be issued against the Corporation or property of the Corporation; and

"(B) exclusive original jurisdiction shall reside in the district courts of the United States, but the Corporation may intervene in any court in any suit, action, or proceeding in which the Corporation has an interest;

"(6) may independently retain legal representation;

"(7) may provide for and designate such committees, and the functions of the committees, as the Corporate Board considers necessary or desirable,

"(8) may indemnify the Executive Director and other officers of the Corporation, as the Corporate Board considers necessary and desirable, except that the Executive Director and officers shall not be indemnified for an act outside the scope of employment;

"(9) may, with the consent of any board, commission, independent establishment, or executive department of the Federal Government, including any field service, use information, services, facilities, officials, and employees in carrying out this subtitle, and pay for the use, which payments shall be credited to the applicable appropriation that incurred the expense;

"(10) may obtain the services and fix the compensation of any consultant and otherwise procure temporary and intermittent services under section 3109(b) of title 5, United States Code;

"(11) may use the United States mails on the same terms and conditions as the Executive agencies of the Federal Government;

"(12) shall have the rights, privileges, and immunities of the United States with respect to the right to priority of payment with respect to debts due from bankrupt, insolvent, or deceased creditors;

"(13) may collect or compromise any obligations assigned to or held by the Corporation, including any legal or equitable rights accruing to the Corporation;

"(14) shall determine the character of, and necessity for, obligations and expenditures of the Corporation and the manner in which the obligations and expenditures shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to Government corporations;

"(15) may make final and conclusive settlement and adjustment of any claim by or against the Corporation or a fiscal officer of the Corporation;

"(16) may sell assets, loans, and equity interests acquired in connection with the financing of projects funded by the Corporation; and

"(17) may exercise all other lawful powers necessarily or reasonably related to the establishment of the Corporation to carry out this subtitle and the powers, purposes, functions, duties, and authorized activities of the Corporation.

"(g) SPECIFIC POWERS.—To carry out this subtitle, the Corporation shall have the authority to—

"(1) make grants to, and enter into cooperative agreements and contracts with, eligible applicants for research, development, and demonstration projects in accordance with section 1660;

"(2) make loans and interest subsidy payments and invest venture capital in accordance with section 1661;

"(3) collect and disseminate information concerning State, regional, and local commercialization projects;

"(4) search for new nonfood, nonfeed products that may be produced from agricultural commodities and for processes to produce the products;

"(5) administer, maintain, and dispense funds from the Alternative Agricultural Research and Commercialization Revolving Fund to facilitate the conduct of activities under this subtitle; and

"(6) engage in other activities incident to carrying out the functions of the Corporation.".

(b) WHOLLY OWNED GOVERNMENT CORPORATION.—Section 9101(3) of title 31, United States Code, is amended—

(1) by redesignating subparagraph (N) (relating to the Uranium Enrichment Corporation) as subparagraph (O); and

(2) by adding at the end the following:

"(P) the Alternative Agricultural Research and Commercialization Corporation.".

(c) CONFORMING AMENDMENT.—Section 211(b)(5) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6911(b)(5)) is amended by striking "Alternative Agricultural Research and Commercialization Board" and inserting "Corporate Board of the Alternative Agricultural Research and Commercialization Corporation".

SEC. 523. BOARD OF DIRECTORS, EMPLOYEES, AND FACILITIES.

(a) IN GENERAL.—Section 1659 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5903) is amended to read as follows:

"SEC. 1659. BOARD OF DIRECTORS, EMPLOYEES, AND FACILITIES.

"(a) IN GENERAL.—The powers of the Corporation shall be vested in a Corporate Board.

"(b) MEMBERS OF THE CORPORATE BOARD.—The Corporate Board shall consist of 10 members as follows:

"(1) The Under Secretary of Agriculture for Rural Economic and Community Development.

"(2) The Under Secretary of Agriculture for Research, Education, and Economics.

"(3) 4 members appointed by the Secretary, of whom—

"(A) at least 1 member shall be a representative of the leading scientific disciplines relevant to the activities of the Corporation;

"(B) at least 1 member shall be a producer or processor of agricultural commodities; and

"(C) at least 1 member shall be a person who is privately engaged in the commercialization of new nonfood, nonfeed products from agricultural commodities.

"(4) 2 members appointed by the Secretary who—

"(A) have expertise in areas of applied research relating to the development or commercialization of new nonfood, nonfeed products; and

"(B) shall be appointed from a group of at least 4 individuals nominated by the Director of the National Science Foundation if the nominations are made within 60 days after the date a vacancy occurs.

"(5) 2 members appointed by the Secretary who—

"(A) have expertise in financial and managerial matters; and

"(B) shall be appointed from a group of at least 4 individuals nominated by the Secretary of Commerce if the nominations are made within 60 days after the date a vacancy occurs.

"(c) RESPONSIBILITIES OF THE CORPORATE BOARD.—

"(1) IN GENERAL.—The Corporate Board shall—

"(A) be responsible for the general supervision of the Corporation and Regional Centers established under section 1663;

"(B) determine (in consultation with Regional Centers) high priority commercialization areas to receive assistance under section 1663;

"(C) review any grant, contract, or cooperative agreement to be made or entered into by the Corporation under section 1660 and any financial assistance to be provided under section 1661;

"(D) make the final decision, by majority vote, on whether and how to provide assistance to an applicant; and

"(E) using the results of the hearings and other information and data collected under paragraph (2), develop and establish a budget plan and a long-term operating plan to carry out this subtitle.

"(2) AUTHORITY OF THE SECRETARY.—

"(A) IN GENERAL.—The Secretary shall vacate and remand to the Board for reconsideration any decision made pursuant to paragraph (1)(D) if the Secretary determines that there has been a violation of subsection (j), or any conflict of interest provisions of the bylaws of the Board, with respect to the decision.

"(B) REASONS.—In the case of any violation and referral of a funding decision to the Board, the Secretary shall inform the Board of the reasons for any remand pursuant to subparagraph (A).

"(d) CHAIRPERSON.—The members of the Corporate Board shall select a Chairperson from among the members of the Corporate Board. The term of office of the Chairperson shall be 2 years. The members referred to in paragraphs (1) and (2) of subsection (b) may not serve as Chairperson.

"(e) EXECUTIVE DIRECTOR.—

"(1) IN GENERAL.—The Executive Director of the Corporation shall be the chief executive officer of the Corporation, with such power and authority as may be conferred by the Corporate Board. The Executive Director shall be appointed by the Corporate Board. The appointment shall be subject to the approval of the Secretary.

"(2) COMPENSATION.—The Executive Director shall receive basic pay at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(f) OFFICERS.—The Corporate Board shall establish the offices and appoint the officers of the Corporation, including a Secretary, and define the duties of the officers in a manner consistent with this subtitle.

"(g) MEETINGS.—The Corporate Board shall meet at least 3 times each fiscal year at the call of the Chairperson or at the request of the Executive Director. The location of the meetings shall be subject to approval of the Executive Director. A quorum of the Corporate Board shall consist of a majority of the members. The decisions of the Corporate Board shall be made by majority vote.

"(h) TERM; VACANCIES.—

"(1) IN GENERAL.—The term of office of a member of the Corporate Board shall be 4 years, except that the members initially appointed shall be appointed to serve staggered terms. A member appointed to fill a vacancy for an unexpired term may be appointed only for the remainder of the term. A vacancy on the Corporate Board shall be filled in the same manner as the original appointment. The Secretary shall not remove a member of the Corporate Board except for cause.

"(2) TRANSITION MEASURE.—An individual who is serving on the Alternative Agricultural Research and Commercialization Board on the day before the effective date of the Agricultural Reform and Improvement Act of 1996 may be appointed to the Corporate Board by the Secretary for a term that does not exceed the term of the individual on the Alternative Agricultural Research and Commercialization Board if the Act had not been enacted.

"(i) COMPENSATION.—A member of the Corporate Board who is an officer or employee of the United States shall not receive any additional compensation by reason of service on the Corporate Board. Any other member shall receive, for each day (including travel time) the member is engaged in the performance of the functions of the Corporate Board, compensation at a rate not to exceed the daily equivalent of the annual rate in effect for Level IV of the Executive Schedule. A member of the Corporate Board shall be reimbursed for travel, subsistence, and other necessary expenses incurred by the member in the performance of the duties of the member.

"(j) CONFLICT OF INTEREST; FINANCIAL DISCLOSURE.—

"(1) CONFLICT OF INTEREST.—Except as provided in paragraph (3), no member of the Corporate Board shall vote on any matter respecting any application, contract, claim, or other particular matter pending before the Corporation, in which, to the knowledge of the member, the member, spouse, or child of the member, partner, or organization in which the member is serving as officer, director, trustee, partner, or employee, or any person or organization with whom the member is negotiating or has any arrangement concerning prospective employment, has a financial interest.

"(2) VIOLATIONS.—Action by a member of the Corporate Board that is contrary to the prohibition contained in paragraph (1) shall be cause for removal of the member, but shall not impair or otherwise affect the validity of any otherwise lawful action by the Corporation in which the member participated.

"(3) EXCEPTIONS.—The prohibitions contained in paragraph (1) shall not apply if a member of the Corporate Board advises the Corporate Board of the nature of the particular matter in which the member proposes to participate, and if the member makes a full disclosure of the financial interest, prior to any participation, and the Corporate Board determines, by majority vote, that the financial interest is too remote or too inconsequential to affect the integrity of the member's services to the Corporation in that matter. The member involved shall not vote on the determination.

"(4) FINANCIAL DISCLOSURE.—A Board member shall be subject to the financial disclosure requirements applicable to a special

Government employee (as defined in section 202(a) of title 18, United States Code).

"(k) DELEGATION OF AUTHORITY.—

"(1) IN GENERAL.—The Corporate Board may, by resolution, delegate to the Chairperson, the Executive Director, or any other officer or employee any function, power, or duty assigned to the Corporation under this subtitle, other than a function, power, or duty expressly vested in the Corporate Board by subsections (c) through (n).

"(2) PROHIBITION ON DELEGATION.—Notwithstanding any other law, the Secretary and any other officer or employee of the United States shall not make any delegation to the Corporate Board, the Chairperson, the Executive Director, or the Corporation of any power, function, or authority not expressly authorized by this subtitle, unless the delegation is made pursuant to an authority in law that expressly makes reference to this section.

"(3) REORGANIZATION ACT.—Notwithstanding any other law, the President (through authorities provided under chapter 9, title 5, United States Code) may not authorize the transfer to the Corporation of any power, function, or authority in addition to powers, functions, and authorities provided by law.

"(l) BYLAWS.—Notwithstanding section 1658(f)(2), the Corporate Board shall adopt, and may from time to time amend, any bylaw that is necessary for the proper management and functioning of the Corporation. The Corporate Board shall not adopt any bylaw that has not been reviewed and approved by the Secretary.

"(m) ORGANIZATION.—The Corporate Board shall provide a system of organization to fix responsibility and promote efficiency.

"(n) PERSONNEL AND FACILITIES OF CORPORATION.—

"(1) APPOINTMENT AND COMPENSATION OF PERSONNEL.—The Corporation may select and appoint officers, attorneys, employees, and agents, who shall be vested with such powers and duties as the Corporation may determine.

"(2) USE OF FACILITIES AND SERVICES OF THE DEPARTMENT OF AGRICULTURE.—Notwithstanding any other provision of law, to perform the responsibilities of the Corporation under this subtitle, the Corporation may partially or jointly utilize the facilities of and the services of employees of the Department of Agriculture, without cost to the Corporation.

"(3) GOVERNMENT EMPLOYMENT LAWS.—An officer or employee of the Corporation shall be subject to all laws of the United States relating to governmental employment.".

(b) CONFORMING AMENDMENT.—Section 5315 of title V, United States Code, is amended by adding at the end the following:

"Executive Director of the Alternative Agricultural Research and Commercialization Corporation.".

SEC. 524. RESEARCH AND DEVELOPMENT GRANTS, CONTRACTS, AND AGREEMENTS.

Section 1660 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5904) is amended—

(1) by striking "Center" each place it appears and inserting "Corporation";

(2) in subsection (c), by striking "Board" and inserting "Corporate Board"; and

(3) in subsection (f), by striking "non-Center" and inserting "non-Corporation".

SEC. 525. COMMERCIALIZATION ASSISTANCE.

Section 1661 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5905) is amended—

(1) by striking "Center" each place it appears and inserting "Corporation";

(2) by striking "Board" each place it appears and inserting "Corporate Board";

(3) by striking subsection (c);

(4) by redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively; and

(5) in subsection (c) (as so redesignated)—

(A) in the subsection heading of paragraph (1), by striking "DIRECTOR" and inserting "EXECUTIVE DIRECTOR"; and

(B) by striking "Director" each place it appears and inserting "Executive Director".

SEC. 526. GENERAL RULES REGARDING THE PROVISION OF ASSISTANCE.

Section 1662 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5906) is amended—

(1) by striking "Center" each place it appears (except in subsection (b)) and inserting "Corporation";

(2) by striking "Board" each place it appears and inserting "Corporate Board"; and

(3) in subsection (b)—

(A) in the second sentence, by striking "Board, a Regional Center, or the Advisory Council" and inserting "Board or a Regional Center"; and

(B) by striking the third sentence.

SEC. 527. REGIONAL CENTERS.

Section 1663 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5907) is amended—

(1) by striking "Board" each place it appears and inserting "Corporate Board";

(2) in subsection (e)(8), by striking "Center" and inserting "Corporation"; and

(3) in subsection (f)—

(A) in paragraph (2), by striking "in consultation with the Advisory Council appointed under section 1661(c)"; and

(B) by striking paragraphs (3) and (4) and inserting the following:

"(3) RECOMMENDATION.—The Regional Director, based on the comments of the reviewers, shall make and submit a recommendation to the Board. A recommendation submitted by a Regional Director shall not be binding on the Board.".

SEC. 528. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND.

Section 1664 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5908) is amended to read as follows:

"SEC. 1664. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND.

"(a) ESTABLISHMENT.—There is established in the Treasury of the United States a revolving fund to be known as the Alternative Agricultural Research and Commercialization Revolving Fund. The Fund shall be available to the Corporation, without fiscal year limitation, to carry out the authorized programs and activities of the Corporation under this subtitle.

"(b) CONTENTS OF FUND.—There shall be deposited in the Fund—

"(1) such amounts as may be appropriated or transferred to support programs and activities of the Corporation;

"(2) payments received from any source for products, services, or property furnished in connection with the activities of the Corporation;

"(3) fees and royalties collected by the Corporation from licensing or other arrangements relating to commercialization of products developed through projects funded in whole or part by grants, contracts, or cooperative agreements executed by the Corporation;

"(4) proceeds from the sale of assets, loans, and equity interests made in furtherance of the purposes of the Corporation;

"(5) donations or contributions accepted by the Corporation to support authorized programs and activities; and

"(6) any other funds acquired by the Corporation.

"(c) FUNDING ALLOCATIONS.—Funding of projects and activities under this subtitle shall be subject to the following restrictions:

"(1) Of the total amount of funds made available for a fiscal year under this subtitle—

"(A) not more than the lesser of 15 percent or $3,000,000 may be set aside to be used for authorized administrative expenses of the Corporation in carrying out the functions of the Corporation;

"(B) not more than 1 percent may be set aside to be used for generic studies and specific reviews of individual proposals for financial assistance; and

"(C) except as provided in subsection (e), not less than 84 percent shall be set aside to be awarded to qualified applicants who file project applications with, or respond to requests for proposals from, the Corporation under sections 1660 and 1661.

"(2) Any funds remaining uncommitted at the end of a fiscal year shall be credited to the Fund and added to the total program funds available to the Corporation for the next fiscal year.

"(d) AUTHORIZED ADMINISTRATIVE EXPENSES.—For the purposes of this section, authorized administrative expenses shall include all ordinary and necessary expenses, including all compensation for personnel and consultants, expenses for computer usage, or space needs of the Corporation and similar expenses. Funds authorized for administrative expenses shall not be available for the acquisition of real property.

"(e) PROJECT MONITORING.—The Board may establish, in the bylaws of the Board, a percent of funds provided under subsection (c), not to exceed 1 percent per project award, for any commercialization project to be expended from project awards that shall be used to ensure that project funds are being utilized in accordance with the project agreement.

"(f) TERMINATION OF THE FUND.—On expiration of the authority provided by this subtitle, all assets (after payment of all outstanding obligations) of the Fund shall revert to the general fund of the Treasury.

"(g) AUTHORIZATION OF APPROPRIATIONS; CAPITALIZATION.—

"(1) AUTHORIZATION OF APPROPRIATION.—There are authorized to be appropriated to the Fund $75,000,000 for each of fiscal years 1996 through 2002.

"(2) CAPITALIZATION.—The Executive Director may pay as capital of the Corporation, from amounts made available through annual appropriations, $75,000,000 for each of fiscal years 1996 through 2002. On the payment of capital by the Executive Director, the Corporation shall issue an equivalent amount of capital stock to the Secretary of the Treasury.

"(3) TRANSFER.—All obligations, assets, and related rights and responsibilities of the Alternative Agricultural Research and Commercialization Center established under section 1658 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5902) (as in effect on the day before the effective date of the Agricultural Reform and Improvement Act of 1996) are transferred to the Corporation.".

SEC. 529. PROCUREMENT PREFERENCES FOR PRODUCTS RECEIVING CORPORATION ASSISTANCE.

Subtitle G of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990

(7 U.S.C. 5901 et seq.) is amended by adding at the end the following:

"SEC. 1665. PROCUREMENT OF ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION PRODUCTS.

"(a) DEFINITION OF EXECUTIVE AGENCY.—In this section, the term 'executive agency' has the meaning provided the term in section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)).

"(b) PROCUREMENT.—To further the achievement of the purposes specified in section 1657(b), an executive agency may, for any procurement involving the acquisition of property, establish set-asides and preferences for property that has been commercialized with assistance provided under this subtitle.

"(c) SET-ASIDES.—Procurements solely for property may be set-aside exclusively for products developed with commercialization assistance provided under section 1661.

"(d) PREFERENCES.—Preferences for property developed with assistance provided under this subtitle in procurements involving the acquisition of property may be—

"(1) a price preference, if the procurement is solely for property, of not greater than a percentage to be determined within the sole discretion of the head of the procuring agency; or

"(2) a technical evaluation preference included as an award factor or subfactor as determined within the sole discretion of the head of the procuring agency.

"(e) NOTICE.—Each competitive solicitation or invitation for bids selected by an executive agency for a set-aside or preference under this section shall contain a provision notifying offerors where a list of products eligible for the set aside or preference may be obtained.

"(f) ELIGIBILITY.—Offerors shall receive the set aside or preference required under this section if, in the case of products developed with financial assistance under—

"(1) section 1660, less than 10 years have elapsed since the expiration of the grant, cooperative agreement, or contract;

"(2) paragraph (1) or (2) of section 1661(a), less than 5 years have elapsed since the date the loan was made or insured;

"(3) section 1661(a)(3), less than 5 years have elapsed since the date of sale of any remaining government equity interest in the company; or

"(4) section 1661(a)(4), less than 5 years have elapsed since the date of the final payment on the repayable grant.".

SEC. 530. BUSINESS PLAN AND FEASIBILITY STUDY AND REPORT.

(a) BUSINESS PLAN.—Not later than 180 days after the date of enactment of this Act, the Alternative Agricultural Research and Commercialization Corporation established under section 1658 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5902) shall—

(1) develop a 5-year business plan pursuant to section 1659(c)(1)(E) of the Food, Agriculture, Conservation, and Trade Act of 1990 (as amended by section 523); and

(2) submit the plan to the Secretary of Agriculture, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(b) FEASIBILITY STUDY AND REPORT.—

(1) STUDY.—The Secretary of Agriculture shall conduct a study of and prepare a report on the continued feasibility of the Alternative Agricultural Research and Commercialization Corporation. In conducting the study, the Secretary shall examine options for privatizing the Corporation and converting the Corporation to a Government sponsored enterprise.

(2) REPORT.—Not later than December 31, 2001, the Secretary shall transmit the report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

Subtitle B—Amendments to the Consolidated Farm and Rural Development Act

CHAPTER 1—GENERAL PROVISIONS

SEC. 541. WATER AND WASTE FACILITY LOANS AND GRANTS.

(a) IN GENERAL.—Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended—

(1) in the first sentence of paragraph (2), by striking "$500,000,000" and inserting "$590,000,000";

(2) by striking paragraph (7) and inserting the following:

"(7) DEFINITION OF RURAL AND RURAL AREAS.—For the purpose of water and waste disposal grants and direct and guaranteed loans provided under paragraphs (1) and (2), the terms 'rural' and 'rural area' shall mean a city, town, or unincorporated area that has a population of no more than 10,000 inhabitants.";

(3) by striking paragraphs (9), (10), and (11) and inserting the following:

"(9) CONFORMITY WITH STATE DRINKING WATER STANDARDS.—No Federal funds shall be made available under this section unless the Secretary determines that the water system seeking funding will make significant progress toward meeting the standards established under title XIV of the Public Health Service Act (commonly known as the 'Safe Drinking Water Act') (42 U.S.C. 300f et seq.).

"(10) CONFORMITY WITH FEDERAL AND STATE WATER POLLUTION CONTROL STANDARDS.—In the case of a water treatment discharge or waste disposal system seeking funding, no Federal funds shall be made available under this section unless the Secretary determines that the effluent from the system conforms with applicable Federal and State water pollution control standards.

"(11) RURAL BUSINESS OPPORTUNITY GRANTS.—

"(A) IN GENERAL.—The Secretary may make grants, not to exceed $1,500,000 annually, to public bodies, private nonprofit community development corporations or entities, or such other agencies as the Secretary may select to enable the recipients—

"(i) to identify and analyze business opportunities, including opportunities in export markets, that will use local rural economic and human resources;

"(ii) to identify, train, and provide technical assistance to existing or prospective rural entrepreneurs and managers;

"(iii) to establish business support centers and otherwise assist in the creation of new rural businesses, the development of methods of financing local businesses, and the enhancement of the capacity of local individuals and entities to engage in sound economic activities;

"(iv) to conduct regional, community, and local economic development planning and coordination, and leadership development; and

"(v) to establish centers for training, technology, and trade that will provide training to rural businesses in the utilization of interactive communications technologies to develop international trade opportunities and markets.

"(B) CRITERIA.—In awarding the grants, the Secretary shall consider, among other criteria to be established by the Secretary—

"(i) the extent to which the applicant provides development services in the rural service area of the applicant; and

"(ii) the capability of the applicant to carry out the purposes of this section.

"(C) COORDINATION.—The Secretary shall ensure, to the maximum extent practicable, that assistance provided under this paragraph is coordinated with and delivered in cooperation with similar services or assistance provided to rural residents by the Cooperative State Research, Education, and Extension Service or other Federal agencies.

"(D) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this paragraph $7,500,000 for each of fiscal years 1996 through 2002.";

(4) by striking paragraphs (14) and (15); and

(5) in paragraph (16)—

(A) by striking "(16)(A) The" and inserting the following:

"(16) RURAL WATER AND WASTEWATER TECHNICAL ASSISTANCE AND TRAINING PROGRAMS.—

"(A) IN GENERAL.—The";

(B) in subparagraph (A)—

(i) by striking "(i) identify" and inserting the following:

"(i) identify";

(ii) by striking "(ii) prepare" and inserting the following:

"(ii) prepare"; and

(iii) by striking "(iii) improve" and inserting the following:

"(iii) improve";

(C) in subparagraph (B), by striking "(B) In" and inserting the following:

"(B) SELECTION PRIORITY.—In"; and

(D) in subparagraph (C)—

(i) by striking "(C) Not" and inserting the following:

"(C) FUNDING.—Not"; and

(ii) by striking "2 per centum of any funds provided in Appropriations Acts" and inserting "3 percent of any funds appropriated".

(b) CONFORMING AMENDMENTS.—

(1) Section 307(a)(6)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(6)(B)) (as amended by section 451(a)(2)) is further amended—

(A) by striking clause (ii); and

(B) by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively.

(2) The second sentence of section 309A(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929a(a)) is amended by striking ", 306(a)(14),".

SEC. 542. EMERGENCY COMMUNITY WATER ASSISTANCE GRANT PROGRAM FOR SMALL COMMUNITIES.

Section 306A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a) is amended—

(1) in subsection (e)—

(A) by striking paragraph (1) and inserting the following:

"(1) MAXIMUM INCOME.—No grant provided under this section may be used to assist any rural area or community that has a median household income in excess of the State nonmetropolitan median household income according to the most recent decennial census of the United States."; and

(B) in paragraph (2), by striking "5,000" and inserting "3,000"; and

(2) by striking subsection (i) and inserting the following:

"(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $35,000,000 for each of fiscal years 1996 through 2002.".

SEC. 543. EMERGENCY COMMUNITY WATER ASSISTANCE GRANT PROGRAM FOR SMALLEST COMMUNITIES.

Section 306B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926b) is repealed.

SEC. 544. AGRICULTURAL CREDIT INSURANCE FUND.

Section 309(f) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(f)) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) through (6) as paragraphs (1) through (5), respectively.

SEC. 545. RURAL DEVELOPMENT INSURANCE FUND.

Section 309A(g) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929a(g)) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) through (8) as paragraphs (1) through (7), respectively.

SEC. 546. INSURED WATERSHED AND RESOURCE CONSERVATION AND DEVELOPMENT LOANS.

Section 310A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1931) is repealed.

SEC. 547. RURAL INDUSTRIALIZATION ASSISTANCE.

(a) IN GENERAL.—Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended—

(1) in subsection (b), by striking "(b)(1)" and all that follows through "(2) The" and inserting the following:

"(b) SOLID WASTE MANAGEMENT GRANTS.—The";

(2) in subsection (c)—

(A) by striking "(c)(1) The" and inserting the following:

"(c) RURAL BUSINESS ENTERPRISE GRANTS.—

"(1) IN GENERAL.—The";

(B) in paragraph (1), by inserting "(including nonprofit entities)" after "private business enterprises"; and

(C) in paragraph (2)—

(i) by striking "(2) The" and inserting the following:

"(2) PASSENGER TRANSPORTATION SERVICES OR FACILITIES.—The"; and

(ii) by striking "make grants" and inserting "award grants on a competitive basis"; and

(3) by striking subsections (e), (g), (h), and (i);

(4) by redesignating subsections (f) and (j) as subsections (e) and (f), respectively;

(5) by striking subsection (e) (as so redesignated) and inserting the following:

"(e) RURAL COOPERATIVE DEVELOPMENT GRANTS.—

"(1) DEFINITIONS.—In this subsection:

"(A) NONPROFIT INSTITUTION.—The term 'nonprofit institution' means any organization or institution, including an accredited institution of higher education, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(B) UNITED STATES.—The term 'United States' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the other territories and possessions of the United States.

"(2) GRANTS.—The Secretary shall make grants under this subsection to nonprofit institutions for the purpose of enabling the institutions to establish and operate centers for rural cooperative development.

"(3) GOALS.—The goals of a center funded under this subsection shall be to facilitate the creation of jobs in rural areas through the development of new rural cooperatives, value added processing, and rural businesses.

"(4) APPLICATION.—Any nonprofit institution seeking a grant under paragraph (2) shall submit to the Secretary an application containing a plan for the establishment and operation by the institution of a center or centers for cooperative development. The Secretary may approve the application if the plan contains the following:

"(A) A provision that substantiates that the center will effectively serve rural areas in the United States.

"(B) A provision that the primary objective of the center will be to improve the economic condition of rural areas through cooperative development.

"(C) A description of the activities that the center will carry out to accomplish the objective. The activities may include the following:

"(i) Programs for applied research and feasibility studies that may be useful to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

"(ii) Programs for the collection, interpretation, and dissemination of information that may be useful to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

"(iii) Programs providing training and instruction for individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

"(iv) Programs providing loans and grants to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

"(v) Programs providing technical assistance, research services, and advisory services to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

"(vi) Programs providing for the coordination of services and sharing of information among the center.

"(D) A description of the contributions that the activities are likely to make to the improvement of the economic conditions of the rural areas for which the center will provide services.

"(E) Provisions that the center, in carrying out the activities, will seek, where appropriate, the advice, participation, expertise, and assistance of representatives of business, industry, educational institutions, the Federal Government, and State and local governments.

"(F) Provisions that the center will take all practicable steps to develop continuing sources of financial support for the center, particularly from sources in the private sector.

"(G) Provisions for—

"(i) monitoring and evaluating the activities by the nonprofit institution operating the center; and

"(ii) accounting for money received by the institution under this section.

"(5) AWARDING GRANTS.—Grants made under paragraph (2) shall be made on a competitive basis. In making grants under paragraph (2), the Secretary shall give preference to grant applications providing for the establishment of centers for rural cooperative development that—

"(A) demonstrate a proven track record in administering a nationally coordinated, regionally or State-wide operated project;

"(B) demonstrate previous expertise in providing technical assistance in rural areas;

"(C) demonstrate the ability to assist in the retention of existing businesses, facilitate the establishment of new cooperatives and new cooperative approaches, and generate new employment opportunities that will improve the economic conditions of rural areas;

"(D) demonstrate the ability to create horizontal linkages among businesses within and among various sectors in rural America and vertical linkages to domestic and international markets;

"(E) commit to providing technical assistance and other services to underserved and economically distressed areas in rural America; and

"(F) commit to providing greater than a 25 percent matching contribution with private funds and in-kind contributions.

"(6) TWO-YEAR GRANTS.—The Secretary shall evaluate programs receiving assistance under this subsection and, if the Secretary determines it to be in the best interest of the Federal Government, the Secretary may approve grants under this subsection for up to 2 years.

"(7) TECHNICAL ASSISTANCE TO PREVENT EXCESSIVE UNEMPLOYMENT OR UNDEREMPLOYMENT.—In carrying out this subsection, the Secretary may provide technical assistance to alleviate or prevent conditions of excessive unemployment, underemployment, outmigration, or low employment growth in economically distressed rural areas that the Secretary determines have a substantial need for the assistance. The assistance may include planning and feasibility studies, management and operational assistance, and studies evaluating the need for development potential of projects that increase employment and improve economic growth in the areas.

"(8) GRANTS TO DEFRAY ADMINISTRATIVE COSTS.—The Secretary may make grants to defray not to exceed 75 percent of the costs incurred by organizations and public bodies to carry out projects for which grants or loans are made under this subsection. For purposes of determining the non-Federal share of the costs, the Secretary shall consider contributions in cash and in kind, fairly evaluated, including premises, equipment, and services.

"(9) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $50,000,000 for each of fiscal years 1996 through 2002."; and

(6) by adding at the end the following:

"(g) LOAN GUARANTEES FOR THE PURCHASE OF COOPERATIVE STOCK.—

"(1) DEFINITION OF FARMER.—In this subsection, the term 'farmer' means any farmer that meets the family farmer definition, as determined by the Secretary.

"(2) LOAN GUARANTEES.—The Secretary may guarantee loans under this section to individual farmers for the purpose of purchasing capital stock of a farmer cooperative established for the purpose of processing an agricultural commodity.

"(3) ELIGIBILITY.—To be eligible for a loan guarantee under this subsection, a farmer must produce the agricultural commodity that will be processed by the cooperative.

"(4) COLLATERAL.—To be eligible for a loan guarantee under this subsection for the establishment of a cooperative, the borrower of the loan must pledge collateral to secure at least 25 percent of the amount of the loan.".

(b) CONFORMING AMENDMENTS.—

(1) Clause (iii) of section 307(a)(6)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(6)(B)) (as redesignated

by section 541(b)(1)(B)) is amended by striking "subsections (d) and (e) of section 310B" and inserting "section 310B(d)".

(2) Section 232(c)(2) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6942(c)(2)) is amended—

(A) by striking "310B(b)(2)" and inserting "310B(b)"; and

(B) by striking "1932(b)(2)" and inserting "1932(b)".

(3) Section 233(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6943(b)) is amended—

(A) by striking paragraph (2); and

(B) by redesignating paragraph (3) as paragraph (2).

SEC. 548. ADMINISTRATION.

Section 331(b)(4) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(b)(4)) is amended—

(1) by inserting after "claims" the following: "(including debts and claims arising from loan guarantees)";

(2) by striking "Farmers Home Administration or" and inserting "Consolidated Farm Service Agency, Rural Utilities Service, Rural Housing and Community Development Service, Rural Business and Cooperative Development Service, or a successor agency, or"; and

(3) by inserting after "activities under the Housing Act of 1949." the following: "In the case of a security instrument entered into under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), the Secretary shall notify the Attorney General of the intent of the Secretary to exercise the authority of the Secretary under this paragraph.".

SEC. 549. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 338 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1988) is amended—

(1) by striking subsections (b), (c), (d), and (e); and

(2) by redesignating subsection (f) as subsection (b).

(b) CONFORMING AMENDMENTS.—

(1) The first sentence of section 309(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(g)(1)) is amended by inserting after "section 338(c)" the following: "(before the amendment made by section 447(a)(1) of the Agricultural Reform and Improvement Act of 1996)".

(2) Section 343(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(b)) is amended by striking "338(f)," and inserting "338(b),".

SEC. 550. TESTIMONY BEFORE CONGRESSIONAL COMMITTEES.

Section 345 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1993) is repealed.

SEC. 551. PROHIBITION ON USE OF LOANS FOR CERTAIN PURPOSES.

Section 363 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006e) is amended by adding at the end the following: "This section shall not apply to a loan made or guaranteed under this title for a utility line.".

SEC. 552. RURAL DEVELOPMENT CERTIFIED LENDERS PROGRAM.

The Consolidated Farm and Rural Development Act is amended by inserting after section 363 (7 U.S.C. 2006e) the following:

"SEC. 364. RURAL DEVELOPMENT CERTIFIED LENDERS PROGRAM.

"(a) CERTIFIED LENDERS PROGRAM.—

"(1) IN GENERAL.—The Secretary may establish a program under which the Secretary may guarantee a loan for any rural development program that is made by a lender certified by the Secretary.

"(2) CERTIFICATION REQUIREMENTS.—The Secretary may certify a lender if the lender meets such criteria as the Secretary may prescribe in regulations, including the ability of the lender to properly make, service, and liquidate the guaranteed loans of the lender.

"(3) CONDITION OF CERTIFICATION.—As a condition of certification, the Secretary may require the lender to undertake to service the guaranteed loan using standards that are not less stringent than generally accepted banking standards concerning loan servicing that are used by prudent commercial or cooperative lenders.

"(4) GUARANTEE.—Notwithstanding any other provision of law, the Secretary may guarantee not more than 80 percent of a loan made by a certified lender described in paragraph (1), if the borrower of the loan meets the eligibility requirements and such other criteria for the loan guarantee that are established by the Secretary.

"(5) CERTIFICATIONS.—With respect to loans to be guaranteed, the Secretary may permit a certified lender to make appropriate certifications (as provided in regulations issued by the Secretary) —

"(A) relating to issues such as creditworthiness, repayment ability, adequacy of collateral, and feasibility of the operation; and

"(B) that the borrower is in compliance with all requirements of law, including regulations issued by the Secretary.

"(6) RELATIONSHIP TO OTHER REQUIREMENTS.—This subsection shall not affect the responsibility of the Secretary to determine eligibility, review financial information, and otherwise assess an application.

"(b) PREFERRED CERTIFIED LENDERS PROGRAM.—

"(1) IN GENERAL.—The Secretary may establish a preferred certified lenders program for lenders who establish their—

"(A) knowledge of, and experience under, the program established under subsection (a);

"(B) knowledge of the regulations concerning the particular guaranteed loan program; and

"(C) proficiency related to the certified lender program requirements.

"(2) ADDITIONAL LENDING INSTITUTIONS.—The Secretary may certify any lending institution as a preferred certified lender if the institution meets such additional criteria as the Secretary may prescribe by regulation.

"(3) REVOCATION OF DESIGNATION.—The designation of a lender as a preferred certified lender shall be revoked if the Secretary determines that the lender is not adhering to the rules and regulations applicable to the program or if the loss experiences of a preferred certified lender are greater than other preferred certified lenders, except that the suspension or revocation shall not affect any outstanding guarantee.

"(4) CONDITION OF CERTIFICATION.—As a condition of the preferred certification, the Secretary shall require the lender to undertake to service the loan guaranteed by the Secretary under this subsection using generally accepted banking standards concerning loan servicing employed by prudent commercial or cooperative lenders. The Secretary shall, at least annually, monitor the performance of each preferred certified lender to ensure that the conditions of the certification are being met.

"(5) EFFECT OF PREFERRED LENDER CERTIFICATION.—Notwithstanding any other provision of law, the Secretary may—

"(A) guarantee not more than 80 percent of any approved loan made by a preferred certified lender as described in this subsection, if the borrower meets the eligibility requirements and such other criteria as may be applicable to loans guaranteed by the Secretary; and

"(B) permit preferred certified lenders to make all decisions, with respect to loans to be guaranteed by the Secretary under this subsection relating to creditworthiness, the closing, monitoring, collection, and liquidation of loans, and to accept appropriate certifications, as provided in regulations issued by the Secretary, that the borrower is in compliance with all requirements of law and regulations issued by the Secretary.".

SEC. 553. SYSTEM FOR DELIVERY OF CERTAIN RURAL DEVELOPMENT PROGRAMS.

(a) IN GENERAL.—Section 365 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 2310 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2007) is amended—

(A) in subsection (a), by striking "or the program established in sections 365 and 366 of the Consolidated Farm and Rural Development Act (as added by chapter 3 of this subtitle)";

(B) in subsection (b)—

(i) by striking "STATES.—" and all that follows through "PARTNERSHIPS.—The" in paragraph (1) and inserting "STATES.—The"; and

(ii) by striking paragraph (2);

(C) in subsection (c)—

(i) by striking "PROJECTS.—" and all that follows through "PARTNERSHIPS.—Chapter" in paragraph (1) and inserting "PROJECTS.—Chapter";

(ii) by striking "subsection (b)(1)" and inserting "subsection (b)"; and

(iii) by striking paragraph (2); and

(D) in subsection (d), by striking "and sections 365, 366, 367, and 368(b) of the Consolidated Farm and Rural Development Act (as added by chapter 3 of this subtitle)".

(2) Section 2375 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6613) is amended—

(A) in subsection (e), by striking ", as defined in section 365(b)(2) of the Consolidated Farm and Rural Development Act,"; and

(B) by adding at the end the following:

"(g) DEFINITION OF DESIGNATED RURAL DEVELOPMENT PROGRAM.—In this section, the term 'designated rural development program' means a program carried out under section 304(b), 306(a), or 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1924(b), 1926(a), and 1932(e)), or under section 1323 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1932 note), for which funds are available at any time during the fiscal year under the section.".

(3) Paragraph (2) of section 233(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6943(b)) (as redesignated by section 547(b)(3)(B)) is amended by striking "sections 365 through 369 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008-2008d)" and inserting "section 369 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008d)".

SEC. 554. STATE RURAL ECONOMIC DEVELOPMENT REVIEW PANEL.

Section 366 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008a) is repealed.

SEC. 555. LIMITED TRANSFER AUTHORITY OF LOAN AMOUNTS.

Section 367 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008b) is repealed.

SEC. 556. ALLOCATION AND TRANSFER OF LOAN GUARANTEE AUTHORITY.

Section 368 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008c) is repealed.

SEC. 557. NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER.

The Consolidated Farm and Rural Development Act (as amended by section 441) is amended by adding at the end the following:

"SEC. 375. NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER.

"(a) DEFINITIONS.—In this section:

"(1) BOARD.—The term 'Board' means the Board of Directors established under subsection (f).

"(2) CENTER.—The term 'Center' means the National Sheep Industry Improvement Center established under subsection (b).

"(3) ELIGIBLE ENTITY.—The term 'eligible entity' means an entity that promotes the betterment of the United States lamb or wool industry and that is—

"(A) a public, private, or cooperative organization;

"(B) an association, including a corporation not operated for profit;

"(C) a federally recognized Indian Tribe; or

"(D) a public or quasi-public agency.

"(4) FUND.—The term 'Fund' means the Natural Sheep Improvement Center Revolving Fund established under subsection (e).

"(b) ESTABLISHMENT OF CENTER.—The Secretary shall establish a National Sheep Industry Improvement Center.

"(c) PURPOSES.—The purposes of the Center shall be to—

"(1) promote strategic development activities and collaborative efforts by private and State entities to maximize the impact of Federal assistance to strengthen and enhance the production and marketing of lamb and wool in the United States;

"(2) optimize the use of available human capital and resources within the sheep industry;

"(3) provide assistance to meet the needs of the sheep industry for infrastructure development, business development, production, resource development, and market and environmental research;

"(4) advance activities that empower and build the capacity of the United States sheep industry to design unique responses to the special needs of the lamb and wool industries on both a regional and national basis; and

"(5) adopt flexible and innovative approaches to solving the long-term needs of the United States sheep industry.

"(d) STRATEGIC PLAN.—

"(1) IN GENERAL.—The Center shall submit to the Secretary an annual strategic plan for the delivery of financial assistance provided by the Center.

"(2) REQUIREMENTS.—A strategic plan shall identify—

"(A) goals, methods, and a benchmark for measuring the success of carrying out the plan and how the plan relates to the national and regional goals of the Center;

"(B) the amount and sources of Federal and non-Federal funds that are available for carrying out the plan;

"(C) funding priorities;

"(D) selection criteria for funding; and

"(E) a method of distributing funding.

"(e) REVOLVING FUND.—

"(1) ESTABLISHMENT.—There is established in the Treasury the Natural Sheep Improvement Center Revolving Fund. The Fund shall be available to the Center, without fiscal year limitation, to carry out the authorized programs and activities of the Center under this section.

"(2) CONTENTS OF FUND.—There shall be deposited in the Fund—

"(A) such amounts as may be appropriated, transferred, or otherwise made available to support programs and activities of the Center;

"(B) payments received from any source for products, services, or property furnished in connection with the activities of the Center;

"(C) fees and royalties collected by the Center from licensing or other arrangements relating to commercialization of products developed through projects funded, in whole or part, by grants, contracts, or cooperative agreements executed by the Center;

"(D) proceeds from the sale of assets, loans, and equity interests made in furtherance of the purposes of the Center;;

"(E) donations or contributions accepted by the Center to support authorized programs and activities; and

"(F) any other funds acquired by the Center.

"(3) USE OF FUND.—

"(A) IN GENERAL.—The Center may use amounts in the Fund to make grants and loans to eligible entities in accordance with a strategic plan submitted under subsection (d).

"(B) CONTINUED EXISTENCE.—The Center shall manage the Fund in a manner that ensures that sufficient amounts are available in the Fund to carry out subsection (c).

"(C) DIVERSE AREA.—The Center shall, to the maximum extent practicable, use the Fund to serve broad geographic areas and regions of diverse production.

"(D) VARIETY OF LOANS AND GRANTS.—The Center shall, to the maximum extent practicable, use the Fund to provide a variety of intermediate- and long-term grants and loans.

"(E) ADMINISTRATION.—The Center may not use more than 3 percent of the amounts in the Fund for a fiscal year for the administration of the Center.

"(F) INFLUENCING LEGISLATION.—None of the amounts in the Fund may be used to influence legislation.

"(G) ACCOUNTING.—To be eligible to receive amounts from the Fund, an entity must agree to account for the amounts using generally accepted accounting principles.

"(H) USES OF FUND.—The Center may use amounts in the Fund to—

"(i) participate with Federal and State agencies in financing activities that are in accordance with a strategic plan submitted under subsection (d), including participation with several States in a regional effort;

"(ii) participate with other public and private funding sources in financing activities that are in accordance with the strategic plan, including participation in a regional effort;

"(iii) provide security for, or make principle or interest payments on, revenue or general obligation bonds issued by a State, if the proceeds from the sale of the bonds are deposited in the Fund;

"(iv) accrue interest;

"(v) guarantee or purchase insurance for local obligations to improve credit market access or reduce interest rates for a project that is in accordance with the strategic plan; or

"(vi) sell assets, loans, and equity interests acquired in connection with the financing of projects funded by the Center.

"(4) LOANS.—

"(A) RATE.—A loan from the Fund may be made at an interest rate that is below the market rate or may be interest free.

"(B) TERM.—The term of a loan may not exceed the shorter of—

"(i) the useful life of the activity financed; or

"(ii) 40 years.

"(C) SOURCE OF REPAYMENT.—The Center may not make a loan from the Fund unless the recipient establishes an assured source of repayment.

"(D) PROCEEDS.—All payments of principal and interest on a loan made from the Fund shall be deposited into the Fund.

"(5) MAINTENANCE OF EFFORT.—The Center shall use the Fund only to supplement and not to supplant Federal, State, and private funds expended for rural development.

"(6) FUNDING.—

"(A) DEPOSIT OF FUNDS.—All Federal and non-Federal amounts received by the Center to carry out this section shall be deposited in the Fund.

"(B) MANDATORY FUNDS.—Out of any moneys in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide to the Center not to exceed $20,000,000 to carry out this section.

"(C) ADDITIONAL FUNDS.—In addition to any funds provided under subparagraph (B), there is authorized to be appropriated to carry out this section $30,000,000 to carry out this section.

"(D) PRIVATIZATION.—Federal funds shall not be used to carry out this section beginning on the earlier of—

"(i) the date that is 10 years after the effective date of this section; or

"(ii) the day after a total of $50,000,000 is made available under subparagraphs (B) and (C) to carry out this section.

"(f) BOARD OF DIRECTORS.—

"(1) IN GENERAL.—The management of the Center shall be vested in a Board of Directors.

"(2) POWERS.—The Board shall—

"(A) be responsible for the general supervision of the Center;

"(B) review any grant, loan, contract, or cooperative agreement to be made or entered into by the Center and any financial assistance provided to the Center;

"(C) make the final decision, by majority vote, on whether and how to provide assistance to an applicant; and

"(D) develop and establish a budget plan and a long-term operating plan to carry out the goals of the Center.

"(3) COMPOSITION.—The Board shall be composed of—

"(A) 7 voting members, of whom—

"(i) 4 members shall be active producers of sheep in the United States;

"(ii) 2 members shall have expertise in finance and management; and

"(iii) 1 member shall have expertise in lamb and wool marketing; and

"(B) 2 nonvoting members, of whom—

"(i) 1 member shall be the Under Secretary of Agriculture for Rural Economic and Community Development; and

"(ii) 1 member shall be the Under Secretary of Agriculture for Research, Education, and Economics.

"(4) ELECTION.—A voting member of the Board shall be chosen in an election of the members of a national organization selected by the Secretary that—

"(A) consists only of sheep producers in the United States; and

"(B) has as the primary interest of the organization the production of lamb and wool in the United States.

"(5) TERM OF OFFICE.—

"(A) IN GENERAL.—Subject to subparagraph (B), the term of office of a voting member of the Board shall be 3 years.

"(B) STAGGERED INITIAL TERMS.—The initial voting members of the Board (other than the chairperson of the initially established Board) shall serve for staggered terms of 1, 2, and 3 years, as determined by the Secretary.

"(C) REELECTION.—A voting member may be reelected for not more than 1 additional term.

"(6) VACANCY.—

"(A) IN GENERAL.—A vacancy on the Board shall be filled in the same manner as the original Board.

"(B) REELECTION.—A member elected to fill a vacancy for an unexpired term may be reelected for 1 full term.

"(7) CHAIRPERSON.—

"(A) IN GENERAL.—The Board shall select a chairperson from among the voting members of the Board.

"(B) TERM.—The term of office of the chairperson shall be 2 years.

"(8) ANNUAL MEETING.—

"(A) IN GENERAL.—The Board shall meet not less than once each fiscal year at the call of the chairperson or at the request of the executive director appointed under subsection (g)(1).

"(B) LOCATION.—The location of a meeting of the Board shall be established by the Board.

"(9) VOTING.—

"(A) QUORUM.—A quorum of the Board shall consist of a majority of the voting members.

"(B) MAJORITY VOTE.—A decision of the Board shall be made by a majority of the voting members of the Board.

"(10) CONFLICTS OF INTEREST.—

"(A) IN GENERAL.—A member of the Board shall not vote on any matter respecting any application, contract, claim, or other particular matter pending before the Board in which, to the knowledge of the member, an interest is held by—

"(i) the member;

"(ii) any spouse of the member;

"(iii) any child of the member;

"(iv) any partner of the member;

"(v) any organization in which the member is serving as an officer, director, trustee, partner, or employee; or

"(vi) any person with whom the member is negotiating or has any arrangement concerning prospective employment or with whom the member has a financial interest.

"(B) REMOVAL.—Any action by a member of the Board that violates subparagraph (A) shall be cause for removal from the Board.

"(C) VALIDITY OF ACTION.—An action by a member of the Board that violates subparagraph (A) shall not impair or otherwise affect the validity of any otherwise lawful action by the Board.

"(D) DISCLOSURE.—

"(i) IN GENERAL.—If a member of the Board makes a full disclosure of an interest and, prior to any participation by the member, the Board determines, by majority vote, that the interest is too remote or too inconsequential to affect the integrity of any participation by the member, the member may participate in the matter relating to the interest.

"(ii) VOTE.—A member that discloses an interest under clause (i) shall not vote on a determination of whether the member may participate in the matter relating to the interest.

"(E) REMANDS.—

"(i) IN GENERAL.—The Secretary may vacate and remand to the Board for reconsideration any decision made pursuant to subsection (e)(3)(H) if the Secretary determines that there has been a violation of this paragraph or any conflict of interest provision of the bylaws of the Board with respect to the decision.

"(ii) REASONS.—In the case of any violation and remand of a funding decision to the Board under clause (i), the Secretary shall inform the Board of the reasons for the remand.

"(11) COMPENSATION.—

"(A) IN GENERAL.—A member of the Board shall not receive any compensation by reason of service on the Board.

"(B) EXPENSES.—A member of the Board shall be reimbursed for travel, subsistence, and other necessary expenses incurred by the member in the performance of a duty of the member.

"(12) BYLAWS.—The Board shall adopt, and may from time to time amend, any bylaw that is necessary for the proper management and functioning of the Center.

"(13) PUBLIC HEARINGS.—Not later than 1 year after the effective date of this section, the Board shall hold public hearings on policy objectives of the program established under this section.

"(14) ORGANIZATIONAL SYSTEM.—The Board shall provide a system of organization to fix responsibility and promote efficiency in carrying out the functions of the Board.

"(15) USE OF DEPARTMENT OF AGRICULTURE.—The Board may, with the consent of the Secretary, utilize the facilities of and the services of employees of the Department of Agriculture, without cost to the Center.

"(g) OFFICERS AND EMPLOYEES.—

"(1) EXECUTIVE DIRECTOR.—

"(A) IN GENERAL.—The Board shall appoint an executive director to be the chief executive officer of the Center.

"(B) TENURE.—The executive director shall serve at the pleasure of the Board.

"(C) COMPENSATION.—Compensation for the executive director shall be established by the Board.

"(2) OTHER OFFICERS AND EMPLOYEES.—The Board may select and appoint officers, attorneys, employees, and agents who shall be vested with such powers and duties as the Board may determine.

"(3) DELEGATION.—The Board may, by resolution, delegate to the chairperson, the executive director, or any other officer or employee any function, power, or duty of the Board other than voting on a grant, loan, contract, agreement, budget, or annual strategic plan.

"(h) CONSULTATION.—To carry out this section, the Board may consult with—

"(1) State departments of agriculture;

"(2) Federal departments and agencies;

"(3) nonprofit development corporations;

"(4) colleges and universities;

"(5) banking and other credit-related agencies;

"(6) agriculture and agribusiness organizations; and

"(7) regional planning and development organizations.

"(i) OVERSIGHT.—

"(1) IN GENERAL.—The Secretary shall review and monitor compliance by the Board and the Center with this section.

"(2) SANCTIONS.—If, following notice and opportunity for a hearing, the Secretary finds that the Board or the Center is not in compliance with this section, the Secretary may—

"(A) cease making deposits to the Fund;

"(B) suspend the authority of the Center to withdraw funds from the Fund; or

"(C) impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this Act and disqualification from receipt of financial assistance under this section.

"(3) REMOVING SANCTIONS.—The Secretary shall remove sanctions imposed under paragraph (2) on a finding that there is no longer any failure by the Board or the Center to comply with this section or that the noncompliance shall be promptly corrected.".

CHAPTER 2—RURAL COMMUNITY ADVANCEMENT PROGRAM

SEC. 561. RURAL COMMUNITY ADVANCEMENT PROGRAM.

The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding at the end the following:

"Subtitle E—Rural Community Advancement Program

"SEC. 381A. DEFINITIONS.

"In this subtitle:

"(1) RURAL AND RURAL AREA.—The terms 'rural' and 'rural area' mean, subject to section 306(a)(7), a city, town, or unincorporated area that has a population of 50,000 inhabitants or less, other than an urbanized area immediately adjacent to a city, town, or unincorporated area that has a population in excess of 50,000 inhabitants.

"(2) STATE.—The term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Federated States of Micronesia.

"SEC. 381B. ESTABLISHMENT.

"The Secretary shall establish a rural community advancement program to provide grants, loans, loan guarantees, and other assistance to meet the rural development needs of local communities in States and federally recognized Indian tribes.

"SEC. 381C. NATIONAL OBJECTIVES.

"The national objectives of the program established under this subtitle shall be to—

"(1) promote strategic development activities and collaborative efforts by State and local communities, and federally recognized Indian tribes, to maximize the impact of Federal assistance;

"(2) optimize the use of resources;

"(3) provide assistance in a manner that reflects the complexity of rural needs, including the needs for business development, health care, education, infrastructure, cultural resources, the environment, and housing;

"(4) advance activities that empower, and build the capacity of, State and local communities to design unique responses to the special needs of the State and local communities, and federally recognized Indian tribes, for rural development assistance; and

"(5) adopt flexible and innovative approaches to solving rural development problems.

"SEC. 381D. STRATEGIC PLANS.

"(a) IN GENERAL.—The Secretary shall direct each of the Directors of Rural Economic and Community Development State Offices to prepare a strategic plan for each State for the delivery of assistance under this subtitle within the State.

"(b) ASSISTANCE.—

"(1) IN GENERAL.—Financial assistance for rural development allocated for a State under this subtitle shall be used only for orderly community development that is consistent with the strategic plan of the State.

"(2) RURAL AREA.—Assistance under this subtitle may only be provided in a rural area.

"(3) SMALL COMMUNITIES.—In carrying out this subtitle within a State, the Secretary shall give priority to communities with the smallest populations and lowest per capita income.

"(c) REVIEW.—The Secretary shall review the strategic plan of a State at least once every 5 years.

"(d) CONTENTS.—A strategic plan of a State under this section shall be a plan that—

"(1) coordinates economic, human, and community development plans and related activities proposed for an affected area;

"(2) provides that the State and an affected community (including local institutions and organizations that have contributed to the planning process) shall act as full partners in the process of developing and implementing the plan;

"(3) identifies goals, methods, and benchmarks for measuring the success of carrying out the plan and how the plan relates to local or regional ecosystems;

"(4) provides for the involvement, in the preparation of the plan, of State, local, private, and public persons, State rural development councils, federally-recognized Indian tribes, and community-based organizations;

"(5) identifies the amount and source of Federal and non-Federal resources that are available for carrying out the plan; and

"(6) includes such other information as may be required by the Secretary.

"SEC. 381E. ACCOUNTS.

"(a) IN GENERAL.—Notwithstanding any other provision of law, for each fiscal year, the Secretary shall consolidate into 3 accounts, corresponding to the 3 function categories established under subsection (c), the amounts made available for programs included in each function category.

"(b) ALLOCATION WITHIN ACCOUNT.—The Secretary shall allocate the amounts in each account for such program purposes authorized for the corresponding function category among the States, as the Secretary may determine in accordance with this subtitle.

"(c) FUNCTION CATEGORIES.—For purposes of subsection (a):

"(1) RURAL HOUSING AND COMMUNITY DEVELOPMENT.—The rural housing and community development category shall include funds made available for—

"(A) community facility direct and guaranteed loans provided under section 306(a)(1);

"(B) community facility grants provided under section 306(a)(21); and

"(C) rental housing loans for new housing provided under section 515 of the Housing Act of 1949 (42 U.S.C. 1485).

"(2) RURAL UTILITIES.—The rural utilities category shall include funds made available for—

"(A) water and waste disposal grants and direct and guaranteed loans provided under paragraphs (1) and (2) of section 306(a);

"(B) rural water and wastewater technical assistance and training grants provided under section 306(a)(16);

"(C) emergency community water assistance grants provided under section 306A; and

"(D) solid waste management grants provided under section 310B(b).

"(3) RURAL BUSINESS AND COOPERATIVE DEVELOPMENT.—The rural business and cooperative development category shall include funds made available for—

"(A) rural business opportunity grants provided under section 306(a)(11)(A);

"(B) business and industry guaranteed loans provided under section 310B(a)(1);

"(C) rural business enterprise grants and rural educational network grants provided under section 310B(c); and

"(D) grants to broadcasting systems provided under section 310B(f).

"(d) OTHER PROGRAMS.—Subject to subsection (e), in addition to any other appropriated amounts, the Secretary may transfer amounts allocated for a State for any of the 3 function categories for a fiscal year under subsection (c) to—

"(1) mutual and self-help housing grants provided under section 523 of the Housing Act of 1949 (42 U.S.C. 1490c);

"(2) rural rental housing loans for existing housing provided under section 515 of the Housing Act of 1949 (42 U.S.C. 1485); and

"(3) rural cooperative development grants provided under section 310B(e).

"(e) TRANSFER.—

"(1) IN GENERAL.—Subject to paragraph (2), the Secretary may transfer within each State up to 25 percent of the total amount allocated for a State under each function category referred to in subsection (c) for each fiscal year under this section to any other function category, or to a program referred to in subsection (d), but excluding State grants under section 381G.

"(2) LIMITATION.—Not more than 10 percent of the total amount (excluding grants to States under section 381G) made available for any fiscal year for the programs covered by each of the 3 function categories referred to in subsection (c), and the programs referred to in subsection (d), shall be available for the transfer.

"(f) AVAILABILITY OF FUNDS.—The Secretary may make available funds appropriated for the programs referred to in subsection (c) to defray the cost of any subsidy associated with a guarantee provided under section 381H, except that not more than 5 percent of the funds provided under subsection (c) may be made available within a State.

"SEC. 381F. ALLOCATION.

"(a) NATIONAL RESERVE.—The Secretary may use not more than 10 percent of the total amount of funds made available for a fiscal year under section 381E to establish a national reserve for rural development that may be used by the Secretary in rural areas during the fiscal year to—

"(1) meet situations of exceptional need;

"(2) provide incentives to promote or reward superior performance; or

"(3) carry out performance-oriented demonstration projects.

"(b) INDIAN TRIBES.—

"(1) RESERVATION.—The Secretary shall reserve not less than 3 percent of the total amounts made available for a fiscal year under section 381E to carry out rural development programs specified in subsections (c) and (d) of section 381D for federally recognized Indian tribes.

"(2) ALLOCATION.—The Secretary shall establish a formula for allocating the reserve and shall administer the reserve through the appropriate Director of the Rural Economic and Cooperative Development State office.

"(c) STATE ALLOCATION.—

"(1) IN GENERAL.—The Secretary shall allocate among all the States the amounts made available under section 381E in a fair, reasonable, and appropriate manner that takes into consideration rural population, levels of income, unemployment, and other relevant factors, as determined by the Secretary.

"(2) MINIMUM ALLOCATION.—In making the allocations for each of fiscal years 1996 through 2002, the Secretary shall ensure that the percentage allocation for each State is equal to the percentage of the average of the total funds made available to carry out the programs referred to in section 381E(c) that were obligated in the State for each of fiscal years 1993 and 1994.

"SEC. 381G. GRANTS TO STATES.

"(a) IN GENERAL.—Subject to subsection (c), the Secretary shall grant to any eligible State from which a request is received for a fiscal year 5 percent of the amount allocated for the State for the fiscal year under section 381F(c).

"(b) ELIGIBILITY.—To be eligible to receive a grant under this section, the Secretary shall require that the State maintain the grant funds received and any non-Federal matching funds to carry out this subtitle in a separate account, to remain available until expended.

"(c) MATCHING FUNDS.—For any fiscal year, if non-Federal matching funds are provided for a State in an amount that is equal to 200 percent or more of an amount equal to 5 percent of the amount allocated for the State for the fiscal year under section 381F(c), the Secretary shall pay to the State the grant provided under this subsection in an amount equal to 5 percent of the amount allocated for the State for the fiscal year under section 381F(c).

"(d) USE OF FUNDS.—The Secretary shall require that funds provided to a State under this section be used in rural areas to achieve the purposes of the programs referred to in section 381E(c) in accordance with the strategic plan referred to in section 381D.

"(e) MAINTENANCE OF EFFORT.—The State shall provide assurances that funds received under this section will be used only to supplement, not to supplant, the amount of Federal, State, and local funds otherwise expended for rural development assistance in the State.

"(f) APPEALS.—The Secretary shall provide to a State an opportunity for an appeal of any action taken under this section.

"(g) ADMINISTRATIVE COSTS.—Federal funds shall not be used for any administrative costs incurred by a State in carrying out this subtitle.

"(h) SPENDING OF FUNDS BY STATE.—

"(1) IN GENERAL.—Payments to a State from a grant under this section for a fiscal year shall be obligated by the State in the fiscal year or in the succeeding fiscal year. A State shall obligate funds under this section to provide assistance to rural areas pursuant, to the maximum extent practicable, to applications received from the rural areas.

"(2) FAILURE TO OBLIGATE.—If a State fails to obligate payments in accordance with paragraph (1), the Secretary shall make a corresponding reduction in the amount of payments provided to the State under this section for the subsequent fiscal year.

"(3) NONCOMPLIANCE.—

"(A) REVIEW.—The Secretary shall review and monitor State compliance with this section.

"(B) PENALTY.—If the Secretary finds that there has been misuse of grant funds provided under this section, or noncompliance with any of the terms and conditions of a grant, after reasonable notice and opportunity for a hearing—

"(i) the Secretary shall notify the State of the finding; and

"(ii) no further payments to the State shall be made with respect to the programs funded under this section until the Secretary is satisfied that there is no longer any failure to comply or that the noncompliance will be promptly corrected.

"(C) OTHER SANCTIONS.—In the case of a finding of noncompliance made pursuant to subparagraph (B), the Secretary may, in addition to, or in lieu of, imposing the sanctions described in subparagraph (B), impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this section and disqualification from the receipt of financial assistance under this section.

"(i) No Entitlement to Contract, Grant, or Assistance.—Nothing in this subtitle—

"(1) entitles any person to assistance or a contract or grant; or

"(2) limits the right of a State to impose additional limitations or conditions on assistance or a contract or grant under this section.

"SEC. 381H. GUARANTEE AND COMMITMENT TO GUARANTEE LOANS.

"(a) Definition of Eligible Public Entity.—In this section, the term 'eligible public entity' means any unit of general local government.

"(b) Guarantee and Commitment.—The Secretary is authorized, on such terms and conditions as the Secretary may prescribe, to guarantee and make commitments to guarantee the notes or other obligations issued by eligible public entities, or by public agencies designated by the eligible public entities, for the purposes of financing rural development assistance activities authorized and funded under section 381G.

"(c) Prerequisites.—No guarantee or commitment to guarantee shall be made with respect to any note or other obligation if the issuer's total outstanding notes or obligations guaranteed under this section (excluding any amount repaid under the contract entered into under subsection (e)(1)(A)) would exceed an amount equal to 5 times the amount of the grant approval for the issuer pursuant to section 381G.

"(d) Payment of Principal, Interest, and Costs.—Notwithstanding any other provision of this subtitle, grants allocated to an issuer pursuant to this subtitle (including program income derived from the grants) shall be authorized for use in the payment of principal and interest due (including such servicing, underwriting, or other costs as may be specified in regulations of the Secretary) on the notes or other obligations guaranteed pursuant to this section.

"(e) Repayment Contract; Security.—

"(1) In general.—To ensure the repayment of notes or other obligations and charges incurred under this section and as a condition for receiving the guarantees, the Secretary shall require the issuer to—

"(A) enter into a contract, in a form acceptable to the Secretary, for repayment of notes or other obligations guaranteed under this section;

"(B) pledge any grant for which the issuer may become eligible under this subtitle; and

"(C) furnish, at the discretion of the Secretary, such other security as may be considered appropriate by the Secretary in making the guarantees.

"(2) Security.—To assist in ensuring the repayment of notes or other obligations and charges incurred under this section, a State shall pledge any grant for which the State may become eligible under this subtitle as security for notes or other obligations and charges issued under this section by any unit of general local government in the State.

"(f) Pledged Grants for Repayments.—Notwithstanding any other provision of this subtitle, the Secretary is authorized to apply grants pledged pursuant to paragraphs (1)(B) and (2) of subsection (e) to any repayments due the United States as a result of the guarantees.

"(g) Outstanding Obligations.—The total amount of outstanding obligations guaranteed on a cumulative basis by the Secretary pursuant to subsection (b) shall not at any time exceed such amount as may be authorized to be appropriated for any fiscal year.

"(h) Purchase of Guaranteed Obligations by Federal Financing Bank.—Notes or other obligations guaranteed under this section may not be purchased by the Federal Financing Bank.

"(i) Full Faith and Credit.—The full faith and credit of the United States is pledged to the payment of all guarantees made under this section. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligations for the guarantee with respect to principal and interest. The validity of the guarantee shall be incontestable in the hands of a holder of the guaranteed obligations.

"SEC. 381I. LOCAL INVOLVEMENT.

"The Secretary shall require that an applicant for assistance under this subtitle demonstrate evidence of significant community support.

"SEC. 381J. STATE-TO-STATE COLLABORATION.

"The Secretary shall permit the establishment of voluntary pooling arrangements among States, and regional fund-sharing agreements, to carry out this subtitle.

"SEC. 381K. RURAL VENTURE CAPITAL DEMONSTRATION PROGRAM.

"(a) In General.—The Secretary shall designate up to 10 community development venture capital organizations to demonstrate the utility of guarantees to attract increased private investment in rural private business enterprises.

"(b) Rural Business Investment Pool.—

"(1) Establishment.—To be eligible to participate in the demonstration program, an organization referred to in subsection (a) shall establish a rural business private investment pool (referred to in this subsection as a 'pool') for the purpose of making equity investments in rural private business enterprises.

"(2) Guarantee.—From funds allocated for the national reserve under section 381F(a), the Secretary shall guarantee the funds in a pool against loss, except that the guarantee shall not exceed an amount equal to 30 percent of the total funds in the pool.

"(3) Amount.—The Secretary shall issue guarantees covering not more than $15,000,000 of obligations for each of fiscal years 1996 through 2002.

"(4) Term.—The term of a guarantee provided under this subsection shall not exceed 10 years.

"(5) Submission of plan.—To be eligible to participate in the demonstration program, an organization referred to in subsection (a) shall submit a plan that describes—

"(A) potential sources and uses of the pool to be established by the organization;

"(B) the utility of the guarantee authority in attracting capital for the pool; and

"(C) on selection, mechanisms for notifying State, local, and private nonprofit business development organizations and businesses of the existence of the pool.

"(6) Competition.—

"(A) In general.—The Secretary shall conduct a competition for the designation and establishment of pools.

"(B) Priority.—In conducting the competition, the Secretary shall give priority to organizations that—

"(i) have a demonstrated record of performance or have a board and executive director with experience in venture capital, small business equity investments, or community development finance;

"(ii) propose to serve low-income communities;

"(iii) propose to maintain an average investment of not more than $500,000 from the pool of the organization;

"(iv) invest funds statewide or in a multicounty region; and

"(v) propose to target job opportunities resulting from the investments primarily to economically disadvantaged individuals.

"(C) Geographic diversity.—To the extent practicable, the Secretary shall select organizations in diverse geographic areas.

"SEC. 381L. ANNUAL REPORT.

"(a) In General.—The Secretary, in collaboration with public, State, local, and private entities, State rural development councils, and community-based organizations, shall prepare an annual report that contains evaluations, assessments, and performance outcomes concerning the rural community advancement programs carried out under this subtitle.

"(b) Submission.—Not later than March 1 of each year, the Secretary shall—

"(1) submit the report required under subsection (a) to Congress and the chief executives of States participating in the program established under this subtitle; and

"(2) make the report available to State and local participants.

"SEC. 381M. RURAL DEVELOPMENT INTERAGENCY WORKING GROUP.

"(a) In General.—The Secretary shall provide leadership within the Executive branch for, and assume responsibility for, establishing an interagency working group chaired by the Secretary.

"(b) Duties.—The working group shall establish policy, provide coordination, make recommendations, and evaluate the performance of or for all Federal rural development efforts.

"SEC. 381N. DUTIES OF RURAL ECONOMIC AND COMMUNITY DEVELOPMENT STATE OFFICES.

"In carrying out this subtitle, the Director of a Rural Economic and Community Development State Office shall—

"(1) to the maximum extent practicable, ensure that the State strategic plan is implemented;

"(2) coordinate community development objectives within the State;

"(3) establish links between local, State, and field office program administrators of the Department of Agriculture;

"(4) ensure that recipient communities comply with applicable Federal and State laws and requirements; and

"(5) integrate State development programs with assistance under this subtitle.

"SEC. 381O. ELECTRONIC TRANSFER.

"The Secretary shall transfer funds in accordance with this subtitle through electronic transfer as soon as practicable after the effective date of this subtitle.".

SEC. 562. COMMUNITY FACILITIES GRANT PROGRAM.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by adding at the end the following:

"(21) Community facilities grant program.—

"(A) In general.—The Secretary may make grants, in a total amount not to exceed $10,000,000 for any fiscal year, to associations, units of general local government, nonprofit corporations, and federally recognized Indian tribes to provide the Federal share of the cost of developing specific essential community facilities in rural areas.

"(B) Federal share.—

"(i) In general.—Except as provided in clauses (ii) and (iii), the Secretary shall, by regulation, establish the amount of the Federal share of the cost of the facility under this paragraph.

"(ii) MAXIMUM AMOUNT.—The amount of a grant provided under this paragraph shall not exceed 75 percent of the cost of developing a facility.

"(iii) GRADUATED SCALE.—The Secretary shall provide for a graduated scale for the amount of the Federal share provided under this paragraph, with higher Federal shares for facilities in communities that have lower community population and income levels, as determined by the Secretary.".

Subtitle C—Amendments to the Rural Electrification Act of 1936

SEC. 571. PURPOSES; INVESTIGATIONS AND REPORTS.

Section 2 of the Rural Electrification Act of 1936 (7 U.S.C. 902) is amended—

(1) by striking "SEC. 2. (a) The Secretary of Agriculture is" and inserting the following:

"SEC. 2. GENERAL AUTHORITY OF THE SECRETARY OF AGRICULTURE.

"(a) LOANS.—The Secretary of Agriculture (referred to in this Act as the 'Secretary') is";

(2) in subsection (a)—

(A) by striking "and the furnishing" the first place it appears and all that follows through "central station service"; and

(B) by striking "systems; to make" and all that follows through the period at the end of the subsection and inserting "systems"; and

(3) by striking subsection (b) and inserting the following:

"(b) INVESTIGATIONS AND REPORTS.—The Secretary may make, or cause to be made, studies, investigations, and reports regarding matters, including financial, technological, and regulatory matters, affecting the condition and progress of electric, telecommunications, and economic development in rural areas and publish and disseminate information with respect to the matters.".

SEC. 572. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 3 of the Rural Electrification Act of 1936 (7 U.S.C. 903) is amended to read as follows:

"SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated such sums as are necessary to carry out this Act.".

(b) CONFORMING AMENDMENTS.—

(1) Section 301(a) of the Rural Electrification Act of 1936 (7 U.S.C. 931(a)) is amended—

(A) by striking "(a)"; and

(B) in paragraph (3), by striking "notwithstanding section 3(a) of title I,".

(2) Section 302(b)(2) of the Rural Electrification Act of 1936 (7 U.S.C. 932(b)(2)) is amended by striking "pursuant to section 3(a) of this Act".

(3) The last sentence of section 406(a) of the Rural Electrification Act of 1936 (7 U.S.C. 946(a)) is amended by striking "pursuant to section 3(a) of this Act".

SEC. 573. LOANS FOR ELECTRICAL PLANTS AND TRANSMISSION LINES.

Section 4 of the Rural Electrification Act of 1936 (7 U.S.C. 904) is amended—

(1) in the first sentence—

(A) by striking "for the furnishing of" and all that follows through "central station service and"; and

(B) by striking "the provisions of sections 3(d) and 3(e) but without regard to the 25 per centum limitation therein contained," and inserting "section 3,";

(2) in the second sentence, by striking ": *Provided further*, That all" and all that follows through "loan: *And provided further*, That" and inserting ", except that"; and

(3) in the third sentence, by striking "and section 5".

SEC. 574. LOANS FOR ELECTRICAL AND PLUMBING EQUIPMENT.

(a) IN GENERAL.—Section 5 of the Rural Electrification Act of 1936 (7 U.S.C. 905) is repealed.

(b) CONFORMING AMENDMENTS.—Section 12(a) of the Rural Electrification Act of 1936 (7 U.S.C. 912(a)) is amended—

(1) by striking ": *Provided, however*, That" and inserting ", except that,"; and

(2) by striking ", and with respect to any loan made under section 5," and all that follows through "section 3".

SEC. 575. TESTIMONY ON BUDGET REQUESTS.

Section 6 of the Rural Electrification Act of 1936 (7 U.S.C. 906) is amended by striking the second sentence.

SEC. 576. TRANSFER OF FUNCTIONS OF ADMINISTRATION CREATED BY EXECUTIVE ORDER.

Section 8 of the Rural Electrification Act of 1936 (7 U.S.C. 908) is repealed.

SEC. 577. ANNUAL REPORT.

Section 10 of the Rural Electrification Act of 1936 (7 U.S.C. 910) is repealed.

SEC. 578. PROHIBITION ON RESTRICTING WATER AND WASTE FACILITY SERVICES TO ELECTRIC CUSTOMERS.

The Rural Electrification Act of 1936 is amended by inserting after section 16 (7 U.S.C. 916) the following:

"SEC. 17. PROHIBITION ON RESTRICTING WATER AND WASTE FACILITY SERVICES TO ELECTRIC CUSTOMERS.

"The Secretary shall establish rules and procedures that prohibit borrowers under title III or under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) from conditioning or limiting access to, or the use of, water and waste facility services financed under the Consolidated Farm and Rural Development Act if the conditioning or limiting is based on whether individuals or entities in the area served or proposed to be served by the facility receive, or will accept, electric service from the borrower.".

SEC. 579. TELEPHONE LOAN TERMS AND CONDITIONS.

Section 309 of the Rural Electrification Act of 1936 (7 U.S.C. 939) is amended—

(1) in subsection (a), by striking "(a) IN GENERAL.—"; and

(2) by striking subsection (b).

SEC. 580. PRIVATIZATION PROGRAM.

Section 311 of the Rural Electrification Act of 1936 (7 U.S.C. 940a) is repealed.

SEC. 581. RURAL BUSINESS INCUBATOR FUND.

(a) IN GENERAL.—Section 502 of the Rural Electrification Act of 1936 (7 U.S.C. 950aa–1) is repealed.

(b) CONFORMING AMENDMENTS.—Section 501 of the Rural Electrification Act of 1936 (7 U.S.C. 950aa) is amended—

(1) in paragraph (5), by inserting "and" at the end;

(2) in paragraph (6), by striking "; and" at the end and inserting a period; and

(3) by striking paragraph (7).

Subtitle D—Miscellaneous Rural Development Provisions

SEC. 591. INTEREST RATE FORMULA.

(a) BANKHEAD-JONES FARM TENANT ACT.—Section 32(e) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1011) is amended by striking the fifth sentence and inserting the following: "A loan under this subsection shall be made under a contract that provides, under such terms and conditions as the Secretary considers appropriate, for the repayment of the loan in not more than 30 years, with interest at a rate not to exceed the current market yield for outstanding municipal obligations with remaining periods to maturity comparable to the average maturity for the loan, adjusted to the nearest ⅛ of 1 percent.".

(b) WATERSHED PROTECTION AND FLOOD PREVENTION ACT.—Section 8 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1006a) is amended by striking the second sentence and inserting the following: "A loan or advance under this section shall be made under a contract or agreement that provides, under such terms and conditions as the Secretary considers appropriate, for the repayment of the loan or advance in not more than 50 years from the date when the principal benefits of the works of improvement first become available, with interest at a rate not to exceed the current market yield for outstanding municipal obligations with remaining periods to maturity comparable to the average maturity for the loan, adjusted to the nearest ⅛ of 1 percent.".

SEC. 592. GRANTS FOR FINANCIALLY STRESSED FARMERS, DISLOCATED FARMERS, AND RURAL FAMILIES.

(a) IN GENERAL.—Section 502 of the Rural Development Act of 1972 (7 U.S.C. 2662) is amended by striking subsection (f).

(b) CONFORMING AMENDMENTS.—

(1) Section 2389 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 2662 note) is amended by striking subsection (d).

(2) Section 503(c) of the Rural Development Act of 1972 (7 U.S.C. 2663(c)) is amended—

(A) in paragraph (1)—

(i) by striking "(1)";

(ii) by striking "section 502(e)" and all that follows through "shall be distributed" and inserting "subsections (e), (h), and (i) of section 502 shall be distributed"; and

(iii) by striking "objectives of" and all that follows through "title" and inserting "objectives of subsections (e), (h), and (i) of section 502"; and

(B) by striking paragraph (2).

SEC. 593. COOPERATIVE AGREEMENTS.

Section 607(b) of the Rural Development Act of 1972 (7 U.S.C. 2204b(b)) is amended by striking paragraph (4) and inserting the following:

"(4) COOPERATIVE AGREEMENTS.—

"(A) IN GENERAL.—Notwithstanding chapter 63 of title 31, United States Code, the Secretary may enter into cooperative agreements with other Federal agencies, State and local governments, and any other organization or individual to improve the coordination and effectiveness of Federal programs, services, and actions affecting rural areas, including the establishment and financing of interagency groups, if the Secretary determines that the objectives of the agreement will serve the mutual interest of the parties in rural development activities.

"(B) COOPERATORS.—Each cooperator, including each Federal agency, to the extent that funds are otherwise available, may participate in any cooperative agreement or working group established pursuant to this paragraph by contributing funds or other resources to the Secretary to carry out the agreement or functions of the group.".

TITLE VI—RESEARCH EXTENSION AND EDUCATION

Subtitle A—Amendments to National Agricultural Research, Extension, and Teaching Policy Act of 1977 and Related Statutes

SEC. 601. PURPOSES OF AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION.

Section 1402 of the National Agricultural Research, Extension, and Teaching Policy

Act of 1977 (7 U.S.C. 3101) is amended to read as follows:

"SEC. 1402. PURPOSES OF AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION.

"The purposes of federally supported agricultural research, extension, and education are to—

"(1) enhance the competitiveness of the United States agriculture and food industry in an increasingly competitive world environment;

"(2) increase the long-term productivity of the United States agriculture and food industry while protecting the natural resource base on which rural America and the United States agricultural economy depend;

"(3) develop new uses and new products for agricultural commodities, such as alternative fuels, and develop new crops;

"(4) support agricultural research and extension to promote economic opportunity in rural communities and to meet the increasing demand for information and technology transfer throughout the United States agriculture industry;

"(5) improve risk management in the United States agriculture industry;

"(6) improve the safe production and processing of, and adding of value to, United States food and fiber resources using methods that are environmentally sound;

"(7) support higher education in agriculture to give the next generation of Americans the knowledge, technology, and applications necessary to enhance the competitiveness of United States agriculture; and

"(8) maintain an adequate, nutritious, and safe supply of food to meet human nutritional needs and requirements.".

SEC. 602. SUBCOMMITTEE ON FOOD, AGRICULTURAL, AND FORESTRY RESEARCH.

Section 401(h) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6651(h)) is amended by striking the second through fifth sentences.

SEC. 603. JOINT COUNCIL ON FOOD AND AGRICULTURAL SCIENCES.

(a) IN GENERAL.—Section 1407 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) is amended—

(A) by striking paragraph (9); and

(B) by redesignating paragraphs (10) through (18) as paragraphs (9) through (17), respectively.

(2) Section 1405 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121) is amended—

(A) in paragraph (5), by striking "Joint Council, Advisory Board," and inserting "Advisory Board"; and

(B) in paragraph (11), by striking "the Joint Council,".

(3) Section 1410(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125(2)) is amended by striking "the recommendations of the Joint Council developed under section 1407(f),".

(4) Section 1412 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127) is amended—

(A) in the section heading, by striking "joint council, advisory board," and inserting "advisory board";

(B) in subsection (a)—

(i) by striking "Joint Council, the Advisory Board," and inserting "Advisory Board";

(ii) by striking "the cochairpersons of the Joint Council and" each place it appears; and

(iii) in paragraph (2), by striking "one shall serve as the executive secretary to the Joint Council, one shall serve as the executive secretary to the Advisory Board," and inserting "1 shall serve as the executive secretary to the Advisory Board"; and

(C) in subsections (b) and (c), by striking "Joint Council, Advisory Board," each place it appears and inserting "Advisory Board".

(5) Section 1413 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3128) is amended—

(A) in subsection (a), by striking "Joint Council, the Advisory Board," and inserting "Advisory Board";

(B) in subsection (b), by striking "Joint Council, Advisory Board," and inserting "Advisory Board"; and

(C) by striking subsection (d).

(6) Section 1434(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(c)) is amended—

(A) in the second sentence, by striking "Joint Council, the Advisory Board," and inserting "Advisory Board"; and

(B) in the fourth sentence, by striking "the Joint Council,".

SEC. 604. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

(a) IN GENERAL.—Section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123) is amended to read as follows:

"SEC. 1408. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

"(a) ESTABLISHMENT.—The Secretary shall establish within the Department of Agriculture a board to be known as the 'National Agricultural Research, Extension, Education, and Economics Advisory Board'.

"(b) MEMBERSHIP.—

"(1) IN GENERAL.—The Advisory Board shall consist of 25 members, appointed by the Secretary.

"(2) SELECTION OF MEMBERS.—The Secretary shall appoint members to the Advisory Board from individuals who are selected from national farm, commodity, agribusiness, environmental, consumer, and other organizations directly concerned with agricultural research, education, and extension programs.

"(3) REPRESENTATION.—A member of the Advisory Board may represent 1 or more of the organizations referred to in paragraph (2), except that 1 member shall be a representative of the scientific community that is not closely associated with agriculture. The Secretary shall ensure that the membership of the Advisory Board includes full-time farmers and ranchers and represents the interests of the full variety of stakeholders in the agricultural sector.

"(c) DUTIES.—The Advisory Board shall—

"(1) review and provide consultation to the Secretary and land-grant colleges and universities on long-term and short-term national policies and priorities, as set forth in section 1402, relating to agricultural research, extension, education, and economics;

"(2) evaluate the results and effectiveness of agricultural research, extension, education, and economics with respect to the policies and priorities;

"(3) review and make recommendations to the Under Secretary of Agriculture for Research, Education, and Economics on the research, extension, education, and economics portion of the draft strategic plan required under section 306 of title 5, United States Code; and

"(4) review the mechanisms of the Department of Agriculture for technology assessment (which should be conducted by qualified professionals) for the purposes of—

"(A) performance measurement and evaluation of the implementation by the Secretary of the strategic plan required under section 306 of title 5, United States Code;

"(B) implementation of the national research policies and priorities set forth in section 1402; and

"(C) the development of mechanisms for the assessment of emerging public and private agricultural research and technology transfer initiatives.

"(d) CONSULTATION.—In carrying out this section, the Advisory Board shall solicit opinions and recommendations from persons who will benefit from and use federally funded agricultural research, extension, education, and economics.

"(e) APPOINTMENT.—A member of the Advisory Board shall be appointed by the Secretary for a term of up to 3 years. The members of the Advisory Board shall be appointed to serve staggered terms.

"(f) FEDERAL ADVISORY COMMITTEE ACT.—The Advisory Board shall be deemed to have filed a charter for the purpose of section 9(c) of the Federal Advisory Committee Act (5 U.S.C. App.).

"(g) TERMINATION.—The Advisory Board shall remain in existence until September 30, 2002.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1404(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(1)) is amended by striking "National Agricultural Research and Extension Users Advisory Board" and inserting "National Agricultural Research, Extension, Education, and Economics Advisory Board".

(2) Section 1410(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125(2)) is amended by striking "the recommendations of the Advisory Board developed under section 1408(g)," and inserting "any recommendations of the Advisory Board".

(3) The last sentence of section 4(a) of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1673(a)) is amended by striking "National Agricultural Research and Extension Users Advisory Board" and inserting "National Agricultural Research, Extension, Education, and Economics Advisory Board".

SEC. 605. AGRICULTURAL SCIENCE AND TECHNOLOGY REVIEW BOARD.

(a) IN GENERAL.—Section 1408A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) (as amended by section 603(b)(1)(B)) is further amended—

(A) in paragraph (15), by adding "and" at the end;

(B) in paragraph (16), by striking "; and" and inserting a period; and

(C) by striking paragraph (17).

(2) Section 1405(12) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121(12)) is amended by striking ", after coordination with the Technology Board,".

(3) Section 1410(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125(2)) (as amended by section 604(b)(2)) is further amended by striking "and the recommendations of the Technology Board developed under section 1408A(d)".

(4) Section 1412 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127) (as amended by section 603(b)(4)) is further amended—

(A) in the section heading, by striking "and technology board";

(B) in subsection (a)—

(i) by striking "and the Technology Board" each place it appears; and

(ii) in paragraph (2), by striking "and one shall serve as the executive secretary to the Technology Board"; and

(C) in subsections (b) and (c), by striking "and Technology Board" each place it appears.

(5) Section 1413 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3128) (as amended by section 603(b)(5)) is further amended—

(A) in subsection (a), by striking "or the Technology Board"; and

(B) in subsection (b), by striking "and the Technology Board".

SEC. 606. FEDERAL ADVISORY COMMITTEE ACT EXEMPTION FOR FEDERAL-STATE COOPERATIVE PROGRAMS.

Section 1409A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3124a) is amended by adding at the end the following:

"(e) APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—

"(1) PUBLIC MEETINGS.—All meetings of any entity described in paragraph (2) shall be publicly announced in advance and shall be open to the public. Detailed minutes of meetings and other appropriate records of the activities of such an entity shall be kept and made available to the public on request.

"(2) EXEMPTION.—The Federal Advisory Committee Act (5 U.S.C. App.) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to any committee, board, commission, panel, or task force, or similar entity that—

"(A) is created for the purpose of cooperative efforts in agricultural research, extension, or teaching; and

"(B) consists entirely of full-time Federal employees and individuals who are employed by, or who are officials of, a State cooperative institution or a State cooperative agent.".

SEC. 607. COORDINATION AND PLANNING OF AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION.

Subtitle B of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121 et seq.) is amended by adding at the end the following:

"SEC. 1413A. ACCOUNTABILITY.

"(a) IN GENERAL.—The Secretary shall develop and carry out a system to monitor and evaluate agricultural research and extension activities conducted or supported by the Federal Government that will enable the Secretary to measure the impact of research, extension, and education programs according to priorities, goals, and mandates established by law.

"(b) CONSISTENCY WITH OTHER REQUIREMENTS.—The system shall be developed and carried out in a manner that is consistent with the Government Performance and Results Act of 1993 (Public Law 103-62; 107 Stat. 285) and amendments made by the Act.

"SEC. 1413B. IMMINENT OR EMERGING THREATS TO FOOD SAFETY AND ANIMAL AND PLANT HEALTH.

"In the case of any activities of an agency of the Department of Agriculture that relate to food safety, animal or plant health, research, education, or technology transfer, the Secretary may transfer up to 5 percent of any amounts made available to the agency for a fiscal year to an agency of the Department of Agriculture reporting to the Under Secretary of Agriculture for Research, Education, and Economics for the purpose of addressing imminent or emerging threats to food safety and animal and plant health.

"SEC. 1413C. FEDERAL ADVISORY COMMITTEE ACT EXEMPTION FOR COMPETITIVE RESEARCH, EXTENSION, AND EDUCATION PROGRAMS.

"The Federal Advisory Committee Act (5 U.S.C. App.) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to any committee, board, commission, panel, or task force, or similar entity, created solely for the purpose of reviewing applications or proposals requesting funding under any competitive research, extension, or education program carried out by the Secretary.".

SEC. 608. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

(a) IN GENERAL.—Section 1417 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152) is amended—

(1) in subsection (b)—

(A) by inserting before "for a period" the following: "or to research foundations maintained by the colleges and universities,"; and

(B) by striking paragraph (4) and inserting the following:

"(4) to design and implement food and agricultural programs to build teaching and research capacity at primarily minority institutions;";

(2) by redesignating subsections (h) and (i) as subsections (i) and (j), respectively;

(3) by inserting after subsection (g) the following:

"(h) SECONDARY EDUCATION AND 2-YEAR POSTSECONDARY EDUCATION TEACHING PROGRAMS.—

"(1) AGRISCIENCE AND AGRIBUSINESS EDUCATION.—The Secretary shall—

"(A) promote and strengthen secondary education and 2-year postsecondary education in agriscience and agribusiness in order to help ensure the existence in the United States of a qualified workforce to serve the food and agricultural sciences system; and

"(B) promote complementary and synergistic linkages among secondary, 2-year postsecondary, and higher education programs in the food and agricultural sciences in order to promote excellence in education and encourage more young Americans to pursue and complete a baccalaureate or higher degree in the food and agricultural sciences.

"(2) GRANTS.—The Secretary may make competitive or noncompetitive grants, for grant periods not to exceed 5 years, to public secondary education institutions, 2-year community colleges, and junior colleges that have made a commitment to teaching agriscience and agribusiness—

"(A) to enhance curricula in agricultural education;

"(B) to increase faculty teaching competencies;

"(C) to interest young people in pursuing a higher education in order to prepare for scientific and professional careers in the food and agricultural sciences;

"(D) to promote the incorporation of agriscience and agribusiness subject matter into other instructional programs, particularly classes in science, business, and consumer education;

"(E) to facilitate joint initiatives among other secondary or 2-year postsecondary institutions and with 4-year colleges and universities to maximize the development and use of resources such as faculty, facilities, and equipment to improve agriscience and agribusiness education; and

"(F) to support other initiatives designed to meet local, State, regional, or national needs related to promoting excellence in agriscience and agribusiness education."; and

(4) in subsection (j) (as so redesignated), by striking "1995" and inserting "2002".

(b) TRANSFER OF FUNCTIONS AND DUTIES PERTAINING TO THE FUTURE FARMERS OF AMERICA.—

(1) IN GENERAL.—There are transferred to the Secretary of Agriculture all the functions and duties of the Secretary of Education under the Act entitled "An Act to incorporate the Future Farmers of America, and for other purposes", approved August 30, 1950 (36 U.S.C. 271 et seq.).

(2) PERSONNEL AND UNEXPENDED BALANCES.—There are transferred to the Department of Agriculture all personnel and balances of unexpended appropriations available for carrying out the duties and functions transferred under paragraph (1).

(3) AMENDMENTS.—The Act entitled "An Act to incorporate the Future Farmers of America, and for other purposes", approved August 30, 1950, is amended—

(A) in section 7(c) (36 U.S.C. 277(c)) by striking "Secretary of Education, the executive secretary shall be a member of the Department of Education" and inserting "Secretary of Agriculture, the executive secretary shall be an officer or employee of the Department of Agriculture";

(B) in section 8(a) (36 U.S.C. 278(a))—

(i) by striking "Secretary of Education" and inserting "Secretary of Agriculture"; and

(ii) by striking "Department of Education" and inserting "Department of Agriculture"; and

(C) in section 18 (36 U.S.C. 288)—

(i) by striking "Secretary of Education" each place it appears and inserting "Secretary of Agriculture"; and

(ii) by striking "Department of Education" each place it appears and inserting "Department of Agriculture".

SEC. 609. GRANTS FOR RESEARCH ON THE PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

(a) IN GENERAL.—Section 1419 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 1463(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(a)) is amended by striking "1419,".

(2) Section 257(a) of the Biomass Energy and Alcohol Fuels Act of 1980 (42 U.S.C. 8852(a)) is amended by striking "section 1419 and".

SEC. 610. POLICY RESEARCH CENTERS.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (as amended by section 609) is further amended by inserting after section 1418 (7 U.S.C. 3153) the following:

"SEC. 1419. POLICY RESEARCH CENTERS.

"(a) IN GENERAL.—Consistent with this section, the Secretary may make grants, competitive grants, and special research grants to, and enter into cooperative agreements and other contracting instruments with, policy research centers to conduct research and education programs that are objective, operationally independent, and external to the Federal Government and that concern the effect of public policies on—

"(1) the farm and agricultural sectors;

"(2) the environment;

"(3) rural families, households and economies; and

"(4) consumers, food, and nutrition.

"(b) ELIGIBLE RECIPIENTS.—Except to the extent otherwise prohibited by law, State agricultural experiment stations, colleges and universities, other research institutions and organizations, private organizations, corporations, and individuals shall be eligible to apply for and receive funding under subsection (a).

"(c) ACTIVITIES.—Under this section, funding may be provided for disciplinary and interdisciplinary research and education concerning activities consistent with this section, including activities that—

"(1) quantify the implications of public policies and regulations;

"(2) develop theoretical and research methods;

"(3) collect and analyze data for policymakers, analysts, and individuals; and

"(4) develop programs to train analysts.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for fiscal years 1996 through 2002.".

SEC. 611. HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.

Section 1424 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174) is amended to read as follows:

"SEC. 1424. HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.

"(a) AUTHORITY OF SECRETARY.—

"(1) IN GENERAL.—The Secretary may establish, and award grants for projects for, a multi-year research initiative on human nutrition intervention and health promotion.

"(2) EMPHASIS OF INITIATIVE.—In administering human nutrition research projects under this section, the Secretary shall give specific emphasis to—

"(A) coordinated longitudinal research assessments of nutritional status; and

"(B) the implementation of unified, innovative intervention strategies;

to identify and solve problems of nutritional inadequacy and contribute to the maintenance of health, well-being, performance, and productivity of individuals, thereby reducing the need of the individuals to use the health care system and social programs of the United States.

"(b) ADMINISTRATION OF FUNDS.—The Administrator of the Agricultural Research Service shall administer funds made available to carry out this section to ensure a coordinated approach to health and nutrition research efforts.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for fiscal years 1996 through 2002.".

SEC. 612. FOOD AND NUTRITION EDUCATION PROGRAM.

Section 1425(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175(c)(3)) is amended by striking "fiscal year 1995" and inserting "each of fiscal years 1996 through 2002".

SEC. 613. PURPOSES AND FINDINGS RELATING TO ANIMAL HEALTH AND DISEASE RESEARCH.

Section 1429 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3191) is amended to read as follows:

"SEC. 1429. PURPOSES AND FINDINGS RELATING TO ANIMAL HEALTH AND DISEASE RESEARCH.

"(a) PURPOSES.—The purposes of this subtitle are to—

"(1) promote the general welfare through the improved health and productivity of domestic livestock, poultry, aquatic animals, and other income-producing animals that are essential to the food supply of the United States and the welfare of producers and consumers of animal products;

"(2) improve the health of horses;

"(3) facilitate the effective treatment of, and, to the extent possible, prevent animal and poultry diseases in both domesticated and wild animals that, if not controlled, would be disastrous to the United States livestock and poultry industries and endanger the food supply of the United States;

"(4) improve methods for the control of organisms and residues in food products of animal origin that could endanger the human food supply;

"(5) improve the housing and management of animals to improve the well-being of livestock production species;

"(6) minimize livestock and poultry losses due to transportation and handling;

"(7) protect human health through control of animal diseases transmissible to humans;

"(8) improve methods of controlling the births of predators and other animals; and

"(9) otherwise promote the general welfare through expanded programs of research and extension to improve animal health.

"(b) FINDINGS.—Congress finds that—

"(1) the total animal health and disease research and extension efforts of State colleges and universities and of the Federal Government would be more effective if there were close coordination between the efforts; and

"(2) colleges and universities having accredited schools or colleges of veterinary medicine and State agricultural experiment stations that conduct animal health and disease research are especially vital in training research workers in animal health and related disciplines.".

SEC. 614. ANIMAL HEALTH SCIENCE RESEARCH ADVISORY BOARD.

Section 1432 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3194) is repealed.

SEC. 615. ANIMAL HEALTH AND DISEASE CONTINUING RESEARCH.

Section 1433 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195) is amended—

(1) in the first sentence of subsection (a), by striking "1995" and inserting "2002";

(2) in subsection (b)(2)—

(A) by striking "domestic livestock and poultry" each place it appears and inserting "domestic livestock, poultry, and commercial aquaculture species"; and

(B) in the second sentence, by striking "horses, and poultry" and inserting "horses, poultry, and commercial aquaculture species";

(3) in subsection (d), by striking "domestic livestock and poultry" and inserting "domestic livestock, poultry, and commercial aquaculture species"; and

(4) in subsection (f), by striking "domestic livestock and poultry" and inserting "domestic livestock, poultry, and commercial aquaculture species".

SEC. 616. ANIMAL HEALTH AND DISEASE NATIONAL OR REGIONAL RESEARCH.

Section 1434 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196) is amended—

(1) in subsection (a)—

(A) by inserting "or national or regional problems relating to pre-harvest, on-farm food safety, or animal well-being," after "problems,"; and

(B) by striking "1995" and inserting "2002";

(2) in subsection (b), by striking "eligible institutions" and inserting "State agricultural experiment stations, colleges and universities, other research institutions and organizations, Federal agencies, private organizations or corporations, and individuals";

(3) in subsection (c)—

(A) in the first sentence, by inserting ", food safety, and animal well-being" after "animal health and disease"; and

(B) in the fourth sentence—

(i) by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively; and

(ii) by inserting after paragraph (1) the following:

"(2) any food safety problem that has a significant pre-harvest (on-farm) component and is recognized as posing a significant health hazard to the consuming public;

"(3) issues of animal well-being related to production methods that will improve the housing and management of animals to improve the well-being of livestock production species;";

(4) in the first sentence of subsection (d), by striking "to eligible institutions"; and

(5) by adding at the end the following:

"(f) APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to a panel or board created solely for the purpose of reviewing applications or proposals submitted under this subtitle.".

SEC. 617. RESIDENT INSTRUCTION PROGRAM AT 1890 LAND-GRANT COLLEGES.

Section 1446 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222a) is repealed.

SEC. 618. GRANT PROGRAM TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES.

Section 1447(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b(b)) is amended by striking "$8,000,000 for each of the fiscal years 1991 through 1995" and inserting "$15,000,000 for each of fiscal years 1996 through 2002".

SEC. 619. NATIONAL RESEARCH AND TRAINING CENTENNIAL CENTERS AUTHORIZATION.

Section 1448 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c) is amended—

(1) in subsection (a)(1), by inserting ", or fiscal years 1996 through 2002," after "1995"; and

(2) in subsection (f), by striking "1995" and inserting "2002".

SEC. 620. GRANTS TO STATES FOR INTERNATIONAL TRADE DEVELOPMENT CENTERS.

Section 1458A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292) is repealed.

SEC. 621. AGRICULTURAL RESEARCH PROGRAMS.

Section 1463 of the National Agricultural Research, Extension, and Teaching Policy

Act of 1977 (7 U.S.C. 3311) is amended by striking "1995" each place it appears and inserting "2002".

SEC. 622. EXTENSION EDUCATION.

Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking "fiscal year 1995" and inserting "each of fiscal years 1995 through 2002".

SEC. 623. SUPPLEMENTAL AND ALTERNATIVE CROPS RESEARCH.

Section 1473D of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d) is amended—

(1) in subsection (a)—

(A) by striking "1995" and inserting "2002"; and

(B) by striking "and pilot";

(2) in subsection (c)—

(A) in paragraph (2)—

(i) in subparagraph (B), by striking "at pilot sites" through "the area"; and

(ii) in subparagraph (D)—

(I) by striking "near such pilot sites"; and

(II) by striking "successful pilot program" and inserting "successful program";

(B) in paragraph (3)—

(i) by striking "pilot";

(ii) in subparagraph (C), by striking "and" at the end;

(iii) in subparagraph (D), by striking the period at the end and inserting a semicolon; and

(iv) by adding at the end the following:

"(E) to conduct fundamental and applied research related to the development of new commercial products derived from natural plant material for industrial, medical, and agricultural applications; and

"(F) to participate with colleges and universities, other Federal agencies, and private sector entities in conducting research described in subparagraph (E)."

SEC. 624. AQUACULTURE ASSISTANCE PROGRAMS.

(a) REPORTS.—Section 1475 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3322) is amended—

(1) by striking subsection (e); and

(2) by redesignating subsections (f) and (g) as subsections (e) and (f), respectively.

(b) AQUACULTURE RESEARCH FACILITIES.—Section 1476(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3323(b)) is amended by striking "1995" and inserting "2002".

(c) RESEARCH AND EXTENSION.—Section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended by striking "1995" and inserting "2002".

SEC. 625. RANGELAND RESEARCH.

(a) REPORTS.—Section 1481 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3334) is repealed.

(b) ADVISORY BOARD.—Section 1482 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3335) is repealed.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 1483(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3336(a)) is amended by striking "1995" and inserting "2002".

SEC. 626. TECHNICAL AMENDMENTS.

The table of contents of the Food and Agriculture Act of 1977 (Public Law 95–113; 91 Stat. 913) is amended—

(1) by striking the item relating to section 1402 and inserting the following:

"Sec. 1402. Purposes of agricultural research, extension, and education.";

(2) by striking the items relating to sections 1406, 1407, 1408A, 1432, 1446, 1458A, 1481, and 1482;

(3) by striking the item relating to section 1408 and inserting the following:

"Sec. 1408. National Agricultural Research, Extension, Education, and Economics Advisory Board.";

(4) by striking the item relating to section 1412 and inserting the following:

"Sec. 1412. Support for the Advisory Board.";

(5) by adding at the end of the items relating to subtitle B of title XIV the following:

"Sec. 1413A. Accountability.

"Sec. 1413B. Imminent or emerging threats to food safety and animal and plant health.

"Sec. 1413C. Federal Advisory Committee Act exemption for competitive research, extension, and education programs.";

(6) by striking the item relating to section 1419 and inserting the following:

"Sec. 1419. Policy research centers.";

(7) by striking the item relating to section 1424 and inserting the following:

"Sec. 1424. Human nutrition intervention and health promotion research program.";

and

(8) by striking the item relating to section 1429 and inserting the following:

"Sec. 1429. Purposes and findings relating to animal health and disease research.".

Subtitle B—Amendments to Food, Agriculture, Conservation, and Trade Act of 1990

SEC. 631. WATER QUALITY RESEARCH, EDUCATION, AND COORDINATION.

(a) IN GENERAL.—Subtitle G of title XIV of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5501 et seq.) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 1627(a)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5821(a)(3)) is amended by striking ", subtitle G of title XIV,".

(2) Section 1628 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5831) is amended by striking ", subtitle G of title XIV," each place it appears in subsections (a) and (d).

(3) Section 1629 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5832) is amended by striking ", subtitle G of title XIV," each place it appears in subsections (f) and (g)(11).

SEC. 632. EDUCATION PROGRAM REGARDING HANDLING OF AGRICULTURAL CHEMICALS AND AGRICULTURAL CHEMICAL CONTAINERS.

(a) IN GENERAL.—Section 1499A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125c) is repealed.

(b) CONFORMING AMENDMENT.—Section 1499(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5506(b)) is amended by striking "and section 1499A".

SEC. 633. PROGRAM ADMINISTRATION.

(a) IN GENERAL.—Section 1622 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5812) is amended—

(1) by striking subsections (b), (c), and (d); and

(2) by redesignating subsection (e) as subsection (b).

(b) CONFORMING AMENDMENTS.—

(1) Section 1619(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5801(b)) is amended—

(A) by striking paragraph (7); and

(B) by redesignating paragraphs (8), (9), and (10) as paragraphs (7), (8), and (9), respectively.

(2) Section 1621(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5811(c)) is amended—

(A) in paragraph (1)—

(i) by striking subparagraph (A); and

(ii) by redesignating subparagraphs (B) through (E) as subparagraphs (A) through (D), respectively; and

(B) in paragraph (2)—

(i) by striking subparagraph (A); and

(ii) by redesignating subparagraphs (B) through (F) as subparagraphs (A) through (E), respectively.

(3) Section 1622 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5812) (as amended by subsection (a)) is further amended—

(A) in subsection (a)—

(i) by striking paragraph (2);

(ii) in paragraph (3), by striking "subsection (e)" and inserting "subsection (b)"; and

(iii) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(B) in subsection (b)(2)—

(i) by striking subparagraph (A); and

(ii) by redesignating subparagraphs (B) through (F) as subparagraphs (A) through (E), respectively.

(4) Section 1628(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5831(b)) is amended by striking "Advisory Council, the Soil Conservation Service," and inserting "Natural Resources Conservation Service".

SEC. 634. NATIONAL GENETICS RESOURCES PROGRAM.

(a) FUNCTIONS.—Section 1632(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5841(d)) is amended by striking paragraph (4) and inserting the following:

"(4) unless otherwise prohibited by law, have the right to make available on request, without charge and without regard to the country from which the request originates, the genetic material that the program assembles;".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 1635(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amended by striking "1995" and inserting "2002".

SEC. 635. NATIONAL AGRICULTURAL WEATHER INFORMATION SYSTEM.

Section 1641(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5855(c)) is amended by striking "1995" and inserting "2002".

SEC. 636. RESEARCH REGARDING PRODUCTION, PREPARATION, PROCESSING, HANDLING, AND STORAGE OF AGRICULTURAL PRODUCTS.

Subtitle E of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5871 et seq.) is repealed.

SEC. 637. PLANT AND ANIMAL PEST AND DISEASE CONTROL PROGRAM.

(a) IN GENERAL.—Subtitle F of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5881) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 28(b)(2)(A) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136w–3(b)(2)(A)) is amended by striking "and the information required by section 1651 of the Food, Agriculture, Conservation, and Trade Act of 1990".

(2) Section 1627(a)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990

(7 U.S.C. 5821(a)(3)) is amended by striking "and section 1650".

(3) Section 1628 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5831) is amended by striking "section 1650," each place it appears in subsections (a) and (d).

(4) Section 1629 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5832) is amended by striking "section 1650," each place it appears in subsections (f) and (g)(11).

SEC. 638. LIVESTOCK PRODUCT SAFETY AND INSPECTION PROGRAM.

Section 1670(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5923(e)) is amended by striking "1995" and inserting "2002".

SEC. 639. PLANT GENOME MAPPING PROGRAM.

Section 1671 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5924) is repealed.

SEC. 640. SPECIALIZED RESEARCH PROGRAMS.

Section 1672 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is repealed.

SEC. 641. AGRICULTURAL TELECOMMUNICATIONS PROGRAM.

Section 1673(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amended by striking "1995" and inserting "2002".

SEC. 642. NATIONAL CENTERS FOR AGRICULTURAL PRODUCT QUALITY RESEARCH.

Section 1675(g)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5928(g)(1)) is amended by striking "1995" and inserting "2002".

SEC. 643. TURKEY RESEARCH CENTER AUTHORIZATION.

Section 1676 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5929) is repealed.

SEC. 644. SPECIAL GRANT TO STUDY CONSTRAINTS ON AGRICULTURAL TRADE.

Section 1678 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5931) is repealed.

SEC. 645. PILOT PROJECT TO COORDINATE FOOD AND NUTRITION EDUCATION PROGRAMS.

Section 1679 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5932) is repealed.

SEC. 646. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.

Section 1680 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933) is amended—

(1) in subsection (a)(6)(B), by striking "1996" and inserting "2002"; and

(2) in subsection (b)(2), by striking "1996" and inserting "2002".

SEC. 647. DEMONSTRATION PROJECTS.

Section 2348 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2662a) is repealed.

SEC. 648. NATIONAL RURAL INFORMATION CENTER CLEARINGHOUSE.

Section 2381(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is amended by striking "1995" and inserting "2002".

SEC. 649. GLOBAL CLIMATE CHANGE.

(a) TECHNICAL ADVISORY COMMITTEE.—Section 2404 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6703) is repealed.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 2412 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6710) is amended by striking "1996" and inserting "2002".

SEC. 650. TECHNICAL AMENDMENTS.

The table of contents of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 3359) is amended by striking the items relating to subtitle G of title XIV, section 1499A, subtitles E and F of title XVI, and sections 1671, 1672, 1676, 1678, 1679, 2348, and 2404.

Subtitle C—Miscellaneous Research Provisions

SEC. 661. CRITICAL AGRICULTURAL MATERIALS RESEARCH.

(a) IN GENERAL.—Section 4 of the Critical Agricultural Materials Act (7 U.S.C. 178b) is amended—

(1) by striking subsection (g); and

(2) by redesignating subsection (h) as subsection (g).

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 16(a) of the Critical Agricultural Materials Act (7 U.S.C. 178n(a)) is amended by striking "1995" and inserting "2002".

SEC. 662. 1994 INSTITUTIONS.

(a) LAND-GRANT STATUS.—The first sentence of section 533(b) of the Equity in Educational Land-Grant Status Act of 1994 (Public Law 103-382; 7 U.S.C. 301 note) is amended by striking "2000" and inserting "2002".

(b) INSTITUTIONAL CAPACITY BUILDING GRANTS.—Section 535 of the Equity in Educational Land-Grant Status Act of 1994 (Public Law 103-382; 7 U.S.C. 301 note) is amended by striking "2000" each place it appears in subsections (b)(1) and (c) and inserting "2002".

SEC. 663. SMITH-LEVER ACT FUNDING FOR 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY AND THE DISTRICT OF COLUMBIA.

(a) ELIGIBILITY FOR FUNDS.—Section 3(d) of the Act of May 8, 1914 (commonly known as the "Smith-Lever Act") (38 Stat. 373, chapter 79; 7 U.S.C. 343(d)), is amended by adding at the end the following: "A college or university eligible to receive funds under the Act of August 30, 1890 (26 Stat. 417, chapter 841; 7 U.S.C. 321 et seq.), including Tuskegee University, or section 208 of the District of Columbia Public Postsecondary Education Reorganization Act (Public Law 93-471; 88 Stat. 1428) may apply for and receive directly from the Secretary of Agriculture—

"(1) amounts made available under this subsection after September 30, 1995, to carry out programs or initiatives for which no funds were made available under this subsection for fiscal year 1995, or any previous fiscal year, as determined by the Secretary; and

"(2) amounts made available after September 30, 1995, to carry out programs or initiatives funded under this subsection prior to that date that are in excess of the highest amount made available for the programs or initiatives under this subsection for fiscal year 1995, or any previous fiscal year, as determined by the Secretary.".

(b) CONFORMING AMENDMENTS.—

(1) The third sentence of section 1444(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221(a)) is amended by inserting before the period at the end the following: ", except that for the purpose of this calculation, the total appropriations shall not include amounts made available after September 30, 1995, under section 3(d) of the Act of May 8, 1914 (commonly known as the 'Smith-Lever Act') (38 Stat. 373, chapter 79; 7 U.S.C. 343(d)), to carry out programs or initiatives for which no funds were made available under section 3(d) of the Act for fiscal year 1995, or any previous fiscal year, as determined by the Secretary, and shall not include amounts made available after September 30, 1995, to carry out programs or initiatives funded under section 3(d) of the Act prior to that date that are in excess of the highest amount made available for the programs or initiatives for fiscal year 1995, or any previous fiscal year, as determined by the Secretary.".

(2) Section 208(c) of the District of Columbia Public Postsecondary Education Reorganization Act (Public Law 93-471; 88 Stat. 1428) is amended by adding at the end the following: "Funds appropriated under this subsection shall be in addition to any amounts provided to the District of Columbia from—

"(1) amounts made available after September 30, 1995, under section 3(d) of the Act to carry out programs or initiatives for which no funds were made available under section 3(d) of the Act for fiscal year 1995, or any previous fiscal year, as determined by the Secretary of Agriculture; and

"(2) amounts made available after September 30, 1995, to carry out programs or initiatives funded under section 3(d) of the Act prior to the date that are in excess of the highest amount made available for the programs or initiatives for fiscal year 1995, or any previous fiscal year, as determined by the Secretary of Agriculture.".

SEC. 664. COMMITTEE OF NINE.

Section 3(c)(3) of the Act of March 2, 1887 (Chapter 314; 7 U.S.C. 361c(c)(3)) is amended by striking from ", and shall be used" through the end of the paragraph and inserting a period.

SEC. 665. AGRICULTURAL RESEARCH FACILITIES.

(a) IN GENERAL.—

(1) RESEARCH FACILITIES.—The Research Facilities Act (7 U.S.C. 390 et seq.) is amended to read as follows:

"SECTION 1. SHORT TITLE.

"This Act may be cited as the 'Research Facilities Act'.

"SEC. 2. DEFINITIONS.

"In this Act:

"(1) AGRICULTURAL RESEARCH FACILITY.—The term 'agricultural research facility' means a proposed facility for research in food and agricultural sciences for which Federal funds are requested by a college, university, or nonprofit institution to assist in the construction, alteration, acquisition, modernization, renovation, or remodeling of the facility.

"(2) FOOD AND AGRICULTURAL SCIENCES.—The term 'food and agricultural sciences' means—

"(A) agriculture, including soil and water conservation and use, the use of organic materials to improve soil tilth and fertility, plant and animal production and protection, and plant and animal health;

"(B) the processing, distributing, marketing, and utilization of food and agricultural products;

"(C) forestry, including range management, production of forest and range products, multiple use of forest and rangelands, and urban forestry;

"(D) aquaculture (as defined in section 1404(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(3));

"(E) human nutrition;

"(F) production inputs, such as energy, to improve productivity; and

"(G) germ plasm collection and preservation.

"(3) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"SEC. 3. REVIEW PROCESS.

"(a) SUBMISSION TO SECRETARY.—Each proposal for an agricultural research facility shall be submitted to the Secretary for review. The Secretary shall review the proposals in the order in which the proposals are received.

"(b) APPLICATION PROCESS.—In consultation with the Committee on Appropriations of the Senate and Committee on Appropriations of the House of Representatives, the Secretary shall establish an application process for the submission of proposals for agricultural research facilities.

"(c) CRITERIA FOR APPROVAL.—

"(1) DETERMINATION BY SECRETARY.—With respect to each proposal for an agricultural research facility submitted under subsection (a), the Secretary shall determine whether the proposal meets the criteria set forth in paragraph (2).

"(2) CRITERIA.—A proposal for an agricultural research facility shall meet the following criteria:

"(A) NON-FEDERAL SHARE.—The proposal shall certify the availability of at least a 50 percent non-Federal share of the cost of the facility. The non-Federal share shall be paid in cash and may include funding from private sources or from units of State or local government.

"(B) NONDUPLICATION OF FACILITIES.—The proposal shall demonstrate how the agricultural research facility would be complementary to, and not duplicative of, facilities of colleges, universities, and nonprofit institutions, and facilities of the Agricultural Research Service, within the State and region.

"(C) NATIONAL RESEARCH PRIORITIES.—The proposal shall demonstrate how the agricultural research facility would serve—

"(i) 1 or more of the national research policies and priorities set forth in section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101); and

"(ii) regional needs.

"(D) LONG-TERM SUPPORT.—The proposal shall demonstrate that the recipient college, university, or nonprofit institution has the ability and commitment to support the long-term, ongoing operating costs of—

"(i) the agricultural research facility after the facility is completed; and

"(ii) each program to be based at the facility.

"(E) STRATEGIC PLAN.—After the development of the strategic plan required by section 4, the proposal shall demonstrate how the agricultural research facility reflects the strategic plan for Federal research facilities.

"(d) EVALUATION OF PROPOSALS.—Not later than 90 days after receiving a proposal under subsection (a), the Secretary shall—

"(1) evaluate and assess the merits of the proposal, including the extent to which the proposal meets the criteria set forth in subsection (c); and

"(2) report to the Committee on Appropriations of the Senate and Committee on Appropriations of the House of Representatives on the results of the evaluation and assessment.

"SEC. 4. STRATEGIC PLAN FOR FEDERAL RESEARCH FACILITIES.

"(a) IN GENERAL.—Not later than September 30, 1997, the Secretary shall develop a comprehensive plan for the development, construction, modernization, consolidation, and closure of federally supported agricultural research facilities.

"(b) FACTORS.—In developing the plan, the Secretary shall consider—

"(1) the need to increase agricultural productivity and to enhance the competitiveness of the United States agriculture and food industry as set forth in section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101); and

"(2) the findings of the National Academy of Sciences with respect to programmatic and scientific priorities relating to agriculture.

"(c) IMPLEMENTATION.—The plan shall be developed for implementation over the 10-fiscal year period beginning with fiscal year 1998.

"SEC. 5. APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.

"The Federal Advisory Committee Act (5 U.S.C. App) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et. seq) shall not apply to a panel or board created solely for the purpose of reviewing applications or proposals submitted under this Act.

"SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—Subject to subsection (b), there are authorized to be appropriated such sums as are necessary for fiscal years 1996 through 2002 for the study, plan, design, structure, and related costs of agricultural research facilities under this Act.

"(b) ALLOWABLE ADMINISTRATIVE COSTS.—Not more than 3 percent of the funds made available for any project for an agricultural research facility shall be available for administration of the project.".

(2) APPLICATION.—

(A) CURRENT PROJECTS.—The amendment made by paragraph (1), other than section 4 of the Research Facilities Act (as amended by paragraph (1)), shall not apply to any project for an agricultural research facility for which funds have been made available for a feasibility study or for any phase of the project prior to October 1, 1995.

(B) STRATEGIC PLAN.—The strategic plan required by section 4 of the Act shall apply to all federally supported agricultural research facilities, including projects funded prior to the effective date of this title.

(b) AUTHORIZATION OF APPROPRIATIONS FOR FEDERAL FACILITIES.—Section 1431 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1556) is amended—

(1) in subsection (a)—

(A) by striking "(a)"; and

(B) by striking "1995" and inserting "2002"; and

(2) by striking subsection (b).

(c) CONFORMING AMENDMENT.—Section 1463(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(a)) is amended by striking "1416,".

SEC. 666. NATIONAL COMPETITIVE RESEARCH INITIATIVE.

Subsection (b)(10) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(10)) is amended—

(1) by striking "OF APPROPRIATIONS.—There" and inserting the following: "AND AVAILABILITY OF APPROPRIATIONS.—

"(A) IN GENERAL.—There";

(2) by striking "fiscal year 1995" and inserting "each of fiscal years 1995 through 2002";

(3) by striking "(A) not" and inserting the following:

"(i) not";

(4) by striking "(B) not" and inserting the following:

"(ii) not";

(5) in clause (ii) (as so designated), by striking "20 percent" and inserting "40 percent";

(6) by striking "(C) not" and inserting the following:

"(iii) not";

(7) by striking "(D) not" and inserting the following:

"(iv) not";

(8) by striking "(E) not" and inserting the following:

"(v) not"; and

(9) by adding at the end the following:

"(B) AVAILABILITY.—Funds made available under subparagraph (A) shall be available for obligation for a period of 2 years from the beginning of the fiscal year for which the funds are made available.".

SEC. 667. COTTON CROP REPORTS.

The Act of May 3, 1924 (43 Stat. 115, chapter 149; 7 U.S.C. 475), is repealed.

SEC. 668. RURAL DEVELOPMENT RESEARCH AND EDUCATION.

Section 502 of the Rural Development Act of 1972 (7 U.S.C. 2662) is amended—

(1) in subsection (a), by inserting after the first sentence the following: "The rural development extension programs shall also promote coordinated and integrated rural community initiatives that advance and empower capacity building through leadership development, entrepreneurship, business development and management training and strategic planning to increase jobs, income, and quality of life in rural communities.";

(2) by striking subsections (g) and (j); and

(3) by redesignating subsections (h) and (i) as subsections (g) and (h) respectively.

SEC. 669. HUMAN NUTRITION RESEARCH.

Section 1452 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 7 U.S.C. 3173 note) is repealed.

SEC. 670. DAIRY GOAT RESEARCH PROGRAM.

Section 1432 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1981 (Public Law 97–98; 7 U.S.C. 3222 note) is amended—

(1) in subsection (a), by striking "(a)"; and

(2) by striking subsection (b).

SEC. 671. GRANTS TO UPGRADE 1890 LAND-GRANT COLLEGE EXTENSION FACILITIES.

(a) IN GENERAL.—Section 1416 of the Food Security Act of 1985 (7 U.S.C. 3224) is repealed.

(b) TECHNICAL AMENDMENT.—The table of contents of the Food Security Act of 1985 (Public Law 99–198; 99 Stat. 1354) is amended by striking the item relating to section 1416.

SEC. 672. STUTTGART NATIONAL AQUACULTURE RESEARCH CENTER.

(a) TRANSFER OF FUNCTIONS TO THE SECRETARY OF AGRICULTURE.—

(1) TITLE OF PUBLIC LAW 85–342.—The title of Public Law 85–342 (16 U.S.C. 778 et seq.) is amended by striking "Secretary of the Interior" and inserting "Secretary of Agriculture".

(2) AUTHORIZATION.—The first section of Public Law 85–342 (16 U.S.C. 778) is amended—

(A) by striking "Secretary of the Interior" and all that follows through "directed to" and inserting "Secretary of Agriculture shall";

(B) by striking "station and stations" and inserting "1 or more centers"; and

(C) in paragraph (5), by striking "Department of Agriculture" and inserting "Secretary of the Interior".

(3) AUTHORITY.—Section 2 of Public Law 85–342 (16 U.S.C. 778a) is amended by striking ", the Secretary" and all that follows through "authorized" and inserting ", the Secretary of Agriculture is authorized".

(4) ASSISTANCE.—Section 3 of Public Law 85–342 (16 U.S.C. 778b) is amended—

(A) by striking "Secretary of the Interior" and inserting "Secretary of Agriculture"; and

(B) by striking "Department of Agriculture" and inserting "Secretary of the Interior".

(b) TRANSFER OF FISH FARMING EXPERIMENTAL LABORATORY TO DEPARTMENT OF AGRICULTURE.—

(1) DESIGNATION OF STUTTGART NATIONAL AQUACULTURE RESEARCH CENTER.—

(A) IN GENERAL.—The Fish Farming Experimental Laboratory in Stuttgart, Arkansas (including the facilities in Kelso, Arkansas), shall be known and designated as the "Stuttgart National Aquaculture Research Center".

(B) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the laboratory referred to in subparagraph (A) shall be deemed to be a reference to the "Stuttgart National Aquaculture Research Center".

(2) TRANSFER OF LABORATORY TO THE DEPARTMENT OF AGRICULTURE.—Subject to section 1531 of title 31, United States Code, not later than 90 days after the effective date of this title, there are transferred to the Department of Agriculture—

(A) the personnel employed in connection with the laboratory referred to in paragraph (1);

(B) the assets, liabilities, contracts, and real and personal property of the laboratory;

(C) the records of the laboratory; and

(D) the unexpended balance of appropriations, authorizations, allocations and other funds employed, held, arising from, available to, or to be made available in connection with the laboratory.

(3) NONDUPLICATION.—The research center referred to in paragraph (1)(A) shall be complementary to, and not duplicative of, facilities of colleges, universities, and nonprofit institutions, and facilities of the Agricultural Research Service, within the State and region, as determined by the Administrator of the Service.

SEC. 673. NATIONAL AQUACULTURE POLICY, PLANNING, AND DEVELOPMENT.

(a) DEFINITIONS.—Section 3 of the National Aquaculture Act of 1980 (16 U.S.C. 2802) is amended—

(1) in paragraph (1), by striking "the propagation" and all that follows through the period at the end and inserting the following: "the commercially controlled cultivation of aquatic plants, animals, and microorganisms, but does not include private for-profit ocean ranching of Pacific salmon in a State in which the ranching is prohibited by law.";

(2) in paragraph (3), by striking "or aquatic plant" and inserting "aquatic plant, or microorganism";

(3) by redesignating paragraphs (7) through (9) as paragraphs (8) through (10), respectively; and

(4) by inserting after paragraph (6) the following:

"(7) The term 'private aquaculture' means the commercially controlled cultivation of aquatic plants, animals, and microorganisms other than cultivation carried out by the Federal Government, any State or local government, or an Indian tribe recognized by the Bureau of Indian Affairs.".

(b) NATIONAL AQUACULTURE DEVELOPMENT PLAN.—Section 4 of the National Aquaculture Act of 1980 (16 U.S.C. 2803) is amended—

(1) in subsection (c)—

(A) in subparagraph (A), by adding "and" at the end;

(B) in subparagraph (B), by striking "; and" and inserting a period; and

(C) by striking subparagraph (C);

(2) in the second sentence of subsection (d), by striking "Secretaries determine that" and inserting "Secretary, in consultation with the Secretary of Commerce, the Secretary of the Interior, and the heads of such other agencies as the Secretary determines are appropriate, determines that"; and

(3) in subsection (e), by striking "Secretaries" and inserting "Secretary, in consultation with the Secretary of Commerce, the Secretary of the Interior, and the heads of such other agencies as the Secretary determines are appropriate,".

(c) FUNCTIONS AND POWERS OF SECRETARIES.—Section 5(b)(3) of the National Aquaculture Act of 1980 (16 U.S.C. 2804(b)(3)) is amended by striking "Secretaries deem" and inserting "Secretary, in consultation with the Secretary of Commerce, the Secretary of the Interior, and the heads of such other agencies as the Secretary determines are appropriate, consider".

(d) COORDINATION OF NATIONAL ACTIVITIES REGARDING AQUACULTURE.—The first sentence of section 6(a) of the National Aquaculture Act of 1980 (16 U.S.C. 2805(a)) is amended by striking "(f)" and inserting "(e)".

(e) NATIONAL POLICY FOR PRIVATE AQUACULTURE.—The National Aquaculture Act of 1980 (16 U.S.C. 2801 et seq.) is amended—

(1) by redesignating sections 7, 8, 9, 10, and 11 as sections 8, 9, 10, 11, and 12, respectively; and

(2) by inserting after section 6 (16 U.S.C. 2805) the following:

"SEC. 7. NATIONAL POLICY FOR PRIVATE AQUACULTURE.

"(a) IN GENERAL.—In consultation with the Secretary of Commerce and the Secretary of the Interior, the Secretary shall coordinate and implement a national policy for private aquaculture in accordance with this section. In developing the policy, the Secretary may consult with other agencies and organizations.

"(b) DEPARTMENT OF AGRICULTURE AQUACULTURE PLAN.—

"(1) IN GENERAL.—The Secretary shall develop and implement a Department of Agriculture Aquaculture Plan (referred to in this section as the 'Department plan') for a unified aquaculture program of the Department of Agriculture (referred to in this section as the 'Department') to support the development of private aquaculture.

"(2) ELEMENTS OF DEPARTMENT PLAN.—The Department plan shall address—

"(A) programs of individual agencies of the Department related to aquaculture that are consistent with Department programs related to other areas of agriculture, including livestock, crops, products, and commodities under the jurisdiction of agencies of the Department;

"(B) the treatment of cultivated aquatic animals as livestock and cultivated aquatic plants as agricultural crops; and

"(C) means for effective coordination and implementation of aquaculture activities and programs within the Department, including individual agency commitments of personnel and resources.

"(c) NATIONAL AQUACULTURE INFORMATION CENTER.—In carrying out section 5, the Secretary may maintain and support a National Aquaculture Information Center at the National Agricultural Library as a repository for information on national and international aquaculture.

"(d) TREATMENT OF AQUACULTURE.—The Secretary shall treat—

"(1) private aquaculture as agriculture; and

"(2) commercially cultivated aquatic animals, plants, and microorganisms, and products of the animals, plants, and microorganisms, produced by private persons and transported or moved in standard commodity channels as agricultural livestock, crops, and commodities.

"(e) PRIVATE AQUACULTURE POLICY COORDINATION, DEVELOPMENT, AND IMPLEMENTATION.—

"(1) RESPONSIBILITY.—The Secretary shall have responsibility for coordinating, developing, and carrying out policies and programs for private aquaculture.

"(2) DUTIES.—The Secretary shall—

"(A) coordinate all intradepartmental functions and activities relating to private aquaculture; and

"(B) establish procedures for the coordination of functions, and consultation with, the coordinating group.

"(f) LIAISON WITH DEPARTMENTS OF COMMERCE AND THE INTERIOR.—The Secretary of Commerce and the Secretary of the Interior shall each designate an officer or employee of the Department of the Secretary to be the liaison of the Department to the Secretary of Agriculture.".

(f) AUTHORIZATION OF APPROPRIATIONS.—Section 11 of the National Aquaculture Act of 1980 (as redesignated by subsection (e)(1)) is amended by striking "the fiscal years 1991, 1992, and 1993" each place it appears and inserting "fiscal years 1991 through 2002".

SEC. 674. EXPANSION OF AUTHORITIES RELATED TO THE NATIONAL ARBORETUM.

(a) SOLICITATION OF GIFTS, BENEFITS, AND DEVISES.—The first sentence of section 5 of the Act of March 4, 1927 (89 Stat. 683; 20 U.S.C. 195), is amended by inserting "solicit," after "authorized to".

(b) CONCESSIONS, FEES, AND VOLUNTARY SERVICES.—The Act of March 4, 1927 (44 Stat. 1422, chapter 505; 20 U.S.C. 191 et seq.), is amended by adding at the end the following:

"SEC. 6. CONCESSIONS, FEES, AND VOLUNTARY SERVICES.

"(a) IN GENERAL.—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) and section 321 of the Act of June 30, 1932 (47 Stat. 412, chapter 314; 40 U.S.C. 303b), the Secretary of Agriculture, in furtherance of the mission of the National Arboretum, may—

"(1) negotiate agreements granting concessions at the National Arboretum to nonprofit scientific or educational organizations the interests of which are complementary to the mission of the National Arboretum, except that the net proceeds of the organizations from the concessions shall be used exclusively for research and educational work for the benefit of the National Arboretum;

"(2) provide by concession, on such terms as the Secretary of Agriculture considers appropriate and necessary, for commercial services for food, drink, and nursery sales, if an agreement for a permanent concession under this paragraph is negotiated with a qualified person submitting a proposal after due consideration of all proposals received after the Secretary of Agriculture provides reasonable public notice of the intent of the Secretary to enter into such an agreement;

"(3) dispose of excess property, including excess plants and fish, in a manner designed to maximize revenue from any sale of the property, including by way of public auction, except that this paragraph shall not apply to the free dissemination of new varieties of seeds and germ plasm in accordance with section 520 of the Revised Statutes (commonly known as the 'Department of Agriculture Organic Act of 1862') (7 U.S.C. 2201);

"(4) charge such fees as the Secretary of Agriculture considers reasonable for temporary use by individuals or groups of National Arboretum facilities and grounds for any purpose consistent with the mission of the National Arboretum;

"(5) charge such fees as the Secretary of Agriculture considers reasonable for the use of the National Arboretum for commercial photography or cinematography;

"(6) publish, in print and electronically and without regard to laws relating to printing by the Federal Government, informational brochures, books, and other publications concerning the National Arboretum or the collections of the Arboretum; and

"(7) license use of the National Arboretum name and logo for public service or commercial uses.

"(b) USE OF FUNDS.—Any funds received or collected by the Secretary of Agriculture as a result of activities described in subsection (a) shall be retained in a special fund in the Treasury for the use and benefit of the National Arboretum as the Secretary of Agriculture considers appropriate.

"(c) ACCEPTANCE OF VOLUNTARY SERVICES.—The Secretary of Agriculture may accept the voluntary services of organizations described in subsection (a)(1), and the voluntary services of individuals (including employees of the National Arboretum), for the benefit of the National Arboretum.".

SEC. 675. STUDY OF AGRICULTURAL RESEARCH SERVICE.

(a) STUDY.—The Secretary of Agriculture shall request the National Academy of Sciences to conduct a study of the role and mission of the Agricultural Research Service. The study shall—

(1) evaluate the strength of science of the Service and the relevance of the science to national priorities;

(2) examine how the work of the Service relates to the capacity of the United States agricultural research, education, and extension system overall; and

(3) include recommendations, as appropriate.

(b) REPORT.—Not later than 18 months after the effective date of this title, the Secretary shall prepare a report that describes the results of the study conducted under subsection (a) and submit the report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(c) FUNDING.—The Secretary shall use to carry out this section not more than $500,000 of funds made available to the Agricultural Research Service for research.

TITLE VII—AGRICULTURAL PROMOTION

Subtitle A—Popcorn

SEC. 701. SHORT TITLE.

This subtitle may be cited as the "Popcorn Promotion, Research, and Consumer Information Act".

SEC. 702. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress finds that—

(1) popcorn is an important food that is a valuable part of the human diet;

(2) the production and processing of popcorn plays a significant role in the economy of the United States in that popcorn is processed by several popcorn processors, distributed through wholesale and retail outlets, and consumed by millions of people throughout the United States and foreign countries;

(3) popcorn must be of high quality, readily available, handled properly, and marketed efficiently to ensure that the benefits of popcorn are available to the people of the United States;

(4) the maintenance and expansion of existing markets and uses and the development of new markets and uses for popcorn are vital to the welfare of processors and persons concerned with marketing, using, and producing popcorn for the market, as well as to the agricultural economy of the United States;

(5) the cooperative development, financing, and implementation of a coordinated program of popcorn promotion, research, consumer information, and industry information is necessary to maintain and expand markets for popcorn; and

(6) popcorn moves in interstate and foreign commerce, and popcorn that does not move in those channels of commerce directly burdens or affects interstate commerce in popcorn.

(b) POLICY.—It is the policy of Congress that it is in the public interest to authorize the establishment, through the exercise of the powers provided in this subtitle, of an orderly procedure for developing, financing (through adequate assessments on unpopped popcorn processed domestically), and carrying out an effective, continuous, and coordinated program of promotion, research, consumer information, and industry information designed to—

(1) strengthen the position of the popcorn industry in the marketplace; and

(2) maintain and expand domestic and foreign markets and uses for popcorn.

(c) PURPOSES.—The purposes of this subtitle are to—

(1) maintain and expand the markets for all popcorn products in a manner that—

(A) is not designed to maintain or expand any individual share of a producer or processor of the market;

(B) does not compete with or replace individual advertising or promotion efforts designed to promote individual brand name or trade name popcorn products; and

(C) authorizes and funds programs that result in government speech promoting government objectives; and

(2) establish a nationally coordinated program for popcorn promotion, research, consumer information, and industry information.

(d) STATUTORY CONSTRUCTION.—This subtitle treats processors equitably. Nothing in this subtitle—

(1) provides for the imposition of a trade barrier to the entry into the United States of imported popcorn for the domestic market; or

(2) provides for the control of production or otherwise limits the right of any individual processor to produce popcorn.

SEC. 703. DEFINITIONS.

In this subtitle (except as otherwise specifically provided):

(1) BOARD.—The term "Board" means the Popcorn Board established under section 705(b).

(2) COMMERCE.—The term "commerce" means interstate, foreign, or intrastate commerce.

(3) CONSUMER INFORMATION.—The term "consumer information" means information and programs that will assist consumers and other persons in making evaluations and decisions regarding the purchase, preparation, and use of popcorn.

(4) DEPARTMENT.—The term "Department" means the Department of Agriculture.

(5) INDUSTRY INFORMATION.—The term "industry information" means information and programs that will lead to the development of—

(A) new markets, new marketing strategies, or increased efficiency for the popcorn industry; or

(B) activities to enhance the image of the popcorn industry.

(6) MARKETING.—The term "marketing" means the sale or other disposition of unpopped popcorn for human consumption in a channel of commerce, but does not include a sale or disposition to or between processors.

(7) ORDER.—The term "order" means an order issued under section 704.

(8) PERSON.—The term "person" means an individual, group of individuals, partnership, corporation, association, or cooperative, or any other legal entity.

(9) POPCORN.—The term "popcorn" means unpopped popcorn (Zea Mays L) that is—

(A) commercially grown;

(B) processed in the United States by shelling, cleaning, or drying; and

(C) introduced into a channel of commerce.

(10) PROCESS.—The term "process" means to shell, clean, dry, and prepare popcorn for the market, but does not include packaging popcorn for the market without also engaging in another activity described in this paragraph.

(11) PROCESSOR.—The term "processor" means a person engaged in the preparation of unpopped popcorn for the market who owns or shares the ownership and risk of loss of the popcorn and who processes and distributes over 4,000,000 pounds of popcorn in the market per year.

(12) PROMOTION.—The term "promotion" means an action, including paid advertising, to enhance the image or desirability of popcorn.

(13) RESEARCH.—The term "research" means any type of study to advance the image, desirability, marketability, production, product development, quality, or nutritional value of popcorn.

(14) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(15) STATE.—The term "State" means each of the 50 States and the District of Columbia.

(16) UNITED STATES.—The term "United States" means all of the States.

SEC. 704. ISSUANCE OF ORDERS.

(a) IN GENERAL.—To effectuate the policy described in section 702(b), the Secretary, subject to subsection (b), shall issue 1 or more orders applicable to processors. An order shall be applicable to all popcorn production and marketing areas in the United States. Not more than 1 order shall be in effect under this subtitle at any 1 time.

(b) PROCEDURE.—

(1) PROPOSAL OR REQUEST FOR ISSUANCE.—The Secretary may propose the issuance of an order, or an association of processors or any other person that would be affected by an order may request the issuance of, and submit a proposal for, an order.

(2) NOTICE AND COMMENT CONCERNING PROPOSED ORDER.—Not later than 60 days after the receipt of a request and proposal for an order under paragraph (1), or at such time as the Secretary determines to propose an order, the Secretary shall publish a proposed order and give due notice and opportunity for public comment on the proposed order.

(3) ISSUANCE OF ORDER.—After notice and opportunity for public comment under paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order such provisions as are necessary to ensure that the order conforms to this subtitle. The order shall be issued and become effective not later than 150 days after the date of publication of the proposed order.

(c) Amendments.—The Secretary, as appropriate, may amend an order. The provisions of this subtitle applicable to an order shall be applicable to any amendment to an order, except that an amendment to an order may not require a referendum to become effective.

SEC. 705. REQUIRED TERMS IN ORDERS.

(a) In General.—An order shall contain the terms and conditions specified in this section.

(b) Establishment and Membership of Popcorn Board.—

(1) In general.—The order shall provide for the establishment of, and appointment of members to, a Popcorn Board that shall consist of not fewer than 4 members and not more than 9 members.

(2) Nominations.—The members of the Board shall be processors appointed by the Secretary from nominations submitted by processors in a manner authorized by the Secretary, subject to paragraph (3). Not more than 1 member may be appointed to the Board from nominations submitted by any 1 processor.

(3) Geographical diversity.—In making appointments, the Secretary shall take into account, to the extent practicable, the geographical distribution of popcorn production throughout the United States.

(4) Terms.—The term of appointment of each member of the Board shall be 3 years, except that the members appointed to the initial Board shall serve, proportionately, for terms of 2, 3, and 4 years, as determined by the Secretary.

(5) Compensation and expenses.—A member of the Board shall serve without compensation, but shall be reimbursed for the expenses of the member incurred in the performance of duties for the Board.

(c) Powers and Duties of Board.—The order shall define the powers and duties of the Board, which shall include the power and duty—

(1) to administer the order in accordance with the terms and provisions of the order;

(2) to make regulations to effectuate the terms and provisions of the order;

(3) to appoint members of the Board to serve on an executive committee;

(4) to propose, receive, evaluate, and approve budgets, plans, and projects of promotion, research, consumer information, and industry information, and to contract with appropriate persons to implement the plans or projects;

(5) to accept and receive voluntary contributions, gifts, and market promotion or similar funds;

(6) to invest, pending disbursement under a plan or project, funds collected through assessments authorized under subsection (f), only in—

(A) obligations of the United States or an agency of the United States;

(B) general obligations of a State or a political subdivision of a State;

(C) an interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System; or

(D) obligations fully guaranteed as to principal and interest by the United States;

(7) to receive, investigate, and report to the Secretary complaints of violations of the order; and

(8) to recommend to the Secretary amendments to the order.

(d) Plans and Budgets.—

(1) In general.—The order shall provide that the Board shall submit to the Secretary for approval any plan or project of promotion, research, consumer information, or industry information.

(2) Budgets.—The order shall require the Board to submit to the Secretary for approval budgets on a fiscal year basis of the anticipated expenses and disbursements of the Board in the implementation of the order, including projected costs of plans and projects of promotion, research, consumer information, and industry information.

(e) Contracts and Agreements.—

(1) In general.—The order shall provide that the Board may enter into contracts or agreements for the implementation and carrying out of plans or projects of promotion, research, consumer information, or industry information, including contracts with a processor organization, and for the payment of the cost of the plans or projects with funds collected by the Board under the order.

(2) Requirements.—A contract or agreement under paragraph (1) shall provide that—

(A) the contracting party shall develop and submit to the Board a plan or project, together with a budget that shows the estimated costs to be incurred for the plan or project;

(B) the plan or project shall become effective on the approval of the Secretary; and

(C) the contracting party shall keep accurate records of each transaction of the party, account for funds received and expended, make periodic reports to the Board of activities conducted, and make such other reports as the Board or the Secretary may require.

(3) Processor organizations.—The order shall provide that the Board may contract with processor organizations for any other services. The contract shall include provisions comparable to the provisions required by paragraph (2).

(f) Assessments.—

(1) Processors.—The order shall provide that each processor marketing popcorn in the United States or for export shall, in the manner prescribed in the order, pay assessments and remit the assessments to the Board.

(2) Direct marketers.—A processor that markets popcorn produced by the processor directly to consumers shall pay and remit the assessments on the popcorn directly to the Board in the manner prescribed in the order.

(3) Rate.—

(A) In general.—The rate of assessment prescribed in the order shall be a rate established by the Board but not more than $.08 per hundredweight of popcorn.

(B) Adjustment of rate.—The order shall provide that the Board, with the approval of the Secretary, may raise or lower the rate of assessment annually up to a maximum of $.08 per hundredweight of popcorn.

(4) Use of assessments.—

(A) In general.—Subject to subparagraphs (B) and (C) and subsection (c)(5), the order shall provide that the assessments collected shall be used by the Board—

(i) to pay expenses incurred in implementing and administering the order, with provision for a reasonable reserve; and

(ii) to cover such administrative costs as are incurred by the Secretary, except that the administrative costs incurred by the Secretary (other than any legal expenses incurred to defend and enforce the order) that may be reimbursed by the Board may not exceed 15 percent of the projected annual revenues of the Board.

(B) Expenditures based on source of assessments.—In implementing plans and projects of promotion, research, consumer information, and industry information, the Board shall expend funds on—

(i) plans and projects for popcorn marketed in the United States or Canada in proportion to the amount of assessments collected on domestically marketed popcorn; and

(ii) plans and projects for exported popcorn in proportion to the amount of assessments collected on exported popcorn.

(C) Notification.—If the administrative costs incurred by the Secretary that are reimbursed by the Board exceed 10 percent of the projected annual revenues of the Board, the Secretary shall notify as soon as practicable the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(g) Prohibition on Use of Funds.—The order shall prohibit any funds collected by the Board under the order from being used to influence government action or policy, other than the use of funds by the Board for the development and recommendation to the Secretary of amendments to the order.

(h) Books and Records of the Board.—The order shall require the Board to—

(1) maintain such books and records (which shall be available to the Secretary for inspection and audit) as the Secretary may prescribe;

(2) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and

(3) account for the receipt and disbursement of all funds entrusted to the Board.

(i) Books and Records of Processors.—

(1) Maintenance and reporting of information.—The order shall require that each processor of popcorn for the market shall—

(A) maintain, and make available for inspection, such books and records as are required by the order; and

(B) file reports at such time, in such manner, and having such content as is prescribed in the order.

(2) Use of information.—The Secretary shall authorize the use of information regarding processors that may be accumulated under a law or regulation other than this subtitle or a regulation issued under this subtitle. The information shall be made available to the Secretary as appropriate for the administration or enforcement of this subtitle, the order, or any regulation issued under this subtitle.

(3) Confidentiality.—

(A) In general.—Subject to subparagraphs (B), (C), and (D), all information obtained by the Secretary under paragraphs (1) and (2) shall be kept confidential by all officers, employees, and agents of the Board and the Department.

(B) Disclosure by secretary.—Information referred to in subparagraph (A) may be disclosed if—

(i) the Secretary considers the information relevant;

(ii) the information is revealed in a suit or administrative hearing brought at the request of the Secretary, or to which the Secretary or any officer of the United States is a party; and

(iii) the information relates to the order.

(C) Disclosure to other agency of federal government.—

(i) In general.—No information obtained under the authority of this subtitle may be made available to another agency or officer of the Federal Government for any purpose other than the implementation of this subtitle and any investigatory or enforcement activity necessary for the implementation of this subtitle.

(ii) Penalty.—A person who knowingly violates this subparagraph shall, on conviction, be subject to a fine of not more than

$1,000 or to imprisonment for not more than 1 year, or both, and if an officer, employee, or agent of the Board or the Department, shall be removed from office or terminated from employment, as applicable.

(D) GENERAL STATEMENTS.—Nothing in this paragraph prohibits—

(i) the issuance of general statements, based on the reports, of the number of persons subject to the order or statistical data collected from the reports, if the statements do not identify the information provided by any person; or

(ii) the publication, by direction of the Secretary, of the name of a person violating the order, together with a statement of the particular provisions of the order violated by the person.

(j) OTHER TERMS AND CONDITIONS.—The order shall contain such terms and conditions, consistent with this subtitle, as are necessary to effectuate this subtitle, including regulations relating to the assessment of late payment charges.

SEC. 706. REFERENDA.

(a) INITIAL REFERENDUM.—

(1) IN GENERAL.—Within the 60-day period immediately preceding the effective date of an order, as provided in section 704(b)(3), the Secretary shall conduct a referendum among processors who, during a representative period as determined by the Secretary, have been engaged in processing, for the purpose of ascertaining whether the order shall go into effect.

(2) APPROVAL OF ORDER.—The order shall become effective, as provided in section 704(b), only if the Secretary determines that the order has been approved by not less than a majority of the processors voting in the referendum and if the majority processed more than 50 percent of the popcorn certified as having been processed, during the representative period, by the processors voting.

(b) ADDITIONAL REFERENDA.—

(1) IN GENERAL.—Not earlier than 3 years after the effective date of an order approved under subsection (a), on the request of the Board or a representative group of processors, as described in paragraph (2), the Secretary may conduct additional referenda to determine whether processors favor the termination or suspension of the order.

(2) REPRESENTATIVE GROUP OF PROCESSORS.—An additional referendum on an order shall be conducted if the referendum is requested by 30 percent or more of the number of processors who, during a representative period as determined by the Secretary, have been engaged in processing.

(3) DISAPPROVAL OF ORDER.—If the Secretary determines, in a referendum conducted under paragraph (1), that suspension or termination of the order is favored by at least ⅔ of the processors voting in the referendum, the Secretary shall—

(A) suspend or terminate, as appropriate, collection of assessments under the order not later than 180 days after the date of determination; and

(B) suspend or terminate the order, as appropriate, in an orderly manner as soon as practicable after the date of determination.

(c) COSTS OF REFERENDUM.—The Secretary shall be reimbursed from assessments collected by the Board for any expenses incurred by the Secretary in connection with the conduct of any referendum under this section.

(d) METHOD OF CONDUCTING REFERENDUM.—Subject to this section, a referendum conducted under this section shall be conducted in such manner as is determined by the Secretary.

(e) CONFIDENTIALITY OF BALLOTS AND OTHER INFORMATION.—

(1) IN GENERAL.—The ballots and other information or reports that reveal or tend to reveal the vote of any processor, or any business operation of a processor, shall be considered to be strictly confidential and shall not be disclosed.

(2) PENALTY FOR VIOLATIONS.—An officer or employee of the Department who knowingly violates paragraph (1) shall be subject to the penalties described in section 705(i)(3)(C)(ii).

SEC. 707. PETITION AND REVIEW.

(a) PETITION.—

(1) IN GENERAL.—A person subject to an order may file with the Secretary a petition—

(A) stating that the order, a provision of the order, or an obligation imposed in connection with the order is not established in accordance with law; and

(B) requesting a modification of the order or obligation or an exemption from the order or obligation.

(2) STATUTE OF LIMITATIONS.—A petition under paragraph (1) concerning an obligation may be filed not later than 2 years after the date of imposition of the obligation.

(3) HEARINGS.—The petitioner shall be given the opportunity for a hearing on a petition filed under paragraph (1), in accordance with regulations issued by the Secretary.

(4) RULING.—After a hearing under paragraph (3), the Secretary shall issue a ruling on the petition that is the subject of the hearing, which shall be final if the ruling is in accordance with applicable law.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district court of the United States for any district in which a person who is a petitioner under subsection (a) resides or carries on business shall have jurisdiction to review a ruling on the petition, if the person files a complaint not later than 20 days after the date of issuance of the ruling under subsection (a)(4).

(2) PROCESS.—Service of process in a proceeding under paragraph (1) may be made on the Secretary by delivering a copy of the complaint to the Secretary.

(3) REMANDS.—If the court determines, under paragraph (1), that a ruling issued under subsection (a)(4) is not in accordance with applicable law, the court shall remand the matter to the Secretary with directions—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further proceedings as, in the opinion of the court, the law requires.

(c) ENFORCEMENT.—The pendency of proceedings instituted under subsection (a) may not impede, hinder, or delay the Secretary or the Attorney General from taking action under section 708.

SEC. 708. ENFORCEMENT.

(a) IN GENERAL.—The Secretary may issue an enforcement order to restrain or prevent any person from violating an order or regulation issued under this subtitle and may assess a civil penalty of not more than $1,000 for each violation of the enforcement order, after an opportunity for an administrative hearing, if the Secretary determines that the administration and enforcement of the order and this subtitle would be adequately served by such a procedure.

(b) JURISDICTION.—The district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, an order or regulation issued under this subtitle.

(c) REFERRAL TO ATTORNEY GENERAL.—A civil action authorized to be brought under this section shall be referred to the Attorney General for appropriate action.

SEC. 709. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) INVESTIGATIONS.—The Secretary may make such investigations as the Secretary considers necessary—

(1) for the effective administration of this subtitle; and

(2) to determine whether any person subject to this subtitle has engaged, or is about to engage, in an act that constitutes or will constitute a violation of this subtitle or of an order or regulation issued under this subtitle.

(b) OATHS, AFFIRMATIONS, AND SUBPOENAS.—For the purpose of an investigation under subsection (a), the Secretary may administer oaths and affirmations, subpoena witnesses, compel the attendance of witnesses, take evidence, and require the production of any records that are relevant to the inquiry. The attendance of witnesses and the production of records may be required from any place in the United States.

(c) AID OF COURTS.—

(1) REQUEST.—In the case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may request the aid of any court of the United States within the jurisdiction of which the investigation or proceeding is carried on, or where the person resides or carries on business, in requiring the attendance and testimony of the person and the production of records.

(2) ENFORCEMENT ORDER OF THE COURT.—The court may issue an enforcement order requiring the person to appear before the Secretary to produce records or to give testimony concerning the matter under investigation.

(3) CONTEMPT.—A failure to obey an enforcement order of the court under paragraph (2) may be punished by the court as a contempt of the court.

(4) PROCESS.—Process in a case under this subsection may be served in the judicial district in which the person resides or conducts business or wherever the person may be found.

SEC. 710. RELATION TO OTHER PROGRAMS.

Nothing in this subtitle preempts or supersedes any other program relating to popcorn promotion organized and operated under the laws of the United States or any State.

SEC. 711. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this subtitle.

SEC. 712. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this subtitle. Amounts made available under this section or otherwise made available to the Department, and amounts made available under any other marketing or promotion order, may not be used to pay any administrative expense of the Board.

Subtitle B—Canola and Rapeseed

SEC. 721. SHORT TITLE.

This subtitle may be cited as the "Canola and Rapeseed Research, Promotion, and Consumer Information Act".

SEC. 722. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress finds that—

(1) canola and rapeseed products are an important and nutritious part of the human diet;

(2) the production of canola and rapeseed products plays a significant role in the economy of the United States in that canola and

rapeseed products are produced by thousands of canola and rapeseed producers, processed by numerous processing entities, and canola and rapeseed products produced in the United States are consumed by people throughout the United States and foreign countries;

(3) canola, rapeseed, and canola and rapeseed products should be readily available and marketed efficiently to ensure that consumers have an adequate supply of canola and rapeseed products at a reasonable price;

(4) the maintenance and expansion of existing markets and development of new markets for canola, rapeseed, and canola and rapeseed products are vital to the welfare of canola and rapeseed producers and processors and those persons concerned with marketing canola, rapeseed, and canola and rapeseed products, as well as to the general economy of the United States, and are necessary to ensure the ready availability and efficient marketing of canola, rapeseed, and canola and rapeseed products;

(5) there exist established State and national organizations conducting canola and rapeseed research, promotion, and consumer education programs that are valuable to the efforts of promoting the consumption of canola, rapeseed, and canola and rapeseed products;

(6) the cooperative development, financing, and implementation of a coordinated national program of canola and rapeseed research, promotion, consumer information, and industry information is necessary to maintain and expand existing markets and develop new markets for canola, rapeseed, and canola and rapeseed products; and

(7) canola, rapeseed, and canola and rapeseed products move in interstate and foreign commerce, and canola, rapeseed, and canola and rapeseed products that do not move in interstate or foreign commerce directly burden or affect interstate commerce in canola, rapeseed, and canola and rapeseed products.

(b) POLICY.—It is the policy of this subtitle to establish an orderly procedure for developing, financing through assessments on domestically-produced canola and rapeseed, and implementing a program of research, promotion, consumer information, and industry information designed to strengthen the position in the marketplace of the canola and rapeseed industry, to maintain and expand existing domestic and foreign markets and uses for canola, rapeseed, and canola and rapeseed products, and to develop new markets and uses for canola, rapeseed, and canola and rapeseed products.

(c) CONSTRUCTION.—Nothing in this subtitle provides for the control of production or otherwise limits the right of individual producers to produce canola, rapeseed, or canola or rapeseed products.

SEC. 723. DEFINITIONS.

In this subtitle (unless the context otherwise requires):

(1) BOARD.—The term "Board" means the National Canola and Rapeseed Board established under section 725(b).

(2) CANOLA; RAPESEED.—The terms "canola" and "rapeseed" means any brassica plant grown in the United States for the production of an oilseed, the oil of which is used for a food or nonfood use.

(3) CANOLA OR RAPESEED PRODUCTS.—The term "canola or rapeseed products" means products produced, in whole or in part, from canola or rapeseed.

(4) COMMERCE.—The term "commerce" includes interstate, foreign, and intrastate commerce.

(5) CONFLICT OF INTEREST.—The term "conflict of interest" means a situation in which a member of the Board has a direct or indirect financial interest in a corporation, partnership, sole proprietorship, joint venture, or other business entity dealing directly or indirectly with the Board.

(6) CONSUMER INFORMATION.—The term "consumer information" means information that will assist consumers and other persons in making evaluations and decisions regarding the purchase, preparation, and use of canola, rapeseed, or canola or rapeseed products.

(7) DEPARTMENT.—The term "Department" means the Department of Agriculture.

(8) FIRST PURCHASER.—The term "first purchaser" means—

(A) except as provided in subparagraph (B), a person buying or otherwise acquiring canola, rapeseed, or canola or rapeseed products produced by a producer; or

(B) the Commodity Credit Corporation, in a case in which canola or rapeseed is forfeited to the Commodity Credit Corporation as collateral for a loan issued under a price support loan program administered by the Commodity Credit Corporation.

(9) INDUSTRY INFORMATION.—The term "industry information" means information or programs that will lead to the development of new markets, new marketing strategies, or increased efficiency for the canola and rapeseed industry, or an activity to enhance the image of the canola or rapeseed industry.

(10) INDUSTRY MEMBER.—The term "industry member" means a member of the canola and rapeseed industry who represents—

(A) manufacturers of canola or rapeseed products; or

(B) persons who commercially buy or sell canola or rapeseed.

(11) MARKETING.—The term "marketing" means the sale or other disposition of canola, rapeseed, or canola or rapeseed products in a channel of commerce.

(12) ORDER.—The term "order" means an order issued under section 724.

(13) PERSON.—The term "person" means an individual, partnership, corporation, association, cooperative, or any other legal entity.

(14) PRODUCER.—The term "producer" means a person engaged in the growing of canola or rapeseed in the United States who owns, or who shares the ownership and risk of loss of, the canola or rapeseed.

(15) PROMOTION.—The term "promotion" means an action, including paid advertising, technical assistance, or trade servicing activity, to enhance the image or desirability of canola, rapeseed, or canola or rapeseed products in domestic and foreign markets, or an activity designed to communicate to consumers, processors, wholesalers, retailers, government officials, or others information relating to the positive attributes of canola, rapeseed, or canola or rapeseed products or the benefits of use or distribution of canola, rapeseed, or canola or rapeseed products.

(16) QUALIFIED STATE CANOLA AND RAPESEED BOARD.—The term "qualified State canola and rapeseed board" means a State canola and rapeseed promotion entity that is authorized and functioning under State law.

(17) RESEARCH.—The term "research" means any type of test, study, or analysis to advance the image, desirability, marketability, production, product development, quality, or functional or nutritional value of canola, rapeseed, or canola or rapeseed products, including research activity designed to identify and analyze barriers to export sales of canola or rapeseed produced in the United States.

(18) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(19) STATE.—The term "State" means any of the 50 States, the District of Columbia and the Commonwealth of Puerto Rico.

(20) UNITED STATES.—The term "United States" means collectively the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 724. ISSUANCE AND AMENDMENT OF ORDERS.

(a) IN GENERAL.—Subject to subsection (b), the Secretary shall issue 1 or more orders under this subtitle applicable to producers and first purchasers of canola, rapeseed, or canola or rapeseed products. The order shall be national in scope. Not more than 1 order shall be in effect under this subtitle at any 1 time.

(b) PROCEDURE.—

(1) PROPOSAL OR REQUEST FOR ISSUANCE.—The Secretary may propose the issuance of an order under this subtitle, or an association of canola and rapeseed producers or any other person that would be affected by an order issued pursuant to this subtitle may request the issuance of, and submit a proposal for, an order.

(2) NOTICE AND COMMENT CONCERNING PROPOSED ORDER.—Not later than 60 days after the receipt of a request and proposal for an order pursuant to paragraph (1), or whenever the Secretary determines to propose an order, the Secretary shall publish a proposed order and give due notice and opportunity for public comment on the proposed order.

(3) ISSUANCE OF ORDER.—After notice and opportunity for public comment are given as provided in paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is in conformity with the requirements of this subtitle. The order shall be issued and become effective not later than 180 days following publication of the proposed order.

(c) AMENDMENTS.—The Secretary, from time to time, may amend an order issued under this section.

SEC. 725. REQUIRED TERMS IN ORDERS.

(a) IN GENERAL.—An order issued under this subtitle shall contain the terms and conditions specified in this section.

(b) ESTABLISHMENT AND MEMBERSHIP OF THE NATIONAL CANOLA AND RAPESEED BOARD.—

(1) IN GENERAL.—The order shall provide for the establishment of, and appointment of members to, a National Canola and Rapeseed Board to administer the order.

(2) SERVICE TO ENTIRE INDUSTRY.—The Board shall carry out programs and projects that will provide maximum benefit to the canola and rapeseed industry in all parts of the United States and only promote canola, rapeseed, or canola or rapeseed products.

(3) BOARD MEMBERSHIP.—The Board shall consist of 15 members, including—

(A) 11 members who are producers, including—

(i) 1 member from each of 6 geographic regions comprised of States where canola or rapeseed is produced, as determined by the Secretary; and

(ii) 5 members from the geographic regions referred to in clause (i), allocated according to the production in each region; and

(B) 4 members who are industry members, including at least—

(i) 1 member who represents manufacturers of canola or rapeseed end products; and

(ii) 1 member who represents persons who commercially buy or sell canola or rapeseed.

(4) LIMITATION ON STATE RESIDENCE.—There shall be no more than 4 producer members of the Board from any State.

(5) MODIFYING BOARD MEMBERSHIP.—In accordance with regulations approved by the Secretary, at least once each 3 years and not more than once each 2 years, the Board shall review the geographic distribution of canola and rapeseed production throughout the United States and, if warranted, recommend to the Secretary that the Secretary—

(A) reapportion regions in order to reflect the geographic distribution of canola and rapeseed production; and

(B) reapportion the seats on the Board to reflect the production in each region.

(6) CERTIFICATION OF ORGANIZATIONS.—

(A) IN GENERAL.—The eligibility of any State organization to represent producers shall be certified by the Secretary.

(B) CRITERIA.—The Secretary shall certify any State organization that the Secretary determines has a history of stability and permanency and meets at least 1 of the following criteria:

(i) MAJORITY REPRESENTATION.—The total paid membership of the organization—

(I) is comprised of at least a majority of canola or rapeseed producers; or

(II) represents at least a majority of the canola or rapeseed producers in the State.

(ii) SUBSTANTIAL NUMBER OF PRODUCERS REPRESENTED.—The organization represents a substantial number of producers that produce a substantial quantity of canola or rapeseed in the State.

(iii) PURPOSE.—The organization is a general farm or agricultural organization that has as a stated objective the promotion and development of the United States canola or rapeseed industry and the economic welfare of United States canola or rapeseed producers.

(C) REPORT.—The Secretary shall make a certification under this paragraph on the basis of a factual report submitted by the State organization.

(7) TERMS OF OFFICE.—

(A) IN GENERAL.—The members of the Board shall serve for a term of 3 years, except that the members appointed to the initial Board shall serve, proportionately, for terms of 1, 2, and 3 years, as determined by the Secretary.

(B) TERMINATION OF TERMS.—Notwithstanding subparagraph (C), each member shall continue to serve until a successor is appointed by the Secretary.

(C) LIMITATION ON TERMS.—No individual may serve more than 2 consecutive 3-year terms as a member.

(8) COMPENSATION.—A member of the Board shall serve without compensation, but shall be reimbursed for necessary and reasonable expenses incurred in the performance of duties for and approved by the Board.

(c) POWERS AND DUTIES OF THE BOARD.—The order shall define the powers and duties of the Board, which shall include the power and duty—

(1) to administer the order in accordance with the terms and conditions of the order;

(2) to make regulations to effectuate the terms and conditions of the order;

(3) to meet, organize, and select from among members of the Board a chairperson, other officers, and committees and subcommittees, as the Board determines appropriate;

(4) to establish working committees of persons other than Board members;

(5) to employ such persons, other than Board members, as the Board considers necessary, and to determine the compensation and define the duties of the persons;

(6) to prepare and submit for the approval of the Secretary, when appropriate or necessary, a recommended rate of assessment under section 726, and a fiscal period budget of the anticipated expenses in the administration of the order, including the probable costs of all programs and projects;

(7) to develop programs and projects, subject to subsection (d);

(8) to enter into contracts or agreements, subject to subsection (e), to develop and carry out programs or projects of research, promotion, industry information, and consumer information;

(9) to carry out research, promotion, industry information, and consumer information projects, and to pay the costs of the projects with assessments collected under section 726;

(10) to keep minutes, books, and records that reflect the actions and transactions of the Board, and promptly report minutes of each Board meeting to the Secretary;

(11) to appoint and convene, from time to time, working committees comprised of producers, industry members, and the public to assist in the development of research, promotion, industry information, and consumer information programs for canola, rapeseed, and canola and rapeseed products;

(12) to invest, pending disbursement under a program or project, funds collected through assessments authorized under section 726, or funds earned from investments, only in—

(A) obligations of the United States or an agency of the United States;

(B) general obligations of a State or a political subdivision of a State;

(C) an interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System; or

(D) obligations fully guaranteed as to principal and interest by the United States;

(13) to receive, investigate, and report to the Secretary complaints of violations of the order;

(14) to furnish the Secretary with such information as the Secretary may request;

(15) to recommend to the Secretary amendments to the order;

(16) to develop and recommend to the Secretary for approval such regulations as may be necessary for the development and execution of programs or projects, or as may otherwise be necessary, to carry out the order; and

(17) to provide the Secretary with advance notice of meetings.

(d) PROGRAMS AND BUDGETS.—

(1) SUBMISSION TO SECRETARY.—The order shall provide that the Board shall submit to the Secretary for approval any program or project of research, promotion, consumer information, or industry information. No program or project shall be implemented prior to approval by the Secretary.

(2) BUDGETS.—The order shall require the Board, prior to the beginning of each fiscal year, or as may be necessary after the beginning of a fiscal year, to submit to the Secretary for approval budgets of anticipated expenses and disbursements in the implementation of the order, including projected costs of research, promotion, consumer information, and industry information programs and projects.

(3) INCURRING EXPENSES.—The Board may incur such expenses for programs or projects of research, promotion, consumer information, or industry information, and other expenses for the administration, maintenance, and functioning of the Board as may be authorized by the Secretary, including any implementation, administrative, and referendum costs incurred by the Department.

(4) PAYING EXPENSES.—The funds to cover the expenses referred to in paragraph (3) shall be paid by the Board from assessments collected under section 726 or funds borrowed pursuant to paragraph (5).

(5) AUTHORITY TO BORROW.—To meet the expenses referred to in paragraph (3), the Board shall have the authority to borrow funds, as approved by the Secretary, for capital outlays and startup costs.

(e) CONTRACTS AND AGREEMENTS.—

(1) IN GENERAL.—To ensure efficient use of funds, the order shall provide that the Board may enter into a contract or agreement for the implementation and carrying out of a program or project of canola, rapeseed, or canola or rapeseed products research, promotion, consumer information, or industry information, including a contract with a producer organization, and for the payment of the costs with funds received by the Board under the order.

(2) REQUIREMENTS.—A contract or agreement under paragraph (1) shall provide that—

(A) the contracting party shall develop and submit to the Board a program or project together with a budget that shall show the estimated costs to be incurred for the program or project;

(B) the program or project shall become effective on the approval of the Secretary; and

(C) the contracting party shall keep accurate records of all transactions, account for funds received and expended, make periodic reports to the Board of activities conducted, and make such other reports as the Board or the Secretary may require.

(3) PRODUCER ORGANIZATIONS.—The order shall provide that the Board may contract with producer organizations for any other services. The contract shall include provisions comparable to those required by paragraph (2).

(f) BOOKS AND RECORDS OF THE BOARD.—

(1) IN GENERAL.—The order shall require the Board to—

(A) maintain such books and records (which shall be available to the Secretary for inspection and audit) as the Secretary may prescribe;

(B) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and

(C) account for the receipt and disbursement of all funds entrusted to the Board.

(2) AUDITS.—The Board shall cause the books and records of the Board to be audited by an independent auditor at the end of each fiscal year, and a report of the audit to be submitted to the Secretary.

(g) PROHIBITION.—

(1) IN GENERAL.—Subject to paragraph (2), the Board shall not engage in any action to, nor shall any funds received by the Board under this subtitle be used to—

(A) influence legislation or governmental action;

(B) engage in an action that would be a conflict of interest;

(C) engage in advertising that is false or misleading; or

(D) engage in promotion that would disparage other commodities.

(2) ACTION PERMITTED.—Paragraph (1) does not preclude—

(A) the development and recommendation of amendments to the order;

(B) the communication to appropriate government officials of information relating to the conduct, implementation, or results of promotion, research, consumer information, or industry information activities under the order; or

(C) any action designed to market canola or rapeseed products directly to a foreign government or political subdivision of a foreign government.

(h) BOOKS AND RECORDS.—

(1) IN GENERAL.—The order shall require that each producer, first purchaser, or industry member shall—

(A) maintain and submit to the Board any reports considered necessary by the Secretary to ensure compliance with this subtitle; and

(B) make available during normal business hours, for inspection by employees of the Board or Secretary, such books and records as are necessary to carry out this subtitle, including such records as are necessary to verify any required reports.

(2) CONFIDENTIALITY.—

(A) IN GENERAL.—Except as otherwise provided in this subtitle, all information obtained from books, records, or reports required to be maintained under paragraph (1) shall be kept confidential, and shall not be disclosed to the public by any person.

(B) DISCLOSURE.—Information referred to in subparagraph (A) may be disclosed to the public if—

(i) the Secretary considers the information relevant;

(ii) the information is revealed in a suit or administrative hearing brought at the direction or on the request of the Secretary or to which the Secretary or any officer of the Department is a party; and

(iii) the information relates to this subtitle.

(C) MISCONDUCT.—A knowing disclosure of confidential information in violation of subparagraph (A) by an officer or employee of the Board or Department, except as required by other law or allowed under subparagraph (B) or (D), shall be considered a violation of this subtitle.

(D) GENERAL STATEMENTS.—Nothing in this paragraph prohibits—

(i) the issuance of general statements, based on the reports, of the number of persons subject to the order or statistical data collected from the reports, if the statements do not identify the information furnished by any person; or

(ii) the publication, by direction of the Secretary, of the name of a person violating the order, together with a statement of the particular provisions of the order violated by the person.

(3) AVAILABILITY OF INFORMATION.—

(A) EXCEPTION.—Except as provided in this subtitle, information obtained under this subtitle may be made available to another agency of the Federal Government for a civil or criminal law enforcement activity if the activity is authorized by law and if the head of the agency has made a written request to the Secretary specifying the particular information desired and the law enforcement activity for which the information is sought.

(B) PENALTY.—Any person knowingly violating this subsection, on conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or both, and if an officer or employee of the Board or the Department, shall be removed from office or terminated from employment, as applicable.

(5) WITHHOLDING INFORMATION.—Nothing in this subtitle authorizes withholding information from Congress.

(i) USE OF ASSESSMENTS.—The order shall provide that the assessments collected under section 726 shall be used for payment of the expenses in implementing and administering this subtitle, with provision for a reasonable reserve, and to cover those administrative costs incurred by the Secretary in implementing and administering this subtitle.

(j) OTHER TERMS AND CONDITIONS.—The order also shall contain such terms and conditions, not inconsistent with this subtitle, as determined necessary by the Secretary to effectuate this subtitle.

SEC. 726. ASSESSMENTS.

(a) IN GENERAL.—

(1) FIRST PURCHASERS.—During the effective period of an order issued pursuant to this subtitle, assessments shall be—

(A) levied on all canola or rapeseed produced in the United States and marketed; and

(B) deducted from the payment made to a producer for all canola or rapeseed sold to a first purchaser.

(2) DIRECT PROCESSING.—The order shall provide that any person processing canola or rapeseed of that person's own production and marketing the canola or rapeseed, or canola or rapeseed products, shall remit to the Board or a qualified State canola and rapeseed board, in the manner prescribed by the order, an assessment established at a rate equivalent to the rate provided for under subsection (d).

(b) LIMITATION ON ASSESSMENTS.—No more than 1 assessment may be assessed under subsection (a) on any canola or rapeseed produced (as remitted by a first purchaser).

(c) REMITTING ASSESSMENTS.—

(1) IN GENERAL.—Assessments required under subsection (a) shall be remitted to the Board by a first purchaser. The Board shall use qualified State canola and rapeseed boards to collect the assessments. If an appropriate qualified State canola and rapeseed board does not exist to collect an assessment, the assessment shall be collected by the Board. There shall be only 1 qualified State canola or rapeseed Board in each State.

(2) TIMES TO REMIT ASSESSMENT.—Each first purchaser shall remit the assessment to the Board as provided for in the order.

(d) ASSESSMENT RATE.—

(1) INITIAL RATE.—The initial assessment rate shall be 4 cents per hundredweight of canola or rapeseed produced and marketed.

(2) INCREASE.—The assessment rate may be increased on recommendation by the Board to a rate not exceeding 10 cents per hundredweight of canola or rapeseed produced and marketed in a State, unless—

(A) after the initial referendum is held under section 727(a), the Board recommends an increase above 10 cents per hundredweight; and

(B) the increase is approved in a referendum under section 727(b).

(3) CREDIT.—A producer who demonstrates to the Board that the producer is participating in a program of an established qualified State canola and rapeseed board shall receive credit, in determining the assessment due from the producer, for contributions to the program of up to 2 cents per hundredweight of canola or rapeseed marketed.

(e) LATE PAYMENT CHARGE.—

(1) IN GENERAL.—There shall be a late payment charge imposed on any person who fails to remit, on or before the date provided for in the order, to the Board the total amount for which the person is liable.

(2) AMOUNT OF CHARGE.—The amount of the late payment charge imposed under paragraph (1) shall be prescribed by the Board with the approval of the Secretary.

(f) REFUND OF ASSESSMENTS FROM ESCROW ACCOUNT.—

(1) ESTABLISHMENT OF ESCROW ACCOUNT.—During the period beginning on the date on which an order is first issued under section 724(b)(3) and ending on the date on which a referendum is conducted under section 727(a), the Board shall—

(A) establish an escrow account to be used for assessment refunds; and

(B) place funds in such account in accordance with paragraph (2).

(2) PLACEMENT OF FUNDS IN ACCOUNT.—The Board shall place in such account, from assessments collected during the period referred to in paragraph (1), an amount equal to the product obtained by multiplying the total amount of assessments collected during the period by 10 percent.

(3) RIGHT TO RECEIVE REFUND.—The Board shall refund to a producer the assessments paid by or on behalf of the producer if—

(A) the producer is required to pay the assessment;

(B) the producer does not support the program established under this subtitle; and

(C) the producer demands the refund prior to the conduct of the referendum under section 727(a).

(4) FORM OF DEMAND.—The demand shall be made in accordance with such regulations, in such form, and within such time period as prescribed by the Board.

(5) MAKING OF REFUND.—The refund shall be made on submission of proof satisfactory to the Board that the producer paid the assessment for which the refund is demanded.

(6) PRORATION.—If—

(A) the amount in the escrow account required by paragraph (1) is not sufficient to refund the total amount of assessments demanded by eligible producers; and

(B) the order is not approved pursuant to the referendum conducted under section 727(a);

the Board shall prorate the amount of the refunds among all eligible producers who demand a refund.

(7) PROGRAM APPROVED.—If the plan is approved pursuant to the referendum conducted under section 727(a), all funds in the escrow account shall be returned to the Board for use by the Board in accordance with this subtitle.

SEC. 727. REFERENDA.

(a) INITIAL REFERENDUM.—

(1) REQUIREMENT.—During the period ending 30 months after the date of the first issuance of an order under section 724, the Secretary shall conduct a referendum among producers who, during a representative period as determined by the Secretary, have been engaged in the production of canola or rapeseed for the purpose of ascertaining whether the order then in effect shall be continued.

(2) ADVANCE NOTICE.—The Secretary shall, to the extent practicable, provide broad public notice in advance of any referendum. The notice shall be provided, without advertising expenses, by means of newspapers, county newsletters, the electronic media, and press releases, through the use of notices posted in State and county Cooperative State Research, Education, and Extension Service offices and county Consolidated Farm Service Agency offices, and by other appropriate means specified in the order. The notice shall include information on when the referendum will be held, registration and voting requirements, rules regarding absentee voting, and other pertinent information.

(3) APPROVAL OF ORDER.—The order shall be continued only if the Secretary determines that the order has been approved by not less than a majority of the producers voting in the referendum.

(4) Disapproval of order.—If continuation of the order is not approved by a majority of those voting in the referendum, the Secretary shall terminate collection of assessments under the order within 6 months after the referendum and shall terminate the order in an orderly manner as soon as practicable.

(b) Additional Referenda.—

(1) In general.—

(A) Requirement.—After the initial referendum on an order, the Secretary shall conduct additional referenda, as described in subparagraph (C), if requested by a representative group of producers, as described in subparagraph (B).

(B) Representative group of producers.—An additional referendum on an order shall be conducted if requested by 10 percent or more of the producers who during a representative period have been engaged in the production of canola or rapeseed.

(C) Eligible producers.—Each additional referendum shall be conducted among all producers who, during a representative period, as determined by the Secretary, have been engaged in the production of canola or rapeseed to determine whether the producers favor the termination or suspension of the order.

(2) Disapproval of order.—If the Secretary determines, in a referendum conducted under paragraph (1), that suspension or termination of the order is favored by a majority of the producers voting in the referendum, the Secretary shall suspend or terminate, as appropriate, collection of assessments under the order within 6 months after the determination, and shall suspend or terminate the order, as appropriate, in an orderly manner as soon as practicable after the determination.

(3) Opportunity to request additional referenda.—

(A) In general.—Beginning on the date that is 5 years after the conduct of a referendum under this subtitle, and every 5 years thereafter, the Secretary shall provide canola and rapeseed producers an opportunity to request an additional referendum.

(B) Method of making request.—

(i) In-person requests.—To carry out subparagraph (A), the Secretary shall establish a procedure under which a producer may request a reconfirmation referendum in-person at a county Cooperative State Research, Education, and Extension Service office or a county Consolidated Farm Service Agency office during a period established by the Secretary, or as provided in clause (ii).

(ii) Mail-in requests.—In lieu of making a request in person, a producer may make a request by mail. To facilitate the submission of requests by mail, the Secretary may make mail-in request forms available to producers.

(C) Notifications.—The Secretary shall publish a notice in the Federal Register, and the Board shall provide written notification to producers, not later than 60 days prior to the end of the period established under subparagraph (B)(i) for an in-person request, of the opportunity of producers to request an additional referendum. The notification shall explain the right of producers to an additional referendum, the procedure for a referendum, the purpose of a referendum, and the date and method by which producers may act to request an additional referendum under this paragraph. The Secretary shall take such other action as the Secretary determines is necessary to ensure that producers are made aware of the opportunity to request an additional referendum.

(D) Action by Secretary.—As soon as practicable following the submission of a request for an additional referendum, the Secretary shall determine whether a sufficient number of producers have requested the referendum, and take such steps as are necessary to conduct the referendum, as required under paragraph (1).

(E) Time limit.—An additional referendum requested under the procedures provided in this paragraph shall be conducted not later than 1 year after the Secretary determines that a representative group of producers, as described in paragraph (1)(B), have requested the conduct of the referendum.

(c) Procedures.—

(1) Reimbursement of Secretary.—The Secretary shall be reimbursed from assessments collected by the Board for any expenses incurred by the Secretary in connection with the conduct of an activity required under this section.

(2) Date.—Each referendum shall be conducted for a reasonable period of time not to exceed 3 days, established by the Secretary, under a procedure under which producers intending to vote in the referendum shall certify that the producers were engaged in the production of canola, rapeseed, or canola or rapeseed products during the representative period and, at the same time, shall be provided an opportunity to vote in the referendum.

(3) Place.—Referenda under this section shall be conducted at locations determined by the Secretary. On request, absentee mail ballots shall be furnished by the Secretary in a manner prescribed by the Secretary.

SEC. 728. PETITION AND REVIEW.

(a) Petition.—

(1) In general.—A person subject to an order issued under this subtitle may file with the Secretary a petition—

(A) stating that the order, a provision of the order, or an obligation imposed in connection with the order is not established in accordance with law; and

(B) requesting a modification of the order or an exemption from the order.

(2) Hearings.—The petitioner shall be given the opportunity for a hearing on a petition filed under paragraph (1), in accordance with regulations issued by the Secretary.

(3) Ruling.—After a hearing under paragraph (2), the Secretary shall make a ruling on the petition that is the subject of the hearing, which shall be final if the ruling is in accordance with applicable law.

(4) Limitation on petition.—Any petition filed under this subtitle challenging an order, or any obligation imposed in connected with an order, shall be filed not later than 2 years after the effective date of the order or obligation.

(b) Review.—

(1) Commencement of action.—The district court of the United States in any district in which the person who is a petitioner under subsection (a) resides or carries on business shall have jurisdiction to review a ruling on the petition, if a complaint is filed by the person not later than 20 days after the date of the entry of a ruling by the Secretary under subsection (a)(3).

(2) Process.—Service of process in a proceeding under paragraph (1) shall be conducted in accordance with the Federal Rules of Civil Procedure.

(3) Remands.—If the court determines, under paragraph (1), that a ruling issued under subsection (a)(3) is not in accordance with applicable law, the court shall remand the matter to the Secretary with directions either—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further proceedings as, in the opinion of the court, the law requires.

(4) Enforcement.—The pendency of proceedings instituted under subsection (a) shall not impede, hinder, or delay the Attorney General or the Secretary from taking any action under section 729.

SEC. 729. ENFORCEMENT.

(a) Jurisdiction.—The district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, an order or regulation made or issued under this subtitle.

(b) Referral to Attorney General.—A civil action authorized to be commenced under this section shall be referred to the Attorney General for appropriate action, except that the Secretary shall not be required to refer to the Attorney General a violation of this subtitle if the Secretary believes that the administration and enforcement of this subtitle would be adequately served by providing a suitable written notice or warning to the person who committed the violation or by administrative action under section 728.

(c) Civil Penalties and Orders.—

(1) Civil penalties.—

(A) In general.—Any person who willfully violates any provision of an order or regulation issued by the Secretary under this subtitle, or who fails or refuses to pay, collect, or remit an assessment or fee required of the person under an order or regulation, may be assessed—

(i) a civil penalty by the Secretary of not more than $1,000 for each violation; and

(ii) in the case of a willful failure to pay, collect, or remit an assessment as required by an order or regulation, an additional penalty equal to the amount of the assessment.

(B) Separate offense.—Each violation under subparagraph (A) shall be a separate offense.

(2) Cease-and-desist orders.—In addition to, or in lieu of, a civil penalty under paragraph (1), the Secretary may issue an order requiring a person to cease and desist from continuing a violation.

(3) Notice and hearing.—No penalty shall be assessed, or cease-and-desist order issued, by the Secretary under this subsection unless the person against whom the penalty is assessed or the order is issued is given notice and opportunity for a hearing before the Secretary with respect to the violation.

(4) Finality.—The order of the Secretary assessing a penalty or imposing a cease-and-desist order under this subsection shall be final and conclusive unless the affected person files an appeal of the order with the appropriate district court of the United States in accordance with subsection (d).

(d) Review by District Court.—

(1) Commencement of action.—Any person who has been determined to be in violation of this subtitle, or against whom a civil penalty has been assessed or a cease-and-desist order issued under subsection (c), may obtain review of the penalty or order by—

(A) filing, within the 30-day period beginning on the date the penalty is assessed or order issued, a notice of appeal in—

(i) the district court of the United States for the district in which the person resides or conducts business; or

(ii) the United States District Court for the District of Columbia; and

(B) simultaneously sending a copy of the notice by certified mail to the Secretary.

(2) Record.—The Secretary shall file promptly, in the appropriate court referred to in paragraph (1), a certified copy of the

record on which the Secretary has determined that the person has committed a violation.

(3) STANDARD OF REVIEW.—A finding of the Secretary under this section shall be set aside only if the finding is found to be unsupported by substantial evidence.

(e) FAILURE TO OBEY ORDERS.—Any person who fails to obey a cease-and-desist order issued under this section after the order has become final and unappealable, or after the appropriate United States district court has entered a final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary, after opportunity for a hearing and for judicial review under the procedures specified in subsections (c) and (d), of not more than $5,000 for each offense. Each day during which the failure continues shall be considered as a separate violation of the order.

(f) FAILURE TO PAY PENALTIES.—If a person fails to pay an assessment of a civil penalty under this section after the assessment has become a final and unappealable order, or after the appropriate United States district court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount assessed in the district court in which the person resides or conducts business. In an action for recovery, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

(g) ADDITIONAL REMEDIES.—The remedies provided in this subtitle shall be in addition to, and not exclusive of, other remedies that may be available.

SEC. 730. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) INVESTIGATIONS.—The Secretary may make such investigations as the Secretary considers necessary—

(1) for the effective administration of this subtitle; and

(2) to determine whether any person has engaged or is engaging in an act that constitutes a violation of this subtitle, or an order, rule, or regulation issued under this subtitle.

(b) SUBPOENAS, OATHS, AND AFFIRMATIONS.—

(1) IN GENERAL.—For the purpose of an investigation under subsection (a), the Secretary may administer oaths and affirmations, subpoena witnesses, take evidence, and issue subpoenas to require the production of any records that are relevant to the inquiry. The attendance of witnesses and the production of records may be required from any place in the United States.

(2) ADMINISTRATIVE HEARINGS.—For the purpose of an administrative hearing held under section 728 or 729, the presiding officer is authorized to administer oaths and affirmations, subpoena and compel the attendance of witnesses, take evidence, and require the production of any records that are relevant to the inquiry. The attendance of witnesses and the production of records may be required from any place in the United States.

(c) AID OF COURTS.—In the case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which the investigation or proceeding is carried on, or where the person resides or carries on business, in order to enforce a subpoena issued by the Secretary under subsection (b). The court may issue an order requiring the person to comply with the subpoena.

(d) CONTEMPT.—A failure to obey an order of the court under this section may be punished by the court as contempt of the court.

(e) PROCESS.—Process may be served on a person in the judicial district in which the person resides or conducts business or wherever the person may be found.

(f) HEARING SITE.—The site of a hearing held under section 728 or 729 shall be in the judicial district where the person affected by the hearing resides or has a principal place of business.

SEC. 731. SUSPENSION OR TERMINATION OF AN ORDER.

The Secretary shall, whenever the Secretary finds that an order or a provision of an order obstructs or does not tend to effectuate the declared policy of this subtitle, terminate or suspend the operation of the order or provision. The termination or suspension of an order shall not be considered an order within the meaning of this subtitle.

SEC. 732. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this subtitle.

SEC. 733. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated for each fiscal year such sums as are necessary to carry out this subtitle.

(b) ADMINISTRATIVE EXPENSES.—Funds appropriated under subsection (a) shall not be available for payment of the expenses or expenditures of the Board in administering a provision of an order issued under this subtitle.

Subtitle C—Kiwifruit

SEC. 741. SHORT TITLE.

This subtitle may be cited as the "National Kiwifruit Research, Promotion, and Consumer Information Act".

SEC. 742. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) domestically produced kiwifruit are grown by many individual producers;

(2) virtually all domestically produced kiwifruit are grown in the State of California, although there is potential for production in many other areas of the United States;

(3) kiwifruit move in interstate and foreign commerce, and kiwifruit that do not move in channels of commerce directly burden or affect interstate commerce;

(4) in recent years, large quantities of kiwifruit have been imported into the United States;

(5) the maintenance and expansion of existing domestic and foreign markets for kiwifruit, and the development of additional and improved markets for kiwifruit, are vital to the welfare of kiwifruit producers and other persons concerned with producing, marketing, and processing kiwifruit;

(6) a coordinated program of research, promotion, and consumer information regarding kiwifruit is necessary for the maintenance and development of the markets; and

(7) kiwifruit producers, handlers, and importers are unable to implement and finance such a program without cooperative action.

(b) PURPOSES.—The purposes of this subtitle are—

(1) to authorize the establishment of an orderly procedure for the development and financing (through an assessment) of an effective and coordinated program of research, promotion, and consumer information regarding kiwifruit;

(2) to use the program to strengthen the position of the kiwifruit industry in domestic and foreign markets and maintain, develop, and expand markets for kiwifruit; and

(3) to treat domestically produced kiwifruit and imported kiwifruit equitably.

SEC. 743. DEFINITIONS.

In this subtitle (unless the context otherwise requires):

(1) BOARD.—The term "Board" means the National Kiwifruit Board established under section 745.

(2) CONSUMER INFORMATION.—The term "consumer information" means any action taken to provide information to, and broaden the understanding of, the general public regarding the consumption, use, nutritional attributes, and care of kiwifruit.

(3) EXPORTER.—The term "exporter" means any person from outside the United States who exports kiwifruit into the United States.

(4) HANDLER.—The term "handler" means any person, excluding a common carrier, engaged in the business of buying and selling, packing, marketing, or distributing kiwifruit as specified in the order.

(5) IMPORTER.—The term "importer" means any person who imports kiwifruit into the United States.

(6) KIWIFRUIT.—The term "kiwifruit" means all varieties of fresh kiwifruit grown or imported in the United States.

(7) MARKETING.—The term "marketing" means the sale or other disposition of kiwifruit into interstate, foreign, or intrastate commerce by buying, marketing, distribution, or otherwise placing kiwifruit into commerce.

(8) ORDER.—The term "order" means a kiwifruit research, promotion, and consumer information order issued by the Secretary under section 744.

(9) PERSON.—The term "person" means any individual, group of individuals, partnership, corporation, association, cooperative, or other legal entity.

(10) PROCESSING.—The term "processing" means canning, fermenting, distilling, extracting, preserving, grinding, crushing, or in any manner changing the form of kiwifruit for the purposes of preparing the kiwifruit for market or marketing the kiwifruit.

(11) PRODUCER.—The term "producer" means any person who grows kiwifruit in the United States for sale in commerce.

(12) PROMOTION.—The term "promotion" means any action taken under this subtitle (including paid advertising) to present a favorable image for kiwifruit to the general public for the purpose of improving the competitive position of kiwifruit and stimulating the sale of kiwifruit.

(13) RESEARCH.—The term "research" means any type of research relating to the use, nutritional value, and marketing of kiwifruit conducted for the purpose of advancing the image, desirability, marketability, or quality of kiwifruit.

(14) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(15) UNITED STATES.—The term "United States" means the 50 States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 744. ISSUANCE OF ORDERS.

(a) ISSUANCE.—To effectuate the declared purposes of this subtitle, the Secretary shall issue an order applicable to producers, handlers, and importers of kiwifruit. Any such order shall be national in scope. Not more than 1 order shall be in effect under this subtitle at any 1 time.

(b) PROCEDURE.—

(1) PROPOSAL FOR ISSUANCE OF ORDER.—Any person that will be affected by this subtitle may request the issuance of, and submit a proposal for, an order under this subtitle.

(2) PROPOSED ORDER.—Not later than 90 days after the receipt of a request and proposal for an order, the Secretary shall publish a proposed order and give due notice and opportunity for public comment on the proposed order.

(3) ISSUANCE OF ORDER.—After notice and opportunity for public comment are provided under paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is in conformity with this subtitle.

(c) AMENDMENTS.—The Secretary may amend any order issued under this section. The provisions of this subtitle applicable to an order shall be applicable to an amendment to an order.

SEC. 745. NATIONAL KIWIFRUIT BOARD.

(a) MEMBERSHIP.—An order issued by the Secretary under section 744 shall provide for the establishment of a National Kiwifruit Board that consists of the following 11 members:

(1) 6 members who are producers (or representatives of producers) and who are not exempt from an assessment under section 746(b).

(2) 4 members who are importers (or representatives of importers) and who are not exempt from an assessment under section 746(b) or are exporters (or representatives of exporters).

(3) 1 member appointed from the general public.

(b) ADJUSTMENT OF MEMBERSHIP.—Subject to the 11-member limit, the Secretary may adjust membership on the Board to accommodate changes in production and import levels of kiwifruit.

(c) APPOINTMENT AND NOMINATION.—

(1) APPOINTMENT.—The Secretary shall appoint the members of the Board from nominations submitted in accordance with this subsection.

(2) PRODUCERS.—The members referred to in subsection (a)(1) shall be appointed from individuals nominated by producers.

(3) IMPORTERS AND EXPORTERS.—The members referred to in subsection (a)(2) shall be appointed from individuals nominated by importers or exporters.

(4) PUBLIC REPRESENTATIVE.—The public representative shall be appointed from nominations submitted by other members of the Board.

(5) FAILURE TO NOMINATE.—If producers, importers, and exporters fail to nominate individuals for appointment, the Secretary may appoint members on a basis provided for in the order. If the Board fails to nominate a public representative, the member may be appointed by the Secretary without a nomination.

(d) ALTERNATES.—The Secretary shall appoint an alternate for each member of the Board. An alternate shall—

(1) be appointed in the same manner as the member for whom the individual is an alternate; and

(2) serve on the Board if the member is absent from a meeting or is disqualified under subsection (f).

(e) TERMS.—A member of the Board shall be appointed for a term of 3 years. No member may serve more than 2 consecutive 3-year terms, except that of the members first appointed—

(1) 5 members shall be appointed for a term of 2 years; and

(2) 6 members shall be appointed for a term of 3 years.

(f) DISQUALIFICATION.—If a member or alternate of the Board who was appointed as a producer, importer, exporter, or public representative member ceases to belong to the group for which the member was appointed, the member or alternate shall be disqualified from serving on the Board.

(g) COMPENSATION.—A members or alternate of the Board shall serve without pay.

(h) GENERAL POWERS AND DUTIES.—The Board shall—

(1) administer an order issued by the Secretary under section 744, and an amendment to the order, in accordance with the order and amendment and this subtitle;

(2) prescribe rules and regulations to carry out the order;

(3) meet, organize, and select from among members of the Board a chairperson, other officers, and committees and subcommittees, as the Board determines appropriate;

(4) receive, investigate, and report to the Secretary accounts of violations of the order;

(5) make recommendations to the Secretary with respect to an amendment that should be made to the order; and

(6) employ or contract with a manager and staff to assist in administering the order, except that, to reduce administrative costs and increase efficiency, the Board shall seek, to the extent practicable, to employ or contract with personnel who are already associated with State chartered organizations involved in promoting kiwifruit.

SEC. 746. REQUIRED TERMS IN ORDER.

(a) BUDGETS AND PLANS.—

(1) IN GENERAL.—An order issued under section 744 shall provide for periodic budgets and plans in accordance with this subsection.

(2) BUDGETS.—The Board shall prepare and submit to the Secretary a budget prior to the beginning of the fiscal year of the anticipated expenses and disbursements of the Board in the administration of the order, including probable costs of research, promotion, and consumer information. A budget shall become effective on a ⅔-vote of a quorum of the Board and approval by the Secretary.

(3) PLANS.—Each budget shall include a plan for research, promotion, and consumer information regarding kiwifruit. A plan under this paragraph shall become effective on approval by the Secretary. The Board may enter into contracts and agreements, on approval by the Secretary, for—

(A) the development of and carrying out the plan; and

(B) the payment of the cost of the plan, with funds collected pursuant to this subtitle.

(b) ASSESSMENTS.—

(1) IN GENERAL.—The order shall provide for the imposition and collection of assessments with regard to the production and importation of kiwifruit in accordance with this subsection.

(2) RATE.—The assessment rate shall be the reate that is recommended by a ⅔-vote of a quorum of the Board and approved by the Secretary, except that the rate shall not exceed $0.10 per 7-pound tray of kiwifruit or equivalent.

(3) COLLECTION BY FIRST HANDLERS.—Except as provided in paragraph (5), the first handler of kiwifruit shall—

(A) be responsible for the collection from the producer, and payment to the Board, of assessments required under this subsection; and

(B) maintain a separate record of the kiwifruit of each producer whose kiwifruit are so handled, including the kiwifruit owned by the handler.

(4) IMPORTERS.—The assessment on imported kiwifruit shall be paid by the importer to the United States Customs Service at the time of entry into the United States and shall be remitted to the Board.

(5) EXEMPTION FROM ASSESSMENT.—The following persons or activities are exempt from an assessment under this subsection:

(A) A producer who produces less than 500 pounds of kiwifruit per year.

(B) An importer who imports less than 10,000 pounds of kiwifruit per year.

(C) A sale of kiwifruit made directly from the producer to a consumer for a purpose other than resale.

(D) The production or importation of kiwifruit for processing.

(6) CLAIM OF EXEMPTION.—To claim an exemption under paragraph (5) for a particular year, a person shall—

(A) submit an application to the Board stating the basis for the exemption and certifying that the quantity of kiwifruit produced, imported, or sold by the person will not exceed any poundage limitation required for the exemption in the year; or

(B) be on a list of approved processors developed by the Board.

(c) USE OF ASSESSMENTS.

(1) AUTHORIZED USES.—The order shall provide that funds paid to the Board as assessments under subsection (b) may be used by the Board—

(A) to pay for research, promotion, and consumer information described in the budget of the Board under subsection (a) and for other expenses incurred by the Board in the administration of an order;

(B) to pay such other expenses for the administration, maintenance, and functioning of the Board, including any enforcement efforts for the collection of assessments as may be authorized by the Secretary, including interest and penalties for late payments; and

(C) to fund a reserve established under section 747(d).

(2) REQUIRED USES.—The order shall provide that funds paid to the Board as assessments under subsection (b) shall be used by the Board—

(A) to pay the expenses incurred by the Secretary, including salaries and expenses of Federal Government employees, in implementing and administering the order; and

(B) to reimburse the Secretary for any expenses incurred by the Secretary in conducting referenda under this subtitle.

(3) LIMITATION ON USE OF ASSESSMENTS.—Except for the first year of operation of the Board, expenses for the administration, maintenance, and functioning of the Board may not exceed 30 percent of the budget for a year.

(d) FALSE CLAIMS.—The order shall provide that any promotion funded with assessments collected under subsection (b) may not make—

(1) any false claims on behalf of kiwifruit; and

(2) any false statements with respect to the attributes or use of any product that competes with kiwifruit for sale in commerce.

(e) PROHIBITION ON USE OF FUNDS.—The order shall provide that funds collected by the Board under this subtitle through assessments may not, in any manner, be used for the purpose of influencing legislation or governmental policy or action, except for making recommendations to the Secretary as provided for under this subtitle.

(f) BOOKS, RECORDS, AND REPORTS.—

(1) BOARD.—The order shall require the Board—

(A) to maintain books and records with respect to the receipt and disbursement of funds received by the Board;

(B) to submit to the Secretary from time to time such reports as the Secretary may require for appropriate accounting; and

(C) to submit to the Secretary at the end of each fiscal year a complete audit report by an independent auditor regarding the activities of the Board during the fiscal year.

(2) OTHERS.—To make information and data available to the Board and the Secretary that is appropriate or necessary for the effectuation, administration, or enforcement of this subtitle (or any order or regulation issued under this subtitle), the order shall require handlers and importers who are responsible for the collection, payment, or remittance of assessments under subsection (b)—

(A) to maintain and make available for inspection by the employees and agents of the Board and the Secretary such books and records as may be required by the order; and

(B) to file, at the times and in the manner and content prescribed by the order, reports regarding the collection, payment, or remittance of the assessments.

(g) CONFIDENTIALITY.—

(1) IN GENERAL.—The order shall require that all information obtained pursuant to subsection (f)(2) be kept confidential by all officers and employees and agents of the Department and of the Board. Only such information as the Secretary considers relevant shall be disclosed to the public and only in a suit or administrative hearing, brought at the request of the Secretary or to which the Secretary or any officer of the United States is a party, involving the order with respect to which the information was furnished or acquired.

(2) LIMITATIONS.—Nothing in this subsection prohibits—

(A) issuance of general statements based on the reports of a number of handlers and importers subject to an order, if the statements do not identify the information furnished by any person; or

(B) the publication, by direction of the Secretary, of the name of any person violating an order issued under section 744(a), together with a statement of the particular provisions of the order violated by the person.

(3) PENALTY.—Any person who willfully violates this subsection, on conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or both, and, if the person is a member, officer, or agent of the board or an employee of the Department, shall be removed from office.

(h) WITHHOLDING INFORMATION.—Nothing in this subtitle authorizes the withholding of information from Congress.

SEC. 747. PERMISSIVE TERMS IN ORDER.

(a) PERMISSIVE TERMS.—On the recommendation of the Board and with the approval of the Secretary, an order issued under section 744 may include the terms and conditions specified in this section and such additional terms and conditions as the Secretary considers necessary to effectuate the other provisions of the order and are incidental to, and not inconsistent with, this subtitle.

(b) ALTERNATIVE PAYMENT AND REPORTING SCHEDULES.—The order may authorize the Board to designate different handler payment and reporting schedules to recognize differences in marketing practices and procedures.

(c) WORKING GROUPS.—The order may authorize the Board to convene working groups drawn from producers, handlers, importers, exporters, or the general public and utilize the expertise of the groups to assist in the development of research and marketing programs for kiwifruit.

(d) RESERVE FUNDS.—The order may authorize the Board to accumulate reserve funds from assessments collected pursuant to section 746(b) to permit an effective and continuous coordinated program of research, promotion, and consumer information in years in which production and assessment income may be reduced, except that any reserve fund may not exceed the amount budgeted for operation of this subtitle for 1 year.

(e) PROMOTION ACTIVITIES OUTSIDE UNITED STATES.—The order may authorize the Board to use, with the approval of the Secretary, funds collected under section 746(b) and funds from other sources for the development and expansion of sales in foreign markets of kiwifruit produced in the United States.

SEC. 748. PETITION AND REVIEW.

(a) PETITION.—

(1) IN GENERAL.—A person subject to an order may file with the Secretary a petition—

(A) stating that the order, a provision of the order, or an obligation imposed in connection with the order is not in accordance with law; and

(B) requesting a modification of the order or an exemption from the order.

(2) HEARINGS.—A person submitting a petition under paragraph (1) shall be given an opportunity for a hearing on the petition, in accordance with regulations issued by the Secretary.

(3) RULING.—After the hearing, the Secretary shall make a ruling on the petition which shall be final if the petition is in accordance with law.

(4) LIMITATION ON PETITION.—Any petition filed under this subtitle challenging an order, or any obligation imposed in connected with an order, shall be filed not later than 2 years after the effective date of the order or obligation.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district court of the United States in any district in which the person who is a petitioner under subsection (a) resides or carries on business is vested with jurisdiction to review the ruling on the petition of the person, if a complaint for that purpose is filed not later than 20 days after the date of the entry of a ruling by the Secretary under subsection (a).

(2) PROCESS.—Service of process in the proceedings shall be conducted in accordance with the Federal Rules of Civil Procedure.

(3) REMANDS.—If the court determines that the ruling is not in accordance with law, the court shall remand the matter to the Secretary with directions—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further action as, in the opinion of the court, the law requires.

(4) ENFORCEMENT.—The pendency of a proceeding instituted pursuant to subsection (a) shall not impede, hinder, or delay the Attorney General or the Secretary from obtaining relief pursuant to section 749.

SEC. 749. ENFORCEMENT.

(a) JURISDICTION.—A district court of the United States shall have jurisdiction specifically to enforce, and to prevent and restrain any person from violating, any order or regulation made or issued by the Secretary under this subtitle.

(b) REFERRAL TO ATTORNEY GENERAL.—A civil action authorized to be brought under this section shall be referred to the Attorney General for appropriate action, except that the Secretary is not required to refer to the Attorney General a violation of this subtitle, or any order or regulation issued under this subtitle, if the Secretary believes that the administration and enforcement of this subtitle would be adequately served by administrative action under subsection (c) or suitable written notice or warning to any person committing the violation.

(c) CIVIL PENALTIES AND ORDERS.—

(1) CIVIL PENALTIES.—Any person who willfully violates any provision of any order or regulation issued by the Secretary under this subtitle, or who fails or refuses to pay, collect, or remit any assessment or fee duly required of the person under the order or regulation, may be assessed a civil penalty by the Secretary of not less than $500 nor more than $5,000 for each such violation. Each violation shall be a separate offense.

(2) CEASE-AND-DESIST ORDERS.—In addition to or in lieu of the civil penalty, the Secretary may issue an order requiring the person to cease and desist from continuing the violation.

(3) NOTICE AND HEARING.—No order assessing a civil penalty or cease-and-desist order may be issued by the Secretary under this subsection unless the Secretary gives the person against whom the order is issued notice and opportunity for a hearing on the record before the Secretary with respect to the violation.

(4) FINALITY.—The order of the Secretary assessing a penalty or imposing a cease-and-desist order shall be final and conclusive unless the person against whom the order is issued files an appeal from the order with the appropriate district court of the United States, in accordance with subsection (d).

(d) REVIEW BY UNITED STATES DISTRICT COURT.—

(1) COMMENCEMENT OF ACTION.—Any person against whom a violation is found and a civil penalty assessed or cease-and-desist order issued under subsection (c) may obtain review of the penalty or order in the district court of the United States for the district in which the person resides or does business, or the United States district court for the District of Columbia, by—

(A) filing a notice of appeal in the court not later than 30 days after the date of the order; and

(B) simultaneously sending a copy of the notice by certified mail to the Secretary.

(2) RECORD.—The Secretary shall promptly file in the court a certified copy of the record on which the Secretary found that the person had committed a violation.

(3) STANDARD OF REVIEW.—A finding of the Secretary shall be set aside only if the finding is found to be unsupported by substantial evidence.

(e) FAILURE TO OBEY ORDERS.—Any person who fails to obey a cease-and-desist order issued by the Secretary after the order has become final and unappealable, or after the appropriate United States district court has entered a final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary, after opportunity for a hearing and for judicial review under the procedures specified in subsections (c) and (d), of not more than $500 for each offense. Each day during which the failure continues shall be considered a separate violation of the order.

(f) FAILURE TO PAY PENALTIES.—If a person fails to pay an assessment of a civil penalty after the assessment has become a final and unappealable order issued by the Secretary, or after the appropriate United States district court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount assessed in the district court of the United States in any district in which the person resides or conducts business. In the action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

SEC. 750. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) In General.—The Secretary may make such investigations as the Secretary considers necessary—

(1) for the effective carrying out of the responsibilities of the Secretary under this subtitle; or

(2) to determine whether a person subject to this subtitle has engaged or is engaging in any act that constitutes a violation of this subtitle, or any order, rule, or regulation issued under this subtitle.

(b) Power To Subpoena.—

(1) Investigations.—For the purpose of an investigation made under subsection (a), the Secretary may administer oaths and affirmations and may issue subpoenas to require the production of any records that are relevant to the inquiry. The production of any such records may be required from any place in the United States.

(2) Administrative hearings.—For the purpose of an administrative hearing held under section 748 or 749, the presiding officer is authorized to administer oaths and affirmations, subpoena witnesses, compel the attendance of witnesses, take evidence, and require the production of any records that are relevant to the inquiry. The attendance of witnesses and the production of any such records may be required from any place in the United States.

(c) Aid of Courts.—In the case of contumacy by, or refusal to obey a subpoena to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which the investigation or proceeding is carried on, or where the person resides or carries on business, to enforce a subpoena issued by the Secretary under subsection (b). The court may issue an order requiring the person to comply with the subpoena.

(d) Contempt.—Any failure to obey the order of the court may be punished by the court as a contempt of the order.

(e) Process.—Process in any such case may be served in the judicial district of which the person resides or conducts business or wherever the person may be found.

(f) Hearing Site.—The site of any hearing held under section 748 or 749 shall be within the judicial district where the person is an inhabitant or has a principal place of business.

SEC. 751. REFERENDA.

(a) Initial Referendum.—

(1) Referendum required.—During the 60-day period immediately preceding the proposed effective date of an order issued under section 744, the Secretary shall conduct a referendum among kiwifruit producers and importers who will be subject to assessments under the order, to ascertain whether producers and importers approve the implementation of the order.

(2) Approval of order.—The order shall become effective, as provided in section 744, if the Secretary determines that—

(A) the order has been approved by a majority of the producers and importers voting in the referendum; and

(B) the producers and importers produce and import more than 50 percent of the total volume of kiwifruit produced and imported by persons voting in the referendum.

(b) Subsequent Referenda.—The Secretary may periodically conduct a referendum to determine if kiwifruit producers and importers favor the continuation, termination, or suspension of any order issued under section 744 that is in effect at the time of the referendum.

(c) Required Referenda.—The Secretary shall hold a referendum under subsection (b)—

(1) at the end of the 6-year period beginning on the effective date of the order and at the end of each subsequent 6-year period;

(2) at the request of the Board; or

(3) if not less than 30 percent of the kiwifruit producers and importers subject to assessments under the order submit a petition requesting the referendum.

(d) Vote.—On completion of a referendum under subsection (b), the Secretary shall suspend or terminate the order that was subject to the referendum at the end of the marketing year if—

(1) the suspension or termination of the order is favored by not less than a majority of the producers and importers voting in the referendum; and

(2) the producers and importers produce and import more than 50 percent of the total volume of kiwifruit produced and imported by persons voting in the referendum.

(e) Confidentiality.—The ballots and other information or reports that reveal, or tend to reveal, the vote of any person under this subtitle and the voting list shall be held strictly confidential and shall not be disclosed.

SEC. 752. SUSPENSION AND TERMINATION OF ORDER BY SECRETARY.

(a) In General.—If the Secretary finds that an order issued under section 744, or a provision of the order, obstructs or does not tend to effectuate the purposes of this subtitle, the Secretary shall terminate or suspend the operation of the order or provision.

(b) Limitation.—The termination or suspension of any order, or any provision of an order, shall not be considered an order under this subtitle.

SEC. 753. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this subtitle.

SEC. 754. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such funds as are necessary to carry out this subtitle for each fiscal year.

Subtitle D—Commodity Promotion and Evaluation

SEC. 761. COMMODITY PROMOTION AND EVALUATION.

(a) Findings.—Congress finds that—

(1) it is in the national public interest and vital to the welfare of the agricultural economy of the United States to expand and develop markets for agricultural commodities through generic, industry-funded promotion programs;

(2) the programs play a unique role in advancing the demand for agricultural commodities, since the programs increase the total market for a product to the benefit of consumers and all producers;

(3) the programs complement branded advertising initiatives, which are aimed at increasing the market share of individual competitors;

(4) the programs are of particular benefit to small producers, who may lack the resources or market power to advertise on their own;

(5) the programs do not impede the branded advertising efforts of individual firms but instead increase market demand by methods that each individual entity would not have the incentive to employ;

(6) the programs, paid for by the producers who directly reap the benefits of the programs, provide a unique opportunity for agricultural producers to inform consumers about their products;

(7) it is important to ensure that the programs be carried out in an effective and coordinated manner that is designed to strengthen the position of the commodities in the marketplace and to maintain and expand the markets and uses of the commodities; and

(8) independent evaluation of the effectiveness of the programs will assist Congress and the Secretary of Agriculture in ensuring that the objectives of the programs are met.

(b) Independent Evaluations.—Except as otherwise provided by law, and at such intervals as the Secretary of Agriculture may determine, but not more frequently than every 3 years or 3 years after the establishment of a program, the Secretary shall require that each industry-funded generic promotion program authorized by Federal law for an agricultural commodity shall provide for an independent evaluation of the program and the effectiveness of the program. The evaluation may include an analysis of benefits, costs, and the efficacy of promotional and research efforts under the program. The evaluation shall be funded from industry assessments and made available to the public.

(c) Administrative Costs.—The Secretary shall provide to Congress annually information on administrative expenses on programs referred to in subsection (b).

TITLE VIII—MISCELLANEOUS

Subtitle A—Options Pilot Programs and Risk Management Education

SEC. 801. SHORT TITLE.

This subtitle may be cited as the "Options Pilot Programs Act of 1996".

SEC. 802. PURPOSE.

The purpose of this subtitle is to authorize the Secretary of Agriculture (referred to in this subtitle as the "Secretary") to—

(1) conduct research through pilot programs for 1 or more program commodities to ascertain whether futures and options contracts can provide producers with reasonable protection from the financial risks of fluctuations in price, yield, and income inherent in the production and marketing of agricultural commodities; and

(2) provide education in the management of the financial risks inherent in the production and marketing of agricultural commodities.

SEC. 803. PILOT PROGRAMS.

(a) In General.—The Secretary is authorized to conduct pilot programs for 1 or more supported commodities through December 31, 2002.

(b) Distribution of Pilot Programs.—The Secretary may operate a pilot program described in subsection (a) (referred to in this subtitle as a "pilot program") in up to 100 counties for each program commodity with not more than 6 of those counties in any 1 State. A pilot program shall not be implemented in any county for more than 3 of the 1996 through 2002 calendar years.

(c) Eligible Participants.—

(1) In general.—In carrying out a pilot program, the Secretary may contract with a producer who—

(A) is eligible to participate in a price support program for a supported commodity;

(B) desires to participate in a pilot program; and

(C) is located in an area selected for a pilot program.

(2) CONTRACTS.—Each contract under paragraph (1) shall set forth the terms and conditions for participation in a pilot program.

(d) ELIGIBLE MARKETS.—Trades for futures and options contracts under a pilot program shall be carried out on commodity futures and options markets designated as contract markets under the Commodity Exchange Act (7 U.S.C. 1 et seq.)

SEC. 804. TERMS AND CONDITIONS.

(a) IN GENERAL.—To be eligible to participate in any pilot program for any commodity conducted under this subtitle, a producer shall meet the eligibility requirements established under this subtitle (including regulations issued under this subtitle).

(b) RECORDKEEPING.—Producers shall compile, maintain, and submit (or authorize the compilation, maintenance, and submission) of such documentation as the regulations governing any pilot program require.

SEC. 805. NOTICE.

(a) ALTERNATIVE PROGRAMS.—Pilot programs shall be alternatives to other related programs of the Department of Agriculture.

(b) NOTICE TO PRODUCERS.—The Secretary shall provide notice to each producer participating in a pilot program that—

(1) the participation of the producer in a pilot program is voluntary; and

(2) neither the United States, the Commodity Credit Corporation, the Federal Crop Insurance Corporation, the Department of Agriculture, nor any other Federal agency is authorized to guarantee that participants in the pilot program will be better or worse off financially as a result of participation in a pilot program than the producer would have been if the producer had not participated in a pilot program.

SEC. 806. COMMODITY CREDIT CORPORATION.

(a) IN GENERAL.—Pilot programs established under this subtitle shall be funded by and carried out through the Commodity Credit Corporation.

(b) LIMITATION.—In conducting the programs, the Secretary shall, to the maximum extent practicable, operate the pilot programs in a budget neutral manner.

SEC. 807. RISK MANAGEMENT EDUCATION.

The Secretary shall provide such education in management of the financial risks inherent in the production and marketing of agricultural commodities as the Secretary considers appropriate.

Subtitle B—Commercial Transportation of Equine for Slaughter

SEC. 811. FINDINGS.

Congress finds that, to ensure that equine sold for slaughter are provided humane treatment and care, it is essential to regulate the transportation, care, handling, and treatment of equine by any person engaged in the commercial transportation of equine for slaughter.

SEC. 812. DEFINITIONS.

In this subtitle:

(1) COMMERCE.—The term "commerce" means trade, traffic, transportation, or other commerce by a person—

(A) between any State, territory, or possession of the United States, or the District of Columbia, and any place outside thereof;

(B) between points within the same State, territory, or possession of the United States, or the District of Columbia, but through any place outside thereof; or

(C) within any territory or possession of the United States or the District of Columbia.

(2) DEPARTMENT.—The term "Department" means the United States Department of Agriculture.

(3) EQUINE.—The term "equine" means any member of the Equidae family.

(4) EQUINE FOR SLAUGHTER.—The term "equine for slaughter" means any equine that is transported, or intended to be transported, by vehicle to a slaughter facility or intermediate handler from a sale, auction, or intermediate handler by a person engaged in the business of transporting equine for slaughter.

(5) FOAL.—The term "foal" means an equine that is not more than 6 months of age.

(6) INTERMEDIATE HANDLER.—The term "intermediate handler" means any person regularly engaged in the business of receiving custody of equine for slaughter in connection with the transport of the equine to a slaughter facility, including a stockyard, feedlot, or assembly point.

(7) PERSON.—The term "person" means any individual, partnership, firm, company, corporation, or association that regularly transports equine for slaughter in commerce, except that the term shall not include an individual or other entity that does not transport equine for slaughter on a regular basis as part of a commercial enterprise.

(8) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(9) VEHICLE.—The term "vehicle" means any machine, truck, tractor, trailer, or semitrailer, or any combination thereof, propelled or drawn by mechanical power and used on a highway in the commercial transportation of equine for slaughter.

(10) STALLION.—The term "stallion" means any uncastrated male equine that is 1 year of age or older.

SEC. 813. STANDARDS FOR HUMANE COMMERCIAL TRANSPORTATION OF EQUINE FOR SLAUGHTER.

(a) IN GENERAL.—Subject to the availability of appropriations, not later than 1 year after the date of enactment of this subtitle, the Secretary shall issue, by regulation, standards for the humane commercial transportation by vehicle of equine for slaughter.

(b) PROHIBITION.—No person engaged in the regular business of transporting equine by vehicle for slaughter as part of a commercial enterprise shall transport in commerce, to a slaughter facility or intermediate handler, an equine for slaughter except in accordance with the standards and this subtitle.

(c) MINIMUM REQUIREMENTS.—The standards shall include minimum requirements for the humane handling, care, treatment, and equipment necessary to ensure the safe and humane transportation of equine for slaughter. The standards shall require, at a minimum, that—

(1) no equine for slaughter shall be transported for more than 24 hours without being unloaded from the vehicle and allowed to rest for at least 8 consecutive hours and given access to adequate quantities of wholesome food and potable water;

(2) a vehicle shall provide adequate headroom for an equine for slaughter with a minimum of at least 6 feet, 6 inches of headroom from the roof and beams or other structural members overhead to floor underfoot, except that a vehicle transporting 6 equine or less shall provide a minimum of at least 6 feet of headroom from the roof and beams or other structural members overhead to floor underfoot if none of the equine are over 16 hands;

(3) the interior of a vehicle shall—

(A) be free of protrusions, sharp edges, and harmful objects;

(B) have ramps and floors that are adequately covered with a nonskid nonmetallic surface; and

(C) be maintained in a sanitary condition;

(4) a vehicle shall—

(A) provide adequate ventilation and shelter from extremes of weather and temperature for all equine;

(B) be of appropriate size, height, and interior design for the number of equine being carried to prevent overcrowding; and

(C) be equipped with doors and ramps of sufficient size and location to provide for safe loading and unloading, including unloading during emergencies;

(5)(A) equine shall be positioned in the vehicle by size; and

(B) stallions shall be segregated from other equine;

(6)(A) all equine for slaughter must be fit to travel as determined by an accredited veterinarian, who shall prepare a certificate of inspection, prior to loading for transport, that—

(i) states that the equine were inspected and satisfied the requirements of subparagraph (B);

(ii) includes a clear description of each equine; and

(iii) is valid for 7 days;

(B) no equine shall be transported to slaughter if the equine is found to be—

(i) suffering from a broken or dislocated limb;

(ii) unable to bear weight on all 4 limbs;

(iii) blind in both eyes; or

(iv) obviously suffering from severe illness, injury, lameness, or physical debilitation that would make the equine unable to withstand the stress of transportation;

(C) no foal may be transported for slaughter;

(D) no mare in foal that exhibits signs of impending parturition may be transported for slaughter; and

(E) no equine for slaughter shall be accepted by a slaughter facility unless the equine is—

(i) inspected on arrival by an employee of the slaughter facility or an employee of the Department; and

(ii) accompanied by a certificate of inspection issued by an accredited veterinarian, not more than 7 days before the delivery, stating that the veterinarian inspected the equine on a specified date.

SEC. 814. RECORDS.

(a) IN GENERAL.—A person engaged in the business of transporting equine for slaughter shall establish and maintain such records, make such reports, and provide such information as the Secretary may, by regulation, require for the purposes of carrying out, or determining compliance with, this subtitle.

(b) MINIMUM REQUIREMENTS.—The records shall include, at a minimum—

(1) the veterinary certificate of inspection;

(2) the names and addresses of current owners and consignors, if applicable, of the equine at the time of sale or consignment to slaughter; and

(3) the bill of sale or other documentation of sale for each equine.

(c) AVAILABILITY.—The records shall—

(1) accompany the equine during transport to slaughter;

(2) be retained by any person engaged in the business of transporting equine for slaughter for a reasonable period of time, as determined by the Secretary, except that the veterinary certificate of inspection shall be surrendered at the slaughter facility to an employee or designee of the Department and kept by the Department for a reasonable period of time, as determined by the Secretary; and

(3) on request of an officer or employee of the Department, be made available at all

reasonable times for inspection and copying by the officer or employee.

SEC. 815. AGENTS.

(a) In General.—For purposes of this subtitle, the act, omission, or failure of an individual acting for or employed by a person engaged in the business of transporting equine for slaughter, within the scope of the employment or office of the individual, shall be considered the act, omission, or failure of the person engaging in the commercial transportation of equine for slaughter as well as of the individual.

(b) Assistance.—If an equine suffers a substantial injury or illness while being transported for slaughter on a vehicle, the driver of the vehicle shall seek prompt assistance from a licensed veterinarian.

SEC. 816. COOPERATIVE AGREEMENTS.

The Secretary is authorized to cooperate with States, political subdivisions of States, State agencies (including State departments of agriculture and State law enforcement agencies), and foreign governments to carry out and enforce this subtitle (including regulations issued under this subtitle).

SEC. 817. INVESTIGATIONS AND INSPECTIONS.

(a) In General.—The Secretary is authorized to conduct such investigations or inspections as the Secretary considers necessary to enforce this subtitle (including any regulation issued under this subtitle).

(b) Access.—For the purposes of conducting an investigation or inspection under subsection (a), the Secretary shall, at all reasonable times, have access to—

(1) the place of business of any person engaged in the business of transporting equine for slaughter;

(2) the facilities and vehicles used to transport the equine; and

(3) records required to be maintained under section 834.

(c) Assistance to or Destruction of Equine.—The Secretary shall issue such regulations as the Secretary considers necessary to permit employees or agents of the Department to—

(1) provide assistance to any equine that is covered by this subtitle (including any regulation issued under this subtitle); or

(2) destroy, in a humane manner, any such equine found to be suffering.

SEC. 818. INTERFERENCE WITH ENFORCEMENT.

(a) In General.—Subject to subsection (b), a person who forcibly assaults, resists, opposes, impedes, intimidates, or interferes with any person while engaged in or on account of the performance of an official duty of the person under this subtitle shall be fined not more than $5,000 or imprisoned not more than 3 years, or both.

(b) Weapons.—If the person uses a deadly or dangerous weapon in connection with an action described in subsection (a), the person shall be fined not more than $10,000 or imprisoned not more than 10 years, or both.

SEC. 819. JURISDICTION OF COURTS.

Except as provided in section 840(a)(5), a district court of the United States in any appropriate judicial district under section 1391 of title 28, United States Code, shall have jurisdiction to specifically enforce this subtitle, to prevent and restrain a violation of this subtitle, and to otherwise enforce this subtitle.

SEC. 820. CIVIL AND CRIMINAL PENALTIES.

(a) Civil Penalties.—

(1) In general.—A person who violates this subtitle (including a regulation or standard issued under this subtitle) shall be assessed a civil penalty by the Secretary of not more than $2,000 for each violation.

(2) Separate offenses.—Each equine transported in violation of this subtitle shall constitute a separate offense. Each violation and each day during which a violation continues shall constitute a separate offense.

(3) Hearings.—No penalty shall be assessed under this subsection unless the person who is alleged to have violated this subtitle is given notice and opportunity for a hearing with respect to an alleged violation.

(4) Final order.—An order of the Secretary assessing a penalty under this subsection shall be final and conclusive unless the aggrieved person files an appeal from the order pursuant to paragraph (5).

(5) Appeals.—Not later than 30 days after entry of a final order of the Secretary issued pursuant to this subsection, a person aggrieved by the order may seek review of the order in the appropriate United States Court of Appeals. The Court shall have exclusive jurisdiction to enjoin, set aside, suspend (in whole or in part), or to determine the validity of the order.

(6) Nonpayment of penalty.—On a failure to pay the penalty assessed by a final order under this section, the Secretary shall request the Attorney General to institute a civil action in a district court of the United States or other United States court for any district in which the person is found, resides, or transacts business, to collect the penalty. The court shall have jurisdiction to hear and decide the action.

(b) Criminal Penalties.—

(1) First offense.—Subject to paragraph (2), a person who knowingly violates this subtitle (or a regulation or standard issued under this subtitle) shall, on conviction of the violation, be subject to imprisonment for not more than 1 year or a fine of not more than $2,000, or both.

(2) Subsequent offenses.—On conviction of a second or subsequent offense described in paragraph (1), a person shall be subject to imprisonment for not more than 3 years or to a fine of not more than $5,000, or both.

SEC. 821. PAYMENTS FOR TEMPORARY OR MEDICAL ASSISTANCE FOR EQUINE DUE TO VIOLATIONS.

From sums received as penalties, fines, or forfeitures of property for any violation of this subtitle (including a regulation issued under this subtitle), the Secretary shall pay the reasonable and necessary costs incurred by any person in providing temporary care or medical assistance for any equine that needs the care or assistance due to a violation of this subtitle.

SEC. 822. RELATIONSHIP TO STATE LAW.

Nothing in this subtitle prevents a State from enacting or enforcing any law (including a regulation) that is not inconsistent with this subtitle or that is more restrictive than this subtitle.

SEC. 823. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—There are authorized to be appropriated for each fiscal year such sums as are necessary to carry out this subtitle.

(b) Limitation.—No provision of this subtitle shall be effective, or be enforced against any person, during a fiscal year unless funds to carry out this subtitle have been appropriated for the fiscal year.

Subtitle C—Nutrition Assistance

SEC. 831. FOOD STAMP PROGRAM.

(a) Employment and Training.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended by striking "1995" each place it appears and inserting "2002".

(b) Authorization of Pilot Projects.—The last sentence of section 17(b)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(A)) is amended by striking "1995" and inserting "2002".

(c) Outreach Demonstration Projects.—The first sentence of section 17(j)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(j)(1)(A)) is amended by striking "1995" and inserting "2002".

(d) Authorization for Appropriations.—The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking "1995" and inserting "2002".

(e) Reauthorization of Puerto Rico Nutrition Assistance Program.—The first sentence of section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended by striking "$974,000,000" and all that follows through "fiscal year 1995" and inserting "$1,143,000,000 for fiscal year 1996, $1,174,000,000 for fiscal year 1997, $1,204,000,000 for fiscal year 1998, $1,236,000,000 for fiscal year 1999, $1,268,000,000 for fiscal year 2000, $1,301,000,000 for fiscal year 2001, and $1,335,000,000 for fiscal year 2002".

(f) American Samoa.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

"SEC. 24. TERRITORY OF AMERICAN SAMOA.

"From amounts made available to carry out this Act, the Secretary may pay to the Territory of American Samoa not more than $5,300,000 for each of fiscal years 1996 through 2002 to finance 100 percent of the expenditures for the fiscal year for a nutrition assistance program extended under section 601(c) of Public Law 96-597 (48 U.S.C. 1469d(c)).".

SEC. 832. COMMODITY DISTRIBUTION PROGRAM; COMMODITY SUPPLEMENTAL FOOD PROGRAM.

(a) Reauthorization.—The first sentence of section 4(a) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(b) Funding.—Section 5 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86; 7 U.S.C. 612c note) is amended—

(1) in subsection (a)(2), by striking "1995" and inserting "2002"; and

(2) in subsection (d)(2), by striking "1995" and inserting "2002".

SEC. 833. EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) Reauthorization.—The first sentence of section 204(a)(1) of the Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(b) Program Termination.—Section 212 of the Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(c) Required Purchases of Commodities.—Section 214 of the Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking "1995" and inserting "2002"; and

(2) in subsection (e), by striking "1995" each place it appears and inserting "2002".

SEC. 834. SOUP KITCHENS PROGRAM.

Section 110 of the Hunger Prevention Act of 1988 (Public Law 100-435; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking "1995" and inserting "2002"; and

(2) in subsection (c)(2)—

(A) in the paragraph heading, by striking "1995" and inserting "2002"; and

(B) by striking "1995" each place it appears and inserting "2002".

SEC. 835. NATIONAL COMMODITY PROCESSING.

The first sentence of section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended by striking "1995" and inserting "2002".

Subtitle D—Miscellaneous

SEC. 841. LIVESTOCK DEALER TRUST.

Title III of the Packers and Stockyards Act, 1921 (7 U.S.C. 201 et seq.), is amended by adding at the end the following:

"SEC. 318. LIVESTOCK DEALER TRUST.

"(a) FINDINGS.—Congress finds that—

"(1) a burden on and obstruction to commerce in livestock is caused by financing arrangements under which dealers and market agencies purchasing livestock on commission encumber, give lenders security interests in, or have liens placed on livestock purchased by the dealers and market agencies in cash sales, or on receivables from or proceeds of such sales, when payment is not made for the livestock; and

"(2) the carrying out of such arrangements is contrary to the public interest.

"(b) PURPOSE.—The purpose of this section is to remedy the burden on and obstruction to commerce in livestock described in paragraph (1) and protect the public interest.

"(c) DEFINITIONS.—In this section:

"(1) CASH SALE.—The term 'cash sale' means a sale in which the seller does not expressly extend credit to the buyer.

"(2) TRUST.—The term 'trust' means 1 or more assets of a buyer that (subsequent to a cash sale of livestock) constitutes the corpus of a trust held for the benefit of a seller and consists of—

"(A) account receivables and proceeds earned from the cash sale of livestock by a dealer;

"(B) account receivables and proceeds of a marketing agency earned on commission from the cash sale of livestock;

"(C) the inventory of the dealer or marketing agency; or

"(D) livestock involved in the cash sale, if the seller has not received payment in full for the livestock and a bona fide third-party purchaser has not purchased the livestock from the dealer or marketing agency.

"(d) HOLDING IN TRUST.—

"(1) IN GENERAL.—The account receivables and proceeds generated in a cash sale made by a dealer or a market agency on commission and the inventory of the dealer or market agency shall be held by the dealer or market agency in trust for the benefit of the seller of the livestock until the seller receives payment in full for the livestock.

"(2) EXEMPTION.—Paragraph (1) does not apply in the case of a cash sale made by a dealer or market agency if the total amount of cash sales made by the dealer or market agency during the preceding 12 months does not exceed $250,000.

"(3) DISHONOR OF INSTRUMENT OF PAYMENT.—A payment in a sale described in paragraph (1) shall not be considered to be made if the instrument by which payment is made is dishonored.

"(4) LOSS OF BENEFIT OF TRUST.—If an instrument by which payment is made in a sale described in paragraph (1) is dishonored, the seller shall lose the benefit of the trust under paragraph (1) on the earlier of—

"(A) the date that is 15 business days after date on which the seller receives notice of the dishonor; or

"(B) the date that is 30 days after the final date for making payment under section 409, unless the seller gives written notice to the dealer or market agency of the seller's intention to preserve the trust and submits a copy of the notice to the Secretary.

"(5) RIGHTS OF THIRD-PARTY PURCHASER.—The trust established under paragraph (1) shall have no effect on the rights of a bona fide third-party purchaser of the livestock, without regard to whether the livestock are delivered to the bona fide purchaser.

"(e) JURISDICTION.—The district courts of the United States shall have jurisdiction in a civil action—

"(1) by the beneficiary of a trust described in subsection (c)(1), to enforce payment of the amount held in trust; and

"(2) by the Secretary, to prevent and restrain dissipation of a trust described in subsection (c)(1).".

SEC. 842. FUND FOR DAIRY PRODUCERS TO PAY FOR NUTRIENT MANAGEMENT.

Section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in paragraph (A), by adding at the end the following: "The minimum price for milk of the highest classification in any order (other than an order amended under paragraph (M)) may not be higher than the minimum price required under this paragraph."; and

(2) by adding at the end the following:

"(M) SAFE HARBOR.—

"(i) IN GENERAL.—Providing that each order may be amended such that not more than $.10 per hundredweight of milk of the highest use classification may be added to the minimum applicable price to be set aside in a fund called the 'Safe Harbor Fund Account' (referred to in this paragraph as the 'Account').

"(ii) ADMINISTRATION.—

"(I) MARKET ADMINISTRATOR.—The Account shall be administered by the Market Administrator.

"(II) USE OF FUNDS.—A determination regarding the use of the funds in the Account shall be made by the Safe Harbor Committee established under clause (iii).

"(iii) SAFE HARBOR COMMITTEE.—The Secretary shall establish a Safe Harbor Committee consisting of 7 milk producers appointed by the Secretary who supply milk to handlers regulated under a Federal milk marketing order.

"(iv) USE OF FUNDS.—

"(I) APPLICATIONS.—To be eligible to use amounts in the fund, a milk producer who supplies milk to handlers regulated under a Federal milk marketing order shall submit an application to the Safe Harbor Committee.

"(II) APPROVAL.—The Safe Harbor Committee may approve only applications that fund conservation practices approved by the Secretary that control the off-migration of nutrients from the farm.

"(III) STATE WATER QUALITY PRIORITIES.—In approving applications, the Safe Harbor Committee shall take into account, to the extent practicable, the applicable State water quality priorities.".

SEC. 843. PLANTING OF ENERGY CROPS.

(a) FEED GRAINS.—The first sentence of section 105B(c)(1)(F)(i) of the Agricultural Act of 1949 (7 U.S.C. 1444f(c)(1)(F)(i)) is amended by inserting "herbaceous perennial grass, short rotation woody coppice species of trees, other energy crops designated by the Secretary with high energy content," after "mung beans,".

(b) WHEAT.—The first sentence of section 107B(c)(1)(F)(i) of the Agricultural Act of 1949 (7 U.S.C. 1445b–3a(c)(1)(F)(i)) is amended by inserting "herbaceous perennial grass, short rotation woody coppice species of trees, other energy crops designated by the Secretary with high energy content," after "mung beans,".

SEC. 844. CROP INSURANCE.

(a) CATASTROPHIC RISK PROTECTION.—Section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)) is amended—

(1) in paragraph (4), by adding at the end the following:

"(C) DELIVERY OF COVERAGE.—

"(i) IN GENERAL.—In full consultation with approved insurance providers, the Secretary may continue to offer catastrophic risk protection in a State (or a portion of a State) through local offices of the Department if the Secretary determines that there is an insufficient number of approved insurance providers operating in the State or portion to adequately provide catastrophic risk protection coverage to producers.

"(ii) COVERAGE BY APPROVED INSURANCE PROVIDERS.—To the extent that catastrophic risk protection coverage by approved insurance providers is sufficiently available in a State as determined by the Secretary, only approved insurance providers may provide the coverage in the State.

"(iii) CURRENT POLICIES.—Subject to clause (ii), all catastrophic risk protection policies written by local offices of the Department shall be transferred (including all fees collected for the crop year in which the approved insurance provider will assume the policies) to the approved insurance provider for performance of all sales, service, and loss adjustment functions."; and

(2) in paragraph (7), by striking subparagraph (A) and inserting the following:

"(A) IN GENERAL.—Effective for the spring-planted 1996 and subsequent crops, to be eligible for any payment or loan under the Agricultural Market Transition Act or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301 et seq.), the conservation reserve program, or any benefit described in section 371 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008f), a person shall—

"(i) obtain at least the catastrophic level of insurance for each crop of economic significance in which the person has an interest; or

"(ii) provide a written waiver to the Secretary that waives any eligibility for emergency crop loss assistance in connection with the crop.".

(b) COVERAGE OF SEED CROPS.—Section 519(a)(2)(B) of the Act (7 U.S.C. 1519(a)(2)(B)) is amended by inserting "seed crops," after "turfgrass sod,".

SEC. 845. REVENUE INSURANCE.

Section 508(h) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)) is amended by adding at the end the following:

"(9) REVENUE INSURANCE PILOT PROGRAM.—

"(A) IN GENERAL.—Not later than December 31, 1996, the Secretary shall carry out a pilot program in a limited number of counties, as determined by the Secretary, for crop years 1997, 1998, 1999, and 2000, under which a producer of corn, wheat, or soybeans may elect to receive insurance against loss of revenue, as determined by the Secretary.

"(B) ADMINISTRATION.—Revenue insurance under this paragraph shall—

"(i) be offered through reinsurance arrangements with private insurance companies;

"(ii) offer at least a minimum level of coverage that is an alternative to catastrophic crop insurance;

"(iii) be actuarily sound; and

"(iv) require the payment of premiums and administrative fees by an insured producer.".

SEC. 846. REIMBURSABLE AGREEMENTS.

Section 737 of Public Law 102–142 (7 U.S.C. 2277) is amended—

(1) by striking "SEC. 737. Funds" and inserting the following:

"SEC. 737. SERVICES FOR APHIS PERFORMED OUTSIDE THE UNITED STATES.

"(a) IN GENERAL.—Funds"; and

(2) by adding at the end the following:

"(b) REIMBURSABLE AGREEMENTS.—

"(1) IN GENERAL.—The Secretary of Agriculture may enter into reimbursable fee agreements with persons for preclearance at locations outside the United States of plants, plant products, animals, and articles for movement to the United States.

"(2) OVERTIME, NIGHT, AND HOLIDAY WORK.—Notwithstanding any other law, the Secretary of Agriculture may pay an employee of the Department of Agriculture preforming services relating to imports into and exports from the United States for overtime, night, and holiday work performed by the employee at a rate of pay established by the Secretary.

"(3) REIMBURSEMENT.—

"(A) IN GENERAL.—The Secretary of Agriculture may require persons for whom preclearance services are performed to reimburse the Secretary for any amounts paid by the Secretary for performance of the services.

"(B) CREDITING OF FUNDS.—All funds collected under subparagraph (A) shall be credited to the account that incurs the costs and shall remain available until expended without fiscal year limitation.

"(C) LATE PAYMENT PENALTY.—

"(i) IN GENERAL.—On failure of a person to reimburse the Secretary of Agriculture for the costs of performance of preclearance services—

"(I) the Secretary may assess a late payment penalty; and

"(II) the overdue funds shall accrue interest in accordance with section 3717 of title 31, United States Code.

"(ii) CREDITING OF FUNDS.—Any late payment penalty and any accrued interest collected under this subparagraph shall be credited to the account that incurs the costs and shall remain available until expended without fiscal year limitation.".

SEC. 847. SWINE HEALTH PROTECTION.

(a) TERMINATION OF STATE PRIMARY ENFORCEMENT RESPONSIBILITY.—Section 10 of the Swine Health Protection Act (7 U.S.C. 3809) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following:

"(c) REQUEST OF STATE OFFICIAL.—

"(1) IN GENERAL.—On request of the Governor or other appropriate official of a State, the Secretary may terminate, effective as soon as the Secretary determines is practicable, the primary enforcement responsibility of a State under subsection (a). In terminating the primary enforcement responsibility under this subsection, the Secretary shall work with the appropriate State official to determine the level of support to be provided to the Secretary by the State under this Act.

"(2) REASSUMPTION.—Nothing in this subsection shall prevent a State from reassuming primary enforcement responsibility if the Secretary determines that the State meets the requirements of subsection (a).".

(b) ADVISORY COMMITTEE.—The Swine Health Protection Act is amended—

(1) by striking section 11 (7 U.S.C. 3810); and

(2) by redesignating sections 12, 13, and 14 (7 U.S.C. 3811, 3812, and 3813) as sections 11, 12, and 13, respectively.

SEC. 848. COOPERATIVE WORK FOR PROTECTION, MANAGEMENT, AND IMPROVEMENT OF NATIONAL FOREST SYSTEM.

The penultimate paragraph of the matter under the heading "FOREST SERVICE." of the first section of the Act of June 30, 1914 (38 Stat. 430, chapter 131; 16 U.S.C. 498), is amended—

(1) by inserting ", management," after "the protection";

(2) by striking "national forests," and inserting "National Forest System,";

(3) by inserting "management," after "protection," both places it appears; and

(4) by adding at the end the following new sentences: "Payment for work undertaken pursuant to this paragraph may be made from any appropriation of the Forest Service that is available for similar work if a written agreement so provides and reimbursement will be provided by a cooperator in the same fiscal year as the expenditure by the Forest Service. A reimbursement received from a cooperator that covers the proportionate share of the cooperator of the cost of the work shall be deposited to the credit of the appropriation of the Forest Service from which the payment was initially made or, if the appropriation is no longer available to the credit of an appropriation of the Forest Service that is available for similar work. The Secretary of Agriculture shall establish written rules that establish criteria to be used to determine whether the acceptance of contributions of money under this paragraph would adversely affect the ability of an officer or employee of the United States Department of Agriculture to carry out a duty or program of the officer or employee in a fair and objective manner or would compromise, or appear to compromise, the integrity of the program, officer, or employee. The Secretary of Agriculture shall establish written rules that protect the interests of the Forest Service in cooperative work agreements.".

SEC. 849. COLLECTION AND USE OF AGRICULTURAL QUARANTINE AND INSPECTION FEES.

Subsection (a) of section 2509 of the Food, Agriculture, Conservation, and Trade Act of 1990 (21 U.S.C. 136a) is amended to read as follows:

"(a) QUARANTINE AND INSPECTION FEES.—

"(1) FEES AUTHORIZED.—The Secretary of Agriculture may prescribe and collect fees sufficient—

"(A) to cover the cost of providing agricultural quarantine and inspection services in connection with the arrival at a port in the customs territory of the United States, or the preclearance or preinspection at a site outside the customs territory of the United States, of an international passenger, commercial vessel, commercial aircraft, commercial truck, or railroad car;

"(B) to cover the cost of administering this subsection; and

"(C) through fiscal year 2002, to maintain a reasonable balance in the Agricultural Quarantine Inspection User Fee Account established under paragraph (5).

"(2) LIMITATION.—In setting the fees under paragraph (1), the Secretary shall ensure that the amount of the fees are commensurate with the costs of agricultural quarantine and inspection services with respect to the class of persons or entities paying the fees. The costs of the services with respect to passengers as a class includes the costs of related inspections of the aircraft or other vehicle.

"(3) STATUS OF FEES.—Fees collected under this subsection by any person on behalf of the Secretary are held in trust for the United States and shall be remitted to the Secretary in such manner and at such times as the Secretary may prescribe.

"(4) LATE PAYMENT PENALTIES.—If a person subject to a fee under this subsection fails to pay the fee when due, the Secretary shall assess a late payment penalty, and the overdue fees shall accrue interest, as required by section 3717 of title 31, United States Code.

"(5) AGRICULTURAL QUARANTINE INSPECTION USER FEE ACCOUNT.—

"(A) ESTABLISHMENT.—There is established in the Treasury of the United States a no-year fund, to be known as the 'Agricultural Quarantine Inspection User Fee Account', which shall contain all of the fees collected under this subsection and late payment penalties and interest charges collected under paragraph (4) through fiscal year 2002.

"(B) USE OF ACCOUNT.—For each of the fiscal years 1996 through 2002, funds in the Agricultural Quarantine Inspection User Fee Account shall be available, in such amounts as are provided in advance in appropriations Acts, to cover the costs associated with the provision of agricultural quarantine and inspection services and the administration of this subsection. Amounts made available under this subparagraph shall be available until expended.

"(C) EXCESS FEES.—Fees and other amounts collected under this subsection in any of the fiscal years 1996 through 2002 in excess of $100,000,000 shall be available for the purposes specified in subparagraph (B) until expended, without further appropriation.

"(6) USE OF AMOUNTS COLLECTED AFTER FISCAL YEAR 2002.—After September 30, 2002, the unobligated balance in the Agricultural Quarantine Inspection User Fee Account and fees and other amounts collected under this subsection shall be credited to the Department of Agriculture accounts that incur the costs associated with the provision of agricultural quarantine and inspection services and the administration of this subsection. The fees and other amounts shall remain available to the Secretary until expended without fiscal year limitation.

"(7) STAFF YEARS.—The number of full-time equivalent positions in the Department of Agriculture attributable to the provision of agricultural quarantine and inspection services and the administration of this subsection shall not be counted toward the limitation on the total number of full-time equivalent positions in all agencies specified in section 5(b) of the Federal Workforce Restructuring Act of 1994 (Public Law 103-226; 5 U.S.C. 3101 note) or other limitation on the total number of full-time equivalent positions.".

SEC. 850. AMENDMENT OF THE VIRUS-SERUM TOXIN ACT OF 1913.

The Act of March 4, 1913 (37 Stat. 828, chapter 145), is amended in the eighth paragraph under the heading "BUREAU OF ANIMAL INDUSTRY", commonly known as the "Virus-Serum Toxin Act of 1913", by striking the 10th sentence (21 U.S.C. 158) and inserting "A person, firm, or corporation that knowingly violates any of the provisions of this paragraph or regulations issued under this paragraph, or knowingly forges, counterfeits, or, without authorization by the Secretary of Agriculture, uses, alters, defaces, or destroys any certificate, permit, license, or other document provided for in this paragraph, may, for each violation, after written notice and opportunity for a hearing on the record, be assessed a civil penalty by the Secretary of Agriculture of not more than $5,000, or shall, on conviction, be assessed a criminal penalty of not more than

$10,000, imprisoned not more than 1 year, or both. In the course of an investigation of a suspected violation of this paragraph, the Secretary of Agriculture may issue subpoenas requiring the attendance and testimony of witnesses and the production of evidence that relates to the matter under investigation. In determining the amount of a civil penalty, the Secretary of Agriculture shall take into account the nature, circumstances, extent, and gravity of the violation, the ability of the violator to pay the penalty, the effect that the assessment would have on the ability of the violator to continue to do business, any history of such violations by the violator, the degree of culpability of the violator, and such other matters as justice may require. An order assessing a civil penalty shall be treated as a final order reviewable under chapter 158 of title 28, United State's Code. The Secretary of Agriculture may compromise, modify, or remit a civil penalty with or without conditions. The amount of a civil penalty that is paid (including any amount agreed on in compromise) may be deducted from any sums owing by the United States to the violator. The total amount of civil penalties assessed against a violator shall not exceed $300,000 for all such violations adjudicated in a single proceeding. The validity of an order assessing a civil penalty shall not be subject to review in an action to collect the civil penalty. The unpaid amount of a civil penalty not paid in full when due shall accrue interest at the rate of interest applicable to civil judgments of the courts of the United States.".

SEC. 851. OVERSEAS TORT CLAIMS.

Title VII of Public Law 102–142 (105 Stat. 911) is amended by inserting after section 737 (7 U.S.C. 2277) the following:

"SEC. 737A. OVERSEAS TORT CLAIMS.

"The Secretary of Agriculture may pay a tort claim in the manner authorized in section 2672 of title 28, United States Code, if the claim arises outside the United States in connection with activities of individuals who are performing services for the Secretary. A claim may not be allowed under this section unless the claim is presented in writing to the Secretary within 2 years after the date on which the claim accrues.".

SEC. 852. GRADUATE SCHOOL OF THE UNITED STATES DEPARTMENT OF AGRICULTURE.

(a) PURPOSE.—The purpose of this section is to authorize the continued operation of the Graduate School as a nonappropriated fund instrumentality of the Department of Agriculture.

(b) DEFINITIONS.—In this section:

(1) BOARD.—The term "Board" means the General Administration Board of the Graduate School.

(2) DEPARTMENT.—The term "Department" means the Department of Agriculture.

(3) DIRECTOR.—The term "Director" means the Director of the Graduate School.

(4) GRADUATE SCHOOL.—The term "Graduate School" means the Graduate School of the United States Department of Agriculture.

(5) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(c) FUNCTIONS AND AUTHORITY.—

(1) IN GENERAL.—The Graduate School shall continue as a nonappropriated fund instrumentality of the Department under the general supervision of the Secretary.

(2) ACTIVITIES.—The Graduate School shall develop and administer education, training, and professional development activities, including the provision of educational activities for Federal agencies, Federal employees, nonprofit organizations, other entities, and members of the general public.

(3) FEES.—

(A) IN GENERAL.—The Graduate School may charge and retain fair and reasonable fees for the activities that it provides based on the cost of the activities to the Graduate School.

(B) NOT FEDERAL FUNDS.—Fees under subparagraph (A) shall not be considered to be Federal funds and shall not required to be deposited in the Treasury of the United States.

(4) NAME.—The Graduate School shall operate under the name "United States Department of Agriculture Graduate School" or such other name as the Graduate School may adopt.

(d) GENERAL ADMINISTRATION BOARD.—

(1) APPOINTMENT.—The Secretary shall appoint a General Administration Board to serve as a governing board subject to regulation by the Secretary.

(2) SUPERVISION.—The Graduate School shall be subject to the supervision and direction of the Board.

(3) DUTIES.—The Board shall—

(A) formulate broad policies in accordance with which the Graduate School shall be administered;

(B) take all steps necessary to see that the highest possible educational standards are maintained;

(C) exercise general supervision over the administration of the Graduate School; and

(D) establish such bylaws, rules, and procedures as may be necessary for the fulfillment of the duties described in subparagraph (A), (B), and (C).

(4) DIRECTOR AND OTHER OFFICERS.—The Board shall select the Director and such other officers as the Board may consider necessary, who shall serve on such terms and perform such duties as the Board may prescribe.

(5) BORROWING.—The Board may authorize the Director to borrow money on the credit of the Graduate School.

(e) DIRECTOR OF THE GRADUATE SCHOOL.—

(1) DUTIES.—The Director shall be responsible, subject to the supervision and direction of the Board, for carrying out the functions of the Graduate School.

(2) INVESTMENT OF FUNDS.—The Board may authorize the Director to invest funds held in excess of the current operating requirements of the Graduate School for purposes of maintaining a reasonable reserve.

(f) LIABILITY.—The Director and the members of the Board shall not be held personally liable for any loss or damage that may accrue to the funds of the Graduate School as the result of any act or exercise of discretion performed in carrying out the duties described in this section.

(g) EMPLOYEES.—Employees of the Graduate School are employees of a nonappropriated fund instrumentality and shall not be considered to be Federal employees.

(h) NOT A FEDERAL AGENCY.—The Graduate School shall not be considered to be a Federal Agency for purposes of—

(1) chapter 171 of title 28, United States Code;

(2) section 552 or 552a of title 28, United States Code; or

(3) the Federal Advisory Committee Act (5 U.S.C. App.).

(i) ACCEPTANCE OF DONATIONS.—The Graduate School shall not accept a donation from a person that is actively engaged in a procurement activity with the Graduate School or has an interest that may be substantially affected by the performance or nonperformance of an official duty of a member of the Board or an employee of the Graduate School.

(j) ADMINISTRATIVE PROVISIONS.—In order to carry out the functions of the Graduate School, the Graduate School may—

(1) accept, use, hold, dispose, and administer gifts, bequests, or devises of money, securities, and other real or personal property made for the benefit of, or in connection with, the Graduate School;

(2) notwithstanding any other law—

(A) acquire real property in the District of Columbia and in other places by lease, purchase, or otherwise;

(B) maintain, enlarge, or remodel any such property; and

(C) have sole control of any such property;

(3) enter into contracts without regard to the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471) or any other law that prescribes procedures for the procurement of property or services by an executive agency;

(4) dispose of real and personal property without regard to the requirements of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471); and

(5) use the facilities and resources of the Department, on the condition that any costs incurred by the Department that are attributable solely to Graduate School operations and all costs incurred by the Graduate School arising out of such operations shall be borne by the fees paid by or on behalf of students or by other means and not with Federal funds.

SEC. 853. STUDENT INTERN SUBSISTENCE PROGRAM.

(a) DEFINITION.—In this section, the term "student intern" means a person who—

(1) is employed by the Department of Agriculture to assist scientific, professional, administrative, or technical employees of the Department; and

(2) is a student in good standing at an accredited college or university pursuing a course of study related to the field in which the person is employed by the Department.

(b) PAYMENT OF CERTAIN EXPENSES BY THE SECRETARY.—The Secretary of Agriculture may, out of user fee funds or funds appropriated to any agency, pay for lodging expenses, subsistence expenses, and transportation expenses of a student intern (including expenses of transportation to and from the student intern's residence at or near the college or university attended by the student intern and the official duty station at which the student intern is employed).

SEC. 854. CONVEYANCE OF LAND TO WHITE OAK CEMETERY.

(a) IN GENERAL.—

(1) RELEASE OF INTEREST.—After execution of the agreement described in subsection (b), the Secretary of Agriculture shall release the condition stated in the deed on the land described in subsection (c) that the land be used for public purposes, and that if the land is not so used, that the land revert the United States, on the condition that the land be used exclusively for cemetery purposes, and that if the land is not so used, that the land revert the United States.

(2) BANKHEAD-JONES ACT.—Section 32(c) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1011(c)) shall not apply to the release under paragraph (1).

(b) AGREEMENT.—The Secretary of Agriculture shall make the release under in subsection (a) on execution by the Board of Trustees of the University of Arkansas, in consideration of the release, of an agreement, satisfactory to the Secretary of Agriculture, that—

(1) the Board of Trustees will not sell, lease, exchange, or otherwise dispose of the land described in subsection (c) except to the White Oak Cemetery Association of Washington County, Arkansas, or a successor organization, for exclusive use for an expansion of the cemetery maintained by the Association; and

(2) the proceeds of such a disposition of the land will be deposited and held in an account open to inspection by the Secretary of Agriculture, and used, if withdrawn from the account, for public purposes.

(c) LAND DESCRIPTION.—The land described in this subsection is the land conveyed to the Board of Trustees of the University of Arkansas, with certain other land, by deed dated November 18, 1953, comprising approximately 2.2 acres located within property of the University of Arkansas in Washington, County, Arkansas, commonly known as the "Savor property" and described as follows:

The part of Section 20, Township 17 north, range 31 west, beginning at the north corner of the White Oak Cemetery and the University of Arkansas Agricultural Experiment Station farm at Washington County road #874, running west approximately 330 feet, thence south approximately 135 feet, thence southeast approximately 384 feet, thence north approximately 330 feet to the point of beginning.

SEC. 855. ADVISORY BOARD ON AGRICULTURAL AIR QUALITY.

(a) FINDINGS.—Congress finds that—

(1) various studies have identified agriculture as a major atmospheric polluter;

(2) Federal research activities are underway to determine the extent of the pollution problem and the extent of the role of agriculture in the problem; and

(3) any Federal policy decisions that may result, and any Federal regulations that may be imposed on the agricultural sector, should be based on sound scientific findings;

(b) PURPOSE.—The purpose of this section is to establish an advisory board to assist and provide the Secretary of Agriculture with information, analyses, and policy recommendations for determining matters of fact and technical merit and addressing scientific questions dealing with particulate matter less than 10 microns that become lodged in human lungs (known as "PM10") and other airborne particulate matter or gases that affect agricultural production yields and the economy.

(c) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary of Agriculture may establish a board to be known as the "Advisory Board on Agricultural Air Quality" (referred to in this section as the "Board") to advise the Secretary, through the Chief of the Natural Resources Conservation Service, with respect to carrying out this act and obligations agriculture incurred under the Clean Air Act (42 U.S.C. 7401 et seq.) and the Act entitled 'An Act to amend the Clean Air Act to provide for attainment and maintenance of health protective national ambient air quality standards, and for other purposes', approved November 15, 1990 (commonly known as the 'Clean Air Act Amendments of 1990') (42 U.S.C. 7401 et seq.).

(2) OVERSIGHT COORDINATION.—The Secretary of Agriculture shall provide oversight and coordination with respect to other Federal departments and agencies to ensure intergovernmental cooperation in research activities and to avoid duplication of Federal efforts.

(d) COMPOSITION.—

(1) IN GENERAL.—The Board shall be composed of at least 17 members appointed by the Secretary in consultation with the Administrator of the Environmental Protection Agency.

(2) REGIONAL REPRESENTATION.—The membership of the Board shall be 2 persons from each of the 6 regions of the Natural Resources Conservation Service, of whom 1 from each region shall be an agricultural producer.

(3) ATMOSPHERIC SCIENTIST.—At least 1 member of the Board shall be an atmospheric scientist.

(e) CHAIRPERSON.—The Chief of the Natural Resources Conservation Service shall—

(1) serve as chairman of the Board; and

(2) provide technical support to the Board.

(f) TERM.—Each member of the Board shall be appointed for a 3-year term, except that the Secretary of Agriculture shall appoint 4 of the initial members for a term of 1 year and 4 for a term of 2 years.

(g) MEETINGS.—The Board shall meet not less than twice annually.

(h) COMPENSATION.—Members of the Board shall serve without compensation, but while away from their homes or regular place of business in performance of services for the Board, members of the Board shall be allowed travel expenses, including a per diem allowance in lieu of subsistence, in the same manner as persons employed in Government service are allowed travel expenses under section 5703 of title 5, United States Code.

(i) FUNDING.—The Board shall be funded using appropriations for conservation operations.

SEC. 856. COMMODITY CREDIT CORPORATION INTEREST RATE.

Notwithstanding any other provision of law, the monthly Commodity Credit Corporation interest rate applicable to loans provided for agricultural commodities by the Corporation shall be 100 basis points greater than the rate determined under the applicable interest rate formula in effect on October 1, 1995.

SEC. 857. EVERGLADES AGRICULTURAL AREA.

(a) IN GENERAL.—On July 1, 1996, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide $200,000,000 to the Secretary of the Interior to carry out this section.

(b) ENTITLEMENT.—The Secretary of the Interior—

(1) shall accept the funds made available under subsection (a);

(2) shall be entitled to receive the funds; and

(3) shall use the funds to conduct restoration activities in the Everglades ecosystem, which may include acquiring the remaining private acreage in Townships 46, 47, and 48 of the Everglades Agricultural Area of approximately 52,000 acres that is commonly known as the "Talisman tract".

(c) DEADLINE.—The Secretary of the Interior shall acquire acreage referred to in subsection (b)(3) not later than December 31, 1998.

(d) EMINENT DOMAIN.—If necessary, the Secretary of the Interior may use the power of eminent domain to carry out this section.

BURNS (AND OTHERS) AMENDMENT NO. 3253

(Ordered to lie on the table.)

Mr. BURNS (for himself, Mr. GORTON, and Mr. CRAIG) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the end of title II, insert the following:

SEC. 206. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

The Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) is amended by adding at the end the following:

"TITLE VII—FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM

"SEC. 701. DEFINITION OF ELIGIBLE TRADE ORGANIZATION.

"In this title, the term 'eligible trade organization' means a United States trade organization that—

"(1) promotes the export of 1 or more United States agricultural commodities or products; and

"(2) does not have a business interest in or receive remuneration from specific sales of agricultural commodities or products.

"SEC. 702. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

"(a) IN GENERAL.—The Secretary shall establish and, in cooperation with eligible trade organizations, carry out a foreign market development cooperator program to maintain and develop foreign markets for United States agricultural commodities and products.

"(b) ADMINISTRATION.—Funds made available to carry out this title shall be used only to provide—

"(1) cost-share assistance to an eligible trade organization under a contract or agreement with the organization; and

"(2) assistance for other costs that are necessary or appropriate to carry out the foreign market development cooperator program, including contingent liabilities that are not otherwise funded.

"SEC. 703. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this title such sums as may be necessary for each of fiscal years 1996 through 2002.".

BURNS AMENDMENT NO. 3254

(Ordered to lie on the table.)

Mr. BURNS submitted an amendment to the bill S. 1541, supra; as follows:

At the appropriate place in the bill, insert:

"(j)" MARKETING ASSESSMENTS.—The following assessments shall be collected with respect to all sugar marketed for consumption within the United States during the 1996 through 2003 fiscal years:

"(1)" BEET SUGAR.—The first seller of beet sugar produced from sugar beets or sugar beet molasses produced in the United States shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to 1.4742 percent of the loan level established under subsection (b) per pound of sugar marketed.

"(2)" CANE SUGAR.—The first seller of raw cane sugar produced from sugarcane or sugarcane molasses produced in the United States shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to 1.375 percent of the loan level established under subsection (b) per pound of sugar marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing).

"(3)" IMPORTED SUGAR.—The first seller of refined sugar produced from sugar beets, sugar beet molasses, surgarcane or sugarcane molasses produced outside the United States shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to 1.4742 percent of the loan level established under subsection (b) per pound of sugar marketed.

KERREY AMENDMENTS NOS. 3255–3257

(Ordered to lie on the table.)

Mr. LEAHY submitted three amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT No. 3255

On page 3-6, strike lines 6 and 7 and insert the following:

(2) in subsection (d)—

(A) by striking "38,000,000" and inserting "36,400,000"; and

(B) by adding at the end the following: "The Secretary may enter into 1 or more new contracts to enroll acreage in a quantity equal to the quantity of acreage covered by any contract that terminates after the date of enactment of the Agricultural Market Transition Act.".

AMENDMENT No. 3256

On page 3-6, between lines 11 and 12, insert the following:

(c) REPAYMENT OF COST SHARING AND OTHER PAYMENTS.—Section 1235(d)(1) of the Food Security Act of 1985 (16 U.S.C. 3835(d)(1)) is amended—

(1) in subparagraph (A), by striking "and" at the end;

(2) in subparagraph (B), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(C) in the case of a contract with respect to which 5 years or less of the contract term have elapsed, the owner or operator agrees to repay all cost sharing, rental, and other payments made by the Secretary under the contract and section 1234; and

"(D) in the case of a contract with respect to which more than 5 years but less than 8 years of the contract term have elapsed, the owner or operator agrees to repay all cost sharing payments made by the Secretary under the contract and section 1234(b).".

AMENDMENT No. 3257

On page 3-46, strike lines 6 through 14 and insert the following:

SEC. 353. STATE TECHNICAL COMMITTEES.

Subtitle G of title XII of the Food Security Act of 1985 (16 U.S.C. 3861 et seq.) is amended to read as follows:

"Subtitle G—State Technical Committees

"SEC. 1261. ESTABLISHMENT.

"(a) IN GENERAL.—The Secretary shall establish in each State a State technical committee to assist the Secretary in the technical considerations relating to implementation of the conservation provisions under this title.

"(b) COORDINATION.—Each State technical committee shall be coordinated by the State Conservationist of the Natural Resources Conservation Service.

"(c) COMPOSITION.—Each technical committee shall be composed of persons with relevant expertise that represent a variety of disciplines in the soil, water, wetland, and wildlife and social sciences, including representatives of—

"(1) the Natural Resources Conservation Service;

"(2) the Farm Service Agency;

"(3) the Forest Service;

"(4) the Cooperative State Research, Education and Extension Service;

"(5) the United States Fish and Wildlife Service;

"(6) the Environmental Protection Agency;

"(7) the United States Geological Service;

"(8) State departments and agencies that the Secretary considers appropriate, including—

"(A) the State fish and wildlife agency;

"(B) the State forester or equivalent State official;

"(C) the State water resources agency;

"(D) the State department of agriculture; and

"(E) the State association of soil and water conservation districts, or natural resources districts;

"(9) farmers utilizing a range of conservation farming systems and practices;

"(10) other nonprofit organizations with demonstrable expertise;

"(11) persons knowledgeable about the economic and environmental impact of conservation techniques and programs; and

"(12) agribusiness.

"SEC. 1262. RESPONSIBILITIES.

"(a) IN GENERAL.—

"(1) MEETINGS.—Each State technical committee shall meet regularly to provide information, analysis, and recommendations to the Secretary regarding implementation of conservation provisions and programs.

"(2) MANNER.—The information, analysis, and recommendations shall be provided in a manner that will assist the Department of Agriculture in determining conservation priorities for the State and matters of fact, technical merit, or scientific question.

"(3) BEST INFORMATION AND JUDGMENT.—Information, analysis, and recommendations shall be provided in writing and shall reflect the best information and judgment of the committee.

"(b) OTHER DUTIES.—Each State technical committee shall provide assistance and offer recommendations with respect to the technical aspects of—

"(1) wetland protection, restoration, and mitigation requirements;

"(2) criteria to be used in evaluating bids for enrollment of environmentally sensitive lands in the conservation reserve program;

"(3) guidelines for haying or grazing and the control of weeds to protect nesting wildlife on set-aside acreage;

"(4) addressing common weed and pest problems and programs to control weeds and pests found on acreage enrolled in the conservation reserve program;

"(5) guidelines for planting perennial cover for water quality and wildlife habitat improvement on set-aside lands;

"(6) criteria and guidelines to be used in evaluating petitions by farmers to test conservation practices and systems not currently covered in Field Office Technical Guides;

"(7) identification, prioritization, and coordination of Water Quality Incentives Program initiatives in the State; and

"(8) other matters determined appropriate by the Secretary.

"(c) AUTHORITY.—

"(1) NO ENFORCEMENT AUTHORITY.—Each State technical committee is advisory and shall have no implementation or enforcement authority.

"(2) CONSIDERATION.—The Secretary shall give strong consideration to the recommendations of State technical committees in administering the program under this title, and to any factual, technical, or scientific finding of a committee.".

KERREY AMENDMENT NO. 3258

(Ordered to lie on the table.)

Mr. KERREY submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

On page 3-21, lines 6 and 21, insert ", in consultation with the State Technical Committee" after "Secretary".

On page 3-22, lines 2 and 8, insert ", in consultation with the State Technical Committee" after "Secretary".

On page 3-26, line 25, strike "Governor of a State" and insert in lieu thereof "State Technical Committee".

On page 3-29, line 18, insert "in consultation with the State Technical Committee" after "shall,".

MACK AMENDMENT NO. 3259

(Ordered to lie on the table.)

Mr. MACK submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 511, strike lines 1 through the end and insert in lieu thereof the following:

Nothing in this section precludes the Secretary of the Interior from transferring funds to the Army Corps of Engineers, or the State of Florida or the South Florida Water Management District to carry out subsection (b)(3).

(3) Shall use the funds to conduct restoration activities in the Everglades ecosystem, which may include acquisition of up to 52,000 acres of private acreage in the Everglades agricultural area, that is commonly known as the (Talisman tract).

(d) DEADLINE.—The Secretary of the Interior shall acquire acreage referred to in subsection (b)(3) not later than December 31, 1999.

KERREY AMENDMENT NO. 3260

(Ordered to lie on the table.)

Mr. KERREY submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

On page 1-75, strike lines 13-16.

KERREY AMENDMENTS NOS. 3261–3271

(Ordered to lie on the table.)

Mr. KERREY submitted 11 amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT No. 3261

On page 3-62, after line 22, insert the following:

SEC. 356. CONSERVATION ESCROW ACCOUNT.

Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) amended by adding at the end the following:

"SEC. 1248. CONSERVATION ESCROW ACCOUNT.

"(a) ESTABLISHMENT.—The Secretary shall establish a conservation escrow account.

"(b) Deposits Into Account.—Any program loans, payments, or benefits forfeited by, or fines collected from, producers under section 1211 or 1221 shall be placed in the conservation escrow account.

"(c) USE OF FUNDS.—Funds in the conservation escrow account shall be used to provide technical and financial assistance to individuals to implement natural resource conservation practices.

"(d) GEOGRAPHIC DISTRIBUTION.—The Secretary shall use funds in the conservation escrow account for local areas in proportion to the amount of funds forfeited by or collected from producers in the local area.

"(e) REFUND.—A producer shall be eligible to a refund of 66 percent of any loan, payment, or benefit forfeited to the conservation escrow account if the producer complies with the applicable section referred to in subsection (b) not later than 1 year after a determination of noncompliance.".

AMENDMENT NO. 3262

On page 1–26, line 19, strike all through line 25 and insert in lieu thereof: "The loan rate for a marketing assistance loan for soybeans shall be not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceeding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period."

"(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rates for a marketing assistance loan for a sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be not less than 85 percent of the simple average price received by producers of such crops, as determined by the Secretary, during the marketing years for the immediately preceeding 5 crops of such crops, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period."

AMENDMENT NO. 3263

On page 1–22, line 17, strike "Subject to subparagraph (B),".

AMENDMENT NO. 3264

On page 1–23, line 2, strike "; but" through page 1–24, line 2, and insert in lieu thereof ". ".

AMENDMENT NO. 3265

On page 1–21, line 16, strike "; but" through page 1–22, line 15, and insert in lieu thereof ". ".

AMENDMENT NO. 3266

On page 1–21, line 6, strike "Subject to subparagraph (B),".

AMENDMENT NO. 3267

On page 5–10, strike lines 8 through 15.

AMENDMENT NO. 3268

On page 3–3, between lines 23 and 24, insert the following, "the Rain Water Basin Region, the Prairie Pothole Region,".

AMENDMENT NO. 3269

On page 1–76, strike all of section 110.

AMENDMENT NO. 3270

On page 5–5, between lines 13 and 14, insert the following:

"(c) RECONFIGURATION OF BOARD OF DIRECTORS.—Section 505 of the Federal Crop Insurance Act (7 U.S.C. 1505) is amended to read as follows:

"SEC. 505. BOARD OF DIRECTORS.

"(a) AUTHORITY.—The management of the Corporation shall be vested in a Board of Directors subject to the general supervision of the Secretary.

"(b) MEMBERSHIP.—

"(1) IN GENERAL.—The Board shall be appointed by the Secretary and shall consist of the Manager of the Corporation, the Under Secretary of Agriculture responsible for the Federal crop insurance program, one person who is an officer or employee of an approved insurance provider, one person who is a licensed crop insurance agent, one person experienced in the reinsurance business who is not otherwise employed by the Federal Government, and four active producers who are not otherwise employed by the Federal Government. The Secretary shall not be a member of the Board.

"(2) PRODUCER MEMBERS.—In appointing the four active producers who are not otherwise employed by the Federal Government, the Secretary shall ensure that three such members are policyholders and are from different geographic areas of the United States, in order that diverse agricultural interests in the United States are at all times represented on the Board. The Secretary shall ensure that the fourth active producer, who may also be a policyholder, receives a significant portion of crop income from crops are employed in the Department shall receive no additional compensation for their covered by the noninsured crop disaster assistance program established under section 519.

"(c) TERMS OF OFFICE.—

(1) TERMS OF USDA EMPLOYEES.—The Manager of the Corporation and the Under Secretary of Agriculture responsible for the Federal crop insurance program shall hold office at the pleasure of the Secretary.

(2) TERMS OF OTHER MEMBERS.—Other than the Manager of the Corporation and the Under Secretary of Agriculture responsible for the Federal crop insurance program, the members of the Board shall be appointed by the Secretary for a term of 3 years. However, in the initial appointment of such members, the Secretary shall appoint two members for one year, two members for two years, and two members for three years in order to provide greater continuity to the Board.

(3) SUCCESSION.—A member of the Board appointed under paragraph (2) may serve after the expiration of the term of office of such member until the successor for such member has taken office.

"(d) QUORUM.—Five of the members in office shall constitute a quorum for the transaction of the business of the Board.

"(e) IMPAIRMENT OF POWERS.—The powers of the Board to execute the function of the Corporation shall be impaired at any time there are not six members of the Board in office.

"(f) COMPENSATION.—

"(1) EMPLOYEES OF THE DEPARTMENT.—The Directors of the Corporation who are employed in the Department shall receive no additional compensation for their services as such Directors but may be allowed necessary traveling and subsistence expenses when engaged in business of the Corporation, outside of the District of Columbia.

"(2) NON-EMPLOYEES OF THE FEDERAL GOVERNMENT.—The Directors of the Corporation who are not employed by the Federal Government shall be paid such compensation for their services as Directors as the Secretary shall determine, but such compensation shall not exceed the daily equivalent of the rate prescribed for positions at level V of the Executive Schedule under section 5316 of Title 5, United States Code, when actually employed. Such members may also receive actual necessary traveling and subsistence expenses, or a per diem allowance in lieu of subsistence expenses, as authorized by section 5703 of such title for persons in Government service employed intermittently, when on the business of the Corporation away from their homes or regular places of business.

"(g) CHIEF EXECUTIVE OFFICER.—The Manager of the Corporation shall be its chief executive officer, with such power and authority as may be conferred by the Board. The Manager shall be appointed by, and hold office at the pleasure of, the Secretary.".

AMENDMENT NO. 3271

On page 3–14, line 20, strike "means" and insert in lieu thereof, "shall be defined by the State Technical Committee, or mean".

HEFLIN AMENDMENT NO. 3272

(Ordered to lie on the table.)

Mr. HEFLIN submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place insert the following:

SEC. 106. PEANUT PROGRAM.

(a) MARKETING QUOTAS.—

(1) NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS.—

(A) IN GENERAL.—The section heading of section 358–1 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1) is amended by striking "**1991 THROUGH 1997 CROPS OF**".

(B) NATIONAL POUNDAGE QUOTAS.—

(i) ESTABLISHMENT.—Section 358–1(a)(1) of the Act is amended—

(I) in the first sentence—

(aa) by striking "of the 1991 through 1997 marketing years" and inserting "marketing year";

(bb) by striking ", seed,"; and

(cc) by striking the period at the end and inserting ", excluding seed. In making estimates under this paragraph for a marketing year, the Secretary shall annually estimate and take into account the quantity of peanuts and peanut products to be imported into the United States for the marketing year."; and

(II) by striking the second sentence.

(ii) APPORTIONMENT.—Section 358–1(a)(3) of the Act is amended by striking "1990" and inserting "1995".

(C) FARM POUNDAGE QUOTA.—

(i) ESTABLISHMENT.—Section 358–1(b)(1)(A) of the Act is amended—

(I) by striking "of the 1991 through 1997 marketing years" and inserting "marketing year"; and

(II) in clause (i), by striking "1990" and inserting "1995".

(ii) QUANTITY.—Section 358–1(b)(1)(B) of the Act is amended—

(I) by striking "of the 1991 through 1997 marketing years" and inserting "marketing year"; and

(II) by striking "including—" and all that follows through "(ii) any" and inserting "including any".

(iii) ADJUSTMENTS.—Section 358–1(b)(2) of the Act is amended—

(I) in subparagraph (A)—

(aa) by striking "(B) and subject to subparagraph (D)" and inserting "(C)"; and

(bb) by striking "of the 1991 through 1997 marketing years" and inserting "marketing year";

(II) by striking subparagraph (B);

(III) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively; and

(IV) in subparagraph (B) (as so redesignated), by striking "of the 1991 through 1997 marketing years" and inserting "marketing year".

(iv) QUOTA NOT PRODUCED.—Section 358–1(b)(3) of the Act is amended—

(I) in subparagraph (A), by striking "of the 1991 through 1997 marketing years" and inserting "marketing year"; and

(II) in subparagraph (B), by striking "include—" and all that follows through "(ii) any" and inserting "include any".

(v) QUOTA CONSIDERED PRODUCED.—Section 358–1(b)(4) of the Act is amended—

(I) in subparagraph (A), by inserting "or" after the semicolon at the end; and

(II) by striking subparagraphs (B) and (C) and inserting the following:

"(B) the farm poundage quota for the farm was—

"(i) released voluntarily under paragraph (7); or

"(ii) leased to another owner or operator of a farm within the same county for transfer to the farm;

for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made.".

(vi) ALLOCATION OF QUOTAS REDUCED OR RELEASED.—Section 358–1(b)(6) of the Act is amended—

(I) in subparagraph (A), by striking "subparagraphs (B) and (C), the total quantity of the" and inserting "subparagraph (B),";

(II) in subparagraph (B)—

(aa) by striking "Not more than 25 percent of the" and inserting "The"; and

(bb) by adding at the end the following: "Any farm quota pounds remaining after allocation to farms under this subparagraph shall be allocated under subparagraph (A)."; and

(III) by striking subparagraph (C).

(vii) TEMPORARY QUOTA ALLOCATION FOR SEED.—Section 358–1(b) of the Act is amended by striking paragraph (8) and inserting the following:

"(8) TEMPORARY QUOTA ALLOCATION FOR SEED.—For each marketing year and pursuant to regulation, the Secretary shall make a temporary allocation of poundage quota, for that marketing year only, to each producer of peanuts on a farm, in addition to any farm poundage quota established under paragraph (1), in a quantity equal to the pounds of seed peanuts planted by the producer on the farm.".

(viii) TRANSFER OF ADDITIONAL PEANUTS.—Section 358–1(b) of the Act is amended by striking paragraph (9) and inserting the following:

"(9) TRANSFER OF ADDITIONAL PEANUTS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts on a farm from which the quota poundage was not harvested and marketed may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall provide by regulation.

"(B) LIMITATIONS.—The poundage of peanuts transferred under subparagraph (A) shall not exceed 25 percent of the total farm poundage quota, excluding pounds transferred in the fall.

"(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at a rate of not less than 70 percent of the quota support rate for the marketing years during which the transfers occur.".

(D) CROPS.—Section 358–1(f) of the Act is amended by striking "1991 through 1997" and inserting "1996 through 2002".

(2) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—

(A) IN GENERAL.—The section heading of section 358b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b) is amended by striking "**1991 THROUGH 1995 CROPS OF**".

(B) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—Section 358b(a) of the Act is amended—

(i) by striking "(including any applicable under marketings)" each place it appears;

(ii) in paragraph (1)—

(I) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively;

(II) by inserting before subparagraph (B) (as so redesignated) the following:

"(A) with the owner or operator of another farm located within the same county or located in a different county within the same State;";

(III) in subparagraph (B) (as so redesignated), by striking "undermarketings and"; and

(IV) by adding at the end the following: "Fall transfers of quota pounds shall not affect the farm quota history for the transferring or receiving farm and shall not result in a reduction of the farm poundage quota on the transferring farm.";

(iii) in paragraph (2)—

(I) in the first sentence—

(aa) by striking "county or in a county contiguous to the county in the same"; and

(bb) by inserting before the period at the end the following: ", if both the transferring and the receiving farms were under the control of the owner or operator for at least 3 crop years prior to the crop year in which the farm poundage quota is transferred"; and

(II) in the second sentence, by striking "the transferred quota is produced or considered produced on the receiving farm" and inserting "sufficient acreage is planted on the receiving farm to produce the quota pounds transferred"; and

(iv) by adding at the end the following:

"(4) TRANSFERS BY SALE IN STATES WITH LARGE QUOTAS.—

"(A) IN GENERAL.—In the case of a State for which the poundage quota allocated to the State was 10,000 tons or greater for the previous year, the owner, or operator with permission of the owner, of a farm located in the State for which a farm poundage quota has been established under section 358–1 may sell all or any part of the farm poundage quota to any other eligible owner or operator of a farm within the same State.

"(B) LIMITATIONS.—

"(i) 1996.—During calendar year 1996, not more than 15 percent of the total poundage quota within a county as of January 1, 1996, may be sold and transferred outside the county under this paragraph.

"(ii) SUBSEQUENT YEARS.—During calendar year 1997 and each subsequent calendar year, not more than 5 percent of the total poundage quota within a county as of January 1 of the calendar year may be sold and transferred outside the county under this paragraph.

"(iii) AGGREGATE LIMIT.—Not more than an aggregate of 30 percent of the total poundage quota within a county may be sold and transferred outside the county under this paragraph.

"(C) SUBSEQUENT LEASE OR SALE.—Quota poundage sold and transferred under this paragraph may not be leased or sold to another farm owner or operator within the same State for a period of 5 years following the original transfer to the farm.".

(C) RECORD.—Section 358b(b)(3) of the Act is amended by striking "committee of the county to which the transfer is made and the committee determines" and inserting "committees of the counties from and to which the transfer is made and the committees determine".

(D) CROPS.—Section 358b(c) of the Act is amended by striking "1991 through 1995" and inserting "1996 through 2002".

(3) EXPERIMENTAL AND RESEARCH PROGRAMS.—Section 358c(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358c(d)) is amended by striking "1991 through 1995" and inserting "1996 through 2002".

(4) MARKETING PENALTIES.—Section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a) is amended—

(A) in the section heading, by striking "**1991 THROUGH 1997 CROPS OF**";

(B) in subsection (d)(6)(A), by inserting after "If any additional peanuts" the following: "or peanut products made from additional peanuts"; and

(C) in subsection (i), by striking "1991 through 1997" and inserting "1996 through 2002".

(b) PRICE SUPPORT PROGRAM FOR PEANUTS.—

(1) QUOTA PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts.

(B) SUPPORT RATES.—The national average quota support rate for each crop of quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land and the cost of any assessments required under paragraph (7), except that in no event shall the national average quota support rate for any such crop be increased, or decreased, by more than 5 percent of the national average quota support rate for the preceding crop.

(C) INSPECTION, HANDLING, OR STORAGE.—The levels of support so announced shall not be reduced by any deductions for inspection, handling, or storage.

(D) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 411 of the Agricultural Adjustment Act of 1938.

(E) ANNOUNCEMENT.—The Secretary shall announce the level of support for quota peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

(2) ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts at such levels as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(B) ANNOUNCEMENT.—The Secretary shall announce the level of support for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

(3) AREA MARKETING ASSOCIATIONS.—

(A) WAREHOUSE STORAGE LOANS.—

(i) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the three producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and sections 358d and 358e of the Agricultural Adjustment Act of 1938.

(ii) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—The area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this section and sections 358d and 358e of the Agricultural Adjustment Act of 1938.

(iii) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include, in addition to the price support value of the peanuts, such costs as the area marketing association reasonably may incur in carrying out its responsibilities, operations, and activities under this section and sections 358d and 358e of the Agricultural Adjustment Act of 1938.

(B) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Peanuts physically produced outside the State of New Mexico shall not be eligible for entry into or participation in the New Mexico pools. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(ii) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(I) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

(II) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in subclause (I).

(4) LOSSES.—

(A) OTHER PRODUCERS IN SAME POOL.—Losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributable to the same producer from the sale of additional peanuts for domestic and edible use or export.

(B) QUOTA PEANUTS PLACED UNDER LOAN.—Net gains on additional peanuts within an area (other than net gains on additional peanuts in separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) shall be first reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts placed under loan in the area, in such manner as the Secretary shall by regulation prescribe.

(C) QUOTA LOAN POOLS.—

(i) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358-1(b)(9) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358-1(b)(9)).

(ii) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under paragraph (7) to offset further losses in area quota pools. At the end of each year, the Secretary shall transfer to the Treasury the funds collected under paragraph (7) that the Secretary determines are not required to cover losses in area quota pools.

(iii) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358-1(b)(9) of the Agricultural Adjustment Act of 1938, shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(iv) INCREASED ASSESSMENTS.—If actions taken under clauses (i) through (iii) are not sufficient to cover losses in area pools, the Secretary shall increase the marketing assessment established under paragraph (7) by such amount as the Secretary considers necessary to cover the losses. Amounts collected under paragraph (7) as a result of the increased assessment shall be retained by the Secretary to cover losses in the pool.

(5) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358-1(d) of the Agricultural Adjustment Act of 1938.

(6) QUALITY IMPROVEMENT.—

(A) PRICE SUPPORT PEANUTS.—With respect to peanuts under price support loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut price support program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.)); and

(iv) ensure that any changes made in the price support program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department of Agriculture loan schedule.

(B) EXPORTS AND OTHER PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that all peanuts, including peanuts imported into the United States, meet all United States quality standards under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937), and that importers of the peanuts fully comply with inspection, handling, storage, and processing requirements implemented under Marketing Agreement No. 146.

(ii) EXPORTED PEANUTS.—The Secretary shall ensure that peanuts produced for the export market meet quality, inspection, handling, storage, and processing requirements under Marketing Agreement No. 146.

(7) MARKETING ASSESSMENT.—

(A) IN GENERAL.—The Secretary shall provide, by regulation, for a nonrefundable marketing assessment equal to 1.2 percent of the national average quota or additional peanut support rate per pound, as applicable, on all peanuts sold in the United States during each of the 1996 through 2002 marketing years.

(B) TREATMENT OF IMPORTED PEANUTS.—For the purposes of determining the applicable assessment rate under this section, imported peanuts shall be treated as additional peanuts.

(C) FIRST PURCHASERS.—

(i) DEFINITION OF FIRST PURCHASER.—In this clause, the term 'first purchaser' means a person acquiring peanuts from a producer, or a person that imports peanuts, except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(ii) ADMINISTRATION.—Except as provided in clause (iii) and subparagraphs (D) and (E), the first purchaser shall—

(I) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by .6 percent of the applicable national average support rate;

(II) pay, in addition to the amount collected under subclause (I), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .6 percent of the applicable national average support rate; and

(III) remit the amounts required under subclauses (I) and (II) to the Commodity Credit Corporation in a manner specified by the Secretary.

(iii) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(D) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(E) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a price support loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(F) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(i) the quantity of peanuts involved in the violation; by

(ii) the national average quota peanut price support level for the applicable crop year.

(G) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(H) USE OF FUNDS.—Funds collected under this subsection shall be used by the Secretary to offset the costs of operating the peanut price support program.

(8) CROPS.—Except as provided in paragraph (7) and notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.

(c) ADMINISTRATIVE PROVISIONS.—

(1) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before "all brokers and dealers in peanuts" the following: "all producers engaged in the production of peanuts,".

(2) SUSPENSION OF PERMANENT PROGRAM.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1996 through 2002 crops of peanuts:

(A) Subsections (a) through (j) of section 358 (7 U.S.C. 1358).

(B) Subsections (a) through (h) of section 358a (7 U.S.C. 1358a).

(C) Subsections (a), (b), (d), and (e) of section 359 (7 U.S.C. 1359).

(D) Part I of subtitle C of title III (7 U.S.C. 1361 et seq.).

(E) Section 371 (7 U.S.C. 1371).

(3) ADMINISTRATION.—The first paragraph of section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (7 U.S.C. 612c), is amended—

(A) in the first sentence, by striking "30 per centum" and inserting "30 percent (or, in the case of duties collected with respect to an import that is subject to a tariff-rate quota, 100 percent)"; and

(B) in the second sentence—

(i) by striking "and (3)" and inserting "(3)"; and

(ii) by inserting before the period at the end the following: "; and (4) offset the costs of operating a program to provide price support for domestically produced peanuts".

(d) PEANUT STANDARDS.—

(1) INSPECTION; QUALITY ASSURANCE.—

(A) INITIAL ENTRY.—The Secretary of Agriculture (referred to in this title as the "Secretary") shall require all peanuts and peanut products sold in the United States to be initially placed in a bonded, licensed warehouse approved by the Secretary for the purpose of inspection and grading by the Secretary, the Commissioner of the Food and Drug Administration, and the heads of other appropriate agencies of the United States.

(B) PRELIMINARY INSPECTION.—Peanuts and peanut products shall be held in the warehouse until inspected by the Secretary, the Commissioner of the Food and Drug Administration, or the head of another appropriate agency of the United States, for chemical residues, general cleanliness, disease, size, aflatoxin, stripe virus, and other harmful conditions, and an assurance of compliance with all grade and quality standards specified under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937).

(C) SEPARATION OF LOTS.—All imported peanuts shall be maintained separately from, and shall not be commingled with, domestically produced peanuts in the warehouse.

(D) ORIGIN OF PEANUT PRODUCTS.—

(i) LABELING.—A peanut product shall be labeled with a label that indicates the origin of the peanuts contained in the product.

(ii) SOURCE.—No peanut product may contain both imported and domestically produced peanuts.

(iii) IMPORTED PEANUT PRODUCTS.—The first seller of an imported peanut product shall certify that the product is made from raw peanuts that meet the same quality and grade standards that apply to domestically produced peanuts.

(E) DOCUMENTATION.—No peanuts or peanut products may be transferred, shipped, or otherwise released from a warehouse described in subparagraph (A) unless accompanied by a United States Government inspection certificate that certifies compliance with this section.

(2) HANDLING AND STORAGE.—

(A) TEMPERATURE AND HUMIDITY.—The Secretary shall require all shelled peanuts sold in the United States to be maintained at a temperature of not more than 37 degrees Fahrenheit and a humidity range of 60 to 68 percent at all times during handling and storage prior to sale and shipment.

(B) CONTAINERS.—The peanuts shall be shipped in a container that provides the maximum practicable protection against moisture and insect infestation.

(C) IN-SHELL PEANUTS.—The Secretary shall require that all in-shell peanuts be reduced to a moisture level not exceeding 10 percent immediately on being harvested and be stored in a facility that will ensure quality maintenance and will provide proper ventilation at all times prior to sale and shipment.

(3) LABELING.—The Secretary shall require that all peanuts and peanut products sold in the United States contain labeling that lists the country or countries in which the peanuts, including all peanuts used to manufacture the peanut products, were produced.

(4) INSPECTION AND TESTING.—

(A) IN GENERAL.—All peanuts and peanut products sold in the United States shall be inspected and tested for grade and quality.

(B) CERTIFICATION.—All peanuts or peanut products offered for sale in, or imported into, the United States shall be accompanied by a certification by the first seller or importer that the peanuts or peanut products do not contain residues of any pesticide not approved for use in, or importation into, the United States.

(5) NUTRITIONAL LABELING.—The Secretary shall require all peanuts and peanut products sold in the United States to contain complete nutritional labeling information as required under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.).

(6) PEANUT CONTENT.—

(A) OFFSET AGAINST HTS QUANTITY.—The actual quantity of peanuts, by weight, used to manufacture, and ultimately contained in, peanut products imported into the United States shall be accounted for and offset against the total quantity of peanut imports allowed under the in-quota quantity of the tariff-rate quota established for peanuts under the Harmonized Tariff Schedule of the United States.

(B) VERIFICATION.—The Secretary shall establish standards and procedures for the purpose of verifying the actual peanut content of peanut products imported into the United States.

(7) PLANT DISEASES.—The Secretary, in consultation with the heads of other appropriate agencies of the United States, shall ensure that all peanuts in the domestic edible market are inspected and tested to ensure that they are free of all plant diseases.

(8) ADMINISTRATION.—

(A) FEES.—The Secretary shall by regulation fix and collect fees and charges to cover the costs of any inspection or testing performed under this title.

(B) CERTIFICATION.—

(i) IN GENERAL.—The Secretary may require the first seller of peanuts sold in the United States to certify that the peanuts comply with this title.

(ii) FRAUD AND FALSE STATEMENTS.—Section 1001 of title 18, United States Code, shall apply to a certification made under this title.

(C) STANDARDS AND PROCEDURES.—In consultation with the heads of other appropriate agencies of the United States, the Secretary shall establish standards and procedures to provide for the enforcement of, and ensure compliance with, this title.

(D) FAILURE TO MEET STANDARDS.—Peanuts or peanut products that fail to meet standards established under this title shall be returned to the seller and exported or crushed pursuant to section 358e(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a(d)).

(9) CHANGE OF VENUE.—In any case in which an area pool or a marketing association brings, joins, or seeks to join a civil action in a United States district court to enforce this title, the district court may not transfer the action to any other district or division over the objection of the pool or marketing association.

KERREY AMENDMENT NO. 3273

(Ordered to lie on the table.)

Mr. KERREY submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 5-5, between lines 13 and 14, insert the following:

"(c) ESTABLISHMENT OF THE OFFICE OF RISK MANAGEMENT.—

(1) ESTABLISHMENT.—The Department of Agriculture Reorganization Act of 1994 is amended by inserting after section 226 (7 U.S.C. 6932) the following new section:

"SEC. 226A. OFFICE OF RISK MANAGEMENT.

"(a) ESTABLISHMENT.—The Secretary shall establish and maintain in the Department an independent Office of Risk Management.

or

"(a) ESTABLISHMENT.—Nothing in this Act shall change the status of the Federal Crop Insurance Corporation, an agency created under the Federal Crop Insurance Act (7 U.S.C. 1503), as an agency within the Department. The administration of the agency shall be carried out by an independent Office of Risk Management that is separate and independent of the Consolidated Farm Services Agency and of equal or higher ranking than that agency within the Department.

"(b) FUNCTIONS OF THE OFFICE OF RISK MANAGEMENT.—The Office of Risk Management shall have jurisdiction over the following functions:

"(1) Supervision of the Federal Crop Insurance Corporation.

"(2) Administration and oversight of all aspects, including delivery through local offices of the Department, of all programs authorized under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).

"(3) Any pilot or other program involving revenue insurance, risk management savings accounts, or the use of the futures market to manage risk and support farm income that may be established under the Federal Crop Insurance Act or other law.

"(4) Such other functions as the Secretary considers appropriate.

"(c) MANAGER.—The Manager of the Federal Crop Insurance Corporation shall serve as head of the Office of Risk Management but not in any other capacity.

"(d) RESOURCES.—

"(1) FUNCTIONAL COORDINATION.—Certain functions of the Office of Risk Management such as human resources, public affairs, and legislative affairs may be provided by a consolidation of such functions under the Under Secretary of Agriculture responsible for crop insurance program.

"(2) MINIMUM PROVISIONS.—Notwithstanding paragraph (1) or any other provision of law or order of the Secretary, the Secretary shall provide the Office of Risk Management with human and capital resources sufficient for it to carry out its functions in a timely and efficient manner.

"(3) FISCAL YEAR 1996 FUNDING.—Not less than $88,500,000 of the appropriation provided for the salaries and expenses of the Consolidated Farm Services Agency in the Agricultural, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1996 shall be provided to the Office of Risk Management for the salaries and expenses of the Office.".

(2) CONFORMING AMENDMENT.—Section 226(b) of such Act (7 U.S.C. 6932(b)) is amended by striking paragraph (2).

HARKIN AMENDMENT NO. 3274

(Ordered to lie on the table.)

Mr. HARKIN submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following:

SECTION . NUTRITIONAL SUPPLEMENTS UNDER THE FOOD STAMP PROGRAM.

Section 3(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2012(g)(1)) is amended by striking "or food product" and inserting ", food product, or nutritional supplement of a vitamin, mineral, or a vitamin and a mineral".

KERRY AMENDMENTS NOS. 3275–3276

(Ordered to lie on the table.)

Mr. KERRY submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3275

On page 2-2, strike lines 7 through 9, and insert in lieu the following:

"(2) by striking "through 1997," and inserting "through 1995, and not more than $25,000 each for fiscal years 1996 and 1997, and notwithstanding any other provision of law or this Act, $75,000,000 shall be placed in a separate fund in each of fiscal years 1996 and 1997 which fund is to be administered by the Secretary of Agriculture, and from which fund the Secretary is authorized to make grants to the states and to non-profit organizations for the purpose of alleviating the hunger of women, infants, and children which exceeds the ability of government programs to alleviate because of funding limitations imposed by this Act or any other law on the federal programs intended to accomplish that objective,".

AMENDMENT NO. 3276

On page 2-2, strike lines 7 through 9, and insert in lieu the following:

"(2) by striking "through 1997," and inserting "through 1995, and not more than $25,000 each for fiscal years 1996 and 1997,".

HATCH AMENDMENT NO. 3277

(Ordered to lie on the table.)

Mr. HATCH submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the end of title IV, insert the following:

SEC. 406. NUTRITIONAL SUPPLEMENTS.

(a) FINDINGS.—Congress finds that—

(1) the dietary patterns of Americans do not result in nutrient intakes that fully meet Recommended Dietary Allowances (RDAs) of vitamins and minerals;

(2) children in low-income families and the elderly often fail to achieve adequate nutrient intakes from diet alone;

(3) pregnant women have particularly high nutrient needs, which they often fail to meet through dietary means alone;

(4)(A) many scientific studies have shown that nutritional supplements that contain folic acid (a B vitamin) can prevent as many as 60 to 80 percent of neural tube birth defects;

(B) the Public Health Service, in September 1992, recommended that all women of childbearing age in the United States who are capable of becoming pregnant should consume 0.4 mg of folic acid per day for the purpose of reducing their risk of having a pregnancy affected with spina bifida or other neural tube birth defects; and

(C) the Food and Drug Administration has also approved a health claim for folic acid to reduce the risk of neural tube birth defects;

(5) infants who fail to receive adequate intakes of iron may be somewhat impaired in their mental and behavioral development; and

(6) a massive volume of credible scientific evidence strongly suggests that increasing intake of specific nutrients over an extended period of time may be helpful in protecting against diseases or conditions such as osteoporosis, cataracts, cancer, and heart disease.

(b) AMENDMENT OF THE FOOD STAMP ACT OF 1977.—Section 3(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2012(g)(1)) is amended by striking "or food product" and inserting ", food product, or nutritional supplement of a vitamin, mineral, or a vitamin and a mineral".

HEFLIN AMENDMENT NO. 3278

(Ordered to lie on the table.)

Mr. HEFLIN submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike section 106 and insert the following:

SEC. 106. PEANUT PROGRAM.

(a) MARKETING QUOTAS.—

(1) NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS.—

(A) IN GENERAL.—The section heading of section 358-1 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358-1) is amended by striking "1991 THROUGH 1997 CROPS OF".

(B) NATIONAL POUNDAGE QUOTAS.—

(i) ESTABLISHMENT.—Section 358-1(a)(1) of the Act is amended—

(I) in the first sentence—

(aa) by striking "of the 1991 through 1997 marketing years" and inserting "marketing year";

(bb) by striking ", seed,"; and

(cc) by striking the period at the end and inserting ", excluding seed. In making estimates under this paragraph for a marketing year, the Secretary shall annually estimate and take into account the quantity of peanuts and peanut products to be imported into the United States for the marketing year."; and

(II) by striking the second sentence.

(ii) APPORTIONMENT.—Section 358-1(a)(3) of the Act is amended by striking "1990" and inserting "1995".

(C) FARM POUNDAGE QUOTA.—

(i) ESTABLISHMENT.—Section 358-1(b)(1)(A) of the Act is amended—

(I) by striking "of the 1991 through 1997 marketing years" and inserting "marketing year"; and

(II) in clause (i), by striking "1990" and inserting "1995".

(ii) QUANTITY.—Section 358-1(b)(1)(B) of the Act is amended—

(I) by striking "of the 1991 through 1997 marketing years" and inserting "marketing year"; and

(II) by striking "including—" and all that follows through "(ii) any" and inserting "including any".

(iii) ADJUSTMENTS.—Section 358-1(b)(2) of the Act is amended—

(I) in subparagraph (A)—

(aa) by striking "(B) and subject to subparagraph (D)" and inserting "(C)"; and

(bb) by striking "of the 1991 through 1997 marketing years" and inserting "marketing year";

(II) by striking subparagraph (B);

(III) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively; and

(IV) in subparagraph (B) (as so redesignated), by striking "of the 1991 through 1997 marketing years" and inserting "marketing year".

(iv) QUOTA NOT PRODUCED.—Section 358-1(b)(3) of the Act is amended—

(I) in subparagraph (A), by striking "of the 1991 through 1997 marketing years" and inserting "marketing year"; and

(II) in subparagraph (B), by striking "include—" and all that follows through "(ii) any" and inserting "include any".

(v) QUOTA CONSIDERED PRODUCED.—Section 358-1(b)(4) of the Act is amended—

(I) in subparagraph (A), by inserting "or" after the semicolon at the end; and

(II) by striking subparagraphs (B) and (C) and inserting the following:

"(B) the farm poundage quota for the farm was—

"(i) released voluntarily under paragraph (7); or

"(ii) leased to another owner or operator of a farm within the same county for transfer to the farm;

for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made.".

(vi) ALLOCATION OF QUOTAS REDUCED OR RELEASED.—Section 358-1(b)(6) of the Act is amended—

(I) in subparagraph (A), by striking "subparagraphs (B) and (C), the total quantity of the" and inserting "subparagraph (B),";

(II) in subparagraph (B)—

(aa) by striking "Not more than 25 percent of the" and inserting "The"; and

(bb) by adding at the end the following: "Any farm quota pounds remaining after allocation to farms under this subparagraph shall be allocated under subparagraph (A)."; and

(III) by striking subparagraph (C).

(vii) TEMPORARY QUOTA ALLOCATION FOR SEED.—Section 358–1(b) of the Act is amended by striking paragraph (8) and inserting the following:

"(8) TEMPORARY QUOTA ALLOCATION FOR SEED.—For each marketing year and pursuant to regulation, the Secretary shall make a temporary allocation of poundage quota, for that marketing year only, to each producer of peanuts on a farm, in addition to any farm poundage quota established under paragraph (1), in a quantity equal to the pounds of seed peanuts planted by the producer on the farm.".

(viii) TRANSFER OF ADDITIONAL PEANUTS.—Section 358–1(b) of the Act is amended by striking paragraph (9) and inserting the following:

"(9) TRANSFER OF ADDITIONAL PEANUTS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts on a farm from which the quota poundage was not harvested and marketed may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall provide by regulation.

"(B) LIMITATIONS.—The poundage of peanuts transferred under subparagraph (A) shall not exceed 25 percent of the total farm poundage quota, excluding pounds transferred in the fall.

"(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at a rate of not less than 70 percent of the quota support rate for the marketing years during which the transfers occur.".

(D) CROPS.—Section 358–1(f) of the Act is amended by striking "1991 through 1997" and inserting "1996 through 2002".

(2) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—

(A) IN GENERAL.—The section heading of section 358b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b) is amended by striking "1991 THROUGH 1995 CROPS OF".

(B) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—Section 358b(a) of the Act is amended—

(i) by striking "(including any applicable under marketings)" each place it appears;

(ii) in paragraph (1)—

(I) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively;

(II) by inserting before subparagraph (B) (as so redesignated) the following:

"(A) with the owner or operator of another farm located within the same county or located in a different county within the same State;";

(III) in subparagraph (B) (as so redesignated), by striking "undermarketings and"; and

(IV) by adding at the end the following: "Fall transfers of quota pounds shall not affect the farm quota history for the transferring or receiving farm and shall not result in a reduction of the farm poundage quota on the transferring farm.";

(iii) in paragraph (2)—

(I) in the first sentence—

(aa) by striking "county or in a county contiguous to the county in the same"; and

(bb) by inserting before the period at the end the following: ", if both the transferring and the receiving farms were under the control of the owner or operator for at least 3 crop years prior to the crop year in which the farm poundage quota is transferred"; and

(II) in the second sentence, by striking "the transferred quota is produced or considered produced on the receiving farm" and inserting "sufficient acreage is planted on the receiving farm to produce the quota pounds transferred"; and

(iv) by adding at the end the following:

"(4) TRANSFERS BY SALE IN STATES WITH LARGE QUOTAS.—

"(A) IN GENERAL.—In the case of a State for which the poundage quota allocated to the State was 10,000 tons or greater for the previous year, the owner, or operator with permission of the owner, of a farm located in the State for which a farm poundage quota has been established under section 358–1 may sell all or any part of the farm poundage quota to any other eligible owner or operator of a farm within the same State.

"(B) LIMITATIONS.—

"(i) 1996.—During calendar year 1996, not more than 15 percent of the total poundage quota within a county as of January 1, 1996, may be sold and transferred outside the county under this paragraph.

"(ii) SUBSEQUENT YEARS.—During calendar year 1997 and each subsequent calendar year, not more than 5 percent of the total poundage quota within a county as of January 1 of the calendar year may be sold and transferred outside the county under this paragraph.

"(iii) AGGREGATE LIMIT.—Not more than an aggregate of 30 percent of the total poundage quota within a county may be sold and transferred outside the county under this paragraph.

"(C) SUBSEQUENT LEASE OR SALE.—Quota poundage sold and transferred under this paragraph may not be leased or sold to another farm owner or operator within the same State for a period of 5 years following the original transfer to the farm.".

(C) RECORD.—Section 358b(b)(3) of the Act is amended by striking "committee of the county to which the transfer is made and the committee determines" and inserting "committees of the counties from and to which the transfer is made and the committees determine".

(D) CROPS.—Section 358b(c) of the Act is amended by striking "1991 through 1995" and inserting "1996 through 2002".

(3) EXPERIMENTAL AND RESEARCH PROGRAMS.—Section 358c(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358c(d)) is amended by striking "1991 through 1995" and inserting "1996 through 2002".

(4) MARKETING PENALTIES.—Section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a) is amended—

(A) in the section heading, by striking "1991 THROUGH 1997 CROPS OF";

(B) in subsection (d)(6)(A), by inserting after "If any additional peanuts" the following: "or peanut products made from additional peanuts"; and

(C) in subsection (i), by striking "1991 through 1997" and inserting "1996 through 2002".

(b) PRICE SUPPORT PROGRAM FOR PEANUTS.—

(1) QUOTA PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts.

(B) SUPPORT RATES.—The national average quota support rate for each crop of quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land and the cost of any assessments required under paragraph (7), except that in no event shall the national average quota support rate for any such crop be increased, or decreased, by more than 5 percent of the national average quota support rate for the preceding crop.

(C) INSPECTION, HANDLING, OR STORAGE.—The levels of support so announced shall not be reduced by any deductions for inspection, handling, or storage.

(D) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 411 of the Agricultural Adjustment Act of 1938.

(E) ANNOUNCEMENT.—The Secretary shall announce the level of support for quota peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

(2) ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts at such levels as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(B) ANNOUNCEMENT.—The Secretary shall announce the level of support for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

(3) AREA MARKETING ASSOCIATIONS.—

(A) WAREHOUSE STORAGE LOANS.—

(i) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the three producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and sections 358d and 358e of the Agricultural Adjustment Act of 1938.

(ii) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—The area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this section and sections 358d and 358e of the Agricultural Adjustment Act of 1938.

(iii) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include, in addition to the price support value of the peanuts, such costs as the area marketing association reasonably may incur in carrying out its responsibilities, operations, and activities under this section and sections 358d and 358e of the Agricultural Adjustment Act of 1938.

(B) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Peanuts physically produced outside the State of New Mexico shall not be eligible for entry into or participation in the New Mexico pools. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(ii) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(I) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

(II) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in subclause (I).

(4) LOSSES.—

(A) OTHER PRODUCERS IN SAME POOL.—Losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributable to the same producer from the sale of additional peanuts for domestic and edible use or export.

(B) QUOTA PEANUTS PLACED UNDER LOAN.—Net gains on additional peanuts within an area (other than net gains on additional peanuts in separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) shall be first reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts placed under loan in the area, in such manner as the Secretary shall by regulation prescribe.

(C) QUOTA LOAN POOLS.—

(i) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(9) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(9)).

(ii) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under paragraph (7) to offset further losses in area quota pools. At the end of each year, the Secretary shall transfer to the Treasury the funds collected under paragraph (7) that the Secretary determines are not required to cover losses in area quota pools.

(iii) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(9) of the Agricultural Adjustment Act of 1938, shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(iv) INCREASED ASSESSMENTS.—If actions taken under clauses (i) through (iii) are not sufficient to cover losses in area pools, the Secretary shall increase the marketing assessment established under paragraph (7) by such amount as the Secretary considers necessary to cover the losses. Amounts collected under paragraph (7) as a result of the increased assessment shall be retained by the Secretary to cover losses in the pool.

(5) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938.

(6) QUALITY IMPROVEMENT.—

(A) PRICE SUPPORT PEANUTS.—With respect to peanuts under price support loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut price support program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.)); and

(iv) ensure that any changes made in the price support program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department of Agriculture loan schedule.

(B) EXPORTS AND OTHER PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that all peanuts, including peanuts imported into the United States, meet all United States quality standards under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937), and that importers of the peanuts fully comply with inspection, handling, storage, and processing requirements implemented under Marketing Agreement No. 146.

(ii) EXPORTED PEANUTS.—The Secretary shall ensure that peanuts produced for the export market meet quality, inspection, handling, storage, and processing requirements under Marketing Agreement No. 146.

(7) MARKETING ASSESSMENT.—

(A) IN GENERAL.—The Secretary shall provide, by regulation, for a nonrefundable marketing assessment equal to 1.2 percent of the national average quota or additional peanut support rate per pound, as applicable, on all peanuts sold in the United States during each of the 1996 through 2002 marketing years.

(B) TREATMENT OF IMPORTED PEANUTS.—For the purposes of determining the applicable assessment rate under this section, imported peanuts shall be treated as additional peanuts.

(C) FIRST PURCHASERS.—

(i) DEFINITION OF FIRST PURCHASER.—In this clause, the term 'first purchaser' means a person acquiring peanuts from a producer, or a person that imports peanuts, except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(ii) ADMINISTRATION.—Except as provided in clause (iii) and subparagraphs (D) and (E), the first purchaser shall—

(I) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by .6 percent of the applicable national average support rate;

(II) pay, in addition to the amount collected under subclause (I), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .6 percent of the applicable national average support rate; and

(III) remit the amounts required under subclauses (I) and (II) to the Commodity Credit Corporation in a manner specified by the Secretary.

(iii) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(D) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(E) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a price support loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(F) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(i) the quantity of peanuts involved in the violation; by

(ii) the national average quota peanut price support level for the applicable crop year.

(G) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(H) USE OF FUNDS.—Funds collected under this subsection shall be used by the Secretary to offset the costs of operating the peanut price support program.

(8) CROPS.—Except as provided in paragraph (7) and notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.

(c) ADMINISTRATIVE PROVISIONS.—

(1) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before "all brokers and dealers in peanuts" the following: "all producers engaged in the production of peanuts,".

(2) SUSPENSION OF PERMANENT PROGRAM.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1996 through 2002 crops of peanuts:

(A) Subsections (a) through (j) of section 358 (7 U.S.C. 1358).

(B) Subsections (a) through (h) of section 358a (7 U.S.C. 1358a).

(C) Subsections (a), (b), (d), and (e) of section 359 (7 U.S.C. 1359).

(D) Part I of subtitle C of title III (7 U.S.C. 1361 et seq.).

(E) Section 371 (7 U.S.C. 1371).

(3) ADMINISTRATION.—The first paragraph of section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (7 U.S.C. 612c), is amended—

(A) in the first sentence, by striking "30 per centum" and inserting "30 percent (or, in the case of duties collected with respect to an import that is subject to a tariff-rate quota, 100 percent)"; and

(B) in the second sentence—

(i) by striking "and (3)" and inserting "(3)"; and

(ii) by inserting before the period at the end the following: "; and (4) offset the costs of operating a program to provide price support for domestically produced peanuts".

(d) PEANUT STANDARDS.—

(1) INSPECTION; QUALITY ASSURANCE.—

(A) INITIAL ENTRY.—The Secretary of Agriculture (referred to in this title as the "Secretary") shall require all peanuts and peanut products sold in the United States to be initially placed in a bonded, licensed warehouse approved by the Secretary for the purpose of inspection and grading by the Secretary, the Commissioner of the Food and Drug Administration, and the heads of other appropriate agencies of the United States.

(B) PRELIMINARY INSPECTION.—Peanuts and peanut products shall be held in the warehouse until inspected by the Secretary, the Commissioner of the Food and Drug Administration, or the head of another appropriate agency of the United States, for chemical residues, general cleanliness, disease, size, aflatoxin, stripe virus, and other harmful conditions, and an assurance of compliance with all grade and quality standards specified under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937).

(C) SEPARATION OF LOTS.—All imported peanuts shall be maintained separately from, and shall not be commingled with, domestically produced peanuts in the warehouse.

(D) ORIGIN OF PEANUT PRODUCTS.—

(i) LABELING.—A peanut product shall be labeled with a label that indicates the origin of the peanuts contained in the product.

(ii) SOURCE.—No peanut product may contain both imported and domestically produced peanuts.

(iii) IMPORTED PEANUT PRODUCTS.—The first seller of an imported peanut product shall certify that the product is made from raw peanuts that meet the same quality and grade standards that apply to domestically produced peanuts.

(E) DOCUMENTATION.—No peanuts or peanut products may be transferred, shipped, or otherwise released from a warehouse described in subparagraph (A) unless accompanied by a United States Government inspection certificate that certifies compliance with this section.

(2) HANDLING AND STORAGE.—

(A) TEMPERATURE AND HUMIDITY.—The Secretary shall require all shelled peanuts sold in the United States to be maintained at a temperature of not more than 37 degrees Fahrenheit and a humidity range of 60 to 68 percent at all times during handling and storage prior to sale and shipment.

(B) CONTAINERS.—The peanuts shall be shipped in a container that provides the maximum practicable protection against moisture and insect infestation.

(C) IN-SHELL PEANUTS.—The Secretary shall require that all in-shell peanuts be reduced to a moisture level not exceeding 10 percent immediately on being harvested and be stored in a facility that will ensure quality maintenance and will provide proper ventilation at all times prior to sale and shipment.

(3) LABELING.—The Secretary shall require that all peanuts and peanut products sold in the United States contain labeling that lists the country or countries in which the peanuts, including all peanuts used to manufacture the peanut products, were produced.

(4) INSPECTION AND TESTING.—

(A) IN GENERAL.—All peanuts and peanut products sold in the United States shall be inspected and tested for grade and quality.

(B) CERTIFICATION.—All peanuts or peanut products offered for sale in, or imported into, the United States shall be accompanied by a certification by the first seller or importer that the peanuts or peanut products do not contain residues of any pesticide not approved for use in, or importation into, the United States.

(5) NUTRITIONAL LABELING.—The Secretary shall require all peanuts and peanut products sold in the United States to contain complete nutritional labeling information as required under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.).

(6) PEANUT CONTENT.—

(A) OFFSET AGAINST HTS QUANTITY.—The actual quantity of peanuts, by weight, used to manufacture, and ultimately contained in, peanut products imported into the United States shall be accounted for and offset against the total quantity of peanut imports allowed under the in-quota quantity of the tariff-rate quota established for peanuts under the Harmonized Tariff Schedule of the United States.

(B) VERIFICATION.—The Secretary shall establish standards and procedures for the purpose of verifying the actual peanut content of peanut products imported into the United States.

(7) PLANT DISEASES.—The Secretary, in consultation with the heads of other appropriate agencies of the United States, shall ensure that all peanuts in the domestic edible market are inspected and tested to ensure that they are free of all plant diseases.

(8) ADMINISTRATION.—

(A) FEES.—The Secretary shall by regulation fix and collect fees and charges to cover the costs of any inspection or testing performed under this title.

(B) CERTIFICATION.—

(i) IN GENERAL.—The Secretary may require the first seller of peanuts sold in the United States to certify that the peanuts comply with this title.

(ii) FRAUD AND FALSE STATEMENTS.—Section 1001 of title 18, United States Code, shall apply to a certification made under this title.

(C) STANDARDS AND PROCEDURES.—In consultation with the heads of other appropriate agencies of the United States, the Secretary shall establish standards and procedures to provide for the enforcement of, and ensure compliance with, this title.

(D) FAILURE TO MEET STANDARDS.—Peanuts or peanut products that fail to meet standards established under this title shall be returned to the seller and exported or crushed pursuant to section 358e(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a(d)).

(9) CHANGE OF VENUE.—In any case in which an area pool or a marketing association brings, joins, or seeks to join a civil action in a United States district court to enforce this title, the district court may not transfer the action to any other district or division over the objection of the pool or marketing association.

HARKIN AMENDMENT NO. 3279

(Ordered to lie on the table.)

Mr. HARKIN submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra, as follows:

Strike all after the enacting clause and insert the following:

SEC. 1001. SHORT TITLE.

This Act may be cited as the "Farm Security and Reform Act of 1996".

Subtitle A—Commodity Programs

SEC. 1101. WHEAT, FEED GRAIN, AND OILSEED PROGRAM.

(a) IN GENERAL.—Title I of the Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) is amended by adding the end the following:

"SEC. 116. MARKETING LOANS AND LOAN DEFICIENCY PAYMENTS FOR 1996 THROUGH 2002 CROPS OF WHEAT, FEED GRAINS, AND OILSEEDS.

"(a) DEFINITIONS.—In this section:

"(1) COVERED COMMODITIES.—The term 'covered commodities' means wheat, feed grains, and oilseeds.

"(2) FEED GRAINS.—The term 'feed grains' means corn, grain sorghum, barley, oats, millet, rye, or as designated by the Secretary, other feed grains.

"(3) OILSEEDS.—The term 'oilseeds' means soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or as designated by the Secretary, other oilseeds.

"(b) ADJUSTMENT ACCOUNT.—

"(1) DEFINITION OF PAYMENT BUSHEL OF PRODUCTION.—In this subsection, the term 'payment bushel of production' means—

"(A) in the case of wheat, $\frac{7}{10}$ of a bushel;

"(B) in the case of corn, a bushel; and

"(C) in the case of other feed grains, a quantity determined by the Secretary.

"(2) ESTABLISHMENT.—The Secretary shall establish an Adjustment Account (referred to in this subsection as the 'Account') for making—

"(A) payments to producers of the 1996 through 2002 crops of covered commodities who participate in the marketing loan program established under subsection (c); and

"(B) payments to producers of the 1994 and 1995 crops of covered commodities that are authorized, but not paid, under sections 105B and 107B prior to the date of enactment of this section.

"(3) AMOUNT IN ACCOUNT.—The Secretary shall transfer from funds of the Commodity Credit Corporation into the Account—

"(A) $4,500,000,000 for fiscal year 1996; and

"(B) $2,800,000,000 for each of fiscal years 1997 through 2002;

to remain available until expended.

"(4) PAYMENTS.—The Secretary shall use funds in the Account to make payments to producers of wheat and feed grains in accordance with this subsection.

"(5) TIER 1 SUPPORT.—

"(A) IN GENERAL.—The producers on a farm referred to in paragraph (2) shall be entitled to a payment computed by multiplying—

"(i) the payment quantity determined under subparagraph (B); by

"(ii) the payment factor determined under subparagraph (C).

"(B) PAYMENT QUANTITY.—

"(i) IN GENERAL.—Subject to clause (ii), the payment quantity for payments under subparagraph (A) shall be determined by the Secretary based on—

"(I) 90 percent of the 5-year average of the quantity of wheat and feed grains produced on the farm;

"(II) an adjustment to reflect any disaster or other circumstance beyond the control of the producers that adversely affected production of wheat or feed grains, as determined by the Secretary; and

"(III) an adjustment for planting resource conservation crops on the crop acreage base for covered commodities, and adopting conserving uses, on the base not enrolled in the environmental reserve program provided in paragraph (6).

"(ii) LIMITATIONS.—The quantity determined under clause (i) for an individual, directly or indirectly, shall not exceed 22,000 payment bushels of wheat or feed grains and may be adjusted by the Secretary to reflect the availability of funds.

"(C) PAYMENT FACTOR.—

"(i) WHEAT.—The payment factor for wheat under subparagraph (A) shall be equal to the difference between a price established by the Secretary, of not to exceed $4.00 per bushel, and the greater of—

"(I) the marketing loan rate for the crop of wheat; or

"(II) the average domestic price for wheat for the crop for the calendar year in which the crop is normally harvested.

"(ii) CORN.—The payment factor for corn under subparagraph (A) shall be equal to the difference between a price established by the Secretary, of not to exceed $2.75 per bushel, and the greater of—

"(I) the marketing loan rate for the crop of corn; or

"(II) the average domestic price for corn for the crop for the calendar year in which the crop is normally harvested;

"(iii) OTHER FEED GRAINS.—The payment factor for other feed grains under subparagraph (A) shall be established by the Secretary at such level as the Secretary determines is fair and reasonable in relation to the payment factor for corn.

"(D) ADVANCE PAYMENT.—The Secretary shall make available to producers on a farm 50 percent of the projected payment under this subsection at the time the producers agree to participate in the program.

"(6) ENVIRONMENTAL RESERVE PROGRAM.—

"(A) IN GENERAL.—The Secretary may enter into 1 to 5 year contracts with producers on a farm referred to in paragraph (2) for the purposes of enrolling flexible acreage base for conserving use purposes.

"(B) LIMITATION.—Flexible acreage base enrolled in the environmental reserve program shall not be eligible for benefits provided in paragraph (5)(B).

"(c) MARKETING LOANS.—

"(1) IN GENERAL.—The Secretary shall make available to producers on a farm marketing loans for each of the 1996 through 2002 crops of covered commodities produced on the farm.

"(2) ELIGIBILITY.—

"(A) IN GENERAL.—To be eligible for a loan under this subsection, the producers on a farm may not plant covered commodities on the farm in excess of the flexible acreage base of the farm determined under section 502.

"(B) AMOUNT.—The Secretary shall provide marketing loans for their normal production of covered commodities produced on a farm.

"(3) LOAN RATE.—Loans made under this subsection shall be made at the rate of 95 percent of the average price for the commodity for the previous 5 crop years, as determined by the Secretary.

"(4) REPAYMENT.—

"(A) CALCULATION.—Producers on a farm may repay loans made under this subsection for a crop at a level that is the lesser of—

"(i) the loan level determined for the crop; or

"(ii) the prevailing domestic market price for the commodity (adjusted to location and quality), as determined by the Secretary.

"(B) PREVAILING DOMESTIC MARKET PRICE.—The Secretary shall prescribe by regulation—

"(i) a formula to determine the prevailing domestic market price for each covered commodity; and

"(ii) a mechanism by which the Secretary shall announce periodically the prevailing domestic market prices established under this subsection.

"(d) LOAN DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—The Secretary may, for each of the 1996 through 2002 crops of covered commodities, make payments (referred to in this subsection as 'loan deficiency payments') available to producers who, although eligible to obtain a marketing loan under subsection (c), agree to forgo obtaining the loan in return for payments under this subsection.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of a covered commodity the producer is eligible to place under loan but for which the producer forgoes obtaining the loan in return for payments under this subsection.

"(3) LOAN PAYMENT RATE.—

"(A) IN GENERAL.—For the purposes of this subsection, the loan payment rate shall be the amount by which—

"(i) the marketing loan rate determined for the crop under subsection (c)(3); exceeds

"(ii) the level at which a loan may be repaid under subsection (c)(4).

"(B) DATE.—The date on which the calculation required under subparagraph (A) for the producers on a farm shall be determined by the producers, except that the date may not be later than the earlier of—

"(i) the date the producers lost beneficial interest in the crop; or

"(ii) the end of the marketing year for the crop.

"(4) APPLICATION.—Producers on a farm may apply for a payment for a covered commodity under this subsection at any time prior to the end of the marketing year for the commodity.

"(e) PROGRAM COST LIMITATION.—

"(1) IN GENERAL.—If the Secretary determines that the costs of providing marketing loans and loan deficiency payments for covered commodities under this section will exceed an amount of $9,000,000,000 for the 1996 through 2002 fiscal years, the Secretary shall carry out a program cost limitation program to ensure that the cost of providing marketing loans and loan deficiency payments do not exceed the amount.

"(2) TERMS.—If the Secretary determines that a program cost limitation program is required for a crop year, the Secretary shall carry out for the crop year—

"(A) a proportionate reduction in the number of bushels that a producer may directly or indirectly place under loan;

"(B) a limitation on the number of bushels the producers on a farm may directly or indirectly place under loan;

"(C) an acreage limitation program; or

"(D) any combination of actions described in subparagraphs (A), (B), and (C).

"(3) LIMITATION.—The program cost limitation program may only be applied to a crop of a covered commodity for which the domestic price is projected, by the Secretary, to be less than the 5-year average price for the commodity.

"(4) ANNOUNCEMENTS.—If the Secretary elects to implement a program cost limitation program for any crop year, the Secretary shall make an announcement of the program not later than—

"(A) in the case of wheat, June 1 of the calendar year preceding the year in which the crop is harvested; and

"(B) in the case of feed grains and oilseeds, September 30 of the calendar year preceding the year in which the crop is harvested, and

"(f) EQUITABLE RELIEF.—If the failure of a producer to comply fully with the terms and conditions of programs conducted under this section precludes the making of loans and payments, the Secretary may, nevertheless, make the loans and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure.

"(g) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(h) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(i) TENANTS AND SHARECROPPERS.—In carrying out this section, the Secretary shall provide adequate safeguards to protect the interest of tenants and sharecroppers.

"(j) CROPS.—This section shall be effective only for the 1996 through 2002 crops of a covered commodity.".

(b) FLEXIBLE ACREAGE BASE.—

(1) DEFINITIONS.—Section 502 of the Agricultural Act of 1949 (7 U.S.C. 1462) is amended by striking paragraphs (2) and (3) and inserting the following:

"(2) FEED GRAINS.—The term 'feed grains' means corn, grain sorghum, barley, oats, millet, rye, or as designated by the Secretary, other feed grains.

"(3) GO CROPS.—The term 'GO crops' means wheat, feed grains, and oilseeds.

"(4) OILSEEDS.—The term 'oilseed' means a crop of soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, other oilseeds.

"(5) PROGRAM CROP.—The term 'program crop' means a GO crop and a crop of upland cotton or rice.".

(2) CROP ACREAGE BASES.—Section 503(a) of the Act (7 U.S.C. 1463(a)) is amended by striking paragraph (1) and inserting the following:

"(1) IN GENERAL.—

"(A) GO CROPS.—The Secretary shall provide for the establishment and maintenance of a single crop acreage base for GO crops, including any GO crops produced under an established practice of double cropping.

"(B) COTTON AND RICE.—The Secretary shall provide for the establishment and maintenance of crop acreage bases for cotton and rice crops, including any program crop produced under an established practice of double cropping.".

SEC. 1102. UPLAND COTTON PROGRAM.

(a) Extension.—Section 103B of the Agricultural Act of 1949 (7 U.S.C. 1444–2) is amended—

(1) in the section heading, by striking "**1997**" and inserting "**2002**";

(2) in subsections (a)(1), (b)(1), (c)(1), and (o), by striking "1997" each place it appears and inserting "2002";

(3) in subsection (a)(5), by striking "1998" each place it appears and inserting "2002";

(4) in the heading of subsection (c)(1)(D)(v)(II), by striking "1997" and inserting "2002";

(5) in subsection (e)(1)(D), by striking "the 1997 crop" and inserting "each of the 1997 through 2002 crops"; and

(6) in subsections (e)(3)(A) and (f)(1), by striking "1995" each place it appears and inserting "2002".

(b) Increase in Nonpayment Acres.—Section 103B(c)(1)(C) of the Act is amended by striking "85 percent" and inserting "77.5 percent for each of the 1996 through 2002 crops".

SEC. 1103. RICE PROGRAM.

(a) Extension.—Section 101B of the Agricultural Act of 1949 (7 U.S.C. 1441–2) is amended—

(1) in the section heading, by striking "**1995**" and inserting "**2002**";

(2) in subsections (a)(1), (a)(3), (b)(1), (c)(1)(A), (c)(1)(B)(iii), (e)(3)(A), (f)(1), and (n), by striking "1995" each place it appears and inserting "2002";

(3) in subsection (a)(5)(D)(i), by striking "1996" and inserting "2003"; and

(4) in subsection (c)(1)—

(A) in subparagraph (B)(ii)—

(i) by striking "AND 1995" and inserting "THROUGH 2002"; and

(ii) by striking "and 1995" and inserting "through 2002"; and

(B) in subparagraph (D)—

(i) in clauses (i) and (v)(II), by striking "1997" each place it appears and inserting "2002"; and

(ii) in the heading of clause (v)(II), by striking "1997" and inserting "2002".

(b) Increase in Nonpayment Acres.—Section 101B(c)(1)(C)(ii) of the Act is amended by striking "85 percent" and inserting "77.5 percent for each of the 1998 through 2002 crops".

SEC. 1104. PEANUT PROGRAM.

(a) Extension.—

(1) Agricultural Act of 1949.—Section 108B of the Agricultural Act of 1949 (7 U.S.C. 1445c–3) is amended—

(A) in the section heading, by striking "**1997**" and inserting "**2002**";

(B) in subsection (a)(1), (b)(1), and (h), by striking "1997" each place it appears and inserting "2002"; and

(C) in subsection (g)—

(i) by striking "1997" in paragraphs (1) and (2)(A)(ii)(II) and inserting "2002"; and

(ii) by striking "the 1997 crop" each place it appears and inserting "each of the 1997 through 2002 crops".

(2) Agricultural Adjustment Act of 1938.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

(A) in section 358–1 (7 U.S.C. 1358–1)—

(i) in the section heading, by striking "**1997**" and inserting "**2002**"; and

(ii) in subsections (a)(1), (b), and (f), by striking "1997" each place it appears and inserting "2002";

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking "**1995**" and inserting "**2002**"; and

(ii) in subsection (c), by striking "1995" and inserting "2002";

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking "1995" and inserting "2002"; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking "**1997**" and inserting "**2002**"; and

(ii) in subsection (i), by striking "1997" and inserting "2002".

(b) Support Rates for Peanuts.—Section 108B(a)(2) of the Agricultural Act of 1949 (7 U.S.C. 1445c–3(a)(2)) is amended—

(1) by striking "(2) Support rates.—The" and inserting the following:

"(2) Support rates.—

"(A) 1991–1995 crops.—The"; and

(2) by adding at the end the following:

"(B) 1996–2002 crops.—The national average quota support rate for each of the 1996 through 2002 crops of quota peanuts shall be $678 per ton.".

(c) Undermarketings.—

(1) In general.—Section 358–1(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)) is amended—

(A) in paragraph (7), by adding at the end the following::

"(C) Transfer of additional peanuts.—Additional peanuts on a farm from which the quota poundage was not harvested or marketed may be transferred to the quota loan pool for pricing purposes at the quota price on such basis as the Secretary shall be regulation provide, except that the poundage of the peanuts so transferred shall not exceed the difference in the total quantity of peanuts meeting quality requirements for domestic edible use, as determined by the Secretary, marketed from the farm and the total farm poundage quota."; and

(B) by striking paragraphs (8) and (9).

(2) Conforming amendments.—Section 358b(a) of the Act (7 U.S.C. 1358b(a)) is amended—

(A) in paragraph (1)(A), by striking "undermarketings and"; and

(B) in paragraph (3), by striking "(including any applicable undermarketings)".

SEC. 1105. DAIRY PROGRAM.

(a) Price support.—Section 204 of the Agricultural Act of 1949 (7 U.S.C. 1446e) is amended—

(1) in the section heading, by striking "**1996**" and inserting "**2002**";

(2) in subsections (a), (b), (f), (g), and (k), by striking "1996" each place it appears and inserting "2002";

(3) in subsection (h)(2)(C), by striking "and 1997" and inserting "through 2002".

(b) Support Price for Butter and Powdered Milk.—Section 204(c)(3) of the Act is amended—

(1) in subparagraph (A), by striking "Subject to subparagraph (B), the" and inserting "The";

(2) by striking subparagraph (B); and

(3) by redesignating subparagraph (C) as subparagraph (B).

(c) Support Rate.—Section 204(d) of the Act is amended—

(1) by striking paragraphs (1) through (3); and

(2) by redesignating paragraphs (4) and (5) as paragraphs (1) and (2) respectively.

SEC. 1106. SUGAR PROGRAM.

(a) In General.—Section 206 of the Agricultural Act of 1949 (7 U.S.C. 1446g) is amended to read as follows:

"SEC. 206. SUGAR SUPPORT FOR 1996 THROUGH 2002 CROPS.

"(a) Definitions.—In this section:

"(1) Agreement on agriculture.—The term 'Agreement on Agriculture' means the Agreement on Agriculture resulting from the Uruguay Round of Multilateral Trade Negotiations.

"(2) Major country.—The term 'major country' includes—

"(A) a country that is allocated a share of the tariff rate quota for imported sugars and syrups by the United States Trade Representative pursuant to additional U.S. note 5 to chapter 17 of the Harmonized Tariff Schedule;

"(B) a country of the European Union; and

"(C) the People's Republic of China.

"(3) Market.—The term 'market' means to sell or otherwise dispose of in commerce in the United States (including, with respect to any integrated processor and refiner, the movement of raw cane sugar into the refining process) and delivery to a buyer.

"(4) Total estimated disappearance.—The term 'total estimated disappearance' means the quantity of sugar, as estimated by the Secretary, that will be consumed in the United States during a fiscal year (other than sugar imported for the production of polyhydric alcohol or to be refined and reexported in refined form or in a sugar-containing product), plus the quantity of sugar that would provide for adequate carryover stocks.

"(b) Price Support.—The price of each of the 1996 through 2002 crops of sugar beets and sugarcane shall be supported in accordance with this section.

"(c) Sugarcane.—Subject to subsection (e), the Secretary shall support the price of domestically grown sugarcane through loans at a support level of 18 cents per pound for raw cane sugar.

"(d) Sugar Beets.—Subject to subsection (e), the Secretary shall support the price of each crop of domestically grown sugar beets through loans at the level provided for refined beet sugar produced from the 1995 crop of domestically grown sugar beets.

"(e) Adjustment in Support Level.—

"(1) Downward adjustment in support level.—

"(A) In general.—The Secretary shall decrease the support price of domestically grown sugarcane and sugar beets from the level determined for the preceding crop, as determined under this section, if the quantity of negotiated reductions in export and domestic subsidies of sugar that apply to the European Union and other major countries in the aggregate exceed the quantity of the reductions in the subsidies agreed to under the Agreement of Agriculture.

"(B) Extent of reduction.—The Secretary shall not reduce the level of price support under subparagraph (A) below a level that provides an equal measure of support to the level provided by the European Union or any other major country through domestic and export subsidies that are subject to reduction under the Agreement on Agriculture.

"(2) Increases in support level.—The Secretary may increase the support level for each crop of domestically grown sugarcane and sugar beets from the level determined for the preceding crop based on such factors as the Secretary determines appropriate, including changes (during the 2 crop years immediately preceding the crop year for which the determination is made) in the cost of sugar products, the cost of domestic sugar production, the amount of any applicable assessments, and other factors or circumstances that may adversely affect domestic sugar production.

"(f) Loan Type; Processor Assurances.—

"(1) In general.—Subject to paragraph (2), the Secretary shall carry out this section by making recourse loans to sugar producers.

"(2) Modification.—During any fiscal year in which the tariff rate quota for imports of sugar into the United States is established at, or is increased to, a level that exceeds the minimum level for the imports committed to by the United States under the Agreement on Agriculture, the Secretary shall carry out this section by making nonrecourse loans available to sugar producers. Any recourse loan previously made available by the Secretary and not repaid under this section during the fiscal year shall be converted into a nonrecourse loan.

"(3) PROCESSOR ASSURANCES.—To effectively support the prices of sugar beets and sugarcane received by a producer, the Secretary shall obtain from each processor that receives a loan under this section such assurances as the Secretary considers adequate that, if the Secretary is required under paragraph (2) to make nonrecourse loans available, or convert recourse loans into nonrecourse loans, each producer served by the processor will receive the appropriate minimum payment for sugar beets and sugarcane delivered by the producer, as determined by the Secretary.

"(g) ANNOUNCEMENTS.—The Secretary shall announce the type of loans available and the loan rates for beet and cane sugar for any fiscal year under this section as far in advance as is practicable.

"(h) LOAN TERM.—

"(1) IN GENERAL.—Except as provided in paragraph (2) and subsection (i), a loan under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature at the end of 3 months.

"(2) EXTENSION.—The maturity of a loan under this section may be extended for up to 2 additional 3-month periods, at the option of the borrower, except that the maturity of a loan may not be extended under this paragraph beyond the end of the fiscal year.

"(i) SUPPLEMENTARY LOANS.—Subject to subsection (e), the Secretary shall make available to eligible processors price support loans with respect to sugar processed from sugar beets and sugarcane harvested in the last 3 months of a fiscal year. The loans shall mature at the end of the fiscal year. The processor may repledge the sugar as collateral for a price support loan in the subsequent fiscal year, except that the second loan shall—

"(1) be made at the loan rate in effect at the time the second loan is made; and

"(2) mature in not more than 9 months, less the quantity of time that the first loan was in effect.

"(j) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

"(k) MARKETING ASSESSMENTS.—

"(1) IN GENERAL.—Assessments shall be collected in accordance with this subsection with respect to all sugar marketed within the United States during the 1996 through 2002 fiscal years.

"(2) BEET SUGAR.—The first seller of beet sugar produced from domestic sugar beets or domestic sugar beet molasses shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to 1.1894 percent of the loan level established under subsection (d) per pound of sugar marketed.

"(3) CANE SUGAR.—The first seller of raw cane sugar produced from domestic sugarcane or domestic sugarcane molasses shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to 1.11 percent of the loan level established under subsection (c) per pound of sugar marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing).

"(4) COLLECTION.—

"(A) TIMING.—Marketing assessments required under this subsection shall be collected and remitted to the Commodity Credit Corporation not later than 30 days after the date that the sugar is marketed.

"(B) MANNER.—Subject to subparagraph (A), marketing assessments shall be collected under this subsection in the manner prescribed by the Secretary and shall be nonrefundable.

"(5) PENALTIES.—If any person fails to remit an assessment required by this subsection or fails to comply with such requirements for recordkeeping or otherwise fails to comply with this subsection, the person shall be liable to the Secretary for a civil penalty of not more than an amount determined by multiplying—

"(A) the quantity of sugar involved in the violation; by

"(B) the loan level for the applicable crop of sugarcane or sugar beets from which the sugar is produced.

For the purposes of this paragraph, refined sugar shall be treated as produced from sugar beets.

"(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

"(l) INFORMATION REPORTING.—

"(1) DUTY OF PROCESSORS AND REFINERS TO REPORT.—A sugarcane processor, cane sugar refiner, and sugar beet processor shall furnish the Secretary, on a monthly basis, such information as the Secretary may require to administer sugar programs, including the quantity of purchases of sugarcane, sugar beets, and sugar, and production, importation, distribution, and stock levels of sugar.

"(2) DUTY OF PRODUCERS TO REPORT.—To efficiently and effectively carry out the program under this section, the Secretary may require a producer of sugarcane or sugar beets to report, in the manner prescribed by the Secretary, the producer's sugarcane or sugar beet yields and acres planted to sugarcane or sugar beets, respectively.

"(3) PENALTY.—Any person willfully failing or refusing to furnish the information, or furnishing willfully any false information, required under this subsection shall be subject to a civil penalty of not more than $10,000 for each such violation.

"(4) MONTHLY REPORTS.—Taking into consideration the information received under paragraph (1), the Secretary shall publish on a monthly basis composite data on production, imports, distribution, and stock levels of sugar.

"(m) SUGAR ESTIMATES.—

"(1) DOMESTIC REQUIREMENT.—Before the beginning of each fiscal year, the Secretary shall estimate the domestic sugar requirement of the United States in an amount that is equal to the total estimated disappearance, minus the quantity of sugar that will be available from carry-in stocks.

"(2) QUARTERLY REESTIMATES.—The Secretary shall make quarterly reestimates of sugar consumption, stocks, production, and imports for a fiscal year not later than the beginning of each of the second through fourth quarters of the fiscal year.

"(n) CROPS.—This section shall be effective only for the 1996 through 2002 crops of sugar beets and sugarcane.".

(b) MARKETING QUOTAS.—Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa et seq.) is repealed.

SEC. 1107. SHEEP INDUSTRY TRANSITION PROGRAM.

Title II of the Agricultural Act of 1949 (7 U.S.C. 1446 et seq.) is amended by adding at the end the following:

"SEC. 208. SHEEP INDUSTRY TRANSITION PROGRAM.

"(a) LOSS.—

"(1) IN GENERAL.—The Secretary shall, on presentation of warehouse receipts or other acceptable evidence of title as determined by the Secretary, make available for each of the 1996 through 1999 marketing years recourse loans for wool at a loan level, per pound, that is not less than the smaller of—

"(A) the average price (weighted by market and month) of the base quality of wool at average location in the United States as quoted during the 5-marketing year period preceding the year in which the loan level is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

"(B) 90 percent of the average price for wool projected for the marketing year in which the loan level is announced, as determined by the Secretary.

"(2) ADJUSTMENTS TO LOAN LEVEL.—

"(A) LIMITATION ON DECREASE IN LOAN LEVEL.—The loan level for any marketing year determined under paragraph (1) may not be reduced by more than 5 percent from the level determined for the preceding marketing year, and may not be reduced below 50 cents per pound.

"(B) LIMITATION ON INCREASE IN LOAN LEVEL.—If for any marketing year the average projected price determined under paragraph (1)(B) is less than the average United States market price determined under paragraph (1)(A), the Secretary may increase the loan level to such level as the Secretary may consider appropriate, not in excess of the average United States market price determined under paragraph (1)(A).

"(C) ADJUSTMENT FOR QUALITY.—

"(i) IN GENERAL.—Notwithstanding subparagraphs (A) and (B), the Secretary may adjust the loan level of a loan made under this section with respect to a quantity of wool to more accurately reflect the quality of the wool, as determined by the Secretary.

"(ii) ESTABLISHMENT OF GRADING SYSTEM.—To allow producers to establish the quality of wool produced on a farm, the Secretary shall establish a grading system for wool, based on micron diameter of the fibers in the wool.

"(iii) FEES.—The Secretary may charge each person that requests a grade for a quantity of wool a fee to offset the costs of testing and establishing a grade for the wool.

"(iv) TESTING FACILITIES.—To the extent practicable, the Secretary may certify State, local, or private facilities to carry out the grading of wool for the purpose of carrying out this subparagraph.

"(3) ANNOUNCEMENT OF LOAN LEVEL.—The loan level for any marketing year of wool shall be determined and announced by the Secretary not later than December 1 of the calendar year preceding the marketing year for which the loan is to be effective or, in the case of the 1996 marketing year, as soon as is practicable after December 1, 1995.

"(4) TERM OF LOAN.—

"(A) IN GENERAL.—Recourse loans provided for in this section may be made for an initial term of 9 months from the first day of the month in which the loan is made.

"(B) EXTENSIONS.—Except as provided in subparagraph (C), recourse loans provided for in this section shall, on request of the producer during the 9th month of the loan period for the wool, be made available for an additional term of 8 months.

"(C) LIMITATION.—A request to extend the loan period shall not be approved in any month in which the average price of the base quality of wool, as determined by the Secretary, in the designated markets for the preceding month exceeded 130 percent of the average price of the base quality of wool in the designated United States markets for the preceding 36-month period

"(5) MARKETING LOAN PROVISIONS.—If the Secretary determines that the prevailing world market price for wool (adjusted to United States quality and location) is below the loan level determined under paragraphs (1) through (4), to make United States wool competitive, the Secretary shall permit a producer to repay a loan made for any marketing year at the lesser of—

"(A) the loan level determined for the marketing year; or

"(B) the higher of—

"(i) the loan level determined for the marketing year multiplied by 70 percent; or

"(ii) the prevailing world market price for wool (adjusted to United States quality and location), as determined by the Secretary.

"(6) PREVAILING WORLD MARKET PRICE.—

"(A) IN GENERAL.—The Secretary shall prescribe by regulation—

"(i) a formula to define the prevailing world market price for wool (adjusted to United States quality and location); and

"(ii) a mechanism by which the Secretary shall announce periodically the prevailing world market price for wool (adjusted to United States quality and location).

"(B) USE.—The prevailing world market price for wool (adjusted to United States quality and location) established under this paragraph shall be used to carry out paragraph (5).

"(C) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE.—

"(i) IN GENERAL.—The prevailing world market price for wool (adjusted to United States quality and location) established under this paragraph shall be further adjusted if the adjusted prevailing world market price is less than 115 percent of the current marketing year loan level for the base quality of wool, as determined by the Secretary.

"(ii) FURTHER ADJUSTMENT.—The adjusted prevailing world market price shall be further adjusted on the basis of some or all of the following data, as available:

"(I) The United States share of world exports.

"(II) The current level of wool export sales and wool export shipments.

"(III) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for wool (adjusted to United States quality and location).

"(D) MARKET PRICE QUOTATION.—The Secretary may establish a system to monitor and make available on a weekly basis information with respect to the most recent average domestic and world market prices for wool.

"(7) PARTICIPATION.—The Secretary may make loans available under this subsection to producers, cooperatives, or marketing pools.

"(b) LOAN DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—The Secretary shall, for each of the 1996 through 1999 marketing years of wool, make payments available to producers who, although eligible to obtain a loan under subsection (a), agree to forgo obtaining the loan in return for payments under this subsection.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of wool the producer is eligible to place under loan but for which the producer forgoes obtaining the loan in return for payments under this subsection.

"(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan level determined for the marketing year under subsection (a); exceeds

"(B) the level at which a loan may be repaid under subsection (a).

"(c) DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—The Secretary shall make available to producers deficiency payments for each of the 1996 through 1999 marketing years of wool in an amount computed by multiplying—

"(A) the payment rate; by

"(B) the payment quantity of wool for the marketing year.

"(2) PAYMENT RATE.—

"(A) IN GENERAL.—The payment rate for wool shall be the amount by which the established price for the marketing year of wool exceeds the higher of—

"(i) the national average market price received by producers during the marketing year, as determined by the Secretary; or

"(ii) the loan level determined for the marketing year.

"(B) MINIMUM ESTABLISHED PRICE.—The established price for wool shall not be less than $2.12 per pound on a grease wool basis for each of the 1996 through 1999 marketing years.

"(3) PAYMENT QUANTITY.—Payment quantity of wool for a marketing year shall be the number of pounds of wool produced during the marketing year.

"(d) EQUITABLE RELIEF.—

"(1) LOANS AND PAYMENTS.—If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans and payments, the Secretary may, nevertheless, make the loans and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of the program in determining whether equitable relief is warranted under this paragraph.

"(2) DEADLINES AND PROGRAM REQUIREMENTS.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(e) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(f) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(g) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(h) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(i) TENANTS AND SHARECROPPERS.—The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(j) CROSS-COMPLIANCE.—

"(1) IN GENERAL.—Compliance on a farm with the terms and conditions of any other commodity program, or compliance with marketing year acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans or payments under this section.

"(2) COMPLIANCE ON OTHER FARMS.—The Secretary may not require producers on a farm, as a condition of eligibility for loans or payments under this section for the farm, to comply with the terms and conditions of the wool program with respect to any other farm operated by the producers.

"(k) LIMITATION ON OUTLAYS.—

"(1) IN GENERAL.—The total amount of payments that may be made available to all producers under this section may not exceed—

"(A) $75,000,000, during any single marketing year; or

"(B) $200,000,000 in the aggregate for marketing years 1996 through 1999.

"(2) PRORATION OF BENEFITS.—To the extent that the total amount of benefits for which producers are eligible under this section exceeds the limitations in paragraph (1), funds made available under this section shall be prorated among all eligible producers.

"(3) PERSON LIMITATION.—

"(A) LOANS.—No person may realize gains or receive payments under subsection (a) or (b) that exceed $75,000 during any marketing year.

"(B) DEFICIENCY PAYMENTS.—No person may receive payments under subsection (c) that exceed $50,000 during any marketing year.

"(l) MARKETING YEARS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 1999 marketing years for wool.".

SEC. 1108. SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) WHEAT.—

(1) NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS.—Sections 379d through 379j of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379d–1379j) shall not be applicable to wheat processors or exporters during the period June 1, 1995, through May 31, 2003.

(2) SUSPENSION OF LAND USE, WHEAT MARKETING ALLOCATION, AND PRODUCER CERTIFICATE PROVISIONS.—Sections 331 through 339, 379b, and 379c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1331 through 1339, 1379b, and 1379c) shall not be applicable to the 1996 through 2002 crops of wheat.

(3) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—The joint resolution entitled "A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended", approved May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1996 through 2002.

(4) NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949.—Section 107 of the Agricultural Act of 1949 (7 U.S.C. 1445a) shall not be applicable to the 1996 through 2002 crops of wheat.

(b) FEED GRAINS.—

(1) NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949.—Section 105 of the Agricultural Act of 1949 (7 U.S.C. 1444b) shall not be applicable to the 1996 through 2002 crops of feed grains.

(2) RECOURSE LOAN PROGRAM FOR SILAGE.—Section 403 of the Food Security Act of 1985 (7 U.S.C. 1444e–1) is amended by striking "1996" and inserting "2002".

(c) OILSEEDS.—Section 201(a) of the Agricultural Act of 1949 (7 U.S.C. 1446(a)) is amended by striking "oilseeds" and all that follows through "determine),".

(d) UPLAND COTTON.—

(1) SUSPENSION OF BASE ACREAGE ALLOTMENTS, MARKETING QUOTAS, AND RELATED PROVISIONS.—Sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1342–1346 and 1377) shall not be applicable to any of the 1996 through 2002 crops of upland cotton.

(2) MISCELLANEOUS COTTON PROVISIONS.—Section 103(a) of the Agricultural Act of 1949 (7 U.S.C. 1444(a)) shall not be applicable to the 1996 through 2002 crops.

(e) PEANUTS.—

(1) SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1996 through 2002 crops of peanuts:

(A) Subsections (a) through (j) of section 358 (7 U.S.C. 1358).

(B) Subsections (a) through (h) of section 358a (7 U.S.C. 1358a).

(C) Subsections (a), (b), (d), and (e) of section 358d (7 U.S.C. 1359).

(D) Part I of subtitle C of title III (7 U.S.C. 1361 et seq.).

(E) Section 371 (7 U.S.C. 1371).

(2) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before "all brokers and dealers in peanuts" the following: "all producers engaged in the production of peanuts,".

(3) SUSPENSION OF CERTAIN PRICE SUPPORT PROVISIONS.—Section 101 of the Agricultural Act of 1949 (7 U.S.C. 1441) shall not be applicable to the 1996 through 2002 crops of peanuts.

SEC. 1109. EXTENSION OF RELATED PRICE SUPPORT PROVISIONS.

(a) DEFICIENCY AND LAND DIVERSION PAYMENTS.—Section 114 of the Agricultural Act of 1949 (7 U.S.C. 1445j) is amended—

(1) in subsections (a)(1) and (c), by striking "1997" each place it appears and inserting "2002"; and

(2) in subsection (b), by striking "1995" and inserting "2002";

(b) ADJUSTMENT OF ESTABLISHED PRICES.—Section 402(b) of the Agricultural Act of 1949 (7 U.S.C. 1422(b)) is amended by striking "1995" and inserting "2002".

(c) ADJUSTMENT OF SUPPORT PRICES.—Section 403(c) of the Agricultural Act of 1949 (7 U.S.C. 1423(c)) is amended by striking "1995" and inserting "2002".

(d) APPLICATION OF TERMS IN THE AGRICULTURAL ACT OF 1949.—Section 408(k)(3) of the Agricultural Act of 1949 (7 U.S.C. 1428(k)(3)) is amended by striking "1995" and inserting "2002".

(e) ACREAGE BASE AND YIELD SYSTEM.—Title V of the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) is amended—

(1) in subsections (c)(3) and (h)(2)(A) of section 503 (7 U.S.C. 1463), by striking "1997" each place it appears and inserting "2002";

(2) in paragraphs (1) and (2) of section 505(b) (7 U.S.C. 1465(b)), by striking "1997" each place it appears and inserting "2002"; and

(3) in section 509 (7 U.S.C. 1469), by striking "1997" and inserting "2002".

(f) PAYMENT LIMITATIONS.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking "1997" each place it appears and inserting "2002".

(g) NORMALLY PLANTED ACREAGE.—Section 1001 of the Food and Agriculture Act of 1977 (7 U.S.C. 1309) is amended by striking "1995" each place it appears in subsections (a), (b)(1), and (c) and inserting "2002".

(h) OPTIONS PILOT PROGRAM.—The Options Pilot Program Act of 1990 (subtitle E of title XI of Public Law 101–624; 104 Stat. 3518; 7 U.S.C. 1421 note) is amended—

(1) in subsections (a) and (b) of section 1153, by striking "1995" each place it appears and inserting "2002"; and

(2) in section 1154(b)(1)(A), by striking "1995" each place it appears and inserting "2002".

(i) FOOD SECURITY WHEAT RESERVE.—Section 302(i) of the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f–1(i)) is amended by striking "1995" each place it appears and inserting "2002".

SEC. 1110. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise specifically provided in this subtitle, this subtitle and the amendments made by this subtitle shall apply beginning with the 1996 crop of an agricultural commodity.

(b) PRIOR CROPS.—Except as otherwise specifically provided and notwithstanding any other provision of law, this subtitle and the amendments made by this subtitle shall not affect the authority of the Secretary of Agriculture to carry out a price support, production adjustment, or payment program for—

(1) any of the 1991 through 1995 crops of an agricultural commodity established under a provision of law as in effect immediately before the enactment of this Act; or

(2) the 1996 crop of an agricultural commodity established under section 406(b) of the Agricultural Act of 1949 (7 U.S.C. 1426(b)).

Subtitle B—Conservation

SEC. 1201. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

Chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.) is amended to read as follows:

"CHAPTER 2—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

"SEC. 1238. DEFINITIONS.

"In this chapter:

"(1) LAND MANAGEMENT PRACTICE.—The term 'land management practice' means nutrient or manure management, integrated pest management, irrigation management, tillage or residue management, grazing management, or another land management practice the Secretary determines is needed to protect soil, water, or related resources in the most cost efficient manner.

"(2) LARGE CONFINED LIVESTOCK OPERATION.—The term 'large confined livestock operation' means a farm or ranch that—

"(A) is a confined animal feeding operation; and

"(B) has more than—

"(i) 700 mature dairy cattle;

"(ii) 1,000 beef cattle;

"(iii) 100,000 laying hens or broilers;

"(iv) 55,000 turkeys;

"(v) 2,500 swine; or

"(vi) 10,000 sheep or lambs.

"(3) LIVESTOCK.—The term 'livestock' means mature dairy cows, beef cattle, laying hens, broilers, turkeys, swine, sheep, or lambs.

"(4) OPERATOR.—The term 'operator' means a person who is engaged in crop or livestock production (as defined by the Secretary).

"(5) STRUCTURAL PRACTICE.—The term 'structural practice' means the establishment of an animal waste management facility, terrace, grassed waterway, contour grass strip, filterstrip, permanent wildlife habitat, or another structural practice that the Secretary determines is needed to protect soil, water, or related resources in the most cost effective manner.

"SEC. 1238A. ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—During the 1996 through 2006 fiscal years, the Secretary shall enter into contracts with operators to provide technical assistance, cost-sharing payments, and incentive payments to operators, who enter into contracts with the Secretary, through an environmental quality incentives program in accordance with this chapter.

"(2) CONSOLIDATION OF EXISTING PROGRAMS.—In establishing the environmental quality incentives program authorized under this chapter, the Secretary shall combine into a single program the functions of—

"(A) the agricultural conservation program authorized by sections 7 and 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g and 590h) (as in effect before the amendments made by section 201(b)(1) of the Agricultural Reconciliation Act of 1995);

"(B) the Great Plains conservation program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p(b)) (as in effect before the amendment made by section 201(b)(2) of the Agricultural Reconciliation Act of 1995);

"(C) the water quality incentives program established under this chapter (as in effect before amendment made by section 201(a) of the Agricultural Reconciliation Act of 1995); and

"(D) the Colorado River Basin salinity control program established under section 202(c) of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592(c)) (as in effect before the amendment made by section 201(b)(3) of the Agricultural Reconciliation Act of 1995).

"(b) APPLICATION AND TERM.—

"(1) IN GENERAL.—A contract between an operator and the Secretary under this chapter may—

"(A) apply to 1 or more structural practices or 1 or more land management practices, or both; and

"(B) have a term of not less than 5, nor more than 10, years, as determined appropriate by the Secretary, depending on the practice or practices that are the basis of the contract.

"(2) CONTRACT EFFECTIVE DATE.—A contract between an operator and the Secretary under this chapter shall become effective on October 1st following the date the contract is fully entered into.

"(c) COST-SHARING AND INCENTIVE PAYMENTS.—

"(1) COST-SHARING PAYMENTS.—

"(A) IN GENERAL.—The Federal share of cost-sharing payments to an operator proposing to implement 1 or more structural practices shall not be more than 75 percent of the projected cost of the practice, as determined by the Secretary, taking into consideration any payment received by the operator from a State or local government.

"(B) LIMITATION.—An operator of a large confined livestock operation shall not be eligible for cost-sharing payments to construct an animal waste management facility.

"(C) OTHER PAYMENTS.—An operator shall not be eligible for cost-sharing payments for structural practices on eligible land under this chapter if the operator receives cost-sharing payments or other benefits for the same land under chapter 1 or 3.

"(2) INCENTIVE PAYMENTS.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage an operator to perform 1 or more land management practices.

"(d) TECHNICAL ASSISTANCE.—

"(1) FUNDING.—The Secretary shall allocate funding under this chapter for the provision of technical assistance according to the purpose and projected cost for which the technical assistance is provided in a fiscal year. The allocated amount may vary according to the type of expertise required quantity of time involved, and other factors as determined appropriate by the Secretary. Funding shall not exceed the projected cost to the Secretary of the technical assistance provided in a fiscal year.

"(2) OTHER AUTHORITIES.—The receipt of technical assistance under this chapter shall not affect the eligibility of the operator to receive technical assistance under other authorities of law available to the Secretary.

"(e) FUNDING.—The Secretary shall use to carry out this chapter not less than—

"(1) $200,000,000 for fiscal year 1997; and

"(2) $250,000,000 for each of fiscal years 1998 through 2002.

"(f) COMMODITY CREDIT CORPORATION.—The Secretary may use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this subchapter.

"SEC. 1238B. CONSERVATION PRIORITY AREAS.

"(a) IN GENERAL.—The Secretary shall designate watersheds or regions of special environmental sensitivity, including the Chesapeake Bay region (located in Pennsylvania, Maryland, and Virginia), the Great Lakes region, the Long Island Sound region, prairie pothole region (located in North Dakota, South Dakota, and Minnesota), Rainwater Basin (located in Nebraska), and other areas the Secretary considers appropriate, as conservation priority areas that are eligible for enhanced assistance through the programs established under this chapter and chapter 1.

"(b) APPLICABILITY.—A designation shall be made under this section if an application is made by a State agency and agricultural practices within the watershed or region pose a significant threat to soil, water, and related natural resources, as determined by the Secretary.

"SEC. 1238C. EVALUATION OF OFFERS AND PAYMENTS.

"(a) REGIONAL PRIORITIES.—The Secretary shall provide technical assistance, cost-sharing payments, and incentive payments to operators in a region, watershed, or conservation priority area under this chapter based on the significance of soil, water, and related natural resources problems in the region, watershed, or area, and the structural practices or land management practices that best address the problems, as determined by the Secretary.

"(b) MAXIMIZATION OF ENVIRONMENTAL BENEFITS.—

"(1) IN GENERAL.—In providing technical assistance, cost-sharing payments, and incentive payments to operators in regions, watersheds, or conservation priority areas under this chapter, the Secretary shall accord a higher priority to assistance and payments that maximize environmental benefits per dollar expended.

"(2) STATE OR LOCAL CONTRIBUTIONS.—The Secretary shall accord a higher priority to operators whose agricultural operations are located within watersheds, regions, or conservation priority areas in which State or local governments have provided, or will provide, financial or technical assistance to the operators for the same conservation or environmental purposes.

"SEC. 1238D. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

"(a) IN GENERAL.—Prior to approving cost-share or incentive payments authorized under this chapter, the Secretary shall require the preparation and evaluation of an environmental quality incentives program plan described in subsection (b), unless the Secretary determines that such a plan is not necessary to evaluate the application for the payments.

"(b) TERMS.—An environmental quality incentives program plan shall include (as determined by the Secretary) a description of relevant—

"(1) farming or ranching practices on the farm;

"(2) characteristics of natural resources on the farm;

"(3) specific conservation and environmental objectives to be achieved including those that will assist the operator in complying with Federal and State environmental laws;

"(4) dates for, and sequences of, events for implementing the practices for which payments will be received under this chapter; and

"(5) information that will enable evaluation of the effectiveness of the plan in achieving the conservation and environmental objectives, and that will enable evaluation of the degree to which the plan has been implemented.

"SEC. 1238E. LIMITATION ON PAYMENTS.

"(a) PAYMENTS.—The total amount of cost-share and incentive payments paid to a person under this chapter may not exceed—

"(1) $10,000 for any fiscal year; or

"(2) $50,000 for any multiyear contract.

"(b) REGULATIONS.—The Secretary shall issue regulations that are consistent with section 1001 for the purpose of—

"(1) defining the term 'person' as used in subsection (a); and

"(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations contained in subsection (a).".

Subtitle C—Food Stamp Program Integrity and Reform

SEC. 1301. REFERENCES TO THE FOOD STAMP ACT OF 1977.

Except as otherwise expressly provided, wherever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

SEC. 1302. CERTIFICATION PERIOD.

(a) DEFINITION.—Section 3 (7 U.S.C. 2012(c)) is amended by striking subsection (c) and inserting the following:

"(c) CERTIFICATION PERIOD.—The term 'certification period' means the period specified by the State agency for which a household shall be eligible to receive an authorization card, except that the period shall be—

"(1) not more than 24 months for a household in which all adult members are elderly or disabled members; and

"(2) not more than 12 months for another household.".

(b) REPORTING ON RESERVATIONS.—Section 6(c)(1)(C) (7 U.S.C. 2015(c)(1)(C)) is amended—

(1) in clause (ii), by adding "and" at the end;

(2) in clause (iii), by striking "; and" at the end and inserting a period; and

(3) by striking clause (iv).

SEC. 1303. EXPANDED DEFINITION OF COUPON.

Section 3(d) (7 U.S.C. 2012(d)) is amended by striking "or type of certificate" and inserting "type of certificate, authorization card, cash or check issued as a coupon, or an access device, including an electronic benefits transfer card or a personal identification number,".

SEC. 1304. TREATMENT OF MINORS.

The second sentence of section 3(i) (7 U.S.C. 2012(i)) is amended by striking "(who are not themselves parents living with their children or married and living with their spouses)".

SEC. 1305. ADJUSTMENT TO THRIFTY FOOD PLAN.

The second sentence of section 3(o) (7 U.S.C. 2012(o)) is amended—

(1) by striking "shall (1) make" and inserting the following: "shall—

"(1) make";

(2) by striking "scale, (2) make" and inserting "scale;

"(2) make";

(3) by striking "Alaska, (3) make" and inserting the following: "Alaska;

"(3) make"; and

(4) by striking "Columbia, (4) through" and all that follows through the end of the subsection and inserting the following: "Columbia; and

"(4) on October 1, 1995, and each October 1 thereafter, adjust the cost of the diet to reflect the cost of the diet, in the preceding June, and round the result to the nearest lower dollar increment for each household size.".

SEC. 1306. EARNINGS OF CERTAIN HIGH SCHOOL STUDENTS COUNTED AS INCOME.

Section 5(d)(7) (7 U.S.C. 2014(d)(7)) is amended by striking "21" and inserting "18".

SEC. 1307. ENERGY ASSISTANCE COUNTED AS INCOME.

(a) LIMITING EXCLUSION.—Section 5(d)(11) (7 U.S.C. 2014(d)(11)) is amended—

(1) by striking "(A) under any Federal law, or (B)"; and

(2) by inserting before the comma at the end the following: ", except that no benefits provided under the State program under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall be excluded under this clause".

(b) CONFORMING AMENDMENTS.—

(1) Section 5(e) (7 U.S.C. 2014(e)) is amended by striking sentences nine through twelve.

(2) Section 5(k)(2) (7 U.S.C. 2014(k)(2)) is amended by striking subparagraph (C) and redesignating subparagraphs (D) through (H) as subparagraphs (C) through (G), respectively.

(3) Section 5(k) (7 U.S.C. 2014(k)) is amended by adding at the end the following new paragraph:

"(4) For purposes of subsection (d)(1), any payments or allowances made under any Federal or State law for the purposes of energy assistance shall be treated as money payable directly to the household.".

(4) Section 2605(f) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8634(f)) is amended—

(A) in paragraph (1), by striking "food stamps";

(B) by striking "(f)(1) Notwithstanding" and inserting "(f) Notwithstanding"; and

(C) by striking paragraph (2).

SEC. 1308. EXCLUSION OF CERTAIN JTPA INCOME.

Section 5 (7 U.S.C. 2014) is amended—

(1) in subsection (d)—

(A) by striking "and (16)" and inserting "(16)"; and

(B) by inserting before the period at the end the following: ", and (17) income received under the Job Training Partnership Act (29 U.S.C. 1501 et seq.) by a household member who is less than 19 years of age"; and

(2) in subsection (*l*), by striking "under section 204(b)(1)(C)" and all that follows and inserting "shall be considered earned income for purposes of the food stamp program.".

SEC. 1309. 2-YEAR FREEZE OF STANDARD DEDUCTION.

The second sentence of section 5(e)(4) (7 U.S.C. 2014(e)(4)) is amended by inserting ", except October 1, 1995, and October 1, 1996" after "thereafter".

SEC. 1310. ELIMINATION OF HOUSEHOLD ENTITLEMENT TO SWITCH BETWEEN ACTUAL EXPENSES AND ALLOWANCES DURING CERTIFICATION PERIOD.

The fourteenth sentence of section 5(e) (7 U.S.C. 2014(e)) (as in effect before the amendment made by section 1307) is amended by striking "and up to one additional time during each twelve-month period".

SEC. 1311. EXCLUSION OF LIFE INSURANCE PROCEEDS.

Section 5(g) (7 U.S.C. 2014(g)) is amended by adding at the end the following:

"(6) LIFE INSURANCE POLICY.—The Secretary shall exclude from financial resources the cash value of any life insurance policy owned by a member of a household.".

SEC. 1312. VENDOR PAYMENTS FOR TRANSITIONAL HOUSING COUNTED AS INCOME.

Section 5(k)(2) (7 U.S.C. 2014(k)(2)) (as amended by section 1307(b)(2)) is amended—

(1) by striking subparagraph (E); and

(2) by redesignating subparagraphs (F) and (G) as subparagraphs (E) and (F), respectively.

SEC. 1313. DOUBLED PENALTIES FOR VIOLATING FOOD STAMP PROGRAM REQUIREMENTS.

Section 6(b)(1) (7 U.S.C. 2015(b)(1)) is amended—

(1) in clause (i)—

(A) by striking "six months upon" and inserting "1 year on"; and

(B) by adding "and" at the end; and

(2) striking clauses (ii) and (iii) and inserting the following:

"(ii) permanently on—

"(I) the second occasion of any such determination; or

"(II) the first occasion of a finding by a Federal, State, or local court of the trading for coupons of—

"(aa) a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)); or

"(bb) firearms, ammunition, or explosives.".

SEC. 1314. STRENGTHENED WORK REQUIREMENTS.

(a) IN GENERAL.—Section 6(d) (7 U.S.C. 2015(d)) is amended—

(1) by striking "(d)(1) Unless otherwise exempted by the provisions" and all that follows through the end of paragraph (1) and inserting the following:

"(d) CONDITIONS OF PARTICIPATION.—

"(1) WORK REQUIREMENTS.—

"(A) IN GENERAL.—No physically and mentally fit individual over the age of 15 and under the age of 60 shall be eligible to participate in the food stamp program if the individual—

"(i) refuses, at the time of application and every 12 months thereafter, to register for employment in a manner prescribed by the State agency;

"(ii) refuses without good cause to participate in an employment and training program under paragraph (4), to the extent required under paragraph (4), including any reasonable employment requirements prescribed by the State agency under paragraph (4);

"(iii) refuses without good cause to accept an offer of employment, at a site or plant not subject to a strike or lockout at the time of the refusal, at a wage that is not less than the higher of—

"(I) the applicable Federal or State minimum wage; or

"(II) 80 percent of the wage that would have governed had the minimum hourly rate under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) been applicable to the offer of employment; or

"(iv) voluntarily quits a job without good cause.

"(B) HOUSEHOLD INELIGIBILITY.—If an individual who is the head of a household becomes ineligible to participate in the food stamp program under subparagraph (A), the household shall, at the option of the State agency, become ineligible to participate in the food stamp program for a period not to exceed the period of the individual's ineligibility.

"(C) DURATION OF INELIGIBILITY.—

"(i) FIRST REFUSAL.—The first time that an individual becomes ineligible to participate in the food stamp program under clause (i), (ii), or (iii) of subparagraph (A), the individual shall remain ineligible until the individual becomes eligible under this Act (including subparagraph (A)).

"(ii) SECOND REFUSAL.—The second time that an individual becomes ineligible to participate in the food stamp program under clause (i), (ii), or (iii) of subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under this Act (including subparagraph (A)); or

"(II) the date that is 3 months after the date the individual became ineligible under subparagraph (A).

"(iii) THIRD OR SUBSEQUENT REFUSAL.—The third or subsequent time that an individual becomes ineligible to participate in the food stamp program under clause (i), (ii), or (iii) of subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under this Act (including subparagraph (A)); or

"(II) the date that is 6 months after the date the individual became ineligible under subparagraph (A).

"(iv) VOLUNTARY QUIT.—On the date that an individual becomes ineligible under subparagraph (A)(iv), the individual shall remain ineligible until—

"(I) in the case of the first time the individual becomes ineligible, the date that is 3 months after the date the individual became ineligible; and

"(II) in the case of the second or subsequent time the individual becomes ineligible, the date that is 6 months after the date the individual became ineligible.

"(D) ADMINISTRATION.—

"(i) BECOMING ELIGIBLE.—

"(I) WAITING PERIOD.—A State agency may consider an individual ineligible to participate in the food stamp program not earlier than 14 days after the date the individual becomes ineligible to participate under clause (i), (ii), or (iii) of subparagraph (A).

"(II) REMAINING ELIGIBLE.—If an individual remains eligible to participate in the food stamp program under this Act (including subparagraph (A)) at the end of the earliest date for ineligibility under subclause (I), the State agency shall consider the individual to have maintained eligibility during the period preceding the earliest date for ineligibility.

"(ii) GOOD CAUSE.—In this paragraph, the term 'good cause' includes the lack of adequate child care for a dependent child under the age of 12.

"(iii) STRIKE AGAINST THE GOVERNMENT.—For the purpose of subparagraph (A)(iv), an employee of the Federal Government, a State, or a political subdivision of a State, who is dismissed for participating in a strike against the Federal Government, the State, or the political subdivision of the State shall be considered to have voluntarily quit without good cause.

"(iv) SELECTING A HEAD OF HOUSEHOLD.—

"(I) IN GENERAL.—For the purpose of this paragraph, the State agency shall allow the household to select any adult parent of a child in the household as the head of the household if all adult members of the household making application under the food stamp program agree to the selection.

"(II) TIME FOR MAKING DESIGNATION.—A household may designate the head of the household under subclause (I) each time the household is certified for participation in the food stamp program. The household may not change the designation during a certification period unless there is a change in the composition of the household.

"(v) CHANGE IN HEAD OF HOUSEHOLD.—If the head of a household leaves the household during a period in which the household is ineligible to participate in the food stamp program under subparagraph (B)—

"(I) the household shall, if otherwise eligible, become eligible to participate in the food stamp program; and

"(II) if the head of the household becomes the head of another household, the household that becomes headed by the individual shall become ineligible to participate in the food stamp program for the remaining period of ineligibility."; and

(2) in paragraph (4)(H)(i), by striking "The Secretary" and all that follows through "State agency shall" and inserting "A State agency may".

(b) WORKFARE.—Section 20(f) (7 U.S.C. 2029(f)) is amended by striking "neither that" and all that follows through "shall be eligible" and inserting "the person and, at the option of a State agency, the household of which the person is a member, shall be ineligible".

(c) CONFORMING AMENDMENT.—The second sentence of section 17(b)(2) (7 U.S.C. 2026(b)(2)) is amended by striking "6(d)(1)(i)" and inserting "6(d)(1)(A)(i)".

SEC. 1315. WORK REQUIREMENT FOR ABLE-BODIED RECIPIENTS.

(a) IN GENERAL.—Section 6 (7 U.S.C. 2015) is amended by adding at the end the following:

"(i) WORK REQUIREMENT.—

"(1) DEFINITION OF WORK PROGRAM.—In this subsection, the term 'work program' means—

"(A) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

"(B) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

"(C) a program of employment or training operated or supervised by a State or local government, as determined appropriate by the Secretary.

"(2) WORK REQUIREMENT.—No individual shall be eligible to participate in the food stamp program as a member of any household if, during the preceding 12 months, the individual received food stamp benefits for not less than 6 months during which the individual did not—

"(A) work 20 hours or more per week, averaged monthly;

"(B) participate in a workfare program under section 20 or a comparable State or local workfare program;

"(C) participate in and comply with the requirements of an approved employment and training program under subsection (d)(4); or

"(D) participate in and comply with the requirements of a work program for 20 hours or more per week.

"(3) EXCEPTION.—Paragraph (2) shall not apply to an individual if the individual is—

"(A) under 18 or over 50 years of age;

"(B) medically certified as physically or mentally unfit for employment;

"(C) a parent or other member of a household with a dependent child under 18 years of age; or

"(D) otherwise exempt under subsection (d)(2).

"(4) WAIVER.—

"(A) IN GENERAL.—The Secretary may waive the applicability of paragraph (2) to any group of individuals in the State if the Secretary makes a determination that the area in which the individuals reside—

"(i) has an unemployment rate of over 8 percent; or

"(ii) does not have a sufficient number of jobs to provide employment for the individuals.

"(B) REPORT.—The Secretary shall report the basis for a waiver under subparagraph (A) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.".

(b) WORK AND TRAINING PROGRAMS.—Section 6(d)(4) (7 U.S.C. 2015(d)(4)) is amended by adding at the end the following:

"(O) REQUIRED PARTICIPATION IN WORK AND TRAINING PROGRAMS.—A State agency shall provide an opportunity to participate in the employment and training program under this paragraph to any individual who would otherwise become subject to disqualification under subsection (i).

"(P) COORDINATING WORK REQUIREMENTS.—

"(i) IN GENERAL.—Notwithstanding any other provision of this paragraph, a State agency that meets the participation requirements of clause (ii) may operate the employment and training program of the State for individuals who are members of households receiving allotments under this Act as part of a program operated by the State under part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.), subject to the requirements of the Act.

"(ii) PARTICIPATION REQUIREMENTS.—A State agency may exercise the option under clause (i) if the State agency provides an opportunity to participate in an approved employment and training program to an individual who is—

"(I) subject to subsection (i);

"(II) not employed at least an average of 20 hours per week;

"(III) not participating in a workfare program under section 20 (or a comparable State or local program); and

"(IV) not subject to a waiver under subsection (i)(4).".

(c) ENHANCED EMPLOYMENT AND TRAINING PROGRAM.—Section 16(h)(1) (7 U.S.C. 2025(h)(1)) is amended—

(1) in subparagraph (A), by striking "$75,000,000 for each of the fiscal years 1991 through 1995" and inserting "$150,000,000 for each of fiscal years 1996 through 2000";

(2) by striking subparagraphs (B), (C), (E), and (F);

(3) by redesignating subparagraph (D) as subparagraph (B); and

(4) in subparagraph (B) (as redesignated by paragraph (3)), by striking "for each" and all that follows through "of $60,000,000" and inserting ", the Secretary shall allocate funding".

SEC. 1316. DISQUALIFICATION FOR PARTICIPATING IN 2 OR MORE STATES.

Section 6 (7 U.S.C. 2015) (as amended by section 1315) is further amended by adding at the end the following:

"(j) DISQUALIFICATION FOR PARTICIPATING IN 2 OR MORE STATES.—An individual shall be ineligible to participate in the food stamp program as a member of any household during a 10-year period beginning on the date the individual is found by a State to have made, or is convicted in Federal or State court of having made, a fraudulent statement or representation with respect to the place of residence of the individual to receive benefits simultaneously from 2 or more States under—

"(1) the food stamp program;

"(2) a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under title XIX of the Act (42 U.S.C. 1396 et seq.); or

"(3) the supplemental security income program under title XVI of the Act (42 U.S.C. 1381 et seq.).".

SEC. 1317. DISQUALIFICATION RELATING TO CHILD SUPPORT ARREARS.

Section 6 (7 U.S.C. 2015) (as amended by section 1316) is further amended by adding at the end the following:

"(k) DISQUALIFICATION FOR CHILD SUPPORT ARREARS.—

"(1) IN GENERAL.—At the option of a State agency, except as provided in paragraph (2), no individual shall be eligible to participate in the food stamp program as a member of any household during any month that the individual is delinquent in any payment due under a court order for the support of a child of the individual.

"(2) EXCEPTIONS.—Paragraph (1) shall not apply if—

"(A) a court is allowing the individual to delay payment; or

"(B) the individual is complying with a payment plan approved by a court or the State agency designated under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) to provide support for the child of the individual.".

SEC. 1318. FACILITATE IMPLEMENTATION OF A NATIONAL ELECTRONIC BENEFIT TRANSFER DELIVERY SYSTEM.

(a) IMPLEMENTATION OF NATIONAL ELECTRONIC BENEFITS TRANSFER SYSTEM.—Section 7 (7 U.S.C. 2016) is amended—

(1) in subsection (g)—

(A) by striking "(1)";

(B) by striking paragraph (2); and

(C) by striking "(A)" and "(B)" and inserting "(1)" and "(2)", respectively;

(2) in subsection (i)—

(A) in paragraph (2)—

(i) by striking "issue final regulations effective no later than April 1, 1992, that";

(ii) by striking subparagraph (A); and

(iii) by redesignating subparagraphs (B) through (H) as subparagraphs (A) through (G), respectively;

(B) in paragraph (3)(A), by inserting after "minority language populations" the following: "and those stores a State agency has determined shall be provided the equipment necessary for participation by the store in an electronic benefit transfer delivery system"; and

(D) by striking paragraph (5) and redesignating paragraph (6) as paragraph (5); and

(3) by adding at the end the following:

"(j) ELECTRONIC BENEFIT TRANSFERS.—

"(1) APPLICABLE LAW.—

"(A) IN GENERAL.—Disclosures, protections, responsibilities, and remedies established by the Federal Reserve Board under section 904 of the Electronic Fund Transfer Act (15 U.S.C. 1693b) shall not apply to benefits under this Act delivered through any electronic benefit transfer system.

"(B) DEFINITION OF ELECTRONIC BENEFIT TRANSFER SYSTEM.—In this paragraph, the term 'electronic benefit transfer system' means a system under which a governmental entity distributes benefits under this Act or other benefits or payments by establishing accounts to be accessed by recipients of the benefits electronically, including through the use of an automated teller machine or an intelligent benefit card.

"(2) CHARGING FOR ELECTRONIC BENEFIT TRANSFER CARE REPLACEMENT.—".

"(A) IN GENERAL.—A State agency may charge an individual for the cost of replacing a lost or stolen electronic benefit transfer card.

"(B) REDUCING ALLOTMENT.—A State agency may collect a charge imposed under subparagraph (A) by reducing the monthly allotment of the household of which the individual is a member.

"(3) OPTIONAL PHOTOGRAPHIC IDENTIFICATION.—

"(A) IN GENERAL.—A State agency may require that an electronic benefit card contain a photograph of 1 or more members of a household.

"(B) OTHER AUTHORIZED USERS.—If a State agency requires a photograph on an electronic benefit card under subparagraph (A), the State agency shall establish procedures to ensure that any other appropriate member of the household or any authorized representative of the household may utilize the card.".

(b) CONFORMING AMENDMENTS.—

(1) The first sentence of section 10 (7 U.S.C. 2019) is amended by striking the period at the end and inserting the following: ", unless the center, organization, institution, shelter, group living arrangement, or establishment is equipped with a point-of-sale device for the purpose of participating in the electronic benefit transfer system.".

(2) Section 16(a)(3) (7 U.S.C. 2025(a)(3)) is amended by inserting after "households" the following: ", including the cost of providing equipment necessary for retail food stores to participate in an electronic benefit transfer system".

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on the date that the Secretary of Agriculture implements a national electronic benefit transfer system in accordance with section 7 of the Food Stamp Act of 1977 (7 U.S.C. 2016) (as amended by subsection (a)).

SEC. 1319. LIMITING ADJUSTMENT OF MINIMUM BENEFIT.

Section 8(a) (7 U.S.C. 2017(a)) is amended by striking "nearest $5" and inserting "nearest $10".

SEC. 1320. BENEFITS ON RECERTIFICATION.

Section 8(c)(2)(B) (7 U.S.C. 2017(c)(2)(B)) is amended by striking "of more than one month".

SEC. 1321. STATE AUTHORIZATION TO SET REQUIREMENTS APPROPRIATE FOR HOUSEHOLDS.

(a) AGGREGATE ALLOTMENT.—Section 8(c)(3) (7 U.S.C. 2017(c)(3)) is amended—

(1) by striking "agency—" and all that follows through "11(e)(9), may" and inserting "agency may"; and

(2) by striking "; and" and all that follows and inserting a period.

(b) STATE PLAN.—Section 11 (7 U.S.C. 2020) is amended—

(1) in subsection (e)—

(A) in paragraph (2)—

(i) by striking "a simplified, uniform national" and all that follows through "such State forms are" and inserting "an application form for participation in the food stamp program that is";

(ii) striking "Each food stamp application form shall contain" and all that follows through "The State agency shall require" and inserting "The State agency shall require"; and

(iii) by striking the semicolon at the end and inserting the following: ". An application shall be considered filed on the date the household submits an application that contains the name, address, and signature of the applicant;";

(B) by striking paragraph (14) and inserting the following:

"(14) that the agency shall evaluate the access needs of special groups, including the elderly, disabled, rural poor, people who do not speak or read English, households that are homeless, and households that reside on an Indian reservation. The State plan of operation required under subsection (d) shall describe the procedures the State agency will follow to address the access needs of the special groups, the actions the State agency will take to provide timely and accurate service to all applicants and recipients, and the means the State agency will use to provide necessary information to applicants and recipients, including the rights and responsibilities of the applicants;";

(C) by striking "; and" at the end of paragraph (24) and inserting a period; and

(D) by striking paragraph (25);

(2) in subsection (i)—

(A) by striking "(1) a single" and all that follows through "; (2)"; and

(B) by striking "; (3) households" and all that follows through "is available in such case file"; and

(3) in subsection (j), by adding at the end the following:

"(3) INDEPENDENT ELIGIBILITY DETERMINATION.—A State agency may not deny an application, nor terminate benefits, under the food stamp program, without a separate determination by the State agency that the household fails to satisfy the eligibility requirements for participation in the food stamp program, on the basis that an application to participate has been denied or benefits have been terminated under a program funded under the Social Security Act (42 U.S.C. 301 et seq.).".

SEC. 1322. COORDINATION OF EMPLOYMENT AND TRAINING PROGRAMS.

Section 8(d) (7 U.S.C. 2019(d)) is amended—

(1) by striking "(d) A household" and inserting the following:

"(d) NONCOMPLIANCE WITH OTHER WELFARE OR WORK PROGRAMS.—

"(1) IN GENERAL.—A household"; and

(2) by inserting "or a work requirement under a welfare or public assistance program" after "assistance program"; and

(3) by adding at the end the following:

"(2) WORK REQUIREMENT.—If a household fails to comply with a work requirement under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), for the duration of the reduction—

"(A) the household may not receive an increased allotment as the result of a decrease in the income of the household to the extent that the decrease is the result of a penalty imposed for the failure to comply; and

"(B) the State agency may reduce the allotment of the household by not more than 25 percent.".

SEC. 1323. SIMPLIFICATION OF APPLICATION PROCEDURES AND STANDARDIZATION OF BENEFITS.

Section 8 (7 U.S.C. 2019) is amended by striking subsection (e) and inserting the following:

"(e) SIMPLIFICATION OF APPLICATION PROCEDURES AND STANDARDIZATION OF BENEFITS.—

"(1) IN GENERAL.—On the request of a State agency, the Secretary may approve Statewide, or for 1 or more project areas, procedures and standards consistent with this Act under which—

"(A) a household in which all members of the household are receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) may be considered to have satisfied the application, interview, and verification requirements under section 11(e);

"(B) the State agency may use income information obtained and used under a State program funded under part A of title IV of the Social Security Act to determine the gross nonexcluded income of the household under this Act;

"(C) the State agency may standardize the amount of the deductions under section 5(e), except that a deduction may not be allowed for dependent care costs or earned income if the State program funded under part A of title IV of the Social Security Act allows an income exclusion for the costs or income; and

"(D) the State agency may elect to apply different shelter standards to a household that receives a housing subsidy and a household that does not receive a housing subsidy.

"(2) INCOME INCLUDES ASSISTANCE.—The gross nonexcluded income of a household determined under paragraph (1)(B) shall include the assistance provided under a State program funded under part A of title IV of the Social Security Act.

"(3) HOUSEHOLD SIZE.—A State agency shall base the value of the allotment provided to a household under this paragraph on household size.

"(4) ALTERNATIVE PLAN.—The Secretary may approve an alternative plan submitted by a State agency that is consistent with this Act for simplifying application procedures or standardizing income or benefit determinations for a household in which all members of the household are receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(5) NO INCREASED FEDERAL COSTS.—

"(A) APPLICATION.—On submission of a request for approval under paragraph (1) or (4), a State agency shall assure the Secretary that approval will not increase Federal costs.

"(B) REDUCTION OF COSTS.—If Federal costs are increased as a result of a State agency carrying out this subsection, the State agency shall take prompt action to reduce costs to the level that existed prior to carrying out this subsection.".

SEC. 1324. AUTHORITY TO ESTABLISH AUTHORIZATION PERIODS.

Section 9(a)(1) (7 U.S.C. 2018(a)(1)) is amended by adding at the end the following: "The Secretary is authorized to issue regulations establishing specific time periods during which authorization to accept and redeem coupons under the food stamp program shall be valid.".

SEC. 1325. SPECIFIC PERIOD FOR PROHIBITING PARTICIPATION OF STORES BASED ON LACK OF BUSINESS INTEGRITY.

Section 9(a)(1) (7 U.S.C. 2018(a)(1)) (as amended by section 1324) is further amended by adding at the end the following: "The Secretary may issue regulations establishing specific time periods of not less than 6 months during which a retail food store or wholesale food concern that has an application for approval to accept and redeem coupons denied or that has an approval withdrawn on the basis of business integrity and reputation cannot submit a new application for approval. The periods shall reflect the severity of business integrity infractions that are the basis of the denials or withdrawals.".

SEC. 1326. INFORMATION FOR VERIFYING ELIGIBILITY FOR AUTHORIZATION.

Section 9(c) (7 U.S.C. 2018(c)) is amended—

(1) in the first sentence, by inserting ", which may include relevant income and sales tax filing documents," after "submit information" ; and

(2) by inserting after the first sentence the following: "The regulations may require retail food stores and wholesale food concerns to provide written authorization for the Secretary to verify all relevant tax filings with appropriate agencies and to obtain corroborating documentation from other sources so that the accuracy of information provided by the stores and concerns may be verified.".

SEC. 1327. WAITING PERIOD FOR STORES THAT INITIALLY FAIL TO MEET AUTHORIZATION CRITERIA.

Section 9(d) (7 U.S.C. 2018(d)) is amended by adding at the end the following: "A retail food store or wholesale food concern that has an application for approval to accept and redeem coupons denied because the store or concern does not meet criteria for approval established by the Secretary by regulation may not submit a new application for 6 months from the date of the denial.".

SEC. 1328. MANDATORY CLAIMS COLLECTION METHODS.

(a) DISCLOSURE OF INFORMATION.—Section 11(e)(8) (7 U.S.C. 2020(e)(8)) is amended by inserting before the semicolon at the end the following: "or from refunds of Federal taxes under section 3720A of title 31, United States Code".

(b) COLLECTION OF OVERISSUANCES.—Section 13 (7 U.S.C. 2022) is amended—

(1) in subsection (b)—

(A) by striking "(b)(1)(A) In" and all that follows through "(2)(A) State agencies" and inserting the following:

"(b) COLLECTION OF OVERISSUANCES.—

"(1) IN GENERAL.—A State agency";

(B) by striking "(B) State agencies" and inserting the following:

"(2) OTHER MEANS OF COLLECTION.—A State agency";

(C) in paragraph (1) (as amended by subparagraph (A))—

(i) by striking ", other than claims" and all that follows through "error of the State agency,";

(ii) by striking ", except that the household shall" and inserting ". At the option of the State, the household may"; and

(iii) by adding at the end the following: "A State agency may waive the use of an allotment reduction as a means of collecting a claim arising from an error of the State agency if the collection would cause a hardship (as defined by the State agency) on the household, except that the State agency shall continue to pursue all other lawful methods of collection of the claim."; and

(D) in paragraph (2) (as amended by subparagraph (A))—

(i) by striking "may collect" and inserting "shall collect"; and

(ii) by striking "or subparagraph (A)"; and

(2) in subsection (d)—

(A) by striking "and except for claims arising from an error of the State agency,";

(B) by striking "may be recovered" and inserting "shall be recovered"; and

(C) by inserting before the period at the end the following: "or a refund of Federal taxes under section 3720A of title 31, United States Code.".

(c) DISCLOSURE OF RETURN INFORMATION.—Section 6103(*l*) of the Internal Revenue Code of 1986 is amended by striking "officers and employees" each place it appears and inserting "officers, employees, or agents, including State agencies,".

(d) STATE AGENCY COLLECTION OF FEDERAL TAX REFUNDS.—Section 6402(d) of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (1), by inserting after "any Federal agency" the following: "(or any State agency that has the responsibility for the administration of the food stamp program operated pursuant to the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.))"; and

(2) in the second sentence of paragraph (2), by inserting after "a Federal agency" the following: "(or a State agency that has the responsibility for the administration of the food stamp program operated pursuant to the Food Stamp Act of 1977)".

SEC. 1329. STATE AUTHORIZATION TO ASSIST LAW ENFORCEMENT OFFICERS IN LOCATING FUGITIVE FELONS.

Section 11(e)(8)(B) (7 U.S.C. 2020(e)(8)(B)) is amended by striking "Act, and" and inserting "Act or of locating a fugitive felon (as defined by a State), and".

SEC. 1330. EXPEDITED SERVICE.

Section 11(e)(9) (7 U.S.C. 2020(e)(9)) is amended—

(1) in subparagraph (A)—

(A) by striking "five days" and inserting "7 days"; and

(B) by inserting "and" at the end;

(2) by striking subparagraphs (B) and (C);

(3) by redesignating subparagraph (D) as subparagraph (B); and

(4) in subparagraph (B) (as redesignated by paragraph (3)), by striking ", (B), or (C)".

SEC. 1331. BASES FOR SUSPENSIONS AND DISQUALIFICATIONS.

Section 12(a) (7 U.S.C. 2021(a)) is amended by adding at the end the following: "Regulations issued pursuant to this Act shall provide criteria for the finding of a violation, and the suspension or disqualification of a retail food store or wholesale food concern, on the basis of evidence that may include facts established through on-site investigations, inconsistent redemption data, or evidence obtained through transaction reports under electronic benefits transfer systems.".

SEC. 1332. AUTHORITY TO SUSPEND STORES VIOLATING PROGRAM REQUIREMENTS PENDING ADMINISTRATIVE AND JUDICIAL REVIEW.

(a) AUTHORITY.—Section 12(a) (7 U.S.C. 2021(a)) (as amended by section 1331) is amended by adding at the end the following: "The regulations may establish criteria under which the authorization of a retail food store or wholesale food concern to accept and redeem coupons may be suspended at the time the store or concern is initially found to have committed a violation of a requirement of the food stamp program. The suspension may coincide with the period of a review under section 14. The Secretary shall not be liable for the value of any sales lost during a suspension or disqualification period.".

(b) REVIEW.—Section 14(a) (7 U.S.C. 2023(a)) is amended—

(1) in the first sentence, by striking "disqualified or subjected" and inserting "suspended, disqualified, or subjected";

(2) in the fifth sentence, by inserting before the period at the end the following: ", except that, in the case of the suspension of a retail food store or wholesale food concern under section 12(a), the suspension shall remain in effect pending any administrative or judicial review of the proposed disqualification action, and the period of suspension shall be deemed a part of any period of disqualification that is imposed"; and

(3) by striking the last sentence.

SEC. 1333. DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED UNDER THE WIC PROGRAM.

Section 12 (7 U.S.C. 2021) is amended by adding at the end the following:

"(g) DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED UNDER THE WIC PROGRAM.—

"(1) IN GENERAL.—The Secretary shall issue regulations providing criteria for the disqualification of an approved retail food store and a wholesale food concern that is disqualified from accepting benefits under the special supplemental nutrition program for women, infants, and children established under section 17 of the Child Nutrition Act of 1966 (7 U.S.C. 1786).

"(2) TERMS.—A disqualification under paragraph (1)—

"(A) shall be for the same period as the disqualification from the program referred to in paragraph (1);

"(B) may begin at a later date than the disqualification from the program referred to in paragraph (1); and

"(C) notwithstanding section 14, shall not be subject to administrative or judicial review.".

SEC. 1334. PERMANENT DEBARMENT OF RETAILERS WHO INTENTIONALLY SUBMIT FALSIFIED APPLICATIONS.

Section 12 (7 U.S.C. 2021) (as amended by section 1333) is further amended by adding at the end the following:

"(h) FALSIFIED APPLICATIONS.—

"(1) IN GENERAL.—The Secretary shall issue regulations providing for the permanent disqualification of a retail food store, or wholesale food concern, that knowingly submits an application for approval to accept and redeem coupons that contains false information about a substantive matter that was a basis for approving the application.

"(2) REVIEW.—A disqualification under paragraph (1) shall be subject to administrative and judicial review under section 14, except that the disqualification shall remain in effect pending the review.".

SEC. 1335. EXPANDED CIVIL AND CRIMINAL FORFEITURE FOR VIOLATIONS.

(a) FORFEITURE OF ITEMS EXCHANGED IN FOOD STAMP TRAFFICKING.—The first sentence of section 15(g) (7 U.S.C. 2024(g)) is amended by striking "or intended to be furnished".

(b) CIVIL AND CRIMINAL FORFEITURE.—Section 15 (7 U.S.C. 2024)) is amended by adding at the end the following:

"(h) CIVIL AND CRIMINAL FORFEITURE.—

"(1) CIVIL FORFEITURE.—

"(A) IN GENERAL.—Any food stamp benefits and any property, real or personal, constituting, derived from, or traceable to any proceeds obtained directly or indirectly from, or used, or intended to be used, to commit, or to facilitate, the commission of a violation of subsection (b) or (c) involving food stamp benefits having an aggregate value of not less than $5,000, shall be subject to forfeiture to the United States.

"(B) PROCEDURES.—Chapter 46 of title 18, United States Code, shall apply to a seizure or forfeiture under this subsection, if not inconsistent with this subsection, except that any duties imposed on the Secretary of the Treasury under chapter 46 may also be performed with respect to a seizure or forfeiture under this section by the Secretary of Agriculture.

"(C) CIVIL AND CRIMINAL.—Forfeitures imposed under this subsection shall be in addition to any criminal sanctions imposed against the owner of the forfeited property.

"(2) CRIMINAL FORFEITURE.—

"(A) IN GENERAL.—Any person convicted of violating subsection (b) or (c) involving food stamp benefits having an aggregate value of not less than $5,000, shall forfeit to the United States, irrespective of any State law—

"(i) any food stamp benefits and any property constituting, or derived from, or traceable to any proceeds the person obtained directly or indirectly as a result of the violation; and

"(ii) any food stamp benefits and any property of the person used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of the violation.

"(B) SENTENCE.—In imposing a sentence on a person under subparagraph (A), the court shall order that the person forfeit to the United States all property described in this subsection.

"(C) PROCEDURES.—Any food stamp benefits or property subject to forfeiture under this subsection, any seizure or disposition of the benefits or property, and any administrative or judicial proceeding relating to the benefits or property, shall be governed by subsections (b), (c), (e), and (g) through (p) of section 413 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853), if not inconsistent with this subsection.

"(3) EXCLUDED PROPERTY.—This subsection shall not apply to property referred to in subsection (g).

"(4) RESTRAINING ORDER.—A restraining order available under section 413(e) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853(e)) shall apply to assets otherwise subject to forfeiture under section 413(p) of the Act (21 U.S.C. 853(p)).

"(5) RULES AND REGULATIONS.—The Secretary may prescribe such rules and regulations as are necessary to carry out this subsection.

"(i) RULES RELATING TO FORFEITURES.—With respect to property subject to forfeiture under subsections (g) and (h), the Secretary may allocate a division of such property, or the proceeds of the sale of such property, as the Secretary determines appropriate, between the Secretary of Agriculture under subsection (g) and the Secretary of the Treasury under subsection (h).".

SEC. 1336. EXTENDING CLAIMS RETENTION RATES.

The provisions of the first sentence of section 16(a) (7 U.S.C. 2025(a)) is amended by striking "1995" each place it appears and inserting "2000".

SEC. 1337. NUTRITION ASSISTANCE FOR PUERTO RICO.

The first sentence of section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended by striking "$974,000,000" and all that follows through "fiscal year 1995" and inserting the following: "$1,143,000,000 for each of fiscal years 1995 and 1996, $1,182,000,000 for fiscal year

1997, $1,223,000,000 for fiscal year 1998, $1,266,000,000 for fiscal year 1999, and $1,310,000,000 for fiscal year 2000"

SEC. 1338. EXPANDED AUTHORITY FOR SHARING INFORMATION PROVIDED BY RETAILERS.

(a) SOCIAL SECURITY ACT.—Section 205(c)(2)(C)(iii) of the Social Security Act (42 U.S.C. 405(c)(2)(C)(iii)) is amended—

(1) in subclause (II)—

(A) in the first sentence, by inserting after "instrumentality of the United States" the following: ", a State government officer or employee with law enforcement or investigative responsibilities, or a State agency that has responsibility for administering the special supplemental nutrition program for women, infants, and children established under section 17 of the Child Nutrition Act of 1966 (7 U.S.C. 1786),"; and

(B) in the last sentence, by inserting "or State" after "other Federal"; and

(2) in subclause (III), by inserting "or a State" after "United States".

(b) INTERNAL REVENUE CODE.—Section 6109(f)(2) of the Internal Revenue Code of 1986 (26 U.S.C. 6109(f)(2)) (as added by section 316(b) of the Social Security Administrative Reform Act of 1994 (Public Law 103-296; 108 Stat. 1464)) is amended—

(1) in subparagraph (A), by inserting after "instrumentality of the United States" the following: ", a State government officer or employee with law enforcement or investigative responsibilities, or a State agency that has responsibility for administering the special supplemental nutrition program for women, infants, and children established under section 17 of the Child Nutrition Act of 1966 (7 U.S.C. 1786),";

(2) in the last sentence of subparagraph (A), by inserting "or State" after "other Federal"; and

(3) in subparagraph (B), by inserting "or a State" after "United States".

SEC. 1339. CHILD AND ADULT CARE FOOD PROGRAM.

(a) PAYMENTS TO SPONSOR EMPLOYEES.—Paragraph (2) of the last sentence of section 17(a) of the National School Lunch Act (42 U.S.C. 1766(a)) is amended—

(1) by striking "and" at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(3) by adding at the end the following:

"(D) in the case of a family or group day care home sponsoring organization that employs more than 1 employee, the organization does not base payments to an employee of the organization on the number of family or group day care homes recruited, managed, or monitored.".

(b) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—

(1) RESTRUCTURED DAY CARE HOME REIMBURSEMENTS.—Section 17(f)(3) of the Act is amended by striking "(3)(A) Institutions" and all that follows through the end of subparagraph (A) and inserting the following:

"(3) REIMBURSEMENT OF FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

"(A) REIMBURSEMENT FACTOR.—

"(i) IN GENERAL.—An institution that participates in the program under this section as a family or group day care home sponsoring organization shall be provided, for payment to a home of the organization, reimbursement factors in accordance with this subparagraph for the cost of obtaining and preparing food and prescribed labor costs involved in providing meals under this section.

"(ii) TIER I FAMILY OR GROUP DAY CARE HOMES.—

"(I) DEFINITION.—In this paragraph, the term 'tier I family or group day care home' means—

"(aa) a family or group day care home that is located in a geographic area, as defined by the Secretary based on census data, in which at least 50 percent of the children residing in the area are members of households whose incomes meet the eligibility standards for free or reduced price meals under section 9;

"(bb) a family or group day care home that is located in an area served by a school enrolling elementary students in which at least 50 percent of the total number of children enrolled are certified eligible to receive free or reduced price school meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); or

"(cc) a family or group day care home that is operated by a provider whose household meets the eligibility standards for free or reduced price meals under section 9 and whose income is verified by a sponsoring organization under regulations established by the Secretary.

"(II) REIMBURSEMENT.—Except as provided in subclause (III), a tier I family or group day care home shall be provided reimbursement factors under this clause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the eligibility standards for free or reduced price meals under section 9.

"(III) FACTORS.—Except as provided in subclause (IV), the reimbursement factors applied to a home referred to in subclause (II) shall be the factors in effect on the date of enactment of this subclause.

"(IV) ADJUSTMENTS.—The reimbursement factors under this subparagraph shall be adjusted on August 1, 1996, July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this subparagraph shall be rounded to the nearest lower cent increment and based on the unrounded adjustment for the preceding 12-month period.

"(iii) TIER II FAMILY OR GROUP DAY CARE HOMES.—

"(I) IN GENERAL.—

"(aa) FACTORS.—Except as provided in subclause (II), with respect to meals or supplements served under this clause by a family or group day care home that does not meet the criteria set forth in clause (ii)(I), the reimbursement factors shall be $1 for lunches and suppers, 40 cents for breakfasts, and 20 cents for supplements.

"(bb) ADJUSTMENTS.—The factors shall be adjusted on July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this item shall be rounded down to the nearest lower cent increment and based on the unrounded adjustment for the preceding 12-month period.

"(cc) REIMBURSEMENT.—A family or group day care home shall be provided reimbursement factors under this subclause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the eligibility standards for free or reduced price meals under section 9.

"(II) OTHER FACTORS.—A family or group day care home that does not meet the criteria set forth in clause (ii)(I) may elect to be provided reimbursement factors determined in accordance with the following requirements:

"(aa) CHILDREN ELIGIBLE FOR FREE OR REDUCED PRICE MEALS.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes meet the eligibility standards for free or reduced price meals under section 9, the family or group day care home shall be provided reimbursement factors set by the Secretary in accordance with clause (ii)(III).

"(bb) INELIGIBLE CHILDREN.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes do not meet the eligibility standards, the family or group day care home shall be provided reimbursement factors in accordance with subclause (I).

"(III) INFORMATION AND DETERMINATIONS.—

"(aa) IN GENERAL.—If a family or group day care home elects to claim the factors described in subclause (II), the family or group day care home sponsoring organization serving the home shall collect the necessary income information, as determined by the Secretary, from any parent or other caretaker to make the determinations specified in subclause (II) and shall make the determinations in accordance with rules prescribed by the Secretary.

"(bb) CATEGORICAL ELIGIBILITY.—In making a determination under item (aa), a family or group day care home sponsoring organization may consider a child participating in or subsidized under, or a child with a parent participating in or subsidized under, a federally or State supported child care or other benefit program with an income eligibility limit that does not exceed the eligibility standard for free or reduced price meals under section 9 to be a child who is a member of a household whose income meets the eligibility standards under section 9.

"(cc) FACTORS FOR CHILDREN ONLY.—A family or group day care home may elect to receive the reimbursement factors prescribed under clause (ii)(III) solely for the children participating in a program referred to in item (bb) if the home elects not to have income statements collected from parents or other caretakers.

"(IV) SIMPLIFIED MEAL COUNTING AND REPORTING PROCEDURES.—The Secretary shall prescribe simplified meal counting and reporting procedures for use by a family or group day care home that elects to claim the factors under subclause (II) and by a family or group day care home sponsoring organization that serves the home. The procedures the Secretary prescribes may include 1 or more of the following:

"(aa) Setting an annual percentage for each home of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under clause (ii)(III) and an annual percentage of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under subclause (I), based on the family income of children enrolled in the home in a specified month or other period.

"(bb) Placing a home into 1 of 2 or more reimbursement categories annually based on the percentage of children in the home whose households have incomes that meet the eligibility standards under section 9, with each such reimbursement category carrying a set of reimbursement factors such as the factors prescribed under clause (ii)(III) or subclause

(I) or factors established within the range of factors prescribed under clause (ii)(III) and subclause (I).

"(cc) Such other simplified procedures as the Secretary may prescribe.

"(V) MINIMUM VERIFICATION REQUIREMENTS.—The Secretary may establish any necessary minimum verification requirements.".

(2) SPONSOR PAYMENTS.—Section 17(f)(3)(B) of the Act is amended—

(A) by striking the period at the end of the second sentence and all that follows through the end of the subparagraph and inserting the following:", except that the adjustment that otherwise would occur on July 1, 1996, shall be made on August 1, 1996. The maximum allowable levels for administrative expense payments shall be rounded to the nearest lower dollar increment and based on the unrounded adjustment for the preceding 12-month period.";

(B) by striking "(B)" and inserting "(B)(i)"; and

(C) by adding at the end the following new clause:

"(ii) The maximum allowable level of administrative expense payments shall be adjusted by the Secretary—

"(I) to increase by 7.5 percent the monthly payment to family or group day care home sponsoring organizations both for tier I family or group day care homes and for those tier II family or group day care homes for which the sponsoring organization administers a means test as provided under subparagraph (A)(iii); and

"(II) to decrease by 7.5 percent the monthly payment to family or group day care home sponsoring organizations for family or group day care homes that do not meet the criteria for tier I homes and for which a means test is not administered.".

(3) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—Section 17(f)(3) of the Act is amended by adding at the end the following:

"(D) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—

"(i) IN GENERAL.—

"(I) RESERVATION.—From amounts made available to carry out this section, the Secretary shall reserve $5,000,000 of the amount made available for fiscal year 1996.

"(II) PURPOSE.—The Secretary shall use the funds made available under subclause (I) to provide grants to States for the purpose of providing—

"(aa) assistance, including grants, to family and day care home sponsoring organizations and other appropriate organizations, in securing and providing training, materials, automated data processing assistance, and other assistance for the staff of the sponsoring organizations; and

"(bb) training and other assistance to family and group day care homes.

"(ii) ALLOCATION.—The Secretary shall allocate from the funds reserved under clause (i)(II)—

"(I) $30,000 in base funding to each State; and

"(II) any remaining amount among the States, based on the number of family day care homes participating in the program in a State in 1994 as a percentage of the number of all family day care homes participating in the program in 1994.

"(iii) RETENTION OF FUNDS.—Of the amount of funds made available to a State for a fiscal year under clause (i), the State may retain not to exceed 30 percent of the amount to carry out this subparagraph.

"(iv) ADDITIONAL PAYMENTS.—Any payments received under this subparagraph shall be in addition to payments that a State receives under subparagraph (A).".

(4) PROVISION OF DATA.—Section 17(f)(3) of the Act (as amended by paragraph (3)) is further amended by adding at the end the following:

"(E) PROVISION OF DATA TO FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

"(i) CENSUS DATA.—The Secretary shall provide to each State agency administering a child and adult care food program under this section data from the most recent decennial census survey or other appropriate census survey for which the data are available showing which areas in the State meet the requirements of subparagraph (A)(ii)(I)(aa). The State agency shall provide the data to family or group day care home sponsoring organizations located in the State.

"(ii) SCHOOL DATA.—

"(I) IN GENERAL.—A State agency administering the program under this section shall annually provide to a family or group day care home sponsoring organizations that request the data, a list of schools serving elementary school children in the State in which at least 50 percent of the children enrolled are certified to receive free or reduced price meals. State agencies administering the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall collect such data annually and provide such data on a timely basis to the State agency administering the program under this section.

"(II) USE OF DATA FROM PRECEDING SCHOOL YEAR.—In determining for a fiscal year or other annual period whether a home qualifies as a tier I family or group day care home under subparagraph (A)(ii)(I), the State agency administering the program under this section, and a family or group day care home sponsoring organization, shall use the most current available data at the time of the determination.

"(iii) DURATION OF DETERMINATION.—For purposes of this section, a determination that a family or group day care home is located in an area that qualifies the home as a tier I family or group day care home (as the term is defined in subparagraph (A)(ii)(I)), shall be in effect for 3 years (unless the determination is made on the basis of census data, in which case the determination shall remain in effect until more recent census data are available) unless the State agency determines that the area in which the home is located no longer qualifies the home as a tier I family or group day care home.".

(5) CONFORMING AMENDMENTS.—Section 17(c) of the Act is amended by inserting "except as provided in subsection (f)(3)," after "For purposes of this section," each place it appears in paragraphs (1), (2), and (3).

(c) DISALLOWING MEAL CLAIMS.—The fourth sentence of section 17(f)(4) of the Act is amended by inserting "(including institutions that are not family or group day care home sponsoring organizations)" after "institutions".

(d) ELIMINATION OF STATE PAPERWORK AND OUTREACH BURDEN.—Section 17 of the Act is amended by striking subsection (k) and inserting the following:

"(k) TRAINING AND TECHNICAL ASSISTANCE.—A State participating in the program established under this section shall provide sufficient training, technical assistance, and monitoring to facilitate effective operation of the program. The Secretary shall assist the State in developing plans to fulfill the requirements of this subsection.".

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall become effective on the date of enactment of this Act.

(2) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—The amendments made by paragraphs (1), (3), and (4) of subsection (b) shall become effective on August 1, 1996.

(3) IMPLEMENTATION.—The Secretary of Agriculture shall issue regulations to implement the amendments made by paragraphs (1), (2), (3), and (4) of subsection (b) and the provisions of section 17(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766(f)(3)(C)) not later than February 1, 1996. If such regulations are issued in interim form, final regulations shall be issued not later than August 1, 1996.

Subtitle D—Agricultural Promotion and Export Programs

SEC. 1401. EXPORT ENHANCEMENT PROGRAM.

Effective October 1, 1995, section 301(e)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5651(e)(1)) is amended to read as follows:

"(1) IN GENERAL.—The Commodity Credit Corporation shall make available to carry out the program established under this section not more than $800,000,000 for fiscal year 1996.".

HARKIN AMENDMENTS NOS. 3280–3282

(Ordered to lie on the table.)

Mr. HARKIN submitted three amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3280

Section 105(b)(3) is amended by striking (A) and inserting the following:

"(A) by striking subsection (a) and inserting the following:

"(a) DIRECT ATTRIBUTION.—The Secretary shall attribute payments specified in section 1001 to persons who receive the payments directly and attribute payments received by entities to the individuals who own such entities in proportion to their ownership interest in the entity."

AMENDMENT NO. 3281

Section 104(b) is amended by adding at the end the following:

"(7) LOCAL LOAN RATES.—The Secretary may not reduce the national loan for a crop in a county by an amount in excess of 5 percent the national loan rate.

AMENDMENT NO. 3282

Section 103(h)(1) is amended by striking "during the period of the violation,".

HARKIN AMENDMENTS NOS. 3283–3288

(Ordered to lie on the table.)

Mr. HARKIN submitted six amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3283

On page 1-26, strike line 16 and all that follows through line 25 and insert the following:

(6) OILSEEDS.—

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be—

(i) 90 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $4.92 per bushel.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rates for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be—

(i) 90 percent of the simple average price received by producers of each such oilseed, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of the oilseed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $0.087 per pound.

AMENDMENT NO. 3284

Beginning on page 1-21, strike line 5, and all that follows through page 1-26, line 25, and insert the following:

(1) WHEAT.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for wheat shall be not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(i) equal to or greater than 30 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for wheat under subparagraph (B) shall not be considered in determining the loan rate for wheat for subsequent years.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for corn shall be not less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

(i) equal to or greater than 25 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 12.5 percent the Secretary may not reduce the loan rate for corn for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for corn under subparagraph (B) shall not be considered in determining the loan rate for corn for subsequent years.

(D) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

(3) UPLAND COTTON.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for upland cotton shall be established by the Secretary at such loan rate, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is not less than the smaller of—

(i) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 in the year in which the loan rate is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

(ii) 90 percent of the average, for the 15-week period beginning July 1 of the year in which the loan rate is announced, of the 5 lowest-priced growths of the growths quoted for Middling 1$\frac{3}{32}$-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

(B) LIMITATIONS.—The loan rate for a marketing assistance loan for upland cotton shall not be less than $0.50 per pound or more than $0.5192 per pound.

(4) EXTRA LONG STAPLE COTTON.—The loan rate for a marketing assistance loan for extra long staple cotton shall be—

(A) not less than 85 percent of the simple average price received by producers of extra long staple cotton, as determined by the Secretary, during 3 years of the 5 previous marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $0.7965 per pound.

(5) RICE.—The loan rate for a marketing assistance loan for rice shall be $6.50 per hundredweight.

(6) OILSEEDS.—

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be—

(i) 90 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $4.92 per bushel.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rates for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be—

(i) 90 percent of the simple average price received by producers of each such oilseed, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of the oilseed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $0.087 per pound.

AMENDMENT NO. 3285

Beginning on page 1-21, strike line 5 and all that follows through page 1-23, line 3, and insert the following:

(1) WHEAT.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for wheat shall be not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(i) equal to or greater than 30 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for wheat under subparagraph (B) shall not be considered in determining the loan rate for wheat for subsequent years.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for corn shall be not less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

AMENDMENT NO. 3286

Beginning on page 1-21, strike line 5 and all that follows through page 1-26, line 25, and insert the following:

(1) WHEAT.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for wheat shall be not less than 90 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(i) equal to or greater than 30 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for wheat under subparagraph (B) shall not be considered in determining the loan rate for wheat for subsequent years.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for corn shall be not less than 90 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

(i) equal to or greater than 25 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 12.5 percent the Secretary may not reduce the loan rate for corn for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for corn under subparagraph (B) shall not be considered in determining the loan rate for corn for subsequent years.

(D) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

(3) UPLAND COTTON.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for upland cotton shall be established by the Secretary at such loan rate, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is not less than the smaller of—

(i) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 in the year in which the loan rate is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

(ii) 90 percent of the average, for the 15-week period beginning July 1 of the year in which the loan rate is announced, of the 5 lowest-priced growths of the growths quoted for Middling 1$\frac{3}{32}$-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

(B) LIMITATIONS.—The loan rate for a marketing assistance loan for upland cotton shall not be less than $0.50 per pound or more than $0.5192 per pound.

(4) EXTRA LONG STAPLE COTTON.—The loan rate for a marketing assistance loan for extra long staple cotton shall be—

(A) not less than 85 percent of the simple average price received by producers of extra long staple cotton, as determined by the Secretary, during 3 years of the 5 previous marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $0.7965 per pound.

(5) RICE.—The loan rate for a marketing assistance loan for rice shall be $6.50 per hundredweight.

(6) OILSEEDS.—

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be—

(i) 90 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $4.92 per bushel.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rates for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be—

(i) 90 percent of the simple average price received by producers of each such oilseed, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of the oilseed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $0.087 per pound.

AMENDMENT NO. 3287

On page 5–10, strike line 8 and all that follows through line 15.

AMENDMENT NO. 3288

On page 1–77, strike lines 5 through 24 and insert the following:

(B) by transferring sections 110, 111, 201(c), and 204 (7 U.S.C. 1445e, 1445f, 1446(c), and 1446(e) to appear after section 304 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1304) and redesignating the transferred sections as sections 305, 306, 307, and 308, respectively; and

(C) by transferring sections 404 and 416 (7 U.S.C. 1424 and 1431) to appear after section 390 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1390) and redesignating the transferred sections as sections 390A and 390B, respectively.

(2) REPEAL.—The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) (as amended by paragraph (1)) is repealed.

(c) CONFORMING AMENDMENTS.—

(1) Section 307 of the Agricultural Adjustment Act of 1938 (as transferred and redesignated by subsection (b)(1)(B)) is amended by striking "204" and inserting "308".

GREGG (AND OTHERS) AMENDMENT NO. 3289

(Ordered to lie on the table.)

Mr. GREGG (for himself, Mr. REID, Mr. SANTORUM, and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by them to the bill S. 1541, supra; as follows:

Notwithstanding any other provision of this Act, none of the provisions dealing with or extending the Sugar program shall be enforced.

THOMAS AMENDMENT NO. 3290

(Ordered to lie on the table.)

Mr. THOMAS submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike Section and insert in lieu thereof the following:

SEC. . SUGAR PROGRAM.

(a) SUGARCANE.—The Secretary shall make loans available to processors of domestically grown sugarcane at a rate equal to 18 cents per pound of raw cane sugar.

(b) SUGAR BEETS.—The Secretary shall make loans available to processors of domestically grown sugar beets at a rate equal to 22.9 cents per pound for refined beet sugar.

(c) REDUCTION IN LOAN RATES.—

(1) REDUCTION REQUIRED.—The Secretary shall reduce the loan rate specified in subsection (a) for domestically grown sugarcane and subsection (b) for domestically grown sugar beets if the Secretary determines that negotiated reductions in export subsidies and domestic subsidies provided for sugar of the European Union and other major sugar growing, producing, and exporting countries in the aggregate exceed the commitments made as part of the Agreement on Agriculture.

(2) EXTENT OF REDUCTION.—The Secretary shall not reduce the loan rate under subsection (a) or (b) below a rate that provides an equal measure of support to that provided by the European Union and other major sugar growing, producing, and exporting countries, based on an examination of both domestic and export subsidies subject to reduction in the Agreement on Agriculture.

(3) ANNOUNCEMENT OF REDUCTION.—The Secretary shall announce any loan rate reduction to be made under this subsection no less than 36 months prior to the effective date of such reduction.

(4) MAJOR SUGAR COUNTRIES DEFINED.—For purposes of this subsection, the term "major sugar growing, producing, and exporting countries" means—

(A) the countries of the European union; and

(B) the ten foreign countries not covered by subparagraph (A) that the Secretary determines produce the greatest amount of sugar.

(5) AGREEMENT ON AGRICULTURE DEFINED.—For purposes of this subsection, the term "Agreement on Agriculture" means the Agreement on Agriculture referred to in section 101(d)(2) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(2).

BUMPERS AMENDMENT NO. 3291

(Ordered to lie on the table.)

Mr. BUMPERS submitted an amendment intended to be proposed by him to an amendment submitted by Mr.

CONRAD to the bill S. 1541, supra; as follows:

In the section relating to the Deficiency Payment Account and the Conservation and Rural America Account, strike subsection (a) and insert the following:

(a) ACCOUNTS.—

(1) ESTABLISHMENT.—There are established in the Treasury of the United States a Deficiency Payment Account and a Conservation and Rural America Account, which shall be used to carry out this section, to remain available until expended.

(2) ESTIMATE.—During each of fiscal years 1996 through 2002, the Director of the Office of Management and Budget, in consultation with the Director of the Congressional Budget Office, shall determine whether—

(A) the total amount that the Director of the Congressional Budget Office estimated, as of the day before the date of enactment of this Act, would be expended under this title during the period consisting of fiscal years 1996 through 2002; exceeds

(B) the total amount that the Director of the Congressional Budget Office estimates, as of the date of the determination, will be expended under this title during the period consisting of fiscal years 1996 through 2002.

(3) ANNUAL ROLLER OF SURPLUS.—At the end of each of fiscal years 1996 through 2002, an amount equal to—

(A) the total amount that the Director of the Congressional Budget Office estimated, as of the day before the date of enactment of this Act, would be expended under this title during the fiscal year; exceeds

(B) the total amount that was expended under this title during the fiscal year;

shall be available for obligation in the succeeding fiscal year.

(4) SURPLUS.—If the Director of the Office of Management and Budget determines that the current estimate exceeds the prior estimate as described in paragraph (2), the Secretary of the Treasury shall—

(A) as soon as practicable after the determination, transfer—

(i) an amount equal to 25 percent of the surplus to the Deficiency Payment Account; and

(ii) an amount equal to 25 percent of the surplus to the Conservation and Rural America Account; and

(B) on October 1, 2002, transfer the remaining amount of any surplus to the Accounts.

BURNS (AND OTHERS) AMENDMENT NO. 3292

(Ordered to lie on the table.)

Mr. BURNS (for himself, Mr. GORTON, and Mr. CRAIG) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the end of title II, insert the following:

SEC. 206. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

The Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) is amended by adding at the end the following:

"TITLE VII—FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM

"SEC. 701. DEFINITION OF ELIGIBLE TRADE ORGANIZATION.

"In this title, the term 'eligible trade organization' means a United States trade organization that—

"(1) promotes the export of 1 or more United States agricultural commodities or products; and

"(2) does not have a business interest in or receive remuneration from specific sales of agricultural commodities or products.

"SEC. 702. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

"(a) IN GENERAL.—The Secretary shall establish and, in cooperation with eligible trade organizations, carry out a foreign market development cooperator program to maintain and develop foreign markets for United States agricultural commodities and products.

"(b) ADMINISTRATION.—Funds made available to carry out this title shall be used only to provide—

"(1) cost-share assistance to an eligible trade organization under a contract or agreement with the organization; and

"(2) assistance for costs that are necessary or appropriate to carry out the foreign market development cooperator program, including contingent liabilities that are not otherwise funded.

"SEC. 703. AUTHORIZATION APPROPRIATIONS.

"There are authorized to be appropriated to carry out this title such sums as may be necessary for each of fiscal years 1996 through 2002.".

CRAIG (AND OTHERS) AMENDMENT NO. 3293

(Ordered to lie on the table.)

Mr. CRAIG (for himself, Mr. MACK, and Mr. GRAHAM) submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike subsection (d) of sec. 506 of the Craig/Leahy substitute.

CRAIG AMENDMENT NO. 3294

(Ordered to lie on the table.)

Mr. CRAIG submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following:

SEC. 507. NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER.

(a) IN GENERAL.—The Consolidated Farm and Rural Development Act is amended by inserting after section 363 (17 U.S.C. 2006e) the following:

"SEC. 364. NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER.

"(a) DEFINITIONS.—In this section:

"(1) BOARD.—The term 'Board' means the Board of Directors established under subsection (f).

"(2) CENTER.—The term 'Center' means the National Sheep Industry Improvement Center established under subsection (b).

"(3) ELIGIBLE ENTITY.—The term 'eligible entity' means an entity that promotes the betterment of the United States lamb or wool industry and that is—

"(A) a public, private, or cooperative organization;

"(B) an association, including a corporation not operated for profit;

"(C) a federally recognized Indian Tribe; or

"(D) a public or quasi-public agency.

"(4) FUND.—The term 'Fund' means the Natural Sheep Improvement Center Revolving Fund established under subsection (e).

"(b) ESTABLISHMENT OF CENTER.—The Secretary shall establish a National Sheep Industry Improvement Center.

"(c) PURPOSES.—The purposes of the Center shall be to—

"(1) promote strategic development activities and collaborative efforts by private and State entities to maximize the impact of Federal assistance to strengthen and enhance the production and marketing of lamb and wool in the United States;

"(2) optimize the use of available human capital and resources within the sheep industry;

"(3) provide assistance to meet the needs of the sheep industry for infrastructure development, business development, production, resource development, and market and environmental research;

"(4) advance activities that empower and build the capacity of the United States sheep industry to design unique responses to the special needs of the lamb and wool industries on both a regional and national basis; and

"(5) adopt flexible and innovative approaches to solving the long-term needs of the United States sheep industry.

"(d) STRATEGIC PLAN.—

"(1) IN GENERAL.—The Center shall submit to the Secretary an annual strategic plan for the delivery of financial assistance provided by the Center.

"(2) REQUIREMENTS.—A strategic plan shall identify—

"(A) goals, methods, and a benchmark for measuring the success of carrying out the plan and how the plan relates to the national and regional goals of the Center;

"(B) the amount and sources of Federal and non-Federal funds that are available for carrying out the plan;

"(C) funding priorities;

"(D) selection criteria for funding; and

"(E) a method of distributing funding.

"(e) REVOLVING FUND.—

"(1) ESTABLISHMENT.—There is established in the Treasury the Natural Sheep Improvement Center Revolving Fund. The Fund shall be available to the Center, without fiscal year limitation, to carry out the authorized programs and activities of the Center under this section.

"(2) CONTENTS OF FUND.—There shall be deposited in the Fund—

"(A) such amounts as may be appropriated, transferred, or otherwise made available to support programs and activities of the Center;

"(B) payments received from any source for products, services, or property furnished in connection with the activities of the Center;

"(C) fees and royalties collected by the Center from licensing or other arrangements relating to commercialization of products developed through projects funded, in whole or part, by grants, contracts, or cooperative agreements executed by the Center;

"(D) proceeds from the sale of assets, loans, and equity interests made in furtherance of the purposes of the Center;;

"(E) donations or contributions accepted by the Center to support authorized programs and activities; and

"(F) any other funds acquired by the Center.

"(3) USE OF FUND.—

"(A) IN GENERAL.—The Center may use amounts in the Fund to make grants and loans to eligible entities in accordance with a strategic plan submitted under subsection (d).

"(B) CONTINUED EXISTENCE.—The Center shall manage the Fund in a manner that ensures that sufficient amounts are available in the Fund to carry out subsection (c).

"(C) DIVERSE AREA.—The Center shall, to the maximum extent practicable, use the Fund to serve broad geographic areas and regions of diverse production.

"(D) VARIETY OF LOANS AND GRANTS.—The Center shall, to the maximum extent practicable, use the Fund to provide a variety of intermediate- and long-term grants and loans.

"(E) ADMINISTRATION.—The Center may not use more than 3 percent of the amounts in the Fund for a fiscal year for the administration of the Center.

"(F) INFLUENCING LEGISLATION.—None of the amounts in the Fund may be used to influence legislation.

"(G) ACCOUNTING.—To be eligible to receive amounts from the Fund, an entity must agree to account for the amounts using generally accepted accounting principles.

"(H) USES OF FUND.—The Center may use amounts in the Fund to—

"(i) participate with Federal and State agencies in financing activities that are in accordance with a strategic plan submitted under subsection (d), including participation with several States in a regional effort;

"(ii) participate with other public and private funding sources in financing activities that are in accordance with the strategic plan, including participation in a regional effort;

"(iii) provide security for, or make principle or interest payments on, revenue or general obligation bonds issued by a State, if the proceeds from the sale of the bonds are deposited in the Fund;

"(iv) accrue interest;

"(v) guarantee or purchase insurance for local obligations to improve credit market access or reduce interest rates for a project that is in accordance with the strategic plan; or

"(vi) sell assets, loans, and equity interests acquired in connection with the financing of projects funded by the Center.

"(4) LOANS.—

"(A) RATE.—A loan from the Fund may be made at an interest rate that is below the market rate or may be interest free.

"(B) TERM.—The term of a loan may not exceed the shorter of—

"(i) the useful life of the activity financed; or

"(ii) 40 years.

"(C) SOURCE OF REPAYMENT.—The Center may not make a loan from the Fund unless the recipient establishes an assured source of repayment.

"(D) PROCEEDS.—All payments of principal and interest on a loan made from the Fund shall be deposited into the Fund.

"(5) MAINTENANCE OF EFFORT.—The Center shall use the Fund only to supplement and not to supplant Federal, State, and private funds expended for rural development.

"(6) FUNDING.—

"(A) DEPOSIT OF FUNDS.—All Federal and non-Federal amounts received by the Center to carry out this section shall be deposited in the Fund.

"(B) MANDATORY FUNDS.—Out of any moneys in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide to the Center not to exceed $20,000,000 to carry out this section.

"(C) ADDITIONAL FUNDS.—In addition to any funds provided under subparagraph (B), there is authorized to be appropriated to carry out this section $30,000,000 to carry out this section.

"(D) PRIVATIZATION.—Federal funds shall not be used to carry out this section beginning on the earlier of—

"(i) the date that is 10 years after the effective date of this section; or

"(ii) the day after a total of $50,000,000 is made available under subparagraphs (B) and (C) to carry out this section.

"(f) BOARD OF DIRECTORS.—

"(1) IN GENERAL.—The management of the Center shall be vested in a Board of Directors.

"(2) POWERS.—The Board shall—

"(A) be responsible for the general supervision of the Center;

"(B) review any grant, loan, contract, or cooperative agreement to be made or entered into by the Center and any financial assistance provided to the Center;

"(C) make the final decision, by majority vote, on whether and how to provide assistance to an applicant; and

"(D) develop and establish a budget plan and a long-term operating plan to carry out the goals of the Center.

"(3) COMPOSITION.—The Board shall be composed of—

"(A) 7 voting members, of whom—

"(i) 4 members shall be active producers of sheep in the United States;

"(ii) 2 members shall have expertise in finance and management; and

"(iii) 1 member shall have expertise in lamb and wool marketing; and

"(B) 2 nonvoting members, of whom—

"(i) 1 member shall be the Under Secretary of Agriculture for Rural Economic and Community Development; and

"(ii) 1 member shall be the Under Secretary of Agriculture for Research, Education, and Economics.

"(4) ELECTION.—A voting member of the Board shall be chosen in an election of the members of a national organization selected by the Secretary that—

"(A) consists only of sheep producers in the United States; and

"(B) has as the primary interest of the organization the production of lamb and wool in the United States.

"(5) TERM OF OFFICE.—

"(A) IN GENERAL.—Subject to subparagraph (B), the term of office of a voting member of the Board shall be 3 years.

"(B) STAGGERED INITIAL TERMS.—The initial voting members of the Board (other than the chairperson of the initially established Board) shall serve for staggered terms of 1, 2, and 3 years, as determined by the Secretary.

"(C) REELECTION.—A voting member may be reelected for not more than 1 additional term.

"(6) VACANCY.—

"(A) IN GENERAL.—A vacancy on the Board shall be filled in the same manner as the original Board.

"(B) REELECTION.—A member elected to fill a vacancy for an unexpired term may be reelected for 1 full term.

"(7) CHAIRPERSON.—

"(A) IN GENERAL.—The Board shall select a chairperson from among the voting members of the Board.

"(B) TERM.—The term of office of the chairperson shall be 2 years.

"(8) ANNUAL MEETING.—

"(A) IN GENERAL.—The Board shall meet not less than once each fiscal year at the call of the chairperson or at the request of the executive director appointed under subsection (g)(1).

"(B) LOCATION.—The location of a meeting of the Board shall be established by the Board.

"(9) VOTING.—

"(A) QUORUM.—A quorum of the Board shall consist of a majority of the voting members.

"(B) MAJORITY VOTE.—A decision of the Board shall be made by a majority of the voting members of the Board.

"(10) CONFLICTS OF INTEREST.—

"(A) IN GENERAL.—A member of the Board shall not vote on any matter respecting any application, contract, claim, or other particular matter pending before the Board in which, to the knowledge of the member, an interest is held by—

"(i) the member;

"(ii) any spouse of the member;

"(iii) any child of the member;

"(iv) any partner of the member;

"(v) any organization in which the member is serving as an officer, director, trustee, partner, or employee; or

"(vi) any person with whom the member is negotiating or has any arrangement concerning prospective employment or with whom the member has a financial interest.

"(B) REMOVAL.—Any action by a member of the Board that violates subparagraph (A) shall be cause for removal from the Board.

"(C) VALIDITY OF ACTION.—An action by a member of the Board that violates subparagraph (A) shall not impair or otherwise affect the validity of any otherwise lawful action by the Board.

"(D) DISCLOSURE.—

"(i) IN GENERAL.—If a member of the Board makes a full disclosure of an interest and, prior to any participation by the member, the Board determines, by majority vote, that the interest is too remote or too inconsequential to affect the integrity of any participation by the member, the member may participate in the matter relating to the interest.

"(ii) VOTE.—A member that discloses an interest under clause (i) shall not vote on a determination of whether the member may participate in the matter relating to the interest.

"(E) REMANDS.—

"(i) IN GENERAL.—The Secretary may vacate and remand to the Board for reconsideration any decision made pursuant to subsection (e)(3)(H) if the Secretary determines that there has been a violation of this paragraph or any conflict of interest provision of the bylaws of the Board with respect to the decision.

"(ii) REASONS.—In the case of any violation and remand of a funding decision to the Board under clause (i), the Secretary shall inform the Board of the reasons for the remand.

"(11) COMPENSATION.—

"(A) IN GENERAL.—A member of the Board shall not receive any compensation by reason of service on the Board.

"(B) EXPENSES.—A member of the Board shall be reimbursed for travel, subsistence, and other necessary expenses incurred by the member in the performance of a duty of the member.

"(12) BYLAWS.—The Board shall adopt, and may from time to time amend, any bylaw that is necessary for the proper management and functioning of the Center.

"(13) PUBLIC HEARINGS.—Not later than 1 year after the effective date of this section, the Board shall hold public hearings on policy objectives of the program established under this section.

"(14) ORGANIZATIONAL SYSTEM.—The Board shall provide a system of organization to fix responsibility and promote efficiency in carrying out the functions of the Board.

"(15) USE OF DEPARTMENT OF AGRICULTURE.—The Board may, with the consent of the Secretary, utilize the facilities of and the services of employees of the Department of Agriculture, without cost to the Center.

"(g) OFFICERS AND EMPLOYEES.—

"(1) EXECUTIVE DIRECTOR.—

"(A) IN GENERAL.—The Board shall appoint an executive director to be the chief executive officer of the Center.

"(B) TENURE.—The executive director shall serve at the pleasure of the Board.

"(C) COMPENSATION.—Compensation for the executive director shall be established by the Board.

"(2) OTHER OFFICERS AND EMPLOYEES.—The Board may select and appoint officers, attorneys, employees, and agents who shall be vested with such powers and duties as the Board may determine.

"(3) DELEGATION.—The Board may, by resolution, delegate to the chairperson, the executive director, or any other officer or employee any function, power, or duty of the Board other than voting on a grant, loan, contract, agreement, budget, or annual strategic plan.

"(h) CONSULTATION.—To carry out this section, the Board may consult with—

"(1) State departments of agriculture;

"(2) Federal departments and agencies;

"(3) nonprofit development corporations;

"(4) colleges and universities;

"(5) banking and other credit-related agencies;

"(6) agriculture and agribusiness organizations; and

"(7) regional planning and development organizations.

"(i) OVERSIGHT.—

"(1) IN GENERAL.—The Secretary shall review and monitor compliance by the Board and the Center with this section.

"(2) SANCTIONS.—If, following notice and opportunity for a hearing, the Secretary finds that the Board or the Center is not in compliance with this section, the Secretary may—

"(A) cease making deposits to the Fund;

"(B) suspend the authority of the Center to withdraw funds from the Fund; or

"(C) impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this Act and disqualification from receipt of financial assistance under this section.

"(3) REMOVING SANCTIONS.—The Secretary shall remove sanctions imposed under paragraph (2) on a finding that there is no longer any failure by the Board or the Center to comply with this section or that the noncompliance shall be promptly corrected.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on the date of enactment of this Act.

MCCAIN AMENDMENT NO. 3295

(Ordered to lie on the table.)

Mr. MCCAIN submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

At an appropriate place in the bill, insert:

(a) Section 1677, the Indian Reservation Extension Agent Program, of P.L. 101-624, is reauthorized through 2002; further, once an Indian Reservation Extension Program has been determined by the Secretary of Agriculture to have been satisfactorily administered for two years, the Secretary shall implement a reduced re-application process for the continued operation of such programs, in order to reduce regulatory burdens on the participating university and tribal entities.

(b) Before January 6, 1997, the Secretary shall develop and implement a formal Memorandum of Agreement with the 29 tribally controlled colleges eligible under federal law to receive funds from the Department as partial Land Grant institutions; the Memorandum of Agreement shall establish programs to ensure that tribally-controlled colleges and Native American communities equitably participate in USDA employment, programs, services, and resources.

MOSELEY-BRAUN AMENDMENT NO. 3296

(Order to lie on the table.)

Ms. MOSELEY-BRAUN submitted an amendment intended to be proposed by her to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Amend language on oilseed loan rates as follows:

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be—

(i) not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $4.92 or more than $5.26 per bushel.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rate for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be—

(i) not less than 85 percent of the simple average price received by producers of these oilseeds, individually, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of these oilseeds, individually, excluding the year in which the average price was the highest and the year in which the average prices was the lowest in the period; but

(ii) not less than $0.087 or more than $0.093 per pound.

(c) OTHER OILSEEDS.—The loan rates for a marketing assistance loan for other oilseeds shall be established at such level as the Secretary determines is fair and reasonable in relation to the loan rate available for soybeans, except in no event shall the rate for the oilseeds (other than cottonseed) be less than the rate established for soybeans on a per-pound basis for the same crop.

KERREY AMENDMENT NO. 3297

(Ordered to lie on the table.)

Mr. KERREY submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following:

(c) REPAYMENT OF COST SHARING AND OTHER PAYMENTS.—Section 1235(d)(1) of the Food Security Act of 1985 (16 U.S.C. 3835(d)(1)) is amended—

(1) in subparagraph (A), by striking "and" at the end;

(2) in subparagraph (B), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(C) in the case of a contract with respect to which 5 years of less or the contract term have elapsed, the owner or operator agrees to repay all cost sharing, rental, and other payments made by the Secretary under the contract and section 1234; and

"(D) in the case of a contract with respect to which more than 5 years but less than 8 years of the contract term have elapsed, the owner or operator agrees to repay all cost sharing payments made by the Secretary under the contract and section 1234(b).".

KERREY (AND EXON) AMENDMENT NO. 3298

(Ordered to lie on the table.)

Mr. KERREY (for himself and Mr. EXON) submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. Leahy to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following:

SEC. 353. STATE TECHNICAL COMMITTEES.

Subtitle G of title XII of the Food Security Act of 1985 (16 U.S.C. 2861 et seq.) is amended to read as follows:

"Subtitle G—State Technical Committees

"SEC. 1261. ESTABLISHMENT.

"(a) IN GENERAL.—The Secretary shall establish in each State a State technical committee to assist the Secretary in the technical considerations relating to implementation of the conservation provisions under this title.

"(b) COORDINATION.—Each State technical committee shall be coordinated by the State Conservationist of the Natural Resources Conservation Service.

"(c) COMPOSITION.—Each technical committee shall be composed of persons with relevant expertise that represent a variety of disciplines in the soil, water, wetland, and wildlife and social sciences, including representatives of—

"(1) the Natural Resources Conservation Service;

"(2) the Farm Service Agency;

"(3) the Forest Service;

"(4) the Cooperative State Research, Education and Extension Service;

"(5) the United States Fish and Wildlife Service;

"(6) the Environmental Protection Agency;

"(7) the United States Geological Service;

"(8) State departments and agencies that the Secretary considers appropriate, including—

"(A) the State fish and wildlife agency;

"(B) the State forester or equivalent State official;

"(C) the State water resources agency;

"(D) the State department of agriculture; and

"(E) the State association of soil and water conservation districts, or natural resources districts;

"(9) agricultural producers utilizing a range of conservation farming systems and practices;

"(10) other nonprofit organizations with demonstrable expertise;

"(11) persons knowledgeable about the economic and environmental impact of conservation techniques and programs; and

"(12) agribusiness.

"SEC. 1262. RESPONSIBILITIES.

"(a) IN GENERAL.—

"(1) MEETINGS.—Each State technical committee shall meet regularly to provide information, analysis, and recommendations to the Secretary regarding implementation of conservation provisions and programs.

"(2) MANNER.—The information, analysis, and recommendations shall be provided in a manner that will assist the Department of

Agriculture in determining conservation priorities for the State and matters of fact, technical merit, or scientific question.

"(3) BEST INFORMATION AND JUDGMENT.—Information, analysis, and recommendations shall be provided in writing and shall reflect the best information and judgment of the committee.

"(b) OTHER DUTIES.—Each State technical committee shall provide assistance and offer recommendations with respect to the technical aspects of—

"(1) wetland protection, restoration and mitigation requirements;

"(2) criteria to be used in evaluating bids for enrollment of environmentally sensitive lands in the conservation reserve program;

"(3) guidelines for haying or grazing and the control of weeds to protect nesting wildlife on setaside acreage;

"(4) addressing common weed and pest problems and programs to control weeds and pests found on acreage enrolled in the conservation reserve program;

"(5) guidelines for planting perennial cover for water quality and wildlife habitat improvement on set-aside lands;

"(6) criteria and guidelines to be used in evaluating petitions by farmers to test conservation practices and systems not currently covered in Field Office Technical Guides;

"(7) identification, prioritization, and coordination of Water Quality Incentives Program initiatives in the State; and

"(8) other matters determined appropriate by the Secretary.

"(c) AUTHORITY.—

"(1) NO ENFORCEMENT AUTHORITY.—Each State technical committee is advisory and shall have no implementation or enforcement authority.

"(2) CONSIDERATION.—The Secretary shall give strong consideration to the recommendations of State technical committees in administering the program under this title, and to any factual, technical, or scientific finding of a committee.".

FORD (AND OTHERS) AMENDMENTS NOS. 3299–3302

(Ordered to lie on the table.)

Mr. FORD (for himself, Mr. HELMS, Mr. FAIRCLOTH, Mr. WARNER, Mr. ROBB, and Mr. MCCONNELL) submitted by Mr. BROWN to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3299

In lieu of the matter proposed to be inserted, insert the following:

SEC. . ELIMINATION OF FEDERAL BUDGETARY OUT-LAYS FOR TOBACCO PROGRAMS.

Section 315(g)(1) of the Agricultural Adjustment Act of 1938 (as transferred and redesignated by section 110(b)(1)(A) is amended—

(1) by striking "1998" and inserting "2002"; and

(2) by inserting after "equal to" the following "a pro rata share of the total amount of the costs of other Department of Agriculture programs related to tobacco production or processing that are not required to be covered by user fees or by contributions or assessments under section 315A(d)(1) or 315B(d)(1), but in no event less than".

AMENDMENT NO. 3300

In lieu of the matter proposed to be inserted, insert the following.

SEC. . ELIMINATION OF FEDERAL BUDGETARY OUT-LAYS FOR TOBACCO PROGRAMS.

Section 315(g)(1) of the Agricultural Adjustment Act of 1938 (as transferred and redesignated by section 110(b)(1)(A)) is amended—

(1) by striking "1998" and inserting "2002"; and

(2) by inserting after "equal to" the following: "a pro rata share of the total amount of the costs of other Department of Agriculture programs related to tobacco production or processing that are not required to be covered by user fees or by contributions or assessments under section 315A(d)(1) or 315B(d)(1), but in no event less than".

AMENDMENT NO. 3301

In lieu of the matter proposed to be inserted, insert the following:

SEC. . ELIMINATION OF FEDERAL BUDGETARY OUT-LAYS FOR TOBACCO PROGRAMS.

Section 315(g)(1) of the Agricultural Adjustment Act of 1938 (as transferred and redesignated by section 110(b)(1)(A)) is amended—

(1) by striking "1998" and inserting "2002"; and

(2) by inserting after "equal" to the following: "a pro rata share of the total amount of the costs of other Department of Agriculture programs related to tobacco production or processing that are not required to be covered by user fees or by contributions or assessments under section 315A(d)(1) or 315B(d)(1), but in no event less than".

AMENDMENT NO. 3302

In lieu of the matter proposed to be inserted, insert the following:

SEC. . ELIMINATION OF FEDERAL BUDGETARY OUT-LAYS FOR TOBACCO PROGRAMS.

Section 315(g)(1) of the Agricultural Adjustment Act of 1938 (as transferred and redesignated by section 110(b)(1)(A)) is amended—

(1) by striking "1998" and inserting "2002"; and

(2) by inserting after "equal" to the following: "a pro rata share of the total amount of the costs of other Department of Agriculture programs related to tobacco production or processing that are not required to be covered by user fees or by contributions or assessments under section 315A(d)(1) or 315B(d)(1), but in no event less than".

COCHRAN AMENDMENT NO. 3303

(Ordered to lie on the table.)

Mr. COCHRAN submitted an amendment to amendment No. 3138 submitted by Mr. CONRAD to the bill S. 1541, supra; as follows:

At the end insert the following:

SEC. . WILDLIFE HABITAT INCENTIVES PROGRAM.

The Secretary of Agriculture, in consultation with the State Technical Committee, shall establish a program within the Natural Resources Conservation Service to be known as the Wildlife Habitat Incentives Program. The program shall make cost-share payments to landowners to develop upland wildlife, wetland wildlife, threatened and endangered species, fisheries, and other types of wildlife habitat approved by the Secretary. To carry out this section, $10,000,000 for each of the fiscal years 1996 through 2002, shall be made available from the program authorized by subchapter B of Chapter 1 of Subtitle D of title XII of the Food Security Act of 1985.

COCHRAN AMENDMENT NO. 3304

(Ordered to lie on the table.)

Mr. COCHRAN submitted an amendment to amendment No. 3135 submitted by Mr. CONRAD to the bill S. 1541, supra; as follows:

At the end insert the following:

SEC. . WILDLIFE HABITAT INCENTIVES PROGRAM.

The Secretary of Agriculture, in consultation with the State Technical Committee, shall establish a program within the Natural Resources Conservation Service to be known as the Wildlife Habitat Incentives Program. The program shall make cost-share payments to landowners to develop upland wildlife, wetland wildlife, threatened and endangered species, fisheries, and other types of wildlife habitat approved by the Secretary. To carry out this section, $10,000,000 for each of the fiscal years 1996 through 2002, shall be made available from the program authorized by subchapter B of Chapter 1 of Subtitle D of title XII of the Food Security Act of 1985.

COCHRAN AMENDMENT NO. 3305

(Ordered to lie on the table.)

Mr. COCHRAN submitted an amendment to amendment No. 3136 submitted by Mr. CONRAD to the bill S. 1541, supra; as follows:

At the end insert the following:

SEC. . WILDLIFE HABITAT INCENTIVE PROGRAM.

The Secretary of Agriculture, in consultation with the State Technical Committee, shall establish a program within the Natural Resources Conservation Service to be known as the Wildlife Habitat Incentives Program. The program shall make cost-share payments to landowners to develop upland wildlife, wetland wildlife, threatened and endangered species, fisheries, and other types of wildlife habitat approved by the Secretary. To carry out this section, $10,000,000 for each of the fiscal years 1996 through 2002, shall be made available from the program authorized by subchapter B of Chapter 1 of Subtitle D of title VII of the Food Security Act of 1985.

HELMS AMENDMENTS NOS. 3306–3308

(Ordered to lie on the table.)

Mr. HELMS submitted three amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3306

In lieu of the matter proposed to be inserted, insert:

SEC. . CHANGES TO ELIMINATE FEDERAL BUDGETARY OUTLAYS FOR TOBACCO PROGRAMS.

(a) AMENDMENT TO SECTION 106A OF THE AGRICULTURAL ACT OF 1949.—Section 106A of the Agricultural Act of 1949 (7 U.S.C. 1445–1) is amended by—

(1) in subsection (a)—

(A) striking out "and" at the end of paragraph (6)

(B) striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and"; and

(C) adding at the end the following new paragraph:

"(8) the term 'programs related to tobacco production or processing' means extension pest management projects, economic forecasting and projections, market news services, and crop insurance payments and activities as they are implemented with respect to tobacco production or processing; administrative expenses of the Consolidated Farm Services Agency in administering the tobacco programs operated under the Agricultural Adjustment Act of 1938 and this Act; and any other program of the Department of Agriculture so designated by the Secretary.";

(2) inserting immediately before the semicolon at the end of subsection (d)(1) the following: "and (effective beginning with fiscal year 1996) to cover the costs of programs related to tobacco production or processing"; and

(3) in subsection (d)(5), inserting "and (effective beginning with fiscal year 1996) to cover the costs of programs related to tobacco production or processing" immediately after "under paragraph (5)".

(b) AMENDMENT TO SECTION 106B OF THE AGRICULTURAL ACT OF 1949.—Section 106B of the Agricultural Act of 1949 (7 U.S.C. 1445-2) is amended by—

(1) in subsection (a)—

(A) striking out "and" at the end of paragraph (7);

(B) striking out the period at the end of paragraph (8) and inserting in lieu thereof "; and"; and

(C) adding at the end the following new paragraph:

"(9) the term 'programs related to tobacco production or processing' means extension pest management projects, economic forecasting and projections, market news services, and crop insurance payments and activities as they are implemented with respect to tobacco production or processing; administrative expenses of the Consolidated Farm Services Agency in administering the tobacco programs operated under the Agricultural Adjustment Act of 1938 and this Act; and any other program of the Department of Agriculture so designated by the Secretary.";

(2) in subsection (d)(2)(A), inserting immediately before the period at the end of the fourth sentence the following: "and (effective beginning with fiscal year 1996) to cover the costs of programs related to tobacco production or processing"; and

(3) in subsection (e), inserting "and (effective beginning with fiscal year 1996) to cover the costs of programs related to tobacco production or processing" immediately before the period at the end.

AMENDMENT NO. 3307

Strike all after the first word and insert the following:

SEC. . REDUCTION FOR CERTAIN OFFERS FROM HANDLERS.

The Secretary of Agriculture shall reduce the loan rate for quota peanuts by 5 percent for any producer who had an offer from a handler, at the time and place of delivery, to purchase quota peanuts from the farm on which the peanuts were produced at a price equal to or greater than the applicable loan rate for quota peanuts.

AMENDMENT NO. 3308

Strike all after the first word and insert the following:

SEC. . LOSSES IN PEANUT QUOTA LOAN POOLS.

(a) OFFSET WITHIN AREA.—After transfers from additional loan pools and reducing the gain of any producer by the amount of pool gains attributed to the producer from the sale of additional peanuts, further losses in an area quota pool for peanuts shall be offset by any gains or profits from additional peanuts (other than separate type pools established for Valencia peanuts produced in New Mexico) owned or controlled by the Commodity Credit Corporation in that area and sold for domestic edible use, in accordance with regulations issued by the Secretary of Agriculture.

(b) OFFSET GENERALLY.—If losses in an area quota pool have not been entirely offset under subsection (a), further losses shall be offset by any gains or profits from additional peanuts (other than separate type pools established for Valencia peanuts produced in New Mexico) owned or controlled by the Commodity Credit Corporation and sold for domestic edible use, in accordance with regulations issued by the Secretary.

KERREY AMENDMENT NO. 3309

(Ordered to lie on the table.)

Mr. KERREY submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place, insert: "in consultation with the State Technical Committee" after "Secretary".

CONRAD AMENDMENTS NOS. 3310-3311

(Ordered to lie on the table.)

Mr. CONRAD submitted two amendments intended to be proposed by him to amendments submitted by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3310

Beginning on page 1, strike line 4 and all that follows through page 2, line 25, and insert the following:

(1) WHEAT.—The loan rate for a marketing assistance loan for wheat shall be not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—The loan rate for a marketing assistance loan for corn shall be not less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

AMENDMENT NO. 3311

Beginning on page 1, strike line 4 and all that follows through page 2, line 25, and insert the following:

(1) WHEAT.—The loan rate for a marketing assistance loan for wheat shall be not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—The loan rate for a marketing assistant loan for corn shall be not less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

HELMS AMENDMENT NO. 3312

(Ordered to lie on the table.)

Mr. HELMS submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 1-50, between lines 21 and 22, insert the following:

(5) REDUCTION FOR CERTAIN OFFERS FROM HANDLERS.—The Secretary shall reduce the loan rate for quota peanuts by 5 percent for any producer who had an offer from a handler, at the time and place of delivery, to purchase quota peanuts from the farm on which the peanuts were produced at a price equal to or greater than the applicable loan rate for quota peanuts.

On page 1-55, strike lines 4 through 23 and insert the following:

(3) OFFSET WITHIN AREA.—Further losses in an area quota pool shall be offset by any gains or profits from additional peanuts (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) owned or controlled by the Commodity Credit Corporation in that area and sold for domestic edible use, in accordance with regulations issued by the Secretary.

(4) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under subsection (g) (except funds attributable to handlers) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(5) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358-1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358-1(b)(8)), shall be offset by any gains or profits from quota pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(6) OFFSET GENERALLY.—If losses in an area quota pool have not been entirely offset under paragraph (3), further losses shall be offset by any gains or profits from additional

peanuts (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) owned or controlled by the Commodity Credit Corporation and sold for domestic edible use, in accordance with regulations issued by the Secretary. The authorities provided in the preceeding paragraphs is not sufficient to cover losses in an area quota pool. The Secretary shall increase the marketing assessment established under subsection (g) by such an amount as the Secretary considers necessary to cover the losses. The increased assessment shall apply to quota peanuts in the production area covered by the pool.

SEC. 106. PEANUT PROGRAM.

(a) Quota Peanuts.—

(1) Availability of loans.—The Secretary shall make nonrecourse loans available to producers of quota peanuts.

(2) Loan rate.—The national average quota loan rate for quota peanuts shall be $610 per ton.

(3) Inspection, handling, or storage.—The loan amount may not be reduced by the Secretary by any deductions for inspection, handling, or storage.

(4) Location and other factors.—The Secretary may make adjustments in the loan rate for quota peanuts for location of peanuts and such other factors as are authorized by section 411 of the Agricultural Adjustment Act of 1938.

(b) Additional Peanuts.—

(1) In general.—The Secretary shall make nonrecourse loans available to producers of additional peanuts at such rates as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

(2) Announcement.—The Secretary shall announce the loan rate for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the loan rate is being determined.

(c) Area Marketing Associations.—

(1) Warehouse storage loans.—

(A) In general.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(B) Administrative and supervisory activities.—An area marketing association shall be used in administrative and supervisory activities relating to loans and marketing activities under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(C) Association costs.—Loans made to the association under this paragraph shall include such costs as the area marketing association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(2) Pools for quota and additional peanuts.—

(A) In general.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

(B) Eligibility to participate.—

(i) In general.—Except as provided in clause (ii), in the case of the 1996 and subsequent crops, Valencia peanuts not physically produced in the State of New Mexico shall not be eligible to participate in the pools of the State.

(ii) Exception.—A resident of the State of New Mexico may enter Valencia peanuts that are produced outside of the State into the pools of the State in a quantity that is not greater than the 1995 crop of the resident.

(C) Types of peanuts.—Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(D) Net gains.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(i) Quota peanuts.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool.

(ii) Additional peanuts.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts.

(d) Losses.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(1) Transfers from additional loan pools.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)).

(2) Other producers in same pool.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(4) Use of marketing assessments.—The Secretary shall use funds collected under subsection (g) (except funds attributable to handlers) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(6) Increased assessments.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under subsection (g) by such an amount as the Secretary considers necessary to cover the losses. The increased assessment shall apply only to quota peanuts in the production area covered by the pool. Amounts collected under subsection (g) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(e) Disapproval of Quotas.—Notwithstanding any other provision of law, no loan for quota peanuts may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(d)).

(f) Quality Improvement.—

(1) In general.—With respect to peanuts under loan, the Secretary shall—

(A) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

(B) ensure that all Commodity Credit Corporation inventories of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(C) continue to endeavor to operate the peanut program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(D) ensure that any changes made in the peanut program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department loan schedule.

(2) Exports and other peanuts.—The Secretary shall require that all peanuts in the domestic and export markets fully comply with all quality standards under Marketing Agreement No. 146.

(g) Marketing Assessment.—

(1) In general.—The Secretary shall provide for a nonrefundable marketing assessment. The assessment shall be made on a per pound basis in an amount equal to 1.1 percent for each of the 1994 and 1995 crops, 1.15 percent for the 1996 crop, and 1.2 percent for each of the 1997 through 2002 crops, of the national average quota or additional peanut loan rate for the applicable crop.

(2) First purchasers.—

(A) In general.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall—

(i) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by—

(I) in the case of each of the 1994 and 1995 crops, .55 percent of the applicable national average loan rate;

(II) in the case of the 1996 crop, .6 percent of the applicable national average loan rate; and

(III) in the case of each of the 1997 through 2002 crops, .65 percent of the applicable national average loan rate;

(ii) pay, in addition to the amount collected under clause (i), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average loan rate; and

(iii) remit the amounts required under clauses (i) and (ii) to the Commodity Credit Corporation in a manner specified by the Secretary.

(B) Definition of first purchaser.—In this subsection, the term "first purchaser" means a person acquiring peanuts from a producer except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(3) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(4) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(5) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with the requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of peanuts involved in the violation; by

(B) the national average quota peanut rate for the applicable crop year.

(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(h) CROPS.—Subsections (a) through (f) shall be effective only for the 1996 through 2002 crops of peanuts.

(i) MARKETING QUOTAS.—

(1) IN GENERAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

(A) in section 358–1 (7 U.S.C. 1358–1)—

(i) in the section heading, by striking "**1991 THROUGH 1997 CROPS OF**";

(ii) in subsections (a)(1), (b)(1)(B), (b)(2)(A), (b)(2)(C), and (b)(3)(A), by striking "of the 1991 through 1997 marketing years" each place it appears and inserting "marketing year";

(iii) in subsection (a)(3), by striking "1990" and inserting "1990, for the 1991 through 1995 marketing years, and 1995, for the 1996 through 2002 marketing years";

(iv) in subsection (b)(1)(A)—

(I) by striking "each of the 1991 through 1997 marketing years" and inserting "each marketing year"; and

(II) in clause (i), by inserting before the semicolon the following: ", in the case of the 1991 through 1995 marketing years, and the 1995 marketing year, in the case of the 1996 through 2002 marketing years"; and

(v) in subsection (f), by striking "1997" and inserting "2002";

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking "**1991 THROUGH 1995 CROPS OF**"; and

(ii) in subsection (c), by striking "1995" and inserting "2002";

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking "1995" and inserting "2002"; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking "**FOR 1991 THROUGH 1997 CROPS OF PEANUTS**"; and

(ii) in subsection (i), by striking "1997" and inserting "2002".

(2) ELIMINATION OF QUOTA FLOOR.—Section 358–1(a)(1) of the Act (7 U.S.C. 1358–1(a)(1)) is amended by striking the second sentence.

(3) TEMPORARY QUOTA ALLOCATION.—Section 358–1 of the Act (7 U.S.C. 1358–1) is amended—

(A) in subsection (a)(1), by striking "domestic edible, seed," and inserting "domestic edible use";

(B) in subsection (b)(2)—

(i) in subparagraph (A), by striking "subparagraph (B) and subject to"; and

(ii) by striking subparagraph (B) and inserting the following:

"(B) TEMPORARY QUOTA ALLOCATION.—

"(i) ALLOCATION RELATED TO SEED PEANUTS.—Temporary allocation of quota pounds for the marketing year only in which the crop is planted shall be made to producers for each of the 1996 through 2002 marketing years as provided in this subparagraph.

"(ii) QUANTITY.—The temporary quota allocation shall be equal to the pounds of seed peanuts planted on the farm, as may be adjusted under regulations prescribed by the Secretary.

"(iii) ADDITIONAL QUOTA.—The temporary allocation of quota pounds under this paragraph shall be in addition to the farm poundage quota otherwise established under this subsection and shall be credited, for the applicable marketing year only, in total to the producer of the peanuts on the farm in a manner prescribed by the Secretary.

"(iv) EFFECT OF OTHER REQUIREMENTS.—Nothing in this section alters or changes the requirements regarding the use of quota and additional peanuts established by section 358e(b)."; and

(C) in subsection (e)(3), strike "and seed and use on a farm".

(4) UNDERMARKETINGS.—Part VI of subtitle B of title III of the Act is amended—

(A) in section 358–1(b) (7 U.S.C. 1358–1(b))—

(i) in paragraph (1)(B), by striking "including—" and clauses (i) and (ii) and inserting "including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).";

(ii) in paragraph (3)(B), by striking "include—" and clauses (i) and (ii) and inserting "include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7)."; and

(iii) by striking paragraphs (8) and (9); and

(B) in section 358b(a) (7 U.S.C. 1358b(a))—

(i) in paragraph (1), by striking "(including any applicable under marketings)" both places it appears;

(ii) in paragraph (1)(A), by striking "of undermarketings and";

(iii) in paragraph (2), by striking "(including any applicable under marketings)"; and

(iv) in paragraph (3), by striking "(including any applicable undermarketings)".

(5) DISASTER TRANSFERS.—Section 358–1(b) of the Act (7 U.S.C. 1358–1(b)), as amended by paragraph (4)(A)(iii), is further amended by adding at the end the following:

"(8) DISASTER TRANSFERS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts produced on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation provide.

"(B) LIMITATION.—The poundage of peanuts transferred under subparagraph (A) shall not exceed the difference between—

"(i) the total quantity of peanuts meeting quality requirements for domestic edible use, as determined by the Secretary, marketed from the farm; and

"(ii) the total farm poundage quota, excluding quota pounds transferred to the farm in the fall.

"(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at not more than 70 percent of the quota support rate for the marketing years in which the transfers occur. The transfers for a farm shall not exceed 25 percent of the total farm quota pounds, excluding pounds transferred in the fall.".

McCONNELL AMENDMENT NO. 3313

(Ordered to lie on the table.)

Mr. McCONNELL submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following: "Notwithstanding any other provision of law, tobacco marketing assessments required to be collected for budget deficit reduction purposes shall be used first to offset any administrative expenses that are incurred in carrying out the tobacco price support and production adjustment program to the extent that such costs are not otherwise subject to reimbursement under other assessments specific to tobacco."

GRAHAM AMENDMENT NO. 3314

(Ordered to lie on the table.)

Mr. GRAHAM submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

At the appropriate place insert the following:

SECTION 1. SUBJECTION OF IMPORTED TOMATOES TO PACKING REQUIREMENTS.

Section 8e(a) of the Agricultural Adjustment Act (7 U.S.C. 608e–1(a)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in the first sentence—

(A) by striking "or maturity" and inserting ", maturity, or (with respect to tomatoes) packing"; and

(B) by striking "and maturity" and inserting "maturity, and (with respect to tomatoes) packing"; and

(2) in the second sentence by striking "and maturity" and inserting "maturity, and (with respect to tomatoes) packing".

CONGRESSIONAL GOLD MEDAL LEGISLATION

FAIRCLOTH AMENDMENT NO. 3315

Mr. DOLE (for Mr. FAIRCLOTH) proposed an amendment to the bill (H.R. 2657) to award a congressional gold medal to Ruth and Billy Graham; as follows:

On page 4, following the period on line 7, strike all that follows:

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet at 10:30 a.m. on Thursday, February 1, 1996, to consider the nomination of Gen. Henry H. Shelton, USA for appointment to the grade of general and to be commander in chief, U.S.

Special Operations Command and Lt. Gen. Eugene E. Habiger, USAF for appointment to the grade of general and to be commander in chief, U.S. Strategic Command.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Thursday, February 1, 1996, beginning at 9 a.m. until business is completed, to hold a hearing on campaign finance reform.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, February 1, 1996, at 2 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

LIMITING STATE TAXATION OF CERTAIN PENSION INCOME—H.R. 394

• Mr. D'AMATO. Mr. President, I am pleased to support this bill and would like to clarify that the language contained in the proposed legislation adds to the types of retirement income eligible for exemption. This language clearly intends to exempt from tax nonqualified deferred compensation that constitutes legitimate retirement income. Because it affects retirement income, only income form qualified retirement plans and nonqualified retirement plans that are paid out over at least 10 years, or from a mirror-type nonqualified plan after termination of employment, is exempt from State taxation.

The language does not prohibit states from imposing an income tax on nonresidents' regular wages or compensation. Cash bonuses or other compensation arrangements that defer the receipt of salary, bonuses, and other types of wage-related compensation that are not paid out over at least 10 years or from a mirror-type nonqualified retirement plan are not exempt from State taxation. One example would be if a salary is earned in a State by an individual, whether a resident or nonresident, but is voluntarily deferred for a few years until the individual exits the State, and then is paid over in a lump-sum, even while the individual is still employed by the company, that kind of payment should not qualify for exemption from nonresident taxation of pensions. It is the intent of this bill to permit the States to continue to tax this income, while protecting from taxation those deferred payments that are for retirement income, paid from plans designed for that purpose.•

CAMPAIGN FINANCE REFORM

• Mrs. MURRAY. Mr. President, I rise today to speak once again on the need to address an issue that continues to haunt the inner core of our political system: campaign financing laws.

Mr. President, we debate many issues in the U.S. Senate. We debate everything from national security to local roads and bridges. We spent a lot of time the past 12 months debating the need to balance the Federal budget and maintain access to health care services.

During these times, it always strikes me as I sit in the Senate Chamber that we do not debate these issues by ourselves. In fact, far more than just 100 Senators participate in these debates. We are joined by the thoughts and opinions of people representing special interests—some good, some not so good, in my opinion—who far too often today make large financial contributions in hopes of tilting the scales of Senate deliberations in their favor.

Mr. President, this is big a problem, and I'll tell you why. I urge my colleagues to look around their States and listen to the people. Voters in this country are angry, frustrated, and in general less than confident about the future. A series of articles has run in the Washington Post the past few days documenting this angst. But we don't need to read about it in the Post; we can see it and hear it in every town meeting, editorial board, and public event we attend.

I believe a lack of faith in Government lays at the root of peoples' concerns about the future. If people don't trust the politicians, how can they have faith in congressional decisions? When the agencies are forced to shut down, with absolutely no meaningful result, how can people have any other reaction than greater disaffection?

I firmly believe the Senate is filled with honorable, dedicated public servants. This Senate has been as passionate and principled as any in memory. But we could have 100 Jimmy Stewarts here in 1996, and the public would still question their character. Until we do something dramatic to address public confidence, we can expect the gap between the people and their government to widen.

There is nothing I can think of that would be worse for this country; for alienation breeds apathy, and apathy erodes accountability. America is the greatest democracy the world has ever known, and it was built on the principle of accountability: government of the people, by the people, for the people. We simply must restore peoples' faith in their government.

At the core of the problem is money in politics. Right now the system is designed to favor the rich, at the expense of the middle class. It benefits the incumbents, at the expense of challengers. And most of all, it fuels Washington, DC, Inc., at the expense of the average person on Main Street, U.S.A.

The average person feels like they can no longer make a difference in this system. Just the other day my campaign received a $15 donation from a woman in Washington State. She included a note to me that said, "Senator MURRAY, please make sure my $15 has as much impact as people who give thousands." She knows what she is up against, but she is still willing to make the effort. Unfortunately people like her are fewer and farther between, and less able than ever to make that difference.

We see her problem when people like Malcolm Forbes, Jr., are able to use inherited personal wealth to buy their way into the national spotlight. Ninety-nine percent of the people in America could never even imagine making that kind of splash in politics. Are we to rely solely on the benevolence of the wealthy to ensure strong democracy in this country? I don't think that is what the Founding Fathers had in mind.

All of this occurs against the backdrop of a campaign finance system that hasn't been reformed since Watergate, over 20 years ago. I would even say public faith in Government today has sunk below what it was in 1974. I should know; this lack of faith is what inspired me to seek this office in 1992. If I've learned anything in my brief career, it's this: If you give any good set of political lawyers 20 years, they will find a way to exploit even the best system to maximum personal advantage. We have to reform the campaign financing laws, and we have to do it soon.

Given the voters' unambiguous message in the 1992 election, we tried to enact significant reform in the 103d Congress. The Senate overwhelmingly passed a bipartisan bill in 1993, and the House followed suit later. As a newly elected Senator at the time, I was proud to support that bill. Unfortunately, this effort fell prey to partisan rancor in 1994, and ultimately died in a Republican filibuster in the Senate.

So here we are again, considering various reform proposals in the 104th Congress. There are two bills currently pending in the Senate that reflect my concerns about campaign reform: S. 1219, introduced by Senators MCCAIN and FEINGOLD, and S. 1389, introduced by Senator FEINSTEIN.

The McCain-Feingold bill is very broad, and treats nearly every aspect of the system. It restricts Political Action Committee contributions; it imposes voluntary spending limits; it provides discounted access to broadcast media for advertising; it provides reduced rates for postage; it prohibits taxpayer-financed mass mailings on behalf of incumbents during an election year; it discourages negative advertising; it requires full disclosure of independent expenditures; and it reforms the process of soft money contributions made through political parties.

Mr. President, these are very strong, positive steps. If enacted as a package, they would make our system of electing Federal officials more open, competitive, and fair. I feel strongly that we must take such steps to reinvigorate peoples' interest in the electoral process, and in turn to restore their confidence in the system.

There are some provisions in S. 1219 that could be problematic, however. For example, the bill would require a candidate to raise 60 percent of his or her funds within the State. This might work fine for someone from New York or California. However, it could put small State candidates at a real disadvantage, particularly if their opponent is independently wealthy. The fact remains that modern Federal elections are very expensive. Therefore, I think we should review this provision of S. 1219 very carefully before making a final decision.

Mr. President, the Feinstein bill, S. 1389 is slightly different. It proposes some similar reforms, such as voluntary spending limits, free broadcast access under specified conditions, discounted media in general, and reduced postage rates. The bill also discourages the use of personal wealth for election campaigns, and takes a hard line against negative advertising. Like the McCain-Feingold bill, these are positive steps which, as a package, could significantly improve the quality of our elections.

S. 1239 differs from S. 1219 in one respect: It does not restrict Political Action Committees. In taking this approach, the bill suggests that PAC's have a legitimate role in the process, and I am inclined to agree for two reasons. First, PAC's are fully disclosed, and subject to strict contribution limits. That means we have a very detailed paper trail from donor to candidate for everyone to see. Second, they give a voice to individual citizens like women and workers and teacher who, if not organized as a group, might not be able to make a difference in the process.

A serious question about PAC's remains, however: Do they unfairly benefit incumbents at the expense of challengers? This is a legitimate question, and one I think we should address in any final reform legislation.

Mr. President, these are not the only two bills on campaign reform pending in the Senate, but they are the two that most closely reflect my thinking. We need to reduce, or at a minimum control, the amount of campaign spending. We need to make campaigns more civil. Most of all, we need to make campaigns more fair, more competitive, and more inclusive of all citizens. I think these two bills would move us substantially in that direction.

Therefore, I am happy to announce today that I have become a cosponsor of both S. 1219 and S. 1389. S. 1219 in particular is the product of the strongest bipartisan reform effort in many years, and I commend senators McCAIN and FEINGOLD for moving the issue forward. I also commend Senator FEINSTEIN for bringing her personal experience and ideas to this issue. After two California campaigns in 2 years, she knows the flaws in the current system as well as anyone.

Mr. President, I hope real reform is enacted in 1996. The President of the United States made it very clear in his State of the Union Address the other night: This is a high personal priority for him, and he will sign a bill if we send him one. It may not be exactly these two bills, and I know there are several others on this issue currently pending. For example, the Democratic leader, Senator DASCHLE, has a bill that is very similar to the one filibustered in 1994. It will be our responsibility as legislators to find the best elements among these bills and refine them into a workable reform package.

The people in this country want to feel ownership over their elections; they want to feel like they, as individuals, have a role to play that can make a positive difference. Right now, for better or worse, not many people feel that way, and the trend is in the wrong direction. Campaign reform isn't the silver bullet; but it is very important. I believe real campaign reform efforts by Congress would be one of the strongest, easiest steps we could take to begin restoring peoples' faith in the process.•

FEDERAL ENERGY REGULATORY COMMISSION

• Mr. MURKOWSKI. Mr. President, as part of its strategic realignment and downsizing proposal, the Department of Energy has transmitted proposed legislation to transfer the Federal Energy Regulatory Commission outside of the Department of Energy. Presently, although FERC is part of DOE, it functions as a hybrid agency, neither truly independent, nor quite a part of the executive branch.

In 1977, President Carter, in response to continuing repercussions from the 1973–74 Arab oil embargo and wintertime shortages of natural gas, proposed a reorganization of the disjointed Federal energy establishment. The purpose of the reorganization was the creation of a single agency that would possess the responsibility for coordinating all national energy matters and policy. To this end, the Carter administration proposed legislation that was to assign all of the Government's energy regulatory and policy functions to one cabinet-level Department of Energy.

Although the Carter administration's goal of creating a unitary energy agency was, to a certain extent, shared by Congress, Congress also wished to preclude executive branch control of various regulatory functions formerly performed by the Federal Power Commission, including the establishment of rates for the transportation and sale of wholesale natural gas and electricity. These two conflicting objectives resulted in the anomaly of an independent agency being established within an executive department.

Thus, although FERC is part of the Department of Energy, the power of the Secretary of Energy to influence the policies of the FERC is circumscribed. Specifically, the Department of Energy Organization Act gives the Secretary the authority to propose rules, regulations, and statements of policy of general applicability with respect to any function under the jurisdiction of the Commission. The Secretary may set reasonable time limits for action by the Commission, but the Commission has exclusive jurisdiction over, and takes final action, if any, upon, such proposals. Although limited, this authority has proven to be valuable to past administrations as they attempt to implement a coherent energy policy.

Thus, although DOE claims that its proposed legislation would make the FERC a fully independent agency, the proposed legislation retains the special authority given to the President by existing law. As a result, the proposed legislation has no practical effect. By taking the FERC off of DOE's books, the bill would make the DOE budget appear to be smaller, but would not change the substantive relationship between DOE and FERC or save the Government money.

Because I believe the proposed legislation achieves no substantive purpose, I will not introduce this legislation. However, I acknowledge receipt of the proposed legislation and ask that its text be printed in the RECORD as part of this statement.

The text follows:

PROPOSED BILL

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Energy Regulatory Commission Act of 1995".

SEC. 2. TRANSFER OF THE FEDERAL ENERGY REGULATORY COMMISSION.

The Federal Energy Regulatory Commission established by section 204 and title IV of the Department of Energy Organization Act (42 U.S.C. 7134, 7171–7177) is transferred outside the Department of Energy. The Commission shall continue to be an independent regulatory commission with the same organization, functions, and jurisdiction as it had prior to the effective date of this Act, except as is otherwise provided in this Act.

SEC. 3. AUTHORITY OF COMMISSION.

(a) Except as is provided in subsection (b), there are transferred to and vested in the Federal Energy Regulatory Commission all functions and authority of the Secretary of Energy and the Department of Energy under the—

(1) Federal Power Act (16 U.S.C. 791a–825r),

(2) Interstate Commerce Act (title 49, United States Code, App.) related to transportation of oil by pipeline,

(3) title IV of the Natural Gas Policy Act of 1978 (15 U.S.C. 3391–3394), and

(4) Natural Gas Act (15 U.S.C. 717–717w).

(b) The Secretary of Energy shall retain the authority—

(1) under section 402(f) of the Department of Energy Organization Act (42 U.S.C. 7172(f));

(2) to initiate rulemaking proceedings before the Federal Energy Regulatory Commission under section 403 of the Department of Energy Organization Act (42 U.S.C. 7173); and

(3) to intervene as a matter of right in Federal Energy Regulatory Commission proceedings under section 405 of the Department of Energy Organization Act (42 U.S.C. 7175).

(c) After the effective date of this Act, the Federal Energy Regulatory Commission shall not exercise authority or jurisdiction under—

(1) section 503(c) of the Department of Energy Organization Act (42 U.S.C. 7193(c)), except for a remedial order or a proposed remedial order pending before the Department or the Commission on the effective date of this Act;

(2) subsection 402 (d) and (e) of the Department of Energy Organization Act (42 U.S.C. 7172 (d) and (e)), except for a matter pending before the Commission on the effective date of this Act, or which by that date has been assigned to the Commission with its consent under section 402(e);

(3) section 504(b) of the Department of Energy Organization Act (42 U.S.C. 7194(b)), except for a review pending before the Commission on the effective date of this Act; or

(4) section 404 of the Department of Energy Organization Act (42 U.S.C. 7174).

(d) Section 3(c) of the Natural Gas Act (15 U.S.C. 717b(c)) is amended by—

(1) striking "For purposes of subsection (a)," and inserting "Subsection (a) shall not apply to" and

(2) striking all that follows "trade in natural gas," and inserting "except to the extent provided by the President by Executive Order.".

(e) Notwithstanding section 401(j) of the Department of Energy Organization Act (42 U.S.C. 7171(j)), the Federal Energy Regulatory Commission shall submit budget requests and legislative recommendations directly to the Office of Management and Budget.

(f) The Inspector General for the Department of Energy shall serve as the Inspector General for the Federal Energy Regulatory Commission. The Federal Energy Regulatory Commission shall reimburse the Department of Energy Inspector General for the cost of annual audits of Commission financial statements that the Department Inspector General performs or contracts with another person to perform in the course of fulfilling the duties as Inspector General of the Commission.

SEC. 4. EFFECTIVE DATE.

This Act takes effect on October 1, 1996.•

PARAMOUNT CHIEF LETULI TOLOA, PRESIDENT OF THE SENATE OF AMERICAN SAMOA

• Mr. INOUYE. Mr. President, it is my sad duty to advise my distinguished colleagues of the passing of a great friend of our Nation and a great leader of the people of American Samoa. On January 30, 1996, Paramount Chief Punefu-ole-motu Letuli Toloa peacefully passed away at his home after over four decades of public service.

Since 1989 until his untimely death, Chief Letuli Toloa served as president of the senate of American Samoa. He was a retired U.S. Coast Guardsman, after more than 20 years of service. He served as governor of his district from 1974 to 1977 and was appointed commissioner of public safety for American Samoa in 1978. In 1981, Chief Letuli Toloa became a senator from his district and 8 years later was elected by his peers to be senate president.

As a cultural and government leader, Chief Letuli Toloa did his utmost to protect the culture of American Samoa from the negative aspects of western influence and culture. This difficult task was carried out with great diplomacy. The fa'aSamoa continues to survive because of great leaders like Chief Letuli Toloa.

In addition to his distinguished government service, Chief Letuli served for many years as deacon elder for his church. He will be remembered as a kind and gentle man who was noted for his great skill as a peacemaker in his extended family, in government, in his village and in his district. Though endowed with great power, he was always humble, and never succumbed to arrogance or vanity.

I have had the pleasure of working with the son of Chief Letuli, who mirrors the many virtues and strengths of his great father.

Paramount Chief Letuli Toloa is survived by his wife, Saolotoga Savali Letuli, 6 children, and 10 grandchildren. American Samoa has lost a great leader, and America has lost a good friend.•

RURAL MANAGED CARE COOPERATIVES

• Mr. HATFIELD. Mr. President, real health care reform has eluded us the past several years and there are sectors of our population that are suffering. Today I speak of a particular segment of our society that, at least in discussions of health care, is too often overlooked—rural America. Rural communities face the unique challenge of obtaining health care in isolated areas. Economic depression, geographic isolation, an inability to retain qualified providers, and a lack of primary care facilities are a few of the barriers to quality health care in our rural and agricultural sectors. To meet this challenge, I have filed an amendment to support the development of rural managed care cooperatives—a small investment in the health of our farmers, their families and all those who make up the communities we call rural America.

There is no dispute that the economic base and the economic vitality of a given community is directly correlated to the health of the individuals who serve it. As we discuss the farm bill, under whatever guise it may be considered, we must not forget this important fact. The health of our farm industry is of the utmost importance, but it must not be separated from the health of the men and women who support it.

Cooperatives, in one form or another, have been second nature to farming communities for over a century. Whether farmers join together to form a purchasing cooperative, one of the most common types, or a marketing cooperative, the style of business has proven itself fair, efficient, and effective. Furthermore, its laws of operation translate remarkably well to sectors such as housing, service, and even rural health care.

Make no mistake. This idea of a rural health care cooperative is not new. In 1929, Elk City, OK, became home to the first health maintenance organization run by the farmers cooperative. Since then, several attempts to create rural health cooperatives have failed as a result of being unable to meet the necessary startup costs. My amendment provides this startup support.

It would allow the Secretary of Health and Human Services, acting through the Health Resources and Services Administration and the Secretary of Agriculture, acting through the Rural Business and Cooperative Development Service, to award competitive grants to those communities which wish to form a rural managed care cooperative. The purpose of the cooperative is to establish a structure and approach that will keep rural hospitals and health care systems financially sound and competitive with urban health care systems.

Especially in recent years, rural areas have found it increasingly difficult to attract the physicians and other health care providers necessary to meet even minimum community health standards. This shortage of providers results from the inability of rural communities to compete with comparatively rich urban markets. The resources of these larger markets are alluring incentives for health care providers to avoid or stray away from their rural practices. By establishing a systematic case management and reimbursement system designed to support the communities' needs, a cooperative will provide an effective framework for negotiating contracts with payers and a framework for assuring a defined level of quality.

Through the combination of medical resources, streamlined managerial and reimbursement responsibilities, and shared liability, rural managed care cooperatives have proven themselves able to attract health care providers, thus improving access to and quality of rural care and enhancing the economic vitality of rural health care systems and, commensurately, the economic vitality of surrounding rural industries.

Of concern to participants in such cooperatives is the threat of antitrust lawsuits. Such a threat serves to undermine the goal of rural managed care cooperatives. While the Capper-Volstead Act of 1922 recognized farmers' rights to form cooperatives without violating antitrust laws, these rights have not transferred to rural health care providers. Therefore, language in my amendment would protect those providers who participate in cooperatives from antitrust laws. This antitrust law exemption is necessary to facilitate the development of rural networks and developments.

More than once, I have expressed my concern for the crisis in rural health care. Between 1989 and 1993, 141 rural community hospitals have closed. In my State alone, five rural hospitals have closed since 1986 and several others face the threat of closure. Rural health care cooperatives are not the panacea to this crisis, but it is a dose potent enough to make a difference. As we consider the health of our Nations' farm industry, I would urge us to remember the health of the rural communities which house it.•

HONORING MILWAUKEE'S SESQUICENTENNIAL

• Mr. FEINGOLD. Mr. President, I rise to pay tribute to a great American city, Milwaukee, WI, on its birthday.

Yesterday, Milwaukee celebrated the 150th anniversary of its incorporation.

The residents of that small trading center of 1846 would be astonished if they walked the streets of the lively, diverse city of more than 625,000 people today.

Milwaukee was born as a city during a very important year in Wisconsin history. Congress passed enabling legislation admitting Wisconsin to the Union in 1846, and delegates gathered that year in Madison for the State's constitutional convention.

Milwaukee sits astride the Milwaukee, Menomonee, and Kinnickinnic Rivers on Lake Michigan at the site of three former settlements—Juneautown, Kilbourntown and Walker's Point—that themselves grew up in the area that had been camping grounds of the indigenous Native American population, including members of the Potawatomi, Ottawa, Chippewa, and Menomonee nations. French explorers, including, notably, Father Jacques Marquette, began visiting the area in the late 1600's, and by the mid-1700's, a trading post had been established.

Mr. President, vigorous commerce has been central to Milwaukee's existence from its beginning. What was to become Milwaukee began as three competing commercial ventures by Byron Kilbourn, a surveyor; George Walker, a trader and land speculator; and a fur trader, Solomon Juneau, who brought along a partner, Morgan Martin. By the late 1830's, each venture had spawned individually incorporated settlements whose inhabitants competed fiercely, even coming to blows during local hostilities that flared up into the Great Bridge War of 1845.

Realizing that conflict was not the handmaiden to progress, all three settlements eventually agreed to form one city, Milwaukee.

Mr. President, Milwaukee, once incorporated, grew quickly; its population soaring from about 20,000 in 1850 to more than 285,000 by the turn of the century and to more than 575,000 by 1930.

Immigrants came in several waves, each group establishing its unique imprimatur on the city. In the early 1800's, they were mostly New Englanders and New Yorkers whose roots reached back to England. The first African-American settler, a man named Joe Oliver, arrived in 1835 and worked for Solomon Juneau. By the middle of the 1840's, German immigrants were arriving at the rate of more than 1,000 per week. Irish immigrants arrived, too, settling largely in the city's third ward, on the southeast side of the downtown. The Polish community grew quickly in the late 19th century, giving the South Side its character. The city was eventually populated with settlers from Italy, Hungary, the Balkans, Mexico, nearly every point on the compass. In terms of the diversity of ethnic backgrounds of its residents, Milwaukee is as cosmopolitan a city as one can find.

By the arrival of the Civil War, Milwaukee had become a busy center for the quintessential Midwestern hog and wheat industries. In 1868, an iron and steel mill was built south of the Milwaukee River, kicking off a vigorous industrialization. By 1890, the leading industry was the one for which Milwaukee is probably best-known throughout the world—brewing.

Nowadays, the city is the home to companies like Harley-Davidson, Miller Brewing, Master Lock and Northwestern Mutual Life Insurance. Area firms annually create goods with an aggregate value of approximately $19 billion.

Mr. President, Milwaukee also has had a lively political history, not just limited to Democrats and Republicans. Israeli Prime Minister Golda Meier grew up and was educated in Milwaukee before leaving to later make her mark in history. From 1910 through 1960, several socialists were elected mayor, running the city for 38 of those 50 years. One of them, Frank Zeidler, was the city's chief executive from 1948 until 1960. Elected to office on a public enterprise program, he doubled the city's size from about 48 square miles to about 96 square miles with an energetic annexation program.

Stability has been one hallmark of Milwaukee government, earning the city a reputation for efficiency, honesty and fiscal responsibility, traits that would serve any government well. Three men—Daniel Webster Hoan, Frank Zeidler, and Henry Maier—served as mayor for a total of 64 years.

Milwaukee is the home of some wonderful architecture, from some of the impressive homes along Lake Drive to city hall. The city boasts an array of cultural opportunities, including its symphony, a zoological park, the Pabst Theatre and big-league basketball and baseball franchises, as well as other sports teams.

Like all modern cities, Milwaukee faces challenges in a rapidly-changing, ever-more-complex world, but, given what I know of the character of the people who live there, I am confident Milwaukee will rise to those challenges.

So, Mr. President, let me say, happy anniversary, Milwaukee, and my best wishes for many more.•

GRACE SOOTHES MOTHER NATURE

• Mr. MOYNIHAN. Mr. President, last month the people of the Catskills region suffered some of the worst floods of their history. The waters swept away homes and property, roadways and bridges, schools, and businesses. There was injury and death. But the people endured with grace and courage and, as a recent editorial by Paul Smart in the Mountain Eagle attests, they have harnessed that same spirit to begin rebuilding their dreams.

Mr. President, I ask that this editorial be printed in the RECORD following my remarks.

The editorial follows:

[From the Mountain Eagle, Tannersville, NY]

THE FORCE OF NATURE

The past week has been a wearying one for us here in the Catskills. Friday saw us all battling against floodwaters. Saturday morning was a time of assessment and reassessment. By Sunday, clean-up had begun.

Driving around our coverage region, which enfolds most of the damaged areas, the largeness of real disaster crept up on us. Snapping photos and gathering stories, we went from an unconscious comparison of one township's horrors to others to an almost overbearing sense of tragedy.

The damage is everywhere. The most visible cataclysms of Margaretville, Walton and the Schoharie Valley are the tip to a sad iceberg. Roads and bridges were damaged in nearly every township. Basements and yards and driveways, not to mention whole first floors and entire homes, have been trashed by the oft-forgotten force of nature. The damage totals, still being added up as we go to press, are staggering.

In the midst of all this, though, were incredible moments that defined man's hope, that characterized people's resilience better than any example we've encountered. Everyone chipped in to help each other. Battered business people and homeowners laughed at their fate, then vowed recovery. Outside help started pouring in. Bitterness was given no toehold amongst the destruction.

Of course, much of this can be chalked up to the closeness between invigoration and enervation. There are times when one has no alternative but to look up. The call of the moment has been deafening; we've had no choice but to focus on the now, on the jobs at hand. It will only be later that the real pain of what we've been through will hit. We must prepare for then.

We must remember that the recent floods have proven our region's cohesion, at least in nature's eyes. And we must remember that it has only been through our shared efforts that we've come through all this. The outside world has not forsaken us, just as we have not forsaken each other.

Nature is a cruel mistress. We sometimes scoff at the ideas of 100-year flood plains that rule our planning documents, sometimes think that we've reached an age where our human efforts can thwart all. But then matters fall out of our hands. We are forced to realize where we live, what we must deal with for our choices. And when we rebuild our dreams, we must do so cogniscent of the tragedies that have preceded our actions.

Good times still lie ahead of us, just as they occupy our memories. As humans, we know how to persevere, how to rebuild and fortify. The future is always ours.

Please let us know what we can do to help. We care for this region. We know its days of glory have yet to come.

And we bless all our angels for helping us through this past week: our local officials, our emergency volunteers, our neighbors and saviors. We even thank dear Mother Nature for having dropped our temperatures below freezing last Friday night so the waters would abate and we could get on with the hard business of life.•

TRIBUTE TO MARY M. STEFON

• Mr. DODD. Mr. President, it was once said: "Leadership is not bestowed. It is only yours for as long as it is continually earned." Today, I rise to pay tribute to Mary M. Stefon, a leader and public servant who truly personifies this adage.

Mary recently retired from her post as town clerk of the Town of Sprague, CT—the town she served in various elective capacities for 34 years. Those of us in political life know it is rare to be continually returned to office by one's fellow citizens for so many years, and for Mary Stefon to be so honored by her constituents is a testament to the great respect and faith she has earned from them.

Mary's service to her hometown grew out of her firmly planted roots there. She has lived in Sprague since 1927, graduating from school and raising her family there. She took an active role in many community affairs, serving in official positions on the Board of Education of St. Joseph School, the Sprague Housing Authority, and the Sprague Grist Mill Committee. She was active in Democratic politics, serving as chairman, vice-chairman, secretary and treasurer of the Democratic Town Committee. And in elective office, Mary served not only as town clerk until last year, but also as town treasurer until 1977 and agent of town deposit fund until 1982. As if serving in all three elected posts is not impressive enough, consider that for 16 years, she occupied them simultaneously.

But Mary Stefon's schedule was apparently not busy enough, and she participated in many volunteer activities in addition to her other duties. After serving in the U.S. Navy Waves during World War II, her later volunteer activities included speaking to elementary school children as part of the Northeast Utilities Career Motivation Program, working as a volunteer bookkeeper for a Youth Employment Program, and volunteering at St. Mary's Church in Baltic.

Fine people like Mary M. Stefon—wife, mother, grandmother, volunteer, mentor, leader, and public official—are indeed the people who create the sense of community in Connecticut's and America's towns. And it is people like her, who always find time to give of themselves to others, who are role models for us all.

Mr. President, this year, sadly, many of the best public servants this country has ever known have made the decision to retire from public life. Mary M. Stefon is without question among them. I wish her well, and join the citizens of Connecticut and the Town of Sprague in thanking her for her dedicated and outstanding public service.•

AUTHOR WILLIAM MAXWELL HONORED WITH PEN-MALAMUD AWARD

• Mr. MOYNIHAN. Mr. President, just over a half century ago, as a young sailor, Harry Hall, also in the Navy at that time, sent me a copy of "The Folded Leaf," a novel by William Maxwell. It may have been the first novel I ever read seriously, or at least the first that seemed seriously addressed to my own experience as a young man. Whatever, it has remained with me ever since, not least the lines from Tennyson,

> Lo! In the middle of the wood,
> The folded leaf is woo'd from out the bud

I am happy to report that William Maxwell has just received the PEN-Malamud Award. It was given to him at the Folger Shakespeare Library, a mere two blocks from the Capitol, and I know the Senate would wish to join in congratulations.

William Maxwell spent nearly 40 years as a staff writer and fiction editor at the New Yorker. "Talk of the Town" celebrated his award. Mr. President, I ask that this article be printed in the RECORD following my remarks.

The article follows:

[From the New Yorker, Dec. 25, 1995 and Jan. 1, 1996]

MAXWELL'S SMARTS

"The lights are so bright I can't see your faces," William Maxwell said, stepping up to the podium at the Folger Shakespeare Library, in Washington, D.C. "Being here makes me think of ghosts," he went on. "I had a dear friend who spent many days and weeks here, researching to write a book on Shakespeare. And I had another who worked in the library for a time. I hope they are both present tonight." He was standing on the stage of the Folger theatre, an antique-feeling space with high galleries, square columns, and a wood-and-plaster Elizabethan stage house, all of which give it a ponderous elegance. The occasion was the eighth annual PEN/Malamud Award reading, and Maxwell was being honored, along with Stuart Dybek, for excellence in the practice of the short story. A large, warmly appreciative audience was present, including Maxwell's wife, Emily; members of Bernard Malamud's family, and the writers Charles Baxter, Nicholas Delbanco, Alan Cheuse, Maxine Clair, Michael Collier, Patricia Browning Griffith, Howard Norman, Susan Richards Shreve, William Warner, and Mary Helen Washington.

A few minutes earlier, Dybek had spoken of how privileged he felt to be on the same stage with William Maxwell. He then honored the elder writer in the best way one writer can honor another: by being terribly good. He read a densely lyrical and dramatic story called "We Didn't." It charmed the house and made everyone glad of the short story, this superior form of entertainment.

And now Maxwell was standing on the podium. Well into his eighties, with the slightest hesitation in his movements, he still seemed wonderfully calm, a man spending a little time with friends. He wore a dark suit and looked very trim; his dark eyes were animated with the same humor and interest one finds in his stories. As a staff writer and fiction editor at The New Yorker for nearly forty years, Maxwell worked with such writers as John Cheever, Eudora Welty, and Mavis Gallant. Meanwhile, he wrote stories and novels that are as good as or better than those of just about anyone else: "Over by the River," for instance, and the short novel "So Long, See You Tomorrow," which is set in his native Illinois and, like so much of his work, evokes the simple grandeur of life in a small Midwestern community in the recent past.

Now, opening the bound galleys of his recently published collected stories, "All the Days and Nights," Maxwell looked into the brightness again and said, "I'm going to read a story called 'The French Scarecrow.'" There was a murmur of recognition from the crowd. Very gracefully and somehow confidingly, he began to read. He read softly, pausing—without seeming to monitor the sound—for the laughs. His precise, elegant, and quietly humorous study of unease was a perfect complement of the electricity of the Dybek story.

When Maxwell finished and the applause died down, Janna Malamud Smith was introduced. In the name of her father, she presented the award to both writers, and then everyone adjourned to the Great Hall for wine and finger food. The wine tasted as though it had been aged in a stone jar, but nobody seemed to mind. Maxwell and Dybek signed their books and answered questions amid a general feeling of well-being and affection. If the ghosts of Maxwell's friends were somewhere in the sculptured brown lines of the Folger theatre and Great Hall, then they must certainly have been travelling in the company of Bernard Malamud, for the spirit of that marvelous writer of stories was invoked by every facet of the evening.•

FRENCH NUCLEAR TESTING

• Mr. FEINGOLD. Mr. President, I rise today to join my colleagues in welcoming to the United States, the President of France, Jacques Chirac, who will address a joint session of the Congress this morning. I look forward to his remarks and observations, not only on historically close French-American bilateral relations, but on developments on the international scene. The political, economic, and cultural ties which link the French and American people go beyond mere trade of goods and ideas, however important those may be. Our relations with the French are almost as with brothers and sisters; more often than not, France and the United States have stood as allies in the struggle for freedom. The debt we owed France for its assistance during our Revolution, for example, was repaid on the beaches of Normandy.

Though we may be friends, Mr. President, it is a strength and beauty of the relationship that permits us to air our differences over some fundamental questions. One of those issues has been the French program of testing nuclear devices in the South Pacific, a regrettable series of tests which, literally and figuratively, have served only to poison the environment and endangered U.S.-led efforts to conclude a Comprehensive Test Ban Treaty this year.

Since September 5, 1995, Mr. President, the Government of France has exploded six nuclear devices at underground testing sites in the South Pacific. The most recent explosion was made only 4 days ago and came despite French acknowledgement that there had been some leakage of radioactive material into the seabed around the Mururoa Atoll. The French Government ignored, as well, the vociferous protests of various governments of Pacific Rim nations, whose people would be affected by the potentially dangerous effects of leaked radiation.

France justified this somewhat colonial action by claiming that its sovereign interest in assuring its security overrode the health and safety of those affected by these tests. These should never have happened.

But I do believe, Mr. President, that we can take some satisfaction in President Chirac's January 28 announcement that the testing is now finally and forevermore at end. I salute, too, his claim that France will now seek a lead role in working for a comprehensive test ban. I also applaud President Clinton's leadership in seeking a true "zero yield" CTBT. On October 10, 1995, I wrote to the President expressing my concerns about U.S. involvement in the French nuclear weapons program. President Clinton responded with a statement of regret about France's decision on testing, and a pledge to continue to press for a CTBT. I ask that these letters be printed in the RECORD.

The letters follow:

U.S. SENATE,
Washington, DC, October 10, 1995.

President BILL CLINTON,
The White House, Washington, DC.

DEAR MR. PRESIDENT: We want to draw your attention to recent reports concerning close cooperation between the U.S. and France in developing the French nuclear weapons program.

An article in the Washington Post September 19 suggests that a decades-long period of U.S. support for technical assistance to the French program not only continues, but may soon reach new, unprecedented levels of cooperation. Particularly disturbing are the reports that the U.S. and France are currently negotiating a pact by which the two sides will begin to share sensitive computer codes that describe how nuclear weapons behave when exploded. Further, it is reported that a senior-level American scientist will also help the French government in building and designating a new facility for weapons-related research.

These reports are deeply troubling. They serve to undermine the strong political leadership you consistently exhibited in successfully urging the nations of the world to extend the Nuclear Non-Proliferation treaty (NPT) and in your continuing efforts to secure a comprehensive test ban treaty. It also seems to contradict the Administration's very public criticisms of recent French nuclear testing in the Pacific.

Moreover, we can speculate that once the French government has access to computer code data generated by the U.S., and designs weapons with technical assistance provided by the U.S., it will seek to test the weapons in the Pacific which, it could be said, will have been god-fathered by the U.S. More troubling still is the possibility that the U.S. itself will share in the data generated by French tests.

Cooperation with the French government on matters of mutual security is important. But in order to continue to lead with moral authority on the question of deterring nuclear non-proliferation and on ending unnecessary and harmful nuclear weapons testing, we urge you to carefully review these policies. We believe that taking measures which discourage—rather than facilitate—nuclear weapons testing should remain the lodestar which guides Administration policy.

We thank you for your efforts to date and look forward to hearing from you.

Sincerely,

RUSSELL D. FEINGOLD.
DANIEL K. AKAKA.
TOM HARKIN.
BYRON DORGAN.

THE WHITE HOUSE
Washington, November 7, 1995.

Hon. RUSSELL FEINGOLD,
U.S. Senate, Washington, DC.

DEAR RUSS: Thank you for your recent letter regarding nuclear cooperation with France.

The United States has had an ongoing cooperative program with France in the nuclear area. My Administration recently conducted a review of this program and I have concluded that such a program of cooperation with France remains in the U.S. national interest. I have also directed that this program focus on stockpile stewardship (i.e., maintenance of existing nuclear stockpiles without nuclear testing) and that it not include activities that would materially aid the development of new nuclear weapons.

Of course, such a program of cooperation can only take place in the overall context of positive United States-French relations. While I regret France's decision to resume nuclear testing, we must also take note of France's strong commitment to sign a Comprehensive Test Ban Treaty (CTBT) banning all nuclear tests, "regardless of level," no later than the fall of 1996. This position is consistent with my own decision to seek a true "zero yield" CTBT. We will continue to work with France and all other states participating in the CTBT negotiations to ensure that a Treaty is ready for signature as early as possible next year.

Sincerely,

BILL.

Mr. FEINGOLD. Mr. President, only last week the Senate ratified the START II Treaty, putting us firmly back on the road to ending the threat of nuclear annihilation. The next step is to bring to reality the Comprehensive Nuclear Test Ban Treaty, which would serve to put an end to the practice of testing weaponry which—we pray and can increasingly say with confidence—will never be put to use. This effort was seriously undermined by the French tests, and it has caused other nations to question the point and sincerity of the CTBT. While I harbor deep regrets about the effect of France's unwarranted tests, I want to say now to President Chirac, "welcome aboard." We look forward to close cooperation with France in reaching the goal of ridding the world of nuclear weapons, and will work to ensure that its series of tests will be the last ever conducted on the globe.•

ROBERT A. BUDUSKY

• Mr. LIEBERMAN. Mr. President, I rise today to pay my respects to Robert A. Budusky of Meriden, CT, who was the victim of a senseless murder on Tuesday. Mr. Budusky, a letter carrier for the U.S. Postal Service, was delivering mail along his route in Hartford when he was suddenly and fatally shot in the back of his head. His alleged murderer is a man on parole for an earlier weapons conviction.

I did not have the honor of knowing Robert Budusky, but from what I have learned, he was a dedicated public servant and a wonderful human being. "Everybody on his route loved him. They're all telling me so," said Martin Torres, according to an article in today's Hartford Courant. Torres, also a letter carrier, volunteered to take over Mr. Budusky's route "to make sure they get the service today that Bob gave them every day."

Robert Budusky is the first letter carrier to be killed on the job in New England in more than thirty years. But his death is a reminder that all letter carriers brave much more than the elements every day as they deliver our mail. Too often we take for granted their service, and fail to provide them the respect they all richly deserve.

Mr. Budusky reportedly had enough seniority to request mail routes in other communities, but he chose to remain on the job in Hartford, where he "loved the people on his route," said his supervisor, Dwight Davies, according to an Associated Press report. That report also quotes Mary Asberry, a resident along Robert Budusky's route, saying, "He was a friend, to me and to a lot of other people around here."

Flags are at half staff in front of post offices across Connecticut today, and thousands of black ribbons are being worn by postal employees in honor of their fallen colleague. At the young age of 35, Robert Budusky will be buried this Saturday. My prayers go out to his family and his many friends.•

REPEAL MANDATORY DISCHARGE FOR HIV-POSITIVE MILITARY PERSONNEL

• Mrs. BOXER. Mr. President, a very important article appeared in today's Washington Post that I commend to all my colleagues. Its title is "Army Sergeant with HIV Feels Deserted by Policy." This article tells the story of a woman—a sergeant in the Army—who faces discharge because of a horrible provision in the Department of Defense authorization bill that mandates the release of HIV positive personnel.

This provision is not supported by the military. It has been forced upon them by this Congress. In my view, it is nothing less than shameful.

The sergeant, who used the pseudonym "Marie" for this article, is a good soldier. She exhibits no signs of illness. Were it not for this provision in the DOD authorization bill, Marie would likely get a promotion this year.

Marie may not get that promotion. Instead she may get shown the door. I want to share with my colleagues what Marie thinks about this provision, mandating the discharge of HIV positive personnel like herself. She says, "no one is looking at the work I've done. No one is looking at the commitment I made—I defend the Constitution. It feels like the United States has turned its back on me."

Mr. President, I have been in Congress for nearly 15 years. During that time, I have seen a lot. But I never thought that I would see the day that the United States would turn its back on a soldier. The United States military has a proud tradition of standing by those courageous enough to dedicate their lives to the defense of our Nation. And if this provision becomes law, that proud tradition will end. That would be a sad day for this country.

Supporters of this provision argue that it is needed because non-worldwide deployable personnel degrade the readiness of our forces.

But I hope all Members realize that the substance of this new policy contradicts the rhetoric of its backers. They say that nonworldwide deployable personnel degrade readiness, but they only target a small fraction of that group.

Military personnel are placed on nondeployable status if they have severe asthma, or diabetes, or cancer. But this provision doesn't affect them. It targets only HIV positive personnel—only about 20 percent of all nondeployable personnel.

It is therefore perfectly clear: This provision is not about readiness or about deployable status, it is about targeting people with HIV. It is about discrimination.

Mr. President, on Tuesday I was proud to stand with all Californians—and indeed all Americans—to cheer the return of "Magic" Johnson to the Los Angeles Lakers. The Lakers wanted Magic back neither because he was HIV positive nor in spite of it. They wanted Magic back because he makes their team better.

The Army needs sergeants like Marie because she makes their team better. She can do the job. And for as long as she can do the job, Congress should not intervene to mandate her discharge.

Mr. President, this forced discharge policy is worse than wrong; it is immoral.

As soon as the President signs the DOD authorization bill, bipartisan legislation will be introduced to repeal this outrageous policy. I will be an original cosponsor and I urge my colleagues to cosponsor.

I believe the military's existing policy is adequate. As Asst. Secretary of Defense Fred Pang has said:

> As long as these members can perform their required duties, we see no prudent reason to separate and replace them because of their antibody status. However, as with any Service member, if their condition affects their performance of duty, then the Department initiates separation action . . . the proposed provision would not improve military readiness or the personnel policies of the Department.

We must repeal this provision within 6 months, or else people like Marie will feel the consequences for a lifetime. I ask that the article be printed in the RECORD.

The article follows:

[From the Washington Post, Feb. 1, 1996]

ARMY SERGEANT WITH HIV FEELS DESERTED BY POLICY

(By Dana Priest)

Marie, a staff sergeant who has been in the Army 10 years, figures she has done what has been expected of her, and more. She has worked hard, spent months away from her family on assignments, "given 110 percent" to her job and is in line for an important promotion.

Except now she expects to be forced out of the Army.

That is because last week Congress passed and President Clinton agreed to sign a defense bill that includes a provision to discharge service members with the AIDS virus, regardless of whether they are sick or can still perform their jobs.

Marie, who is 34 and has a daughter in elementary school, was infected by her late husband before he knew he had the disease.

"I'm widowed from it, I have a child and now I'm going to lose my job," she said in a three-hour interview yesterday at a friend's home in Northern Virginia. "No one's looking at the work I've done. No one's looking at the commitment I made. . . . I signed a contract to uphold freedom of speech, freedom of religion, I defend the Constitution. It feels like the United States has turned its back on me."

Marie noted that she was being forced from her profession for having HIV, the virus that causes AIDS, just when many people this week applauded basketball star Earvin "Magic" Johnson's return to professional play despite having the virus.

Afraid of being stigmatized, she will not allow her full name to be used in this article—Marie is her middle name. She has not told her daughter or most of her co-workers she is HIV-positive and only informed her mother last month, although the virus was diagnosed five years ago and she informed her Army supervisors.

"It's my family I'm concerned about," she said.

The HIV measure in the defense bill was introduced by Rep. Robert K. Dornan (R-Calif.), a conservative presidential aspirant and former combat pilot who has become a lightning rod for anger among AIDS activists and others, including Marie.

Dornan has attracted their criticism for comments such as one he made on the House floor in November, when he defended the provision by saying that AIDS "is spread by human God-given free will" and then listing what he described as the three ways service members get AIDS: "Rolling up your white, khaki or blue uniform sleeve and sticking a contaminated, filthy needle in your arm . . . heterosexual sex with prostitutes . . . and having unprotected [homosexual] sex with strangers in some hideaway or men's room somewhere."

"I feel outraged" at Dornan, said Marie. "I can't go out into the public and talk about my disease because the American people don't understand this disease. How can I feel safe if I have a leader on Capitol Hill who says things like this?

"Everything I worked for he's taking away from me, everything I know," she said. "I've left my family to go to school, I've left my family to go overseas. I did it because that was what the military expected of me. If I didn't want to make it my career, I wouldn't have done it. I love my family."

There are 1,049 male and female service members who have the AIDS virus. They have been allowed to continue to work and to reenlist as long as they are able to perform their jobs. But the military tests personnel for HIV about every two years, and those with the virus are prohibited from being sent to overseas posts or into combat. Marie went abroad before being infected.

"It sounds like a tragic case," Dornan said of Marie in an interview yesterday. But, he added, AIDS sufferers put an undue burden on other service members who have to fill in for them overseas. "She can't go to Bosnia. She can't go to Haiti. She can't go to Somalia. She can't go anywhere in this world . . . and she obviously had unprotected sex with someone whose entire background she didn't know. . . . She should be a good patriot and take her honorable discharge."

Defense Department statistics show that half of the service members with the AIDS virus are married.

Several high-ranking military officials and military organizations have supported Dornan's provision because they believe HIV-positive service members are a drain on military readiness. In 1993, Adm. Frank B. Kelso II, then chief of naval operations, wrote Dornan to say that retaining HIV-positive service members "imposes significant problems for all services, especially the Navy. Assignment limitations cause significant disruption in the sea/shore rotation for all our personnel."

Clinton is set to sign the defense bill early next week. After he does, Marie, who works on personnel issues at the Pentagon, will be discharged within six months. She will retain her medical benefits but will not be entitled to retirement benefits or the kind of substantial disability pay she could have gotten had she remained in the Army until she became too sick to work. She will also lose the health insurance she has for her daughter.

White House officials said they hope to have some alternative to the provision ready when Clinton signs the bill. Among the options under consideration is to have Clinton sign an executive order that would allow service members to retain health insurance for their dependents or to support legislation to repeal the provision.

AUTHORIZING TESTIMONY BY FORMER SENATE EMPLOYEE

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 221, a resolution submitted earlier today by Senators DOLE and DASCHLE; further, that the resolution be agreed to, the preamble agreed to, and the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the resolution (S. Res. 221) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 221

Whereas, the plaintiff in *Margaret C. Carlson* v. *Mike Eassa, et al.*, No. MDA 7203, a civil action pending in the Superior Court of California, County of Monterey, is seeking testimony through submission of a declaration by Amy L. Silvestri, a former employee of the Senate on the staff of Senator William V. Roth, Jr.;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That Amy L. Silvestri is authorized to submit a declaration in the case of *Margaret C. Carlson* v. *Mike Eassa, et al.*, except concerning matters for which a privilege should be asserted.

Mr. DOLE. President, the plaintiff in a child support controversy pending in California Superior Court has requested that a former caseworker for Senator WILLIAM V. ROTH, Jr., submit a declaration for use in that proceeding. The plaintiff, who resides in Delaware, obtained assistance from Senator ROTH'S office in aid of her efforts to obtain child support.

The substance of telephone conversations between Senator ROTH'S caseworker and the Monterey County District Attorney's office, which has responsibility in child support matters in California, has become an issue in the case, as a contention has been made that Senator ROTH'S caseworker had authority to speak for the constituent regarding proposed settlement of the case. Senator ROTH'S former caseworker has informed the plaintiff's attorney to the contrary that she never sought to convey to the District Attorney instructions about settling the case or represented herself as authorized to speak for the constituent in approving a settlement.

Senator ROTH believes that it is appropriate for his former caseworker to submit a declaration describing her conversations with the District Attorney's office to ensure that the Court is accurately informed about the limited role played by his office.

Mr. President, this resolution would authorize Senator ROTH'S former caseworker to submit a declaration in this matter.

AUTHORIZING THE PRODUCTION OF DOCUMENTS BY THE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 222, a resolution submitted earlier today by Senators DOLE and DASCHLE; further, that the resolution be agreed to, the preamble agreed to, and the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the resolution (S. Res. 222) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 222

Whereas, the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs conducted an investigation into allegations concerning the Department of Justice's handling of a computer software contract with INSLAW, Inc.;

Whereas, in the case of *INSLAW, Inc., et al.* v. *United States of America*, Cong. Ref. No. 95-338X, pending in the United States Court of Federal Claims, counsel for the plaintiffs have requested that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs provide copies of records from its investigation;

Wheeas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That the chairman and ranking minority member of the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, acting jointly, are authorized to provide records to all parties in the case of *INSLAW, INC., et al.* v. *United States of America*, except concerning matters for which a privilege should be asserted.

Mr. DOLE. Mr. President, earlier this year, the Senate agreed to Senate Resolution 114, referring to the Court of Federal Claims S. 740, a private bill for the relief of a computer software firm, INSLAW, Inc., and its owners, William A. and Nancy Burke Hamilton. The purpose of the referral was to obtain a report from the court about allegations that the Department of Justice appropriated computer software developed by the INSLAW firm without paying for it and whether INSLAW has legitimate legal or equitable claims against the government arising out of its contractual relations with the government.

Some of the matters at issue in this congressional referral case were earlier the subject of an inquiry by the Senate Permanent Subcommittee on Investigations. As part of the civil discovery plan that the parties are undertaking under the court's supervision in this case, the plaintiffs' counsel has written to the leadership of the Permanent Subcommittee on Investigations seeking access to evidence obtained by the subcommittee in the course of its inquiry on subjects covered by the congressional referral.

In Senate Resolution 302 of the 102d Congress, the Senate authorized the Investigations Subcommittee to provide evidence from its inquiry to a Justice Department special counsel conducting an earlier investigation into these matters.

The leadership of the Subcommittee would like to assist the court by responding to the plaintiffs' request for relevant evidence from its investigation. Such assistance appears particularly warranted in this matter inasmuch as this litigation results from a referral initiated by the Senate.

Mr. President, this resolution would authorize the Investigations Subcommittee, acting through its chairman and ranking member, to provide copies of relevant investigative records to the plaintiffs, with copies to the Justice Department, in response to this request.

Mrs. KASSEBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMEMORATING THE SESQUICENTENNIAL OF TEXAS STATEHOOD

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 223, submitted earlier by Senators HUTCHISON and GRAMM.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 223) to commemorate the sesquicentennial of Texas statehood.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mrs. HUTCHISON. Mr. President, I rise today to offer a resolution commemorating a very special event in the history of my State. This resolution is almost identical to one passed by the Texas State Legislature on March 7, 1995.

Just last month, on December 29, 1995, Texans celebrated the sesquicentennial of their statehood. Unlike all other states ever admitted, we gave up the sovereignty of an independent republic to join the Union.

On March 1, 1845, Congress passed a resolution inviting the Republic of Texas to join the Union, and a special convention of Texans met to consider it, under the leadership of Thomas Jefferson Rusk. The convention accepted the offer on July 4, and its decision was ratified by the people in October. We submitted a constitution, which Congress accepted on December 29.

Rusk went on to become the first United States Senator from Texas, and I, the great granddaughter of his law partner, now hold his seat. Taylor and Rush had signed the Texas Declaration of Independence from Mexico in 1836.

Texans mark the 29th, quietly, as the commencement of our statehood, although we didn't lower the Lone Star and post the Stars and Stripes until February 19, 1846. We must have been happy with statehood in 1955, because we expressly renounced the right to fly the flag of our old Republic at the same level as that of our Union. Our legislature mandated that it fly in a subordinate position, in a manner followed by all other states.

Although independence remains the signal day in Texas history, Texans look upon their statehood with pride, as a means of "conferring blessings upon the people of all the States." When Old Glory was raised for the first time in Austin, Anson Jones, the last President of the Republic of Texas, stated with eloquence:

> The lone star of Texas, which ten years since arose amid cloud, over fields of carnage, and obscurely shone for a while, and following an inscrutable destiny has passed on and become fixed forever in that glorious constellation which all . . . lovers of freedom in the world must . . . adore—the American Union. Blending its rays with its sister stars, long may it continue to shine, and may a gracious heaven smile upon this consummation with the wishes of the two republics, now joined together in one.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the resolution be considered and agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear at appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 223) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 223

Whereas 1995 marks 150 years since the United States of America admitted Texas as the 28th State in the Union;

Whereas the sesquicentennial of Texas statehood is a truly momentous occasion that allows all Texans to reflect on their State's proud heritage and bright future;

Whereas acting on the advice of President John Tyler, the United States Congress adopted a joint resolution on February 28, 1845, inviting the Republic of Texas to enter the Union as a State with full retention of its public lands; today, a century and a half later, Texas enjoys the distinction of being the only State admitted with such extensive rights;

Whereas the citizens of the Republic of Texas were deeply committed to the goals and ideals embodied in the United States Constitution, and, on June 16, 1845, the Congress of the Republic of Texas was convened by President Anson Jones to consider the proposal of statehood;

Whereas Texas took advantage of the offer, choosing to unite with a large and prosperous Nation that could more effectively defend the borders of Texas and expand its flourishing trade with European countries; by October 1845, the Congress of the Republic of Texas had approved a State constitution, charting a bold new destiny for the Lone Star State;

Whereas the proposed State constitution was sent to Washington, D.C., and on December 29, 1845, the United States of America formally welcomed Texas as a new State; the transfer of governmental authority, however, was not complete until February 19, 1846, when Anson Jones lowered the flag that had flown above the Capitol for nearly 10 years and stepped down from his position as president of the Republic of Texas; and

Whereas with the poignant retirement of the flag of the Republic, Texas emerged as a blazing Lone Star in America's firmament, taking its place as the 28th State admitted into the Union: Now, therefore, be it

Resolved, That the Senate—

(1) commemorate the sesquicentennial of Texas statehood; and

(2) encourage all Texans to observe such day with appropriate ceremonies and activities on this historic occasion.

The Secretary of the Senate shall transmit a copy of this resolution to the Texas Congressional Delegation, to the Governor of Texas, to the National Archives, and to the Texas Archives.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider Executive Calendar No. 330, and all military nominations reported out of the Armed Services Committee today.

I further ask unanimous consent that the nominations be confirmed en bloc, the motions to reconsider be laid upon the table en bloc, and any statements relating to the nominations appear at the appropriate place in the RECORD, the President be immediately notified of the Senate's action and that the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF ENERGY

Derrick L. Forrister, of Tennessee, to be an Assistant Secretary of Energy (Congressional and Intergovernmental Affairs).

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

The following named officer for appointment to the grade of general while assigned to a position of importance and responsibility under title 10, United States Code, Section 601:

To be general

Lt. Gen. Eugene E. Habiger, 556-50-5234, United States Air Force.

The following named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of Title 10, United States Code, Section 1370:

To be lieutenant general

Lt. Gen. Stephen B. Croker, 483-50-2040, United States Air Force.

The following named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of Title 10, United States Code, Section 1370:

To be lieutenant general

Lt. Gen. Arlen D. Jameson, 538-36-5959, United States Air Force.

The following named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be lieutenant general

Maj. Gen. Michael D. McGinty, 472-44-7356, United States Air Force.

The following named officers for appointment in the Regular Air Force of the United States to the positions and grade indicated under title 10, U.S.C., section 8037:

THE JUDGE ADVOCATE GENERAL OF THE UNITED STATES AIR FORCE

To be major general

Brig. Gen. Bryan G. Hawley, 501-38-2138.

THE DEPUTY JUDGE ADVOCATE GENERAL OF THE UNITED STATES AIR FORCE

To be major general

Brig. Gen. Andrew M. Egeland, Jr., 231-56-1475.

The following named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be lieutenant general

Maj. Gen. Phillip J. Ford, 466-64-8359, United States Air Force.

The following named officer for reappointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be lieutenant general

Lt. Gen. Kenneth A. Minihan, 266-68-0860, United States Air Force.

IN THE ARMY

The following named officer for appointment to the grade of general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601(a):

To be general

Lt. Gen. Henry H. Shelton, 240-68-4698, United States army.

The following named officer for appointment to the grade of lieutenant general in the United States Army while assigned to a position of importance and responsibility under title 10, U.S.C., section 601(a):

To be lieutenant general

Maj. Gen. John M. Keane, 063-34-9856, United States Army.

The following named officer for appointment to the grade of lieutenant general in the United States Army while assigned to a position of importance and responsibility under title 10, U.S.C., section 601(a):

To be lieutenant general

Maj. Gen. Patrick M. Hughes, 516-48-4649, United States Army.

NAVY

The following named officer to be placed on the retired list of the United States Navy in the grade indicated under section 1370 of title 10, U.S.C.

To be vice admiral

Vice Adm. David B. Robinson, 450-64-1881.

The following named officer to be placed on the retired list of the United States Navy in the grade indicated under section 1370 of title 10, U.S.C.

To be vice admiral

Vice Adm. John B. LaPlante, 309-42-1544.

The following named officer to be placed on the retired list of the United States Navy in the grade indicated under section 1370 of title 10, U.S.C.

To be Vice admiral

Vice Adm. John M. McConnell, 249-66-0508.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

UNANIMOUS-CONSENT REQUEST—S. 1028

Mrs. KASSEBAUM. Mr. President, I present a unanimous-consent agreement which we have been working on all day. It is my understanding that there is still one objection to this agreement, and the majority leader is hoping this will be solved by next Tuesday when we are back in session.

I will read this agreement. It has, as I said, been worked on all day. I am very appreciative of the majority leader's efforts to bring this to an agreement. I ask unanimous consent that prior to Friday, May 3, the majority leader, after consultation with the Democratic leader, turn to the consideration of calendar No. 205, S. 1028, the Health Insurance Reform Act of 1995; it would further be a unanimous consent that it not be in order to offer any amendment relative to health insurance to any legislation not including matters relating to health care prior to the execution of this agreement.

I am very appreciative of efforts that have gone into this today. It would certainly be my hope, given the consideration of everyone, that we can agree to this next Tuesday.

ORDERS FOR MONDAY, FEBRUARY 5 AND TUESDAY, FEBRUARY 6, 1996

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 a.m. on Monday, February 5, for a pro forma session only, and that the Senate immediately stand in adjournment until 12 noon on Tuesday, February 6, 1996; that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and there then be a period for morning business until the hour of 12:30 p.m., with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

CLOTURE VOTE

Mrs. KASSEBAUM. I ask unanimous consent that the pending cloture vote be postponed to occur on Tuesday, February 6, with the time to be determined by the majority leader after consultation with the Democratic leader, and that first-degree and second-degree amendments be allowed to be filed until 12:30 p.m. on Tuesday, notwithstanding rule XXII.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. KASSEBAUM. It is the hope of this Senator, and I know others, that negotiations will continue with respect to a compromise amendment to the farm bill.

However, if no agreement can be reached, then the cloture vote on the Craig-Leahy substitute would occur on Tuesday. In the event an agreement can be reached, votes can be expected with respect to the farm bill on Tuesday.

ORDER FOR ADJOURNMENT

Mrs. KASSEBAUM. If there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in recess under the previous order following the remarks of Senator DASCHLE, the Democratic leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

ACCOLADES TO CHAIR OF THE EDUCATION AND LABOR COMMITTEE

Mr. DASCHLE. Mr. President, let me just say how gratified we are that the distinguished Chair of the Senate Labor and Human Resources Committee has made such a remarkable effort to resolve the outstanding reservations that some may have with regard to the bill that she and Senator KENNEDY have worked on now for some time. She has been persistent, and I believe that ultimately she will be successful. I am very hopeful that we can continue to work to pass this important health reform legislation in a timely way. I believe she has demonstrated remarkable patience in her effort.

I feel confident that at some point in the future when we are able to bring this piece of legislation to the floor, it will not take long. I think there is broad recognition of the need to do much of what she has proposed in the legislation. I think it would be significant movement forward, and I think it could be one of the most consequential of our accomplishments in the 104th Congress. I commend her for her effort and look forward to working with her.

THE FARM BILL

Mr. DASCHLE. Mr. President, I just briefly want to make a couple of final remarks with regard to the debate on the farm legislation. I do not want to belabor what has already been said. I know that there are many who want to retire.

Let me say three things. First, I do not think there is a person in the Senate Chamber who does not want to get farm legislation passed at the earliest possible date. Frankly, many of us hoped we would not have had to see the delays that we have already experienced, for a lot of different reasons. There have been scheduling delays. I do not believe we have put the efforts in at the committee level that we should have.

Others have noted this bill has never been reported out of committee. For a piece of legislation of this magnitude not to be reported out of committee, not to come to the floor in the entire first session of the 104th Congress, is some indication, in my view, of the priority the majority has placed on farm legislation. Certainly we could have found time somewhere during the summer months or at some time during the fall or perhaps during the winter during many of these long breaks we have taken to take up this legislation, to recognize how pressing a problem it is, to deal with it, as complex as it is, in a meaningful way—over a long period of time, if necessary, to accommodate the many different decisions that any farm legislation reflects.

That is the first point, Mr. President. We really have to recognize that there have been delays, unnecessary ones, in our view, that have brought us to this point.

This legislation was never subject to a vote on the Senate floor. It was buried in a budget resolution that the President, for a lot of reasons, was required to veto. So it is not accurate to say that the farm bill was vetoed. The budget resolution was vetoed; buried within that budget resolution we found farm legislation which had not been considered prior to that time.

The second issue over which there ought not be any concern or confusion is our mutual desire to provide the maximum degree of flexibility to farmers. Let there be no mistake: Recognizing as late as it is, we simply cannot constrain farmers in any way as they begin to put their management plans together. Farmers have to be given flexibility. Farmers have to be given the assurance that they can make their decisions, unencumbered by farm policy at this late date.

It is our desire every bit as much as it is the desire of many Republicans to ensure that farmers are given flexibility, that they have the latitude to go farm as we want them to farm. Flexibility is not the issue. No one ought to be using that argument as a reason for the fact that we have not reached an agreement today. We want flexibility. We want simplicity. We want to give farmers the chance to farm.

The third issue, and the one that I think will divide us perhaps in perpetuity—the reason we have not yet come to a resolution—is that in the name of some change, in the name of bringing about this so-called flexibility, what many on the other side are prepared to say is, "We will be so flexible that we will give you the payment whether you farm or not. We do not care whether you farm. We do not care what you farm. We do not care what the prices are. We are going to give you a huge lump-sum payment upfront, regardless of price, regardless of your management, regardless of your circumstances, regardless of how big you are, regardless of whether or not you are even on the farm. You will have an opportunity to get this huge payment."

Mr. President, as others have said today, I do not think it will take long for this army of investigative journalists we have in Washington and elsewhere to call attention to the fact that while we are cutting every single aspect of the Federal budget, there will be people out there getting not $100,000, not $200,000, but perhaps $300,000 in lump-sum payments for doing absolutely nothing at all. That is how some would view this so-called concept of "freedom to farm." It is the freedom not to farm. It is the freedom not to do anything. It is the freedom not to be responsible.

So that is the fundamental disagreement we have today. We have had it for a long time. We will have it tomorrow. The question is, can we bridge that difference? Can we say we are not adverse to providing the advance deficiency payments or the advance payments that we provided agriculture in the past, but you have to farm to get a farm payment; you have to be responsible if you expect us to be responsive?

So, let us hope that over the course of the next couple of days we can bridge that. We know we want simplicity and flexibility. We know we want a decision as quickly as we can get it. What I hope we can also agree upon is that we also must recognize the need for farmers to be responsible—to have the freedom to farm, but to be responsible with taxpayer dollars. If we can do that, then, indeed, I am optimistic that we will reach an agreement. We will be able to send the farm community a clear message that, indeed, we have done what we should have done a long time ago—pass a farm bill that will take us well into the future.

With that, I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I ask unanimous consent to be permitted to speak for not in excess of 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE 44TH ANNUAL NATIONAL PRAYER BREAKFAST

Mr. WARNER. Mr. President, the Nation's Capital today hosted the 44th Annual National Prayer Breakfast, and I take note that the Presiding Officer was likewise the presiding officer at this historic moment, attended by the President and the First Lady, the Vice President and his lady and a number of Members of the House of Representatives and the U.S. Senate.

I say to my good friend, the Presiding Officer, the distinguished Senator from Utah, that he mastered a unique and challenging situation, given the number of speakers and knowing that the President would conclude, as he did, with very moving remarks.

I think the Presiding Officer would agree with me that above all, the remarks of the principal speaker, that of the distinguished senior Senator from Georgia, SAM NUNN, were of such merit that they deserve preservation for posterity for future generations. Likewise, our other colleague, Senator SIMPSON, made a very valued contribution. Of course, the Scripture was read by a third distinguished Senator, the Senator from Illinois, CAROL MOSELEY-BRAUN. I had the privilege earlier today to place into the RECORD the remarks of the distinguished Senator from Wyoming [Mr. SIMPSON] and the distinguished Senator from Georgia [Mr. NUNN].

But as I watched the proceedings of the Senate tonight, it occurred to me that the hour is late, and knowing that the Presiding Officer, in preparation to meet today's challenge, probably arose at around 5 in the morning, I think it most appropriate that he be relieved of his official duties, and I propose to do so at this time.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WARNER). Without objection, it is so ordered.

HOUSE CONCURRENT RESOLUTION 141

Mr. DOLE. Mr. President, I regret that we were not able to accommodate the House of Representatives with reference to House Concurrent Resolution 141. I am not certain what action the House will take. It will be up to them.

We have tried it for an hour and a half. My view is that it should not be our concern what the House does. They are a separate body and they wish to adjourn until the 26th of February. We are not able to get the Democratic leader to agree.

RECESS UNTIL 10 A.M., MONDAY, FEBRUARY 5, 1996

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until Monday 10 a.m., February 5.

Thereupon, the Senate, at 9:28 p.m., recessed until Monday, February 5, 1996, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate February 1, 1996:

NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD

TONI G. FAY, OF NEW JERSEY, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR A TERM EXPIRING OCTOBER 12, 1998, VICE RONALD M. GILLUM, TERM EXPIRED.

AUDREY TAYSE HAYNES, OF KENTUCKY, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR A TERM EXPIRING OCTOBER 13, 1998, VICE BADI G. FOSTER, TERM EXPIRED.

MARCIENE S. MATTLEMAN, PENNSYLVANIA, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD, FOR A TERM EXPIRING OCTOBER 12, 1998. (REAPPOINTMENT)

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. KENNETH E. EICKMANN [redacted] U.S. AIR FORCE

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL IN THE U.S. ARMY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be general

LT. GEN. JOHNNIE E. WILSON [redacted] U.S. ARMY

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST OF THE UNITED STATES ARMY IN THE GRADE INDICATED UNDER SECTION 1370 OF TITLE 10, UNITED STATES CODE:

To be general

GEN. LEON E. SALOMON [redacted] U.S. ARMY

IN THE NAVY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTIONS 601 AND 5035:

VICE CHIEF OF NAVAL OPERATIONS

To be admiral

VICE ADM. JAY L. JOHNSON [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. VERNON E. CLARK [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. (SELECTEE) RICHARD W. MIES [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. DENNIS A. JONES [redacted]

IN THE AIR FORCE

THE FOLLOWING-NAMED AIR NATIONAL GUARD OFFICERS FOR APPOINTMENT AS RESERVE OF THE AIR FORCE IN THE GRADE INDICATED UNDER THE PROVISIONS OF SECTIONS 12203 AND 12212, TITLE 10, UNITED STATES CODE, TO PERFORM DUTIES AS INDICATED.

JUDGE ADVOCATE GENERALS DEPARTMENT

To be lieutenant colonel

JEFFREY K. SMITH, [redacted]

BIO-MEDICAL SERVICES CORPS

To be lieutenant colonel

STANLEY A. STRAUSS [redacted]

MEDICAL CORPS

To be lieutenant colonel

LOWRY C. SHROPSHIRE [redacted]

THE FOLLOWING OFFICERS, U.S. AIR FORCE OFFICER TRAINING SCHOOL, FOR APPOINTMENT AS SECOND LIEUTENANTS IN THE REGULAR AIR FORCE, UNDER THE PROVISIONS OF SECTION 531 OF TITLE 10, UNITED STATES CODE, WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE.

LINE

MATTHEW D. ATKINS [redacted]
SARAH W. BLOODWORTH [redacted]
PATRICK J. BOWAR [redacted]
WILLIAM D. BOWER [redacted]
KENNETH B. BRATLAND [redacted]
STEVEN R. BUCKWALTER [redacted]
BRITT M. BURBRIDGE [redacted]
GERALD B. BURKE [redacted]
DANIEL C. CHAMBERS [redacted]
NORMAN E. CHUCHUL [redacted]
MICHAEL A. COOLEY [redacted]
CEIR CORAL [redacted]
GEORGE T.M. DIETRICH III [redacted]
MARK R. DOMINGUEZ [redacted]
JAMES S. DOUGLAS [redacted]
CHARLES B. ERICSON [redacted]
JOHN M. FITZHUGH [redacted]
JEFFREY L. FRYE [redacted]
DONALD L. GILLES [redacted]
EDWARD C. GOETZ [redacted]
BRENT R. HATCH [redacted]
ROBERT L. HENDERSON [redacted]
JEFFREY D. HEYSE [redacted]
SCOTT A. HOFFMAN [redacted]
DANIEL W. HOLT [redacted]
SCOTT S. JOHNSON [redacted]
GREGORY KREUDER, [redacted]
TRACY A. LINDGREN [redacted]
TONY S. LOMBARDO [redacted]
ZANE G. MARSHALL, JR [redacted]
CHRISTOPHER E. MAZZEI [redacted]
WHITNEY P. MC CLOUD [redacted]
REGAN E. MC CLURKIN [redacted]
JAMES G. MEAD [redacted]
RAY V. ONDREJECH [redacted]
NATHAN A. PALMER [redacted]
CHRISTOPHER L. PARSONS [redacted]
MICHAEL C. SCHOENBEIN [redacted]
ROBERT J. SHERWOOD [redacted]
CHRISTINA L. SIMPERS [redacted]
ERIC A. SMITH [redacted]
DANIEL W. STONE, [redacted]
KERRY L. STRAIT [redacted]
MICHAEL D. STRICKLER [redacted]
MERL A. STRODER [redacted]
JEFFREY A. STYERS [redacted]
BERT G. WINSLOW [redacted]
TAMARA L. WISE [redacted]
STEPHEN R. WOOD [redacted]
STEVEN J. YOUD, [redacted]

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE RESERVE OF THE ARMY, UNDER THE PROVISIONS OF TITLE 10 UNITED STATES CODE, SECTIONS 12203, 12204 AND 12320.

DENTAL CORPS

To be lieutenant colonel

RICKY J. ROGERS [redacted]

THE FOLLOWING-NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE U.S. ARMY IN ACCORDANCE WITH SECTION 624 OF TITLE 10, UNITED STATES CODE:

CHAPLAIN

To be colonel

RALPH G. BENSON [redacted]
MICHAEL R. DURHAM [redacted]
WILLARD D. GOLDMAN [redacted]
CHARLES E. GUNTI [redacted]
JEROME A. HABERER [redacted]
PHILIP D. KALYANAPU [redacted]
ROGER D. KAPPEL [redacted]
JERRY L. ROBINSON [redacted]
JESSE L. THORNTON [redacted]

THE FOLLOWING-NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 12203 AND 3385:

ARMY PROMOTION LIST

To be colonel

JAMES C. FERGUSON [redacted]
JACOB C. HUFFMAN, JR. [redacted]
CLYDE H. JOHNSON [redacted]
MICHAEL C. JOHNSEN [redacted]
STEPHEN S. KAPPA [redacted]
CLEAVE A. MC BEAN [redacted]
BRIAN J. MC CRODDEN, [redacted]
DAVID D. MC DOUGALL [redacted]
TIMOTHY J. SANKEN, [redacted]
RONALD M. SPANIOL [redacted]
CLAUDE A. WILLIAMS [redacted]

CHAPLAIN CORPS

To be colonel

EUGENE P. BRENNAN [redacted]

THE JUDGE ADVOCATE GENERAL'S CORPS

To be colonel

GEORGE A. BUSKIRK, JR. [redacted]
ROBERT P. COYNE [redacted]
WILLIAM P. DUBORD [redacted]

MEDICAL CORPS

To be colonel

DOUGLAS A. DUNHAM, [redacted]

ARMY PROMOTION LIST

To be lieutenant colonel

EDDY L. ANTHONY [redacted]
PETER D. ANZULEWICZ [redacted]
JAMES D.H. BACON, [redacted]
JOHN I. BARNES II [redacted]
BRUCE E. BECK [redacted]
ALLEN E. BREWER [redacted]
GREGORY D. CHRISTENSEN [redacted]
DONALD L. CHU [redacted]
MAURO A. COOPER [redacted]
CHARLES P. ECK [redacted]
GARY C. EVANS [redacted]
CLARENCE L. FAUBUS [redacted]
JOHN L. GRAHAM [redacted]
JOHNNIE W. HARPER [redacted]
FREDERICK E. HENDRICKS [redacted]
ALAN R. LANCASTER [redacted]
GLENN M. LEACH [redacted]
WILLIAM C. MARTIN [redacted]
HENRY C. MC CANN [redacted]
RODNEY D. MONTANG [redacted]
OLIVER L. NORRELL II [redacted]
WALTER S. O'REILLY [redacted]
JAMES M. STEWART [redacted]
JOHN M. STOEN [redacted]
RICHARD E. SWAN [redacted]
LAYNE J. WALKER, [redacted]
JAMES M. WELLS [redacted]
IVA E. WILSON-BURKE [redacted]

THE JUDGE ADVOCATE GENERAL'S CORPS

To be lieutenant colonel

JAMES B. BRIMLEY [redacted]
JOSEPH A. WANNEMACHER, [redacted]

MEDICAL CORPS

To be lieutenant colonel

RONALD A. LARSEN [redacted]

MEDICAL SERVICE CORPS

To be lieutenant colonel

DENNIS R. MILLER [redacted]
MICHAEL M. WERTZ [redacted]

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES, IN THE GRADE OF CAPTAIN, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 531, 532, AND 533:

ROMNEY C. ANDERSEN [redacted]
ERIN L. BALDEN [redacted]
MARY J. BARNES, [redacted]
JOHN A. BOJESCUL [redacted]
BENJAMIN B. CABLE [redacted]
YONG U. CHOI, [redacted]
BRYAN L. CHRISTENSEN [redacted]
JIMMY L. COOPER [redacted]
WILLIAM P. CRUM [redacted]
LOUIS A. DAINTY [redacted]
ALAN W. DAVIS [redacted]
THOMAS E. DYKES [redacted]
JOHN T. EANES [redacted]
JOHN A EDWARDS [redacted]
MINELA FERNANDEZ [redacted]
JASON A. FRIEDMAN [redacted]
GEORGE D. GARCIA [redacted]

DANIEL G. GATES, [redacted]
GEORGE R. GOODWIN [redacted]
GEOFFREY G. GRAMMER [redacted]
MARIA L. GRAPILON [redacted]
SHARETTE K. GRAY [redacted]
MICHAEL A. HELWIG [redacted]
DANIEL P. HSU [redacted]
SHANNON A. KANE [redacted]
BERNARD J. KOPCHINSKI [redacted]
RUSS S. KOTWAL [redacted]
DAVID T. KRAMER, [redacted]
CHRISTINE M. MACENCZAK [redacted]
CHRISTOPHER B. MAHNKE [redacted]
RICHARD G. MALISH [redacted]
JAMES S. MC CELLAN [redacted]
CURT A. MISKO [redacted]
DAN S. MOSELY [redacted]
CLINTON K. MURRAY [redacted]
ANGELA G. MYSLIWIEC [redacted]
VENCENT MYSLIWIEC [redacted]
CHRIS G. PAPPAS [redacted]
SHEAN E. PHELPS [redacted]
AARON C. PITNEY [redacted]
THOMAS L. POULTON [redacted]
MICHAEL W. QUINN [redacted]
JOHN C. RAYFIELD [redacted]
MARK T. REED [redacted]
STUART A. ROOP [redacted]
ALEX ROSIN [redacted]
EARLE G. SANFORD [redacted]
SAMUEL W. SAUER [redacted]
MICHAEL J. SEBESTA [redacted]
EDWARD J. SWANTON, [redacted]
JOEL T. TANAKA [redacted]
KENNETH F. TAYLOR [redacted]
LAURA B. VARNADO, [redacted]
MICHAEL A. WEBER, [redacted]
PETER J. WEINA [redacted]

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES, FROM THE TEMPORARY DISABILITY RETIRED LIST, IN HIS ACTIVE DUTY GRADE OF CAPTAIN, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1211:

MARK P. HADA [redacted]

THE FOLLOWING-NAMED HONOR GRADUATE FROM THE OFFICER CANDIDATE SCHOOL FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES, IN THE GRADE OF SECOND LIEUTENANT, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 531, 532, AND 533:

MICHAEL N. PERRY [redacted]

THE FOLLOWING-NAMED RESERVE OFFICERS' TRAINING CORPS CADET FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES, IN THE GRADE OF SECOND LIEUTENANT, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 531, 532, AND 533 AND 2106:

DAVID F. TASHEA [redacted]

IN THE NAVY

THE FOLLOWING-NAMED U.S. NAVAL ACADEMY GRADUATES TO BE APPOINTED PERMANENT ENSIGN IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

MAURICE J. CURRAN [redacted]
GREGGORY A. GRAY [redacted]
MATTHEW T. KIRBY [redacted]
JAMES D. MORGAN [redacted]
PAUL E. PEVERLY [redacted]
TODD D. WILSON [redacted]

THE FOLLOWING-NAMED NAVAL RESERVE OFFICER TRAINING CORPS GRADUATES TO BE APPOINTED PERMANENT ENSIGN IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

BRIAN C. DAVISON, [redacted]
JONATHAN M GREEN [redacted]
MATTHEW T. POTTENBURG [redacted]
KIM M. VOLK, [redacted]

CONFIRMATIONS

Executive nominations confirmed by the Senate February 1, 1996:

DEPARTMENT OF ENERGY

DERRICK L. FORRISTER, OF TENNESSEE, TO BE AN ASSISTANT SECRETARY OF ENERGY (CONGRESSIONAL AND INTERGOVERNMENTAL AFFAIRS).

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES, CODE SECTION 601:

To be general

LT. GEN. EUGENE E. HABIGER [redacted] U.S. AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. STEPHEN B. CROKER [redacted] U.S. AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. ARLEN D. JAMESON [redacted] U.S. AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. MICHAEL D. MCGINTY, [redacted] U.S. AIR FORCE

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT IN THE REGULAR AIR FORCE OF THE UNITED STATES TO THE POSITIONS AND GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTION 8037:

THE JUDGE ADVOCATE GENERAL OF THE U.S. AIR FORCE

To be major general

BRIG. GEN. BRYAN G. HAWLEY [redacted]

THE DEPUTY JUDGE ADVOCATE GENERAL OF THE U.S. AIR FORCE

To be major general

BRIG. GEN. ANDREW M. EGELAND, JR. [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. PHILLIP J. FORD [redacted] U.S. AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

LT. GEN. KENNETH A. MINIHAN, [redacted] U.S. AIR FORCE

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be general

LT. GEN. HENRY H. SHELTON [redacted] U.S. ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. ARMY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. JOHN M. KEANE [redacted] U.S. ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. ARMY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. PATRICK M. HUGHES [redacted] U.S. ARMY

IN THE NAVY

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST OF THE U.S. NAVY IN THE GRADE INDICATED UNDER SECTION 1370 OF TITLE 10, UNITED STATES CODE:

To be vice admiral

VICE ADM. DAVID B. ROBINSON, [redacted]

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST OF THE U.S. NAVY IN THE GRADE INDICATED UNDER SECTION 1370 OF TITLE 10, UNITED STATES CODE:

To be vice admiral

VICE ADM. JOHN B. LA PLANTE [redacted]

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST OF THE U.S. NAVY IN THE GRADE INDICATED UNDER SECTION 1370 OF TITLE 10, UNITED STATES CODE:

To be vice admiral

VICE ADM. JOHN M. MC CONNELL [redacted]

HOUSE OF REPRESENTATIVES—*Thursday, February 1, 1996*

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Ms. PRYCE].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
February 1, 1996.

I hereby designate the Honorable DEBORAH PRYCE to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Of all the many gifts that You have given, O God, we offer our gratitude for Your free gifts of prayer, praise, and thanksgiving. You have invited us to speak to You with our supplications and petitions, our hopes and fears, our joys and concerns. When we face the challenges of the hour and the anxieties of every day, encourage us, O gracious God, to communicate with You in prayer and realize the abounding grace that You give to every person and know the overflowing love that is available to all. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House her approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. The Chair will lead the House in the Pledge of Allegiance.

The SPEAKER pro tempore led the House in the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to make an announcement.

After consultation with the majority and minority leaders, and with their consent and approval, the Chair announces that during the joint meeting to hear an address by His Excellency Jacques Chirac, only the doors immediately opposite the Speaker and those on his right and left will be open.

No one will be allowed on the floor of the House who does not have the privilege of the floor of the House.

Due to the large attendance which is anticipated, the Chair feels that the rule regarding the privilege of the floor must be strictly adhered to.

Children of Members will not be permitted on the floor, and the cooperation of all Members is requested.

RECESS

The SPEAKER pro tempore. Pursuant to the order of the House of Friday, January 26, 1996, the House will stand in recess subject to the call of the Chair.

Accordingly (at 10 o'clock and 3 minutes a.m.), the House stood in recess subject to the call of the Chair.

During the recess, beginning at about 11:40 a.m., the following proceedings were had:

□ 1140

JOINT MEETING OF THE HOUSE AND SENATE TO HEAR AN ADDRESS BY HIS EXCELLENCY JACQUES CHIRAC, PRESIDENT OF THE FRENCH REPUBLIC

The SPEAKER of the House presided.

The Assistant to the Sergeant at Arms, Bill Sims, announced the Vice President and Members of the U.S. Senate who entered the Hall of the House of Representatives, the Vice President taking the chair at the right of the Speaker, and the Members of the Senate the seats reserved for them.

The SPEAKER. On the part of the House, the Chair appoints as members of the committee on the part of the House to escort His Excellency Jacques Chirac into the Chamber:

The gentleman from Texas [Mr. ARMEY];

The gentleman from California [Mr. COX];

The gentleman from New York [Mr. GILMAN];

The gentleman from Nebraska [Mr. BEREUTER];

The gentleman from Missouri [Mr. GEPHARDT];

The gentlewoman from Connecticut [Mrs. KENNELLY];

The gentleman from Maryland [Mr. HOYER]; and

The gentleman from Indiana [Mr. HAMILTON].

The VICE PRESIDENT. The President of the Senate, at the direction of that body, appoints the following Senators as a committee on the part of the Senate to escort His Excellency Jacques Chirac, the President of the French Republic, into the House Chamber:

The Senator from Mississippi [Mr. LOTT];

The Senator from Mississippi [Mr. COCHRAN];

The Senator from Florida [Mr. MACK];

The Senator from South Carolina [Mr. THURMOND];

The Senator from Georgia [Mr. COVERDELL];

The Senator from Louisiana [Mr. BREAUX];

The Senator from Rhode Island [Mr. PELL];

The Senator from Hawaii [Mr. INOUYE]; and

The Senator from Nevada [Mr. REID].

The Assistant to the Sergeant at Arms announced the Acting Dean of the Diplomatic Corps, His Royal Highness, Prince Bandar bin Sultan, Ambassador of Saudi Arabia.

The Acting Dean of the Diplomatic Corps entered the Hall of the House of Representatives and took the seat reserved for him.

The Assistant to the Sergeant at Arms announced the Associate Justices of the Supreme Court of the United States.

The Associate Justices of the Supreme Court of the United States entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

The Assistant to the Sergeant at Arms announced the Cabinet of the President of the United States.

The members of the Cabinet of the President of the United States entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

At 11 o'clock and 57 minutes a.m., the Assistant to the Sergeant at Arms announced the President of the French Republic, His Excellency Jacques Chirac.

The President of the French Republic, escorted by the committee of Senators and Representatives, entered the Hall of the House of Representatives, and stood at the Clerk's desk.

□This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

[Applause, the Members rising.]

The SPEAKER. Members of the Congress, it is my great privilege and I deem it a high honor and a personal pleasure to present to you the President of the French Republic, His Excellency Jacques Chirac.

[Applause, the Members rising.]

ADDRESS BY HIS EXCELLENCY JACQUES CHIRAC, PRESIDENT OF THE FRENCH REPUBLIC

(The following address was delivered in French, with a simultaneous translation in English.)

President CHIRAC. Mr. Speaker, Mr. President, ladies and gentlemen, Members of the Congress, first, I want to thank you very warmly for your welcome, and I am deeply touched by it.

"In America, I saw more than America; I was seeking a vision of democracy itself." Thus spoke Alexis de Tocqueville, one of our greatest thinkers. And because in the eyes of the world for more than 200 years you have been the symbol of such an ideal, I am indeed glad and proud of the opportunity of saluting today your very distinguished assembly.

Loyalty and friendship are the keynotes of my visit to the United States. It is a personal friendship, born during the liberation of France, when at the age of 12, I saw the American troops land in Provence. This friendship was still further strengthened when I came here to your country as a student, and I worked here, too, because one needs money to live, as a driver and as a soda jerk. It is a true and sincere friendship that grew from strength to strength each time I came to the United States, which was often.

But especially I wish to bear witness today to the friendship between our two peoples. We have all learned in our history books how France helped your country to establish itself as a free, sovereign, and independent nation and likewise, in return, how your political ideals had inspired our own revolution and contributed to the foundation of our Republic.

This friendship, sealed in blood, has never faltered. Twice during the present century, when Europe was engulfed in the darkness of war and barbarity, America rose up and threw in her might in the defense of democracy. Your soldiers paid with their lives or their wounds the price of that fight against evil.

Some of you here belong to that generation of heroes and your bodies carry the scars of war. Through you it is to the whole American people that I wish today to express our gratitude. The French will never forget the sacrifices you made for the freedom and the rebirth of Europe and France.

This exceptional relationship between the United States and France is based on a common vision of the world, the same faith in democracy, liberty, human rights, and the rule of law. Naturally, our interests do not always coincide, but since the very beginning France has always been and will always be, on the basis of equal rights and obligations, an ally of the United States, a firm ally, an ally you can count on.

Whenever essential values were at stake, each time France was by your side. In Berlin, and then during the Cuban missile crisis, and 20 years later, when the euromissiles were being deployed in Europe, and again in the gulf war.

"True friendship," said George Washington, "is a plant of slow growth and must undergo and withstand the shocks of adversity before it is entitled to the appellation." The friendship between our two peoples has stood the test.

The agreement that is to restore peace in Bosnia was signed 6 weeks ago in Paris in the presence of President Clinton. A few days later NATO was given the necessary authority to implement that peace.

This enterprise is the culmination of long, joint efforts. In 1994, France proposed to the Europeans, the United States, and Russia to set up an original structure, the contact group, in order to work out a peace plan. For this to succeed, we first had to ensure respect for our soldiers on the ground. That is why as soon as I took office I suggested to our British partners that we set up the rapid reaction force, and we discussed this together, Mr. Speaker, to use the strength of NATO in a decisive manner. It is in this new environment that the United States took the excellent initiative to organize the Dayton talks. I wish to pay tribute to the tenacity, the talent of those who crafted the accord.

Our joint action in Bosnia, the first large-scale military operation ever carried out by the alliance, illustrates the profoundly novel nature of the missions NATO can be called upon to accomplish. In this case the task is to give a country devastated by 4 years of war a unique opportunity to attain peace at long last. The alliance would not evade such a mission. France, with the United States and Great Britain, is responsible for one of the three zones of operations, and we will do all in our power to make the operation a success.

By accepting to throw in the balance the full weight of the political and military power of the United States, President Clinton and your Congress have shown a sense of political responsibility, the high moral standards that are so deeply embedded in American tradition. My wish would be that this commitment be pursued in the form of a lasting and balanced participation in the necessary reconstruction of the region.

Your presence in Bosnia sends a clear message to the world: As in the past, the United States considers that Europe is vital for its own security. I wish to pay tribute to the continuity and the strength of this commitment.

As I stand before you, I wish to reaffirm the position of France: The political commitment of the United States in Europe in its military presence on European soil are still an essential element of the stability and the security of the continent and also of the world.

Our common action in Bosnia emphasizes the need for the Atlantic Alliance to adapt itself to a universe that is no longer that in which it was born. The reform must first define the modes of action that will enable it to meet effectively the unpredictable situations that can arise in the post-cold-war period.

But the reform must also enable the European allies to assume fully their responsibilities, with the support of NATO facilities, wherever the United States does not wish to engage its ground forces. In accordance with what was said at the 1994 summit, we must work on the European pillar within the alliance, which President Kennedy referred to and which must progressively become a reality with the Western European Union.

In this new situation, France is ready to take its full share of this renovation process. And this was demonstrated a few weeks ago when France announced its intention to move closer to the military structures of the organization. I wish to confirm today the openmindedness and sense of availability with which France approaches this adaptation of NATO, including the military side, as long as the European identity can assert itself fully.

For the alliance to be strong, Europe must be strong, capable of bearing a larger share of the common burden.

I call for a renewed partnership between Europe, engaged in its own construction, including in the field of defense, and our North American allies. The culmination of this process could be the adoption at the appropriate time of a Transatlantic Charter, which would be a solemn sign for the coming century of the strength and the vitality of our alliance.

The reform of our organization will facilitate its enlargement, if we are capable of proposing to Russia a positive relationship with NATO in a security framework that gives that great country its rightful place in Europe and in the world. And the presence of Russian soldiers in Bosnia alongside the allies is a first promising step in that direction.

Let us show imagination and determination in building the European and transatlantic architecture of tomorrow. The balance and the peace of the world are at stake.

But Europe is not the only area in which we have common interests. We share the same values and so we both aspire to peace and progress in the world. We are exposed to the same threats. We face the same risks. We bear on our shoulders the same responsibilities.

Nothing that concerns the global village can leave us indifferent. No one is unaffected by what happens elsewhere, be it at the other end of the world. The AIDS virus or the effects of a new Chernobyl do not need visas to spread across borders. Drugs are a threat to young people everywhere. Nuclear arms proliferation weighs on the future of all of us. Illegal immigration is a problem for all developing countries, and we all feel the consequences of religious fanaticism and ethnic hatred which can destabilize entire regions. We must combine our efforts to get at the roots of these scourges.

Amongst all of these dangers, in my view the most serious one is underdevelopment. The continuation of our aid to those countries in need is a moral obligation incumbent on all of us. It is also the best way of defusing a time bomb, a time bomb that threatens all of us and will threaten our children as well.

Let us not leave to their fate the poorest countries on Earth, in particular the countries of Africa. Let us not leave them in the vicious cycle of exclusion by allowing the source of official development assistance to dry up, aid that is indispensable for them to move further toward democracy and development. We must not run the risk of leaving to coming generations a legacy of yet more crises, yet more famines, yet more wars, and also the irreversible destruction of our environment and large-scale immigration. Let us not abandon the values that lie at the very heart of our civilization.

And we will not counter these dangers by accumulating every more weapons, nor by erecting ineffective barriers. The best security today lies in solidarity. Europe is convinced of this, and that is why Europe gives the poor countries more than $30 billion annually, that is to say, three times more than the United States, a considerable effort.

My friends, in this field as well, the world needs you. Of course, your great Nation has to contend with budgetary constraints. So does Europe. So does France. But our difficulties should not divert us from our obligations toward the poorest countries of the world. Here the dictates of conscience and of political wisdom converge with our common interest.

From the rice paddies of Bangladesh to the heights of the Altiplano, from the sands of the Sahel to the outskirts of Lunada, everywhere men and women are suffering, and they thirst for prosperity and peace. Everywhere, and we see proof of this day after day in Africa, men and women are making real progress, to help them travel farther on the road toward development and democracy, to help them to consolidate the rule of law that they have begun to establish, and to help them carry out painful but necessary economic reforms. Everywhere men and women place high hopes in the progress of education, of science, and medicine in order at long last to attain a better life and happiness, happiness to which they are entitled, like everyone on this planet.

All over the world, men and women believe in America and Europe, in the generosity of their history, in their dedication to mankind. My friends, we must not let them down.

In our interdependent world, together we must fulfill all our respective responsibilities as permanent members of the United Nations Security Council, as the first and fourth world economic powers, and as members of the G7.

Together we must promote disarmament and combat the proliferation of weapons of mass destruction. France has ended, once and for all, its nuclear testing, after a final series that was designed to give us the assurance that our deterrence capability is reliable and safe. Let us join our efforts to make 1996 the year of the signing of the complete and definitive test ban treaty, with the zero yield option that France and the United States were the first to propose. I also welcome the decision of your Senate to authorize the ratification of the START II Treaty. Its implementation by the United States and Russia will also pave the way to further progress in disarmament.

Let us also join efforts to make 1996 the year of decisive progress toward peace in the Middle East, with the signing of treaties between Israel, Syria, and Lebanon. Thus will be fulfilled totally the destiny of Yitzhak Rabin, to whose memory I wish to pay tribute.

And finally let us work together within the organizations that we have established. I have in mind, first, the United Nations, the only legitimate universal organization, the only bulwark against disorder and arbitrariness in international relations. Let us help the United Nations to reform itself. Let us not refuse the United Nations the necessary means to succeed.

I have in mind, also, the World Trade Organization that we have recently set up together. We have established it to ensure orderly world trade. Let us resist temptations to unilateralism.

And there is also the International Development Association of the World Bank [IDA]; it is an irreplaceable instrument in the fight against hunger, against extreme poverty and underdevelopment. It also plays a crucial role in developing the markets of the beneficiary countries, which in point of fact, already receive 40 percent of your exports. IDA was established at the initiative of President Eisenhower. Let us act together enabling it to pursue its action.

And last, there is the G7, which will hold its next summit in June hosted by France in the city of Lyon. Let us avail ourselves of that opportunity for better coordination of our economic and financial policies.

To carry out successfully the tasks that lie ahead, the United States will increasingly find in the European Union a strong partner. Thanks to the joint impetus given by France and Germany, it is the ambition of the European Union to gain in strength, and this will happen before the turn of the century through more effective institutions within the European Union, a single currency, and by enlargement involving the new democracies in Central and Eastern Europe. By the next generation, the European Union, in all probability, will have risen from 15 to 30 member countries. Europe, reconciled historically and geographically on the basis of democracy, social justice, and a market economy, will have become one of the most stable and dynamic areas in the world of tomorrow.

The European Union and the United States are already each other's main trading partners, and it is a balanced trade relationship. They are also each other's main investors: 3 million Europeans are today employed by American firms, and 3 million Americans work for European firms.

Today, Europe is the world's most open economic entity. We are prepared to increase freedom of trade still further, while still respecting our vital interests, and in the framework of a balanced approach.

Building on the bedrock of a 50-year-old alliance, we can and must create a genuine partnership, a comprehensive partnership, between the new Europe and America.

Mr. Speaker, Mr. President, ladies and gentlemen, Members of Congress, in the wake of the victory over nazism, the United States contributed more than any other country to the shaping of the post-war world with the setting up of the United Nations and NATO, of the IMF and the World Bank, and with the implementation of the Marshall plan. These were key contributions, and the 50 years of peace and prosperity that ensued owe a great deal, a great deal indeed, to this American commitment.

Today, as then, the world needs the United States. Your commitment is as necessary as ever in order to build the uncertain post-cold-war world and to further the cause of peace, democracy, and development.

These are great challenges that lie ahead for all of us, and we will meet them if we are united and as one. It is only with this sense of solidarity and union that we can leave to our children the legacy of a better world, a world in which they can flourish, a world of liberty, justice, and peace.

I thank you very much for your attention.

[Applause, the Members rising.]

At 12 o'clock and 25 minutes p.m., the President of the French Republic accompanied by the committee of escort, retired from the Hall of the House of Representatives.

The Assistant to the Sergeant at Arms escorted the invited guests from the Chamber in the following order:

The Members of the President's Cabinet.

The Associate Justices of the Supreme Court of the United States.

The Acting Dean of the Diplomatic Corps.

JOINT MEETING DISSOLVED

The SPEAKER. The purpose of the joint meeting having been completed, the Chair declares the joint meeting of the two Houses now dissolved.

Accordingly, at 12 o'clock and 28 minutes p.m., the joint meeting of the two Houses was dissolved.

The Members of the Senate retired to their Chamber.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The House will continue in recess until 1 p.m.

□ 1303

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. BARRETT of Nebraska) at 1 o'clock and 3 minutes p.m.

PRINTING OF PROCEEDINGS HAD DURING RECESS

Mr. CHABOT. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair announces there will be five 1-minutes on each side.

TAX CUTS FOR THE MIDDLE CLASS

(Mr. CHABOT asked and was given permission to address the House for 1 minute.)

Mr. CHABOT. Mr. Speaker, I rise this morning in defense of the middle-class tax cuts that the middle class gets. They keep getting promised these tax cuts, but they never seem to get them.

It is a fact that hard-working people in this country are overtaxed. The Federal Government continues to rip off hard-working people in order to benefit special-interest elites. This Government taxes families in my community in Cincinnati so that Hazel O'Leary-types can continue to jet around the world on five-star junkets. The Government continues to tax people in Cincinnati so that huge corporations can get subsidies to advertise their products around the world, advertising that they would do anyway. It is an absolute outrage.

We continue to rip off the American people to give tax subsidies and price supports to people who do not need them. Taxes are absolutely too high in this country. The special-interest groups and their fellow defenders here in Washington will now scream, tax cuts for the rich, tax cuts for the rich, but I think the American people know better; they know the people in this country are overtaxed.

We need to cut taxes now.

HOLD HOLLYWOOD RESPONSIBLE

(Mr. ROEMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROEMER. Mr. Speaker, many of us over the course of service in Congress have come to this floor as Members of this body and as parents to strongly condemn some of the types of films that are coming out of Hollywood and New York for their vulgarity, for their lack of content, for their lack of values, and their message to the American people.

While I have done that in the past, I also do not claim to be a Siskel or an Ebert or even an Arch Campbell. But I also think we should come to this body, as Members of Congress, when there is a good movie, and encourage our citizens and consumers of this country that when Hollywood does do the exceptional thing and make the exception and make a Frank Capra-like move, like Mr. Holland's Opus, about how one person can make a difference, how education is important in America, and about values, I think we should all reward those types of messages in America today.

BIPARTISAN SUPPORT FOR WELFARE REFORM

(Mr. RIGGS asked and was given permission to address the House for 1 minute.)

Mr. RIGGS. Mr. Speaker, we all know that we cannot balance the budget without the political will to address and to reform a failed welfare system in America, yet the President, the same President who, as a candidate, promised to end welfare as we know it, vetoed the House-Senate-passed welfare reform bill.

The reason, ostensibly, is that the bill does not do enough to provide child care for working parents, particularly single mothers who many times struggle against heroic odds, to provide child care for their children. However, the American people should know that the bill the President vetoed provided $2 billion more for child care for working parents than current law, and $1 billion more than the bill that the Senate passed and the President praised last September.

The President has a very simple choice. He can join us in reforming welfare on a bipartisan basis, or he can continue to pander to the left wing of his party.

ADDRESS DEBT CEILING LIMIT NOW

(Mr. GENE GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Speaker, the House is on the verge of leaving town before addressing the problem of our debt limit. Instead of working to raise the debt limit and protecting the full faith and credit of the United States, the Republican majority has spent the past few months in a game of brinkmanship with the White House.

For awhile it was: Give us what we want or we will close down the Government. Now it is: Give us what we want or we will default on our debt.

I urge all of my colleagues on both sides of the aisle to resist this approach. It will reduce the public opinion of Congress even further, and it has real and adverse consequences.

The main point of raising the debt ceiling is to pay our current obligations, to pay those Treasury billholders and to pay those U.S. savings bond purchasers. It is not about increasing our future spending.

I have cosponsored a resolution to keep the House in session until it considers a clean bill on the debt ceiling, and I urge my colleagues to support it. I have also signed a resolution asking our Republican leaders to let a clean debt ceiling bill come to the floor.

We must pass a clean debt ceiling bill to send a message to the world that we will keep our word and pay our bills. Do not default on America.

AMERICA'S LUMBER MARKET IS DYING

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, in very simple language, America's lumber market is getting killed. I think we understand that word. Canadian lumber is everywhere.

Now, check this out: Canadian provinces own the timber, so they sell the timber to the Canadian mills below market cost. Then the Canadian mills sell the timber in America below market value. As a result, Canada now owns 40 percent of America's lumber market.

America has lost 35,000 jobs and experts say, listen to this, America will continue to lose jobs in this industry. No kidding, Sherlock.

With a policy like this, how can American timber mills end up competing with Canadian timber that is subsidized and being sold in America, dumped in America? Beam me up. This is another fine NAFTA ploy.

BETRAYAL IN GEORGIA

(Ms. MCKINNEY asked and was given permission to address the House for 1 minute.)

Ms. MCKINNEY. Mr. Speaker, I rise today to call attention to a betrayal of Benedict Arnold proportions.

The Atlanta Journal and Constitution reported today that the Democratic leadership in the State of Georgia—that is, the vanguard of the Dixiecrats—is actively recruiting people of the right skin color to challenge our colleague and two-term Democratic Member of Congress, SANFORD BISHOP.

I want to say that again. The leadership of our party in the State of Georgia is recruiting white primary opponents to unseat a sitting Member of Congress of the same party. And why? Only because SANFORD BISHOP is black.

Georgia Democratic House Speaker Tom Murphy is reported to have said that he would support the candidacy of Ray Goff who happens to be white. In fact, Murphy is willing to support Goff against Bishop even though Goff has not declared whether he is a Democrat or Republican.

How's that for party loyalty, Mr. Speaker? Once again Tom Murphy and his fellow dinosaurs have demonstrated that black Democrats are no more than spare parts for their whites-only party machine.

LET LAW ENFORCEMENT OFFICIALS DO THEIR JOB

(Mr. LAZIO of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAZIO of New York. Mr. Speaker, last week in New York, a Federal judge threw out key evidence that would prove a defendant guilty of Federal drug charges. The defendant had over 4 million dollars' worth of cocaine and heroine in her car, and voluntarily confessed on videotape that she had made the trip over 20 times to pick up drugs. The arresting officers witnessed four men putting duffle bags into the trunk of her car at 5 a.m. in the morning. They did not speak to her, and then fled the scene when spotted. Unbelievably however, the judge decided that the police had no cause to be suspicious. Even the New York Times called the judge's reasoning, tortured.

It is absolutely incredible that this case was dismissed, and the defendant will go unpunished due to a technicality, which would be corrected if the Exclusionary Rule Reform Act was in effect. Last February the House passed this bill, which extends the exclusionary rule's good faith exception to warrantless searches. If the police have a reasonable good faith belief that a drug crime is occurring, as in this case, common sense should dictate that they be allowed to act accordingly.

As a former Suffolk County assistant district attorney, I have seen firsthand the effects of drugs on our communities. It is about time we let our law enforcement officials do their job without tying their hands. We need this bill to become law so we can avoid such outrageous situations in the future.

MAJORITY PURSUING CONTRADICTORY STRATEGY

(Ms. NORTON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. NORTON. Mr. Speaker, the majority is pursuing a contradictory strategy. Everything they have hinged on eliminating the deficit, but an increase in the deficit would be the first result of default. The official position of the United States of America today is under threat of default. Moody's has certainly recorded it that way, because it has returned the threat itself.

The shutdown strategy will not work this time. The only way to hang something on the debt limit bill is to get an agreement in advance from the President, yet I see no meetings occurring.

Moody's action shows that the delay alone can be costly, and worse, dangerous. If we mean to balance the budget, if your purpose is to eliminate the deficit, let us start by taking away the threat of default.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2745

Mr. KLINK. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 2745.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

CONFERENCE REPORT ON S. 652, TELECOMMUNICATIONS ACT OF 1996

Mr. LINDER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 353 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 353

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (S. 652) to provide for a pro-competitive, de-regulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore. The gentleman from Georgia [Mr. LINDER] is recognized for 1 hour.

Mr. LINDER. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from California [Mr. BEILENSON], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 353 provides for the consideration of the conference report for S. 652, the Telecommunications Act of 1996, and waives all points of order against the conference report and against its consideration. The House rules allow for 1 hour of general debate to be equally divided between the chairman and ranking minority member of the Commerce and Judiciary Committees.

In addition, the regular rules of the House provide for a motion to recommit with or without instructions as is the right of the minority.

Mr. Speaker, what we have before us is a complex piece of legislation that is the product of many long months of negotiation. I believe that the conferees have worked in good faith to create a balanced bill which equalizes the diverse competitive forces in the telecommunications industry.

This entire process has involved countless competing interests which include consumers long distance companies, regional Bell operating companies, cable, newspapers, broadcasters, and high-technology firms, to name only a few. We are opening up competition to those who have been protected for a very long time, and all of the players are anxious to gain an edge on their new competitors. I am absolutely confident that the legislation before us today will produce competition that will be good for all Americans.

I want to commend the tireless work of Chairmen TOM BLILEY, JACK FIELDS, and HENRY HYDE, and ranking members JOHN DINGELL, ED MARKEY, and JOHN CONYERS. Their handling of this long and difficult conference will ensure that the United States maintains the lead on the information superhighway as we move into the 21st century.

We have before us a bill that has undergone a great deal of revision and assembly in order to reach this point. In the past, telecommunications reform has fallen victim to one problem or another, from legislative resistance to the opposition of various powerful interests. Today, we have a good bipartisan bill, which has endured a rigorous process. It is a tribute to this process that this bill has broad support from consumers, industry, the U.S. Congress, and the White House.

The goal of our telecommunications reform legislation is to encourage competition that will produce innovative technologies for every American household and provide benefits to the American consumer in the form of lower prices and enhanced services. This legislation will achieve this goal.

Existing companies and companies that currently exist only in the minds of innovative dreamers will take advantage of this new competitive landscape and bring new products and a new way of life that will amaze every American.

Bill Gates, chairman of Microsoft Corporation, envisions an information revolution that will take place in the world communications marketplace. While he has expressed his frustration that the sweeping advancement in technology would not come for about a decade, we have the opportunity today to speed the advance of this technological and information revolution. We have the ability to set the pace by passing momentous legislation that will bring immeasurable technological advancements to every American family.

The massive barriers to competition and the restrictions that were necessary not long ago to protect segments of the U.S. economy have served their purpose. We have achieved great advances and lead the world in telecommunications services. However, productive societies strengthen and nourish the spirit of innovation and competition, and I believe that S. 652 will provide Americans with more choices in new products and result in tremendous benefits to all consumers.

This legislation will be remembered as the most deregulatory telecommunications legislation in history. The philosophy of this Congress—and our Nation in general—is to encourage competition in order to provide more efficient service and superior products to the American consumer. This bill will strip away antiquated laws, create more choices, and lower prices for consumers and enable companies to compete in the new telecommunications marketplace.

This resolution was favorably reported out of the Rules Committee yesterday, and I urge my colleagues to support the rule so that we may complete consideration on this historic legislation. I strongly support the Telecommunications Act of 1996 which will assure America's role as the high-technology leader and innovator for the next century, and I am absolutely certain that this will be the best job-creating legislation that I will see in my years in this House.

☐ 1315

Mr. Speaker, I reserve the balance of my time.

Mr. BEILENSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, there are some legitimate concerns about this rule for the consideration of the conference report for this landmark deregulatory telecommunications legislation, made all the more relevant, I think, by the fact that on what apparently will be the last day in which we shall be in session for almost 4 weeks, the principal responsibility for all of us should not be the hurried passage of this particular piece of legislation, which has been in conference now for several months, but rather passage of a clean debt ceiling resolution that would assure our citizens and the world that the U.S. Government will not default on its financial obligations.

Beyond that, there is no compelling reason or legitimate need, so far as this legislation is concerned, to waive the standing rule of the House that gives Members 3 days to examine a conference report before being required to vote on it. That is an important rule. It exists for the protection of Members of Congress and for the protection of the people we represent, to afford us all an opportunity to study and to review and to understand the legislation on which we are going to be asked to vote.

The importance of that rule, Mr. Speaker, is particularly relevant in a situation such as this when we are, as the gentleman from Georgia has pointed out, debating landmark legislation which completely rewrites our existing communications law that regulates industries worth nearly $1 trillion. Because this rule waives a reasonable and important time requirement, Members could be approving provisions that are not fully understood and that could have repercussions that no one has had the opportunity or the time to think carefully about, or think so carefully about as necessary.

We are concerned, too, about statements that indicate that there are plans to complete this conference report and have it signed into law, and then later on consider legislation later this year that will undo some of the agreements we are rushing through today.

In sum, it would have been much preferable if Members had been given the 3 days required by the rules of the House before being asked to vote on a conference report as complicated as this one, with its enormous economic, political and cultural consequences for the public and for businesses and for the Nation in general.

Several very major decisions have been made by the conferees, including those dealing with the relaxation of restrictions on ownership of radio and TV stations, with restrictions on Internet communications, and with the unfunded mandates issue that city governments in particular have expressed some concerns about.

In addition, the legislation basically unravels the protections that cable consumers currently enjoy. It terminates regulation of rates for non-basic cable services for all cable systems no later than 1999, and immediately for most small cable systems. That obviously is a very significant issue, dealing as it does with an industry that affects the great majority of the Americans whom we are elected to represent.

Mr. Speaker, perhaps the most worrisome part of the legislation is its treatment of media ownership and its promotion of mergers and concentration of power. The bill would change current law to permit a single company to own television stations reaching 35 percent of the nationwide audience, an increase from the current level of 25 percent.

Nationwide ownership limits in radio would be eliminated altogether, while a single company could own numerous radio stations in a single market. Newspapers could own radio and, in some cases, television stations in their own communities; local telephone companies could own television and radio stations in their own service areas.

These proposals pose a serious threat to the principles of broadcast diversity and localism. They threaten the ability of a community to have more than one source of news and entertainment.

The conference agreement does contain some provisions that enjoy widespread support, including one that gives parents the ability to block television shows that young children, they believe, should not be watching. That is an important issue. Conferees, most of us think, should be strongly commended for their support of this language.

We all recognize, Mr. Speaker, the need to make changes in our 60-year-old communications law, but we are still concerned, as I said at the outset, about the process under which the bill is being considered.

Obviously the needs and the rights of the American public should be the primary concern of this legislation. Many of us had hoped that the final version would better balance the introduction of competitive markets with measures designed to protect the public. I do hope that we do not discover later that we have lost sight of the public in this process and of the need to protect the public from potential monopoly abuses.

Mr. Speaker, in sum, this is a very complex and far-reaching piece of legislation. I am sorry only that we are being forced to consider it in a rather hurried fashion today.

Mr. Speaker, I reserve the balance of my time.

Mr. LINDER. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. DREIER], my colleague on the Committee on Rules.

Mr. DREIER. Mr. Speaker, I thank my friend for yielding me the time and congratulate him on his fine work on this effort.

This is obviously a great day. It has been decades in the making. As we all know, it has been over six decades since we have been able to deal as comprehensively with this issue. But I would like to make just a few points as we move ahead.

First and foremost, the success of this conference demonstrates that in a bipartisan way there is an understanding that competition works. It clearly creates a great opportunity to create jobs, creates an opportunity to benefit the consumer, which is what we want to do. We want to provide the widest range of choices, and that is exactly what is going to happen here.

We have learned from the fall of the former Soviet Union that regulated monopolies do not work, whether it is in business, whether it is even in public education. We have found that they do not work, and I think that the realization that we are going to finally bring telecommunications law up to the market is, I think, something that is very, very important.

The second point that I would like to make is that the success of this conference is due in large part to the reforms that were put into place at the beginning of the 104th Congress. We know that, as we have looked at the many people who have been involved in this, that if we had been living with the older system that we had, which is, I know, inside baseball here to talk about this, but the referral process for legislation was one which played a role, I believe, in jeopardizing success in the past. The change that we made at the beginning of this Congress, I believe, went a long way toward dealing with that.

The other thing that was very important was that we overhauled committee jurisdictions at the beginning of this Congress, and we have had some marvelous success in that overhaul, which I believe has gone a long way toward benefiting the legislative process.

Mr. Speaker, let me just say in closing, the State of California is pivotal to the success of this, too. California is providing the hardware and the software that is going to allow us to move into the 21st century, and this legislation will be key. We in California have what is known as the Silicon Valley where the hardware is going to be emanating from and Hollywood where the software will be emanating from, so our State is on the cutting edge, and it will go a long way toward creating jobs and opportunity.

I urge support of this very balanced rule, and I urge support of the conference report.

Mr. BEILENSON. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. DINGELL], the distinguished ranking member of the Committee on Commerce.

Mr. DINGELL. Mr. Speaker, I thank my good friend for yielding me the time, because I would like the attention of my good friend from California.

He speaks with great enthusiasm on the subject of reforms. I would remind the gentleman that last year or, rather, the year before last under the old rules, this body got from our Committee on Energy and Commerce, in agreement with the Committee on Judiciary, a bill which did substantially the same thing that this bill does right here. I would remind him that the matter was handled expeditiously and splendidly; that the delay occurred not here but in the Senate.

If the gentleman wishes, I will be delighted to inform him as to why the delay occurred and why that bill never passed the Senate. But I do not think the gentleman has any reason to discuss the failure of the old rules or the success of the new rules on the basis of this.

We gave this House a bill which does substantially the same thing. It was almost identical in language, in intent, and in substance to that which we have before us at this particular time, and I hope my good friend, for whom I have enormous respect and affection, will now be absolved of his very unfortunate error on this.

Since I have mentioned him I will be delighted to yield to him.

Mr. DREIER. I thank my friend for yielding. I would simply say that it is true that we were able to move legislation. But I believe very sincerely that the reforms that we put into place as it came to jurisdiction and also the referral process has helped us move more expeditiously with this legislation in the 104th Congress. And I believe, also looking at the issue of unfunded mandates and reform of unfunded mandates, that was another very important reform which allowed us to deal with this.

Mr. DINGELL. Reclaiming my time, again with great affection for the gentleman, it would serve him and this body well if he were to seek more suitable subjects for making a claim that reform has accomplished anything of merit.

I would conclude by making the observation that this is a good bill. I want to commend the distinguished chairman of the committee, the chairman of the subcommittee, the gentleman from Massachusetts [Mr. MARKEY], and the members of the committee.

Last year, I would remind my dear friend from California, we got 423 votes. I hope we will do as well today. Four hundred twenty-three is a large number of votes.

Mr. LINDER. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. KLUG].

Mr. KLUG. Mr. Speaker, the rule we have before us this afternoon and soon the bill itself that will follow has to do with changing law, and changing law that has affected the communications industry since the 1930's, but it is not just about changing law. It is also, I think, in many ways about fundamentally changing a mind-set, because for nearly 60 years in this country we have run communications based on a philosophy which said the bureaucracy, that the Government set prices, that the Government restricted access and restricted competition, and fundamentally it was the Government picking winners and defining losers.

This bill and this rule that precedes the bill will usher in a new era of competition where the market instead will pick winners and losers, and ultimately the major winner in all of this will be consumers. It is the way that consumers won when we deregulated the airline industry in 1978, and it is the way that consumers won when we deregulated the trucking industry back in 1980. Those changes have resulted in savings of hundreds of billions of dollars to the economy.

□ 1330

Obviously it helped the economy grow; this bill, at its roots, is in many ways a jobs bill as well, because it is a jobs bill based fundamentally on innovation and on new products.

This bill is also about choice. It used to be we only had one long-distance phone company in this country. Today there are thousands of them. Soon consumers will also have choices about local telephone service, about cellular, and if you hate your local cable company, you will have other cable companies to pick from, and you will have more options in broadcasting, more options in satellites.

All of those choices will be based on price, on service, and on performance and not ultimately on Government regulation.

I would like to congratulate the chairman of the committee, the gentleman from Virginia [Mr. BLILEY], for his terrific work, and the gentleman from Texas [Mr. FIELDS] for his terrific work as well, and also congratulate my fellow conferees. It is time to end 60 years of Government control, Mr. Speaker. It is time to vote for this rule and trust consumers and the markets to make decisions and no longer trust Government regulators.

Mr. BEILENSON. Mr. Speaker, I yield 5 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, I thank the gentleman for yielding me this time.

I must say if this bill is being brought to the floor under sunshine and happiness, I am not happy. I think this rule should be defeated. I think it is outrageous this rule is waiving the 3 days so that we can look at it.

I was on the conference committee, and at 7:40 a.m. this morning was the first time I got the full bill. Let me show you what was attached to it. These are the proposed technical corrections. This is page 1, this is page 2, this is page 3, this is page 4, this is page 5, and this is page 6. We have six little pages of technical corrections.

Now maybe the rest of you are quicker than I am, but we have been trying desperately to go through all of this and figure out what these six pages of technical corrections are really going to do to this bill, and because we do not have 3 days, we have until probably about an hour and a half from now, that is it, and I think when you are talking about a seventh of the economy, when you are talking about something that is trillions of dollars, and I come from a district that is very impacted by this, because we have regional Bells, we have long-distance companies, we have got cable companies, we have got all of that. We would like to know what this means, and the idea of "trust us, hurry out and vote," I think is wrong.

I mean, I figure I am getting my pay, and I am getting paid to be here, and to be here and study this, and I would hope that we know what is in it before we vote for it.

For all of those who think they know all of this and this is fine and this is terrific, let me tell you about one of the things that we stumbled over as we looked at this page upon page of corrections and stuff. We came across section 1462, which I think very few people know is even in this bill. What it says is absolutely devasting to women. What we are going to do is put on a high-technology gag rule with criminal penalties. Have a nice day.

Yes, let me read what this brings into the law through one of these little things. It says that any drug, medicine, article, or thing designed, adapted, or intended for producing abortion or for any indecent or immoral use or for any written or printed card, letter, circular, book, pamphlet, advertisement, or notice of those giving any kind of information directly or indirectly, no matter what it means, this is going to be deemed a Federal penalty, a Federal crime, if you transmit any of this over the Internet. Now, this is a gag rule that is off the charts.

One of the major things people wanted to use Internets for was telemedicine. Does that mean anything dealing with women's reproductive parts they cannot do this? There will be people standing up and saying, "Oh, SCHROEDER, cool off, that will never be considered constitutional." Well, if we are going to vote for things we think are not constitutional and we are going to do it in this fast a pace, we ought to give at least part of our salary to the judges. We are just going to mess everything up over here and send it over to them. I do not think so.

Let me tell you what lawyers tell me. Lawyers tell me do not be so quick about saying this is not constitutional; there was a pre-1972 case that upheld the constitutionality of this. And, second, we are talking about an international Internet. That is what our companies want to get on. And we have now seen one case with Germany talking about standards and what they want, and this, I think, would only give some international gravitas to limiting what you can say about women's reproductive health in and around the Internet no matter which side of this issue you were on.

I just think, why can we not have a little technical amendment correcting this? I think you are going to hear all sorts of people say we did not intend that, we did not mean it, let us have a colloquy, oh, let us, oh, let us, oh let us. Why can we not fix this? Why are not women in the world important enough if you can have six pages of technical corrections for every other thing you can possibly think of, some megacorporation wants? Why can we not take a deep breath and do this? Does that mean somebody's golf schedule in Florida is going to get upset? I do not know.

I must say I am very saddened we are coming to the floor with this rule saying we have to waive the 3-day proposal where we have time to read this and digest this, because I really do not think anybody here could pass a test. I really do not.

I was on the conference committee. Let me tell my colleagues, those conference committees were absolutely nonsubstantive. We would all gather in a room, best dressed, the TV camera from C-SPAN II would pan us, that would be the end of it.

I really hope people vote "no" on this rule.

Mr. LINDER. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. STEARNS].

Mr. STEARNS. Mr. Speaker, I say to the gentlewoman from Colorado [Mrs. SCHROEDER], I just cannot resist to use your own words, "Oh, Mrs. SCHROEDER, cool off." Those are your words.

You and I were both in the conference committee together. You and I were both there; we voted on the Internet legislation together; and, in fact, I think we voted the same way.

What we have here in this bill is satisfactory. In fact, it is superior, and it is something that we all voted together, both Democrats and Republicans.

So I am not clear if I understand your argument.

Let me just continue with what I was going to say. This follows up my good friend, the gentleman from Georgia [Mr. LINDER], when he talked about Bill Gates, the founder and CEO of Microsoft. This is what he said, my friends: "We are beginning another great journey; we aren't sure where this one will lead us either, but again I am certain this revolution will touch even more lives. The major changes coming will be in the way people communicate with each other. The benefits arising from this opportunity and this revolution will be greater, greater than brought by the PC revolution. We are on the verge of a bold new era of communications."

I urge my colleagues to vote in favor of this rule so that this body may have the unique chance to ensure this country's ability to realize the great potential of the dynamic communications revolution that Mr. Gates speaks about. Today we have this opportunity, because the Republican majority has brought forth a bill that is important not only for the industry but for this country.

Mr. Gates is right when he says this revolution will touch even more lives in addition to creating new jobs in the communications industry. It will have a dramatic impact on consumers. It will bring about benefits of greater choice, of new and exciting communications services with lower prices and even higher quality. Americans will have greater access to information and education than ever before.

Clearly the consumer will be the winner.

I urge my colleagues to vote for the rule on this legislation that will take the American consumers and customers further than they ever imagined.

Mr. BEILENSON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Mr. Speaker, this is an enormous bill in its scope and the effort that went into it and the number of years that were spent putting this together.

Certainly there are parts of this legislation that I do not agree with. But in general, I think what has been put together here is positive.

We live in a new world, and if we are going to make the technological changes that work for families, our laws have to keep pace with the changing times that we are in. We cannot move into a computer age with laws that were written for the radio age.

I believe this bill will help bring us into the 21st century in a way that will not only create jobs but make us more efficient as a country in this ever challenging global economy that we now are in.

Beyond that, this bill gives parents, and I would like to focus attention for one second on this question of giving parents more control over the sex and the violence that is coming into our homes today. Most of the kids in our society will see 8,000 murders and over 100,000 acts of violence on television by the time they finish grade school. That is appalling. We need to do more to help those parents who do take responsibility for their kids.

Now, the V-chip, that is something that is part of this package. It was the gentleman from Massachusetts [Mr. MARKEY] and the gentleman from Michigan [Mr. DINGELL] and others who have been active on this issue. We have got that in here. The V-chip included in this bill will help parents let in Sesame Street and keep out programs like the Texas Chainsaw Massacre.

Mr. Speaker, it is parents who raise children, not government, not advertisers, not network executives, and parents who should be the ones who choose what kind of shows come into their homes for their kids.

It was a little more than a week ago when the President of the United States stood directly in back of me and spoke to the Nation, and the most memorable words from my standpoint in that speech were parents have the responsibility and the duty to raise their children. This bill will help immeasurably in that direction, so I urge my colleagues to be supportive of the conference report when it comes before us in the next few minutes.

Mr. LINDER. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. FIELDS], the chairman of the subcommittee that produced this bill.

Mr. FIELDS of Texas. Mr. Speaker, very seldom, if ever, in a legislative career, can we as legislators, can we as trustees for the American people, feel that we have made a significant contribution for the country's future—made a real difference. Well, today we can.

Mr. Speaker, this is a watershed moment—a day of history—and, not just because this is the first comprehensive reform of telecommunication policy in 62 years—not just because we have been able to accomplish what has eluded previous Congresses—which, in and of itself, is of particular pride to me and my fellow subcommittee members, on both sides of the aisle, because we have all worked many long hours to get to this watershed moment.

No, Mr. Speaker, this is a historic moment because we are decompartmentalizing segments of the telecommunications industry, opening the floodgates of competition through deregulation, and most importantly, giving consumers choice—in their basic telephone service, their basic cable service, and new broadcasting services as we begin the transition to digital and the age of compression—and from these choices, the benefits of competition flow to all of us as consumers—new and better technologies, new applications for existing technologies, and most importantly, to all of us, because of competition, lower consumer price.

For the last 3½ years this telecommunication reform package has been my life—I have lived with it, eaten with it, and not to sound weird, even dreamed of telecommunication reform while I'm asleep—so, believe me when I say that I am glad that we are bringing this important issue to closure. In fact, this closure reminds me of my newest daughter, Emily, born 14 days ago—the labor has been long, we've been through some painful contractions, but at the birth of something so magnificent, you're a proud father—and today, I am one of many proud fathers.

□ 1345

And, just as I cannot predict what Emily will be like as she grows up, few of us really understand what we are unleashing today. In my opinion, today is the dawn of the information age. This day will be remembered as the day that America began a new course—and none of us fully appreciate what we are unleashing. I do know that this is the greatest jobs bill passed during my service in Congress. I really believe that because of the opportunities afforded because of deregulation that there will be more technology developed and deployed between now and the year 2000 than we have seen this century. I believe that this legislation guarantees that American companies will dominate the global landscape in the field of telecommunication.

And, if asked what I am most proud of in this legislation—besides the fact that my subcommittee members on my side of the aisle have worked as a team in developing this legislation—is the approach that we initiated in January 1995, when we as Republicans assumed leadership on this issue and invited the leading CEO's of America's telecommunication companies to come and answer one question. That one question was, What should we do as the new majority in this dynamic age of technology to enhance competition and consumer choice? The telephone CEO's said that they didn't mind opening the local loop if they could compete for the long distance business that was denied to them by judicial and legislative decision. The long distance CEO's said that they didn't mind the Bell's competing for the long distance business if the local loop was truly open to competition and if they could compete for the intraLATA toll business which was denied to them. And, the biggest surprise to us was when Brian Roberts of Comcast Cable on behalf of the cable industry said that they wanted to be the competitors of the telephone companies in the residential marketplace. In fact, the next day, I called Brian and Jerry Levin of Time-Warner to have them reassure me that their intent was to be major players and competitors in the residential marketplace. After that discussion, I told my staff that we needed a checklist that would decompartmentalize cable and competition in a verifiable manner and move the deregulated framework even faster than ever imagined. And we came up with the concept of a facilities based competitor who was intended to negotiate the loop for all within a State and it has always been within our anticipation that a cable company would in most instances and in all likelihood be that facilities-based competitor in most States—even though our concept definition is more flexible and encompassing. It is this checklist which will be responsible for much of the new technologies, the major investments that will be flowing, and the tens of thousands that will be created because of this legislation.

And, in talking about opening the loop, I don't want to take away the other deregulatory aspects of our legislation such as the more deregulatory environment for the cable industry as they prepare to go head-to-head with the telephone companies. The streamlining of the license procedures for the broadcasting industry and the loosening of the ownership restrictions.

Mr. Speaker, I could go on and on and on and be excited about what this bill means to Americans, to our consumers.

Let me just end at this particular time in saying once again, I am a proud father, along with many others. There are many who have brought this day to us. It is a watershed moment, a historic moment, and it is a day that all of us can be extremely proud of.

Mr. BEILENSON. Mr. Speaker, I yield 3 minutes to the gentlewoman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I agree with the previous speaker, we are not sure what we are unleashing here. But I am rising in objection today to at least another measure to restrict women's constitutional rights that has appeared in this bill. I am referring to section 507 of the Communications Act of 1995 that would prohibit the exchange of information regarding abortion over the Internet. I ask you, is the abortion issue going to be attached and is it at all germane to this bill?

This is the 22d vote of the 104th Congress on abortion-related legislation that has whittled away at the constitutional and legal rights of American women. Today we have the opportunity to pass a widely supported bipartisan telecommunications bill. Instead of focusing on the important issues at hand, we are being forced again for the 22d time during Congress to vote on a measure to further reduce women's constitutional rights.

Abortion is a legal procedure. To prohibit discussion of it on the Internet is clearly a violation of first amendment rights.

The penalties involved are severe. If an unknowing person were to even bring up the topic on the Internet, the penalty would be 5 years imprisonment; 10 years for a second or subsequent charge, even for the mention of the word.

I want the American people to know that this Congress has systematically whittled away at a woman's right to choose to such a degree it has been virtually destroyed. If it is to be Federal policy that every conception will result in birth, then the Federal Government must also assume responsibility for children. We must assume the responsibility to provide for the emotional, the educational needs, and the financial well-being of every child.

This Congress has expressed no interest in assuming responsibility for children. Instead, measures have been proposed and many have passed that further rescind the current limited Federal obligations to the children of the United States. There have been drastic cuts to the earned income tax credit for working parents with children, to Head Start, to nutrition, and to health programs. These are the very programs that address the needs of the poor and disadvantaged children.

The implication in this Congress is that once a child is born, we really do not care what happens to it. That child may starve, may be abused, or even be beaten to death, and, in the case of the Northeast, may freeze to death because hearing assistance for the poor has now been taken away. The only thing that matters is that the child be born. After that, it is somebody else's problem.

This prohibition to rights of privacy and to the first amendment rights does not belong in this bill.

Mr. LINDER. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. GOSS], my colleague on the Committee on Rules.

Mr. GOSS. Mr. Speaker, I thank my distinguished colleague from Georgia for yielding me time.

Mr. Speaker, I rise in support of this rule. I think it is an appropriate rule that finally takes this piece of legislation which has been moving up and down the field now, lo these many years, and finally pushes it over the goal line. I think we have come to that point.

I would like to extend my congratulations to all those involved on the primary committee and all the other committees that looked at it, but particularly the gentleman from Virginia [Mr. BLILEY], the gentleman from Texas [Mr. FIELDS], the gentleman from Ohio [Mr. OXLEY], and the gentleman from Michigan [Mr. DINGELL]. This has truly been a remarkable product.

This is a bill that is good for all, long distance, regional, new technology, broadcasters, cable, but consumers as well. Consumers, Americans, the people we work for, are going to benefit from this.

Yes, there are still some problems out there with local government on revenue and zoning issues. We have assurances they are worked out, and, if they are not, then we can deal with them. Areas of duopoly, the question of free press and diversity of opinion, which are essential to our democracy, these are areas that may need further attention, and we have been promised we will get them if necessary. This is a big, important positive step we are taking, and I urge support.

Mr. Speaker, I thank my friend from Georgia for yielding me this time and I urge support of this rule. As has been explained this is a standard rule providing for consideration of a very complex conference report.

Mr. Speaker, this telecommunications bill is a remarkable piece of legislation in its overall effect. I commend everyone who has worked so hard to create a fair, bipartisan bill—wading through some of the most complicated and controversial issues of our day. According to Chairman BLILEY, who worked tirelessly on this project, we have arrived at a compromise that will open the communications industry to real competition and reduce Federal involvement in decisions that are best made by the free market.

As America enters the 21st century, telecommunications will be at the forefront of our continuing economic development. Congress simply cannot keep up with the development and innovation that are propelling us into the information age of the 21st century. For too long we have been constrained by the foundations built by policies written more than 60 years ago, long before cable television and cellular phones became reality.

With a bill this monumental, differences of opinion will inevitably continue to exist—and the chairman himself has underscored that this is not a perfect product. I am pleased, however, that during conference the rights-of-way and zoning issues were adequately resolved. As I understand it, localities will maintain their ability to control the public rights-of-way and to receive fair compensation for its use. Federal interference is unnecessary, as long as localities do not discriminate. I think that is fair.

One remaining concern I have is with restrictions on ownership of television stations. Diversity of opinion—and a truly free press—are hallmarks of American society.

In our rules meeting last night, the chairman said that, although the House provision on dupolies—dual ownership of stations in a single market—was not included, guidelines for the FCC in handling such cases were. He assured me that he would look further into the matter of small television markets like those in my district in southwest Florida, where the rules on dual ownership may have unintended negative consequences.

Mr. Speaker, these are relatively small issues given the entire scope of S. 652 and I am hopeful the bill will be signed into law. I understand from Chairman BLILEY that necessary technical corrections and clarifications will be taken care of in the future and I look forward to addressing these final concerns when we work on the fine-tuning of this historic bill.

Mr. BEILENSON. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I urge defeat of the rule. One, the need to dispense with the normal procedures is another example of rewarding one's own incompetence. The bill should have come out in time. The notion that we are ready to leave cuts no ice, because there is no reason why the bill could not have been out before.

But I also have serious substantive problems with the bill. Indeed, I have always believed that self-denial was an important thing for leaders to show. But I think my Republican friends have gotten confused. Instead of self-denial, they have used this bill for self-repudiation.

First we have the Speaker of the House who talked very loudly about how he was opposed to censorship. He was going to keep our electronic communications free of censorship. Despite that, we now have a bill which is heavily weighted with censorship. We have a bill which will interfere with free expression through the Internet and elsewhere.

But there is another example of self-repudiation that troubles me deeply, and that is the decision by the majority leader of the Senate to abandon his very brief crusade on behalf of the taxpayers. I was very pleased when Senator DOLE spoke out against a giveaway of access to the spectrum on the part of the Government to broadcasters, and I was briefly with the Senator. But I made the mistake of, I do not know, going to lunch. When I came back from lunch, I was alone on the battlefield, at least as far as the Senator is concerned.

This is a Congress that has been making severe cuts in programs that deal with the economic needs of some of the poorest people in this society, and we have been told that we must rely more on free enterprise, less on Government entities and Government regulation, and people must be on their own. But it now turns out they forgot to say, those who said that, that they are for free enterprise for the poor and free enterprise for the workers.

But when it comes to wealthy interests in this society, free enterprise is apparently a very scary thing. Because the broadcasters, among the wealthiest people in society with the largest concentrations of wealth, are to get for free access to the spectrum.

I know there is going to be language and people have written letters which in effect say we are passing a bill that says one thing, but please let us pretend that what we say, we did not really say. I believe that the Senate majority leader was right to criticize the giveaway of access to the spectrum, and I think it is wrong to drop that out.

I should note parenthetically we are apparently about to do the same thing with agriculture. Free enterprise for the poor, no subsidies there, no regulation when we are talking about the environment. But when we are talking about growing peanuts or sugar, oh, well, wait a minute, free enterprise was not meant for that.

I hope this rule is defeated and taxpayers interests are vindicated in the protection of the spectrum.

Mr. LINDER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to observe that I am troubled deeply that the gentleman from Massachusetts is deeply troubled, and I shall reserve the balance of my time.

Mr. BEILENSON. Mr. Speaker, I yield 6 minutes to the gentleman from Massachusetts [Mr. MARKEY], the ranking member of the committee.

Mr. MARKEY. Mr. Speaker, I thank the gentleman for yielding me time.

I would like to begin by complementing the gentleman from Texas, JACK FIELDS, and the gentleman from Virginia, TOM BLILEY, and all of the Republicans that worked on this bill for so long. They conducted the process in a bipartisan fashion. It is to their credit.

I want to compliment the gentleman from Michigan, JOHN DINGELL and so many of the Democrats on our side who have worked on this bill for so long, 4 years, 4 long years. A similar bill passed near unanimously in 1994. The gentleman from Georgia, NEWT GINGRICH, in fact came to the well and called it the model of bipartisan legislation in 1994. In the Senate that year, unfortunately, it kind of died in the final 3 or 4 weeks. But it was revived in January of last year, and, working together in that spirit of bipartisanship, the bill was brought back out here on the floor again today.

Mr. Speaker, I cannot tell you how much I appreciate the way in which the gentleman from Texas, JACK FIELDS, at the subcommittee level, especially for me, comported himself, and worked to make sure that this bill would be done in away that dealt with the ideas that had to be dealt with.

This bill is critically important, because it unleashes a digital free-for-all. We take down the barriers of local and long distance and cable company, satellite, computer, software entry into any business they want to get in. Once and for all, all regulations are taken down.

The premises are the same as they were in the bill a couple of years ago: More jobs and more choices. Now, there is a kind of paradox, because the larger companies are going to have to lay off people in many instance in order to remain competitive with the thousands of companies who are going to be creating new jobs on this information superhighway, with the net result of many tens and hundreds of thousands of new jobs, far more than have ever existed in this area of the American economy.

☐ 1400

For me, that premise of competition has always been the preferred mode that we should use in order to accomplish this revolution in our society.

Mr. Speaker, the bill contains many very important provisions. It contains a V-chip that will allow parents to be able to protect their children against the 500 channels, which is, by the way, only shorthand for infinity, because that is how many channels will be coming into people's homes. They are going to need an effective way of blocking out programs which are offensive to their families.

It also preserves the concepts of localism and diversity which are so critical in our telecommunications marketplace so that we will have many voices in each marketplace.

It also will ensure learning links built into each classroom, K through 12, through preferential rates which is going to be absolutely essential in the post-GATT, post NAFTA world. As we let the low-end jobs go in our society, we have to make sure that every child K through 12 is given the skills that they are going to need in order to compete for these high-skilled jobs that otherwise will go to any other place in the world that is providing their workers with those skills. It also expands very important privacy protections to individuals in their relationships with these very large companies.

People will be able to go to a Radio Shack and be able to purchase their own set-top box. They will be able to purchase their own converter box, their own modem. They will be able to purchase any product which is accessible to this information superhighway. It offers, in other words, real competition in the consumer electronics marketplace as well.

We have come a long way in the last 15 years in this country. Back then we had one big telephone company. We had three television stations in most communities in the country. Today we have faxes. We have digital satellites. We have personal computers. We have cellular phones. We have brought this country into the Information Age. As the gentleman from Texas said, we now unleash this new revolution, for 15 years and beyond, in terms of massive changes that are unimaginable, but will be the product of competition.

The worldwide web was unimaginable 15 years ago, and today it is the coin of the realm in the marketplace. It was Government funded and created, but nonetheless it has been transmogrified into a private sector wonder. So we are all going digital. Life will never be the same. This bill helps to speed up that process ever further.

So in conclusion, again, I cannot compliment the gentleman from Michigan [Mr. DINGELL] enough for his leadership, for his vision on this bill. I cannot thank enough the gentleman from Virginia, as well, for the way in which this process has been guided and especially to my good friend, the gentleman from Texas [Mr. FIELDS]. I want to compliment him for the gentlemanly way that he treated all of us throughout this process. He has been a good friend to all of us and ultimately to the consumer of this country by the competition that is unleashed in this bill. I hope that everyone supports this rule and ultimately supports the bill when it comes to the floor in final passage.

Mr. LINDER. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana [Mr. TAUZIN], a member of the Committee on Commerce.

Mr. TAUZIN. Mr. Speaker, several years ago in this House we debated a thing called program access in connection with the cable industry. It was a grand debate. It produced an override of a veto on that cable bill that year. But more importantly, what it produced for America was competition in the cable industry.

It produced for America the direct broadcast television system [DBS] that is now providing cable programming to millions of Americans who did not live within reach of a cable system. It is providing competition in cable prices and cable programming to millions of Americans who were limited before the advent of [DBS] to buying their programming from a single monopoly supplier. We celebrated then a small victory for competition and for consumers.

Has it worked? It has worked marvelously. There is finally real competition in cable programming. Consumers enjoy more choices. There are better products and better prices. We have just begun to see the benefits of that competition today. Today is a grand celebration of that notion of competition. Today, in a bipartisan way, we unleash the spirit of competition in all forms of telecommunications services, from telephones to computers, to services dealing with video programming, and data services to interexchange services that are going to link us as Americans together as one like never before and give us access to the world and the world access to us as never before.

This is a grand celebration of a free market system, of competition, and of Americans in their government trusting Americans in the marketplace to make the right decisions for themselves.

It is a grand strategy to unleash the technologies that geniuses are working on in labs across America and give them a chance to become tomorrow's Microsoft.

Second, it is our opportunity to take these decisions away from a judge who has been making telecommunications policy for America and to return those decisions to the people's House, the Congress of the United States of America.

Finally, this bill predicts between 1.5 million and 3.5 million new jobs for Americans without us having to tax and spend one dime to get this economy going. This bill unleashes new jobs and new job opportunities the likes of which this Congress has rarely had a chance to do. Imagine: 1.5 million to 3.5 million new families earning money instead of being dependent upon somebody else. That is what this bill promises for us, a little promise that we ought to keep on this House floor.

Mr. Speaker, I want to commend the gentleman from Michigan [Mr. DINGELL], the former chairman, the gentleman from Virginia [Mr. BLILEY], our chairman, and particularly the gentleman from Texas [Mr. FIELDS] for the extraordinary work he has done. Let us celebrate their hard work, and let us celebrate the spirit of America, a free-market system and competition. Let us vote this good bill out today.

Mr. BEILENSON. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. CONYERS], the distinguished ranking member of the Committee on the Judiciary.

Mr. CONYERS. Mr. Speaker, I would like to begin by congratulating the gentleman from California [Mr. BEILENSON] for supporting my discussion last night in the Committee on Rules, when the Congress had finished its work, when we found out that this conference report would be brought forward today in less than 24 hours, violating the most time-honored rule in the procedures of bringing legislation to this House.

The same rule that Speaker GINGRICH has spoken with great passion about; the same rule that the gentleman from New York, Mr. SOLOMON, chairman of the Committee on Rules, has preached to me about across the years, this rule is now being violated for reasons that I cannot fathom.

Let me make it clear that this is the most important 111 pages in a conference report in terms of economic consideration that my colleagues will ever in their careers deal with. The fact of the matter is that there are very few, if any, persons that have read, not to mention understand, what is in the report. That is why we have a 3-day rule layover.

Now, in all fairness, I want to commend the gentleman from Virginia [Mr. BLILEY] because he has cooperated with me throughout this process as a conferee. In all fairness, I want to commend the dean of the House, the gentleman from Michigan [Mr. DINGELL], who has not only afforded me every courtesy but has allowed me to have 20 minutes in the debate that will shortly follow.

But ask this question, as I urge my colleagues to return this rule to the committee: Who knew that that noxious abortion portion was in the conference report? Nobody, until it was found out about last night. Who knows many of the other provisions, I have a whole list of them here, that could not possibly be known about, much less understood in terms of their implications?

The reason that we honor the 3-day rule is simply because there are no amendments possible on a conference report. We can only vote it up or down. We should have a 3-week delay on this measure, since we are going out this afternoon. So 3 days would be a very modest consideration. That is why I am asking that this measure be returned to the Committee on Rules for the observation of the 3-day rule.

Mr. LINDER. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. HASTERT], another member of the Committee on Commerce.

Mr. HASTERT. Mr. Speaker, I really want to congratulate the gentleman from Texas [Mr. FIELDS], the gentleman from Virginia [Mr. BLILEY], the gentleman from Ohio [Mr. OXLEY], the former chairman on the other side of the aisle—folks who have been working on this issue for a long, long time and have put together a very, very good piece of legislation.

I might add that the piece of legislation that came out of here in the last Congress, also worked on by a group of folks, but it came out on suspension. It never got out of the Senate, back to the House in a conference. The gentleman from Michigan was talking about this bill, when my Democrat colleagues passed a bill on the suspension calendar with no amendments, 40 minutes of debate, and that was it. So take the difference in what is happening here.

Mr. Speaker, I rise in support of the conference report on the Communications Act of 1995. I have worked on this legislation for several years, and I am proud to come to the floor to support a bill that will unleash $63 billion in economic activity.

Reform of the 1934 Communications Act is long overdue. The road map for our communications future, outlined in the 1934 Act and the courts, still anticipates two-lane back roads rather than the fast paced super-highways we have today. The U.S. District Court began the trip toward competition when it issued the modified final judgment [MFJ] that required the breakup of "Ma Bell" 10 years ago and brought competition to the long-distance industry. Back then, I served as chairman of the Illinois Joint Committee on Public Utility Reform. We were charged with the task of revamping Illinois law to bring more competition. At that time, it was assumed that competition was not a good thing for local telephone service; the local telephone loop was viewed as a natural monopoly. Now, because of advances in technology, we see that it is possible—and preferable—to bring competition to the local loop.

But the MFJ has not brought about the full fledged competition consumers needed in every part of the communications industry. Thus, Congress has risen to the task of planning the road-trip so that American consumers will have more choices and innovative services, and will pay lower prices for communications products.

The map shows that there are pitstops along the road to competition. Everyone is in favor of "fair" competition as industries begin to contend in each others businesses. Fair competition means local telephone companies will not be able to provide long-distance service in the region where they have held a monopoly until several conditions have been met to break that monopoly.

First, the local Bell operating company [BOC] must open its local loop to competitors and verify it is open by meeting an extensive competitive checklist. Second, there must be a facilities-based competitor, or a competitor with its own equipment, in place. Third, the Federal communications Commissions [FCC] must determine that the BOC's entry into the long-distance market is in the public interest. And fourth, the FCC must give substantial weight to comments from the Department of Justice about possible competitive concerns when BOC's provide long-distance services.

Consumers can be sure BOC's won't get the prize before crossing the finish line.

As a member of the Commerce Committee, I worked on several provisions of this bill, and was the author of section 245(a)(2)(B) of H.R. 1555 which deals with the issue of BOC entry into in-region inter-LATA telecommunications service. This provision has become section 271(c)(1)(B) in the conference report. Section 271(c)(1)(B) provides that a BOC may petition the FCC for this in-region authority if it has, after 10 months from enactment, not received any request for access and interconnection or any request for access and interconnection from a facilities-based competitor that meets the criteria in section 271(c)(1)(A). Section 271(c)(1)(A) calls for an agreement with a carrier to provide this carrier with access and interconnection so that the carrier can provide telephone exchange service to both business and residential subscribers. This carrier must also be facilities based; not be affiliated with BOC; and must be actually providing the telephone exchange service through its own facilities or predominantly its own facilities.

Section 271(c)(1)(B) also provides that a BOC shall not be deemed to have received a request for access and interconnection if a carrier meeting the criteria in section 271(c)(1)(A) has requested such access and interconnection; has reached agreement with the BOC to provide the access and interconnection; and the State has approved the agreement under section 252, but this requesting carrier fails to comply with the State approved agreement by failing to implement, within a reasonable period of time, the implementation schedule that all section 252 agreements must contain. Under these circumstances, no request shall be deemed to have been made.

Mr. Speaker, we have given serious debate and consideration to this bill. Now is the time for Congress to set reasonable guidelines for our communications future. All signs point to competition ahead, so I urge my colleagues to give the Telecommunications Act of 1996 a green light.

Mr. BEILENSON. Mr. Speaker, I yield the balance of my time to the gentlewoman from Texas [Ms. JACKSON-LEE].

☐ 1415

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman for yielding time to me.

Let me acknowledge that this is a very important bill. This is a historic occasion. I should add my thanks and appreciation to the gentleman from Michigan [Mr. DINGELL] and the gentleman from Virginia [Mr. BLILEY] and the gentleman from Texas [Mr. FIELDS] and the gentleman from Massachusetts [Mr. MARKEY] and the ranking member, the gentleman from Michigan [Mr. CONYERS], for the efforts that have been exhibited. But I do want to raise some concerns as to this rule.

I remained in my office even up to 10 o'clock and had noted that the rule had not come out, even as late as 10 p.m. last evening. Final changes were brought to our office in the early part of the evening. Conferees were still working, and the Committee on Rules, again, did not report until very late. For a bill this important, this is an unfair process.

The conference committee members have not had an opportunity to adequately review these technical changes and the report language. This bill will revolutionize the telephone, long-distance, cable, and broadcast industries and have a far-reaching economic impact upon our country.

For example, it allows telephone companies to enter into other lines of business. It deregulates cable rates and expands broadcast ownership. It has been one of the most heavily lobbied bills in the recent history of this House.

Many Members of the House and Senate have had major concerns. In fact, we have only had three meetings. Some would argue that there has been inadequate notice. I know there are good intentions. I would simply ask for consideration.

In addition, we have had an additional absurdity with the inclusion of language prohibiting the transfer of legally sound information regarding choice and family planning. That means that legitimate physicians in their offices cannot transfer information.

Mr. Speaker, I have to raise a question over what is the big rush to consider this legislation now. Members can use the 3-week recess to adequately review this bill. I cannot believe anyone can seriously object to a 3-week delay in considering this bill.

Therefore, I would ask Members to oppose this rule at this time so that we can add a measure of fairness to this historic occasion, recognizing the good work that has been done but understanding that it is also important for individual Members to likewise do their work and to ensure that they have had the proper time to review, the proper notice and as well to be able to assure their constituents, as I know they would want to do, that this is in fact both historic but fair and open-ended and responsive to the concerns that have been raised.

I ask again for 3 weeks and ask again for reconsideration of the rule.

Mr. Speaker, I must rise to express my concerns regarding the rule on the telecommunications conference report. This legislation is one of the most comprehensive bills to be considered in the 104th Congress. It is the most extensive revision of our communications laws since the Communications Act of 1934.

I am concerned about the process relating to bring this bill to the floor. The final changes to the conference report were not distributed until last night. Furthermore, the conference report was signed by House conferees last night and filed very late last night. Finally, the Rules Committee considered the rule on the report late last night. This is a terrible and unfair process for such an important bill. The conference committee members have not had an opportunity to adequately review these technical changes and the report language.

This bill will revolutionize the telephone, long-distance, cable, and broadcast industries and have a far-reaching economic impact upon our country. For example, it allows telephone companies to enter into other lines of business, it deregulates cable rates, and expands broadcast ownership. It has been one of the most heavily lobbied bills in the recent history of the House. Most Members of the House have not had the opportunity to study this bill. Additionally, members of the House and Senate conference committee have had major concerns regarding the conference committee process, particularly the inadequate notice of staff meetings, the level of participation by all staff. An additional absurdity is the inclusion of language prohibiting the transfer of legally sound information regarding choice and family planning. That means that legitimate physicians cannot communicate office to office on medical procedures. There were only three meetings of the conference committee.

Mr. Speaker, I have to raise the question over what is the big rush to consider this legislation now. Members can use the 3-week recess to adequately review this bill. I cannot believe anyone can seriously object to a 3-week delay in considering this bill. Therefore, I must oppose this rule on this conference report.

Mr. LINDER. Mr. Speaker, I yield myself the balance of my time.

To paraphrase Mr. Churchill, This is not the end. It is not even the beginning of the end. It is perhaps the end of the beginning, the beginning of an explosion in technology and invasion.

It will not be many years before Americans are going to be startled and people across the world startled about the kinds of goods and services and products coming through their television receivers in their homes.

This, I believe, would be the most important job-creating bill of my career in this House. I was excited to have been privileged to be a part of working on this since early summer as a member of the Committee on Rules and even involved in some of the technology. It was an example, the whole process, of how the two sides can work together and cooperate.

I have already commended the chairmen, the gentleman from Virginia [Mr. BLILEY], the gentleman from Texas [Mr. FIELDS], and the gentleman from Illinois [Mr. HYDE]. I think the ranking members, the gentleman from Michigan [Mr. DINGELL], the gentleman from Massachusetts [Mr. MARKEY], the gentleman from Michigan [Mr. CONYERS] were very helpful through the whole process. They worked with each other. I was proud to be a part of that process.

I would like to say especially, nobody helped me more in the rule and dealing with the amendments than the gentleman from Michigan [Mr. DINGELL]. I want to say, I am grateful.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. CONYERS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 337, nays 80, not voting 16, as follows:

[Roll No. 24]

YEAS—337

Allard
Andrews
Archer
Armey
Bachus
Baesler

Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (FL)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clayton
Clement
Clinger
Coble
Coleman
Collins (GA)
Combest
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeLauro
Diaz-Balart
Dickey
Dicks
Dingell
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Everett
Ewing
Fawell
Fields (TX)
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Ganske
Gekas
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (FL)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Luther
Manton
Manzullo
Markey
Martini
Mascara
Matsui
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
McNulty
Meehan
Meek
Menendez
Metcalf
Mfume
Mica
Miller (FL)
Minge
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Murtha
Myers
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Obey
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Peterson (FL)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Roberts
Roemer
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Rush
Salmon
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Tejeda
Thomas
Thornberry
Thornton
Tiahrt
Torkildsen
Towns
Traficant
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—80

Abercrombie
Becerra
Beilenson
Brown (OH)
Clay
Clyburn
Coburn
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
DeFazio
Dellums
Deutsch
Dixon
Durbin
Evans
Farr
Fazio
Fields (LA)
Frank (MA)
Furse
Green
Gutierrez
Hall (OH)
Harman
Hilliard
Hinchey
Istook
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnston
Kaptur
Lantos
Lewis (GA)
Lofgren
Lowey
Maloney
Martinez
McCarthy
McDermott
McHale
McKinney
Meyers
Miller (CA)
Mink
Morella
Nadler
Oberstar
Olver
Owens
Pelosi
Peterson (MN)
Rivers
Roybal-Allard
Sabo
Sanders
Schroeder
Schumer
Scott
Serrano
Skaggs
Slaughter
Stark
Stokes
Thompson
Thurman
Torres
Velazquez
Vento
Visclosky
Volkmer
Waters
Watt (NC)
Woolsey
Yates

NOT VOTING—16

Ackerman
Brown (CA)
Bryant (TX)
Callahan
Chapman
DeLay
Fattah
Filner
Gejdenson
Gibbons
Hastings (WA)
Rogers
Rose
Taylor (NC)
Torricelli
Wyden

☐ 1439

Mrs. MEYERS of Kansas and Messrs. GUTIERREZ, STARK, and SCHUMER changed their vote from "yea" to "nay."

Ms. EDDIE BERNICE JOHNSON of Texas and Mr. HOYER changed their vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. BLILEY. Mr. Speaker, pursuant to House Resolution 353, I call up the conference report on the Senate bill (S. 652) to provide for a procompetitive, deregulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Pursuant to House Resolution 353, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of Wednesday, January 31, 1996, at page 1904.

The SPEAKER pro tempore. The gentleman from Virginia [Mr. BLILEY] will be recognized for 30 minutes, and the gentleman from Michigan [Mr. DINGELL] will be recognized for 30 minutes.

PARLIAMENTARY INQUIRY

Mr. CONYERS. I have a parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state it.

Mr. CONYERS. Mr. Speaker, I would like to claim the traditional 20 minutes in opposition under the rule.

The SPEAKER pro tempore. Does the gentleman from Michigan support the conference report?

Mr. CONYERS. No, sir, I do not.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. CONYERS. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, I believe I can save the body a little time. Mr. Speaker, I support the conference report. I believe the gentleman's claim for the 20 minutes is entirely correct. I would urge the Chair to grant the gentleman from Michigan [Mr. CONYERS] 20 minutes, 20 minutes to the gentleman from Virginia [Mr. BLILEY], and 20 minutes to myself.

The SPEAKER pro tempore. Pursuant to clause 2(a) of rule XXVIII, the time will be divided 3 ways.

The gentleman from Virginia [Mr. BLILEY] will be recognized for 20 minutes, the gentleman from Michigan [Mr. DINGELL] will be recognized for 20 minutes, and the gentleman from Michigan [Mr. CONYERS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Virginia [Mr. BLILEY].

Mr. BLILEY. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina [Mr. BURR].

Mr. BURR. Mr. Speaker, I rise in support of the telecommunications bill.

Mr. Speaker, I wish to congratulate my colleagues, particularly Chairman BLILEY, the ranking member, Mr. DINGELL, Mr. FIELDS, Mr. MARKEY, as well as Chairman HYDE, on this historic reform of our Nation's telecommunications laws. Passage of this landmark bill will foster job growth, product innovation, consumer savings, and economic development across all sectors of our economy. The legislation's removal of barriers to competition in the telephone, cable, and broadcast industries will open markets and increase competition in the communications industry that will better prepare our Nation to enter the new millennium.

I am pleased that the conferees have included in their final report a provision I sponsored in H.R. 1555 that I believe embodies the deregulatory intent of this legislation—a provision which adjusts one piece of a larger regulatory barrier that has been ignored by regulators since its inception.

Since 1981, Bell operating companies have been prohibited from jointly marketing their local telephone service and cellular services due to an FCC rule requiring the establishment of an RBOC cellular separate subsidiary. This rule was originally intended to apply to the predivestiture AT&T when the Commission determined that AT&T and one other company would be granted the two cellular licenses in each market.

During the breakup of the old Bell system, AT&T transferred its cellular licenses to its newly established offspring, the regional Bell operating companies. Because the Commission was in the process of overseeing the breakup of the world's largest corporation, the FCC understandably had precious little time to worry with establishing new rules for RBOC participation in the then nascent cellular business. Consequently, the Commission determined that RBOC cellular operations would be conducted under the same rules that had been developed for AT&T, and that the Commission would review the matter in 2 years. Given the circumstances, such a decisions seems understandable. What is not understandable, however, is what has happened in the meantime—nothing.

For 14 years the FCC has ignored its commitment to review the necessity of its RBOC cellular separate subsidiary rule. While cellular exploded into a dynamic, competitive industry, the FCC took no action. In fact, when the Commission established the rules for a new wireless service, PCS [Personal Communications Service]—designed to compete with cellular, the FCC determined that RBOC's would not be required to establish separate subsidiaries for their new PCS wireless services. Yet, inexplicably, the Commission said there was not enough information on the record to warrant removal of the RBOC cellular separate subsidiary rule.

It is difficult to imagine how the FCC could acquire enough information to establish a new set of wireless competitors [PCS] to cellular, determine separate subsidiaries would not be required for RBOC PCS services, and still state there was not enough information to justify removal of the cellular separate subsidiary rule. Understandably, the companies impacted by this decision found it difficult to understand and so has the U.S. Court of Appeals for the Sixth Circuit.

In a ruling issued November 9th, the Appeals Court found the FCC's PCS rulemaking decision on the cellular separate subsidiary rule to be arbitrary and capricious stating:

> Instead, the FCC simply stated that the record in the Personal Communications Service Rulemaking proceedings was insufficient to determine whether to eliminate the structural separation requirement. We believe this to be arbitrary and capricious given the somewhat contradictory findings of the FCC during the course of the Personal Communications Service rulemaking and related proceedings. If Personal Communications Service and Cellular are sufficiently similar to warrant the Cellular eligibility restrictions and are expected to compete for customers on price, quality, and services, what difference between the two services justifies keeping the structural separation rule intact for Bell Cellular providers?

The court remanded to the Commission for further proceedings its decision on this rule. Such action normally would be encouraging for the companies involved. Unfortunately, regulators like regulation. More than 1 month after the sixth circuit's ruling "that the time is now for the FCC to reconsider whether to rescind the structural separation requirement" the Commission has taken no action, notwithstanding the court's belief that "time is of the essence on this issue."

It simply makes no sense to require Bell cellular operations to remain in separate subsidiaries—and prohibited from joint marketing opportunities—when the Commission has determined that no such requirements are necessary for Bell PCS operations. The appeals court acknowledged this fact stating:

> BellSouth's strongest argument is perhaps that the factual predicate which justified the structural separation requirement is no longer valid. BellSouth points out that the FCC believes that the safeguards such as mandatory interconnection enforceable by individual complaint process suffice to combat possible discrimination and cross-subsidization in the Personal Communications Service industry. BellSouth claims that this removes any justification retention of the structural separation requirement for Cellular licenses, and that the FCC has arbitrarily failed to remove restrictions . . . We agree with BellSouth that the time is now for the FCC to reconsider whether to rescind the structural separation requirement . . . after fourteen years, further delay in determining whether to rescind the structural separation requirement severely penalizes the Bell Companies at a time when the wireless communications industry is exploding and changing almost daily. The disparate treatment afforded the Bell Companies impacts on their ability to compete in the ever-evolving wireless communications marketplace.

I am glad this legislation takes the first, important step toward restoring parity in this area by allowing Bell operating companies to jointly market their cellular and local services. It is my hope, that after 14 years and a clear rebuke from the court, the FCC will take the next step and review its cellular separate subsidiary rule.

Mr. Speaker, once again I congratulate the committee chairman and the subcommittee chairman on producing this historic legislation.

Mr. BLILEY. Mr. Speaker, it is a great pleasure for me to yield 3 minutes to the distinguished gentleman from Texas [Mr. FIELDS], chairman of the Subcommittee on Telecommunications and Finance of the Committee on Commerce, without whose Herculean efforts we would not be here today.

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Mr. FIELDS of Texas. Mr. Speaker, I want to thank the chairman for that statement. I had the opportunity during the rule to talk about the substance of this bill and what it means for America and our consumers. I want to take my time just to say thanks.

First and foremost, I want to acknowledge the commitment and leadership of our chairman, the gentleman from Virginia [Mr. BLILEY], who has been a constant source of support and encouragement as we move this legislation forward.

I also want to thank the gentleman from Michigan [Mr. DINGELL] for the way he has led the efforts of the minority. As always, it was with conviction and the style of the true gentleman that Mr. DINGELL is.

I also want to thank my good friend and confidant, my fellow voyager in this effort, the gentleman from Massachusetts [Mr. MARKEY], for the many long hours of debate and consultation, the pizza in his office, the pizza in my office, but always ending any disagreement with a smile. I hope that all of us involved have set the standard of how Congress can work together over very difficult and contentious issues.

I also want to be effusive in praise of my colleague, the gentleman from Ohio [Mr. OXLEY], the vice chairman of our subcommittee; the gentleman from Colorado [Mr. SCHAEFER], the gentleman from Texas [Mr. BARTON], the gentleman from Illinois [Mr. HASTERT], the gentleman from Florida [Mr. STEARNS], the gentleman from New York [Mr. PAXON], the gentleman from Wisconsin [Mr. KLUG], and our two freshmen stars, the gentleman from New York [Mr. FRISA] and the gentleman from Washington [Mr. WHITE], our team.

I would also be remiss if I did not thank and recognize the hard work of Mike Regan, Cathy Reid, Harold Furchtgott-Roth, and Mike O'Reilly, and on the Democratic side of the aisle, Colin Crowell and David Leach, David Moulton of Mr. MARKEY's staff, Alan Roth and Andy Levin, of Mr. DINGELL's staff.

Not only do I want to acknowledge David Leach for his hard work, but I want to publicly apologize to him for all the practical jokes that I have played on him for the last 3½ years.

I also want to give special recognition to Steve Cope, our legislative draftsman. He is an unsung hero who gave us late hours away from his family and lost many weekends during the course of this multiyear process. He has my highest respect and my gratitude.

Certainly last, but not least, I want to give special, special recognition to Christy Strawman, my telecommunications expert, because, like others, she is an unsung hero that has been pivotal in bringing this issue to fruition. She has been a star in this process.

Mr. Speaker, as I said earlier, this is a special, watershed, historic moment. We are at the dawn of the Information Age. What we do today is vitally important to the future of our country. Not only am I proud of the package; I am also proud of the process in which we debated and formed this legislation, working with both sides of the aisle, bringing this policy, this legislation, to fruition.

The inclusion in the telecommunications bill of the requirement that a television rating code be established by the Federal Communications Commission for all television programs and that broadcasters be required to transmit to a V-chip the ratings given to their programs is plainly unconstitutional.

Any legislation that requires the rating of television programs based on their inclusion of violence, depictions of sexual conduct or the like is a content-based burden on speech. That is just what the first amendment does not permit. Inserting the Federal Government into the area of deciding what should be on television or how the content of television programs should be rated sets a dangerous precedent that threatens the very rights the first amendment is designed to protect.

Think about the rating system Congress is today requiring. There is the problem of how any such system can distinguish between programs that show what we might call senseless or gratuitous violence and those that depict violence in a way that educates, informs, or edifies. It is hard to believe that we're prepared to say that any violence whatsoever, in any context whatsoever, should be treaded the same way and subjected to blocking by the same V-chip—whether it's "Schindler's List" or "Nightmare on Elm Street," "Gandhi" or "The Terminator."

But as soon as the FCC tries to make a distinction for rating purposes between what is "bad violence" that should be blocked and what is "good violence" that should not be blocked, it is squarely in the business of regulating speech based on its content or perceived value to society and therefore squarely in violation of the first amendment. At the same time, if the Commission throws up its hands and acknowledges that it cannot make such distinctions and thus requires every program containing any element of violence at all to get a V rating, the V-chip will be activated across the board and across the Nation in a way that blocks out valuable contributors to public awareness and knowledge. The effect will be that some—perhaps many—programs that are genuinely good for children or adolescents to see will not be seen by them. What's more, we will be creating a situation in which Government would be leading the public to view all treatments of violence as equal, thus washing away good, serious, thoughtful programs with real merit along with the junk.

V-chip legislation is a blunt instrument, far blunter than the first amendment allows. The public would be far better served by Government encouraging the development of technologies that allow parents to make discriminating choices, real choices, for their children based on their own values and their own beliefs.

The likelihood that the V-chip provision will be held unconstitutional is increased by the reality, known to every Member of this body, that the bill is actually being proposed not for the purpose of "empowering" parents but of pressuring broadcasters to change the television programming they offer. We all have our own views about what should be on television. The first amendment bars us from putting those views into law.

Finally, recent court decisions have raised the most serious doubts about the continued viability of the whole notion that broadcasters must receive only second class first amendment treatment. The FCC itself determined in the Syracuse Peace Council case that the explosion of new outlets for speech has seriously undermined the rationale for permitting more intrusive regulation of broadcasters than of other media. That is even more true today than it was 8 years ago when that case was decided. Recent opinions of the chief judges of both the D.C. Circuit and the Eighth Circuit Courts of Appeals have likewise maintained that there is no longer any basis for according broadcasters more limited protection from Government intrusion than the First Amendment gives to cable operators, record companies or the print press. Most first amendment scholars have come to the same conclusion. In any event, whether or not a new, more speech-protective, first amendment standard is utilized in a court challenge to this legislation, the law cannot withstand analysis under any first amendment test.

Mr. DINGELL. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, today we will vote on a historic bill. This telecommunications bill is historic because it finally will bring to an end the era of telephone and cable television monopolies. The bill is historic because it will trigger technological innovation as we have never seen before—stimulating economic growth and job creation by small and large businesses alike. But just as striking as these developments undoubtedly will be, the bill is historic for another important reason. It demonstrates that Congress can work together in a bipartisan way to produce a bill that serves the interests of all Americans.

I congratulate my friends, Chairmen BLILEY and FIELDS, Representative MARKEY and others, for their unrelenting pursuit of bipartisan agreement on this bill. This is the way Congress is supposed to work, and I think we can all learn from this example. Chairman BLILEY approached this task in a very productive way, soliciting advice and offering compromise at many points along the way. He managed the process extremely well, as evidenced by the widespread support that he has mustered—not only in the conference and in the House—but in every part of an industry that usually can agree on little else. Chairman BLILEY and others working on this conference committee should be congratulated and given our thanks for the remarkable product before us today—a product that was in the making for several Congresses before this one, and that will finally make its way to the President's desk and beyond.

This telecommunications bill certainly will change the way Americans get their information and entertainment. No longer will consumers have just one company to choose from for the provision of local telephone or cable television service. Companies will be able to offer any or all of these services, giving consumers for the first time the ability to buy packages of telecommunications services that provide them with the best value at the lowest price.

This bill also will enable parents to make intelligent choices about what television programming is appropriate for their children. It requires that new television sets be equipped with a computer chip designed to automatically detect the rating that has been assigned to any television show. And it encourages television broadcasters to develop a voluntary rating system that will provide parents with the means to discern whether programming coming into their home is age-appropriate for their children.

Mr. Speaker, I want to say a few special words about the concerns of our local elected officials, and most especially our mayors. This conference agreement strengthens the ability of local governments to collect fees for the use of public rights-of-way. For example, the definition of the term "cable service" has been expanded to include game channels and other interactive services. This will result in additional revenues flowing to the cities in the form of franchise fees. In addition, the legislation also lifts the FCC's current ban on the imposition of franchise fees for telephone companies' open video systems. That too will increase revenues to the cities.

At the same time, State and local governments retain their existing authority to impose fees on telecommunications providers, including cable companies that offer telecommunications services. Finally, and perhaps most important, section 303 does not preclude a local government from lawfully managing public rights-of-way with respect to a cable company's telecommunications services. In short, Mr. Speaker, we have listened closely to our local officials, who have done a good job of helping us understand their concerns, and have crafted a bill that not only retains their current authorities but, in many instances, strengthens them. We appreciate the support for the bill we have received from the National League of Cities and the National Association of Counties.

Is this a perfect bill? No. No bill as large and complex as this one, addressing so many difficult issues, is ever perfect. But it is an excellent piece of legislative work. it will open telecommunications markets in a fair and balanced manner—it provides American businesses with a level playing field on which to compete, and it removes those aspects of government regulation that are antiquated while ensuring that every American continues to receive affordable service.

Mr. Speaker, in closing, I want to pay tribute to the incredible efforts of our staff, who put in countless hours, often working into the wee hours of the morning, to bring this bill to fruition. Our special thanks go to the minority staff of the Commerce Committee, especially David Leach, who has worked on the legislation for several Congresses and guided our successful efforts in the House in the last Congress, and Andy Levin, who joined our staff as a new counsel at the start of the conference and truly received a baptism under fire. I want to thank Colin Crowell and David Meulton from the staff of subcommittee ranking member ED MARKEY for their hard work, as well as the staff of the Judiciary Committee. From the Commerce Committee, Mike Regan and Cathy Reid did outstanding work in coordinating these efforts. And as always, the legislative counsel, Steve Cope, and his colleague on the PUHCA issue, Pope Barrow, did their usual extraordinary job. We appreciate all the staffs' hard work.

Once again, I congratulate my colleagues on this achievement, and I urge all Members to join me in approving this conference agreement.

Mr. Speaker, I yield back the balance of my time.

Mr. CONYERS. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I think it is very, very important that we look as carefully as we can at a trillion-dollar-a-year industry legislation.

First of all, I want to tell everybody in this Chamber, there are a lot of things I like in the bill; I like a lot of things. The Antitrust Division part that the chairman of the Committee on the Judiciary and I worked on tirelessly is in this bill, and I support it strongly. We keep the Antitrust Division at the center of the telecommunications debate, and I am pleased that we all agreed upon that. It is important that the Department of Justice have an enhanced role in reviewing the Bell entry into long-distance, and we have been very successful.

But, Mr. Speaker, let us get to the reservations. Are there any? Well, you have not read the 111-page conference report, so I will give you the benefit of just a few of the problems that you might want to know about before we cast this ballot in less than an hour.

The cable provisions allow for deregulation before the advent of competition, raising the specter of unregulated monopoly. Two Congresses ago we spent considerable time and energy, and the gentleman from Michigan [Mr. DINGELL] was leading that, in adopting legislation to protect consumers from price-gouging; and we were finally able to pass the bill over President Bush's veto.

This Congress, we have new leadership that has decided that consumer protection must take a back seat to industry demands, although a small concession to consumers was made by delaying the date of price increases until 1999.

This is not CONYERS, this is the Consumer Federation of America: "Even with the significant improvements, the bill does not stimulate enough competition. For every step taken to encourage competition, the bill has provisions which undermine its goal. Instead of promoting head-to-head competition between cable, telephone, and other communications companies, the bill allows mergers and corporate combinations that will drive up cable rates and undercut competition."

Mr. Speaker, I reserve the balance of my time.

Mr. BLILEY. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. HYDE], the distinguished chairman of the Committee on the Judiciary.

Mr. HYDE. Mr. Speaker, I would like to pay homage to the gentleman from Virginia [Mr. BLILEY], the gentleman from Texas [Mr. FIELDS], the gentleman from Michigan and ranking member [Mr. CONYERS], the gentleman from Michigan and ranking member [Mr. DINGELL], Senator PRESSLER, and all of the staffs who have done enormously important work in bringing this to fruition.

This legislation represents the most sweeping communications reform legislation to be considered in this House in over 60 years. It will establish the ground rules for our national telecommunications policy as we enter the 21st century.

Mr. Speaker, I am happy to yield to the gentlewoman from New York [Mrs. LOWEY] for the purpose of engaging in a colloquy.

Mrs. LOWEY. Mr. Speaker, I would like to congratulate the gentleman from Virginia [Mr. BLILEY], the chairman of the committee, and other members of the conference in bringing this very important conference report to the floor today. However, I would like to bring to your attention one section that is very troubling to me.

Section 507 amends the preexisting section of the Criminal Code (18 U.S.C. 1462) and applies it to the Internet. Now, it was my understanding that your intent behind adopting this provision was to place reasonable restrictions on obscenity and indecency on the Internet. I support this goal.

However, a section of this act may be construed to curb discussions about abortion. It seems to me this provision would certainly be unconstitutional.

Mr. HYDE. Well, reclaiming my time, Mr. Speaker, I certainly agree with the gentlewoman that any discussion about abortion, both pro-life and pro-abortion rights, is protected by the first amendment guarantee of free speech; and I certainly agree, nothing in title V should be interpreted to inhibit free speech about the topic of abortion.

Further, it is correct that our principal intent in adopting this provision was to curb the spread of obscenity and indecency, speech that is not protected by the first amendment, from the Internet in order to protect our children.

I yield to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. Mr. Speaker, with that assurance, I feel comfortable supporting this bill, and I hope that my colleagues who were also concerned about this provision will now feel comfortable supporting this bill. I thank the gentleman for clarifying this point and for his hard work on this bill.

Mr. HYDE. Mr. Speaker, I thank the gentlewoman for her courtesy.

As the chairman of the House Judiciary Committee—because of our committee's jurisdiction over the Federal antitrust laws and Federal regulatory procedures—I approached this important and complex issue from a competition and deregulatory policy perspective. Clearly, the proposed entry of the regional Bell operating companies into the long distance and manufacturing markets raises fundamental antitrust questions. After all, it is an antitrust consent decree, commonly known as the Modification of Final Judgment or "MFJ," that now prevents them from entering those businesses, and it is that decree that we are now superseding. Also, the telecommunications industry is a highly regulated one at both the Federal and State levels. In my view, less regulation is a desirable goal in this instance, because it will spur further technological innovation, greater competition and job development.

On May 2, 1995, I introduced H.R. 1528, the Antitrust Consent Decree Reform Act of 1995. H.R. 1528 proposed to supersede the MFJ and replace it with a quick and deregulatory antitrust review of Bell entry by the Department of Justice. Under H.R. 1528, the Bell companies would have been able to apply to the Department of Justice for entry into the long distance and manufacturing markets immediately upon the date of enactment. The Department of Justice would then have had 180 days to review the application under a substantive antitrust standard—specifically, Justice would have been required to approve the application unless it found by a preponderance of the evidence that there was a "dangerous probability that the Bell company would use its market power to substantially impede competition in the market" it was seeking to enter.

This approach received broad, bipartisan support within the Judiciary Committee. In fact, on May 18, 1995, the full Judiciary Committee reported H.R. 1528 by a 29 to 1 recorded vote. Unfortunately, however, it became apparent that there was not broad-based House support for a potential Department of Justice veto over Bell entry.

The Commerce Committee, on the other hand, understandably looked at this issue from a telecommunications policy and Communications Act perspective. Its bill—H.R. 1555—which ultimately became the House legislative vehicle, required the Bell operating companies to meet various Federal and State legal requirements to open their local exchanges to competition before they are allowed into the long distance and manufacturing businesses.

In keeping with the long tradition of our Committees sharing jurisdiction over the subject of telecommunications legislation, we cooperated closely on the formulation of the manager's amendment to H.R. 1555, which was adopted on the House floor in August. A number of the provisions originally contained in my bill—H.R. 1528—were moved into H.R. 1555 through the manager's amendment. Furthermore, following House passage, our two committees continued to work closely together representing the House position in the House-Senate conference committee.

Again, I strongly believe the conference report on S. 652 is good legislation that will move America's telecommunications industry forward into the 21st century. Allow me now to briefly explain a few key provisions that were of particular importance to Judiciary Committee conferees.

The conference agreement does include a strong consultative role for the Attorney General. Under this part of the agreement, the Department of Justice will apply any antitrust standard it considers appropriate, which may include the dangerous probability standard from H.R. 1528, to applications by the Bells to enter long distance. After conducting its antitrust analysis, DOJ will provide its views in writing to the FCC and they will be made a part of the public record relating to the application. The conference agreement enhances this consultative role by requiring that the FCC give substantial weight to the views of the Attorney General. By giving this special status to the views of DOJ, the conferees acknowledge the long experience and considerable expertise it has developed in this field. Under this approach, the FCC will have the benefit of a DOJ antitrust analysis before the Bell companies are allowed to enter the long distance market.

The conference agreement also enhances DOJ's role in another way—it repeals section 221(a) of the Communications Act of 1934 (47 U.S.C. §221(a)). Congress enacted section 221(a) when local telephone service was viewed as a natural monopoly. The statute currently provides that when any two telephone companies merge, the FCC should determine whether the merger will be "of advantage to the persons to whom service is to be rendered and in the public interest." If so, the FCC can render the transaction immune from "any Act or Acts of Congress making the proposed transaction unlawful."

However, the conferees concluded that section 221(a) could inadvertently undercut several of the provisions of the Telecommunications Act of 1996. The critical term "telephone company" is not defined. In the new world of competition, many companies will be able to argue plausibly that they are telephone companies. When two telephone companies merge, section 221(a) allows the FCC to confer immunity from any act of Congress—including the Telecommunications Act of 1996—after performing a public interest review.

Thus, if it were not repealed, section 221(a) could easily have been used to avoid the cable-telco buyout provisions of the Telecommunications Act of 1996. Any cable company that owned any telephone assets could become a telephone company and be bought out by an RBOC by applying for immunity under this section. Likewise, if section 221(a) were broadly interpreted, it might also have been used to get around all the other line of business restrictions in the bill, including the restriction on RBOC entry into long distance. Fortunately, the conference agreement closes this loophole.

In addition, because section 221(a) allowed the FCC to confer immunity from antitrust statutes, it would have allowed mergers between telecommunications giants to go forward without any antitrust review. Mergers between these kinds of companies should not be allowed to go through without a thorough antitrust review under the normal Hart-Scott-Rodino process. A public interest review by the FCC simply is not a strong enough tool to prevent these giants from destroying competition and recreating a monopoly system through a series of megamergers.

By returning review of mergers in a competitive industry to the DOJ, this repeal is consistent with one of the underlying themes of the bill—to get both agencies back to their proper roles and to end Government by consent decree. The FCC should be carrying out the policies of the Communications Act, and the DOJ should be carrying out the policies of the antitrust laws. The repeal does not affect the FCC's ability to conduct any review of a merger for Communications Act purposes, for example transfer of licenses. Rather, it simply ends the FCC's ability to confer antitrust immunity. In an era of competitive telecommunications giants, mergers between them ought to be reviewed in the same fashion as those in all other industries.

The Judiciary Committee conferees have also focused on the provisions contained in title VI, which address the effect of the bill on other laws. With respect to the various consent decrees, the conference agreement adopts a new approach to the supersession of the Modification of Final Judgment—now called the AT&T Consent Decree in the conference agreement—and the GTE consent decree. It also adds language superseding the AT&T-McCaw Consent Decree—McCaw Consent Decree. The Conference Committee sought to avoid any possibility that the language in the conference agreement might be interpreted as impinging on the judicial power. Congress may not by legislation retroactively overturn a final judgment. *Plaut* v. *Spendthrift Farm, Inc.,* 115 S.Ct. 1447 (1995). On the other hand, Congress may by legislation modify or eliminate the prospective effect of a continuing injunction. *Robertson* v. *Seattle Audubon Society,* 503 U.S. 429 (1992); *Plaut,* 115 S.Ct. 1447; *Pennsylvania* v. *Wheeling & Belmont Bridge Co.,* 59 U.S. 421 (1856).

To avoid any possible constitutional problem, the Conference Committee adopted the following new approach. Rather than superseding all or part of these continuing injunctions, the conference agreement simply provides that all conduct or activities that are currently subject to these consent decrees shall, on and after the date of enactment, become subject to the requirements and obligations of the act and shall no longer be subject to the restrictions and obligations of the respective consent decrees. The new approach did require some adjustment in other parts of the bill, including provisions: No. 1, to continue existing equal access and nondiscrimination requirements for local exchange carriers, No. 2, to adjust the definition of RBOC to exclude successors that do not provide wireline service, and No. 3, to continue activities allowed under existing MFJ waiver requests that have been ruled on before enactment. I believe that each of these adjustments has been made successfully and that this new approach will insulate the bill from constitutional attack.

In other parts of title VI, the conference agreement retains the House language that expressly provides that no State tax laws are unintentionally preempted by implication or interpretation. Rather, such preemptions are limited to provisions specifically enumerated in this clause. One of those enumerated preemptions, section 602, is the local tax exemption for providers of direct to home satellite services. The conference agreement adopts the House language with minor modifications to insure that the exemption extends only to the provision of programming.

Section 602 reflects a legislative determination that the provision of direct-to-home satellite service is national, not local in nature. Unlike cable and telephone companies which utilize public rights-of-way to provide service to their subscribers, providers of direct-to-home services utilize satellites to provide programming to their subscribers in every jurisdiction. To permit thousands of local taxing jurisdictions to tax such a national service would create an unnecessary and undue burden on the providers of such services. Local taxing jurisdictions are therefor preempted from taxing the provision or sale of direct-to-home satellite services. Direct-to-home satellite service providers and others in the distribution chain are exempted from collecting and remitting local taxes and fees on the sale of such services. The power of the States to tax this service is not affected by section 602. Again, States may, if they wish, share the revenue thus collected with their local municipalities.

The conference agreement also contains important language, patterned after provisions contained in H.R. 1528—and H.R. 1555—on electronic publishing. Under the conference agreement, the Bell companies will be able to enter the electronic publishing business through a separated affiliate or a joint venture. They will be required, however, to provide services to small electronic publishers at the same per-unit prices that they give to larger publishers. This will allow smaller newspapers and other electronic publishers to bring the information superhighway to rural areas that might otherwise be passed by.

The conference agreement joins the House and Senate provisions on alarm monitoring. Under the new section 275, Bell operating companies and their affiliates, who have not already entered the alarm monitoring business, may not provide alarm monitoring services for 5 years from the date of enactment.

BOC's that were lawfully engaged in the alarm monitoring business on or before November 30, 1995, however, may continue to provide such services. There are no prohibitions under current law barring such companies from alarm monitoring, and they should be permitted to operate and expand their business just like any other company in our free market system. This legislation should not cause these existing businesses to be unduly penalized after having lawfully entered the business. Moreover, consumers should not be denied the benefits that this additional competition will bring.

It is important to emphasize that it is perfectly legal for the regional Bell companies to be in the alarm monitoring business right now. Since an appellate court decision in 1991, the information services restriction originally in the MFJ has been lifted and the Bell Companies have been free to provide alarm monitoring and other information services. Only one Bell company—Ameritech—has chosen to enter into the alarm business. But they did so in reliance on the law as it was—and still is—at the time they entered. They have invested company resources and assets in this business.

It would simply not be fair for Congress to step in and change the rules of the game for a company that has lawfully chosen to enter into this business. We are not prohibiting any other existing alarm company from expanding their business, nor are we prohibiting them from acquiring other companies. In my view, legislation that alters the legal rights and/or obligations of private parties should be prospective rather than retroactive. So, for those Bell companies that have chosen not to enter the alarm business, prospective restrictions for a period of 5 years are not unfair. That is, once this law is passed, a Bell company not already in the business on the date of enactment could not enter for another 5 years. It would be quite a different matter to limit the actions of a company that already is in the business.

Accordingly, such "grandfathered" BOC's may grow their alarm monitoring business through customer or asset acquisitions; however for 5 years from the date of enactment, such a company may "not acquire any equity interest in or obtain financial control" of an unaffiliated alarm monitoring company. It should be noted that any BOC providing alarm monitoring services will operate under specific nondiscrimination, cross-subsidy, and customer information obligations and protections. After 5 years, there will be no entry, equity, or financial control restrictions on BOC provision of alarm monitoring services.

Finally and importantly, title V of S. 652 will prohibit using and interactive computer service for the purpose of sending indecent material to a specific person under the age of 18. It also outlaws the display of indecent material without taking precautions to shield that material from minors. Defenses to these violations are provided to assure that enforcement will focus on those who knowingly transmit such material to minors. In fact, the conference report expressly provides an absolute legal defense to any on-line access provider, software company, employer, and any other, "solely for providing access or connection to or from a facility, system or network not under that person's control," so long as that person is not involved in "the creation of the content of the communication." Employers are also protected so long as the actions of their employees fall outside of the scope of their employment or if the employer has not ratified the illegal activity.

This provision codifies the definition of indecency that has been upheld in *FCC* v. *Pacifica Foundation*, 438 U.S. 726 (1978), and *Sable Communications of California, Inc.* v. *FCC*, 492 U.S. 115 (1989). Material that is "indecent" is "material that, in context, depicts or describes, in terms patently offensive as measured by contemporary community standards, sexual or excretory activities or organs." Thus, the standard contained in S. 652 is fully consistent with the Constitution; it is not unconstitutionally vague.

The underlying legal principle of the indecency concept is patent offensiveness. Such a determination cannot be made without a consideration of the context of the description or depiction at issue. As applied, the patent offensiveness inquiry to be made involves two distinct elements: the desire to be patently offensive, and a patently offensive result. Given these inquiries, it is clear that material with serious redeeming value is quite obviously intended to edify and educate, not to offend. Therefore, it will be imperative to consider the context and the nature of the material in question when determining its patent offensiveness.

Furthermore, title V clarifies current Federal obscenity statutes so it is undeniable that those laws cover the use of a computer to distribute, transport, or import obscene matter. The regulation of Internet indecency contained in the conference report is not based on what should be seen or discussed via the vast compute network, but rather on where or how it is made available. The provisions of the bill are not the most restrictive means, on the contrary, they are reasonable and narrowly tailored so not to overly burden one's right to engage in indecent communications while at the same time achieving the Government's policy objective of protecting our children.

Concerns have been raised about the amendment to 18 U.S.C. §1462 regarding an interactive computer service. Section 1462 generally prohibits the importation or transportation of obscene matter. Subsection 1462(c) prohibits the importation or interstate carriage of "any drug, medicine, article, or thing designed, adapted, or intended for producing abortion, or for any indecent or immoral use; or any written or printed card, letter, circular, book, pamphlet, advertisement, or notice of any kind giving information, directly or indirectly, where, how, or of whom, or by what means any of such mentioned articles, matters or things may be obtained or made * * *."

We are talking about the advertisement, sale or procurement of drugs or medical instruments or devices, used to bring about an abortion. This language in no way is intended to inhibit free speech about the topic of abortion, nor in any way to limit medical or scientific discourse on the Internet. This amendment to subsection 1462(c) does not prohibit serious discussions about the moral questions surrounding abortion, the act of abortion itself, or the constitutionality of abortion. This statutory language prohibits the use of an interactive computer service for the explicit purpose of selling, procuring or facilitating the sale of drugs, medicines or other devices intended for use in producing abortions. The statutory language is confined to those commercial activities already covered in section 1462(c) of title 18 and in no way interferes with the freedom of individuals to discuss the general topic of abortion on the Internet.

Finally, section 508 will protect kids from sexual predators by making it a crime—punishable by up to 10 years in prison—for anyone to use a facility in interstate commerce, including a computer, to induce or solicit a child under 18 to engage in prostitution or other illegal sexual activity.

In conclusion, I want to thank Commerce Committee Chairman, BLILEY, Subcommittee Chairman, FIELDS, Ranking Member, CONYERS, Ranking Member DINGELL, and Senate Commerce Committee Chairman PRESSLER and their staffs for their cooperation in this monumental effort.

In short, as American advances into the 21st century, this telecommunications legislation is tremendously important. It is my firm belief that this bill means more jobs for Americans and will greatly enhance American competitiveness worldwide. It is high time that we replace this overly restrictive consent decree with a statute that recognizes the telecommunications realities of the 1990's. I intend to support the conference report on S. 652 because it will accomplish these goals.

Mr. MARKEY. Mr. Speaker, I yield 1½ minutes to the gentleman from Virginia [Mr. BOUCHER].

Mr. BOUCHER. Mr. Speaker, I am pleased to rise in support of the conference report on telecommunications reform and urge its adoption by the House. This measure will create competition in our telecommunications markets, first by freeing telephone companies to offer cable TV service inside their telephone service areas, and for the first time, bringing genuine competition to the cable market.

Second and correspondingly, by allowing cable companies and others to offer local telephone service and bringing genuine competition for the first time to the local telephone market.

Third, the bill will enhance competition in the long-distance industry by freeing the seven Bell operating companies to offer interLATA long-distance service.

Fourth, by making the equipment market in the United States more competitive by enabling those same seven companies to manufacture equipment.

A number of benefits will inure from the passage of this bill. Consumers will enjoy better pricing, as competition comes into markets that today are characterized as monopolies or near monopolies. New services will be introduced by the new entrants into these various markets.

Perhaps most importantly, this is the means by which our country will obtain a modernization of its telecommunications network. Telephone companies to offer cable service will deploy broad-band technologies throughout their local exchanges. Cable companies to offer local telephone service will install switches in their coaxial networks, and the United States will then have the most modern network that exists anywhere in the world.

Mr. Speaker, I am pleased to urge support for the conference report.

Mr. CONYERS. Mr. Speaker, I yield 3 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER], who has worked tirelessly across the years for improved telecommunications legislation.

Mrs. SCHROEDER. Mr. Speaker, I thank the gentleman for yielding me this time, and I thank him for his leadership.

I just want to say that I really do want to find some way that I could vote for this, but ever since I was in law school, I always learned I should be prepared, and I should read what it is I am voting on.

I am standing here to say to my colleagues there is no way in the world that I can read fast enough to get through these 6 pages of technical corrections that we received today, single-spaced, by the way, and the bill, and put it all together and have any idea what I am really reading. So I am very upset that we would waive that 3-day period, move forward, and so forth.

One example of the type of things that we might uncover, let us hope that this is the only thing in there, that there would be nothing else that we would uncover, but this little nugget that we uncovered about referencing in the old COMSAT Act that people have been talking about, and that the gentleman, our chairman from Illinois and the gentlewoman from New York just had the colloquy about, was one very major thing that everybody said, oh, we did not intend to do this. Oh, my goodness, how did this happen?

□ 1500

It is kind of interesting to me that we had time for all these other technical corrections, but we did not have time for a technical correction to clear up something that nobody intended to do, yet we are going to have everybody confused about what in the world is it we really meant as we did this.

And my problem is, we can have an agreement that abortion, the word abortion, the big A word, is protected speech under the Constitution, which I certainly agree with. But the question is what happens when you go on the Internet internationally? Does the Constitution go internationally? Does it follow you through the lines? I am not sure.

Telemedicine is one of the things we had hoped we would be able to move out and move into as a big area. What does all of this mean vis-a-vis that? We do not have an answer.

Furthermore, unfortunately on this act, there is a decision that came down pre-1972 saying this act is constitutional. So we may have a colloquy saying, "I hope it isn't constitutional," we have got a decision saying it is constitutional. I do not know. I do not have time to go do all of that work in this period of time we have before we are to vote on it.

But I think that it is not a good idea to rush this through when it is such a significant part of our economy, and we are now seeing this gag rule come through which we hope is not a gag rule, but it might be a gag rule, and we do not know what the other 6 pages of single-spaced things might hold, too.

I do not know what happened to being thoughtful. It is only the 1st day of February. Do we really have to take the whole rest of the month off? Could we not read and understand this? Because we are coming up with things that we are going to live by and we are going to be held by for the next 50 years.

Mr. Speaker, this is a sad day, and I am only sorry that we could not know more things about it.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Texas [Mr. BARTON], a member of the committee.

Mr. BARTON of Texas. Mr. Speaker, I want to also express my support to the leadership on both sides of the aisle that have pushed this legislation. Special thanks to my good friend, JACK FIELDS, who is retiring at the end of this session and this is going to be his legacy. He gets triple gold stars for his work.

I want to give a special thought on the local control of the right-of-way. The gentleman from Michigan, Mr. STUPAK, and myself and Senator HUTCHISON in the Senate have worked on that. I had a phone conversation with the president of the League of Mayors this morning, the gentleman from Knoxville, TN. They are supporting the bill.

I would urge all Members who have had some concerns expressed by their mayors to be supportive. We have worked out language in the bill and in the conference report that gives cities absolute guarantees to control their right-of-way and to charge fair and reasonable nondiscriminatory pricing for the use of that right-of-way.

This is a good piece of work, it is comprehensive, it is revolutionary. As my good friend, the gentleman from Virginia [Mr. BOUCHER], said, this opens up seamless interactive communications for all Americans, and I would urge an "aye" vote on the bill.

Mr. Speaker, section 702 of the bill adds a new section 222(e) to the Communications Act which would prohibit any provider of local telephone service from charging discriminatory and/or unreasonable rates, or setting discriminatory and/or unreasonable terms or conditions, for independent directory publishers buying subscriber list information.

Subscriber list information is essential to publishing directories. Carriers that charge excessive prices or set unfair conditions on listing sales deprive consumers and advertisers of cheaper, more innovative, more helpful directory alternatives.

Under section 257 of the bill, within 15 months from the date of enactment, the FCC is to undertake rulemakings to identify and remove barriers to entry for small businesses involved with telecommunications and information services. Clearly, the requirements of section 702 with respect to subscriber list information fall within this rulemaking requirement.

As the FCC determines what constitutes a "reasonable" price for listings, it seems clear that the most significant factor in that determination should be the actual, or incremental cost of providing the listing to the independent publisher. This approach assures that providers get back what it actually costs them to deliver the listings to a publisher without being allowed to "load" the price with unrelated costs and cross-subsidies.

Mr. MARKEY. Mr. Speaker, I yield 1½ minutes to the gentlewoman from California [Ms. ESHOO].

Ms. ESHOO. Mr. Speaker, I rise in support of the conference report for this telecommunications act.

I would like to start out, Mr. Speaker, by paying tribute to the distinguished gentleman from Virginia [Mr. BLILEY], chairman of our committee, to the distinguished gentleman from Texas [Mr. FIELDS], chairman of our subcommittee, who really worked tirelessly; to the gentleman from Michigan [Mr. DINGELL], ranking member; to David Leach of our staff and Lance Scott of mine, thank you for all the hard work that you have put in.

Mr. Speaker, as the Representative of Silicon Valley, CA it is clear to me that making the phone industry more like the computer industry would be a great boost to our Nation's economy.

That is why nearly 9 months ago today I stood with my commerce committee colleagues to announce my original cosponsorship of this historic legislation and rise today as a member of the conference committee.

This legislation sets down a clear framework, or checklist, for deregulating the telephone industry and has put in place detailed rules to protect consumers from certain monopolies.

In addition, the bill ensures rapid development and implementation of new technologies. Of particular interest to me is its mechanism to connect our Nation's children to the Internet and its requirement for a V Chip which parents can use to block television shows harmful to their children.

I am also very proud to report that a provision I authored to limit the role of the Federal Communications Commission in setting standards for the computer and software industry has been included without change in the final bill. With this language, consumers will be free to use their computers to coordinate the functions of their futuristic homes, as opposed to being forced to use foreign-made television sets because of an FCC mandate. I say let the market decide.

Mr. Speaker, as with most legislation, I am not totally satisfied with this bill. I am concerned about provisions in it that may dangerously decrease the number of voices on our public airwaves.

I also strongly object to the bill's provision to hold businesses and Internet users liable from transmitting loosely defined material over computer networks. The Internet is not a U.S. Government network, and giving Federal officials indiscriminate censorship authority in this area mocks constitutional protections of free speech.

I urge expeditious judicial review of this provision to ensure that free speech protections are not undermined.

Despite these reservations which are serious ones, I believe our Nation must embrace the promise of the 21st century, an American century, marked by a new era of telecommunications.

I encourage my colleagues to support the conference report.

Mr. Speaker, there is one provision of the act that has been of particular interest to me as well as a wide range of companies and trade groups associated with the computer and information processing industries. Section 301(f) of the act is a provision that I authored and originally introduced during the Commerce Committee markup as an amendment to H.R. 1555. It limits the role of the Federal Communications Commission [FCC] in setting standards that may affect the computer and home automation industries. It directs the FCC to set only minimal standards for cable equipment compatibility, maximize marketplace competition for all features and protocols unrelated to descrambling of cable programming, and ensure that the FCC's cable compatibility regulations do not affect computer network services, home automation, or other types of telecommunications equipment. In short, this section keeps the Government out of high-technology standards and prevents the FCC from setting standards for the computer and communications services of tomorrow.

Section 301(f) of the Telecommunications Act is a small but key ingredient for achieving the purpose of this historic bill: To embrace the future by allowing new technologies to flourish with minimum Government interference. Just as the act helps to open markets by eliminating Government barriers to long-distance and equipment manufacturing competition, section 301(f) ensures that our vital computer and high-technology markets remain open and competitive by ensuring that Government technical standards are kept to a minimum. Almost all standards in the communications and computer industries are voluntary, private standards—not Government mandates—and they should remain that way.

The principle of keeping Government out of technical standards is taking on increasing importance as we observe the accelerating convergence of the computer and communications industries. Companies throughout America, and all over the world, are feverishly working on the communications applications of tomorrow. These include the smarthouse—a home where lighting, entertainment, security, and other consumer needs are controlled and programmed automatically for users. Computers and communications are at the very center of this automation revolution. But like most revolutions, this one would wither and die if the Government were to set the rules and stifle change.

Section 301(f) modifies the FCC's authority in order to reign in the Commission's ongoing rulemaking on cable equipment compatibility. The problem Congress faces is that the agency has taken our 1992 Cable Act—the source of the Commission's power to assure compatibility between televisions, VCR's, and cable systems—and gone far beyond what appropriate public policy requires or its statutory authority permits. The Commission's 1994 proposal for a decoder interface would make the television set the gateway to the burgeoning information superhighway, relegating the computer, and all other home appliances, to second-tier status. It also would include one specific home automation protocol—called CEBus, or Consumer Electronic Bus—as the mechanism by which all cable-ready TV's and set-top boxes would communicate.

My amendment prevents these consequences by precluding the Commission from standardizing any features or protocols that are not necessary for descrambling, preventing the selection of CEBus or any other home automation protocol as a part of the FCC's cable compatibility regulations, and precluding the Commission from affecting products in the computer or home automation marketplaces in any way. Section 301(f) leaves these standards to be set, as they should be, by competition in the marketplace. It makes clear that the Commission does not have the authority to prefer one home automation technology over another or permit its cable compatibility rules to affect the unrelated computer or home automation markets.

Some have questioned whether section 301(f) was intended to prevent the Commission from achieving cable compatibility. To that I say simply: No. The provision does not change the agency's power to ensure that cable set-top boxes no longer interfere with the advanced features of consumer TV's—like picture-in-picture. And as the conference report makes clear, Congress intends that the FCC should now promptly complete its long-delayed cable compatibility rulemaking. What the Commission cannot do, however, is use the 1992 Cable Act as a justification or excuse for broad Government standards on home automation communications or audio-visual equipment.

Under section 301(f), the FCC is required to maximize marketplace competition and private standards, not the role of Government regulations. It is required to let the market resolve standards issues for emerging technologies and services—like satellite broadcasting, video-on-demand and home automation—and to keep its cable compatibility standards narrowly tailored to solve only the specific problems the 1992 act asked the FCC to handle. The decoder interface, with its artificial bottleneck for the television and its unnecessary impact on home automation, is far from the only approach to solving those limited problems. The Commission must rework its compatibility proposal. It should also seek input from the computer, home automation, video dial tone and other potentially affected industries, not just the cable television and consumer electronics industries.

Some have also questioned why the prohibition in section 301(f)—that the Commission may not affect the computer or home automation markets—is so broad. To that I answer that the language is broad in order to effectively implement the principle that FCC regulations should not interfere in competitive markets. Because there is no reason to affect home automation or computers, and because even inadvertent or relatively small effects on competitive markets can easily displace technological innovation, section 301(f) is weighted toward protecting competition and open markets. As the conference report states, any "material influence" on unrelated markets is prohibited. Because it is impossible for agencies or courts to judge whether the impact of technical standards in emerging markets would be harmful or substantial, section 301(f) draws a bright line to avoid any regulatory impact whatsoever.

There is an important policy at work here. The risk associated with wide administrative powers over technology issues in an era of rapid technical change is that premature or overbroad Government standards may interfere in the market-driven process of standardization or impede technological innovation itself. American industry has solved compatibility problems, and created workable standards, in the VCR, personal computer, compact disk, and other industries without any Government involvement. Markets drive interoperability much better, and far faster, than regulatory agencies could ever achieve. Where would we be today if the FCC had stepped in to set compatibility standards for personal computers in the early 1980's? We'd be without Windows '95, or the Mac, or even DOS, because all of these operating systems arose as the result of marketplace forces.

My amendment, which I am proud to report is included verbatim in the final text of the Telecommunications Act of 1995, prevents us from overregulating in the new computer and communications markets of the 1990's. We may yet be a few decades away from the totally automated home of the "Jetsons" cartoon, but with the help of section 301(f) we're one step closer to the smarthouse of tomorrow.

Mr. Speaker, a number of Members, on both sides of the aisle, played important roles in supporting my amendment at the Commerce Committee level and during the conference committee negotiations. I very much appreciate this bipartisan support, and thank my colleagues for insisting that the final conference report include the full text of the provision as originally introduced by me and as passed by the House last August. I urge the House to pass the Telecommunications Act of 1995 and to apply its basic principles of open markets and competition to the important area of compatibility standards.

Mr. CONYERS. Mr. Speaker, I yield myself 1 minute.

Question: How many know whether or not there will be an unprecedented increase in media concentration if this measure becomes law?

Answer: Not many.

But does it?

Well, the answer is that at a time that we need greater and more diverse media voices, this measure before us will eliminate the national radio and television ownership rules, scale back local concentration rules, and allow corporations to simultaneously control broadcast and cable systems.

Disheartening? I think so. Can it be improved? Of course. How do we do it? Send it back to the committee.

Mr. Speaker, I reserve the balance of my time.

Mr. BLILEY. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from Ohio [Mr. OXLEY], a member of the committee.

Mr. OXLEY. Mr. Speaker, I rise in strong support of the conference report.

Years ago, seems like longer than it was, but in 1991 the gentleman from Virginia [Mr. BOUCHER] and I introduced legislation to eliminate the cable-telco cross-ownership prohibition, to encourage competition between cable and telephone and allow them into each other's businesses. Neither one of them was particularly happy with that prospect at the time, but now we have come to this day.

In looking back, when Al Swift and Tom Tauke introduced a bill to eliminate the modified final judgment, we worked very hard on that issue, as did the gentleman from Massachusetts [Mr. MARKEY], the gentleman from Michigan [Mr. DINGELL], and the chairman, and I want to express my sincere appreciation to them for their hard work in the past, which has brought us here today.

The same sentiments for the gentleman from Virginia [Mr. BLILEY], the chairman, who has shown enormous leadership, and my good friend, the gentleman from Texas [Mr. FIELDS], who unfortunately will be retiring. He put in hours and hours of work and leadership to get us where we are today. I think all of us in this House owe JACK FIELDS a great deal of gratitude for where we are today.

The heart of this bill is to eliminate monopolies and to encourage this great competitive marketplace that we have going for us. Our answer is, let the competition begin.

Today, we make history, the first major rewrite of telecommunications legislation in this country in over 60 years. Driven by good public policy and an explosion of new technology, we stand at the threshold of the 21st century in communications with America as the undisputed leader.

Mr. Speaker, in many ways it is a relief to be approaching the end of this protracted process. This conference report has been a long time coming—62 years, in fact—and while the bill falls a bit short of my expectations, there can be no doubt that it represents landmark reform of the Nation's telecommunications law.

This legislation is ambitious in its vision and breadth. It is a vision of deregulation and head-to-head competition. It opens up all communications markets to competition, including the local telephone and cable television industries.

The measure's provisions allowing telephone companies and cable companies to compete in each other's markets are based on legislation I introduced in 1991 with the gentleman from Virginia [Mr. BOUCHER]. Our measure envisioned the convergence of these technologies, and our initiative constitutes the heart of this reform effort, if I may say so myself.

The bill is antiregulatory and antibureaucratic in philosophy. Where there are regulations or mandates, they exist in most cases for the express purpose of promoting competition and ensuring the unencumbered operation of market forces.

As is the case with politics, open business competition is not always a pretty process. There will be dislocations and miscalculations. Certainly, there are those who would prefer the old way of sheltered monopolies and intense Government regulation. But in the end, the competitive model promises more efficient markets and innovations that protected incumbents would never undertake.

As an aside, Mr. Speaker, there are some important issues which have been left somewhat vague in the conference report, in order to allow the FCC the latitude to implement them effectively. Some specifics have been outlined, however. In the case of the joint marketing provisions, for example, it is my understanding that the offering of local and long distance service under the same brand name would be permissible, so long as they are fully separate and those services are not jointly advertised. In the case of local marketing agreements, I note that the language allows LMA's to continue. It is important that broadcasters are granted the flexibility that these innovative agreements make possible. They help ensure the continuation of free, over-the-air local broadcasting.

The truth, Mr. Speaker, is that the conference report could have been even more deregulatory than it is. It is not the revolutionary measure originally introduced in the Subcommittee on Telecommunications and Finance. Unfortunately, the regulators and the protectionists left their imprint on this bill, as well.

However, considering that we have a regulation-minded administration at the White House and rather narrow Republican majorities in Congress, it is an excellent step in the right direction. And in those areas where we did not meet expectations, there will be future opportunities to address shortcomings.

Mr. Speaker, enactment of this legislation will mean more choices, lower prices, and better services for all telecommunications consumers. It will mean more economic growth, more jobs, and a more competitive U.S. economy. I urge the support of all Members.

Mr. MARKEY. Mr. Speaker, I yield 1½ minutes to the gentleman from Pennsylvania [Mr. KLINK].

Mr. KLINK. I thank my friend, the gentleman from Massachusetts [Mr. MARKEY], for yielding time to me.

Mr. Speaker, when we were working on this bill back in the Committee on Commerce, there were only a handful of us who voted against the bill coming out of committee. I say a handful, 5 fingers, there were 5 of us. When we came to the floor, again, we had many concerns with the chairman's mark.

I will tell Members that during this process, even thought people on both sides of the aisle, certainly the gentleman from Virginia [Mr. BLILEY], chairman, and the gentleman from Texas [Mr. FIELDS], chairman of the subcommittee, tried to work very hard in a bipartisan manner to include all of our concerns, I did not think we could get to the point where we would have a bill that is acceptable.

I will tell Members that while the bill that we are taking up here, this conference report, is certainly far from what this Member of Congress would call ideal, I will support this bill. I think that we have now seen how the process is supposed to work, how we are supposed to have give-and-take, we are supposed to hear from industry groups who have concerns.

The good Lord knows we all heard from industry groups and from consumer groups. I would have to think that in my brief period here in this Congress, this is the most lobbied piece of legislation certainly that I have seen. I hope it is the most lobbied piece I will ever see. I do not want anybody to try and break these records.

But with this bill we are going to create jobs. In my State of Pennsylvania we are guessing, in talking to industry sources, that in a 10-year period we may create 140,000 much needed jobs, and other States across this Nation will see similar things.

I would simply ask all of my colleagues to give due consideration to supporting this conference report.

Mr. CONYERS. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. FRANK] who has brought a great energy and intellectual impact to this legislative process.

Mr. FRANK of Massachusetts. I thank the ranking member of the Committee on the Judiciary for yielding me the time.

Mr. Speaker, I agree that this bill is substantially improved from the one that originally came before us, although the notion of passing a bill which has had added to it at a very unusual point in the process, namely, in the conference, language that is explicitly and admittedly unconstitutional because of its restriction on using the word "abortion" is an interesting way to legislate, and that is one reason that I do not like the bill.

But another, as I said before, is the extent to which it is so unfair to the Republican leadership. It seemed to me that Speaker GINGRICH and his arguments against censorship was entitled to more consideration that he got from his side of the aisle. I thought the Speaker was right when he opposed censorship and I am sorry to see that he has given in.

But I am even more distressed at the end of my brief alliance with the Senate majority leader. The Senate majority leader had been strongly, in the last few days and few weeks, objecting to giving away access to the TV spectrum, an asset that now belongs to the public and is worth many billions of dollars—we are not sure how much—and he said, "Don't give it away. Let's auction it off." I thought he was right and I was hoping we would get somewhere.

Because this bill essentially gives it away. I know we are being told that we should all pretend that the bill does not really do that, just as we should pretend that the bill does not really have some language in there restricting your ability to talk about abortion on the Internet. But the fact is that this legislation was drafted with the intention of giving a substantial public asset to the broadcasters. I believe it is in error.

I would hope we would defeat this today, send it back to conference, let them simply put in auction language. Let us auction off this very valuable aspect of the spectrum, have the billions of dollars for the public. It will be billions less than we would have to take out of Medicare or Medicaid or the environment.

I am afraid that we are setting the precedent here or confirming the precedent here that free enterprise as the Republicans see it is for the poor. Because today by giving away billions of dollars to the networks, later by making similar presents to wealthy agricultural interests, we will have confirmed that free enterprise and an absence of subsidy are rules by which the poor and the working class should live. But when it comes to substantial and important wealthy economic interests, whether they control the sugar and peanut industry or whether they are networks, they will be treated quite in contradiction to the principles of free enterprise, quite without regard to free market, but instead will be given these kind of subsidies.

□ 1515

Giving away this very substantial asset that the unused portions of the spectrum represents for no money and after they use it for a while, maybe they will think about giving it back, I doubt very much that they are going to want to do it, is a very grave error.

Auctions of the unused parts of the spectrum have proved very successful, and it is a grave error not to include them here.

Mr. BLILEY. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from Colorado [Mr. SCHAEFER].

Mr. SCHAEFER. Mr. Speaker, I thank the gentleman for yielding, and my congratulations to him, the gentleman from Virginia [Mr. BLILEY], and certainly to the gentleman from Texas [Mr. FIELDS], for putting together this very difficult piece of legislation.

When the AT&T system was broken over a decade ago, everybody assumed that local telephone service was a natural monopoly. Today, thanks to rapid technological and market changes, that is no longer the case.

As States around the country are proving, competition is much better than regulation of telephone markets by our Government bureaucrats.

Just as we are replacing regulations for telephone companies, so are we with cable companies. Based on provisions that I authored in the House-passed legislation, this conference report ends Federal regulation of the entertainment tier of cable. Competition from the telephone companies and many new entrants will replace one of the most needless sets of regulation of the entertainment tier of cable television leaving regulation in place for the so-called life line tier of cable. Competition from the telephone companies and many new entrants will replace one of the most needless sets of regulation this Congress had ever passed.

With enactment of this legislation, we finally get the Government out of the job of regulating MTV and the cartoon channel. We have finally moved out of the dark ages to provide competition rather than regulation to the benefit of the consumers of this country.

I urge my colleagues to support the conference report.

Mr. MARKEY. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Arkansas [Mrs. LINCOLN].

Mrs. LINCOLN. Mr. Speaker, I think we all today owe a special thanks to the gentleman from Virginia [Mr. BLILEY] and to the gentleman from Texas [Mr. FIELDS], to my good friends, the gentleman from Michigan [Mr. DINGELL] and the gentleman from Massachusetts [Mr. MARKEY], for all of their hard work and efforts on behalf of all of us here in America for this wonderful piece of legislation.

I would like to ask the people of America to pay attention, folks, because in the midst of all of our frustration over budget battles and partisan politics, a new day has dawned with this legislation.

Today's vote on this historic legislation lays out the welcome mat for the 21st century and for those of us in rural America, it ensures we have a place at the table.

As a representative of 25 rural counties in Arkansas, my primary concerns during these negotiations and among the conferees has been ensuring that people who live in rural areas will have access to the same advanced technology and competition that we are seeking for the country and at affordable prices. Today, I am extremely pleased with the results of endless hours of talks.

By extending the definition of universal service, we have provided the means to ensure the coordinated Federal-State universal service system provides consumers living in rural and high-cost areas with access to advanced telecommunication services at reasonably comparable rates. By adding guarantees to the requirements for receiving universal service money, we have also made sure rural consumers will be served.

The waives and modifications created in both the Senate and House bills were carefully blended in conference to balance desires to promote competition in local exchange areas while ensuring smaller providers have necessary flexibility to comply with the bill's interconnection requirement.

I appreciate the chairman's willingness to work with me on these and many other issues.

I also would like to recognize the House's wisdom in accepting the Snowe-Rockefeller provision in the Senate bill to supplement distance learning and telemedicine. We included similar language in our bill last year. I am pleased my colleagues in the House took the time to educate themselves about the infrastructure we need to educate our children.

This is a bill we can all be proud of. I certainly encourage all of my colleagues to support it.

My primary concern during negotiations among conferees has been ensuring that people who live in rural areas will have access to the same advanced technology and competition that we're seeking for the country—and at affordable prices.

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I also would like to recognize the House's wisdom in accepting the Snowe-Rockefeller provision in the Senate bill to supplement distance learning and telemedicine. We included similar language in H.R. 3636 last year, and I'm pleased that my colleagues in the House took the time to educate themselves about the infrastructure we need to educate our children. We have crafted a bill that will enable doctors in Little Rock to read x rays from the Ozarks while students in Piggott will be able to use the Library of Congress in Washington for their term papers.

On a lighter side, this bill will give consumers more entertainment choices. It's been a long road toward creating the parameters for the information superhighway, and I congratulate Chairmen DINGELL, MARKEY, FIELDS, and BLILEY for their leadership. Special thanks also are due staffers David Leach, Andy Levin, Harold Furchtgott-Roth, Cathy Reid, Mike Regan, and Michael O'Rielly.

Mr. CONYERS. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, we have heard from the industries involved in this bill, oh, have we heard from the industries. We have heard from the lobbyists that the industries have hired, oh, have we heard from the lobbyists. We have heard from the consultants that the lobbyists have hired. We have heard from the law firms, we have heard from all of them. Someone said, "We never want to hear from them again." Well, you will not for about 50 years, because that is how long it will take for us to get around to another communications act.

Why did you hear from them? What did you hear from the consumers? Oh, them? Well, what did you hear from the citizens? Oh, yes, right, JOHN.

Well, here is what they said, this is a $70 billion giveaway to broadcasters in this bill. I like broadcasters, folks. But the bill contains a provision which gives current broadcasters a block of publicly owned radio spectrum to increase their revenues by providing several free and pay-per-view channels, paging transmission and other nonprogram services without giving the public anything in return. Now, that from the Consumers Federation of America. Did they come and visit you? Have you received any visits from their lobbyists? I do not think so.

So what we are doing, ladies and gentlemen, in broad daylight, and I know we are sober, we are giving corporate welfare to a broadcast industry which is already among the most powerful. This gift is especially outrageous at a time when we propose massive budget cuts for scores of important social programs.

Mr. Speaker, I reserve the balance of my time.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. STEARNS].

Mr. STEARNS. Mr. Speaker, before I start, I would just like to commend the chairman of the committee for the great work he has done and also to the distinguished subcommittee chairman, the gentleman from Texas [Mr. FIELDS], who is retiring.

I would like to echo a comment one of my colleagues said, this is a great opportunity for bipartisanship, and I hope the American people are watching and the people in the audience, and, of course, the people here on the floor. This is a bipartisan opportunity.

I would like to put into the RECORD two colloquies with the distinguished subcommittee chairman, the gentleman from Texas [Mr. FIELDS], and this deals with the duopoly rulemaking. I would like to engage the gentleman in a colloquy.

Has he read the duopoly rulemaking that I gave him that I can make part of the RECORD here today?

Mr. FIELDS of Texas. If the gentleman will yield, I have read the clarification of local television station ownership provisions. The gentleman is correct in the statements that are made.

Mr. STEARNS. Since the rule was last revised, the local media marketplace has undergone a breathtaking transformation. So I think this is important. Also, has the gentleman, the subcommittee chairman, had the opportunity to read the statement concerning the must-carry provision? It is my understanding there is language within S. 652 which requires all must-carry challenges submitted to the FCC to be resolved within 120 days. Is that correct?

Mr. FIELDS of Texas. If the gentleman will yield further, that is correct, and I have examined the remainder of your colloquy.

Mr. STEARNS. Mr. Speaker, I am making part of the RECORD three documents.

The documents referred to follow:

Mr. STEARNS. Further I would like to state that broadcast stations are important sources of local news, public affairs programming, and other local broadcast services. This category of service should be an important part of the public interest determination to be made by the Commission when deciding whether a broadcast renewal application shall be granted by the Commission. To prevent local television broadcast signals from being subject to noncarriage or repositioning by cable television systems and those providing cable services, we must recognize and reaffirm the importance of mandatory carriage of local commercial television stations, as implemented by Commission rules and regulations.

The following is the understanding and agreement referred to in the colloquy between Representative FIELDS and Representative STEARNS:

The conference report directs the FCC to conduct a rulemaking proceeding to determine whether to retain, modify or eliminate its duopoly rule, which prevents ownership of more than one television station in a market. Since the rule was last revised, the local media marketplace has undergone a breathtaking transformation. This has been characterized not only by a large increase in the number of broadcast stations (up one-third in the last decade alone), but more significantly by an onslaught of new multichannel rivals to traditional broadcasters, such as cable and satellite systems, and soon, video dialtone networks.

It is agreed that, when it considers revision of the duopoly rule pursuant to this conference report, the FCC should give serious weight to the impact of these changes in the local television marketplace—changes which have left broadcasters as single-channel outlets in a multi-channel marketplace.

It is also our intent that the FCC should revise the rule as is necessary to ensure that broadcasters are able to compete fairly with other media providers while ensuring that the public receives information from a diversity of media voices.

It is also agreed that the FCC should consider granting waivers for combinations in which at least one station is a UHF and where the FCC determines that joint ownership, operation, or control will not harm competition or the preservation of a diversity of voices in the local television market.

As our numerous hearings demonstrated, today's local television marketplace exemplifies the massive changes in the competitive landscape that we've witnessed in many sectors of communications. Viewers are no longer limited to a few TV channels. Rather, consumers have—or soon will have—access to dozens of cable channels, wireless cable, satellite and video dialtone systems.

Broadcasters compete with these multichannel rivals for viewers and ad dollars alike. In particular, interconnected and clustered cable systems are now capable of offering advertisers local spots throughout an entire local media market, thus directly impacting the local broadcasting market. Indeed, cable's share of local advertising revenues increased by 80% between 1990 and 1993, and this rate of increase is projected to continue for the foreseeable future.

If we want free, over-the-air programming to survive and thrive, we need to give broadcasters the flexibility they need to compete effectively with their new multi-channel rivals. To this end, the conference report grandfathers Local Marketing Agreements, the innovative joint ventures that many broadcasters have been using to meet the new competition.

The need to relax the duopoly rule is illustrated by the broadcast community's experience with LMAs. These joint ventures enable broadcasters to take advantage of the economies of scale and generate synergies that provide more outlets for free and innovative local and other programming. LMAs have enabled new stations to get on the air and struggling stations to stay on the air.

Beyond grandfathering LMAs, this legislation charges the FCC to take a hard look at the duopoly rule, and Congress could not be more clear; the FCC is directed to determine whether to retain, modify, or even eliminate its limitations on television station ownership in a local market.

It is my position that the FCC should waive or eliminate the duopoly rule in circumstances cases where a proposed combination involves at least one UHF station and there is no demonstration of harm to completion or diversity of voices in the market. Congress needs to closely monitor the FCC to ensure that it revises the duoploy rule in recognition of the changes in the local television marketplace and of the need to give local broadcasters some flexibility to respond and succeed in the challenging multichannel marketplace.

The 1934 Communications Act—accompanied as it is by a hodgepodge of FCC decisions and court rulings—is outdated. As we craft the communications policy that is going to carry us into the 21st Century, we must ensure that it reflects the flexibility of an ever-changing marketplace.

We are standing at the precipice of a bold new era of communications, an era whose full impact we can only speculate about. But we can say this: That era holds great promise for America, economically and even politically. It will be an era in which America's already significant lead in communications technology continues to expand. It will be an era in which Americans will have greater access to information and education than ever before. And it will be an era in which democracy itself will be enhanced as Americans gain powerful new ways of communicating directly with their elected representatives.

For these reasons, this telecommunications bill represents one of the most important pieces of legislation Washington will consider this year. Unlike many bills before Congress, which concern the routine functions of government, the telecommunications reform legislation will help transform the very fabric of American society.

This is no small task and is fraught with controversy, but there is a common thread that holds all the elements of this massive bill together: deregulation. The fact is, government intrusion in America's communications industry has held us back, stifling innovation, competition, and the ability of America to maintain its global lead in key technologies. While this legislation did much in the way of loosening the regulatory chokeholds in the areas of long distance and local phone service, and cable, more could have been done in the area of broadcasting.

Broadcasting occupies a unique and critical position in the world of telecommunications. Broadcasters fulfill a number of important roles in their communities—reporting school closings, covering local news, and providing emergency information. In addition, broadcasting is unlike other communications technologies. Broadcasting is not only the only technology available to 100 percent of American households, the content it provides is free. The only cost is for a receiver.

Not surprisingly, broadcasting remains the principal means Americans use to get the information and entertainment that make up an important part of their lives. In fact, broadcasting has the widest coverage of any media today. More households have television and radios—99 percent—than have telephones—94 percent—or cable service—61 percent. Broadcasting to this day is the one medium that reaches the whole country. It is precisely for this reason that we must ensure that broadcasting remains a vital component in the information age. We must provide broadcasters with the flexibility to compete effectively not only with each other but also with their competitors.

In 1964, the FCC last revisited the duopoly rule which prohibits an entity for owning two television stations in a local market. In 1964, there were very few VHF stations and the FCC felt this rule was necessary to ensure diversity. Well, the video landscape has changed dramatically since the implementation of the 1964 duopoly rule.

Americans have access to many over-the-air broadcast channels. In the last decade alone, the number of commercial broadcast stations has increased by nearly one-third. This increase in free over-the-air viewing options, coupled with the availability of a multitude of video outlets—cable, wireless cable, DBS and the imminent entry of telephone companies offering video dialtone—evidences the fact that the duopoly rule has outlived its usefulness.

Serving local needs in an expensive endeavor. Relaxing the duopoly rule would allow station owners to achieve economies of scale by sharing equipment, accounting, and other common station costs. Saving on broadcasting costs would enable broadcasters to compete with themselves as well as other nonbroadcasting competitors. Keeping the duopoly rule freezes broadcasters as single channel providers who must compete with other multichannel providers.

Broadcasters have long found cable to be a formidable rival for viewers, but now local broadcasters are losing market share for local advertising revenues, too. For years, because of fragmentation of ownership in local markets, cables' share of local ad revenues has lagged behind its rapidly increasing penetration and viewership. But increasingly, cable operators are creating marketwide interconnects capable of offering local spots on all the cable systems in a market. Moreover, in order to compete with phone companies, cable operators are clustering at a rapid pace so that they dominate an entire local market. Driven by these interconnects and clustering, cable's share of local advertising revenues increase 80 percent from 1990 to 1993.

Because of the increased competition from fellow stations and other video providers, many broadcaster stations are marginal operations, particularly in the smaller markets, where, according to the FCC, stations lost on average $880,000 in 1991. Adding a further financial complication, the conversion to digital broadcasting will be stressful for these smaller market stations.

In this increasingly competitive communications market, it is not fair if one competitor remains leashed to outdated regulations. This is what will happen if we do not relax the duopoly rule, while we unshackle many of the broadcasters' competitors.

To respond to the challenges of today's media and advertising marketplace under the existing regulatory scheme, many television broadcasters have emulated their colleagues in radio and entered into innovative arrangements called local marketing agreements, or LMA's. An LMA is a type of joint venture that generally involves the sale of a licensee of chunks of air time on its station to another station, in the same or adjacent market, which then supplies the programming to fill that time and sell the advertising to support it.

Such agreements enable separately owned stations to function cooperatively, achieving significant economies of scale via combined sales and advertising efforts, shared technical facilities and increasing stations access to diverse programming. I'm pleased this legislation recognizes the benefits of LMA's and grandfathers them. By grandfathering LMA's, we are allowing broadcasters to continue to use a tool that has helped them meet the challenges of today and tomorrow.

My own State, Florida has 5 LMA's which have generated positive synergies. Channel 26 in Naples could not afford a real news department until it entered into an LMA with channel 20 in Ft. Meyers. Now it has an outstanding news operation. This particular joint venture shows how LMA's can increase the amount of local news programming. There are many other examples of LMA's across the country that evidence the benefits of such arrangements.

While I am disappointed the conference did not accept the House provisions which relax the duopoly rule, I am confident that the FCC will, in its duopoly rulemaking, conclude that as this body did, that a 1964 rule is no longer applicable to today and more important, tomorrow's video marketplace. We must not continue to deny local broadcasters the flexibility they need to meet the challenges of an ever increasingly competitive market. Broadcasters must have more relief if they are to play a meaningful role in the information age. While grandfathering LMA's is a start, it certainly is not enough. The best solution to ensure the continued viability of free, over-the-air broadcasting is to relax the duopoly rule.

I am also disappointed with the radio provisions which are a disservice to those in the radio industry. While the House and Senate bills completely deregulated the radio industry, the conference took a giant step away from deregulation and forces the radio industry to attempt to compete with others with a 50 pound weight of needless regulation around its neck. I prefer the original House position which would have enabled all in the radio industry to prosper.

While the Telecommunications Act improves upon the Pole Attachment Act of 1978, our legislation fails to completely redress this issue. We have worked together to forge a compromise, but certainly we could have gone further, allowing the free market to work.

Again, while I am deeply disappointed with some provisions in this bill, I will support it because of the effect it will have on our economy. Overall, Congress cannot afford to let this opportunity slip through its fingers one more time. We must seize this opportunity and pass this ground breaking legislation now.

Mr. MARKEY. Mr. Speaker, I yield 1 minute to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Speaker, I did not have the privilege of participating in this year's debate, because I took a leave of absence from this committee. But truly I participated in the last, I do not know, 10 to 15 years that we tried to do a bill, and for this reason I think enormous credit must go to the gentleman from Virginia [Mr. BLILEY] and the gentleman from Massachusetts [Mr. MARKEY] and I think especially the gentleman from Michigan [Mr. DINGELL], who have over the years produced a bill that brings back open competition, deregulation. This is a historic bill, probably the most important bill that will do something for people, bring technology into people's homes, opens up telephone service, cable.

This is something that I think, as the gentleman from Michigan [Mr. CONYERS] has pointed out, perhaps is not perfect, but it is something that once again, when the history is written of this Congress, I think this bill is going to be considered landmark legislation, and again, while I did not participate this year, I remember the hundreds and thousands of hours of markups when something did not work, and again, I want to commend the chairmen, but especially those on my side of the aisle, the gentleman from Massachusetts [Mr. MARKEY] and the gentleman from Michigan [Mr. DINGELL] for truly historic efforts in voting a historic bill.

Mr. Speaker, I rise in strong support of this historic telecommunications reform legislation which is the product of a bipartisan effort over many years. In particular, I would like to commend Chairman BLILEY, Subcommittee Chairman FIELDS, Ranking Member DINGELL, and Mr. MARKEY of Massachusetts for their spirit of cooperation and commitment to passing quality legislation.

This legislation, which will serve as the foundation for America's communications future, meets the necessary balance of private and public cooperation in setting the rules for competition in all communications markets and protecting consumers.

This telecommunications reform legislation will play a major role in bringing the benefits of the technological revolution closer to all Americans.

Although, Congress can ensure universal access, it cannot guarantee success. I challenge all Americans to take advantage of historic, new technology to boost its economic fortunes.

The nature of the telecommunications industry is inherently susceptible to large degrees of commercial concentration. I am confident this bill combines private sector mechanisms necessary to ensure all residents the highest quality of services while maintaining Government safeguards to ensure open competition and policies that empower children with information technology by creating incentives for public entities like schools, libraries, hospitals and community centers.

This bill embraces sensible deregulation and market-driven competition. It is a welcome dose of bipartisan compromise that will yield unlimited benefits in the form of job creation and the disbursement of the information age.

Deregulation is necessary where appropriate and prudent. However, Government oversight is necessary to ensure the public good such as providing universal service to poor, rural and minority customers.

This legislation ensures that all providers contribute their fair share to supporting universal telephone service in residential and rural areas. It preserves the principle that everyone should have access to telephone service, regardless of their ability to pay the cost to provide that service.

As Americans have done so many times in our history, we enter the information age in the belief of open markets and free competition. As we stand amidst the apprehension of the unknown and the excitement of discovery, we accept the challenges of the future and the responsibility of inevitable obstacles.

Mr. CONYERS. Mr. Speaker, I yield 2½ minutes to the gentleman from California [Mr. BERMAN], who has done extremely important work on the antitrust provision in this bill.

Mr. MARKEY. Mr. Speaker, I yield 30 seconds to the gentleman from California [Mr. BERMAN].

Mr. BERMAN. Mr. Speaker, the conference report appropriately includes a strong, independent role for the Justice Department in evaluating applications by RBOC's to provide long distance service.

The FCC must consult with the Attorney General in determining whether RBOC entry is in the public interest, a requirement designed to ensure that the FCC gives proper regard to the Justice Department's special expertise in competition matters and in making judgments regarding the likely marketplace effects of RBOC entry into the competitive long distance markets.

In fact, acknowledging the importance of the antitrust concerns raised by such entry and to check any possible abuses of RBOC market power, the bill specifically provides that the FCC accord substantial weight to the DOJ's views on these issues.

I am pleased that we have secured the Justice Department's role as the country's antitrust expert by ensuring that its position is given serious substantive consideration on the merits by the FCC as well as in any ensuing judicial proceedings.

However, I am gravely concerned that provisions in title V of the conference report, in particular, sections 502 and 507, are unconstitutional.

In section 507, by extending to the internet clearly unconstitutional underlying law, we are enacting an unconstitutional abortion gag rule.

As a member of the conference committee, I would like to review the procedural history of the adoption of the online indecency prohibition in section 502.

The House conferees first voted to approve a substitute amendment offered by Representative RICK WHITE which contained a Miller-adapted "harmful to minors" standard, rather than an indecency standard as the basis of liability under Section 223(d) of Title 47. The harmful to minors standard would have criminalized exposing children to online pornography such as Playboy or Penthouse without chilling entirely nonpornographic, but offensive, expression. However, the House conferees then approved by a 17-to-16 vote an oral amendment offered by Representative GOODLATTE to replace the "harmful to minors" standard in the White substitute with a then-unspecified indecency standard.

After that vote, Representative WHITE put forward a proposal to supporters of the Goodlatte amendment to define the indecency standard to include the third prong of the Miller-Ginsberg "harmful to minors" test. The proposal was to include statutory language clarifying that the indecency standard included only material that "taken as whole, lack[s] serious literary, artistic, political or scientific value for minors." I and others supported this proposal in an effort to avoid criminalizing display of valuable material that might nevertheless be considered "patently offensive" according to the standards of some local communities. However, the proposal was rejected by leading supporters of the Goodlatte amendment. They instead reduced the Goodlatte amendment to writing by incorporating the FCC broadcast definition of indecency into the House offer to the Senate. That indecency formulation was accepted by the Senate conferees, and will now become part of this legislation.

No hearings were held by any committee of jurisdiction with regard to the constitutionality of the indecency standard adopted by the Conference Committee or the least restrictive means by which to implement such a standard.

I regret that there were no hearings on this issue because I believe that we have overlooked serious constitutional problems with applying the indecency standard to the online medium. The least restrictive means test to which the courts subject indecency restrictions requires us to consider carefully how the restriction applies to the medium in question and whether less intrusive alternatives would achieve the governmental interest in protecting children. Having failed to engage in this inquiry and analysis, we have a conference report which assumes that the broadcast indecency standard can simply be applied wholesale to displays of online content.

While I believe that we have made progress in some respects through the adoption of the conference compromise on Internet content, I fear that our failure carefully to consider the least restrictive alternative test may result in the invalidation of section 223(d), a concern expressed to me in a letter from the Department of Justice. This letter was sent to all the conferees and explained that the indecency prohibition adopted by the conference was constitutionally suspect, and stood a greater risk of being found unconstitutional than the harmful to minors standard that was supported by 16 House conferees. In a hurried effort to appear tough on pornography we may well have approved an unenforceable legal standard.

□ 1530

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. FRISA].

Mr. FRISA. Mr. Speaker, the Congress will soon pass the first overhaul of America's communications laws since 1934, when Americans gathered around the family radio for their news and entertainment. Today, as a result of this exciting new law, the very latest in technology will now be available and affordable to every American everywhere. So this legislation, which will breed competition and innovation and lower costs to all Americans, is good for the American people, and I urge its adoption.

Mr. MARKEY. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. DEUTSCH].

Mr. DEUTSCH. Mr. Speaker, I want to commend the conferees. This legislation is as significant as it has been controversial and complex, and it has required a tremendous effort on the part of the conferees to get us to the point where the conference report can be voted on today.

This legislation will be a major boom to our economy and our constituents.

My constituents, like others around the country, will be the beneficiaries of greater communications choices, lower costs, increased jobs, and economic well-being. The bill represents a substantial step in the right direction, and I believe it will strike a good balance between deregulation and consumer protection.

As for the issues that have not been completely nailed down, such as foreign ownership rules and questions of interpretation and implementation, I look forward to working with my colleagues on the Committee on Commerce to ensure that the vision and balance intended in this bill is maintained.

Mr. CONYERS. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. WATT], who has served with unusual distinction in his career on the Committee on the Judiciary.

Mr. WATT of North Carolina. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I think my colleagues know me well enough to know that I seldom come to the floor to debate a bill when I do not know how I am going to vote on that bill.

This is a bill which has some real advantages to it. I think we do need to increase the level of competition in the telecommunications industry, and this bill heads us in that direction. But there are also some very troubling things about this bill, and I am really having a hard time balancing those troubling aspects against the benefits of the bill.

Would it be irresponsible of me to vote to give away the capital of the United States of America? That is in essence one of the things this bill does. The 70 billion dollars' worth of assets that the United States Government now owns is being given away to the richest people and industry in America under this bill. That is the spectrum value, I am told.

So I am troubled, deeply troubled, by the notion that we could at the same time that we are taking $70, $100, $200 billion away from the poorest people in this country, be turning around, on the other hand, and giving away $70 billion of our assets. I am troubled by that. I hope I can get some guidance before the vote.

Mr. BLILEY. Mr. Speaker, I yield myself 1 minute to respond to the gentleman from North Carolina.

Mr. Speaker, there is no giveaway in this bill. What we do is loan the spectrum to the broadcasters because they have to simulcast while they advance this new technology. That is, the current TV sets will not receive the digital signal, so they have to broadcast both digitally and analog.

Mr. WATT of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. BLILEY. Mr. Speaker, I do not have the time, and, if the gentleman will be patient, I think he will understand where I am coming from by the time I am finished.

So they have to do this simultaneously. What we say is once this conversion comes, we reclaim the analog spectrum and we auction it off at that time. Nobody can tell you if the American people for sure will adopt this new technology, and nobody can tell you when they will do it; $70 billion is pulled out of the ether somewhere. There are no statistics to back it up.

Mr. Speaker, I yield 30 seconds to the gentleman from New York [Mr. PAXON].

Mr. PAXON. Mr. Speaker, this is truly an historic day for this body. It marks the beginning of a new era for American businesses and consumers that will result in the creation of millions of new jobs in the years ahead because of this legislation.

Full and open competition will create new products and innovative services at the best prices for consumers. I think, most importantly, this bill recognizes one of our guiding principles, that competition is better than regulation.

Mr. Speaker, I want to give special thanks and appreciation to the chairs, the gentleman from Texas, [Mr. FIELDS] and the gentleman from Virginia [Mr. BLILEY] for their leadership in bringing this bill to the floor today. This is one of the most important days in this Congress.

Mr. MARKEY. Mr. Speaker, I yield 1 minute to the gentlewoman from California [Ms. LOFGREN].

Ms. LOFGREN. Mr. Speaker, I think that one of the most important things in this telecommunications reform bill is the provision that I advocated when the bill was before the House some months ago, and that is affordable access to the Internet for schools. I would like to thank all of those Members of both sides of the aisle who fought for this and who kept with it in the conference, because this is one of the items in which no high-priced lobbyists were involved. No one was interested but the parents and the teachers of this country. It will make a tremendous difference, especially for children who come from less affluent families. Recently my hometown newspaper did an analysis of Internet access and test scores and found that for children in low-income neighborhoods whose families do not have a lot of money, their test scores rose dramatically just with their introduction to the Internet. So I think this is a stellar day for schoolchildren.

Mr. Speaker, I would also like to say that I was very angry when I heard that some people would jeopardize this very important bill by putting in extraneous measures having to do with abortion. I would like to thank the gentleman from Illinois [Mr. HYDE], and the gentlewoman from New York, [Mrs. LOWEY], who disagree on the underlying issue, for clarifying that these provisions are unconstitutional and now the legislative history is such that they are not valid.

Mr. CONYERS. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina [Mr. WATT], before the dean's explanation has taken hold.

Mr. WATT of North Carolina. Mr. Speaker, I am just trying to get some further clarification here, because the gentleman from Virginia [Mr. BLILEY], has indicated that they are not giving this spectrum away. Am I clear that in the process of loaning this spectrum, when you get back what you are going to get back from them ultimately, they are giving you the old capacity back, not the new capacity?

Mr. BLILEY. Mr. Speaker, will the gentleman yield?

Mr. WATT of North Carolina. I yield to the gentleman from Virginia.

Mr. BLILEY. That depends. If they use the new capacity, yes, we will get the old back. If they do not use the new capacity, we will get the new back.

Mr. WATT of North Carolina. Mr. Speaker, reclaiming my time, if they use the new capacity, would that not be the equivalent of giving you back what would be the virtual equivalent of black and white television as opposed to much more advanced capabilities, the equivalent of color television?

I know it is beyond that, but I am simplifying it. We are not talking black and white versus color, but capacitywise, is it not substantially more?

Mr. BLILEY. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, the spectrum, we do not know what they will be used for when it is auctioned off. It could be used for many things. But it will bring a far better price than if you do it speculatively now, because the broadcasters will have to spend some $10 billion for new equipment in order to broadcast a digital signal while they do the simulcast.

Mr. WATT of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. BLILEY. I yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. Mr. Speaker, is it not true that the old spectrum is inordinately less valuable than the new digital spectrum?

Mr. BLILEY. Mr. Speaker, reclaiming my time, it may or may not be. We will have to see.

Mr. DINGELL. Mr. Speaker, I yield myself 1½ minutes.

Mr. Speaker, this is a very regrettable red herring. We have now a system of analog broadcasting for television. It is possible to develop a system of digital broadcasting in which we get a superior signal, both as to sound and as to picture. We are trying to move ourselves from this analog system to the superior digital system and to achieve the benefits which will flow from that kind of use.

To do so, we have seen that the Federal Communications Commission has made available a block of spectrum which will be made available to each of the broadcasters so that they can use it for going from analog to the new digital system, and they will continue to use the analog system which they now have during the time that the changeover takes place.

There are literally hundreds of millions of television sets in this country that have to be changed from the analog to digital. At the conclusion of the entire process, one of these existing sets of signals will be returned to the Federal Government. They will be unimpaired because the spectrum is a system of availability of receiving signals.

Mr. FIELDS of Texas. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Texas.

Mr. FIELDS of Texas. Mr. Speaker, to my good friend very quickly, it is the anticipation that the V-band is going to be cleared. The U-band will be packed, which will add value to the return of that analog spectrum. It is arguable that this will be more valuable spectrum.

Mr. DINGELL. Mr. Speaker, reclaiming my time, the spectrum will come back to the Government at the conclusion, either the digital or the analog, and the citizens will during that time have a chance to change over to the new kind of television sets. The broadcasters will be able to convert to the new kind of broadcasting system.

The country will achieve the enormous benefit of this set of events, and the public will receive the opportunity to make the changeover in an orderly fashion in a way which benefits everybody. The taxpayers will gain. There is no giveaway of anything.

At the conclusion of this time, the broadcasters will have the same amount of spectrum they have now and an orderly changeover to a superior system of broadcasting will have taken place during this period.

Mr. CONYERS. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Speaker, I thank the gentleman. The one thing that surprises me is that the Republican Party has apparently, with regard to this question of how to use the new spectrum, so little confidence in the free market. We hear about the free market from time to time, but because a very valuable industry, the broadcasting industry, wants to get the first use of it for nothing, and that is what we are talking about, this valuable part of the spectrum, yes, the broadcasting industry will be allowed, for free, to do the experimentation, and then maybe at the end they will give back the other part of it.

Mr. Speaker, the gentleman from North Carolina was right.

□ 1545

Whatever happened to the free market? Is not the best way to decide how to use this new spectrum that will become available, whether it is for digital TV or for some other purpose, to let us auction it off?

Mr. Speaker, earlier it was said all elements of industry liked this bill. I have no particular beef with the industry, but I would suggest that when all elements of industry like the bill, probably the taxpayers and the consumers have reasons to worry.

Mr. CONYERS. Mr. Speaker, I yield myself 15 seconds.

Mr. Speaker, why do we have to give the broadcasters spectrum not being used for free, over-the-air TV? It is a gift, no matter how it is described. It is a huge, charitable, wealthy, corporate gift.

Mr. Speaker, I yield 15 seconds to the gentleman from North Carolina [Mr. WATT].

Mr. WATT of North Carolina. Mr. Speaker, now that I have heard all the explanations, I would say that this is like giving away the dirt road and the interstate highway, and, once this is all over, we are going to be given back the dirt road to auction off the somebody else.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. Mr. Speaker, let me see if I can help set the record straight. Our bill does not give away spectrum to the broadcasters to do anything with other than to broadcast over the air in this transition from one technology to the other. And then it requires the return of the old technology spectrum to the people of the United States.

Second, the bill provides that, if the broadcasters should use any of that spectrum for any purpose other than over-the-air broadcasting, they have to pay for it like everybody else. That is what the bill currently says.

One final point: The issue of a broadcast spectrum is tied up with something called the public interest standard. It has to do with the trade we made a long time ago to licensed broadcasters who operate under a public interest standard, a relicensing by the FCC, and a review of that licensing over time.

If my colleagues want to change that policy, and some do, they ought not make it in a budget meeting; they ought to make it in the committee of jurisdiction where we examine what happens on television and what broadcasters do with the license they get to operate in the public interest standard. I urge my colleagues to pass this bill and let us debate that issue in the committee of jurisdiction where it belongs.

Mr. MARKEY. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. TOWNS].

Mr. TOWNS. Mr. Speaker, I would like to thank the gentleman from Virginia [Mr. BLILEY], chairman, and the gentleman from Michigan [Mr. DINGELL], ranking member, and of course the gentleman from Texas [Mr. FIELDS], the chairman of the subcommittee, and the gentleman from Massachusetts [Mr. MARKEY], the ranking member of the subcommittee.

I am pleased that this conference report contains a new initiative to assist in the development of capital funds for small businesses. This telecommunications development fund will provide low-interest loans to small businesses with $50 million or less through upfront spectrum auction payments. I would like to thank the leadership of the committee for bringing this momentous legislation forward and for supporting my efforts to assist small businesses.

Mr. CONYERS. Mr. Speaker, I yield 30 seconds to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Speaker, the argument we hear against auctioning off the spectrum to the broadcasters, as we have just heard from my friend from Louisiana, after all, they operate with public interest obligations. I have been here with him 15 years, and that is the nicest I have ever heard him talk about public interest obligations.

The broadcasters successfully work to reduce those public interest obligations to mean virtually nothing. The only time they raise them is when they can use them as an excuse to get the superhighway, as the gentleman from North Carolina said, for free. I do not think that my friend from Louisiana believes that that public interest standard will ever be amounting to much. It is simply a flag they wave so they can get this for free.

Mr. BLILEY. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore (Mr. HAYWORTH). The gentleman from Virginia [Mr. BLILEY] has 6 minutes remaining, and the gentleman from Massachusetts [Mr. MARKEY] has 6 minutes remaining.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from Virginia [Mr. GOODLATTE].

Mr. GOODLATTE. Mr. Speaker, I rise in strong support of this very, very important bill that is going to provide deregulation in an industry that is badly needed. We are going to finally bring the telecommunication policy of this country into the last half of the 20th century before we enter the 21st century.

Mr. Speaker, this bill is going to create millions of jobs, estimated over 3 million jobs due to the new competition and the new technologies that are going to be made available.

I would also like to thank the gentleman from Illinois [Mr. HYDE], the chairman, and the gentleman from Virginia [Mr. BLILEY], the chairman of the conference, for making it possible for me to play a key role in working out an agreement that protects the rights of local governments to see that their zoning regulations are carried forward in making sure that, when new cell towers are located, they have the ability to determine in each locality where they are placed while fairly making sure that those locations do not interfere with interstate commerce and with the opportunity to advance this new technology.

I strongly support this legislation and urge my colleagues to vote for the conference report.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from Washington [Mr. WHITE], a member of the committee.

Mr. WHITE. Mr. Speaker, I thank the gentleman from Virginia [Mr. BLILEY] and the gentleman from Texas [Mr. FIELDS] for giving me the opportunity to be part of this bill.

This is a good bill. It is an important bill. I would like to point out what sometimes gets lost when we talk about all the details. The main accomplishment of this bill is that it takes us from our current situation of regulated monopolies in many, many industries and takes us to an era of competition. That is the huge accomplishment of this bill. It is a very important accomplishment, and I think it is something we can all be proud of.

There are several other issues this bill deals with. Like many good bills, this is not a perfect bill. I think we have a ways to go making sure that the Internet is protected under this bill. I think we ended up with the wrong standard for indecency. I think we have to make sure that the FCC does not have a role in regulating the Internet. I think that the gentleman from Texas [Mr. FIELDS] and I have colloquy that we are going to submit for the RECORD on that issue. But on balance I think this is important, and I ask the gentleman from Texas if he has seen the colloquy and agrees with it.

Mr. FIELDS of Texas. Mr. Speaker, if the gentleman will yield, I have reviewed that. He is accurate and I am supportive.

Mr. WHITE. Mr. Speaker, reclaiming my time, I appreciate that. I thank the gentleman from Virginia [Mr. BLILEY] and the gentleman from Texas [Mr. FIELDS] for letting me be part of this bill. It is a great bill, and I hope we adopt it.

Mr. BLILEY. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, in reviewing section 602 of the bill as modified by the conference agreement, which deals with the preemption of local taxation for direct-to-home services, I wonder whether this provision should also include any present or future wireless service providers who transmit video programs to subscribers without using traditional wire-based distribution equipment as the new local multipoint distribution services, or LMDS.

I yield to the gentleman from Illinois [Mr. HYDE], chairman of the Committee on the Judiciary.

Mr. HYDE. Mr. Speaker, it sounds like essentially the same factual situation to me. I assure the gentleman that we would be willing to hold hearings in the Committee on the Judiciary on that subject later this Congress.

Mr. BLILEY. Mr. Speaker, I reserve the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a historic day. The legislation which we are considering has been constructed over a 4-year period. Much deliberation has been given to this legislation. Many issues so complex that they could not be resolved in brief periods of time had to be deliberated after much expert opinion over month-long periods.

The product that we have out here on the floor is not perfect, but it is the blueprint for the information superhighway of the 21st century. Its most important component is that it uses competition as its core, as its soul.

Everything in this bill is not perfect. The bill, in fact, guarantees that no company in any industry will any longer be able to rest comfortably knowing that they have a monopoly and that telecommunications or computer or long distance or software or whatever high technology industry that they seek to make their fortunes in.

In addition, we ensure diversity. We ensure that consumers are going to have choices. There will be two wires at a minimum to almost every single home in the country, each wire able to perform every single one of the services. If you throw in the electric companies, which also have the capacity to do so, we are going to have a revolution which the smallest companies, the smallest software companies, that thousands and thousands of software companies and computer companies which represent the real job creators over the next generation will, then they can one way or the other get their product into the homes, into the businesses of every single person in this country.

This is a revolution. It breaks down all the old models of one cable company, of one television company. It breaks new ground in a way that should make every Member of this Congress proud. It is not perfect, but it is the best overall blueprint that any country in the world has ever come up with. We have the lead in all telecommunications fields. This bill allows us to sprint out further and look behind us over our shoulder at No. 2 and No. 3 in the world.

We should not delay yet another 2 years. Let us pass this bill.

On the issue of spectrum, for each of us here in Washington there is a channel 4, a channel 7, a channel 9. Next to it is a channel 3, a channel 6, a channel 8. The broadcasters will be given channels 3, 6, and 8. They will convert over to digital on those channels, and then they have to give back the old channels here in Washington. Channel 4, 7, and 9 must be given back, and then we can auction off those channels. They are only left with the same amount of band width as they have ever had.

Let us not have this red herring to float out here on the floor. There is no digital spectrum, there is no analog spectrum. There is spectrum. You use digital equipment or analog equipment. The broadcasters need time to convert over to digital equipment. The spectrum is the same.

I want to compliment, finally, the people who constructed this bill. On my staff, Colin Crowell and David Moulton who worked tirelessly. David Leach, chief staffer for the minority; Alan Roth and Andy Levin on our side. Mike Regan, Cathy Reid, Christy Strawman on the majority side. Michael O'Rielly, J.D. Derderian, Steve Cope.

This bill was put together after thousands of hours of discussion. It is a very good bill for the future of this country. We will have to come back and revisit it again and again in order to ensure that we continue to perfect that which we seek for this country. But this bill is the best that any in the world have ever seen.

We are breaking ground that Japan and Germany and France and England do not have the nerve to take. We are going to enter a brave new world where our companies will be forced to produce the best products, the best service at the lowest price and highest quality that will be sold around the world. Some companies will be winners, some will be losers.

□ 1600

Many more will be winners than losers. Our country ultimately will be the big winner. This is a good bill. It is one that this House should be proud of. It is a bipartisan product of work over a 4-year period.

Again, I compliment the chairman of the full committee, the gentleman from Virginia, Mr. BLILEY, and my good friend, the gentleman from Texas, JACK FIELDS, for his hard and courageous work on this bill; the gentleman from Michigan, JOHN DINGELL, chairman, once and future; and all the Members, minority and majority who have contributed to this process. It is something this House will be proud of.

It will be, when we look back, the one product out of this 2-year period where all Members of Congress, when they are sitting in their rocking chairs, can point back to and say "I was there when the blueprint of the 21st century was noted on the floor of the House of Congress." Vote "yes" on this telecommunications bill.

Mr. Speaker, over a number of years, Congress has sought to update antiquated communications laws while remaining true to the three core principles of the Communications Act of 1934 that have guided communications policy for decades: universal service, diversity, and localism.

These three principles have served our Nation well and have helped bring Americans the finest communications technology and service in the world. The challenge for policymakers is to reform the rules in a way that retains these core values as they are impacted by two new factors: rapid technological change and fierce competition.

In many ways, the conference report on S. 652 makes great progress in accomplishing this task. In fact, many of the key policy proposals embodied in the legislation trace their roots to the Markey-Fields and the Dingell-Brooks legislation of the 103d Congress—H.R. 3636 and H.R. 3626, which were approved by the House by an overwhelming 423 to 5 vote. For example, it will help establish learning links to K–12 schools, libraries, and hospitals. It contains expanded privacy protections for consumers. It unbundles set-top boxes and other interactive equipment so consumers can buy the equipment of their choice. It helps to ensure access by disabled persons to telecommunications equipment and services. The bill will make sure that universal service evolves over time and that all competitors contribute to the system. It allows the phone industry into the cable business and vice versa. It breaks down the last vestiges of monopoly control over local telephone service as a condition of Bell entry into new business opportunities. These were all elements of the Markey-Fields legislation of the 103d Congress.

The conference report on S. 652 reflects a series of compromises between the House and Senate that resolve to my satisfaction the series of objections I raised to H.R. 1555 when it was approved by the House last August. The conference report on S. 652 being brought back to this body is a much-improved piece of legislation. It scales back or removes many of the problematic provisions of H.R. 1555 while retaining procompetitive, proconsumer measures that I strongly support.

Title I of the legislation will break down barriers to competition in the so-called local loop. Ridding the communications industry of the last vestiges of its monopoly past has long been a goal of mine. I believe strongly that we need to bring competition to every nook and corner of the telecommunications industry and break down monopoly barriers so that small companies and electronic entrepreneurs could get into the game, create jobs, and compete for consumers.

My overarching policy objective in this telecommunications legislation has been to create jobs and choices for the American people. For this reason I have consistently opposed monopolies and worked to rein in monopoly power and abuses wherever they arise. Why? Because monopolies limit choices. Monopolies retard technological development. Monopolies do not avail consumers of the lowest prices and the highest quality.

For me, competition has consistently been the preferred vehicle for bringing affordable and high-quality telecommunications technologies to the American consumer.

The compromise bill will allow the regional Bell operating companies into the long distance business, telephone companies into the cable television business, and the long distance industry, cable industry, and others into the local phone business. Over the long term I believe that increased competition between and among these hitherto separate industries will create tens of thousands of jobs. Moreover, I believe that the real explosion in terms of job creation, innovation, and new services will come from the computer and software industry as it converges with the telecommunications industry and further expands high-technology networking in the country.

The original House proposal would have deregulated cable systems within 15 months of the date of enactment. The pending legislation will deregulate the rates of most cable systems 3 years from now—in March 1999. The rationale for deregulating cable systems at that point is due largely to the success of the Cable Act of 1992. Although the cable industry fought the provision vigorously, the Cable Act of 1992 gave emerging satellite competitors and others access to cable programming, making competition viable. I am encouraged by the progress that direct broadcast satellite companies and wireless cable companies are making in signing up customers and competing against incumbent cable operators. It is my hope that robust competition will develop between these industries by 1999 to an extent that sufficiently avails consumers of affordable marketplace choices for multichannel video programming.

In addition, many of the cable provisions of the House bill that I found objectionable have been favorably resolved in the pending bill. The legislation no longer requires 3 percent of subscribers to complain to the FCC prior to inducing a rate review. Instead, franchising authorities may complain to the Commission after receiving consumer complaints. The legislation also does not contain provisions that would have generally and prematurely deregulated subscriber equipment.

The legislation also requires the Commission to resolve challenges to must-carry status within 120 days after a request is filed with the Commission. Broadcast stations have historically been important sources of local news, public affairs programming, and other local broadcast services. This category of service is an important part of the public interest determination to be made by the Commission when deciding whether a broadcast renewal application shall be granted by the Commission. To prevent local television broadcast signals from being subject to noncarriage or repositioning by cable television systems and those providing cable services, I believe it is important to recognize and reaffirm the importance of mandatory carriage of local commercial television stations, as implemented by Commission rules and regulations.

The conference report also contains provisions which would allow registered utility holding companies an exemption from the Public Utility Holding Company Act of 1935 [PUHCA]. PUHCA is a complex statute that regulates the operations of large registered multistate electric and gas utility companies. It requires registered holding companies to obtain prior SEC approval before establishing affiliates, issuing securities, or entering into new lines of business. The act affects the ability of registered to enter into telecommunications because PUHCA restricts registered utility diversification into nonutility businesses by requiring such businesses to be functionally related to the utilities core business—i.e., at least 50 percent of such businesses must serve core utility functions such as internal business communications.

PUHCA was enacted to deal with the fact that State PUC's cannot effectively regulate the operations of multistate utility holding companies with complex corporate structures and an ability to cross-subsidize at the expense of captive ratepayers. While much has changed since PUHCA was enacted in 1935, the electric utility business remains a monopoly and there remains a temptation for self-dealing and cross-subsidization at the expense of captive utility ratepayers.

Many House conferees felt that unless we end the electric utilities' continued monopoly over electricity generation, we must retain certain controls and protections if we were to allow PUHCA-registered holding companies to diversify into telecommunications. We felt that PUHCA provisions of the Senate bill do not adequately address the threat of cross-subsidization or self-dealing at the expense of captive utility ratepayers.

Despite our strong reluctance to including PUHCA–TELCO language in this bill, we were able to work out on an approach based on the EWG provisions of EPACT that would adequately protect consumers and investors. This compromise would:

Require the FCC to certify a registered's telecommunications company is PUHCA-exempt for specific telecommunications purposes.

Certification of the telecommunications entity is necessary to ensure that it is exempt from PUHCA solely for enumerated telecommunications activities.

This is based on EWG model that has been highly successful, with over 250 applications approved to date.

Provide for state prior approval for converting existing rate-based facilities for use by the exempt telecommunications company.

This protects electric consumers investment in facilities constructed for their benefit (otherwise such facilities might be transferred to the telecommunications affiliate at less than fair market value.

This protects captive ratepayers from subsidizing telecommunications activities that don't benefit them.

Grant the SEC authority to obtain risk assessment information regarding financings of the exempt telecommunications company so that it can assess a substantial adverse impact of such financings on the registered holding company, in light of total invested in core utility operations, telecommunications, exempt wholesale generators, and foreign utility companies.

This will allow the SEC to take action to deny a proposed financing of an EWG, FUCO, or utility affiliate if it determines that the financial health of the registered is in danger as a result of telecommunications financings.

Provide for prior State and local approval of affiliate transactions.

This ensures captive ratepayers do not pay an inflated price for telecommunications service, due to the incentive to use a monopoly market, electricity, to subsidize entry into a competitive one, telecom.

Assure regulators access to books and records and provide audit authority.

This is necessary to ensure State and Federal regulators can examine all relevant utility and affiliates records to ensure cross-subsidization is not occurring.

Assure no preemption of State/local authority to protect electricity consumers.

I believe that this is an acceptable compromise on this difficult issue, and I commend the gentleman from Michigan [Mr. DINGELL], the gentleman from Virginia [Mr. BLILEY], and the gentleman from Colorado [Mr. SCHAEFER] for their work on this matter.

The conference report on S. 652 also contains a provision that I authored as part of H.R. 3636 in the last session of Congress and that was embodied by legislation authored by Chairman BLILEY and myself in this session. Section 304 of the bill will unbundle set-top boxes, converter boxes, and other interactive communications equipment and make them available for purchase from third parties. I believe that this is a procompetitive, proconsumer provision that will enable computer companies, telecommunications equipment providers, and other entrepreneurs to innovate and sell new high-technology gadgets to consumers without having to sell out to the owner of the wire that delivers multichannel video programming. I believe this will help to replicate for the interactive communications equipment market the success that manufacturers of customer premises equipment [CPE] have had in creating and selling all sorts of new phones, faxes, and other equipment subsequent to the implementation of rules unbundling CPE from common carrier networks.

The conference report on S. 652 is most improved in its treatment of mass media ownership issues. I had battled and fought against the mass media provisions of H.R. 1555 because I felt that such provisions indiscriminately repealed rules that helped protect important values such as localism and diversity. During floor consideration of H.R. 1555 in August I successfully amended the bill to scale back the TV network audience reach from 50 percent to 35 percent and reinstated the broadcast-cable crossownership prohibition. The conference report states that the Commission's regulations on national ownership caps should be increased to the 35 percent level and that limitations on the number of stations one entity could own be eliminated. This policy decision reflects a carefully calibrated balance and I believe that the duly considered view of Congress on these matters should settle the issue for many years to come.

With respect to the broadcast-cable crossownership rule, the conference report explicitly states to the FCC that repeal of the statutory prohibition shall not be interpreted as a signal to repeal the Commission's broadcast-cable crossownership rule or even to initiate a rulemaking to repeal the rule. The conference report expressly did not seek to wipe out the broadcast-cable crossownership rule and therefore the Commission is advised not to expend its limited resources reviewing this issue.

Much improved is the provision eliminating local ownership limits on radio stations. Although both the House and Senate bills eliminated the local ownership limits of 4 stations per market but because of concerns expressed by myself and others on the conference committee, as well as by the Clinton-Gore administration, local limits were reinstated in conference. The conference report revises section 73.3555(a) of the Commission's regulations to provide for ownership limitations based upon market size. The conference report does not define the term "radio market" and the Commission will need to apply a definition of such term as part of revisions contemplated by this section.

I also applaud the fact that the bill includes two issues that I have long advocated. The conference report includes important new consumer privacy protections and also includes a provision similar to one that I authored as part of H.R. 3636 that will include links to schools, libraries, and hospitals as part of a telecommunications universal service obligation and contribution. Privacy and security concerns on the information superhighway will continue to grow as the network grows and as more and more personal information is digitized and rides on the highway. More work needs to be done in this area to protect transactional information and to ensure that people have every opportunity and right to protect their data with encryption technologies. I will continue to work on this issue but the privacy provisions of S. 652 are good ones and an important down payment for consumers.

As many of you may know, establishing learning links to K–12 schools has long been a concern of mine and the conference report on S. 652 will make such links affordable for every school in the country. I believe it is imperative that we link all the classrooms in the country because it is the only way that we can mitigate against a growing digital divide where some schools get access and others do not. We must bring all our kids along to the future. No nation can hope to prosper in a fiercely competitive global economy where information is the coin of the realm if it does not give the bottom 10, 15, or 20 percent of its society the Information Age tools necessary to compete for jobs in such an economy.

Another benefit of this bill is the inclusion of the V-chip, an initiative I launched in 1993. The V-chip is the nickname of a feature which, when included in a television set, allows the viewer to block programming that is rated. Congress has moved forward with this provision because it is a technological solution to a problem facing parents everyday—how to effectively enforce standards in their own homes regarding what is suitable for their children to watch on television.

I am personally very gratified that the provision sponsored in the House by myself, Representative DAN BURTON, Representative JOHN MORAN, and Representative JOHN SPRATT, was chosen by the conferees as the basis for compromise. This has ensured that the development of a model rating system as envisioned by this bill will, under no circumstances, be imposed by rule on any broadcaster. In fact, under this bill, no program will ever be rated unless industry participants decide to do the ratings themselves. No government entity will ever rate a show; no government bureaucracy will ever rate a show; no government agency is empowered to sanction any broadcaster for refusing to rate a show.

It is our hope that each segment of the television industry will eventually recognize that giving parents information that allows them to protect their children will improve, not harm, free, over-the-air broadcasting. It is simply an update of the on-off switch of the three-network 1950's to the 500 channel universe of the coming century. Movies are being rated, computer games are being rated, the Internet is introducing screening devices, cable television is prepared to rate their shows, and it is inevitable that broadcast television will expand and refine the application of "Parental Discretion Advised" warnings to the whole range of shows considered potentially harmful to children.

It will be several years before television sets include the V-chip. First, the industry must develop a ratings system. Second, the set manufacturers must build new sets to include the electronics to read the ratings. But every parent will be pleased to know that, the day President Clinton signs this bill, it will have been declared in the public interest for this country to warn parents of programming that could harm their kids and to provide parents the means to block such programming out of the home, if they choose, with this simple, ratings-and-blocking device.

Finally, I want to commend Chairman BLILEY, Mr. DINGELL, Chairman FIELDS, and other members of the conference committee for their excellent work in bringing together the compromises necessary to reach final agreement.

Mr. CONYERS. Mr. Speaker, I yield myself my remaining time.

The SPEAKER pro tempore (Mr. HAYWORTH). The gentleman from Michigan [Mr. CONYERS] is recognized for 30 seconds.

Mr. CONYERS. Mr. Speaker, the insurance premium issue is not a red herring. It is a matter of both reality and public policy. If we were able to auction it to the networks, everyone has recognized it could generate billions and help balance the budget. This bill gives the insurance premium to the networks rent-free, and no Member will be able to justify this at a time when we are chopping Medicare in order to balance the budget.

I want to thank Chairman BLILEY for making the process of debate and consideration of this important economic bill open and bipartisan—for members of both the Commerce and Judiciary Committees.

LONG DISTANCE AND RELATED ISSUES

I said at the beginning of this debate that the antitrust laws and the Antitrust Division must remain at the very center of the telecommunications debate. Antitrust law is synonymous with low prices and consumer protection—and that is exactly what we need in our telecommunications industry.

The Antitrust Division is the principal government agency responsible for antitrust enforcement. Its role in the MFJ has given it decades of expertise in telecommunications competition issues. The Division has unrivaled expertise in making predictive judgments and in assessing marketplace effects. The FCC by contrast has no antitrust background, and is facing the threat of significant downsizing.

This is why its so important that the Justice Department was given an enhanced role in reviewing possible Bell entry into long distance. Under the conference agreement, the FCC must consult with and give substantial weight to the views of the Justice Department regarding such Bell entry—this is a necessary, but not sufficient condition to meeting the overall public interest requirement concerning Bell entry. The final conference agreement therefore ensures that the Justice Department's views will be given serious substantive merits by the courts on appeal as well as the FCC.

The Justice Department will be able to use whatever standard they believe is appropriate, including the so-called eight-c test under which Bell entry is not permitted into long distance or manufacturing unless there is no substantial possibility the Bell could use its market power to impede competition. It is also my understanding that the Department will retain its full statutory authority to represent the interests of the United States before the courts on appeal.

The importance of the long-distance entry provisions are underscored by the very few narrowly drawn exceptions to meeting the entry conditions. The grandfather for previous MFJ waivers under section 271(f) applies only to the particular Bell and the scope of particular activity addressed in the waiver. The exception for incidental services under section 271(b)(3) and 271(b) is to be narrowly construed. And the regulatory forbearance provisions set forth in new section 10 do not permit the FCC from forbearing enforcing the long distance entry requirements.

It is also important to note that even after entry occurs, section 271 applies separate affiliate requirements for at least 3 years in order to check potential market power abuses. And although some joint marketing is permitted by the Bells under these provisions, both the Bells and their affiliates would be subject to nondiscrimination requirements. And the Bell and its affiliate must also make the individual services that are jointly marketed available to competitors on the same terms they make them available to each other.

In addition, the bill contains an all-important antitrust savings clause which ensures that any and all telecommunications merger and anticompetitive activities are fully subject to the antitrust laws. Telco-cable mergers and all other broadcast, media, or telecommunications transactions will be fully subject to antitrust review, regardless of how they are treated under the bill or the FCC.

And the bill includes a very useful repeal of 47 U.S.C. 221(a) which could have exempted mergers between telephone companies from antitrust and other legal review. This was a holdover from the 1920's, an era when Federal telecommunications policy promoted competition over competition.

I would also like to remind the Members that this legislation would not be possible had the Justice Department not broken up the old Bell monopoly in 1984. The 1984 MFJ—which broke the Bell System into AT&T and the seven regional Bells, and which has been so ably supervised by Judge Harold Greene for 12 years—has unleashed one of the most significant competitive forces in our economy.

Since the MFJ opened up the long distance and manufacturing markets to competition, we have seen a 70-percent reduction in long-distance prices and an explosion in product innovation. The legislation rightly recognizes that it's time to open up the local loop to competition as well. And by maintaining the role of the antitrust laws, the bill helps to ensure that the Bells cannot use their market power to impede competition and harm consumers.

OTHER ISSUES

However, aside from the long-distance provisions of the bill, which I support, I have a number of substantive concerns with the final conference agreement.

The cable provisions allow for deregulation before the advent of competition, raising the specter of unregulated monopoly. Two Congresses ago we spent considerable time and energy in adopting legislation to protect consumers from price gouging, and we were finally able to pass the bill over President Bush's veto. This Congress the Republicans have decided that consumer protection must take a back seat to industry demands. Although a small concession to consumers was made by delaying the date of price increases until 1999, there is no guarantee there will be any cable competition by this time.

The bill will also allow for an unprecedented increase in media concentration. At a time when we need greater and more diverse media voices, the bill will eliminate the national radio and television ownership rules, scale back local concentration rules, and allow corporations to simultaneously control broadcast and cable systems.

The bill also places a number of heavy-handed burdens on the taxing and regulatory authority of State and local governments. The cities will no longer be able to tax direct broadcast services. Local governments are also forced to give up their power to regulate access agreements. Rather than grant the rights-of-way a city or county believes are in the public interest, they must comply with a new set of rules which come down from Washington. In doing so, the conference report completely ignores the new unfunded-mandate law.

GENERAL LEAVE

Mr. BLILEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to include extraneous material on this legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BLILEY. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I want to commend my colleagues: As I said before, the gentleman from Texas, JACK FIELDS, the chairman of the subcommittee; his vice chairman, the gentleman from Ohio, MIKE OXLEY, without whose diligent work we would not be here; for the wonderful cooperation on the part of the minority: the ranking member of the subcommittee, the gentleman from Massachusetts, Mr. MARKEY; the ranking member on the full committee, the gentleman from Michigan, Mr. DINGELL. The staff, as the ranking minority member of the subcommittee, the gentleman from Massachusetts pointed out, has done yeoman work. They have worked weekends, they have worked nights, and I know they will be glad when this day is over, as we will be.

I remember working with the gentleman back in the early 1980's, when Mr. Baxter and Mr. BROWN reached an agreement. We came close to getting a bill then, but we were blocked at the end. One thing or another has frustrated us in every Congress since. Here we are on this historic day.

Mr. Speaker, this is a good bill. This is a bill that we can be proud of. Is it perfect? No, and it never will be, but bear in mind, this is the most extensive rewrite of telecommunications law in 60 years. Mr. Speaker, the reason it has taken 60 years is because it is complex. It is difficult. It is intricate. All of these players believe in competition, but they each feel they are entitled to a fair advantage.

Through the diligent work of the committees and the conference, we think we have created as level a playing field as we know how to do. As we stand here, all of the players in this complex act support this bill; some, truly, more than others. But it is a great day. It will be competition. It will give the American consumer greater choice. We will be leading the cutting edge as we go into the 21st century as a result of this bill. It is the greatest jobs bill we are likely to pass in this decade.

Mr. FAZIO. Mr. Speaker, this bill is good for consumers. It provides a supermarket in the telecommunications industry with one stop shopping for cable and phone service if you want it. This bill is good for our children. It provides incentives to bring technology and the Internet into our grade schools, middle schools, high schools, and libraries.

Congress is—at last—taking into its own hands the deregulation of the telecommunications market which has been handled in a piecemeal fashion by the courts since the 1982 breakup of AT&T. Despite this inefficiency, States have been moving forward. In my home State of California, telephone companies have recently been allowed to offer local long-distance services and their local markets have been opened to facilities-based competition.

With this conference agreement, we acknowledge the changes that are taking place in the marketplace an insure that the process by which all competitors compete is fair and evenhanded.

I regret that I had to oppose the rule on this bill because of the unconstitutional language relating to abortion. I appreciate representative LOWEY's efforts to clarify that everyone's first amendment rights should be protected on the Internet. In light of her efforts, I am now prepared to support final passage of this measure.

I do want to point to one other concern however, relating to my district. The goal of this legislation is to create an environment in which new and expanded services are delivered to consumers. In some cases that can best be accomplished through the combined resources of smaller local telephone companies and local cable companies.

Section 652 sets limitations on the size of the local telephone companies that may own more than a 10 percent interest in their local cable operator. It was my understanding that the intent of the legislation was to limit these activities to local telephone companies below tier-one companies in size.

Further, section 652 sets forth conditions under which the FCC may grant a waiver from these restrictions if to do so is in the public interest and the local franchising authority approves. There may be a situation or two where a local cable company and local telephone company have been already negotiating a sale under current law but will find themselves facing a new set of rules before the sale is complete.

If the FCC finds this to be in the public interest, particularly if we are talking about small, non-tier-one companies, in my view this is the kind of circumstance for which Congress has created the waiver.

And since it is the intent of Congress to promote competition while encouraging localism, a circumstance in which a locally owned, non-tier-one local telephone company is seeking to purchase a local cable system serving just part of its telephone service area, and the telephone service area is subject to competition or impending competition from large national and international telecommunications conglomerates, should be the kind of situation giving rise to a waiver.

Mr. Speaker, there is a lack of consistency in the boundaries of telephone service areas, cable franchising areas, and census bureau population boundaries. Consequently, the guideline in the bill of 12,000 cable subscribers in an urbanized area should not be an obstacle to serving the public interest and should not restrict the FCC from granting waivers for providers serving more subscribers than the limit. Finally, if the FCC finds no anticompetitive effects to a proposed transaction, it should grant a waiver.

I urge by colleagues to support this legislation.

Mr. SKAGGS. Mr. Speaker, I'm going to vote for this bill because it promotes competition and growth in the communications industry, and I believe that will benefit consumers.

I must, however, express my strong opposition to one particular provision, section 507. This section clearly violates the first amendment's prohibition against laws restricting freedom of speech.

As some of our colleagues know, section 507 of this conference report incorporates by reference part of the Federal criminal law—18 U.S.C. 1462—and, by doing so, would make it a crime punishable by up to 10 years in prison to transmit or receive information through an interactive computer about abortion procedures.

While this bill contains other constitutionally questionable restrictions on the content of information transmitted or received through a computer, a flat prohibition on transmission or receipt of abortion information, like that contained in section 507 is, as the chairman of the Committee on the Judiciary has conceded, clearly unconstitutional.

While the authors of this bill have stated on the floor of the House of Representatives today that it was not their intention to restrict free speech on the matter of abortion and have stated their understanding of the unconstitutional nature of section 507, it is difficult to understand how and why this provision was ever included in this bill. The inclusion of this offensive provision is a testament to the terribly flawed process used to bring this conference report to the floor today.

The Members of the House have been given assurances that including this provision restricting free speech on the subject of abortion was a mistake we should act quickly and in a bipartisan fashion to correct this insult to the first amendment rights of all Americans.

Ms. WOOLSEY. Mr. Speaker, I rise in support of S. 652, the Telecommunications Act of 1995, which represents the most comprehensive overall of our Nation's telecommunications law since 1934. This historic legislation seeks to provide consumers with more choices and lower rates by promoting competition among telecommunications providers.

I opposed the House-passed version of this legislation because I did not believe it would have adequately protected American consumers from unwarranted cable and telephone rate increases. I was also very concerned that it would have allowed only a few large companies to control what Americans watch on television, listen to on the radio, or read in the newspapers.

While I continue to have reservations about several provisions of this legislation, I would like to commend the members of the conference committee for making significant improvements in many areas of the bill. The conference report does much more than the original House bill to benefit consumers. It deregulates the cable industry more gradually, raises broadcast ownership limits in a way that will promote competition and preserve diversity, and seeks to improve phone service and lower phone rates by leveling the playing field for telephone service providers.

I remain very concerned, however, about a provision in this bill that will criminalize the communication of information about abortion over the Internet. Under section 507 of this bill, individuals who provide family planning information over computer networks could be subject to a 5-year prison term. Even mentioning the word "abortion" could be considered a criminal act in some circumstances. Mr. Speaker, this is clearly unacceptable. That is why I voted against the rule under which this legislation is now being considered.

This bill should be about giving consumers a choice among competing telecommunications providers, not about threatening a woman's right to reproductive choice. This Information Age gag rule, which is likely to be found unconstitutional, has no place in this important legislation and should be eliminated. I am, therefore, extremely pleased that Representative HENRY HYDE, the chairman of the House Judiciary Committee, and Representative NITA LOWEY, chair of the Pro-Choice Task Force of the Congressional Caucus on Women's Issues, have engaged in a colloquy making it absolutely clear that this language was not intended by the drafters of the bill and will be removed from the act as soon as possible. While I am confident that this ban is unconstitutional, I am nevertheless eager to ensure that Congress acts quickly to permanently remove this language from the bill.

I am also concerned that S. 652 could infringe upon Americans' constitutional right to free speech by allowing the Government to police the Internet for indecent material. Under this legislation, individuals who disseminate material that the Federal Government believes may violate contemporary community standards of decency could face prison terms. Thus, a librarian could be held liable for putting classic books such as "Catcher in the Rye" and "Ulysses" on line since they include profanity. While we all agree that children must not have access to indecent or pornographic materials, I do not believe that Government regulation of the information superhighway is the best way to solve the problem.

That is why I voted for an amendment to the House-passed bill that would have allowed computer users and computer network providers to police the Internet, rather than the Federal Government. This amendment would have prohibited the Federal Communications Commission [FCC] from regulating the Internet and other interactive computer services, but would have encouraged computer network providers to voluntarily screen and prevent the distribution of obscene and other objectionable materials on computer networks. I sincerely hope that Congress will consider legislation later this year to institute this more reasonable approach to protecting children from indecent material.

Mr. Speaker, the time has come to pass a comprehensive telecommunications reform bill. Despite several shortcomings, S. 652 is a balanced bill that will lead to technological advances and provide Americans with a telecommunications network for the 21st century. More importantly, the final bill makes dramatic advances over the earlier version in protecting consumers. I urge my colleagues to vote for this important legislation.

Mr. ORTON. Mr. Speaker, I rise in strong support of S. 652, the Telecommunications Act.

I believe that this is a good bill for my State of Utah, and for the Nation. For years, we have struggled in Congress to rewrite our communications laws to reflect the dynamic changes that have taken place in long distance and local telephone service, cable TV, broadcasting, and the Internet. Passage today and likely enactment into law in the near future represents a tremendous bipartisan effort.

First, I would like to express my support for the strong provisions in this bill which protect rural America. Over the last few months, I have been pleased to work with rural Republicans and Democrats to insist on strong universal service and toll-rate-averaging provisions. Late last year, we sent a letter to conferees expressing our concerns and identifying provisions critical to rural America. Inclusion of such provisions in the final conference report will save the average rural telephone user hundreds of dollars a year.

For example, the House-passed bill contained much weaker universal service provisions than the Senate bill. Universal service is the mechanism which ensures affordable monthly phone rates for rural residents. The Organization for the Protection and Advancement of Small Telephone Companies [OPASTCO] recently conducted a detailed study on the effect of rates in a deregulated environment. This study found that the elimination of universal service in a deregulated environment could increase annual phone rates for rural Utahns by $198 a year. Fortunately, the stronger Senate provision, fully protecting universal service, prevailed.

A similar concern has been raised with respect to toll-rate averaging—both for intrastate and interstate long-distance phone calls. According to the same OPASTCO study, the elimination of toll rate averaging could increase annual long-distance phone bills for rural Utahns by $465 a year. Early House versions of the telecommunications bill did not fully protect intrastate and interstate toll-rate averaging. Fortunately, the bill we are now passing reinstates these important provisions.

Finally, the bill contains a number of other important rural protections and provisions. The one that I am proudest of is the provision which promotes affordable access for schools, libraries, and rural hospitals and health care facilities to the information superhighway. When this bill first came to the House floor, I was very disappointed to see that it contained no such provision. Therefore, I joined with my colleagues, Representatives MORELLA, LOFGREN, and NEY in offering an amendment to include an affordable Internet access requirement comparable to the one contained in the Senate. Through our efforts, we were able to obtain the support of the distinguished chairman of the House Commerce Committee to push for its inclusion in the conference report. With such inclusion, we will be able to make it easier for rural schools and libraries to gain affordable access to the information superhighway to promote distance learning. We will be able to make it easier for rural hospitals to implement telemedicine, an exciting new approach to health care in less populated areas.

So, I believe this is a very good bill for rural Utah and rural America. By unleashing the forces of competition, coupled with prudent protections for those areas and services where full, effective competition may not be possible, we should improve the quality, cost, and availability of telecommunications in rural areas.

Second, I would like to express my strong support for deregulation of the cable TV industry. Three years ago, Congress enacted a misguided bill to regulate cable television prices. The effect of that bill was to create a regulatory nightmare at the FCC, and a curb on the dynamic free market growth of programming. I was in a fairly small minority who opposed that earlier curb on free market cable TV activities. I am pleased to see a majority of both the House and Senate are now admitting that that was a mistake.

Third, with respect to deregulation of local and long-distance phone service, I believe that the final provisions represent a workable and sensible approach. It is certainly our expectation that competition should improve local phone service for consumers.

However, many of us are aware that the transition period from a regulated to a deregulated environment may not be easy. I am pleased to see a stronger review role for the Department of Justice in the conference report, to assure that this transition period does not result in the domination by one provider, to the detriment of competition. As this process unfolds, we in Congress should monitor these national market developments closely to make sure that the promise of true local phone service competition is in fact met.

Finally, I am pleased to see the inclusion in the bill of a V-chip requirement in all new 13-inch and larger television sets. This was not included in the original House bill, but we prevailed in adding this provision by amendment. Increasingly, parents are becoming concerned about the content of television programming. The use of the V-chip gives parents increased control over what their children watch. It is a fair, economical approach to dealing with this problem.

Is this a perfect bill? I don't think there is a Member in this body that is satisfied with each and every provision in it. Can we absolutely predict that the telecommunications changes we are unleashing today will be a complete and total success? Again, no one can really know with certainty. However, this legislation is a balanced, well-thought-out proposal that is long overdue. To wait any longer is to see our laws fall increasingly behind the rapidly moving forces of change that we see in all areas of telecommunications. This is a very good bill that should become law now.

Mr. PORTMAN. Mr. Speaker, I rise today to express my support for the Communications Act of 1995 and, more specifically, provisions in the conference report which preserve the ability of local authorities to protect their rights-of-way and public property.

As you may recall, 1 year ago, I stood before this body to ask for your support in passing H.R. 5, the Unfunded Mandates Act of 1995, in order to bring a new level of accountability to the Federal Government. This legislation, the principal provisions of which took effect on January 1, 1996, forces Congress to end the increasing practice of imposing crippling mandates on States and local governments without regard for their costs. Now the Federal Government must work cooperatively with State and local governments to avoid new mandates.

Today, the Unfunded Mandates Reform Act of 1995 passed its first real test, the Communications Act of 1995. Thanks to local governments, the National League of Cities, the National Association of Counties, the U.S. Conference of Mayors, and the Congressional Budget Office, all of whom assisted in identifying legitimate concerns about potential unfunded mandates in this bill, we were prepared to raise points of order on the floor to stop the mandates.

The Commerce Committee has worked with us, representatives of the State and local governments and other interested parties to avoid potential unfunded mandates and protect local control over public property and rights-of-way. We secured language that ensured local governments retained their control over rights-of-way. The language included in the Communications Act now adequately addresses the key concerns that have been raised by State and local governments about potential unfunded mandates. As proponents of unfunded mandates reform and protecting local control over rights-of-way, we were pleased to see this result.

I would like to express my gratitude to my mandates counterpart and original cosponsor on the other side of the aisle, Representative CONDIT, for his assistance as well as Representative JOE BARTON, and Representative BART STUPAK, true champions of State and local rights.

Mr. Speaker, unfunded mandates reform is a reality and I look forward to working with all my colleagues committed to reflecting the concerns of State and local governments in Federal legislation.

Ms. PELOSI. Mr. Speaker, while I support many of the provisions in this conference report, I have serious concerns about computer censorship provisions included in the telecommunications agreement. In response to a strong lobby by the Christian Coalition, conferees voted 17–16 to include a provision which would make it a felony to put indecent material on a computer where a person under 18 can get It. Because indecent has not been defined by the Congress or the courts, the potential for abuse is great.

I do not believe the Federal Government should be involved in using a very loosely defined to test to judge communications between individuals. It is wrong to have the Christian Coalition judge what is appropriate speech on the Internet or anywhere else.

I am particularly concerned about the potential impact of this provision on HIV-prevention programs. The indecent provision has the potential to ban explicit HIV-prevention materials from the Internet.

The Internet has great potential as a tool in HIV prevention. It has the potential to provide accurate information that could be used by young people to protect themselves from HIV and other sexually transmitted diseases. According to the Centers for Disease Control and Prevention [CDC], other than abstinence, the most effective way to prevent HIV transmission is the consistent and proper use of condoms.

Organizations currently provide detailed information on the proper use of condoms. The question remains whether individuals working for these AIDS organizations in California could be arrested and extradited to more conservative parts of the country because this information was obtained by an individual under 18 years of age.

Banning HIV-prevention information does not protect young people. In fact, it can have the opposite effect. This computer censorship provision is wrong and should not be part of this legislation.

I am pleased that this legislation will empower parents by requiring the development of the V-chip. This chip will allow parents to block television programming they do not want their children to see. The V-chip will provide parents with a tool to help in the positive upbringing of their children.

Mr. Speaker, there are provisions of the bill that have a significant affect on cities, including the city of San Francisco. I am pleased that section 253(c) recognizes the historic authority of State and local governments to regulate and require compensation for the use of public rights of way. It further recognizes that States and local governments may apply different management and compensation requirements to different telecommunications providers' to the extent that they make different use of the public rights of way. Section 253(c) also makes clear that section 253(a) is inapplicable to right of way management and compensation requirements so long as those entitles that make similar demands on the public rights of way are treated in a competitively neutral and nondiscriminatory manner. As for the issue of FCC preemption, I am pleased that the committee agreed to support the Senate language which authorizes the Commission to preempt the enforcement only of State or local requirements that violate subsection (a) or (b), not (c). The courts, not the Commission, will address disputes under section 253(c).

The overwhelming vote in the House on Representative BARTON and Representative STUPAK's amendment, as well as the unanimous acceptance of Senator GORTON's amendment in the Senate, indicate that the Congress wishes to protect the legitimate authority of local governments to manage and receive compensation for use of the rights of way.

Mr. Speaker, I support the telecommunications reform legislation.

Mr. WATTS of Oklahoma. Mr. Speaker, this is a truly historic day for the American people. We are engaged in a discussion of a bill that fundamentally controls a business that is the fastest growing segment in our economy—telecommunications.

I welcome the opportunity to debate the merits of this ground-breaking legislation. Specifically, I would like to point out my concerns over the definition of facility-based competition. To be effective, any market entry test must contain standards that clearly define the presence of local competition. Real competition will occur only when there are facilities-based companies serving many customers in major markets throughout the State of Oklahoma.

As rules that define facilities-based competition are developed and implemented, I expect those charged with that responsibility to make certain: There are periodic studies of the degree of actual competition in local exchange markets to determine whether the incumbent exchanges' market power has been constrained enough to relax some of the regulations intended to safeguard against the abuse of market power; all local exchange service providers provide service to all customers who request service, provide line-side interconnection and unbundling of the local loop into its functional sub-elements—feeder and distribution, obey the equal rules that are in place, cap prices for exchange access services and reciprocal termination at the rates charged by the incumbent exchanges, and allow full resale of all service offerings.

I thank the Speaker for the opportunity to add my concerns to this debate. I will not oppose this report and hope its passage results in quantum improvements to telecommunications access and a better standard of living for the American people.

Mr. BUYER. Mr. Speaker, I rise in strong support of the conference report on S. 652, the Telecommunications Act of 1996. This report represents one of the most monumental, deregulatory, and sweeping legislation ever considered in the history of Congress. I commend my colleagues, Senators PRESSLER and HOLLINGS, and Congressmen BLILEY, HYDE, FIELDS, and DINGELL for their relentless efforts to produce such unprecedented policy in a balanced and thoughtful manner. I consider it a great privilege to have been a member of this conference committee which took upon the task of examining every aspect of the converging telecommunications industry.

Mr. Speaker, this is a historic moment. Today, with passage of this legislation, this Congress is breaking the shackles of repressive government regulations. It is forging a new era where consumer choice, technological development, innovation, and competition control the marketplace, while we keep a watchful eye upon monopoly power.

This legislation marks only the second time the Government has addressed telecommunications policy. The Communications Act of 1934, representing the first time, was enacted when our Nation was highly dependent upon telegraph, and believed radio and telephone technology to be luxuries. Frankly, the Communications Act has governed telecommunications policy for far too long. Readily available and highly used technologies of today, such as digital overt analog transmission, cellular and wireless technology, as well as digital compression and interactive data transmission were not even within the realm of imagination of society in 1934.

I am here today to acknowledge that over the past several months I have had the opportunity to observe and examine advanced technologies which are not yet available to consumers. That is why I will be the first to admit that it would be impossible for us to predict what technologies and their applications will be available next year. This legislation was crafted fully aware of the fact and the stranglehold the Government was placing upon its development. I firmly believe that this legislation will unleash such competitive forces and innovation that our Nation will see more technological development and deployment in the next 5 years than we have already seen in this century. With that technological development will come hundreds of thousands of new jobs and tens of billions of private industry dollars being invested in infrastructure and technology in an explosive, yet steady, manner.

This landmark legislation is predicated upon two things: competition and the consumer. Our society is founded on the belief that competition produces new technologies, new applications for those technologies, and new services, all at a lower cost to the consumer. S. 652 puts the consumer in control. Cable companies, local telephone companies, long-distance companies, broadcast stations, wireless providers, utility companies, among many others, will all be competing for the consumer's business, offering new technologies, better services, and more choices at a lower cost.

Much of my support for this legislation is based on not only the consumer benefits gained through lower costs and better services, but through the access and availability to services and technologies in rural areas such as the Fifth Congressional District of Indiana. The impact of this nationwide network and universal access in rural areas will be revolutionary. We're not talking about just making sure small communities have cable services and can order a pizza from their television sets. This legislation will bring the world's leading heart surgeon into the surgery room at Jasper County Hospital and other rural hospitals. It will allow hog farmers in rural Carroll County to access the latest veterinary research to diagnose their herd's disease. Classrooms in Cass County can have access to the libraries of Oxford University. We will be bringing precision farming technology to Benton County, IN, through the use of global positioning satellites.

All of these extraordinary services and benefits are being obtained by ending the stranglehold of Government on the telecommunications industry. I truly believe that the Telecommunications Act of 1996 represents one of the greatest proconsumer, job creation, and infrastructure investment bill ever considered by Congress. I fully support this measure and urge my colleagues to do the same.

Mr. GOODLATTE. Mr. Speaker, I would like to address the concerns raised by some over the language in the bill protecting minors from indecent communications over the Internet.

At a meeting of House conferees I offered the compromise language replacing a harmful-to-minors standard with indecency and it was adopted as the House proffer on cyberporn.

I am appalled by the unjustified hue and cry that this indecency provision will chill free speech and is therefore unconstitutional. This indecency standard has survived First Amendment scrutiny by the U.S. Supreme Court as applied in a wide variety of circumstances. In *FCC* v. *Pacifica Foundation* (1978) the Supreme Court held that the broadcast of indecent material could be banned during hours when children were likely to be viewers or listeners. In stating why broadcast indecency could be restricted Justice Steven who delivered the opinion pointed to the facts that broadcasts extend into the privacy of the home and is uniquely accessible to children. The Internet is very similar to the broadcast medium in those respects—it extends into the privacy of the home and it is uniquely accessible to children.

Some have even claimed that an indecency standard will keep great literary works such as "Catcher in the Rye" off the Internet. I strongly disagree and I believe that the definition of indecency, which is very narrow, makes this clear. The exact definition of indecency is "any material that in context depicts or describes, in terms patently offensive as measured by contemporary community standards, sexual or excretory activities or organs."

The context of the material cannot be disregarded when making a determination of indecency. Therefore, if someone transmits the entire novel "Catcher in the Rye" they would not be violating an indecency standard, but if they transmit only certain passages out of context they might. Indecency is not an inherent attribute of words or pictures, but rather a matter of context and conduct. In addition, it must be evaluated by prevailing community standards, not the views of just a few individuals.

We need to maintain a high standard when it comes to protecting children from exposure to pornography. The indecency provision in this legislation is right on target. It will keep smut away from children and protect on-line services or information providers who make a good-faith effort to keep indecent material away from children.

In addition, a very important factor cannot be overlooked—the battle over cyberporn threatened to completely throw the progression of telecommunications legislation off track. By bringing the House proffer on cyberporn closer to that contained in the Senate bill, my compromise prevented conferees from getting bogged down in this debate and allowed today's debate to come to pass.

REGARDING SECTION 271(D)(2)(A) (CONSULTATION WITH THE ATTORNEY GENERAL)

The conference agreement provides that the FCC must notify the Attorney General promptly when an application is filed by a Bell operating company for in-region interLATA relief. Before making its determination on the merits of the application, the FCC must consult with the Attorney General. In this regard, the Attorney General may submit an evaluation to the FCC using any antitrust standard that the Attorney General believes the FCC should consider in assessing the application. This requirement recognizes the special expertise of the Attorney General in antitrust and competitive matters.

However, this paragraph expressly provides that the Attorney General's evaluation does not have a preclusive effect on the FCC. In other words, the FCC is not required to adopt or even agree with that evaluation or with the conclusions of the Attorney General. While the FCC must give the Attorney General's evaluation substantial weight, it is not required to follow the Attorney General's views. Moreover, the FCC is free to give substantial weight—indeed greater weight if justified by the proffer—to the evidence offered by the applicant, Bell operating company. This is also true both of the conclusions and the recommendations concerning public interest, convenience and necessity or concerning competitive issues.

This provision is also not intended to give the views of the Attorney General any special weight or entitle them to any special deference upon judicial review of an FCC decision under this subsection. The critical determination under this subsection is the FCC's determination whether the Bell operating company has met the requirements of the Act. The courts will accord that FCC determination "full *Chevron* deference" as provided for in *Chevron* v. *National Resources Defense Council*, 467 U.S. 837 (1984).

Mr. UNDERWOOD. Mr. Speaker, I rise today to commend the conferees for their work on this important legislation which will shepherd in a new era of technological advancement and opportunity for all Americans. My focus on this telecommunications legislation has been on ensuring that Guam has the same access to telecommunications technology and advances in the information superhighway as other U.S. citizens.

In this regard, the universal service provision is an important statement of principle. It ensures that consumers in all regions of the Nation, including insular areas, should have access to telecommunications and information services and at rates that are reasonably comparable to rates charged for similar services in Urban area.

When the universal service provision was first drafted, it neglected to mention whether or not it applied to insular areas. After I brought this oversight to the attention of Chairman Pressler on the Senate Commerce, Science and Transportation Committee, he acknowledged that the addition of "insular" in the universal service section was an important clarification and agreed to clarify this definition.

The addition of the universal service provision is an important statement of principle at a time when Guam and the Commonwealth of the Northern Mariana Islands [CNMI] are pursuing inclusion in the North American Numbering Plan [NANP]. NANP inclusion would help to overcome both domestic and international misconceptions about the political status of Guam and the CNMI, ensure that the U.S. citizens on these islands have the same opportunities as all other Americans and improve access to the information superhighway. The inclusion of "insular" in the universal service section reinforces the need to include Guam and the CNMI in the NANP.

Again, I want to thank the conferees for their attention to this important clarification and for their inclusion of the universal service provision in the final legislation.

Mr. LARGENT. Mr. Speaker, I want to commend both Chairman BLILEY and Chairman FIELDS for the leadership they have shown, as well as the diligence and perseverance exhibited in shepherding this long overdue telecommunications bill through the legislative process. This conference report represents the first major overhaul of the communications industry in the last 60 years. This historic legislation reduces the Federal regulatory burden on the communications industry, and as a consequence of more competition and less regulation, American consumers should benefit from a greater choice of telecommunications services with lower prices and higher quality than is presently available.

Currently, consumers of many telecommunication services in America do not benefit from the innovation of new services and constant pressure for lower prices that characterize competitive markets. For example, providers of local telephone services are currently protected from direct competition by a complex web of Federal, State, and local laws. This legislation, if it remains true to its intent, will cut through that inertia and allow competitors to offer local telephone services. We have already seen what real competition has done to long distance rates—I can only hope the same is true for local rates.

This historic act has the potential to be the largest job creation bill in a decade. It is estimated that it will lead to $30 to $50 billion in consumer and business benefits and will hasten America's entry into the information age. The Telecommunications Act will unleash American ingenuity and free American entrepreneurs to bring innovative, exciting new products and services to market. It's about time that technological advances will be tested in the marketplace, and not in Washington or the Federal courts.

Mr. GILCHREST. Mr. Speaker, I rise in support of the conference agreement, and I request permission to revise and extend my remarks.

Mr. Speaker, unless I miss my guess, the bill before us will probably be the most historically important piece of legislation this Congress will consider. The telecommunications industry is growing rapidly in size and significance, primarily because telecommunication is about information and information is the future.

The law currently governing telecommunications, the Communications Act of 1934, was written for the era of radio, and while it has been amended several times since, it still maintains an outdated regulatory structure designed for an era where sources of information were scarce. But technology has blurred the lines among telephone, television, computer, and newspaper, to the point where all three can potentially be the same thing.

And with the advent of the information age, we need to recognize the need for competition among information media so that the free marketplace of ideas can be communicated through a free marketplace of information outlets. This bill seeks to exploit the market's ability to maximize quality, maximize consumer choice, and minimize prices.

Mr. Speaker, I supported the Contract With America. But years after the the contract is a footnote in history, the significance of this law will still be obvious, for this is Congress' most important step ever toward embracing the information era. And through this legislation, we embrace it with the freedom and efficiency that only the free market can provide. I urge my colleagues to support this bill.

Mr. BORSKI. Mr. Speaker, I rise today to speak about S. 652 to ensure that its provisions are implemented in a manner that ensures fair competition in the telecommunications marketplace.

A major objective of S. 652, the Telecommunications Act of 1996, is the creation and maintenance of competition in local markets. Since States will play a key role in implementing this Federal legislation, it is vital that they act consistently with this Federal aim.

More specifically, section 253 of S. 652 provides that States and local governments shall not impose any requirement that prohibits or has the effect of prohibiting the ability of any entity to provide telecommunications services, and permits the FCC to preempt any actions that violate or are inconsistent with this policy. Because new entry is a fundamental of competition, it is most important that the FCC act expeditiously on any complaint that alleges a violation of this provision. Further, the Commission must ensure that any State or local requirement fully conforms to the act's standard.

I want to assure all my colleagues that I will closely follow the FCC's implementation of this provision to ensure it meets the spirit of this new law.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I rise today in support of the conference report on S. 652, although I do not do so without reservation.

As this legislation was being worked out, many of the concerns I had were dealt with in a positive manner. Agreements have been reached which give my home of Dallas needed language regarding rights-of-way, a matter of concern to me throughout the negotiation process regarding telecommunications reform.

Additionally, I have had some concern about the possibility of the regional Bell operating companies using this legislation as a basis to engage in massive downsizing. Although I realize that some change in the operations of these companies is inevitable, I have been most interested in protecting valuable jobs in my district. Because of assurances that I have received concerning the position of Southwestern Bell with respect to these jobs, I am pleased to add my support, and my vote, to pass this historic legislation.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I must rise to express my views on this important piece of legislation, the Telecommunications Act of 1996. This is a comprehensive bill that will allow us to enter into the technological revolution of the 21st century.

I am pleased with many provisions of the bill. For example, I believe that it is important that the Justice Department has a strong role in advising the Federal Communications Commission on whether competition exists in local markets. I would like to have seen a stronger role; however, the FCC must give the Justice Department's views substantial weight, which is a recognition of the Department's strong history and expertise in antitrust matters. The original versions of the bill would have given little or no role for the Justice Department.

The bill also allows the telephone companies to enter the long-distance market as soon as there is actual competition in the local market. The Bell companies are also required to open up their networks to local competitors. The bill raises the limit on radio or television stations that an individual or ownership group may own. The limit, however, is reasonable and not as large as the original House version.

Furthermore, the bill creates a telecommunications development fund that is designed to facilitate participation by small businesses in the industry. I hope that the officials that manage the telecommunications fund will utilize this opportunity to develop strong outreach measures toward minority- and women-owned businesses that have been underrepresented in the telecommunications industry.

Another positive aspect to the bill is the universal service provisions that make sure that this telecommunications revolution leaves no one behind. There are strong provisions relating to access to residents in rural areas, access by schools and libraries, and access to individuals with disabilities.

The provisions relating to the requirement that the larger television sets contain V-chip technology is extremely important as we transmit moral and cultural values to America's children. This V-chip technology will allow parents to block out certain programs that they find objectionable. Moreover, the FCC will be required to formulate some rating guidelines that can assist parents with respect to television programs.

As with any bill, I do not agree with all of the provisions. I am concerned about the deregulation of cable rates by March 1999. Many of us can cite incidents in which cable companies have been slow in providing quality service at a reasonable price. I hope that the FCC will encourage the cable companies to continue to develop ways to improve the quality of cable service and to work with local municipalities to ensure fair treatment for cities and counties.

I am also concerned about some of the provisions relating to obscenity. Some of these provisions may need to be clarified in a technical corrections bill. For example, we would not want to prevent a physician from discussing an abortion procedure on the Internet. I believe, additionally, that the question of auctioning the spectrum needs further review.

Mr. Speaker, I believe that for the most part, this bill is a good bill. It will be good for the telecommunications industry, good for consumers, and good for the country. It has been a major struggle to get this bill to the floor. Many Members have been working on some form of this bill for the last 3 years.

We may go forward today; however, it should not be without a commitment to revisit this legislation to make this bill a better bill.

Mr. COSTELLO. Mr. Speaker, I rise today in support of the conference report on the telecommunications reform bill.

I originally opposed the measure when it came before the House last August because I felt the managers' amendment weakened the standards to promote effective competition and provide fair, reasonable rates for consumers. I am pleased that the conference report includes a reasonable checklist of requirements and requires that an FCC public interest test be met before applying for long-distance entry.

I commend the committee and its leadership as well for including language urging the FCC to give substantial weight to the views of the U.S. Justice Department in determining Bell entry into long distance. I feel that judgment from outside the regulating agency is critical to making a fair decision that is in the best interest of the individual market served.

One of the main reasons I voted against the bill last summer was the way in which it would have weakened consumer power in keeping cable rates in check. It has taken several years to effectively implement the Cable Act of 1992, legislation which has worked in many ways to keep cable rates from skyrocketing. I did not want to see Congress' proconsumer efforts weakened. I am pleased that the conference report, while not perfect in this area, has made better strides than the original House bill toward keeping consumer protections in regard to cable prices and rates.

I am pleased that the conference committee retained the House position on installation of the V-chip on all 13-inch and larger television sets. The average American child watches an estimated 27 hours of television per week, and one study estimates that before finishing elementary school a child will watch over 8,000 murders and 10,000 acts of violence on television. The inclusion of a V-chip will give parents an additional safeguard to protect children from objectionable or qusestionable programming.

This is the most comprehensive communications bill since the 1930's. As we move toward the 21st century, the ability to communicate in a rapid, cost-effective manner will continue to be important to all Americans. I am pleased that working together we have achieved a framework, while not perfect, that will serve to guide our communication policy both now and in the future.

Mrs. COLLINS of Illinois. Mr. Speaker, I would like to commend Chairman FIELDS along with the distinguished gentleman from Massachusetts [Mr. MARKEY], and the Telecommunications and Finance staff for the hard work and long hours you've all spent crafting this legislation and moving it expeditiously to the floor today. Your earnest efforts have resulted in an agreement that, while certainly not flawless, will begin to pave the roads of the information superhighway with increased competition and assist in promoting greater economic opportunities for more Americans as we head into the 21st century.

Back in August 1995, I voted against H.R. 1555 because of numerous concerns I had with the bill particularly in the areas of cable rate deregulation and mass media ownership concentration. I am now convinced that, due to significant bipartisan cooperation on these matters, many of my concerns have been addressed sufficiently enough that I will support the conference report we have before us.

With respect to cable, this conference report modifies original language in H.R. 1555 that would have gutted the 1992 Cable Act by lifting cable rate regulation on the most popular cable programming 15 months after enactment of the bill for the largest operators, regardless of the competitive nature of their markets. After prolonged discussions, conferees agreed to redraft this section of the bill to ensure that true competition exists prior to deregulation of today's heavily monopolistic cable markets. By 1999 rate requirements will be lifted for all cable systems across the country.

This is an important compromise, Mr. Speaker. According to the General Accounting Office, blanket deregulation of the cable industry prior to effective competition in 1984 resulted in a monumental rise in cable rates at three times the rate of inflation. Given the fact that, today, effective competition exists in less than one-half of 1 percent of all cable systems nationwide and affordable cable TV alternatives for 99.5 percent of consumers from phone companies or satellite providers is not yet fully feasible, swiftly opening up these markets as provided in the original bill would only have spurred price gouging against consumers.

Also, the conference report's provisions on mass media ownership are much more reasonable than the extreme language in last August's bill. That language would have virtually guaranteed that power would have been concentrated among a select few communications megacorporations, sacrificing the key tenets of communications policy—community control and variety of viewpoints. That legislation repealed all ownership limits on radio stations, allowed one network to control programming reaching 50 percent of all households nationwide, gave one major communications entity the ability to own newspapers, cable systems, and television stations in a single town. This type of excessive media control is not a healthy prescription for competition.

Thankfully, these provisions were altered by lowering to 35 the percentage of all national television viewers that one network's programming could reach. In addition, this conference report keeps intact current restrictions that prevent one media giant from owning two television stations in one locality or owning newspapers in combination with ration stations, cable holdings, or TV interests in the same market.

However, I am most pleased about certain provisions designed to assist our Nation's smallest telecommunications providers which are included in this conference report.

As I have said on numerous occasions, while we should all look forward to the opportunities presented by new, emerging technologies, we cannot disregard the lessons of the past and the hurdles we still face in making certain that everyone in America benefits equally from our country's maiden voyage into cyberspace. I refer to the well-documented fact that minority and women-owned small businesses continue to be extremely under represented in the telecommunciations field.

In the cellular industry, which generates in excess of $10 billion a year, there are a mere 11 minority firms offering services in this market. Overall, barely 1 percent of all telecommunciations companies are minority-owned. Of women-owned firms in the United States, only 1.9 percent fall within the communications category.

Several of the provisions included in this bill will begin the process of eradicating these inequities.

I am very pleased to see that Representative RUSH's amendment to help to advance diversity of ownership in the telecommunications marketplace, which is similar to a provision I included in last year's telecommunications legislation, was retained in conference. It requires the Federal Communications Commission to identify and work to eliminate barriers to market entry that continue to constrain all small businesses, including minority and women-owned firms, in their attempts to take part in all telecommunications industries. Underlying this amendment is the obvious fact that diversity of ownership remains a key to the competitiveness of the U.S. telecommunications marketplace.

In addition, I fully support the telecommunications development fund language included in the conference report. This language ensures that escrow deposits the FCC receives through auctions be placed in an interest-bearing account and the interest from such deposits be used to increase access to capital for small telecommunications firms. This fund seeks to increase competition in the telecommunications industry by making loans, investments, or other similar extensions of credit to eligible entrepreneurs.

Finally, antiredlining provisions that prohibit all telecommunications providers from discriminating against individuals and communities on the basis of race, gender, creed, and so forth address a genuine concern of mine that the information superhighway must not be allowed to bypass those groups most in need of its benefits.

For all these reasons, Mr. Speaker, I urge my colleagues to vote in favor of this conference report.

Mr. POSHARD. Mr. Speaker, I voted against H.R. 1555, the House-passed Telecommunications reform bill, in August. I believe the conference report before us today is a much improved piece of legislation that deserves our support.

This bill contains the important V-chip technology that will allow parents to control what programs are viewed by their children. This parental control device will be of great benefit as consumer access to a seemingless endless number of new television channels enter the market place.

I believe this conference report has addressed in a fair manner the issue of cable deregulation. I represent a rural district and was greatly concerned about the negative impacts H.R. 1555 would have had on cable consumers I represent. I understand the importance of free and open markets, but in rural America competition if often slow in coming. The conference report before us today ensures consumer protection until real and meaning cable competition exists.

The telecommunications reform conference report before us today is not a perfect bill, but it is a very good bill. This legislation allows for true competition among local and long distance phone companies, protects cable consumers, and provides needed measures that make it illegal to intentionally communicate obscene materials over a computer network.

Mr. Speaker, we hear a lot about America being ready to embark on the information superhighway. This bill allow us to do that. Last week during the President's State of the Union address he referenced the importance of this legislation. I am proud that members on both sides of the aisle have worked together to produce a bill that is truly bipartisan. I commend the work of Chairman BLILEY, Mr. DINGELL, and the other members of the conference committee for working together to produce this historic legislation. I urge my colleagues to join with me in supporting this bill.

Mr. UPTON. Mr. Speaker: I would like to express my support for S. 652, the Telecommunications Act conference report, as I believe it is an important step forward in the development of our telecommunications policy. The issues we are discussing today—involving local and long distance phones service, cable TV, cellular phones, and more—will truly touch the lives of all Americans. As a member of the Commerce Committee which drafted and approved this bill last year, I'm pleased that we are finally on the verge of seeing this legislation enacted.

The national telecommunications network will play a very central role as we prepare to enter the 21st century. Throughout Michigan and the entire Nation, we must prepare ourselves to take advantage of the latest technology and do our best to see that there are no potholes on the information superhighway.

There are many important issues in the bill before us today. Let me just take a moment to take note of an issue of particular concern to the people of southwest Michigan—local marketing agreements, also known as LMA's.

A very successful LMA is in existence between two stations in western Michigan, WOOD–TV in Grand Rapids and WOTV in Battle Creek. In 1991, WOTV has suffered millions of dollars of losses and was forced to terminate their news operation and layoff many employees while they searched for a buyer.

In late 1991, WOTV was able to enter into an LMA and bring the station back to financial stability. They now have a fully staffed news department dedicated to bringing local news to their viewers. Additionally, they are very active in community affairs such as events at Western Michigan University and the Kalamazoo Air Show.

I am fully in support of efforts to allow for the continuation of LMA's in the future and I'm pleased that these provisions are part of S. 652.

I believe that under this bill, we are preparing our nation for the wave of the future and leading the world into the 21st century.

Mr. CASTLE. Mr. Speaker, this legislation represents the first comprehensive overhaul of our Nation's communications policy since 1934. Telecommunications technology has advanced beyond the wildest dreams of the visionaries of 1934, and yet the regulatory structure has remained unchanged. The present regulatory structure restricts competition in telecommunications markets and industries, thus stifling innovation, raising costs, and delaying the introduction of new products and services to consumers. Government regulators, rather than consumers, determine which companies can offer which services, and, in some cases, at what price. This bill will unshackle the telecommunications industry from the tenacious grasp of Federal, State, and local regulations, thus unleashing a broad array of new telecommunications services at lower costs.

This profoundly important and far-reaching legislation recognizes the legacy of decades of regulation, and thus does not simply eliminate all regulations overnight for a brutal battle in the marketplace. While on first examination this may appear to make sense, the present regulatory structure has positioned some industries to do remarkably well under such a scenario, while others would find themselves severely handicapped. Thus, immediate and total deregulation could possibly inhibit competition rather than encourage it. Instead, the legislation has sought to ensure that different industries will be competing on a level playing field.

This legislation is the product of years of analysis and negotiation, and is a fair and realistic bill which promotes and encourages competition in cable and telephony markets. In Delaware, for example, the local phone company will be able to offer consumers long distance services and other telecommunications products. The local phone company, however, will no longer operate as a monopoly, and will face competition from other companies. For the first time Delawareans will have a choice of telecommunications providers, and as companies compete for their business, they will reap significant benefits.

I also support provisions that would ensure our Nation's schools and libraries have affordable access to educational telecommunications services. Schools can use telecommunications to ensure that all students, regardless of economic status, have access to the same rich learning resources. Libraries can ensure that every community has a publicly accessible means of electronic access to support classroom instruction, to communicate with the world-wide library community, to facilitate small business development, to access employment listings and Government databases, among other uses. It is in the Nation's best interest to ensure that all schools and libraries, even those in rural areas, are active participants in the Information Age.

The impact of this legislation, of course, extends far beyond the borders of Delaware. Everyone, from an elementary school child exploring the world beyond his or her local community, to an elderly person benefiting from the expert advice of a physician 1000 miles away via Telemedicine, to a business seeking to become more efficient, to a parent wishing to telecommute to work, to a couch potato channel surfing through 500 channels, to an innovative entrepreneur seeking to provide new telecommunications services—everyone stands to benefit enormously from this legislation. Consequently, I give it my strong support and urge my colleagues to do the same.

Mr. BILIRAKIS. Mr. Speaker, I rise in strong support of the landmark legislation which we are considering today. S. 652 is the culmination of years of work to overhaul Federal telecommunications policy and position America as a world leader in the dawning information age.

While this bill contains many important provisions, I want to address one area in particular—the issue of "Telemedicine." As chairman of the Commerce Health Subcommittee, I have a special interest in this subject.

Although it is subject to different interpretations, the term "Telemedicine" generally refers to live, interactive audiovisual communication between physician and patient or between two physicians. Telemedicine can facilitate consultation between physicians and serve as a method of health care delivery in which physicians examine patients through the use of advanced telecommunications technology.

One of the most important uses of Telemedicine is to allow rural communities and other medically under-served areas to obtain access to highly-trained medical specialists. It also provides access to medical care in circumstances when possibilities for travel are limited or unavailable.

Despite widespread support for Telemedicine in concept, many critical policy questions remain unresolved. At the same time, the Federal Government is currently spending millions of dollars on Telemedicine demonstration projects with little or no congressional oversight. In particular, the Departments of Commerce and Health and Human Service have provided sizable grants for projects in a number of States.

Therefore, I drafted a provision which is included in the conference report to require the Department of Commerce, in consultation with other appropriate agencies, to report annually to Congress on the findings of any studies and demonstrations on Telemedicine which are funded by the Federal Government.

My provision is designed to provide greater information for Federal policymakers in the areas of patient safety, quality of services, and other legal, medical and economic issues related to Telemedicine. With the enactment of this provision, I am hopeful that we can shed light on the potential benefits of Telemedicine, as well as existing roadblocks to its use.

I urge my colleagues to support the conference report to S. 652, this legislation will prove critical in defining our Nation's leadership role and economic viability in the 21st century.

Mr. TAUZIN. Mr. Speaker, as the principal author of section 365 of the conference report, I rise to amplify the limited description of this provision in the statement of managers. In essence, this provision will permit a large ocean-going American-flag vessel operating in accordance with the Global Maritime Distress and Safety System [GMDSS] of the SOLAS Convention to sail without a radio telegraphy station operated by a radio officer or operator.

In implementing this section, the Coast Guard can rely on the Federal Communications Commission to determine that a large-ocean going vessel has GMDSS equipment installed and operating in good working condition. We do not contemplate the Coast Guard conducting a rulemaking, public hearings, or other lengthy regulatory process. Rather, we contemplate a simple adaptation of current, well-established Commission certification procedures.

Under section 359 of current law, the Federal Communications Commission is authorized to issue a certificate of compliance to the operator of a vessel demonstrating that the vessel is in full compliance with the radio provisions of the SOLAS Convention. By law, this certificate must be carried on board the vessel at all times the ship is in use. Thus, once a vessel operator has installed the necessary GMDSS equipment and demonstrated to the satisfaction of the Commission that the equipment is operating in good working condition, the operator will obtain a new or modified certificate of compliance from the Commission. By confirming that a vessel has on board such a valid certificate, the Cost Guard would fulfill its responsibilities under section 365.

Let me emphasize, as well, that this provision does not alter the Commission's manning or maintenance requirements in any respect. Vessel operators, for example, will continue to be able to adopt two of the three permitted maintenance options: on-shore maintenance and equipment duplication.

For too long, American-flag vessels have been saddled with the antiquated telegraphy station requirements of the 1934 act. Through our action today, we hope to help American-flag operators become more internationally competitive and to speed the introduction of the satellite-based GMDSS technology.

Mr. SENSENBRENNER. Mr. Speaker, I support the conference report before the House today. I am hopeful this legislation will ensure that our telecommunications markets remain the most competitive in the world. The Justice Department's role in the success of the legislation before us is critical. For over a decade, the Justice Department has fostered competition in these markets and the bill requires that the Federal Communications Commission, as part of its interest review, will give "substantial weight" to the Justice Department's evaluation of a Bell Operating Company's application for entry into long distance.

The role included in this bill for the Department of Justice is truly essential to the ultimate success of this bill. In particular, the bill requires the FCC to rely on the Department's expertise to assess the overall competitive impact of the RBOCs entry into long distance. Clearly, there are other public interest factors which are entitled to their proper weight, and the FCC's reliance on the Justice Department is limited to antitrust related matters. In those instances when the cumulative effect of all other factors clearly and significantly outweighs the Justice Department's competitiveness concerns, the FCC should not be precluded from acting accordingly. However, I expect the FCC will not take actions that, in the Justice Department's view, would be harmful to competition.

Second, I strongly opposed a provision included in the House passed bill that would have allowed the Federal Communications Commission [FCC] to issue rules that would preempt local zoning on where to site cellular communications towers. Cellular communications companies would have been allowed to place towers in any location, regardless of local concerns and the actions of local city councils and planning commissions, provided that they had obtained approval from an FCC bureaucrat in Washington. It is estimated 100,000 towers will be sited across the country by the year 2000. I have consistently supported the rights of local governments to decide zoning questions and I opposed this bill because it dramatically infringed on the rights of local government with respect to zoning. I am pleased a compromise has been reached on this issue and the FCC will be prevented from infringing on the rights of local and State land use decisions. The authority of State and local governments over zoning and land use matters is absolutely essential and must be preserved.

I congratulate Chairmen HYDE, BLILEY, and FIELDS for their tireless work on this historic legislation.

Mr. HOLDEN. Mr. Speaker, the Telecommunications Act of 1996 furthers the vital local telecommunications competition goal by prohibiting States and local governments from erecting barriers to new entrants providing service. This is an excellent provision, but, because it is a general mandate, there may be creative attempts to get around it. At the very least, such attempts to skirt the law would result in lengthy litigation, which would slow investment and competition. It is for that reason that I would like to spell out in more detail the types of requirements that State and local governments should not be able to impose: A State or local government should not be able to require that any provider:

Demonstrate that its provision of service would not harm the competitive position of any current or future providers of service, would be beneficial to consumers, or would not affect universal service;

Show that its provision of service would not harm the network of any provider, other than agreeing to abide by uniform technical requirements;

Agree to provide service in, or build out, all or any parts of a franchise territory;

Show financial capabilities not relevant to the service to be provided and not required of other providers;

Limit its offering of service until another provider obtains regulatory relief, that is, withhold offering a service until the incumbent provider receives pricing flexibility.

I hope this list proves useful to State and local governments in their efforts to implement this new law and to the FCC in its oversight of this provision.

Mr. PAXON. Mr. Speaker, I want to address section 702 of the conference report that adds a new section 222(e) to the Communications Act which would require that subscriber list information be provided to independent telephone directory publishers on nondiscriminatory and reasonable rates, terms, and conditions. This is a simple requirement to protect an area of telecommunications where there has been competition for more than a decade, but where service providers have used pricing and other terms to try to limit that competition. Now we are prohibiting such anticompetitive behavior.

This provision is one of those covered by section 257 of the conference report that requires that the FCC make rules that identify and remove barriers to entry for companies involved with providing telephone and information services.

Since the FCC will soon be considering how to interpret the language in section 222(e) to prevent future problems with the sale of subscriber list information to independent publishers, I would like to emphasize one key point. I have consistently sought to assure that in determining what constitutes a reasonable rate under this bill, the most significant factor should be the incremental cost of delivering that listing to the requesting party.

I appreciate this opportunity to clarify this important provision.

Mr. OXLEY. Mr. Speaker, I would like to take a minute to talk about section 275 of the telecommunications conference report concerning alarm monitoring services. Section 275 generally restricts Bell operating companies and their affiliates from providing alarm monitoring services for 5 years from the date of enactment. It does, however, allow BOC's that were lawfully engaged in the alarm monitoring business on or before November 30, 1995, to continue to provide such services. There are no prohibitions under current law barring Bell operating companies from providing alarm monitoring, and those companies that have chosen to enter this business in reliance on current law should not be unduly penalized after such lawful entry. Moreover, such companies should be permitted to operate and expand their business just like any other company in our free market system. Restrictions on growth deny consumers the benefits that additional competition will bring.

The only restriction on grandfathered BOC's contained in the conference report is that such companies may not acquire any equity interest in or obtain financial control of an unaffiliated alarm monitoring company. Let me be perfectly clear, as is the language of the conference report: This restriction does not encompass customer or asset acquisitions. There is no restriction on acquisitions of customer accounts or the assets of unaffiliated alarm companies by a Bell operating company that was offering alarm monitoring services on or before November 30, 1995. After 5 years, the limited restriction on acquiring an equity interest or obtaining financial control will be lifted and there will be no entry, equity, or financial control restrictions whatsoever on Bell operating company provision of alarm monitoring services.

Mrs. LOWEY. Mr. Speaker, although I support the conference report for H.R. 1555, the Communications Act of 1995, I must rise in opposition to the provision in the bill that bans discussions about abortion on the internet. This is a high-technology gag rule, and it is unacceptable.

Section 507 will apply portions of the Comstock Act to the internet. In addition to banning the dissemination of obscene materials, the Comstock Act also bans the dissemination of information about abortion. As a result, section 507 of H.R. 1555 will ban both the sending and the receipt of information about abortion on the internet.

This ban will have a chilling effect on the rights of millions of Americans. Violation of the ban bill be a felony, punishable by 5 years for the first offense and 10 years for each subsequent offense. Obviously, most American women will not risk a jail term, even to share necessary information about abortion—a legal medical procedure that is an integral part of basic women's health care.

Proponents of this provision have argued that because this provision is old and has not been enforced for decades, it will have no impact on women's speech about abortion. They say that it is dead letter law, and at worst case it only bans some types of advertisements and commercial speech.

Unfortunately, we have no way of knowing whether the proponents of this provision are right about whether this provision will be interpreted very narrowly—as they claim—or very broadly. Either interpretation is possible, because the provision's scope is unclear. That is what makes this provision so dangerous. No one knows what it will do.

One problem is that no court has addressed this provision since the Supreme Court's decision in Roe versus Wade. In fact, the only Court decision directly addressing this ban on information about abortion was decided in 1915. Obviously, quite a lot has changed since then—most notably, the Supreme Court has held that abortion was a constitutionally protected right. What does this provision mean in a world where abortion is legal?

Would H.R. 1555 ban all discussion of abortion on the internet? Or, would it only apply to information about unlawful abortions, as the court in the 1915 held? And what, in 1996, does unlawful abortion mean? For example, abortion laws vary greatly from State to State. If a person receives information about abortion services that are legal in her State, but illegal in the State from which the information was sent, would she go to jail?

Would the provision only apply to advertisements and commercial speech, as some proponents claim? If it does, this provision potentially bars the providers of reproductive health services from having websites detailing the medical services they offer. This could also potentially bar many internet discussions of RU–486—discussions which could be described as facilitating the sale of a drug for use in producing abortions. Whatever its breadth, this provision—by limiting the information that women can get about abortion—puts the health of American women at direct risk.

Including this restriction on speech concerning the reproductive rights of Americans in the telecommunications reform bill—a bill that has nothing to do with abortion—will impede the reproductive rights of all American women. To bar all internet users from discussing abortion is outrageous. To bar any American from discussing a medical procedure flies in the face of every ideal that we hold dear as Americans.

Unfortunately, under parliamentary rules, I cannot offer an amendment to the conference report to strike this provision. However, I have already begun discussions with many of my colleagues about working to have this provision repealed on a future technical corrections bill. Again, although I support this conference report, I urge all of my colleagues to join me in working to remove this ban on discussions about abortion on the internet. This high-technology gag rule must not stand.

Mr. FORBES. Mr. Speaker, I rise to today to comment on the passage of the Telecommunications Act of 1996. This legislation, if properly implemented, has the potential to usher in an era of truly fair competition in all aspects of telecommunications. A decade or so ago, Judge Greene broke up Ma Bell, and consumers enjoyed a precipitous decline in the cost of long-distance service made possible by competition among 500 providers of long-distance service.

However, today we do not have competition in the local market. This legislation seeks to change that, and so I am pleased to see the President sign it into law.

But, Mr. Speaker, before any regional Bell company enters the long-distance market, there must be competition in its local market. That is what fair competition is all about.

Our job is not finished. Rather, it is vital that Congress keep vigilant oversight over the implementation of this act. If, instead of unleashing full blown competition, this legislation starts us on the path of having seven monopolies dominate local and long-distance service, we must intervene. I am very hopeful, that will not be necessary. The best way to ensure that this does not happen is if the FCC heeds the counsel of the Attorney General, who will be evaluating Bell company applications to enter the long-distance market.

Again, if implemented properly, the Telecommunications Act of 1996 will give consumers more choices for local telephone service without jeopardizing the benefits of competition they already enjoy in long distance.

Mr. PAXON. Mr. Speaker, the conference agreement provides that, in order for a Bell operating company to receive in-region interLATA relief, either the company must have entered into an interconnection agreement contemplated under section 271(c)(1)(A) with a facilities-based carrier or, if there has been no request for such an agreement, must have provided the statement of interconnection terms contemplated under section 271(c)(1)(B) (approved by a State under section 252(f)). Either the agreement or the statement must meet the requirements of section 271(c)(2)(B), which itemizes the competitive checklist, and must include each of the items in the checklist.

The purpose of these provisions is to ensure that a new competitor has the ability to obtain any of the items from the checklist that the competitor wants. It is very possible that every new competitor will not want every item on that list. In such cases, the legislation would not require the Bell operating company to actually provide every item to a new competitor under the agreement contemplated in section 271(c)(1)(A) in order to obtain in-region relief.

Under these circumstances, the Bell operating company would satisfy its obligations by demonstrating, by means of a statement similar to that required by section 271(c)(1)(B), how and under what terms it would make those items available to that competitor and others when and if they are requested. It would be entirely appropriate under this legislation for the Federal Communications Commission to determine under section 271(d)(3)(A) that the Bell operating company has fully implemented the competitive checklist.

Quite simply, Congress did not intend to permit the Bell operating companies' competitors to delay their entry into the in-region interLATA market by refusing to include checklist items in the interconnection agreements. Refusal for such reasons would not constitute good-faith negotiations by the competitors. Where the Bell operating company has offered to include all of the checklist items in an interconnection agreement and has stated its willingness to offer them to others, the Bell operating company has done all that can be asked of it and, assuming it has satisfied the other requirements for in-region interLATA relief, the Commission should approve the Bell operating company's application for that relief.

Mr. BLILEY. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BLILEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 414, noes 16, not voting 4, as follows:

[Roll No. 25]

AYES—414

Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mfume
Mica
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—16

Abercrombie
Conyers
DeFazio
Evans
Frank (MA)
Hilliard
Hinchey
Johnson (SD)
Nadler
Peterson (MN)
Sanders
Schroeder
Stark
Volkmer
Williams
Yates

NOT VOTING—4

Bryant (TX)
Chapman
Filner
Rose

□ 1623

Mr. MOAKLEY and Mr. YOUNG of Florida changed their vote from "no" to "aye."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2924, THE SOCIAL SECURITY GUARANTEE ACT

Mr. GOSS, from the Committee on Rules, submitted a privileged report (Rept. No. 104–460) on the resolution (H. Res. 355) providing for the consideration of the bill (H.R. 2924) to guarantee the timely payment of Social Security benefits in March 1996, which was referred to the House Calendar and ordered printed.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1963

Mrs. KELLY. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 1963.

The SPEAKER pro tempore (Mr. HAYWORTH). Is there objection to the request of the gentlewoman from New York?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1963

Mr. DAVIS. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 1963.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

PRIVILEGES OF THE HOUSE—PROTECTING THE CREDITWORTHINESS OF THE UNITED STATES GOVERNMENT AND AVOIDING DEFAULT

Mr. GEPHARDT. Mr. Speaker, pursuant to rule IX, I rise to a question of the privileges of the House and offer a resolution (H. Res. 356) to protect the creditworthiness of the United States and avoid default of the U.S. Government.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 356

Whereas, the inability of the House to pass an adjustment in the public debt limit unburdened by the unrelated political agenda of either party, an adjustment to maintain the creditworthiness of the United States and to avoid disruption of interest rates and the financial markets brings discredit upon the House;

Whereas, the failure of the House of Representatives to adjust the federal debt limit and keep the nation from default impairs the dignity of the House, the integrity of its proceedings and the esteem the public holds for the House; Now, therefore, be it

Resolved, That upon the adoption of this resolution the enrolling clerk of the House of Representatives shall prepare an engrossment of the bill, H.R. 2409. The vote by which this resolution is adopted by the House shall be deemed to have been a vote in favor of such bill upon final passage in the House of Representatives. Upon engrossment of the bill, it shall be deemed to have passed the House of Representatives and been duly certified and examined; the engrossed copy shall be signed by the Clerk and transmitted to the Senate for further legislative action; and (upon final passage by both Houses) the bill shall be signed by the presiding officers of both Houses and presented to the President for his signature (and otherwise treated for all purposes) in the manner provided for bills generally.

The SPEAKER pro tempore. The gentleman from Missouri [Mr. GEPHARDT] is recognized on the question of privilege.

Mr. GEPHARDT. Mr. Speaker, let me explain why this is a question of privilege and why this Congress must act to extend the debt limit, with no threats or conditions, to preserve the integrity of this entire Government.

□ 1630

Rule IX of this House states very clearly that matters of privilege are those affecting the House collectively, those affecting its dignity and integrity, and those affecting the reputation of Members in their representative capacity.

I ask every Member of this Congress today, how can the dignity and integrity of this Congress be maintained if we tear down the dignity and integrity of this country? How can any single Member of the 104th Congress maintain our reputation and honor if we go down in the history books as the Congress that broke America's word, the very first Congress that dared to tarnish America's trust in the world.

Mr. Speaker, I know there are enough Democrats and Republicans to extend the debt limit and avoid this crisis right now, if we could only have that vote on the floor. It is unfair to all of us to have our rights, our reputations, our good names dashed for what I believe is a partisan purpose.

Some of our Republican colleagues are threatening to default on America's financial obligations, to turn our backs on seniors who need their Social Security checks, taxpayers who deserve their refunds, people throughout the world have invested in America.

There is no question that economic chaos would follow even a day of default. Interest rates on credit cards, car loans, and mortgages would skyrocket. The dollar would plummet. World financial markets could go into a tailspin. The damage would most likely be permanent, because such reckless delinquency would be without historical precedent in our country.

We had a bloody Civil War in the last century, when America was torn in half, probably our greatest crisis. But all through it and after it, we kept our credit whole. During two world wars when our economy was stretched to the limit, we found room to honor our word to the people who had invested in our debt. Through recessions and a great depression, we have guarded America's financial faith and integrity because it is as sacred as the Constitution itself.

This is not partisan hyperbole. Even the threat of default is damaging our credibility day by day, more and more with each passing day.

We cannot afford to play politics with that credibility. We cannot afford to delay to stand for our national word and honor.

What crisis is bigger than two world wars and the Great Depression? A disagreement over a budget. We Democrats think it is wrong to cut Medicare for huge tax breaks, especially since we think it is unnecessary to balance the budget. Republicans legitimately disagree. This is a valid debate. It is one we should resolve. But defaulting on our obligations, hurting millions of average Americans, damaging our most precious possession, our word and our credibility, is no way to resolve it.

After all, shutting down the Government twice did not resolve it. Why would an international economic crisis resolve it?

Mr. Speaker, parliamentary privilege exists for exactly this kind of crisis. This is more than an economic issue. It is a profoundly moral issue.

If we bargain away America's integrity for the latest political squabble, if we can bring millions of families to the brink of economic crisis because we cannot agree on this year's budget, then in my opinion we cease to serve the United States of America, and we no longer have honor to maintain.

This crisis, Mr. Speaker, is the very essence of privilege in this parliamentary body, and I urge the Chair, on behalf of our country and the promise and word of our country, to rule in its favor.

The SPEAKER pro tempore. (Mr. BARRETT of Nebraska). Do any other Members wish to be heard on the question of privilege?

Mr. KENNEDY of Massachusetts. Yes, Mr. Speaker, I wish to be heard.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Speaker, there can be no greater cause for a parliamentary privilege than the constitutional crisis that is being perpetrated by the elements of this House that have chosen a path to default on America's debt in order to get their particular view rammed through the House of Representatives and the Senate of the United States. Mr. Speaker, we have got to deal with this crisis.

The truth of the matter is that originally we were told that the reason why the Republicans so much wanted to have the debt default issue brought forward was to insist upon a balanced budget. President Clinton has agreed to a balanced budget.

We were then told, though, it was not a balanced budget, it was a balanced budget within 7 years. President Clinton agreed to a balanced budget within 7 years.

We were then told it was not a balanced budget within 7 years but it was with the CBO numbers. President Clinton agreed to a balanced budget in 7 years using CBO numbers.

Then we were told it was not a balanced budget, 7 years, CBO numbers, but it had to have a tax cut. President Clinton agreed to a tax cut.

It is not as big a tax cut as the one the Republicans want, so the Republicans are insistent upon challenging the debt of this country, breaking the back of 200 years of history, breaking the parliamentary process that has been set up that says if we have disagreements between bills passed by the House of Representatives and the United States Senate, that we have in fact a President that can sign that bill or he can veto that bill. If he vetoes the bill, we have the right to override that veto. If we do not have the votes to override, we then compromise.

Mr. WALKER. Mr. Speaker, I demand regular order.

Mr. KENNEDY of Massachusetts. The truth of the matter is there is no willingness to compromise.

Mr. WALKER. Mr. Speaker, I demand regular order.

The SPEAKER pro tempore. Will the gentleman suspend. The Chair would remind the gentleman to confine his remarks to the question of privilege, please.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I am talking about a question of privilege. I am talking about my dignity and my integrity, the integrity of this body, the integrity of every Member on the Democratic and Republican side.

Mr. WALKER. Mr. Speaker, I demand the regular order.

Mr. KENNEDY of Massachusetts. You are willing to break the back, break the debt of America in order to ram through your narrow political guerrilla tactics. It is time for a little dignity on the floor of this House, Mr. Speaker, and I want to be heard.

The SPEAKER pro tempore. Members must confine their remarks to the question of privilege.

Mr. WALKER. I demand the regular order, Mr. Speaker.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I believe very strongly that this is an issue of parliamentary privilege. I could not agree more strongly with the words of the gentleman from Missouri [Mr. GEPHARDT], that this is an issue, the most important issue we have faced this year, the most important issue that we have faced in many years.

If we allow the debt of this country to be defaulted upon, we will hurt the future of our country's borrowing, we will hurt the future of our country's children, and we will hurt our senior citizens.

Please pass a full debt extension. Allow us to pay our bills as every generation prior to ours has done throughout the history of this country.

The SPEAKER pro tempore. The Chair recognizes the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, in the interest of time, I will make the argument brief as to why this resolution does not constitute a question of privilege under House rule IX, but just as I do that, let me preface those remarks by calling attention to the bill that will be on the floor directly after we finish with these two issues here. It states in the line 6, "Congress intends to pass an increase in the public debt limit before March 1, 1996," and let me say that they will do this over my objections because I am just appalled that we are once again going to extend this debt limit.

But having said that, let us talk about this issue. The precedents are absolutely clear that a resolution raising a question of privilege may not be used to change those rules. This resolution would change House rules by automatically passing a specified bill. Nowhere in House rules is it contemplated or specified that legislation may be called up, let alone passed, by means of a question of privileged resolution. The Chair has already so ruled on numerous occasions during the last several weeks. I therefore would urge that this resolution be ruled out of order, Mr. Speaker.

The SPEAKER pro tempore. Does the gentleman from Pennsylvania desire to be heard on this question?

Mr. KANJORSKI. Mr. Speaker, I rise on the question of privilege.

The SPEAKER pro tempore. The gentleman from Pennsylvania may proceed.

Mr. KANJORSKI. Mr. Speaker, I know that this is an issue that other parliamentarians have ruled on in the history of this great House, but as we reflect, my friends on both sides, and to remove this from a partisan issue, the issue of the Constitution and the issue of the House of Representatives predates the existence of either parties that exercise influence in this House today.

We are in the 208th year of the American Constitution, the 104th Congress of the United States. We are here by virtue of the fact that our constituents elected us to come here and present ourselves under article I of the Constitution of the United States and take an oath of office that Constitution. Article I provides for the powers of the House of Representatives, one of which is to provide for the debt of the United States. Those of us in this House today, more than a majority, I daresay, because I have a letter addressed to the Speaker signed by more than 191 members of the minority side of the House, and I am aware of the fact that several dozen of my good friends on the majority side join me in this cause.

So clearly if a resolution for the raising of the debt limit presented to the House clean, it could and would receive a majority vote of the House of Representatives honoring the commitment we made in our oath of office under article I of the Constitution of the United States.

For the leadership of the House, for the Rules Committee or for the rules of the House to frustrate article I and the individual oath and the collective oath of this entire House and to argue that this does not fall within the purview of the privilege of the House going to the integrity and the dignity of individual Members or collectively of this House is the most fallacious and ridiculous argument I have ever heard in my years in public life.

I argue that we put aside today as we are about to leave on a 3-week vacation and send a message to America that the House of Representatives is going to pursue and follow its oath of office, the article I of the American Constitution, and allow for an open vote a resolution allowing for the provision to pay the debts of the U.S. Government under the existing Constitution of the United States.

☐ 1645

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Does the gentleman from New York wish to be recognized?

Mr. RANGEL. Mr. Speaker, I would like to be recognized on the question of privilege.

The SPEAKER pro tempore. The Chair recognizes the gentleman from New York on the question of privilege.

Mr. RANGEL. Mr. Speaker, I am going to try desperately hard to be nonpartisan in my remarks, because I think we have reached that point as a Congress that the general public is just fed up with all of us and are not taking the time to determine whether it is the so-called Republican leadership or whether it is the House of Representatives, the Senators or even whether it is the Government of the United States.

All of us have had the opportunity to explain what our job is here in the House, and we are honored to serve in this House, and whether we are dealing with adults or whether we deal with children, compromise has never been a dirty word in explaining the work of the subcommittees, the full committees, what we do in conference and what we send to the President of the United States. If we are going to change the rules here, you are changing the rules not just for individuals and parties, you are changing the rules for every one of the Members of this House whether they are participating in this or whether they are not, and you are not giving them choices. You are not playing by the rules. You are not playing by the rules we were sworn in to endorse. Those rules are simple rules.

You do not like what the President has done. You do not like the veto; you override the veto, that is what you do, and if you cannot override the veto, you try to come back and work out something.

Oh, I know, you are in a hurry. You cannot talk about it. You cannot talk about compromise. All of a sudden this beautiful word has now become a stigma, because a handful of people have snatched what they think is principle, and they are threatening the United States of America's integrity throughout this world.

You can do what you want with your party or with your members. But it is unfair, and it takes away from our prerogative as sworn Members of this House to threaten the economic life of the United States of America and the free world by holding a debt extension hostage in order to reach your political end.

Politics are played at the polls, and they should not be the reputation of the United States that is being played on parliamentary maneuvers.

The SPEAKER pro tempore. The Chair is prepared to rule on the resolution offered by the distinguished minority leader.

The resolution offered by the gentleman from Missouri alleges that the failure of the House to take a specified legislative action brings it discredit and lowers it in public esteem. On that premise it resolves that the House be considered to have passed a legislative measure.

Under rule IX, questions of the privileges of the House are those "affecting the rights of the House collectively, its safety, its dignity, [or] the integrity of its proceedings." But a question of the privileges of the House may not be invoked to effect a change in the rules of the House or to prescribe a special order of business for the House. This principle has been upheld on several occasions cited in section 664 of the House Rules and Manual, including June 27, 1974 where a resolution directing the Committee on Rules to consider reporting a special order was held not to present a question of privilege.

In this Congress, resolutions have been offered that attempt to advance legislative propositions as questions of privileges of the House on February 7 and December 22, 1995, on January 3, 1996, and, in particular, on January 24, 1996. The latter resolution similarly deemed a legislative measure passed to redress previous inaction. When ruling out that resolution as not constituting a question of privilege, the Chair posited that permitting a question of the privileges of the House under rule IX based on allegations of perceived discredit by legislative action or inaction would permit any Member to advance virtually any legislative proposal as a question of privileges of the House.

Applying the precedents just cited, the Chair holds that the resolution offered by the Gentleman from Missouri does not affect "the rights of the House collectively, its safety, dignity, [or] the integrity of its proceedings" within the meaning of clause 1 of rule IX. Rather, it proposes to effect a special order of business for the House—deeming it to have passed a legislative measure—as an antidote for the alleged discredit of previous inaction.

The resolution does not constitute a question of privilege under rule IX.

Mr. VOLKMER. Mr. Speaker, I appeal the ruling of the Chair.

The SPEAKER pro tempore. The question is, Shall the decision of the Chair stand as the judgment of the House?

MOTION TO TABLE OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Speaker, I move to table the appeal of the ruling of the Chair.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. SOLOMON] to lay on the table the appeal of the ruling of the Chair.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. VOLKMER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 229, noes 187, not voting 17, as follows:

[Roll No. 26]

AYES—229

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Molinari
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Solomon
Souder
Spence
Stearns
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—187

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Beilenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Cardin
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gonzalez
Gordon
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Roybal-Allard
Rush
Sabo
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—17

Becerra
Bryant (TX)
Chapman
Filner
Green
Hayes
Johnson (SD)
Lewis (CA)
Manton
Meyers
Packard
Radanovich
Rose
Sanders
Seastrand
Smith (WA)
Stockman

□ 1710

So the motion to lay on the table the appeal of the ruling of the Chair was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PRIVILEGES OF THE HOUSE—KEEPING THE HOUSE IN SESSION TO CONSIDER BILL REGARDING DEBT CEILING TO AVOID DEFAULT OF FULL FAITH AND CREDIT OF THE UNITED STATES

Ms. JACKSON-LEE of Texas. Mr. Speaker, I offer a privileged resolution (H. Res. 354) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 354

Whereas the inability of the House to pass a bill to raise the public debt limit will cause the Federal Government to default on its obligations and affect the dignity and integrity of House proceedings; and

Whereas the inability of the House to pass a bill to raise the public debt limit will cause severe hardship on Federal employees, Federal contractors, and the American people and cause millions of American citizens to hold the House in disrepute: Now, therefore, be it

Resolved, That upon the adoption of this resolution, the Speaker of the House shall take such action to keep the House in session until the House considers a clean bill regarding the debt ceiling to avoid default of the full faith and credit of the United States.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). This question is similar to questions previously raised, and, as indicated on page 321 of the manual, debate on questions of order is for the information of the Chair, and is thus within his discretion.

□ 1715

Ms. JACKSON-LEE of Texas. Mr. Speaker, I would like to be heard on the privileged resolution.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The Chair will hear from the gentlewoman from Texas, and one other Member who would care to speak on the matter, and from two Members from the other side, if that should be the case, or whether the resolution constitutes a question of privilege.

PARLIAMENTARY INQUIRIES

Ms. JACKSON-LEE of Texas. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentlewoman will state it.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I would ask your indulgence. This question is a weighty question. Several Members have asked permission to speak on the privileged resolution because it is quite distinct from the previous one in that it asks that we not recess in order to work on this matter. I would ask the Speaker's indulgence on adding at least another Member to speak on each side. I would appreciate the Speaker's indulgence on that.

The SPEAKER pro tempore. Inasmuch as a line has been pretty well determined because of the prior resolution, and the similarity of this resolution, it would be the hope of the Chair that he could limit discussion on the procedural question to the two Members per side.

Ms. MCKINNEY. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentlewoman will state it.

Ms. MCKINNEY. Mr. Speaker, who made that determination that the debate on this privileged resolution would be limited?

The SPEAKER pro tempore. It is the Chair's discretion as indicated on page 321 of the manual.

The Chair recognizes the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. Mr. Speaker, although appreciating the ruling, I disagree and believe that this is, in fact, singular and distinct.

Mr. Speaker, rule IX, section 1 in particular, speaks to questions of privilege affecting the rights of the House collectively, its safety, dignity, and the integrity of its proceedings.

But second, Mr. Speaker, it talks about affecting the rights, reputation and conduct of Members individually. And, therefore, we can see in that rule that there may be actions taken collectively by this body that would put this House in ill repute in the eyes of its constituents, in the eyes of other Members, and in the eyes collectively, of the American people.

Mr. Speaker, I would affirm that recessing this House in light of the failure of the leader's privileged resolution to pass a clean debt ceiling will befall upon this House in the eyes of the American people a reputation that we would not be proud of. The House of Representatives will be held in disrepute by world leaders, international financial institutions, and most importantly the citizens of this country, if it does not pass a bill relating to the debt ceiling.

Mr. Speaker, it is my contention that this is a grave matter, and in many ways affects the dignity and integrity of these House proceedings. The Secretary of the Treasury has stated that the Federal Government will be in default of its financial obligations if the debt ceiling limit is not raised and a $5.8 billion interest payment made very soon.

In accordance with the responsibilities of his office, Secretary Rubin has already sent a letter on January 22, 1996, to the congressional leadership stating under the current conditions the U.S. Treasury will no longer be able to fulfill all of its financial obligations.

Clearly, Mr. Speaker, we have been on notice and we are on notice that actions by this body would put it in disrepute and have it viewed as not performing its responsibilities.

As we are aware, Mr. Speaker, the financial reputation of an organization is based solely upon the financial history it has established. Mr. Speaker, it has been an undeniable fact that this House was given 38 days of notice of the impending financial dilemma. If this body fails to pass a bill, which we have already done so by rejecting the leader's privileged resolution, then we would not be in good standing.

May I remind the Speaker that rule IX of the House states questions of privilege go to the dignity and reputation of this House.

Mr. Speaker, might I also say that, if on February 26, when we have the obligation of sending out to millions of Americans Social Security checks, I can tell my colleagues that if those checks go out with no clean debt ceiling, they will bounce. If that is not a blight on the integrity of this House, then I do not know what is.

Mr. Speaker, if I may personally say, having had the privilege of going to Bosnia, visiting with the people of those nations, Bosnia, the former Yugoslavia and Croatia, when making a very weighty decision by this body as to whether we would go in as peacekeeping troops in this effort, I had the privilege of talking to the men and women who are now serving in Bosnia. The only thing they asked of us is: Will the American people be with us?

Mr. Speaker, here we stand on the House floor about to recess and go home and jeopardize the opportunity and the responsibility to pay those military personnel by March 1. Mr. Speaker, I think that we have come to a point legitimately under rule IX that we must stand up because we provide a harm to the American people. That harm is the inability to pay Social Security; the inability to pay veterans' benefits; the inability to pay our military personnel; and, yes, the disrepute that will fall upon this House and this Nation when it is not able to pay its responsibilities and uphold the full faith and credit of this Nation.

Mr. Speaker, I would ask that we not recess and we stand with the American people. Do not bring a lack of dignity on this House on the American people.

The SPEAKER pro tempore. Does any other Member wish to be heard on the question of privilege?

Ms. WOOLSEY. Mr. Speaker, I rise to address the question of privilege.

Mr. Speaker, here we go again. The folks who brought two Government shutdowns are now threatening to bring our Nation to the brink of default one more time. They are doing this in one more attempt to force their extreme agenda on the American people.

That is right, once again the Gingrich Republicans have the Nation teetering on the edge of crisis, and instead of working to avoid disaster, the Speaker and his gang want to leave town this weekend.

My colleagues heard me. They want to leave the Nation's full faith and credit, as well as the fate of millions of

Social Security and veterans' beneficiaries, hanging by a thread until Congress reconvenes 3 weeks from now.

Mr. SOLOMON. Regular order.

The SPEAKER pro tempore. The Chair would remind the gentlewoman to confine her remarks to the question of privilege.

Ms. WOOLSEY. Mr. Speaker, that is right. Mr. Speaker, I would like to ask why the motion to adjourn is a privilege and the resolution to prevent adjournment is not a privilege. I would suggest that we be able to speak on either side of adjourning or not adjourning, equally. And I would hope that I could then have another Member of our caucus speak to this same issue.

The SPEAKER pro tempore. Has the gentlewoman completed her statement?

Ms. WOOLSEY. Mr. Speaker, I would like to ask why, if the motion to adjourn is a privilege, that the motion not to adjourn is not the same privilege.

The SPEAKER pro tempore. Are there other Members who wish to speak to the matter?

The gentleman from New York [Mr. SOLOMON] is recognized.

Mr. SOLOMON. Mr. Speaker, it is not appropriate for me to refer to the next bill on Social Security that will come up, but I will advise my colleagues to look at it after we finish.

Mr. Speaker, I rise to argue briefly that the resolution does not constitute a question of the privileges of the House under rule IX.

As recently as 4:50 p.m. today, a few minutes ago, the Chair rules against a resolution purporting to raise a question of privilege, on the grounds that it effected a change in House rules by providing for passage of a specified bill.

The resolution before us is only a slight modification of the previous resolution, by requiring the Speaker to take action to keep the House in session until the House considers certain legislation. As such, the resolution attempts to change House rules by altering the duties of the Speaker as specified in House rule number I.

Presumably, the Speaker would even be required to not recognize anyone who offered a constitutionally privileged motion to adjourn. This is not only changing House rules, but it actually violates the Constitution of the United States. I would, therefore, urge the Chair to rule against the resolution in conformity with the Chair's previous rulings and House precedents, and I would urge the Speaker to rule.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, the resolution is obviously a resolution of the same nature as those that have been ruled on previously by Speakers extending back for several decades.

The cause being brought by the gentlewoman from Texas [Ms. JACKSON-LEE] is under rule IX. This is obviously not a question of privilege under the provisions of rule IX, and so, therefore, I request that the Chair rule against this matter as a question of privilege.

The SPEAKER pro tempore. The Chair is prepared to rule.

PARLIAMENTARY INQUIRY

Ms. MCKINNEY. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentlewoman will state it.

Ms. MCKINNEY. Mr. Speaker, is it not true that there is probably a rule in the rule book for anything trying to obstruct what we are trying to do over here?

Mr. SOLOMON. Regular order. That is ridiculous.

Ms. MCKINNEY. Is that not true, Mr. Speaker?

The SPEAKER pro tempore. That is not a parliamentary inquiry.

The Chair is prepared to rule on this matter. The resolution offered by the gentlewoman from Texas alleges that the failure of the House to take a specified legislative action impairs its dignity and the integrity of its proceeding and lowers it in public esteem. On that premise, it resolves that the Speaker keep the House in session until it considers a pertinent legislative measure.

The resolution offered by the gentlewoman from Texas, like those offered on February 7, and December 22, 1995, and on January 3 and January 24, 1996, and earlier today, attempts to advance a legislative proposition as a question of the privileges of the House.

For the reasons just stated by the Chair when ruling that the resolution offered by the gentleman from Missouri did not constitute a question of privileges of the House, the Chair holds that the resolution offered by the gentlewoman from Texas [Ms. JACKSON-LEE] does not affect the rights of the House collectively, its safety, dignity, or the integrity of its proceedings within the meaning of clause 1 of rule IX. Rather, it proposes to impose a particular legislative schedule on the House, precluding an adjournment of the House until a specified legislative measure is considered, as an antidote for the alleged disrepute of previous inaction.

Therefore, the resolution does not constitute a question of privilege under rule IX.

Ms. JACKSON-LEE of Texas. Mr. Speaker, because I believe that we should not recess but should work, I appeal the ruling of the Chair.

The SPEAKER pro tempore. The question is: Shall the decision of the Chair stand as the judgment of the House?

Mr. SOLOMON. Mr. Speaker, I move to table the appeal of the ruling of the Chair.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. SOLOMON] to lay on the table the appeal of the ruling of the Chair.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 229, nays 181, not voting 23, as follows:

[Roll No. 27]

YEAS—229

Allard
Archer
Armey
Bachus
Baker (CA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Beilenson
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Jones
Kelly
Kim
King
Kingston
Klug
Knollenberg
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Molinari
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skaggs
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Stearns
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen

Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—181

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Cardin
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cramer
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gonzalez
Gordon
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lincoln
Lofgren
Lowey
Luther
Maloney
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Roybal-Allard
Rush
Sabo
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—23

Baker (LA)
Becerra
Bryant (TX)
Callahan
Chapman
Condit
Filner
Green
Hobson
Johnson (SD)
Kasich
Kleczka
Kolbe
Lewis (CA)
Manton
Meyers
Packard
Radanovich
Rose
Sanders
Seastrand
Spence
Stockman

☐ 1746

So the motion to lay on the table the appeal of the ruling of the Chair was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I wish to raise a matter that involves a question of privileges of the House. Mr. Speaker, I affirm that the U.S. House of Representatives will be held in disrepute by world leaders, international financial institutions, and most importantly, the citizens of this country, if it does not pass a bill relating to the debt ceiling. It is my contention that this is a grave matter that in many ways affects the dignity and integrity of the House proceedings and I am more than able to prove this point unequivocably.

The Secretary of the Treasury has stated that the Federal Government will be in default of its financial obligations if the debt ceiling limit is not raised and a $5.8 billion interest payment made very soon. In accordance with the responsibilities of his office, Secretary Rubin sent a letter on January 22, 1996, to the congressional leadership stating that under the current conditions, the U.S. Treasury will no longer be able to fulfill all of its financial obligations very soon.

Throughout our country's history, investors have relied upon the words "the full faith credit of the United States" to guarantee the financial stability of this country. As you are fully aware, the financial reputation of an organization is based solely upon the financial history it has established. Mr. Speaker, it is an undeniable fact that this House was given 38 days notice of the impending financial dilemma and if this body fails to consider a bill regarding the debt ceiling and the impending debt payment not made on time, then the standing of the House will indeed be harmed.

May I remind the Speaker that Rule IX of the House rules states that questions of privilege are those which affect the rights of the House collectively, its safety, dignity, and the integrity of its proceedings. As specified in the dictionary, the word dignity relates to "The quality or condition of being worthy," as well as "The respect and honor associated with an important position."

Hence, this body's decision not to address the debt limit problem will put into question, in the eyes of our creditors and our constituents, the reputation and fiscal integrity of this collective House. As evidence, it was announced last week by Moody's Investors Service that it is considering lowering the credit rating of the U.S. Treasury bonds for the first time in history. Under Rule IX of the House rules, this series of events and their repercussions would certainly cause our creditors, constituents, and international partners to hold this House responsible.

In addition to the irreparable damage that will be suffered, by the House, great harm will be done to millions of innocent American lives, young and old alike. The U.S. Government must make a $30 million payment to Social Security or these beneficiaries, dependent upon their monthly stipend for food, heat, and medicine, will be left without funds to meet these basic necessities of life. Also, 2.2 million veterans with service-connected disabilities and 300,000 survivors of veterans may receive for the first time in history bad checks effectively written by every Member of the House.

Mr. Speaker, there is significant concern by many economists that our economy is headed for a recession, and any default caused by our inaction will certainly drive us to it. The default of this Government will create uncertainly and anxiety in the financial, business, and consumer markets; as a result, investments will slow, capitol spending will wither, and consumer confidence will die. The reactions will only exacerbate any recession tendencies within the economy, propelling the United States into an economic dive, no one wishes. Taken together with the additional effects already mentioned, it is plainly evident that this crisis affects the very financial underpinning of our country.

The American people will be severely affected by any inability of this body to bring forth legislation to increase the debt ceiling. I contend that as a result, they will hold us, collectively and individually, responsible for their needless suffering and trauma. If that occurs, the reputation and conduct of each of us, in our representative capacity, will be called into question. Under rule IX, this too would be sufficient justification for my privileged resolution.

Treasury Secretary Robert Rubin has nearly exhausted all other measures to avoid a Government default. This resolution must be considered privileged because the reputation of the House is at stake. American citizens are tired of the partisan wrangling that has echoed through these halls. They want the Government to fulfill its responsibilities and meet its obligations, just as they must. With complete certainty, the U.S. House of Representatives will be held responsible and the integrity of everything that we do here will be questioned for our failure to consider a bill relating to the debt ceiling.

The House has voted to rise or extend the debt limit 33 times over the last 15 years to keep intact the good will, dignity and reputation of the U.S. Government and more specifically, this House; I do not see why we should now shirk the obligations we accepted upon our oath of office. We should not recess at this time, when America needs us to work to avoid a default on our debt.

Mr. HALL of Texas. Mr. Speaker, I rise in support of the resolution not to adjourn until a debt limit extension has been approved—and yet I believe the resolution does not go far enough. I regret that we are even having to consider a debt limit extension—rather than a balanced budget proposal or, at the very least, the remaining appropriations bills that should have been approved 4 months ago. I regret that this Congress plans to adjourn for a 3-week break when we have so much work left to do.

Mr. Speaker, we should not go home until all the appropriations bills have been passed and approved by the President. We should not go home until this Congress produces a balanced budget proposal that can be supported by both parties and by the President. A majority of Americans want a balanced budget—a budget that makes the most use of their tax dollars and a budget that also is kind and fair to our seniors, our children, and our less fortunate citizens.

Throughout the past year, Congress has had a golden opportunity to streamline Government, enact some needed reforms, and produce a balanced budget. But the shifting sands of time and politics have eroded that opportunity, and we are losing ground fast.

Let us not let another opportunity pass to discharge our responsibility to our fellow citizens. Let's stay and work until we've accomplished our Nation's important business.

PROVIDING FOR CONSIDERATION OF H.R. 2924, THE SOCIAL SECURITY GUARANTEE ACT

Mr. GOSS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 355 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 355

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House the bill (H.R. 2924) to guarantee the timely payment of social security benefits in March 1996. The bill shall be debatable for one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The previous question shall be considered as ordered on the bill to final passage without intervening motion except one motion to recommit. The motion to recommit may include instructions only if offered by the Minority Leader or his designee.

The SPEAKER pro tempore. The gentleman from Florida [Mr. GOSS] is recognized for 1 hour.

Mr. GOSS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas [Mr. FROST], pending which I yield myself such time as I may consume. During consideration of this resolution, all time given is for the purpose of debate only.

Mr. Speaker, this is a straightforward, fair rule that allows for consideration of H.R. 2924, a bill to ensure that Social Security payments will not be needlessly delayed by the administration. Let me repeat that, Mr. Speaker. This is a bill to ensure that Social Security payments will not be needlessly delayed by the administration. In other words, the checks are going to go out, they are going to go out on time, they are going to be paid in full.

Mr. Speaker, because this legislation involves a matter of simple fairness, and due to the predicted impending winter storm, we are bringing it up under the expedited authority granted earlier by this House. The rule provides for 1 hour of general debate, and preserves the right of the minority to offer a motion to recommit, with or without instructions.

Mr. Speaker, we should not really have to be working on this matter at all. Despite the fact that this Congress will pass a responsible debt limit increase prior to the March 1 deadline, and despite the fact that the President has already vetoed two debt limit increases, the administration has suddenly called into question its ability to pay for the March Social Security benefits. President Clinton made suggestive remarks along these lines at State of the Union. Well Mr. Speaker, passage of H.R. 2924 will make absolutely clear that the Secretary of the Treasury has the authority to process and send these Social Security benefit checks—which are printed in late February. I find it appalling that the sanctity of the Social Security System should be brought into question in such a cynical manner. Yet we have listened to the President and some in this body employ similar scare tactics for: School lunches, Meals on Wheels, Medicare, and so on. Each time they resort to these threats, I think their credibility drops, and certainly the President's ability to work in good faith with the majority of this Congress diminishes.

I would like to address the concerns raised by those who claim that Congress is somehow acting less than responsibly by going into a district work period before passing a full debt limit increase. I disagree—the truth is that this Congress has passed two debt limit measures, both vetoed by President Clinton. So, it is clear that in order to produce a bill that will pass Congress and be signed by the President, it must be negotiated. And these negotiations have not concluded. It makes little sense to keep Members in town waiting for the Clinton administration to get its act together, while Members could be spending time usefully working in their districts. That is where I am planning to spend the bulk of the upcoming work period—and the truth is that even when we are back in our districts we are still on call, ready to return at a moment's notice to deal with the people's business. So I would urge my colleagues to ignore the Clinton scare story du jour and support this rule and this bill which ensures Social Security checks are sent out on time payable in full.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, before I proceed any further, I yield 30 seconds to the gentlewoman from Oregon [Ms. FURSE].

CONGRATULATIONS TO SENATOR-ELECT WYDEN

Ms. FURSE. Mr. Speaker, this is obviously a very important bill, and I would love to talk about it, but what I really want to talk about is the dean of my delegation, the Oregon delegation, and congratulate him for having become the newest Senator from the State of Oregon [Mr. WYDEN].

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I listened with great interest to my friend and colleague, the gentleman from Florida [Mr. GOSS], trying to blame the administration for what is going on here today. This, of course, is a classic case of the person who kills his parents and throws himself on the mercy of the court because he is an orphan.

What the majority has done is stubbornly refused to schedule a clean debt ceiling vote prior to February 26. It is their refusal to schedule a vote before February 26 which jeopardizes, potentially jeopardizes Social Security checks being sent out. They are the ones that have caused this crisis, and now they are coming to the Congress and saying, we have to pass this bill because we want these Social Security checks to go out. If they had scheduled a debt ceiling vote in a timely manner, this would not be necessary.

Mr. Speaker, why can we not just do the Nation's business? Why do we have to continue to play these games? Why can we not just vote on a clean debt ceiling?

I, for one, would like the House to have that opportunity this afternoon. At this hour, it appears the only option open to us is to amend this rule. In order to do that, we must defeat the previous question. It is my intention, therefore, to oppose ordering the previous question.

Mr. Speaker, there seems to be no other way to bring a clean debt ceiling increase to a vote. I urge each and every Member of this body to oppose the previous question so that we can vote up or down on a debt ceiling increase.

Mr. Speaker, the intentions of this legislation are honorable, but rather than perpetuating this Government by piecemeal funding, the far better course of action would be just to take up a clean debt ceiling tonight and pass it. If we do not defeat the previous question, we are passing up a golden opportunity to do the responsible thing. We should not continue to play chicken with the full faith and credit of the United States of America.

Mr. Speaker, we are supposed to be here to do the Nation's business, and the most pressing piece of business before us is to pass a debt ceiling to ensure that our Nation does not, for the first time in its 200-plus-year history, default on its obligations.

Mr. Speaker, I reserve the balance of my time.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

I would suggest that the full faith and credit of the United States of America would be better served if we got our budget into balance.

Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Speaker, I would like to shed some light on this issue in terms of the recent history of what we have been through, vis-a-vis the administration and claims made by the administration. As everybody knows, this rule is here, and the subsequent legislation, because the administration has stated that come February 26, they will be unable, because of the way the law is written, to cut the checks for Social Security beneficiaries.

Obviously, everybody on our side of the aisle and, I assume, everybody on the other side of the aisle wants people to get their Social Security checks come the last day of this month or the first day of next.

Now, the recent history of what this administration has done is that this action by the administration, as claimed by the administration, is simply not unparalleled. On November 12 and 13 and 14 of this year, Secretary Rubin told us and the American people that we had to pass a debt ceiling because default on our inability to pay our bills would be unthinkable, and we agreed.

What Secretary Rubin did not tell the American people was that there was already a plan in place to permit the United States Government to pay its bills by borrowing from trust funds. In other words, the Secretary went out of his way to create a situation in which the American people thought that the United States Government was going to default, knowing full well the entire time that they had been working since June 24 at least to put in place a mechanism and a plan whereby the trust funds would be tapped to avoid default and still claiming to tell us, the Congress of the United States and the American people, that we were going to face a horrible default.

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Of course they wanted a clean debt ceiling. Now we hear just a few days ago that if we do not pass a clean debt ceiling, we will not be able to send out the Social Security checks. We are not going to let that happen. If there is a problem with the law, this bill straightens it out. We know that it is not a dollars problem. We know there is enough money there to do it. So the Secretary now claims that under the statutes as they presently exist, he does not have the flexibility to send out the Social Security checks for older Americans, Social Security beneficiaries, and therefore, we are now in another state of alarm where we have to pass a clean debt ceiling.

This bill fixes the problem for the Secretary that he claims he has. I doubt if there is really a problem there any more than there was a real problem the last time around. But in this event, in this case, the rule permits the consideration of a bill to make sure that there is no reason why the Social Security checks cannot be mailed out.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Speaker, I would like to address the remarks of the former speaker with regard to the issue of raiding the Social Security Trust Fund. Secretary Rubin has done everything humanly possible to try to avoid the default on the debt of this country that the Republican Congress has insisted upon.

It was Secretary Rubin who wrote a letter to this Congress saying that he would not under any circumstances allow the Social Security Trust Fund to be raided for the purposes of continuing to pay our bills, No. 1.

No. 2, there were elements of the Republican Party, on your side of the aisle, that started a movement to impeach Secretary Rubin for the very actions of him trying to avoid default.

So here you come onto the House floor and condemn Secretary Rubin for his efforts to try to keep the country afloat. You suggest that he is the one who is trying to raid the Social Security trust fund. You do not have the willingness to enter into a debate or a colloquy with me to discuss the truth of what has actually occurred.

The truth of what has occurred is very simply that a group of ideological zealots in the Republican Party have tried very hard to get an agenda called the contract on American passed. They have failed because the American people did not believe in the kinds of changes that the Republican contract called for.

But rather than agreeing to the procedures of this House of Representatives that allow us to formulate compromise, you have gone back and insisted upon guerrilla tactics to force your own views on how this country's budget ought to be balanced. It is not enough to balance the budget, it is not enough to do it in 7 years. It is not enough to do it with CBO numbers, it is not enough to do it with a tax cut, it has to be with the biggest tax cut that takes the money out of the pockets of working families and hands it to the richest people in the country.

Only if that balanced budget, raiding the Medicare fund, raiding the Medicaid fund, is passed, will you allow the debts of this country to be paid. You ought to be ashamed.

Mr. GOSS. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from Texas, Mr. SAM JOHNSON.

Mr. SAM JOHNSON of Texas. Mr. Speaker, this bill became necessary really because the President, Mr. Panetta, and Secretary Rubin have used our seniors as political pawns in the public debate. Instead of working on solving the problems remaining, the President has resorted to scare tactics, pure and simple, demagoguery to try to frighten our seniors on a variety of issues.

But we as Americans cannot stand by while this administration blatantly misstates the facts to make seniors believe that their Social Security checks are in jeopardy. I find this outrageous. Leon Panetta himself back in 1993, believe it or not, said it is important to tie the debt limit to other disciplines people would like to put in place.

Maybe he forgot about saying that, but I bet Leon did not forget about voting "no" against debt limit increases two times back there because it did not have anything tied to it. These comments are ridiculous. I urge my colleagues to pass this bill, not only to reassure our seniors but to prevent the President from playing the scare game once again. The purpose of this bill is to ensure that seniors continue, as they have for the past 55 years, to receive their checks without fail. This will be another Republican promise that will not be broken, which is more than the President can say.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. MOAKLEY].

Mr. MOAKLEY. Mr. Speaker, this bill is a very very bad sign. It means it's time to hold onto your hats, the Republicans are going to try it again.

But this time, instead of closing down the Government for political reasons, they are going to try something else. They are going to force the country to default on its loans, for political reasons.

And how do we know this, Mr. Speaker? Because this bill we are considering today will not avert the disastrous consequences of massive Federal default. It doesn't even come close. It simply says, "Stop us before we hurt 43 million American seniors."

With this bill my Republican colleagues are admitting, "We're gong to make the Government default, but we want you to raid the Social Security trust fund when we do."

Mr. Speaker, this is outrageous. It's irresponsible, and it's no way to run the Congress.

The American people are sick and tired of these political games. They didn't like their Government held hostage for the sake of politics, and they are going to like it even less when they find out what congressional Republicans are about to do to their mortgages.

And it won't stop there.

For the sake of politics my Republican colleagues will stop benefits for 3.2 million veterans.

For the sake of politics they will not pay our troops in Bosnia.

For the sake of politics they will delay pensions for 4.1 million civilian and military retirees.

For the sake of politics they will leave bond holders holding worthless paper.

And for the sake of politics they will hurt any and every American who tries to borrow money for a car, a house, or a college education.

In fact, if you have a loan now, look out. Your interest rate may be about to go through the roof.

I ask my colleagues, on behalf of a lot of very frustrated American citizens, stop these games. Congressional Republicans can't possibly want to be remembered as the people who made the United States of America default on its loans for the first time in history.

Such dangerous games would have far-reaching, devastating consequences for the entire country for years to come, and it's definitely not something to write home about.

Mr. Speaker, the American people don't want their mortgage rates to go up. They want to get college loans, and they expect and deserve their military benefits.

I urge my colleagues to defeat the previous question so that we can offer a clean debt limit extension and stop these games.

The creditworthiness of the United States, and all of its consequences, is no place to pursue budget politics.

Mr. GOSS. Mr. Speaker I yield myself such time as I may consume.

It is important to note and the record should show that the distinguished gentleman from Massachusetts, who just spoke, voted for and attached to the 1993 debt limit bill the largest tax increase in history. There was nothing clean about that debt limit bill, I am sure he would agreed.

Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Glens Falls, NY [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I thank the gentleman from Sanibel, FL for yielding me this time and I join him in urging the adoption of this rule.

Mr. Speaker, I sit here and I listen to this debate, and I just wonder if many of these people could really earn a living outside the beltway of this Congress, this Washington, unless of course they are lawyers, in which they pass all these doggone laws and people have to go and hire them then to defend them. I just quite do not understand it.

This bill, and I would just say to the previous speaker and others, if you do not want to vote for this bill, vote it down. This bill says that we are going to enact a public debt limit extension before March 1. If you do not want to do that, vote it down. This bill guarantees that Social Security checks are going to go out on time. If you do not want them to go out on time, vote it down.

Mr. Speaker, this bill is being brought forward to deal with an emergency situation raised by the President and the Secretary of the Treasury, and that is the threat of not sending out Social Security checks until the debt limit has been increased. That is what this is all about.

Mr. Speaker, while the crisis may have been fabricated to scare seniors, we have to take the administration at their word, that they will carry out their threat whatever their motivations might be. We will take them at their word.

Mr. Speaker, the bill this rule makes in order first restates the commitment made by the leaders of both Houses that we will enact a debt limit prior to March 1. That is what this bill says. The bill goes on to assure our country's senior citizens that in the interim they will receive their Social Security checks on a timely basis in March. That is what this bill does.

The bill then gives the Secretary of the Treasury the legal authority needed to issue obligations prior to March 1, and we checked with Secretary Rubin, to ask him if he needed this authority, and he said yes, in an amount equal to the monthly Social Security benefits payable in March of this year, estimated at $30 billion. To further amplify on the legal status of this authority, this bill, which the Secretary of the Treasury Mr. Rubin says he needs, makes clear that this transaction will not count against the legal debt limit now in existence.

Are you listening to that?

Mr. Speaker, I think this is an important interim step to take in assuring our Nation's seniors of the seriousness of our intention and commitment to not let their benefits lapse. But more importantly, it also signals to the rest of the country our clear intention not to let this Nation default on its obligations. We will increase the public debt limit.

Mr. Speaker, why, as our Democratic colleagues have asked, do we not just raise the debt limit today? That is a good question. And I am here to answer it.

The answer is that a majority of this House, including me, do not want to continue to raise the debt limit over and over and over again without taking decisive action to begin to reverse the curse of continuing deficit spending for as far as the eye can see. That is sickening, what you are doing to my children and my grandchildren. Instead of a glide path to a balanced budget, we are currently embarked on a collision course with financial disaster.

At the very least, we need a substantial downpayment on a balanced budget that is agreeable to the Congress and the President. It is what Ronald Reagan used to do. He used to sit down with this Congress and negotiate. That agreement will not be easy to come by, but I am convinced we can have something that is acceptable prior to March 1 if we sit down and work together.

In the meantime, we do need this interim measure to ensure that Social Security benefit checks will go out and to assure our citizens and the world that this Government will not default on this Nation's obligations. I cannot imagine that any Member of this House opposes or disagrees with those two very lofty yet critical essential purposes of this legislation. It is very clear in this bill. I therefore strongly urge adoption of the previous question and the rule and then the overwhelming passage of this bill.

I want all of you standing up here with all of this rhetoric to come over here and tell me you are going to vote against this bill. You are not going to do it. You are going to vote for the bill because the bill is right and the American people want it.

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Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. GIBBONS].

Mr. GIBBONS. Mr. Speaker, this rule should ultimately pass, this resolution should ultimately pass. But it is not because it is a good rule, and it is not because it is a good resolution. It is because the Republicans will not let us do anything else.

Since early this morning, I have been working with the Committee on Rules and with other people here in the House trying to get permission for the Democrats just to simply say we would like to have a vote on a permanent extension against default to the end of this fiscal year, and they will not let us have that vote. It is simply just a simple vote, like that. Now, we would not win that vote, but you know, we would at least have the opportunity to vote, but they have cut off our right to vote on that simple question.

This resolution they present is the silliest thing I have ever seen. Ultimately, all it does is raise the debt ceiling by $29 billion until March 15, and then it snaps it back to where it is now. That is all it does. It has got a lot of other verbiage in it. It is the darndest dance I have ever seen. It runs all around the bush like I am doing right now, but it comes back to the same place, right back to the same place, they raise the debt ceiling. They cannot do that, because politically it is embarrassing for them to do that, and so we have got to dance this crazy dance. We have got to dance this crazy dance for their purposes.

Mr. Speaker, I am willing to limit the debate here tonight. I am willing to cut out all of this garbage. Let us protect the credit of the United States. Let us not force our good country into default. I think we can all agree to that.

If the Republicans will only let us have it until March 15, it may give them a little time for them to think their way out of this mess that they have gotten themselves into and they have gotten our country into, but you know, this is the silliest operation that I think I have ever seen in my 34 years around here.

It should ultimately pass, but the rule is lousy. I would hope that by some luck, and it would be luck, that we could amend the rule, but you know, that is not going to happen.

I would hope that they would allow just a simple vote on this floor that we could get over in 5 minutes to vote on whether or not we want this crazy dance or whether we want a permanent.

I am trying to limit, cut out all of this long talk and get on and get to a vote. There is a snowstorm approaching. I would feel terrible if my long-winded talk led to the death of some Member of this House or some member of this fine staff.

We ought to get our business done and get it over with and get out of here.

Mr. GOSS. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. WELDON].

Mr. WELDON of Florida. Mr. Speaker, the record should show that the gentleman from Florida who just spoke voted for and attached to the 1993 debt limit bill the largest tax increase in history. I do not believe that was a clean debt ceiling increase.

This is a good rule on a good bill. It is going to make sure Social Security's recipients get their Social Security checks.

I have a lot of elderly seniors in my district who rely on those checks. This is a good bill. Everybody in the body should support this.

We are getting bogged down talking about how the minority wants a clean debt ceiling increase. Prior to coming to the Congress as a physician, I had the opportunity to treat AIDS patients, some of whom had acquired their AIDS through drug abuse. I had the opportunity to deal with drug addicts. I have to say there are some Members of this body who are addicted to spending taxpayers' dollars, addicted to spending money that is not theirs, and it is just wrong.

We put on the President's desk two increases in the debt ceiling, and they had attached to them provisions that would get us to a balanced budget, and he vetoed them twice on two occasions, he said, "No," and now we hear all of this clamor about a clean debt ceiling from a party that has Members like Senator CHRIS DODD in 1987, who is now the general chairman of the Democratic National Committee, who said it does not take any imagination, when he was attempting to pass a controversial financial industry legislation, questioned by the Reagan administration, he said, "I can attach an amendment to the debt ceiling bill which he has to sign, and the vote will be overwhelming." In 1984, Senator TED KENNEDY tried to force his nuclear freeze legislation onto the debt limit, justifying his amendment as the most important issue of the day.

PARLIAMENTARY INQUIRY

Mr. FROST. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. WALKER). The gentleman will state his parliamentary inquiry.

Mr. FROST. Mr. Speaker, the gentleman in the chair is an authority on the rules of the House and I believe under the rules of the House, we may not mention individual Members of the other body by name. Is that correct?

The SPEAKER pro tempore. The gentleman is correct. Members are not supposed to refer to Members of the other body by name nor actions of the other body as a part of their remarks.

Mr. FROST. I urge the speaker in the well discontinue those actions.

The SPEAKER pro tempore. The gentleman from Florida is recognized to proceed in order.

Mr. WELDON of Florida. Mr. Speaker, If I could conclude, let me just say in 1982, in 1983, again in 1985 and 1986, the minority party has attached legislation to a debt ceiling increase. To hand this President a debt ceiling increase that does not have provisions in it to get us to a balanced budget would be to turn our backs on the people who voted us in as the majority party in November 1994, saying they want the budget balanced.

Support this rule. It is a good rule.

Mr. FROST. Mr. Speaker, I insert extraneous material at this point in the RECORD, as follows:

FLOOR PROCEDURE IN THE 104TH CONGRESS; COMPILED BY THE RULES COMMITTEE DEMOCRATS

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1*	Compliance	H. Res. 6	Closed	None.
H. Res. 6	Opening Day Rules Package	H. Res. 5	Closed; contained a closed rule on H.R. 1 within the closed rule	None.
H.R. 5*	Unfunded Mandates	H. Res. 38	Restrictive; Motion adopted over Democratic objection in the Committee of the Whole to limit debate on section 4; Pre-printing gets preference.	N/A.
H.J. Res. 2*	Balanced Budget	H. Res. 44	Restrictive; only certain substitutes	2R; 4D.
H. Res. 43	Committee Hearings Scheduling	H. Res. 43 (OJ)	Restrictive; considered in House no amendments	N/A.
H.R. 2*	Line Item Veto	H. Res. 55	Open; Pre-printing gets preference	N/A.
H.R. 665*	Victim Restitution Act of 1995	H. Res. 61	Open; Pre-printing gets preference	N/A.
H.R. 666*	Exclusionary Rule Reform Act of 1995	H. Res. 60	Open; Pre-printing gets preference	N/A.
H.R. 667*	Violent Criminal Incarceration Act of 1995	H. Res. 63	Restrictive; 10 hr. Time Cap on amendments	N/A.
H.R. 668*	The Criminal Alien Deportation Improvement Act	H. Res. 69	Open; Pre-printing gets preference; Contains self-executing provision	N/A.
H.R. 728*	Local Government Law Enforcement Block Grants	H. Res. 79	Restrictive; 10 hr. Time Cap on amendments; Pre-printing gets preference	N/A.
H.R. 7*	National Security Revitalization Act	H. Res. 83	Restrictive; 10 hr. Time Cap on amendments; Pre-printing gets preference	N/A.
H.R. 729*	Death Penalty/Habeas	N/A	Restrictive; brought up under UC with a 6 hr. time cap on amendments	N/A.
S. 2	Senate Compliance	N/A	Closed; Put on Suspension Calendar over Democratic objection	None.
H.R. 831	To Permanently Extend the Health Insurance Deduction for the Self-Employed.	H. Res. 88	Restrictive; makes in order only the Gibbons amendment; Waives all points of order; Contains self-executing provision.	1D.
H.R. 830*	The Paperwork Reduction Act	H. Res. 91	Open	N/A.
H.R. 889	Emergency Supplemental/Rescinding Certain Budget Authority	H. Res. 92	Restrictive; makes in order only the Obey substitute	1D.
H.R. 450*	Regulatory Moratorium	H. Res. 93	Restrictive; 10 hr. Time Cap on amendments; Pre-printing gets preference	N/A.
H.R. 1022*	Risk Assessment	H. Res. 96	Restrictive; 10 hr. Time Cap on amendments	N/A.
H.R. 926*	Regulatory Flexibility	H. Res. 100	Open	N/A.
H.R. 925*	Private Property Protection Act	H. Res. 101	Restrictive; 12 hr. time cap on amendments; Requires Members to pre-print their amendments in the Record prior to the bill's consideration for amendment, waives germaneness and budget act points of order as well as points of order concerning appropriating on a legislative bill against the committee substitute used as base text.	1D.
H.R. 1058*	Securities Litigation Reform Act	H. Res. 105	Restrictive; 8 hr. time cap on amendments; Pre-printing gets preference; Makes in order the Wyden amendment and waives germaneness against it.	1D.
H.R. 988*	The Attorney Accountability Act of 1995	H. Res. 104	Restrictive; 7 hr. time cap on amendments; Pre-printing gets preference	N/A.
H.R. 956*	Product Liability and Legal Reform Act	H. Res. 109	Restrictive; makes in order only 15 germane amendments and denies 64 germane amendments from being considered.	8D; 7R.
H.R. 1158	Making Emergency Supplemental Appropriations and Rescissions	H. Res. 115	Restrictive; Combines emergency H.R. 1158 & nonemergency 1159 and strikes the abortion provision; makes in order only pre-printed amendments that include offsets within the same chapter (deeper cuts in programs already cut); waives points of order against three amendments; waives cl 2 of rule XXI against the bill, cl 2, XXI and cl 7 of rule XVI against the substitute; waives cl 2(e) od rule XXI against the amendments in the Record; 10 hr time cap on amendments. 30 minutes debate on each amendment.	N/A.
H.J. Res. 73*	Term Limits	H. Res. 116	Restrictive; Makes in order only 4 amendments considered under a "Queen of the Hill" procedure and denies 21 germane amendments from being considered.	1D; 3R
H.R. 4*	Welfare Reform	H. Res. 119	Restrictive; Makes in order only 31 perfecting amendments and two substitutes; Denies 130 germane amendments from being considered; The substitutes are to be considered under a "Queen of the Hill" procedure; All points of order are waived against the amendments.	5D; 26R.
H.R. 1271*	Family Privacy Act	H. Res. 125	Open	N/A.
H.R. 660*	Housing for Older Persons Act	H. Res. 126	Open	N/A.
H.R. 1215*	The Contract With America Tax Relief Act of 1995	H. Res. 129	Restrictive; Self Executes language that makes tax cuts contingent on the adoption of a balanced budget plan and strikes section 3006. Makes in order only one substitute. Waives all points of order against the bill, substitute made in order as original text and Gephardt substitute.	1D.
H.R. 483	Medicare Select Extension	H. Res. 130	Restrictive; waives cl 2(1)(6) of rule XI against the bill; makes H.R. 1391 in order as original text; makes in order only the Dingell substitute; allows Commerce Committee to file a report on the bill at any time.	1D.
H.R. 655	Hydrogen Future Act	H. Res. 136	Open	N/A.
H.R. 1361	Coast Guard Authorization	H. Res. 139	Open; waives sections 302(f) and 308(a) of the Congressional Budget Act against the bill's consideration and the committee substitute; waives cl 5(a) of rule XXI against the committee substitute.	N/A.
H.R. 961	Clean Water Act	H. Res. 140	Open; pre-printing gets preference; waives sections 302(f) and 602(b) of the Budget Act against the bill's consideration; waives cl 7 of rule XVI, cl 5(a) of rule XXI and section 302(f) of the Budget Act against the committee substitute. Makes in order Shuster substitute as first order of business.	N/A.

FLOOR PROCEDURE IN THE 104TH CONGRESS; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 535	Corning National Fish Hatchery Conveyance Act	H. Res. 144	Open	N/A.
H.R. 584	Conveyance of the Fairport National Fish Hatchery to the State of Iowa.	H. Res. 145	Open	N/A.
H.R. 614	Conveyance of the New London National Fish Hatchery Production Facility.	H. Res. 146	Open	N/A.
H. Con. Res. 67	Budget Resolution	H. Res. 149	Restrictive; Makes in order 4 substitutes under regular order; Gephardt, Neumann/Solomon, Payne/Owens, President's Budget if printed in Record on 5/17/95; waives all points of order against substitutes and concurrent resolution; suspends application of Rule XLIX with respect to the resolution; self-executes Agriculture language.	3D; 1R.
H.R. 1561	American Overseas Interests Act of 1995	H. Res. 155	Restrictive; Requires amendments to be printed in the Record prior to their consideration; 10 hr. time cap; waives cl 2(1)(6) of rule XI against the bill's consideration; Also waives sections 302(f), 303(a), 308(a) and 402(a) against the bill's consideration and the committee amendment in order as original text; waives cl 5(a) of rule XXI against the amendment; amendment consideration is closed at 2:30 p.m. on May 25, 1995. Self-executes provision which removes section 2210 from the bill. This was done at the request of the Budget Committee.	N/A.
H.R. 1530	National Defense Authorization Act FY 1996	H. Res. 164	Restrictive; Makes in order only the amendments printed in the report; waives all points of order against the bill, substitute and amendments printed in the report. Gives the Chairman en bloc authority. Self-executes a provision which strikes section 807 of the bill; provides for an additional 30 min. of debate on Nunn-Lugar section; Allows Mr. Clinger to offer a modification of his amendment with the concurrence of Ms. Collins.	36R; 18D; 2 Bipartisan.
H.R. 1817	Military Construction Appropriations; FY 1996	H. Res. 167	Open; waives cl. 2 and cl. 6 of rule XXI against the bill; 1 hr. general debate. Uses House passed budget numbers as threshold for spending amounts pending passage of Budget.	N/A.
H.R. 1854	Legislative Branch Appropriations	H. Res. 169	Restrictive; Makes in order only 11 amendments; waives sections 302(f) and 308(a) of the Budget Act against the bill and cl. 2 and cl. 6 of rule XXI against the bill. All points of order are waived against the amendments.	5R; 4D; 2 Bipartisan.
H.R. 1868	Foreign Operations Appropriations	H. Res. 170	Open; waives cl. 2, cl. 5(b), and cl. 6 of rule XXI against the bill; makes in order the Gilman amendments as first order of business; waives all points of order against the amendments; if adopted they will be considered as original text; waives cl. 2 of rule XXI against the amendments printed in the report. Pre-printing gets priority (Hall) (Menendez) (Goss) (Smith, NJ).	N/A.
H.R. 1905	Energy & Water Appropriations	H. Res. 171	Open; waives cl. 2 and cl. 6 of rule XXI against the bill; makes in order the Shuster amendment as the first order of business; waives all points of order against the amendment; if adopted it will be considered as original text. Pre-printing gets priority.	N/A.
H.J. Res. 79	Constitutional Amendment to Permit Congress and States to Prohibit the Physical Desecration of the American Flag.	H. Res. 173	Closed; provides one hour of general debate and one motion to recommit with or without instructions; if there are instructions, the MO is debatable for 1 hr.	N/A.
H.R. 1944	Recissions Bill	H. Res. 175	Restrictive; Provides for consideration of the bill in the House; Permits the Chairman of the Appropriations Committee to offer one amendment which is unamendable; waives all points of order against the amendment.	N/A.
H.R. 1868 (2nd rule)	Foreign Operations Appropriations	H. Res. 177	Restrictive; Provides for further consideration of the bill; makes in order only the four amendments printed in the rules report (20 min. each). Waives all points of order against the amendments; Prohibits intervening motions in the Committee of the Whole; Provides for an automatic rise and report following the disposition of the amendments.	N/A.
H.R. 1977 *Rule Defeated*	Interior Appropriations	H. Res. 185	Open; waives sections 302(f) and 308(a) of the Budget Act and cl 2 and cl 6 of rule XXI; provides that the bill be read by title; waives all points of order against the Tauzin amendment; self-executes Budget Committee amendment; waives cl 2(e) of rule XXI against amendments to the bill; Pre-printing gets priority.	N/A.
H.R. 1977	Interior Appropriations	H.Res. 187	Open; waives sections 302(f), 306 and 308(a) of the Budget Act; waives clauses 2 and 6 of rule XXI against provisions in the bill; waives all points of order against the Tauzin amendment; provides that the bill be read by title; self-executes Budget Committee amendment and makes NEA funding subject to House passed authorization; waives cl 2(e) of rule XXI against the amendments to the bill; Pre-printing gets priority.	N/A.
H.R. 1976	Agriculture Appropriations	H. Res. 188	Open; waives clauses 2 and 6 of rule XXI against provisions in the bill; provides that the bill be read by title; Makes Skeen amendment first order of business, if adopted the amendment will be considered as base text (10 min.); Pre-printing gets priority.	N/A.
H.R. 1977 (3rd rule)	Interior Appropriations	H. Res. 189	Restrictive; provides for the further consideration of the bill; allows only amendments pre-printed before July 14th to be considered; limits motions to rise.	N/A.
H.R. 2020	Treasury Postal Appropriations	H. Res. 190	Open; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; provides the bill be read by title; Pre-printing gets priority.	N/A.
H.J. Res. 96	Disapproving MFN for China	H. Res. 193	Restrictive; provides for consideration in the House of H.R. 2058 (90 min.) And H.J. Res. 96 (1 hr). Waives certain provisions of the Trade Act.	N/A.
H.R. 2002	Transportation Appropriations	H. Res. 194	Open; waives cl. 3 Of rule XIII and section 401 (a) of the CBA against consideration of the bill; waives cl. 6 and cl. 2 of rule XXI against provisions in the bill; Makes in order the Clinger/Solomon amendment waives all points of order against the amendment (Line Item Veto); provides the bill be read by title; Pre-printing gets priority. ***RULE AMENDED*.**	N/A.
H.R. 70	Exports of Alaskan North Slope Oil	H. Res. 197	Open; Makes in order the Resources Committee amendment in the nature of a substitute as original text; Pre-printing gets priority; Provides a Senate hook-up with S. 395.	N/A.
H.R. 2076	Commerce, Justice Appropriations	H. Res. 198	Open; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; Pre-printing gets priority; provides the bill be read by title..	N/A.
H.R. 2099	VA/HUD Appropriations	H. Res. 201	Open; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; Provides that the amendment in part 1 of the report is the first business, if adopted it will be considered as base text (30 min.); waives all points of order against the Klug and Davis amendments; Pre-printing gets priority; Provides that the bill be read by title.	N/A.
S. 21	Termination of U.S. Arms Embargo on Bosnia	H. Res. 204	Restrictive; 3 hours of general debate; Makes in order an amendment to be offered by the Minority Leader or a designee (1 hr); If motion to recommit has instructions it can only be offered by the Minority Leader or a designee.	1D.
H.R. 2126	Defense Appropriations	H. Res. 205	Open; waives cl. 2(l)(6) of rule XI and section 306 of the Congressional Budget Act against consideration of the bill; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; self-executes a strike of sections 8021 and 8024 of the bill as requested by the Budget Committee; Pre-printing gets priority; Provides the bill be read by title.	N/A.
H.R. 1555	Communications Act of 1995	H. Res. 207	Restrictive; waives sec. 302(f) of the Budget Act against consideration of the bill; Makes in order the Commerce Committee amendment as original text and waives sec. 302(f) of the Budget Act and cl. 5(a) of rule XXI against the amendment; Makes in order the Bliely amendment (30 min.) as the first order of business, if adopted it will be original text; makes in order only the amendments printed in the report and waives all points of order against the amendments; provides a Senate hook-up with S. 652.	2R/3D/3 Bipartisan.
H.R. 2127	Labor/HHS Appropriations Act	H. Res. 208	Open; Provides that the first order of business will be the managers amendments (10 min.), if adopted they will be considered as base text; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; waives all points of order against certain amendments printed in the report; Pre-printing gets priority; Provides the bill be read by title.	N/A.
H.R. 1594	Economically Targeted Investments	H. Res. 215	Open; 2 hr of gen. debate. makes in order the committee substitute as original text	N/A.
H.R. 1655	Intelligence Authorization	H. Res. 216	Restrictive; waives sections 302(f), 308(a) and 401(b) of the Budget Act. Makes in order the committee substitute as modified by Govt. Reform amend (striking sec. 505) and an amendment striking title VII. Cl 7 of rule XVI and cl 5(a) of rule XXI are waived against the substitute. Sections 302(f) and 401(b) of the CBA are also waived against the substitute. Amendments must also be pre-printed in the Congressional record.	N/A.
H.R. 1162	Deficit Reduction Lock Box	H. Res. 218	Open; waives cl 7 of rule XVI against the committee substitute made in order as original text; Pre-printing gets priority.	N/A.
H.R. 1670	Federal Acquisition Reform Act of 1995	H. Res. 219	Open; waives sections 302(f) and 308(a) of the Budget Act against consideration of the bill; bill will be read by title; waives cl 5(a) of rule XXI and section 302(f) of the Budget Act against the committee substitute. Pre-printing gets priority.	N/A.
H.R. 1617	To Consolidate and Reform Workforce Development and Literacy Programs Act (CAREERS).	H. Res. 222	Open; waives section 302(f) and 401(b) of the Budget Act against the substitute made in order as original text (H.R. 2332), cl. 5(a) of rule XXI is also waived against the substitute. provides for consideration of the managers amendment (10 min.) If adopted, it is considered as base text.	N/A.

FLOOR PROCEDURE IN THE 104TH CONGRESS; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 2274	National Highway System Designation Act of 1995	H. Res. 224	Open; waives section 302(f) of the Budget Act against consideration of the bill; Makes H.R. 2349 in order as original text; waives section 302(f) of the Budget Act against the substitute; provides for the consideration of a managers amendment (10 min.) If adopted, it is considered as base text; Pre-printing gets priority.	N/A.
H.R. 927	Cuban Liberty and Democratic Solidarity Act of 1995	H. Res. 225	Restrictive; waives cl 2(L)(2)(B) of rule XI against consideration of the bill; makes in order H.R. 2347 as base text; waives cl 7 of rule XVI against the substitute; Makes Hamilton amendment the first amendment to be considered (1 hr). Makes in order only amendments printed in the report.	2R/2D
H.R. 743	The Teamwork for Employees and managers Act of 1995	H. Res. 226	Open; waives cl 2(l)(2)(b) of rule XI against consideration of the bill; makes in order the committee amendment as original text; Pre-printing get priority.	N/A.
H.R. 1170	3-Judge Court for Certain Injunctions	H. Res. 227	Open; makes in order a committee amendment as original text; Pre-printing gets priority	N/A.
H.R. 1601	International Space Station Authorization Act of 1995	H. Res. 228	Open; makes in order a committee amendment as original text; pre-printing gets priority	N/A.
H.J. Res. 108	Making Continuing Appropriations for FY 1996	H. Res. 230	Closed; Provides for the immediate consideration of the CR; one motion to recommit which may have instructions only if offered by the Minority Leader or a designee.	
H.R. 2405	Omnibus Civilian Science Authorization Act of 1995	H. Res. 234	Open; self-executes a provision striking section 304(b)(3) of the bill (Commerce Committee request); Pre-printing gets priority.	N/A.
H.R. 2259	To Disapprove Certain Sentencing Guideline Amendments	H. Res. 237	Restrictive; waives cl 2(l)(2)(B) of rule XI against the bill's consideration; makes in order the text of the Senate bill S. 1254 as original text; Makes in order only a Conyers substitute; provides a senate hook-up after adoption.	1D
H.R. 2425	Medicare Preservation Act	H. Res. 238	Restrictive; waives all points of order against the bill's consideration; makes in order the text of H.R. 2485 as original text; waives all points of order against H.R. 2485; makes in order only an amendment offered by the Minority Leader or a designee; waives all points of order against the amendment; waives cl 5© of rule XXI (⅗ requirement on votes raising taxes).	1D
H.R. 2492	Legislative Branch Appropriations Bill	H. Res. 239	Restrictive; provides for consideration of the bill in the House	N/A.
H.R. 2491 H. Con. Res. 109	7 Year Balanced Budget Reconciliation Social Security Earnings Test Reform.	H. Res. 245	Restrictive; makes in order H.R. 2517 as original text; waives all pints of order against the bill; Makes in order only H.R. 2530 as an amendment only if offered by the Minority Leader or a designee; waives all points of order against the amendment; waives cl 5© of rule XXI (⅗ requirement on votes raising taxes).	1D
H.R. 1833	Partial Birth Abortion Ban Act of 1995	H. Res. 251	Closed	N/A.
H.R. 2546	D.C. Appropriations FY 1996	H. Res. 252	Restrictive; waives all points of order against the bill's consideration; Makes in order the Walsh amendment as the first order of business (10 min.); if adopted it is considered as base text; waives cl 2 and 6 of rule XXI against the bill; makes in order the Bonilla, Gunderson and Hostettler amendments (30 min.); waives all points of order against the amendments; debate on any further amendments is limited to 30 min. each.	N/A.
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 257	Closed; Provides for the immediate consideration of the CR; one motion to recommit which may have instructions only if offered by the Minority Leader or a designee.	N/A.
H.R. 2586	Temporary Increase in the Statutory Debt Limit	H. Res. 258	Restrictive; Provides for the immediate consideration of the CR; one motion to recommit which may have instructions only if offered by the Minority Leader or a designee; self-executes 4 amendments in the rule; Solomon, Medicare Coverage of Certain Anti-Cancer Drug Treatments, Habeas Corpus Reform, Chrysler (MI); makes in order the Walker amend (40 min.) on regulatory reform.	5R
H.R. 2539	ICC Termination	H. Res. 259	Open; waives section 302(f) and section 308(a)	
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 261	Closed; provides for the immediate consideration of a motion by the Majority Leader or his designees to dispose of the Senate amendments (1hr).	N/A.
H.R. 2586	Temporary Increase in the Statutory Limit on the Public Debt	H. Res. 262	Closed; provides for the immediate consideration of a motion by the Majority Leader or his designees to dispose of the Senate amendments (1hr).	N/A.
H. Res. 250	House Gift Rule Reform	H. Res. 268	Closed; provides for consideration of the bill in the House; 30 min. of debate; makes in order the Burton amendment and the Gingrich en bloc amendment (30 min. each); waives all points of order against the amendments; Gingrich is only in order if Burton fails or is not offered.	2R
H.R. 2564	Lobbying Disclosure Act of 1995	H. Res. 269	Open; waives cl. 2(l)(6) of rule XI against the bill's consideration; waives all points of order against the Istook and McIntosh amendments.	N/A.
H.R. 2606	Prohibition on Funds for Bosnia Deployment	H. Res. 273	Restrictive; waives all points of order against the bill's consideration; provides one motion to amend if offered by the Minority Leader or designee (1 hr non-amendable); motion to recommit which may have instructions only if offered by Minority Leader or his designee; if Minority Leader motion is not offered debate time will be extended by 1 hr.	N/A.
H.R. 1788	Amtrak Reform and Privatization Act of 1995	H. Res. 289	Open; waives all points of order against the bill's consideration; makes in order the Transportation substitute modified by the amend in the report; Bill read by title; waives all points of order against the substitute; makes in order a managers amend as the first order of business, if adopted it is considered base text (10 min.); waives all points of order against the amendment; Pre-printing gets priority.	N/A.
H.R. 1350	Maritime Security Act of 1995	H. Res. 287	Open; makes in order the committee substitute as original text; makes in order a managers amendment which if adopted is considered as original text (20 min.) unamendable; pre-printing gets priority.	N/A.
H.R. 2621	To Protect Federal Trust Funds	H. Res.	Closed; provides for the adoption of the Ways & Means amendment printed in the report. 1 hr. of general debate.	N/A.
H.R. 1745	Utah Public Lands Management Act of 1995	H. Res. 303	Open; waives cl 2(l)(6) of rule XI and sections 302(f) and 311(a) of the Budget Act against the bill's consideration. Makes in order the Resources substitute as base text and waives cl 7 of rule XVI and sections 302(f) and 308(a) of the Budget Act; makes in order a managers' amend as the first order of business, if adopted it is considered base text (10 min.).	N/A.
H. Res. 304	Providing for Debate and Consideration of Three Measures Relating to U.S. Troop Deployments in Bosnia.	N/A.	Closed; makes in order three resolutions; H.R. 2770 (Dorman), H. Res. 302 (Buyer), and H. Res. 306 (Gephardt); 1 hour of debate on each.	1D; 2R
H. Res. 309	Revised Budget Resolution	H. Res. 309	Closed; provides 2 hours of general debate in the House	N/A.
H.R. 558	Texas Low-Level Radioactive Waste Disposal Compact Consent Act	H. Res. 313	Open; pre-printing gets priority	N/A.
H.R. 2677	The National Parks and National Wildlife Refuge Systems Freedom Act of 1995.	H. Res. 323	Closed; consideration in the House; self-executes Young amendment	N/A.
PROCEDURE IN THE 104TH CONGRESS 2D SESSION				
H.R. 1643	To authorize the extension of nondiscriminatory treatment (MFN) to the products of Bulgaria.	H. Res. 334	Closed; provides to take the bill from the Speaker's table with the Senate amendment, and consider in the House the motion printed in the Rules Committee report; 1 hr. of general debate; previous question is considered as ordered.	N/A.
H.J. Res. 134 H. Con. Res. 131	Making continuing appropriations/establishing procedures making the transmission of the continuing resolution H.J. Res. 134.	H. Res. 336	Closed; provides to take from the Speaker's table H.J. Res. 134 with the Senate amendment and concur with the Senate amendment with an amendment (H. Con. Res. 131) which is self-executed in the rule. The rule provides further that the bill shall not be sent back to the Senate until the Senate agrees to the provisions of H. Con. Res. 131.	N/A.
H. R. 1358	Conveyance of National Marine Fisheries Service Laboratory at Gloucester, Massachusetts.	H. Res. 338	Closed; provides to take the bill from the Speaker's table with the Senate amendment, and consider in the House the motion printed in the Rules Committee report; 1 hr. of general debate; previous question is considered as ordered.	N/A.
H.R. 2924	Social Security Guarantee Act	H. Res. 355	Closed	N/A.

*Contract Bills, 67% restrictive; 33% open. **All legislation 1st Session, 56% restrictive; 44% open. ***Legislation 2d Session, 100% restrictive; 0% open. ****All legislation 104th Congress 60% restrictive; 40% open. *****Restrictive rules are those which limit the number of amendments which can be offered, and include so-called modified open and modified closed rules as well as completely closed rules and rules providing for consideration in the House as opposed to the Committee of the Whole. This definition of restrictive rule is taken from the Republican chart of resolutions reported from the Rules Committee in the 103d Congress. ******Not included in this chart are three bills which should have been placed on the Suspension Calendar. H.R. 101, H.R. 400, H.R. 440.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. RANGEL].

Mr. RANGEL. Mr. Speaker, I was just talking to my dear friend, the gentleman from New York [Mr. SOLOMON], who sits over there, but I asked him to yield when he was reading the paper there, because I wanted to make it abundantly clear that as he extends this debt limit, as he gives us the ability for the United States to pay off its obligations, that he is only doing it for the old people on Social Security, he says, he says.

So it means that these people have a lot of compassion, but they give it to us a little bit at a time. Who knows, maybe the disabled veterans will get some political attention over there, and we will get another 15 days. How about the widows of those who died defending our country? How about the crippled, the veterans in the hospital? Oh, I know, you want to make Clinton change the rules. You do not want to do it at election time. You cannot do it with overriding a veto, and so what we are going to do is select who will receive their benefits.

Do you think the United States Congress should be doing this? And of all of the committees that is doing this to the American people, it is the Committee on Rules. What substance jurisdiction do you have to select one group of Americans, people who serve their country, which groups you decide will receive their checks on time? And we get 15 days. Well, thank you, Mr. Chairman for 15 days we get. Thank you. Maybe when we come back, the rest of the veterans and all the Americans who deserve their checks, you might give them 10 or 15 days, and ultimately the rest of the world would say, Can you trust the United States of America? Just as far as you can check with the chairman of the committee that determines when they pay their debts.

All I can say is this, if you think we screwed this place up for 40 years, you have broken the record, because you have brought to this Congress Members who are more anxious to change the policies that we have had in the last 40 years than to legislate. We are not doing this by legislating. We are doing it by fear, and it is wrong.

Mr. GOSS. Mr. Speaker, I yield 1 minute to the gentlemen from New York [Mr. SOLOMON], the distinguished chairman, who is making sure that everybody gets their paycheck.

Mr. SOLOMON. Mr. Speaker and my colleagues, do you know that every single day that passes by, the national debt goes up another $600 million? Think about that, $600 million a day. Every day it goes up $600 million, that means there are $600 million less to help all of those people that truly need it.

You people on that side of the aisle, more than anyone else, ought to be standing up here trying to put an end to this deficit spending that is actually ruining this country and turning it into a sea of red ink.

The Record should show the gentleman from New York voted for an attachment to the 1993 debt limit bill, the largest tax increase in history. There was nothing clean about that debt limit bill.

What is different now? Nothing.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN], another member of the Committee on Ways and Means.

Mr. LEVIN. Mr. Speaker, I say to the gentleman from New York [Mr. SOLOMON], the answer is in 1993 the debt ceiling extension was part of an overall package. We were not trying to blackmail the White House. You are; you are.

Look, this is nothing but a 2-week extension. That is all this is. Yes, from March 1 to March 15, 2 weeks.

And why the reference to Social Security? It is because if there were no extension, Social Security payments would, indeed, be jeopardized, contrary to the earlier communications from your side. But, look, the other obligations are also going to be paid, not only Social Security.

So really you are voting for a 2-week straight debt ceiling extension. You put in Social Security, because some of your extremists do not want to vote for a debt extension of any kind, and then it says in here Congress intends to pass an increase in the public debt limit before March 1, 1996.

Why do you not pass it tonight? I will tell you why, you have got an addiction of some kind playing with fire. You have been burned twice in terms of the CR: You played with fire, twice burned, you want to burn yourself again.

But I think the main reason is you do not know what else to do, so you are doing the same thing all over again. That is the problem. You do not have a game plan, so you punt.

The trouble is this is not a game. This is the lives of Americans that you are playing with lightly.

Stop the blackmail. Pass a clean debt ceiling period, and do it tonight.

Mr. GOSS. Mr. Speaker, I yield 1½ minutes to the gentleman from Michigan [Mr. SMITH], a member of the Committee on the Budget.

□ 1830

Mr. SMITH of Michigan. Mr. Speaker, I just sort of handed out this sheet to both sides as a reminder to us that we have not given clean debt ceiling increases. So it seems like tonight, with this clean increase in borrowing authority for the Federal Government to make sure that we get by the rest of this month and into toward mid-March, that we should pass it and say,"Look, it is a good first step, let us move on."

Mr. Speaker, to the gentleman from Michigan, I would still like to point out that the last couple debt limit bills that we had represented a huge tax increase of $137 billion over the 5-year period in 1990 when there was pressure on President Bush. Again, there was a large $252 billion tax increase in 1993. Some of these put pressure on an administration. So the debt ceiling is not very wholesome, not being used as leverage.

As we researched the records, Treasury does not have the right to withhold Social Security payments. The trouble is they have not managed cash flow, so they are out of money right now. They have no legal authority to withhold payments for Social Security or any other trust fund when there are surpluses coming into those trust funds.

This action tonight is to give money back to Treasury because they have not had the kind of cash flow management that allows them to pay Social Security benefits and the other retirement benefits.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. BENTSEN].

Mr. BENTSEN. Mr. Speaker, just so I can set the record straight so my colleagues over here do not make a mistake, I was not here in 1993. In fact, I was in the private sector, in fact outside the Beltway, where I was earning a living in an industry very similar to what we are talking about. In fact, my friend from New York, I have been in the private sector for a while, while you have been in the Congress, in the public sector, since I have been in high school. Quite some time.

If I wanted to, I could come down here, we could come down here as Democrats and we could say fine, go ahead and crash the capital markets of the United States. You will make Herbert Hoover look like an economic genius if you do this. But that is wrong. It is wrong for this country. This is a scary situation.

My other colleague from Texas said it is scary. Yes, it is very scary, because if we allow the Nation's debt to default, we will pay forever. If we do it for a day, it will be like Chernobyl; it will last for years and years.

Moody's said over the years that you could invest in treasuries because they would not default. This is from 1994. They said last week that they think they are going to default now, and they are looking to downgrade the debt. That is going to affect at least $300 billion of State and local debt and school debt. Mr. Druckmiller, your expect, came out last week and said this was a failed strategy and you should not do it.

Now, let us understand this bill. You are going to give the Treasury $30 billion, but the Treasury needs another $55 billion to meet the payments. Now, I tried to find in the Washington Times so I could explain to you when Treasury bonds come due. They come due on the 1st and 15th of the month. The Washington Times does not carry the Treasury thing, maybe that is why there is a misunderstanding here. But the fact of the matter is that this is totally irresponsible.

My colleague talks about the private sector. If you were on the board of a corporation that had a debt payment coming due in 29 days and you decided that you were going to take the board to Hawaii instead of staying here and working on it, the stockholders would throw you out, and they would be right for doing it.

If you were a homeowner and you did not have the money to pay your mortgage and decided you would take a vacation instead, the bank would come and take your house and they would have the right to do that.

That is what we are doing. We are not going to deal with the problem; we are going to go on a vacation. I find that hard to believe, regardless of whether I am a Democrat or a Republican. What has gotten into us here? It is incredible. It is simply incredible.

You tell us by March 1 you will get this done. My friends, you did not make the date for the appropriations bills; you did not even bring half of them to the floor by the end of the fiscal year. How are we to believe you will do this by March 1? You know what you are going to do? You are going to default on the debt that our children, my children, your children, your grandchildren are going to have to pay for, for money you already spent in previous years. That is simply unconscionable.

Mr. GOSS. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. BOEHNER], the distinguished chairman of the conference.

Mr. BOEHNER. Mr. Speaker, the Congress of the United States and the Government of the United States is not going to default on its debt, not now nor in the future. But if we are at some point going to increase the debt limit, which we are going to do the last week of February, we are going to make a downpayment for the future of our children and theirs.

For 30 years politicians in this town have done the same thing, pile up the debt, pile up the debt, and imprison our children and theirs. So every child born in America today owes $19,000 as their share of the national debt. A child born this year will pay $187,000 over the course of their lifetime in taxes just to pay the interest on the national debt that their parents and their grandparents have left for them. That is unconscionable.

What is the President of the United States asking? Raise the debt limit. Let us have more debt. The fact is, it is time to get serious about balancing the budget of the United States and saving the future for our kids and theirs. Oh, but no, we do not want to do that. The President says we can agree on the numbers, but we will save the policies until later: The same kind of Washington gimmicks, the same kind of smoke and mirrors that have been used in this town to say one thing and do something else, year after year after year.

What we are saying on our side of the aisle is it is time to get serious. It is time for no more gimmicks, no more tricks. It is time to do the right thing to save the future for our kids and theirs, and we are going to do it.

Now, in the meantime we want a downpayment on extending the debt limit of this country. We ought to make some generous effort in a bipartisan way to move us toward saving the future, and we ought to do it over the next couple of weeks so that when we get back here on the 26th, we can have a bill that can be agreed to.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina [Mr. HEFNER].

Mr. HEFNER. Mr. Speaker, if I could enter into a colloquy with the previous speaker, could I ask a question of the gentleman from Ohio? The gentleman from Ohio just made a statement that the U.S. Government was not going to default now, not ever. Let me ask you this question: Suppose that you put the conditions on the extension of the debt and the President of the United States does not blink and refuses to sign the budget or whatever downpayment you call it. Are you going to let the United States default on its obligations?

Mr. BOEHNER. Mr. Speaker, will the gentleman yield?

Mr. HEFNER. I yield to the gentleman from Ohio.

Mr. BOEHNER. Mr. Speaker, I am sure the President of the United States would like to make a downpayment toward balancing the budget just as much as you would and we would.

Mr. HEFNER. Mr. Speaker, reclaiming my time, the gentleman just made a statement that we will not default on our obligations now, not ever. He had no qualifications; he was just taking for granted that everything is going to fall in place and they would yield to blackmail demands. What he is saying is unless they do, you will let the U.S. Government default. Enough is enough.

Mr. FROST. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, it is time to get serious and it is time to stop the blackmail. It is the extremists in the House Republican conference that are playing political chicken with the credit rating of the United States. That is what it is about, is our credit rating. This Government has always paid its bills. For 220 years, through a Civil War and a Great Depression.

Paying our bills is not just important to the bond market and to the investment bankers on Wall Street. If this nation defaults, the consequences will be most sharply felt by ordinary Americans. It is not only Wall Street, it is Main Street who pays the price. If this bill passes, Social Security checks will not bounce, and that is a good thing. But what about the countless other consequences of default? What about students whose college loan rates are set by the Government borrowing rate? What about people who bought their homes with adjustable rate mortgages, and what about those who hold credit cards?

At a time when too many Americans are swamped with bills, they are afraid that they cannot afford to pay their bills. These are people who have not seen a raise in their salaries in months and years. A Government default would make paying their bills all the more expensive. This tactic hits working families in their pocketbooks.

Mr. Speaker, we can easily avoid this crisis. Let us pass a bill that prevents default by lifting the debt ceiling and that protects the credit rating and the honor of this great Nation of ours.

Mr. FROST. Does the gentleman not have any speakers at this point?

Mr. GOSS. Mr. Speaker, may I inform the Chair and the distinguished gentleman from Texas that I have one other speaker who is on his way, and possibly we will have some stimulation in the debate here from somebody who is here. We are looking at winding down, but I am in the range of three or four Members.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Speaker, our Republican colleagues have, of course, already voted four times in this very Congress to adjust the debt limit to the full amount necessary. But now that it really counts, now that we are up against the line, they break their promise to the American people.

They whine and moan about a budget deficit, but as soon as the President proposes a balanced budget calculated by their numbers, the Speaker declares defeat. A broken promise. You see, that is the watchword of this Gingrich Republican leadership: Promises made, promises broken. The Republicans promised to give us a country that is governed responsibly, and then they come forward and waste $1.5 billion with two Government shutdowns that were totally unnecessary, which even Speaker GINGRICH has now confessed was an error.

They promised to guarantee the fiscal integrity of this country, and now they act in a way that constitutes the biggest broken promise in American economic history. They promise to breach the promise of the full faith and credit of this country.

Republican promises made and Republican promises broken, the whole story of the 104th Congress. They have broken so many promises in this Congress to the American people, they now want to go out and break somebody else's promise, and that is the promise that generations of Americans have stood by to protect the fiscal integrity of this country.

Can any responsible American, regardless of party, regardless of philosophy, conceivably be out there saying, Oh, go to Washington. Do not pay the bond holders. Do not pay those who rely on U.S. savings bonds. Just bring everything to a halt and default until you get your way?

Mr. Speaker, that is precisely what has been advocated here tonight. Nobody but a crackpot would advance that point of view. But indeed, while that might have been true a few years ago, and though we just heard promises, let us listen to what the Speaker of the House of the United States said: "I don't care what the price is. I don't care if we have no bonds for 30 days."

Mr. GOSS. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Florida [Mr. MICA].

Mr. MICA. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, tonight our action is really about choices. The administration and the other side of the aisle has made their choices. They would choose in fact to cut off payments for Social Security and maybe veterans at this point if in fact they run out of additional money to steal. In fact, the irony of this is they have been stealing and robbing Federal retirement trust funds to keep the indebtedness extended for this country.

□ 1845

So tonight is really about choices. We have seen on TV they are going to stop the printing presses. They do not want us to pay seniors.

Mr. Speaker, that is not what the Republicans want to do tonight. We want to see, in fact, that our seniors receive their check. We want to tell seniors that, in fact, we have made a different choice, that we think that we should choose in this budget whether people should continue to be paid for not working; whether we should pay illegal immigrants who come in and get better health and medical and housing benefits than our seniors and our veterans.

Those are some of the choices before us, and that is part of the choice in our budget, in our proposal. And we are going to face that measure and those choices.

So, tonight the choice is we stop the show, we stop printing the funny money or continue in a responsible fashion. We set a deadline, and that is what we have been doing and what we have been trying to do to get this Nation's finances in order. So our choice is to pay seniors tonight, to pass this rule, and to act responsibly, and we will meet our debt obligations; but we will not continue to drive this country further and further into debt, in an irresponsible fashion.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, this H.R. 2924 is about the most convoluted piece of legislation that I have seen in terms of what is going on. They say, the Republicans that they bring this bill to us, that they intend to extend the debt limit. Well, why do they not just do it? No, they bring this 2-week bill. In other words, the bad news is the fact that they feel the necessity for a 2 week measure.

If we take them at their word, the face value of what this bill says, we are going to avert the possibility that the Social Security checks are going to bounce March 1. We want them to go out, and we all want to be on the side of those receiving Social Security. But the bad news is that the veterans' checks are going to bounce, that they are not going to cash those, that the soldiers and sailors that get checks, even those in Bosnia, will not be able to cash them. The contractors who have done work in good faith will not be able to cash checks.

The fact is that this result would result in the ultimate Government shutdown. Already this year for 4 weeks out of 16, the irresponsibility in terms of the way that this majority Republican Party has run this Congress has resulted in partial shutdown of the Government. The fact is, yes, things were attached to the debt ceiling limit. But under Reagan and under Bush, and under Clinton, the Democrats got an agreement with them. We could find common ground and compromise to achieve this, so we averted the default of bonds, the credit rating of the country wasn't harmed.

We have been through Reagan and Bush and Clinton. We did it through World War I, then World War II, the Depression, the recessions, but all of a sudden now my Republican colleagues cannot do that. They cannot come to a agreement, and that is what the bad news is in terms of this bill.

Mr. Speaker, yes, we ought to protect Social Security, but we ought to protect the faith and credit of this Nation. We ought to really prevent the type of economic shock wave and damage that this proposal pretends to do through intention but not action. The fact that the Republicans want to pass just this measure of platitudes, shows that they do not understand what they are doing, I think this action unfortunately underlines the experience and the credibility of what has been said over here for 2 months. What has been said by the Speaker and their leader, over the past year that is in fact if default comes, it comes. Let us just accept it says Speaker GINGRICH. That is unacceptable says this Member. The only snow job is not the one outside; there is one going on in here tonight from the majority Republicans.

Mr. GOSS. Mr. Speaker, the record should show that the gentleman who just spoke so eloquently voted to attach to the 1993 debt limit bill the largest tax increase in history. There was nothing clean about that debt limit bill.

Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Florida [Mr. FOLEY].

Mr. FOLEY. Mr. Speaker, all the screaming needs to subside. This Government has been running deficit for a long time. Our credit card is about to be canceled. Our checkbook is dry.

In America's communities, if we had produced the types of budgets this Congress has over the last 40 years, we would have had our home foreclosed, our credit card canceled, our checkbook confiscated, and we would be sent to jail.

Everybody is yelling about the full faith and credit of this Government, and many Members that have been on this floor screaming have been the ones who have run up, through the use of their Member card, this card that they give us when we are sworn into office, the credit card of the United States, they have been running deficits each and every budget year. And now there is screaming going on about the full faith and credit of the United States of America.

People have to accept responsibility for being the ones that charged the balance. If we give our child a credit card with a $500 balance and they run out and use it in one day and we scream at them for not paying the bill, we have helped get them the credit. We have taught them to spend maybe recklessly.

I agree that the faith and credit of this Government is essential. This bill will allow the temporary borrowing of additional monies to cover Social Security. My grandmother depended on her Social Security before she died. She worked as a maid in a Travel Lodge motel. She was not a wealthy woman. She had $10,000 in the bank. That is all the money she had in her life. Social Security was important to her, as it is to every other American.

Mr. Speaker, we are allowing the debt limit to increase to provide for that, but we are not perpetrating the sham on the American public with $200 billion in excess spending year in and year out and call that democracy, call that compassion, call that good government. We need to stop the yelling, start working on the problems that face America.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Speaker, well, my colleagues know we have heard a lot of talking here. We just heard about giving a child a credit card. And what they are advocating on that side is once the child spends on the credit card, maybe the child should not have, the parents are saying we will not pay. That is un-American. That is being a deadbeat. That has nothing to do with resolving the child's behavior in the future. That has to do with the past obligation that was incurred by the family that people on this side are saying we will not pay.

Mr. Speaker, the average homeowner does not have the opportunity to renege on his or her mortgage. The average credit card purchaser does not have the opportunity to renege on his or her credit card. These people are struggling. They cannot do it, and at the height of irresponsibility, some of the leaders of this Nation are saying, well our country can do it. What lesson is that to the child we are talking about? I would say that to the gentleman from Florida.

Mr. Speaker, is it happenstance that we are playing this ridiculous game of chicken? Is it just unbelievable that we could say we would renege on our debt? Let us listen to what Speaker GINGRICH said: "The President will veto a number of things and then we will put them all on the debt ceiling. And then he will decide how big a crisis he wants."

That is good government? That is responsibility? That is bullying at best, and lunacy, irresponsible lunacy at worst. Here is another quote from the Speaker: "I do not care what the price is, I do not care if we have no executive offices, and no bonds for 30 days. Not at this time."

He just said that in September. Mr. Speaker, there is a lot of blame going on. Some extremist, immature freshmen are saying let us let the country default on its debt. But it came from the Speaker. He should be ashamed of himself.

Mr. SMITH of Michigan. Regular order.

Mr. SCHUMER. He knows that the credit rating of the America is at stake. It is a shame.

Mr. GOSS. Mr. Speaker, the Record should show that the gentleman from New York who just spoke voted for an attached 1993 debt limit bill, the largest tax increase in history. There was certainly nothing clean about that debt limit bill either, and I suspect that the gentleman from New York would not agree with my conclusion that it is not responsible parenting to stop children from runaway spending.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, there was a lot of talk on the Republican side of the aisle tonight about scare tactics, but I have to tell my colleagues I am really scared tonight. Until this evening, I did not really believe that the Republicans would actually default on the debt. Now I believe that they will.

Mr. Speaker, I listened to what the gentleman from Ohio said, that in order to avoid default there would have to be a downpayment on the balanced budget. I listened to the gentleman from New York who said that, in order to prevent default, there would have to be certain commitments made by our side of the aisle by March 1.

Now I see a resolution coming before us that says that we will extend the debt ceiling with regard to Social Security. What is happening here is the same kind of hostage atmosphere that we saw with the Government shutdown. The Republicans are saying that we are going to go home. We are going to come back at the end of the month when there are a few days before March 1. And if we on the other side do not do certain things and make certain commitments, if we do not vote for certain things that they want, then they are going to default.

So I do not believe it when they say that they are not going to default. The bottom line is if they are willing to say tonight that they will only extend the debt ceiling for Social Security, I have no guarantee that they will extend the debt ceiling on anything else. I think that is the height of irresponsibility.

We are talking about defaulting on a debt that is going to downgrade the credit rating of these United States in a way that has never happened before. The bottom line is that if that happens, there is no precedent for it. There is no way of ever recovering from it, whether it is mortgage interest rates, whether it is interest rates on car payments, whether it is the securities in our general credit rating. Other countries that hold our Government bonds may decide they want to sell them.

We have no idea what kind of uncharted waters we will be walking into if we ever default on the debt. This resolution tonight says that Congress intends to pass an increase in the public debt limit before March 1, 1996. But if my colleagues listen to the other side, there is no reason to believe that.

Mr. GOSS. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON], the distinguished chairman of the Committee on Rules.

Mr. SOLOMON. Mr. Speaker, I am going to speak from this side because I am going to quote one of the most distinguished members in the Clinton administration when I finish.

But it is no coincidence, and I have been keeping track, that almost every single speaker that has spoken from the Democrat side of the aisle is listed by the National Taxpayers Union as the biggest spenders. They classify us. Biggest spenders in the Congress. Almost every one of them. That is important to note.

Let me read to my colleagues the Washington Post, March 25, 1993, that is about 2 years ago. Now listen carefully to this, because this is the statement that was made by the present chief of staff of President Clinton. Listen to this because it will really turn this thing around.

He said: The Clinton administration has waited as long as possible to seek an increase in the debt ceiling so that lawmakers, that is you and me, ladies and gentlemen, so that lawmakers can vote for budget resolutions designed to rein in deficits before being asked to increase Federal borrowing. Now, this is Mr. Leon Panetta. He said it is important to tie, listen to this, it is important to tie it, the debt limit, he says, to other discipline people would like to put in place.

That is what Leon Panetta said. That is exactly what we are doing here. Secretary Rubin has said he does not need this authority until March 1. We want to wait as long as we can to get as much of the savings as we can to put the fiscal house in order of the people of this country. That is what we are doing. Come over here and vote for this good bill.

Mr. FROST. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I urge a no vote on the previous question. If the previous question is defeated, I shall offer an amendment to the rule which would make in order an amendment in the nature of a substitute to provide for a clean debt ceiling.

This amendment consists of the text of H.R. 2409 and provides for a clean debt ceiling increase for a full year. This number is the same figure that was in the Republican budget resolution and reconciliation bill. Our country's economy is far too important to be used as a political pawn. We cannot risk the catastrophe that will occur should we default on our Nation's debts.

□ 1900

Let us stop the game playing and pass a clean debt ceiling. I urge Members on both sides of the aisle to take the moral high ground and to vote down the previous question, so the substitute amendment can be considered by the full House.

Mr. Speaker, I include for the RECORD a copy of the amendment:

The amendment referred to is as follows:

At the end of the resolution add the following new section:

"Section—. Notwithstanding any other provision of this resolution, it shall be in order without intervention of any point of order to consider an amendment in the nature of a substitute consisting of the text of H.R. 2409, if offered by the Minority Leader or his designee. The amendment shall be considered as read and shall be debatable for 60 minutes equally divided and controlled by the proponent and an opponent. The previous question shall be considered as ordered on the amendment.".

Mr. FROST. Mr. Speaker, again, I urge that we defeat the previous question. This is a very serious matter. It is the other side of the aisle that will not bring a debt ceiling vote to the floor this week. They bring only this little piece of it. It is an important piece, and we will want Social Security checks to go out, but they will not bring a debt ceiling increase.

Mr. Speaker, they want to take this right to the brink. They want to walk us up to 2 or 3 days before the deadline, and hope that the Perils of Pauline will somehow rescue the lady from the track, as the train heads to hear. If the people on the other side have miscalculated, and if the train in fact runs over that maiden on February 29, this country is in enormous, enormous trouble.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I many times watched the Perils of Pauline, and I never actually saw the train run over the victim.

Mr. Speaker, I would like to close with a couple of points. First of all, this has been a very intriguing debate about the rule. I do not think I have heard the rule mentioned, more than in passing at the beginning, but we have had a pretty good debate on some other things.

I frankly have gotten to see my colleague, the gentleman from Florida, my good friend, the distinguished ranking member of the Committee on Ways and Means, show us that in addition to his extraordinary oratory, he has exemplary footwork as well in the well of the House, and I commend him on that. That was certainly a fresh moment in my experience in the U.S. Congress.

Mr. Speaker, some on the other side have mentioned that we are going on vacation. If Members are going on vacation over there, I wish them well. I do not believe anybody over here is planning to go on vacation. We have a considerable amount of work to do. We are doing some negotiating. We will be in our district in a work period. I know some of us will actually be here working on committee work as well, as is our custom. If those Members have time to go on vacation on the other side of the aisle and can work it into their schedules, they are fortunate, indeed.

Mr. Speaker, the next question I wanted to raise very briefly is this sort of switching of the debate from what is really adding on, piling onto a $5 trillion national debt an unlimited amount of money for the future without any kind of control. That is really what Members are proposing to do. What you are doing, however, is switching the subject and saying "My gosh, if we do not do that, we are affecting the full faith and credit of our country." I think that is very bizarre.

The people who keep score about full faith and credit are more interested in us getting control of our spending now. That is the signal they are looking for. I would suggest, Mr. Speaker, that if we do not do the responsible thing, we will in fact do more damage to the full faith and credit, which, or course, nobody wants to cause any problem for in any way.

The next thing that has happened, Mr. Speaker, my friend, the gentleman from New York, said we are going to have a big vote on this. We are indeed going to have a big vote on this. We are going to get probably a unanimous vote on this piece of legislation. Who would vote against sending out the Social Security checks? Who would vote against making sure those checks were not going to bounce? It seems to me that is a pretty good proposition to vote for. We have a good rule, we have a good proposition to vote for. I am having a little trouble understanding what, therefore, the problem really is.

Mr. Speaker, we have heard a lot of talk about gloom and doom and the sky falling. I would suggest, Mr. Speaker, that those who are talking about all this red hot partisan rhetoric, self-fulfilling rhetoric I hope it is not, about the world ending and the full faith and credit coming apart and so forth, need to go back and look at their voting records. I did not read them all because of time, but most everybody, as the chairman has said, who got the low rating from the NTU for being big spenders are also the people who, by and large, have voted for the largest tax increase in history, and that was attached to a debt limit bill, so let us get real.

The other point I would make is I would suggest that Alan Greenspan's pulse rate is probably more important to the interest rates than the debate we are having here today in terms of the well-being of our economy, so I urge that we pass this rule and get on with it. We will then pass this legislation and remove anxiety.

Mr. Speaker, I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FROST. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to the provisions of clause 5 of rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time which a vote by electronic device, if ordered, will be taken on the question of the adoption of the resolution.

The vote was taken by electronic device, and there were—yeas 229, nays 178, not voting 26, as follows:

[Roll No. 28]

YEAS—229

Allard
Archer
Armey
Bachus
Baker (CA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Boucher
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Molinari
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Sensenbrenner
Shadegg
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—178

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Beilenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Cardin
Clayton
Clement
Clyburn
Coleman
Collins (MI)
Conyers
Costello
Coyne
Cramer
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gonzalez
Gordon
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Markey
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez

Miller (CA)
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Roybal-Allard
Rush
Sabo
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Wyden
Yates

NOT VOTING—26

Baker (LA)
Becerra
Bryant (TX)
Callahan
Chapman
Clay
Collins (IL)
Filner
Gibbons
Green
Harman
Kolbe
Lewis (CA)
Manton
Martinez
Meyers
Mfume
Ortiz
Packard
Radanovich
Rose
Sanders
Seastrand
Shaw
Wilson
Wynn

□ 1922

So the previous question was ordered.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mrs. COLLINS of Illinois. Mr. Speaker, during rollcall vote No. 28 on House Resolution 355 I was unavoidably detained. Had I been present, I would have voted "nay".

The SPEAKER pro tempore (Mr. WALKER). The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with an amendment a bill of the House of the following title:

H.R. 2657. An act to award a congressional gold medal to Ruth and Billy Graham.

REQUEST TO DISCHARGE COMMITTEE ON AGRICULTURE AND COMMITTEE ON WAYS AND MEANS FROM FURTHER CONSIDERATION OF H.R. 2854, AGRICULTURE MARKET TRANSITION ACT

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the Committees on Agriculture and Ways and Means be discharged from further consideration of the bill H.R. 2854, the Agriculture Market Transition Act, and that it shall be in order today to consider the bill in the House, and that all points of order against the bill and against its consideration be waived; and that the previous question be considered as ordered on the bill and any amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture; (2) one amendment, if offered, by Representative DE LA GARZA of Texas or his designee, said amendment to be debatable for not to exceed 1 hour, to be equally divided and controlled by the proponent and a Member opposed thereto, and all points of order against the amendment be waived; and (3) one motion to recommit, with or without instructions.

The SPEAKER pro tempore. Under the guidelines consistently issued by successive speakers and recorded on page 534 of the House Rules Manual, the Chair is constrained not to entertain the gentleman's request until it has been cleared by the bipartisan floor and committee leaderships.

PARLIAMENTARY INQUIRY

Mr. ROBERTS. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. ROBERTS. Mr. Speaker, I know that the Agriculture Market Transition Act, H.R. 2854, has been cleared for floor consideration by the Republican side. Am I to understand that the Democrat side has objection to consideration of this bill?

The SPEAKER pro tempore. The Chair cannot respond to that. That is not an appropriate parliamentary inquiry.

Mr. ROBERTS. It may not be appropriate, but it sure as hell is true.

Mr. VOLKMER. Regular order, Mr. Speaker, Regular order.

The SPEAKER pro tempore. The Chair is attempting to keep order. The gentleman from Missouri and his comrades are not helping at the moment.

PROVIDING FOR ADJOURNMENT OF THE HOUSE FROM THURSDAY, FEBRUARY 1, 1996, TO MONDAY, FEBRUARY 26, 1996, AND ADJOURNMENT OR RECESS OF THE SENATE FROM THURSDAY, FEBRUARY 1, 1996, OR THEREAFTER, TO MONDAY, FEBRUARY 26, 1996

Mr. SOLOMON. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 141) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 141

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on the legislative day of Thursday, February 1, 1996, it stand adjourned until 12:30 p.m. on Monday, February 26, 1996, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns at the close of business on Thursday, February 1, 1996, Tuesday, February 6, 1996, Wednesday, February 7, 1996, Thursday, February 8, 1996, Tuesday, February 13, 1996, Wednesday, February 14, 1996, or Thursday, February 15, 1996, pursuant to a motion made by the majority leader or his designee in accordance with this resolution, it stand recessed or adjourned until 3 p.m. on Monday, February 26, 1996, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Speaker of the House and the majority leader of the Senate, acting jointly after consultation with the minority leader of the House and the minority leader of the Senate, shall notify the Members of the House and Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. The question is on the concurrent resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. FRANK of Massachusetts. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 207, noes 199, answered not voting 28, as follows:

[Roll No. 29]

AYES—207

Allard
Archer
Armey
Bachus
Baker (CA)
Ballenger
Barr
Bartlett
Barton
Bass
Bateman
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Bryant (TN)
Bunning
Burr
Burton
Buyer
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Cooley
Cox
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Graham
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
LaHood
Largent
LaTourette
Laughlin
Lazio
Lewis (KY)
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Molinari
Moorhead

Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Oxley
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Regula
Riggs
Rogers
Rohrabacher
Roth
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Sensenbrenner
Shadegg
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Tiahrt
Torkildsen
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—199

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (NE)
Barrett (WI)
Beilenson
Bentsen
Bereuter
Berman
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bunn
Cardin
Christensen
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Costello
Coyne
Cramer
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Ganske
Gejdenson
Gephardt
Geren
Gonzalez
Gordon
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Latham
Leach
Levin
Lewis (GA)
Lightfoot
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Markey
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Miller (CA)
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Nadler
Neal
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Ramstad
Rangel
Reed
Richardson
Rivers
Roberts
Roemer
Roukema
Roybal-Allard
Rush
Sabo
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornberry
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—28

Baker (LA)
Becerra
Bevill
Bryant (TX)
Callahan
Chapman
Crane
Dingell
Fawell
Filner
Gibbons
Green
Greenwood
Kolbe
Lewis (CA)
Manton
Martinez
Meyers
Mfume
Packard
Peterson (FL)
Radanovich
Ros-Lehtinen
Rose
Sanders
Seastrand
Shaw
Wilson

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Mr. CHRISTENSEN and Mr. NUSSLE changed their vote from "aye" to no."

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

THE SOCIAL SECURITY GUARANTEE ACT

Mr. ARCHER. Mr. Speaker, pursuant to House Resolution 355, I call up the bill (H.R. 2924) to guarantee the timely payment of Social Security benefits in March 1996, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The text at H.R. 2924 is as follows:

H.R. 2924

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TIMELY PAYMENT OF MARCH 1996 SOCIAL SECURITY BENEFITS GUARANTEED.

(a) FINDINGS.—

(1) Congress intends to pass an increase in the public debt limit before March 1, 1996.

(2) In the interim, social security beneficiaries should be assured that social security benefits will be paid on a timely basis in March 1996.

(b) GUARANTEE OF SOCIAL SECURITY BENEFIT PAYMENTS.—In addition to any other authority provided by law, the Secretary of the Treasury may issue under chapter 31 of title 31, United States Code, obligations of the United States before March 1, 1996, in an amount equal to the monthly insurance benefits payable under title II of the Social Security Act in March 1996.

(c) OBLIGATIONS EXEMPT FROM PUBLIC DEBT LIMIT.—

(1) IN GENERAL.—Obligations issued under subsection (b) shall not be taken into account in applying the limitation in section 3101(b) of title 31, United States Code.

(2) TERMINATION OF EXEMPTION—Paragraph (1) shall cease to apply on the earlier of—

(A) the date of the enactment of the first increase in the limitation in section 3101(b) of title 31, United States Code, after the date of the enactment of this Act, or

(B) March 15, 1996.

The SPEAKER pro tempore (Mr. WALKER). Pursuant to House Resolution 355, the gentleman from Texas [Mr. ARCHER] will be recognized for 30 minutes, and the gentleman from New York [Mr. RANGEL] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas [Mr. ARCHER].

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 2924, the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the debate we are entering into today really should not have to occur at all.

Our Nation is a great nation. We are financially sound, and our credit is secure. We always have, and we always will pay our bills on time and in full.

Regardless of the occasional wrangling that goes on between the White House and the Congress, we have always found a way to protect the full faith and credit of the United States of America, and this year will be no different. Republicans in Congress have pledged that we will take action to raise the debt limit prior to March 1. We will fulfill our responsibility, and I am confident that the President will fulfill his by signing the legislation that will come before the end of this month.

That is why I deeply regret President Clinton and his advisers have fanned the political flames of fear by raising the specter that Social Security checks will not go out as a result of the current debate.

Mr. Speaker, the bill before us is designed to protect America's seniors from the scare campaign President Clinton and his allies have been waging for political purposes. The Social Security checks will go out, and everyone knows it. The President is wrong to scare senior citizens, and he should not use them as pawns in this budget debate.

But in an effort to reassure our seniors, this bill will give them a guarantee that they will get their checks no matter what President Clinton does. With the passage of this bill, President Clinton has no excuse not to send out Social Security checks. Seniors have worked all of their lives and have already paid for their Social Security checks. The Social Security fund contains their money. Seniors deserve peace of mind, and this bill gives it to them.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, there is no need to debate this bill. I do not see where there is any need to debate what is going on here when the whole world knows exactly what it is.

This has nothing to do with protecting the full faith and credit of the United States of America.

The majority party has seen fit to select who they want to protect, so this week it is the Social Security beneficiaries. Who knows, three weeks from now it may be the widows, those that are left behind from our veterans or those that are disabled. Who knows how they want to issue their compassion?

The only question we should have to vote on is whether this Congress is prepared to pass a clean long-term debt ceiling bill. The majority, without consultation, without compromise, have decided themselves that the only thing they want to do is to extend it for a couple of weeks to protect the Social Security beneficiaries. I hope, Mr. Speaker, and Members of the other side, that over this so-called break when we should be here working that you might decide that you want to extend that compassion to each and every American who deserves not only their check but deserves to know that the full faith and credit of the United States of America will stand tall, notwithstanding the fact that there is a serious disagreement between both sides of the aisle on what our policy should be. This should be clean.

Mr. Speaker, I reserve the balance of my time.

Mr. ARCHER. Mr. Speaker, with the understanding and agreement that we have had with the minority, I have no further speakers, but I will close and will yield myself the balance of my time with that understanding.

Mr. Speaker, the individuals that the gentleman from New York just referred to will also have their checks protected by this legislation. Let that be understood.

But this debate is really not about Social Security, and it is not about default. It is about our Nation's debt. Our debt stands at over $4.9 trillion and growing.

For a family of 4, their share is $72,000, increasing each week by $89, each month by $383, and each year by $4,594. Sometime, someday, someone has to pay this debt, and that someone is today's younger workers, their children, and their children's children.

What do the Democrats want to do with this debt problem? They want us to respond by sending more debt to our children. It is business as usual. They want us to pass a so-called clean debt limit.

Most of them do not support a balanced budget, and they want to borrow our Nation's way into deeper debt and eventual bankruptcy and default, and that is why we believe it is highly appropriate to attach to the 1995 debt limit bill legislation that puts a down payment on deficit reduction and tax relief.

Their strategy is borrow, default and blame Republicans. Democrats used the 1993 debt limit bill to pass the largest tax increase in history, an increase even President Clinton admitted was "too much." The Democrats think it is OK to pass tax hikes on debt limit bills, but they oppose reducing spending, shrinking the Federal Government, and leaving more money in the taxpayers' pockets as a part of the 1995 debt limit bill.

□ 2000

Republicans believe that there is nothing clean, Mr. Speaker, about leaving more debt to our children. It is wrong to give our children more debt, and if the President's State of the Union speech was more than idle words, he will agree with our plan to put a reasonable and responsible down payment on the deficit, on the debt limit bill later this month.

We have kept in this House of Representatives every promise we made to the American people, and today we can assure them we will pass a debt limit bill before the first of March. We need to pass this bill now to assure and guarantee to senior citizens that their Social Security checks will go out.

Mr. GILMAN. Mr. Speaker. I rise to speak in support of H.R. 2924, the Social Security Guarantee Act. As Congress continues to negotiate with the administration on how to balance the budget if is imperative that we ensure that Social Security benefits will be paid on time.

It is not right that our Nation's seniors be held hostage to any partisan bickering and the failure of the administration to come forward with a credible, workable balanced budget. Instead, Congress should be doing all it can to ensure that our seniors receive their Social Security checks on time. As many of us know, their Social Security check is all some of our seniors have to help pay for their food and shelter.

Accordingly, I urge my colleagues to fully support this important measure.

Mr. SMITH of Michigan. Mr. Speaker, the Secretary of Treasury has repeatedly warned of the impending collapse of our financial system if Republicans did not give up on their quest for a balanced budget and simply increase the debt limit. His lack of credibility is now established.

His recent statements about not having enough cash to make retirement payments on March 1 is again designed to put political pressure on the Congress in hopes that Congress will abandon the balanced budget and allow the addition of more debt to the trillions that our children will be responsible for.

This bill will ensure that Social Security payments must be made on March 1. It does not add to the debt, but it does allow Treasury to overcome a timing problem that they have created by their claim that they cannot manage the cash of this country.

Under normal circumstances Treasury would sell bonds a few days before benefit payments are due with a settlement date the same as the benefit payment date. Then the trust fund is disinvested and the debt limit has returned to what it was. Because we are at the debt limit Treasury cannot use this normal procedure.

Because the Social Security Trust is void of any cash, Treasury must sell securities to make benefit payments that come due. This bill will allow these securities to be sold outside the debt limit, then as the benefit payments are met the trust fund securities will be redeemed. The securities which were sold will then come under the debt limit, so by March 15, when all benefit checks have been paid, the debt will be the same as it was before.

Congress makes the decision about what the pattern of debt will be in the future. The current Congress, however, no longer directly controls the amount of spending that will occur in the near future. This is because of the growth of entitlement programs. In 1955, nearly nine-tenths of the Federal budget was discretionary programs. Today only about one-third of the budget is discretionary. Congress can only alter the spending pattern to match its wishes with regard to the time path of debt by amending statutes which authorize the entitlement programs. Although it is true through budget reconciliation Congress does authorize mandatory spending, and can thus make changes, Congress recently offered such legislation under the guise of the Balanced Budget Act of 1995. This legislation was vetoed by the President. Unlike an appropriations bill, which if vetoed results in no spending and no additional debt, a veto of a reconciliation bill, or changes in mandatory spending through new authorizing legislation, results in continued spending under the old programs. The results is that, in the case of mandatory spending, Congress cannot affect a change and alter the time path of debt without the consent of the President, unless it has a two-thirds majority to override the President's veto.

Due to the inextricable link between the entitlement programs and the future debt of the Federal Government, there is an inextricable link between the budget bills and the debt limit. To argue that the debt limit is not to be tied into the budget process is to miss this vital point. Congress's last hold on its authority to borrow money under article 1, section 8 is the debt limit. Because the amount of debt that will be needed in the future is directly related to the amount of spending that will occur, the authority to borrow under section 8 is tied directly to Congress' authority to spend under article 1, section 9. It is quite appropriate to link budget bills to debt limit increases.

Historically, this has been the case. Indeed, with the decrease in the share of the budget that is accounted for by discretionary spending, the linkage has become ever closer. In 1993, H.R. 2264 raised the debt limit in the Omnibus Budget Reconciliation Act, which included a tax increase of $250 billion.

In 1990, the debt limit increase incorporated the Omnibus Reconciliation Act of 1990, which also included large tax increases.

In 1987 and 1985 the debt limit increases were included in the debate over Gramm-Rudman I and II. In recent years, a clean permanent increase in the debt limit simply doesn't occur.

Thomas Jefferson: I place economy among the first and most important of Republican virtues, and public debt as the greatest of dangers to be feared.

Mr. STOKES. Mr. Speaker, I rise to strongly urge my colleagues to support the passage of a clean debt limit extension bill. The American people must clearly understand why this is so critical. If the Congress fails to pass the measure before the first of March, the Government will not be able to pay its bills.

For the first time in history, Social Security and Veterans' benefits checks could bounce, citizens' tax refunds could be withheld, those doing business with the Government could not be paid including hospitals, and mortgage payments could increase.

With so much work left to be done on critical pieces of legislation—especially the debt limit, I strongly urge my colleagues on the other side of the aisle not to recess. This irresponsible approach to the management of the Government must end. The Republicans' politically contrived shutdown of the Federal Government has already cost the country over $1.5 billion. This did not reduce the deficit, it increased the deficit. Such blatant waste must not be tolerated.

The GOP majority in Congress is continuing to recklessly and needlessly place the country's economic future and seniors', veterans', and children's quality of life and standard of living at risk in order to give a tax break to the rich.

This hostile takeover must end. We would not tolerate such threats to our economy, our national security, and our children's future from our foreign colleagues, and the American people must not tolerate political tactics that could lead to economic ruin from our colleagues on the other side of the aisle.

Mr. Speaker, the House must not adjourn. We are 4 months into the 1996 fiscal year, and it is now time to start action on the fiscal year 1997 budget, yet action is still pending on 5 of the 13 fiscal year 1996 appropriations bills.

I strongly urge my colleagues to stop holding the American people hostage, put an end to operating the Government on piecemeal continuing resolutions—pass a clean debt limit extension bill, and complete action on the remaining fiscal year 1996 appropriations bills.

Mr. STOKES. Mr. Chairman, we choose not to respond, and I yield back the balance of my time.

Mr. ARCHER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. WALKER). Pursuant to House Resolution 355, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the aye appeared to have it.

Mr. ARCHER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 396, nays 0, not voting 37, as follows:

[Roll No. 30]

YEAS—396

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Beilenson
Bentsen
Bereuter
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Buyer
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Evans
Everett
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manzullo
Markey
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meek
Menendez
Metcalf
Mica
Miller (CA)
Miller (FL)
Minge
Mink
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Shadegg
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—37

Baker (LA)
Becerra
Berman
Bevill
Bryant (TX)
Burton
Callahan
Calvert
Chapman
Diaz-Balart
Ewing
Filner
Gallegly
Gibbons
Green
Hoekstra
Jacobs
Kolbe
LaFalce
Lewis (CA)
Manton
Martinez
Meehan
Meyers
Mfume
Moakley
Packard
Peterson (FL)
Radanovich
Ros-Lehtinen
Rose
Sanders
Sanford
Seastrand
Shaw
Solomon
Wilson

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Mrs. CLAYTON changed her vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. SANFORD. Mr. Speaker, on rollcall No. 30, my wife Jenny is about to have our third child and the doctor says if I don't leave now I will be missing the big event. Had I been present, I would have voted "yea."

PERSONAL EXPLANATION

Mr. SANDERS. Mr. Speaker, I was unavoidably absent during the votes on default legislation. If I had been present, I would have voted "nay" on the motions to table the appeal of the ruling of the Chair with regards to the resolutions offered by Mr. GEPHARDT (rollcall No. 26) and Ms. JACKSON-LEE (rollcall No. 27), I would have voted "nay" on the ordering of the previous question on House Resolution 355 (rollcall No. 28). I would have voted "nay" on H. Con. Res. 141 (rollcall No. 29). I would have voted "yea" on H.R. 2924 (rollcall No. 30).

PERSONAL EXPLANATION

Mr. CALVERT. Mr. Speaker, due to a hearing on future energy policy by the House Resources Committee, which I served as chairman, I was unavoidably detained, and thus unable to vote for final passage of H.R. 2924.

Had I been present, I would have voted "yea" on the Social Security Guarantee Act—H.R. 2924. I feel it is absolutely imperative to express Congress' intention to pass legislation increasing the public debt limit before March 1, 1996, and ensure that March Social Security benefits will be paid on time.

Senior citizens should not be held hostage on account of the budget deliberations we are holding today. I will continue to fight for a balanced budget by the turn of the century, and at the same time, protect America's obligations to its seniors.

PERSONAL EXPLANATION

Mr. LAFALCE. Mr. Speaker, on Thursday, February 1, I missed rollcall No. 30. Had I been present, I would have voted "yea."

RESIGNATION AS MEMBER AND ELECTION AS MEMBER OF COMMITTEE ON THE BUDGET

The SPEAKER pro tempore (Mr. METCALF) laid before the House the following resignation as a member of the Committee on the Budget:

FEBRUARY 1, 1996.

Hon. NEWT GINGRICH,
Speaker of the House,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to your letter dated Jan. 29, 1996, I hereby resign as a member of the House Committee on the Budget, effective immediately.

Thank you for your consideration in this matter.

Sincerely,

PETE HOEKSTRA,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

Mr. ARMEY. Mr. Speaker, by direction of the Republican Conference, I offer a privileged resolution, House Resolution 357, and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 357

Resolved, That the following named Member be, and he is hereby, elected to the following standing committee of the House of Representatives:

Committee on Budget: Mr. Neumann of Wisconsin.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DESIGNATION OF HON. CONSTANCE A. MORELLA TO ACT AS SPEAKER PRO TEMPORE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS THROUGH FEBRUARY 26, 1996

The SPEAKER pro tempore laid before the House the following communication from the Speaker of the House:

WASHINGTON, DC,
February 1, 1996.

I hereby designate the Honorable Constance A. Morella to act as Speaker pro tempore to sign enrolled bills and joint resolutions through Monday, February 26, 1996.

NEWT GINGRICH,
Speaker of the House of Representatives.

The SPEAKER pro tempore. Without objection, the designation is agreed to.

There was no objection.

RESIGNATION FROM THE HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore laid before the House the following resignation from the House of Representatives:

WASHINGTON, DC,
January 19, 1996.

Hon. NEWT GINGRICH,
Speaker, House of Representatives,
Washington DC.

DEAR MR. SPEAKER: Attached herewith is a copy of my letter of resignation as presented to the Governor of the State of Maryland, the Honorable Parris N. Glendening.

Effective February 18, 1996, I am resigning as Representative to the United States Congress from Maryland's 7th Congressional District.

Sincerely,

KWEISI MFUME,
Member of Congress.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2281

Mr. SHAYS. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor of H.R. 2281.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

AWARDING CONGRESSIONAL GOLD MEDAL TO RUTH AND BILLY GRAHAM

Mr. CASTLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2657) to award a congressional gold medal to Ruth and Billy Graham, with the Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 4, strike out lines 8 through 19.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Delaware?

Mr. FLAKE. Mr. Speaker, reserving the right to object, and of course I will not object to this particular bill, but I yield to the gentleman from Delaware [Mr. CASTLE] so that he might explain the Senate changes in H.R. 2657.

Mr. CASTLE. Mr. Speaker, Members may recall that in the past week or two, we passed H.R. 2657, which was a bill to award a congressional gold medal to Ruth and Billy Graham. Members on both sides of the aisle, with the exception of one, voted for this. It was supported almost unanimously in this body, 403 "yes" votes at that time, and there was no known opposition.

Mr. Speaker, tonight the Senate amended H.R. 2657 deleting section 5, and it is a small change to the legislation. But because it takes some time to get this ready, they wanted to run this through tonight to get it done. Mr. Speaker, we have no objection to the change and wanted to put it before the House tonight.

Mr. FLAKE. Mr. Speaker, reclaiming my time, I, of course, concur with the changes of the Senate. I am proud to share with the gentleman from Delaware [Mr. CASTLE] in our support of this particular legislation and for Reverend and Mrs. Billy Graham.

Mr. Speaker, I urge our colleagues to congratulate them for putting themselves in the position to be worthy of having a medal of honor named after them.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Delaware?

There was no objection.

A motion to reconsider was laid on the table.

GRANTING MEMBERS OF THE HOUSE PRIVILEGE TO REVISE AND EXTEND REMARKS IN CONGRESSIONAL RECORD ON LEGISLATIVE DAY OF TODAY

Mr. CASTLE. Mr. Speaker, I ask unanimous consent that for the legislative day of today, all Members be permitted to extend their remarks and to include extraneous material in that section of the RECORD entitled Extension of Remarks.

The SPEAKER pro tempore. Is their objection to the request of the gentleman from Delaware?

There was no objection.

AUTHORIZING THE SPEAKER AND MINORITY LEADER TO ACCEPT RESIGNATIONS AND MAKE APPOINTMENTS, NOTWITHSTANDING ADJOURNMENT

Mr. CASTLE. Mr. Speaker, I ask unanimous consent that notwithstanding adjournment of the House until Monday, February 26, 1996, the Speaker and the minority leader be authorized to accept resignations and to make appointments authorized by law or by the House.

The SPEAKER pro tempore. Is their objection to the request of the gentleman from Delaware?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, FEBRUARY 28, 1996

Mr. CASTLE. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, February 28, 1996.

The SPEAKER pro tempore. Is their objection to the request of the gentleman from Delaware?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. METCALF). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

THE NATION'S BUSINESS HAS NOT BEEN TAKEN CARE OF

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri [Mr. VOLKMER] is recognized for 5 minutes.

Mr. VOLKMER. Mr. Speaker, and what few Members are left, here we go again. It is interesting to see how this House has been run. We have not done very much. We took all last year, we ended up doing less than what they have done all the way back to 1933. We have not really done the Nation's businesses.

We have never appropriated now two, I guess, the D.C. appropriation bill has finally been passed but there is still one hanging over in the Senate. We had to appropriate the money for the foreign affairs by continuing resolution.

Now we have all run home. I do not know what for. I do not know why everybody is going home. I am not. I am staying, and I will be honest. If my colleagues want to do something tomorrow, I will be here tomorrow. If my colleagues want to do something next Monday, Tuesday, Wednesday, anytime next week, I can be here. The following week? I could be here.

We have to run off. And my farmers back home and all over this Nation, especially in the South, there is a great deal of uncertainty about what kind of program they are going to have or even if they are going to have a program. To be honest with my colleagues, the way the Committee on Agriculture and the chairman thereof and the Members of the majority have decided to go, there is not going to be a program. The bill that came out of that committee, if that is the bill that goes to the President, is going to be vetoed. It has already been vetoed once. It will be vetoed again.

Now if my colleagues want to wait until March or sometime to find out that we really have not done anything, so be it. There is nothing I can do about that. I am not in control. I am not in the majority.

I do not know why the Members voted to adjourn until February 26. We could easily do a farm bill next week. Now, in 1977, when we had a farm bill, we had it under an open rule and it took about 4 days to do it. In 1981, when we did a farm bill, we had an open rule, and it took about 3½ to 4 days to do. In 1985 it took about a week, 5 days to do it. In 1990, 3 days to do it again.

But the chairman of the Committee on Agriculture we presently have has requested an almost completely closed rule.

□ 2030

One amendment in the nature of a substitute, one motion to recommit, that is it. Everybody else, shut up. In other words, I, who come from a rural district and have a lot of farmers, have some ideas about agriculture, but have no opportunity on this floor at all to offer even one amendment.

Mr. CHAMBLISS. Mr. Speaker, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Georgia.

Mr. CHAMBLISS. Did the gentleman ask for an amendment to the bill in the meeting the other day? I missed it. Did the gentleman offer an amendment the other day?

Mr. VOLKMER. I sure did, to get rid of the three-entity rule. The one that permits—it is my time, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Missouri has the time.

Mr. VOLKMER. I offered an amendment to get rid of the three-entity rule, the one that under that bill gives the big cotton farmer down in Texas and other places, and some of the rice farmers, $80,000 a year, folks, for 7 years. They do not even have to farm. I do not think that is right.

I do not think we need welfare in agriculture. My farmers do not want freedom to farm or freedom not to farm. My farmers, even the best, and I just talked to one again yesterday, he has been very active in Missouri. It does not take a position on this farm bill of yours. I do not know of many farmers in my area of northern Missouri that do.

They do not want to be paid by the Government. They want money from the marketplace. That is where they want their money. Yet you want to give them money every year; even if they make 1 million bucks, or if they make $100,000, you want to give them money. They do not want your money under those circumstances.

They will be willing to take the money if the times are bad and they need it and prices are low; then, yes, they would like to have a little help to get through. I am willing to give them that help. But I do not think it is right to give major corporations in this country, major corporations, $80,000 a year, even if they make a half a million on their farm operations.

At the same time, you are cutting back on all other programs, and the biggest thing out of this whole farm bill mess, the biggest thing out of this mess, what they are doing on the majority side is they are cutting $13 billion in the next 7 years out of agriculture, $13 billion out of agriculture. Why? So they can give their wealthy friends a big tax break. It is all part of the tax-break money.

It is not necessary. If you looked at the Democratic coalition budget, you do not have to make that cut in agriculture. We do not have to do that.

Let us stay here next week and do a farm bill, a good farm bill, and not the lousy freedom not to farm. You do not have to farm to get your payment, folks.

1999 WOMEN'S WORLD CUP TOURNAMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. MORELLA] is recognized for 5 minutes.

Mrs. MORELLA. Mr. Speaker, in an effort to support the continued growth of women's sports in general, and of women's soccer in particular, I, along with 37 House colleagues, have introduced a resolution recognizing and supporting the efforts of the U.S. Soccer Federation in bringing the 1999 Women's World Cup tournament to the United States.

Recent evidence demonstrates that there is unprecedented interest in the sport of soccer in the United States—the 1994 men's games had the highest attendance and the largest viewership of any World Cup ever. On the heels of this success, the U.S. Soccer Federation has resolved to submit a formal bid to the Federation Internationale de Football Association [FIFA] to host the 1999 Women's World Cup.

The Women's World Cup tournament, like the men's, is hosted every 4 years by a different country. It is considered the most important women's soccer tournament in the world; the 1995 Women's World Cup was broadcast to millions of fans in 67 nations.

Our country's previous participation in this event has displayed to the world the abilities and dedication of our gifted female athletes. The U.S. National Team won the inaugural title in 1991, and finished third in last year's event before sold-out crowds. We now have the opportunity to afford the American people the chance to see their athletes represent them in person at the highest level.

In order for the U.S. Soccer Federation to successfully submit a bid to the Federation Internationale de Football Association, it must show that it has the support of our Government. In 1987, a similar resolution was passed to demonstrate support for the U.S. bid to host the 1994 World Cup. Additionally, the White House has already pledged its support for the event and will designate a senior administrative official to be its representative to the Women's World Cup.

This is an exciting time of growth for women's athletics and U.S. soccer. By supporting the U.S. Soccer Federation's bid to host the 1999 Women's World Cup tournament, we can help be a part of this growth and reaffirm our commitment to American athletic excellence and the good will and competitive spirit that these games represent.

NCI ELIMINATES MAMMOGRAPHY GUIDELINES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. TOWNS] is recognized for 5 minutes.

Mr. TOWNS. Mr. Speaker, in 1989, the National Cancer Institute [NCI] recommended that women age 40 to 49 undergo biennial mammography screening and an annual mammography at age 50. Six years later, without the consensus of any medical or cancer organizations and against the recommendation of its own national advisory board, NCI eliminated its mammography guidelines for women in the 40 to 49 age group.

Last Congress, Mr. Speaker, the Subcommittee on Human Resources and Intergovernmental Relations, which I formerly chaired, found that the elimination of these guidelines was without scientific foundation. In fact, the subcommittee issued a report entitled "Misused Science: The National Cancer Institute's Elimination of Mammography Guidelines for Women in Their Forties." In that report, we recommend that "NCI further research on American women, in the 40 to 49 age group, to determine the importance of mammography screening.

Fortunately, others have produced new research to demonstrate that both early detection and screening in younger women can be beneficial in combating this disease. Of the 180,000 cases of breast cancer that are diagnosed each year at least two-thirds, if detected early enough, give women the choice of a breast-conserving procedure—a lumpectomy, rather than a mastectomy. Moreover, a recent CBS investigative report by Michele Gillen has highlighted the importance of mammography screening in the early detection of breast cancer and the inability of the NCI to explain its abrupt changes to the guidelines in 1993.

Even more troubling is the fact that the Gillen investigation has uncovered that NCI now wants to back away from recommending any mammographies for women age 50 and over.

This kind of callous attitude could lead to insurance companies refusing to cover the cost of mammography screenings. Over 40,000 women will die from this disease in 1996. If you can recommend an appropriate daily allowance for vegetables in the American diet, you should be able to recommend life-saving screenings for American women.

I say to NCI tonight don't eliminate the only tool American women have to protect themselves against breast cancer. Retain the original 1989 guidelines for mammography screenings and self-breast exams.

THINK TWICE, COMMUNIST CHINA, BEFORE YOU USE FORCE AGAINST TAIWAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. HORN] is recognized for 5 minutes.

Mr. HORN. Mr. Speaker, the diplomatic recognition of the government in Beijing in 1979 did not end our relationship with Taiwan. The Taiwan Relations Act of 1979 formally reiterated United States support for the people of Taiwan. Since 1979, U.S. relations have grown steadily closer with both the People's Republic and the Republic of China within the framework of "One China, Two Systems." Despite the growing interaction of the United States with both governments, a dark cloud hangs over future peaceful development. This dark cloud is the refusal of the Beijing Government to renounce the use of force against Taiwan.

Beijing still regards Taiwan as a renegade province that is destined to return to the motherland of China—by peaceful means if possible, by force if necessary. If the people of Taiwan freely and fairly choose to reunite with the mainland—which they have not yet done—then that is their business. If the people of Taiwan are forced to reunite with the mainland—or are intimidated into doing so—then that situation will become the business of the whole world, including the United States of America. The people of Taiwan are friends of the United States, as we are friends with them. We respect the aspirations of the Taiwanese and support them in the pursuit of their dreams.

Increasingly, the people of Taiwan also seek a role in governing themselves—a dream that will be fully realized on March 23 when they freely elect their own president and national assembly. This free election is the culmination of years of reform in the political process in Taiwan. It is an obvious contradiction to those who say that Asian cultures cannot and do not support widespread democratic reforms. That is the view by many of the autocrats of Asia. Sadly, it is also the view within some Western circles. March 23 will be an historic date in the advance of freedom during this troubled century.

There is no freedom for the 1.1 billion people of mainland China. There is growing economic freedom. But the aging Communist oligarchy that rules the People's Republic of China is out of step with the aspirations of its own dynamic citizenry.

Now, in recent weeks, officials of the government in Beijing have recklessly escalated their rhetoric, threatening the lives of not only the people of Taiwan, but even the United States. In an appalling turn, the veiled threat of nuclear destruction has been leveled against Taiwan and the United States. Apparently, the mainland Chinese believe that the people of the United States, and Congress, will be cowed by their bluster. They are wrong.

Shortly before the invasion of South Korea in June, 1950, it was suggested by the American Secretary of State that the Korean peninsula was outside of direct United States interests. This played a large part in encouraging the leaders of North Korea that the United States would not interfere with their plans to reunify Korea by force. The recently dedicated memorial on the Mall to the thousands of Americans who died to prevent aggression is proof that they were wrong. It would be a tragic mistake for the current leaders in Beijing to make the same mistake that their then allies in North Korea made nearly a half century ago. It is time for the President to clarify a somewhat stealth China policy that could invite disaster for the people of China, Taiwan, and the United States.

The United States supports peace, and will welcome the opportunity to discuss and resolve our current differences with the people of China. The people of the United States have no dispute with the Chinese. We share many of the same interests. We agree on many important issues. It would be foolish to throw away years of careful progress. That progress has led to mutual friendship and mutual respect. That progress should not stop over aggressive moves that threaten peace. Unfortunately, recent actions by the Government of the People's Republic of China suggest that these hopes are not important to that current government.

This, however, begs an important question: Is this situation important to the Chinese people? Do the people of China support the bellicose statements of their government? We have no way of knowing because, of course, their government has not asked them, and does not care what its own people think. This is why the United States supports Taiwan, and that is a fundamental reality that those in Beijing cannot ignore.

Mr. Speaker, I ask consent to include the House Republican Policy Committee statement concerning "Communist China's Taiwan Invasion Threat."

COMMUNIST CHINA'S TAIWAN INVASION THREAT

On January 30, Communist China's Premier Li Peng emphasized that in trying to absorb Taiwan as "a region of China . . . in the final analysis, we cannot promise to give up the use of force."

This statement is the latest example of the PRC ratcheting up unsubtle threats against Taiwan. In recent weeks, Chinese Communist leaders told American visitors that the PRC was preparing a plan for a sustained attack on Taiwan should it pursue a policy that they deemed too "independent." These threats against Taiwan were coupled with threats of attack on the U.S. should we seek to protect Taiwan—a remarkable slap in the face to the President after three years of the Administration's "engagement" policy, and in a region the Administration has highlighted as its top foreign policy priority.

While a number of observers have been startled by Communist China's most recent provocations, its threats against Taiwan are part of a pattern aggressive behavior in territorial deputes in the Asia-Pacific region. Moreover, Communist China's economy and military structure have recently undergone enormous changes, including a sustained nine-percent economic growth rate and dramatic—and ominous—transformation of the military's force structure and doctrine. This recent growth and modernization of the Communist Chinese military threatens vital U.S. national security interests in Asia.

A GROWING PEOPLE'S LIBERATION ARMY

Trends in People's Liberation Army (PLA) expenditures for foreign military technology over the last decade reveal an emphasis on force projection through air and naval power, with a 2:3:5 ration for the Communist Chinese Army, Navy, and Air Force respectively. In 1992, Admiral Liu Hauqing, Vice-Chairman of the Central Military Commission and the PRC's highest ranking military officer, publicly affirmed that the PLA Air Force and Navy would remain primary recipients of funding for foreign military technology and weapon systems. Recent notable purchases include: 26 Su 27 Soviet fighters from Russia (with an additional 26 under negotiation); 24 Mil Mi 17 helicopters from Soviet Union; 10 Il-76 heavy transport planes from Russia; In-flight refueling technology; 100 Russian S-300 surface-to-air missiles and four mobile launchers; Rocket engines and missile guidance technology from Russia; Uranium enrichment technology and nuclear reactors from Russia; Airborne Early Warning (AEW) technology from Israel; Stinger anti-aircraft missiles from the U.S.; 100 Klimov/Sarkisov RD33 jet engines from Russia; Avionics from US for F-8II fighters; Artillery munitions production equipment from the U.S.; Mark 46 MOD 2 anti-submarine torpedoes from U.S.; 50 T-72 tanks from Russia; and 2-4 Kilo-class conventional submarines from Russia.

The PLA has recently given a greater degree of attention to development of combined arms, rapid deployment units, air mobility, and a blue-water naval capability. Doctrinal changes, weapon systems modernization, and imports of advanced foreign weapons systems indicate an interest in increasing the PRC's ability to project power beyond its borders. Similarly, Beijing has announced its plans to develop two 45,000-ton aircraft carriers within the next decade, and the PLA is already capable of conducting military actions in close proximity to China's borders.

The PLA's greater emphasis on force project through the development of naval and air power resulted in substantial changes in budget allocations. The PRC's official defense budget has expanded every year since 1989, for an increases of 141 percent. The annual increase are as follows: 1989, 13%; 1990, 15.5%; 1991, 12%; 1992, 13.8%; 1993, 13.9%; 1994, 20.3%; and 1995, 25%.

Beijing argues that these six years of hikes were offset by 130 percent inflation. Yet the PRC's stated defense budget does not include research and development, military education, and extra-budgetary appropriations, such as the 1992 purchase of 26 Shukhoi-27 fighters from Russia. Modest salaries, free housing, and free medical services represent far lower outlays for pay and benefits for military personnel than in the West; hence, more of the PRC's defense budget goes to hardware.

Assessing the real value of Communist China's defense budget is extraordinarily difficult because of the aforementioned vehicles, unknown levels of civilian production from the PRC's military-industrial complex, and Beijing's reluctance to publish accurate statistics. As a result, comparative analyses of the PRC's defense budget range from $18 to $90 billion.

CHINESE COMMUNIST AGGRESSION IN DISPUTES WITH TAIWAN AND ELSEWHERE

The recent PLA buildup in land, sea, and air forces and the overall increase in military spending in the last six years are fueling the fears of Communist China's neighbors—especially Taiwan. The buildup aggravates a number of longstanding disputes in Asia involving the PRC. series of overt Communist Chinese provocations have further heightened tensions in the region.

One of Asia's most volatile strategic issues is the relationship between the PRC and Taiwan. Beijing has repeatedly declared its intent to use military force against Taiwan should the latter move toward independence. The PLA regularly holds large-scale combined air and naval exercises in close proximity to Taiwan. The most recent exercises coincided with Taiwan's national legislative elections and were designated to browbeat the Taiwanese electorate and show that Beijing is serious about using force in the event the island chooses an independent course. The PRC fired six nuclear-capable missiles in July 1995 about 100 miles north of Taiwan, shortly after Taiwanese President Lee Teng-hui's visit to his alma mater, Cornell University.

The PRC's belligerence has recently been raised to a new plane. Chinese Communist political and military leaders told former Assistant Secretary of Defense Chas Freeman that the PRC had drafted plans to attack Taiwan with conventional missile strikes for 30 days if President Less refuses to desist in his calls for international recognition. Beijing's threatening statements and actions towards Taiwan are profoundly troubling, at a time when Taiwan prepares to fully enter the worlds family of democracies by holding its first free presidential election in March 1996.

Ownership of the Paracel and Spratly Islands is one of the most contentious territorial issues in Asia. The strategically-located Spratly Islands extend some seven hundred miles south of mainland China and hold oil and natural gas reserves of an estimated 45 billion tons, valued at $1.5 trillion. The island chains are claimed by seven nations (the PRC, Brunei, Taiwan, Vietnam, Malaysia, Indonesia, and the Philippines), with five (all but Brunei and Indonesia) deploying military forces in the area.

In July 1992, Vietnam signed a contract for Spratly Island oil exploration rights with the Mobil Oil Corporation. Exploration was blocked by PLA naval forces. And in February 1995, Communist China was discovered to have established an outpost on Mischief Reef, located in part of the Spratly Islands claimed by the Philippines. In March, the Philippine Navy responded by destroying small structures and concrete markers the PRC had erected on three reefs. Since then, PLA and Philippine warships have provoked each other, and both nations have detained the other's fishing ships in the area.

Communist China has additional territorial disputes with Japan over the Senkaku-Shoto Islands and with India concerning the Himalayan frontier, a dispute that led to armed conflict between India and China in 1962. Moreover, the Communist regime faces separatist movements in the northwestern provinces of Xinjiang, Ningxia, Inner Mongolia and Tibet. The PLA build-up has ominous implications for how the PRC might employ expanded military capabilities both abroad and at home.

U.S. INTERESTS AND CLINTON ADMINISTRATION VACILLATION

The U.S. has an immense economic stake in stability in the Asia-Pacific region, which accounts for more than 36 percent of U.S. international trade. Seventy percent of Asia-Pacific oil transits the South China Sea and the Spratly Island chain. Communist China's bellicose approach to territorial disputes in that region could affect a significant part of American foreign commerce.

The United States has a substantial stake in supporting fledgling and established democracies in Asia, and a special stake in supporting Taiwan. Taiwan is America's sixth largest trading partner, with hard currency reserves of over $90 billion. Also, the Taiwan Relations Act of 1979 implies a commitment of U.S. assistance in the event of foreign aggression.

Recently, as a sign of its commitment to Taiwan, the Congress initiated legislation to permit the sale of F-16 aircraft to that nation and to support Li Teng-hui's visit to the U.S. Unfortunately, the Clinton Administration has made its commitment to supporting Taiwan anything but crystal clear. In the event of military attack by the PRC on Taiwan, a senior State Department official was quoted by U.S. News & World Report on October 30, 1995 as saying, Clinton Administration policy is "meant to be ambiguous. . . . You don't really know what would happen until you get there . . . we would not be in a position to react with force. We would not elect to do that I'm sure." Such a posture seems quite unambiguous, and it's small wonder that the Chinese Communist leaders view the Administration's policy as a green light to bully Taiwan—or worse. One Chinese leader told Chas Freeman that the PRC does not fear retribution from the U.S. because American leaders "care more about Los Angeles than they do about Taiwan," which the former Clinton Administration official interpreted as a threat to use nuclear weapons against the U.S. should it defend Taiwan.

Clinton's Taiwan policy is not an isolated case of weakness encouraging the PRC's bellicosity. The Clinton Administration has squandered U.S. credibility through a dizzying series of policy flip-flops and retreats in the region. The most noticeable reversal to the PRC was on most-favored nation (MFN) trade status. Candidate Clinton excoriated President Bush for kowtowing to the PRC's leadership after the Tianenmen massacre of June 1989. In May 1993, Clinton issued an Executive Order formally linking the PRC's MFN status to progress on human rights in Communist China, which he had charged Bush with overlooking. Then, on May 26, 1994—almost exactly one year after the Executive Order—President Clinton tore up the

Order, separating MFN trade status from human rights.

Another Asian policy cave-in that did not go unnoticed in the PRC followed the Administration's May 16, 1995 threat to slap 100 percent tariffs on luxury cars exported by Japan to the United States as a result of a Section 301 unfair trade practices case involving sale of autoparts in Japan. On June 28, 1995, the Administration cast aside its threat in a "compromise" in which Japan made no commitments to particular numbers of foreign autoparts it had to buy or of dealerships that would sell foreign cars. And yet again Clinton's vow not to allow the North Korean tyranny to retain nuclear weapons was promptly followed by the August 12, 1995 "framework agreement," in which the Administration *rewarded* Communist North Korea for its nuclear weapons program with aid and reactor technology. Whatever the merits of Clinton's ultimate position, the fact that he was so willing to alter his policies in the face of any resistance has not been lost on the Chinese Communists.

CONCLUSION

Asian nations are concerned because the Chinese Communist leadership has historically shown a willingness to use military force to settle disputes within what it regarded as its sphere of influence. The PLA has seen battle at least 11 times since the inception of the Chinese Communist dictatorship in 1949. China's build-up of naval forces is designed to expand this sphere by enhancing its ability to project force; this program has already spawned a naval arms race among Asian nations. These developments have created mounting regional instability.

Its vast size, population, economy, and air and naval force projection capabilities make Communist China a tremendous regional power. The PRC's growing force-projection capabilities are further destabilizing the Asia-Pacific region. The rising military profile of Communist China in that region—in terms of both capability and aggressive intent—necessitates policies to protect American economic interests and the democracies in the region. And the greatest danger is to the Taiwanese democracy—which the PRC is now threatening to attack or invade. Despite repeated claims that the Asia-Pacific region is its top priority, the Clinton Administration has unwittingly encouraged Communist Chinese imperialism, and has completely failed to promote robust policies to counter these ominous trends.

MEXICO MUST GET SERIOUS ABOUT STOPPING DRUG TRAFFICKING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. MILLER] is recognized for 5 minutes.

Mr. MILLER of California. Mr. Speaker, today I am proud to join my colleagues, Senators DIANNE FEINSTEIN and ALPHONSE D'AMATO, by introducing bills to force Mexico to crack down on drug trafficking and money laundering operations as that country has pledged—but failed—to do.

The bills would prohibit the extension next month of United States guarantees for multibillion dollar loans to Mexico, deny applications for entry of Mexican commercial vehicles into the United States under NAFTA, and express the sense of the House that Mexico has not cooperated in antinarcotics efforts, and therefore should not be certified under the Foreign Assistance Act.

All of these measures would remain in effect until Mexico meets specified conditions proving it is taking steps to eradicate drug activities. Senators FEINSTEIN and D'AMATO introduced this legislation this week and I am introducing identical legislation here today. I applaud them for their initiative in this area.

Last year, Congress approved President Clinton's request to guarantee $20 billion in loans to Mexico following an economic crisis there. The year before that we passed NAFTA, a free-trade agreement that gives Mexico special and unique access to America's markets. And now, next month, President Clinton will likely ask Congress to approve the extension of loan guarantees to Mexico for at least 6 months, and possibly longer.

But the President will be unable in good faith to certify that Mexico has met its obligation to crack down on drug smuggling, money laundering, and government corruption as it has pledged to do.

Mexico is one of the most significant source countries for the transport of narcotic and psyshotropic drugs into the United States. The Drug Enforcement Agency estimates that 75 percent of all cocaine available in the United States travels through Mexico, up to 80 percent of all foreign-grown marijuana in the United States originates in Mexico, and 90 percent of the chemical used to make the drug speed flows through Mexico before infecting our neighborhoods.

But, Mexico is not only shipping drugs to the United States, it is also shipping its drug smugglers. Nearly 90 percent of drug smugglers arrested at the border are Mexican. Mexico is also a major transshipment point for Columbian drugs and drug money. And because it has no reporting requirements for large cash transactions, Mexico has become a haven for drug money laundering.

To make matters worse, Mexico is also preventing the United States from enforcing our own drug laws. The United States has 165 extradition requests pending with Mexico. And despite our extradition treaty with that country, Mexico has never allowed the extradition of a single Mexican national, even though we are supposed to be close allies. In fact there are reports that leaders of drug cartels, known to the Mexican Government and its police, are frequently seen in public. Apparently they have no reason to be afraid: reports are rampant of widespread government corruption , extending possibly even to higher levels of power.

Time and time again, the United States treats Mexico like a trusted ally and what we get in return is an increase in drugs flowing from Mexico to the United States poisoning our kids and making the American "War on Drugs" ineffectual.

Why should the American taxpayer support Mexico's Government or its economy when Mexico is undermining American antidrug laws? We should not.

We should not extend multibillion-dollar loans to Mexico, provide foreign aid, or allow entry of their commercial vehicles without evidence that Mexico is taking concrete steps to eradicate drug activities. We have too much at stake—in America's schoolyards, workplaces, and homes—to tolerate this level of inaction on such an important issue.

Again, I applaud Senators FEINSTEIN and D'AMATO for their initiative in this area and I encourage all my colleagues to join me in cosponsoring these three pieces of vital legislation.

Mr. Speaker, I submit the following for the RECORD:

SENSE OF THE SENATE RESOLUTION THAT MEXICO SHOULD NOT BE CERTIFIED

Expresses the sense of the Senate that the President should not certify:

(1) Mexican cooperation with international drug enforcement efforts; or

(2) that is it in the vital national interests of the U.S. to give this aid notwithstanding Mexico's noncooperation.

If the President does not make these certifications, the result would be: a 50% reduction in U.S. aid to Mexico; and the United States not supporting the provision of multilateral development bank assistance by various international bodies.

The resolution sets out the basis for this recommendation:

Mexico is one of the most significant source countries for the transport of drugs into the United States.

Mexico has failed to prevent or punish money laundering.

The Drug Enforcement Administration estimates that at least 75 percent of all cocaine available in the United States travels through Mexico.

Various U.S. drug enforcement agencies estimate that 70 to 80 percent of all foreign-grown marijuana in the United States originates in Mexico.

According to U.S. Customs Service, 69.5 percent of those arrested for drug smuggling at border stations in the United States are Mexican Nationals.

The Drug Enforcement Administration has stated that drug smugglers have been flying airplanes carrying 10 to 20 tons of cocaine at a time into Mexico, which then return to Colombia with 20 to 30 million dollars of U.S. currency.

FEINSTEIN LEGISLATION ON MEXICAN TRUCKING COMPANIES AND NAFTA

On December 18, 1995, the Secretary of Transportation indefinitely postponed the approval of applications from Mexican trucking companies seeking cross-border access to points in Texas, New Mexico, Arizona and California.

The legislation I have introduced would require three things occur before pending applications can be approved:

(1) The Secretary of Transportation must certify to Congress that Mexican carriers are

in compliance with U.S. size, weight, insurance and hazardous materials requirements;

(2) The President must certify to Congress that Mexico is taking sufficient steps to combat international narcotics trafficking pursuant to the Foreign Assistance Act of 1961 (22 U.S.C. 2291k(b)); and,

(3) The Congress approves the application by passing a prescribed joint resolution.

SENATOR FEINGSTEIN'S MEXICO LOAN GUARANTEE LEGISLATION

1. Unless the President of the U.S. certifies Mexico's progress on drug enforcement issues, Mexico should not receive the benefits of the loan guarantees. The certification addresses the following:

(1) Complies with all outstanding requests for extradition by the United States.

(2) Enacts and implements effective "money laundering" laws.

(3) Takes action to prevent Mexico's drug profiteers from taking advantage of plans to "privatize" formerly public assets, such as banks.

(4) Enacts effective laws to inspect and license trucks, cars and aircraft, as well as their owners and operators to assist drug crime enforcement.

(5) Enacts effective laws to control the import of major pre-cursor chemicals for methamphetamines and other narcotics.

(6) Takes specific action to effect the arrests of Mexican drug cartel leaders or other individuals involved in organized crime.

(7) Adopts a comprehensive program for drug enforcement and assists U.S. law enforcement to take effective action.

(8) Implements a plan and takes specific action dedicated to detecting and halting the large scale air transportation of narcotics.

(9) Take specific action to prosecute graft and corruption among civilian government and military officials that assist drug production/smuggling.

(10) Allows for asset forfeiture of property derived through fraud in connection with the loans or any illegal activity, such as drug trafficking.

2. Legislation would prohibit further disbursements from the Treasury Department's Exchange Stabilization Fund (ESF).

3. Legislation would require repayment of any short-term swaps within 90 days and prohibit any new medium-term swaps entirely.

4. Legislation would prohibit the exercise of the six month renewal option.

□ 2145

THE VALUE OF A BALANCED BUDGET

The SPEAKER pro tempore (Mr. METCALF). Under a previous order of the House, the gentleman from Kansas [Mr. TIAHRT] is recognized for 5 minutes.

Mr. TIAHRT. Mr. Speaker, clearly we are having a very difficult time achieving a balanced budget. After taking the brunt of opinion from the liberal media, this Congress has been wondering why the President has vetoed so many reforms.

As a freshman, I ran on the principle of sound fiscal policy and a balanced budget, and as a part-time college instructor at Kansas Newman College, I taught the value of a balanced budget in economics classes. It was confirmed by the chairman of the Federal Reserve, Alan Greenspan: A balanced budget means a stronger economy. It means more jobs. It means more money in the pockets of working people.

But the President is staunch in defending the status quo, in defending big government and preventing Congress from right-sizing the Federal Government, which must happen if we ever hope to balance the budget. Instead, he is protecting big government waste.

For example, there is Clinton's Secretary of Energy, who is a congenital flier. Secretary O'Leary traveled more than 100 trips, 16 overseas. She has leased Madonna's luxury jet, taking some of those trips. The Government Accounting Office audited two of the overseas trips. They cost $1.7 million and there are $255,000 of expenses that are unaccounted for.

When you consider Travelgate, where the White House fired Billy Dale and seven other employees and drag Mr. Dale through the court system for 2 years over $18,000, it seems inconsistent that we would allow Secretary O'Leary to go without accounting for that quarter of a million dollars.

And then there is Clinton's Secretary of Commerce, out-of-town Brown. His travel budget is 150 percent of his predecessor's, Robert Mosbacher. As reported in the Washington Times, an audit by a Department inspector general said, and I quote:

> In Mr. Brown's case, the auditors found the Secretary seems to have been habitually accompanied by a slew of private-sector deadbeats masquerading as consultants who collectively still owe the government, that is, the taxpayers, $360,000 for unpaid advances.

Going on, it says,

> One wonders whether any of them were the same Democratic Party fat cats who routinely accompanied Mr. Brown around the world, grabbing their slice of the pie to which they no doubt felt entitled by virtue of their huge donations to the Democratic National Committee before, during and after Mr. Brown's tenure as chairman of the Democratic Party.

That article goes on to talk about how the Inspector General uncovered unpaid charges on government credit cards. Three hundred Commerce Department employees were delinquent on their payments on government credit cards. Six hundred people, some of them not even government employees, who have government credit cards, were using the government credit cards at automatic teller machines, ATM's, to get cash.

Can you imagine what it is like for taxpayers like David Walker, who works the second shift at the Boeing Company? How long does he have to stand at his machine to pay enough taxes to cover the cash that has been withdrawn at the Commerce Department?

Those dollars were very much wasted. How long are we going to put up with this? I think we have put up with it for too long. I hope that the President will stop defending this tremendous waste, stop condoning this tremendous waste, stop defending and condoning the status quo, balance the budget. Our families do not deserve this type of treatment.

TRIBUTE TO KWEISI MFUME

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California [Ms. PELOSI] is recognized for 5 minutes.

Ms. PELOSI. Mr. Speaker, earlier this evening I heard it announced that our colleague, Representative KWEISI MFUME, was submitting his resignation to the Congress of the United States. Tonight he cast his last vote, a vote which followed hundreds of votes in support of people across this country. I was pleased to serve in the Congress with him but especially on the Banking Committee a number of years ago when we both came to the House of Representatives. On that committee Congressman MFUME was a champion for affordable housing, for low-income housing, for consumer credit for all Americans and for access to loans for people who wanted to gain equity in business but who had been banned from doing so, also for those who wanted to buy homes but who had been red-lined in the past.

Congressman MFUME served very well in the Chair that you occupy now, Mr. Speaker. He knew how to keep order in the House. He did so with great dignity. But he also knew how to raise a ruckus in the name of social justice. We will all miss him greatly here. I feel as a Californian, I rise to speak about Congressman MFUME, and he is a representative, as you know, from Baltimore, MD, because I, too, am a native of Baltimore. My father Thomas D'Alesandro served as a Member of Congress for parts of Mr. MFUME's district that he now represents. So I was sorry not to be part of the Maryland delegation's tribute yesterday to Congressman MFUME but my committee assignments prevented me from doing that. Nonetheless, I am proud to have been a colleague of Mr. MFUME's.

I wish him and the NAACP much success under this new, fresh leadership and know that every Member of this Congress who has ever served with him will be proud to make that boast.

Mr. Speaker, I want to once again commend Mr. MFUME for his great service to this House of Representatives.

HOUSE FAILS TO PASS FARM BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. CHAMBLISS] is recognized for 5 minutes.

Mr. CHAMBLISS. Mr. Speaker, I would certainly commend the gentlewoman from California for her kind words about Congressman MFUME. Members on both sides of the aisle are going to miss him. He spoke with a lot of emotion and from his heart and spoke with a lot of reason in a House that does not always exercise reasonableness, and he will be missed.

I have with me tonight my colleague and agriculture friend from Iowa, TOM LATHAM. We come here tonight out of a sense of terrible frustration for what is going on in the agriculture business in this House.

We made an attempt today to bring the 1995, and here we are in 1996, farm bill to the floor for a vote. The Committee on Agriculture has worked very diligently and very hard over the last 13 months trying to formulate and change the agricultural policy in this country to ensure that we have strong and viable agricultural programs moving into the 21st century. We met all day on Tuesday to discuss what is now the new form of the farm bill that is the second bill that has been passed by that committee, the first one having been a part of the Balanced Budget Act of 1995 that unfortunately was vetoed by President Clinton. Had that bill not been vetoed, our farmers would have had back in December the ability to plan and determine what they were going to be able to do with their farm operation for 1996. But that did not happen. So we came back to the table on Tuesday of this week. We again brought forth the bill that was contained in the Balanced Budget Act of 1995, debated it thoroughly in the Committee on Agriculture on Tuesday and were in great hopes that it would come to the floor today. But, unfortunately, our friends on the other side of the aisle would not agree with us to bring this bill up today.

TOM, I know you share that same frustration and I know your folks in Iowa are as upset as I am and you are and as my farmers in Georgia are.

Mr. LATHAM. You are exactly right. I appreciate the chance to visit with you about it.

I do not know how to explain to my farmers in Iowa who last year were devastated by floods in southern Iowa going down into northeast Missouri, what to tell those people, why a group of people, led by the leadership on the minority side, would stop a farm bill that would finally give them some hope, give them some income next year. Just continuing what we have now would give them no income next year. These people are going to be asked to pay back their deficiency payments.

If you will remember just last week, we tried to put the farm bill on the continuing resolution and once again, because of the leadership of the minority party, they threatened a filibuster on the continuing resolution and thereby stopped the farm bill at that time.

I am very discouraged at this point, because even though we were promised cooperation so that we could advance a farm bill, it was not brought forth from the minority.

We will continue to work very hard and during the next few weeks to make sure that we do get an agreement, that we get a farm bill. It is needed very much for people who are in desperate straits at this time.

Mr. CHAMBLISS. We are leaving here today. We voted on and passed a bill to adjourn this House until the 26th day of February. So we know it is going to be then. You are going to have the same problem in going home to your farmers and saying, "Folks, you know, we're not even going to be able to take this bill up until the 26th of February," and it really will not make any difference whether we took it up in advance of that or not because the Senate is out until the 26th of February, they have already said that, and we are sort of going to be in limbo until then.

I am very frustrated, I am very upset about this, and I certainly hope that during these next 3 weeks as we are out of this House, that all Members on both sides of the aisle are going to take the opportunity to sit back and reflect on the fact that 2 percent of the population of this country feed 100 percent of the population of this country, as well as many, many other hundreds of thousands and millions of folks all across this world, because we grow not only the finest quality and most abundant agricultural products in the world but the cheapest agricultural products in the world.

□ 2100

Our farmers need good, solid farm programs to ensure that they are able to get some sort of return on their investment to keep them going. That has been our goal in this farm bill from January 4, 1995, when we started last year. It is still our goal.

Mr. LATHAM. You are exactly right, and this farm bill is real reform, a way of getting our farmers to respond to the market rather than the government control, the centralized control that we have had in the past, and looking at the floor here, I mean, there are three people on the floor here this evening. If it had not been for what happened this evening because of the minority's technical procedural glitch they put in, we could be having this farm bill debate right now and passing the farm bill for the people at home.

Mr. CHAMBLISS. I thank the gentleman for joining me tonight. I know you have the same deep regret that I do that we do not right now have a farm bill in place that we could have had tonight. We will continue to work over the next 3 weeks and hopefully on February 26 we will come back in the frame of mind to get it done and get it done soon.

HERE THE CONGRESS GOES AGAIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia [Mr. WISE] is recognized for 5 minutes.

Mr. WISE. Mr. Speaker, I am going to follow up on the previous speakers a little bit.

Mr. Speaker, here the Congress goes again, quite literally goes right out that door, heads for the airport, heads for the trains, heads for the highway, heading home.

Of course, it has been a rough week that the Speaker's leadership has presented to the Congress. The Congress has been in session all of 2 days of which part of it was being here for a joint session to hear the President of France, Mr. Chirac. There was a well-known Republican Attorney General named John Mitchell who served under President Nixon who had a saying, I believe it was Attorney General Mitchell, that when the going gets tough, the tough get going. The Republican leadership had modified that a little bit to when the going gets tough, it is time to go, go home, go anywhere, get out of here, because the going is tough right now.

By March 1, this country will default on its debt, that is right, for the first time in 209 years, this country runs the risk of defaulting on the national debt.

Now, I might express, Mr. Speaker, this is not debt, this is not voting to extend the debt ceiling so that you can borrow more for future spending. This is simply acknowledging and paying the debts you have already incurred. If you do not like future spending then you do it the old-fashioned way, you legislate it so you do not have any more. You cut the programs. This is honoring the country's debt that it owes.

The previous gentlemen talked about the farm bill. Yes, that is also in crisis, and, yes, the Congress ought to be here working on it.

But why is it not being brought up tonight? They provided the answers themselves. It came out of committee on Tuesday. There are many of us, such as myself, who are not on the Committee on Agriculture. The rules of the House provide for a 3-day layover so you can study these bills, and yet this Republican leadership is not willing for this House to be in session tomorrow, Monday, Saturday, whatever it takes to get this bill done.

You know, Mr. Speaker, everyone knows about credit ratings. America's families worry a great deal about keeping their credit ratings solvent. Why is not this congressional leadership worrying as much about keeping the Federal Government's credit rating?

I was thinking about this the other day, Mr. Speaker, as I wanted to look at our mortgage. We have an adjustable rate mortgage, and so we keep our mortgage and we keep a lot of our important papers like a lot of Americans keep their important papers in a metal box under the bed. We do that, we keep it in a metal box because if there is a fire, they will be protected, or a flood, those important papers like a mortgage will be protected, perhaps even from prying hands.

But you know, Mr. Speaker, there is one danger, one crisis that a metal box cannot protect, metal, concrete, steel, Teflon, you name it, cannot protect against, and that is from a default. That is from interest rates going up on variable rate loans. That metal box cannot protect our variable rate mortgage from the $1,200 that the average family will pay additional if this country goes into default. That metal box cannot protect future car payments from being 2 to 3 percent higher. That metal box cannot protect us against these credit rates, Visa credit rates, Visa, MasterCharge, and so on, from going up. That metal box cannot protect us from the higher rates we will have to pay for our children to go to school. That metal box cannot protect us. Just as that metal box cannot protect this family, and a lot of us are families, guess what happens if this country goes into default, that metal box cannot protect the country.

The country has a metal box, and in it it keeps Social Security, it keeps veterans payments, it keeps payments to veterans, honors its obligations to contractors. What happened to the country's metal box? Why cannot that be protected?

This Congress voted by a narrow margin to go home instead of making sure that metal box was secure. The fact of the matter is that failing to deal with the deficit or failing to deal with the debt ceiling, Mr. Speaker, failure to keep this country from going into default now can only worsen the deficit, because this country will have to pay more for the inevitable borrowing that is going to take place.

I voted against adjourning, Mr. Speaker. This Congress needs to stay here until it gets this problem worked out, until it gets the farm bill worked out we have got to preserve the credit rating for the United States.

The first time in 209 years it has really gotten to this point. Does anyone really want to push the country to this edge?

Mr. Speaker, in preserving the credit rating of the United States, this Congress could preserve a lot of credit for itself. We should not be going local this week.

FAREWELL TO REPRESENTATIVE MFUME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia [Mr. SCOTT] is recognized for 5 minutes.

Mr. SCOTT. Mr. Speaker, I rise to pay tribute to a great American, a great humanitarian, a great representative of the people, a great friend—KWEISI MFUME, whose letter of resignation from this body was read earlier tonight. The event of the 104th Congress brought with it many changes. Many of these changes do not bode well for African-Americans, other minorities, the elderly, the poor, students, and working class Americans. Knowing this, I cannot be totally saddened by the departure of my distinguished colleague from this body, because I know that this leaving Congress is truly for the greater good of all these groups and the American community at large. Representative KWEISI MFUME's leadership is needed elsewhere at this time, and I look forward to supporting his efforts in his new role as President and CEO of the NAACP.

The NAACP is gaining the experience and leadership of a man who recognizes the importance of coalition building—he has shown his ability to move coalitions towards their goals without sacrificing principle. The NAACP is gaining the knowledge of a man who recognizes the importance of economic development and empowerment, and one who has used his legislative experience to advance the causes of small and minority-owned businesses and to encourage banks to invest in economic development opportunities within inner city communities. The NAACP is gaining the expertise of the former chairman of the Congressional Black Caucus, who during his tenure, elevated the Black Caucus to a position of national prominence.

KWEISI MFUME now takes on a new challenge—to rebuild the NAACP and elevate its prominence. With this is mind, I cannot be saddened by is departure—there is too much to look forward to.

A HISTORICAL DATE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. DORNAN] is recognized for 60 minutes as the designee of the majority leader.

Mr. DORNAN. Mr. Speaker, I am sure glad that there is an outstanding member of the freshman class and a friend and compadre in the chair. I like to feel good vibrations coming down on the back of my neck from that lofty high perch up there.

Today is a historical day for me personally, Mr. Speaker. Today is the first day that when we adjourn here, that I will be a full-time candidate for the Presidency of the United States. My eight worthy men of high character who are all out there competing have been full-time candidates for an entire year.

I declared in this well at this lectern on February 7 last year, which was the 40th anniversary of my receiving my Air Force wings of silver. It was the 25th anniversary of the POW-MIA bracelet I still wear, No. 1, for a master sergeant, Jimmy Holt, from Hope, AK, one of the heroes from Hope who went missing on February 7 of 1968, right at the end of the infamous Tet offensive, and in the whole year, the leader of the other Chamber set the schedule so he was a full-time candidate whenever he felt like it. He has 100 percent attendance record last year and this year, never missed a vote. When there were three Senators in, when my friend Mr. SPECTER of Pennsylvania was in, all he had to do was watch the leader. When he left, they left. He went to New Hampshire, they followed him, or he went to Iowa or somewhere else. The other five are all literally full-time. My friends Allen Keyes and Pat Buchanan gave up their broadcasting and writing careers, to their credit, and have been full-time candidates for a year.

The two millionaires, multi millionaires, make $15 million a year, Morry Taylor, and Steve Forbes, Malcolm Forbes, Jr., worth $500 million or so, they have been full-time candidates, turning their corporations over to chief operating officers, and Lamar Alexander on "Meet the Press" this Sunday said he draws almost $300,000 a year from his law firm in Nashville, from Howard Baker's law firm. He has been a full-time candidate for 3 years. They have all raised among them tens, twenties of millions of dollars. It is almost all gone, and the only one with the bottomless purse, kind of like Ross Perot this go-around, is Steve Forbes, and the media is just rocketing him to stardom, because he spent about $18 million on commercials.

So now I get in the fray full time starting tonight, and obviously there is not much you can do in 3 weeks. I have been a chairman of two subcommittees. Here is the difference: Which has voted for the 30th time, Mr. Speaker? The Senate has voted once this year. Last year we were in session 30 to 40 days more than they were. Are you aware we voted 272 times, each vote taking between 15 to 20 minutes, 272 more votes in this House. This is the House of the Contract With America, the revolutionary House, and even in a normal year, it is the appropriations House. All taxing bills and all money spending bills originate in this Chamber.

So I have no regrets. It has been the most successful year of my life. I have got so much DNA invested in the defense authorization and appropriation bills that my staff kiddingly called one the "Dornan Authorization Bill," and in a shootout with Clinton on three major items he stripped out of the authorization bill, which is on his desk as I speak, and he will either veto it, which nobody predicts, or pass it after having ripped out of it the language on no U.S. troops under foreign command;

I wrote that language for the Contract With America. It went into the bill, went through a tougher conference with the Senate. He demanded it come out. He wants U.S. troops under U.N. and foreign command.

No. 2, no missile defense. I do not care whether you call it Strategic Defense Initiative, as took place under Reagan in his third year, with Dr. Teller's guidance and that of an absolute American Paul Revere hero, three star general, Gen. Danny Graham who is buried with full military honors, 15-cannon salute at Arlington, the son of an Army sergeant, honored West Point graduate. Danny Graham brought me into his organization High Frontier. I ran the American Space Frontier PAC for him the 2 years I was gerrymandered out of the Congress between being sworn in in 1977, where I had 2 years, 1983 and 1984, out. That was the year of the nuclear freeze nonsense, and I traveled all over. I think I hit all 50 States for Danny Graham on defending the American homeland.

Clinton demanded that national missile defense on line by 2003 by ripped out of the defense authorization bill. Out.

No. 3, the unconstitutional right that he claims and mysteriously the leader of the Senate subscribes to, that he has the constitutional right to send American troops at his whim to Somalia, to Bosnia, to Haiti, back to Somalia, to Rwanda, Chechnya, Tibet, anywhere in the world, and all he has to do is to say to this Chamber "ah, ah, ah, ah, I just bailed out a radioman into Tibet, we must support our trooper on the ground." The next day, if he gets two men in, then they pluralize it, "support our troops."

□ 2115

You cannot exercise your constitutional right to control the armies and the navies that you raise. It is totally the prerogative of the President.

I carry around my Constitution. Here it is right here. Article 2, section 2, "The President shall be commander-in-chief of the Army and Navy and of the United States." That is only 16 words. Take the action words. "President," "commander." That is all. It does not say anything else. It is followed by 18 words, "and of the militia of the several states," thirteen at that time, "when they are called into the actual service of the United States." They had no National Guard or full-time militia. Every Minute Man went back to his plow. So that is it. It says nothing.

But for the Congress of the United States it, it delineates we shall have the power to raise armies and build navies, and that means what they will be paid, what they will wear, their colors, their numbers, where they will be posted or bivouacked or stationed throughout the world, what they will fly, what they will shoot, how many ships they will have, how fast they will go, how much we will spend on intelligence, on research and development. Every single weapon system, from the Beretta pistol, the Sig Saur for the Special Forces, or up to the new F-22 or the joint advanced tactical fighter we are developing. All of that is determined by this Congress.

Where did Clinton or the leader of the Senate think that these two words, "President," "commander," embodied in 16 baffled words there, where did this give him the right to send Americans into the minefields of Bosnia? Of course, it did not, and every scholar worth his salt across this country, and particularly the scholarly people over at the Library of Congress, say he does not have that constitutional right.

Now, what about Michael New, Specialist Michael New, the outstanding paramedic specialist in the 3d Division in Germany, court-martialed a little over a week ago, a bad conduct discharge.

Amazing. I spoke with Michael. Only one other Congressman, no, one Senator, has ever spoken to him, and did not give him much time. But I advised Michael to go to Macedonia; that I agreed with him it was illegal to order our men to wear a blue beret or put on a blue U.N. arm band, but I told him that was our battle here in the Congress, and I would win it for him; to bite his lip, go down there, take that order.

He said no, sir, I respectfully am not going to do it. My parents are behind me. I asked if he was married. He said no. I said all right, if your parents are in your corner, you are walking in a minefield. You are liable to get a discharge you will not like, but I am still going to continue to fight the battle here in the House. I am sorry you do not take my recommendation, but Godspeed. I guess you are showing a lot of courage of your conviction.

Now he has a bad conduct discharge. He is appealing, so he remains on the payroll until then. I just sent a letter over to the Army asking them to delineate every single thing he can do and what course they expect us to take when there is, I think, soon to be a majority in this body and in the U.S. Senate, that feels that they only raise their hand to swear to uphold the Constitution of the United States.

Here before me, sent to me by a young enlisted man who just took this oath of office, and his name is a mouthfull, he took this oath to sign up in the Army for 4 years on 28 November, 1995. His first name is Allen, I am going to spell his last name. C-H-E-R-N-O-M-A-S-H-E-N-T-S-E-V.

He sent this to me to show what they sign. It has not changed from the time I took it at 19 years of age to go in the Air Force, took it less than 2 years later to become an aviation cadet, took it again as a Second Lieutenant on February 7, 1955, as I mentioned at the top of my remarks, and then I took it again after a break to go back on active duty in the reserves, and I have taken it in this Chamber nine times, the first time holding the hand of our youngest daughter, kind of snuck on the floor as a teenager, and then I held the hand of several grandchildren the last two or three Congresses. So I have taken it 9, 10, 11, 12, 13 times. Here is the oath for enlisted men.

I, ROBERT K. DORNAN, (I did this January 30, 1953, wow, 42 years and 2 days ago.) I, ROBERT K. DORNAN, do solemnly swear that I will support and defend the "Constitution of the United States" against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; and that I will obey the orders of the President of the United States and the orders of the officers appointed over me according to the regulations and the uniform code of military justice, so help me God.

Now, therein lies the problem of the court martial of Specialist Michael New. He wanted to defend the Constitution and its laws, and he said he was torn by the verbal orders he was getting from his officers through the President of the United States. So he was torn, and the court martial came down on the side of the following the direct orders of his commanders. That is why I advised him to go on to Macedonia and let us fight the battle here.

Here is an officer's oath, and this for warrant officers too. I, ROBERT K. DORNAN, (I first took this February 7, 1955, having been appointed an officer in the Air Force of the United States in the grade of Second Lieutenant,) do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same, that is the Constitution, and that I take this obligation freely, without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office upon which I am about to enter, so help me God.

Now, did you notice the difference there, Mr. Speaker? There is no mention of the President and no mention of the orders of officers appointed over me. If Michael New were a brand new Second Lieutenant, would he have had a stronger case in that court martial that he was bearing true faith and allegiance to the Constitution that he swore to support and defend? And the Constitution does not talk about wearing the regalia of any foreign power or of serving anything but your United States Constitution. Certainly not a UN charter!

Now, what is happening from Bosnia? People in my cloakroom, and I will bet in the other, were shocked at this front page article on the great Washington Times last Monday, the 29th, four days ago. "Put on a happy face, troops in Bosnia told." "Praise Clinton if press asks," an Army written guide says. Tusar Air Force Base, Hungary, this is by Bill Gertz, a great reporter who spent three weeks to a month embedded with the troops over there.

U.S. troops are grumbling about a pamphlet that advises them to tell any inquiring reporter they have full confidence in their commanders from President Clinton on down. The pamphlet entitled "answers you can use" was prepared by the Army's 5th Corps and has been distributed to all Army troops in Bosnia to help them deal with pesky press inquiries. One suggested answer is U.S. forces are competent, are trained and competent leaders. We have pride in our leadership from the President on down and full trust in their decision.

The problem is, not all of the soldiers feel that way. "That one answer particularly got me," said a colonel, who asked not to be named. A female sergeant with the 4th Aviation Brigade passed at Koperzar Airfield, that is also in Hungary, last stop before Bosnia, also took issue. It says she voted for Clinton, but never again. The story gets more interesting as you get into it.

So I called up the Pentagon and said I want that 5th Corps pamphlet. No results to this day. But, Mr. Speaker, as you well know, I have my ways, and I got hold of the pamphlet, a reasonable fax copy thereof. 5th Corps emblem. Fifth Corps media reference card. Guidelines for dealing with civilian news media.

I find this extremely offensive. Listen to this, Mr. Speaker.

I just read that line, U.S. forces are competent and have trained and competent leaders. We have pride in our leadership, from the President on down, and full trust in their decisions.

U.S. forces have a long tradition of working with the United Nations. (Yes, like in Somalia. Nineteen dead American heroes, including two Medal of Honor winners.) And are confident in our abilities to work together in their missions.

It goes on to say, you will not respond "no comment." It says you may not discuss future plans and operations, of course, foreign policy matters, operational capabilities, or give opinions or hypothesized situations.

"Stay in your lane, soldier!"

If a reporter comes to your unit and is unescorted by a public affairs officer or escort, well, how do you handle Ernie Pyle in these circumstances? Refer them to the joint information bureaus. If they are escorted you may answer their questions, but inform your chain of command immediately about their presence in your area.

Do not make off the record statements. Assume that a reporter's recorder is always on. Anything you say to the reporters will be used.

And the thing that just blows me away is that they are not supposed to say "no comment." I thought that was pretty standard.

Now, this reporter, who was embedded with the troops, continues with some fascinating observations. Listen to this: Some soldiers said they were offended by the attempt to guide their responses. The guidelines include that list of do's and don'ts I just went through.

Be positive in your answers. This is your opportunity to tell the public what a great job you are doing.

In Bosnia?

We are trained, ready and fully prepared to conduct peace operations.

Now here is where it starts to sound like we want our soldiers to be automatons, maybe "Coneheads from the planet Remulac." "We are trained, ready and fully prepared to conduct peace operations."

Here is another good one. We are not here to fight, but we have the capability when required to enforce the treaty and to protect ourselves.

Another: We are disciplined and trained force. We understand our mission and the rulings of engagement.

Another: U.S. forces have a long tradition of working with the United Nations and NATO. We are confident in our abilities to work together in this mission.

Many soldiers privately expressed dislike of Mr. Clinton, who avoided service in the military during the Vietnam War. One soldier said he lost all respect for President after he learned about Mr. Clinton's efforts to avoid being drafted. One Lt. Colonel confided that he disliked the President, and was careful not to express his opinions when enlisted personnel were around.

Good. Do not, colonel.

Another captain, I think I will not use his name, a spokesman for the Army in Hungary, referred questions about the pamphlet to another captain, he is in a world of hurt, so I will not mention his name either, who took part in writing the guidelines. He would not return a telephone call.

Now, this reporter, an excellent reporter, I might add, told me that the men ride around in their Humvees sitting on one leg. They pull one leg up under them so if they have the misfortune to hit a land mine, they will at least salvage one leg. Guess what? John Martin Begosh, who is now recuperating at home with part of his foot torn away, severe injuries to his lower leg, I understand from this reporter was sitting on his foot when his Humvee hit that land mine, and it saved the leg that he was keeping under him on top of a piece of armor plating to protect his body from a land mine.

The three British soldiers and the Swedish soldier were not so lucky. They all died a few days ago. We are all holding our breath, hoping that will not happen to one of our Americans.

Now, we had a Conference today, with the 236 Republicans, I think just about everybody was there, and this issue of Michael New, what Clinton demanded be stripped out of the defense authorization bill, and I left out something I had worked very hard on, and that was this whole Bosnia operation, no U.S. troops under foreign command.

You will recall I brought an amendment up the hard way, all the way through conference, battling all the way, without help from the leadership from either House in the majority party, brought it to the Floor, and shocked the leadership here by almost cutting off the funds to Bosnia. My amendment got 210 votes to 218. I had some of my best conservative friends in this House take orders beyond what they wanted to do and voted against me. I would have only needed 4 votes to tie that and the Speaker to vote with me to win 215 to 214.

□ 2130

Mr. Speaker, 13 lieutenants went the other way, lieutenants of the leadership. So there were things that maybe I was not aware of on deals that had been made to soften the budget deal when it fell apart anyway, that this House would not stand in the way of Mr. Clinton's unconstitutional prerogative to send our troops anyway. He wanted it. His win.

This whole thing started by an offhanded comment 2 years ago that he said he would give 25,000 troops to the U.N. to help extract the U.N. forces that were there, the way we used 15,000 to extract in a fighting withdrawal. We did not have to shoot, our forces from the failed U.N. mission in Somalia.

So today at the conference it came up. Some of the freshmen said, what actually did Clinton write to Colonel Holmes, the Bataan Death March survivor, head of the ROTC in Arkansas? I told the conference that I would put it in the RECORD again tonight for the twelfth time, and I would also put in Colonel Holmes's letter 23 years later to the American people. And I think this time I will reverse the order.

This is a letter from Colonel Eugene Holmes. I had dinner with him a year ago this month on the 24th, and his lovely wife Irene. He still is as tall at 6-foot-4 and distinguished looking as he ever was as an Army officer when he was captured on Bataan. Survived the Bataan Death March. Ditched an order to join the infamous prison ships that we inadvertently bombed killing almost 5,000 of the men who had survived 2½ years of torturous captivity by the Japanese. He did not go. His friends died and he survived.

Here is what he wrote September 7, 1992. It was published in the aforementioned great newspaper, The Washington Times. No other outlet in the country would publish this letter. I have never heard of it being published in a single newspaper anywhere in our wonderful 50 States except The Washington Times:

September 7, 1992, memorandum for the record. Subject, Bill Clinton and the University of Arkansas ROTC program. Each page is signed. The news media circulated rumors that he was near death. He is healthy, as my dinner attested to a year ago. And he just did not want to hassle with sharper media types. He put the truth out as he saw it. They claimed his daughter wrote this. She did not. He wrote it. And if this man had more witnesses he would have won the Medal of Honor. He holds the second highest honor in the United States, the Distinguished Service Cross.

To the American people, but nobody knew it, there have been many unanswered question as to the circumstances surrounding Bill Clinton's involvement with the ROTC department at the University of Arkansas. Prior to this time, I have not felt the necessity for discussing the details. The reason I have not done so before is my poor physical health, a consequence of participation in the Bataan Death March and subsequent three-and-a-half year interment in Japanese POW camps has precluded me from getting into what I felt was unnecessary involvement.

However, present polls show, September 1992, that there is imminent danger to our country of a draft dodger becoming the Commander in Chief of the armed forces of the United States. While it is true, as Mr. Clinton has stated, that there were many others who avoided serving their country in the Vietnam war, they are not aspiring to be President of the United States.

The tremendous implications of the possibility of his becoming Commander in Chief of the United States armed forces compels me now to comment on the facts concerning Mr. Clinton's evasion of the draft. This account would not have been imperative had Bill Clinton been completely honest to the American public about this matter. But, as Mr. Clinton replied on a news conference this evening, September 5, 1992, after being asked another particular about his dodging the draft, quote, almost everyone concerned with these incidents are dead. I have no more comments to make.

An aside here: that was not true. The lady head of the draft board said that he told her that "I am too educated to serve as an enlisted man."

Colonel Holmes continues: Since I may be the only living person, he did not know he was not the only one, who can give a firsthand account of what actually transpired, I am obliged by love for my country and my sense of duty to divulge actually what happened and make it a matter of record.

Keep in mind, Mr. Speaker, about 20 Americans died in his arms or in his influence those 3½ years of Japanese brutal captivity. "Mr. Clinton came to see me in my home in 1969 to discuss his desire to enroll in the ROTC program at the University of Arkansas."

Another important footnote: I asked Colonel Holmes why he remembered this one student over all those years because he also commanded the ROTC at the University of San Francisco. He said this was the only student that ever came to see him in 10 years in all those years. He said he did not let him in his home but spoke to him in the back and front yard back and forth as the Colonel continued gardening. We engaged in an extensive, approximately 2-hour interview. At no time during this long conversation about his desire to join the program did he inform me of his involvement, participation, and actual organizating of protests against the United States' involvement in Southeast Asia. He was shrewd enough to realize, had I been aware of his activities, he would not have been accepted in the ROTC program as a potential officer in the United States Army.

What Colonel Holmes did not know, and I informed him of it, was that Clinton has already flunked his naval officer's test and then in England at Lakenheath Air Force Base he flunked his Air Force officer's test and then decided no way was he so educated. Even though he was not going to classes at Oxford, but ditching them to demonstrate against our policy in all of Southeast Asia, that included Laos and Cambodia, he decided he was not going to serve as an enlisted man.

The next day I began to receive phone calls regarding Bill Clinton's draft status. I was informed by the draft board that it was of interest to Senator Fulbright's office that Bill Clinton, a Rhodes scholar—that should read Rhodes candidate scholar—only three people in the class failed to complete the program. He was one of the three. Another was a Mississippi student who has since died of AIDS who Clinton brags that the greatest thing he did was write a letter to help this Mississippi student to dodge the draft, that he should be admitted to the ROTC program.

I received several such calls from the chief of staff of the governor's office. His wife thought Fulbright had called and he corrected her, that, no, the chief of staff had. The general message conveyed by the head of the draft board to me was that the Senator Fulbright's office was putting pressure on the draft board, and they needed my help. I then made the necessary arrangements to enroll Mr. Clinton in the ROTC program in the University of Arkansas.

Remember Clinton had already graduated a year out of the Jesuit Catholic Georgetown University. He had already had a year in England ditching class. And so he was going to have to go back and take ROTC classes with undergraduates, go to one summer camp, and on a short abbreviated program because he would have been training for a lawyer there and would join the JAG Corps. It was a special program that the Colonel told BOB DORNAN had just been created in the nick of time for Clinton.

Holmes continues: I was not saving, he is quoting from Clinton's letter, I was not saving him from serving his country, as he erroneously thanked me for in his letter from England, dated December 3, 1969. I was making it possible for a Rhodes scholar to serve in the military as an officer. Lawyer, eventually. In retrospect I see that Mr. Clinton had no intention of following through with this agreement to join the Army ROTC program at the University of Arkansas or to attend the University of Arkansas law school ever. I had explained to him the necessity of enrolling at the University of Arkansas as a student in order to be eligible to take the ROTC program as an undergraduate at the university. He never enrolled at the University of Arkansas, but instead enrolled at Yale after going back to Oxford.

I believe that he purposely deceived me using the possibility of joining the ROTC as a ploy to work with the draft board to delay his induction to get a new draft classification. Actually, he destroyed and suppressed his induction. I never heard of that in my entire life. The December 3 letter written to me by Mr. Clinton was subsequently taken from the file by Lieutenant Colonel Clint Jones, my executive officer, and was placed into the ROTC files so that a record would be available in case the applicant should again petition to enter the ROTC program. Never.

Important footnote, Mr. Speaker: Colonel Holmes never kept this letter over 23 years. Lieutenant Colonel Clint Jones, as much to hurt Colonel Holmes as to hurt Clinton, kept the letter. Clinton had some confederates break into the ROTC building, steal all of his records when he was getting ready to run for Congress in 1974, 4 years later. And all of those records, including the original of the letter, disappeared, or a copy. The original had been purloined by Lieutenant Colonel Clint Jones to hurt Colonel Holmes.

Fascinating piece of investigative work by yours truly that nobody in the media knows to this day. And why? Because Colonel Holmes did not like the way Clint Jones was downgrading the captains who were military, what do they call them, professors of military science. And he was mistreating a Korean decorated veteran who was a master sergeant making him sharpen pencils and carry out wastebaskets. And this ultimate statuesque Distinguished Service Cross colonel, Bataan Death March survivor said: Col. Jones, I am taking the sergeant out from under your control and also all of these young captains. I will rate them. You are downgrading their efficiency reports. The whole system has slid to the high side up in the Pentagon and you are costing these people getting promotions. So that is what caused this bad blood.

Col. Holmes continues: The information in that letter, the infamous letter, alone would have restricted Bill Clinton from ever qualifying to be an officer in the U.S. military. To this day, do the men in Tuzla know that? To this day, he could never apply to even get a secret clearance to serve in the CIA, the FBI, any police department, most of them, and never the Coast Guard Academy or any of our four military services ever. This letter ended that forever.

Only by getting elected to the House, the Senate, or the Presidency or to be a Governor or a ROTC program would he never in his whole life have access to top secret material. Even more significant was Clinton's lack of veracity in purposely defrauding the military by deceiving me both in concealing his antimilitary activities overseas and his counterfeit intentions for later military service. These actions cause me to question both his patriotism and his integrity.

Mr. Speaker, if that line had been written about Ronald Reagan or George Bush, certainly Richard Nixon, it would have been on the evening news over and over and over again. I read it again: These actions cause me to question both Mr. Clinton's patriotism and his integrity. This from a Bataan Death March survivor.

When I consider the caliber, the bravery and the patriotism of the fine young soldiers whose deaths I have witnessed and whose funerals I have attended, when I reflect on not only the willingness but the eagerness that so many of them displayed in their earnest desire to serve their country, and he told me story after story with their names that he and Irene recall to this day it is untenable and incomprehensible to me that a man who was not merely unwilling to serve his country but actually protested against its military should ever be in the position of Commander in Chief of our Armed Forces.

I write this declaration not only for the living and future generations, but for those who fought and died for this country. If space and time permitted, I would include the names of the ones I knew and fought with. And along with them I would mention my younger brother, Bob, who was killed during World War II and is buried in Cambridge, England. He was killed at the age of 23, about the age Bill Clinton was when he was over in England protesting the war. He had the age exact.

Another footnote Mr. Speaker, when I went over for the 50th anniversary of Normandy, we went to a ceremony in Cambridge, England. I looked for Bob Holmes's grave and found it. He died on board a B–17 coming over the English Channel. This wall of all the missing hundreds and hundreds of men who crashed into part of Europe and were never found or died in the English channel. Bob's remains are buried there.

I visited the grave, then went back to my seat with my wife. And then in came the Clintons, waving at the crowd. A Spitfire, Mustang and B–17 flew over at a very low altitude, pushed the minimums. There was hardly a dry eye in the place. All I could think of is over there is Bob Holmes' grave; died at 23 for his country. And here is the first draft dodger to ever serve in the position of our Commander in Chief.

I go back to Col. Eugene J. Holmes' concluding paragraph: I have agonized over whether or not to submit this statement to the American people. But I realize that even though I served my country by being in the military for over 32 years and having gone through the ordeal of months of combat under the worst of conditions followed by years of imprisonment by the Japanese, it is not enough. I am writing these comments to let everyone know that I love my country more than I do my own personal security and well-being.

He was worried, Mr. Speaker, releasing this letter: I will go to my grave loving these United States of America and the liberty for which so many men have fought and died. Because of my poor physical condition this will be my final statement.

He is actually in very good physical condition. He did not want to hassle with the liberal dominant media culture, and I can understand that.

I will make no further comments to any of the media regarding this letter.

He did not want to tell the Lt. Col. Clint Jones story. And he released this letter, and the media had already made their choice between Bush and Clinton, so they ignored it.

□ 2145

So they ignored it.

Now, here is the infamous letter, and it gives new meaning to the word "infamous." All of the freshmen and sophomores wanted me to go put this in again; they did not want me to go look it up from 1991 or 1993, where I have put it in about 10 times. Here is the letter that Bill Clinton wrote to Col. Eugene Holmes, Director of the ROTC program, University of Arkansas, on December 3, 1969.

He drew a low lottery number, 319, I believe, on the 1st; applied for Yale on the 2d, still being mentored by all of his political friends in Arkansas; and on the 3d he wrote this letter to Holmes and it is filled with inaccuracies.

"I am sorry to be so long in writing, Colonel. I know I promised to let you hear from me at least once a month."

Col. Holmes does not remember that promise at all. He did not think he was going back to Oxford; he thought he was going back to Arkansas.

"And from now on you will."

Never wrote again.

"But I have to have some time to think about this first letter. Almost daily, since my return to England, I have thought about writing, about what I want to and ought to say."

Pause.

On Lincoln's birthday, Feb. 12, 1992, with Clinton sitting there, having been given this letter after it popped up in the press, having been given this letter by Rich Kaplan, one of Clinton's Renaissance, Hilton Head, SC friends, he gave this letter to Clinton, Rich Kaplan.

Head of ABC Evening News to this day, Peter Jennings, he had been Ted Koppel's producer for 14 years, he called Ted and said, "Ted, put Clinton on." Clinton was running third in New Hampshire and in free fall. And since I am running 5th, 6th, 7th, or 8th, I know what that must have felt like. He had spent the money that I do not have.

And Rich Kaplan gave the letter to Clinton to prepare for 3 days. Koppel puts him on, the whole show, and goes into overtime as though it is Margaret Thatcher or some world leader. While Clinton sits there, biting his lower lip, Koppel read the entire letter. That ate up the whole first part of the show, which I am going to do now.

I will continue, second paragraph. "First, I want to thank you, not just for saving me from the draft, but for being so kind and decent to me last summer," 1969, "when I was as low as I have ever been. One thing which made the bond we struck," 2 hours in his garden, "in good faith somewhat palatable to me was my high regard for you personally. In retrospect, it seems that the admiration might not have been mutual had you known a little bit more about me, about my political beliefs and activities."

Footnote: This was no Joan Baez peace-worker who said "A pox on both of your houses" and would quote St. Francis: "Where there is hatred, let me so love." No, no, he was pro-Hanoi, pro-Ho Chi Minh, the George Washington of his country.

We, the interventionists, the imperialists. We know the whole routine of these teachings that Clinton conducted at the University of London, School of Economics, after hours. That is the school where JFK spent some time.

He says, "At least you might have thought me more fit for the draft than for ROTC. Let me try to explain. As you know, I worked for 2 years in a very minor position on the Senate Foreign Relations Committee. I did it for the experience and the salary, but also for the opportunity, however small, of working every day against a war I opposed and despised, with a depth of feeling I have reserved solely for racism in America before Vietnam. I marched with Martin Luther King."

I can respect that, but he was just a 16-year-old.

"I did not take the matter lightly, but studied it carefully, and there was a time when not many people had more information about Vietnam at hand than I did."

Good grief. What a braggadocio, foolish statement.

"I have written and spoken and marched against the war."

He did not tell any of this to Colonel Holmes.

Mr. Speaker, before I continue my Special Order, let me add my words, that I too have enjoyed the friendship of Mr. KWEISI MFUME, and also can state emphatically that I have never met a harder-working Member of Congress or a better gentleman, or just a more upbeat person that saw no challenge in this life that he did not think he could solve personally or that all of us could not solve together.

You have taken on a very tough job with one of the oldest and most respected civil rights organizations in America, the NAACP, and I think that you will bring it to its heights of new glory. I am going to miss you, KWEISI, and I am sorry that I was ahead of you. I was going to let you have your Special Order first, or course.

Mr. Speaker, I think I have 20 minutes left. Let me speed this up.

Here is Bill Clinton, writing from somewhere in Yale. I think he was sleeping on Strobe Talbott's floor, 43 Lechner Road; he did not even register to live in a dormitory at Oxford, never went to class; took his Rhodes scholarship money and never pursued it, never tested and left for Yale in the spring of 1970 after a curious trip to Moscow, Prague, Helsinki, Leningrad, and other Scandinavian countries.

So here he is writing somewhere. Strobe Talbott, by the way, is number 2 at the State Department; he had hoped to make him number 1. That is why they put in Warren Christopher, but they did not plan on JESSE HELMS becoming chairman of the Foreign Relations Committee in the Senate. So everything is kind of dead in the water.

Clinton continues in the third paragraph of the Dec. 3, 1969 letter: "Let me try to explain," to Colonel Holmes. "As you know, I worked for 2 years in a very minor position on the Senate Foreign Relations Committee. I did it for the experience and the salary, but also for the opportunity, however small, of working every day against a war I opposed and despised with a depth of feeling I had reserved solely for racism in America before Vietnam. I did not take the matter lightly, but studied it carefully, and there was a time when not many people"—I have been over there eight times as a journalist—"had more information about Vietnam than I did."

He has never been there.

"I have written and spoken and marched against the war. One of the national organizers of the Vietnam moratorium is a close friend of mine."

I guess that would be David Mixner, who helped raise $4 million in the homosexual community.

"After I left Arkansas last summer, I went to Washington to work in the national headquarters of the moratorium," right before he met with Colonel Holmes and after, and then he went up to Martha's Vineyard for another big organizing session.

"Then to England to organize the Americans here for demonstrations October 15 and November 16."

One demonstration was the new Mobe committee; the other was the moratorium committee. I do not know which was which.

"Interlocked with the war is the draft issue, which I did not begin to consider separately until early 1968."

Yes, graduating from Georgetown when they had announced there would be no more deferments for graduate studies. How he swung that, no one knows.

"For a law seminar at Georgetown, I wrote a paper on the legal arguments for and against allowing within the Selective Service System the classification of Selective Conscientious Objection for those opposed to participation in a particular war, not simply to 'participation in war in any form.'"

Mr. Speaker, imagine if Specialist Michael New had quoted from this letter and used 23-year-old Bill Clinton, who I believe is a year older than he is, to use this as his rationale why he would serve honorably but not go to Macedonia in that particular situation wearing the U.N. powder-blue beret.

Back to the Clinton letter. "From my work I came to believe that draft system itself is illegitimate. No government really rooted in limited parliamentary democracy should have the power to make its citizens fight and kill and die in a war they may oppose, a war which even possibly may be wrong, a war which in any case does not involve immediately the peace and freedom of the Nation."

Mr. Speaker, does Bosnia involve immediately the peace and freedom of the Nation? Young people would quickly say, I do not think so.

Continuing the letter: "The draft was justified in World War II because the life of the people collectively was at stake. Individuals had to fight"—

No, they did not. We had 6 million draft dodgers in World War II.

—"if the Nation was to survive."

No, that is wrong. We had about a million and a half. We had 6 million people who were turned away. Out of the 18 million drafted, 6 million were told, you are not properly schooled or you are too heavy, you are too skinny, or you cannot do enough pushups or chinups. You are too weak. Six million were turned away of the 18 million that were drafted, and then lots were turned away that tried to join.

Some came back and back and back and made it, even with one eye, even with curved spines. Those that really wanted to serve in many cases got by. Roger Young won the Medal of Honor on the island of New Georgia in the Solomons, and he only had one eye. Took his eye test like that, both with the same eye.

Now, he continues: "That individuals had to fight, if the Nation was to survive, for the lives of their countrymen and their way of life. Vietnam is no such case, nor was Korea an example where, in my opinion, certain military action was justified, but the draft was not, for the reasons stated above."

Do not think I did not think of that line, and why I left before he spoke at my war where I was in pilot training when it ended, mercifully, at the dedication of the Korean Memorial on its 43d anniversary last July 27, 1995, 42d anniversary of it ending.

"Because of my opposition to the draft and the war, I am in great sympathy with those who are not willing to fight, kill, and maybe die for their country; i.e., the particular policy of a particular government."

Thank heaven, Michael New had the integrity not to use that line, Mr. Speaker.

"Right or wrong. Two of my friends at Oxford are conscientious objectors. I wrote a letter of recommendation for one of them to his Mississippi draft board, a letter which I am more proud of than anything else I wrote at Oxford last year."

He did not write much; he never went to class, Mr. Speaker.

"One of my roommates is a draft resister who is possibly under indictment."

This is the fellow that committed suicide whose picture is in Clinton's bedroom.

"And may never be able to go home again. He is one of the bravest, best men I know. His country needs men like him more than they know. That he is considered a criminal is an obscenity."

The problem was he came home, he turned himself in. The FBI said, we have no more interest in you, the war is winding down. His family was not happy with what he had done, they had a military tradition, and that is when, let me see if I recall his name, Frank Aller, A-L-L-E-R, tragically committed suicide two years after this in 1971 when no one was looking for him. Hardly a brave act when he could have gone on with his life.

"The decision not to be a resister and the related subsequent decisions were the most difficult of my life. I decided to accept the draft in spite of my beliefs for one reason: To maintain my political viability within the system."

Those are the words that Ted Koppel repeated: "To maintain my political viability within the system." The fact is, he never went back into the draft system.

"For years I have worked to prepare myself for a political life characterized by both practical, political ability and concern for rapid social progress. It is a life I feel compelled to try to lead. I do not think our system of government is by definition corrupt, however dangerous and inadequate it has been in recent years."

> The society may be corrupt, but that is not the same thing. And if that is true, we are all finished, anyway. When the draft came, despite political convictions, I was having a hard time facing the prospect of fighting a war I had been fighting against, and that is why I contacted you.

☐ 2200

Law school and being a JAG, a Judge Advocate, is hardly being under fire.

> ROTC was the only way left in which I could possibly but not positively avoid both Vietnam and resistance.

In other words, he did not have the courage to be identified as a resistance person.

> Going on with my education, even coming back to England, played no part in my decision to join ROTC. I am back here and would have been at Arkansas Law School because there is nothing else I can do. In fact, I would liked to have been able to take a year out perhaps to teach in some small college or work on some community action project and in the process to decide whether to attend law school or graduate school and how to begin putting what I have learned to use.

Well, Sergeant Jimmy Holt of Hope, Arkansas goes missing in Vietnam, not found to this day.

> But the particulars of my personal life are not nearly as important to me as the principles involved. After I signed the ROTC letter of intent to you, I began to wonder whether the compromise I had made with myself was not more objectionable then the draft would have been because I had no intention in the ROTC program in itself and all I seem to have done was protect myself from physical harm.

Mr. Speaker, in other words, he did not want to be a lawyer and wear the Army uniform. He wanted to go to Yale Law School and not to Arkansas Law School.

"Also I began to think I had deceived you, not by lies, there were none"—that is not what Colonel Holmes wrote—"but by failing to tell you all the things I'm writing now. I doubt then that I had the mental coherence to articulate them."

The Colonel told me he was very articulate as a 23-year-old student, following him from the front yard to the back yard during two hours of gardening, back and forth.

Back to the letter.

> At that time after we had made our agreement and you had sent my 1-D deferment to my draft board, the anguish and loss of my self-respect and self-confidence really set in. I bet, Mr. Speaker.

> I hardly slept for weeks and kept going by eating compulsively.

Does that sound familiar? What were they doing in Vietnam? Sleeping, and kept going by eating compulsively?

> I read until exhaustion brought sleep. Finally on September 12 I stayed up all night writing a letter to the chairman of my draft board.

And preparing for the demonstrations on October 15 and November 16 that he mentioned in the first paragraph.

"I sent a letter to the chairman of my draft board saying basically what is in the preceding paragraph, thanking him for trying to help me in a case where he really couldn't and stating that I couldn't do the ROTC after all"—I can't do it—"and would he please draft me as soon as possible.

Nobody has ever found that letter, I doubt it was ever written. So does Colonel Holmes. Oh.

> I never mailed the letter. But I did carry it on me every day until I got on the plane to return to England. I didn't mail the letter because I didn't see in the end how my going in the Army and maybe going to Vietnam would achieve anything except the feeling that I had punished myself and gotten what I had deserved.

And maybe given the integrity to tell young men to go die in Somalia, 19 of them, and to tell them to go drive over land mines in Bosnia.

> So I came back to England to try to make something of the second year of my Rhodes scholarship.

Footnote. And ditched every class and flunked out and left.

> "And that is where I am now, writing to you, because you have been good to me and have a right to know what I think and feel. I am writing too in the hope that my telling this one story will help you to understand more clearly how so many fine people have come to find themselves still loving their country but loathing the military.

Loathing the military,

> To which you and other good mean have devoted years, lifetimes to the best service you could give."

In Vietnam, people who went a few steps further than Clinton were rolling grenades into the tents of what they call lifers, sergeants and officers from the academies who were giving their life to military service, and killed them, and the names are on the wall, only known to God how many, but I know of at least 10, men that were murdered by the man under them because of both drugs and the poisonous atmosphere, some of which was developed in the other body and this body during this incredible war in Vietnam. He says,

> Loathing the military to which you and other men have devoted years, lifetimes to the best service you could give. To many of us, it is no longer clear what is service and what is disservice, or if it is clear, the conclusion is likely to be illegal.

I debated men who had the guts to go to jail, and I respected them, like Joan Baez's husband David Harris, student body president, Stanford. It is the people who hid out like this and let others go in their place and then wanted to be commander-in-chief some day that perplex me.

Closing paragraph.

> Forgive the length of this letter, Colonel. There was much to say. There is still a lot to be said but it can wait. Please say hello to Colonel Jones for me. Merry Christmas. Sincerely, Bill Clinton.

That would be Lieutenant Colonel Clint Jones, who stole this letter out of the ROTC files to keep it and use it at some point against Colonel Holmes because Holmes had disciplined Colonel Jones, and when the files were stolen from the ROTC building and destroyed—and we are looking for a lot of missing files this day, a quarter of a century later—Colonel Jones gets a good-bye and a Merry Christmas from Bill Clinton.

Mr. Speaker, one of the networks attacked me tonight, I think unfairly, so I do not have to ask for a point of personal privilege. I will fix it right now.

It is over an amendment that I have on the defense authorization bill to give an honorable discharge and 6 months to get their affairs in order to everybody who has tragically contracted the AIDS HIV virus. Surgeons General and the Surgeon Admiral of the Navy, which handles the Marine Corps, and the Air Force and the Army have all told me, sometimes on the record, but always off the record, that they do not think people who have the HIV virus, who cannot contribute to the walking blood bank in the military, who have to be brought home from every country in the world where they serve, taken out of their aircraft, their helicopters, off the ships, out of the submarines, out of the Abrams tanks, the fighting vehicles, the Humvees, nobody in Bosnia, Somalia or Haiti carrying the HIV virus, that they all have to be brought back stateside, for the Marines and the Navy and only two wonderful States with a high tourist budget, California and Virginia, have to be within 300 miles of a hospital for treatment, and then since they have been taken out of a combat-ready job and brought home from overseas, we fire, we pink slip with an honorable discharge but not 6 months other people who are healthy, who are part of the walking blood bank, are trainable for combat and can go be deployed overseas any day of the week. Those people are let out of the military so that these people can be trained at our tax expense into their new job.

Mr. Speaker, I knew when I saw the article in the Post yesterday that this woman—and I must take her at her word and believe her, even though she is anonymous, using a false name, Marie—was in the "Post" saying that her husband contracted AIDS through unprotected sex, the implication is cheating on her, and that is a tragedy, brought it home to her.

Remember, this Congress has done nothing in a decade to force doctors to call the roommate, the live-in girlfriend, the homosexual roommate, the fiancee or the wife of a person who has the HIV virus and tell them that that person can kill them. I have read that it takes about 700 normal intercourse events to contract heterosexual contact AIDS, and no doctor in this country, and the chief doctor in the military, Dr. Joseph, who sent me a book that is frightening about his battle with the New York health services, not to win this battle, and that we still have not won it.

So the husband came home, the doctor could not call the wife, he infected her, and then he dies and widows her with one child. Fortunately, the child was conceived, because breast milk is one way you transmit the HIV virus, and now she is a sergeant, 10 years, left alone.

All I could do was say that she must be patriotic and accept this honorable discharge 6 months from now, and not expect us to keep 1,100 people on active duty when the doctors in the military tell me that the largest group of the 3 is probably 500 or more people, young people, who are conned by our deteriorating culture into sticking a dirty needle in their arm, and that to help a woman in this tragic situation we have to keep 500 people who broke the Uniform Code of Military Justice, who played Russian roulette with a dirty drug needle and lost, that they get cover because of this one tragic case?

There are no more tainted blood people left on active duty. The last one died 3 years ago. We have all learned on this floor, from the limited debate on the worst plague in American history, almost going to pass the flu epidemic in 1919 that killed millions of senior citizens, we are getting there.

We have now lost more young men in their prime of life than were killed in combat in World War II. Three hundred twelve thousand in World War II, depending on your encyclopedia or your military records, 350,000 to AIDS if you put bisexuals and drug users, a mixed category, in with homosexuals. And then we add about 10 or 20,000 cases, Dr. Koop, the Surgeon General, told me, that were attributed to the primary cause of death, pneumonia, dementia, heart failure, cancer, rather than put down that it was AIDS that broke down their immune system and caused the deaths. So they add another 10 or 20,000 on there from 1980 through 1983 when doctors mercifully, it is understandable, tried to help the family keep some privacy on what killed their young loved male adult and some few women.

So here we are with the networks structuring this thing as though, and they keep saying this, the Army Times said it, the networks have said it, the Post said it and the New York Times calling any of us who voted for this, which is a majority of the House and Senate and the majority of conferees, calling us anti-AIDS bigots. They keep saying these men stay on the job and that they are healthy.

No, by definition they are not healthy, that is why they cannot give blood. By definition we in this Congress added them to the Americans with Disabilities Act. Every HIV person in this country is considered disabled, so they are not healthy.

Then they stay on the job, and this is where I want to stay down and plead with people to listen. They do not stay on the job if they are a pilot, a helicopter pilot, on a ship, a sub or in a tank or in an artillery unit or a paratrooper or special forces. They are given a safe job in the States, never to be deployed again.

Mr. Speaker, I will put in my remarks and several other articles that I wrote about the Clinton letter comparing it to the letter of Maj. Sullivan Ballew in the Civil War, and I will put in my explanation of why this is fair, and it has to do with readiness, only to give an honorable discharge and 6 months to prepare to go into civilian life and special health treatment that a car accident victim does not get if they have a career-ending injury while serving in uniform in our military services.

Mr. Speaker, I submit for the RECORD my news releases and some key letters on this HIV-military controversy:

DORNAN PROVISION ON HIV/COMBAT READINESS PASSES AS PART OF FISCAL YEAR 1996 DEFENSE CONFERENCE BILL

"The necessity of retaining personnel who have been found to be HIV positive imposes significant problems for all the services, but especially the Navy. . . . The immediate discharge of HIV-infected members would increase personnel readiness. . . ." commented Admiral Frank Kelso, former Chief of Naval Operations, in response to an inquiry by Congressman Robert K. Dornan of California. Dornan, Chairman of the House Subcommittee on Military Personnel, successfully passed a provision in the FY 1996 Defense Conference which would accomplish this goal.

Dornan's legislation would require discharge of HIV+ military personnel, who, because of their condition, are unable to deploy overseas or participate in most other combat requirements such as flying aircraft, serving on board ship, or operating as a ground infantryman. A Pentagon quality-of-life task force echoed Dornan's concerns in a recent report which stated, "The Defense Department should enforce non-deployable policies." Currently, HIV-infected members, though permanently non-deployable, are allowed to remain on active duty until they develop full-blown AIDS.

"This is an issue of readiness and fairness," said Dornan. "In a time of increased defense downsizing, we cannot afford to keep on active duty personnel who are not fully deployable worldwide. We also must be fair to those who are fully deployable. They should not have to spend additional time away from friends and family because they have to remain overseas in place of someone who is not deployable."

Dornan points to the statement of an active duty Marine Corps company commander, who wrote, "By not being able to rotate from our non-deploying company, my one HIV Marine kept another Marine from leaving a deploying unit. This may not seem like much to some Congressmen . . . , but I'm sure it meant a lot to the guy and his family who had just spent 54% of their last three years separated due to normal deployment patterns."

The defense conference report will now be sent to the President and hopefully signed into law.

DEPARTMENT OF THE NAVY, HEADQUARTERS, U.S. MARINE CORPS,
Washington, DC, July 23, 1993.

Hon. ROBERT K. DORNAN,
House of Representatives,
Washington, DC.

DEAR MR. DORNAN: Thank you for your letter of July 1, 1993, concerning Marine Corps policy governing HIV positive servicemembers.

Navy and Marine Corps regulations require that discharge proceedings be initiated through the disability evaluation system in cases of HIV–1 positive servicemembers who are found unfit for duty. Members who are found fit for duty are retained; however, they must be assigned within the United States to a unit that is not normally programmed for deployment. Further, they must be assigned within 300 miles of a Medical Treatment Facility (MTF) designated by the Surgeon General that is capable of providing the care required by HIV–1 positive members. The MTF's designated are the Naval Hospitals at San Diego and Oakland, California, Bethesda, Maryland, and Portsmouth, Virginia.

The costs associated with retaining HIV–1 positive Marines have not yet been analyzed. It must be noted, though, that the total number of HIV–1 positive Marines currently on active duty represents an extremely small percentage of our total force.

Marines who are HIV–1 positive are not assigned to ship's detachments or to extended deployments afloat, although HIV–1 positive officers are not precluded from embarking on ships for short durations for training exercises, or from participating in training deployments within the United States or its territories. Federal Aviation Administration regulations prohibit HIV–1 positive servicemembers from flying aircraft or being certified as pilots. Navy instructions also restrict the assignment of HIV–1 positive aviators to duty as both pilot and aircrew aboard military aircraft. Further limitations on the assignment of HIV–1 positive Marines to operational units or specific duties may be established based on the necessity to protect the health and safety of the HIV–1 positive member and of other military personnel.

Current Department of Defense regulations governing physical disability prohibit the determination of unfitness based solely on a servicemember's inability to perform his or her duties worldwide, a provision that does not apply exclusively to HIV–1 positive servicemembers. The Marine Corps supports a recent recommendation by the Director, Naval Counsel of Personnel Boards that this prohibition be removed.

We consider this a manpower issue vice a medical issue. The deployed time for certain Marine units currently exceeds the Navy's guidelines, and the retention of non-deployable Marines prevents us from filling those billets with Marines who are worldwide deployable. This not only impacts readiness but also increases the deployment tempo of fully fit Marines.

I trust this information will be of assistance to you.

Very respectfully,
C.E. MUNDY, Jr.,
General, U.S. Marine Corps,
Commandant of the Marine Corps.

CHIEF OF NAVAL OPERATIONS,
September 2, 1993.

Hon. ROBERT K. DORNAN,
House of Representatives,
Washington, DC.

DEAR MR. DORNAN: Thank you for your letter of July 1, 1993, concerning our HIV policy and the problems associated with caring for HIV-infected personnel.

The necessity of retaining personnel who have been found to be HIV positive imposes significant problems for all the Services, but especially Navy. Assignment limitations cause significant disruption in the sea/shore rotation for all our personnel.

The Department of Defense (DoD) requires assignment of HIV-infected service members only within the continental United States due to the high priority assigned to the continued medical evaluations; Alaska, Hawaii, and Puerto Rico lack Navy medical treatment facilities required by HIV infected members.

HIV infected members are not eligible for service on ships, due to insufficient medical treatment facilities aboard; however, HIV infected members do continue to perform in their rating in shore duty billets in close proximity to adequate medical care. Members who normally are assigned to a flight assignment are grounded when found to be HIV infected. This is consistent with established procedures for other medical conditions. Fifty-five percent of all Navy ratings serve the majority of their careers at sea. All HIV infected members in sea duty intensive ratings no longer take their turn for assignment to a ship, drastically altering an already tight sea/shore rotation schedule. HIV infected Physicians, Nurses, Dentists, Hospital Corpsmen (HM), and Dental Technicians (DT) are not allowed to perform exposure, invasive procedures.

HIV is an expensive disease to treat. Costs are not limited solely to providing medical care. The average length of time between diagnosis of an HIV infection and medical separation is approximately 4 years. Members are not medically separated until they display clinical illness symptoms.

An asymptomatic active duty member's medical care consists of an initial hospitalization for a thorough medical evaluation and staging, and periodic reevaluations conducted semiannually. The cost of an initial evaluation is approximately $4,000 and reevaluations cost $2,400. Medications such as AZT cost approximately $2,200 per year. Total lifetime treatment adds up to approximately $208,000. This figure does not include time lost from their assigned duty station, psychological counseling, travel to and from the medical center or the costs of separation.

The Navy has approximately 787 HIV infected active duty members, 35 officers and 752 enlisted. The average FY-93 cost in pay and benefits to retain one officer is $71,436 and $30,541 for each enlisted member on active duty. The total pay and benefits for the 787 personnel is $25,467,092 for this fiscal year.

A member found medically unfit for duty is transferred to the Temporary Disability Retirement List (TDRL) and provided a 30 percent minimum disability benefit and continued Navy medical care. We place the member on the Permanent Disability Retirement List (PDRL) and provide a 100 percent disability benefit and continued Navy medical care when the member's condition deteriorates. The Navy has medically retired 1,193 HIV infected members since the beginning of the program in 1986. An estimated lifetime treatment cost (not including pay and benefits) for all the infected retirees is a total of $248,144,000. Only members who become eligible for the Temporary or Permanent Disability Retirement Lists are provided continued treatment at a Navy medical treatment facility. All members discharged for other reasons are eligible for Veterans Administration care upon separation.

The immediate discharge of HIV infected members would increase personnel readiness during a time of significant downsizing. Additionally, it would allow the Navy to replace the 787 infected members with members who are healthy and world-wide assignable. Sea/shore rotation schedules would be readjusted, thereby increasing readiness. Discharging these members would place the responsibility of monitoring the physical condition of HIV infected members on the civilian sector.

If I may be of any further assistance, please do not hesitate to contact me.

Sincerely,
FRANK B. KELSO II,
Admiral, U.S. Navy.

NON COMMISSIONED
OFFICERS ASSOCIATION
OF THE UNITED STATES OF AMERICA,
Alexandria, VA, June 7, 1994

Hon. ROBERT K. DORNAN,
House of Representatives,
Washington, DC.

DEAR MR. DORNAN: The Non Commissioned Officers Association of the USA (NCOA) strongly supports the proposal contained in the House version of the FY 1995 Defense Authorization Bill (H.R. 4301) that ensures that all members of the military be physically and medically worldwide deployable.

During a time when manpower levels of the military services have been and continue to be reduced to minimum levels, NCOA believes that the taxpayers of this country should reasonably expect that all servicemembers serving in the military services be able to serve wherever and whenever needed. If necessary readiness capabilities are to be realized from a "boot-on-the-ground" standpoint, everyone in uniform must be eligible for deployment under field conditions. NCOA further believes that failure to adhere to such a policy presents false strength indicators and will undoubtedly result in unfair assignment practices and rapidity for those who meet and maintain established deployability criteria.

NCOA is opposed to any legislative effort to reduce or lessen the deployability requirements of H.R. 4301.

Sincerely,
MICHAEL F. OUELLETTE,
Sergeant Major, U.S.
Army, (Retired),
Director of Legislative Affairs.

Here is my "Dear Colleague" on this, Mr. Speaker:

DEPARTMENT OF DEFENSE OR MINISTRY OF PROPAGANDA?

DEAR COLLEAGUE: I'm sure you'll share my outrage after reading the following article from the January 29, 1996 edition of the Washington Times regarding a "Media Reference Card" issued to our troops in Bosnia. This is another blatant attempt by this administration to use our military for purposes other than national security. In this case, U.S. troops—troops risking their lives against land mines and terrorists in the cold of winter—are being directed to tell reporters they have full faith in the President and the United Nations! Besides the article, I'm also including a copy of part of the card itself—Disgusting!

Sincerely,
ROBERT K. DORNAN,
U.S. Congressman.

PUT ON A HAPPY FACE, TROOPS IN BOSNIA TOLD—PRAISE CLINTON IF PRESS ASKS, GUIDE SAYS

Taszar Air Base. Hungary—U.S. troops are grumbling about a pamphlet that advises them to tell any inquiring reporter they have full confidence in their commanders, from President Clinton on down.

The pamphlet, titled "Answers You Can Use," was prepared by the Army's V Corps and has been distributed to all Army troops in Bosnia to help them deal with pesky press inquiries.

One suggested answer is: "U.S. forces are confident in our trained and competent leaders. We have pride in our leadership, from the president on down, and full trust in their decision."

The problem is, not all of the soldiers feel that way.

"That one [answer] particularly got me," said a colonel who asked not to be named.

A female sergeant with the 4th Aviation Brigade, based at Kaposvar Air Field, also took issue with the statement. "I voted for him [Mr. Clinton] last time, but not this time," said the sergeant, who also declined to be named.

Some soldiers said they were offended by the attempt to guide their responses.

The guidelines include a list of do's and don'ts for speaking with reporters, including an admonition not to discuss "political or foreign policy matters . . . or give opinions on hypothetical situations."

They also contain commonsense suggestions about not revealing classified information or details of future plans and operations or operational capabilities.

Soldiers are advised not to say "no comment" but instead to answer difficult questions by saying "We don't comment on future operations" or "I'm not qualified to answer that question."

The troops also are told never to lie to reporters and not to interfere with news gatherings.

"Be positive in your answers," the guide says. "This is your opportunity to tell the public what a great job you and your unit are doing."

Other handy news bites suggested by the guide include the following:

- "We are trained, ready and fully prepared to conduct peace operations."
- "We are not here to fight but we have the capability, when required, to enforce the treaty and to protect ourselves."
- "We are a disciplined and trained force. We understand our mission and the rules of engagement."
- "U.S. forces have a long tradition of working with the United Nations and NATO and are confident in our abilities to work together in this mission."

Many soldiers privately expressed dislike of Mr. Clinton, who avoided service in the military during the Vietnam War. One soldier said he lost all respect for the president after he learned about Mr. Clinton's efforts to avoid being drafted.

One lieutenant colonel confided that he disliked the president but was careful not to express his opinions when enlisted personnel were around.

Capt. Mark Darden, a spokesman for the Army in Hungary, referred questions about the pamphlet to Capt. Robert Hastings, who took part in writing the guidelines. Capt. Hastings did not return a telephone call seeking comment.

ANSWER YOU CAN USE—V CORPS MEDIA REFERENCE CARD—GUIDELINES FOR DEALING WITH CIVILIAN NEWS MEDIA

1. Throughout this operation, there will be excessive media coverage of Army activities. Reporters will be present everywhere in the area of operations. They are allowed to record your actions and activities. Politely ask them to stay out of your way, but you should not interfere with their news gathering activities. If there is time and it doesn't interfere with your mission, you may answer their questions as long as you follow the guidelines on this card.

2. Don't make "off the record" statements to reporters. Assume that a reporter's recorder is always on. Anything you say to reporters can be used in their reports.

3. If a reporter comes to your unit and is not escorted by a Public Affairs Officer or main escort, refer them to the Joint Information Bureau. If they are escorted, you may answer their questions, but inform your chain of command about their presence immediately.

4. You are not required to talk to the media. If you do, you have the responsibility to protect classified information and the security and privacy of your fellow soldiers. Do not discuss anything outside your area of expertise and do not speculate.

5. You may not discuss future plans and operations, political or foreign policy matters, operational capabilities, or give opinions on hypothetical situations. "Stay in your lane."

6. Don't say "no comment." Simply state "we don't comment on future operations," or "I'm not qualified to answer that question."

7. Never lie to the media. If you can't answer a question or don't know the answer, say so. Suggest where, or with whom the answer may be found.

8. Be brief and concise in answering questions. Use simple language, not military jargon or acronyms.

9. Think before you speak. When asked a question, stop, think, and then answer.

10. If you accidentally say something inappropriate, say so. Ask the reporter not to use your comment, and then report the incident to your commander.

11. Don't allow yourself to be badgered by the media. If necessary, politely end the interview and contact your commander or the PAO.

12. If you observe a reporter recording or viewing something classified, take immediate steps to protect the information and report the incident to your commander. Under no circumstances should you try to take notes, film or equipment from a reporter. Get the reporter's name and organization for your report.

13. Be positive in your answers. This is your opportunity to tell the public what a good job you and your unit are doing.

CONTINGENT ADJOURNMENT OF THE HOUSE FROM CALENDAR DAY OF FRIDAY, FEBRUARY 2, 1996 TO TUESDAY, FEBRUARY 6, 1996

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that when the House adjourns on the calendar day of Friday, February 2, 1996 (legislative day of Thursday, February 1, 1996), it stand adjourned until 8 p.m. on Tuesday, February 6, 1996, unless the House sooner receives a message from the Senate transmitting its concurrence in House Concurrent Resolution 141, in which case the House shall stand adjourned pursuant to that concurrent resolution.

The SPEAKER pro tempore (Mr. METCALF). Is there objection to the request of the gentleman from Texas?

Mr. MFUME. Mr. Speaker, reserving the right to object, and I will not object, I do want to, for the RECORD, indicate that the minority has been consulted on the unanimous-consent request. We understand the merits of it and the necessity of it, and we have no objections at this time.

Mr. ARMEY. Mr. Speaker, will the gentleman yield?

Mr. MFUME. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Speaker, under the gentleman's reservation, I would like to just take a moment to say farewell to my good friend from Maryland, Mr. MFUME. I have enjoyed my time that I have had the privilege of serving here, and we have worked well together, and I must say that I can say, as my grandfather said about many of his acquaintances, that the gentleman from Maryland is indeed, as my grandfather would have said, a gentleman, a scholar and a poor judge of good whiskey, and I thank you for having allowed me the privilege of being your friend in this body.

Mr. MFUME. Mr. Speaker, I thank the distinguished gentleman very much for his kind remarks and for his friendship over the last decade as we have served together on a number of committees, fought a number of battles, and at the end of the day recognized that friendships really do matter and the ability to work together and compromise really is what this body is all about. I thank the gentleman for his kind remarks.

Mr. ARMEY. Mr. Speaker, I thank the gentleman.

Mr. MFUME. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

FAREWELL ADDRESS BY KWEISI MFUME

The SPEAKER pro tempore (Mr. METCALF). Under the Speaker's announced policy of May 12, 1995, the gentleman from Maryland [Mr. MFUME] is recognized for 60 minutes as the designee of the minority leader.

Mr. MFUME. Mr. Speaker, for those Members that are still in their offices and others who are watching, this is in fact probably the last time that I will come into the well of the House of Representatives to address this Chamber and to address the people of the United States in this capacity.

As many of you know, on the 18th of this month, I will conclude my service here in the House of Representatives, lay my resignation forward, and move from that point on on the 18th into a new capacity, that being the President and CEO of the NAACP.

Mr. Speaker, I come to the well with mixed emotions but I come nonetheless because this has been for me a place of partisan wrangling and a place quite frankly to make amends. This well is used by Members for a number of things, most of which is to talk about their legislation, but it also, I think, ought to be a pulpit from which we seek to bridge a better understanding of one another, from which we try to build coalitions and from which we try to understand not just the Members of this Chamber but ourselves differently and also the millions upon millions of people throughout the United States who watch on a daily basis our actions as Members of this august body.

I came here, Mr. Speaker, 10 years ago, in the class of 1986. We were 51 in number and we were a part of what was known then as the historic 100th Congress, a unique class, I think, in many respects, but a class nonetheless that I regret having to depart from as many others have before me.

☐ 2215

But those were different days, and in many respects this was a different Congress and, indeed, perhaps even this was a different Nation.

I have fond memories of the years that I have served in this capacity. I would be remiss if I did not thank the people of Baltimore City and Baltimore County that comprise the Seventh Congressional District of Maryland for vesting in me year after year both in this capacity and previously in a local capacity their trust, their goodwill to represent them here in elected office. They have been good to me over the years, returning me to office with 84 percent of the vote in a day and in an age where there is a great deal of cynicism, when totalities are considered landslides if they approach 65 percent. So in that respect, I have been blessed.

I have also been blessed in these 10 years to have an opportunity to serve with a number of distinguished Members of the House, many of whom are still here, others who have gone on to other careers, and some of whom are no longer on this Earth.

I remember the days of serving with Claude Pepper of Florida, a distinguished gentleman who had in his heart of hearts one desire and one true commitment, to try to bring about change in this body with respect to how we viewed those in the twilight of their lives. I listened to Claude Pepper from this well as others did as he continued to talk about why we needed catastrophic health care in this country and why we ought to understand the treasure chest that we have and the repository that we have in our senior citizens, why we had to have a sensitivity toward them as we must have a sensitivity toward young people.

I remember Sil Conte of Massachusetts, a Republican who understood partisan debate and partisan discourse, but, who at the end of the day, recognized that we were all the same people cut in many respects from the same cloth and given, if we were lucky, the same challenge in this institution to heal and bring us together. Sil Conte passed away many years ago also, but it is the memory of him and Claude Pepper that reverberate in this Chamber, the memory of Mickey Leland coming from Houston, TX, with the desire to represent not only those in his district but those around the country who were voiceless and, indeed, ultimately those around the world who had no voice who in the end gave his life on a mountaintop in Africa trying to feed the hungry and to clothe the naked.

So it has been an interesting 10 years. Having served as I have under three Presidents, I have developed at least a different appreciation beyond what I learned in the classroom about the relationship between the legislative branch and the executive branch of Government. Coming here as I did under Ronald Reagan's administration and leaving as I prepare to do now under the administration of Bill Clinton, it has for me been enlightening, and it has also been humbling.

Someone asked me today what things do you think about when you think about leaving this Chamber, and I said what I will miss most of all are the people, those who are here who serve now, those who were here, and perhaps even those who are running now in districts around the country because they have a desire to come here and to help this institution. I would caution those people, wherever they may be, no matter what State or region of this country, who seek to serve to remember that service has with it a great sense of humility, that these seats before us in which we sit day in and day out are not our seats. They belong to the people of the district that we represent. They are on temporary loan to us, and if we learn nothing else, if we are fortunate enough to get here, we must remember that at some point in time, and at some day in time we must return those seats to them.

I think about at this moment many of the major bills that have gone through this House in the last 10 years, how we debated in one of the more finest hours of this Congress the whole issue of the gulf war, whether or not there ought to be an American involvement, and to what extent that ought to be, a debate that carried over several days, and I think brought out the best of Members of this body on both sides of the aisle in a very wrenching issue that 5 years ago confronted us in the starkest of ways and one that we were able to come to grips with. I remember the passage of the Americans with Disabilities Act when people in this country with all sorts of disabilities were thought somehow in some way to be second-class citizens, and many even thought that they had no rights or privileges that the law and this Congress were bound to respect, and when STENY HOYER of Maryland and others got together and allowed me to be a part of the sponsorship of that very historic piece of legislation, how even then people found problems with it. And yet you ask the disabled have their lives changed as a result of the Americans with Disabilities Act, and most would say it in fact has.

I remember in 1990 the desire to deal with what we thought was a rather aggressive Supreme Court, a Supreme Court that had turned back a number of civil rights cases, for whatever reason had begun moving judicially toward the right at a great speed, and how in that year we prepared for what was to ultimately be introduced in the next year the Civil Rights Act of 1991, and everyone then thought that we would either pass this or we would not pass it on the merits of the bill. But regrettably the merits got lost in the sauce, and people began to throw things on the table that were not here. They spoke of quotas. They played the race card. They fanned the fears of everybody in this body to the extent that we became as polarized as the problems that we were trying to solve. But we worked on that day in and day out, month after month. Serving as an original cosponsor and as a conferee, watching as we did when the White House vetoed the bill and then working diligently because we did not give up to try to come up with something that would pass this body, we ultimately did that. It became known as the Civil Rights Act of 1991, and also became known as one of this body's most shining moments of the last 10 years.

Some of you recall the 5-year deficit reduction plan spearheaded by the Democratic leadership in this instance, ultimately passed by the full House that gave us real deficit reduction at a time in our history when people talked about it and if you were ready to move forward with it.

I could go on and on about what I consider to be the best moments of this body. But let me also talk about those moments that were far from the best, and in many instances became the worst, those moments when we fought beyond the principle and the power of ideas, when our ideas were put aside and put asunder so that we might then in a very emotional and gut sort of way deal with things that had nothing to do with the power of ideas and nothing to do with the right to object on principle, but went to the personal nature of Members of this body, personal attacks that not only belittled the person making them but lowered, I think, the dignity and the esteem of this body, times when we decided to talk about one's orientation or times when we laughed at the fact that one was in a minority group or times when we even spoke in a very strange, discordant way about what was wrong with the Democratic Party or what was wrong with the Republican Party on a personal level; the low points of this or any other Congress, those instances when we got out of the lofty, privileged, and blessed positions of being Members of Congress that would come here and debate the issue and debate the power of ideas and to stand on principles, and when we lowered ourselves to make very personal and vicious attacks at one another. I know the sort of tense debating that takes place in this body. I understand the emotion and the passion that comes with it.

But I would caution those who continue to serve and those who seek to serve to remember that the words that are inscribed behind me on this desk that speak of tolerance and justice and union and the words above me that say "In God we trust" must in fact be words that we live by. Otherwise, we lose our ability to effectuate the hearts and minds of other people and to effect change in such a way that we then have added to what we consider to be the lifestyle and the decor and the principles of America and instead have detracted from them in a very evil and vicious way.

Now, I need to say just a couple of things, if I might, about staff. Obviously my own personal staff who year after year served with me, worked with me, believed in me, trusted me, became a family and became the kind of staff that I have been very proud of; I had a very, very low turnover rate in those 10 years, and I took a great deal of pride in that, because I think if you treat people as people, if you let them know what is expected of them and you give them goals and objectives and you allow them to work toward them, people then give you the maximum amount of productivity. People give you everything they have, and people in turn feel like people. They feel like they are included. I say that about my personal staff.

But I say it also about the committee staffs that serve this institution. Oh, they are significantly reduced from what they used to be. Maybe that is good, and maybe it is not so good. But they are still people, and they serve every committee of this institution, and they serve day in and day out, and they do not get a lot of fanfare or notoriety. But we are empowered as Members of Congress, because we have their wisdom and because we have their views and because we have what they give us in terms of their friendship.

Finally, it also includes the staff that works this floor. Some of you who watched the debate and the discussion on C-SPAN oftentimes will get a glimpse of some of the people who work here. Many of you will never get to know, however, the special people that they are, because they are people with their own unique stories, their own unique beliefs. They are Republican and they are Democrat, they come from different regions, they are different in many respects, but they serve this institution long hours, laboring day in and day out. Oh, they get a salary for it, true. But they also do it because they recognize how important this institution is, and the function of this institution is to the society that we all love and the society that we all come to embrace as Americans.

I have had some partisan battles here like all of us. I leave this place not with regrets but with fond memories. I leave it also with an understanding of what it takes to find true compromise and what it takes also to find true respect. I know that respect is earned, that it ought to be reciprocal, but it must first be earned.

And so I leave to take up the leadership of the National Association for the Advancement of Colored People, the NAACP, 87 years old, formed in 1909 in an apartment in Manhattan, brought together by a number of converging forces in the first decade on this century, not that different from converging forces in the last decade of this century.

Charles Kellogg, in his book that chronicles the first two decades of the NAACP writes about those forces when he says it was in fact a retreat judicially by a Supreme Court that had begun to render decisions that were moving the Negro back and not moving him forward. He spoke also about a Congress that was very reactionary in their moment and legislated in such a reactionary way that they were polarizing the country and not always bringing it together. He spoke about the periodicals of the intellectuals that, in their own way and through an academic entree, decided to talk about what was in fact wrong with people, so that in order for you to justify how you felt, you had now the periodicals of the intellectuals that talked about inferiorities that were genetic and otherwise, and he also talked about the need among the Negroes in this country to find a way to organize, to do the best they could to bring the best from them, to add and to contribute to the society.

But when you look at those converging forces that were there in 1909 in the first decade of this century and you look at the converging forces that are here now in 1996 in the last decade of that century, the similarities are frightening. There is still a Supreme Court that is legislating or, rather, rendering judicial decisions, as was the case in 1909, that are making it more difficult, not less difficult, for the Negro, as it were, to empower himself or herself and to move into the mainstream of American society. They talked about then, and there pretty much is today, reactionary forces in the Congress of the United States that legislate in such a way that we polarize communities too often and polarize people.

There is, as there was then, the periodicals of the intellectuals. We refer to them now as the bell curve. They are the academic entrees that talk about inferiority being genetic, thereby giving one the basis to legislate accordingly.

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Mr. Speaker, and then there is also, as there was then, the need among African-Americans to understand that in bringing out the best in ourselves, and in working with other people, that we could, in fact, and will, contribute mightily to the fabric of the Nation that we all have come to love.

So, because it is the NAACP and because it is the same organization that offered the word "coalition" in the civil rights struggle and meant it, and means it today; because it is still prepared to work with all people; because it welcomes the support of Latinos, of like-minded whites, of Asians, of Native Americans, of people throughout the African diaspora in this country and elsewhere; because it recognizes that one must not be measured by their religious beliefs but, rather, what they have in their heart and what they bring to the table in the spirit of real compromise. That young people, those who were 4 and 5 and 6 years of age, tonight really represent in a mirror image what this Nation will look like 20 years from now and why their fate is so desperately sealed to our fate. And because it understands also that as a historic American institution, it has a mission and a mandate to do all that it can as the NAACP, to once again try to heal our Nation, and to bring people together and to forge a new day.

We focus so much in our society on differences. Our differences of race, our differences of religion, our differences of ethnicity, our differences of opinion, that so much time is spent on differences that we have little time left over to spend on similarities, those ways in which we are all alike.

Everybody in this country believes that, if they could, they would like to have a better life for their children than they had. That is a very big similarity. Every person in this country wants to believe that they can have safe streets and a safe community. They want to think they can educate their children. They want to think they can grow old and die and watch America be a better nation at the point of their death as opposed to the point of their birth. Similarities that cut across race and gender and religion and everything else.

But when we focus on differences only, and focus on them in a negative way, we do a disservice. I think cultural differences are important. I think every cultural and religious group and ethnic group and racial group in this country ought to hold proudly to their heritage, ought to find ways and monuments that speak to them and pass on those traditions to another generation.

Those are positive differences that in the aggregate make America what she is. But when we focus on differences for the purpose of putting people down, and developing inferiorities, when we focus on differences to point out what is wrong instead of what is right, we do a disservice.

America at her best has treated such differences with a blend of common sense and compassion. America at her worst has treated those differences with the empty evenhandedness of Marie Antoinette. And so I would say to this Chamber and to all who serve here and in fact those who seek to serve, that we have a bigger mission in life because we carry a sacred trust. We asked to come to this body. We asked for people to vest their votes and their support in us. We asked for the opportunity to cast important votes.

We came here because we asked to be here, and someone heard us in the majority and we were elected. But it is a sacred trust, so we are responsible for more.

And as such, we must do more and worry less about whether or not we are going to get reelected in 2 years, and worry more about what kind of nation we help to build.

So, I leave this Chamber and this institution to do, as Kipling said, and that is to take "the road less traveled." The road less traveled is still the road less certain. But in traveling it, if we navigate properly, if we understand what our road signs are, if we keep our eyes on our objective and on our mission, if we seek to be the good Samaritan on the way, and if we believe in our heart of hearts that at the end of that road there is a reward not for ourselves but for our country, then we do the sort of service that I think we can and must provide as people of America, from all walks of life and from all religions and races who understand the gift of this country. What makes it so very special is the unique way in which we have grappled with our problems and, because we are so diverse, we have before us a very unique and special history.

When you read Gibbons, "Rise and Fall of the Roman Empire" and other empires, there are certain things that are always precursors to those declines. Fortunately, every time we have met a precursor in this country, whether it was the evil institution of slavery; whether the denial of suffrage to women; whether it was the second class citizenship to minorities, we have tried to recognize those precursors when we met them and to recognize also that, if we did not deal with them, then all that led to the decline of other great empires would in fact lead to the decline of America.

I think we can still do that. We can still understand when things are wrong. We can still have the courage enough to recognize that the salvation of this Union is utmost. And if we are daring enough and believing enough both in God We Trust and in ourselves, then we will find a way to do that.

And this Union will be secure and safe for generations still unborn. So I bid a fond farewell to the Chamber and to all that I have served with. To those who taught me and to those who I have had a chance to teach, I shall be back again and again in another capacity. But I shall always be forever fond of the 10 years that I have served as a Member of the U.S. Congress.

Mr. Speaker, it has been said that the NAACP is the oldest and largest organization of its kind in the world—and it is.

It is said that it is the most effective of its kind—and it is. It said that it is the most consulted, most militant, most feared, and most loved organization of its kind in the world—and it is.

We have been charged with this from the genesis of our beginnings, in 1909.

Just a few moments ago we stood, ankle deep in mud in the roadways of the Old South, after blacks had trudged through hot fields and dusty hills to the ballot box only to be turned away due to the manufactured grandfather clauses, literacy clauses, and poll taxes. But we fought back.

In 1915, we stood side-by-side and took the battle back to the white marble chamber of the Supreme Court, where those racist tools of disenfranchisement were found to be in violation of the Constitution. But the battle did not end there.

Just a few moments ago in history, a black man could not walk down a road, could not go into a store, could not go into a courtroom without the threat of a noose hanging over his head or a torch being thrust into his life.

Two years after the NAACP was founded, in a grimy steel town in southwestern Pennsylvania, a seriously wounded black man was charged with killing a police officer. He never had the chance to prove his innocence.

A mob of people dragged him from his hospital room in Coatesville and burned him alive. A conspiracy of silence prevented the mob leaders from receiving the justice they deserved. Racism was alive in the North.

On November 14th, 1915, southerners were witness to one of the most notoriously racist films of all time: D.W. Griffith's "Birth of A Nation." In it, reconstruction was distorted, emancipation was assailed, and blacks were reviled. And the heroes of the movie were the Ku Klux Klan.

From 1910 to 1919, 840 African-Americans were lynched in the United States of America.

In a Texas town in May of 1916, a mentally retarded black teenager was convicted of murdering a white woman. He would never have a chance at an appeal.

He was seized by a mob and taken to the public square. Before a crowd of 15 thousand people, fire and flames were the center of attention in what was then called "the Waco Horror" as the boy was tortured and burned alive.

When black soldiers were baited and harassed, they in the end would pay the harshest penalties. On a hot Houston day in 1917, race prejudice against members of the 24th Infantry let to violence. Seventeen whites and two blacks were dead when the smoke cleared.

A court martial sent 41 members of the all-black unit to life in jail. Four others were given long prison terms. And 20 of them were condemned to death. One-fifth of the condemned men were summarily executed without even the benefit of an appeal.

It was the NAACP that worked long and hard through four presidential administrations. Eventually 10 lives were saved, and the last man from the 24th Infantry was released from jail—21 years later. The battle did not end there.

In 1919, there was rampant brutality and military occupation of the Republic of Haiti. Three thousand citizens there were cut down by troops who claimed they were "bandits."

Censorship was rampant, news of the brutalities inflicted by the troops on our brothers and sisters there was suppressed. Why? The forces occupying Haiti were from the United States of America.

The NAACP pressured President Wilson. James Weldon Johnson went to Haiti and showed the world through his writings what kind of inhumanity was being visited upon the people there by the troops sent from the nation calling itself the land of the free.

It was this great organization that helped Haiti create an organization for independence, one modeled on our own. When they came to New York to lobby for their freedom, the offices they used their were the NAACP.

The NAACP learned early the political game and played presidential candidates off presidential incumbents. When Woodrow Wilson wouldn't listen to us, Warren Harding would, and then President Wilson sat up and took notice.

Through the actions of the NAACP, the military presence was cut back. Through their investigations, the abuses were brought to light. And with the continued pressure, American occupation of Haiti was fully ended — almost 20 years later. And the battle did not end there.

From 1920 to 1927, 304 people were lynched in the United States of America.

The NAACP was issued a challenge to help end lynching by the philanthropist Philip Peabody. Peabody would help us help ourselves by donating ten-thousand dollars and more if we could match his grant by fundraising on our own.

It was the NAACP, massed and clad in white, that marched silently down New York's Fifth Avenue, to protest treatment of African-Americans.

Four times anti-lynching laws were introduced and passed in this House of Representatives. Four times those laws went down to defeat due to stonewalling, filibustering and indifference in the Senate. But people paid attention.

The esteemed and historic magazine of the NAACP, The Crisis was set upon by the Department of Justice as radical and seditious. In the end, it prevailed, and even flourished.

In 1929, 10 lynchings were recorded for the year.

But the battle could not end there.

Just a few moments ago in history, in the second decade of the 20th century, we stood arm-in-arm, as the NAACP took to the hallways of the courts of the District of Columbia to fight again. We were denied the simple right to ride streetcars as we chose, marry as we chose or be promoted within the Armed Forces as we deserved.

As this historic organization was in its infancy, African-Americans were limited within the military to two cavalry regiments and two infantry regiments. In many cases the only fighting seen by the rest of the blacks in uniform came only when the action got too close to the mess tent.

African-Americans were fighting regularly for the right to become commissioned or even non-commissioned officers in the military then, with the highest-ranking black officer of the era having been cashiered on the grounds of so-called "physical disability."

Later on, the Army was found out. When it was proven that they were reluctant to promote Charles Young, a graduate of West Point and the highest ranking African-American in the military. It just would not do to have a black general in the Army—heavens no. Only a colonel would do, and they felt he could also retire that way, as a colonel.

It was the NAACP that made sure Charles Young was restored again to active duty. But the battle did not end there.

We had to fight for every inch, we had to fight for every right—even in the military, which nowadays is one of the most integrated aspects of American life.

The Surgeon-General then, William Gorgas, felt what color you were determined who you worked on. It mattered not who was sick, who was ill, who was dying. Black nurses only nursed black wounds. Black dentists only fixed black teeth. Black doctors only saved black lives. And black units were still separate—and unequal.

It was the NAACP in 1931 that organized the defense of the Scottsboro Boys who were unjustly accused of rape. And the legal battles intensified and this organization sharpened itself and began to come into its own.

In 1938, when the Daughters of the American Revolution denied Diva Marian Anderson the use of Constitution Hall, it was once again the NAACP who took up the cause an fought for what was just and right.

In the 1950's, the desegregation battle began to take on a new urgency as the NAACP successfully battled against segregated public housing. And in 1954, it was the great Thourgood Marshall, who as the Director of the NAACP's Legal Defense and Education Fund, fought and won that historic Surpreme Court case, Brown versus Board of Education, which outlawed once and for all the separate but equal doctrine in public education.

The next year, the NAACP joined with other civil rights groups and concerned Americans by taking an active role in the Montgomery, Alabama bus boycott. This boycott was initiated after Rosa Parks made her valiant stand by refusing to give up her seat for a white passenger.

As our Nation entered the turbulent 60's, the NAACP was there, front and center. In 1963 I remember the historic March on Washington from our black and white television. We couldn't afford the bus trip from Baltimore, but I felt the power nevertheless.

By 1965 the power of the NAACP had reached a new pinnacle when President Johnson signed the Voting Rights Act. After years of fighting for basic equality, the dream was finally becoming real.

As the needs of the African American community have changed, so has this historic, beloved organization. In the 1970's and 80's the NAACP tackled educational excellence and established SAT Preparation clinics which helped raise the average test scores by 50 points. And the organization continues to grow and meet the demands of the day.

New efforts have been made to attack discrimination through legal and legislative means. Child welfare and mentoring programs have taken on a new urgency. Economic empowerment programs have been launched to make the logical next step in the civil rights movement. And just last month in Stone Mountain, Georgia we launched the new Voter Empowerment Project, which seeks to energize the electorate from the bottom up. This new effort was initiated because of court rulings that have eroded the Voting Rights Act.

Some of our gravest crises have come from within. This was an organization born of wealthy white liberals, nurtured by newspapers and brought into its own by the black intelligentsia.

Booker T. Washington had honest differences of opinion with W.E.B. DuBois at the start of this organization. Washington's Niagara Movement was in open disagreement with the new association tasked with the advancement of our peoples. It continued until Washington was dead, and debate and differences continue even now.

W.E.B. DuBois differed with Walter White over the future of the NAACP and the finances necessary to run it. It continued until DuBois resigned.

How little times change.

It is time we stand up to say again—"The battle begins here."

Where once it was poll taxes and literacy tests, now it is cries of reverse discrimination and a roll back of voting rights.

When we once were subject to the noose and the torch, we are now plagued by the pipe and the needle and crimes against each other.

Where once our mother and sister countries of Africa and Haiti were run through by colonization and occupation, so they are now by militarization and discrimination.

We were not monolithic then, nor are we now. We have different agendas, we follow different drummers, we have differing destinies. But all of them are intertwined with who we are.

If we cannot remind ourselves of the challenges overcome in the past, we will never overcome the obstacles set in our future. The battle begins here.

We have fought in the courts—we can do so again, now. We have made presidents listen by the force of our numbers and our will. We can do so again, now.

We can vote in greater numbers. . .

Speak, in louder voices. . .

Write, with sharper pens. . .

Walk, with bigger strides. . .

Act, with firmer conviction. . .

Look forward, with stronger resolve. . .

And fight . . . fight with the knowledge that history is on our side. We have won before. We can do so again, now.

Just a few moments ago in history we overcame all that 41 percents, nine wars, and innumerable verdicts could put in our way. That is all history now.

The conscience of America is resting in our hands. We can cup them and nourish our freedoms or we can open them and see them blow to the winds.

Let us pray that our hands, joined together, will know what's right for us, our children and our future.

And so, it is for me a high honor and a distinct privilege to be selected in the capacity of President-designate or our Nation's largest and oldest civil rights organization. I am honored to have been chosen for this opportunity, and I am moved by the support that our Chairwoman, the members of the search committee and the members of the board have shown me.

The decision to accept this new opportunity did not come lightly. For the last 16 years, I have served in elected office: seven years in local government and the last nine as a Member of the United States Congress. To the people of Baltimore, who year after year have given me the opportunity to represent them and who continue to vest their confidence and trust in my abilities, I am, and forever will be, grateful.

At this point in time, however, I am convinced, without reservation, that I can best affect social, economic and political change in the broader capacity that the NAACP represents.

As you all know, the NAACP is at a critical point in its history. In fact it is at the most critical point. Our focus must be on: First, increasing political power by organizing and energizing voters in every congressional district in America; second, emphasizing educational excellence and individual responsibility; and third, creating an infrastructure for empowerment and economic parity. There is much work to be done and the time for such work is now. We must, without equivocation or timidity, reclaim our rightful place as the voice of African-Americans and others who believe in the power and the premise that all persons are, in fact, created equal. The task before us will be significant, but all challenge is significant. The greater challenge will not be measured by its size, but rather by our willingness to accept it. As such, there must be an ever escalating crescendo of clear and consistent voices that become part of the national dialogue and the national debate.

The extreme ultra-conservative policies of the far right wing in our nation are draconian and punitive. They are policies that punish the elderly, restrict the poor, and deny opportunity to our children. Those policies must be countered with effective and realistic responses that reflect our need as a society for inclusion and tolerance. We can only do that by reinvigorating the age-old concept of coalitions where people work together for the common good.

Racism, sexism, anti-Semitism cannot, and will not, be allowed to enjoy a comfortable and quiet acceptance. The damaging divisions brought about by xenophobia cannot be allowed to color our thinking about those who come to our shores in search of a better life. Fear, which often finds its incubator in our refusal to stand up for what is right, will forever be challenged by a new NAACP—reunited and reinvigorated at the threshold of change.

At the risk of understatement, we all know that the task ahead will not be easy. The time is now to restore the financial, spiritual and political health of this historic American institution. As such, we must move quickly toward that end, and my job is to provide the leadership to make that happen. Make no mistake about it, there will be change. It will be swift, it will be focused, and it will be constructive. Efficiency and fiscal integrity within the organization will not be just a concept. It must, in fact, become a reality. We will re-tool our apparatus and re-harness our energies.

The time is now for a new generation to join the NAACP. While we value maturity and experience, we must also learn to cherish youth. Thus, I reach out today to a new generation to join in this effort. And I reach out to the current generation and say to you in the clearest of terms that it's alright to come back home to the NAACP.

We are at the crossroads of tremendous change in our nation. Despite the gains made by African-Americans, racism continues to divide our country and polarize people. We can stand by and watch in the comfort of our own circumstance, or we can step forward and dare to lead.

The NAACP has a long and proud history filled with major accomplishments that have changed forever the America that we know and love. The lives of millions of our citizens who are black, white, Asian, and Hispanic have been made better because of it. Yet, our country is still in desperate need.

In his renowned chronology of the NAACP from 1909 to 1920, Charles Kellogg begins his historical work with the following observation: "In the first decade of the twentieth century few voices were raised in defense of the Negro and his rights as a citizen of the United States. Reactionary attitudes about race had been strengthened. [And] by 1909, the civil rights gained during reconstruction had been severely limited. The prevailing attitudes toward the Negro were reflected in the sensational press, in the hate literature, in the periodicals of the intellectuals, in court decisions reinterpreting the fourteenth and fifteenth amendments, and in legislation."

Eighty-six years later, in the last decade of the same century, again, few voices are being raised in defense of African-Americans and their rights as citizens of the United States. Reactionary attitudes about race regrettably continue to be strengthened. Civil rights gained during the second reconstruction have now also been severely limited. And, the prevailing attitudes toward minorities are still reflected in the sensational press, in the hate literature, in the periodicals of the intellectuals and in court decisions.

Only a strong, revitalized and focused NAACP can accept the realities that were present in that first decade and readjust to the challenges still present in this last decade.

I look forward to this gift of opportunity to serve in a different but continued public capacity and I thank God Almighty for continuing to bless me.

Mr. HOYER. Mr. Speaker, I rise today to join my colleagues Louis Stokes and Donald Payne in celebration of Black History Month. This special order has now become a time-honored tradition in the House, and I always enjoy participating.

Black History Month is a time of reflection and honor. During Black History Month, we recall and pay tribute to the towering achievements and inspiring contributions that African-Americans have made to this country. It is a time to reflect on the progress we have made as a society based on the constitutional principles of liberty, equality, and justice. It also is a time to assess, as individuals, our personal role and responsibility to our fellow citizens, our children, and our Nation's future.

During Black History Month, we honor those men and women who influenced, shaped, and altered American life, culture, and politics—those who believed in a democracy that would not tolerate prejudice and discrimination, those who fought brutal injustice with the power of moral truth.

We thank those who through their writings and teachings have enabled all of America to know and appreciate the African-American legacy, past struggles and present dreams. We pay tribute to America's sports heroes, such as Arthur Ashe, the great activist and renowned humanitarian, who inspired all Americans with his courage. We honor the scientists and educators, who labored so hard to overcome the racial barriers in our society and proved that America could not afford to squander the talent and knowledge of African-Americans. We recall the words and visions of some of our Nation's most revered ministers and theologians, such as Dr. Martin Luther King, Jr., who braved the wrath of society to change our society to fit the principles it espoused but did not practice.

Black History Month has a broader significance as well. It is a critical prism through which to view America's history overall. Our examination of this history is both painful and shameful, but it is also essential as only in this way can we appreciate the importance of this country's ability to redress past injustices. Only with the awareness of past wrongs can we define our future as one in which the right to live with dignity and freedom from persecution will be accorded all Americans. Only with the knowledge or our heritage and the conviction that we are indeed a Nation of people "endowed by their creator with certain unalienable rights," can we practice the teachings of those whose legacy we remember today.

One of our better teachers, who I would like to honor today is the Honorable Barbara Jordan. She left us just a few short weeks ago but her incredible spirit will remain with us forever.

We all know of her impressive educational, political, and legal background. However, it ease her eloquence and sense of integrity which made her such a gifted leader. She championed opportunity, demanded equality, and vociferously espoused the principles of equal opportunity for all Americans.

There are some in this body who carry with them a "Contract With America." But it was Barbara Jordan who carried in her purse a copy of the U.S. Constitution which we as American legislators all need to uphold. During the historic Watergate hearings, it was Barbara Jordan who said, "My faith in the Constitution is whole, it is complete, it is total, and I am not going to sit here and be an idle spectator to the iminution, the subversion, the destruction of the Constitution." As we celebrate Black History Month, it is my hope that every Member of this body heeds Barbara Jordan's words.

Mr. MARTINI. Mr. Speaker, February has been celebrated as Black History Month since 1976, but the origins of this event date as far back as 1926 to Carter G. Woodson, a noted historian and author. Black History Month is a special month designed to recognize the heritage, contributions, and achievements of African-Americans, and I rise today to recognize and pay tribute to the holistic experiences and culture of African-Americans. Their experiences have contributed so much to this great Nation, and their culture is an inseparable part of American culture.

The 1995 National Black history theme, "Reflections on 1895: Douglass, Du Bois, Washington" causes us to be reflective of the visions and dreams of three men of vigor who tenaciously championed the cause for freedom through vigilant, assertive, non-violent action. These three men personified resolve, dedication, and commitment, and with these characteristics they were able to alter the course of history. Their courage and successes empowered Black Americans. Their memories and accomplishments should empower all Americans.

African-Americans have made great strides in recent years, assuming leadership positions in record numbers, and uniting to address and solve shared problems and ailments and celebrate successes and victories. A great amount of opportunities exist in an increasingly expansive number of fields. African-Americans in the 1990's are finding that mobility and equal opportunity are the norm rather than the exception.

At this time we should look to past and present leaders in the African-American community and heed their cries. Frederick Douglass, the foremost voice in the abolitionist movement of the nineteenth century called for freedom and equality; W.E.B. Du Bois, an editor, scholar, author, and civil rights leader called on Blacks to cultivate their own aesthetic and cultural values; Booker T. Washington, an educator and statesman advocated economic self-sufficiency, self-help, and moral advancement; and Martin Luther King, Jr., a cleric, educator, and recipient of the Nobel Peace prize, led the Civil Rights Movement in the 1950's and 1960's calling for equality. The list is expansive and we must not forget the prolific writings of Alice Walker, Toni Morrison, Richard Wright, and Ralph Ellison; the music of Louis Armstrong, Miles Davis, and Ella Fitzgerald; and the courage and moral rectitude of Rosa Parks.

These men and women have messages for us all. By rediscovering their hopes, aspirations, and successes we can forge ahead and continue where they left off. America is a special country indeed. We are privileged to be the most diversified, democratic country in the world. Our culture as a people is personified by our demographics. Everything that we are is interrelated to our history. Black History Month is not just for African-Americans, rather it is for all Americans. The separate but equal doctrine of the past has been abandoned, and a united and equal doctrine must be ushered in and secured; a nation divided is a nation at risk. The heritage, achievements, trials, tribulations, contributions, and successes of African-Americans should be remembered 365 days a year, not only in February.

Mr. FILNER. Mr. Speaker, I thank both the Congressional Black Caucus for reserving a special order to observe Black History Month, and the gentleman from Maryland [Mr. CARDIN] for reserving a special order yesterday to honor our distinguished colleague, Congressman KWEISI MFUME.

Mr. Speaker, 3 years ago this month, as a freshman Member of Congress, I delivered my first speech on the floor of the House of Representatives in honor of Black History Month. I could not have been more proud to dedicate my first address in this Chamber to the celebration of African-American freedom and accomplishment.

As many of my colleagues know, I have a special link to the African-American struggle for freedom. Some 35 years ago, I rode though Mississippi as a freedom rider and witnessed first-hand the desperate and often brutal attempts to preserve segregation. In that summer of 1961, Mississippi was a war zone. Innocent black Americans were beaten and killed. Angry mobs attacked black men and women at will. Random gunfire contributed to an environment of terror and fear.

I spent several months in a Mississippi State Penitentiary isolation cell as a result of my efforts in the struggle for equality.

We have come a long way since then. Today, African-Americans have more opportunities open to them than ever before. African-Americans attend our Nation's finest schools, are some of America's most successful entrepreneurs, and hold office at the highest levels of state and federal government.

African-American children can base their hopes and dreams on a host of African-American heroes: Dr. Martin Luther King, Jr., Rosa Parks, Thurgood Marshall, Maya Angelou, and many others who have led the fight for equality and justice. But we still have much to accomplish.

Thousands of people whose names do not yield national recognition bravely continue the struggle every day for the rights of African-American. The spirit of Black History Month applies to these local heroes who stand as more than a symbol of success to African-American youth. These are people who offer a helping hand, a smiling face, or a word of encouragement to young African-Americans. These are people who make a personal and direct contribution to the lives of young African-Americans in their communities.

There are many such heroes in California's 50th Congressional District. As the focus of this year's Black History Month is on African-American women, I will mention one who, along with her husband, has made a profound difference in the San Diego community.

Evelyn George of San Diego realized 18 years ago that the money her husband, Aaron, spent on cigarettes could be used on something more constructive. She implored him to give up his smoking habit, and together they transformed their home into a Christmas wonderland for neighborhood children each December—complete with ferris wheels, merry-go-rounds, caroling angels, a nativity scene, and nearly 5,000 holiday lights.

After 18 years, Aaron George has become known as the "Black Santa" of San Diego, handing out more than 2,700 candy canes, signing some 325 autographs, and posing for more than 250 pictures for area children this year alone.

This Christmas was a difficult one for Mr. George. Evelyn, his wife of 42 years, passed away in July. In her honor, Aaron has promised to maintain the display every Christmas, bringing joy to the lives of hundreds of young San Diegans.

There are thousands of other African-Americans in San Diego and across the Nation making unique and positive contributions to their communities. But there is also reason for concern in the African-American community. Division and hatred, always lurking in the depths of interracial relations, have begun to surface again with unprecedented ferocity, threatening the strides that whites and blacks have made together.

No one understands this threat better than Congressman KWEISI MFUME. During his 9 years in Congress, he has emerged as a national leader and advocate for the rights of African-Americans. His leadership abilities were brilliantly displayed during his 2-year term as chairman of the Congressional Black Caucus, a period during which the caucus achieved unprecedented levels of influence.

Individuals of Congressman MFUME's character and intelligence rarely are able to keep their value secret for long. It was to no one's surprise, then, that Congressman MFUME was chosen to be chief executive officer of the NAACP, a proud organization that has fought for the rights of African-Americans since the early part of this century.

The House of Representatives will lose a great leader, an ardent advocate and a brilliant legislator as Congressman MFUME leaves to assume his new responsibility. But our loss is the NAACP's gain. I am confident that Congressman MFUME will make great strides in the advancement of the rights of African-Americans and continue his effort to improve interracial relations throughout the country. These goals are given special significance during the celebration of Black History Month.

Mr. SABO. Mr. Speaker, I rise today to express my strong support for Black History Month. This year we are celebrating African-American women of yesterday, today, and tomorrow. In Minnesota, we are fortunate to have a fine tradition of civic leaders who have dedicated their lives to enriching the lives of others through their selfless contributions. Today, I'd like to recognize three, among many, of the African-American women in Minnesota who have become shining role models for us all.

In its brief history, the State of Minnesota has had many fine leaders who were also African-American women. In 1923, Ethel Ray Nance—1899–1992—was the first black woman hired by the Minnesota Legislature and was the first black police woman in Minnesota. During her long life, Ms. Nance was an activist in several civil rights organizations, including the National Association for Advancement of Colored People [NAACP]. She also served as the director of research for the National Urban League.

In more recent years, Nellie Stone Johnson, who celebrated her 90th birthday in December 1995, has been one of the most outspoken and thoughtful leaders in Minnesota's African-American community. Generations of Minnesotans owe Nellie a great deal for her dedication to community building, to civil rights, and to economic fairness. In the tradition of Hubert Humphrey and Walter Mondale, Nellie Stone Johnson has been rock solid in her commitment to the most vulnerable in our society.

Finally, representing a new generation of African-American women leaders, Minneapolis Mayor Sharon Sayles Belton, elected in 1993, is the first African-American and the first female mayor of Minneapolis. Mayor Sayles Belton began her public service career immediately after college—when as a civil rights worker she traveled to Jackson, MS, to register voters. She later became the first African-American president of the Minneapolis City Council. As mayor, she has continued her efforts to strengthen families and children by focusing on education, crime prevention, and the economic development of neighborhoods in the city.

I am proud to say that these women, and many other African-Americans, have had an important impact on my life and the lives of many Minnesotans. I wish to thank them for their service to the community, the women's movement, and the United States of America. All citizens should be grateful for their accomplishments and endeavors. Mr. Speaker, as we observe Black History Month, I commend Ethel Ray Nance, Nellie Stone Johnson, Mayor Sayles Belton, and all African-Americans for their contributions to our society.

Mrs. COLLINS of Illinois. Mr. Speaker, I rise today to join my colleagues in proud observation of Black History Month and its 1996 theme, "African-American Women: Yesterday, Today, and Tomorrow." I thank the chairman of the Congressional Black Caucus, Congressman PAYNE, and the distinguished gentleman from Ohio, Congressman STOKES, for once again reserving this annual special order.

This year, as we celebrate the vital role which African-American women have played in our Nation's growth and development, I would first like to spend a moment reflecting on the life of one of the most influential of these women who recently passed away, the Honorable Barbara Jordan of Texas.

Having served with Barbara in this House, I can tell you first hand of the tremendous intellect, passion, and presence she commanded. As an untiring, articulate, and outspoken defender of the Constitution and the rights and liberties of all citizens, she was effective in ensuring access to legal services for the poor, advancing consumer protection at the Federal level, and securing a livable minimum wage for all working Americans among other numerous achievements.

Morton Dean of ABC News summed up the overwhelming impact Barbara Jordan had on American society when he said, "Where she walked, barriers fell, historic barriers against blacks and women in politics. When she talked hearts swelled, awakened to America's potential." We will all miss her deeply.

But before Barbara Jordan, Mr. Speaker, there were other African-American heroines who blazed a path of opportunity for her, and there will be many more who will come after. It is each and every one of these women that we also honor today.

We all know of Hattie McDaniel, the first African-American to win an Academy Award for her role in "Gone with the Wind" in 1939. Her breakthrough performance opened the door for other black actresses and performers such as Lena Horne, Cicely Tyson, Whoopi Goldberg, and Angela Basset to showcase their talents and skills on both the American and world stage and screen.

Nor can we forget in the field of literature the incredible poetry of Phillis Wheatley and Maya Angelou, novels of Toni Morrison and Alice Walker, and writings of Jean Toomer and June Jordan. These African-American authors have lifted our spirits, our hopes, and our dreams with their thoughtful words and honest reflections.

From inspirational words stem inspirational music and we would be remiss not to mention the incredible jazz vocals of "The First Lady of Song," Ella Fitzgerald, or the deep rhythm and blues notes belted out by "The Queen of Soul," Aretha Franklin. What about Billie Holiday, Mahalia Jackson, Sarah Vaughan, and Dinah Washington?—each of them being an exceptional African-American female artist of the modern era.

In the world of sports, black women have as role models the outstanding track and field star Jackie Joyner-Kersee, holder of the world record in the heptathlon and winner of four Olympic medals in this event as well as Althea Gibson, the first African-American tennis player to participate in and win a championship at Wimbledon.

I could go on and on for hours Mr. Speaker, elaborating on the lives of courageous abolitionists Sojourner Truth and Harriet Tubman, the great civil rights activists Rosa Parks and Fannie Lou Hamer, and such deft legislators as Shirley Chisolm and, as I have mentioned, Barbara Jordan. As you can see, African-American women have an exceptionally rich history of contributions to this country, from the arts and athletics to politics and our overall social progress. It is therefore only fitting that this year's observance of Black History Month recognizes and heralds the many accomplished and talented among us, before us, and those yet to come.

Again, I thank my distinguished colleagues for this special order and yield back the balance of my time.

RECESS

The SPEAKER pro tempore (Mr. METCALF). Pursuant to clause 12 of rule I, the House stands in recess subject to the call of the Chair.

Accordingly (at 10 o'clock and 38 minutes p.m.), the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. METCALF) at 12 o'clock and 1 minute a.m.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. SEASTRAND (at the request of Mr. ARMEY) after 4:30 p.m. today and for the balance of the week on account of illness in the family.

Mr. RADANOVICH (at the request of Mr. ARMEY) after 4:30 p.m. today on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MILLER of California) to revise and extend their remarks and include extraneous material:)

Mr. VOLKMER, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. UNDERWOOD, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. TOWNS, for 5 minutes, today.

Mrs. CLAYTON, for 5 minutes, today.

Mr. MILLER of California, for 5 minutes, today.

Mrs. MALONEY, for 5 minutes, today.

Mr. WISE, for 5 minutes, today.

(The following Members (at the request of Mr. BEREUTER) to revise and extend their remarks and include extraneous material:)

Mr. TIAHRT, for 5 minutes, today.

Mr. SMITH of Michigan, for 5 minutes, today.

Mr. BEREUTER, for 5 minutes, today.

Mr. CHAMBLISS, for 5 minutes, today.

(The following Member (at her own request) to revise and extend her remarks and include extraneous material:)

Ms. PELOSI, for 5 minutes, today.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on the following days present to the President, for his approval, bills of the House of the following title:

On January 31:

H.R. 2029. An act to amend the Farm Credit Act of 1971 to provide regulatory relief, and for other purposes.

H.R. 2111. An act to designate the Federal building located at 1221 Nevin Avenue in Richmond, CA, as the "Frank Hagel Federal Building".

H.R. 2726. An act to make certain technical corrections in laws relating to Native Americans, and for other purposes.

H.R. 1868. An act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1996, and for other purposes.

On February 1:

H.R. 2353. An act to amend title 38, United States Code, to extend the authority of the Secretary of Veterans Affairs to carry out certain reports from the Secretary of Veterans Affairs, and for other purposes.

ADJOURNMENT

The SPEAKER pro tempore (Mr. METCALF). Without objection and pursuant to an earlier order, the House stands adjourned.

Accordingly (at 12 o'clock and 2 minutes a.m.), under its previous order, the House adjourned until Tuesday, February 6, 1996, at 8 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1997. A letter from the Chairman, Panama Canal Commission, transmitting the Commission's report, including unaudited financial statements, covering the operations of the Panama Canal during fiscal year 1995, pursuant to 22 U.S.C. 3722; to the Committee on National Security.

1998. A letter from the Acting President and Chairman, Export-Import Bank of the United States, transmitting the semiannual report on tied aid credits, pursuant to Public Law 99-472, section 19 (100 Stat. 1207); to the Committee on Banking and Financial Services.

1999. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning a technology base research and development project with the Netherlands (Transmittal No. 04-96), pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

2000. A letter from the Director, Defense Security Assistant Agency, transmitting notification concerning a cooperative project to conduct a 12-month feasibility study to investigate and define a standard submarine rescue system (Transmittal No. 03-96), pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

2001. A letter from the Director, Defense Security Assistance Agency, transmitting a report of those foreign military sales customers with approved cash flow financing in excess of $100 million as of October 1, 1995, pursuant to 22 U.S.C. 2765(a); to the Committee on International Relations.

2002. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance [LOA] to the United Kingdom for defense articles and services (Transmittal No. 96-21), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

2003. A letter from the Director, Defense Security Assistance Agency, transmitting a report containing an analysis and description of services performed by full-time U.S. Government employees during fiscal year 1995 who are performing services for which reimbursement is provided under section 21(a) or section 43(b), pursuant to section 25(a)(6) of the Arms Export Control Act; to the Committee on International Relations.

2004. A letter from the Director, Defense Security Assistance Agency, transmitting a report containing the status of loans and guarantees issued under the Arms Export Control Act, pursuant to section 25(a)(11) of the Arms Export Control Act; to the Committee on International Relations.

2005. A letter from the Auditor, District of Columbia, transmitting a copy of a report entitled, "Review and Analysis of the District's Accounts Receivable," pursuant to D.C. Codes, section 47-117(d); to the Committee on Government Reform and Oversight.

2006. A letter from the Chairman, Advisory Commission on Intergovernmental Relations, transmitting the Commission's 37th annual report of the Advisory Commission on Intergovernmental Relations, pursuant to 42 U.S.C. 4275(3); to the Committee on Government Reform and Oversight.

2007. A letter from the Comptroller General of the United States, transmitting the list of all reports issued or released in November 1995, pursuant to 31 U.S.C. 719(h); to the Committee on Government Reform and Oversight.

2008. A letter from the Chairman, Consumer Product Safety Commission, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

2009. A letter from the Secretary, Mississippi River Commission, Department of the Army, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act for the Mississippi River Commission during the calendar year 1995, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform and Oversight.

2010. A letter from the Director, United States Arms Control and Disarmament Agency, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

2011. A letter from the Assistant Attorney General, transmitting a draft of proposed legislation entitled the "Federal Debt Collection Procedures Improvements Act of 1995"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GOSS: Committee on Rules. House Resolution 355. Resolution providing for consideration of the bill (H.R. 2924) to guarantee the timely payment of Social Security benefits in March 1996 (Rept. 104–460). Referred to the House Calendar.

Mr. LEACH: Committee on Banking and Financial Services. H.R. 2406. A bill to repeal the United States Housing Act of 1937, deregulate the public housing program and the program for rental housing assistance for low-income families, and increase community control over such programs, and for other purposes; with an amendment (Rept. 104–461). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARCHER (for himself, Mr. CRANE, Mr. THOMAS, Mr. SHAW, Mrs. JOHNSON of Connecticut, Mr. BUNNING of Kentucky, Mr. HOUGHTON, Mr. HERGER, Mr. MCCRERY, Mr. HANCOCK, Mr. CAMP, Mr. RAMSTAD, Mr. ZIMMER, Mr. NUSSLE, Mr. SAM JOHNSON, Ms. DUNN of Washington, Mr. COLLINS of Georgia, Mr. PORTMAN, Mr. HAYES, Mr. LAUGHLIN, Mr. ENGLISH of Pennsylvania, Mr. ENSIGN, and Mr. CHRISTENSEN):

H.R. 2924. A bill to guarantee the timely payment of Social Security benefits in March 1996; to the Committee on Ways and Means.

By Mr. HYDE (for himself, Mr. ARCHER, Mr. WELDON of Florida, Mr. MCCOLLUM, Mr. GEKAS, Mr. COBLE, Mr. SMITH of Texas, Mr. HASTERT, Mr. SCHIFF, Mr. THOMAS, Mr. CANADY, Mr. INGLIS of South Carolina, Mr. GOODLATTE, Mr. BOUCHER, Mr. CRANE, Mr. SHAW, Mrs. JOHNSON of Connecticut, Mr. MCCRERY, Mr. CAMP, Mr. CAMPBELL, Mr. SAM JOHNSON, Mr. CHRISTENSEN, Mr. GANSKE, Mr. LIPINSKI, and Mr. HANCOCK):

H.R. 2925. A bill to modify the application of the antitrust laws to health care provider networks that provide health care services; and for other purposes; to the Committee on the Judiciary.

By Mr. EWING (for himself, Mr. DREIER, Mr. KOLBE, Mr. KNOLLENBERG, and Mr. MANZULLO):

H.R. 2926. A bill to extend nondiscriminatory treatment (most-favored-nation treatment) to the products of certain nonmarket economy countries; to the Committee on Ways and Means.

By Mr. BILBRAY (for himself, Mr. HUNTER, Mr. PACKARD, Mr. CUNNINGHAM, and Mr. FILNER):

H.R. 2927. A bill to amend the Fair Housing Act regarding local and State laws and regulations governing residential care facilities; to the Committee on the Judiciary.

By Mr. NEUMANN:

H.R. 2928. A bill to amend title II of the Social Security Act to ensure the integrity of the Social Security trust funds by requiring the managing trustee to invest the annual surplus of such trust funds in marketable interest-bearing obligations of the United States and certificates of deposit in depository institutions insured by the Federal Deposit Insurance Corporation, and to protect such trust funds from the public debt limit; to the Committee on Ways and Means.

By Mr. MARKEY:

H.R. 2929. A bill to amend title I of the Public Utility Regulatory Policies Act of 1978 to deregulate the electric power industry; to the Committee on Commerce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. NEUMANN:

H.R. 2930. A bill to amend title II of the Social Security Act to provide for an improved benefit computation formula for workers who attain age 65 in or after 1982 by providing a new 10-year rule governing the transition to the changes in benefit computation rules enacted in the Social Security amendments of 1977, and related beneficiaries and to provide prospectively for increases in their benefits accordingly, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LUTHER:

H.R. 2931. A bill to amend title 10, United States Code, to expand the procurement program under which the Department of Defense assists State and local governments to purchase equipment suitable for counterdrug activities to include the purchase of any law enforcement equipment to the Committee on National Security.

By Mr. BURR (for himself, Mr. COBURN, Mr. STENHOLM, Mr. UPTON, Mr. BREWSTER, Mr. BILBRAY, Mrs. LINCOLN, and Mr. HEINEMAN):

H.R. 2932. A bill to amend the Federal Food, Drug, and Cosmetic Act to revise the requirements of that act relating to the dissemination of scientific information on drugs; to the Committee on Commerce.

By Mr. BALDACCI (for himself, Mr. LAFALCE, Mr. HILLIARD, Mr. SISISKY, Mrs. CLAYTON, Mr. MEEHAN, Mr. BENTSEN, and Mr. FLAKE):

H.R. 2933. A bill to amend the Small Business Act concerning the level of participation by the Small Business Administration in loans guaranteed under the Export Working Capital Program; to the Committee on Small Business.

By Mr. BLUTE:

H.R. 2934. A bill to eliminate certain Federal programs and subsidies; to the Committee on Ways and Means, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BUNN of Oregon (for himself, Mr. WHITE, Ms. DUNN of Washington, and Mr. YOUNG of Alaska):

H.R. 2935. A bill to amend title 28, United States Code, to divide the Ninth Judicial Circuit of the United States into two circuits, and for other purposes; to the Committee on the Judiciary.

By Mr. CHAPMAN:

H.R. 2936. A bill to provide that if a member nation of the North Atlantic Treaty Organization, the Republic of Korea, or Japan does not agree, by the end of fiscal year 1997, to contribute to the United States for each fiscal year an amount equal to the full direct costs to the United States of United States military forces permanently stationed ashore in that country for that fiscal year, all such United States forces assigned in that country shall be withdrawn not later than the end of fiscal year 1999 and to provide that the amount of all such contributions and the amount of savings from such withdrawals shall be deposited in the Federal Hospital Insurance Trust Fund; to the Committee on International Relations, and in addition to the Committees on National Security, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CLINGER (for himself, Mr. ARMEY, Mr. DELAY, Mr. WALKER, Mr. BURTON of Indiana, Mr. DAVIS, Mr. FOX, Mr. HASTERT, Mr. SCHIFF, Mr. BLUTE, Mr. LATOURETTE, Mr. FRANK of Massachusetts, Mrs. MORELLA, Mrs. VUCANOVICH, Mr. BALLENGER, and Mr. EHRLICH):

H.R. 2937. A bill for the reimbursement of legal expenses and related fees incurred by former employees of the White House Travel Office with respect to the termination of their employment in that Office on May 19, 1993; to the Committee on the Judiciary.

By Mr. GOODLATTE (for himself, Mr. MOORHEAD, Mr. MCCOLLUM, Mr. SMITH of Texas, Mr. HOKE, and Mr. BRYANT of Tennessee):

H.R. 2938. A bill to encourage the furnishing of health care services to low-income individuals by exempting health care professionals from liability for negligence for certain health care services provided without charge except in cases of gross negligence or willful misconduct, and for other purposes; to the Committee on the Judiciary.

By Mr. GUNDERSON (for himself and Mr. BEREUTER):

H.R. 2939. A bill to direct the Secretary of the Interior to conduct a pilot test of the Mississippi Interstate Cooperative Resource Agreement; to the Committee on Resources.

By Mr. HAYES (for himself, Mr. TAUZIN, Mr. BAKER of Louisiana, Mr. JEFFERSON, and Mr. MCCRERY):

H.R. 2940. A bill to amend the Deepwater Port Act of 1974; to the Committee on Transportation and Infrastructure, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HEFLEY:

H.R. 2941. A bill to improve the quantity and quality of the quarters of land management agency field employees, and for other purposes; to the Committee on Resources, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. JOHNSON of South Dakota:

H.R. 2942. A bill to amend the Railroad Retirement Act of 1974 to prevent the canceling of annuities to certain divorced spouses of workers whose widows elect to receive lump-sum payments; to the Committee on Transportation and Infrastructure.

By Mr. JOHNSON of South Dakota (for himself and Mr. SKEEN):

H.R. 2943. A bill to provide for the collection of fossils on Federal lands, and for other purposes; to the Committee on Resources, and in addition to the Committees on Agriculture, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. MALONEY:

H.R. 2944. A bill to reform the financing of Federal elections, and for other purposes; to the Committee on House Oversight, and in addition to the Committees on Commerce, the Judiciary, Government Reform and Oversight, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MILLER of California:

H.R. 2945. A bill to limit the provision of assistance to the Government of Mexico using the exchange stabilization fund established pursuant to section 5302 of title 31, United States Code, and for other purpose; to the Committee on Banking and Financial Services.

H.R. 2946. A bill to provide that applications by Mexican motor carriers of property for authority to provide service across the United States-Mexico international boundary line and by persons of Mexico who establish enterprises in the United States seeking to distribute international cargo in the United States shall not be approved until certain certifications are made to the Congress by the President and the Secretary of Transportation, and for other purposes; to the Committee on Transportation and Infrastructure.

H.R. 2947. A bill expressing the sense of the House of Representatives regarding the failure of Mexico to cooperate with the United States in controlling the transport of illegal drugs and controlled substances and the denial of certain assistance to Mexico as a result of that failure; to the Committee on International Relations, and in addition to the Committee on Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. MINK of Hawaii:

H.R. 2948. A bill to increase the amount authorized to be appropriated for additions to Haleakala National Park; to the Committee on Resources.

By Ms. MOLINARI:

H.R. 2949. A bill to strengthen Federal law with respect to the prohibitions against and penalties for acts which sabotage or otherwise threaten the safety of rail Transportation and mass transit; to the Committee on transportation and Infrastructure, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. NETHERCUTT (for himself, Mr. McHugh, Mr. Cooley, Mr. Hastings of Washington, Mrs. Chenoweth, and Mr. Johnson of South Dakota):

H.R. 2950. A bill to preserve and strengthen the Foreign Market Development Cooperator Program of the Department of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. PETRI:

H.R. 2951. A bill to protect United States taxpayers by preventing the use of Federal funds for construction of a dam on the American River at Auburn, CA; to the Committee on Resources, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. PORTER (for himself, Mr. Shays, Mr. Calvert, Mr. Manzullo, and Mr. Petri):

H.R. 2952. A bill to amend the Internal Revenue Code of 1986 and title II of the Social Security Act to reduce Social Security taxes, to reduce old-age insurance benefits by a corresponding amount, and to provide for the establishment of individual Social Security retirement accounts funded by payroll deductions and employer contributions equal to the amount of the tax reduction; to the Committee on Ways and Means, and in addition to the Committee on Economic and Educational Opportunities, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. PORTER (for himself and Mr. Inglis of South Carolina):

H.R. 2953. A bill to amend the Internal Revenue Code of 1986 and the Social Security Act to provide for personal investment plans funded by employee Social Security payroll deductions; to the Committee on Ways and Means, and in addition to the Committee on Economic and Educational Opportunities, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ROYCE:

H.R. 2954. A bill to amend title 18, United States Code, to provide Federal penalties for stalking; to the Committee on the Judiciary.

By Mr. SHADEGG:

H.R. 2955. A bill to stop abuse of Federal collateral remedies; to the Committee on the Judiciary.

By Mr. STUDDS:

H.R. 2956. A bill to amend the Interjurisdictional Fisheries Act of 1986 to authorize the provision of certain disaster assistance to commercial fishermen through State and local government agencies and nonprofit organizations, and for other purposes; to the Committee on Resources.

H.R. 2957. A bill to deauthorize a portion of the navigation project for Weymouth-Fore and Town Rivers, MA; to the Committee on Transportation and Infrastructure.

By Mr. STUPAK:

H.R. 2958. A bill to authorize the Secretary of the Interior to make appropriate improvements to a county road located in the Pictured Rocks National Lakeshore, and to prohibit construction of a scenic shoreline drive in that national lakeshore; to the Committee on Resources.

By Mr. TORKILDSEN (for himself, Ms. Harman, Mr. Dellums, Mrs. Morella, Mr. Shays, Mr. Gunderson, Mr. Studds, Mr. Campbell, Mr. Ward, Ms. DeLauro, Mr. Boehlert, Mr. Bilbray, Mr. Gilman, Ms. Pelosi, Mr. Abercrombie, Mr. Meehan, Mrs. Maloney, Mr. Sabo, Mr. Yates, Mr. Gutierrez, Mr. Markey, Mr. Miller of California, Mr. Farr, Mr. Waxman, Mr. Deutsch, Ms. Waters, Ms. Rivers, Mr. Matsui, Mr. Brown of California, Mr. Ackerman, Ms. Furse, Mrs. Schroeder, Mr. DeFazio, Mr. Martinez, Mr. Evans, Mr. Berman, Mr. Frank of Massachusetts, Mr. Hinchey, Ms. Slaughter, Mr. Nadler, Mr. Olver, Mr. Stark, Mr. Kennedy of Massachusetts, Mr. Gejdenson, and Mr. Kennedy of Rhode Island):

H.R. 2959. A bill to repeal the requirement enacted in the National Defense Authorization Act for fiscal year 1996 for the mandatory discharge or retirement of any member of the Armed Forces who is HIV positive; to the Committee on National Security.

By Mr. ZIMMER (for himself and Mr. Blute):

H.R. 2960. A bill to amend the Internal Revenue Code of 1986 to provide that amounts derived from Federal grants in connection with revolving funds established in accordance with the Federal Water Pollution Control Act will not be treated as investment property for purposes of section 148 of such Code; to the Committee on Ways and Means.

By Mr. BARTON of Texas (for himself, Mr. Pete Geren of Texas, Mr. Shadegg, Mr. Hall of Texas, Mr. Saxton, Mr. Allard, Mr. Andrews, Mr. Armey, Mr. Bachus, Mr. Baker of California, Mr. Baker of Louisiana, Mr. Ballenger, Mr. Barr, Mr. Barrett of Nebraska, Mr Bartlett of Maryland, Mr. Bliley, Mr. Boehner, Mr. Bonilla, Mr. Brownback, Mr. Bryant of Tennessee, Mr. Bunn of Oregon, Mr. Bunning of Kentucky, Mr. Burr, Mr. Burton of Indiana, Mr. Callahan, Mr. Calvert, Mr. Camp, Mr. Chabot, Mr. Chambliss, Mrs. Chenoweth, Mr. Christensen, Mr. Chrysler, Mr. Coble, Mr. Coburn, Mr. Collins of Georgia, Mr. Combest, Mr. Cooley, Mr. Cox, Mr. Crane, Mr. Cremeans, Mrs. Cubin, Mr. Cunningham, Mr. Deal of Georgia, Mr. Dickey, Mr. Doolittle, Mr. Dornan, Mr. Duncan, Ms. Dunn of Washington, Mr. Emerson, Mr. English of Pennsylvania, Mr. Ensign, Mr. Foley, Mr. Forbes, Mrs. Fowler, Mr. Fox, Mr. Franks of New Jersey, Mr. Franks of Connecticut, Mr. Frelinghuysen, Mr. Frisa, Mr. Funderburk, Mr. Ganske, Mr. Gilman, Mr. Goodling, Mr. Goss, Mr. Graham, Mr. Greenwood, Mr. Gutknecht, Mr. Hancock, Mr. Hansen, Mr. Hastert, Mr. Hastings of Washington, Mr. Hayes, Mr. Hayworth, Mr. Hefley, Mr. Heineman, Mr. Herger, Mr. Hilleary, Mr. Horn, Mr. Hunter, Mr. Hutchinson, Mr. Inglis of South Carolina, Mr. Istook, Mr. Sam Johnson, Mr. Jones, Mrs. Kelly, Mr. King, Mr. Kingston, Mr. Klug, Mr. Knollenberg, Mr. Kolbe, Mr. Largent, Mr. Latham, Mr. Laughlin, Mr. Lewis of Kentucky, Mr. Lightfoot, Mr. Linder, Mr. LoBiondo, Mr. Lucas, Mr. Manzullo, Mr. Martini, Mr. McCollum, Mr. McCrery, Mr. McHugh, Mr. McInnis, Mr. McIntosh, Mr. McKeon, Mr. Metcalf, Mr. Mica Mr. Miller of Florida, Mrs. Myrick, Mr. Neumann, Mr. Ney, Mr. Norwood, Mr. Packard, Mr. Parker, Mr. Paxon, Mr. Quillen, Mr. Quinn, Mr. Radanovich, Mr. Ramstad, Mr. Riggs, Mr. Roberts, Mr. Rohrabacher, Mr. Royce, Mr. Salmon, Mr. Sanford, Mr. Scarborough, Mr. Schaefer, Mrs. Seastrand, Mr. Sensenbrenner, Mr. Skeen, Mr. Smith of Texas, Mrs. Smith of Washington, Mr. Solomon, Mr. Souder, Mr. Spence, Mr. Stearns, Mr. Stockman, Mr. Stump, Mr. Talent, Mr. Tate, Mr. Tauzin, Mr. Taylor of North Carolina, Mr. Thornberry, Mr. Tiahrt, Mr. Torkildsen, Mr. Upton, Mrs. Waldholtz, Mr. Wamp, Mr. Watts of Oklahoma, Mr. Weldon of Florida, Mr. Weldon of Pennsylvania, Mr. Weller, Mr. Wicker, Mr. Young of Alaska, and Mr. Zeliff:

H.J. Res. 159. Joint resolution proposing an amendment to the Constitution of the

United States to require two-thirds majorities for bills increasing taxes; to the Committee on the Judiciary.

By Mr. SOLOMON:

H. Con. Res. 141. Concurrent resolution providing for the adjournment of the two Houses; considered and agreed to.

By Mr. BEREUTER (for himself, Mr. Gilman, Mr. Gejdenson, Mr. Hastings of Florida, Mr. Houghton, and Mr. Payne of New Jersey):

H. Con. Res. 142. Concurrent resolution regarding the human rights situation in Mauritania, including the continued practice of chattel slavery; to the Committee on International Relations.

By Mr. DOYLE (for himself, Mr. Graham, Mr. Mascara, Mr. Largent, Mr. Holden, Mr. McHale, Mr. Kanjorski, Mr. Fattah, Mr. Borski, and Mr. Klink):

H. Con. Res. 143. Concurrent resolution expressing the sense of the Congress that the President should award a medal of honor to Wayne T. Alderson in recognition of acts performed at the risk of his life and beyond the call of duty while serving in the U.S. Army during World War II; to the Committee on National Security.

By Mr. SAWYER (for himself, Mr. Bonior, Mr. Clay, Mr. Abercrombie, Mr. Ackerman, Mr. Baesler, Mr. Baldacci, Mr. Barcia of Michigan, Mr. Becerra, Mr. Beilenson, Mr. Bentsen, Mr. Bevill, Mr. Bishop, Mr. Borski, Mr. Brewster, Ms. Brown of Florida, Mr. Brown of California, Mr. Brown of Ohio, Mr. Cardin, Mr. Chapman, Mrs. Clayton, Mr. Clement, Mr. Clyburn, Miss Collins of Michigan, Mrs. Collins of Illinois, Mr. Coleman, Mr. Condit, Mr. Coyne, Ms. Danner, Mr. DeFazio, Ms. DeLauro, Mr. Dingell, Mr. Dixon, Mr. Doggett, Mr. Engel, Ms. Eshoo, Mr. Evans, Mr. Faleomavaega, Mr. Farr, Mr. Fattah, Mr. Fazio of California, Mr. Ford, Mr. Frank of Massachusetts, Mr. Frazer, Mr. Frost, Ms. Furse, Mr. Gejdenson, Mr. Pete Geren of Texas, Mr. Gibbons, Mr. Gene Green of Texas, Mr. Gutierrez, Ms. Harman, Mr. Hastings of Florida, Mr. Hefner, Mr. Hilliard, Mr. Hinchey, Mr. Holden, Mr. Houghton, Mr. Hoyer, Mr. Jackson, Ms. Jackson-Lee, Mr. Jacobs, Mr. Jefferson, Mr. Johnson of South Dakota, Ms. Eddie Bernice Johnson of Texas, Mr. Johnston of Florida, Mr. Kennedy of Massachusetts, Mr. Kennedy of Rhode Island, Mrs. Kennelly, Mr. Kildee, Mr. Klink, Mr. Levin, Mr. Lewis of Georgia, Mrs. Lincoln, Mr. Lipinski, Ms. Lofgren, Mr. McDermott, Ms. McKinney, Mr. Markey, Mr. Martinez, Mr. Matsui, Mr. Meehan, Mrs. Meek of Florida, Mr. Miller of California, Mr. Minge, Mrs. Mink of Hawaii, Mr. Moakley, Mr. Moran, Ms. Norton, Mr. Oberstar, Mr. Olver, Mr. Ortiz, Mr. Orton, Mr. Owens, Mr. Pastor, Mr. Payne of New Jersey, Mr. Payne of Virginia, Ms. Pelosi, Mr. Peterson of Minnesota, Mr. Peterson of Florida, Mr. Pickett, Mr. Poshard, Mr. Rahall, Mr. Reed, Mr. Roemer, Mr. Romero-Barcelo, Ms. Roybal-Allard, Mr. Rush, Mr. Sabo, Mr. Sanders, Mr. Scott, Mr. Serrano, Mr. Skaggs, Ms. Slaughter, Mr. Stark, Mr. Stenholm, Mr. Stokes, Mr. Studds, Mr. Stupak, Mr. Tanner, Mr. Thompson, Mrs. Thurman, Mr. Traficant, Mr. Underwood, Ms. Velazquez, Mr. Vento, Ms. Waters, Mr. Watt of North Carolina, Mr. Waxman, Mr. Williams, Mr. Wise, Ms. Woolsey, Mr. Wynn, Ms. McCarthy, Mr. Luther, Mr. Costello, Mr. Spratt, Mr. Cramer, Mr. Torres, Mr. Nadler, Mr. Menendez,. Mr. Boucher, Ms. Rivers, Mr. Dooley, Mr. Volkmer, Mr. Murtha, Mr. Pomeroy, Mr. Neal of Massachusetts, Mr. Torricelli, Mr. Ward, Mr. Gonzalez, Mr. Dicks, Mr. Skelton, Mr. Flake, Mr. McNulty, Mr. Durbin, Mr. Mollohan, Mr. Kanjorski, Mr. Towns, Mr. Mascara, Mr. Montgomery, Mr. Hall of Texas, Mr. de la Garza, Mr. Fields of Louisiana, Mr. Taylor of Mississippi, Mr. Obey, Mr. Edwards, Mr. Deutsch, and Mr. Browder):

H. Con. Res. 144. Concurrent resolution expressing the sense of the Congress with regard to the amount that should be appropriated for fiscal year 1996 for federally assisted education programs and activities; to the Committee on Economic and Education Opportunities.

By Mr. SMITH of New Jersey (for himself, Mr. Wolf, Mr. Solomon, Mr. Hoyer, and Mr. Durbin):

H. Con. Res. 145. Concurrent resolution conerning the removal of Russian Armed Forces from Moldova; to the Committee on International Relations.

By Mr. GEPHARDT:

H. Res. 356. Resolution to protect the creditworthiness of the United States and avoid default of the United States Government; to the Committee on Rules.

By Mr. ARMEY:

H. Res. 357. Resolution electing Representative Mark W. Neumann of Wisconsin to the Committee on the Budget; considered and agreed to.

By Mr. DURBIN (for himself, Mrs. Morella, Mr. Davis, and Mr. Luther):

H. Res. 358. Resolution amending the Rules of the House of Representatives to postpone final House action on legislative branch appropriations for any fiscal year until all other regular appropriations for that fiscal year are enacted into law; to the Committee on Rules.

By Mrs. MORELLA (for herself, Mrs. Lowey, Mr. Moran, Mr. Schaefer, Mr. McDermott, Mr. Brown of California, Mr. Hoke, Mr. Serrano, Mr. Gene Green of Texas, Mr. Owens, Mr. Fox, Mr. Frank of Massachusetts, Mr. Torres, Mr. Bryant of Texas, Mr. Visclosky, Mr. Johnston of Florida, Mr. Manton, Mr. Underwood, Mr. LaFalce, Mr. Cunningham, Ms. Lofgren, Mr. Wilson, Mr. Thompson, Mr. Gejdenson, Ms. Norton, Mr. Filner, Mr. Oberstar, Mr. Lipinski, Mr. Frost, Mr. Romero-Barcelo, Mr. Nadler, Ms. Pelosi, Mr. Berman, Mr. Ward, Mr. Reed, Mr. Kennedy of Massachusetts, Mr. Bonior, and Mr. Foley):

H. Res. 359. Resolution recognizing and supporting the efforts of the U.S. Soccer Federation to bring the 1999 Women's World Cup tournament to the United States; to the Committee on International Relations.

By Mr. VENTO (for himself, Mr. Schumer, Mr. Kanjorski, Mr. LaFalce, Mr. Flake, Mr. Kennedy of Massachusetts, Ms. Velazquez, Mrs. Maloney, Mr. Gutierrez, Mr. Watt of North Carolina, Mr. Ackerman, Mr. Barrett of Wisconsin, Mr. Bentsen, and Mr. Frank of Massachusetts):

H. Res. 360. Resolution affirming the support of the House of Representatives for the preservation of the integrity of the full faith and credit of the United States of America; to the Committee on Ways and Means.

By Mr. ZIMMER:

H. Res. 361. Resolution amending the Rules of the House of Representatives to prohibit foreign travel by a retiring Member; to the Committee on Rules.

By Mr. MILLER of California:

H. Res. 362. Resolution expressing the sense of the House of Representatives regarding the failure of Mexico to cooperate with the United States in controlling the transport of illegal drugs and controlled substances and the denial of certain assistance to Mexico as a result of that failure; to the Committee on International Relations, and in addition to the Committee on Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. DOYLE introduced a bill (H.R. 2961) for the relief of Wayne T. Alderson; which was referred to the Committee on National Security.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 65: Mr. Walsh.

H.R. 103: Mr. Bliley.

H.R. 109: Mr. Wise.

H.R. 134: Mr. Zeliff.

H.R. 135: Mr. Zeliff.

H.R. 136: Mr. Zeliff.

H.R. 138: Mr. Zeliff.

H.R. 141: Mr. Zeliff.

H.R. 143: Mr. Zeliff.

H.R. 218: Mr. Tate.

H.R. 248: Mr. Leach.

H.R. 303: Mr. Walsh.

H.R. 519: Mr. Cox.

H.R. 528: Mr. Owens and Mr. Condit.

H.R. 580: Mr. Wise.

H.R. 878: Mr. Lewis of Kentucky, Mr. English of Pennsylvania, Mr. Ward, Mr. Quillen, Mr. Torricelli, Mr. Rose, Mr. Gutierrez, Mrs. Kelly, and Mr. Durbin.

H.R. 958: Ms. McKinney and Mr. Nadler.

H.R. 995: Mr. Sam Johnson.

H.R. 1090: Mr. Wise.

H.R. 1169: Mr. Gejdenson.

H.R. 1500: Mr. McNulty.

H.R. 1621: Mr. Barrett of Wisconsin and Mr. Smith of New Jersey.

H.R. 1684: Mr. Oberstar, Mr. Thornton, Mr. Ensign, Mr. Solomon, and Mr. Porter.

H.R. 1711: Mr. Hefley.

H.R. 1733: Mr. Farr.

H.R. 1805: Mr. Ward, Mr. Rose, Mr. Menendez, and Mr. Quillen.

H.R. 1889: Mr. Johnston of Florida, Mr. Rush, and Mr. Clement.

H.R. 1920: Mr. Hoke and Mr. LaFalce.

H.R. 1950: Mr. Frank of Massachusetts.

H.R. 1972: Mr. Oxley, Mr. Johnson of South Dakota, Mr. Campbell, Mr. Istook, and Mrs. Fowler.

H.R. 2011: Mr. HINCHEY.

H.R. 2209: Mr. OXLEY and Mr. GEKAS.

H.R. 2214: Ms. WOOLSEY.

H.R. 2270: Mr. SKEEN and Mr. CRANE.

H.R. 2281: Mrs. THURMAN.

H.R. 2416: Mr. HASTINGS of Florida.

H.R. 2421: Mrs. LOWEY, Mr. MEEHAN, Mr. MOAKLEY, and Mr. OLVER.

H.R. 2434: Mr. GENE GREEN of Texas, Mr. LAUGHLIN, Mr. POMEROY, Mr. BREWSTER, Mr. HEFLEY, Mr. FROST, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. LEWIS of Georgia, and Mr. ABERCROMBIE.

H.R. 2441: Mr. BURR and Mr. MINGE.

H.R. 2445: Mr. COX.

H.R. 2463: Mr. FRAZER.

H.R. 2472: Ms. WOOLSEY, Mr. FAZIO of California, Mr. STARK, Mr. MILLER of California, Mr. SAXTON, and Mr. BRYANT of Texas.

H.R. 2497: Mr. BREWSTER, Mr. GUNDERSON, Mr. DORNAN, Mr. ISTOOK, Mr. DOOLITTLE, Mr. FOLEY, Mr. MILLER of Florida, Mrs. FOWLER, Mr. GOSS, and Mr. BALLENGER.

H.R. 2540: Mr. ALLARD, Mr. BACHUS, and Mr. DICKEY.

H.R. 2548: Mr. MARTINI, Mr. FRAZER, and Mr. COBLE.

H.R. 2579: Ms. WOOLSEY, Mr. LOBIONDO, Ms. PRYCE, Ms. LOFGREN, and Mr. OLVER.

H.R. 2585: Mr. VISCLOSKY.

H.R. 2651: Mr. SABO.

H.R. 2655: Mr. PETE GEREN of Texas.

H.R. 2658: Mr. BRYANT of Texas.

H.R. 2664: Mr. CHABOT and Mr. QUINN.

H.R. 2676: Mr. WILSON, Mr. SENSENBRENNER, and Mr. LAUGHLIN.

H.R. 2691: Ms. MCKINNEY and Mr. HILLIARD.

H.R. 2697: Ms. ROYBAL-ALLARD, Mr. CLEMENT, Mr. HINCHEY, Mr. CALVERT, and Mr. KENNEDY of Massachusetts.

H.R. 2727: Mr. BAKER of Louisiana.

H.R. 2731: Mr. CALVERT.

H.R. 2740: Ms. JACKSON-LEE, Mr. STOCKMAN, and Mrs. SMITH of Washington.

H.R. 2757: Mr. CARDIN, Mr. LOBIONDO, Mr. LATHAM, Mr. CANADY, and Mr. BONO.

H.R. 2762: Mr. MINGE.

H.R. 2776: Mr. BARCIA of Michigan, Mr. DAVIS, Mr. LEACH, Mr. PETERSON of Florida, Mr. HANSEN, Mr. FRAZER, Mr. JONES, Mr. BUNNING of Kentucky, Mr. DOYLE, Mr. MANZULLO, Mr. MCKEON, Ms. HARMAN, Mr. TOWNS, Mr. MOAKLEY, Mr. JEFFERSON, Ms. DELAURO, Mr. ACKERMAN, Mr. KING, Mr. TALENT, Mr. TORRES, Mr. PAYNE of Virginia, Mr. LIPINSKI, Mr. BEREUTER, Mr. TORKILDSEN, Mr. SAXTON, Mr. HOYER, Mr. LIVINGSTON, and Mr. EHRLICH.

H.R. 2777: Ms. MCKINNEY, Mr. JACOBS, Mr. GONZALEZ, Mr. THOMPSON, Mr. BEILENSON, Mrs. MINK of Hawaii, Mr. FROST, Mr. TORRES, and Mr. EVANS.

H.R. 2778: Mr. BATEMAN, Mr. MCINTOSH, Mr. MCKEON, Mr. JEFFERSON, Mr. PETRI, Mr. WELDON of Pennsylvania, Mr. GALLEGLY, Mr. SMITH of Texas, Mr. SHAYS, Mr. GOSS, and Mr. SKELTON.

H.R. 2802: Mr. CRAPO, Mr. PAYNE of Virginia, Mr. MONTGOMERY, Mr. BEVILL, Mr. BALDACCI, Mr. PARKER, Mr. KINGSTON, and Mr. LIPINSKI.

H.R. 2807: Mr. BARCIA of Michigan and Mr. BISHOP.

H.R. 2811: Mr. HYDE, Mr. CONYERS, Mr. GONZALEZ, Mr. LAFALCE, Mr. SKELTON, Mr. DE LA GARZA, Mr. KILDEE, Mrs. COLLINS of Illinois, Mr. CLAY, Mr. YATES, Mr. WAXMAN, Mr. MCDADE, Mr. WALKER, Mrs. MINK of Hawaii, Mrs. SCHROEDER, Mr. STARK, Mr. MILLER of California, Mr. WILSON, Mr. QUILLEN, Mr. ACKERMAN, Mr. MONTGOMERY, Mr. DINGELL, Mr. FRAZER, Mr. THOMPSON, and Mr. MCNULTY.

H.R. 2827: Mr. FAWELL, Ms. PRYCE, Mr. MINGE, Mr. FARR, and Mr. QUINN.

H.R. 2841: Mr. CALVERT.

H.R. 2854: Mr. EHLERS and Mr. GUNDERSON.

H.R. 2856: Mr. OLVER.

H.R. 2862: Mr. DINGELL, Ms. KAPTUR, Mr. SERRANO, Mrs. LOWEY, Ms. WOOLSEY, Mrs. CLAYTON, and Mr. TORRES.

H.R. 2867: Mr. CALVERT, Mr. TAYLOR of North Carolina, Mr. RADANOVICH, and Mr. EMERSON.

H.R. 2875: Ms. MOLINARI, Mr. FRISA, Mr. TOWNS, Mr. ACKERMAN, Ms. JACKSON-LEE, Mr. KENNEDY of Massachusetts, Mr. FALEOMAVAEGA, Mr. GEJDENSON, and Mr. LAZIO of New York.

H.R. 2894: Mr. CALVERT, Mr. HOEKSTRA, Mr. STUMP, Mrs. CUBIN, Mr. DOOLITTLE, Mr. POMBO, Mr. TATE, Mr. BAKER of California, Mr. CHRISTENSEN, Mr. DREIER, Mr. STOCKMAN, Mr. SHADEGG, Mr. FORBES, Mr. CHAMBLISS, Mr. JONES, Mr. SAM JOHNSON, Mr. FUNDERBURK, Mr. BALLENGER, Mr. NEUMANN, and Mr. CHABOT.

H.R. 2900: Mr. WICKER, Ms. DUNN of Washington, Mr. PAXON, Mrs. LINCOLN, MR. BREWSTER, Mr. KNOLLENBERG, and Mr. BAKER of Louisiana.

H.R. 2921: Mr. BILIRAKIS.

H.J. Res. 121: Mr. INGLIS of South Carolina, Mr. HEINEMAN, Mr. CRANE, Mr. MCCOLLUM, Mr. COBLE, Mr. HANSEN, Mr. MCINTOSH, Mr. CALVERT, Mr. COOLEY, Mr. MOORHEAD, Mr. QUILLEN, Mr. LIPINSKI, Mr. HERGER.

H. Con. Res. 23: Mr. BONIOR, Mr. ROTH, Mr. KENNEDY of Massachusetts, Mr. DAVIS, and Mr. LIVINGSTON.

H. Con. Res. 47: Mr. WOLF, Mr. MCDADE, and Mr. CALVERT.

H. Con. Res. 63: Mr. KLUG.

H. Con. Res. 103: Mr. LEVIN, Mr. BERMAN, Mr. BILIRAKIS, and Mr. PORTER.

H. Con. Res. 134: Mr. STUMP, Mr. EHRLICH, Mr. LATOURETTE, and Mr. LARGENT.

H. Con. Res. 135: Ms. MCKINNEY, Ms. ROYBAL-ALLARD, and Mr. DELLUMS.

H. Con. Res. 138: Mr. BURTON of Indiana, Mr. STOCKMAN, Mrs. MEEK of Florida, and Mr. CUNNINGHAM.

H. Res. 30: Mr. PETE GEREN of Texas, Mr. BALLENGER, Mr. TORKILDSEN, Mr. WATTS of Oklahoma, Mr. COYNE, and Mr. GUTKNECHT.

H. Res. 346: Mr. GREENWOOD.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1963: Mrs. KELLY and Mr. DAVIS.

H.R. 2281: Mr. SHAYS.

H.R. 2745: Mr. KLINK.

DISCHARGE PETITIONS

Under clause 3, rule XXVII, the following discharge petitions were filed:

Petition 9, January 30, 1996, by Mr. CONDIT on House Resolution 333, was signed by the following Members: Gary A. Condit, Blanche Lambert Lincoln, Mike Ward, Scotty Baesler, Tim Roemer, Bill K. Brewster, David Minge, Tim Holden, Jane Harman, Bill Orton, Thomas M. Barrett, Charles W. Stenholm, Thomas C. Sawyer, Pat Danner, Calvin M. Dooley, Glen Browder, Collin C. Peterson, Robert E. (Bud) Cramer, Jr., Earl Pomeroy, Bill Richardson, L.F. Payne, and Gene Taylor.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 8 by Mr. KENNEDY of Massachusetts on House Resolution 292: Gerry E. Studds, Kweisi Mfume, Blanche Lambert Lincoln, John Joseph Moakley, Bill K. Brewster, William J. Coyne, Xavier Becerra, Calvin M. Dooley, Frank Tejeda, Maxine Waters, Henry A. Waxman, Paul E. Kanjorski, John J. LaFalce, James L. Oberstar, William P. Luther, Charles Wilson, Chaka Fattah, Jose E. Serrano, and Robert E. Andrews.

EXTENSIONS OF REMARKS

LEGISLATION TO REIMBURSE WHITE HOUSE TRAVEL OFFICE EMPLOYEES FOR LEGAL EXPENSES

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. CLINGER. Mr. Speaker, I rise today with several of my colleagues, including Majority Leader ARMEY, to introduce legislation to reimburse the seven White House Travel Office employees for legal expenses incurred as a result of their firings on May 19, 1993.

It was nearly 3 years ago that seven men who had served in the Travel Office for anywhere from 9 to 32 years were fired summarily and placed under a cloud of suspicion when the White House announced they were the subjects of a criminal investigation. Only one of the seven men was indicted and, in the wake of a 30-month long investigation, a jury took only 2 hours to acquit Billy Dale of the two charges against him.

The seven men fired from the White House Travel Office on May 19, 1993, appeared before the Committee on Government Reform and Oversight last Wednesday. Individually and collectively, they spoke, with an eloquence which has touched the Nation, of the pride they took in serving the White House under Democrat and Republican Presidents. Mr. McSweeney put it best when he said, and I quote:

> I would hope that people would understand that, for me and thousands of others, when Air Force One would arrive, the markings on the side were not Democratic Party or Republican Party—it read "United States of America." The emblem on its side was not a political poster, it was the seal of the Executive Office of the President of the United States. When the door opened, the man or woman chosen by the people of this country to fill that office had my complete loyalty and support. I did that for 13 of the proudest years of my life.

I know that Mr. McSweeney spoke for all six of his colleagues when he said those words and he spoke for the pride of a nation in the Office of the President.

It pains me to say that I now believe that the charges made against those seven men by this administration appear to have been baseless, unwarranted, and intended to provide cover for an act of political cronyism. The fact that these men were, and are, innocent, however, does not mitigate their suffering as FBI and IRS agents trooped through their neighborhoods inquiring into their character, their conduct, and their families. Nor does it make up for nearly three-quarters of $1 million in legal expenses they incurred in the course of mounting their own defense.

Billy Dale's legal defense has cost him nearly $500,000. His six colleagues spent more than $200,000 in their own defense, some $150,000 of which was reimbursed in a Transportation appropriations bill in 1994.

While this bill will make financially whole the seven fired Travel Office workers for their legal expenses, I regret that nothing I can do will ever erase the needless, baseless suffering inflicted upon them and their families as their reputations were trashed before the world to make way for friends of the First Family and Harry Thomason. For that, I am deeply sorry.

I want to commend the White House spokesman for publicly admonishing Mr. Robert Bennett, the attorney representing President Clinton and Harry Thomason for continuing the administration's attack on Mr. Dale and his colleagues. I wrote the President asking him to call off his attack squad and that now seems to be happening.

The White House spokesman also indicated that the President will sign this legislation. I anticipate these bills will pass both Chambers relatively quickly.

I am pleased to introduce this bill on behalf of the seven Travel Office employees. They served their country for many years with pride, integrity, and ethics. All of these characteristics are essential if we ever hope to restore people's faith in their Government.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REIMBURSEMENT OF CERTAIN LEGAL EXPENSES AND RELATED FEES.

(a) IN GENERAL.—The Secretary of the Treasury shall pay, from amounts in the Treasury not otherwise appropriated, such sums as are necessary to reimburse former employees of the White House Travel Office whose employment in that Office was terminated on May 19, 1993, for any legal expenses and related fees they incurred with respect to that termination.

(b) VERIFICATION REQUIRED.—The Secretary shall pay an individual in full under subsection (a) upon submission by the individual of documentation verifying the legal expenses and related fees.

(c) NO INFERENCE OF LIABILITY.—Liability of the United States shall not be inferred from enactment of or payment under this section.

HUMAN RIGHTS VIOLATIONS AND UNFRIENDLY FOREIGN POLICY IN INDIA

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. ROHRABACHER. Mr. Speaker, India recently celebrated the anniversary of the adoption of its constitution. While I applaud India's embrace of democratic principles, we should not overlook India's brutal repression of Sikhs, Christians, and Muslims. India and the United States should be friends, but our friendship will become increasingly strained unless India starts to practice the democratic values it claims.

Also troubling are India's testing of the Prithvi–II missile. The missile's 156-mile range is a clear threat to Pakistan. In context of this blatant intimidation of Pakistan, India's desire to test another nuclear device can only be seen as an extension of its threats to Pakistan. I share India's suspicion of China's regional intentions, but that mutual suspicion does not give it leeway to threaten force against its other neighbors.

According to the United States State Department the Indian Government paid over 41,000 cash bounties to police officers for the killing of Sikhs since 1991. Sikhs are not the only victims of India's state terrorism. In addition to the estimated 150,000 Sikhs who have been murdered by the Indian Government since 1984, tens of thousands of Christians and Muslims have also been killed. In fact, all non-Hindus are at risk, of oppression in India. If India is "the world's largest democracy," as it claims to be, then how can it pile up such a gruesome death toll? If India respects the human rights of the people who live in India, why do so many citizens of India want to get out from under Indian rule?

I have criticized the absence of religious freedom in Burma, Vietnam, China, and other totalitarian countries. India's record does not seem much better. Just this week, the Indian Government jailed an 88-year-old Catholic priest and a 50-year-old nun on charges of violating a law outlawing religious conversion.

Beyond India's systematic abuse of human rights in Kashmir, Nagaland, and Khalistan, I am deeply concerned with India's growing negative role in Afghanistan. India's support for the Rabbani regime in Kabul troubles me because of Mr. Rabanni's rejection of efforts to return Afghanistan to peace. I have proposed that former King Zahir Shah serve as a transitional Head of State of Afghanistan while the Afghan people write a constitution, organize elections, and ultimately, establish a peaceful and democratic Afghanistan. Unfortunately, Mr. Rabanni has opposed this possible solution in favor of continued fighting and chaos. Indian's support for Rabanni makes him less likely to accept reasonable efforts to end Afghanistan's bloodshed.

India should be our friend. But, Mr. Speaker, the more we learn about India, the harder that friendship will be to sustain.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

TRIBUTE TO THOMAS FRANCIS CORCORAN

HON. JERRY WELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. WELLER. Mr. Speaker, I want to inform my colleagues in the House of Representatives of the recent death of Thomas Francis Corcoran of Ottawa, IL, at the age of 86. Through his son, former Illinois Congressman Tom Corcoran, I first became acquainted with the late Mr. Corcoran many years ago. He was a true man of the land, loved and respected by all who knew him. Moreover, he was representative of the hard working, honest, good men and women who farm our Nation's fields to produce food for our own people and others around the world.

One of the privileges of serving in Congress is meeting America's unsung heroes, either in our congressional district or across this great country of ours. Thomas Francis Corcoran was one of those unsung heroes.

Mr. Corcoran's grandson, Evan, worked on the staff of our friend and colleague from Virginia, Mr. WOLF, and he served on the staff of the House Appropriations Committee before becoming an assistant U.S. attorney here in Washington. In the eloquent eulogy which follows, given by his grandson, Evan, at the funeral on December 9, 1995, we are reminded once again about the everyday greatness of our people and therefore the greatness of our country.

Mr. Speaker, I commend the following Corcoran eulogy to my colleagues:

THOMAS FRANCIS CORCORAN

What better place is there in the world when you are 11 years old on a sunny summer afternoon than to be at your grandfather's side, in a field, mending fences? What better place to learn what is valuable in life? My brothers and sisters and I learned many lessons from Thomas Francis Corcoran when we lived on the family farm just outside of Ottawa.

We learned not by being told—for Grandpa was a man who chose his words carefully, and used them sparingly—but by observing. He taught by example. We saw his quiet dignity, his discipline, his economy, and his honesty. We saw a man at peace with himself and with the world. He gave unqualified love, a love my sister Camilla described yesterday as the purest she had encountered. He left an enduring imprint.

Thomas Francis Corcoran was a lifelong farmer. He loved the land. He was in concert with the great silent forces that shape the world. His work connected him with his community and with the world. He came from a time when you would call your neighbors in the evening and say, "The crops are in, be here early." And the men would come and work in the fields until lunch. There would be two tables set up outside, and after washing at the pump, they would try to sit down at the first table, because there were some great eaters in that crowd and you could not be sure that the food would hold out. At the end of the day no money would change hands.

He took pride in the visible return that the earth makes for labor. He took pride in passing the land on to the next generation, when his son returned to farm. At the end of each season, he had increased the stock and store of the world. And today, at the close of his final season, he has added to the storehouse of memories of each of us.

Grandpa was a strong man, who did hard physical labor all his life. In recent years the time had taken a toll. One of his great loves was training and racing horses. Remember that in a race the horse and jockey do not stop when they reach the line: there is a little canter before reaching a standstill. It is then that the jockey hears the cheers of the crowd, and thinks back on the race just run. I like to think that Grandpa was in a canter these last years: and special thanks is due to those who on a daily basis cared for him and gave him cheer.

Thomas Francis Corcoran was not a man of sorrow, he was a man of great humor. He never spoke a harsh word to anyone, and never lost his smile. He would not think it inappropriate to have humor at a funeral. His humor gave him strength and stability to meet the challenges life presents. A story illustrates the point.

One day in late summer when I was 11 and my brother Phil 10, we worked an afternoon with Grandpa and there came a time when we needed to return a small tractor to a shed, some distance away. Always encouraging us, Grandpa asked Phil if he knew how to drive the tractor. Phil, always eager to please his grandfather, said "Yes." Well we started off down the narrow lane with Phil on the tractor and Grandpa and me in the truck behind. I watched first with amusement, then with concern, as the tractor began to pick up speed. It began to go faster and faster, and as it did it moved from one side of the lane, bounded by a field of corn, to the other, bounded by a fence, and back and forth again. Well eventually the tractor took out a couple of rows of corn for a distance and then came to rest against the fence. We stopped and Grandpa walked over to Phil. With not a hint of anger in his voice, he said, "I thought you said you knew how to drive it." Phil replied, "I know how to drive it Grandpa. I just don't know how to stop." Well, Grandpa just loved that. He would appreciate the humor in life.

Grandpa was a man who, in his own humble way, walked with God. When he drove a combine into a new field, he would make the sign of the cross. He is with God now. The monument to Thomas Francis Corcoran is his contribution to our collective spirit, his place in the hearts and minds of the family and friends and neighbors gathered here in prayer. In a world where so many forces work to keep us all apart, memories of him bind us together. What greater legacy from a decent and a fine man.

M. EVAN CORCORAN,
Ottawa, IL.

HONORING THREE STATE CHAMPIONSHIP FOOTBALL TEAMS

HON. CHARLIE NORWOOD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. NORWOOD. Mr. Speaker, I am pleased to bring to your attention three Georgia high school championship football teams from my district. T.W. Josey High School won the group AAA championship. The Eagles were undefeated, going 15–0 under Coach John Starr. Elbert County High School won the group AA championship. The Blue Devils finished the year 14–1 under Coach Tom McFerrin. Lincoln County High School won the group A championship. The Red Devils were undefeated, going 15–0 under Coach Larry Campbell. I am very proud of the efforts of these young men, there coaches, teachers, and the communities that supported them. They are a credit to the State of Georgia.

Mr. Speaker, it is my distinct pleasure to herald the accomplishments of these three champions.

SALUTING COACH NEAL QUILLIN AND THE HUMBLE WILDCATS ON ANOTHER GREAT SEASON

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. FIELDS of Texas. Mr. Speaker, the 1995 football season was yet another outstanding season for the Humble High School Wildcats. The same "experts" who predicted that Humble would finish seventh in their district in 1994—only to see them win the District 21–5A championship—were again proven wrong last year. Humble, predicted to finish fifth in their district in 1995, instead fought their way to a 9–4–2 record, ending their season in a Division II state semi-final game.

Coach Neal Quillin and the members of the Humble Wildcats football team have earned the gratitude of their community and fans, and have earned the respect not only of their opponents, but of high school football "experts" as well. As an Humble native, and a graduate of Humble High School, I want to take a moment to salute the remarkable success of the Humble High School Wildcat football team this past season.

The Wildcats began the 1995 season on a low note—a 24–21 loss to Baytown Sterling, before recovering to defeat Katy Taylor 27–23. A narrow 21–20 loss to Westfield followed before the Wildcats defeated MacArthur 28–7; defeated Aldine 26–7; tied Spring 24–24; and defeated Kingwood 20–3.

Next, Humble lost to Eisenhower 42–20—putting the Wildcats in a must-win situation to secure a playoff spot. The Wildcats were up to the challenge; in their regular-season finale, they defeated Nimitz 23–7, winning a place in post-season play.

In the playoffs, the Wildcats, and their coaching staff, showed what they were made of. They defeated Baytown Lee 17–14, overcoming the area's number one-ranked offense. Next, they tied Texas City 21–21, before going on to defeat Madison 20–7, and Elkins, 9–5.

While the Wildcats' 17–7 loss to San Antonio Roosevelt was disappointing, Humble's players and coaching staff demonstrated last year what they demonstrated the year before: that the experts mediocre expectations can be exceeded through hard work, dedication, teamwork and planning.

In addition, to the outstanding record compiled last year by the Wildcats, I want to point out that last year's season also saw Coach Quillin achieve his 100th career victory—a testament to his coaching skills.

In the Wildcats' third-round playoff game against Madison, the 17–5A champions—a game held in Houston Astrodome—Humble quarterback Steve O'Neill showed just how talented he is. In that game, O'Neill passed for 92 yards, rushed for 141 yards, and caught two critical passes. His performance in that game impressed even those who were already familiar with his playing skills earlier in the season.

While those of us who cheer for the Humble Wildcats were disappointed by their loss to San Antonio Roosevelt, we remember that during their five-game playoff run, the Wildcats won bidistrict, area and regional championships. And that's not bad for a team picked to finish fifth in their district!

Mr. Speaker, thank you for allowing me to do this little hometown boasting. I know you join with me in congratulating the Humble Wildcats and their coaching staff on a truly remarkable 1995 football season, and in wishing them continued success on an off the field in the years ahead. They have made all of us proud of their accomplishments, and to them we say "thank you."

SMALL BUSINESS EXPORT WORKING CAPITAL ENHANCEMENT ACT

HON. JOHN ELIAS BALDACCI

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. BALDACCI. Mr. Speaker, as a small businessman, I am acutely aware of the fact that small businesses are the engines that drive our Nation's economy. I also recognize that these businesses often need assistance so that they can expand and increase employment.

As part of their efforts to expand, many small businesses have begun to recognize the potential of markets outside of the United States. In fact, the percentage of small firms involved in exporting is projected to increase from 23 percent to 33 percent by the year 2005. Realizing the potential of foreign markets, delegates to the White House Conference on Small Business recommended that the Federal Government provide export assistance to small businesses, and make export finance more available to these firms through Federal guarantees.

Currently, the Small Business Administration has a short-term financing program for export transactions. The SBA's Export Working Capital Program, which works in conjunction with the Export-Import Bank, provides loan guarantees to finance small business exports. Until last year, the SBA and the Eximbank harmonized their export loan programs to ensure that all borrowers would have the same loan terms. Both provided a 90 percent guarantee rate on loans. Businesses seeking to borrow less than $750,000 would apply for an SBA guaranty. Those seeking more than $750,000 would deal with the Eximbank. Unfortunately, the SBA guarantee rate was reduced in small business legislation we enacted last year. As a result, a disparity has been created between the guarantee rate offered to small businesses by the SBA, and the rate offered to larger businesses by the Eximbank. This will likely have a chilling effect on small business lenders who will have to incur greater risk in financing small business exports.

Mr. Speaker, that is why I am introducing legislation today to restore the 90 percent guarantee rate for small businesses who finance their export transactions through the SBA's Export Working Capital Program. My bill will place small businesses back on a level playing field with larger businesses. This is only fair.

Exporting can be a very lucrative business for many of these firms. It's also beneficial for our Nation's economy. The Labor Department Estimates that for every $1 billion in increased trade, 20,000 manufacturing jobs and 40,000–60,000 service and support jobs are created. Moreover, wages are 22 percent higher on exported goods.

I don't believe anyone in this Chamber would intentionally discriminate against small businesses who wish to export their products. That is why it is important that we restore the 90 percent guaranty rate to the Export Working Capital Program.

The SBA has been invaluable in helping small businesses enter international markets. Nationally, exporters received a total of 1,161 loan from the SBA for more than $481 million in fiscal year 1994. It is imperative that we continue to help the SBA help on small businesses through the Export Working Capital Program. I urge my colleagues to show their support for small business exports by cosponsoring this legislation.

IN RECOGNITION OF ARMSTRONG WORLD INDUSTRIES OF MARIETTA

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. GEKAS. Mr. Speaker, last April, Americans were horrified by the image of a bombed-out courthouse in Oklahoma City. We prayed that the tired heroes working day and night in the rubble would find more victims alive, and return them safely to their worried families.

Nearly a year after the tragedy, there are still heroes working to heal the wounds of Oklahoma City. One such hero is a well-known business in central Pennsylvania, Armstrong World Industries of Marietta.

In January, the Marietta plant donated 40,000 square feet of Armstrong ceiling tiles to assist in the rebuilding of the Federal courthouse in Oklahoma City. This generous gift was delivered to the director of the Oklahoma City Customer Service Center of the General Services Administration.

Armstrong World Industries is a shining example of the charitable spirit that so exemplifies central Pennsylvania. It is this spirit that overcomes tragedies and brings people together as a community and a nation.

I am extremely proud of the efforts of the Marietta plant and its workers to help their fellow Americans in Oklahoma City. I am certain their generosity will not soon be forgotten.

TRIBUTE TO CLAIR A. HILL

HON. WALLY HERGER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. HERGER. Mr. Speaker, I rise this morning, to recognize Clair A. Hill, an outstanding leader in the State of California.

Mr. Hill has been an active public servant in northern California for 30 years and has served as chairman of the California Water Commission, a director of the California Chamber of Commerce and an active member of the American Society of Civil Engineers.

His dedication to the balanced management of California's water supply was recognized by the U.S. Bureau of Reclamation in its citizen award to him for outstanding lifelong commitment to the wise use and development of California's water resources.

Mr. Speaker, I wish to submit for the RECORD the following written tribute to Mr. Hill in recognition of his distinguished public service and his extraordinary efforts to improve California water management. Thank you.

IN RECOGNITION OF CLAIR A. HILL FOR EXTRAORDINARY PUBLIC SERVICE

Whereas, Clair A. Hill is leaving the California Water Commission after 30 years of public service on that body, his tenure having spanned the terms of seven governors; and

Whereas, Mr. Hill began his service on the California Water Commission in 1949, when it was then known as the State Water Resources Board, and has ably served as Vice-Chair and Chair of that body; and

Whereas, His interest in, and dedication to, multi-purposes coordinated management of California's water supply was recognized by U.S. Bureau of Reclamation in its Citizen Award to him for "outstanding lifelong commitment to the wise use and development of California's water resources"; and

Whereas, Mr. Hill's history of involvement in water resources management at the statewide level is demonstrated by his long association with the California Water Plan. In 1957, he signed the State Water Resources Board's letter transmitting Department of Water Resources Bulletin 3, the first California water plan. In his most recent term on the California Water Commission, he participated in the Commission public hearing on the latest update of the plan; and

Whereas, As fishery issues have increasingly become an important component of water resources management, Mr. Hill has represented the California Water Commission before Congress and before federal agencies to seek funding for needed federal fishery restoration projects; and

Whereas, Mr. Hill has been a lifelong resident of northern California, having been founder and present of the Redding engineering firm of Clair A. Hill and Associates, now grown to the international firm of CH2MHill. In addition to his participation on the California Water Commission, he has served as a director of the California Chamber of Commerce and has been involved with the American Society of Civil Engineers; and

Whereas, Mr. Hill's wealth of knowledge on California water resources management and long experience in helping the State meet its water supply needs have made him an invaluable asset to the Water Commission;

Now, Therefore, I express my sincere thanks to Mr. Hill for his service to the people of California and of the Nation, and commend him for his personal and professional contributions throughout his career to helping improve California water management.

WALLY HERGER.

TRIBUTE TO JOHN E. KUMPF

HON. SAM JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. SAM JOHNSON of Texas. Mr. Speaker, it is with a great deal of personal pleasure that I recognize the major accomplishments of an individual who dedicated his career to serving the interests of our country, Mr. John E. Kumpf.

Mr. Kumpf, who has been a resident of Dallas, TX, for the past 23 years, distinguished himself as a fighter pilot from 1950 to 1954. He was a member of the 25th Interceptor Squadron and flew an F–86 Sabre jet during the Korean war. Mr. Kumpf flew over 100 air combat and support missions from his base of operations at Suwon, Korea. For his dedicated efforts during this campaign, Mr. Kumpf received the Distinguished Flying Cross and the Air Medal with three clusters. He continued in the U.S. Air Force until December 1954 when he received an honorable discharge as a captain. Mr. Kumpf continued to serve his country for 20 years through the U.S. Air Force Reserve as a pilot and public information officer, retiring as a lieutenant colonel.

After Korea, he continued his career in the defense sector by joining Sperry Rand Corp. in 1956. He served them admirably in public relations and marketing for 16 years in his hometown of Minneapolis, MN.

In 1972, he joined E-Systems, in Dallas, TX, as director of public relations and later as vice president, corporate communications. He directed the annual U.S. savings bonds drive to solicit employees to buy U.S. savings bonds through payroll deduction. As a result, over a 23-year period, E-Systems employees have purchased more than $110 million of U.S. savings bonds.

In summary, Mr. Kumpf merits our thanks and tribute for the outstanding contribution he has made to his country. My personal thanks to an extraordinary citizen and constituent.

TRIBUTE TO GENERAL D.O. GRAHAM

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. ROHRABACHER. Mr. Speaker, Gen. Daniel Graham's service to this country has been matched by few Americans. As a tribute to him and his achievements, I would like to submit for the RECORD, a letter that Speaker NEWT GINGRICH wrote to General Graham last year, and General Graham's obituary as it appeared in the January 3, 1996, edition of the New York Times.

U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, May 10, 1995.

DEAR DAN: I am sorry I am not able to join you this evening. However, I do not want my appreciation of your achievements to go unstated.

Your contributions to U.S. national security and the U.S. space program are exceptionally well known in Congress. As Director of the Defense Intelligence Agency, your unflinching analysis of Soviet capabilities and intentions reminded us that the Soviet Union was an unfailing adversary that wished the United States immense harm. Your fortitude in telling elected officials the cold, hard truth, even when they sometimes did not want to hear it, served as a guidepost by which we could reorient U.S. foreign policy and win the Cold War.

Even in retirement, General Graham, you were dedicated and forward-thinking which you proved by founding High Frontier, a citizen's organization dedicated to leading the United States towards a secure future in space. Your leadership helped President Reagan launch the Strategic Defense Initiative, which has brought us ever closer to ending the threat of nuclear annihilation. However, you were not satisfied to simply improve national security, but you led High Frontier and its sister organization, the Space Transportation Association, to creatively think about the U.S. future in space. Today, under you care and instruction, these two organizations are among the most creative sources of thinking on developing outer space as a national resource. The X–33 program to create a reusable rocket that dramatically lowers the cost of access to space, for example, would not be happening today without the contributions of you and your colleagues.

In closing, I can only say thank you for your past service in the Cold War and your wonderful contributions to America's future. In formulating a vision for space development, you planted, watered, and nurtured a seed that is growing as we speak and will one day surpass our wildest imagination. Thank you Lieutenant General Daniel O. Graham for helping save America.

Your friend,

NEWT GINGRICH.

[From the New York Times, Jan. 3, 1996]

D.O. GRAHAM, 70, CREATOR OF 'STAR WARS' DEFENSE

(By Steve Lohr)

Lieut. Gen. Daniel O. Graham, one of the leading architects of President Ronald Reagan's Strategic Defense Initiative, also known as "Star Wars," died on Sunday at his home in Arlington, Va. He was 70.

General Graham died of colon cancer, Brig. Gen. Robert Richardson 3d, a friend and longtime colleague, said yesterday.

While others, including Dr. Edward Teller, played roles in getting the Reagan Administration to adopt the Star Wars plan to shield the United States from Soviet nuclear attack with space-based missiles, even General Graham's opponents acknowledge that he was probably the most persistent advocate for the approach.

"Dan Graham got it on the national agenda and, though it's been modified recently, the ballistic missile defense concept has remained on the agenda ever since," said John Pike, director of the space policy project of the Federation of American Scientists, a research group in Washington.

The Strategic Defense Initiative changed its name to the Ballistic Missile Defense Project in 1993, Mr. Pike noted, but the project is still spending more than $3 billion a year on the kind of high-technology programs that General Graham championed

A graduate of West Point, General Graham spent 30 years in the military, serving in Germany, Korea and Vietnam. Much of his career was spent in military intelligence as a Soviet specialist, and he became an expert in missile defense systems and satellite surveillance. He rose to become deputy director of the Central Intelligence Agency for two years in the 1970's, before he became the director of the Defense Intelligence Agency from 1974 to 1976, when he retired.

The general was known as an ardent hawk, even among his Pentagon peers, a man who strongly believed in the 1970's that the rapid growth of the Soviet Union's military was being ignored within the American intelligence community. And it was after General Graham retired from the military that he was able to press his views most effectively.

In 1976, General Graham advised Ronald Reagan in his first Presidential campaign, which was unsuccessful. In late 1979, the general was again asked to advise Mr. Reagan on military matters in his bid for the Presidency. Even then, General Graham was enthusiastic about shifting the nation's military resources to an antimissile defense. But as the general recalled later, the invitation from Mr. Reagan prompted him to get "really busy" on finding a way to pursue an antimissile defense policy.

In his research, General Graham came upon a plan developed in the Eisenhower Administration to destroy Russian missiles early in flight with Ballistic Missile Boost Intercepts, or Bambi, an early blueprint for space-based battle stations. The project was canceled after the Kennedy Administration concluded that it would be costly and unworkable.

Yet General Graham came to the view that technical strides in the intervening two decades gave the concept of space-based missile defense new life, according to "Teller's War," a 1992 history of Star Wars by William J. Broad.

In 1981, General Graham set up High Frontier Inc., a policy organization intended to study and promote defense systems in space. In the last few years, High Frontier has focused more on space transportation and support systems instead of missiles, said General Richardson, deputy director of High Frontier in Arlington, Va.

Born on April 13, 1925, General Graham spent his childhood as the son of farmers near Medford, Ore. He came from a poor family, working in saw mills and orchards as a teen-ager, his son, Douglas, of Arlington, said yesterday.

General Graham is survived by his second wife, Adele Piro Graham, whom he married in 1994. His first wife, Ruth Maxwell Graham, died in 1989.

Besides his wife and son, General Graham is survived by six other children, Daniel Jr. of Fairfax, Va.; Melanie of Los Angeles; Laurie of Falls Church, Va.; Elizabeth of Falmouth, Va.; Julianne Stovall of Alexandria, and Margaret Cuccinello of Thomaston, Me.; two brothers, Patrick of San Diego and James of Colorado Springs, and one sister, Sharon Martinez of Pacifica, Calif.

TRIBUTE TO DR. JAMES A DOPPKE

HON. JERRY WELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. WELLER. Mr. Speaker, today, I'd like to congratulate Dr. James A. Doppke as he is inaugurated the seventh president to serve at the College of St. Francis in Joliet, IL.

As part of its 75th anniversary celebration, the College of St. Francis will inaugurate Dr. Doppke on February 9, 1996.

Dr. Doppke, who previously served as executive vice president of the College of St. Francis, was appointed president by unanimous board decision, which cited his leadership and commitment to the college and its growth.

Before coming to the College of St. Francis, Dr. Doppke was vice president for Educational Affairs at the College of Lake County. He also served as associate provost and professor of English at Chicago State University.

Dr. Doppke holds a baccalaureate degree with honors from the University of Notre Dame and master's degree and doctor of philosophy degrees in English from the university of Chicago.

We need dedicated and hard working educators like Dr. Doppke as we look to a younger generation for our future leaders, workers, parents, and citizens.

Thank you, Dr. Doppke, for your commitment to education, and we wish you the best of luck during your tenure as President of the College of St. Francis.

NATIONAL CHILDREN'S DENTAL HEALTH MONTH

HON. CHARLIE NORWOOD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. NORWOOD. Mr. Speaker, I rise today to recognize two events which have helped to keep America smiling over the years. The year 1996 marks the 55th year of annual recognition of the importance of children's dental health. It also marks the 100th anniversary of Johnson & Johnson's dental floss product.

The annual observance of children's dental health began as a 1-day event in Cleveland, OH, on February 3, 1941. On February 8, 1949, the American Dental Association held the first national observance of Children's Dental Health Day. This single day observance became a week-long event in 1995. By 1981, the program was extended to a month-long celebration known today as National Children's Dental Health Month.

As far back as 1850 dental references recommended the use of "waxen silken floss." In 1896, Johnson & Johnson introduced its dental floss by advertising in dental journals. It was a welcome alternative to the popular method of treating gum disease at the time—live leeches. The product was originally made out of silk—the same silk that was used in the company's surgical sutures. During World War II, with silk in great demand for parachutes, Johnson & Johnson began manufacturing its floss using nylon. Today, its floss is available in a wide variety of forms and flavors. Flossing removes plaque, a sticky colorless substance that forms on your teeth, from places that cannot be reached by a toothbrush. If plaque isn't removed, especially from below the gum line, the bacteria in the plaque can attack the surrounding gums and supporting bone. Flossing is an integral part of proper tooth and gum care, and is considered by organizations such as the American Dental Association and American Dental Hygienists' Association to be a major preventative measure against gum disease and tooth decay.

Mr. Speaker, as a Member of the House and as a dentist, let me stress that flossing is as important for children as it is for adults. Pediatric dentists have found that during the cavity prone years of childhood, flossing morning and night can actually reverse the earliest stages of tooth decay by allowing the tooth enamel to reharden.

Attitudes and habits established at an early age are critical in maintaining good oral health throughout life. During National Children's Dental Health Month, I urge parents to make sure their children are following a good oral healthcare program that includes regular brushing and flossing. I also urge everyone to visit their oral healthcare professional to learn how to properly care for their teeth and gums.

I ask my colleagues to join me as I salute the American Dental Association for their continued responsibility and dedication to the health and well-being of America's children, and to congratulate Johnson & Johnson for a century of giving Americans a healthy smile.

SEALY TIGERS WIN CLASS 3A STATE HIGH SCHOOL FOOTBALL CHAMPIONSHIP—AGAIN

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. FIELDS of Texas. Mr. Speaker, we Texans take our football pretty seriously. We look forward to Sunday afternoons when we can watch the Houston Oilers and the Dallas Cowboys. Even more, we relish Saturday afternoons—when our A&M Aggies, UT Longhorns, Baylor Bears and others take the field. But what we really live for is Friday evenings, when young men throughout our State don their uniforms and helmets to fight for the honor of their high schools and their communities.

Sealy High School is one such high school, and Sealy, TX, is one such community.

Again last year, the players and coaching staff of the Sealy Tigers defended the honor of their high school and their home town by compiling a 15–0 record, and winning the class 3A Texas high school football championship for the second consecutive year. The Sealy Tigers have compiled a 32–0 record over the last two seasons, and a 42–3 record over the last three seasons.

Such an outstanding record is a testament to the hard work and dedication of the school's football players, and its coaching staff—especially Sealy High School's head football coach and athletic director, T.J. Mills.

Throughout his career, coach Mills has repeated one phrase to his players time and time again: "You've got to find a way to win." And they have. In fact, during the 1995 regular season, Sealy outscored its opponents 449 to 58; during the playoffs, the Tigers outscored their opponents 229 to 43.

The success of the 1995 Sealy Tigers was recognized when district 23–AAA coaches met recently. Coach Mills was voted coach of the year by his colleagues, and 19 Sealy players were named to the all district team.

Among those players named to the all-district teams was linebacker Steven Newsome, who was voted defensive player of the year.

Others named to the first team offense were running back Chris Tate; kicker Jeremy Monsivais; center Ryan Eckelberg; tackle Mike Kovar; and quarterback Brad Burttschell. Named to the second team were guard Vince Doyle; tight end Jarrod Novicke; back Jaron Dabney; and receiver Chris Lincecum.

In addition to Steven Newsome, players named to the first team defense were lineman Taurus Downey; end Chase Schavrda; linebacker Paul Martinez; secondary Gary Hill; and secondary Stephen Kaye. Named to the second team were lineman Steve Aguado; end Nathan Pless; linebacker Mario Tarver; and secondary Forrest Wagner.

To each of them, and to everyone associated with the Sealy Tigers football team, I say congratulations. You have much to be proud of, and you, together with your coaching staff, have set an example of excellence for others to follow in the years ahead.

A TRIBUTE TO JESTENE McCORD, A PIONEER IN THE FIELD OF HEALTH CARE

HON. THOMAS M. BARRETT

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. BARRETT of Wisconsin. Mr. Speaker, it is with great pride that I join with my colleagues in commemorating the beginning of Black History Month by paying tribute to one of Wisconsin's truly outstanding African American women, Ms. Jestene McCord.

As the director of urban affairs for Aurora Health Care, Jestene is a tireless advocate for the people of Milwaukee and cities throughout Wisconsin. In addition to her work at Aurora, Jestene devotes her time and expertise to several key Wisconsin organizations. Jestene is the chairwoman of the Private Industry Council Board. She also serves on the State Maternal and Child Health Program Advisory Committee, the Milwaukee Area Health Education Centers of Wisconsin board, the UW-Milwaukee School of Nursing advisory council, the National Black Nurses executive committee, and the Wisconsin Black Health Coalition advisory council. In addition, Jestene chairs the Milwaukee Breast Cancer Awareness Project advisory board which received a Thousand Points of Light award from former President Bush for its unfailing energy in fighting for a breast cancer cure.

Jestene's record of community service is as equally impressive as her professional endeavors. She has served as a personal mentor for many nursing students and developed a school-wide mentor program for Milwaukee's North Division High School. Jestene has further coordinated scores of community health fairs for Milwaukee public school students and at area senior centers—demonstrating that health care awareness is critical for people of all ages. Jestene is also a familiar face to most Wisconsin residents, routinely appearing on television and radio programs to discuss pressing health issues.

Jestene has received several awards and commendations for her remarkable work, including the prestigious Health Advancement Award. Throughout my career in the Wisconsin State Legislature and here in Congress, I have seldom seen a person in public life who commands as much respect and admiration as Jestene. A countless number of elected officials and policymakers including myself, have come to rely on Jestene's expertise, and will continue to do so well into the future. Jestene is truly at the forefront of the health care profession, and her compassion and energy knows no bounds.

Mr. Speaker, I ask my colleagues to join me in saluting the accomplishments of Jestene McCord. The people of Milwaukee, and all of Wisconsin have indeed been blessed by her selfless devotion to both her profession and her community.

IN SUPPORT OF OUR TROOPS

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. BONIOR. Mr. Speaker, I proudly rise to pay tribute to the American troops who are helping implement peace in Bosnia and Herzegovina. In the words of Mrs. Janet Maguire, one of the constituents I have the privilege to represent, "The men and women are prepared to give the ultimate sacrifice if need be and we should not take them for granted."

Mrs. Maguire epitomizes both the pride and concern that Americans have for the members of our Armed Forces. In her letter to me she states "They [our troops] have agreed to go to a strange land and risk their lives to ensure peace and the least we as Americans can do is give them our support and let them know they will not be forgotten." Because of her efforts, the St. Clair Shores City Council passed a resolution calling for all citizens to "support our service men and women by flying the flag and keeping them and their families in our thoughts and prayers." I applaud Mrs. Maguire and the city's leaders for their show of support.

I am proud of the fact the American troops are saving lives in Bosnia. We in the United States have a moral duty to stand up for peace whenever possible. To do so is in our national interest and is in keeping with the ideals on which our Nation was founded. For 220 years we have sent American men and women overseas, not just to defend American interests, but to defend American values—to stand up for freedom, democrary, and human rights. This is what America stands for. And that is why we should all be proud of our troops who are carrying out their missions in support of peace in Bosnia and Herzegovina with professional excellence, dedicated patriotism, and exemplary bravery.

We have a responsibility to support these brave men and women and give them the resources needed to protect themselves against threats and minimize risk. I ask all Americans to join with me, Mrs. Janet Maguire, and the St. Clair Shores City Council in flying the flag and support our troops while they pave the road to peace in the former Yugoslavia.

HONORING THE AWARD WINNERS OF THE DALE CITY CIVIC ASSOCIATION

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. DAVIS. Mr. Speaker, it gives me great pleasure today to rise and bring to the attention of my colleagues some very special and important people in Dale City in the 11th Congressional District of Virginia. These are people who have put the good of their community, Dale City, VA, above their own needs and desires, not only performing their jobs, but going above and beyond the call of duty. These individuals have become role models to others in their professions and to other volunteers. They will be honored on Saturday, February 3, 1996, by the Dale City Civic Association, one of the largest, most active, and accomplished citizens associations in the Commonwealth of Virginia. I would like to offer my congratulations to the award recipients.

The Dale City Civic Awards Association was created nearly 30 years ago and hosts an annual service awards banquet. In addition, the association awards a number of scholarships for college bound students from Dale City, monitors development, and serves as a sounding board for citizens and businesses.

Citizen of the Year.—Jo Ann Mains. Ms. Mains serves on numerous community boards, helps raise money for the Dale City Volunteer Fire Department, ACTS, the Boys and Girls Clubs, and she also gives her valuable time by helping needy families.

Young Citizen of the Year.—Shivon Kershaw. Ms. Kershaw serves in many church and civic associations in Prince William County. In addition to these activities she has won Martin Luther King oratory contests both at the middle school and high school levels for the past 2 years. Despite her many extracurricular activities she still maintains a very high grade point average.

Community Service Award.—Terrance Spellane. Mr. Spellane served on the county board of supervisors for 8 years and was a leader in sound fiscal policies, human services, and economic development.

Nurse of the Year.—Deana Michell. Ms. Michell is a nurse at Potomac Hospital whose constant pursuit of perfection and relationship with patients has earned her the respect and admiration of her colleagues and patients at the hospital.

Police Officer of the Year.—Officer Patricia Harmon. Officer Harmon has given not only her official time, but her private time helping the people of her community become educated in safety.

Fire Fighter of the Year.—Howard Coleman. Mr. Coleman has been a member of the Dale City Volunteer Fire and Rescue Department since 1991. Mr. Coleman has always displayed an eagerness to help his fellow citizens and their quality of life.

Emergency Medical Services Award.—Anthony Hool. Mr. Hool has been a member of the Dale City Volunteer Fire and Rescue Department for the past 18 years. During this time Mr. Hool has been responsible for developing the E.M.S. system in Dale City. He is also one of the most respected E.M.S. providers in the Commonwealth of Virginia.

Elementary School Teacher of the Year.—Carolyn Harrington. Ms. Harrington is a second grade teacher at Neabsco Elementary School in Dale City. Her dedication and love of her work is reflected in the children of the community.

Middle School Teacher of the Year.—Vernice Turner. Ms. Turner is a seventh grade language arts teacher at Mills E. Godwin Middle School. She is one who gives generously of her time and demonstrates the highest level of professionalism and competence.

High School Teacher of the Year.—Jim Sivells. Mr. Sivells is a social studies teacher at Cecil D. Hylton High School. His dedication to his work truly makes government come alive for his students and is reflected in their admiration for him.

Mr. Speaker, I know my colleagues join with me in congratulating these outstanding citizens for their tireless efforts to make Dale City, VA a better place to live.

TRIBUTE TO LLOYD CHARLES BROWN

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. SERRANO. Mr. Speaker, I rise to pay tribute to the memory of Mr. Lloyd Charles Brown, an active community leader who dedicated his life for the betterment of the Bronx.

Mr. Brown was born in Banes, Cuba in 1922 to Lesseps Brown and Susan Lawrence Brown. He worked on the Guantanamo Bay Naval Base for 20 years.

Mr. Brown immigrated to the United States in 1964. He became a businessman in the Bronx and initiated many ideas for the betterment of the community.

Mr. Brown's active role in the community included his work at community board No. 9, where he was chairman of the Rainbow After School Program, youth committee member, and chairman of the housing committee. He was also the chairman of the Dankner Eye Institute, president of the Blackrock Avenue Tenant Association and a member of the Mitchell-Lama Council, the America Security Council National Advisory Board, and the Bronx Municipal Hospital Corporation Advisory Board.

His career in politics led him to become president of the Community Democratic Club of the 76th Assembly District in New York. He was also a member of the community advisory committee for Assemblyman Hector L. Diaz.

Mr. Brown received the Rev. Dr. Martin Luther King, Jr. Humanitarian Award for his achievements in helping the people of our community. He was also honored with a Citation of Merit from Bronx Borough President

Fernando Ferrer and a Citation of Merit from Assemblyman Hector Diaz.

Mr. Brown left a legacy of courage, responsibility, hard work, camaraderie, and love for the community. He is survived by his wife, four children, three grandchildren, an aunt, and other relatives and friends.

Mr. Speaker, I ask my colleagues to join me in honoring the life of Mr. Lloyd Brown who left a mark on our community through his commitment to serve with love and to the best of his abilities.

TRIBUTE TO RALPH E. DALTON

HON. JERRY WELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. WELLER. Mr. Speaker, today I'd like to honor the retirement of Ralph E. Dalton after serving the public in the Illinois Department of Transportation for 37 years, 7 months, and 11 days of service.

Mr. Dalton, a native of Farmington, IL, graduated from Western Illinois University with a bachelor's degree in physics and Bradley University with a master's degree in engineering administration. He married Joyce Scott on October 19, 1958, and they have one daughter, Libby.

Mr. Dalton's career with IDOT started in 1958 with district 4 in Peoria, IL. Then, in 1965 he was appointed district 4 geotechnical engineer and in 1985 he became district 4 engineer of materials. In 1988 he moved to the engineer of land acquisition in district 4.

In 1990 he was appointed assistant district engineer at district 6 and in 1992 was appointed district engineer for the district 3 Ottawa office.

And, above and beyond the call of duty, Ralph Dalton served for 8 years as a member of the Illinois National Guard.

Mr. Dalton is the type of civil servant who is loyal, diligent, and has a proven record of achievement. He will be missed at the Illinois Department of Transportation.

SALUTING AWARD WINNER PEARL R. "PEGGY" FIELDS

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. FIELDS of Texas. Mr. Speaker, I was remiss last year in not taking time to salute a remarkable woman, Pearl R. "Peggy" Fields, who was honored with the Arthritis Foundation-Louisiana chapter's Humanitarian Award last June. I am proud to say that Peggy is my aunt, and I want to take a moment today to salute her not only for this latest honor, but for her long and distinguished record of service to her community.

Peggy was born Pelagia Rosko in Ohio, and entered the convent at age 13 as Sister Maria Consolata. She remained at the convent until, at age 37, she moved to Houston and changed her name to Pearl Rosko. She married James C. Fields and moved with him to Louisiana. During this time, she received her R.N. degree at the Providence Hospital School of Nursing, and her B.S.N. degree and B.A. degree at the Sacred Heart School of Health Administration at Tulane University.

Peggy always loved teaching, and she had the opportunity to educate young people during her 15 years as an elementary school teacher. She also always loved nursing, and she served as a nurse for 20 years in Houston, at Our Lady of Lake Medical Center in Baton Rouge, and at Ascension General Hospital, where she served as director of nurses and as a private nursing consultant.

In the 1970's, Peggy opened and sold the first home health agency in Baton Rouge, which is now known as Capitol Home Health. She also owned several businesses in Ascension Parish, and, in 1989, she opened Ascension College of Gonzales, where she continues to serve as chairman of the board.

In addition to being active in her church (St. John the Evangelist) where she is the organist, Peggy has been active in many organizations in her community. She helped found and lead the Taxpayers for Ascension General; she served as president of her local art guild; and she served as president of her fellowship center.

The recipient of the 1994 National Volunteer Service Citation, Peggy continues to serve on the state board of directors of the Arthritis Foundation. Previously, she received the 1993 Employer of the Year Award from the Baton Rouge Catholic Diocese's senior employment division. She has been named Businesswoman of the Year and, in 1995, was awarded the Research Advocate Award from the National Arthritis Foundation.

Mr. Speaker, I may not be totally impartial when it comes to Peggy Fields. But I happen to believe that she represents the kind of volunteerism and private-sector assistance that so many of us believe in. Her tireless efforts over many years in so many different ways to help her neighbors and her community have inspired all who know her, and have given all of us an example of what each of us can do to make our communities better places. I know I speak for the thousands of men, women, and children who have benefited from her work and her compassion when I say, thank you to my aunt, Pearl R. "Peggy" Fields.

Thank you, Mr. Speaker, and thank you again, Aunt Peggy.

REGULATION OF TOBACCO BY FDA

HON. ED BRYANT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. BRYANT of Tennessee. Mr. Speaker, I know you were as relieved as I was, to hear the President reveal that the "era of big Government is over." This likely will be welcome news to the millions of Americans who are fed up with a Federal Government which has spent itself into a $5 trillion debt and which has been injecting itself into nearly every aspect of the lives of working men and women in the process.

Unfortunately, it appears that the Commissioner of the Food and Drug Administration was not watching the President's address last week because the FDA is still pressing forward with its plans to regulate tobacco.

In the President's new era of smaller Government, the FDA has proposed, in 140 pages in the Federal Register, to wrest from Congress, from the Federal agencies and from the States, the authority to regulate the sale, distribution, advertising, and promotion of tobacco. The FDA has made this proposal despite the fact that Congress has traditionally left to the States most elements of tobacco regulation—including age of purchase.

The President also outlined in his State of the Union Address, a number of challenges he sees facing our Nation—including preventing underage tobacco use. However, I would remind the President that Congress has already risen to this challenge, having enacted in 1992, the ADAMHA Reorganization Act, requiring the States, as a condition for receiving certain Federal grants, to enact and enforce laws preventing the sale or distribution of tobacco products to minors.

Although this legislation became law before Mr. Clinton took office, it was only last week that his Department of Health and Human Services issued its final rule for implementation. Indeed, it took the Department almost 2½ years from the time it issued its proposed rule to the time it promulgated its final rule.

This delay helps underscore the inherent limitations of big Government and serves as proof that Congress had the right idea when it granted to the States, and not to the Federal Government, responsibility for reducing underage tobacco use.

While the Federal Government has a legitimate interest in preventing the purchase of tobacco products by minors, the matter is properly the domain of State governments, not a Federal agency acting without congressional authorization or direction. The individual States are much better equipped to deal with the complex factors involved with underage use, than is the FDA with its "one size fits all" approach and its unwieldy bureaucracy.

Mr. Speaker, since all 50 States already have laws prohibiting the sale or distribution of tobacco products to persons under age 18, I would think that the FDA's time and resources could be better spent on approving new medicines and medical devices and allow the States to combat underage tobacco use.

FOUR LETTERS

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. SMITH of New Jersey. Mr. Speaker, tomorrow on February 2, my parents, Bern and Kay Smith, will celebrate their 50th wedding anniversary. For our family and friends this will be an historic milestone filled not only with enormous happiness and joy, but gratitude, as well.

My parents' love for each other, and for my two older brothers and me, was always strong, an absolutely sure thing, never in question.

They always had our best interest at heart. In raising us, we always knew they were raising their three sons not just for this life on earth, but for eternity with God. The bond of love was strong for their own parents, my dad's brother Gil and his daughter Sue—who was like a daughter to them and a sister to us—and my mother's nine brothers and sisters.

Conceding up front that mere words are inadequate in expressing the depth and breadth of our feelings, mom and dad, here are three letters from your three sons

And mom, a letter from dad.

KATHERINE J. HOLL AND BERNARD H. SMITH

How do we label fifty years of marriage? Is it an event, an achievement, a celebration, a milestone, survival of the fittest, a bit of luck or just plain true love? The answer probably lies somewhere within all of these concepts and more. It is difficult to accurately and to adequately describe my Mom and Dad, Kay and Bern.

My first recollection of them begins at their wedding in February 1946. I insisted that I attended and can prove it by merely viewing pictures and scenes from their 16mm movie films. Of course the "me" was my 12 year old uncle, but nonetheless I continue to assert otherwise.

Growing up in the Smith home was never dull. Adventure is a good description for those times. Mom and Dad were intimately involved in our lives. Their love nurtured and encouraged without smothering. Reassurance and challenge were always present. They were always there for us. They gave us room to grow and were ready to support and comfort their boys.

If there is an ideal childhood then certainly we had one. The lessons of life were taught by example through an exquisite balance of firmness, fairness and fun. Opportunities of many varieties were provided, shared and celebrated. Success of one was joy for all. Adversity was met directly and, ultimately, viewed as a learning experience to prepare us for the future.

Mom the Club Scout Den Mother, Dad the little league coach, both the homework "checkers" have left their imprint on us. That these acorns did not fall far from the tree is evidenced by the Smith boys' character and individual traits. All different yet each possessing the basic core values Mom and Dad lived. We are the fruit of their love and labor.

Although their lives revolved around us they ensure their love and happiness was rooted in each other. They believed in their families and showed us the treasures in grandparent, uncles, aunts and cousins. We were fortunate to have so many. Kay and Bern's friends over these last fifty years are too numerous to list and there are always more being added to the fold. Wherever they live, travel or 'hang out' some new acquaintances emerge, most become friends. The strength we know was and is felt by many. Their generosity and friendliness is well renowned. They have known tough times in their fifty years and after each have emerged stronger in their love for each other. Kay and Bern live life vigorously, content in their past while expectantly anticipating the future.

To be their son is a supreme gift from God. To live up to and emulate their greatness is a difficult task to achieve yet a goal worthy of the quest. Mom and Dad made it simpler because they gave us the template for success and are always there to pick us up and 'point our heads' in the right direction.

I think the answer to my question on how to describe Kay and Bern's fifty years of marriage is rather simple. How beautiful and wonderful they are . . . my Mom and Dad are an everlasting, unending love story.

Happy Anniversary!

MICK.

My Mom and Dad are proudly celebrating their 50th wedding anniversary, and the impact of this day has made me reflect on just how unique and special they are to my brothers and I. We have enjoyed a lifetime of genuine love and involvement, and it is not possible for me to truly measure all that I have learned from them. Sometimes the "push" to grow and change was subtle, at other times it was not, but even as kids, the Smith boys recognized somehow that the love we received on a daily basis was to be cherished.

Of all the qualities that parents can imbue in their sons, several have come to be guiding forces in my life. From my earliest recollections of the teachings of my Mom & Dad, they have stressed the importance of honor and duty. My brothers and I have now seen for ourselves the results of "doing the right thing" in our daily lives and we can (and do) thank Mom & Dad for their hands-on style of parenting. In the 90's, it is rather common for many to be unconcerned of the consequences of their actions, but my brothers and I were taught that we must be true to ourselves and to "own" our behavior. The "Golden Rule" was often the answer we received when we were seeking advice from our parents. I remember a discussion I had with my Dad when I was unsure whether it was O.K. to vote for myself in the upcoming Freshman Class Presidential election. Dad's view on this matter was disarmingly simple and direct. He said, that if I was to ask anyone else to vote for me, that this was akin to asking them to trust in me, and if I had their trust, then surely I must trust in myself to do the job. So I voted for myself, as I had the confidence in myself that loving parents help engender in their children. Trust in oneself took many forms in our household. One only need look at some of the events that we brothers engaged in from some pretty young ages, with full support from Mom & Dad. Chris had his first paper route at age 6! I was about 8 years old when Mick and I started scuba diving. Mom and Dad endeavored to treat us equally. I know we all appreciated that, and I believe the results of that even-handed treatment are partly responsible for the closeness we brothers feel for each other to this day. Sibling rivalry was never an issue, unless the issue was sports!

All of us participated in sports, seemingly always showing a preference for those sporting events where individual achievement could be measured. I think we all desired very strongly to show Mom & Dad that we could be as good as they told us we were! Mom & Dad were early devotees of swimming and tennis and filled our community's need for a place to play, by organizing with assistance from uncle Gil, a Swim Club. Dad was also instrumental in the start-up of a boy's baseball league, and even coached one of the teams. I think we can all remember Dad's frequent calls to be "Heads Up!" and to stay in the flow of the action by being prepared to act immediately if we fielded a ball. He would keep us thinking by having us say to ourselves: "What am I going to do if the ball comes to me?" The situational awareness that was fostered by this and other self-knowledge exercises while growing up, uniquely prepared my brothers and I for Life's challenges, and I feel strongly that this training helped me in my aviation career. The dinner table discussions at the Smith Family house also helped us to really know and appreciate each other and honed our skills at the presentation of opinions. No topic was off limits and we all learned that to have an opinion on something was to be prepared to clearly debate the issues, with Mom & Dad guiding us in making sure our "Ducks were in a row." My brothers and I benefited tremendously from these now legendary happenings, and to this day when we get together there will be strongly held opinions discussed and dissected, and the learning will continue. There was no need to have the television on to keep us busy.

Mom is the "Heart Of Our Family" and is very skilled at making others feel welcome and a part of our family. We were fortunate to meet and know many of Mom & Dad's friends over the years, as they entertained often and graciously. We were never treated like little kids unless we acted that way, which we tried very hard not to do so that we could be involved in more adult matters and discussions. Often upon leaving a large family gathering, we would be praised for being good kids and for making them proud with the way we handled ourselves. My brothers and I always appreciated this positive feedback.

Dad likes to say "show me" on occasions where he needs to be convinced of the veracity of a statement. Mom & Dad showed us how they felt about us all the time, and they still do. We knew that we were loved, we were not just told that we were. It is common now to speak of "family values" as if they could be capsulized and distributed to people for their enrichment. When you have had good strong family values as the defining fabric of your entire life, as we have had, you begin to sense that "love is the answer, no matter the question." I can honestly state, that Mom & Dad by constantly demonstrating their unwavering love for God, for us, and for each other, have shown the way to true happiness in this life. They have taught us the secret. It is up to us to live that secret and to pass it on to everyone we touch.

Mom & Dad, congratulations on your 50-year achievement!!

I love you very much!

T.

DEAR MOM AND DAD: Fifty years ago today, you both said "I do," and what you've done together has truly left, and continues to leave, a special legacy for all of us who deeply love and respect you.

I am certain that your parents—Nana and Gramp Smith and Holl—Sue and all our loved ones who are with the Lord, rejoice today in your achievement. You have been a blessing and inspiration beyond what you'll ever know. Someday perhaps the Lord will tell you in Heaven how the thousands of seemingly little things—acts of kindness or honesty—affected us for the good. You taught Mick, Tom and me as much, if not more, by your consistent example and good works than by what you said. And Mom, you know how Dad loves to talk.

Growing up in Iselin, our family was strong—like a rock—because of your faith in God, your devotion to the Blessed Mother, your goodness, your sense of humor, your work ethic and concern for others—especially the little guy.

You taught us to look beyond the obvious and below the surface. To think deep thoughts and big ideas, but not to get bogged down in dreams. "You can keep your head in the clouds," you often said, Dad, "as long as you keep your feet on the ground." And then there's your old friend "economics."

You never did anything half-way or half-baked or half-hearted. Yet, if I heard it once I heard it a thousand times, "everything in moderation and balance." You poured yourselves first into making your marriage work, and then into the challenge of raising three hard-driving, independent-minded, rough-and-tumble boys.

I never knew a time when you both didn't work hard to make a decent living; and you did it honestly. Remember the time Rawlings sent several dozen top of the line baseball gloves which would sell for almost $100 each, but billed us for rawhide laces at 50 cents a pop. What a profit! What a killing! No one would ever know. Not! You called Rawlings immediately to set the record straight. Well, I remember that day, and I learned a lesson in integrity to last a lifetime. Years later when Mick and I were in the store, a van filled with "hot" merchandise—good deals, for sure—pulled into our parking lot. When approached, Mick said, "not interested," called the police, and they arrested the thief as he was making a "sale" a short distance away. These kinds of lessons, and others like them, etched values into the depths of our souls concerning right and wrong in ways no book or words could ever do.

Mom, you were a "career woman" long before that idea came into vogue; yet, you were always available to Mick, Tom and me because of the way you arranged your hours. We never had to ask, "Where's Mom?" There was never any doubt whatsoever that your first priority was us—and, of course, B. H.

In the store you were the bookkeeping guru, Mom, and much more, making sense of accounts payable, receivable and purchase orders. As long as you had a cup of Herb's coffee—we all lived on that stuff for a while (except Tom, who hated it)—you were ready for anything that might walk through that front door.

While Dad did most of the selling to schools and athletic teams, with a minor assist—for a time—from his sons, you were the super glue behind the scenes who made it all work.

Come to think of it, you were the glue at home, as well.

You are a truly remarkable lady, Mom; a real softy with a great big heart. And the way you've handled your health ordeal further reveals your inner strength and faith in God. Dad is right on target when he calls you "St. Katherine of Robbinsville." And Dad you are an example of unfailing love and dedication to mom in "sickness and in health"—you're always just there for her—don't think your devotion goes unnoticed.

Dad, I sure do respect your courage and boldness.

Mick, Tom and I are tough on the inside because of your "tough love." You were easy to please, but hard to satisfy. We were admonished to ask the difficult questions; stand on principle, even if you do it alone; to never give in; to be prepared; to give 100%. You coached our Little League teams; cofounded a family swim club with Gil, your brother, with whom you are best friends; and founded our Boy Scout troop. You taught us to love the outdoors, camping, hiking and citizenship. Both you and Mom seemed awfully proud when Mick, Tom and I each made Eagle Scout.

In life, and in baseball, you drilled it into us one of the secrets of success: Anticipation, and I'm not talking about ketchup. Your mantra was to ask: "what do I do if the ball comes to me." You instilled in us a proactive way of thinking—not just making double plays. I'm sure Mick and Tom—especially when making critical flight decisions in the pilot's seat somewhere in the stratosphere—find this training extremely useful.

Although we had to prod you for details about World War II—much of it too hellish to recount—we always admired your gallantry and courage serving America as a combat soldier in New Guinea, the Philippines, and other battles in the Pacific. And what guy wouldn't be impressed with all those medals you earned. When I read your historic novel—Horizons of Glory—I couldn't help wonder how many of the scenes depicted had their root in your actual war experience. Both you and Mom are extremely well-read; thanks for passing the importance of books and reading on to us. And Dad, you have always had the gift—the flair—for writing.

And talk about a guy with that "competitive edge." In sports and life you have risen to every challenge.

In 1977, when I married my college sweetheart Marie, no one was more happy for me—us—than the two of you. I like to think our happy home is like "our" happy home. We couldn't be more pleased that Melissa, Chris, Mike and Elyse think of the two of you (aka Mom-Mom and Bobby) as really neat—and they, too, love you.

I just realized, I'm getting a little long—which is really not fair. Mick, Tom and I agreed that each letter was to be concise. Hey, number three son's a politician—what'd you expect? A postcard? Happy 50th!

Love,

CHRIS.

A LOVE LETTER TO KAY ON OUR FIFTIETH ANNIVERSARY FEBRUARY 2, 1946–1996

MY DARLING KAY: The unabashed, no apology romantic in me happily says, "Kay, you are synonymous with Love".

Love is the only perfect place on our planet. It can move mountains; it has brought down kings. Yet, Love is paradoxically delicate and tenuous and must never be maneuvered, and certainly never be manipulated.

To paraphrase St. Paul in one of his letters to the Corinthians . . . Love is selfless, Love is sacrificial, Love, if nurtured, can be unending.

You neither have to agree to love, nor should there be a reimbursement to Love. We don't have to be Loved back to Love the way God intended. Very simply, it is the never ending gift of totally giving our ourselves—and asking nothing in return.

Cynics may scoff at these sentiments but they come and go like the waves on a beach and, we have spent more than fifty years, most of our lives, proving them wrong. Living as we do, in an age of hedonism, you and I have never measured success with material wealth—the size or location of our homes: the cost of our cars; labels on our clothes, etc. . . .

Our wealth—indeed our legacy is our children and their children and obviously, there is no way to put a dollar value on that, nor should there be a need to.

You and I would like to think that the magic that we first felt for each other was not just blind chance—and we never lost it. Were we just lucky? Maybe—but I think not.

Just as a craftsman, a technician and an athlete constantly hone and refine their skills, so too did we, through constant communication and understanding the needs of each other. And, the tender, sometimes wild, often explosively, cataclysmic, earth moving events that produced Mick, Tom and Chris became for us, wondrously frequent happenings. It sure hasn't been ho-hum nor routine.

Do you remember many, many years ago discussing, "The Magic Cottage" by O. Henry? It told of a young, handsome and vibrant couple who never saw themselves older with the passing years, as long as they were in the confines of their "Magic Cottage". Much the same as the fabled, "Shangri-La".

Well, I believe we have found the spirit of our, "Magic Cottage" in our minds. The "Fountain of Youth" is not a place but rather that tenuous, delicate spirit of love along with our "Joie de Vivre". The joy of life.

The very phrase—Joy of Life—has such a positive ring to it. Very few of us are born with it. It must be cultivated over a span of years and, I believe we have done that.

It has manifested itself countless times through the quiet pride we take in our loving parents, brothers, sisters, three fine sons and our grandchildren.

We have been separated by war, have experienced illness and pain, suffered the loss of loved ones always putting our faith in God and His Blessed Mother—and we have been sustained.

My dearest Kay, I have learned, and will continue to learn from your example of never complaining. Someone who knows us both very well once asked me if I found it difficult to live with a saint?

"Not at all", I answered. "it's kind of nice".

Now we celebrate our fiftieth and I know you wonder as I do, "Where in the world did those years go so quickly?" Would I do it all over again? In a minute and I wouldn't change a thing.

And I'll bet you feel exactly as I. Remember the line from an old song? "A million laughs and a few little tears?" That sums it up pretty good, don't you agree?

Since writing you hundreds of letters beginning in 1939, I always ended them with a simple—"I love you" but I don't think I'll actually end this one. The song is still playing and I don't think it will ever end.

So, I'll break off here with something you told me you liked very much after hearing it in a speech I once gave.

"Age is not a time of life—youth is merely a state of mind. We become old when we desert our ideals and dreams. We are as young as our faith, as old as our doubts. As young as our self confidence, as old as our fears".

"And deep within our hearts is a recording chamber, and as long as that chamber is receiving messages of hope—faith and cheer, we will never, never grow old. Happy anniversary.

Love,

BERN.

REMARKS BY SENATOR SIMPSON AT NATIONAL PRAYER BREAKFAST

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. LANTOS. Mr. Speaker, it is a pleasure for me to introduce into the CONGRESSIONAL RECORD the following speech, by my friend and colleague Senator ALAN SIMPSON, given at the National Prayer Breakfast this morning.

Senator SIMPSON delivered this eloquent address with his legendary wit and humor. I encourage all of my colleagues to read this most significant speech by Senator ALAN SIMPSON.

NATIONAL PRAYER BREAKFAST

FEBRUARY 1, 1996

Mr. President, First Lady Hillary, Mr. Vice President and President of our Senate and Tipper Gore, distinguished guests. Greetings, my fellow seekers, discoverers, and wanderers (not necessarily in that order!) Always a grand morning.

One of the great honors of my life was to give the principal address at this National Prayer Breakfast in 1989. I was filled with trepidation that a seeker like me would be asked.

The night before, the Reverend Billy Graham, one of the most loving, inspirational, caring men in this world, called and said, "Alan, we are praying for you." I said, "You're praying for me! I'm doing plenty of that for myself!" So typical of Billy Graham.

Long ago in public life I learned where to turn when I didn't know where to turn. One source.

The Senate prayer breakfast group gathers every Wednesday morning for a convivial half hour between 8 and 9:00. Our leaders are Bob Bennett, the Republican from Utah and Dan Akaka a Democrat from Hawaii. Rare gentlemen both.

The presentor of the day—after an opening prayer—shares much of himself or herself with us for fifteen or twenty minutes and then a time of discussion and fellowship. Promptly at the hour of nine we close with a prayer as we stand with hands joined around the tables. Sometimes the theme is the Bible. Sometimes it's public life. Sometimes it's about family and our jobs but always it's about ourselves and the impact of that greater force in our lives—a higher being. All faiths. All philosophies. All believers.

These are always very moving times. We share much with each other and we gain much from each other.

It helps us endure in the partisan and political world in which we have chosen to labor. Kindness, civility, tolerance and forgiveness all are part of the essence of our gatherings. We try to put aside harsh judgment and criticism.

I remember the words of a wonderful couplet my mother used to share.

"There is so much good in the worst of us. And so much bad in the best of us. That it ill behooves any of us to find fault with the rest of us."

I like that one. I knew you would!

We also talk about our human frailties. We talk about how easy it is to fall for the blandishments of flattery and be overcome by ego. I have often said that those who travel the high road of humility in Washington DC are not really troubled by heavy traffic!

It is always a very uplifting time. Yes, actually too a time of sharing of our own vulnerabilities. It was Will Rogers, our great American humorist, who said, "It's great to be great but it is greater to be human."

We are very privileged to be able to serve in the United States Senate. A special obligation. People do observe us. We are scrutinized. (Indeed we are!) We hope to do more than just talk a good game. We need to live the things we learn and share.

Let me close with a poem that is something we try to take from the weekly Senate prayer breakfast group and something we might hope to remember from this marvelous convocation today. That little poem.

"We'd rather see a sermon than hear one any day,
We'd rather you would walk with us than merely show the way.
The eye is a better pupil and more willing than the ear.
Fine counsel is confusing, but example's always clear.
We can soon learn how to do it if you'll let us see it done,
We can watch you well in action, but your tongue too fast may run
And the lecture you deliver may be very wise and true,
But we'd rather get our lessons by observing what you do."

Now there's "The Word" for the day! God bless you all.

YELTSIN ADVISOR PROCLAIMS YELTSIN REFORM ERA OVER

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. SOLOMON. Mr. Speaker, I would like to submit for the record the text of Boris Yeltsin's human rights advisor Sergei Kovalev's letter of resignation.

Mr. Speaker, this devastating critique of the Yeltsin regime is most timely, considering the IMF's current considerations of a $9 billion infusion into the Russian treasury. It also comes at a time when Prime Minister Chernomyrdin is here in the United States assuring the administration and other officials that all is well in Russia. All is not well Mr. Speaker, and those, like the administration, who still don't get it are plainly referred to by Mr. Kovalev as naive. I urge all Members to read this critical letter.

THE CASE AGAINST YELTSIN

(By Sergei Kovalev)

For the past six years I have considered it my duty to promote in every way possible the policy that can fairly be called the "democratic transformation of Russia" notwithstanding many reservations. For a long time that policy was closely linked with your name. You were the head of a country on the road to democracy, and at first, you were even considered the leader of the democrats. As long as you remained headed in that direction. I considered myself your ally, or, in those instances when you departed from the overall course or drastically slowed the tempo of advance, a member of the loyal opposition.

Russia's road to freedom never promised to be easy. Many difficulties were obvious from the very beginning. Many others cropped up unexpectedly. To overcome them, all of us—the government, society, each individual—had to make complicated and sometimes tragic decisions. The main things the country expected from you were the will to make changes and honesty. Especially honesty. In electing you, Russia saw not only a politician ready to demolish the former state structure, but a person who was sincerely trying to change himself, his views, his prejudices and his habits of rule. You convinced many—myself included—that humane and democratic values could become the foundation of your life, your work and your policies. We weren't blind. We saw the typical traits of a Communist Party secretary preserved in your behavior. But all Russia, like a man striving to overcome a serious defect, was struggling with itself. We understood you even when we did not love you.

In recent years, however, even though you continue to proclaim your undying devotion to democratic ideals, you have at first slowly, and then more and more abruptly, changed the course of government policy. Now your government is trying to turn the country in a direction completely contrary to the one proclaimed in August 1991. . . .

Beginning in late 1993 if not even earlier, you have consistently taken decisions which—instead of strengthening the rule of law in a democratic society—have revived the blunt and inhuman might of a state machine that stands above justice, law and the individual. . . .

During the tragic days of the fall of 1993 [when Yeltsin dissolved the Supreme Soviet], I decided to stand by you despite my serious inner doubts. I don't deny my responsibility for that support. I believed that the use of force was a tragic necessity given the imminent threat of civil war. Even then I understood that the events of October might encourage the top leaders to perceive force as a convenient and familiar instrument for resolving political problems. But I hoped for a different outcome, that by overcoming the crisis of legitimacy and creating a basis for the rule of law in Russia, the president and the government would do everything possible for our country's peaceful and free development. To a very great extent, the outcome depended on you, Boris Nikolaevich. I believed that you would choose the second path. I was wrong.

The 1993 Constitution confers enormous powers on the president, but it also places enormous responsibilities on him: to be the guarantor of the rights and liberties of citizens, to safeguard their security and to protect law and order in the country. How have you discharged these duties? How have you fulfilled your responsibilities?

You have virtually halted judicial reform, which was designed to make the administration of justice truly independent from the other branches of government. You openly professed the principle: "Let the innocent suffer as long as the guilty are punished."

You loudly proclaimed the launching of a war on organized crime. In order to implement this, you granted exceptional, extralegal authority to the security ministries. The result? The criminals continue to roam freely, while law-abiding citizens have to tolerate the abuse of the uniformed forces without gaining the security they were promised.

You stated that your goal was the preservation and strengthening of the Russian Federation's territorial integrity. The result? A shameful and bungled civil war which has been raging in the North Caucasus for more than a year. Under the guise of strengthening Russia's defense capability, you've blocked all military reforms which would give Russia an effective modern army. The result? Spending on the army is growing, and the number of generals has increased to an indecent figure. In order to justify their existence, the term of service has been increased and draft deferments have been ended. Meanwhile, soldiers and officers are impoverished, ragged and hungry. And the degradation, ill-treatment and corruption, traditional in our army, are as prevalent as ever. Not surprisingly, tens of thousands of young men are evading this medieval recruitment like the plague.

You speak of a policy of openness, of transparency and of public accountability, yet at the same time you sign secret decrees concerning the most important matters of state.

You create closed institutions, and you classify as secret ever more information about government operations and the state of the country. Presidential decisions are made almost in the same backroom fashion as in the era of the Politburo. It's no secret that you increasingly depend on the security services and on their system of clandestine information. Isn't it obvious to you how unreliable and tendentious this information is?

The thrust of your personnel policy is becoming clearer with each passing day. At first there were quite a few competent, honorable people around you. But you also enthusiastically welcomed individuals whose only virtue consisted in their personal loyalty to you. Gradually such loyalty has become your primary demand when recruiting staff, just as it was in the heyday of the Community Party. . . .

You began your democratic career as a forceful and energetic crusader against official deceit and party disposition, but you are ending it as the obedient executor of the will of the power-seekers in your entourage. You took an oath to build a government of the people and for the people, but instead you have built a bureaucratic pyramid over the people and against the people. Moreover, having rejected democratic values and principles, you haven't stopped using the word "democracy" so that naive people may well believe that "democrats" remain in power in the Kremlin. Your policies have compromised the very word, and if democracy is fated to someday exist in Russia (and I believe it will), it will exist not because of you, but in spite of you.

HARRY KUBO CELEBRATES 25 YEARS AT HELM OF THE NISEI FARMERS LEAGUE

HON. GEORGE P. RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. RADANOVICH. Mr. Speaker, on March 8, 1996, the Nisei Farmers League will celebrate its 25th anniversary. This will be the closing of an era with Harry Kubo at the helm and the dawning of a new era with him handing over the reins to Manuel Cunha, Jr. Harry will be stepping down as president but will remain on the board as president ex-officio.

AND THE DOVE OF PEACE WEPT, TOO

HON. CHAKA FATTAH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. FATTAH. Mr. Speaker, Mrs. Marilyn Krantz of Philadelphia, in response to the assassination of Israeli Prime Minister Yitzhak Rabin, was moved to pen the following poem entitled "And the Dove of Peace Wept, Too."

Feelings * * * shared by countless many,
Amidst the shock and grief,
In prayers and prose and poetry
Expressing horror and disbelief
That Israel's leader, Yitzhak Rabin
Had so mercilessly been slain—
And by one of his countrymen
Whose deed marked the return of Cain!
With the word "Peace" still on his lips
And his heart filled with hope anew
This Great man fell, and tears did flow,
And the Dove of Peace wept, too.

Reaching beyond Israel's boundaries,
This was a loss to all the world,
Leaders gathered from near and far
To join as mournful words unfurled
For this man who'd struggled to ensure
The survival of one small nation
And worked tirelessly to bring peace
In the Mideast—a great revelation!

Soldier, statesman, family man.
In his wisdom, he'd come to see
That war was no solution
And killing brings no victory.

May his memory be for a blessing,
Others will carry his ideas through;
This was promised amidst the tears,
And the Dove of Peace wept, too.
Yitzhak Rabin is with us yet:
He lives in every believing heart
That peace must and will be achieved,
And each dawn offers a new start.

KIOWA WARRIORS PROTECTING U.S. TROOPS IN BOSNIA

HON. PETE GEREN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. PETE GEREN of Texas. Mr. Speaker, in the Department of Defense authorization and appropriations bills for fiscal year 1996, Congress added $140 million to the Army's procurement budget to buy 20 armed OH–58D helicopters, better known as Kiowa Warriors. The proof that Congress made the right decision is demonstrated in the attached article from the January 15, 1996, edition of Inside the Army.

Mr. Chairman, you will note that the Kiowa Warrior—with its mast-mounted sight and day-night, all weather surveillance capability—is deployed to monitor military peacekeeping movements in the zone of separation between Bosnia and Serbia. It is proving its mission effectiveness by protecting the lives of thousands of American servicemen and women moving into dangerous territory.

As Army Major General John Suttle of the 1st Armored Division's Task Force Eagle states: "The Kiowa is uniquely suited [for Bosnia] because of its stealth capability, its high maneuverability and its ability to protect itself with a variety of weapons systems."

The Army has a valid requirement for 507 Kiowa Warriors, but through this fiscal year, fewer than 400 OH–58D's have been funded. I hope that my colleagues in Congress will continue to act wisely and show support for further acquisition of Kiowa Warriors for the Army until the requirement for this outstanding military aircraft is fully met.

The full text of the Inside the Army article follows.

U.S. TROOPS ROLLING INTO BOSNIA UNDER COVER OF APACHES, KIOWA WARRIORS

As U.S. troop move into Bosnia at a rate of 500–600 a day—6,600 servicemembers arrived by Friday—Army aviators are flying continuous protection missions to help protect the flow of deployment.

Maj. John Suttle, spokesman for the 1st Armored Division's Task Force Eagle, said hundreds of troops have been deployed with the Apache AH–64 attack helicopters and OH–58D Kiowa Warrior scouts to monitor military peacekeeping movements into the Zone of Separation between Bosnia and Serbia.

"The Kiowa is uniquely suited [for Bosnia] because of its stealth capability, its high maneuverability and its ability to protect itself with a variety of weapons systems," Suttle said.

The Kiowas are being flown by members of the 2nd Brigade's 4th Cavalry Division who are "conducting routine reconnaissance in addition to providing quick reaction by placing their eyes on 'hot spots' as the command deems necessary," said Suttle. He said their recon maneuvers have been important to the Sava River Bridge building and crossing of troops into Bosnia.

The Apache units are staged with the 4th Brigade in both Tazar, Hungary and in Tuzla, Bosnia. "The Apaches can do the same types of missions as the Kiowas, but they're much more of a heavy hitter," said Suttle. The Apaches are also flying continuous reconnaissance missions to allow pilots to "get a feel for the surrounding area."

Apaches are also serving as a protective measure for arriving VIPs such as Defense Secretary William Perry, who took a holiday visit to the troops, and for President Bill Clinton, who at press time was preparing for a trip to the region.

Suttle said the river crossing has become a "piece of cake" since flooding of the Sava River was stopped by the Army Corps of Engineers. During a Pentagon briefing for reporters last week, officials said peacekeeping vehicles are moving over the bridge at a rate of 230 per day.

Earlier this month the same officials said they planned to build a second span across the Sava River to help expand the flow of personnel and equipment into the Zone of Separation. But in a Pentagon press briefing Thursday, Ken Bacon, assistant to the secretary of defense public affairs, said "we believe we're getting enough flow across the Sava River now. We believe that the time of the engineers could be better spent improving the quality of the life for the troops there, and we'll delay the second bridge for about a month."

Quality-of-life matters are a concern for the soldiers settling in to areas like Camp Harmon, where Army officials expect to house 2,500 troops by March 1.

According to Capt. Tom Evans, Army spokesman stationed in Zupanja, near the Sava River Bridge, the Army will house "about 10 people per tent at Camp Harmon." He said nearly 100 tents with temporary wood floors, reinforced with straw, have been erected in the camp. As Army units cross the Sava Bridge, they are being asked if they have enough supplies for the areas in which they are assigned; cold weather gear and heating units top the list.

Evans said soldiers are issued heating units that have been on supply in the European theater for some time. According to U.S. Army Europe, the heaters are the standard Army stoves that can use a variety of fuels including the standard Army fuel JP–8, wood, diesel or coal.

Concerns about the diesel-fueled heaters have been voiced by soldiers housed in tents in Germany, where countermine training is conducted before they are deployed in the Bosnian mission.

TWENTY-FIFTH ANNIVERSARY OF THE FERROALLOY ASSOCIATION

HON. RALPH REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. REGULA. Mr. Speaker, this year marks the 25th anniversary of the Ferroalloy Association representing U.S. producers of Ferroalloy products. It is an industry that has supported America's economic engine through wars, depression, and into the information age. You have seen its products in the shiny metal surface of a new car, or the armor plating of an M1A1 tank patrolling the streets of Bosnia. It is a product critical to the production of steel, iron, aluminum, and silicon, as well as newer applications in chemicals, semiconductors, solar cells, coatings and catalysts. As a collection, the over 50 different alloys and metals ferroalloys are critical to the economic well being of the United States.

Apart from its pivotal position within our commercial economy the ferroalloy industry has long been a strategic asset in the defense of our Nation. Begun just over 100 years ago with the introduction of the electric-arc furnace in 1892, the industry expanded rapidly 7 years later when it was called on to meet the needs for projectiles and armor plate during the Spanish American War. Since that time, domestic producers have seen major expansions during every war period up to the last expansion during the Vietnam war. Each time the industry met the challenges placed upon it as part of the defense industrial base.

However, in recent years, U.S. manufacturers have watched capacity and jobs sharply decline, due primarily to increased foreign imports and increased regulatory requirements. During the 1970's there were 15 companies with 26 plants operating 97 furnances. By 1990 there were only 12 companies with 16 plants operating 42 furnaces. In a matter of two decades, a more vibrant domestic industry had lost 60 percent of its work force and was expected to cease to exist completely by the end of the century.

But, in response to these difficulties, management and workers joined together to meet the challenge once again. Through the use of U.S. trade remedies against illegal predatory pricing, the industry has recovered market share and increased profits. The industry has invested in new technology and has improved the capital infrastructure of existing facilities. Management and workers have continued to work together to increase competitiveness by improving productivity and improving the manufacturing process. The result has been the resurrection of the industry.

Quality, productivity, and world-class technology are the watchwords for the U.S. ferroalloy industry as it continues to provide our Nation with the tools it needs to grow and defend itself.

TRIBUTE TO DAVID R. ELLEMAN

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. WALSH. Mr. Speaker, I want to pay tribute today to an outstanding elected official and public servant from Onondaga County in my home district. David Elleman served the people of the Greater Syracuse area and the entire County of Onondaga as its comptroller since 1967.

He has played an important role in keeping Onondaga County at the highest level of financial stability, with an excellent credit rating, through challenging economic times.

Recently retired, he is a respected and warmly regarded man of integrity; a civic leader with an enviable career.

Since serving as his senior high school class president in Syracuse, Dave Elleman has been a leader of his community and his Nation. A retired lieutenant colonel in the U.S. Air Force, he is a decorated veteran of combat in Berlin and Korea. Returning home, he has served on numerous foundations and boards including Blue Shield Central Board, New York Regional Planning Board, and the Syracuse/Onondaga County Planning Board.

Dave Elleman founded the New York State Government Finance Officers Association and he has served as New York Stake representative of the Government Finance Officers Association of the United States and Canada.

His family, and his community, are very proud of him. I would ask my colleagues to join me in wishing David Rundel Elleman and his wife, Ruth Calale Elleman, all the best as they enjoy the time they have earned.

On a personal note, I want to say I look forward to seeing the Ellemans very soon and often in years to come.

DEEPWATER PORT MODERNIZATION ACT

HON. JAMES A. HAYES

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. HAYES. Mr. Speaker, I am proud to rise today with my Louisiana colleagues, both Democrats and Republicans, to introduce the Deepwater Port Modernization Act—legislation to amend the Deepwater Port Act of 1974. Our efforts go to the heart of the battles this year in Congress to change the anticompetitive, overregulatory approaches of the past and streamline and focus Government's role overseeing American businesses.

Clearly, when this legislation originally passed Congress over two decades ago, the oil industry faced markedly different challenges than the industry encounters today. There was much concern that the efficiency and environmental advantages offered by deepwater ports would so eclipse the market that they would monopolize the bulk of oil transportation to shore.

To the contrary, in the 22 years since this legislation passed Congress, there is only one licensed deepwater port, the Louisiana Offshore Oil Port or LOOP. Unfortunately, despite Congress' original miscalculation on the ability of deepwater ports to control the market, the burdensome environmental regulations of the seventies remain in place.

First of all, our legislation would promote the efficient transportation of crude oil from the outer continental shelf [OCS] of the Gulf of Mexico, which is currently not listed as one of the priorities of the act. New technologies have resulted and will continue to undoubtedly result in increased production of OCS oil. Without a more cost effective and environmentally sound means of getting the oil to market, expanding production of our domestic resources in the gulf will occur more slowly to the detriment of the consumer. Deepwater ports will allow us to utilize the increased OCS production and capitalize on the estimated 15 billion barrels untapped in the deepwater of the gulf.

Second, our bill would repeal the antitrust provisions of the 1974 act and clarify the intent of the 1984 amendments in order that deepwater ports may better respond to market conditions to set rates, terms, and conditions. Deepwater ports are highly regulated due to the aforementioned belief that monopolies would form. But, nothing could be farther from the truth. Deepwater ports have many strong competitors that can constantly and instantly adjust their own rates. Our bill will level the playing field to encourage competition by providing deepwater ports such as LOOP with the same rate structure as their competitors.

Additionally, our legislation would simplify the regulatory framework under which deepwater ports function. The bill replaces the three-tiered system of requirements on deepwater ports—overlapping Federal regulations, licensure provisions, and operations manual—with the requirement that a port comply with the published guidelines of the Secretary of Transportation for a facilities operations manual. Furthermore, a licensee's operations manual, and proposed changes to the manual, shall be approved and reviewed by the Coast Guard.

LOOP currently pumps approximately $32.7 million in direct and indirect revenues in Louisiana's economy, not to mention additional impacts from other economic multipliers and benefits from a more environmentally safe transportation system. Because LOOP is only operating at about 63 percent of capacity, there is clearly room for expansion and for construction of more such deepwater facilities.

We, accordingly, must correct the provisions within the current law which are stifling market usage of deepwater ports and burying with archaic government regulations what would be another efficient transportation source. Mr. Speaker, my Louisiana colleagues in the House and the Senate join me in requesting that Congress take action to clarify the intent of the 1974 act to promote the usage of deepwater ports by eliminating duplicate and unnecessary licensure and other requirements. It is clear that, while the market has changed, the conclusion of the seventies that deepwater ports can bring substantial financial and environmental savings to oil transportation remains true. We must act responsibly this year to ensure that deepwater ports are allowed to operate in the future in a way to maximize competition and minimize unnecessary regulatory barriers which prevent efficient, environmentally protective commerce in this country.

FIGHTING PORNOGRAPHY ON THE INTERNET

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. DORNAN. Mr. Speaker, we are discussing the telecommunication bill which is a large and complicated piece of legislation. Buried within this complex labyrinth of highly technical legislation is an important provision that attempts to control child pornography on the Internet. This provision gives us false security to believe that we are dealing with this heinous crime. However, the reality is that the provision does not have the power to eradicate computer pornography. Mark my words: We will have to come back to this issue 6 or 7 months from now trying to fix the deficiencies in this provision. Read about the German experience and laws.

Mr. Speaker, I highly recommend to my colleagues the following article by Patrick Trueman, one of America's foremost legal experts in the area of child protection and the former Director of the Child Exploitation and Obscenity Office in the U.S. Department of Justice.

PORN ON THE INTERNET, HERE AND ABROAD

(By Patrick A. Trueman)

Compuserve, one of the nation's top Internet access providers, temporarily blocked more than 200 sexually explicit sites recently because a German prosecutor thought the provision of such material by the company to German citizens violated that country's law. Compuserve may have reason to fear German law but seems safe in providing pornography to American citizens, even children. That is because Congress is contemplating passage of a telecommunications bill which will protect Compuserve and all Internet access providers from criminal liability for the provision of similar material to anyone, including children.

Yes, the bill in question contains specific protective language for those access providers who make millions distributing pornography, even hard-core pornography, to children and others. Sen. James Exon, Democrat Nebraska, and Rep. Rick White, Washington Republican, are responsible for this political favor. They are the principle authors of the Communications Decency Act, which they have characterized as a measure to control computer pornography.

Computer pornography should be eradicated, not controlled. Senator Exon originally proposed a bill that was a simple, straightforward prohibition. His top staffer on the bill frankly admitted to me that he caved in to demands of access providers under heavy lobbying pressure by them and thousands of Internet users. The interests of Rep. White are patently obvious. In his Washington state district is the headquarters of major Internet access provider, Microsoft.

Last year when the telecommunications bill was in committee, the American Family Association fought hard against special protections for access providers. So too did such notables with a high profile in the fight against pornography as former Attorney General Edwin Meese III and Rep. Henry Hyde, chairman of the U.S. House Judiciary Committee.

Why is Congress so willing to protect those who distribute and profit from computer pornography? Because one major pro-family group and a few smaller ones urged it to. Access providers and the so-called "free speech" lobby fought for the protections, but they couldn't have gotten such major concessions from the family-friendly 104th Congress without the cover certain pro-family groups gave them.

Pro-family champion Mr. Hyde offered a much tougher, no-exceptions computer pornography provision in committee as an alternative to Exon-White. He was defeated, however, by Mr. White—who liberally touted the support of the few pro-family groups who supported the position of the access providers.

Soon Congress will vote on the final version of the telecommunications bill, which contains this soft-on-pornography language. The effect on the Internet is predictable—computer pornography will continue to flow freely.

Under the Hyde provision anyone would have been liable, including access providers, for knowingly and intentionally distribution or making available pornography to children or obscene pornography to anyone. The argument in favor of the Hyde provision—that by providing no exceptions in the law, access providers will voluntarily restrict access to pornography—was made crystal clear by Compuserve's response to the German prosecutor.

That is the exact response that could be expected from all U.S. Internet access providers by passage of the Hyde language. It is an inexplicable irony that due only to the efforts of some pro-family groups, Compuserve and other access providers may have to block pornography to German children, but are free to provide it to the children of America.

Why did pro-family groups go to bat for access providers? I still wonder. The arguments of their representatives shifted throughout the months-long debate during consideration of the various computer pornography provisions in Congress. The lawyer for one argued that it is unconstitutional to hold access providers liable because they have no ability to block pornographic Internet sites. Her "constitutional argument" is undermined by Compuserve's response to the German prosecutor. She also contended that the Internet is a "wonderful resource" and we shouldn't go "too far" in regulating it.

Wow. Since when did Internet protection become a pro-family priority? Another prominent argument was that any computer pornography measure should be modeled after the federal dial-a-porn law with access providers treated like the phone companies are in that law. There is no more ineffective criminal law than the federal dial-a-porn law. It is hardly an appropriate model. Dial-a-porn is a thriving business in America precisely because this law has almost zero deterrent effect.

There have been no prosecutions under it since it was revised in the late 1980s to give phone companies almost blanket exemption from prosecution for what otherwise would be a crime of conspiracy when they knowingly provide service to and profit from dial-a-porn companies. The reason for this exemption was that phone companies are heavily regulated common carriers. Access providers are not common carriers and after this bill won't be regulated at all.

Congress, in the telecommunications bill to which Exon-White is appended, will impose on them all the benefits of a common carrier but none of the burdens. If Congress wants an appropriate computer pornography model, it should mirror the federal child pornography law which, like the Hyde proposal, does not exempt access providers. That is undoubtedly a major reason why one access provider, America OnLine, so willingly cooperated with the Justice Department in a recent computer child pornography sting operation.

As Compuserve has demonstrated, the best carrot and stick approach is a tough law. Only when Compuserve understood it was the liable under German law for the distribution of pornography did it block pornographic site. The company has indicated that it regretted the blockage of pornographic sites to its customers in this country and quickly ended the blockage.

Finally, some pro-family advocated argued that any law is better than what we have now. That arguments assumes that current federal obscenity laws do not allow prosecution of those who traffic in such material by computer. There is no court that has ever taken this position and, indeed, the Justice Department has successfully used current law to prosecute a computer pornography crime. Thus, it only makes sense to enact a new computer pornography law if it improves the ability of the Justice Department to prosecute for computer pornography crimes.

The Justice Department has told Congress in three letters that any law that exempts access providers from liability undermines its ability to prosecute those who traffic in computer pornography. Exon-White, then, is a retreat in the war against pornography.

Sure, Exon-White will allow the Justice Department to prosecute the individuals who put obscene pornography on the Internet or provide pornography via the Internet to children. But how many of the thousands of individuals in this country who are potential prosecution targets will really be deterred by Exon-White? The Justice Department can only do a relatively few prosecutions a year for such violations? Not long ago it announced it was dropping or postponing a great number of investigations targeting those who distribute child pornography by computer for lack of investigative resources.

Certainly child pornography will be given the highest priority by the department, leaving few resources to enforce Exon-White against violators in this country. And what about the tens of thousands of individuals in other countries who fill the Internet with pornography? Since our government has no jurisdiction to prosecute them, there is no reason to believe they will change their behavior.

There is also no reason to believe that any pornographic Internet sites will disappear. Exon-White guarantees they will remain since access providers who make those sites available will be free under Exon-White to provide them.

The simple solution to eliminating or substantially reducing those sites was Henry Hyde's bill. If access providers are liable for making pornography available, they will clean up the Internet. The Hyde proposal would have allowed access providers to make indecent but not obscene pornography available to adults so long as they took measures to assure that the material was not available to children. This provision is made necessary by a line of court cases indicating that adults have a constitutional right to indecent material. It could have been accomplished by providing access codes or pin numbers to adult customers like banks do for ATM card customers.

Under Hyde, access providers would not be held liable for all illegal pornography on the Internet which their services may be used to obtain. Nor would it require that they check all communications to ensure that no violations of the law are occurring. They would simply be required to avoid knowing violations of the law.

This is an obligation imposed on all citizens, and Congress is foolish to exempt Compuserve and others like it from such a responsibility, especially since those most likely to be harmed will be children who, with a few clicks of a computer mouse, can enter that grand international pornographic swap meet that the Internet will be for them, courtesy of the access provider companies.

Federal criminal law has traditionally assigned equal liability both for those who commit a crime and those who aid and abet a crime. Thus any notion that access providers aren't directly responsible for the provision of pornography on the Internet should be legally irrelevant because without their willing facilitation there would be no Internet pornography.

Exon-White won't make the issue disappear from Congress. The access providers and those who enjoy the easy availability of pornography on the Internet have won round one. Soon, however, that segment of decent American society that began the clamor for a solution to the disease of computer pornography will realize that Exon-White is little more than the placebo it was designed to be and they will demand that Congress provide a serious response.

NATIONAL PRAYER BREAKFAST REMARKS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. LANTOS. Mr. Speaker, it is a great pleasure for me to introduce into the CONGRESSIONAL RECORD the following speech given by my friend and colleague, Congressman PETE GEREN, at the National Prayer Breakfast this morning. As a member of the National Prayer Breakfast Committee, Congressman GEREN clearly emulates the values represented by the National Prayer Breakfast. I urge my colleagues to read PETE GEREN's address with the thoughtfulness and sincerity with which it was delivered.

NATIONAL PRAYER BREAKFAST

Mr. President, Mrs. Clinton, Mr. Vice President, Mrs. Gore, distinguished guests one and all, I bring you greetings from the Prayer Breakfast of the U.S. House of Representatives. My charge today is to tell you about our prayer breakfast, with the hope and prayer that perhaps you can build on our experience in your nation, your state, your neighborhood or place of work.

In the book of Matthew, Jesus told us: "Where two or three are gathered together in my name, there am I in the midst of them."

Today those gathered in His name number in the thousands, and we thank Him for his presence.

Every Thursday morning that the House is in session, we gather, 40–50 members strong, in His name. Our gathering is extraordinary by Capitol Hill standards, for so many reasons, and truly a blessing to those who have made it a part of their lives.

Extraordinary by Capitol Hill standards: In a super-charged environment where most all meetings are restricted by party membership, even more narrowly, by philosophical subsets within a party, by race, by religion, by region or by cause, our meetings are inter-faith, ecumenical, multi-racial, nonpartisan and as diverse as this great land of ours.

The Irish brogue of South Boston, the syrupy drawl of South Georgia, the sharp and clipped tongue of Brooklyn, the twang of Texas and the flat tones of Minnesota fill the room every week.

There are no guests, not even family members, no cameras, no press, no record of the proceedings. It is as private as Capitol Hill can be and members share their hearts.

I said no guests, well there is one exception: Legislators or parliamentarians from around the world join us to learn about our breakfast, and, on occasion, return years later to tell us of the leadership groups they have started in their land.

Today, prayer breakfasts are held in over 100 countries, in countries as far-flung as India, Peru, and Japan. So in a way, then we engage in outreach to the world, but that is not our main purpose.

Our focus is internal, on the lives, hearts and souls of our colleagues. It is fellowship, an eye in the storm of the swirling world of politics.

There is a saying that "If you want a friend in Washington, buy a dog". Our breakfast belies that expression.

Breakfast begins at 8 am and it is the only $3.00 breakfast left in Washington. I am sure it somehow violates the gift ban.

We visit informally for most of the first half hour. When we are called to order we begin our day's program with a scripture reading.

Our very own General, Congressman Sonny Montgomery, then brings us up to date on the lives, and too often of late, the deaths of House members, past and present. He shares with us celebrations such as recent births and the trials and tribulations of others.

We then lift up our colleagues and their families in prayer, with rejoiceful prayers of thanksgiving, prayers for healing, for comfort and for the blessing of our nation and our leaders.

We follow the prayer with a hymn, long on enthusiasm, but short on harmony. Congressman Jake Pickle of Texas used to regale us with the history of each hymn, or at least the "history according to Jake", but he now has retired and we miss him.

Following the hymn, a House member, tells us his/her life story—about the influences that shaped his life, values, philosophy, politics and faith.

On these occasions, members offer a window into their souls that I expect few others have ever seen. Through this sharing each of us, so often is surprised that, beyond the accents, geography and political labels, surprised at how much we have in common. After hearing Joe Moakley of Massachusetts tell of his South Boston childhood, Charlie Rangel, who grew up in Harlem, said "Joe, we really grew up in the same neighborhood we just never knew it!".

Regarding our differences, and they are many, we grow to understand them better.

We close with another prayer. We pray that we may be salt and light in this world we share.

Each of us truly is blessed by our participation and pray that somehow our Congress and nation, one nation under God, are as well.

BALANCE THE BUDGET

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. PACKARD. Mr. Speaker, last week, during his State of the Union Address to Congress, the President paid a great deal of lip-service to the need for balancing the budget. Ironically, it was only 2 weeks earlier, that members of his own party, said "We—Democrats—are advantaged, both politically and substantially, in not reaching an agreement on the budget." This confirms the President and his colleagues are more interested in campaign politics than in the future of this country.

While my colleagues on the other side of the aisle believe that it is to their advantage not to balance the budget, let me remind them of who stands to gain the most from a balanced budget—every American. All the working families who have mortgages, car notes, or student loans will benefit. Interest rates directly affect their standard of living and lower interest rates mean more money in their pockets. Those who currently rely on Medicare, and those who will in the future, will be able to rest assured that these services will be there for them. Families, the middle class, and businesses are targeted for tax cuts. These are the people who need and will receive the advantages of a balanced budget.

Mr. Speaker, the Republican majority in Congress will continue to work toward a balanced-budget agreement. We take our commitments seriously. It is time the President and his colleagues did the same.

SALUTE TO MARION AND NATALIE CHARD OF THE MADISON HISTORICAL SOCIETY

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. TORRES. Mr. Speaker, I rise to honor the outstanding work of Mr. Marion Chard and Mrs. Natalie Chard of Madison, CT. Although Mr. and Mrs. Chard are not my constituents, I have a great respect for their work with the Madison Historical Society and the Allis-Bushnell House. During the Civil War, Madison's C.W. Bushnell contributed to keeping our Nation whole by contributing to the construction of the *Monitor*. The Madison Historical Society has in its collection the original telegram from President Abraham Lincoln to C.W. Bushnell requesting immediate assistance in building the *Monitor*.

I, too, have a great affinity and interest in the history of the Civil War. A little known fact of the Civil War was that Union Naval Officer David Glasgow Farragut was of Hispanic origin. He is credited with splitting the Confederacy in two with his victories along the Mississippi River and the Gulf of Mexico and successfully blockading the South. Farragut became the first American awarded the rank of Admiral of the Navy and was recognized worldwide as a hero. Farrugut was one of approximately 10,000 Hispanic soldiers that fought on both sides of the Civil War.

I ask my colleagues here assembled to join me in saluting the efforts of the Chards, and other historical preservation groups nationwide, for their dedication to safeguarding our Nation's history. Their efforts will benefit future generations of Americans that seek to learn more about our past. Mr. Speaker, I ask to enter into the RECORD, following this statement, a copy of a historical account of the U.S.S. *Monitor* from the U.S. Navy's Division of Naval History.

Navy Department
Office of the Chief of Naval Operations
Division of Naval History (OP-29)
Ships' Histories Section

USS MONITOR

On 4 July 1861, Secretary of the Navy Welles recommended the appointment of a Board to report on the merits of ironclads. The recommendation was approved by Congress and a board was authorized. The Board was appointed on 8 August, and on 16 September, it reported, recommending acceptance of three of the proposals submitted for their review. One of the proposals recommended was Ericsson's MONITOR.

The contract for the building of the MONITOR, was signed on 4 October 1861, between John Ericsson, principal, John F. Winslow, John A. Griswold, C.S. Bushnell, sureties, and Gideon Welles, Secretary of the Navy. One of the provisions of the contract was that the vessel be completed and ready for sea in 100 days from the date of the contract.

In order to expedite the work, Ericsson made contracts with various concerns. The hull was built by Thomas F. Rowland of the Continental Iron Works, Green Point, Long Island, New York; the main engines and auxiliary machinery by Delameter and Company of New York; the turret by the Novelty Iron Works of New York, and many other establishments contributed to the work by contracts for forgings, bolts, etc.

The iron hull of the vessel was launched at Green Point, on 30 January 1862; the turret guns, and other fittings being added later. On 19 February, the MONITOR left Green Point and went to the New York Navy Yard, where it appears, she was commissioned on 25 February. Lieutenant John L. Worden, USN, was her first commanding officer.

The MONITOR's dimensions were as follows; length, 179 feet; beam, 41 feet feet 6 inches, depth, 11 feet 4 inches; tonnage, 776 (Navy Register). Her battery consisted of two XI-inch Dahlgren pattern guns. They were cast at the West Point Foundry and had the following characteristics; length, 13 feet 3.7 inches; weight of guns, 16,000 pounds; weight of shot, 166–170 pounds; weight of shell, 127–130 pounds; and weight of service charge powder, 15 pounds. The ship's complement, as of 6 March 1862, may be obtained from Appendix II.

On 27 February 1962, the ironclad left the yard for sea, but because of poor steering qualities she returned to the yard. A few changes were made and she departed for Hampton Roads on 6 March 1862. (Appendix I contains a factual account, by Lieutenant Worden, of this trip to Hampton Roads and of the famous battle between the MONITOR and CSS VIRGINIA (ex-MERRIMACK).

The MONITOR arrived at Hampton Roads during the evening of 8 March. The next morning, she engaged the CSS VIRGINIA (ex-MERRIMACK), commanded by Lieutenant Catesby ap R. Jones, CSN, in battle in Hampton Roads. Lieutenant Worden was wounded during the engagement and the command fell to Lieutenant Samuel D. Greene, USN. The battle lasted over three hours when the VIRGINIA retired from action to Norfolk. the MONITOR remained at Hampton Roads for the protection of the wooden Union ships.

Consular dispatches received in Washington revealed the plan of the Confederates to concentrate their vessels and force the blockade of Wilmington. In consequence of this it was decided in December 1862, at Washington, to send more vessels to Wilmington, including the three ironclad monitors PASSAIC, MONTAUK AND MONITOR, to cooperate with the army in an attack on Wilmington and the defenses about the city. The fall of Wilmington would have rendered the blockade more effective and cutoff a large part of the supply of goods received by the South from abroad.

On 29 December 1862, the MONITOR, Commander J.P. Bankhead, USN, commanding, left Hampton Roads for Beaufort, North Carolina. She left under her own steam, but in tow of USS RHODE ISLAND and accompanied by the monitor PASSAIC. A very rough sea was encountered off Cape Hatteras, and the MONITOR began leaking and taking water to such an extent that the pumps could not discharge it. The work of transferring the crew was attempted by the RHODE ISLAND, but the vessel foundered before this could be fully accomplished and four officers and 12 men were lost.

The MONITOR sank shortly after midnight, 31 December 1862, twenty miles S.S.W. of Cape Hatteras. The exact location of her sinking is not known. At noon on 30 December 1862, the RHODE ISLAND's position by dead reckoning was Latitude 35–25 North and Longitude 75–16 West, and at noon on 31 December 1862, her position by head reckoning was Latitude 34–56 North, Longitude 76–05 West. The RHODE ISLAND endeavored to remain as near as possible to the position, where the MONITOR was believed to have sunk, until daylight on the morning of the 31st, but after daylight she cruised looking for her missing small boat, so that the position taken at noon was not necessarily that of the sinking of the MONITOR.

At 5 a.m. and 6 a.m. the RHODE ISLAND sounded with 30 and 40 fathoms of line respectively, but got no bottom. At 7 a.m. soundings showed her in 35 fathoms of water.

Quoting from a letter written by Commander Bankhead concerning the sinking of the MONITOR, the position is given thus: "As near as I could judge, making allowance for current, drift, and sea, we were about 25 miles south of Cape Hatteras, say in Latitude 34–50 North, Longitude 75–30 West, depth of water, 30 fathoms.

The MONITOR has never been raised.

Compiled: 14 FEB 1957.

APPENDIX I

Report of Captain John L. Worden, U.S. Navy, to the Secretary of the Navy, concerning the services of Lieutenant S.D. Greene, U.S. Navy on the USS MONITOR, March 9, 1862.

Brooklyn, New York
January 5, 1868.

Sir: Recently learning that Lieutenant-Commander S.D. Greene the executive officer of the MONITOR in her conflict with the MERRIMACK in Hampton Roads, on the 9th of March 1862, has been annoyed by ungenerous allusions to the fact that no official record existed at the Department, in relation to my opinion of his conduct on that occasion, I desire now to remedy a wrong, which I regret should so long have existed, and to do justice to that gallant and excellent officer, as well as to all the officers and crew of the MONITOR, who, without exception, did their duty nobly in that remarkable encounter, by placing in the file of the Department the following report.

In order to do full justice to him and to the others under my command, I beg leave to state narratively the prominent points in the history of that vessel from the date of my orders to her, until the encounter with the MERRIMACK.

I was ordered to her on the 13th January 1862, when she was still on sticks. Prior to that date, Lieutenant S.D. Greene had interested himself in her and thoroughly examined her construction and design, and informed himself as to her qualities and notwithstanding the many gloomy predictions of naval officers and of officers of the mercantile marine as to the great probability of her sinking at sea, volunteered to go in her, and at my request was ordered. From the date of his orders, he applied himself unremittingly and intelligently to the study of her peculiar qualities and to her fitting and equipment. When she was nearly ready for putting in commission, I was authorized by the Department to select a crew from the receiving ship NORTH CAROLINA, or any other vessel of war in the harbor of New York. Under that authority I asked for volunteers from the NORTH CAROLINA and the frigate SABINE: and after stating fully to the crews of these vessels the probable dangers of the passage to Hampton Road and the certainty of having important service to perform after arriving there, had many more men to volunteer than was required. From them I selected a crew, and a better one no naval commander ever had the honor to command.

She was put in Commission February 1862, and from that time until her day of sailing, Lieutenant Greene and all the officers and crew displayed untiring energy and zeal in her fitting and equipment, and in the conduct of the several trials of her engines, turret machinery, etc.

She left the lower bay of New York on the afternoon of the 6th of March, with a moderate wind from the westward and smooth sea, in tow of a small tugboat, and accompanied by the U.S. steamers CURRITUCK and SACHEM. About midday of the 7th, the wind had freshened to a strong breeze, causing in our then position off the capes of the Delaware, a rough sea, which broke constantly and violently over her deck and forcing the water in considerable quantities into the vessel through the hawse pipes, under the turret and in various other places. About 4 o'clock p.m. the wind and sea still increasing, the water broke over the smoke and blower pipes (the former 6 feet and the latter 4 feet high) which wetting the blower bands caused them to slip and finally to break. The blowers being thus stopped, there was no draft for the furnaces and the engine and fire rooms became immediately filled with gas. The senior engineer, Mr. Isaac Newton, and his assistants met the emergency with great determination, but were unable to fight against the gas, which in a very short time prostrated them, apparently lifeless, upon the floor of the engine room, from which they were rescued and carried to the top of the turret, where they finally revived. With motive power thus useless for propulsion or pumping, the water which was entering the vessel in many places, was increasing rapidly. The hand pump was used and men set to work bailing, but with little effect. The tugboat, having us in tow, was ordered to head directly inshore, but being light and of moderate power, she could move us but slowly against wind and sea. Between 7 and 8 o'clock however, we got into smoother water and were enabled to so far clear the engine room of gas as to permit the blower bands to be repaired and the blowers to be gotten in motion, and by 8 o'clock were on our course again, with the engines going slowly and a comparatively smooth sea. This lasted until shortly after midnight, when in crossing a shoal the sea suddenly became rough again, broke violently over the deck, causing fears of another disaster to the blowers. The wheel ropes too, became entangled and jammed and for half an hour, until it was cleared, the vessel yawed unmanageably and seriously endangered the towing hawser, which fortunately held and in a short time we were clear of the shoal and in smooth water again. From this time no further serious mishap occurred, and about 4 o'clock p.m. of Saturday March 8th, we passed Cape Henry light and soon after heard heavy firing in the direction of Fortress Monroe, indicating an engagement, which I rightly concluded to be with the MERRIMACK. I immediately ordered the vessel stripped of her sea rig. Turret keyed up and in every way to be prepared for action. About midway between Cape Henry and Fortress Monroe, a pilot boat came alongside and gave us a pilot, from whom we learned of the advent of the MERRIMACK, the disaster to the CONGRESS and CUMBERLAND, and the generally gloomy condition of affairs in Hampton Roads.

About 9 o'clock p.m. we anchored near the frigate ROANOKE, Captain Marston, the senior officer present, to whom I reported, and who suggested that I should go to the assistance of the frigate MINNESOTA, then aground off Newport News. Finding difficulty in getting a pilot, I accepted the services of Acting Master Saml. Howard, who earnestly volunteered for that service, and under whose pilotage we reached the MINNESOTA about 11:30 o'clock p.m. when I reported to Captain Van Brunt, her commanding officer, and anchored near him at about 1 o'clock a.m. of Sunday March 9th. He hoped to get his ship afloat at high water, about 2 o'clock a.m., but failed to do so. At daylight the MERRIMACK, with several consorts, was discovered at anchor under Sewell's Point. I went at once to see Captain Van Brunt, whose vessel was still aground, a good deal damaged from the attack of the day before and in a helpless condition. After a few minutes conversation with him in relation to the situation of affairs, I left, telling him that I would develop all the qualities, offensive and defensive, possessed by the "Battery" under my command to protect his vessel from the attack of the MERRIMACK, should she come out again, and that I had great faith in her capabilities. Soon after reaching my vessel and at about 7:30 o'clock a.m. the MERRIMACK was observed to be underway, accompanied by her consorts, steaming slowly. I got underway as soon as possible and stood directly for her, with crew at quarters, in order to meet and engage her as far away from the MINNESOTA as possible. As I approached the enemy, her wooden consorts turned and stood back in the direction from which they had come, and she turned her head up stream, against the tide, remaining nearly stationary, and commenced firing. At this time, about 8 o'clock a.m. I was approaching her on her starboard bow, on a course nearly at right angles with her line of keel, reserving my fire until near enough that every shot might take effect. I continued to so approach until within very short range, when I altered my course parallel with hers, but with bows in opposite directions, stopped the engine and commenced firing. In this way I passed slowly by her, within a few yards, delivering fire as rapidly as possible, and receiving from her a rapid fire in return, both from her great guns and musketry, the latter aim at the pilot house, hoping undoubtedly to penetrate it through the lookout holes and to disable the commanding officer and helmsman. At this period I felt some anxiety about the turret machinery, it having been predicted by many persons, that a heavy slot with great initial velocity striking the turret, would so derange it as to stop it working, but finding that it had been twice struck and still revolved as freely as ever, I turned back with renewed confidence and hope and continued the engagement at close quarters every shot from our guns taking effect upon the huge sides of our adversary, stripping off the iron freely. Once, during the engagement, I ran across and close to her stern, hoping to disable her screw, which I could not have missed by more than 2 feet. Once, after having passed upon her port side, in crossing her bow to get between her and the MINNESOTA again, she steamed up quickly and finding that she would strike my vessel with her prow or ram, I put the helm "hard a port" giving a broad sheer, with our bow towards the enemy's stern, thus avoiding a direct blow and receiving it at a sharp angle on the starboard quarter, which caused it to glance without inflicting any inquiry. The contest so continued except for an interval of about fifteen minutes when I hauled off to remedy some deficiency in the supply of shot in the turret, until near noon, when being within 10 yards of the enemy a shell from her struck the pilot house near the lookout hole, through which I was looking, and exploded, fracturing one of the "logs" of iron of which it was composed, filling my face and eyes with powder, utterly blinding and in a degree stunning me. The top of the pilot house too, was partially lifted off by the force of the concussion which let in a flood of light, so strong as to be apparent to me, blind as I was, and caused me to believe that the pilot house was seriously disabled. I therefore gave orders to put the helm to a starboard and sheer off and sent for Lieutenant Greene and directed him to take command. I was then taken to my quarters and had been there but a short time when it was reported to me that the MERRIMACK was retiring in the direction of Norfolk. In the meantime Lieutenant Greene, after taking his place in the pilot house and finding the injuries there less serious than I supposed, had turned the vessel's head again in the direction of the enemy, to continue the engagement, but before he could get at close quarters with her, she retired. He therefore very properly returned to the MINNESOTA and lay by her until she floated.

The MERRIMACK having been thus checked in her career of destruction, and driven back crippled and discomfited, the question arises should she have been followed in her retreat to Norfolk? That such course would commend itself very temptingly to the gallantry of any officer and be difficult to resist, is undeniable; yet I am convinced that under the condition of affairs then existing at Hampton Roads, and the great interests at stake there, all of which were entirely dependent upon the MONITOR, good judgment and sound direction forbade it. It must be remembered that the pilot house of the MONITOR was situated well forward in her bows and that it was quite considerably damaged. In following in the wake of the enemy, it would have been necessary, in order to fire clear of the pilot house, to have made broad "yaws" to starboard or port, involving in the excitement of such a chase, the very serious danger of grounding in the narrower portions of the channel and near some of the enemy's batteries, whence it would have been very difficult to extricate her, possibly involving her loss. Such a danger her commanding officer would not, in my judgment, have been justified in encountering, for her loss would have left the vital interests in all the waters of the Chesapeake at the mercy of future attacks from the MERRIMACK. Had there been another ironclad in reserve at that point, to guard those interests, the question would have presented a different aspect, which would not only have justified him in following, but perhaps made it his imperative duty to do so.

The fact that the battle with the MERRIMACK was not more decided and prompt was due to the want of knowledge of the endurance of the XI-inch Dahlgren guns with which the MONITOR was armed, and which had not been fully tested. Just before leaving New York, I received a peremptory order from the Bureau of Ordnance to use only the prescribed service charge, viz. 15 pounds, and I did not feel justified in violating those instructions, at the risk of bursting one of the guns, which placed as they were in turret, would almost entirely have disabled the vessel. Had I been able to have used the 30 pound charges which experience has since shown the guns capable of enduring, there is little doubt in my mind, that the contest would have been shorter and the result more decided. Further, the crew had been but a few days on board, the weather bad, mechanics at work on her up to the moment of sailing and sufficient opportunity had not been afforded to practice them properly at the guns, the mode of manipulating which was entirely novel. A few days at Hampton Roads to have drilled them and gotten the gun and turret gear in smooth working order (which from having been constantly wet on the passage was somewhat rusted) would have enabled the guns to have been handled more quickly and effectively and with better results.

And now sir, I desire to express my high appreciation of the zeal, energy and courage displayed by every officer and man under my command during this remarkable combat, as well as during this remarkable combat, as well as during the trying scenes of the passage from New York. I commend one and all most heartily to the favorable consideration of the Department and of the country.

Lieutenant Greene, the executive officer, had charge in the turret, and handled the guns with great courage, coolness and skill and throughout the engagement, as in the equipment of the vessel, and on her passage to Hampton Roads, exhibited and earnest devotion to duty, unsurpassed in my experience, and for which I had the honor in person to recommend him to the Department and to the board of admirals (some three years since) for advancement, in accordance with the precedent established in the case of Lieutenant Commander Thornton, the executive officer of the KEARSARGE. I beg leave now, most respectfully and earnestly to reiterate that recommendation.

Acting Master Saml. Howard, who volunteered as pilot, stood by me in the pilot house during the engagement and behaved with courage and coolness. He has since been promoted to acting volunteer lieutenant for his services on that occasion.

Chief Engineer A. C. Stimers USN, made the passage in the vessel to report upon the performance of the machinery, etc., and performed useful service during the engagement in manipulating the turret.

First Assistant Engineer Isaac Newton, the chief engineer of the vessel and his assistants, managed the machinery with attention and skill and gave prompt and correct attention to all the signals from the pilot house.

Acting Assistant Paymaster W.F. Keeler and Captain's Clerk Danl. Toffey made their services very useful in transmitting my orders to the turret.

Peter Williams, quartermaster, was at the helm by my side and merited my admiration by his cool and steady handling of the wheel.

Very respectfully, your obedient servant,

JOHN L. WORDEN,
Captain.

Honorable Gideon Welles
Secretary of the Navy, Washington, D.C.

APPENDIX II

LIST OF OFFICERS OF USS MONITOR, MARCH 6, 1862

Lieutenant

Lieutenant Worden, John L., Commanding
Lieutenant Greene, Samuel D., Executive Officer
Stodder, Louis N., Master
Webber, John J.N., Master
Logue, Daniel C., Assistant Surgeon
Keeler, W.P., Paymaster
Newton, Isaac, 1st Assist. Engineer
Campbell, Albert B., 2nd Assist. Engineer
Hands, R.W., 3rd Assist. Engineer
Sunstrum, A.T., 3rd Assist. Engineer
Toffey, Daniel, Captain's Clerk
Frederickson, Geo., Acting Master's Mate
Stimers, A.C., Chief Engineer, passenger, and volunteer officer

MUSTER ROLL USS MONITOR BEFORE SAILING FROM NEW YORK NAVY YARD 6 MARCH, 1862

Augier, Richard, Quartermaster
Atkins, John, Seaman
Anderson, Hans, Seaman
Bringman, Girick, Carpenter's Mate
Baston, Anton, Seaman
Bryan, William, Yeoman
Crown, Joseph, Gunner's Mate
Cuddeback, David, Capt. Steward
Carroll, Thomas 1st, Capt. Hold
Conklin, John P., Quarter Gunner
Carroll, Thomas 2d, 1st Class Boy
Connoly, Anthony, Seaman
Driscoll, John, 1st Class Fireman
Durst, William, Coal Heaver
Fisher, Hugh, 1st Class Fireman
Feeny, Thomas, Coal Heaver
Fenwick, James, Seaman
Garrety, John, 1st Class Fireman
Geer, George S., 1st Class Fireman
Hubbell, R.K., Ship's ——
Hannan, Patrick, 1st Class Fireman
Joice, Thomas, 1st Class Fireman
Leonard, Matthew, 1st Class Fireman
Longhran, Thomas, Seaman
McPherson, Norman, Seaman
Moore, Edward, Wardroom Cook
Murray, Lawrence, Wardroom Steward
Mooney, Michael, Coal Heaver
Mason, John, Coal Heaver
Marion, William, Seaman
Nichols, William H., Landsman
Peterson, Charles, Seaman
Quinn, Robert, Coal Heaver
Riddey, Francis A., Seaman
Rooney, John, Master-at-Arms
Richardson, William, 1st Class Fireman
Roberts, Ellis, Coal Heaver
Sinclair, Henry, Ship's Cook
Seery, James, Coal Heaver
Stocking, John, Boatswain's Mate
Stearns, Moses M., Quartermaster
Sylvester, Charles, Seaman
Truscott, Peter, Seaman
Tester, Abraham, 1st Class Fireman
Viall, Thomas B., Seaman
Williams, Peter, Quartermaster
Williams, Robert, 1st Class Fireman
Welch, Daniel, Seaman
John L. Worden, Lt. Commander

A TRIBUTE TO HUMBLE MAYOR HADEN E. McKAY, JR., M.D.

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. FIELDS of Texas. Mr. Speaker, it is with profound sadness that I bring to the attention of the House the passing of former Humble, TX, Mayor Haden Edwards McKay, Jr., M.D. Dr. McKay died on Saturday, January 13 in Humble—a town he lived in, helped build, and governed for more than three quarters of a century. Indeed, Dr. McKay was known throughout my home town simply as "Mr. Humble."

I know you join with me in extending your deepest sympathy to his loving wife of 55 years, Lillian McKay.

Dr. McKay served as an Humble city councilman for 14 years before beginning his 24-year tenure as mayor. During that time, he oversaw Humble's transition from a sleepy little town with wooden sidewalks and privately-owned utility companies to a modern, booming town with an unsurpassed quality of life for all of its people.

The impact Dr. McKay had on my home town—both as a respected medical doctor and a dedicated public servant—was demonstrated by the more than 1,000 persons who attended his funeral in the Humble Civic Center on Wednesday, January 17.

Dr. McKay was, first and foremost, a medical professional who delivered into this world and cared for generations of Humble-area residents—including generations in my own family. With his family, Dr. McKay moved to Humble in late 1919. He graduated from Charles Bender High School—now Humble High School—in 1926 before receiving his bachelor of science degree from Mississippi State University and his medical degree from the Chicago Medical School in 1936. With his father, the late Dr. Haden E. McKay, Sr., he opened a thriving medical practice in Humble in 1938.

Some health care providers might have retired to easier and more peaceful pastures as they aged. Not Dr. McKay. He passed away Saturday at 87; he saw his last patient on the day before his death.

It was that type of dedication that earned Dr. McKay innumerable medical and community service awards.

In 1993, Dr. McKay received the Dr. Nathan Davis Award, presented by the American Medical Association, in recognition of his long and distinguished medical career as well as his government and community service. In 1979, he received the Distinguished Service Award of the Texas Medical Association, only the fourth physician to receive the award.

Dr. McKay was a past president of the Texas Academy of Family Practice; a past chairman of the board of councilors to the Texas Medical Association; a past president of the Harris County Academy of General Practice; and a former committee member of the American Medical Association. He found and served as the first chief of staff of the Northeast Medical Center Hospital, and he was a medical staff member at both St. Joseph Hospital and Memorial Baptist Hospital in Houston.

Dr. McKay even found a way to combine his love of medicine with his devotion to his country. In 1942, he enlisted in the U.S. Army Medical Corps as a 1st lieutenant. Serving until 1946, he held the rank of major at the time of his discharge.

Despite the pressures and long hours Dr. McKay spent caring for the health of his neighbors, he also found time to serve his community in other ways. A long-time member of the Humble Area Chamber of Commerce, Dr. McKay was the recipient of the chamber's Outstanding Citizen Award—which was later renamed the Haden E. McKay Award. Dr. McKay was a longtime member of the Humble Intercontinental Rotary Club, of which he was a charter member and a past president, and he was an active member of the First United Methodist Church of Humble.

Dr. McKay was a member of the Masonic Lodge and the Arabia Shrine. He not only was the recipient of a 50-year Masonic membership pin, but he was presented with the Sam Houston Award by the Most Worshipful Grand Master of the Grand Lodge of the State of Texas—the highest Masonic award for distinguished service that a Texas Mason can receive.

As mayor of Humble, Dr. McKay played a key role in building a new community center; in remodeling and expanding the new Humble City Hall; in building a new criminal justice center; in building a new fire/EMS center; in building a new public works center; in expanding city parks and the criminal justice center; in spearheading the effort to build Deerbrook Shopping Mall; and in offering a site for the Houston Intercontinental Airport.

Mr. Speaker, it is fair to say that Dr. Haden E. McKay, Jr., was larger than life. For several generations of Humble residents, he was the man who delivered them into this world; cared for them when they were sick; ensured the quality of their life and the lives of their fellow citizens as their mayor; and comforted their survivors following their passing.

Dr. McKay did for my home town what he did for many of his patients—helping it grow from infancy to maturity, providing his wisdom and compassion in time of need, and prescribing effective treatments for the problems that inevitably arise in any community as it grows and matures.

Mr. Speaker, those of us who knew him, loved him, and depended on his wise counsel, were deeply saddened at Dr. McKay's passing. But we know that our community, and those of us whose lives he touched, are much the better for his having spent his life among us. We will continue to honor his memory and the contributions he made to our city's well-being, and we will continue to keep him, and his beloved Lillian, in our thoughts and our prayers.

ANTITRUST HEALTH CARE ADVANCEMENT ACT OF 1996

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. HYDE. Mr. Speaker, today I am introducing legislation designed to ensure that the antitrust laws permit full utilization of private cooperative initiatives which can help make the Nation's health care system more efficient. H.R. 2925, the Antitrust Health Care Advancement Act of 1996, provides that when doctors, nurses, and hospitals form integrated joint ventures to offer health are services, their conduct will be reviewed on the basis of its reasonabless—rule of reason—for purposes of the antitrust laws. The end result of this case-by-case analysis will be to increase consumer choice while ensuring full competition in the marketplace.

Health care provider networks, or HCPN's—those composed of doctors, hospitals, and other entities who actually deliver health care services—are potentially vigorous competitors in the health care market. Their formation will lead to lower health care costs and higher quality of care. Costs will be lower because contracting directly with health care providers would eliminate an intermediate layer of overhead and profit. Quality will be higher because providers, and particularly physicians, would have direct control over medical decision-making. Physicians and other health care professionals are better qualified than insurers to strike the proper balance between conserving costs and meeting the needs of the patient.

Currently, however, there are obstacles to the formation of HCPN's. One of the most serious is the application of the antitrust laws to such groups in a manner which does not allow the network to engage in joint pricing agreements, regardless of whether its effect on competition is positive rather than negative. It is this obstacle, that H.R. 2925 will eliminate, by conforming agency enforcement practices to the manner in which courts have interpreted the law.

Antitrust law prohibits agreements among competitors that fix prices or allocate markets. Such agreements are per se illegal. Where competitors economically integrate in a joint venture, however, agreements on prices or other terms of competition that are reasonably necessary to accomplish to procompetitive benefits of the integration are not unlawful. Price setting conduct by these joint ventures should be evaluated under the rule of reason, that is, on the basis of its reasonableness, taking into account all relevant factors affecting competition.

The antitrust laws treat individual physicians as separate competitors. Thus, networks composed of groups of physicians which set prices for their services as a group will be considered per se illegal under the antitrust laws if they are not economically integrated joint ventures. In the typical provider network, competing physicians relinquish some of their independence to permit the venture to win the business of health care purchasers, such as large employers. These networks promise to provide services to plan subscribers at reduced rates. The ventures also achieve another central goal of health care reform: careful, common sense controls on the provision of unnecessary care.

However, agreements among physicians who retain a great deal of independence but set fees for their services as part of a network bear a striking resemblance to horizontal price fixing agreements. These are the most disfavored and most quickly condemned restraints in antitrust jurisprudence. The key factual question which distinguishes an arrangement that is per se unlawful from one which, upon consideration of the circumstances, is acceptable because it is not anticompetitive in nature, is the degree of integration of the individuals who form the network.

While the antitrust laws provide substantial latitude in the context of collaboration among health care professionals, there is an understandable degree of uncertainty associated with their enforcement. Because each network involves unique facts—differences not only in the structure of the network, but also in the market in which it will compete—the ability of providers to prospectively determine whether their arrangement will be considered legal is limited.

In order to eliminate this uncertainty, and to encourage procompetitive behavior that would otherwise be chilled, the Department of Justice and Federal Trade Commission have established a mechanism for prospective review of proposed HCPN's. In 1993, the antitrust enforcement agencies jointly issued "Statements of Enforcement Policy and Analytical Principles Relating to Health Care and Antitrust." These guidelines, which were amended in 1994, contain safety zones which describe providers network joint ventures that will not be challenged by the agencies under the antitrust laws, along with principles for analysis of joint ventures that fall outside the safety zones. A group of providers wishing to embark on a joint venture may request an advisory opinion from the agencies. The agencies, after reviewing the particulars of the proposed venture, then determine whether the network would fall within a safety zone, or otherwise not be challenged under the antitrust laws.

The problem is that these enforcement guidelines articulate standards that are more restrictive than the realities of the agencies' enforcement practices and the current state of the law. They treat as per se illegal many more networks than the antitrust laws would require.

The guidelines promise rule of reason treatment to ventures where the competitors involved are "sufficiently integrated through the network." This is consistent with judicial interpretations of the law. See, e.g., *Broadcast Music, Inc.* v. *Columbia Broadcasting Sys.*, 441 U.S. 1, 19–20 (1979). Where the guidelines diverge significantly from current law, however, is in defining integration solely as the sharing of "substantial financial risk." A network which integrates in any other way—regardless of the extent of that integration, or whether a court interpreting the antitrust laws would find it to be integrated—cannot qualify as a legitimate joint venture. This means that the agencies would not proceed to examine the specific facts of these joint ventures to determine their likely impact on competition; the arrangement would be deemed per se illegal.

This restrictive notion of what constitutes a legitimate joint venture discourages procompetitive ventures from entering the health care marketplace, under the guise of antitrust enforcement. It excludes potential provider networks which would mean an expanded set of consumer choices and increased competition, and thereby, lower costs, for health care services.

H.R. 2925 overcomes this barrier by requiring that the conduct of an organization meeting the criteria of a health care provider network be judged under the rule of reason. The result will be to permit a case-by-case determination as to whether the conduct of that HCPN would be procompetitive, and thus permissible under the antitrust laws. It is important to understand, however, that this is not an exemption from the antitrust laws. In no event would providers be allowed to set prices or control markets if, in doing so, they have an anticompetitive effect on the market. The normal principles of antitrust law will continue to apply.

Only an organization meeting specified criteria would qualify for the more liberal, rule of reason consideration. The network must have in place written programs for quality assurance, utilization review, coordination of care and resolution of patient grievances and complaints. It must contract as a group, and mandate that all providers forming part of the group be accountable for provision of the services for which the organization has contracted. If these criteria are not met, the entity could still be considered per se illegal.

Rule of reason consideration would be extended not only to the actual performance of a contract to provide health care services, but also to the exchange of information necessary to establish a HCPN. An important limitation on the exchange of information is that it must be reasonably required in order to create a HCPN. Further, information obtained in that context may not be used for any other purpose.

H.R. 2925 delegates to the Department of Justice and the Federal Trade Commission authority to specify how rule of reason consideration would be implemented under these circumstances.

Mr. Speaker, the Antitrust Health Care Advancement Act of 1996 means greater choice for consumers regarding health care services and the delivery of quality health care at lower price. Later this month, on February 27 and 28, the full Judiciary Committee will be holding hearings on health care reform initiatives, both in the antitrust area and in the liability area. H.R. 2925 will be one of the proposals considered in those hearings.

GUAM COMMONWEALTH PROCESS MOVING TOWARD CLOSURE

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. UNDERWOOD. Mr. Speaker, I had the privilege of participating in a meeting in San Francisco earlier this week with the Governor of Guam, the Honorable Carl T.C. Gutierrez, the Guam Commission on Self-Determination, and the Deputy Secretary of the Interior, the Honorable John Garamendi. Mr. Garamendi will be soon named as the President's Special Representative for the Guam Commonwealth discussions. The members of the Guam Commission on Self-Determination who participated in this meeting with the Governor included Presiding Judge Alberto Lamorena, Senator Hope Cristobal, Senator Francis Santos, Mayor Francisco Lizama, former Senator Jose R. Duenas, and Youth Congress Speaker Rory Respicio.

The Guam Commonwealth process that we are engaged in sorely needed a jump start, and the meeting in San Francisco renewed the commitment of the President and the leadership of Guam to an improved political status for our island. I am pleased that the administration has refocused on the Guam Commonwealth, and that bringing some form of closure to this process is the common goal of the participants.

The people of Guam are growing increasingly frustrated by the lack of progress on the Guam Commonwealth. There is a growing sense that the Commonwealth discussions will continue to drag on with no end in sight. This is not acceptable to the people of Guam. Our patience has limits, but our resolve is not diminished. That is why I am particularly encouraged by the consensus to complete the current discussions in a timely manner, and to wrap up these discussions by early this summer.

It is important to note that Mr. Garamendi reaffirmed in San Francisco that progress already made, and agreements already reached with Guam, will be honored.

Once the Clinton administration has completed its discussions with the Guam Commission on Self-Determination, the focus of our efforts will shift to the U.S. Congress, which has plenary authority over the territories.

I commend Governor Gutierrez, the Guam Commission on Self-Determination, and Mr. Garamendi for this very good beginning. I look forward to continuing the progress for the Guam Commonwealth, and to advancing the cause of self-government for the people of Guam in this legislative body.

PLAYING WITH FIRE

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. COLEMAN. Mr. Speaker, the past 2 months have brought into sharp focus the lengths our new House Majority will go to get their way. The Republicans have virtually abandoned any pretense of true debate and discussion of differing views as they have literally stalled the functions of government in an attempt to force their extreme priorities on the President and the American people.

Twice, the Republicans shut down the Federal Government because the President and Congressional Democrats wanted to balance the budget without large tax breaks for the wealthy, and without the deep cuts in Medicare, Medicaid, education, and the environment needed to pay for them. House Republicans seriously miscalculated the President's resolve and thought closing our Nation's Social Security offices, Medicare offices and national parks, would force him to sign their budget, a right wing vision of how America should be run. To his credit, the President did not succumb to this pressure.

Now, once again, the Republicans want to take this country down the road of irresponsibility; this time with very dangerous consequences. Republicans want to throw our country into default by refusing to extend America's borrowing authority. This would jeopardize our Nation's credit rating—currently the highest in the world. Not only would this throw the world's financial markets into a tailspin, and would cause the value of the dollar to plummet worldwide, it would have a devastating impact on hard-working American families who are struggling to pay their own bills and obligations.

The reason we must raise our debt limit is because America must issue bonds and borrow money to meet its current obligations, even as we gradually eliminate all borrowing to balance the Federal budget. Those obligations include $30 billion in Social Security checks, which would not be issued if the Government goes into default next month. It would also mean that no tax refunds would be paid to Americans who are owed these funds. And it would prevent America from making payments on its other financial obligations, which would mean that America's financial credibility—unquestioned throughout our history—would be destroyed.

The result? Interest rates would go up on credit cards, home mortgages, and loans. Average Americans would pay a heavy price for the Republicans' childlike behavior for decades. Moody's Investors Service announced recently that for the first time in history it was considering lowering the credit rating for certain U.S. Treasury bonds.

The reason? Because NEWT GINGRICH and his extremist allies would rather promulgate their right-wing agenda than compromise. The Republicans understand the need to raise the debt limit. In their Seven Year Balanced Budget Reconciliation Act, even after cutting Medicare and Medicaid, they, themselves, call for the raising of the debt limit by $5.5 trillion.

America paid its bills during the Reagan-Bush years. When a Republican President controlled the White House and Democrats controlled one or both Houses of Congress, and we borrowed to pay for annual deficits, the debt limit was raised 27 times. Our predecessors understood the importance of keeping our financial obligations. Now, the Republican-run Congress is willing to throw that away and risk financial catastrophe in order to score political points.

The Republicans have said they will use any means at their disposal to force the President to accept their program.

America must not default on its debt. We are the preeminent financial power in the world because we keep our word. If we allow that faith to be damaged, our economy will be hurt in ways that will hit every family in the pocketbook.

Congress should not go into recess, as the Republicans propose to do, until we vote to raise the debt limit. The situation will become critical by the end of February unless we do so.

On January 22, the Treasury Secretary notified the Congressional leadership by letter, that unless the debt ceiling is increased, he would have to take additional steps to prevent default in mid-February, and that even those steps would provide funds only until March 1. Congress should take action this week to enact a clean debt limit increase.

It is time to raise the debt limit with no gimmicks, conditions, threats or delays. The American people deserve congressional action, not watching a parade of politicians go to recess.

TRIBUTE TO THE PARKWAY CENTRAL HIGH SCHOOL SYMPHONIC BAND

HON. JAMES M. TALENT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. TALENT. Mr. Speaker, I rise today to pay tribute to the Parkway Central High School Symphonic Band from Chesterfield, MO. The Marching Colts proudly represented the St. Louis area by participating in the 1996 Tournament of Roses Parade.

Parkway Central is located in the Parkway School District, which has long been committed to providing their students excellent facilities and instructors for its music programs. Under the skilled guidance of their director, Mr. Doug Hoover, the Parkway Central band has a history of national performances; including performances at the 1989 George Bush Presidential Inaugural Parade, and the 1991 and 1993 King Orange Parades in Miami.

The Marching Colts have benefitted from outstanding community support from Chesterfield and the entire St. Louis community. The band has successfully used various fundraising efforts, including their annual fall craft show known as the Craft Harvest, to raise thousands of dollars. This event boasts over 200 vendors and several thousand patrons. These efforts stand as a testament to the dedication of the parents, faculty, and local community who have rallied around the efforts of these young people.

Mr. Speaker, the Parkway Central band is to be commended for its continued hard work and dedication to excellence, which has brought not only their school nationwide recognition, but is also a great source of pride to the residents of St. Louis County. It is with great pride that I congratulate these fine educators and students and recognize the contributions they have made while at Parkway Central High School.

PARENTS TELEVISION EMPOWERMENT ACT OF 1996

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. KENNEDY of Massachusetts. Mr. Speaker, the bill I am introducing today addresses a problem faced by parents across the country—controlling what their children see on television.

Parents can control what movies their children see, but what can a parent do when their kids can turn on the TV every night and see murder and gore? What can a parent do when their kids can come home after school, flip on the TV and see talk shows with titles such as, "Nude Dancing Daughters, "Incest Family," "Get Bigger Breasts or Else," and "Women Who Marry Their Rapists"?

The television industry, in a rush for ratings, too often takes an anything goes attitude and loses its sense of responsibility. The industry has every right to make a profit, but when in the process they help to debase our culture, we have to say enough is enough. They're chipping away at our moral foundation and, in the long run, this will be disastrous. It may sound corny in this day and age, but it's still true: A society without clear collective values and strong morals is like an engine without oil—eventually, it grinds to a halt.

The Parents Television Empowerment Act of 1996 requires the Federal Communications Commission to establish a toll-free number that television viewers can call to complain about violence and other patently offensive material. The complaints would be considered by the FCC when deciding whether to renew the licenses of stations that aired the material.

Callers' comments would also be forwarded to the offending stations, and the stations would have to respond to each caller.

This is not censorship. This is an attempt to give viewers a better way to bring pressure on television producers and to help improve a situation that has truly gotten out of hand.

The average American child watches 8,000 murders and 100,000 acts of violence on television before finishing elementary school. Study after study has shown that television violence causes aggressive and violent behavior in children who watch it. Despite this growing body of evidence, TV and cable companies continue to broadcast murders, rapes, and gratuitous violence into our living rooms.

Psychologists have raised strong concerns about the impact on children from talk shows that explore such topics as incest, rape, and pornography in an manner intended more to sensationalize and shock than educate and inform.

The V-chip is part of the solution. But I think that the conversation about this problem should not be just in our living rooms, but also in institutions where public policy is made.

Television producers are fond of saying, "We're only giving viewers what they want." Well, this bill gives consumers, especially parents, a way to tell the television industry what it wants.

STATEMENT OF REPRESENTATIVE JOSEPH P. KENNEDY II REGARDING THE PARENTS TELEVISION EMPOWERMENT ACT OF 1996

Mr. Speaker, the bill I am introducing today addresses a problem faced by parents across the country—controlling what their children watch on television.

When it comes to movies, parents can control what their children see by paying attention to ratings. But what can a parent do when their kids can turn on the TV almost every night and see murder, blood and gore? What can a parent do when their kids can come home after school, flip on the TV and see talk shows with titles such as, "Nude dancing daughters," "Incest Family," and "Wives of Rapists"?

The television industry, in a rush for ratings, too often takes an 'anything goes' attitude and loses its sense of responsibility. The industry has every right to make a profit, but when in the process they help to debase our culture, we have to say enough is enough. In the long run, this chipping away at our moral foundation will be disastrous. It may sound trite, but it's certainly true: A society without clear collective values and a strong sense of moral responsibility is like an engine without oil.

The Parents Television Empowerment Act of 1996 requires the Federal Communications Commission (FCC) to establish a toll-free number that television viewers can call to complain about violence and other patently offensive material. The complaints would be considered by federal officials when deciding whether to renew the licenses of stations that aired the material.

The FCC would be required to publish summaries of viewer comments on a quarterly basis. The comments would also be forwarded to the offending station and would become part of that station's relicensing process. The stations must, under law, respond to each complaint.

Let me stress: This is not censorship. This is not some sort of pollyanish attempt to block out the real world. This is an attempt to give viewers a better way to bring pressure on television producers and to help improve a situation that has truly gotten out of hand.

The average American child watches 8,000 murders and 100,000 acts of violence on television before finishing elementary school. Study after study has shown that violence on television causes aggressive and violent behavior in children who watch it. Despite this growing body of evidence, networks, cable TV companies and producers continue to broadcast murders, rapes and gratuitous violence into our living rooms for our children to see.

While there is less scientific evidence about the impact of television talk shows on children, psychologists have raised strong concerns about them. Many of these shows explore topics such as incest, rape and pornography in a manner intended more to sensationalize and shock than educate and inform.

Television producers are fond of saying, "We're only giving viewers what they want. Let the market decide what shows appear on TV." Well, this bill simply establishes a way to make the market work better by giving consumers, especially parents, an avenue to express their opinions and concerns.

Concern about television programming cuts across lines of ideology, race and gender. There's an outcry across the land to give people a better way to do something about what they see on TV. My bill gives them that opportunity.

H.R. ——

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Parents Television Empowerment Act of 1996".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) The average American child watches 8,000 murders and 100,000 acts of violence on television before finishing elementary school.

(2) Many of the poorest and potentially most vulnerable groups in our society are the heaviest viewers of television.

(3) Television violence is often presented without context or judgment as to its acceptability.

(4) Most of the violence on television is presented during times when children are likely to be viewing.

(5) The 1972 Surgeon General's Report, Television and Growing Up: The Impact of Televised Violence, found that there was a significant and consistent correlation between television viewing and aggressive behavior and a direct, causal link between exposure to televised violence and subsequent aggressive behavior on the part of the viewer.

(6) The 1982 National Institute of Mental Health report, Television and Behavior: Ten Years of Scientific Progress and Implications for the Eighties, found that "violence on television does lead to aggressive behavior by children and teenagers who watch the programs," and that some viewers learn to be passive victims.

(7) Numerous other studies establish a causal connection between watching violence on television and increasingly violent behavior of children.

(8) There has been a proliferation of television talk shows that, in a race for ratings, air ever more outrageous programs dealing with rape, incest, and other sensitive topics in a manner that seeks to sensationalize and shock rather than educate and inform. Although the impact on the hundreds of thousands of children who view these programs has yet to be fully documented, the programs have raised strong concerns among psychologists.

SEC. 3. AMENDMENT.

Title VII of the Communications Act of 1934 is amended by adding at the end the following new section:

"SEC. 714. COMPILATION AND PUBLICATION OF COMPLAINTS CONCERNING VIOLENT PROGRAMMING.

"(a) ESTABLISHMENT OF FACILITY FOR THE COLLECTION OF COMMENTS AND COMPLAINTS.—The Commission shall, within 6 months after the date of enactment of this section, establish a toll-free number for the collection of comments, suggestions, and complaints from the public concerning the transmission by broadcast stations or cable systems of programming containing depictions of violence and other patently offensive material. The Commission shall take such steps as may be necessary to publicize such number and the Commission's functions under this section.

"(b) PUBLICATION OF DATA CONCERNING COMPLAINTS.—The Commission shall publish in the Federal Register, on a quarterly basis, a summary of the comments, suggestions, and complaints received pursuant to subsection (a) during the preceding period. Such summary shall include—

"(1) a breakdown of the complaints by broadcast or cable network and broadcast station, and by program name, date, and time;

"(2) an identification, with respect to the 50 programs for which the highest number of complaints were received, of the production company, the principal advertisers supporting network distribution, the broadcast or cable network and broadcast station, and the program name, date, and time; and

"(3) a statement of observed trends in such complaints as compared with complaints received during prior periods.

"(c) AVAILABLE OF RECORDS.—The Commission shall transcribe the comments, suggestions, and complaints received pursuant to this section and shall—

"(1) transmit to each licensee any comments, suggestions, or complaints made with respect to its station; and

"(2) make the transcribed comments, suggestions, and complaints available for public inspection.

The Commission shall omit from any records transmitted or made available under this subsection the name and address of any caller requesting confidentiality.

"(d) REPORT TO CONGRESS.—The Commission shall include in each annual report to Congress under section 4(k) an analysis of the complaints received pursuant to this section. Such analysis shall include—

"(1) an evaluation of whether, consistent with its obligations to serve the public interest and meet the educational and informational need of children, the broadcasting industry has effectively responded to the comments, suggestions, and complaints received pursuant to this section regarding video programming containing depictions of violence and other patently offense material; and

"(2) such recommendations as the Commission considers appropriate to secure more conscientious fulfillment of those obligations with regard to such programming.".

TRIBUTE TO THE ALABAMA PRESS ASSOCIATION ON ITS 125TH ANNIVERSARY

HON. TERRY EVERETT

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. EVERETT. Mr. Speaker, it is a privilege to bring to the attention of this body a historic and noteworthy anniversary. This year marks the 125th year since the founding of the Alabama Press Association [APA], the oldest statewide trade association in Alabama and one of the oldest State newspaper associations in the Nation.

In 1871, as Alabama continued to recover from the ravages of the Civil War, its newspaper editors and publishers, joined by community leaders, sought new ways to promote economic growth. This was the genesis of the Alabama Press Association which actually came into being with the first statewide meeting of newspaper executives on March 17, 1871 at the Montgomery Advertiser.

Since those early days, the APA has evolved from a social organization of editors and publishers to an association that has played an important role in developing the daily and weekly newspapers of Alabama and serving as a catalyst for the State's economic and cultural development.

The APA worked on behalf of the citizenry of Alabama by advocating stronger public access to government records and meetings. It has pushed for the State's first statewide taxes to support public education and it spearheaded a successful effort to launch a statewide chamber of commerce.

The APA played a role through many of its leaders in guiding the State through some of the important and cultural changes of the last half of the 20th century. Its officers have included some of the leading newspaper men and women in America, and its member newspapers have won the Nation's highest awards for journalistic excellence.

Additionally, before coming to the Congress it was my pleasure to serve as president of the APA in 1991. Alabama and the Nation can be justly proud of the contributions and leadership of the Alabama Press Association as it continues toward another 125 years of public service.

TRIBUTE TO LT. COL. DAVID SCHOCK

HON. WALTER B. JONES, JR.

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. JONES. Mr. Speaker, I pay tribute to a great American, a great Army officer, and a greater soldier. Last month Lt. Col. David Schock completed over 24 years of dedicated service to our country. As a soldier, leader and finally as a trusted member of the Army's Office of Congressional Liaison, House Division, he has provided dedicated and distinguished service.

Today as we honor his retirement, we reflect on the outstanding career which David started in 1972 when he enlisted in the Army. Less than 2 years later, David successfully completed Officer Candidate School and was commissioned as a second lieutenant in the infantry. David went on to complete the Rotary Wing Aviator Course and became proficient in the AH1 Cobra, CH47 Chinook, UH1 Huey, and OH58 Scout. Over the course of the past 24 years, he served in a variety of exceptionally challenging troop and staff assignments in the United States, Hawaii, and Alaska. His positions of leadership include Aviation Section Commander, Aviation Platoon Leader, Aviation Company Commander, and Squadron Executive.

As a staff officer he saw duty in many tough and challenging assignments to include Brigade and Battalion Personnel Officer and Battalion Intelligence Officer, validating the confidence the Army placed in his demonstrated abilities. After serving in the field with many aviation units, David Schock demonstrated his superb organizational skills while serving as the Aviation Branch Assignments Officers and as the Combat Arms Division Coordinator for the U.S. Army Military Personnel Command. His selection as a headquarters, Department of the Army Staff Officer further demonstrated the high regard in which David is held by the leadership of the Army. This led to his final assignment as a Congressional Liaison Officer for the Secretary of the Army, first in programs working personnel issued and lastly in the House Liaison Division.

During David Schock's tour in Army Legislative Liaison, he guided the Army's relationship with a wide variety of committees and individual Members of Congress. His ability to remain calm and focused during a period of tremendous change was demonstrated continually in his dealings with both Members of Congress, professional staff and personal staff. Through David Schock's involvement with the Speaker of the House and his staff and the House National Security and International Relations Committees, he ensured that the very best service was provided to the Congress and that the Army and its programs were professionally represented.

David Schock's career reflects a commitment to our Nation, characterized by dedicated selfless service, love for the Army and a commitment to excellence. Lieutenant Colonel David Schock's performance, almost a quarter of a century of service, personifies the traits of courage, competency, and integrity that our Nation has come to expect from its Army Officers. On behalf of the Congress of the United States and the people of this great Nation, I offer our heartfelt appreciation and best wishes for a soldier who served his country so admirably.

A TRIBUTE TO HERBERT G. PERSIL, A DEDICATED CIVIL SERVANT

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. LEWIS of California. Mr. Speaker, I rise to pay tribute to Herbert G. Persil, the Director of the Office of Budget at the U.S. Department of Housing and Urban Development. Herb is retiring after 41 years of Federal service.

Herb has appeared many times as a witness before the Appropriations Subcommittee on VA, HUD, and Independent Agencies in defense of HUD's budget requests. We have always found him to be most knowledgeable and most responsive.

Over the years, he has been of great assistance to the subcommittee in its day to day dealings with the Department. We have always valued his counsel.

Herb is, I believe, a truly dedicated civil servant. His high standards represent what is best about the civil service.

Since 1990, Herb has been Director of the Office of Budget. Prior to that he served for a number of years as Deputy Director in the Office of Budget. He has made countless contributions to efficient and effective program management.

Mr. Persil began his Federal service at the Department of Agriculture in 1958. In 1964, Herb moved to HUD's predecessor agency, the Housing and Home Finance Agency. In his early years at HUD, Herb helped in the development and initial administration of the Model Cities Program. He also helped in the development of the first community development consolidated grant proposal which later evolved into the community development block grant program.

Mr. Persil's achievements and skills are not only recognized throughout HUD, but also in the academic community. As adjunct faculty, he teaches courses in public financial management for Golden Gate University and the American University. He is a member of the board of directors of Public Financial Publications, Inc., which publishes Public Budgeting and Finance, jointly sponsored by the American Association for Budget and Program Analysis [AABPA] and the American Society for Public Administration. He has served as chairman of special committees on AABPA and has participated as an expert in numerous panel discussions on topics such as training budget staff and managing under limited resources. He is also a frequent contributor to professional journals.

I understand that Herb plans to spend his time with his family, reading, and traveling. While he claims to be retiring, there are many who know that old habits are hard to break and suspect he will continue to serve through his teaching, writing, and panels on government issues.

Mr. Speaker, Friday, February 2, 1996, is Herb's last day at HUD. We will miss him. I know that you join with me in wishing him and his wife, Blythe, a long, happy, and healthy retirement after 41 years of distinguished Federal service.

ELECTRIC POWER COMPETITION ACT OF 1995

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. MARKEY. Mr. Speaker, I am today introducing legislation aimed at promoting competition in the electric utility industry. This legislation creates Federal incentives for the removal existing State-level barriers to competition in the generation of electricity—so that competition and market forces can be unleashed in a manner which will efficiently and reliably provide electric energy to retail consumers at a lower cost.

Today, the electric utility industry operates as one of our Nation's last great protected monopolies. Presently, the generation, transmission, and distribution of electricity remains fundamentally a monopoly enterprise. The monopoly nature of this industry has, in turn, necessitated a very strict system of Federal and State utility regulation aimed at protecting captive utility ratepayers from potential overcharges, abuses, and conflicts-of-interest.

Over the years, Congress has taken the lead in promoting increased competition in the electricity industry. In 1978, the Public Utility Regulatory Policies Act [PURPA] first opened up competition by making possible the growth of independent power. This was achieved by requiring utilities to purchase power from such independent producers at their avoided cost. While there have been problems in some States with implementation of the act, by most accounts, PURPA has been largely successful in achieving its objectives. The congressional conference report accompanying the bill predicted that 12,000 megawatts of nonutility projects would be on-line by 1995. In actuality, by 1991, 32,000 megawatts was on line. In addition, the emergence of wind, solar, biomass, geothermal, and other renewables industries can be directly traced to PURPA.

In 1982, the Energy Policy Act [EPACT] built on the foundation established under PURPA by adopting an amendment I authored along with the gentleman from California [Mr. MOORHEAD] which opened up wholesale transmission access. In the same legislation, Congress also adopted amendments to the Public Utility Holding Company Act [PUHCA] aimed at allowing utilities to establish exempt wholesale generators.

As a result of industry changes prompted by these bills, we are now at a crossroads for the electric utility industry—half-way between the old heavily regulated monopolies of the past and the new competitive electricity marketplace of the future. We now have a growing independent power industry, increased cogeneration, and increased interest by industrial customers in lowering rates through competition. While transmission and distribution systems appear likely to remain a natural monopoly, we now have an historic opportunity to bring full competition to the business of electricity generation. The transition to such a competitive market, however, will require both Federal and State action.

Right now, following the overall policy direction mandated by the transmission access provisions of EPACT, the Federal Energy Regulatory Commission [FERC] is moving forward on a proposed rulemaking on wholesale wheeling and stranded investment. This is a positive development and I look forward to adoption of a final FERC rule this year. In addition, several States, including Massachusetts, have initiated retail wheeling proceedings which, when completed, will open up retail competition and consumer choice by eliminating monopoly control over retail electricity generation.

Unfortunately, many other States are either not moving forward all or have become stalled part of the way through the process. I find this troubling in light of the fact that many in the utility industry are now arguing for a repeal of PURPA by suggesting that competition is already here. The reality is that full competition has not yet arrived. We cannot and should not deregulate into a monopoly environment; we can and should deregulate into a competitive marketplace.

The bill I am introducing today provides incentives to move toward competition. Specifically, my legislation will link any repeal of the mandatory power purchase provisions of PURPA to the arrival of real competition in the market for electricity generation. It would establish overall Federal standards for competition which could be met either by divesting generation from transmission and distribution assets or, alternatively by permitting retail power generation competition on an open and nondiscriminatory basis. In addition, the bill establishes certain minimum certification requirements aimed at ensuring that energy efficiency and renewables programs are retained and that the low-income consumers receive protections against price discrimination. Utilities in States that meet the minimum certification requirements and either the retail competition or divestiture standards in the bill would be freed of the mandatory power purchase requirements of PURPA. In other words, my bill deregulates—but it deregulates by creating the conditions in which true competition can exist.

I agree with Commerce Committee Chairman BLILEY and Energy and Power Subcommittee Chairman SCHAEFER it makes little sense to adopt piecemeal bills such as a repeal of the mandatory power purchase provisions of PURPA or a repeal of PUHCA. We cannot get rid of the protections built into these bills without also attaching the fundamental reason these laws were enacted in the first place: the continued existence of a government protected utility monopoly. With the bill I am introducing today, I hope to advance the dialog on the difficult and complex issues Congress will be confronting as we consider legislation regarding PURPA. Obviously, there are many broader restructuring issues that are not specifically addressed in my bill. These include the need to retain certain PUHCA restrictions on abusive interaffiliate transactions, the appropriate boundaries of Federal and State regulatory jurisdiction, treatment of conservation, efficiency, and renewables, and need to eliminate certain Government subsidizes for the power marketing administrations.

While these are difficult and complex issues, I believe that electric utility restructuring—if done properly—will benefit all consumers of electricity. A properly crafted approach holds out the hope of lowering electricity rates through increased competition, while simultaneously protecting the societal and environmental benefits of conservation, improved efficiency, and greater fuel diversity. I look forward to working with the leadership of the Commerce Committee as we proceed into this debate on electricity restructuring legislation, so that we can produce a truly balanced and bipartisan approach to bringing real competition and consumer choice to the electricity industry.

CONGRESSIONAL BOYCOTT

HON. PETER A. DeFAZIO

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thurdsay, February 1, 1996

Mr. DEFAZIO. Mr. Speaker, I wish to voice my strong disapproval with the French Government's nuclear testing program. I join with many of my colleagues—and most of the world community—in protesting the detonation of six French nuclear weapons in the South Pacific. That is why I am joining the congressional boycott of the French President's visit to Congress.

French President Jacques Chirac will appear today before a joint session of Congress. I can not of good conscience attend. France and the United States have a proud relationship of cooperation extending back to the beginning of our Nation. However, France's conduct in the South Pacific can not be justified. Exploding nuclear weapons in pursuit of further weapons development contradicts the view of 175 nations—including France and the United States—who signed the Nuclear Non-Proliferation Treaty. It also needlessly endangers the environment and people of the region.

Just last week, France acknowledged the presence or radioactive iodine in the lagoon near the Mururoa test site. Despite their declaration that the tests blast are perfectly safe, we have no way to know if this is true. Since the French Government refuses to allow independent assessment of the environment impact of these nuclear explosions, I must remain suspicious. Are the people who live in the South Pacific threatened by nuclear poison in their region of the world? What will the ecological and human health threats 10, 20, or 100 years from now?

Although the Clinton administration has officially denounced the French nuclear testing program, its actions hardly match its rhetoric. I urge the White House to put real pressure on the Chirac government. Let us not forget our responsibility in the matter: The United States has long supported the French nuclear weapons program.

I must take special exception to the United States decision to allow French military aircraft to fly to the South Pacific test site via the use of United States airspace. How can the world take seriously a United States criticism of the French nuclear weapons testing program when the United States refuses to take even the most basic action to resist the French action. The only assurance Congress can get from the U.S. State Department is that no nuclear materials are being transported "according to the best of our knowledge." This hardly represents strong scrutiny by our Government.

Now that the French Government has ended its series of nuclear detonations, I call on President Chirac to firmly commit his nation to end all future tests. At the very least, France should declare the permanent closing of the South Pacific test site. France should also clean up the nuclear mess it left behind and allow independent monitoring of the area. It is the least they can do for the South Pacific peoples who will have to live with the legacy of decades of nuclear weapons testing.

The rationale for nuclear testing ran out years ago. If the world governments won't stop this cold war relic now, then when? I look forward to the recognition by France that their ongoing nuclear weapons testing program was simply wrong. Perhaps we can now move toward an international ban on all future such explosive tests. The United States must continue to press for a comprehensive ban on all such future nuclear test explosions. And France must become an active player in these negotiations.

It is my hope that a change in the behavior of France's Government will allow me to participate in Mr. Chirac's next visit to Congress. I also look forward to a successful conclusion to the ongoing comprehensive nuclear talks so the world can take an important step toward nuclear disarmament.

A CLEAN DEBT CEILING EXTENSION BILL

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Ms. ESHOO. Mr. Speaker, the time has come for this Congress to face up to its responsibilities by passing a clean debt ceiling extension bill and not allow this great Nation for the first time in 220 years to default.

Just last week Moody's Investors Service announced that it might lower the credit rating for U.S. Treasury bonds—the first time in our Nation's history. This should not be a source of pride to any Member of Congress.

America cannot afford to have its full faith, its good word and its credit sacrificed on the altar of partisan posturing. Imagine Social Security checks and veterans' checks not being sent to recipients or honored when deposited by individuals who earned these benefits and rely on them. The American people cannot afford the higher interest rates that would result from default. We rail against "dead beat" dads * * * no one should be part of a "dead beat" Government.

Mr. Speaker, only you and your colleagues have the power to keep America from the disgrace and disaster of default. Let us together pass a bill now to avoid default and international discredit.

TRIBUTE TO ELIZABETH DOUGHNER

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. BEILENSON. Mr. Speaker, I rise today to pay tribute to one of Topanga, CA's most dedicated and admired citizens, Elizabeth Doughner, who passed away recently.

Betty Doughner served as executive officer/clerk of the Board of Resource Conservation District of the Santa Monica Mountains—formerly the Topanga-Las Virgenes Resource Conservation District—which carries out environmental education and restoration projects. During the 34 years Betty was employed by the District, she watched it grow from an operation with one employee—herself—to the 50-employee agency it is today.

In her position with the district, Betty worked tirelessly for our community. She helped secure conservation services for landowners in the area, wrote the district's quarterly newsletter, coordinated the annual plant sale, hired personnel, maintained all the district's records, and helped establish and maintain the district's Vance Hoyt Memorial Library. She became an expert on the law governing the operation of Resource Conservation Districts in order to properly advise the District Board.

Betty was also responsible for writing and obtaining the first grants that expanded the district's education program. The large number of awards to the district for conservation and education are a testimony to the effectiveness of her work, for which she was twice honored with a Distinguished Service Award by the Employee Association of the California Association of Resource Conservation Districts.

Betty contributed much to the community in other ways as well. For her volunteer work with schools, the Womens' Club, and the Strawberry Festival, the Topanga Chamber of Commerce recognized her as the 1979 "Citizen of the Year." She was also a volunteer with Share International, where she helped publish its monthly magazine.

Betty Doughner's warmth, enthusiasm, and dedication are greatly missed by all of her colleagues at the district, and by everyone else who knew her. The entire Topanga community joins me in expressing our deep sorrow to her family and friends, and our heartfelt appreciation for her many years of outstanding public service.

TRIBUTE TO MONROE WOODS

HON. BOBBY L. RUSH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. RUSH. Mr. Speaker, I rise today to honor Monroe Woods who is retiring as the Midwest Regional Administrator for the U.S. Department of Agriculture's Food and Consumer Service. An event will be held in his honor on Thursday, February 1, 1996, in Chicago, IL.

Mr. Woods joined the Food and Consumer Service in 1966 as a member of the Los Angeles Field Office staff. He has held various positions in Oakland and the San Francisco Regional Office, the New England Region in Boston, MA, and the Mountain Plains Region in Denver, CO, before his appointment in July 1978 as Regional Administrator of the Midwest Region in Chicago.

As Regional Administrator of the Midwest Region, Mr. Woods administers the agency's food assistance programs in Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin; oversees annual expenditures of $5.6 billion; and manages approximately 200 employees.

His service, and outstanding dedication to his work and to the citizenry, have merited him appointments on a number of national and local advisory boards, task forces, and councils, including the National Advisory Council for the Child Nutrition Programs and the Institute of Labor and Industrial Relations, University of Illinois. Mr. Woods also served as Chairman of the Chicago Federal Executive Board in 1987 and 1988, and is an alumni of the Federal Executive Institute in Charlottesville, VA.

Mr. Woods received a Presidential Rank Award at a private White House ceremony in 1984, where he was conferred "distinguished executive status". In 1991, Mr. Woods was named to Who's Who in Government Service. In 1992, Mr. Woods was presented with a medallion of the city of Detroit by the President of the Detroit City Council.

In 1994, the U.S. Department of Agriculture's Food and Consumer Service became the sponsor of, and Mr. Woods was named chairperson of, the U.S. Department of Commerce, Minority Business Opportunity Committee. It is in this capacity that I became most familiar with Mr. Woods. Mr. Woods' dedication to the Inclusion of minority and women-owned businesses in the Federal procurement process have been well documented. This dedication led him to willingly take responsibility for the continued mission of the Minority Business Opportunity Committee to increase the participation of such businesses in the marketplace.

I ask that my colleagues join me in honoring Monroe Woods, an outstanding community and business leader and role model. I wish him the best of luck in his retirement. May he continue to share his talent and love of community that he has given to the Federal Government and the community at large.

TRIBUTE TO JEROME DAVIS

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. COBLE. Mr. Speaker, when you hear the terms rodeos and cowboys, your mind wanders off to images of the wide open plains of the American West. Now, however, when you think of champion cowboys, you will have to think of the Sixth District of North Carolina because we are now home to a world champion bullrider.

Mr. Jerome Davis of the Glenola community in Randolph County, NC, won the world bullriding title in Las Vegas, NV, on December 10, 1995. Davis had fulfilled a lifelong dream by capturing the top bullriding trophy. In fact, he entered the 10-day national finals rodeo competition ranked No. 1 in the world standings, but Davis needed a final-day win to secure the top prize.

Runner-up rider Terry West scored an 89 on his final ride which meant that Davis could not be thrown off his final mount or he would lose the title. Davis was able to stay on the aptly-named "The Jam" and scored an 84 to clinch the title. He won more than $72,000 at the national finals to complete the season with more than $135,000 in earnings. Davis beat West by only $3,000 to claim the world title.

As reported in the High Point Enterprise, more than 300 well-wishers greeted Jerome Davis when he returned to the Piedmont Triad International Airport on the day after his world victory. "I never expected anything like this," David told the Enterprise's Mark McKinney. "I figured maybe my Mom would be here with a few folks. This is more than I could have imagined." It appeared that the entire Glenola community turned out to greet Davis, sporting homemade lapel pins that read "Jerome Davis, World Champion!" and "#1 Jerome Davis." Calvin Wagner of Silver Valley, a long-time rodeo promoter and enthusiast, told the newspaper that Davis is a trail blazer. "Jerome brought it home," Wagner said. "By being the first world champion bullrider east of the Mississippi River, Jerome has opened doors for cowboys that previously were closed."

Davis told his crowd of supporters that he could not have won by himself. "A lot of work goes into winning a world title," Davis remarked. "But I never could have done it without the support of my family and friends. I don't know how to thank everybody for all this."

We know how to thank you, Jerome. On behalf of all the citizens in the Sixth District of North Carolina, we offer our congratulations on winning the world bullriding title. Now when people talk about champion cowboys, we can say just look to Glenola and Jerome Davis.

CONGRESS SHOULD VOTE "NO" ON THE AUBURN DAM

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. PETRI. Mr. Speaker, today I am introducing a bill to prohibit the use of Federal funds to pay for the construction of a dam on the North Fork of the American River at Auburn, CA. In 1992, I led the successful bipartisan effort to defeat the authorization of the $700,000,000 Auburn Dam—potentially the most expensive dam project in U.S. history. However, this project has been resurrected. I understand that the U.S. Army Corps of Engineers is poised to seek Congressional authority and funding once again for another Auburn Dam project—this time, for a larger, more expensive version of the dam that we defeated on the House floor in 1992. Furthermore, I understand that the Federal Bureau of Reclamation is now also considering dam construction proposals.

This project has been opposed and rejected time and time again in recent history. Back in 1965, it was authorized as a multipurpose project, mainly for the purpose of farm irrigation. In 1975, after about $200 million had been spent on site preparation and other separate features, construction was halted because of concerns that the dam might trigger seismic activity. In 1979, the Department of the Interior concluded that seismic activity in the earthquake faults located under the proposed dam site might jeopardize the structural integrity of the dam, the failure of which could devastate the Sacramento metropolitan area.

In 1980, the dam was redesigned, but the project never moved forward because of the advent of Federal water program cost sharing reforms under the Reagan administration. Under these reforms, traditional beneficiaries of Auburn Dam were no longer interested in advancing the project if they were to be partly responsible for its financing. Realizing that the multipurpose dam proposal was doomed, in 1992 proponents found a new reason for the dam to live: flood control. But the evidence against a dam project hadn't changed, and the House rejected funding authority for the project again on September 23, 1992.

I am introducing this legislation today to once again deliver a strong message to my fellow Members of Congress, the Army Corps of Engineers and the Bureau of Reclamation: Financial constraints, environmental concerns, and the availability of less expensive, less environmentally intrusive alternatives led the House to reject previous Auburn Dam proposals—and they will do so again if the issue is brought before Congress. Every time this proposal has been reincarnated, its estimated costs have risen dramatically. This time, the price tag has ballooned to just under $1 billion. At a time when the Congress is grappling with the question of exactly how to balance the Federal budget and desperately seeking solutions on how the deal with our $5 trillion public debt, how can the Congress possibly justify the unnecessary expenditure of such a gross amount of money?

It is not necessary to build a dam at Auburn in order to protect the California Central Valley community and the city of Sacramento from flooding in the event of a storm the size of any which have previously struck. In order to justify the latest proposal, proponents claim that the dam is needed to protect the region from storms that are far larger than the greatest flood that may reasonably be expected on the American River. Fortunately, however, the Corps of Engineers and regional flood control authorities have identified much less expensive alternatives which will significantly improve the performance of Sacramento's flood control system. And it is possible that these alternatives could be paid for by the local community without any Federal funding—or at least without the majority of project costs being borne by Federal taxpayers.

In order to build the latest Auburn Dam, project supporters expect U.S. taxpayers to bear 75 percent of its approximate cost of $1 billion. I feel strongly that the Federal civil works program is not an entitlement program, and that it certainly should not be expected to bear this kind of burden in the case of a regional water project. Those who know flood control concur with this assessment. In fact, the National Academy of Engineering released a blue ribbon report on the American River flood control project which found that, since the project was without widespread benefits and located in an area with substantial financial resources, there was no Federal interest in additional flood control work on the American River.

But cost is far from the only reason why I am introducing this bill today. A few months ago, the Environmental Protection Agency [EPA] declared an Auburn Dam to be environmentally unacceptable. Each year, about half a million people visit the American River canyons that would be inundated by such a dam, and many of them strongly oppose actions by their Government to take this resource away from them. Up to 39 miles of pristine canyon habitat would be flooded by a dam built according to the latest proposal, robbing wildlife of precious habitat. Citizens and editorial boards throughout California have denounced the dam in both its past and present incarnations.

This dam was stopped in the 1970's because of concerns about seismic safety. It never moved forward during the 1980's because of President Reagan's commitment to seek full reimbursement for the water and power benefits which a multipurpose dam would provide to the region and its residents. In the 1990's, Congress has thus far said no once already to an Auburn Dam because of economic and environmental concerns. My introduction of this legislation today is intended to send a strong message: Congress must say no to building an Auburn Dam once again—for all of the above reasons.

A REQUEST FOR KINDNESS

HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I rise today in recognition of

Kindness Week in the city of Dallas, scheduled for the week of February 11, 1996. The mission of this event is to celebrate and promote the value and spirit of kindness, and to help bring all races, religious, and socioeconomic groups within the city of Dallas together to foster understanding among us all.

As a part of the celebration of Kindness Week, I ask all the citizens of Dallas to come together in the true spirit of the week, and if possible, to attend a formal "Kindness Celebration" at Thanksgiving Square, at 12 p.m. on February 14, 1996.

This week-long event presents the city of Dallas an opportunity that seldom occurs: a chance to lead the Nation, and hopefully the world, in making our small planet a better place to live. Attitudes are contagious, and with a unified effort, Dallas can assist the Nation in creating an attitude of kindness that can carry on for years to come.

I ask all of my friends in Dallas to participate in Kindness Week in a variety of ways, all of which are easily done but pay big rewards. Such things as visiting a senior center, driving safely and courteously, and speaking with an old friend take very little effort and time, and create a good feeling for each person involved. Compliment rather than criticize; help rather than shout; and smile rather than frown. Each of us has a role to play, and I hope we will all do our part in Kindness Week.

TRIBUTE TO REAR ADMIRAL FREDERICK JULIAN BECTON

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. WELDON of Pennsylvania. Mr. Speaker, I am saddened today to bring to your attention the recent passing of Frederick Julian Becton, a retired rear admiral of the U.S. Navy. A true hero, Admiral Becton demonstrated his courage and mettle many times over throughout his 35 years of military service.

A World War II hero, Admiral Becton passed away in his hometown of Wynnewood, PA, on Christmas Eve at the age of 87. No episode better portrays Admiral Becton's tenacity and bravery than when he refused to abandon his ship during one of the most punishing attacks of the war. Admiral Becton was later awarded the Navy Cross for extraordinary heroism as commander of the USS *LAFFEY* in action against Japanese forces off Okinawa, on April 16, 1945 * * * with his ship under savage attack by 30 hostile planes.

I would like to submit for the RECORD an article that appeared on December 26, 1995, in the Philadelphia Inquirer regarding Admiral Becton. When you read this article, I am sure that you too will come to understand what a fine gentleman and hero that America has lost. I know that my colleagues join me today in mourning the passing of Admiral Becton, an American hero.

F. BECTON, NAVY HERO IN WWII

(By Larry Fish)

Frederick Julian Becton, a retired rear admiral who was awarded the Navy Cross for refusing to give up his ship after one of the most punishing attacks of World War II, died Sunday in Wynnewood at age 87.

A native of Arkansas and a 1931 graduate of the U.S. Naval Academy, Adm. Becton was a lieutenant when the war broke out. He was to see action in the Atlantic and Pacific Theaters and would win many decorations and medals for his exploits.

The most dramatic came in April 1945, when the destroyer USS Laffey, commanded by Adm. Becton, was off Okinawa on radar picket duty.

The Laffey was a relatively new ship but had already been bloodied—in June 1944, when it supported the D-Day invasion of Normandy and participated in the bombardment of Cherbourg, France. Among its scars from that engagement was an unexploded 8-inch shell lodged in the superstructure.

By this late stage of the war, the Japanese had begun to expand the use of Kamikaze attacks, the suicidal crashing of armed planes into Allied ships.

For the Laffey, the attack began shortly after sunrise April 16 with a formation of four planes. The kamikazes split up to make it more difficult for the crew to keep guns trained on them, and the assault was on.

It was to last 79 minutes, and eventually, 22 planes drew a bead on the Laffey. Adm. Becton, wearing a steel helmet and life vest, stood in the open to better see the action.

Planes seemed to come from every direction and altitude, he said in an Inquirer interview shortly before the 50th anniversary of the battle this year.

Though the Laffey's gunners and those from nearby craft were aided by U.S. warplanes, some of the kamikaze inevitably found their mark.

"Each time one crashed, there was always a flood of gasoline from the plane—and one hell of a fire," Adm. Becton told The Inquirer.

The guns took out at least eight of the planes, but five hit the destroyer, jamming its rudder and spreading fire everywhere.

"Near the end of the action, one of my officers, Frank Mason, came to me and said, 'Captain, we're in pretty bad shape aft. Do you think you'll have to abandon ship?'

"It never entered my mind to abandon ship. The ship might sink under us. We might not be able to sail her. But I wasn't going to abandon her.

"So I said, 'No, Frank, I'll never abandon ship as long as a gun will fire.' "

Thirty-one crew members died, and the Laffey had to be towed to Seattle, where a newspaper reported that it was "riddled like a sieve above the water line."

The citation for the Navy Cross praised Adm. Becton's "extraordinary herosim" in keeping his ship afloat and in action.

He was promoted to captain in 1951 and to rear admiral in 1959, and was assigned to the Bureau of Naval Personnel and other posts. When he retired in 1966, he and his wife, the former Elizabeth Hilary Reuss, moved to her hometown of Wynnewood.

He wrote a book on his experience—The Ship That Would Not Die—and kept in touch with many former crew members.

He is also survived by two daughters, Hilary Becton Wagner and Julie Bradford Becton.

A viewing will be held at 10 a.m. Jan. 3 at Ardmore Presbyterian Church, Montgomery Avenue and Mill Creek Road; a service will follow at 11 a.m. Burial will be 11 a.m. Jan. 4 at Arlington National Cemetery, Arlington, Va.

THE NINTH CIRCUIT COURT OF APPEALS

HON. JIM BUNN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. BUNN of Oregon. Mr. Speaker, today I am introducing a plan, already approved by the Judiciary Committee in the other body, to reorganize the Ninth Circuit Court of Appeals. This proposal, which is long overdue, would divide a circuit that is twice as large as the national average in terms of geographical area, population, and caseload.

The Ninth Circuit Court of Appeals was originally designed during the Civil War, when six of the nine States in the circuit had not yet been admitted to the Union. Since then, the laws of the Nation, and the resources required to interpret those laws, have grown exponentially. Caseload growth is a concern in many circuits, but no circuit suffers the burden as does the ninth circuit.

One large problem is the magnitude of cases that has led to lengthy delays. Even Chief Judge Wallace, the top judge in the ninth circuit, admitted that cases can be delayed for 4 months over the national average. While the judges have worked very hard to improve an unacceptable situation, I believe we can do better.

The number of judges alone prevents consistency in the ninth circuit. There are 28 judges in the ninth, more than twice the national average of 12.6, leading to thousands of possible combinations of three-judge panels to hear a case. Because there are so many sitting and visiting judges, there is little uniformity among decisions, leading to greater uncertainty of the law of the land. Furthermore, the Ninth Circuit Court of Appeals has a higher rate of cases being overturned by the U.S. Supreme Court than the national average.

In addition, Chief Judge Wallace recently called for 10 additional judges to ease the burden on the current judges, while others have requested that the number of judges be doubled to 56. However, adding judges to the already unwieldy panel of 28 would only worsen the problem; reorganizing the ninth circuit into two more manageable circuits provides a much more efficient solution.

There is recent precedent for the successful split of a Circuit Court of Appeals. The Hruska Commission recommended in 1973 that both the fifth and the ninth circuits be divided due to overwhelming size and caseload. The fifth circuit was split in 1980 with great success in improving efficiency. Chief Judge Tjoflat of the 11th circuit testified before the other body's Judiciary Committee that while the new fifth and the eleventh circuits have approximately the same number of judges as does the ninth, the two new circuits are able to process 50 percent more cases than the current ninth circuit.

Judges, lawyers, and legislators have been calling for a reorganization of the ninth circuit since the formal recommendation in 1973, and the attorneys general of nearly all of the States involved have endorsed the ninth circuit split. While many people agree that much greater reform of the Federal judicial system is needed, this bill is a crucial first step. I ask my colleagues to join me in support for this important legislation.

REMARKS BY SENATOR NUNN AT NATIONAL PRAYER BREAKFAST

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. LANTOS. Mr. Speaker, it is an honor and a great personal pleasure for me to introduce into the CONGRESSIONAL RECORD the following statement by our distinguished colleague and my good friend, Senator SAM NUNN. His speech, delivered at the National Prayer Breakfast this morning, was very powerful and given with his usual sense of thoughtfulness and sincerity. I strongly urge all of my colleagues to take a moment and read this moving address given by Senator NUNN.

[National Prayer Breakfast, Feb. 1, 1996]

SENATOR SAM NUNN—TRANSCRIPT OF REMARKS

Thank you Bob Bennett, President and Mrs. Clinton, Vice President and Mrs. Gore, fellow sinners. Have I left anyone out? I say to my good friend, Alan Simpson, Billy Graham called me also, Alan. He said, as he did in his message, that he was praying for us all. But, he felt particularly compelled to pray for Alan Simpson and for me. Alan, I don't know what he meant by that, but you and I appreciate it.

A few years ago during the Brezhnev era, Dr. Billy Graham returned from a highly publicized trip to Moscow and was confronted when he returned by one of his critics with these words, "Dr. Graham, you have set the church back 50 years." Billy Graham lowered his head and replied, "I am deeply ashamed. I have been trying very hard to set the church back 2,000 years."

Today we represent different political parties, different religions and different nations, but as your invitation states, we gather as brothers and sisters in the spirit of Jesus who lived 2,000 years ago, and who lives in our hearts and minds today.

The first prayer breakfast was held in 1953 in a world of great danger. President Eisenhower was newly inaugurated and had just returned from Korea where our young soldiers were fighting desperately. World Communism was on the move. Eastern Europe and the Baltics were locked behind the Iron Curtain. All across the globe, the lights of religious freedom and individual rights were going out, and the specter of nuclear destruction loomed over our planet.

I wonder this morning how those who attended that first national prayer breakfast 43 years ago would have reacted if God had given them a window to see the world of the 1980's and 1990's.

They would have seen truly amazing things: Catholic nuns kneeling to pray in the path of 50-ton tanks—the power of their faith bringing down the Philippine dictatorship; the Iron Curtain being smashed, not by tanks of war, but by the hands of those who built it and those who were oppressed by it; the Cold War ending, not in a nuclear inferno, but in a blaze of candles in the churches of Eastern Europe, in the singing of hymns and the opening of long-closed synagogues. I believe that God gave Joseph Stalin the answer to his question, "How many divisions does the Pope have?"

They also would have seen a black man in South Africa emerge from prison after 26 years and become the President of his nation, personifying forgiveness and reconciliation; the first hesitant but hopeful steps toward peace between Jews and Arabs in the Middle East, and between Protestants and Catholics in Northern Ireland. They would see that in 1996 we are blessed to live in a world where more people enjoy religious freedom than at any other time in history. Can we doubt this morning that a loving God has watched over us and guided us through this dangerous and challenging period?

During the early days of the Russian parliament, the Duma, I joined several other Senators in attending a meeting with a number of newly elected members of that body. The second day, a few of us were invited to a very small "prayer breakfast" with a group of Duma members who were just forming a fellowship, no doubt stimulated by Doug Coe. As in the larger meeting the day before, the breakfast discussion started with a degree of coldness and tension. One of the Russians, in obvious sadness and a little embarrassment, remarked that Russia was in great economic distress and that the United States was the only remaining superpower. It was clear that this was a very sensitive point for them. It had been abundantly clear the day before.

Senator Dirk Kempthorne and I then pointed out that in the real sense there is only one superpower in the world, our heavenly Father who watches over us all. The tension immediately eased and the spirit of fellowship was built, and we prayed together to that superpower, the God who loves us all.

Our world is a strange and tragic place. It is very ironic in many ways. The Cold War is now over, but in a tragic sense, the world has now been made safer for ethnic, tribal, and religious vengeance and savagery. Such tragedy has come to the people of Somalia, Bosnia, Rwanda, Burundi, Sudan, Haiti and others.

At home, the pillar of our national strength, the American family, is crumbling. Television and movies saturate our children with sex and violence. We have watered down our moral standards to the point where many of our youth are confused, discouraged and in deep trouble. We are reaping the harvest of parental neglect, divorce, child abuse, teen pregnancy, school dropouts, illegal drugs, and streets full of violence.

It's as if our house, having survived the great earthquake we call the Cold War, is now being eaten away by termites. Where should we turn this morning and in the days ahead?

Our problems in America today are primarily problems of the heart. The soul of our nation is the sum of our individual characters. Yes, we must balance the federal budget and there are a lot of other things we need to do at the Federal level, but unless we change our hearts we will still have a deficit of the soul.

The human inclination to seek political solutions for problems of the heart is nothing new. It is natural. Two thousand years ago, another society found itself in deeper trouble than our own. An oppressive empire strangled liberties. Violence and corruption were pervasive.

Many of the people of the day hoped for the triumphant coming of a political savior, a long-expected king to establish a new, righteous government. Instead, God sent his son, a baby, born in a stable. Jesus grew up to become a peasant carpenter in a backwater town called Nazareth. He condemned sin but made it clear that he loved the sinner. He befriended beggars and prostitutes and even tax collectors while condemning the hypocrisy of those in power. He treated every individual with love and dignity and taught that we should do the same. He died like a common criminal, on a cross, and gave us the opportunity for redemption and the hope of eternal life.

He also put the role of government in proper perspective when he said, "Render unto Caesar that which is Caesar's and unto God that which is God's."

Shortly after I announced that I would not seek reelection, a reporter asked me, "You've been in the Congress for 24 years; what do you consider to be your greatest accomplishment?" I paused for a moment and replied, "Keeping my family together for 24 years and helping my wife Colleen raise two wonderful children, Michelle and Brian." Upon hearing this, the reporter scoffed, "Don't give me that soft sound-bite stuff. What laws did you get passed?

When he said that, I had several thoughts—only a couple of them I can share with you this morning. Four years ago, my daughter, Michelle, and a few of her friends started an organization in Atlanta called Hands on Atlanta, making it exciting, efficient and fun for young people to volunteer their time to help those in need. Now, about 5 years later, 10,000 volunteers each month render about 20,000 hours of personal, one-on-one service. What laws have I passed that have had this impact?

I also thought about the difference between being a Senator and being a father. When we in the Senate make a mistake, we have checks and balances—99 other Senate colleagues, plus the House of Representatives, plus the President, plus a final review by the Supreme Court. But, when we as parents make a mistake with our children, where are the checks and where are the balances?

Congress can pass laws cracking down on those who refuse to support their children. But we cannot force husbands to honor their wives, wives to love their husbands, and both parents to nurture their children. Congress can pass laws on civil rights and equal rights, but we cannot force people of different races to love each other as brothers. Congress can promote fairness and efficiency in our tax code, but we cannot force the rich to show compassion toward the poor. We can join with our NATO allies to separate the warring factions in Bosnia, as we are doing, and give them a breathing space, but we cannot force Muslims, Croats and Serbs to live together as brothers in peace.

I recently heard a story on the radio. It happened in Bosnia, but I think it has meaning for all of us. A reporter was covering that tragic conflict in the middle of Sarajevo, and he saw a little girl shot by a sniper. The back of her head had been torn away by the bullet. The reporter threw down his pad and pencil, and stopped being a reporter for a few minutes. He rushed to the man who was holding the child, and helped them both into his car.

As the reporter stepped on the accelerator, racing to the hospital, the man holding the bleeding child said, "Hurry, my friend, my child is still alive."

A moment or two later, "Hurry, my friend, my child is still breathing."

A moment later, "Hurry, my friend, my child is still warm."

Finally, "Hurry. Oh my God, my child is getting cold."

When they got to the hospital, the little girl had died. As the two men were in the lavatory, washing the blood off their hands and their clothes, the man turned to the reporter and said, "This is a terrible task for me. I must go tell her father that his child is dead. He will be heartbroken."

The reporter was amazed. He looked at the grieving man and said, "I thought she was your child."

The man looked back and said, "No, but aren't they all our children?"

Aren't they all our children?

Yes, they are all our children. They are also God's children as well, and he has entrusted us with their care in Sarajevo, in Somalia, in New York City, in Los Angeles, in my hometown of Perry, Georgia and here in Washington, D.C.

In the book of Micah, the prophet asks, "Shall I give my firstborn for my transgressions, the fruit of my body for the sin of my soul?"

The cruelest aspect of our wars and our sins is what they do to our children. Jesus said, "Suffer the little children to come unto me . . . For of such is the kingdom of God." Too often today we shorten this commandment to—suffer—little children.

Mrs. Clinton, thank you for the emphasis you have put on children and the spotlight you have shined on our challenges. You are great.

The world is watching America today. People around the world are watching not just our President or our Congress or our economy or even our military deployments. They are watching our cities, our towns, and our families to see how much we value our children, and whether we care enough to stop America's moral and cultural erosion. Do we in America in 1996 love our neighbors as ourselves as explained by Bob Bennett as our theme for the morning and by Tom Lantos and his personal example?

I do not have the answer to these questions this morning, and I don't pretend to. These problems can be solved only in the hearts and minds of our people and one child at a time. I do, however, have a few observations.

The Cold War provided as with a clarity of purpose and a sense of unity as a people. Our survival as a nation was at stake. We came together often in fear. The challenges that confront as today are far different, but the stakes are the same. I pray that our children, all of our children, will be the bridge that brings us together, not in fear, but in love.

Each year millions of our children are abused, abandoned and aborted. Millions more receive little care, discipline and almost no love. While we continue to debate our deeply-held beliefs as to which of these sins should also be violations of our criminal code, I pray that we as parents, as extended families, and as communities, will come together to provide love and spiritual care to every mother and to every child, born or unborn.

Government at every level must play a role in these challenges, but I do not believe that it will be the decisive role. What, then, are our duties as leaders, not just in the world of politics and government, but in every field represented here this morning and throughout our land? Like basketball stars Charles Barkley and Dennis Rodman, we are role models whether we like it or not.

I believe that the example we set, particularly for our young people, may be the most important responsibility of public service. We must demonstrate with our daily lives that it is possible to be involved in politics and still retain intellectual honesty and moral and ethical behavior.

We are all sinners, so we will slip and we will fall. But I have felt God's sustaining hand through every phase of my life—growing up in Perry, Georgia, raising a family, my relationship with my wife Colleen, in Senate floor debates, in committee meetings, visiting our troops in war, or being part of a mission for peace.

In the years ahead, when I think back on my public service, I am certain that my most cherished memories will be those moments spent with my colleagues in the Senate prayer breakfasts and in my meetings with leaders from around the world, usually arranged by Doug Coe, in the spirit of Jesus.

I have also been blessed by many friends in the Senate and also a small fellowship with a group of Senate brothers like the late Dewey Bartlett, Republican of Oklahoma; Lawton Chiles, Democrat of Florida; Pete Domenici, Republican of New Mexico; Harold Hughes, Democrat of Iowa; and Mark Hatfield, Republican of Oregon. No one can accuse that group of being of like minds politically.

Yet, these brothers have listened to my problems, shared in my joys, held me accountable and upheld me in their prayers. Fellowship in the spirit of Jesus does amazing things. It puts political and philosophical differences, even profound differences, even profound differences, in a totally different perspective.

I believe that 2,000 years ago Jesus was speaking to each of us when he delivered his Sermon on the Mount. And, my prayer this morning for our leaders and our nation is in the spirit of his words then.

May we who would be leaders always be aware that we must first be servants. May we who compete in the arena of government and politics remember that we are commanded to love our enemies and pray for those who persecute us. I can't find any exception for the news media or our opponents. May we who seek to be admired by others remember that when we practice our piety before men in order to be seen by them, we will have no reward in heaven. May we who have large egos and great ambitions recall that the Kingdom of Heaven is promised to those who are humble and poor in spirit. May we who depend on publicity as our daily bread recall that when we do a secret kindness to others, our Father, who knows all secrets, will reward us. May the citizens whom we serve as stewards of government be sensitive to the fact that we are human beings subject to error and that while we need their critiques, we also desperately need their prayers. May we never forget that the final judgment of our tenure here on earth will not be decided by a majority vote, and that an election is not required to bring us home.

May God bless each of you.

SCHOOLS YOU CAN BELIEVE IN

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. UNDERWOOD. Mr. Speaker, this week is National Catholic Schools Week. I want to take this opportunity to highlight, praise, and congratulate our Catholic schools. Catholic schools are an integral part of our island community on Guam. In fact, nearly one out of every five students on Guam attend Catholic schools.

The mission of the Catholic schools of the Archdiocese of Agana is "to proclaim the Gospel, build community, and educate for service to humanity by integrating the truths of the Catholic faith with the learning process." School children are taught values along with academics and truth along with facts.

Catholic schools on Guam are not just on the forefront of elementary and secondary education, they are on the cutting edge. Our Catholic schools, in addition to traditional quality teaching, are leaders in innovation. Last year three elementary schools started year-round education. This new strategy is sure to benefit our students and our island.

The Catholic school system rose to prominence after World War II. Many fine educators and religious leaders built the foundation of our present Catholic school system. On a personal note, I would also like to mention the contributions of my aunt, Mary Underwood—formerly Sister Ines. After joining the Sisters of Mercy, she returned to her native Guam after World War II to help organize the Catholic school system. After many years of retirement in San Francisco, she recently returned to Guam.

Congratulations to all the Catholic schools on Guam, Archbishop Anthony Sablan Apuron, Sr. M. Dominic Reichart, RSM, interim director of Catholic schools, and to the other members of the Archdiocesan Board of Education: Dr. Katherine Aguon, Sr. Emiline Artero RSM, Mr. Zenon Belanger, Mr. Frank Campillo, Mrs. Fay Carbullido, Mr. Manuel Cruz—vice-president, Mr. Carl Dominquez—president, Mrs. Teresita Hagen, Mr. Paul Boyd, Dr. Richardo Eusebio, and attorney Jay Arriola. These individuals, along with every teacher and student, make Guam's Catholic schools, schools we can believe in. Si Yu'os Ma'ase yan todos hamyo.

NCEITA TO PARTICIPATE IN THE TELECOMMUNICATIONS REFORM DEBATE

HON. RICHARD BURR

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. BURR. Mr. Speaker, I would like to commend the fine efforts of the North Carolina Electronics and Information Technologies [NCEITA] to play a constructive role in the debate over telecommunications reform this year. NCEITA was formed in 1993 as the primary association representing North Carolina's high-technology companies. Rapid growth in our State's electronics and information industries has made it the second largest employer in North Carolina, accounting for more than 145,000 jobs. North Carolina, with its Research Triangle Park, the Nation's oldest and largest research park, has become one of the Nation's premier locations for firms in electronics, telecommunications, computer systems, and other high-technology fields.

As Congress considered the sweeping rewrite of our communications laws this year, NCEITA encouraged policymakers to take a close look at North Carolina's commitment to build a fully interactive fiber-optic network throughout the State and the advanced telecommunications capabilities available to its citizens. At the end of 1994, over 40,000 sheath miles of fiber-optic cable had been deployed throughout our State, providing the backbone for date transmission. Currently, over 97 percent of North Carolina businesses have access to digital switching. This interactive broadband network allows students to participate in classroom debates taking place on the other side of the State or browse through the library collections at distant universities. Cardiac specialists in Chapel Hill can now examine video images of the beating heart of an elderly woman in her doctor's office in the mountains of Hendersonville, NC.

Using North Carolina as a model of the benefits of advanced telecommunications capabilities, NCEITA urged legislators to promote the deployment of advanced telecommunications networks nationwide to enable all Americans to originate and receive affordable, high-quality voice, data, image, graphic, and video telecommunications services. NCEITA emphasized deregulation and competition in the local telephone exchange as the means toward spurring investment in these advanced broadband networks. As a result of their efforts on the legislative front, Congress chose to include a provision authorizing the Federal Communications Commission to encourage the timely deployment of advanced telecommunications capabilities, if necessary, through policies of pricing regulation, regulatory forbearance and promoting competition in the local telephone exchange. Quite simply, this will enable Americans to communicate better tomorrow than they can today. For that, NCEITA member companies—particularly Broad Band Technologies, Siecor, Nortel, and General Instruments—deserve special recognition.

BASIS FOR CHARGE THAT BILL CLINTON "LOATHES" THE MILITARY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. DORNAN, Mr. Speaker, at your own request, Mr. GINGRICH, I am including the following letters from a young Bill Clinton to his ROTC draft board adviser Bataan Death March survivor Col. Eugene Holmes, as well as Colonel Holmes' response 20 years later. Also included are some of my comments on this issue that you and other Members have requested be printed in the RECORD.

[From the Washington Times]

TEXT OF BILL CLINTON'S LETTER TO ROTC COLONEL

The text of the letter Bill Clinton wrote to Col. Eugene Holmes, director of the ROTC program at the University of Arkansas, on Dec. 3, 1969:

I am sorry to be so long in writing. I know I promised to let you hear from me at least once a month, and from now on you will, but I have had to have some time to think about this first letter. Almost daily since my return to England I have thought about writing, about what I want to and ought to say.

First, I want to thank you, not just for saving me from the draft, but for being so kind and decent to me last summer, when I was as low as I have ever been. One thing which made the bond we struck in good faith somewhat palatable to me was my high regard for you personally. In retrospect, it seems that the admiration might not have been mutual had you known a little more about me, about my political beliefs and activities. At least you might have thought me more fit for the draft than for ROTC.

Let me try to explain. As you know, I worked for two years in a very minor position on the Senate Foreign Relations Committee. I did it for the experience and the salary but also for the opportunity, however, small, of working every day against a war I opposed and despised with a depth of feeling I had reserved solely for racism in America before Vietnam. I did not take the matter lightly but studied it carefully, and there was a time when not many people had more information about Vietnam at hand than I did.

I have written and spoken and marched against the war. One of the national organizers of the Vietnam Moratorium is a close friend of mine. After I left Arkansas last summer, I went to Washington to work in the national headquarters of the Moratorium, then to England to organize the America here for demonstrations Oct. 15 and Nov. 16.

Interlocked with the war is the draft issue, which I did not begin to consider separately until early 1968. For a law seminar at Georgetown I wrote a paper on the legal arguments for and against allowing, within the Selective Service System, the classification of selective conscientious objection for those opposed to participation in a particular war, not simply to "participation in war in any form."

From my work I came to believe that the draft system itself is illegitimate. No government really rooted in limited, parliamentary democracy should have the power to make its citizens fight and kill and die in a war they may oppose, a war which even possibly may be wrong, a war which, in any case, does not involve immediately the peace and freedom of the nation.

The draft was justified in World War II because the life of the people collectively was at stake. Individuals had to fight, if the nation was to survive, for the lives of their countrymen and their way of life. Vietnam is no such case. Nor was Korea an example where, in my opinion, certain military action was justified but the draft was not, for the reasons stated above.

Because of my opposition to the draft and the war, I am in great sympathy with those who are not willing to fight, kill and maybe die for their country (i.e. the particular policy of a particular government) right or wrong. Two of my friends at Oxford are conscientious objectors. I wrote a letter of recommendation for one of them to his Mississippi draft board, a letter which I am more proud of than anything else I wrote at Oxford last year. One of my roommates is a draft resister who is possibly under indictment and may never be able to go home again. He is one of the bravest, best men I know. His country needs men like him more than they know. That he is considered criminal is an obscenity.

The decision not to be a resister and the related subsequent decisions were the most difficult of my life. I decided to accept the draft in spite of my beliefs for one reason: to maintain my political inability within the system. For years I have worked to prepare myself for a political life characterized by both practical political ability and concern for rapid social progress. It is a life I still feel compelled to try to lead. I do not think our system of government is by definition corrupt, however dangerous and inadequate it has been in recent years. (The society may be corrupt, but that is not the same thing, and if that is true, we are all finished anyway.)

When the draft came, despite political convictions, I was having a hard time facing the prospect of fighting a war I had been fighting against, and that is why I contacted you. ROTC was the one way left in which I could possibly, but not positively, avoid both Vietnam and resistance. Going on with my education, even coming back to England, played no part in my decision to join ROTC. I am back here, and would have been at Arkansas Law School because there is nothing else I can do. In fact, I would like to have been able to take a year out perhaps to teach in a small college or work on some community action project and in the process to decide whether to attend law school or graduate school and how to begin putting what I have learned to use.

But the particulars of my personal life are not nearly as important to me as the principles involved. After I signed the ROTC letter of intent, I began to wonder whether the compromise I had made with myself was not more objectionable than the draft would have been, because I had no interest in the ROTC program in itself and all I seemed to have done was to protect myself from physical harm. Also, I began to think I had deceived you, not by lies—there were none—but by failing to tell you all the things I'm writing now. I doubt that I had the mental coherence to articulate them then.

At that time, after we had made our agreement and you had sent my 1–D deferment to my draft board, the anguish and loss of my self-regard and self-confidence really set in. I hardly slept for weeks and kept going by eating compulsively and reading until exhaustion brought sleep. Finally, on Sept. 12 I stayed up all night writing a letter to the chairman of my draft board, saying basically what is in the preceding paragraph, thanking him for trying to help in a case where he really couldn't, and stating that I couldn't do the ROTC after all and would he please draft me as soon as possible.

I never mailed the letter, but I did carry it on me every day until I got on the plane to return to England. I didn't mail the letter because I didn't see, in the end, how my going in the Army and maybe going to Vietnam would achieve anything except a feeling that I had punished myself and gotten what I deserved. So I came back to England to try to make something of this second year of my Rhodes scholarship.

And that is where I am now, writing to you because you have been good to me and have a right to know what I think and feel. I am writing too in the hope that my telling this one story will help you to understand more clearly how so many fine people have come to find themselves still loving their country but loathing the military, to which you and other good men have devoted years, lifetimes, of the best service you could give. To many of us, it is no longer clear what is service and what is disservice, or if it is clear, the conclusion is likely to be illegal.

Forgive the length of this letter. There was much to say. There is still a lot to be said, but it can wait. Please say hello to Col. Jones for me.

Merry Christmas.

Sincerely,

BILL CLINTON.

SEPTEMBER 7, 1992.

Memorandum for Record.

Subject: Bill Clinton and the University of Arkansas ROTC Program.

There have been many unanswered questions as to the circumstances surrounding Bill Clinton's involvement with the ROTC department at the University of Arkansas. Prior to this time I have not felt the necessity for discussing the details. The reason I have not done so before is that my poor physical health (a consequence of participation in the Bataan Death March and the subsequent 3½ years internment in Japanese POW camps) has precluded me from getting into what I felt was unnecessary involvement. However, present polls show that there is the imminent danger to our country of a draft dodger becoming the Commander-in-Chief of the Armed Forces of the United States. While it is true, as Mr. Clinton has stated, that there were many others who avoided serving their country in the Vietnam war, they are not aspiring to be the President of the United States.

The tremendous implications of the possibility of his becoming Commander-in-Chief of the United States Armed Forces compels me now to comment on the facts concerning Mr. Clinton's evasion of the draft.

This account would not have been imperative had Bill Clinton been completely honest with the American public concerning this matter. But as Mr. Clinton replied on a news conference this evening (September 5, 1992) after being asked another particular about his dodging the draft, "Almost everyone concerned with these incidents are dead. I have no more comments to make". Since I may be the only person living who can give a first hand account of what actually transpired, I am obligated by my love for my country and my sense of duty to divulge what actually happened and make it a matter of record.

Bill Clinton came to see me at my home in 1969 to discuss his desire to enroll in the ROTC program at the University of Arkansas. We engaged in an extensive, approximately two (2) hour interview. At no time during this long conversation about his desire to join the program did he inform me of his involvement, participation and actually organizing protests against the United States involvement in South East Asia. He was shrewd enough to realize that had I been aware of his activities, he would not have been accepted into the ROTC program as a potential officer in the United States Army.

The next day I began to receive phone calls regarding Bill Clinton's draft status. I was informed by the draft board that it was of interest to Senator Fullbright's office that Bill Clinton, a Rhodes Scholar, should be admitted to the ROTC program. I received several such calls. The general message conveyed by the draft board to me was that Senator Fullbright's office was putting pressure on them and that they needed my help. I then made the necessary arrangements to enroll Mr. Clinton into the ROTC program at the University of Arkansas.

I was not "saving" him from serving his country, as he erroneously thanked me for in his letter from England (dated December 3, 1969). I was making it possible for a Rhodes Scholar to serve in the military as an officer.

In retrospect I see that Mr. Clinton had no intention of following through with his agreement to join the Army ROTC program at the University of Arkansas or to attend the University of Arkansas Law School. I had explained to him the necessity of enrolling at the University of Arkansas as a student in order to be eligible to take the ROTC program at the University. He never enrolled at the University of Arkansas, but instead enrolled at Yale after attending Oxford. I believe that he purposely deceived me, using the possibility of joining the ROTC as a ploy to work with the draft board to delay his induction and get a new draft classification.

The December 3rd letter written to me by Mr. Clinton, and subsequently taken from the files by Lt. Col. Clint Jones, my executive officer, was placed into the ROTC files so that a record would be available in case the applicant should again petition to enter into the ROTC program. The information in that letter alone would have restricted Bill Clinton from ever qualifying to be an officer in the United States Military. Even more significant was his lack of veracity in purposefully defrauding the military by deceiving me, both in concealing his anti-military activities overseas and his counterfeit intentions for later military service. These actions cause me to question both his patriotism and his integrity.

When I consider the calabre, the bravery, and the patriotism of the fine young soldiers whose deaths I have witnessed, and others whose funerals I have attended . . . When I reflect on not only the willingness but eagerness that so many of them displayed in their earnest desire to defend and serve their country, it is untenable and incomprehensable to me that a man who was not merely unwilling to serve his country, but actually protested against its military, should ever be in the position of Commander-in-Chief of our Armed Forces.

I write this declaration not only for the living and future generations, but for those who fought and died for our country. If space and time permitted I would include the names of the ones I knew and fought with, and along with them I would mention my brother Bob, who was killed during World War II and is buried in Cambridge, England (at the age of 23, about the age Bill Clinton was when he was over in England protesting the war).

I have agonized over whether or not to submit this statement to the American people. But, I realize that even though I served my country by being in the military for over 32 years, and having gone through the ordeal of months of combat under the worst of conditions followed by years of imprisonment by the Japanese, it is not enough. I'm writing these comments to let everyone know that I love my country more than I do my own personal security and well-being. I will go to my grave loving these United States of America and the liberty for which so many men have fought and died.

Because of my poor physical condition this will be my final statement. I will make no further comments to any of the media regarding this issue.

EUGENE J. HOLMES,
Colonel, U.S.A., Ret.

LETTERS TAKE THE MEASURE OF TWO MEN

(By Robert K. Dornan)

A couple of years ago, Americans sat transfixed before the remarkable documentary on the Civil War produced by Ken Burns. It was the most watched program in the history of public broadcasting and set new standards of excellence.

Perhaps the most moving and memorable scene occurred at the end of the first episode, during the reading of a letter written by Maj. Sullivan Ballou of the 2nd Rhode Island to his wife Sarah on July 14, 1861. This was a week before the battle of Manassas in which Ballou, to use Lincoln's phrase, "gave the full measure of devotion." I have yet to meet anyone who did not have tears in their eyes after hearing Ballou's beautiful and timeless words.

I thought it might prove enlightening to compare the feelings and attitudes found in Ballou's letter to those found in the wartime letter penned by Bill Clinton on Dec. 3, 1969, concerning his being drafted into the military. By that time, Clinton had used repeated political influence to avoid the draft and had organized anti-war demonstrations on foreign soil. It is these events during the fall and winter of 1969 that make his companionless trip to Moscow and Prague during the first weeks of 1970 so suspect.

On dying for their country:

Clinton: "Because of my opposition to the draft and the war, I am in great sympathy with those who are not willing to fight, kill and maybe die for their country."

Ballou: "I know how * * * great a debt we owe to those who went before us through the blood and sufferings of the Revolution. And I am willing—perfectly willing—to lay down all my joys * * * to pay that debt."

On the future:

Clinton: "For years I have worked to prepare myself for a political life characterized by both practical political ability and concern for rapid social progress. It is a life I still feel compelled to try to lead."

Ballou: "The memories of the blissful moments I have spent with you come creeping over me, and I feel most gratified to God and to you that I have enjoyed them so long. And hard it is for me to give them up and burn to ashes the hopes of future years when, God willing, we might still have lived and loved together, and seen our sons grown up to honorable manhood."

On sacrifice:

Clinton: "The decision not to be a resister and the related subsequent decisions were the most difficult of my life. I decided to accept the draft in spite of my beliefs for one reason: To maintain my political viability within the system."

Ballou: "Sarah, my love for you is deathless, it seems to bind me with mighty cables that nothing but Omnipotence could break, and yet my love of country comes over me like a strong wind and bears me unresistably on with all these chains to the battle field."

On agony:

Clinton: "At that time, after we had made our agreement and you had sent my 1-D deferment to my draft board, the anguish and loss of my self-regard and self-confidence really set in. I hardly slept for weeks and kept going by eating compulsively and reading until exhaustion brought sleep. Finally, on September 12, I stayed up all night writing a letter to the chairman of my draft board."

Ballou: "I have, I know, but few and small claims upon Divine Providence, but something whispers to me—perhaps it is the wafted prayer of my little Edgar—that I shall return to my loved ones unharmed. If I do not, my dear Sarah, never forget how much I love you, and when my last breath escapes me on the battlefield, it will whisper your name. Forgive my many faults, and the many pains I have caused you. How thoughtless and foolish I have oftentimes been! How gladly would I wash out with my tears every little spot upon your happiness."

When you compare the two, it is astonishing that so many commentators found Clinton's mawkish letter "thoughtful" and "tormented." And I often wonder how Ballou—

who went into battle with teenagers—would have reacted to Clinton's excuse that he was just a 23-year old "boy" at the time.

But more to the point. Whereas Ballou's definition of success is raising "honorable" men, Clinton's is a career in politics. Whereas Ballou found the call of his country to be more powerful than even his "deathless" love for his wife, Clinton found the call of his country couldn't match the love he had for * * * himself.

Clearly there is more than just a century that separates these two men.

CAMP CLARK, WASHINGTON,
July 14, 1861.

MY VERY DEAR SARAH: The indications are very strong that we shall move in a few days—perhaps tomorrow. Lest I should not be able to write again, I feel impelled to write a few lines that may fall under your eye when I shall be no more.

I have no misgivings about, or lack of confidence in, the cause in which I am engaged, and my courage does not halt or falter. I know how strongly American Civilization now leans on the triumph of the Government, and how great a debt we owe to those who went before us though the blood and sufferings of the Revolution. I am willing—perfectly willing—to lay down all my joys in this life, to help maintain this Government, and to pay that debt. . . .

Sarah, my love for you is deathless, it seems to bind me with might cables that noting but Omnipotence could break; and yet my love for Country comes over me like a strong wind and bears me unresistibly on with all these chains to the battlefield.

The memories of the blissful moments I have spent with you come creeping over me, and I feel most gratified to God and you that I have enjoyed them so long. And hard it is for me to give them up and burn to ashes the hopes of future years, when God willing, we might still have lived and loved together, and seen our sons grown up to honorable manhood around us. I have, I know, but few and small claims upon Divine providence, but something whispers to me—perhaps it is the wafted prayer of my little Edgar, that I shall return to my loved ones unharmed. If I do not, my dear Sarah, never forget how much I love you, and when my last breath escapes me on the battlefield, it will whisper your name. Forgive my many faults, and the many pains I have caused you. How thoughtless and foolish I have often time been! How gladly would I wash out with my tears every little spot upon your happiness. . . .

But, O Sarah! If the dead can come back to this earth and the unseen around those they loved, I shall always be near you; in the gladdest days and in the darkest nights . . . always, always, and if there be a soft breeze upon your cheek, it shall be my breath, as the cool air fans your throbbing temple, it shall be my spirit passing by. Sarah, do not mourn me dead; think I am gone and wait for thee, for we shall meet again.

BROOKLYN CHINESE AMERICAN ASSOCIATION

HON. NYDIA M. VELÁZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Ms. VELÁZQUEZ. Mr. Speaker, it pleases me to congratulate one of the leading multiservice organizations in the 12th Congressional District, the Brooklyn Chinese American Association [BCA] on its eighth anniversary. The Brooklyn Chinese America Association serves the vibrant Asian American community in Brooklyn through a multitude of programs including a senior citizens center, and confidential police information hot line, adult literacy and citizenship programs, employment and skills training programs, leadership training and academic tutoring for youth as well as an Asian Youth Orchestra. The Brooklyn Chinese American Association serves more than 400 clients daily in these and other programs such as through case management services and a program for the mentally retarded and developmentally disabled. These services are an invaluable contribution to the Asian American community of Sunset part, Brooklyn and to New York City as a whole.

Through Brooklyn Chinese American Association's efforts, Chinese American's of Brooklyn have been able to access the information and resources needed to succeed in their new homes. Simultaneously, the tremendous talents, enterprise, and energy that immigrants have always brought to America, especially to our cities, has been untapped for all to enjoy.

In the 8 years that the Brooklyn Chinese American Association has developed from a one person service project in the corner of a surrounding Asian American community of Brooklyn has revitalized Eight Avenue, opening up more than 50 new businesses. All along the way, Brooklyn Chinese American Association has been there growing with and serving the needs of this dynamic community.

A year ago, Brooklyn Chinese American Association celebrated the grand opening of its community service center which houses its day care center, computer for employment skills training, classrooms for English as a second language [ESL] and citizenship classes as well as space for social services provision. Through this and other centers which are readily accessible, the Brooklyn Chinese American Association is able to accommodate the educational, employment training and social service needs of the Chinese American community in a culturally competent manner.

In closing, I'd like to say that as a country of immigrants, the United States has always welcomed and encouraged immigrants to fulfill their hopes and dreams as active and contributing members of our society. Hard work and enterprise by our Nation's immigrants should be applauded and it is in that spirit, Mr. Speaker, that I ask my colleagues to join me in congratulating the Brooklyn Chinese American Association and wish it much success as it works to empower the Asian American community of Brooklyn and of New York City.

A COMMITMENT TO ALL AMERICANS

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. COLEMAN. Mr. Speaker, I rise today to voice the concerns of my constituents of El Paso, TX. I voted today for the current continuing resolution to avert a third Government shutdown. I also concur that the shutdown would have had disastrous ramifications, most of all for our Social Security beneficiaries, veterans, Federal employees and our students.

The ongoing chaotic budgetary clashes have paralyzed parts of the Government and alienated many Americans. Partial shutdowns that started in mid-November and December closed many Federal operations for 27 days and cost taxpayers $1.4 billion. My constituents should not have to suffer nefarious consequences because of Republican ineptness at passing necessary appropriations bills. Many El Pasoans were furloughed and received truncated paychecks. My constituents are fed up with Republican maneuvers and several Federal employees publicly protested against NEWT GINGRICH and the Republicans' extreme agenda. These hard working citizens should not be treated as pawns by the Republican majority in order to score political points.

I voted for the measure to restore funding for many social, health and educational programs which many citizens depend on. I do, however, have grave concerns regarding the Republicans' decision to curb education funding for programs such as safe and drug free schools and bilingual education.

I am proud to represent El Paso, TX, whose 600,000 citizens and residents have successfully integrated bilingualism and biculturalism into their education system, health care facilities, and economy. Bilingual education programs are essential in my district and many others throughout the country to integrate new immigrants and their children into our society successfully. Because much of the rhetoric surrounding the subject of immigrants has become increasingly harsh, these programs are easy targets for budget cuts. However, any decrease in funding for bilingual and immigrant education would be very poorly advised. Our immigrant population is growing and the vast majority of these immigrants are from Asia and Latin America. If we can capitalize upon their linguistic abilities, we can ensure that young immigrants and the children of immigrants will be a valuable asset to our national competitiveness in the global economy.

Moreover, if we fail to adequately fund bilingual and immigrant education programs, we will set many children up for failure and lose the benefits of their valuable linguistic skills. In the long run, the result will be that many of our young immigrants and their children will be unable to contribute fully to the future of this Nation. I do not believe neglecting the needs of citizens that speak English as a second language is sound policy.

Any decrease in funding for bilingual education programs will promote frustration, segregation, and discrimination between those who have mastered the English language and those who have been denied the opportunity to do so.

Further, the safe and drug free schools have proven to be effective in informing our youth of the severe consequences of participating in this illicit activity. Although there has been a shift in favor of punishment rather than prevention in dealing with crime, this approach may not be the best solution for young people. The sad fact is that between 1985 and 1993, juvenile crime rose 58 percent. Clearly, an interventionist response that reaches out to our Nations' youth is needed. Funds for crime and drug prevention programs in schools help to meet this need. Furthermore, these funds ensure that important State and local educational resources will not have to be increasingly diverted from mainstream educational initiatives in order to address the problems of crime and drugs. In short, the program not only provides important preventative initiatives, but indirectly helps to ensure that all students get the resources they deserve for education, and that they are educated in a safe and focused environment.

These particular programs address some of the most pressing needs of my district and I believe these programs simply cannot afford to be cut.

I am pleased by the bipartisan effort to stave off another Government shutdown. Moreover, I encourage my colleagues to fulfill their commitment to the American people and continue to serve the interest of the American people in protecting essential social and educational programs.

NO DESSERT UNTIL WE CLEAN OUR PLATES

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. DURBIN. Mr. Speaker, until we have taken care of spending bills for the rest of government operations, we have no business taking care of ourselves. Today, along with my colleagues, Representatives MORELLA, DAVIS, and LUTHER, I am introducing a resolution to postpone final action on Legislative Branch appropriations for any fiscal year until all other regular appropriations for that fiscal year have been enacted into law.

The resolution adds new points of order under three House Rules. These would preclude final action on the regular Legislative Branch appropriations bill, if all other regular appropriations bills for the fiscal year have not been enacted into law. Similarly, a continuing resolution could not contain Legislative Branch appropriations unless it also included continuing appropriations for the same period for all other regular appropriations bills for the fiscal year that have not yet been enacted into law.

Basically, this means, for Legislative Branch appropriations, there could be no final action on conference reports, no motions on Senate amendments, and no action on continuing resolutions if we have not first, or concurrently, provided appropriations for the other twelve regular appropriations. This resolution would ensure that the Legislative Branch is last in line for appropriations in the future.

The concept is elementary—no dessert until we clean our plates.

Last September, Congress made the mistake of trying to fully fund the Legislative Branch bill for fiscal year 1996 before taking care of nearly every other appropriations bill. And it backfired. The Legislative Branch spending bill was vetoed the first time around—not because of its content, but because of its timing.

Even after a Legislative Branch appropriations bill was enacted, many regular appropriations bills remained in limbo. As a result, the second Government shutdown did not affect Congressional operations.

We should never again leave major portions of the Government hanging, with ourselves high and dry. We should never again play with the lives of innocent Federal employees and disrupt the operations of Government unless we are willing to risk our own time, our own staff, and our own operations. We should never again enjoy our dessert while our main course remains on the table before us.

I urge my colleagues to join me in cosponsoring this resolution to make sure that before we ever fund ourselves again, we have first met our obligation to take care of the rest of our Government operations and the public we are here to serve.

NINTH CIRCUIT COURT OF APPEALS REORGANIZATION ACT OF 1966

HON. RICK WHITE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. WHITE. Mr. Speaker, today, the gentleman from Oregon, Mr. Bunn, is introducing the Ninth Circuit Court of Appeals Reorganization Act of 1996. I am an original cosponsor of this legislation.

The Ninth Circuit Court of Appeals Reorganization Act is important legislation which will vastly improve the judicial process in the western United States. In terms of geographic area, population, and caseload, the current Ninth Circuit is much too big. By splitting the Ninth Circuit and creating a new Twelfth Circuit, we will ensure the highest quality and most efficient jurisprudence for both the Ninth Circuit and the new Twelfth Circuit.

Under Mr. Bunn's bill, the headquarters of the Twelfth Circuit will be Portland, OR. Although I am original cosponsor of this legislation, it is my belief that the Twelfth Circuit's headquarters should be Seattle, WA. I commend Mr. Bunn for his leadership on this issue, but I differ with him on this one point. In terms of accessibility and economic significance, Seattle is the logical location for the headquarters of the Twelfth Circuit. As this bill moves through the legislative process, I look forward to working with Mr. BUNN and Chairman HYDE and hopefully come to an equitable solution to this issue.

TRIBUTE TO SENATOR MARSHALL BURNS WILLIAMS

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. SPENCE. Mr. Speaker, I rise today to honor the memory of Marshall Burns Williams, who at the time of his death, on December 28, 1995, was the president pro tempore of the South Carolina Senate. Senator Williams was a distinguished statesman, who had been a member of the South Carolina Legislature for 48 years. He served continuously in the senate for 42 years, and was the longest serving State senator in the Nation.

Marshall Williams was a gentleman of the "old school," who was an accomplished trial attorney, a successful farmer, and a sportsman. He lived all of his life in rural Orangeburg County, an area in which his family had resided for many generations. Growing up on a farm, Marshall Williams developed a deep affection for the land and the people who made their living from it. When asked his occupation, he would tell you that he was a lawyer and a farmer. He excelled at both.

Senator Williams and I became friends when I was elected to the South Carolina House of Representatives, and I had the privilege of serving with him when I was in the senate. He was a reasonable person who appreciate the needs of his constituency and he was always working to improve the lives of those who lived in rural areas of our State.

Senator Williams was noted for his contemplative style. He was very effective at bringing lawmakers holding opposing views together to craft a compromise, often using humorous stories to make a point. He was a skillful arbiter of issues, and he was highly respected by his colleagues.

Marshall Williams also distinguished himself in the legal profession. He relished being a trial attorney, and he was widely recognized for his courtroom skills. He was especially proud of being a Fellow of the American College of Trial Lawyers.

Throughout his life, Marshall Williams was dedicated to being of service to others. This brought him much success in politics and in his profession; however, he did not seek recognition. In his unassuming manner, he helped to direct South Carolina from being a State in which the economy was largely based on agriculture, to one which focused on education and economic development—the progressive Palmetto State that we know today.

Senator Williams was an outstanding man who cherished his family. His passing is mourned by many who knew him as their friend. Our State has greatly benefited from his leadership.

THANK YOU SHERIFF ENGLEHARDT

HON. WILLIAM J. MARTINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. MARTINI. Mr. Speaker, I rise today to honor an outstanding citizen and public servant who has contributed to the growth and the safety of his community. Sheriff Ed Englehardt of Passaic County, NJ, has for decades been a leader who has inspired both the men and women of Passaic County to tackle the challenges their community faces on a daily basis.

In the very challenging world of law enforcement, Sheriff Englehardt has demonstrated the uncanny ability to harness all the energy available to him, and create a safer environment for the betterment of the residents of his community. His commitment is to serve with firmness, fairness, and efficiency.

At a time when other sheriffs are complaining that their jails are full and they cannot take any more prisoners, Sheriff Englehardt stands alone in letting the judges know that he can always find room to receive the criminals that they sentence.

For over 20 years, Ed Englehardt has served as Sheriff of Passaic County, employing approximately 600 sworn and civilian personnel. Sheriff Englehardt's strong leadership abilities have enabled him to foster feelings of mutual respect and trust between the civilians and the Sheriff's officers of Passaic County. Despite budgetary constraints that are affecting not only Passaic County but also the entire country, Sheriff Englehardt vowed not to be a victim. He has avoided any cutbacks that would alter his proficient training system. Sheriff Englehardt's officers receive top-of-the-line training to guarantee safety and efficiency for the entire community. This is an unbelievable accomplishment, one that the entire community should be thankful for.

One of Sheriff Englehardt's greatest accomplishments is his creation of the Sheriff's Emergency Response Team. For over 13 years, this service has provided immediate response to emergencies anywhere in the county. The men and women who serve on the emergency response teams are highly trained professionals who volunteer their time to meet the needs of their community 24 hours a day. Sheriff Englehardt's ability to make his vision a reality is exemplary. He not only has provided this sophisticated service to the county, but also he has saved taxpayers thousands of dollars and more importantly, he has saved lives and has protected the residents of Passaic County.

To recognize Sheriff Ed Englehardt is a great honor for me. By honoring him, I am also applauding the county of Passaic for recognizing his abilities and his successes time and time again. His constant will to improve a diversified community is a testament to his belief in and love of Passaic County. His reputation as being, "The toughest Sheriff in the State" is respectfully deserved.

Mr. Speaker, it is a pleasure today not only to recognize the toughest Sheriff in the State, but the best. It is a real honor to be able to call Sheriff Ed Englehardt a friend.

CAN THE FDA REDUCE UNDERAGE TOBACCO USE?

HON. JOHN S. TANNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. TANNER. Mr. Speaker, almost six months go, claiming his desire to curb underage tobacco use, President Clinton announced that the Food and Drug Administration would be asserting regulatory jurisdiction over tobacco products. I share the President's concern for preventing tobacco use by minors. But, for the FDA to assume responsibility for this issue runs counter to statutory, regulatory, and agency precedence. I do not believe, it will prove effective in reducing underage tobacco use.

The FDA's proposed assertion of jurisdiction over tobacco stands out as another example of the Federal Government attempting to assume powers rightfully within the purview of Congress and of the individual states. Congress has expressly reserved to itself the authority to regulate tobacco products, leaving the bulk of tobacco regulation to the states—including taxation, age of purchase, and certain aspects of tobacco use, including the manner and method of retail transaction.

In its most recent action with respect to the regulation of tobacco, the ADAMHA Reorganization of 1992, Congress addressed this in the appropriate manner—it required states, as a condition for receiving certain federal grants, to enact statutes prohibiting tobacco sales to minors. Also required of the states are random inspections and certain reporting obligations.

As a result of the congressional-established scheme, every state in the Union now has a law on its books banning tobacco sales to minors. But beyond this arrangement, Congress left to the States virtually every other aspect of underage sale of tobacco. All States accepting funds under the federal scheme remain free to enact or reject other steps relative to tobacco sales to minors.

Proposed regulations for implementing this Act were issued on August 23, 1993. Last week, after nearly 2 years and 5 months, the Department of Health and Human Services finally promulgated its final regulations. The fact that it took the Department so long to set forth these regulations underscores the inherent limitation of Federal action and further demonstrates that Congress was on the right track when it gave to the states the primary responsibility for handling this complex problem.

Still, FDA has attempted to seize jurisdiction over tobacco products. For nearly 90 years, and on at least twenty different occasions congress has specifically rejected proposed legislation to grant FDA jurisdiction over tobacco. This includes seven occasion over the last decade.

During this same period, FDA itself has concluded on numerous occasions that it has no jurisdiction over tobacco markets without claims of "therapeutic benefit." It has recognized that Congress never granted it such authority, and it has acted only where a particular brand of cigarettes carried specious claims that it would prevent disease or affect the structure of the body. Indeed, as recently as last year, FDA Commissioner Kessler stated that Congress would need to provide some new direction before the FDA could assert jurisdiction over cigarettes.

Despite this long history of Congressional denial of FDA jurisdiction over tobacco, and the long history of FDA concurrence in this jurisdictional arrangement, the FDA is now without any legislation or other guidance from Congress whatsoever, attempting to assert jurisdiction over tobacco products.

The FDA proposal cites 21 U.S.C., section 352 (misbranded drugs), section 360 (registration of producers of drugs or devices), section 360j (general provisions respecting control of devices intended for human use), section 371 (authority to promulgate regulations for the efficient enforcement of the Federal Food, Drug and Cosmetic Act), and section 374 (inspection of manufactures of food, drugs, devices or cosmetics) as authority. However, nowhere in these statutes is there any expression of congressional intent or grant of authority to the FDA to assume authority over tobacco sales to minors.

The President recently addressed the Nation, sharing with American people his assessment as to the state of the nation—and the challenges the country faces in the coming year. Among the challenges he cited was reducing underage tobacco use. However, this is challenge which Congress has already addressed. With the promulgation of the final rule implementing the ADAMHA Reorganization Act of 1992, the tools for addressing this problem in the most effective and efficient manner are now in place. The Federal Government should continue to work with the individual states as they each undertake, as delegated to them under this Act, the challenge of preventing the distribution of tobacco products to minors.

At the same time, for the purpose of preserving the integrity of the Constitutional framework of our government, the FDA must be prevented from assuming jurisdiction over this product. A precedent must not be set whereby a Federal bureaucrat, in contravention of the Constitution, can carve out for himself and his agency, rights and prerogatives specifically reserved by the Constitution to the Congress and the states.

A GREAT MAN RETIRES

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. PORTMAN. Mr. Speaker, I would like to call your attention to a constituent of mine, Robert Groh, who has devoted over two and a half decades of service to the State of Ohio and the Town of Amelia. He retired on Sunday January 1, 1995 and Mayor of Amelia, ending his 18 years of public life.

Mayor Groh first served in the early 1950's when the town of Amelia was a rural community with roughly 500 residents and only one two-lane road. Today, thanks to Robert Groh's dedication, Amelia has bloomed into a community of over 2,200. Mr. Groh is credited with being able to ease the "growing pains" of this developing community with his ability to understand the concerns of the parties involved and to create solutions meeting the needs of all concerned.

As a father of three, and a grandfather of six, Robert Groh balanced a career at Proctor & Gamble with his family-run monument business, and his 26 years of service to Amelia as Mayor and Councilman. He was responsible for developing the Amanda Acres senior-citizen facility and the village municipal building. He also assisted in developing the town's infrastructure from his position on the Public Works District Integrating Committee.

Robert W. Groh is the heart and soul of Amelia and has made this town a wonderful place in which to live and work. He has unselfishly given his time and energy to the community and to our country. Robert Groh is a special man to Amelia and its citizens and he will always be a valued member of the community. I am proud to know Mayor Groh, have him as a constituent, and call him a friend.

Mr. Speaker, Members of the House of Representatives, please join me in saluting Robert W. Groh for his many years of service and wishing him the best for many years to come.

IN SUPPORT OF FDA LEGISLATION

HON. CHARLES W. STENHOLM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. STENHOLM. Mr. Speaker, I am pleased to be an original cosponsor of the Food and Drug Administration [FDA] legislation introduced today by Congressman BURR, which would provide some regulatory relief for health professionals. The legislation would allow the holder of an approved new drug application to provide health professionals a reprint of a medical journal article which includes information about the drug that is not in the FDA-approved package insert.

While I certainly support the basic health and safety mission of the FDA, I have heard numerous concerns from my constituents about the FDA approved process and the frustrations they have in dealing with the Federal bureaucracy in general. As a representative of a rural district, I am very aware of the feeling of isolation that rural providers experience. Many times, rural providers find themselves with limited access to information they are unable to find someone to cover their practices so that they can attend conferences or meetings at which new medical technology is discussed. I believe Representative BURR's legislation is a good first step in addressing some of my constituents' frustrations.

Current law allows doctors to prescribe drugs for the users they feel most appropriately meet their patients' needs. For instance, if a doctor reads a journal article showing the effectiveness of a particular drug treating an illness for which it was not originally approved, the doctor is not prohibited from prescribing the drug for that use.

However, current FDA regulations prohibit drug manufacturers from providing doctors with information about any use of the drug that has not been previously approved by the FDA. Therefore, while studies might have shown the safety and effectiveness of the drug for additional uses, manufacturers are not allowed to share this information with doctors. Representative BURR's legislation attempts to address this issue in a fair way that will maintain the FDA's mission of protecting consumers from unsafe, ineffective drugs.

I believe it is important for the committees of jurisdiction to consider this legislation and all of its ramifications, particularly with regard to consumer safety. I feel very confident that liability responsibilities shouldered by physicians more than adequately ensure that they will not carelessly prescribe inadequately proven drugs.

Many agree that the FDA approval process, while attempting to ensure consumers have safe and efficient drugs, may actually delay the availability of some breakthrough drugs. This bill may not contain all of the answers, but it is a productive first step and it should receive a hearing in the regular committee process, so that interests on all sides of the issue can be heard and considered. It is important that we reform the FDA with an awareness of the agency's responsibility, which is to see that the medicines we use are safe and effective.

PERSONAL EXPLANATION

HON. PETER G. TORKILDSEN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. TORKILDSEN. Mr. Speaker, I requested and was granted on January 23, 1996, leave of absence for that day, the 23d, as well as the 24th and 25th, as I was on my honeymoon.

However, I would like to enter in the RECORD how I would have voted on the three suspension votes had I been here.

On rollcall vote No. 13—H.R. 2657, I would have voted "yes."

On rollcall vote No. 14—S. 1341, I would have voted "yes."

On rollcall vote No. 15—H.R. 2726, I would have voted "yes."

Additionally, I would also like it to be noted that on rollcall vote No. 16—S. 1124 a non-suspension vote, I would also have voted "yes."

BURDENSHARING LEGISLATION

HON. JIM CHAPMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. CHAPMAN. Mr. Speaker, this summer the world celebrated the 50th anniversary of V–J Day and the end of World War II. For thousands of veterans who fought to defend democracy in Europe, North Africa and the Pacific, it recalled a proud moment in American history.

For America's veterans and the widows of America's fallen heroes, the observance of this anniversary was laced with poignant irony. Those who made the sacrifices 50 years ago are being asked by some in our Government to make sacrifices again.

Since the United States won victories in Europe and Japan more than 50 years ago, and in Korea more than 40 years ago, we have continued our military presence in those nations. At a vast cost to the American taxpayer, we have preserved the peace, assured victory over global communism and allowed war-ravaged economies to prosper and grow.

America did the right thing in building world stability, freedom and hope. But America can no longer afford to bear the financial burden imposed on our people by protecting Europe, Japan and Korea.

I am introducing legislation today to require the host nations of NATO, Japan and Korea to share the burden of the direct costs of the United States military presence in those nations. My legislation also provides that the revenues resulting from those burdensharing agreements be deposited in the Medicare trust fund. The revenue generated by my bill will guarantee the solvency of the Medicare trust fund through 2007, eliminating the need for the huge cuts in Medicare services that have been approved by the Republican Congress and vetoed by President Clinton.

It is not fair that the United States continues to pay for the defense costs of these countries while they continue to pour billions into subsidizing industries that compete with American jobs, and provide social services to their citizens that the American taxpayer cannot afford for our own. It is not fair to the American taxpayer or the American worker.

It is not fair that the United States continues to pay the defense costs of these countries while our Nation cuts billions from services provided to the people who won World War II on the front lines and the homefront. The soldiers who fought at Iwo Jima and the Battle of the Bulge and Inchon now receive Medicare benefits. The future of that program has been jeopardized by huge reductions in services approved by the House but vetoed by the President. My legislation guarantees the solvency of Medicare by generating up to $90 billion in revenue from burdensharing agreements.

My bill gives the administration a hammer to force the host nations to share this burden by requiring the withdrawal of our troops if agreements are not reached by the end of 1997. I do not expect one company of troops, one wing of aircraft or a single tank to be withdrawn as a result of this legislation. The host nations involved want the American military presence in their countries. We have failed in the past to achieve adequate burden-sharing agreements because there was no credible incentive to force them to the table. My bill gives the host nations every possible motivation to bargain in good faith because a failure in negotiations delivers results unacceptable to them. If I am wrong about the wishes of the host nations, my bill will still protect Medicare by investing the savings that result from a troop withdrawal into the Medicare trust fund.

It is time, Mr. Speaker, that those who won World War II and contained communism at the 38th Parallel stop paying the price for our victory through unacceptable cuts in health care. It is time that the United States force the host nations of NATO, Japan, and Korea to pay the bills for their own protection. It is time that the U.S. taxpayer stop subsidizing foreign industries that compete with American jobs. It is time that the U.S. taxpayer stop subsidizing better health care and social security for our allies than American can afford for our own. It is time, Mr. Speaker.

CHARITABLE MEDICAL CARE ACT OF 1996

HON. BOB GOODLATTE

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. GOODLATTE. Mr. Speaker, I would like to bring to my colleagues' attention the Charitable Medical Care Act of 1996 which I am today introducing with Representatives MOORHEAD, MCCOLLUM, SMITH of Texas, HOKE, and

BRYANT of Tennessee. This important legislation will make it easier for free medical clinics to recruit medical professionals to volunteer their services for the poor.

Free clinics have developed as a privately funded, grass-roots effort to provide outpatient health services primarily to the working poor. There are over 200 free clinics in the United States which have evolved with no Federal support and little local government support.

My District is privileged to be home of several outstanding free clinics including one of the finest free clinics in the country, the Bradley Free Clinic of Roanoke, VA. The Bradley Free Clinic is also headquarters of the Free Clinic Foundation of America, which has been working to provide services to assist and establish free clinics across the country.

My friends at the Bradley Free Clinic brought to my attention the problems free clinics nationwide encounter finding medical staff willing to volunteer their time and services because of concerns over medical liability. Medical professionals who would like to provide free care for the poor are discouraged by the possibility that doing so will put their medical malpractice coverage at risk. Retired medical professionals don't have liability coverage and therefore can't volunteer. As a result, the poor don't get the care they need.

In response I am introducing a bill similar to legislation passed in Virginia in the 1980's to exempt health care professionals who provide free services in connection with a free clinic from liability for simple negligence only. In fact, Virginia is one of eight States which have laws in place exempting doctors who voluntarily provide free care in good faith from liability for simple negligence.

While Medical liability suits against health care professionals who volunteer their services at free clinics are very rare, under this legislation health care professionals would not be protected if they commit gross negligence or willful misconduct. In addition, the exemption would only apply if the patient received the care at no charge, there was no reimbursement to the health care professional for providing the service and the patient had informed consent before the service was rendered that any liability incurred by their health care provider would be limited to gross negligence and willful misconduct.

With over 30 million uninsured Americans, the need for privately sponsored free clinics and health services has never been more acute. It is estimated that charitable medical care provides care to 30 percent of the Nation's uninsured and is an important alternative to expensive emergency room care which is far too often the only care available for the uninsured or underinsured. This legislation would help ensure that free clinics continue to fulfill this important role by making it possible for them to attract volunteers.

The Free Clinic Foundation and the Catholic Health Association are strong supporters of this legislation. Senator MOSELEY-BRAUN has sponsored companion legislation in the Senate. I urge my colleagues to support this bipartisan effort and cosponsor the Charitable Medical Care Act of 1996.

DISPUTE SETTLEMENT IN THE WORLD TRADE ORGANIZATION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. CRANE. Mr. Speaker, the World Trade Organization [WTO] recently ruled against the United States in a case involving the Environmental Protection Agency's [EPA's] regulations on reformulated gasoline to achieve the standards of the Clean Air Act. Unfortunately, this decision has been portrayed by some as an assault on U.S. environmental laws. Nothing could be further from the truth.

To begin, it should be pointed out that the case involved an EPA regulation, not U.S. law, U.S. air quality standards, as legislated in the Clean Air Act, were not at issue. Rather, the case dealt with the different set of regulations that are imposed on imports of reformulated gasoline from those imposed on domestically refined reformulated gasoline. In the WTO, the case was filed under the national treatment clause which says that you cannot have one regulatory standard for imports and a different one for domestic products. This is a principle of trade that the United States, as the world's leading exporter, has espoused for years in our efforts to open new markets to U.S. goods and services. It works to protect the competitiveness of U.S. goods and services overseas by ensuring that our trading partners treat our exports in their markets in the same manner that they treat their own products.

I urge my colleagues to carefully study this decision and, more importantly, to learn the facts before urging action which would damage U.S. credibility in the short term and our trading relationships in the long run. Indeed, the United States fought to establish the WTO dispute settlement process because of the way it will help us pry open foreign markets to our products. Under the old GATT dispute settlement procedure, the United States filed the greatest number of cases of any member country. However, because countries could block the old dispute settlement process, we sometimes could not get decisions in cases that would have helped us remove barriers to our exports overseas. The new process established in the WTO removes the possibility of such obstruction and ensures that the procedure will work on a predictable timetable and that a decision will be rendered. Based on our history of using the GATT dispute settlement process, the new procedure is likely to be used frequently by the United States in the future to help us achieve our trade liberalization goals.

As chairman of the Ways and Means Subcommittee on Trade, I am proud of the great strides that the United States has made in recent years toward opening markets and removing barriers to trade around the world. As we work to ensure that our trading partners fulfill their WTO commitments, it is critical that we set an example by living up to our own.

In sum, I would like to quote from an editorial from the January 21, 1996 issue of the New York Times. The editorial, entitled "Winning, by Losing on Trade," concludes:

> The ruling helps establish the W.T.O. panels as deliberative judicial bodies willing and able to enforce rules of fair trade. That is beneficial to the United States, which brings more complaints to trade-dispute panels than any other country. Washington will win more than its cases in the years ahead. The W.T.O. has shown it can keep trading honest. That is a welcome development.

HONORING MRS. ANNA GAYLE

HON. DAN MILLER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. MILLER of Florida. Mr. Speaker, I would like to thank you for this opportunity to honor a remarkable person and a wonderful citizen. I am sad to report that this past Tuesday, one of my most admired constituents, Anna Gayle, passed away at the age of 99. Now Ms. Gayle was known for many great things in Manatee County. She was a deaconess and missionary at St. John First Baptist Institutional Church in Palmetto, FL. She served as the director of the Senior Citizens Centers of Manatee County in Bradenton and Palmetto for over 10 years. And she also in 1984 received a national award from the National Council on Aging for her advocacy.

But the qualities that everyone attributed most to her were her strong character, her kindness, and above all, her willingness to help those that were less fortunate. As stated by one of her many fans, "If people were sick, she helped them. If a child needed care, she saw that he got it. If you needed a hand, she was there." It was this commitment to provide for those less fortunate and her drive to better surrounding neighborhoods which led to the Anna Gayle Resource Center—a neighborhood center for families experiencing drug and crime problems in her much loved community of Palmetto, FL. Her legacy of improving the quality of life will long be remembered by many for years to come.

I have always found such commitment to help others inspiring, and mourn deeply the passing of such an outstanding human being. We will all miss her.

LET'S REEXAMINE THE CUBAN EMBARGO

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. FARR of California. Mr. Speaker, I rise to bring to the attention of my colleagues a recent event in California.

On Wednesday, a caravan of 30 vehicles was stopped at the United States-Mexico border by United States Customs officers. The caravan was carrying approximately 300 used personal computers and modems for medical and educational purposes in Cuba.

Why was the delivery stopped? Because the United States imposes a comprehensive trade and travel embargo against Cuba.

Mr. Speaker, the equipment these people were trying to deliver to Cuba was not high technology. It was not a threat to our national security. The equipment—outdated 286 personal computers and used modems—was for schools and hospitals in Cuba.

This recent event demonstrates the problems with our embargo against Cuba. How could the Cuban Government oppress the Cuban people with obsolete computers? How could these computers be used to threaten the security of the United States, a country where many individuals have personal computers that are many times more powerful?

We need to face the fact that the best way to help the Cuban people is to work with Cuba, not against it. How better could we bring our values to Cuba than help improve the health and welfare of the Cuban people? How better could we help Cubans learn about American philanthropy and goodwill than support private donations by Americans?

Mr Speaker, we need to reexamine our approach to Cuba. We are the only nation left that imposes such severe restrictions on trade with Cuba. Let us help the Cuban people by letting Americans help Cubans.

TRIBUTE TO SYLVIA E. THOMAS

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. PALLONE. Mr. Speaker, on Saturday, February 10, a retirement ceremony for a remarkable woman will be held. On that date, at the Fort Monmouth Officers Club, the friends and colleagues of Sylvia E. Thomas will pay tribute to Ms. Thomas' 35-year career as an educator, school administrator and a perfectionist who has always strived to give the most for her students.

A resident of Neptune Township, NJ, Ms. Thomas retired on January 1 as the principal of Neptune Middle School. The career that Sylvia Thomas is now concluding is not only a great testimony to her own talent, courage and determination, but it is a true indication of what public education in this country is all about: dedicated professionals, often working under adverse conditions, without lavish salaries, to shape future generations. Sylvia Thomas, like so many unsung heroes working in public education, has earned the respect and gratitude of her former students, their parents and our entire community.

Mr. Speaker, Ms. Thomas was born in Georgia and raised in Alabama, the daughter of educators Royal and Lilian Hope Dunham. She earned her bachelor of science degree in secondary education from Tuskegee University in Alabama in 1958, and received her masters degree from Columbia University in New York in 1959. She earned her principal's and supervisor's certificates from Monmouth College—now Univesity—in West Long Branch, NJ, between 1974 and 1976.

Ms. Thomas began her career as a ninth grade teacher in Augusta, GA., in 1959. She taught math and science throughout the country wherever her husband, Govan, a former Army serviceman, was stationed at the time. She has also taught GI's. In 1973, the Thomases settled in Neptune, on the Jersey Shore. She taught math to eighth graders at Asbury Park Middle School, in the neighboring community. From 1978 to 1981, she served as coordinator of the math program and the compensatory education program. For the next three years, she chaired the math/science department for kindergarten through eighth grade in Asbury Park. In 1984, Ms. Thomas moved into the administrative side, becoming principal of Green Grove Elementary School in Neptune. She was transferred to the Middle School as vice principal, and subsequently became principal six years ago. During her tenure at Neptune Middle School, the school increased its emphasis on math and science, acquired additional computer equipment and made many capital improvements.

In a recent profile of Ms. Thomas by staff writer Travis R. Moore in The Asbury Park Press, one of the major newspapers in our area, Mr. Michael T. Lake, superintendent of Neptune public schools, who has worked with Ms. Thomas for the past 11 years, described her as "a consummate professional." Ms. Peola Smith-Smith, chairperson of the counseling/guidance department at Neptune High School, said Ms. Thomas has been an "inspiration" and an "exemplary administrator." In the article, Ms. Thomas herself described the key to success for the men and women who run our public schools. While she stressed her reluctance to compromise on her high expectations, she nonetheless recognized the need for flexibility: "You do whatever has to be done to get the job done."

In addition to her distinguished career as a teacher and administrator, Ms. Thomas has been a leader in numerous community organizations, including the Central Jersey Club of the National Association of Negro Business and Professional Women's Club, the National Coalition of Black Meeting Planners, St. Augustine's Episcopal Church in Asbury Park, and Lambda Omega Omega Chapter of Alpha Kappa Alpha Sorority. She has also maintained a long-time association with Drifters, Inc., a nonprofit civic organization of black women with 30 chapters nationwide dedicated to serving the community and enhancing the universal image of womanhood. Ms. Thomas served as national president of Drifters from 1989 to 1993, is a charter member of the Ocean Chapter of Drifters, and has also coordinated public relations and edited the organization's newsletter. She was the recipient of the 1993 Now Black Woman Award given by the national Drifters, Inc.

Mr. Speaker, it is a great honor and privilege for me to join the friends and colleagues of Sylvia Thomas in saluting a great educator and community leader.

REMOVAL OF RUSSIAN MILITARY FORCES FROM MOLDOVA

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. SMITH of New Jersey. Mr. Speaker, in October 1994 the Prime Minister of Russia and the Prime Minister of Moldova signed an agreement according to which Russian military forces would leave Moldovan territory by October 1997. Last April, the Russian Duma approved a resolution opposing the 3-year withdrawal agreement.

The Russian Government has stated its intention to live up to the agreement but little progress has been made. At present about 4,000–4,500 Russian troops stationed in as many as eight garrisons in eastern Moldova, known as Transdniestria. These are the vestiges of the former Soviet 14th Army which once had troops stationed throughout Moldova and the Odessa Military Region in Ukraine. The Russian Army has essentially maintained its force strength in the region, and troops have even been sent to Moldova to replace those that have been demobilized. Mr. Speaker, Moldova is the only former Soviet Republic upon which Russian troops are still stationed without permission of the host government, and Moldovan officials have raised this issue at several international meetings.

Mr. Speaker, I would note that the administration has consistently supported the withdrawal of Russian forces from Moldova. During his meeting with Moldovan President Snegur last year, President Clinton made clear that the United States expects the 1994 agreement to be implemented on time.

With respect to the international community, the Organization for Security and Cooperation in Europe and the United Nations have passed resolutions calling for the removal of the Russian military forces. As part of the recent vote of the Council of Europe Parliamentary Assembly that recommended Russian accession to the Council of Europe, an amendment was included that Russia should ratify the October 1994 agreement within 6 months.

In view of this situation, I—along with Mr. WOLF, Mr. SOLOMON, Mr. HOYER, and Mr. DURBIN—am introducing a resolution calling upon the Government of the Russian Federation to adhere to the provisions of the withdrawal agreement signed on October 21, 1994. The resolution further urges the Secretary of State to use every appropriate opportunity and means, including multilateral and bilateral diplomacy, to secure removal of Russian military forces from Moldova.

In addition, this resolution calls upon Moldova's neighbors to recognize its territorial integrity and notes the efforts of the OSCE and the Government of Ukraine to assist in resolving issues that have arisen in Transdniestria, including the withdrawal of the Russian forces.

Mr. Speaker, I would stress that this resolution does not ask the Russian Government to do anything to which it has not already agreed. It merely underscores the concern of Congress and the American people for the implementation of international law and for the easing of potential conflict in Europe.

I urge my colleagues to support this resolution.

TRIBUTE TO HON. DONALD P. McCULLUM

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. DELLUMS. Mr. Speaker, I rise today to share with my colleagues the tremendous contributions of a highly esteemed constituent, Judge Donald P. McCullum. Judge McCullum was born in Little Rock, AR, to Charles and Irene McCullum, and was the fourth of six children.

Influenced by NAACP lawyer Thurgood Marshall's court victories, Justice McCullum attended Talladega College in Alabama. After attending and graduating with honors from Boston University, School of Law in 1951, he was then sworn in as a member of the Massachusetts Bar in 1953. A highly decorated Naval Officer during the Korean War, he separated from the service and settled in Oakland, CA in 1955.

As a civil rights attorney and NAACP activist, he championed the causes of the disenfranchised, the politically under-represented, the non-represented and poor youth. He then led his contemporary colleagues in the fight for civil rights during the 1950's, 1960's and 1970's and received recognition as a civil rights leader. He served as Deputy District Attorney of Alameda County, and was the first Black City Attorney of Berkeley, and serviced as a California State Inheritance Tax Referee. In 1977, Justice McCullum was appointed to the Alameda County Superior Court bench by Governor Edmund G. Brown, Jr., and was then elected Presiding Judge for two terms. In 1982, McCullum was appointed Associate Justice of the State Court of Appeals, and in 1984, was appointed Associate Justice of the California Supreme Court.

His organizational affiliations include Sigma Pi Phi and Alpha Phi Alpha fraternities, the American Bar Association, the National Bar Association, the California Association of Black Lawyers, Director of the National Urban Coalition in Washington, DC, lifetime member of both the National Council of Negro Woman and the NAACP and Director of the New Oakland Committee. Justice McCullum has also been characterized by the San Francisco Examiner's Image Magazine, as "one of three great contributors to Bay Area Social Justice in the past 100 years."

Judge Donald P. McCullum is survived by his wife of 25 years, Peggy, a son, Donald Anthony, two daughters, Peggy Lisa and Erica, one brother, Charles and two sisters, Laura and Ernize. He will forever shine bright in the hearts of those he touched, and will be remembered for years and years to come.

Judge McCullum's philosophy for life is reflected in the following statement by him, "The measure of performance and the value of an endeavor is directly related to the obstacles surmounted, the adversity overcome and the sacrifices made by a person."

SALUTE TO THE TOWN OF SOMERSET, MD

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mrs. MORELLA. Mr. Speaker, I rise today to salute the town of Somerset, MD, which celebrates its 90th birthday this year.

Somerset is a very special place. One of the oldest suburbs of Washington, DC, Somerset was originally settled in 1890 by five Department of Agriculture scientists who paid a total of $19,000 for their 50-acre "suburban colony." One of the town's distinguished founders, Dr. Harvey Wiley, was the father of the Pure Food and Drug Act of 1906.

By 1905, 35 families called Somerset "home" and it was soon apparent that if the "colony" were to succeed it needed to organize to provide for the common good. In 1906 the "colony" received a charter from the State of Maryland and it became a town. Soon, taxes were levied for water, sewers, roads, schools, and the public safety.

Women played an important role in the development and history of Somerset and, indeed, in the civic life of Montgomery County throughout this century. In 1902, Somerset women organized themselves into the Wednesday Club, where over tea and the week's mending they discussed the town's problems and later the larger issues of child labor, their right to vote, and the war in Europe in each other's parlors. By 1916, the Wednesday Club became the Women's Club of Somerset and eventually joined with the Montgomery County Federation of Women's Clubs.

The town of Somerset has a mayor-council form of government. Current officials elected by residents of Somerset are Mayor Walter J. Behr, Council members George Snow, Nat Finkelstein, Judy Frankel, Peter Gubser, and Richard Kessler.

As the town celebrates its history this year, there will be a special tour highlighting Somerset's private gardens that contribute so much to the natural beauty of the area. And in July, the town will come together as it has traditionally done over the years for a glorious July 4th celebration.

Mr. Speaker, please join me in wishing the town and people of Somerset, MD, a most happy 90th birthday.

IN PRAISE OF WEST VIRGINIANS DURING RECENT FLOOD DISASTER

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. RAHALL. Mr. Speaker, it is difficult to know where to begin in praise of the people of West Virginia in their concerted and unselfish efforts to help start cleaning up and digging out after recent disastrous floods throughout 6 of the 16 counties I have the high honor to represent in the House. The counties which are scheduled to receive both Federal and State assistance were: Mercer, Greenbrier, Pocahontas, Webster, Summers, and Monroe Counties.

Let me begin by saying that the West Virginia Legislature acted promptly and with compassion without politics in expeditiously approving the State's matching share of $7.5 million to begin to assist southern West Virginia to clean up and dig out after the devastation of the flood waters. The Salvation Army, who is ever present at disasters of all kinds, was there in force to help southern West Virginia. The West Virginia National Guard provided cleaning supplies, shovels, and helped set up the shelter at the elementary school in Talcott, Summers County, for families and children whose homes were washed away or who had to be evacuated from their homes. Our National Guard was super.

The State Department of Highways and county emergency services directors took immediate action to make heavy equipment available and provided other debris-removal and salvage assistance. Directors of emergency services made local relief available immediately. Local businesses are to be commended highly for their free donation of necessary supplies of immediate necessity to families in the community at large in dealing with all aspects of the flooding.

Deserving of highest praise were the local fire departments, city mayors, county commissioners, and concerned individuals and families who took it upon themselves to stand by night and day to provide food and beverages for the workers, and shelter, blankets, space heaters, and clothing for families.

I would like to specifically mention many of—but not all—those individuals and agencies by name, who were strong and steadfast in getting assistance to those who needed special food for those on medically required diets, many who needed warm clothing for themselves and children who lost homes and escaped with only the clothes on their backs. There were those in need of special medications left behind when home evacuations were necessary, and transportation was provided for those in need of a physician's care or for shopping for other of life's necessities for people finding themselves suddenly homeless. And those who wanted cleaning supplies and brooms, shovels, and water hoses to start getting rid of the mud and muck in their homes, businesses, churches and public buildings were also served by local businesses and emergency relief offices mentioned above.

First I want to pay tribute, with the highest praise possible, to the Talcott Volunteer Fire Department Chief Tom Talbott and Tim Ulrich, his able assistant chief, in Summers County—for it was this volunteer fire department that stood by night and day throughout the flood's intensity and afterward, and who provided food and drink for everyone else on the flood sites. These volunteers showed real leadership in stressful and often dangerous situations, including heroic rescues, and who helped keep the local victims of the flood—their neighbors—calm, safe, warm, and fed.

In that context, I wish to convey special thanks and gratitude to the following individuals who are members of the Talcott Volunteer Fire Department:

Kenny Simmons, Pete Weikle and his sons, David, James, and Darin; Matt Stalnaker, Evelyn and Robert Bailey, Wayne Martin, Bryan Keatley, Wesley Ward and John Gold, Kellis Miller, Tommy Ward, and Charles "Chucky" Gore, all of whom responded beyond the call of duty as they reached out to neighbors and friends to provide food and shelter.

During my tour of Pocahontas County's Marlinton flood area, I received able assistance and support from Dana Moyers, president of the Pocahontas County Commission, and Commissioner Joel Collison, as well as county superintendent of schools, Thomas Long. I have the highest praise for Marlinton's acting mayor, Jean Hite, who did an outstanding job. For myself and all others engaged in assessing how to best meet the short- and long-term needs of the city's people, she went all out to make the city's emergency relief and other resources available. Her's was a job well done.

Last, but certainly not the least of fine-caliber, able people who accompanied me on the Marlinton tour of damages, I am most deeply appreciative of the work and support of Jane Price Sharp, of the Pocahontas Times, whose job it was to observe and to write of the flood and its devastating effects on people and institutions. Under the time-honored banner of the Fourth Estate's credo that "people have the right to know," Jane did an outstanding job.

The Salvation Army—any organization on which all of can and do rely during disasters of all kinds—were outstanding in their offers of assistance to individuals and families and followed through with clothing, blankets, and all other forms of human assistance possible to the flood victims throughout the areas hardest hit.

I want to particularly thank Mayor Jim Leslie of Hinton in Summers County for his assistance in touring the Bluestone Dam. My deep appreciation goes to Mayor Lindy Hodges of Ronceverte in Greenbrier County, who met me at the Ronceverte townhall—the old townhall because the new one was flooded—as we discussed Greenbrier County to assess the damage and determine what the immediate and long-term needs would be.

Mayor Tom Housby of Alderson, between Monroe and Greenbrier Counties, met me at the Alderson townhall and accompanied me to view the flood's toll taken on the people, their homes and businesses in that area, and to do a quick assessment of damage and loss there.

And I salute the locally elected members of the West Virginia Legislature, Delegate Ron Thompson of Beckley, Delegate Mary Pearl Compton of Summers County, house majority leader Jim Rowe and Delegate Bill Wallace of Greenbrier County, Delegate Joe Martin and Delegate Bill Proudfoot of Pocahontas County, and State Senators Mike Ross and Walt Helmick, for their quick action along with their colleagues in the West Virginia House of delegates and the State senate, to approve the State's matching share of funds so that the cleanup of their communities could go forward.

Honorable mention must go also to Postmaster John "Bill" Dillion, of the Talcott Post Office, and his assistant Lorene Cales, and carriers Ronnie Quick and Patsy Mills for keeping the post office open for mail services as well as a community center, so that not only could people get their mail—a very important daily ritual of normalcy for people everywhere—as well as a place for people to gather and assure one another that they were safe. I commend each of them for this public service and for their humanitarian concern.

My hat is off to Talcott Elementary School Principal Gaye Shaver, whose assistance in turning the school's gymnasium and cafeteria over as a shelter to families seeking refuge from the storms and the rising waters is and was invaluable. Praise goes also to Rev. Dana Stalnaker, pastor of the local Baptist Church for helping with the shelter and getting the Red Cross involved in Summers County, and to Peggy Elkins who started within a few hours of receding flood waters to obtain local emergency relief for families—while awaiting the often longer process of getting State and Federal relief started. Thank you Peggy.

During the early tour of the flood-torn area in my district, I was accompanied by FEMA's regional director from Kansas City, John Miller, who was asked by the Philadelphia Regional Director to help us out due to the intensity of the flooding.

In the week after the floods, after the six counties were declared an emergency disaster area by the President, I was joined by FEMA Director James Lee Witt on a tour of Pocahontas County and other areas, again to stress the need for Federal assistance and to assess the extent of the damages suffered in the six-county area.

As we have seen happen in natural disasters throughout the country and the world, people do come together and help one another in times of stress and even danger. Disasters, call upon the best that is in us—and people seldom fail to meet their duties and responsibilities to their neighbors both close and far.

This is what I have observed in West Virginia: A binding together of people from all walks of life, helping each other in this most frightening of ordeals with floodwaters swirling about their homes, schools, churches, businesses, and public buildings. It makes me very proud to be a West Virginian and to be their Representative in Congress.

My hat is off to the people of West Virginia—all those whom I have named in these remarks, and all those whose names are unknown to me who did their part and who continue to help one another.

TRIBUTE TO ROBERT E. LEO, VETERAN AND EDUCATOR

HON. FRANK TEJEDA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. TEJEDA. Mr. Speaker, I rise today to pay tribute to the memory of a true patriot, a man who dedicated his life to the principles that make this Nation great. I am referring to Mr. Robert Leo, a veteran, rancher, and educator, who for many decades was a great and respected leader in south Texas. Mr. Leo passed away on Saturday, January 27, and I respectfully request that this House of Representatives take a moment to honor his many accomplishments. South Texas will miss this strong leader, who fought so hard and so well for the principles we all hold dear.

Robert Leo served this Nation in the United States Army during World War II, defending this Nation in the battle of Attu in the Aleutian Islands. He received the purple heart for his service. Mr. Leo sacrificed his future for this Nation, because his wound prevented him from enjoying a career in baseball with the New York Yankees, who had selected him in the baseball draft.

After serving this Nation in war and sacrificing himself to protect our freedoms, Mr. Leo never forgot the foundations of the republic he fought to preserve. He knew that a healthy democracy depends on the education of its citizens, so he went to work educating young south Texans, teaching in his native La Joya and later serving as principal and assistant superintendent of Webb County school district in Oilton. Even after his retirement, he served as the president of the board of trustees of the Ramirez Common School District for many years. He enjoyed researching the rich history of south Texas all the way back to the Spanish colonial and Mexican land records.

Robert Leo understood the importance of public service to American democracy. He was active with the Disabled American Veterans and was a life member of the Boy Scouts of America. He served on many boards, including an appointment to the State Committee for the Control of Pesticides and the State Committee for Exports to Mexico. As a member of the board of directors for Valley Telephone Cooperative, including 2 years as chairman, he helped spearhead improvements in communications for south Texas. Whether it was helping veterans, or young people, or promoting the Texas economy, modernizing communications, or preserving our agricultural and ranchlands, Robert Leo, with his energy and dedication, left his unique stamp on these critical efforts.

Above all, Robert Leo stood for the importance of the accountability of those in Government and the free exchange of ideas. He founded the Freedom Party in Duval County, and was appointed to chair the committee to investigate county corruption. Above all he cared deeply about our Democratic institutions and he was outspoken in their defense, working for decades to make them serve the people as they should.

We in Congress should take a moment to remember this outstanding man, who had a rare gift for giving to others and for public service. Above all, he stands as a shining example of how to work for change and at the same time honor the principles of liberty and freedom which make this democracy unique.

As his local newspaper, The Duval County Picture, wrote recently, "There will never be another Robert Leo but we must never forget the genuine article. He will serve as a role model for all citizens. His life will serve as an example to future leaders of what a true public servant is about.

"We will miss our friend. He can never be replaced but we must never stop trying to live up to the high standards he set for all of us." We have lost a great American, but his memory will provide inspiration for years to come.

TRIBUTE TO SYD KRONENTHAL

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. DIXON. Mr. Speaker, I rise to bring to the attention of the House Syd Kronenthal, whose remarkable record of 50 years of service as Director of Human Services for the City of Culver City has become a major source of civic pride.

Syd began his work for Culver City on December 14, 1945, following his service in the United States Air Corps in World War II. His Culver City employment record was punctuated only by a brief hiatus in 1946, when General Omar Bradley summoned him to be rehabilitation supervisor for the Veterans Administration. He returned to Culver City in April of 1947 where he has been ever since.

One of his most significant contributions was his leadership in drafting and obtaining voter approval for Culver City's first major recreation bond issue after World War II. This bond issue enabled the city to construct the Veterans Memorial Building, the Olympic-size swimming pool, new recreation buildings at McManus Park and Culver West Park. It also provided the means to rehabilitate the old pistol range at Lindberg Park that has been converted into the present recreational facility.

As a leader in the Sister City Program, Syd has been a pioneer in building bridges of understanding to people of other nations and cultures. His commitment to the Olympic movement dates back to the historic 1932 Olympic Games where he helped create the Olympic Village in the area now known as Baldwin Hills, and later served as a member of the 1984 Los Angeles Olympic Games Citizens Advisory Committee.

It was under Syd's leadership that in later years Culver City developed a youth and community center, and converted the former county library into a multi-purpose senior citizen center. The Culver City Senior Center is widely recognized as one of the finest senior facilities in the United States. He continues his outstanding stewardship over a myriad of essential social services and recreational programs.

In grateful appreciation of his many efforts on behalf of the city, McManus Park was renamed Syd Kronenthal Park in 1992.

Over the years these important institutions have proven to be vital community assets which have greatly enriched the lives of the people of Culver City. Like a tall oak tree which has endured the test of time, his leadership and service become more valuable with every passing year.

Mr. Speaker, on Friday, February 23, 1996, there will be a civic celebration and appreciation of Syd Kronenthal in Culver City. I know I speak for all of my colleagues in congratulating him on this extraordinary milestone, and offering best wishes for another 50 years.

TRIBUTE TO SID LUCKMAN

HON. WILLIAM O. LIPINKSI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. LIPINSKI. Mr. Speaker, I rise today to pay tribute to a true Chicago sports legend—Sid Luckman—at the news he will receive our State's highest honor, the Order of Lincoln, on April 20, 1996.

Sid Luckman joined the Chicago Bears in 1939 and quarterbacked them to four NFL championships in the next 12 seasons, the years that earned the Bears their reputation as the "Monsters of the Midway."

Perhaps his most memorable performance was in the 1946 championship game against the New York Giants, the first football game I can remember listening to on the radio. Sid Luckman's championship performance was capped by scoring the winning touchdown on what was called the "bingo keeper" play. With the Bears at the goal line, he faked a handoff to one running back, faked to another rusher, tucked the ball under his arm and outran the defense along the line of scrimmage and into the end zone.

In addition to earning his teammates respect while serving as their captain, he was honored by all of football as the NFL's most valuable player three times and was named an all-pro seven times. He received football's highest honor when he was enshrined into the Hall of Fame after his retirement.

Sid Luckman also enjoyed a 14-year stint as a coach with both the Bears and the University of Notre Dame. In addition, he recently completed a successful business career when the packaging company, Cell-Craft, he bought into in 1946 was sold.

But perhaps the thing that has made Sid Luckman so special has been his tireless devotion to his community. He has always been willing to lend his time, efforts, and stellar reputation to good causes both in the Chicago area and throughout the country. For instance, he established a scholarship to the prestigious Mayo Clinic to help deserving medical students study there.

For his athletic and civic accomplishments, Sid Luckman will join the likes of former President Reagan, actor Charleton Heston, journalist John Chancellor, and one of his successors in football's pantheon, Walter Payton of the Bears, in the Lincoln Academy. The Academy, named for Illinois' most famous son, was established 31 years ago to honor distinguished Illinoisans, either by birth or residency, who have brought honor to the Land of Lincoln.

Mr. Speaker, I congratulate Sid Luckman on joining the Order of Lincoln and wish him many more years of enjoying the respect and admiration of his community.

TRIBUTE TO STOP OF SAN DIEGO COUNTY, CA

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. CUNNINGHAM. Mr. Speaker, I rise today to pay tribute to Safe Tables Our Priority [STOP]. STOP is a national coalition organized by families and friends who have lost loved ones to serious illness due to the contamination of ground beef with E. coli 0157:H7 bacteria. The coalition has been dedicated to educating the public and legislators about this deadly bacteria.

Americans became painfully aware of the dangers associated with the consumption of raw meat products upon an outbreak of the E. coli bacteria 3 years ago. This outbreak, which occurred on the west coast, infected 600 people and killed 4 children. Following this tragedy, STOP began actively working to change the system in order to make sure others did not suffer from this deadly bacteria. Their journey brought them to Capitol Hill to work with Members of Congress to reduce this E. coli hazard, and educate Americans on the safe handling of foods.

I commend the efforts of STOP in their work on the Family Food Protection Act, H.R. 1423, of which I am a cosponsor. This legislation amends the Federal Meat Inspection Act and the Poultry Products Inspection Act to improve public health and safety through reduction in harmful contaminants in meat and poultry. When the Center for Disease Control estimates that 500 deaths and 20,000 illnesses are attributed to E. coli each year, legislation such as this will help protect the health of Americans.

STOP has also been very active in the agriculture appropriations process. Most recently, I worked on their behalf to ensure that there would not be a delay of the USDA's implementation of safeguards and standards to improve meat inspection. Because of their efforts, additional public hearings will be held to consider the views of all interested parties throughout the rule-making process.

Once again, I thank each member of STOP. I encourage my colleagues in Congress to follow their lead in the fight against the E. coli bacteria, and for better food safety.

SALUTING DANA MORAN

HON. DAN SCHAEFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. SCHAEFER. Mr. Speaker, I am pleased to salute Dana Moran of Golden, CO. Dana, an aero engineer at the National Renewable Energy Laboratory [NREL], is retiring after 18 years of service to that national laboratory.

Among other things, Dana has served NREL in the structures and materials design/application field and has provided research project management in materials science. He is also experienced in large program and subcontract management, having spend more than two decades in technology transfer activities. He was the executive secretary for NREL's Science and advisory board, as well as of all previous NREL advisory boards and committees, including the days when NREL was known as the Solar Energy Research Institute [SERI]. In fact, Dana spearheaded SERI/NREL's participation in promoting the Lena Gulch interchange on Interstate 70 and replacing its overpass.

Not only has Dana served NREL with distinction during these 18 years, but he has been extraordinarily active in a number of other professional, civic, and business affairs. For example, Dana is a fellow of the American Association for the Advancement of Science, an associate fellow of the American Institute of Aeronautics and Astronautics and a past director of the Technology Transfer Society.

Dana's civil and community service has been extensive. He has been a member of the board of directors and vice president of the Jefferson Economic Council. He has been a member of the Denver Chamber of Commerce's Energy and Transportation Committee and of the Golden Rotary Club, serving as its president in 1989–90. He was the founder, trustee, and president of the Colorado Innovation Foundation from 1984 to 1995. Serving three 3-year terms on the Golden Chamber of Commerce, Dana was its president in 1995. He has also served in a wide range of civic groups and organizations dedicated to community advancement and technological innovation.

Among his many business associations, Dana has participated in small business incubators and has served as the Department of Energy's Regional Small Business Coordinator. He has experience in trade shows and exhibits, as well as international business, especially in the Australia/New Zealand area.

Mr. Speaker, I want to thank Dana for his tireless devotion to NREL and to the Community. On a personal note, I want to thank him for his work on the small business conferences I have sponsored in my district.

NREL is losing a valuable member of its team, but I am certain that the community will continue to benefit from his many talents and skill for years to come. On behalf of all the residents of Colorado's Sixth Congressional District, I want to wish Dana Moran all the best in his retirement.

TRIBUTE TO CATHOLIC SCHOOLS DURING CATHOLIC SCHOOLS WEEK

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. LIPINSKI. Mr. Speaker, I rise today to pay tribute to an educational institution that has been educating American children since the founding of the Republic, and continues to provide top quality instruction and a moral framework for young students—Catholic schools—during Catholic Schools Week, Jan. 29–Feb. 2.

There are dozens of these fine institutions serving my district, and they are celebrating their educational contributions with events ranging from family skating parties to a visit from a NASA astronaut. Ms. Penny Wright, a music teacher at St. Cletus School in LaGrange, is being honored with a Heart of the School Award from the Chicago Archdiocese for her dedication and creative approach to education. Ms. Wright is 1 of only 20 teachers working in the archdiocese receiving this honor.

Mr. Speaker, I congratulate Catholic schools on their heritage of providing academic excellence and a moral grounding for their students, and I wish these institutions continued success in educating our young people.

STOP THE ATTACK ON AMERICA'S AVOCADO GROWERS

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. CUNNINGHAM. Mr. Speaker, America's avocado growers are threatened with extinction. Why? The Department of Agriculture is likely to modify the quarantine on Mexican Hass avocados. The quarantine was placed in 1914 to protect our avocado crops from Mexican pests and fruit flies. The USDA believes that Mexico can eradicate their serious pest problem. But, science has proven that Mexico has failed to destroy pests for years. NAFTA specifically left the quarantine intact, because Mexican pests would devastate American avocados.

Avocado growers in my district are ringing my phone off the hook. They fear that this Clinton administration action will destroy their crops and destroy their lives.

Mexican pest-infested avocados have already been smuggled across our border. Most recently, on January 5, 1996, the U.S. Customs Service confiscated and destroyed 3,337 pounds of Mexican Hass avocados at the Otay Mesa commercial facility in San Diego County. The driver, who had previously been arrested for the same offense, admitted to similar smuggling activities in recent months. Although U.S. Customs officials thought they were seizing a truck loaded with drugs, they definitely touched on a problem of significant concern to California's avocado-growing region.

We must stop this from happening every day. Stop the Clinton administration's assault on California jobs. Join me in stopping the USDA's attack on America's avocado growers.

TRIBUTE TO THE ALABAMA PRESS ASSOCIATION ON ITS 125TH ANNIVERSARY

HON. TERRY EVERETT

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. EVERETT. Mr. Speaker, it is a privilege to bring to the attention of this body a historic and noteworthy anniversary. This year marks the 125th year since the founding of the Alabama Press Association [APA], the oldest statewide trade association in Alabama and one of the oldest State newspaper associations in the Nation.

In 1871 as Alabama continued to recover from the ravages of the Civil War, its newspaper editors and publishers, joined by community leaders, sought new ways to promote economic growth. This was the genesis of the Alabama Press Association which actually came into being with the first statewide meeting of newspaper executives on March 17, 1871, at the Montgomery Advertiser.

Since those early days, the APA has evolved from a social organization of editors and publishers to an association that has played an important role in developing the daily and weekly newspapers of Alabama and serving as a catalyst for the State's economic and cultural development.

The APA worked on behalf of the citizenry of Alabama by advocating stronger public access to government records and meetings. It has pushed for the State's first statewide taxes to support public education and it spearheaded a successful effort to launch a statewide chamber of commerce.

The APA played a role through many of its leaders in guiding the State through some of the important and cultural changes of the last half of the 20th century. Its officers have included some of the leading newspaper men and women in America, and its member newspapers have won the Nation's highest awards for journalistic excellence.

Additionally, before coming to the Congress it was my pleasure to serve as president of the APA in 1991. Alabama and the Nation can be justly proud of the contributions and leadership of the Alabama Press Association as it continues toward another 125 years of public service.

TRIBUTE TO THE WINNERS OF THE TAKE PRIDE IN CICERO AWARD

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. LIPINSKI. Mr. Speaker, I rise today to pay tribute to the winners of the Take Pride in Cicero Award, which recognizes residents and businesses in the community for improving their property.

While many communities sponsor similar programs, Cicero, a community in my district, warrants special mention because of the leaps and bounds it has made in improving its image. While municipal government leaders have played an important role in this transformation, it is the residents, small businesses, and community organizations in Cicero who have been the real catalyst for this change. To recognize these efforts, the Take Pride in Cicero Award was established by the town government, Cicero Chamber of Commerce, and Life newspapers.

The winners of the Take Pride in Cicero Award in four different categories included: Ms. Geraldine Ceranek; Mr. Juan Perez; Mr. Clark Burkhart; Mr. Edward Lopez; Seguin Services; Central Building Materials; St. Dionysius Church; Lang's Ace Hardware; CasaAmerica; Osco Drug; and Ms. Mary Rosario, with help from Habitat for Humanity.

Mr. Speaker, I commend the winners of this award and hope their spirit of community improvement spreads throughout Cicero and all the towns and villages of our great country.

"JUST SAY 'WHOA'"

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. RANGEL. Mr. Speaker, on behalf of the congressional narcotics abuse and control caucus, I would like to bring to my colleagues' attention the following article, "Just Say 'Whoa'", written by former First Lady Nancy Reagan, which appeared last month in the Wall Street Journal.

I rise to thank and congratulate her for her editorial, "Just Say 'Whoa'", which appeared in this week's Wall Street Journal. The article correctly described how apathy, neglect, and irresponsible attitudes have corrupted efforts to stem the trafficking and abuse of narcotics in this country. I share her outrage, but I am heartened to know that Mrs. Reagan's commitment to this Nation's future—our children—continues.

As Americans, we all hail from different backgrounds. Our ethnic, cultural, and spiritual diversity have served us well as sources of community, strength, and pride but occasionally test the strength of our Union. The one virtue that unites us all however, is our goal to provide a better future for children. This shared sense of destiny will always include a world free of drugs and the associated violence, crime, disease, and death. Increased drug use and tolerance by our children however, turns our dreams into nightmares.

As discouraging as the increase in the use of drugs by teens is the silence and indifference of responsible policymakers who have ignored the fears of our children. Worse still are the people, both conservative and liberal, who perpetuate misguided rhetoric supporting legalization of this scourge. Such irresponsible behavior further erodes the ability of teachers, mentors, and parents to shield children from the seductive lure of drugs.

Instead of equivocating on the harms of drugs, we need to inspire, educate, train, and employ our young people. Opportunity and responsibility offer perhaps the best alternative to drug use. Instead of endlessly incarcerating our children at a shameful rate, we need to lift them up with hope and show them alternatives. It's time to act.

The article follows:

JUST SAY "WHOA"

(By Nancy Reagan)

Statistic released last fall from the annual Household Survey of Drug Use and, more recently, from the 21st annual Monitoring the Future Survey show that marijuana use among teenagers was up again last year. Where is the public outrage over this finding? When will this country realize that as long as we don't wake up and adopt a zero tolerance for drug use, we are heading down a path of no return? Must we lose another generation of children to the horrors of crack addiction? Must the statistics soar to all-time highs before we bother to take notice?

Last March I was invited to testify before a congressional committee, at which time I said: "I am not here to criticize or place blame, but after the great strides that were made just a few years back, I'm worried that this nation is forgetting how endangered our children are by drugs. I'm worried that for the first time in many years, tolerance for drugs and the mistaken perception that 'everyone is doing it' is creeping back into our national mentality. And I am worried that the psychological momentum we had against drug use has been lost.

"[Y]et it's more than worry," I pleaded. "This weakening vigilance against the drug threat can have a tragic effect on this country for many years to come. . . . How could we have forgotten so quickly? Why is it we no longer hear the drumbeat of condemnation against drugs coming from our leaders and our culture? Is it any wonder drug use has started climbing again, and dramatically so?"

Regarding the drug use survey, NBC News reported: "'Just Say No' was an effective message in the '80s . . . in the '90s much more will be needed," Denver drug counselor Bob Cota emphasized, "Kids have to be shown why they need to learn it early, in the third and fourth grades—and it has to be repeated often."

Repeated often—like in the '80s when the national leadership was vigilant and visible. And yes, we do need even more now. In response to the 1994 Monitoring the Future Survey, Joseph Califano Jr., chairman and president of the Center on Addiction and Substance Abuse at Columbia University (CASA), warned: "If historical trends continue, the jump in marijuana use among America's children (age 12–18) from 1992 to 1994 signals that 820,000 more of these children will try cocaine in their lifetime. Of that number, about 58,000 will become regular cocaine users and addicts." In a 1995 survey by CASA, adolescents said that drugs were their "number one" problem. Our children are crying out for help.

While drug use is on the rise, the perceived risk of drug use is on the decline. The two go hand in hand. Only a few short years ago, the constant message to young people—in the media, in their classrooms, and in their homes—was that drugs lead to destruction. But where are those messages today? Those messages, those lessons, are what change perceptions, change attitudes, change lives. Each of us have a responsibility to bring back those messages—loud and clear.

Before the drug-use increases of the past three years, we really had seen marked progress. As I told the members of the committee: "A decade of effort was beginning to pay off. Attitudes were being changed. I don't mean to sit here and say that we had won the battle against drugs. I think it's plain we had not." However, between 1985 and 1992, monthly cocaine use declined 78%, or to an annual rate of 3.1% from its peak of 13.1% in 1985. It's the same story with other numbers: Annual use of any illicit drug by high school seniors dropped to 27.1% in 1992 from 54.2% in 1979. "The battle was going forward one child at a time," I said in March. "There was momentum, unity, intolerance of the exaggeration and glorification of drug use by the media—we were building peer support for saying 'no.' Children were being taught resistance skills—in short, there was progress."

Now there is silence—and not without consequence. In 1994, twice the number of eighth-graders were experimenting with marijuana as did in 1991, and daily use of marijuana by high school seniors in 1994 was up by half from 1993. The 1995 Monitoring the Future Survey shows that daily use has made another jump.

We should all, as citizens of this great nation, be frightened by the latest drug statistics. We should all question what they mean to our futures and those of our children. We should all resolve not to be silent any longer. By the latest drug statistics and the renewed calls for legalization of marijuana, it is painfully obvious that our "letting up" is going to let down the young people of this country. It's time to just say "Whoa!"

TRIBUTE TO THE HONORABLE BETTY LOREN-MALTESE

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. LIPINSKI. Mr. Speaker, I rise today to pay tribute to a leader in my district who has worked diligently to dramatically improve the quality of life in her community, Betty Loren-Maltese, town president of Cicero, IL. President Loren-Maltese was recently recognized for her efforts by Grit magazine which bestowed her with its True Grit Award for Distinguished Volunteer Service.

Although I could comment on the remarkable job president Loren-Maltese has done for her community in her less than 3 years in office, I will instead convey the words of the Cicero resident who nominated her for the award: "Cicero had a bad reputation. But because of town president Loren-Maltese, we can hold our heads up high. She has declared war on gangs, slums, and dope pushers and [is] making Cicero a haven for law-abiding citizens."

Mr. Speaker, I congratulate president Loren-Maltese for receiving this prestigious award and the great job she has done as a leader of her community.

TRIBUTE TO ELMER "FUZZY" MUELLER

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. LIPINSKI. Mr. Speaker, I rise today to pay tribute to a true community servant in my district, Mr. Elmer Mueller, who was recently selected as the Pleasantview Fire Protection District Employee of the Year.

Mr. Mueller, or "Fuzzy," as he is known to virtually everyone, has served the district as a paid-on-call firefighter for 35 years, starting when the multicommunity district had two firehouses and two full-time employees. Now there are 4 facilities, 2 paramedic units, and 16 people on duty staffing the district around the clock.

Fuzzy's dedication has helped the department become one of the finest in the State. He currently oversees the district's air rehab unit, which provides sometimes life-saving air to firefighters and victims on the scene. The unit also provides a few comforts for his colleagues weary from battling a fire, like coffee, snacks, and blankets. Fuzzy also serves as treasurer, responsible for fundraising that helps cover the district's expenses and special programs, like providing bath thermometers to senior citizens so they will be less likely to scald themselves.

Fuzzy is also active in his church, Hope Lutheran in LaGrange, singing in the choir, and he only recently stepped down as coach of the church's softball team after 48 years.

In the words of his chief, Dan Hemers, Fuzzy "goes at it full-bore, does it on his own, and makes sure it's done right."

TRIBUTE TO KURT ENGEL, JOHN SIEPLE, AND BOB BOYD

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. LIPINSKI. Mr. Speaker, I rise today to salute three teachers in my district who represent all that is good in education today—Mr. Kurt Engel, Mr. John Sieple, and Mr. Bob Boyd of Lyons Township, IL, High School. These three educators were recently honored as a Most Inspirational Teacher, an award for which they were nominated by former students.

Mr. Engel, a physics teacher and baseball and football coach, characterizes his teaching method as stepping back and putting yourself in the students' shoes and seeing how you're meeting their needs. Mr. Sieple, a psychology teacher and football coach, said he likes to use students' own experiences to illustrate the points he makes in class and believes teachers must be flexible for their students. Mr. Boyd, a music teacher and choral director at LTHS for 23 years, often gets to teach students from their freshman through senior years and says he finds it rewarding to witness the progression of their skills.

Mr. Speaker, I congratulate these three fine teachers on receiving this honor and wish them, and all other dedicated teachers in our Nation, further success in shaping the minds and character of young people.

TRIBUTE TO CARYN M. SAIMO, TOM HAYMES, AND EUGENE WOJCICHOWSKI

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. LIPINSKI. Mr. Speaker, I rise today to pay tribute to three heroic citizens who helped prevent three crimes in Berwyn, IL, in my district—Ms. Caryn Saimo of Berwyn, Mr. Tom Haymes of Berwyn, and Mr. Eugene Wojcichowski of Chicago. All three were recently honored with commendations by the police department and the city council of Berwyn for their efforts in preventing crimes and apprehending criminals in the community.

Ms. Saimo stepped in to physically rescue an 11-year-old girl who was the victim of an abduction attempt and provided information to the police on the attacker. Mr. Wojcichowski pursued a purse snatcher and helped police catch him. Mr. Haymes' telephone call to the police about a suspicious stranger in his apartment building led police to recover $1,400 in stolen property in the suspect's car.

Mr. Speaker, I congratulate these three individuals on their willingness to get involved and not look the other way, and I hope that all Americans develop their spirit of responsibility in our war against criminals.

SENATE—*Monday, February 5, 1996*

(Legislative day of Thursday, February 1, 1996)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

ADJOURNMENT UNTIL TOMORROW

The PRESIDENT pro tempore. Under the previous order, the Senate stands in adjournment until 12 noon on Tuesday, February 6, 1996.

Thereupon, at 10 o'clock and 10 seconds a.m., the Senate adjourned until Tuesday, February 6, 1996, at 12 noon.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, February 6, 1996, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

FEBRUARY 7

9:30 a.m.

Governmental Affairs

To hold hearings to examine whether Members of Congress should be able to make recommendations for individuals seeking Federal employment.

SD–342

10:00 a.m.

Foreign Relations

East Asian and Pacific Affairs Subcommittee

To hold hearings to examine threats and responses to Taiwan's security.

SD–419

Special on Special Committee To Investigate Whitewater Development Corporation and Related Matters

To continue hearings to examine certain issues relative to the Whitewater Development Corporation.

SH–216

FEBRUARY 8

9:30 a.m.

Labor and Human Resources

To resume hearings on S. 295, to permit labor management cooperative efforts that improve America's economic competitiveness to continue to thrive.

SD–430

10:00 a.m.

Special on Special Committee To Investigate Whitewater Development Corporation and Related Matters

To continue hearings to examine certain issues relative to the Whitewater Development Corporation.

SH–216

FEBRUARY 14

10:00 a.m.

Governmental Affairs

Permanent Subcommittee on Investigations

To hold hearings to examine Medicare's billings policy for investigational devices and procedures by hospitals nationwide.

SD–342

FEBRUARY 28

9:30 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Disabled American Veterans.

345 Cannon Building

MARCH 5

9:30 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Veterans of Foreign Wars.

345 Cannon Building

MARCH 14

9:30 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Paralyzed Veterans of America, the Jewish War Veterans, the Retired Officers Association, the Association of the U.S. Army, the Non-Commissioned Officers Association, and the Blinded Veterans Association.

345 Cannon Building

MARCH 27

9:30 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Veterans of World War I, AMVETS, the American Ex-Prisoners of War, the Vietnam Veterans of America, and the Military Order of the Purple Heart.

345 Cannon Building

SEPTEMBER 17

9:30 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion.

335 Cannon Building

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

HOUSE OF REPRESENTATIVES—*Tuesday, February 6, 1996*

The House met at 8 p.m. and was called to order by the Speaker pro tempore [Mrs. MORELLA].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
February 1, 1996.

I hereby designate the Honorable CONSTANCE A. MORELLA to act as Speaker pro tempore on Tuesday, February 6, 1996.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

In all our days, we pray for faith; in all the hours we yearn for hope; in every moment of our time, we pray that Your presence of love will be in us and with us and about us. O gracious God, from whom we have come and to whom we shall return, bless us, each one, whatever our need in the depths of our hearts and souls. Amen.

ELECTION OF THE HONORABLE CONSTANCE A. MORELLA AS SPEAKER PRO TEMPORE UNTIL NOT LATER THAN TUESDAY, FEBRUARY 27, 1996

Mr. DAVIS. Madam Speaker, I offer a privileged resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 363

Resolved, That the Honorable CONSTANCE A. MORELLA, a Representative from the State of Maryland, be, and she is hereby, elected Speaker pro tempore during any absence of the Speaker, such authority to continue not later than Tuesday, February 27, 1996.

SEC. 2. The Clerk of the House shall notify the President and the Senate of the election of the Honorable CONSTANCE A. MORELLA as Speaker pro tempore during the absence of the Speaker.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SWEARING IN OF THE HONORABLE CONSTANCE A. MORELLA AS SPEAKER PRO TEMPORE DURING ABSENCE OF THE SPEAKER

The SPEAKER pro tempore. Will the gentleman from Virginia [Mr. DAVIS] please come to the well of the House and administer the oath of office.

Mrs. MORELLA took the oath of office administered to her by the gentleman from Virginia [Mr. DAVIS] as follows:

Do you solemnly swear that you will support and defend the Constitution of the United States against all enemies, foreign and domestic; that you will bear true faith and allegiance to the same; that you take this obligation freely, without any mental reservation or purpose of evasion, and that you will well and faithfully discharge the duties of the office on which you are about to enter. So help you God.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

FEBRUARY 6, 1996.

Hon. NEWT GINGRICH,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, the Clerk received the following messages from the Secretary of the Senate on Friday, February 2, 1996, at 11:30 a.m.: that the Senate passed without amendment H.R. 2924.

With warm regards,

ROBIN H. CARLE,
Clerk, House of Representatives.

SCHEDULE OF ADJOURNMENTS OF THE HOUSE FROM TUESDAY, FEBRUARY 6, 1996, TO FRIDAY, FEBRUARY 23, 1996, AND MEETING HOUR

Mr. DAVIS. Madam Speaker, I ask unanimous consent that when the House adjourns on Tuesday, February 6, 1996, it adjourn to meet at 11 a.m. on Friday, February 9, 1996; and further, that when the House adjourns on Friday, February 9, 1996, it adjourn to meet at 11 a.m. on Tuesday, February 13, 1996; and further, that when the House adjourns on Tuesday, February 13, 1996, it adjourn to meet at 11 a.m. on Friday, February 16, 1996; and further, that when the House adjourns on Friday, February 16, 1996, it adjourn to meet at 11 a.m. on Tuesday, February 20, 1996; and further, that when the House adjourns on Tuesday, February 20, 1996, it adjourn to meet at 11 a.m. on Friday, February 23, 1996; and further, that when the House adjourns on Friday, February 23, 1996, it adjourn to meet at 12:30 p.m. on Monday, February 26, 1996, for morning hour debate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

GRANTING MEMBERS OF THE HOUSE PRIVILEGE TO REVISE AND EXTEND REMARKS IN CONGRESSIONAL RECORD THROUGH MONDAY, FEBRUARY 26, 1996

Mr. DAVIS. Madam Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and to include extraneous material in that section of the RECORD entitled "Extension of Remarks" through Monday, February 26, 1996.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

HOUSE OF REPRESENTATIVES,
OFFICE OF THE CLERK,
Washington, DC, February 5, 1996.

Hon. NEWT GINGRICH,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelop received from the White House on Monday, February 5 at 10:00 a.m. and said to contain a message from the President whereby he submits the Budget of the United States Government for fiscal year 1997.

With warm regards,

ROBIN H. CARLE,
Clerk, House of Representatives.

BUDGET OF THE UNITED STATES GOVERNMENT, FISCAL 1997—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with 31 U.S.C. §1105(a), I am transmitting my 1997 Budget to Congress.

This budget provides a thematic overview of my priorities as we continue to discuss how to balance the

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

budget over the next seven years. It also includes the Administration's new economic assumptions.

Because of the uncertainty over 1996 appropriations as well as possible changes in mandatory programs and tax policy, the Office of Management and Budget was not able to provide, by today, all of the material normally contained in the President's budget submission. I anticipate transmitting that material to Congress the week of March 18, 1996.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 5, 1996*.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore, laid before the House the following communication from the Clerk of the House of Representatives:

HOUSE OF REPRESENTATIVES,
OFFICE OF THE CLERK,
Washington, DC, February 6, 1996.

Hon. NEWT GINGRICH,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Tuesday, February 6 at 12:05 p.m. and said to contain a message from the President whereby he reports that it is in the national interest of the United States to waive restrictions to the export of U.S.-origin satellites to the People's Republic of China, specifically restrictions on the MABUHAY project.

With warm regards,

ROBIN H. CARLE, *Clerk*,
House of Representatives.

WAIVER OF RESTRICTIONS PERTAINING TO MABUHAY PROJECT ON EXPORT OF UNITED STATES-ORIGIN SATELLITES TO THE PEOPLE'S REPUBLIC OF CHINA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read and, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

Pursuant to the authority vested in me by section 902(b)(2) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (Public Law 101–246), and as President of the United States, I hereby report to the Congress that it is in the national interest of the United States to waive the restrictions contained in that Act on the export to the People's Republic of China of U.S.-origin satellites insofar as such restrictions pertain to the MABUHAY project.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 6, 1996*.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

HOUSE OF REPRESENTATIVES,
OFFICE OF THE CLERK,
Washington, DC, February 6, 1996.

Hon. NEWT GINGRICH,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Tuesday, February 6 at 12:05 p.m. and said to contain a message from the President whereby he reports that it is in the national interest of the United States to waive restrictions on the export of U.S.-origin satellites to the People's Republic of China, specifically restrictions on the CHINA SAT project.

With warm regards,

ROBIN H. CARLE, *Clerk*,
House of Representatives.

WAIVER OF RESTRICTIONS PERTAINING TO COSAT PROJECT ON EXPORT OF UNITED STATES-ORIGIN SATELLITES TO THE PEOPLE'S REPUBLIC OF CHINA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on International Relations:

To the Congress of the United States:

Pursuant to the authority vested in me by section 902(b)(2) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (Public Law 101–246), and as President of the United States, I hereby report to the Congress that it is in the national interest of the United States to waive the restrictions contained in that Act on the export to the People's Republic of China of U.S.-origin satellites insofar as such restrictions pertain to the COSAT project.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 6, 1996*.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

HOUSE OF REPRESENTATIVES,
OFFICE OF THE CLERK,
Washington, DC, February 6, 1996.

Hon. NEWT GINGRICH,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Tuesday, February 6 at 12:05 p.m. and said to contain a message from the President whereby he reports that it is in the national interest of the United States to waive restrictions on the export of U.S.-origin satellites to the People's Republic of China, specifically restrictions on the CHINASAT project.

With warm regards,

ROBIN H. CARLE, *Clerk*,
House of Representatives.

WAIVER OF RESTRICTIONS PERTAINING TO CHINASAT PROJECT ON EXPORT OF UNITED STATES-ORIGIN SATELLITES TO THE PEOPLE'S REPUBLIC OF CHINA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on International Relations:

To the Congress of the United States:

Pursuant to the authority vested in me by section 902(b)(2) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (Public Law 101–246), and as President of the United States, I hereby report to the Congress that it is in the national interest of the United States to waive the restrictions contained in that Act on the export to the People's Republic of China of U.S.-origin satellites insofar as such restrictions pertain to the CHINASAT project.

WILLIAM J. CLINTON.

THE WHITE HOUSE, February 6, 1996.

COMMUNICATION FROM THE HONORABLE MARTIN R. HOKE, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable MARTIN R. HOKE:

HOUSE OF REPRESENTATIVES,
Washington, DC, February 2, 1996.

Hon. NEWT GINGRICH,
Speaker of the House,
The Capitol
Washington, DC.

Dear Mr. Speaker: This is to formally notify you, pursuant to Rule L (50) of the Rules of the House of Representatives, that Matt Felber, District Scheduler in my Fairview Park, Ohio office has been served with a subpoena issued by the Cuyahoga County, Ohio Court of Common Pleas in the case of *Nix* v. *Hill*.

After consultation with the Office of General Counsel, I have determined that compliance with the subpoena is consistent with the precedents and privileges of the House.

Kindest personal regards.

Very truly yours,

MARTIN R. HOKE,
Member of Congress.

RESIGNATION OF THE HONORABLE RON WYDEN AS MEMBER OF THE UNITED STATES HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore laid before the House of Representatives the following communication: from the Honorable RON WYDEN, Member of Congress:

HOUSE OF REPRESENTATIVES,
Washington, DC, February 4, 1996.

Hon. JOHN KITZHABER,
Governor of Oregon,
Salem, OR.

DEAR GOVERNOR KITZHABER: On January 30, 1996, the citizens of Oregon elected me to the U.S. Senate to fill the unexpired term of former Senator Bob Packwood. I am deeply honored to have the opportunity to serve our state in the U.S. Senate, and plan to begin performing those duties on February 5, 1996.

It is my understanding that Oregon's Secretary of State has certified the election and has already transmitted the original documentation of my election to the Secretary of the U.S. Senate.

Based on this understanding, I will resign my House seat representing Oregon's Third Congressional District effective at 8:00 a.m. (E.S.T.), February 5, 1996.

It is with great anticipation that I look forward to working with you in the days to come on a range of issues affecting our state.

Sincerely,

RON WYDEN.

ENROLLED BILLS SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee has examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2657. An act to award a congressional gold medal to Ruth and Billy Graham.

H.R. 2924. An act to guarantee the timely payment of social security benefits in March 1996.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 652. An act to promote competition and reduce regulation in order to secure lower price and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on the following day present to the President, for his approval, bills of the House of the following titles:

H.R. 2657. An act to award a congressional gold medal to Ruth and Billy Graham.

H.R. 2924. An act to guarantee the timely payment of social security benefits in March 1996.

ADJOURNMENT

Mr. DAVIS. Madam Speaker, I move that the House to now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 14 minutes p.m.), under its previous order, the House adjourned until Friday, February 9, 1996, at 11 a.m.).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2012. A letter from the Secretary of the Navy, transmitting notification that the Department of Navy intends to donate to the Naval Aviation Museum Foundation two civilian aircraft currently in the possession of the National Museum of Naval Aviation, U.S. Naval Air Station, Pensacola, FL, pursuant to 10 U.S.C. 7545(c); to the Committee on National Security.

2013. A letter from the Assistant Secretary for Legislative Affairs and Public Affairs, Department of the Treasury, transmitting a copy of the ninth monthly report pursuant to the Mexican Debt Disclosure Act of 1995, pursuant to Public Law 104–6, section 404(a) (109 Stat. 90); to the Committee on Banking and Financial Services.

2014. A letter from the Secretary of Energy, transmitting the quarterly report for the strategic petroleum reserve covering the third quarter of the calendar year 1995, pursuant to 42 U.S.C. 6245(b); to the Committee on Commerce.

2015. A letter from the Auditor, District of Columbia, transmitting a copy of a report entitled "Analysis of the Revised Fiscal Year 1996 General Fund Revenue Estimates in Support of the Mayor's Budget for Fiscal Year 1996," pursuant to D.C. Code, section 47–117(d); to the Committee on Government Reform and Oversight.

2016. A letter from the Comptroller General of the United States, transmitting the list of all reports issued or released in December 1995, pursuant to 31 U.S.C. 719(h); to the Committee on Government Reform and Oversight.

2017. A letter from the Comptroller General of the United States, transmitting a copy of his report for fiscal year 1995 on each instance a Federal agency did not fully implement recommendations made by the GAO in connection with a bid protest decided during the fiscal year, pursuant to 31 U.S.C. 3554(e)(2); to the Committee on Government Reform and Oversight.

2018. A letter from the Federal Co-Chairman, Appalachian Regional Commission, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

2019. A letter from the Deputy Secretary of Defense, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

2020. A letter from the Chairman, Equal Employment Opportunity Commission, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

2021. A letter from the Deputy Associate Director for Compliance, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Resources.

2022. A letter from the Deputy Associate Director for Compliance, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Resources.

2023. A letter from the Director, National Legislative Commission, the American Legion, transmitting the proceedings of the 77th national convention of the American Legion, held in Indianapolis, IN, September 4, 5, and 6, 1995 as well as a report on the organization's activities for the year preceding the convention, pursuant to 35 U.S.C. 49 (H. Doc. No. 104–170); to the Committee on Veteran's Affairs and ordered to be printed.

2024. A letter from the General Sales Manager, Foreign Agriculture Service, transmitting notification that the minimum quantity of agricultural commodities prescribed to be distributed under title III of Public Law 83–480 during fiscal year 1995 has been amended, pursuant to 7 U.S. C. 1721(b); jointly, to the Committees on Agriculture and International Relations.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MCHALE (for himself, Mr. OBERSTAR, Mr. YATES, Mr. MEEHAN, Mr. HANSEN, Mr. DURBIN, Mr. REED, Mr. HINCHEY, and Ms. RIVERS):

H.R. 2962. A bill to amend the Internal Revenue Code of 1986 to disallow deductions for advertising expenses for tobacco products; to the Committee on Ways and Means.

By Mrs. MEEK of Florida (for herself, Mr. DAVIS, Mr. HOYER, Mr. MORAN, Ms. NORTON, and Mr. WYNN):

H.R. 2963. A bill to amend subchapter III of chapter 13 of title 31, United States Code, popularly known as the Anti-Deficiency Act, to allow the United States to enter into contracts or obligations during a lapse in appropriations if the President determines that a sufficient appropriation is likely to be made for that purpose before the end of the fiscal year, and for other purposes; to the Committee on Government Reform and Oversight.

By Mr. DAVIS:

H. Res. 363. Resolution electing Representative Constance A. Morella of Maryland to act as Speaker pro tempore; considered and agreed to.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 44: Mr. WISE.

H.R. 497: Mr. TALENT, Mr. COYNE, and Mr. COBURN.

H.R. 1462: Mr. EHLERS, Mr. BAKER of California, Ms. SLAUGHTER, and Ms. DELAURO.

H.R. 1547: Mr. TOWNS.

H.R. 1884: Mr. MARTINEZ and Mr. LEWIS of Georgia.

H.R. 2276: Mr. SCARBOROUGH.

H.R. 2480: Mr. CANADY.

H.R. 2740: Mr. METCALF.

H.R. 2259: Mr. FOGLIETTA, Mrs. JOHNSON of Connecticut, Mr. ENGEL, Mrs. MEEK of Florida, Mr. BEILENSON, Mr. CARDIN, Mr. FILNER, Mr. HILLIARD, Mr. TORRICELLI, Mr. GONZALEZ, Ms. JACKSON-LEE, Mr. LANTOS, and Ms. LOFGREN.

H. Con. Res. 134: Mr. POMBO, Mr. BALLENGER, and Mr. ENGLISH of Pennsylvania.

H. Res. 220: Ms. RIVERS and Ms. JACKSON-LEE.

SENATE—*Tuesday, February 6, 1996*

The Senate met at 12 noon, and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Today's prayer will be offered by guest Chaplain, Rabbi Stuart Weinblatt.

PRAYER

The guest Chaplain, Rabbi Stuart Weinblatt, of Congregation B'Nai, Potomac, MD, offered the following prayer:

As we gather together in this hallowed Hall and sacred institution, we pray dear God for guidance and wisdom, for temperance and prudence.

May this body's quest for justice be tempered by mercy and compassion.

May those who have been chosen to serve this great Nation be imbued with the sense of awe and humility which will enable them to execute their duties with decency, dignity, and sanctity. May their actions, deliberations, and decisions be made with the recognition that all are created in the image of the Almighty. May they be guided by the ethics and ethos of the treasured teachings and eternal words of wisdom which have inspired people throughout the ages.

In that spirit, we note that this time of year is referred to on the Jewish calendar as Tu B'Shevat, the New Year of the Trees.

Since ancient times, this day, in the dead of winter, serves to remind us of the human responsibility to care for the Earth, affirms the importance of planting trees, and thus asserts the intricate relationship between humanity and the environment in which we live.

And so, may we be inspired by the custom of planting trees this season, and of the concept of recognizing the importance of giving back to the Earth. May we be inspired by the work of the Jewish National Fund and by those who have contributed to this effort which has helped to bring this message to people throughout this Nation and who have planted trees and forests throughout the land of Israel.

May we learn to plant at all seasons.

May we plant seeds of goodness and kindness, of virtue and benevolence. In so doing, may we sow the seeds of a just and reverent society. May our deeds be like trees—firmly rooted and giving much nourishment and sustenance.

May we be touched by the Jewish tradition's teachings which likens trees to wisdom and life itself; so too may we bring that message to others.

Let us say amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, there will be a period for morning business until the hour of 12:30 p.m., with Senators permitted to speak for up to 5 minutes each. At the hour of 12:30 there will be the swearing in of Senator RON WYDEN of Oregon.

I now ask unanimous consent that immediately following the swearing in, the Senate stand in recess until the hour of 2:15 today in order for the weekly policy conferences to meet.

The PRESIDING OFFICER (Mr. BURNS). Without objection, it is so ordered.

Mr. DOLE. Mr. President, following the policy conferences, the Senate will resume consideration of the farm bill, in which there will be a cloture vote. I am not certain when, but probably early afternoon. Under the order, the cloture vote is on the Leahy substitute amendment. All Senators have until 12:30 today to file first- and second-degree amendments to that substitute.

We would like to complete action on the farm bill today. It is very important all across America. We have had a real effort to come together in a bipartisan manner. We have not been able to achieve consensus, but I think there is still a lot of bipartisan support for the Leahy substitute. If we need 60 votes, we hope we will have the 60 votes.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ASHCROFT. I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

WELFARE

Mr. ASHCROFT. Mr. President, the business of the Senate has been consuming and demanding this year. The debate over the balanced budget amendment and the debate over the achievement of a budget which will protect the fiscal integrity of this country and bring us into balance in the next 7 years has been an important one and it is a necessary one. It has consumed much of our energy and the opportunity of this Senate.

I think it is important for us to understand while this is a task which must compel and will compel our attention, it must not do so to the exclusion of another important agenda that is essential to the progress that the American people sent us here to make. The American people not only sent us here to protect the fiscal health and integrity of the economics of the United States of America, but they expect us to protect the physical health and the integrity of the people of America, in particular of the people who have been the victims of a welfare system the consequences of which have been tragic, to say the least.

The welfare reform debate is not a debate about a revolution for a change. It is literally a debate about a revolution for survival. If we do not reform the welfare system there are going to be continuing numbers of individuals who simply will not survive in America because our welfare system not only dehumanizes and devalues them, but it literally threatens their continuing existence.

The welfare reform debate is not just about change, it is about restoring hope, restoring dignity to the lives of individuals where hope and dignity have been destroyed. The missing ingredient in the current welfare system is the ingredient of hope, and the recipe for recovery must reinstitute hope. There is a structural problem with the current exclusively governmental system which precludes hope, which must exist if people are to get back on their feet.

This is a matter of human survival and national sustenance and survivability. If our society is to be sustained, to survive to be successful in the next century, we must end the current welfare tragedy. It is tragic, indeed, that the Congress, which has acted to help end this tragedy, has been met with a Presidential tragedy: That is, the President has vetoed the effort of the Congress to stop this human cost of America's greatest tragedy, our welfare system.

The President had the opportunity to reform the system but he vetoed it. Congress acted to stop rewarding illegitimacy, and the President vetoed it. Congress acted to stop penalizing marriage, undermining families, and the President vetoed it. Congress acted to stop the culture of entitlement, where individuals are conditioned to expect from Government rather than to work within themselves to solve problems, and the President vetoed it.

The tragedy of our welfare system is borne out in the lives of the children of America, in the horror stories of opportunities that have been dashed, futures that have been destroyed. I will not burden you with a litany that is all too familiar, but I think of one of the children, little Ariel Hill, who was less than a year old when she died, weighing only 7 pounds at her death. Her mother was an addict sustained by a system which makes no judgment about behavior, but just continues to reinforce behavior regardless of its counterproductivity. Her mother, irritated with Ariel's crying one afternoon, scalded her in a sink of hot water. When the investigators came to the apartment after Ariel's death, they found a list of the children in the household and the amount of welfare that each child brought to the family.

That is the tragedy of the welfare system where children, the most valuable resource of a society, develop a value only in the devaluing checks of an entitlement system. It is time we reform that system. We had an opportunity to do so and the President vetoed it. We cannot leave this task undone because the President vetoed welfare reform measures. We must proceed to change the system.

Our system has been rewarding the wrong values. We have rewarded decadence—the out-of-wedlock birth rate has exploded from 5.3 percent in 1960 to 33 percent in 1995. That is up to 80 percent in some of the cities of this country. We need to replace that system, which values decadence and rewards it with checks, with a system that values and rewards decency.

Our system has rewarded dependence. More than 3 million of the 5 million welfare recipients will be on the rolls for more than 8 years. The average length of time a person is on the welfare system is 13 years. It is a system that rewards dependence rather than discipline. It is time for our system to be changed. The opportunity that we had, and that we capitalized on to reform the system, would have substituted discipline for dependence. It is time for our system to reward discipline.

We have established, as the way of operating in Government, a system of debt. We need to replace that system of debt with a system of dignity, of integrity, of paying for the things we consume rather than displacing the costs of what we consume to the next generation. But the devaluing system of welfare dependence and decadence has been a system which has driven the debt.

We simply have to make a commitment within ourselves that we are not going to let this issue die. We are not going to walk away from the mandate of the American people to wage a war on poverty. We cannot leave in place a system that subsidizes decadence, that subsidizes dependence, that encourages debt—no. Our war on poverty will have to have a fundamental element of hope and will have to replace decadence with decency, replace dependence with integrity, independence and work, and replace debt with discipline.

The welfare reform measure which Congress passed provided us with an opportunity to change our current system—an opportunity that was extinguished at the hand of a President who vetoed welfare reform. We must reform a system which is not only costing children in many cases their lives and their futures, but is undermining a set of values upon which this country must march forward.

We must not turn our backs on this tragedy. We can ill afford to think that because there is a controversy on the budget that we can exclusively focus on it. We must address it. We must continue to be involved. But this war, this opportunity for change, cannot be confined to a single front. The budget is important, but we have an operation on the right, an operation on the left, and we have a revolution to wage in terms of rescuing what we believe is the greatest of all the cultures that have ever graced this planet, the free culture in the United States of America. We cannot turn our backs on the tragedy of welfare.

So, today I rise, grateful for this opportunity to say we must look again to the responsibility that we have, to the call which we have received, to the demand which the American people are making upon us, to the expectation of this culture and to the duty we owe young people. It is a duty to protect, yes, their fiscal integrity and their financial futures, but it is also a duty to protect the very lives and the values and the potentials which they have. When we subsidize decadence as opposed to decency, when we subsidize debt as opposed to dignity, and when we subsidize dependence as opposed to integrity and industry, I believe we have to change that system and change it dramatically.

So, I thank you, Mr. President, for this opportunity to speak, to remind the U.S. Senate that its obligation is substantial, its opportunity is significant, and the consequences of inaction could be as tragic as the system which is the status quo, because, unless we act to reform and to change it, we will have to live with it. And living with it has had deadly consequences.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

OF POLLS, POLITICIANS, PROMISES, AND PRINCIPLES

Mr. GRAMS. Mr. President, I hope my colleagues made time last week to study a poll printed in the Washington Post. It took a close look at the American people and their relationship with the political process, and it was, at the same time, both enlightening and frightening.

Mr. President, 40 percent of those responding to the poll did not know the name of the current Vice President; 40 percent of Americans were not aware that Republicans control both Chambers of Congress; 56 percent of the people surveyed could not name even one of their Representatives in the Senate; and 74 percent were not aware that we serve 6-year terms.

Fully 67 percent of the people who answered the survey did not know that the U.S. Senate had passed a plan to balance the Federal budget.

The newspaper makes the argument that the problem lies in education—that the more knowledge an individual has about the political process, the more likely they are to care about what we are doing here in Washington. But I think an equally compelling case can be made that after decades of broken political promises, the voters have been conditioned to tune us out. They do not care about us because they believe that, deep down, we really do not care about them, either.

We should not be concerned that the people do not know our names or the length of our terms or who controls which Chamber. But we ought to be deeply troubled that so many people seem to have lost faith in us. And we should be especially concerned that the poll reflects these things at a time when Congress has made promises, kept them, and has demonstrated a sincere commitment to turning this Government around.

Mr. President, when the 104th Congress was gaveled into session a year ago, there were high expectations. There had been a dramatic transfer of power. People called it a sea change, a revolution.

There was a radical, new message that had begun to break through the noise of the usual political rhetoric. We talked about new solutions. We talked about Government as a service provider, not our national nanny, or caretaker. We talked about making Washington more accountable to the taxpayers, and a more efficient consumer of taxpayer dollars. We talked about shifting the focus of the Federal Government from advocacy on behalf of tax recipients to advocacy on behalf of the Nation's taxpayers.

We talked every day about our children and grandchildren, and what kind of future we would be leaving them if we turned our backs and did nothing.

One year later, our message has not changed, and we have passed a great deal of legislation in the last year to put real muscle behind our promises. But we did not count on running headlong into an obstructionist President, gunning for reelection, who was willing to deny the people a better tomorrow in order to preserve the status quo.

Mr. President, up until last year, I believed wholeheartedly in a mathematical absolute I first learned in high school geometry—that the shortest distance between two points is a straight line. The idea has been around for so long—since the time of the ancient Greeks, in fact—that I never considered questioning it. But what I learned during the first session of the 104th Congress has forced me to rethink those early geometry lessons.

You see, there is no line more straight than the 16-block stretch of Pennsylvania Avenue that runs between the U.S. Capitol and the front door of the White House. So when the American people elected a new Congress on our pledge to balance the budget, cut taxes, repair the welfare system, and save Medicare, it stood to reason that the road to enacting those fundamental reforms, in the shortest amount of time, would be a straight line as well: Congress would pass the laws, we would send them up Pennsylvania Avenue to the President, and he would sign them.

But this President has managed to distort the laws of mathematics so badly that Pennsylvania Avenue has become not a straight line, but a tangled trail culminating in a dead end. Today, those 16 blocks are littered with legislative casualties that never had a chance against the veto pen of a President who is dead set against even the most basic reforms.

Congress sent the President a balanced budget that acknowledges it is morally wrong to pass the debts of one generation onto the next. He vetoed it.

We sent the President a tax relief package that offers a $500-per-child tax credit—and a lot of hope—to every middle-class, American family. He vetoed it.

We sent the President a bill that delivers on his promise to "end welfare as we know it." He said he liked it. Then he vetoed it anyway.

We sent the President a plan that moves Medicare into the 1990's, rescues it from bankruptcy, and reforms the system by offering seniors something they have never had access to through their Government-provided health care plan and that was real choice. Once again, he killed it with a veto. Given yesterday's troubling news that the Medicare trust fund lost money in 1995 for the first time in 23 years, a full year earlier than expected, and may not survive until 2002, the President's veto appears even more shortsighted and misguided.

Mr. FORD. Mr. President, will the Senator yield for a question?

Mr. GRAMS. When I am through, I will yield for a question.

Mr. FORD. I am sure it was part A, not part B. The Senator went over it with a broad brush.

Mr. GRAMS. It is part A. Congress delivered tax relief, Medicare and welfare reform, and a balanced budget to the White House just as we promised the American people we would, and they were all returned to us "V-O-A"—"vetoed on arrival." So much for high school geometry.

What I have come to realize, Mr. President, is that sometimes, the shortest distance between two points is not a straight line at all, but the route with the least congestion. What I want to assure my fellow Americans is that from now on, Congress will follow whatever line takes us where we need to go, and if that means bypassing the gridlock on Pennsylvania Avenue at the White House, so be it. We will not be deterred from pursuing the principles of individual freedom and restraint in Government that have already brought us this far. We moved an important step forward recently with the passage of the Balanced Budget Downpayment Act. The President may have vetoed our balanced budget plan, but our downpayment on it moves us $30 billion closer to a balanced budget, and keeps our children from going another $30 billion in debt, by eliminating a host of wasteful Government programs. It was not what the President wanted. In fact, his latest budget does not make any serious reductions in Government spending until the year 2000. But Congress controls the Nation's purse strings and in this political climate, Congress must start taking these small steps in order to reach our larger goals. One of the papers in my home State interviewed a number of Minnesotans last week and asked what they thought about Congress and the President and our accomplishments of the past year. I thought the comments made by the mayor of Woodbury were the most insightful. He said,

> We watch with interest but quite a bit of disappointment. They are more concerned out there with their political one-upmanship, political brinkmanship, political hassle of each other. There is a big gap in quality leadership.

Those are the very same thoughts being reflected in the kind of polls we saw in the Washington Post. Mr. President, if we are going to begin restoring the people's faith in their Government, we are going to have to earn it through quality leadership, and we are going to have to do a better job of communicating our successes. Every American needs to know that this Senate passed a balanced budget. More importantly, every American needs to know that we are not giving up until President Clinton has signed a balanced budget into law.

I yield the floor.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

THE FARM BILL

Mr. CRAIG. Mr. President, this afternoon the Senate will once again attempt to wrestle with one of its key responsibilities to American agriculture, and that is to pass legislation that will craft new farm policy for our country and send the necessary message as to what we expect American agriculture to do in relation to farm programs directed by the U.S. Department of Agriculture.

I found it interesting yesterday that President Clinton has submitted his 1997 budget when we do not even have a 1996 budget, and we find ourselves here on the floor of the Senate today debating agriculture because the President vetoed agriculture. So while the President is now off campaigning across the country waving a 1997 budget, the Government does not have a 1996 budget, and we do not have a farm policy.

The Secretary of Agriculture has just entered the floor. By the 15th of this month, he is going to arrive at a crisis point in having to deal with the implementation of 1949 agricultural policy.

Last Friday on the floor of this Senate, the Democrat leader and his party blocked a farm bill. We offered a bipartisan farm bill, Democrats and Republicans alike. Senator LEAHY of Vermont, who is just about as liberal as I am conservative, came together in a bipartisan bill. Once again we were denied the opportunity to vote on that because we were told it would be blocked.

I hope today that we can deal with a farm bill and send the appropriate message to American agriculture. But yesterday, I think Robert Shapiro, the president of the Progressive Policy Institute, which is a centrist Democrat leadership council arm, said it very clearly: The President's budget is not about dollars; it is about politics. He said we are now in a political season, and the President did this for politics. The politics that is being played on the floor of the U.S. Senate right now may be good for one party or another, but it is not good for American agriculture.

So, Mr. President, pick up the phone and call your people here in the Senate and say let us get an agriculture bill so that the Secretary of Agriculture does not have to deal with the kind of draconian things that he may be forced to do to send a shock wave through American agriculture by implementation of the 1949 farm policy. That is not good government. That is not the kind of government we need to deal with.

So I hope we can arrive at a solution this afternoon. But, Mr. President, in closing, because I know our time is up here at about 12:30, I am told that there are now 240-plus amendments filed at the desk on the Lugar-Leahy-Craig alternative bipartisan farm bill. That sends a very simple message to me. There is not going to be a farm bill today. It is impossible to deal with it after 6½ months of intensive extensive hearings before the Senate Agriculture Committee when American agriculture, almost per organization, said do not simply reinstate farm policy, but reform it and clean it up. And that is what we have done in trying to build this.

I am not sure where we go from here. I hope we can get the 60 votes this afternoon so that we can move forward and get the 1996 work done before our President is off campaigning on 1997 budgets that do not balance while he is President, assuming he might get elected another term. I find it very interesting that his own people are now saying it is not policy; it is all politics. Well, we knew that. He knows that. But it is a very dangerous kind of politics, a very dangerous kind of politics for American agriculture.

Historically, Mr. President, we have always crafted a bipartisan farm bill. I see the Senator from North Dakota on the floor. He has talked about that. I have worked with him. I have worked with other Senators on the floor to craft a bipartisan approach to farm policy. I hope that is what we can accomplish this afternoon before the political season gets so hot that we cannot get any work done.

If that is the case, we probably lose. But someone else loses, and that is the American farmer and American agriculture.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. PRYOR. Mr. President, I thank the Chair for recognizing me.

Mr. President, I am stunned listening to my good friend from Idaho talk about the politics of the season. If talking about the politics surrounding the vote this afternoon on a bill that the U.S. Senate Agriculture Committee has never had hearings on, has never passed, when the other party has frozen this side of the aisle totally out of any negotiations relative to meeting our commitment to an agriculture bill for the farmers of this country—they come forward with something known as the freedom-to-farm-bill. The freedom-to-farm bill, Mr. President, frankly, is a bill that the farmers in France should love. Our competitors overseas should love the freedom-to-farm bill because what it is going to mean is that our farmers are going to be unable to compete in the international and world markets. This bill spells doomsday for the farmers of America. It spells doomsday for the agriculture programs in our country that are the envy of the world.

Mr. President, I cannot believe that my friend from Idaho is talking about the politics of the moment when it is his party that has prevented a real debate on the 1996 agriculture bill to take place. This bill was written by budgeteers. It was not written by the Agriculture Committee in the House or in the Senate. It was written by the budget committees, Mr. President. My friend from Idaho knows that.

Mr. DORGAN. Mr. President, will the Senator yield for a question?

Mr. PRYOR. Yes.

Mr. DORGAN. Mr. President, I ask the Senator from Arkansas if we find ourselves in the circumstance that for the first time in history the farm bill was stuck in the budget reconciliation bill last year. So there was no farm bill debate on the floor of the Senate. It was supposed to happen last year, but it did not happen.

I think that it probably is not very important to talk about what happened yesterday. The question is, what happens today and what happens tomorrow? The issue for us is, what about the future of family farming in this country? Will we have family farmers in the future or not? Will we simply have giant agri-factories farming from California to Maine? Do we care about the future of family farmers, or do we not? Is that not the real issue before us?

This is not about politics. It is about policy and who cares about the future of family farmers.

Mr. PRYOR. I will answer my friend from North Dakota by saying that just a few months ago, I went before our farm bureau organization down in Arkansas. I spent about an hour and a half visiting with them. They begged me and they pled with me to oppose the Freedom to Farm Act. Now, suddenly, they have made a reversal. They say, "Well, maybe it is the best we can do."

Mr. President, I do not think it is the best we can do. I think that we can do better. I think that we can go back and draft at least an extension of the farm bill of the past 5 years and extend it for a year and make certain that we do not make the gargantuan mistakes that we are likely to make today by enacting the Freedom to Farm Act.

Mr. President, I think the appointed hour has arrived, and I therefore yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. CRAIG addressed the Chair.

Mr. FORD. The time has expired.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. I would note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

ADMINISTRATION OF OATH TO RON WYDEN, SENATOR FROM OREGON

The VICE PRESIDENT. The Chair lays before the Senate the certificate of election of the Honorable RON WYDEN as a Senator from the State of Oregon.

Without objection, it will be placed on file and the certificate of election will be deemed to have been read and printed in the RECORD.

There being no objection, the certificate was ordered to be printed in the RECORD, as follows:

CERTIFICATE OF ELECTION FOR UNEXPIRED TERM, UNITED STATES SENATOR, STATE OF OREGON, SECOND POSITION

To the President of the Senate of the United States:

This is to certify that on the 30th day of January, 1996, Ron Wyden was duly chosen by the qualified electors of the State of Oregon a Senator from said State to represent said State in the Senate of the United States for the unexpired term, ending at noon on the 3rd day of January, 1999, to fill the vacancy in the representation from said State in the Senate of the United States caused by the resignation of Bob Packwood.

Witness: His excellency our Governor, John Kitzhaber and our seal hereto affixed at Salem, Oregon this 2nd day of February, in the year of our Lord 1996.

By the governor:

JOHN A. KITZHABER,
Governor.
PHIL KEISLING,
Secretary of State.

The VICE PRESIDENT. If the Senator-elect will present himself at the desk, the Chair will administer the oath of office as required by the Constitution and prescribed by law.

Mr. WYDEN of Oregon, escorted by Mr. HATFIELD of Oregon, advanced to the desk of the Vice President; the oath, prescribed by law, was administered to him by the Vice President; and he subscribed to the oath in the official Oath Book.

[Applause, Senators rising.]

The VICE PRESIDENT. The minority leader.

Mr. DASCHLE. Mr. President, I will be very brief. While Senator WYDEN greets his new colleagues, let me just say how much we appreciate his presence and how delighted we are he has now joined our ranks. My wife, Linda, and I want to congratulate his wife, Laurie Wyden, and his children, Lilly Wyden and Adam Wyden, as they celebrate their father's victory, as well.

We are very enthusiastic about the opportunity to serve with Senator WYDEN. We look forward to a long and productive career for him in the Senate.

Let me thank him for all of his good service in the years he has already served in the House of Representatives, and let me again express our enthusiasm and our congratulations to him personally.

Let me also congratulate the State of Oregon for the fine way with which it conducted the campaign. They may have set a new marker for the rest of us and yet another example of democracy at its finest. We will look with great interest as other States experiment with mail-in balloting. If it will produce the same result as the result in Oregon, let me say, I enthusiastically endorse it.

[Applause, laughter.]

The VICE PRESIDENT. The senior Senator from Oregon.

Mr. HATFIELD. Mr. President, I am not going to be quite as brief. Last week, Oregonians chose RON WYDEN as their new U.S. Senator in a special vote-by-mail election. This was a closely contested election with RON WYDEN prevailing with 48 percent of the vote.

Today, Congressman WYDEN becomes Senator WYDEN. He brings with him almost 16 years of service to Oregon in the House of Representatives and, more important, he brings a keen intellect and an understanding of the important issues facing our State. He also possesses a very gifted and able staff, which I am confident will make the transition from the House of Representatives to the Senate swiftly and with competence.

Senator WYDEN has proven that he is dedicated to the people of Oregon. After spending 2 months campaigning across the State, he has now an even better understanding of the unique, independent spirit that typifies the citizens of our State. My overall goal throughout my entire tenure in the Senate is to improve the quality of life for all Oregonians. This is a goal I know is shared by Oregon's new Senator.

Oregon's independent traditions have often placed our State at the cutting edge of democracy. In 1902, voters created the initiative and referendum. This process allows citizens to propose new laws or change in the State's constitution through an election-ballot measure. This change allowed a sharing of power between the State legislature and the electorate.

From 1902 to 1994, voters put 272 initiatives on the ballot, of which 95 passed and became law. This was a historic change in the political process, and soon many other States followed.

Ninety years later, Oregon continues to take the lead in democratic innovations. The special election for the U.S. Senate in which RON WYDEN was elected was conducted entirely by mail. From the primary to the general, Oregon became the first State to conduct a mail-only election to fill a Federal vacancy. This experiment in democracy was a dramatic success. Sixty-six percent of Oregon's 1.8 million registered voters cast ballots in the general election. By comparison, a 1993 Texas Senate race only saw a 21-percent turnout. By anybody's count, voting by mail has dramatic, positive impact on voter participation.

Voter turnout has reached dismal proportions in this country. People have become disenchanted with the entire political system, and they are declining to become involved. A recent national survey by the Washington Post, Harvard University, and the Kaiser Family Foundation, found a widespread contempt for Government and political leaders. When asked how often do you trust the Government in Washington to do the right thing, only 25 percent responded that they trust the Government a majority of the time.

This conclusion paints a grim picture of the democratic future of this country, and restoring public trust in Government is the greatest challenge confronting each of us who holds elected office. With politicians ranking below dog-catchers in public opinion polls, steps need to be taken to improve the public's perception of our profession.

It is my commitment to restoring public confidence in the political system that undergirds my support for measures that increase voter participation. Citizens will continue to hold our institutions in ill repute as long as they remain disillusioned with the system. It is when people become a part of the process, when they have a stake in the outcome, do they begin to understand and trust their Government.

Oregon's experience in voting by mail was a success because it broadened the base of political participation. The same principle undergirded our support for the national voter registration, commonly known as motor-voter. That became law during the 103d Congress, and the law provides national uniformity in access to the electoral process by allowing voter registration through the mail and at government agencies and at departments of motor vehicles throughout the country. But Oregon preceded this national law. Oregon was one of the first States to experiment with motor-voter, and the success we experienced in the laboratory of our State convinced me that our innovation was worthy of trial on the national level. Motor-voter has increased access to the voter registration process. That increased access has benefited both political parties, not one over the other.

The editorial board of the Washington Post yesterday declared that Oregon's experiment in vote-by-mail elections was a success. The editorial continued stating "a State with a longstanding reformist tradition may thus have pointed the way toward expanded political participation and at a moment when voters are so widely described as fed up with (and indifferent to) politics."

Increasing the number of those who take part in the electoral process is critical to ensuring the vitality of democracy. The greatness of our Republic was founded on and rooted in a broad base of voter participation.

We are the Government of the people, by the people, and for the people, and if the people cease to participate, then our system is in danger.

So I take this occasion to congratulate RON WYDEN in his victory and Oregon with experimenting with a new innovation.

[Applause.]

Mr. DOLE. Mr. President, with the oath of office just administered, RON WYDEN becomes the 1,827th person to have served in the U.S. Senate. And on behalf of Senate Republicans, I welcome our newest colleague to the Chamber, and I welcome the many Oregonians who join us in the gallery for this occasion.

Under the Senate rules, Senator WYDEN is now our most junior member—ranking 100th in seniority. That is exactly the same position Senator HATFIELD from Oregon found himself in when he came to the Senate 29 years ago last month.

And I think most of my colleagues would agree with Senator HATFIELD, who said recently that when he came to this Chamber, he thought the seniority system was a bit silly. But the longer he stayed here, the more sense it made.

I know that Senator WYDEN has a great deal of respect for Senator HATFIELD, and no doubt about it, there is no better guide in explaining the Senate rules, procedures, and traditions—many of which are very different from the House, where Senator WYDEN served for the past 15 years.

One of the differences is that in the House there are limits on how long Members can speak, while there is no such limit in the Senate. Senator THURMOND holds the record, speaking on one occasion for 24 hours and 18 minutes. And I would suggest to Senator WYDEN that is one record he might not want to break—especially with all his family and friends present today.

Another tradition here is that for the past many decades, Senators have written their name in the drawer of the desks we are assigned here on the floor.

The desk I occupy, for instance, has served as the desk of the Republican leader for over half a century. In fact, the first Republican leader to sign this desk was Senator Charles McNary of Oregon.

Senator WYDEN's desk also has a long history. And I note that the last 13 Senators to have occupied it were Republicans, and hope that some of that heritage will rub off on Senator WYDEN.

Finally, let me admit that it is no secret that Senate Republicans were hoping for different results in Oregon's very close election.

But I take heart in the fact that even though Senator WYDEN is the 47th

Democrat Senator, he is also the fourth Senator in this Chamber to have been born in Kansas, and certainly that will help him a lot here.

Senators KASSEBAUM, SPECTER, and myself welcome you to the Kansas caucus, Senator WYDEN, and we will get back to you later about the time and place of our next meeting.

[Applause.]

RECESS

The VICE PRESIDENT. The Senate will stand in recess until 2:15 p.m.

Thereupon, the Senate, at 12:53 p.m., recessed until 2:14 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. COATS].

Mr. PRESSLER. Mr. President, I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE FARM BILL

Mr. PRESSLER. Mr. President, I support the freedom-to-farm concept. Most farmers in South Dakota that I have talked to want the freedom-to-farm concept.

The Senate is in a filibuster situation, although the word "filibuster" is not being used. We are not being allowed to proceed to the farm bill by the Democrats. We must produce 60 votes in order to proceed. We apparently do not have 60 votes, at least not up to this point.

People should understand that many of us want to pass a farm bill. If we were permitted to proceed to the bill, we could then start offering amendments and begin discussion. However, the other side is not allowing the farm bill to come up.

Mr. President, I urge my colleagues to consider supporting S. 1541, the Agricultural Market Transition Act. Should cloture not be invoked on S. 1541, I urge my colleagues to support the compromise offered by the Senators from Idaho and Vermont, Senator CRAIG and Senator LEAHY. Their amendment incorporates all of S. 1541 and includes a number of other reforms. If we do not have the Freedom to Farm Act, we could have the Leahy-Craig substitute, which has the freedom to farm but includes a number of reforms.

Mr. President, I was recently back home in South Dakota and spent time talking to farmers about what needs to be accomplished in future farm programs. The message was loud and clear: flexibility, certainty, and less Government involvement. Both S. 1541 and the Craig-Leahy compromise would provide all of those things.

Mr. President, S. 1541 would provide greater economic stability to producers. Producers in South Dakota are telling me not to extend the 1990 farm bill, and by all means do not let the underlying 1949 act be the operative act for 1996. After careful review, many producers say, support S. 1541.

There will be a lot of unwarranted criticism expressed over S. 1541. Those opposed to the bill say we need a permanent safety net for farmers. I say there is nothing permanent about Federal farm policy. The past farm bills were not permanent. All generally covered periods of 4 or 5 years.

Mr. President, S. 1541 would provide a 7-year plan. Unless economic conditions warrant an earlier revisitation of Federal farm policy, we will no doubt be putting together a new farm bill in 2002. So S. 1541 does not eliminate the real safety net for farmers, which, frankly, is the Congress itself. Those people who say there will be no farm programs after 7 years simply are not shooting straight. Past farm bills never carried assurance of future farm products except for 1938 and 1949 Agricultural Acts.

Mr. President, let me summarize my position. Congress should pass a farm bill now. We are ready to act. It is my recommendation if we cannot adopt the freedom-to-farm bill, we should adopt the Leahy-Craig substitute, which is the freedom-to-farm bill with amendments. We cannot even adopt amendments to that since there is basically a filibuster going on here. We have to produce 60 votes in order to proceed.

I implore my colleagues to let us proceed on the farm bill, offer amendments, as we have in the past in good faith here, in a bipartisan way. Let us amend the Craig-Leahy substitute. We are ready to go.

Our farmers are ready to go to the fields soon to plant. They are making their plans with their bankers now. They need certainty.

Federal Reserve Board Chairman Alan Greenspan and others have estimated that commodity prices in the next 5 years will be very high because of demand in China and other demand overseas. The biggest farm bill we could adopt is probably a balanced budget, because if we have a balanced budget we will have low-interest rates for farmers and businessmen. We also will have a stable dollar for international trade. I believe we can have a booming agriculture for the next 5 years if we have a balanced budget and if we move toward the concepts in freedom to farm.

Mr. President, our farmers want flexibility—that is to be able to plant new crops and different crops. If we continue to go with a regulated Government system, the Department of Agriculture defines which crops must be planted. Indeed, it is true that wheat and corn are probably best suited to much of our soil. But who is to say that some new crop might not be experimented with and might come forth.

It is said if we have the Freedom to Farm Act that, after 7 years, the farmers will be left on their own. That is not necessarily true. Just like with a 5-year farm bill, the Congress does something new afterward. If the Congress in 7 years finds that the farmers are in need of it, they can pass a farm bill. They can even reinstitute the present farm bill if they wish. So that is not a good argument.

In talking to my farmers in South Dakota, they like freedom to farm. My farmers like the concept of flexibility of crops. The farmers in South Dakota like the concept of doing away with all the paperwork and Government regulation that has built up around this program.

There are those who would say we should not abolish the 1938 and 1949 Agricultural Acts. I disagree. It is time to abolish those acts because they are obsolete. Now is the time for forward thinking reforms. We should not be in a position of carrying forward outdated and ineffective 50-year-old farm policies as the basis for agricultural planning in the 21st century.

Opponents of S. 1541 want to extend existing farm policy for 1 or 2 years. Mr. President, the one thing my producers have made abundantly clear is they do not want the Federal Government telling them what they can or cannot plant, and making other decisions for them. They want, and deserve, full flexibility. An extension of existing policy means that Government will continue to dictate farming practices. This simply is unacceptable.

Under S. 1541, producers would have greater planting flexibility. Producers would have the opportunity to respond to market conditions. This is vital for their economic survival. Opportunities would be endless. Producers would not lose payments if they decided to plant new and innovative crops.

Mr. President, S. 1541 is supported by the South Dakota Farm Bureau, the South Dakota Corn Growers, and many farmers throughout South Dakota. They see great opportunities for them in their operations. A recent study by the Food and Agricultural Policy Research Institute showed that S. 1541 would bring higher prices for corn, soybeans, and all livestock over the next 10 years. Current high prices for wheat also would be maintained.

Under S. 1541, net farm income is estimated to increase from $38 to $50.4 billion in 10 years. In addition, farm program payments would be reduced from $6.4 billion in 1995 to $5.04 billion in 2005. In short, S. 1541 would increase farm incomes while lowering farm program costs to our taxpayers. That is a great deal.

The last point is important if we are to reach our primary goal of a balanced budget. Mr. President, farmers and ranchers are some of the strongest supporters of balancing the Federal budget.

A balanced budget would be great news for South Dakota farmers and ranchers and their families. It would mean lower interest rates and a growing economy. A balanced budget would reduce interest rates by at least 1.5 percent. A reduction in interest rates of that size would help raise farm income by more than $2 billion per year.

So, to conclude and to summarize, I support this Congress going forward on legislation on the farm bill now. I am weary of the filibuster that has kept us from dealing with amendments. If we cannot have the freedom-to-farm bill, let us have a modification of it, which the Leahy-Craig offer encompasses. This will mean more prosperity to farmers and also less costs to the taxpayers. It will mean strengthening our position in international trade, which will help our country in general.

We cannot delay any longer. Our farmers are meeting with their bankers at this hour, trying to work out their financial plans. In the southern part of our country, they are prepared to plant. The Congress seems to be dilly-dallying. Let people understand what is going on here. We, on this side of the aisle, are ready to legislate. We are going to have a cloture vote today. I plead with my colleagues, let us go and legislate and offer amendments and we will have a farm bill worked out. But let there be no misunderstanding out in the country. We are not holding this farm bill up. We are here, ready to legislate. The cloture vote this afternoon, if we fail, it will hold us up again.

I want to make it very clear to my farmers where this delay is coming from. My farmers, generally speaking, want freedom to farm. Let us get the truth out. Let us have a farm bill now.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from Indiana.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, is the Senate now in morning business?

The PRESIDING OFFICER. It requires consent to extend morning business.

Mr. DORGAN. My purpose in seeking recognition was to ask unanimous consent to be able to speak in morning business for 10 minutes. That will take less time if the folks on the majority side need the floor at some point.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE FARM BILL

Mr. DORGAN. Mr. President, I appreciate the indulgence of other Senators. My intention was that if we have some morning business that we have it on both sides. I want to be able to discuss for a bit the subject of agriculture and where we find ourselves. My specific interest in doing so is that I think there is some confusion about exactly where we are.

First of all, the farm bill is not now pending. We are in morning business. The farm bill will be pending when we finish morning business and bring it back to the floor of the Senate. But contrary to previous assertions, no one has prevented the farm bill from coming to the floor. It is on the floor. It is and will be the pending business before the Senate. There is not an effort and there has not been an effort by anyone to prevent the farm bill from coming to the floor. Those who suggest that are misstating where we are.

The farm bill will be on the floor of the Senate this afternoon. It is correct to state we have had a cloture vote and will likely have a second cloture vote this afternoon. To suggest we should invoke cloture so we can get on to amendments, however, is a suggestion that does not conform with the Rules of the Senate.

In fact, in order to offer many of the amendments that have been sent to the desk, you would have to avoid cloture so the amendments would be able to be offered as being germane. After cloture they would not be ruled as being germane.

The farm bill has been on the floor of the Senate a very short amount of time. So, a vote for cloture at this point, would be a vote to cut off the opportunity to offer amendments and have them considered. Many of us feel that would be inappropriate.

Let me emphasize this because it is very important. This is not a debate between those in the U.S. Senate who believe farmers ought to have more planting flexibility and those who believe they should not have more planting flexibility. That is what this debate is being portrayed as. But, that is not the case.

I have offered a couple of amendments that are sitting at the desk. I have previously offered unanimous consent requests about extension of current law. In every case with the amendments that are at the desk and the unanimous-consent requests that I have offered, we suggest that farmers be given planting flexibility on their base acres. Let the farmers decide what they want to plant, not the Federal Government.

When people stand up and say this is a choice between those who want to put you in a straitjacket on planting decisions and those of us who want freedom to farm, where you get flexibility, that is not the fact. It is a false choice.

No farm program proposal that I know of before this body would require that we be in that circumstance. Nobody is offering a choice in which farmers will be required to be told by the Federal Government what their planting decisions might or might not be. Everyone here, myself and others, believes that we ought to have substantial planting flexibility on base acres for farmers.

There is not any differences either, in my judgment, with respect to the issue of repayment of advance deficiency payments for those who suffered crop losses.

Everything I have offered through unanimous-consent requests, as well as the two amendments to the freedom-to-farm bill that are now at the desk, would do basically the same thing. We would forgive advance deficiency payments for those who have suffered crop losses. So, that is not what this debate is about either. If people stand up and say that is what this debate is about, that is a false set of choices.

I just heard a discussion, and I heard it previously, that this is not about whether there should be permanent farm law. They say, "Of course, there will be a farm program." Or they say, "There will likely be a farm program." That is not the case at all.

The freedom-to-farm bill has some attractive features which I hope we can capture and put into compromise and move forward. But it also has something which, in my judgment, is a bad feature for rural America. Most notably this is a bill that pays a severance payment. It gives severance pay to farmers for the purpose of transitioning them away from any sort of farm program at all.

Why do I say that? Because the freedom-to-farm bill itself says there shall be no more permanent farm law. This bill is going to repeal the underlying farm law. Why would they do that? Because they do not want permanent farm law.

They could rectify that easily, if they wanted to modify their proposal. But, they do not intend to modify it. These really are severance payments, paid up front, for the purpose of providing that there will be no further farm programs. That is what it is about. It is very simple and, in my judgment, cannot be misrepresented. I know people try, but it cannot be. There will no longer be a permanent farm law. That is the purpose of repealing it in this proposal.

The reason I care about this, as well as the reason that others care, is that we care whether there is a network of family farm yard lights out in rural America. In my judgment, if a farm bill is not designed to try to help family farmers, then let us not even talk about a farm bill. Then, let us not have a farm bill. Then, let us not have a U.S. Department of Agriculture, which was started under Abe Lincoln with nine employees and has become this behemoth down there. We do not need USDA and a farm bill if they are not designed to help protect family-sized farmers.

When you have international price depressions and prices drop, family farmers get washed away. They are too small to have much of a financial base to withstand declining international prices over which they have no control.

Will this country be farmed by giant agrifactories from California to Maine? If you think that is fine, then we do not need to debate this farm law. If that is what you decide then we do not need a farm program. However, if you think we ought to encourage and nurture a network of family farms in this country, have yard lights dotting the prairies, and have family farms that become the blood vessels that provide nourishment and economic health to rural areas and small towns, then you would care about the kind of farm program we enact.

Some of what has been suggested in the freedom-to-farm bill makes sense. Some of it makes no sense at all. Where we ought to find ourselves, in my judgment, is in a compromise in which we take the best of what both sides have to offer.

We had a compromise similar to that over the weekend. It has been discussed at some length. It is one that I would support and one that makes sense, in my judgment. It retains current permanent farm law. It substantially changes the up-front payments. It substantially increases flexibility on planning for farmers. It forgives advanced deficiency payments for those who have suffered crop losses. It does a lot of things which together represent the best features of what has been offered from both sides.

Yet we are told by some, "Either you invoke cloture and cut off debate and cut off amendments on the freedom-to-farm bill or we are not going to play; we will go home, and we will blame it on you all."

We are way beyond the issue of blame. This is February 1996. In the middle of last year there should have been a debate on the floor of the Senate about a farm bill, and there was not. Everybody in this Chamber knows that. We failed.

Now in February 1996, if we are going to construct farm legislation, let us not do it by holding a club to somebody's head. Let us do it by deciding that we will put together farm legislation the way it has always been put together in the U.S. Senate. That is, let's do it in a bipartisan way, taking the good ideas that come from both sides.

Senator GRASSLEY is on the floor. I expect he will want to speak next. He knows as much about agriculture as almost anybody in this Chamber and cares a lot about it. We may have different views of exactly how these cloture votes work and exactly what we ought to do for the future of family farming. But, we do not disagree, in my judgment, at all about the importance of agriculture in Iowa and North Dakota and the importance of family farmers in Iowa and North Dakota. We need to find a way to provide a bridge over the differences in this farm bill. We need to decide that at the end of today, or at the end of tomorrow, this Senate will have advanced a compromise into a conference committee that will benefit family-sized farms in this country.

I do not have the magic answer on how to do that. But there have been compromise talks over the weekend and last week that make a lot of sense to me. We should take the best features of several different proposals, put them together, and advance a plan that retains permanent farm law. That is very important. It does not pull the safety net out from under family farmers in the long term. It is not a severance pay proposal saying we are going to transition you. Any time somebody from Washington talks about transitioning, it is time to fasten your seatbelt.

I do not want to transition farmers. I want a new family farm program that recognizes the worth and the value of family farmers and this country's future. I want more flexibility. I want up-front advanced payments to help recapitalize family farms. I want all of the things that many of you want in this Chamber. But I want them put in the context of a compact of sorts for the future. I want a compact that says we care about the long-term health of family farms in America.

I took the floor only because I wanted to correct some of the things that have been said. It has been said people have objected to the debate on the farm bill last week and this week. That is not true at all. The farm bill is on the floor. The Senator from Indiana will call it back up. Right now we are in morning business. But the minute the Senator from Indiana or the majority leader comes to the floor, they will call up the farm bill, and it will be pending.

So those who say the farm bill is not before us because people have objected to bringing the bill to the floor do not understand the procedure. The farm bill is pending. The cloture vote is a vote about whether or not we should cut off the amendments that would provide alternatives, including a compromise of the type I have just discussed.

I hope that by the end of today, or tomorrow, no matter what happens on this cloture vote, that all of us, Republicans and Democrats, can do what we have done for 30 or 40 years in this Chamber. I hope we can finish our work by having fashioned a bipartisan compromise. I hope that we have created a farm bill that will work for the advantage and the betterment of family farms and our country's future. If we do that, we will all have done something worthwhile for rural America.

Mr. President, I yield the floor.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

MORNING BUSINESS

Mr. LUGAR. Mr. President, in behalf of the majority leader, I ask unanimous consent that there now be a period for morning business until the hour of 3:15 p.m. with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I ask unanimous consent, if I may, to extend my 5-minute period to a 10-minute period of time.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

THE FARM BILL

Mr. GRASSLEY. Mr. President, I hold up two volumes of legislation because when Congress says it does something, the public at large is cynical about our doing anything, particularly anything that is very complicated, and particularly not just when we finish talking about action on a farm bill. I hold up the Balanced Budget Act of 1995, a 1,800-page document that was put together over a period of about 8 months by 13 different committees—those committees are listed here—in the U.S. Senate to fulfill a promise that the majority party, the Republican Party, made to the people in the 1994 election that we would balance the budget.

This document, scored by the nonpartisan Congressional Budget Office, balances the budget—1,800 pages. It includes welfare reform, saving $58 billion. It includes the saving of Medicare—the saving of it, the strengthening of it, giving people choice for the first time in that Government program. It has very good tax programs in here. Just balancing this budget will save agriculture 2 percentage points, and any loan in the United States about 2 percentage points, on interest.

This also includes the agriculture bill that would have been a 7-year agriculture program. If the President had not vetoed this bill in early December last year, we would not be debating farm legislation, and we would not only have a farm bill that would be good for agriculture, but we would also have a lot of other tax policies and interest policies that would be even more beneficial to agriculture—and to the entire country, for that matter—than even maybe the farm bill would be beneficial to agriculture.

So here is last year's product to balance the budget—1,800 pages. The President vetoed it. He has a constitutional right to veto it. But one person stood in the way last year of our having a farm program, and that was the President who vetoed the Balanced Budget Act of 1995.

I wanted to hold that up because maybe people do not really believe we passed a comprehensive piece of legislation to balance the budget, and maybe the farmers do not know that we passed provisions in here for the Freedom-To-Farm Act so that we would be able to transition farm programs from the Government regulated and dominated environment of the last 50 years to the free trade environment and the export environment that we are going to have under GATT into the next century.

My good friend from North Dakota spoke eloquently about his point of view on the farm bill, and he and I can speak in a friendly fashion about agriculture. We do that all the time. It may not appear on the floor of the Senate that we do that, but we can sit down and discuss farm legislation.

I do not take the floor in opposition to what he said but just to point out to some people, to the public at large, not just to the farmers of America, what sometimes drives legislation in the Congress.

I wish to read from the CONGRESSIONAL RECORD a letter that the Senate minority leader, Mr. DASCHLE, put in during his debate last week. This letter that he inserted lists a lot of organizations that were against the compromise that was worked out.

By the way, we had a compromise worked out last week with what we thought were enough Democrats so we would get enough votes to have cloture and move forward. It happens that we did not get enough Democrat votes to do that. But anyway, quoting from a paragraph which is part of Senator DASCHLE's speech, he says:

> I am very pleased by a letter that we received just this morning from a large number of very reputable organizations including the National Audubon Society, the Environmental Working Group, Henry A. Wallace Institute for Alternative Agriculture, Sustainable Agriculture Coalition, National Resource Defense Council, the National Rural Housing Coalition, who are saying that even with the Leahy improvements—

Those were the amendments that we had accepted last week.

> they are strongly in opposition to passing the so-called freedom to farm.

I would like to read a list of organizations in a letter I did not read last week who are in support of what we are doing, because I think there is an extreme contrast here. A lot of the organizations that the Senator from South Dakota listed are all very reputable organizations. There is nothing I wish to say that detracts from the good work they do in Washington, DC, for the interests they have. But the question I wish to raise as I read a list of organizations supporting what we are trying to do today and what we were trying to do last week, is the extent to which the groups driving the debate on the other side are not solely interested just in agriculture but are having more dominance in the debate than farm organizations like this that support what we are trying to do: the American Farm Bureau, the Cotton Council, the American Cotton Shippers, National Feed and Grain Association, National Grain Sorghum Association, United Egg Producers, the National Barley Growers, National Cattlemen's, National Corn Growers, the Fertilizer Institute, the National Potato Council, the National Pork Producers, National Turkey Federation, the National Broilers Council, the North American Export Grain Association, and the United Fresh Fruits and Vegetables Association. I could name their affiliates in the State of Iowa that are supporting this legislation, and I would imagine most of the State affiliates are supporting it.

So it is probably unfair to say that what groups want in this town drive what individual Members want. But I think there is a stark contrast between the organizations that were listed by Senator DASCHLE and those I just listed. Those listed by Senator DASCHLE mostly lean toward the environmental point of view on agriculture. Although it is legitimate to have environmental groups with an interest in what agricultural legislation is going to be, we ought to ask whether or not these groups ought to have primary consideration in opposition to the changes in the farm program. These changes will direct agricultural policy toward the next century as opposed to keeping the agriculture policy of this century and the last 50 years, which in the new environment we are currently in, is obviously outdated. We ought to be looking to these organizations I just read that support what we are trying to do because they are forward looking, to make sure we are producing for the future and the global trade environment of the future.

I hope that we do spend our time in consideration of what we ought to have for a farm program that is free of Government regulation to the greatest extent possible, even having a safety net, but have that safety net be a cooperative effort between the private sector and the public sector that can guarantee income as well as production and have income support for agriculture.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GRASSLEY. I ask unanimous consent to have 5 more minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SAVING MEDICARE FROM BANKRUPTCY

Mr. GRASSLEY. Mr. President, every once in a while, when we take defeat after defeat because of a Presidential veto—and I think the President has vetoed half of the appropriations bills that we have passed this year. Oddly enough, most Presidents veto appropriations bills because the Congress is wasting money. This is the first President I know who is vetoing appropriations bills because we are not spending enough money. And yet he is talking to the Governors' association this morning about how he is going to balance the budget, and he vetoes the appropriations bills that are balancing the budget. But anyway, once in a while we get an opportunity to say we were right. In this particular case, this Balanced Budget Act of 1995 was right because one of the major provisions of this Balanced Budget Act of 1995, which we would have had to do unrelated to balancing the budget or even unrelated to tax decreases, was to save Medicare from bankruptcy. This document not only saved Medicare from bankruptcy, it strengthened Medicare, and it also gave for the first time the elderly people of America, the senior citizens of America, the retired people of America, those who rely upon Medicare as their primary health insurance group, an opportunity to have something different than just a Government-run program.

They could have had medical savings accounts. They could have had continued a union or association plan where they last worked. They could have bought into managed care, and they would be able to go from traditional Medicare to a medical savings account and back next year if they wanted to. They could go from traditional Medicare to a managed care plan and try that for a year and go back and not cost them anything, but have that option through a voucher of having Medicare pay for whatever their option is.

It is the same thing that we have in the Congress. Every December we have what is called—I do not remember the terminology—but we have a season that we can change from one program to another. We are giving them the same thing Congress has, the same thing Federal civil servants have.

Once again, the President vetoed this in early December 1995. So our efforts to save, our efforts to strengthen and our efforts to give seniors choice for the first time went down the drain.

We did it because the trustees in April said Medicare was going to be busted, bankrupt in the year 2002, 7 years from now. That is why we did what we did in this. I do not know why the President vetoed it. Does he want it to go bankrupt, or does he want a political issue? I do not know why, but he did.

Yesterday, we had in the New York Times something that should have probably been released to the public back in October. Why it was not until now I do not know. I hope there was no coverup on the part of the administration to keep it from being published.

We have a report from HCFA's chief actuary that Medicare lost money in 1995 for the first time in 23 years. It is a 29-year-old program. So early on, it had another period of 1 year when it spent more than it took in.

But now for the first time in 24 years, Medicare is spending out more than it is bringing in in taxes, which emphasizes what the trustees said in April of last year. They pleaded with Congress. They pleaded with the Republican Congress: "Take action right now because it is going to be easier to do it now than it will be in the year 2001 or 2002 when it is just about ready to go under." This had not been anticipated to occur until 1997.

What we learn now through the newspapers, the chief actuary giving this report last year, is the Medicare hospital trust fund lost $35.7 million. In other words, it took in that much less than we had anticipated.

He was not sure when part A would be depleted, but he did say that it could be earlier than 2002.

In any case, according to the actuary, this recent finding does not help the trust fund. It gives more insecurity to the people on Social Security and it, of course, emphasizes what we were trying to say when we passed this Balanced Budget Act of 1995 which saved Medicare.

So I hope that the President comes around to a point of view of cooperating with the Congress to a greater extent than he has on the saving of Medicare, because this is one time the Republican Congress is way ahead of the White House.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Oregon.

FAMILY PLANNING PROGRAM

Mr. HATFIELD. Mr. President, 2 weeks ago, the Senate was compelled to pass H.R. 2880, the Balanced Budget and Downpayment Act, to avert another Governmental shutdown. As I observed on the day of consideration, we did so under great duress, being forced to set aside our right and duty to amend the legislation.

Of particular concern to me remains the harsh treatment given to the Agency for International Development's family planning program. Though it was known at the time that the formulation of this account was nearly calamitous, closer examination of the provision has revealed that the situation is far worse than had been imagined at that time.

The provisions that passed the Senate and the House halts family planning assistance programs until July 1 of this year. Following July 1, funding may be provided at 65 percent of the fiscal year 1995 level, apportioned on a monthly basis for 15 months.

What this means is that only 14 percent of what was available for obligation in fiscal year 1995 for family planning will be available for obligation this entire fiscal year—14 percent. None of us would normally tolerate a cut of this magnitude, made without the benefit of any debate, particularly on a program which enjoys such strong bipartisan support. And yet we did it.

Stated differently, and more important, what we did is bar access to family planning services to approximately 17 million couples, most of them living in unimaginable poverty. We opened the door to the probability of at least 14 million unintended pregnancies every year, tens of thousands of deaths among women and nearly a million deaths among infants and young children annually. Indeed, we embrace the probability of at least 4 million more abortions that could have been averted if access to voluntary family planning services had been maintained. This is what we did.

These numbers, which are calculated through statistics from organizations like UNICEF and the World Health Organization are as disturbing as they are astounding, particularly to those of us who are faithfully and assertively pro-life. To doubt these numbers may bring temporary relief to people of conscience, but doubters should consider the experience of families in the former Soviet Union where family planning services have been unavailable for decades.

The abortion rate in Russia spans from a conservative estimate of 4 abortions per woman to a shocking high of 12 abortions for some women over their reproductive years. Since there have been virtually no, and I suggest that you underscore when you are listening as well as when I speak, no planning services available in Russia, abortion has become the chief method of birth control.

The framers of the family planning language in H.R. 2880 ensured, perhaps unintentionally, that the gruesome experience of Russian women and families will be replicated throughout the world starting now.

In each of the last two foreign operations appropriations bills, I have made sure that adequate money has been devoted to starting family planning programs in Russia. Similar programs in Hungary have shown a 60-percent reduction in the abortion rate there, 8 years after the introduction of family planning. We had hoped for such success in Russia, but now the future is uncertain.

The family planning language in H.R. 2880 is not prolife, it is not prowoman, it is not prochild, it is not prohealth, and it is not profamily planning. It inflicts the harm of a profound misconception on very poor families overseas who only ask for help in spacing their children through contraception, not abortion.

Some of our colleagues appear unaware that the prohibition on funding abortions with U.S. foreign aid money has been in place since 1973. AID's excellent family planning program, widely recognized as the most efficiently run in the world, has taken a strict and conservative interpretation of this prohibition, and seeks instead to prevent abortions by offering alternatives. Demand has always exceeded supply, and unmet needs continue to grow.

We urgently need to correct the mistake we made in H.R. 2880. We need to restore, with rhetoric and with resources, support to AID's family planning program. For those of us who take a prolife position, this is the most effective way to reiterate our profound opposition to the practice of abortion. All the antiabortion speech this Chamber can tolerate will not reduce the number of unintended pregnancies as swiftly or as surely as our support for voluntary family planning.

I intend to do what I can to rectify this situation as soon as possible, and urge my colleagues to join in this effort.

AGRICULTURAL MARKET TRANSITION ACT

Mr. GRAMS. Mr. President, as the Nation's farmers look ahead to the new planting season, I rise today in support of moving forward on much-needed farm bill legislation.

Over the past year, I have met with farmers, businesses, bankers, and community leaders across Minnesota. They have told me of the urgent need to develop a farm bill which will show them the direction farm policy will move over the next couple of years.

Clearly, our farmers and agribusinesses deserve a reasonable and responsible roadmap of the Nation's long-term agricultural policy. If Washington continues to delay action, decisions about planting, equipment purchases, fertilizer and seed sales, and credit hang in the balance. And as a result, our agricultural economy will suffer.

This current predicament is a perfect example of how Government interference in the area of agriculture has taken its toll on the productivity of our farmers, agribusinesses, and the other sectors of our economy which depend on them.

By expanding the role of Government so deeply into the business of farming, Washington has taken much of the decisionmaking authority away from the real experts—those who have planted, plowed, and harvested for generations—and handed it over to bureaucrats, some of whom are thousands of miles away from America's heartland.

I have always said with pride that Minnesota's farmers are among the most productive in the world. Historically, Minnesota agriculture has ranked first in sugarbeet production, third in spring wheat and sunflower production, fourth in barley and oat production, sixth in corn production, third in swine products, and second in turkey processing. Of course, Minnesota has always been among the Nation's leaders in milk and cheese production. It is also quickly becoming a leading exporter of raw and value-added products.

But there is so much more that our farmers can do, if only we would free them from the burdens of inflexible regulations, high taxes, and the overreaching arm of Government. Government should not get in the way of farmers. It should set a level playing field so that farmers from across the country can compete fairly with each other, regardless of geographic region or commodity item. We owe it to our farmers to do nothing less—and nothing more.

We also owe it to the American taxpayers—the people who pay for the jumbled agricultural policy Washington has created—to fix the failed policies of the past and ensure that their tax dollars are put to work most efficiently.

First and foremost, we must provide greater flexibility for our farmers. Current Federal policies dictate decades-old planting patterns set by Washington and require every farmer to visit USDA annually to comply with its seemingly endless paperwork requirements.

Today, the Senate can help alleviate some of those burdens by passing a bold, new approach called the Agricultural Market Transition Act.

This innovative plan, initially crafted by Majority Leader DOLE, Agriculture Committee Chairman LUGAR and other members of the Agriculture Committee, offers farmers the flexibility they will need to remain strong into the next century.

Under this proposal, farmers can plant for what the marketplace demands, not what traditional Government crop subsidies have dictated. It would give farmers in Minnesota additional flexibility in meeting the needs of value-added cooperatives and their customers who use products like ethanol.

This bill also simplifies paperwork requirements for farmers. Instead of the current annual paperwork load they face today, passage of this legislation means many farmers may only need to visit the local CFSA once as part of a 7-year contract.

The Agricultural Marketing Transition Act also gives farmers the needed certainty of a fixed, 7-year payment with fixed parameters. Many farmers in Minnesota, especially in the younger generation, need this certainty for long-term loans and other financial decisions.

For these and other reasons, farm groups in Minnesota, such as the wheat growers, barley growers, corn growers, bean growers, the Minnesota Farm Bureau, and the Minnesota Department of Agriculture have endorsed passage of this bill. They know it will give them the flexibility and the opportunity for long-term growth potential in farm income.

But while I enthusiastically support much of this bill because it helps both Minnesota's farm community and the American taxpayer, I must raise my strong concerns about its failure to enact substantial progress in the area of dairy reform.

Having sought the counsel of Minnesota's dairy industry, I am well aware of the problems caused for milk producers, taxpayers, and consumers by our archaic dairy program. For instance, Federal milk marketing orders have helped cause the loss of thousands of dairy farms in Minnesota alone over the last decade.

Under this troubled business climate, Minnesota continues to lose an average of nearly three dairy farms per day.

In addition, the Minnesota dairy industry is adamantly opposed to the Northeast Dairy Compact. I firmly believe this well-intentioned proposal will lead to a regional balkanization of the dairy industry and threatens to make our dairy program even more unwieldy for the dairy processors and producers that I represent.

Instead of letting protectionism get in the way of our dairy producers, we should begin enacting long-term, common-sense reforms that deregulate the Federal Dairy Program.

I understand that the regional politics currently tying up this bill prevent us from making these long-term dairy reforms. At the very least, however, I believe we should consolidate milk marketing orders, eliminate costly producer assessments, and reduce the price supports for dairy commodities to a reasonable level.

By establishing a level playing field for dairy producers, we can dramatically improve and preserve a vital segment of our agriculture industry as a whole. I hope to have the commitment of the chairman and the ranking member of the Agriculture Committee to work with me in the future on these and other reforms.

Enacting a more productive farm policy must be our goal, and we can begin this process by freeing farmers from Government interference, encouraging the use of market discipline in farm decision-making, while at the same time protecting the American taxpayers.

This bill makes that important first step and gives our farmers, small business owners, and lenders what they need—a roadmap to guide them in the important decisions ahead.

I encourage my colleagues to support this legislation and the cloture motion before us today.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, what is the regular order?

The PRESIDING OFFICER. Senators can speak up to 5 minutes in morning business.

Mrs. HUTCHISON. Thank you, Mr. President.

SUPPORT FOR THE CLOTURE VOTE

Mrs. HUTCHISON. Mr. President, I rise to ask my colleagues to support the cloture vote so we can enact a farm bill not only this year, but in time for farmers to make the decision about what they are going to plant. Right now, our farmers are in a most precarious position. In my State of Texas, it is planting season, and yet they do not know if the freedom-to-farm provisions are going to be available to them, or whether they are going to have a 1949 law to comply with.

Mr. President, that is not reasonable, and it is not responsible for Members of Congress not to take up this bill and offer their amendments, but to refuse to take up the bill is irresponsible. I urge my colleagues not to do that to the farmers of America. Their lives are tough enough. The last thing they need is to make the wrong guess and have a disastrous year.

That is what is going to happen. The bill is very clear. It is a freedom-to-farm bill, so that you will have the ability to make your own decisions based on your soil and what you think is your best ability to farm the commodity that you like the best. That is new and it is very important.

It also eliminates the costly, timely paperwork required to comply with current regulations. It eliminates the need for most of the regulations now necessary to govern current programs. The freedom-to-farm portions contribute to the deficit reduction by reducing agriculture spending by more than $12 billion over 7 years.

What happens, Mr. President, if we do not invoke cloture and pass this bill today? Reversion to the permanent law, which is what will happen if we do not enact this bill, would be disastrous. First, it would give farmers a parity price based on 1914 economic conditions. That would result in domestic prices double or triple the world price, which would, of course, erode our carefully cultivated export markets. We have just passed GATT, which is supposed to break down the barriers in our agriculture exports, and yet this bill would be a reversion. That is, if we do not pass this bill, it will be a reversion to the old ways of doing things which are not best for today.

It would mean that the USDA would have to buy all the excess wheat that was not taken up on the world market. It would obliterate our ability to have a balanced budget. Reversion to permanent law, by USDA's account, would cost taxpayers an additional $2.3 billion in the first year alone.

I share the concerns that my colleague from Minnesota has just stated about the dairy portions of this bill. I do not like it. That Northeast compact is going to hurt other dairy markets around the country. I do not think that is right. We will have a chance to vote on that because amendments will be in order if we invoke cloture.

There is no reason that I can see that a Member of this body can responsibly vote against cloture to allow us to debate this bill and pass something that will give our farmers the ability to plant according to their own needs in time for them to do it. It would be just like Washington, DC, which is out of touch with everything else, to finally pass this bill in March or April when the planting season has passed for many of the farmers in our country. Mr. President, we cannot do that. It is not responsible. I am speaking for the farmers, the hard-working small business people of my State and all the States for which agriculture is so important for their economies and for their families.

I urge my colleagues, vote for cloture. There is no reason to fear debate on this bill. There is every reason for us to do the responsible thing so that our farmers and ranchers have the ability to make the decisions that they need to make in a responsible way. It is the least they can expect from the U.S. Congress. I yield the floor.

The PRESIDING OFFICER (Mr. COATS). The Senator from New Mexico.

THE PRESIDENT'S BUDGET

Mr. DOMENICI. I will depart from the subject matter and just call to our attention and to the American people's attention a situation with reference to the President's so-called submission of a balanced budget.

First, as chairman of the Budget Committee, I was advised last week by the White House that they were going to submit this kind of document. Of course, I cannot do anything about whether they should submit this 20-page brochure in lieu of a balanced budget, but I suggested that it would not be a budget. The response was that it would be submitted in this manner.

I want everybody to know that the February 5 deadline for the submission of a budget which can be reached—I am not suggesting that it cannot be delayed, but to tell the American people that the President has submitted a balanced budget in compliance with the requirements of the law is just not true. This is 15 pages of political prose and advertisements and 5 pages of technical economic assumptions and the like. It is as if there really is nothing formal and specific about the Nation's budget.

Some may recall in the past when budget directors submitted their budgets, they were more than a few hundred pages. They had supplements to amend. That is because every item in the Federal budget was itemized in terms of expenditure. This budget is 15 pages of prose, 5 pages of tables. It says nothing about how the President proposes to spend the $12.2 trillion he has proposed to expend over the next 7 years.

I want the Senate and the people to know that this is not just a Senator speaking. There is a law about budgets. The law says in 31 U.S.C. 1105 that there are 31 specific requirements for a budget to be a budget. I ask unanimous consent to have printed in the RECORD for anyone who would like to peruse this, the 31 requirements of a budget.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

§1105. Budget contents and submission to Congress

(a) On or after the first Monday in January but not later than the first Monday in February of each year,[1847] the President shall submit a budget of the United States Government for the following fiscal year. Each budget shall include a budget message and summary and supporting information. The President shall include in each budget the following:

(1) information on activities and functions of the Government.

(2) when practicable, information on costs and achievements of Government programs.

(3) other desirable classifications of information.[1848]

(4) a reconciliation of the summary information on expenditures with proposed appropriations.

(5) except as provided in subsection (b) of this section, estimated expenditures and proposed appropriations the President decides are necessary to support the Government in the fiscal year for which the budget is submitted and the 4 fiscal years after that year.

(6) estimated receipts of the Government in the fiscal year for which the budget is submitted and the 4 fiscal years after that year under—

(A) laws in effect when the budget is submitted; and

(B) proposals in the budget to increase revenues.

(7) appropriations, expenditures, and receipts of the Government in the prior fiscal year.

(8) estimated expenditures and receipts, and appropriations and proposed appropriations, of the Government for the current fiscal year.

(9) balanced statements of the—

(A) condition of the Treasury at the end of the prior fiscal year;

(B) estimated condition of the Treasury at the end of the current fiscal year; and

(C) estimated condition of the Treasury at the end of the fiscal year for which the budget is submitted of financial proposals in the budget are adopted.

(10) essential information about the debt of the Government.

(11) other financial information the President decides desirable to explain in practicable detail the financial condition of the Government.[1849]

(12) for each proposal in the budget for legislation that would establish or expand a Government activity or function, a table showing—

(A) the amount proposed in the budget for appropriation and for expenditure because of the proposal in the fiscal year for which the budget is submitted; and

(B) the estimated appropriation required because of the proposal for each of the 4 fiscal years after that year that the proposal will be in effect.

(13) an allowance for additional estimated expenditures and proposed appropriations for the fiscal year for which the budget is submitted.

(14) an allowance for unanticipated uncontrollable expenditures for that year.

(15) a separate statement on each of the items referred to in section 301(a)(1)–(5) of the Congressional Budget Act of 1974 (2 U.S.C. 632(a)(1)–(5)).

(16) the level of tax expenditures under existing law in the tax expenditures budget (as defined in section 3(a)(3) of the Congressional Budget Act of 1974 (2 U.S.C. 622(a)(3)) for the fiscal year for which the budget is submitted, considering projected economic factors and changes in the existing levels based on proposals in the budget.

(17) information on estimates of appropriations for the fiscal year following the fiscal year for which the budget is submitted for grants, contracts, and other payments under each program for which there is an authorization of appropriations for that following fiscal year when the appropriations are authorized to be included in an appropriation law for the fiscal year before the fiscal year in which the appropriation is to be available for obligation.

(18) a comparison of the total amount of budget outlays for the prior fiscal year, estimated in the budget submitted for that year, for each major program having relatively uncontrollable outlays with the total amount of outlays for that program in that year.

(19) a comparison of the total amount of receipts for the prior fiscal year, estimated in the budget submitted for that year, with receipts, a comparison of the amount of receipts estimated in that budget with the amount of receipts from that source in that year.

(20) an analysis and explanation of the differences between each amount compared under clauses (18) and (19) of this subsection.

(21) a horizontal budget showing—

(A) the programs for meteorology and of the National Climate Program established

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Footnotes at end of article.

under section 5 of the National Climate Program Act (15 U.S.C. 2904);

(B) specific aspects of the program of, and appropriation, for, each agency; and

(C) estimated goals and financial requirements.

(22) a statement of budget authority, proposed budget authority, budget outlays, and proposed budget outlays, and descriptive information in terms of—

(A) a detailed structure of national needs that refers to the missions and programs of agencies (as defined in section 101 of this title); and

(B) the mission and basic programs.

(23) separate appropriation accounts for appropriations under the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.) and the Federal Mine Safety and Health Act of 1977 (30 U.S.C. 801 et seq.)

(24) recommendations on the return of Government capital to the Treasury by a mixed-ownership corporation (as defined in section 9101(2) of this title that the President decides are desirable.

(25) a separate appropriation account for appropriations for each Office of Inspector General of an establishment defined under section 11(2) of the Inspector General Act of 1978.

(26)[1850] a separate statement of the amount of appropriations requested for the Office of National Drug Control Policy and each program of the National Drug Control Program.

(28)[1851] a separate statement of the amount of appropriations requested for the Office of Financial Management.

(b) Estimated expenditures and proposed appropriations for the legislative branch and the judicial branch to be included in each budget under subsection (a)(5) of this section shall be submitted to the President before October 16 of each year and included in the budget by the President without change.

(c) The President shall recommend in the budget appropriate action to meet an estimated deficiency when the estimated receipts for the fiscal year for which the budget is submitted (under laws in effect when the budget is submitted) and the estimated amounts in the Treasury at the end of the current fiscal year available for expenditure in the fiscal year for which the budget is submitted, are less than the estimated expenditures for that year. The President shall make recommendations required by the public interest when the estimated receipts and estimated amounts in the Treasury are more than the estimated expenditures.

(d) When the President submits a budget or supporting information about a budget, the President shall include a statement on all changes about the current fiscal year that were made before the budget or information was submitted.

(e)(1) The President shall submit with materials related to each budget transmitted under subsection (a) on or after January 1, 1985, an analysis for the ensuing fiscal year that shall identify requested appropriations or new obligational authority and outlays for each major program that may be classified as a public civilian capital investment program and for each major program that may be classified as a military capital investment program, and shall contain summaries of the total amount of such appropriations or new obligational authority and outlays for public civilian capital investment programs and summaries of the total amount of such appropriations or new obligational authority and outlays for military capital investment programs. In addition, the analysis under this paragraphs shall contain—

(A) an estimate of the current service levels of public civilian capital investment and of military capital investment and alternative high and low levels of such investments over a period of ten years in current dollars and over a period of five years in constant dollars;

(B) the most recent assessment analysis and summary, in a standard format, of public civilian capital investment needs in each major program area over a period of ten years;

(C) an identification and analysis of the principal policy issues that affect estimated public civilian capital investment needs for each major program; and

(D) an identification and analysis of factors that affect estimated public civilian capital investment needs for each major program, including but not limited to the following factors:

(i) economic assumptions;

(ii) engineering standards;

(iii) estimates of spending for operation and maintenance;

(iv) estimates of expenditures for similar investments by State and local governments; and

(v) estimates of demand for public services derived from such capital investments and estimates of the service capacity of such investments.

To the extent that any analysis required by this paragraph relates to any program for which Federal financial assistance is distributed under a formula prescribed by law, such analysis shall be organized by State and within each State by major metropolitan area if data are available.

(2) For purposes of this subsection, any appropriation, new obligational authority, or outlay shall be classified as a public civilian capital investment to the extent that such appropriation, authority, or outlay will be used for the construction, acquisition, or rehabilitation of any physical asset that is capable of being used to produce services or other benefits for a number of years and is not classified as a military capital investment under paragraph (3). Such assets shall include (but not be limited to)—

(A) roadways or bridges,

(B) airports or airway facilities,

(C) mass transportation systems,

(D) wastewater treatment or related facilities,

(E) water resources projects,

(F) hospitals,

(G) resource recovery facilities,

(H) public buildings,

(I) space or communications facilities,

(J) railroads, and

(K) federally assisted housing.

(3) For purposes of this subsection, any appropriation, new obligational authority, or outlay shall be classified as a military capital investment to the extent that such appropriation, authority, or outlay will be used for the construction, acquisition, or rehabilitation of any physical asset that is capable of being used to produce services or other benefits for purposes of national defense and security for a number of years. Such assets shall include military bases, posts, installations, and facilities.

(4) Criteria and guidelines for use in the identification of public civilian and military capital investments, for distinguishing between public civilian and military capital investments, and for distinguishing between major and nonmajor capital investment programs shall be issued by the Director of the Office of Management and Budget after consultation with the Comptroller General and the Congressional Budget Office. The analysis submitted under this subsection shall be accompanied by an explanation of such criteria and guidelines.

(5) For purposes of this subsection—

(A) the term "construction" includes the design, planning, and erection of new structures and facilities, the expansion of existing structures and facilities, the reconstruction of a project at an existing site or adjacent to an existing site, and the installation of initial and replacement equipment for such structures and facilities;

(B) the term "acquisition" includes the addition of land, sites, equipment, structures, facilities, or rolling stock by purchase, lease-purchase, trade, or donation; and

(C) there term "rehabilitation" includes the alteration of or correction of deficiencies in an existing structure or facility so as to extend the useful life or improve the effectiveness of the structure or facility, the modernization or replacement of equipment at an existing structure or facility, and the modernization of, or replacement of parts for, rolling stock.

(f)[1852] The budget transmitted pursuant to subsection (a) for a fiscal year shall be prepared in a manner consistent with the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985 that apply to that and subsequent fiscal years.[1853]

§ 1106. Supplemental budget estimates and changes

(a) Before July 16 of each year, the President shall submit to Congress a supplemental summary of the budget for the fiscal year for which the budget is submitted under section 1105(a) of this title. The summary shall include—

(1) for that fiscal year—

(A) substantial in or reappraisals of estimates of expenditures and receipts;

FOOTNOTES

[1847] This period is here in the original. Section 13112(c)(1) of the Budget Enforcement Act struck the words "On or before the first Monday after January 3 of each year (or on or before February 5 in 1986)" here and inserted "On or after the first Monday in January but not later than the first Monday in February of each year." *See supra* p. 710.

The statement of managers accompanying the conference report on the Budget Enforcement Act hedges the changes made by that Act:

XI. Presidents Budget Submission

The conference agreement includes a provision permitting the President to delay submission to Congress of The Budget of the United States Government from the present requirement of "on or before the first Monday after January 3 of each year" to not later than the first Monday in February. The conferees intended that this increased flexibility be used very rarely to meet only the most pressing exigencies. An orderly and timely budget process requires that Presidential submissions be made on or before the first Monday after January 3 whenever possible. The conferees expect that Presidential submission dates will comply with the January deadline. H.R. CONF. REP. NO. 101–964, 101st Cong., 2d Sess. 1171 (1990), *reprinted in* 1990 U.S.C.C.A.N. 2017, 2876.

[1848] In addition to this broad statutory authority, the President also retains the Constitutional authority to "recommend to [Congress's] Consideration such Measures as he shall judge necessary and expedient." U.S. Const. art. II, §3.

[1849] In addition to this broad statutory authority, the President also retains the Constitutional authority to "recommend to [Congress's] Consideration such Measures as be shall judge necessary and expedient." U.S. Const. art. II, §3.

[1850] Section 1006 of the Anti-Drug Abuse Act of 1988 added this paragraph (26). Pub. L. 100–690, § 1006, 102 Stat. 4187 (1988). Section 1009 of that Act provides that this paragraph is repealed "on the date which is 5 years after the date of enactment," or November 18, 1993. *Id.* § 1009, 102 Stat. at 4188.

Note that section 5301 of the Omnibus Trade Competitiveness Act of 1988 added another paragraph

(26), if temporarily. Pub. L. 100–418, §5301, 102 Stat. 1462 (1988). Section 5303 of the Act provides:

The amendment made by section 5301 shall be effective for fiscal years 1989, 1990, 1991, and 1992, and shall be fully reflected in the budgets submitted by the President as required by section 1105(a) of title 31, United States Code, for each such fiscal year . . . . *Id.* §5303, 102 Stat. at 1463.

The now-former paragraph (26) read:

(26) an analysis, prepared by the Office of Management and Budget after consultation with the chairman of the Council of Economic Advisers, of the budget's impact on the international competitiveness of United States business and the United States balance of payments position and shall include the following projections, based upon the best information available at the time, for the fiscal year for which the budget is submitted—

(A) the amount of borrowing by the Government in private credit markets;

(B) net domestic savings (defined as personal savings, corporate savings, and the fiscal surplus of State and local governments);

(C) net private domestic investment;

(D) the merchandise trade and current accounts ;

(E) the net increase or decrease in foreign indebtedness (defined as net foreign investment); and

(F) the estimated direction and extent of the influence of the Government's borrowing in private credit markets on United States dollar interest rates and on the real effective exchange rate of the United States dollar. Pub. L. 100–418, §5301, 102 Stat. 1462 (1988) (expired).

Compare the parallel requirements for the report to accompany the congressional budget resolution formerly set forth in section 301(e)(10) of the Congressional Budget Act. *See supra* note 190.

[1851] This is so in the original. No paragraph (27) exists. The Chief Financial Officers Act of 1990, Pub. L. No. 101–576, 104 Stat. 2838 (1990), added this paragraph.

[1852] Section 275(b) of Gramm-Rudman-Hollings provides that section 1105(f) of title 31 shall expire September 30, 1995.

[1853] Section 13112(c)(2) of the Budget Enforcement Act amended subsection (f) to read as it does now. *See supra* p. 711. Before enactment of the Budget Enforcement Act, subsection (f) read as follows:

(f)(1) The budget transmitted pursuant to subsection (a) for a fiscal year shall be prepared on the basis of the best estimates then available, in such a manner as to ensure that the deficit for such fiscal year shall not exceed the maximum deficit amount for such fiscal year as determined under paragraph (7) of section 3 of the Congressional Budget and Impoundment Control Act of 1974.

(2) The deficit set forth in the budget so transmitted for any fiscal year not exceed the maximum deficit amount for such fiscal year as determined under paragraph (7) of section 3 of the Congressional Budget and Impoundment Control Act of 1974, with budget outlays and Federal revenues at such levels as the President may consider most desirable and feasible.

(3) The budget transmitted pursuant to subsection (a) for a fiscal year shall include a budget baseline estimate made in accordance with section 251(a)(6) of the Balanced Budget and Emergency Deficit Control Act of 1985 and using economic and technical assumptions consistent with the current services budget submitted under section 1109 for the fiscal year. If such budget baseline estimate differs from the estimate in the current services budget, the President shall explain the differences. The budget transmitted pursuant to subsection (a) for such fiscal year shall include the information required by section 251(a)(2) of such Act (other than account-level detail) assuming that the deficit in such budget baseline were the amount estimated by the Director of the Office of Management and Budget on August 25 of the calendar year in which the fiscal year begins.

(4) Paragraphs (1) and (2) shall not apply with respect to fiscal year 1989 if the budget transmitted for such fiscal year provides for deficit reduction from a budget baseline deficit for such fiscal year (as defined by section 251(a)(6) of the Balanced Budget and Emergency Deficit Control Act of 1985 and based on laws in effect on January 1, 1988) equal to or greater than $36,000,000,000.

(5) Paragraphs (1) and (2) shall not apply if a declaration of war by the Congress is in effect.

Mr. DOMENICI. Mr. President, I submit, and my quick analysis is, that the President has complied with none of them. Again, I repeat, if the President wanted to tell the American people he sent a vision statement up here, or if he wanted to say, "I sent a sunshine brochure up here"—it is in yellow and looks like sunshine—if he wanted to say that, that is fine. But to suggest that he sent a budget up here is clearly, clearly, a statement without any ability behind the White House to prove it. There is no budget.

Why do I say this and why do I come to the floor? First, some are saying, we should have a budget hearing on the budget. I say to my friend—two are here on the Budget Committee—there is no budget to have a hearing about. We could perhaps have a hearing about the nonbudget if some would like to have that.

Second, it is very easy to submit a budget with bulk numbers if you do not have to tell the public what you are going to do, so that in all the appropriated accounts, you do not have to tell them what you will spend money on and what you will not spend money on. It is another effort on the part of the White House to make everybody feel good and to make sure you feel good about the President's proposals because he has not yet told you what he will and will not do.

I submitted the 31 requirements, and I merely ask the White House and the President to submit a budget at the earliest possible time. I think the public deserves it. I think we deserve it. Again, I say to the White House, you have not submitted one. We understand that perhaps there is a lot of pressure this year and a shortage of time, but it would have been better if you would not have told the public you submitted one when you did not. Make sure when you do submit one that it is a budget, and then we can have hearings on it and let the American people know what is in it.

Mr. BOND. Mr. President, I ask unanimous consent I be permitted to speak up to 5 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE BUDGET

Mr. BOND. I say to my good friend, the distinguished chairman of the Budget Committee, perhaps because of the fact that the President submitted five budgets last year, the White House sent down five budgets—the last one did not even pass the smile test—they may have lost their enthusiasm.

I certainly do share the concerns expressed by the Senator from New Mexico. We had the last budget, I guess it was called No. 5, that purported to reach balance by making somewhere between 90 and 95 percent of the cuts in appropriated accounts in the 6th and 7th years. I traveled around my State the last couple of weeks and asked how many people believed the budget was honest if you said you would get to balance by making all the cuts in the 6th and 7th years. That is one of the best laugh lines around. I should have been using that in one of the roasts we had in town because that, from the commonsense folks I talk to, draws that kind of response.

A NEW FARM BILL

Mr. BOND. Let me move on to another item that was included in that Balanced Budget Act of 1995 that was vetoed by the President and that has been addressed already today on the floor. That is a new farm bill.

During the last several days, when farmers and all the rest of us came inside, I had the opportunity to talk to and hear from and answer a lot of questions from farmers in my State. They said, "Why don't we have a farm bill?"

I said, simply, the President vetoed the first one and we were unsuccessful in getting the votes to end the filibuster.

They said, "What are they filibustering?"

I said that is the difficult point. They do not have an alternative.

These people said, "We cannot go back to the old farm bills. What are we going to do?"

I said, "Well, we are going to try again to break the filibuster so the farmers of America and the people who depend on and work with the agricultural sector will know what the ground rules are."

These people who talk to me said, "We want flexibility. It is a lot better for our land. It is a lot better for the environment. It is a lot better for us if we can rotate our crops and we are not locked in to planting corn to keep our corn base," or other crops in which they have a base. They said, "We need to be able to choose what is right for our farming operation, our land, and what we think is best for the market."

I said, "Basically, that is the Freedom To Farm Act."

I think the Leahy-Craig substitute amendment represents the opportunity that the people of America, certainly the farmers in my State, have been looking for: to move forward in a bipartisan way to shape policy on behalf of our Nation's farmers and consumers. The modified freedom-to-farm legislation offers reform, opportunity, flexibility and predictability in a fiscally responsible way and with the growing support of Members on both sides of the aisle.

I have said farmers in my State have supported the bill. We have reform groups, such as Citizens Against Government Waste, who support this because it does save money. We have the Farm Bureau, corn growers, Cotton Council, cattlemen, pork producers, and the many others who have already been named by my colleagues who have spoken before. I concede we do not have all of the fringe groups who are working to come up with something that fits their particular interest.

I know there is apprehension by some, simply because the reform measure represents change. But I will tell my colleagues, the young farmers, the men and women who are going to be providing food and fiber for the future are ready for change. They want to move away from farming for the mailbox to farming for the marketplace. They want to be able to determine what is best for their operations and get their returns from the marketplace.

We all know this reform package is the only show in town. There have been some good ideas. Others have come up with things. But there is simply no consensus alternative that has been offered by those who are filibustering. There is no constituency for these alternative ideas that spring up and disappear. Neither producers nor farmers that I know of are supporting it.

I must say, I am deeply troubled by one proposal opponents have offered, which would cut farm payments by 60 percent. Some have said on this floor that farmers have high prices, are making money, and having high income. Mr. President, my farmers are not in that situation. My farmers have been hit by flood, by drought, by frost. They have no crop to sell in some instances. They are faced with a refund of last year's advance deficiency payments.

It does not matter if the crops are bringing high prices if you do not have anything to sell. Farmers want and deserve predictability, flexibility, and simplicity associated with a 7-year contract. A known stream of payments will provide certainty to farmers, lenders, and the taxpaying public. It will promote security during difficult economic times, and I think farmers can manage a predictable income stream to mitigate economic risks better than Washington can.

I applaud Senator DOLE, Senator LUGAR, and Senator LEAHY for bringing this bipartisan approach together. We need the votes to end the filibuster. I urge my colleagues to support the cloture motion.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

A COMPROMISE FARM PROGRAM

Mr. COCHRAN. Mr. President, in connection with the issue that is before the Senate today, I hope Senators will be able to support the petition to invoke cloture so we can have a vote on the merits of amendments to and the farm bill itself, that will put in place a farm program for this and later years. This farm bill that is being presented to the Senate, and which we will reach if we are able to invoke cloture today, is a compromise that has been developed to resolve the current impasse between the Congress and the administration about the content of farm legislation.

As Senators remember, we included in the Balanced Budget Act the provisions of farm legislation that would be in effect over the 7-year period that was covered by the Balanced Budget Act of 1995. The Congress passed that and sent it to the President and he vetoed it.

Because of that veto, we are now forced to go back and reexamine those provisions relating to agriculture and to pull them out and put them together in a freestanding bill so we can pass that legislation. If we do not, laws that have been on the books since 1938—and 1949, in some cases—will govern the agriculture programs that would be in place for this crop year. These provisions are so out of date it is ludicrous. The price support for wheat farmers would go up to about $7-something a bushel. In order to qualify, you would have had to have had allotments that were based on your planting experience prior to 1950.

It is unthinkable that this Congress is dragging its feet and making it difficult to enact farm legislation that would give producers of American agriculture products the certainty of the laws that govern the planting and the production of those crops. But that is what is happening. It is a disgrace. We need to put a stop to it, and to put a stop to it we are going to have to vote for cloture to limit debate of this issue so we can get to votes on the merits of amendments and the bill itself, and to pass the legislation, send it to the House, meet in conference, and get a bill to the President. This has to be done as soon as possible.

Farmers are confronted right now with the inevitability of a planting season that is here, whether we legislate it or not. We cannot slow down the planting season by simply not enacting farm legislation. Lenders are going to have to extend credit based on some idea of what the returns will be in this production year for wheat and corn farmers and others who are covered by these laws.

I am hopeful that the Senate will recognize our solemn responsibility to be fair with farmers and to undertake our obligation to legislate in a serious manner and stop the partisan squabbling back and forth on who has the better program, the Democrats or the Republicans. Forget it. This bill before the Senate is a bipartisan substitute for the previous provisions that were before the Senate last week when the Senate failed to invoke cloture, when only 53 Senators voted for cloture.

Now we have another chance. We need 60 Senators to vote to permit us to reach the amendments and then the merits of this bill. I urge Senators to look at the fact that we have made some fundamental changes to attract a large majority of support here in the Senate. There is a reauthorization of food and nutrition programs in this bill. There is a reauthorization of the Conservation Reserve Program in this bill. There are revisions and a reauthorization of a wetlands reserve program that has support from many sectors of this country. And there are other provisions—an authorization for a compact of New England States to join together to provide for themselves a new dairy program. There are other items in this bill that reflect an effort to reach out and broaden the base of support for this legislation. I hope Senators will vote for cloture so we can get on with the discussion of amendments and the vote on final passage.

If Senators do not like some of these provisions, they can offer amendments to them to strike them, and we can have up-or-down votes on them. But let us get past this point in the debate and vote for cloture on this bill.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. GREGG. Mr. President, I ask unanimous consent to speak for 5 minutes as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE MEDICARE TRUST FUND

Mr. GREGG. Mr. President, I want to continue part of the discussion that occurred earlier which was carried forward by the fine Senator from Iowa, Senator GRASSLEY, and to a certain extent by Senator DOMENICI, the chairman of the Budget Committee, which involves the issue of where we stand in this whole budget process, because a very important fact has been confirmed.

About 6 months ago we on the Republican side said that the Medicare trust fund was in serious trouble, that the senior citizens of this country were at risk for their health insurance because the Medicare trust fund was going broke. Now, we did not arbitrarily come up with that statement. We took that statement from the fact that the Medicare trustees, three of whom are appointed by the President and serve in his Cabinet, stated in their report of April 3, 1995, that the Medicare trust fund was going to go broke in the year 2002 if something was not done to fundamentally repair it. So we made the tough decisions of the party. We stepped forward, and we made proposals which made the Medicare trust fund solvent. Our proposals were included in the Balanced Budget Act, which gave this country for the first time in 25 years a balanced budget and which gave our senior citizens a solvent Medicare system.

What happened? The President of the United States and his legions demagogued that act, claimed that we were attacking senior citizens, and used every scare tactic they could on senior citizens. The fundraising powerhouses here in Washington who scare seniors regularly got their machines of paper cranked up and sent out letters to seniors across this country representing that the Republicans were misrepresenting what was happening with the Medicare trust fund and were trying arbitrarily and inappropriately to take on the Medicare trust fund, when, in fact, what we were proposing would bring solvency to the trust fund.

A couple of days ago, the chickens came home to roost for this administration because now, not only do their trustees have a report filed which says that the trust fund is going to go broke, we find that the track for the trust fund to go broke, to go bankrupt, has been accelerated, and that it is unfortunately ahead of schedule.

A report by the Medicare trust fund actuary states, "Things turned out a little worse than we expected. We had projected that 1997 would be the first fiscal year with a deficit when, in fact, this year becomes the first fiscal year with a deficit."

What does that mean? That means, for the first time in the history of the Medicare trust fund, since 1972, this will be the first year when more money goes out of the trust fund than comes into the trust fund. That is a bankruptcy spiral that we have begun.

I have a chart here which we have used before. It looks like a plane crash. In fact, it is called the plane crash chart, which shows what is happening with the Medicare trust fund. This chart assumed what the trustees originally told us, which was the trust fund would go broke in the year 2002, that it would start to run a deficit in the year 1997. We have to change this chart now. The trust fund now has a track that is something like this. It goes to the negative this year, and somewhere out here before the year 2002 it goes broke.

If this administration does not step up and stop demagoging the issue and scaring seniors, what they are going to deliver to seniors is a trust fund that is broke.

What right does this administration have to abuse the senior citizens in this manner? What right do they have to stand in one room at one microphone and say, "Republicans are harassing and inappropriately attacking the trust fund and Medicare," while at the same time the facts show that, if a correction does not occur, the trust fund goes broke?

A higher level of irresponsibility in managing this country and managing the finances and managing the future of our seniors probably has not been seen in recent times than what has happened over the issue of Medicare over the past 6 months as this administration and this President specifically have consistently misrepresented the Republican position and have failed to step up to the plate to address what is a critical issue for seniors. Basically this administration can no longer hide on the issue. The fact is their trustees have said it is going to happen, and now their actuary has said it is not only going to happen, but it is happening. It is happening in reality. We are now into a bankruptcy spiral in the Medicare trust fund.

So, Mr. President, I suggest you stop running for reelection and that you sit down and do the job you are paid for, which is to come forward with a proposal which puts the Medicare trust fund back in balance or, alternatively, accept ours.

Mr. President, I thank you for your time.

Mr. BURNS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. Mr. President, I ask unanimous consent that I might be yielded 5 minutes as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BURNS. I thank the Chair.

THE RETIREMENT OF REPRESENTATIVE PAT WILLIAMS

Mr. BURNS. Mr. President, I rise today to salute my colleague from Montana, Congressman PAT WILLIAMS.

PAT surprised all of us last month when he announced he would not seek his 10th term in the U.S. House of Representatives. PAT says he wants to get back to Montana to do a little fishing and hiking. Well, few people know better than me what it is like to miss Montana, so his announcement—although unexpected—was understandable.

Mr. President, it is no secret that PAT WILLIAMS and I come down on opposite sides of just about every issue. He is a New Deal liberal and proud of it. While I may not always like where he stands, at least I know where he stands. I respect him for that and I think the people of Montana do too.

Despite the differences between us, I think there is a unique civility in the Montana congressional delegation. Our debates over the years have been passionate and heated, but I believe they have never been personal. PAT has been a worthy adversary during my 7 years in the U.S. Senate, and I will miss that relationship.

This does not mean that PAT and I were not able to come together on some issues. In fact, when outsiders tried to impose there will on Montana, I would bet that PAT and I were on the same side more often than not.

We both agree that fair trade does not always mean that our neighbors to the north can run roughshod over the Montana farmers and businesses. We both agree that NAFTA and GATT are bad news for Montana. Any State that is on the border feels the effect of that. We both agree that our Nation's job-training programs need to be streamlined and consolidated. We both agree in the need to repeal a federally mandated speed limit, of which my State caught a little criticism. And even though he supported his President, he broke ranks with his Democrat colleagues by opposing the Brady bill and the President's crime bill.

So, Mr. President, I commend PAT for his service to my home State of Montana. In addition to his legislative duties, he has been a servant of our constituents. Montanans of all stripes could count on PAT to answer their questions. They might not have liked the answers all of the time, but he always answered them. And when they had problems with the Federal Government, he was there, too. So for 18 years he has traveled one of the largest congressional districts—both the western district when he first came to Congress, and then, of course, the full State in the last two terms. So I think he will be missed by the State of Montana.

This kind of public service can take its toll on a person. PAT would show up at countless meetings, and I can remember them. There might be 5 or 500; it did not make any difference, PAT was always there.

So I wish him the best as he chooses retirement. If you come across him fishing in one of our prized trout streams in Montana or hiking a scenic trail, I hope you tip your hat and say, "Thanks, PAT, for a job well done here in the House of Representatives of the U.S. Congress."

THE FARM BILL

Mr. BURNS. Mr. President, I want to talk a little bit about the problem before us; that is, trying to get a farm bill through this Congress. We are not very far away, even though the snowflakes are flying around us in the northern part of the hemisphere, it will be soon that we will see the combines starting to roll in Texas. We are just finishing planting our spring wheat in Montana when the combines start in Texas. We still do not have a farm bill or a farm policy.

A lot more people live in urban areas than farm, but it is pretty important to us in this country because the first obligation of any society is to feed itself. I have always made the speech that the second thing we do every day is eat. I do not know the first thing you do. You have a lot of options the first thing in the morning, but the second thing is you eat. We do a pretty good job of it in this country, but the main challenge for all of us, both in Government and in our commodity groups that represent the livestock industry or the grain industry or the fresh vegetable industry or the nut industry or the fruits and vegetables that are grown in this great and plentiful Nation is to make sure that we get at least a fair share of the consumer dollar back on the land.

Would it surprise you to know that only 3 cents out of every consumer dollar spent for food is all that gets back to the farmer? We are to the point where we cannot hardly make it on 3 cents out of every dollar. There is a little imbalance here—$3.46 a pound for Wheaties in the grocery store, and up until this year we were having a hard time getting $3.46 for a bushel of wheat of which there is 60 pounds. I have a hard time relating $5 T-bone steaks to $60 fat cattle. Maybe I am in the wrong business, or I understand the other business, but it is about time our processors, purveyors, our distributors, and our retailers understand that we have to give something back to the man who produces the raw product.

There are a lot of automobiles and a lot of boats and a lot of vacations that are paid for because we only expend about 16 percent of our expendable income on food in our homes to feed this society. We are truly a blessed Nation, but we still need policy for food and fiber in this country. And, of course, with 1 farmer feeding 120 other folks both in this country and abroad, it makes it a very large industry. This bill changes the direction and the culture of farm programs.

In the Freedom to Farm Act, yes, there are some areas I would like to change. Nobody ever gets a perfect bill. But nonetheless, we have to take a look at it and see what it really does, if it gives our business people who live on our farms and ranches the flexibility to operate their farms and ranches the way they think they should and also at a profitable level.

I know if I had to go back to agriculture, where I was raised—on 160 acres of 2 parts rock and and 1 part dirt in northwest Missouri—I probably could not make a living now, but I know some people are trying to and it is a struggle. This particular bill helps out those folks. It moves us into a marketing mode and takes us away from a program that is dependent on the Government. We are not going to take the full step all at once. And to my critics who say this does not go far enough to eliminate guaranteed subsidies to agriculture, I say we have to take it maybe one step at a time. At least let us change the structure. Let us change the structure in which our farmers and ranches can operate and still provide food and fiber for this Nation.

Foreign market development is a good investment just like education is a good investment. As for ARS, the Agriculture Research Service, I happen to think we must never stop doing research in food production. Maybe a lot of folks do not know this either, but for the first time in the history of agriculture production in this country yields of wheat are declining just a little bit. Why? Because we do not have the plant breeders and the scientists developing strains that are disease resistant. We have to continue to do that in order to keep our production up. The same thing is true in our corn, soybeans, barley, and some other feedgrains. So we need to make that investment in the Agriculture Research Service.

The Export Enhancement Program, I am not a great fan of that, but it is retained in this bill. That is to ward off unfair competition in the international market. I think those dollars ought to go directly to the people who produce the grain, not the people who handle the grain or the big grain companies. It should get back to the farmer some way or other.

So, no, it is not a perfect bill. On the conservation end of it, the CRP is very successful, taking marginal land out of production, the development of wetlands. I know in Montana our bird population, our wildlife numbers have increased since CRP, the Conservation Reserve Program, has been put into effect. That is very good in taking some marginal land out of production that should never have been in production in the first place. We have noticed that. It has great support.

So here is a program that is supported by agriculture. Farmers are telling me, "Let's go with it." It sends us in a new direction. But we are also talking about a time when agriculture commodities are doing very well with the exception of the cattle business. And there is some room for development here in our part of the country.

So I urge a "yes" on this cloture vote. Let us proceed with this bill and debate it like it should be debated and pass those programs that can be passed, but let us at least give agriculture a program to which we can pin our future.

Mr. President, I thank the Chair. I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. We are about to get an agreement on the cloture vote here.

UNANIMOUS-CONSENT AGREEMENT—CLOTURE VOTE

Mr. DOLE. Mr. President, I ask unanimous consent that the cloture vote on the substitute occur at 4:10 today, the time between now and then to be equally divided between the distinguished chairman, Senator LUGAR, and Senator LEAHY, or their designees.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

IN HONOR OF GENE FISCHER

Mr. BAUCUS. Mr. President, the job of a news photographer is not an easy one. For every picture of a child enjoying building a snow man with her parents—there is a picture of a crime scene or a picture of a car wreck. Only the photographers themselves truly understand how tough this job is, with the long hours and never knowing when or where they will have to go to do their job.

I rise today to honor one of the best news photographers our country has—Gene Fischer of the Helena Independent-Record—who retires today after 35 years to the day of chronicling the lives of Helenans and Montanans on the front page and sports pages of our newspapers.

My home town is Helena. Gene is the type of hard-working Montanan I have in mind when I say that we in public service need to focus on every day folks who work hard to make a living and serve their community. From his first job stuffing papers for the Billings Gazette in 1951, to his promotion to chief photographer for the Independent Record in 1974—Gene has kept his nose to the grind stone and worked hard.

He has achieved goals and worked hard to become the best he can be. His career and his drive are excellent examples for our children and students as they search for their mission and role in their lives.

It has become a popular thing to criticize the news media these days. Whether it be the hype of the O.J. Simpson trial, the goofy scandal-sheet shows, the Mc-News newspapers or hate-radio talk shows—I myself have been critical and remain critical of certain folks in the so-called news media.

But Gene Fischer is a newsman like few in the journalism and news industry of today. He is solid. He is compassionate. And he understands that the picture he takes and the images he publishes are those of his neighbors, friends, and family. It is a tough job, and he does it fairly and professionally.

When a Gene Fischer photograph publishes in the Helena Independent Record, Gene's name is very small—printed at the very bottom, almost unreadable. But in Montana journalism, Gene Fischer is a giant name. And I thank him for his years of dedication and service.

HONORING THE WEISS' FOR CELEBRATING THEIR 50TH WEDDING ANNIVERSARY

Mr. ASHCROFT. Mr. President, these are trying times for the family in America. Unfortunately, too many broken homes have become part of our national culture. It is tragic that nearly half of all couples married today will see their union dissolve into divorce. The effects of divorce on families and particularly the children of broken families are devastating. In such an era, I believe it is both instructive and important to honor those who have taken the commitment of "til death us do part" seriously and have successfully demonstrated the timeless principles of love, honor, and fidelity, to build a strong family. These qualities make our country strong.

For these important reasons, I rise today to honor Donald and Mattie Bell Weiss who on January 20 celebrated their 50th wedding anniversary and will renew their wedding vows. My wife, Janet, and I look forward to the day we can celebrate a similar milestone. Don and Mattie's commitment to the principles and values of their marriage deserves to be saluted and recognized. I wish them and their family all the best as they celebrate this substantial marker on their journey together.

AMERICA'S WORKFORCE IN THE 21ST CENTURY

Mr. BYRD. Mr. President, Markley Roberts, the Assistant Director of the Economic Research Department of the American Federation of Labor and Congress of Industrial Organizations, recently gave the last of the 1995 Benedum Lectures on the subject "America's Workforce in the 21st Century" at West Virginia University.

I ask unanimous consent that a copy of his remarks, along with biographical material, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS BY MARKLEY ROBERTS, ASSISTANT DIRECTOR OF ECONOMIC RESEARCH, AFL-CIO, IN THE 1995 BENEDUM LECTURE SERIES, UNIVERSITY OF WEST VIRGINIA, MORGANTOWN, WEST VIRGINIA—DECEMBER 6, 1995

AMERICAN WORKERS IN THE 21ST CENTURY

I appreciate this opportunity to talk with you about American workers in the 21st Century. I bring to this discussion 40 years as a union member, elected union officer, and speaker for the AFL-CIO, a federation of 79 unions representing 13 million workers. So it's obvious that I have pro-worker, pro-union instincts.

We all share a common concern for political democracy, even though we may have differing views on how political democracy should affect social and economic justice. I hope you share these concerns, and also my concern for human rights and human welfare generally, as well as worker rights and workers' welfare.

We are blessed in the United States of America with wonderful traditions of freedom, democracy, and a drive for justice. Let me assure you that I appreciate what we have in America—but there's no resting place, there's no stopping the endless search for freedom, democracy, and justice, no stopping the endless battle against injustice.

It's not easy to define justice. I envy the judge who said "I can't define pornography, but I know it when I see it." Well, you have to look at a lot of pornography to know it when you see it—and you have to look at a lot of injustice—political, economic, and social injustice—so you can recognize justice when you see it.

LABOR FORCE PROJECTIONS

Our search for justice is endless because America is always changing. The racial make-up of our population and our labor force is changing. Diversity, civil rights, and equal opportunity are continuing challenges in our search for justice.

Let me lay out some projections on the American labor force in the 21st Century.

Population growth, labor force participation, and immigration are key factors in determining the size of our labor force.

White, non-Hispanic people will be a smaller part of our total population in the 21st Century (they have lower fertility rates)—and blacks, Hispanics, Asians, Pacific Islanders, and American Indians will have a bigger share of America's population.

By the year 2005 our total labor force will be well over 150 million. This is men and women 16 years and older who are working or looking for work.

Four out of five workers will be white—(82%).

One out of eight will be black—(12%).

One out of 16 will be Asian, Pacific Islander, or American Indian—(6%).

One out of 9 workers will be Hispanic, (11%)—but Hispanics also appear in white, black, and other categories.

The labor force participation of women has gone up so much over the past 30 years that the numbers of men and women in the labor force are already very nearly equal. But the Bureau of Labor Statistics expects a continuing increase in women's labor force participation (to 63%)—and a slight drop in men's labor force participation (to 75%).

Immigration is a big question mark for the future. There is now an unfortunate tendency to scapegoat legal as well as illegal immigrants for some of America's economic and social problems. There are proposals in Congress to cut back legal immigration and to deny various benefits to legal immigrants. My guess is that legal immigration will drop from 800,000 a year now to about 600,000. No one knows exactly how much illegal immigration there is. It may be 1 million a year. But immigration—past, present, and future—legal and illegal—will continue to add more Hispanics and Asians to America's labor force.

The message I draw from all this—more women permanently in the labor force, more diversified racial composition of the labor force, continuing legal immigration——

Diversity and equal opportunity issues are here to stay in the 21st Century—and they will continue to challenge our sense of justice.

WHERE ARE THE JOBS?

A healthy economy and a healthy society should be creating enough good-paying jobs for every American who needs a job and wants to work. The Employment Act of 1946 and the Humphrey-Hawkins Full Employment Act of 1978 reflect America's belief that the opportunity to work at a decent-paying job is an important component of economic justice.

What jobs will be available in the 21st Century? Where are the jobs going to be? Who will get available jobs?

Most of the new jobs are going to be in the service-producing sector of the American economy. Already 70 percent of jobs are in the service sector—but 95 percent of the new jobs created in the next 15 or 20 years will be in the service sector.

Most of the job creation will come in health care, business services, retail trade, government, and FIRE (finance, insurance, and real estate).

Goods-producing industries—manufacturing, mining, and construction—will have no job growth. In fact, the Bureau of Labor Statistics projects fewer and fewer jobs in coal mining—in spite of growing foreign demand for coal from the U.S.A.—Why so? Because technology and high productivity in coal mining go up even faster than demand for coal is going up.

The best jobs in the 21st Century—as in the 1990s—will be the high-skill, high-pay jobs that require more and more education and training. There will be more of these jobs. The biggest rewards will go to the symbol analysts and symbol manipulators, the people who can manipulate words and ideas and computer systems and financial systems.

Does that sound like politicians, computer whiz kids and Wall Street buccaneers? I think so.

Unfortunately, although the high-skill, high-pay, symbol manipulator jobs have the fastest percentage growth, in fact the biggest number of jobs opening up are low-skill, low-pay jobs—janitors and cleaners, waiters and busboys, food preparation jobs, security guards, nursing aides and orderlies and other low-paid hospital and health service workers.

Many of these janitors and security guards will have high school diplomas and some will have college degrees because they can't find higher-level, higher-pay jobs. It will take more education and training to get a job—but there's no guarantee it will be a high-level, high-pay job.

Unfortunately, it is a polarized occupational distribution that is developing—more high-skill, high-pay, professional jobs at the top—but many more low-skill, low-pay jobs at the bottom, and fewer and fewer middle-range, middle-class jobs—jobs which have been a solid foundation for a mass production economy based on widely dispersed mass buying power, the foundation for a stable middle-class society, the foundation for a stable democratic political system.

Polarization in our distribution of job skills and polarization in earnings from work will continue to challenge our sense of justice in the 21st Century.

UNEMPLOYMENT

Some years ago Dr. Harvey Brenner of the Johns Hopkins School of Public Health did a very scholarly study which showed that increases in unemployment have a clear negative effect on workers and their families and on local communities—more murders, more suicides, more heart ailments, more mental illness, more drug abuse, more family violence, more family breakdown, more community crime. (1% UE, 2% heart, 5.6% homicide)

Unemployment is a personal tragedy, a human tragedy for the workers without a job and for their families. Most workers are paying on a mortgage, paying on a car, paying for their children's dental care, paying for food on the table. When they lose their jobs, they often lose also their medical care plan and their pension rights. This violates our sense of justice.

The human costs of unemployment are huge. It's almost impossible to quantify the human costs and human hardship. That's why I am so grateful for Dr. Brenner's study. But the economic costs are also huge. Economists have estimated unemployment costs at hundreds of billions of dollars, the difference between actual output and potential output. The Congressional Budget Office has estimated that each 1 percent of unemployment costs the American economy $150 billion—$100 billion in lost output and another $50 billion in extra costs of unemployment compensation and welfare payments. And this does not take into account the extra health and crime costs that Harvey Brenner found.

Economists often distinguish different kinds of unemployment: frictional unemployment when you are just between jobs; seasonal unemployment related to the time of year; cyclical unemployment related to ups and downs of the business cycle; and structural unemployment related to such problems as changing technology, changing education requirements, discrimination based on age, race, sex; and trade policies that wipe out American jobs.

Whatever the reasons for unemployment—and there are many of them—the key policymakers in the American economy seem to be tolerating higher and higher levels of unemployment. A misguided and excessive fear of inflation lies behind the powerful economic judgments and decisions of the banker-dominated Federal Reserve Board which makes key decisions on interest rates and money supply. Inflation is not the problem. It's the Federal Reserve that's the problem.

The Federal Reserve wrongly operates on the discredited theory that there is some "natural rate of unemployment" and if unemployment goes below the so-called "natural rate" then inflation will mess up the economy. This is [a] wrong view of how the American economy operates, and it deserves a thorough critique—but I am going to spare you what is a very abstract, abstruse argument and simply say that there are some very distinguished economists—including Nobel prize-winners James Tobin and Robert Solow—who disagree with the theory of a "natural rate of unemployment."

Unfortunately, unless we have a major, catastrophic economic breakdown, the anti-inflation zealots at the Federal Reserve will continue to use their money-and-interest-rate power to hold back job-creating economic growth. Why so? Because the general public and most political leaders don't understand monetary policy—and because the banker interests that dominate the Federal Reserve are more concerned about having a stable dollar than they are about having full employment.

This violates my sense of justice—even if it doesn't bother the bankers.

WORKERS IN POVERTY

Poverty in America is another challenge to our sense of justice. Michael Harrington and Hubert Humphrey deserve a lot of credit for awakening America's conscience on poverty. Humphrey gave an education to Jack Kennedy in West Virginia's 1960 primary campaign and laid the groundwork for Lyndon Johnson's War on Poverty.

But poverty is still here. Most poverty is related to unemployment and low wages. We have in the United States almost 40 million Americans in poverty, about 15 percent of the population. That's one out of seven Americans living in poverty—and one out of every five children in America lives in poverty.

Unemployment compensation and welfare payments are part of the social safety net system that we have put together to protect Americans who need help—but training and decent-pay jobs are also necessary. The so-called welfare reform bills now before Congress will do little or nothing to relieve poverty—and may even increase poverty by forcing more and more welfare recipients into low-wage labor markets where they will drive down [the] wages and earnings of America's working poor.

Census figures show 10 million working poor—people who work at least part of the year, but cannot find full-time, year-round work to lift themselves and their families out of poverty.

But what I find even more outrageous is the fact that two-and-half million Americans work full-time year-round at such low wages that they still cannot pull their families up out of poverty. This is a powerful argument for raising and indexing the minimum wage.

Raising the minimum wage helps reduce poverty. So do employment and training programs, Medicaid, food stamps, the Earned Income Tax Credit, and other safety-net programs that help low-income people and many middle-income people. But I remind you—in a non-partisan way—that the Republican-dominated Congress is cutting and killing most of these programs that help poor people rise up out of poverty.

Is this social or economic justice? I think not.

The result of these slash-and-burn tactics is that poverty will remain a challenge to our sense of justice well into the 21st Century.

INEQUALITY IN INCOME AND WEALTH

Let me turn now to America's widening gaps in income and wealth. The rich are getting richer. The poor are getting poorer. And our middle class is getting smaller. Is this economic justice?

The richest 5 percent of America's families got real income gains of 40 percent between 1979 and 1993. Families in the middle lost 2.6 percent in real income—and the poorest 20 percent of American families lost 15 percent in real income.

This is not news. You can read about it in Time or Newsweek, in Forbes, Fortune, or Business Week. It is the subject of concerned editorials, especially now that Congress is cutting programs that help middle-class and low-income people and preparing to heap $240 billion in tax cuts on rich folks and big corporations.

The distribution of wealth is even more unequal than the distribution of income—and it has become more unequal in the last 15 years. The top 1 percent, the richest in the country, own 40 percent of all wealth and 50 percent of all financial wealth in the United States. For most of us, our biggest wealth holding is in our home—but for the top 1 percent most of their wealth is in stocks and bonds.

Between 1983 and 1989, the richest 1 percent got more than 60 percent of the nation's entire increase in financial wealth—and between 1989 and 1992 the top 1 percent got 68 percent of the nation's increase in financial wealth.

In fact, America has never been an egalitarian society—but the last 15 years have produced more and more economic, social, and political polarization—polarization that will bring social and political troubles in the 21st Century.

Is this economic justice? I think not.

BIG BUSINESS POWER

Let me turn to big business. Americans are ambivalent about big business. We want the benefits of bigness—but we are right to fear the concentration of economic power.

It's no secret that the decisions of giant multinational corporations and big banks dominate huge sectors of the American economy, dominate much of our politics, dominate much of economic policy-making.

If you take the top 10 companies in banking, energy, manufacturing, telecommunications, retail and service, or transportation, you will find a tremendous concentration of economic power—and a lot of overlapping, interlocking controls through banks and board of directors.

Big business decisions affect the nation's prosperity and the jobs and earnings and living standards of all Americans—but there's little or no accountability to the general public.

The Mine Workers learned this in their fight with Pittston. The Steelworkers learned this in their fight with Ravenswood. And thousands of laid-off bank workers learned this after the Chase-Chemical bank merger.

Is this economic justice?

Suppose your employer decides to be lean and mean, to downsize and layoff workers or shift production from West Virginia to Mississippi—or to Mexico. Unless you have a union to represent you there's not much you can do about it. When Congress passed the WARN law requiring 60 days advance notice of plant closing, big business fought tooth-and-nail to get weakening loopholes in the law—even though some of those same companies have union contracts requiring even more advance notice.

Top executive pay in big corporations is out-of-sight to the average American worker. Business Week reports these top executives averaged $3 million last year—120 times the $25,000 earned by the average factory worker—and often executive pay raises bear no relation to company profits.

Is this economic justice? Do we want the American economy, American society, and American politics in the 21st Century to be so heavily dominated by unaccountable, overpaid corporate executives who are out of touch with the hopes and fears and living standards of average American families. I think not.

UNIONS IN THE 21ST CENTURY

I turn now to the role of American labor unions in the 21st Century. With or without labor law reform, unions are here to stay because they meet a basic human need, the need to participate in the decisions that shape your life and your future, the need to have justice on the job.

That's why almost all union-management agreements require fair treatment on pay and benefits and job security, and due process for grievances, including outside arbitration.

Our national labor policy is supposed to guarantee working men and women the right to organize and the right to bargain collectively so that workers, acting through freely chosen, independent labor unions, can jointly negotiate the terms and conditions of their employment.

This is the way we achieve some degree of democracy in the workplace. This is the way we have built up a system of industrial jurisprudence, a way of making labor-management relations more civilized.

Unfortunately, the reality too often is that these basic worker rights are violated by anti-union employers determined to thwart workers' efforts to form a union and bargain collectively.

The business of union-busting—and it is big business—is a major part of the explanation for the decline of union membership in the U.S.A. from a 1955 high of 35 percent of the labor force to the current rate of 16 or 17 percent.

There are additional reasons, of course. Trade policy and imports have decimated union jobs in manufacturing. The big increase of jobs has been in state and local government and in the hard-to-organize service-sector industries. John Sweeney, the new President of the AFL–CIO, was formerly President of the fast-expanding Service Employees Union, so I expect a heavy emphasis in the future on Union organizing in the service sector and growth of white-collar and pink-collar unionism.

Why do I expect unions to grow in the 21st Century? One reason is what I have described as the human need to participate in the decisions that shape your working life. I see this as a basic human right.

Also, with more and more women and minorities and older workers there will be more and more need for on-the-job quick response to discrimination and harassment based on sex, age, and race. A union in the workplace can help defend workers with this quick response.

Most important, perhaps, is the self-interest of enlightened employers who will empower their workers and enlist their unions in raising quality, raising efficiency and productivity, lowering costs, and raising profits.

The first and foremost role of unions in the U.S.A. is to represent their members in bargaining with management for better wages and working conditions. To many people this looks like an adversary relationship between unions and management, and in some respects it is just that during the negotiation of a contract as unions try to get more for the workers.

But most contracts run for two to three years. During the life of the contract, the union will be protecting its members from arbitrary or unfair actions by management, protecting the safety and health of workers—but the job security and economic security of the workers depends on the employer's profitability and continued existence.

That's why you find more and more enlightened employers and unions working together in joint labor-management committees in a wide variety of worker training and "mutual gain" productivity-raising programs, with more and more emphasis on restructuring work and empowering workers to participate in the decisions that affect their working lives and affect profitability of the employer.

Co-operation of this kind is not a one-way street. It depends on trust and mutual commitment. Management cannot attack unions and expect co-operation.

Many management people feel threatened by the idea of giving workers more information about company production and financial affairs. They feel threatened by shared decision-making. But there's a lot of evidence that "empowering workers" not only increases democracy in the workplace—it also raises workers' commitment and motivation, raises quality of the product or service, raises efficiency, productivity, and profits.

Justice on the job includes a unionized workplace—and a unionized workplace can raise productivity and profits.

POLITICS IN THE 21ST CENTURY

I suggested earlier that big business dominates the democratic political process in America, but that's only a partial truth. In addition to the big money of big business, in addition to our two major political parties, we have a lot of political activity by organized labor at the local, state, and national level.

I want to pay my respects here to one of labor's most respected, most effective leaders, Joe Powell, President of the West Virginia AFL–CIO Labor Federation. I have know him for many years. He is a tower of strength in America's labor movement.

The labor movement can never come close to matching the huge flow of political money from big business disguised as personal contributions from business executives and their spouses and children. But fortunately we have among our 13 million union members thousands and thousands of political activists who distribute voting records, who punch doorbells to get out the vote, who are committed to the democratic process, who are committed to bringing more democracy and more justice to America.

Unions and union members will be there in the 21st Century, pushing for democracy and justice in city and county councils, in the halls of the state legislatures and in the halls of Congress.

And unions and union workers will be there in the 21st Century at the ballot box, at the bargaining table and in the workplace, pushing for justice on the job and for more justice in all aspects of American life.

BIOGRAPHY OF MARKLEY ROBERTS

Markley Roberts is a distinguished economist at the ALF–CIO labor union federation with a long list of professional accomplishments and publications. He is currently Assistant Director of Economic Research and Director of the AFL–CIO Office of Employment and Training.

Born in Shanghai, China, in 1930, the child of missionary teachers, Roberts graduated from Princeton University in 1951 with an A.B. in Public Affairs. He received an M.A. in Economics in 1960 and the Ph.D in Economics in 1970 from American University. He worked at the Washington Star newspaper from 1952 to 1957. From 1958 to 1961 he was a legislative assistant to Senator Hubert H. Humphrey. Since 1962 he has worked at the AFL–CIO, first as a legislative assistant in the AFL–CIO Department of Legislation and, since 1971, as an economist in the AFL–CIO Department of Economic Research. In 1985 he was named Director of the AFL–CIO Office of Employment and Training. In 1989 he also became Assistant Director of Economic Research.

In recognition of his experience and achievements in the field of industrial relations and collective bargaining, Roberts was elected to the executive board of a national professional association, the Industrial Relations Research Association in 1977. In recognition of his accomplishments in the field of unemployment compensation, he was elected to the National Academy of Social Insurance in 1991.

Mr. Roberts is a publications consultant to Economics America, the National Council for Economic Education, and a member of the advisory board for "The Senior Economist."

He has a long list of publications which include "Making Sense of Federal Employment and Training Policy for Youth and Adults" and "Labor's Key Role in Workplace Training."

RONALD REAGAN AT 85: A BIRTHDAY TRIBUTE

Mr. DOLE. Mr. President, today was a very special day at the Senate Republican policy lunch, as we spoke with President Reagan on the phone, and wished him a very happy 85th birthday.

Last week, the Senate passed a resolution paying tribute to President Reagan on this occasion, and I have seen a variety of other salutes in recent newspapers.

One of the best of these was written by long time White House correspondent Trude Feldman, and is published in today's Wall Street Journal.

Trude first met Ronald Reagan when, as the then-president of the Screen Actors Guild, he signed her SAG card. She also covered the Reagan presidency, as she has so many others. And her portrait of him is rich in personal recollections and fond memories. In short, it captures the essence of this remarkable man.

Mr. President, I ask unanimous consent that the article by Trude Feldman be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From The Wall Street Journal, Feb. 5, 1996]

RONALD REAGAN AT 85: A BIRTHDAY TRIBUTE

(By Trude B. Feldman)

Tomorrow Ronald Reagan celebrates his 85th birthday, thus becoming the fifth American president to reach that milestone. "The anniversaries of my birth aren't important," he once told me. "What is important is that I've tried to lead a meaningful life, and I think I have."

The meaning of his extraordinary life goes beyond his various achievements as our 40th president. Those achievements would not have been possible were it not for a moral fiber and affability that most Americans expect but seldom get from their presidents. While Ronald Reagan's ethics and principles played a major role in his efforts to balance economic growth with true human needs, his courage and steadfast convictions helped set a new, positive direction for America—lifting it from a feeling of discouragement, and giving the people renewed confidence and pride in their nation. His commitment also served as the necessary catalyst in developments that led to the end of the Cold War.

In an era of cynicism about the character and veracity of political leaders, Mr. Reagan's integrity and vision warrant particular attention on this, the 85th anniversary of his birth.

THE "GREAT COMMUNICATOR"

His courage as the "Great Communicator" was evident in his dramatic open letter 15 months ago in which he revealed that he had been diagnosed with the early stages of Alzheimer's disease. His handwritten letter was poignant, and vintage Reagan. Afflicted with the irreversible neurological disorder, he wrote that "In sharing the news, it might promote greater awareness of this condition. . . I intend to live the remainder of the years God gives me, doing the things I've always done. I now begin the journey that will lead me into the sunset of my life."

Colin Powell is among the millions who were moved by Mr. Reagan's gesture. "It was a beautiful personal letter to everyone," Gen. Powell told me. "Frankly, that action made it easier for me to deal with my wife's depression when it became public."

During a conversation I had with Ronald Reagan last year, he wondered aloud whether he had inherited the illness from his mother. Alzheimer's may have somewhat diminished his spark, but Mr. Reagan's genuineness and charisma still shine through. Away from the Oval Office for seven years now, he still looks presidential. Routinely working in his office, he continues to captivate visitors with his inimitable personality and attentiveness.

His dark brown hair is now tinged with a bit of gray, and he remains the model of good grooming and fashion. One day last week, he was his old handsome self attired in a blue pinstripe suit and blue tie, accentuated by a gold tie clip in the shape of the state of California, where he served eight years as governor. "The reason I'm doing as well as I am," he says, "is because of loving support from Nancy [his wife of 44 years]. She is my comfort, and has enhanced my life just by being a part of it. She has made it so natural for us to be as one that we never face anything alone."

Mr. Reagan's close brush with death 15 years ago changed his attitude toward life and death. It was on his 69th day as president when, from a distance of 13 feet, I saw him shot by a would-be assassin. Mr. Reagan told me the traumatic experience had given him a greater appreciation of life that he had previously taken for granted. "My survival was a miracle," he said. "The ordeal strengthened my belief in God and made me realize anew that His hand was on my shoulder, that He has the say-so over my life. I often feel as though I'm living on the extra time God has given me.

When Ronald Wilson Reagan was born in Tampico, Ill., his delivery was so complicated that his mother was cautioned not to bear more children. So she doted on him and soon became the primary influence in his life. From her, he acquired the stability and confidence that later enabled him to weather personal and political storms with equanimity. She fostered in him and his brother an incentive to work hard, and to live by the Ten Commandments and by the Golden Rule.

"My parents were rich in their love and wisdom, and endowed us with spiritual strength and the confidence that comes with a parent's affection and guidance," the former president told me. "The Reagans of Illinois had little in material terms, but we were emotionally healthy."

The Rev. Billy Graham describes Ronald Reagan as a man of compassion and devotion, a president whom America will remember with pride. "He is one of the cleanest, most moral and spiritual men I know," Mr. Graham told me. "In the scores of times we were together, he has always wanted to talk about spiritual things."

On many occasions over the past 21 years, Mr. Reagan shared with me his philosophies and his views on politics, foreign affairs, religion and human nature. "I believe that each person is innately good," he observed. "But those who act immorally do so because they allow greed and ambition to overtake their basic goodness."

These beliefs, while the source of many of his greatest triumphs, also set the stage for some of his disappointments. One regret was that he did not demand greater accountability from his staff—"especially those who abused their power with arrogance." He acknowledged that the tendency not to fire anyone had serious ramifications. "For instance, any errors in our dialogues with Iran resulted because some of my subordinates exceeded their instructions without reporting back to me," he stressed. "When I read the Tower Commission Report, it looked as if some staff members had taken off on their own."

Another issue that troubled him was the public perception that he was prejudiced against minority groups and not concerned about the poor. He maintains that he had fought for legislation that would make welfare programs more effective. "My economic program was based on encouraging businessmen to create more jobs and to better the conditions of their employees," he noted. "I think I succeeded."

On the day before his presidency ended, Mr. Reagan granted me his last interview in the Oval Office. He told me that the saddest day of his eight-year tenure was on Oct. 23, 1983, when 241 U.S. servicemen died in a terrorist bombing in Beirut, Lebanon. "To save our men from being killed by snipers from private armies that were causing trouble in Lebanon, it was decided to shelter them in a concrete-reinforced building," he recalled. "But no one foresaw that a suicide driver with a truckload of explosives would drive into the building and blow it up."

At the close of that Oval Office interview, I asked him to describe his presidency in one line. "We won the Cold War," he said without hesitation. "That phrase didn't originate with me, but I'll settle for it. What counts is that there is an end to the Cold War, and I now feel justified in my theme of 'Peace Through Strength.'"

Former President George Bush adds: "Ronald Reagan's foresight put us in a position to change our relationship with the Soviet Union and to make it possible for the changes that took place in Eastern Europe. And he certainly helped bring democracy to our hemisphere.

Mr. Bush, having worked closely with Mr. Reagan as his vice president, also told me: "True, he was a man of principle on the issues. But, even more than that, the American people loved him for his genuine decency, his unfailing kindness and his great sense of humor. He is a true believer in the goodness of America."

THE FINEST GIFT

Edwin Meese III, former attorney general, notes that Mr. Reagan's legacy to America continues to this day. "Many are calling the congressional leadership's agenda the Second Reagan Revolution," he says. "More importantly, Mr. Reagan continues to inspire Americans of all ages to value the patriotism and leadership which he so splendidly demonstrated."

Longtime Reagan aide Lyn Nofziger concurs, adding: "History will surely record that the finest birthday gift already given to Mr. Reagan by Americans is a Republican House and Senate that are determined to carry on the Reagan Revolution."

Yet Mr. Reagan says that the best birthday gift for him this year would be that scientists receive the support they need to find a treatment and a cure for Alzheimer's so that others will be spared the anguish that the illness causes.

Ever the altruist, Ronald Reagan—even for his birthday wish—places the welfare of others above his own. It is a characteristic that has served him faithfully until now, and is one that will sustain him on his "journey into the sunset" of his life.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, a lot of folks do not have the slightest idea about the enormity of the Federal debt. Every so often, I ask groups of friends, how many millions of dollars are there in a trillion? They think about it, voice some estimates, most of them wrong.

One thing they do know is that it was the U.S. Congress that ran up the enormous Federal debt that is now about $13 billion shy of $5 trillion. To be exact, as of the close of business yesterday, February 5, the total Federal debt—down to the penny—stood at $4,987,400,986,833.50. Another sad statistic is that on a per capita basis, every man, woman, and child in America owes $18,930.61.

So, Mr. President, how many million are there in a trillion? There are a million million in a trillion, which means that the Federal Government will shortly owe 5 million million dollars.

Sort of boggles the mind, doesn't it?

MEDICARE: A CALL FOR REFORM

Mr. FRIST. Mr. President, I rise today because I cannot in good conscience remain silent. As we all know, for many years, the Medicare board of trustees has warned of the impending bankruptcy of the Medicare trust funds. Many in Congress and in the administration dismiss these annual warnings, preferring to spend blindly, counting on a wish and a prayer for our children and grandchildren. They say they do not believe that Medicare will really go bankrupt. They continue to say this, despite all evidence to the contrary. They have accused those of us who want to save Medicare of destroying one of the most popular programs in American history. But this time, Mr. President, history and the hard data, prove them wrong.

The front page of yesterday's New York Times proclaimed: "Shortfall Posted by Medicare Fund Two Years Early". What that means is that—for the first time in its history—Medicare spent more money than it took in through payroll taxes. Mr. President, those of us who have been telling the truth about Medicare knew the situation was serious. But, this article tells us that it is even worse than we knew. Experts had predicted in good faith that the Medicare trust fund would grow, but despite their best efforts, they were off by nearly $5 billion. And we know for certain that once the trust fund begins to lose money, it is on a rapid path to depletion. Richard Foster, the Health Care Financing Administration's chief actuary, is quoted as saying, "Obviously, you can't continue very long with a situation in which the expenditures of the program are significantly greater than the income. * * * Once the assets of the trust fund are depleted, there is no way to pay all the benefits that are due." Within less than six years, Mr. President, there will be no money to pay for any hospital services, for any senior citizen in this country. This is not expected to occur in the distant future. Again, this will happen within the next 6 years, perhaps even before the end of my Senate term.

There are no signs of improvement in the near future. Mr. Foster, points out the causes of the shortfall: First, income to the trust fund through dedicated payroll taxes was less than expected; second, hospital admissions increased; third, patients were sicker; and fourth, hospitals filed claims more quickly. Projections are never going to be perfect, but the important thing is that most of the prediction error was that Medicare spending grew faster than was projected. Without fundamental restructuring of the Medicare Program, bankruptcy is certain, and increasingly swift.

The reaction of the Health Care Financing Administration in the past has been to analyze and attempt to figure out the problem. Once again, that has been HCFA's response to the latest reports. Historically, the Federal Government is far slower than the private sector to respond with action to such problems. We must learn from the private sector about the value of prudent and decisive action. The 1996 trustees report is due out in less than 2 months. We cannot wait around for another report that promises bankruptcy, meanwhile wringing our hands. Medicare must be restructured to build on the experience of the private sector. Proposals to reform the Medicare Program have been proposed in Congress for more than a decade. The key fundamental change was to allow Medicare beneficiaries a limited choice of private health plans—restricted to federally qualified health maintenance organizations [HMOs]—thus by definition, omitting the many plans available today. Yet, where available, these plans are delivering more health care benefits and greater out of pocket protection to seniors and the disabled than are available from the current Medicare Program.

I urge my colleagues and the American public to call for bipartisan action to preserve, protect and strengthen Medicare. Saving Medicare in the short term—the next 10 years—should be the easy part. We must revisit the issue as we prepare for the future and the enrollment of the baby boomer generation. Changes must be made now to protect our seniors and the disabled. If we fail to act now, a much higher price will eventually be paid by our children and grandchildren.

The irresponsible approach is to think of Medicare as a non-evolving program. It must keep pace with the times. It must be cost-effective and deliver quality care to our seniors and our disabled. Only fundamental restructuring of the Medicare Program offers stability for the future. We must not fall back on the traditional approach of raising payroll taxes and ratcheting down provider fees. We must reintroduce the private sector principles into this public program. Restructuring does not result in a fundamental dismantling of the program. Rather, it offers beneficiaries the same choice of high quality health care available to younger Americans. It offers greater out-of-pocket protection, more choice of benefits and services and greater continuity of care. It brings Medicare from a pretty good program based on the 1965 health care market to a great program ready to meet the needs of the next century.

A CELEBRATION OF THE LIFE OF ERNIE BOYER

Mr. KENNEDY. Mr. President, on Sunday, January 21, 1996, over 500 people from across the country and world, gathered at the Princeton University Chapel in New Jersey to share their memories of one of the giants of American education, Ernie Boyer, who died on December 8, 1995.

Ernie was a great friend to me, and many others in Congress, and a great champion of education. Millions of people have better lives today because of Ernie. I believe that the tributes given at the memorial service will be of interest to all of us in Congress, and I ask unanimous consent that the following remarks be printed in the RECORD.

There being no objection, the material was ordered to printed in the RECORD, as follows:

REMARKS BY SENATOR EDWARD M. KENNEDY

Ernie once said that "knowledge has, without question, become our most precious resource." He believed so strongly in the value and importance of knowledge that he devoted his life to searching for it, sharing it with others, and summoning—and sometimes even shaming—the nation to guarantee that more Americans have the opportunity to achieve it.

Ernie began to quench his thirst of knowledge before most children can drink from a glass. On his first day of school, he walked hand-in-hand with his mother. When they reached the school, he asked, "Will I learn to read today?"

"No," his mother said, "You won't learn to read today, but you will before the year is out."

But Ernie was vindicated a few moments later—because on that first day of school, his teacher greeted her students by saying, "Good morning class, today we learn to read."

Before he ever stepped into a classroom, Ernie understood the urgency of obtaining an education. He mastered the art of learning and embarked on a journey that has literally changed the lives of millions of Americans.

He encouraged even the greatest centers of learning to remember that teaching is important too—as important as research. He counseled Congress about how to improve schools, and he reminded us all to value good teaching. His contributions to the art and science of the effective transmission of learning were unsurpassed.

But he did not stop there. He wrestled with how best to help all children come to school ready to learn. He never forgot the difference it made to him that he arrived for his first day of school ready to learn. And he tried to make America see that difference too. If Ernie had his way, everyone would have a good breakfast and a warm hand to hold on their way to school.

More than anyone of his time, he taught us that it is children, not just the schools, that should be the focus of our concern—that education is a community-wide effort which begins with the birth of a child—that supporting education is, more than any other challenge, not an expenditure, but an investment—that failure to act now will surely later mean higher costs, wasted lives, promises unfulfilled.

If Paul Simon and Dick Riley and I and many others see farther on these issues today, it is because we stand on the shoulders of giants like Ernie Boyer.

Ernie believed that the knowledge he gained and continued to gain himself was a call to the service of others. As he once said, "there's reason for optimism—if we can get the right kind of leadership to help clarify and energize what is still a huge public commitment to education."

Ernie kept Congress on its toes. He was a constant counselor and a dear friend to many of us. Long ago, those of us who care about education wore out the tab in our address books under "B".

Ernie's greatest gift to the nation was his unwavering commitment to education and to keeping all children at the heart of the nation's agenda. And when Ernie said all children, he meant all children, so that none would be left out or left behind.

Any time we planned a hearing on education in the Committee on Labor and Human Resources and Ernie testified, he brought a series of new ideas to improve schools and reach out to children. He was the formative thinker behind the modern movement for school reform.

He felt the most important thing we could do for very young children was to create television shows that prepare them for school. Ernie had the idea, and it was one of his best. We turned it into legislation, and now there is strong support for improved children's television.

He brought an endless fountain of creativity to American life. His breadth of knowledge and depth of commitment to education inspired awe, respect, and humility. In Ernie's presence, we were learning from the master.

Ernie believed the pursuit of knowledge was a lifelong journey of profound importance to the nation. As he once wrote, "commitment to education will help all students to be involved in the civic future of the nation—to vote in elections to serve on juries, to be concerned about the health of their communities—to ensure that democracy will, with vitality, succeed."

Kay once told me that Ernie wished he could live to be 200, because he had so many projects to complete. But he accomplished more for the nation's students, parents, and teachers, in his 67 years than anyone else could have done in 200 years. They may not know his name, but millions of Americans, young and old, in every city, town, and village in the nation have better lives today because of Ernie Boyer. To all of us who know him and love him, he was the North, South, East, and West of education. And now, education has lost its best friend.

There is an old New England saying that all men are dust, but some are dust of gold. That's the way I felt about Ernie Boyer.

As the poet Stephen Spender wrote:

I think continually of those who were truly great . . .
The names of those who in their lives fought for life,
Who wore at their hearts the fire's centre.
Born of the sun, they travelled a short while towards the sun,
And left the vivid air signed with their honour.

REMARKS OF RICHARD W. RILEY, U.S. SECRETARY OF EDUCATION

On behalf of President and Mrs. Clinton and the American people, I want to extend to Kay Boyer, her children and grandchildren the many thanks of this nation for giving us Dr. Ernest L. Boyer—and my personal thanks for the honor of speaking at this memorial service.

You family members knew and loved Ernie as a husband, father and grandfather. We came to know, love and admire him as a teacher, reformer and friend, a wonderful and cheerful advocate of children and of the advancement of American education.

Ernie was, in many ways, education's best friend. He had an intellectual rigor about him and a wonderful capacity to speak plain English. He moved people to act. He was unwilling to accept mediocrity and his body of policy recommendations—which span the waterfront—remain to this day the sturdy foundation for our continuing efforts to improve American education.

Ernie did many things for education.

He urged and prodded higher education to return teaching to its primacy of place at the core of the college experience, and he never let us forget the importance of service to the learning experience.

He reminded us, with the wonderful support of his wife Kay, that an unhealthy child could not be much of a learner.

Above all, he captured the imagination of countless parents and teachers because he gave hope to the real possibility that we could educate all of America's children.

Ernie was education's own "Mr. Fix It." For Ernie believed in solutions—believed that with hard work, a sense of optimism and unlimited energy—all problems could be solved if we stayed focused on the children.

Ernie once wrote that, "America is losing sight of its children." This must have been a difficult sentence for Ernie to write because he never lost sight of the children. And, that was one of his unique gifts—his tenacious capacity to stay focused, to inspire everyone he came in contact with to keep at it even when the task seemed daunting.

For Ernie, you see, believed in excellence and knew that excellence and equity went hand in hand. He did not suggest to you that the connection was easy to sustain. But he was not daunted.

He told us to start early, to strengthen the connection between parent and child. He urged us to fit our schools to the needs of our children instead of the other way around. And, then he went on to give us the blueprints for basic schools of excellence and how to improve teaching—and how to infuse the arts into education.

Ernie, with his energy, wisdom and passion, conveyed to us the possibility that we could get the job done—that we could raise standards and make America's schools, colleges and universities bastions of hope, creativity and learning.

Ernie's mind, you see, never rested and he had an idea for just about everything. Good ideas—solid ideas—forward thinking ideas—positive solutions that made a difference. Until his very last breath, Ernie was a worker. In a few short weeks we will see the wisdom of another one of his good ideas—how to reform the American high school.

His work on this plan defines for me not only his talent and foresight but, more than anything else, his quiet integrity. He could have produced, as so many have before, one more scathing report about America's high schools—a headline grabber, to be sure, but a report that would not have helped anyone.

Instead, Doctor Boyer encouraged and supported the work of this nation's high school principals and teachers in their effort to find concrete examples of what is working and what is not. He looked for solutions that challenged the very best in each of us.

It seems fitting, then, to ask all of us what we will do to carry on Ernie's legacy. This is not easy. For we are in troubled times. Too often the debate about education is distorted and driven to the limits of ideological certitude. What seems missing is Ernie's capacity to listen and learn, his spirit of generosity, and his enduring efforts to build consensus around achievable goals rooted in the basic principles of good education.

In many ways, the future of public education is at stake. For there are some who would have us believe that public education, as an institution, has outlived its usefulness. They do not believe in its value, see no point in reforming it, and quite literally seek to abolish it as an institution.

I am deeply troubled by this growing intellectual retreat from the democratic spirit that has always defined American public education at its best. And, I am sure that Ernie would have none of it. For Ernie's life work was about building up public education, not tearing it down. He was a leader by example, positively engaging Americans to come together for the good of the children. Today, we could use a lot more Ernie Boyer's to help us move into our knowledge-based future with confidence.

So I ask you to celebrate the good work of our friend Ernie Boyer. We all have wonderful stories to share. Stories that celebrate the joy of education and the generosity of Ernie's spirit.

But when you go home, I urge each and everyone of you to roll up your sleeves—to fight as Ernie would fight for better public education—to stay focused on the essentials of effective teaching and learning—to be high-minded, positive, and even enthusiastic—but to get on with the job of making Ernie's positive vision of education a reality for future generations of children.

Thank you.

STATING THE OBVIOUS

(By Ernest Boyer, Jr.)

It must be among the most elusive of all accomplishments—public acclaim joined with private fulfillment, the respect and esteem of colleagues and associates balanced with the equally rich love and admiration of family and friends. This is what my father achieved. Measured in terms of years, his life seems all too short. But measured according to what he managed to accomplish in those years not even ten lifetimes seems sufficient to account for it at all. More significant, though, to those of us who knew him as husband, father, father-in-law, grandfather, brother, or uncle was his extraordinary capacity for love. My mother likes to say that he had been given an extra gift of love. It seemed so true. This was not a love that called attention to itself or in anyway placed expectations on those it sheltered. And it certainly never sought to control or to direct, or to tell others what was best. It was, rather, a love that could be so unobtrusive, so quiet—and yet so intense—that it became simply impossible to separate that love from the man who give it. His was, then, a rare double talent—extraordinary public accomplishments coupled with the even more extraordinary personal qualities of a gentle but very warm humanity, an unhesitating kindness, and an unqualified love.

It is, however, not on his accomplishments nor even on his love which I wish to focus—not on his accomplishments because there are so many others far more qualified than I to speak of those, and not on his love because in the end there is so little that can be said of it. It was in many ways so much a part of his presence that for anyone who ever met him no further explanation is necessary, and for those who never had a chance to meet him, no explanation is really possible.

Instead, I would like to examine the one among his qualities which, it seems to me, most fully links those accomplishments together with that love. This was his wisdom. Among the many things my father's life was for me, it became eventually also a study of wisdom. Wisdom is not merely an uncommon virtue. It is also a rather peculiar one. Contrary to popular opinion wisdom has very little to do with intelligence, for example. And although my father had a brilliant mind, it was not from his intellect that his wisdom came. Intelligence revels in complexity and in subtlety, both of which can occasionally be helpful, but which just as often can obscure and even confuse solutions. Complexity for its own sake held no interest for my father. He preferred simplicity, clarity.

No, this wisdom came from another place entirely, and as I watched over the years I have come to more fully appreciate the nature of wisdom itself. Wisdom, I have decided, is nothing more and nothing less than the ability to state the obvious.

Describing it this way may at first seem to cheapen it, to dismiss it, or possibly to degrade it into something rather ordinary. It does none of these. The fact is, the ability to state the obvious is remarkably rare. It is rare in part, because to do so requires its own manager of courage. It is rare, too, because, strangely enough, the obvious is not obvious to very many.

The courage that is required is the sort needed in the face of the widespread belief that stating the obvious makes a person appear uninformed, or naive, or even foolish. My father was none of these, and so to state the obvious with the consistency with which he did so demanded not only a profound self-confidence but an even more profound conviction that how he himself appeared was in the long run incidental to the main task to be done, which was to make the world a better place. One of the things he was fond of saying was, "First decide what is the right thing to do. Then figure out how you are going to do it." He was convinced that this process should never be reversed. You should never let what you think you can do try to convince you what you ought to do. Start with what is right and work from there. And for my father, to say that you should start with what is right was to state the obvious.

There were many other things similar.

It was also obvious to him, for example, that there is far, far more that unifies all of us as human beings than that separates us. There are differences, of course, but there are no differences so significant that they cancel out the far more basic needs and infinitely more important hopes that all people share simply by the fact of being human. Nearly every problem we have, he was convinced, is the result of forgetting how much each of us has in common with everyone else on this planet just as nearly every solution must start with the reaffirmation of that fact. Thus it was that his strongest impulse, an impulse that formed a cord that tied together his entire career, was always to make connections. He took it as his daily task to form bridges, bridges between ideas, bridges between institutions, and most important of all, bridges between people. He was persuaded that there could be no greater responsibility for schools, for parents, or for anyone else concerned with the future of the human race than to teach children how much we all have in common and how much depends on the recognition that we are all in this together. For him, to say this was to state the obvious.

And simply because we all share so much, and because we are all in this together, it was also obvious to him that no voice should ever be ignored, and it was those least heard that he was most inclined to notice. This was especially true of children. All his life my father was preoccupied with children. He was fully persuaded that children, simply as children, had so much to offer the world. It was for him a point of unwavering conviction that their voices, at least as much as any one else's, had to be included as part of the human solution. To him, it just seemed so obvious that this should be so.

Finally, it was for him obvious too that everything we do must contribute to a greater purpose. This meant in part working on a day-to-day basis to make the world a better, more just place, but it also meant for him quite a bit more than that. Central to who my father was was his faith that no matter what any of us do in the course of our lives, it can only ever be but a tiny part of who we are and what we are to become. Some weeks before he died my father said to me, "I've always known how important what we do here can be, but recently I've come to see so plainly all the ways in which what we do here can also become what I can only describe as holy." He told me this as something that he regarded with renewed appreciation but not with surprise. On one level this, too, had always been obvious to him.

The thing is, though, that not all of this that was so obvious to my father is equally obvious to everyone else.

In a 1978 interview my father said:

"It takes constant awareness to see yourself in relation to others, to see this moment in relation to a day or week or a century, to see this planet in the universe, and to keep rediscovering how important each moment is and, in a sense, how fleeting and almost inconsequential in the broad sweep of human history and divine plan."

My only quarrel would be with the word "inconsequential." A life such as my father's shows just how consequential one person's time on earth can be. We all lose when a voice such as his is silenced. Wisdom such as he offered has grown all too rare. It has even sometimes seemed to me that when my father died wisdom itself died with him, since the only thing obvious to me now is how much I miss him. And yet he himself would have been the first to protest such a thought. He would have pointed out that really nothing has changed: It is still true that people have more uniting them then dividing them, that no voice, least of all that of any child, can ever be ignored, and, most especially, that all that we do is towards a larger purpose.

These remain as obvious as they ever were, and obvious especially to us now even if they are still not obvious to all, because we had him to point them out to us.

ERNIE BOYER: A SELF-EFFACING LEADER

Mr. SIMON. Mr. President, several weeks ago I attended a memorial service for Dr. Ernie Boyer, a man who had dedicated most of his life to improving education and educational opportunities for all Americans. The memorial service was more of a celebration of who Ernie was and how many lives he touched than a farewell. Speakers included his son Ernest Boyer, Jr., Secretary of Education Riley, Senator EDWARD KENNEDY and the principal of a San Antonio elementary school Ernie nurtured along. None of us said it better than a fifth grader who had gotten to know Ernie Boyer, "You say you don't know who Dr. Boyer was? You never got to know him? Too Bad! You would have loved him."

I am submitting the remarks made by several of us at the service and hope my colleagues will take the time to read what Ernie Boyer meant to a lot of very different people.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR PAUL SIMON

William Butler Yeats, the Irish poet and later an Irish Senator, in the mid 1920s wrote in a poem: "The best lack conviction, while the worst are full of passionate intensity." It sounds as if he is writing about today. But Yeats did not know Ernie Boyer.

His quiet demeanor, his ready smile and marvelous laughter, his soft response to a hostile question were not indications that he lacked solid conviction. He had backbone and vision and an understanding of humanity that combined to make him superbly effective. The Albany Times Union editorial tribute concluded with this accurate assessment: "He touched millions of ordinary lives and made them better."

The last time I talked to him by telephone, he spoke from a hospital bed, only I did not know it until after I read the story of his death. He was that kind of self-effacing human being.

While we knew each other for a period casually, I first got to really know him when President Carter appointed the Commission on Foreign Languages and International Education, headed by Jim Perkins of this city. Most of us on the Commission did not know each other. Ernie suggested a few names, and the White House added some. It turned out to be one of those rare commissions where everyone worked, and worked together with a common purpose, on a small budget with limited time, and the end result changed the educational climate in our nation—slightly. But slight changes, like one or two votes in the Senate, can ultimately make a huge difference. Ernie Boyer played a key role in the work of that Commission.

His work as Chancellor of the State University of New York earned him what I am sure were deserved laurels, but when he became United States Commissioner of Education, then headed the Carnegie Endowment for the Advancement of Teaching, he enriched the nation immensely. In those positions he lifted all of us in ways that never can be calculated fully.

Our friend attended Greenville College in Illinois, a small liberal arts college, for his undergraduate work. Greenville is sponsored by the Free Methodists. When he attended, female students could not wear lipstick, and all students had to take a pledge not to attend movies. The Free Methodists were not too free.

But Ernie always felt gratitude to that school for the opportunity it gave him. He learned to respect and understand that part of our culture. From there he grew and reached out across all the barriers of religion and race and ethnicity to live a life of concern. He wanted a quality opportunity to be the option for all in this nation and beyond this nation.

As we bid a formal farewell to the man, let us honor him by not bidding a formal farewell to his ideas and his ideals. He did not want a nation that has technically superb but useless B-2 bombers and inner-city schools with no books in the library and, too often, no hope in the classroom. He did not want a nation eager to invest in more and grander prisons but unwilling to invest in better schools. He did not want a nation with great sensitivity to the whims of those of us who are more fortunate economically but indifferent to the 24 percent of our children who live in poverty. He did not want a nation of scholars who can carry on great discussions but are unable to carry out great dreams.

Ernie Boyer: gentleman, scholar, dreamer, doer.

May we be the same.

REMARKS FROM ALICIA THOMAS

Dr. Ikenberry, Trustees of the Carnegie Foundation, members of Dr. Boyer's family, friends of Dr. Boyer, distinguished guests, ladies and gentlemen. It is my very great honor and privilege today to speak on behalf of all the teachers, students and principals in the Basic School Network. This has been a time of great sadness for us all. We have lost a dear friend. In the two years that we have worked together this group has become very close, very united in our efforts to improve schooling on behalf of this Nation's children. And so for all of us there is a lot of affection, warm affection for Dr. Boyer, much respect for him, and consequently a deep sense of loss and a sense of absence that will always be with those of us who had the privilege to learn from him, and to engage in conversation and discussion. I think his voice and his presence will always be missed, and we will never be quite the same again.

But this is also a time of reflection on the richness of a life, and the richness of a legacy. Of all the people I've known, no one's life and legacy could have been richer than Ernest Boyer's. His family was a great source of pride; four wonderful children, grandchildren, a loyal and devoted wife. But beyond family, Ernie Boyer's life was one of service. Service to children, both in highly respected positions in our Nation's government, and as President of the Carnegie Foundation for the Advancement of Teaching. His life was very rich. He gave of himself, and in doing so earned the respect and love of all, family, friends and colleagues, and most especially, teachers.

To Ernest Boyer there was no nobler profession than teaching. He spoke movingly of the great teachers in his life, including the famed first grade teacher, Miss Rice. And he moved each of us to work with renewed purpose and inspiration, to commit our lives to practice in an exemplary way. Dr. Boyer wanted the best and the brightest in teaching; he wished for loving and supportive first teachers in order that all children succeed. Dr. Boyer felt teachers were part of the strength and solution for our Nation's schools; he knew that a truly great teacher changes lives forever. The teachers at Jackson-Keller said simply, "He stood up for schools; he stood up for us." Kindergarten teacher Kristen Dreyer said "I just loved it when he told me 'you are doing the Lord's work.'" And so we are.

I can't forget to mention Dr. Boyer's wonderful sense of humor. He so enjoyed the funny stories shared about teachers and children. He would dance the chicken dance with a group of second graders, listen intently as Kindergartners explained their drawings, chortle with laughter as Third grade teacher Suzann Westermann sang "Nothing could be sweller than to be at Jackson Keller." Ernie Boyer just loved people, and he believed the best in them. It was the people that linked him to schools. And at Jackson-Keller he was as beloved by the Head Custodian as he was by the children, parents, and teachers.

Danal Jimenez, J-K Fifth grader wrote "If I can quote Shakespeare, 'Alas, I knew him well.' Personally, I feel the loss. He came from Princeton and made me feel special when two years ago he gave me his firm handshake, special note on his business card and friendly words. He was like an instant quick friend and I will never forget him. Did you know he loved the arts?

Danal's friend Michael Navarro said, "A few days ago, Jackson-Keller lost a great friend, mentor and thinker. He helped the Basic School exist. You say you don't know who Dr. Boyer was? You never got to know him? TOO BAD! You would have loved him."

Michael continued, "The Asians had their Sensai, the Indians had their Shaman, and we had our Dr. Boyer. Though he passed away, he will continue to live in our commonalities, and through our community of learners, and definitely in the hearts of the children who knew him."

During their visit to Jackson-Keller last October, Dr. and Mrs. Boyer were serenaded by our third grade students. Our children sang:

I am a child,
I am the future of the world, and just like every boy and girl
I have a dream.
And when I dream,
The only way it will come true is if I'm gently led by you
And then set free.

In the Basic School Network, we have been gently led by the words and the actions of Ernest Boyer, and we do believe in this dream of the Basic School, a school committed to the success of every child. I heard Dr. Boyer say on many, many occasions "the tragedy is not death. The tragedy is to die with commitments undefined, convictions undeclared and with service unfulfilled."

Proverbs 29 tells us "A people without vision shall perish." But those with vision shall flourish. In the Basic School Network we have each been blessed to learn from the vision and commitment, the conviction and service, of this fine man. We accept the challenge of Dr. Boyer's legacy, The Basic School. It will live on because he taught us schools are not about buildings and budgets, but about building a better world for children. We learned from him that there must be a school of quality and excellence, a place of love and learning in every neighborhood, within the reach of every child. And that the meaning of life is to create a life as if it were a work of art.

We are thankful for the life of Ernest Boyer, and that each of us was allowed to touch it, and be touched by it.

NATIONAL ENDOWMENT FOR THE HUMANITIES

Mr. PELL. Mr. President, I strongly oppose any further reductions in funding the National Endowment for the Humanities. The agency has responded to a 36-percent budget cut for fiscal year 1996 with major restructuring of programs and staff. Using the House appropriations figures contained in the last two continuing resolutions, NEH is now operating at a 40-percent reduction—$99.5 million instead of the anticipated $110 million.

The agency has already eliminated 90 positions from its 260-person staff, streamlined its administrative structure, and cut programs. The suspended programs include: archaeology projects, summer stipends for teachers, dissertation grants, the NEH/National Science Foundation grants, the Kettering Foundation partnership, and, most disturbing to me, the National Conversation initiative. Further staff reductions are now probable.

The recent furlough and uncertainty over its budget is preventing the agency from planning, carrying out its mission, and ensuring that the taxpayers dollars are spent wisely. For example, NEH has had to cancel peer review panels. As NEH can fund only 18 percent of the more than 8,500 applications it receives each year, competition for funding is fierce. Ensuring that these funds are awarded to the best proposals is a responsibility that NEH takes seriously. The Humanities Endowment peer review system has been heralded as a model for adoption at other agencies. The forced cancellation of peer panels as a result of government shutdown has weakened that system and prevented the agency from meeting its high standards of rigorous review.

Should funding run out on March 15, NEH will have to cancel its March 25 round of grant awards. Applicants who have put thousands of hours and effort into their grant applications will be denied the opportunity for funding for an entire year.

Changing the Humanities Endowment appropriations means that: Work on the George Washington, Abraham Lincoln, Andrew Jackson, Dwight Eisenhower, and First Federal Congress Papers will be terminated before completion. Summer seminar programs for teachers will be canceled entirely. One hundred fellowships will be eliminated. The widely-read Humanities Magazine, already forced to cancel its January issue, will have to cancel more. In July, all grants to film, libraries, and museums will have to be canceled. This includes a Utah Humanities Council exhibit scheduled to travel to 32 small, rural museums from West Virginia to Oregon, and a Buffalo Bill Historical Center exhibit slated for 10 Western sites. State Humanities Councils, in addition to losing anticipated funding for this year, are facing enormous difficulties in planning for the next. Technical assistance and consultation to hundreds of small- and medium-sized cultural institutions will be suspended.

The drastic effects of government shutdown and budget impasse on American scholarship and the entire humanities field is not necessarily as obvious as it is in other areas of concentration. This is because NEH grants, with their heavy emphasis on research, rarely see results for several years. But continuity in support for research projects is critical, and NEH represents the single largest source of financial support for the humanities nationwide. The next largest, the Andrew Mellon Foundation, provides one-third of the amounts granted by NEH.

When we eliminate the staff and resources funded by NEH and needed to preserve brittle books, the destruction does not stop. We have lost volumes of important manuscripts forever. The same is true for NEH's important United States Newspaper Preservation project to preserve city and small town newspapers on communities in all 50 States.

Mr. President, I cannot underestimate the gravity of this situation. If allowed to continue, it will mean that future generations of Americans will be deprived of the knowledge of our Nation's rich history. We owe it to our people to maintain this legacy, and not to let it slip away. We simply cannot afford to lose artifacts, texts, wisdom, and insights that tell where we came from, who we are, and how we might make wise decisions for the generations ahead. I urge my colleagues to consider how very serious this situation is, to understand the long-term ramifications of cuts in the NEH budget, and to join in a bipartisan effort to enable this agency to continue its good, worthwhile, and extremely important endeavors.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

AGRICULTURAL MARKET TRANSITION ACT OF 1996

The PRESIDING OFFICER. The clerk will report the pending business.

The assistant legislative clerk read as follows:

A bill (S. 1541) to extend, reform, and improve agricultural commodity, trade, conservation, and other programs and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Craig (for Leahy/Lugar) Amendment No. 3184, in the nature of a substitute.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3184

Mr. LUGAR. Mr. President, we will soon have a cloture vote on the Leahy substitute to Senate bill 1541, The Freedom To Farm Act, I introduced. We had a cloture vote on that legislation the other day, gaining 53 votes, a majority of the Senate but less than the 60 required to end debate on that occasion.

My colleague, Senator LEAHY, former chairman of the committee, a man with whom I have worked in the Senate from the time that I started on the Agriculture Committee, has made a number of constructive suggestions. The latest version we are about to vote on is the Freedom To Farm Act but with additional suggestions made by Senator LEAHY in the form of a substitute. And I support those additions, Mr. President.

I wish to simply recite a few of them for the benefit of Senators who are following this debate. Senator LEAHY has said, why not take this occasion to let producers bid for a permanent easement in the Wetlands Reserve Program as opposed to bidding for a shorter period of time. I think that is a very constructive suggestion. He has asked that we encourage innovative range management techniques to be developed in the Southwest under grazing lands authorization. He suggested to make it possible for farmers to serve on State technical committees. So that is incorporated in the legislation.

A very significant change, Mr. President, is the reauthorization of the Food Stamp Program and other nutrition programs that require authorization at this time in order to continue.

Senator LEAHY, furthermore, has made an important change by suggesting that we reauthorize the Conservation Reserve Program through the year 2002, allowing new signups and making water quality a high priority, that which we have considered at length in our committee with extensive hearings and many witnesses strongly in favor of continuation of the program and of the priority for high water quality, likewise for trying to save soils that are in a high erosion situation, and, of course, the preservation of wildlife, supported by conservationists and sportsmen throughout the country.

Senator LEAHY has asked that we create a nonprofit foundation to promote conservation, a conservation foundation. This idea has passed the Senate earlier in previous legislation.

An especially important program, Mr. President, which will now be a part of this legislation, is the EQIP program, $100 million per year in additional mandatory funding for crop-oriented conservation cost sharing, similar to the Lugar-Leahy conservation bill, S. 854.

Let me simply say, these are suggestions that would have come forward in other titles of the farm bill. We all appreciate the situation in which the farm bill was incorporated in the Balanced Budget Act. Regretfully, President Clinton vetoed that act and he, therefore, vetoed the farm bill.

As I explained to Members the other day, literally I picked up the farm bill from the side of the road and put it back into play, and we got 53 votes to stop debate on that situation. We are hopeful of getting 60 votes to end debate by incorporating these additional suggestions of the distinguished Democratic leader of the Agriculture Committee. I will add that many other Members on the other side of the aisle have shown strong support for Senator LEAHY's initiative.

Mr. President, other speakers today have mentioned the importance of certainty about farm legislation. Clearly, that is the reason we return today. We are attempting to provide that certainty so that farmers will know there is a program that has passed one body and have a fairly good idea how that meshes with the farm bill that is now about to be considered on the floor of the House of Representatives, a bill very similar in terms of all of its freedom to farm aspects.

I predict if we are successful today, we will be in a position to confer with the House very promptly upon their return, and farmers will have an idea, at least in framework, of what to anticipate as they try to order inputs prior to planting.

If we fail to act, two things will occur, one of which has been predicted by Secretary of Agriculture, Dan Glickman, and that is, he feels a mandate to begin thinking through the allotments for rice, and he will have to begin thinking about payments to certain wheat farmers—who were in the business in 1949—as the Texas wheat crop is harvest in the latter part of May. Those events are coming along the calendar.

The other thing that will clearly occur is that many farmers will simply adopt their own freedom to farm idea. They will plant for the market. They will abandon Government programs. I have suggested that may not be a totally bad idea. It might be, in fact, revolutionary if farmers simply took their fate in their own hands and say we are going to plant for the market and not wait around for games to be played on the Senate floor, for parliamentary procedural difficulties.

For those who want certainty and those who want a farm program, this is the day and this is the hour at 4:10. If we make progress, I predict we will have a sound program that has a safety net and certainty. If we do not have cloture today, I suggest to farmers all over America, you better begin thinking about taking your fate in your own hands because I do not predict success very soon along the trail.

I note on the floor, Mr. President, my distinguished colleague, the Senator from Vermont. Therefore, I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. If I can just take a couple minutes.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. I yield the majority leader as much time as he might require.

Mr. DOLE. Mr. President, first, I thank the distinguished chairman of our committee for his effort and also Senator LEAHY from Vermont, the ranking minority member of the committee.

As I have indicated in the past, farm bills are always difficult to pass. They are even more difficult than the House side. I hope today we can demonstrate in a bipartisan way we want to move forward, try to get this to conference. I think American farmers want and deserve certainty, and I assume, as the chairman just indicated, maybe if we do not do anything, they will just do it on their own.

It is interesting today, the Governors are in town and this morning, by unanimous vote, they passed a resolution calling for us to pass a farm bill without delay no later than February 15. These are Democrats and Republicans, but they were unanimous. Nearly every Governor has someone or many or hundreds or thousands of people in their State who rely on agriculture for a living, and they understand the importance of agriculture.

President Clinton also spoke this morning with the Republican and Democratic Governors. He said we ought to strike while the iron is hot. Well, the iron is hot. This is the time to strike because there is not any administration farm bill, as far as I know. Somebody even offered a reward if anybody can find an administration farm bill. If they are just against what we are doing and do not have an alternative or if they have an alternative, vote on both, give them a vote, give us a vote, 1-hour debate and we are out of here.

The farmers will have some certainty. We are prepared to do that this afternoon. So the iron is hot and the farmers are hot, and the farmers are getting hotter every day. They do not understand why this is being mired down in a partisan effort to stall to go to conference. We have had 33 hearings. This bill has been endorsed by nearly every major agriculture commodity group. We have had a bumper crop of profarm rhetoric, but we do not have a profarm bill.

Farmers really do not care what we say on the Senate floor. They are not hanging on every word uttered on the Senate floor, but they would like to have some guidance so they know what they can tell their banker, for example, or their employees.

So on behalf of the American farmers, I ask my colleagues to pull the plug on the filibuster, because the choice we face is clear. We will either adopt a policy that fosters the future growth of America's No. 1 industry or we are going to continue a farm policy that is the equivalent of driving a truck while looking in the rear-view mirror.

U.S. agriculture is dynamic and growing. It is time for Washington to help foster this growth by implementing a simpler and more flexible market-based farm policy.

So I think we have a lot of opportunities to offer amendments if people disagree with the farm bill. There are a couple hundred amendments filed, I understand. So I hope we can adopt a bill that will meet the concerns as we go into the 21st century. I think the future is bright for American agriculture. But we have to be prepared, and part of the preparation is adopting a farm policy that is growth oriented, which means eliminating supply controls, providing farmers with full planting flexibility and a program which is simpler and more certain.

So I hope we will do what we should have done. The President vetoed the bill. That is his right. As far as I know, there is no alternative offered by the President. That is his right. Again, as I said, if there are alternatives, why not just have a vote on each today. Vote on the freedom to farm; vote on the Leahy amendment, whatever. There has been a lot of bipartisanship in putting together the pending substitute.

So I hope my colleagues will understand that it is time for action. It is time to strike, as the President said, while the iron is hot. It may not get any warmer. Sooner or later, we will get cloture, because I think the farmers and farm groups are beginning to contact our colleagues and are persuading our colleagues, for the right reasons, to move forward.

So I urge my colleagues to do what we should have done sometime ago—pass a farm bill. I am from a winter wheat State. At the end of every 5-year farm bill, we never know what the farm program is going to be, and so farmers do what the chairman said. They go out and sort of plant everything and hope that the legislation will let them destroy some of it or continue to produce it. So the time is long past due, and I hope we will take positive action today.

The PRESIDING OFFICER. The Senator from Vermont controls 11 minutes of time, and the time under the control of the Senator from Indiana has expired.

Mr. LEAHY. Mr. President, the distinguished Senator from South Dakota wishes to speak. I wish to speak, but, obviously, I yield to the Senator from South Dakota and ask him to make sure that I get a couple of minutes.

Mr. DASCHLE. I thank the ranking member, the distinguished Senator from Vermont.

I agree with much of what we just heard the majority leader say. He said we should have passed a farm bill a long time ago. I agree. He said we should strike while the iron is hot. I agree. He said that we need bipartisanship. I agree. He said the farmers are clamoring for us to get something done. I agree.

The leader did not explain why it is that we have not been able to pass a piece of farm legislation in the Senate Agriculture Committee. He did not explain why we have not had this bill pending before us, as we have every 5 years for the last 60 years. He did not indicate, as I know he understands, that we have never sent a bill to President Clinton as a freestanding piece of farm legislation.

Everyone knows the history here, and everyone knows that this legislation was incorporated—a better word is "buried"—in the budget reconciliation bill. That is where the legislation was, and that is what the President vetoed.

So we are here this afternoon with the prospect of voting on a farm bill that has not been subject to one amendment, has not been subject to one day of debate. We would be locking into law, if cloture is invoked, legislation that would eliminate permanent farm law for the first time in 60 years, that would do things about which most Senators today still are not completely appreciative. Why? Because we have not had a debate.

I agree, as I said, with the leader that now is the time to get the job done. But if we are truly going to get the job done, why is it that we would take an all-or-nothing attitude? We had an opportunity to pass a compromise. I felt very encouraged in the last several days as we worked with the distinguished Chair. He is as forthcoming and as willing to work with us as any chairman. I applaud him for his efforts. We worked with the majority leader's staff, and with staff on our side, in the expectation that we could break this impasse. I think we were within reach, within grasp of achieving a meaningful compromise. Why, for some reason, there was a change of heart on the other side of the aisle, I do not know. All I know is that we missed that opportunity to bring a compromise to the floor, to have a good vote, to work through this piece of legislation with an expectation that we could finish by the end of the day tomorrow. I still would like to see us do that.

Let us do, for Heaven's sake, what we have always done on a piece of legislation this controversial and this far-reaching. Let us consider important amendments, and let us deal with this debate in a way that will allow us to make the very best decisions. Let us not take the all-or-nothing attitude that is expressed by some on the other side. Let us not ignore the consequences of ending permanent law.

All we are asking is an opportunity to offer amendments, not to be precluded from offering them. The majority has a lot of rights around here, but one right should not be to preclude the minority from making what they consider to be very important improvements in this legislation. We want the rights that we have fought for every day we have come to the Senate floor.

I must say, Mr. President, that nothing is more important than that. Put aside for a moment the issue of farming and all of the serious policy implications of the current farm proposal; put those aside. Just remember how critical it is that Senators have the right to offer amendments and not be impeded by the parliamentary process that could be put in place under cloture. I do not want that to happen on this bill, or on any piece of legislation, for which there has been no debate or amendments.

There may come a time when we are going to have to invoke cloture—when I would support it. But not today, not under the circumstances, and not without having a good debate and, certainly, not with the expectation that this ultimately will go nowhere.

A justified Presidential veto of this legislation would put us right back where we started. We do not want that; farmers do not want that. Let us work through this and get a compromise that will allow us a meaningful opportunity to come together, and I will predict passage by an overwhelming vote, certainly by the end of the day tomorrow.

I yield the floor.

Mr. LEAHY. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 5 minutes, 27 seconds.

Mr. LEAHY. Mr. President, I ask unanimous consent that, at the conclusion of my time, the distinguished senior Senator from Virginia be given 1 minute under his own control.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I wish we were not in the situation we are in. I would like to see a farm bill done in the normal course. In 1990, when we did the Leahy-Lugar farm bill, it was a comprehensive package that blended the needs and interests of urban and rural America with the need to maintain and reclaim our environmental heritage as well as to provide the food and fiber needed in this country.

We seem to be operating under a different situation. I hope that the final package we have here will have a bipartisan nature to it. The other body determined that they cannot do that. I believe we are different in this body, and I believe that we can. We have always approached farm legislation that way, and this is no different.

As I approached the farm bill year, I asked myself the following question, and it is a question that I believe every Member in this body needs to ask him or herself.

What is a farm bill?

In 1996, a farm bill is no longer just about farm programs. It is not just about growing crops or amber waves of grain.

The farm bill is about feeding the American people. It is about the elimination of hunger in one of the wealthiest nations in the world.

The farm bill ensures that children do not go to bed hungry—at home and abroad.

Congress created the world's most cost-efficient and effective nutrition programs.

These programs are the lifeline for millions of Americans—especially children in need of Government assistance.

Except for the 26 million Americans on food stamps, most Americans do not realize that food stamps are America's best and largest child nutrition program.

Most Americans are not aware that the authority for the food stamp and other nutrition programs expired last year.

Today, we have the opportunity to reauthorize these nutrition programs and maintain this safety net for millions of at-risk Americans.

Quite simply, this is a moral question.

The farm bill is about safety—knowing that the food supply of our children and our children's children is safe.

When our children drink a glass of water, we know it is free of pesticides. When our children buy a school lunch or grab a snack after school, their parents and teachers know it is safe to eat.

The farm bill is about the environment. It is about responsibility to conservation and the legacy we leave to future generations.

I have said twice this year on the Senate floor that the historical basis for the present commodity programs has disappeared.

And, I know that they are important to the 2 to 3 percent of the population that they directly serve. But, these programs, as presently structured make less and less sense to the majority of the population.

There is a real reason that taxpayers should make payments to farmers and ranchers. It is simple and clear justification for commodity programs and Americans understand it.

Farmers and ranchers manage half of the land in the United States. Yes, half of the land in the United States.

Farmers and ranchers, however, need the help of taxpayers to implement innovative, valued environmental solutions to maintain this land.

It is impossible to solve our clean water problems, wetland and wildlife problems except through a positive incentive program that should form the basis of the agricultural program of the next century.

We have accomplished that in this legislation. For the first time there will be incentives to help all farmers and ranchers be the good neighbors that they have always worked to be by allowing them ways to control the agricultural-related pollution that affects our rural and urban communities.

Bottom line, this package will provide a future farm program that will fund conservation-based farm programs that benefit every American and it will help all farmers and ranchers who control pollution and steward sensitive lands—not just those who produce major crops.

It is a good package. Can we do better? Sure, we could, by going through the normal course. The last time we had a 5-year farm bill, it took 7 days—an all-time record. These things sometime take a long time. I wish we could have come to agreement with the proposal the distinguished Senator from Indiana, Senator LUGAR, and I, along with Senator DASCHLE and Senator DOLE, made to our respective caucuses last Thursday. In my mind that was the best of all possible worlds.

That has not been found acceptable. I think that is unfortunate. I think we could have had more enthusiasm and voted for it had that happened. Now we have what we have.

A farm bill should also be responsive to the needs of a region with special circumstances. This farm bill does that by consenting to the Northeast Interstate Dairy Compact. The compact is State law in the each of the six New England States and is strongly supported by New England's governors.

The compact is a grassroots effort designed to set fair and stable milk prices that will benefit farmers and consumers. The New England States are not asking for anything but to go forward with this effort. All year we have heard about the need to give more power back to the States. This is an opportunity for Congress to do just that.

Later during this debate there will be an amendment to deal with national dairy policy. It is not perfect but it is a good start, and certain issues will need to be resolved in the House-Senate conference. It eliminates the assessment farmers have to pay for the dairy program, and phases down price supports. It saves $80 million over 7 years, not bad for a program that cost only $4 million last year.

This amendment will also protect and reform the Federal milk marketing orders and allow our dairy producers to compete internationally by fully funding the Dairy Export Incentive Program.

RESTORATION OF THE FLORIDA EVERGLADES

Mr. LEAHY. Mr. President, included in the farm bill that the Senate will consider today is a provision for $200 million to be used by the Secretary of the Department of the Interior to move forward with restoration of the Everglades ecosystem. Some of my colleagues may wonder why the farm bill contains such a provision, and I would like to take a few minutes to explain the importance of restoring this unique ecosystem.

The Everglades is one of the most unique wetland ecosystems in the world. It is a national treasure that is in peril and deserves the immediate attention of Congress.

Prior to the 1940's the Everglades ecosystem covered most of south Florida, from its headwaters in the Kissimmee River basin to the coral reefs of Florida Bay. Because of man's alterations, the once "river of grass" is now fragmented and deteriorating, threatening not only the wildlife of the esosystem, but also the water supplies, economy and quality of life for the people who live in Florida.

The central and south Florida project, authorized by Congress to control flooding and reclaim land in the area, has had unintended and disastrous results. While flood protection in many areas has improved, south Florida's ecosystem has suffered greatly.

On average, more than 500,000 acre feet of water are sent to tide each year from Lake Okeechobee. In addition, another 1 million acre feet from the Everglades agricultural area is discharged to tide each year through east coast canals. This water once remained in the system and was a primary source of fresh water for wildlife and served to replenish the ground water supplies.

Now the water that flows south in the Everglades marshes is diverted by canals and polluted by agricultural runoff, primarily from sugarcane fields. Water entering the Everglades often has 20–30 times the phosphorous levels that are found in unpolluted parts of the Everglades. This has led to an explosion of plants that are dramatically altering the landscape and the habitat of threatened and endangered species. Cattails are overwhelming periphyton, the very base of life in the ecosystem, destroying the unique balance of the Everglades.

Throughout the system, clear, fresh water has been replaced by murky, nutrient laden water that does not support native plant and animal species.

The years of water diversion and pollutants affect not only the Everglades, but also Florida Bay. The Bay is suffering from a lack of fresh water that has led to algal blooms and contributed to the extinction of North America's only native coral reef. As a consequence, this once teeming estuary now is closed to commercial fishing, and the tourism industry of the region is threatened.

We must not let the Everglades die. Although the decline of the ecosystem continues, it is reversible.

Current efforts by Federal, State and local governments to restore the system are moving forward. Restoration will involve not only protection of the natural system, but also continued flood protection and provisions for adequate water supplies for wildlife and humans. This comprehensive effort could be derailed if sufficient acreage in the southern Everglades agricultural area is not acquired to provide storage and delivery of adequate, fresh water supplies to the natural system.

As explained by the Everglades coalition, a diverse group of more than 30 citizens, environmental and conservation organizations, restoration of the Everglades requires a "dike to dike" approach to restore the natural flow of water into the Everglades, preserve and clean up polluted waters, reduce flooding and provide more water to a growing Florida. A "dike to dike" water storage and management area of approximately 230,000 acres in the southern Everglades agricultural area would be used to restore water quality and a more natural hydroperiod in the Everglades. Portions of this land are already state owned, and are available for Everglades restoration purposes. About 130,000 additional acres of land currently used for sugarcane production will need to be acquired in order to complete the necessary water management area.

According to the Everglades coalition, significantly increasing water storage will provide a wide array of benefits to all of south Florida including: The recovery of water now wasted to the ocean; more water for all water users, including the natural Everglades; restoration of the natural timing, distribution and flow into the Everglades; more areas to clean polluted water; the amelioration of flooding; and the protection of the Lake Okeechobee, St. Lucie and Caloosahatchee estuary ecosystems.

This is an ambitious project, which will cost billions of dollars. Today, we are making a small down payment—$200 million for Everglades restoration.

Specifically, this provision directs the Secretary of the Treasury to provide $200 million to be used toward the acquisition and modification of approximately 130,000 acres in the Everglades agricultural area identified by the agencies to be used for water storage and delivery. This would include the remaining private acreage in townships 46, 47, and 48 of the Everglades agricultural area, approximately 52,000 acres referred to as the "Talisman Tract" and other restoration activities in the ecosystem. When enacted, no further action by Congress will be necessary to authorize the administration to spend these funds. In addition, the funds shall not be provided for this program from the Conservation Reserve, Wetlands Reserve or any other conservation programs.

This small down payment will be insufficient for total restoration. It is only part of the Federal Government's share of this coordinated restoration effort. More important, it in no way relieves others—particularly the sugarcane industry that has benefited from the alteration of the system and continues to pollute it—of its obligation to contribute to restoration costs.

These growers benefit from the Federal Sugar Program that guarantees them significant earnings. In the next 5 years alone, some 139 Florida sugar producers and processors will make more than $1 billion in profits because Washington inflates the price of sugar, at the expense of the consumer

Forida sugar producers must contribute their fair share—a 2-cent per pound assessment on new sugar grown in the Everglades—to pay for both past water quality degradation caused by cane farming, and for land acquisition vital to Everglades restoration. This would raise $350 million over 5 years.

This proposal has wide spread support in Florida. Poll after poll shows that voters there believe polluters should pay and favor the 2-cent assessment.

I will pursue every effort until Congress or the voters in Florida impose a 2 cent assessment on every new pound of sugar grown in the Everglades agricultural area.

In addition, today's action should help the Clinton Administration which is taking significant leadership on restoring the Everglades. In a January 11, 1996 directive, Vice President GORE ordered key Cabinet departments to prepare a thorough plan for the President . . . for the restoration of the Everglades and the south Florida ecosystem.

The Vice President wrote that "the Florida sugarcane producing industry must pay their fair share" of restoration costs. He further directed senior administration officials to develop a plan that: "assures that sufficient land now involved in agricultural production is returned to its natural function to allow for storage and purification of water."

I will do all I can to work with the administration in this effort.

Mr. President, I ask that the full text of Vice President GORE's January 11, 1996, directive and administration's guiding principles be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OFFICE OF THE VICE PRESIDENT,
Washington, DC, January 11, 1996.

Memorandum For: Bruce Babbitt, Secretary of Interior,
Dan Glickman, Secretary of Agriculture,
Carol Browner, Administrator EPA,
Alice Rivlin, Director OMB,
Katie McGinty, Chair CBQ,
Togo West, Secretary of the Army.

From: The Vice President.

Subject: Everglades and South Florida Ecosystem Restoration.

Recently, the President and I again discussed the issue of restoring the Everglades. We both continue to be deeply concerned about the problems there, and believe that the Administration must continue to provide strong leadership and aggressively build on your collective efforts to date to restore and manage wisely the South Florida ecosystem.

During a recent trip to South Florida I pledge to expedite our work. Through this memorandum I am therefore requesting OMB and CBQ to work with the departments and agencies to prepare a thorough plan for the President that builds on our work and the set of principles adopted by the Administration to ensure fairness in funding the restoration of the Everglades and South Florida ecosystem. (A copy of the principles is attached).

This plan should accomplish the following objectives:

Assure that sufficient land now involved in agricultural production is returned to its natural function to allow for storage and purification of water. I understand that a number of scientists have recommended that 100,000 acres or more will be necessary to achieve a thorough restoration. I would like the Army Corps of Engineers to complete, as quickly as possible, its assessment of this acreage and whether additional acreage will be necessary to accomplish this objective;

Ensure a long-term, reliable reverse stream to be put toward land acquisition and other essential activities. Please specifically note continued federal, state, and local government contributions, and economic incentives, and identify and assess mechanisms that can ensure that those responsible for the pollution harming the South Florida ecosystem and those who benefit from the federal flood control and water supply projects, including the Florida sugarcane producing industry, pay their fair share;

Identify those measures that must be undertaken in short order, such as, for example, preserving a buffer around the Everglades and increasing water flows to Florida Bay; and

Expedite and coordinate the various federal efforts now ongoing for ecosystem restoration including the Army Corps of Engineers "restudy".

In developing this plan, please work with our state, local and tribal governmental partners. In addition, I would also ask you to consider all potential sources of revenues for such an effort, and to review any mechanisms including, for example, land trades; sales of surplus federal lands; or conservation easements, for acquisition of the necessary properties or development rights.

Your timely attention to this matter is very much appreciated. The Administration's continued leadership on this matter is vital and I anticipate with great interest your report on the best means for the Administration to assure the future of the precious natural treasure—the Florida Everglades and Florida Bay—and the health and economic prosperity of the citizens of South Florida. Thank you.

FUNDING TAX RESTORATION OF THE EVERGLADES, GUIDING PRINCIPLES

DECEMBER 1995

The restoration and protection of the Everglades and Florida Bay is one of the Clinton Administration's highest environmental priorities. The Everglades is a unique national natural treasure. With Florida Bay, it undergirds the quality of life and the tourism and fishing industries in South Florida.

The substantial costs of restoration over decades should be borne by those who have benefitted from activities that profoundly altered the Everglades acosystem, and by those who will potentially benefit by its restoration. Florida sugarcane producers should pay their fair share of the costs. Federal State and local governments also should share in the costs of restoration.

Congress should adopt legislation that provides funding to assist in making a substantial down payment on the significant restoration needs that immediately face the Everglades—such as enhancing more natural water deliveries to the Everglades and Florida Bay, acquisition of the Talisman tract, and acquisition and engineering of an East Everglades water preserve buffer zone.

Funding proposals should meet clearly defined objectives and be integrated into technical plans for the overall, long-term effort to restore the South Florida ecosystem. Restoration and funding proposals should be evaluated for their effect on the South Florida ecosystem, rather than on any single component of that ecosystem.

The proposals should be developed and implemented in consultation with State and local communities and officials.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I congratulate the leadership for trying to move this bill forward.

My contribution is very short. I have just returned from a wonderful 2-day visit to the rural areas in my State. I visited yesterday and spoke to the Virginia Association of Corn Growers, the Virginia Association of Soybean Growers. Every one of them said "Where is this bill?"

This morning was the most dramatic. I visited a section of my State, the valley which was ravaged by floods, ice, and snow, together with the Federal Emergency Management Agency. We were there this morning to help farmers. Mr. President, 13 counties and 3 municipalities were severely damaged. One old farmer got up, looked at me, and said, "Senator, we can dig out from under all this ice and snow. Why can you not dig out from the problems of Washington and pass that farm bill?"

I assured him that I would leave instantly to return to Washington to cast a vote to do just that.

Mr. LUGAR. Mr. President, I ask unanimous consent that Senators GRAMM of Texas and SNOWE of Maine be added as cosponsors for the Leahy substitute amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. Mr. President, my Democratic colleagues say we need a farm bill. They could not be more correct. The simple solution: vote for the Craig-Leahy substitute amendment.

Last week the Senate voted on the motion to invoke cloture on S. 1541, which contained the agriculture provisions included in the Balanced Budget Act that, unfortunately, my Democratic colleagues opposed and the President vetoed. I am disappointed that the Senate was unsuccessful in limiting debate on this legislation, which would have moved this body one step closer to passing a farm bill.

Today I urge my colleagues on the other side of the aisle to put party politics aside and vote for farm legislation that has the support of both Democrats and Republicans; the Craig/Leahy substitute amendment.

The Craig/Leahy substitute amendment represents a bi-partisan approach to farm legislation; farm legislation that will allow our farmers to farm to the marketplace and not to Washington, D.C. bureaucrats' farm legislation that will provide flexibility, predictability, simplicity, and opportunity for the American farmer; and farm legislation that will give certainly to farmers, their bankers, and to the taxpaying public. Simply put Mr. President, the Craig/Leahy compromise will give U.S. farmers the positive reforms they need in order to respond to the demands of emerging world markets.

Members of both parties have debated the need for a farm bill for nearly ten months. My advice to my colleagues is simple: by supporting the Craig/Leahy compromise today we can have a farm bill that is supported by farmers across the country; a farm bill that provides genuine flexibility and a smooth transition into the market-responsive agriculture of the next century.

The alternative, Mr. President, is the status-quo. That, Mr. President, is simply unacceptable to farmers in my State of Washington and across the country. American farmers deserve better—they deserve a program that will provide certainty and flexibility. It is time to put party politics aside and vote for farm legislation that has support from both sides of the aisle.

Vote for the Craig/Leahy substitute today and give our farmers what they deserve: a farm program will allow them to farm according to the marketplace and stop the Federal government from telling them what crop to plant, when to plant, and how much to plant. Washington does *NOT* know best—these decisions belong to the farmer, not the Federal Government. Voting for the Craig/Leahy compromise, Mr. President, is common sense

In closing Mr. President, I ask unanimous consent that a copy of a letter from Washington State Farm Bureau, representing over 6,000 farmers and ranchers in my State, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON STATE FARM BUREAU,
Olympia, WA, February 5, 1996.

Hon. SLADE GORTON,
Hart Senate Building, Washington, DC.

DEAR SENATOR GORTON: This letter is being sent on behalf of the 6,000 farmers and ranchers that the Washington State Farm Bureau represents. We are asking your support for a seven-year farm bill.

It is important that you understand that our members are adamantly opposed to a one or two year extension of current law. To do this would exasperate immediate cash flow problems for our farmers. Also, a one or two year extension leaves the long term look very uncertain for our farmers. We are also opposed to reverting back to the Act of 1949. Many problems would result from this approach, especially since the allotments based on the 1950 production patterns are not consistent with where wheat is actually grown today.

Our farmers are trying desperately to plan for this year's crop. Further inaction on behalf of the Senate and the House will only continue to disrupt both financing and planting of their 1996 crop. Farm families can't afford to have Congress continue to stop the process of signing a farm bill into law.

A Farm Bureau analysis shows that we need a farm bill which guarantees $44 billion in spending on commodity programs. We believe that this spending level reflects a significant contribution to budget deficit reduction by agriculture and is the minimum amount necessary for effective commodity programs.

It is our understanding that there will be a cloture vote on Tuesday, February 6th on the Craig/Leahy substitute bill for S. 1541. We urge you to support S. 1541. Please vote for this compromise farm bill and allow our farmers and ranchers to focus on what they do best, feeding the people of our great country and the world.

Sincerely,

STEVE APPEL,
President.

Mr. DOMENICI. Mr. President, tremendous changes have occurred in the agriculture economy over the last many years.

The growth of biotechnology, new and dramatic genetic research applied at the farm level, new and innovative production techniques, broadened communication and transportation systems, have all contributed to a much different farm and ranch operations today than just a decade ago—let alone half a century ago when New Deal legislation put on the books the farm programs we still have today.

I remind my colleagues when the Commodity Credit Corporation was established in 1933 farm households accounted for 25 percent of the U.S. population and generated over 10 percent of GDP.

Today farm households comprise less than 2 percent of the population and generate less than 2 percent of GDP. I know that the total food and fiber system beyond the farm gate contributes another 10 to 13 percent to GDP.

But those factors that helped create the need for farm price support programs in 1933 no longer apply today.

That is one reason why I am supportive of the concepts of an agriculture market transition program that we included in the Balanced Budget Act of 1995.

Today an international market has developed for America's farm products and we need to provide the mechanisms that allow farmers to base decisions on market conditions and not on Government programs.

The Market Transition Program moves agriculture in a new direction which will give farmers the freedom to plant what they want, when they want, so that they will be able to compete in our global market environment.

The Market Transition Program also ends the production control programs of the Depression era and provides a market transition for American agriculture.

Under our current system, farmers may be required to take land out of production which allows our foreign competitors to make up the difference in the world markets.

The Balanced Budget Act and the Leahy compromise also provides more flexibility, which farmers have asked for, less paperwork, and a better opportunity for farmers to earn a living from the marketplace.

Mr. President, a group of 15 distinguished economists, including the chief agricultural economist from the Eisenhower, Kennedy, Johnson, Nixon, Carter, Reagan, Bush, and Clinton administrations, have indicated their support for the reforms in the Balanced Budget Act. Those concepts are also incorporated in the Leahy compromise bill.

I ask unanimous consent that a letter be printed in the RECORD at the conclusion of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOMENICI. Mr. President, I support the concept of a spending cap which were included in the Balanced Budget Act for agriculture and are also included in the bipartisan Leahy compromise.

The spending caps as provided through a market transition program will benefit both the taxpayer and the farmer. The taxpayer will not end up paying for unforeseen spending and the farmer will know what resources he will have in the future.

The Market Transition Program puts a cap on total spending for the wheat, cotton, feed grain, and rice programs at $35.6 billion over 6 years.

Spending for the Commodity Credit Corporation programs has varied widely from $0.6 billion in 1975 to $26 billion in 1986.

The spending cap in the Market Transition Program will limit unforeseen spending increases which have frequently occurred in past years.

It is my hope that the spending restraints included in a market transition program will be retained in the final Senate bill.

Mr. President, some have also said that any spending reductions to agriculture is unacceptable. However, any reductions will provide a downpayment toward a balanced budget.

Mr. President, the Balanced Budget Act made reforms to farm programs, saved $4.6 billion and allowed the Department of Agriculture to spend $65.1 billion in outlays over the next 7 years for the commodity, conservation, export, and crop insurance programs.

We also know that modern day agriculture requires significant amounts of operating capital. Farmers will be one of the largest beneficiaries from a balanced budget because interest rates will decrease.

Mr. President, I would also like to remind my colleagues that if the savings diminish we will have to make up the difference elsewhere to achieve a balanced budget.

I cannot end this discussion without talking about agriculture in my home State of New Mexico.

Mr. President, in my home State cattle, calves, and dairy dominate agriculture receipts—70 percent of total cash receipts in New Mexico came from livestock and dairy operations.

In truth, because of the heavy emphasis on livestock and dairy in my State, ranchers and dairy operators have a keen interest in farm bill changes.

Mr. President, I am concerned that none of the bills have been discussed do not include a dairy title.

The New Mexico dairy industry has grown significantly over the past several years. The number of milk cows has increased by 104 percent from 1990 to 1994 compared to a decrease of 5 percent for the United States.

New Mexico has also led the Nation in milk production per cow in 2 of the last 4 years. New Mexico dairy farmers and manufacturers have made substantial investments in one of our fastest growing dairy States.

In fact, New Mexico will have the largest cheese manufacturing plant in the world once construction is completed.

For these reasons it is my hope that we can enact policies which are fiscally responsible, reduce regulation, reward efficiency, reduce the number of mandates on the industry, and increase the dairy industries ability to compete in the international marketplace.

Mr. President, the House Agriculture Committee has already reported a farm bill which includes a dairy title.

It is my understanding that the bill would consolidate many existing marketing orders to 8 or 13 orders. I believe that is good policy but previous versions of the bill would eliminate all dairy programs if the USDA does not consolidate the orders in 2 years.

This type of policy concerns me because outright elimination could be devastating to the stability of the industry.

In addition, other policy adjustments provided for in the House bill appear to be short-sighted in their approach.

It is my hope that we will take every opportunity to provide as many avenues as possible for our dairy farmers to compete in growing world market.

Looking for long term opportunities for stable and sustained markets is far more important than providing for short-sighted fixes that end up as burdens on both the dairy industry and the taxpayer.

Mr. President, the peanut industry took the initiative early last year to eliminate costs of the program to the taxpayer. The provisions in the Balanced Budget Act and the Leahy compromise do eliminate the cost to the taxpayer—saves $412 million over the next 7 years.

Mr. President, the Leahy substitute bill includes an amendment regarding peanuts which is very important to my home State of New Mexico.

Mr. President, as part of the 1985 farm bill, Congress adopted a provision which created an exclusive pool for New Mexico Valencia peanuts. The same provision was also retained in the 1990 farm bill.

The original intent of the law is to allow only those Valencia peanuts grown in the State of New Mexico to enter into the New Mexico Valencia pool.

However, peanut growers in my home State have notified me that Valencia peanuts grown out of State have been entering the New Mexico pool. This is being done because of a loophole in existing regulations.

This is an issue that is very important to me because it's importance to eastern New Mexico.

The provision in the bill clarifies that only Valencia peanuts physically grown in the State will be allowed to enter into the pool of the State.

Also, the provision would grandfather those individuals who participated in the New Mexico pool with Valencia peanuts grown out of State during the 1995 crop year.

These individuals are only allowed to enter out-of-State grown peanuts equivalent to those entered into the pool during the 1995 crop year.

Some may ask, why is this so important? First, Valencia peanuts fill a unique niche within the peanut market and New Mexico produces the majority of all Valencia peanuts nationwide.

Second, the New Mexico industry uses self-regulation so that all quota and additional peanuts are bought back, keeping the pool profitable and costing the Federal Government very little or nothing at all.

In fact, from 1992 to 1995 the New Mexico pool had positive net receipts of $3.1 million.

Third, the New Mexico peanut industry contributes economically to the

State. The New Mexico peanut commission estimates that the peanut industry has an economic impact of $55.6 million in Roosevelt County where the majority of the Valencia peanuts are grown.

Mr. President, I am concerned that some on the other side of the aisle have charged that Republicans have delayed writing a farm bill and that the agriculture portions in the Balanced Budget Act of 1995 were done without hearings.

I would like to say that is simply not the case.

First, the Republican budget included commodity provisions in the Balanced Budget Act of 1995 but the President vetoed that bill.

The Agriculture Committee held 15 thorough farm bill hearings involving 157 witnesses. The Budget Committee, which I chair, also had two hearings involving the budget aspects of the farm bill.

In fact, the distinguished chairman of the Senate Agriculture Committee, Mr. LUGAR, and the distinguished Senator from North Dakota, Mr. CONRAD, testified before the Budget Committee.

EXHIBIT 1

December 13, 1995.

WILLIAM J. CLINTON,
The President of the United States, Executive Office of the President, Washington, DC.

DEAR MR. PRESIDENT: In recent statements on the Budget Reconciliation Bill, you cited, among your priorities, the need to ensure the strength of America's farmers. We agree that the health and vitality of America's farm sector is important. The way to ensure this long term vitality is to reform obsolete farm programs, and to adapt farm policy to the new realities of the world market and to farming today.

Reforms in the Reconciliation Conference Report offer significant gains for farmers and the nation. We urge that the substance of these reforms be maintained in the budget negotiations between the White House and Congress. It is right, after 60 years, to end government-imposed acreage controls, to provide farmers the flexibility to make their own planting decisions, to keep price supports at competitive levels, and to limit spending on deficiency payments.

The proposals in Secretary Glickman's "Blue Book" guidance to Congress, together with reductions in deficiency payment acreage that you have since recommended, are steps in the right direction. The further reforms of the Conference Report provide an opportunity to go beyond those improvements in the structure of farm programs to establish a basis for a government role in agriculture that is suitable for the 21st century. The opportunity to do this in a bipartisan way in the current budget negotiations should not be wasted.

We are troubled by proposals from some in the agriculture community to roll back the clock by supporting farm prices above long-term market clearing levels. We strongly support authority for the Secretary to insure from year to year that U.S. farm prices are competitive in world markets. High and rigid price supports will either lose export markets, or will again open up an unlimited and untenable pipeline to the Treasury to finance surplus acquisition and disposal.

The history of the 1980s should convince anyone that setting U.S. price support levels above long-term market clearing levels is terribly unwise. While the outlook for exports is promising, the Secretary needs to be able to respond to changes in market prospects without waiting for the next farm bill.

Advocates of fixed and high price supports argue that marketing loans make such supports workable. Nothing could be further from the truth. Open-ended budget exposure on marketing loans could again lead to exorbitant spending, to the use of acreage controls to limit costs, to lost export markets, and to an eventual public decision to end the farm safety net.

If more money becomes available for farm programs as a result of changes in budget assumptions, we urge you to use it for high priority programs of research, conservation, and rural development, and to ease the transition of commercial farmers to a market-based agricultural policy.

We urge you not to repeat the mistakes of the past that priced U.S. farm products out of world markets, placed farmers in a production strait-jacket, and raised farm program spending to embarrassing and unsustainable levels.

Yours sincerely,

Prof. Willard W. Cochrane, University of Minnesota, Director of Agricultural Economics, USDA, Kennedy Administration.

Dr. Lynn Daft, Abel, Daft, Earley & Ward International, Agricultural Counselor, White House, Carter Administration.

Dr. Bruce Gardner, University of Maryland, Assistant Secretary for Economics, USDA, Bush Administration.

Dr. Dale Hathaway, National Center for Food & Agricultural Policy, Under Secretary of Agriculture, USDA, Carter Administration.

Dr. Robert Innes, University of Arizona, Council of Economic Advisors, Clinton Administration.

Dr. D. Gale Johnson, University of Chicago.

Dr. William Lesher, Russell and Lesher, Assistant Secretary for Economics, USDA, Reagan Administration.

Dr. Lawrence W. Libby, University of Florida.

Dr. Don Paarlburg, Purdue University, Special Assistant, President Eisenhower Director of Agriculture Economics, Assistant Secretary of Agriculture, USDA, Nixon-Ford Administrations.

Dr. Robert Paarlburg, Wellesley College and Harvard University.

Dr. C. Ford Runge, University of Minnesota.

Dr. John Schnittker, Schnittker Associates, Under Secretary of Agriculture, USDA, Johnson Administration.

Mr. Daniel A. Sumner, University of California-Davis, Assistant Secretary for Economics, USDA Council of Economic Advisors, Bush Administration.

Dr. Robert L. Thompson, Winrock International, Assistant Secretary for Economics, USDA, Reagan Administration.

Dr. Luther Tweeten, The Ohio State University.

Mr. COATS. Mr. President, I rise to support the motion to invoke cloture on the Farm bill before the Senate today. I encourage my colleagues to support this motion so that the Senate may move to consideration of the merits of the bill. Those who crafted this legislation have been working day and night to put together a package that would allow for the farm legislation to proceed. The legislation offers flexibility, certainty and opportunity for America's farmers.

Mr. President, it is imperative that we enact farm legislation soon. Failure to act this year leaves us with bleak alternatives. Reversion to 1938 and 1949 laws could dramatically increase the cost of running the farm programs. Extending current programs only delays the need to make significant reforms in a 60-year-old farm program.

Hoosier farmers, and farmers across America, need payment assurances and guidance in planting decisions. The compromise legislation would provide fixed payments to program farmers and allow farmers to plant any program crop. The compromise also contains meaningful conservation and nutrition proposals. At the same time, this legislation would work toward reducing Federal spending.

The Senate should not overlook this opportunity to move forward and pass farm legislation. We should not miss the opportunity to initiate change and institute reform in the Nation's farm policies.

Ms. SNOWE. Mr. President, I rise in strong support of the cloture motion on the Leahy-Craig substitute to S. 1541, and in support of the bill.

I am pleased to join my New England colleague, Senator LEAHY, and my friend from Idaho, Senator CRAIG, as a cosponsor of this important bill. As everyone realizes, we must pass new farm legislation as quickly as possible. Farmers in many parts of the country who rely on Federal farm programs are already making planting decisions, and they need some certainty on this matter. But farmers are not the only ones with a stake in the prompt passage of this bill.

If we do not pass farm legislation quickly, policy reverts to agricultural laws dating to 1949 and 1938. And under these statutes, the cost of our farm programs could skyrocket, adding up to $10 or $12 billion in additional costs to the Treasury in 1996. Obviously, given the continuing fiscal crisis that we have in the Federal Government, and given the year-long struggle to pass a 7-year balanced budget plan, we cannot allow that to happen. In fact, our fiscal reality dictates that we make significant additional reductions in current farm spending authorized under the 1990 farm bill, and the Leahy-Craig substitute will generate these additional savings from the present baseline.

Mr. President, although the great majority of Maine farmers do not depend on or even use Federal commodity programs, the Leahy-Craig substitute contains a couple of provisions of great importance to Maine farmers. First, the substitute retains a provision that was included in S. 1541 which preserves the existing restriction on planting fruits and vegetables on what we previously called flex acres. Both the Leahy-Craig substitute and S. 1541 refer to all program acres as contract acres, but we still had a problem in earlier versions of S. 1541 whereby commodity crop farmers would have been able to grow any crop on unpaid contract acreage.

This was a problem because it would place nonprogram fruit and vegetable growers at a distinct disadvantage in competition with program farmers who grow the same fruit and vegetable crops. The disadvantage arises from the fact that farmers who grow a program crop like wheat, along with a vegetable like potatoes, can use the Government support payments for wheat to bolster their potato business. Potato farmers in Maine, on the other hand, who do not grow any program crops, do not have a guaranteed source of revenues that they can rely on to support their farm operations.

Senator LUGAR, the author of S. 1541, and Senators LEAHY and CRAIG have listened very intently to the concerns of full-time fruit and vegetable farmers, and they addressed this matter with an even hand. Senator LUGAR even met with Maine potato farmers to discuss this problem. The substitute prohibits the planting of most fruits and vegetables, including potatoes, on contract acres. Senators LUGAR, LEAHY, and CRAIG have demonstrated considerable leadership on this issue, and they deserve to be commended for it.

The other provision in the substitute that I would like to specifically mention concerns dairy farming. Section 108 provides the consent of the Congress to the Northeast Interstate Diary Compact. This compact was drafted, negotiated, and signed between all of the New England States to help remedy a serious problem throughout that region: the rapid loss of the family dairy farm.

The compact creates a regional commission which has the authority to set minimum prices paid to farmers for fluid, or class I milk. Delegations from each State comprise the voting membership of the commission, and these delegations in turn will include both farmer and consumer representatives. The minimum price established by the commission is the Federal market order price plus a small "over-order" differential that would be paid by milk processing plants in the region. This over-order price is capped in the compact, and a two-thirds voting majority of the commission is required before any over-order price can be instituted.

Mr. President, we desperately need this dairy compact in New England. The current Federal order price for this region does not come close to reflecting the farmers' cost of production. As a result, we are losing family farms at a consistent and rapid rate, and their loss impacts the rural economy and the municipal tax bases of many small New England towns.

The people of New England—farmers, consumers, processors, and public officials—devised the compact as a solution to this problem, and it is wisely limited in scope. The compact only applies to class I fluid milk, and since we have a largely self-contained fluid milk market in our region, the compact will not harm farmers or processors in other regions of the country. There is no good reason not to support the efforts of the people of New England to solve one of their own problems. We should praise them for their ingenuity and self-reliance. I am very pleased that Senators LEAHY and CRAIG have recognized the merits of this proposal, and have agreed to include it in their substitute.

Mr. President, the Leahy-Craig substitute will generate substantial savings for the taxpayers, and it will give farmers more flexibility. It will address the concerns of many fruit and vegetable growers, and dairy farmers. Given the fiscal implications of not passing a farm bill, all Senators have an important stake in at least the completion of debate on the farm bill. Senators LEAHY, CRAIG, LUGAR, DOLE, and many others have done a tremendous amount of work of the substitute before us, and the Senate must be allowed to finish action on it. I urge my colleagues to vote for cloture and for passage of the Leahy-Craig substitute.

Mr. HEFLIN. Mr. President, I rise in opposition to the Leahy substitute farm bill.

The Leahy substitute farm bill, is at its core, essentially the freedom-to-farm bill. The provisions contained in the Leahy substitute were never debated in committee, were not passed as part of the Senate budget reconciliation bill, but were instead approved in conference.

I have some strong reservations regarding the freedom-to-farm bill, although I too, share the concerns of each Member of this body that farmers need immediate certainty. The farmers in Alabama experienced a disastrous year in 1995 with a drought, insect infestations and even a hurricane or two. These farmers have suffered a great deal and the payments in freedom to farm appear very attractive. However, the guaranteed payments freedom to farm offers are made in exchange for a phaseout of farm programs. I disagree strongly with phasing out farm programs.

The efforts undertaken by the Department of Agriculture to address the disastrous crop year and subsequent financial hardship provides another option for American agriculture. The USDA has announced its intention to allow for extended repayment of advance deficiency payments, with the interest waived in some cases. This effort should be applauded. I also think that the discussion regarding the forgiveness of 1995 advance deficiency payments warrant some merit. I believe that we can provide income stability for our farmers without demanding the phaseout of farm programs in return.

The core component of sound farm policy should be an adequate and certain safety net, one that provides support when market prices are low, and one that does not need to make payments when the market is up. This is how current farm programs are structured, and they work.

I have long stated that I believe that the current structure of farm programs have served rural America, and consumers everywhere, extremely well. Therefore, it is my belief that farm programs should only be fine tuned. I do recognize that some of my less fortunate regional colleagues feel that farm programs that affect their States need greater changes than those that affect the South. The ability to resolve these differences is the purpose of debate on farm programs. which to this point has been very little in committee, where farm programs are supposed to be written. Therefore, I recommend that we return to committee and discuss the farm bill as we always have in the past. We would then be able to bring a bill to the floor that addresses all of our needs and concerns, and pass a bill that serves our agricultural producers, rural America and consumers alike.

CLOTURE MOTION

The PRESIDING OFFICER. The time of the Senator has expired. The clerk will report the motion to invoke cloture.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the substitute amendment to S. 1541, the farm bill.

LARRY E. CRAIG, JAMES M. JEFFORDS, DON NICKLES, JOHN H. CHAFEE, ROBERT F. BENNETT, THAD COCHRAN, TED STEVENS, TRENT LOTT, RICHARD G. LUGAR, CRAIG THOMAS, ALAN K. SIMPSON, JOHN W. WARNER, LARRY PRESSLER, DAN COATS, CONNIE MACK, KAY BAILEY HUTCHISON.

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the substitute amendment numbered 3184 to Senate bill 1541, the farm bill, shall be brought to a close?

The yeas and nays are required under the rule. The clerk will call the roll.

The legislative clerk called the roll.

Mr. DOLE. I announce that the Senator from Texas [Mr. GRAMM], the Senator from Mississippi [Mr. LOTT], the Senator from Arizona [Mr. MCCAIN], the Senator from Arkansas [Mr. MURKOWSKI], and the Senator from New

Hampshire [Mr. SMITH] are necessarily absent.

Mr. FORD. I announce that the Senator from Georgia [Mr. NUNN] and the Senator from Nevada [Mr. REID] are necessarily absent.

The PRESIDING OFFICER. Are there any Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 59, nays 34, as follows:

[Rollcall Vote No. 9 Leg.]

YEAS—59

Abraham
Ashcroft
Bennett
Biden
Bond
Bradley
Breaux
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Graham
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Johnston
Kassebaum
Kempthorne
Kerry
Kyl
Lautenberg
Leahy
Lugar
Mack
McConnell
Moseley-Braun
Nickles
Pell
Pressler
Robb
Roth
Santorum
Shelby
Simpson
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—34

Akaka
Baucus
Bingaman
Boxer
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Harkin
Heflin
Hollings
Inouye
Kennedy
Kerrey
Kohl
Levin
Lieberman
Mikulski
Moynihan
Murray
Pryor
Rockefeller
Sarbanes
Simon
Wellstone
Wyden

NOT VOTING—7

Gramm
Lott
McCain
Murkowski
Nunn
Reid
Smith

The PRESIDING OFFICER. On this vote, the yeas are 59, and the nays are 34. Three-fifths of the Senators duly chosen and sworn, not having voted in the affirmative, the motion to invoke cloture is rejected.

Mr. DOLE. Mr. President, the vote was 59 to 34. That would be short. Right?

Mr. FORD. That is the way I calculate it.

Mr. DOLE. We will have to decide. I will let the Democratic leader know whether we will have another cloture vote on Thursday. But I think it is pretty obvious that had our absentees been here, we would have had cloture, and we have pretty good bipartisan support. It seems to me that we are pretty close to a bipartisan resolution of this matter.

I will let my colleagues know as soon as we can because I know some have plans and some would like to have plans.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SANTORUM). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SIMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMON. Mr. President, I ask unanimous consent to speak for 5 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHINA AND TAIWAN

Mr. SIMON. Mr. President, China is making bellicose statements about Taiwan. This morning's Washington Post begins an editorial with these words:

> If it came to that, the United States would have no choice but to help Taiwan—a flourishing free-market democracy—defend itself against attack by Communist China. No treaty or law compels this response, but decency and strategic interest demand it. An American Government that allowed the issue of Taiwan's future be settled by China's force would be in disgrace as well as in error.

Mr. President, the best way to avoid force or to avoid giving a dictator and a dictatorship the appetite that will not be satisfied with conquering one area is to make clear that that will be resisted by the community of nations. I am not talking about the use of American troops, but I think American air power clearly ought to be brought to bear if such an eventuality should take place.

If China is permitted to grab Taiwan, I think it will be only a matter of time before China takes Mongolia and other areas. I think the best way of maintaining stability in that area of the world is to be firm.

I heard my colleague, Senator FEINSTEIN, refer to our policy toward China as one of zigzagging. I think that is a correct analysis of what we are doing. I think we ought to be firm; we ought to be positive. I want to have good relations with China, but China should not think for a moment that she can invade Taiwan without having serious problems.

I ask unanimous consent, Mr. President, to have printed in the RECORD the Washington Post editorial and also an A.M. Rosenthal op-ed piece in the New York Times, "Washington Confronts China."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 6, 1996]

IF CHINA ATTACKS TAIWAN

If it came to that, the United States would have no choice but to help Taiwan—a flourishing free-market democracy—defend itself against attack by Communist China. No treaty or law compels this response, but decency and strategic interest demand it. An American government that allowed the issue of Taiwan's future to be settled by China's force would be in disgraced as well as in error.

This is what the United States should be conveying, and China pondering, as Beijing steps up military pressure on Taiwan. Down that road lies a possible direct confrontation with Washington. Even starting out on that road carries heavy risks for China. Especially dangerous is any possibility that Beijing may be setting out under the dubious and smug impression that the United States will back off and leave China with no heavy costs to pay at all.

But, of course, to be faced with an actual decision on rescuing a threatened Taiwan would itself signify a calamitous American policy failure. There is overwhelming national need and also adequate time to keep today's friction from becoming tomorrow's explosion.

The ever more glaring contrast between Beijing's totalitarianism and Taipei's American-nursed democracy, and the end of the Cold War, have weakened the 20-year-old international formulas supporting China's peaceful reunification with its wayward province. A significant opposition in Taiwan now favors independence. The government, coming up on Taiwan's first democratic presidential election, has had to bend, in part by seeking official American visas for its leaders, thus provoking Beijing. The Clinton administration has been slow to grant the visas, not wishing to aggravate its other tensions with China. American legislators of different stripes have come to Taiwan's side, further provoking Beijing.

Broad, forward-looking "dialogue" with China has been out of style in Washington since George Bush imprudently sent secret emissaries to Beijing after the Tiananmen massacre. Fighting fires has been in. This is a fire. The United States needs to encourage calming gestures by Taiwan (suspend the visa provocations) and China (suspend the thuggish threats). At home, it needs to reach a policy consensus with Congress in order to better show China that it cannot squeeze Taipei and to convey to Taiwan that it should not set about deliberately and recklessly on a policy of trying to draw the United States into an escalating showdown with Beijing. Then the two sides can return to the irregular but peaceful relationship they were pursuing before.

[From the New York Times]

WASHINGTON CONFRONTS CHINA

(By A.M. Rosenthal)

Washington has chosen the issue on which it will at last acknowledge and confront Chinese Communist action detrimental to the United States.

There was a considerable list to choose from. China threatens daily missile attacks against Taiwan. Beijing sells missiles to Iran and other Mideast dictatorships. At home it increases arrests and jail sentences for dissidents. It allows Internet use to only a relative handful, and from now on only through government-controlled ports.

Each act involves the U.S. An attack on Taiwan would force U.S. involvement. Sales of missiles endanger Mideast peace and defy U.S. policy against proliferation of high-tech weapons.

Increasing repression and closing access to international information is a slap at the U.S. Washington had assured the world of the opposite—that freedoms would increase in China after the 1994 Clinton Administration decision not to use economic pressure to ease oppression.

Well, enough is enough. Washington now says it will show its staunch determination to resist Chinese provocation—about compact disks. If China does not stop counterfeiting these disks, the Administration will increase tariffs on Chinese goods by as much as $1 billion.

Any commercial piracy costs manufacturers and artists money and should be opposed. But to appreciate the CD episode fully it helps to have a taste for bitter comedy.

1. The Communists will not keep any new promise better than they keep existing ones—or others, like ending slave-labor exports to the U.S.

2. If they do camouflage piracy better, they will demand concessions—like even tighter zipping of the U.S. mouth on human rights.

3. The U.S. announcement accentuates the moral disaster of Clintonian policy on China. CD's yes, people no. Mr. Clinton broke his promise to use tariff pressure to persuade Beijing to treat its Chinese and Tibetan political victims less viciously—maybe a mite less torture. Beijing answers by increasing, not decreasing, political oppression. He acts surprised.

Democrats and Republican politicians talk about the danger of cynicism. But they expect Americans not to see the cynicism of putting CD's above the blood of dissidents in China's gulags.

Worse, they may be right. I do not hear American university students or professors mobilizing against Chinese Communist cruelties, or consumers organizing a boycott like the one that helped kill South African apartheid.

If war comes to Taiwan, it will not be because Beijing believes its lie that Taiwan is preparing to declare its deserved independence. It will be because 100 miles off China's shore, Chinese people have created a society that is both prosperous and democratic. That so terrifies the perpetually insecure Politburo that it risks war—not only against Taiwanese independence of government but Taiwanese independence of mind.

Beijing uses missile threats to intimidate Taiwanese into voting for a party that is running on a pro-China platform and against independent-minded opponents.

The Taiwan Relations Act, passed by Congress in 1979, says that U.S. recognition of Communist China rests on the expectation that Taiwan's future will be determined by peaceful means.

The law states that any effort to determine Taiwan's future by other than peaceful means—which includes threats of daily missile attacks—are of grave concern to the U.S. and should be "promptly" reported by the President to Congress.

The President has not done that, promptly or at all. Nor has Congress demanded it, despite some members' attempts. Mr. Gingrich and Mr. Dole, the agenda-setters, become accomplices in the President's decision to ignore U.S. law.

Restraint is needed, we are told by U.S. officials and some journalists—we do not want a war over Taiwan, do we? Of course not. That is what facing the possibility is all about.

As long as Congress and President ignore their legal obligation to deal with China's threat to Taiwan, decide what steps to take and let China know, Beijing will believe it can attack Taiwan or keep terrorizing it, with no risk.

That is not restraint of confrontation that could lead to war. It is the blundering encouragement of both. How terribly many times must we learn?

Mr. SIMON. Mr. President, I see the majority leader is on the floor, and I yield the floor to him.

AGRICULTURAL MARKET TRANSITION ACT OF 1996

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. I thank the Senator from Illinois. I want Members to know I have had a brief visit with the distinguished Democratic leader, Senator DASCHLE. We have now asked staff on each side to see if they can sit down and work out a series of amendments on each side on the farm bill and work into the evening and work tomorrow and set a time certain for action on something, say 6 o'clock. That means we would have, if there is an agreement—we do not have it yet, we just started—so if there is an agreement, then there would be votes tonight, there would be votes tomorrow.

It is my hope that part of that agreement, if in fact one is reached, would be a recess period until the 26th of February, because many, including many of the staff in the Senate, have been here right around the clock through the Christmas holidays and New Year's.

In any event, that is all we can advise our colleagues at this time. If we have any additional information, we will pass it on. So I cannot put out the no-vote signs. There could be votes tonight. We will let you know as soon as we can.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota, [Mr. Grams] is recognized.

Mr. GRAMS. Mr. President, I rise at this time to discuss an amendment that had been filed by Senator KENNEDY to S. 1521, the farm bill. Like the Senator from Massachusetts, and also the chairman of the Labor and Human Resources Committee, Senator KASSEBAUM, I do support health care reform—specifically, improvements such as health insurance portability and putting an end to discrimination against those with preexisting conditions.

As both a Member of the House and the Senate, I have worked for such reforms, and I look forward to supporting such legislation in the near future. But as they say, timing is everything. There are undoubtedly many people watching the Senate asking themselves what the Senator from Massachusetts is up to. I must confess to being one of them.

The purpose of the farm bill was to give our Nation's farmers and the people they work with a clear roadmap of Federal farm policy with which to make the decisions this year about planting, equipment purchases, and loans. Given that that question remains, why would the Senator have been offering an amendment dealing with health insurance to the farm bill? In all honesty, I still do not know. It does not make sense. Unfortunately, a lot of what goes on sometimes does not make a lot of sense.

For example, last Thursday night, a hotline call from the majority leader's office was made to find out if there were any objections to bringing up for consideration the Kassebaum-Kennedy health insurance legislation—the very subject matter of the Senator's amendment filed by the Senator from Massachusetts.

Upon receiving this call, I requested more time to review the legislation.

As a Senator from Minnesota, I have always taken my responsibility to study the legislation considered by the Senate seriously—to examine its implications, to detect any possible unforeseen consequences, and to evaluate it on the basis of the needs and concerns of the people I represent—the taxpayers of Minnesota.

This is the way we Minnesotans make our decisions—carefully and thoughtfully. We do not have a reputation for simply rubberstamping the bills that affect us and the rest of the Nation. When we put our seal of approval on something, it is done with the utmost care and thought.

Perhaps this is a bigger deal in Minnesota than it is in Washington. But it should not be.

As a result, I simply asked that the request for a time agreement wait until I had had a chance to conduct my review. But as usual, things have been blown out of proportion, and as a result, we may be faced with the Kennedy amendment—a proposal that should make as little sense in Washington as it does in Minnesota.

Having studied the Kassebaum-Kennedy legislation, I have come to the conclusion that it would be counterproductive to take this matter up right now at a time when the Federal Government has much unfinished business left on its plate.

As a taxpayer, I can not understand why the Senate would move to the issue of health insurance reform, without some assurances to the American people that we and the President will complete the business before us—balancing the budget, saving Medicare from bankruptcy, providing tax relief to taxpaying families so they can afford insurance, and reforming the welfare system.

Before we go on to other issues and other agendas, shouldn't all of us—Republicans and Democrats—make every effort possible to carry out the taxpayer's agenda?

This question is even more critical, given that the President's own health care financing administration projects that the Medicare Program, for the first time in 23 years, faces a deficit and will go bankrupt sooner than anyone had previously predicted.

Does it make any sense to rush ahead on health insurance reform at a time when the Medicare Program faces insolvency? I think not.

Back in November, Congress gave President Clinton an opportunity to address this problem—by passing a Medicare reform proposal which would have saved the trust fund from bankruptcy, while expanding health care options available to senior citizens.

Now, they say that an ounce of prevention is worth a pound of cure—and had the President followed this sound advice and signed the bill, we would not be in this mess in the first place.

Well, he did not sign the bill, we are in this mess, and now some Members of the Senate want to move ahead on their agenda without addressing the Medicare crisis. These some Members want to move ahead on their agenda without addressing the primary concerns of the taxpayers, such as the balanced budget, tax relief, and welfare reform.

Former Speaker Sam Rayburn used to say, "To get along, go along." Well, I think we have been going along for too long in this Chamber, and it has been at the expense of taxpayers and senior citizens. Their needs must be heard.

For this reason, I intend to offer a substitute to the Kennedy amendment—it simply requires that Congress and the President will first resolve the current Medicare crisis and put the program on a path toward solvency before turning to any other health care legislation.

In doing so, we will give our assurance to taxpayers and senior citizens that the Senate will face this crisis directly and not turn its back on the people we represent.

In addition, I will ask that the unanimous-consent agreement on consideration of the Kassebaum-Kennedy bill be amended such that consideration of the bill will not take place until after April 15—tax day.

At the very least, Congress and the President can use this time to do what we were elected to do—balance the budget, reform welfare, and provide tax relief for middle-class Americans.

To those who say it cannot be done, I say the tools are there—they have been all year. What Washington lacks is the will to do its job. Maybe today, we can help turn this around and get back to doing the people's business in a way that makes sense both here in Washington and across the country.

Mr. DORGAN. Mr. President, let me put a correction in the RECORD. My understanding is that in their caucus the majority party handed out a list of amendments that had been filed at the desk and awaiting debate on the farm bill. In the handout in the majority caucus, on page 3 of the list is an amendment No. 3205, with my name, Senator DORGAN, on emergency relief for refiners.

Well, I have not offered such an amendment. I have offered amendments that are numbered 3206 and 3207. My office has received calls from people who have gotten hold of this handout and wondered what on Earth am I doing. This is a mistake by somebody. I hope they will correct that in their next handout. There is no reason to believe it was deliberate.

I have trouble enough defending the record I create around here as it exists, let alone defending something I have not introduced nor offered, and would not support. I do not know what this amendment is, but I would not be offering amendments dealing with refiners.

In any event, I want people to know this is not correct, and I hope it will be corrected.

I yield the floor.

(Ms. SNOWE assumed the chair)

Mr. BUMPERS. Madam President, as Laurel used to say, "We have gotten ourselves into a fine fix."

There is something about this whole thing that obviously is eluding me. I must confess that a lot of my farmers, or at least the organizations, have gone from being violently opposed to the freedom-to-farm bill to now favoring it. While I understand that—and I certainly am not in any position to criticize some of the farmers in my State who now favor freedom to farm—I still believe that the vast majority of the farmers in my State, particularly rice farmers—and there are thousands of them, as we produce 40 percent of all the rice in the country—farmers, in my opinion, would ultimately be devastated when the freedom-to-farm bill passes. Cotton and wheat are different matters.

I think the best description of the freedom-to-farm bill I have heard was one that was given in caucus the other day by the senior Senator from North Dakota, Senator CONRAD, when he said the freedom-to-farm bill is like the Kool-Aid that Jimmy Jones gave all his devotees when they were drinking poison. It tastes good going down, but it is fatal.

The freedom-to-farm bill simply says, and I do not embellish or exaggerate, for example, if you plant cotton and the target price that has been set by Congress on cotton is about 72 cents or 74 cents a pound—I think 74 cents a pound; cotton right now in New York is selling for a lot more than that—that means under the existing program, the taxpayers of this country, because cotton is bringing more than the target price, would not cost the taxpayers one nickel. If you are getting 85 cents to 89 cents a pound, you are above the target price. There are a lot of things—from weather to pests—that can cause you not to produce as much cotton as you normally do, but that is true in any circumstance.

To proceed with the story, we will assume that during the marketing period this fall during which we determine how much more or less than the target price cotton brought during those 5 months, assume that cotton brings substantially more than the target price. Under the freedom-to-farm bill, for purposes of making the point, assume that farmers make a bale and a half to two bales an acre. That is a very good crop, but assume they do. Assume, further, that they get 85 cents a pound. I promise, under normal circumstances, that is very profitable.

What does the freedom-to-farm bill do? It gives them 7 cents a pound more, above that price. That is like that Kool-Aid that tastes so good, but 3 years from now it is not 7 cents, it is something less, and at the end of 7 years it is zero. If cotton has to be selling for 65 or 70 cents a pound, do not come crying to the Federal Government for some kind of subsidy.

Why would we do this at a time when the programs that we have had in existence for many years are working? Madam President, in 1995 commodity prices—wheat, corn and cotton, especially, but other grains, too—were so high that we came in on farm subsidy expenditures $4 billion less than the baseline. In other words, $4 billion less than we thought we would have to pay out.

We would think this place would be rhapsodic because we saved $4 billion because commodity prices are good. No, we want to sing this siren song to the farmers saying, "Go along with us. We will cut your throat down the road, but you will get rich for 2 or 3 years before we get around to it."

I gave you the illustration of cotton, but that is true of every commodity. All the commodity prices right now are very good, with the exception of rice. If we did not have target prices for rice right now, I am not sure what, if any, percent of the 40 percent of the Nation's rice crop we produce in Arkansas would be produced. Maybe none. Farmers are not known to plant when they know they will lose money on the front end. They do not ever intend to lose money. It just happens.

I have an amendment, if I ever get an opportunity to offer it, which would simply extend the present farm program for 1 year. We ought to adopt that amendment right now and then start amending it. If there are things that people want to change about the existing programs, let them amend it. If there are things about rural development in America, let them add it to that amendment. Do not get out on the floor of the U.S. Senate and try to craft a bill that half the Members know nothing about, do not understand, and which, in my opinion, is terrible for the American farmer.

Madam President, I am dismayed and disheartened and saddened that the positions I have just stated are probably not going to prevail. All I am saying is it makes imminent good sense to extend the existing program, which, as I pointed out a moment ago as graphically as I know how, is succeeding. It is doing precisely what those of us in the past many years have said would happen.

The present farm program is key to market prices of commodities. The freedom-to-farm bill is not key to anything except the demise of the farmer. They say that it will represent a $12 billion savings over the next 7 years. Maybe yes, maybe no. Who knows? When you talk about saving $12 billion, assume for the sake of art they know exactly what they are talking about, and they do to some extent. You can put this in a computer and come up with a figure, and they have done it.

If we were $4 billion under the baseline in 1995, and commodity prices right now are higher than they were in 1995, there is an excellent chance that 1996 will be further under the baseline than 1995 was. At least the farmers have that safety net under them. The farmer who raises cotton is going to get that 7 cents a pound I alluded to a moment ago, regardless of what the market price is. The farmer who gets that extra 7 cents is going to be pretty well-to-do.

Another thing about it that drives me up the wall, do not plant your cotton. Do not plant anything. We will still give you 7 cents a pound whether you put a plow or a seed in the ground. Come on the floor of the Senate and propose a program like that for 17-year-old poor pregnant girls and you will have a revolution on your hands here.

Farmers are not interested in welfare. I guess they could be bought off with this. But it is welfare. You can call it anything you want. That is what it amounts to. We are doing this while we are saying that we hope poor children in this country will get treated under Medicaid, but we are not guaranteeing anything.

So, you are going to see "60 Minutes," "Prime Time Live," "20/20." They will be scouring all the expensive vacation places in the country, trying to find farmers who have taken this 7 cents a pound. Maybe they planted, maybe they did not. They get the money anyway—again, whether they farm or not. What kind of a farm program is that, Madam President?

So let me just close by saying something sort of unrelated to this. Here we are debating whether or not we are going to give farmers all this money as a gift, for doing nothing, and the big debate going on in Medicare and Medicaid is, for example in Medicaid, shall we make it an entitlement as it is now or shall we make it a block grant? And what are the politics of those two?

The other day I spoke to the hospital administrators. This is off the subject of farming, but one of the hospital administrators asked me a question. What is our policy on something or other? It was a very good question.

I said, you know, you would never make it here. You are not supposed to ask what the policy is in regard to the future of the country, or what our real values are. You are supposed to worry about does this help Steve Forbes or Bill Clinton? Those are the questions you are supposed to ask around here. So it is with Medicaid. The question should not be, Are we going to make it an entitlement or a block grant? The question ought to be, Are we going to allow children to go without health care because they are poor? That is the question. It is just that simple. That ought to be the policy first. Then you work out the details later.

So it is with the budget. If I were a youngster running for Governor again, like I was one time, I would say—and as I do now, to my constituents—the values the people of this country cherish do not change very much from year to year. Things change. Health care delivery changes. Highways change. Television programming and movies change. Everything changes. But what we profess to believe as our values do not change very much. If I were running for office I would say: Look, balancing the budget is one of our values in this country. All of us believe in fiscal responsibility. We do not act like it sometimes, but if you ask people do you believe in that, the answer is yes.

Have you ever heard anybody answer the question, do you want to balance the budget—have you ever heard anybody answer that in the negative? Of course not. You never will. It is a value in this country. Once you get past that value you have to ask yourself what are the other values in that budget that we cherish most?

Winston Churchill said, you can tell more about a civilization by the way they treat their elderly than any other way. So let us just take that first. Everybody believes in Medicare. They believe in Medicaid that provides nursing home care for poor people.

I do not mind telling you, Madam President, I get letters from people who chastise me about something I said on the floor, or some value I articulated on the floor, and especially sometimes from wealthy people. Why do you not do this? Or why do you not do that? I know, a lot of times wealthy people have Aunt Lucy in a nursing home on Medicaid. I used to have a nursing home many years ago. I know—I know that some of those people who are rabid about cutting Medicaid or something else, if you say we are going to kick Aunt Lucy out of the nursing home you will hear a different song. Because we value elderly people. We want them taken care of. We do not want them on the streets. We do not want them abused. We want them to have good care and we pay for it at a very, very handsome price.

And our children. As I said, there is not a soul in this body, I do not think, who, if you said you are going to have to pay more taxes or you are going to see children on the streets desperately in need of a home and of health care, who would not say I will pay it.

Then you say, would you be willing to pay more taxes if it went for education? I have never seen a poll that said no to that. If you call it welfare that is one thing. If you call it poor children it comes out quite differently.

So, Madam President, I made sort of a rambling speech. I might say one other thing just as an aside. I saw in last Friday's Post that some 20 so-called moderate Republicans in the House said, "We are willing to forgo the tax cut." Bully for them. It is an oxymoron, to talk about cutting taxes and balancing the budget.

I do not know what kind of condition the Medicare system is in. I saw the story in the New York Times yesterday. It is much worse than any of us thought. But I still maintain that if the House Speaker and the negotiators in the Senate and the President would all forgo the tax cut, the rest of it will fall into place. You have all the time in the world to cut taxes. You are rolling the dice when you cut taxes because you are betting that everything GAO or CBO said would happen in the budget will come true. Wait 3 years. If it has come true, then cut taxes. Do not do it now and wish you had not.

So, I compliment those moderate Republicans over there who have had the courage to defy their leadership and say something which I think is eminently sensible.

So, Madam President, fiscal responsibility, the elderly, our children, education, the environment—those are our values. I do not care how nasty the mood in this country is, and we all know it is pretty nasty, I still would not hesitate to run and not ever talk about anything but the four things I just mentioned.

So, I wish that wise and sane heads would prevail and we could get something done on this farm bill. For example, extend the present bill. We have no business trying to craft a farm bill on the floor of the U.S. Senate. Extend the present bill for a year. If there are parts of that you disagree with, offer an amendment to do something about it. Change it, but do not take a bill that was immensely unpopular last summer, with all the farm groups—Chairman Roberts could not even get it out of his committee in the House—and all of a sudden it is our salvation.

I say, I hope saner heads will prevail and that will happen.

Mr. KERRY. Madam President, I voted for cloture on the Leahy-Dole substitute to S. 1541 because I believe it is essential that the Congress act on and approve legislation to reform national farm policy and to reauthorize vital agricultural conservation and nutrition programs.

The existing authorization for the numerous nutrition, conservation and commodity programs that comprise the so-called "omnibus farm bill" expired during 1995. Regrettably, the Republican leadership did not choose to bring reauthorization legislation to the floor prior to its expiration, or even in the intervening months since expiration. While Senators DASCHLE, LEAHY and many others have called repeatedly for a thorough debate of and action on farm policy for nearly a year now, no comprehensive farm bill was brought to the Senate floor for consideration until last week. This is yet another example of the way in which the Republican-led Congress is failing to get the people's work done in Washington as it pursues its radical platform.

However, with the expiration in 1995 of the 1990 farm reauthorization legislation, the 1949 Agricultural Act, a decades-old and outdated statute authorizing farm commodity programs for wheat and grains subsidies automatically again became the controlling statute. According to the Department of Agriculture, the 1949 law could substantially increase, to an estimated $10 billion for 1996 alone, the federal taxpayers' already-mammoth payments to farmers—an outcome that in my opinion would be sheer folly, especially at a time when prices for many farm products are at record high levels.

Last week, Senator DOLE decided to bring before the Senate the Republican version of a farm bill which addresses only commodity reform. I opposed the cloture motion on the Dole bill because it was not a comprehensive package—it failed to reauthorize the vitally important nutrition programs or the valuable conservation programs that together with farm provisions should form any responsible comprehensive farm legislation.

After the failure of the Dole bill, Majority Leader DOLE, Democratic Leader DASCHLE, Agriculture Committee Chairman LUGAR, and Agriculture Committee Ranking Democrat LEAHY met for several hours and crafted an outline of a potential bipartisan compromise on farm policy. However, after working for several days and throughout the weekend, the negotiations unfortunately hit a brick wall, and Senator DOLE called for a cloture vote on a package that he previously had negotiated with Senators LEAHY, CRAIG, and LUGAR.

The Leahy-Dole substitute is a comprehensive, bipartisan package that adds to the DOLE bill's farm provisions with the reauthorization of important nutrition programs upon which millions of poor Americans, preponderantly children and the elderly, rely for their health and well-being, and farmland conservation programs on which farmers rely to help protect their farmlands from degradation.

The Leahy-Dole bill—as did the original Dole bill—replaces the existing farm subsidy programs with a reform program geared toward weaning farmers off farm subsidies over a seven-year period expiring in 2002. Few government programs cry as loudly for reform.

The subsidy programs for wheat and other grains have paid farmers more than $135 billion in direct income support over the last 10 years. In 1993, this conversion of tax dollars to support payments represented 26 percent of net farm income. However, these subsidies consistently have failed to bolster the incomes of the neediest farmers. Further, five percent of the subsidies went to farmers whose annual gross incomes exceed $1 million. To compound the injury, these outdated programs contribute to soil erosion and overuse of agricultural chemicals, retarding environmental progress, with the effect that Americans pay twice for these farm programs: once for the subsidies and again to clean up environmental damage that would be greatly reduced without the subsidies.

The Leahy-Dole proposal also reauthorizes key conservation programs like the Conservation Reserve Program [CRP], with an authority to enroll up to 36 million acres. It is critical that the Federal Government assist farmers with environmental protection given that, as a point of reference, farmlands constitute twice the acreage of the national wildlife refuge system. The CRP plays an important role in the protection of this rural acreage, contributing greatly to protection of soil, water, and wildlife habitat. The Environmental Quality Incentive Program [EQIP] provides further assistance to this effort, making available $200 million a year for technical and financial assistance to livestock and crop producers who wish to address environmental problems on their farms. The bill also restores the authority, on a voluntary basis, for permanent and 30-year easements to protect wetlands.

In my view, no component of a so-called farm bill is more important than the way it addresses national nutrition programs. The Leahy-Dole package reauthorizes several vital nutrition programs for seven years: food stamps, the emergency food assistance program [TEFAP], the commodity supplemental food program—an alternative to the Women, Infants, and Children or WIC Nutrition Program in many cities—and the food distribution program on Indian reservations. As just one illustration of how extensive is the impact of these nutrition programs, 14 million children depend on food stamps to ensure they have a minimally adequate diet.

Also included in the Leahy-Dole proposal is a provision that grants consent of Congress to the Northeast Interstate Dairy Compact, using the same language that passed the Senate last year with 65 votes. The New England States want to improve the way milk is priced in their region by creating a commission comprised of both farmers and consumers that would have the authority to adjust and stabilize fluid milk prices in the six State area of Maine, New Hampshire, Vermont, Massachusetts, Connecticut and Rhode Island. The New England Dairy Compact was supported by all 12 of the region's Senators—from both parties and all points on the political spectrum—and would allow New England to take more control of pricing the fluid milk produced there. This compact is also consistent with the National Governors' Association's agricultural policy and is strongly supported by the New England Governors' Association.

Madam President, I do not want my vote for cloture on the Leahy-Dole alternative to be mischaracterized as a total endorsement of this package. This legislation is a long way from anything I could consider even adequate to meet our Nation's agricultural, economic, and nutrition needs, protect taxpayers and consumers, and protect the environment. I expect to offer at least one amendment to eliminate funding for an unnecessary program that subsidizes foreign marketing of U.S. agricultural products, often by wealthy multinational corporations, and will support efforts of other Senators to improve the bill.

But I concluded that I should support cloture based on the following facts:

First, if we do not enact into law—and soon—some replacement for the farm legislation that expired last year, American taxpayers will be paying far more than the already much-too-large sums in farm subsidies at a time when both our Federal budgetary problems and the farm economy indicate the desirability of reductions in those subsidies. I am certain that a better bill could be devised; I have strong doubts it will be devised and passed this year.

Second, no farm bill should be passed without strong nutrition and conservation components. Yet the Republicans who control both Houses have proven they are entirely willing to do exactly that. Senator LEAHY, in his negotiations, secured a commitment from Senator DOLE and Senator LUGAR, both men who honor their word, that the nutrition and conservation provisions will be retained in conference committee. No one else has such a commitment for any nutrition or conservation provisions, no matter how strong they might be willing to seek to make those provisions.

Third, while I have grave doubts about the structure of the freedom to farm approach Republicans are taking toward reforming farm policy—the approach used in the Leahy-Dole bill —I am certain that the farm programs of the past have outlived any usefulness they may have had and must be replaced. No other proposal being discussed comes anywhere close to effecting the kinds and magnitude of reform that ought to take place—to reduce the cost of these programs to taxpayers, to reduce the negative incentives they establish for misuse of farm land and environmental damage, to reduce the amount of tax dollars that go to wealthy corporations and gentlemen farmers, and to focus the program resources on assisting needy family farmers.

The Leahy-Dole compromise at least contains components I think are vital—for nutrition and conservation—and carries with it a commitment to protect those provisions through conference. It at least moves away from a failed or obsolete farm policy and places subsidies on a downward trend through 2002.

It is important that I serve notice that I will only vote for this legislation if it is improved sufficiently during Senate action to warrant that support. And I will oppose it if despite the commitments to the contrary it returns from conference committee with weaker nutrition or conservation provisions.

I thank the Chair, and I yield the floor.

Mr. WELLSTONE. Madam President, I hope we can fully debate the farm bill soon, and I will have more to say during that debate. Perhaps that will take place this evening and tomorrow. If not, then I hope we debate it very soon.

Farmers across the country need a farm bill. We are many months overdue. It is unfortunate that we are in this current situation because farmers need to plan, they need to arrange credit with their bankers, and they have a right to know what programs they will be operating under.

I voted in favor of cloture last week. I did so not because I support freedom-to-farm. I don't. I favor long-term policy that would promote family agriculture and revitalize our rural economy. This is not that.

I believe freedom-to-farm is a dubious carrot followed by a very real stick. It would eliminate farm programs, ultimately leaving farmers to the tender mercies of the grain companies and the railroads and the Chicago Board of Trade during years when prices are low. I think in the long-term it could have disastrous effects on family farmers and our rural economy.

Some farmers believe that freedom-to-farm is the best deal they will get from this Congress. I understand that. Many in this Congress oppose farm programs, and those people have made a credible threat to the future existence of farm programs. This plan offers farmers payments this year even though prices are projected to be strong. And it promises to lock in at least some payments for 7 years. For some farmers, even those who know that it is bad policy, that is attractive.

In fact, freedom-to-farm is bad policy. I will have more to say on this subject when we get to actual debate on the bill.

I voted for cloture last week because I had told Minnesota farmers that I didn't want to block its consideration. I had my amendments prepared. I was ready to debate. I still am. My strategy is not to block or obstruct.

But I will vote against cloture today. I have very strong reasons for doing so. And I am pleased to say that I do so on behalf of Minnesota dairy farmers, as I will explain in a moment.

First, I would like to point out that I have supported what I consider to be genuine reform of farm programs. I cosponsored a 7-year proposal last year which I wish could have received a closer look from the Senate and from farmers around the country in recent months. I still believe it is the best approach.

My colleagues and I, led by the minority leader, proposed a long-term, targeted marketing-loan approach. That plan would provide farmers the planting flexibility they need. But it also would provide needed long-term protection from some of the uncertainties that farmers face—uncertainties of weather, and of markets that are dominated by large multinational companies. It also would target farm-program benefits to family-size farmers. I still hope we can vote on that proposal.

I also intend to propose at least one amendment, if not two, to save money by eliminating loopholes that allow some people to collect the maximum farm payments three times. I want to use savings from that reform to raise loan rates for family farmers, or to help family-size farmers to invest in their own value-added processing cooperatives and marketing operations.

Now, however, I would like to address the effort represented by this substitute bill to dress up the freedom-to-farm proposal to attract votes—to attract Democratic votes in order to get cloture. I especially would like to address a provision that has been added which I consider to be a poison pill: the Northeast dairy compact.

I have to say that I've been working since I got here 5 years ago for meaningful dairy market-order reform. Minnesota dairy farmers suffer terrible discrimination under the current Federal order system. I'm strongly opposed to the Northeast dairy compact not only because it forestalls reform of that system. But it also cuts a special deal for one region's dairy farmers to the detriment of farmers in the Upper Midwest, and it sets the bad precedent of establishing regional barriers.

We need to move to a farm bill. And we need to do it swiftly. But this deal is unacceptable.

My office is hearing from Minnesota dairy farmers and their organizations. Minnesota's Agriculture Commissioner, a Republican whom I respect, also has sent a message. They are urging a vote against cloture. I also received a very strong statement of opposition to the Northeast dairy compact from the Governor of my State today. I agree with his position, and I appreciate his communication on this issue. Madam President, I ask unanimous consent that the letter of Minnesota Governor Arne Carlson be printed in the RECORD immediately following my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. WELLSTONE. I cannot stand by while this deal is made which neglects the dairy farmers of my State. I will vote against cloture. I believe I owe it to Minnesota dairy farmers. And should cloture be invoked, or should the farm bill come up for consideration under some other time agreement, I intend to be part of an effort to strike the Northeast dairy compact from the bill.

Madam President, I hope we can move quickly forward from here to consideration of a viable and acceptable farm bill. I look forward to a healthy debate.

EXHIBIT 1

STATE OF MINNESOTA,
WASHINGTON OFFICE,
Washington, DC, February 6, 1996.

Re Opposition to the Northeast interstate dairy compact.

Dear U.S. Senator. I am writing to ask you to oppose the inclusion of the Northeast Intestate Dairy Compact in the Freedom to Farm Act. My state represents one of the top dairy states in the nation and our dairy farmers are among the smallest on average in the nation.

The Compact, if approved by Congress, would be exempt from Commerce Clause challenge and would allow those states participating in the Compact to require a higher price to be paid to their producers than guaranteed by the Federal Milk Marketing Order system.

I oppose the Dairy compact for the following reasons:

(1) The Compact does nothing to correct the many failings of the archaic 1937 Federal Milk Marketing Order system;

(2) Most of the Compact's vital provisions will be left to rulemaking and the rules will be written by those who benefit from the Compact;

(3) The Compact Commission will erect trade barriers to less expensive milk coming in from other regions to maintain the higher Compact milk prices and these trade barriers will harm dairy farmers and processors in the rest of the nation;

(4) Higher Compact dairy farm prices will likely encourage surplus dairy production in that region, thereby requiring additional federal government purchases and lowering the prices received by struggling producers in other regions due to the dumping of surplus milk into other markets;

(5) Higher Compact prices in the Northeast will likely raise the cost of milk to Northeast dairy consumers and make Northeast processors less competitive;

(6) Higher Compact prices will benefit only one region of the country, a region that already benefits from some of the nation's highest federally-guaranteed minimum farm Class I milk prices; and

(7) Other regions will likely seek to enact dairy compacts as a defensive measure,

thereby balkanizing the nation's dairy industry, raising consumer dairy prices nationwide, and encouraging inefficient milk production.

If Congress is seeking ways to help the nation's struggling dairy farmers, it should reform or eliminate the archaic Federal Milk Marketing Order system so that the nation's dairy policy is evenhanded and beneficial to all of the nation's dairy farmers. Moreover, we should not protect one region of the nation from competition from outside its borders as we move toward free trade around the world.

Please oppose inclusion of the Northeast Interstate Dairy Compact in the Freedom to Farm Act. The future of your state's dairy industry is at stake.

Thank you for your consideration.

Warmest regards,

ARNE H. CARLSON,
Governor of Minnesota.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Madam President, I ask unanimous consent I may be permitted to speak for up to 5 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

A BALANCED BUDGET

Mr. GORTON. Madam President, it seems to me in the last 24 to 48 hours, we have taken one or two steps forward in our quest for a truly balanced budget, a balanced budget that will pay great dividends to future generations of America in lower interest rates, better jobs, and higher incomes. And at the same time, at least one major step backward. That major step backwards, of course, is what the President of the United States has submitted as a budget for fiscal year 1997. This yellow booklet really should not carry that title because it obviously does not meet the requirements of a budget submission under the law. To the extent that it does give an outline of the President's priorities, however, it is clearly a status quo document. All of the difficult decisions, the heavy lifting, is left until after the completion of the term of the President who will be elected this fall.

So, while it does not represent a step forward on the part of the President, it also, one must confess, does not represent a step backward either. It consolidates the modest gains that were attained through five separate budget submissions on the part of the President for the current year. The overwhelmingly significant step forward, however, was the work by the National Governors Conference, which now unanimously has reached a detailed statement of principle on both Medicaid and welfare reform, one that has been agreed to by both Republican and Democrat Governors across the country, one that raises the very real possibility of breaking the budget deadlock in which we find ourselves at the present time. I cannot possibly be too laudatory of the tremendously difficult task that the Governors have undertaken and the great degree of success they have reached.

Madam President, we need a balanced budget for our children and for our grandchildren. We need reforms in Medicare and Medicaid for our seniors and for others who are less fortunate and cannot afford to pay for health care services themselves. We need welfare reform for all Americans for a more just and equitable system. And we need tax cuts for hard-working American families. All of these remain our goal. But two of the most difficult now are the beneficiaries of intervention on the part of the National Conference of Governors in such a way that the entire logjam may now possibly be broken and that, before the end of the current continuing resolution on March 15, there is the very real possibility of a wonderfully genuine move toward a budget that will lead to a very real balance by the year 2002 without gimmicks and without postponing all of the hard questions for 4 more years.

The final element in this equation was the report yesterday that the Medicare part A trust fund is going bankrupt much more rapidly than we had thought during our debate during the course of the last year. Instead of being in the black last year, it was in the red, 1 year earlier than was predicted just last April. That fact makes more urgent the reform of Medicare and the Medicare trust fund so that this trust fund will be there after the turn of the century for all of those over the age of 65 who depend on it. It causes to be even more modest in the long term the reforms in Medicare that were included in the Balanced Budget Act of 1995, regrettably vetoed by the President, and makes more urgent a set of reforms that will protect Medicare for our seniors in the future and will more equitably distribute the burden for paying for Medicare among all of our citizens—both those working and those retiring.

So, all in all, in spite of the President's refusal to recognize these new facts in this so-called budget document, I believe that this week represents real progress toward an honest balanced budget, a budget that will be good for all Americans, that will lessen the burden of debt on future generations and increase their opportunities, their jobs, and their income.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Madam President, I ask unanimous consent to speak for 7 minutes as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. GRASSLEY pertaining to the introduction of S. 1560 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. GRASSLEY. I yield the floor. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

The Senator from North Carolina is recognized.

MR. HELMS. I thank the Chair.

(The remarks of Mr. HELMS pertaining to the introduction of S. 1562 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. HUTCHISON). Without objection, it is so ordered.

AGRICULTURAL MARKET TRANSITION ACT OF 1996

The Senate continued with the consideration of the bill.

Mr. DOLE. Madam President, what I am going to do here is obtain the consent on the farm bill so that we maybe can vote on final passage tomorrow at 4:45. So let me start that consent.

Madam President, I ask unanimous consent that Senator CRAIG be recognized to modify amendment No. 3184 with permanent law provisions, and once that modification has been made, no amendments be in order to strike the permanent law modification during the pendency of S. 1541.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Madam President, I further ask unanimous consent that all amendments in order to amendment No. 3184 as modified be limited to 30 minutes, to be equally divided in the usual form, and must be relevant to the subject matter contained in amendment No. 3184 or farm related.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Madam President, I further ask unanimous consent that all amendments be offered in the first degree and not be subject to second degrees and offered on an alternating basis between the parties, and that the majority side be limited to 5 amendments, the minority side limited to 10 amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. Reserving the right to object on that, just for clarification, I think the leader and I would encourage, if there is not a Senator on one side, that we would just go ahead and—the idea would be to alternate. We will leave it to the managers to make that determination.

Mr. DOLE. Right. That is the understanding of the chairman of the committee, Senator LUGAR, and I think Senator LEAHY. It is going to be a rather tight timeframe in any event. So we do not want to waste any time.

Madam President, I further ask unanimous consent with respect to the Santorum amendment concerning peanuts that there be 15 minutes under the control of Senator SANTORUM and 30 minutes under the control of Senator HEFLIN.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Finally, Madam President, I ask unanimous consent that final passage occur on S. 1541, as amended, no later than 4:45 p.m., Wednesday, February 7, 1996.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS CONSENT AGREEMENT—S. 1028

Mr. DOLE. Madam President, I also ask unanimous consent that not prior to April 15, but no later than May 3, the majority leader, after consultation with the Democratic leader, turn to the consideration of Calendar No. 205, S. 1028, the Health Insurance Reform Act of 1995.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Further, Madam President, I ask unanimous consent that it not be in order to offer any amendment or motion relative to health care portability or similar to the text contained in S. 1028 prior to the execution of this agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FAIRCLOTH. Madam President, I did not object to the unanimous-consent request. I have no problem with the Senate considering health care reform prior to the Memorial Day recess.

I do have concerns that this bill will raise the cost of health insurance for citizens of my state, particularly for individual health care insurance policies.

Additionally, I am skeptical that we can reform health care and lower costs in this country until we tackle medical malpractice reform, provide medical savings accounts for individuals, increase tax exemptions for the self employed, and provide other market oriented reforms that will increase competition and health carer lower costs. This bill has none of these provisions.

I look forward to working with the majority leader to address these concern when the Senate considers S. 1028.

MEASURE READ FOR THE FIRST TIME—S. 1561

Mr. DOLE. Madam President, I understand that S. 1561, introduced today by Senator HATCH, is at the desk. I ask for its first reading.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The legislative clerk read as follows:

A bill (S. 1561) for the relief of the individuals whose employment at the White House Travel Office was terminated.

Mr. DOLE. Madam President, I now ask for its second reading and object to my own request on behalf of Senators on the other side of the aisle.

The PRESIDING OFFICER. Objection is heard. The bill will be read on the next legislative day.

Mr. HATCH. Madam President, today I introduced a bill to address a grave miscarriage of justice—the wrongful investigation prosecution of Mr. Billy Dale and the other former White House Travel Office employees. Mr. Dale served his country at the pleasure of eight Presidents as the Director of the White House Travel Office. During his 32 years of service, Mr. Dale took on the thankless and often grueling task of ensuring that the national and international media were in a position to cover the movements of the President and thus report to the American and worldwide public.

As thanks for his numerous years of dedicated service, Mr. Dale was summarily discharged from his post on May 19, 1993, and was thereafter indicted and prosecuted for embezzlement. On December 1, 1995, after 2½ years of being investigated and haunted on a daily basis, Mr. Dale was tried before a jury of his peers and, in less than 2 hours, found not guilty of all charges.

The travesty in this situation is that Mr. Dale simply got caught in the political crossfire of a new administration. He had served eight Presidents, both Democratic and Republican, but found himself in a job that, apparently, was an impediment to the ambitious money-making schemes of the new President's friends. President Clinton certainly could have dismissed Mr. Dale without cause, but I believe the Clinton administration may have felt the need to justify its actions in firing Mr. Dale and the other White House Travel Office employees given the tremendous media interest in this dismissal. The reputations of Mr. Dale and his colleagues were discredited and ruined in the process.

I have a great deal of respect for the First Lady. But, on April 6, 1994, in response to questions about the White House Travel Office situation, Mrs. Clinton stated that she "had no role in the decision to terminate the employees." (Responses of Hillary Rodham Clinton to the General Accounting Office, Apr. 6, 1994) Moreover, she "did not direct any action be taken by anyone with regard to the Travel Office, other than expressing an interest in receiving information * * *" (Id.)

Unfortunately, these statements do not coincide with the evidence we have come to discover in recent months. In fact, it appears as though the First Lady was actively involved in the decision to fire the White House Travel Office employees. According to notes taken by David Watkins—the former Assistant to the President for Management and Administration who oversaw the workings of the Travel Office—during his conversation with the First Lady on May 14, 1993, 5 days before the Travel Office employees were dismissed, Mrs. Clinton articulated that "Harry [Thomason] says his people can run things better, save money, etc. And besides we need those people out—we need our people in—we need the slots." (GAO report, The White House Travel Office, at 53–54)

Moreover, according to a recently released memorandum written by Mr. Watkins, "[t]he First Family was anxious to have that situation [the White House Travel Office] immediately resolved, and the First Lady in particular was extremely upset with the delayed action in that case." (Draft memorandum from David Watkins, re: "Response to Internal White House Travel Office Management Review," (undated) at 2.) Mr. Watkins also notes "that there would be hell to pay if, * * * we failed to take swift and decisive action in conformity with the First Lady's wishes." (Id. at 1–2.) This memorandum was not released by the White House for more than 2 years despite subpoenas from Congress and Whitewater Independent Counsel Kenneth Starr.

In May 1993, the Travel Office employees were fired and told to vacate the premises. Needing to justify its actions before the employees were terminated, the White House met with and urged the FBI to investigate the White House Travel Office using allegations concocted by Catherine Cornelius, President Clinton's cousin who desperately wanted to replace Mr. Dale in running the White House Travel Office. Indeed, the FBI helped craft the White House's press release about the firings. Peat Marwick was hired to do an audit of the Office, but its own report did not substantiate the allegations asserted by the White House. Modest financial irregularities are not the same as embezzlement.

This story would be tragic enough if it ended here, but it does not. The Department of Justice indicted Mr. Dale, seemingly without concern for their lack of evidence. This is best demonstrated by the fact that the citizens sitting on the jury, who heard the evidence, exonerated Mr. Dale in less than 2 hours. This inappropriate use of the Federal criminal justice system created a situation for Mr. Dale where he had to expend $500,000 and even considered taking a plea when he had committed no crime.

After the jury summarily dismissed the allegations, someone leaked the existence of the plea negotiations to the public in an attempt to further discredit Mr. Dale's reputation. Not only are plea negotiations a necessary part of our judicial system, they are intended to remain confidential and are not to be used against a criminal defendant.

I cannot, in good conscience, sit quietly when I believe an arrogant abuse of power has occurred. The power of the White House was wielded to make victims of the inculpable. The targeting of dedicated public servants apparently because they held positions coveted by political profiteers demands an appropriate response. Although their muddied personal reputation may never be fully restored, it is only just that the Congress do what it can to rectify this wrong. Accordingly, I introduce this bill to make Mr. Dale and the other former White House Travel Office employees whole, at least financially, by providing for their attorneys fees and expenses.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT CONCERNING WAIVER OF RESTRICTIONS RELATIVE TO THE CHINASAT PROJECT—MESSAGE FROM THE PRESIDENT—PM 114

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations.

To the Congress of the United States:

Pursuant to the authority vested in me by section 902(b)(2) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (Public Law 101–246), and as President of the United States, I hereby report to the Congress that it is in the national interest of the United States to waive the restrictions contained in that Act on the export to the People's Republic of China of U.S.-origin satellites insofar as such restrictions pertain to the CHINASAT project.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 6, 1996*.

REPORT CONCERNING WAIVER OF RESTRICTIONS RELATIVE TO THE MABUHAY PROJECT—MESSAGE FROM THE PRESIDENT—PM 115

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Foreign Relations.

To the Congress of the United States:

Pursuant to the authority vested in me by section 902(b)(2) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (Public Law 101–246), and as President of the United States, I hereby report to the Congress that it is in the national interest of the United States to waive the restrictions contained in that Act on the export to the People's Republic of China of U.S.-origin satellites insofar as such restrictions pertain to the MABUHAY project.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 6, 1996*.

REPORT CONCERNING WAIVER OF RESTRICTIONS RELATIVE TO THE COSAT PROJECT—MESSAGE FROM THE PRESIDENT—PM 116

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Foreign Relations.

To the Congress of the United States:

Pursuant to the authority vested in me by section 902(b)(2) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (Public Law 101–246), and as President of the United States, I hereby report to the Congress that it is in the national interest of the United States to waive the restrictions contained in that Act on the export to the People's Republic of China of U.S.-origin satellites insofar as such restrictions pertain to the COSAT project.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 6, 1996*.

REPORT OF THE BUDGET OF THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 1997—MESSAGE FROM THE PRESIDENT—PM 117

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations and to the Committee on the Budget.

To the Congress of the United States:

In accordance with 31 U.S.C. §1105(a), I am transmitting my 1997 budget to Congress.

This budget provides a thematic overview of my priorities as we continue to discuss how to balance the budget over the next seven years. It also includes the Administration's new economic assumptions.

Because of the uncertainty over 1996 appropriations as well as possible changes in mandatory programs and tax policy, the Office of Management and Budget was not able to provide, by today, all of the material normally contained in the President's budget submission. I anticipate transmitting that material to Congress the week of March 18, 1996.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 5, 1996*.

MESSAGES FROM THE HOUSE RECEIVED DURING RECESS

Under the authority of the order of the Senate of January 4, 1995, during the recess of the Senate, on February 2, 1996, during the recess of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bills:

H.R. 2657. An act to award a congressional gold medal to Ruth and Billy Graham.

H.R. 2924. An act to guarantee the timely payment of Social Security benefits in March 1996.

S. 652. An act to promote competition and reduce regulation in order to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies.

Under the authority of the order of the Senate of January 4, 1995, the enrolled bills were signed on February 2, 1996, during the recess of the Senate by President pro tempore [Mr. THURMOND.]

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on February 2, 1996 he had presented to the President of the United States, the following enrolled bill:

S. 652. An act to promote competition and reduce regulation in order to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

S. 627. A bill to require the general application of the antitrust laws to major league baseball, and for other purposes (Rept. No. 104–231).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. McCAIN:

S. 1558. A bill to provide for reimbursement of States, political subdivisions, and persons that donated services, material, funds, or other things to allow the continued operation, during a period of time when appropriations were not available for the purpose, of all or any part of a public educational or recreational facility, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. GRASSLEY (for himself and Mr. HEFLIN):

S. 1559. A bill to make technical corrections to title 11, United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. GRASSLEY (for himself, Mr. D'AMATO, and Mrs. FEINSTEIN):

S. 1560. A bill to require Colombia to meet anti-narcotics performance standards for continued assistance and to require a report on the counter-narcotics efforts of Colombia; to the Committee on Foreign Relations.

By Mr. HATCH:

S. 1561. A bill for the relief of the individuals whose employment at the White House Travel Office was terminated; read the first time.

By Mr. HELMS:

S. 1562. A bill to require the President to give notice of the intention of the United States to withdraw from the Anti-Ballistic Missile Treaty, and for other purposes; to the Committee on Foreign Relations.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. D'AMATO (for himself and Mr. MOYNIHAN):

S. Res. 224. A resolution to designate September 23, 1996, as "National Baseball Heritage Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. McCAIN:

S. 1558. A bill to provide for reimbursement of States, political subdivisions, and persons that donated services, material, funds, or other things to allow the continued operation, during a period of time when appropriations were not available for the purpose, of all or any part of a public educational or recreational facility, and for other purposes; to the Committee on Energy and Natural Resources.

GOVERNMENT SHUTDOWN LEGISLATION

• Mr. McCAIN. Mr. President, this bill would require Federal agencies to reimburse States, localities, and individuals who donated funds and services to maintain operations at Federal recreational and tourist facilities during the recent Government shutdowns. Without these generous donations, attractions such as Grand Canyon National Park, Mount Rushmore, Carlsbad Caverns, the National Gallery of Art, Liberty Bell, and Independence Hall could not have continued operations during the lengthy Government closures last year. Thanks to the generosity of private citizens, States, and local governments we were able to ensure that innocent people were not turned away at the gates and that further economic loss was avoided.

Grand Canyon visitors and local businesses particularly benefited from State and private donations during the most recent Government shutdown. As you know, Grand Canyon National Park officially closed for the first time in its 76-year history on November 16, 1995, during the first Government shutdown last year.

The economic impact of the park's closure has been estimated at a loss of about $1 million per day in tourism revenue to the park and surrounding areas. By entering into an agreement with the Department of the Interior, the State of Arizona and private individuals donated almost $400,000 to prevent another park closure during the most recent Government shutdown which began on December 15, 1995, and lasted for more than 3 weeks.

It is only right that we reimburse those who so generously donated their funds and services in order to shoulder the Federal Government's responsibility. I trust that my colleagues agree and that we can pass this bill expeditiously.•

By Mr. GRASSLEY (for himself and Mr. HEFLIN):

S. 1559. A bill to make technical corrections to title 11, United States Code, and for other purposes; to the Committee on the Judiciary.

THE BANKRUPTCY TECHNICAL CORRECTIONS ACT OF 1996

• Mr. GRASSLEY. Mr. President, I rise today to introduce the Bankruptcy Technical Corrections Act of 1996. This bill will correct technical errors in the bankruptcy code resulting from the 1994 Bankruptcy Reform Act of 1994 as well as pre-existing technical errors. I am introducing the bill with support of Senator HEFLIN, my good friend from Alabama and the ranking minority on the Courts subcommittee.

Mr. President, with one exception, this bill makes purely technical changes in the Code. It is my hope that the bill will pass this body quickly and by unanimous consent.

The sole substantive change contained in this bill relates to the special procedures set up for single asset real estate ventures. These procedures speed up the bankruptcy process in certain unique business situations. The 1994 bankruptcy bill passed the Senate overwhelmingly without a cap for the value of single asset cases, and the bill I am introducing today does no more than restore that provision.

Again, I wish to thank Senator HEFLIN for expert assistance and help with this bill, and I urge the swift passage of the bill.•

By Mr. GRASSLEY (for himself and Mr. D'AMATO, and Mrs. FEINSTEIN):

S. 1560. A bill to require Colombia to meet antinarcotics performance standards for continued assistance and to require a report on the counternarcotics efforts of Colombia; to the Committee on Foreign Relations.

CERTIFICATION OF COLOMBIA LEGISLATION

Mr. GRASSLEY. Mr. President, in recent weeks we have seen a variety of events in Colombia that raise serious doubts about the extent to which the Government of Colombia is taking the steps necessary to ensure full cooperation with the United States on the issue of drugs. We are now approaching the annual period for certification. Under U.S. law, the President is required to certify annually whether major drug trafficking and producing countries are cooperating fully with the United States to end drug production, trafficking, and related drug activities.

Last year, we saw the Government of Colombia—facing the possibility of congressional sanctions—take more vigorous action to arrest several key figures in the Cali cocaine empire. Until that point the Government of Colombia had done little to arrest or prosecute these individuals. This was true even though their whereabouts was commonly known and they were frequently strutting around the streets of Colombia's major cities. I, among others of my colleagues, was encouraged by the steps taken to finally put these thugs behind bars. The courageous actions of Colombia's prosecutor general and the leading counterdrug police official—both brave and incorruptible individuals under daily threats of death—were welcome signs that despite massive corruption, Colombia was prepared to take effective action.

But I did not believe then nor do I believe now that these arrests are enough. I indicated to the Government of Colombia on several occasions when senior officials visited me, that it was follow through that meant everything. I have written the Colombian ambassador and have indicated verbally to various cabinet members on state visits to the United States my concern that arrests were only a beginning.

I also asked these various individuals for assurances that the major drug lords were under proper control. That they were not able to continue to direct their drug empires while living at state expense. That they would face serious punishment. That they would lose their stolen fortunes built on selling poison in this country. That they would give up information leading to efforts to dismantle their drug empires. And that adequate steps would be taken to deal with the corruption of Colombia's political system. A corruption that gave these kingpins freedom to violate Colombian, United States, and international law with impunity.

I was assured that all these things were being done. But in the last several weeks, what do we see? Just a few weeks ago, one of the major Cali drug lords simply walked out of prison. It was hours before anyone even knew he was gone and steps were taken to find him. It is clear that his escape was arranged by his prison guards in his employment. It is also clear that he was never under adequate supervision. He remains at large trying to negotiate even better terms for his return to custody. If this is true for Santacruz Londono, it is also true of the other drug kingpins. If they can carry on these types of activities in jail under the very eyes—and often with the cooperation of their jailers—then what does this say about guarantees that they are not continuing to direct their business empires while in custody?

I must say I have been very disappointed by these developments. But these are not all. In the last several days we have seen a former cabinet minister and close friend accuse the President of Colombia of knowingly collaborating with drug lords. These accusations come on top of similar reports from the former financial manager of the President's election campaign and from some of the Cartel leaders themselves. Tape recorded conversations indicating connections between senior government officials and drug lords are now part of the public record. These come in an environment in which our own sources indicate that there is extensive corruption of Colombia's legislative process stemming from these same drug lords. Just recently, the Colombian Congress only narrowly defeated a provision that would have given virtual amnesty to the drug lords and a guarantee that they could keep their illegal fortunes. In addition, massive shipments of cocaine in cargo jets and in commercial traffic continue to flood northward, while money laundering and financial manipulation are commonplace.

All of these various developments come at a time when the President of the United States, as he is required to do by law, is considering whether or not to certify Colombia as fully cooperating with the United States in suppressing the drug trade. I am seriously concerned that the present state of developments in Colombia raises the most serious doubts about that certification. The fate of Colombia's president, whether he resigns or not under a cloud, is a purely Colombian matter. I leave that issue in the hands of the good citizens of Colombia. But the issue of certification is purely an American matter. It is a policy concern for the President and for this body.

Given the history I have just related, I must voice my serious concerns about whether Colombia meets even minimal standards for fully cooperating with the United States as is defined in the law. Moreover, as evidence accumulates about the degree of official corruption in Colombia at the highest levels, we must also consider a further requirement of the law that enjoins the President to suspend United States assistance. That is section 487 of the Foreign Assistance Act. This provision requires the United States to suspend assistance to institutions or governments when there is sufficient reason to believe that the assistance is going to known or suspected drug traffickers or their confederates.

Mr. President, given current developments in Colombia. Given growing doubts about the integrity of the prison system. Given doubts about the integrity of the very political authorities who must receive and administer United States assistance and who are charged with enforcing Colombia's counterdrug policies. I believe it is time to reexamine our certification of Colombia.

Last year, even though there were serious doubts about Colombia's cooperation, the President of the United States gave Colombia a national interest waiver. With the arrest of major cartel figures, it seemed as if we and Colombia were making progress in restoring confidence in Colombia's seriousness in dealing effectively with the drug cartels. Recent events, however, put all of that progress in doubt. They raise serious questions as to whether any of the arrests, as welcome as they are, have any real meaning. In a climate of high-level corruption, in an environment in which the cartel leaders can come and go as they please, I must admit to a degree of disappointment after the assurances that I received to the contrary.

In this regard, I am introducing a bill to limit United States assistance to Colombia and to require a thorough review of our relationship. This bill would require the President of the United States to review full decertification of Colombia and to consider what economic steps might be taken to force Columbia to take the steps that have so often promised but that have fallen short so many times. This is not a welcome step, but the drugs flowing to this country because of the activities of the Colombia drug lords must be stopped. We and the Colombians must recognize that promises and half measures are not sufficient.

• Mr. D'AMATO. Mr. President, I would like to commend my colleague from Iowa for introducing this bill that will help to curb the international flow of drugs, particularly into the United States.

Narcotics have become a scourge in our country and it is about time that we start to take action to eradicate it at all levels. Since illegal drugs found on our streets are most often produced in other countries, foreign nations must also take action to prevent the production, transportation and distribution of illegal drugs. So far, there has been very little action to make foreign countries accountable for the drugs trafficked in the United States. This bill, which focuses on Colombia, will do just that.

According to the Drug Enforcement Administration, cocaine production, transportation and distribution has been managed primarily by the Colombian drug cartel, making cocaine available everywhere in the United States. The Cali cartel controls about 80 percent of the world's cocaine trafficking.

The Colombian Government has not done enough to put an end to the drug problem. Last year, United States officials expressed disappointment with the cooperation level of the Colombian Government in the counternarcotics effort. However, the administration sought to waive the certification for Colombia and permit United States aid to continue for development in Colombia. In an effort to justify the financial assistance, this bill would require the President to certify to Congress that Colombia has begun to take the appropriate measures to limit the power of the drug traffickers and squash the flow of illegal drugs. Such methods include: the eradication of drug crops, interdiction of drug shipments, and the strengthening of the Colombian law enforcement and judicial authorities.

It is only fair that American taxpayers, who pay for the foreign aid to Colombia, receive some assurance that the Colombian Government will attempt to reduce the production and distribution of drugs. With the recent disclosure of the ties between the Cali cartel and officials of the Colombia Government, the timing of this bill could not be any better.

Various insiders of the Cali mafia have recounted the influence exerted by the Cali mafia on high level Colombian officials, all the way to the President of Colombia. A former campaign manager for President Ernesto Samper

Pizano is currently jailed for soliciting contributions from drug traffickers in order to finance the Colombian presidential campaign. Fernando Botero Zea, who also served as Colombia's former defense minister, claims that Colombian President Samper knew about the money from the drug traffickers. It is suggested that his presidential campaign accepted $5.9 million from the Cali cartel.

Colombia should be accountable for its failure to actively participate in the counternarcotics effort. This bill places pressure on the Colombian Government government to take steps to control the drug problem in Colombia. Any steps taken will have a direct effect on the flow of narcotics into the United States. But a failure to participate in the international counternarcotics effort should result in the loss of financial assistance provided by the United States.

In light of recent developments in Colombia, I am pleased that my colleague is offering this bill and am proud to co-sponsor this important measure.●

By Mr. HELMS:

S. 1562. A bill to require the President to give notice of the intention of the United States to withdraw from the Anti-Ballistic-Missile Treaty, and for other purposes; to the Committee on Foreign Relations.

THE STRATEGIC ANTI-MISSILE REVITALIZATION AND SECURITY ACT OF 1996

Mr. HELMS. Mr. President, there has never been a greater champion of ballistic missile defense than that great American, Ronald Wilson Reagan, and today happens to be President Reagan's 85th birthday. I decided this morning to introduce the Strategic Anti-missile Revitalization and Security Act of 1996—for short we call it the "STARS Act"—legislation proposing to begin the timely and complete withdrawal from the ABM Treaty, and to clear the way for implementing President Reagan's vision of a national strategic missile defense system to protect the American people from ballistic missile attack.

Today's greatest emerging threat to America's national security lies in the proliferation of weapons of mass destruction. We all know that. According to the CIA, at this moment more than 30 countries possess ballistic missiles, and more than 25 others either have, or are in the process of acquiring, nuclear, chemical, or biological weapons.

Many of these nations—for example, Iran, Iraq, Libya, Syria, and North Korea—are clearly hostile to the United States. It is indeed probable that in the not-too-distant future a hostile tyrant will possess ballistic missiles capable of reaching major population centers in the United States.

Obviously, Mr. President, with such an ominous threat emerging, one would assume that the United States would be actively developing defensive technology to protect the American people against this danger; and one would assume that the Clinton administration surely is working, in cooperation with a bipartisan majority in Congress, to make certain that the United States is never, never exposed to the danger of a hostile nuclear attack by a terrorist regime.

Well, such assumptions are wrong. The Clinton administration in fact has aggressively blocked every effort by Congress to implement a national missile defense system to protect the American people from this very real threat.

Why? Because, the administration argues weakly, developing such defenses would violate an antiquated arms control agreement—a relic of the cold war known as the ABM Treaty.

Mr. President, the ABM Treaty is not only out-of-date and unnecessary—it has become a threat to America's national security. Like latter-day Luddites, the opponents of ballistic missile defense are now using the ABM Treaty as a tool to obstruct any and all progress toward the deployment of missile defense technology.

During debate over the defense authorization bill, for example, the opponents of ballistic missile defense stood on the Senate floor and used the ABM Treaty in a last-ditch effort to prevent Congress from passing legislation to deploy a national system to protect U.S. citizens against weapons of mass destruction. When they lost, President Clinton then used the ABM Treaty as an excuse to veto the defense authorization bill, thus preventing approval of funding for national missile defense.

Mr. President, this treaty has become nothing more than an excuse for inaction. But the time for excuses is over. The United States needs a national missile defense. And if the ABM Treaty is preventing us from building and deploying essential defenses to protect the American people from even the most limited ballistic missile attack, then the time has come for the United States to withdraw from the ABM Treaty.

Mr. President, my legislation will do just that. The STARS Act does three things:

First, it directs the President to notify Russia of United States intent to withdraw from the ABM Treaty 1 month after enactment of the act, as legally permitted by the ABM Treaty.

Second, it prohibits the use of Federal funds to enforce the ABM Treaty beginning 7 months after the bill's enactment.

Finaly, it requires the President to certify to Congress that the United States has abrogated the ABM Treaty on the date of U.S. withdrawal.

Mr. President, through its blind allegiance to this obsolete treaty, the Clinton administration appears to be ready to leave the American people strategically naked as hostile nations rush forward to their relentless pursuit of nuclear, chemical, and biological weapons. Indeed, in their zeal to stop Congress from deploying national missile defenses, this administration seems willing to say or do anything to argue that the ballistic missile threat does not exist.

I must say I was stunned when I noted the politicization of the most recent National Intelligence Estimate [NIE] to support the administration's position in this regard. The 1996 National Intelligence Estimate declared that no country other than the "declared nuclear powers" would threaten the "continental United States" with a ballistic missile for 15 years. Note carefully that they said the "continental United States". First, this is simply not so. The 1995 estimate concluded, for example, that North Korea may be able to threaten the United States in 5 years because it is an indisputable fact that North Korea is developing a series of missiles with ranges in excess of 3,000 kilometers.

Second, I am astonished that this administration has somehow managed to write two of the 50 States of the Union completely out of the Union. I cannot understand why this administration draws a distinction in the 1996 NIE between threats to the United States and threats to the continental United States. The last time I checked, nearly 2 million U.S. citizens live in Alaska and Hawaii. Are these people less deserving of protection than people living in Arkansas, or Michigan for that matter? I think not.

Third, it boggles the mind that this administration can make decisions about the ballistic missile threat to this country, while explicitly ignoring the arsenals of declared nuclear powers. Communist China not only fields two dozen submarine launched ballistic missiles, several hundred heavy bomber warheads, and roughly 24 long- and medium-range ballistic missiles, but has several modernization initiatives underway. China is developing for deployment by the end of the millennium four intermediate-range and long-range ballistic missile systems, and we have unambiguous evidence that China is pursuing MIRV-technology.

Nor can we afford to dismiss Russia's massive nuclear capabilities. Russia still has 12,000 nuclear warheads in its arsenal, as it slips and slides back down the slippery-slope of political reform. When President Clinton declared in his State of the Union address that today, for the first time no Russian nuclear missiles are pointed at the United States, he just happened to omit the fact that it requires only about 8 minutes of reprogramming to turn those Russian missiles right back at us.

We must not ignore in such cavalier fashion the trends to reinstate and restore communism in Russia. It is growing increasingly possible that Russia's massive nuclear arsenal could fall into the hands of authoritarian leaders with uncertain intentions before the end of this century. We of course hope this will not happen, but we must prepare for the possibility.

Even those who unwisely discount the possibility of direct conflict with potentially hostile regimes in Moscow and Beijing, must not discount the possibility of an accidental launch, nor the cooperation and collaboration between countries engaged in the development of ballistic missiles. We know, for example, that China has sold extensive missile technology to Iran, Syria, and North Korea; we know that Iran is working with North Korea and Syria on various missiles. We know that 14 countries around the globe have the capability to field some type of Soviet-made missile, and we know that Russia recently was detected shipping ballistic missile parts to Iraq.

These are all real threats that the administration would ignore at the peril of the American people, because the fact is, the proliferation of weapons of mass destruction and ballistic missile technology is rampant, the threat of ballistic missile attack on the United States is a present and growing danger, and nothing is being done to protect the American people from it. The administration has an almost messianic devotion to the ABM Treaty which I find bizarre. There is, you see, far more concern about protecting a treaty not worth the paper it is written on, than with protecting American citizens against horrible nuclear attacks.

So, Mr. President, the STARS Act, which I am introducing today, will remove the ABM Treaty as an obstacle, and instead pave the way for the deployment of defenses when necessary to protect American citizens against weapons of terror. And the sooner, the better. We cannot afford to wait until the administration wakes up and opens its eyes. By then, it may be too late. It takes years to move from the enactment of legislation in Congress to the deployment of a defensive system.

If Congress passes legislation funding such a system this year, it may take as long as eight years before the system is operational.

It may, in fact take longer. Think back. Did any Senator predict 8 years ago the advanced stages of North Korea's nuclear program? Did anyone here know, before the fact, how close Iraq was to obtaining a nuclear weapon just prior to the start of the Gulf War? Is any Senator prepared to stake the security of the American people on blind faith? Thee are questions that we must confront.

I am not. We must begin consideration of the STARS Act. Removing the ABM Treaty is critical to any strategy for protecting U.S. citizens against chemical, biological, and nuclear weapons mounted on ballistic missiles. In the coming months, I anticipate the introduction, under the auspices of the distinguished majority leader, of a comprehensive bill identifying the critical aspects of a ballistic missile defense. In support of this effort, and in connection with the STARS Act, the Senate Foreign Relations Committee, will of which I am chairman, will hold hearings as soon as practicable to undertake a comprehensive review of the ABM Treaty. Providing for the defense of America against these weapons must be among our highest priorities during this session of Congress.

Mr. President, Ronald Reagan said it best back in 1993, in one of his last public speeches—he had learned of the Clinton administration's decision to gut the Strategic Defense Initiative: "I may not be a Rhodes Scholar" he told the graduating cadets at The Citadel, "but I do know one thing: if we can protect America with a defensive shield from incoming missiles, we should by all means do so. . . . (And) if the new Administration thinks we are no longer at risk, they need to open their eyes and take a good hard look at the world."

Amen, Mr. President, and, again to you, sir, out there in California, happy birthday. It was a joy to hear your voice today on the telephone. God bless you—and as you always used to say—God bless America.

Mr. President. I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1562

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Strategic Anti-Missile Revitalization and Security Act of 1996".

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) The Constitution vests in the Government of the United States responsibility to provide for the common defense and promote the general welfare of the American people.

(2) Due to limitations imposed by the Anti-Ballistic Missile Treaty, the United States is prohibited from deploying a national missile defense capable of defending America against even the most limited of ballistic missile attack.

(3) The concept of mutual assured destruction which underlies the Anti-Ballistic Missile Treaty is technologically and geostrategically outdated and cannot serve as a basis for stability in a multipolar world characterized by rampant proliferation of weapons of mass destruction and ballistic missile technology.

(4) The possibility of ballistic missile attack upon the United States by a rogue country constitutes a clear, present, and growing threat to the supreme interests of the United States.

SEC. 3. REQUIREMENT TO GIVE NOTICE OF WITHDRAWAL.

No later than 30 days after the date of the enactment of this Act, the President shall give notice to the Russian Federation of the intention of the United States to withdraw from the Anti-Ballistic Missile Treaty, as permitted under Article XV of that Treaty.

SEC. 4. PROHIBITIONS.

Beginning 210 days after the date of the enactment of this Act, appropriated funds shall not be obligated or expended for the purposes of proscribing, enforcing, or implementing any provision of the Anti-Ballistic Missile Treaty.

SEC. 5. ACTIONS OF THE PRESIDENT.

On the date that is 180 days after the date of the notification of the President to the Russian Federation under section 3, the President shall certify to Congress that the Anti-Ballistic Missile Treaty is no longer interpreted to apply to the development, deployment, or operation of any missile defense system or air defense system of the United States, including any component of such a system or upgrade of such a system or component.

SEC. 6. DEFINITION.

As used in this Act, the term "Anti-Ballistic Missile Treaty" means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, signed at Moscow on May 26, 1972, with related protocol, signed at Moscow on July 3, 1974.

ADDITIONAL COSPONSORS

S. 295

At the request of Mrs. Kassebaum, the name of the Senator from Virginia [Mr. Warner] was added as a cosponsor of S. 295, a bill to permit labor management cooperative efforts that improve America's economic competitiveness to continue to thrive, and for other purposes.

S. 673

At the request of Mrs. Kassebaum, the name of the Senator from Rhode Island [Mr. Chafee] was added as a cosponsor of S. 673, a bill to establish a youth development grant program, and for other purposes.

S. 930

At the request of Mr. Shelby, the name of the Senator from Alaska [Mr. Murkowski] was added as a cosponsor of S. 930, a bill to require States receiving prison construction grants to implement requirements for inmates to perform work and engage in educational activities, and for other purposes.

S. 1028

At the request of Mrs. Kassebaum, the name of the Senator from California [Mrs. Boxer] was added as a cosponsor of S. 1028, a bill to provide increased access to health care benefits, to provide increased portability of health care benefits, to provide increased security of health care benefits, to increase the purchasing power of individuals and small employers, and for other purposes.

S. 1166

At the request of Mr. Lugar, the name of the Senator from Oklahoma

[Mr. INHOFE] was added as a cosponsor of S. 1166, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act, to improve the registration of pesticides, to provide minor use crop protection, to improve pesticide tolerances to safeguard infants and children, and for other purposes.

S. 1219

At the request of Mr. FEINGOLD, the name of the Senator from Oregon [Mr. WYDEN] was added as a cosponsor of S. 1219, a bill to reform the financing of Federal elections, and for other purposes.

S. 1400

At the request of Mrs. KASSEBAUM, the names of the Senator from Connecticut [Mr. LIEBERMAN], and the Senator from Iowa [Mr. HARKIN] were added as cosponsors of S. 1400, a bill to require the Secretary of Labor to issue guidance as to the application of the Employee Retirement Income Security Act of 1974 to insurance company general accounts.

S. 1487

At the request of Mr. ROBB, his name was added as a cosponsor of S. 1487, a bill to establish a demonstration project to provide that the Department of Defense may receive medicare reimbursement for health care services provided to certain medicare-eligible covered military beneficiaries.

SENATE RESOLUTION 217

At the request of Mrs. KASSEBAUM, the names of the Senator from Virginia [Mr. WARNER], the Senator from Delaware [Mr. BIDEN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Connecticut [Mr. DODD], the Senator from Florida [Mr. GRAHAM], the Senator from Hawaii [Mr. INOUYE], the Senator from Maryland [Mr. SARBANES], the Senator from Illinois [Mr. SIMON], and the Senator from California [Mrs. FEINSTEIN] were added as cosponsors of Senate Resolution 217, A resolution to designate the first Friday in May 1996, as "American Foreign Service Day" in recognition of the men and women who have served or are presently serving in the American Foreign Service, and to honor those in the American Foreign Service who have given their lives in the line of duty.

SENATE RESOLUTION 219

At the request of Mr. SPECTER, the names of the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from West Virginia [Mr. BYRD], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from New Mexico [Mr. DOMENICI], the Senator from Wyoming [Mr. SIMPSON], the Senator from New Hampshire [Mr. GREGG], the Senator from Vermont [Mr. JEFFORDS], the Senator from Tennessee [Mr. THOMPSON], the Senator from Georgia [Mr. COVERDELL], the Senator from Florida [Mr. GRAHAM], the Senator from Virginia [Mr. ROBB], the Senator from Wisconsin [Mr. KOHL], the Senator from Hawaii [Mr. INOUYE], the Senator from Rhode Island [Mr. CHAFEE], the Senator from North Carolina [Mr. HELMS], the Senator from Texas [Mrs. HUTCHISON], the Senator from New York [Mr. D'AMATO], the Senator from Utah [Mr. HATCH], and the Senator from Georgia [Mr. NUNN] were added as cosponsors of Senate Resolution 219, A resolution designating March 25, 1996 as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

AMENDMENT NO. 3184

At the request of Mr. LEAHY the names of the Senator from Maine [Ms. SNOWE], and the Senator from Texas [Mr. GRAMM] were added as cosponsors of amendment No. 3184 proposed to S. 1541, a bill to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes.

AMENDMENT NO. 3202

At the request of Mr. GREGG the names of the Senator from Rhode Island [Mr. CHAFEE], and the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of amendment No. 3202 intended to be proposed to S. 1541, a bill to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes.

AMENDMENT NO. 3289

At the request of Mr. GREGG the names of the Senator from Rhode Island [Mr. CHAFEE], and the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of amendment No. 3289 intended to be proposed to S. 1541, a bill to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes.

SENATE RESOLUTION 224—TO DESIGNATE SEPTEMBER 23, 1996, AS "NATIONAL BASEBALL HERITAGE DAY"

Mr. D'AMATO (for himself and Mr. MOYNIHAN) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 224

Whereas it is universally accepted that the idea of baseball was created by Abner Doubleday in 1839 in Cooperstown, NY when Doubleday attempted to chase cows out of Elihu Phinney's cow pasture;

Whereas, New Yorkers in Manhattan in 1842 witnessed the birth of modern day baseball when 'a number of gentlemen . . . casually assembled on a plot of ground in Twenty-seventh street . . . to play ball" according to Charles A. Peverelly in "The Book of American Pastimes;"

Whereas, these men, led by Alexander Joy Cartwright, Jr. created the set of rules to transform a childhood game into the game of baseball and to provide a model for future early clubs;

Whereas, these men played the game because of sheer enjoyment and casually called themselves the "New York Baseball Club";

Whereas, Harold Peterson, in "The Man Who Invented Baseball," notes that on the historic day of September 23, 1845, these men, now numbering more than forty, formally organized themselves into the first ever organized baseball club known as the "Knickerbocker Baseball Club";

Whereas, the Knickerbockers dedicated their efforts to the creation of regular games on the Twenty-seventh street field so they could play their new game.

Whereas, others noticed the games of the Knickerbockers and created teams of their own for inter-club play with Alexander Joy Cartwright, Jr. and the Knickerbockers, according to Cartwright's "Rules of Play";

Whereas, baseball has grown into America's national pastime and ingratiated itself into the collective heart of America;

Whereas, America has cherished baseball and fallen in love with baseball heroes like Mickey Mantle, Jackie Robinson, Willie Mays, and Babe Ruth;

Whereas, baseball has given Americans common and shared experience, as well as provide a bond between generations;

Whereas, parents and children enjoy baseball together throughout the countless generations.

Whereas, baseball has become as much a part of the United States as the hot dogs sold at the games;

Whereas, baseball has become a part of our national character,

Whereas, the designation of "National Baseball Heritage Day" will provide Americans with chance to celebrate the history of the game and reflect on how much it has affected our collective lives and national identity: Now, therefore, be it

Resolved, That the Senate, in recognition of the essential role that baseball has played in the history of the United States and our individual lives, designate September 23, 1996 as "National Baseball Heritage Day". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such a day with appropriate ceremonies and activities.

• Mr. D'AMATO. Mr. President, when asked to describe an image of baseball, the near unanimous and immediate picture painted would be of a warm summer night sitting in the bleachers with your kids, enjoying a hot dog or some peanuts, and rooting for the home team. Similarly when asked about the origins of baseball, fans from the youngest to the oldest will tell you that baseball originates in New York. It is that heritage that I wish to memorialize in legislation that I am submitting today. I am proud to submit the resolution with my friend and colleague, New York's senior Senator, DANIEL PATRICK MOYNIHAN.

On a lazy afternoon in 1839, a young man from Cooperstown, Abner Doubleday, chased the cows out of Elihu Phinney's pasture and was struck with the inspiration to invent a game that we now know as baseball. In true recognition of Cooperstown's place in history, the National Baseball Hall of Fame is located there.

Today, Cooperstown is the mecca for all baseball fans where, in the Hall of Fame, they can see the unfolding of baseball from its early beginnings to its great modern era. Within the National Baseball Hall of Fame outstanding players such as Babe Ruth, Lou

Gherig, Cy Young, Ty Cobb, Joe DiMaggio, and Jackie Robinson are immortalized. In addition to plaques celebrating the achievements of baseball's greats, Cooperstown has the largest collection of game-winning baseballs, record-breaking bats, and paraphernalia chronicling achievements and activities of all kinds in relation to the game of baseball and baseball's impact on American society.

Shortly after Doubleday's inspiration, a group of gentlemen, led by Alexander Joy Cartwright, Jr., was meeting in fields all over Manhattan in New York City, playing baseball according to rules laid out by Cartwright. These men began playing baseball as early as 1842 in a small plot of ground on Twenty-seventh Street—a spot now occupied by the Harlem Railroad depot. Cartwright and his friends were forced to play at three different locations on Manhattan in order to escape the encroachment of a growing New York City. On September 23, 1845, they finally formally organized themselves into a baseball club known as the Knickerbockers Base Ball Club.

Efforts have been attempted in the past to lay claim to Cooperstown's, and indeed New York's place in baseball history. Such efforts continue to this day. But as every little-leaguer knows, New York will always be the true home of baseball. Also, as any baseball history buff knows, New York City is home to our nation's earliest organized baseball team. Baseball fans everywhere will not be fooled by those who would claim otherwise.

Therefore, to make sure that all Americans know the rightful role New York holds in the birth of baseball, we are introducing a resolution calling for congressional recognition of this distinction. It is my hope that with the Senate's passage of this resolution, we may once and for all dispel all contrary claims to baseball's heritage. We encourage all true fans of baseball in the Senate to join in cosponsoring this resolution.●

AMENDMENTS SUBMITTED

THE AGRICULTURAL MARKET TRANSITION ACT OF 1996

GRAMS AMENDMENT NO. 3316

(Ordered to lie on the table.)

Mr. GRAMS submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill (S. 1541) to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes; as follows:

S. 1541

Beginning on page 1–73, strike line 12 and all that follows through page 1–75, line 7, and insert the following:

SEC. 108. MILK PROGRAM.

(a) TERMINATION OF MILK MARKETING ORDERS.—Section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking subsection (5) and (18).

(b) PROHIBITION OF SUBSEQUENT ORDERS REGARDING MILK.—Section 8c(2) of the Agricultural Adjustment Act (7 U.S.C. 608c(2)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in paragraph (A), by striking "Milk, fruits" and inserting "Fruits"; and

(2) in paragraph (B), by inserting "milk," after "honey,".

(c) CONFORMING AMENDMENTS.—

(1) Section 2(3) of the Agricultural Adjustment Act (7 U.S.C. 602(3)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking ", other than milk and its products,".

(2) Section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(A) in subsection (6), by striking ", other than milk and its products,";

(B) in subsection (7)(B), by striking "(except for milk and cream to be sold for consumption in fluid form)";

(C) in subsection (11)(B), by striking "Except in the case of milk and its products, orders" and inserting "Orders";

(D) in subsection (13)(A), by striking ", except to a retailer in his capacity as a retailer of milk and its products"; and

(E) in the first sentence of subsection (17), by striking "; *Provided further*," and all that follows through "to such order".

(3) Section 8d(2) of the Agricultural Adjustment Act (7 U.S.C. 608d(2)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking the second sentence.

(4) Section 10(b)(2) of the Agricultural Adjustment Act (7 U.S.C. 610(b)(2)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(A) by striking clause (i);

(B) by redesignating clauses (ii) and (iii) as clauses (i) and (ii) respectively; and

(C) in the first sentence of clause (i) (as so redesignated), by striking "other commodity" and inserting "commodity".

(5) Section 11 of the Agricultural Adjustment Act (7 U.S.C. 611), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking "peanuts, and milk, and its products," and inserting "and peanuts,".

(6) Section 715 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1994 (Public Law 103–111, 107 Stat. 1079; 7 U.S.C. 608d note), is amended by striking "amended: *Provided further*," and all that follows through "handlers" and inserting "amended".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on December 31, 1998.

BUMPERS (AND PRYOR) AMENDMENT NO. 3317

(Ordered to lie on the table.)

Mr. BUMPERS (for himself and Mr. PRYOR) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place in the bill, add the following: "Notwithstanding any other provision of this Act, any program authorized to be administered by the Secretary of Agriculture on January 1, 1995, modified by this Act, shall be deemed authorized under the same terms and conditions as existed on January 1, 1995, until December 31, 1996, unless other terms and conditions are subsequently established by law."

MURRAY AMENDMENTS NOS. 3318–3319

(Ordered to lie on the table.)

Mrs. MURRAY submitted two amendments intended to be proposed by her to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3318

On page 1–21, line 17, strike "$2.58" and insert "$2.82".

AMENDMENT NO. 3319

Beginning on page 3–2, strike line 1 and all that follows through page 3–5, line 23, and insert the following:

"SEC. 1230. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—During the 1996 through 2002 calendar years, the Secretary shall establish an environmental conservation acreage reserve program (referred to in this section as 'ECARP') to be implemented through contracts and the acquisition of easements to assist owners and operators of farms and ranches to conserve and enhance soil, water, air, and related natural resources, including grazing land, wetland, and wildlife habitat.

"(2) MEANS.—The Secretary shall carry out the ECARP by—

"(A) providing for the long-term protection of environmentally sensitive land; and

"(B) providing technical and financial assistance to farmers and ranchers to—

"(i) improve the management and operation of the farms and ranches; and

"(ii) reconcile productivity and profitability with protection and enhancement of the environment.

"(3) PROGRAMS.—The ECARP shall consist of—

"(A) the conservation reserve program established under subchapter B;

"(B) the wetlands reserve program established under subchapter C; and

"(C) the environmental quality incentives program established under chapter 4.

"(b) ADMINISTRATION.—

"(1) IN GENERAL.—In carrying out the ECARP, the Secretary shall enter into contracts with owners and operators and acquire interests in land through easements from owners, as provided in this chapter and chapter 4.

"(2) PRIOR ENROLLMENTS.—Acreage enrolled in the conservation reserve or wetlands reserve program prior to the effective date of this paragraph shall be considered to be placed into the ECARP.

"(c) CONSERVATION PRIORITY AREAS.—

"(1) DESIGNATION.—

"(A) IN GENERAL.—The Secretary shall designate watersheds or regions of special environmental sensitivity, including the Chesapeake Bay Region (consisting of Pennsylvania, Maryland, and Virginia), the Great Lakes Region, and the Long Island Sound Region, as conservation priority areas that are eligible for enhanced assistance through the programs established under the chapter and chapter 4.

"(B) APPLICATION.—A designation shall be made under this paragraph if agricultural practices on land within the watershed or region pose a significant threat to soil, water, air, and related natural resources, as determined by the Secretary, and an application is made by—

"(i) a State agency in consultation with the State technical committee established under section 1261; or

"(ii) State agencies from several States that agree to form an interstate conservation priority area.

"(C) ASSISTANCE.—The Secretary shall designate a watershed or region of special environmental sensitivity as a conservation priority area to assist, to the maximum extent practicable, agricultural producers within the watershed or region to comply with nonpoint source pollution and other requirements under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), the Clean Air Act (42 U.S.C. 7401 et seq.), and other Federal and State environmental laws.

"(2) APPLICABILITY.—The Secretary shall designate a watershed or region of special environmental sensitivity as a conservation priority area in a manner that conforms, to the maximum extent practicable, to the functions and purposes of the conservation reserve, wetlands reserve, and environmental quality incentives programs, as applicable, if participation in the program or programs is likely to result in the resolution or amelioration of significant soil, water, air, and related natural resource problems related to agricultural production activities within the watershed or region.

"(3) TERMINATION.—A conservation priority area designation shall terminate on the date that is 5 years after the date of the designation, except that the Secretary may—

"(A) redesignate the area as a conservation priority area; or

"(B) withdraw the designation of a watershed or region if the Secretary determines the area is no longer affected by significant soil, water, air, and related natural resource impacts related to agricultural production activities.".

WELLSTONE AMENDMENTS NOS. 3320–3323

(Ordered to lie on the table.)

Mr. WELLSTONE submitted four amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3320

At the appropriate place insert the following:

"SEC. . ADJUSTMENT TO LOAN RATE CAPS.

"(a) ATTRIBUTION.—Notwithstanding any other provision of this Act and notwithstanding the provisions of sections 1001 and 1001A of the Food Security Act of 1985 (7 U.S.C. 1308 and 1308–1) in the case of the 1996 through 2002 contract acres of wheat, feed grains, upland cotton, rice, and oilseeds, the Secretary shall attribute payments specified in section 1001 of that Act to persons who receive the payments directly, and attribute payments received by entities to the individuals who own such entities in proportion to their ownership interest in the entity.

"(b) ADJUSTMENTS IN CONTRACT ACCOUNTS AND LOAN RATE CAPS.—For the crops after the Secretary has implemented subsection (a), the Secretary shall—

"(1) notwithstanding the provisions of this title, reduce the Contract Payment Account provided in section 103 for each fiscal year by $140,000,000; and

"(2) increase the loan rate caps in section 104 as follows:

"(A) $2.75 per bushel for wheat;

"(B) $2.00 per bushel for corn;

"(C) $0.54 per pound for upland cotton;

"(D) $6.60 per hundredweight for rice;

"(E) $5.10 per bushel for soybeans; and

"(F) $.10 per pound for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed."

AMENDMENT NO. 3321

At the appropriate place insert the following:

"SEC. . VALUE-ADDED PROCESSING AND MARKETING.

"(a) ATTRIBUTION.—Notwithstanding any other provision of this Act and notwithstanding the provisions of sections 1001 and 1001A of the Food Security Act of 1985 (7 U.S.C. 1308 and 1308–1) in the case of the 1996 through 2002 contract acres of wheat and feed grains, the Secretary shall attribute payments specified in section 1001 of that Act to persons who receive the payments directly, and attribute payments received by entities to the individuals who own such entities in proportion to their ownership interest in the entity.

"(b) ADJUSTMENTS IN CONTRACT ACCOUNTS AND LOAN GUARANTEE AND GRANT AUTHORITY.—For the crops after the Secretary has implemented subsection (a), the Secretary shall—

"(1) notwithstanding the provisions of this title, reduce the Contract Payment for wheat and feed grains provided in section 103 for each fiscal year by the amount estimated by the Secretary not paid to farmers as a result of subsection (a); and

"(2) use such savings generated in paragraph (1) to carry out a program to issue guarantee against the risk of nonpayment arising out of loans taken out by small and moderate-size agricultural producers in wheat and feed-grain regions to finance the purchase of stock of membership capital in cooperative associations engaged in value-added, food or industrial-use processing of agricultural commodities, and to issue grants to provide financial and technical assistance for agricultural diversification, marketing, processing and production strategies by small and moderate-size farmers to add value to farm products and increase self-employment opportunities."

AMENDMENT NO. 3322

Amend title I by adding to the end the following:

"SEC. 112. ADJUSTMENT TO LOAN RATE CAPS.

"(a) ATTRIBUTION.—Notwithstanding the provisions of sections 1001 and 1001A of the Food Security Act of 1985 (7 U.S.C. 1308 and 1308–1) in the case of the 1996 through 2002 contract acres of wheat, feed grains, upland cotton, rice, and oilseeds, the Secretary shall attribute payments specified in section 1001 of that Act to persons who receive the payments directly, and attribute payments received by entities to the individuals who own such entities in proportion to their ownership interest in the entity.

"(b) ADJUSTMENTS IN CONTRACT ACCOUNTS AND LOAN RATE CAPS.—For the crops after the Secretary has implemented subsection (a), the Secretary shall—

"(1) notwithstanding the provisions of this title, reduce the Contract Payment Account provided in section 103 for each fiscal year by $140,000,000; and

"(2) increase the loan rate caps in section 104 as follows:

"(A) $2.75 per bushel for wheat;

"(B) $2.00 per bushel for corn;

"(C) $0.54 per pound for upland cotton;

"(D) $6.60 per hundredweight for rice;

"(E) $5.10 per bushel for soybeans; and

"(F) $.10 per bushel for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed."

AMENDMENT NO. 3323

Amend title I by adding to the end the following:

"SEC. 112. VALUE-ADDED PROCESSING AND MARKETING.

"(a) ATTRIBUTION.—Notwithstanding the provisions of sections 1001 and 1001A of the Food Security Act of 1985 (7 U.S.C. 1308 and 1308–1) in the case of the 1996 through 2002 contract acres of wheat and feed grains, the Secretary shall attribute payments specified in section 1001 of that Act to persons who receive the payments directly, and attribute payments received by entities to the individuals who own such entities in proportion to their ownership interest in the entity.

"(b) ADJUSTMENTS IN CONTRACT ACCOUNTS AND LOAN GUARANTEE AND GRANT AUTHORITY.—For the crops after the Secretary has implemented subsection (a), the Secretary shall—

"(1) notwithstanding the provisions of this title, reduce the Contract Payment for wheat and feed grains provided in section 103 for each fiscal year by the amount estimated by the Secretary not paid to farmers as a result of subsection (a); and

"(2) use such savings generated in paragraph (1) to carry out a program to issue guarantee against the risk of nonpayment arising out of loans taken out by small and moderate-size agricultural producers in wheat and feed-grain regions to finance the purchase of stock or membership capital in cooperative associations engaged in value-added, food or industrial-use processing of agricultural commodities, and to issue grants to provide financial and technical assistance for agricultural diversification, marketing, processing and production strategies by small and moderate-size farmers to add value to farm products and increase self-employment opportunities."

FEINGOLD AMENDMENT NO. 3324

(Ordered to lie on the table.)

Mr. FEINGOLD submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place insert the following:

SEC. . RURAL COMMUNITY TOURISM PROVISIONS.

(a) PURPOSE.—The purpose of this section is to amend the Consolidated Farm and Rural Development Act to require the Secretary of Agriculture to clarify that tourist and other recreational businesses located in rural communities are eligible for loans under the Business and Industry (B&I) Loan Guarantee Program.

(b) LOANS FOR TOURISM IN RURAL COMMUNITIES.—The first sentence of section 310B(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)) is amended—

(1) by striking "and (3)" and inserting "(3)"; and

"(2) by inserting before the period at the end the following: ", and (4) promoting the planning, development, or financing of tourist or recreational businesses located in rural communities".

FEINGOLD AMENDMENT NO. 3325

(Ordered to lie on the table.)

Mr. FEINGOLD submitted an amendment intended to be proposed by him to amendment No. 3247 submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike the provision relating to the Northeast Interstate Dairy Compact.

KOHL AMENDMENT NO. 3326

(Ordered to lie on the table.)

Mr. KOHL submitted an amendment intended to be proposed by him to amendment No. 3252 submitted by Mr. LUGAR to the bill S. 1541, supra; as follows:

On page 2-64, lines 18 and 19, strike "Australian Wheat Board and Canadian Wheat Board" and insert "Australian Wheat Board, Canadian Wheat Board, and New Zealand Dairy Board".

KOHL (AND FEINGOLD) AMENDMENT NO. 3327

(Ordered to lie on the table.)

Mr. KOHL (for himself and Mr. FEINGOLD) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following:

SEC. . DAIRY VOTING REFORM.

Section 113(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(b)) is amended—

(1) by designating the first and second sentences as paragraphs (1) and (2), respectively;

(2) by designating the third through fifth sentences as paragraph (3);

(3) by designating the sixth sentence as paragraph (4);

(4) by designating the seventh and eighth sentences as paragraph (5);

(5) by designating the ninth sentence as paragraph (6);

(6) in paragraph (1) (as so designated), by striking "and appointment";

(7) by striking paragraph (2) (as so designated) and inserting the following:

"(2)(A)(i) Subject to clause (ii), members of the Board shall be milk producers nominated in accordance with subparagraph (B) and elected by a vote of producers through a process established by the Secretary.

"(ii) In carrying out clause (i), the Secretary shall not permit an organization certified under section 114 to vote on behalf of the members of the organization.

"(B) Nominations shall be submitted by organizations certified under section 114, or, if the Secretary determines that a substantial number of milk producers are not members of, or the interests of the producers are not represented by, a certified organization, from nominations submitted by the producers in the manner authorized by the Secretary. In submitting nominations, each certified organization shall demonstrate to the satisfaction of the Secretary that the milk producers who are members of the organization have been fully consulted in the nomination process.";

(8) in the first sentence of paragraph (3) (as so designated), by striking "In making such appointments," and inserting "In establishing the process for the election of members of the Board,"; and

(9) in paragraph (4) (as so designated)—

(A) by striking "appointment" and inserting "election"; and

(B) by striking "appointments" and inserting "elections".

KOHL (AND FEINGOLD) AMENDMENT NO. 3328

(Ordered to lie on the table.)

Mr. KOHL (for himself and Mr. FEINGOLD) submitted an amendment intended to be proposed by them to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following:

SEC. . DAIRY VOTING REFORM.

Section 113(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(b)) is amended—

(1) by designating the first and second sentences as paragraphs (1) and (2), respectively;

(2) by designating the third through fifth sentences as paragraph (3);

(3) by designating the sixth sentence as paragraph (4);

(4) by designating the seventh and eighth sentences as paragraph (5);

(5) by designating the ninth sentence as paragraph (6);

(6) in paragraph (1) (as so designated), by striking "and appointment";

(7) by striking paragraph (2) (as so designated) and inserting the following:

"(2)(A)(i) Subject to clause (ii), members of the Board shall be milk producers nominated in accordance with subparagraph (B) and elected by a vote of producers through a process established by the Secretary.

"(ii) In carrying out clause (i), the Secretary shall not permit an organization certified under section 114 to vote on behalf of the members of the organization.

"(B) Nominations shall be submitted by organizations certified under section 114, of, if the Secretary determines that a substantial number of milk producers are not members of, or the interests of the producers are not represented by, a certified organization, from nominations submitted by the producers in the manner authorized by the Secretary. In submitting nominations, each certified organization shall demonstrate to the satisfaction of the Secretary that the milk producers who are members of the organization have been fully consulted in the nomination process.";

(8) in the first sentence of paragraph (3) (as so designated), by striking "In making such appointments," and inserting "In establishing the process for the election of members of the Board,"; and

(9) in paragraph (4) (as so designated)—

(A) by striking "appointment" and inserting "election"; and

(B) by striking "appointments" and inserting "elections".

KOHL (AND OTHERS) AMENDMENT NO. 3329

(Ordered to lie on the table.)

Mr. KOHL (for himself, Mr. FEINGOLD, Mr. WELLSTONE, Mr. GRAMS, Mr. PRESSLER, and Mr. LAUTENBERG) submitted an amendment intended to be proposed by them to amendment No. 3247 submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike section 108(f) of the amendment.

KOHL (AND OTHERS) AMENDMENT NO. 3330

(Ordered to lie on the table.)

Mr. KOHL (for himself, Mr. FEINGOLD, Mr. WELLSTONE, Mr. GRAMS, Mr. PRESSLER, and Mr. LAUTENBERG) submitted an amendment intended to be proposed by them to amendment No. 3184 submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

Beginning on page 1-73, strike line 12 and all that follows through page 1-75, line 7.

KOHL (AND FEINGOLD) AMENDMENT NO. 3331

(Ordered to lie on the table.)

Mr. KOHL (for himself and Mr. FEINGOLD) submitted an amendment intended to be proposed by them to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following:

"Notwithstanding any other provision of this Act, the following conditions shall apply to the reform of the Federal milk marketing orders as conducted by the Secretary:

"SEC. . CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

"(1) AMENDMENT TO ORDERS.—Within two years after the date of enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

"(A) limit the number of Federal milk marketing orders to between 10 and 14 orders;

"(B) provide for multiple basing points for the pricing of milk;

"(C) provide for the reduction by 50 percent of the price difference between the highest and lowest price differentials for Class I milk in effect at the time of enactment of this Act; and

"(D) provide for the implementation of uniform multiple component for milk used in manufactured dairy products.

"(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

"(A) announced not later than (1) year following the date of enactment of this Act; and

"(B) implemented not later than 2 years following the date of enactment of this Act.

"(3) EFFECT OF FAILURE TO COMPLY WITH REFORM PROCESS REQUIREMENTS

"(A) FAILURE TO TIMELY ISSUE OR AMEND ORDERS.—If, before the end of the 1-year period beginning on the date of the enactment of this Act, the Secretary does not issue new or amended Federal milk marketing orders under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to effectuate the requirements of this section, then the Secretary may not assess or collect assessments from milk producers or handlers under such section 8c for marketing order administration and services provided under such section after the end of that period. The Secretary may not reduce the level of services provided under such section on account of the prohibition against assessments, but shall rather cover the cost of marketing order administration and services through funds available for the Agricultural Marketing Service of the Department of Agriculture.

"(B) FAILURE TO TIMELY IMPLEMENT ORDERS.—Unless the Secretary certifies to Congress before the end of the 2-year period beginning on the date of the enactment of this

Act that all of the Federal marketing order reforms required by this section have been fully implemented, then effective at the end of that period—

"(i) the Secretary shall immediately cease all milk price support activities under this Act;

"(ii) the Secretary shall immediately terminate all Federal milk marketing orders under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, and may not issue any further order under such Act with respect to milk;

"(iii) the Secretary and the National Processor Advertising and Promotion Board shall immediately cease all activities under the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6401 et seq.); and

"(iv) the Secretary and the National Dairy Promotion and Research Board shall immediately cease all activities under the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4501 et seq.)."

KOHL (AND FEINGOLD) AMENDMENT NO. 3332

(Ordered to lie on the table.)

Mr. KOHL (for himself and Mr. FEINGOLD) submitted an amendment intended to be proposed by them to amendment No. 3247 submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

Beginning of page 4 of the amendment, strike line 16 and all that follows through page 5, line 14, and insert the following:

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT TO ORDERS.—Within two years after the date of enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders;

(B) provide for multiple basing points for the pricing of milk;

(C) provide for the reduction by 50 percent of the price difference between the highest and lowest price differentials for Class I milk in effect at the time of enactment of this Act; and

(D) provide for the implementation of uniform multiple component for milk used in manufactured dairy products.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than (1) year following the date of enactment of this Act; and

(B) implemented not later 2 years following the date of enactment of this Act.

(3) EFFECT OF FAILURE TO COMPLY WITH REFORM PROCESS REQUIREMENTS

(A) FAILURE TO TIMELY ISSUE OR AMEND ORDERS.—If, before the end of the 1-year period beginning on the date of the enactment of this Act, the Secretary does not issue new or amended Federal milk marketing orders under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to effectuate the requirements of 108(b), then the Secretary may not assess or collect assessments from milk producers or handlers under such section 8c for marketing order administration and services provided under such section after the end of that period. The Secretary may not reduce the level of services provided under such section on account of the prohibition against assessments, but shall rather cover the cost of marketing order administration and services through funds available for the Agricultural Marketing Service of the Department of Agriculture.

(B) FAILURE TO TIMELY IMPLEMENT ORDERS.—Unless the Secretary certifies to Congress before the end of the 2-year period beginning on the date of the enactment of this Act that all of the Federal marketing order reforms required by section 108(b) have been fully implemented, then effective at the end of that period—

(i) the Secretary shall immediately cease all price support activities under section 108(a);

(ii) the Secretary shall immediately terminate all Federal milk marketing orders under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, and may not issue any further order under such Act with respect to milk;

(iii) the Secretary and the National Processor Advertising and Promotion Board shall immediately cease all activities under the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6401 et seq.); and

(iv) the Secretary and the National Dairy Promotion and Research Board shall immediately cease all activities under the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4501 et seq.).

KERREY (AND EXON) AMENDMENT NO. 3333

(Ordered to lie on the table.)

Mr. KERREY (for himself and Mr. EXON) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 3-46, strike lines 6 through 14 and insert the following:

SEC. 353. STATE TECHNICAL COMMITTEES.

Subtitle G of title XII of the Food Security Act of 1985 (16 U.S.C. 3861 et seq.) is amended to read as follows:

"Subtitle G—State Technical Committees

"SEC. 1261. ESTABLISHMENT.

"(a) IN GENERAL.—The Secretary shall establish in each State a State technical committee to assist the Secretary in the technical considerations relating to implementation of the conservation provisions under this title.

"(b) COORDINATION.—Each State technical committee shall be coordinated by the State Conservationist of the Natural Resources Conservation Service.

"(c) COMPOSITION.—Each technical committee shall be composed of persons with relevant expertise that represent a variety of disciplines in the soil, water, wetland, and wildlife and social sciences, including representatives of—

"(1) the Natural Resources Conservation Service;

"(2) the Farm Service Agency;

"(3) the Forest Service;

"(4) the Cooperative State Research, Education and Extension Service;

"(5) the Office of Rural Economic and Community Development;

"(6) the United States Fish and Wildlife Service;

"(7) the Environmental Protection Agency;

"(8) the United States Geological Service;

"(9) State departments and agencies that the Secretary considers appropriate, including—

"(A) the State fish and wildlife agency;

"(B) the State forester or equivalent State official;

"(C) the State water resources agency;

"(D) the State department of agriculture; and

"(E) the State association of soil and water conservation districts, or natural resources districts;

"(10) agricultural producers utilizing a range of conservation farming systems and practices;

"(11) other nonprofit organizations with demonstrable expertise;

"(12) persons knowledgeable about the economic and environmental impact of conservation techniques and programs; and

"(13) agribusiness.

"SEC. 1262. RESPONSIBILITIES.

"(a) IN GENERAL.—

"(1) MEETINGS.—Each State technical committee shall meet regularly to provide information, analysis, and recommendations to the Secretary regarding implementation of conservation provisions and programs.

"(2) MANNER.—The information, analysis, and recommendations shall be provided in a manner that will assist the Department of Agriculture in determining conservation priorities for the State and matters of fact, technical merit, or scientific question.

"(3) BEST INFORMATION AND JUDGMENT.—Information, analysis, and recommendations shall be provided in writing and shall reflect the best information and judgment of the committee.

"(b) OTHER DUTIES.—Each State technical committee shall provide assistance and offer recommendations with respect to the technical aspects of—

"(1) wetland protection, restoration, and mitigation requirements;

"(2) criteria to be used in evaluating bids for enrollment of environmentally sensitive lands in the conservation reserve program;

"(3) guidelines for haying or grazing and the control of weeds to protect nesting wildlife on setaside acreage;

"(4) addressing common weed and pest problems and programs to control weeds and pests found on acreage enrolled in the conservation reserve program;

"(5) guidelines for planting perennial cover for water quality and wildlife habitat improvement on set-aside lands;

"(6) criteria and guidelines to be used in evaluating petitions by farmers to test conservation practices and systems not currently covered in Field Office Technical Guides;

"(7) identification, prioritization, and coordination of Water Quality Incentives Program initiatives in the State; and

"(8) other matters determined appropriate by the Secretary.

"(c) AUTHORITY.—

"(1) NO ENFORCEMENT AUTHORITY.—Each State technical committee is advisory and shall have no implementation or enforcement authority.

"(2) CONSIDERATION.—The Secretary shall give strong consideration to the recommendations of State technical committees in administering the program under this title, and to any factual, technical, or scientific finding of a committee.".

KERREY AMENDMENT NO. 3334

(Ordered to lie on the table.)

Mr. KERREY submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 3-62, after line 22, insert the following:

SEC. 356. CONSERVATION ESCROW ACCOUNT.

Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) is amended by adding at the end the following:

"SEC. 1248. CONSERVATION ESCROW ACCOUNT.

"(a) ESTABLISHMENT.—The Secretary shall establish a conservation escrow account.

"(b) DEPOSITS INTO ACCOUNTS.—Any program loans, payments, or benefits forfeited by, or fines collected from, producers under section 1211 or 1221 shall be placed in the conservation escrow account.

"(c) USE OF FUNDS.—Funds in the conservation escrow account shall be used to provide technical and financial assistance to individuals to implement natural resource conservation practices.

"(d) GEOGRAPHIC DISTRIBUTION.—The Secretary shall use funds in the conservation escrow account for local areas in proportion to the amount of funds forfeited by or collected from producers in the local area.

"(e) COMPLIANCE ASSISTANCE.—To assist the producer in complying with the applicable section referred to in subsection (b) not later than 1 year after a determination of noncompliance, a producer shall be eligible to receive compliance assistance of up to 66 percent of any loan, payment, benefit forfeited, or fines placed in the conservation escrow account.".

KERREY AMENDMENT NO. 3335

(Ordered to lie on the table.)

Mr. KERREY submitted an amendment intended to be proposed by him to an amendment proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 3-6, between lines 11 and 12, insert the following:

(c) REPAYMENT OF COST SHARING AND OTHER PAYMENTS.—Section 1235(d)(1) of the Food Security Act of 1985 (16 U.S.C. 3835(d)(1)) is amended—

(1) in subparagraph (A), by striking "and" at the end;

(2) in subparagraph (B), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(C) in the case of a contract with respect to which 5 years or less of the contract term have elapsed, the owner or operator agrees to repay all cost sharing, rental, and other payments made by the Secretary under the contract and section 1234 and

"(D) in the case of a contract with respect to which more than 5 years but less than 8 years of the contract term have elapsed, the owner or operator agrees to repay all cost sharing payments made by the Secretary under the contract and section 1234(b).".

HEFLIN AMENDMENTS NO. 3336–3345

(Ordered to lie on the table.)

Mr. HEFLIN submitted ten amendments intended to be proposed by him to an amendment submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3336

On page 1-66, after line 24, add the following:

(6) TRANSFERS OF FARM POUNDAGE QUOTAS.—Section 358b(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1353b(a)) is amended by adding at the end the following:

"(4) TRANSFERS BETWEEN STATES HAVING QUOTAS OF LESS THAN 10,000 TONS.—Notwithstanding paragraphs (1) through (3), in case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota up to 1,000 tons may be transferred by sale or lease from a farm in 1 such State to a farm in another such State.".

AMENDMENT NO. 3337

On page 1-27, strike lines 10 through 20 and insert the following:

(c) TERM OF LOAN.—

(1) IN GENERAL.—Except as provided in paragraph (2)—

(A) in the case of each loan commodity, a marketing assistance loan under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made; and

(B) the Secretary may not extend the term of a marketing assistance loan for any loan commodity.

(2) COTTON.—

(A) IN GENERAL.—A marketing assistance loan for upland cotton or extra long staple cotton shall have a term of 10 months beginning on the first day of the first month after the month in which the loan is made.

(B) EXTENSION OF LOAN PERIOD.—

(i) IN GENERAL.—Except as provided in clause (ii), a marketing assistance loan for upland cotton or extra long staple cotton shall, on request of the producer during the 10th month of the loan period for the cotton, be made available for an additional term of 8 months.

(ii) LIMITATION.—A request to extend the loan period shall not be approved in any month in which the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for the preceding month exceeded 130 percent of the average price of the base quality of upland cotton in the designated United States spot markets for the preceding 36-month period.

AMENDMENT NO. 3338

Strike section 106 and insert the following:

SEC. 106. PEANUT PROGRAM.

(a) MARKETING QUOTAS.—

(1) NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS.—

(A) IN GENERAL.—The section heading of section 358-1 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358-1) is amended by striking "**1991 THROUGH 1997 CROPS OF**".

(B) NATIONAL POUNDAGE QUOTAS.—

(i) ESTABLISHMENT.—Section 358-1(a)(1) of the Act is amended—

(I) in the first sentence—

(aa) by striking "of the 1991 through 1997 marketing years" and inserting "marketing year";

(bb) by striking ", seed,"; and

(cc) by striking the period at the end and inserting ", excluding seed. In making estimates under this paragraph for a marketing year, the Secretary shall annually estimate and take into account the quantity of peanuts and peanut products to be imported into the United States for the marketing year."; and

(II) by striking the second sentence.

(ii) APPORTIONMENT.—Section 358-1(a)(3) of the Act is amended by striking "1990" and inserting "1995".

(C) FARM POUNDAGE QUOTA.—

(i) ESTABLISHMENT.—Section 358-1(b)(1)(A) of the Act is amended—

(I) by striking "of the 1991 through 1997 marketing years" and inserting "marketing year"; and

(II) in clause (i), by striking "1990" and inserting "1995".

(ii) QUANTITY.—Section 358-1(b)(1)(B) of the Act is amended—

(I) by striking "of the 1991 through 1997 marketing years" and inserting "marketing year"; and

(II) by striking "including—" and all that follows through "(ii) any" and inserting "including any".

(iii) ADJUSTMENTS.—Section 358-1(b)(2) of the Act is amended—

(I) in subparagraph (A)—

(aa) by striking "(B) and subject to subparagraph (D)" and inserting "(C)"; and

(bb) by striking "of the 1991 through 1997 marketing years" and inserting "marketing year";

(II) by striking subparagraph (B);

(III) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively; and

(IV) in subparagraph (B) (as so redesignated), by striking "of the 1991 through 1997 marketing years" and inserting "marketing year".

(iv) QUOTA NOT PRODUCED.—Section 358-1(b)(3) of the Act is amended—

(I) in subparagraph (A), by striking "of the 1991 through 1997 marketing years" and inserting "marketing year"; and

(II) in subparagraph (B), by striking "include—" and all that follows through "(ii) any" and inserting "include any".

(v) QUOTA CONSIDERED PRODUCED.—Section 358-1(b)(4) of the Act is amended—

(I) in subparagraph (A), by inserting "or" after the semicolon at the end; and

(II) by striking subparagraphs (B) and (C) and inserting the following:

"(B) the farm poundage quota for the farm was—

"(i) released voluntarily under paragraph (7); or

"(ii) leased to another owner or operator of a farm within the same county for transfer to the farm;

for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made.".

(vi) ALLOCATION OF QUOTAS REDUCED OR RELEASED.—Section 358-1(b)(6) of the Act is amended—

(I) in subparagraph (A), by striking "subparagraphs (B) and (C), the total quantity of the" and inserting "subparagraph (B),";

(II) in subparagraph (B)—

(aa) by striking "Not more than 25 percent of the" and inserting "The"; and

(bb) by adding at the end the following: "Any farm quota pounds remaining after allocation to farms under this subparagraph shall be allocated under subparagraph (A)."; and

(III) by striking subparagraph (C).

(vii) TEMPORARY QUOTA ALLOCATION FOR SEED.—Section 358-1(b) of the Act is amended by striking paragraph (8) and inserting the following:

"(8) TEMPORARY QUOTA ALLOCATION FOR SEED.—For each marketing year and pursuant to regulation, the Secretary shall make a temporary allocation of poundage quota, for that marketing year only, to each producer of peanuts on a farm, in addition to any farm poundage quota established under paragraph (1), in a quantity equal to the pounds of seed peanuts planted by the producer on the farm.".

(viii) TRANSFER OF ADDITIONAL PEANUTS.—Section 358–1(b) of the Act is amended by striking paragraph (9) and inserting the following:

"(9) TRANSFER OF ADDITIONAL PEANUTS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts on a farm from which the quota poundage was not harvested and marketed may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall provide by regulation.

"(B) LIMITATIONS.—The poundage of peanuts transferred under subparagraph (A) shall not exceed 25 percent of the total farm poundage quota, excluding pounds transferred in the fall.

"(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at a rate of not less than 70 percent of the quota support rate for the marketing years during which the transfers occur.".

(D) CROPS.—Section 358–1(f) of the Act is amended by striking "1991 through 1997" and inserting "1996 through 2002".

(2) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—

(A) IN GENERAL.—The section heading of section 358b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b) is amended by striking "**1991 THROUGH 1995 CROPS OF**".

(B) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—Section 358b(a) of the Act is amended—

(i) by striking "(including any applicable under marketings)" each place it appears;

(ii) in paragraph (1)—

(I) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively;

(II) by inserting before subparagraph (B) (as so redesignated) the following:

"(A) with the owner or operator of another farm located within the same county or located in a different county within the same State;";

(III) in subparagraph (B) (as so redesignated), by striking "undermarketings and"; and

(IV) by adding at the end the following: "Fall transfers of quota pounds shall not affect the farm quota history for the transferring or receiving farm and shall not result in a reduction of the farm poundage quota on the transferring farm.";

(iii) in paragraph (2)—

(I) in the first sentence—

(aa) by striking "county or in a county contiguous to the county in the same"; and

(bb) by inserting before the period at the end the following: ", if both the transferring and the receiving farms were under the control of the owner or operator for at least 3 crop years prior to the crop year in which the farm poundage quota is transferred"; and

(II) in the second sentence, by striking "the transferred quota is produced or considered produced on the receiving farm" and inserting "sufficient acreage is planted on the receiving farm to produce the quota pounds transferred"; and

(iv) by adding at the end the following:

"(4) TRANSFERS BY SALE IN STATES WITH LARGE QUOTAS.—

"(A) IN GENERAL.—In the case of a State for which the poundage quota allocated to the State was 10,000 tons or greater for the previous year, the owner, or operator with permission of the owner, of a farm located in the State for which a farm poundage quota has been established under section 358–1 may sell all or any part of the farm poundage quota to any other eligible owner or operator of a farm within the same State.

"(B) LIMITATIONS.—

"(i) 1996.—During calendar year 1996, not more than 15 percent of the total poundage quota within a county as of January 1, 1996, may be sold and transferred outside the county under this paragraph.

"(ii) SUBSEQUENT YEARS.—During calendar year 1997 and each subsequent calendar year, not more than 5 percent of the total poundage quota within a county as of January 1 of the calendar year may be sold and transferred outside the county under this paragraph.

"(iii) AGGREGATE LIMIT.—Not more than an aggregate of 30 percent of the total poundage quota within a county may be sold and transferred outside the county under this paragraph.

"(C) SUBSEQUENT LEASE OR SALE.—Quota poundage sold and transferred under this paragraph may not be leased or sold to another farm owner or operator within the same State for a period of 5 years following the original transfer to the farm.".

(C) RECORD.—Section 358b(b)(3) of the Act is amended by striking "committee of the county to which the transfer is made and the committee determines" and inserting "committees of the counties from and to which the transfer is made and the committees determine".

(D) CROPS.—Section 358b(c) of the Act is amended by striking "1991 through 1995" and inserting "1996 through 2002".

(3) EXPERIMENTAL AND RESEARCH PROGRAMS.—Section 358c(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358c(d)) is amended by striking "1991 through 1995" and inserting "1996 through 2002".

(4) MARKETING PENALTIES.—Section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a) is amended—

(A) in the section heading, by striking "**1991 THROUGH 1997 CROPS OF**";

(B) in subsection (d)(6)(A), by inserting after "If any additional peanuts" the following: "or peanut products made from additional peanuts"; and

(C) in subsection (i), by striking "1991 through 1997" and inserting "1996 through 2002".

(b) PRICE SUPPORT PROGRAM FOR PEANUTS.—

(1) QUOTA PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts.

(B) SUPPORT RATES.—The national average quota support rate for each crop of quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land and the cost of any assessments required under paragraph (7), except that in no event shall the national average quota support rate for any such crop be increased, or decreased, by more than 5 percent of the national average quota support rate for the preceding crop.

(C) INSPECTION, HANDLING, OR STORAGE.—The levels of support so announced shall not be reduced by any deductions for inspection, handling, or storage.

(D) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 411 of the Agricultural Adjustment Act of 1938.

(E) ANNOUNCEMENT.—The Secretary shall announce the level of support for quota peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

(2) ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts at such levels as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(B) ANNOUNCEMENT.—The Secretary shall announce the level of support for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

(3) AREA MARKETING ASSOCIATIONS.—

(A) WAREHOUSE STORAGE LOANS.—

(i) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the three producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 358e of the Agricultural Adjustment Act of 1938.

(ii) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—The area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this section and section 358e of the Agricultural Adjustment Act of 1938.

(iii) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include, in addition to the price support value of the peanuts, such costs as the area marketing association reasonably may incur in carrying out its responsibilities, operations, and activities under this section and section 358e of the Agricultural Adjustment Act of 1938.

(B) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Peanuts physically produced outside the State of New Mexico shall not be eligible for entry into or participation in the New Mexico pools. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(ii) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(I) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

(II) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in subclause (I).

(4) LOSSES.—

(A) OTHER PRODUCERS IN SAME POOL.—Losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributable to the same producer from the sale of additional peanuts for domestic and edible use or export.

(B) QUOTA PEANUTS PLACED UNDER LOAN.—Net gains on additional peanuts within an area (other than net gains on additional peanuts in separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) shall be first reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts placed under loan in the area, in such manner as the Secretary shall by regulation prescribe.

(C) QUOTA LOAN POOLS.—

(i) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(9) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(9)).

(ii) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under paragraph (7) to offset further losses in area quota pools. At the end of each year, the Secretary shall transfer to the Treasury the funds collected under paragraph (7) that the Secretary determines are not required to cover losses in area quota pools.

(iii) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(9) of the Agricultural Adjustment Act of 1938, shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(iv) INCREASED ASSESSMENTS.—If actions taken under clauses (i) through (iii) are not sufficient to cover losses in area pools, the Secretary shall increase the marketing assessment established under paragraph (7) by such amount as the Secretary considers necessary to cover the losses. Amounts collected under paragraph (7) as a result of the increased assessment shall be retained by the Secretary to cover losses in the pool.

(5) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938.

(6) QUALITY IMPROVEMENT.—

(A) PRICE SUPPORT PEANUTS.—With respect to peanuts under price support loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut price support program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.)); and

(iv) ensure that any changes made in the price support program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department of Agriculture loan schedule.

(B) EXPORTS AND OTHER PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that all peanuts, including peanuts imported into the United States, meet all United States quality standards under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937), and that importers of the peanuts fully comply with inspection, handling, storage, and processing requirements implemented under Marketing Agreement No. 146.

(ii) EXPORTED PEANUTS.—The Secretary shall ensure that peanuts produced for the export market meet quality, inspection, handling, storage, and processing requirements under Marketing Agreement No. 146.

(7) MARKETING ASSESSMENT.—

(A) IN GENERAL.—The Secretary shall provide, by regulation, for a nonrefundable marketing assessment equal to 1.2 percent of the national average quota or additional peanut support rate per pound, as applicable, on all peanuts sold in the United States during each of the 1996 through 2002 marketing years.

(B) TREATMENT OF IMPORTED PEANUTS.—For the purposes of determining the applicable assessment rate under this section, imported peanuts shall be treated as additional peanuts.

(C) FIRST PURCHASERS.—

(i) DEFINITION OF FIRST PURCHASER.—In this clause, the term 'first purchaser' means a person acquiring peanuts from a producer, or a person that imports peanuts, except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(ii) ADMINISTRATION.—Except as provided in clause (iii) and subparagraphs (D) and (E), the first purchaser shall—

(I) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by .6 percent of the applicable national average support rate;

(II) pay, in addition to the amount collected under subclause (I), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .6 percent of the applicable national average support rate; and

(III) remit the amounts required under subclauses (I) and (II) to the Commodity Credit Corporation in a manner specified by the Secretary.

(iii) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(D) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(E) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a price support loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(F) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(i) the quantity of peanuts involved in the violation; by

(ii) the national average quota peanut price support level for the applicable crop year.

(G) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(H) USE OF FUNDS.—Funds collected under this subsection shall be used by the Secretary to offset the costs of operating the peanut price support program.

(8) CROPS.—Except as provided in paragraph (7) and notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.

(c) ADMINISTRATIVE PROVISIONS.—

(1) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before "all brokers and dealers in peanuts" the following: "all producers engaged in the production of peanuts,".

(2) SUSPENSION OF PERMANENT PROGRAM.—Section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) shall not be applicable to the 1996 through 2002 crops of peanuts.

(3) ADMINISTRATION.—The first paragraph of section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (7 U.S.C. 612c), is amended—

(A) in the first sentence, by striking "30 per centum" and inserting "30 percent (or, in the case of duties collected with respect to an import that is subject to a tariff-rate quota, 100 percent)"; and

(B) in the second sentence—

(i) by striking "and (3)" and inserting "(3)"; and

(ii) by inserting before the period at the end the following: "; and (4) offset the costs of operating a program to provide price support for domestically produced peanuts".

(d) PEANUT STANDARDS.—

(1) INSPECTION; QUALITY ASSURANCE.—

(A) INITIAL ENTRY.—The Secretary of Agriculture (referred to in this title as the "Secretary") shall require all peanuts and peanut products sold in the United States to be initially placed in a bonded, licensed warehouse approved by the Secretary for the purpose of inspection and grading by the Secretary, the Commissioner of the Food and Drug Administration, and the heads of other appropriate agencies of the United States.

(B) PRELIMINARY INSPECTION.—Peanuts and peanut products shall be held in the warehouse until inspected by the Secretary, the Commissioner of the Food and Drug Administration, or the head of another appropriate agency of the United States, for chemical residues, general cleanliness, disease, size, aflatoxin, stripe virus, and other harmful conditions, and an assurance of compliance with all grade and quality standards specified under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937).

(C) SEPARATION OF LOTS.—All imported peanuts shall be maintained separately from, and shall not be commingled with, domestically produced peanuts in the warehouse.

(D) ORIGIN OF PEANUT PRODUCTS.—

(i) LABELING.—A peanut product shall be labeled with a label that indicates the origin of the peanuts contained in the product.

(ii) SOURCE.—No peanut product may contain both imported and domestically produced peanuts.

(iii) IMPORTED PEANUT PRODUCTS.—The first seller of an imported peanut product shall certify that the product is made from raw peanuts that meet the same quality and grade standards that apply to domestically produced peanuts.

(E) DOCUMENTATION.—No peanuts or peanut products may be transferred, shipped, or otherwise released from a warehouse described in subparagraph (A) unless accompanied by a United States Government inspection certificate that certifies compliance with this section.

(2) HANDLING AND STORAGE.—

(A) TEMPERATURE AND HUMIDITY.—The Secretary shall require all shelled peanuts sold in the United States to be maintained at a temperature of not more than 37 degrees Fahrenheit and a humidity range of 60 to 68 percent at all times during handling and storage prior to sale and shipment.

(B) CONTAINERS.—The peanuts shall be shipped in a container that provides the maximum practicable protection against moisture and insect infestation.

(C) IN-SHELL PEANUTS.—The Secretary shall require that all in-shell peanuts be reduced to a moisture level not exceeding 10 percent immediately on being harvested and be stored in a facility that will ensure quality maintenance and will provide proper ventilation at all times prior to sale and shipment.

(3) LABELING.—The Secretary shall require that all peanuts and peanut products sold in the United States contain labeling that lists the country or countries in which the peanuts, including all peanuts used to manufacture the peanut products, were produced.

(4) INSPECTION AND TESTING.—

(A) IN GENERAL.—All peanuts and peanut products sold in the United States shall be inspected and tested for grade and quality.

(B) CERTIFICATION.—All peanuts or peanut products offered for sale in, or imported into, the United States shall be accompanied by a certification by the first seller or importer that the peanuts or peanut products do not contain residues of any pesticide not approved for use in, or importation into, the United States.

(5) NUTRITIONAL LABELING.—The Secretary shall require all peanuts and peanut products sold in the United States to contain complete nutritional labeling information as required under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.).

(6) PEANUT CONTENT.—

(A) OFFSET AGAINST HTS QUANTITY.—The actual quantity of peanuts, by weight, used to manufacture, and ultimately contained in, peanut products imported into the United States shall be accounted for and offset against the total quantity of peanut imports allowed under the in-quota quantity of the tariff-rate quota established for peanuts under the Harmonized Tariff Schedule of the United States.

(B) VERIFICATION.—The Secretary shall establish standards and procedures for the purpose of verifying the actual peanut content of peanut products imported into the United States.

(7) PLANT DISEASES.—The Secretary, in consultation with the heads of other appropriate agencies of the United States, shall ensure that all peanuts in the domestic edible market are inspected and tested to ensure that they are free of all plant diseases.

(8) ADMINISTRATION.—

(A) FEES.—The Secretary shall by regulation fix and collect fees and charges to cover the costs of any inspection or testing performed under this title.

(B) CERTIFICATION.—

(i) IN GENERAL.—The Secretary may require the first seller of peanuts sold in the United States to certify that the peanuts comply with this title.

(ii) FRAUD AND FALSE STATEMENTS.—Section 1001 of title 18, United States Code, shall apply to a certification made under this title.

(C) STANDARDS AND PROCEDURES.—In consultation with the heads of other appropriate agencies of the United States, the Secretary shall establish standards and procedures to provide for the enforcement of, and ensure compliance with, this title.

(D) FAILURE TO MEET STANDARDS.—Peanuts or peanut products that fail to meet standards established under this title shall be returned to the seller and exported or crushed pursuant to section 358e(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a(d)).

(9) CHANGE OF VENUE.—In any case in which an area pool or a marketing association brings, joins, or seeks to join a civil action in a United States district court to enforce this title, the district court may not transfer the action to any other district or division over the objection of the pool or marketing association.

AMENDMENT NO. 3339

Strike the section relating to the peanut program and insert the following:

SEC. 106. PEANUT PROGRAM.

(a) PRICE SUPPORT PROGRAM.—

(1) QUOTA PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts for each of the 1996 through 2002 crops.

(B) SUPPORT RATES.—

(i) IN GENERAL.—Subject to clause (ii), the national average quota support rate for each of the 1996 through 2002 crops of quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase or decrease, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land and the cost of any assessments required under paragraph (7).

(ii) MAXIMUM RATE.—In no event shall the national average quota support rate for any such crop be increased or decreased by more than 5 percent of the national average quota support rate for the preceding crop.

(C) INSPECTION, HANDLING, OR STORAGE.—The level of support determined under subparagraph (B) shall not be reduced by any deduction for inspection, handling, or storage.

(D) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 104(i).

(E) ANNOUNCEMENT.—The Secretary shall announce the level of support for quota peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(2) ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1996 through 2002 crops at such levels as the Secretary considers appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(B) ANNOUNCEMENT.—The Secretary shall announce the level of support for additional peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(3) AREA MARKETING ASSOCIATIONS.—

(A) WAREHOUSE STORAGE LOANS.—

(i) IN GENERAL.—In carrying out paragraphs (1) and (2), the Secretary shall make warehouse storage loans available in each of the 3 producing areas described in section 1446.95 of title 7, Code of Federal Regulations (as of January 1, 1989), to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this subsection and sections 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(ii) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—The area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(iii) ASSOCIATION COSTS.—Loans made to an area marketing association under this subparagraph shall include, in addition to the price support value of the peanuts, such costs as the association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(B) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Peanuts produced outside New Mexico shall not be eligible for entry into or participation in the separate pools established for Valencia peanuts produced in New Mexico. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(ii) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(I) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

(II) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in subclause (I).

(4) LOSSES.—Notwithstanding any other provision of this subsection:

(A) QUOTA PEANUTS PLACED UNDER LOAN.—Any distribution of net gains on additional peanuts (other than net gains on additional peanuts in separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) shall be first reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts placed under loan.

(B) QUOTA LOAN POOLS.—Losses in area quota pools shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the producer from the sale of additional peanuts for domestic and export edible use.

(5) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)).

(6) QUALITY IMPROVEMENT.—

(A) PRICE SUPPORT PEANUTS.—With respect to peanuts under price support loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts at a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use are shown to have been officially inspected by licensed Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut price support program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(iv) ensure that any changes made in the price support program as a result of this paragraph requiring additional production or handling at the farm level are reflected as an upward adjustment in the Department of Agriculture loan schedule.

(B) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts, including peanuts imported into the United States, meet all United States quality standards under Marketing Agreement No. 146 and that importers of the peanuts fully comply with inspection, handling, storage, and processing requirements implemented under Marketing Agreement No. 146. The Secretary shall ensure that peanuts produced for the export market meet quality, inspection, handling, storage, and processing requirements under Marketing Agreement No. 146.

(7) MARKETING ASSESSMENT.—

(A) IN GENERAL.—The Secretary shall provide, by regulation, for a nonrefundable marketing assessment applicable to each of the 1996 through 2002 crops of peanuts. The assessment shall be made in accordance with this paragraph and shall be on a per pound basis in an amount equal to 1.2 percent of the national average quota or additional peanut support rate per pound, as applicable, for the applicable crop. No peanuts shall be assessed more than 1.2 percent of the applicable support rate under this paragraph.

(B) FIRST PURCHASERS.—

(i) IN GENERAL.—Except as provided under subparagraphs (C) and (D), the first purchaser of peanuts shall—

(I) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by .65 percent of the applicable national average support rate;

(II) pay, in addition to the amount collected under subclause (I), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average support rate; and

(III) remit the amounts required under subclauses (I) and (II) to the Commodity Credit Corporation in a manner specified by the Secretary.

(ii) DEFINITION.—In this paragraph, the term "first purchaser" means a person acquiring peanuts from a producer, except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(C) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(D) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a price support loan made under this subsection, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For the purposes of computing net gains on peanuts under this subsection, the reduction in loan proceeds shall be treated as having been paid to the producer.

(E) PENALTIES.—If any person fails to collect or remit the reduction required by this paragraph or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this paragraph, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(i) the quantity of peanuts involved in the violation; by

(ii) the national average quota peanut price support level for the applicable crop year.

(F) ENFORCEMENT.—The Secretary may enforce this paragraph in the courts of the United States.

(8) CROPS.—Notwithstanding any other provision of law, this subsection shall be effective only for the 1996 through 2002 crops of peanuts.

(b) SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.—Section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) shall not be applicable to the 1996 through 2002 crops of peanuts.

(c) NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS.—Section 358–1 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1) is amended to read as follows:

"SEC. 358–1. NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.

"(a) NATIONAL POUNDAGE QUOTAS.—

"(1) ESTABLISHMENT.—The national poundage quota for peanuts for each of the 1996 through 2002 marketing years shall be established by the Secretary at a level that is equal to the quantity of peanuts (in tons) that the Secretary estimates will be devoted in each such marketing year to domestic edible and related uses, excluding seed. The Secretary shall include in the annual estimate of domestic edible and related uses, the estimated quantity of peanuts and peanut products to be imported into the United States for the marketing year for which the quota is being established.

"(2) ANNOUNCEMENT.—The national poundage quota for a marketing year shall be announced by the Secretary not later than the December 15 preceding the marketing year.

"(3) APPORTIONMENT AMONG STATES.—The national poundage quota established under paragraph (1) shall be apportioned among the States so that the poundage quota allocated to each State is equal to the percentage of the national poundage quota allocated to farms in the State for 1995.

"(b) FARM POUNDAGE QUOTAS.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—A farm poundage quota for each of the 1996 through 2002 marketing years shall be established—

"(i) for each farm that had a farm poundage quota for peanuts for the 1995 marketing year;

"(ii) if the poundage quota apportioned to a State under subsection (a)(3) for any such marketing year is larger than the quota for the immediately preceding marketing year, for each other farm on which peanuts were produced for marketing in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary; and

"(iii) as approved and determined by the Secretary under section 358c, for each farm on which peanuts are produced in connection with experimental and research programs.

"(B) QUANTITY.—

"(i) IN GENERAL.—The farm poundage quota for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(i) shall be the same as the farm poundage quota for the farm for the immediately preceding marketing year, as adjusted under paragraph (2), but not including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

"(ii) INCREASED QUOTA.—The farm poundage quota, if any, for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(ii) shall be equal to the quantity of peanuts allocated to the farm for the year under paragraph (2).

"(C) TRANSFERS.—For purposes of this subsection, if the farm poundage quota, or any part of the quota, is permanently transferred in accordance with section 358b, the receiving farm shall be considered as possessing the farm poundage quota (or portion of the quota) of the transferring farm for all subsequent marketing years.

"(2) ADJUSTMENTS.—

"(A) ALLOCATION OF INCREASED QUOTA GENERALLY.—Subject to subparagraphs (B) and (D), if the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is increased over the poundage quota apportioned to farms in the State for the immediately preceding marketing year, the increase shall be allocated proportionately, based on farm production history for peanuts for the 3 immediately preceding years, among—

"(i) all farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made; and

"(ii) all other farms in the State on which peanuts were produced in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary.

"(B) TEMPORARY QUOTA ALLOCATION.—

"(i) IN GENERAL.—Subject to clause (iv), temporary allocation of a poundage quota for the marketing year in which a crop of peanuts is planted shall be made to producers for each of the 1996 through 2002 marketing years in accordance with this subparagraph.

"(ii) QUANTITY.—The temporary quota allocation shall be equal to the quantity of seed peanuts (in pounds) planted on a farm, as determined in accordance with regulations issued by the Secretary.

"(iii) ALLOCATION.—The allocation of quota pounds to producers under this subparagraph shall be performed in such a manner as will not result in a net decrease in quota pounds on a farm in excess of 3 percent, after the temporary seed quota is added, from the basic farm quota for the 1995 marketing year. A decrease shall occur only once, shall be applicable only to the 1996 marketing year.

"(iv) NO INCREASED COSTS.—The Secretary may carry out this subparagraph only if this subparagraph does not result in—

"(I) an increased cost to the Commodity Credit Corporation through displacement of quota peanuts by additional peanuts in the domestic market;

"(II) an increased loss in a loan pool of an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

"(III) other increased costs.

"(v) USE OF QUOTA AND ADDITIONAL PEANUTS.—Nothing in this subparagraph affects the requirements of section 358b(b).

"(vi) ADDITIONAL ALLOCATION.—The temporary allocation of quota pounds under this subparagraph shall be in addition to the farm poundage quota established under this subsection and shall be credited to the producers of the peanuts on the farm in accordance with regulations issued by the Secretary.

"(C) DECREASE.—If the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is decreased from the poundage quota apportioned to farms in the State under subsection (a)(3) for the immediately preceding marketing year, the decrease shall be allocated among all the farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made.

"(D) SPECIAL RULE ON TENANT'S SHARE OF INCREASED QUOTA.—Subject to terms and conditions prescribed by the Secretary, on farms that were leased to a tenant for peanut production, the tenant shall share equally with the owner of the farm in the percentage of the quota made available under subparagraph (A) and otherwise allocated to the farm as the result of the production of the tenant on the farm of additional peanuts. Not later than April 1 of each year or as soon as practicable during the year, the share of the tenant of any such quota shall be allocated to a farm within the county owned by the tenant or sold by the tenant to the owner of any farm within the county and permanently transferred to the farm. Any quota not so disposed of as provided in this subparagraph shall be allocated to other quota farms in the State under paragraph (6) as part of the quota reduced from farms in the State due to the failure to produce the quota.

"(3) QUOTA NOT PRODUCED.—

"(A) IN GENERAL.—Insofar as practicable and on such fair and equitable basis as the Secretary may by regulation prescribe, the farm poundage quota established for a farm for any of the 1996 through 2002 marketing years shall be reduced to the extent that the Secretary determines that the farm poundage quota established for the farm for any 2 of the 3 marketing years preceding the marketing year for which the determination is being made was not produced, or considered produced, on the farm.

"(B) EXCLUSIONS.—For the purposes of this paragraph, the farm poundage quota for any such preceding marketing year shall not include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

"(4) QUOTA CONSIDERED PRODUCED.—

"(A) IN GENERAL.—For purposes of this subsection, subject to subparagraph (B), the farm poundage quota shall be considered produced on a farm if—

"(i) the farm poundage quota was not produced on the farm because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, as determined by the Secretary;

"(ii) the farm poundage quota for the farm was released voluntarily under paragraph (7) for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; or

"(iii) the farm poundage quota was leased to another owner or operator of a farm within the same county for transfer to the farm for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made.

"(B) MARKETING YEARS.—For purposes of clauses (ii) and (iii) of subparagraph (A)—

"(i) the farm poundage quota leased or transferred shall be considered produced for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; and

"(ii) the farm shall not be considered to have produced for more than 1 marketing year out of the 3 immediately preceding marketing years.

"(5) QUOTA PERMANENTLY RELEASED.—Notwithstanding any other provision of law—

"(A) the farm poundage quota established for a farm under this subsection, or any part of the quota, may be permanently released by the owner of the farm, or the operator with the permission of the owner; and

"(B) the poundage quota for the farm for which the quota is released shall be adjusted downward to reflect the quota that is released.

"(6) ALLOCATION OF QUOTAS REDUCED OR RELEASED.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the total quantity of the farm poundage quotas reduced or voluntarily released from farms in a State for any marketing year under paragraphs (3) and (5) shall be allocated, as the Secretary may by regulation prescribe, to other farms in the State on which peanuts were produced in at least 2 of the 3 crop years immediately preceding the year for which the allocation is being made.

"(B) SET-ASIDE FOR FARMS WITH NO QUOTA.—The total amount of farm poundage quota to be allocated in the State under subparagraph (A) shall be allocated to farms in the State for which no farm poundage quota was established for the crop of the immediately preceding year. The allocation to any such farm shall not exceed the average farm production of peanuts for the 3 immediately preceding years during which peanuts were produced on the farm. Any farm poundage quota remaining after allocation to farms under this subparagraph shall be allocated to farms in the State on which poundage quotas were established for the crop of the immediately preceding year.

"(7) QUOTA TEMPORARILY RELEASED.—

"(A) IN GENERAL.—The farm poundage quota, or any portion of the quota, established for a farm for a marketing year may be voluntarily released to the Secretary to the extent that the quota, or any part of the quota, will not be produced on the farm for the marketing year. Any farm poundage quota so released in a State shall be allocated to other farms in the State on such basis as the Secretary may by regulation prescribe.

"(B) EFFECTIVE PERIOD.—Except as otherwise provided in this section, any adjustment in the farm poundage quota for a farm under subparagraph (A) shall be effective only for the marketing year for which the adjustment is made and shall not be taken into consideration in establishing a farm poundage quota for the farm from which the quota was released for any subsequent marketing year.

"(c) FARM YIELDS.—

"(1) IN GENERAL.—For each farm for which a farm poundage quota is established under subsection (b), and when necessary for purposes of this Act, a farm yield of peanuts shall be determined for each such farm.

"(2) QUANTITY.—The yield shall be equal to the average of the actual yield per acre on the farm for each of the 3 crop years in which yields were highest on the farm during the 5-year period consisting of the 1973 through 1977 crop years.

"(3) APPRAISED YIELDS.—If peanuts were not produced on the farm in at least 3 years during the 5-year period or there was a substantial change in the operation of the farm during the period (including a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that quantity determined to be fair and reasonable on the basis of yields established for similar farms that are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

"(d) REFERENDUM RESPECTING POUNDAGE QUOTAS.—

"(1) IN GENERAL.—Not later than December 15 of each calendar year, the Secretary shall conduct a referendum of producers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether the producers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the 5 calendar years immediately following the year in which the referendum is held, except that, if at least ⅔ of the producers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the remaining years of the 5-calendar year period.

"(2) PROCLAMATION.—The Secretary shall proclaim the result of the referendum within 30 days after the date on which the referendum is held.

"(3) VOTE AGAINST QUOTAS.—If more than ⅓ of the producers voting in the referendum vote against poundage quotas, the Secretary shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held.

"(e) DEFINITIONS.—In this part and the Agricultural Market Transition Act:

"(1) ADDITIONAL PEANUTS.—The term 'additional peanuts' means, for any marketing year—

"(A) any peanuts that are marketed from a farm for which a farm poundage quota has been established and that are in excess of the marketings of quota peanuts from the farm for the year; and

"(B) all peanuts marketed from a farm for which no farm poundage quota has been established in accordance with subsection (b).

"(2) CRUSH.—The term 'crush' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary.

"(3) DOMESTIC EDIBLE USE.—The term 'domestic edible use' means use for milling to produce domestic food peanuts (other than a use described in paragraph (2)) and seed and use on a farm, except that the Secretary may exempt from this paragraph seeds of peanuts that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

"(4) QUOTA PEANUTS.—The term 'quota peanuts' means, for any marketing year, any peanuts produced on a farm having a farm poundage quota, as determined under subsection (b), that—

"(A) are eligible for domestic edible use as determined by the Secretary;

"(B) are marketed or considered marketed from a farm; and

"(C) do not exceed the farm poundage quota of the farm for the year.

"(f) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.".

(d) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—Section 358b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b) is amended to read as follows:

"SEC. 358b. SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA FOR 1996 THROUGH 2000 CROPS OF PEANUTS.

"(a) IN GENERAL.—

"(1) AUTHORITY.—

"(A) IN GENERAL.—Subject to such terms, conditions, or limitations as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm poundage quota has been established under this Act may sell or lease all or any part of the poundage quota to any other owner or operator of a farm within the same county for transfer to the farm, except that any such lease of poundage quota may be entered into in the fall or after the normal planting season—

"(i) if not less than 90 percent of the basic quota (consisting of the farm quota and temporary quota transfers), plus any poundage quota transferred to the farm under this subsection, has been planted or considered planted on the farm from which the quota is to be leased; and

"(ii) under such terms and conditions as the Secretary may by regulation prescribe.

"(B) FALL TRANSFERS.—

"(i) NO TRANSFER AUTHORIZATION.—In the case of a fall transfer or a transfer after the normal planting season by a cash lessee, the landowner shall not be required to sign the transfer authorization.

"(ii) TIME LIMITATION.—A fall transfer or a transfer after the normal planting season may be made not later than 72 hours after the peanuts that are the subject of the transfer are inspected and graded.

"(iii) LESSEES.—In the case of a fall transfer, poundage quota from a farm may be leased to an owner or operator of another farm within the same county or to an owner or operator of another farm in any other county within the State.

"(iv) EFFECT OF TRANSFER.—A fall transfer of poundage quota shall not affect the farm quota history for the transferring or receiving farm and shall not result in the reduction of the farm poundage quota on the transferring farm.

"(2) TRANSFERS TO OTHER SELF-OWNED FARMS.—The owner or operator of a farm may transfer all or any part of the farm poundage quota for the farm to any other farm owned or controlled by the owner or operator that is in the same State and that had a farm poundage quota for the crop of the preceding year, if both the transferring and receiving farms were under the control of the owner or operator for at least 3 crop years prior to the crop year in which the farm poundage quota is to be transferred. Any farm poundage quota transferred under this paragraph shall not result in any reduction in the farm poundage quota for the transferring farm if sufficient acreage is planted on the receiving farm to produce the quota pounds transferred.

"(3) TRANSFERS IN STATES WITH SMALL QUOTAS.—In the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota may be transferred by sale or lease or otherwise from a farm in 1 county to a farm in another county in the same State.

"(4) TRANSFERS BY SALE IN STATES HAVING QUOTAS OF 10,000 TONS OR MORE.—

"(A) IN GENERAL.—Subject to the other provisions of this paragraph and such terms and conditions as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm quota has been established under this Act in a State having a poundage quota of 10,000 tons or more may sell poundage quota to any other eligible owner or operator of a farm within the same State.

"(B) LIMITATIONS BASED ON TOTAL POUNDAGE QUOTA.—

"(i) 1996 MARKETING YEAR.—Not more than 15 percent of the total poundage quota within a county as of January 1, 1996, may be sold and transferred under this paragraph during the 1996 marketing year.

"(ii) 1997–2002 MARKETING YEARS.—

"(I) IN GENERAL.—Except as provided in subclause (II), not more than 5 percent of the quota pounds remaining in a county as of January 1, 1997, and each January 1 thereafter through January 1, 2002, may be sold and transferred under this paragraph during the applicable marketing year.

"(II) CARRYOVER.—Any eligible quota that is not sold or transferred under clause (i) shall be eligible for sale or transfer under subclause (I).

"(C) COUNTY LIMITATION.—Not more than 40 percent of the total poundage quota within a county may be sold and transferred under this paragraph.

"(D) SUBSEQUENT LEASES OR SALES.—Quota pounds sold and transferred to a farm under this paragraph may not be leased or sold by the farm to another owner or operator of a farm within the same State for a period of 5 years following the date of the original transfer to the farm.

"(E) APPLICATION.—This paragraph shall not apply to a sale within the same county or to any sale, lease, or transfer described in paragraph (1).

"(b) CONDITIONS.—Transfers (including transfer by sale or lease) of farm poundage quotas under this section shall be subject to all of the following conditions:

"(1) LIENHOLDERS.—No transfer of the farm poundage quota from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders.

"(2) TILLABLE CROPLAND.—No transfer of the farm poundage quota shall be permitted if the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) determines that the receiving farm does not have adequate tillable cropland to produce the farm poundage quota.

"(3) RECORD.—No transfer of the farm poundage quota shall be effective until a record of the transfer is filed with the county committee of each county to, and from, which the transfer is made and each committee determines that the transfer complies with this section.

"(4) OTHER TERMS.—The Secretary may establish by regulation other terms and conditions.

"(c) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2000 crops of peanuts.".

(e) MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS.—Section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a) is amended to read as follows:

"SEC. 358e. MARKETING PENALTIES AND DISPOSITION OF ADDITIONAL PEANUTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.

"(a) MARKETING PENALTIES.—

"(1) IN GENERAL.—

"(A) MARKETING PEANUTS IN EXCESS OF QUOTA.—The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which the peanuts are produced shall be subject to a penalty at a rate equal to 140 percent of the support price for quota peanuts for the marketing year in which the marketing occurs. The penalty shall not apply to the marketing of breeder or Foundation seed peanuts grown and marketed by a publicly owned agricultural experiment station (including a State operated seed organization) under such regulations as the Secretary may prescribe.

“(B) MARKETING YEAR.—For purposes of this section, the marketing year for peanuts shall be the 12-month period beginning August 1 and ending July 31.

“(C) MARKETING ADDITIONAL PEANUTS.—The marketing of any additional peanuts from a farm shall be subject to the same penalty as the penalty prescribed in subparagraph (A) unless the peanuts, in accordance with regulations established by the Secretary, are—

“(i) placed under loan at the additional loan rate in effect for the peanuts under section 106 of the Agricultural Market Transition Act and not redeemed by the producers;

“(ii) marketed through an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

“(iii) marketed under contracts between handlers and producers pursuant to subsection (f).

“(2) PAYER.—The penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer or, if the peanuts are marketed by the producer through an agent, the penalty shall be paid by the agent. The person or agent may deduct an amount equivalent to the penalty from the price paid to the producer.

“(3) FAILURE TO COLLECT.—If the person required to collect the penalty fails to collect the penalty, the person and all persons entitled to share in the peanuts marketed from the farm or the proceeds of the marketing shall be jointly and severally liable with the persons who failed to collect the penalty for the amount of the penalty.

“(4) APPLICATION OF QUOTA.—Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning in the calendar year shall be subject to the quotas even though the peanuts are marketed prior to the date on which the marketing year begins.

“(5) FALSE INFORMATION.—If any producer falsely identifies, fails to accurately certify planted acres, or fails to account for the disposition of any peanuts produced on the planted acres, a quantity of peanuts equal to the greater of the average or actual yield of the farm, as determined by the Secretary, multiplied by the number of planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts. Any penalty payable under this paragraph shall be paid and remitted by the producer.

“(6) UNINTENTIONAL VIOLATIONS.—The Secretary shall authorize, under such regulations as the Secretary shall issue, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or reduce marketing penalties provided for under this subsection in cases with respect to which the committees determine that the violations that were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned.

“(7) DE MINIMIS VIOLATIONS.—An error in weight that does not exceed ⅒ of 1 percent in the case of any 1 marketing document shall not be considered to be a marketing violation except in a case of fraud or conspiracy.

“(b) USE OF QUOTA AND ADDITIONAL PEANUTS.—

“(1) QUOTA PEANUTS.—Only quota peanuts may be retained for use as seed or for other uses on a farm. When peanuts are so retained, the retention shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts for the quantity involved that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

“(2) ADDITIONAL PEANUTS.—Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use, except as provided in subsection (g).

“(3) SEED.—Except as provided in paragraph (1), seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

“(c) MARKETING PEANUTS WITH EXCESS QUANTITY, GRADE, OR QUALITY.—On a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by the handler from the crop for the marketing year, the handler shall be subject to a penalty equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts that the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

“(d) HANDLING AND DISPOSAL OF ADDITIONAL PEANUTS.—

“(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act.

“(2) NONSUPERVISION OF HANDLERS.—

“(A) IN GENERAL.—Supervision of the handling and disposal of additional peanuts by a handler shall not be required under paragraph (1) if the handler agrees in writing, prior to any handling or disposal of the peanuts, to comply with regulations that the Secretary shall issue.

“(B) REGULATIONS.—The regulations issued by the Secretary under subparagraph (A) shall include the following provisions:

“(i) TYPES OF EXPORTED OR CRUSHED PEANUTS.—Handlers of shelled or milled peanuts may export or crush peanuts classified by type in each of the following quantities:

“(I) SOUND SPLIT KERNEL PEANUTS.—Sound split kernel peanuts purchased by the handler as additional peanuts to which, under price support loan schedules, a mandated deduction with respect to the price paid to the producer of the peanuts would be applied due to the percentage of the sound splits.

“(II) SOUND MATURE KERNEL PEANUTS.—Sound mature kernel peanuts (which term includes sound split kernel peanuts and sound whole kernel peanuts) in an amount equal to the poundage of the peanuts purchased by the handler as additional peanuts, less the total poundage of sound split kernel peanuts described in subclause (I).

“(III) REMAINDER.—The remaining quantity of total kernel content of peanuts purchased by the handler as additional peanuts.

“(ii) DOCUMENTATION.—Handlers shall ensure that any additional peanuts exported or crushed are evidenced by onboard bills of lading or other appropriate documentation as may be required by the Secretary, or both.

“(iii) LOSS OF PEANUTS.—If a handler suffers a loss of peanuts as a result of fire, flood, or any other condition beyond the control of the handler, the portion of the loss allocated to contracted additional peanuts shall not be greater than the portion of the total peanut purchases of the handler for the year attributable to contracted additional peanuts purchased for export or crushing by the handler during the year.

“(iv) SHRINKAGE ALLOWANCE.—

“(I) IN GENERAL.—The obligation of a handler to export or crush peanuts in quantities described in this subparagraph shall be reduced by a shrinkage allowance, to be determined by the Secretary, to reflect actual dollar value shrinkage experienced by handlers in commercial operations, except that the allowance shall not be less than 4 percent, except as provided in subclause (II).

“(II) COMMON INDUSTRY PRACTICES.—The Secretary may provide a lower shrinkage allowance for a handler who fails to comply with restrictions on the use of peanuts, as may be specified by the Commodity Credit Corporation, to take into account common industry practices.

“(3) ADEQUATE FINANCES AND FACILITIES.—A handler shall submit to the Secretary adequate financial guarantees, as well as evidence of adequate facilities and assets, with respect to the facilities under the control and operation of the handler, to ensure the compliance of the handler with the obligation to export peanuts.

“(4) COMMINGLING OF LIKE PEANUTS.—Quota and additional peanuts of like type and segregation or quality may, under regulations issued by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

“(5) PENALTY.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the failure by a handler to comply with regulations issued by the Secretary governing the disposition and handling of additional peanuts shall subject the handler to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts involved in the violation.

“(B) NONDELIVERY.—A handler shall not be subject to a penalty for failure to export additional peanuts if the peanuts were not delivered to the handler.

“(6) REENTRY OF EXPORTED PEANUTS.—

“(A) PENALTY.—If any additional peanuts or peanut products exported by a handler are reentered into the United States in commercial quantities as determined by the Secretary, the importer of the peanuts and peanut products shall be subject to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts reentered.

“(B) RECORDS.—Each person, firm, or handler who imports peanuts into the United States shall maintain such records and documents as are required by the Secretary to ensure compliance with this subsection.

“(e) SPECIAL EXPORT CREDITS.—

“(1) IN GENERAL.—The Secretary shall, with due regard for the integrity of the peanut program, promulgate regulations that will permit any handler of peanuts who manufactures peanut products from domestic edible peanuts to export the products and receive credit for the fulfillment of export obligations for the peanut content of the products against which export credit the handler may subsequently apply, up to the amount of the credit, equivalent quantities of additional peanuts of the same type acquired by the handler and used in the domestic edible market. The peanuts so acquired for the domestic edible market as provided in this subsection shall be of the same crop year as the peanuts used in the manufacture of the products so exported.

"(2) CERTIFICATION.—Under the regulations, the Secretary shall require all handlers who are peanut product manufacturers to submit annual certifications of peanut product content on a product-by-product basis. Any changes in peanut product formulas as affecting peanut content shall be recorded within 90 days after the changes. The Secretary shall conduct an annual review of the certifications. The Secretary shall pursue all available remedies with respect to persons who fail to comply with this paragraph.

"(3) RECORDS.—The Secretary shall require handlers who are peanut product manufacturers to maintain and provide such documents as are necessary to ensure compliance with this subsection and to maintain the integrity of the peanut program.

"(f) CONTRACTS FOR PURCHASE OF ADDITIONAL PEANUTS.—

"(1) IN GENERAL.—A handler may, under such regulations as the Secretary may issue, contract with a producer for the purchase of additional peanuts for crushing or export, or both.

"(2) SUBMISSION TO SECRETARY.—

"(A) CONTRACT DEADLINE.—Any such contract shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval not later than September 15 of the year in which the crop is produced.

"(B) EXTENSION OF DEADLINE.—The Secretary may extend the deadline under subparagraph (A) by up to 15 days in response to damaging weather or related condition (as defined in section 112 of the Disaster Assistance Act of 1989 (Public Law 101–82; 7 U.S.C. 1421 note)). The Secretary shall announce the extension not later than September 5 of the year in which the crop is produced.

"(3) FORM.—The contract shall be executed on a form prescribed by the Secretary. The form shall require such information as the Secretary determines appropriate to ensure the proper handling of the additional peanuts, including the identity of the contracting parties, poundage and category of the peanuts, the disclosure of any liens, and the intended disposition of the peanuts.

"(4) INFORMATION FOR HANDLING AND PROCESSING ADDITIONAL PEANUTS.—Notwithstanding any other provision of this section, any person wishing to handle and process additional peanuts as a handler shall submit to the Secretary (or if designated by the Secretary, the area marketing association), such information as may be required under subsection (d) by such date as is prescribed by the Secretary so as to permit final action to be taken on the application by July 1 of each marketing year.

"(5) TERMS.—Each such contract shall contain the final price to be paid by the handler for the peanuts involved and a specific prohibition against the disposition of the peanuts for domestic edible or seed use.

"(6) SUSPENSION OF RESTRICTIONS ON IMPORTED PEANUTS.—Notwithstanding any other provision of this Act, if the President issues a proclamation under section 404(b) of the Uruguay Round Agreements Act (19 U.S.C. 3601(b)) expanding the quantity of peanuts subject to the in-quota rate of duty under a tariff-rate quota, or under section 22 of the Agricultural Adjustment Act (7 U.S.C. 624), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, temporarily suspending restrictions on the importation of peanuts, the Secretary shall, subject to such terms and conditions as the Secretary may prescribe, permit a handler, with the written consent of the producer, to purchase additional peanuts from any producer who contracted with the handler and to offer the peanuts for sale for domestic edible use.

"(g) MARKETING OF PEANUTS OWNED OR CONTROLLED BY THE COMMODITY CREDIT CORPORATION.—

"(1) IN GENERAL.—Subject to section 104(k) of the Agricultural Market Transition Act, any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use, in accordance with regulations issued by the Secretary, so long as doing so does not result in substantially increased cost to the Commodity Credit Corporation. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices that are not less than the prices that are required to cover all costs incurred with respect to the peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus—

"(A) not less than 100 percent of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season on delivery by and with the written consent of the producer;

"(B) not less than 105 percent of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year; or

"(C) not less than 107 percent of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year.

"(2) ACCEPTANCE OF BIDS BY AREA MARKETING ASSOCIATIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), for the period from the date additional peanuts are delivered for loan to March 1 of the calendar year following the year in which the additional peanuts were harvested, the area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act shall have sole authority to accept or reject lot list bids when the sales price, as determined under this subsection, equals or exceeds the minimum price at which the Commodity Credit Corporation may sell the stocks of additional peanuts of the Corporation.

"(B) MODIFICATION.—The area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by subparagraph (A) to facilitate the orderly marketing of additional peanuts.

"(3) PRODUCER MARKETING AND EXPENSES.—Notwithstanding any other provision of this Act, the Secretary shall, in any determination required under paragraphs (1)(B) and (2)(A) of section 106(a) of the Agricultural Market Transition Act, include any additional marketing expenses required by law, excluding the amount of any assessment required under section 106(a)(7) of the Agricultural Market Transition Act.

"(h) ADMINISTRATION.—

"(1) INTEREST.—The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest on the penalty at a rate per annum equal to the rate per annum of interest that was charged the Commodity Credit Corporation by the Treasury of the United States on the date the penalty became due.

"(2) DE MINIMIS QUANTITY.—This section shall not apply to peanuts produced on any farm on which the acreage harvested for peanuts is 1 acre or less if the producers who share in the peanuts produced on the farm do not share in the peanuts produced on any other farm.

"(3) LIENS.—Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which the penalty is incurred, and on any subsequent crop of peanuts subject to farm poundage quotas in which the person liable for payment of the penalty has an interest, shall be in effect in favor of the United States.

"(4) PENALTIES.—

"(A) PROCEDURES.—Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary may by regulation prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Federal Government.

"(B) JUDICIAL REVIEW.—Nothing in this section prohibits any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether the determination was made in conformity with applicable law.

"(C) CIVIL PENALTIES.—All penalties imposed under this section shall for all purposes be considered civil penalties.

"(5) REDUCTION OF PENALTIES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B) and notwithstanding any other provision of law, the Secretary may reduce the amount of any penalty assessed against handlers under this section by any appropriate amount, including, in an appropriate case, eliminating the penalty entirely, if the Secretary finds that the violation on which the penalty is based was minor or inadvertent, and that the reduction of the penalty will not impair the operation of the peanut program.

"(B) FAILURE TO EXPORT CONTRACTED ADDITIONAL PEANUTS.—The amount of any penalty imposed on a handler under this section that resulted from the failure to export or crush contracted additional peanuts shall not be reduced by the Secretary.

"(i) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.".

(f) EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.—Section 358c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358c) is amended to read as follows:

"SEC. 358c. EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.

"(a) IN GENERAL.—Notwithstanding any other provision of this Act, the Secretary may permit a portion of the poundage quota for peanuts apportioned to any State to be allocated from the quota reserve of the State to land-grant institutions identified in the Act of May 8, 1914 (38 Stat. 372, chapter 79; 7 U.S.C. 341 et seq.), and colleges eligible to receive funds under the Act of August 30, 1890 (26 Stat. 419, chapter 841; 7 U.S.C. 321 et seq.), including Tuskegee Institute and, as appropriate, the Agricultural Research Service of the Department of Agriculture to be used for experimental and research purposes.

"(b) QUANTITY.—The quantity of the quota allocated to an institution under this section shall not exceed the quantity of the quota held by each such institution during the 1985 crop year, except that the total quantity allocated to all institutions in a State shall not exceed 1/10 of 1 percent of the basic quota of the State.

"(c) LIMITATION.—The director of the agricultural experiment station for a State shall be required to ensure, to the extent practicable, that farm operators in the State do not produce quota peanuts under subsection (a) in excess of the quantity needed for experimental and research purposes.

"(d) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.".

(g) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before "all brokers and dealers in peanuts" the following: "all producers engaged in the production of peanuts,".

(h) REGULATIONS.—The Secretary of Agriculture shall issue such regulations as are necessary to carry out this section and the amendments made by this section. In issuing the regulations, the Secretary shall—

(1) comply with subchapter II of chapter 5 of title 5, United States Code;

(2) provide public notice through the Federal Register of any such proposed regulations; and

(3) allow adequate time for written public comment prior to the formulation and issuance of any final regulations.

AMENDMENT NO. 3340

Strike the section relating to the peanut program and insert the following:

SEC. 106. PEANUT PROGRAM.

(a) PRICE SUPPORT PROGRAM.—

(1) QUOTA PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts for each of the 1996 through 2002 crops.

(B) SUPPORT RATES.—

(i) IN GENERAL.—Subject to clause (ii), the national average quota support rate for each of the 1996 through 2002 crops of quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase or decrease, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land and the cost of any assessments required under paragraph (7).

(ii) MAXIMUM RATE.—In no event shall the national average quota support rate for any such crop be increased or decreased by more than 5 percent of the national average quota support rate for the preceding crop.

(C) INSPECTION, HANDLING, OR STORAGE.—The level of support determined under subparagraph (B) shall not be reduced by any deduction for inspection, handling, or storage.

(D) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 104(i).

(E) ANNOUNCEMENT.—The Secretary shall announce the level of support for quota peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(2) ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1996 through 2002 crops at such levels as the Secretary considers appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(B) ANNOUNCEMENT.—The Secretary shall announce the level of support for additional peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(3) AREA MARKETING ASSOCIATIONS.—

(A) WAREHOUSE STORAGE LOANS.—

(i) IN GENERAL.—In carrying out paragraphs (1) and (2), the Secretary shall make warehouse storage loans available in each of the 3 producing areas described in section 1446.95 of title 7, Code of Federal Regulations (as of January 1, 1989), to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this subsection and sections 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(ii) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—The area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(iii) ASSOCIATION COSTS.—Loans made to an area marketing association under this subparagraph shall include, in addition to the price support value of the peanuts, such costs as the association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(B) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Peanuts produced outside New Mexico shall not be eligible for entry into or participation in the separate pools established for Valencia peanuts produced in New Mexico. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(ii) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(I) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

(II) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in subclause (I).

(4) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(A) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(2)(B)(v) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)).

(B) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(C) ADDITIONAL PEANUT GAINS.—Further losses in an area quota pool shall be offset by gains or profits attributable to sales of additional peanuts in that area for domestic edible and other uses.

(D) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under paragraph (7) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under paragraph (7) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(E) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(2)(B)(v) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)), shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(F) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under paragraph (7) by such an amount as the Secretary considers necessary to cover the losses. Amounts collected under paragraph (7) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(5) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)).

(6) QUALITY IMPROVEMENT.—

(A) PRICE SUPPORT PEANUTS.—With respect to peanuts under price support loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts at a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use are shown to have been officially inspected by licensed Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut price support program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(iv) ensure that any changes made in the price support program as a result of this paragraph requiring additional production or handling at the farm level are reflected as an upward adjustment in the Department of Agriculture loan schedule.

(B) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts, including peanuts imported into the United States, meet all United States quality standards under Marketing Agreement No. 146 and that importers of the peanuts fully comply with inspection, handling, storage, and processing requirements implemented under Marketing Agreement No. 146. The Secretary shall ensure that peanuts produced for the export market meet quality, inspection, handling, storage, and processing requirements under Marketing Agreement No. 146.

(7) MARKETING ASSESSMENT.—

(A) IN GENERAL.—The Secretary shall provide, by regulation, for a nonrefundable marketing assessment applicable to each of the 1996 through 2002 crops of peanuts. The assessment shall be made in accordance with this paragraph and shall be on a per pound basis in an amount equal to 1.2 percent of the national average quota or additional peanut support rate per pound, as applicable, for the applicable crop. No peanuts shall be assessed more than 1.2 percent of the applicable support rate under this paragraph.

(B) FIRST PURCHASERS.—

(i) IN GENERAL.—Except as provided under subparagraphs (C) and (D), the first purchaser of peanuts shall—

(I) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by .65 percent of the applicable national average support rate;

(II) pay, in addition to the amount collected under subclause (I), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average support rate; and

(III) remit the amounts required under subclauses (I) and (II) to the Commodity Credit Corporation in a manner specified by the Secretary.

(ii) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(iii) DEFINITION.—In this paragraph, the term 'first purchaser' means a person acquiring peanuts from a producer, except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(C) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(D) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a price support loan made under this subsection, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For the purposes of computing net gains on peanuts under this subsection, the reduction in loan proceeds shall be treated as having been paid to the producer.

(E) PENALTIES.—If any person fails to collect or remit the reduction required by this paragraph or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this paragraph, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(i) the quantity of peanuts involved in the violation; by

(ii) the national average quota peanut price support level for the applicable crop year.

(F) ENFORCEMENT.—The Secretary may enforce this paragraph in the courts of the United States.

(8) CROPS.—Notwithstanding any other provision of law, this subsection shall be effective only for the 1996 through 2002 crops of peanuts.

(b) SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.—Section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) shall not be applicable to the 1996 through 2002 crops of peanuts.

(c) NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS.—Section 358–1 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1) is amended to read as follows:

"SEC. 358–1. NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.

"(a) NATIONAL POUNDAGE QUOTAS.—

"(1) ESTABLISHMENT.—The national poundage quota for peanuts for each of the 1996 through 2002 marketing years shall be established by the Secretary at a level that is equal to the quantity of peanuts (in tons) that the Secretary estimates will be devoted in each such marketing year to domestic edible and related uses, excluding seed. The Secretary shall include in the annual estimate of domestic edible and related uses, the estimated quantity of peanuts and peanut products to be imported into the United States for the marketing year for which the quota is being established.

"(2) ANNOUNCEMENT.—The national poundage quota for a marketing year shall be announced by the Secretary not later than the December 15 preceding the marketing year.

"(3) APPORTIONMENT AMONG STATES.—The national poundage quota established under paragraph (1) shall be apportioned among the States so that the poundage quota allocated to each State is equal to the percentage of the national poundage quota allocated to farms in the State for 1995.

"(b) FARM POUNDAGE QUOTAS.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—A farm poundage quota for each of the 1996 through 2002 marketing years shall be established—

"(i) for each farm that had a farm poundage quota for peanuts for the 1995 marketing year;

"(ii) if the poundage quota apportioned to a State under subsection (a)(3) for any such marketing year is larger than the quota for the immediately preceding marketing year, for each other farm on which peanuts were produced for marketing in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary; and

"(iii) as approved and determined by the Secretary under section 358c, for each farm on which peanuts are produced in connection with experimental and research programs.

"(B) QUANTITY.—

"(i) IN GENERAL.—The farm poundage quota for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(i) shall be the same as the farm poundage quota for the farm for the immediately preceding marketing year, as adjusted under paragraph (2), but not including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

"(ii) INCREASED QUOTA.—The farm poundage quota, if any, for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(ii) shall be equal to the quantity of peanuts allocated to the farm for the year under paragraph (2).

"(C) TRANSFERS.—For purposes of this subsection, if the farm poundage quota, or any part of the quota, is permanently transferred in accordance with section 358b, the receiving farm shall be considered as possessing the farm poundage quota (or portion of the quota) of the transferring farm for all subsequent marketing years.

"(2) ADJUSTMENTS.—

"(A) ALLOCATION OF INCREASED QUOTA GENERALLY.—Subject to subparagraphs (B) and (D), if the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is increased over the poundage quota apportioned to farms in the State for the immediately preceding marketing year, the increase shall be allocated proportionately, based on farm production history for peanuts for the 3 immediately preceding years, among—

"(i) all farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made; and

"(ii) all other farms in the State on which peanuts were produced in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary.

"(B) TEMPORARY QUOTA ALLOCATION.—

"(i) IN GENERAL.—Subject to clause (iv), temporary allocation of a poundage quota for the marketing year in which a crop of peanuts is planted shall be made to producers for each of the 1996 through 2002 marketing years in accordance with this subparagraph.

"(ii) QUANTITY.—The temporary quota allocation shall be equal to the quantity of seed peanuts (in pounds) planted on a farm, as determined in accordance with regulations issued by the Secretary.

"(iii) ALLOCATION.—The allocation of quota pounds to producers under this subparagraph shall be performed in such a manner as will not result in a net decrease in quota pounds on a farm in excess of 3 percent, after the temporary seed quota is added, from the basic farm quota for the 1995 marketing year. A decrease shall occur only once, shall be applicable only to the 1996 marketing year.

"(iv) NO INCREASED COSTS.—The Secretary may carry out this subparagraph only if this subparagraph does not result in—

"(I) an increased cost to the Commodity Credit Corporation through displacement of quota peanuts by additional peanuts in the domestic market;

"(II) an increased loss in a loan pool of an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

"(III) other increased costs.

"(v) TRANSFER OF ADDITIONAL PEANUTS.—

"(I) IN GENERAL.—Except as provided in subclause (II), additional peanuts on a farm from which the quota poundage was not harvested and marketed may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall provide by regulation.

"(II) LIMITATIONS.—The poundage of peanuts transferred under subclause (I) shall not exceed 25 percent of the total farm poundage quota, excluding pounds transferred in the fall.

"(III) SUPPORT RATE.—Peanuts transferred under this clause shall be supported at a rate of 70 percent of the quota support rate for the marketing years during which the transfers occur.

"(vi) USE OF QUOTA AND ADDITIONAL PEANUTS.—Nothing in this subparagraph affects the requirements of section 358b(b).

"(vii) ADDITIONAL ALLOCATION.—The temporary allocation of quota pounds under this subparagraph shall be in addition to the farm poundage quota established under this subsection and shall be credited to the producers of the peanuts on the farm in accordance with regulations issued by the Secretary.

"(C) DECREASE.—If the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is decreased from the poundage quota apportioned to farms in the State under subsection (a)(3) for the immediately preceding marketing year, the decrease shall be allocated among all the farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made.

"(D) SPECIAL RULE ON TENANT'S SHARE OF INCREASED QUOTA.—Subject to terms and conditions prescribed by the Secretary, on farms that were leased to a tenant for peanut production, the tenant shall share equally with the owner of the farm in the percentage of the quota made available under subparagraph (A) and otherwise allocated to the farm as the result of the production of the tenant on the farm of additional peanuts. Not later than April 1 of each year or as soon as practicable during the year, the share of the tenant of any such quota shall be allocated to a farm within the county owned by the tenant or sold by the tenant to the owner of any farm within the county and permanently transferred to the farm. Any quota not so disposed of as provided in this subparagraph shall be allocated to other quota farms in the State under paragraph (6) as part of the quota reduced from farms in the State due to the failure to produce the quota.

"(3) QUOTA NOT PRODUCED.—

"(A) IN GENERAL.—Insofar as practicable and on such fair and equitable basis as the Secretary may by regulation prescribe, the farm poundage quota established for a farm for any of the 1996 through 2002 marketing years shall be reduced to the extent that the Secretary determines that the farm poundage quota established for the farm for any 2 of the 3 marketing years preceding the marketing year for which the determination is being made was not produced, or considered produced, on the farm.

"(B) EXCLUSIONS.—For the purposes of this paragraph, the farm poundage quota for any such preceding marketing year shall not include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

"(4) QUOTA CONSIDERED PRODUCED.—

"(A) IN GENERAL.—For purposes of this subsection, subject to subparagraph (B), the farm poundage quota shall be considered produced on a farm if—

"(i) the farm poundage quota was not produced on the farm because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, as determined by the Secretary;

"(ii) the farm poundage quota for the farm was released voluntarily under paragraph (7) for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; or

"(iii) the farm poundage quota was leased to another owner or operator of a farm within the same county for transfer to the farm for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made.

"(B) MARKETING YEARS.—For purposes of clauses (ii) and (iii) of subparagraph (A)—

"(i) the farm poundage quota leased or transferred shall be considered produced for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; and

"(ii) the farm shall not be considered to have produced for more than 1 marketing year out of the 3 immediately preceding marketing years.

"(5) QUOTA PERMANENTLY RELEASED.—Notwithstanding any other provision of law—

"(A) the farm poundage quota established for a farm under this subsection, or any part of the quota, may be permanently released by the owner of the farm, or the operator with the permission of the owner; and

"(B) the poundage quota for the farm for which the quota is released shall be adjusted downward to reflect the quota that is released.

"(6) ALLOCATION OF QUOTAS REDUCED OR RELEASED.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the total quantity of the farm poundage quotas reduced or voluntarily released from farms in a State for any marketing year under paragraphs (3) and (5) shall be allocated, as the Secretary may by regulation prescribe, to other farms in the State on which peanuts were produced in at least 2 of the 3 crop years immediately preceding the year for which the allocation is being made.

"(B) SET-ASIDE FOR FARMS WITH NO QUOTA.—The total amount of farm poundage quota to be allocated in the State under subparagraph (A) shall be allocated to farms in the State for which no farm poundage quota was established for the crop of the immediately preceding year. The allocation to any such farm shall not exceed the average farm production of peanuts for the 3 immediately preceding years during which peanuts were produced on the farm. Any farm poundage quota remaining after allocation to farms under this subparagraph shall be allocated to farms in the State on which poundage quotas were established for the crop of the immediately preceding year.

"(7) QUOTA TEMPORARILY RELEASED.—

"(A) IN GENERAL.—The farm poundage quota, or any portion of the quota, established for a farm for a marketing year may be voluntarily released to the Secretary to the extent that the quota, or any part of the quota, will not be produced on the farm for the marketing year. Any farm poundage quota so released in a State shall be allocated to other farms in the State on such basis as the Secretary may by regulation prescribe.

"(B) EFFECTIVE PERIOD.—Except as otherwise provided in this section, any adjustment in the farm poundage quota for a farm under subparagraph (A) shall be effective only for the marketing year for which the adjustment is made and shall not be taken into consideration in establishing a farm poundage quota for the farm from which the quota was released for any subsequent marketing year.

"(c) FARM YIELDS.—

"(1) IN GENERAL.—For each farm for which a farm poundage quota is established under subsection (b), and when necessary for purposes of this Act, a farm yield of peanuts shall be determined for each such farm.

"(2) QUANTITY.—The yield shall be equal to the average of the actual yield per acre on the farm for each of the 3 crop years in which yields were highest on the farm during the 5-year period consisting of the 1973 through 1977 crop years.

"(3) APPRAISED YIELDS.—If peanuts were not produced on the farm in at least 3 years during the 5-year period or there was a substantial change in the operation of the farm during the period (including a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that quantity determined to be fair and reasonable on the basis of yields established for similar farms that are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

"(d) REFERENDUM RESPECTING POUNDAGE QUOTAS.—

"(1) IN GENERAL.—Not later than December 15 of each calendar year, the Secretary shall conduct a referendum of producers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether the producers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the 5 calendar years immediately following the year in which the referendum is held, except that, if at least ⅔ of the producers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the remaining years of the 5-calendar year period.

"(2) PROCLAMATION.—The Secretary shall proclaim the result of the referendum within 30 days after the date on which the referendum is held.

"(3) VOTE AGAINST QUOTAS.—If more than ⅓ of the producers voting in the referendum vote against poundage quotas, the Secretary shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held.

"(e) DEFINITIONS.—In this part and the Agricultural Market Transition Act:

"(1) ADDITIONAL PEANUTS.—The term 'additional peanuts' means, for any marketing year—

"(A) any peanuts that are marketed from a farm for which a farm poundage quota has been established and that are in excess of the marketings of quota peanuts from the farm for the year; and

"(B) all peanuts marketed from a farm for which no farm poundage quota has been established in accordance with subsection (b).

"(2) CRUSH.—The term 'crush' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary.

"(3) DOMESTIC EDIBLE USE.—The term 'domestic edible use' means use for milling to produce domestic food peanuts (other than a use described in paragraph (2)) and seed and use on a farm, except that the Secretary may exempt from this paragraph seeds of peanuts that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

"(4) QUOTA PEANUTS.—The term 'quota peanuts' means, for any marketing year, any peanuts produced on a farm having a farm poundage quota, as determined under subsection (b), that—

"(A) are eligible for domestic edible use as determined by the Secretary;

"(B) are marketed or considered marketed from a farm; and

"(C) do not exceed the farm poundage quota of the farm for the year.

"(f) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.".

(d) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—Section 358b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b) is amended to read as follows:

"SEC. 358b. SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA FOR 1996 THROUGH 2000 CROPS OF PEANUTS.

"(a) IN GENERAL.—

"(1) AUTHORITY.—

"(A) IN GENERAL.—Subject to such terms, conditions, or limitations as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm poundage quota has been established under this Act may sell or lease all or any part of the poundage quota to any other owner or operator of a farm within the same county for transfer to the farm, except that any such lease of poundage quota may be entered into in the fall or after the normal planting season—

"(i) if not less than 90 percent of the basic quota (consisting of the farm quota and temporary quota transfers), plus any poundage quota transferred to the farm under this subsection, has been planted or considered planted on the farm from which the quota is to be leased; and

"(ii) under such terms and conditions as the Secretary may by regulation prescribe.

"(B) FALL TRANSFERS.—

"(i) NO TRANSFER AUTHORIZATION.—In the case of a fall transfer or a transfer after the normal planting season by a cash lessee, the landowner shall not be required to sign the transfer authorization.

"(ii) TIME LIMITATION.—A fall transfer or a transfer after the normal planting season may be made not later than 72 hours after the peanuts that are the subject of the transfer are inspected and graded.

"(iii) LESSEES.—In the case of a fall transfer, poundage quota from a farm may be leased to an owner or operator of another farm within the same county or to an owner or operator of another farm in any other county within the State.

"(iv) EFFECT OF TRANSFER.—A fall transfer of poundage quota shall not affect the farm quota history for the transferring or receiving farm and shall not result in the reduction of the farm poundage quota on the transferring farm.

"(2) TRANSFERS TO OTHER SELF-OWNED FARMS.—The owner or operator of a farm may transfer all or any part of the farm poundage quota for the farm to any other farm owned or controlled by the owner or operator that is in the same State and that had a farm poundage quota for the crop of the preceding year, if both the transferring and receiving farms were under the control of the owner or operator for at least 3 crop years prior to the crop year in which the farm poundage quota is to be transferred. Any farm poundage quota transferred under this paragraph shall not result in any reduction in the farm poundage quota for the transferring farm if sufficient acreage is planted on the receiving farm to produce the quota pounds transferred.

"(3) TRANSFERS WITHIN STATES WITH SMALL QUOTAS.—In the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota may be transferred by sale or lease or otherwise from a farm in 1 county to a farm in another county in the same State.

"(4) TRANSFERS BETWEEN STATES HAVING QUOTAS OF LESS THAN 10,000 TONS.—Notwithstanding paragraphs (1) through (3), in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota up to 1,000 tons may be transferred by sale or lease from a farm in 1 such State to a farm in another such State.

"(5) TRANSFERS BY SALE IN STATES HAVING QUOTAS OF 10,000 TONS OR MORE.—

"(A) IN GENERAL.—Subject to the other provisions of this paragraph and such terms and conditions as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm quota has been established under this Act in a State having a poundage quota of 10,000 tons or more may sell poundage quota to any other eligible owner or operator of a farm within the same State.

"(B) LIMITATIONS BASED ON TOTAL POUNDAGE QUOTA.—

"(i) 1996 MARKETING YEAR.—Not more than 15 percent of the total poundage quota within a county as of January 1, 1996, may be sold and transferred under this paragraph during the 1996 marketing year.

"(ii) 1997–2002 MARKETING YEARS.—

"(I) IN GENERAL.—Except as provided in subclause (II), not more than 5 percent of the quota pounds remaining in a county as of January 1, 1997, and each January 1 thereafter through January 1, 2002, may be sold and transferred under this paragraph during the applicable marketing year.

"(II) CARRYOVER.—Any eligible quota that is not sold or transferred under clause (i) shall be eligible for sale or transfer under subclause (I).

"(C) COUNTY LIMITATION.—Not more than 40 percent of the total poundage quota within a county may be sold and transferred under this paragraph.

"(D) SUBSEQUENT LEASES OR SALES.—Quota pounds sold and transferred to a farm under this paragraph may not be leased or sold by the farm to another owner or operator of a farm within the same State for a period of 5 years following the date of the original transfer to the farm.

"(E) APPLICATION.—This paragraph shall not apply to a sale within the same county or to any sale, lease, or transfer described in paragraph (1).

"(b) CONDITIONS.—Transfers (including transfer by sale or lease) of farm poundage quotas under this section shall be subject to all of the following conditions:

"(1) LIENHOLDERS.—No transfer of the farm poundage quota from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders.

"(2) TILLABLE CROPLAND.—No transfer of the farm poundage quota shall be permitted if the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) determines that the receiving farm does not have adequate tillable cropland to produce the farm poundage quota.

"(3) RECORD.—No transfer of the farm poundage quota shall be effective until a record of the transfer is filed with the county committee of each county to, and from, which the transfer is made and each committee determines that the transfer complies with this section.

"(4) OTHER TERMS.—The Secretary may establish by regulation other terms and conditions.

"(c) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2000 crops of peanuts.".

(e) MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS.—Section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a) is amended to read as follows:

"SEC. 358e. MARKETING PENALTIES AND DISPOSITION OF ADDITIONAL PEANUTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.

"(a) MARKETING PENALTIES.—

"(1) IN GENERAL.—

"(A) MARKETING PEANUTS IN EXCESS OF QUOTA.—The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which the peanuts are produced shall be subject to a penalty at a rate equal to 140 percent of the support price for quota peanuts for the marketing year in which the marketing occurs. The penalty shall not apply to the marketing of breeder or Foundation seed peanuts grown and marketed by a publicly owned agricultural experiment station (including a State operated seed organization) under such regulations as the Secretary may prescribe.

"(B) MARKETING YEAR.—For purposes of this section, the marketing year for peanuts shall be the 12-month period beginning August 1 and ending July 31.

"(C) MARKETING ADDITIONAL PEANUTS.—The marketing of any additional peanuts from a farm shall be subject to the same penalty as the penalty prescribed in subparagraph (A) unless the peanuts, in accordance with regulations established by the Secretary, are—

"(i) placed under loan at the additional loan rate in effect for the peanuts under section 106 of the Agricultural Market Transition Act and not redeemed by the producers;

"(ii) marketed through an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

"(iii) marketed under contracts between handlers and producers pursuant to subsection (f).

"(2) PAYER.—The penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer or, if the peanuts are marketed by the producer through an agent, the penalty shall be paid by the agent. The person or agent may deduct an amount equivalent to the penalty from the price paid to the producer.

"(3) FAILURE TO COLLECT.—If the person required to collect the penalty fails to collect the penalty, the person and all persons entitled to share in the peanuts marketed from the farm or the proceeds of the marketing shall be jointly and severally liable with the persons who failed to collect the penalty for the amount of the penalty.

"(4) APPLICATION OF QUOTA.—Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning in the calendar year shall be subject to the quotas even though the peanuts are marketed prior to the date on which the marketing year begins.

"(5) FALSE INFORMATION.—If any producer falsely identifies, fails to accurately certify planted acres, or fails to account for the disposition of any peanuts produced on the planted acres, a quantity of peanuts equal to the greater of the average or actual yield of the farm, as determined by the Secretary, multiplied by the number of planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts. Any penalty payable under this paragraph shall be paid and remitted by the producer.

"(6) UNINTENTIONAL VIOLATIONS.—The Secretary shall authorize, under such regulations as the Secretary shall issue, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or reduce marketing penalties provided for under this subsection in cases with respect to which the committees determine that the violations that were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned.

"(7) DE MINIMIS VIOLATIONS.—An error in weight that does not exceed 1/10 of 1 percent in the case of any 1 marketing document shall not be considered to be a marketing violation except in a case of fraud or conspiracy.

"(b) USE OF QUOTA AND ADDITIONAL PEANUTS.—

"(1) QUOTA PEANUTS.—Only quota peanuts may be retained for use as seed or for other uses on a farm. When peanuts are so retained, the retention shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts for the quantity involved that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

"(2) ADDITIONAL PEANUTS.—Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use, except as provided in subsection (g).

"(3) SEED.—Except as provided in paragraph (1), seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

"(c) MARKETING PEANUTS WITH EXCESS QUANTITY, GRADE, OR QUALITY.—On a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by the handler from the crop for the marketing year, the handler shall be subject to a penalty equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts that the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

"(d) HANDLING AND DISPOSAL OF ADDITIONAL PEANUTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act.

"(2) NONSUPERVISION OF HANDLERS.—

"(A) IN GENERAL.—Supervision of the handling and disposal of additional peanuts by a handler shall not be required under paragraph (1) if the handler agrees in writing, prior to any handling or disposal of the peanuts, to comply with regulations that the Secretary shall issue.

"(B) REGULATIONS.—The regulations issued by the Secretary under subparagraph (A) shall include the following provisions:

"(i) TYPES OF EXPORTED OR CRUSHED PEANUTS.—Handlers of shelled or milled peanuts may export or crush peanuts classified by type in each of the following quantities:

"(I) SOUND SPLIT KERNEL PEANUTS.—Sound split kernel peanuts purchased by the handler as additional peanuts to which, under price support loan schedules, a mandated deduction with respect to the price paid to the producer of the peanuts would be applied due to the percentage of the sound splits.

"(II) SOUND MATURE KERNEL PEANUTS.—Sound mature kernel peanuts (which term includes sound split kernel peanuts and sound whole kernel peanuts) in an amount equal to the poundage of the peanuts purchased by the handler as additional peanuts, less the total poundage of sound split kernel peanuts described in subclause (I).

"(III) REMAINDER.—The remaining quantity of total kernel content of peanuts purchased by the handler as additional peanuts.

"(ii) DOCUMENTATION.—Handlers shall ensure that any additional peanuts exported or crushed are evidenced by onboard bills of lading or other appropriate documentation as may be required by the Secretary, or both.

"(iii) LOSS OF PEANUTS.—If a handler suffers a loss of peanuts as a result of fire, flood, or any other condition beyond the control of the handler, the portion of the loss allocated to contracted additional peanuts shall not be greater than the portion of the total peanut purchases of the handler for the year attributable to contracted additional peanuts purchased for export or crushing by the handler during the year.

"(iv) SHRINKAGE ALLOWANCE.—

"(I) IN GENERAL.—The obligation of a handler to export or crush peanuts in quantities described in this subparagraph shall be reduced by a shrinkage allowance, to be determined by the Secretary, to reflect actual dollar value shrinkage experienced by handlers in commercial operations, except that the allowance shall not be less than 4 percent, except as provided in subclause (II).

"(II) COMMON INDUSTRY PRACTICES.—The Secretary may provide a lower shrinkage allowance for a handler who fails to comply with restrictions on the use of peanuts, as may be specified by the Commodity Credit Corporation, to take into account common industry practices.

"(3) ADEQUATE FINANCES AND FACILITIES.—A handler shall submit to the Secretary adequate financial guarantees, as well as evidence of adequate facilities and assets, with respect to the facilities under the control and operation of the handler, to ensure the compliance of the handler with the obligation to export peanuts.

"(4) COMMINGLING OF LIKE PEANUTS.—Quota and additional peanuts of like type and segregation or quality may, under regulations issued by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

"(5) PENALTY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the failure by a handler to comply with regulations issued by the Secretary governing the disposition and handling of additional peanuts shall subject the handler to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts involved in the violation.

"(B) NONDELIVERY.—A handler shall not be subject to a penalty for failure to export additional peanuts if the peanuts were not delivered to the handler.

"(6) REENTRY OF EXPORTED PEANUTS.—

"(A) PENALTY.—If any additional peanuts or peanut products exported by a handler are reentered into the United States in commercial quantities as determined by the Secretary, the importer of the peanuts and peanut products shall be subject to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts reentered.

"(B) RECORDS.—Each person, firm, or handler who imports peanuts into the United States shall maintain such records and documents as are required by the Secretary to ensure compliance with this subsection.

"(e) SPECIAL EXPORT CREDITS.—

"(1) IN GENERAL.—The Secretary shall, with due regard for the integrity of the peanut program, promulgate regulations that will permit any handler of peanuts who manufactures peanut products from domestic edible peanuts to export the products and receive credit for the fulfillment of export obligations for the peanut content of the products against which export credit the handler may subsequently apply, up to the amount of the credit, equivalent quantities of additional peanuts of the same type acquired by the handler and used in the domestic edible market. The peanuts so acquired for the domestic edible market as provided in this subsection shall be of the same crop year as the peanuts used in the manufacture of the products so exported.

"(2) CERTIFICATION.—Under the regulations, the Secretary shall require all handlers who are peanut product manufacturers to submit annual certifications of peanut product content on a product-by-product basis. Any changes in peanut product formulas as affecting peanut content shall be recorded within 90 days after the changes. The Secretary shall conduct an annual review of the certifications. The Secretary shall pursue all available remedies with respect to persons who fail to comply with this paragraph.

"(3) RECORDS.—The Secretary shall require handlers who are peanut product manufacturers to maintain and provide such documents as are necessary to ensure compliance with this subsection and to maintain the integrity of the peanut program.

"(f) CONTRACTS FOR PURCHASE OF ADDITIONAL PEANUTS.—

"(1) IN GENERAL.—A handler may, under such regulations as the Secretary may issue, contract with a producer for the purchase of additional peanuts for crushing or export, or both.

"(2) SUBMISSION TO SECRETARY.—

"(A) CONTRACT DEADLINE.—Any such contract shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval not later than September 15 of the year in which the crop is produced.

"(B) EXTENSION OF DEADLINE.—The Secretary may extend the deadline under subparagraph (A) by up to 15 days in response to damaging weather or related condition (as defined in section 112 of the Disaster Assistance Act of 1989 (Public Law 101–82; 7 U.S.C. 1421 note)). The Secretary shall announce the extension not later than September 5 of the year in which the crop is produced.

"(3) FORM.—The contract shall be executed on a form prescribed by the Secretary. The form shall require such information as the Secretary determines appropriate to ensure the proper handling of the additional peanuts, including the identity of the contracting parties, poundage and category of the peanuts, the disclosure of any liens, and the intended disposition of the peanuts.

"(4) INFORMATION FOR HANDLING AND PROCESSING ADDITIONAL PEANUTS.—Notwithstanding any other provision of this section, any person wishing to handle and process additional peanuts as a handler shall submit to the Secretary (or if designated by the Secretary, the area marketing association), such information as may be required under subsection (d) by such date as is prescribed by the Secretary so as to permit final action to be taken on the application by July 1 of each marketing year.

"(5) TERMS.—Each such contract shall contain the final price to be paid by the handler for the peanuts involved and a specific prohibition against the disposition of the peanuts for domestic edible or seed use.

"(6) SUSPENSION OF RESTRICTIONS ON IMPORTED PEANUTS.—Notwithstanding any other provision of this Act, if the President issues a proclamation under section 404(b) of the Uruguay Round Agreements Act (19 U.S.C. 3601(b)) expanding the quantity of peanuts subject to the in-quota rate of duty under a tariff-rate quota, or under section 22 of the Agricultural Adjustment Act (7 U.S.C. 624), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, temporarily suspending restrictions on the importation of peanuts, the Secretary shall, subject to such terms and conditions as the Secretary may prescribe, permit a handler, with the written consent of the producer, to purchase additional peanuts from any producer who contracted with the handler and to offer the peanuts for sale for domestic edible use.

"(g) MARKETING OF PEANUTS OWNED OR CONTROLLED BY THE COMMODITY CREDIT CORPORATION.—

"(1) IN GENERAL.—Subject to section 104(k) of the Agricultural Market Transition Act, any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use, in accordance with regulations issued by the Secretary, so long as doing so does not result in substantially increased cost to the Commodity Credit Corporation. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices that are not less than the prices that are required to cover all costs incurred with respect to the peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus—

"(A) not less than 100 percent of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season on delivery by and with the written consent of the producer;

"(B) not less than 105 percent of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year; or

"(C) not less than 107 percent of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year.

"(2) ACCEPTANCE OF BIDS BY AREA MARKETING ASSOCIATIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), for the period from the date additional peanuts are delivered for loan to March 1 of the calendar year following the year in which the additional peanuts were harvested, the area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act shall have sole authority to accept or reject lot list bids when the sales price, as determined under this subsection, equals or exceeds the minimum price at which the Commodity Credit Corporation may sell the stocks of additional peanuts of the Corporation.

"(B) MODIFICATION.—The area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by subparagraph (A) to facilitate the orderly marketing of additional peanuts.

"(3) PRODUCER MARKETING AND EXPENSES.—Notwithstanding any other provision of this Act, the Secretary shall, in any determination required under paragraphs (1)(B) and (2)(A) of section 106(a) of the Agricultural Market Transition Act, include any additional marketing expenses required by law, excluding the amount of any assessment required under section 106(a)(7) of the Agricultural Market Transition Act.

"(h) ADMINISTRATION.—

"(1) INTEREST.—The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest on the penalty at a rate per annum equal to the rate per annum of interest that was charged the Commodity Credit Corporation by the Treasury of the United States on the date the penalty became due.

"(2) DE MINIMIS QUANTITY.—This section shall not apply to peanuts produced on any farm on which the acreage harvested for peanuts is 1 acre or less if the producers who share in the peanuts produced on the farm do not share in the peanuts produced on any other farm.

"(3) LIENS.—Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which the penalty is incurred, and on any subsequent crop of peanuts subject to farm poundage quotas in which the person liable for payment of the penalty has an interest, shall be in effect in favor of the United States.

"(4) PENALTIES.—

"(A) PROCEDURES.—Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary may by regulation prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Federal Government.

"(B) JUDICIAL REVIEW.—Nothing in this section prohibits any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether the determination was made in conformity with applicable law.

"(C) CIVIL PENALTIES.—All penalties imposed under this section shall for all purposes be considered civil penalties.

"(5) REDUCTION OF PENALTIES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B) and notwithstanding any other provision of law, the Secretary may reduce the amount of any penalty assessed against handlers under this section by any appropriate amount, including, in an appropriate case, eliminating the penalty entirely, if the Secretary finds that the violation on which the penalty is based was minor or inadvertent, and that the reduction of the penalty will not impair the operation of the peanut program.

"(B) FAILURE TO EXPORT CONTRACTED ADDITIONAL PEANUTS.—The amount of any penalty imposed on a handler under this section that resulted from the failure to export or crush contracted additional peanuts shall not be reduced by the Secretary.

"(i) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.".

(f) EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.—Section 358c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358c) is amended to read as follows:

"SEC. 358c. EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.

"(a) IN GENERAL.—Notwithstanding any other provision of this Act, the Secretary may permit a portion of the poundage quota for peanuts apportioned to any State to be allocated from the quota reserve of the State to land-grant institutions identified in the Act of May 8, 1914 (38 Stat. 372, chapter 79; 7 U.S.C. 341 et seq.), and colleges eligible to receive funds under the Act of August 30, 1890 (26 Stat. 419, chapter 841; 7 U.S.C. 321 et seq.), including Tuskegee Institute and, as appropriate, the Agricultural Research Service of the Department of Agriculture to be used for experimental and research purposes.

"(b) QUANTITY.—The quantity of the quota allocated to an institution under this section shall not exceed the quantity of the quota held by each such institution during the 1985 crop year, except that the total quantity allocated to all institutions in a State shall not exceed 1/10 of 1 percent of the basic quota of the State.

"(c) LIMITATION.—The director of the agricultural experiment station for a State shall be required to ensure, to the extent practicable, that farm operators in the State do not produce quota peanuts under subsection (a) in excess of the quantity needed for experimental and research purposes.

"(d) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.".

(g) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before "all brokers and dealers in peanuts" the following: "all producers engaged in the production of peanuts,".

(h) REGULATIONS.—The Secretary of Agriculture shall issue such regulations as are necessary to carry out this section and the amendments made by this section. In issuing the regulations, the Secretary shall—

(1) comply with subchapter II of chapter 5 of title 5, United States Code;

(2) provide public notice through the Federal Register of any such proposed regulations; and

(3) allow adequate time for written public comment prior to the formulation and issuance of any final regulations.

AMENDMENT NO. 3341

Strike the section relating to the peanut program and insert the following:

SEC. 106. PEANUT PROGRAM.

(a) PRICE SUPPORT PROGRAM.—

(1) QUOTA PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts for each of the 1996 through 2002 crops.

(B) SUPPORT RATES.—

(i) IN GENERAL.—Subject to clause (ii), the national average quota support rate for each of the 1996 through 2002 crops of quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase or decrease, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land and the cost of any assessments required under paragraph (7).

(ii) MAXIMUM RATE.—In no event shall the national average quota support rate for any such crop be increased or decreased by more than 5 percent of the national average quota support rate for the preceding crop.

(C) INSPECTION, HANDLING, OR STORAGE.—The level of support determined under subparagraph (B) shall not be reduced by any deduction for inspection, handling, or storage.

(D) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 104(i).

(E) ANNOUNCEMENT.—The Secretary shall announce the level of support for quota peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(2) ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1996 through 2002 crops at such levels as the Secretary considers appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(B) ANNOUNCEMENT.—The Secretary shall announce the level of support for additional peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(3) AREA MARKETING ASSOCIATIONS.—

(A) WAREHOUSE STORAGE LOANS.—

(i) IN GENERAL.—In carrying out paragraphs (1) and (2), the Secretary shall make warehouse storage loans available in each of the 3 producing areas described in section 1446.95 of title 7, Code of Federal Regulations (as of January 1, 1989), to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this subsection and sections 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(ii) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—The area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(iii) ASSOCIATION COSTS.—Loans made to an area marketing association under this subparagraph shall include, in addition to the price support value of the peanuts, such costs as the association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(B) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Peanuts produced outside New Mexico shall not be eligible for entry into or participation in the separate pools established for Valencia peanuts produced in New Mexico. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(ii) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(I) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

(II) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in subclause (I).

(4) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(A) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(2)(B)(v) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)).

(B) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(C) ADDITIONAL PEANUT GAINS.—Further losses in an area quota pool shall be offset by gains or profits attributable to sales of additional peanuts in that area for domestic edible and other uses.

(D) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under paragraph (7) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under paragraph (7) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(E) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(2)(B)(v) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)), shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(F) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under paragraph (7) by such an amount as the Secretary considers necessary to cover the losses. Amounts collected under paragraph (7) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(5) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)).

(6) QUALITY IMPROVEMENT.—

(A) PRICE SUPPORT PEANUTS.—With respect to peanuts under price support loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts at a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use are shown to have been officially inspected by licensed Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut price support program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(iv) ensure that any changes made in the price support program as a result of this paragraph requiring additional production or handling at the farm level are reflected as an upward adjustment in the Department of Agriculture loan schedule.

(B) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts, including peanuts imported into the United States, meet all United States quality standards under Marketing Agreement No. 146 and that importers of the peanuts fully comply with inspection, handling, storage, and processing requirements implemented under Marketing Agreement No. 146. The Secretary shall ensure that peanuts produced for the export market meet quality, inspection, handling, storage, and processing requirements under Marketing Agreement No. 146.

(7) MARKETING ASSESSMENT.—

(A) IN GENERAL.—The Secretary shall provide, by regulation, for a nonrefundable marketing assessment applicable to each of the 1996 through 2002 crops of peanuts. The assessment shall be made in accordance with this paragraph and shall be on a per pound basis in an amount equal to 1.2 percent of the national average quota or additional peanut support rate per pound, as applicable, for the applicable crop. No peanuts shall be assessed more than 1.2 percent of the applicable support rate under this paragraph.

(B) FIRST PURCHASERS.—

(i) IN GENERAL.—Except as provided under subparagraphs (C) and (D), the first purchaser of peanuts shall—

(I) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by .65 percent of the applicable national average support rate;

(II) pay, in addition to the amount collected under subclause (I), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average support rate; and

(III) remit the amounts required under subclauses (I) and (II) to the Commodity Credit Corporation in a manner specified by the Secretary.

(ii) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(iii) DEFINITION.—In this paragraph, the term "first purchaser" means a person acquiring peanuts from a producer, except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(C) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(D) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a price support loan made under this subsection, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For the purposes of computing net gains on peanuts under this subsection, the reduction in loan proceeds shall be treated as having been paid to the producer.

(E) PENALTIES.—If any person fails to collect or remit the reduction required by this paragraph or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this paragraph, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(i) the quantity of peanuts involved in the violation; by

(ii) the national average quota peanut price support level for the applicable crop year.

(F) ENFORCEMENT.—The Secretary may enforce this paragraph in the courts of the United States.

(8) CROPS.—Notwithstanding any other provision of law, this subsection shall be effective only for the 1996 through 2002 crops of peanuts.

(b) SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.—Section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) shall not be applicable to the 1996 through 2002 crops of peanuts.

(c) NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS.—Section 358–1 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1) is amended to read as follows:

"SEC. 358–1. NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.

"(a) NATIONAL POUNDAGE QUOTAS.—

"(1) ESTABLISHMENT.—The national poundage quota for peanuts for each of the 1996 through 2002 marketing years shall be established by the Secretary at a level that is equal to the quantity of peanuts (in tons) that the Secretary estimates will be devoted in each such marketing year to domestic edible and related uses, excluding seed. The Secretary shall include in the annual estimate of domestic edible and related uses, the estimated quantity of peanuts and peanut products to be imported into the United States for the marketing year for which the quota is being established.

"(2) ANNOUNCEMENT.—The national poundage quota for a marketing year shall be announced by the Secretary not later than the December 15 preceding the marketing year.

"(3) APPORTIONMENT AMONG STATES.—The national poundage quota established under paragraph (1) shall be apportioned among the States so that the poundage quota allocated to each State is equal to the percentage of the national poundage quota allocated to farms in the State for 1995.

"(b) FARM POUNDAGE QUOTAS.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—A farm poundage quota for each of the 1996 through 2002 marketing years shall be established—

"(i) for each farm that had a farm poundage quota for peanuts for the 1995 marketing year;

"(ii) if the poundage quota apportioned to a State under subsection (a)(3) for any such marketing year is larger than the quota for the immediately preceding marketing year, for each other farm on which peanuts were produced for marketing in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary; and

"(iii) as approved and determined by the Secretary under section 358c, for each farm on which peanuts are produced in connection with experimental and research programs.

"(B) QUANTITY.—

"(i) IN GENERAL.—The farm poundage quota for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(i) shall be the same as the farm poundage quota for the farm for the immediately preceding marketing year, as adjusted under paragraph (2), but not including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

"(ii) INCREASED QUOTA.—The farm poundage quota, if any, for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(ii) shall be equal to the quantity of peanuts allocated to the farm for the year under paragraph (2).

"(C) TRANSFERS.—For purposes of this subsection, if the farm poundage quota, or any part of the quota, is permanently transferred in accordance with section 358b, the receiving farm shall be considered as possessing the farm poundage quota (or portion of the quota) of the transferring farm for all subsequent marketing years.

"(2) ADJUSTMENTS.—

"(A) ALLOCATION OF INCREASED QUOTA GENERALLY.—Subject to subparagraphs (B) and (D), if the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is increased over the poundage quota apportioned to farms in the State for the immediately preceding marketing year, the increase shall be allocated proportionately, based on farm production history for peanuts for the 3 immediately preceding years, among—

"(i) all farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made; and

"(ii) all other farms in the State on which peanuts were produced in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary.

"(B) TEMPORARY QUOTA ALLOCATION.—

"(i) IN GENERAL.—Subject to clause (iv), temporary allocation of a poundage quota for the marketing year in which a crop of peanuts is planted shall be made to producers for each of the 1996 through 2002 marketing years in accordance with this subparagraph.

"(ii) QUANTITY.—The temporary quota allocation shall be equal to the quantity of seed peanuts (in pounds) planted on a farm, as determined in accordance with regulations issued by the Secretary.

"(iii) ALLOCATION.—The allocation of quota pounds to producers under this subparagraph shall be performed in such a manner as will not result in a net decrease in quota pounds on a farm in excess of 3 percent, after the temporary seed quota is added, from the basic farm quota for the 1995 marketing year. A decrease shall occur only once, shall be applicable only to the 1996 marketing year.

"(iv) NO INCREASED COSTS.—The Secretary may carry out this subparagraph only if this subparagraph does not result in—

"(I) an increased cost to the Commodity Credit Corporation through displacement of quota peanuts by additional peanuts in the domestic market;

"(II) an increased loss in a loan pool of an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

"(III) other increased costs.

"(v) TRANSFER OF ADDITIONAL PEANUTS.—

"(I) IN GENERAL.—Except as provided in subclause (II), additional peanuts on a farm from which the quota poundage was not harvested and marketed may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall provide by regulation.

"(II) LIMITATIONS.—The poundage of peanuts transferred under subclause (I) shall not exceed 25 percent of the total farm poundage quota, excluding pounds transferred in the fall.

"(III) SUPPORT RATE.—Peanuts transferred under this clause shall be supported at a rate of 70 percent of the quota support rate for the marketing years during which the transfers occur.

"(vi) USE OF QUOTA AND ADDITIONAL PEANUTS.—Nothing in this subparagraph affects the requirements of section 358b(b).

"(vii) ADDITIONAL ALLOCATION.—The temporary allocation of quota pounds under this subparagraph shall be in addition to the farm poundage quota established under this subsection and shall be credited to the producers of the peanuts on the farm in accordance with regulations issued by the Secretary.

"(C) DECREASE.—If the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is decreased from the poundage quota apportioned to farms in the State under subsection (a)(3) for the immediately preceding marketing year, the decrease shall be allocated among all the farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made.

"(D) SPECIAL RULE ON TENANT'S SHARE OF INCREASED QUOTA.—Subject to terms and conditions prescribed by the Secretary, on farms that were leased to a tenant for peanut production, the tenant shall share equally with the owner of the farm in the percentage of the quota made available under subparagraph (A) and otherwise allocated to the farm as the result of the production of the tenant on the farm of additional peanuts. Not later than April 1 of each year or as soon as practicable during the year, the share of the tenant of any such quota shall be allocated to a farm within the county owned by the tenant or sold by the tenant to the owner of any farm within the county and permanently transferred to the farm. Any quota not so disposed of as provided in this subparagraph shall be allocated to other quota farms in the State under paragraph (6) as part of the quota reduced from farms in the State due to the failure to produce the quota.

"(3) QUOTA NOT PRODUCED.—

"(A) IN GENERAL.—Insofar as practicable and on such fair and equitable basis as the Secretary may by regulation prescribe, the farm poundage quota established for a farm for any of the 1996 through 2002 marketing years shall be reduced to the extent that the Secretary determines that the farm poundage quota established for the farm for any 2 of the 3 marketing years preceding the marketing year for which the determination is being made was not produced, or considered produced, on the farm.

"(B) EXCLUSIONS.—For the purposes of this paragraph, the farm poundage quota for any such preceding marketing year shall not include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

"(4) QUOTA CONSIDERED PRODUCED.—

"(A) IN GENERAL.—For purposes of this subsection, subject to subparagraph (B), the farm poundage quota shall be considered produced on a farm if—

"(i) the farm poundage quota was not produced on the farm because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, as determined by the Secretary;

"(ii) the farm poundage quota for the farm was released voluntarily under paragraph (7) for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; or

"(iii) the farm poundage quota was leased to another owner or operator of a farm within the same county for transfer to the farm for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made.

"(B) MARKETING YEARS.—For purposes of clauses (ii) and (iii) of subparagraph (A)—

"(i) the farm poundage quota leased or transferred shall be considered produced for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; and

"(ii) the farm shall not be considered to have produced for more than 1 marketing year out of the 3 immediately preceding marketing years.

"(5) QUOTA PERMANENTLY RELEASED.—Notwithstanding any other provision of law—

"(A) the farm poundage quota established for a farm under this subsection, or any part of the quota, may be permanently released by the owner of the farm, or the operator with the permission of the owner; and

"(B) the poundage quota for the farm for which the quota is released shall be adjusted downward to reflect the quota that is released.

"(6) ALLOCATION OF QUOTAS REDUCED OR RELEASED.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the total quantity of the farm poundage quotas reduced or voluntarily released from farms in a State for any marketing year under paragraphs (3) and (5) shall be allocated, as the Secretary may by regulation prescribe, to other farms in the State on which peanuts were produced in at least 2 of the 3 crop years immediately preceding the year for which the allocation is being made.

"(B) SET-ASIDE FOR FARMS WITH NO QUOTA.—The total amount of farm poundage quota to be allocated in the State under subparagraph (A) shall be allocated to farms in the State for which no farm poundage quota was established for the crop of the immediately preceding year. The allocation to any such farm shall not exceed the average farm production of peanuts for the 3 immediately preceding years during which peanuts were produced on the farm. Any farm poundage quota remaining after allocation to farms under this subparagraph shall be allocated to farms in the State on which poundage quotas were established for the crop of the immediately preceding year.

"(7) QUOTA TEMPORARILY RELEASED.—

"(A) IN GENERAL.—The farm poundage quota, or any portion of the quota, established for a farm for a marketing year may be voluntarily released to the Secretary to the extent that the quota, or any part of the quota, will not be produced on the farm for the marketing year. Any farm poundage quota so released in a State shall be allocated to other farms in the State on such basis as the Secretary may by regulation prescribe.

"(B) EFFECTIVE PERIOD.—Except as otherwise provided in this section, any adjustment in the farm poundage quota for a farm under subparagraph (A) shall be effective only for the marketing year for which the adjustment is made and shall not be taken into consideration in establishing a farm poundage quota for the farm from which the quota was released for any subsequent marketing year.

"(c) FARM YIELDS.—

"(1) IN GENERAL.—For each farm for which a farm poundage quota is established under subsection (b), and when necessary for purposes of this Act, a farm yield of peanuts shall be determined for each such farm.

"(2) QUANTITY.—The yield shall be equal to the average of the actual yield per acre on the farm for each of the 3 crop years in which yields were highest on the farm during the 5-year period consisting of the 1973 through 1977 crop years.

"(3) APPRAISED YIELDS.—If peanuts were not produced on the farm in at least 3 years during the 5-year period or there was a substantial change in the operation of the farm during the period (including a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that quantity determined to be fair and reasonable on the basis of yields established for similar farms that are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

"(d) REFERENDUM RESPECTING POUNDAGE QUOTAS.—

"(1) IN GENERAL.—Not later than December 15 of each calendar year, the Secretary shall conduct a referendum of producers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether the producers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the 5 calendar years immediately following the year in which the referendum is held, except that, if at least ⅔ of the producers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the remaining years of the 5-calendar year period.

"(2) PROCLAMATION.—The Secretary shall proclaim the result of the referendum within 30 days after the date on which the referendum is held.

"(3) VOTE AGAINST QUOTAS.—If more than ⅓ of the producers voting in the referendum vote against poundage quotas, the Secretary shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held.

"(e) DEFINITIONS.—In this part and the Agricultural Market Transition Act:

"(1) ADDITIONAL PEANUTS.—The term 'additional peanuts' means, for any marketing year—

"(A) any peanuts that are marketed from a farm for which a farm poundage quota has been established and that are in excess of the marketings of quota peanuts from the farm for the year; and

"(B) all peanuts marketed from a farm for which no farm poundage quota has been established in accordance with subsection (b).

"(2) CRUSH.—The term 'crush' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary.

"(3) DOMESTIC EDIBLE USE.—The term 'domestic edible use' means use for milling to produce domestic food peanuts (other than a use described in paragraph (2)) and seed and use on a farm, except that the Secretary may exempt from this paragraph seeds of peanuts that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

"(4) QUOTA PEANUTS.—The term 'quota peanuts' means, for any marketing year, any peanuts produced on a farm having a farm poundage quota, as determined under subsection (b), that—

"(A) are eligible for domestic edible use as determined by the Secretary;

"(B) are marketed or considered marketed from a farm; and

"(C) do not exceed the farm poundage quota of the farm for the year.

"(f) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.".

(d) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—Section 358b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b) is amended to read as follows:

"SEC. 358b. SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA FOR 1996 THROUGH 2000 CROPS OF PEANUTS.

"(a) In General.—

"(1) Authority.—

"(A) In general.—Subject to such terms, conditions, or limitations as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm poundage quota has been established under this Act may sell or lease all or any part of the poundage quota to any other owner or operator of a farm within the same county for transfer to the farm, except that any such lease of poundage quota may be entered into in the fall or after the normal planting season—

"(i) if not less than 90 percent of the basic quota (consisting of the farm quota and temporary quota transfers), plus any poundage quota transferred to the farm under this subsection, has been planted or considered planted on the farm from which the quota is to be leased; and

"(ii) under such terms and conditions as the Secretary may by regulation prescribe.

"(B) Fall transfers.—

"(i) No transfer authorization.—In the case of a fall transfer or a transfer after the normal planting season by a cash lessee, the landowner shall not be required to sign the transfer authorization.

"(ii) Time limitation.—A fall transfer or a transfer after the normal planting season may be made not later than 72 hours after the peanuts that are the subject of the transfer are inspected and graded.

"(iii) Lessees.—In the case of a fall transfer, poundage quota from a farm may be leased to an owner or operator of another farm within the same county or to an owner or operator of another farm in any other county within the State.

"(iv) Effect of transfer.—A fall transfer of poundage quota shall not affect the farm quota history for the transferring or receiving farm and shall not result in the reduction of the farm poundage quota on the transferring farm.

"(2) Transfers to other self-owned farms.—The owner or operator of a farm may transfer all or any part of the farm poundage quota for the farm to any other farm owned or controlled by the owner or operator that is in the same State and that had a farm poundage quota for the crop of the preceding year, if both the transferring and receiving farms were under the control of the owner or operator for at least 3 crop years prior to the crop year in which the farm poundage quota is to be transferred. Any farm poundage quota transferred under this paragraph shall not result in any reduction in the farm poundage quota for the transferring farm if sufficient acreage is planted on the receiving farm to produce the quota pounds transferred.

"(3) Transfers within states with small quotas.—In the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota may be transferred by sale or lease or otherwise from a farm in 1 county to a farm in another county in the same State.

"(4) Transfers between states having quotas of less than 10,000 tons.—Notwithstanding paragraphs (1) through (3), in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota up to 1,000 tons may be transferred by sale or lease from a farm in 1 such State to a farm in another such State.

"(5) Transfers by sale in states having quotas of 10,000 tons or more.—

"(A) In general.—Subject to the other provisions of this paragraph and such terms and conditions as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm quota has been established under this Act in a State having a poundage quota of 10,000 tons or more may sell poundage quota to any other eligible owner or operator of a farm within the same State.

"(B) Limitations based on total poundage quota.—

"(i) 1996 marketing year.—Not more than 15 percent of the total poundage quota within a county as of January 1, 1996, may be sold and transferred under this paragraph during the 1996 marketing year.

"(ii) 1997-2002 marketing years.—

"(I) In general.—Except as provided in subclause (II), not more than 5 percent of the quota pounds remaining in a county as of January 1, 1997, and each January 1 thereafter through January 1, 2002, may be sold and transferred under this paragraph during the applicable marketing year.

"(II) Carryover.—Any eligible quota that is not sold or transferred under clause (i) shall be eligible for sale or transfer under subclause (I).

"(C) County limitation.—Not more than 40 percent of the total poundage quota within a county may be sold and transferred under this paragraph.

"(D) Subsequent leases or sales.—Quota pounds sold and transferred to a farm under this paragraph may not be leased or sold by the farm to another owner or operator of a farm within the same State for a period of 5 years following the date of the original transfer to the farm.

"(E) Application.—This paragraph shall not apply to a sale within the same county or to any sale, lease, or transfer described in paragraph (1).

"(b) Conditions.—Transfers (including transfer by sale or lease) of farm poundage quotas under this section shall be subject to all of the following conditions:

"(1) Lienholders.—No transfer of the farm poundage quota from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders.

"(2) Tillable cropland.—No transfer of the farm poundage quota shall be permitted if the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) determines that the receiving farm does not have adequate tillable cropland to produce the farm poundage quota.

"(3) Record.—No transfer of the farm poundage quota shall be effective until a record of the transfer is filed with the county committee of each county to, and from, which the transfer is made and each committee determines that the transfer complies with this section.

"(4) Other terms.—The Secretary may establish by regulation other terms and conditions.

"(c) Crops.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2000 crops of peanuts.".

(e) Marketing Penalties; Disposition of Additional Peanuts.—Section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a) is amended to read as follows:

"SEC. 358e. MARKETING PENALTIES AND DISPOSITION OF ADDITIONAL PEANUTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.

"(a) Marketing Penalties.—

"(1) In general.—

"(A) Marketing peanuts in excess of quota.—The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which the peanuts are produced shall be subject to a penalty at a rate equal to 140 percent of the support price for quota peanuts for the marketing year in which the marketing occurs. The penalty shall not apply to the marketing of breeder or Foundation seed peanuts grown and marketed by a publicly owned agricultural experiment station (including a State operated seed organization) under such regulations as the Secretary may prescribe.

"(B) Marketing year.—For purposes of this section, the marketing year for peanuts shall be the 12-month period beginning August 1 and ending July 31.

"(C) Marketing additional peanuts.—The marketing of any additional peanuts from a farm shall be subject to the same penalty as the penalty prescribed in subparagraph (A) unless the peanuts, in accordance with regulations established by the Secretary, are—

"(i) placed under loan at the additional loan rate in effect for the peanuts under section 106 of the Agricultural Market Transition Act and not redeemed by the producers;

"(ii) marketed through an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

"(iii) marketed under contracts between handlers and producers pursuant to subsection (f).

"(2) Payer.—The penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer or, if the peanuts are marketed by the producer through an agent, the penalty shall be paid by the agent. The person or agent may deduct an amount equivalent to the penalty from the price paid to the producer.

"(3) Failure to collect.—If the person required to collect the penalty fails to collect the penalty, the person and all persons entitled to share in the peanuts marketed from the farm or the proceeds of the marketing shall be jointly and severally liable with the persons who failed to collect the penalty for the amount of the penalty.

"(4) Application of quota.—Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning in the calendar year shall be subject to the quotas even though the peanuts are marketed prior to the date on which the marketing year begins.

"(5) False information.—If any producer falsely identifies, fails to accurately certify planted acres, or fails to account for the disposition of any peanuts produced on the planted acres, a quantity of peanuts equal to the greater of the average or actual yield of the farm, as determined by the Secretary, multiplied by the number of planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts. Any penalty payable under this paragraph shall be paid and remitted by the producer.

"(6) Unintentional violations.—The Secretary shall authorize, under such regulations as the Secretary shall issue, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or reduce marketing penalties provided for under this subsection in cases with respect to which the committees determine that the violations that were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned.

"(7) DE MINIMIS VIOLATIONS.—An error in weight that does not exceed 1/10 of 1 percent in the case of any 1 marketing document shall not be considered to be a marketing violation except in a case of fraud or conspiracy.

"(b) USE OF QUOTA AND ADDITIONAL PEANUTS.—

"(1) QUOTA PEANUTS.—Only quota peanuts may be retained for use as seed or for other uses on a farm. When peanuts are so retained, the retention shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts for the quantity involved that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

"(2) ADDITIONAL PEANUTS.—Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use, except as provided in subsection (g).

"(3) SEED.—Except as provided in paragraph (1), seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

"(c) MARKETING PEANUTS WITH EXCESS QUANTITY, GRADE, OR QUALITY.—On a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by the handler from the crop for the marketing year, the handler shall be subject to a penalty equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts that the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

"(d) HANDLING AND DISPOSAL OF ADDITIONAL PEANUTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act.

"(2) NONSUPERVISION OF HANDLERS.—

"(A) IN GENERAL.—Supervision of the handling and disposal of additional peanuts by a handler shall not be required under paragraph (1) if the handler agrees in writing, prior to any handling or disposal of the peanuts, to comply with regulations that the Secretary shall issue.

"(B) REGULATIONS.—The regulations issued by the Secretary under subparagraph (A) shall include the following provisions:

"(i) TYPES OF EXPORTED OR CRUSHED PEANUTS.—Handlers of shelled or milled peanuts may export or crush peanuts classified by type in each of the following quantities:

"(I) SOUND SPLIT KERNEL PEANUTS.—Sound split kernel peanuts purchased by the handler as additional peanuts to which, under price support loan schedules, a mandated deduction with respect to the price paid to the producer of the peanuts would be applied due to the percentage of the sound splits.

"(II) SOUND MATURE KERNEL PEANUTS.—Sound mature kernel peanuts (which term includes sound split kernel peanuts and sound whole kernel peanuts) in an amount equal to the poundage of the peanuts purchased by the handler as additional peanuts, less the total poundage of sound split kernel peanuts described in subclause (I).

"(III) REMAINDER.—The remaining quantity of total kernel content of peanuts purchased by the handler as additional peanuts.

"(ii) DOCUMENTATION.—Handlers shall ensure that any additional peanuts exported or crushed are evidenced by onboard bills of lading or other appropriate documentation as may be required by the Secretary, or both.

"(iii) LOSS OF PEANUTS.—If a handler suffers a loss of peanuts as a result of fire, flood, or any other condition beyond the control of the handler, the portion of the loss allocated to contracted additional peanuts shall not be greater than the portion of the total peanut purchases of the handler for the year attributable to contracted additional peanuts purchased for export or crushing by the handler during the year.

"(iv) SHRINKAGE ALLOWANCE.—

"(I) IN GENERAL.—The obligation of a handler to export or crush peanuts in quantities described in this subparagraph shall be reduced by a shrinkage allowance, to be determined by the Secretary, to reflect actual dollar value shrinkage experienced by handlers in commercial operations, except that the allowance shall not be less than 4 percent, except as provided in subclause (II).

"(II) COMMON INDUSTRY PRACTICES.—The Secretary may provide a lower shrinkage allowance for a handler who fails to comply with restrictions on the use of peanuts, as may be specified by the Commodity Credit Corporation, to take into account common industry practices.

"(3) ADEQUATE FINANCES AND FACILITIES.—A handler shall submit to the Secretary adequate financial guarantees, as well as evidence of adequate facilities and assets, with respect to the facilities under the control and operation of the handler, to ensure the compliance of the handler with the obligation to export peanuts.

"(4) COMMINGLING OF LIKE PEANUTS.—Quota and additional peanuts of like type and segregation or quality may, under regulations issued by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

"(5) PENALTY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the failure by a handler to comply with regulations issued by the Secretary governing the disposition and handling of additional peanuts shall subject the handler to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts involved in the violation.

"(B) NONDELIVERY.—A handler shall not be subject to a penalty for failure to export additional peanuts if the peanuts were not delivered to the handler.

"(6) REENTRY OF EXPORTED PEANUTS.—

"(A) PENALTY.—If any additional peanuts or peanut products exported by a handler are reentered into the United States in commercial quantities as determined by the Secretary, the importer of the peanuts and peanut products shall be subject to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts reentered.

"(B) RECORDS.—Each person, firm, or handler who imports peanuts into the United States shall maintain such records and documents as are required by the Secretary to ensure compliance with this subsection.

"(e) SPECIAL EXPORT CREDITS.—

"(1) IN GENERAL.—The Secretary shall, with due regard for the integrity of the peanut program, promulgate regulations that will permit any handler of peanuts who manufactures peanut products from domestic edible peanuts to export the products and receive credit for the fulfillment of export obligations for the peanut content of the products against which export credit the handler may subsequently apply, up to the amount of the credit, equivalent quantities of additional peanuts of the same type acquired by the handler and used in the domestic edible market. The peanuts so acquired for the domestic edible market as provided in this subsection shall be of the same crop year as the peanuts used in the manufacture of the products so exported.

"(2) CERTIFICATION.—Under the regulations, the Secretary shall require all handlers who are peanut product manufacturers to submit annual certifications of peanut product content on a product-by-product basis. Any changes in peanut product formulas as affecting peanut content shall be recorded within 90 days after the changes. The Secretary shall conduct an annual review of the certifications. The Secretary shall pursue all available remedies with respect to persons who fail to comply with this paragraph.

"(3) RECORDS.—The Secretary shall require handlers who are peanut product manufacturers to maintain and provide such documents as are necessary to ensure compliance with this subsection and to maintain the integrity of the peanut program.

"(f) CONTRACTS FOR PURCHASE OF ADDITIONAL PEANUTS.—

"(1) IN GENERAL.—A handler may, under such regulations as the Secretary may issue, contract with a producer for the purchase of additional peanuts for crushing or export, or both.

"(2) SUBMISSION TO SECRETARY.—

"(A) CONTRACT DEADLINE.—Any such contract shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval not later than September 15 of the year in which the crop is produced.

"(B) EXTENSION OF DEADLINE.—The Secretary may extend the deadline under subparagraph (A) by up to 15 days in response to damaging weather or related condition (as defined in section 112 of the Disaster Assistance Act of 1989 (Public Law 101–82; 7 U.S.C. 1421 note)). The Secretary shall announce the extension not later than September 5 of the year in which the crop is produced.

"(3) FORM.—The contract shall be executed on a form prescribed by the Secretary. The form shall require such information as the Secretary determines appropriate to ensure the proper handling of the additional peanuts, including the identity of the contracting parties, poundage and category of the peanuts, the disclosure of any liens, and the intended disposition of the peanuts.

"(4) INFORMATION FOR HANDLING AND PROCESSING ADDITIONAL PEANUTS.—Notwithstanding any other provision of this section, any person wishing to handle and process additional peanuts as a handler shall submit to the Secretary (or if designated by the Secretary, the area marketing association), such information as may be required under subsection (d) by such date as is prescribed by the Secretary so as to permit final action to be taken on the application by July 1 of each marketing year.

"(5) TERMS.—Each such contract shall contain the final price to be paid by the handler for the peanuts involved and a specific prohibition against the disposition of the peanuts for domestic edible or seed use.

"(6) SUSPENSION OF RESTRICTIONS ON IMPORTED PEANUTS.—Notwithstanding any other provision of this Act, if the President issues a proclamation under section 404(b) of the Uruguay Round Agreements Act (19 U.S.C. 3601(b)) expanding the quantity of peanuts subject to the in-quota rate of duty under a tariff-rate quota, or under section 22 of the Agricultural Adjustment Act (7 U.S.C. 624), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, temporarily suspending restrictions on the importation of peanuts, the Secretary shall, subject to such terms and conditions as the Secretary may prescribe, permit a handler, with the written consent of the producer, to purchase additional peanuts from any producer who contracted with the handler and to offer the peanuts for sale for domestic edible use.

"(g) MARKETING OF PEANUTS OWNED OR CONTROLLED BY THE COMMODITY CREDIT CORPORATION.—

"(1) IN GENERAL.—Subject to section 104(k) of the Agricultural Market Transition Act, any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use, in accordance with regulations issued by the Secretary, so long as doing so does not result in substantially increased cost to the Commodity Credit Corporation. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices that are not less than the prices that are required to cover all costs incurred with respect to the peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus—

"(A) not less than 100 percent of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season on delivery by and with the written consent of the producer;

"(B) not less than 105 percent of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year; or

"(C) not less than 107 percent of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year.

"(2) ACCEPTANCE OF BIDS BY AREA MARKETING ASSOCIATIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), for the period from the date additional peanuts are delivered for loan to March 1 of the calendar year following the year in which the additional peanuts were harvested, the area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act shall have sole authority to accept or reject lot list bids when the sales price, as determined under this subsection, equals or exceeds the minimum price at which the Commodity Credit Corporation may sell the stocks of additional peanuts of the Corporation.

"(B) MODIFICATION.—The area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by subparagraph (A) to facilitate the orderly marketing of additional peanuts.

"(3) PRODUCER MARKETING AND EXPENSES.—Notwithstanding any other provision of this Act, the Secretary shall, in any determination required under paragraphs (1)(B) and (2)(A) of section 106(a) of the Agricultural Market Transition Act, include any additional marketing expenses required by law, excluding the amount of any assessment required under section 106(a)(7) of the Agricultural Market Transition Act.

"(h) ADMINISTRATION.—

"(1) INTEREST.—The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest on the penalty at a rate per annum equal to the rate per annum of interest that was charged the Commodity Credit Corporation by the Treasury of the United States on the date the penalty became due.

"(2) DE MINIMIS QUANTITY.—This section shall not apply to peanuts produced on any farm on which the acreage harvested for peanuts is 1 acre or less if the producers who share in the peanuts produced on the farm do not share in the peanuts produced on any other farm.

"(3) LIENS.—Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which the penalty is incurred, and on any subsequent crop of peanuts subject to farm poundage quotas in which the person liable for payment of the penalty has an interest, shall be in effect in favor of the United States.

"(4) PENALTIES.—

"(A) PROCEDURES.—Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary may by regulation prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Federal Government.

"(B) JUDICIAL REVIEW.—Nothing in this section prohibits any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether the determination was made in conformity with applicable law.

"(C) CIVIL PENALTIES.—All penalties imposed under this section shall for all purposes be considered civil penalties.

"(5) REDUCTION OF PENALTIES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B) and notwithstanding any other provision of law, the Secretary may reduce the amount of any penalty assessed against handlers under this section by any appropriate amount, including, in an appropriate case, eliminating the penalty entirely, if the Secretary finds that the violation on which the penalty is based was minor or inadvertent, and that the reduction of the penalty will not impair the operation of the peanut program.

"(B) FAILURE TO EXPORT CONTRACTED ADDITIONAL PEANUTS.—The amount of any penalty imposed on a handler under this section that resulted from the failure to export or crush contracted additional peanuts shall not be reduced by the Secretary.

"(i) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.".

(f) PEANUT STANDARDS.—

(1) INSPECTION; QUALITY ASSURANCE.—

(A) INITIAL ENTRY.—The Secretary shall require all peanuts and peanut products sold in the United States to be initially placed in a bonded, licensed warehouse approved by the Secretary for the purpose of inspection and grading by the Secretary, the Commissioner of the Food and Drug Administration, and the heads of other appropriate agencies of the United States.

(B) PRELIMINARY INSPECTION.—Peanuts and peanut products shall be held in the warehouse until inspected by the Secretary, the Commissioner of the Food and Drug Administration, or the head of another appropriate agency of the United States, for chemical residues, general cleanliness, disease, size, aflatoxin, stripe virus, and other harmful conditions, and an assurance of compliance with all grade and quality standards specified under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937).

(C) SEPARATION OF LOTS.—All imported peanuts shall be maintained separately from, and shall not be commingled with, domestically produced peanuts in the warehouse.

(D) ORIGIN OF PEANUT PRODUCTS.—

(i) LABELING.—A peanut product shall be labeled with a label that indicates the origin of the peanuts contained in the product.

(ii) SOURCE.—No peanut product may contain both imported and domestically produced peanuts.

(iii) IMPORTED PEANUT PRODUCTS.—The first seller of an imported peanut product shall certify that the product is made from raw peanuts that meet the same quality and grade standards that apply to domestically produced peanuts.

(E) DOCUMENTATION.—No peanuts or peanut products may be transferred, shipped, or otherwise released from a warehouse described in subparagraph (A) unless accompanied by a United States Government inspection certificate that certifies compliance with this paragraph.

(2) HANDLING AND STORAGE.—

(A) TEMPERATURE AND HUMIDITY.—The Secretary shall require all shelled peanuts sold in the United States to be maintained at a temperature of not more than 37 degrees Fahrenheit and a humidity range of 60 to 68 percent at all times during handling and storage prior to sale and shipment.

(B) CONTAINERS.—The peanuts shall be shipped in a container that provides the maximum practicable protection against moisture and insect infestation.

(C) IN-SHELL PEANUTS.—The Secretary shall require that all in-shell peanuts be reduced to a moisture level not exceeding 10 percent immediately on being harvested and be stored in a facility that will ensure quality maintenance and will provide proper ventilation at all times prior to sale and shipment.

(3) LABELING.—The Secretary shall require that all peanuts and peanut products sold in the United States contain labeling that lists the country or countries in which the peanuts, including all peanuts used to manufacture the peanut products, were produced.

(4) INSPECTION AND TESTING.—

(A) IN GENERAL.—All peanuts and peanut products sold in the United States shall be inspected and tested for grade and quality.

(B) CERTIFICATION.—All peanuts or peanut products offered for sale in, or imported into, the United States shall be accompanied by a certification by the first seller or importer that the peanuts or peanut products do not contain residues of any pesticide not approved for use in, or importation into, the United States.

(5) NUTRITIONAL LABELING.—The Secretary shall require all peanuts and peanut products

sold in the United States to contain complete nutritional labeling information as required under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.).

(6) PEANUT CONTENT.—

(A) OFFSET AGAINST HTS QUANTITY.—The actual quantity of peanuts, by weight, used to manufacture, and ultimately contained in, peanut products imported into the United States shall be accounted for and offset against the total quantity of peanut imports allowed under the in-quota quantity of the tariff-rate quota established for peanuts under the Harmonized Tariff Schedule of the United States.

(B) VERIFICATION.—The Secretary shall establish standards and procedures for the purpose of verifying the actual peanut content of peanut products imported into the United States.

(7) PLANT DISEASES.—The Secretary, in consultation with the heads of other appropriate agencies of the United States, shall ensure that all peanuts in the domestic edible market are inspected and tested to ensure that they are free of all plant diseases.

(8) ADMINISTRATION.—

(A) FEES.—The Secretary shall by regulation fix and collect fees and charges to cover the costs of any inspection or testing performed under this subsection.

(B) CERTIFICATION.—

(i) IN GENERAL.—The Secretary may require the first seller of peanuts sold in the United States to certify that the peanuts comply with this subsection.

(ii) FRAUD AND FALSE STATEMENTS.—Section 1001 of title 18, United States Code, shall apply to a certification made under this subsection.

(C) STANDARDS AND PROCEDURES.—In consultation with the heads of other appropriate agencies of the United States, the Secretary shall establish standards and procedures to provide for the enforcement of, and ensure compliance with, this subsection.

(D) FAILURE TO MEET STANDARDS.—Peanuts or peanut products that fail to meet standards established under this subsection shall be returned to the seller and exported or crushed pursuant to section 358e(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a(d)).

(9) CHANGE OF VENUE.—In any case in which an area pool or a marketing association brings, joins, or seeks to join a civil action in a United States district court to enforce this subsection, the district court may not transfer the action to any other district or division over the objection of the pool or marketing association.

(g) EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.—Section 358c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358c) is amended to read as follows:

"SEC. 358c. EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.

"(a) IN GENERAL.—Notwithstanding any other provision of this Act, the Secretary may permit a portion of the poundage quota for peanuts apportioned to any State to be allocated from the quota reserve of the State to land-grant institutions identified in the Act of May 8, 1914 (38 Stat. 372, chapter 79; 7 U.S.C. 341 et seq.), and colleges eligible to receive funds under the Act of August 30, 1890 (26 Stat. 419, chapter 841; 7 U.S.C. 321 et seq.), including Tuskegee Institute and, as appropriate, the Agricultural Research Service of the Department of Agriculture to be used for experimental and research purposes.

"(b) QUANTITY.—The quantity of the quota allocated to an institution under this section shall not exceed the quantity of the quota held by each such institution during the 1985 crop year, except that the total quantity allocated to all institutions in a State shall not exceed 1/10 of 1 percent of the basic quota of the State.

"(c) LIMITATION.—The director of the agricultural experiment station for a State shall be required to ensure, to the extent practicable, that farm operators in the State do not produce quota peanuts under subsection (a) in excess of the quantity needed for experimental and research purposes.

"(d) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.".

(h) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before "all brokers and dealers in peanuts" the following: "all producers engaged in the production of peanuts,".

(i) REGULATIONS.—The Secretary of Agriculture shall issue such regulations as are necessary to carry out this section and the amendments made by this section. In issuing the regulations, the Secretary shall—

(1) comply with subchapter II of chapter 5 of title 5, United States Code;

(2) provide public notice through the Federal Register of any such proposed regulations; and

(3) allow adequate time for written public comment prior to the formulation and issuance of any final regulations.

AMENDMENT NO. 3342

Strike the section relating to the peanut program and insert the following:

SEC. 106. PEANUT PROGRAM.

(a) PRICE SUPPORT PROGRAM.—

(1) QUOTA PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts for each of the 1996 through 2002 crops.

(B) SUPPORT RATES.—

(i) IN GENERAL.—Subject to clause (ii), the national average quota support rate for each of the 1996 through 2002 crops of quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase or decrease, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land and the cost of any assessments required under paragraph (7).

(ii) MAXIMUM RATE.—In no event shall the national average quota support rate for any such crop be increased or decreased by more than 5 percent of the national average quota support rate for the preceding crop.

(C) INSPECTION, HANDLING, OR STORAGE.—The level of support determined under subparagraph (B) shall not be reduced by any deduction for inspection, handling, or storage.

(D) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 104(i).

(E) ANNOUNCEMENT.—The Secretary shall announce the level of support for quota peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(2) ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1996 through 2002 crops at such levels as the Secretary considers appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(B) ANNOUNCEMENT.—The Secretary shall announce the level of support for additional peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(3) AREA MARKETING ASSOCIATIONS.—

(A) WAREHOUSE STORAGE LOANS.—

(i) IN GENERAL.—In carrying out paragraphs (1) and (2), the Secretary shall make warehouse storage loans available in each of the 3 producing areas described in section 1446.95 of title 7, Code of Federal Regulations (as of January 1, 1989), to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this subsection and sections 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(ii) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—The area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(iii) ASSOCIATION COSTS.—Loans made to an area marketing association under this subparagraph shall include, in addition to the price support value of the peanuts, such costs as the association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(B) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Peanuts produced outside New Mexico shall not be eligible for entry into or participation in the separate pools established for Valencia peanuts produced in New Mexico. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(ii) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(I) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

(II) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in subclause (I).

(4) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(A) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(2)(B)(v) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)).

(B) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(C) ADDITIONAL PEANUT GAINS.—Further losses in an area quota pool shall be offset by gains or profits attributable to sales of additional peanuts in that area for domestic edible and other uses.

(D) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under paragraph (7) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under paragraph (7) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(E) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(2)(B)(v) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)), shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(F) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under paragraph (7) by such an amount as the Secretary considers necessary to cover the losses. Amounts collected under paragraph (7) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(5) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)).

(6) QUALITY IMPROVEMENT.—

(A) PRICE SUPPORT PEANUTS.—With respect to peanuts under price support loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts at a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use are shown to have been officially inspected by licensed Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut price support program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(iv) ensure that any changes made in the price support program as a result of this paragraph requiring additional production or handling at the farm level are reflected as an upward adjustment in the Department of Agriculture loan schedule.

(B) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts, including peanuts imported into the United States, meet all United States quality standards under Marketing Agreement No. 146 and that importers of the peanuts fully comply with inspection, handling, storage, and processing requirements implemented under Marketing Agreement No. 146. The Secretary shall ensure that peanuts produced for the export market meet quality, inspection, handling, storage, and processing requirements under Marketing Agreement No. 146.

(7) MARKETING ASSESSMENT.—

(A) IN GENERAL.—The Secretary shall provide, by regulation, for a nonrefundable marketing assessment applicable to each of the 1996 through 2002 crops of peanuts. The assessment shall be made in accordance with this paragraph and shall be on a per pound basis in an amount equal to 1.2 percent of the national average quota or additional peanut support rate per pound, as applicable, for the applicable crop. No peanuts shall be assessed more than 1.2 percent of the applicable support rate under this paragraph.

(B) FIRST PURCHASERS.—

(i) IN GENERAL.—Except as provided under subparagraphs (C) and (D), the first purchaser of peanuts shall—

(I) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by .65 percent of the applicable national average support rate;

(II) pay, in addition to the amount collected under subclause (I), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average support rate; and

(III) remit the amounts required under subclauses (I) and (II) to the Commodity Credit Corporation in a manner specified by the Secretary.

(ii) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(iii) DEFINITION.—In this paragraph, the term "first purchaser" means a person acquiring peanuts from a producer, except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(C) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(D) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a price support loan made under this subsection, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For the purposes of computing net gains on peanuts under this subsection, the reduction in loan proceeds shall be treated as having been paid to the producer.

(E) PENALTIES.—If any person fails to collect or remit the reduction required by this paragraph or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this paragraph, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(i) the quantity of peanuts involved in the violation; by

(ii) the national average quota peanut price support level for the applicable crop year.

(F) ENFORCEMENT.—The Secretary may enforce this paragraph in the courts of the United States.

(8) CROPS.—Notwithstanding any other provision of law, this subsection shall be effective only for the 1996 through 2002 crops of peanuts.

(b) SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.—Section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) shall not be applicable to the 1996 through 2002 crops of peanuts.

(c) NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS.—Section 358–1 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1) is amended to read as follows:

"SEC. 358–1. NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.

"(a) NATIONAL POUNDAGE QUOTAS.—

"(1) ESTABLISHMENT.—The national poundage quota for peanuts for each of the 1996 through 2002 marketing years shall be established by the Secretary at a level that is equal to the quantity of peanuts (in tons) that the Secretary estimates will be devoted in each such marketing year to domestic edible and related uses, excluding seed. The Secretary shall include in the annual estimate of domestic edible and related uses, the estimated quantity of peanuts and peanut products to be imported into the United States for the marketing year for which the quota is being established.

"(2) ANNOUNCEMENT.—The national poundage quota for a marketing year shall be announced by the Secretary not later than the December 15 preceding the marketing year.

"(3) APPORTIONMENT AMONG STATES.—The national poundage quota established under paragraph (1) shall be apportioned among the States so that the poundage quota allocated to each State is equal to the percentage of the national poundage quota allocated to farms in the State for 1995.

"(b) FARM POUNDAGE QUOTAS.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—A farm poundage quota for each of the 1996 through 2002 marketing years shall be established—

"(i) for each farm that had a farm poundage quota for peanuts for the 1995 marketing year;

"(ii) if the poundage quota apportioned to a State under subsection (a)(3) for any such marketing year is larger than the quota for the immediately preceding marketing year, for each other farm on which peanuts were produced for marketing in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary; and

"(iii) as approved and determined by the Secretary under section 358c, for each farm on which peanuts are produced in connection with experimental and research programs.

"(B) QUANTITY.—

"(i) IN GENERAL.—The farm poundage quota for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(i) shall be the same as the farm poundage quota for the farm for the immediately preceding marketing year, as adjusted under paragraph (2), but not including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

"(ii) INCREASED QUOTA.—The farm poundage quota, if any, for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(ii) shall be equal to the quantity of peanuts allocated to the farm for the year under paragraph (2).

"(C) TRANSFERS.—For purposes of this subsection, if the farm poundage quota, or any part of the quota, is permanently transferred in accordance with section 358b, the receiving farm shall be considered as possessing the farm poundage quota (or portion of the quota) of the transferring farm for all subsequent marketing years.

"(2) ADJUSTMENTS.—

"(A) ALLOCATION OF INCREASED QUOTA GENERALLY.—Subject to subparagraphs (B) and (D), if the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is increased over the poundage quota apportioned to farms in the State for the immediately preceding marketing year, the increase shall be allocated proportionately, based on farm production history for peanuts for the 3 immediately preceding years, among—

"(i) all farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made; and

"(ii) all other farms in the State on which peanuts were produced in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary.

"(B) TEMPORARY QUOTA ALLOCATION.—

"(i) IN GENERAL.—Subject to clause (iv), temporary allocation of a poundage quota for the marketing year in which a crop of peanuts is planted shall be made to producers for each of the 1996 through 2002 marketing years in accordance with this subparagraph.

"(ii) QUANTITY.—The temporary quota allocation shall be equal to the quantity of seed peanuts (in pounds) planted on a farm, as determined in accordance with regulations issued by the Secretary.

"(iii) ALLOCATION.—The allocation of quota pounds to producers under this subparagraph shall be performed in such a manner as will not result in a net decrease in quota pounds on a farm in excess of 3 percent, after the temporary seed quota is added, from the basic farm quota for the 1995 marketing year. A decrease shall occur only once, shall be applicable only to the 1996 marketing year.

"(iv) NO INCREASED COSTS.—The Secretary may carry out this subparagraph only if this subparagraph does not result in—

"(I) an increased cost to the Commodity Credit Corporation through displacement of quota peanuts by additional peanuts in the domestic market;

"(II) an increased loss in a loan pool of an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

"(III) other increased costs.

"(v) TRANSFER OF ADDITIONAL PEANUTS.—

"(I) IN GENERAL.—Except as provided in subclause (II), additional peanuts on a farm from which the quota poundage was not harvested and marketed may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall provide by regulation.

"(II) LIMITATIONS.—The poundage of peanuts transferred under subclause (I) shall not exceed 25 percent of the total farm poundage quota, excluding pounds transferred in the fall.

"(III) SUPPORT RATE.—Peanuts transferred under this clause shall be supported at a rate of 70 percent of the quota support rate for the marketing years during which the transfers occur.

"(vi) USE OF QUOTA AND ADDITIONAL PEANUTS.—Nothing in this subparagraph affects the requirements of section 358b(b).

"(vii) ADDITIONAL ALLOCATION.—The temporary allocation of quota pounds under this subparagraph shall be in addition to the farm poundage quota established under this subsection and shall be credited to the producers of the peanuts on the farm in accordance with regulations issued by the Secretary.

"(C) DECREASE.—If the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is decreased from the poundage quota apportioned to farms in the State under subsection (a)(3) for the immediately preceding marketing year, the decrease shall be allocated among all the farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made.

"(D) SPECIAL RULE ON TENANT'S SHARE OF INCREASED QUOTA.—Subject to terms and conditions prescribed by the Secretary, on farms that were leased to a tenant for peanut production, the tenant shall share equally with the owner of the farm in the percentage of the quota made available under subparagraph (A) and otherwise allocated to the farm as the result of the production of the tenant on the farm of additional peanuts. Not later than April 1 of each year or as soon as practicable during the year, the share of the tenant of any such quota shall be allocated to a farm within the county owned by the tenant or sold by the tenant to the owner of any farm within the county and permanently transferred to the farm. Any quota not so disposed of as provided in this subparagraph shall be allocated to other quota farms in the State under paragraph (6) as part of the quota reduced from farms in the State due to the failure to produce the quota.

"(3) QUOTA NOT PRODUCED.—

"(A) IN GENERAL.—Insofar as practicable and on such fair and equitable basis as the Secretary may by regulation prescribe, the farm poundage quota established for a farm for any of the 1996 through 2002 marketing years shall be reduced to the extent that the Secretary determines that the farm poundage quota established for the farm for any 2 of the 3 marketing years preceding the marketing year for which the determination is being made was not produced, or considered produced, on the farm.

"(B) EXCLUSIONS.—For the purposes of this paragraph, the farm poundage quota for any such preceding marketing year shall not include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

"(4) QUOTA CONSIDERED PRODUCED.—

"(A) IN GENERAL.—For purposes of this subsection, subject to subparagraph (B), the farm poundage quota shall be considered produced on a farm if—

"(i) the farm poundage quota was not produced on the farm because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, as determined by the Secretary;

"(ii) the farm poundage quota for the farm was released voluntarily under paragraph (7) for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; or

"(iii) the farm poundage quota was leased to another owner or operator of a farm within the same county for transfer to the farm for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made.

"(B) MARKETING YEARS.—For purposes of clauses (ii) and (iii) of subparagraph (A)—

"(i) the farm poundage quota leased or transferred shall be considered produced for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; and

"(ii) the farm shall not be considered to have produced for more than 1 marketing year out of the 3 immediately preceding marketing years.

"(5) QUOTA PERMANENTLY RELEASED.—Notwithstanding any other provision of law—

"(A) the farm poundage quota established for a farm under this subsection, or any part of the quota, may be permanently released by the owner of the farm, or the operator with the permission of the owner; and

"(B) the poundage quota for the farm for which the quota is released shall be adjusted downward to reflect the quota that is released.

"(6) ALLOCATION OF QUOTAS REDUCED OR RELEASED.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the total quantity of the farm poundage quotas reduced or voluntarily released from farms in a State for any marketing year under paragraphs (3) and (5) shall be allocated, as the Secretary may by regulation prescribe, to other farms in the State on which peanuts were produced in at least 2 of the 3 crop years immediately preceding the year for which the allocation is being made.

"(B) SET-ASIDE FOR FARMS WITH NO QUOTA.—The total amount of farm poundage quota to be allocated in the State under subparagraph (A) shall be allocated to farms in the State for which no farm poundage quota was established for the crop of the immediately preceding year. The allocation to any such farm shall not exceed the average farm production of peanuts for the 3 immediately preceding years during which peanuts were produced on the farm. Any farm poundage quota remaining after allocation to farms under this subparagraph shall be allocated to farms in the State on which poundage quotas were established for the crop of the immediately preceding year.

"(7) QUOTA TEMPORARILY RELEASED.—

"(A) IN GENERAL.—The farm poundage quota, or any portion of the quota, established for a farm for a marketing year may be voluntarily released to the Secretary to the extent that the quota, or any part of the quota, will not be produced on the farm for the marketing year. Any farm poundage quota so released in a State shall be allocated to other farms in the State on such basis as the Secretary may by regulation prescribe.

"(B) EFFECTIVE PERIOD.—Except as otherwise provided in this section, any adjustment in the farm poundage quota for a farm under subparagraph (A) shall be effective only for the marketing year for which the adjustment is made and shall not be taken into consideration in establishing a farm poundage quota for the farm from which the quota was released for any subsequent marketing year.

"(c) FARM YIELDS.—

"(1) IN GENERAL.—For each farm for which a farm poundage quota is established under subsection (b), and when necessary for purposes of this Act, a farm yield of peanuts shall be determined for each such farm.

"(2) QUANTITY.—The yield shall be equal to the average of the actual yield per acre on the farm for each of the 3 crop years in which yields were highest on the farm during the 5-year period consisting of the 1973 through 1977 crop years.

"(3) APPRAISED YIELDS.—If peanuts were not produced on the farm in at least 3 years during the 5-year period or there was a substantial change in the operation of the farm during the period (including a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that quantity determined to be fair and reasonable on the basis of yields established for similar farms that are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

"(d) REFERENDUM RESPECTING POUNDAGE QUOTAS.—

"(1) IN GENERAL.—Not later than December 15 of each calendar year, the Secretary shall conduct a referendum of producers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether the producers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the 5 calendar years immediately following the year in which the referendum is held, except that, if at least ⅔ of the producers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the remaining years of the 5-calendar year period.

"(2) PROCLAMATION.—The Secretary shall proclaim the result of the referendum within 30 days after the date on which the referendum is held.

"(3) VOTE AGAINST QUOTAS.—If more than ⅓ of the producers voting in the referendum vote against poundage quotas, the Secretary shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held.

"(e) DEFINITIONS.—In this part and the Agricultural Market Transition Act:

"(1) ADDITIONAL PEANUTS.—The term 'additional peanuts' means, for any marketing year—

"(A) any peanuts that are marketed from a farm for which a farm poundage quota has been established and that are in excess of the marketings of quota peanuts from the farm for the year; and

"(B) all peanuts marketed from a farm for which no farm poundage quota has been established in accordance with subsection (b).

"(2) CRUSH.—The term 'crush' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary.

"(3) DOMESTIC EDIBLE USE.—The term 'domestic edible use' means use for milling to produce domestic food peanuts (other than a use described in paragraph (2)) and seed and use on a farm, except that the Secretary may exempt from this paragraph seeds of peanuts that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

"(4) QUOTA PEANUTS.—The term 'quota peanuts' means, for any marketing year, any peanuts produced on a farm having a farm poundage quota, as determined under subsection (b), that—

"(A) are eligible for domestic edible use as determined by the Secretary;

"(B) are marketed or considered marketed from a farm; and

"(C) do not exceed the farm poundage quota of the farm for the year.

"(f) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.".

(d) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—Section 358b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b) is amended to read as follows:

"SEC. 358b. SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA FOR 1996 THROUGH 2000 CROPS OF PEANUTS.

"(a) IN GENERAL.—

"(1) AUTHORITY.—

"(A) IN GENERAL.—Subject to such terms, conditions, or limitations as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm poundage quota has been established under this Act may sell or lease all or any part of the poundage quota to any other owner or operator of a farm within the same county for transfer to the farm, except that any such lease of poundage quota may be entered into in the fall or after the normal planting season—

"(i) if not less than 90 percent of the basic quota (consisting of the farm quota and temporary quota transfers), plus any poundage quota transferred to the farm under this subsection, has been planted or considered planted on the farm from which the quota is to be leased; and

"(ii) under such terms and conditions as the Secretary may by regulation prescribe.

"(B) FALL TRANSFERS.—

"(i) NO TRANSFER AUTHORIZATION.—In the case of a fall transfer or a transfer after the normal planting season by a cash lessee, the landowner shall not be required to sign the transfer authorization.

"(ii) TIME LIMITATION.—A fall transfer or a transfer after the normal planting season may be made not later than 72 hours after the peanuts that are the subject of the transfer are inspected and graded.

"(iii) LESSEES.—In the case of a fall transfer, poundage quota from a farm may be leased to an owner or operator of another farm within the same county or to an owner or operator of another farm in any other county within the State.

"(iv) EFFECT OF TRANSFER.—A fall transfer of poundage quota shall not affect the farm quota history for the transferring or receiving farm and shall not result in the reduction of the farm poundage quota on the transferring farm.

"(2) TRANSFERS TO OTHER SELF-OWNED FARMS.—The owner or operator of a farm may transfer all or any part of the farm poundage quota for the farm to any other farm owned or controlled by the owner or operator that is in the same State and that had a farm poundage quota for the crop of the preceding year, if both the transferring and receiving farms were under the control of the owner or operator for at least 3 crop years prior to the crop year in which the farm poundage quota is to be transferred. Any farm poundage quota transferred under this paragraph shall not result in any reduction in the farm poundage quota for the transferring farm if sufficient acreage is planted on the receiving farm to produce the quota pounds transferred.

"(3) TRANSFERS WITHIN STATES WITH SMALL QUOTAS.—In the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota may be transferred by sale or lease or otherwise from a farm in 1 county to a farm in another county in the same State.

"(4) TRANSFERS BETWEEN STATES HAVING QUOTAS OF LESS THAN 10,000 TONS.—Notwithstanding paragraphs (1) through (3), in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota up to 1,000 tons may be transferred by sale or lease from a farm in 1 such State to a farm in another such State.

"(5) TRANSFERS BY SALE IN STATES HAVING QUOTAS OF 10,000 TONS OR MORE.—

"(A) IN GENERAL.—Subject to the other provisions of this paragraph and such terms and conditions as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm quota has been established under this Act in a State having a poundage quota of 10,000 tons or more may sell poundage quota to any other eligible owner or operator of a farm within the same State.

"(B) LIMITATIONS BASED ON TOTAL POUNDAGE QUOTA.—

"(i) 1996 MARKETING YEAR.—Not more than 15 percent of the total poundage quota within a county as of January 1, 1996, may be sold and transferred under this paragraph during the 1996 marketing year.

"(ii) 1997–2002 MARKETING YEARS.—

"(I) IN GENERAL.—Except as provided in subclause (II), not more than 5 percent of the quota pounds remaining in a county as of January 1, 1997, and each January 1 thereafter through January 1, 2002, may be sold and transferred under this paragraph during the applicable marketing year.

"(II) CARRYOVER.—Any eligible quota that is not sold or transferred under clause (i) shall be eligible for sale or transfer under subclause (I).

"(C) COUNTY LIMITATION.—Not more than 40 percent of the total poundage quota within a county may be sold and transferred under this paragraph.

"(D) SUBSEQUENT LEASES OR SALES.—Quota pounds sold and transferred to a farm under this paragraph may not be leased or sold by the farm to another owner or operator of a farm within the same State for a period of 5 years following the date of the original transfer to the farm.

"(E) APPLICATION.—This paragraph shall not apply to a sale within the same county or to any sale, lease, or transfer described in paragraph (1).

"(b) CONDITIONS.—Transfers (including transfer by sale or lease) of farm poundage quotas under this section shall be subject to all of the following conditions:

"(1) LIENHOLDERS.—No transfer of the farm poundage quota from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders.

"(2) TILLABLE CROPLAND.—No transfer of the farm poundage quota shall be permitted if the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) determines that the receiving farm does not have adequate tillable cropland to produce the farm poundage quota.

"(3) RECORD.—No transfer of the farm poundage quota shall be effective until a record of the transfer is filed with the county committee of each county to, and from, which the transfer is made and each committee determines that the transfer complies with this section.

"(4) OTHER TERMS.—The Secretary may establish by regulation other terms and conditions.

"(c) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2000 crops of peanuts.".

(e) MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS.—Section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a) is amended to read as follows:

"SEC. 358e. MARKETING PENALTIES AND DISPOSITION OF ADDITIONAL PEANUTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.

"(a) MARKETING PENALTIES.—

"(1) IN GENERAL.—

"(A) MARKETING PEANUTS IN EXCESS OF QUOTA.—The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which the peanuts are produced shall be subject to a penalty at a rate equal to 140 percent of the support price for quota peanuts for the marketing year in which the marketing occurs. The penalty shall not apply to the marketing of breeder or Foundation seed peanuts grown and marketed by a publicly owned agricultural experiment station (including a State operated seed organization) under such regulations as the Secretary may prescribe.

"(B) MARKETING YEAR.—For purposes of this section, the marketing year for peanuts shall be the 12-month period beginning August 1 and ending July 31.

"(C) MARKETING ADDITIONAL PEANUTS.—The marketing of any additional peanuts from a farm shall be subject to the same penalty as the penalty prescribed in subparagraph (A) unless the peanuts, in accordance with regulations established by the Secretary, are—

"(i) placed under loan at the additional loan rate in effect for the peanuts under section 106 of the Agricultural Market Transition Act and not redeemed by the producers;

"(ii) marketed through an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

"(iii) marketed under contracts between handlers and producers pursuant to subsection (f).

"(2) PAYER.—The penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer or, if the peanuts are marketed by the producer through an agent, the penalty shall be paid by the agent. The person or agent may deduct an amount equivalent to the penalty from the price paid to the producer.

"(3) FAILURE TO COLLECT.—If the person required to collect the penalty fails to collect the penalty, the person and all persons entitled to share in the peanuts marketed from the farm or the proceeds of the marketing shall be jointly and severally liable with the persons who failed to collect the penalty for the amount of the penalty.

"(4) APPLICATION OF QUOTA.—Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning in the calendar year shall be subject to the quotas even though the peanuts are marketed prior to the date on which the marketing year begins.

"(5) FALSE INFORMATION.—If any producer falsely identifies, fails to accurately certify planted acres, or fails to account for the disposition of any peanuts produced on the planted acres, a quantity of peanuts equal to the greater of the average or actual yield of the farm, as determined by the Secretary, multiplied by the number of planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts. Any penalty payable under this paragraph shall be paid and remitted by the producer.

"(6) UNINTENTIONAL VIOLATIONS.—The Secretary shall authorize, under such regulations as the Secretary shall issue, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or reduce marketing penalties provided for under this subsection in cases with respect to which the committees determine that the violations that were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned.

"(7) DE MINIMIS VIOLATIONS.—An error in weight that does not exceed ⅒ of 1 percent in the case of any 1 marketing document shall not be considered to be a marketing violation except in a case of fraud or conspiracy.

"(b) USE OF QUOTA AND ADDITIONAL PEANUTS.—

"(1) QUOTA PEANUTS.—Only quota peanuts may be retained for use as seed or for other uses on a farm. When peanuts are so retained, the retention shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts for the quantity involved that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

"(2) ADDITIONAL PEANUTS.—Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use, except as provided in subsection (g).

"(3) SEED.—Except as provided in paragraph (1), seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

"(c) MARKETING PEANUTS WITH EXCESS QUANTITY, GRADE, OR QUALITY.—On a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by the handler from the crop for the marketing year, the handler shall be subject to a penalty equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts that the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

"(d) HANDLING AND DISPOSAL OF ADDITIONAL PEANUTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act.

"(2) NONSUPERVISION OF HANDLERS.—

"(A) IN GENERAL.—Supervision of the handling and disposal of additional peanuts by a handler shall not be required under paragraph (1) if the handler agrees in writing, prior to any handling or disposal of the peanuts, to comply with regulations that the Secretary shall issue.

"(B) REGULATIONS.—The regulations issued by the Secretary under subparagraph (A) shall include the following provisions:

"(i) TYPES OF EXPORTED OR CRUSHED PEANUTS.—Handlers of shelled or milled peanuts may export or crush peanuts classified by type in each of the following quantities:

"(I) SOUND SPLIT KERNEL PEANUTS.—Sound split kernel peanuts purchased by the handler as additional peanuts to which, under price support loan schedules, a mandated deduction with respect to the price paid to the producer of the peanuts would be applied due to the percentage of the sound splits.

"(II) SOUND MATURE KERNEL PEANUTS.—Sound mature kernel peanuts (which term includes sound split kernel peanuts and sound whole kernel peanuts) in an amount equal to the poundage of the peanuts purchased by the handler as additional peanuts, less the total poundage of sound split kernel peanuts described in subclause (I).

"(III) REMAINDER.—The remaining quantity of total kernel content of peanuts purchased by the handler as additional peanuts.

"(ii) DOCUMENTATION.—Handlers shall ensure that any additional peanuts exported or crushed are evidenced by onboard bills of lading or other appropriate documentation as may be required by the Secretary, or both.

"(iii) LOSS OF PEANUTS.—If a handler suffers a loss of peanuts as a result of fire, flood, or any other condition beyond the control of the handler, the portion of the loss allocated to contracted additional peanuts shall not be greater than the portion of the total peanut purchases of the handler for the year attributable to contracted additional peanuts purchased for export or crushing by the handler during the year.

"(iv) SHRINKAGE ALLOWANCE.—

"(I) IN GENERAL.—The obligation of a handler to export or crush peanuts in quantities described in this subparagraph shall be reduced by a shrinkage allowance, to be determined by the Secretary, to reflect actual dollar value shrinkage experienced by handlers in commercial operations, except that the allowance shall not be less than 4 percent, except as provided in subclause (II).

"(II) COMMON INDUSTRY PRACTICES.—The Secretary may provide a lower shrinkage allowance for a handler who fails to comply with restrictions on the use of peanuts, as may be specified by the Commodity Credit Corporation, to take into account common industry practices.

"(3) ADEQUATE FINANCES AND FACILITIES.—A handler shall submit to the Secretary adequate financial guarantees, as well as evidence of adequate facilities and assets, with respect to the facilities under the control and operation of the handler, to ensure the compliance of the handler with the obligation to export peanuts.

"(4) COMMINGLING OF LIKE PEANUTS.—Quota and additional peanuts of like type and segregation or quality may, under regulations issued by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

"(5) PENALTY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the failure by a handler to comply with regulations issued by the Secretary governing the disposition and handling of additional peanuts shall subject the handler to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts involved in the violation.

"(B) NONDELIVERY.—A handler shall not be subject to a penalty for failure to export additional peanuts if the peanuts were not delivered to the handler.

"(6) REENTRY OF EXPORTED PEANUTS.—

"(A) PENALTY.—If any additional peanuts or peanut products exported by a handler are reentered into the United States in commercial quantities as determined by the Secretary, the importer of the peanuts and peanut products shall be subject to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts reentered.

"(B) RECORDS.—Each person, firm, or handler who imports peanuts into the United States shall maintain such records and documents as are required by the Secretary to ensure compliance with this subsection.

"(e) SPECIAL EXPORT CREDITS.—

"(1) IN GENERAL.—The Secretary shall, with due regard for the integrity of the peanut program, promulgate regulations that will permit any handler of peanuts who manufactures peanut products from domestic edible peanuts to export the products and receive credit for the fulfillment of export obligations for the peanut content of the products against which export credit the handler may subsequently apply, up to the amount of the credit, equivalent quantities of additional peanuts of the same type acquired by the handler and used in the domestic edible market. The peanuts so acquired for the domestic edible market as provided in this subsection shall be of the same crop year as the peanuts used in the manufacture of the products so exported.

"(2) CERTIFICATION.—Under the regulations, the Secretary shall require all handlers who are peanut product manufacturers to submit annual certifications of peanut product content on a product-by-product basis. Any changes in peanut product formulas as affecting peanut content shall be recorded within 90 days after the changes. The Secretary shall conduct an annual review of the certifications. The Secretary shall pursue all available remedies with respect to persons who fail to comply with this paragraph.

"(3) RECORDS.—The Secretary shall require handlers who are peanut product manufacturers to maintain and provide such documents as are necessary to ensure compliance with this subsection and to maintain the integrity of the peanut program.

"(f) CONTRACTS FOR PURCHASE OF ADDITIONAL PEANUTS.—

"(1) IN GENERAL.—A handler may, under such regulations as the Secretary may issue, contract with a producer for the purchase of additional peanuts for crushing or export, or both.

"(2) SUBMISSION TO SECRETARY.—

"(A) CONTRACT DEADLINE.—Any such contract shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval not later than September 15 of the year in which the crop is produced.

"(B) EXTENSION OF DEADLINE.—The Secretary may extend the deadline under subparagraph (A) by up to 15 days in response to damaging weather or related condition (as defined in section 112 of the Disaster Assistance Act of 1989 (Public Law 101-82; 7 U.S.C. 1421 note)). The Secretary shall announce the extension not later than September 5 of the year in which the crop is produced.

"(3) FORM.—The contract shall be executed on a form prescribed by the Secretary. The form shall require such information as the Secretary determines appropriate to ensure the proper handling of the additional peanuts, including the identity of the contracting parties, poundage and category of the peanuts, the disclosure of any liens, and the intended disposition of the peanuts.

"(4) INFORMATION FOR HANDLING AND PROCESSING ADDITIONAL PEANUTS.—Notwithstanding any other provision of this section, any person wishing to handle and process additional peanuts as a handler shall submit to the Secretary (or if designated by the Secretary, the area marketing association), such information as may be required under subsection (d) by such date as is prescribed by the Secretary so as to permit final action to be taken on the application by July 1 of each marketing year.

"(5) TERMS.—Each such contract shall contain the final price to be paid by the handler for the peanuts involved and a specific prohibition against the disposition of the peanuts for domestic edible or seed use.

"(6) SUSPENSION OF RESTRICTIONS ON IMPORTED PEANUTS.—Notwithstanding any other provision of this Act, if the President issues a proclamation under section 404(b) of the Uruguay Round Agreements Act (19 U.S.C. 3601(b)) expanding the quantity of peanuts subject to the in-quota rate of duty under a tariff-rate quota, or under section 22 of the Agricultural Adjustment Act (7 U.S.C. 624), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, temporarily suspending restrictions on the importation of peanuts, the Secretary shall, subject to such terms and conditions as the Secretary may prescribe, permit a handler, with the written consent of the producer, to purchase additional peanuts from any producer who contracted with the handler and to offer the peanuts for sale for domestic edible use.

"(g) MARKETING OF PEANUTS OWNED OR CONTROLLED BY THE COMMODITY CREDIT CORPORATION.—

"(1) IN GENERAL.—Subject to section 104(k) of the Agricultural Market Transition Act, any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use, in accordance with regulations issued by the Secretary, so long as doing so does not result in substantially increased cost to the Commodity Credit Corporation. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices that are not less than the prices that are required to cover all costs incurred with respect to the peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus—

"(A) not less than 100 percent of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season on delivery by and with the written consent of the producer;

"(B) not less than 105 percent of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year; or

"(C) not less than 107 percent of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year.

"(2) ACCEPTANCE OF BIDS BY AREA MARKETING ASSOCIATIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), for the period from the date additional peanuts are delivered for loan to March 1 of the calendar year following the year in which the additional peanuts were harvested, the area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act shall have sole authority to accept or reject lot list bids when the sales price, as determined under this subsection, equals or exceeds the minimum price at which the Commodity Credit Corporation may sell the stocks of additional peanuts of the Corporation.

"(B) MODIFICATION.—The area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by subparagraph (A) to facilitate the orderly marketing of additional peanuts.

"(3) PRODUCER MARKETING AND EXPENSES.—Notwithstanding any other provision of this Act, the Secretary shall, in any determination required under paragraphs (1)(B) and (2)(A) of section 106(a) of the Agricultural Market Transition Act, include any additional marketing expenses required by law, excluding the amount of any assessment required under section 106(a)(7) of the Agricultural Market Transition Act.

"(h) ADMINISTRATION.—

"(1) INTEREST.—The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest on the penalty at a rate per annum equal to the rate per annum of interest that was charged the Commodity Credit Corporation by the Treasury of the United States on the date the penalty became due.

"(2) DE MINIMIS QUANTITY.—This section shall not apply to peanuts produced on any farm on which the acreage harvested for peanuts is 1 acre or less if the producers who share in the peanuts produced on the farm do not share in the peanuts produced on any other farm.

"(3) LIENS.—Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which the penalty is incurred, and on any subsequent crop of peanuts subject to farm poundage quotas in which the person liable for payment of the penalty has an interest, shall be in effect in favor of the United States.

"(4) PENALTIES.—

"(A) PROCEDURES.—Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary may by regulation prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Federal Government.

"(B) JUDICIAL REVIEW.—Nothing in this section prohibits any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether the determination was made in conformity with applicable law.

"(C) CIVIL PENALTIES.—All penalties imposed under this section shall for all purposes be considered civil penalties.

"(5) REDUCTION OF PENALTIES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B) and notwithstanding any other provision of law, the Secretary may reduce the amount of any penalty assessed against handlers under this section by any appropriate amount, including, in an appropriate case, eliminating the penalty entirely, if the Secretary finds that the violation on which the penalty is based was minor or inadvertent, and that the reduction of the penalty will not impair the operation of the peanut program.

"(B) FAILURE TO EXPORT CONTRACTED ADDITIONAL PEANUTS.—The amount of any penalty imposed on a handler under this section that resulted from the failure to export or crush contracted additional peanuts shall not be reduced by the Secretary.

"(i) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.".

(f) PEANUT STANDARDS.—

(1) LABELING.—The Secretary shall require that all peanuts and peanut products sold in the United States contain labeling that lists the country or countries in which the peanuts, including all peanuts used to manufacture the peanut products, were produced.

(2) INSPECTION AND TESTING.—

(A) IN GENERAL.—All peanuts and peanut products sold in the United States shall be inspected and tested for grade and quality.

(B) CERTIFICATION.—All peanuts or peanut products offered for sale in, or imported into, the United States shall be accompanied by a certification by the first seller or importer that the peanuts or peanut products do not contain residues of any pesticide not approved for use in, or importation into, the United States.

(3) PEANUT CONTENT.—

(A) OFFSET AGAINST HTS QUANTITY.—The actual quantity of peanuts, by weight, used to manufacture, and ultimately contained in, peanut products imported into the United States shall be accounted for and offset against the total quantity of peanut imports allowed under the in-quota quantity of the tariff-rate quota established for peanuts under the Harmonized Tariff Schedule of the United States.

(B) VERIFICATION.—The Secretary shall establish standards and procedures for the purpose of verifying the actual peanut content of peanut products imported into the United States.

(4) CHANGE OF VENUE.—In any case in which an area pool or a marketing association brings, joins, or seeks to join a civil action in a United States district court to enforce this subsection, the district court may not transfer the action to any other district or division over the objection of the pool or marketing association.

(g) EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.—Section 358c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358c) is amended to read as follows:

"SEC. 358c. EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.

"(a) IN GENERAL.—Notwithstanding any other provision of this Act, the Secretary may permit a portion of the poundage quota for peanuts apportioned to any State to be allocated from the quota reserve of the State to land-grant institutions identified in the Act of May 8, 1914 (38 Stat. 372, chapter 79; 7 U.S.C. 341 et seq.), and colleges eligible to receive funds under the Act of August 30, 1890 (26 Stat. 419, chapter 841; 7 U.S.C. 321 et seq.), including Tuskegee Institute and, as appropriate, the Agricultural Research Service of the Department of Agriculture to be used for experimental and research purposes.

"(b) QUANTITY.—The quantity of the quota allocated to an institution under this section shall not exceed the quantity of the quota held by each such institution during the 1985 crop year, except that the total quantity allocated to all institutions in a State shall not exceed 1/10 of 1 percent of the basic quota of the State.

"(c) LIMITATION.—The director of the agricultural experiment station for a State shall be required to ensure, to the extent practicable, that farm operators in the State do not produce quota peanuts under subsection (a) in excess of the quantity needed for experimental and research purposes.

"(d) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.".

(h) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before "all brokers and dealers in peanuts" the following: "all producers engaged in the production of peanuts,".

(i) REGULATIONS.—The Secretary of Agriculture shall issue such regulations as are necessary to carry out this section and the amendments made by this section. In issuing the regulations, the Secretary shall—

(1) comply with subchapter II of chapter 5 of title 5, United States Code;

(2) provide public notice through the Federal Register of any such proposed regulations; and

(3) allow adequate time for written public comment prior to the formulation and issuance of any final regulations.

AMENDMENT No. 3343

Strike the section relating to the peanut program and insert the following:

SEC. 106. PEANUT PROGRAM.

(a) QUOTA PEANUTS.—

(1) AVAILABILITY OF LOANS.—The Secretary shall make nonrecourse loans available to producers of quota peanuts.

(2) LOAN RATE.—The national average quota loan rate for quota peanuts shall be $610 per ton.

(3) INSPECTION, HANDLING, OR STORAGE.—The loan amount may not be reduced by the Secretary by any deductions for inspection, handling, or storage.

(4) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments in the loan rate for quota peanuts for location of peanuts and such other factors as are authorized by section 411 of the Agricultural Adjustment Act of 1938.

(b) ADDITIONAL PEANUTS.—

(1) IN GENERAL.—

(A) RATES.—Subject to subparagraph (B), the Secretary shall make nonrecourse loans available to producers of additional peanuts at such rates as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

(B) LIMITATION.—The Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(2) ANNOUNCEMENT.—The Secretary shall announce the loan rate for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the loan rate is being determined.

(c) AREA MARKETING ASSOCIATIONS.—

(1) WAREHOUSE STORAGE LOANS.—

(A) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(B) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—An area marketing association shall be used in administrative and supervisory activities relating to loans and marketing activities under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(C) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include such costs as the area marketing association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(2) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

(B) ELIGIBILITY TO PARTICIPATE.—

(i) IN GENERAL.—Except as provided in clause (ii), in the case of the 1996 and subsequent crops, Valencia peanuts not physically produced in the State of New Mexico shall not be eligible to participate in the pools of the State.

(ii) EXCEPTION.—A resident of the State of New Mexico may enter Valencia peanuts that are produced outside of the State into the pools of the State in a quantity that is not greater than the 1995 crop of the resident.

(C) TYPES OF PEANUTS.—Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(D) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(i) QUOTA PEANUTS.—For quota peanuts, the sum of—

(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool; and

(II) an amount from all additional pool gains equal to any loss on the disposition of all peanuts in the pool for quota peanuts.

(ii) ADDITIONAL PEANUTS.—For additional peanuts, the difference between—

(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts; and

(II) any amount allocated to offset any loss on the pool for quota peanuts.

(d) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(1) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)).

(2) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(3) ADDITIONAL PEANUT GAINS.—Further losses in an area quota pool shall be offset by gains or profits attributable to sales of additional peanuts in that area for domestic edible and other uses.

(4) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under subsection (g) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(5) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)), shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(6) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under subsection (g) by such an amount as the Secretary considers necessary to cover the losses. Amounts collected under subsection (g) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(e) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no loan for quota peanuts may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(d)).

(f) QUALITY IMPROVEMENT.—

(1) IN GENERAL.—With respect to peanuts under loan, the Secretary shall—

(A) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

(B) ensure that all Commodity Credit Corporation inventories of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(C) continue to endeavor to operate the peanut program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(D) ensure that any changes made in the peanut program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department loan schedule.

(2) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts in the domestic and export markets fully comply with all quality standards under Marketing Agreement No. 146.

(g) MARKETING ASSESSMENT.—

(1) IN GENERAL.—The Secretary shall provide for a nonrefundable marketing assessment. The assessment shall be made on a per pound basis in an amount equal to 1.1 percent for each of the 1994 and 1995 crops, 1.15 percent for the 1996 crop, and 1.2 percent for each of the 1997 through 2002 crops, of the national average quota or additional peanut loan rate for the applicable crop.

(2) FIRST PURCHASERS.—

(A) IN GENERAL.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall—

(i) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by—

(I) in the case of each of the 1994 and 1995 crops, .55 percent of the applicable national average loan rate;

(II) in the case of the 1996 crop, .6 percent of the applicable national average loan rate; and

(III) in the case of each of the 1997 through 2002 crops, .65 percent of the applicable national average loan rate;

(ii) pay, in addition to the amount collected under clause (i), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average loan rate; and

(iii) remit the amounts required under clauses (i) and (ii) to the Commodity Credit Corporation in a manner specified by the Secretary.

(B) DEFINITION OF FIRST PURCHASER.—In this subsection, the term "first purchaser" means a person acquiring peanuts from a producer except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(3) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(4) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(5) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with the requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of peanuts involved in the violation; by

(B) the national average quota peanut rate for the applicable crop year.

(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(h) CROPS.—Subsections (a) through (f) shall be effective only for the 1996 through 2002 crops of peanuts.

(i) MARKETING QUOTAS.—

(1) IN GENERAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

(A) in section 358–1 (7 U.S.C. 1358–1)—

(i) in the section heading, by striking "**1991 through 1997 crops of**";

(ii) in subsections (a)(1), (b)(1)(B), (b)(2)(A), (b)(2)(C), and (b)(3)(A), by striking "of the 1991 through 1997 marketing years" each place it appears and inserting "marketing year";

(iii) in subsection (a)(3), by striking "1990" and inserting "1990, for the 1991 through 1995 marketing years, and 1995, for the 1996 through 2002 marketing years";

(iv) in subsection (b)(1)(A)—

(I) by striking "each of the 1991 through 1997 marketing years" and inserting "each marketing year"; and

(II) in clause (i), by inserting before the semicolon the following: ", in the case of the 1991 through 1995 marketing years, and the 1995 marketing year, in the case of the 1996 through 2002 marketing years"; and

(v) in subsection (f), by striking "1997" and inserting "2002";

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking "**1991 through 1995 crops of**"; and

(ii) in subsection (c), by striking "1995" and inserting "2002";

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking "1995" and inserting "2002"; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking "**for 1991 through 1997 crops of peanuts**"; and

(ii) in subsection (i), by striking "1997" and inserting "2002".

(2) ELIMINATION OF QUOTA FLOOR.—Section 358–1(a)(1) of the Act (7 U.S.C. 1358–1(a)(1)) is amended by striking the second sentence.

(3) TEMPORARY QUOTA ALLOCATION.—Section 358–1 of the Act (7 U.S.C. 1358–1) is amended—

(A) in subsection (a)(1), by striking "domestic edible, seed," and inserting "domestic edible use";

(B) in subsection (b)(2)—

(i) in subparagraph (A), by striking "subparagraph (B) and subject to"; and

(ii) by striking subparagraph (B) and inserting the following:

"(B) TEMPORARY QUOTA ALLOCATION.—

"(i) ALLOCATION RELATED TO SEED PEANUTS.—Temporary allocation of quota pounds for the marketing year only in which the crop is planted shall be made to producers for each of the 1996 through 2002 marketing years as provided in this subparagraph.

"(ii) QUANTITY.—The temporary quota allocation shall be equal to the pounds of seed peanuts planted on the farm, as may be adjusted under regulations prescribed by the Secretary.

"(iii) ADDITIONAL QUOTA.—The temporary allocation of quota pounds under this paragraph shall be in addition to the farm poundage quota otherwise established under this subsection and shall be credited, for the applicable marketing year only, in total to the producer of the peanuts on the farm in a manner prescribed by the Secretary.

"(iv) EFFECT OF OTHER REQUIREMENTS.—Nothing in this section alters or changes the requirements regarding the use of quota and additional peanuts established by section 358e(b)."; and

(C) in subsection (e)(3), strike "and seed and use on a farm".

(4) UNDERMARKETINGS.—Part VI of subtitle B of title III of the Act is amended—

(A) in section 358–1(b) (7 U.S.C. 1358–1(b))—

(i) in paragraph (1)(B), by striking "including—" and clauses (i) and (ii) and inserting "including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).";

(ii) in paragraph (3)(B), by striking "include—" and clauses (i) and (ii) and inserting "include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7)."; and

(iii) by striking paragraphs (8) and (9); and

(B) in section 358b(a) (7 U.S.C. 1358b(a))—

(i) in paragraph (1), by striking "(including any applicable under marketings)" both places it appears;

(ii) in paragraph (1)(A), by striking "of undermarketings and";

(iii) in paragraph (2), by striking "(including any applicable under marketings)"; and

(iv) in paragraph (3), by striking "(including any applicable undermarketings)".

(5) DISASTER TRANSFERS.—Section 358–1(b) of the Act (7 U.S.C. 1358–1(b)), as amended by paragraph (4)(A)(iii), is further amended by adding at the end the following:

"(8) DISASTER TRANSFERS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts produced on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation provide.

"(B) LIMITATION.—The poundage of peanuts transferred under subparagraph (A) shall not exceed the difference between—

"(i) the total quantity of peanuts meeting quality requirements for domestic edible use, as determined by the Secretary, marketed from the farm; and

"(ii) the total farm poundage quota, excluding quota pounds transferred to the farm in the fall.

"(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at 70 percent of the quota support rate for the marketing years in which the transfers occur. The transfers for a farm shall not exceed 25 percent of the total farm quota pounds, excluding pounds transferred in the fall.".

AMENDMENT NO. 3344

Strike the section relating to the peanut program and insert the following:

SEC. 106. PEANUT PROGRAM.

(a) QUOTA PEANUTS.—

(1) AVAILABILITY OF LOANS.—The Secretary shall make nonrecourse loans available to producers of quota peanuts.

(2) LOAN RATE.—The national average quota loan rate for quota peanuts shall be $678 per ton.

(3) INSPECTION, HANDLING, OR STORAGE.—The loan amount may not be reduced by the Secretary by any deductions for inspection, handling, or storage.

(4) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments in the loan rate for quota peanuts for location of peanuts and such other factors as are authorized by section 411 of the Agricultural Adjustment Act of 1938.

(b) ADDITIONAL PEANUTS.—

(1) IN GENERAL.—

(A) RATES.—Subject to subparagraph (B), the Secretary shall make nonrecourse loans available to producers of additional peanuts at such rates as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

(B) LIMITATION.—The Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(2) ANNOUNCEMENT.—The Secretary shall announce the loan rate for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the loan rate is being determined.

(c) AREA MARKETING ASSOCIATIONS.—

(1) WAREHOUSE STORAGE LOANS.—

(A) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(B) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—An area marketing association shall be used in administrative and supervisory activities relating to loans and marketing activities under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(C) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include such costs as the area marketing association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(2) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

(B) ELIGIBILITY TO PARTICIPATE.—

(i) IN GENERAL.—Except as provided in clause (ii), in the case of the 1996 and subsequent crops, Valencia peanuts not physically produced in the State of New Mexico shall not be eligible to participate in the pools of the State.

(ii) EXCEPTION.—A resident of the State of New Mexico may enter Valencia peanuts that are produced outside of the State into the pools of the State in a quantity that is not greater than the 1995 crop of the resident.

(C) TYPES OF PEANUTS.—Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(D) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(i) QUOTA PEANUTS.—For quota peanuts, the sum of—

(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool; and

(II) an amount from all additional pool gains equal to any loss on the disposition of all peanuts in the pool for quota peanuts.

(ii) ADDITIONAL PEANUTS.—For additional peanuts, the difference between—

(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts; and

(II) any amount allocated to offset any loss on the pool for quota peanuts.

(d) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(1) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)).

(2) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(3) ADDITIONAL PEANUT GAINS.—Further losses in an area quota pool shall be offset by gains or profits attributable to sales of additional peanuts in that area for domestic edible and other uses.

(4) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under subsection (g) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(5) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)), shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(6) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under subsection (g) by such an amount as the Secretary considers necessary to cover the losses. Amounts collected under subsection (g) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(e) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no loan for quota peanuts may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(d)).

(f) QUALITY IMPROVEMENT.—

(1) IN GENERAL.—

(A) PEANUTS UNDER LOAN.—With respect to peanuts under loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation inventories of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(iv) ensure that any changes made in the peanut program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department loan schedule.

(B) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts in the domestic and export markets fully comply with all quality standards under Marketing Agreement No. 146.

(2) PEANUT STANDARDS.—

(A) INSPECTION; QUALITY ASSURANCE.—

(i) INITIAL ENTRY.—The Secretary shall require all peanuts and peanut products sold in the United States to be initially placed in a bonded, licensed warehouse approved by the Secretary for the purpose of inspection and grading by the Secretary, the Commissioner of the Food and Drug Administration, and the heads of other appropriate agencies of the United States.

(ii) PRELIMINARY INSPECTION.—Peanuts and peanut products shall be held in the warehouse until inspected by the Secretary, the Commissioner of the Food and Drug Administration, or the head of another appropriate agency of the United States, for chemical residues, general cleanliness, disease, size, aflatoxin, stripe virus, and other harmful conditions, and an assurance of compliance with all grade and quality standards specified under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937).

(iii) SEPARATION OF LOTS.—All imported peanuts shall be maintained separately from, and shall not be commingled with, domestically produced peanuts in the warehouse.

(iv) ORIGIN OF PEANUT PRODUCTS.—

(I) LABELING.—A peanut product shall be labeled with a label that indicates the origin of the peanuts contained in the product.

(II) SOURCE.—No peanut product may contain both imported and domestically produced peanuts.

(III) IMPORTED PEANUT PRODUCTS.—The first seller of an imported peanut product shall certify that the product is made from raw peanuts that meet the same quality and grade standards that apply to domestically produced peanuts.

(v) DOCUMENTATION.—No peanuts or peanut products may be transferred, shipped, or otherwise released from a warehouse described in clause (i) unless accompanied by a United States Government inspection certificate that certifies compliance with this subparagraph.

(B) HANDLING AND STORAGE.—

(i) TEMPERATURE AND HUMIDITY.—The Secretary shall require all shelled peanuts sold in the United States to be maintained at a temperature of not more than 37 degrees Fahrenheit and a humidity range of 60 to 68 percent at all times during handling and storage prior to sale and shipment.

(ii) CONTAINERS.—The peanuts shall be shipped in a container that provides the maximum practicable protection against moisture and insect infestation.

(iii) IN-SHELL PEANUTS.—The Secretary shall require that all in-shell peanuts be reduced to a moisture level not exceeding 10 percent immediately on being harvested and be stored in a facility that will ensure quality maintenance and will provide proper ventilation at all times prior to sale and shipment.

(C) LABELING.—The Secretary shall require that all peanuts and peanut products sold in the United States contain labeling that lists the country or countries in which the peanuts, including all peanuts used to manufacture the peanut products, were produced.

(D) INSPECTION AND TESTING.—

(i) IN GENERAL.—All peanuts and peanut products sold in the United States shall be inspected and tested for grade and quality.

(ii) CERTIFICATION.—All peanuts or peanut products offered for sale in, or imported into, the United States shall be accompanied by a certification by the first seller or importer that the peanuts or peanut products do not contain residues of any pesticide not approved for use in, or importation into, the United States.

(E) NUTRITIONAL LABELING.—The Secretary shall require all peanuts and peanut products sold in the United States to contain complete nutritional labeling information as required under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.).

(F) PEANUT CONTENT.—

(i) OFFSET AGAINST HTS QUANTITY.—The actual quantity of peanuts, by weight, used to manufacture, and ultimately contained in, peanut products imported into the United States shall be accounted for and offset against the total quantity of peanut imports allowed under the in-quota quantity of the tariff-rate quota established for peanuts under the Harmonized Tariff Schedule of the United States.

(ii) VERIFICATION.—The Secretary shall establish standards and procedures for the purpose of verifying the actual peanut content of peanut products imported into the United States.

(G) PLANT DISEASES.—The Secretary, in consultation with the heads of other appropriate agencies of the United States, shall ensure that all peanuts in the domestic edible market are inspected and tested to ensure that they are free of all plant diseases.

(H) ADMINISTRATION.—

(i) FEES.—The Secretary shall by regulation fix and collect fees and charges to cover the costs of any inspection or testing performed under this paragraph.

(ii) CERTIFICATION.—

(I) IN GENERAL.—The Secretary may require the first seller of peanuts sold in the United States to certify that the peanuts comply with this paragraph.

(II) FRAUD AND FALSE STATEMENTS.—Section 1001 of title 18, United States Code, shall apply to a certification made under this paragraph.

(iii) STANDARDS AND PROCEDURES.—In consultation with the heads of other appropriate agencies of the United States, the Secretary shall establish standards and procedures to provide for the enforcement of, and ensure compliance with, this paragraph.

(iv) FAILURE TO MEET STANDARDS.—Peanuts or peanut products that fail to meet standards established under this paragraph shall be returned to the seller and exported or crushed pursuant to section 358e(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a(d)).

(I) CHANGE OF VENUE.—In any case in which an area pool or a marketing association brings, joins, or seeks to join a civil action in a United States district court to enforce this paragraph, the district court may not transfer the action to any other district or division over the objection of the pool or marketing association.

(g) MARKETING ASSESSMENT.—

(1) IN GENERAL.—The Secretary shall provide for a nonrefundable marketing assessment. The assessment shall be made on a per pound basis in an amount equal to 1.1 percent for each of the 1994 and 1995 crops, 1.15 percent for the 1996 crop, and 1.2 percent for each of the 1997 through 2002 crops, of the national average quota or additional peanut loan rate for the applicable crop.

(2) FIRST PURCHASERS.—

(A) IN GENERAL.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall—

(i) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by—

(I) in the case of each of the 1994 and 1995 crops, .55 percent of the applicable national average loan rate;

(II) in the case of the 1996 crop, .6 percent of the applicable national average loan rate; and

(III) in the case of each of the 1997 through 2002 crops, .65 percent of the applicable national average loan rate;

(ii) pay, in addition to the amount collected under clause (i), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average loan rate; and

(iii) remit the amounts required under clauses (i) and (ii) to the Commodity Credit Corporation in a manner specified by the Secretary.

(B) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(C) DEFINITION OF FIRST PURCHASER.—In this subsection, the term "first purchaser" means a person acquiring peanuts from a producer except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(3) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(4) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a loan

made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(5) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with the requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of peanuts involved in the violation; by

(B) the national average quota peanut rate for the applicable crop year.

(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(h) CROPS.—Subsections (a) through (f) shall be effective only for the 1996 through 2002 crops of peanuts.

(i) MARKETING QUOTAS.—

(1) IN GENERAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

(A) in section 358-1 (7 U.S.C. 1358-1)—

(i) in the section heading, by striking "**1991 THROUGH 1997 CROPS OF**";

(ii) in subsections (a)(1), (b)(1)(B), (b)(2)(A), (b)(2)(C), and (b)(3)(A), by striking "of the 1991 through 1997 marketing years" each place it appears and inserting "marketing year";

(iii) in subsection (a)(3), by striking "1990" and inserting "1990, for the 1991 through 1995 marketing years, and 1995, for the 1996 through 2002 marketing years";

(iv) in subsection (b)(1)(A)—

(I) by striking "each of the 1991 through 1997 marketing years" and inserting "each marketing year"; and

(II) in clause (i), by inserting before the semicolon the following: ", in the case of the 1991 through 1995 marketing years, and the 1995 marketing year, in the case of the 1996 through 2002 marketing years"; and

(v) in subsection (f), by striking "1997" and inserting "2002";

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking "**1991 THROUGH 1995 CROPS OF**"; and

(ii) in subsection (c), by striking "1995" and inserting "2002";

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking "1995" and inserting "2002"; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking "**FOR 1991 THROUGH 1997 CROPS OF PEANUTS**"; and

(ii) in subsection (i), by striking "1997" and inserting "2002".

(2) ELIMINATION OF QUOTA FLOOR.—Section 358-1(a)(1) of the Act (7 U.S.C. 1358-1(a)(1)) is amended by striking the second sentence.

(3) TEMPORARY QUOTA ALLOCATION.—Section 358-1 of the Act (7 U.S.C. 1358-1) is amended—

(A) in subsection (a)(1), by striking "domestic edible, seed," and inserting "domestic edible use";

(B) in subsection (b)(2)—

(i) in subparagraph (A), by striking "subparagraph (B) and subject to"; and

(ii) by striking subparagraph (B) and inserting the following:

"(B) TEMPORARY QUOTA ALLOCATION.—

"(i) ALLOCATION RELATED TO SEED PEANUTS.—Temporary allocation of quota pounds for the marketing year only in which the crop is planted shall be made to producers for each of the 1996 through 2002 marketing years as provided in this subparagraph.

"(ii) QUANTITY.—The temporary quota allocation shall be equal to the pounds of seed peanuts planted on the farm, as may be adjusted under regulations prescribed by the Secretary.

"(iii) ADDITIONAL QUOTA.—The temporary allocation of quota pounds under this paragraph shall be in addition to the farm poundage quota otherwise established under this subsection and shall be credited, for the applicable marketing year only, in total to the producer of the peanuts on the farm in a manner prescribed by the Secretary.

"(iv) EFFECT OF OTHER REQUIREMENTS.—Nothing in this section alters or changes the requirements regarding the use of quota and additional peanuts established by section 358e(b)."; and

(C) in subsection (e)(3), strike "and seed and use on a farm".

(4) UNDERMARKETINGS.—Part VI of subtitle B of title III of the Act is amended—

(A) in section 358-1(b) (7 U.S.C. 1358-1(b))—

(i) in paragraph (1)(B), by striking "including—" and clauses (i) and (ii) and inserting "including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).";

(ii) in paragraph (3)(B), by striking "include—" and clauses (i) and (ii) and inserting "include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7)."; and

(iii) by striking paragraphs (8) and (9); and

(B) in section 358b(a) (7 U.S.C. 1358b(a))—

(i) in paragraph (1), by striking "(including any applicable under marketings)" both places it appears;

(ii) in paragraph (1)(A), by striking "of undermarketings and";

(iii) in paragraph (2), by striking "(including any applicable under marketings)"; and

(iv) in paragraph (3), by striking "(including any applicable undermarketings)".

(5) DISASTER TRANSFERS.—Section 358-1(b) of the Act (7 U.S.C. 1358-1(b)), as amended by paragraph (4)(A)(iii), is further amended by adding at the end the following:

"(8) DISASTER TRANSFERS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts produced on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation provide.

"(B) LIMITATION.—The poundage of peanuts transferred under subparagraph (A) shall not exceed the difference between—

"(i) the total quantity of peanuts meeting quality requirements for domestic edible use, as determined by the Secretary, marketed from the farm; and

"(ii) the total farm poundage quota, excluding quota pounds transferred to the farm in the fall.

"(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at 70 percent of the quota support rate for the marketing years in which the transfers occur. The transfers for a farm shall not exceed 25 percent of the total farm quota pounds, excluding pounds transferred in the fall.".

(6) TRANSFERS OF FARM POUNDAGE QUOTAS.—Section 358b(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b(a)) is amended by adding at the end the following:

"(4) TRANSFERS BETWEEN STATES HAVING QUOTAS OF LESS THAN 10,000 TONS.—Notwithstanding paragraphs (1) through (3), in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota up to 1,000 tons may be transferred by sale or lease from a farm in 1 such State to a farm in another such State.".

AMENDMENT NO. 3345

Strike the section relating to the peanut program and insert the following:

SEC. 106. PEANUT PROGRAM.

(a) QUOTA PEANUTS.—

(1) AVAILABILITY OF LOANS.—The Secretary shall make nonrecourse loans available to producers of quota peanuts.

(2) LOAN RATE.—The national average quota loan rate for quota peanuts shall be $678 per ton.

(3) INSPECTION, HANDLING, OR STORAGE.—The loan amount may not be reduced by the Secretary by any deductions for inspection, handling, or storage.

(4) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments in the loan rate for quota peanuts for location of peanuts and such other factors as are authorized by section 411 of the Agricultural Adjustment Act of 1938.

(b) ADDITIONAL PEANUTS.—

(1) IN GENERAL.—

(A) RATES.—Subject to subparagraph (B), the Secretary shall make nonrecourse loans available to producers of additional peanuts at such rates as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

(B) LIMITATION.—The Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(2) ANNOUNCEMENT.—The Secretary shall announce the loan rate for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the loan rate is being determined.

(c) AREA MARKETING ASSOCIATIONS.—

(1) WAREHOUSE STORAGE LOANS.—

(A) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(B) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—An area marketing association shall be used in administrative and supervisory activities relating to loans and marketing activities under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(C) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include such costs as the area marketing association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(2) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

(B) ELIGIBILITY TO PARTICIPATE.—

(i) IN GENERAL.—Except as provided in clause (ii), in the case of the 1996 and subsequent crops, Valencia peanuts not physically produced in the State of New Mexico shall not be eligible to participate in the pools of the State.

(ii) EXCEPTION.—A resident of the State of New Mexico may enter Valencia peanuts that are produced outside of the State into the pools of the State in a quantity that is not greater than the 1995 crop of the resident.

(C) TYPES OF PEANUTS.—Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(D) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(i) QUOTA PEANUTS.—For quota peanuts, the sum of—

(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool; and

(II) an amount from all additional pool gains equal to any loss on the disposition of all peanuts in the pool for quota peanuts.

(ii) ADDITIONAL PEANUTS.—For additional peanuts, the difference between—

(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts; and

(II) any amount allocated to offset any loss on the pool for quota peanuts.

(d) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(1) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)).

(2) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(3) ADDITIONAL PEANUT GAINS.—Further losses in an area quota pool shall be offset by gains or profits attributable to sales of additional peanuts in that area for domestic edible and other uses.

(4) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under subsection (g) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(5) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)), shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(6) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under subsection (g) by such an amount as the Secretary considers necessary to cover the losses. Amounts collected under subsection (g) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(e) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no loan for quota peanuts may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(d)).

(f) QUALITY IMPROVEMENT.—

(1) IN GENERAL.—

(A) PEANUTS UNDER LOAN.—With respect to peanuts under loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation inventories of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(iv) ensure that any changes made in the peanut program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department loan schedule.

(B) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts in the domestic and export markets fully comply with all quality standards under Marketing Agreement No. 146.

(2) PEANUT STANDARDS.—

(A) LABELING.—The Secretary shall require that all peanuts and peanut products sold in the United States contain labeling that lists the country or countries in which the peanuts, including all peanuts used to manufacture the peanut products, were produced.

(B) INSPECTION AND TESTING.—

(i) IN GENERAL.—All peanuts and peanut products sold in the United States shall be inspected and tested for grade and quality.

(ii) CERTIFICATION.—All peanuts or peanut products offered for sale in, or imported into, the United States shall be accompanied by a certification by the first seller or importer that the peanuts or peanut products do not contain residues of any pesticide not approved for use in, or importation into, the United States.

(C) PEANUT CONTENT.—

(i) OFFSET AGAINST HTS QUANTITY.—The actual quantity of peanuts, by weight, used to manufacture, and ultimately contained in, peanut products imported into the United States shall be accounted for and offset against the total quantity of peanut imports allowed under the in-quota quantity of the tariff-rate quota established for peanuts under the Harmonized Tariff Schedule of the United States.

(ii) VERIFICATION.—The Secretary shall establish standards and procedures for the purpose of verifying the actual peanut content of peanut products imported into the United States.

(D) CHANGE OF VENUE.—In any case in which an area pool or a marketing association brings, joins, or seeks to join a civil action in a United States district court to enforce this paragraph, the district court may not transfer the action to any other district or division over the objection of the pool or marketing association.

(g) MARKETING ASSESSMENT.—

(1) IN GENERAL.—The Secretary shall provide for a nonrefundable marketing assessment. The assessment shall be made on a per pound basis in an amount equal to 1.1 percent for each of the 1994 and 1995 crops, 1.15 percent for the 1996 crop, and 1.2 percent for each of the 1997 through 2002 crops, of the national average quota or additional peanut loan rate for the applicable crop.

(2) FIRST PURCHASERS.—

(A) IN GENERAL.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall—

(i) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by—

(I) in the case of each of the 1994 and 1995 crops, .55 percent of the applicable national average loan rate;

(II) in the case of the 1996 crop, .6 percent of the applicable national average loan rate; and

(III) in the case of each of the 1997 through 2002 crops, .65 percent of the applicable national average loan rate;

(ii) pay, in addition to the amount collected under clause (i), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average loan rate; and

(iii) remit the amounts required under clauses (i) and (ii) to the Commodity Credit Corporation in a manner specified by the Secretary.

(B) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(C) DEFINITION OF FIRST PURCHASER.—In this subsection, the term "first purchaser" means a person acquiring peanuts from a producer except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(3) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or

wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(4) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(5) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with the requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of peanuts involved in the violation; by

(B) the national average quota peanut rate for the applicable crop year.

(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(h) CROPS.—Subsections (a) through (f) shall be effective only for the 1996 through 2002 crops of peanuts.

(i) MARKETING QUOTAS.—

(1) IN GENERAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

(A) in section 358–1 (7 U.S.C. 1358–1)—

(i) in the section heading, by striking "**1991 THROUGH 1997 CROPS OF**";

(ii) in subsections (a)(1), (b)(1)(B), (b)(2)(A), (b)(2)(C), and (b)(3)(A), by striking "of the 1991 through 1997 marketing years" each place it appears and inserting "marketing year";

(iii) in subsection (a)(3), by striking "1990" and inserting "1990, for the 1991 through 1995 marketing years, and 1995, for the 1996 through 2002 marketing years";

(iv) in subsection (b)(1)(A)—

(I) by striking "each of the 1991 through 1997 marketing years" and inserting "each marketing year"; and

(II) in clause (i), by inserting before the semicolon the following: ", in the case of the 1991 through 1995 marketing years, and the 1995 marketing year, in the case of the 1996 through 2002 marketing years"; and

(v) in subsection (f), by striking "1997" and inserting "2002";

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking "**1991 THROUGH 1995 CROPS OF**"; and

(ii) in subsection (c), by striking "1995" and inserting "2002";

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking "1995" and inserting "2002"; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking "**FOR 1991 THROUGH 1997 CROPS OF PEANUTS**"; and

(ii) in subsection (i), by striking "1997" and inserting "2002".

(2) ELIMINATION OF QUOTA FLOOR.—Section 358–1(a)(1) of the Act (7 U.S.C. 1358–1(a)(1)) is amended by striking the second sentence.

(3) TEMPORARY QUOTA ALLOCATION.—Section 358–1 of the Act (7 U.S.C. 1358–1) is amended—

(A) in subsection (a)(1), by striking "domestic edible, seed," and inserting "domestic edible use";

(B) in subsection (b)(2)—

(i) in subparagraph (A), by striking "subparagraph (B) and subject to"; and

(ii) by striking subparagraph (B) and inserting the following:

"(B) TEMPORARY QUOTA ALLOCATION.—

"(i) ALLOCATION RELATED TO SEED PEANUTS.—Temporary allocation of quota pounds for the marketing year only in which the crop is planted shall be made to producers for each of the 1996 through 2002 marketing years as provided in this subparagraph.

"(ii) QUANTITY.—The temporary quota allocation shall be equal to the pounds of seed peanuts planted on the farm, as may be adjusted under regulations prescribed by the Secretary.

"(iii) ADDITIONAL QUOTA.—The temporary allocation of quota pounds under this paragraph shall be in addition to the farm poundage quota otherwise established under this subsection and shall be credited, for the applicable marketing year only, in total to the producer of the peanuts on the farm in a manner prescribed by the Secretary.

"(iv) EFFECT OF OTHER REQUIREMENTS.—Nothing in this section alters or changes the requirements regarding the use of quota and additional peanuts established by section 358e(b)."; and

(C) in subsection (e)(3), strike "and seed and use on a farm".

(4) UNDERMARKETINGS.—Part VI of subtitle B of title III of the Act is amended—

(A) in section 358–1(b) (7 U.S.C. 1358–1(b))—

(i) in paragraph (1)(B), by striking "including—" and clauses (i) and (ii) and inserting "including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).";

(ii) in paragraph (3)(B), by striking "include—" and clauses (i) and (ii) and inserting "include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7)."; and

(iii) by striking paragraphs (8) and (9); and

(B) in section 358b(a) (7 U.S.C. 1358b(a))—

(i) in paragraph (1), by striking "(including any applicable under marketings)" both places it appears;

(ii) in paragraph (1)(A), by striking "of undermarketings and";

(iii) in paragraph (2), by striking "(including any applicable under marketings)"; and

(iv) in paragraph (3), by striking "(including any applicable undermarketings)".

(5) DISASTER TRANSFERS.—Section 358–1(b) of the Act (7 U.S.C. 1358–1(b)), as amended by paragraph (4)(A)(iii), is further amended by adding at the end the following:

"(8) DISASTER TRANSFERS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts produced on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation provide.

"(B) LIMITATION.—The poundage of peanuts transferred under subparagraph (A) shall not exceed the difference between—

"(i) the total quantity of peanuts meeting quality requirements for domestic edible use, as determined by the Secretary, marketed from the farm; and

"(ii) the total farm poundage quota, excluding quota pounds transferred to the farm in the fall.

"(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at 70 percent of the quota support rate for the marketing years in which the transfers occur. The transfers for a farm shall not exceed 25 percent of the total farm quota pounds, excluding pounds transferred in the fall.".

(6) TRANSFERS OF FARM POUNDAGE QUOTAS.—Section 358b(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b(a)) is amended by adding at the end the following:

"(4) TRANSFERS BETWEEN STATES HAVING QUOTAS OF LESS THAN 10,000 TONS.—Notwithstanding paragraphs (1) through (3), in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota up to 1,000 tons may be transferred by sale or lease from a farm in 1 such State to a farm in another such State.".

DASCHLE AMENDMENT NO. 3346

(Ordered to lie on the table.)

Mr. DASCHLE submitted an amendment intended to be proposed by him to an amendment submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

Title V is amended by adding at the end the following:

"SEC. 507 FUND FOR RURAL AMERICA.

"(a) IN GENERAL.—The Secretary shall create an account called the Fund for Rural America for the purposes of providing funds of activities described in subsection (c).

"(b) COMMODITY CREDIT CORPORATION.—In each of the 1996 through 1998 fiscal years, the Secretary shall transfer into the Fund for Rural America (hereafter referred to as the "Account")—

"(1) $50,000,000 for the 1996 fiscal year;

"(2) $100,000,000 for the 1997 fiscal year; and

"(3) $150,000,000 for the 1998 fiscal year.

"(c) PURPOSES.—Except as provided in subsection (d), the Secretary shall provide not more than one-third of the funds from the Account for activities described in paragraph (2).

"(1) RURAL DEVELOPMENT ACTIVITIES.—The Secretary may use the funds in the Account for the following rural development activities authorized in:

"(A) The Housing Act of 1949 for—

"(i) direct loans to low income borrowers pursuant to section 502;

"(ii) loans for financial assistance for housing for domestic farm laborers pursuant to section 514;

"(iii) financial assistance for housing of domestic farm labor pursuant to section 516;

"(iv) grants and contracts for mutual and self help housing pursuant to section 523(b)(1)(A); and

"(v) grants for Rural Housing Preservation pursuant to section 533;

"(B) The Food Security Act of 1985 for loans to intermediary borrowers under the Rural Development Loan Fund;

"(C) Consolidated Farm and Rural Development Act for—

"(i) grants for Rural Business Enterprises pursuant to section 310B(c) and (j);

"(ii) direct loans, loan guarantees and grants for water and waste water projects pursuant to section 306; and

"(iii) down payments assistance to farmers, section 310E;

"(D) grants for outreach to socially disadvantaged farmers and ranchers pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279); and

"(E) grants pursuant to section 204(6) of the Agricultural Marketing Act of 1946.

“(2) RESEARCH.—

“(A) IN GENERAL.—The Secretary may use the funds in the Account for research grants to increase the competitiveness and farm profitability, protect and enhance natural resources, increase economic opportunities in farming and rural communities and expand locally owned value added processing and marketing operations.

“(B) ELIGIBLE GRANTEE.—The Secretary may make a grant under this paragraph to—

“(i) a college or university;

“(ii) a State agricultural experiment station;

“(iii) a State Cooperative Extension Service;

“(iv) a research institution or organization;

“(v) a private organization or person; or

“(vi) a Federal agency.

“(C) USE OF GRANT.—

“(i) IN GENERAL.—A grant made under this paragraph may be used by a grantee for 1 or more of the following uses:

“(I) research, ranging from discovery to principles of application;

“(II) extension and related private-sector activities; and

“(III) education.

“(ii) LIMITATION.—No grant shall be made for any project, determined by the Secretary, to be eligible for funding under research and commodity promotion programs administered by the Department.

“(D) ADMINISTRATION.—

“(i) PRIORITY.—In administering this paragraph, the Secretary shall—

“(I) establish priorities for allocating grants, based on needs and opportunities of the food and agriculture system in the United States related to the goals of the paragraph;

“(II) seek and accept proposals for grants;

“(III) determine the relevance and merit of proposals through a system of peer and stakeholder review; and

“(IV) award grants on the basis of merit, quality, and relevance to advancing the national research and extension purposes.

“(ii) COMPETITIVE AWARDING.—A grant under this paragraph shall be awarded on a competitive basis.

“(iii) TERMS.—A grant under this paragraph shall have a term that does not exceed 5 years.

“(iv) MATCHING FUNDS.—As a condition of receipts under this paragraph, the Secretary shall require the funding of the grant with equal matching funds from a non-Federal source if the grant is—

“(I) for applied research that is commodity-specific; and

“(II) not of national scope.

“(v) ADMINISTRATIVE COSTS.—

“(I) IN GENERAL.—The Secretary may use not more than 4 percent of the funds made available under this paragraph for administrative costs incurred by the Secretary in carrying out this paragraph.

“(II) LIMITATION.—Funds made available under this paragraph shall not be used—

“(aa) for the construction of a new building or the acquisition, expansion, remodeling, or alteration of an existing building (including site grading and improvement and architect fees); or

“(bb) in excess of ten percent of the annual allocation for commodity-specific projects not of the national scope.

“(d) LIMITATIONS.—No funds from the Fund for Rural America may be used for an activity specified in subsection (c) if the current level of appropriations for the activity is less than 90 percent of the 1996 fiscal year appropriations for the activity adjusted for inflation.”

DASCHLE AMENDMENT NO. 3347

(Ordered to lie on the table.)

Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

Section 314 is amended by striking “(ii) 10,000 beef cattle” and all that follows through “swine,” and inserting the following:

“(ii) 1,000 beef cattle;

“(iii) 30,000 laying hens or broilers (if the facility has continuous overflow watering);

“(iv) 100,000 laying hens or broilers (if the facility has a liquid manure system);

“(v) 2,500 swine;”.

DASCHLE AMENDMENTS NOS. 3348–3349

(Ordered to lie on the table.)

Mr. DASCHLE submitted two amendments intended to be proposed by him to an amendment submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3348

(a) Section 103(a)(3) is amended by adding at the end the following:

“In the case of a landlord and tenant that both share in risk of production of the crops on the farm, the Secretary shall ensure that the contract payments authorized by this section are divided in manner consistent with the interests the landlord and tenant have in the crops on the farm.

(b) Section 104 is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (A) by—

(I) striking “shall be-(i)” and inserting “shall be not”; and

(II) striking (ii);

(ii) by striking subparaphs (B) and (C);

(B) in paragraph (2)—

(i) in subparagraph (A) by—

(I) striking “shall be- (i)” and inserting “shall be not”; and

(II) striking (ii);

(ii) by striking subparagraphs (B) and (C);

(C) in paragraph (3) b striking subparagraph (B);

(D) in paragraph (4)(A) by—

(i) striking “shall be- (i)” and inserting “shall be not”; and

(ii) striking (ii);

(E) by striking paragraph (6) and inserting the following:

“(6) OILSEEDS.—

“(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans, shall be—

“(i) not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during 3 years of the 5 previous marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

“(ii) not less than $4.92 or more than $5.26 per bushel.

“(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAX SEED.—The loan rate for a marketing assistance loan for each of sunflower seed, canola, rapseed, safflower, mustard seed, and flaxseed, shall be—

“(i) not less than 85 percent of the simple average price received by producers of sunflower seed, as determined by the Secretary, during 3 years of the 5 previous marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $0.087 or more than $0.093 per pound.

(C) OTHER OILSEEDS.—The loan rates for marketing assistance loan for other oilseeds shall be established at such level as the Secretary determines is fair and reasonable in relation to the loan rate available for soybeans, except in no event shall the rate for the oilseeds (other than cottonseed) be less than the rate established for soybeans on a per-pound basis for the same crop.”

(2) in subsection (c) by striking the last sentence and inserting the following:

“The Secretary may extend the term of a marketing assistance loan for upland cotton for a period not to exceed 8 months.

(c) COMMODITY CREDIT CORPORATION.—

(1) Section 109 is amended by striking subsection (a)(2).

(2) Title V is amended by striking section 505.

(d) PERMANENT LAW FOR RICE AND THE FARMER OWNED RESERVE.—Section 110 is amended—

(1) in subsection (b)(1)—

(i) in subparagraph (B)—

(I) by inserting “101B, 110,” after “sections”; and

(II) by striking “and 307” and inserting “307, 308, and 309”; and

(ii) by adding to end the following:

(D) by transfering Title VI (7 U.S.C. 1421 note et seq.) to appear after section 309 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1309) and redesignating the transferred title as section 310.

(2) in subsection (c) by adding at the end the following:

(3) Section 305 (as redesignated) is amended in subsection (n) by striking “only for the 1991 through 1995 crops of rice” and inserting “2003 and subsequent crops of rice and in the same manner as the 1995 crop of rice.”.

AMENDMENT NO. 3349

Strike all after the enacting clause and insert the following:

SEC. 101. SHORT TITLE.

This Act may be cited as the “Agricultural Act of 1996”.

SEC. 102. AUTHORITY FOR 1996 AGRICULTURAL PROGRAMS.

(A) IN GENERAL.—Notwithstanding any other provisions of law except as provided in this Act and the amendments made by this Act, the provisions of the Agricultural Adjustment of 1938 (7 U.S.C. 1281 et seq.), the Agriculture Act of 1949 (7 U.S.C. 1421 et seq.) the Food Security Act of 1985 (Public Law 99–198), and the Food, Agriculture, Conservation and Trade Act of 1990 (Public Law 101–624) and each program that was authorized or reauthorized by any of the Acts, that were applicable on September 30, 1995, shall be applicable for 1996.

(b) FLEXIBILITY.—Amend section 504 of the Agricultural Act of 1949 (7 U.S.C. 1464) by—

(1) Striking subsections (c), (d), and (e) and inserting the following:

“(c) NON-PAYMENT ACRES.—In the case of the 1996 crops, any crop or conserving crop specified in subsection (b)(1) may be planted on the acres of a crop acreage base that is not eligible for payment under this Act.

“(d) LOAN ELIGIBILITY.—In the case of the 1996 crops, producers on a farm with crop acreage base may plant any program crop on the crop acreage base and shall be eligible to receive purchases, loans, and the deficiency payments for the program crop.''

(c) 1996 CROP ADVANCED DEFICIENCY PAYMENTS.—

(1) IN GENERAL.—The Secretary shall issue nonrefundable advanced deficiency payments for the 1996 crops of wheat, feed grains, upland cotton, and rice to producers who participate in price support programs authorized in section 102.

(2) FORMULA.—The advanced deficiency payment rate for wheat, feed grains, upland cotton, and rice shall be 40 percent of the average deficiency payments for the 1990 through 1994 crops.

SEC. 104. MISCELLANEOUS PROVISIONS.

(a) FUND FOR RURAL AMERICA.—

(1) IN GENERAL.—The Secretary shall create an account called the Fund for Rural America for the purposes of providing funds for activities described in paragraph (3).

(2) COMMODITY CREDIT CORPORATION.—In each of the 1996 through 1998 fiscal years, the Secretary shall transfer into the Fund for Rural America (hereafter referred to as the ''Account'')—

(A) $50,000,000 for the 1996 fiscal year;

(B) $100,000,000 for the 1997 fiscal year; and

(C) $150,000,000 for the 1998 fiscal year.

(3) PURPOSES.—Except as provided in paragraph (4), the Secretary shall provide not more than one-third of the funds from the Account for activities described in subparagraph (B).

(A) RURAL DEVELOPMENT ACTIVITIES.—The Secretary may use the funds in the Account for the following rural development activities authorized in:

(i) The Housing Act of 1949 for—

(I) direct loans to low income borrowers pursuant to section 502;

(II) loans for financial assistance for housing for domestic farm laborers pursuant to section 514;

(III) financial assistance for housing of domestic farm labor pursuant to section 516;

(IV) grants and contracts for mutual and self help housing pursuant to section 523(b)(1)(A); and

(V) grants for Rural Housing Preservation pursuant to section 533;

(ii) The Food Security Act of 1985 for loans to intermediary borrowers under the Rural Development Loan Fund;

(iii) Consolidated Farm and Rural Development Act for—

(I) grants for Rural Enterprises pursuant to section 310B (c) and (j);

(II) direct loans, loan guarantees and grants for water and waste water projects pursuant to section 306; and

(III) down payments assistance to farmers, section 310E; and

(iv) grants for outreach to socially disadvantaged farmers and ranchers pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279); and

(v) grants pursuant to section 204(6) of the Agricultural Marketing Act of 1946.

(B) RESEARCH.—

(i) IN GENERAL.—The Secretary may use the funds in the Account for research grants to increase the competitiveness and farm profitability, protect and enhance natural resources, increase economic opportunities in farming and rural communities and expand locally owned value added processing and marketing operations.

(ii) ELIGIBLE GRANTEE.—The Secretary may make a grant under this paragraph to—

(I) a college or university;

(II) a State agricultural experiment station;

(III) a State Cooperative Extension Service;

(IV) a research institution or organization;

(V) a private organization or person; or

(VI) a Federal agency.

(iii) USE OF GRANT.—

(I) IN GENERAL.—A grant made under this paragraph may be used by a grantee for 1 or more of the following uses:

(aa) research, ranging from discovery to principles of application;

(bb) extension and related private-sector activities; and

(cc) education.

(II) LIMITATION.—No grant shall be made for any project, determined by the Secretary, to be eligible for funding under research and commodity promotion programs administered by the Department.

(iv) ADMINISTRATION.—

(I) PRIORITY.—In administering this paragraph, the Secretary shall—

(aa) establish priorities for allocating grants, based on needs and opportunities of the food and agriculture system in the United States related to the goals of the paragraph;

(bb) seek and accept proposals for grants;

(cc) determine the relevance and merit of proposals through a system of peer and stakeholder review; and

(dd) award grants on the basis of merit, quality, and relevance to advancing the national research and extension purposes.

(II) COMPETITIVE AWARDING.—A grant under this paragraph shall be awarded on a competitive basis.

(III) TERMS.—A grant under this paragraph shall have a term that does not exceed 5 years.

(IV) MATCHING FUNDS.—As a condition of receipts under this paragraph, the Secretary shall require the funding of the grant with equal matching funds from a non-Federal source if the grant is—

(aa) for applied research that is commodity-specific; and

(cc) not of national scope.

(V) ADMINISTRATIVE COSTS.—

(aa) IN GENERAL.—The Secretary may use not more than 4 percent of the funds made available under this paragraph for administrative costs incurred by the Secretary in carrying out this paragraph.

(bb) LIMITATION.—Funds made available under this paragraph shall not be used—

(AA) for the construction of a new building or the acquisition, expansion, remodeling, or alteration of an existing building (including site grading and improvement and architect fees); or

(BB) in excess of ten percent of the annual allocation for commodity-specific projects not of the national scope.

(4) LIMITATIONS.—No funds from the Fund for Rural America may be used for an activity specified in subsection (c) if the current level of appropriations for the activity is less than 90 percent of the 1996 fiscal year appropriations for the activity adjusted for inflation.

GRASSLEY (AND COCHRAN) AMENDMENT NO. 3350

(Ordered to lie on the table.)

Mr. GRASSLEY (for himself and Mr. COCHRAN) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike sections 103 through 107 and insert the following:

SEC. 103. PRODUCTION FLEXIBILITY CONTRACTS.

(a) CONTRACTS AUTHORIZED.—

(1) OFFER AND TERMS.—Beginning as soon as practicable after the date of enactment of this Act, the Secretary shall offer to enter into a contract with an eligible owner or operator described in paragraph (2) on a farm containing eligible farmland. Under the terms of a contract, the owner or operator shall agree, in exchange for annual contract payments, to comply with—

(A) the conservation plan for the farm prepared in accordance with section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812);

(B) wetland protection requirements applicable to the farm under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.); and

(C) the planting flexibility requirements of subsection (j).

(2) ELIGIBLE OWNERS AND OPERATORS DESCRIBED.—The following persons shall be considered to be an owner or operator eligible to enter into a contract:

(A) An owner of eligible farmland who assumes all of the risk of producing a crop.

(B) An owner of eligible farmland who shares in the risk of producing a crop.

(C) An operator of eligible farmland with a share-rent lease of the eligible farmland, regardless of the length of the lease, if the owner enters into the same contract.

(D) An operator of eligible farmland who cash rents the eligible farmland under a lease expiring on or after September 30, 2002, in which case the consent of the owner is not required.

(E) An operator of eligible farmland who cash rents the eligible farmland under a lease expiring before September 30, 2002, if the owner consents to the contract.

(F) An owner of eligible farmland who cash rents the eligible farmland and the lease term expires before September 30, 2002, but only if the actual operator of the farm declines to enter into a contract. In the case of an owner covered by this subparagraph, contract payments shall not begin under a contract until the fiscal year following the fiscal year in which the lease held by the nonparticipating operator expires.

(G) An owner or operator described in a preceding subparagraph regardless of whether the owner or operator purchased catastrophic risk protection for a fall-planted 1996 crop under section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)).

(3) TENANTS AND SHARECROPPERS.—In carrying out this section, the Secretary shall provide adequate safeguards to protect the interests of operators who are tenants and sharecroppers.

(b) ELEMENTS.—

(1) TIME FOR CONTRACTING.—

(A) DEADLINE.—Except as provided in subparagraph (B), the Secretary may not enter into a contract after April 15, 1996.

(B) CONSERVATION RESERVE LANDS.—

(i) IN GENERAL.—At the beginning of each fiscal year, the Secretary shall allow an eligible owner or operator on a farm covered by a conservation reserve contract entered into under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) that terminates after the date specified in subparagraph (A) to enter into or expand a production flexibility contract to cover the contract acreage of the farm that was subject to the former conservation reserve contract.

(ii) AMOUNT.—Contract payments made for contract acreage under this subparagraph shall be made at the rate and amount applicable to the annual contract payment level for the applicable crop.

(2) DURATION OF CONTRACT.—

(A) BEGINNING DATE.—A contract shall begin with—

(i) the 1996 crop of a contract commodity; or

(ii) in the case of acreage that was subject to a conservation reserve contract described in paragraph (1)(B), the date the production flexibility contract was entered into or expanded to cover the acreage.

(B) ENDING DATE.—A contract shall extend through the 2002 crop.

(3) ESTIMATION OF CONTRACT PAYMENTS.—At the time the Secretary enters into a contract, the Secretary shall provide an estimate of the minimum contract payments anticipated to be made during at least the first fiscal year for which contract payments will be made.

(c) ELIGIBLE FARMLAND DESCRIBED.—Land shall be considered to be farmland eligible for coverage under a contract only if the land has contract acreage attributable to the land and—

(1) for at least 1 of the 1991 through 1995 crops, at least a portion of the land was enrolled in the acreage reduction program authorized for a crop of a contract commodity under section 101B, 103B, 105B, or 107B of the Agricultural Act of 1949 (as in effect prior to the amendment made by section 110(b)(2)) or was considered planted;

(2) was subject to a conservation reserve contract under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) whose term expired, or was voluntarily terminated, on or after January 1, 1995; or

(3) is released from coverage under a conservation reserve contract by the Secretary during the period beginning on January 1, 1995, and ending on the date specified in subsection (b)(1)(A).

(d) TIME FOR PAYMENT.—

(1) IN GENERAL.—An annual contract payment shall be made not later than September 30 of each of fiscal years 1996 through 2002.

(2) ADVANCE PAYMENTS.—

(A) FISCAL YEAR 1996.—At the option of the owner or operator, 50 percent of the contract payment for fiscal year 1996 shall be made not later than June 15, 1996.

(B) SUBSEQUENT FISCAL YEARS.—At the option of the owner or operator for fiscal year 1997 and each subsequent fiscal year, 50 percent of the annual contract payment shall be made on December 15.

(e) AMOUNTS AVAILABLE FOR CONTRACT PAYMENTS FOR EACH FISCAL YEAR.—

(1) IN GENERAL.—The Secretary shall, to the maximum extent practicable, expend on a fiscal year basis the following amounts to satisfy the obligations of the Secretary under all contracts:

(A) For fiscal year 1996, $5,570,000,000.

(B) For fiscal year 1997, $5,385,000,000.

(C) For fiscal year 1998, $5,800,000,000.

(D) For fiscal year 1999, $5,603,000,000.

(E) For fiscal year 2000, $5,130,000,000.

(F) For fiscal year 2001, $4,130,000,000.

(G) For fiscal year 2002, $4,008,000,000.

(2) ALLOCATION.—The amount made available for a fiscal year under paragraph (1) shall be allocated as follows:

(A) For wheat, 26.26 percent.

(B) For corn, 46.22 percent.

(C) For grain sorghum, 5.11 percent.

(D) For barley, 2.16 percent.

(E) For oats, 0.15 percent.

(F) For upland cotton, 11.63 percent.

(G) For rice, 8.47 percent.

(3) ADJUSTMENT.—The Secretary shall adjust the amounts allocated for each contract commodity under paragraph (2) for a particular fiscal year by—

(A) subtracting an amount equal to the amount, if any, necessary to satisfy payment requirements under sections 103B, 105B, and 107B of the Agricultural Act of 1949 (as in effect prior to the amendment made by section 110(b)(2)) for the 1994 and 1995 crops of the commodity;

(B) adding an amount equal to the sum of all repayments of deficiency payments received under section 114(a)(2) of the Agricultural Act of 1949 (as in effect prior to the amendment made by section 110(b)(2)) for the commodity;

(C) to the maximum extent practicable, adding an amount equal to the sum of all contract payments withheld by the Secretary, at the request of an owner or operator subject to a contract, as an offset against repayments of deficiency payments otherwise required under section 114(a)(2) of the Act (as so in effect) for the commodity; and

(D) adding an amount equal to the sum of all refunds of contract payments received during the preceding fiscal year under subsection (h) for the commodity.

(4) ADDITIONAL RICE ALLOCATION.—In addition to the allocations provided under paragraphs (1), (2), and (3), the amounts made available for rice contract payments shall be increased by $17,000,000,000 for each of fiscal years 1997 through 2002.

(f) DETERMINATION OF CONTRACT PAYMENTS.—

(1) INDIVIDUAL PAYMENT QUANTITY OF CONTRACT COMMODITIES.—For each contract, the payment quantity of a contract commodity for each fiscal year shall be equal to the product of—

(A) 85 percent of the contract acreage; and

(B) the farm program payment yield.

(2) ANNUAL PAYMENT QUANTITY OF CONTRACT COMMODITIES.—The payment quantity of each contract commodity covered by all contracts for each fiscal year shall equal the sum of the amounts calculated under paragraph (1) for each individual contract.

(3) ANNUAL PAYMENT RATE.—The payment rate for a contract commodity for each fiscal year shall be equal to—

(A) the amount made available under subsection (e) for the contract commodity for the fiscal year; divided by

(B) the amount determined under paragraph (2) for the fiscal year.

(4) ANNUAL PAYMENT AMOUNT.—The amount to be paid under a contract in effect for each fiscal year with respect to a contract commodity shall be equal to the product of—

(A) the payment quantity determined under paragraph (1) with respect to the contract; and

(B) the payment rate in effect under paragraph (3).

(5) ASSIGNMENT OF CONTRACT PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to contract payments under this subsection. The owner or operator making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require in the contract, of any assignment made under this paragraph.

(6) SHARING OF CONTRACT PAYMENTS.—The Secretary shall provide for the sharing of contract payments among the owners and operators subject to the contract on a fair and equitable basis.

(g) PAYMENT LIMITATION.—The total amount of contract payments made to a person under a contract during any fiscal year may not exceed the payment limitations established under sections 1001 through 1001C of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308–3).

(h) EFFECT OF VIOLATION.—

(1) TERMINATION OF CONTRACT.—Except as provided in paragraph (2), if an owner or operator subject to a contract violates the conservation plan for the farm containing eligible farmland under the contract, wetland protection requirements applicable to the farm, or the planting flexibility requirements of subsection (j), the Secretary shall terminate the contract with respect to the owner or operator on each farm in which the owner or operator has an interest. On the termination, the owner or operator shall forfeit all rights to receive future contract payments on each farm in which the owner or operator has an interest and shall refund to the Secretary all contract payments received by the owner or operator during the period of the violation, together with interest on the contract payments as determined by the Secretary.

(2) REFUND OR ADJUSTMENT.—If the Secretary determines that a violation does not warrant termination of the contract under paragraph (1), the Secretary may require the owner or operator subject to the contract—

(A) to refund to the Secretary that part of the contract payments received by the owner or operator during the period of the violation, together with interest on the contract payments as determined by the Secretary; or

(B) to accept a reduction in the amount of future contract payments that is proportionate to the severity of the violation, as determined by the Secretary.

(3) FORECLOSURE.—An owner or operator subject to a contract may not be required to make repayments to the Secretary of amounts received under the contract if the contract acreage has been foreclosed on and the Secretary determines that forgiving the repayments is appropriate in order to provide fair and equitable treatment. This paragraph shall not void the responsibilities of such an owner or operator under the contract if the owner or operator continues or resumes operation, or control, of the contract acreage. On the resumption of operation or control over the contract acreage by the owner or operator, the provisions of the contract in effect on the date of the foreclosure shall apply.

(4) REVIEW.—A determination of the Secretary under this subsection shall be considered to be an adverse decision for purposes of the availability of administrative review of the determination.

(i) TRANSFER OF INTEREST IN LANDS SUBJECT TO CONTRACT.—

(1) EFFECT OF TRANSFER.—Except as provided in paragraph (2), the transfer by an owner or operator subject to a contract of the right and interest of the owner or operator in the contract acreage shall result in the termination of the contract with respect to the acreage, effective on the date of the transfer, unless the transferee of the acreage agrees with the Secretary to assume all obligations of the contract. At the request of the transferee, the Secretary may modify the contract if the modifications are consistent with the objectives of this section as determined by the Secretary.

(2) EXCEPTION.—If an owner or operator who is entitled to a contract payment dies, becomes incompetent, or is otherwise unable to receive the contract payment, the Secretary shall make the payment, in accordance with regulations prescribed by the Secretary.

(j) PLANTING FLEXIBILITY.—

(1) PERMITTED CROPS.—Subject to paragraph (2), any commodity or crop may be planted on contract acreage on a farm.

(2) LIMITATIONS.—

(A) HAYING AND GRAZING.—

(i) TIME LIMITATIONS.—Haying and grazing on land exceeding 15 percent of the contract acreage on a farm as provided in clause (iii) shall be permitted, except during any consecutive 5-month period between April 1 and October 31 that is determined by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on the contract acreage of a farm.

(ii) CONTRACT COMMODITIES.—A contract commodity may be hayed or grazed on contract acreage on a farm without limitation.

(iii) HAYING AND GRAZING LIMITATION ON PORTION OF CONTRACT ACREAGE.—Unlimited haying and grazing shall be permitted on not more than 15 percent of the contract acreage on a farm.

(B) ALFALFA.—Alfalfa may be planted for harvest without limitation on the contract acreage on a farm, except that each contract acre that is planted for harvest to alfalfa in excess of 15 percent of the total contract acreage on a farm shall be ineligible for contract payments.

(C) FRUITS AND VEGETABLES.—

(i) IN GENERAL.—The planting for harvest of fruits and vegetables shall be prohibited on contract acreage.

(ii) UNRESTRICTED VEGETABLES.—Lentils, mung beans, and dry peas may be planted without limitation on contract acreage.

(k) CONSERVATION FARM OPTION.—

(1) IN GENERAL.—The Secretary shall offer eligible owners and operators with contract acreage under this title on a farm who also have entered into a conservation reserve program contract under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (7 U.S.C. 3831 et seq.), the option of entering into a conservation farm option contract for a period of 10 years, as an alternative to the market transition payment contract.

(2) TERMS.—Under the conservation farm option contract—

(A) the Secretary shall provide eligible owners and operators with payments that reflect the Secretary's estimate of the payments and benefits the eligible owner or operator is expected to receive during the 10-year period under—

(i) conservation cost-share programs administered by the Secretary;

(ii) conservation reserve program rental and cost-share payments;

(iii) market transition payments; and

(iv) loan programs for contract commodities, oilseeds, and extra long staple cotton; and

(B) the eligible owner and operator shall—

(i) forego eligibility to participate in the conservation reserve program, conservation cost-share program payments, and market transition contracts; and

(ii) comply with a conservation plan for the farm approved by the Secretary that is consistent with the State conservation farm option plan established under paragraph (3).

(3) STATE CONSERVATION FARM OPTION PLAN.—In consultation with the State Technical Committee established under section 1261 of the Food Security Act of 1985 (16 U.S.C. 3801), the Secretary shall establish a plan for each State that is designed to—

(A) protect wildlife habitat;

(B) improve water quality; and

(C) reduce soil erosion.

SEC. 104. NONRECOURSE MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS.

(a) AVAILABILITY OF NONRECOURSE LOANS.—

(1) AVAILABILITY.—For each of the 1996 through 2002 crops of each loan commodity, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for loan commodities produced on the farm. The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (b) for the loan commodity.

(2) ELIGIBLE PRODUCTION.—The following production shall be eligible for a marketing assistance loan under this section:

(A) In the case of a marketing assistance loan for a contract commodity, any production by a producer who has entered into a production flexibility contract.

(B) In the case of a marketing assistance loan for extra long staple cotton and oilseeds, any production.

(b) LOAN RATES.—

(1) WHEAT.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for wheat shall be—

(i) not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not more than $2.58 per bushel.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(i) equal to or greater than 30 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for wheat under subparagraph (B) shall not be considered in determining the loan rate for wheat for subsequent years.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for corn shall be—

(i) not less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not more than $1.89 per bushel.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

(i) equal to or greater than 25 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 12.5 percent the Secretary may not reduce the loan rate for corn for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for corn under subparagraph (B) shall not be considered in determining the loan rate for corn for subsequent years.

(D) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

(3) UPLAND COTTON.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for upland cotton shall be established by the Secretary at such loan rate, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is not less than the smaller of—

(i) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 in the year in which the loan rate is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

(ii) 90 percent of the average, for the 15-week period beginning July 1 of the year in which the loan rate is announced, of the 5 lowest-priced growths of the growths quoted for Middling 1$\frac{3}{32}$-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

(B) LIMITATIONS.—The loan rate for a marketing assistance loan for upland cotton shall not be less than $0.50 per pound or more than $0.5192 per pound.

(4) EXTRA LONG STAPLE COTTON.—The loan rate for a marketing assistance loan for extra long staple cotton shall be—

(A) not less than 85 percent of the simple average price received by producers of extra long staple cotton, as determined by the Secretary, during 3 years of the 5 previous marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $0.7965 per pound.

(5) RICE.—The loan rate for a marketing assistance loan for rice shall be $6.50 per hundredweight.

(6) OILSEEDS.—

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be $4.92 per bushel.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rates for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be $0.087 per pound.

(C) OTHER OILSEEDS.—The loan rates for a marketing assistance loan for other oilseeds shall be established at such level as the Secretary determines is fair and reasonable in relation to the loan rate available for soybeans, except in no event shall the rate for the oilseeds (other than cottonseed) be less than the rate established for soybeans on a per-pound basis for the same crop.

(c) TERM OF LOAN.—In the case of each loan commodity (other than upland cotton or extra long staple cotton), a marketing assistance loan under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made. A marketing assistance loan for upland cotton or extra long staple cotton shall have a term of 10 months beginning on the first day of the first month after the month in which the loan is made. The Secretary may not extend the term of a marketing assistance loan for any loan commodity.

(d) REPAYMENT.—

(1) REPAYMENT RATES FOR WHEAT AND FEED GRAINS.—The Secretary shall permit a producer to repay a marketing assistance loan under subsection (a) for wheat, corn, grain sorghum, barley, and oats at a level that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of the commodities by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing the commodities; and

(D) allow the commodities produced in the United States to be marketed freely and competitively, both domestically and internationally.

(2) REPAYMENT RATES FOR UPLAND COTTON, OILSEEDS, AND RICE.—The Secretary shall permit producers to repay a marketing assistance loan under subsection (a) for upland cotton, oilseeds, and rice at a level that is the lesser of—

(A) the loan rate established for upland cotton, oilseeds, and rice, respectively, under subsection (b); or

(B) the prevailing world market price for upland cotton, oilseeds, and rice, respectively (adjusted to United States quality and location), as determined by the Secretary.

(3) REPAYMENT RATES FOR EXTRA LONG STAPLE COTTON.—Repayment of a marketing assistance loan for extra long staple cotton shall be at the loan rate established for the commodity under subsection (b), plus interest (as determined by the Secretary).

(4) PREVAILING WORLD MARKET PRICE.—For purposes of paragraph (2)(B) and subsection (f), the Secretary shall prescribe by regulation—

(A) a formula to determine the prevailing world market price for each loan commodity, adjusted to United States quality and location; and

(B) a mechanism by which the Secretary shall announce periodically the prevailing world market price for each loan commodity.

(5) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON.—

(A) IN GENERAL.—During the period ending July 31, 2003, the prevailing world market price for upland cotton (adjusted to United States quality and location) established under paragraph (4) shall be further adjusted if—

(i) the adjusted prevailing world market price is less than 115 percent of the loan rate for upland cotton established under subsection (b), as determined by the Secretary; and

(ii) the Friday through Thursday average price quotation for the lowest-priced United States growth as quoted for Middling (M) $1\frac{3}{32}$-inch cotton delivered C.I.F. Northern Europe is greater than the Friday through Thursday average price of the 5 lowest-priced growths of upland cotton, as quoted for Middling (M) $1\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe (referred to in this subsection as the "Northern Europe price").

(B) FURTHER ADJUSTMENT.—Except as provided in subparagraph (C), the adjusted prevailing world market price for upland cotton shall be further adjusted on the basis of some or all of the following data, as available:

(i) The United States share of world exports.

(ii) The current level of cotton export sales and cotton export shipments.

(iii) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for upland cotton (adjusted to United States quality and location).

(C) LIMITATION ON FURTHER ADJUSTMENT.—The adjustment under subparagraph (B) may not exceed the difference between—

(i) the Friday through Thursday average price for the lowest-priced United States growth as quoted for Middling $1\frac{3}{32}$-inch cotton delivered C.I.F. Northern Europe; and

(ii) the Northern Europe price.

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—Except as provided in paragraph (4), the Secretary may make loan deficiency payments available to producers who, although eligible to obtain a marketing assistance loan under subsection (a) with respect to a loan commodity, agree to forgo obtaining the loan for the commodity in return for payments under this subsection.

(2) COMPUTATION.—A loan deficiency payment under this subsection shall be computed by multiplying—

(A) the loan payment rate determined under paragraph (3) for the loan commodity; by

(B) the quantity of the loan commodity that the producers on a farm are eligible to place under loan but for which the producers forgo obtaining the loan in return for payments under this subsection.

(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

(A) the loan rate established under subsection (b) for the loan commodity; exceeds

(B) the rate at which a loan for the commodity may be repaid under subsection (d).

(4) EXCEPTION FOR EXTRA LONG STAPLE COTTON.—This subsection shall not apply with respect to extra long staple cotton.

(f) SPECIAL MARKETING LOAN PROVISIONS FOR UPLAND COTTON.—

(1) COTTON USER MARKETING CERTIFICATES.—

(A) ISSUANCE.—Subject to subparagraph (D), during the period ending July 31, 2003, the Secretary shall issue marketing certificates or cash payments to domestic users and exporters for documented purchases by domestic users and sales for export by exporters made in the week following a consecutive 4-week period in which—

(i) the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) $1\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe exceeds the Northern Europe price by more than 1.25 cents per pound; and

(ii) the prevailing world market price for upland cotton (adjusted to United States quality and location) does not exceed 130 percent of the loan rate for upland cotton established under subsection (b).

(B) VALUE OF CERTIFICATES OR PAYMENTS.—The value of the marketing certificates or cash payments shall be based on the amount of the difference (reduced by 1.25 cents per pound) in the prices during the 4th week of the consecutive 4-week period multiplied by the quantity of upland cotton included in the documented sales.

(C) ADMINISTRATION OF MARKETING CERTIFICATES.—

(i) REDEMPTION, MARKETING, OR EXCHANGE.—The Secretary shall establish procedures for redeeming marketing certificates for cash or marketing or exchange of the certificates for agricultural commodities owned by the Commodity Credit Corporation in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates. Any price restrictions that would otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this paragraph.

(ii) DESIGNATION OF COMMODITIES AND PRODUCTS.—To the extent practicable, the Secretary shall permit owners of certificates to designate the commodities and products, including storage sites, the owners would prefer to receive in exchange for certificates. If any certificate is not presented for redemption, marketing, or exchange within a reasonable number of days after the issuance of the certificate (as determined by the Secretary), reasonable costs of storage and other carrying charges, as determined by the Secretary, shall be deducted from the value of the certificate for the period beginning after the reasonable number of days and ending with the date of the presentation of the certificate to the Commodity Credit Corporation.

(iii) TRANSFERS.—Marketing certificates issued to domestic users and exporters of upland cotton may be transferred to other persons in accordance with regulations issued by the Secretary.

(D) EXCEPTION.—The Secretary shall not issue marketing certificates or cash payments under subparagraph (A) if, for the immediately preceding consecutive 10-week period, the Friday through Thursday average price quotation for the lowest priced United States growth, as quoted for Middling (M) $1\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificate issued under this paragraph, exceeds the Northern Europe price by more than 1.25 cents per pound.

(E) LIMITATION ON EXPENDITURES.—Total expenditures under this paragraph shall not exceed $701,000,000 during fiscal years 1996 through 2002.

(2) SPECIAL IMPORT QUOTA.—

(A) ESTABLISHMENT.—The President shall carry out an import quota program that provides that, during the period ending July 31, 2003, whenever the Secretary determines and announces that for any consecutive 10-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) $1\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificates issued under paragraph (1), exceeds the Northern Europe price by more than 1.25 cents per pound, there shall immediately be in effect a special import quota.

(B) QUANTITY.—The quota shall be equal to 1 week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the most recent 3 months for which data are available.

(C) APPLICATION.—The quota shall apply to upland cotton purchased not later than 90 days after the date of the Secretary's announcement under subparagraph (A) and entered into the United States not later than 180 days after the date.

(D) OVERLAP.—A special quota period may be established that overlaps any existing quota period if required by subparagraph (A), except that a special quota period may not be established under this paragraph if a quota period has been established under subsection (g).

(E) PREFERENTIAL TARIFF TREATMENT.—The quantity under a special import quota shall be considered to be an in-quota quantity for purposes of—

(i) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(ii) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(iii) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(F) DEFINITION.—In this paragraph, the term "special import quota" means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(g) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND COTTON.—

(1) IN GENERAL.—The President shall carry out an import quota program that provides that whenever the Secretary determines and announces that the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for a month exceeded 130 percent of the average price of such quality of cotton in the markets for the preceding 36 months, notwithstanding any other provision of law, there shall immediately be in effect a limited global import quota subject to the following conditions:

(A) QUANTITY.—The quantity of the quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent 3 months for which data are available.

(B) QUANTITY IF PRIOR QUOTA.—If a quota has been established under this subsection during the preceding 12 months, the quantity of the quota next established under this subsection shall be the smaller of 21 days of domestic mill consumption calculated under subparagraph (A) or the quantity required to increase the supply to 130 percent of the demand.

(C) PREFERENTIAL TARIFF TREATMENT.—The quantity under a limited global import quota shall be considered to be an in-quota quantity for purposes of—

(i) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(ii) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(iii) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(D) DEFINITIONS.—In this subsection:

(i) SUPPLY.—The term "supply" means, using the latest official data of the Bureau of the Census, the Department of Agriculture, and the Department of the Treasury—

(I) the carry-over of upland cotton at the beginning of the marketing year (adjusted to 480-pound bales) in which the quota is established;

(II) production of the current crop; and

(III) imports to the latest date available during the marketing year.

(ii) DEMAND.—The term "demand" means—

(I) the average seasonally adjusted annual rate of domestic mill consumption in the most recent 3 months for which data are available; and

(II) the larger of—

(aa) average exports of upland cotton during the preceding 6 marketing years; or

(bb) cumulative exports of upland cotton plus outstanding export sales for the marketing year in which the quota is established.

(iii) LIMITED GLOBAL IMPORT QUOTA.—The term "limited global import quota" means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(E) QUOTA ENTRY PERIOD.—When a quota is established under this subsection, cotton may be entered under the quota during the 90-day period beginning on the date the quota is established by the Secretary.

(2) NO OVERLAP.—Notwithstanding paragraph (1), a quota period may not be established that overlaps an existing quota period or a special quota period established under subsection (f)(2).

(h) SOURCE OF LOANS.—

(1) IN GENERAL.—The Secretary shall provide the loans authorized by this section and the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) through the Commodity Credit Corporation and other means available to the Secretary.

(2) PROCESSORS.—Whenever any loan or surplus removal operation for any agricultural commodity is carried out through purchases from or loans or payments to processors, the Secretary shall, to the extent practicable, obtain from the processors such assurances as the Secretary considers adequate that the producers of the commodity have received or will receive maximum benefits from the loan or surplus removal operation.

(i) ADJUSTMENTS OF LOANS.—

(1) IN GENERAL.—The Secretary may make appropriate adjustments in the loan levels for any commodity for differences in grade, type, quality, location, and other factors.

(2) LOAN LEVEL.—The adjustments shall, to the maximum extent practicable, be made in such manner that the average loan level for the commodity will, on the basis of the anticipated incidence of the factors, be equal to the level of support determined as provided in this section or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.).

(j) PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.—

(1) IN GENERAL.—Except as provided in paragraph (2), no producer shall be personally liable for any deficiency arising from the sale of the collateral securing any nonrecourse loan made under this section or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) unless the loan was obtained through a fraudulent representation by the producer.

(2) LIMITATIONS.—Paragraph (1) shall not prevent the Commodity Credit Corporation or the Secretary from requiring a producer to assume liability for—

(A) a deficiency in the grade, quality, or quantity of a commodity stored on a farm or delivered by the producer;

(B) a failure to properly care for and preserve a commodity; or

(C) a failure or refusal to deliver a commodity in accordance with a program established under this section or the Agricultural Adjustment Act of 1938.

(3) ACQUISITION OF COLLATERAL.—The Secretary may include in a contract for a nonrecourse loan made under this section or the Agricultural Adjustment Act of 1938 a provision that permits the Commodity Credit Corporation, on and after the maturity of the loan or any extension of the loan, to acquire title to the unredeemed collateral without obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

(4) SUGARCANE AND SUGAR BEETS.—A security interest obtained by the Commodity Credit Corporation as a result of the execution of a security agreement by the processor of sugarcane or sugar beets shall be superior to all statutory and common law liens on raw cane sugar and refined beet sugar in favor of the producers of sugarcane and sugar beets and all prior recorded and unrecorded liens on the crops of sugarcane and sugar beets from which the sugar was derived.

(k) COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS.—

(1) IN GENERAL.—The Commodity Credit Corporation may sell any commodity owned or controlled by the Corporation at any price that the Secretary determines will maximize returns to the Corporation.

(2) NONAPPLICATION OF SALES PRICE RESTRICTIONS.—Paragraph (1) shall not apply to—

(A) a sale for a new or byproduct use;

(B) a sale of peanuts or oilseeds for the extraction of oil;

(C) a sale for seed or feed if the sale will not substantially impair any loan program;

(D) a sale of a commodity that has substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage;

(E) a sale for the purpose of establishing a claim arising out of a contract or against a person who has committed fraud, misrepresentation, or other wrongful act with respect to the commodity;

(F) a sale for export, as determined by the Corporation; and

(G) a sale for other than a primary use.

(3) PRESIDENTIAL DISASTER AREAS.—

(A) IN GENERAL.—Notwithstanding paragraph (1), on such terms and conditions as the Secretary may consider in the public interest, the Corporation may make available any commodity or product owned or controlled by the Corporation for use in relieving distress—

(i) in any area in the United States (including the Virgin Islands) declared by the President to be an acute distress area because of unemployment or other economic cause, if the President finds that the use will not displace or interfere with normal marketing of agricultural commodities; and

(ii) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

(B) COSTS.—Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making a commodity available under subparagraph (A) beyond the cost of the commodity to the Corporation incurred in—

(i) the storage of the commodity; and

(ii) the handling and transportation costs in making delivery of the commodity to designated agencies at 1 or more central locations in each State or other area.

(4) EFFICIENT OPERATIONS.—Paragraph (1) shall not apply to the sale of a commodity the disposition of which is desirable in the interest of the effective and efficient conduct of the operations of the Corporation because of the small quantity of the commodity involved, or because of the age, location, or questionable continued storability of the commodity.

SEC. 105. PAYMENT LIMITATIONS.

(a) IN GENERAL.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking paragraphs (1) through (4) and inserting the following:

"(1) LIMITATION ON PAYMENTS UNDER PRODUCTION FLEXIBILITY CONTRACTS.—The total amount of contract payments made under section 103 of the Agricultural Market Transition Act to a person under 1 or more production flexibility contracts during any fiscal year may not exceed $40,000.

"(2) LIMITATION ON MARKETING LOAN GAINS AND LOAN DEFICIENCY PAYMENTS.—

"(A) LIMITATION.—The total amount of payments specified in subparagraph (B) that a person shall be entitled to receive under section 104 of the Agricultural Market Transition Act for contract commodities and oilseeds during any crop year may not exceed $75,000.

"(B) DESCRIPTION OF PAYMENTS.—The payments referred to in subparagraph (A) are the following:

"(i) Any gain realized by a producer from repaying a marketing assistance loan for a crop of any loan commodity at a lower level than the original loan rate established for the commodity under section 104(b) of the Act.

"(ii) Any loan deficiency payment received for a loan commodity under section 104(e) of the Act.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) (as amended by subsection (a)) is amended—

(A) by redesignating paragraphs (5), (6), and (7) as paragraphs (3), (4), and (5), respectively; and

(B) in the second sentence of paragraph (3)(A) (as so redesignated), by striking "paragraphs (6) and (7)" and inserting "paragraphs (4) and (5)".

(2) Section 1305(d) of the Agricultural Reconciliation Act of 1987 (Public Law 100–203; 7 U.S.C. 1308 note) is amended by striking "paragraphs (5) through (7) of section 1001, as amended by this subtitle," and inserting "paragraphs (3) through (5) of section 1001,".

(3) Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–1(a)(1)) is amended—

(A) in the first sentence of subsection (a)(1)—

(i) by striking "section 1001(5)(B)(i)" and inserting "section 1001(3)(B)(i)";

(ii) by striking "under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.)"; and

(iii) by striking "section 1001(5)(B)(i)(II)" and inserting "section 1001(3)(B)(i)(II)"; and

(B) in subsection (b)—

(i) in paragraph (1)—

(I) by striking "under the Agricultural Act of 1949"; and

(II) by striking "section 1001(5)(B)(i)" and inserting "section 1001(3)(B)(i)"; and

(ii) in paragraph (2)(B), by striking "section 1001(5)(B)(i)(II)" and inserting "section 1001(3)(B)(i)(II)".

(4) Section 1001C(a) of the Food Security Act of 1985 (7 U.S.C. 1308–3(a)) is amended—

(A) by striking "For each of the 1991 through 1997 crops, any" and inserting "Any";

(B) by striking "price support program loans, payments, or benefits made available under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.)," and inserting "loans or payments made available under the Agricultural Market Transition Act"; and

(C) by striking "during the 1989 through 1997 crop years".

SEC. 106. PEANUT PROGRAM.

(a) QUOTA PEANUTS.—

(1) AVAILABILITY OF LOANS.—The Secretary shall make nonrecourse loans available to producers of quota peanuts.

(2) LOAN RATE.—The national average quota loan rate for quota peanuts shall be $610 per ton.

(3) INSPECTION, HANDLING, OR STORAGE.—The loan amount may not be reduced by the Secretary by any deductions for inspection, handling, or storage.

(4) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments in the loan rate for quota peanuts for location of peanuts and such other factors as are authorized by section 411 of the Agricultural Adjustment Act of 1938.

(b) ADDITIONAL PEANUTS.—

(1) IN GENERAL.—The Secretary shall make nonrecourse loans available to producers of additional peanuts at such rates as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

(2) ANNOUNCEMENT.—The Secretary shall announce the loan rate for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the loan rate is being determined.

(c) AREA MARKETING ASSOCIATIONS.—

(1) WAREHOUSE STORAGE LOANS.—

(A) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(B) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—An area marketing association shall be used in administrative and supervisory activities relating to loans and marketing activities under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(C) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include such costs as the area marketing association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(2) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

(B) ELIGIBILITY TO PARTICIPATE.—

(i) IN GENERAL.—Except as provided in clause (ii), in the case of the 1996 and subsequent crops, Valencia peanuts not physically produced in the State of New Mexico shall not be eligible to participate in the pools of the State.

(ii) EXCEPTION.—A resident of the State of New Mexico may enter Valencia peanuts that are produced outside of the State into the pools of the State in a quantity that is not greater than the 1995 crop of the resident.

(C) TYPES OF PEANUTS.—Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(D) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(i) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool.

(ii) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts.

(d) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(1) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)).

(2) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(3) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under subsection (g) (except funds attributable to handlers) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(4) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)), shall be offset by any gains or profits from quota pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(5) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under subsection (g) by such an amount as the Secretary considers necessary to cover the losses. The increased assessment shall apply only to quota peanuts in the production area covered by the pool. Amounts collected under subsection (g) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(e) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no loan for quota peanuts may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(d)).

(f) Quality Improvement.—

(1) In general.—With respect to peanuts under loan, the Secretary shall—

(A) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

(B) ensure that all Commodity Credit Corporation inventories of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(C) continue to endeavor to operate the peanut program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(D) ensure that any changes made in the peanut program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department loan schedule.

(2) Exports and other peanuts.—The Secretary shall require that all peanuts in the domestic and export markets fully comply with all quality standards under Marketing Agreement No. 146.

(g) Marketing Assessment.—

(1) In general.—The Secretary shall provide for a nonrefundable marketing assessment. The assessment shall be made on a per pound basis in an amount equal to 1.1 percent for each of the 1994 and 1995 crops, 1.15 percent for the 1996 crop, and 1.2 percent for each of the 1997 through 2002 crops, of the national average quota or additional peanut loan rate for the applicable crop.

(2) First purchasers.—

(A) In general.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall—

(i) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by—

(I) in the case of each of the 1994 and 1995 crops, .55 percent of the applicable national average loan rate;

(II) in the case of the 1996 crop, .6 percent of the applicable national average loan rate; and

(III) in the case of each of the 1997 through 2002 crops, .65 percent of the applicable national average loan rate;

(ii) pay, in addition to the amount collected under clause (i), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average loan rate; and

(iii) remit the amounts required under clauses (i) and (ii) to the Commodity Credit Corporation in a manner specified by the Secretary.

(B) Definition of first purchaser.—In this subsection, the term "first purchaser" means a person acquiring peanuts from a producer except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(3) Other private marketings.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(4) Loan peanuts.—In the case of peanuts that are pledged as collateral for a loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(5) Penalties.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with the requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of peanuts involved in the violation; by

(B) the national average quota peanut rate for the applicable crop year.

(6) Enforcement.—The Secretary may enforce this subsection in the courts of the United States.

(h) Crops.—Subsections (a) through (f) shall be effective only for the 1996 through 2002 crops of peanuts.

(i) Marketing Quotas.—

(1) In general.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

(A) in section 358–1 (7 U.S.C. 1358–1)—

(i) in the section heading, by striking "**1991 THROUGH 1997 CROPS OF**";

(ii) in subsections (a)(1), (b)(1)(B), (b)(2)(A), (b)(2)(C), and (b)(3)(A), by striking "of the 1991 through 1997 marketing years" each place it appears and inserting "marketing year";

(iii) in subsection (a)(3), by striking "1990" and inserting "1990, for the 1991 through 1995 marketing years, and 1995, for the 1996 through 2002 marketing years";

(iv) in subsection (b)(1)(A)—

(I) by striking "each of the 1991 through 1997 marketing years" and inserting "each marketing year"; and

(II) in clause (i), by inserting before the semicolon the following: ", in the case of the 1991 through 1995 marketing years, and the 1995 marketing year, in the case of the 1996 through 2002 marketing years"; and

(v) in subsection (f), by striking "1997" and inserting "2002";

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking "**1991 THROUGH 1995 CROPS OF**"; and

(ii) in subsection (c), by striking "1995" and inserting "2002";

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking "1995" and inserting "2002"; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking "**FOR 1991 THROUGH 1997 CROPS OF PEANUTS**"; and

(ii) in subsection (i), by striking "1997" and inserting "2002".

(2) Elimination of quota floor.—Section 358–1(a)(1) of the Act (7 U.S.C. 1358–1(a)(1)) is amended by striking the second sentence.

(3) Temporary quota allocation.—Section 358–1 of the Act (7 U.S.C. 1358–1) is amended—

(A) in subsection (a)(1), by striking "domestic edible, seed," and inserting "domestic edible use";

(B) in subsection (b)(2)—

(i) in subparagraph (A), by striking "subparagraph (B) and subject to"; and

(ii) by striking subparagraph (B) and inserting the following:

"(B) Temporary quota allocation.—

"(i) Allocation related to seed peanuts.—Temporary allocation of quota pounds for the marketing year only in which the crop is planted shall be made to producers for each of the 1996 through 2002 marketing years as provided in this subparagraph.

"(ii) Quantity.—The temporary quota allocation shall be equal to the pounds of seed peanuts planted on the farm, as may be adjusted under regulations prescribed by the Secretary.

"(iii) Additional quota.—The temporary allocation of quota pounds under this paragraph shall be in addition to the farm poundage quota otherwise established under this subsection and shall be credited, for the applicable marketing year only, in total to the producer of the peanuts on the farm in a manner prescribed by the Secretary.

"(iv) Effect of other requirements.—Nothing in this section alters or changes the requirements regarding the use of quota and additional peanuts established by section 358e(b)."; and

(C) in subsection (e)(3), strike "and seed and use on a farm".

(4) Undermarketings.—Part VI of subtitle B of title III of the Act is amended—

(A) in section 358–1(b) (7 U.S.C. 1358–1(b))—

(i) in paragraph (1)(B), by striking "including—" and clauses (i) and (ii) and inserting "including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).";

(ii) in paragraph (3)(B), by striking "include—" and clauses (i) and (ii) and inserting "include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7)."; and

(iii) by striking paragraphs (8) and (9); and

(B) in section 358b(a) (7 U.S.C. 1358b(a))—

(i) in paragraph (1), by striking "(including any applicable under marketings)" both places it appears;

(ii) in paragraph (1)(A), by striking "of undermarketings and";

(iii) in paragraph (2), by striking "(including any applicable under marketings)"; and

(iv) in paragraph (3), by striking "(including any applicable undermarketings)".

(5) Disaster transfers.—Section 358–1(b) of the Act (7 U.S.C. 1358–1(b)), as amended by paragraph (4)(A)(iii), is further amended by adding at the end the following:

"(8) Disaster transfers.—

"(A) In general.—Except as provided in subparagraph (B), additional peanuts produced on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation provide.

"(B) Limitation.—The poundage of peanuts transferred under subparagraph (A) shall not exceed the difference between—

"(i) the total quantity of peanuts meeting quality requirements for domestic edible use, as determined by the Secretary, marketed from the farm; and

"(ii) the total farm poundage quota, excluding quota pounds transferred to the farm in the fall.

"(C) Support rate.—Peanuts transferred under this paragraph shall be supported at not more than 70 percent of the quota support rate for the marketing years in which the transfers occur. The transfers for a farm shall not exceed 25 percent of the total farm quota pounds, excluding pounds transferred in the fall.".

SEC. 107. SUGAR PROGRAM.

(a) SUGARCANE.—The Secretary shall make loans available to processors of domestically grown sugarcane at a rate equal to 18 cents per pound for raw cane sugar.

(b) SUGAR BEETS.—The Secretary shall make loans available to processors of domestically grown sugar beets at a rate equal to 22.9 cents per pound for refined beet sugar.

(c) TERM OF LOANS.—

(1) IN GENERAL.—Loans under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature at the earlier of—

(A) the end of 9 months; or

(B) the end of the fiscal year.

(2) SUPPLEMENTAL LOANS.—In the case of loans made under this section in the last 3 months of a fiscal year, the processor may repledge the sugar as collateral for a second loan in the subsequent fiscal year, except that the second loan shall—

(A) be made at the loan rate in effect at the time the second loan is made; and

(B) mature in 9 months less the quantity of time that the first loan was in effect.

(d) LOAN TYPE; PROCESSOR ASSURANCES.—

(1) RECOURSE LOANS.—Subject to paragraph (2), the Secretary shall carry out this section through the use of recourse loans.

(2) NONRECOURSE LOANS.—During any fiscal year in which the tariff rate quota for imports of sugar into the United States is established at, or is increased to, a level in excess of 1,500,000 short tons raw value, the Secretary shall carry out this section by making available nonrecourse loans. Any recourse loan previously made available by the Secretary under this section during the fiscal year shall be changed by the Secretary into a nonrecourse loan.

(3) PROCESSOR ASSURANCES.—If the Secretary is required under paragraph (2) to make nonrecourse loans available during a fiscal year or to change recourse loans into nonrecourse loans, the Secretary shall obtain from each processor that receives a loan under this section such assurances as the Secretary considers adequate to ensure that the processor will provide payments to producers that are proportional to the value of the loan received by the processor for sugar beets and sugarcane delivered by producers served by the processor. The Secretary may establish appropriate minimum payments for purposes of this paragraph.

(e) MARKETING ASSESSMENT.—

(1) SUGARCANE.—Effective for marketings of raw cane sugar during the 1996 through 2003 fiscal years, the first processor of sugarcane shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to—

(A) in the case of marketings during fiscal year 1996, 1.1 percent of the loan rate established under subsection (a) per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing); and

(B) in the case of marketings during each of fiscal years 1997 through 2003, 1.375 percent of the loan rate established under subsection (a) per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing).

(2) SUGAR BEETS.—Effective for marketings of beet sugar during the 1996 through 2003 fiscal years, the first processor of sugar beets shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to—

(A) in the case of marketings during fiscal year 1996, 1.1794 percent of the loan rate established under subsection (a) per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed; and

(B) in the case of marketings during each of fiscal years 1997 through 2003, 1.47425 percent of the loan rate established under subsection (a) per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed.

(3) COLLECTION.—

(A) TIMING.—A marketing assessment required under this subsection shall be collected on a monthly basis and shall be remitted to the Commodity Credit Corporation not later than 30 days after the end of each month. Any cane sugar or beet sugar processed during a fiscal year that has not been marketed by September 30 of the year shall be subject to assessment on that date. The sugar shall not be subject to a second assessment at the time that it is marketed.

(B) MANNER.—Subject to subparagraph (A), marketing assessments shall be collected under this subsection in the manner prescribed by the Secretary and shall be nonrefundable.

(4) PENALTIES.—If any person fails to remit the assessment required by this subsection or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of cane sugar or beet sugar involved in the violation; by

(B) the loan rate for the applicable crop of sugarcane or sugar beets.

(5) ENFORCEMENT.—The Secretary may enforce this subsection in a court of the United States.

(f) FORFEITURE PENALTY.—

(1) IN GENERAL.—A penalty shall be assessed on the forfeiture of any sugar pledged as collateral for a nonrecourse loan under this section.

(2) CANE SUGAR.—The penalty for cane sugar shall be 1 cent per pound.

(3) BEET SUGAR.—The penalty for beet sugar shall bear the same relation to the penalty for cane sugar as the marketing assessment for sugar beets bears to the marketing assessment for sugarcane.

(4) EFFECT OF FORFEITURE.—Any payments owed producers by a processor that forfeits of any sugar pledged as collateral for a nonrecourse loan shall be reduced in proportion to the loan forfeiture penalty incurred by the processor.

(g) INFORMATION REPORTING.—

(1) DUTY OF PROCESSORS AND REFINERS TO REPORT.—A sugarcane processor, cane sugar refiner, and sugar beet processor shall furnish the Secretary, on a monthly basis, such information as the Secretary may require to administer sugar programs, including the quantity of purchases of sugarcane, sugar beets, and sugar, and production, importation, distribution, and stock levels of sugar.

(2) PENALTY.—Any person willfully failing or refusing to furnish the information, or furnishing willfully any false information, shall be subject to a civil penalty of not more than $10,000 for each such violation.

(3) MONTHLY REPORTS.—Taking into consideration the information received under paragraph (1), the Secretary shall publish on a monthly basis composite data on production, imports, distribution, and stock levels of sugar.

(h) MARKETING ALLOTMENTS.—Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa et seq.) is repealed.

(i) CROPS.—This section (other than subsection (h)) shall be effective only for the 1996 through 2002 crops of sugar beets and sugarcane.

COCHRAN AMENDMENT NO. 3351

(Ordered to lie on the table.)

Mr. COCHRAN submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the end of subtitle E of Title III add the following:

SEC. . WILDLIFE HABITAT INCENTIVES PROGRAM.

The Secretary of Agriculture, in consultation with the State Technical Committee, shall establish a program within the Natural Resources Conservation Service to be known as the Wildlife Habitat Incentives Program. The program shall make cost-share payments to landowners to develop upland wildlife, wetland wildlife, threatened and endangered species, fisheries, and other types of wildlife habitat approved by the Secretary. To carry out this section, $10,000,000 for each of the fiscal years 1996 through 2002, shall be made available from the program authorized by subchapter B of Chapter 1 of Subtitle D of title XII of the Food Security Act of 1985.

CONRAD AMENDMENTS NOS. 3352–3353

(Ordered to lie on the table.)

Mr. CONRAD submitted two amendments intended to be proposed by him to amendment No. 3252 submitted by Mr. LUGAR to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3352

On page 4-45, strike lines 9 through 13 and insert the following:

"The Secretary may not reschedule or reamortize a loan for a borrower under this title who has not requested consideration under section 331D(e) unless the borrower—

"(1) after paying all family living an operating expenses, excluding interest, can pay a portion, as determined by the Secretary, of the interest due on the loan;

"(2) has disposed of all normal income security; and

"(3) has satisfied any liens.

AMENDMENT NO. 3353

On page 4-29, strike lines 21 and 22 and insert the following:

(i) by striking "exceed 15 percent" and all that follows through "Code" and inserting the following: "exceed—

"(i) 25 percent of the median acreage of the farms or ranches, as the case may be, in the county in which the farm or ranch operations of the applicant are located, as reported in the most recent census of agriculture taken under section 142 of title 13, United States Code; and

"(ii) 40 percent of the national average acreage of the farms or ranches, as the case may be, engaged in the type of commodity or livestock operation in which the farmer or rancher is engaged, as determined by the Secretary''; and

CONRAD AMENDMENT NO. 3354

(Ordered to lie on the table.)

Mr. CONRAD submitted an amendment intended to be proposed by him to amendment No. 3252 submitted by Mr. LUGAR to the bill S. 1541, supra; as follows:

In Section 381E(c)(3) of Sec. 561, Rural Community Advancement Program, of Title V—Rural Development, strike the following: ''; and

''(D) grants to broadcasting systems provided under section 310B(f)''.

CONRAD AMENDMENT NO. 3355

(Ordered to lie on the table.)

Mr. CONRAD submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

Title I is amended by—

(1) striking ''2002'' each place it appears and inserting ''1998'';

(2) striking ''2003'' each place it appears and inserting ''1999'';

(3) in section 103 striking subsections (d) through (f) and inserting the following:

''(e) CONTRACT PAYMENTS.—

''(1) IN GENERAL.—The Secretary shall provide advanced and final payments to owners and operators in accordance with the this subsection.

''(2) ADVANCED PAYMENTS.—

''(A) IN GENERAL.—An owner or operator shall receive an advanced payment by June 15 for the 1996 fiscal year and December 15 for the 1997 and 1998 fiscal years which represents the product of—

''(i) the applicable payment rate described in subparagraph (B);

''(ii) the farm program payment yield; and

''(iii) 85 percent of the contract acreage.

''(B) PAYMENT RATE.—The payment rate shall be—

''(i) for corn, $.16 per bushel;

''(ii) for grain sorghum, $.19 per bushel;

''(iii) for barley, $.12 per bushel;

''(iv) for oats, $.02 per bushel;

''(v) for wheat, $.27 per bushel;

''(vi) for rice, $1.14 per hundredweight; and

''(vii) for upland cotton, $.032 per pound.

''(3) FINAL PAYMENT.—

''(A) IN GENERAL.—The Secretary shall make a final payment which represents the county rate described in subparagraph (B) multiplied by lessor of—

''(i) 85 percent of the contract acreage; or

''(ii) contract acreage planted to the contract commodity

''(B) COUNTY RATE.—The county rate is the difference between the target county revenue described in clause (i) and the current county revenue described in clause (ii).

''(i) TARGET COUNTY REVENUE.—The target county revenue shall equal to the product of—

''(I) the five year average county yield for the contract commodity, excluding the year in which the average yield was the highest and the lowest; and

''(II) the established price for the commodity for the 1995 crop.

''(ii) CURRENT COUNTY REVENUE.—The current county revenue shall equal the product of—

''(I) the average price for the contract commodity for the first five months of the marketing year; and

''(II) the county average yield for the contract commodity.

''(iii) LIMITATION.—The final payment shall be reduced by the advanced payment, but in no case shall the final payment be less than zero.''

(4) in section 104(b) by striking paragraphs (1)(A)(ii), (2)(A)(ii), (3)(B), and (4)(B).

CONRAD (AND HEFLIN) AMENDMENT NO. 3356

(Ordered to lie on the table.)

Mr. CONRAD (for himself and Mr. HEFLIN) submitted an amendment intended to be proposed by him to amendment No. 3252 submitted by Mr. LUGAR to the bill S. 1541, supra; as follows:

Beginning on page 5-86, strike line 11 and all that follows through page 5-87, line 11, and insert the following:

''(3) RURAL BUSINESS AND COOPERATIVE DEVELOPMENT.—The rural business and cooperative development category shall include funds made available for—

''(A) rural business opportunity grants provided under section 306(a)(11)(A);

''(B) business and industry guaranteed loans provided under section 310B(a)(1); and

''(C) rural business enterprise grants and rural educational network grants provided under section 310B(c).

''(d) OTHER PROGRAMS.—Subject to subsection (e), in addition to any other appropriated amounts, the Secretary may transfer amounts allocated for a State for any of the 3 function categories for a fiscal year under subsection (c) to—

''(1) mutual and self-help housing grants provided under section 523 of the Housing Act of 1949 (42 U.S.C. 1490c);

''(2) rural rental housing loans for existing housing provided under section 515 of the Housing Act of 1949 (42 U.S.C. 1485);

''(3) rural cooperative development grants provided under section 310B(e); and

''(4) grants to broadcasting systems provided under section 310B(f).''.

CONRAD (AND HEFLIN) AMENDMENT NO. 3357

(Ordered to lie on the table.)

Mr. CONRAD (for himself and Mr. HEFLIN) submitted an amendment intended to be proposed by him to an amendment submitted by Mr. LUGAR to an amendment submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 4-28, strike line 16 and insert the following: (U.S.C. 488 et seq.)

''(IV) LIMITATIONS ON LIQUIDATIONS.—In the case of a default by a borrower on a loan made or guaranteed under this title involving a security interest in tribal allotted or trust land, the Secretary shall only pursue liquidation after offering to transfer the land to an eligible tribal member, the tribe, or the Secretary of the Interior. If the Secretary subsequently proceeds to liquidate the loan, the Secretary shall not transfer or otherwise dispose of or alienate the land except to 1 of the persons described in the preceding sentence. The Secretary shall not be required to make any payment in lieu of taxes on property held under this subclause.'';

CONRAD AMENDMENT NO. 3358

(Ordered to lie on the table.)

Mr. CONRAD submitted an amendment intended to be proposed by him to amendment No. 3252 submitted by Mr. LUGAR to the bill S. 1541, supra; as follows:

In Section 547(e)(3) of Subtitle B—Amendments to the Consolidated Farm and Rural Development Act of Title V—Rural Development of Amendment #3252 submitted by Senator Lugar, strike '', and rural businesses''.

LEVIN AMENDMENTS NOS. 3359–3361

(Ordered to lie on the table.)

Mr. LEVIN submitted three amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3359

At the appropriate place in the title relating to agricultural trade, insert the following:

SEC. . ELIGIBILITY AND ADMINISTRATIVE REQUIREMENTS OF THE MARKET PROMOTION PROGRAM.

Section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) is amended by adding at the end the following:

''(h) ELIGIBILITY AND ADMINISTRATIVE REQUIREMENTS.—As a criterion of eligibility for participation in the market promotion program, the Secretary may not require—

''(1) a commodity organization to establish or support a full-time administrative office in Washington, D.C., or elsewhere; or

''(2) an organization of producers of a type of a commodity to contribute a portion of matching market promotion program expenditures of an organization representing producers of the entire commodity.''.

AMENDMENT NO. 3360

At the end of the title relating to conservation, insert the following:

SEC. . BIOLOGICAL-CONTROL ORGANISMS.

(a) GUIDE.—The Administrator of the Environmental Protection Agency and the Secretary of Agriculture shall jointly develop and publish a guide to risk criteria, data requirements, and oversight procedures that apply to importation, movement, introduction, testing, and registration or release of biological-control organisms or products.

(b) REPORT.—Not later than 3 years after the date of enactment of this Act, the Administrator and the Secretary shall make recommendations to Congress based on the guide for changing the law to improve the process of registration or release and the oversight of biological-control organisms and products.

AMENDMENT NO. 3361

At the end of the title relating to conservation, insert the following:

SEC. . GREAT LAKES SOIL EROSION AND SEDIMENT CONTROL PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a Great Lakes Soil Erosion and Sediment Control Program.

(b) GRANTS.—Under the Program, the Natural Resources Conservation Service, in consultation with the Great Lakes Commission (established under Article IV of the Great Lakes Compact of which Congress granted consent in the Act of July 24, 1968, Public Law 90–419) shall provide grants to persons to demonstrate innovative approaches to controlling and reducing the loss of soil in the Great Lakes Basin.

(c) AUTHORIZATION.—There is authorized to be appropriated to carry out this section a total of $5,000,000 for fiscal years 1996 through 2001.

HARKIN AMENDMENTS NOS. 3362–3363

(Ordered to lie on the table.)

Mr. HARKIN submitted two amendments intended to be proposed by him to an amendment proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3362

Strike section 505 and insert the following:

"SEC. 505. EXPORT ENHANCEMENT PROGRAM.

"Notwithstanding section 203, the Commodity Credit Corporation shall make available to carry out the program established under the Agricultural Trade Act of 1978 (7 U.S.C. 5651(e)(1)) not more than:

"(A) $312,857,144 for fiscal year 1996;
"(B) $312,857,144 for fiscal year 1997;
"(C) $462,857,144 for fiscal year 1998;
"(D) $512,857,144 for fiscal year 1999;
"(E) $541,857,144 for fiscal year 2000;
"(F) $440,857,144 for fiscal year 2001; and
"(G) $440,857,144 for fiscal year 2002."

AMENDMENT NO. 3363

On page 5–10, strike line 8 and all that follows through line 15.

HARKIN AMENDMENT NO. 3364

(Ordered to lie on the table.)

Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

Section 104(b) is amended by adding at the end the following:

"(7) LOCAL LOAN RATES.—The Secretary may not reduce the loan rate for a crop in a county by an amount in excess of 3 percent of the national loan rate.

HARKIN AMENDMENTS NOS. 3365–3366

(Ordered to lie on the table.)

Mr. HARKIN submitted two amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3365

On page 1–17, line 21, after "15 percent", insert the following: "(or in the case of a producer participating in the Integrated Farm Management Program Option established under section 1451 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5822), which is authorized to be carried out through the end of calendar year 2002, 30 percent)".

AMENDMENT NO. 3366

At the appropriate place in title III, insert the following:

SEC. 3 . INTEGRATED FARM MANAGEMENT PROGRAM OPTION.

Section 1451 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5822) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking subparagraph (A) and inserting the following:

"(A) RESOURCE-CONSERVING CROP.—The term 'resource-conserving crop' means—

"(i)(I) any legume, grass, brassica cover crop or forage, or alternative crop; and

"(II) any interseeded or relay-planted combination of a crop described in subclause (I);

"(ii) any interseeded or relay-planted combination of a crop described in subclause (I) and a small grain; and

"(iii) such other crops as the Secretary may designate."; and

(B) in paragraph (2)—

(i) by striking subparagraph (B) and inserting the following:

"(B) LEGUME.—The term 'legume' means any legume grown for use as a forage, green manure, or biomass feedstock, but not including any pulse crop from which seeds are harvested and sold for a purpose other than use as seed for planting.";

(ii) in subparagraph (D), by striking "grown in arid and semiarid regions"; and

(iii) by adding at the end the following:

"(E) SPECIAL CONSERVATION PRACTICE.—The term 'special conservation practice' means establishment of—

"(i) a field border, contour grass strip, grass waterway, filterstrip, grass windbreak, buffer area, wildlife habitat planting, or habitat planting for beneficial organisms that aid in the control of pests; and

"(ii) such other practices as the Secretary may designate.";

(2) in subsection (d), by striking "1995" and inserting "2002";

(3) in subsection (f)—

(A) in paragraph (2), by inserting "or special conservation practice" and "rotation"; and

(B) in paragraph (3), by inserting "or special conservation practice" after "rotation"; and (4) in subsection (h)—

(A) in paragraph (5)(A), by striking "such acreage" each place it appears and inserting "any such acreage in excess of 30 percent of the crop acreage bases enrolled in the program"; and

(B) by striking paragraph (7).

HARKIN AMENDMENT NO. 3367

(Ordered to lie on the table.)

Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

Section 314 is amended by striking "(ii) 10,000 beef cattle" and all that follows through "lambs;" and inserting the following:

"(ii) 1,000 beef cattle;
"(iii) 100,000 laying hens or broilers;
"(iv) 55,000 turkeys;
"(v) 2,500 swine; or
"(vi) 10,000 sheep or lambs."

HARKIN AMENDMENTS NOS. 3368–3372

(Ordered to lie on the table.)

Mr. HARKIN submitted five amendments intended to be proposed by him to an amendment proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3368

On page 1–26, strike line 16 and all that follows through line 25 and insert the following:

(6) OILSEEDS.—

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be—

Not less than 90 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rate for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed shall be—

Not less than 90 percent of the simple average price received by producers of sunflower seed, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of sunflower seed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

AMENDMENT NO. 3369

On page 1–26, strike line 16 and all that follows through line 25 and insert the following:

(6) OILSEEDS.—

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be—

Not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rate for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed shall be—

Not less than 85 percent of the simple average price received by producers of sunflower seed, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of sunflower seed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

AMENDMENT NO. 3370

Beginning on page 1–21, strike line 5 and all that follows through page 1–26, line 25, and insert the following:

(1) WHEAT.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for wheat shall be not less than 90 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(i) equal to or greater than 30 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for wheat under subparagraph (B) shall not be considered in determining the loan rate for wheat for subsequent years.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for corn shall be not less than 90 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

(i) equal to or greater than 25 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 12.5 percent the Secretary may not reduce the loan rate for corn for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for corn under subparagraph (B) shall not be considered in determining the loan rate for corn for subsequent years.

(D) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

(3) UPLAND COTTON.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for upland cotton shall be established by the Secretary at such loan rate, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is not less than the smaller of—

(i) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 in the year in which the loan rate is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

(ii) 90 percent of the average, for the 15-week period beginning July 1 of the year in which the loan rate is announced, of the 5 lowest-priced growths of the growths quoted for Middling $1\frac{3}{32}$-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

(B) LIMITATIONS.—The loan rate for a marketing assistance loan for upland cotton shall not be less than $0.50 per pound or more than $0.5192 per pound.

(4) EXTRA LONG STAPLE COTTON.—The loan rate for a marketing assistance loan for extra long staple cotton shall be—

(A) not less than 85 percent of the simple average price received by producers of extra long staple cotton, as determined by the Secretary, during 3 years of the 5 previous marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $0.7965 per pound.

(5) RICE.—The loan rate for a marketing assistance loan for rice shall be $6.50 per hundredweight.

(6) OILSEEDS.—

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be—

Not less than 90 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rate for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed shall be—

Not less than 90 percent of the simple average price received by producers of sunflower seed, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of sunflower seed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

AMENDMENT NO. 3371

Beginning on page 1-21, strike line 5 and all that follows through page 1-23, line 3, and insert the following:

(1) WHEAT.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for wheat shall be not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(i) equal to or greater than 30 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for wheat under subparagraph (B) shall not be considered in determining the loan rate for wheat for subsequent years.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for corn shall be not less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

AMENDMENT NO. 3372

At the appropriate place insert the following new section:

SEC. . RESEARCH PROGRAM FOR DESIGNING FOODS TO IMPROVE HUMAN NUTRITION.

Section 1427 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3177) is amended to read as follows:

"SEC. 1427. RESEARCH PROGRAM FOR DESIGNING FOODS TO IMPROVE HUMAN NUTRITION.

"(a) AUTHORITY OF SECRETARY.—

"(1) IN GENERAL.—The Secretary may establish, and award grants for projects for, coordinated interdisciplinary research into—

"(A) food selection and consumption;

"(B) the nutritional composition and nutrient utilization of foods; and

"(C) designing and developing new foods for improving human nutrition and health.

"(2) EMPHASIS OF RESEARCH.—In administering human nutrition research projects under this section, the Secretary shall give specific emphasis to—

"(A) designing and developing new foods, and improving food production and processing, to improve the nutritional quality of the food supply with considerations for consumer preferences and economic factors;

"(B) identifying the food components and other factors in agricultural commodities and food products that affect nutrient bioavailability, nutrient utilization and health maintenance;

"(C) evaluating nutrient utilization and function to determine which nutrients should be emphasized in designing new foods and making food selection recommendations; and

"(D) identifying the determinants of food selection and consumption and developing educational strategies for improving food selection and consumption patterns.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for fiscal years 1996 through 2002.".

HARKIN AMENDMENT NO. 3373

(Ordered to lie on the table.)

Mr. HARKIN submitted an amendment intended to be proposed by him to amendment No. 3252 submitted by Mr. LUGAR to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place insert the following new section:

SEC. . AMERICA'S AGRICULTURAL HERITAGE PARTNERSHIP.

(a) FINDINGS AND PURPOSE.—

The Congress finds that—

(1) the city of Waterloo, Iowa, and northeast Iowa of the State possess many important elements of the nationally significant story of American agriculture, including Native American agriculture, agricultural mechanization, seed hybridization, farm cooperative movements, rural electrification, farm-to-market systems, rural to urban migration, veterinary practice, food processing and preservation, national farm organizations, international hunger relief, and the development of national and international agribusiness;

(2) these resources offer outstanding and unique opportunities to acknowledge and appreciate the development of American agriculture;

(3) the National Park Service has determined that the story of American agriculture is nationally significant, that northeast Iowa is an ideal place to tell that story, and that this story could be divided into 4

principal topics for interpretation in northeast Iowa: the Amazing Science of Agriculture, Agriculture as a Way of Life, Organizing for Survival, and Crops from Field to Table;

(4) the responsibility for interpreting, retaining, enhancing, and promoting the resources, values, and amenities of Waterloo, Iowa and northeast Iowa resides with volunteer associations, private businesses, political subdivisions of the State, and the State of Iowa; and

(5) despite the efforts by volunteer associations, private businesses, political subdivisions of the State, and the State of Iowa, the cultural and historical resources of the area have not realized full potential and may be lost without some assistance from the Federal Government.

(b) PURPOSES.—The purposes of this Act are—

(1) to interpret, retain, enhance, and promote the unique and significant contributions to national and international agriculture of certain natural, historic, and cultural resources within Waterloo, Iowa, and northeast Iowa;

(2) to provide a partnership management framework to assist volunteer associations, private businesses, political subdivisions of the State, and the State of Iowa in developing and implementing Management Plan policies and programs that will assist in the interpretation, retention, enhancement, and promotion of the cultural, natural, and recreational resources of northeast Iowa;

(3) to allow for local, State, and Federal contributions through limited grants and technical assistance to create America's Agricultural Heritage Partnership through cooperative agreements among volunteer associations, private businesses, political subdivisions of the State, the State of Iowa, and residents of the area; and

(4) to provide for an economically self-sustaining Partnership for the educational and inspirational benefit of current and future generations concerning the story of American agriculture.

(c) DEFINITIONS.—

As used in this Act:

(1) PARTNERSHIP.—The term "Partnership" means the America's Agricultural Heritage Partnership as established by section 3(a).

(2) MANAGEMENT ENTITY.—The term "management entity" means the management entity as established by section 4(a).

(3) POLITICAL SUBDIVISION.—The term "political subdivision" means a political subdivision of the State of Iowa, any part of which is located in or adjacent to the area in which the Partnership's Activities occur, including a county, city, or town.

(4) STATE.—The term "State" means the State of Iowa.

(5) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(6) PARTNERSHIP MANAGEMENT PLAN.—The term "Partnership Management Plan" means the plan as established in section 5(a).

(7) ACTIVITIES.—The term "activities" means the activities limited in section 3(b).

(d) ESTABLISHMENT OF THE AMERICA'S AGRICULTURAL HERITAGE PARTNERSHIP.

(1) ESTABLISHMENT.—To carry out this Act, there is established in the State of Iowa the America's Agricultural Heritage Partnership upon publication by the Secretary in the Federal Register of notice that a Partnership Management Plan has been approved by the Secretary.

(2) ACTIVITIES.—The Partnership's activities shall be limited to the counties of northeast Iowa that are generally depicted in "Alternatives #2 and #3" described in the 1995 National Park Service "Special Resource Study, Cedar Valley, Iowa.".

(3) PARTICIPATION.—Nothing in this Act shall require any resident located in the area in which the Partnership's activities occur to participate in or be associated with the Partnership or the Partnership's activities.

(4) AFFILIATIONS.—Nothing in this Act shall prohibit future affiliations or designations of the Partnership or Partnership Management Entity.

(5) GRANTS, TECHNICAL ASSISTANCE, AND COOPERATIVE AGREEMENTS.—

(A) GRANTS AND TECHNICAL ASSISTANCE.—The Secretary may make grants and provide technical assistance to America's Agricultural Heritage Partnership to assist it in carrying out its purposes.

(B) COOPERATIVE AGREEMENTS.—The Secretary is authorized to enter into cooperative agreements with private entities, the State of Iowa, or any political subdivision thereof, and other Federal entities, to further the purposes of this Act, the Partnership, or the Partnership Management Entity.

(e) ESTABLISHMENT OF THE AMERICA'S AGRICULTURAL HERITAGE PARTNERSHIP MANAGEMENT ENTITY.

(1) ESTABLISHMENT.—There is established a management entity for the Partnership based on the "Management Option #5" outlined in the 1995 National Park Service "Special Resource Study, Cedar Valley, Iowa" and subject to the approval of the Secretary.

(2) PARTNERSHIP MANAGEMENT PLAN.—The Partnership management entity shall be established in the Partnership Management Plan as established in section 5(a).

(3) COMPOSITION.—The membership of the management entity may include persons affiliated with the following entities: the American Association of Museums, American Farm Bureau, National Farmers Union, American Farmland Trust, Effigy Mounds National Monument and Herbert Hoover National Historic Site, Iowa Department of Agriculture and Land Stewardship, Iowa Department of Corrections, Iowa Department of Cultural Affairs, Iowa Department of Economic Development, National Trust for Historic Preservation, Smithsonian Institution, the State Historic Preservation Office of the State of Iowa, United States Department of Agriculture, United States Department of Transportation and the America's Agricultural/Industrial Heritage Landscape, Inc.

(f) PARTNERSHIP MANAGEMENT PLAN.—

(1) PREPARATION OF PARTNERSHIP MANAGEMENT PLAN.—A Partnership Management Plan shall be submitted to the Secretary for approval no later than one year after the date of the enactment of this Act.

(2) ASSISTANCE.—The Secretary may provide technical assistance in the preparation of the Partnership Management Plan.

(g) LAND USE REGULATION AND PRIVATE PROPERTY PROTECTION.—

(1) REGULATION.—Nothing in this Act shall be construed to modify, enlarge, or diminish any authority of Federal, State, and local governments to regulate any use of privately owned land than that provided by current law or regulation.

(2) LAND USE.—Nothing in this Act shall be construed to grant the powers of zoning, land use or condemnation to the Partnership Management Entity, the Secretary or any other Federal, State, or local government entity.

(h) AUTHORIZATION.—

(1) IN GENERAL.—There is authorized to be appropriated not more than $400,000 annually for grants and technical assistance under sections 3(e)(1) and 5(b).

(2) PERCENT OF COST.—Federal funding under sections 3(e)(1) and 5(b) shall not exceed 50 percent of the total cost of the grant or technical assistance provided under such section.

HARKIN AMENDMENT NO. 3374

(Ordered to lie on the table.)

Mr. HARKIN submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Farm Security Act of 1996".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—COMMODITY PROGRAMS

Sec. 101. Wheat, feed grain, and oilseed program.
Sec. 102. Upland cotton program.
Sec. 103. Rice program.
Sec. 104. Peanut program.
Sec. 105. Dairy program.
Sec. 106. Sugar program.
Sec. 107. Suspension of permanent price support authority.
Sec. 108. Extension of related price support provisions.
Sec. 109. Crop insurance administrative fee.
Sec. 110. Effective date.

TITLE II—CONSERVATION

Sec. 201. Conservation reserve program.
Sec. 202. Environmental quality incentives program.

TITLE III—NUTRITION ASSISTANCE

Sec. 301. Food stamp program.
Sec. 302. Commodity distribution program; commodity supplemental food program.
Sec. 303. Emergency food assistance program.
Sec. 304. Soup kitchens program.
Sec. 305. National commodity processing.

TITLE I—COMMODITY PROGRAMS

SEC. 101. WHEAT, FEED GRAIN, AND OILSEED PROGRAM.

(a) IN GENERAL.—Title I of the Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) is amended by adding at the end the following:

"SEC. 116. MARKETING LOANS AND LOAN DEFICIENCY PAYMENTS FOR 1996 THROUGH 2002 CROPS OF WHEAT, FEED GRAINS, AND OILSEEDS.

"(a) DEFINITIONS.—In this section:

"(1) COVERED COMMODITIES.—The term 'covered commodities' means wheat, feed grains, and oilseeds.

"(2) FEED GRAINS.—The term 'feed grains' means corn, grain sorghum, barley, oats, millet, rye, or as designated by the Secretary, other feed grains.

"(3) OILSEEDS.—The term 'oilseeds' means soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or as designated by the Secretary, other oilseeds.

"(b) ADJUSTMENT ACCOUNT.—

"(1) DEFINITION OF PAYMENT BUSHEL OF PRODUCTION.—In this subsection, the term 'payment bushel of production' means—

"(A) in the case of wheat, 7/10 of a bushel;

"(B) in the case of corn, a bushel; and

"(C) in the case of other feed grains, a quantity determined by the Secretary.

"(2) ESTABLISHMENT.—The Secretary shall establish an Adjustment Account (referred to in this subsection as the ‘Account’) for making—

“(A) payments to producers of the 1996 through 2002 crops of covered commodities who participate in the marketing loan program established under subsection (c); and

“(B) payments to producers of the 1994 and 1995 crops of covered commodities that are authorized, but not paid, under sections 105B and 107B prior to the date of enactment of this section.

“(3) AMOUNT IN ACCOUNT.—The Secretary shall transfer from funds of the Commodity Credit Corporation into the Account—

“(A) $3,000,000,000 for fiscal year 1996; and

“(B) $3,900,000,000 for each of fiscal years 1997 through 2002;

to remain available until expended.

“(4) PAYMENTS.—The Secretary shall use funds in the Account to make payments to producers of wheat and feed grains in accordance with this subsection.

“(5) TIER 1 SUPPORT.—

“(A) IN GENERAL.—The producers on a farm referred to in paragraph (2) shall be entitled to a payment computed by multiplying—

“(i) the payment quantity determined under subparagraph (B); by

“(ii) the payment factor determined under subparagraph (C).

“(B) PAYMENT QUANTITY.—

“(i) IN GENERAL.—Subject to clause (ii), the payment quantity for payments under subparagraph (A) shall be determined by the Secretary based on—

“(I) 90 percent of the 5-year average of the quantity of wheat and feed grains produced on the farm;

“(II) an adjustment to reflect any disaster or other circumstance beyond the control of the producers that adversely affected production of wheat or feed grains, as determined by the Secretary; and

“(III) an adjustment for planting resource conservation crops on the crop acreage base for covered commodities, and adopting conserving uses, on the base not enrolled in the environmental reserve program provided in paragraph (6).

“(ii) LIMITATIONS.—The quantity determined under clause (i) for an individual, directly or indirectly, shall not exceed 30,000 payment bushels of wheat or feed grains and may be adjusted by the Secretary to reflect the availability of funds.

“(C) PAYMENT FACTOR.—

“(i) WHEAT.—The payment factor for wheat under subparagraph (A) shall be equal to the difference between a price established by the Secretary, of not to exceed $4.00 per bushel, and the greater of—

“(I) the marketing loan rate for the crop of wheat; or

“(II) the average domestic price for wheat for the crop for the calendar year in which the crop is normally harvested.

“(ii) CORN.—The payment factor for corn under subparagraph (A) shall be equal to the difference between a price established by the Secretary, of not to exceed $2.75 per bushel, and the greater of—

“(I) the marketing loan rate for the crop of corn; or

“(II) the average domestic price for corn for the crop for the calendar year in which the crop is normally harvested;

“(iii) OTHER FEED GRAINS.—The payment factor for other feed grains under subparagraph (A) shall be established by the Secretary at such level as the Secretary determines is fair and reasonable in relation to the payment factor for corn.

“(D) ADVANCE PAYMENT.—The Secretary shall make available to producers on a farm 50 percent of the projected payment under this subsection at the time the producers agree to participate in the program.

“(6) ENVIRONMENTAL RESERVE PROGRAM.—

“(A) IN GENERAL.—The Secretary may enter into 1 to 5 year contracts with producers on a farm referred to in paragraph (2) for the purposes of enrolling flexible acreage base for conserving use purposes.

“(B) LIMITATION.—Flexible acreage base enrolled in the environmental reserve program shall not be eligible for benefits provided in paragraph (5)(B).

“(c) MARKETING LOANS.—

“(1) IN GENERAL.—The Secretary shall make available to producers on a farm marketing loans for each of the 1996 through 2002 crops of covered commodities produced on the farm.

“(2) ELIGIBILITY.—

“(A) IN GENERAL.—To be eligible for a loan under this subsection, the producers on a farm may not plant covered commodities on the farm in excess of the flexible acreage base of the farm determined under section 502.

“(B) AMOUNT.—The Secretary shall provide marketing loans for their normal production of covered commodities produced on a farm.

“(3) LOAN RATE.—

“(A) IN GENERAL.—Loans made under this subsection shall be made at the rate of 90 percent of the average price for the commodity for the previous 5 crop years, as determined by the Secretary.

“(B) ADJUSTMENTS.—For each of the 1996 through 2002 crops of covered commodities, the Secretary may not adjust local loan rates by a factor greater than 3 percent of the national loan rate.

“(4) REPAYMENT.—

“(A) CALCULATION.—Producers on a farm may repay loans made under this subsection for a crop at a level that is the lesser of—

“(i) the loan level determined for the crop; or

“(ii) the prevailing domestic market price for the commodity (adjusted to location and quality), as determined by the Secretary.

“(B) PREVAILING DOMESTIC MARKET PRICE.—The Secretary shall prescribe by regulation—

“(i) a formula to determine the prevailing domestic market price for each covered commodity; and

“(ii) a mechanism by which the Secretary shall announce periodically the prevailing domestic market prices established under this subsection.

“(d) LOAN DEFICIENCY PAYMENTS.—

“(1) IN GENERAL.—The Secretary may, for each of the 1996 through 2002 crops of covered commodities, make payments (referred to in this subsection as ‘loan deficiency payments’) available to producers who, although eligible to obtain a marketing loan under subsection (c), agree to forgo obtaining the loan in return for payments under this subsection.

“(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

“(A) the loan payment rate; by

“(B) the quantity of a covered commodity the producer is eligible to place under loan but for which the producer forgoes obtaining the loan in return for payments under this subsection.

“(3) LOAN PAYMENT RATE.—

“(A) IN GENERAL.—For the purposes of this subsection, the loan payment rate shall be the amount by which—

“(i) the marketing loan rate determined for the crop under subsection (c)(3); exceeds

“(ii) the level at which a loan may be repaid under subsection (c)(4).

“(B) DATE.—The date on which the calculation required under subparagraph (A) for the producers on a farm shall be determined by the producers, except that the date may not be later than the earlier of—

“(i) the date the producers lost beneficial interest in the crop; or

“(ii) the end of the marketing year for the crop.

“(4) APPLICATION.—Producers on a farm may apply for a payment for a covered commodity under this subsection at any time prior to the end of the marketing year for the commodity.

“(e) EQUITABLE RELIEF.—If the failure of a producer to comply fully with the terms and conditions of programs conducted under this section precludes the making of loans and payments, the Secretary may, nevertheless, make the loans and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure.

“(f) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

“(g) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

“(h) TENANTS AND SHARECROPPERS.—In carrying out this section, the Secretary shall provide adequate safeguards to protect the interest of tenants and sharecroppers.

“(i) CROPS.—This section shall be effective only for the 1996 through 2002 crops of a covered commodity.”.

(b) FLEXIBLE ACREAGE BASE.—

(1) DEFINITIONS.—Section 502 of the Agricultural Act of 1949 (7 U.S.C. 1462) is amended by striking paragraphs (2) and (3) and inserting the following:

“(2) FEED GRAINS.—The term ‘feed grains’ means corn, grain sorghum, barley, oats, millet, rye, or as designated by the Secretary, other feed grains.

“(3) GO CROPS.—The term ‘GO crops’ means wheat, feed grains, and oilseeds.

“(4) OILSEEDS.—The term ‘oilseed’ means a crop of soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, other oilseeds.

“(5) PROGRAM CROP.—The term ‘program crop’ means a GO crop and a crop of upland cotton or rice.”.

(2) CROP ACREAGE BASES.—Section 503(a) of the Act (7 U.S.C. 1463(a)) is amended by striking paragraph (1) and inserting the following:

“(1) IN GENERAL.—

“(A) GO CROPS.—The Secretary shall provide for the establishment and maintenance of a single crop acreage base for GO crops, including any GO crops produced under an established practice of double cropping.

“(B) COTTON AND RICE.—The Secretary shall provide for the establishment and maintenance of crop acreage bases for cotton and rice crops, including any program crop produced under an established practice of double cropping.”.

SEC. 102. UPLAND COTTON PROGRAM.

(a) EXTENSION.—Section 103B of the Agricultural Act of 1949 (7 U.S.C. 1444–2) is amended—

(1) in the section heading, by striking “1997” and inserting “2002”;

(2) in subsections (a)(1), (b)(1), (c)(1), and (o), by striking “**1997**” each place it appears and inserting “**2002**”;

(3) in subsection (a)(5), by striking "1998" each place it appears and inserting "2002";

(4) in the heading of subsection (c)(1)(D)(v)(II), by striking "1997" and inserting "2002";

(5) in subsection (e)(1)(D), by striking "the 1997 crop" and inserting "each of the 1997 through 2002 crops"; and

(6) in subsections (e)(3)(A) and (f)(1), by striking "1995" each place it appears and inserting "2002".

(b) INCREASE IN NONPAYMENT ACRES.—Section 103B(c)(1)(C) of the Act is amended by striking "85 percent" and inserting "80 percent for each of the 1996 through 2002 crops".

(c) ADVANCE PAYMENT.—Section 103B(c)(1) of the Act is amended by adding at the end the following:

"(F) ADVANCE PAYMENT.—The Secretary shall make available to producers on a farm 50 percent of the projected payment under this subsection at the time the producers agree to participate in the program.".

SEC. 103. RICE PROGRAM.

(a) EXTENSION.—Section 101B of the Agricultural Act of 1949 (7 U.S.C. 1441–2) is amended—

(1) in the section heading, by striking "**1995**" and inserting "**2002**";

(2) in subsections (a)(1), (a)(3), (b)(1), (c)(1)(A), (c)(1)(B)(iii), (e)(3)(A), (f)(1), and (n), by striking "1995" each place it appears and inserting "2002";

(3) in subsection (a)(5)(D)(i), by striking "1996" and inserting "2003"; and

(4) in subsection (c)(1)—

(A) in subparagraph (B)(ii)—

(i) by striking "AND 1995" and inserting "THROUGH 2002"; and

(ii) by striking "and 1995" and inserting "through 2002"; and

(B) in subparagraph (D)—

(i) in clauses (i) and (v)(II), by striking "1997" each place it appears and inserting "2002"; and

(ii) in the heading of clause (v)(II), by striking "1997" and inserting "2002".

(b) INCREASE IN NONPAYMENT ACRES.—Section 101B(c)(1)(C)(ii) of the Act is amended by striking "85 percent" and inserting "80 percent for each of the 1998 through 2002 crops".

(c) ADVANCE PAYMENT.—Section 101B(c)(1) of the Act is amended by adding at the end the following:

"(F) ADVANCE PAYMENT.—The Secretary shall make available to producers on a farm 50 percent of the projected payment under this subsection at the time the producers agree to participate in the program.".

SEC. 104. PEANUT PROGRAM.

(a) EXTENSION.—

(1) AGRICULTURAL ACT OF 1949.—Section 108B of the Agricultural Act of 1949 (7 U.S.C. 1445c–3) is amended—

(A) in the section heading, by striking "**1997**" and inserting "**2002**";

(B) in subsection (a)(1), (b)(1), and (h), by striking "1997" each place it appears and inserting "2002"; and

(C) in subsection (g)—

(i) by striking "1997" in paragraphs (1) and (2)(A)(ii)(II) and inserting "2002"; and

(ii) by striking "the 1997 crop" each place it appears and inserting "each of the 1997 through 2002 crops".

(2) AGRICULTURAL ADJUSTMENT ACT OF 1938.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

(A) in section 358–1 (7 U.S.C. 1358–1)—

(i) in the section heading, by striking "**1997**" and inserting "**2002**"; and

(ii) in subsections (a)(1), (b), and (f), by striking "1997" each place it appears and inserting "2002";

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking "**1995**" and inserting "**2002**"; and

(ii) in subsection (c), by striking "1995" and inserting "2002";

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking "1995" and inserting "2002"; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking "**1997**" and inserting "**2002**"; and

(ii) in subsection (i), by striking "1997" and inserting "2002".

(b) SUPPORT RATES FOR PEANUTS.—Section 108B(a)(2) of the Agricultural Act of 1949 (7 U.S.C. 1445c–3(a)(2)) is amended—

(1) by striking "(2) SUPPORT RATES.—The" and inserting the following:

"(2) SUPPORT RATES.—

"(A) 1991–1995 CROPS.—The"; and

(2) by adding at the end the following:

"(B) 1996–2002 CROPS.—The national average quota support rate for each of the 1996 through 2002 crops of quota peanuts shall be $678 per ton.".

(c) UNDERMARKETINGS.—

(1) IN GENERAL.—Section 358–1(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)) is amended—

(A) in paragraph (7), by adding at the end the following::

"(C) TRANSFER OF ADDITIONAL PEANUTS.—Additional peanuts on a farm from which the quota poundage was not harvested or marketed may be transferred to the quota loan pool for pricing purposes at the quota price on such basis as the Secretary shall be regulation provide, except that the poundage of the peanuts so transferred shall not exceed the difference in the total quantity of peanuts meeting quality requirements for domestic edible use, as determined by the Secretary, marketed from the farm and the total farm poundage quota."; and

(B) by striking paragraphs (8) and (9).

(2) CONFORMING AMENDMENTS.—Section 358b(a) of the Act (7 U.S.C. 1358b(a)) is amended—

(A) in paragraph (1)(A), by striking "undermarketings and"; and

(B) in paragraph (3), by striking "(including any applicable undermarketings)".

SEC. 105. DAIRY PROGRAM.

(a) PRICE SUPPORT.—Section 204 of the Agricultural Act of 1949 (7 U.S.C. 1446e) is amended—

(1) in the section heading, by striking "**1996**" and inserting "**2002**";

(2) in subsections (a), (b), (f), (g), and (k), by striking "1996" each place it appears and inserting "2002"; and

(3) in subsection (h)(2)(C), by striking "and 1997" and inserting "through 2002".

(b) SUPPORT PRICE FOR BUTTER AND POWDERED MILK.—Section 204(c)(3) of the Act is amended—

(1) in subparagraph (A), by striking "Subject to subparagraph (B), the" and inserting "The";

(2) by striking subparagraph (B); and

(3) by redesignating subparagraph (C) as subparagraph (B).

(c) SUPPORT RATE.—Section 204(d) of the Act is amended—

(1) by striking paragraphs (1) through (3);

(2) by redesignating paragraphs (4) and (5) as paragraphs (1) and (2) respectively; and

(3) in paragraph (1) (as so redesignated), by striking "$10.10" and inserting "$10.35".

SEC. 106. SUGAR PROGRAM.

(a) IN GENERAL.—Section 206 of the Agricultural Act of 1949 (7 U.S.C. 1446g) is amended to read as follows:

"SEC. 206. SUGAR SUPPORT FOR 1996 THROUGH 2002 CROPS.

"(a) DEFINITIONS.—In this section:

"(1) AGREEMENT ON AGRICULTURE.—The term 'Agreement on Agriculture' means the Agreement on Agriculture resulting from the Uruguay Round of Multilateral Trade Negotiations.

"(2) MAJOR COUNTRY.—The term 'major country' includes—

"(A) a country that is allocated a share of the tariff rate quota for imported sugars and syrups by the United States Trade Representative pursuant to additional U.S. note 5 to chapter 17 of the Harmonized Tariff Schedule;

"(B) a country of the European Union; and

"(C) the People's Republic of China.

"(3) MARKET.—The term 'market' means to sell or otherwise dispose of in commerce in the United States (including, with respect to any integrated processor and refiner, the movement of raw cane sugar into the refining process) and delivery to a buyer.

"(4) TOTAL ESTIMATED DISAPPEARANCE.—The term 'total estimated disappearance' means the quantity of sugar, as estimated by the Secretary, that will be consumed in the United States during a fiscal year (other than sugar imported for the production of polyhydric alcohol or to be refined and reexported in refined form or in a sugar-containing product), plus the quantity of sugar that would provide for adequate carryover stocks.

"(b) PRICE SUPPORT.—The price of each of the 1996 through 2002 crops of sugar beets and sugarcane shall be supported in accordance with this section.

"(c) SUGARCANE.—Subject to subsection (e), the Secretary shall support the price of domestically grown sugarcane through loans at a support level of 18 cents per pound for raw cane sugar.

"(d) SUGAR BEETS.—Subject to subsection (e), the Secretary shall support the price of each crop of domestically grown sugar beets through loans at the level provided for refined beet sugar produced from the 1995 crop of domestically grown sugar beets.

"(e) ADJUSTMENT IN SUPPORT LEVEL.—

"(1) DOWNWARD ADJUSTMENT IN SUPPORT LEVEL.—

"(A) IN GENERAL.—The Secretary shall decrease the support price of domestically grown sugarcane and sugar beets from the level determined for the preceding crop, as determined under this section, if the quantity of negotiated reductions in export and domestic subsidies of sugar that apply to the European Union and other major countries in the aggregate exceed the quantity of the reductions in the subsidies agreed to under the Agreement of Agriculture.

"(B) EXTENT OF REDUCTION.—The Secretary shall not reduce the level of price support under subparagraph (A) below a level that provides an equal measure of support to the level provided by the European Union or any other major country through domestic and export subsidies that are subject to reduction under the Agreement on Agriculture.

"(2) INCREASES IN SUPPORT LEVEL.—The Secretary may increase the support level for each crop of domestically grown sugarcane and sugar beets from the level determined for the preceding crop based on such factors as the Secretary determines appropriate, including changes (during the 2 crop years immediately preceding the crop year for which the determination is made) in the cost of sugar products, the cost of domestic sugar production, the amount of any applicable assessments, and other factors or circumstances that may adversely affect domestic sugar production.

"(f) LOAN TYPE; PROCESSOR ASSURANCES.—

“(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall carry out this section by making recourse loans to sugar producers.

“(2) MODIFICATION.—During any fiscal year in which the tariff rate quota for imports of sugar into the United States is established at, or is increased to, a level that exceeds the minimum level for the imports committed to by the United States under the Agreement on Agriculture, the Secretary shall carry out this section by making nonrecourse loans available to sugar producers. Any recourse loan previously made available by the Secretary and not repaid under this section during the fiscal year shall be converted into a nonrecourse loan.

“(3) PROCESSOR ASSURANCES.—To effectively support the prices of sugar beets and sugarcane received by a producer, the Secretary shall obtain from each processor that receives a loan under this section such assurances as the Secretary considers adequate that, if the Secretary is required under paragraph (2) to make nonrecourse loans available, or convert recourse loans into nonrecourse loans, each producer served by the processor will receive the appropriate minimum payment for sugar beets and sugarcane delivered by the producer, as determined by the Secretary.

“(g) ANNOUNCEMENTS.—The Secretary shall announce the type of loans available and the loan rates for beet and cane sugar for any fiscal year under this section as far in advance as is practicable.

“(h) LOAN TERM.—

“(1) IN GENERAL.—Except as provided in paragraph (2) and subsection (i), a loan under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature at the end of 3 months.

“(2) EXTENSION.—The maturity of a loan under this section may be extended for up to 2 additional 3-month periods, at the option of the borrower, except that the maturity of a loan may not be extended under this paragraph beyond the end of the fiscal year.

“(i) SUPPLEMENTARY LOANS.—Subject to subsection (e), the Secretary shall make available to eligible processors price support loans with respect to sugar processed from sugar beets and sugarcane harvested in the last 3 months of a fiscal year. The loans shall mature at the end of the fiscal year. The processor may repledge the sugar as collateral for a price support loan in the subsequent fiscal year, except that the second loan shall—

“(1) be made at the loan rate in effect at the time the second loan is made; and

“(2) mature in not more than 9 months, less the quantity of time that the first loan was in effect.

“(j) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

“(k) MARKETING ASSESSMENTS.—

“(1) IN GENERAL.—Assessments shall be collected in accordance with this subsection with respect to all sugar marketed within the United States during the 1996 through 2002 fiscal years.

“(2) BEET SUGAR.—The first seller of beet sugar produced from domestic sugar beets or domestic sugar beet molasses shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to 1.1894 percent of the loan level established under subsection (d) per pound of sugar marketed.

“(3) CANE SUGAR.—The first seller of raw cane sugar produced from domestic sugarcane or domestic sugarcane molasses shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to 1.11 percent of the loan level established under subsection (c) per pound of sugar marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing).

“(4) COLLECTION.—

“(A) TIMING.—Marketing assessments required under this subsection shall be collected and remitted to the Commodity Credit Corporation not later than 30 days after the date that the sugar is marketed.

“(B) MANNER.—Subject to subparagraph (A), marketing assessments shall be collected under this subsection in the manner prescribed by the Secretary and shall be nonrefundable.

“(5) PENALTIES.—If any person fails to remit an assessment required by this subsection or fails to comply with such requirements for recordkeeping or otherwise fails to comply with this subsection, the person shall be liable to the Secretary for a civil penalty of not more than an amount determined by multiplying—

“(A) the quantity of sugar involved in the violation; by

“(B) the loan level for the applicable crop of sugarcane or sugar beets from which the sugar is produced.

For the purposes of this paragraph, refined sugar shall be treated as produced from sugar beets.

“(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

“(l) INFORMATION REPORTING.—

“(1) DUTY OF PROCESSORS AND REFINERS TO REPORT.—A sugarcane processor, cane sugar refiner, and sugar beet processor shall furnish the Secretary, on a monthly basis, such information as the Secretary may require to administer sugar programs, including the quantity of purchases of sugarcane, sugar beets, and sugar, and production, importation, distribution, and stock levels of sugar.

“(2) DUTY OF PRODUCERS TO REPORT.—To efficiently and effectively carry out the program under this section, the Secretary may require a producer of sugarcane or sugar beets to report, in the manner prescribed by the Secretary, the producer's sugarcane or sugar beet yields and acres planted to sugarcane or sugar beets, respectively.

“(3) PENALTY.—Any person willfully failing or refusing to furnish the information, or furnishing willfully any false information, required under this subsection shall be subject to a civil penalty of not more than $10,000 for each such violation.

“(4) MONTHLY REPORTS.—Taking into consideration the information received under paragraph (1), the Secretary shall publish on a monthly basis composite data on production, imports, distribution, and stock levels of sugar.

“(m) SUGAR ESTIMATES.—

“(1) DOMESTIC REQUIREMENT.—Before the beginning of each fiscal year, the Secretary shall estimate the domestic sugar requirement of the United States in an amount that is equal to the total estimated disappearance, minus the quantity of sugar that will be available from carry-in stocks.

“(2) QUARTERLY REESTIMATES.—The Secretary shall make quarterly reestimates of sugar consumption, stocks, production, and imports for a fiscal year not later than the beginning of each of the second through fourth quarters of the fiscal year.

“(n) CROPS.—This section shall be effective only for the 1996 through 2002 crops of sugar beets and sugarcane.”.

(b) MARKETING QUOTAS.—Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa et seq.) is repealed.

SEC. 107. SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) WHEAT.—

(1) NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS.—Sections 379d through 379j of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379d–1379j) shall not be applicable to wheat processors or exporters during the period June 1, 1995, through May 31, 2003.

(2) SUSPENSION OF LAND USE, WHEAT MARKETING ALLOCATION, AND PRODUCER CERTIFICATE PROVISIONS.—Sections 331 through 339, 379b, and 379c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1331 through 1339, 1379b, and 1379c) shall not be applicable to the 1996 through 2002 crops of wheat.

(3) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—The joint resolution entitled “A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended”, approved May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1996 through 2002.

(4) NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949.—Section 107 of the Agricultural Act of 1949 (7 U.S.C. 1445a) shall not be applicable to the 1996 through 2002 crops of wheat.

(b) FEED GRAINS.—

(1) NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949.—Section 105 of the Agricultural Act of 1949 (7 U.S.C. 1444b) shall not be applicable to the 1996 through 2002 crops of feed grains.

(2) RECOURSE LOAN PROGRAM FOR SILAGE.—Section 403 of the Food Security Act of 1985 (7 U.S.C. 1444e–1) is amended by striking “1996” and inserting “2002”.

(c) OILSEEDS.—Section 201(a) of the Agricultural Act of 1949 (7 U.S.C. 1446(a)) is amended by striking “oilseeds” and all that follows through “determine),”.

(d) UPLAND COTTON.—

(1) SUSPENSION OF BASE ACREAGE ALLOTMENTS, MARKETING QUOTAS, AND RELATED PROVISIONS.—Sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1342–1346 and 1377) shall not be applicable to any of the 1996 through 2002 crops of upland cotton.

(2) MISCELLANEOUS COTTON PROVISIONS.—Section 103(a) of the Agricultural Act of 1949 (7 U.S.C. 1444(a)) shall not be applicable to the 1996 through 2002 crops.

(e) PEANUTS.—

(1) SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1996 through 2002 crops of peanuts:

(A) Subsections (a) through (j) of section 358 (7 U.S.C. 1358).

(B) Subsections (a) through (h) of section 358a (7 U.S.C. 1358a).

(C) Subsections (a), (b), (d), and (e) of section 358d (7 U.S.C. 1359).

(D) Part I of subtitle C of title III (7 U.S.C. 1361 et seq.).

(E) Section 371 (7 U.S.C. 1371).

(2) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before “all brokers and dealers in peanuts” the following: “all producers engaged in the production of peanuts,”.

(3) SUSPENSION OF CERTAIN PRICE SUPPORT PROVISIONS.—Section 101 of the Agricultural

Act of 1949 (7 U.S.C. 1441) shall not be applicable to the 1996 through 2002 crops of peanuts.

SEC. 108. EXTENSION OF RELATED PRICE SUPPORT PROVISIONS.

(a) DEFICIENCY AND LAND DIVERSION PAYMENTS.—Section 114 of the Agricultural Act of 1949 (7 U.S.C. 1445j) is amended—

(1) in subsections (a)(1) and (c), by striking “1997” each place it appears and inserting “2002”; and

(2) in subsection (b), by striking “1995” and inserting “2002”;

(b) ADJUSTMENT OF ESTABLISHED PRICES.—Section 402(b) of the Agricultural Act of 1949 (7 U.S.C. 1422(b)) is amended by striking “1995” and inserting “2002”.

(c) ADJUSTMENT OF SUPPORT PRICES.—Section 403(c) of the Agricultural Act of 1949 (7 U.S.C. 1423(c)) is amended by striking “1995” and inserting “2002”.

(d) APPLICATION OF TERMS IN THE AGRICULTURAL ACT OF 1949.—Section 408(k)(3) of the Agricultural Act of 1949 (7 U.S.C. 1428(k)(3)) is amended by striking “1995” and inserting “2002”.

(e) ACREAGE BASE AND YIELD SYSTEM.—Title V of the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) is amended—

(1) in subsections (c)(3) and (h)(2)(A) of section 503 (7 U.S.C. 1463), by striking “1997” each place it appears and inserting “2002”;

(2) in paragraphs (1) and (2) of section 505(b) (7 U.S.C. 1465(b)), by striking “1997” each place it appears and inserting “2002”; and

(3) in section 509 (7 U.S.C. 1469), by striking “1997” and inserting “2002”.

(f) PAYMENT LIMITATIONS.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking “1997” each place it appears and inserting “2002”.

(g) NORMALLY PLANTED ACREAGE.—Section 1001 of the Food and Agriculture Act of 1977 (7 U.S.C. 1309) is amended by striking “1995” each place it appears in subsections (a), (b)(1), and (c) and inserting “2002”.

(h) OPTIONS PILOT PROGRAM.—The Options Pilot Program Act of 1990 (subtitle E of title XI of Public Law 101-624; 104 Stat. 3518; 7 U.S.C. 1421 note) is amended—

(1) in subsections (a) and (b) of section 1153, by striking “1995” each place it appears and inserting “2002”; and

(2) in section 1154(b)(1)(A), by striking “1995” each place it appears and inserting “2002”.

(i) FOOD SECURITY WHEAT RESERVE.—Section 302(i) of the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1(i)) is amended by striking “1995” each place it appears and inserting “2002”.

SEC. 109. CROP INSURANCE ADMINISTRATIVE FEE.

Section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended—

(1) by striking paragraph (5); and

(2) by redesignating paragraphs (6) through (10) as paragraphs (5) through (9), respectively.

SEC. 110. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise specifically provided in this title, this title and the amendments made by this title shall apply beginning with the 1996 crop of an agricultural commodity.

(b) PRIOR CROPS.—Except as otherwise specifically provided and notwithstanding any other provision of law, this title and the amendments made by this title shall not affect the authority of the Secretary of Agriculture to carry out a price support, production adjustment, or payment program for—

(1) any of the 1991 through 1995 crops of an agricultural commodity established under a provision of law as in effect immediately before the enactment of this Act; or

(2) the 1996 crop of an agricultural commodity established under section 406(b) of the Agricultural Act of 1949 (7 U.S.C. 1426(b)).

TITLE II—CONSERVATION

SEC. 201. CONSERVATION RESERVE PROGRAM.

Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended by striking “1995” each place it appears in subsections (a) and (d) and inserting “2002”.

SEC. 202. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

Chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.) is amended to read as follows:

“CHAPTER 2—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

“SEC. 1238. DEFINITIONS.

“In this chapter:

“(1) LAND MANAGEMENT PRACTICE.—The term ‘land management practice’ means nutrient or manure management, integrated pest management, irrigation management, tillage or residue management, grazing management, or another land management practice the Secretary determines is needed to protect soil, water, or related resources in the most cost efficient manner.

“(2) LARGE CONFINED LIVESTOCK OPERATION.—The term ‘large confined livestock operation’ means a farm or ranch that—

“(A) is a confined animal feeding operation; and

“(B) has more than—

“(i) 700 mature dairy cattle;

“(ii) 1,000 beef cattle;

“(iii) 100,000 laying hens or broilers;

“(iv) 55,000 turkeys;

“(v) 2,500 swine; or

“(vi) 10,000 sheep or lambs.

“(3) LIVESTOCK.—The term ‘livestock’ means mature dairy cows, beef cattle, laying hens, broilers, turkeys, swine, sheep, or lambs.

“(4) OPERATOR.—The term ‘operator’ means a person who is engaged in crop or livestock production (as defined by the Secretary).

“(5) STRUCTURAL PRACTICE.—The term ‘structural practice’ means the establishment of an animal waste management facility, terrace, grassed waterway, contour grass strip, filterstrip, permanent wildlife habitat, or another structural practice that the Secretary determines is needed to protect soil, water, or related resources in the most cost effective manner.

“SEC. 1238A. ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

“(a) ESTABLISHMENT.—

“(1) IN GENERAL.—During the 1996 through 2006 fiscal years, the Secretary shall enter into contracts with operators to provide technical assistance, cost-sharing payments, and incentive payments to operators, who enter into contracts with the Secretary, through an environmental quality incentives program in accordance with this chapter.

“(2) CONSOLIDATION OF EXISTING PROGRAMS.—In establishing the environmental quality incentives program authorized under this chapter, the Secretary shall combine into a single program the functions of—

“(A) the agricultural conservation program authorized by sections 7 and 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g and 590h);

“(B) the Great Plains conservation program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p(b));

“(C) the water quality incentives program established under this chapter; and

“(D) the Colorado River Basin salinity control program established under section 202(c) of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592(c)).

“(b) APPLICATION AND TERM.—

“(1) IN GENERAL.—A contract between an operator and the Secretary under this chapter may—

“(A) apply to 1 or more structural practices or 1 or more land management practices, or both; and

“(B) have a term of not less than 5, nor more than 10, years, as determined appropriate by the Secretary, depending on the practice or practices that are the basis of the contract.

“(2) CONTRACT EFFECTIVE DATE.—A contract between an operator and the Secretary under this chapter shall become effective on October 1st following the date the contract is fully entered into.

“(c) COST-SHARING AND INCENTIVE PAYMENTS.—

“(1) COST-SHARING PAYMENTS.—

“(A) IN GENERAL.—The Federal share of cost-sharing payments to an operator proposing to implement 1 or more structural practices shall not be more than 75 percent of the projected cost of the practice, as determined by the Secretary, taking into consideration any payment received by the operator from a State or local government.

“(B) LIMITATION.—An operator of a large confined livestock operation shall not be eligible for cost-sharing payments to construct an animal waste management facility.

“(C) OTHER PAYMENTS.—An operator shall not be eligible for cost-sharing payments for structural practices on eligible land under this chapter if the operator receives cost-sharing payments or other benefits for the same land under chapter 1 or 3.

“(2) INCENTIVE PAYMENTS.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage an operator to perform 1 or more land management practices.

“(d) TECHNICAL ASSISTANCE.—

“(1) FUNDING.—The Secretary shall allocate funding under this chapter for the provision of technical assistance according to the purpose and projected cost for which the technical assistance is provided in a fiscal year. The allocated amount may vary according to the type of expertise required quantity of time involved, and other factors as determined appropriate by the Secretary. Funding shall not exceed the projected cost to the Secretary of the technical assistance provided in a fiscal year.

“(2) OTHER AUTHORITIES.—The receipt of technical assistance under this chapter shall not affect the eligibility of the operator to receive technical assistance under other authorities of law available to the Secretary.

“(e) FUNDING.—The Secretary shall use to carry out this chapter not less than—

“(1) $200,000,000 for fiscal year 1997; and

“(2) $250,000,000 for each of fiscal years 1998 through 2002.

“(f) COMMODITY CREDIT CORPORATION.—The Secretary may use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this subchapter.

“SEC. 1238B. CONSERVATION PRIORITY AREAS.

“(a) IN GENERAL.—The Secretary shall designate watersheds or regions of special environmental sensitivity, including the Chesapeake Bay region (located in Pennsylvania, Maryland, and Virginia), the Great Lakes region, the Long Island Sound region, prairie pothole region (located in North Dakota, South Dakota, and Minnesota), Rainwater Basin (located in Nebraska), and other areas the Secretary considers appropriate, as conservation priority areas that are eligible for enhanced assistance through the programs established under this chapter and chapter 1.

"(b) APPLICABILITY.—A designation shall be made under this section if an application is made by a State agency and agricultural practices within the watershed or region pose a significant threat to soil, water, and related natural resources, as determined by the Secretary.

"SEC. 1238C. EVALUATION OF OFFERS AND PAYMENTS.

"(a) REGIONAL PRIORITIES.—The Secretary shall provide technical assistance, cost-sharing payments, and incentive payments to operators in a region, watershed, or conservation priority area under this chapter based on the significance of soil, water, and related natural resources problems in the region, watershed, or area, and the structural practices or land management practices that best address the problems, as determined by the Secretary.

"(b) MAXIMIZATION OF ENVIRONMENTAL BENEFITS.—

"(1) IN GENERAL.—In providing technical assistance, cost-sharing payments, and incentive payments to operators in regions, watersheds, or conservation priority areas under this chapter, the Secretary shall accord a higher priority to assistance and payments that maximize environmental benefits per dollar expended.

"(2) STATE OR LOCAL CONTRIBUTIONS.—The Secretary shall accord a higher priority to operators whose agricultural operations are located within watersheds, regions, or conservation priority areas in which State or local governments have provided, or will provide, financial or technical assistance to the operators for the same conservation or environmental purposes.

"SEC. 1238D. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

"(a) IN GENERAL.—Prior to approving cost-share or incentive payments authorized under this chapter, the Secretary shall require the preparation and evaluation of an environmental quality incentives program plan described in subsection (b), unless the Secretary determines that such a plan is not necessary to evaluate the application for the payments.

"(b) TERMS.—An environmental quality incentives program plan shall include (as determined by the Secretary) a description of relevant—

"(1) farming or ranching practices on the farm;

"(2) characteristics of natural resources on the farm;

"(3) specific conservation and environmental objectives to be achieved including those that will assist the operator in complying with Federal and State environmental laws;

"(4) dates for, and sequences of, events for implementing the practices for which payments will be received under this chapter; and

"(5) information that will enable evaluation of the effectiveness of the plan in achieving the conservation and environmental objectives, and that will enable evaluation of the degree to which the plan has been implemented.

"SEC. 1238E. LIMITATION ON PAYMENTS.

"(a) PAYMENTS.—The total amount of cost-share and incentive payments paid to a person under this chapter may not exceed—

"(1) $10,000 for any fiscal year; or

"(2) $50,000 for any multiyear contract.

"(b) REGULATIONS.—The Secretary shall issue regulations that are consistent with section 1001 for the purpose of—

"(1) defining the term 'person' as used in subsection (a); and

"(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations contained in subsection (a).".

TITLE III—NUTRITION ASSISTANCE

SEC. 301. FOOD STAMP PROGRAM.

(a) EMPLOYMENT AND TRAINING.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended by striking "1995" each place it appears and inserting "2002".

(b) AUTHORIZATION OF PILOT PROJECTS.—The last sentence of section 17(b)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(A)) is amended by striking "1995" and inserting "2002".

(c) AUTHORIZATION FOR APPROPRIATIONS.—The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking "1995" and inserting "2002".

(d) REAUTHORIZATION OF PUERTO RICO NUTRITION ASSISTANCE PROGRAM.—The first sentence of section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended by striking "$974,000,000" and all that follows through "fiscal year 1995" and inserting "$1,143,000,000 for each of fiscal years 1995 and 1996, $1,182,000,000 for fiscal year 1997, $1,223,000,000 for fiscal year 1998, $1,266,000,000 for fiscal year 1999, $1,310,000,000 for fiscal year 2000, $1,357,000,000 for fiscal year 2001, and $1,404,000,000 for fiscal year 2002".

SEC. 302. COMMODITY DISTRIBUTION PROGRAM; COMMODITY SUPPLEMENTAL FOOD PROGRAM.

(a) REAUTHORIZATION.—The first sentence of section 4(a) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(b) FUNDING.—Section 5 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) is amended—

(1) in subsection (a)(2), by striking "1995" and inserting "2002"; and

(2) in subsection (d)(2), by striking "1995" and inserting "2002".

SEC. 303. EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) REAUTHORIZATION.—The first sentence of section 204(a)(1) of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(b) PROGRAM TERMINATION.—Section 212 of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(c) REQUIRED PURCHASES OF COMMODITIES.—Section 214 of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking "1995" and inserting "2002"; and

(2) in subsection (e), by striking "1995" each place it appears and inserting "2002".

SEC. 304. SOUP KITCHENS PROGRAM.

Section 110 of the Hunger Prevention Act of 1988 (Public Law 100–435; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking "1995" and inserting "2002"; and

(2) in subsection (c)(2)—

(A) in the paragraph heading, by striking "1995" and inserting "2002"; and

(B) by striking "1995" each place it appears and inserting "2002".

SEC. 305. NATIONAL COMMODITY PROCESSING.

The first sentence of section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended by striking "1995" and inserting "2002".

LEAHY AMENDMENT NO. 3375

(Ordered to lie on the table.)

Mr. LEAHY submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Title V is amended by adding at the end the following:

"SEC 507 FUND FOR RURAL AMERICA.

"(a) IN GENERAL.—The Secretary shall create an account called the Fund for Rural America for the purposes of providing funds for activities described in subsection (c).

"(b) COMMODITY CREDIT CORPORATION.—In each of the 1996 through 1998 fiscal years, the Secretary shall transfer into the Fund for Rural America (hereafter referred to as the "Account")—

"(1) $50,000,000 for the 1996 fiscal year;

"(2) $100,000,000 for the 1997 fiscal year; and

"(3) $150,000,000 for the 1998 fiscal year.

"(c) PURPOSES.—Except as provided in subsection (d), the Secretary shall provide not more than one-third of the funds from the Account for activities described in paragraph (2).

"(1) RURAL DEVELOPMENT ACTIVITIES.—The Secretary may use the funds in the Account for the following rural development activities authorized in:

"(A) The Housing Act of 1949 for—

"(i) direct loans to low income borrowers pursuant to section 502;

"(ii) loans for financial assistance for housing for domestic farm laborers pursuant to section 514;

"(iii) financial assistance for housing of domestic farm labor pursuant to section 516;

"(iv) grants and contracts for mutual and self help housing pursuant to section 523(b)(1)(A); and

"(v) grants for Rural housing preservation pursuant to section 533;

"(B) The Food Security Act of 1985 for loans to intermediary borrowers, under the Rural Development Loan Fund;

"(C) Consolidated Farm and Rural Development Act for—

"(i) grants for Rural Business Enterprises pursuant to section 310B (c) and (j);

"(ii) direct loans, loan guarantees and grants for water and waste water projects pursuant to section 306; and

"(iii) down payments assistance to farmers, section 310E;

"(D) grants for outreach to socially disadvantaged farmers and ranchers pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279); and

"(E) grants pursuant to section 204(6) of the Agricultural Marketing Act of 1946.

"(2) RESEARCH.—

"(A) IN GENERAL.—The Secretary may use the funds in the Account for research grants to increase the competitiveness and farm profitability, protect and enhance natural resources, increase economic opportunities in farming and rural communities and expand locally owned value added processing and marketing operations.

"(B) ELIGIBLE GRANTEE.—The Secretary may make a grant under this paragraph to—

"(i) a college or university;

"(ii) a State agricultural experiment station;

"(iii) a State Cooperative Extension Service;

"(iv) a research institution or organization;

"(v) a private organization or person; or

"(iv) A Federal agency.

"(C) USE OF GRANT.—

"(i) IN GENERAL.—A grant made under this paragraph may be used by a grantee for 1 or more of the following uses:

"(I) research, ranging from discover to principles of application;

"(II) extension and related private-sector activities; and

"(III) education.

"(ii) LIMITATION.—No grant shall be made for any project, determined by the Secretary, to be eligible for funding under research and commodity promotion programs administered by the Department.

"(D) ADMINISTRATION.—

"(i) PRIORITY.—In administering this paragraph, the Secretary shall—

"(I) establish priorities for allocating grants, based on needs and opportunities of the food and agriculture system in the United States related to the goals of the paragraph.

"(II) seek and accept proposals for grants;

"(III) determine the relevance and merit of proposals through a system of peer and stakeholder review; and

"(IV) award grants on the basis of merit, quality, and relevance to advancing the national research and extension purposes.

"(ii) COMPETITIVE AWARDING.—A grant under this paragraph shall be awarded on a competitive basis.

"(iii) TERMS.—A grant under this paragraph shall have a term that does not exceed 5 years.

"(iv) MATCHING FUNDS.—As a condition of receipts under this paragraph, the Secretary shall require the funding of the grant with equal matching funds from a non-Federal source if the grant is—

"(I) for applied research that is commodity-specific; and

"(II) not of national scope.

"(v) ADMINISTRATIVE COSTS.—

"(I) IN GENERAL.—The Secretary may use not more than 4 percent of the funds made available under this paragraph for administrative costs incurred by the Secretary in carrying out this paragraph.

"(II) LIMITATION.—Funds made available under this paragraph shall not be used—

"(aa) for the construction of a new building or the acquisition, expansion, remodeling, or alteration of an existing building (including site grading and improvement and architect fees); or

"(bb) in excess of ten percent of the annual allocation for commodity-specific projects not of the national scope.

"(d) LIMITATIONS.—No funds from the Fund for Rural America may be used for an activity specified in subsection (c) if the current level of appropriations for the activity is less than 90 percent of the 1996 fiscal year appropriations for the activity adjusted for inflation."

FEINGOLD AMENDMENT NO. 3376

(ordered to lie on the table.)

Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

At the appropriate place insert the following:

SEC. . MILK MANUFACTURING MARKETING ADJUSTMENT.

Subsections (a) and (b) of section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) are amended to read as follows:

"(a) DEFINITIONS.—In this section:

"(1) FEDERAL MAKE ALLOWANCE.—The term 'Federal make allowance' means the allowance for the processing of milk that is permitted under a Federal program to establish a Grade A price for manufacturing butter, nonfat dry milk, or cheese.

"(2) PERSON.—The term 'person' includes a cooperative.

"(3) STATE MAKE ALLOWANCE.—The term 'State make allowance' means the allowance for the processing of milk that is permitted by a State for manufacturing butter, nonfat dry milk, or cheese.

"(b) MILK MANUFACTURING MARKETING ADJUSTMENT.—Notwithstanding any other provision of law, if a person collects a State make allowance that is higher than the Federal make allowance and the milk or product of milk that is subject to the allowance is purchased by the Commodity Credit Corporation, regardless of the point of sale, the Corporation shall reduce the support purchase price for the milk and each product of the milk by an amount that is equal to the difference between the State make allowance and the Federal make allowance for the milk and product, as determined by the Secretary of Agriculture."

BUMPERS (AND PRYOR) AMENDMENT NO. 3377

(Ordered to lie on the table.)

Mr. BUMPERS (for himself and Mr. PRYOR) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place in the bill, add the following: "Any funds deemed as mandatory spending for programs authorized by this Act that previously were, or substantially were, deemed discretionary shall not become available for obligation as mandatory spending in any fiscal year in which the discretionary allocation to the relevant appropriations subcommittees of the House of Representatives and the Senate are at levels lower than those of the previous fiscal year."

HATFIELD AMENDMENT NO. 3378

(Ordered to lie on the table.)

Mr. HATFIELD submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following:

SEC. . ELIGIBILITY FOR GRANTS TO BROADCASTING SYSTEMS.

Section 310B(j) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(j)) is amended by striking "SYSTEMS.—The" and inserting the following: "SYSTEMS.—

"(1) DEFINITION OF STATEWIDE.—In this subsection, the term 'statewide' means having a coverage area of not less than 90 percent of the population of a State and 80 percent of the rural land area of the State (as determined by the Secretary).

"(2) GRANTS.—The".

HARKIN AMENDMENT NO. 3379

(Ordered to lie on the table.)

Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

Section 105(b)(3) is amended by striking (A) and inserting the following:

"(A) by striking subsection (a) and inserting the following:

"(a) DIRECT ATTRIBUTION.—The Secretary shall attribute payments specified in section 1001 to persons who receive the payments directly and attribute payments received by entities to the individuals who own such entities in proportion to their ownership interest in the entity."

HEFLIN AMENDMENT NO. 3380

(Ordered to lie on the table.)

Mr. HEFLIN submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike the section relating to the peanut program and insert the following:

SEC. 106. PEANUT PROGRAM.

(a) QUOTA PEANUTS.—

(1) AVAILABILITY OF LOANS.—The Secretary shall make nonrecourse loans available to producers of quota peanuts.

(2) LOAN RATE.—The national average quota loan rate for quota peanuts shall be $678 per ton.

(3) INSPECTION, HANDLING, OR STORAGE.—The loan amount may not be reduced by the Secretary by any deductions for inspection, handling, or storage.

(4) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments in the loan rate for quota peanuts for location of peanuts and such other factors as are authorized by section 411 of the Agricultural Adjustment Act of 1938.

(b) ADDITIONAL PEANUTS.—

(1) IN GENERAL.—

(A) RATES.—Subject to subparagraph (B), the Secretary shall make nonrecourse loans available to producers of additional peanuts at such rates as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

(B) LIMITATION.—The Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(2) ANNOUNCEMENT.—The Secretary shall announce the loan rate for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the loan rate is being determined.

(c) AREA MARKETING ASSOCIATIONS.—

(1) WAREHOUSE STORAGE LOANS.—

(A) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(B) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—An area marketing association shall be used in administrative and supervisory activities relating to loans and marketing activities under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(C) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include such costs as the area marketing association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(2) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

(B) ELIGIBILITY TO PARTICIPATE.—

(i) IN GENERAL.—Except as provided in clause (ii), in the case of the 1996 and subsequent crops, Valencia peanuts not physically produced in the State of New Mexico shall not be eligible to participate in the pools of the State.

(ii) EXCEPTION.—A resident of the State of New Mexico may enter Valencia peanuts that are produced outside of the State into the pools of the State in a quantity that is not greater than the 1995 crop of the resident.

(C) TYPES OF PEANUTS.—Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(D) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(i) QUOTA PEANUTS.—For quota peanuts, the sum of—

(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool; and

(II) an amount from all additional pool gains equal to any loss on the disposition of all peanuts in the pool for quota peanuts.

(ii) ADDITIONAL PEANUTS.—For additional peanuts, the difference between—

(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts; and

(II) any amount allocated to offset any loss on the pool for quota peanuts.

(d) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(1) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)).

(2) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(3) ADDITIONAL PEANUT GAINS.—Further losses in an area quota pool shall be offset by gains or profits attributable to sales of additional peanuts in that area for domestic edible and other uses.

(4) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under subsection (g) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(5) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)), shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(6) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under subsection (g) by such an amount as the Secretary considers necessary to cover the losses. Amounts collected under subsection (g) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(e) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no loan for quota peanuts may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(d)).

(f) QUALITY IMPROVEMENT.—

(1) IN GENERAL.—With respect to peanuts under loan, the Secretary shall—

(A) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

(B) ensure that all Commodity Credit Corporation inventories of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(C) continue to endeavor to operate the peanut program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(D) ensure that any changes made in the peanut program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department loan schedule.

(2) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts in the domestic and export markets fully comply with all quality standards under Marketing Agreement No. 146.

(g) MARKETING ASSESSMENT.—

(1) IN GENERAL.—The Secretary shall provide for a nonrefundable marketing assessment. The assessment shall be made on a per pound basis in an amount equal to 1.1 percent for each of the 1994 and 1995 crops, 1.15 percent for the 1996 crop, and 1.2 percent for each of the 1997 through 2002 crops, of the national average quota or additional peanut loan rate for the applicable crop.

(2) FIRST PURCHASERS.—

(A) IN GENERAL.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall—

(i) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by—

(I) in the case of each of the 1994 and 1995 crops, .55 percent of the applicable national average loan rate;

(II) in the case of the 1996 crop, .6 percent of the applicable national average loan rate; and

(III) in the case of each of the 1997 through 2002 crops, .65 percent of the applicable national average loan rate;

(ii) pay, in addition to the amount collected under clause (i), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average loan rate; and

(iii) remit the amounts required under clauses (i) and (ii) to the Commodity Credit Corporation in a manner specified by the Secretary.

(B) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(C) DEFINITION OF FIRST PURCHASER.—In this subsection, the term "first purchaser" means a person acquiring peanuts from a producer except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(3) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(4) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(5) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with the requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of peanuts involved in the violation; by

(B) the national average quota peanut rate for the applicable crop year.

(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(h) CROPS.—Subsections (a) through (f) shall be effective only for the 1996 through 2002 crops of peanuts.

(i) MARKETING QUOTAS.—

(1) IN GENERAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

(A) in section 358–1 (7 U.S.C. 1358–1)—

(i) in the section heading, by striking "**1991 THROUGH 1997 CROPS OF**";

(ii) in subsections (a)(1), (b)(1)(B), (b)(2)(A), (b)(2)(C), and (b)(3)(A), by striking "of the 1991 through 1997 marketing years" each place it appears and inserting "marketing year";

(iii) in subsection (a)(3), by striking "1990" and inserting "1990, for the 1991 through 1995 marketing years, and 1995, for the 1996 through 2002 marketing years";

(iv) in subsection (b)(1)(A)—

(I) by striking "each of the 1991 through 1997 marketing years" and inserting "each marketing year"; and

(II) in clause (i), by inserting before the semicolon the following: ", in the case of the 1991 through 1995 marketing years, and the 1995 marketing year, in the case of the 1996 through 2002 marketing years"; and

(v) in subsection (f), by striking "1997" and inserting "2002";

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking "**1991 THROUGH 1995 CROPS OF**"; and

(ii) in subsection (c), by striking "1995" and inserting "2002";

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking "1995" and inserting "2002"; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking "**FOR 1991 THROUGH 1997 CROPS OF PEANUTS**"; and

(ii) in subsection (i), by striking "1997" and inserting "2002".

(2) ELIMINATION OF QUOTA FLOOR.—Section 358–1(a)(1) of the Act (7 U.S.C. 1358–1(a)(1)) is amended by striking the second sentence.

(3) TEMPORARY QUOTA ALLOCATION.—Section 358–1 of the Act (7 U.S.C. 1358–1) is amended—

(A) in subsection (a)(1), by striking "domestic edible, seed," and inserting "domestic edible use";

(B) in subsection (b)(2)—

(i) in subparagraph (A), by striking "subparagraph (B) and subject to"; and

(ii) by striking subparagraph (B) and inserting the following:

"(B) TEMPORARY QUOTA ALLOCATION.—

"(i) ALLOCATION RELATED TO SEED PEANUTS.—Temporary allocation of quota pounds for the marketing year only in which the crop is planted shall be made to producers for each of the 1996 through 2002 marketing years as provided in this subparagraph.

"(ii) QUANTITY.—The temporary quota allocation shall be equal to the pounds of seed peanuts planted on the farm, as may be adjusted under regulations prescribed by the Secretary.

"(iii) ADDITIONAL QUOTA.—The temporary allocation of quota pounds under this paragraph shall be in addition to the farm poundage quota otherwise established under this subsection and shall be credited, for the applicable marketing year only, in total to the producer of the peanuts on the farm in a manner prescribed by the Secretary.

"(iv) EFFECT OF OTHER REQUIREMENTS.—Nothing in this section alters or changes the requirements regarding the use of quota and additional peanuts established by section 358e(b)."; and

(C) in subsection (e)(3), strike "and seed and use on a farm".

(4) UNDERMARKETINGS.—Part VI of subtitle B of title III of the Act is amended—

(A) in section 358–1(b) (7 U.S.C. 1358–1(b))—

(i) in paragraph (1)(B), by striking "including—" and clauses (i) and (ii) and inserting "including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).";

(ii) in paragraph (3)(B), by striking "include—" and clauses (i) and (ii) and inserting "include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7)."; and

(iii) by striking paragraphs (8) and (9); and

(B) in section 358b(a) (7 U.S.C. 1358b(a))—

(i) in paragraph (1), by striking "(including any applicable under marketings)" both places it appears;

(ii) in paragraph (1)(A), by striking "of undermarketings and";

(iii) in paragraph (2), by striking "(including any applicable under marketings)"; and

(iv) in paragraph (3), by striking "(including any applicable undermarketings)".

(5) DISASTER TRANSFERS.—Section 358–1(b) of the Act (7 U.S.C. 1358–1(b)), as amended by paragraph (4)(A)(iii), is further amended by adding at the end the following:

"(8) DISASTER TRANSFERS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts produced on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation provide.

"(B) LIMITATION.—The poundage of peanuts transferred under subparagraph (A) shall not exceed the difference between—

"(i) the total quantity of peanuts meeting quality requirements for domestic edible use, as determined by the Secretary, marketed from the farm; and

"(ii) the total farm poundage quota, excluding quota pounds transferred to the farm in the fall.

"(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at 70 percent of the quota support rate for the marketing years in which the transfers occur. The transfers for a farm shall not exceed 25 percent of the total farm quota pounds, excluding pounds transferred in the fall.".

(6) TRANSFERS OF FARM POUNDAGE QUOTAS.—Section 358b(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b(a)) is amended by adding at the end the following:

"(4) TRANSFERS BETWEEN STATES HAVING QUOTAS OF LESS THAN 10,000 TONS.—Notwithstanding paragraphs (1) through (3), in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota up to 1,000 tons may be transferred by sale or lease from a farm in 1 such State to a farm in another such State.".

FEINGOLD AMENDMENT NO. 3381

(Ordered to lie on the table.)

Mr. HATFIELD submitted an amendment intended to be proposed by him to amendment No. 3247 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike section (e) and in lieu thereof insert the following:

SEC. . MILK MANUFACTURING MARKETING ADJUSTMENT.

Subsections (a) and (b) of section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e-1) are amended to read as follows:

"(a) DEFINITIONS.—In this section:

"(1) FEDERAL MAKE ALLOWANCE.—The term 'Federal make allowance' means the allowance for the processing of milk that is permitted under a Federal program to establish a Grade A price for manufacturing butter, nonfat dry milk, or cheese.

"(2) PERSON.—The term 'person' includes a cooperative.

"(3) STATE MAKE ALLOWANCE.—The term 'State make allowance' means the allowance for the processing of milk that is permitted by a State for manufacturing butter, nonfat dry milk, or cheese.

"(b) MILK MANUFACTURING MARKETING ADJUSTMENT.—Notwithstanding any other provision of law, if a person collects a State make allowance that is higher than the Federal make allowance and the milk or product of milk that is subject to the allowance is purchased by the Commodity Credit Corporation, regardless of the point of sale, the Corporation shall reduce the support purchase price for the milk and each product of the milk by an amount that is equal to the difference between the State make allowance and the Federal make allowance for the milk and product, as determined by the Secretary of Agriculture.".

BUMPERS (AND PRYOR) AMENDMENT NO. 3382

(Ordered to lie on the table.)

Mr. BUMPERS (for himself and Mr. PRYOR) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place in the bill, add the following: "Any producer of a crop of rice in 1996 shall have the option of operating under the terms and conditions of either a program announced by the Secretary or any program administered under the authorities of legislation enacted subsequent to the announcement.

D'AMATO AMENDMENTS NOS. 3383–3388

(Ordered to lie on the table.)

Mr. D'AMATO submitted six amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3383

At the appropriate place, insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the "Secretary") shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.35.

(B) During calendar year 1997, $10.25.

(C) During calendar year 1998, $10.15.

(D) During calendar year 1999, $10.05.

(E) During calendar year 2000, $9.95.

(F) During calendar year 2001, $9.85.

(G) During calendar year 2002, $9.75.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking "2001" and inserting "2002".

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting "sole" before "discretion".

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding at the end the following:

"(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

"(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.".

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking "and" and inserting "the"; and

(B) by inserting before the period the following: ", and any additional amount that may be required to assist in the development of world markets for United States dairy products".

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

"(f) REQUIRED FUNDING.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

"(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.".

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

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AMENDMENT NO. 3384

At the appropriate place, insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the "Secretary") shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.30.

(B) During calendar year 1997, $10.20.

(C) During calendar year 1998, $10.10.

(D) During calendar year 1999, $10.00.

(E) During calendar year 2000, $9.90.

(F) During calendar year 2001, $9.80.

(G) During calendar year 2002, $9.70.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking "2001" and inserting "2002".

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting "sole" before "discretion".

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding at the end the following:

"(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

"(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.".

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking "and" and inserting "the"; and

(B) by inserting before the period the following: ", and any additional amount that may be required to assist in the development of world markets for United States dairy products".

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

"(f) REQUIRED FUNDING.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

"(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.".

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

AMENDMENT NO. 3385

At the appropriate place, insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the "Secretary") shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.25.

(B) During calendar year 1997, $10.15.

(C) During calendar year 1998, $10.05.

(D) During calendar year 1999, $9.95.

(E) During calendar year 2000, $9.85.

(F) During calendar year 2001, $9.75.

(G) During calendar year 2002, $9.65.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking "2001" and inserting "2002".

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting "sole" before "discretion".

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding at the end the following:

"(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

"(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.".

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking "and" and inserting "the"; and

(B) by inserting before the period the following: ", and any additional amount that may be required to assist in the development of world markets for United States dairy products".

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

"(f) REQUIRED FUNDING.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

"(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.".

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

AMENDMENT NO. 3386

At the appropriate place, insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the "Secretary") shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.20.
(B) During calendar year 1997, $10.10.
(C) During calendar year 1998, $10.00.
(D) During calendar year 1999, $9.90.
(E) During calendar year 2000, $9.80.
(F) During calendar year 2001, $9.70.
(G) During calendar year 2002, $9.60.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking "2001" and inserting "2002".

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting "sole" before "discretion".

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding at the end the following:

"(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

"(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.".

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking "and" and inserting "the"; and

(B) by inserting before the period the following: ", and any additional amount that may be required to assist in the development of world markets for United States dairy products".

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

"(f) REQUIRED FUNDING.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

"(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.".

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

AMENDMENT NO. 3387

At the appropriate place, insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the "Secretary") shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.15.
(B) During calendar year 1997, $10.05.
(C) During calendar year 1998, $9.95.
(D) During calendar year 1999, $9.85.
(E) During calendar year 2000, $9.75.
(F) During calendar year 2001, $9.65.
(G) During calendar year 2002, $9.55.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

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(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking "2001" and inserting "2002".

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting "sole" before "discretion".

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding at the end the following:

"(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

"(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.".

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking "and" and inserting "the"; and

(B) by inserting before the period the following: ", and any additional amount that may be required to assist in the development of world markets for United States dairy products".

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

"(f) REQUIRED FUNDING.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

"(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.".

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

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AMENDMENT NO. 3388

At the appropriate place, insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the "Secretary") shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.10.
(B) During calendar year 1997, $10.00.
(C) During calendar year 1998, $9.90.
(D) During calendar year 1999, $9.80.
(E) During calendar year 2000, $9.70.
(F) During calendar year 2001, $9.60.
(G) During calendar year 2002, $9.50.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is

amended by striking "2001" and inserting "2002".

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting "sole" before "discretion".

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding at the end the following:

"(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

"(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.".

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking "and" and inserting "the"; and

(B) by inserting before the period the following: ", and any additional amount that may be required to assist in the development of world markets for United States dairy products".

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

"(f) REQUIRED FUNDING.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

"(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.".

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

D'AMATO AMENDMENTS NOS. 3389–3394

(Ordered to lie on the table.)

Mr. D'AMATO submitted six amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3389

On page 1–73, strike lines 12 through 14 and insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the "Secretary") shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.35.

(B) During calendar year 1997, $10.25.

(C) During calendar year 1998, $10.15.

(D) During calendar year 1999, $10.05.

(E) During calendar year 2000, $9.95.

(F) During calendar year 2001, $9.85.

(G) During calendar year 2002, $9.75.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking "2001" and inserting "2002".

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting "sole" before "discretion".

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding at the end the following:

"(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

"(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.".

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking "and" and inserting "the"; and

(B) by inserting before the period the following: ", and any additional amount that may be required to assist in the development of world markets for United States dairy products".

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

"(f) REQUIRED FUNDING.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

"(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.".

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

AMENDMENT NO. 3390

On page 1–73, strike lines 12 through 14 and insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the "Secretary") shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.30.
(B) During calendar year 1997, $10.20.
(C) During calendar year 1998, $10.10.
(D) During calendar year 1999, $10.00.
(E) During calendar year 2000, $9.90.
(F) During calendar year 2001, $9.80.
(G) During calendar year 2002, $9.70.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking "2001" and inserting "2002".

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting "sole" before "discretion".

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding at the end the following:

"(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

"(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.".

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking "and" and inserting "the"; and

(B) by inserting before the period the following: ", and any additional amount that may be required to assist in the development of world markets for United States dairy products".

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

"(f) REQUIRED FUNDING.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

"(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.".

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

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AMENDMENT NO. 3391

On page 1–73, strike lines 12 through 14 and insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the "Secretary") shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.25.
(B) During calendar year 1997, $10.15.
(C) During calendar year 1998, $10.05.
(D) During calendar year 1999, $9.95.
(E) During calendar year 2000, $9.85.
(F) During calendar year 2001, $9.75.
(G) During calendar year 2002, $9.65.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a-14) is amended by striking "2001" and inserting "2002".

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting "sole" before "discretion".

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding at the end the following:

"(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99-198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

"(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.".

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking "and" and inserting "the"; and

(B) by inserting before the period the following: ", and any additional amount that may be required to assist in the development of world markets for United States dairy products".

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

"(f) REQUIRED FUNDING.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99-198; 7 U.S.C. 1731 note) during that year.

"(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.".

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e-1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

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AMENDMENT NO. 3392

On page 1-73, strike lines 12 through 14 and insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the "Secretary") shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.20.

(B) During calendar year 1997, $10.10

(C) During calendar year 1998, $10.00.

(D) During calendar year 1999, $9.90.

(E) During calendar year 2000, $9.80.

(F) During calendar year 2001, $9.70.

(G) During calendar year 2002, $9.60.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a-14) is amended by striking "2001" and inserting "2002".

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting "sole" before "discretion".

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding at the end the following:

"(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

"(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.".

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking "and" and inserting "the"; and

(B) by inserting before the period the following: ", and any additional amount that may be required to assist in the development of world markets for United States dairy products".

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

"(f) REQUIRED FUNDING.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

"(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.".

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

AMENDMENT NO. 3393

On page 1–73, strike lines 12 through 14 and insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the "Secretary") shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.15.

(B) During calendar year 1997, $10.05.

(C) During calendar year 1998, $9.95.

(D) During calendar year 1999, $9.85.

(E) During calendar year 2000, $9.75.

(F) During calendar year 2001, $9.65.

(G) During calendar year 2002, $9.55.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking "2001" and inserting "2002".

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting "sole" before "discretion".

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding at the end the following:

"(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

"(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.".

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking "and" and inserting "the"; and

(B) by inserting before the period the following: ", and any additional amount that may be required to assist in the development of world markets for United States dairy products".

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

"(f) REQUIRED FUNDING.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

"(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.".

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) Consent to Northeast Interstate Dairy Compact.—Congress consents to the Northeast Interstate Dairy

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Amendment No. 3394

On page 1-73, strike lines 12 through 14 and insert the following:

SEC. 108. MILK PROGRAM.

(a) Milk Price Support Program.—

(1) Support activities.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the "Secretary") shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) Rate.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.10.
(B) During calendar year 1997, $10.00.
(C) During calendar year 1998, $9.90.
(D) During calendar year 1999, $9.80.
(E) During calendar year 2000, $9.70.
(F) During calendar year 2001, $9.60.
(G) During calendar year 2002, $9.50.

(3) Bid prices.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) Special rule for butter and nonfat dry milk.—

(A) Allocation of purchase prices.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) Timing of purchase price adjustments.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) Refunds of 1995 and 1996 assessments.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) Commodity credit corporation.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) Period of effectiveness.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) Consolidation and Reform of Federal Milk Marketing Orders.—

(1) Amendment of orders.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) Expedited process.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) Funding.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) Dairy Export Incentive Program.—

(1) Duration.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a-14) is amended by striking "2001" and inserting "2002".

(2) Sole discretion.—Section 153(b) of the Food Security Act of 1985 is amended by inserting "sole" before "discretion".

(3) Elements of program.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding at the end the following:

"(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99-198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

"(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.".

(4) Market development.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking "and" and inserting "the"; and

(B) by inserting before the period the following: ", and any additional amount that may be required to assist in the development of world markets for United States dairy products".

(5) Maximum allowable amounts.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

"(f) Required Funding.—

"(1) In general.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99-198; 7 U.S.C. 1731 note) during that year.

"(2) Volume limitations.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.".

(d) Effect on Fluid Milk Standards in the State of California.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) Repeal of Milk Manufacturing Marketing Adjustment.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e-1) is repealed.

(f) Consent to Northeast Interstate Dairy Compact.—Congress consents to the Northeast Interstate Dairy

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LUGAR AMENDMENTS NOS. 3395–3397

(Ordered to lie on the table.)

Mr. LUGAR submitted three amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. Leahy to the bill S. 1541, supra; as follows:

Amendment No. 3395

On page 5-1, strike lines 2 through 4 and insert the following:

SEC. 501. MILK PROGRAMS.

(a) Federal Milk Marketing Orders.—Section 101(b) of the Agriculture and Food Act of 1981 (Public Law 97-98; 7 U.S.C. 608c) is amended by striking "1996" and inserting "2002".

(b) Consolidation and Reform of Federal Milk Marketing Orders.—

(1) Amendment of orders.—As soon as practicable after the date of the enactment of this Act, the Secretary of Agriculture (referred to in this section as the "Secretary") shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) Expedited process.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) Funding.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) Dairy Export Incentive Program.—

(1) Duration.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a-14) is amended by striking "2001" and inserting "2002".

(2) Sole discretion.—Section 153(b) of the Food Security Act of 1985 is amended by inserting "sole" before "discretion".

(3) Elements of program.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding at the end the following:

"(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

"(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.".

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking "and" and inserting "the"; and

(B) by inserting before the period the following: ", and any additional amount that may be required to assist in the development of world markets for United States dairy products".

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

"(f) REQUIRED FUNDING.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

"(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.".

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) FUND FOR DAIRY PRODUCERS TO PAY FOR NUTRIENT MANAGEMENT.—Section 8(c)(5) of the Agricultural Adjustment Act (7

AMENDMENT NO. 3396

On page 1–77, line 10, after "respectively", insert the following: ", and by amendment section 307 (as so transferred and redesignated) to read as follows:

"SEC. 307. MILK PROGRAM.

"(a) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this section and ending December 31, 2002, the Secretary shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

"(b) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

"(1) During calendar year 1996, $10.10.
"(2) During calendar year 1997, $10.05.
"(3) During calendar year 1998, $9.95.
"(4) During calendar year 1999, $9.85.
"(5) During calendar year 2000, $9.75.
"(6) During calendar year 2001, $9.65.
"(7) During calendar year 2002, $9.55.

"(c) BID PRICES.—The support purchase prices under this section for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under subsection (b).

"(d) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

"(1) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

"(2) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

"(e) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this section, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketing in calendar year 1995 or 1996 when compared to calendar year 1994 or 1995, respectively. A refund under this subsection shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

"(f) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(g) PERIOD OF EFFECTIVENESS.—This section shall be effective only during the period beginning on the date of the enactment of this section and ending on December 31, 2002.".

AMENDMENT NO. 3397

On page 6–19, strike lines 1 through 16 and insert the following:

"SEC. 609. GRANTS FOR RESEARCH ON THE PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

Section 1419(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(d)) is amended by striking "1995" and inserting "2002".

MOSELEY-BRAUN AMENDMENT NO. 3398

(Ordered to lie on the table.)

Ms. MOSELEY-BRAUN submitted an amendment intended to be proposed by them to the bill S. 1541, supra; as follows:

On page 1–26, strike lines 16 through 25 and insert the following:

(6) OILSEEDS.—

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be—

(i) not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately proceeding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $4.92 or more than $5.26 per bushel.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rate for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be—

(i) not less than 85 percent of the simple average price received by producers of sunflower seed, individually, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of sunflower seed, individually, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $0.087 or more than $0.093 per pound.

NICKLES AMENDMENT NO. 3399

(Ordered to lie on the table.)

Mr. NICKLES submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 1–17, strike lines 14 through 17 and insert the following:

(ii) CONTRACT COMMODITIES.—Contract acreage planted to a contract commodity during the crop year may be hayed or grazed without limitation.

BROWN AMENDMENT NO. 3400

(Ordered to lie on the table.)

Mr. BROWN submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra, as follows:

On page 1–4S. strike line 3 and insert the following: 104(e) of the Act.

"(3) LIMITATION ON MAXIMUM INCOME.—

"(A) IN GENERAL.—None of the funds made available pursuant to this Act may be used to make any payment described in paragraph (1) and (2) to—

"(i) an individual with an annual net taxable income of more than $250,000; or

"(ii) any other person with an annual net taxable income of more than $5,000,000.

"(B) CERTIFICATION.—The Secretary of Agriculture shall annually certify to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that no person receiving a payment referred to in subparagraph (A) had, in the previous tax year of the person, an annual net taxable income greater than the amount specified in subparagraph (A) with respect to the person.".

BROWN AMENDMENT NO. 3401

(Ordered to lie on the table.)

Mr. BROWN submitted an amendment intended to be proposed by him to an amendment submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following:

SEC. CLARIFICATION ON EFFECT OF RESOURCE PLANNING ON ALLOCATION OR USE OF WATER.

(a) NATIONAL FOREST SYSTEM RESOURCE PLANNING.—Section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604) is amended by adding at the end the following new subsection:

"(n) LIMITATION ON AUTHORITY.—Nothing in this section shall be construed to supersede, abrogate or otherwise impair any right or authority of a State to allocate quantities of water (including boundary waters). Nothing in this section shall be implemented, enforced, or construed to allow any officer or agency of the United States to utilize directly or indirectly the authorities established under this section to impose any requirement not imposed by the State which would supersede, abrogate, or otherwise impair rights to the use of water resources allocated under State law, interstate water compact, or Supreme Court decree, or held by the United States for use by a State, its political subdivisions, or its citizens. No water rights arise in the United States or any other person under the provisions of this Act.".

(b) LAND USE PLANNING UNDER BUREAU OF LAND MANAGEMENT AUTHORITIES.—Section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712) is amended by adding at the end the following new subsection:

"(g) LIMITATION ON AUTHORITY.—Nothing in this section shall be construed to supersede, abrogate, or otherwise impair any right or authority of a State to allocate quantities of water (including boundary waters). Nothing in this section shall be implemented, enforced, or construed to allow any officer or agency of the United States to utilize directly or indirectly the authorities established under this section to impose any requirement not imposed by the State which would supersede, abrogate, or otherwise impair rights to the use of water resources allocated under State law, interstate water compact, or Supreme Court decree, or held by the United States for use by a State, its political subdivisions, or its citizens. No water rights arise in the United States or any other person under the provisions of this Act.".

(c) AUTHORIZATION TO GRANT RIGHTS-OF-WAY.—Section 501 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1761) is amended—

(1) in subsection (c)(1)—

(A) by striking subparagraph (B);

(B) in subparagraph (D), by striking "originally constructed";

(C) in subparagraph (G), by striking "1996" and inserting "1998"; and

(D) by redesignating subparagraphs (C) through (G) as subparagraphs (B) through (F), respectively;

(2) in subsection (c)(3)(A), by striking the second and third sentence; and

(3) by adding at the end the following new subsection:

"(e) EFFECT ON VALID EXISTING RIGHTS.—Notwithstanding any provision of this section, no Federal agency may require, as a condition of, or in connection with, the granting, issuance, or renewal of a right-of-way under this section, a restriction or limitation on the operation, use, repair, or replacement of an existing water supply facility which is located on or above National Forest lands or the exercise and use of existing water rights, if such condition would reduce the quantity of water which would otherwise be made available for use by the owner of such facility or water rights, or cause an increase in the cost of the water supply provided from such facility.".

SANTORUM AMENDMENTS NOS. 3402–3404

(Ordered to lie on the table.)

Mr. SANTORUM submitted three amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3402

Beginning on page 1–73, strike line 12 and all that follows through page 1–78, line 4, and insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of enactment of this Act and ending December 31, 2002, the Secretary shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.10.

(B) During calendar year 1997, $10.00.

(C) During calendar year 1998, $9.90.

(D) During calendar year 1999, $9.80.

(E) During calendar year 2000, $9.70.

(F) During calendar year 2001, $9.60.

(G) During calendar year 2002, $9.50.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking "2001" and inserting "2002".

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting "sole" before "discretion".

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding at the end the following:

"(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

"(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.".

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking "and" and inserting "the"; and

(B) by inserting before the period the following: ", and any additional amount that may be required to assist in the development of world markets for United States dairy products".

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

"(f) REQUIRED FUNDING.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99-198; 7 U.S.C. 1731 note) during that year.

"(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.".

(d) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e-1) is repealed.

SEC. 109. ADMINISTRATION.

(a) COMMODITY CREDIT CORPORATION.—

(1) USE OF CORPORATION.—The Secretary shall carry out this title through the Commodity Credit Corporation.

(2) SALARIES AND EXPENSES.—No funds of the Corporation shall be used for any salary or expense of any officer or employee of the Department of Agriculture.

(b) DETERMINATIONS BY SECRETARY.—A determination made by the Secretary under this title or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) shall be final and conclusive.

(c) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this title.

SEC. 110. ELIMINATION OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—The Agricultural Adjustment Act of 1938 is amended—

(1) in title III—

(A) in subtitle B—

(i) by striking parts II through V (7 U.S.C. 1326-1351); and

(ii) in part VI—

(I) by moving subsection (c) of section 358d (7 U.S.C. 1358d(c)) to appear after section 301(b)(17) (7 U.S.C. 1301(b)(17)) and redesignating the subsection as paragraph (18); and

(II) by striking sections 358, 358a, and 358d (7 U.S.C. 1358, 1358a, and 1359); and

(B) by striking subtitle D (7 U.S.C. 1379a-1379j); and

(2) by striking title IV (7 U.S.C. 1401-1407).

(b) AGRICULTURAL ACT OF 1949.—

(1) TRANSFER OF CERTAIN SECTIONS.—The Agricultural Act of 1949 is amended—

(A) by transferring sections 106, 106A, and 106B (7 U.S.C. 1445, 1445-1, 1445-2) to appear after section 314A of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314-1) and redesignating the transferred sections as sections 315, 315A, and 315B, respectively;

(B) by transferring section 111 (7 U.S.C. 1445f) to appear after section 304 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1304) and redesignating the transferred section as section 305; and

(C) by transferring sections 404 and 416 (7 U.S.C. 1424 and 1431) to appear after section 390 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1390) and redesignating the transferred sections as sections 390A and 390B, respectively.

(2) REPEAL.—The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) (as amended by paragraph (1)) is repealed.

(c) CONFORMING AMENDMENT.—Section 361 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1361) is amended by striking ", corn, wheat, cotton, peanuts, and rice, established".

AMENDMENT NO. 3403

Amend Section 106, Peanut Program, by striking paragraph (2) in subsection (A), Quota Peanuts, and inserting the following:

(2) SUPPORT RATES.—The national average quota support rate for each of the 1996 through 2002 crops of quota peanuts shall not be not more than $550 per ton.

AMENDMENT NO. 3404

Amend Section 106, Peanut Program, by striking paragraph (2) in subsection (A), Quota Peanuts, and inserting the following:

(2) SUPPORT RATES.—The national average quota support rate for each of the 1996 through 1997 crops of quota peanuts shall not be more than $600 per ton. The national average quota support rate for each of the 1998 through 2002 crops shall be not more than $550 per ton.

SANTORUM AMENDMENT NO. 3405

(Ordered to lie on the table.)

Mr. SANTORUM submitted an amendment intended to be proposed by him to amendment No. 3225 submitted by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Amend Section 106, Peanut Program, by:

(a) Striking paragraph (2) in subsection (a), Quota Peanuts, and inserting the following:

(2) SUPPORT RATES.—

(A) MAXIMUM LEVELS.—The national average quota support rate for each of the 1996 through 2000 crops of quota peanuts shall not be more than $610 per ton for the 1996 crop, $542 per ton for the 1997 crop, $509 per ton for the 1998 crop, $485 per ton for the 1999 crop, and $475 for the 2000 crop.

(B) DISBURSEMENT.—The Secretary shall initially disburse only 90 percent of the price support loan level required under this paragraph to producers for the 1996 and 1997 crops, and 85 percent for the 1998 through 2000 crops and provide for the disbursement to producers at maturity of any balances due the producers on the loans that may remain to be settled at maturity. The remainder of the loans for each crop shall be applied to offset losses in pools under subsection (d), if the losses exist, and shall be paid to producers only after the losses are offset.

(C) NON-RECOURSE LOANS.—Notwithstanding any other provision of this Act, for the 2001 and 2002 crops of peanuts, the quota is eliminated and the Secretary shall offer to all peanut producers non-recourse loans at a level not to exceed 70 percent of the estimated market price anticipated for each crop.

(D) MARKET PRICE.—In estimating the market price for the 2001 and 2002 crops of peanuts, the Secretary shall consider the export prices of additional peanuts during the last 5 crop years for which price support was available for additional peanuts and prices for peanuts in overseas markets, but shall not base the non-recourse loan levels for 2001-2002 on quota or additional support rates established under this Act.

KEMPTHORNE AMENDMENT NO. 3406

(Ordered to lie on the table.)

Mr. KEMPTHORNE submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

In the January 31, 1996 draft, In Section 1238E. Environmental Quality Incentives Program Plan.

At page 3-25 after line 8 and before line 9 insert the following paragraph so that beginning at line 9 the bill reads:

(8) Notwithstanding any provision of law, the Secretary shall ensure that the process of writing, developing, and assisting in the implementation of plans required in the programs established under this title be open to individuals in agribusiness including but not limited to agricultural producers, representative from agricultural cooperatives, agricultural input retail dealers, and certified crop advisers. This open plan development process shall be included in but not limited to programs and plans established under this title and any other Department program using incentive, technical assistance, cost-share pilot project programs that require plans.

GRAHAM (AND MACK) AMENDMENT NO. 3407

(Ordered to lie on the table.)

Mr. GRAHAM (for himself and Mr. MACK) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 510, strike lines 17 through 24, and on page 511, strike lines 1 through the end, and insert in lieu thereof the following:

SEC. 506. EVERGLADES AGRICULTURAL AREA.

(a) IN GENERAL.—On July 1, 1996, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide $200,000,000 to the Secretary of the Interior to carry out this subsection.

(b) ENTITLEMENT.—The Secretary of the Interior—

(1) shall accept the funds made available under subsection (a);

(2) shall be entitled to receive the funds; and

(3) shall use the funds to conduct restoration activities in the Everglades ecosystem, which may include acquiring private acreage in the Everglades Agricultural Area including approximately 52,000 acres that is commonly known as the "Talisman Tract".

(c) Nothing in this subsection precludes the Secretary of the Interior from transferring funds to the U.S. Army Corps of Engineers or the State of Florida or the South Florida Water Management District to carry out subsection (b)(3).

(d) DEADLINE.—The Secretary of the Interior shall utilize these funds for restoration activities referred to in subsection (b)(3) not later than December 31, 1999.

DASCHLE AMENDMENT NO. 3408

(Ordered to lie on the table.)

Mr. DASCHLE submitted an amendment intended to be proposed by him to an amendment submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

(a) Section 312 is amended by adding at the end the following:

"(c) WATER BANK ACRES.—Section 1231(b) is amended by adding at the end the following:

"(6) land that was enrolled as of the date of enactment of the 'Agricultural Reform and Improvement Act of 1996' in the Water Bank Program established under the Water Bank Act (16 U.S.C. 1301 et seq.) at a rate not to exceed the rates in effect under the program."

(b) Section 313 is amended by—

(1) striking subsection (a);

(2) in subsection (b) by striking "not more than 975,000" and inserting "not less than 975,000";

(3) striking "(c) ELIGIBILITY.—" and all that follows through "under the program.";

(4) in subsection (e) by striking paragraph (2);

BAUCUS AMENDMENT NO. 3409

(Ordered to lie on the table.)

Mr. BAUCUS submitted an amendment intended to be proposed by him to an amendment submitted by Mr. CRAIG to the bill S. 1541, supra; as follows:

At the appropriate place in the bill insert the following:

Notwithstanding the provisions of the Federal Crop Insurance Act, the Secretary shall ensure that crop insurance is made available to producers so that protection at the 75 percent level of coverage shall be available at the rate for which coverage at the 65 percent level is available on the date prior to the date of enactment.

BAUCUS AMENDMENT NO. 3410

(Ordered to lie on the table.)

Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

After section 857, insert the following:

SEC. 858. LABELING OF DOMESTIC AND IMPORTED LAMB AND MUTTON.

Section 7 of the Federal Meat Inspection Act (21 U.S.C. 607) is amended by adding at the end the following:

"(f) LAMB AND MUTTON.—

"(1) STANDARDS.—The Secretary shall establish standards for the labeling of sheep carcasses, parts of carcasses, meat, and meat food products as 'lamb' or 'mutton'.

"(2) METHOD.—The standards under paragraph (1) shall be based on the use of the break or spool joint method to differentiate lamb from mutton by the degree of calcification of bone to reflect maturity.".

HARKIN AMENDMENT NO. 3411

(Ordered to lie on the table.)

Mr. BAUCUS (for Mr. HARKIN) submitted an amendment intended to be proposed by him to an amendment submitted by Mr. CRAIG to the bill S. 1541, supra; as follows:

Amend Section 110 by adding the following at the end:

(D) NONRECOURSE MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS

Notwithstanding the provisions of section 104, in the case of the 1996 and subsequent crops of wheat, feed grains, and oilseeds the Secretary shall provide marketing loans to producers of such crops.

(1) AVAILABILITY OF NONRECOURSE LOANS.—

(A) AVAILABILITY.—For each of the 1996 and subsequent crops, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for wheat, feed grains, and oilseeds produced on the farm. The loans shall be made under the terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (2) for the commodity.

(2) LOAN RATES.—

(A) WHEAT.—

(i) LOAN RATE.—The loan rate for wheat shall be—

(I) not less than 90 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately five preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) FEED GRAINS.—

(i) LOAN RATE.—The loan rate for a marketing assistance loan for corn shall be—

(I) not less than 90 percent of the simple average price received by producers of corn as determined by the Secretary, during the marketing years for the immediately five preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(II) OTHER FEED GRAINS.—The loan for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of commodity in relation to corn.

(C) OILSEEDS.—

(i) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be not less than 90 percent of the simply average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(ii) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rates for marketing assistance loans for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed shall be not less than 90 percent of the simple average price received by producers of sunflower seed, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of sunflower seed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(3) TERM OF LOAN.—In the case of wheat and feed grains, a marketing assistance loan under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.

(4) REPAYMENT.—

(A) REPAYMENT RATES FOR WHEAT AND FEED GRAINS.—The Secretary shall permit a producer to repay a marketing assistance loan under subsection (a) for wheat, corn, grain sorghum, barley, and oats at a level that the Secretary determines will—

(i) minimize potential loan forfeitures;

(ii) minimize the accumulation of stocks of the commodities by the Federal Government;

(iii) minimize the costs incurred by the Federal Government in storing the commodities; and

(iv) allow the commodities produced in the United States to be marketed freely and competitively, both domestically and internationally.

(5) LOAN DEFICIENCY PAYMENTS.—

(A) AVAILABILITY.—The Secretary may make loan deficiency payments available to producers who, although ineligible to obtain a marketing assistance loan under subsection (a) with respect to a loan commodity, agree to forego obtaining the loan for the commodity in return for payments under this subsection.

(B) COMPUTATION.—A loan deficiency payment shall be computed by multiplying—

(i) the loan payment rate under paragraph (3) for the loan commodity; by

(ii) the quantity of the loan commodity that the producers on a farm are eligible to place under loan but for which the producers forego obtaining the loan in return for payments under this subsection.

(C) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

(i) the loan rate established under subsection (2) for the loan commodity exceeds

(ii) the rate at which a loan for the commodity may be repaid under subsection (d).

(6) SOURCE OF LOANS.—

(A) IN GENERAL.—The Secretary shall provide the loans authorized by this section and the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) through the Commodity Credit Corporation and other means available to the Secretary.

(B) PROCESSORS.—Whenever any loan or surplus removal for any agricultural commodity is carried out through purchases from or loans or payments to processors, the Secretary shall, to the extent practicable, obtain from the processors such assurances as the Secretary considers adequate that the producers of the commodity have received or will receive the maximum benefit from the loan or surplus removal operation.

(7) ADJUSTMENTS OF LOANS.—

(A) IN GENERAL.—The Secretary may make appropriate adjustments in the loan levels for differences in grade, type, quality, location, and other factors.

(B) LOAN LEVEL.—The adjustments shall, to the maximum extent practicable, be made in such manner that the average loan level for the commodity will, on the basis of the anticipated incidence of the factors, be equal to the level of support determined as provided in this section or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.).

(8) PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.—

(A) IN GENERAL.—Except as provided in paragraph (2), no producer shall be personally liable for any deficiency arising from the sale of the collateral securing any nonrecourse loan made under this section or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) unless the loan was obtained through a fraudulent representation by the producer.

(B) LIMITATIONS.—Paragraph (1) shall not prevent the Commodity Credit Corporation or the Secretary from requiring the producer to assume liability for—

(i) a deficiency in the grade, quality, or quantity of a commodity stored on a farm or delivered by the producer;

(ii) a failure to properly care for and preserve a commodity; or

(iii) a failure or refusal to deliver a commodity in accordance with a program established under this section or the Agricultural Adjustment Act of 1938.

(C) ACQUISITION OF COLLATERAL.—The Secretary may include in a contract for a nonrecourse loan made under this section or the Agricultural Adjustment Act of 1938 a provision that permits the Commodity Credit Corporation, on and after the maturity of the loan or any extension of the loan, to acquire title to the unredeemed collateral without obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

GRAHAM (AND MACK) AMENDMENT NO. 3412

(Ordered to lie on the table.)

Mr. GRAHAM (for himself and Mr. MACK) submitted an amendment intended to be proposed by them to the bill S. 1541, supra; as follows:

At the end of the section relating to crop insurance, insert the following:

(c) DEFINITION OF NATURAL DISASTER.—Section 502 of the Federal Crop Insurance Act (7 U.S.C. 1502) is amended—

(1) by redesignating paragraphs (7) and (8) as paragraphs (8) and (9), respectively; and

(2) by inserting after paragraph (6) the following:

"(7) NATURAL DISASTER.—The term 'natural disaster' includes extensive crop destruction caused by insects or disease.".

(d) CROP INSURANCE FOR SPECIALTY CROPS.—Section 508(a)(6) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(6)) is amended by adding at the end the following:

"(D) ADDITION OF SPECIALTY CROPS.—Not later than 1 year after the date of enactment of this subparagraph, the Corporation shall issue regulations to expand crop insurance coverage under this title to include any species, animal or plant, that is reared or grown for sale using and or water culture.".

(e) MARKETING WINDOWS.—Section 508(j) of the Federal Crop Insurance Act (7 U.S.C. 1508(j)) is amended by adding at the end the following:

"(4) MARKETING WINDOWS.—The corporation shall consider marketing windows in determining whether it is feasible to require planting during a crop year.".

HARKIN AMENDMENT NOS. 3413–3414

(Ordered to lie on the table).

Mr. HARKIN submitted two amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3413

(1) Section 110(b) is amended by striking paragraph (2) and inserting the following:

"(2) REPEAL.—The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) (as amended by paragraph (1)) is repealed except for section 110."

AMEMDMENT NO. 3414

(1) Section 110(b) is amended by striking paragraph (2) and inserting the following:

"(2) REPEAL—

"(A) The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) (as amended by paragraph (1)) is repealed except for section 110.

"(B) Notwithstanding the provisions of the Agricultural Trade Act of 1978 and section 203 the Commodity Credit Corporation shall make available to carry out the export enhancement program not more than the following:

"(i) $338,428,572 for fiscal year 1996;

"(ii) $338,428,572 for fiscal year 1997;

"(iii) $488,428,572 for fiscal year 1998;

"(iv) $538,428,572 for fiscal year 1999;

"(v) $567,428,572 for fiscal year 2000;

"(vi) $466,428,572 for fiscal year 2001; and

"(vii) $466,428,572 for fiscal year 2002."

DASCHLE AMENDMENT NO. 3415

(Ordered to lie on the table.)

Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill (S. 1541), supra; as follows:

Title I is amended by—

(1) striking "2002" each place it appears and inserting "1998";

(2) striking "2003" each place it appears and inserting "1999";

(3) in section 103 striking subsections (d) through (f) and inserting the following:

"(e) CONTRACT PAYMENTS.—

"(1) IN GENERAL.—The Secretary shall provide advanced and final payments to owners and operators in accordance with this subsection.

"(2) ADVANCED PAYMENTS.—

"(A) IN GENERAL.—An owner or operator shall receive an advanced payment by June 15 for the 1996 fiscal year and December 15 for the 1997 and 1998 fiscal years which represents the product of—

"(i) the applicable payment rate described in subparagraph (B);

"(ii) the farm program payment yield; and

"(iii) 85 percent of the contract acreage.

"(B) PAYMENT RATE.—The payment rate shall be—

"(i) for corn, $.16 per bushel;

"(ii) for grain sorghum, $.19 per bushel;

"(iii) for barley, $.12 per bushel;

"(iv) for oats, $.02 per bushel;

"(v) for wheat, $.27 per bushel;

"(vi) for rice, $1.14 per hundredweight; and

"(vii) for upland cotton, $.032 per pound.

"(3) FINAL PAYMENT.—

"(A) IN GENERAL.—The Secretary shall make a final payment which represents the county rate described in subparagraph (B) multiplied by lessor of—

"(i) 85 percent of the contract acreage; or

"(ii) contract acreage planted to the contract commodity.

"(B) COUNTY RATE.—The county rate is the difference between the target county revenue described in clause (i) and the current county revenue described in clause (ii).

"(i) TARGET COUNTY REVENUE.—The target county revenue shall equal to the product of—

"(I) the five year average county yield for the contract commodity, excluding the year in which the average yield was the highest and the lowest; and

"(II) the established price for the commodity for the 1995 crop.

"(ii) CURRENT COUNTY REVENUE.—The current county revenue shall equal the product of—

"(I) the average price for the contract commodity for the first five months of the marketing year; and

"(II) the county average yield for the contract commodity.

"(iii) LIMITATION.—The final payment shall be reduced by the advanced payment, but in no case shall the final payment be less than zero."

(4) in section 104(b) by striking paragraphs (1)(A)(ii), (2)(A)(ii), (3)(B), and (4)(B).

McCONNELL AMENDMENT NO. 3416

(Ordered to lie on the table.)

Mr. McCONNELL submitted an amendment intended to be proposed by him to the amendment No. 3184 proposed by Mr. LEAHY to the bill (S. 1541), supra; as follows:

At the appropriate place, insert the following:

SEC. ___. COMMERCIAL TRANSPORTATION OF EQUINE FOR SLAUGHTER.

(a) FINDINGS.—Congress finds that, to ensure that equine sold for slaughter are provided humane treatment and care, it is essential to regulate the transportation, care, handling, and treatment of equine by any person engaged in the commercial transportation of equine for slaughter.

(b) DEFINITIONS.—In this section:

(1) COMMERCE.—The term "commerce" means trade, traffic, transportation, or other commerce by a person—

(A) between any State, territory, or possession of the United States, or the District of Columbia, and any place outside thereof;

(B) between points within the same State, territory, or possession of the United States, or the District of Columbia, but through any place outside thereof; or

(C) within any territory or possession of the United States or the District of Columbia.

(2) DEPARTMENT.—The term "Department" means the United States Department of Agriculture.

(3) EQUINE.—The term "equine" means any member of the Equidae family.

(4) EQUINE FOR SLAUGHTER.—The term "equine for slaughter" means any equine that is transported, or intended to be transported, by vehicle to a slaughter facility or intermediate handler from a sale, auction, or intermediate handler by a person engaged in the business of transporting equines for slaughter.

(5) FOAL.—The term "foal" means a equine that is not more than 6 months of age.

(6) INTERMEDIATE HANDLER.—The term "intermediate handler" means any person regularly engaged in the business of receiving custody of equines for slaughter in connection with the transport of the equines to a slaughter facility, including a stockyard, feedlot, or assembly point.

(7) PERSON.—The term "person" means any individual, partnership, firm, company, corporation, or association that regularly transports equines for slaughter in commerce, except that the term shall not include an individual or other entity that does not transport equines for slaughter on a regular basis as part of a commercial enterprise.

(8) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(9) VEHICLE.—The term "vehicle" means any machine, truck, tractor, trailer, or semitrailer, or any combination thereof, propelled or drawn by mechanical power and used on a highway in the commercial transportation of equines for slaughter.

(10) STALLION.—The term "stallion" means any uncastrated male equine that is 1 year of age or older.

(c) STANDARDS FOR HUMANE COMMERCIAL TRANSPORTATION OF EQUINES FOR SLAUGHTER.—

(1) IN GENERAL.—Subject to the availability of appropriations, not later than 1 year after the date of enactment of this section, the Secretary shall issue, by regulation, standards for the humane commercial transportation by vehicle of equines for slaughter.

(2) PROHIBITION.—no person engaged in the regular business of transporting equines by vehicle for slaughter as part of a commercial enterprise shall transport in commerce, to a slaughter facility or intermediate handler, a equine for slaughter except in accordance with the standards and this section.

(3) MINIMUM REQUIREMENTS.—The standards shall include minimum requirements for the humane handling, care, treatment, and equipment necessary to ensure the safe and humane transportation of equines for slaughter. The standards shall require, at a minimum, that—

(A) no equine for slaughter shall be transported for more than 24 hours without being unloaded from the vehicle and allowed to rest for at least 8 consecutive hours and given access to adequate quantities of wholesome food and potable water;

(B) a vehicle shall provide adequate headroom for a equine for slaughter with a minimum of at least 6 feet, 6 inches of headroom from the roof and beams or other structural members overhead to floor underfoot, except that a vehicle transporting 6 equines or less shall provide a minimum of at least 6 feet of headroom from the roof and beams or other structural members overhead to floor underfoot if none of the equines are over 16 hands;

(C) the interior of a vehicle shall—

(i) be free of protrusions, sharp edges, and harmful objects;

(ii) have ramps and floors that are adequately covered with a nonskid nonmetallic surface; and

(iii) be maintained in a sanitary condition;

(D) a vehicle shall—

(i) provide adequate ventilation and shelter from extremes of weather and temperature for all equine;

(ii) be of appropriate size, height, and interior design for the number of equine being carried to prevent overcrowding; and

(iii) be equipped with doors and ramps of sufficient size and location to provide for safe loading and unloading, including unloading during emergencies;

(E)(i) equines shall be positioned in the vehicle by size; and

(ii) stallions shall be segregated from other equines;

(F)(i) all equines for slaughter must be fit to travel as determined by an accredited veterinarian, who shall prepare a certificate of inspection, prior to loading for transport, that—

(I) states that the equines were inspected and satisfied the requirements of subparagraph (B);

(II) includes a clear description of each equine; and

(III) is valid for 7 days;

(ii) no equine shall be transported to slaughter if the equine is found to be—

(I) suffering from a broken or dislocated limb;

(II) unable to bear weight on all 4 limbs;

(III) blind in both eyes; or

(IV) obviously suffering from severe illness, injury, lameness, or physical debilitation that would make the equine unable to withstand the stress of transportation;

(iii) no foal may be transported for slaughter;

(iv) no mare in foal that exhibits signs of impending parturition may be transported for slaughter; and

(v) no equine for slaughter shall be accepted by a slaughter facility unless the equine is—

(I) inspected on arrival by an employee of the slaughter facility or an employee of the Department; and

(II) accompanied by a certificate of inspection issued by an accredited veterinarian, not more than 7 days before the delivery, stating that the veterinarian inspected the equine on a specified date.

(d) RECORDS.—

(1) IN GENERAL.—A person engaged in the business of transporting equines for slaughter shall establish and maintain such records, make such reports, and provide such information as the Secretary may, by regulation, require for the purposes of carrying out, or determining compliance with, this section.

(2) MINIMUM REQUIREMENTS.—The records shall include, at a minimum—

(A) the veterinary certificate of inspection;

(B) the names and addresses of current owners and consignors, if applicable, of the equines at the time of sale or consignment to slaughter; and

(C) the bill of sale or other documentation of sale for each equine.

(3) AVAILABILITY.—The records shall—

(A) accompany the equine during transport to slaughter;

(B) be retained by any person engaged in the business of transporting equine for slaughter for a reasonable period of time, as determined by the secretary, except that the veterinary certificate of inspection shall be surrendered at the slaughter facility to an employee or designee of the department and kept by the department for a reasonable period of time, as determined by the secretary; and

(C) on request of an officer or employee of the department, be made available at all reasonable times for inspection and copying by the officer or employee.

(e) AGENTS.—

(1) IN GENERAL.—For purposes of this section, the act, omission, or failure of an individual acting for or employed by a person engaged in the business of transporting equines for slaughter, within the scope of the employment or office of the individual, shall be considered the act, omission, or failure of the person engaging in the commercial transportation of equines for slaughter as well as of the individual.

(2) ASSISTANCE.—if a equine suffers a substantial injury or illness while being transported for slaughter on a vehicle, the driver of the vehicle shall seek prompt assistance from a licensed veterinarian.

(f) COOPERATIVE AGREEMENTS.—The Secretary is authorized to cooperate with States, political subdivisions of States, State agencies (including State departments of agriculture and State law enforcement agencies), and foreign governments to carry out and enforce this section (including regulations issued under this section).

(g) INVESTIGATIONS AND INSPECTIONS.—

(1) IN GENERAL.—The Secretary is authorized to conduct such investigations or inspections as the Secretary considers necessary to enforce this section (including any regulation issued under this section).

(2) ACCESS.—for the purposes of conducting an investigation or inspection under paragraph (1), the secretary shall, at all reasonable times, have access to—

(A) the place of business of any person engaged in the business of transporting equines for slaughter;

(B) the facilities and vehicles used to transport the equines; and

(C) records required to be maintained under subsection (d).

(3) ASSISTANCE TO OR DESTRUCTION OF EQUINES.—The Secretary shall issue such regulations as the Secretary considers necessary to permit employees or agents of the Department to—

(A) provide assistance to any equine that is covered by this section (including any regulation issued under this section); or

(B) destroy, in a humane manner, any such equine found to be suffering.

(h) INTERFERENCE WITH ENFORCEMENT.—

(1) IN GENERAL.—Subject to paragraph (2), a person who forcibly assaults, resists, opposes, impedes, intimidates, or interferes with any person while engaged in or on account of the performance of an official duty of the person under this section shall be fined not more than $5,000 or imprisoned not more than 3 years, or both.

(2) WEAPONS.—If the person uses a deadly or dangerous weapon in connection with an action described in paragraph (1), the person shall be fined not more than $10,000 or imprisoned not more than 10 years, or both.

(i) JURISDICTION OF COURTS.—Except as provided in subsection (j)(1)(E), a district court of the United States in any appropriate judicial district under section 1391 of title 28, United States Code, shall have jurisdiction to specifically enforce this section, to prevent and restrain a violation of this section, and to otherwise enforce this section.

(j) CIVIL AND CRIMINAL PENALTIES.—

(1) CIVIL PENALTIES.—

(A) IN GENERAL.—A person who violates this section (including a regulation or standard issued under this section) shall be assessed a civil penalty by the Secretary of not more than $2,000 for each violation.

(B) SEPARATE OFFENSES.—Each equine transported in violation of this section shall constitute a separate offense. Each violation and each day during which a violation continues shall constitute a separate offense.

(C) HEARINGS.—No penalty shall be assessed under this paragraph unless the person who is alleged to have violated this section is given notice and opportunity for a hearing with respect to an alleged violation.

(D) FINAL ORDER.—An order of the Secretary assessing a penalty under this paragraph shall be final and conclusive unless the aggrieved person files an appeal from the order pursuant to subparagraph (E).

(E) APPEALS.—Not later than 30 days after entry of a final order of the Secretary issued pursuant to this paragraph, a person aggrieved by the order may seek review of the order in the appropriate United States Court of Appeals. The Court shall have exclusive jurisdiction to enjoin, set aside, suspend (in whole or in part), or to determine the validity of the order.

(F) NONPAYMENT OF PENALTY.—On a failure to pay the penalty assessed by a final order under this subsection, the Secretary shall request the Attorney General to institute a civil action in a district court of the United States or other United States court for any district in which the person is found, resides, or transacts business, to collect the penalty. The court shall have jurisdiction to hear and decide the action.

(2) CRIMINAL PENALTIES.—

(A) FIRST OFFENSE.—Subject to subparagraph (B), a person who knowingly violates this section (or a regulation or standard issued under this section) shall, on conviction of the violation, be subject to imprisonment for not more than 1 year or a fine of not more than $2,000, or both.

(B) SUBSEQUENT OFFENSES.—On conviction of a second or subsequent offense described in subparagraph (A), a person shall be subject to imprisonment for not more than 3 years or to a fine of not more than $5,000, or both.

(k) PAYMENTS FOR TEMPORARY OR MEDICAL ASSISTANCE FOR EQUINES DUE TO VIOLATIONS.—From sums received as penalties, fines, or forfeitures of property for any violation of this section (including a regulation issued under this section), the Secretary shall pay the reasonable and necessary costs incurred by any person in providing temporary care or medical assistance for any equine that needs the care or assistance due to a violation of this section.

(l) RELATIONSHIP TO STATE LAW.—Nothing in this section prevents a State from enacting and enforcing any law (including a regulation) that is not inconsistent with this section or that is more restrictive than this section.

(m) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated for each fiscal year such sums as are necessary to carry out this section.

(2) LIMITATION.—No provision of this section shall be effective, or be enforced against

any person, during a fiscal year unless funds to carry out this section have been appropriated for the fiscal year.

McCONNELL AMENDMENT NO. 3417

(Ordered to lie on the table.)

Mr. McCONNELL submitted an amendment intended to be proposed by him to the bill (S. 1541), supra; as follows:

At the appropriate place, insert the following:

SEC. . TOBACCO ADMINISTRATIVE EXPENSES.

Notwithstanding any other provision of law, tobacco marketing assessments required to be collected for budget deficit reduction purposes shall be used first to offset any administrative expenses that are incurred in carrying out the tobacco price support and production adjustment program to the extent that the costs are not otherwise subject to reimbursement under other assessments specific to tobacco.

McCONNELL AMENDMENT NO. 3418

(Ordered to lie on the table.)

Mr. McCONNELL submitted an amendment intended to be proposed by him to the amendment No. 3184 proposed by Mr. LEAHY to the bill (S. 1541), supra; as follows:

At the appropriate place in the title relating to nutrition assistance, insert the following:

SEC. . NUTRITIONAL SUPPLEMENTS.

(a) FINDINGS.—Congress finds that—

(1) the dietary patterns of Americans do not result in nutrient intakes that fully meet Recommended Dietary Allowances (RDAs) of vitamins and minerals;

(2) children in low-income families and the elderly often fail to achieve adequate nutrient intakes from diet alone;

(3) pregnant women have particularly high nutrient needs, which they often fail to meet through dietary means alone;

(4)(A) many scientific studies have shown that nutritional supplements that contain folic acid (a B vitamin) can prevent as many as 60 to 80 percent of neural tube birth defects;

(B) the Public Health Service, in September 1992, recommended that all women of childbearing age in the United States who are capable of becoming pregnant should consume 0.4 mg of folic acid per day for the purpose of reducing their risk of having a pregnancy affected with spina bifida or other neural tube birth defects; and

(C) the Food and Drug Administration has also approved a health claim for folic acid to reduce the risk of neural tube birth defects;

(5) infants who fail to receive adequate intakes of iron may be somewhat impaired in their mental and behavioral development; and

(6) a massive volume of credible scientific evidence strongly suggests that increasing intake of specific nutrients over an extended period of time may be helpful in protecting against diseases or conditions such as osteoporosis, cataracts, cancer, and heart disease.

(b) AMENDMENT OF THE FOOD STAMP ACT OF 1977.—Section 3(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2012(g)(1)) is amended by striking "or food product" and inserting ", food product, or nutritional supplement of a vitamin, mineral, or a vitamin and a mineral".

McCONNELL AMENDMENT NO. 3419

(Ordered to lie on the table.)

Mr. McCONNELL submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place in the title relating to nutrition assistance, insert the following:

SEC. . DISQUALIFICATION OF A STORE OR CONCERN.

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended—

(1) by striking the section heading;

(2) by striking "SEC. 12. (a) Any" and inserting the following:

"SEC. 12. CIVIL MONEY PENALTIES AND DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

"(a) DISQUALIFICATION.—

"(1) IN GENERAL.—An";

(3) by adding at the end of subsection (a) the following:

"(2) EMPLOYING CERTAIN PERSONS.—A retail food store or wholesale food concern shall be disqualified from participation in the food stamp program if the store or concern knowingly employs a person who has been found by the Secretary, or a Federal, State, or local court, to have, within the preceding 3-year period—

"(A) engaged in the trading of a firearm, ammunition, an explosive, or a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)) for a coupon; or

"(B) committed any act that constitutes a violation of this Act or a State law relating to using, presenting, transferring, acquiring, receiving, or possessing a coupon, authorization card, or access device."; and

(4) in subsection (b)(3)(B), by striking "neither the ownership nor management of the store or food concern was aware" and inserting "the ownership of the store or food concern was not aware".

BREAUX (AND JOHNSTON) AMENDMENT NOS. 3420–3421

(Ordered to lie on the table.)

Mr. BREAUX (for himself and Mr. JOHNSTON) submitted two amendments to be proposed by them to the amendment No. 3184 proposed by Mr. LEAHY to the bill (S. 1541), supra, as follows:

AMENDMENT NO. 3420

In the pending amendment:

Strike language 103(a)(3) after "interests of" and add "tenants and sharecroppers."

Strike language in 103(F)(6) after "owners and operators" and add "and other producers on the farm actively engaged in farming subject to the contract on a fair and equitable basis taking into consideration historical relationships and common practices within a region."

AMENDMENT NO. 3421

Amend section 104 by adding at the end the following:

(l) PROGRAM ON TERMINATION OF MARKET TRANSITION PROGRAM.—

(1) Notwithstanding any other provision of this Act or any other provision of law, upon termination of the authority of this Act to carry out a market transition program, the Secretary shall carry out a program for each succeeding annual crop of an agricultural commodity upon the same terms and conditions as provided under the law in effect immediately before the date of enactment of this Act for the 1995 crop of such commodity.

(2) The Secretary may use the fund, authorities, and facilities of the Commodity Credit Corporation to carry out this subsection.

BREAUX (AND JOHNSTON) AMENDMENT NO. 3422

(Ordered to lie on the table.)

Mr. BREAUX (for himself and Mr. JOHNSON) submitted an amendment intended to be proposed by them to the amendment No. 3205 proposed by Mr. MOYNIHAN (and MIKULSKI) to the bill (S. 1541), supra; as follows:

Strike all after the enacting clause and insert the following:

"In administering the sugar program, the Secretary shall use all authorities available to him, as is necessary, to ensure the economic viability of all segments of the domestic sugar industry, including sugar cane growers and processors, sugar beet growers and processor and cane sugar refiners".

CONRAD AMENDMENT NO. 3423–3426

(Ordered to lie on the table.)

Mr. CONRAD submitted four amendments intended to be proposed by him to the amendment No. 3184 proposed by Mr. LEAHY to the bill (S. 1541), supra; as follows:

AMENDMENT NO. 3423

On page 3-62, after line 22, insert the following:

SEC. 356. ABANDONMENT OF CONVERTED WETLANDS.

Section 1222(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3822(b)(2)) is amended—

(1) in subparagraph (A), by striking "or" at the end;

(2) in subparagraph (B), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(C) a wetland that has been restored or enhanced after the date of enactment of this subparagraph, if—

"(i) technical determinations of the prior site conditions and the restoration or enhancement action have been adequately documented in a plan approved by the Secretary prior to implementation;

"(ii) the conversion of the restored or enhanced wetland results in a level of wetland functions and values at least equivalent to the functions and values present at the site prior to the restoration or enhancement; and

"(iii) the conversion action proposed by the private landowner is approved by the Secretary prior to implementation.".

AMENDMENT NO. 3424

Beginning on page 1-21, strike line 5 and all that follows through page 1-24, line 10, and insert the following:

(1) WHEAT.—The loan rate for a marketing assistance loan for wheat shall be not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—The loan rate for a marketing assistance loan for corn shall not be less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

AMENDMENT NO. 3425

Beginning on page 1-21, strike line 5 and all that follows through page 1-23, line 3, and insert the following:

(1) WHEAT.—The loan rate for a marketing assistance loan for wheat shall be not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for corn shall not be less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

AMENDMENT NO. 3426

On page 3-62, after line 22, insert the following:

SEC. 356. WETLAND CONSERVATION EXEMPTION.

Section 1222(b)(1) of the Food Security Act of 1985 (16 U.S.C. 3822(b)(1)) is amended—

(1) in subparagraph (C), by striking "or" at the end; and

(2) by adding at the end the following:

"(E) converted wetland, if—

"(i) the extent of the conversion is limited to the return of conditions that will be at least equivalent to the wetland functions and values that existed prior to implementation of the wetland restoration, enhancement, or creation action;

"(ii) technical determinations of the prior site conditions and the restoration, enhancement, or creation action have been adequately documented in a plan approved by the Natural Resources Conservation Service prior to implementation; and

"(iii) the conversion action proposed by the private landowner is approved by the National Resources Conservation Service prior to implementation; or".

CONRAD AMENDMENT NO. 3427

(Ordered to lie on the table.)

Mr. CONRAD submitted an amendment intended to be proposed by him to amendment No. 3252 submitted by Mr. LUGAR to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Beginning on page 3-6, strike line 1 and all that follows through page 3-8, line 6, and insert the following:

SEC. 312. CONSERVATION RESERVE PROGRAM.

(a) IN GENERAL.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended—

(1) by striking "1995" each place it appears and inserting "2002";

(2) in subsection (b)—

(A) in paragraph (4), by striking the period at the end and inserting "; and"; and

(B) by adding at the end the following:

"(5) land that is enrolled in the water bank program established under the Water Bank Act (16 U.S.C. 1301 et seq.), except that—

"(A) the payment rates for the land shall not exceed the payment rates in effect under the water bank program;

"(B) regulations issued under the water bank program shall apply to the land; and

"(C) new contracts and extensions of contracts with respect to the land shall enroll land in a manner that—

"(i) maximizes environmental benefits per dollar expended; and

"(ii) contributes to flood control and protects and enhances wetland functions and values."; and

(3) in subsection (d), by striking "38,000,000" and inserting "36,400,000".

(b) DUTIES OF OWNERS AND OPERATORS.—Section 1232(c) of the Food Security Act of 1985 (16 U.S.C. 3832(c)) is amended by striking "1995" and inserting "2002".

SEC. 313. WETLANDS RESERVE PROGRAM.

(a) PURPOSES.—Section 1237(a) of the Food Security Act of 1985 (16 U.S.C. 3837(a)) is amended by striking "to assist owners of eligible lands in restoring and protecting wetlands" and inserting "to protect wetlands for purposes of enhancing water quality and providing wildlife benefits while recognizing landowner rights".

(b) ENROLLMENT.—Section 1237 of the Food Security Act of 1985 (16 U.S.C. 3837) is amended by striking subsection (b) and inserting the following:

"(b) MINIMUM ENROLLMENT.—The Secretary shall enroll into the wetlands reserve program—

"(1) during the 1996 through 2002 calendar years, a total of not more than 975,000 acres; and

"(2) beginning with offers accepted by the Secretary during calendar year 1997, to the maximum extent practicable, ⅓ of the acres in permanent easements, ⅓ of the acres in 30-year easements, and ⅓ of the acres in restoration cost-share agreements.".

(c) ELIGIBILITY.—Section 1237(c) of the Food Security Act of 1985 (16 U.S.C. 3837(c)) is amended—

(1) by striking "2000" and inserting "2002";

(2) by inserting "the land maximizes wildlife benefits and wetland values and functions and" after "determines that";

(3) in paragraph (1)—

(A) by striking "December 23, 1985" and inserting "January 1, 1996"; and

(B) by striking "and" at the end;

(4) by redesignating paragraph (2) as paragraph (3).

BUMPERS (AND PRYOR) AMENDMENT NO. 3428

(Ordered to lie on the table.)

Mr. BUMPERS (for himself and Mr. PRYOR) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place add the following:

Any program authorized to be administered by the Secretary of Agriculture on January 1, 1995, shall be deemed authorized under the same terms and conditions until December 31, 1996, unless other terms and conditions are established by law.

LOTT (AND OTHERS) AMENDMENT NO. 3429

(Ordered to lie on the table.)

Mr. LOTT (for himself, Mr. BURNS, Mr. COCHRAN, Mr. CRAIG, Mr. FAIRCLOTH, Mr. HATCH, Mr. INHOFE, Mr. KYL, Mr. MACK, Mr. MURKOWSKI, Mr. SHELBY, Mr. BREAUX, Mr. JOHNSTON, Mr. KEMPTHORNE, Mrs. HUTCHISON, and Mr. PRESSLER) submitted an amendment intended to be proposed by them to the bill (S. 1541), supra; as follows:

At the appropriate place in title III, insert the following:

SEC. 3___. PHASING-IN OF AMENDMENTS OF AND REVISIONS TO LAND AND RESOURCE MANAGEMENT PLANS.

(a) IN GENERAL.—Section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604) is amended by adding at the end the following:

"(n) PHASING-IN OF CHANGES TO LAND AND RESOURCE MANAGEMENT PLANS.—

"(1) IN GENERAL.—When the Secretary amends or revises a land or resource management plan with the purpose of increasing the population of a species in a unit of the National Forest System or in any area within a unit, the Secretary shall, to the greatest extent practicable and except when there is an imminent risk to public health, phase in the amendment or revision over an appropriate period of time determined on the basis of the considerations described in paragraph (2).

"(2) CONSIDERATIONS.—The considerations referred to in paragraph (1) are—

"(A) the social and economic consequences to local communities of any new policy contained in an amendment or revision;

"(B) the length of time needed to achieve the population increase that is the objective of the amendment or revision;

"(C) the cost of implementation of the amendment or revision; and

"(D) the financial resources available for implementation of the amendment or revision.".

(b) APPLICATION OF AMENDMENT.—The amendment made by subsection (a) shall apply to any amendment of or revision to a land or resource management plan described in the amendment that is proposed on or after the date of enactment of this Act or that has been proposed but not finally adopted prior to the date of enactment.

DASCHLE AMENDMENT NO. 3430

(Ordered to lie on the table.)

Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill (S. 1541), supra; as follows:

(a) Title I is amended by—

(1) striking "2002" each place it appears and inserting "1998";

(2) striking "2003" each place it appears and inserting "1999";

(3) in section 103 striking subsections (d) through (f) and inserting the following:

"(e) CONTRACT PAYMENTS.—

"(1) IN GENERAL.—The Secretary shall provide advanced and final payments to owners and operators in accordance with this subsection.

"(2) ADVANCED PAYMENTS.—

(A) IN GENERAL.—An owner or operator shall receive an advanced payment by June

15 for the 1996 fiscal year and December 15 for the 1997 and 1998 fiscal years which represents the product of—

"(i) the applicable payment rate described in subparagraph (B);

"(ii) the farm program payment yield; and

"(iii) 85 percent of the contract acreage.

"(B) PAYMENT RATE.—The payment rate shall be—

"(i) for corn, $.16 per bushel;

"(ii) for grain sorghum, $.19 per bushel;

"(iii) for barley, $.12 per bushel;

"(iv) for oats, $.02 per bushel;

"(v) for wheat, $.27 per bushel;

"(vi) for rice, $1.14 per hundredweight; and

"(vii) for upland cotton, $.032 per pound.

"(e) FINAL PAYMENT.—

"(A) IN GENERAL.—The Secretary shall make a final payment which represents the county rate described in subparagraph (B) multiplied by 85 percent of the contract acreage.

"(B) COUNTY RATE.—The county rate is the difference between the target county revenue described in clause (i) and the current county revenue described in clause (ii).

"(i) TARGET COUNTY REVENUE.—The target county revenue shall equal to the product of—

"(I) the five year average county yield for the contract commodity, excluding the year in which the average yield was the highest and the lowest; and

"(II) the established price for the commodity for the 1995 crop.

"(ii) CURRENT COUNTY REVENUE.—The current county revenue shall equal the product of—

"(I) the average price for the contract commodity for the first five months of the marketing year; and

"(II) the county average yield for the contract commodity.

"(iii) LIMITATION.—The final payment shall be reduced by the advanced payment, but in no case shall the final payment be less than zero."

(4) in section 104(b) by striking paragraphs (1)(A)(ii), (2)(A)(ii), (3)(B), and (4)(B).

(b) Title V is amended by adding at the end the following:

"SEC. 507 FUND FOR RURAL AMERICA.

"(a) IN GENERAL.—The Secretary shall create an account called the Fund for Rural America for the purposes of providing funds for activities described in subsection (c).

"(b) COMMODITY CREDIT CORPORATION.—In each of the 1996 through 1998 fiscal years, the Secretary shall transfer into the Fund for Rural America (hereafter referred to as the "Account")—

"(1) $50,000,000 for the 1996 fiscal year;

"(2) $100,000,000 for the 1997 fiscal year; and

"(3) $150,000,000 for the 1998 fiscal year.

"(c) PURPOSES.—Except as provided in subsection (d), the Secretary shall provide not more than one-third of the funds from the Account for activities described in paragraph (2).

"(1) RURAL DEVELOPMENT ACTIVITIES.—The Secretary may use the funds in the Account for the following rural development activities authorized in:

"(A) The Housing Act of 1949 for—

"(i) direct loans to low income borrowers pursuant to section 502;

"(ii) loans for financial assistance for housing for domestic farm laborers pursuant to section 514;

"(iii) financial assistance for housing of domestic farm labor pursuant to section 516;

"(iv) grants and contracts for mutual and self help housing pursuant to section 523(b)(1)(A); and

"(v) grants for Rural Housing Preservation pursuant to section 533;

"(B) The Food Security Act of 1985 for loans to intermediary borrowers under the Rural Development Loan Fund;

"(C) Consolidated Farm and Rural Development Act for—

"(i) grants for Rural Business Enterprises pursuant to section 310B(c) and (j);

"(ii) direct loans, loan guarantees and grants for water and waste water projects pursuant to section 306; and

"(iii) down payments assistance to farmers, section 310E;

"(D) grants for outreach to socially disadvantaged farmers and ranchers pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279); and

"(E) grants pursuant to section 204(6) of the Agricultural Marketing Act of 1946.

"(2) RESEARCH.—

"(A) IN GENERAL.—The Secretary may use the funds in the Account for research grants to increase the competitiveness and farm profitability, protect and enhance natural resources, increase economic opportunities in farming and rural communities and expand locally owned value added processing and marketing operations.

"(B) ELIGIBLE GRANTEE.—The Secretary may make a grant under this paragraph to—

"(i) a college or university;

"(ii) a State agricultural experiment station;

"(iii) a State Cooperative Extension Service;

"(iv) a research institution or organization;

"(v) a private organization or person; or

"(vi) a Federal agency.

"(C) USE OF GRANT.—

"(i) IN GENERAL.—A grant made under this paragraph may be used by a grantee for 1 or more of the following uses:

"(I) research, ranging from discovery to principles of application;

"(II) extension and related private-sector activities; and

"(III) education.

"(ii) LIMITATION.—No grant shall be made for any project, determined by the Secretary, to be eligible for funding under research and commodity promotion programs administered by the Department.

"(D) ADMINISTRATION.—

"(i) PRIORITY.—In administering this paragraph, the Secretary shall—

"(I) establish priorities for allocating grants, based on needs and opportunities of the food and agriculture system in the United States related to the goals of the paragraph;

"(II) seek and accept proposals for grants;

"(III) determine the relevance and merit of proposals through a system of peer and stakeholder review; and

"(IV) award grants on the basis of merit, quality, and relevance to advancing the national research and extension purposes.

"(ii) COMPETITIVE AWARDING.—A grant under this paragraph shall be awarded on a competitive basis.

"(iii) TERMS.—A grant under this paragraph shall have a term that does not exceed 5 years.

"(iv) MATCHING FUNDS.—As a condition of receipts under this paragraph, the Secretary shall require the funding of the grant with equal matching funds from a non-Federal source if the grant is—

"(I) for applied research that is commodity-specific; and

"(II) not of national scope.

"(v) ADMINISTRATIVE COSTS.—

"(I) IN GENERAL.—The Secretary may use not more than 4 percent of the funds made available under this paragraph for administrative costs incurred by the Secretary in carrying out this paragraph.

"(II) LIMITATION.—Funds made available under this paragraph shall not be used—

"(aa) for the construction of a new building or the acquisition, expansion, remodeling, or alteration of an existing building (including site grading and improvement and architect fees); or

"(bb) in excess of ten percent of the annual allocation for commodity-specific projects not of the national scope.

"(d) LIMITATIONS.—No funds from the Fund for Rural America may be used for an activity specified in subsection (c) if the current level of appropriations for the activity is less than 90 percent of the 1996 fiscal year appropriations for the activity adjusted for inflation."

SIMON AMENDMENT NO. 3431

(Ordered to lie on the table.)

Mr. SIMON submitted an amendment intended to be proposed by him to the bill (S. 1541), supra; as follows:

At the appropriate place insert the following:

"Of funds otherwise available to the Commodity Credit Corporation, not less than $120,000,000 shall be made available for basic and applied research designed to promote soybean production."

LEAHY AMENDMENT NO. 3432

(Ordered to lie on the table.)

Mr. LEAHY submitted an amendment intended to be proposed by him to the amendment No. 3252 proposed by him to the bill (S. 1541), supra; as follows:

In section 561 at the appropriate place, insert the following paragraph.

(4) loans to intermediary lenders pursuant to the Rural Development Loan Fund (42 USC 9812 (a)).

GRAMS AMENDMENT NO. 3433

(Ordered to lie on the table.)

Mr. GRAMS submitted an amendment intended to be proposed by him to the bill (S. 1541), supra; as follows:

At the appropriate place add the following: "It is the Sense of the Senate that prior to the consideration of any health care portability legislation the Congress and the President must ensure the solvency of the Medicare Trust Funds."

BUMPERS (AND PRYOR) AMENDMENTS NOS. 3434–3437

(Ordered to lie on the table.)

Mr. BUMPERS (for himself and Mr. PRYOR) submitted four amendments intended to be proposed by them to the bill (S. 1541), supra; as follows:

AMENDMENT NO. 3434

At the appropriate place, add the following:

"Any program authorized to be administered by the Secretary of Agriculture on January 1, 1995 shall be deemed authorized under the same terms and conditions until December 31, 1996, unless other terms and conditions are subsequently established by law."

AMENDMENT NO. 3435

Strike all after the first word and insert the following:

"Any other provision of this Act, any program authorized to be administered by the Secretary of Agriculture on January, 1995, modified by this Act, shall be deemed authorized under the same terms and conditions as existed on January 1, 1995, until December 31, 1996, unless other terms and conditions are subsequently established by law."

AMENDMENT NO. 3436

At the appropriate place, add the following:

"Any program authorized to be administered by the Secretary of Agriculture on January 1, 1995 shall be deemed authorized under the same terms and conditions until December 31, 1997, unless other terms and conditions are subsequently established by law."

AMENDMENT NO. 3437

Strike all after the first word and insert the following:

"Any other provision of this Act, any program authorized to be administered by the Secretary of Agriculture on January 1, 1995, modified by this Act, shall be deemed authorized under the same terms and conditions as existed on January 1, 1995, until December 31, 1997, unless other terms and conditions are subsequently established by law."

McCONNELL AMENDMENT NO. 3438

(Ordered to lie on the table.)

Mr. McCONNELL submitted an amendment intended to be proposed by him to the amendment No. 3184 proposed by Mr. LEAHY to the bill (S. 1541), supra, as follows:

At the appropriate place, insert the following:

SEC. . FLUID MILK PROMOTION PROGRAM EXTENSION.

Section 1999O(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6614(a)) is amended by striking "1996" and inserting "2002"

GRAMS AMENDMENT NO. 3439

(Ordered to lie on the table.)

Mr. GRAMS submitted an amendment intended to be proposed by him to the amendment No. 3184 proposed by Mr. LEAHY to the bill (S. 1541), supra; as follows:

Beginning on page 1–73, strike line 12 and all that follows through page 1–75, line 7.

CONRAD AMENDMENT NO. 3440–3441

(Ordered to lie on the table.)

Mr. CONRAD submitted two amendments intended to be proposed by him to amendment No. 3252 submitted by Mr. LUGAR to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3440

On page 4–45, strike lines 9 through 13 and insert the following:

"The Secretary may not reschedule or reamortize a loan for a borrower under this title who has not requested consideration under section 331D(e) unless the borrower—

"(1) after paying all family living and operating expenses, excluding interest, can pay a portion, as determined by the Secretary, of the interest due on the loan; and

"(2) has disposed of all normal income security.

AMENDMENT NO. 3441

On page 4–29, strike lines 21 and 22 and insert the following:

(i) by striking "exceed 15 percent" and all that follows through "Code" and inserting the following: "exceed—

"(i) 25 percent of the median acreage of the farms or ranches, as the case may be, in the county in which the farm or ranch operations of the applicant are located, as reported in the most recent census of agriculture taken under section 142 of title 13, United States Code.

KOHL (AND OTHERS) AMENDMENT NO. 3442.

Mr. WELLSTONE (for Mr. KOHL for himself, Mr. FEINGOLD, Mr. WELLSTONE, Mr. PRESSLER, Mr. LAUTENBERG. Mr. GRAMS, Mr. HATCH) proposed an amendment to amendment No. 3184 proposed by Mr. LEAHY to the bill s. 1541, supra; as follows:

Beginning on page 1–73, strike line 12 and all that follows through page 1–75, line 7.

NOTICES OF HEARINGS

SUBCOMMITTEE ON FOREST AND PUBLIC LAND MANAGEMENT

Mr. CRAIG. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a field hearing in Hot Springs, AR, before the Subcommittee on Forests and Public Land Management on S. 1025, exchange of lands, mineral, oil and gas interests.

The hearing will be held on Thursday, February 15, 1996, beginning at 2:30 p.m. in the Arlington Resort Hotel, 239 Central Avenue, Hot Springs, AR 71902. Testimony will be received on the land exchange of certain federally owned lands and minerals interest, with private lands owned by the Weyerhauser Co.

Because of the limited time available, witnesses may testify by invitation only. Witnesses testifying at the hearing are requested to bring 10 copies of their testimony with them on the day of the hearing. In addition, please send or fax a copy in advance to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. Fax 202–228–0539.

For further information, please contact Mark Rey of the committee staff at 202–224–6170.

SUBCOMMITTEE ON INVESTIGATIONS

Mr. STEVENS. Mr. President, I would like to announce for the information of the Senate and the public that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, will hold hearings regarding the Asset Forfeiture Program—an investigation of the Bicycle Club Casino.

This hearing will take place on Tuesday, February 27, 1996, in room 342 of the Dirksen Senate Office Building. For further information, please contact Harold Damelin of the subcommittee staff at 224–3721.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON IMMIGRATION

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Subcommittee on Immigration, of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Tuesday, February 6, 1966, at 10 a.m., to hold a hearing on the use of SSI and other welfare programs by Immigration.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Subcommittee on Oversight and Investigations of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Tuesday, February 6, 1996, for purposes of conducting a Subcommittee hearing which is scheduled to begin at 2 p.m. The purpose of this oversight hearing is to receive testimony to review trends in Federal land ownership by the Department of the Interior and the U.S. Forest Service.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

LEGISLATION TO BAN U.N. TAX PROPOSAL

• Mr. BURNS. Mr. President, I wish to state my support for Senate bill 1519, the Prohibition of United Nations Taxation Act of 1996. This bill was introduced by Senator DOLE, and referred to the Senate Foreign Relations Committee.

This legislation bars the United States from making any voluntary or assessed payments to the United Nations if Secretary-General Boutros Boutros-Ghali imposes any tax or fee on United States citizens or continues to consider any such proposal.

I find it outrageous that the United Nations could actually believe it has the sovereignty to raise and collect taxes on the people of this world to increase its coffers. The idea of a tax on any international action, whether it be a plane ticket, a letter mailed, or a currency exchange, is simply beyond my belief.

This revenue would then be used by unelected, world bureaucrats to do what they want under the umbrella of the United Nations. This organization has repeatedly attempted to increase its power even as the U.S. Congress tries to limit its scope and authority.

There are many questions about the U.N.'s responsibilities and its ever-growing role in international relations ranging from peacekeeping missions to international conferences on everything from children's rights to the environment.

Recently, in my home State of Montana, a U.N. delegation visited Yellowstone National Park in order to promote a buffer zone that would prohibit mineral development in the area. It is bad enough that we have allowed the United Nations to set our international role, but now we are allowing it to come into our country and set national policy. I ask that the February 1, 1996 Washington Times article entitled "U.N. 'intrusion' stirs anger at Yellowstone," be printed in the RECORD.

There are many cases that exemplify the degree to which to the United Nations is full of waste and uncontrolled spending. I cosponsored an amendment to the 1995 fiscal year State Department authorization bill that would establish the position of inspector general within the United Nations to seriously address the rampant corruption and inefficiency throughout the U.N. system and make it more accountable.

While it is true that the United States owes in excess of $1 billion in membership contributions, it is also true that we provide a quarter to a third of the U.N.'s budget. Compare that to other countries who are still assessed membership dues at the same rate as they were when they were developing countries in the sixties.

The last thing the United Nations should be given is the ability to raise revenue in order to increase its powers. I am disgusted with the U.N.'s arrogance in believing it can increase its budget by taxing our citizens. This proposal should not be permitted to go any further.

S. 1519 concludes that the United Nations has no legal authority to tax American citizens. It prohibits U.S. payments to the United Nations if it attempts to impose any of the taxation schemes. And finally, the bill cuts off funds for any U.N. organizations which develop or advocate taxation schemes.

Once again, I support this bill to bar U.S. contributions to the United Nations if that organization continues to consider its scheme for taxation without representation.

The article follows:

[From the Washington Times, Feb. 1, 1996]

U.N. 'INTRUSION' STIRS ANGER AT YELLOWSTONE—ENVIRONMENTAL ALARM SEEN AS MEDDLING

(By Valerie Richardson)

DENVER.—A United Nations delegation to Yellowstone National Park has spurred outrage among Westerners who accuse the international body of meddling in domestic policy.

After a three-day evaluation by international experts, the World Heritage Committee, a bureau of the United Nations Environmental, scientific and Cultural Organization, declared Yellowstone a World Heritage site "in danger."

Chief among the delegation's concerns was the proposed reopening of the New World Mine, a gold mine located near Yellowstone in Montana. But debate about the mine has been all but overshadowed by the uproar over the delegation itself.

In areas of the West where the states'-rights movement is flourishing and distrust of centralized government is at an all-time high, the arrival of a U.N. committee has been viewed as nothing less than an attempt to subvert U.S. sovereignty.

"Will the New World Order sabotage the New World Mine?" the Montana Standard newspaper in Butte asked in an Aug. 27 editorial. "Clinton administration officials appear to be scheming to bring that about."

Sen. Alan K. Simpson, Wyoming Republican, called the international delegation's role "a terrible intrusion." He and other Western lawmakers have blasted Interior Assistant Secretary George Frampton for inviting the committee to Yellowstone and urging the panel to lend its voice to those fighting the New World Mine.

Mr. Frampton issued the invitation at the request of "concerned citizens," said park spokeswoman Cheryl Matthews. Those citizens include a coalition of 14 environmental groups working to halt the mine, including the Greater Yellowstone Coalition, the Sierra Club and the World Wildlife Fund.

"When we made the request a year ago, we didn't anticipate the black-helicopter arguments," said Bob Ekey, spokesman for the Greater Yellowstone Coalition in Bozeman, Mont. "Frankly, some of our critics have been putting out misinformation—that the U.N. is going to come out, claim the area and run the park."

Other Western leaders have accused Mr. Frampton of badly overstepping his authority by trying to kill the proposed mine before the review process is complete. The U.S. Forest Service and Montana Department of Environmental Quality are now preparing an environmental-impact statement on the project.

"It is astonishing that a group of extreme environmentalists can invite a few folks from the United Nations to circumvent laws that Americans and Montanans have worked hard for and lent their voices to," said Sen. Conrad Burns, Montana Republican.

"We have an exhaustive procedure in the books in Montana to decide where mines can and cannot be cited. Why should we allow the U.N. to pick and choose when these laws and rules will be allowed to work?"

Rep. Barbara Cubin, Wyoming Republican, noted that Mr. Frampton is ultimately responsible for a "fair" review of the project, "yet he is the very person who requested the United Nations interference within the borders of the United States."

"Does he want foreigners to determine our environmental requirements?" she asked. "Doesn't he know that the United States has the strictest environmental regulations on the planet?"

Marvin Jensen, Yellowstone National Park assistant superintendent, stressed that the international delegation has "no legal authority" to set domestic policy. "The only thing the World Heritage Committee can do is list and de-list," he said.

"To be listed as 'in danger' raises questions about the site's continued listing," he explained. "To be de-listed would be embarrassing to any country."

But some critics worry that the committee may have more power than forest officials acknowledge. By signing the World Heritage Treaty in 1972 and requesting Yellowstone's designation as a World Heritage site in 1978, the United States pledged to manage the park according to treaty requirements, says the committee.

The most controversial of those requirements is the establishment of a buffer zone around each World Heritage site. When Yellowstone was listed, officials agreed that the seven national forests surrounding the park would serve as an adequate protection. None of the other 17 listed U.S. sites has a formal buffer zone.

Past proposals for a buffer zone called for establishing an 18.2-million-acre perimeter around the park in which many economic and recreational activities would be restricted, including ranching, logging, snowmobiling, even auto traffic. Most locals staunchly oppose such a zone.

During the delegation's three-day tour in September, however, committee President Adul Wichiencharoen of Thailand fed local fears when he suggested expanding the buffer zone around the 2.3-million-acre park. That recommendation was ultimately dropped from the final report.

Those remarks notwithstanding, park officials still insist the committee's role is strictly advisory, and, barring another invitation from the Interior Department, over and done with.

Mr. Jensen admitted it's been difficult to convince some local residents of that. "One local fellow—a gardener—asked me, 'So when's the U.N. coming to take over Yellowstone?'" said Mr. Jensen. "I talked to him and talked to him and I could not convince him that that wasn't going to happen."•

CHECHNYA

• Mr. LEAHY. Mr. President, the bloody events that took place in the regions of Chechnya and Dagestan in recent months have alarmed us all. Terrorist acts by Chechen separatist rebels were answered with brutal shelling of rebel, hostage, and civilian positions by Russian troops. Although it is unclear how many people were killed during the fighting, Russian President Boris Yeltsin estimates that 153 Chechen separatists, 42 hostages, and 26 Russian soldiers died during the 10-day crisis.

In October 1991, Dzhokhar Dudayev, a Moslem Chechen leader, was elected president of Chechnya and soon declared independence from Russia. This decision was met with immediate resistance from Moscow and President Yeltsin declared a state of emergency in the region. Over the past several years, Russian military forces clashed repeatedly with Chechen nationalist forces loyal to Dudayev. After considerable bloodshed on both sides, a unilateral cease-fire was declared in April 1995. Unfortunately, it did not last and fighting soon resumed.

On January 6, 1996, the fighting in Chechnya again reached the world stage. Chechen separatists attacked a Russian airfield in Chechnya and destroyed two helicopter gunships. The rebels, under the command of Salam

Raduyev, the son-in-law of Dudayev, withdrew from the airfield and proceeded to take more than 2,000 innocent men, women, and children hostage in a hospital in the town of Kizlyar in the neighboring region of Dagestan.

After negotiating with the Russians, Raduyev released the majority of the hostages in return for safe passage to Chechnya. The rebels and 120 hostages boarded buses bound for Chechnya, but the convoy was stopped a short distance from Chechnya by Russian forces near the town of Pervomayskoye. Negotiations to end the stalemate failed, and the rebels dug in for a siege. Rather than continue to work toward a peaceful solution to the crisis, the Russian military opened fire on the rebel positions in the town with tanks, howitzers, rockets, and small arms fire. Pervomayskoye is now totally destroyed.

I do not condone the terrorist acts employed by the Chechen rebels and abhor their use of civilians as shields. Terrorism is never a legitimate negotiating ploy, and I hope that those who are responsible for these acts are brought to justice.

I am, however, outraged about the use of excessive force by the Russian military against the rebels and the remaining hostages as well as the restrictions imposed on humanitarian groups who attempted to assist the wounded in Pervomayskoye. Humanitarian groups such as Doctors Without Borders and the International Red Cross were not allowed to enter the town to aid injured civilians. At the same time, Russian soldiers were helicoptered out of the area to the nearest field hospitals.

The exact number of casualties remains in doubt because members of the Western press were not allowed near Pervomayskoye and the casualty reports from both sides are not reliable. The New York Times reported as late as January 21 that Russian soldiers confiscated film from Western photographers that were attempting to photograph the smoldering ruins of the town.

In response to the Russian shelling of Pervomayskoye, Turkish nationalists sympathetic to the Chechen cause highjacked a Russia-bound ferry in the Black Sea. The highjackers threatened to kill the more than 200 passengers and blow up the ferry in the Strait of Bosporus if the Chechens were not allowed to go free. After 3 days at sea, Turkish negotiators convinced the highjackers that they had gained the world's attention and nothing would be achieved by carrying out their threats. The highjackers then released their hostages and surrendered to Turkish authorities.

I applaud the Turkish Government for patiently working to find a peaceful solution to this crisis.

The United States Government is committed to promoting democracy in the New Independent States of the former Soviet Union and is investing millions of taxpayer dollars to help the NIS on the path toward democracy. I strongly support this goal. But, the Russian military campaign against the Chechens, especially during the past month, demonstrates to the world that Russia's transition to democracy and human rights remains fragile and unpredictable, and that Russian nationalism is on the rise.

The war in Chechnya is far from over and a solution is not likely to be found in the near future unless both sides are willing to abide by a cease-fire and negotiate in good faith. President Yeltsin should not view the defeat of Raduyev's small force as a victory. All sides lost.•

TRIBUTE TO JERI MELLON

• Mr. BRYAN. Mr. President, I rise today to pay tribute to Geraldine M. "Jeri" Mellon, who passed away on January 7, 1996 in Henderson, NV.

Jeri's courage and determination helped to convict Charles Keating, the former owner of Lincoln Savings and Loan, who was responsible for the Nation's worst savings and loan swindle in history. The innocent victims of the savings and loan collapse were mostly elderly bondholders who lost their life savings.

Jeri testified about the fraud before Los Angeles County Court in 1991, where she represented 23,000 bondholders. She moved the courtroom to applause with her emotional speech about the swindle. In 1993, Jeri also testified against Keating in Federal court, helping to secure his conviction.

Jeri's efforts to assist the victims of the S&L scandal went far beyond testifying in court. She helped organize and lead Lincoln-American Continental Corp. Bondholders Action Committee, a support group for the victims. Through the group, a lawsuit was filed against Keating and others that resulted in the bondholders' recovery of approximately 60 percent of the money they had lost.

I had the opportunity to meet this dedicated woman when she came to Washington, DC to testify before Congress. Jeri recently helped me lead the fight against a bill in the Senate that would undermine investors' rights in cases of fraudulent investment schemes. Unfortunately, the legislation passed.

Before her retirement, Jeri was a registered nurse and also served in hospital administration. She was extremely active in her field and was a member of many health organizations. I am certain she was as successful and dedicated to her career as she was to her later endeavors.

Jeri will be remembered and missed by her many family and friends who loved her. She will also never be forgotten by the thousands of individuals she stood up for in a most difficult time. I am pleased to recognize Jeri Mellon for her life of service.•

TRIBUTE TO WAYNE A. SIMMONS

• Mr. INOUYE. Mr. President, I rise today to offer a tribute to a real American hero and a dedicated public servant who recently passed away.

Gunner's mate first class Wayne A. Simmons, U.S. Navy retired, died on December 14 at the age of 72 at a hospital in Birmingham, AL, where he was undergoing treatment for a vascular ailment.

Mr. Simmons, who lived in College Park, MD, was born in Minnesota and moved to the Washington, DC area as a child. In 1940, he dropped out of McKinley High School in DC to enlist in the Canadian Army to serve in World War II. When it was discovered that he was underage, he was sent home. On his 17th birthday, with the permission of his parents, Wayne Simmons enlisted in the U.S. Navy.

Mr. Simmons was stationed at Pearl Harbor when the Japanese force attacked the base and ushered the United States into World War II. He served in the Pacific during the war, including service aboard the light cruiser, *Reno*, and was recognized for his efforts in saving the ship from sinking after an enemy torpedo attack. Following the war, Mr. Simmons served on several more ships and stations until he was medically retired from active duty as a gunner's mate first class in 1953.

Following his Naval career, Mr. Simmons settled back in the Washington, DC area, and earned both a bachelor of science and master's degree in accounting from Benjamin Franklin University while working for Gateway Finance in Mount Rainier. He joined the Department of Agriculture in 1968, where he was a food program specialist until his retirement in 1982.

Mr. Simmons attended Berwyn Baptist Church in College Park, MD, for 40 years and served as a deacon in his church. He was a member of the American Legion Post No. 33 in Washington, DC and the Birmingham Masonic Lodge in Beltsville, MD.

Mr. Simmons's family includes his lovely wife of 46 years, Patricia W. Simmons of College Park, MD; two daughters, Patricia S. Bradshaw of Silver Spring, MD, and Peggy E. Wagner of Crownsville, MD; two sons, Wayne S. and Michael L. Simmons, both of Bowie, MD; and eight grandchildren.

Mr. President, Wayne Simmons' life was one of service and devotion—exemplary service to the U.S. Navy and this great Nation of ours and unwavering devotion and love for his wife, his family, and his church. He will be sorely missed by all who knew and loved him.•

SMILE WHEN YOU COMPARE US

• Mr. HELMS. Mr. President, I suggest all Senators will be greatly interested in an article by Robert H. Pines, "Smile when you compare our countries," which appeared in the Toronto Globe and Mail several weeks ago.

While the United States and Canada share many common interests, including the longest undefended border in the world, they also differ in many ways. Bob Pines, who served with distinction as Deputy Assistant Secretary of State for Canadian Affairs in the Bush administration, eloquently identifies some of the differences between the United States and our neighbor to the North.

Mr. President, I ask that the text of this article be printed in the RECORD.

[From the Toronto Globe and Mail, Nov. 30, 1995]

SMILE WHEN YOU COMPARE OUR COUNTRIES

(By Robert H. Pines)

Perhaps the holiday season is a good time to dissect a cliché.

Earlier this month I attended my fourth biennial conference of the Association for Canadian Studies in the United States (ACSUS). About 40 percent of those in attendance were Canadians. Almost all the rest were Americans who make their living teaching about Canada. There were a few others like myself who have had a long love affair with your country in non-academic pursuits.

The Canadian contingent frequently launched into the familiar self-congratulatory litany of differences between the two countries. Heads wagged in reflexive agreement at mention of superior Canadian civility (undoubtedly true), the famed United Nations report about Canada being the world's best place to live (conceivably true if real meaning can be assigned to sociological statistics), and on and on through invidious comparisons of descending degrees of validity. Raymond Chrétien, Canada's ambassador to the U.S., orated that "we have a low crime rate and you have a high crime rate."

As noted, the American contingent numbered few of the Pat Buchanan stripe. One intrepid soul at a symposium was rewarded with icy stares when he diffidently mumbled something about southward emigration dwarfing that from the U.S. to Canada.

Another politically incorrect type daringly asked a question approximately along these lines: If your country is so great and ours so awful, how come you are on the verge of breaking up and we are not? (Actually, being an academic, he put it more politely.)

Therein lies the point of this essay. I submit to Canadian readers that the American political system (not necessarily American people or American society) holds one enormous advantage over that of Canada; that of decisiveness.

There is no "notwithstanding clause" in the U.S. Constitution. When the U.S. Supreme Court renders one of its frequent 5-4 decisions, the minority has been known to grumble; however, stare decisis, the decision stands, and by and large the country just goes on to the next problem.

Several Canadian speakers patted themselves on the back in reference to the sanguinary American Civil War. To be sure, more than 400,000 people died before their time, and the result nowhere nearly approximated the end of history.

However the Civil War was as decisive as history gets: The abomination of human slavery ended. When I visit my grandchildren in Florida I do not go to a foreign country.

Well-intentioned monstrosities such as the Charlottetown accord are virtually unknown south of the border. One of my Manitoba political friends characterized it as "everybody shouting 'gimmie gimmie'" until nothing was left for the country.

The ability to respond to special-interest groups with a brusque no is not in the long run destructive of a country's civility and livability. When grievances are genuine, experience shows that the best compromise derives not from liberal guilt but from self-respect, with a fair offer of "thus far and no further."

A 19th-century American humorist told the story of the fellow who was so kind he amputated his dog's tail by inches. A cruel inability to solve problems is the obverse of mindless kind intent.

The usual disclaimer: This somewhat harsh analysis does not presume to offer advice to sovereign Canadians. The only point is that perhaps there is something to be said for the United States.•

TRIBUTE TO JOANNA CREECH

• Mr. MCCONNELL. Mr. President, I rise today to pay tribute to a dear friend whose service to Kentucky has been truly amazing. Joanna Creech, who was hired during my tenure as Jefferson County judge/executive 18 years ago, retired December 31 as a transcriber for Jefferson Fiscal Court.

Joanna's service to the fiscal court has been extraordinary. Although Joanna has been blind since the age of 15, she recorded nearly 500 sessions of court as her companion dog Fitz rested faithfully by her side.

Born in Leslie County, Joanna was educated at the Kentucky School for the Blind, where she met her first husband. Married twice and widowed twice, Joanna has three wonderful children. For years, she operated a musical instrument store in Louisville with her first husband, Robert Johnson. After he passed away in 1977, Joanna was hired at the Jefferson Fiscal Court under a Federal job program.

Known as a diligent and friendly perfectionist, Joanna has lamented in recent years that fiscal court meetings have grown "mundane." In a recent article in the Louisville Courier-Journal, she said, "It was so much more fun where they were at each other's throats."

In that article, the fiscal court clerk, Mary Bolton, said of Joanna, "She sees more with her ears than most people see with their eyes. Her perceptions are always on target."

After retirement, Joanna plans to spend more time with her family and volunteer as an instructor to the blind. An accomplished cook, she also plans to teach homemaking as well as Braille skills to blind students.

Mr. President, I would ask my colleagues to join me in paying tribute to an outstanding Kentuckian and dear friend, Joanna Creech. I wish her well in all her future endeavors. •

ROGER ARPAN

• Mr. BURNS. Mr. President, it is not often these days that we hear good news. It is not often that we hear about people who some consider heroes. And when we do hear about heroes, they are usually sports figures who make millions or actors who have access to media attention.

But I recently heard about a Montanan that is neither an athlete, an actor, or any national figure. He has not saved lives or discovered a new drug. In fact, I would venture to bet that most people inside this beltway have never heard of him. And yet, he is a hero just the same.

His name is Roger Arpan, he is 39 years old and he lives in Alzada, MT. And recently he made such an impact on the life of a man in Alaska, that I received a letter commending him.

I would like to read a portion of this letter, because it spells out so clearly why Roger is worthy of our attention:

I met Roger by accident when my nephew and I were in the area in mid-October for an antelope hunt. We were on Highway 212 just north of Alzada when we spotted a nice herd of animals well off the road in a very large pasture. We knew it was private property and went to find the owner to ask permission to hunt.

After a bit of searching, we found a road that led to the ranch house. A man promptly came out of the house; his arms flaying in the air, his head was bobbing around and he was walking with an irregular gait. Soon he addressed us in a halting fashion. We asked if we could get permission to hunt, and he said, "Yes, but watch out for livestock, and if you are not successful, come back and I'll help you get some." He also said he would be working in a distant back field collecting rolls of hay and stacking them in the field.

We returned to the pasture and after laying some careful stalking strategy, we collected a fine buck antelope with 15½ inch horns. As a matter of courtesy, we returned to the ranch house to let the owners know of our success. This time Roger was out in the big hay field, but he drove across to meet us at the gate. There he was operating a large farm truck and trailer hauling hay and driving a tractor with a stacker, putting up the hay for winter feed all by himself. His body motions may have seemed erratic to me, but Roger was in complete control of himself and the equipment. I have farmed nearly all my life and understand the requirement for dexterity and alertness when operating heavy farm machinery. I could not restrain myself and had to express my admiration for Roger for his courage and determination in carrying out these farming activities despite obvious and severe physical limitations.

It was then that I learned that Roger Arpan was born with cerebral palsy and has suffered the ravages of this disease all his life. His parents determined early on that if Roger was to have any kind of life, he had to learn to take care of himself.

Roger suffers every day, now somewhat less than in past years due to a new treatment, but the disease is chronic and will be with him all his life unless a cure is discovered. He carries on with courage and determination, motivated by the love and support of his family. He is disabled in his physical body but his mind is alert and he is out there working and making a contribution to his family and to society. Many people suffering disabilities far less acute than Roger's fall into despair and become burdens on society, but not this man.

Mr. President, I join with Wilson Gay, this man from Alaska, in saluting Roger Arpan. Though I would like to believe Roger is a typical Montanan, I know that he stands out. His strength, his courage, his determination, his strong character, and yes, even his success, make Roger a hero. Keep up the good work, Roger. I tip my hat to you.

AGRICULTURAL MARKET TRANSITION ACT OF 1996

The Senate continued with the consideration of the bill.

Mr. DOLE. Madam President, as I understand it, there will be an amendment offered tonight by the Senators from Minnesota, Senator WELLSTONE and Senator GRAMS, with reference to the dairy compact provision—that will be the first amendment debated tomorrow—and then at approximately, what, 11 o'clock we have a series of votes to see where we are in the process.

Mr. DASCHLE. Was it the leader's intention to come in at 7:30 in the morning?

Mr. DOLE. Yes, 7:30 in the morning. We are looking for a presider.

Mr. DASCHLE. Just stay here a couple hours.

Mr. DOLE. We think maybe those we accommodate later in the day might be available in the morning.

Mr. DASCHLE. That is a good idea.

Mr. LEAHY. I do have an interest in the amendment being laid down. There will be no debate on that tonight?

Mr. DOLE. Right.

Mr. DASCHLE. Madam President, does the Senator object to Senator WELLSTONE discussing the amendment? It does not have to be——

Mr. LEAHY. I understand.

Madam President, I told the distinguished leader that my only concern is that this is an area where the distinguished Senator from Vermont, Mr. JEFFORDS, and I both want to speak in opposition. Because we are currently both in negotiations on something else, we would not be required to make any statement on it tonight, but we would have our time tomorrow. That is all.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Madam President, if the Senator would yield, to facilitate moving this along, I intend only to send this amendment to the desk.

Mr. DASCHLE. Madam President, if the Senator would just yield for a moment, let me just say with regard to this agreement, while the agreement calls for 15 amendments, that does not preclude Senators from working out amendments that may be accepted by the managers.

I hope that Senator LUGAR, in his normal fashion, who is very accommodating and able to work with both sides of the aisle very well, can do that on a number of these issues. It was with that understanding that we have this agreement. There could be a number of these issues that will not require a debate or a vote.

I hope throughout the day we could do that. But it is very important for Senators, at least on this side of the aisle, to come down to the floor in the early hours tomorrow morning so we can decide which ones can be accepted and which ones are going to need to be scheduled for votes. So there is no excuse if people have not come down by midmorning.

I hope that everybody can be here. We will be here, ready to go. I hope that everyone understands we are working under some constraints here, so the sooner they get here the better. And the more we can accommodate our managers in coming up with ways with which to offer these amendments that will allow them to accept them, we ought to do so.

Mr. DOLE. Madam President, if I could just add to that, in other words, we need another amendment ready at 8 o'clock. We need one at 8:30, and we need one at 9. They may not take 30 minutes. We need people available because we are trying to accommodate some of our colleagues in the afternoon.

So we will need to be accommodating to the managers, Senator LUGAR and Senator LEAHY, throughout the morning. So, hopefully, the staff, before we leave tonight, will have at least two or three lined up so there will not be any problem.

ORDERS FOR WEDNESDAY, FEBRUARY 7, 1996

Mr. DOLE. Madam President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 7:30 a.m., Wednesday, February 7; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day, and the Senate then immediately resume consideration of S. 1541, the farm bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. Madam President, for the information of all Senators, the Senate will resume consideration of the farm bill tomorrow morning. Under the previous unanimous consent agreement, amendments will be offered throughout the day on Wednesday. Therefore, all Members can expect rollcall votes throughout tomorrow's session in order to complete action on the farm bill by 4:45 p.m.

I would be happy to yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

AGRICULTURAL MARKET TRANSITION ACT OF 1996

The Senate continued with the consideration of the bill.

AMENDMENT NO. 3442 TO AMENDMENT NO. 3184

(Purpose: To eliminate the provision granting consent to the Northeast Interstate Dairy Compact)

Mr. WELLSTONE. Madam President, I send an amendment to the desk on behalf of Senator KOHL, Senator FEINGOLD, myself, Senator PRESSLER, Senator LAUTENBERG, Senator GRAMS, and Senator HATCH.

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] for Mr. KOHL, for himself, Mr. FEINGOLD, Mr. WELLSTONE, Mr. PRESSLER, Mr. LAUTENBERG, Mr. GRAMS, and Mr. HATCH, proposes an amendment numbered 3442 to amendment No. 3184.

Mr. WELLSTONE. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 1-73, strike line 12 and all that follows through page 1-75, line 7.

Mr. DOLE. Madam President, is the Senator from Minnesota going to ask for the yeas and nays now?

Mr. WELLSTONE. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

ADJOURNMENT UNTIL 7:30 A.M. TOMORROW

Mr. DOLE. Madam President, if there be no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 10:29 p.m., adjourned until Wednesday, February 7, 1996, at 7:30 a.m.

NOMINATIONS

Executive nominations received by the Senate February 6, 1996:

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

TERRY EVANS, OF KANSAS, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE ARTS FOR A TERM EXPIRING SEPTEMBER 3, 2000, VICE WENDY W. LUERS, TERM EXPIRED.

DEPARTMENT OF DEFENSE

FRANKLIN D. KRAMER, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF DEFENSE, VICE JOSEPH NYE.

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

DANIEL GUTTMAN, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION FOR A TERM EXPIRING APRIL 27, 2001, VICE EDWIN G. FOULKE, JR., TERM EXPIRED.

EXTENSIONS OF REMARKS

TRIBUTE TO LINDY WINSTON

HON. MARTIN R. HOKE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1996

Mr. HOKE. Mr. Speaker, I rise today to commend a man from my district who personifies the American work ethic and the American spirit. Lindy Winston just retired after 41 years as a postal carrier. The outpouring of affection for this man from those who know him is truly inspirational and is a testament to his lifetime of community service.

The son of a coal miner in Boomer, WV, Lindy Winston learned early that life would not be easy. After losing his father to black lung and then losing his job when the coal mine closed, Lindy moved to Cleveland to look for a new job. "I came to Cleveland on a wing and a prayer," he said. His prayers were soon answered.

Once in Cleveland, Lindy took a job at Thompson Products—now TRW, and in December 1954 he strapped an Uncle Sam mailbag onto his back and began his new career. "On my first day as a mail man there was a cold rain," he said, "my clothes were frozen stiff."

So 41 years and 50,000 miles later he walked his last route. At his last delivery—and this was a day when the temperature was below zero, Mr. Speaker—he was met by a group of friends, family, children, and officials who held a rally in his honor. You see, Mr. Speaker, Lindy Winston was not your ordinary mailman. He was a mailman who delivered more than the mail every time he walked up your drive.

Looking back Winston states, "I never wanted to be just a mailman. It's more than just putting letters in a box. I wanted to be an ambassador. I've seen kids grow up, go to college. I've gone to their funerals. I've been their psychologist, their doctor, their lawyer."

One individual had told me that Winston, who was also a pastor in his church, "was a preacher and we became his congregation." Here's what some of the other members of his congregation had to say about him: "He's like one of the family." "He walks on water." "I hug him every time I see him, he wears Old Spice."

Lindy can look forward to enjoying his retirement with his wife Carolyn, his childhood sweetheart who he met at age 12, and his family. But, there are those who find it hard to let Lindy go, especially the children on his route who will sadly miss their friend with the mailbag who fixed their bikes, untangled kites, played catch, and brought them presents.

Mr. Speaker, at a time when our newspapers are filled with stories about scandal and crime, and when role models for our young people are harder to find, I think it is important to take time out here in the Congress to recognize those in our community who are true role models and who represent what is best about our country. Lindy Winston is just such a person.

Lindy, on behalf of the hard working and compassionate people of this country I applaud you. Your love for the people in your community and the quality of service that you provided the residents of West Park, OH, can serve as an example to all of us of the good one man can do.

TRIBUTE TO EARL GRAVES, PUBLISHER, BUSINESSMAN, AND MORGAN STATE ALUMNI

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1996

Mr. MFUME. Mr. Speaker, I rise today in tribute to Earl Graves, a nationally recognized authority on African-American business development and an alumnus of my alma mater, Morgan State University in Baltimore, MD.

On August 9, 1995, Morgan State University president Dr. Earl Richardson announced that the Morgan State School of Business and Management would be renamed the Earl G. Graves School of Business and Management. This high honor was due in part to Earl's entrepreneurial vision which has guided Black Enterprise magazine through 25 years of publishing and in part to his strong commitment to higher education.

As the publisher of Black Enterprise magazine, Earl has been one of the Nation's leading advocates for upscale black professionals, executives, entrepreneurs, and policy makers in the private and public sector. Earl has also applied much of what is discussed in his magazine to his professional life: he is the chairman and CEO of Pepsi-Cola of Washington, DC, the largest minority-controlled Pepsi-Cola franchise in the United States. The company covers a franchise territory of more than 400 square miles including Washington, DC and Prince Georges County, MD. Earl is also a General Partner of Egoli Beverages, the Pepsi-Cola franchise bottler of South Africa.

Earl has been very active in supporting historically black colleges and universities, with the recent contribution of $1 million to our mutual alma mater, Morgan State University. President Clinton praised Earl's contribution as "an investment that will pay great dividends for the next generation and beyond, and I hope one that will encourage others to follow Earls lead and do their part to help expand opportunities in business and education for African-Americans."

In addition to his tremendous successes in business, Earl Graves has also been intimately involved in trying to improve the lives of all Americans. He served as an administrative assistant to Senator Robert F. Kennedy from 1965 to 1968: following Senator Kennedy's assassination Earl formed his own management consulting firm to advise corporations of urban affairs and economic development.

Earl Graves has also been a long and active advocate of the Boy Scouts of America; he currently serves as the vice president, relationships/marketing and on the executive board of the national office.

The list of organizations on whose boards he voluntarily serves is as extensive as it is impressive: New American Schools Development Corporation, TransAfrica Forum; the Glass Ceiling Commission; American Museum of Natural History and Planetarium, and is chairman of the Black Business Council. Earl also serves on the board of selectors of the American Institute for Public Service, the executive committee of the Council on Competitiveness, the advisory council of the Character Education Partnership, and the board of directors of the Associates of Harvard University's Graduate School of Business Administration.

Despite all of these honors and responsibilities, Earl does not rest on his laurels. He continues to remain an active participant in all of his endeavors—a perusal of his monthly essays on the Publisher's Page of Black Enterprise magazine often leads the reader to consider such important issues as affirmative action and the fate of our national economy.

While this may be but a brief overview of the many accomplishments and contributions of Earl Graves to our Nation, it is clear that he is a remarkable man. The fact that he is willing—indeed, eager—to share his gifts makes him all the more extraordinary. We as a nation are certainly lucky to have citizens like Earl Graves among us, and it is an honor to be able to salute him.

TAYLOR MIDDLE SCHOOL—A MODEL OF EXCELLENCE IN EDUCATION

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1996

Mr. LANTOS. Mr. Speaker, the U.S. Department of Education has recognized Taylor Middle School in Millbrae, CA, as a "Blue Ribbon School." As a Blue Ribbon School, Taylor Middle School serves as a shining example of high-quality education for the rest of the country. The school is one of only 266 throughout our entire Nation and one of only 39 in California to be selected for this high honor.

I invite my colleagues to join me in extending our most sincere admiration and congratulations for the wonderful educational environment that Taylor Middle School provides for our young Americans. I am indeed proud to

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

have this outstanding institution in my congressional district.

Taylor Middle School has achieved this high honor through its persistent and highly effective pursuit of local, State and national education goals. These goals reflect the areas in which our educational institutions across the country are most in need of improvement. Taylor Middle School's remarkable success in overcoming some of the most difficult problems our schools face today makes it a perfect example for schools around the country to follow.

Taylor Middle School has been highly successful in fulfilling the necessary conditions of effective schooling. Through the dynamic and productive leadership of Principal Sharon Fritz, Taylor Middle School has developed a nurturing teaching environment, a rigorous and engaging curriculum, a safe environment for students and teachers, and a healthy involvement of parents and the community in strengthening educational resources. Students from Taylor convincingly demonstrate the many benefits of a good schooling environment through impressive student performances on measures of achievement, attendance rates, and the varied and ambitious pursuits of graduates of the school.

Taylor Middle School is more than deserving of the recognition it has and will continue to receive as a Blue Ribbon School. I hope that other schools across the country will be able to learn by the example of Taylor how to confront some of the seemingly intractable problems facing our educational system. I also hope that, in recognizing Taylor Middle School, my colleagues recognize the necessity of making educational excellence one of our highest priorities in the United States Congress.

A TRIBUTE TO THE "I CAN" CHOIR

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1996

Mr. PAYNE of New Jersey. Mr. Speaker, I rise today to pay tribute to an extraordinary group of young people from the country of South Africa. These individuals are members of the "I Can" Choir, which consists of 75 male singers who range in age from 14 to 24 years, and a coed traditional dance team.

The "I Can" Choir was formed in August 1990 and has performed throughout South Africa receiving numerous honors and winning several competitions. These singers possess strong, powerful voices and because of the group's commitment and hard work, this current 4-week tour of the United States has become a reality. The choir members combine their talent with information to direct attention to and educate their audience about the development of post-apartheid South Africa.

Their participation in the Black History Month program hosted by Mayor J. Christian Bollwage and Councilwoman Patricia Perkins-Auguste of the City of Elizabeth, NJ will help make this event extra special. In addition to singing, the choir will provide the audience with information on the historical effort to abolish apartheid and on actual conditions and challenges currently facing South Africa. As a member of the Subcommittee on Africa of the Committee on International Relations in the House, I am quite aware of the forces that help shape the decisions that are made in that country. I believe that it is important for our young people to use Black History Month to also become informed about conditions in African countries.

Mr. Speaker, I urge you and all my colleagues to join me in saluting this wonderful group of young people from South Africa, the "I Can" Choir. I think that the members of the "I Can" Choir should be commended, not only for sharing their talent with the United States, but also for educating us about their country.

IN HONOR OF HARVEY HALL

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1996

Mr. THOMAS. Mr. Speaker, today I would like to honor an outstanding individual, Harvey Hall, who is celebrating over 25 years of providing ambulance service to the people of Kern County. Harvey accepted his first job as an ambulance driver in 1960 because he thought it might be interesting. Little did Harvey realize that his interest in riding along for the night in his buddy's ambulance would lead to a job offer, 11 years with the Flinn Ambulance Co., and then 25 years as the owner of Hall Ambulance. Mr. Speaker, for his serendipitous ride, the residents of Kern County are grateful.

The first location for Hall Ambulance was in a house that also doubled as the living quarters for Hall, his wife, and their two children. Five years later Hall and his family moved down the street, but his work was never far as Harvey brought an ambulance home with him at night. Today, the dedication to service that caused Hall to take an ambulance home with him has helped create a business that services the cities of Bakersfield, Arvin, Oildale, Tehachapi, Lamont, Mojave, Boron, California City, Rosamond, and Taft.

The list of firsts for Hall Ambulance is impressive: 1975—the first mobile intensive care paramedic service in Kern County; 1975—first nonemergency transportation for wheelchair bound; and 1985—first private mobile medical communications unit for mass casualty incidents. But before Harvey achieved this stellar record, his beginnings were rather meager.

For his service, Harvey was designated in 1990 as one of the top three ALS providers in the United States by the National Association of Emergency Medical Technicians and was awarded the 1991 Paramedic EMS Service of the Year award by the National Association of Emergency Medical Technicians and the American Academy of Orthopedic Surgeons. In 1987, he offered basic life support training throughout Kern County and as a result 2,000 people were trained to help save lives. In 1992 he put in place one of the most sophisticated state-of-the-art computer-aided emergency communication centers in the country.

If this were not enough, Harvey also sponsors an Explorer Scout troop and he is involved in fundraising for the Boys and Girls Club of Bakersfield, the Police Athletic League, the Friendship House, and the Bakersfield College Foundation. In addition, Harvey has been the chairman of the Bakersfield Christmas parade for 11 years and has served on the Coalition to Protect Private Property Rights.

So Mr. Speaker, on the 25th anniversary of Hall Ambulance, congratulations and job well done to Harvey Hall for all his service to the people of Kern County.

TRIBUTE TO MAYA ANGELOU

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1996

Mr. MFUME. Mr. Speaker, I rise to pay tribute to Maya Angelou, one of the most impassioned voices not only of the African-American community but of mankind as a whole. Ms. Angelou once explained: "I speak to the black experience but I am always talking about the human condition—about what we can endure, dream, fail at and still survive." For this reason, she was tapped by President Clinton to address the Nation during his inauguration. She was the first poet, since Robert Frost spoke at the Kennedy inaugural almost 32 years prior, to address the Nation during such a moment of political change. In composing a poem for the inaugural address, she sought to remind us all that we are more alike than unalike. She credits her ability to bring people together, as well as the President's fondness of her work, for why she was chosen.

Although many Americans became aware of Ms. Angelou during the swearing-in ceremony, she has been speaking to the Nation through a variety of mediums for decades. She is a woman of many talents—an author, actress, singer, dancer, songwriter, and teacher. Although much of her written work is based on the experiences of a black woman, she always manages to make her words applicable to everyone.

It is these experiences which become the foundation of her most acclaimed work, a five-volume autobiography. The first book, I know Why the Caged Bird Sings, which received a National Book Award nomination, documents her early experiences in Arkansas, Missouri, and California. In the autobiography, she reveals the many hardships she has faced but through which she has persevered. It was through this novel that the world came to understand the obstacles she overcame. Raped at the tender age of 8 she retreated into her own world and would not utter a single word for the next 5 years. But the book also reveals the good in her life such as the birth of her only son, Guy. It is the honesty of her words which draws admirers from politicians, like myself and the President, to those who flock to hear her speak on the lecture circuit.

In her 12 books 6 of which are poetry, she has managed to write about every part of her life, focusing on such universal themes as struggle, success, love, family and identity. Her books have been a commercial and critical success. In 1972, she was nominated for the Pulitzer Prize for Just Give Me a Cool Drink of Water 'fore I Diiie, a collection of 39 poems. Her poetry, which also reflects much of her life, explores the South, racial confrontation, and the strength of blacks in the face of hardship. One critic claimed that her poems "are characterized by a spontaneous joyfulness and an indomitable spirit to survive."

Ms. Angelou has also been recognized for her talents on stage and screen. Her performance in "Look Away" garnered a nomination for the prestigious Tony Award. In addition, her work in the mini-series, "Roots", earned her an Emmy Award nomination in 1977. In the same year, she received the Golden Eagle Ward for the documentary Afro-American in the Arts.

Ms. Angelou continues to work devoting herself to helping shape the minds of your youth. Since 1981, she has been the first Reynolds Professor of American Studies at Wake Forest University. Ms. Angelou's contributions to our national culture are enormous and continue to enrich all our lives.

WILLIAM H. CROCKER MIDDLE SCHOOL; A MODEL OF EXCELLENCE IN EDUCATION

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1996

Mr. LANTOS. Mr. Speaker, the U.S. Department of Education has recognized William H. Crocker Middle School in Hillsborough, CA, as a blue ribbon school. As a blue ribbon school, William H. Crocker Middle School serves as a shining example of high-quality education for rest of the country. The school is one of only 266 throughout our entire Nation and only 39 in California to be selected for this high honor.

I invite my colleagues to join me in extending our most sincere admiration and congratulations for the wonderful educational environment that Crocker Middle School provides for our young Americans. I am indeed proud to have this outstanding institution in my congressional district.

Willima H. Crocker Middle School has achieved this high honor through its persistent and highly effective pursuit of local, State and national education goals. These goals reflect the areas in which our educational institutions across the country are most in need of improvement. Crocker Middle School's remarkable success in overcoming some of the most difficult problems our schools face today makes it a perfect example for schools around the country to follow.

Crocker Middle School has been highly successful in fulfilling the necessary conditions of effective schooling. Through the dynamic and productive leadership of Principal Daniel G. Kreuzer, Crocker Middle School has developed a nurturing teaching environment, a rigorous and engaging curriculum, a safe environment for students and teachers, and a healthy involvement of parents and the community in strengthening educational resources. Students from Crocker convincingly demonstrate the many benefits of a good schooling environment through impressive student performances on measures of achievement, attendance rates, and the varied and ambitious pursuits of graduates of the school.

Crocker Middle School is more than deserving of the recognition it has and will continue to receive as a blue ribbon school. I hope that other schools across the country will be able to learn by the example of Crocker how to confront some of the seemingly intractable problems facing our educational system. I also hope that, in recognizing William H. Crocker Middle School, my colleagues recognize the necessity of making educational excellence one of our highest priorities in the U.S. Congress.

THE TUSKEGEE AIRMEN—TRUE AMERICAN HEROES

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1996

Mr. PAYNE of New Jersey. Mr. Speaker, as we commemorate Black History Month, I would like my colleagues here in the U.S. House of Representatives to join me in saluting three true American heroes who will be honored at a special ceremony in New Jersey on February 22.

On that date, as part of the County of Essex African Heritage Month celebration, a tribute will be paid to three Tuskegee Airmen—George Wanamaker, Howard L. Bragg, and George Watson, Jr.

These three men earned a place in history through their heroic actions during World War II when they served with the Tuskegee Airmen, African-American combat pilots who flew over 1,500 combat missions and shot down more than 400 enemy aircraft.

Sadly, in the segregated society of that era, these war heroes were not able to enjoy the full rights accorded to other citizens when they returned home to the United States. Through their struggles on foreign soil and at home, they remained determined, courageous, and dignified. Today, they continue to be involved in the betterment of their communities.

Their story was the subject of a theatrical production at Ford's Theater in Washington, DC, as well as a television movie which was recently aired.

Mr. Speaker, I know my colleagues join me in expressing our appreciation to these men of unsurpassed bravery and patriotism who put their lives on the line overseas and confronted racial injustice at home. We recognize their sacrifice and honor them for their service to our country.

MISSISSIPPI INTERSTATE COOPERATIVE RESOURCES AGREEMENT ACT

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1996

Mr. GUNDERSON. Mr. Chairman, today I am introducing the Mississippi Interstate Cooperative Resources Agreement Act, which would provide Federal recognition for an alliance formed to protect Mississippi River Drainage Basin fishery resources. By directing the U.S. Fish and Wildlife Service to conduct a pilot test of the Mississippi Interstate Cooperative Resources Agreement, or MICRA, the bill is intended to take an important stride in protecting the future well-being of the interjurisdictional rivers of the United States, as well as their valuable fisheries and natural resources.

NEED FOR LEGISLATION

Interjurisdictional rivers flow between, or are common to, two or more State boundaries. These rivers form large ecosystems that are important to the Nation in terms of both their economic and intrinsic values. The Mississippi River Basin includes the drainage of six such interjurisdictional rivers: the Mississippi, Ohio, Missouri, Tennessee, Arkansas, and Red Rivers. Including its tributaries, the basin contains about 98 rivers and small tributaries, sustains approximately 98 fish species, and spans 28 U.S. States.

Many fishery resources in the Mississippi River Basin have suffered serious declines over the past few decades. Many States in the basin list numerous native riverine species as threatened, endangered, or nearly eliminated. This is, in large part, due to the interjurisdictional nature of the basin. When rivers that provide critical habitat to a multitude of fish and wildlife cross State boundaries, State-sponsored resources management and preservation programs become hampered. Typically, there is no single entity that has complete responsibility for the fishery resources in the wide variety of rivers and tributaries making up the Basin. This absence of clear jurisdiction allows management of those resources to fall through the cracks.

In addition, as a shared resource, the Mississippi Basin suffers from the problem of the commons. Individual States are often hesitant to invest in interjurisdictional rivers because other States may benefit without contributing themselves. Compounding the problem is the sheer size of the resource base associated with the Mississippi Basin. For decades, States believed that management was unnecessary—the resource was limitless.

The implementation of MICRA has been a positive first step in addressing these problems by serving as a catalyst in bringing managing partners together and combining their economic and manpower resources.

MICRA'S ACCOMPLISHMENTS

Drafted in 1989, the Mississippi Interstate Cooperative Resources Agreement was signed by the State natural resource agency directors of all 28 States by the end of 1990. In addition, the agreement has been signed by the U.S. Fish and Wildlife Service, the Tennessee Valley Authority, the U.S. Bureau of Reclamation, the National Biological Service, the Chickasaw Nation in Oklahoma and the Chippewa-Cree Tribe in Montana. Since its formation, one of MICRA's most important accomplishments has been to bring resource managers together in the realization that all had a strong interest in preserving and protecting fish and wildlife.

The Agreement originated from a shared concern for the welfare of the ancient paddlefish, a species which was at one time abundant in the basin, providing robust commercial and recreational fishery opportunities. The basin States recognized the need to protect the species on a multi-State basis and joined forces to develop a common approach and share resources in protecting the paddlefish and other important species.

MICRA has since evolved to address losses in all kinds of aquatic species. Its mission has become to "improve the conservation, development, management and utilization of interjurisdictional fishery resources in the Mississippi River Basin through improved coordination and communication among the responsible management entities."

MICRA is administered by the Fish and Wildlife Service, which provides a full time MICRA Coordinator/Executive Secretary. The Association, composed of one representative from each member State and entity, publishes a bimonthly newsletter, called River Crossings, as its primary means of information exchange.

Included among MICRA's goals are: improving basin-wide networking and coordinating mechanisms; developing public information and education programs; identifying and prioritizing issues of concern for coordinated research; and developing compatible regulations and policies for the allocation of fishery resources.

MICRA members are aware that industry and agriculture are, like the fish and wildlife inhabiting the basin, dependent upon large rivers for transportation, irrigation, power generation and other water-dependent operations. The goal, therefore, is not to eliminate waterway development projects and uses, but to determine how those uses can exist compatibly with environmentally sound fishery resource management on a region-wide basis.

ADDRESSING FUNDING AND CONCERNS OF THE STATES

The bill I offer today provides Federal recognition for MICRA and establishes a pilot test for the implementation of that agreement. It will not impose any mandates upon the States. All of those involved in the creation of this legislation have taken great care to address concerns expressed by the States over the degree to which State prerogatives will be maintained. All the States involved in this program have become so voluntarily. Congressional acknowledgment of the Agreement would provide further opportunity to address basin-wide fishery management issues by ensuring access to Federal funding and encouraging greater support from member agencies.

Under the MICRA pilot test established by this bill, MICRA signatories would, among other matters, identify and describe the river ecosystems of the drainage basin, identify the factors most adversely affecting the basin and its resources, allow for resource-sharing among the various MICRA signatories, develop plans for restoration of fishery resources, and evaluate the possibility of extending such a program to other river basins in the United States. All of these goals will be pursued under the existing funding structure under which MICRA currently operates. The bill does not authorize any appropriations, but allows the Secretary of the Interior to use U.S. Fish and Wildlife funds to carry out the objectives.

Finally, as proposed in this bill, MICRA will not duplicate any existing organizational network. Rather, coordinated resources will be used to enhance existing programs and institutions. MICRA will not only serve as a tool for protecting fisheries throughout the Mississippi River Drainage Basin, but may serve as a model for protecting fishery resources throughout the Nation as well.

SUPPORT FOR THE BILL

This bill is the result of over 3 years of consultations between myself, the U.S. Fish and Wildlife Service, State fish and wildlife agencies and national and local chapters of the major river resource management organizations. I have attached copies of endorsement letters from many of these groups, and ask that they be included in the RECORD.

AMERICAN HISTORY MONTH, FEBRUARY 1996

HON. MICHAEL F. DOYLE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1996

Mr. DOYLE. Mr. Speaker, I call to the attention of this Congress and the Nation, an effort that is taking place in my district and in places throughout the Nation. The National Daughters of the American Revolution dedicated this month, February, to be American history month. As the father of four young Americans who are 6, 14, 15, and 20 years of age, I value their education and appreciation regarding our family heritage as members of a larger family of Americans.

My ancestors were of Irish and Italian decent and were immigrants who came to the United States for a new start, a bright future, and the successes that this Nation has offered persons from throughout the world. They greatly valued the elements that make our Nation the greatest in the world. Liberty, justice, and opportunity. They assimilated into the cultural mix of the Pittsburgh suburban way of life, worked hard, raised families, and found that their differences with their neighbors gave flavor to our American community. I have lived in that community all my life and have found a strength and truly American spirit, which is found in small and large places nationwide.

I salute the National Society of the Daughters of the American Revolution for promoting awareness of American history and our national heritage this month. Generations of Americans from all walks of life and from all cultures have given their labor, their prayers, their very lives so that we might enjoy the fruits of democracy. I encourage my colleagues and all Americans to promote an interest by our youth in history this month and what this Nation means to all Americans.

A TRIBUTE TO HONOR NANCY WILSON

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1996

Mr. MFUME. Speaker, I am both pleased and proud to be here today to honor one of the finest entertainers and the pride of Chillicothe, OH—Nancy Wilson.

Ms. Wilson's career in the performing arts has lasted some 40 plus years. Since the age of 4 years, Nancy Wilson knew she wanted to become a singer. She sang in the church choir and listened avidly to and was influenced by a litany of musical talent, among them Billy Eckstine, Louis Jordan, Ruth Brown, LaVern Baker, Nat King Cole, and big band vocalists such as Jimmy Rushing and Little Jimmy Scott.

As an active vocalist during her teenage years, Nancy Wilson sang in nightclubs and made local television appearances. And in 1956–58 she toured the Midwest and Canada with Rusty Bryant's band.

In 1959, her biggest career break came when she performed with jazz great Cannonball Adderley. She soon signed a contract with Capitol Records and in 1962 recorded an album with Adderley.

Nancy Wilson received rave reviews from several prominent jazz musicians and thereafter was booked for numerous appearances in concert halls, nightclubs, and jazz clubs throughout the United States and Europe. Her career has continued to blossom ever since.

Ms. Wilson is a "grounded in reality" kind of person. She is a woman that gives her time and talent to various charities and community projects.

The Wilson family created the Nancy Wilson Foundation to permit inner-city children to see the country and experience alternate lifestyles. She has also worked with the Martin Luther King Center for Social Change, the National Urban Coalition, and the Warwick Foundation.

Ms. Wilson is a member of the N.A.A.C.P.; the S.C.L.C.; Operation PUSH, for which she is chairperson; the President's Council for Minority Business Enterprises; the Committee for the Kennedy Center for Performing Arts; and the United Negro College Fund.

Among her many awards, Nancy Wilson earned the Johnson and Johnson Red Ruby Award, after working with the company's prenatal care promotion. Her other achievements are an Emmy in 1975 for "The Nancy Wilson Show"; the N.A.A.C.P. Image Award—1986; Grammy Award for "How Glad I Am"—1964; Entertainer of the Year Award presented by Atlantic City Magazine; the Global Entertainer of the Year Award presented by the World Conference of Mayors—1986; the Paul Robeson Humanitarian Award; first place in the 1983 Japan Song Festival Competition; and an award from the United Negro College Fund—1986.

Nancy Wilson, along with your millions of fans world-wide, and all of those whose lives you have touched with your generosity and selfless works, I thank you for the many contributions you have made.

LOWELL HIGH SCHOOL; A MODEL OF EXCELLENCE IN EDUCATION

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1996

Mr. LANTOS. Mr. Speaker, the U.S. Department of Education has recognized Lowell High

School in San Francisco, CA, as a Blue Ribbon School. As a Blue Ribbon School, Lowell High School serves as a shining example of high-quality education for the rest of the country. The school is 1 of only 266 throughout our entire Nation and only 39 in California to be selected for this high honor.

I invite my colleagues to join me in extending our most sincere admiration and congratulations for the wonderful educational environment that Lowell High School provides for our young Americans. I am indeed proud to have this outstanding institution in my congressional district.

Lowell High School has achieved this high honor through its persistent and highly effective pursuit of local, State and national education goals. These goals reflect the areas in which our educational institutions across the country are most in need of improvement. Lowell High School's remarkable success in overcoming some of the most difficult problems our schools face today makes it a perfect example for schools around the country to follow.

Lowell High School has been highly successful in fulfilling the necessary conditions of effective schooling. Through the dynamic and productive leadership of Principal Paul Cheng, Lowell High School has developed a nurturing teaching environment, a rigorous and engaging curriculum, a safe environment for students and teachers, and a healthy involvement of parents and the community in strengthening educational resources. Students from Lowell convincingly demonstrate the many benefits of a good schooling environment through impressive student performances on measures of achievement, attendance rates, and the varied and ambitious pursuits of graduates of the school.

Lowell High School is more than deserving of the recognition it has and will continue to receive as a Blue Ribbon School. I hope that other schools across the country will be able to learn by the example of Lowell how to confront some of the seemingly intractable problems facing our educational system. I also hope that, in recognizing Lowell High School, my colleagues recognize the necessity of making educational excellence one of our highest priorities in the U.S. Congress.

WE'RE WITH YOU KWEISI

HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1996

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I rise today to honor and encourage a fellow Member and friend, the right Honorable KWEISI MFUME, on this the occasion of his acceptance of the challenge and opportunity of leading a great national organization, the NAACP. I will not restate all of the accomplishments of KWEISI MFUME as a man or a U.S. Representative. Others have done that quite eloquently. I just want to add that I believe that in his life and work, Mr. MFUME has set an example to which any of today's young people can proudly aspire. Each step he takes marks yet another significant achievement.

During his tenure in the House of Representatives, Congressman MFUME has consistently advocated landmark minority business and civil rights legislation. He has succeeded in focusing Congressional attention on a broad range of minority business development concerns in the United States. His work as chairman of the Congressional Black Caucus has been exemplary. And, we all look to his leadership in his role as chair of the CBC Task Force to Preserve Affirmative Action.

Those of us who have had the privilege of working closely with him over the years have come to admire his genteel grace and leadership. I know he will bring renewed stature to the NAACP.

God speed KWEISI MFUME, God speed.

A TRIBUTE TO GOVERNOR LUTALI

HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1996

Mr. FALEOMAVAEGA. Mr. Speaker, all Americans, including those of us in Congress, are concerned about the destruction of the rain forests that is occurring all over the world. The rain forests constitute unique and irreplaceable ecosystems sometimes called the lungs of the earth. In addition to their function in replenishing the earth's atmosphere, the rain forests provide essential protection against global warming, contain hundreds of plants found nowhere else on earth, house many animals unique to the rain forests alone, and provide protection against destruction of coral reefs and marine life. I would like to call my colleagues' attention to a unique effort to save these vital systems and to an individual who is being honored for his own efforts to save the rain forests.

Seacology Foundation is a nonprofit foundation founded to help protect island ecosystems and island cultures. Seacology scientists include experts in endangered species, island flora and fauna, and island ecosystems. One hundred percent of the money donated to Seacology goes directly to building schools, hospitals, installing safe water supplies, and meeting the other needs of the indigenous people who live near the rain forests so that these people will not have to sell off the rain forest to survive. Seacology scientists donate their time as well.

The Honorable A.P. Lutali, Governor of American Samoa, has been selected to receive this year's Seacology Foundation Award as "Indigenous Conservationist of the Year" in recognition of his superb efforts to preserve the Samoan rain forest and indigenous Samoan culture. Governor Lutali's efforts include responsibility for passage of an act to protect the American Samoa flying fox and our joint work to create the U.S. National Park in American Samoa. As a letter from Seacology Foundation to Governor Lutali notifying him of the award explains, neither of these achievements would have occurred without the Governor's strong leadership and support.

I congratulate Governor Lutali and the Seacology Foundation for all of their efforts and I am submitting for the record a copy of a letter from Paul Alan Cox, Ph.D, chairman of the board of Seacology Foundation to Governor Lutali for review by my colleagues.

OCTOBER 24, 1995.

Governor A.P. LUTALI,
Office of the Governor, American Samoa Government, Pago Pago, American Samoa.

DEAR GOVERNOR LUTALI: On behalf of the Board of Directors and the Scientific Advisory Board of the Seacology Foundation, it gives me great pleasure to inform you that you have been selected as the 1995 Indigenous Conservationist of the Year. This award, believed to be the only one of its kind in the world, annually recognizes an indigenous person who has demonstrated heroic efforts in protecting the environment. The Seacology Foundation invites you, at our expense, to attend an award dinner in your honor and a presentation ceremony in Provo, Utah to receive your award, which will consist of an engraved plaque and a cash award of $1,000. Lorraine Clark, Executive Associate Director of the Seacology Foundation, will be in touch with Rob Shaffer from your staff to arrange a convenient date for this event.

In making this award, the Seacology Foundation wishes to recognize your personal courage and foresight in protecting the rainforests and wildlife of American Samoa. You have demonstrated your commitment to conservation in many different ways. Examples of your environmental leadership include passage of an act to protect flying foxes, including the rare Samoan Flying Fox, *Pteropus samoensis*, or *pe'a vao* by the Territorial Legislature of American Samoa. Your leadership was crucial in passing this legislation, which is believed to be the first legislation enacted by any Pacific island government to protect flying foxes. Because of your example, many other island governments have now enacted similar legislation.

Even more impressive was your visionary foresight in establishing the 50th National Park of the United States of America, the National Park of American Samoa. It was your leadership and your vision that brought together a coalition of Samoan school children, villagers, *matai* and other traditional community leaders, Territorial officials, scientists, conservationists, and U.S. Congressmen to create a new future for the people of American Samoa. You personally held meetings with key scientists and village leaders, you personally hosted a distinguished congressional delegation in Samoa, you personally traveled to Washington, D.C. to testify on behalf of the park and you personally provided leadership at every phase to assure passage of the enabling legislation. You exercised this leadership without any concern for its potential impact on your own political future. Because of your selflessness and bi-partisan approach, the American Samoa National Park Bill became one of the first national park bills to pass both houses of the United States Congress without a single dissenting vote. You played a key role in guaranteeing that the aspirations and well being of Samoan villages were paramount in the enabling legislation. Unique land acquisition techniques, revolving around long term leases were used under your direction. Village chiefs were guaranteed important roles in formulating park policy. The Samoan language and culture are to be highlighted in all park activities. As a result of your foresight, American Samoa will have a National Park that will preserve both Samoan wildlife and Samoan culture.

Many other examples of your conservation leadership could be cited. The Territorial Division of Wildlife and Marine Resources under your leadership has made important progress in evaluating and protecting the wildlife of American Samoa. Coastal Zone Management has flourished under your leadership. But perhaps most important has been your quiet personal example. You quietly led an effort to re-introduce the rare Samoan *toloa* or duck to your home island of Aunu'u. The crack of dawn has frequently found you on your hands and knees weeding the garden plot in front of the territorial offices. Many have seen you picking up rubbish and doing your own part as a private citizen to beautify the exquisite islands of American Samoa.

Because of your stellar service, both public and private to conservation, and because of the tremendous example of dedication and courage that you have set for your own people—the Polynesian Islanders—and for indigenous peoples throughout the world, the Seacology Foundation is pleased to bestow upon you the most distinguished award for indigenous conservation in the world by naming you Indigenous Conservationist of the Year 1995. We offer you our sincere appreciation for your tremendous devotion to protecting this planet.

Warmest personal regards,

NAFANUA PAUL ALAN COX, Ph.D.,
Chairman of the Board.

TRIBUTE TO ROBERT L. JOHNSON, PRESIDENT AND CEO OF BET

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1996

Mr. MFUME. Mr. Speaker, I rise today to pay tribute to Robert L. Johnson, the president and CEO of BET Holdings, the only publicly traded media company that primarily targets African-Americans. At the heart of BET Holdings is Black Entertainment Television, which operates the Nation's first and only advertiser-supported, basic cable television programming service that serves as both a cultural center and an information source for BET's target audience.

Some of us know Bob from his days here on Capitol Hill, where he served as press secretary to our distinguished colleague, Walter Fauntroy, the delegate from the District of Columbia. Others may have become acquainted with Bob during his tenure as vice president for government relations for the National Cable Television Association [NCTA]. In any event, Bob's current work with BET has allowed many of us in the African-American community to become familiar with him and the tremendous services he provides to African-Americans throughout the Nation.

Bob began BET with $15,000 of his own money and $500,000 from the cable industry's biggest company. Tele-Communications, Inc. In 1991, Bob made history when he took BET's parent company, BET Holdings, Inc., public. BET Holdings became the first company controlled by an African-American to be traded on the New York City Stock Exchange.

Today BET is available in more than 39 million homes, 24 hours a day, from Los Angeles to New York to Baltimore to smaller, markets, such as Rapid City, SD. BET's current programming consists of a mix of black music videos, black collegiate sports, news, and original programming, such as late night talk shows public affairs series, one-act plays, and teen magazine shows.

Most recently, Bob Johnson and BET have teamed up with the computer company Microsoft in a venture aimed at making on-line services more accessible and more desirable to African-Americans. Specifically, BET and Microsoft will develop a new company which will produce interactive information for and about African-Americans. While most of the material will be made available on the Microsoft Network, the new company also hopes to produce information for the internet and for CD–ROM's. The goal is to create, Bob says, "* * * an independent and interactive voice for African Americans."

As exciting and invigorating as this new venture may be, many of us would have expected no less from Bob. He saw an area in which African-Americans were under represented and he sought to fill the void: African-Americans use home computing technology at a far lower rate than white American households. According to a 1994 survey by the U.S. Census Bureau, 28.6 percent of white households had computers, compared with 11.1 percent of black households. By trying to get more blacks interested in and comfortable with computers and the Internet, Bob is attempting to ensure that African-Americans are not left out of the information revolution.

A review of the many awards, Bob has received throughout his distinguished career is a testimony to his drive and his dedication. In 1995 he received the Cablevision Magazine 20/20 Vision Award; in 1993 the Turner Broadcasting Trumpet Award; in 1992 Bob won the Executive Leadership Council Award; in 1985 the D.C. Chamber of Commerce Business of the Year Award; in 1984 the Capital Press Club's Pioneer Award; and in 1982 he won both the NAACP's Image Award as well as the NCTC's President's award.

Bob Johnson exemplifies all that is possible in America; he has used his skills and his know-how to become a successful businessman. He also represents all that is good about this country, as he his consistently chosen to use his talents and his resources to give something back to his community and to help others.

SENATE—*Wednesday, February 7, 1996*

The Senate met at 7:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Trust in the Lord with all your heart, and lean not on your own understanding; in all your ways acknowledge Him, and He will direct your paths.—Proverbs 3: 5–6.

Gracious God, we put our trust in You. We resist the human tendency to lean on our own understanding; we acknowledge our need for Your wisdom in our search for solutions we all can support. As an intentional act of will, we commit to You everything we think, say, and do today. Direct our paths as we give precedence to patriotism over party and loyalty to You over anything else. We need You, Father. Strengthen each one and strengthen our oneness. In the name of our Lord, Amen.

AGRICULTURAL MARKET TRANSITION ACT OF 1996

The PRESIDENT pro tempore. The clerk will report the unfinished business.

The assistant legislative clerk read as follows:

A bill (S. 1541) to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Craig (for Leahy/Lugar) amendment No. 3184, in the nature of a substitute.

Wellstone (for Kohl) amendment No. 3442 (to amendment No. 3184) to eliminate the provision granting consent to the Northeast Interstate Dairy Compact.

AMENDMENT NO. 3442 TO AMENDMENT NO. 3184

The PRESIDENT pro tempore. Who yields time on the amendment?

Mr. KOHL. Mr. President, I would like to call up our amendment.

The PRESIDENT pro tempore. That is the pending question.

Mr. KOHL. I yield myself 4 minutes.

Mr. President, today, I and others rise in opposition to the Northeast Interstate Dairy Compact. While we have only a short time to discuss this matter, I think that it is important to fully understand its ramifications—for farmers of other regions, for consumers in the Northeast, and for the principle of free trade within our country.

As I have said before, it is difficult for me to stand here and oppose my friends from the Northeast in their efforts to help the dairy farmers of their region. But I feel that this is a very important issue, and that it is the wrong thing to do.

The Northeast Interstate Dairy Compact is a regional compact unlike any we have seen before. It is an effort by six Northeastern States to wall themselves off from the rest of the Nation economically. The compact would bring about artificially increased milk prices in the Northeast, for the benefit of the farmers in those States, at the expense of that region's consumers, without regard to market forces. And it would do so by imposing a prohibitive compensatory payment scheme to prevent more reasonably priced milk from coming in from other regions. It is at its heart anticompetitive.

I will be the first to say that dairy issues are regionally divisive, and the first to agree that we should get beyond our divisions and find common ground. And I believe that compromise and consensus are possible, even in dairy policy.

But the Northeast Dairy Compact ignores all efforts at compromise, and instead is an effort by one region to remove itself from the national system and establish a regional dairy policy. It takes an already outmoded milk pricing system, and twists it even further.

While the context for this compact is dairy, I believe its ramifications are far more broad.

Make no mistake about it. This compact is unprecedented in the history of the Nation. It is true that the Constitution allows States to enter into a compact with other States, as long as those compacts are approved by Congress. This authority has been used many times, without controversy, by States that seek to address multistate environmental or transportation concerns. But I know of no instance where it has been used to allow States to engage in price-fixing activities, or as a way to circumvent the commerce clause of the Constitution. Congressional approval of this compact is an invitation for all sorts of economic balkanization.

The Framers of the Constitution had the foresight to see the dangers of allowing States and regions to erect economic barriers against other States in the Union.

Two years ago, when the Northeast Dairy Compact was considered in the Senate Judiciary Committee, many of my colleagues raised valid constitutional concerns with the compact.

If we set the precedent today by granting consent to one region of the Nation to wall itself off economically from the rest, we must ask ourselves, where will it stop?

If we deny free trade within our own borders, we are whittling away at the economic unity that is one of the core principles of this country. And I will not stand for it.

So I urge my colleagues to vote in favor of the motion to strike the Northeast Interstate Dairy Compact from this bill.

I yield to the Senator from Minnesota.

Mr. WELLSTONE. I want to thank the Senator from Wisconsin for his exceptional leadership. Last night, when I laid down this amendment the Senator is speaking about, I did it because of what I think all of us in the Midwest feel very, very strongly about. First of all, many of us have been working for 5 years to have milk marketing order reform. That is what we really stand for. That makes all the sense in the world.

We have had a system in place since 1933, and it worked in the beginning, but it is archaic and it has a discriminatory effect on dairy producers in the upper Midwest. We have lost thousands of dairy farms in my State of Minnesota.

Mr. President, the problem with the Northeast Dairy Compact, above and beyond what the Senator from Wisconsin has spoken about, in terms of some of the regional barriers it creates, is that this also will forestall the kind of genuine reform that we really need of the milk marketing order system.

Mr. President, it is not appropriate to cut a special deal for one region's dairy farmers to the detriment of dairy farmers in other regions, especially in the upper Midwest. So, Mr. President, I think this is a critical vote, and I am proud to stand with the Senator from Wisconsin. I hope that our colleagues will support this amendment. It is absolutely key to the future of the dairy industry in this country to have a fair milk marketing order system, to have real reform. This amendment really takes us in that direction.

Mr. KOHL. Mr. President, I yield 3 minutes to the Senator from Minnesota [Mr. GRAMS].

Mr. GRAMS. Mr. President, I join my colleagues today in offering this amendment to strike the Northeast Interstate Dairy Compact from the farm bill.

As a Senator from Minnesota, I rise today for the over 11,000 dairy farmers I represent—the most productive, yet overburdened, dairy producers in the world.

For years, Minnesota's dairy industry has struggled against the harmful impact of an archaic Federal milk marketing order pricing scheme, which has

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

played a key role in the loss of over 10,000 dairy farms over the last decade—an average of nearly 3 farms every day.

These statistics emphasize the importance of fixing the dairy program. Yet, today we are faced with a proposal which would impose another set of burdensome regulations and harmful trade barriers on our dairy producers.

If this dairy compact is enacted, it will increase the minimum price paid to dairy farmers in New England. These higher prices will likely increase dairy production in that region, causing New England milk producers and processors to seek additional markets in States like Minnesota. In the process, this overproduction has the potential to flood markets and depress milk prices paid to dairy farmers outside of the compact States.

The long-term effect of these lower prices would be to drive the dairy industry from States like Minnesota out of business—leading to a shortage of milk within the region and requiring processors to import more expensive milk from other regions.

Due to the 20-percent loss of milk production in Minnesota over the last decade, this is already happening. With the dairy compact, we run the risk of making this even worse for dairy producers around the country.

In addition, the compact will result in the proliferation of anticompetitive trade barriers between the States. If enacted, the Compact Commission will have to make immediate decisions about how to keep lower priced milk in States outside the Northeast from entering their region.

In order for the compact to survive, New England would have to engage in protectionist behavior, not from other countries, but from within the United States itself.

At a time when we are trying to open up global markets for our Nation's farm producers, it makes no sense to encourage protectionism within our own borders. Yet, that is exactly what the dairy compact would do.

The Nation's dairy industry should be exactly that—a national industry. Special favors for one region of the country will have a detrimental impact on the others.

For far too long, regional politics have made the dairy program what it is today: archaic, unfair, unwise, and unworkable. Let us not take another step backward by authorizing this Northeast Dairy Compact.

After all, the purpose of the Agricultural Marketing Transition Act is to remove the Government from interfering in the agricultural decisionmaking process and reduce the regional conflicts that have plagued our farm policy for years.

The dairy compact would do just the opposite: It would expand the role of government in dairy policy, create an unfair advantage for dairy producers in New England, and further weaken the dairy industry in States like Minnesota.

I will not stand for that. And neither should any other Senator. It is time to put an end to the failed dairy policies of the past—and certainly to the unwise proposal before us today.

I urge my colleagues to join me in standing up for small dairy farmers across the country and voting to strike the Northeast Interstate Dairy Compact from this bill.

The PRESIDING OFFICER (Mr. BENNETT). The Senator from Vermont.

Mr. LEAHY. Mr. President, who controls time?

Mr. JEFFORDS. I believe I control the time on our side, Mr. President.

Let us get down to what we are talking about. I think it was brought out well by the Senator from Minnesota. That is, they want to protect their farmers. That is understandable. They would like to have no milk orders. They would like to have nothing in this country because they believe they are lowest producers. That is fine.

This issue was raised before. I want to remind everybody, the Senate voted 65 to 35 earlier this year to say that, yes, the six States of New England, a small area of our country, has the right to act like any big State, because California and several other States have done the same thing we seek to do. Many have said, "We want to protect and help our dairy farmers stay in business." Little old New England, six States are no bigger than many of the other small States.

We talk about the State's rights here. These six legislatures voted to do this. Two of those are metropolitan States. They said, "We want to protect the farms of Vermont." We are tucked way up in there. We do not bother anybody with our milk supply. We could not. We are too far away. We are at the end of the energy, the end of everything up there. We are bordering on Canada that has milk prices 50 percent higher than ours. We cannot get into their markets. Hopefully with NAFTA we can.

All we are saying, "Let us do what any other State can do and let us get our producers a little more money for their milk that goes to the consumers." The consumers agreed, "We are willing to pay it, we are willing to pay it."

So why does Minnesota and Wisconsin—later on we will have a chance to vote for something to protect them, something to give them what they want. We are willing to go along with it if they leave us alone. They do not, no. We will have the ability to be able to help our producers. It is only 5 years, a sunset, that says try it for 5 years and keep it going until NAFTA or something comes by.

It is hard to understand why they would pick on our farmers up there so far away. There is no way we are a threat to their markets. I cannot understand why they have taken this position. Fortunately, the Senate has already said 65 to 35 that you are right, New England, your States have a right to act like any big State.

I yield to the Senator from Vermont.

Mr. LEAHY. I thank my friend and colleague from Vermont.

Mr. President, it probably makes sense this is the first thing we are debating this morning because of the fact that it is a dairy amendment and dairy farmers get up early, work hard, maybe a little bit early for some of our friends in the Senate, but Senator JEFFORDS' and my good friend, Harold Howrigan, up in Franklin County, VT, is up there. He has already finished milking, had breakfast, and probably back in the barn now feeding the calves.

I mention him for this reason: Harold is the president of the St. Albans Cooperative, but first and foremost a hard working dairy farmer like so many men and women in Vermont. I hope when we debate this amendment we consider how it will affect the average dairy farmer. This compact was an idea that came from Vermont. It could help Vermont's hard working farmers get a better return for their work. It will also help consumers gets more stable prices.

All of New England is united in this effort. I ask those who would vote against it, how would they explain to somebody in New England why they did it? It allows the States to take over their own destiny.

We hear all kinds of talk about the need to give more responsibility back to the States. We heard it across town at the National Governors' Association, telling Members of Congress to do that. In fact, I tell my colleagues, if I understand the wire service copy I was reading at about 1 o'clock this morning, the National Governors' Association has voted to support this concept. Now, the Senate also voted that way, 65 to 34.

This is not something that is anticonsumer legislation. It is something where people come together in their own region to help their own region.

We are talking about beverage milk. That is a regional market. You do not drive milk halfway across a country. You do it in the region. Over 97 percent of the package milk sold in New England comes from bottlers regulated in New England. The rest comes from outside. Less than 1 percent comes from outside our region.

This is also not closing out other markets. They are not there, anyway. Fluid milk remains within the region where it is. It also is not something where the consumers are going to be gouged. This compact would increase prices only if four of the six New England States agree to it.

Rhode Island, Connecticut, New Hampshire, and Massachusetts have 11 million consumers. They have fewer among all of them than 1,000 farmers. This is not a case where some farm bloc is going to roll over consumers. It is going to have to be something where the consumers want to do it, not that the farmers want to do it. They are an infinitesimal part of the population involved.

It also will make the point that it is not the farmer that is getting this money, it is the retailer. The past 12 years, farm prices fell 5 percent. Retail prices, I ask my friend from Vermont, I believe went up about 30 percent, is that not right, or more, during that same time? If you want to look at the price of milk, look to the retailers. It is amazing, as the price goes down to the producer, the cost goes up in the supermarket.

I yield back to my friend from Vermont, but I ask if that is not the case?

Mr. JEFFORDS. That certainly is. I happen to have a chart here.

Mr. LEAHY. I thought you might.

Mr. JEFFORDS. I have a chart that displays that fact. The farmers are the most important group that the consumers ever have to keep prices down, but they cannot do it if the retailers keep going up. Our farm prices have been going down for the last 10 years, and the retail prices have been going up. Every time we go down, they go up. Anybody that tries to say we are the cause of high retail prices, there is just no evidence of that whatever.

Mr. LEAHY. I hope, Mr. President, that the 65 Senators who voted for this last time, who obviously felt it was important to do so, felt they had legitimate reasons to do so, would not suddenly decide to change exactly as they voted last time.

To reiterate:

Mr. President, I rise today in strong opposition to the amendment offered by Senators WELLSTONE, FEINGOLD, KOHL, and others.

The underlying bill would grant congressional consent to the Northeast Interstate Dairy Compact. This compact is an agreement among the six New England States to create a commission that will have the authority to oversee the pricing of fluid milk. All six States' Governors and legislatures strongly support this amendment.

All year we have heard about the need to give more responsibility back to the States. Across town, at the National Governor's Association meeting, Members of Congress are lining up to tell the Governors how they are willing to turn more control back to the States.

The underlying bill would allow the six New England States to take more control over milk pricing. The Senate voted 65 to 34 in favor of an amendment that added the compact during the budget bill debate.

Even though the 6 New England States have debated this compact for 7 years, and even though 65 Senators voted in favor of the compact, my colleagues from Wisconsin insist that they know what is best for new England. So they want to strip this provision from the bill.

They claim that the compact would hurt their region, but that claim is false. We are talking about beverage milk, which is a limited regional market. It does not travel long distances because it is perishable. Fluid milk from Minnesota or Wisconsin is not sold in New England.

Over 97 percent of the packaged milk sold in New England comes from bottlers regulated in New England. The rest comes from the neighboring milk marketing order. Less than 1 percent comes from outside our region.

Even if fluid milk did come in from outside our region, which it does not, the compact would allow the flow of milk into and out of the region just as it occurs now.

Opponents make a lot of claims about this compact. They claim it would erect a trade barrier around New England.

This is simply not true. Over 20 percent of the milk sold in New England comes from New York. The compact would ensure that these farmers also receive their share of benefits from the compact.

The compact works just like the current Federal order system. Any producer supplying the market would receive the benefits.

I agree that the national industry needs to come together behind a unified dairy policy. I will support reasonable reforms of the milk marketing orders and the dairy program.

In the meantime, I do not see how we can hold the New England States hostage. This compact is State law in the six New England States, an idea that came from the countryside, not from Washington. The New England States think they have a better way of pricing milk. We should let them.

Some try to make the claim that the compact would raise consumer prices. The link between farm and retail milk prices is tenuous at best. In the past 12 years, farm prices have fallen 5 percent, while retail prices have increased over 30 percent.

There is no guarantee there would be any price increase. The compact would increase prices only if four of the six New England States agreed. Rhode Island, Connecticut, New Hampshire, and Massachusetts have 11 million consumers and fewer than 1,000 farmers. Their consumer interests far outweigh their farmer interests. Both farmers and consumers would have to be represented on the commission.

The New England State legislatures have voted overwhelmingly to give the compact commission this authority. All 12 members of the New England delegation are cosponsors of the compact and it has already received the support of 65 Senators.

This is a grassroots effort. New England is asking for nothing from this body nor the Federal treasury—just the opportunity to act in concert for their common good. In the spirit of federalism I urge my colleagues to vote against this amendment and give this opportunity to the New England States.

I yield back to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont controls 7 minutes.

Mr. JEFFORDS. Mr. President, let me make one comment. We are not ruling out anybody else flowing their milk in. Hey, guys, bring it up if you can get the price. Bring it in, Minnesota. You can get the price. We are not trying to lock anybody out. You can get the price, Pennsylvania, then ship milk in, come on in, and take advantage of the price. That is your right.

We have not ruled anybody out, and we are not trying to make a market for ourselves. We are trying to be generous in helping the dairy farmers to stay alive in our area. If you can do it, if the price goes up, and it attracts you, what you are saying, and the end result is, we have to knock you out so that price gets even higher so we can ship in. If you cannot ship in with the high price, we will give you—you want it higher than that. You want to really rip our consumers off it you are going to get into our markets because you can get into them now.

Mr. President, I retain the balance of my time.

Mr. HATCH. Mr. President, I congratulate Senator DOLE, Senator LUGAR, Senator LEAHY, and others for their tireless efforts in bringing us a farm bill. I know that they have overcome many obstacles, and that it has not been an easy task. I also understand that there is an urgency to pass this bill. It is important for all those in the business of providing food for America that we act to improve these programs. Overall, I support these improvements and will vote for this bill.

I do object, however, to the provision added to the compromise version of S. 1541 that would give congressional approval to the Northeast Interstate Dairy Compact. This proposal was introduced and placed directly on the Senate calendar, bypassing the Judiciary Committee which has jurisdiction over interstate compacts. In other words, we are being asked to vote on this controversial compact without having had a hearing or a committee markup on the issue during this Congress.

Although some changes and minor improvements were made to the proposal from the version that was debated in the 103d Congress, those changes have not altered the essential nature of this compact. It would still permit member States to set the price for fluid milk above the existing Federal order price, effectively setting up a dairy cartel. These member States would be protected from competition from other States. This form of trade barrier is exactly the kind of practice prohibited by the commerce clause of the Constitution, and it is not one we should sanction in an interstate compact. Compacts have been used to build bridges, roads, and tunnels; to dispose of waste; or to set boundaries. Never have they been used to restrict interstate commerce.

Despite the modifications its proponents have made, I remain concerned about the dairy compact's potential anticompetitive effects, the burdens it places on interstate commerce, and the harm it would cause to consumers by increasing prices. The compact would raise the prices milk processors would have to pay for milk sold in the compact States, and those costs would be passed on to consumers.

I am equally concerned that the compact will disrupt existing Federal programs that regulate milk prices and that it will increase costs to the Federal Government. Costs to the Government will undoubtedly increase if the Government is forced to purchase more surplus when farmers are encouraged to increase production well beyond demand. This is certainly not a time when we should be increasing pressure on the Federal budget.

The fact is that we already have a Federal system for setting minimum milk prices to dairy farmers. That system provides a safety net through the dairy price support program and dictates minimum prices paid through the Federal milk marketing order program. I see no reason to establish a second milk pricing mechanism that will benefit only a few States.

In short, I remain seriously concerned that the dairy compact will hurt consumers, milk processors, and taxpayers. At a minimum, it embodies a concept that requires deeper scrutiny and further discussion.

Ms. SNOWE. Mr. President, I rise in strong opposition to the Wellstone amendment to strike the Northeast Interstate Dairy Compact from this bill.

Mr. President, we have heard a lot of talk in this debate about the need to preserve the family farm, and how the farm legislation that we pass should, at the very least, not cause more family farmers to go out of business.

Well, I can tell you that what we have at stake in this vote on the Wellstone amendment is nothing less than the survival of many family dairy farms in Maine and the other New England States.

It's very simple. If this amendment wins, large numbers of family dairy farms in Maine, Vermont, New Hampshire, and other New England States go out of business. If we defeat the Wellstone amendment and retain the Craig-Leahy language, more farmers have an opportunity to keep their farms, the rural economy of our region stays afloat, and consumers and processors in our region have the satisfaction of knowing that the price they pay for fresh milk provides a fair return to the farmer who produced it.

And that is one thing that I hope everyone keeps in mind on this vote: The only people directly affected by the compact—the farmers, consumers, and processors of New England—all support it.

What is also at stake is the concept of State-based problem-solving. In the debates held so far in this Congress, and surely in the debates to come, we have heard and will hear many Members argue that the States are often best positioned to solve their own problems, and that they should be allowed to do so without interference from Washington. I couldn't agree more.

With this vote on the Wellstone amendment today, Senators will have an opportunity to match words on this concept with deeds. The compact represents a regional response to a regional problem. It directly affects only those States that belong to the compact, and it doesn't cost the Federal Government anything. We have to decide whether we are going to support State problem solving, or obstruct it.

As in many other rural regions of the country, agriculture is a cornerstone of Maine's economy. Within the agricultural sector, dairy farming usually ranks second or third in cash receipts every year. The dairy industry provides not only jobs for the farmers themselves, but for the people who sell farm machinery, service the machinery, sell fuel and feed, and provide other goods and services. Dairy farms also account for large shares of the municipal tax base throughout rural Maine, making them critical contributors to local schools and essential town services.

Unfortunately, all is not well in the Maine dairy industry. In 1978, Maine had 1,133 dairy farms. By 1988, that number had declined to 800. In 1991, there were 680. And today we are down to roughly 600. I understand that our New England States have experienced the same devastating trend, and that Vermont, especially, has been losing huge numbers of family farmers. Without the compact in this bill, I can tell you: the bleeding of our family farms will continue.

The precipitous decline in the number of dairy farms can be attributed to several factors, but most notably to the fact that Federal market order prices in New England are generally much lower than the costs of production in the region. Opponents sometimes like to say that New England has some of the highest average order prices in the East. This is generally the case because most of New England's milk market involves fresh, fluid milk, which brings a higher price than milk sold for other products; whereas, in other regions like the Upper Midwest, less than one-sixth of the milk producers is sold for the fresh fluid market. But the average order price in New England in the first half of 1995 was $13.17 a hundred, while the costs of production in Maine, which is a fresh fluid milk market, are close to $17 per hundred. New England farmers cannot make it under the existing order system.

Mailbox prices provide a better illustration of the fact. The mailbox price is the actual price that the farmers receive after deducting the costs of marketing their milk. And if we look at mailbox prices, we see that New England farmers get the lowest take-home prices east of the Mississippi River. Farmers in Wisconsin and Minnesota receive significantly higher mailbox prices—nearly 50 cents a hundredweight more.

Faced with the same problems throughout the region, the six New England States banded together to develop a joint regional solution. They painstakingly negotiated an interstate dairy compact that will ensure a fairer and more stable price for dairy farmers in the region. But it is a pricing program that also protects the interests of consumers in the region. As evidence of the balance and fairness achieved by the compact, both the net-producing and net-consuming States in the region all approved the compact with strong support.

The compact creates a regional commission which has the authority to set minimum prices paid to farmers for fluid, or class I milk. Delegations from each State comprise the voting membership of the commission, and these delegations in turn will include both farmer and consumer representatives. The minimum price established by the commission is the Federal market order price plus a small "over-order" differential that would be paid by milk processing plants. This over-order price is capped in the compact, and a two-thirds voting majority of the commission is required before any over-order price can be instituted.

Mr. President, until a court struck down the Main dairy vendor's fee in 1994 because we did not have the required congressional authorization, milk in my State was priced by a mechanism that is similar to that which could be utilized by the Compact Commission. Maine's experience was uniformly positive. Farm prices were stable and reasonable, but no farmers got rich on the minimal adjustment provided by the "over-order" price under the vendor's fee program. It only helped the farmers keep their heads above water. Dairy processors and vendors maintained their business, and consumers did not see any significant increases in the price of milk. It was a win-win proposition for everyone in Maine, and I am confident that the compact will achieve the same success throughout New England without violating the constitution's interstate commerce clause.

With very few exceptions, the compact only affects New England consumers, farmers, and dairy processors. The compact applies only to fluid or class I milk, and approximately 97 percent of the fluid milk consumed in New England is processed by New England-based processors. Approximately 75 percent of the milk that these processors process comes from New England farmers; the rest comes from New York, whose farmers would receive any higher prices for their milk sold to New England under a compact.

Although the direct impacts of the compact fall only on the New England States, we have shown a more than ample willingness to address the concerns expressed by Senators from other States. The compact consent provision in this bill provides additional assurances that the compact only applies to class I, fluid milk. The provision also includes a 5-year sunset, so that another act of Congress will be required to continue the compact after years. It's a fail-safe. If problems do arise with this compact, then Congress can let it expire after 5 years. In effect, what we are proposing in a kind of pilot program.

And we would be willing to go even further. Senate Joint Resolution 28, the consent resolution that we introduced last year, explicitly provides that no additional States will be allowed into the compact without the formal approval of both Houses of Congress, that out-of-region farmers who sell milk in the compact region will get the same price as farmers in the region, that the commission's pricing authority is strictly limited, and that the commission must develop a plan to ensure that over-order prices do not lead to increases in production. Unfortunately, the amendment before us ignores the good-faith, constructive offerings that we have made in the past.

Mr. President, why should the Federal Government deny the States an opportunity to solve their own problems, especially when it doesn't cost the Federal taxpayers? The answer is that we shouldn't. We should praise the States for their self-reliance and ingenuity when they devise creative ways to solve their problems, as they have done in the case of this compact. I hope that Senators will recognize the value in this kind of state-based problem-solving, support the wishes of the people who will really be affected by this legislation, and vote no on the Wellstone amendment.

• Mr. HATFIELD. Mr. President, yesterday, I voted for cloture on the Craig/Leahy substitute to the farm bill. I cast my vote in hopes of reaching cloture so that we could debate and discuss the 1995 farm bill. I have consistently voted in the past in favor of moving forward with debate to ensure the integrity of farm legislation which would allow our farmers to plant their crops. We were not able to obtain cloture yesterday, however, late yesterday evening, the leadership came to an agreement to complete a farm bill. Unfortunately, I am not able to be present for today's debate due to business which takes me away from the Senate. These past months I have postponed scheduled meetings and trips in order to meet the Senate schedule. The business which takes me away from the Senate today was planned many months ago with the knowledge that we would be in recess for the month of February. I am leading an important delegation from Oregon, which includes members of the Port of Portland, on a vital trade mission to Taiwan and Korea.

Mr. President, I know that millions of jobs, including those of truckers, retailers, farm implement dealers, bankers and exporters, are dependent upon a healthy farm economy. Consumers are accustomed to consistently having quality, yet, inexpensive agricultural products on their grocery shelves. Yet, there is no more troubled sector in the American economy than agriculture. Agricultural surpluses, declining farm exports, failed farm and farm related businesses are constant reminders of the need to reestablish strength and stability of American agriculture.

The roots of our farm crisis are many and the solutions to the problems are indeed complex. The Senate and House Agriculture Committees have labored for the past year in an attempt to bring bills to a vote in our respective Chambers. Truly, it has been a daunting year. We are now in a crisis situation where we have reverted to laws written in the 1930's and 1940's. If we do not find compromise and pass a farm bill now, we face much greater costs and exacerbate instabilities in the agricultural sector. Many of the programs of the 1930's are unpopular because they call for strict acreage allotments and marketing quotas on major crops. However, a simple extension of the current law for more than a few months will prove to be economically disastrous for both the Federal Treasury and beleaguered farmers who fall behind daily as talks continue in the Senate Chamber.

I cannot say that I agree entirely with the proposed farm bill, S. 1541. The proposed 7-year contracts with the Federal Government, guaranteeing continued payments regardless of market conditions will allow farmers broad flexibility to grow crops in accordance with market conditions and not Government regulations. However, I am concerned that the bill would cut spending for the Export Enhancement Program, which subsidizes overseas sale of U.S. commodities, such as wheat. I am also concerned that the Market Promotion Program [MPP], which helps U.S. companies fund overseas promotional and advertising campaigns, would be capped. If we are to allow flexibility to meet market demands we must also tap into as well as create markets in foreign countries, especially in the Pacific rim in order to achieve the goal of independence from traditional Government assistance to farmers.

Mr. President, I also offer an amendment which addresses a problem in Oregon that deals with the Oregon Public Broadcasting's [OPB] eligibility for the Public Television Demonstration Program administered by the U.S. Department of Agriculture. OPB's eligibility for the program was held in suspension last year when it was discovered that OPB's broadcast coverage did not meet the statute's statewide requirement. OPB covers 90 percent of the State's population and 84 percent of the State's rural area. And, since all of OPB's productions are rebroadcast by one local public television station, OPB's programs are essentially available to all Oregonians. Until the definition of "statewide" is clarified, OPB will not be eligible for the grant program. Thus I submit my amendment to clarify the language for the eligibility criteria for the Public Television Demonstration Program.

In conclusion, I find sections of this farm bill which I would like to change, as do many of my colleagues. However, we must continue to find and forge compromise in order to move toward not only a farm bill but balancing our national budget. I sincerely believe we will soon achieve that goal.•

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KOHL. Mr. President, I yield up to 5 minutes of our time to Senator FEINGOLD.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I rise in strong support of Senator WELLSTONE's amendment to strike the congressional approval to the Northeast Dairy Compact contained in this Leahy substitute. I am pleased to be a cosponsor of his amendment.

Mr. President, there are so many things wrong with this Northeast Interstate Dairy Compact, it is difficult to know where to begin.

The greatest irony of the Northeast Dairy Compact's inclusion in freedom to farm is that the package, in the words of the Agriculture Committee Chairman LUGAR, purports to be market oriented. He called this package a bold departure from current law. Well, he's right. The Northeast Compact is a bold departure from current law, but it is far, very far, from the goal of market orientation.

Mr. President, the Northeast Dairy Compact is the antithesis of market orientation. It is exactly the type of program that reformers in this body have been targeting for 2 years. Many of those who support the Northeast Interstate Dairy Compact have been among the most outspoken critics of farm programs which impose taxes on consumers to support agricultural producers—which is exactly what the Northeast Compact does. But it does far more than that, Mr. President.

The compact allows six States with far more consumers than dairy producers, to artificially raise the price that consumers pay for fluid milk. It is a price fixing compact, pure and simple, Mr. President. And it is without precedent in our Nation's history.

This is not about States rights. Never was the 10th amendment or the compact clause of our Constitution intended to allow several States to collude to fix prices for products produced in those States while simultaneously keeping products produced in other States out of the compact region. Mr. President, that would be a restraint of interstate commerce. Well, Mr. President, that is what this compact does—it restrains trade and it allows States to fix prices. And it has far-reaching consequences for the entire Nation.

Who will pay for the generosity of these compact States to their dairy farmers?

Consumers in the compact region and dairy farmers throughout the country.

Since this bill has not been the subject of a single hearing in the Senate, and has never been marked up by the committee of jurisdiction, the Judiciary Committee, in the 104th Congress, I think it is important that we review what the compact actually does.

First, it allows six States to enter into to a compact to fix prices for fluid milk at a level substantially higher than allowed under the current Federal milk marketing order system.

It would also allow six additional States to enter the compact if they wish, along with any States contiguous to those additional six States. This is no small compact, Mr. President. If those additional States are added—and how could Congress justify denying those States if we approve the initial six?—the compact area would comprise 20 percent of national milk production.

That is a significant level of production that would substantially disrupt national milk markets and ultimately depress prices for all dairy producers in this country—except those in the compact.

Second, the compact would allow those States to set the price for fluid milk up to $17.40 per hundredweight—a full $1.35 above the current minimum fluid milk price in that region established by Federal orders. I would also caution my colleagues that the current fluid milk price for the Northeast is at one of its highest levels in years. What this means is that the $1.35 bonus for New England milk producers is likely the smallest that bonus will be for the 5-year period of this compact. That minimum bonus would translate into a minimum consumer-funded payment of $4,000 for a farmer with a 50-cow herd.

Also keep in mind that the minimum price in the compact States is allowed to be adjusted by inflation using 1990 as a base year. By the year 2000 the cap on fluid milk prices could be well over $20 if inflation increases by 3 percent per year.

That consumers will pay dearly for the privilege of supporting the New England dairy industry is proven by the provision in this bill that requires the compact States to reimburse the Women, Infants and Children's Supplemental Food Program for the increased cost of milk purchased under the program. However, taxpayers would not be reimbursed for the higher costs of mandatory nutrition programs such as national school lunch and breakfast programs, food stamps, and others.

For a Congress so fervently promoting tax breaks for Americans, I am surprised to see this tax on consumers so heartily embraced by the compact supporters and the supporters of the Leahy substitute which contains the compact.

I am sure the many consumers in the compact region would like a taxbreak of $4,000 or more each year. Instead they will receive a tax increase through their purchases of milk.

I also urge my colleagues to keep in mind, that while in-region milk producers get to vote on whether or not they want the higher price for the compact milk, consumers are afforded no such voice. Mr. President, I ask unanimous consent that an editorial from the New York Times, entitled "Milking Consumers," be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Saturday, July 22, 1995]

> New England senators and governors are pressuring Bob Dole, the Senate majority leader, to submit a pernicious bill to a hasty vote before it clears committee.
>
> The bill creates a compact among Maine, Vermont, New Hampshire, Connecticut, Rhode Island and Massachusetts to raise milk prices above Federal levels. By some estimates, the cost of a gallon of milk would rise from about $2.50 to between $2.85 and $3.
>
> Over all, the price increase would pump perhaps $500 million a year into the bank accounts of New England dairy farmers. But it would needlessly pummel poor parents by forcing them to spend up to 20 percent more to buy milk.
>
> Besides discouraging milk drinking, the compact sets an ugly precedent. New England cannot enforce artifically high prices unless it keeps milk produced outside New England from flowing into the region. That is why the bill imposes what amounts to a protective tariff on "imported" milk.
>
> The compact would in effect create a barrier to interstate commerce, sharing our milk produced in the Middle West the way the United States threatened to shut out luxury cars from Japan. The precedent so set would be ill advised, if not unconstitutional. What might be next? An oil compact in the Southwest? A wheat compact in the Midwest?
>
> Mr. Dole ought to reject a quick vote on the dairy compact because it raises unexplored constitutional issues. Senators ought to reject the compact because it needlessly harms children. Mark Goldman, president of a New Jersey milk processor, poses the right question. Who believes that the voters of New England if forthrightly asked, would approve paying an additional 56 cents for a gallon of milk for the privilege of fattening the bank accounts of a few nearby farmers?

Mr. FEINGOLD. The New York Times editorial states:

> The price increase [provided in the Compact] would pump perhaps $50 million a year into the bank accounts of New England dairy farmers. But it would needlessly pummel poor parents by forcing them to spend up to 20 percent more to buy milk.

The editorial provides some good advice to Senators who will soon vote on this measure—Senators ought to reject the compact because it needlessly harms children. I think that is pretty good advice, Mr. President.

In addition to the ill effects on consumers, the compact erects barriers to keep milk from other States from flowing into the compact region. The Compact requires that lower cost milk produced in surrounding States must receive the higher compact price, through compensatory payments, even if producers in those other States can provide that milk at a lower cost to buyers. When you include transportation costs, any buyer of milk in the compact region would be foolish to acquire milk from outside the compact region. Any unwise buyer who did so would soon be put out of business by their competitors.

That producers from noncompact States are free to sell into the compact region, as the supporters claim, is accurate. However, there would be no demand for that milk because of the disincentives the compact creates for its acquisition.

While compact supporters claim that any producer in the country will be able to benefit from this, it is illogical to conclude that is true. If it were, the compact itself would be rendered ineffective because the compact region would be flooded with less expensive milk from surrounding States. Make no mistake, this compact is only supported by its sponsors because the walls it erects around the compact region are high and well-reinforced.

Third, while milk from outside the compact region is prevented from entering, milk processors in the compact region who must pay the higher price for the raw product, may receive a subsidy to allow them to ship their products outside the compact region. The compact includes that trade subsidy because those compact region processors will be required to pay so much for milk that their products would be uncompetitive in other parts of the country where milk producers do not receive artificially inflated prices.

For members who think the impacts of the compact are isolated to compact States, I suggest they take a careful look at this provision. The very export subsidies we have been trying to tear down in international trade through GATT and NAFTA will be imposed by the compact region States to the disadvantage of milk processors and producers in other States.

In summary, Mr. President, this compact provides authority for six States—and potentially many more—to fix artificially high prices for milk at the expense of consumers. It erects barriers to any noncompact milk, and it subsidizes exports of compact region products.

I've talked about the impacts on consumers. But what of the impact on dairy farmers throughout the country?

The compact balkanizes the U.S. dairy industry by insulating the Northeast dairy industry from the market conditions that all other farmers in this country must face. And, Mr. President, there are dairy farmers in every State of this Nation that will be affected by this. That is because there is a national market for milk, not a regional one. A surplus in one region depresses prices for all farmers nationally, and a shortage in one region raises prices for all farmers. That is why there is a national system for the marketing and pricing of milk.

However, with this compact, when national prices that farmers receive for milk plummet due to changing market conditions, the Northeast compact States will be completely isolated from those price fluctuations. When dairy farmers in Texas or New Mexico or Florida are responding to lower milk prices by reducing supply, the Northeast producers will continue to overproduce milk despite the market signals. And that, Mr. President, will exacerbate the excess supply situation depressing prices nationwide.

Not only will the compact insulate Northeast producers from price shocks that all other farmers face, it will also have the effect of driving down prices for dairy farmers in other parts of the country even if supply and demand are in balance.

It is a simple fact of economics that dairy farmers respond to higher prices with greater production. The exorbitant compact prices will surely increase production in the Northeast and yet the compact provides for no effective method of supply control. Those surpluses produced in the Northeast will drive down prices for farmers everywhere.

In addition, without a market for that surplus milk in fluid form, it will go into secondary milk markets. It will be manufactured into cheese and butter and powdered milk. Those products, generated by excess production in the Northeast, will then compete on the national market alongside products produced in other States by producers receiving far lower milk prices.

Not only will noncompact producers suffer from lower prices, but they would also lose markets for their products.

Mr. President, not only does this compact fail to recognize the national nature of milk markets, but it builds additional regional biases into current law.

The compact exacerbates current inequities of the Federal milk marketing order system that have discriminated against upper Midwest dairy producers for years. It is inherently market distorting and regionally discriminatory.

I want to just reiterate, the Senator from Vermont, Senator JEFFORDS, indicated we will have a opportunity later in the day to vote on something to help the Midwest. That is not clear at all, unless there is an agreement between the parties. We are trying very hard, but if that is not achieved we will be ending up with current law in this area, so there is no real help for the rest of the country in that regard.

In addition, this compact will also have a significant impact on the entire U.S. dairy industry. It insulates New England dairy producers from the market.

Mr. President, I understand why the compact States want the consent of Congress for this compact. The Northeast is losing dairy farmers. But, Mr. President, the decline in dairy farmer numbers is a national trend and the pain is felt nationwide.

Today there are 27,000 dairy farmers in my home State of Wisconsin, more than any other State in the Nation; 15 years ago, Mr. President, there were 45,000. Mr. President, our average herd size in Wisconsin is small—55 cows. These are small farmers who have experienced the same problems facing the Northeast—but far more acutely than any other region of the country and more than any other individual State. My State of Wisconsin, which until 1993 was the No. 1 milk producing State in the country, suffers from the loss of over 1,000 dairy farmers per year. We lose more farms per year than the current number of dairy farmers in five of the six compact States.

A recent survey indicated that in the next 5 years 40 percent of our remaining farmers will go out of business. That is over 10,000 family dairy farmers.

This trend is mirrored in other States throughout the upper Midwest. While we recognize that there are many reasons for this decline, the overwhelming message I hear from family dairy farmers in Wisconsin, Minnesota, and throughout the Midwest is that we need reform of outdated Federal milk marketing orders which provide artificial advantages to other regions of the country driving Wisconsin farmers out of business.

So I understand the desire of the Northeast to remedy their local and regional problems in their dairy industry, however further regionalizing dairy policy is not the answer. Congressional changes to dairy policy must recognize the national nature of milk marketing as well as the comprehensive and interrelated nature of fluid and manufactured milk products.

Wisconsin dairy farmers can no longer afford to help other regions at their own expense.

The supporters of this legislation have tried to present this as a very simple idea—that of a simple interstate compact designed to help the struggling producers of that region in isolation from national markets and having no unintended effects on noncompact producers.

Mr. President, I urge my colleagues to recognize that simply is not the case. This compact is unprecedented and Members should not be surprised that approval of this package will result in additional request to approve price fixing compacts.

I urge my colleagues to support the motion to strike the Northeast Dairy Compact from the bill. It is not market oriented. It is the antithesis of market orientation and its inclusion in this bill is completely inconsistent with the rhetoric of this Congress including many of the supporters of this compact.

Providing congressional consent to this compact in a bill which purports to allow farmers to take their signals from the marketplace not the Government would be the ultimate irony of this farm bill.

If we pass this compact today, I believe every Member will soon regret it.

I urge my colleagues to support this motion to strike the Northeast Interstate Dairy Compact from the farm bill.

The PRESIDING OFFICER. The Senator from Wisconsin has 2 minutes remaining.

Mr. KOHL. Mr. President, on behalf of myself, Senator FEINGOLD, Senator WELLSTONE, Senator GRAMS, Senator LAUTENBERG, and Senator HATCH, I urge my colleagues to vote in favor of this motion to strike the Northeast Dairy Compact.

I would also like to point out the 65- to 35-vote that Senator JEFFORDS and Senator LEAHY referred to was a vote on a much broader reconciliation amendment that had other things in it beside the Northeast Dairy Compact, so that was not a clean vote. What we are going to have today on the Northeast Dairy Compact is a clean vote without any other considerations. I hope that will elicit a different and a more correct response than the vote that occurred heretofore.

I thank the Chair.

Mr. JEFFORDS. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator from Vermont has 5 minutes and 50 seconds left.

Mr. JEFFORDS. Mr. President, I rise in strong opposition to this amendment. The Northeast interstate dairy compact is the remarkable product of 7 years of formal, interstate cooperation in New England. It has the bipartisan support of the region's six Governors—four Republicans, one Democrat and one Independent. And it is backed by the region's farmers, consumers, and milk processors alike.

Mr. President, we have spoken often this past year in this Chamber about returning power back to our sovereign States, to allow the States to work together with the Federal Government to solve the problems we face. Here is a fine example of such a cooperative federalism, most appropriately presented in the context of this farm bill.

The compact is a pilot project, with a 5-year sunset. It simply needs congressional consent to be approved. I urge this body to give the New England States an opportunity to implement this test program.

Mr. President, the compact has had an impressive journey through the six New England State legislatures. In fact, it has passed with overwhelming margins in both producing and consuming States. The Rhode Island State Legislature, representing over 1 million consumers and only 31 dairy farms voted near unanimously to pass the compact.

Some of my colleagues have been misinformed about what the compact would or would not do. Not surprisingly, the dairy processors' lobby have been promoting misguided information on how the compact will work. They have a long history of working against legislation that protects and improves dairy farmer income.

However, the compact, which has been approved overwhelming in each of the six New England State legislatures is not the monster that a select few have made it out to be.

The Northeast dairy compact is intended to help give farmers and consumers fair and stable milk prices. The compact has been carefully crafted so that it will not affect the national diary industry or burden the consumer. The compact can only regulate class I milk in New England, that is beverage or fluid milk, which makes up only 1.5 percent of the national milk supply. We are dealing with a very small amount of fluid milk. National processors will not be affected by this compact. It will have no affect on class II of class III milk which is used for manufactured products.

Mr. President, my own State of Vermont has lost over 1,200 farms in the last 10 years. Today, Vermont dairy farmers are receiving milk prices well below the cost of production. Current milk prices for farmers are as low as they were over 10 years ago.

I understand that Vermont is not the only State to witness a decline in its number of dairy farms. Dairy farms throughout the country deserve price stability and enhancement and I hope that a dairy compromise amendment will be offered and accepted today that will benefit farms across this Nation.

Mr. President, New England is not asking Washington to solve its problem, it is asking Washington to allow New England to solve its problem on its own. The compact is a regional solution to a regional problem. The six New England States should not be denied the opportunity to do just that.

Mr. President, I urge my colleagues to vote against this amendment and allow the people of Vermont and New England the opportunity to help themselves protect the future of their dairy farms.

Mr. President, let me remind everyone again, you have been reminded, you voted for this and I think you ought to keep that in mind. You voted for it in a very similar situation. It was a bigger bill, yes, but it was the same issue exactly.

The New England States have taken 7 years to examine what they can do to help the dairy farmers. I have here, and I ask unanimous consent to have printed in the RECORD, a letter from the six New England Governors to the leader here, telling him that they support this bill, together with some other material. It is very important.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NEW ENGLAND
GOVERNORS' CONFERENCE, INC.,
Boston, MA, July 17, 1995.

Hon. ROBERT DOLE,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR DOLE: We, the Governors of the New England States, have learned that you will soon consider the Northeast Interstate Dairy Compact, SJR 28, on the Senate Floor. We would like to take this opportunity to thank you for agreeing to take this critical, procedural step on behalf of the Compact, and to reaffirm our strong support of its passage.

Enclosed, you will find the New England Governor's Conference resolution which was adopted in support of Congressional approval of the Compact. The resolution details the significance of the Compact to our region with regard to its specific importance to both New England dairy farmers and consumers, and, equally, as a model of formal, interstate cooperation.

Thank you again for agreeing to move the Compact forward. We are hopeful that, when it comes to the Floor, you will consider its importance to our region.

Very truly yours,

STEPHEN MERRILL,
Governor, New Hampshire, Chairman.
WILLIAM F. WELD,
Governor, Massachusetts.
JOHN G. ROWLAND,
Governor, Connecticut.
HOWARD DEAN, M.D.,
Governor, Vermont, Vice Chairman.
ANGUS KING, Jr.,
Governor, Maine.
LINCOLN C. ALMOND,
Governor, Rhode Island.

RESOLUTION 127—NORTHEAST DAIRY COMPACT

A Resolution of the New England Governors' Conference, Inc. in support of congressional enactment of the Northeast Dairy Compact.

Whereas, the six New England states have enacted the Northeast Interstate Dairy Compact to address the alarming loss of dairy farms in the region; and

Whereas, the Compact is a unique partnership of the region's governments and the dairy industry supported by a broad and active coalition of organizations and people committed to maintaining the vitality of the region's dairy industry, including consumers, processors, bankers, equipment dealers, veterinarians, the tourist and travel industry, environmentalists, land conservationists and recreational users of open land; and

Whereas, the Compact would not harm but instead complement the existing federal structure for milk pricing, nor adversely affect the competitive position of any dairy farmer, processor or other market participant in the nation's dairy industry; and

Whereas, the limited and relatively isolated market position of the New England dairy industry makes it an appropriate locality in which to assess the effectiveness of regional regulation of milk pricing, and

Whereas, the Constitution of the United States expressly authorizes states to enter into interstate compacts with the approval of Congress and government at all levels increasingly recognizes the need to promote cooperative, federalist solutions to local and regional problems; and

Whereas, the Northeast Interstate Dairy Compact has been submitted to Congress for approval as required by the Constitution: Now, therefore, be it

Resolved, That the New England Governors' Conference, Inc. requests that Congress approve the Northeast Interstate Dairy Compact; and be it further

Resolved, That, a copy of this resolution be sent to the leadership of the Senate and the House of Representatives, the Chairs of the appropriate legislative committees, and the Secretary of the United States Department of Agriculture.

Adoption certified by the New England Governors' Conference, Inc. on January 31, 1995.

STEPHEN MERRILL,
Governor of New Hampshire, Chairman.

INTERSTATE COMPACT LEGISLATIVE PROCESS

Connecticut: (P.L. 93-320) House vote—143-4; Senate vote—30-6. (Joint Committee on Environment voted bill out 22-2; Joint Committee on Government Administration and Relations voted bill out 15-3; Joint Committee on Judiciary voted bill out 28-0.)

Maine: Originally adopted Compact enabling legislation in 1989 (P.L. 89-437) Floor votes and Joint Committee on Agriculture vote not recorded. The law was amended in

1993. (P.L. 93–274) House vote—114–1; Senate vote—25–0. (Joint Committee on Agriculture vote not recorded.)

Massachusetts: (P.L. 93–370) Approved by unrecorded voice votes.

New Hampshire: (P.L. 93–336) Senate vote—18–4; House vote—unrecorded voice vote; (Senate Committee on Interstate Cooperation vote—unrecorded voice vote; House Committee on Agriculture voted bill out 17–0.)

Rhode Island: (P.L. 93–336) House vote—80–7; Senate vote—38–0. (House Committee on Judiciary voted bill out 11–2; Senate Committee on Judiciary voice vote not recorded.)

Vermont: Originally adopted Compact in 1989. (P.L. 89–95) House vote—unanimous voice vote; Senate vote—29–1. The law was amended in 1993. (P.L. 93–57) Floor voice votes, and House and Senate Agriculture Committee voice votes, not recorded.

Mr. JEFFORDS. Also, I have letters from the Governors to all of us with respect to that. We have brought this over here. We have explained it to staffs and they agreed with us, 65 to 35. I wanted you to keep that in mind.

Second, we are a negative producer. What are they afraid of? We only produce 70 percent of the milk consumed in New England. We are not a threat to anybody. Mr. President, 30 percent of our milk comes from New York and Pennsylvania. It can come from Wisconsin. It can come from Minnesota. We are not creating any barriers to anybody.

We say our consumers are so desirous of making sure that our farmers are there—they love the cows on the hillsides. That is New England. It is tradition.

All we are asking is to be treated as any other big State can be. New York has an order that helps protect their producers, California does, other States do. Why can we not, as six little States up in New England tucked off up in the corner there, have the ability to protect our dairy farms?

I yield to the Senator from Vermont.

Mr. LEAHY. Mr. President, obviously I agree completely with my colleague from Vermont on this. The point is, this goes beyond questions even of romanticism or anything else. It is not romanticism when we talk about the hard work of the dairy farmers. This is one of the most difficult jobs in America today.

They have also, though, created even more problems for themselves because they are the most efficient producers in America today. Their efficiency and their hard work is not being rewarded. It tends to be punished, with the system we have.

What we are saying is at least allow us, consumers and producers alike in New England, to set our own destiny. It is the only fair thing. This is not a case where it is farmers against consumers, as though the two are different; or consumers against farmers. This is a case where producers and users come together to make it work.

I hope we defeat the effort to strike the New England Dairy Compact. It has been put together by Republicans and Democrats alike. This Senate ought to approve it.

Mr. JEFFORDS. Mr. President, we have spoken often in the past year, in this Chamber, about returning power back to the sovereign States to allow the States to work together with the Federal Government to solve the problems we face. Here is a fine example of such cooperative federalism.

Most appropriately presented in the context of this farm bill here, the compact is a pilot project with a 5-year sunset. It simply needs congressional consent to be approved. Other States can do it by themselves. They are big enough. We cannot.

I urge this body to give the New England States an opportunity to implement this test program. The compact has had an impressive journey through six New England State legislatures—six State legislatures. Two of them, primarily consumers have approved so they can help keep their dairy farmers and the rural life of Vermont alive. The Rhode Island State Legislature, representing over 1 million consumers and only 31 dairy farms, nearly unanimously passed this. Why should we be prohibited from doing what other States can do, merely because the Midwest believes and hopes that sometime in the future they can ship their milk to us because the price would get so high, because our farmers are out of business, that they could ship it over there to profit?

They are welcome now. Why do they want to be so greedy?

Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator from Vermont has 1 minute and 25 seconds.

Mr. JEFFORDS. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KOHL. Mr. President, I would like to add that Senator PRESSLER is cosponsor of this amendment. He was an original sponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KOHL. Mr. President, I would like, in closing, to remind Senators that if we allow this kind of a price-fixing scheme to make its way through the Congress, then there will be no way to prevent in a logical way any other group of States setting up similar price-fixing mechanisms under the same justification, not only in dairy but in any other industry. That is not what we intend to do in this country. We need a national market for our products in this country.

So every Senator is affected by what will occur if we allow the Northeast Dairy Compact to make its way through Congress. It is for that reason—and the other reasons that we have discussed—that I urge my colleagues to reject the Northeast Dairy Compact.

I thank you.

Mr. JEFFORDS. Mr. President, as we bring this to a close, I know everyone is interested in saving their dairy farms. The question is whether you try to do it at the expense of some other dairy farmer. Vermont has lost one-third of its farms in the last 10 years. I know the Midwest has done likewise. But they are not hurt by us. As pointed out, they can ship to us now. They can ship at a higher price if this goes through. But they cannot do it; they are too far away. That is our problem. We are too far away from anything. We are at the end of the energy stream. We are at the end of everything. We are tucked up in that little corner barricaded from markets in Canada. We could get 50 percent more for our milk if we could go across the border. We want to stay alive, and our States and our State legislators want us to stay alive. When you get six States to approve something that helps the farmers primarily in two States, you have got to really believe that they are sincere in their efforts to try to do what is best for their State.

Mr. President, I urge a "no" vote on this motion to strike. By a vote of 65 to 35 the Senate voted against what they are being asked to do today. I hope they will recognize that and keep the same wonderful logic that they used for those 65 votes.

I yield to the Senator from Vermont for a final comment.

The PRESIDING OFFICER. All time has expired.

Mr. LUGAR. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. The yeas and nays have already been ordered.

Mr. LUGAR. I thank the Chair.

Mr. President, I ask unanimous consent that the Kohl amendment be temporarily set aside with the vote to occur on or in relation to the amendment and the time to be set by the majority leader after consultation with the Democratic leader. I also ask unanimous consent that if there are stacked votes, the votes occur in the order they were offered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, for the benefit and information of all Members, the agreement calls for several amendments in sequence. To the best of our ability, we will shift back from one party to the other, although the agreement reached last evening was that if there are not Members present from the opposite party, we would feel free to move to whoever had an amendment. There are 10 amendments offered on the Democratic side and five on the Republican side if the maximum were to be offered.

Next in sequence we are anticipating the amendment by the distinguished

Senator from Colorado, who is in fact present. He will control the time on our side on that amendment.

Mr. LEAHY. Mr. President, will the Senator from Indiana yield for another housekeeping observation?

I urge Senators who may have amendments, or issues, if they can to come and talk with the distinguished Senator from Indiana and myself to see if maybe not all amendments necessarily need a vote. If it is possible for us to come together on something, now is the time to do it.

The other thing is that I hope when we stack the votes— and I believe it is the intention of the leaders to do this at that time—that after the first vote there would be a shortened time for subsequent votes. But I urge the cooperation of Senators, certainly on my side of the aisle, and I am sure the distinguished Senator from Indiana feels that way about his side of the aisle we as we move forward on these issues.

Mr. LUGAR. Mr. President, I concur in all the distinguished Senator has said.

Let me also mention that one reason for having votes late in the morning is literally to clear the trail—it is the intent of the leadership to complete action on this bill at 4:45—so that everyone has been heard, and votes occurring may in fact be stacked votes later in the morning.

I yield the floor.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

AMENDMENT NO. 3443 TO AMENDMENT NO. 3184

(Purpose: To direct the Secretary of Agriculture to ensure that private property rights, including water rights, will be recognized and protected in the course of special use permitting decisions for existing water supply facilities)

Mr. BROWN. Mr. President, I send an amendment to the desk and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. BROWN] proposes an amendment numbered 3443 to amendment No. 3184.

Mr. BROWN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . CLARIFICATION OF EFFECT OF RESOURCE PLANNING ON ALLOCATION OR USE OF WATER.

(a) NATIONAL FOREST SYSTEM RESOURCE PLANNING.—Section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604) is amended by adding at the end the following new subsection:

"(n) LIMITATION ON AUTHORITY.—Nothing in this section shall be construed to supersede, abrogate or otherwise impair any right or authority of a State to allocate quantities of water (including boundary waters). Nothing in this section shall be implemented, enforced, or construed to allow any officer or agency of the United States to utilize directly or indirectly the authorities established under this section to impose any requirement not imposed by the State which would supersede, abrogate, or otherwise impair rights to the use of water resources allocated under State law, interstate water compact, or Supreme Court decree, or held by the United States for use by a State, its political subdivisions, or its citizens. No water rights arise in the United States or any other person under the provisions of this Act."

(b) LAND USE PLANNING UNDER BUREAU OF LAND MANAGEMENT AUTHORITIES.—Section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712) is amended by adding at the end the following new subsection:

"(g) LIMITATION OF AUTHORITY.—Nothing in this section shall be construed to supersede, abrogate, or otherwise impair any right or authority of a State to allocate quantities of water (including boundary waters). Nothing in this section shall be implemented, enforced, or construed to allow any officer or agency of the United States to utilize directly or indirectly the authorities established under this section to impose any requirement not imposed by the State which would supersede, abrogate, or otherwise impair rights to the use of water resources allocated under State law, interstate compact, or Supreme Court decree, or held by the United States for use by a State, its political subdivisions, or its citizens. No water rights arise in the United States or any other person under the provisions of this Act."

(c) AUTHORIZATION TO GRANT RIGHTS-OF-WAY.—Section 501 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1761) is amended—

(1) in subsection (c)(1)—

(A) by striking subparagraph (B);

(B) in subparagraph (D), by striking "originally constructed";

(C) in subparagraph (G), by striking "1996" and inserting "1998"; and

(D) by redesignating subparagraphs (C) through (G) as subparagraphs (B) through (F), respectively:

(2) in subsection (c)(3)(A), by striking the second and third sentences; and

(3) by adding at the end the following new subsection:

"(e) EFFECT ON VALID EXISTING RIGHTS.—Notwithstanding any provision of this section, no Federal agency may require, as a condition of, or in connection with, the granting, issuance, or renewal of a right-of-way under this section, a restriction or limitation on the operation, use, repair, or replacement of an existing water supply facility which is located on or above National Forest lands or the exercise and use of existing water rights, if such condition would reduce the quantity of water which would otherwise be made available for use by the owner of such facility or water rights, or cause an increase in the cost of the water supply provided from such facility."

Mr. BROWN. Mr. President, both sides have a copy of this amendment. It simply is a clarification of an action that the Senate had taken earlier in the year. That action was taken on an appropriations bill. As I am sure Members will appreciate, the members of the Appropriations Committee are reluctant to legislate on an appropriations bill. The form it took was a restriction in spending of funds by the Secretary of Agriculture.

Mr. President, to be brief, the situation arises out of a rather difficult circumstance that involved what I believe is a maverick regional forester. The situation is this: Colorado has about 37 percent of its State owned by the Federal Government. It is literally very difficult, or impossible in some areas, to transfer water from the mountain areas where it is accumulated from the snow melt and the reservoirs to the cities for drinking water without crossing Federal ground. There are a few areas where it is possible to get drinking to the cities and deliver drinking water and agricultural water without crossing Federal ground, but very few.

To cross Federal ground, what has traditionally been the case is permits have been offered by the Federal Government. As the Senate is well aware, when someone applies for a new permit, an extensive review takes place. That is to ensure that it meets the environmental standards of the Forest Service. What is happening in Colorado is an entirely new event which has begun to take place, and in other places around the country. That is, when these permits to cross Federal ground came up for renewal, the Forest Service has demanded that the cities forfeit a third of their drinking water for them to be allowed to renew their permit to cross Federal ground.

No provision for forfeiting water is included in the statutes. One would certainly understand if these were new permissions, but they are not. They are existing permits. In a number of cases, the permits preexisted the existence of the Forest Service. Some had literally been in existence for well over 100 years. They are the absolute lifeblood of the State. I may say this practice appears to do be followed by a number of other foresters around the country as they look at it and begin to apply this same consent to other States.

Literally what happened is the Forest Service wanted to extort—I use that word advisedly because it is a strong word, but I think it fits—water from the cities as a condition to renew an existing permit. Let me emphasize that nothing was changed. If something was different, if there was an expansion of the permit or a change in the use of the permit, one would understand action by the Forest Service. But these were circumstances where the city wanted to specifically use its drinking water the way it had for over 100 years. The Forest Service used the event of renewing the permit to demand a forfeiture of the water. No statute gives them that authority, but when they have the ability to stop the renewal of the permit, they have enormous leverage.

Our cities and our water districts spent literally millions of dollars. One of the most environmentally conscious communities, I believe, in the Nation—Boulder, CO—had attorney's fees that exceeded millions of dollars just in that one city's case alone. What happened is some of the small cities that could not afford the attorney's fees forfeited a third of their water, or a portion of their water rights. Others, through negotiation, forfeited less. Others fought it through court and continue with longstanding studies and expensive attorneys' fees to negotiate the process out.

All this amendment does is exactly what was done earlier in the year through the appropriations process. It simply says when you have an existing permit, where you are not changing it, that they cannot require you to forfeit your water rights. It stops extortion in effect.

I do not know of any opposition. The amendment, when it came up on the appropriations bill, enjoyed strong bipartisan support. It was adopted by the House conferees on the Appropriations Committee.

Let me emphasize, it is important because the cities continue to spend millions of dollars in attorneys' fees. To change the rules after the project is built, after the drinking water is delivered, is wrong. It is not simply bad policy, but it is wrong in terms of a moral standard. To change the rules of the game after you have set up your water system, spent millions of dollars, and you have thousands of people dependent on it for drinking supplies is a travesty.

This sets forth in the statute clear guidelines so that you cannot retroactively repeal someone's water rights or extort water. It does not, let me emphasize, apply to new projects. Everyone should understand that the Forest Service has an appropriate job in renewing new applications, but it is a very important item to be included in this measure and a very important protection for cities, municipalities and farmers around the Nation.

I do not know of opposition. I will be happy to answer questions from other Members, and I reserve the remainder of my time.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, how much time is available to any who might speak in opposition?

The PRESIDING OFFICER. Fifteen minutes.

Mr. LEAHY. Mr. President, I reserve that time.

I should say that I do have a concern. This came up quite late last night, and I have just had a chance to start looking at it. I am concerned that the amendment would change permanent Forest Service law and does so without the normal hearings and debate or committee consideration. We have done this before. The Senate one other time changed Forest Service law on an ad hoc basis, and I think many of us rued the day for that. The so-called salvage rider was done on an ad hoc basis. It was done to address dead and dying trees. In fact, the measure instead suspended laws in Oregon and Washington and forced the Forest Service to cut live, green, ancient forest.

What I worry about is under the constricted and contracted situation in which we find ourselves we might do something similar.

The Senator has held a dozen hearings this year on Forest Service law focusing especially on conflicts within the existing law, but this issue has not received significant attention in this logical forum despite representation on the Energy and Natural Resources Committee.

I worry when we tell the Forest Service that they have to mandate for multiple use, which we have. That is a law passed long before any of us were in the Senate. That means the Forest Service has to manage for anglers, boaters, fisheries, wildlife, recreation, skiing, and a dozen other uses. They have to do that by law. Now we have this amendment though that says a single use gets preference but yet the multiple use law which has been there for 35 years still stands.

If we have a problem here, let us find a better way of doing it. I think it can be solved administratively. The Department of Agriculture spent a lot of time, I am told, on this issue. I am informed that all the parties involved have been invited to participate and that the relevant parties have agreed to a settlement. If that is the case, I think we should follow that procedure, not venture into unknown territory with a sweeping amendment to laws that have been on the books for decades.

The Forest Service was established to serve the many interests of all Americans. This amendment says that is fine, they can serve all Americans except that one becomes more equal than the other, water uses. And the idea of multiple use goes out the window.

So between now and the time of the vote I would be happy to talk with the proponent of the amendment, but, frankly, at this point I would have to oppose it because I believe it steps into a major area of law and does it in a way that could have unforeseen and difficult results.

I reserve the remainder of my time.

Mr. BROWN. Mr. President, if I could respond to the Senator from Vermont, I appreciate his remarks, and I think he is right to be concerned that we take a thorough look at these amendments as they come up.

Let me say that this was not only the action as a result of debate, extensive debate in the Chamber on an amendment to the appropriations bill earlier this year, but it was the very subject on which a high ranking member official of the Department of Agriculture had misrepresented the facts to Congress. It was extensively debated during that debate last year.

I might say this has gone on for several years, and the administrative response, of course, is the first thing you would think of and the most natural, and I might say when this first happened, let me spell out if I could what happened.

When I first heard about this, I learned that Boulder, which has had reservoirs in the mountains and used them for drinking water for well over 100 years, had been denied the reissuance of the permit even though they intended to use it exactly the same way they had always used it, and they had demanded from them a third of their water rights.

When I heard that and I found it applied to other cities, I went to the Secretary of Agriculture, who was at that time Secretary Madigan.

So I might say to the Senator from Vermont I did follow the administrative route on this. I did talk to Secretary Madigan. He issued a specific directive ordering them to issue the permit. Secretary Madigan gave out a special directive, signed by the Secretary, directing the regional forester to issue the permit. The regional forester received that directive and did not follow it—ignored it—until Secretary Madigan had left office. It was at that time that the administration indicated to us that policy was still in effect and they intended to eventually issue the permits.

So we have followed the administrative route.

Now, what happened was a high ranking official from the Department of Agriculture testified that this was still the policy, testified under oath before Congress that this was still the policy, and it was not. They had repealed it secretly. So this has had extensive debate and extensive review.

I have to tell the Senator in the strongest words I know I cannot sit back and have my cities lose their direct drinking water on a permit that is over 100 years old when they do not intend to change it.

Now, that is not reasonable. I do not intend to change existing law one single bit, not one bit. The McCarran law discusses specifically the primacy of State with regard to water allocation and water rights. But let me assure the Senator and the Members of the Senate this in no way mandates multiple use—no way.

This is a restatement of the McCarran law as it applies to permits. I want to indicate to the distinguished Senator from Vermont, I would be happy to work with him on this amendment. If he has suggestions for it, I would be happy to look at those and review them. I would be happy to work with him in any way I can. But one thing I cannot do—and I cannot believe any Member of the Senate could do—is stand idly by and watch their cities lose their drinking water. That does not make good sense. That is what is involved. The millions and millions of dollars our taxpayers have had to pay in attorneys fees to get an existing permit renewed without any change is outrageous.

So I make that offer to the Senator. I hope very much that if there are improvements or suggestions he has for me, he would bring them forth. But I hope he would join me in supporting this measure.

I yield 2 minutes to the Senator from Idaho at this point.

Mr. LEAHY. Mr. President, before the Senator does that, would the Senator yield to me on my time for just a response?

Mr. BROWN. Yes.

Mr. LEAHY. Mr. President, obviously my concern is, as I stated, that I do not want to see a major change in the multiple-use Forest Service law on an amendment within a forum of this nature. I would also say to the Senator from Colorado, this is a matter that I first heard of I think about 11:30 last night. I know he is aware of that. I think most of us heard of this amendment at about 11:30 last night.

As you know, I have been fairly active in the negotiations on the bill. This was not the first item that I was looking at. It is going to be some time before we actually have a vote. It will be after 11 o'clock, in any event. Between now and then, I will meet with the Senator from Colorado. We will discuss it further.

Mr. BROWN. I appreciate very much the Senator's willingness to review this.

I yield 3 minutes to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I thank my colleague from Colorado for yielding.

If I could have the attention of the ranking member of the committee, the Senator from Vermont. I would like to express to him that I have been involved with the Senator from Colorado for well over 2 years as he fought this battle, and chairing the subcommittee that deals with forestry, we have taken a close look at the amendment and the problems involved.

What has happened in the West historically—and I think the Senator from Vermont appreciates this—while the watersheds, largely the head waters, were owned or retained by the Federal Government, the right of water acquisition and water management and control was given to the States. And, of course, municipalities and irrigation districts went into those head waters and developed facilities under the permits of the Forest Service and the McCarran Act. That established the water systems of the West.

In many situations we find Federal agencies, for whatever reasons, saying, "To get reissuance of your permits, you have to give us some of the water." Instead of going in and filing for water like every other citizen has the responsibility to do to acquire a water right, they are extorting, as the Senator from Colorado said, by arguing that you cannot continue—we will not renew your permit or you cannot gain this right-of-way or continued access unless you do this. And in almost all instances, it gives up some of the water, even though that is not the responsibility of the Federal Government in the West, and historically it has never been.

I know that is an issue that is being fought by many, but it is an issue that Western States will simply not give up, nor should they. They must retain primacy on water.

While I have found, in all instances, cities and irrigation districts and others willing to comply in the modernization and in the safety codes of their facilities, this is not an issue about safety, it is not an issue about the environment; it is an issue about water, power, the power of holding the water or controlling it.

So what the Senator from Colorado is doing, in my opinion, is exactly right. It is a reinstatement, not an expansion, of law, a reinstatement of the existing law and the way it has operated and provided the municipalities of the West, provided the irrigation districts that have allowed the arid West to flourish, the kind of position and control in the water that we think is critically necessary.

I strongly support my colleague and hope that the Senate will concur with him in this amendment. And I hope, Mr. President, that if at all possible, we could work this out and take this amendment. I think it fits very nicely into existing law.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, I ask Members of the Chamber to think how they would feel if they represented California and the Federal Government said that the drinking supply crosses the Federal highway and goes into San Francisco, and we are going to cut off the water for San Francisco. I do not think any reasonable person in this Chamber would think that made sense.

How would they feel if they represented New York City and the Federal Government said, "Your water line crosses over a Federal property and naval base that the Federal Government owns, and as a condition of being able to continue to cross that ground, we are going to take a third of your drinking water"? I do not think there is a Member of this Chamber who would think that made sense.

That is literally what we face here. We face a bureaucrat at the regional forestry level that has made up their own law and provided conditions that the statute does not call for. The only way we can deal with it is to make this very clear that this clarifies existing law. It does not change it.

Mr. President, it is essential that we do this. Without it, our cities face literally millions of dollars of attorneys' fees, long, dragged-out court cases. What we see is a real danger to solid, reliable municipal planning.

I want to assure the distinguished Senator from Vermont I want to work with him, and I will be happy to do that between now and the time the votes come up later this morning.

Mr. President, I yield back the balance of my time.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. I am authorized by the distinguished Senator from Vermont to yield back all time on his side of the amendment.

Is there further debate by the distinguished Senator from Colorado?

Mr. BROWN. I thank the distinguished chairman. I have no other requests for time. I believe that the Senator from Vermont indicated that at the appropriate point he was going to yield back.

Mr. LUGAR. He has indeed. I am prepared to do that.

Mr. BROWN. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time has been yielded back on the amendment.

Mr. LUGAR. Mr. President, I ask unanimous consent that the Brown amendment be temporarily set aside, with a vote to occur on or in relation to the amendment at a time set by the majority leader after consultation with the Democratic leader. For a matter of information, that would come after the Kohl amendment that we considered earlier.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. I thank the Chair.

AMENDMENT NO. 3444 TO AMENDMENT NO. 3184

(Purpose: To improve the bill.)

Mr. LUGAR. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR] proposes an amendment numbered 3444 to amendment No. 3184.

Mr. LUGAR. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. LUGAR. Mr. President, I yield to myself such time as I may require on this amendment.

I rise to offer an amendment to the Agriculture Reform and Improvement Act of 1996. In July 1995, the Agriculture Committee gave preliminary, but unanimous, approval to four titles of the farm bill. They covered farm credit, trade, rural development, and research. Since then, there has been further bipartisan work on a miscellaneous title and an agriculture promotion title. I present the fruits of those labors to the Chamber today.

The Government's role in agricultural lending is substantial. This amendment provides direction to USDA to focus on helping beginning farmers and ranchers to get started and progress in farming and ranching. The amendment emphasizes that the USDA's assistance is temporary, and, most importantly, it modifies or ends a variety of risky farm loan policies which the committee considered during hearings this year.

The amendment will expand and maintain our presence in overseas markets for high-value and bulk commodities. It establishes measurable benchmarks to evaluate U.S. export performance programs, including dollar value and market share growth goals. In addition, increased flexibility in the operation of export credit programs will allow us to seize future opportunities.

We know that all leadership is local. Rural businesses and communities cannot sustain themselves without first taking a hard look at the human capital and resources at their disposal.

This amendment provides for a new rural program delivery mechanism that depends on local and State leadership and consolidates over a dozen duplicate programs.

The amendment also address the vital role that agricultural research, extension, and education play in ensuring a productive, efficient and competitive agricultural sector in our Nation. Research is the foundation for agriculture's future success.

I urge my colleagues to support this amendment which will bring agricultural policy into the 21st century.

Mr. President, this amendment also contains a number of miscellaneous provisions supported by various Senators. We are not aware that these are controversial. Among them are provisions to set oilseed loan rates according to a market-based formula, proposed by Senator MOSELEY-BRAUN; to provide equitable treatment for beginning farmers under the Agricultural Market Transition Program, proposed by Senator PRESSLER; and numerous other amendments. I ask unanimous consent that a description of these provisions be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

The Lugar amendment will:

1. Correct a typographical error in the Leahy substitute.

2. Establish oilseed loan rates under a formula similar to that used for wheat and feed grains, at 85% of a five-year olympic average of market prices within a range of $4.92 to $5.26.

3. Make a technical change to haying and grazing rules that will allow current practices to continue with respect to grazing on wheat stubble.

4. Make three changes in the peanut provisions of the Leahy substitute: (1) Allow producer gains from the sale of additional peanuts to be used to offset quota pool losses; (2) reduce the quota loan rate 5% for producers that refuse a bona fide offer from a handler at the quota loan rate and instead opt to place their peanuts under loan; and (3) prohibit government entities and out-of-state non-farmers from holding quota.

5. Make a technical change to ensure the continuation of current treatment for fruit and vegetable crops double-cropped on contract acres.

6. Include titles of the farm bill earlier agreed to by the Agriculture Committee, including provisions on trade, research, credit, rural development, promotion and miscellaneous items.

7. Restore a previously-stricken authorization for ethanol research.

8. Allow 20% of available funding from commodity purchases in the Commodity Supplemental Food Program to be permanently carried over for administrative purposes.

9. Authorize a Wildlife Habitat Incentives Program to promote implementation of various management practices to improve habitat, utilizing $10 million in Conservation Reserve Program funding, and make other changes to conservation programs.

10. Make technical changes in Leahy substitute language authorizing land purchases in the Florida Everglades.

11. Clarify disqualification of food stores when knowingly employing Food Stamp traffickers.

12. Reauthorize an existing fluid milk promotion program.

13. Provide a specific authorization for the existing Foreign Market Development Cooperator program.

14. Allow USDA to make adjustments in contract acres (for purposes of the Agricultural Market Transition Program) if necessary to provide equitable treatment for beginning farmers.

15. Clarify definition of "statewide" coverage under the USDA's Television Broadcasting Demonstration Grant program.

16. Authorize grants for water and wastewater systems in rural and native villages in Alaska.

17. Provide for a reduced application process for the Indian Reservation Extension Agent program and for equitable participation in USDA programs by tribally-controlled colleges.

Mr. LUGAR. Mr. President, I know of no opposition to these provisions. As the Chair may interpret correctly, this is an attempt to provide in this bill amendments that have been offered by many Senators that have been cleared on both sides of the aisle. I will yield to any Senator who may have comments.

I yield to the distinguished Senator from Idaho.

The PRESIDING OFFICER (Mr. INHOFE). The Senator from Idaho is recognized.

Mr. CRAIG. I thank the Senator for yielding. I thank the chairman publicly for the work he has done on behalf of farm legislation this year, the extensive hearings on almost all of the titles of the farm bill, working them out in a very intricate way, under some very difficult circumstances—circumstances from a Budget Committee that said to the chairman and to the Agriculture Committee that we had to find substantial savings in agricultural appropriations.

I say that, Mr. President, in light of what we have done since 1986. Since 1986, direct payment to production agriculture in this country from Government programs has been reduced by this Congress by 60 percent. So we have continually, over the period of now a decade, progressively reduced the amount of money on a program-by-program basis that was going to production agriculture for one reason or another. In almost all instances, I have agreed with that and voted for it. I think agriculture today is stronger because of it, because they have progressively moved to farm to the market instead of to the program. That is part of the debate today and part of the consideration in the farm legislation we have before us.

But my point is that it made it increasingly difficult for the chairman, myself, and other members of the Agriculture Committee to deal with the important issues of the day. But, I must tell you, I think we accomplished that. Not only did we accomplish that, but I have worked in cooperation with the chairman, the committee, and committee staff in developing what I think is an excellent bill.

Now, the en bloc amendment the Senator has just introduced is a very positive approach in many areas. It looks at foreign market development in a line-item authorization. We all know that, because of the tremendous efficiencies of American agriculture today, if we are going to hold those prices in the marketplace, we have to move a lot of that production to the world market. The chairman is tremendously sensitive to that, and these amendments reflect that.

I have worked for some time to strengthen the ability of alternative crops in the region of the Pacific Northwest and in the State of Idaho and in surrounding States. One of those alternative crops is an oilseed crop known as canola. Many in agriculture are familiar with it. It is a new crop for our region. I have worked with that industry to provide a checkoff, much like the dairy industry has, the beef industry has, and other industries have, so that they can use their own money to promote their own programs, to promote their sales internationally, to do research for the development of a better crop and better alternatives or varieties. That is included in this en bloc amendment, along with an important amendment for the sheep industry's improvement center. We know that the domestic sheep industry today is struggling to stay alive. They need to look at alternative methods for marketing and general improvement of the livestock of that industry. That has been a consideration by the chairman, and I greatly appreciate that.

I hope the Senate can agree on this en bloc amendment. I think it complements the legislation that is before us today, rounds it out into what is a positive farm bill, I think, for American agriculture. I thank the chairman very much for the work he has done in this area and the cooperation he has offered us.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BREAUX. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BREAUX. Is it appropriate to make comments, I ask the distinguished chairman?

Mr. LUGAR. I respond to the distinguished Senator from Louisiana that we are discussing the Lugar amendment, and as in each of these amendments, there is 15 minutes to each side. I control the time on our side. It is certainly appropriate if the Senator wishes to use the time.

The PRESIDING OFFICER. The Chair recognizes the Senator from Louisiana. There are 7 minutes remaining on your side.

Mr. LUGAR. The Lugar amendment is pending.

Mr. BREAUX. I will just be brief in my comments. I guess time is running, so if no other Democrat is here, I will make comments.

Mr. President and Members and, really, indeed, everyone who is concerned about the farm situation in this country must be wondering whether the Congress will have the ability to get the job done. Here we are in February, and people in the Deep South, and Louisiana in particular, my farmers, are wondering what is going to happen this year. They have their implements being prepared, the combines, the tractors, the irrigation systems they are concerned about putting into place, and they are wondering while they are working on the equipment what in the world is the program they will operate under for 1996.

I think it is extremely important that the Congress move expeditiously on this legislation. We should have done it last year. I have been in Congress for 20 some-odd years, almost 24 now, and we have always had farm bills done the year before. Generally, farmers had to be in the field deciding what to do.

I think we are late. Farmers cannot be late in their planning. Congress should not be late in tending to our business, the business of passing a farm bill of substance.

I hope we can conclude action today. There will be a number of amendments and I think some may improve the legislation; some, I think, may do damage to the legislation. It is so critically important that we get a bill in place so that the farmers in this country could know what to do, when to do it, and under what economic terms and conditions they are going to have to operate.

I think it would be insane for Members of the Senate to leave Washington, DC, to take a vacation back in our respective States or anywhere else while this pending business is not completed. I think it would be a very serious mistake. We should stay here, get the job done, before we think about moving any further down the line.

My final comment, Mr. President, this morning I think there is going to be an amendment dealing with the sugar program. We fought this fight for years and years and years. It is the only program that operates at no net cost to the taxpayers of America, but ensures a stable and dependable supply of sugar to the consumers of this country. There are some large industrial users that would probably like to get their sugar for free. I can understand that, but it does not certainly serve the needs of the overall farm policy in this country.

Our plan that is in this legislation is a dependable, stable program. Again, it operates at no net cost. It guarantees when additional sugar from foreign sources is needed that it can come into this country to meet the needs of our domestic producers, suppliers and refiners in this country. It has worked well. "If it ain't broke, don't fix it," has been said so many times before in different context. It certainly fits very well in this current situation. We have a program that works. Is it perfect? Of course not. But it works, it is solid, it is stable. I have never, I think, ever, received any letter from consumers or housewives complaining about the price of sugar.

People know that it has been a dependable price. It has always been there. We have had some foreign sugar come in when it is necessary. Yet the suppliers and domestic producers in this country have been able to survive under difficult circumstances.

We have a situation, I understand, in Florida that has brought about some concern. This bill addresses it in a way that I think the Members of the Senate from Florida who are very attentive to the needs of their States have supported, and strongly support.

I conclude by urging that any amendments dealing with sugar in this area to eliminate the program be eliminated as an amendment because we have something that works. We should keep it that way. I yield the floor.

Mr. CRAIG. Mr. President, let me thank my colleague from Louisiana. We serve jointly as cochairs of the Sweetener Caucus here on the Senate side and work cooperatively together to solve the problems that this industry has had. I think we have accomplished that over the years, both in cane and sugar beet production, critical crops to the South, certainly to my State and other States in the West and Midwest.

What is important, as the Senator has spoken to, is creating a balance that offers stability to a program and at a reasonable cost to consumers. It is not just a good program in Idaho for Idaho agriculture, but it employs a tremendous number of people and provides a necessary and important commodity. I will discuss this later if amendments are offered to the program that we have worked very closely on to develop.

MODIFICATION OF AMENDMENT NO. 3184

Mr. CRAIG. Mr. President, I ask unanimous consent that I be recognized to modify amendment 3184 with permanent law provisions and, once that modification has been made, no amendments be in order to strike the permanent law modification during the pending action on S. 1541.

The PRESIDING OFFICER. The Senator has the right to modify without unanimous consent.

Mr. CRAIG. With that, I send that modification to the desk.

The PRESIDING OFFICER. The underlying amendment is so modified.

The modification follows:

On page 1–1, line 12, strike "amendment made by section 110(b)(2)" and insert "suspension under section 110(b)(1)(J)".

On page 1–1, line 20, strike "amendment made by section 110(b)(2)" and insert "suspension under section 110(b)(1)(J)".

On page 1–1, line 22, strike "amendment made by section 110(b)(2)" and insert "suspension under section 110(b)(1)(J)".

On page 1–2, line 12, strike "amendment made by section 110(b)(2)" and insert "suspension under section 110(b)(1)(J)".

On page 1–11, lines 1 and 2, strike "(as in effect prior to the amendment made by section 110(b)(2))".

On page 1–41, lines 14 and 15, strike "and the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.)".

On page 1–42, lines 13 and 14, strike "or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.)".

On page 1–42, lines 21 and 24, strike "or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.)".

On page 1–43, lines 10 and 11, strike "or the Agricultural Adjustment Act of 1938".

On page 1–43, lines 14 and 15, strike "or the Agricultural Adjustment Act of 1938".

On page 1–50, lines 20 and 21, strike "section 411 of the Agricultural Adjustment Act of 1938" and insert "section 104(i)(1)".

On page 1-53, line 15, insert "that was produced outside the State" before the period.

On page 1-73, strike lines 6 through 8.

On page 1-73, line 9, strike "(i)" and insert "(h)".

Beginning on page 1-76, strike line 1 and all that follows through page 1-78, line 4, and insert the following:

SEC. 110. SUSPENSION AND REPEAL OF PERMANENT AUTHORITIES.

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—

(1) IN GENERAL.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1996 through 2002 crops:

(A) Parts II through V of subtitle B of title III (7 U.S.C. 1326–1351).

(B) Subsections (a) through (j) of section 358 (7 U.S.C. 1358).

(C) Subsections (a) through (h) of section 358a (7 U.S.C. 1358a).

(D) Subsections (a), (b), (d), and (e) of section 358d (7 U.S.C. 1359).

(E) Part VII of subtitle B of title III (7 U.S.C. 1359aa–1359jj).

(F) In the case of peanuts, part I of subtitle C of title III (7 U.S.C. 1361–1368).

(G) In the case of upland cotton, section 377 (7 U.S.C. 1377).

(H) Subtitle D of title III (7 U.S.C. 1379a–1379j).

(I) Title IV (7 U.S.C. 1401–1407).

(2) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before "all brokers and dealers in peanuts" the following: "all producers engaged in the production of peanuts,".

(b) AGRICULTURAL ACT OF 1949.—

(1) SUSPENSIONS.—The following provisions of the Agricultural Act of 1949 shall not be applicable to the 1996 through 2002 crops:

(A) Section 101 (7 U.S.C. 1441).

(B) Section 103(a) (7 U.S.C. 1444(a)).

(C) Section 105 (7 U.S.C. 1444b).

(D) Section 107 (7 U.S.C. 1445a).

(E) Section 110 (7 U.S.C. 1445e).

(F) Section 112 (7 U.S.C. 1445g).

(G) Section 115 (7 U.S.C. 1445k).

(H) Title III (7 U.S.C. 1447–1449).

(I) Title IV (7 U.S.C. 1421–1433d), other than sections 404, 406, 412, 416, and 427 (7 U.S.C. 1424, 1426, 1429, 1431, and 1433f).

(J) Title V (7 U.S.C. 1461–1469).

(K) Title VI (7 U.S.C. 1471–1471j).

(2) REPEALS.—The following provisions of the Agricultural Act of 1949 are repealed:

(A) Section 103B (7 U.S.C. 1444–2).

(B) Section 108B (7 U.S.C. 1445c–3).

(C) Section 113 (7 U.S.C. 1445h).

(D) Section 114(b) (7 U.S.C. 1445j(b)).

(E) Sections 205, 206, and 207 (7 U.S.C. 1446f, 1446g, and 1446h).

(F) Section 406 (7 U.S.C. 1426).

(c) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—The joint resolution entitled "A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended", approved May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1996 through 2002.

Mr. CRAIG. Mr. President, I yield the floor.

AMENDMENT NO. 3444

The PRESIDING OFFICER. Who yields time? The Senator from Iowa?

Mr. HARKIN. Mr. President, parliamentary inquiry. I understand we are now on amendment No. 3184, proposed by Mr. LEAHY, as modified by the amendment just sent to the desk by Mr. CRAIG?

The PRESIDING OFFICER. Amendment No. 3444, the Lugar amendment, is still pending.

Mr. HARKIN. Mr. President, I will be sending an amendment to the desk. Is the bill open for amendment at this point?

The PRESIDING OFFICER. It is not.

Mr. HARKIN. The bill is not open for amendment. Will the Chair advise the Senator when the bill is open for amendment?

Mr. LUGAR. Will the Senator yield?

Mr. HARKIN. I will be delighted to yield when I can figure out what is going on around this place.

Mr. LUGAR. The Lugar amendment is the pending business; as in each case, 15 minutes to a side. We are still on that amendment, and we anticipate within a few minutes there may be clearance on the Democratic side for the Lugar amendment, in which case it will be accepted and we will move on. The distinguished Senator from Iowa will be recognized to offer his amendment.

Mr. HARKIN. I see. I did not understand the process under which we were operating. I was not privy to those deliberations that went on late last night.

Mr. President, let me say I do not even know what the Lugar amendment is, right now. It is probably OK. I just want to take at least a couple of minutes—I guess I have the floor—to raise my voice in protest against this process we are now undertaking.

Agricultural legislation is serious business. It not only affects the farmers in my home State and farmers and ranchers all across the country, it affects consumers and affects people who live in small towns in rural areas.

I have been here 22 years. I have been on the Ag Committee that long, 10 in the House and now 12 in the Senate. I have been through a lot of farm bills. I have never seen such an obscene process as what we are going through right now, and I use the word with its full import and meaning, "obscene."

The fact that we have before us a 7-year farm bill—I do not mind debating the farm bill and offering amendments and whatever comes out of this body, fine. That is the will of the body to do that. But, to be choked by a process that only allows several hours of debate, that only allows 10 amendments on this side, allows 5 amendments on that side; that only allows a half-hour evenly divided for any amendment—what kind of deliberative process is this? Is this the U.S. Senate? Or is this some Third World dictatorship, where somebody is trying to cram something through?

I just want to say I protest to the utmost what we are doing here and how we are doing it today. Farm legislation deserves more than 7 hours. We can spend 2 weeks on a telecommunications bill, or longer. I do not know how long it took. We can spend days and days debating other things. But for perhaps the most important thing for farmers and ranchers and rural people, what do we get, 8 hours, 7 hours, to debate and amend and try to fashion a bill?

I am sorry, this process smells to high heaven. I have some amendments I am going to be offering, but I want to make the record very clear I object to the way this bill is being pushed through, the way we are being choked off and strangled in this process. The Senate deserves better.

The PRESIDING OFFICER. Who yields time? The Senator from Indiana.

Mr. LUGAR. Mr. President, I ask unanimous consent the Lugar amendment be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, the floor is now open. In fact an amendment from the Democratic side would be in order.

AMENDMENT NO. 3445 TO AMENDMENT NO. 3184

(Purpose: To strike the section relating to the Commodity Credit Corporation interest rate and continue the farmer owned reserve)

Mr. HARKIN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an amendment numbered 3445 to amendment No. 3184.

Mr. HARKIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(1) Strike section 505 and insert: "Notwithstanding the provisions of section 110, the Secretary shall carry out the Farmer Owned Reserve program in accordance of with section 110 of the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) as it existed prior to the enactment of this Act."

Mr. HARKIN. Mr. President, my amendment would do two things. First of all, it strikes section 505. What is section 505? Section 505—believe it or not, I know this is going to come as a shock to you, Mr. President, and others who may not have been privy to what is in this so-called farm bill—section 505 raises interest rates that the Commodity Credit Corporation charges farmers. Under current law, the USDA charges farmers interest on commodity loans at a rate based on the costs of money to the CCC, the Commodity Credit Corporation. It is a Treasury-based rate. This is the way it always has been.

But the bill and the Leahy-Lugar or Lugar-Leahy amendment would increase the interest rate on commodity loans by 100 basis points above the rate, as calculated under the formula in effect on October 1, 1989.

There is simply no justification for hiking the interest on farmers above a level representing the cost of funds to USDA. This bill, as drafted, would constitute usury against farmers. It is unreasonable. Here we have the Fed finally, I think, coming to its senses, I hope, in starting to reduce interest rates. They never should have hiked them in the first place over the last couple of years. Yet, on the other hand, we are going to charge more interest to farmers.

I wonder how many farmers know that. I wonder how many farmers know that in this bill their interest charges are going to go up 100 basis points, for no reason. There is no reason for it. The Treasury rates are going down, not going up. These commodity loans are among the most effective and cost-effective of all farm programs because they do allow farmers to market their grain in a more orderly fashion. It helps them obtain funds to pay their expenses using their commodity as a collateral while improving their opportunity to take advantage of higher prices that usually occur after a harvest.

So maybe that is the reason they are raising the interest rates to farmers. Maybe they will not be able to keep their grain and they will have to dump it at harvest time when prices are low. That is OK for the grain dealers, OK for the processors—bad deal for farmers. These loans also help alleviate the stress and overloading on transportation and marketing channels during the harvest season.

Mr. President, there is simply no reason for USDA to make money from farmers using this program by charging interest rates exceeding the cost of money to USDA. So my amendment would simply retain current law. Because it would simply retain current law, there would be no cost relative to baseline for the amendment. As for the cost of the overall bill relative to baseline, adding the cost of this amendment would still leave the cost of the bill well below CBO baselines.

Mr. President, that is the first part of my amendment, to strike that section that raises interest rates to farmers, leave it as under current law that is the cost of money to the Government.

As I said, these commodity loans help farmers market their grain in an orderly fashion. They can hold their grain and market it when prices are higher. It leaves the farmer more in charge of when he wants to market it rather than when he has to dump it to pay his bills.

But there is another important tool that farmers use in order to maximize their income and to ensure that they can sell their grain at the appropriate time. That is something called the farmer-owned reserve. That is the second part of my amendment. That is to reinstate and restore the farmer-owned reserve, which is eliminated in this bill and in the Lugar-Leahy amendment.

The farmer-owned reserve again helps farmers store crops in times of surplus when prices are low. It alleviates the glut on the market. It helps farmers await opportunities for better prices. It is a marketing tool for farmers. The farmer-owned reserve also protects consumers because it helps to hold grain grown in good times in reserve so that drought or other natural disasters will not drive prices to extremely high levels.

The availability of grain in reserve is also important in bringing a little stability to both grain and livestock sectors. The reserve helps to keep grain prices from going as high as they might otherwise. It helps prevent the liquidation of livestock herds in teams of short feed reduction. The liquidation of these herds eventually leads to higher meat prices at a later point for consumers.

The Food and Agricultural Policy Research Institute at the University of Missouri and Iowa State University estimated that substantial stocks that we held on hand going into the 1988 drought prevented some $40 billion in extra food costs to consumers mostly in keeping the meat prices from going sharply higher. So the farmer-owned reserve bill is good for the grain farmer, has allowed that grain farmer to market the grain when he wants, and it is a marketing tool.

Second, it is good for livestock producers because in times of short production or over demand, it keeps their prices from spiking up, which may cause them to liquidate their herds. They do not have the luxury of not feeding their cattle for a long period of time and waiting until the prices go down. A lot of herds are liquidated because of the sharp spikes in prices.

The other thing is, if we get a glut in the price, they go way down. A lot of livestock people put on more animals, and that leads to great fluctuations in the livestock market.

So the farmer-owned reserve bill provides stability, a marketing tool for grain farmers, some stability in protection for our livestock producers, and it provides a great deal of protection for our consumers. Who knows when we will have the next drought or the next flood? Who knows what crop conditions are going to be like next year with global warming and everything else that is going on and the crazy winter weather? Who knows? It is in our best interest to ensure that we have a farmer-owned reserve.

I remember when the farmer-owned reserve came into existence. I remember the debate at that time. The farmer ought to keep the grain, not the processors, not the shippers, not the elevators. The farmers ought to have control over that grain and sell it when that farmer wants to. That was the whole idea behind the farmer-owned reserve. It had broad bipartisan support. Check the record. I am right. Republicans and Democrats across the board supported the institution of the farmer-owned reserve. There is no reason to do away with it.

Yet, this bill, and the Lugar-Leahy amendment, does away with the farmer-owned reserve. My amendment simply reinstates it as it was. My amendment does not include an offset because the bill is well below the Congressional Budget Office baseline. The amendment would only constitute a continuation of the farmer-owned reserve as it was in the 1990 farm bill. It would not result in spending on the farmer-owned reserve above a baseline level.

So, again, Mr. President, my amendment does two things to help farmers and consumers. One, it knocks out the provision of the bill that raises interest rates to farmers.

I see the chairman is here. Perhaps we can have some discussion. I do not know why we are raising interest rates to farmers 1 percent when the Fed is already starting to lower interest rates and Treasury rates are going down. There is no reason for that.

So the first part of my amendment knocks that out and leaves interest rates on CCC loans at cost of money.

The second part of my amendment reinstates the farmer-owned reserve.

I reserve whatever remainder of time I might have.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Six minutes and forty seconds remain.

Mr. HARKIN. I thank the Chair.

Mr. LUGAR. Mr. President, I yield myself as much time as I require on this side.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, two elements of the amendment offered by the distinguished Senator from Iowa are costly provisions. I think Senators need to understand that there are expenses attached which the taxpayers would have if the amendments were to be adopted. Specifically, the Harkin amendment as it deals with CCC credits and the 100-basis-point increase, which the pending legislation would provide in the CCC interest rates, if that were stricken, this would cost the taxpayers $260 million. So it is a significant item.

The point made by the distinguished Senator is, why should interest rates for farmers be increased as represented by the CCC interest rates? And the fundamental answer is that these rates are well below commercial rates. In essence, as the Agriculture Committee dealt with this problem, we have tried to bring some equity among farmers, business people, and those who are involved in commerce generally in America. And the elimination of the 100-basis-point advantage likewise was a very important saving at the time that we were all considering the balanced budget amendment that was vetoed ultimately by President Clinton.

I hope that simply because the President has vetoed this particular budget, even as the President and congressional leadership are still hard at work as far as we know attempting to find a balanced budget in 7 years, that we would not abandon all of the thoughts that we had that were very important with regard to balancing the budget. This is a $260 million item.

Mr. President, the second part of the Harkin amendment would restore the farmer-owned grain reserve which pays farmers 26½ cents a bushel for storing grain. I would simply point out that restoration of this farmer-owned reserve will also be a costly item—in this case, $100 million of additional expense to taxpayers in this country.

Furthermore, I would simply say as a farmer who has adequate storage capacity on my farm, and well aware of how the farmer-reserve plan worked in the past, that I do not think it is a very good idea. I say this as a farmer, not as somebody coming in from the outside offering advice to farmers.

The truth of the matter is, so long as we had the farmer-owned reserve we had an enormous overhang of grain on markets. Those of us who looked to the markets to give signals for our marketing plans always had to take into consideration hoards of grain—hundreds of millions of bushels held out there that could depress markets strangely and sometimes almost capriciously.

The thought was suggested this morning that this farmer-owned reserve gave some solace to consumers. But it is really quite to the contrary, Mr. President. It has led to fits and starts with regard to marketing plans for farmers that finally we got rid of all of this grain, and the farmer-owned reserve was finally depleted. It is gone. It is no longer a hanging sword over the market price.

I would like to leave it that way, Mr. President. I think that is the desirable policy. In fact, the Senator's amendment does two unfortunate things: It would reestablish bad policy, and charge the taxpayers of the country $100 million for that dubious privilege.

Mr. President, the arguments are starkly simple. I will not embellish them further—$260 million more cost if you strike the 100-point interest differential and $100 million more cost if you restore the farmer-owned reserve situation. In both cases, I think they are bad policy and very expensive.

So, obviously, Mr. President, I strenuously oppose the amendment for the reasons I have suggested.

I reserve the remainder of our time.

AMENDMENT NO. 3445, AS MODIFIED

Mr. HARKIN. Mr. President, I have a modification of my amendment I send to the desk.

The PRESIDING OFFICER. The amendment is so modified.

The amendment, as modified, is as follows:

(1) Strike section 505.

Mr. HARKIN. Mr. President, the modification I sent to the desk was simply to strike the provision on the farmer-owned reserve and that leaves the amendment to strike section 505, which is striking that portion of the bill that raises the interest rates to farmers.

I will have another amendment that I wish to send to the desk that would reinstate the farmer-owned reserve. I ask the chairman if I can do that now, or do I have to wait for another time?

These are two separate issues, and I did not mean to get them together in one bill. So now I have an amendment at the desk that simply strikes that section which raises the interest rates. I wish to also offer the amendment to reinstate the farmer-owned reserve.

Mr. LUGAR. Mr. President, if I may raise a question of the distinguished Senator, he wishes to separate the two issues?

Mr. HARKIN. Yes.

Mr. LUGAR. In two amendments?

Mr. HARKIN. Yes.

Mr. LUGAR. I have no objection.

Mr. HARKIN. Could I send the other amendment to the desk?

I thank the chairman.

The PRESIDING OFFICER. The Chair would suggest that until the first amendment is set aside, a second amendment would not be in order.

Mr. HARKIN. I appreciate that, Mr. President.

Mr. President, I will just take what remaining time I have to respond to the distinguished chairman's comments on the Commodity Credit Corporation. He said it would cost $260 million—that is true—over 7 years, a very small price to pay for ensuring that farmers are not charged higher interest rates that are not even warranted.

Now, when you say that it costs money, it does not really cost money. It just adds to what is in the present bill because the present bill raises interest rates. So if you take that out, you are saying it costs money.

No, it does not. This is sort of a shell game. It does not really cost money. It only costs money because by the bill raising interest rates to farmers, the Government is going to make some money.

Well, I do not think the Government ought to be making money off of farmers by charging them another percent interest rate on commodity credit loans. So let us not get caught up in that kind of nonsense.

Second, on the farmer-owned reserve, the Senator is right; there is no grain in the farmer-owned reserve now because prices are high and farmers have sold their grain. Who can say next year or the year after or the year after or the year after for 7 years?

He talks about the grain hanging over the marketplace. That is the way it used to be when the processors and the elevators got the grain and the grain companies. When Cargill got the grain, yes, they could hold it over. But now that farmers have it, they can market that grain whenever they want, and that is the way it ought to be. It is a marketing tool for farmers, not something that depresses the market. The 7-year cost of this amendment is $81 million, which still keeps the bill well within CBO's baseline. So I did not need an offset for that.

So there are no pay-go problems relative to the baseline here. The bill now saves $784 million against the December 1995 CBO baseline. It saves about $8 billion against the February 1995 baseline, so there is room in the budget for these amendments.

So this first amendment on the Commodity Credit Corporation will cost farmers $260 million. That is what it will do if we leave it in there. If we take it out, it is not going to cost the Government and it is well within the baseline. These increased interest rates on farmers are a tax on farmers. Make no mistake about it; it is an additional tax on farmers. I think it is usurious, and I hope we can get this stricken so the farmers do not have to pay increased interest rates when it is not even warranted by anything happening in the marketplace.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I will just respond briefly to the distinguish Senator's argument. Obviously, we are not imposing a tax on farmers. A farmer wishing to borrow money does that as a citizen, a voluntary act. The question is whether that loan ought to be subsidized by all the rest of the taxpayers, people in various other businesses all over the country. To some extent it is now subsidized, and the legislation that the distinguished Senator from Idaho and I introduced eliminates 100 basis points of the subsidy. It brings the loan rate for farmers closer to that of commercial loans in our country, some basic fairness really with all borrowers. That is the issue.

Now, if we offer a subsidy to farmers, I have pointed out it will cost taxpayers and other borrowers $260 million. That has no relationship whatever to baseline or budget or what have you. It is just a cost of the subsidy.

In the agriculture legislation we provided this year, we have tried to bring about more equity among farmers and other taxpayers in the country. I believe the savings involved are substantial. They are over a 7-year period of time. They do not bring any injury to farmers as a group of people with relationship to anybody else. They bring about equity, and I believe the taxpayers care about that.

Mr. President, I yield the floor.

Mr. HARKIN. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 3½ minutes.

Mr. HARKIN. Mr. President, this is a good debate, and I appreciate the comments by the distinguished chairman on this issue. But I would engage him even further.

The interest rate was raised in the bill to meet budget considerations. They were looking for every bit of money they could find to meet the budget, and so someone, I do not know whom, decided, well, we will raise the interest rates on Commodity Credit Corporation loans to farmers by a percent, and that gained us $260 million.

We are not now engaged in a budget debate. That has gone. We have room within the budget for this. That is the key. There is room in the budget for this.

Let us take this $260 million that my friend from Indiana said is costing taxpayers. No, it is not. What this $260 million represents is $260 million taken from farmers. That is what it is. Farmers pay it. If we do not have them pay it, that means farmers get to keep that $260 million over 7 years. Now, if we take it from them, what is the difference between that and a tax, I ask you? It is a tax on farmers. And, no, it is not true that taxpayers have to pay it. That is not it at all.

Why should farmers get a better rate on their commodity loans than they can get at the local bank? Why should they? I will tell you why. Because a farmer, an individual farmer out there does not have the economic clout to go to the big banks in Chicago or New York or Kansas City and get the prime rate. They have to pay whatever the local rate is. And it is usually a lot higher.

Now, Cargill, if they want to borrow money, they go to Chicago and they get the prime rate. They might even get it better than that, for all I know, because they are big and they are a big customer. Farmer Joe Jones in Iowa, though, who goes to the local bank to borrow money so he can pay his bills and keep his crop and market it when he wants to, has to pay local going rates.

That is why we have this in the bill. That is why we have had it for 60 years, I think, if I am not mistaken. For pretty close to 60 years we have had that provision which allows farmers to borrow from CCC. And now they are getting slapped with a tax. I am sorry, I am just going to tell it like I see it. This is $260 million taken from farmers. Talk about takings, this is taken from the farmer. There is no reason for it.

On the farmer-owned reserve, again, $81 million over 7 years is a small price to pay for stability for farmers and for consumers to know that if there is a drought or flood or some other national disaster, they are not going to get hit with exorbitantly high food prices. So on both of these issues, but especially on the interest rate issue, I say to my colleagues, do not stick it to the farmers and charge them more interest than what is necessary for the Government. By doing so, you are just taking $260 million more out of farmers' pockets over the next 7 years, and we ought not allow that to happen.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Indiana.

Mr. LUGAR. Mr. President, the distinguished Senator, indeed, makes no apology for being candid. He always has been a truth teller, and I appreciate that. The facts are clear that the Senator believes farmers should receive lower interest rates in this particular instance in the CCC loan than commercial rates.

Clearly, as a part of general equity, the committee felt otherwise. We feel as a matter of fact that the loan rates ought to be comparable for commercial activities in our country, and this was a good time to rectify that. It was a part of the budget consideration, and I hope we have not forgotten that altogether. That is not an issue that has been laid aside by the country, and it is not a question of sticking it to the farmers. The question is simply equity for farmers, equity for taxpayers, equity for all of us. I think this is an important consideration. It is a $260 million consideration, as a matter of fact.

Finally, Mr. President, with regard to stability for consumers, the distinguished Senator from Iowa mentioned that because of high prices now the bins are empty. They will always be empty if prices are very high in the world. The point is, we ought not fill them up again and thus depress the prices because of this overhang. That is the principle and that is the policy. Furthermore, $100 million of savings to the taxpayers is involved in not reinstituting bad policy.

Mr. President, how much time does our side have?

The PRESIDING OFFICER. The Senator has 6½ minutes left.

Mr. LUGAR. I am prepared to yield back, that is, if all time is yielded back on the Harkin amendment.

Mr. FORD. Mr. President, has the Senator from Iowa used all his time?

The PRESIDING OFFICER. That is correct.

Mr. FORD. I thank the Chair.

Mr. LUGAR. Mr. President, I move that the Harkin amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3446 TO AMENDMENT NO. 3184

(Purpose: To continue the farmer owned reserve)

The clerk will report the second Harkin amendment.

The bill clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an amendment numbered 3446 to amendment No. 3184.

At the appropriate place insert the following: "Notwithstanding the provisions of section 110, the Secretary shall carry out the Farmer Owned Reserve program in accordance of with section 110 of the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) as it existed prior to the enactment of this Act."

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, this is my second amendment. I yield back all my time. I already discussed it.

Mr. LUGAR. Mr. President, I will follow the same course as the distinguished Senator from Iowa. We have had a good discussion of both amendments and, therefore, I yield our time back on our side. I ask unanimous consent that the second Harkin amendment be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, might I note, I believe we are open for another amendment on the other side. I should note, Mr. President, for our colleagues that everybody has been very cooperative. A number of Senators have not used all their time. Things are moving forward. I almost hate to mention that as a compliment because it might spoil the rhythm of things.

I encourage Senators to keep coming forward. I know there are others on the floor now. But it is my intention on this side that whenever possible—whenever possible—on an amendment to yield back time. I would not do anything to cut off anybody's time, of course, that is allotted to them, because it is a relatively short amount of time on each amendment. But when we can, we can yield it back.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, the normal rotation would be now to come to our side of the aisle, if one of our Senators is ready.

Is the distinguished Senator from Pennsylvania ready?

Mr. SANTORUM. Just 1 minute.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3225 TO AMENDMENT NO. 3184

(Purpose: To provide farm program equity by reforming the peanut program)

Mr. SANTORUM. Thank you, Mr. President. I have, I believe, at the desk amendment No. 3225. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM] for himself, Mr. BRADLEY, Mr. BROWN, Mr. SMITH, Mr. GREGG and Mr. KYL, proposes an amendment numbered 3225 to amendment No. 3184.

Mr. SANTORUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Amend Section 106, Peanut Program, by:

(a) Striking paragraph (2) in subsection (a), Quota Peanuts, and inserting the following:

"(2) SUPPORT RATES.—

"(A) MAXIMUM LEVELS.—The national average quota support rate for each of the 1996 through 2000 crops of quota peanuts shall not be more than $610 per ton for the 1996 crop, $542 per ton for the 1997 crop, $509 per ton for the 1998 crop, $475 per ton for the 1999 and 2000 crops.

"(B) DISBURSEMENT.—The Secretary shall initially disburse only 90 percent of the price support loan level required under this paragraph to producers for the 1996 and 1997 crops, and 85 percent for the 1998 through 2000 crops and provide for the disbursement to producers at maturity of any balances due the producers on the loans that may remain to be settled at maturity. The remainder of the loans for each crop shall be applied to offset losses in pools under subsection (d), if the losses exist, and shall be paid to producers only after the losses are offset."

"(C) NON-RECOURSE LOANS.—Notwithstanding any other provision of this Act, for the 2001 and 2002 crops of peanuts, the quota is eliminated and the Secretary shall offer to all peanut producers non-recourse loans at a level not to exceed 70 percent of the estimated market price anticipated for each crop.

"(D) MARKET PRICE.—In estimating the market price for the 2001 and 2002 crops of peanuts, the Secrtary shall consider the export prices of additional peanuts during the last 5 crop years for which price support was available for additional peanuts and prices for peanuts in overseas markets, but shall not base the non-recourse loan levels for 2001–2002 on quota or additional support rates established under this Act.

Mr. SANTORUM. Mr. President, I have a very short period of time under the agreement to go through this. So if I can, I would like to first say I would like to describe our amendment so I can get that in; and then I would like to talk generally about the dramatic need for reform.

What we have seen in the bill that is before us right now is an attempt to move farm programs, at least a lot of farm programs, into the 21st century—actually the 20th century; the late 20th century, not really the 21st century—in an effort for reform, the freedom to farm.

There are a couple of programs that have been left aside, that have been allowed to continue as they are and have not been reformed. In fact, in the past several farm bills, while other commodity programs have been reformed, a couple of programs have been set aside for nontouched status. One such program is the Peanut Program.

What we are trying to do with this amendment, Senator BRADLEY and I, is to do just a modest amount of reform over the next few years and really make this program look like programs like the Soybean Program looks today. So we are just trying to bring the Peanut Program into what is the 1960's and 1970's farm policy as opposed to the 1930's farm policy.

What we do is gradually reduce the support price for peanuts from the current level, which is $678—and, by the way, the world market price for peanuts is not $678 a ton, which is what it is in this country for people who grow quota peanuts; it is $350 a ton. So we pay, as this chart shows, a tremendous amount more for peanuts in this country than the world does.

What happens as a result of that? Well, a lot of our folks who process peanuts end up producing Snickers bars and the like up in Canada or Mexico where they can buy peanuts at the world price, not have to subsidize an arcane quota system at $678 a ton. So we are losing jobs. Not only are we losing jobs, but consumption of peanuts is going down. We are losing farms and losing processors and losing shellers.

This is a doomed program. Keeping prices at this level is dooming this program, not just for the processors and consumers, but for farmers also. What we do is gradually reduce the support price for peanuts from $678 to $610 next year, and by the year 2000 it goes down to $475 for the years 1999 and 2000. After the year 2000, we go to a nonrecourse loan program which is similar to other agriculture programs in place right now as a safety net program.

So we still have a program for peanuts when we are done. It looks more like the traditional farm programs. It is not a system, as I will explain in a minute, that is absolutely indecipherable, as well as unfair, to growers who do not happen to have passed on from generation to generation a quota that allows us to charge this outrageous price for peanuts that we do charge.

Let me now talk very briefly about the peanut program. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER (Mr. COVERDELL). The Senator from Pennsylvania has 11½ minutes remaining.

Mr. SANTORUM. Thank you, Mr. President. Let me talk a little bit about this program. Freedom to farm is about simplifying agriculture programs, providing certainty and simplicity. We do that in a lot of areas of this farm bill, and I commend the chairman, Senator LUGAR, and Senator LEAHY for their work in moving farm programs, albeit slowly, but gradually toward simplicity and certainty.

We do not touch this program. We do not reform this program, and this is how it works. I wish I had time to explain this monstrosity of a program. It has taken me, as a new member of the Agriculture Committee, a year to just begin to understand how this program works.

It is discriminatory is probably the nicest thing you can say about it. If you are a quota farmer—that means, if you own a license to raise so many tons of peanuts—you can sell your peanuts at $678 a ton. If you do not have a license, which has been passed on usually from generation to generation—and, by the way, about 20 percent of the quota holders, 20 percent of the people who own quotas control 80 percent of the quota peanuts in this country. So it is very few farmers, in some cases not even farmers, people who own these things live all over the world and lease out the quotas so people can grow their peanuts. If you do not own one of these quotas, you do not get $678 a ton, you get $132 a ton when the world market price is $350.

There are literally hundreds of thousands of growers out there who cannot even make ends meet because of this program for the privileged few—for the privileged few—who just happened to have a granddaddy who knew somebody on the board when they handed out these quotas back in the 1930's.

That is not the way we should run farm policy in this country, and it is discriminatory. If you look at the percentage of minorities who have quotas, that is another story altogether. Minorities were not given a lot of quotas in the South back in the 1930's to grow peanuts, and that is another inequity built into this program. It is a great reason to get rid of it.

Let me talk about equity. As I said before, in the process of the last couple of farm bills, we have gradually begun to reform the farm programs. We have reduced support prices for a variety of commodities. In fact, we have reduced support prices for every single commodity but one: Peanuts.

Peanuts have gone up. Price supports have gone up since the 1985 farm bill by 21 percent. Peanut support prices have gone up 21 percent. Every other program has gone down. Every other commodity support price has gone down, as we seek to get Government more and more out of supporting agriculture and allowing agriculture to work on its own.

Only peanuts, with this horrible quota system that prejudices folks who were not lucky enough, as I said, to have their granddaddy give them a quota license—those are the folks who make money at the expense of other growers, of shellers, of processors and consumers, because we pay a heck of a lot more for peanuts in this country than they do anywhere else in the world. Why? For a privileged few, a privileged few who just happened to know someone back in the 1930's or their granddaddy happened to know someone in the 1930's.

It is a system that needs to be done away with. Frankly, the right thing to do is to eliminate the program outright. But we understand there are a lot of people who own these quotas who have loans and relationships, that they borrowed money based on the fact they had these quotas and were able to get these increased prices, so we phased it out. We are not going to drop anybody off the quota right away. We phase it out over a period of 5 years and then go to a nonrecourse loan program. We still keep a safety net in place for all peanut growers, not just the privileged few who happen to own quotas, but for all peanut growers.

I reserve the remainder of my time. Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kentucky.

PRIVILEGE OF THE FLOOR

Mr. FORD. Mr. President, I ask unanimous consent that Ms. Katherine DeRemer, who is on detail from the U.S. Department of Agriculture to the Committee on Agriculture, Nutrition, and Forestry, be granted the privilege of the floor during the consideration of S. 1541, the Agricultural Market Transition Act of 1996.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. I thank the Chair and thank my colleague from Alabama.

Mr. BRYAN addressed the Chair.

Mr. HEFLIN. Mr. President, I yield 30 seconds to the Senator from Nevada.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nevada.

Mr. BRYAN. Mr. President, I ask unanimous consent that I be recognized next, for the purpose of offering an amendment, at the conclusion of the debate on the Santorum amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. I withdraw it.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alabama.

Mr. HEFLIN. Mr. President, there has been a great deal of misinformation about the peanut program. It is a very complicated program, but it is a cost-effective and consumer-oriented program.

In the bill that is before us, the underlying bill, there is substantial reform. We have a reform peanut bill that is before us. It is reformed in a great number of ways. It will have the effect of lowering the cost of the peanut program to the extent that it is a no-net-cost program. It is not going to cost the Government.

Over the years, the peanut program has cost the Government about $13 million a year. This past year, the cost has increased, but the peanut program is essentially very little cost to the taxpayer. The quota will be reduced by as much as 28 percent. Therefore, this change alone demonstrates significant reform. Frankly, I said, in my judgment, it went too far, but it prevailed on the Republican side. That is what they wanted to do, and they felt like that was the thing to do. I still believe that the reforms go too far. I do not like it, but it has been reformed.

So all these figures that the distinguished Senator from Pennsylvania is using do not show the reformation that has taken place.

His bill will basically kill the peanut program. Actually, a similar amendment to his in the House was estimated by the U.S. Department of Agriculture to cost the program $110 million in the first year alone, whereas the reform bill in the package before us in the Senate is a no-net cost. In effect, we are talking about a cost to the Government of $110 million in the first year under the Santorum amendment.

The amendment that Senator SANTORUM offers would bring the support and the market price below the cost of production, making financing impossible and driving farmers out of the business and reducing the supply to consumers.

Two separate studies by the farm credit system shows that basically what he is doing will mean that somewhere between 40 and 45 percent of peanut farmers will not be able to get financing the first year. And then in the remaining years, none of them could get financing relative to this. This would leave the industry with a significant reduction in supply.

I have some charts. This is a bag of salted peanuts. It sells for 20 cents, 23 cents, and 7 cents. That is 50 cents. The farmer gets 7 cents. The manufacturer gets 23 cents. The retailer gets 20 cents. That is 99 percent peanuts. I do not know what else you add to it. I suppose you add a little salt. And maybe you can cook them a little bit in peanut oil, which is a good oil relative to it.

Whoever heard of one of these bags of peanuts selling for anything like the bottled drinks, like the colas? When they first started out talking about putting a 1-cent tax on them—it never materialized in that manner. Instead, they have always been increased in multiples of 5. The price used to be 10 cents, and now we find soft drinks being 50 cents, 55 or 60 cents.

How are you going to save any money on a bag of peanuts when the farmer gets that little? Down here you have peanut butter. The peanut butter here contains 90 percent peanuts. This particular jar sells for $2.08. As it is, that is what we picked out in the store. There is a study by Purdue University, and they went out and picked out six cities to sample. The price varied for a jar of peanuts of the same size; I believe it was 18 ounces. It varied from $3.17 down to the lowest at a $1.23 a jar. We are going to show you a chart later showing what it cost the manufacturers to produce peanut butter and make a profit. For the School Lunch Program, manufacturers sell peanut butter and obviously make a profit at about 80 cents a jar, compared to an overall commercial retail average of $1.83. The manufacturer's cost is what they sell to the School Lunch Program, and they make money on that at 80 cents a jar.

Now, M&M's. We have here plain M&M's and peanut M&M's. The consumer pays the same retail price, "disputing what candy manufacturers have been saying about the effect of peanuts on consumer prices." They sell for the same thing. No difference whatsoever when you go into the market.

All right. Here we have Hershey. Bear Stearns, which is a leading investment house, on September 18, issued a new alert relative to Hershey Food Corp., and they upgraded it from neutral, to "buy." Bear Stearns says: "Hershey will be a major beneficiary of several legislative and regulatory reform measures expected to be put into effect in the near future; namely, the phaseout of Government price support for sugar and peanuts."

And on another page of this, Bear Stearns said—and this is information they sent out to their investors—"Phase out support for sugar and peanuts. As a new part of the farm legislation being hammered out, the U.S. Government could gradually phase out price supports for sugar and peanuts." Bear Stearns is making their stock recommendation based on the elimination of the Price Support Program. We expect this bill to go into effect in 1996. "Such measures would lead to substantial margin improvements for Hershey, whose chocolate operations consumes huge quantities of these two commodities, sugar and peanuts." It goes on relative to profit margins for shareholders and other stock aspects.

Now, several years ago, there was a GAO study pertaining to this, and they said, regarding the support price, there was a possibility of it meaning lower costs to the consumer. Yet, when they testified before the House regarding their report, they came up with a very changed and realistic thing. The GAO basically stated in testimony that by "consumer," they did not mean the final consumer of the product, but the first buyer of the peanuts to make them into candy or peanut butter. Further, GAO admitted that it could be zero that the homemaker would ever see of that savings. The GAO also stated that they had interviewed both small and large manufacturers of peanut products and were told that they may not pass the cost savings directly on to the final consumer of peanut products, but that they could develop some new product lines with a lower support price.

I want to show you the history of what has happened relative to farmer price and retail price. Here are the various things. The support price is in blue on the chart here, and the red is farm prices, and green the retail price. Over the years, the farm price has always been above the support price. That has been consistent throughout. The loan rate has not been used much. Look at the difference as to what the manufacturers and the retailers make, in regards to retail price versus what the farmer makes.

Let us see if we cannot get that chart now pertaining to the cost of the manufacturing. This is from USDA. This chart shows the manufacturers' cost. The manufacturers are able to make and sell peanut butter to the USDA School Lunch Program at 81 cents a pound, while consumers pay more than twice that amount for the very same peanut butter in grocery stores. The retail price illustrated in this chart is actually below the retail average. In some places, the retail price is over $3. As I indicated earlier, 90 percent of what is in a jar of peanut butter is peanuts. They may have added a little salt and oil and other things pertaining to that.

Now we talked about prices paid by the School Lunch Program versus commercial retail. Let us now turn to the chart on the comparative prices in cities across the world. Again, USDA is the source of this information. In the United States, the average price as of that date—and they vary according to the date—is $2.10. In Mexico, it is $2.55. In Canada $2.72. The argument has been made that peanut butter produced in Canada, or any foreign country, is made with the cheaper, world market peanuts. This chart illustrates Hong Kong, Paris, and Tokyo. The U.S. peanut butter prices are the lowest in the world. I point that out. Let us look at Canada. I will not attempt to quote this French, but they have labeling on this Canadian peanut butter. In Canada, the retail price is $2.99 and in the United States it is $2.21 on that particular date and location. This example even takes into account the exchange rate.

Here we have a Snickers bar. They say they are going to pass on to the consumer savings on Snickers bars. Everybody knows Snickers is packed full of peanuts. But when you get down to it, it actually only has 2 cents worth of peanuts in it. The retail price for this Snickers bar is 55 cents. Furthermore, the sugar in a Snickers bar is only 3 cents. This information is from a reliable source, a director of quality and supply of Nestle's Chocolate and Confections, who made this statement as of the 18th day of June 1995. If the peanut price is reduced what portion will a consumer see in regards to reduced retail price. I say the consumer will see no reduction in the retail price.

Now, foes of the peanut program have been putting out a lot of misinformation about new farmers, that they are not getting into the program. Of course, there is basically not a great number of farmers that are in the program—somewhere between 10,000 to 15,000. However, we have seen a steady increase of new farmers that have gone into the peanut program. Actually, the peanut program is easier for a new farmer to access than is the cotton, wheat or corn program. In order to participate in these commodity programs, a farmer must produce that crop for 3 to 5 years building a base before they can participate.

Really, when you get down to it, "quota" means no more than just base, relative to that. So the argument that peanut production is left to an exclusive group and therefore nobody else can get into the market is misleading. This chart illustrating program participation, using USDA figures, demonstrates that new farmers do have access to peanut production.

The other argument, or criticism that is made, is that peanut quota holders do not produce their quota and instead lease, is also misleading. Let us compare it to the other crops. Here we have from the U.S. Bureau of Census: In the peanut industry, there are more farmers who own their land and do not rent than in wheat, soybeans or cotton. This is the percentage of those that rent. The reasons that an individual may rent can be all sorts of things. Say a widow only has Social Security, her husband is dead, she wants to rent the quota, but the critics say there is something wrong with that.

Mr. SANTORUM. Will the Senator yield?

Mr. HEFLIN. I will yield at the end of my remarks.

This chart illustrates the situation relative to wheat, soybeans and cotton, pertaining to the issue of owner-operated and rented. There are some who do rent. However, in this bill, there are provisions that would do away with some of the public entities who own peanut quota, but to do away with the concept of the right to lease one's land, and criticizing those that do, seems to me that we are losing sight of the overall situation pertaining to widows, children and others who have, over the years, rented their land, or rented their quota. That is a distinction we ought to certainly look at.

Now, food safety. We want to show that American peanuts have all sorts of safety tests. There are certain prohibited chemicals that domestic producers cannot use in the production of peanuts. Producers in foreign countries do not have these same restrictions on pesticides that domestic producers must conform with.

Today, under GATT, 74 percent of the peanuts allowed into the American edible market come from Argentina. Yet, 50 percent of the peanuts that come in from Argentina cannot pass FDA tests in regards to pesticide residues. They are listed here—I cannot pronounce all of these—including pirimiphos-methyl. And then China—the two leading sources of foreign produced peanuts they are talking about is in Argentina and China—all Chinese peanuts coming into this country contain pesticide residues that have been banned for in this country. They cannot use these chemicals, yet these chemicals are being used in Argentina and China and are then exported to the United States.

China also has a particular disease known as stripe virus. Stripe virus is a disease we have to be very careful of. There is another disease called aflatoxin that comes in, when growing peanuts. In America, by electronic means, every peanut kernel is inspected. It goes through an electronic process to be sure that there is no aflatoxin contamination. Aflatoxin has been known to cause cancer, but that process does not exist in Argentina and does not exist in China. The food safety requirements in regard to peanuts in the United States is a very important issue and something that we ought to be very careful about.

The issue of contamination was raised a while ago by one of the commissions on world trade matters in regard to peanuts that were stored in Amsterdam. When they were proposed to come into the United States, they were examined, and it was found that there was a substantial number of rat droppings in the peanuts.

I yield to the Senator from Georgia for 5 minutes.

The PRESIDING OFFICER (Mr. HELMS). The Senator from Georgia.

Mr. COVERDELL. I thank the Senator from Alabama. The Senator from Alabama has done such a distinguished job in his describing this important agricultural program and its general benefit to our Nation.

Let me just say briefly with regard to this particular program, my hat is off to the rural community, to the peanut growers who stepped forward very early in this process and became a true force in reform. The Senator from Alabama has already acknowledged the enormous reforms that exist in this bill.

I might point out in the measure that passed the committee, in the measure that passed the Balanced Budget Act, this bill saves over $500 million. This bill lowers the support price 10 percent. The price support escalator has been eliminated—a 200,000-ton reduction in quota has been accomplished. The bill is replete with reform. The growers, the rural community itself, were at the forefront of accomplishing this. They need to be acknowledged for that. They do not need to be set aside. They do not need to be reprimanded. This is a farm community that came forward and did what it needs to do.

Let me say very quickly, the peanut program has been part of rural America for nearly 50 years. The amendment offered by the Senator from Pennsylvania is like throwing a light switch off. These farmers, these rural communities, have been functioning under the set of rules imposed upon them by the Government. The Government itself put this plan in place. If we are going to change it, we need to do it in a transitional form, which is what this bill does.

This program now not only affects the farmers, but it affects the entire rural community—banking, the value of land, agribusiness in general. It is not the kind of thing that you can come in and arbitrarily change the rules in 24 months. You cannot do that without doing enormous damage.

Let me say this. The communities affected by this program are rural and they are poor. In my State, these are the poorest counties in the entire State. They have poverty rates of 20 percent, and actions taken by the Government that are capricious and without sensitivity to time do enormous damage, enormous damage.

The bill, as formed, moves in a market direction. The farm and rural communities have been a willing partner, but it is a transition so that the communities can adjust to the changes in our time.

I will oppose the amendment by the Senator from Pennsylvania. I think it is exceedingly important that when we change the way we conduct our business, when we change what the Government has put in place, there needs to be an enormous sensitivity to allow the communities to adjust and move to change, which is exactly what was accomplished in the bill that came out of committee, and is exactly what was accomplished in the bill we sent to the President which he vetoed and which we are attempting to replicate here this morning.

I commend the Senators from Alabama, from North Carolina, from Virginia, for the work they have done to produce this market reform. I yield back my time to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, the distinguished Senator from Georgia, Senator COVERDELL, mentioned the economic effect. There has been a recent study by Auburn University on the economic impact in the tri-State area of Alabama, Georgia, and Florida, showing that the peanut industry there exceeds $1.3 billion and the employment associated with economic activity related to the peanut industry exceeds 16,000 jobs. This has been based on the way that the Base Closure Commission did their calculations, the effect not just on peanut farmers, but what effect it has on other dealers and communities—the COBRA effect that was set up under the base closures.

Going with the Santorum type of amendment would really mean the end of the peanut program. You would eliminate 37,500 jobs, with $350 million in lost farm revenue, $50 million in lost exports, a $750 million drop in land values, and a $25 million loss in tax revenues. That is just in those three States referenced in the study. It does not take into account other peanut-producing regions. The conclusion is that changes made in the order proposed by Senator SANTORUM will have a tremendous negative economic effect.

In order to accurately understand the situation faced by domestic producers relative to foreign growers of peanuts you have to examine the guidelines, restrictions, wage and labor laws, as well as environmental laws in order to put domestic producers on the same playing field. No. 1, as compared to American peanut producers, they are not subject to minimum wages. The farm labor in those countries—in China and in Argentina and even in Mexico or any of the rest of the peanut-producing countries—is so drastically lower than the wages in the United States. There is no environmental protection, and, of course, there is no restricted chemical use, as we pointed out.

There has to be rigorous post-harvest treatment and rigorous inspection here in the United States. None of that exists in the foreign countries. So you have a situation where, if you reduce the price support down to the Santorum level, what this is going to mean is you get it down below the cost of production. Then, what it is going to mean is you are going to drive those farmers out of business because they cannot afford to produce peanuts and make a profit and still comply with all the stricter wage, environmental, and pesticide regulations. Therefore, peanut production will be forced to go overseas. The peanut industry has already suffered from unfavorable trade agreements, such as NAFTA and GATT. You are going to have a situation in which you will see there will be no more peanuts grown in the United States. It is going to mean the end of peanut production. Then you are going to get peanuts coming in from Argentina, China, Mexico, and these other places.

Another example? In the area which Senator COVERDELL talked about, the poor areas of Georgia, there is a large minority participation in the peanut program. The ratio is more than 6 times greater than in the national average in those Southern States. It means those people are going to be losing jobs relative to the peanut industry.

The reform package that is in the Lugar-Leahy-Craig bill, what we have today, already cuts the peanut program by 28 percent. It is a no-cost-to-the-Government program, and it has made substantial reforms—too many, in my judgment. I hope I can do something about it in conference to improve it. But, nevertheless, that is the bill before us right now. Today, it is a matter of whether you are going to kill a reformed peanut program that has worked well or you will support peanut production in the United States.

I understand the Senator from North Carolina, Senator HELMS, would like some time. How much time do we have remaining?

The PRESIDING OFFICER (Mr. COVERDELL). The Senator has just over a minute.

Mr. HEFLIN. I yield to the Senator from North Carolina.

The PRESIDING OFFICER. The Chair recognizes the Senator for a little under a minute.

Mr. HELMS. This may be the best speech I ever made, Mr. President.

I want to compliment the distinguished Senator from Alabama for the lucid presentation he has made.

I want to say to the distinguished Senator from Pennsylvania, he is one of my favorites. I am glad he is in the Senate. I know he is sincere. But, on this matter, he is sincerely wrong. Mr. President, I must oppose the Santorum amendment because it will do grave harm to thousands of small farmers in North Carolina and other peanut-producing States.

The issue here is the future of the peanut program—and thousands of jobs. The importance of this modest program can be measured statistically by emphasizing that it provides $1.2 billion in farm revenue, 150,000 jobs, while generating $200 million in exports. Peanut farmers also provide America with a safe and abundant supply of peanuts.

Mr. President, in North Carolina, peanuts are a major commodity that produces more than $100 million in revenue, while directly and indirectly employing more than 200,000 people in the various aspects of the industry.

Moreover, the subject of reforming the peanut program was considered and debated in the Senate Agriculture Committee.

Interestingly enough, peanut farmers have already voluntarily reformed the program. They have cut their budgets, agreeing to a 10-percent cut in their pockets, and going to a no-net-cost program to eliminate any cost of the program to the taxpayers.

The Congressional Budget Office [CBO] estimates these reforms will save taxpayers over $400 million during the next 7 years.

So, Mr. President, I must oppose the Santorum amendment, and urge other Senators to do likewise and support the distinguished majority leader in his motion to table this amendment.

Mr. WARNER. Mr. President, I rise today to address the issue of the safety of foreign imported peanuts, which was raised previously by the distinguished Senator from Alabama, Senator HEFLIN.

Mr. President, opponents of the peanut program would have you believe that American consumers are being defrauded. As evidence, critics cite a "world peanut price" hundreds of dollars lower per ton than that which American producers receive under the peanut price support program. What most Americans do not realize, Mr. President, is that those world price peanuts are of a quality and type that would be illegal to sell in the United States. I repeat, Mr. President, under USDA rules and regulations for pesticide use and diseased content, most of these so-called world price peanuts would be illegal to sell to American consumers.

Around the world, U.S. peanuts, and especially those of the type grown in my State of Virginia, are recognized as a premium quality grade worthy of a premium price on the world market. American peanut farmers already are the leading exporters in the world, selling one-fourth of their crop each year on the world market. This so-called world price for peanuts is artificially deflated because it is based on an inferior peanut used primarily for oil and animal feed rather than edible use.

Domestic peanut growers must meet the strictest health, safety, and environmental standards in the world. Our producers are limited as to the types and amounts of pesticides and chemical additives that can be applied to their crops—restrictions that few, if any, imports can meet.

American consumers should know that our peanut farmers cannot produce peanuts cheaper than their Third World counterparts who are not subject to strict environmental regulations governing the use of pesticides, fertilizers, and other agrichemicals; worker protection laws; minimum wage laws; consumer protection laws; and USDA quality and safety inspections required of American peanuts.

In short, Mr. President, the peanut program provides American consumers with a low cost, stable supply of the highest quality, and safest, peanuts in the world.

Mr. HEFLIN. Mr. President, I reserve the remainder of our time.

The PRESIDING OFFICER. The Chair recognizes the Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I ask Senator CHAFEE and Senator REID be added as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SANTORUM. Mr. President, the Senator from Alabama said we would not be growing peanuts in this country anymore. We would be driving all of these peanut farmers out of business with our amendment. What our amendment does is, over 5 years, we reduce the quota price by roughly 30 percent, and we then eliminate the quota.

How much of the cost of growing peanuts is the quota? The answer is roughly 30 percent. We reduce the support price equal to the cost the quota adds to the price of peanuts. So it is a wash.

What we have done is open up the market so all these additional growers—we are talking about these little rural communities and all these poor growers. What about these growers who grow peanuts and do not have a quota? They grow peanuts, their price is $132 a ton as opposed to, if you are one of these privileged few quota holders, you get $678 a ton. So let us think about these folks who just did not happen to have a granddaddy who was at the trough 50, 60 years ago when they were handing out these quotas.

Let us look at all the farmers out there working who have to buy quota seeds. To even grow additional peanuts, peanuts that do not get you this nice big price, you have to go to the quota holders and buy their peanuts at their high price so you can plant your poor peanuts, that are just as good in quality but you do not happen to have a quota.

The Senator from Alabama said a lot of things. First off, CBO says our savings in our amendment are the same as under the bill. There will be no increased costs to the Government under the bill.

Second, the Senator from Alabama said under our bill, 49 percent of the farmers would not be able to get loans in the first year. That is different from the underlying bill. I remind the Senator from Alabama we cut the support price in the first year of this bill the same as the underlying bill. We do not change the first year. We go to $610. The underlying bill is $610. To suggest we do the same thing and somehow 49 percent more people are not going to be eligible for loans does not make any sense.

The Senator talked about how we sell peanut butter to the School Lunch Program at a greatly reduced price, much less than market price. First off, I do not know anybody who does not sell bulk, to a mass consumer, in bulk quantities, cheaper than they do when they have to put it in little 6- or 8- or 10-ounce jars and market it. Of course, they are going to charge them less, as any bulk purchaser gets less when you are buying in that size than something you were going to market at a local convenience store. That is No. 1.

No. 2, in 1991 the USDA suspended peanut butter purchases, peanut butter sales for school lunch. School lunch programs suspended it. Why? Because peanut butter prices were too high. They could not afford it anymore, so they had to suspend it. Why? Because we were making a lot of farmers who, again, their granddaddy had a quota, they were making a lot of money and our schoolchildren are not getting peanut butter because it is too expensive.

He looked at foreign price. I remind the Senator, as I am sure he knows, America is somewhat unique in the world in the consumption of peanuts. Most of the people around the world do not eat peanuts like we do. Most grown in the rest of the world is used for feed for animals. Very little is used for food for consumers. It is considered, I would not say a delicacy, but in a sense a very rare item for people to consume.

We consume in this country over 70 percent of the world's peanuts for human consumption. To suggest because a couple of countries that do not sell a lot of peanuts have very high prices, it would be like maybe in this country our prices for caviar are higher than they are in Russia, or something like that, where you have an indigenous food that people consume versus something that is a luxury in other countries. That is not a fair comparison.

Another amazing point that was made, the Senator compared the peanut program with the cotton program and the wheat program and said these other programs rent out their land for production of this crop. The difference is, if you rent your land out for the production of cotton or wheat, you can still sell that cotton or wheat in this country. There is no quota. The difference with peanuts is, when you rent that land out, you rent the quota. If you do not have a quota, you cannot sell your peanuts in this country.

So it is not the same. I mean, the difference is anyone can rent land to grow cotton. You can sell the cotton here. But unless you have a quota, you cannot sell your peanuts here in this country. You talk about the small rural farmer, the guy who goes out and sweats every day to grow those peanuts, and he cannot sell them because you had somebody's granddaddy at the trough 50 or 60 years ago because he was able to get a quota because he knew somebody.

If people do not understand quotas—a liquor license is the same thing. What is a liquor license? It is a piece of paper. It is not worth anything. If you sell a liquor license, you get a lot of money because it gives one an opportunity to do something that nobody else can do. You cannot sell liquor in this country without a liquor license. And you cannot sell peanuts in this country unless you have a little piece of paper saying you can sell peanuts.

Is that American? Is that what we want to do to allow the privileged few—by the way, 70 percent of the people who grow quota peanuts who have this license rent that license. It is owned by somebody else, some fat cat sitting in New York City, or Paris, or someplace. They trade them like securities.

So what do they do? They make a lot of money so a bunch of folks can sit and work their tails off. For what? For what? Basically, the world price for peanuts is what they ultimately get. Who makes this different? A bunch of fat cats who buy liquor—quota—licenses.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. HEFLIN. Mr. President, you have to have a piece of paper, a license, to sell liquor. This is different. The largest peanut farmer in the country does not have a quota. He is in California, and he has 5,000 acres of peanuts.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. FORD. Mr. President, do I have time to ask unanimous consent?

I ask unanimous consent that I may follow the Senator from Nevada with an amendment after the next majority amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. I thank the Chair.

PRIVILEGE OF THE FLOOR

Mr. LEAHY. Mr. President, I ask unanimous consent that David Grahn and Craig Cox be given floor privileges during the consideration of the farm legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana.

Mr. LUGAR. Mr. President, I ask unanimous consent that the Santorum amendment be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. I thank the Chair.

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. BRYAN. I thank the Chair.

I yield myself 7 minutes.

AMENDMENT NO. 3447 TO AMENDMENT NO. 3184

(Purpose: To provide that funds made available for the market promotion program under this Act may be used to provide cost-share assistance only to small businesses or Capper-Volstead cooperatives and to cap the market promotion program)

Mr. BRYAN. I send an amendment to the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. BRYAN], for himself, Mr. KERRY, Mr. BUMPERS, and Mr. REID, proposes an amendment numbered 3447 to amendment No. 3184.

Mr. BRYAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In Title II, Section 202, on page 2–2, line 8, strike "$100,000,000" and insert "$70,000,000" where appropriate.

In Title II, Section 202, on page 2–2. after line 9 and before line 10 insert the following:

"*Provided further*, That funds made available under this Act to carry out the non-generic activities of the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) may be used to provide cost-share assistance only to organizations that are non-foreign entities and are recognized as small business concerns under section 3(a) of the Small Business Act (15 U.S.C. 632(a)) or to associations described in the first section of the Act entitled 'An Act to authorize association of producers of agricultural products,' approved February 22, 1922 (7 U.S.C. 291).

Provided further, That such funds may not be used to provide cost-share assistance to a foreign eligible trade organization:

Provided further, That none of the funds made available under this Act may be used to carry out the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) if the aggregate amount of funds and value of commodities under the program exceeds $70,000,000."

Mr. BRYAN. I thank the Chair.

For the record, I want to make sure that the Record reflects that this amendment is a joint amendment by my distinguished colleague from Massachusetts, Senator KERRY, Senator BUMPERS, and Senator REID.

Mr. President, I think that those who have followed the debate on agricultural issues know that this Senator has not been a supporter of the Market Promotion Program. In the limited time that I have available this morning, I want to offer an amendment that was previously approved on the floor of the Senate on September 20 of last year by 62 to 36. My preference would be to eliminate the Market Promotion Program, which has cost the American taxpayer more than $1 billion, because I think it is a poster child for corporate entitlements in America and is without justification.

I yield to the pragmatic consideration that, although I have attempted on a number of occasions, joined by my friends on the floor, Senator KERRY and Senator BUMPERS, to eliminate this program, we have been unsuccessful. So last September we crafted a compromise which said, among other things, that we will limit this program so that foreign corporations will no longer be eligible to receive payments.

I might say parenthetically that in the last year in which there is data available, some $12 million of taxpayer money went to foreign corporations to help them supplement their advertising budgets. In addition, some of the largest corporations in America are beneficiaries under this program—companies that ought to be charged with handling their own advertising and promotional expense without reference to taxpayer subsidies.

Here are some of the major corporations in the country in 1993, 1994: Ernest & Julio Gallo, $7.9 million; Dole, $2.4 million; Pillsbury, $1.75 million; Tyson Foods, $1.7 million. And the list goes on.

This amendment would limit the branded promotion programs to those that fall within the definition of the small business company under other provisions of the Federal Code.

It is my view that we should adopt a responsible compromise that has enjoyed the support of my colleagues on both sides of the aisle to place a limitation on this program in each of the two specifics which I have just mentioned, and also to cap the program at $70 million. Under the current proposed legislation which we are debating on the floor, the Market Promotion Program would continue in each of the 7 years at a $100 million annual funding level.

We have talked a lot about curtailing Federal expenditures, taking a look and making some of the tough decisions, downsizing Government. I have listened to a great many speeches on both sides of the aisle. This is our opportunity to strike a modest blow for fiscal sanity by putting a cap on this program and limiting the expenditures to $70 million annually. There can be no conceivable justification for providing taxpayer-assisted funding to supplement the advertising budgets of companies the size of those that are listed in this exhibit that I have offered on the floor.

I might add further that the number of companies who have received assistance, of the 200 largest corporate advertisers listed in the 1992 Standard Directory of Advertisers, 13 of those companies received market promotion programs involving some $9 million in 1992.

So we think that this is something that has been before the Senate. It has enjoyed bipartisan support. We think it makes sense, and we ask for its consideration.

I reserve the remainder of my time and am prepared to yield 5 minutes to the distinguished Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KERRY. Mr. President, I want to thank the Senator from Nevada for his persistent efforts and for his tenacity in trying to address this question of inappropriate corporate welfare. I think all of us here would understand and be sympathetic to the notion that, if there are situations in our trading relations where you have a company that is hard pressed and disadvantaged against competition, as some of our companies are in certain industries, then it is conceivable that you can make a legitimate argument that you want to find some kind of Government subsidy to redress the imbalance in the marketplace.

I know, for instance, that Airbus received significant subsidies. And Boeing and McDonnell Douglas have to compete against the French, or against other countries in those industries where there is a very significant subsidy. But here we have a situation where companies that are extraordinarily profitable are going to sell their products abroad anyway for which there is a market for those products anyway, where they are profitable beyond any of the need criteria that you might try to establish, and nevertheless the taxpayers of this country are simply reimbursing them for a subsidy for an advertising budget that they would expend anyway.

Let me be very explicit about that. The M&M Mars company, for instance, has about a $262 million advertising budget. They spend that no matter what. When a company spokesman was asked, "What do you think about taking these Government funds?" the company spokesman's answer was, "Well, you know, it is sort of like the mortgage interest rate deduction. If it is there, you take advantage of it." So they take advantage of the funds. It is not even a question of being need based.

At a time when everyone is looking for a responsible way to make judgments, critical judgments about who deserves Government assistance and who does not, it is simply wrong—it is just wrong, wrong economically, wrong politically, wrong morally, wrong on every kind of balance—to suggest that these companies with their—look at Tyson Foods. What is Tyson Foods doing getting a subsidy at this point in time for this?

I like Tyson Foods. I like what they do. We are enormously proud of what they have accomplished and of what they are capable of doing. But at a time when we are being asked to cut back on education funding, on environmental cleanup, on science research, on the R&D tax credit, on all kinds of things that are important, how can you justify this kind of effort?

There are some small companies, there are some people working at a great disadvantage in the international marketplace against countries that have a much greater degree of assistance and of partnership between the Government and the private sector than we do that may need some kind of leverage. It is with that in mind that the Senator from Nevada and those of us who are promoting a change are not suggesting, even though we think this is not an appropriate program overall, we think that it is fair to recognize those small areas of need and simply to cut this program back to the $70 million cap.

When you measure this particular program and whatever justifications are given for it against the extraordinary reductions that we are facing in title I funds, in drug free safe school money, in Pell grants, in student loans, in environmental enforcement, in infrastructure development, in science and research, in global climate change research—you can run down the gambit and every one of those fundamental needs are being reduced—how can you justify continuing this kind of corporate welfare?

I think most Americans are not even aware that this kind of subsidy is taking place, and every American that I have ever talked to, when you explain to them what is happening, their eyes bug out and they simply are aghast at the notion that this is what people in Washington are choosing to do with their money. The American citizen knows this is inappropriate, it is unnecessary, and measured against all the other choices that we are making in Washington it is plain and simply wrong.

I am grateful to the Senator from Nevada for being willing to lead the charge here in an effort to try to redress it. I hope the Senate will once again vote as it did previously. We won this battle in the Senate. Unfortunately, as is so often the case here in Washington, the interests come into the conference committee or get one or two people to hold up everything and so it was taken out in the conference, and here we are back again. This is the same history that we had on a mink subsidy and on the wool and mohair subsidy, and ultimately we will win this battle because it is the right thing to do.

I thank the Senator from Nevada.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana.

Mr. LUGAR. I yield to the distinguished Senator from Mississippi as much time as he wishes.

The PRESIDING OFFICER. The Chair recognizes the Senator from Mississippi.

Mr. COCHRAN. Mr. President, this is a subject we have debated on a number of different occasions on the floor of the Senate. I recall when we had the agriculture appropriations bill before the Senate this past year there were amendments offered to change various parts of the legal authorization for the program, the statutory authorization. We resisted those amendments on the appropriations bill and tried to keep the focus on the amount of money that was being appropriated for the program.

As I understand the history of this amendment, when it was brought up on the appropriations bill, the Senate passed it, or a version of it. I am advised by members of my staff that on that occasion when we went to conference the House conferees did not agree to accept the language and the provision was dropped. It did not make it through the process to be included in the appropriations bill as finally adopted and submitted to the President for his signature. So that is why this issue is raised again.

Let me just point out, while this is a controversial program, and some of the television networks have sort of made a hobby at least, if not a profession, of attacking it and exaggerating it and trying to sensationalize it as something that is evil and not workable, the facts are that this is a program which has created American jobs because it has expanded our level of exports in agriculture commodity trade and in food product trade to the extent that it has been reauthorized. It has been supported by this Senate and the House as well time after time because of the evidence. The evidence is that this program works. It was originally designed to be targeted against unfair trade practices by our competitors around the world. It was called the targeted export assistance program. The fact is it continues to work in that way because funds are allocated by the Department of Agriculture where there are special problems or special opportunities and only this kind of assistance is considered to be effective.

So I urge Senators to look at this amendment very carefully. I am not going to get all out of breath, or red in the face, arguing against it again. But I am going to say we should vote against this. It unnecessarily restricts—unnecessarily restricts—the Department of Agriculture, in the administration of the program. The Department of Agriculture has submitted testimony time and time again about how this has been a very useful program. I hope the Senate will not be stampeded by the clever arguments that are being made by my good friends who continue to take this issue up and make a semicareer out of attacking the Market Promotion Program. It is a good program, and I am going to vote against the amendment. I hope Senators will join me in doing so.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I ask for 5 minutes from my distinguished colleague.

First of all, I compliment my good friend from Nevada for his perseverance in trying to rein in, if not torpedo totally, a program that has absolutely no justification. He has been very diligent about this, and I have been honored to stand by his side to try to bring some sanity to the agriculture program but especially to eliminate the Market Promotion Program. As long as this program is on the books, at least once a year every news magazine in the country, from "60 Minutes" on down, is going to do a piece on it.

Every time they do a piece on it, millions of Americans are going to say, "What on Earth are those clowns thinking about? How on Earth can they justify such a program as this?" Well, America, the answer is, we cannot.

If I had my druthers, I would torpedo this program to zero. But the Senator from Nevada is not asking to cut the program totally. He is saying go back to the figure the Senate adopted 62 to 32 about 6 months ago, and put it back where the Senate had it at that time. It was passed overwhelmingly here.

I am not going to belabor the arguments that have already been made, but the one salient argument that the Senator from Massachusetts and the Senator from Nevada has made—and I will make it again because you cannot make it often enough—what in the name of God are we doing subsidizing Ernest and Julio Gallo, even Tyson Foods, the biggest employer in my State, and Jim Beam? That ought to make the Christian Coalition happy.

All we are saying is, in the future we are going to do what GAO recommended, except for one thing: They recommended that it be cut to a small business, generic, a new-to-exports small business program and funded at no more than $50 million. The Senator from Nevada's amendment says $70 million. Of course, that is $70 million too much, but we live in a real world around here. We know we cannot torpedo the thing because big business has too many defenders in this body.

The second thing GAO said is there is absolutely no proof that we are not simply replacing money these corporations would use on their own. Everybody knows that is true. It is just a piece of welfare. If I were the Gallo brothers, if I were Ralston Purina, Tyson Foods, Campbell Soup, Jim Beam, whoever, I would take the money, too.

But, colleagues, here is what this amendment does. It says, No. 1, you cannot give this money directly to a big business. You can give it to a generic institute. You can give it to Riceland Foods. You can give it to any of these national coalitions that have as their members all the poultry industry, all the liquor industry, those kinds of things. But we also confine it to generic small business as defined by the Small Business Administration.

It is a tragedy that we cannot kill this program. When I think about what we are doing to worthy programs in discretionary spending and standing here, pleading with you to cut the most outrageous program that we fund from $110 to $70 million, it is unfathomable.

So, Mr. President, let me say the jobs the Senator from Mississippi talks about this creating, GAO says those are jobs we created anyway. Do you think McDonald's is going to quit trying to sell Big Mac's all over the world if we do not give them money?

Let me close by the saying I have had an excellent relationship with the Senator from Mississippi. Back before a terribly untoward event happened in November 1994, I was chairman of the Agriculture Appropriations Subcommittee and he was my ranking member. Now he is chairman and I am his ranking member. This is one of the few disagreements he and I ever had. We get along just fine in that committee and worked out those appropriations bills jointly, and I hope for the country's benefit. This is one place I strongly disagree.

I hope our colleagues will again vote 62 to 32 to pass this amendment. I yield the floor and yield back such time as I have to the Senator from Nevada.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER (Mr. COCHRAN). The Senator from Indiana.

Mr. LUGAR. I yield as much time to the distinguished Senator from Idaho that he may require.

Mr. CRAIG. I thank my chairman for yielding, Mr. President.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I will not stand before any of the Members of the Senate today and attempt to justify large multinational, billion-dollar corporations getting taxpayer-subsidized promotion programs. That needs to be reformed, no question about it.

In the committee this year we have reduced the overall level of funding from $110 to $100 million. But the reason the chairman of the appropriations subcommittee, who just spoke, and the reason I am on the floor defending the program is because we are trying to take the Government out of production agriculture and put the Government in the right and proper role as it relates to its relationship to domestic industries. And that is for small producers who have to compete against subsidized producers in foreign countries, our Government should serve as a leveler of the playing field.

That is where our Government can work best. We know that in our country today for American agriculture to flourish, it must sell in foreign markets. And, oh, yes, by the way, every item that one of those companies sells in many instances is produced by a small producer and sold to that company that then markets it in a foreign country. That is the other side of the story.

But what I am interested in are the marketing co-ops and the associations that go to countries to develop markets so that we can sell to them directly our products. That is where market promotion works at its very best. That is what the ag committee is really trying to get at.

I am not going to be stampeded by a couple of great, dramatic television programs. That should not dictate policy on the floor of the U.S. Senate. It should make us aware of policy that is in trouble, that deserves to be corrected. That is exactly what we are trying to do.

The Senator from Massachusetts and the Senator from Nevada and the Senator from Idaho are not going to defend McDonald's. They do not need help. But those who produce the commodities that build the components of the food they sell need to be assured that they have full access to foreign markets under the General Agreement on Tariffs and Trade and all other trade agreements we get into.

The only way we can maintain profitability at the production level on the farm is to assure that our Government works in cooperation with that producer in assuring them the level playing field and the access to foreign markets.

I am sorry, if we do not do that, if we allow foreign barriers to be constantly built against our producers, without the advantage of breaking those barriers down, then surplus arrives, profitability drops, and guess where we will be? We will have agriculture lined up at the door of the Congress once again, saying, "You have got to help us out. You have got to provide a minimum income level. We're all going broke."

The transition that we have been involved in for well over a decade, Mr. President, has been to move the farmer to the market and allow that farmer to produce for a market. And that market is an international market as well as a domestic market. The Market Promotion Program has been designed to expand that foreign market and create a greater desire on the part of the foreign consumer for the U.S. agricultural product. It has worked in spades. We know that. USDA knows it. That is why it has defended it. It has been misused. We all know that. We are working to correct that. I am going be as aggressive as anyone in getting it done.

We have cut the funding now. That is a responsible action to take. We will target and prioritize the money where it should be under the premise that I have laid out. That, I think, is the premise that all have agreed on was the intent of the program originally.

So I hope the Senate will reject this amendment. It is important that we look internationally when we think about American agriculture. That is a role where Government can play a responsible part as a partner with our domestic U.S. farmer.

The PRESIDING OFFICER. Who yields time?

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. Let me say briefly that I believe the Senator from Idaho ought to support this amendment. All it does is give the taxpayers' dollars to be used by foreign corporations with respect to the granting of promotions, like McDonald's.

This says, look, no longer are they to be subsidized. We protect the rights of the co-ops to continue to participate in this program. I think we are in agreement, as I understood the thrust of his argument.

I urge my colleagues to support this amendment, as they did on September 20 of last year.

The PRESIDING OFFICER. The time of the Senator has expired. The time remaining in opposition is 5 minutes, 57 seconds.

Mr. LUGAR. Mr. President, I see no other Senators on our side of the aisle who wish to be heard on this amendment. Therefore, I yield back our time.

The PRESIDING OFFICER. The time has been yielded back. All time has been yielded back on the amendment.

Mr. LUGAR. Mr. President, I ask unanimous consent that the Bryan amendment be set aside temporarily.

The PRESIDING OFFICER. Is there objection?

Mr. BUMPERS. Mr. President, have the yeas and nays been ordered on this amendment?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. BUMPERS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Without objection, the amendment is set aside.

Mr. LUGAR. Mr. President, I ask for the yeas and nays on the Santorum amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HARKIN. Mr. President, I would like to ask for the yeas and nays on the two amendments I offered.

The PRESIDING OFFICER. Is there objection to asking for the yeas and nays? Without objection, it is so ordered.

Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. HARKIN. Might I inquire if there is going to be another amendment on the other side. The clock is ticking.

Mr. LUGAR. I will respond to the distinguished Senator, there is no one present on our side of the aisle, therefore, the Senator can proceed.

Mr. HARKIN. I understand there is a unanimous-consent agreement that Senator FORD was going to go next. If he is not available, then I have an amendment I want to offer. I want to make sure Senator FORD offers his amendment, but I do not want to let the clock tick, because we are under time pressure.

Mr. LUGAR. I suggest now it would be good to expedite the situation by asking the Senator from Iowa to offer his amendment. We are going to have a backup.

Mr. HARKIN. Mr. President, I ask unanimous consent that I be allowed to offer my amendment but that Senator FORD be able to offer the next amendment.

The PRESIDING OFFICER. Is there objection?

Mr. LUGAR. Will the Senator modify the request to state the next Democratic amendment?

Mr. HARKIN. Yes, fine.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 3448 TO AMENDMENT NO. 3184

(Purpose: To amend the eligibility criteria for the Environmental Quality Incentive Program)

Mr. HARKIN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an amendment numbered 3448 to amendment No. 3184.

Mr. HARKIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Section 314 is amended by striking "(ii) 10,000 beef cattle" and all that follows through "lambs;" and inserting the following:

"(ii) 1,000 beef cattle;
"(iii) 100,000 laying hens or broilers;
"(iv) 55,000 turkeys;
"(v) 2,500 swine; or
"(vi) 10,000 sheep or lambs."

Mr. HARKIN. Mr. President, I will try not to take much time on this. What this amendment does is to reinstate the limits on the size of livestock operations eligible to receive benefits under the Environmental Quality Incentive Program.

Last year, the distinguished Senator from Indiana, Senator LUGAR, and Senator LEAHY introduced a bill called the Environmental Quality Incentive Program. Quite frankly, it was based upon a bill I introduced several years earlier called the Water Quality Incentive Program. So I have been very supportive of it. I think it is a good bill. I have no problems with it because it provides for technical assistance. It provides for cost-sharing assistance and incentive payments for farmers to meet environmental problems with their livestock operations.

In the original bill that the Senator from Indiana introduced last year, there were the following limits, and if you went over these limits, you would not be eligible for cost sharing by the Government, and things like that. Let me read the limits: 1,000 beef cattle; 100,000 laying hens or broilers; 55,000 turkeys; 2,500 swine; or 10,000 sheep and lambs. That was in the original bill last year.

In the bill before us today, all of those numbers have been bumped up to incredible extremes. Rather than 1,000 cattle, we now have 10,000 beef cattle. Rather than 2,500 hogs, we now have 15,000 hogs. And rather than 100,000 laying hens or broilers, which I do not know a great deal about, we have 150,000.

I think the original bill that Senator LUGAR and Senator LEAHY introduced had good limits. Why? Because those numbers in the original bill corresponded to the provisions of the Clean Water Act—I should say, corresponded to the provisions of regulations implementing the Clean Water Act—in terms of livestock concentrations.

So basically, the bill before us raises these limits up to what I think are really unconscionably high levels.

You might say, "Well, look, if they are big operators and they are polluting, we want to solve these environmental problems, so why not let some of this money in cost sharing and taxpayers' money go to some of the bigger operators to clean up their environmental problems?"

My point is that these larger operators fall under the provisions of the Clean Water Act, and they have to clean up their act. They have to do that.

Take a smaller farmer who has maybe 1,000 hogs, maybe he has 1,000 beef cattle, a family-size operation. That farmer does not have to meet the provisions of the Clean Water Act, but it would be nice if he did so. It would help us all out. So the limited amount of money that we are going to have to help clean up our environmental problems, I think, would better be directed toward the smaller family farmers because it will give them an incentive to do so. They do not have to do so, but cost sharing, technical assistance and support will give them the kind of incentive to go ahead and put in waste management control systems, lagoons, and things like that.

For these bigger operators who have 10,000 beef cattle or 15,000 hogs, they have to do it anyway. They are so big, they ought to have the capital resources that would allow them to do that. Quite frankly, most of them do. So rather than taking the limited amount of money that we are going to have and try and spread it out—and let us face it, bigger operators have attorneys, they have accountants, they know how to go after Federal dollars. You can bet your bottom dollar that the biggest operators will be in there to get the cost share and technical assistance. What the heck, free money. If I am a big operator and I have to comply with the Clean Water Act and there is a pot of Government money over here that I can go after that will help me meet the requirements of the law and I do not have to dip into shareholders' equities or anything like that, well, I will do that, I will go after the free Government money.

That is what will happen under the provisions in the bill before us. The larger operators will go after the Government money, squeeze out the smaller guy. The smaller family farmer has 500 hogs, 1,000 hogs, 700 head of beef cattle. They do not even know this provision is there probably, or if it is there, they will not know how to apply for it. But if we limit it to those smaller operators, then that is where the money will go, and we can focus it where it is needed.

So I really do not understand why the initial numbers that were in the Lugar-Leahy bill were changed. I thought they were quite adequate. I think there should be a limit on Federal assistance to these larger operations. In order to get large, they have to have capital resources. They could not get large if they did not have the capital. If they have the capital, then they have the money to make sure they meet the provisions of the Clean Water Act.

So, again, I will just say, yes, they do have problems, but they can solve them themselves. The Federal Government should not be subsidizing the growth of large operations. My point is that large hog and cattle operations are first and foremost a State issue. States ought to address that issue forcefully. But second, I do not believe the Federal Government, the taxpayers, ought to be in the position of subsidizing in any way the growth of these large operations, and that really is what this would do under this bill as it is before us.

So basically, to repeat, all my amendment does is it takes the numbers for livestock operations that would be eligible for technical assistance and cost-sharing incentive payments to meet environmental standards under the Environmental Quality Incentive Program.

It just reinstates those numbers that were in the bill last year. Again, I want to make it clear that the large operations can still get the technical assistance. I do not mind that. They just cannot get cost share to build an animal waste facility. So that is all I am saying. As far as the cost share money goes, let us target that to the smaller operators.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, I yield time to myself as I may require.

Mr. President, I appreciate the spirit of the argument. I pay tribute to the distinguished Senator from Iowa for the work he has done in this area of environmental consideration for livestock. It is an important area in his State and in mine and in the many States that our committee serves. The program does offer us, through the cost-sharing situation, an opportunity to make a difference in encouraging smaller operations to have more environmentally satisfactory hog operations, although it is not limited to that.

The Senator pointed out that there are limits with regard to cattle and turkeys and chickens. The problem here, Mr. President, is trying to arrive at some compromise in terms of the size of operations farmers now have. The original limitations on size, I believe, were derived from the Clean Water Act regulations that discussed confined feeding operations in the 1970's. That was the genesis, at least, as I recall of the figures at the time. Of course, the average size of the facilities for feeding of livestock and birds has increased very, very substantially.

I make no case, specifically, for the figures that the committee came up with and that are incorporated in this legislation as having the wisdom of Solomon. They are clearly a compromise, after listening to a large number of producers and trying to think through the intent of the act, which, as the Senator from Iowa has stated correctly, is one of trying to help smaller producers, with the thought that the larger producers will have to take care of their own expenses.

My point is that these terms are relative. Some can move way off the spectrum and they are very large indeed, and under no circumstances are they going to qualify for cost-sharing money. The argument has been about what ought to be the limits as to what is a small- or even medium-size producer under these terms. The Senator from Iowa has probably visited with the pork caucus in Iowa and, within the last week he will have discussed this, I suspect, with many Iowa hog producers who were raising questions about—in terms of the number of hogs in the operation, as well as the payment—the limit of $10,000. In both cases, the point they have made—and it is a very lively issue in Iowa—about the size of hog situations and environmental consequences, because Iowa is a very important pork production State. It is the same in Illinois, Indiana, really, across the corn belt where there are large hog production situations.

Certainly, a number of farmers who came to visit with me about this wanted still a higher limit to qualify. In other words, they had more animals than the limit. They were past the cutoff and they were not going to qualify. They want to get the threshold up higher. They would like to see more money, likewise. I understand what they are saying. I was not able to offer them promises that this is likely to occur, given a limited amount of money and what have been some very extensive conversations with producers of all sizes.

I say, Mr. President, that the Senator raises a good point and is the type of consideration probably best discussed in a roundtable discussion of many producers of different sizes to bring some reality into the argument as to how hogs and cattle are now produced in America and what size operations we are headed toward. It is in that spirit that I simply defend the work we have done and the reasonably pragmatic compromise, based upon the sums of money available, and the actual size of operation in the country now. I hope the Senate will support that, unless there is a substantially greater preponderance of evidence that we have simply missed the mark by a whole lot.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN. Mr. President, I will not take much more time. I appreciate the arguments made by my friend from Indiana. I have visited with hog farmers in Iowa, too, and there is a battle going on in my State, and it is not a very pretty one. There are decisions being made about these large hog operations in Iowa. I do not think that is the point of this argument here. The point of my amendment is simply to say, in terms of cost-share money coming from the Government—and it is not a bottomless pit—let us focus that money on our smaller family farmers, who are really not that well-equipped with working capital sometimes to meet the higher standards of environmental quality. In many cases, they do not have to, but with the cost-share program, this would give them incentive to do so. The larger operations can handle themselves. They have the capital to do so. When you are talking about 15,000 hogs, that is an extremely large operation in any State. If you are talking about 10,000 cattle, that is a lot of cattle.

So I think the original numbers that were in the bill, which, as the Senator from Indiana pointed out, do correspond with the regulations covering the Clean Water Act. I believe they still hold pretty true today and will in the future, again, when we are looking at a limited pot of money we can use. I do not need to take any more time.

Mr. GRASSLEY. Mr. President, I rise to support the Harkin amendment. I had filed an amendment virtually identical to this, that I will place in the RECORD.

Due to the unanimous-consent agreement reached last night between the 2 leaders, the Republicans could offer only 5 amendments, while the Democrats are able to offer 10.

Because of this limitation, I was not able to offer the amendment, so I will lend my support to the Harkin amendment.

The Harkin amendment will lower the caps to determine what livestock producers are eligible for cost-share funds under the new Environmental Quality Incentive Program.

Mr. President, it is good public policy to assist farmers in complying with environmental regulations; the environment benefits, the public benefits, and agriculture benefits. Farmers who grow corn, soybeans, cotton, wheat, and many other crops have for many years received cost-share funds to implement environmental measures.

So, I approve of extending this assistance to livestock producers. However, there needs to be limits on what producers can receive USDA funds.

In the original farm bill, contained in the Balanced Budget Act, the Senate approved limits on what producers can receive funds. Only hog producers with less than 2,500 hogs and cattle producers with less than 1,000 head of cattle were eligible.

But when this provision went into conference, these caps were raised to 15,000 hogs and 10,000 cattle. So now every large livestock continent and every factory hog farm can receive money from the U.S. Department of Agriculture to help them comply with regulations.

The problem is, these type of farmers already have the capital to implement these measures. In fact, the Clean Water Act already requires them to do so.

This may not be a bad thing if Congress had an infinite amend of money to spend on this problem. But we do not.

In fact, under this bill only $100 million is authorized for livestock assistance each year. With this limited amount of money, it is essential that we target assistance to the independent pork producer who is forced to compete with the large factory-type hog farmers.

The independent hog producer can compete in this environment only if they have a level playing field. Providing funds to large factory farmers skews this playing field.

The caps in the originally passed Senate bill were reasonable—as are the caps in the Harkin amendment. I urge my colleagues to support the amendment.

I ask unanimous consent that my amendment be printed in the RECORD so that you know exactly my intentions.

There being no objection, the text of the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT TO SUBSTITUTE AMENDMENT NO. 3184 TO S. 1541

(Purpose: To target benefits under the Livestock Environmental Assistance Program to family farmers and to limit the amount any one farmer can receive)

Page 3-14, line 25 strike "10,000" and replace with "1000".

Page 3-15, line 3 strike "15,000" and replace with "2500".

Page 3-27, line 11 insert a period after "$10,000" and strike everything through line 12.

Mr. HARKIN. I yield the remainder of my time.

The PRESIDING OFFICER. The Senator yields back his time.

Mr. LUGAR. Mr. President, I yield back the remainder of the time on the Harkin amendment on our side.

The PRESIDING OFFICER. The Senator from Indiana yields the remainder of his time.

Mr. LUGAR. I ask unanimous consent that the Harkin amendment be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LUGAR. Mr. President, I ask unanimous consent that votes occur beginning at 11:30 a.m. today, that they occur in the order in which they were offered, and that the first vote is a standard 20 minutes in length, and that all remaining stacked votes in the sequence be limited to 10 minutes in length, with 2 minutes to be equally divided between each vote for explanation.

Mr. LEAHY. Reserving the right to object, and I will not object. We have a series of votes lined up here.

During the first votes that will require rollcalls, if there are any on that list where it is possible to vitiate rollcall votes, I urge the sponsors to talk with the distinguished Senator from Indiana and myself and see if that is possible.

I have no objection to the request.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3449 TO AMENDMENT NO. 3184

(Purpose: To provide funds for rural development and related activities)

Mr. FORD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Kentucky [Mr. FORD], for himself and Mr. DASCHLE, proposes an amendment numbered 3449 to amendment No. 3184.

Mr. FORD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Title V is amended by adding at the end the following:

"SEC. 507. FUND FOR RURAL AMERICA.

"(a) IN GENERAL.—The Secretary shall create an account called the Fund for Rural America for the purposes of providing funds for activities described in subsection (c).

"(b) COMMODITY CREDIT CORPORATION.—In each of the 1996 through 1998 fiscal years, the Secretary shall transfer into the Fund for Rural America (hereafter referred to as the "Account")—

"(1) $50,000,000 for the 1996 fiscal year;

"(2) $100,000,000 for the 1997 fiscal year; and

"(3) $150,000,000 for the 1998 fiscal year.

"(c) PURPOSES.—Except as provided in subsection (d), the Secretary shall provide not more than one-third of the funds from the Account for activities described in paragraph (2).

"(1) RURAL DEVELOPMENT ACTIVITIES.—The Secretary may use the funds in the Account for the following rural development activities authorized in:

"(A) The Housing Act of 1949 for—

"(i) direct loans to low income borrowers pursuant to section 502;

"(ii) loans for financial assistance for housing for domestic farm laborers pursuant to section 514;

"(iii) financial assistance for housing of domestic farm labor pursuant to section 516;

"(iv) grants and contracts for mutual and self help housing pursuant to section 523(b)(1)(A); and

"(v) grants for Rural Housing Preservation pursuant to section 533;

"(B) The Food Security Act of 1985 for loans to intermediary borrowers under the Rural Development Loan Fund;

"(C) Consolidated Farm and Rural Development Act for—

"(i) grants for Rural Business Enterprises pursuant to section 310B (c) and (j);

"(ii) direct loans, loan guarantees and grants for water and waste water projects pursuant to section 306; and

"(iii) down payment assistance to farmers, section 310E;

"(D) grants for outreach to socially disadvantaged farmers and ranchers pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279); and

"(E) grants pursuant to section 204(6) of the Agricultural Marketing Act of 1946.

"(2) RESEARCH.—

"(A) IN GENERAL.—The Secretary may use the funds in the Account for research grants to increase the competitiveness and farm profitability, protect and enhance natural resources, increase economic opportunities in farming and rural communities and expand locally owned value added processing and marketing operations.

"(B) ELIGIBLE GRANTEE.—The Secretary may make a grant under this paragraph to—

"(i) a college or university;

"(ii) a State agricultural experiment station;

"(iii) a State Cooperative Extension Service;

"(iv) a research institution or organization;

"(v) a private organization or person; or "(vi) a Federal agency.

"(C) USE OF GRANT.—

"(i) IN GENERAL.—A grant made under this paragraph may be used by a grantee for 1 or more of the following uses:

"(I) research, ranging from discovery to principles of application;

"(II) extension and related private-sector activities; and

"(III) education.

"(ii) LIMITATION.—No grant shall be made for any project, determined by the Secretary, to be eligible for funding under research and commodity promotion programs administered by the Department.

"(D) ADMINISTRATION.—

"(i) PRIORITY.—In administering this paragraph, the Secretary shall—

"(I) establish priorities for allocating grants, based on needs and opportunities of the food and agriculture system in the United States related to the goals of the paragraph;

"(II) seek and accept proposals for grants;

"(III) determine the relevance and merit of proposals through a system of peer and stakeholder review; and

"(IV) award grants on the basis of merit, quality, and relevance to advancing the national research and extension purposes.

"(ii) COMPETITIVE AWARDING.—A grant under this paragraph shall be awarded on a competitive basis.

"(iii) TERMS.—A grant under this paragraph shall have a term that does not exceed 5 years.

"(iv) MATCHING FUNDS.—As a condition of receipts under this paragraph, the Secretary shall require the funding of the grant with equal matching funds from a non-Federal source if the grant is—

"(I) for applied research that is commodity-specific; and

"(II) not of national scope.

"(v) ADMINISTRATIVE COSTS.—

"(I) IN GENERAL.—The Secretary may use not more than 4 percent of the funds made available under this paragraph for administrative costs incurred by the Secretary in carrying out this paragraph.

"(II) LIMITATION.—Funds made available under this paragraph shall not be used—

"(aa) for the construction of a new building or the acquisition, expansion, remodeling, or alteration of an existing building (including site grading and improvement and architect fees); or

"(bb) in excess of ten percent of the annual allocation for commodity-specific projects not of the national scope.

"(d) LIMITATIONS.—No funds from the Fund for Rural America may be used for an activity specified in subsection (c) if the current level of appropriations for the activity is less than 90 percent of the 1996 fiscal year appropriations for the activity adjusted for inflation."

Mr. FORD. Mr. President, I understand we have 30 minutes equally divided.

The PRESIDING OFFICER. The Senator is correct.

Mr. FORD. Mr. President, we have talked a lot this morning about commodity programs—for good reason, they are the heart of the farm bill and the heart of rural America. However, unless we turn our attention to other priorities in rural America, we will be neglecting the needs of millions of our citizens who live in our small towns.

To make sure we stay competitive, we have to make sure we maintain the infrastructure that has made American agriculture second to none, our research, conservation, and economic opportunities for small towns.

To meet those objectives, I am offering an amendment to create a fund for rural America. Over 3 years, this initiative will dedicate $300 million to meeting those needs—$50 million in fiscal year 1996, $100 million in fiscal year 1997, and $150 million in fiscal year 1998 for investing in meeting those priorities.

One of the top priorities must be keeping our research programs going. They make sure our farmers have the most up-to-date, most efficient farming techniques. This amendment will enable the Secretary to augment current programs and keep American agricultural ahead of the competition.

This amendment will, second, enable the Secretary to invest in priorities to enhance economic growth in rural towns—in sewer and water grants, for example. As we prepare American agriculture for the 21st century, we have to make sure that our children, our grandchildren have economic opportunities to stay in our small towns.

This piece of legislation is the only one the Senate will consider that will deal primarily with rural America. Unless we meet all the needs in rural America—not just the real and pressing needs of our farmers—then we will have done a disservice to rural Americans. We must take this opportunity to invest in meeting the needs agriculture will have to address to stay competitive and provide our citizens—and millions around the world—with an abundant, affordable food supply.

I reserve the balance of my time.

Mr. LUGAR. Mr. President, on our side of the aisle we share the need for a very, very, strong agriculture development program. I have confirmed with the distinguished Secretary of Agriculture, even again this morning, about the multiple uses of that money in our rural areas, including agricultural research, as well as sewer and water grants.

I think it is an important initiative. It is one that has been extremely important, President Clinton's priorities and the Secretary of Agriculture's priorities, but equally important on our side of the aisle throughout the years in hearings we have held and work we have done in agriculture development.

Therefore, I share in supporting the amendment of the distinguished Senator from Kentucky. I am hopeful it might have unanimous passage.

Mr. LUGAR. I am prepared to yield back time on our side unless other Senators wish to address the issue.

Mr. FORD. I am perfectly willing to yield back my time, and if there is no objection, we can pass the amendment. I yield back my time, Mr. President.

Mr. LUGAR. I yield back our time.

The PRESIDING OFFICER (Mr. CAMPBELL). The question is on agreeing to the amendment.

The amendment (No. 3449) was agreed to.

Mr. FORD. I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MODIFICATION TO AMENDMENT NO. 3444

Mr. LUGAR. I ask my amendment now be the pending business, and I send a modification of my amendment to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The modification is as follows:

On page 1–3, strike lines 5 through 14.

Mr. LUGAR. Mr. President, I know of no objection to my amendment. I ask the amendment be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3444), as modified, was agreed to.

Mr. FORD. I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3450 TO AMENDMENT NO. 3184

(Purpose: To strike the section relating to the sugar program)

Mr. GREGG. Mr. President, may I inquire of the manager the present status of the timeframe? I understand I have half an hour, but the vote is scheduled for 11:30. I ask, if it is agreeable to the managers, that I be given my half hour before the votes go forward.

Mr. LUGAR. I ask unanimous consent that the 30 minutes for debate originally agreed to in the unanimous-consent request be in order and that the vote occur at the end of that debate of the Senator from New Hampshire, which will be approximately 11:35 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Hampshire [Mr. GREGG], for himself, Mr. REID, Mr. SANTORUM, Mrs. FEINSTEIN, Mr. CHAFEE, and Mr. KERRY, proposes an amendment numbered 3450 to amendment No. 3184.

Mr. GREGG. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Notwithstanding any other provision of this Act, none of the provisions dealing with or extending the Sugar Price Support Program shall be enforced.

Mr. GREGG. As I understand, I now control 15 minutes and someone in opposition controls 15 minutes.

The PRESIDING OFFICER. That is correct.

Mr. GREGG. Mr. President, I yield myself 5 minutes.

Mr. President, what this amendment does is address the sugar program. The sugar program has been an item of considerable controversy here in the Senate and in the House and in the farm program generally.

The sugar program is, in my opinion, an outrage. I have said that a number of times on the floor of this Senate. It is a subsidy program where the consumers of this country are asked to pay somewhere between $1.5 and $2 billion of additional costs for sugar used in this country in order to benefit a few growers.

It does not directly cost the Federal Government any money. It does, actually, cost money in the products we buy that are sugar related, but it is not a dramatic amount of money. What it is, essentially, is a tax on the consumers of this country in the form of the price for sugar, which greatly exceeds what the world market price is for sugar.

In fact, if you look at the sugar program honestly, it is the only surviving element of Marxist economics in the Western Hemisphere outside of Cuba. It is a program totally dominated by the Government, where the Government sets the price, where the price is set in a manner which has no relationship to the marketplace, where market force has no impact on the production of the sugar, and where, as a practical matter, if the marketplace were allowed to come into play, American consumers would save around $1.5 billion a year.

Now, the amendment which I offer does not repeal the sugar program. I have offered it on behalf of myself and Senator REID from Nevada. The amendment that I have offered says, rather than giving the sugar program, which is an outrage on its face, a 7-year extension, we will only give it a 2-year extension. So we are essentially saying, listen, this program has enough problems so that it ought to be reviewed on a fairly regular basis. It should not be extended for 7 years.

The benefits of this program run to a very small number of people. In fact, there is one sugarcane grower who gets about $60 billion a year. About 50 percent of the benefit of the program as it affects sugarcane growers runs to about 17 sugarcane growers which has been represented to us; whereas the detriment to this program runs to every American who has to pay an outrageous, inflated, arbitrary nonmarket price for sugar.

Not only does the program have a debilitating effect on our consumers, but it has a negative impact on our international relations because our sister States who want to produce this product cannot produce it and sell it to the United States, specifically, our Caribbean neighbors. And it is having a significant environmental impact in Florida where sugarcane production, which has been arbitrarily increased as a result of this subsidy, is having a dramatic impact on the viability of the Everglades. So the program itself makes no sense. There will be a representation on the other side the program has been changed. That is not true. As a practical matter, the program may have been changed superficially, but the substantive effect of the program has not been changed. The bottom line question is: How much will sugar cost in the marketplace in the United States? Well, there is not a marketplace, really. It will cost about twice the rate it would cost in the world market under the changes. There will continue to be an inflated and subsidized sugar program under the proposal in this bill.

So why the 7-year extension? It comes down to what is called greed, pure and simple greed. The fact is, people know they cannot defend the sugar program. They know if they did not stick it on this bill and bury it in the bowels of this bill, it would never survive the light of day. Even Johnny Cochran could not defend this program before a jury of fair arbiters. The fact is, this program is a pure and simple robbery of the American consumer for the benefit of a very small number of producers.

Here we are, the center of capitalism in this country, rejecting the whole concept of capitalism, having a program which basically eliminates the marketplace.

Mr. President, I yield myself an additional minute.

It says, the marketplace does not have any bearing on how much you should pay for sugar but, rather, a few powerful lobbyists should control how much you pay for sugar. It really is outrageous. But, as I pointed out, even though I find the whole program unbelievable, especially in light of the fact that the Republicans, who are supposedly supporters and defenders of the marketplace, control this Congress, I find it unbelievable we are continuing this program. Our amendment, as supported by the Senator from Nevada, does not terminate the program. It simply takes it from a 7-year program to a 2-year program. That is still too long, but it seems to be a reasonable attempt at compromise.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time? The Senator from Vermont.

Mr. LEAHY. Mr. President, how much time is available on this side?

The PRESIDING OFFICER. Fifteen minutes.

PRIVILEGE OF THE FLOOR

Mr. LEAHY. First, Mr. President, I ask unanimous consent that Dr. Kate DeRemer have the privilege of the floor throughout the debate and votes today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I yield a minute—I yield such time as he needs to the Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia [Mr. NUNN] is recognized.

AMENDMENT NO. 3225

Mr. NUNN. Mr. President, first, I would like to associate myself with the remarks made by the Senator from Alabama [Mr. HEFLIN] the Senator from Georgia [Mr. COVERDELL] and others opposing the Santorum amendment on the peanut program. I will summarize my remarks in about 20 seconds in the following points. I oppose the Santorum amendment for three basic reasons.

First, even without the reforms included in S. 1541, the peanut program is already one of the least expensive Federal commodity programs. Under S. 1541, it will be a no cost program. So this bill without the Santorum amendment represents fundamental changes in the peanut program.

Second, the Santorum amendment does not recognize the evolutionary changes in the peanut program which began with competition from GATT and NAFTA. The peanut title reforms included in S. 1541 reflect the inevitable fact that peanut producers in this country are going to have to compete in the international market by reason of those agreements.

Third, even those who support changing the peanut program, in my opinion, should oppose the Santorum amendment. The Santorum amendment does not give peanut producers or the rural communities which depend so much on the peanut program the time to adjust at all.

I urge my colleagues to oppose the Santorum amendment.

AMENDMENT NO. 3450

Mr. LEAHY. Mr. President, I yield 5 minutes to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho [Mr. CRAIG] is recognized for 5 minutes.

Mr. CRAIG. Mr. President, I stand in opposition to the amendment that my colleague from New Hampshire has offered this morning.

Let me say at the outset, I ain't no Johnny Cochran, but I can defend the revisions in this program, and I hope the Senator from New Hampshire will listen this morning, because, if he was like many Americans who sat down in a restaurant this morning to eat some cereal for breakfast, they reached out and, for no cost to them, picked up a packet of sugar and spread it upon their cereal. They did not pay a dime for it or a dollar for it. The sugar price is such that it was a service provided by the restaurant. Why? Because the sugar price in America today, in a retail market, per pound is about 39 cents. In Japan it is $1. In Norway it is 70 cents. In Switzerland it is 55 cents. Of the 20 developed countries of the world, we are the third from the bottom in the price of sugar.

Why, then, is this Senator saying that consumers are getting ripped off, that consumers are paying billions of dollars for this program when in fact they are paying less than almost any other country in the world except Third World nations where near slave labor produces it?

What we have today is a program that we are offering in this legislation that responds to what the Senator from New Hampshire was saying, and the Senator from Pennsylvania, and others. Reform needs to be offered to agricultural programs built within the farm bill. What did we do? We eliminated market allotments. No more domestic supply control. Any farmer can raise cane or any farmer can raise sugar beets. We do not restrict the market. We eliminated the 1 cent penalty, effectively lowering the loan rate an additional penny. What is real savings? What do we do? Also, by the assessment, we raise $300 million for deficit reduction.

Then why do we still have a program? We have a program to create a level playing field for the 1,900 farm families in my State, not a few rich producers, but 1,900 farm families who raise sugar beets, who have found that an extremely valuable program.

What this program, then, offers is a Government participation in allowing a flow of foreign raw commodity into the market to balance out domestic production. The 7.5 cents that might be saved if the Senator from New Hampshire succeeds will not be passed on to the consumer. That is 7.5 cents a pound. It will not be passed on to the consumer. It will go in the pocket of the large producers of candy and soft drinks. That would be fine if it did not destroy the market and the production environment for the domestic producer.

What happened in 1974 without a sugar program? The price of sugar was not 39 cents a pound, it was 60 cents a pound. We saw radical gyrations in a market that nearly destroyed the production unit of American sweetener, both in the cane and the sugar beet market.

What we have offered is stability, but we also have heard the Senator from New Hampshire. We also offered reform. In working with my growers and working with the sugar beet industry and the cane industry, we said—myself and Senator BREAUX from Louisiana, with whom I have worked on this—we cannot accept business as usual. The Congress is changing. We want to change farm programs, and you have to farm to a market. And they said they will.

What we also said is that we will not allow the massive dumping of foreign sugar in this market that is produced at little to no cost, oftentimes subsidized, sometimes by $1 a day labor. But that is what the large consumers of sugar want so their profits expand. But what they pass to the consumer will be not one dime of savings. They have openly admitted that after they spent millions of dollars in the television markets of this country trying to convince us there was some kind of a ripoff. This is not a ripoff. This is a program of reform that does not cost the American taxpayer one penny.

I believe it saves them money by creating a stable market. So that the Senator from New Hampshire, or the Senator from Pennsylvania, or this Senator can reach out in a restaurant, pick up a pack of sugar for no cost to them, and spread it across their cereal like thousands of Americans do every day. It sounds like a good buy to me. I think it is a great buy to the taxpayer.

I hope the Senate will reject this amendment.

Mr. LEAHY. Mr. President, I yield 5 minutes to the Senator from Hawaii.

The PRESIDING OFFICER. The Senator from Hawaii is recognized for 5 minutes.

Mr. AKAKA. Mr. President, I thank the ranking member for yielding to me.

Mr. President, as I listen to all the evils that are being attributed to the sugar program during today's debate on the Senate floor, I hardly recognize the tiny white crystals that sweeten my cereal each morning.

Sugar is an essential element of human nutrition. It is also the least expensive food item you will find in an American kitchen. When you go to a restaurant, there are only two things available at no charge and in an unlimited quantity: water and sugar. Yet on the Senate floor, sugar is the most maligned commodity grown in America.

Despite all the criticism being circulated by corporate food processors that are trying to put American sugar farmers out of business, sugar is one of the best bargains you will find at the grocery store today. A pound of refined sugar costs 39 cents.

But consumers elsewhere around the globe do not enjoy the same low prices as consumers in America. If you visited the grocery store in other industrialized nations you would get sticker shock when you came to the sugar display. In Tokyo, consumers pay nearly 90 cents for a pound of sugar, more than double the U.S. price. In Europe, prices average 50 to 70 cents per pound.

Among developed countries, the average retail price for a pound of sugar is 54 cents, which is a premium of 38 percent compared to the U.S. price. And what do these consumers get for the premium price they pay? Nothing. They get the same 1-pound box of sugar as we do in America, but they pay substantially more for it—38 percent more.

Thanks to a farm program that assures stable supplies at reasonable prices, sugar is a remarkable bargain for American consumers. U.S. consumers pay an average of 17 cents less per pound of sugar than their counterparts in other industrialized nations. That is a savings of $1.4 billion annually. So there is no doubt about one thing: the sugar program is a great deal for American consumers. By any measure, the sugar program has guaranteed U.S. consumers a stable supply of sugar at bargain prices.

I urge my colleagues to reject this amendment. If Congress reduces or terminates the sugar program, not only will a dynamic part of the economy disappear from many rural areas, but consumers will also lose a reliable supply of high-quality, low-price sugar. I urge my colleagues to vote against the Reid-Gregg amendment.

I am dumbfounded by the arguments of sugar opponents that the changes recommended by the Senate Agriculture Committee are inadequate. If anything, the reforms go too far. Cane sugar growers in my State will barely recognize the sugar program if the Senate bill becomes law.

The Senate bill eliminates marketing controls, eliminates minimum price guarantees, and increases sugar imports by 20 percent. Growers will pay a 1-cent-per-pound penalty when they forfeit sugar, which amounts to a cut in the loan rate. Finally, all beet and cane sugar growers will face a 25-percent increase in fees paid to the Federal Government to market sugar. The only thing that has not changed is the requirement that the program operate at no cost to the taxpayer.

The committee bill contains real reform. For sugar farmers in Hawaii and on the mainland these reforms will be painful, so painful that a number of them will not survive. I urge my colleagues to oppose deeper cuts than those proposed by the committee.

Mrs. FEINSTEIN. Mr. President, I rise in support of Senator GREGG's amendment to delete the sugar program from this bill.

Mr. President, California has not fared well under the current sugar program. Beet sugar production has declined markedly and the west coast's only cane sugar refinery, located in Crockett, CA, has suffered severe financial losses. As a result, California has lost several hundred sugar-related jobs in the past year alone.

In November, I learned that the cane sugar refinery in California was forced to cease operation for a week because it ran out of sugar. I have since learned that the closing of this California refinery was not an isolated case and that other refineries in Baltimore, MD, and Brooklyn, NY, have been closed several times during the past year for the same reason—no sugar.

Mr. President, the sugar program is complex. Under current law, the Secretary of Agriculture is required to provide price supports to growers through nonrecourse loans to processors, and to do so at no cost to the Federal Government. To accomplish this objective, the Secretary uses an elaborate supply management scheme that includes production and marketing allotments and strict import controls.

As currently administered, the sugar program has caused serious financial stress on a major segment of the U.S. sugar industry. The Secretary's initial decision to restrict import imports of raw cane sugar to the minimum allowed by law so distorted the price relationship between raw cane sugar and refined white sugar that all U.S. cane refiners experienced severe operating losses for the past 2 years. The increases in the quota announced by the Secretary of Agriculture last fall and last month are steps in the right direction, but the industry has not yet recovered.

As I understand it, the fundamental problem with the administration of the sugar program is the complete disregard of the relationship between raw cane sugar prices and refined beet and cane sugar prices.

Present Government policy inflates raw sugar prices to unreasonable levels by restricting raw sugar imports.

High price supports encourage excess beet production which, in turn, depresses refined sugar prices.

As a result, the normal economic relationship between raw and refined sugar prices no longer exists.

Raw costs have exceeded refined prices so that cane refiners can no longer recover their refining costs in the marketplace.

And cane refiners have been forced to sell their production at a substantial loss.

If continued as currently administered, the Government's sugar program will destroy the cane sugar refinery industry and seriously threaten the stability of the Nation's sugar supply.

Cane sugar refiners have a vital role to play in the U.S. sugar industry.

They provide over half of the refined sugar consumed in the United States under normal circumstances.

Only cane refiners have the capability to supply sugar when domestic sugar production is adversely impacted by weather or other disruptions.

Since the sugar program was put in place in 1981, 11 of the industry's 22 cane refiners have closed. The Government should not be in the business of deciding who is a winner and who is a loser in the sugar business.

Of immediate concern in my State is the damage the sugar program has inflicted on the California and Hawaiian Sugar Co. in Crockett, CA. This 90-year-old cane sugar refinery is the Nation's largest and the only such facility on the west coast. C&H Sugar refines all the sugar produced in Hawaii, as well as some imported raw cane sugar brought in under the quota. C&H Sugar refines and distributes about 15 percent of the cane sugar consumed in the United States.

As a direct result of the sugar program and its impact on imports, C&H Sugar lost about $13 million in 1994 and incurred operating losses of about $23 million in 1995.

In 1981, C&H Sugar had 1,313 employees. Today C&H Sugar has 582 employees. In other words, since 1981, over 700 jobs at C&H Sugar have been lost. Two hundred-six of these jobs were lost in January. More drastic measures are inevitable unless fundamental changes are made in the sugar program.

Mr. President, the job losses at this refinery are significant. These are good blue-collar jobs, predominantly union, with heavy minority employment. C&H Sugar's work force is 50 percent minority and 75 percent union members. C&H Sugar pays wages of $13.50 to $24 an hour, plus benefits, pension, and medical coverage for retirees. In most cases, these workers are not going to be able to duplicate these jobs.

More recently, in January, Imperial Holly Corp. announced its agreement to purchase of three of Spreckles Sugar Co.'s beet sugar processing plants in California and plans to close all three facilities and consolidate operations at existing Holly facilities in California. This will result in a further loss of hundreds of sugar related jobs in California.

Given the problems facing the sugar industry right now, I cannot support an extension of the current sugar program for 7 years as provided in this bill.

Mr. MOYNIHAN. Mr. President, I rise in enthusiastic support of the amendment offered by Senator GREGG and Senator REID to phase out sugar price supports over 2 years, rather than 7, which is the provision in the underlying bill.

First, let me point out that sugar price supports are set to expire in 2 years under current law. So the pending amendment merely maintains the status quo. Under freedom to farm, the sugar price support program receives a 5-year reprieve. And the underlying bill contains a powerful incentive to hold raw sugar imports at 1.5 million tons, some 25 percent below current levels. If the Gregg-Reid amendment is not adopted, I predict the domestic cane sugar refining industry will virtually disappear.

The Federal sugar price support program properly belongs in Cuba, not in a free market economy. It is a caricature of how a farm program ought to work. The program is cleverly designed to operate at little or no direct cost to the Federal Government. The Department of Agriculture [USDA] provides nonrecourse commodity loans to sugar growers. If raw sugar prices fall below the loan rate currently 18 cents per pound—the growers simply default on the loan and forfeit the sugar they put up for collateral. To prevent loan forfeitures from occurring, USDA sets very tight import quotas and domestic producer allotments which limit supply and drive prices above the loan rate.

As a result of this program, at 22 to 25 cents per pound, domestic prices for raw sugar are about twice world market prices. Domestic cane refiners, such as Domino of Brooklyn and Refined Sugar of Yonkers, pay more for raw material acquisition and refining than they are able to receive for their finished product. Domestic food processors and confectioners lose market share to foreign competitors who purchase their sugar supply on the world market. The Federal Government pays higher prices, about $90 million annually, for products it purchases for nutrition programs. And consumers pay $1.4 billion more than they need to for sugar and products containing sugar, according to the General Accounting Office.

Since the mid-1980's, the number of cane sugar refineries nationwide has declined from 22 to 11. Fifteen hundred jobs have been lost in the refining industry just in the last 5 years; capacity has been reduced by 40 percent. Domino has been forced to close its Brooklyn and Baltimore refineries six times in the past year because of raw cane sugar shortages.

What is particularly galling about the situation is that the refinery jobs are good-paying jobs located in inner cities and around dockyards where other employment opportunities are scarce. Moreover, the sugar program is, perhaps, more distorted than any other farm program in sending enormous benefits to the few largest producers. The top 1 percent of sugar growers, about 150 farms, garner 42 percent of program benefits in the form of higher prices. The largest 33 producers each receive over $1 million annually. The Fanjul brothers, who farm 180,000 acres of cane in Florida, receive some $64 million annually. The Fanjuls, whose family dominated sugar production in Cuba before Fidel Castro took over in 1959, are not even United States citizens. All sugar producers receive price and income supports wildly disproportionate to the Federal support received by other farmers. USDA estimates that sugar price and income supports average $472.30 an acre. Corn is supported at the rate of about $33.60 per acre; wheat is supported at $23.40.

Most important, Mr. President, is the fact that the artificially high price for sugar acts as a very regressive tax on low-income consumers. We committed ourselves to phasing out sugar price supports when we passed the 1990 farm bill. We ought to stick to that commitment. I urge the adoption of the pending amendment.

Ms. MIKULSKI. Mr. President, I rise in strong support of the Gregg-Reid amendment to eliminate the sugar title in this bill.

As a Senator from a State which is home to a major sugar refinery—the Domino refinery in Baltimore which provides over 600 jobs—I will not support a bill which threatens their future existence.

This bill is a bad deal for Domino and other refineries. It threatens the livelihoods of thousands of American working families—at refineries not only in Baltimore, but also in New York, in California and elsewhere.

Too often, the sugar program squeezes refineries between artificially high raw cane sugar prices and low supply. The sugar program in this bill will worsen the problem.

Almost half of American sugar cane refineries have gone out of business. Those refineries still in operation have faced temporary closures again and again. These disruptions create economic hardships for workers and disrupts production schedules.

To give our refineries some relief, I offered an amendment called the Emergency Sugar Refiner Relief Act which requires the Secretary of Agriculture to increase imports of raw cane sugar if the price of raw cane sugar exceeds 120 percent of the loan rate. My amendment would have prevented refineries from future closings due to artificially high raw cane prices. Unfortunately, my amendment could not be accepted today but I will keep fighting for it at every opportunity.

It is outrageous that our sugar program has to pit growers against refiners. There is no reason why our refiners have to be left out of the sugar program, threatening the future of this industry.

Mr. President, I will not support legislation that threatens the jobs and livelihoods of hundreds of workers in Baltimore. The sugar program contained in this bill is simply bad policy and there is no excuse for it.

I will continue to fight for the workers at Domino and the rest of the refining industry. For this reason, I strongly support the Gregg amendment.

Mr. LEAHY. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Vermont has 3 minutes and 47 seconds, and the Senator from Indiana has 9 minutes.

Mr. GREGG. Mr. President, I yield 7 minutes to the Senator from Nevada.

The PRESIDING OFFICER. The Senator from Nevada is recognized for 7 minutes.

Mr. REID. Mr. President, I initially say that I very much appreciate the leadership on this amendment offered by the Senator from New Hampshire, and I appreciate the Senator from New Hampshire's leadership in that I have seen him work on this issue when he was a Member of the House of Representatives. I know that his heart was there when he was Governor of the State of New Hampshire, and certainly for all of the time that he spent here in the Senate he has been trying to do away with this program that I think is one of the most absurd programs we have anyplace in Government.

Mr. President, we talk a lot about reforming welfare. I think where we should start reforming welfare is right here. We should reform welfare as we know it, and that is the sugar program which is one of the biggest welfare programs in the history of the country, if not in the history of the world.

Mr. President, this program is a program that does not benefit farmers. I repeat this is no help to the family farmer.

Seventeen cane growers get 58 percent of the benefit available to all cane growers. One cane grower received more than $65 million in 1 year alone. Thirty-three growers received benefits of over $1 million a year each. In Florida, two growers account for 75 percent of the production in that State which produces huge amounts of sugar.

The GAO concluded a study which said that the benefits going to growers are concentrated among a relatively few. And that is an understatement. Mr. President, 42 percent of grower benefits went to 1 percent of all sugar farms. The sugar cane industry is especially concentrated with 17 of the estimated 1,705 cane farms—about 1 percent—receiving almost 60 percent of all cane grower benefits in 1991. This is corporate welfare at its worst.

The Government-run sugar cartel artificially keeps sugar prices high. The General Accounting Office estimates that because of this program U.S. sugar prices are twice as high as world prices. Because of a Government heavy hand in setting sugar prices, American consumers are paying about $1.5 billion every year in higher food costs. This adds up to a hidden tax of over $10 billion over the last decade.

The big sugar lobbies' contention that they are going to lose jobs is simply without any foundation.

I repeat. This is a program that benefits the wealthy, and just a few wealthy farmers. It does not help the family farms.

It really hurts the American consumer. Take for example, Bobs Candy of Albany, GA, the Nation's largest manufacturer of candy canes—the things with the little crook that we put on our trees at Christmas. They are not going to be able to compete much longer with the Canadian competitors because of their significantly lower cane sugar prices in Canada. If this sugar program is extended, Bobs of Albany, GA, and hundreds of other manufacturers will be forced to move their operations overseas where they can get cheap sugar. And it would eliminate thousands of jobs.

While this program has been doing great, other farm programs have been on a downward path. The sugar program has stayed very stable. It is welfare I repeat at its worst. The sugar program has remained virtually untouched from the last two farm bills while other farm programs have faced reductions and many reforms.

The environmental consequences of the sugar program is that cane farming is destroying the environment. Take, for example, what it is doing to the Everglades in Florida.

The sugar program is big government at its worst. It sets prices, it controls imports, and it distributes benefits.

We should support this amendment. It would be good government to do so.

Mr. LEAHY. Mr. President, how much time does the Senator from Vermont have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes and 47 seconds.

Mr. LEAHY. Mr. President, I yield 1½ minutes to the Senator from North Dakota.

Mr. DORGAN. Mr. President, there are many farm programs that have not worked very well. Most of us have understood that, and we have debated what might make them work better. However, the sugar program is one that works.

I represent the Red River Valley area of North Dakota, and others represent the Red River Valley area of Minnesota. It is dotted with hundreds and hundreds of family farmers who raise sugar beets.

The sugar program does work. Instead of trying to figure out how you take apart a program that works in the farm program, we ought to decide how to make the other programs work better. The sugar program ought to be a model.

Now, I hear people talking about the world price for sugar. That is a dump price. Most sugar in this world is traded on long-term contracts country to country. The dump price, which people have been describing, is not related to this debate at all. The sugar program provides stable prices and has always provided stable prices for consumers and fair prices for producers. Every farm program ought to be as successful as this one is.

This is a success story in dozens of ways, and we ought not take it apart. I know people are talking about big agribusinesses. I am talking about family farmers dotting the prairies out there in the Red River Valley of North Dakota who operate successfully as a family farm under this sugar program. I hope this Senate will turn down this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. GREGG. Mr. President, I yield 1 minute to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 1 minute.

Mr. SANTORUM. I thank the Senator from New Hampshire.

Comments were made that this program is good for consumers. I do not think higher prices are good for consumers. I can tell you one thing. It is not good for workers. We had two sugar refineries in Philadelphia that closed in the 1980's as a result of this sugar program and the high cost of sugar that they had to deal with—1,500 jobs in the city of Philadelphia gone as a result of this program.

I hear so much about these small family farms. I am for small family farmers. What about families who work in these refineries that are going out of business, like the ones that are threatened in Georgia and in Maryland and in other places around this country because of this sugar program? Let us not just look to the farmers. Let us look to the workers who want to have jobs processing this sugar and confectioners who want to use this sugar instead of having to send those jobs to Canada or Mexico where they can buy cheap sugar and cheap peanuts and other things they use in making candy.

Those are the kinds of issues we should be looking at, not just one segment of the matter.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Who yields time?

Mr. LEAHY. Mr. President, I yield 1½ minutes to the distinguished Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 1½ minutes.

Mr. BREAUX. I thank the Senator. I will make a couple points.

There will be some people in the country who will never be satisfied until they can just about get free sugar to make all the products they make and thereby destroy the domestic industry.

We have over 700 small family farms that produce sugar in Louisiana that are dependent on this program. This program that we bring to the floor today has a number of significant reforms. There is major change in the program. But this side, some of them want to kill the entire program. Under this bill, there are now going to be no limits on how much domestic production of sugar can occur in the United States. If you want to plant more, go ahead. That is what this new program says. There is going to be no guaranteed minimum price under the reforms that are being presented here today.

We also have a program that is guaranteed to operate at no cost to the American taxpayer. What other program in this country can operate at no cost to the taxpayer? There is none, whether it is in health care or whether it is in other farm programs. This is the only one. You have heard these arguments about how much sugar costs and how expensive it is. I do not think any of us has ever had a housewife say anything about sugar costs in her budget. It is still the only product that they want to give away.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. GREGG. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. The Senator has 2 minutes 48 seconds. The Senator from Vermont has 15 seconds.

Mr. GREGG. Does the Senator from Vermont have a closing statement? I would like to maintain the right to close.

Mr. LEAHY. I yield to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, a GAO audit was done of this program several years ago. The Senator from New Hampshire has quoted from that as to impact on consumers. Let me put in the RECORD a letter from the Department of Agriculture, the Under Secretary for Farm and Foreign Agricultural Services, saying that the GAO used a totally faulty basis from which to calculate it. This letter refutes the very figures that are being used by the Senator, and it is important that be a part of the record.

This is the Department of Agriculture that analyzes and monitors this, saying the wrong premise was used; therefore, the wrong figures, and in fact this might be a net savings to consumers instead of a cost because of the stability of the program itself.

The PRESIDING OFFICER. All time in opposition has expired.

Does the Senator want that letter included in the RECORD?

Mr. CRAIG. I do.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, October 24, 1995.

Hon. PATSY T. MINK,
House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR CONGRESSWOMAN MINK: Thank you for your letter of July 26, 1995, concerning the General Accounting Office (GAO) report that stated that the U.S. sugar program costs domestic users and consumers an average of $1.4 billion annually and GAO's July 1995 analysis that the sugar program cost the Government an additional $90 million in 1994 for its food purchase and food assistance programs.

In my opinion, GAO's April 1993 report was flawed in its estimates. Some data were used incorrectly and important data and sugar market issues were not considered. Based on GAO's methodology, but by selecting prices in different time periods, the results are more ambiguous. Depending on the timeframe, one may contend that the domestic sugar program either costs or benefits U.S. users and consumers.

GAO's estimate of $1.4 billion annually was based on an assumption of a long-run equilibrium world price of 15.0 cents per pound of raw sugar if all countries liberalized sugar trade. GAO added a transportation cost of 1.5 cents per pound of raw sugar to derive a landed U.S. price (elsewhere in the report GAO stated that the transportation cost adjustment should be 2.0 cents per pound.) To derive a world price of refined sugar of 20.5 cents per pound, GAO added a refining spread of 4.0 cents per pound.

GAO compared its constructed U.S. sweetener price with its derived world price. However, GAO constructed the U.S. price for the 1989–1991 period during which 1989 and 1990 were unusually high price years for U.S. refined sugar. This exaggerated the difference between the so-called world derived price and the U.S. sweetener price. By selecting a period of world price spikes, such as 1973–1975, GAO's analysis would show an annual savings to domestic users and consumers of $350 to $400 million.

Clearly, the expected world price of raw sugar with global liberalization is critical to any analyses of the effects of the U.S. sugar program. In 1993, the Australian Bureau of Agricultural and Resource Economics (ABARE) estimated that sugar trade liberalization in the United States, European Union, and Japan alone would result in an average world price of 17.6 cents per pound of raw sugar—2.6 cents per pound higher than GAO's derived world price.

Based on the ABARE analysis and using a transportation cost of 1.75 cents per pound, which more accurately reflects global transportation costs to the United States, plus a refining spread of 4.27 cents per pound (Landell Mills Commodities Studies, Incorporated), a world price of refined sugar is estimated at 23.6 cents per pound. Based on this world price estimate and an average U.S. sweetener price over 1992–1994, a more normal price period, it can be shown using GAO's methodology, that there are no costs to domestic users and consumers.

The estimated effects of the U.S. sugar program are highly sensitive to expected world prices if global sugar trade is liberalized. GAO's analysis, in my judgment, does not adequately consider the complexities and dynamics of the U.S. and global sugar markets.

With respect to the effects of the U.S. sugar program on Government costs of its food purchase and assistance programs, an independent analysis by the Economic Research Service (ERS) estimates the cost at $84 million based on the difference between U.S. and world refined sugar prices in 1994. However, just as for the GAO analysis, different effects could be estimated by using other time periods when the price gap between U.S. and world prices was smaller. Moreover, with global liberalization, the price gap would narrow because of the dynamics of adjustment which were not considered in the ERS analysis.

Sincerely,

EUGENE MOOS,
Under Secretary for Farm and Foreign Agricultural Services.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, no amount of smoke and mirrors here is going to obfuscate the basic fact that you can go into the marketplace—in fact, it was quoted today on CNBC—and buy sugar at 10 cents a pound on the international market, but if you go out and buy it in the United States it will cost you 20, 21, 22 cents a pound. That is because the difference goes to a few growers who have a hammerlock on the political system.

And does it not cost the taxpayers money? That statement was made—it does not cost the American taxpayers money. Of course, it costs them money; $1.5 billion a year in subsidy is carried by the American consumers in order to benefit 17 cane growers who get 42 percent of the benefit, as the Senator from Nevada so aptly pointed out.

The idea that we are presenting is not to eliminate the program. We are saying just do not extend it for 7 years. Do not put this outrage on the back of the American consumers for 7 years, which would cost approximately $20 billion in subsidies having to be paid by the American consumer.

We are saying just hit them for 2 years, just hit them for 2 years. And then let us go back and look at the program again. We are not saying eliminate the program. We are saying just do not be greedy. Be reasonable. Give us a 2-year extension instead of a 7-year extension.

But what would be wrong with eliminating the program? The idea was you would get free sugar; we are not going to be happy until we get free sugar. We do not want free sugar. What we want is prices set by the marketplace. This is called capitalism. It is the concept of Adam Smith, comparative advantage. Those are things Republicans used to stand for. They happen to be things this country was built on. They are things which should be returned at some point in the sugar program. We are not asking they be returned today. All we are asking is that the sugar program only be extended for 2 years instead of 7 years—not an unreasonable request.

Mr. President, I certainly thank the Senator from Nevada for his support and the other Senators who cosponsored this amendment. And I hope that others will join us in putting a 2-year extension in place instead of a 7-year extension in place for a program which should not be extended at all.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I ask unanimous consent that following the next Democratic amendment and the intervening Republican amendment, Senator DASCHLE be recognized to offer his amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Who yields time? There are 17 seconds remaining.

Mr. GREGG. I yield back the rest of my time.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, we are coming now to the first vote, and the order is that each side have 1 minute of explanation. The proponent of the amendment perhaps will proceed.

The PRESIDING OFFICER. The Senator from Wisconsin.

AMENDMENT NO. 3442

Mr. KOHL. I thank the Senator. The first vote is on the Northeast area compact. I ask unanimous consent that Senator CARL LEVIN be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KOHL. This is a very, very bad amendment. The amendment should not go through. It is anticonstitutional. It only can be authorized by Congress. It should not be authorized by Congress.

It would allow six States to set the price of milk in their States and nobody else would be allowed, no other State would be allowed to compete in that market unless they were prepared to meet that price. If you can imagine, this is not the way we conduct the American economy. No State would like to be the subject of that kind of a restriction. It would allow other States at other times to come to Congress and ask for permission to set prices. We do not set prices in this country. We allow commerce to proceed in a competitive way. The Northeast area compact is specifically an action to prevent that.

The proponents will say that we voted 65 to 35 for this. We have not voted 65 to 35 for this before. The previous vote was on several different provisions on a much broader agricultural amendment. It was not an up-or-down vote on the Northeast area compact. It is bad policy for this Congress, and I urge my colleagues to vote in favor of the motion to strike the amendment.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Who yields time?

Mr. LEAHY. Mr. President, I would strongly urge that the Senate vote as it already has. We have, indeed, voted 65 to 34 in favor of this compact. I would explain that was the vote on the compact before. This is something that involves only the Northeast. It affects dairy only in the Northeast.

It is a compact carefully set up where consumers and farmers work together, where consumers actually have a veto over any price increase. I hope that we would allow the Northeast States to do what their legislatures have joined together to do.

I yield to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont has 20 seconds.

Mr. JEFFORDS. Mr. President, all we are asking is that Vermont be allowed to do what other States can do. Big States can do it. California does the same thing we want to do. We allow anybody to come in. If Minnesota or Wisconsin want to bring their milk in, they can. There are no barriers.

All we are trying to do is make sure we protect the few farms that are left tucked way up at the border of the United States in the Northeast where we have a very, very difficult time being able to buy our grains and all that. So we urge you to vote as you did last time, and that is against the amendment.

The PRESIDING OFFICER. The time has expired. All time has expired.

Under the previous order, the question now occurs on agreeing to amendment No. 3442 offered by the Senator from Wisconsin [Mr. KOHL]. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Texas [Mr. GRAMM], and the Senator from Oregon [Mr. HATFIELD] are necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The PRESIDING OFFICER (Mr. DEWINE). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 50, nays 46, as follows:

[Rollcall Vote No. 10 Leg.]

YEAS—50

Abraham
Bingaman
Brown
Bryan
Bumpers
Byrd
Campbell
Coats
Conrad
Craig
Daschle
DeWine
Dole
Dorgan
Exon
Faircloth
Feingold
Ford
Frist
Glenn
Grams
Grassley
Harkin
Hatch
Hutchison
Inhofe
Kempthorne
Kerrey
Kohl
Kyl
Lautenberg
Levin
McCain
Moseley-Braun
Nickles
Nunn
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Simon
Simpson
Specter
Thompson
Warner
Wellstone
Wyden

NAYS—46

Akaka
Ashcroft
Baucus
Bennett
Biden
Bond
Boxer
Breaux
Burns
Chafee
Cochran
Cohen
Coverdell
D'Amato
Dodd
Feinstein
Gorton
Graham
Gregg
Heflin
Helms
Hollings
Inouye
Jeffords
Johnston
Kassebaum
Kennedy
Kerry
Leahy
Lieberman
Lott
Lugar
Mack
McConnell
Mikulski
Moynihan
Murkowski
Murray
Pell
Sarbanes
Shelby
Smith
Snowe
Stevens
Thomas
Thurmond

NOT VOTING—4

Bradley
Domenici
Gramm
Hatfield

So the amendment (No. 3442) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3443

The PRESIDING OFFICER. The question now is on amendment No. 3443 offered by the Senator from Colorado [Mr. BROWN].

Under the previous order, the time has been divided equally, 1 minute apiece.

The Senator has the right to be heard. We cannot proceed if discussions continue.

The Senator from Colorado.

Mr. BROWN. Mr. President, I believe we have worked this amendment out. I am proposing to alter the amendment by dropping the section dealing with BLM, section (c), applying it only to the Secretary of Agriculture, and in section (e), dropping any reference to a grant or issuance of a permit.

This dramatically scales back the amendment, and I believe this meets the concerns expressed about it. As it would be amended, it would simply mean that if an easement has existed for a long time, you could not revoke it or refuse to renew it if the easement is in no way being changed.

AMENDMENT NO. 3443, AS MODIFIED

Mr. BROWN. Mr. President, I ask unanimous consent to modify my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

At the appropriate place, insert the following:

SEC. . CLARIFICATION OF EFFECT OF RESOURCE PLANNING ON ALLOCATION OR USE OF WATER.

(a) NATIONAL FOREST SYSTEM RESOURCE PLANNING.—Section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604) is amended by adding at the end the following new subsection:

"(n) LIMITATION ON AUTHORITY.—Nothing in this section shall be construed to supersede, abrogate or otherwise impair any right or authority of a State to allocate quantities of water (including boundary waters). Nothing in this section shall be implemented, enforced, or construed to allow any officer or agency of the United States to utilize directly or indirectly the authorities established under this section to impose any requirement not imposed by the State which would supersede, abrogate, or otherwise impair rights to the use of water resources allocated under State law, interstate water compact, or Supreme Court decree, or held by the United States for use by a State, its political subdivisions, or its citizens. No water rights arise in the United States or any other person under the provisions of this Act.".

(c) AUTHORIZATION TO GRANT RIGHTS-OF-WAY.—Section 501 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1761) is amended as it applies to the Secretary of Agriculture—.

(1) in subsection (c)(1)—.

(A) by striking subparagraph (B);

(B) in subparagraph (D), by striking "originally constructed";.

(C) in subparagraph (G), by striking "1996" and inserting "1998"; and.

(D) by redesignating subparagraphs (C) through (G) as subparagraphs (B) through (F), respectively:

(2) in subsection (c)(3)(A), by striking the second and third sentences; and.

(3) by adding at the end the following new subsection:

"(e) EFFECT ON VALID EXISTING RIGHTS.—Notwithstanding any provision of this section, the Secretary of Agriculture may not require, as a condition of, or in connection with, the renewal of a right-of-way under this section, a restriction or limitation on the operation, use, repair, or replacement of an existing water supply facility which is located on or above National Forest lands or the exercise and use of existing water rights, if such condition would reduce the quantity of water which would otherwise be made available for use by the owner of such facility or water rights, or cause an increase in the cost of the water supply provided from such facility."

Mr. BROWN. Mr. President, I ask unanimous consent to add Senator BURNS as a cosponsor and to vitiate the yeas and nays.

The PRESIDING OFFICER. Without objection, it is so ordered. The yeas and nays have not been ordered.

Mr. BUMPERS. Mr. President, I ask unanimous consent that I be permitted to engage in a 1-minute colloquy with the Senator from Colorado. I could not hear one word he said.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, let me ask two questions of the Senator from Colorado.

First, as I understand it, the amendment has been modified so that it will only apply to Forest Service language.

Mr. BROWN. That is correct.

Mr. BUMPERS. And the amendment also has a provision in it that it will only apply to renewal of permits and not new permits?

Mr. BROWN. That is correct. To that end, we have dropped the provisions that dealt with the issuing and the granting.

Mr. BUMPERS. I will not raise a point of order, but would the Senator from Colorado join in requesting the Senator from Idaho to hold a hearing on this subject? I think it is a fairly complicated thing that deserves a hearing.

Mr. BROWN. I appreciate it. That is a valuable suggestion. I am happy to join the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3443), as modified, was agreed to.

Mr. LUGAR. I move to reconsider the vote.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3445, AS MODIFIED

The PRESIDING OFFICER. The question is now on amendment 3445.

Mr. DORGAN. I ask unanimous consent I be recognized to offer the next amendment following the series of votes. We will have the next Democratic amendment. I ask unanimous consent to do that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Parliamentary inquiry: Is this the first amendment I offered which would strike the section of the bill that raises interest rates for Commodity Credit Corporation loans?

The PRESIDING OFFICER. That is correct.

Mr. HARKIN. For Senators who did not hear the debate earlier, for almost 60 years we have allowed the farmers to borrow from the Commodity Credit Corporation using grain and commodities as collateral at interest rates based on Treasury rates. This bill raises the interest rate 1 full percentage point. There is no good reason for that.

There are those who argue farmers ought to be like other people out there, borrowing at commercial rates. Large grain companies, and the large producers can go get the prime rate. My family farmers in Iowa have to go to the local bank and pay prime plus 3. There is no reason to raise these CCC interest rates 1 percent. It is a $260 million tax on farmers. Mr. President, $260 million more that farmers will have to pay into the Treasury over the next 7 years that is not needed, and it will hurt our family farmers.

Mr. LUGAR. Mr. President, I encourage Senators to vote against the Harkin amendment. It is, in fact, a $260 million subsidy to farmers. Deliberately, farmers have been given a rate 1 percent less for a long time, at the Treasury rate as opposed to the commercial rate. If every other business in America had a similar advantage, that might be a different story but other business people do not.

There was a time when we were interested in balancing the budget in this Chamber. This was $260 million of the savings involved in that situation. All we are asking for a vote "no" on this is that farmers have identically the same opportunity at commercial rates and that the $260 million of savings to the taxpayers be preserved.

Mr. DOLE. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. Yes.

Mr. DOLE. I ask that the Chair announce the vote at the end of 10 minutes from here on.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is now on agreeing to the Harkin amendment numbered 3445.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Texas [Mr. GRAMM], and the Senator from Oregon [Mr. HATFIELD] are necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 37, nays 59, as follows:

[Rollcall Vote No. 11 Leg.]

YEAS—37

Akaka
Baucus
Biden
Bingaman
Boxer
Breaux
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Grassley
Harkin
Heflin
Hollings
Inouye
Johnston
Kerrey
Kohl
Levin
Lieberman
Mikulski
Moseley-Braun
Murray
Pell
Pressler
Pryor
Sarbanes
Simon
Wellstone
Wyden

NAYS—59

Abraham
Ashcroft
Bennett
Bond
Brown
Bryan
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Faircloth
Frist
Gorton
Graham
Grams
Gregg
Hatch
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kennedy
Kerry
Kyl
Lautenberg
Leahy
Lott
Lugar
Mack
McCain
McConnell
Moynihan
Murkowski
Nickles
Nunn
Reid
Robb
Rockefeller
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—4

Bradley
Domenici
Gramm
Hatfield

So the amendment (No. 3445), as modified, was rejected.

Mr. LUGAR. Mr. President, I move to reconsider the vote.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3446

The PRESIDING OFFICER. The question now occurs on the Harkin amendment, No. 3446. There are 2 minutes for debate evenly divided pursuant to the previous order.

The Senator from Iowa.

Mr. LEAHY. Mr. President, the Senate is not in order. The Senator from Iowa is entitled to be heard.

The PRESIDING OFFICER. The Senator is correct. The Senate will be in order.

Mr. HARKIN. Mr. President, this amendment reinstates the farmer-owned reserve which is suspended for the 7 years of this bill. In the 1970's we heard a hue and cry across the country that the grain companies and processors had a hold over the grain markets because they could buy up grain from the farmers at low prices and the farmers could not market their grain when they wanted to market it. So we put in something called the farmer-owned reserve, which is, first, a marketing tool for farmers that allows them to be able to market their grain when they want to at higher prices. Second, it is also a tool for consumers, because in periods of drought, when we have short supplies——

The PRESIDING OFFICER. The Senator will suspend for a moment. The Senate will be in order.

The Senator from Iowa.

Mr. HARKIN. Then those supplies of grain are available, so we avoid severe shortages and extremely high prices. Mr. President, there is an estimate by the Food and Agricultural Policy Research Institute that, in connection with the 1988 drought, that the substantial stocks of grain on hand, including in the farmer-owned reserve, prevented some $40 billion in extra food costs to consumers because we had that reserve owned by the farmers.

So this amendment just basically continues that program of enabling farmers to store their own grain for a period as a reserve and allow them to market in a more orderly way.

This is both a profarmer and a proconsumer amendment.

Mr. LUGAR. Mr. President, the reason the Senate allowed the farmer-owned reserve to lapse was that essentially it was a very expensive storage business with 26½ cents per bushel to a farmer who wanted to store grain. But eventually over half of the money was paid to elevators and to large grain merchandisers, not to the individual farmers we are talking about here. We finally got rid of it because farmers understood it was a hangover of wheat, corn, and beans over the market. It depressed prices.

I am a farmer. I have storage. I do not need 26½ cents a bushel to store for my own purposes. I market it on the basis of price.

That is the way the country proceeded, and we saved $100 million for taxpayers for another subsidy that is unnecessary and unneeded for farmers.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Texas [Mr. GRAMM], and the Senator from Oregon [Mr. HATFIELD] are necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 35, nays 61, as follows:

[Rollcall Vote No. 12 Leg.]

YEAS—35

Akaka
Baucus
Bingaman
Boxer
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Grassley
Harkin
Heflin
Hollings
Inouye
Johnston
Kerrey
Kohl
Mikulski
Moseley-Braun
Murray
Pell
Pressler
Pryor
Reid
Rockefeller
Simon
Wellstone
Wyden

NAYS—61

Abraham
Ashcroft
Bennett
Biden
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dodd
Dole
Faircloth
Frist
Gorton
Graham
Grams
Gregg
Hatch
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kennedy
Kerry
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Moynihan
Murkowski
Nickles
Nunn
Robb
Roth
Santorum
Sarbanes
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—4

Bradley
Domenici
Gramm
Hatfield

So the amendment (No. 3446) was rejected.

Mr. LUGAR. Mr. President, I move to reconsider the vote.

Mr. COHEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3225

The PRESIDING OFFICER. The question now occurs on agreeing to the Santorum amendment No. 3225.

Mr. LEAHY. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. Will Members of the Senate who are having discussions please retire to the Cloakroom.

The Senator from Pennsylvania is recognized.

Mr. SANTORUM. I thank the Chair.

Mr. President, the amendment that I have is not an elimination of the peanut program. What is does is it phases down the support price for peanuts 30 percent over the next 5 years and then replaces the quota system with a nonrecourse loan system. So there will still be a peanut program, a safety net program. The only commodity in the last 10, 15 years that has not been reformed is peanuts. It is the only one that has gone up in price since 1985. For everything else the support prices have been cut but not peanuts. Peanuts is still run with a quota system. That means you have to have a license to grow peanuts, and, if you do not have that license, you cannot sell peanuts in this country.

What we want to do is just reform it slightly over the next 7 years to really comport with the other programs that are going through reform, and I urge an affirmative vote to send a good message on this program.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I will just take about 30 seconds.

I have had a lot of experience with the peanut program. There have been reforms made over the years. There are reforms in this bill. We are trying to get a farm bill passed, and I know that the Senator from Pennsylvania has worked very long and very hard and has done a great job, but I think in the spirit of trying to get the bill passed, we ought to take the reforms that have been made. Therefore, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Pennsylvania [Mr. SANTORUM].

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. D'AMATO. Mr. President, on this vote, I have a pair with the Senator from New Mexico [Mr. DOMENICI]. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. LOTT. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Texas [Mr. GRAMM], and the Senator from Oregon [Mr. HATFIELD] are necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 59, nays 36, as follows:

[Rollcall Vote No. 13 Leg.]

YEAS—59

Akaka
Ashcroft
Baucus
Bennett
Bingaman
Bond
Breaux
Bumpers
Burns
Byrd
Campbell
Cochran
Conrad
Coverdell
Craig
Daschle
Dodd
Dole
Dorgan
Exon
Faircloth
Feinstein
Ford
Graham
Grassley
Harkin
Hatch
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kempthorne
Kerrey
Leahy
Lieberman
Lott
Mack
McConnell
Mikulski
Moseley-Braun
Murkowski
Nickles
Nunn
Pell
Pressler
Pryor
Robb
Rockefeller
Sarbanes
Shelby
Simon
Simpson
Stevens
Thurmond
Warner

NAYS—36

Abraham
Biden
Boxer
Brown
Bryan
Chafee
Coats
Cohen
DeWine
Feingold
Frist
Glenn
Gorton
Grams
Gregg
Kassebaum
Kennedy
Kerry
Kohl
Kyl
Lautenberg
Levin
Lugar
McCain
Moynihan
Murray
Reid
Roth
Santorum
Smith
Snowe
Specter
Thomas
Thompson
Wellstone
Wyden

PRESENT AND GIVING A LIVE PAIR

D'Amato, against

NOT VOTING—4

Bradley
Domenici
Gramm
Hatfield

So the motion to table the amendment (No. 3225) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote.

Mr. CRAIG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

CORRECTION OF VOTE

Mr. BINGAMAN. Mr. President, on rollcall vote No. 13, I was recorded as voting "nay." In fact, I voted "aye." I ask unanimous consent that the official record be corrected to accurately reflect my vote. Mr. President, this will in no way change the outcome of the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The foregoing tally has been changed to reflect the above order.)

AMENDMENT NO. 3447

The PRESIDING OFFICER. The pending business is the Bryan amendment No. 3447. The Senator from Nevada.

Mr. BRYAN. Mr. President, I ask unanimous consent that the Bryan amendment be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRYAN. Mr. President, this is an amendment, the identical contents of which was before the Senate last fall and was approved overwhelmingly by a vote of 62 to 36. It seeks to cap the Market Promotion Program at $70 million. Under the current proposal, that funding level would rise to $100 million on an annual basis.

It precludes the payment of market promotion moneys to foreign corporations. Under the current law, foreign corporations may receive money.

It also precludes payments being made to large corporations that would exceed the small business size and scope, and it would make it possible for moneys to continue to be received by cooperative organizations who are advertising on behalf of nonbranded promotions.

I urge its adoption. As I say, it has been before us previously and enjoys the support of the chairman of the committee and the ranking member.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, in opposition to the amendment, let me simply state that there are controls and reforms not only reflected in this legislation before the Senate in the Market Promotion Program, but there are also restrictions imposed by the Department of Agriculture in the allocation of these funds.

In the view of many of us, that should answer all of the charges that have been made by some of the sensationalized attacks on our effort to enlarge our share of the international market through helping our exporters of food and commodities do a better job competing with those countries that engage in unfair practices to keep our products out of markets and to make us lose market share.

This provision in the bill that is sought to be amended creates American jobs. It is time for us to stand up for our farmers and our exporters. I urge the Senate to vote "no" on this amendment.

The PRESIDING OFFICER. The question is on agreeing to the Bryan amendment No. 3447.

The yeas and nays have been ordered.

The clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Texas [Mr. GRAMM], and the Senator from Oregon [Mr. HATFIELD] are necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 59, nays 37, as follows:

[Rollcall Vote No. 14 Leg.]

YEAS—59

Abraham
Ashcroft
Biden
Bingaman
Brown
Bryan
Bumpers
Burns
Byrd
Chafee
Coats
Cohen
Coverdell
D'Amato
DeWine
Dodd
Dole
Dorgan
Exon
Feingold
Frist
Glenn
Graham
Grams
Gregg
Harkin
Hollings
Hutchison
Inhofe
Jeffords
Johnston
Kassebaum
Kennedy
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lugar
Mack
McCain
Mikulski
Moynihan
Nickles
Nunn
Pell
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Smith
Thomas
Thompson
Warner
Wellstone

NAYS—37

Akaka
Baucus
Bennett
Bond
Boxer
Breaux
Campbell
Cochran
Conrad
Craig
Daschle
Faircloth
Feinstein
Ford
Gorton
Grassley
Hatch
Heflin
Helms
Inouye
Kempthorne
Kerrey
Lott
McConnell
Moseley-Braun
Murkowski
Murray
Pressler
Pryor
Shelby
Simon
Simpson
Snowe
Specter
Stevens
Thurmond
Wyden

NOT VOTING—4

Bradley
Domenici
Gramm
Hatfield

So the amendment (No. 3447) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3448

The PRESIDING OFFICER. The question now is on the Harkin amendment, No. 3448.

Under the previous order, the time is evenly divided.

The Senator from Iowa is recognized.

Mr. LEAHY. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senator is correct. The Senate will be in order.

Mr. HARKIN. Last year, Senator LUGAR and Senator LEAHY introduced S. 854 to provide for incentive payments, cost-sharing, technical assistance, et cetera, to livestock producers to meet certain environmental standards. In that bill, for example, there is a limit relating to the number of livestock above which you could not get cost share payments, you could not get Government money. For example, in the original bill eligibility was limited to 1,000 beef cattle and 2,500 head of hogs.

In the bill before us, the limits were raised to 10,000 beef cattle and 15,000 head of hogs. We have a limited pool of money, $700 million over 7 years for the livestock environmental assistance. This money ought to go to the family-size farmers who need this help. The bigger operations have a lot of capital. They can take care of their own environmental problems. It is the small family farmers with the smaller herds that need this type of help.

My amendment takes this limited pot of money we have and sets limits basically back to where the initial bill was last year at 1,000 head of cattle and 2,500 head of swine, which corresponds with the regulations that have been promulgated under the Clean Water Act.

Mr. LUGAR. Mr. President, I argue against the Harkin amendment on the basis that the limits that were set in the Lugar-Leahy bill were based upon the herds in 1970. They correspond to the Clean Water Act considerations of that time, and they made sense at that time.

Unhappily or happily, as the case may be, people in cattle, with hog farms, with chickens, and with turkeys, have a great number. We have made a limit of $10,000 per operation, but in meetings with producers all over the country, pragmatically the limits that we have come to seem to be a compromise between the large and the small.

I visited the Iowa Corn Producers last week and they feel that is about the right level. We had the big and the small, and a great controversy was witnessed in that State. There is no magic in the figures. They seem to me to be a practical compromise.

I advocate the committee text be retained and the Harkin amendment be defeated.

The PRESIDING OFFICER (Mr. ASHCROFT). The question is on agreeing to the amendment.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Texas [Mr. GRAMM], and the Senator from Oregon [Mr. HATFIELD] are necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 57, nays 39, as follows:

[Rollcall Vote No. 15 Leg.]

YEAS—57

Akaka
Ashcroft
Baucus
Bingaman
Boxer
Brown
Bryan
Byrd
Chafee
Cohen
Conrad
Daschle
Dodd
Dole
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Glenn
Graham
Grams
Grassley
Gregg
Harkin
Helms
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nickles
Nunn
Pell
Pressler
Reid
Rockefeller
Santorum
Sarbanes
Simon
Smith
Snowe
Specter
Thomas
Wellstone
Wyden

NAYS—39

Abraham
Bennett
Biden
Bond
Breaux
Bumpers
Burns
Campbell
Coats
Cochran
Coverdell
Craig
D'Amato
DeWine
Frist
Gorton
Hatch
Heflin
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Pryor
Robb
Roth
Shelby
Simpson
Stevens
Thompson
Thurmond
Warner

NOT VOTING—4

Bradley
Domenici
Gramm
Hatfield

So the amendment (No. 3448) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote.

Mr. CRAIG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3450

The PRESIDING OFFICER. The question now is on agreeing to amendment No. 3450. Who yields time? There is 1 minute reserved on each side.

Mr. CRAIG. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order. Senators will take conversations to the Cloakroom.

The Senator from Idaho.

Mr. CRAIG. Mr. President, I hope my colleagues will oppose the next amendment that will be up. Reform has been asked for in the sugar program, and we have brought major reform. This is of no cost to the taxpayers. We create stability in the market, which I think all of us want to see.

I yield to my colleague from Louisiana.

Mr. BREAUX. My colleagues, I would say the amendment of the Senator from New Hampshire knocks out all the reforms in the sugar program, which are substantial. He wants to make, I think, the program as bad as it possibly can be. Voting against that amendment preserves the reforms that are in the legislation.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, this is not about reform. There is no reform in this package. The price of sugar will remain twice the market price under this bill or under the old law.

This is an issue of whether or not the sugar program will be locked in for 7 years as a huge subsidy and expense for the American consumers to bear, or whether we are going to continue it for 2 years and come back and revisit the issue. We are just asking for a reasonable chance to revisit the issue over the next 2 years, continue the program for 2 years, come back and take it up. So I hope the people will take a look at this and be willing to vote for a 2-year extension, rather than a 7-year extension.

The PRESIDING OFFICER. The Chair informs the Members of the body that the yeas and nays have not been ordered on this vote.

Mr. GREGG. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Texas [Mr. GRAMM], and the Senator from Oregon [Mr. HATFIELD] are necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 35, nays 61, as follows:

[Rollcall Vote No. 16 Leg.]

YEAS—35

Ashcroft
Biden
Bryan
Chafee
Coats
Cohen
DeWine
Feingold
Feinstein
Frist
Glenn
Gorton

Gregg
Hutchison
Kassebaum
Kennedy
Kerry
Kohl
Kyl
Lautenberg
Lugar
McCain
Mikulski
Moynihan
Nickles
Nunn
Pell
Reid
Roth
Santorum
Sarbanes
Smith
Snowe
Specter
Thompson

NAYS—61

Abraham
Akaka
Baucus
Bennett
Bingaman
Bond
Boxer
Breaux
Brown
Bumpers
Burns
Byrd
Campbell
Cochran
Conrad
Coverdell
Craig
D'Amato
Daschle
Dodd
Dole
Dorgan
Exon
Faircloth
Ford
Graham
Grams
Grassley
Harkin
Hatch
Heflin
Helms
Hollings
Inhofe
Inouye
Jeffords
Johnston
Kempthorne
Kerrey
Leahy
Levin
Lieberman
Lott
Mack
McConnell
Moseley-Braun
Murkowski
Murray
Pressler
Pryor
Robb
Rockefeller
Shelby
Simon
Simpson
Stevens
Thomas
Thurmond
Warner
Wellstone
Wyden

NOT VOTING—4

Bradley
Domenici
Gramm
Hatfield

So the amendment (No. 3450) was rejected.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I believe the Senator from North Dakota is next. Senators certainly on this side of the aisle have been very good in coming forward to talk about amendments, technical points they may want to have cleared. I appreciate that. I hope if anybody else does they would let us know as soon as possible because this is moving very quickly, and at some point it is going to be wrapped up.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from North Dakota is recognized.

AMENDMENT NO. 3451 TO AMENDMENT NO. 3184

(Purpose: To require farmers to plant crops to receive Federal payments)

Mr. DORGAN. Mr. President, I have an amendment at the desk, and I would ask that the amendment be reported.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN], for himself, Mr. DASCHLE, Mr. CONRAD, Mr. KERREY, Mr. HARKIN, Mr. WELLSTONE, Mr. KOHL, Mr. EXON, Mr. PRYOR, Mr. FEINGOLD, Mr. HEFLIN, and Mr. BUMPERS, proposes an amendment numbered 3451 to amendment No. 3184.

Mr. DORGAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Section 103(f)(1) is amended by striking subparagraph (A) and inserting the following:

(A) the lesser of—

(i) 85 percent of the contract acreage, or

(ii) the contract acres planted to a contract commodity or oilseeds;

Mr. DORGAN. Mr. President, I offer the amendment on behalf of myself, Senators DASCHLE, CONRAD, KERREY, HARKIN, WELLSTONE, KOHL, EXON, PRYOR, FEINGOLD, HEFLIN, and BUMPERS.

Mr. President, my understanding is there is 15 minutes on each side.

The PRESIDING OFFICER. The Senator is correct.

Mr. DORGAN. Mr. President, I yield myself such time as I may consume.

The bill that we are now debating is called the freedom to farm bill. It is a bill that provides 7 years of fixed payments to farmers. Yet, there is no requirement in this legislation to plant a crop. All you need would to participate is to have some base acres and a bank account. You never need to plant a seed. You never need to harvest a crop. Yet, you would get payments under this proposal.

You can have two farmers side by side under this proposal, one of whom plants a crop, harvests a crop, and works all year operating a family farm. That farmer gets a payment under the Freedom to Farm Act. The other farmer across the road does nothing, packs up, moves to Arizona, does not plant a crop, never plows a furrow, and never starts an engine. That farmer gets the same payment.

Now, this is a farm bill. This bill is about helping farmers farm, not helping farmers not farm. It is a bill about helping farmers who want to farm. This should not be a bill about creating a payment system to pay people for not farming.

My amendment amends the Freedom to Farm Act and says that payments under the Freedom To Farm Act will be made to farmers who plant a program crop, any program crop on their base acres. It provides for total flexibility. It simply says we will not make payments to people who plant nothing. You must plant a program crop on your base acres to be eligible for these payments.

Some will say, well, it has been done before. We have an 0/92 program and an 0/85 program. The 0/92 program allows farmers to plant oilseeds on base acres. That is not the same at all. There is a requirement to plant.

The 0/85 program is a conservation use program. Payments are made for putting the land into a conserving use. Not the same at all.

The current provisions in this bill makes no sense to me at all, and the Senate ought to adopt this amendment. The amendment says let us make this a farm bill. Let us help the farmers who are planting crops and harvesting crops. Let us assist the work of family farmers in this country. But let us not pay people who do not plant and do not harvest.

Mr. President, I have several Members who would like to speak for a minute. Let me yield 1 minute to Senator HARKIN from Iowa.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I thank the Senator from North Dakota for this amendment. It is a commonsense amendment. This is just plain old common sense. Why should we be giving huge payments to people who may be sitting on Miami Beach.

I have an example here, I tell my friend from North Dakota, of a fairly large wheat farmer in Kansas. He has 1,800 acres of wheat and 600 acres of grain sorghum. Just take this year, wheat prices being what they are, sorghum prices being what they are, and let us see what happens to this individual this year under the present prices. What is he going to get this year? This farmer is going to net about $235,000. That is a profit. Part of his profit is a Government check for $39,768. That is on top of $195,000 in profit already.

Now, unless we adopt the Dorgan amendment, he can get that payment if he did not plant anything at all. He could get that $39,000 if he did not even want to do anything.

The Senator from North Dakota is right. If we are going to be sending out checks from the Government, at least we ought to expect people to work for it and not be able just to sit back and do nothing.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DORGAN. I yield 2 minutes to the Senator from Nebraska [Mr. KERREY.]

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. I thank the Chair.

For years, the principal criticism of the farm program has been an inaccurate one, but it has been an effective one, that American farmers are being paid not to farm; converting acres is a payment not to farm; farmers are going to get paid for wetlands regulation, lots of other things.

They are certainly not paid not to farm.

In this program, the way it is written, the law basically says that the Government will calculate the number of acres that you are eligible for based on 4, 5 years of farming using Farm Service Office numbers.

The Farm Service Office will then say, "Here is what your yields are." Both of them, by the way, have built in inequities because that is another problem. The Government will say, "Here is your number of acres, your yield, multiply your numbers and take 85 percent, then add all the acreage up and all those bushels up." It will take the total dollars available for that crop, divide it into the total bushels, and that is how many cents you will get. And you will get half your payment in June and half in September.

The only three things you have to do to get the payment is the following: First, comply with the conservation requirements; second, comply with the wetlands requirements; and, third, promise not to plant more than 15 percent alfalfa and not to plant fruits and vegetables. Other than that, you do not have to promise to do anything. There will not be any question.

Farmers may make a calculation, "Maybe I would be smarter not to plant at all. I don't have to plant under this. I don't have to put a crop in and do anything other than take the Government money which they are offering."

It is a very reasonable amendment, and it seems to me it is very much consistent with the arguments and representations and presentations that advocates of freedom to farm have been making all this day.

Mr. DORGAN. I yield 1 minute to the Senator from North Dakota, Senator CONRAD.

Mr. CONRAD. Mr. President, one of the most frequently heard criticisms of Federal farm programs is that farmers are paid not to farm, not to plant anything. Mr. President, that has not been the case under recent farm law. But if the Dorgan amendment does not pass, it will become the case. In fact, we will have circumstances in which farmers will be paid not to plant, not to farm, not to produce.

Mr. President, I do not think there will be much support in the United States for a program that pays people not to do something, not to do anything. So I hope my colleagues will favor this amendment and vote for it.

Mr. DORGAN. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time in opposition?

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, let us take the situation of a farmer in America who has land. This is a basic asset for that farmer. Certainly, as commonsense rules, the farmer will plant a crop on the land or attempt to use the land to obtain income.

Certainly it is conceivable that there are Americans who have productive assets and might decide that they simply do not want a return from those assets. But this is improbable. Most persons of sound mind and common sense who have opportunities to utilize economic assets, do so. And they do so continuously to make a living.

For example, the Senator from Iowa has pointed to a potential Kansas farmer, maybe an actual farmer, but as I recall the instance, there were as many as 1,800 acres of wheat crop, and given prices, as the Senator pointed out, that farmer might have a return of almost $200,000 from the markets that are very strong for wheat. The Senator also pointed out that a Government check for $39,000 might also come to that farmer under current programs.

The suggestion was that that farmer might have the option to go to Hawaii and simply forget the wheat fields and collect the check for $39,000. That is possible as an option for that farmer, but most people would ask, what about the $200,000 that he normally takes off the farm?

Mr. President, if the farmer himself is elderly, it is a very probable set of circumstances in America today that the farmer will rent the land to somebody else and share the return. In fact, that happens increasingly as farmers grow old. The payments follow the land. The probability that the land is simply going to sit there and that a Government check comes as an ample reward is, I think, in most cases a ridiculous assumption.

There is the one case, Mr. President, we have to consider carefully, and that is that some farmers in America, in stretching to meet Government program histories for their crops, may have simply overreached and they may have planted on land that in fact was not very fertile and does not get very much return at all. There may be at the margin some cases where some farms, if farmed, lose money simply because the inputs into the farming and all the economic costs involved are more than the return that would come from the crop with or without the Government involved.

As a matter of fact, in the Conservation Reserve Program, we have been attempting to work with farmers to set aside highly erodible land, to have that set aside as part of the program, or land that impacts upon riparian waterway safety. That, I thought, made good sense, Mr. President, in the conservation mode. Many acres probably should not have been planted if our heritage of the soil is to be retained.

So farmers, in fact, have decided, as a matter once again of their own self-interest and given a government payment, to try to move away from the highly erodible lands or those that threaten waterways. But that is an economic decision that makes sense.

Therefore, Mr. President, I understand the attempt of the argument to suggest that there are farmers who simply will escape their responsibilities. But my judgment as a farmer, Mr. President, is that I have known very few people in Indiana farming during my lifetime who, having a good farm there with fertile soil, did not have a crop. They may have planted it themselves, and they may have had children that worked with them. They may have had others to whom they rented the property, but the crop got planted because that was the living for the family. Those were assets that were available. And at the point when they did not really wish to use those productive assets anymore, they sold them or they gave them away to children or through an inheritance. That is the reality of agriculture in America.

The freedom to farm idea comes down to the fact that we are saying to farmers they ought to have exactly that, freedom and flexibility to use their land in each and every way that would be productive and profitable for the farmer.

If we once again insist that a program crop—wheat, corn, rice, cotton—be planted on that land for it to have value, to get a government payment, we are back once again into the same restrictive agriculture that so many of us have decried for a long time. I am one who rejoices that today we have a very good opportunity finally to break out of that mode of governmental restriction.

Why in the world we would once again want to return to those principles I cannot understand. It seems to me somewhat disingenuous, as those who offer this amendment suggest on the one hand—and the Senator from North Dakota was the author of the amendment—others who have spoken have often pointed out very poignant cases of farmers in their States who have struggled against the weather and against great odds. But all the stories are ones of struggle. These are persons who understood how to farm the land. The question is, what sort of odds do they have to meet in order to get income?

I have not heard very many stories from the Senator from North Dakota or from other Senators about their constituents who simply went to Hawaii on the beach and ridiculed the Federal Government and the rest of the taxpayers for paying them for doing nothing.

As a matter of fact, farming is a struggle for a prohibitive majority of Americans who are engaged in it. It is a struggle they chose. Today we are about to give them greater flexibility to make certain that struggle is a more even one, that they really can plant whatever they want to. And they will plant.

As a matter of fact, the great fear always of those who wanted controls and wanted to pin it down was that farmers would plant too much. The real secret of American agricultural debate for 60 years has been this latent fear that farmers, as a matter of fact, are so ingenious, so hard working, that if left to their own devices they would simply plant so much that the price of everything would decline precipitously.

That was the basis of the New Deal philosophy, the burning of the little pigs, the plowing up of crops at the time. It was not the search for farmers going to Hawaii; it was a search for farmers who were too productive, to hold them in bounds, and to put on one restriction after another, which we have not lifted from them in 60 years.

To hear the strange argument today that at the very moment of freedom, farmers are prepared to chuck all of this and say, "We are headed to Hawaii. Send me the check," is not only a gratuitous insult to farmers, but it simply lacks any basis in fact and reality of anybody who is in the farming business.

Mr. President, we are talking about the heart of the freedom-to-farm idea. If you pin down what has to be planted, once again, with Government restrictions and say it has to be a program crop and, by golly, we have to see it in the ground before you receive a payment, you do, in fact, defeat the whole prospect of freedom to farm, and I do not want to see that occur.

I think Members ought to be alert that this is that type of amendment. It is a killer amendment, and the instinct of going for the jugular with this idea of farmers on the Hawaii beaches is, I think, well crafted to try to give a picture of persons who are idle and who are trying to do in the taxpayers.

What, in fact, we have here is a situation that came out of the Balanced Budget Act. It was clear that through the payments that will occur in a 7-year period of time and diminish in money, we know constantly now that the Federal Government and all the taxpayers are assured that farming is making a very sizable contribution to the deficit relief that we have all sought to a balanced budget.

The last farm bill we passed, those of us involved in it, estimated it would have a cost of about $41 billion in terms of subsidies, the basic deficiency payment for the program crops. It turned out to be $57 billion, and there have been many explanations as to how we could have been that far off.

The freedom-to-farm bill we discuss today does not have surprises of that sort. The payments are known. The amounts that will be distributed are constant, as well as the freedom of farmers to plant abundantly to furnish to American consumers and to the world such abundance as we have never seen and such wealth as we have never observed in terms of our export markets and our competitive ability. That is what the freedom-to-farm act is about.

I am hopeful Senators will oppose the Dorgan amendment, will retain the flexibility portions of this bill and the gist of freedom to farm, which I think is common sense and very clear to all of us.

Mr. DORGAN. I yield 2 minutes to Senator PRYOR.

The PRESIDING OFFICER (Mr. GRAMS). The Senator from Arkansas.

Mr. PRYOR. Mr. President, I thank the Chair for recognizing me and for my colleague from North Dakota yielding me this time.

I have been listening to my good friend from Indiana, Senator LUGAR, the distinguished chairman of our committee. I will just simply say to our distinguished friend from Indiana, Mr. President, that the Dorgan amendment is not a killer amendment by any stretch of the imagination. It is simply an effort to address what promises to become a totally outrageous section and provision of the freedom-to-farm act.

We are saying in the Dorgan amendment—and I am a cosponsor—we are saying that farmers do not have to do anything in order to receive their payments. If the Senator from Indiana has a fear that farmers are not going to plant anything and go to Hawaii, if he says, "Why, they are not going to do that," if he maintains that position, then he should accept this amendment, he should be for the Dorgan amendment, because the Dorgan amendment couples production with an ultimate payment under certain circumstances. It does not decouple as the freedom-to-farm act does.

We want a defendable farm program. This is one, Mr. President, this particular program, this particular proposal, that I do not think we can ultimately defend. I have been through, I think, about four farm bills, and I have never seen one like this, because this is going to be, in my opinion, not an ordinary 5-year farm bill. It is not going to be a 7-year farm bill. It is going to be about a 90-day farm bill, because when people wake up and "20/20" and "60 Minutes" and everyone else becomes exposed to what we have done to agriculture and to the agriculture industry and the economy in this country, they are going to demand that the Congress go back and draft a new farm bill that will work.

Mr. President, I thank the Chair, and I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I listened carefully to the Senator from Indiana. The Senator from Arkansas apparently said, "This isn't going to happen. We're not going to have people getting payments and not planting." If that is the case, why would anyone object to the amendment? If it is not going to happen, my amendment is something that ought to be accepted.

The Senator from Indiana talked a lot about the flexibility, freedom to farm offers in planting. He seemed to suggest somehow I was going to offer something that had a different kind of standard for flexibility than he and others propose. That is not the case. They, of course, do not propose complete flexibility. You cannot plant fruits and vegetables on base acres. I understand that.

I support the flexibility they are talking about. I provide the exact, same flexibility in this amendment. All I am saying is that you are not going to receive a payment for doing nothing. This is a farm program. Our interest is in helping family farmers farm.

The interesting thing about farming is you have to figure out what your input costs might be in order to determine what your profit might be and estimate what the price might be, because that is a factor of profit.

One can foresee circumstances in which some people will say, "As far as I'm concerned, I would like to move someplace else and get the payments at this point because the input cost is too high, the price risk is too great. I think I will take the payment and let the land sit."

I come from a town of 300. That town exists because all around you can also see farmyard lights on at night. They are family farms operating and doing business in town. Every time one of these yard lights is turned off as we lose a farm, it kills a little bit of the economic vitality of that town.

I am not interested in advancing farm bills to pay people not to farm. I am not interested in advancing any farm bills that move in the direction of more stringent requirements.

I am interested in advancing farm bills that do provide for greater flexibility, but not a flexibility that says we want to make Government payments for people who do not start a tractor in the spring and do not drive a combine in the fall, do not plant and do not harvest and are not farming. What kind of sense is that? I wish the Senator would accept this.

I notice he was able to suppress a grin when he said this was a killer amendment. I appreciate the fact he did not grin on that because this is not a killer amendment at all, nothing close to it. It is a simple proposition, and the proposition is this: Let us decide what we are going to accomplish in this freedom-to-farm act. Let us provide a series of payments to assist family farmers who are farming. Let us not advance into the future with a backward-looking approach that pays farmers who have not planted a single seed. That is not what farmers want. That is not the help they need. That will not advance the interests of rural America or family farmers.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2½ minutes remaining.

Mr. DORGAN. I prefer to close debate. If the Senator from Indiana has other speakers or wishes to add anything, I reserve my time at this point.

Mr. LUGAR. How much time remains?

The PRESIDING OFFICER. The Senator from Indiana has 4 minutes remaining.

Mr. LUGAR. I thank the Chair.

Mr. President, without being tedious, I just simply reiterate the fact that a farm that is fertile is going to be planted. It is going to be planted by the farmer and by his children or family, by those associates he rents to. What the Dorgan amendment finally gets to, once again, is almost an insatiable desire on the part of those who want control over what is planted and, therefore, want a relationship between program crops and payments.

We have been down that trail. We are trying very hard to get off that trail today. I will just simply say, in my judgment, the great fear of those who have been in supply controls throughout this time of the New Deal onward has been a fear of planting too much.

It is a strange argument today to argue that somehow farmers would plant too little or nothing at all. They simply will not utilize rich resources. But given even the hard case, Mr. President, there may be some instances in which there should not be a crop planted if the land is highly erodible, if conservation dictates that it simply should not occur. That maybe becomes an option that is both rational and good in terms of the public good. In other words, there is no particular virtue in proceeding with planting a program crop when it is not economical to do so and when it might be destructive in terms of the environment. In almost every other instance, a crop is going to be planted.

The question we have today is: Will farmers be able to have maximum flexibility of choice as to what to do? Or, once again, will we be back into the toils of supply control, of Government control, tied with those decisions and checks from the Federal Government?

This is a transition program, Mr. President, a transition to the market. The transition is known to farmers as they enter into those programs, and farmers are perfectly free not to enter into contracts. That is also an option that is greatly feared by those who want control because many farmers might simply decide that the time has really come to plant for the market, as opposed to the Federal Government, with transition payments or without.

Those choices we shall see before us, Mr. President. But for the moment, it appears to me that this is a clear-cut issue in terms of freedom to farm. I hope that the Dorgan amendment will be defeated.

The PRESIDING OFFICER. The Senator from Indiana has 1 minute remaining.

Mr. LUGAR. Mr. President, we have no other speakers on our side. I yield back that time.

Mr. DORGAN. Mr. President, whatever amendment the Senator from Indiana was opposing, I would like to oppose it as well. The fact is I would not support an amendment that goes back to supply control, or the old programs that go back to Government control over planting, et cetera. So whatever amendment that was he was describing, sign me up, I am against that as well. But, that is not the amendment at the desk.

My amendment cannot, in any way, under any condition, by anybody in this Chamber, be described as an amendment going back to the old supply control days or to requiring planting restrictions. This amendment simply says that we are not going to pay people who do not plant a seed in the ground and do not plant a crop and do not farm. If, in fact, it is not going to happen that people will decide not to plant but accept the payment—if that is the case and it is not going to happen, and the distinguished Senator from Indiana has made that point twice—then there would be no reason not to accept this amendment. But, of course, it is going to happen.

The Senator from Indiana says it is not going to happen, but then adds it may happen because of conservation reasons. Maybe some land would be put into a conservation use. For that we have a conservation program called CRP. Millions of acres are in the CRP.

This bill was not alleged to be a conservation program on the Senate floor. It is a 7-year program of fixed payments to farmers. We are simply saying, "Let us not include in any 7-year program of fixed payments a provision that farmers should be able to plant nothing and harvest nothing and still get farm program payments." That is not moving into the future. That is not part of a new idea. That is not part of new great freedoms. That does not eliminate planting restrictions.

I have great respect for the Senator from Indiana. He is one of the most able people serving in this body. But I hope that he and others will really think through this process. They should ask themselves a question. Do we want—no matter what program passes in the Senate—a program that says to farmers across this land, "If you choose to decide that you do not want to plant anything, you get a payment. If you want to move away from your small town and live elsewhere, you get a payment. When you put your farm numbers together and you determine you have risk with the marketplace and then you decide you are not going to farm, you are still going to get that payment." I think we make a big mistake if we do that. I hope people will think through this amendment and vote for this amendment.

I yield back my time.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays are ordered.

Mr. LUGAR. I ask unanimous consent that the Dorgan amendment be temporarily laid aside.

Mr. DORGAN. Has that been cleared on both sides? What is the order with respect to votes?

Mr. LUGAR. I respond that this is being discussed by the leadership. My impression is that there are other significant amendments, the Senator's amendment being one of these. Others are to be offered. The leadership is attempting to determine whether they should be voted upon at the end of the trail today, moving into final passage, or whether there will be a burst of rollcall votes at some point after we gauge how many amendments are still there.

Mr. DORGAN. Reserving the right to object, it is my understanding that after the first group of votes, we were going to then entertain whatever amendments were offered and have votes sequentially. I know that the minority leader intends to offer a rather comprehensive substitute, and we certainly would want to have a vote on that by itself following debate. I wondered whether the minority leader has been consulted on the unanimous-consent request.

Mr. LUGAR. He has been consulted by the majority leader. My understanding is that they are trying to discuss a way of handling these votes.

Mr. LEAHY. Mr. President, if I might tell my colleague from North Dakota, we are trying to have the first group of votes—as the Senator from North Dakota may know, we were able to dispose of a number of items when we had so many Senators on the floor, unanimous-consent items. I believe the leadership is trying to package some others together. Obviously, any Senator, by objecting to unanimous consent, could have a vote after the debate, which, of course, would protect the distinguished Democratic leader. If I might have the attention of the Senator.

Mr. DORGAN. I withdraw my reservation.

Mr. LEAHY. Obviously, the Democratic leader would be protected on the time for a vote on his amendment. I would ensure that he was protected because, absent unanimous consent, a vote would come when his time was completed. But I think the distinguished leaders on both sides have been trying to work on the schedule, knowing that every Senator is protected at the time of the vote.

The PRESIDING OFFICER. Is there objection to the request to lay the amendment aside?

Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3452 TO AMENDMENT NO. 3184

(Purpose: To amend the commodity payment provisions and for other purposes)

Mr. DASCHLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE], for himself, Mr. PRYOR, Mr. HARKIN, Mr. BUMPERS, Mr. CONRAD, Mr. DORGAN, Mr. HEFLIN, Mr. EXON, Mr. BREAUX, Mrs. BOXER, and Mr. BAUCUS, proposes an amendment numbered 3452 to amendment No. 3184.

Mr. DASCHLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. DASCHLE. Mr. President, the amendment I offer this afternoon represents what I hope will be a consensus here about farm policy and the direction we take in agriculture for the next 7 years.

We seek many of the same things, Republicans and Democrats.

We want to ensure that we protect rural America to the extent we can. Democrats believe protecting rural America means ensuring it will provide a safety net for farmers in the difficult times, when prices are low, when crops are poor. We want to provide the maximum degree of flexibility, giving farmers a chance to plant what they want, to recognize the market changes, and to ensure they can respond to those changes as quickly and efficiently and successfully as possible. We want to simplify the complex programs that exist today, making them easier to administer, reducing the administrative intensity and the frustration levels of farmers themselves. Finally, we want to guarantee that farm programs do not end when this legislation expires.

That is the purpose of the amendment I offer this afternoon. I do so with the recognition that we have many very diverse elements within our caucus and within the Senate. In spite of that diversity, we have Senators from the South and the West, the East and the North who have cosponsored this legislation with me this afternoon. I am very disappointed, frankly, that it has come to this, that we have not been able to work, as we have on so many occasions in the past, to come up with farm policy that is much more bipartisan than this has been so far.

Unfortunately, as a result, we do not have a comprehensive bill before us today. We have a very narrow budget bill that fails to address many of the very legitimate concerns of rural America. While the underlying legislation provides for the freedom to farm approach, this amendment will address what we view to be many of the shortcomings, many of those areas that in our view fall short of what we need to do to address in a comprehensive way farm legislation for the next 7 years.

The amendment does a number of things, Mr. President, that I believe are supported by a vast majority of our caucus and hopefully by a majority of the Senate. We provide, as I said, the maximum degree of flexibility. The whole farm base is provided with restrictions only on fruits, vegetables and potatoes.

There is no acreage reduction whatsoever.

We retain permanent law, reinstating the Agricultural Act of 1949 at the expiration of the so-called freedom to farm act.

We establish permanent law for rice at the 1995 levels.

We set out a 3-year farm program instead of a 7-year program, only because we really do not know what the circumstances are going to be in 3 years. We do not know what the market conditions are going to be. We do not know how far short this legislation will fall in a whole range of areas. Rather than simply commit to 7 years and hope for the best, this legislation says we should take a hard look at where we are in 3 years, make whatever adaptations we have to make, and make sure we have covered all of our bases so we are not left high and dry in 3 years without the protection that permanent law provides.

We remove the caps on loan rates contained in the freedom to farm act. We remove the Findley and stocks-to-use triggers, and set loan rates for wheat, feedgrains, oilseeds and rice at 90 percent of the Olympic average. We limit county adjustments to 3 percent.

There is an advance deficiency payment with no repayment necessary. That advance payment is 20 cents per bushel for corn, 43 cents for wheat, 4.9 cents per pound for cotton and 1.54 per hundredweight for rice.

The remaining payment is tied to production and market conditions, the market conditions dictating the degree to which we have an additional payment. This is not a locked-in, 100 percent guarantee to those who own land, whether they farm or not. This is not one of those commitments to corporate agriculture that, indeed, they are entitled to under freedom to farm without any requirement that they farm at all, which is obviously the subject of the Dorgan amendment.

We restore the farmer-owned reserve.

We restore the Emergency Livestock Feed Program.

We eliminate the Commodity Credit Corporation interest rate increase as Senator HARKIN attempted to do.

We eliminate the prohibition of Commodity Credit Corporation funds.

We reduce the EQIP herd size eligibility to EPA point source numbers.

We allow enrollment in the Water Conservation Program and create a Farmland Protection Act to protect against urban sprawl.

We create a conservation escrow account.

We include a sense of the Senate provision on methyl bromide, encouraging Federal coordination on this issue, something we have to do ultimately in California if we are going to deal with this issue effectively.

We reauthorize the Integrated Farm Management Program.

We provide tenant protection regarding the freedom-to-farm contracts.

We provide assistance to protect the Everglades.

Mr. President, in essence, this amendment is a comprehensive farm bill. This is what we should have done. This is legislation addressing virtually every concern that farmers and others throughout the country have raised—many of which go unaddressed in the so-called freedom-to-farm act.

I have a large number of people who have asked to be heard on the bill and, to protect our time, I will reserve the balance of our time, yielding first 3 minutes to the Senator from North Dakota.

Mr. DORGAN. Mr. President, a few months ago a number of us went to the White House to meet with President Clinton. Senator DASCHLE was among them. We brought some farmers from North Dakota and South Dakota to talk to the President about the farm program and what they were experiencing day-to-day on their farms.

One of them from North Dakota was Deb Lundgren. She and her husband and her children operate a family farm near Kulm, ND. They are third generation farmers, trying to run their family farm.

When I called Deb and asked her to come to Washington for a meeting with the President she said, "It is really a coincidence you called. Yesterday morning," she said, "my husband and I were having kind of a tearful conversation over the breakfast table about whether we would be able to continue farming next year."

She came to the White House and told a compelling story to the President about the struggle that it takes to operate a family farm with uncertain prices, uncertainty about whether you get a crop. They had a wet year last year and did not have much of a crop. Prices are up, but it does not mean much if you didn't raise a crop.

At the conclusion of the meeting, the President said to Deb, "You hang in there. We will try to fight for a farm program that really works for family farmers."

That is the only reason I care about this. If this farm program is not about trying to help preserve a network of family farms in this country, in my judgment we do not need a farm program and we do not need a USDA. Go back to the Abe Lincoln days, when he started the USDA with nine employees.

If we are not going to save family farms, if we are not going to give families a chance to farm in this country's future, we do not need any of this. If we need this, and I think we do, it is to try to help families make a living out on the farm with uncertain prices and uncertainty about whether you can even get a crop.

What Senator DASCHLE had offered is a good compromise. Many of us have worked on it for some long time. It is not the freedom-to-farm act. It does not provide payments for people who do not plant. It is sensitive to the market. It says when prices collapse, and they will, there will be a safety net there and we will respond to the issues of the market. We are not going to yank the safety net out from under family-sized farms. It says there is a need for permanent farm law.

Farm commodity prices go up and they go down. When they go down, the big agrifactories can survive because they have the financial capability of surviving. It is the mom and pop out there trying to run a family farm that can fail.

Some people say that does not matter very much. I suppose to some it does not. The only reason we ought to fight for a farm program on the floor of this Senate is to save farm families like Deb Lundgren and her husband and so many others, who are out there every single day trying to make a living. We can do it if we do it the right way.

This alternative is the right alternative. It provides complete planting flexibility. It provides up-front payments to help recapitalize family farms. It does all of the right things and is immensely better in terms of farm policy than the freedom-to-farm bill.

I am pleased to support this, and I hope my colleagues will. I hope we can adopt this substitute.

I yield the floor.

Mr. DASCHLE. Mr. President, I yield 3 minutes to the distinguished Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, very generally, the amendment offered by the Senator from South Dakota is an amendment to improve upon the bill before us. Improvement is necessary in order to provide some kind of certainty so farmers know in the future—when prices are not as high as they are now—that there is some stability, some certainty. Improvement is necessary so farmers can continue to farm, continue to pay the bills and make payments on the equipment and fertilizer. In short, so they can stay in business.

We know that today prices of wheat are higher than they have been in many years. It is the same for most other commodities. So this amendment offered by the Senator from South Dakota accomplishes several objectives, all of which I strongly support. One of them, the main one, the main philosophy and rationale, is more stability, particularly in those years—we know it is going to come—when prices are going to be low.

One provision which is also important is improving the marketing loan mechanism, to increase the loan rate from 85 percent of the 5-year average to a level of 90 percent. That is very important, particularly in years of low prices.

The amendment also eliminates the mechanisms by which the Secretary can reduce the loan rate. The so-called Findley amendment and the stocks-to-use adjustment are both eliminated. The amendment also removes the arbitrary caps on loan rates which are contained in the bill. These caps serve to render loan rates lower at those times when the loans are most useful to producers—times when prices are low.

Again, with this amendment there is a little bit more stability, a little more certainty at those times when we know prices are going to fall. That is one of the main reasons I support this pending amendment.

Another is to change the crop insurance. Back in 1994, the crop insurance reform package imposed requirements that producers purchase catastrophic crop insurance coverage in order to participate in the farm program. Basically I think it had some benefits, though I would have preferred to fix certain problems. But the pending bill totally eliminates that requirement. What is the effect? The effect of eliminating mandatory coverage. And that basically seals the fate of the Federal Crop Insurance Program because we will have fewer farmers participating. For the crop insurance program to work, more farmers have to participate. That is basically the theory of insurance. The more everybody is involved, the more insurance works. The provisions in this bill are going to end that linkage between insurance purchase and farm program participation.

I expect that fewer producers are going to participate in the crop insurance program. That means the crop insurance program will be at greater risk. It should be modified, but it should not be eliminated.

Mr. President, I strongly urge Senators to think down the road a little bit. Think of the years when prices are going to be lower. Let us improve this bill by taking care of those situations when prices will be lower and we will have a little more stability and a little more certainty.

Mr. President, I thank our Democratic leader for so aggressively and effectively working to help improve this bill.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. I thank the distinguished Senator from Montana for his eloquence and the tremendous effort he has demonstrated in putting this comprehensive package together. His effort and his leadership are deeply appreciated.

Mr. President, I yield 3 minutes to the distinguished Senator from Arkansas.

The PRESIDING OFFICER. I remind the Democratic leader he has 1 minute 50 seconds remaining.

Mr. DASCHLE. I will use my leader time as I may require. From that time I will yield 3 minutes to the distinguished Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, as a Member of the U.S. Senate, it is so remarkably easy from time to time to do something. This is one of those times. This is a time when it is going to be very easy to say to farmers across our country that you do not have to plant to have a check. You are going to get a check in advance. You can go on vacation, you can get your check from the taxpayers. This is one of those times when I think we are about to make the terrible mistake, a terrible compass error, trying to do something that is easy when actually we should be doing something that is responsible.

Many of the farm organizations have come out now in support of the concept of the freedom-to-farm movement. The freedom-to-farm legislation has received the support, in the last several days and hours, of many of the groups that have opposed it. But, Mr. President, that does not mean this is a piece of legislation without flaw. It is seriously flawed. It was a seriously flawed piece of legislation when it was introduced. It is seriously flawed today as we go to a vote with a very short time to debate it.

I applaud the Democratic leader for offering us an opportunity, offering us a chance to save ourselves from making an enormous mistake that could affect agriculture and affect our country for generations to come.

This is a measure offered by the distinguished Democratic leader and others of his colleagues who say that we want to keep a basic safety net. We want to keep flexibility, but we do not want to decouple those payments from production. We need to couple those payments with production. We need to say to the farm sector in our country: Let us slow this down just a moment. We know there is no farm program. But is it better to have a bad farm program than no farm program at all for the moment?

I think the Daschle alternative—very respectfully, I think his alternative gives us that opportunity and that chance to speak to the future of American agriculture. One, it does not tie us for 7 years. It only obligates us and this Congress and the American farmer for a period of 3 years. In that 3-year period, hopefully we will have sorted out where we are and we will have the opportunity to revisit this issue.

The Senator from South Dakota has offered us a very good, constructive option. I hope we will heed his wisdom.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, I yield myself as much time as I may require.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, the amendment by the distinguished Democratic leader is a comprehensive plan. Earlier in our debate, in fact yesterday, as we talked about agriculture, the distinguished majority leader, Senator DOLE, offered, at least as one way of trying to resolve our agricultural legislation this year, the thought that as Republicans we would offer our plan. It is called freedom to farm. It is the plan I laid down and has been amended. We have been debating it throughout the day.

The majority leader challenged Democrats to offer a plan, and the Democratic leader has done so. It is a very different plan, and Members will need to make choices as we finally come to votes on that plan. Let me just say Members ought to understand that the plan offered by the distinguished Democratic leader has expenses attached to it that are fairly substantial.

The Congressional Budget Office estimates for increased spending on the loan rates amount to $7.6 billion over the life of his bill. That is a very substantial sum. Earlier in the day, I criticized amendments by the distinguished Senator from Iowa because they had expenditure increases of $260 million and $100 million respectively. I commented, and I think most Senators agree, that we are still attempting to work toward a balanced budget in this country. The agriculture legislation is a part of that, and the freedom-to-farm bill that I am advocating today carefully calibrates those decisions in terms of sacrifice that agriculture must make.

The distinguished Democratic leader's idea is to provide, I gather, higher income through rather startling change in the loan rate picture, and a very expensive one—$7.6 billion more. I think Senators and taxpayers need to understand that is a transfer payment once again to farmers who might qualify for those loans.

Let me just suggest, Mr. President, that as we have heard recitation of stories about farmers struggling—and, indeed, the distinguished Senator from North Dakota mentioned the story of a lady attending a White House conference, as I gather, indicating the struggle that she had—those struggles are well-known, and I have been pointing them out throughout the opportunities I have had today.

The freedom-to-farm act provides stability. It provides, despite criticism of some Senators, a payment each year. That is almost as certain as you can make it, if a contract is signed. It provides freedom to farm, but it also provides certainty of income.

Whatever might be said about current farm law and its extension, it does not provide a very great deal of certainty. I can testify to that from my own experience managing my own farm property from 1956 until the present. I have been involved at the ASCS office throughout that period of time. I am very familiar with the corn program and the wheat program, and I would simply say if I were a thoughtful person relying upon the type of security provided by those programs, I would have great fears all the time.

Obviously, each farmer plants for the market, and does the best that he or she can to maximize income. But let me just say, Mr. President, in the freedom-to-farm act that we have taken seriously the thought that we are in transition in the world. We may have a broad swing, as Senators pointed out, at prices, but those certainly will be mitigated by the certainty of income. It would appear to me that all farmers who are looking for, as has been characterized today, some certainty and some stability would clearly find freedom-to-farm to be a superior alternative on those grounds alone.

Freedom to farm is also superior, as I have pointed out, on the basis of budget, on the basis of taxpayer expense, and transfer payments of other citizens to the farm communities.

Mr. President, freedom to farm also offers more certainty because it is a 7-year program, not a 3-year program as suggested by the distinguished Democratic leader. There is great stability in having a multiyear program. This is why, at least in the last two instances, we have tried for as long as a 5-year period of time, and most farmers have found that to be a very satisfactory idea.

Mr. President, I will not attempt to go through each of the details of the Democratic leader's program. I am hearing it and seeing it on first impression today, as are most Senators, although many elements of the program are familiar from arguments we have had before. For example, earlier in the day the Senate rejected the farmer-owned reserve, as I heard—at least the recitation a short while ago that reappears. Likewise, we rejected the thought that farmers ought to be subsidized with lower CCC interest rates, although, as I recall, I think that reappears in the comprehensive package.

In short, there are reappearances of many elements that have been found very unsatisfactory in terms of farm policy by farmers quite apart from the rest of the general public. Indeed, the Democratic leader's bill is a collection of many programs that have had a high degree of failure and lack of confidence, and even a combination of them and with more money injected will not remedy that situation.

Mr. President, I am hopeful that Senators will affirm the freedom-to-farm idea and the elements that have been discussed now during this debate, and reject the alternative proposal of the Democratic leader.

There is a choice to be made today. I think the choice is a very clear one. And I am most hopeful that Senators will support freedom to farm.

I thank the Chair. I yield the floor.

Mr. DASCHLE. Mr. President, I yield 4 minutes of my leader time to the distinguished Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I thank the leader, and I thank the Chair.

Mr. President, this has been a difficult and contentious debate, one that has gone on now since 1995 to 1996. We stand on a precipice. The question is: What direction will we take? I very much fear that the so-called freedom-to-farm formulation will take literally hundreds of thousands of farmers right over the cliff. I believe that to be the case because this is a radical change in farm policy. It says we are going to make fixed and declining payments to farmers over a 7-year period and no one knows what comes next.

Mr. President, it does not provide the kind of price support in a low-price year that is critically important to preventing the loss of literally tens of thousands of family farmers. That is right at the heart of this question and this debate. Do we say to farmers, We make a payment to you even when prices are good, but there is no price protection when prices fall through the floor, no additional price protection? Mr. President, I think that is a profound mistake.

I think we have an opportunity to take the best of the various proposals that are on the table and to have a plan that provides some fixed payments up front to help farmers with cash flow, to especially help them with the repayment of advanced deficiency payments from last year, but to also put into law another form of payment that takes note of reduction in prices and reduction in yield. That is what the alternative does that is before us.

Mr. President, for decades we have sought to protect farmers, to buffer farmers from dramatic swings in commodity prices. Under the Republican plan, the farmers are left swinging. Farmers will no longer be protected in low price years. The safety net on which farmers have relied will be torn. I do not think that is good policy. I do not think it makes sense. I believe it will generate opposition to any future farm programs.

Mr. President, our plan offers a combination of the guaranteed payment up front and price protection and protection against yields that are reduced as a result of natural disaster. Our plan is a compromise. Our plan is a compromise which I think many on both sides of the aisle could accept. It also is something that I think can stand the test of time.

One of the great problems we have here is passing policies that can be sustained. The pure freedom-to-farm policy is not one, in my judgment, that will stand the test of time.

According to North Dakota State University, net farm income in North Dakota under the pure freedom-to-farm will drop 50 percent from the year 1995 to 2001.

The PRESIDING OFFICER. The Senator's 4 minutes have expired.

Mr. CONRAD. Mr. President, I ask for 1 additional minute.

Mr. DASCHLE. Mr. President, I yield 30 seconds of additional time to the Senator from North Dakota.

Mr. CONRAD. Mr. President, I will just conclude with an example. I have looked at a typical North Dakota farm with about 1,000 acres of wheat under normal production swings in the Congressional Budget Office's expected price projections for 1996 to 2002. This typical farm will receive 43 percent less under freedom-to-farm than under our plan; $22,000 under the Family Farm Protection Act, and $15,000 under freedom to farm.

Our plan stands behind the farmers and beside the farmers. Their plan steps aside.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DASCHLE. Mr. President, let me thank the distinguished chairman for his kindness. He has agreed to allow us the use of 2 of his minutes. As I understand it, I have 4 minutes of leader time remaining.

The PRESIDING OFFICER. The Senator has 3 minutes and 10 seconds remaining.

Mr. DASCHLE. I ask unanimous consent that the Senator from Arkansas have 3 minutes and the Senator from Nebraska have 3 minutes to complete our side of the debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, the reason I strongly favor this substitute is because it salvages rice markets. Under the freedom-to-farm bill, payments start out big, peak in the third year, and they go down after that. Right now, cotton, wheat, and corn, three of the big program crops in this country, are all bringing more than the target price, which means under existing law those programs would not cost us anything if those prices hold up through the rest of the year.

That is not true of rice. And I am not optimistic that rice will achieve anything like, say, $9.50 to $10 a hundredweight any time in the foreseeable future. And so what is going to happen under the freedom-to-farm act? Rice farmers are going to be producing rice for about $3 a bushel, if current prices stay up, $3.50, and they cannot do it. They cannot stay in business. So everybody is being lured with this siren song about how much money we are going to pay you on the front end, and then it is over.

Now, the Democratic alternative program at least is a 3-year program, provides for a 40-percent advance, and will at least give rice farmers a chance to produce and stay in business. Under the freedom-to-farm bill, they will stay in business the first 3 or 4 years—unless public clamour forces the entire program to a quick termination, but after that they are going to start dropping like flies.

I am not absolutely rhapsodic about this substitute. I do not have any delusions about it passing. But I wanted to vote for something so they can put on my epitaph that I was violently opposed to the freedom-to-farm bill because I think it is one of the worst disasters this country is going to face.

We did not put in place the existing law just on a whim. We did it because we thought it was a good balance between the taxpayers and the farmers. It is a good balance, and it is working. It is working extremely well. You could not pick a worse time to do away with today's program. On the other hand, if you wanted to do away with farm programs, with today's high prices for most commodities, a time when farmers know that they don't need immediate assistance from Federal farm programs, you couldn't find a better time or a darker night in which to do it. This substitute retains the requirements of actually farming in order to participate in farm programs. This may seem like a trivial requirement, but it does not exist at all in the freedom-to-farm bill. This substitute continues to provide a true safety net for farmers during periods of market collapse. This substitute will protect farmers when they need it and it does not offer them a golden parachute to the tropics.

Farming is hard work, and this substitute works with farmers. Anyone who looks closely at our proposal will learn it has some good features. And most importantly, it is infinitely better than what we have before us in the form of freedom to farm.

I thank the Democratic leader for yielding to me.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 3 minutes.

Mr. EXON. Mr. President, I rise in strong support of the Democratic alternative introduced by the Democratic leader.

The farm bill situation has become so convoluted it is difficult to know where to begin. We face an unprecedented situation. Not since the 1950's has the Congress failed to enact a farm bill in a timely fashion. This predicament is a poor reflection on the 104th Congress.

Is it any wonder that this year's farm bill debate has sunk so low? Not at all. The bill before us, the so-called freedom-to-farm bill, was never considered by the Senate Agriculture Committee. In the House of Representatives, Republican leadership bypassed the Agriculture Committee altogether after it failed there. Through a bit of parliamentary magic, the measure was routed through the House Rules Committee and then ramrodded into the budget bill with little opportunity for debate or amendment.

Throughout history, farm programs have had two essential purposes: to smooth out devastating price fluctuations, and to provide a reasonable safety net for family farmers. These are still worthy goals and should be the subject of debate.

Unfortunately, the freedom-to-farm bill on both counts fails and essentially turns farm programs into welfare programs. It destroys the essential and the traditional connection between the market price and farm payments.

In short, freedom-to-farm promises fixed transition payments, based on historic production levels which decline over time. These payments will be made regardless of market prices, as the Senator from Arkansas has just indicated. In other words, they are entirely divorced. That approach is not market oriented. It is market ignorant.

Some have been led to believe this might be a fair tradeoff; money up front in return for total elimination of farm programs as originally drafted. Now, in a clever but meaningless gesture, in my view, it has been agreed to delete the elimination of the 1949 act. That sounds great, but does anyone believe we would ever agree to $700 wheat and $500 corn?

The National Center for Agricultural Law Research and Information has studied the fine print of the freedom to farm act and concludes that the payments "* * * are not guaranteed for the life of the Freedom to Farm legislation." Other legal experts agree. Simply put, this so-called 7-year contract would be just as vulnerable as any other Federal program.

Where would that leave farmers? They will get the short end of the stick. Future budget negotiators will be hard pressed to defend excessive freedom-to-farm transition payments when dramatic cuts are being made elsewhere.

What we need is a farm bill that provides greater flexibility, one that preserves a basic safety net, one that protects family farmers, and one that taxpayers can support.

I strongly urge acceptance of the alternative offered by the Senator from South Dakota.

I yield the floor.

The PRESIDING OFFICER (Mr. FAIRCLOTH). The Chair recognizes the Senator from Indiana.

Mr. LUGAR. I thank the Chair.

How much time remains on our side?

The PRESIDING OFFICER. The Senator has 7 minutes and 20 seconds.

Mr. LUGAR. Mr. President, I see no other speakers on our side. Therefore, I will summarize the case for freedom to farm which, as a matter of fact, is going to mean much greater flexibility and freedom to farmers and provide really the greatest degree of safety over a 7-year period of time.

Senators on the other side of the aisle supporting the distinguished Democratic leader's bill have talked about certainty and stability, about the fact that farmers could go out of business in large numbers in the rice business or in other commodities that have been mentioned. There always is that danger, and this is one reason why the legislation has occurred.

I simply say, Mr. President, if the desire is for security, freedom to farm is by far the preferable option simply because it does have a certain payment for 7 years. The Democratic leader's program is based upon current farm policy and lasts for 3 years, and, as I have pointed out, from my own experience even if there is a loan rate there or even if there are target prices and deficiency payments that come when market prices are lower, these are uncertain in volume. They are no more likely to provide stability or certainty that a farmer will stay in business.

Mr. President, we are on the threshold, in my judgment, of an unprecedented period in American farm history dictated largely by our success in export markets. In this particular year, the Chinese turn of events, that is, their move to import as opposed to export, has turned around prices, as Senators have pointed out on both sides of the aisle, remarkably high prices for wheat and corn and soybeans. Other factors have led to very high prices for cotton during this market year.

Senators have pointed out, given the fact that market prices are well above the target prices, there is a case to be made that there is no Government payment at all under those circumstances. This leads to some question as to where the 40-percent payment would come from, for example, in a year such as this.

Would USDA ignore all the market signals, ignore the facts, even if we were looking toward the year we are about to plant, in which a farmer could sell a contract, a futures contract for corn at least 25 cents above the target price? You can do that now. Where is the advance deficiency payment in that situation? Any honest observer of the scene would say there is no deficiency payment. It is 40 percent of zero. Where the new stability and certainty comes for farmers from that calculation, I fail to see.

We are so mired in our thoughts about the past that we are unable to take a look at what is presently ahead of us. In fact, the crop year we have just had, the one we are about to have, and about to have after that—to stretch my argument a little farther—you can take a look at the futures market and sell your crop for the year after this one and still get a certain price above the target price for corn.

It has been some time since that was possible. But those are the realities now. Where is the advance deficiency payment in years 1 or 2, if you take an honest look really at markets at this point?

What we are saying, those of us advocating this legislation today, freedom to farm, is that obviously what goes up can come down. In the 3d, 4th, 5th, 6th, 7th year there might be great uncertainty. And if there is, there is a certain payment, and you still keep your eyes on the market. That is the best course for agricultural producers, those commodities that there is demand for, and to decouple this from the necessity to plant a certain thing to produce a history or to produce a payment.

So, Mr. President, I oppose the distinguished Democratic leader's idea. He has risen to the challenge of offering an alternative, but it is not a superior one. The freedom-to-farm bill we have before us, in my judgment, is our best bet. I hope it will have a standing success in final passage and, meanwhile, that we defeat the Daschle amendment.

Mr. President, I see no further debaters on our side. Therefore, I yield back all time on our side on this amendment.

I ask unanimous consent, in the presence of the distinguished Democratic leader, that the amendment be temporarily laid aside, as we have pending negotiations on when votes will come.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Democratic leader.

Mr. DASCHLE. Mr. President, I just say that if we are going to complete our work by 4:45, we will have to begin voting, by my calculation, at 3:35. So if there are additional amendments to be offered, we have less than a half-hour to do so.

The PRESIDING OFFICER. Is there objection to the request?

Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I second the advice of the distinguished Democratic leader and hope that those who still have something to say will come promptly. I will try to expedite the process.

AMENDMENT NO. 3453 TO AMENDMENT NO. 3184

(Purpose: Require the Department of Agriculture to allow private sector to develop farm management plans)

Mr. LUGAR. Mr. President, I send an amendment to the desk on behalf of Senator KEMPTHORNE and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. KEMPTHORNE, proposes an amendment numbered 3453 to amendment No. 3184.

Mr. LUGAR. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At page 3–25 after line 8 and before line 9 insert the following paragraph so that beginning at line 9 the bill reads:

"(8) Notwithstanding any provision of law, the Secretary shall ensure that the process of writing, developing, and assisting in the implementation of plans required in the programs established under this title be open to individuals in agribusiness including but not limited to agricultural producers, representatives from agricultural cooperatives, agricultural input retail dealers, and certified crop advisers. This process shall be included in but not limited to programs and plans established under this title and any other Department program using incentive, technical assistance, cost-share or pilot project programs that require plans."

Mr. KEMPTHORNE. Mr. President, I would like to comment on my amendment to the bill now before us. S. 1541 proposes significant change to our national farm policy, with the goal of bringing our Nation's farmers into a healthy market environment. This amendment will facilitate that transition.

Farmers in my State and across the country participate in numerous conservation efforts. These include federally directed programs including conservation compliance requirements of farm program, and voluntary programs like the Conservation Reserve Program and the Wetlands Reserve Program.

The success of these programs is due in large part to a strong relationship with the private sector and agribusiness farm management planners and advisors. These advisors are members of the community, they live and work on a day to day basis with farmers. These advisors are qualified with the latest agronomic, conservation technological and farm planning techniques.

Mr. President, it would be a shame if we did not ensure that farmers could tap into this resource as they strive to develop the best conservation plan possible for their farmland. This amendment ensures that farmers have the not only the freedom to farm, but to farm wisely by allowing them the broadest possible source of technical information and support.

This is particularly important because this bill proposing expanding the criteria for conservation plans from soil erosion control to include such goals as wildlife management and water quality control.

The idea behind the amendment is to cement the private-public partnership which already exists. We cannot kid ourselves—Federal resources to provide technical assistance to farmers are going to continue to be limited. This amendment would assure that farmers have a strong local resource to supplement the efforts of the Extension Service and the Natural Resources Conservation Service.

Mr. LUGAR. Mr. President, the amendment I offer on behalf of the distinguished Senator from Idaho would ensure that farmers have not only the freedom to farm, but the freedom to farm wisely. The amendment makes sure that farmers can go to the sources they need, including agribusiness experts, to develop management plans for their farms to meet Federal conservation requirements.

My understanding is that this amendment has been agreed to on both sides.

Mr. LEAHY. We have no objection, Mr. President.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from Idaho.

The amendment (No. 3453) was agreed to.

Mr. LUGAR. I move to reconsider the vote.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, just for a few moments while we are waiting, I thought I might think out loud with a few reflections about this farm bill.

I said to my colleague from Vermont and my colleague from Indiana, they have been very cooperative. With the managers' amendment, there will be technical corrections to reflect a decision we made earlier this morning that I am very pleased about as a Senator from Minnesota, as a Senator from the Upper Midwest. That is to say we will not have a Northeast dairy compact. I will not go over that debate, but I was very pleased with the vote this morning.

It is with some concern that I speak about the direction we are going because, Mr. President, I think what we are going to see with this freedom-to-farm approach is a kind of combination of carrot and stick. The carrot will be that farmers will get higher support payments that go with good price that farmers are getting right now. I am pleased to see that good price.

But the question becomes in the medium run, in the long run, what happens when farmers no longer get that good price, whether it be because of the weather, whether it be because of a flood, or whether it be because of the position that farmers are in all too often, not so much as pricemakers but pricetakers.

My concern about the stick is that I think where this takes us eventually is that farmers are going to find themselves on their own when it comes to dealing with Cargill, or on their own when it comes to dealing with the Chicago Board of Trade. Quite frankly, I wish we had Adam Smith's invisible hand. I wish we had real free enterprise in agriculture, but I see an industry where, I think, the conglomerates have muscled their way to the dinner table with tremendous concentration of power.

So I worry about the cap on the loan rate and farmers not having a strong bargaining position as they look to an oligopolistic and, for that matter, monopolistic market.

So I am proud of the vote this morning, 50 to 46. It was extremely important to my State. I felt like the compact was a poison pill for dairy farmers in Minnesota. We still are going to continue—I have been at it for 5 years—trying to reform this milk marketing order system. As I look at the overall bill, that was a victory for dairy farmers. I hope we will have a milk marketing order system that will be good for dairy farmers everywhere in the country. I have to say, I think this bill we are about to vote on is, as I said, a great carrot in the short run, good prices and contract payments, but in the long run, I think what it says to farmers is you are on your own with Cargill, with the Board of Trade. I do not think the farmers in Minnesota or across the country will fare well with that approach.

With that, Mr. President, I yield the floor.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. I am advised the distinguished Senator from Utah has an amendment. I hope he will offer it presently. We are coming down close to the time that the distinguished leader mentioned we will commence the rollcall votes.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah.

AMENDMENT NO. 3277 TO AMENDMENT NO. 3184

(Purpose: To amend the Food Stamp Act of 1977 to permit participating households to use food stamp benefits to purchase nutritional supplements of vitamins, minerals, or vitamins and minerals)

Mr. HATCH. Mr. President, I call up amendment No. 3277 and ask unanimous consent that Senator HARKIN be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for himself, Mr. MCCONNELL, and Mr. HARKIN, proposes an amendment numbered 3277 to amendment No. 3184.

Mr. HATCH. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title IV, insert the following:

SEC. 406. NUTRITIONAL SUPPLEMENTS.

(a) FINDINGS.—Congress finds that—

(1) the dietary patterns of Americans do not result in nutrient intakes that fully meet Recommended Dietary Allowances (RDAs) of vitamins and minerals;

(2) children in low-income families and the elderly often fail to achieve adequate nutrient intakes from diet alone;

(3) pregnant women have particularly high nutrient needs, which they often fail to meet through dietary means alone;

(4)(A) many scientific studies have shown that nutritional supplements that contain folic acid (a B vitamin) can prevent as many as 60 to 80 percent of neural tube birth defects;

(B) the Public Health Service, in September 1992, recommended that all women of childbearing age in the United States who are capable of becoming pregnant should consume 0.4 mg of folic acid per day for the purpose of reducing their risk of having a pregnancy affected with spina bifida or other neural tube birth defects; and

(C) the Food and Drug Administration has also approved a health claim for folic acid to reduce the risk of neural tube birth defects;

(5) infants who fail to receive adequate intakes of iron may be somewhat impaired in their mental and behavioral development; and

(6) a massive volume of credible scientific evidence strongly suggests that increasing intake of specific nutrients over an extended period of time may be helpful in protecting against diseases or conditions such as osteoporosis, cataracts, cancer, and heart disease.

(b) AMENDMENT OF THE FOOD STAMP ACT OF 1977.—Section 3(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2012(g)(1)) is amended by striking "or food product" and inserting ", food product, or nutritional supplement of a vitamin, mineral, or a vitamin and a mineral".

Mr. HATCH. Mr. President, this is the text of a bill, S. 1133, authored by Senators MCCONNELL, HARKIN, and myself. Senators MCCONNELL and HARKIN are chair and ranking member of the Nutrition Subcommittee, and we consider this a very important amendment.

This is a small amendment, but makes a good deal of sense. It allows food stamps to be used to purchase vitamins and minerals, a practice which I believe is permissible under current law, but which is not allowed due to Agriculture Department policy, a ridiculous policy, I might add. It is time to change it.

There is ample evidence to show the nutritional benefits of vitamins and minerals. This incontrovertible fact was recognized not once, but twice, by the U.S. Senate in 1993 when it passed the Dietary Supplement Health and Education Act, Public Law 103-417.

I need not remind my colleagues that the dietary supplement bill passed without a single dissenting vote in either body, abundant proof, I believe, as to the safety and public health benefits of both vitamins and minerals.

For any of my colleagues who remain unconvinced, I direct their attention to Senate Report 103-410 which provides numerous references to scientific studies supporting the nutritional benefits of dietary supplements.

In fact, studies have shown that more than 100 million Americans regularly use vitamins and minerals to ensure that their basic nutritional requirements are met, to support their health during periods of special risk, and to help protect against chronic disease.

Let me point out that there is an ample body of evidence to show that many Americans simply do not have healthy diets, and this is true for children as well as for men and women.

For example, in one Government study of the eating habits of more than 21,000 people, not a single person got the full recommended daily allowance of 10 key vitamins and minerals—and that was just one study.

Many other studies have shown that the poor and elderly in our country are especially likely to have low nutrient intakes, often with significant health consequences. For example, a 1992 study by a world-renowned authority on immune function reported that giving a modest multivitamin with minerals to a group of men and women over the age of 65 for a period of 1 year cut the number of sick days in this group to half compared to a similar unsupplemented group.

Perhaps the best example is folic acid, which the Food and Drug Administration steadfastly resisted revealing to America's women as a significant protector against birth defects.

So while we all recognize it would be desirable for Americans to eat healthy foods and maintain an adequate diet, that simply is not happening.

The purpose of the Food Stamp Program, and let me quote from the Department's own regulation, is to "promote the general welfare and to safeguard the health and well-being of the Nation's population by raising the levels of nutrition among low-income households."

I think that just about makes my case. Vitamins and minerals do just that; they raise levels of nutrition.

Vitamins and minerals can prevent half of all neural tube defects in America.

They can protect against heart disease and stroke.

They can improve appetite growth in poor children.

They can protect against some cancers.

They can build bone mass in children.

They can improve mental development in infants.

Those are very compelling reasons why the other Senators and I think this is a good amendment.

Frankly, I do not know why anyone would have an objection to this amendment.

Indeed, I do not know why the Agriculture Department has chosen to exclude vitamins and minerals from food stamp coverage.

As I read the applicable regulations, they only state that eligible foods are "any food or food product intended for human consumption except alcoholic beverages, tobacco, and hot foods and hot food products prepared for immediate consumption."

That would certainly seem to include vitamins and minerals which are by Federal law considered to be foods. The law to which I refer is the Dietary Supplement Health and Education Act of 1994, a bill which passed this body twice with literally no objection at all.

I understand that it is the Food and Nutrition Service Handbook 318 which prohibits food stamp purchases of vitamins and minerals under the theory that they are deficiency correctors or therapeutic agents. That definition flies in the face of the Food, Drug and Cosmetic Act, which, as modified by the Dietary Supplement Health and Education Act of 1994 confirms that dietary supplements are—by law—foods. I think many of my colleagues would be astounded to learn that under the Agriculture Department's interpretation, a food stamp recipient can buy sunflower seeds or wheat germ, but not vitamin C or calcium tablets.

So we are forced to come to the floor today and correct this agency misinterpretation.

To me, the reasons for our amendment are obvious. We want to help improve nutrition, and vitamins and minerals can do just that.

As one expert pointed out during House hearings on this issue, food stamp recipients have free choice of virtually every food sold in the supermarket—except vitamins and minerals. Let us think about the wisdom in that policy.

To be fair, some expressed concerns about the wisdom of adopting this change in the law, but I believe there are compelling counter arguments which this body should consider.

For example, I recognize that Ms. Yvette Jackson, Deputy Administrator of the Food Stamp Program, has testified against the House version of this amendment.

Frankly, I am disappointed with the administration's testimony and dismayed with its rationale. In the House testimony, Ms. Jackson was quoted as saying: "It is unclear what effect a policy permitting the use of food stamp benefits to purchase vitamin and mineral supplements would have on the ability of recipients to purchase a varied and nutritious diet."

I do not see what could be more clear than the fact that dietary supplements can improve the health of the American people.

When we passed the Dietary Supplement Health and Education Act last year, and it passed the Senate twice by unanimous consent, it is no secret that the administration, in general, and the Food and Drug Administration, in particular, resisted our efforts.

To me, the USDA testimony is but further evidence that this administration cannot, or will not, accept the fact that dietary supplements can benefit the American people.

As I mentioned, this was made abundantly clear with the Food and Drug Administration's foot-dragging on approving a health claim for folic acid. Even after the Centers for Disease Control and Prevention made a formal recommendation, endorsed by the Public Health Service, the FDA held back. It has been estimated by public health experts that 50 percent of neural tube defect cases could be eliminated by consuming 0.4 milligrams per day of folic acid a day. I fail to see how a food stamp policy that allows women to purchase folic acid in pill form can do anything but to further the public health. We are talking about healthy babies. That's what this amendment does.

Another argument that the administration and other critics of the policy make is that—and I quote from the administration's own testimony—"Adding more stores and more products would certainly make our efforts to fight fraud and abuse more difficult."

First off, I do not see how the argument about adding more products passes the laugh test when you consider that each year literally thousands of food products and food producers enter the marketplace, and virtually all of these products are food stamp eligible, no questions asked.

I also don't see how opening up the Food Stamp Program to new outlets, presumably health food stores, not already selling some conventional products would appreciably increase the incidence of fraud or abuse. Query how many retail outlets that sell vitamins and minerals don't also already sell food stamp-eligible products?

It seems to me that many grocery store, pharmacy, and health food store already sell food stamp-eligible products. Even if some new retail outlets come on line with this change, I think that is a good thing.

I challenge anyone in this body to present any factual information that supports the proposition that a modest expansion of new stores would necessarily lead to more fraud and abuse.

I certainly never have seen this type of argument used to curtail new vendors from becoming eligible to participate in a Federal entitlement program.

Let us be honest about it. If one extended this argument to its logical conclusion, we should cut back the 216,000 stores that utilize food stamps.

And while we are at it, we should cut back the number of doctors and hospitals that provide Medicare and Medicaid services. How many of us would support that approach? That is how ridiculous this is.

Let me spend a few moments to review what I hope is a now-undisputed fact that dietary supplements are beneficial to health.

I mentioned a few of the health benefits of supplements that were on the chart, including protection against heart disease and stroke. This is the number one cause of death in this country.

We also know that supplements can help promote growth in children. According to testimony presented by the Council for Responsible Nutrition, low-income children can particularly benefit from consuming the recommended daily allowances of vitamins and minerals.

As the National Nutritional Foods Association has pointed out, we know that supplements can help protect against cancer, help build bone mass in children and the elderly, and help improve mental developments in infants.

Last year, as my colleagues may recall, when we passed the dietary supplement legislation, our findings included these two statements:

> Congress finds that the importance of nutrition and the benefits of dietary supplements to health promotion and disease prevention have been documented increasingly in scientific studies; there is a link between the ingestion of certain nutrients or dietary supplements and the prevention of chronic diseases such as cancer, heart disease, and osteoporosis.

It seems to me that changing the food stamp laws to encourage low-income people to use these product is good public policy.

As my colleagues can see from my second chart, it has been estimated that in 1994 about $216 billion was spent by Americans on food products in supermarkets.

A little over three quarters of this, 77.7 percent, was spent on so-called core foods; these are foods that, in lay terms, your mother and your health teachers taught you are good to eat.

These core foods include produce, dairy products, meat, poultry, seafood, baby food, juices, nuts, pasta, rice, bread, and other good food.

As the diagram also shows, what some have termed frivolous foods, make up 21.7 percent of food sales in supermarkets. These foods are exactly what you think they are: snack foods that are so good to eat but may not be the most healthy choice. If you think about what you ate during the Super Bowl—chips, cookies, candy, soft drinks, and the like, you know what we mean when we use the term frivolous foods. They have a place in our diets, but so do vitamins and minerals.

About 22 cents out of every $1 goes to these types of products, which amounted to some $47 billion in 1994.

Compare that substantial amount of purchasing power with the less than 1 percent—about $587 million in 1994—that was estimated to be spent on vitamins in food stores during the same period.

In relative terms, much, much more is spent on what some nutritionists would call junk foods than on vitamins.

The reason I point this out is not to castigate any particular type of food. Rather, since some of my colleagues criticize this amendment because they say it dilutes the spending power of the food stamp, I would like to point out how very, very small spending on vitamins and minerals is compared to all other foods sold in the supermarket setting.

And so I think we must question the public health benefit of continuing a policy that allows for Federal subsidization of frivolous foods but prevents food stamp coverage of valuable dietary supplements? Indeed, I think both should be covered, and that is my point.

Let me drive this home. As my last chart shows, it is OK under current food stamp policy to buy all the soda pop you want—and this may be very refreshing but it probably is not the most healthful product in the world.

At the same time, it is not OK to use food stamps to buy vitamins and minerals that generally are agreed upon by health experts to have unquestioned health benefits for the people who use them.

In other words, a food stamp recipient can use a coupon to purchase a 50-cent can of soda, but not a 2-cent multivitamin. That is the most compelling argument I know against those who feel that this amendment would dilute the purchasing power of the food stamp.

I think our amendment would help recipients to make more wise purchases.

It seems to me that something is wrong with this picture and what is wrong is that vitamins and minerals should be covered by the food stamp program as well as all other foods.

I think it is entirely appropriate, indeed warranted, that any participant in the food stamp program who wants to improve his or her own health be allowed to purchase vitamins and minerals.

Why allow parents on food stamps the opportunity to give their children Cheez Whiz instead of vitamin C? Why not do both?

Why allow pregnant women to buy Fritos but not folic acid, which prevents neural tube defects?

Does this body really stand for the proposition that a Twinkie a day is more nutritious than a multivitamin?

Mr. President, if there is room in the food stamp program for vanilla wafers and Milky Ways, surely, there is room for vitamins and minerals as well.

I hope our colleagues will support this amendment. We think it is a worthwhile amendment. We hope that we can have the support of our friends.

I yield the floor.

Mr. HARKIN. Does the Senator have some time to yield?

Mr. HATCH. I am happy to yield whatever time I can.

Mr. HARKIN. Are we operating on a time limit?

The PRESIDING OFFICER. The Senator has 4½ minutes.

Mr. HARKIN. Will the Senator yield a couple minutes?

Mr. HATCH. Yes.

Mr. LEAHY. How much time is there in opposition?

The PRESIDING OFFICER. Four minutes ten seconds.

Mr. LEAHY. Mr. President, the side in opposition has not spoken a word yet.

The PRESIDING OFFICER. It is 4 minutes for the proponents, 15 minutes for the opponents.

Mr. HARKIN. Mr. President, I am in strong support of the amendment offered by Senator HATCH. It is a commonsense amendment that is based on legislation we introduced last year along with our distinguished chairman of the Nutrition Subcommittee, Senator MCCONNELL.

Today food stamps can be used to buy Twinkies, but not vitamin C. That does not make sense. Poor children and women and elderly often have significant vitamin and mineral deficiencies. For examples, studies have shown that 40 percent of poor children have iron deficiencies and 33 percent have vitamin E deficiencies.

Our amendment is supported by a broad coalition of groups and nutrition experts. For example, it is backed by the Alliance for Aging Research, the Spina Bifida Association of America, the National Osteoporosis Foundation and the National Nutritional Foods Association. It is also supported by nutrition experts and various scientists and heads of departments, including Dr. Paul Lachance, chairman of the Department of Food Science at Rutgers University; Dr. Jeffrey Blumberg of Tufts University; Dr. Charles

Butterworth, Director of Human Nutrition at the University of Alabama Birmingham; and Dr. Dennis Heldman, chairman of the Department of Food Science and Human Nutrition at the University of Missouri.

Mr. President, there is absolutely no evidence to suggest that people will forego important food purchases to buy vitamins. In fact, you can buy a month's worth of multivitamins for about the price of one can of soda.

So I do not think we have to worry that somehow food stamp recipients will be wasting money. Quite the contrary, if the amendment goes through—they can buy vitamins and minerals. This simply allows the food stamp recipients the right to improve their intake of key vitamins and minerals.

I make a plea on behalf of pregnant women, especially poor pregnant women who are on food stamps. We know the evidence is clear that many lower income women are more likely to have inadequate intake of key nutrients. Women with incomes 130 percent or less of the poverty level have higher rates of deficiencies in vitamins A, D, C, B-6 and B-12, as well as iron and niacin. They need these nutrients to have a healthy baby. And we know the great benefits of this.

Mr. President, the amendment that I've joined the Senator from Utah, Senator HATCH in offering is a commonsense amendment allowing low-income people greater access to nutritional supplements. It is bottom-line common sense. Why should we not allow them to buy vitamin A or vitamin C, iron and mineral supplements, but allow them to buy Twinkies or Cheese Whiz?.

I say it is time to say to the people on food stamps, they can have access to vitamin and mineral supplements to improve their health.

Mr. LEAHY. Mr. President, there is much in this amendment that sounds appealing until you look at it.

I have to say I strongly, strongly oppose the idea of the amendment. It would be a major, significant change in our food stamp legislation. It would be done without any debate, really—15 minutes on the floor, no hearings, without going through the committee of jurisdiction, without looking at the complexities of it. At a time when 1 out of every 10 Americans are on food stamps, when the budget is being stretched, this makes no sense at all.

In fact, many of the families who are on food stamps today find they run out of food by the end of the month. Adding other things they could purchase is not going to help. In the 1991 publication of the National Academy of Sciences, they said food, rather than vitamin and mineral substances, should serve as the sole source of nutrients to meet the dietary needs. This is not asking food stamp purchasers to go on a yuppie diet fad of the moment that somehow they can just have vitamin pills, whether they work or not—expensive, they should work—whether they work or not and substitute it for food.

We are facing potential food stamp cuts as it is. To cut even more of the amount of money available to food makes very little sense to me. It is a significant change in the food stamp legislation that was carefully put together over the years by people on both sides of the aisle, by the distinguished Republican leader, the senior Senator from Kansas, by the distinguished senior Senator LUGAR, by myself, and others. To willy-nilly change it does not make sense. I would not support it.

I wish that the proponents would withdraw the amendment. If they do not, I will join with others in opposition to it in an effort to defeat the amendment.

Mr. LUGAR. How much time remains on both sides of the amendment?

The PRESIDING OFFICER. There are 12 minutes and 18 seconds; and on the proponents' side, there is no time remaining.

Mr. LUGAR. I take this moment to ask unanimous consent that immediately following debate on the Hatch amendment regarding vitamins, the Senate proceed to a vote on or in relation to the Dorgan amendment No. 3451, to be followed by a vote on or in relation to the Daschle substitute amendment, to be followed by a vote on or in relation to the Hatch amendment.

Further, that Senator LUGAR be recognized to offer a final amendment to include an additional manager's amendment; and following the adoption of that, the Senate proceed to vote on the modified Craig-Leahy substitute, to be immediately followed by a vote on passage, as modified. And further, there be 1 minute of debate equally divided in the usual form between each of the stacked votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. I ask unanimous consent that all votes following the first rollcall vote in this sequence be limited to 10 minutes in length.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. I say, with relation to the current amendment, that no one disputes the need for good nutrition, but the amendment obviously opens the door for food stamp recipients to spend scarce food dollars on items other than food. There is no dispute that it is best to get vitamins and minerals from food.

Therefore, I oppose the amendment. I will not speak further.

Mr. DOLE. I hope the Senator from Utah and the Senator from Idaho might let us have hearings on it. It might have a lot of merit. I think rather than press it to a vote and lose, it might be preferable to have a hearing in the Agriculture Committee and the Nutrition Subcommittee. I am happy to be there if that would help.

Mr. HATCH. I wonder if I could ask the two leaders, is it possible to agree to have hearings on this matter?

I cannot see for the life of me why this adds anything to the cost of food stamps. It just says that instead of buying pop, you might buy vitamins and minerals.

Mr. DOLE. It may be a good idea.

Mr. HATCH. If you will hold hearings and if we can make a case that this is beneficial—I have no doubt in my mind we will make that case—if you will hold a hearing on this specific issue on a bill that we will file, and if we make the case you will help us move the bill, I am willing to withdraw the amendment for now. But if not, we should just vote on it.

Mr. LUGAR. I pledge to the distinguished Senator, after consultation with my distinguished colleague——

Mr. HARKIN. If I might have the attention of the distinguished majority leader, I think having hearings would be a good thing to have to look at this proposal. It is something that both Senator HATCH and I—and Senator MCCONNELL has a bill in that we are cosponsoring to do just this.

Hearings are fine. We welcome the hearings. Again, could we have some vehicle on which we might be able to move this at some point later, either for up or down after the hearings? If we could have some type of an agreement to move the bill, the McConnell-Hatch-Harkin bill.

Mr. HATCH. If the leaders will help us move the bill, and the leaders will help call it up, I think we could do it in 10 minutes, because I think we can make more than an adequate case.

It is a smart thing to do for the American people. It is hard to understand how anybody could understand that this is not a good amendment.

We will be happy to do it your way if the leader prefers.

Mr. DOLE. If we make a case, that is fine.

Mr. LEAHY. My understanding is we would have hearings first.

Mr. LUGAR. I have indicated we will have hearings.

Mr. HATCH. In a relatively short period of time.

Mr. LUGAR. As promptly as we can.

Mr. HATCH. Mr. President, on behalf of my cosponsors, we withdraw this amendment and hope it accommodates our colleagues and our leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 3277) is withdrawn.

AMENDMENT NO. 3451

Mr. LUGAR. We now proceed to the vote on 3451, the Dorgan amendment, with 30 seconds on each side.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The pending question now is the Dorgan amendment No. 3451. Who yields time on the amendment?

Mr. LUGAR. Mr. President, I ask for the defeat of the Dorgan amendment. Clearly, the idea that farmers will not utilize the land to plant and try to obtain income is not a sound one. The attempt of the Dorgan amendment, once again, is to couple together payments with controls. We are opposed to that with freedom to farm.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Dakota.

Mr. DORGAN. Mr. President this is the simplest possible amendment. If you believe payments ought to go to farmers for the purpose of not farming, then you want to defeat this amendment. If you believe this is a farm bill to help farmers who are farming, then you should support it. If you do not want to be making payments to people who simply have some land and a bank account, and do not start a tractor, do not use a combine, and do not plant anything, then you should be for my amendment. This is not about controls or flexibility. It is a question whether you want a farm program that is going to pay farmers for not farming.

I want a farm program that is a good program and that helps farmers who are actually farming the land. If you believe in that, then support this amendment.

I yield the floor.

The PRESIDING OFFICER. All time is expired. The question is on agreeing to the Dorgan amendment.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Texas [Mr. GRAMM], and the Senator from Oregon [Mr. HATFIELD] are necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The PRESIDING OFFICER (Mr. THOMPSON). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 48, nays 48, as follows:

[Rollcall Vote No. 17 Leg.]

YEAS—48

Akaka
Baucus
Biden
Bingaman
Boxer
Breaux
Bryan
Bumpers
Byrd
Cohen
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Gregg
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone
Wyden

NAYS—48

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Coverdell
Craig
D'Amato
DeWine
Dole
Faircloth
Frist
Gorton
Grams
Grassley
Hatch
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—4

Bradley
Domenici
Gramm
Hatfield

So the amendment (No. 3451) was rejected.

Mr. BOND. Mr. President, I move to reconsider the vote.

Mr. COHEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3452

The PRESIDING OFFICER. The question occurs on agreeing to amendment No. 3452 offered by the Democratic leader, Mr. DASCHLE.

Mr. DASCHLE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DASCHLE. I yield back the remainder of my time.

The PRESIDING OFFICER. Under the previous order, this vote will be a 10-minute rollcall vote.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Texas [Mr. GRAMM], and the Senator from Oregon [Mr. HATFIELD] are necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 33, nays 63, as follows:

[Rollcall Vote No. 18 Leg.]

YEAS—33

Akaka
Baucus
Bingaman
Boxer
Breaux
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Ford
Glenn
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kohl
Levin
Mikulski
Moseley-Braun
Moynihan
Murray
Pryor
Rockefeller
Sarbanes
Simon
Wellstone
Wyden

NAYS—63

Abraham
Ashcroft
Bennett
Biden
Bond
Brown
Bryan
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Faircloth
Feingold
Feinstein
Frist
Gorton
Graham
Grams
Grassley
Gregg
Hatch
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kerry
Kyl
Lautenberg
Leahy
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Pell
Pressler
Reid
Robb
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—4

Bradley
Domenici
Gramm
Hatfield

So the amendment (No. 3452) was rejected.

Mr. LUGAR. I move to reconsider the vote.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, I have a series of amendments that I will send to the desk. They have been cleared on both sides and they will require voice votes.

AMENDMENT NO. 3454 TO AMENDMENT NO. 3184

Mr. LUGAR. Mr. President, I send to the desk an amendment proposed by Mr. GRAHAM, for himself, and Mr. MACK dealing with crop insurance.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. GRAHAM, for himself, and Mr. MACK, proposes an amendment numbered 3454 to amendment No. 3184.

Mr. LUGAR. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of section 502, insert the following:

(c)(1) CROP INSURANCE PILOT PROJECT.—The Secretary of Agriculture shall develop and administer a pilot project for crop insurance coverage that indemnifies crop losses due to a natural disaster such as insect infestation or disease.

(2) ACTUARIAL SOUNDNESS.—A pilot project under this paragraph shall be actuarially sound, as determined by the Secretary, and administered at no net cost to the U.S. Treasury.

(3) DURATION.—A pilot project under this program shall be of two years' duration.

(d) CROP INSURANCE FOR SPECIALITY CROPS.—Section 508(a)(6) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(6)) is amended by adding at the end the following:

"(D) ADDITION OF SPECIALTY CROPS.—(i) Not later than 2 years after the date of enactment of this subparagraph (i) the Corporation shall issue regulations to expand crop insurance coverage under this title to include Aquaculture; and

(ii) The Corporation shall conduct a study and limited pilot program on the feasibility of insuring nursery crops.

(e) MARKETING WINDOWS.—Section 508(j) of the Federal Crop Insurance Act (7 U.S.C. 1508(j)) is amended by adding at the end the following:

"(4) MARKETING WINDOWS.—The Corporation shall consider marketing windows in determining whether it is feasible to require planting during a crop year.".

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 3454) was agreed to.

AMENDMENT NO. 3455 TO AMENDMENT NO. 3184

(Purpose: To establish a farmland protection program)

Mr. LUGAR. Mr. President, I send to the desk an amendment proposed by Mr. SANTORUM, to establish a farmland protection program.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. SANTORUM, proposes an amendment numbered 3455 to amendment No. 3184.

Mr. LUGAR. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3-3, strike lines 3 through 6 and insert the following:

"(B) the wetlands reserve program established under subchapter C;

"(C) the environmental quality incentives program established under chapter 4; and

"(D) a farmland protection program under which the Secretary shall use funds of the Commodity Credit Corporation for the purchase of conservation easements or other interests in not less than 170,000, nor more than 340,000, acres of land with prime, unique, or other productive soil that is subject to a pending offer from a State or local government for the purpose of protecting topsoil by limiting non-agricultural uses of the land, except that any highly erodible cropland shall be subject to the requirements of a conservation plan, including, if required by the Secretary, the conversion of the land to less intensive uses. In no case shall total expenditures of funding from the Commodity Credit Corporation exceed a total of $35,000,000 over the first 3 and subsequent fiscal years.

Mr. LUGAR. Mr. President, I ask that the amendment be considered.

Mr. BYRD. Mr. President, may we have an explanation of the amendment?

Mr. LUGAR. Mr. President, the Santorum amendment calls for a land preservation—I sent the Santorum amendment to the desk. Mr. President, let me ask the distinguished Senator, does he want an explanation of the Santorum amendment, the amendment that is now pending?

Mr. BYRD. I do not know what we are voting on.

Mr. LUGAR. Senator SANTORUM has proposed a farmland protection program, for which $35 million would be devoted. It would authorize the Commodity Credit Purchase Corporation conservation easements of not less than 170,000, not more than 340,000 acres of land, subject to a pending offer from State or local governments. It is cosponsored by Senator LEAHY and has been cleared on both sides.

Mr. BYRD. Mr. President, I thank the Senator.

Mr. HARKIN. Mr. President, I understand this is open for debate at this time?

The PRESIDING OFFICER. There was 1-minute debate equally divided.

Mr. HARKIN. I understand each amendment is supposed to have half an hour, 15 minutes on a side. I have not heard of this amendment. Like Senator BYRD, I do not know what this is. I heard an expenditure of $35 million. Earlier today, amendments were offered and we were told because they cost additional money, they could not be accepted. All of a sudden we have an amendment which no one is going to debate or know what it is and it is going to cost.

Mrs. BOXER. Will the Senator yield for a question?

Mr. HARKIN. I will be glad to yield for a response. I want to know what it costs.

Mrs. BOXER. If the Senator will yield, this was in the Democratic alternative, and also the other side thinks it is an excellent idea because it is going to help us save farmland. It is a conservation amendment. I hope the Senator will support it. He supported the Democratic alternative.

Mr. HARKIN. I would not mind supporting conservation. I have been a strong proponent of conservation. We do not know what it is. There has been no explanation. How many millions of dollars is it going to cost?

Mrs. BOXER. Mr. President, it is a $35 million item to help preserve farmland so that if there is encroachment on the farmland, the farmers are not going to lose money. They have a chance to sell and stay in the farming business. I think the Senator supported it. It is supported by all the environmental groups and farm groups, and it was in the Democratic alternative.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, have we made any disposition whatsoever of the amendment that has just been talked about that no one seems to know anything about?

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, I advise the Chair I have checked out the amendment that I knew nothing about, but I have no objection to the amendment. I hope that the Senate could proceed in its usual fashion.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3455) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

Mr. LEAHY. Mr. President, I also have a package of amendments that have been worked out with the other side. One on behalf of Mr. JOHNSTON, Mr. PRYOR, Mr. BREAUX, and Mr. BUMPERS; another which adds the term "education" to the EQUIP program. A third is a sense-of-the-Senate resolution on methyl bromide and a colloquy between Senator LUGAR and myself.

Mr. DASCHLE. Mr. President, as I understand it, Senator CONRAD had a couple of amendments. Are they on that list?

Mr. LEAHY. I understood he had what he wanted. I asked a question of him and I have not heard back.

Mr. DASCHLE. We need to add those to the list.

Mr. LEAHY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 3456 THROUGH 3461 EN BLOC

Mr. LEAHY. Mr. President, I have a series of amendments on behalf of a number of people. I ask that they be considered en bloc.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY] proposes amendments Nos. 3456 through 3461, en bloc.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 3456

Section 101 of the Agricultural Act of 1949 is amended by adding a subsection (e) that reads as follows:

"(e) RICE.—The Secretary shall make available to producers of each crop of rice on a farm price support at a level that is not less than 50 percent, or more than 90 percent of the parity price for rice as the Secretary determines will not result in increasing stocks of rice to the Commodity Credit Corporation."

AMENDMENT NO. 3457

On page 3-16 of amendment No. 3184, at line 1 after "payments" include the word "education".

On page 3-16, line 9, after "payments," include the word "education".

On page 3-16, line 13, after "payments," and "education".

AMENDMENT NO. 3458

At the appropriate place in the bill, add the following language:

It is the sense of the Senate that the Department of Agriculture shall continue to make methyl bromide alternative research and extension activities a high priority in the Department.

Provided further, That it is the sense of the Senate that the Department of Agriculture, the Environmental Protection Agency, producer and processor organizations, environmental organizations, and State agencies continue their dialogue on the risks and benefits of extending the 2001 phaseout deadline.

AMENDMENT NO. 3459

(Purpose: To reduce uncertainty among farmers as to the status of agricultural lands with respect to environmental and conservation programs)

At the appropriate place in the title relating to conservation, insert the following:

SEC. ___. ABANDONMENT OF CONVERTED WETLANDS.

Section 1222 of the Food Security Act of 1985 (16 U.S.C. 3822) is amended by adding at the end the following:

"(k) ABANDONMENT OF CONVERTED WETLANDS.—The Secretary shall not determine that a prior converted or cropped wetland is abandoned, and therefore that the wetland is subject to this subtitle, on the basis that a producer has not planted an agricultural crop on the prior converted or cropped wetland after the date of enactment of this subsection, so long as any use of the wetland thereafter is limited to agricultural purposes.".

AMENDMENT NO. 3460

(Purpose: To improve the provisions relating to rural business and cooperative development and flexibility)

Beginning on page 7-86, strike line 11 and all that follows through page 7-87, line 11, and insert the following:

"(3) RURAL BUSINESS AND COOPERATIVE DEVELOPMENT.—The rural business and cooperative development category shall include funds made available for—

"(A) rural business opportunity grants provided under section 306(a)(11)(A);

"(B) business and industry guaranteed loans provided under section 310B(a)(1); and

"(C) rural business enterprise grants and rural educational network grants provided under section 310B(c).

"(d) OTHER PROGRAMS.—Subject to subsection (e), in addition to any other appropriated amounts, the Secretary may transfer amounts allocated for a State for any of the 3 function categories for a fiscal year under subsection (c) to—

"(1) mutual and self-help housing grants provided under section 523 of the Housing Act of 1949 (42 U.S.C. 1490(c);

"(2) rural rental housing loans for existing housing provided under section 515 of the Housing Act of 1949 (42 U.S.C. 1485);

"(3) rural cooperative development grants provided under section 310B(e); and

"(4) grants to broadcasting systems provided under section 310B(f).

AMENDMENT NO. 3461

(Purpose: To change the land ownership requirement applicable to qualified beginning farmers and ranchers for the purposes of the Consolidated Farm and Rural Development Act)

At the appropriate place in title VI, insert: Notwithstanding any other provision of law, section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) is amended in subparagraph (F)—

(i) by striking "exceed 15 percent" and all that follows through "Code" and inserting the following: "exceed—

"(i) 25 percent of the median acreage of the farms or ranches, as the case may be, in the county in which the farm or ranch operations of the applicant are located, as reported in the most recent census of agriculture taken under section 142 of title 13, United States Code.

Mr. LEAHY. I ask unanimous consent that the amendments be agreed to, en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the amendments (Nos. 3456 through 3461) were agreed to, en bloc.

Mr. LEAHY. Mr. President, I would like to engage in a colloquy with the distinguished chairman so that we may provide assurance to the many producers in the United States that are actively engaged on farms owned or operated by persons participating in the Market Transition Program, so that they will continue to be eligible for payments and will be treated fairly and equitably under the bill. Specifically, the substitute provides that the Secretary shall provide adequate safeguards to protect the interest of operators who are tenants and sharecroppers who farm land that is enrolled in the Market Transition Program. It also provides that the Secretary shall provide for the sharing of contract payments among the owners and operators subject to the contract on a fair and equitable basis. Mr. President, I would appreciate the chairman's assurance that it is the intent of the substitute that all tenants and sharecroppers who are actively engaged in farming regardless of whether the tenant or sharecropper is an operator of the farm will be eligible for payments, assuming that they are producers on a farm with contract acreage that qualifies for participation in the program.

Mr. LUGAR. I agree with the distinguished Senator that it is the intent of the substitute that all tenants and sharecroppers who are actively engaged in farming will be eligible for payments, assuming that they are producers on a farm with contract acreage that qualifies for participation in the program and that they meet the payment limitation provisions.

Mr. LEAHY. I thank the distinguished chairman. In addition, would the distinguished chairman give assurance as well that it is the intent of the substitute that contract payments must be shared with these tenants and sharecroppers on a fair and equitable basis.

Mr. LUGAR. The Senator is correct, it is the intent of the substitute that all tenants and sharecroppers must be treated fairly and equitably in the division of payments under the bill.

AMENDMENT NO. 3462

(Purpose: To require the Secretary of Agriculture to establish standards for the labeling of sheep carcasses, parts of carcasses, meat, or meat food products as "lamb" or "mutton")

Mr. LUGAR. Mr. President, I send an amendment to the desk on behalf of Senators CRAIG and BAUCUS and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. CRAIG for himself and Mr. BAUCUS, proposes an amendment numbered 3462.

Mr. LUGAR. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

After section 857, insert the following:

SEC. 858. LABELING OF DOMESTIC AND IMPORTED LAMB AND MUTTON

Section 7 of the Federal Meat Inspection Act (21 U.S.C. 607) is amended by adding at the end the following:

"(f) LAMB AND MUTTON.—

"(1) STANDARDS.—The Secretary, consistent with U.S. international obligations, shall establish standards for the labeling of sheep carcasses, parts of carcasses, meat, and meat food products as 'lamb' or 'mutton'.

"(2) METHOD.—the standards under paragraph (1) shall be based on the use of the break or spool joint method to differentiate lamb from mutton by the degree of calcification of bone to reflect maturity.".

Mr. LUGAR. The amendment would simply require a national age standard be set for labeling of lamb in the United States and that this standard would be also enforced on imported product. This is a relatively simple measure that would ensure that lamb coming into the United States is actually lamb and not mutton. This amendment would be GATT legal since the requirements are the same on both domestic and imported product.

If we are to have a viable lamb and wool industry in the United States something must be done to enhance stability and future growth while halting the hemorrhaging of our industry's infrastructure.

Mr. President, I ask unanimous consent that the amendment be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the amendment (No. 3462) was agreed to.

COMMODITY SUPPLEMENTAL FOOD PROGRAM AMENDMENT

Mr. DOMENICI. Mr. President, I am today offering an amendment that will provide the necessary flexibility to the U.S. Department of Agriculture to carry out the Commodity Supplemental Food Program [CSFP].

The amendment is very simple. It allows the Food and Nutrition Service of USDA to use a portion of available carryover funding for administrative expenses. The administration will then have sufficient funds to provide this important nutrition assistance to as many people as possible.

This is not a new issue to the Senate. This same language was enacted as part of the 1995 Second Supplemental Appropriations and Rescissions Act at my request.

The amendment was needed to correct an inadvertent effect of congressional action on the CSFP program in the 1994 Agriculture and Related Agencies Appropriations Act.

When Congress was considering the Agriculture appropriations bill, the Appropriations Committee learned that the program had $25 million in funding that could be carried over into 1995. The committee decided to reduce the overall CSFP program by $10 million due to the carryover funding.

However, while the carryover funds were available to purchase food commodities for distribution, the reduction in overall program funding limited administrative expenses by law to an amount insufficient to allow them to be used. This was a particular blow for programs in my State that serve a significant rural population; they were short of the administrative funds needed to distribute the commodities that could be purchased.

This language simply allows 20 percent of the funds carried over from 1995 into 1996 to be used for administrative expenses. This is the same percentage allowed for administrative expenses for new appropriations. The estimated amount of carryover funding is $12.6 million.

Mr. President, I have consulted with officials of the Food and Nutrition Service as to the need for this language. They concur that it is needed to carry out an effective Commodity Supplemental Food Program this year.

The Senate passed this same language in the fiscal year 1996 Agriculture appropriations bill, but it was inadvertently dropped in conference. I urge my colleagues to adopt this amendment and provide the resources necessary to carry out an effective CSFP program.

DAIRY REFORM

Mr. GRAMS. Mr. President, I would like to engage the distinguished chairman of the Agriculture Committee in a discussion on Federal dairy reform. It is my understanding that considerable time has been spent in an effort to achieve a balanced series of reforms in milk marketing orders.

Mr. LUGAR. The Senator is correct. Unfortunately, the Senate was unable to agree on those reforms due to intense regional differences over reform proposals.

Mr. GRAMS. Mr. President, could the chairman describe the reforms that were initially negotiated for the information of the Senate?

Mr. LUGAR. I will be happy to do so. The negotiations have yielded reform in milk marketing orders in three fundamental ways. First, the reforms would have mandated a reduction in the number of orders, with a consolidation plan to be decided by the end of 1998 and implemented by the end of 2000. Second, they would have mandated the use of a multiple-basing point pricing system in Federal orders. Third, they would have provided that no Federal funds could be used to administer more than 14 marketing orders after December 31, 2000, if the Secretary of Agriculture failed to implement the order consolidation plan, which would have required no fewer than 10 nor more than 14 orders.

Mr. GRAMS. While I am pleased with the overall agriculture reforms in the underlying bill, I am disappointed that our efforts regarding real dairy reform have not succeeded at this point. I do understand the intense, and oftentimes, rigid regional conflicts these proposed dairy reforms typically generate in the Senate. Although I would have preferred comprehensive reform of the class I differential as well, I believe the milk marketing order reforms the chairman has just outlined would have provided a major step toward assuring a more market-oriented system. Will the chairman give his assurance that, in conference with the House, he will work toward adoption of milk marketing order reforms?

Mr. LUGAR. Mr. President, I will. I want to commend the Senator from Minnesota for his strong and active interest in reforming the Federal order system. His efforts have been positive for Midwestern agriculture and the Nation as a whole.

AGRICULTURE RESEARCH

Mr. BENNETT. Mr. President, I would like to bring a matter to the attention of the chairman regarding agriculture research. While it does not require a legislative provision, I believe it deserves some attention by the Department of Agriculture, and it seems appropriate to discuss while we are talking about the farm bill.

Is it the chairman's understanding that the Department of Agriculture has an interest in eradicating livestock diseases, and also has funded research and other programs for the purposes of researching, controlling, and eradicating disease over the years?

Mr. LUGAR. That is my understanding.

Mr. BENNETT. Is it the chairman's understanding that scrapie, a contagious and fatal livestock disease, has had a detrimental impact on the sheep industry?

Mr. LUGAR. That is my understanding.

Mr. BENNETT. Would the chairman agree that given the scarcity of resources, a way to maximize a tight research budget may be to share the cost with other countries?

Mr. LUGAR. That seems to be a commonsense approach given our limited resources.

Mr. BENNETT. I understand that there is a collaborative research project being developed by two well-respected research groups, one in the United States and the other in Scotland, that has the hope of eventual eradication of this disease by understanding how and when scrapie is transmitted. At least two countries, the United Kingdom and New Zealand, have committed to share the cost of funding the research project with the United States. Part of the study will be conducted at a land-grant university. While the research project does not appear to fit squarely into current funding mechanisms at ARS, APHIS, or CSREES within the Department of Agriculture, would the chairman agree that it would be in the interest of the U.S. Department of Agriculture to seriously consider the feasibility of funding such a study?

Mr. LUGAR. It seems reasonable for the United States to consider providing funding for a credible study, in light of commitments from the United Kingdom and New Zealand, and I would urge the USDA to look seriously at doing so.

Mr. BENNETT. I thank the chairman.

Ms. MOSELEY-BRAUN. Mr. President, I am very pleased that the Lugar-Leahy amendment to S. 1541 contains a provision I authored that will provide a competitive loan rate for soybeans and other oilseeds.

Soybeans represent the third largest crop in the United States, with the second largest value of over $14 billion annually. Worldwide, the demand for protein meal and vegetable oil grows about 3 percent each year.

Meanwhile, U.S. oilseed acreage has declined by 17 percent since 1979, from 77 million acres to 63.8 million acres expected in 1996. Approximately 3.5 million soybean acres are enrolled in the Conservation Reserve Program, and an estimated 9.7 million soybean and sunflower acres have shifted to corn and wheat production.

The point is, that, while worldwide demand for soybeans and oilseed products increase, acreage dedicated to oilseeds in the United States has decreased. And that means American farmers are losing important economic opportunities when it comes to oilseed exports.

One notable cause for the decrease in U.S. oilseed acres has been Federal farm policy, which has made wheat and corn planting more attractive. Another factor in the loss of oilseed acreage is the lack of Government promotion for export and domestic use of vegetable oil. Export opportunities for soybeans and sunflower oil under the EEP and SOAP will be reduced 79 percent under the Uruguay round. And unlike tax incentives for ethanol production, which target corn production, there is no Federal program for soy-based biodiesel.

This provision, by setting marketing loan rates for oilseeds at 85 percent of the Olympic 5-year average price, will help to put soybeans and other oilseeds at the same percentage level as other crops. For soybeans, the marketing loan rate would be set at 85 percent of the Olympic 5-year average, but no less than $4.92 or no more than $5.26 per bushel. For sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, loan rates would also be set accordingly, but at rates no less than $0.087 or more than $0.093 per pound.

This provision, which I filed as an amendment to the Lugar-Leahy substitute amendment to S. 1541, allows the soybean loan rate to rise by 5 percent if prices increase, providing some protection for small producers against increased volatility in production and prices that could result from full planting flexibility. It would remove disincentives for planting soybeans, encourage increased soybean acreage, and provide an opportunity for reasonable prices and adequate supplies of high-protein meal for pork and poultry producers.

Mr. President, Illinois leads the Nation not just in the production of farm commodities, but also in farm commodity exports. And in my conversations with Illinois farmers, one theme resonates time again and again: the future of American agriculture lies in exports, and in enhancing the export competitiveness of U.S. agriculture.

I agree, and I believe my amendment will help U.S. oilseed producers seek out greater export sales, and ensure that market demand, rather than Federal policies, determine how many acres of soybeans are planted.

I would like to thank the distinguished majority leader, Senator DOLE, and Senators LUGAR, LEAHY, GRASSLEY, and COCHRAN for their assistance and support for this amendment.

Mr. NICKLES. Mr. President, I first want to compliment the managers of the farm bill for their hard work in crafting legislation which reforms our Nation's agriculture policies. No longer will the Government tell farmers which crops to plant and no longer will the Government tell farmers to leave productive land idle in exchange for a Federal handout. I believe giving more flexibility to farmers is a step in the right direction and urge my colleagues to support the freedom-to-farm legislation.

I thank the chairman and ranking member for clarifying the sponsors' intent with respect to the haying and grazing provision of the substitute amendment. This technical change allows farmers to continue the haying and grazing flexibility they have under current law and I am pleased the bill's sponsors agree this traditional freedom should continue under the reform proposal.

Once again, I thank the managers for making this technical change and appreciate their leadership on farm policy.

Mr. SIMON. Mr. President, I want to thank the distinguished minority leader for his hard work in crafting a bill that meets the needs of production agriculture, nationwide. It's close to an impossible task.

I support this compromise farm bill. While I do not agree with everything in the bill, I think it has a chance of passing the House and being signed into law.

In many ways, it is a good bill for Illinois. It offers farmers limited certainty in the area of income protection, provides a safety net for farmers in future years, and protects our conservation programs, as well as important nutrition programs.

Illinois is second to Iowa in soybean production, with 9.7 million acres planted to soybeans. Exports for soybeans and soybean products totaled $7.9 billion in 1995 making soybeans the largest exporter, in terms of value, in U.S. agriculture.

With the good work of my colleague Senator MOSELEY-BRAUN, this bill raises the marketing loan rate for soybeans to 85 percent of an Olympic 5-year average, with a cap of $5.26 per bushel. Despite a 3-percent annual growth in world demand for vegetable oil and protein meal, U.S. oilseed acreage has declined by 17 percent since 1979. This slight increase in the marketing loan rate creates some incentive for soybean production in the U.S., which helps our trade balance and is very good for Illinois farmers.

The bill also retains permanent law for farm programs. Good agriculture policy protects family farms as well as consumers. The original freedom-to-farm proposal eliminated permanent law for farm programs, allowing no safety net past the year 2002. With the leadership of Senator DASCHLE, the Democrats were able to push for a compromise that guaranteed a safety net for farmers in year 7.

Mr. BAUCUS. Mr. President, it is time to get the farm bill done. So I rise in support of this bill. But I do so with some misgivings.

Now, I know that the first rule of medicine is "Do no harm." And I am well aware that a lot of Americans have adjusted their expectations of this new Congress. A year or so back, they had high hopes. Today, they consider it a good month when the Congress simply decides not to do anything harmful or destructive. They're relieved that we haven't shut the Government down in nearly a month, and that the plan to let Medicare wither on the vine seems to have stalled.

OUR NUMBER ONE INDUSTRY

So sometimes doing nothing is better than doing harm. But, Mr. President, with the farm bill, it is just not good enough to wait any longer.

Agriculture is the largest industry in my State. Our State statistics service reports that Montana has about 22,000 farms, averaging about two residents per farm. Those farms support almost 50,000 additional Montana jobs in agribusiness and the food industry. So our failure to provide some policy direction puts almost 100,000 people directly at risk, not to mention the tens of thousands of others in small banks, gas stations, auto dealerships, and other small businesses who depend on a strong rural economy.

That is true across the country.

In rural States, the entire economy depends on successful production agriculture.

In urban areas, stable, fair and predictable food prices are the key to consumer well-being.

In international trade, agriculture is one of our bright spots.

Our agricultural exports will reach $58 billion in 1996—an all-time record for any country, and twice our projected $29 billion in imports.

And we all know that nobody and no country can be safe or secure without a reliable supply of food.

All this depends on a sound approach to farm policy. And the first element of a sound farm policy is to avoid giving farmers new troubles and headaches. Yet, if Congress delays the farm bill any longer, that is just what will happen.

Farmers all over America are preparing to put their 1996 crop into the ground. In Montana, and across the Great Plains, many already have their winter wheat planted. If the bitter cold has not destroyed their crop, they will begin harvesting in a few months.

These producers need to know what rules they will operate under when that harvest comes in. Because of the dereliction of the Congress, they have no idea what those rules will be. So the time has come to take up this admittedly imperfect bill, get it past the Senate, and ask the House to follow suit. We need to act now.

SUCCESSES OF THE 1996 FARM BILL

Now let me talk for a few moments about the bill. And let us begin with the good news. I would like to mention six points in particular.

The most important good news, of course, is that when the 1996 farm bill passes, producers will have a few years of certainty and stability ahead. They will be able to run their businesses without fear that the Government will make them change horses in midstream.

Two, we restore the safety net which the original more radical ideas proposed to abolish. That is, it continues the 1949 Agricultural Policy Act in case Congress threatens to let farm policy lapse altogether as it did last year. Thus, producers have the confidence that a single year of drought, flood, or collapsing prices will not financially ruin them.

Three, we include several provisions to assist an industry which has suffered from Government mistakes. That is the sheep industry. In this bill we authorize a sheep industry improvement center, which will be a clearinghouse to improve research and infrastructure for the industry. We also introduce some fairness into the lamb market by making Australian and other foreign lamb to meet the same freshness requirements as American lamb.

Four, we reauthorize the Conservation Reserve Program, one of our environmental success stories. It also authorizes two other critical environmental programs—the Livestock Environmental Assistance Program and the Environmental Quality Incentive Program—which help producers improve the management of the natural resources on their farms and ranches, and with it the quality of life in rural America.

Five, we reauthorize the nutrition program, meaning a continuing guarantee of assistance for children and poorer Americans.

And six, in the 1996 farm bill we increase planting flexibility, so producers can base their planting decisions according to the market and their potential profits, rather than on rules established by the bureaucracy.

THE MAJOR FLAW

Now let us look at what may be the real flaw in the bill.

My greatest concern is the so-called decoupling of farm payments from prices and volume of production. In essence, a farmer will now get a straight payment regardless of how much he or she produces and regardless of the price.

Since the forecasts call for a good harvest in 1996, this will be very good for farmers for at least the next year. However, if we get a bad year in 1997 or 1998, the payments may be inadequate.

Equally serious, but more of a long-term problem, is that by decoupling payments from the market, we may decouple farm policy from the broad public support it has enjoyed since the creation of the farm program during the Depression.

Most Americans can see that agriculture is a volatile business, and understand the need for some stability from year to year. It may be that the public at large will be less enthusiastic about a straight payment that remains high in good years.

Only time will give us the answer to that question. But we know that delaying action any longer this year will mean a year of questions, uncertainty and difficulty for farmers. So the time has come to pass the 1996 farm bill.

I will vote for this bill, and I hope the Senate will pass it. And I would ask the House to act as quickly as possible—to stop toying with revolutionary experiments—to cut their vacation short—and to get the job done.

Mr. CHAFEE. Mr. President, I want to compliment my colleague, the senior Senator from Indiana, for the enormous amount of effort he has put into this bill. He and his colleague on the other side have done good work. The legislation that is before the Senate represents a critical change in our farm policy that will do much to move us toward a market-oriented system. And that is a welcome change indeed.

I must say, however, that as enthusiastic as I am about the important structural changes wrought by this bill, I am sorely disappointed that one provision of particular importance to my State and the New England region was deleted earlier today. It was my understanding that this provision would be included in the final version of the Senate bill. The provision that I am referring to is the New England Dairy Compact—which has earned broad support from our region's Governors, legislators, and industry. Without congressional authorization, the compact cannot move forward. And today's action to eliminate the necessary congressional consent means moving forward will be extremely difficult.

I also regret that the Senate failed to adopt much-needed reforms to the sugar and peanut programs. While the legislation crafted by the managers revises both of these programs to some extent, those revisions do not go nearly far enough.

Therefore, with regret, I will be casting my vote against the underlying bill.

CHANGE OF VOTE

Mr. FRIST. Mr. President, I ask unanimous consent I be allowed to change my vote from "yea" to "nay" on rollcall vote 14, which passed earlier today by a vote of 59 to 37. It will not change the outcome of the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FEINGOLD. Mr. President, I will vote against the farm bill today for a number of reasons.

First, while I and other Senators from the Upper Midwest were successful in striking from the Leahy substitute the northeast interstate dairy compact, this bill contains no fundamental reform of Federal milk marketing orders so badly needed by Wisconsin dairy farmers. Attempts to reach a bipartisan agreement on a moderate order reform amendment were ended when regionalism overwhelmed reason. I found that very disappointing.

I remain hopeful, however, that there will be an opportunity in the conference with the House farm bill to revisit these issues and get some changes that will help create a more level playing field for our dairy producers.

Second, Mr. President, I was very disappointed at the process under which the debate over the farm bill took place in the Senate. This is an important bill that is considered every 5 years, and normally consumes several weeks of floor debate following extensive and open committee action. This year the bill was rammed through the Senate in 1 day under tight time controls that allowed little opportunity for Senators to scrutinize neither the underlying bill nor the amendments offered. Furthermore, with only one-half hour to debate each amendment, it was difficult for Members to fully analyze the impacts and implications of their votes. One amendment passed by the Senate was over 500 pages long and was the subject of absolutely no debate. Conducting business under those kinds of constraints is ultimately not good for farmers, consumers, or the taxpayers. We should take the time to debate publicly and examine thoroughly existing farm programs as well as the proposals to change them.

At the same time, I recognize the urgency that many in this Chamber felt that some type of farm bill had to move forward quickly so that farmers who are putting seed in the ground right now would have some idea of what Federal policies would be in play for this growing season. But Congress should have begun this process a year ago to give farmers the assurances they need. The need for just any bill is no justification for voting for a bad bill.

Ultimately, I voted against this bill because it failed to reform programs in a way which targets benefits to those family farmers most in need, it did little to limit Government payments to the Nation's largest and wealthiest farmers, it provides excessive guaranteed giveaway payments to landowners who never have to plant a crop, and did absolutely nothing to reform Federal milk marketing order to rectify the harms current law imposes on Wisconsin dairy farmers.

This farm bill process was fiscally irresponsible policy making. From a deficit reduction perspective, this bill could have achieved far greater budget savings while still protecting family farms. It is my hope that the Senate never again engage in this process for major legislation that affects every farmer, consumer, and taxpayer in this country.

Mr. LEVIN. Mr. President, the Senate is about to vote on final passage of S. 1541, the farm bill. This vote should have taken place last year, after a full and thorough debate. The House has recently recessed without completing action on the matter, and the Senate's action is very late. As a result, farmers are not getting the timely information they need to make important decisions for the 1996 crop year.

Without the Dorgan amendment, which I supported, freedom-to-farm payments will be made even to farmers who might choose not to plant a single seed. This doesn't make any sense and certainly seems like a potential waste of taxpayers' money. I am very concerned about the lack of market sensitivity in these freedom-to-farm payments.

Fortunately, the bill is not all bad. We were successful in removing the northeast dairy compact, which would have established unfair barriers to interstate trade and potentially hurt Michigan milk producers and processors. And, we reformed, without destroying, the sugar program. The bill does contain several good provisions that will encourage farmland preservation, establish a livestock environmental assistance program, and addresses other important trade, research, credit, and conservation matters.

On balance, however, I cannot support this bill. I hope the conferees can improve it.

Mr. WELLSTONE. Mr. President, I believe the Senate will make a mistake today if we pass this farm bill. I think I can understand why some believe this is the best way forward for American agriculture. But I profoundly disagree with that judgment.

I have been saying for weeks, even months, that I have been prepared to debate the farm bill. Today's debate is overdue, and it has not exactly been what I had in mind. It has been limited due to time constraints. Our opportunity for amendments has been constricted.

I am afraid that the best that can be said about this week's action on the farm bill is that farmers across the country now can see what this Congress might be delivering for a farm bill. Perhaps the House will act soon, and I expect that their bill will be close in principle to this one.

I voted in favor of cloture last week. I did so not because I support freedom-to-farm. I do not. I favor long-term policy that would promote family agriculture and revitalize our rural economy. This is not that. I voted for cloture because I believe that American farmers need to know what programs they will be operating under this year. With no farm policy in place, I did not want to block consideration of new farm legislation even though I was quite certain I could not support the bill's final passage.

Of course, yesterday's vote against cloture was due to the sudden inclusion into the bill of the Northeast Dairy Compact, which I have called a poison pill for Minnesota dairy farmers. I am extremely pleased, as I have already said here on the floor, that we were able to strike the compact from the bill, and I was proud to lay that amendment down on behalf of myself and other midwesterners late last evening.

Let me address the freedom-to-farm proposal. There are some good things in this bill, particularly some of the conservation provisions which some of us have ensured are in the bill. I am glad that we finally have authorized the enrollment of new acres into the successful and popular Conservation Reserve Program [CRP], which I have been advocating for some time. And we Democrats ensured that permanent farm law is retained, and that oilseeds will be allowed some equity in marketing-loan rates.

But freedom-to-farm, which is the core of this farm bill, is fundamentally bad policy.

I believe freedom-to-farm is a dubious carrot followed by a very real stick. If it becomes law, it will likely lead to the elimination of farm programs, ultimately leaving farmers to the tender mercies of the grain companies and the railroads and the Chicago Board of Trade during years when prices are low. In the long term I believe it may have disastrous effects on family farmers and our rural economy.

Some farmers believe that freedom-to-farm is the best deal they will get from this Congress. I understand that. Many in this Congress oppose farm programs, and those people have made a credible threat to the future existence of farm programs. This plan offers farmers payments this year even though prices are projected to be strong. And it promises to lock in at least some payments for 7 years. For some farmers, even those who know that it is bad policy, that is attractive.

I have supported what I consider to be genuine reform of farm programs. I cosponsored a 7-year proposal last year which called for a targeted marketing-loan approach. That plan would provide farmers the planting flexibility they need. But it also would provide needed long-term protection from some of the uncertainties that farmers face—uncertainties of weather, and of markets that are dominated by large multinational companies. It also would raise loan rates and target farm-program benefits to family-size farmers.

The freedom-to-farm concept entails a transition to what is called market orientation. I support market oriented farm policy. That is why I advocate support for family-size farmers when prices are low—not so-called contract payments regardless of market conditions and regardless of what, or whether anything, is planted. In fact, what I really support is helping farmers getting a fairer price in the marketplace so that they do not need government payments at all. Fair prices are key to improving farm income.

It must be remembered that the rationale for the transition payments in freedom-to-farm is that farm programs will end. There is no reason for decoupled payments called transition-payments unless farm programs will be ending. So we should not fool ourselves about the gesture of leaving permanent farm law in place underneath this bill. We Democrats rightly insisted upon that provision, but we have to admit it was a maneuver to help achieve a time agreement and should not be considered genuinely permanent. It may or may not survive conference.

This bill will end payments to farmers within a few years. Meanwhile, its approach will discredit farm programs forever. High payments to farmers during good-price years will not wash in the public when we are cutting government spending on other much-needed programs. I am concerned that when prices drop back down, which is inevitable—I would say it is encouraged by the capping of loan rates in this bill—there may be no farm program there to help. I voted today to lift the loan-rate caps. I also note that I voted for amendments to retain the Farmer Owned Reserve and raise loan rates. And I voted to require that a farmer actually plant a crop in order to qualify for a so-called contract payment.

Mr. President, I do not believe we are finished debating agriculture or rural policy. I will continue to speak here on the topic. I intend to continue to fight for rural Minnesota.

Mr. KERRY. Mr. President, I voted against final passage of S. 1541 because, while it was better than some proposals put forth during this debate, ultimately, it was not the package that I believe it should have been.

Yesterday, I supported cloture on the Leahy-Dole substitute because I felt strongly that it was essential that Congress act to develop new farm policy reforms as soon as possible. The existing authorization for the numerous nutrition, conservation, and commodity programs that comprise the heart of the farm bill expired during 1995. With the expiration of these programs, the outdated 1949 Agricultural Act became the permanent law governing Federal commodity programs. According to the U.S. Department of Agriculture, the 1949 statute, if enacted today, would cost taxpayers $10 billion for 1996 alone, substantially more than the recently expired provisions. I believed then, and remain convinced, that we need a new approach to farm policy. Therefore, I supported cloture to advance the debate on the Leahy-Dole reform package which would have replaced the 1949 statute with a new reform program to phase out price supports after 7 years and would have reauthorized critical nutrition and conservation programs through 2002.

However, the package that was before us on final passage, while it included many important provisions on nutrition and conservation, fell short of true reform because a provision was added to retain the 1949 act as the permanent law. By retaining the 1949 statute, the 7-year farm support phaseout provisions of the Leahy-Dole bill become just another price support program. There is no longer a phaseout, only an interim payment plan for the intervening 7 years.

Until this package returns from conference, there is always hope that there will be important improvements to the reform provisions while retaining critical conservation and nutrition programs upon which millions of Americans depend.

AMENDMENT NO. 3184

The PRESIDING OFFICER. The question is on agreeing to the Leahy amendment No. 3184, as amended.

The amendment (No. 3184), as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. DOLE. Mr. President, I ask for the yeas and nays on the bill.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass? The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Texas [Mr. GRAMM], and the Senator from Oregon [Mr. HATFIELD] are necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 64, nays 32, as follows:

[Rollcall Vote No. 19 Leg.]

YEAS—64

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bond
Boxer
Breaux
Brown
Burns
Campbell
Coats
Cochran
Coverdell
Craig
D'Amato
DeWine
Dole
Faircloth
Feinstein
Ford
Frist
Gorton
Graham
Grams
Grassley
Hatch
Heflin
Helms
Hutchison
Inhofe
Inouye
Johnston
Kassebaum
Kempthorne
Kyl
Leahy
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Moseley-Braun
Moynihan
Murkowski
Nickles
Nunn
Pell
Pressler
Robb
Roth
Shelby
Simon
Simpson
Smith
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wyden

NAYS—32

Bingaman
Bryan
Bumpers
Byrd
Chafee
Cohen
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Glenn
Gregg
Harkin
Hollings
Jeffords
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Levin
Mikulski
Murray
Pryor
Reid
Rockefeller
Santorum
Sarbanes
Snowe
Wellstone

NOT VOTING—4

Bradley
Domenici
Gramm
Hatfield

So the bill (S. 1541), as amended, was passed.

(The text of the bill will be printed in a future edition of the RECORD.)

Mr. LUGAR. I move to reconsider the vote.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LUGAR. Mr. President, I thank all Senators for prompt consideration of the farm bill. I think we have an excellent bill. I had wanted to go to the conference with the House and hopefully expedite decisionmaking for farmers throughout the country.

I thank my colleague, Senator LEAHY, who has worked so well, once again, in a bipartisan way, on an important bill. I thank the majority leader, Senator DOLE, for his very, very strong leadership throughout the cloture battles, as well as all we have experienced today, and the distinguished Democratic leader, Senator DASCHLE, who worked to make certain we had both a pathway to success today, and expedited the timing of that.

I want to thank, especially, staff members who have done so much, and I want to mention them by name.

I have Andy Morton, Randy Green, Dave Johnson, Marcia Asquith, Beth Johnson, Terri Snow, Michael Knipe, Dave Stawick, Terri Nintemann, Katherine McGuire, Darrel Choat, Danny Spellacy, Doug Leslie, Barbara Ward, Debbie Schwertner, Jill Clawson, Cathy Harrington, Mary Kinzer, David Dayhoff, Pat Sweeney, Bob Sturm, Bill Sims, Jim Hedrick, and, of course, Chuck Conner, our chief of staff, who has done a splendid job, as always.

I thank all of them and all Senators for their support.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Vermont.

Mr. LEAHY. Mr. President, I also want to thank the distinguished majority leader and the distinguished Democratic leader for all they have done. The distinguished senior Senator from Indiana said he thanks the distinguished Democratic leader for helping us get the pathway to be here. That is true, we would not be here without that help.

I know, at least in my 21 years here, I have never known a farm bill to go through without some strife. This is probably no exception. But the fact is that we have now brought a farm bill through that we can go to the other body with in a conference. I hope we can go to them and point out that on the final vote it was passed on a bipartisan basis. If we did not have one, had it not been passed on a bipartisan basis, I would not hold out much hope for the conference. Instead, we have one that speaks for those who produce our food and fiber but also includes protection for the environment, conservation, nutrition programs, all of which are important to get a bill that can eventually be signed.

I thank my friend with whom I have worked so many years, Senator LUGAR, on such legislation. I thank him for his help and his staff's help, and his honesty and openness to it.

I also want to thank Pat Westhoff for his outstanding economic analyses of complicated proposals; on our staff, David Grahn, who stayed up many nights drafting legal language; Craig Cox, for an outstanding job developing one of the most progressive conservation titles; Tom Cosgrove, for handling a very politically sensitive issue, dairy, and doing it very, very well; Kate Howard, who has done such a great job on trade; Kate DeRemer for her outstanding work on the research title; Brooks Preston for all that he has done for the environment and for forestry; Nick Johnson for his very hard work on rural development. Diane Coates, Kevin Flynn, and Rob Headberg, for all that they have done. Gary Endicott and Tom Cole at the legislative counsel. I would especially like to thank Ed Barron, the Democratic chief of staff, and Jim Cubie, our chief counsel, who I think have not been to bed in several days.

I would say, if any members of their family are watching, I know exactly where they were. They were here all the time, chained to their desks but helping us go through. And also I give my personal thanks to my chief of staff, Luke Albee, who worked so hard with them.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I thank the chairman of the committee for his outstanding job, Chairman LUGAR, and the ranking member's equally outstanding job, Senator LEAHY. They have worked a long time. This is a bipartisan bill. There were 20 Democrats, 44 Republicans who voted "aye" on final passage.

I believe there is enough flexibility. The President would certainly be inclined to sign this bill. I hope he might announce that this weekend when he is in Iowa. I think it will be very well received there.

This has been a long process. There were a lot of frustrating moments for all of us. But, just as farming requires patience and perseverance, so does passing farm legislation. It is always very difficult. There are so many issues involved, so many different commodities and so many different regional interests and State interests, it is hard to put a package together that satisfies everyone.

But I believe this is really a historic change, some would say the biggest change we have had in agriculture since the 1930's when Henry Wallace was Secretary of Agriculture. It seems to me we have made that because we have had this bipartisan cooperation.

I thank the Democratic leader, too, Senator DASCHLE, for working out, last night, an agreement which permitted us to vote at precisely 4:45. That is when we promised our colleagues we would vote and that is when the vote started.

Farmers will finally plant for the market and not the Government. The Government is going to get out of the supply control business.

We can take pride this bill is also good for the environment. The Conservation Reserve Program is reauthorized. A new program, the Environmental Quality Incentive Program, is included to provide farmers and ranchers a cost-share program as they work to develop ways to manage their farming operations. No doubt about it, another big winner in this legislation is the American taxpayer.

There is some concern about the transition payments. That has been expressed time after time. I believe we need now to make certain this is going to work so we do not have these stories appearing that somebody had a big crop and got a big payment. I think that is a very sensitive matter. But I believe, by capping entitlements, it is a sensible spending program.

It is not an end but a beginning, because there is much more we need to do to ensure survival of rural America. One is estate tax relief. I think capital gains tax relief is one. We need to take a look at regulation, regulatory reform.

I would just conclude by sharing a quote I read last week on the floor, the words of George Washington, over two centuries ago. He said, "I know of no pursuit in which more real and important services can be rendered to any country than by improving its agriculture." I think that is as true today as it was then. I thank all my colleagues for their patience and their support.

Again, I thank the chairman, Senator LUGAR, and Senator LEAHY.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, I know there are many who want to speak so I will be brief. Let me congratulate the chairman of the Agriculture Committee for the typical manner with which he has addressed this bill and this responsibility. In true fashion he has been cooperative and accommodating. I again want to publicly thank him for his effort.

Let me also thank our ranking member, Senator LEAHY, for his efforts. I appreciate very much the work of our two managers in this regard.

Working with the majority leader, we were able to accomplish what all of us said we wanted to be able to do, finish a farm bill, by a time certain, that would allow some opportunity for farmers to better understand what may be in store, what they have to decide with regard to their own management. This bill, as flawed as I believe it is, will accommodate that.

I must say, in all my time in the Senate, there has never been a time when I felt more discouraged, and frankly more concerned about the future of agriculture, the future of farm policy, than I feel this afternoon. I think the Senate has made a very tragic mistake. I think it is a mistake that will come back to haunt us. I believe we will be here again in the not too distant future addressing many of the deficiencies that this legislation represents.

Obviously, many of us feel very strongly about this. This fight is not over. We will come back. We will revisit many of these issues. We will offer amendments. We will offer additional legislation. We firmly believe we must continue to make farm policy work better than it will work if this farm legislation becomes law.

Finally, let me thank especially Tom Buis, on my staff, for the remarkable job he has done. I do not know of anyone who has been more dedicated, or given his time and effort more generously, than has Tom over the last many days. So, I again thank him, and thank our colleagues for the work that we have done today in spite of the fact that I am so disappointed with the outcome.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, I ask unanimous consent to proceed as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SENATE SCHEDULE

Mr. GLENN. Mr. President, I just want to make a few remarks about the recess. In fact, we are going on a vacation period when we have not even come close to completing the work of the U.S. Senate. I do not know whether people realize it, but if they look at the calendar they will see that we are into the middle of February. I do not think they realize what a short time period we have left to do the business of the Senate for this year in 1996. This year there are political party nominating conventions, and we will adjourn before the November elections. We will not come back in after the elections because that is just a lame duck session.

In effect we are saddled with getting everything done between now and the convention time. If you consider our sine die adjournment which is scheduled for October 4, and take out the normal holiday periods of Easter, Memorial Day, Fourth of July, August recess, and Labor Day, we have about 85 legislative working days left. And if we go on our normal 4-day week schedule where we do not come in until Monday noon and go out by Friday noon, which makes about a 4-day workweek, it means we have a total of about 65 working days left in this legislative year.

I do not think people realize how tight we are on time. We have not even begun to complete the work of last year yet. We have five appropriations bills—VA-HUD appropriations, Commerce, State, Justice appropriations, Interior appropriations, Labor-HHS appropriations, and D.C. appropriations. In addition to that, we had hoped to have a balanced budget agreement. We had hoped to have welfare reform. We have an absolutely critical debt limit extension that has to be done so that the full faith and credit of the United States is honored around the world. That is not one that we can really put off at all.

The continuing resolution and the debt limit expire by March 15. We now are taking off 3 weeks—almost 3 weeks.

I find that unconscionable. Then we wonder why the American people have a lack of faith in their Congress to get things done for this country.

I appreciate the fact that there is a Presidential campaign on. But we need a balanced budget agreement. We want welfare reform. The debt limit absolutely has to be passed. We need health insurance reform legislation. We have a continuing resolution to provide funding for those appropriations bills not yet enacted, all of which are limping along below their normally funded levels.

Mr. President, these are the leftovers from last year. This does not even address the new authorization and appropriations bills that we have to pass in 1996 for fiscal 1997. Here we are out for approximately a 3-week period, and to avoid a vote on whether we should go out or not—we are going to have pro forma sessions; a couple of them a week in which there will be no votes. We will have morning business only. We will come in and make our speeches, and nothing else will be accomplished. I find that unconscionable.

I never said I am ashamed of the U.S. Senate. But I will tell you right at this moment I come closer to it than any other time.

Do people realize we only have some 65 to 90 legislative days this year? These are important pieces of legislation. The items that are being partially funded with the continuing resolution now are limping along, as I said. We have veterans programs that are begging right now—where veterans hospitals are not getting the funding that they should have. We are not getting the new hospitals that were promised to be built.

So we know that on February 26, we will not get anything done. Then we will have the 27th, 28th, and the 29th, and the 1st left in that week, if we work all day Friday—which is becoming rare around here. The debt limit expires on March 15 and we will actually have only somewhere around 11 or 12 days to complete the work. That will be the total time that we will have to work on the continuing resolution to provide for those five appropriations bills left over from last year. And we know from past experience that there are going to be quid pro quos all over the place on the debt limit and any CR's. We know that because that is what has happened every time they have come up this year. I think we are getting very, very short on time.

I think we should stay here. And I think we should be working at the people's business. I think we should be working around the clock on this. And I think we should be working from 9 o'clock on Monday morning until 6 o'clock Friday afternoon—which is what the people expect of us when they elected us and sent us here. They do not expect us to come in here and work 3½- or 4-day weeks and then come back home and make all sorts of excuses about why we cannot get important legislation passed. I do not think people across this country realize we are still working on last year's agenda—five appropriations bills that we do not have done yet, and the new appropriations bills coming up this year. We only have 65 to 85 legislative days left in this year. For us to go out now for whatever purpose and for whatever reason I just think is not right.

I am sorry we were not able to have a vote on this so we could in effect hold people's feet to the fire and say, "OK. If you want to go out, at least have guts enough to vote on it." But that is not the way things work.

So we are going out. We will not have pro forma sessions next week because that is President's week. Normally there is a break here. And then the following week we will have two pro forma sessions, as I understand it; one this Friday on the 9th, and then on the 20th and the 23d but not with votes. We cannot have any votes on anything important. So we will all come in here and act like we are doing something, and we are not. I just do not think that is worthy of the people of this country who sent us here.

Mr. President, in one of these pro forma sessions I will have a great deal more to say about this. I will provide additional examples of where we are being hurt.

Weather forecasting is being degraded. Public safety is jeopardized. The National Weather Service is cutting back for lack of passing a Commerce bill. There is a whole number of things that people do not normally think about, programs funded at levels that are one-fourth reduced. Advanced Technology, the program Ounce of Prevention Council, Local Climate Change, Cops on the Beat, Drug Courts, AmeriCorps, Community Development Financial Institutions, HHS Office of Consumer Affairs—all of these are things that are being cut back now because we do not stay here and do the job we were sent here to do. I just find that unconscionable.

I am so sorry that we are not staying here to take care of these things that we thought were "must-do" legislation.

One other comment on the debt limit: Do we know what we are dealing with here? Are we to the point where Wall Street and world's financial community doubt the true faith and allegiance of the United States monetary system? Most of the nations of the world use our currency as their reserve currency. They put dollars in the bank depending on them. We put gold in the bank at one time. They put dollars in the bank. They have that kind of faith. Yet, we are going to run right up to the hilt again on this and create a lot of doubt as to whether we are going to pass a debt limit. And, if the past is any predictor of the future, we know we are going to have a lot of things attached as riders so that the House has its way on the Contract With America. I wish they had a Contract With America on how to keep faith and allegiance in our currency, and faith in our Government, because all we have been doing so far is creating doubt as to our ability really to manage things. So I regret we are going out. I regret we are going to stop having productive sessions here. I would have much preferred that we stay here and take care of the Nation's business. It seems to me that is what we should be doing.

We will have more to say on this later, and I yield the floor.

Mr. LEVIN. Mr. President, will the Senator yield for a question?

Mr. GLENN. I yield for a question.

Mr. LEVIN. First, I wish to commend the Senator for pointing out what I think is a very, very serious inadequacy, which is to leave here for almost 3 weeks when we have two major threats to this economy which are looming before us, which hang over our heads. One is the extension of the debt limit. In effect, we will be paying our obligations through March 15, but from then on there is uncertainty. And we are also operating on interim funding for critical programs including education, the environment, and a number of other programs which have had major cuts. As the Senator from Ohio has pointed out, during this interim period, a $3 billion cut in education annualized. If that cut continues at the current level that we have through March 15, there will be a $3 billion reduction in education programs, everything from title I to Head Start to college loan programs to school-to-work programs, and so forth.

Now, my question of our friend from Ohio is this. One of the big issues that is outstanding is whether or not we are going to extend the debt limit so we pay our obligations, just simply pay our obligations. The country has never defaulted on an obligation yet. We have always paid interest owing. But as of right now we do not know whether or not there is going to be an extension of our debt limit in time to pay our obligations or whether March 15 is going to come and go and we could default unless we extend that debt limit.

Would the Senator from Ohio agree with this, that the fact we leave this issue hanging, the fact that this uncertainty is created, and the fact that we are going out effectively for 3 weeks while this uncertainty is out there could create a major economic problem for us even if at the last minute or in the last few days before March 15 there is a satisfactory resolution; that the act of going out now with the uncertainty that will be created between now and when we effectively come back in itself is a danger even if people were confident that somehow or other between the time we come back and March 15 there would be an extension of the debt limit?

Mr. GLENN. I would answer the Senator by saying absolutely, I think there is that danger. We saw a lot of comment in the international financial press and our own domestic financial press when we extended this to March 15. There was some real concern expressed as to why March 15, why was it not longer? If we really were confident that we were taking care of the best interests of the United States and our economy, why did we not make it longer? Why did we make it such a short period of time? The closer we get to that deadline, it seems to me, the more questions are going to be raised.

The Senator makes a very good point. If we ever had a real default, if we ever come up and really go into default, it affects our credit rating. It raises interest rates, and it would cost future taxpayers billions of dollars in higher borrowing costs. To play around with that like Russian roulette, playing with fire around gasoline on something that important for the future of this country I just think is unconscionable. I do not think we should be going out.

Mr. LEVIN. I thank my friend from Ohio for yielding. I commend him for his statement. I must say that I totally concur, that the threat of using these weapons against our own economy is a very, very dangerous thing. That threat should be removed before we go out for what amounts to a 3-week recess.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Mr. President, I thank you for the opportunity to speak.

THE BUSINESS OF THE SENATE

Mr. ASHCROFT. It is a matter of interest and of concern to hear questions raised about the business of the Senate. We have much business to conduct. I should just point out that if we are worried about the cost of interest or worried about the finances of this country, if we are worried about the financial well-being of America, the full faith and credit of the United States, nothing could be more important than balancing the budget and moving this country in a fiscally responsible way toward accountability. We must cease the practice of displacing to the next generation the responsibility of paying for the programs to which we seem addicted.

We have spent a year working hard to try to do that. It is a little bit troublesome to hear individuals from the other side of the aisle suggest that the work has not been hard. It has been very hard. Last year, we voted well over 600 times. In the first 5 years of this decade we voted about 320 times on an average per year. I think if we really care about the future of this country, if we really care about interest rates, we will balance the budget. We will enact an amendment which will structurally require us to balance the budget and the full faith and credit of the United States will not be dependent upon the activities of the Senate and the House. They will be guaranteed by the structure of the Government which we have.

I believe that if we are concerned about the debt limit, we ought to take the steps necessary to make sure we do not unreasonably incur debt and that we do not irresponsibly continue to displace the costs of those things which we seek to have to the next generation. I am perfectly willing to work hard and to stay late, and I believe we all are and we all ought to be. But we all ought also to work in good faith. When we see a bill like the farm bill come up and we see a threatened filibuster and several hundreds of amendments proposed, with a view toward making it difficult to pass and enact the measure, I think those who are concerned about the way in which we spend our time here ought to speak clearly in those instances as well. Because when we have filibustering, whether it be done formally through time spent speaking in the Chamber or through efforts to delay passage of legislation merely by proposing redundant amendments which have nothing to do with the legislation, sense-of-the-Senate amendments that are not really germane to our activities, those also impair our progress.

So I do believe that we have a great job to do. I think we have to be realistic about doing it. We have to be consistent in working toward it. We have to understand if we are, indeed, worried about the cost of interest and the cost of capital in this country and what it does to our citizens, we should understand that balancing the budget of the United States would very likely reduce the average cost of housing in this country to families by a couple thousand dollars a year, and reduce the average cost of a car loan by $1,000 or more.

That is important. That can happen by balancing the budget. So we ought to do our work. There are tasks that have been left undone, and we must focus on them. I am eager to get them done.

I rise today to point out one of those tasks which remains undone. This task does not remain undone, however, because the Congress has failed to act. The task of welfare reform remains undone because the President of the United States has vetoed the work product of the Congress, and has preferred the status quo, a rather bankrupt welfare system, the tragedy of which is to be measured most importantly in human lives and human costs, not in terms of the actual resources in dollars and cents, although they are not inconsequential.

At the time our Republic was coming into existence, Madison envisioned, in Federalist Paper No. 57, a Congress "with a habitual recollection of their dependence on the people." He wanted Government to be dependent on the people. I am afraid we have inverted that. We have people who are now dependent upon Government. And perhaps today's business in the agricultural area was a clear indication of that—farmers who clearly would not know how to plant, could not understand whether the Government would allow them to plant or not allow them to plant until we passed a new agriculture bill.

It is a shame that instead of having a Congress habitually aware of its dependence on the people, the people could not even do the most fundamental things that citizens are supposed to do without first looking to the Congress. I have to say that I was pleased that the agricultural act this year moves us away from that system of dependence.

It is the freedom to farm act. It begins to say to individuals, "Government will not be dictating when you plant, when you reap, whether you plant wheat or whether you plant corn, when you inhale, when you exhale. The Government does not want you dependent on Government." We need to have a farm program and a system of agriculture in America that initiates its activities based on the will, the desire, the creativity of individuals and the demands of the marketplace. So today we took a step away from dependence by the agricultural community on Government. We tried to take a step away from dependence by many people on Government with welfare reform, moving people from the dependence of welfare to the dignity of industry and work. The President of the United States vetoed that.

It is a tremendous problem that our welfare system has encouraged dependence on Government. Welfare law has conditioned assistance on dependence and irresponsibility rather than promoting the virtues of work, independence, and integrity.

We have sent the wrong message. We have said to individuals, "No matter how irresponsible you are, we will continue your payments." As a matter of fact, it has been worse than that. We have said, "The more irresponsible you are, the more children you bring into the world, children whom you cannot support, we will increase your payments." We have actually provided an incentive for irresponsibility.

That has been a pernicious, negative impact of our welfare system that instead of moving us toward the value of independence, it has moved us deeper and deeper into the mire of dependence. The tragedy of dependence has not only been in the numerics of a budget that is out of control, in an entitlement system, it has been in the tally of individual lives, families, and entire communities.

When I served as Chairman of the National Commission on American Urban Families in 1992, I went to some communities where 80 percent of the children were without fathers. That was shocking. But it was almost impossible to comprehend that in some neighborhoods children were born and raised who did not know a child with a father. In other words, in some of the neighborhoods in those communities, fatherhood was nonexistent. That is a tragedy. That is a consequence of a welfare system that demands reform, a welfare system which we sought to reform, and the reform of which would have changed it substantially to avoid and avert that human tragedy. But when the rescue was on the way, the reform was vetoed by the President of the United States.

The number of individuals receiving AFDC has more than tripled—more than tripled—since 1965. The rescue program designed to assist people and lift them from poverty has mired them deeper and deeper in the mud.

More than 3 million of 5 million welfare recipients will be on the rolls for more than 8 years. The average length of stay is 13 years. Programs designed to lift people and help them up have held them down. The hand up has become a web of dependency. You know, a net can either be used as a safety net or a snaring net. Unfortunately, the welfare system in the United States of America has been a net of snaring rather than a net of safety.

Fifty percent of unwed teenage mothers receive welfare within 1 year of having a child. Children born into welfare families are three times more likely to be on welfare when they reach adulthood.

This tragedy of a welfare system, which is uninterrupted and continues unreformed because the President of the United States has vetoed the work product of this Senate and of the U.S. House of Representatives, is a tragedy in no uncertain terms. Perhaps the tragedy is compounded in the way that interest compounds on debt—when you cannot pay the interest, you begin to pay interest on unpaid interest, and it snowballs.

When you have a welfare system that is intergenerational, you have a snowballing impact of a welfare tragedy, the human cost of which is staggering.

I give you an example. Ernesto Ventura, a 4-year-old child from the inner city of Boston, MA, was brutally abused and neglected by his mother. He is a third generation welfare recipient. His mother Clarabel was 26 years old and pregnant, a mother of six, by five different fathers—I should say men because I am not confident they were fathers. A crack addict, she sold food stamps and even the family's washing machine to get money to purchase drugs.

One day Clarabel went into a rage and plunged Ernesto's arm into boiling water. He did not get any medical treatment until paramedics found him 3 weeks later in a back room of his project housing, smeared with his own blood and excrement.

Ernesto's family is the story of an intergenerational web of welfare. It is not a web that is a safety net. It is a net of ensnarement. Fifteen great-grandchildren now comprise the fourth generation of this welfare web. The type of benefits received by the extended family are the alphabet soup of the acronyms of Washington—all perfectly legal, and just as perfectly destructive to the human spirit. They were designed to help, but seem to destroy the one fundamental ingredient in the recipe for recovery that is absent from our welfare system, and that is hope.

Ernesto Ventura's grandmother Eulalia has 14 living children, virtually all of whom receive a variety of at least one form of welfare benefits from AFDC, SSI, food stamps, Medicaid, subsidized housing. This does not even count what the grandchildren and great-grandchildren and others receive.

It is time for us to understand that we need to move welfare reform to the top of the agenda. We need to insist that the President reconsider his veto of the reform measure which would have dramatically changed this tragedy.

Yes, it is a problem whenever we threaten the fiscal integrity and financial security of the United States. No question about it. There is a need for us to be fiscally responsible, financially accountable. But there is something even more tragic when we threaten the safety and security of the lives of individuals born in this, the greatest nation on Earth, but ensnared in a web of welfare, a net which was meant for safety but which becomes a net of entrapment.

We need to replace the dehumanizing dependence of Government with the dignity of work and hope. It is clear that we have had a system for the last several decades which emphasizes debt instead of discipline; it has emphasized the dehumanizing dependence instead of the dignity of industry and work. It has provided for decadence instead of decency, and the real cost of our approach has been in human lives.

Welfare reform would fundamentally redefine this culture. It is something about which we must be concerned immediately. From a culture of dependence, we must switch to a culture of dignity and hope. And dignity and hope come in the dignity and hope of work.

We enacted a 5-year limit on benefits to say that welfare was a way of helping people up, but not of providing a career. The President vetoed our intentions. We said that there should be no entitlement that exists forever based on the ability of people to qualify, but instead we should give the States the opportunity to structure welfare reform plans which elicit from individuals the kind of behavior that would bring them out of welfare. That therapy was similarly vetoed by the President.

We asked that there be a requirement for work and that people prepare themselves for work, that they develop in themselves the capacity to be productive, to lift themselves and their families out of the web of welfare dependency and out of the snare, the entrapping snare of the so-called net of safety, which has become a net of capture. And requiring work was vetoed by the President of the United States when he vetoed the welfare bill.

We passed a welfare bill which confessed the fact that Government alone is very unlikely to be able to inspire people to the kind of ethics and values that will result in their rescue from the tragedy of welfare. We passed a bill that would invite charitable organizations to deliver services because the compassionate capacity of these organizations meets the deeper needs of individuals, and these organizations tend to view individuals not just as statistics who qualify for a governmental program, but as worthy human beings who have the potential of industry and the potential of opportunity and the potential of service to themselves and others.

Our welfare reform measure included that, and that as well was vetoed by the President of the United States.

We cannot allow the veto by the President of the United States to extinguish the flame of hope that is within us and needs to be rekindled across this Nation from county to county, city to city, State to State, a flame of hope that says we can do better than what we are doing.

The wretched tragedy of the welfare system as it now exists is not something with which we must live. It is something which we can and ought to change. It is not simply a debate about restructuring a Government program. It is a debate about how we will save the opportunity for America to continue to reach its potential. It is a question about rescuing our children and our culture from tragedy.

The human costs of what the welfare system has occasioned are beyond speaking, and the examples are hard to recite. But unless we confront them, we will never understand the desperate need we have to change the way in which we do business.

Every day we fail to reform the welfare system, we are nourishing the seeds of cultural disaster in our country. We have the ingredients for reform in the bills which we have passed. I believe it is time again for us to act and to call upon the President to change his mind on welfare reform and to endorse a reform which will save a generation and provide an opportunity for security and success in this society in the next century.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ASHCROFT). Without objection, it is so ordered. The Senator from Iowa.

REPLACING FEDERAL RESERVE CHAIRMAN

Mr. HARKIN. Mr. President, I take the floor to speak on a matter of great importance to this country, to me personally and to, I know, every Senator here. A matter of great importance to all the working men and women of America and to our future, for our children.

This is the first time I am going to speak about it, but I am going to speak about it on several occasions in the coming days and weeks.

I wanted to begin the process of talking about one of the most important decisions that President Clinton will be facing during his first term in office. That decision is pending right now. That decision has to do with who will be the next Chairman of the Federal Reserve System.

Will the President renominate Alan Greenspan? Or will the President, consistent with his view that things must change and we must change the way we do things in this country, begin the process of looking for new leadership at the Federal Reserve System?

Mr. President, I believe President Clinton should begin to look for new leadership to head the Federal Reserve System.

Raising the living standards and the real wages of ordinary Americans is our primary economic challenge. But the policy of the Federal Reserve under Chairman Alan Greenspan, I regret to say, stands in the way. Mr. President, he should not be renominated.

Under the Full Employment and Balanced Growth Act of 1978, the Federal Reserve is obligated to conduct monetary policies so as to reconcile reasonable price stability with full employment and strong, stable economic growth. That is the law.

But under the Greenspan Fed, job growth and the living standards of average Americans have been sacrificed in the blind pursuit of inflation control and the interests of the bond market. The Fed has raised interest rates not when inflation was knocking at the door, but when inflation did not even threaten. In 1994, in the midst of 7 straight rate increases, Chairman Greenspan himself acknowledged that there was no evidence of inflation.

It is time for the Federal Reserve to pursue a more balanced policy, based on raising economic growth and increasing jobs, alongside continued vigilance against inflation. Outgoing Vice Chairman Alan Blinder argued for just such a course.

With the downsizing of Government spending and its more limited ability to stimulate the economy, the significance of the Federal Reserve interest rate policies has grown even larger.

Chairman Greenspan is guided by a concept called the "natural rate of unemployment"—the principle that there is some definite rate of unemployment below which workers' incomes will rise, leading to rising inflation. And, obviously, Mr. Greenspan accepts statistical estimates by some economists that tell him the rate is now at, or near, 6 percent unemployment. In other words, if we fall below 6 percent unemployment, inflation is going to, boom, go up. But unemployment has been just below 6 percent for over a year, and inflation continues to fall.

Unfortunately, the Greenspan policy of slow growth and high interest rates rests on one enduring doctrine—that high unemployment is good for the economy. Today, unemployment stands at 5.8 percent. That is far too high. And 7.7 million unemployed Americans is far too many.

But according to Greenspan Federal Reserve Board dogma, there just may not be enough out-of-work Americans. Now, by contrast, Federal law sets a goal of unemployment at 4 percent, a goal of 4 percent unemployment.

Of course, I do not think anyone has all the answers, but it is time we started using some plain common sense for some positive changes.

The first step to getting back on the right track is to set our sights on a higher rate of economic growth and a lower rate of unemployment. And the key to this is to lower interest rates and keep them as low as reasonably possible.

Under new leadership, we could look forward to more growth, to lower unemployment. But I daresay not under Alan Greenspan. His feet are planted firmly in the past.

What about the fear of inflation? Well, we cannot perfectly predict the future or rule out a rise in inflation sometime in the future, so we have to continue to be vigilant and well-prepared. But most forecasts are for continued low inflation.

Our economy is much more global and open to worldwide competition. We have a new culture of mass discounting in retailing, cost efficiency in manufacturing, some pretty ruthless economies in almost every branch of trade. We have rapid technological changes, especially in computers, which are playing a role, allowing for lower cost replacements for goods whose costs rise. Oil supplies are high, relative to current demand.

Well, what all of this really means is that we can now have fuller employment without inflation—allowing our workers to fully benefit from their higher productivity with higher incomes—that is, if we push for fuller employment through our monetary policy. That is where it has to come from.

Real growth to strengthen our economy is essential. Over the last 20 years, our economic growth has fallen by about one-third over what it was previously. That huge drop in our economic growth has cost our economy in the neighborhood of $14 trillion. What that means is stagnant incomes for average families, higher unemployment, and a lower quality of life in America.

Mr. President, I have an article that appeared last year, but I thought it summed it up pretty well. Patrick Gaughan, Director of the New Jersey Economic Research Center said:

> We blame Alan Greenspan. Seven interest rate increases are taking their toll. Greenspan's statistics represent picking up effects that are apparent in day-to-day living. People listed as employed are working part-time jobs without benefits. If you lost a six-figure job and got one back at $30,000, you are treated the same in unemployment rates.

He goes on to say that he thinks the Fed is preoccupied with inflation:

> Whether inflation goes up 1 or 2 percent is far more important in the eyes of Greenspan than whether a person has a full-time versus a part-time job. The average person cares more about having a full-time job than he does about paying a nickel more for a loaf of bread. The Federal Reserve has gotten so insulated it doesn't realize these things.

Let me say that last sentence again: "The Federal Reserve has gotten so insulated it doesn't realize these things."

He is not the only one that has been critical. Jerry Jasinowski, head of the National Association of Manufacturers said:

> The Fed is fundamentally misreading the American economy. They ought to get out from behind their desks and see what is really happening in plants and on factory floors.

So it seems, Mr. President, that serious questions are not being raised and being asked about the leadership of the Fed under Alan Greenspan. I am not here to say that Mr. Greenspan is not a good and decent man, and I am sure he wants what is best for his country. I am just saying that his economic theories and his approach are out of date. Maybe some time in the past, but not for today's economy. Not for the rapid changes that are taking place in the world, for American workers whose incomes are stagnant and who need to have their incomes raised, because they can have higher productivity. We can have greater growth in this country than 1 percent or 2 percent, and we can have this growth without the fear of inflation.

As I said, Mr. President, I will repeat, over the last 20 years, our rate of economic growth has fallen by a third over what it was previously. That has cost us $14 trillion. That has an impact on average families on unemployment, lower jobs, lower quality of jobs, lower income.

The chairmanship of the Federal Reserve is up soon, next month, I believe. Mr. President, it is time for a change. President Clinton has the opportunity to bring about positive change by bringing in new vision and new leadership to this position. America needs a forward-looking Fed Chairman who recognizes the importance of expanding opportunities for our economy and our people in today's global market.

We need strong leadership, committed to higher growth and higher incomes, fuller employment, and lower, more stable interest rates, to improve the quality of life for average Americans. Mr. President, Alan Greenspan's time has passed. It is time for new leadership at the Fed.

Mr. President, I have an article here that appeared in the International Economy in November-December 1995, by William Greider. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the International Economy, Nov.-Dec. 1995]

SLEEPING WITH THE DEVIL

BILL CLINTON WILL LOSE THE 1996 ELECTION UNLESS HE CHANGES HIS ECONOMIC STRATEGY. DUMPING FED CHAIRMAN ALAN GREENSPAN WOULD BE A GOOD START

(By William Greider)

The killer campaign issue of 1996 is the same old criterion that usually determines the fate of incumbent presidents—incomes and general prosperity—and by that measure Bill Clinton looks like a goner. The financial economists at the Federal Reserve and the White House congratulate themselves for having tamed Americans' unruly appetites by engineering a 2-by-2 economy that appears quite satisfying when viewed as abstract policy: 2 percent growth, 2 percent inflation. But the political problem is that in the real world, where most voters live, this slow-growth regime guarantees the continuing erosion of wage incomes for most American families.

The last peak in the median family income occurred in 1989, followed by recession and a shrinkage of 7 percent. But although the economy was again growing in 1995 after expanding smartly during 1994, income levels had still not regained the lost ground. Since Clinton's election, wages have been flat or falling (discounted for inflation) for everyone except the top 30 percent of women on the income ladder and the top 20 percent of men. Such beneficiaries are not exactly lunch-bucket Democrats.

Clinton's presidency is distinctive in these terms: Unlike previous cycles, most people did not receive the usual bounce in family incomes once the "good times" supposedly resumed. The wage declines persisted despite the modest recovery and the healthier growth rate during 1994. Then the Federal Reserve stiffed the president: 4 percent growth, it announced, was dangerously inflationary, and it thus pulled the plug on the Clinton recovery.

As in so many other matters, Clinton meekly deferred to the wisdom of his elders. He made not a peep of protest as Alan Greenspan raised interest rates and cast a heavy shadow over his reelection prospects. The White House actually concurred with this move and the president's principal economic advisor, Laura Tyson, even boasted about the depressed labor costs, which were rising in 1993 at one of the lowest annual rates in three decades. "We see a very well-behaved employee compensation index," Tyson announced. Well, in 1996 the president is going to see some very ill-behaved voters—including many of the working-class Democrats who were among his original electoral base of 43 percent.

Bill Clinton made his choices and now he has to live with the results. Though elected as a Democrat by talking eloquently about the crisis of declining wages, he opted for a financial-market strategy for governing; trusting the Fed and the bond market to reward him for enacting significant deficit reductions by lowering interest rates. But both of them ran out the door once Clinton had trashed his own campaign promises to increase public investments. When Republicans play to the bond holders, they employ superior timing: They take the hit on the economy early in the presidential term so things will be back on track and growing robustly in time for the next election. The investment bankers Clinton recruited as advisors seem quite naive about electoral cycles (or perhaps indifferent to his fate).

My hunch is that Clinton cynically assumed he could get around to helping the folks during the second half of his term, pumping up their gratitude with new programs just in time for his reelection. But that door slammed shut last November when the Republicans took over Congress and rediscovered fiscal prudence.

What's occurring is quite explosive for American polities and threatening to both parties. The overall returns from conventional economic growth are no longer being distributed widely through out the society, but rather are skewed upward to a fairly small group of citizens. The implications are devastating for the president, but ultimately also for the ascendant Republicans with their much-celebrated "revolution," since they too have no answer to the wage problem. If most American families continually lose ground during the "good times," is it any wonder national politics is turning weird and unstable?

Of course, no president can be expected to singlehandedly reverse the deeper wage trends, but it matters to people whether a politician is pulling for them or against them. Clinton's gravest political error was to sit passively while Greenspan and the Federal Reserve Board knocked the steam out of the economy. That decision effectively guaranteed that wages for most people will continue to decline throughout his presidency. By the summer of 1995, Clinton was delivering soulful speeches lamenting the effects that the forces of globalization were having on average American families. But the words are unconvincing since he himself aligned with those forces.

The iron law of presidential politics holds that an incumbent needs robust, rising prosperity during his reelection year to win a second term. If the reverse occurs, as it now is, he loses. From Herbert Hoover to George Bush, there have been no exceptions to this rule. Of course, Clinton can perhaps somehow elude these fundamentals with luck and a clever campaign, but it would require an historic levitation of public opinion.

The key electoral indicator is real per capita disposable personal income: the money people have left to spend after taxes and inflation have taken their bites. When that indicator is rising sharply it is a reliable "feel good" barometer for the nation even if it does not reflect the gross maldistribution of incomes. Last year, disposable income was expanding mildly at about 2 percent until the fourth quarter, when it spurted by a very robust 6.4 percent, due to the surging economic growth. If the economy had continued growing by 4 percent a year, greater and greater numbers of people would have gradually shared the benefits. Instead, the Fed's brakes took hold and personal income growth also began subsiding at an even more rapid pace.

By the spring quarter, disposable income was shrinking at a rate of minus 2 percent. I don't know how Clinton's economic wizards expect to reverse such a trend, but they must attempt to do so quickly—or Clinton will join Bush and Jimmy Carter in the one-termers' Hall of Fame.

To counter this reality, Clinton has an excellent campaign issue sitting on his desk if he has the nerve to use it: dumping Greenspan. The Federal Reserve chairman, a conservative Republican economist first appointed by Ronald Reagan and reappointed by Bush, completes his second term in March. The smart money says Clinton will reappoint him to another four-year term since—it is assumed—the Republican Senate will refuse to confirm anyone else, especially anyone burdened with such old-fashioned concerns as family incomes.

But instead of acceding to this scenario, Clinton ought to discard the old pieties about the supposedly independent Federal Reserve, ignore his own advisors and make a noisy fight of it: "I am replacing Alan Greenspan because his slow-growth economic policies are hurting average American families." If Bob Dole wants to defend the Federal Reserve's noose on the American economy, let him. If Wall Street financial analysts freak out, all the better. If Republican senators refuse to approve a new chairman, Clinton can run on the issue all year long. The central bank will run just fine with a temporary chairman, while politicians debate the gut issue of American politics: the prospects for economic growth.

Politics aside, here are three substantive reasons to shake up the central bank:

1. Greenspan is an appropriate symbol of the wage disorders and the larger economic debate that ought to engage the nation in 1996. The immediate question for candidates is this: Do you agree with the Federal Reserve's gloomy assumption that the U.S. economy must not grow faster than 2 percent to 2.5 percent a year? If the American economy is permanently constrained to 2 percent growth, forget all the other issues that politicians propose, since most families are certain losers in such a scenario. Which side are you on?

2. Greenspan's intellectual explanations for why the Fed had to squelch the [economic] recovery are quite lacking and will not withstand serious scrutiny by intelligent graduate students, much less rank-and-file citizens. "The chairman has proposed a simple-minded rule for determining what he calls "the maximal growth of a nation's well-being." (Note: He does not say "maximal economic growth" or explain whose "well-being" will be maximized by his policy.) His rule is that, since the labor force expands by 1.1 percent and productivity by 1.4 percent, that adds up to 2.5 percent growth and that's it. Anything more, he opines, "would in the end do more harm than good."

What's wrong with his numbers? Usual ideological arguments over growth and inflation aside, the Federal Reserve assumes the economy is already at full employment—that there are no willing workers left to employ. Anyone who spends a few minutes examining the reality knows this is fraudulent: it excludes the millions of involuntary part-time workers and the millions more who are simply not counted. It presumes a static perfection in job markets that will seem ludicrous to anyone who talks to young people looking for jobs (or to the older people who have been restructured out of theirs). Greenspan's 2 percent solution is terrific for the bond holders but terrible for the future security of most families.

The Greenspan logic, oddly enough, also excludes the global economy—the competition of low-priced imports that serve as a market restraint on U.S. wages and prices, the gross overcapacity in the worldwide production base and the ability of the multinationals to shift their output from country to country, adjusting to the cycles of supply and demand. The country needs a larger debate on all such matters but it will not receive one as long as politicians defer to the opaque reasoning of the Fed.

3. Another strong reason to dump Greenspan is that he has been highly political despite the supposed non-partisan nature of the

independent central bank. This Fed chairman has been mucking around in all sorts of political issues far beyond the ken of monetary policy, usually in ways that will injure broad ranks of citizens. First cozying up to Clinton, he is now sucking up to the new Republican majority in Congress. He pushed Clinton to drop his original jobs agenda and instead deal with the deficits. Now Greenspan is collaborating with Republicans so they too can break their promises.

Greenspan provided the stimulus for a devious game that is underway to cut Social Security and raise income taxes—both of which the Republicans promised not to do in their celebrated "Contract With America." Greenspan personally began the proceedings early in 1995 when he announced the Fed's conclusion that—eureka!—the Consumer Price Index overstates inflation by as much as 1.5 percent. Never mind the obvious contradiction this asertion posed for the chairman's own arguments about inflationary dangers and the need to stifle the economy.

Greenspan's purpose was to suggest that by adjusting the CPI Congress could lop more than $20 billion from Social Security and other benefit programs and add a similar amount in higher tax revenues. The CPI is used to calculate annual cost-of-living increases for a variety of entitlement programs and to protect taxpayers from being pushed into higher tax brackets by inflation. Adjust it downward and Congress can find $40 billion or $50 billion. Look, no hands—we're cutting Social Security and raising taxes and nobody can see us doing it. This is the type of sleight-of-hand that Americans have come to expect from Washington and it is the reason both parties are loathed. If Republicans try to speak this into legislation late at night. I hope the voters catch them.

Clinton could use all of these arguments to explain why he is replacing the Federal Reserve chairman, though I concede it would be out of character for him to do something so provocative and independent of the conventional wisdom. But think of the bumper sticker:

"Dump Greenspan. He's Good for Bonds/Terrible for Wages."

"Dump Greenspan: The Guy is Standing on Your Paycheck."

"Dump Greenspan: He Stopped the Party Before You Got Any Punch."

If Clinton doesn't rewrite his hair shirt economic message, he will be stuck in about the same place that Jimmy Carter was in 1980, telling voters: "Sorry about the economy, folks, but this is about as good as it's going to get." Rational voters, given that choice, will usually opt for something else—anything else—even a fairly loopy or nasty alternative.

I Remember the Gipper's favorite question: "Are you better off now than you were four years ago?" Next year, I expect Republicans to ask that question again, with devastating effect, Once again, they will be able to grab the high ground from the Democratic Party by calling for faster economic growth. Speaker Gingrich occasionally opines that the economy can grow at a 5 percent rate, through he does not explain how, given the obvious contradictions with the austerity provisions of the GOP agenda and the Federal Reserve's assumption that 2 percent growth is "maximal."

In other words, if the Greenspan era continues for another term, the political questions about economic growth will not go away. The same contraditions—the broad deterioration of incomes and the central bank's doleful logic—will confront Republicans if they win the White House. The Republicans are leaning on the same frail reed that failed Clinton: a vague hope that the Federal Reserve and the bond market will help them by lowering interest rates. They should get Greenspan to put this in writing.

The dilemma of the economy's growth rate is at the center of American politics but is seldom directly debated, since almost everyone assumes that faster is better. Even the antigovernment conservatives promote various proposals, such as a capital-gains tax cut or regulatory decontrols, based on the same premise: The measure will produce faster economic growth. But how can they do so, if the Fed insists 2 percent is the most the nation can handle? if voters and politicians ever grasp the contradiction, it may well be triumphant Republicans, not Democrats, who finally have to take on the Fed.

Mr. HARKIN. As I said, Mr. President, I will be discussing this issue at greater length in the days and weeks to come. I guess we are on recess now. I guess the Senate will be in again later this week and I guess next week. I do not know when. But I hope to take some more time on the Senate floor to discuss the Federal Reserve System and why what they are doing and the course of action they are taking is not consistent with the real world. It is what is happening in the global economy, with what is happening to real competition, with what is happening to the need, and not only the need, but the possibility of real economic growth in this country.

The growth rate that seems to be acceptable to Mr. Greenspan I do not believe is acceptable to the rest of this country. From February 1994 to February 1995 under Chairman Greenspan interest rates were raised seven times—seven times in 1 year, three percentage points. It went from 3 percent to 6 percent in the year that ended in February 1995.

Now, we do have to be vigilant about keeping inflation in check. But even Mr. Greenspan said there was no inflation. Inflation has not been threatening, certainly not in the last year, Mr. President. But you would think if that is the case, interest rates would come down. But since February of last year, the Fed has lowered interest rates only three-quarters of a point. So he can raise interest rates 3 percent in 1 year, but in the next year he can only lower them three-quarters of a point. The recent small reductions may make people feel a little good. But they are still not down to where they were in February 1994.

I find it more than passing strange that interest rates can go up 3 percent in a year but they can only come down three-quarters of a point in the following year when there is no inflation threatening at all. I think it is very important to talk about this because of the significant impact it has on our economy and the income of average Americans.

I know there are other Senators who feel as I do. I know that Senator DORGAN also wants to take the floor to speak about this issue and about the need for a new policy, for new policy directions at the Federal Reserve System.

Mr. President, I wanted to take the floor to alert my colleagues that I will be putting more information in the RECORD and I will be discussing this at length in the days and weeks to come. As I said, I certainly hope that President Clinton will see the necessity for new leadership, and through guidance at the Federal Reserve System, appoint someone with a new vision, someone with new vigor and energy who understands the real world as it is out there and who is not just locked into outdated, outmoded and time-worn economic philosophies that have no bearing or no real relationship to the real world as we see it today.

I am publicly calling on President Clinton to bring new leadership to the Federal Reserve System next month. I yield the floor.

CAMPAIGN FINANCE REFORM

Mr. SPECTER. Mr. President, I have sought recognition to comment about the increasing public concern about the unlimited amounts of money that individuals spend from their own private fortunes to gain public office in the United States, which I believe poses a real threat to democratic government in our society.

I have spoken about this subject in the past and have, along with Senator HOLLINGS, supported constitutional amendments, because that is what is necessary to deal with this campaign finance reform issue, because the Supreme Court of the United States decided a little more than 20 years ago, on January 30, 1976, in a case captioned Buckley versus Valeo, that an individual can spend as much of his or her money as he or she chose, notwithstanding spending limitations on everyone else.

As I have said on this floor, that case had a substantial personal impact on me because I had declared my candidacy for the U.S. Senate in late 1975 when the campaign finance law had recently been enacted. In 1974, specified on a population basis for the State, a State the size of Pennsylvania had a limit of $35,000, which is about what I had in the bank, having recently returned to private practice after having been district attorney of Philadelphia.

That year I contested a man who later became a very distinguished U.S. Senator—he won the election in 1976—a very close personal friend of mine, Senator John Heinz, who was able to spend beyond the limits established under the statute because the Supreme Court of the United States declared the law unconstitutional, on first amendment grounds, limiting the amounts anybody else could spend. My brother, for example, could have contributed substantially but could only spend $1,000 by way of contribution.

This has become a proliferating, expanding problem in our society, with many Senate seats having been, in effect, bought with enormous personal contributions. Now we are seeing the matter played out on the national level, obtaining a lot of national notoriety, with recent disclosures showing expenditures in excess of $15 million because people are not limited by the Federal laws if they choose to spend their own money. Those Federal laws on matching funds for the Presidency limit the amount that anybody can spend, if they take Federal funding, to about $600,000 in New Hampshire, about $1 million in Iowa. Those funds are not the limit for those who spend their own funds.

I was fascinated to see on Friday in the New York Times, a column by Anthony Lewis, about this precise subject. I was surprised to see it because Mr. Lewis is well known for his defense of the Constitution and his defense of the first amendment. I think I have that same record, concern about the Constitution, concern about the first amendment.

So, when Anthony Lewis wrote a column in effect calling for the overruling of Buckley versus Valeo, which was decided on first amendment grounds, I thought it a very important event. At the conclusion of my presentation I will ask this be printed in the RECORD. But I only want to cite one sentence from it at this time, referring to the current events, on the tremendous expenditures by an individual, that these events may pose. A "real contribution should be to make us think of ways to overcome the Supreme Court's misguided 1976 decision that limiting how much political candidates can spend on themselves violates their freedom of speech."

I think it worth noting, when Anthony Lewis calls the Supreme Court decision "misguided," he, in effect, joins Senator HOLLINGS and myself and others in calling for a constitutional amendment. On Friday, February 2, the day this appeared, I called Mr. Lewis. Before I could tell him the purpose of the call, he said, "I think I know what you are calling about." He was exactly right.

On Sunday in the Philadelphia Inquirer there is an extensive article by Mr. Dick Polman, on the same subject, starting off, "If money talks." Again, quoting only one small section, Mr. Polman noted, referring to Buckley versus Valeo:

> The justices ruled that candidates could spend their own money as they wanted, as an exercise of their constitutional right to freedom of expression. Publicly financed rivals, on the other hand, must obey spending ceilings in each state—$600,000 per candidate in New Hampshire, $1 million in Iowa.

Now, Mr. Polman quotes from a comment by Miss Ellen Miller, who directs the Center for Responsive Politics in Washington, "That ruling made no sense 20 years ago, and it certainly makes less sense today."

As the Presidential campaign moves forward and we see the impact, I am surprised that money could have made as much a difference as it has in what has resulted so far as shown by the public opinion polls in New Hampshire and Iowa. It may really be possible to buy the White House if enough money is spent from an individual who reportedly has $400 million. And if that individual chooses to spend, say $200 or $300 or $350 million—what is the difference if you have $50 million more left over? You probably have enough for any other contingency—the impact of that kind of spending has really potentially cataclysmic impact on the electoral process in the United States.

I do not want to keep the Senate here too late. It is now 6:15. I know the leader wants to wrap up, but I did want to make these brief comments.

At this time I ask unanimous consent the full text of these articles by Anthony Lewis in the New York Times of February 2, and the article by Dick Polman of the Philadelphia Inquirer of February 4 be printed in the CONGRESSIONAL RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer, Feb. 4, 1996]

IF MONEY TALKS, WHAT DOES IT SAY OF FORBES?

(By Dick Polman)

Ask Charles Lewis about the Steve Forbes phenomenon and you get a shake of the head and a sigh of exasperation.

"What's so disturbing," he says, "is that here you have a guy who's pumping his own millions into his presidential campaign—and a substantial number of voters aren't bothered by it. This gnaws away at me a bit."

Lewis is a Washington activist who wants to curb the power of money in politics—witness his new book, The Buying of the President—and that explains why he gets so hot about the new darling of the Republican field.

Lewis pursues his point, with a dollop of sarcasm: "Apparently the answer to our problem is, we should elect a multimillionaire because we think he's not [beholden] to special interests. Well, look at the people who are helping him. Look at the world he lives in. . . . He has come absolutely out of nowhere. At least Bob Dole is familiar to us. But this guy? It's like The Twilight Zone."

In terms of money and moxie, there has never been a presidential candidate like Steve Forbes. Yes, Ross Perot spent $60 million in 1992, but he arrived late in the game and ran as an independent; unlike Forbes, he didn't target the primaries and try to blow out rivals with saturation advertising. And, yes, John F. Kennedy spent his father's money, but JFK was a career politician.

Forbes, by contrast, is a career publisher of inherited wealth and conservative bent, whose sole public job was a stint as board chairman of Radio Free Europe. As the hottest ticket in the Republican road show, he is pushing a flat income tax that would put more money in his own pocket, according to an independent analysis sponsored by Lewis's public-interest group, the Center for Public Integrity. Despite repeated requests, he refuses to follow Dole's example and release his income tax returns.

Most important, his lavish private spending is wreaking havoc among his chief revivals, all of whom are bound by the strict federal spending limits that inhibit those who accept campaign money from the public treasury. Forbes is free to spend, but they are not—thanks to a landmark Supreme Court ruling 20 years ago this week.

In fact, the self-financed Forbes candidacy would not exist without Buckley v. Valeo. The justices ruled that candidates could spend their own money as they wanted, as an exercise of their constitutional right to freedom of expression. Publicly financed rivals, on the other hand, must obey spending ceilings in each state—$600,000 per candidate in New Hampshire, $1 million in Iowa.

"That ruling made no sense 20 years ago, and it certainly makes less sense today," says Ellen Miller, who directs the Center for Responsive Politics in Washington. "What Forbes shows is that the 'free expression' of a non-wealthy candidate, or a voter who can't afford to contribute money, is drowned out by the free expression of a candidate who can finance himself."

If Forbes' candidacy proves that money talks, the public doesn't appear concerned. The latest survey puts him ahead of Bob Dole by nine points in New Hampshire, which stages the first primary, on Feb. 20; three weeks ago, the survey showed Forbes trailing—by 16. As several New Hampshire voters insisted in interviews last week, Forbes can "afford" to be his own man.

Some say this sentiment is naive. "I've run [congressional] campaigns against rich people," says an adviser to a Forbes rival, "and you have to pay attention to the people they socialize with and do business with. In Forbes' case, it's all his magazine advertisers, his vendors, accountants, investors, lawyers—a whole culture."

It is not all Forbes' money. He has also staged fund-raisers—including a Philadelphia event Friday night—and has drawn the corporate elite. Miller complains: "He's selling himself now. He's breaking the myth that he can't be bought." As long as he doesn't seek public matching funds, though, he remains free of restrictions.

And the public seems not to mind. Gerry Chevinsky, the pollster who conducted the latest New Hampshire survey, explains the public's growing support: "We asked people if they thought it was appropriate for a candidate to use his own personal money in a big ad campaign—and 61 percent said yes. They are so turned off to Washington, and to politicians in general, that they're looking for anyone who doesn't play the political game. The support for Forbes is symbolic. He is a sanitized Perot."

Forbes also gets a boost from Steve Salmore, who advises Republican campaigns in Forbes' native New Jersey: "People see that . . . he's not just saying something in order to pander to people. There's a feeling that if you're spending your own money, that at least you believe in what you say."

Is it unfair .that Forbes can outspend everyone else? Not necessarily, argues Salmore: "The court said, 'Spending your own money is a form of speech.' And rightly so. Look, is a businessman who wants to influence [the public] supposed to take time away from his work just to . . . lick stamps? The career politicians already have the advantage."

He says that if campaign-finance reformers are unhappy, they have only themselves to blame. After all, the court in 1976 was trying to clean up the reforms adopted in 1974. Referring to good-government activists, Salmore scoffs: "This is the problem with the 'goo-goos.' They put in reforms, and you end up with a system that helps some and hurts others. A classic case of unintended consequences."

Indeed, the system that has soured so many Americans—the ties between politicians and special-interest political action committees (PACs)—evolved as a consequence of the 1974 reforms.

The congressional reformers, seeking to banish "fat-cat" contributors, enacted a law requiring that presidential candidates accept only small amounts—no more than $1,000 from an individual and $5,000 from a group—with the totals then being matched by the federal treasury. This law also decreed that no candidate could spend more than $50,000 of his or her own money.

The high court kept the first two provisions (the amounts are the same today), but threw out the cap on personal funds. And here are the results:

It takes enormous effort to build a sizable war chest from small contributions. Candidates can do it faster by relying on special-interest PACs, which is one big reason that the PAC population has exploded over the last two decades. By contrast, someone like Forbes doesn't need to play even this game.

And while Forbes can spend whatever he wants wherever he wants, the others must obey the state-by-state ceilings. These ceilings often inspire creative cheating.

One veteran strategist says: "To stay inside the [spending] limit in Iowa, you rent all your cars in Kansas and Nebraska, and charge the accounts there. . . . Charge the cars in states where you know you won't be spending much money. Then bring the cars over to Iowa. Problem is, some poor schlepp has to drive all the cars back."

The big question is whether anything will be done. Salmore likes the idea of allowing publicly financed candidates to keep pace with the rich; if Forbes is spending big money, then remove the ceilings and allow his rivals to raise and spend the same amounts.

But Bill Bradley, a Democrat who is retiring from the Senate, is calling for a constitutional amendment that would bypass the court and allow Congress to set spending limits on rich candidates. In a speech last month, Bradley said: "Money is not speech. A rich man's wallet does not merit the same protection as a poor man's soapbox."

Charles Lewis says: "Buckley is the biggest roadblock to reform, so we either need a constitutional amendment, or . . . How do we do this in the fairest possible way?

"I have to say, I don't know the answer."

[From the New York Times, Feb. 2, 1996]

LESS IS MORE

(By Anthony Lewis)

BOSTON.—A rich man campaigns for President on a one-plank platform: "Vote for me to cut my taxes drastically and make many of you pay more." The voters respond with enthusiasm.

It sounds like fiction, a parody of the American political process. But judging by what is happening in New Hampshire, it is reality. Three weeks before the primary there polls show Steve Forbes, the flat-tax candidate, in the lead.

A survey just taken by The Boston Globe and WJZ-TV finds 31 percent of likely voters favoring Mr. Forbes. Senator Bob Dole, who has dominated the figures for a year, is second with 22 percent. Just three weeks ago the same pollsters gave Senator Dole 33 percent, Mr. Forbes 17.

Mr. Forbes has poured millions from his personal fortune into television advertising in New Hampshire. In the new poll 85 percent of the respondents said they had seen his ads. Most of them are negative, principally attacks on Senator Dole. Just about the only affirmative argument he offers is for the flat tax.

The Forbes tax proposal would exclude the first $36,000 in income for a family of four, then tax all earnings above that amount at a rate of 17 percent. Income from investments would not be taxed at all.

A change of that kind would be a boon for Mr. Forbes and other wealthy Americans, who now are taxed on investment income and pay a marginal rate of 39.6 percent on income over $256,500 a year. To produce the same revenue as the present system, the flat tax would have to make the middle class pay more.

The Treasury Department analyzed a flat tax that would keep government revenue steady, one with a rate of 20.8 percent and excluding the first $31,400. A family of four earning $50,000 a year would pay $1,604 more in taxes, one earning $100,000 an additional $2,683. But a $200,000 family would save $3,469.

In fact, the Forbes formula as drafted would cut Federal revenue by $186 billion a year. That would mean an enormous increase in the deficit or severe cuts in Social Security, Medicare and the defense budget. There is not enough discretionary civilian spending to absorb more than a small part of that amount.

Why would New Hampshire voters want to inflict such misery on themselves in order to give Steve Forbes and others in his bracket big tax cuts? Many may simply not understand the consequences.

Detailed findings of the new poll suggest that the meaning of the Forbes flat tax has not quite sunk in—but is beginning to. Asked whether they supported the Forbes tax plan, 37 percent said yes—down from 54 percent three weeks ago.

And of those who said they favored the flat tax, 45 percent said they would not be for it if it exempted investment income so the wealthy could live tax-free. Others in varying numbers dropped out of the group favoring a flat tax if it eliminated deductions for home mortgage interest or local property taxes—as the Forbes plan would.

The more attention 17 percent flat tax gets, the less likely voters are to support it. But that need not be the end of Steve Forbes. When New Hampshire supporters were asked why they liked him, the largest category of responses (37 percent) was that he was not a Washington insider. In short, angry Americans—and there are a lot of them—can work off their feelings by voting for Mr. Forbes.

The loser in all this is Bob Dole, and that is reason for regret. Even those who disagree with him on this issue or that must recognize that he is a responsible political leader and a serious man.

It is hard to take the other Republican candidates seriously. The party has lurched far to the right, but I doubt that it has become suicidal enough to nominate Phil Gramm or Pat Buchanan.

As for Steve Forbes, my guess is that he will look increasingly flaky. He told a Boston Globe interviewer this week that much of acid rain "is created by nature, not by smoke-stacks." Mr. Forbes's real contribution should be to make us think of ways to overcome the Supreme Court's misguided 1976 decision that limiting how much political candidates can spend on themselves violates their freedom of speech.

Mr. SPECTER. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. DOLE. Mr. President, I ask there now be a period for the transaction of routine morning business, with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

JUDGE JOHN HELM PRATT

Mr. WARNER. Mr. President, I am pleased to place in today's RECORD a copy of a tribute to the late Senior Judge John Pratt, of the U.S. District Court for the District of Columbia, written by his dear friend U.S. District Judge Oliver Gasch. I was privileged to serve under Oliver Gasch as an assistant when he was U.S. attorney for the District of Columbia, and I came to know Judge Pratt.

Mr. President, the recognition of the many accomplishments and contributions of Judge Pratt to his chosen profession—the law—are too numerous to list. Having served on the bench for 27 years, Judge Pratt helped to shape legal definitions of civil rights and discrimination.

Having served during World War II, Judge Pratt was honored as a distinguished member of the U.S. Marine Corps earning the Bronze Star and a Purple Heart for his service.

Judge Pratt once served as a page in the U.S. Senate. I am pleased to ask unanimous consent that the tribute in honor of the late Judge John Helm Pratt be printed in the RECORD.

There being no objection, the tribute was ordered to be printed in the RECORD, as follows:

A TRIBUTE TO JOHN HELM PRATT

We were all saddened by news of John's passing on August 11, 1995. He died at home surrounded by his devoted wife of 56 years, Bernice Safford Pratt, and five children, Sister Clare Pratt RSCJ of Rome, Italy; Lucinda Pratt Pearlman of Berkeley, California; John, Jr. of Red Bank, New Jersey; Patricia Pratt Moriarty of Wellesley Hills, Massachusetts; and Mary Pratt Brandenburg of Columbia, Maryland. In an autobiographical sketch written for his 50th Harvard Reunion, he listed the priorities which meant the most to him as: family, friends and career. He added that "family stability has contributed more than any other factor to whatever satisfactions have been mine."

John Pratt's exceptional and distinguished career can be divided into three segments: first, his education and early legal career; second, his service as a Marine in World War II; and third, his return to private practice and his appointment as a trial judge.

John's education was unusual. He attributed it to his mother: Boston Latin School, Gonzaga High School,[1] two years at Georgetown College, his transfer to Harvard College, from which he almost flunked out but graduated two years later with honors at age 19; Harvard Law School, from which he graduated in 1934.

After graduation, he became associated with the Washington firm of George Maurice Morris. Mr. Morris was a distinguished tax lawyer and John found himself doing research work on Mr. Morris's cases and his book on corporate tax law. Since John had no special interest in tax law, he was relieved when a highly controversial "stoker" case come to the firm. The Brotherhood of Railway Engineers and Firemen had sued the railroads to require installation of automatic stokers on the large steam locomotives. The record before the administrative law judge was approximately 30,000 pages. On this John and an associate worked long hours and with tremendous dedication. Their efforts were rewarded when the Sixth Circuit affirmed the favorable decision of the administrative law judge. Incidentally, one of John's opponents representing the railroads was my late brother-in-law Carleton Meyer, also a Harvard law graduate. Mr. Morris later became President of the American Bar Association.

I got to know John in those days because we were both interested in touch football when the weather got cool and softball during the spring and summer. John was a heavy hitter and extremely skillful at tossing forward passes. Toward the end of this period, our close friendship resulted in our establishing bachelor quarters with two other young lawyers. Our social efforts were directed toward a group of attractive young women who were recent graduates of Vassar and Bryn Mawr and who lived together in a house on 34th Street known as "The Nunnery." We waltzed at the Sulgrave Club and square danced at the Holton Arms gym. Our house was strategically located between those two buildings. John and Phil Herrick were both outstanding tennis players. They were finalists in a competition sponsored by the Junior Board of Commerce. They decided not to play it off for the large silver loving cup but to possess it jointly. I remember perfectly how we used to fill the loving cup with ice and then pour whiskey into it. Our fourth member objected to the assessments for whiskey, which were fairly large. He was overruled.

Bachelor quarters were discontinued when John got married to Bernice "Sissy" Safford. War came following Pearl Harbor and the Marines were looking for a few good men and they found John, who, as the son of a Marine Colonel, naturally was drawn in that direction.

Years later, Sissy persuaded John, when they were vacationing at Squam Lake, to dictate an account of his career including his Marine service. I have had access to these tapes. John was trained as an Aviation Volunteer Specialist, an "AVS," which he described as "silver in the hair, gold in the mouth and lead in the ass." He named some of his associates: Francis Godolphin, later Dean at Princeton; Ted Lyons, the White Sox pitcher, and Ernie Nevers, a Stanford football star. The class was divided in half, some going to Tarawa and John's half going to Kwajalein with the 4th Marine Division. After the capture of Kwajalein, John's unit was assigned to the seizure of Saipan and Tinian, the strategic atoll large enough to contain all the navies of the world. John's description of these landings and particularly seeing the death and destruction of many of his friends is heartrending. The islands were held by 40,000 Japanese who wouldn't surrender.[2] He recalled how a piece of shrapnel had struck him in the chest. He observed, at least they awarded me a Purple Heart.

Following the capture of these islands, John's unit, after getting some "R&R" in Maui, was assigned to Layte. Incidentally, our paths crossed at the Sentani Strip in New Guinea, where he had learned that I was located. He was on his way up to the Tacloban Strip on Leyte. Our ultimate destination was about five miles from the Tacloban Strip but neither he nor I knew the other's whereabouts. His unit was assigned 82 F4V's, which the Navy had found were unfit for carrier duty. The trouble was the Navy did not supply maintenance personnel. John, as the AVS officer, was briefing these pilots on the details of their next strike. After the briefing, he took a position in his jeep about 50 feet from the runway. The undercarriage on one of these planes gave way and John was suddenly aware that this F4V was headed toward his jeep. The propeller severed John's left arm and he sustained other serious injury. He was ultimately evacuated to Biak, where a Harvard Medical School unit had been set up.

John tells the story of an elderly nurse who was attending him. He asked her name and she replied, Peabody. He inquired whether she was related to Endicott Peabody, the Headmaster of Groton School. She replied, he is my father. During the course of this conversation, they were both aware of the fact that another Marine, who had lost a leg, was cursing out the orderly for pain caused in the changing of his dressing. John said to Miss Peabody, you wouldn't hear language like that at Groton School, would you? She replied, without changing her expression, Father does not condone profanity at the school.

John's awards, in addition to the Purple Heart, included the Bronze Star and two Presidential Unit Citations.

Following these experiences, John ultimately returned to the Morris firm where he subsequently became a partner. He modestly described his experience there as being "jack of all trades, master of none." I remember he had several zoning cases and defended his Marine friend, Colonel Frank Schwable, who had been accused by the Commandant of misconduct, in that while a prisoner of war, the colonel had been coerced into making a confession regarding germ warfare. John won an acquittal. The decision was not popular with the Commandant, who expressed his views extensively. John, with his usual flair for describing the impact of the acquittal on other Marines, told about how, in the Rec Room of another Marine colonel, there were photographs of all the Marine Commandants, except one. That particular photograph was turned to the wall and on the back of it was the official reprimand which the Commandant received as a young Marine, when he, himself, was found guilty of misconduct.

John was appointed by President Johnson as a Judge of the U.S. District Court in 1968. I knew from my long association with him that he was a deeply religious person. He never made a show of it. It was a private matter with him. The New Catholic Catechism, distributed to the faithful about two years ago, since it was not in existence 27 years ago when John became a judge, could not have been his guiding light. He was certainly motivated, however, to follow its principles. I quote an excerpt from paragraph 1807, respecting justice: "Justice toward men disposes one to respect the rights of each and to establish in human relationships the harmony that promotes equity with regard to persons and to the common good. The just man, often mentioned in the Sacred Scriptures, is distinguished by habitual right thinking and the uprightness of his conduct toward his neighbor. "You shall not be partial to the poor or defer to the great, but in righteousness shall you judge your neighbor." (Citation omitted.)

In the 27 years that John served on this Court, he never sought publicity or interviews. He let the record speak for itself. He did, however, always seek to let justice prevail. Typical of this is the "Forest Haven" case, which he was struggling with at the time of his death. The case concerned the treatment of mentally retarded persons. The evidence disclosed, and John had found, that the city had failed properly to discharge its responsibilities in the care of these people. He had appointed a Special Master to oversee the functioning of his decree.

I recall one of his early cases, known as the "D.C. Nine," in which four priests, a nun, a former nun, two Jesuit seminarians and a draft resister broke into the offices of Dow Chemical and poured blood over the files of that company as a protest against the war in Vietnam. Though a devout Catholic, John could not condone such action. they were tried, convicted and sentenced.

One of the most highly publicized cases that John tried was the corruption case against the former governor of Maryland, Marvin Mandel. After some three months of trial, because of evidence of jury tampering, John declared a mistrial. Another judge was assigned to the case, which resulted in a conviction. In looking over the extensive list of cases in which John wrote opinions, found in the "Federal Supplement," "Federal Rules Decisions," "Washington Law Reporter," and other publications, I ran across one in which minister Farrakhan was involved. The case concerned a presidential order involving sanctions against Libya and, among other things, precluded travel to that country. Minister Farrakhan denounced the sanctions and announced his intent to travel to Libya. He sought to enjoin prosecution for disobedience of a presidential decree. In granting the government's motion to dismiss, John held, among other things, that plaintiff lacked standing.

In *Broderick* v. *SEC*, John was confronted with a sex discrimination case. John found that Broderick herself was a victim of sexual harassment by at least three of her supervisors. More importantly, plaintiff was forced to work in an environment in which the managers harassed her and other employees by bestowing preferential treatment on those who submitted to their sexual advances. The court ordered a substantial recovery for Broderick.

In *Adams* v. *Bennett*, John dealt with a major nationwide desegregation issue for approximately seventeen years. He required schools receiving federal funds to show that their actions were in harmony with requirements promulgated by Congress. In conformity with a 1984 Supreme Court decision[3] which held that federal courts lack standing to serve as continuing monitors of the wisdom and soundness of executive action, John dismissed this law suit which he had been administering for many years. The Office for Civil Rights of the Department of Education agreed to continue to investigate thoroughly alleged violations in programs or activities receiving financial assistance.

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[1] Footnotes at end of article.

Two owners of the Florida Avenue Grill, the famed "Soul Food" restaurant, were sentenced to six months' imprisonment and a fine in connection with fencing activities. The defendants had pleaded guilty to a charge of interstate transportation of stolen goods after the police infiltrated an operation which directed burglaries and thefts against homes and businesses. The police confiscated approximately two million dollars worth of property.

While it is true that John was troubled by the concept of mandatory minimum sentences, like many other federal trial judges he continued trying those cases that were assigned to his Court.

Before he assumed the responsibilities of a federal judge, John's interest in community affairs is reflected by the following: He was elected President of the Harvard Club of Washington in 1949. In 1952 and 1953, he was elected president of the Associated Harvard Clubs of America. He was the President of Harvard Law School Association of the District of Columbia in 1952 and 1953. He was Chairman of the Montgomery County, Maryland Housing Authority, 1950–1953. He was Chairman of the Board of Trustees of the District of Columbia Legal Aid Agency from 1967 to 1968. He served as the Judge Advocate General 1961–1968 of the Marine Corps Reserve Officers Association. He was elected President of the Bar Association of the District of Columbia in 1965 and President of the Barristers Club in 1969. He served as President of The Lawyers' Club in 1987. He served as Chairman of the Judicial Conference committee which has the responsiblity of reviewing extrajudicial income reports of federal judges, known as the Ethics Committee. John, in all his activities, demonstrated the qualifications of a leader. He was a modest man who seldom raised his voice. He didn't have to. He was completely in control of his courtroom and of any other activity which he undertook. All of us who knew John were amazed by his ability to recall with accuracy names of participants and dates of athletic and other events going back sixty or seventy years. What a mind!

Pax vobiscum.

With undying respect,

OLIVER GASCH,
Judge, U.S. District Court.

FOOTNOTES

[1] About this time, John also served as a page in the U.S. Senate.

[2] "On the southern half of the beaches the 4th Marine Division was having plenty of trouble. The unfortunate 1st Battalion of the 25th Regiment, pinned down on an onfiladed beach, observed a Japanese counterattack developing from Agingan Point around 0940. It called for help from air and naval gunfire, and both of them it obtained; the advancing Japanese were discouraged by strafing and bombing attacks and gunfire from TENNESSEE. But the battalion continued to lose men by accurate artillery fire delivered from high ground not half a mile inland. During the afternoon Colonel Merton J. Batchelder, the regimental commander, sent a part of the 3rd Battalion to help the 1st take Agingan Point." Admiral Samuel Eliot Horisons's "History of United States Naval Operations in World War II," Volume VIII, p. 198.

[3] See *Allen* v. *Wright*, 468 U.S. 737, 754

TRIBUTE TO U.S. CAPITOL POLICE

Mr. WARNER. Mr. President, I wish to pay tribute to the personnel of the U.S. Capitol Police. During my tenure in the Senate, I have witnessed these officers working in all types of adverse weather conditions during all seasons. The dedication and commitment these officers displayed during the "Blizzard of '96" is commendable and worthy of recognition. I thank the Sergeant of Arms for bringing these individuals to my attention.

On Saturday, January 6, the Washington metropolitan area experienced a winter storm of record proportions. When the storm was over 2 days later, record snowfall blanketed the city. High winds, drifting snow, and severe windchill temperatures created a critical emergency situation. While roads throughout the area were impassable, the men and women of the U.S. Capitol Police were on duty providing vital public safety and police services within the Capitol complex.

Officers who were on duty when the storm began elected to remain on duty for extended periods. Some worked for as long as 32 hours to ensure there were sufficient personnel to perform law enforcement and security operations.

Several officers used their own funds to stay at local hotels so they could report back to duty on time to relieve fellow officers. Others, such as Lynne Williams, chose to sleep on the floor of the police station so she would be available for immediate recall.

Many officers performed services above and beyond the call of duty. Officer Al Jones worked four consecutive shifts, using his own plow-equipped vehicle to clear snow from parking lots, allowing for the movement of police vehicles.

Officers Michael Poillucci, Terrell Brantley, Thomas Howard, Terry Cook, and Angelo Cimini used four-wheel drive police vehicles to transport House and Senate Members to critical official meetings.

Officer Richard Rudd voluntarily came to work on his day off knowing he would be needed. Officer Michael Mulcahy used plumbing skills to repair a broken water pipe in the police K–9 facility. Sgt. Dennis Kitchen, Officer Peter Demas, Officer Ellen Howard, and Capt. Edward Bailor worked extended duty hours in the Operations Division to provide coordination with other congressional and Federal entities during the storm.

Officers Ted Tholen, Kevin Weinkauf, James Whitt and freight handlers Bounteum Sysamout, Barry Pickett, Debora Riddick, Charles Wilson, Christopher Westmoreland, Richard Morris, and Thomas Cuthbertson of the Off-Site Delivery Center shoveled parking lots and security inspection areas to ensure police operations were not disrupted. Mr. Ken Meadows of the vehicle maintenance section worked additional duty hours to equip police vehicles with chains and respond to motorists in need of assistance. In addition, officers assisted countless citizens whose vehicles became stuck in the snow, responded to dozens of emergency calls for police assistance, and continued to diligently protect the Capitol and congressional office buildings.

These are just some examples of the extraordinary effort by the U.S. Capitol Police officers to meet and overcome the unique challenges posed by this severe snowstorm. Their actions reflect the highest standards of public service. We thank the U.S. Capitol Police for their continued good work.

TRIBUTE TO AOC EMPLOYEES

Mr. WARNER. Mr. President, on Saturday, January 6, the Washington metropolitan area experienced a winter storm which virtually shut down the city and surrounding areas. The historic snowfall, high winds, and cold temperatures caused immeasurable difficulties and crisis situations never encountered before.

Despite these dangerous conditions, employees of all units under the Architect of the Capitol, including the Senate restaurants, performed their duties to the highest level possible. In many instances key personnel remained in the immediate area and at their posts throughout the storm. Their commitment and hard work resulted in the following accomplishments: The removal of ice and snow equal to 19 miles from sidewalks, steps, building entrances, and handicapped ramps. Maintenance of powerplant operations to ensure delivery of steam to heat the Capitol Hill complex. Arrangement for continuous operation and emergency maintenance of all mechanical and electrical systems. The maintenance and monitoring of all office communication systems and climate control systems. Response to emergency calls for repair of frozen HVAC coils and building and roof leaks.

We should applaud the outstanding efforts these employees made on behalf of all of us during a historic weather event. I thank the Architect for providing me with this information.

THE BLIZZARD OF 1996 AND THE U.S. CAPITOL OPERATORS

Mr. WARNER. Mr. President, the blizzard of 1996 caused untold inconvenience and problems to those in the Washington metropolitan area. The record snowstorm virtually shut down this city and surrounding Virginia and Maryland suburbs.

The infrastructure which supports the U.S. Senate met the challenge. I thank the Sergeant at Arms for providing me the facts and the names of these individuals. The U.S. Capitol telephone operators who were scheduled to work during the weekend storm that struck on January 6 knew the forecast. They came to work prepared to stay as long as necessary to keep the Capitol switchboard open and covered. Their commitment to duty resulted in many remaining overnight in their offices, carrying on with their duties, as others could not get here to relieve them. Bringing in extra food and clothing, they were prepared to work through the weekend. Supervisors of the Capitol switchboard came to work a day early to make certain they would be on duty.

While these Capitol switchboard operators and supervisors are designated "emergency personnel," they consider getting to work under extreme weather conditions as simply doing their job.

I would like to commend these supervisors and operators for their exemplary public service and mention them by name:

Barbara Broce, Martha Brick, Joan Sartori, Joan Cooksey, Mary Quesenberry, Lisa Thompson, and Laura Williams.

Thanks to all of you for your fine efforts and dedication to your jobs serving the U.S. Congress and our citizens.

CHINESE NUCLEAR EXPORTS TO PAKISTAN

Mr. PRESSLER. Mr. President, I want to bring to the attention of my colleagues some very disturbing developments in weapons proliferation in south Asia. Last year may go down in history as one of the worst years for the cause of nuclear nonproliferation. New evidence released this week merely reinforces this grave conclusion.

On February 5 the Washington Times reported that, in 1995, Chinese defense industrial trading companies exported 5,000 ring magnets to Pakistan. Under the terms of an international agreement with the International Atomic Energy Agency, the export of ring magnets is strictly controlled because of the magnets' critical use in the production of nuclear weapons. Specifically, ring magnets are used in gas centrifuges, which are used to extract enriched, weapons-grade uranium from uranium gas.

Just this morning, Mr. President, the Washington Post reported a similar story, finding that American intelligence officials believe there is no doubt that the transfers occurred. Chapter 10, section 101, of the Arms Export Control Act contains very severe penalties that are to be imposed on both the exporting country and the importing country for illicit nuclear transfers of this type. Specifically, the law states that no Federal assistance—economic or military—may be made available to either country. In the case of the receiving country, Pakistan, this would mean the suspension of economic and military assistance, including military training or the transfer of defense articles. In the case of the delivering country, the People's Republic of China, the operations of the United States Export-Import Bank would be blocked.

These shocking revelations raise three fundamental issues:

First, numerous officials in the Government of Pakistan have been quoted, as recently as 1995, that it was no longer enriching uranium for nuclear weapons production. In other words, Pakistan claimed it had frozen its bomb program. We could never verify those statements, but that was what we were led to believe. We now know differently.

Second, the People's Republic of China has made a series of pledges to the United States with regards to the proliferation of weapons of mass destruction. Again, we now know differently.

Finally, during most of 1995—when the transfer of nuclear technology from the People's Republic of China to Pakistan was taking place—representatives of the Government of Pakistan and the Clinton administration were actively lobbying the Congress to weaken United States nonproliferation law to allow for a one-time transfer of military equipment valued in excess of $370 million, as well as the resumption of nonmilitary aid. As we all know, last year the Senate passed the so-called Brown amendment, which authorized the transfer of this military equipment to Pakistan. It also repealed portions of the so-called Pressler amendment, a law which prohibited any United States assistance to the Government of Pakistan because of its possession of nuclear explosive devices.

This last point—the passage of the Brown amendment—is particularly disturbing. I opposed the Brown amendment. I opposed it in part because it called for the transfer of military equipment without obtaining one single concession from Pakistan on the issue of nuclear proliferation. Frankly, if Members of Congress were aware of the ring sale—this violation of U.S. law—I do not believe the Brown amendment would have passed.

It is unfortunate enough that our Nation would transfer to Pakistan, United States-made military equipment without any nonproliferation concession. Now we face the real and embarrassing prospect of having weakened United States non-proliferation law for Pakistan's benefit at the same time Pakistan was expanding its nuclear weapons capability in violation of United States law. This irony would be humorous if the issue wasn't so serious.

Accordingly, in view of the confirmations of these transfers, I have written today to President Clinton urging that he enforce the law. Specifically, any contemplated transfer of military equipment to Pakistan, as called for in the Brown amendment, should cease immediately. Further, sanctions called for under the law also should be applied to Chinese exporting companies.

Finally, Mr. President, it may be worth exploring if officials within the Clinton administration knew of this blatant violation of U.S. nonproliferation law while the administration was lobbying to pass the Brown amendment. And if they did, in fact, know it would be important to determine if they informed Members of Congress of this development. I intend to raise this matter with the chairman of the Intelligence Committee in the very near future.

Mr. President, I ask unanimous consent that articles in the Washington Times of February 5 and the Washington Post of February 7 as well as my letter to the President of this date be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Times, Feb. 5, 1996]

CHINA NUCLEAR TRANSFER EXPOSED

HILL EXPECTED TO URGE SANCTIONS

(By Bill Gertz)

The CIA has uncovered new evidence China has violated U.S. antiproliferation laws by exporting nuclear weapons technology to Pakistan.

Evidence that China has transferred ring magnets—used in gas centrifuges that enrich uranium for weapons—is likely to intensify congressional pressure on the Clinton administration to impose sanctions as required by law.

Last week, several senators asked the president in a letter if China's sale of advanced cruise missiles to Iran, disclosed Tuesday by Vice Adm. Scott Redd, commander of U.S. naval forces in the Persian Gulf, also violates counterproliferation laws.

State Department officials are expected to confront Chinese Vice Foreign Minister Li Zhaoxing, who arrives in Washington today, over the nuclear technology and other weapons-proliferation exports.

The administration in the past has sought to minimize Chinese nuclear and missile-proliferation activities. But senior State Department officials are said to be very worried that China's proliferation activities can no longer be ignored without undermining the credibility of U.S. efforts to halt the spread of nuclear arms technology and missiles.

"The Chinese are their own worst enemy," a White House official said when asked about the new proliferation activities by Beijing.

The CIA in 1992 obtained intelligence indicating China had transferred M-11 missiles to Pakistan, including photographs of missile canisters. But the State Department ruled there was no proof missiles were inside, thereby avoiding having to invoke tough sanctions.

Instead, the department in 1993 applied much milder sanctions for transferring what is said was M-11 technology, and then lifted the sanctions after a year.

According to intelligence sources, the CIA recently notified the State Department that China sold 5,000 ring magnets to the A.Q. Khan Research Laboratory in Kahuta, Pakistan, last year.

Officials did not further identify the originating firm in China, but one congressional source said the magnets were probably produced by the China National Nuclear Co., a government-owned firm that makes nuclear-related products.

CIA spokesman Mark Mansfield declined to comment when asked about the Chinese transfer of nuclear technology. Spokesmen for the Chinese and Pakistani embassies could not be reached for comment.

According to congressional sources, State Department officials believe China's export of ring magnets violates the Arms Export Control Act. Under an amendment to that law, the 1994 Nuclear Proliferation Prevention Act, the president is required to impose sanctions on any country that "transfers to a non-nuclear weapon state any design information or component" used in building nuclear arms.

Gas centrifuges are used to extract enriched uranium from uranium gas. Intelligence officials believe the magnets sent to Pakistan will be used in special suspension bearings at the top of a spinning chamber in the centrifuges.

"This is another example of the ruthless way the Chinese are violating every nonproliferation pledge they've made to us," said William C. Triplett, former chief counsel of the Senate Foreign Relations Committee.

On Wednesday, Sens. Larry Pressler of South Dakota, Alfonse M. D'Amato of New York, Connie Mack of Florida and Arlen Specter of Pennsylvania wrote to President Clinton about Iran's test-firing a Chinese C–802 advanced anti-ship cruise missile.

"Clearly, Adm. Redd's acknowledgment of the C–802 test-firing would appear to be an official recognition of an illegal transfer to Iran to advanced conventional weapons by Chinese defenses industrial trading companies," Mr. Pressler said in a statement. "This is a vital national security matter and demands immediate attention."

In their letter, the four senators asked the president either to "enforce the sanctions pursuant to federal law or to seek a waiver."

Under an amendment to the fiscal 1993 defense authorization law, the president is required to impose sanctions on any nation that transfers advanced conventional weapons to either Iran or Iraq. The measure was sponsored by Sen. John McCain, Arizona Republican, and Sen. Al Gore, Tennessee Democrat and now vice president.

Mr. McCain, in a separate letter to Undersecretary of State Lynn Davis, the department's top arms-control policy-maker, asked whether the Chinese cruise missile transfer to Iran violates federal law and contributes to Iran's efforts to acquire destabilizing advanced conventional arms.

In the House, Rep. Nancy Pelosi, California Democrat and a member of the House Intelligence Committee, asked the committee last week to hold hearings on China's proliferation activities.

It also was a key topic when several members of the House International Relations Committee met last week with Peter Tarnoff, undersecretary of state for political affairs.

The disclosures about export of missile and nuclear weapons components come at a time of increased tensions between Washington and Beijing.

The State Department announced last week that it has granted a visa to Taiwan's vice president, Li Yuan Zu. China protested the action and has been threatening to use force to recapture Taiwan, which it regards as a renegade province, not an independent country.

Other Chinese activities that have severely eroded support in Congress for a waiver of sanctions:

The expulsion last week of three Chinese nationals from Ukraine for trying to obtain secret technology on SS–18 ICBM boosters from a missile-production facility in Dnipropetrovsk.

Ongoing copyright violations involving U.S. goods.

Continued nuclear weapons testing.

Dispatching missile technicians to Pakistan in 1994, indicating the transfer of M–11 technology was still under way at a time when China was denying such activities.

[From the Washington Post, Feb. 7, 1996]

CHINA AIDS PAKISTAN NUCLEAR PROGRAM

PARTS SHIPMENT REPORTED BY CIA COULD JEOPARDIZE U.S. TRADE DEALS

(By R. Jeffrey Smith)

U.S. intelligence officials have concluded that China sold sensitive nuclear weapons-related equipment to Pakistan last year, an act that could lead the Clinton administration to halt U.S. government financing for nearly $10 billion worth of American business deals in China.

President Clinton's advisers are studying the intelligence report to determine how they should respond, according to several officials. Legislation approved by Congress in 1994 requires that he either approve the sanctions, which would block loan guarantees by the U.S. Export-Import Bank, or formally waive the penalties, once such an intelligence report is received.

In a previous arms transfer case, involving the alleged sale of Chinese missiles to Pakistan, the State Department ducked imposing sanctions by concluding that the evidence was not strong enough. A senior official commenting yesterday at the State Department about the new report of nuclear aid to Pakistan, said that "as of now" the United States has not determined that China has "done anything that would trigger sanctions under U.S. legislation."

But several other U.S. officials privy to the new intelligence report said there is no doubt about its conclusions, a circumstance that could put the administration in a bind because it prefers to avoid damaging extensive U.S. trade ties with China.

The aim of the sanctions would be to punish China for assisting Partisan's production of highly enriched uranium, a key ingredient of nuclear weapons. But U.S. officials say the nuclear transfer is only one of several recent actions by China that may wind up disrupting its commercial and diplomatic relations with the United States.

China's export to Iran late last year of anti-ship cruise missiles—confirmed last week by a senior U.S. Navy official—may also qualify as a sanctionable offense, according to some U.S. officials and lawmakers. Another U.S. law requires broad economic penalties against any nation that gives "destabilizing numbers and types of advanced conventional weapons" to Iran, which Washington has branded a terrorist nation.

U.S. officials said that the number of missiles sold by China may not be large enough to force the drastic cutoff of development bank assistance, technical assistance, military exchanges and sensitive exports mandated by the law. But four senators recently wrote to Clinton to say that either sanctions or a waiver are required in this case.

In yet another sign of increasingly rocky U.S. relations with China, some administration officials have raised the prospect of imposing tariffs later this year on billions of dollars in trade to protest China's refusal to halt illicit copying of U.S. trademark goods.

Washington is also trying to persuade China to adopt a less threatening posture toward Taiwan. Beijing views the island as a renegade province, but Taiwan receives U.S. arms and is supported by many U.S. lawmakers because of its considerable prosperity and political openness relative to China.

"There's a recognition that this is going to be a very difficult year in U.S.-China relations," a senior State Department official said. He explained that with China in the midst of a difficult transition to new political leadership, and "our own domestic environment" affected by an upcoming presidential election, the two nations may find themselves being pulled toward opposing positions on matters they previously sidestepped or settled through compromise.

Washington has long had concerns about Chinese military assistance to Pakistan, which Beijing regards as an erstwhile political ally and military counter-weight to India. U.S. intelligence officials have long alleged that Pakistan's nuclear arsenal is largely derived from design information supplied by China, a charge that Beijing denies.

U.S. intelligence reports have also pinpointed the apparent location in Pakistan of crated, Chinese-made, medium-range missiles, which if confirmed would force a cutoff of billions of dollars worth of U.S.-China trade. But the administration has decided that no sanctions need be invoked until the missiles are sighted outside their crates.

The latest Chinese nuclear-related transfer to Pakistan was recently detected by the CIA and first reported publicly in Monday's editions of the Washington Times. It involves a shipment of 5,000 specialized magnets to the Abdul Qadeer Khan Research Laboratory in Kahuta, named for the father of the Pakistani nuclear bomb program.

According to two knowledgeable officials, the magnets are clearly meant to be installed in high-speed centrifuges at the plant that enrich uranium for nuclear weapons.

Several congressional sources said that the shipment thus triggers provisions of the 1994 Nuclear Proliferation Prevention Act, which forces "a cutoff of Export-Import Bank assistance" involving trade with China.

Among the large U.S. companies that would be affected by a loan guarantee cutoff are Boeing Co., AT&T, and Westinghouse Electric Corp.

"We do have genuine concerns about any possible nuclear-related transfers between China and Pakistan and we have raised these concerns . . . at very senior levels," the senior official said at the State Department.

"We will do whatever is required under U.S. law, but . . . we have to have a very high degree of confidence in our evidence," the official added. "As of now we have not determined that China . . . has done anything that would trigger sanctions under U.S. legislation. But this is obviously under continual review."

U.S. SENATE,
Washington, DC, February 7, 1996.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: The United States Intelligence Community is confirming on background that the People's Republic of China (PRC) has violated U.S. non-proliferation laws by exporting nuclear weapons technology to Pakistan. According to today's

Washington Post, our intelligence officials believe "there is no doubt" that an illicit transfer has taken place.

Specifically, the Washington Times first reported on February 5 that, in 1995, Chinese defense industrial trading companies sold 5,000 ring magnets to the Abdul Qadeer Khan Research Laboratory in Kahuta, Pakistan. Under an international agreement sponsored by the International Atomic Energy Agency, the export of ring magnets is severely restricted because of their critical use in nuclear weapons production.

This reported sale of nuclear technology raises two key concerns many in Congress have held for some time: Contrary to the most solemn declaration of the Government of Pakistan, Pakistan is attempting to expand its supply of weapons-grade enriched uranium, and Chinese companies are actively fueling and profiting from a dangerous nuclear arms race in South Asia.

Chapter 10 of the Arms Export Control Act contains a set of specific prohibitions governing illicit nuclear transfers. If the President determines that a country has delivered *or* received "nuclear enrichment equipment, materials or technology," no funds may be made available to that country under the Foreign Assistance Act of 1961. This would include *all* civilian and military equipment, including that provided by the Brown Amendment to the Fiscal Year 1996 Foreign Operations Appropriations Act. The prohibitions also extend to military education and training.

I ask that you make the determination called for by Chapter 10. Unquestionably, this sale of nuclear technology represents a serious violation of federal law, as well as international nuclear non-proliferation agreements.

No issue is more important to the security of all people than nuclear non-proliferation. For that reason, I urge your Administration to take immediate and certain action to enforce the law with respect to this sale of nuclear technology and freeze all assistance, civilian or military, to Pakistan. The sanctions called for under the law should be applied to Chinese exporting companies.

Sincerely,

LARRY PRESSLER,
U.S. Senator.

TRIBUTE TO RICHARD G. "DICK" FIFIELD

Mr. HEFLIN. Mr. President, the agricultural community in Alabama and throughout the Southeast have not had a more forceful and competent representative than Richard G. "Dick" Fifield. For 20 years, this loyal friend to has done an outstanding job of directing the Washington legislative operations of the Alabama Farmers Federation—widely known as ALFA—as the organization's official liaison to Congress. Dick will be retiring from his position as ALFA's Director of National Affairs and Research on March 1, 1996, and will be sorely missed by all of us who have been fortunate enough to know him and work with him over the years.

As a long-time member of the Senate's Agriculture Committee, I have had the pleasure of working with Dick Fifield on a great number of issues that are important to American farmers, especially those in the South. The major legislation on which we have worked includes the peanut program; the Food and Agriculture Act of 1981; the Food Security Act of 1985; and the Food, Agriculture, Conservation and Trade Act of 1990. The peanut, cotton, soybean, dairy, cattle, hog, poultry, and catfish programs have his fingerprints all over them. In each case, Dick's counsel, insight, ingenuity, and strong leadership have contributed not only to their passage and enactment into law, but to their overall success during their implementation phase.

He has indeed been my mentor and teacher. Practically all of my knowledge about American agriculture has come from him. There is no one more knowledgeable. Doctoral degrees are usually given to those in academic circles because of their knowledge about a particular subject. I gave Dick the name "Dr. Fifield" because I felt he was superior to most PhD's. Not only will I miss him as a mentor and teacher, but also as a dear friend.

As ALFA's Washington director, he also works extensively with the U.S. Department of Agriculture; the U.S. Trade Representative; the Department of the Interior; the Environmental Protection Agency; the Army Corps of Engineers; the Statistical Reporting Service; the Farmers Home Administration; the Soil Conservation Service; as well as other agencies which handle agricultural programs and projects. It is no surprise that his friendly face is known far and wide within the various corners of the Federal Government.

He has been an effective representative of farm interests due not only to his God-given talents, but also because of his extensive experience as a college professor, a geologist, a science editor, and a horticulturist. Examples of his influence on Alabama agriculture are numerous and varied. For instance, the State's modern farmers market, located in Montgomery, was made possible by his submission of the original design and his work on legislation and grants to raise the $5 million needed to built the facility. He started annual farmers market days in Montgomery, Huntsville, and Birmingham, establishing a producer-farmer market inside Birmingham's Eastwood Mall.

Dick initiated the ALFA's monthly Food Price Survey and he remains the project's director. The food basket report is regarded by the business community and the media as one of the State's best economic indicators.

He represented the peanut industry in efforts to protect Section 22 of the GATT negotiations. He is a member of the Technical Advisory Committee of the National Peanut Growers Group; Assistant Director of the Farm Crisis and Transition Committee for Alabama; and has served on the Governor's Agriculture Policy Advisory Committee and the Energy Advisory Committee. Along with the Birmingham Chamber of Commerce Environmental Task Force, he helped form a State-wide endangered species task force for Alabama.

Dick received his bachelor of science degree in biology and geology from Beloit College in 1951. He continued his education at the University of Hawaii, the Wisconsin Institute of Technology, and the University of Wisconsin, receiving his master's degree in 1972 from the University of Illinois.

Over the course of his career, he served as an instructor of geology at the Wisconsin Institute of Technology; as an exploration geologist with the New Jersey Zinc Co.; and as a representative of the college textbook division in sales and as a field editor in science with the Houghton Mifflin Company. Also, he served in the U.S. Army in the counter-intelligence corps as an investigative special agent. Before accepting his position with ALFA, he was assistant horticulturist with the University of Illinois.

Dick Fifield's retirement will leave a void for American agriculture. He is as knowledgeable as anyone I know of as to the complexity of the integral parts of food and fiber production in this country and their effects on every phase of the American economy. His goal has been to improve the quality of life for rural America while at the same time providing consumers with a stable, safe, and cost-effective farm programs. I hope he doesn't stray too far, for we will continue to rely on his counsel even after he retires.

I commend Dick for all his outstanding and unwavering service to the agricultural community, and wish him and his wonderful wife, Shirley, all the best as they retire and enter a new phase of their lives. I know he will enjoy having more quality time with his family and many, many friends. Both ALFA and the Alabama Congressional delegation will sorely miss his strong and principled advocacy for agriculture in our State.

ALABAMA PRESS ASSOCIATION REACHES MILESTONE

Mr. HEFLIN. Mr. President, the first 10 amendments to the U.S. Constitution were ratified on December 15, 1791, forming what we refer to as the Bill of Rights. The first amendment covers what we have come to consider the most primary and essential element of our freedom as Americans: "Congress shall make no law * * * abridging the freedom of speech, or of the press."

Thomas Jefferson once wrote that if it were left up to him to decide between a government without newspapers or newspapers without a government, he would not hesitate to choose the latter. This year, we celebrate the 125th anniversary of the Alabama Press Association [APA]. Founded in 1871, the APA is the oldest statewide trade association in Alabama and one of the oldest State newspaper associations in the Nation.

According to APA information, William Wallace Screws, the editor of the Montgomery Advertiser in 1871, took the initiative and invited newspaper executives from around the State to help build new communication links among themselves. On March 17 of that year, eight editors and publishers met in Screws' office and made plans to organize the press of Alabama. Newspapers represented in that first meeting were the Montgomery Advertiser, the Montgomery Mail, the Evergreen Observer, the Troy Messenger, the Union Springs Times and Herald, the Montgomery State Journal, the Talladega Sun, and the Opelika Locomotive.

In 1872, at the first convention, 30 editors and publishers from every corner of the State came together to form a new association of newspapermen called the Editors and Publishers Association of the State of Alabama. Since those early days, this association has played an important role in developing the daily and weekly newspapers of Alabama and in helping to lead the State's economic and cultural development. The APA has also worked on behalf of the citizenry of Alabama by advocating stronger citizen access to government records and meetings.

On February 24 and 25 of this year, editors and publishers from Alabama's daily and weekly newspapers will gather for the 125th successive year. The site of this anniversary celebration is in Montgomery, the same city in which the organization was founded. During this convention, they will hear historians discuss the role of newspapers in Alabama's history while also considering the future role of newspapers in the Nation's rapidly changing communications industry.

The 1996 APA is led by its president, R. Douglas Pearson, editor and publisher of the Daily Mountain Eagle in Jasper. The first vice president is Michael R. Kelley, editor and publisher of the Clanton Advertiser, and the second vice president is John W. Stevenson, editor and publisher of the Randolph Leader. APA's executive director is William B. Keller.

For 125 years, the APA has thrived under its first amendment rights. Taken as a whole, freedom of the press in the United States rests upon relatively firm constitutional footing. The media's general right to publish material, regardless of potential impacts on government operations or other features of national life, has been accepted. Winston Churchill eloquently stated the importance of a free press in his own country during the midst of World War II when he said, "A free press is the unsleeping guardian of every other right that free men prize; it is the most dangerous foe of tyranny." I salute the APA on reaching this distinguished milestone.

DEE SCHELLING MEMORIAL

Mr. BINGAMAN. Mr. President, I would like to take a moment to recognize a New Mexican who made a notable contribution to my State—to its communications and to its participation in public policy.

Daralee "Dee" Schelling passed away this week at the age of 57. She will be greatly missed.

Dee was the executive director of the New Mexico Broadcasters Association for 14 years and she was well-known among State legislators for her participation in legislative issues regarding broadcast interests.

In addition, she handled media relations for New Mexico First, an organization that Senator DOMENICI and I formed in 1986 to encourage citizens to take an active role in studying the long-range issues facing our State. Dee was with us from the beginning.

She was born in Colorado, but came to New Mexico in the mid-1960's to work in advertising. She became the first female ad agency president in our State and handled many major accounts including various movie promotions and the Double-Eagle II trans-Atlantic balloon crossing—an event which is a source of pride to New Mexicans and is commemorated at the Smithsonian Air and Space Museum.

Dee's many public service accomplishments included service on numerous Greater Albuquerque Chamber of Commerce, Ski New Mexico, and Project I committees.

She will be remembered fondly by many.

PRESS FREEDOM IN HONG KONG

Mr. PELL. Mr. President, I rise today to speak out on behalf of freedom of the press in Hong Kong. As we approach Hong Kong's July 1, 1997 transfer to control under the People's Republic of China, there is great fear that one of the fundamental tenets of a free society—freedom of the press—will not survive the transition. China's track record on press freedom leaves much to be desired; the current Hong Kong Government should be actively working to shore up legal support for the press before it hands over control to Beijing.

The grand experiment of democracy in the United States would have surely failed were it not for a free press. Our founders realized that its importance was not only for general education, but also for exposing the dangers of would-be oppressive officials and prodding leaders into more ethical behavior. Our Nation's history has proven that the scrutiny of public light forces public officials both to serve the interests of the public and to serve honestly far better than they would without that scrutiny. Benjamin Franklin once said that "whoever would overthrow the liberty of a nation must begin by subduing the freeness of speech." It is precisely this fear—that the PRC will attempt to overthrow Hong Kong's current way of life by stifling its press, with the quiet acquiescence of the current authorities—that I wish to address today.

Hong Kong boasts of one of the freest media systems in all of Asia, with more than 70 daily newspapers. The press is privately owned, offering Hong Kong citizens access to a broad range of political and social views. But journalists in and out of Hong Kong cite the present administration's sluggish pace in revising anachronistic press laws as one of their key sources of fear for the press after 1997.

Current Hong Kong laws which restrict press freedom are rarely applied by the government, but an authoritarian regime could easily use them to prohibit the expression of any objectionable ideas. These laws—which are inconsistent with Hong Kong's own Bill of Rights—include the Emergency Regulations Ordinance, which gives the Governor broad powers of censorship during loosely defined "emergencies"; the Crimes Ordinance, which defines any publication or speech "intending" to foster hatred of the government as seditious; and the Official Secrets Act, which makes unauthorized publication of information illegal. Some of the democratically elected members of the Legislative Council, along with independent journalists groups such as the Hong Kong Journalists Association, have repeatedly urged the government to repeal or amend these laws. These same reformers have also urged the Hong Kong Governor's office to enact legislation which would provide greater access to information, similar to the United States Freedom of Information Act. But the current administration continues to move slowly, to the point of delay. There is no reason to believe that the successor Chinese administration will be any more willing to undertake these reforms; it is likely to oppose them outright. The time to make these changes is now. Above all, the government should refrain from introducing any new laws which in any way restrict the press' right to function independently. A recent call by pro-Beijing Legislator Law Cheung-kwok for hearings to consider regulating newspaper prices, a move that appears to be aimed specifically at controlling the Oriental Daily News, is exactly what the Hong Kong government should not be doing.

Joseph Pulitzer argued that "publicity may not be the only thing that is needed, but it is the one thing without which all other agencies will fail." There is no point of having a freely elected democratic government if there is no way to freely report on its actions and to expose its abuses. A free press is the only guarantor of the people's right to know what their government does and the best guarantor of their right to offer alternative views. Hong Kong's press must remain free and unrestricted if the colony's current rights are to be maintained. The colonial government has the immediate responsibility of ensuring that it does.

PROGRESS AGAINST FRAUD IN POLITICAL ASYLUM

Mr. KENNEDY. Mr. President, this is the first anniversary of a major initiative by the Immigration and Naturalization Service to reduce illegal immigration by cracking down on fraudulent asylum claims. One year ago, INS Commissioner Doris Meissner put new regulations into effect which have more than doubled the number of asylum officers, increased the number of immigration judges and streamlined the asylum application process.

The results have been dramatic. In 1 year, there has been a 57 percent reduction in new asylum applications. Clearly, there has been a reduction in the filing of fraudulent claims. In addition, 84 percent of new asylum claims are now heard by INS within 60 days. This initiative is a major success story in the Clinton administration's ongoing effort to combat illegal immigration.

In coming weeks, the Senate Judiciary Committee will recommend comprehensive immigration reforms. A large part of these reforms focus on the need to reduce illegal immigration, including steps to deal with abuse of the right of asylum.

As the INS has shown, asylum abuse can be remedied—without denying true refugees the right to apply for asylum. They deserve adequate time to learn how to apply for asylum, overcome their fear of authority, and obtain help with their applications. We must avoid unfair restrictions that result in real harm to true refugees.

I ask unanimous consent that recent articles on the major progress against asylum abuse be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 15, 1996]

SOME PROGRESS AT INS

A year ago, the Immigration and Naturalization Service put into effect new regulations to control abuse of the political asylum program. Commissioner Doris Meissner recently released figures that indicate progress. The problem has been this: Although immigration law authorizes sanctuary to be given to people in fear of political persecution at home, too many undocumented immigrants had figured out that they could indefinitely postpone deportation merely by requesting asylum. They would be automatically given work permits, and, because of the backlog of cases awaiting adjudication, they could often disappear into the general population without much chance of being found. In 1994, 123,000 new applications were filed (up from 56,000 three years earlier), and the backlog exceeded 425,000.

In response, the INS decided to issue work permits only to those granted asylum or waiting more than 180 days for an adjudication. Within a year, applications dropped by 57 percent to 53,000. Then Congress approved a request for more asylum officers and judges, and the new positions—which are still being filled—have enabled INS to complete more than twice as many cases as it did last year. Finally, most individual claims for asylum are heard within 60 days instead of waiting months, or even years, as was the case before. While the backlog remains almost unchanged, the figure is deceptive, inflated by a sizable number of petitions filed pursuant to court order by certain Salvadorans and Nicaraguans.

Although some challenge has been made to the claims of progress made by the INS, it is certain that considerable distance has been covered in improving procedures. And this kind of effective enforcement is, paradoxically, the best way to deal with the anti-immigration political climate. Legal immigrants and those who have valid claims for asylum will be the beneficiaries of policies that make the law work as it is meant to—and should—work.

U.S. DEPARTMENT OF JUSTICE, IMMIGRATION AND NATURALIZATION SERVICE,
Washington, DC, January 4, 1996.

INS SUCCESSFULLY REFORMS U.S. ASYLUM SYSTEM

WASHINGTON, DC.—A Clinton Administration initiative to reform the U.S. asylum system has achieved dramatic success in its first year, INS Commissioner Doris Meissner announced today.

On the first anniversary of the initiative, Commissioner Meissner said that the unprecedented reforms have substantially lowered the incidence of fraudulent claims by eliminating the virtually automatic issuance of work authorization documents to all asylum applicants. "INS has removed the primary incentive for baseless asylum claims," she said, "resulting in the fair and prompt adjudication of newly filed cases for the very first time. With this attack on fraud, we have closed a back door to illegal immigration."

Over the past year, the Administration's landmark reforms have reduced the number of new asylum claims filed with the INS by 57 percent. In addition, these initiatives enabled INS asylum officers to double their productivity, completing 126,000 cases during 1995 compared with 61,000 in 1994. INS' new regulations to improve productivity and prevent misuse became effective on January 4, 1995.

Commissioner Meissner said, "The U.S. asylum system was broken for many years, but today our asylum system is fair and efficient. The 57 percent reduction in new asylum cases is evidence that the INS has eliminated incentives for asylum abuse. At the same time, we have greatly improved the system's ability to quickly provide protection to those who deserve it."

In response to a mandate from President Clinton in July 1993 to overhaul the inefficient and long-neglected U.S. asylum system, INS established asylum reform as a top priority. New regulations which took effect one year ago today eliminated easy access to work authorization and streamlined the process.

Applicants for the first time are required to personally appear at an asylum office to receive notification of the asylum decision. At that time, the applicant is granted asylum or is served with charging documents which formally begin deportation proceedings.

The Administration also sought the resources necessary to improve and update the system and secured them through the 1994 Crime Bill. In addition to more than doubling the authorized number of INS asylum officers from 150 to 325, the Crime Bill significantly increased the number of Immigration Judges from 112 to 179.

Additional indications of the success of asylum reform include:

Currently 84 percent of individual claims for asylum are heard by the INS within 60 days.

In 1995, the issuance of charging documents doubled (from 29,000 in 1994 to 65,000 in 1995), placing twice as many applicants directly in deportation proceedings.

"By limiting the availability of work authorization to only those applicants who are granted asylum or are not promptly adjudicated, the Administration has significantly reduced the potential for baseless claims. At the same time, INS has streamlined the entire asylum system. And we will continue to make dramatic progress in resolving this long-standing problem," Commissioner Meissner added.

[From the Washington Post, Nov. 12, 1995]

DON'T GUT POLITICAL ASYLUM

(By Philip G. Schrag)

For many years, the United States has granted political asylum to victims of persecution who come to our country and seek our protection. Now, however, Congress is on the verge of abolishing the right of political asylum.

Congress is not proposing to repeal the asylum provisions of the Refugee Act of 1980. An outright repeal would probably never pass, because many in Congress, recalling America's sorry treatment of refugees during the Holocaust, accept the humanitarian premises underlying asylum. Rather, the abolition is in the form of a new, apparently innocuous "procedural" requirement. The House Judiciary Committee recently adopted, as an amendment to this year's immigration reform act, a proviso that denies asylum to any person who applies for it more than 30 days after arriving in the United States. A Senate subcommittee has approved a similar proposal.

If this bill becomes law, the asylum process will shut down because, as a practical matter, it is impossible for an applicant to file that quickly. Most refugees fleeing persecution must give top priority to searching for their American relatives and acquaintances. In many cases, they do not speak English. They are not permitted to hold jobs in the United States. They must immediately find ways to feed themselves and their children. It takes weeks for them to find minimal housing and to achieve the most basic orientation to American culture. Months may pass before they even learn that if they want asylum, they have to file an application with the Immigration and Naturalization Service (INS) on Form I-589.

After refugees learn about asylum and obtain the form, they will discover the daunting task ahead of them. The form itself is quite complicated: seven pages, plus eight pages of fine-print instructions. It is only available in English and must be completed in English. It requires applicants to prove that they have a well-founded fear, should they be deported, that they will be "persecuted" because of their "race, religion, nationality, political opinion or membership in a particular social group"—all legal terms of art that have been interpreted by many courts. Because the legal standard has been embellished by judicial decisions and because a lawyer can help * * * case effectively, an applicant is well advised to have an attorney help compile and organize the supporting documentation. Mistakes can literally be fatal, resulting in deportation into the hands of a persecutor.

At present, most asylum applicants need weeks or months to find a lawyer, especially if they need one who will handle the application free of charge. Even now, only a few neighborhood offices that offer free legal help to the poor handle asylum cases, and Congress is slashing the budget of the Legal Services program.

Once the applicant finds a willing lawyer, however, more inevitable delays are in store. The instructions for the application form "strongly urge" applicants to "attach additional written statements and documents that support" their claims, including "newspaper articles, affidavits of witnesses or experts, periodicals, journals, books, photographs, official documents, other personal statements, or evidence regarding incidents that have occurred to others."

The law students who help prepare these applications under my supervision in an asylum law clinic at Georgetown University Law Center spend at lest a month of nearly full-time work putting together just one application for a client. Obtaining supporting affidavits or even such elementary documentation as birth and death records typically includes, among other things, making repeated telephone calls to people in the country from which the applicant has fled (sometimes with interpreters on the line) and exchanging numerous faxes with witnesses and officials there. These communications are expensive as well as time-consuming.

Similarly, obtaining accounts of arbitrary imprisonment, torture, rape and other human rights violations from local * * * many weeks of investigative effort. Finding experts who know about human rights violations against the applicant's tribe or ethnic group is also an arduous and lengthy process.

The attachments to support an application can include several hundreds of pages of evidence, and the file can be several inches thick. It is not reasonable to expect a refugee to develop such a file within 30 days after arriving in the United States, with or without the help of a lawyer.

A few years ago, the asylum program was abused by large numbers of applicants who were not genuinely eligible for it, but the federal government closed this loophole by ceasing to issue work permits for people whose applications have not yet been approved. In July, Commissioner of Immigration Doris Meissner reported that "after years in which fraudulent asylum claims were routinely filed as a backdoor way to enter the U.S., INS finally has * * * stopped the abuse."

Congress should preserve the asylum program. At the very least, Congress should not abolish asylum by invisibly and irresponsibly imposing a procedural requirement that is impossible to satisfy. Fewer than one percent of the 900,000 people who immigrate into the United States each year are asylees. This small immigration program poses no serious problems and is worth keeping. When we give sanctuary to victims of oppression we demonstrate to everyone the most humanitarian impulses of the American spirit.

CONGRESSMAN FLOYD SPENCE NAMED THE RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES 1996 MINUTEMAN OF THE YEAR

Mr. THURMOND. Mr. President, on January 24, 1996, my able colleague from South Carolina, FLOYD SPENCE, the chairman of the House National Security Committee, received the 1996 Minuteman of the Year Award from the Reserve Officers Association of the United States. He is most deserving of this high honor. Throughout the 25 years that FLOYD SPENCE has served in the House of Representatives, he has been a strong advocate for ensuring that our Nation's defense capabilities are second to none, and he has demonstrated great leadership ability as the chairman of the House National Security Committee in the 104th Congress. FLOYD SPENCE is a man of character and integrity, and it is a privilege to work with him. He is truly dedicated to the freedoms that we as Americans hold so dear.

Mr. President, I was so impressed with the remarks that Chairman SPENCE made when he received the 1996 Minuteman of the Year Award, that I would like to share them with my colleagues. Mr. President, I ask unanimous consent that the address made by FLOYD SPENCE to the Reserve Officers Association of the United States on January 24, 1996, be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY CONGRESSMAN FLOYD D. SPENCE TO THE MID-WINTER BANQUET AND MILITARY BALL OF THE RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES JANUARY 24, 1996

It is a privilege for me to be in the presence of so many great Americans this evening, and to join the list of famous people who have received the Minuteman of the Year award from the Reserve Officers Association of the United States. I never thought that I would be honored in this way. I would like to thank you. I also would like to thank God, for it is through him that I received a double-lung transplant in 1988, that has extended my life and allowed me to continue my work in the Congress.

It is indeed an honor to be selected as the 1996 Minuteman of the Year. I joined the Navy when I was 17 years old, and after graduating from college, I was commissioned as an ensign in the Naval Reserve. As a retired Captain in the Navy and a member of the Reserve Officers Association, not a day goes by that I do not think about my time in the Naval Reserve and relate it to my work as Chairman of the House National Security Committee. I use those experiences in looking for ways to do what is best for our men and women in uniform and for our National Security. To be recognized as I mark my first anniversary as Chairman, this award really means a lot to me.

A Chairman of a Committee, in either the House or the Senate, is only as good as the people that he serves with. Over my 25 years in the House, I have had the privilege of serving with some of the finest Members that the United States Congress has seen. And, although my dear friend and colleague from Mississippi could not be here tonight, due to back surgery, I would like to take a moment to recognize Sonny Montgomery for his infinite support for our veterans, and our Reserve and National Guard programs.

Sonny will be retiring at the end of this term after 30 years in the House. But, we, his family of veterans, Reservists and members of the National Guard, can all take comfort in knowing that the Congress is a better place due to his service. I do not need to say any more. I am certain that because of Sonny Montgomery, either you or someone that you know was able to go to college through the Montgomery GI Bill. I will be sure to pass along your warm greeting to Sonny.

I am sometimes accused of being too supportive of the military. To my accusers, I say that it is impossible to be too supportive of the military that helped this country to gain and keep its freedom. When I was appointed Chairman, last year, my first proposal was to change the Department of Defense's name to the Department of Offense. When people quote scripture to me, it is often from Isaiah and references the beating of swords into plowshares. My immediate response is to quote Joel 3:9—"wake up mighty men and beat plowshares into swords and pruning hooks into spears."

Article 1, Section 8, of the Constitution gives the Congress the responsibility of providing for the defense of our Nation. We have conducted a survey of the status of our defense, which concludes that defense spending has been cut too deeply and that the President's defense plan underfunds the Bottom-Up Review force structure and the overall National Military Strategy for two major regional contingencies.

In my 25 years on the Hill, I have seen leaders come and go; budget fights won and lost; and changes in threat, weapons systems and strategies, and even a "hollow" military. I have seen hot wars, cold wars, contingency, peacekeeping and even peace enforcement operations; yet, I have never been more concerned about the state of our National Security than I am now.

Unlike during the Cold War, when the consensus on the threat generally dictated our national strategy, forces, budgets and weapon systems decisions, there is no consensus on the threat to our national interest in the post-Cold War world, as we cannot see the threat. As the former Director of the CIA testified several years ago, in the post-Cold War world it is as if a mighty dragon had been slayed and the result is a jungle full of deadly snakes.

In this new environment, we still face weapons of mass destruction, low technology and inexpensive delivery systems. We still face a growing range of nationalist, ethnic and religious conflicts that transcend traditional borders. The only people who have seen the end of war are the dead themselves. Whether or not this country will next go to war is not a question of "if" but a question of "when."

Yet, we have cut back too severely over the last decade. For example, over the last decade of declining defense budgets, we have cut back dramatically on modernization spending—procurement spending by 70 percent and research and development spending by 20 percent. As a consequence, there will be a dramatic modernization shortfall beginning early in the next century.

As for force structure, just since the end of Desert Storm, we have cut back: active duty force structure by almost 30 percent, Army divisions by 30 percent, combat ships by 32 percent, and warplanes by 36 percent. Currently, many experts doubt that we could conduct another campaign like we did in the Persian Gulf in 1991.

One year ago, in an effort to begin revitalizing our National Security, the Chairman of the National Security Subcommittee of the Appropriations Committee, Bill Young, and I worked with the Republican Leadership to stop the "hemorrhaging," to freeze defense spending and to end the decline. We managed to reach an agreement to add approximately $30 billion to defense over the next 7 years.

The defense authorization Conference Report, that the House adopted earlier today, reflects this additional funding, as well as our focus on four basic priorities: improving military quality of life, sustaining core readiness, reinvigorating lagging modernization programs, and beginning long overdue reform of The Pentagon. As this group knows, our Reserves will be critical to this revitalized United States National Security posture.

I am sure that you are aware that Congressman Greg Laughlin is working to ensure that the Reserves are an integral part of that National Security posture. As sponsor of the "Reserve Forces Revitalization Act of 1995," Greg has introduced legislation that, if passed in its present form, will result in many substantive changes in the way that the Reserve components are organized and administered.

As a retired Naval Reservist, I am acutely aware of the challenges and sacrifices that you face. The "Reserve Forces Revitalization Act of 1995" is intended to address many of the administrative and organizational inefficiencies that have developed in Reserve programs, and it is designed to reinforce the "Total Force Concept." As the demands on our active forces are spread thinner than ever across the world, our Committee and The Pentagon are continually looking for ways to increase reliance on the Reserve components of all of the branches of the Armed Services.

During the Fiscal Year 1997 authorization cycle, the National Security Committee's Personnel Subcommittee, which is chaired by Congressman Bob Dornan, will conduct hearings on the aspects that fall under the Committee's jurisdiction. But, you do not need to wait until next year. The Fiscal Year 1996 Defense Authorization bill, which was passed by the House today by a 287 to 129 vote, has already accomplished a few of the Revitalization Act's objectives. As soon as the President signs the bill, the following programs will become active:

Mobilization Income Insurance Program for Ready Reserve members. This new insurance plan is voluntary and will be financed by premiums paid by the participants.

Medical and Dental Care for Members of the Selected Reserve for early deploying Army Reserve and National Guard units. The Conference Report also establishes a shared-cost dental insurance program for all members of the Selected Reserve, which will be fully implemented in Fiscal Year 1997.

Military Technician Full-Time Support Program. The Committee felt that the Military Technician Full-Time Support Program is essential to Reserve component readiness, and to the Reserve components' ability to relieve active duty units suffering under the duress of consistently high operating tempos. Therefore, the conferees agreed to increase military technician endstrength by 1,400 over the Administration's request and to prohibit reductions below established endstrengths, except for those occurring as a result of force structure changes.

Increase in the Number of Members in the Grades of O-4, O-5, and O-6 Authorized to Serve on Active Duty in Support of the Reserves. and

Continued Support for the Off-Site Agreement for the Army Reserve and the National Guard.

As always, the National Security Committee is fully supportive and will remain fully committed to each of the Reserve components and the National Guard.

In closing, I want to thank the members of the Reserve Officers Association for their leadership in Reserve affairs. As Chairman, I look to the ROA for your insight and perspective on all matters relating to the Reserve forces. Thank you for bestowing the honor of being Minuteman of the Year for 1996 upon me. I look forward to working with you as we begin to address the authorization process for the next fiscal year. Thank you. God bless you and our great Country.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, as of the close of business Tuesday, February 6, the Federal debt—down to the penny—stood at exactly $4,987,288,825,759.77 or $18,930.18 on a per capita basis for every man, woman, and child in America.

SUSANNE B. WILSON

Mrs. FEINSTEIN. Mr. President, I rise today to salute Susanne B. Wilson, who will be honored with the 1995–96 distinguished Tower Award by San Jose State University.

Since 1972 the Tower Award has been presented to alumni, faculty, and community leaders recognizing exceptional and continuous service to San Jose State and the university community. Continuing the tradition of the award, Susie Wilson is a longstanding leader in Santa Clara Valley as a public official—a member of the county board of supervisors and a member of the San Jose City Council—and in her work for numerous organizations.

Susie's active leadership role at San Jose State University spans nearly three decades—first as a student, then as a faculty member, and now as a volunteer alumna. She earned her bachelor's degree in political science in 1976, and later served as a lecturer during the 1980's. In 1994, she was the first visiting professor in the SJSU leader-in-residence program, teaching a senior seminar in the ethical issues in politics.

Susie was one of the founders of and participants in the Walk for Women of Sparta, which was the largest fundraiser by women for women athletes, which raised over $1 million for women's athletic scholarships. She has also been active in the Spartan Foundation, a key fundraising organization of San Jose State, and is currently serving on the executive committee and board of directors.

Susie Wilson built a reputation of leadership as a member of the San Jose City Council, where she served for 6 years, then as a member of the County of Santa Clara Board of Supervisors. Susie solved problems, brought opposing parties together in compromise, and worked through consensus to prevent political stalemates. It is no surprise that when Susie retired from the board she started her own business called SOLUTIONS.

Susie has continued to be a community leader, lending her insight and expertise to organizations such as the United Way, the Boy Scouts of America, and Cambrian Park United Methodist Church, her church of over 30 years. A champion of social justice, one of her most important accomplishments was her success as chair of the YWCA Villa Nueva Capital Campaign. Villa Nueva is a 63-family residential housing unit for lower income families which houses transitional and affordable housing, mostly for single parents and their kids. To honor Susie, the building was named in her honor when it opened in 1993. In addition, she is a founding member of the National Women's Political Caucus and a member of the American Association of University Women.

Susie Wilson is truly a model of effective leadership in a community. I join with her wonderful husband, Bob, a retired IBM engineer, their sons, Bill, Rob, and David, as well as their families and six grandchildren in celebrating this well-deserved award.

I congratulate Susie Wilson as she is honored with the Tower Award for her years of giving to others and for her well-known, more private, and very personal accomplishments. And I congratulate President Caret for his selection of Susie which honors San Jose State University and the previous recipients of the award.

TRIBUTE TO DR. LEON RIEBMAN

Mr. SPECTER. Mr. President, I have sought recognition today to recognize one of Pennsylvania's distinguished citizens as he retires after 60 years of service to his community and his country. Dr. Leon Riebman has served his country as a naval officer, his community as a professor at the University of Pennsylvania, and our national defense needs as a founder and long-term chief executive officer of AEL Industries, a premier defense electronics organization.

As a naval officer during World War II, Dr. Riebman served at the Naval Research Laboratory in Washington, where he conducted research in the then-new science of fire control radar systems. Following his Navy service, Dr. Riebman returned to the University of Pennsylvania for advanced studies, and to serve on the staff as a research associate and instructor.

Since 1950, when he cofounded AEL Industries, he has been an active contributor to technological advances in the defense electronics industry. Under Dr. Riebman's leadership, AEL Industries has grown continually to the point where it now employs 1,300 people in Pennsylvania and five other States.

Dr. Riebman's interest in research and development has resulted in 10 patents. In 1966, he was named a fellow of the Institute of Electrical and Electronic Engineers, and continues to be an active participant through service on several committees.

I am pleased to have this opportunity to recognize the many accomplishments of Dr. Leon Riebman and hope my colleagues will join me in tribute on the occasion of his retirement.

READING OF WASHINGTON'S FAREWELL ADDRESS

Mr. DOLE. Mr. President, I ask unanimous consent that notwithstanding the resolution of the Senate of January 24, 1901, on Monday, February 26, 1996, immediately following the prayer and the disposition of the Journal, the traditional reading of Washington's Farewell Address take place and that the Chair be authorized to appoint a Senator to perform this task.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to the order of the Senate of January 24, 1901, as modified by the order of February 7, 1996, appoints the Senator from Hawaii [Mr. AKAKA] to read Washington's Farewell Address on February 26, 1996.

Mr. DOLE. So I assume it started in 1901, is that it?

The PRESIDING OFFICER. The majority leader is correct.

MEASURE PLACED ON THE CALENDAR—S. 1561

Mr. DOLE. Mr. President, I understand there is a bill on the calendar that is due for its second reading.

The PRESIDING OFFICER. The clerk will read the bill for the second time.

The assistant legislative clerk read as follows:

A bill (S. 1561) for the relief of the individuals whose employment at the White House Travel Office was terminated.

Mr. DOLE. Mr. President, I object to further consideration of this matter at this time.

The PRESIDING OFFICER. The bill will be placed on the calendar.

DESIGNATING THE MAX ROSENN U.S. COURTHOUSE

Mr. DOLE. Mr. President, I ask unanimous consent the Committee on Environment and Public Works be discharged from further consideration of H.R. 1718, and further that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1718) to designate the United States courthouse located at 197 South Main Street, Wilkes-Barre, Pennsylvania as the "Max Rosenn United States Courthouse."

The Senate proceeded to consider the bill.

Mr. SPECTER. Mr. President, I am very pleased that the Senate is acting so quickly on H.R. 1718, a bill to designate the U.S. courthouse in Wilkes-Barre, PA, as the Max Rosenn United States Courthouse.

Max Rosenn is one of our Nation's most eminent jurists and one of Pennsylvania's outstanding citizens. Judge Rosenn has dedicated his life to serving the people of Wilkes-Barre, Luzerne County, PA, and the United States. There is no one more deserving of this great honor.

Judge Rosenn was born in Luzerne County in 1910 and raised there. After graduating from Cornell and the University of Pennsylvania Law School, he returned to Luzerne County to practice law.

In 1941, Judge Rosenn began his distinguished career in the service of his community and country by becoming an assistant district attorney for Luzerne County. In 1944, he entered on active duty with the U.S. Army, serving in the judge advocate general's corps in the South Pacific during World War II. After the war, he returned to Luzerne County, where he resumed the private practice of law and was active in civic and public matters. From 1964 to 1966, he served as a member of the State Welfare Board and in 1966 was appointed by Governor Scranton to be Pennsylvania's Secretary of Public Welfare, serving until 1967 after being retained in office by Governor Shafer. In 1969, he was appointed to the Pennsylvania Human Relations Commission, a post he held when named a Federal judge.

Recognizing Max Rosenn's dedication to his community and his State and his legal skill, President Nixon nominated him to serve as U.S. Circuit Judge for the Third Circuit in 1970. For over 25 years, Judge Rosenn has been one of this country's most distinguished appellate judges. If the hallmarks of justice are fairness and wisdom, then Judge Rosenn is a leader in achieving justice, as he is widely recognized for both qualities.

Naming the U.S. courthouse in Wilkes-Barre after its most famous and respected lawyer and judge is the most fitting tribute I can imagine. I am pleased that the Senate is joining with the House and the members of the legal community in Pennsylvania in recognizing Judge Rosenn's achievements.

I would like to take the opportunity to thank Representative KANJORSKI, who represents Luzerne County, for introducing this bill in the House and seeing it through to passage there, and Senators CHAFEE and BAUCUS for their willingness to move the bill so quickly in the Senate. I also appreciate the services of the staff of the Committee on the Environment and Public Works, especially Dan Delich and Kathryn Ruffalo, for their work on this matter.

Mr. DOLE. I ask unanimous consent the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and any colloquies and statements relating to the bill be placed at an appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 1718) was deemed read three times and passed.

E. BARRETT PRETTYMAN U.S. COURTHOUSE

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be discharged from further consideration of S. 1510; further, that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1510) to designate the United States Courthouse in Washington, District of Columbia, as the "E. Barrett Prettyman United States Courthouse", and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. DOLE. Mr. President, I ask unanimous consent that the bill be deemed read a third time, passed, that the motion to reconsider be laid upon the table, and that any colloquy or statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (S. 1510) was deemed read for a third time, and passed, as follows:

S. 1510

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF E. BARRETT PRETTYMAN UNITED STATES COURTHOUSE.

The United States Courthouse located at 3rd Street and Constitution Avenue Northwest, in Washington, District of Columbia, shall be known and designated as the "E. Barrett Prettyman United States Courthouse".

TECHNOLOGY TRANSFER IMPROVEMENTS ACT OF 1995

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Commerce be discharged from further consideration of H.R. 2196; further, that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2196) to amend the Stevenson-Wydler Technology Innovation Act of 1980 with respect to inventions made under cooperative research and development agreements, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 3463

(Purpose: To make perfecting amendments)

Mr. DOLE. Mr. President, I send an amendment to the desk on behalf of Senators ROCKEFELLER and BURNS.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE], for Mr. ROCKEFELLER, for himself and Mr. BURNS, proposes an amendment numbered 3463.

Mr. DOLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, line 24, insert "pre-negotiated" before "field".

On page 5, beginning on line 4, strike "if the Government finds" and insert "in exceptional circumstances and only if the Government determines".

On page 5, between lines 15 and 16, insert the following:

This determination is subject to administrative appeal and judicial review under section 203(2) of title 35, United States Code.

On page 13, strike lines 10 through 17 and insert the following:

Section 11(i) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710(i)) is amended by inserting "loan, lease, or" before "give".

Beginning with line 23 on page 21, strike though line 3 on page 22 and insert the following:

"(13) to coordinate Federal, State, and local technical standards activities and conformity assessment activities, with private sector technical standards activities and conformity assessment activities, with the goal of eliminating unnecessary duplication and complexity in the development and promulgation of conformity assessment requirements and measures.".

On page 22, beginning on line 5, strike "by January 1, 1996," and insert "within 90 days after the date of enactment of this Act,".

Beginning with line 8 on page 22, strike through line 5 on page 23 and insert the following:

(d) UTILIZATION OF CONSENSUS TECHNICAL STANDARDS BY FEDERAL AGENCIES; REPORTS.—

(1) IN GENERAL.—Except as provided in paragraph (3) of this subsection, all Federal agencies and departments shall use technical standards that are developed or adopted by voluntary consensus standards bodies, using such technical standards as a means to carry out policy objectives or activities determined by the agencies and departments.

(2) CONSULTATION; PARTICIPATION.—In carrying out paragraph (1) of this subsection, Federal agencies and departments shall consult with voluntary, private sector, consensus standards bodies and shall, when such participation is in the public interest and is compatible with agency and departmental missions, authorities, priorities, and budget resources, participate with such bodies in the development of technical standards.

(3) EXCEPTION.—If compliance with paragraph (1) of this subsection is inconsistent with applicable law or otherwise impractical, a Federal agency or department may elect to use technical standards that are not developed or adopted by voluntary consensus standards bodies if the head of each such agency or department transmits to the Office of Management and Budget an explanation of the reasons for using such standards. Each year, beginning with fiscal year 1997, the Office of Management and Budget shall transmit to Congress and its committees a report summarizing all explanations received in the preceding year under this paragraph.

(4) DEFINITION OF TECHNICAL STANDARDS.—As used in this subsection, the term "technical standards" means performance-based or design-specific technical specifications and related management systems practices.

Mr. ROCKEFELLER. Mr. President, I am pleased that the Senate is now considering legislation to improve the transfer of technology from Federal laboratories to the private sector. Two related bills are now before the Senate: First, S. 1164, which I introduced and have been joined as a cosponsor by the distinguished Science Subcommittee chairman, Senator BURNS, and second, the House-passed companion bill, H.R. 2196, introduced by the distinguished chairwoman of the House Technology Subcommittee, Representative CONNIE MORELLA. House cosponsors include Science Committee chairman, BOB WALKER, Science Committee ranking member, GEORGE BROWN, and Technology Subcommittee ranking member, JOHN TANNER. We also have consulted closely with the administration on this bill.

It is my hope that the Senate will now pass H.R. 2196 with small perfecting and clarification amendments worked out in consultation with interested Senators. We have worked with the House on these perfecting amendments, and I hope that the House can pass the amended H.R. 2196 without further changes, clearing the bill for transmittal to the President.

The title of the House-passed bill is the National Technology Transfer and Advancement Act. The Senate title is similar: the Technology Transfer Improvements Act. The two bills are based on earlier legislation that Representative MORELLA and I introduced in the last Congress and which has been thoroughly checked with all interested parties. The current legislation makes valuable amendments in existing law but contains no authorizations or controversial spending proposals. It has bipartisan support here in Congress, and has the support of the administration. The Senate Commerce Committee approved S. 1164 without objection on November 3 of last year. H.R. 2196 passed the House by voice vote on December 12.

Mr. President, this is a constructive bill that has earned the bipartisan support now evident. The legislation has three main parts. First, the heart of both bills is legislation that Mrs. MORELLA and I authored to help improve the transfer of technology from Federal laboratories to the private sector. The Federal Government spends some $20 billion a year on its laboratories. They employ some of the finest scientists and engineers in the world, have some of the best facilities and new technologies. This bill will cut the time and redtape involved in creating joint research projects between companies and these Federal laboratories. And that, Mr. President, will help companies in West Virginia and all across the country. The country or countries that can develop and use new technologies most quickly and efficiently will win the markets of the future. This bill will help speed joint research projects, and increase their number, leading to new technologies that companies can use to produce new products, revitalize existing ones, and build markets. And that means more jobs and a more competitive America.

Second, the bill contains important amendments to the Fastener Quality Act of 1990, a law which regulates the manufacture and sale of high-strength bolts and other fasteners used in safety-related applications such as motor vehicles, aircraft, and buildings. These amendments have been championed here in the Senate by Senator BURNS, and they will reduce the burden of the law on private industry while maintaining public safety.

Third, the House version of the bill now before us contains several nonspending measures regarding technical agencies and the use of private-sector technical standards.

BACKGROUND ON THE TECHNOLOGY TRANSFER PROVISIONS

Mr. President, the heart of the legislation, in both the Senate and House versions, is section 4, which will improve the transfer of technology from

Federal laboratories by giving both laboratories and industrial partners clearer guidelines on the distribution of intellectual property rights from inventions resulting from cooperative research projects.

Specifically, the bill amends the Stevenson-Wydler Technology Innovation Act, which since 1986 has allowed Federal laboratories to enter into cooperative research and development agreements [CRADA's] with industry and other collaborating parties. The laboratories can contribute people, facilities, equipment, and ideas, but not funding, and the companies contribute people and funding.

As I pointed out when I introduced S. 1164 on August 10, even under the current law the CRADA provision has been a success. Hundreds of these agreements have been signed and carried out in recent years, making expertise and technology that the Federal Government has already paid for through its mission-related work available to the wider economy. But we also have seen a problem. Currently, the law provides little guidance on what intellectual property rights a collaborating partner should receive from a CRADA. The current law gives agencies very broad discretion on this matter, which provides flexibility but also means that both companies and laboratory executives must laboriously negotiate patent rights each time they discuss a new CRADA. Neither side has much guidance as to what constitutes an appropriate agreement regarding intellectual property developed under the CRADA. Options range from assigning full patent title to the company all the way to providing the firm with only a nonexclusive license for a narrow field of use.

In conversations with company executives, we learned that this uncertainty—and the time and effort involved in negotiating intellectual property from scratch in each CRADA—was often a barrier to working with some laboratories. Companies are reluctant to enter into a CRADA, or, equally important, to commit additional resources to commercialize a CRADA invention, unless they have some assurance they will control important patent rights.

In 1993, I began working with Congresswoman MORELLA on possible ways to reduce the uncertainty and negotiating burden facing companies, while still ensuring that the Government interest remains protected. To begin legislative discussion on this matter, I introduced S. 1537 on October 7, 1993, for myself and Senator DeConcini, then chairman of the Senate Patent Subcommittee. That bill would have directed Federal laboratories to assign to the collaborating party—the company—title to any intellectual property arising from a CRADA, in exchange for reasonable compensation to the laboratory and certain patent safeguards.

S. 1537 also contained a second provision—an additional incentive for Federal scientists to report and develop inventions that might have commercial as well as government value. The General Accounting Office [GAO] had recommended that Federal inventors receive more of the royalties received by laboratories as government compensation under CRADA's. My bill incorporated that recommendation.

Soon after Senator DeConcini and I introduced our bill, Congresswoman MORELLA introduced the companion House bill, H.R. 3590. In subsequent House and Senate hearings, the bill received strong support from industry, professional societies, trade associations, and the administration. At that point, we also began working closely with Commerce Department Under Secretary for Technology Mary Good and her staff, who helped us obtain detailed technical suggestions from executive branch agencies and other patent experts. We made major progress during the 103d Congress, but in 1994 ran out of time to complete action on the legislation.

TECHNOLOGY TRANSFER PROVISIONS OF THE CURRENT BILL

The bills that Representative MORELLA and I introduced this year are based on this earlier legislation but also reflect suggestions made by the experts. The revised bill continues to focus on the twin issues of company rights under a CRADA and royalty-sharing for Federal inventors.

The key CRADA provision of H.R. 2196—as well as S. 1164—is section 4, which amends section 12 of the Stevenson-Wydler Act. Those section 12 amendments, in turn, have two key provisions. One deals with inventions made, pursuant to a CRADA, solely by the collaborating party's employee. In this case, the laboratory shall ensure that the collaborating party may retain title to that invention. The rationale, of course, is that since the collaborating party's employee is solely responsible for the invention, the collaborating party should have the right of title.

The other key section 12 amendment concerns inventions developed in whole or in part by a laboratory employee under a CRADA. The current bill would give a collaborating party a statutory option to choose an exclusive license for a field of use for any such invention. Agencies may still assign full patent title for such inventions to the company; the agencies we consulted felt they needed to retain that flexibility, and our new bill allows them to do so. But the important point is that a company will now know that it is assured of having no less than an exclusive license in a field of use identified through negotiations between the laboratory and the company. This statutory guideline will give companies real assurance that they will get important intellectual property out of any CRADA they fund. In turn, that assurance will give those companies both an extra incentive to enter into a CRADA and the knowledge that they can safely invest further in the commercialization of that invention, knowing they have an exclusive claim on it.

Senators DOMENICI and BINGAMAN have raised an important point about this provision. They and I agree that the relevant field of use for which a collaborating party has the option of an exclusive license shall be selected through a process of negotiation between the laboratory and that collaborating party. As with other provisions of a CRADA, the field of use is selected through a process of negotiation between the two parties. It is a pre-negotiated field of use. As I will discuss below, we propose a perfecting amendment to clarify this key point.

The bill further provides that in return for granting the option of an exclusive license in that pre-negotiated field of use, the Government may negotiate for reasonable compensation, such as royalties. And the Government retains minimal rights to use the invention under unusual but important circumstances, such as when the party holding the exclusive license is unwilling or unable to use the invention to meet important health and safety needs. However, and I want to emphasize this point, we believe strongly that the Government should exercise these rights only under the most exceptional circumstances. As the distinguished Senators from New Mexico have pointed out, we do not want the existence of these Government rights to deter companies from entering into CRADA's. And I want to assure these Senators and industry that these rights would only be used under the most exceptional circumstances. For that reason, as I will discuss shortly, I propose a further perfecting amendment to make this point even more clear.

A related point deals with one of the grounds under which the Government might exercise these rights. We mention that one such circumstance would be that "the collaborating party has failed to comply with an agreement containing provisions described in subsection (c)(4)(B)" of the existing section 12 of the Stevenson-Wydler Act. Subsection (c)(4)(B) says, in part that a laboratory director in deciding what CRADA's to enter into shall "give preference to business units located in the United States which agree that products embodying inventions made under the cooperative research and development agreement or produced through the use of such inventions will be manufactured substantially in the United States.* * *"

I want to emphasize two points about this provision and its role in the new language giving the Government, under exceptional circumstances, a right to compel a licensee to share its licensed technology.

First, subsection 12(c)(4)(B) of the Stevenson-Wydler Act directs laboratory directors to give preference to those organizations which agree to this condition but is flexible enough to envision circumstances where this condition is not practical or appropriate. One example might be the case of a research technique or process that in itself is not used to make products. Or in the case of biotechnology, one might create and license a gene therapy technique which leads to no manufactured product. So this subsection was never intended to require a substantial U.S. manufacturing agreement in all CRADA's. The second point follows from the first. The absence of such an agreement in a particular CRADA in no way creates grounds for the Government to exercise the new exceptional circumstances powers. The new language simply says that if, and only if, a collaborating party voluntarily includes a substantial U.S. manufacturing agreement in its CRADA, and also if it then fails in a truly exceptional manner to comply with that agreement, then grounds exist for the Government to exercise these new powers. This new provision provides important protection for the taxpayer in the case of that very rare collaborating party which abuses its exclusive license, but it, by definition, does not apply to CRADA's which do not include an agreement regarding substantial U.S. manufacturing.

I also want to mention that in order to give a collaborating party full due process in the event that the Government ever decides to exercise any of these exceptional circumstances powers, we are offering another perfecting amendment to give collaborating parties a right of administrative and judicial appeal which already exists in one other provision of Federal patent law. I will discuss that amendment, as well as the others I have mentioned, in the later part of my statement which deals with the amendments we are offering today.

Overall, Mr. President, the bill now before the Senate continues the original purpose we envisioned in 1993—providing guidelines that simplify the negotiation of CRADA's and, in the process, give companies greater assurance they will share in the benefits of the research they fund. We expect that this change will increase the number of CRADA's, reduce the time and effort required to negotiate them, and thus speed the transfer of laboratory technology and know-how to the broader economy.

The legislation now before the Senate also contains a slightly revised version of the provision regarding royalty-sharing for Federal investors. Under the new bill, agencies each year must pay a Federal inventor the first $2,000 in royalties received because of that person's inventions, plus at least 15 percent of any additional annual royalties. By rewarding Federal inventors, we will give them an incentive to report inventions and work in CRADA's. The bill involves no Federal spending; all rewards would be from royalties paid to the Government by companies and others.

FASTENER QUALITY ACT AMENDMENTS

Mr. President, the second major provision of the bill now before us is a set of amendments to the Fastener Quality Act of 1990. That act regulates the manufacture and distribution of certain high-strength bolts and other fasteners used in safety-related applications, such as building, aircraft, and motor vehicles.

The Fastener Advisory Committee created under the 1990 law has recommended a series of changes which will continue to ensure the safety of these high-strength fasteners while reducing the regulatory burden on business. The Senate first passed these amendments in March 1994 as part of a larger technology bill. That 1994 bill did not become law, however, so this year in the Commerce Committee, Senator BURNS, who is the Senate leader on this matter, offered these changes as an amendment to S. 1164. The same amendments were included in H.R. 2196. These changes have been worked out with a very broad set of interested parties, including major users of fasteners, and I know of no controversy in the Senate regarding them.

OTHER PROVISIONS IN H.R. 2196

Finally, the House version of the legislation also contains a set of nonspending amendments regarding NIST operations and voluntary industry standards. While these amendments are not currently in S. 1164, they did not lead to any controversy on the House floor.

One such provision, section 9, is intended to make it easier for Federal laboratories to loan, lease, or donate excess research equipment to educational institutions and nonprofit organizations. As I will explain shortly, I will shortly propose a perfecting amendment and colloquy pertaining to section 9.

Another provision, section 12(d), would codify an existing Office of Management and Budget circular, OMB Circular A-119. Following the OMB circular, the amendment directs Federal agencies to use, to the extent not inconsistent with applicable law or otherwise impractical, technical standards that are developed or adopted by voluntary consensus standards organizations. We believe this step will reduce costs for both government and the private sector. For example, if off-the-shelf products meeting a voluntary consensus standards can, in the judgment of an Agency, meet its procurement requirements, then the Agency saves money over buying products built to special government specifications and commercial industry benefits from increased sales to the Government.

I will shortly discuss the several perfecting amendments that we are now offering to this bill, but here I want to mention that one of these amendments clarifies the intent and scope of section 12(d). We have worked closely with Senators BAUCUS and JOHNSTON, and their staffs, on this rewrite. And here, based on our discussions with these offices, I want to emphasize five key points about the intent and effect of this provision, as amended, in order to deal with concerns that have been raised.

First, we are talking here about technical standards pertaining to products and processes, such as the size, strength, or technical performance of a product, process, or material. The amended version of section 12(d) explicitly defines the term "technical standards" as meaning performance-based or design-specific technical specifications and related management systems practices. An example of a management system practice standard is the ISO 9000 series of standards specifying procedures for maintaining quality assurance in manufacturing.

In this subsection, we are emphatically not talking about requiring or encouraging any agency to follow private sector attempts to set regulatory standards or requirements. For example, we do not intend for the Government to have to follow any attempts by private standards bodies to set specific environmental regulations. Regular consensus standards bodies do not do that, in any case. But no one should presume that a new private group could use section 12(d) to dictate regulations to Federal agencies. The amended version of this subsection makes clear that agencies and departments use "such technical standards as a means to carry out policy objectives or activities determined by the agencies and departments."

Second, consensus standards are standards which are developed by voluntary, private sector, consensus standards bodies. These organizations are established explicitly for the purpose of developing such standards through a process having three characteristics—First, openness, defined as meaning that participation in the standards development process shall be open to all persons who are directly and materially affected by the activity in question; second, balance of interest, which means that the consensus body responsible for the development of a standard shall be comprised of representatives of all categories of interest that relate to the subject—for example, manufacturer, user, regulatory, insurance/inspection, employee/union interest); and third, due process, which means a procedure by which any individual or organization who believes that an action or inaction of a third party causes unreasonable hardship or potential harm is provided the opportunity to have a fair hearing of their concerns. In short, a legitimate consensus standards organization provides open process in which all parties and experts have ample opportunity to participate in developing the consensus.

Examples include traditional standards organizations, such as the American Society of Testing and Materials, as well as newer organizations such as the Internet Engineering Task Force which has effectively used consensus procedures coupled with real-time implementation and testing to develop the technical standards for Internet protocols and technology. Many of these standards development organizations are accredited, including those accredited by the American National Standards Institute.

This provision is not intended to direct agencies and departments to consider standards from organizations that do not meet the criteria of openness, balance of interest, and due process.

Third, the amended version of section 12(d) makes clear that if compliance with the requirement to use voluntary consensus technical standards "is inconsistent with applicable law or otherwise impractical, a Federal agency or department may elect to use technical standards that are not developed or adopted by voluntary consensus standards bodies." We intend that these other technical standards may be ones developed by the Agency or such other standards as the Agency may deem appropriate.

Fourth, we intend that the determination of what is or is not "inconsistent with applicable law or otherwise impractical" is solely the decision of the agency or department involved. We do require that if an agency or department does elect to use other technical standards, they notify the Office of Management and Budget [OMB]. But if an Agency decides that no product or process based on voluntary consensus standards meets its requirements, it does not have to get approval from anyone before it sets its own specifications. It most certainly does not need approval from any private sector standards organization. Moreover, the provision neither provides nor implies any private sector veto or review of the agency's decision. Nor does it provide, nor do we intend to provide, any legal test or legal standard or decision-making requirement that an agency must meet before it decides which types of technical standards to choose. As a result, section 12(d) provides no new or additional basis for either administrative or judicial review.

In other words, the intent of section 12(d) is exactly that of the following provision of OMB Circular A-119: It should also be noted, however, that the provisions of this circular are intended for internal management purposes only and are not intended to: First, create delay in the administrative process; second, provide new grounds for judicial review; or third, create legal rights enforceable against agencies or their officers.

Fifth and finally, the term "Federal agencies and departments" is meant to refer to entities of the executive branch, and not to independent regulatory commissions. Commissions may have their own separate statutory requirements regarding whether or not to use consensus technical standards; one such example is the Consumer Product Safety Commission [CPSC]. I want to emphasize that section 12(d) is not intended to apply to the CPSC or other independent regulatory commissions.

ADDITIONAL PERFECTING AMENDMENTS

Mr. President, conversations with interested Senators have led me, after consultation with Chairman BURNS, to offer six other small perfecting amendments that clarify key provisions of the bill. I want to mention them briefly, as well as thank the relevant Senators for working with us on these issues.

First, as discussed earlier, we propose to clarify that the field of use for which a collaborating party may get an exclusive license is a pre-negotiated field of use. That is, the company alone does not pick the field of use. Like other provisions of CRADA, the field or fields of use for which a license applies is the result of negotiations between the company and the laboratory. This has been the intent all along of both the Senate and House sponsors of this legislation, as reflected in both House and Senate report language. However, Senator DOMENICI has asked that we make this point explicit in the bill language itself, and I am happy to do so.

Second, as also discussed earlier, we want to make clear that an Agency will exercise its rights under the bill to require the holder of an exclusive technology to share that technology only in exceptional circumstances. Senators BINGAMAN and DOMENICI have requested this clarification, and I am pleased to do so because this has been our intent all along. We know that there may be some exceptional, and very rare, circumstances under which the holder of an exclusive license is not willing or able to use an important technology or use it as provided in the original CRADA agreement. We feel strongly that the Government must maintain some rights to deal with such a situation, but agree with our distinguished colleagues that these rights should be exercised only under the most exceptional circumstances. We do not want prospective CRADA participants to feel that the Government will exercise these rights on a routine or arbitrary basis.

Third, Senator JOHNSTON has asked that a provision from other Federal patent law—the Bayh-Dole Act—be added to our bill's section regarding the exceptional circumstances under which the Government may exercise its right to require a collaborating party, holding an exclusive license to an invention made in whole or in part by a laboratory employee, to grant a license to a responsible applicant. That provision from the Bayh-Dole is section 203(2) of title 35, United States Code, and as added here it would provide a collaborating party under these exceptional circumstances a right to an administrative appeal, as described under 37 CFR part 401, and to judicial review. In short, if the Government determines that it has grounds to force a collaborating party to grant a license to additional party, according to the criteria set forth in the bill, then that collaborating party will have a right of due process and appeal.

Fourth, Senator GLENN, in his capacity as ranking member of the Committee on Governmental Affairs, has raised a point concerning section 9's provisions on the disposal of excess laboratory research equipment. We delete one part of section 9 and plan to enter into a colloquy with the distinguished Senator from Ohio regarding the procedures under which Federal laboratories may loan or lease research equipment.

Fifth, the date on which a report required under section 12(c) is due is changed from January 1, 1996, to within 90 days of the date of enactment of this act.

A final amendment clarifies section 12(b), a provision which deals with the role of the National Institute of Standards and Technology [NIST] in coordinating government standards activities. The amendment corrects a small drafting error. The original text, in part, implies that NIST is to coordinate private sector standards and conformity assessment activities. Of course, we in no way intend that NIST or any other part of the Federal Government is to coordinate, direct, or supervise private sector activities. The amendment makes clear that NIST is to coordinate with private sector activities.

I thank Senators GLENN, DOMENICI, BINGAMAN, JOHNSTON, and BAUCUS, and their staffs, for working with us on these perfecting amendments.

CONCLUSION

Mr. President, this bill is a concrete step toward making our Government's huge investment in science and technology more useful to commercial companies and our economy. Companies in West Virginia and other States will not find it easier to partner with Federal laboratories across the country. The winner will be the American economy, which will get more economic benefit out of the billions of dollars we invest each year in our Government laboratories. The result will be new technologies, new products, and new jobs for Americans.

In closing, I want to thank and compliment my good friends, Representative MORELLA and Senator BURNS, for their great leadership on this legislation. I also want to thank their staffs, the staffs for Congressmen BROWN and TANNER, and Chairman PRESSLER's staff for their hard work. Special thanks also goes to Under Secretary of Commerce Mary Lowe Good and her staff, particularly Chief Counsel Mark Bohannon, for their work in reviewing the legislation and working with other Federal agencies. Numerous technical experts helped us with the legislation, and I thank them. I also want to thank Dr. Thomas Forbord, who as a congressional fellow on my staff several years ago drafted the first version of this valuable legislation.

Mr. President, this is a good bill that will benefit companies in West Virginia, Montana, Maryland, and all other States. It will help speed the creation of new technologies, will help make American companies more competitive, and will help create and retain good American jobs.

I urge our colleagues to accept the House-passed version, H.R. 2196, with these minor perfecting amendments, and return the bill to the House so that they may concur in these minor changes and send the legislation on the President for his signature.

Mr. BURNS. Mr. President, I rise in support of H.R. 2196, as amended, which is a bill to amend the Stevenson-Wylder Technology Innovation Act of 1980. The Senate version of this bill, S. 1164, was reported out of the Commerce Committee in November of last year. Our system of more than 700 Federal laboratories is one of our most precious national assets. These labs conduct important research and development programs to keep the United States on the cutting edge of science and technology.

As chairman of the Science Subcommittee, I cosponsored S. 1164 to help accelerate the transfer of technology from our 700 Federal labs to the private industry, where it can be converted into commercial goods and services for the American people. Our cooperative research and development agreements [CRADA's] have proven a very effective way of accomplishing technology transfer without increasing Federal spending. These CRADA's enable Government and industry to conduct research together which hopefully will generate inventions and technological breakthroughs that can be later commercialized. It is the national interest to encourage more of this kind of joint research.

With that in mind, this bill seeks to encourage more joint research by clarifying the intellectual property rights that the industry partner may receive in inventions generated by the joint research. In this way, the company knows going into the arrangement that it will have the right to commercialize the results of its joint research. The bill also makes clear that, in exchange for the rights given to the company, the Government is entitled to reasonable compensation, which would typically involve a share of the royalties from any successful commercialization efforts. So, both the Federal labs and their private sector partners in these agreements stand to benefit from this legislation.

Equally important, the bill provides greater incentives for the Federal lab scientists to commercialize their inventions by increasing their share of any royalties received from the sale of products arising from the joint research.

Mr. President, it is my understanding that this bill, as amended, is supported by industry, the Federal lab directors, and the research community and has broad bipartisan support in Congress. I urge my colleagues to support H.R. 2196 as amended pass it.

Mr. GLENN. Mr. President, I would like to engage the Senator from West Virginia and the Senator from Montana in a colloquy to clarify their intentions under section 9 of the pending bill. As currently drafted, section 9 would expand Federal laboratory directors' authority to dispose of research equipment by allowing them to loan or lease this property. Under existing law, this property may already be given to eligible institutions outright as a gift.

I would begin by thanking the chairman and ranking member of the committee for agreeing with me that the original language in this section was overbroad. I very much appreciate their willingness to amend the House bill.

With regard to the remaining loan and lease provision, I would like to clarify the committee's intent with respect to the continuing Federal liability and responsibility for leased or loaned equipment. What steps does the committee envision Federal agencies should take in order to limit the taxpayer's liability for such equipment?

Mr. ROCKEFELLER. Mr. President, I thank the Senator from Ohio for his interest in this matter, and I respect his judgment on these issues. To answer his question, it is this Senator's intent that, prior to any equipment being leased or loaned under this provision, a Federal agency shall issue guidance which clearly states the steps a lab director or agency head shall take in order to clearly define the Federal Government's liability and responsibility with respect to the leased or loaned property. Such guidance should address issues like: The ongoing Federal obligation to maintain or upgrade the leased equipment; the necessary steps to adequately train the recipient in the safe and proper use of the equipment; the appropriate inventory controls needed to track the equipment which both the lab and the recipient institution should have in place; and whether any financial issues, such as equipment depreciation, should be considered in the lease-loan agreement.

Mr. BURNS. Mr. President, I agree with the ranking member of the subcommittee.

Mr. GLENN. Mr. President, I thank my friends from Montana and West Virginia for their clarification of this matter. I look forward to continuing to work with them to strengthen our Nation's science and math education infrastructure.

Mr. DOLE. I ask unanimous consent that the amendment be agreed to, the bill be deemed read a third time, passed, as amended, the motion to reconsider be laid upon the table, and that any colloquy and statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the amendment (No. 3463) was agreed to.

So the bill (H.R. 2196), as amended, was passed.

MESSAGES FROM THE HOUSE

At 10:25 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has agreed to the following resolution (H. Res. 363) that the Honorable CONSTANCE A. MORELLA, a Representative from the State of Maryland, be, and she is hereby, elected Speaker pro tempore during any absence of the Speaker, such authority to continue not later than Tuesday, February 27, 1996.

MEASURE PLACED ON THE CALENDAR

The following measure was read the second time and placed on the calendar:

S. 1561. A bill for the relief of the individuals whose employment at the White House Travel Office was terminated.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SIMPSON (for himself and Mr. ROCKEFELLER) (by request):

S. 1563. A bill to amend title 38, United States Code, to revise and improve eligibility for medical care and services under that title, and for other purposes; to the Committee on Veterans Affairs.

By Mr. CRAIG:

S. 1564. A bill to amend the Small Reclamation Projects Act of 1956 to authorize the Secretary of the Interior to provide loan guarantees for water supply, conservation, quality and transmission projects, and for other purposes; to the Committee on Energy and Natural Resources.

S. 1565. A bill to supplement the Small Reclamation Projects Act of 1956 and to supplement the Federal Reclamation laws by providing for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects; to the Committee on Energy and Natural Resources.

By Mr. HOLLINGS:

S. 1566. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Marsh Grass Too*; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. ROBB:

S. Res. 225. A resolution urging the President to undertake measures to facilitate the immediate withdrawal of the Iranian Revolutionary Guards from Bosnia-Herzegovina; to the Committee on Foreign Relations.

By Mr. INOUYE:

S. Con. Res. 41. A concurrent resolution expressing the sense of the Congress that The George Washington University is important to the Nation and urging that the importance of the University be recognized and celebrated through regular ceremonies; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SIMPSON (for himself and Mr. ROCKEFELLER) (by request):

S. 1563. A bill to amend title 38, United States Code, to revise and improve eligibility for medical care and services under that title, and for other purposes; to the Committee on Veterans' Affairs.

VA HEALTH CARE LEGISLATION

• Mr. SIMPSON. Mr. President, I am most pleased to join with the distinguished ranking member of the Committee on Veterans' Affairs in introducing, by request, legislation intended to reform the operation of VA's health care program. This legislation places into statutory language the eligibility reform proposal of the many veterans' service organizations who each year prepare and submit to the Congress the so called independent budget.

The successful operation of the VA health care system has become one of the most pressing issues faced by the Committee on Veterans' Affairs and the Congress. Many observers feel that changing the current priorities for health care is the certain key to resolving the problems faced by both VA and the veterans it serves. The proposal we introduce today is one of at least five different proposals before the Congress and introduction of this legislation should be viewed as neither endorsement nor opposition to this specific proposal. I join in introduction of the legislation in order to put before the Congress both the proposal and the ideas upon which it is based. I plan to chair committee hearings on the issue later this spring. Both the committee's hearings and legislative process will be much improved if we can view this proposal in legislative format.

As a life member of the Veterans of Foreign Wars, one of the organizations that has prepared the proposal, I understand how important this issue is to America's veterans, the Congress, to the Department of Veterans Affairs, and to the American people who must fund whatever decision is reached by the Congress.

I thank my fine personal friend from West Virginia for the constructive and active role that he played as chairman of the Veterans' Committee and continues to play as ranking minority member. He has been most helpful and courteous to me. I always look forward to working with him and the members of the committee as we work together to address the difficult questions we face concerning veterans' health care and the future structure of the Veterans Health Administration.•

• Mr. ROCKEFELLER. Mr. President, as the ranking Democrat on the Committee on Veterans' Affairs, I am delighted to join today with the chairman of the committee, Senator SIMPSON, in introducing legislation that would reform eligibility for VA health care. We are doing so at the request of the four veterans service organizations—AMVETS, Disabled American Veterans, Paralyzed Veterans of America, and Veterans of Foreign Wars—that develop the so-called independent budget [IB].

While it was my policy, as chairman of the Committee on Veterans' Affairs, to introduce legislation proposed by the administration so that my colleagues and others with an interest would have specific bills to which they might direct their attention and comments, I have not done that for entities other than the administration. Senator SIMPSON has followed a similar policy in his two terms as the committee's chairman. However, in this instance, we have agreed to introduce this legislation so that it might be before the committee later in this session when we take up the issue of the reform of the current eligibility criteria for VA health care.

In introducing administration-requested legislation, we always reserved the right to support the provisions of, as well as any amendment to, such by-request legislation. Obviously, that same policy applies to the bill we are introducing today.

While I have been working with representatives of the IB group for many months in an effort to translate the group's narrative description of proposed eligibility reform into legislative language, I have done so without in any way endorsing the result. I intend to wait to support any specific eligibility reform legislation until after the committee has held hearings and the many issues connected with this subject have been explored in some depth and detail.•

By Mr. CRAIG:

S. 1564. A bill to amend the Small Reclamation Projects Act of 1956 to authorize the Secretary of the Interior to provide loan guarantees for water supply, conservation, quality and transmission projects, and for other purposes; to the Committee on Energy and Natural Resources.

S. 1565. A bill to supplement the Small Reclamation Projects Act of 1956 and to supplement the Federal Reclamation laws by providing for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects; to the Committee on Energy and Natural Resources.

SMALL RECLAMATION PROJECTS ACT OF 1956 AMENDMENTS LEGISLATION

• Mr. CRAIG. Mr. President, I introduce two measures to expand the use and availability of the Small Reclamation Projects Act of 1956.

The Small Reclamation Projects Act has provided important benefits throughout the reclamation West in the 40 years since it was first established. Over the past several years, there have been various discussions of ways to expand the benefits of the program. These two measures incorporate some of the suggestions that have been made. I want to emphasize that neither of the measures would affect ongoing projects.

One of the measures deals with financing. At the present time, the Secretary is limited to using grants or loans in fulfilling the objectives of the act. This legislation would expand that authority to include the use of loan guarantees as a way of stretching the limited Federal resources. There has been some discussion among those suggesting this approach that the committee should consider expanding the program under the guarantees outside the 17 reclamation States to other States and the territories. While I do not dispute that the advantages of the program could be useful in the territories and other States, I do not want to dilute the program so that it is not able to meet the very real needs in the arid West. Therefore, I have not included such an expansion in this legislation. I do agree that it is a subject worth discussing and it should be one of the subjects of our hearings.

The other measure is essentially a rewrite of the existing statute to expand the purposes for which assistance can be received from the Federal Government. Irrigation remains an authorized purpose, but it would no longer be a required component. The purposes would not include the augmentation and management of local water supplies, conservation of water and energy, fish and wildlife conservation, supplemental water for existing supplies, water quality improvements, and flood control. There had been some discussion about the application of interest on any allocable irrigation component, and I would support discussing this in any hearings. For the moment, however, I have limited the application of interest on any loans to those features which are currently reimbursable with interest under reclamation law.

I also believe that we should explore in our hearings exactly how to deal with investments that further particular Federal objectives, such as fish and wildlife enhancement or other features that are normally nonreimbursable.

Mr. President, neither of these measures should be viewed as a final product, and they are not mutually exclusive. Given the timing, I thought it would be useful to have both measures introduced so that they could be reviewed by the States and water users as well as by the administration and other interested parties with sufficient time to permit Congress to consider the concepts this session. While I am not prepared to announce a schedule of hearings at this time, I do want to indicate to my colleagues that I do intend to have the Subcommittee on Forests and Public Land Management of the Committee on Energy and Natural Resources conduct hearings early this year.●

By Mr. HOLLINGS:

S. 1566. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Marsh Grass Too*; to the Committee on Commerce, Science, and Transportation.

TRADING PRIVILEGES LEGISLATION

Mr. HOLLINGS. Mr. President, I am introducing a bill today to direct that the vessel *Marsh Grass Too*, hull identification number AUKEV51139K690, be accorded coastwise trading privileges and be issued a certificate of documentation under section 12103 of title 46, U.S. Code.

The *Marsh Grass Too* was recently constructed in Australia and is a catamaran intended for use as a recreational vessel. The vessel is 28 feet in length, capable of accommodating 12 people, and is self-propelled.

The vessel is owned by Marsha Hass of South Carolina. Ms. Hass would like to utilize her vessel in the coastwise trade and fisheries of the United States. However, because the vessel was built in a foreign shipyard, it does not meet the requirements for coastwise license endorsement in the United States. The *Marsh Grass Too* is a catamaran, a vessel U.S. shipbuilders do not normally build. This particular vessel is built of kevlar, a product of DuPont, and would be imported into the United States as a bare hull. All motors, electronics, and accessories will be purchased and installed in the United States. Coastwise documentation is mandatory to enable the owner to use the vessel for its intended purpose.

The owner of the *Marsh Grass Too* is seeking a waiver of the existing law because she wishes to use the vessel for recreational charters. Her desired intentions for the vessel's use will not adversely affect the coastwise trade in U.S. waters. If she is granted this waiver, it is her intention to comply fully with U.S. documentation and safety requirements. The purpose of the legislation I am introducing is to allow the *Marsh Grass Too* to engage in the coastwise trade and the fisheries of the United States.

ADDITIONAL COSPONSORS

S. 295

At the request of Mrs. KASSEBAUM, the names of the Senator from Alabama [Mr. SHELBY] and the Senator from North Carolina [Mr. FAIRCLOTH] were added as cosponsors of S. 295, a bill to permit labor management cooperative efforts that improve America's economic competitiveness to continue to thrive, and for other purposes.

S. 743

At the request of Mrs. HUTCHISON, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 743, a bill to amend the Internal Revenue Code of 1986 to provide a tax credit for investment necessary to revitalize communities within the United States, and for other purposes.

S. 837

At the request of Mr. WARNER, the names of the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from Nevada [Mr. REID], and the Senator from Texas [Mrs. HUTCHISON] were added as cosponsors of S. 837, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 250th anniversary of the birth of James Madison.

S. 881

At the request of Mr. PRYOR, the name of the Senator from Texas [Mrs. HUTCHISON] was added as a cosponsor of S. 881, a bill to amend the Internal Revenue Code of 1986 to clarify provisions relating to church pension benefit plans, to modify certain provisions relating to participants in such plans, to reduce the complexity of and to bring workable consistency to the applicable rules, to promote retirement savings and benefits, and for other purposes.

S. 1028

At the request of Mrs. KASSEBAUM, the names of the Senator from Nevada [Mr. BRYAN] and the Senator from Missouri [Mr. BOND] were added as cosponsors of S. 1028, a bill to provide increased access to health care benefits, to provide increased portability of health care benefits, to provide increased security of health care benefits, to increase the purchasing power of individuals and small employers, and for other purposes.

S. 1344

At the request of Mr. HEFLIN, the names of the Senator from South Dakota [Mr. DASCHLE] and the Senator from Massachusetts [Mr. KENNEDY] were added as cosponsors of S. 1344, a bill to repeal the requirement relating to specific statutory authorization for increases in judicial salaries, to provide for automatic annual increases for judicial salaries, and for other purposes.

S. 1434

At the request of Mr. THOMAS, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 1434, a bill to amend the Congressional Budget Act of 1974 to provide for a two-year (biennial) budgeting cycle, and for other purposes.

S. 1505

At the request of Mr. LOTT, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 1505, a bill to reduce risk to public safety and the environment associated with pipeline transportation of natural gas and hazardous liquids, and for other purposes.

SENATE RESOLUTION 219

At the request of Mr. SPECTER, the names of the Senator from Oklahoma [Mr. INHOFE], the Senator from New York [Mr. MOYNIHAN], the Senator from South Carolina [Mr. HOLLINGS], and the Senator from Delaware [Mr. ROTH] were added as cosponsors of Senate Resolution 219, a resolution designating March 25, 1996 as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

AMENDMENT NO. 3225

At the request of Mr. SANTORUM the names of the Senator from Rhode Island [Mr. CHAFEE] and the Senator from Nevada [Mr. REID] were added as cosponsors of amendment No. 3225 proposed to S. 1541, a bill to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes.

At the request of Mr. LAUTENBERG his name was added as a cosponsor of amendment No. 3225 proposed to S. 1541, supra.

At the request of Mr. MCCAIN his name was added as a cosponsor of amendment No. 3225 proposed to S. 1541, supra.

AMENDMENT NO. 3277

At the request of Mr. HATCH the names of the Senator from Iowa [Mr. HARKIN] and the Senator from Kentucky [Mr. MCCONNELL] were added as cosponsors of amendment No. 3277 proposed to S. 1541, a bill to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes.

AMENDMENT NO. 3442

At the request of Mr. KOHL the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of amendment No. 3442 proposed to S. 1541, a bill to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes.

SENATE CONCURRENT RESOLUTION 41—RELATIVE TO THE GEORGE WASHINGTON UNIVERSITY

Mr. INOUYE submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 41

Whereas on February 9, 1821, the United States Congress chartered Columbian College (renamed The George Washington University in 1904);

Whereas President James Monroe signed The George Washington University's charter and attended the University's historic first commencement ceremony;

Whereas Congress adjourned to join President Monroe for The George Washington University's first commencement ceremony;

Whereas in 1825 The George Washington University added a medical curriculum with facilities that throughout the following years have contributed greatly to the Nation, including conversion of its teaching infirmary into a military hospital during the Civil War;

Whereas from that time forward, The George Washington University's medical facilities have provided treatment to patients ranging from kings and presidents to the indigent and the homeless;

Whereas The George Washington University has in its 175 years contributed to the educational, cultural, and political enrichment of the Nation through its synergistic associations with the Federal establishment and its branches and agencies;

Whereas The George Washington University is now the largest higher education institution in the Nation's capital, providing educational services to some 19,000 undergraduate, graduate, and professional students annually;

Whereas The George Washington University has rendered continuing and exemplary service to the country through the achievement of its educational mission; and

Whereas The George Washington University's distinguished alumni hold prominent positions in business, law, government, medicine, and the arts and sciences: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) The George Washington University has been and continues to be of exceptional importance to the Nation; and

(2) the importance of The George Washington University should be recognized and celebrated through regular ceremonies.

Mr. INOUYE. Mr. President, I rise today to speak about my alma mater, the George Washington University, chartered by the Congress of the United States 175 years ago, on February 9, 1821.

Those of us who have a George Washington University degree—whether it be in law, medicine, engineering, education, business, or international affairs—have reason to celebrate this occasion. What was once merely a university of convenience usefully located in the Nation's capital, has in our own time taken its place among the premier institutions of higher learning in the country.

Among this illustrious company, few have had such unpromising beginnings. Some universities come into being endowed by land grants or can boast a distinguished founder like a John Harvard or a Thomas Jefferson. The George Washington University—or Columbian College, as it was called when the Congress chartered it in 1821—owed its origins to an obscure Baptist clergyman named Luther Rice. Today, 175 years later, it has achieved a name recognition that is international in scope, drawing students and scholars from all quarters of the globe. The university takes great pride in its distinguished graduates, among them: John Foster Dulles, J. William Fulbright, Gen. Billy Mitchell, Gen. Colin Powell, Gen. John Shalikashvili, and Jacqueline Kennedy Onassis, to name a few.

I had the privilege of receiving my law degree from the George Washington University. My experiences during my legal studies were largely responsible for my decision to enter public life and run for elective office. I am grateful that I had the opportunities that come from studying and living in the Nation's capital as a young man.

It is with great pleasure that I submit today a resolution in celebration of the 175th anniversary of the George Washington University's illustrious role in our Nation's academic and political lives.

SENATE RESOLUTION 225—RELATIVE TO BOSNIA AND HERZEGOVINA

Mr. ROBB submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 225

Whereas units of the Iranian Revolutionary Guards, including military trainers and intelligence officers posing as humanitarian relief officials, are still present in Bosnia-Herzegovina;

Whereas the presence of the Revolutionary Guards in Bosnia-Herzegovina violates the peace accord initialed in Dayton, Ohio, on November 21, 1995 and the subsequent treaty signed in Paris, France, on December 14, 1995, which provide that all foreign volunteer troops be withdrawn from Bosnia-Herzegovina within 30 days of the signing of the treaty, that is, January 13, 1996;

Whereas the commanders of the NATO Implementation Force in Bosnia-Herzegovina consider the activities of the Revolutionary Guards in Bosnia-Herzegovina, including their espousal and promotion of extremist Islamic fundamentalism, to be one of the most direct threats to the safety of United States forces in Bosnia-Herzegovina;

Whereas the continued presence of the Revolutionary Guards in Bosnia-Herzegovina threatens long-term stability in the region; and

Whereas the continuation of arms shipments from Iran to Bosnia-Herzegovina could preclude the United States from fulfilling its promise of providing military equipment and training to Bosnia-Herzegovina: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President should—

(1) pursue all measures necessary, including substantial diplomatic pressure on Bosnia-Herzegovina, to expedite the withdrawal from Bosnia-Herzegovina, of all foreign troops whose presence in Bosnia-Herzegovina violates the peace accord initialed in Dayton, Ohio, on November 21, 1995, and the subsequent treaty signed in Paris, France, on December 14, 1995;

(2) bring in the United Nations a proposal to ban Member States from importing Iranian oil in order to pressure the Iranian Government into withdrawing the Iranian Revolutionary Guards from Bosnia-Herzegovina; and

(3) establish within the NATO Implementation Force in Bosnia-Herzegovina a multinational task force whose mission shall be, if called upon, to locate and ensure the withdrawal of the Revolutionary Guards from Bosnia-Herzegovina.

• Mr. ROBB. Mr. President, under the leadership of Adm. Leighton Smith, the NATO Implementation Force has made marked progress in war-torn Bosnia and Herzegovina during the first 2 months of Operation Joint Endeavor.

As an aside, I should mention that, as a member of all three national security committees, including Armed Services, Foreign Relations, and Intelligence, I am privy to significant amounts of classified information related to Bosnia. For the purpose of this open discussion, however, I will refer solely to information widely available in the public record.

The news media report that much has been accomplished so far in coming to terms with the Dayton Peace Agreement:

First, with only a few exceptions, the Bosnian Serbs and the Muslim-Croat Federation have observed the cease-fire.

Second, the warring parties have stepped back and are today in substantial compliance with the 4-kilometer zone of separation.

Third, the adversaries have removed their heavy weapons to points that pose no apparent or immediate threat to our forces.

Fourth, the locations of roughly a quarter of the estimated 3 million land mines that plague Bosnia have been identified. Still, this threat to security remains one of the most troublesome—as witnessed by the fact that more than a dozen IFOR troops have been killed or wounded by mines so far.

Fifth, freedom of movement along Bosnia's roads is returning to normal, which is a requisite step to allowing hundreds of thousands of refugees to return to their homes.

In short, the Implementation Force has taken the necessary first steps for Bosnia and Herzegovina to get back on its feet as a peaceful community in this historically war-ravaged region of Europe.

But, even with all of these NATO successes, we must also recognize that all has not gone according to plan. In fact, there remains a clear danger to the peacekeepers.

Today, according to published news reports, there remains a band of about 200 Iranian revolutionary guards in northern Bosnia, many apparently in the United States sector. This band of well-trained soldiers is well-named in that they are Iran's primary instrument for exporting its Islamic revolution.

For more than 3 years, according to the Reuters News Service, these revolutionary guards have served primarily as military advisers and commanders. They reportedly draw their logistical and other support from Iran's Embassy in Croatia. They have not only been training a brigade of Bosnian Moslems in military doctrine and tactics, they have also been teaching them the tenets of radical, extremist Islamic fundamentalism, according to the Washington Post.

Moreover, their continued presence is an indication of the Bosnian Moslem government's inability to comply with the provision in the Dayton Peace Agreement that mandates the expulsion of all foreign volunteer fighters in Bosnia. This presence, combined with Iran's criticism of the Dayton Accord as unjust to the Bosnian Moslems, is cause for concern. Their presence sounds the same alarm bells that we failed to heed a decade ago in Lebanon, with tragic consequences.

Those bells have tolled even louder in the last few days. According to the New York Times, an American who uses the names Kevin Holt and Isa Abdullah Ali has been sighted in Bosnia. U.S. troops have been ordered to arrest him as a possible suspect in the 1983 bombing of the Marine barracks in Beirut.

The Times also reports that the revolutionary guards have increased their surveillance of U.S. troop activities and are suspected of planning attacks against U.S. targets there. As a result, NATO forces were put on a state of alert on January 23. According to Secretary of Defense William Perry, "We will continue to maintain an alert."

U.S. commanders consider many of the remaining revolutionary guards as intelligence agents and terrorists. There is speculation that they hope to retaliate against the United States for its Middle East and antiterrorism policies and that they further hope to be able to sway the fragile balance of American public opinion on Operation Joint Endeavor.

When they believe the time is right, they may try to disrupt our operations and in turn, undermine the commitment of the North Atlantic Alliance to a peaceful settlement of the Balkans conflict.

That is why they must not be allowed to remain. At this point, the presence of Iran's revolutionary guards is the single most significant, near-term threat to Operation Joint Endeavor and to lasting peace on the continent. Landmines will no doubt continue to take their toll on the peacekeeping force, but the revolutionary guards appear to have offensive, revolutionary intent and that poses a real danger to our troops.

That is why, today, I have submitted a Senate resolution that calls for the administration to take three distinct actions:

First, it urges the administration to continue to exert strong diplomatic pressure on Bosnia and Herzegovina to comply with the provision of the Dayton Accord that states "all foreign Forces, including individual advisors, freedom fighters, trainers, volunteers, and personnel from neighboring and other States, shall be withdrawn from the territory of Bosnia and Herzegovina." We must make it clear that, as Secretary of State Warren Christopher has said, neither military equipment and training nor economic reconstruction assistance is forthcoming until the Bosnian Moslem government is "in compliance with the agreement."

Second, it urges the President to take to the United Nations the issue of Iran's revolutionary guards remaining in Bosnia in defiance of the Dayton Accord. The members of that international body must weigh the evidence and then take the appropriate action: placing an international embargo on all importation of Iranian oil until that nation recalls all of its military personnel stationed in Bosnia.

Third, it urges the administration to establish an operational task force from units of the Implementation Force. Should diplomacy and sanctions fail, it could be called upon to locate and ensure the withdrawal of the Iranian revolutionary guards from Bosnia. As stated in the Dayton Accord, IFOR troops are authorized to use necessary force to ensure compliance. The mere presence of a force specifically honed to deal with the revolutionary guards should give Iran both pause about terrorist actions in Bosnia and further motivation to withdraw them. To preclude the possibility of mission creep, any such task force would be deactivated immediately upon completion of the operation.

What is at risk if we do not expel the Iranian revolutionary guards from Bosnia and Herzegovina?

First and foremost, the lives of American troops and other NATO soldiers working to secure a lasting peace in Bosnia.

At risk is the security of such neighboring nations as Macedonia, Albania, and our NATO allies should the conflict spread further.

And at risk is an emerging security architecture for a post-cold-war Europe.

Mr. President, I hope all of our colleague can support this resolution. Together, we must increase pressure on the Bosnian Government to expel all foreign volunteer soldiers and in particular, those from Iran. Together, we must persuade the Government of Iran that its continuing presence in Bosnia and Herzegovina, as the United States leads the effort to bring that nation to peace, must come to an end—and now.●

AMENDMENTS SUBMITTED

THE AGRICULTURAL MARKET TRANSITION ACT OF 1996

BROWN (AND BURNS) AMENDMENT NO. 3443

Mr. BROWN (for himself and Mr. BURNS) proposed an amendment to amendment No. 3184 proposed by Mr. LEAHY to the bill (S. 1541) to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. . CLARIFICATION OF EFFECT OF RESOURCE PLANNING ON ALLOCATION OR USE OF WATER.

(a) NATIONAL FOREST SYSTEM RESOURCE PLANNING.—Section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604) is amended by adding at the end the following new subsection:

"(n) LIMITATION ON AUTHORITY.—Nothing in this section shall be construed to supersede, abrogate or otherwise impair any right or authority of a State to allocate quantities of water (including boundary waters). Nothing in this section shall be implemented, enforced, or construed to allow any officer or agency of the United States to utilize directly or indirectly the authorities established under this section to impose any requirement not imposed by the State which would supersede, abrogate, or otherwise impair rights to the use of water resources allocated under State law, interstate water compact, or Supreme Court decree, or held by the United States for use by a State, its political subdivisions, or its citizens. No water rights arise in the United States or any other person under the provisions of this Act."

(b) LAND USE PLANNING UNDER BUREAU OF LAND MANAGEMENT AUTHORITIES.—Section

202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712) is amended by adding at the end the following new subsection:

"(g) LIMITATION ON AUTHORITY.—Nothing in this section shall be construed to supersede, abrogate, or otherwise impair any right or authority of a State to allocate quantities of water (including boundary waters). Nothing in this section shall be implemented, enforced, or construed to allow any officer or agency of the United States to utilize directly or indirectly the authorities established under this section to impose any requirement not imposed by the State which would supersede, abrogate, or otherwise impair rights to the use of water resources allocated under State law, interstate compact, or Supreme Court decree, or held by the United States for use by a State, its political subdivisions, or its citizens. No water rights arise in the United States or any other person under the provisions of this Act."

(c) AUTHORIZATION TO GRANT RIGHTS-OF-WAY.—Section 501 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1761) is amended—

(1) in subsection (c)(1)—

(A) by striking subparagraph (B);

(B) in subparagraph (D), by striking "originally constructed";

(C) in subparagraph (G), by striking "1996" and inserting "1998"; and

(D) by redesignating subparagraphs (C) through (G) as subparagraphs (B) through (F), respectively;

(2) in subsection (c)(3)(A), by striking the second and third sentences; and

(3) by adding at the end the following new subsection:

"(e) EFFECT ON VALID EXISTING RIGHTS.—Notwithstanding any provision of this section, no Federal agency may require, as a condition of, or in connection with, the granting, issuance, or renewal of a right-of-way under this section, a restriction or limitation on the operation, use, repair, or replacement of an existing water supply facility which is located on or above National Forest lands or the exercise and use of existing water rights, if such condition would reduce the quantity of water which would otherwise be made available for use by the owner of such facility or water rights, or cause an increase in the cost of the water supply provided from such facility."

LUGAR AMENDMENT NO. 3444

Mr. LUGAR proposed an amendment to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 1-8, line 13, after "was considered planted", insert the following: ", including land on a farm that is owned or leased by a beginning farmer (as determined by the Secretary) that the Secretary determines is necessary to establish a fair and equitable crop acreage base".

On page 1-11, line 19, strike "$17,000,000,000" and insert "$17,000,000".

On page 1-17, strike lines 14 through 17 and insert the following:

(ii) CONTRACT COMMODITIES.—Contract acreage planted to a contract commodity during the crop year may be hayed or grazed without limitation.

On page 1-18, line 7, before the period, insert the following: ", unless there is a history of double cropping of a contract commodity and fruits and vegetables".

On page 1-26, strike lines 16 through 25 and insert the following:

(6) OILSEEDS.—

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be—

(i) not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $4.92 or more than $5.26 per bushel.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rate for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be—

(i) not less than 85 percent of the simple average price received by producers of sunflower seed, individually, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of sunflower seed, individually, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $0.087 or more than $0.093 per pound.

On page 1-50, between lines 21 and 22, insert the following:

(5) REDUCTION FOR CERTAIN OFFERS FROM HANDLERS.—The Secretary shall reduce the loan rate for quota peanuts by 5 percent for any producer who had an offer from a handler, at the time and place of delivery, to purchase quota peanuts from the farm on which the peanuts were produced at a price equal to or greater than the applicable loan rate for quota peanuts.

On page 1-62, strike lines 4 and 5 and insert the following:

through 2002 marketing years";

(v) in subsection (b)(1), by adding at the end the following:

"(D) CERTAIN FARMS INELIGIBLE FOR QUOTA.—Effective beginning with the 1997 marketing year, the Secretary shall not establish a farm poundage quota under subparagraph (A) for a farm owned or controlled by—

"(i) a municipality, airport authority, school, college, refuge, or other public entity (other than a university used for research purposes); or

"(ii) a person who is not a producer and resides in another State.";

(vi) in subsection (b)(2), by adding at the end the following:

"(E) TRANSFER OF QUOTA FROM INELIGIBLE FARMS.—Any farm poundage quota held at the end of the 1996 marketing year by a farm described in paragraph (1)(D) shall be allocated to other farms in the same State on such basis as the Secretary may by regulation prescribe."; and

(vii) in subsection (f), by striking

On page 1-55, strike lines 4 through 23 and insert the following:

(3) OFFSET WITHIN AREA.—Further losses in an area quota pool shall be offset by any gains or profits from additional peanuts (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) owned or controlled by the Commodity Credit Corporation in that area and sold for domestic edible use, in accordance with regulations issued by the Secretary.

(4) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under subsection (g) (except funds attributable to handlers) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(5) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358-1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358-1(b)(8)), shall be offset by any gains or profits from quota pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(6) OFFSET GENERALLY.—If losses in an area quota pool have not been entirely offset under paragraph (3), further losses shall be offset by any gains or profits from additional peanuts (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) owned or controlled by the Commodity Credit Corporation and sold for domestic edible use, in accordance with regulations issued by the Secretary.

(7) INCREASED ASSESSMENTS.—If use of the

On page 1-73, strike lines 12 through 14 and insert the following:

SEC. 108. MILK PROGRAM.

(a) FLUID MILK PROMOTION PROGRAM EXTENSION.—Section 1999O(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6614(a)) is amended by striking "1996" and inserting "2002".

(b) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

Strike title II and insert the following:

TITLE II—AGRICULTURAL TRADE

Subtitle A—Amendments to Agricultural Trade Development and Assistance Act of 1954 and Related Statutes

SEC. 201. FOOD AID TO DEVELOPING COUNTRIES.

(a) IN GENERAL.—Section 3 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691a) is amended to read as follows:

"SEC. 3. FOOD AID TO DEVELOPING COUNTRIES.

"(a) POLICY.—In light of the Uruguay Round Agreement on Agriculture and the Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Program on Least-Developed and Net-Food Importing Developing Countries, the United States reaffirms the commitment of the United States to providing food aid to developing countries.

"(b) SENSE OF CONGRESS.—It is the sense of Congress that—

"(1) the President should initiate consultations with other donor nations to consider appropriate levels of food aid commitments to meet the legitimate needs of developing countries; and

"(2) the United States should increase its contribution of bona fide food assistance to developing countries consistent with the Agreement on Agriculture.".

(b) CONFORMING AMENDMENT.—Section 411 of the Uruguay Round Agreements Act (19 U.S.C. 3611) is amended by striking subsection (e).

SEC. 202. TRADE AND DEVELOPMENT ASSISTANCE.

Section 101 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701) is amended—

(1) by striking "developing countries" each place it appears and inserting "developing countries and private entities"; and

(2) in subsection (b), by inserting "and entities" before the period at the end.

SEC. 203. AGREEMENTS REGARDING ELIGIBLE COUNTRIES AND PRIVATE ENTITIES.

Section 102 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1702) is amended to read as follows:

"SEC. 102. AGREEMENTS REGARDING ELIGIBLE COUNTRIES AND PRIVATE ENTITIES.

"(a) PRIORITY.—In selecting agreements to be entered into under this title, the Secretary shall give priority to agreements providing for the export of agricultural commodities to developing countries that—

"(1) have the demonstrated potential to become commercial markets for competitively priced United States agricultural commodities;

"(2) are undertaking measures for economic development purposes to improve food security and agricultural development, alleviate poverty, and promote broad-based equitable and sustainable development; and

"(3) demonstrate the greatest need for food.

"(b) PRIVATE ENTITIES.—An agreement entered into under this title with a private entity shall require such security, or such other provisions as the Secretary determines necessary, to provide reasonable and adequate assurance of repayment of the financing extended to the private entity.

"(c) AGRICULTURAL MARKET DEVELOPMENT PLAN.—

"(1) DEFINITION OF AGRICULTURAL TRADE ORGANIZATION.—In this subsection, the term 'agricultural trade organization' means a United States agricultural trade organization that promotes the export and sale of a United States agricultural commodity and that does not stand to profit directly from the specific sale of the commodity.

"(2) PLAN.—The Secretary shall consider a developing country for which an agricultural market development plan has been approved under this subsection to have the demonstrated potential to become a commercial market for competitively priced United States agricultural commodities for the purpose of granting a priority under subsection (a).

"(3) REQUIREMENTS.—

"(A) IN GENERAL.—To be approved by the Secretary, an agricultural market development plan shall—

"(i) be submitted by a developing country or private entity, in conjunction with an agricultural trade organization;

"(ii) describe a project or program for the development and expansion of a United States agricultural commodity market in a developing country, and the economic development of the country, using funds derived from the sale of agricultural commodities received under an agreement described in section 101;

"(iii) provide for any matching funds that are required by the Secretary for the project or program;

"(iv) provide for a results-oriented means of measuring the success of the project or program; and

"(v) provide for graduation to the use of non-Federal funds to carry out the project or program, consistent with requirements established by the Secretary.

"(B) AGRICULTURAL TRADE ORGANIZATION.—The project or program shall be designed and carried out by the agricultural trade organization.

"(C) ADDITIONAL REQUIREMENTS.—An agricultural market development plan shall contain such additional requirements as are determined necessary by the Secretary.

"(4) ADMINISTRATIVE COSTS.—

"(A) IN GENERAL.—The Secretary shall make funds made available to carry out this title available for the reimbursement of administrative expenses incurred by agricultural trade organizations in developing, implementing, and administering agricultural market development plans, subject to such requirements and in such amounts as the Secretary considers appropriate.

"(B) DURATION.—The funds shall be made available to agricultural trade organizations for the duration of the applicable agricultural market development plan.

"(C) TERMINATION.—The Secretary may terminate assistance made available under this subsection if the agricultural trade organization is not carrying out the approved agricultural market development plan.".

SEC. 204. TERMS AND CONDITIONS OF SALES.

Section 103 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1703) is amended—

(1) in subsection (a)(2)(A)—

(A) by striking "a recipient country to make"; and

(B) by striking "such country" and inserting "the appropriate country";

(2) in subsection (c), by striking "less than 10 nor"; and

(3) in subsection (d)—

(A) by striking "recipient country" and inserting "developing country or private entity"; and

(B) by striking "7" and inserting "5".

SEC. 205. USE OF LOCAL CURRENCY PAYMENT.

Section 104 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704) is amended—

(1) in subsection (a), by striking "recipient country" and inserting "developing country or private entity"; and

(2) in subsection (c)—

(A) by striking "recipient country" each place it appears and inserting "appropriate developing country"; and

(B) in paragraph (3), by striking "recipient countries" and inserting "appropriate developing countries".

SEC. 206. VALUE-ADDED FOODS.

Section 105 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1705) is repealed.

SEC. 207. ELIGIBLE ORGANIZATIONS.

"(a) IN GENERAL.—Section 202 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1722) is amended—

(1) by striking subsection (b) and inserting the following:

"(b) NONEMERGENCY ASSISTANCE.—

"(1) IN GENERAL.—The Administrator may provide agricultural commodities for nonemergency assistance under this title through eligible organizations (as described in subsection (d)) that have entered into an agreement with the Administrator to use the commodities in accordance with this title.

"(2) LIMITATION.—The Administrator may not deny a request for funds submitted under this subsection because the program for which the funds are requested—

"(A) would be carried out by the eligible organization in a foreign country in which the Agency for International Development does not have a mission, office, or other presence; or

"(B) is not part of a development plan for the country prepared by the Agency."; and

(2) in subsection (e)—

(A) in the subsection heading, by striking "PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES" and inserting "ELIGIBLE ORGANIZATIONS";

(B) in paragraph (1)—

(i) by striking "$13,500,000" and inserting "$28,000,000"; and

(ii) by striking "private voluntary organizations and cooperatives to assist such organizations and cooperatives" and inserting "eligible organizations described in subsection (d), to assist the organizations";

(C) by striking paragraph (2) and inserting the following:

"(2) REQUEST FOR FUNDS.—To receive funds made available under paragraph (1), a private voluntary organization or cooperative shall submit a request for the funds that is subject to approval by the Administrator."; and

(D) in paragraph (3), by striking "a private voluntary organization or cooperative, the Administrator may provide assistance to that organization or cooperative" and inserting "an eligible organization, the Administrator may provide assistance to the eligible organization".

(b) CONFORMING AMENDMENTS.—Section 207 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726a) is amended—

(1) in subsection (a), by striking "a private voluntary organization or cooperative" and inserting "an eligible organization"; and

(2) in subsection (b)—

(A) in paragraph (1), by striking "private voluntary organizations and cooperatives" and inserting "eligible organizations"; and

(B) in paragraph (2), by striking "organizations, cooperatives," and inserting "eligible organizations".

SEC. 208. GENERATION AND USE OF FOREIGN CURRENCIES.

Section 203 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1723) is amended—

(1) in subsection (a), by inserting ", or in a country in the same region," after "in the recipient country";

(2) in subsection (b)—

(A) by inserting "or in countries in the same region," after "in recipient countries,"; and

(B) by striking "10 percent" and inserting "15 percent";

(3) in subsection (c), by inserting "or in a country in the same region," after "in the recipient country,"; and

(4) in subsection (d)(2), by inserting "or within a country in the same region" after "within the recipient country".

SEC. 209. GENERAL LEVELS OF ASSISTANCE UNDER PUBLIC LAW 480.

Section 204(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724(a)) is amended—

(1) in paragraph (1), by striking "amount that" and all that follows through the period at the end and inserting "amount that for each of fiscal years 1996 through 2002 is not less than 2,025,000 metric tons.";

(2) in paragraph (2), by striking "amount that" and all that follows through the period at the end and inserting "amount that for each of fiscal years 1996 through 2002 is not less than 1,550,000 metric tons."; and

(3) in paragraph (3), by adding at the end the following: "No waiver shall be made before the beginning of the applicable fiscal year.".

SEC. 210. FOOD AID CONSULTATIVE GROUP.

Section 205 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1725) is amended—

(1) in subsection (a), by striking "private voluntary organizations, cooperatives and indigenous non-governmental organizations" and inserting "eligible organizations described in section 202(d)(1)";

(2) in subsection (b)—

(A) in paragraph (2), by striking "for International Affairs and Commodity Programs" and inserting "of Agriculture for Farm and Foreign Agricultural Services";

(B) in paragraph (4), by striking "and" at the end;

(C) in paragraph (5), by striking the period at the end and inserting "; and"; and

(D) by adding at the end the following:

"(6) representatives from agricultural producer groups in the United States.";

(3) in the second sentence of subsection (d), by inserting "(but at least twice per year)" after "when appropriate"; and

(4) in subsection (f), by striking "1995" and inserting "2002".

SEC. 211. SUPPORT OF NONGOVERNMENTAL ORGANIZATIONS.

(a) IN GENERAL.—Section 306(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1727e(b)) is amended—

(1) in the subsection heading, by striking "INDIGENOUS NON-GOVERNMENTAL" and inserting "NONGOVERNMENTAL"; and

(2) by striking "utilization of indigenous" and inserting "utilization of".

(b) CONFORMING AMENDMENT.—Section 402 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1732) is amended by striking paragraph (6) and inserting the following:

"(6) NONGOVERNMENTAL ORGANIZATION.—The term 'nongovernmental organization' means an organization that works at the local level to solve development problems in a foreign country in which the organization is located, except that the term does not include an organization that is primarily an agency or instrumentality of the government of the foreign country.".

SEC. 212. COMMODITY DETERMINATIONS.

Section 401 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1731) is amended—

(1) by striking subsections (a) through (d) and inserting the following:

"(a) AVAILABILITY OF COMMODITIES.—No agricultural commodity shall be available for disposition under this Act if the Secretary determines that the disposition would reduce the domestic supply of the commodity below the supply needed to meet domestic requirements and provide adequate carryover (as determined by the Secretary), unless the Secretary determines that some part of the supply should be used to carry out urgent humanitarian purposes under this Act.";

(2) by redesignating subsections (e) and (f) as subsections (b) and (c), respectively; and

(3) in subsection (c) (as so redesignated), by striking "(e)(1)" and inserting "(b)(1)".

SEC. 213. GENERAL PROVISIONS.

Section 403 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733) is amended—

(1) in subsection (b)—

(A) in the subsection heading, by striking "CONSULTATIONS" and inserting "IMPACT ON LOCAL FARMERS AND ECONOMY"; and

(B) by striking "consult with" and all that follows through "other donor organizations to";

(2) in subsection (c)—

(A) by striking "from countries"; and

(B) by striking "for use" and inserting "or use";

(3) in subsection (f)—

(A) by inserting "or private entities, as appropriate," after "from countries"; and

(B) by inserting "or private entities" after "such countries"; and

(4) in subsection (i)(2), by striking subparagraph (C).

SEC. 214. AGREEMENTS.

Section 404 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1734) is amended—

(1) in subsection (a), by inserting "with foreign countries" after "Before entering into agreements";

(2) in subsection (b)(2)—

(A) by inserting "with foreign countries" after "with respect to agreements entered into"; and

(B) by inserting before the semicolon at the end the following: "and broad-based economic growth"; and

(3) in subsection (c), by striking paragraph (1) and inserting the following:

"(1) IN GENERAL.—Agreements to provide assistance on a multi-year basis to recipient countries or to eligible organizations—

"(A) may be made available under titles I and III; and

"(B) shall be made available under title II.".

SEC. 215. USE OF COMMODITY CREDIT CORPORATION.

Section 406 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736) is amended—

(1) in subsection (a), by striking "shall" and inserting "may"; and

(2) in subsection (b)—

(A) by inserting "titles II and III of" after "commodities made available under"; and

(B) by striking paragraph (4) and inserting the following:

"(4) the vessel freight charges from United States ports or designated Canadian transshipment ports, as determined by the Secretary, to designated ports of entry abroad;".

SEC. 216. ADMINISTRATIVE PROVISIONS.

Section 407 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736a) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by inserting "or private entity that enters into an agreement under title I" after "importing country"; and

(B) in paragraph (2), by adding at the end the following: "Resulting contracts may contain such terms and conditions as the Secretary determines are necessary and appropriate.";

(2) in subsection (c)—

(A) in paragraph (1)(A), by inserting "importer or" before "importing country"; and

(B) in paragraph (2)(A), by inserting "importer or" before "importing country";

(3) in subsection (d)—

(A) by striking paragraph (2) and inserting the following:

"(2) FREIGHT PROCUREMENT.—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) or other similar provisions of law relating to the making or performance of Federal Government contracts, ocean transportation under titles II and III may be procured on the basis of such full and open competitive procedures. Resulting contracts may contain such terms and conditions, as the Administrator determines are necessary and appropriate."; and

(B) by striking paragraph (4);

(4) in subsection (g)(2)—

(A) in subparagraph (B), by striking "and" at the end;

(B) in subparagraph (C), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(D) an assessment of the progress towards achieving food security in each country receiving food assistance from the United States Government, with special emphasis on the nutritional status of the poorest populations in each country."; and

(5) by striking subsection (h).

SEC. 217. EXPIRATION DATE.

Section 408 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736b) is amended by striking "1995" and inserting "2002".

SEC. 218. REGULATIONS.

Section 409 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736c) is repealed.

SEC. 219. INDEPENDENT EVALUATION OF PROGRAMS.

Section 410 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736d) is repealed.

SEC. 220. AUTHORIZATION OF APPROPRIATIONS.

Section 412 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736f) is amended—

(1) by striking subsections (b) and (c) and inserting the following:

"(b) TRANSFER OF FUNDS.—Notwithstanding any other provision of law, the President may direct that—

"(1) up to 15 percent of the funds available for any fiscal year for carrying out any title of this Act be used to carry out any other title of this Act; and

"(2) any funds available for title III be used to carry out title II."; and

(2) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

SEC. 221. COORDINATION OF FOREIGN ASSISTANCE PROGRAMS.

Section 413 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736g) is amended by inserting "title III of" before "this Act" each place it appears.

SEC. 222. MICRONUTRIENT FORTIFICATION PILOT PROGRAM.

Title IV of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1731 et seq.) is amended by adding at the end the following:

"SEC. 415. MICRONUTRIENT FORTIFICATION PILOT PROGRAM.

"(a) IN GENERAL.—Not later than September 30, 1997, the Secretary, in consultation with the Administrator, shall establish a micronutrient fortification pilot program under this Act. The purposes of the program shall be to—

"(1) assist developing countries in correcting micronutrient dietary deficiencies among segments of the populations of the countries; and

"(2) encourage the development of technologies for the fortification of whole grains and other commodities that are readily transferable to developing countries.

"(b) SELECTION OF PARTICIPATING COUNTRIES.—From among the countries eligible for assistance under this Act, the Secretary may select not more than 5 developing countries to participate in the pilot program.

"(c) FORTIFICATION.—Under the pilot program, whole grains and other commodities made available to a developing country selected to participate in the pilot program may be fortified with 1 or more micronutrients (including vitamin A, iron, and iodine) with respect to which a substantial portion of the population in the country are deficient. The commodity may be fortified in the United States or in the developing country.

"(d) TERMINATION OF AUTHORITY.—The authority to carry out the pilot program established under this section shall terminate on September 30, 2002.".

SEC. 223. USE OF CERTAIN LOCAL CURRENCY.

Title IV of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1731 et seq.) (as amended by section 222) is further amended by adding at the end the following:

"SEC. 416. USE OF CERTAIN LOCAL CURRENCY.

"Local currency payments received by the United States pursuant to agreements entered into under title I (as in effect on November 27, 1990) may be utilized by the Secretary in accordance with section 108 (as in effect on November 27, 1990).".

SEC. 224. LEVELS OF ASSISTANCE UNDER FARMER-TO-FARMER PROGRAM.

Section 501 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1737) is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (4) through (6) as paragraphs (5) through (7), respectively; and

(B) by inserting after paragraph (3) the following:

"(4) assist the travel of farmers and other agricultural professionals from developing countries, middle income countries, and emerging democracies to the United States for educational purposes consistent with the objectives of this section;"; and

(2) in subsection (c), by striking "1991 through 1995" and inserting "1996 through 2002".

SEC. 225. FOOD SECURITY COMMODITY RESERVE.

(a) In General.—Title III of the Agricultural Act of 1980 (7 U.S.C. 1736f–1 et seq.) is amended to read as follows:

"TITLE III—FOOD SECURITY COMMODITY RESERVE

"SEC. 301. SHORT TITLE.

"This title may be cited as the 'Food Security Commodity Reserve Act of 1996'.

"SEC. 302. ESTABLISHMENT OF COMMODITY RESERVE.

"(a) In General.—To provide for a reserve solely to meet emergency humanitarian food needs in developing countries, the Secretary of Agriculture (referred to in this title as the 'Secretary') shall establish a reserve stock of wheat, rice, corn, or sorghum, or any combination of the commodities, totalling not more than 4,000,000 metric tons for use as described in subsection (c).

"(b) Commodities in Reserve.—

"(1) In general.—The reserve established under this section shall consist of—

"(A) wheat in the reserve established under the Food Security Wheat Reserve Act of 1980 as of the effective date of the Agricultural Reform and Improvement Act of 1996;

"(B) wheat, rice, corn, and sorghum (referred to in this section as 'eligible commodities') acquired in accordance with paragraph (2) to replenish eligible commodities released from the reserve, including wheat to replenish wheat released from the reserve established under the Food Security Wheat Reserve Act of 1980 but not replenished as of the effective date of the Agricultural Reform and Improvement Act of 1996; and

"(C) such rice, corn, and sorghum as the Secretary may, at such time and in such manner as the Secretary determines appropriate, acquire as a result of exchanging an equivalent value of wheat in the reserve established under this section.

"(2) Replenishment of reserve.—

"(A) In general.—Subject to subsection (i), commodities of equivalent value to eligible commodities in the reserve established under this section may be acquired—

"(i) through purchases—

"(I) from producers; or

"(II) in the market, if the Secretary determines that the purchases will not unduly disrupt the market; or

"(ii) by designation by the Secretary of stocks of eligible commodities of the Commodity Credit Corporation.

"(B) Funds.—Any use of funds to acquire eligible commodities through purchases from producers or in the market to replenish the reserve must be authorized in an appropriation Act.

"(c) Release of Eligible Commodities.—

"(1) Emergency food assistance.—Notwithstanding any other law, eligible commodities designated or acquired for the reserve established under this section may be released by the Secretary to provide, on a donation or sale basis, emergency food assistance to developing countries at such time as the domestic supply of the eligible commodities is so limited that quantities of the eligible commodities cannot be made available for disposition under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) (other than disposition for urgent humanitarian purposes under section 401 of the Act (7 U.S.C. 1731)).

"(2) Provision of urgent humanitarian relief.—

"(A) In general.—Notwithstanding paragraph (1), eligible commodities may be released from the reserve established under this section for any fiscal year, without regard to the availability of domestic supply, for use under title II of the Agricultural Trade Development Assistance Act of 1954 (7 U.S.C. 1721 et seq.) in providing urgent humanitarian relief in any developing country suffering a major disaster (as determined by the Secretary) in accordance with this paragraph.

"(B) Exceptional need.—If the eligible commodities needed for relief cannot be made available for relief in a timely manner under the normal means of obtaining eligible commodities for food assistance because of circumstances of unanticipated and exceptional need, up to 500,000 metric tons of eligible commodities may be released under subparagraph (A).

"(C) Funds.—If the Secretary certifies that the funds made available for a fiscal year to carry out title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.) are not less than the funds made available for the previous fiscal year, up to 1,000,000 metric tons of eligible commodities may be released under subparagraph (A).

"(D) Waiver of minimum tonnage requirements.—Nothing in this paragraph shall require the exercise of the waiver under section 204(a)(3) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 5624(a)(3)) as a prerequisite for the release of eligible commodities under this paragraph.

"(E) Limitation.—The quantity of eligible commodities released under this paragraph may not exceed 1,000,000 metric tons in any fiscal year.

"(3) Processing of eligible commodities.—Eligible commodities that are released from the reserve established under this section may be processed in the United States and shipped to a developing country when conditions in the recipient country require processing.

"(4) Exchange.—The Secretary may exchange an eligible commodity for another United States commodity of equal value, including powdered milk, pulses, and vegetable oil.

"(d) Use of Eligible Commodities.—Eligible commodities that are released from the reserve established under this section for the purpose of subsection (c) shall be made available under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) to meet famine or other urgent or extraordinary relief needs, except that section 401 of the Act (7 U.S.C. 1731), with respect to determinations of availability, shall not be applicable to the release.

"(e) Management of Eligible Commodities.—The Secretary shall provide—

"(1) for the management of eligible commodities in the reserve established under this section as to location and quality of eligible commodities needed to meet emergency situations; and

"(2) for the periodic rotation or replacement of stocks of eligible commodities in the reserve to avoid spoilage and deterioration of the commodities.

"(f) Treatment of Reserve Under Other Law.—Eligible commodities in the reserve established under this section shall not be—

"(1) considered a part of the total domestic supply (including carryover) for the purpose of subsection (c) or for the purpose of administering the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.); and

"(2) subject to any quantitative limitation on exports that may be imposed under section 7 of the Export Administration Act of 1979 (50 U.S.C. App. 2406).

"(g) Use of Commodity Credit Corporation.—

"(1) In general.—Subject to the limitations provided in this section, the funds, facilities, and authorities of the Commodity Credit Corporation shall be used by the Secretary in carrying out this section, except that any restriction applicable to the acquisition, storage, or disposition of eligible commodities owned or controlled by the Commodity Credit Corporation shall not apply.

"(2) Reimbursement.—

"(A) In general.—The Commodity Credit Corporation shall be reimbursed for the release of eligible commodities from funds made available to carry out the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.).

"(B) Basis for reimbursement.—The reimbursement shall be made on the basis of the lesser of—

"(i) the actual costs incurred by the Commodity Credit Corporation with respect to the eligible commodity; or

"(ii) the export market price of the eligible commodity (as determined by the Secretary) as of the time the eligible commodity is released from the reserve for the purpose.

"(C) Source of funds.—The reimbursement may be made from funds appropriated for the purpose of reimbursement in subsequent fiscal years.

"(h) Finality of Determination.—Any determination by the Secretary under this section shall be final.

"(i) Termination of Authority.—

"(1) In general.—The authority to replenish stocks of eligible commodities to maintain the reserve established under this section shall terminate on September 30, 2002.

"(2) Disposal of eligible commodities.—Eligible commodities remaining in the reserve after September 30, 2002, shall be disposed of by release for use in providing for emergency humanitarian food needs in developing countries as provided in this section.".

(b) Conforming Amendment.—Section 208(d) of the Agriculture Trade Suspension Adjustment Act of 1980 (7 U.S.C. 4001(d)) is amended by striking paragraph (2) and inserting the following:

"(2) APPLICABILITY OF CERTAIN PROVISIONS.—Subsections (c), (d), (e), (f), and (g)(2) of section 302 of the Food Security Commodity Reserve Act of 1996 shall apply to commodities in any reserve established under paragraph (1), except that the references to 'eligible commodities' in the subsections shall be deemed to be references to 'agricultural commodities'.".

SEC. 226. PROTEIN BYPRODUCTS DERIVED FROM ALCOHOL FUEL PRODUCTION.

Section 1208 of the Agriculture and Food Act of 1981 (7 U.S.C. 1736n) is repealed.

SEC. 227. FOOD FOR PROGRESS PROGRAM.

The Food for Progress Act of 1985 (7 U.S.C. 1736*o*) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) by striking "(b)(1)" and inserting "(b)"; and

(ii) in the first sentence, by inserting "intergovernmental organizations" after "cooperatives"; and

(B) by striking paragraph (2);

(2) in subsection (e)(4), by striking "203" and inserting "406";

(3) in subsection (f)—

(A) in paragraph (1), by striking "in the case of the independent states of the former Soviet Union,";

(B) by striking paragraph (2);

(C) in paragraph (4), by inserting "in each of fiscal years 1996 through 2002" after "may be used"; and

(D) by redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively;

(4) in subsection (g), by striking "1995" and inserting "2002";

(5) in subsection (j), by striking "shall" and inserting "may";

(6) in subsection (k), by striking "1995" and inserting "2002";

(7) in subsection (l)(1)—

(A) by striking "1991 through 1995" and inserting "1996 through 2002"; and

(B) by inserting ", and to provide technical assistance for monetization programs," after "monitoring of food assistance programs"; and

(8) in subsection (m)—

(A) by striking "with respect to the independent states of the former Soviet Union";

(B) by striking "private voluntary organizations and cooperatives" each place it appears and inserting "agricultural trade organizations, intergovernmental organizations, private voluntary organizations, and cooperatives"; and

(C) in paragraph (2), by striking "in the independent states".

SEC. 228. USE OF FOREIGN CURRENCY PROCEEDS FROM EXPORT SALES FINANCING.

Section 402 of the Mutual Security Act of 1954 (22 U.S.C. 1922) is repealed.

SEC. 229. STIMULATION OF FOREIGN PRODUCTION.

Section 7 of the Act of December 30, 1947 (61 Stat. 947, chapter 526; 50 U.S.C. App. 1917) is repealed.

Subtitle B—Amendments to Agricultural Trade Act of 1978

SEC. 241. AGRICULTURAL EXPORT PROMOTION STRATEGY.

(a) IN GENERAL.—Section 103 of the Agricultural Trade Act of 1978 (7 U.S.C. 5603) is amended to read as follows:

"SEC. 103. AGRICULTURAL EXPORT PROMOTION STRATEGY.

"(a) IN GENERAL.—The Secretary shall develop a strategy for implementing Federal agricultural export promotion programs that takes into account the new market opportunities for agricultural products, including opportunities that result from—

"(1) the North American Free Trade Agreement and the Uruguay Round Agreements;

"(2) any accession to membership in the World Trade Organization;

"(3) the continued economic growth in the Pacific Rim; and

"(4) other developments.

"(b) PURPOSE OF STRATEGY.—The strategy developed under subsection (a) shall encourage the maintenance, development, and expansion of export markets for United States agricultural commodities and related products, including high-value and value-added products.

"(c) GOALS OF STRATEGY.—The strategy developed under subsection (a) shall have the following goals:

"(1) By September 30, 2002, increasing the value of annual United States agricultural exports to $60,000,000,000.

"(2) By September 30, 2002, increasing the United States share of world export trade in agricultural products significantly above the average United States share from 1993 through 1995.

"(3) By September 30, 2002, increasing the United States share of world trade in high-value agricultural products to 20 percent.

"(4) Ensuring that the value of United States exports of agricultural products increases at a faster rate than the rate of increase in the value of overall world export trade in agricultural products.

"(5) Ensuring that the value of United States exports of high-value agricultural products increases at a faster rate than the rate of increase in overall world export trade in high-value agricultural products.

"(6) Ensuring to the extent practicable that—

"(A) substantially all obligations undertaken in the Uruguay Round Agreement on Agriculture that provide significantly increased access for United States agricultural commodities are implemented to the extent required by the Uruguay Round Agreements; or

"(B) applicable United States trade laws are used to secure United States rights under the Uruguay Round Agreement on Agriculture.

"(d) PRIORITY MARKETS.—

"(1) IDENTIFICATION OF MARKETS.—In developing the strategy required under subsection (a), the Secretary shall identify as priority markets—

"(A) those markets in which imports of agricultural products show the greatest potential for increase by September 30, 2002; and

"(B) those markets in which, with the assistance of Federal export promotion programs, exports of United States agricultural products show the greatest potential for increase by September 30, 2002.

"(2) IDENTIFICATION OF SUPPORTING OFFICES.—The President shall identify annually in the budget of the United States Government submitted under section 1105 of title 31, United States Code, each overseas office of the Foreign Agricultural Service that provides assistance to United States exporters in each of the priority markets identified under paragraph (1).

"(e) REPORT.—Not later than December 31, 2001, the Secretary shall prepare and submit a report to Congress assessing progress in meeting the goals established by subsection (c).

"(f) FAILURE TO MEET GOALS.—Notwithstanding any other law, if the Secretary determines that more than 2 of the goals established by subsection (c) are not met by September 30, 2002, the Secretary may not carry out agricultural trade programs under the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) as of that date.

"(g) NO PRIVATE RIGHT OF ACTION.—This section shall not create any private right of action.".

(b) CONTINUATION OF FUNDING.—

(1) IN GENERAL.—If the Secretary of Agriculture makes a determination under section 103(f) of the Agricultural Trade Act of 1978 (as amended by subsection (a)), the Secretary shall utilize funds of the Commodity Credit Corporation to promote United States agricultural exports in a manner consistent with the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.) and obligations pursuant to the Uruguay Round Agreements.

(2) FUNDING.—The amount of Commodity Credit Corporation funds used to carry out paragraph (1) during a fiscal year shall not exceed the total outlays for agricultural trade programs under the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) during fiscal year 2002.

(c) ELIMINATION OF REPORT.—

(1) IN GENERAL.—Section 601 of the Agricultural Trade Act of 1978 (7 U.S.C. 5711) is repealed.

(2) CONFORMING AMENDMENT.—The last sentence of section 603 of the Agricultural Trade Act of 1978 (7 U.S.C. 5713) is amended by striking ", in a consolidated report," and all that follows through "section 601" and inserting "or in a consolidated report".

SEC. 242. EXPORT CREDITS.

(a) EXPORT CREDIT GUARANTEE PROGRAM.—Section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622) is amended—

(1) in subsection (a)—

(A) by striking "GUARANTEES.—The" and inserting the following: "GUARANTEES.—

"(1) IN GENERAL.—The"; and

(B) by adding at the end the following:

"(2) SUPPLIER CREDITS.—In carrying out this section, the Commodity Credit Corporation may issue guarantees for the repayment of credit made available for a period of not more than 180 days by a United States exporter to a buyer in a foreign country.";

(2) in subsection (f)—

(A) by striking "(f) RESTRICTIONS.—The" and inserting the following:

"(f) RESTRICTIONS.—

"(1) IN GENERAL.—The"; and

(B) by adding at the end the following:

"(2) CRITERIA FOR DETERMINATION.—In making the determination required under paragraph (1) with respect to credit guarantees under subsection (b) for a country, the Secretary may consider, in addition to financial, macroeconomic, and monetary indicators—

"(A) whether an International Monetary Fund standby agreement, Paris Club rescheduling plan, or other economic restructuring plan is in place with respect to the country;

"(B) the convertibility of the currency of the country;

"(C) whether the country provides adequate legal protection for foreign investments;

"(D) whether the country has viable financial markets;

"(E) whether the country provides adequate legal protection for the private property rights of citizens of the country; and

"(F) any other factors that are relevant to the ability of the country to service the debt of the country.";

(3) by striking subsection (h) and inserting the following:

"(h) United States Agricultural Components.—The Commodity Credit Corporation shall finance or guarantee under this section only United States agricultural commodities.";

(4) in subsection (i)—

(A) by striking "Institutions.—A financial" and inserting the following: "Institutions.—

"(1) In general.—A financial";

(B) by striking paragraph (1);

(C) by striking "(2) is" and inserting the following:

"(A) is";

(D) by striking "(3) is" and inserting the following:

"(B) is"; and

(E) by adding at the end the following:

"(2) Third country banks.—The Commodity Credit Corporation may guarantee under subsections (a) and (b) the repayment of credit made available to finance an export sale irrespective of whether the obligor is located in the country to which the export sale is destined."; and

(5) by striking subsection (k) and inserting the following:

"(k) Processed and High-Value Products.—

"(1) In general.—In issuing export credit guarantees under this section, the Commodity Credit Corporation shall, subject to paragraph (2), ensure that not less than 25 percent for each of fiscal years 1996 and 1997, 30 percent for each of fiscal years 1998 and 1999, and 35 percent for each of fiscal years 2000, 2001, and 2002, of the total amount of credit guarantees issued for a fiscal year is issued to promote the export of processed or high-value agricultural products and that the balance is issued to promote the export of bulk or raw agricultural commodities.

"(2) Limitation.—The percentage requirement of paragraph (1) shall apply for a fiscal year to the extent that a reduction in the total amount of credit guarantees issued for the fiscal year is not required to meet the percentage requirement.".

(b) Funding Levels.—Section 211(b) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)) is amended—

(1) by striking paragraph (2);

(2) by redesignating subparagraph (B) of paragraph (1) as paragraph (2) and indenting the margin of paragraph (2) (as so redesignated) so as to align with the margin of paragraph (1); and

(3) by striking paragraph (1) and inserting the following:

"(1) Export credit guarantees.—The Commodity Credit Corporation shall make available for each of fiscal years 1996 through 2002 not less than $5,500,000,000 in credit guarantees under subsections (a) and (b) of section 202.".

(c) Definitions.—Section 102(7) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(7)) is amended by striking subparagraphs (A) and (B) and inserting the following:

"(A) an agricultural commodity or product entirely produced in the United States; or

"(B) a product of an agricultural commodity—

"(i) 90 percent or more of which by weight, excluding packaging and water, is entirely produced in the United States; and

"(ii) that the Secretary determines to be a high value agricultural product.".

(d) Regulations.—Not later than 180 days after the effective date of this title, the Secretary of Agriculture shall issue regulations to carry out the amendments made by this section.

SEC. 243. MARKET PROMOTION PROGRAM.

Effective October 1, 1995, section 211(c)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1)) is amended—

(1) by striking "and" after "1991 through 1993,"; and

(2) by striking "through 1997," and inserting "through 1995, and not more than $100,000,000 for each of fiscal years 1996 through 2002,".

SEC. 244. EXPORT ENHANCEMENT PROGRAM.

Effective October 1, 1995, section 301(e)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5651(e)(1)) is amended to read as follows:

"(1) In general.—The Commodity Credit Corporation shall make available to carry out the program established under this section not more than—

"(A) $350,000,000 for fiscal year 1996;

"(B) $350,000,000 for fiscal year 1997;

"(C) $500,000,000 for fiscal year 1998;

"(D) $550,000,000 for fiscal year 1999;

"(E) $579,000,000 for fiscal year 2000;

"(F) $478,000,000 for fiscal year 2001; and

"(G) $478,000,000 for fiscal year 2002.".

SEC. 245. ARRIVAL CERTIFICATION.

Section 401 of the Agricultural Trade Act of 1978 (7 U.S.C. 5662(a)) is amended by striking subsection (a) and inserting the following:

"(a) Arrival Certification.—With respect to a commodity provided, or for which financing or a credit guarantee or other assistance is made available, under a program authorized in section 201, 202, or 301, the Commodity Credit Corporation shall require the exporter of the commodity to maintain records of an official or customary commercial nature or other documents as the Secretary may require, and shall allow representatives of the Commodity Credit Corporation access to the records or documents as needed, to verify the arrival of the commodity in the country that was the intended destination of the commodity.".

SEC. 246. COMPLIANCE.

Section 402(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 5662(a)) is amended—

(1) by striking paragraph (2); and

(2) by redesignating paragraph (3) as paragraph (2).

SEC. 247. REGULATIONS.

Section 404 of the Agricultural Trade Act of 1978 (7 U.S.C. 5664) is repealed.

SEC. 248. TRADE COMPENSATION AND ASSISTANCE PROGRAMS.

Title IV of the Agricultural Trade Act of 1978 (7 U.S.C. 5661 et seq.) is amended by adding at the end the following:

"SEC. 417. TRADE COMPENSATION AND ASSISTANCE PROGRAMS.

"(a) In General.—Notwithstanding any other law, if, after the effective date of this section, the President or any other member of the Executive branch causes exports from the United States to any country to be unilaterally suspended for reasons of national security or foreign policy, and if within 180 days after the date on which the suspension is imposed on United States exports no other country agrees to participate in the suspension, the Secretary shall carry out a trade compensation and assistance program in accordance with this section (referred to in this section as a 'program').

"(b) Provision of Funds.—Under a program, the Secretary shall make available for each fiscal year funds of the Commodity Credit Corporation, in an amount calculated under subsection (c), to promote agricultural exports or provide agricultural commodities to developing countries, under any authorities available to the Secretary.

"(c) Determination of Amount of Funds.—For each fiscal year of a program, the amount of funds made available under subsection (b) shall be equal to 90 percent of the average annual value of United States agricultural exports to the country with respect to which exports are suspended during the most recent 3 years prior to the suspension for which data are available.

"(d) Duration of Program.—

"(1) In general.—For each suspension of exports for which a program is implemented under this section, funds shall be made available under subsection (b) for each fiscal year or part of a fiscal year for which the suspension is in effect, but not to exceed 2 fiscal years.

"(2) Partial-year embargoes.—Regardless of whether an embargo is in effect for only part of a fiscal year, the full amount of funds as calculated under subsection (c) shall be made available under a program for the fiscal year. If the Secretary determines that making the required amount of funds available in a partial fiscal year is impracticable, the Secretary may make all or part of the funds required to be made available in the partial fiscal year available in the following fiscal year (in addition to any funds otherwise required under a program to be made available in the following fiscal year).".

SEC. 249. FOREIGN AGRICULTURAL SERVICE.

Section 503 of the Agricultural Trade Act of 1978 (7 U.S.C. 5693) is amended to read as follows:

"SEC. 503. ESTABLISHMENT OF THE FOREIGN AGRICULTURAL SERVICE.

"The Service shall assist the Secretary in carrying out the agricultural trade policy and international cooperation policy of the United States by—

"(1) acquiring information pertaining to agricultural trade;

"(2) carrying out market promotion and development activities;

"(3) providing agricultural technical assistance and training; and

"(4) carrying out the programs authorized under this Act, the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.), and other Acts.".

SEC. 250. REPORTS.

The first sentence of section 603 of the Agricultural Trade Act of 1978 (7 U.S.C. 5713) is amended by striking "The" and inserting "Subject to section 217 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6917), the".

Subtitle C—Miscellaneous

SEC. 251. REPORTING REQUIREMENTS RELATING TO TOBACCO.

Section 214 of the Tobacco Adjustment Act of 1983 (7 U.S.C. 509) is repealed.

SEC. 252. TRIGGERED EXPORT ENHANCEMENT.

(a) Readjustment of Support Levels.—Section 1302 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508; 7 U.S.C. 1421 note) is repealed.

(b) Triggered Marketing Loans and Export Enhancement.—Section 4301 of the Omnibus Trade and Competitiveness Act of 1988 (Public Law 100–418; 7 U.S.C. 1446 note) is repealed.

(c) Effective Date.—The amendments made by this section shall be effective beginning with the 1996 crops of wheat, feed grains, upland cotton, and rice.

SEC. 253. DISPOSITION OF COMMODITIES TO PREVENT WASTE.

Section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by inserting after the first sentence the following: "The Secretary may use funds of the Commodity Credit Corporation to cover administrative expenses of the programs.";

(B) in paragraph (7)(D)(iv), by striking "one year of acquisition" and all that follows and inserting the following: "a reasonable length of time, as determined by the Secretary, except that the Secretary may permit the use of proceeds in a country other than the country of origin—

"(I) as necessary to expedite the transportation of commodities and products furnished under this subsection; or

"(II) if the proceeds are generated in a currency generally accepted in the other country.";

(C) in paragraph (8), by striking subparagraph (C); and

(D) by striking paragraphs (10), (11), and (12); and

(2) by striking subsection (c).

SEC. 254. DIRECT SALES OF DAIRY PRODUCTS.

Section 106 of the Agriculture and Food Act of 1981 (7 U.S.C. 1446c-1) is repealed.

SEC. 255. EXPORT SALES OF DAIRY PRODUCTS.

Section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) is repealed.

SEC. 256. DEBT-FOR-HEALTH-AND-PROTECTION SWAP.

(a) In General.—Section 1517 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1706) is repealed.

(b) Conforming Amendment.—Subsection (e)(3) of the Food for Progress Act of 1985 (7 U.S.C. 1736*o*(e)(3)) is amended by striking "section 106" and inserting "section 103".

SEC. 257. POLICY ON EXPANSION OF INTERNATIONAL MARKETS.

Section 1207 of the Agriculture and Food Act of 1981 (7 U.S.C. 1736m) is repealed.

SEC. 258. POLICY ON MAINTENANCE AND DEVELOPMENT OF EXPORT MARKETS.

Section 1121 of the Food Security Act of 1985 (7 U.S.C. 1736p) is amended—

(1) by striking subsection (a); and

(2) in subsection (b)—

(A) by striking "(b)"; and

(B) by striking paragraphs (1) through (4) and inserting the following:

"(1) be the premier supplier of agricultural and food products to world markets and expand exports of high value products;

"(2) support the principle of free trade and the promotion of fair trade in agricultural commodities and products;

"(3) cooperate fully in all efforts to negotiate with foreign countries further reductions in tariff and nontariff barriers to trade, including sanitary and phytosanitary measures and trade-distorting subsidies;

"(4) aggressively counter unfair foreign trade practices as a means of encouraging fairer trade;".

SEC. 259. POLICY ON TRADE LIBERALIZATION.

Section 1122 of the Food Security Act of 1985 (7 U.S.C. 1736q) is repealed.

SEC. 260. AGRICULTURAL TRADE NEGOTIATIONS.

Section 1123 of the Food Security Act of 1985 (7 U.S.C. 1736r) is amended to read as follows:

"SEC. 1123. TRADE NEGOTIATIONS POLICY.

"(a) Findings.—Congress finds that—

"(1) on a level playing field, United States producers are the most competitive suppliers of agricultural products in the world;

"(2) exports of United States agricultural products will account for $53,000,000,000 in 1995, contributing a net $24,000,000,000 to the merchandise trade balance of the United States and supporting approximately 1,000,000 jobs;

"(3) increased agricultural exports are critical to the future of the farm, rural, and overall United States economy, but the opportunities for increased agricultural exports are limited by the unfair subsidies of the competitors of the United States, and a variety of tariff and nontariff barriers to highly competitive United States agricultural products;

"(4) international negotiations can play a key role in breaking down barriers to United States agricultural exports;

"(5) the Uruguay Round Agreement on Agriculture made significant progress in the attainment of increased market access opportunities for United States exports of agricultural products, for the first time—

"(A) restraining foreign trade-distorting domestic support and export subsidy programs; and

"(B) developing common rules for the application of sanitary and phytosanitary restrictions;

that should result in increased exports of United States agricultural products, jobs, and income growth in the United States;

"(6) the Uruguay Round Agreement on Agriculture did not succeed in completely eliminating trade distorting domestic support and export subsidies by—

"(A) allowing the European Union to continue unreasonable levels of spending on export subsidies; and

"(B) failing to discipline monopolistic state trading entities, such as the Canadian Wheat Board, that use nontransparent and discriminatory pricing as a hidden de facto export subsidy;

"(7) during the period 1996 through 2002, there will be several opportunities for the United States to negotiate fairer trade in agricultural products, including further negotiations under the World Trade Organization, and steps toward possible free trade agreements of the Americas and Asian-Pacific Economic Cooperation (APEC); and

"(8) the United States should aggressively use these opportunities to achieve more open and fair opportunities for trade in agricultural products.

"(b) Goals of the United States in Agricultural Trade Negotiations.—The objectives of the United States with respect to future negotiations on agricultural trade include—

"(1) increasing opportunities for United States exports of agricultural products by eliminating or substantially reducing tariff and nontariff barriers to trade;

"(2) leveling the playing field for United States producers of agricultural products by limiting per unit domestic production supports to levels that are no greater than those available in the United States;

"(3) ending the practice of export dumping by eliminating all trade distorting export subsidies and disciplining state trading entities so that they do not (except in cases of bona fide food aid) sell in foreign markets at below domestic market prices nor their full costs of acquiring and delivering agricultural products to the foreign markets; and

"(4) encouraging government policies that avoid price-depressing surpluses.".

SEC. 261. POLICY ON UNFAIR TRADE PRACTICES.

Section 1164 of the Food Security Act of 1985 (Public Law 99–198; 99 Stat. 1499) is repealed.

SEC. 262. AGRICULTURAL AID AND TRADE MISSIONS.

(a) In General.—The Agricultural Aid and Trade Missions Act (7 U.S.C. 1736bb et seq.) is repealed.

(b) Conforming Amendment.—Section 7 of Public Law 100–277 (7 U.S.C. 1736bb note) is repealed.

SEC. 263. ANNUAL REPORTS BY AGRICULTURAL ATTACHES.

Section 108(b)(1)(B) of the Agricultural Act of 1954 (7 U.S.C. 1748(b)(1)(B)) is amended by striking "including fruits, vegetables, legumes, popcorn, and ducks".

SEC. 264. WORLD LIVESTOCK MARKET PRICE INFORMATION.

Section 1545 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 1761 note) is repealed.

SEC. 265. ORDERLY LIQUIDATION OF STOCKS.

Sections 201 and 207 of the Agricultural Act of 1956 (7 U.S.C. 1851 and 1857) are repealed.

SEC. 266. SALES OF EXTRA LONG STAPLE COTTON.

Section 202 of the Agricultural Act of 1956 (7 U.S.C. 1852) is repealed.

SEC. 267. REGULATIONS.

Section 707 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (Public Law 102–511; 7 U.S.C. 5621 note) is amended by striking subsection (d).

SEC. 268. EMERGING MARKETS.

(a) Promotion of Agricultural Exports to Emerging Markets.—

(1) Emerging Markets.—Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 5622 note) is amended—

(A) in the section heading, by striking "**EMERGING DEMOCRACIES**" and inserting "**EMERGING MARKETS**";

(B) by striking "emerging democracies" each place it appears in subsections (b), (d), and (e) and inserting "emerging markets";

(C) by striking "emerging democracy" each place it appears in subsection (c) and inserting "emerging market"; and

(D) by striking subsection (f) and inserting the following:

"(f) Emerging Market.—In this section and section 1543, the term 'emerging market' means any country that the Secretary determines—

"(1) is taking steps toward a market-oriented economy through the food, agriculture, or rural business sectors of the economy of the country; and

"(2) has the potential to provide a viable and significant market for United States agricultural commodities or products of United States agricultural commodities.".

(2) Funding.—Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended by striking subsection (a) and inserting the following:

"(a) Funding.—The Commodity Credit Corporation shall make available for fiscal years 1996 through 2002 not less than $1,000,000,000 of direct credits or export credit guarantees for exports to emerging markets under section 201 or 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5621 and 5622), in addition to the amounts acquired or authorized under section 211 of the Act (7 U.S.C. 5641) for the program.".

(3) Agricultural Fellowship Program.—Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended—

(A) in subsection (b), by striking the last sentence and inserting the following: "The Commodity Credit Corporation shall give priority under this subsection to—

"(A) projects that encourage the privatization of the agricultural sector or that benefit private farms or cooperatives in emerging markets; and

"(B) projects for which nongovernmental persons agree to assume a relatively larger share of the costs."; and

(B) in subsection (d)—

(i) in the matter preceding paragraph (1), by striking "the Soviet Union" and inserting "emerging markets";

(ii) in paragraph (1)—

(I) in subparagraph (A)(i)—

(aa) by striking "1995" and inserting "2002"; and

(bb) by striking "those systems, and identify" and inserting "the systems, including potential reductions in trade barriers, and identify and carry out";

(II) in subparagraph (B), by striking "shall" and inserting "may";

(III) in subparagraph (D), by inserting "(including the establishment of extension services)" after "technical assistance";

(IV) by striking subparagraph (F);

(V) by redesignating subparagraphs (G), (H), and (I) as subparagraphs (F), (G), and (H), respectively; and

(VI) in subparagraph (H) (as redesignated by subclause (V)), by striking "$10,000,000" and inserting "$20,000,000";

(iii) in paragraph (2)—

(I) by striking "the Soviet Union" each place it appears and inserting "emerging markets";

(II) in subparagraph (A), by striking "a free market food production and distribution system" and inserting "free market food production and distribution systems";

(III) in subparagraph (B)—

(aa) in clause (i), by striking "Government" and inserting "governments";

(bb) in clause (iii)(II), by striking "and" at the end;

(cc) in clause (iii)(III), by striking the period at the end and inserting "; and"; and

(dd) by adding at the end of clause (iii) the following:

"(IV) to provide for the exchange of administrators and faculty members from agricultural and other institutions to strengthen and revise educational programs in agricultural economics, agribusiness, and agrarian law, to support change towards a free market economy in emerging markets.";

(IV) by striking subparagraph (D); and

(V) by redesignating subparagraph (E) as subparagraph (D); and

(iv) by striking paragraph (3).

(4) UNITED STATES AGRICULTURAL COMMODITY.—Subsections (b) and (c) of section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 are amended by striking "section 101(6)" each place it appears and inserting "section 102(7)".

(5) REPORT.—The first sentence of section 1542(e)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended by striking "Not" and inserting "Subject to section 217 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6917), not".

(b) AGRICULTURAL FELLOWSHIP PROGRAM FOR MIDDLE INCOME COUNTRIES, EMERGING DEMOCRACIES, AND EMERGING MARKETS.—Section 1543 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3293) is amended—

(1) in the section heading, by striking "**MIDDLE INCOME COUNTRIES AND EMERGING DEMOCRACIES**" and inserting "**MIDDLE INCOME COUNTRIES, EMERGING DEMOCRACIES, AND EMERGING MARKETS**";

(2) in subsection (b), by adding at the end the following:

"(5) EMERGING MARKET.—Any emerging market, as defined in section 1542(f)."; and

(3) in subsection (c)(1), by striking "food needs" and inserting "food and fiber needs".

(c) CONFORMING AMENDMENTS.—

(1) Section 501 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1737) is amended—

(A) in subsection (a), by striking "emerging democracies" and inserting "emerging markets"; and

(B) in subsection (b), by striking paragraph (1) and inserting the following:

"(1) EMERGING MARKET.—The term 'emerging market' means any country that the Secretary determines—

"(A) is taking steps toward a market-oriented economy through the food, agriculture, or rural business sectors of the economy of the country; and

"(B) has the potential to provide a viable and significant market for United States agricultural commodities or products of United States agricultural commodities.".

(2) Section 201(d)(1)(C)(ii) of the Agricultural Trade Act of 1978 (7 U.S.C. 5621(d)(1)(C)(ii)) is amended by striking "emerging democracies" and inserting "emerging markets".

(3) Section 202(d)(3)(B) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(d)(3)(B)) is amended by striking "emerging democracies" and inserting "emerging markets".

SEC. 269. IMPORT ASSISTANCE FOR CBI BENEFICIARY COUNTRIES AND THE PHILIPPINES.

Section 583 of Public Law 100–202 (101 Stat. 1329–182) is repealed.

SEC. 270. STUDIES, REPORTS, AND OTHER PROVISIONS.

(a) IN GENERAL.—Sections 1551 through 1555, section 1559, and section 1560 of subtitle E of title XV of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 104 Stat. 3696) are repealed.

(b) LANGUAGE PROFICIENCY.—Section 1556 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 5694 note) is amended by striking subsection (c).

SEC. 271. IMPLEMENTATION OF COMMITMENTS UNDER URUGUAY ROUND AGREEMENTS.

Part III of subtitle A of title IV of the Uruguay Round Agreements Act (Public Law 103–465; 108 Stat. 4964) is amended by adding at the end the following:

"SEC. 427. IMPLEMENTATION OF COMMITMENTS UNDER URUGUAY ROUND AGREEMENTS.

"Not later than September 30 of each fiscal year, the Secretary of Agriculture shall determine whether the obligations undertaken by foreign countries under the Uruguay Round Agreement on Agriculture are being fully implemented. If the Secretary of Agriculture determines that any foreign country, by not implementing the obligations of the country, is significantly constraining an opportunity for United States agricultural exports, the Secretary shall—

"(1) submit to the United States Trade Representative a recommendation as to whether the President should take action under any provision of law; and

"(2) transmit a copy of the recommendation to the Committee on Agriculture, and the Committee on Ways and Means, of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Finance, of the Senate.".

SEC. 272. SENSE OF CONGRESS CONCERNING MULTILATERAL DISCIPLINES ON CREDIT GUARANTEES.

It is the sense of Congress that—

(1) in negotiations to establish multilateral disciplines on agricultural export credits and credit guarantees, the United States should not agree to any arrangement that is incompatible with the provisions of United States law that authorize agricultural export credits and credit guarantees;

(2) in the negotiations (which are held under the auspices of the Organization for Economic Cooperation and Development), the United States should not reach any agreement that fails to impose disciplines on the practices of foreign government trading entities such as the Australian Wheat Board and Canadian Wheat Board; and

(3) the disciplines should include greater openness in the operations of the entities as long as the entities are subsidized by the foreign government or have monopolies for exports of a commodity that are sanctioned by the foreign government.

SEC. 273. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

The Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) is amended by adding at the end the following:

"TITLE VII—FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM

"SEC. 701. DEFINITION OF ELIGIBLE TRADE ORGANIZATION.

"In this title, the term 'eligible trade organization' means a United States trade organization that—

"(1) promotes the export of 1 or more United States agricultural commodities or products; and

"(2) does not have a business interest in or receive remuneration from specific sales of agricultural commodities or products.

"SEC. 702. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

"(a) IN GENERAL.—The Secretary shall establish and, in cooperation with eligible trade organizations, carry out a foreign market development cooperator program to maintain and develop foreign markets for United States agricultural commodities and products.

"(b) ADMINISTRATION.—Funds made available to carry out this title shall be used only to provide—

"(1) cost-share assistance to an eligible trade organization under a contract or agreement with the organization; and

"(2) assistance for other costs that are necessary or appropriate to carry out the foreign market development cooperator program, including contingent liabilities that are not otherwise funded.

"SEC. 703. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this title such sums as may be necessary for each of fiscal years 1996 through 2002.".

On page 3–3, line 23, after "Region," insert "the Rainwater Basin Region, the Lake Champlain Basin, the Prairie Pothole Region,".

On page 3–6, line 7, strike "36,400,000" and insert "36,520,000".

On page 3–6, between lines 11 and 12, insert the following:

(c) RELATIONSHIP TO OTHER LAW.—The authority granted to the Secretary of Agriculture as a result of the amendments made by this section shall supersede any restriction on the operation of the conservation reserve program established under any other provision of law.

On page 3–7, line 9, add "and" at the end.

On page 3–7, line 12, strike the semicolon and insert a period.

Beginning on page 3–7, strike line 13 and all that follows through page 3–8, line 12.

On page 3–18, line 4, strike "less" and insert "more".

On page 3–46, strike lines 11 through 14 and insert the following:

(2) in paragraph (8), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(9) agricultural producers;

"(10) other nonprofit organizations with demonstrable expertise;

"(11) persons knowledgeable about the economic and environmental impact of conservation techniques and programs; and

"(12) agribusiness.

On page 3-62, after line 22, add the following:

SEC. 356. WATER BANK PROGRAM.

Section 1230 of the Food Security Act of 1985 (16 U.S.C. 3830) is amended by adding at the end the following:

"(d) WATER BANK PROGRAM.—For purposes of this Act, acreage enrolled, prior to the date of enactment of this subsection, in the water bank program authorized by the Water Bank Act (16 U.S.C. 1301 et seq.) shall be considered to have been enrolled in the conservation reserve program on the date the acreage was enrolled in the water bank program. Payments shall continue at the existing water bank rates.".

SEC. 357. FLOOD WATER RETENTION PILOT PROJECTS.

Section 16 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p) is amended by adding at the end the following:

"(l) FLOOD WATER RETENTION PILOT PROJECTS.—

"(1) IN GENERAL.—In cooperation with States, the Secretary shall carry out at least 1 but not more than 2 pilot projects to create and restore natural water retention areas to control storm water and snow melt runoff within closed drainage systems.

"(2) PRACTICES.—To carry out paragraph (1), the Secretary shall provide cost-sharing and technical assistance for the establishment of nonstructural landscape management practices, including agricultural tillage practices and restoration, enhancement, and creation of wetland characteristics.

"(3) FUNDING.—

"(A) LIMITATION.—The funding used by the Secretary to carry out this subsection shall not exceed $10,000,000 per project.

"(B) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this subsection.

"(4) ADDITIONAL PILOT PROJECTS.—

"(A) EVALUATION.—Not later than 2 years after a pilot project is implemented, the Secretary shall evaluate the extent to which the project has reduced or may reduce Federal outlays for emergency spending and unplanned infrastructure maintenance by an amount that exceeds the Federal cost of the project.

"(B) ADDITIONAL PROJECTS.—If the Secretary determines that pilot projects carried out under this subsection have reduced or may reduce Federal outlays as described in subparagraph (A), the Secretary may carry out, in accordance with this subsection, pilot projects in addition to the projects authorized under paragraph (1).".

SEC. 358. WETLAND CONSERVATION EXEMPTION.

Section 1222(b)(1) of the Food Security Act of 1985 (16 U.S.C. 3822(b)(1)) is amended—

(1) in subparagraph (C), by striking "or" at the end; and

(2) by adding at the end the following:

"(E) converted wetland, if—

"(i) the extent of the conversion is limited to the reversion to conditions that will be at least equivalent to the wetland functions and values that existed prior to implementation of a voluntary wetland restoration, enhancement, or creation action;

"(ii) technical determinations of the prior site conditions and the restoration, enhancement, or creation action have been adequately documented in a plan approved by the Natural Resources Conservation Service prior to implementation; and

"(iii) the conversion action proposed by the private landowner is approved by the Natural Resources Conservation Service prior to implementation; or".

SEC. 359. FLOODPLAIN EASEMENTS.

Section 403 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203) is amended by inserting ", including the purchase of floodplain easements," after "emergency measures".

SEC. 360. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM REAUTHORIZATION.

Section 1538 of the Agriculture and Food Act of 1981 (16 U.S.C. 3461) is amended by striking "1991 through 1995" and inserting "1996 through 2001".

SEC. 361. CONSERVATION RESERVE NEW ACREAGE.

Section 1231(a) of the Food Security Act of 1985 (16 U.S.C. 3831(a)) is amended by adding at the end the following: "The Secretary may enter into 1 or more new contracts to enroll acreage in a quantity equal to the quantity of acreage covered by any contract that terminates after the date of enactment of the Agricultural Market Transition Act.".

SEC. 362. REPEAL OF REPORT REQUIREMENT.

Section 1342 of title 44, United States Code, is repealed.

SEC. 363. WATERSHED PROTECTION AND FLOOD PREVENTION ACT AMENDMENTS.

(a) DECLARATION OF POLICY.—The first section of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001) is amended to read as follows:

"SECTION 1. DECLARATION OF POLICY.

"Erosion, flooding, sedimentation, and loss of natural habitats in the watersheds and waterways of the United States cause loss of life, damage to property, and a reduction in the quality of environment and life of citizens. It is therefore the sense of Congress that the Federal Government should join with States and their political subdivisions, public agencies, conservation districts, flood prevention or control districts, local citizens organizations, and Indian tribes for the purpose of conserving, protecting, restoring, and improving the land and water resources of the United States and the quality of the environment and life for watershed residents across the United States.".

(b) DEFINITIONS.—

(1) WORKS OF IMPROVEMENT.—Section 2 of the Act (16 U.S.C. 1002) is amended, with respect to the term "works of improvement"—

(A) in paragraph (1), by inserting ", nonstructural," after "structural";

(B) in paragraph (2), by striking "or" at the end;

(C) by redesignating paragraph (3) as paragraph (11);

(D) by inserting after paragraph (2) the following new paragraphs:

"(3) a land treatment or other nonstructural practice, including the acquisition of easements or real property rights, to meet multiple watershed needs,

"(4) the restoration and monitoring of the chemical, biological, and physical structure, diversity, and functions of waterways and their associated ecological systems,

"(5) the restoration or establishment of wetland and riparian environments as part of a multi-objective management system that provides floodwater or storm water storage, detention, and attenuation, nutrient filtering, fish and wildlife habitat, and enhanced biological diversity,

"(6) the restoration of steam channel forms, functions, and diversity using the principles of biotechnical slope stabilization to reestablish a meandering, bankfull flow channels, riparian vegetation, and floodplains,

"(7) the establishment and acquisition of multi-objective riparian and adjacent flood prone lands, including greenways, for sediment storage and floodwater storage,

"(8) the protection, restoration, enhancement and monitoring of surface and groundwater quality, including measures to improve the quality of water emanating from agricultural lands and facilities,

"(9) the provision of water supply and municipal and industrial water supply for rural communities having a population of less than 55,000, according to the most recent decennial census of the United States,

"(10) outreach to and organization of local citizen organizations to participate in project design and implementation, and the training of project volunteers and participants in restoration and monitoring techniques, or"; and

(E) in paragraph (11) (as so redesignated)—

(i) by inserting in the first sentence after "proper utilization of land" the following: ", water, and related resources"; and

(ii) by striking the sentence that mandates that 20 percent of total project benefits be directly related to agriculture.

(2) LOCAL ORGANIZATION.—Such section is further amended, with respect to the term "local organization", by adding at the end the following new sentence: "The term includes any nonprofit organization (defined as having tax exempt status under section 501(c)(3) of the Internal Revenue Code of 1986) that has authority to carry out and maintain works of improvement or is developing and implementing a work of improvement in partnership with another local organization that has such authority.".

(3) WATERWAY.—Such section is further amended by adding at the end the following new definition:

"WATERWAY.—The term 'waterway' means, on public or private land, any natural, degraded, seasonal, or created wetland on public or private land, including rivers, streams, riparian areas, marshes, ponds, bogs, mudflats, lakes, and estuaries. The term includes any natural or manmade watercourse which is culverted, channelized, or vegetatively cleared, including canals, irrigation ditches, drainage wages, and navigation, industrial, flood control and water supply channels.".

(c) ASSISTANCE TO LOCAL ORGANIZATIONS.—Section 3 of the Act (16 U.S.C. 1003) is amended—

(1) in paragraph (1), by inserting after "(1)" the following "to provide technical assistance to help local organizations";

(2) in paragraph (2)—

(A) by inserting after "(2)" the following: "to provide technical assistance to help local organizations"; and

(B) by striking "engineering" and inserting "technical and scientific"; and

(3) by striking paragraph (3) and inserting the following new paragraph:

"(3) to make allocations of costs to the project or project components to determine whether the total of all environmental, social, and monetary benefits exceed costs;".

(d) COST SHARE ASSISTANCE.—

(1) AMOUNT OF ASSISTANCE.—Section 3A of the Act (16 U.S.C. 1003a) is amended by striking subsection (b) and inserting the following:

"(b) NONSTRUCTURAL PRACTICES.—Notwithstanding any other provision of this Act, Federal cost share assistance to local organizations for the planning and implementation of nonstructural works of improvement may be provided using funds appropriated for the purposes of this Act for an amount not exceeding 75 percent of the total installation costs.

"(c) STRUCTURAL PRACTICES.—Notwithstanding any other provision of this Act, Federal cost share assistance to local organizations for the planning and implementation of structural works of improvement may be provided using funds appropriated for the purposes of this Act for 50 percent of the total cost, including the cost of mitigating damage to fish and wildlife habitat and the value of any land or interests in land acquired for the work of improvement.

"(d) SPECIAL RULE FOR LIMITED RESOURCE COMMUNITIES.—Notwithstanding any other provision of this Act, the Secretary may provide cost share assistance to a limited resource community for any works of improvement, using funds appropriated for the purposes of this Act, for an amount not to exceed 90 percent of the total cost.

"(e) TREATMENT OF OTHER FEDERAL FUNDS.—Not more than 50 percent of the non-Federal cost share may be satisfied using funds from other Federal agencies.".

(2) CONDITIONS ON ASSISTANCE.—Section 4(1) of the Act (16 U.S.C. 1004(1)) is amended by striking ", without cost to the Federal Government from funds appropriated for the purposes of this Act,".

(e) BENEFIT COST ANALYSIS.—Section 5(1) of the Act (16 U.S.C. 1005(1)) is amended by striking "the benefits" and inserting "the total benefits, including environmental, social, and monetary benefits,".

(f) PROJECT PRIORITIZATION.—The Watershed Protection and Flood Prevention Act is amended by inserting after section 5 (16 U.S.C. 1005) the following new section:

"SEC. 5A. FUNDING PRIORITIES.

"In making funding decisions under this Act, the Secretary shall give priority to projects with one or more of the following attributes:

"(1) Projects providing significant improvements in ecological values and functions in the project area.

"(2) Projects that enhance the long-term health of local economies or generate job or job training opportunities for local residents, including Youth Conservation and Service Corps participants and displaced resource harvesters.

"(3) Projects that provide protection to human health, safety, and property.

"(4) Projects that directly benefit economically disadvantaged communities and enhance participation by local residents of such communities.

"(5) Projects that restore or enhance fish and wildlife species of commercial, recreational, subsistence or scientific concern.

"(6) Projects or components of projects that can be planned, designed, and implemented within two years.".

(g) TRANSFER OF FUNDS.—The Watershed Protection and Flood Prevention Act (16 U.S.C. 1001–1010) is amended by adding at the end the following new section:

"SEC. 14. TRANSFERS OF FUNDS.

"The Secretary may accept transfers of funds from other Federal departments and agencies in order to carry out projects under this Act.".

On page 4–1, between lines 3 and 4, insert the following:

(a) DISQUALIFICATION OF A STORE OR CONCERN.—Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended—

(1) by striking the section heading;

(2) by striking "SEC. 12. (a) Any" and inserting the following:

"SEC. 12. CIVIL MONEY PENALTIES AND DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

"(a) DISQUALIFICATION.—

"(1) IN GENERAL.—An";

(3) by adding at the end of subsection (a) the following:

"(2) EMPLOYING CERTAIN PERSONS.—A retail food store or wholesale food concern shall be disqualified from participation in the food stamp program if the store or concern knowingly employs a person who has been found by the Secretary, or a Federal, State, or local court, to have, within the preceding 3-year period—

"(A) engaged in the trading of a firearm, ammunition, an explosive, or a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)) for a coupon; or

"(B) committed any act that constitutes a violation of this Act or a State law relating to using, presenting, transferring, acquiring, receiving, or possessing a coupon, authorization card, or access device."; and

(4) in subsection (b)(3)(B), by striking "neither the ownership nor management of the store or food concern was aware" and inserting "the ownership of the store or food concern was not aware".

On page 4–3, between lines 4 and 5, insert the following:

(c) CARRIED-OVER FUNDS.—20 percent of any commodity supplemental food program funds carried over under section 5 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) shall be available for administrative expenses of the program.

On page 5–1, between lines 1 and 2, insert the following:

Subtitle A—General Miscellaneous Provisions

On page 5–11, strike lines 1 through 12 and insert the following:

(3) shall use the funds to conduct restoration activities in the Everglades ecosystem, which may include acquiring private acreage in the Everglades Agricultural Area including approximately 52,000 acres that is commonly known as the "Talisman tract".

(c) TRANSFERRING FUNDS.—The Secretary of the Interior may transfer funds to the Army Corps of Engineers, the State of Florida, or the South Florida Water Management District to carry out subsection (b)(3).

(d) DEADLINE.—Not later than December 31, 1999, the Secretary of the Interior shall utilize the funds for restoration activities referred to in subsection (b)(3).

Subtitle B—Options Pilot Programs and Risk Management Education

SEC. 511. SHORT TITLE.

This subtitle may be cited as the "Options Pilot Programs Act of 1996".

SEC. 512. PURPOSE.

The purpose of this subtitle is to authorize the Secretary of Agriculture (referred to in this subtitle as the "Secretary") to—

(1) conduct research through pilot programs for 1 or more program commodities to ascertain whether futures and options contracts can provide producers with reasonable protection from the financial risks of fluctuations in price, yield, and income inherent in the production and marketing of agricultural commodities; and

(2) provide education in the management of the financial risks inherent in the production and marketing of agricultural commodities.

SEC. 513. PILOT PROGRAMS.

(a) IN GENERAL.—The Secretary is authorized to conduct pilot programs for 1 or more supported commodities through December 31, 2002.

(b) DISTRIBUTION OF PILOT PROGRAMS.—The Secretary may operate a pilot program described in subsection (a) (referred to in this subtitle as a "pilot program") in up to 100 counties for each program commodity with not more than 6 of those counties in any 1 State. A pilot program shall not be implemented in any county for more than 3 of the 1996 through 2002 calendar years.

(c) ELIGIBLE PARTICIPANTS.—

(1) IN GENERAL.—In carrying out a pilot program, the Secretary may contract with a producer who—

(A) is eligible to participate in a price support program for a supported commodity;

(B) desires to participate in a pilot program; and

(C) is located in an area selected for a pilot program.

(2) CONTRACTS.—Each contract under paragraph (1) shall set forth the terms and conditions for participation in a pilot program.

(d) ELIGIBLE MARKETS.—Trades for futures and options contracts under a pilot program shall be carried out on commodity futures and options markets designated as contract markets under the Commodity Exchange Act (7 U.S.C. 1 et seq.).

SEC. 514. TERMS AND CONDITIONS.

(a) IN GENERAL.—To be eligible to participate in any pilot program for any commodity conducted under this subtitle, a producer shall meet the eligibility requirements established under this subtitle (including regulations issued under this subtitle).

(b) RECORDKEEPING.—Producers shall compile, maintain, and submit (or authorize the compilation, maintenance, and submission) of such documentation as the regulations governing any pilot program require.

SEC. 515. NOTICE.

(a) ALTERNATIVE PROGRAMS.—Pilot programs shall be alternatives to other related programs of the Department of Agriculture.

(b) NOTICE TO PRODUCERS.—The Secretary shall provide notice to each producer participating in a pilot program that—

(1) the participation of the producer in a pilot program is voluntary; and

(2) neither the United States, the Commodity Credit Corporation, the Federal Crop Insurance Corporation, the Department of Agriculture, nor any other Federal agency is authorized to guarantee that participants in the pilot program will be better or worse off financially as a result of participation in a pilot program than the producer would have been if the producer had not participated in a pilot program.

SEC. 516. COMMODITY CREDIT CORPORATION.

(a) IN GENERAL.—Pilot programs established under this subtitle shall be funded by and carried out through the Commodity Credit Corporation.

(b) LIMITATION.—In conducting the programs, the Secretary shall, to the maximum extent practicable, operate the pilot programs in a budget neutral manner.

SEC. 517. RISK MANAGEMENT EDUCATION.

The Secretary shall provide such education in management of the financial risks inherent in the production and marketing of agricultural commodities as the Secretary considers appropriate.

Subtitle C—Commercial Transportation of Equine for Slaughter

SEC. 521. FINDINGS.

Congress finds that, to ensure that equine sold for slaughter are provided humane treatment and care, it is essential to regulate the transportation, care, handling, and treatment of equine by any person engaged in the commercial transportation of equine for slaughter.

SEC. 522. DEFINITIONS.

In this subtitle:

(1) Commerce.—The term "commerce" means trade, traffic, transportation, or other commerce by a person—

(A) between any State, territory, or possession of the United States, or the District of Columbia, and any place outside thereof;

(B) between points within the same State, territory, or possession of the United States, or the District of Columbia, but through any place outside thereof; or

(C) within any territory or possession of the United States or the District of Columbia.

(2) Department.—The term "Department" means the United States Department of Agriculture.

(3) Equine.—The term "equine" means any member of the Equidae family.

(4) Equine for slaughter.—The term "equine for slaughter" means any equine that is transported, or intended to be transported, by vehicle to a slaughter facility or intermediate handler from a sale, auction, or intermediate handler by a person engaged in the business of transporting equine for slaughter.

(5) Foal.—The term "foal" means an equine that is not more than 6 months of age.

(6) Intermediate handler.—The term "intermediate handler" means any person regularly engaged in the business of receiving custody of equine for slaughter in connection with the transport of the equine to a slaughter facility, including a stockyard, feedlot, or assembly point.

(7) Person.—The term "person" means any individual, partnership, firm, company, corporation, or association that regularly transports equine for slaughter in commerce, except that the term shall not include an individual or other entity that does not transport equine for slaughter on a regular basis as part of a commercial enterprise.

(8) Secretary.—The term "Secretary" means the Secretary of Agriculture.

(9) Vehicle.—The term "vehicle" means any machine, truck, tractor, trailer, or semitrailer, or any combination thereof, propelled or drawn by mechanical power and used on a highway in the commercial transportation of equine for slaughter.

(10) Stallion.—The term "stallion" means any uncastrated male equine that is 1 year of age or older.

SEC. 523. STANDARDS FOR HUMANE COMMERCIAL TRANSPORTATION OF EQUINE FOR SLAUGHTER.

(a) In General.—Subject to the availability of appropriations, not later than 1 year after the date of enactment of this subtitle, the Secretary shall issue, by regulation, standards for the humane commercial transportation by vehicle of equine for slaughter.

(b) Prohibition.—No person engaged in the regular business of transporting equine by vehicle for slaughter as part of a commercial enterprise shall transport in commerce, to a slaughter facility or intermediate handler, an equine for slaughter except in accordance with the standards and this subtitle.

(c) Minimum Requirements.—The standards shall include minimum requirements for the humane handling, care, treatment, and equipment necessary to ensure the safe and humane transportation of equine for slaughter. The standards shall require, at a minimum, that—

(1) no equine for slaughter shall be transported for more than 24 hours without being unloaded from the vehicle and allowed to rest for at least 8 consecutive hours and given access to adequate quantities of wholesome food and potable water;

(2) a vehicle shall provide adequate headroom for an equine for slaughter with a minimum of at least 6 feet, 6 inches of headroom from the roof and beams or other structural members overhead to floor underfoot, except that a vehicle transporting 6 equine or less shall provide a minimum of at least 6 feet of headroom from the roof and beams or other structural members overhead to floor underfoot if none of the equine are over 16 hands;

(3) the interior of a vehicle shall—

(A) be free of protrusions, sharp edges, and harmful objects;

(B) have ramps and floors that are adequately covered with a nonskid nonmetallic surface; and

(C) be maintained in a sanitary condition;

(4) a vehicle shall—

(A) provide adequate ventilation and shelter from extremes of weather and temperature for all equine;

(B) be of appropriate size, height, and interior design for the number of equine being carried to prevent overcrowding; and

(C) be equipped with doors and ramps of sufficient size and location to provide for safe loading and unloading, including unloading during emergencies;

(5)(A) equine shall be positioned in the vehicle by size; and

(B) stallions shall be segregated from other equine;

(6)(A) all equine for slaughter must be fit to travel as determined by an accredited veterinarian, who shall prepare a certificate of inspection, prior to loading for transport, that—

(i) states that the equine were inspected and satisfied the requirements of subparagraph (B);

(ii) includes a clear description of each equine; and

(iii) is valid for 7 days;

(B) no equine shall be transported to slaughter if the equine is found to be—

(i) suffering from a broken or dislocated limb;

(ii) unable to bear weight on all 4 limbs;

(iii) blind in both eyes; or

(iv) obviously suffering from severe illness, injury, lameness, or physical debilitation that would make the equine unable to withstand the stress of transportation;

(C) no foal may be transported for slaughter;

(D) no mare in foal that exhibits signs of impending parturition may be transported for slaughter; and

(E) no equine for slaughter shall be accepted by a slaughter facility unless the equine is—

(i) inspected on arrival by an employee of the slaughter facility or an employee of the Department; and

(ii) accompanied by a certificate of inspection issued by an accredited veterinarian, not more than 7 days before the delivery, stating that the veterinarian inspected the equine on a specified date.

SEC. 524. RECORDS.

(a) In General.—A person engaged in the business of transporting equine for slaughter shall establish and maintain such records, make such reports, and provide such information as the Secretary may, by regulation, require for the purposes of carrying out, or determining compliance with, this subtitle.

(b) Minimum Requirements.—The records shall include, at a minimum—

(1) the veterinary certificate of inspection;

(2) the names and addresses of current owners and consignors, if applicable, of the equine at the time of sale or consignment to slaughter; and

(3) the bill of sale or other documentation of sale for each equine.

(c) Availability.—The records shall—

(1) accompany the equine during transport to slaughter;

(2) be retained by any person engaged in the business of transporting equine for slaughter for a reasonable period of time, as determined by the Secretary, except that the veterinary certificate of inspection shall be surrendered at the slaughter facility to an employee or designee of the Department and kept by the Department for a reasonable period of time, as determined by the Secretary; and

(3) on request of an officer or employee of the Department, be made available at all reasonable times for inspection and copying by the officer or employee.

SEC. 525. AGENTS.

(a) In General.—For purposes of this subtitle, the act, omission, or failure of an individual acting for or employed by a person engaged in the business of transporting equine for slaughter, within the scope of the employment or office of the individual, shall be considered the act, omission, or failure of the person engaging in the commercial transportation of equine for slaughter as well as of the individual.

(b) Assistance.—If an equine suffers a substantial injury or illness while being transported for slaughter on a vehicle, the driver of the vehicle shall seek prompt assistance from a licensed veterinarian.

SEC. 526. COOPERATIVE AGREEMENTS.

The Secretary is authorized to cooperate with States, political subdivisions of States, State agencies (including State departments of agriculture and State law enforcement agencies), and foreign governments to carry out and enforce this subtitle (including regulations issued under this subtitle).

SEC. 527. INVESTIGATIONS AND INSPECTIONS.

(a) In General.—The Secretary is authorized to conduct such investigations or inspections as the Secretary considers necessary to enforce this subtitle (including any regulation issued under this subtitle).

(b) Access.—For the purposes of conducting an investigation or inspection under subsection (a), the Secretary shall, at all reasonable times, have access to—

(1) the place of business of any person engaged in the business of transporting equine for slaughter;

(2) the facilities and vehicles used to transport the equine; and

(3) records required to be maintained under section 834.

(c) Assistance to or Destruction of Equine.—The Secretary shall issue such regulations as the Secretary considers necessary to permit employees or agents of the Department to—

(1) provide assistance to any equine that is covered by this subtitle (including any regulation issued under this subtitle); or

(2) destroy, in a humane manner, any such equine found to be suffering.

SEC. 528. INTERFERENCE WITH ENFORCEMENT.

(a) In General.—Subject to subsection (b), a person who forcibly assaults, resists, opposes, impedes, intimidates, or interferes with any person while engaged in or on account of the performance of an official duty of the person under this subtitle shall be fined not more than $5,000 or imprisoned not more than 3 years, or both.

(b) Weapons.—If the person uses a deadly or dangerous weapon in connection with an action described in subsection (a), the person shall be fined not more than $10,000 or imprisoned not more than 10 years, or both.

SEC. 529. JURISDICTION OF COURTS.

Except as provided in section 840(a)(5), a district court of the United States in any appropriate judicial district under section 1391 of title 28, United States Code, shall have jurisdiction to specifically enforce this subtitle, to prevent and restrain a violation of this subtitle, and to otherwise enforce this subtitle.

SEC. 530. CIVIL AND CRIMINAL PENALTIES.

(a) Civil Penalties.—

(1) In general.—A person who violates this subtitle (including a regulation or standard issued under this subtitle) shall be assessed a civil penalty by the Secretary of not more than $2,000 for each violation.

(2) Separate offenses.—Each equine transported in violation of this subtitle shall constitute a separate offense. Each violation and each day during which a violation continues shall constitute a separate offense.

(3) Hearings.—No penalty shall be assessed under this subsection unless the person who is alleged to have violated this subtitle is given notice and opportunity for a hearing with respect to an alleged violation.

(4) Final order.—An order of the Secretary assessing a penalty under this subsection shall be final and conclusive unless the aggrieved person files an appeal from the order pursuant to paragraph (5).

(5) Appeals.—Not later than 30 days after entry of a final order of the Secretary issued pursuant to this subsection, a person aggrieved by the order may seek review of the order in the appropriate United States Court of Appeals. The Court shall have exclusive jurisdiction to enjoin, set aside, suspend (in whole or in part), or to determine the validity of the order.

(6) Nonpayment of penalty.—On a failure to pay the penalty assessed by a final order under this section, the Secretary shall request the Attorney General to institute a civil action in a district court of the United States or other United States court for any district in which the person is found, resides, or transacts business, to collect the penalty. The court shall have jurisdiction to hear and decide the action.

(b) Criminal Penalties.—

(1) First offense.—Subject to paragraph (2), a person who knowingly violates this subtitle (or a regulation or standard issued under this subtitle) shall, on conviction of the violation, be subject to imprisonment for not more than 1 year or a fine of not more than $2,000, or both.

(2) Subsequent offenses.—On conviction of a second or subsequent offense described in paragraph (1), a person shall be subject to imprisonment for not more than 3 years or to a fine of not more than $5,000, or both.

SEC. 531. PAYMENTS FOR TEMPORARY OR MEDICAL ASSISTANCE FOR EQUINE DUE TO VIOLATIONS.

From sums received as penalties, fines, or forfeitures of property for any violation of this subtitle (including a regulation issued under this subtitle), the Secretary shall pay the reasonable and necessary costs incurred by any person in providing temporary care or medical assistance for any equine that needs the care or assistance due to a violation of this subtitle.

SEC. 532. RELATIONSHIP TO STATE LAW.

Nothing in this subtitle prevents a State from enacting or enforcing any law (including a regulation) that is not inconsistent with this subtitle or that is more restrictive than this subtitle.

SEC. 533. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—There are authorized to be appropriated for each fiscal year such sums as are necessary to carry out this subtitle.

(b) Limitation.—No provision of this subtitle shall be effective, or be enforced against any person, during a fiscal year unless funds to carry out this subtitle have been appropriated for the fiscal year.

Subtitle D—Miscellaneous

SEC. 541. LIVESTOCK DEALER TRUST.

Title III of the Packers and Stockyards Act, 1921 (7 U.S.C. 201 et seq.), is amended by adding at the end the following:

"SEC. 318. LIVESTOCK DEALER TRUST.

"(a) Findings.—Congress finds that—

"(1) a burden on and obstruction to commerce in livestock is caused by financing arrangements under which dealers and market agencies purchasing livestock on commission encumber, give lenders security interests in, or have liens placed on livestock purchased by the dealers and market agencies in cash sales, or on receivables from or proceeds of such sales, when payment is not made for the livestock; and

"(2) the carrying out of such arrangements is contrary to the public interest.

"(b) Purpose.—The purpose of this section is to remedy the burden on and obstruction to commerce in livestock described in paragraph (1) and protect the public interest.

"(c) Definitions.—In this section:

"(1) Cash sale.—The term 'cash sale' means a sale in which the seller does not expressly extend credit to the buyer.

"(2) Trust.—The term 'trust' means 1 or more assets of a buyer that (subsequent to a cash sale of livestock) constitutes the corpus of a trust held for the benefit of a seller and consists of—

"(A) account receivables and proceeds earned from the cash sale of livestock by a dealer;

"(B) account receivables and proceeds of a marketing agency earned on commission from the cash sale of livestock;

"(C) the inventory of the dealer or marketing agency; or

"(D) livestock involved in the cash sale, if the seller has not received payment in full for the livestock and a bona fide third-party purchaser has not purchased the livestock from the dealer or marketing agency.

"(d) Holding in Trust.—

"(1) In general.—The account receivables and proceeds generated in a cash sale made by a dealer or a market agency on commission and the inventory of the dealer or market agency shall be held by the dealer or market agency in trust for the benefit of the seller of the livestock until the seller receives payment in full for the livestock.

"(2) Exemption.—Paragraph (1) does not apply in the case of a cash sale made by a dealer or market agency if the total amount of cash sales made by the dealer or market agency during the preceding 12 months does not exceed $250,000.

"(3) Dishonor of instrument of payment.—A payment in a sale described in paragraph (1) shall not be considered to be made if the instrument by which payment is made is dishonored.

"(4) Loss of benefit of trust.—If an instrument by which payment is made in a sale described in paragraph (1) is dishonored, the seller shall lose the benefit of the trust under paragraph (1) on the earlier of—

"(A) the date that is 15 business days after date on which the seller receives notice of the dishonor; or

"(B) the date that is 30 days after the final date for making payment under section 409, unless the seller gives written notice to the dealer or market agency of the seller's intention to preserve the trust and submits a copy of the notice to the Secretary.

"(5) Rights of third-party purchaser.—The trust established under paragraph (1) shall have no effect on the rights of a bona fide third-party purchaser of the livestock, without regard to whether the livestock are delivered to the bona fide purchaser.

"(e) Jurisdiction.—The district courts of the United States shall have jurisdiction in a civil action—

"(1) by the beneficiary of a trust described in subsection (c)(1), to enforce payment of the amount held in trust; and

"(2) by the Secretary, to prevent and restrain dissipation of a trust described in subsection (c)(1).".

SEC. 542. PLANTING OF ENERGY CROPS.

(a) Feed Grains.—The first sentence of section 105B(c)(1)(F)(i) of the Agricultural Act of 1949 (7 U.S.C. 1444f(c)(1)(F)(i)) is amended by inserting "herbaceous perennial grass, short rotation woody coppice species of trees, other energy crops designated by the Secretary with high energy content," after "mung beans,".

(b) Wheat.—The first sentence of section 107B(c)(1)(F)(i) of the Agricultural Act of 1949 (7 U.S.C. 1445b–3a(c)(1)(F)(i)) is amended by inserting "herbaceous perennial grass, short rotation woody coppice species of trees, other energy crops designated by the Secretary with high energy content," after "mung beans,".

SEC. 543. REIMBURSABLE AGREEMENTS.

Section 737 of Public Law 102–142 (7 U.S.C. 2277) is amended—

(1) by striking "Sec. 737. Funds" and inserting the following:

"SEC. 737. SERVICES FOR APHIS PERFORMED OUTSIDE THE UNITED STATES.

"(a) In General.—Funds"; and

(2) by adding at the end the following:

"(b) Reimbursable Agreements.—

"(1) In general.—The Secretary of Agriculture may enter into reimbursable fee agreements with persons for preclearance at locations outside the United States of plants, plant products, animals, and articles for movement to the United States.

"(2) Overtime, night, and holiday work.—Notwithstanding any other law, the Secretary of Agriculture may pay an employee of the Department of Agriculture preforming services relating to imports into and exports from the United States for overtime, night, and holiday work performed by the employee at a rate of pay established by the Secretary.

"(3) Reimbursement.—

"(A) In general.—The Secretary of Agriculture may require persons for whom preclearance services are performed to reimburse the Secretary for any amounts paid by the Secretary for performance of the services.

"(B) Crediting of funds.—All funds collected under subparagraph (A) shall be credited to the account that incurs the costs and shall remain available until expended without fiscal year limitation.

"(C) LATE PAYMENT PENALTY.—

"(i) IN GENERAL.—On failure of a person to reimburse the Secretary of Agriculture for the costs of performance of preclearance services—

"(I) the Secretary may assess a late payment penalty; and

"(II) the overdue funds shall accrue interest in accordance with section 3717 of title 31, United States Code.

"(ii) CREDITING OF FUNDS.—Any late payment penalty and any accrued interest collected under this subparagraph shall be credited to the account that incurs the costs and shall remain available until expended without fiscal year limitation.".

SEC. 544. SWINE HEALTH PROTECTION.

(a) TERMINATION OF STATE PRIMARY ENFORCEMENT RESPONSIBILITY.—Section 10 of the Swine Health Protection Act (7 U.S.C. 3809) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following:

"(c) REQUEST OF STATE OFFICIAL.—

"(1) IN GENERAL.—On request of the Governor or other appropriate official of a State, the Secretary may terminate, effective as soon as the Secretary determines is practicable, the primary enforcement responsibility of a State under subsection (a). In terminating the primary enforcement responsibility under this subsection, the Secretary shall work with the appropriate State official to determine the level of support to be provided to the Secretary by the State under this Act.

"(2) REASSUMPTION.—Nothing in this subsection shall prevent a State from reassuming primary enforcement responsibility if the Secretary determines that the State meets the requirements of subsection (a).".

(b) ADVISORY COMMITTEE.—The Swine Health Protection Act is amended—

(1) by striking section 11 (7 U.S.C. 3810); and

(2) by redesignating sections 12, 13, and 14 (7 U.S.C. 3811, 3812, and 3813) as sections 11, 12, and 13, respectively.

SEC. 545. COOPERATIVE WORK FOR PROTECTION, MANAGEMENT, AND IMPROVEMENT OF NATIONAL FOREST SYSTEM.

The penultimate paragraph of the matter under the heading "FOREST SERVICE." of the first section of the Act of June 30, 1914 (38 Stat. 430, chapter 131; 16 U.S.C. 498), is amended—

(1) by inserting ", management," after "the protection";

(2) by striking "national forests," and inserting "National Forest System,";

(3) by inserting "management," after "protection," both places it appears; and

(4) by adding at the end the following new sentences: "Payment for work undertaken pursuant to this paragraph may be made from any appropriation of the Forest Service that is available for similar work if a written agreement so provides and reimbursement will be provided by a cooperator in the same fiscal year as the expenditure by the Forest Service. A reimbursement received from a cooperator that covers the proportionate share of the cooperator of the cost of the work shall be deposited to the credit of the appropriation of the Forest Service from which the payment was initially made or, if the appropriation is no longer available to the credit of an appropriation of the Forest Service that is available for similar work. The Secretary of Agriculture shall establish written rules that establish criteria to be used to determine whether the acceptance of contributions of money under this paragraph would adversely affect the ability of an officer or employee of the United States Department of Agriculture to carry out a duty or program of the officer or employee in a fair and objective manner or would compromise, or appear to compromise, the integrity of the program, officer, or employee. The Secretary of Agriculture shall establish written rules that protect the interests of the Forest Service in cooperative work agreements.".

SEC. 546. AMENDMENT OF THE VIRUS-SERUM TOXIN ACT OF 1913.

The Act of March 4, 1913 (37 Stat. 828, chapter 145), is amended in the eighth paragraph under the heading "BUREAU OF ANIMAL INDUSTRY", commonly known as the "Virus-Serum Toxin Act of 1913", by striking the 10th sentence (21 U.S.C. 158) and inserting "A person, firm, or corporation that knowingly violates any of the provisions of this paragraph or regulations issued under this paragraph, or knowingly forges, counterfeits, or, without authorization by the Secretary of Agriculture, uses, alters, defaces, or destroys any certificate, permit, license, or other document provided for in this paragraph, may, for each violation, after written notice and opportunity for a hearing on the record, be assessed a civil penalty by the Secretary of Agriculture of not more than $5,000, or shall, on conviction, be assessed a criminal penalty of not more than $10,000, imprisoned not more than 1 year, or both. In the course of an investigation of a suspected violation of this paragraph, the Secretary of Agriculture may issue subpoenas requiring the attendance and testimony of witnesses and the production of evidence that relates to the matter under investigation. In determining the amount of a civil penalty, the Secretary of Agriculture shall take into account the nature, circumstances, extent, and gravity of the violation, the ability of the violator to pay the penalty, the effect that the assessment would have on the ability of the violator to continue to do business, any history of such violations by the violator, the degree of culpability of the violator, and such other matters as justice may require. An order assessing a civil penalty shall be treated as a final order reviewable under chapter 158 of title 28, United State's Code. The Secretary of Agriculture may compromise, modify, or remit a civil penalty with or without conditions. The amount of a civil penalty that is paid (including any amount agreed on in compromise) may be deducted from any sums owing by the United States to the violator. The total amount of civil penalties assessed against a violator shall not exceed $300,000 for all such violations adjudicated in a single proceeding. The validity of an order assessing a civil penalty shall not be subject to review in an action to collect the civil penalty. The unpaid amount of a civil penalty not paid in full when due shall accrue interest at the rate of interest applicable to civil judgments of the courts of the United States.".

SEC. 547. OVERSEAS TORT CLAIMS.

Title VII of Public Law 102–142 (105 Stat. 911) is amended by inserting after section 737 (7 U.S.C. 2277) the following:

"SEC. 737A. OVERSEAS TORT CLAIMS.

"The Secretary of Agriculture may pay a tort claim in the manner authorized in section 2672 of title 28, United States Code, if the claim arises outside the United States in connection with activities of individuals who are performing services for the Secretary. A claim may not be allowed under this section unless the claim is presented in writing to the Secretary within 2 years after the date on which the claim accrues.".

SEC. 548. GRADUATE SCHOOL OF THE UNITED STATES DEPARTMENT OF AGRICULTURE.

(a) PURPOSE.—The purpose of this section is to authorize the continued operation of the Graduate School as a nonappropriated fund instrumentality of the Department of Agriculture.

(b) DEFINITIONS.—In this section:

(1) BOARD.—The term "Board" means the General Administration Board of the Graduate School.

(2) DEPARTMENT.—The term "Department" means the Department of Agriculture.

(3) DIRECTOR.—The term "Director" means the Director of the Graduate School.

(4) GRADUATE SCHOOL.—The term "Graduate School" means the Graduate School of the United States Department of Agriculture.

(5) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(c) FUNCTIONS AND AUTHORITY.—

(1) IN GENERAL.—The Graduate School shall continue as a nonappropriated fund instrumentality of the Department under the general supervision of the Secretary.

(2) ACTIVITIES.—The Graduate School shall develop and administer education, training, and professional development activities, including the provision of educational activities for Federal agencies, Federal employees, nonprofit organizations, other entities, and members of the general public.

(3) FEES.—

(A) IN GENERAL.—The Graduate School may charge and retain fair and reasonable fees for the activities that it provides based on the cost of the activities to the Graduate School.

(B) NOT FEDERAL FUNDS.—Fees under subparagraph (A) shall not be considered to be Federal funds and shall not required to be deposited in the Treasury of the United States.

(4) NAME.—The Graduate School shall operate under the name "United States Department of Agriculture Graduate School" or such other name as the Graduate School may adopt.

(d) GENERAL ADMINISTRATION BOARD.—

(1) APPOINTMENT.—The Secretary shall appoint a General Administration Board to serve as a governing board subject to regulation by the Secretary.

(2) SUPERVISION.—The Graduate School shall be subject to the supervision and direction of the Board.

(3) DUTIES.—The Board shall—

(A) formulate broad policies in accordance with which the Graduate School shall be administered;

(B) take all steps necessary to see that the highest possible educational standards are maintained;

(C) exercise general supervision over the administration of the Graduate School; and

(D) establish such bylaws, rules, and procedures as may be necessary for the fulfillment of the duties described in subparagraph (A), (B), and (C).

(4) DIRECTOR AND OTHER OFFICERS.—The Board shall select the Director and such other officers as the Board may consider necessary, who shall serve on such terms and perform such duties as the Board may prescribe.

(5) BORROWING.—The Board may authorize the Director to borrow money on the credit of the Graduate School.

(e) DIRECTOR OF THE GRADUATE SCHOOL.—

(1) DUTIES.—The Director shall be responsible, subject to the supervision and direction of the Board, for carrying out the functions of the Graduate School.

(2) INVESTMENT OF FUNDS.—The Board may authorize the Director to invest funds held in excess of the current operating requirements of the Graduate School for purposes of maintaining a reasonable reserve.

(f) LIABILITY.—The Director and the members of the Board shall not be held personally liable for any loss or damage that may accrue to the funds of the Graduate School as the result of any act or exercise of discretion performed in carrying out the duties described in this section.

(g) EMPLOYEES.—Employees of the Graduate School are employees of a nonappropriated fund instrumentality and shall not be considered to be Federal employees.

(h) NOT A FEDERAL AGENCY.—The Graduate School shall not be considered to be a Federal Agency for purposes of—

(1) chapter 171 of title 28, United States Code;

(2) section 552 or 552a of title 28, United States Code; or

(3) the Federal Advisory Committee Act (5 U.S.C. App.).

(i) ACCEPTANCE OF DONATIONS.—The Graduate School shall not accept a donation from a person that is actively engaged in a procurement activity with the Graduate School or has an interest that may be substantially affected by the performance or nonperformance of an official duty of a member of the Board or an employee of the Graduate School.

(j) ADMINISTRATIVE PROVISIONS.—In order to carry out the functions of the Graduate School, the Graduate School may—

(1) accept, use, hold, dispose, and administer gifts, bequests, or devises of money, securities, and other real or personal property made for the benefit of, or in connection with, the Graduate School;

(2) notwithstanding any other law—

(A) acquire real property in the District of Columbia and in other places by lease, purchase, or otherwise;

(B) maintain, enlarge, or remodel any such property; and

(C) have sole control of any such property;

(3) enter into contracts without regard to the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471) or any other law that prescribes procedures for the procurement of property or services by an executive agency;

(4) dispose of real and personal property without regard to the requirements of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471); and

(5) use the facilities and resources of the Department, on the condition that any costs incurred by the Department that are attributable solely to Graduate School operations and all costs incurred by the Graduate School arising out of such operations shall be borne by the fees paid by or on behalf of students or by other means and not with Federal funds.

SEC. 549. STUDENT INTERN SUBSISTENCE PROGRAM.

(a) DEFINITION.—In this section, the term "student intern" means a person who—

(1) is employed by the Department of Agriculture to assist scientific, professional, administrative, or technical employees of the Department; and

(2) is a student in good standing at an accredited college or university pursuing a course of study related to the field in which the person is employed by the Department.

(b) PAYMENT OF CERTAIN EXPENSES BY THE SECRETARY.—The Secretary of Agriculture may, out of user fee funds or funds appropriated to any agency, pay for lodging expenses, subsistence expenses, and transportation expenses of a student intern (including expenses of transportation to and from the student intern's residence at or near the college or university attended by the student intern and the official duty station at which the student intern is employed).

SEC. 550. CONVEYANCE OF LAND TO WHITE OAK CEMETERY.

(a) IN GENERAL.—

(1) RELEASE OF INTEREST.—After execution of the agreement described in subsection (b), the Secretary of Agriculture shall release the condition stated in the deed on the land described in subsection (c) that the land be used for public purposes, and that if the land is not so used, that the land revert the United States, on the condition that the land be used exclusively for cemetery purposes, and that if the land is not so used, that the land revert to the United States.

(2) BANKHEAD-JONES ACT.—Section 32(c) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1011(c)) shall not apply to the release under paragraph (1).

(b) AGREEMENT.—The Secretary of Agriculture shall make the release under in subsection (a) on execution by the Board of Trustees of the University of Arkansas, in consideration of the release, of an agreement, satisfactory to the Secretary of Agriculture, that—

(1) the Board of Trustees will not sell, lease, exchange, or otherwise dispose of the land described in subsection (c) except to the White Oak Cemetery Association of Washington County, Arkansas, or a successor organization, for exclusive use for an expansion of the cemetery maintained by the Association; and

(2) the proceeds of such a disposition of the land will be deposited and held in an account open to inspection by the Secretary of Agriculture, and used, if withdrawn from the account, for public purposes.

(c) LAND DESCRIPTION.—The land described in this subsection is the land conveyed to the Board of Trustees of the University of Arkansas, with certain other land, by deed dated November 18, 1953, comprising approximately 2.2 acres located within property of the University of Arkansas in Washington, County, Arkansas, commonly known as the "Savor property" and described as follows:

The part of Section 20, Township 17 north, range 31 west, beginning at the north corner of the White Oak Cemetery and the University of Arkansas Agricultural Experiment Station farm at Washington County road #874, running west approximately 330 feet, thence south approximately 135 feet, thence southeast approximately 384 feet, thence north approximately 330 feet to the point of beginning.

SEC. 551. ADVISORY BOARD ON AGRICULTURAL AIR QUALITY.

(a) FINDINGS.—Congress finds that—

(1) various studies have identified agriculture as a major atmospheric polluter;

(2) Federal research activities are underway to determine the extent of the pollution problem and the extent of the role of agriculture in the problem; and

(3) any Federal policy decisions that may result, and any Federal regulations that may be imposed on the agricultural sector, should be based on sound scientific findings;

(b) PURPOSE.—The purpose of this section is to establish an advisory board to assist and provide the Secretary of Agriculture with information, analyses, and policy recommendations for determining matters of fact and technical merit and addressing scientific questions dealing with particulate matter less than 10 microns that become lodged in human lungs (known as "PM10") and other airborne particulate matter or gases that affect agricultural production yields and the economy.

(c) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary of Agriculture may establish a board to be known as the "Advisory Board on Agricultural Air Quality" (referred to in this section as the "Board") to advise the Secretary, through the Chief of the Natural Resources Conservation Service, with respect to carrying out this act and obligations agriculture incurred under the Clean Air Act (42 U.S.C. 7401 et seq.) and the Act entitled 'An Act to amend the Clean Air Act to provide for attainment and maintenance of health protective national ambient air quality standards, and for other purposes', approved November 15, 1990 (commonly known as the 'Clean Air Act Amendments of 1990') (42 U.S.C. 7401 et seq.).

(2) OVERSIGHT COORDINATION.—The Secretary of Agriculture shall provide oversight and coordination with respect to other Federal departments and agencies to ensure intergovernmental cooperation in research activities and to avoid duplication of Federal efforts.

(d) COMPOSITION.—

(1) IN GENERAL.—The Board shall be composed of at least 17 members appointed by the Secretary in consultation with the Administrator of the Environmental Protection Agency.

(2) REGIONAL REPRESENTATION.—The membership of the Board shall be 2 persons from each of the 6 regions of the Natural Resources Conservation Service, of whom 1 from each region shall be an agricultural producer.

(3) ATMOSPHERIC SCIENTIST.—At least 1 member of the Board shall be an atmospheric scientist.

(e) CHAIRPERSON.—The Chief of the Natural Resources Conservation Service shall—

(1) serve as chairman of the Board; and

(2) provide technical support to the Board.

(f) TERM.—Each member of the Board shall be appointed for a 3-year term, except that the Secretary of Agriculture shall appoint 4 of the initial members for a term of 1 year and 4 for a term of 2 years.

(g) MEETINGS.—The Board shall meet not less than twice annually.

(h) COMPENSATION.—Members of the Board shall serve without compensation, but while away from their homes or regular place of business in performance of services for the Board, members of the Board shall be allowed travel expenses, including a per diem allowance in lieu of subsistence, in the same manner as persons employed in Government service are allowed travel expenses under section 5703 of title 5, United States Code.

(i) FUNDING.—The Board shall be funded using appropriations for conservation operations.

SEC. 552. WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

The Consolidated Farm and Rural Development Act is amended by inserting after section 306C (7 U.S.C. 1926c) the following:

"SEC. 306D. WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

"(a) IN GENERAL.—The Secretary may make grants to the State of Alaska for the benefit of rural or Native villages in Alaska to provide for the development and construction of water and wastewater systems to improve the health and sanitation conditions in those villages.

"(b) MATCHING FUNDS.—To be eligible to receive a grant under subsection (a), the

State of Alaska shall provide equal matching funds from non-Federal sources.

"(c) Consultation With the State of Alaska.—The Secretary shall consult with the State of Alaska on a method of prioritizing the allocation of grants under subsection (a) according to the needs of, and relative health and sanitation conditions in, each village.

"(d) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 1996 through 2002.".

SEC. 553. ELIGIBILITY FOR GRANTS TO BROADCASTING SYSTEMS.

Section 310B(j) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(j)) is amended by striking "Systems.—The" and inserting the following: "Systems.—

"(1) Definition of statewide.—In this subsection, the term 'statewide' means having a coverage area of not less than 90 percent of the population of a State and 90 percent of the rural land area of the State (as determined by the Secretary).

"(2) Grants.—The".

SEC. 554. WILDLIFE HABITAT INCENTIVES PROGRAM.

(a) In General.—The Secretary of Agriculture, in consultation with the State Technical Committee, shall establish a program in the Natural Resources Conservation Service to be known as the Wildlife Habitat Incentive Program.

(b) Cost-Share Payments.—The Program shall make cost-share payments to landowners to develop upland wildlife, wetland wildlife, threatened and endangered species, fisheries, and other types of wildlife habitat approved by the Secretary.

(c) Funding.—To carry out this section, $10,000,000 shall be made available for each of fiscal years 1996 through 2002 from funds made available to carry out subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.).

SEC. 555. INDIAN RESERVATIONS.

(a) Indian Reservation Extension Agent Program.—

(1) Reauthorization.—The program established under section 1677 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5930) is reauthorized through fiscal year 2002.

(2) Reduced regulatory burden.—On a determination by the Secretary of Agriculture that a program carried out under section 1677 of the Act (7 U.S.C. 5930) has been satisfactorily administered for not less than 2 years, the Secretary shall implement a reduced re-application process for the continued operation of the program in order to reduce regulatory burdens on participating university and tribal entities.

(b) Memorandum of Agreement.—

(1) In general.—Not later than January 6, 1997, the Secretary shall develop and implement a formal Memorandum of Agreement with the 29 tribally controlled colleges eligible under Federal law to receive funds from the Secretary of Agriculture as partial land grant institutions.

(2) Equitable participation.—The Memorandum shall establish programs to ensure that tribally-controlled colleges and Native American communities equitably participate in Department of Agriculture employment programs, services, and resources.

SEC. 556. ICD REIMBURSEMENT FOR OVERHEAD EXPENSES.

Section 1542(d)(1)(D) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624;7 U.S.C. 5622 note) is amended by adding at the end the following: "Notwithstanding any other provision of law, the assistance shall include assistance for administrative and overhead expenses, to the extent that the expenses were incurred pursuant to reimbursable agreements entered into prior to September 30, 1993, the expenses do not exceed $2,000,000 per year, and the expenses were not incurred to provide information to technology systems.".

TITLE VI—CREDIT

Subtitle A—Agricultural Credit

CHAPTER 1—FARM OWNERSHIP LOANS

SEC. 601. LIMITATION ON DIRECT FARM OWNERSHIP LOANS.

Section 302 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922) is amended by striking subsection (b) and inserting the following:

"(b) Direct Loans.—

"(1) In general.—Subject to paragraph (3), the Secretary may only make a direct loan under this subtitle to a farmer or rancher who has operated a farm or ranch for not less than 3 years and—

"(A) is a qualified beginning farmer or rancher;

"(B) has not received a previous direct farm ownership loan made under this subtitle; or

"(C) has not received a direct farm ownership loan under this subtitle more than 10 years before the date the new loan would be made.

"(2) Youth loans.—The operation of an enterprise by a youth under section 311(b) shall not be considered the operation of a farm or ranch for purposes of paragraph (1).

"(3) Transition rule.—

"(A) In general.—Subject to subparagraphs (B) and (C), paragraph (1) shall not apply to a farmer or rancher who has a direct loan outstanding under this subtitle on the date of enactment of this paragraph.

"(B) Less than 5 years.—If, as of the date of enactment of this paragraph, a farmer or rancher has had a direct loan outstanding under this subtitle for less than 5 years, the Secretary shall not make another loan to the farmer or rancher under this subtitle after the date that is 10 years after the date of enactment of this paragraph.

"(C) 5 years or more.—If, as of the date of enactment of this paragraph, a farmer or rancher has had a direct loan outstanding under this subtitle for 5 years or more, the Secretary shall not make another loan to the farmer or rancher under this subtitle after the date that is 5 years after the date of enactment of this paragraph.".

SEC. 602. PURPOSES OF LOANS.

Section 303 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1923) is amended to read as follows:

"SEC. 303. PURPOSES OF LOANS.

"(a) Allowed Purposes.—

"(1) Direct loans.—A farmer or rancher may use a direct loan made under this subtitle only for—

"(A) acquiring or enlarging a farm or ranch;

"(B) making capital improvements to a farm or ranch;

"(C) paying loan closing costs related to acquiring, enlarging, or improving a farm or ranch; or

"(D) paying for activities to promote soil and water conservation and protection under section 304 on the farm or ranch.

"(2) Guaranteed loans.—A farmer or rancher may use a loan guaranteed under this subtitle only for—

"(A) acquiring or enlarging a farm or ranch;

"(B) making capital improvements to a farm or ranch;

"(C) paying loan closing costs related to acquiring, enlarging, or improving a farm or ranch;

"(D) paying for activities to promote soil and water conservation and protection under section 304 on the farm or ranch; or

"(E) refinancing indebtedness.

"(b) Preferences.—In making or guaranteeing a loan for farm or ranch purchase, the Secretary shall give a preference to a person who—

"(1) has a dependent family;

"(2) to the extent practicable, is able to make an initial down payment; or

"(3) is an owner of livestock or farm or ranch equipment that is necessary to successfully carry out farming or ranching operations.

"(c) Hazard Insurance Requirement.—

"(1) In general.—The Secretary may not make a loan to a farmer or rancher under this subtitle unless the farmer or rancher has, or agrees to obtain, hazard insurance on any real property to be acquired or improved with the loan.

"(2) Determination.—Not later than 180 days after the date of enactment of this subsection, the Secretary shall determine the appropriate level of insurance to be required under paragraph (1).

"(3) Transitional provision.—Paragraph (1) shall not apply until the Secretary makes the determination required under paragraph (2).".

SEC. 603. SOIL AND WATER CONSERVATION AND PROTECTION.

Section 304 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1924) is amended—

(1) by striking subsections (b) and (c);

(2) by striking "Sec. 304. (a)(1) Loans" and inserting the following:

"SEC. 304. SOIL AND WATER CONSERVATION AND PROTECTION.

"(a) In General.—Loans";

(3) by striking "(2) In making or insuring" and inserting the following:

"(b) Priority.—In making or guaranteeing";

(4) by striking "(3) The Secretary" and inserting the following:

"(c) Loan Maximum.—The Secretary";

(5) by redesignating subparagraphs (A) through (F) of subsection (a) (as amended by paragraph (2)) as paragraphs (1) through (6), respectively; and

(6) by redesignating subparagraphs (A) and (B) of subsection (c) (as amended by paragraph (4)) as paragraphs (1) and (2), respectively.

SEC. 604. INTEREST RATE REQUIREMENTS.

Section 307(a)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)) is amended—

(1) in subparagraph (B), by inserting "subparagraph (D) and in" after "Except as provided in"; and

(2) by adding at the end the following:

"(D) Joint financing arrangement.—If a direct farm ownership loan is made under this subtitle as part of a joint financing arrangement and the amount of the direct farm ownership loan does not exceed 50 percent of the total principal amount financed under the arrangement, the interest rate on the direct farm ownership loan shall be 4 percent annually.".

SEC. 605. INSURANCE OF LOANS.

Section 308 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1928) is amended to read as follows:

"SEC. 308. FULL FAITH AND CREDIT.

"(a) IN GENERAL.—A contract of insurance or guarantee executed by the Secretary under this title shall be an obligation supported by the full faith and credit of the United States.

"(b) CONTESTABILITY.—A contract of insurance or guarantee executed by the Secretary under this title shall be incontestable except for fraud or misrepresentation that the lender or any holder—

"(1) has actual knowledge of at the time the contract or guarantee is executed; or

"(2) participates in or condones.".

SEC. 606. LOANS GUARANTEED.

Section 309(h) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(h)) is amended by adding at the end the following:

"(4) MAXIMUM GUARANTEE OF 90 PERCENT.—Except as provided in paragraph (5), a loan guarantee under this title shall be for not more than 90 percent of the principal and interest due on the loan.

"(5) REFINANCED LOANS GUARANTEED AT 95 PERCENT.—The Secretary shall guarantee 95 percent of—

"(A) in the case of a loan that solely refinances a direct loan made under this title, the principal and interest due on the loan on the date of the refinancing; or

"(B) in the case of a loan that is used for multiple purposes, the portion of the loan that refinances the principal and interest due on a direct loan made under this title that is outstanding on the date the loan is guaranteed.

"(6) BEGINNING FARMER LOANS GUARANTEED UP TO 95 PERCENT.—The Secretary may guarantee up to 95 percent of—

"(A) a farm ownership loan for acquiring a farm or ranch to a borrower who is participating in the down payment loan program under section 310E; or

"(B) an operating loan to a borrower who is participating in the down payment loan program under section 310E that is made during the period that the borrower has a direct loan for acquiring a farm or ranch.".

CHAPTER 2—OPERATING LOANS

SEC. 611. LIMITATION ON DIRECT OPERATING LOANS.

(a) IN GENERAL.—Section 311 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941) is amended by striking subsection (c) and inserting the following:

"(c) DIRECT LOANS.—

"(1) IN GENERAL.—Subject to paragraph (3), the Secretary may only make a direct loan under this subtitle to a farmer or rancher who—

"(A) is a qualified beginning farmer or rancher who has not operated a farm or ranch, or who has operated a farm or ranch for not more than 5 years;

"(B) has not had a previous direct operating loan under this subtitle; or

"(C) has not had a previous direct operating loan under this subtitle for more than 7 years.

"(2) YOUTH LOANS.—In this subsection, the term 'direct operating loan' shall not include a loan made to a youth under subsection (b).

"(3) TRANSITION RULE.—If, as of the date of enactment of this paragraph, a farmer or rancher has received a direct operating loan under this subtitle during each of 4 or more previous years, the borrower shall be eligible to receive a direct operating loan under this subtitle during 3 additional years after the date of enactment of this paragraph.".

(b) YOUTH ENTERPRISES NOT FARMING OR RANCHING.—Section 311(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(b)) is amended by adding at the end the following:

"(4) YOUTH ENTERPRISES NOT FARMING OR RANCHING.—The operation of an enterprise by a youth under this subsection shall not be considered the operation of a farm or ranch under this title.".

SEC. 612. PURPOSES OF OPERATING LOANS.

Section 312 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1942) is amended to read as follows:

"SEC. 312. PURPOSES OF LOANS.

"(a) IN GENERAL.—A direct loan may be made under this subtitle only for—

"(1) paying the costs incident to reorganizing a farming or ranching system for more profitable operation;

"(2) purchasing livestock, poultry, or farm or ranch equipment;

"(3) purchasing feed, seed, fertilizer, insecticide, or farm or ranch supplies, or to meet other essential farm or ranch operating expenses, including cash rent;

"(4) financing land or water development, use, or conservation;

"(5) paying loan closing costs;

"(6) assisting a farmer or rancher in effecting an addition to, or alteration of, the equipment, facilities, or methods of operation of a farm or ranch to comply with a standard promulgated under section 6 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 655) or a standard adopted by a State under a plan approved under section 18 of the Act (29 U.S.C. 667), if the Secretary determines that without assistance under this paragraph the farmer or rancher is likely to suffer substantial economic injury due to compliance with the standard;

"(7) training a limited-resource borrower receiving a loan under section 310D in maintaining records of farming and ranching operations;

"(8) training a borrower under section 359;

"(9) refinancing the indebtedness of a borrower if the borrower—

"(A) has refinanced a loan under this subtitle not more than 4 times previously; and

"(B)(i) is a direct loan borrower under this title at the time of the refinancing and has suffered a qualifying loss because of a natural disaster declared by the Secretary under this title or a major disaster or emergency designated by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.); or

"(ii) is refinancing a debt obtained from a creditor other than the Secretary; or

"(10) providing other farm, ranch, or home needs, including family subsistence.

"(b) GUARANTEED LOANS.—A loan may be guaranteed under this subtitle only for—

"(1) paying the costs incident to reorganizing a farming or ranching system for more profitable operation;

"(2) purchasing livestock, poultry, or farm or ranch equipment;

"(3) purchasing feed, seed, fertilizer, insecticide, or farm or ranch supplies, or to meet other essential farm or ranch operating expenses, including cash rent;

"(4) financing land or water development, use, or conservation;

"(5) refinancing indebtedness;

"(6) paying loan closing costs;

"(7) assisting a farmer or rancher in effecting an addition to, or alteration of, the equipment, facilities, or methods of operation of a farm or ranch to comply with a standard promulgated under section 6 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 655) or a standard adopted by a State under a plan approved under section 18 of the Act (29 U.S.C. 667), if the Secretary determines that without assistance under this paragraph the farmer or rancher is likely to suffer substantial economic injury due to compliance with the standard;

"(8) training a borrower under section 359; or

"(9) providing other farm, ranch, or home needs, including family subsistence.

"(c) HAZARD INSURANCE REQUIREMENT.—

"(1) IN GENERAL.—The Secretary may not make a loan to a farmer or rancher under this subtitle unless the farmer or rancher has, or agrees to obtain, hazard insurance on any property to be acquired with the loan.

"(2) DETERMINATION.—Not later than 180 days after the date of enactment of this paragraph, the Secretary shall determine the appropriate level of insurance to be required under paragraph (1).

"(3) TRANSITIONAL PROVISION.—Paragraph (1) shall not apply until the Secretary makes the determination required under paragraph (2).

"(d) PRIVATE RESERVE.—

"(1) IN GENERAL.—Notwithstanding any other provision of this title, the Secretary may reserve the lesser of 10 percent or $5,000 of the amount of a direct loan made under this subtitle, to be placed in a nonsupervised bank account that may be used at the discretion of the borrower for any necessary family living need or purpose that is consistent with any farming or ranching plan agreed to by the Secretary and the borrower prior to the date of the loan.

"(2) ADJUSTMENT OF RESERVE.—If a borrower exhausts the amount of funds reserved under paragraph (1), the Secretary may—

"(A) review and adjust the farm or ranch plan referred to in paragraph (1) with the borrower and reschedule the loan;

"(B) extend additional credit;

"(C) use income proceeds to pay necessary farm, ranch, home, or other expenses; or

"(D) provide additional available loan servicing.".

SEC. 613. PARTICIPATION IN LOANS.

Section 315 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1945) is repealed.

SEC. 614. LINE-OF-CREDIT LOANS.

Section 316 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1946) is amended by adding at the end the following:

"(c) LINE-OF-CREDIT LOANS.—

"(1) IN GENERAL.—A loan made or guaranteed by the Secretary under this subtitle may be in the form of a line-of-credit loan.

"(2) TERM.—A line-of-credit loan under paragraph (1) shall terminate not later than 5 years after the date that the loan is made or guaranteed.

"(3) ELIGIBILITY.—For purposes of determining eligibility for a farm operating loan, each year in which a farmer or rancher takes an advance or draws on a line-of-credit loan the farmer or rancher shall be considered to have received an operating loan for 1 year.".

SEC. 615. INSURANCE OF OPERATING LOANS.

Section 317 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1947) is repealed.

SEC. 616. SPECIAL ASSISTANCE FOR BEGINNING FARMERS AND RANCHERS.

(a) IN GENERAL.—Section 318 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1948) is repealed.

(b) CONFORMING AMENDMENT.—Section 310F of the Consolidated Farm and Rural Development Act (7 U.S.C. 1936) is repealed.

SEC. 617. LIMITATION ON PERIOD FOR WHICH BORROWERS ARE ELIGIBLE FOR GUARANTEED ASSISTANCE.

Section 319 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1949) is amended by striking subsection (b) and inserting the following:

"(b) Limitation on Period Borrowers Are Eligible for Guaranteed Assistance.—

"(1) General rule.—Subject to paragraph (2), the Secretary shall not guarantee a loan under this subtitle for a borrower for any year after the 15th year that a loan is made to, or a guarantee is provided with respect to, the borrower under this subtitle.

"(2) Transition rule.—If, as of October 28, 1992, a farmer or rancher has received a direct or guaranteed operating loan under this subtitle during each of 10 or more previous years, the borrower shall be eligible to receive a guaranteed operating loan under this subtitle during 5 additional years after October 28, 1992.".

CHAPTER 3—EMERGENCY LOANS

SEC. 621. HAZARD INSURANCE REQUIREMENT.

Section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) is amended by striking subsection (b) and inserting the following:

"(b) Hazard Insurance Requirement.—

"(1) In general.—The Secretary may not make a loan to a farmer or rancher under this subtitle to cover a property loss unless the farmer or rancher had hazard insurance that insured the property at the time of the loss.

"(2) Determination.—Not later than 180 days after the date of enactment of this paragraph, the Secretary shall determine the appropriate level of insurance to be required under paragraph (1).

"(3) Transitional provision.—Paragraph (1) shall not apply until the Secretary makes the determination required under paragraph (2).".

SEC. 622. MAXIMUM EMERGENCY LOAN INDEBTEDNESS.

Section 324 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1964) is amended by striking "Sec. 324. (a) No loan" and all that follows through the end of subsection (a) and inserting the following:

"SEC. 324. TERMS OF LOANS.

"(a) Maximum Amount of Loan.—The Secretary may not make a loan under this subtitle that—

"(1) exceeds the actual loss caused by a disaster; or

"(2) would cause the total indebtedness of the borrower under this subtitle to exceed $500,000.".

SEC. 623. INSURANCE OF EMERGENCY LOANS.

Section 328 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1968) is repealed.

CHAPTER 4—ADMINISTRATIVE PROVISIONS

SEC. 631. USE OF COLLECTION AGENCIES.

Section 331 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981) is amended by adding at the end the following:

"(d) Private Collection Agency.—The Secretary may use a private collection agency to collect a claim or obligation described in subsection (b)(5).".

SEC. 632. NOTICE OF LOAN SERVICE PROGRAMS.

Section 331D(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981d(a)) is amended by striking "180 days delinquent in" and inserting "90 days past due on".

SEC. 633. SALE OF PROPERTY.

Section 335 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985) is amended—

(1) in subsection (b), by striking "subsection (e)" and inserting "subsections (c) and (e)";

(2) by striking subsection (c) and inserting the following:

"(c) Sale of Property.—

"(1) In general.—Subject to this subsection and subsection (e)(1)(A), the Secretary shall offer to sell real property that is acquired by the Secretary under this title in the following order and method of sale:

"(A) Advertisement.—Not later than 15 days after acquiring real property, the Secretary shall publicly advertise the property for sale.

"(B) Beginning farmer or rancher.—

"(i) In general.—Not later than 75 days after acquiring real property, the Secretary shall attempt to sell the property to a qualified beginning farmer or rancher at current market value based on a current appraisal.

"(ii) Random selection.—If more than 1 qualified beginning farmer or rancher offers to purchase the property, the Secretary shall select between the qualified applicants on a random basis.

"(iii) Appeal of random selection.—A random selection or denial by the Secretary of a beginning farmer or rancher for farm inventory property under this subparagraph shall be final and not administratively appealable.

"(C) Public sale.—If no acceptable offer is received from a qualified beginning farmer or rancher under subparagraph (B) within 75 days of acquiring the real property, the Secretary shall, within 30 days, sell the property after public notice at a public sale, and, if no acceptable bid is received, by negotiated sale, at the best price obtainable.

"(2) Transitional rules.—

"(A) Previous lease.—In the case of real property acquired prior to the date of enactment of this subparagraph that the Secretary leased prior to the date of enactment of this subparagraph, the Secretary shall offer to sell the property according to paragraph (1) not later than 60 days after the lease expires.

"(B) Previously in inventory.—In the case of real property acquired prior to the date of enactment of this subparagraph that the Secretary has not leased, the Secretary shall offer to sell the property according to paragraph (1) not later than 60 days after the date of enactment of this subparagraph.

"(3) Interest.—

"(A) In general.—Subject to subparagraph (B), any conveyance under this subsection shall include all of the interest of the United States, including mineral rights.

"(B) Conservation.—The Secretary may for conservation purposes grant or sell an easement, restriction, development right, or similar legal right to a State, a political subdivision of a State, or a private nonprofit organization separately from the underlying fee or other rights owned by the Secretary.

"(4) Other law.—This title shall not be subject to the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

"(5) Lease of property.—

"(A) In general.—Subject to subparagraph (B), the Secretary may not lease any real property acquired under this title.

"(B) Exception.—

"(i) Beginning farmer or rancher.—Notwithstanding paragraph (1), the Secretary may lease or contract to sell a farm or ranch acquired by the Secretary under this title to a beginning farmer or rancher if the beginning farmer or rancher qualifies for a credit sale or direct farm ownership loan but credit sale authority for loans or direct farm ownership funds, respectively, are not available.

"(ii) Term.—A lease or contract to sell to a beginning farmer or rancher under clause (i) shall be until the earlier of—

"(I) the date that is 18 months after the date of the lease or sale; or

"(II) the date that direct farm ownership loan funds or credit sale authority for loans become available to the beginning farmer or rancher.

"(iii) Income-producing capability.—In determining the rental rate on real property leased under this subparagraph, the Secretary shall consider the income-producing capability of the property during the term that the property is leased.

"(6) Determination by secretary.—

"(A) Expedited review.—On the request of an applicant, the Secretary shall provide within 30 days of denial of the applicant's application for an expedited review by the appropriate State Director of whether the applicant is a beginning farmer or rancher for the purpose of acquiring farm inventory property.

"(B) Appeal.—The results of a review conducted by a State Director under subparagraph (A) shall be final and not administratively appealable.

"(C) Effects of review.—

"(i) In general.—The Secretary shall maintain statistical data on the number and results of reviews conducted under subparagraph (A) and whether the reviews adversely impact on—

"(I) selling farm inventory property to beginning farmers and ranchers; and

"(II) disposing of real property in inventory.

"(ii) Notification.—The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate if the Secretary determines that reviews under subparagraph (A) are adversely impacting the selling of farm inventory property to beginning farmers or ranchers or on disposing of real property in inventory."; and

(3) in subsection (e)—

(A) in paragraph (1)—

(i) by striking subparagraphs (A) through (C);

(ii) by redesignating subparagraphs (D) through (G) as subparagraphs (A) through (D), respectively;

(iii) in subparagraph (A) (as redesignated by clause (ii))—

(I) in clause (i)—

(aa) in the matter preceding subclause (I), by striking "(G)" and inserting "(D)";

(bb) by striking subclause (I) and inserting the following:

"(I) the Secretary acquires property under this title that is located within an Indian reservation; and";

(cc) in subclause (II), by striking ", and" at the end and inserting a semicolon; and

(dd) by striking subclause (III); and

(II) in clause (iii), by striking "The Secretary shall" and all that follows through "of subparagraph (A)," and inserting "Not later than 90 days after acquiring the property, the Secretary shall"; and

(iv) in subparagraph (D) (as redesignated by clause (ii))—

(I) in clause (i), by striking "(D)" in the matter following subclause (IV) and inserting "(A)";

(II) in clause (iii)(I), by striking "subparagraphs (C)(i), (C)(ii), and (D)" and inserting "subparagraph (A)"; and

(III) by striking clause (v) and inserting the following:

"(v) FORECLOSURE PROCEDURES.—

"(I) NOTICE TO BORROWER.—If a borrower-owner does not voluntarily convey to the Secretary real property described in clause (i), not less than 30 days before a foreclosure sale of the property the Secretary shall provide the Indian borrower-owner with the option of—

"(aa) requiring the Secretary to assign the loan and security instruments to the Secretary of the Interior, provided the Secretary of the Interior agrees to the assignment, releasing the Secretary of Agriculture from all further responsibility for collection of any amounts with regard to the loan secured by the real property; or

"(bb) requiring the Secretary to assign the loan and security instruments to the tribe having jurisdiction over the reservation in which the real property is located, provided the tribe agrees to the assignment.

"(II) NOTICE TO TRIBE.—If a borrower-owner does not voluntarily convey to the Secretary real property described in clause (i), not less than 30 days before a foreclosure sale of the property the Secretary shall provide written notice to the Indian tribe that has jurisdiction over the reservation in which the real property is located of—

"(aa) the sale;

"(bb) the fair market value of the property; and

"(cc) the requirements of this subparagraph.

"(III) ASSUMED LOANS.—If an Indian tribe assumes a loan under subclause (I)—

"(aa) the Secretary shall not foreclose the loan because of any default that occurred prior to the date of the assumption;

"(bb) the loan shall be for the lesser of the outstanding principal and interest of the loan or the fair market value of the property; and

"(cc) the loan shall be treated as though the loan was made under Public Law 91–229 (25 U.S.C. 488 et seq.).";

(B) by striking paragraph (3);

(C) in paragraph (4)—

(i) by striking subparagraph (B);

(ii) in subparagraph (A)—

(I) in clause (i), by striking "(i)"; and

(II) by redesignating clause (ii) as subparagraph (B); and

(iii) in subparagraph (B) (as redesignated by clause (ii)(II)), by striking "clause (i)" and inserting "subparagraph (A)";

(D) by striking paragraph (5);

(E) by striking paragraph (6);

(F) by redesignating paragraph (4) as paragraph (3); and

(G) by redesignating paragraphs (7) through (10) as paragraphs (4) through (7), respectively.

SEC. 634. DEFINITIONS.

Section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) is amended—

(1) in paragraph (11)—

(A) in the text preceding subparagraph (A), by striking "applicant—" and inserting "applicant, regardless of whether participating in a program under section 310E—"; and

(B) in subparagraph (F)—

(i) by striking "15 percent" and inserting "35 percent"; and

(ii) by inserting before the semicolon at the end the following: ", except that this subparagraph shall not apply to loans under subtitle B"; and

(2) by adding at the end the following:

"(12) DEBT FORGIVENESS.—

"(A) IN GENERAL.—The term 'debt forgiveness' means reducing or terminating a farm loan made or guaranteed under this title, in a manner that results in a loss to the Secretary, through—

"(i) writing-down or writing-off a loan under section 353;

"(ii) compromising, adjusting, reducing, or charging-off a debt or claim under section 331;

"(iii) paying a loss on a guaranteed loan under section 357; or

"(iv) discharging a debt as a result of bankruptcy.

"(B) LOAN RESTRUCTURING.—The term 'debt forgiveness' does not include consolidation, rescheduling, reamortization, or deferral.".

SEC. 635. AUTHORIZATION FOR LOANS.

Section 346 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994) is amended—

(1) in the second sentence of subsection (a), by striking "with or without" and all that follows through "administration" and inserting the following: "without authority for the Secretary to transfer amounts between the categories"; and

(2) by striking subsection (b) and inserting the following:

"(b) AUTHORIZATION FOR LOANS.—

"(1) IN GENERAL.—The Secretary may make or guarantee loans under subtitles A and B from the Agricultural Credit Insurance Fund established under section 309 in not more than the following amounts:

"(A) FISCAL YEAR 1996.—For fiscal year 1996, $3,085,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,500,000,000 shall be for guaranteed loans, of which—

"(I) $600,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $1,900,000,000 shall be for operating loans under subtitle B.

"(B) FISCAL YEAR 1997.—For fiscal year 1997, $3,165,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,580,000,000 shall be for guaranteed loans, of which—

"(I) $630,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $1,950,000,000 shall be for operating loans under subtitle B.

"(C) FISCAL YEAR 1998.—For fiscal year 1998, $3,245,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,660,000,000 shall be for guaranteed loans, of which—

"(I) $660,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $2,000,000,000 shall be for operating loans under subtitle B.

"(D) FISCAL YEAR 1999.—For fiscal year 1999, $3,325,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,740,000,000 shall be for guaranteed loans, of which—

"(I) $690,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $2,050,000,000 shall be for operating loans under subtitle B.

"(E) FISCAL YEAR 2000.—For fiscal year 2000, $3,435,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,850,000,000 shall be for guaranteed loans, of which—

"(I) $750,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $2,100,000,000 shall be for operating loans under subtitle B.

"(F) FISCAL YEAR 2001.—For fiscal year 2001, $3,435,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,850,000,000 shall be for guaranteed loans, of which—

"(I) $750,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $2,100,000,000 shall be for operating loans under subtitle B.

"(G) FISCAL YEAR 2002.—For fiscal year 2002, $3,435,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,850,000,000 shall be for guaranteed loans, of which—

"(I) $750,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $2,100,000,000 shall be for operating loans under subtitle B.

"(2) BEGINNING FARMERS AND RANCHERS.—

"(A) DIRECT LOANS.—

"(i) FARM OWNERSHIP LOANS.—Of the amounts made available under paragraph (1) for direct farm ownership loans, the Secretary shall reserve 70 percent of available funds for qualified beginning farmers and ranchers.

"(ii) OPERATING LOANS.—Of the amounts made available under paragraph (1) for direct operating loans, the Secretary shall reserve for qualified beginning farmers and ranchers—

"(I) for fiscal year 1996, 25 percent;

"(II) for fiscal year 1997, 25 percent;

"(III) for fiscal year 1998, 25 percent;

"(IV) for fiscal year 1999, 30 percent; and

"(V) for each of fiscal years 2000 through 2002, 35 percent.

"(iii) FUNDS RESERVED UNTIL SEPTEMBER 1.—Funds reserved for beginning farmers or ranchers under this subparagraph shall be reserved only until September 1 of each fiscal year.

"(B) GUARANTEED LOANS.—

"(i) FARM OWNERSHIP LOANS.—Of the amounts made available under paragraph (1) for guaranteed farm ownership loans, the Secretary shall reserve 25 percent for qualified beginning farmers and ranchers.

"(ii) OPERATING LOANS.—Of the amounts made available under paragraph (1) for guaranteed operating loans, the Secretary shall reserve 40 percent for qualified beginning farmers and ranchers.

"(iii) FUNDS RESERVED UNTIL APRIL 1.—Funds reserved for beginning farmers or ranchers under this subparagraph shall be reserved only until April 1 of each fiscal year.

"(C) RESERVED FUNDS FOR ALL QUALIFIED BEGINNING FARMERS AND RANCHERS.—If a qualified beginning farmer or rancher meets the eligibility criteria for receiving a direct or guaranteed loan under section 302, 310E, or 311, the Secretary shall make or guarantee the loan if sufficient funds reserved under this paragraph are available to make or guarantee the loan.

"(3) TRANSFER FOR DOWN PAYMENT LOANS.—

"(A) IN GENERAL.—Notwithstanding subsection (a), subject to subparagraph (B)—

"(i) beginning on August 1 of each fiscal year, the Secretary shall use available unsubsidized guaranteed farm operating loan funds to fund approved direct farm ownership loans to beginning farmers and ranchers under the down payment loan program established under section 310E; and

"(ii) beginning on September 1 of each fiscal year, the Secretary shall use available unsubsidized guaranteed farm operating loan funds to fund approved direct farm ownership loans to beginning farmers and ranchers.

"(B) LIMITATION.—The Secretary shall limit the transfer of funds under subparagraph (A) so that all guaranteed farm operating loans that have been approved, or will be approved, during the fiscal year shall be funded to extent of appropriated amounts.

"(4) TRANSFER FOR CREDIT SALES OF FARM INVENTORY PROPERTY.—

"(A) IN GENERAL.—Notwithstanding subsection (a), subject to subparagraphs (B) and (C), beginning on September 1 of each fiscal year, the Secretary may use available emergency disaster loan funds appropriated for the fiscal year to fund the credit sale of farm real estate in the inventory of the Secretary.

"(B) SUPPLEMENTAL APPROPRIATIONS.—The transfer authority provided under subparagraph (A) does not include any emergency disaster loan funds made available to the Secretary for any fiscal year as a result of a supplemental appropriation made by Congress.

"(C) LIMITATION.—The Secretary shall limit the transfer of funds under subparagraph (A) so that all emergency disaster loans that have been approved, or will be approved, during the fiscal year shall be funded to extent of appropriated amounts.".

SEC. 636. LIST OF CERTIFIED LENDERS AND INVENTORY PROPERTY DEMONSTRATION PROJECT.

(a) IN GENERAL.—Section 351 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999) is amended—

(1) in subsection (f)—

(A) by striking "Each Farmers Home Administration county supervisor" and inserting "The Secretary";

(B) by striking "approved lenders" and inserting "lenders"; and

(C) by striking "the Farmers Home Administration"; and

(2) by striking subsection (h).

(b) TECHNICAL AMENDMENTS.—

(1) Section 1320 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1999 note) is amended by striking "Effective only" and all that follows through "1995, the" and inserting "The".

(2) Section 351(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999) is amended—

(A) by striking "SEC. 351. (a) The" and inserting the following:

"SEC. 351. INTEREST RATE REDUCTION PROGRAM.

"(a) ESTABLISHMENT OF PROGRAM.—

"(1) IN GENERAL.—The"; and

(B) by adding at the end the following:

"(2) TERMINATION OF AUTHORITY.—The authority provided by this subsection shall terminate on September 30, 2002.".

SEC. 637. HOMESTEAD PROPERTY.

Section 352(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2000(c)) is amended—

(1) in paragraph (1)(A), by striking "90" each place it appears and inserting "30"; and

(2) in paragraph (6), by striking "Within 30" and all that follows through "title," and insert "Not later than the date of acquisition of the property securing a loan made under this title (or, in the case of real property in inventory on the effective date of the Agricultural Reform and Improvement Act of 1996, not later than 5 days after the date of enactment of the Act)," and by striking the second sentence.

SEC. 638. RESTRUCTURING.

Section 353 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001) is amended—

(1) in subsection (c)—

(A) in paragraph (3) by striking subparagraph (C) and inserting the following:

"(C) CASH FLOW MARGIN.—

"(i) ASSUMPTION.—For the purpose of assessing under subparagraph (A) the ability of a borrower to meet debt obligations and continue farming operations, the Secretary shall assume that the borrower needs up to 110 percent of the amount indicated for payment of farm operating expenses, debt service obligations, and family living expenses.

"(ii) AVAILABLE INCOME.—If an amount up to 110 percent of the amount determined under subparagraph (A) is available, the Secretary shall consider the income of the borrower to be adequate to meet all expenses, including the debt obligations of the borrower."; and

(B) by striking paragraph (6) and inserting the following:

"(6) TERMINATION OF LOAN OBLIGATIONS.—The obligations of a borrower to the Secretary under a loan shall terminate if—

"(A) the borrower satisfies the requirements of paragraphs (1) and (2) of subsection (b);

"(B) the value of the restructured loan is less than the recovery value; and

"(C) not later than 90 days after receipt of the notification described in paragraph (4)(B), the borrower pays (or obtains third-party financing to pay) the Secretary an amount equal to the current market value.";

(2) by striking subsection (k); and

(3) by redesignating subsections (l) through (p) as subsections (k) through (o), respectively.

SEC. 639. TRANSFER OF INVENTORY LANDS.

Section 354 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2002) is amended—

(1) in the matter preceding paragraph (1), by striking "The Secretary, without reimbursement," and inserting the following:

"(a) IN GENERAL.—Subject to subsection (b), the Secretary";

(2) by striking paragraph (2) and inserting the following:

"(2) that is eligible to be disposed of in accordance with section 335; and"; and

(3) by adding at the end the following:

"(b) CONDITIONS.—The Secretary may not transfer any property or interest under subsection (a) unless—

"(1) at least 2 public notices are given of the transfer;

"(2) if requested, at least 1 public meeting is held prior to the transfer; and

"(3) the Governor and at least 1 elected county official are consulted prior to the transfer.".

SEC. 640. IMPLEMENTATION OF TARGET PARTICIPATION RATES.

Section 355 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003) is amended by adding at the end the following:

"(f) IMPLEMENTATION CONSISTENT WITH SUPREME COURT HOLDING.—Not later than 180 days after the date of enactment of this subsection, the Secretary shall ensure that the implementation of this section is consistent with the holding of the Supreme Court in Adarand Constructors, Inc. v. Federico Pena, Secretary of Transportation, 63 U.S.L.W. 4523 (U.S. June 12, 1995).".

SEC. 641. DELINQUENT BORROWERS AND CREDIT STUDY.

The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding at the end the following:

"SEC. 372. PAYMENT OF INTEREST AS A CONDITION OF LOAN SERVICING FOR BORROWERS.

"The Secretary may not reschedule or reamortize a loan for a borrower under this title who has not requested consideration under section 331D(e) unless the borrower pays a portion, as determined by the Secretary, of the interest due on the loan.

"SEC. 373. LOAN AND LOAN SERVICING LIMITATIONS

"(a) DELINQUENT BORROWERS PROHIBITED FROM OBTAINING DIRECT OPERATING LOANS.—The Secretary may not make a direct operating loan under subtitle B to a borrower who is delinquent on any loan made or guaranteed under this title.

"(b) LOANS PROHIBITED FOR BORROWERS THAT HAVE RECEIVED DEBT FORGIVENESS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary may not make or guarantee a loan under this title to a borrower who received debt forgiveness under this title.

"(2) EXCEPTION.—The Secretary may make a direct or guaranteed farm operating loan for paying annual farm or ranch operating expenses to a borrower who was restructured with debt write-down under section 353.

"(c) NO MORE THAT 1 DEBT FORGIVENESS FOR A BORROWER ON A DIRECT LOAN.—The Secretary may not provide debt forgiveness to a borrower on a direct loan made under this title if the borrower has received debt forgiveness on another direct loan under this title.

"SEC. 374. CREDIT STUDY.

"(a) IN GENERAL.—The Secretary of Agriculture shall perform a study and report to the Committee on Agriculture in the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry in the Senate on the demand for and availability of credit in rural areas for agriculture, rural housing, and rural development.

"(b) PURPOSE.—The purpose of the study is to ensure that Congress has current and comprehensive information to consider as Congress deliberates on the credit needs of rural America and the availability of credit to satisfy the needs of rural America.

"(c) ITEMS IN STUDY.—The study should be based on the most current available data and should include—

"(1) rural demand for credit from the Farm Credit System, the ability of the Farm Credit System to meet the demand, and the extent to which the Farm Credit System provided loans to satisfy the demand;

"(2) rural demand for credit from the nation's banking system, the ability of banks to meet the demand, and the extent to which banks provided loans to satisfy the demand;

"(3) rural demand for credit from the Secretary, the ability of the Secretary to meet the demand, and the extent to which the Secretary provided loans to satisfy the demand;

"(4) rural demand for credit from other Federal agencies, the ability of the agencies to meet the demand, and the extent to which the agencies provided loans to satisfy the demand;

"(5) what measure or measures exist to gauge the overall demand for rural credit and the extent to which rural demand for credit is satisfied, and what the measures have shown;

"(6) a comparison of the interest rates and terms charged by the Farm Credit System Farm Credit Banks, production credit associations, and banks for cooperatives with the rates and terms charged by the nation's banks for credit of comparable risk and maturity;

"(7) the advantages and disadvantages of the modernization and expansion proposals of the Farm Credit System on the Farm Credit System, the nation's banking system, rural users of credit, local rural communities, and the Federal Government, including—

"(A) any added risk to the safety and soundness of the Farm Credit System that may result from approval of a proposal; and

"(B) any positive or adverse impacts on competition between the Farm Credit System and the nation's banks in providing credit to rural users;

"(8) the nature and extent of the unsatisfied rural credit need that the Farm Credit System proposal are supposed to address and what aspects of the present Farm Credit System prevent the Farm Credit System from meeting the need;

"(9) the advantages and disadvantages of the proposal by commercial bankers to allow banks access to the Farm Credit System as a funding source on the Farm Credit System, the nation's banking system, rural users of credit, local rural communities, and the Federal Government, including—

"(A) any added risk to the safety and soundness of the Farm Credit System that may result from approval of the proposal; and

"(B) any positive or adverse impacts on competition between the Farm Credit System and the nation's banks in providing credit to rural users; and

"(10) problems that commercial banks have in obtaining capital for lending in rural areas, how access to Farm Credit System funds would improve the availability of capital in rural areas in ways that cannot be achieved in the present system, and the possible effects on the viability of the Farm Credit System of granting banks access to Farm Credit System funds.

"(d) INTERAGENCY TASK FORCE.—In completing the study, the Secretary shall use, among other things, data and information obtained by the interagency task force on rural credit.".

CHAPTER 5—GENERAL PROVISIONS

SEC. 651. CONFORMING AMENDMENTS.

(a) Section 307(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)) is amended—

(1) in paragraph (4), by striking "304(b), 306(a)(1), and 310B" and inserting "306(a)(1) and 310B"; and

(2) in paragraph (6)(B)—

(A) by striking clauses (i), (ii), and (vii);

(B) in clause (v), by adding "and" at the end;

(C) in clause (vi), by striking ", and" at the end and inserting a period; and

(D) by redesignating clauses (iii) through (vi) as clauses (i) through (iv), respectively.

(b) The second sentence of section 309(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(g)(1)) is amended by striking "section 308,".

(c) Section 309A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929a) is amended—

(1) in the second sentence of subsection (a), by striking "304(b), 306(a)(1), 306(a)(14), 310B, and 312(b)" and inserting "306(a)(1), 306(a)(14), and 310B"; and

(2) in subsection (b), by striking "and section 308".

(d) Section 310B(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(d)) is amended—

(1) by striking "sections 304(b), 310B, and 312(b)" each place it appears in paragraphs (2), (3), and (4) and inserting "this section"; and

(2) in paragraph (6), by striking "this section, section 304, or section 312" and inserting "this section".

(e) The first sentence of section 310D(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1934(a)) is amended by striking "paragraphs (1) through (5) of section 303(a), or subparagraphs (A) through (E) of section 304(a)(1)" and inserting "section 303(a), or paragraphs (1) through (5) of section 304(b)".

(f) Section 311(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(b)(1)) is amended by striking "and for the purposes specified in section 312".

(g) Section 316(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1946(a)) is amended by striking paragraph (3).

(h) Section 343 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991) is amended—

(1) in subsection (a)(10), by striking "recreation loan (RL) under section 304,"; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "351(h),"; and

(B) by striking paragraph (4) and inserting the following:

"(4) PRESERVATION LOAN SERVICE PROGRAM.—The term "preservation loan service program" means homestead retention as authorized under section 352.".

(i) The first sentence of section 344 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1992) is amended by striking "304(b), 306(a)(1), 310B, 312(b), or 312(c)" and inserting "306(a)(1), 310B, or 312(c)".

(j) Section 353(l) of the Consolidated Farm and Rural Development Act (as redesignated by section 638(3)) is further amended by striking "and subparagraphs (A)(i) and (C)(i) of section 335(e)(1),".

Subtitle B—Farm Credit System

CHAPTER 1—AGRICULTURAL MORTGAGE SECONDARY MARKET

SEC. 661. DEFINITION OF REAL ESTATE.

Section 8.0(1)(B)(ii) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(1)(B)(ii)) is amended by striking "with a purchase price" and inserting ", excluding the land to which the dwelling is affixed, with a value".

SEC. 662. DEFINITION OF CERTIFIED FACILITY.

Section 8.0(3) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(3)) is amended—

(1) in subparagraph (A), by striking "a secondary marketing agricultural loan" and inserting "an agricultural mortgage marketing"; and

(2) in subparagraph (B), by striking ", but only" and all that follows through "(9)(B)".

SEC. 663. DUTIES OF FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Section 8.1(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-1(b)) is amended—

(1) in paragraph (2), by striking "and" at the end;

(2) in paragraph (3), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(4) purchase qualified loans and issue securities representing interests in, or obligations backed by, the qualified loans, guaranteed for the timely repayment of principal and interest.".

SEC. 664. POWERS OF THE CORPORATION.

Section 8.3(c) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-3(c)) is amended—

(1) by redesignating paragraphs (13) and (14) as paragraphs (14) and (15), respectively; and

(2) by inserting after paragraph (12) the following:

"(13) To purchase, hold, sell, or assign a qualified loan, to issue a guaranteed security, representing an interest in, or an obligation backed by, the qualified loan, and to perform all the functions and responsibilities of an agricultural mortgage marketing facility operating as a certified facility under this title.".

SEC. 665. FEDERAL RESERVE BANKS AS DEPOSITARIES AND FISCAL AGENTS.

Section 8.3 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-3) is amended—

(1) in subsection (d), by striking "may act as depositories for, or" and inserting "shall act as depositories for, and"; and

(2) in subsection (e), by striking "Secretary of the Treasury may authorize the Corporation to use" and inserting "Corporation shall have access to".

SEC. 666. CERTIFICATION OF AGRICULTURAL MORTGAGE MARKETING FACILITIES.

Section 8.5 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-5) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by inserting "(other than the Corporation)" after "agricultural mortgage marketing facilities"; and

(B) in paragraph (2), by inserting "(other than the Corporation)" after "agricultural mortgage marketing facility"; and

(2) in subsection (e)(1), by striking "(other than the Corporation)".

SEC. 667. GUARANTEE OF QUALIFIED LOANS.

Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-6) is amended—

(1) in subsection (a)(1)—

(A) by striking "Corporation shall guarantee" and inserting the following: "Corporation—

"(A) shall guarantee";

(B) by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(B) may issue a security, guaranteed as to the timely payment of principal and interest, that represents an interest solely in, or an obligation fully backed by, a pool consisting of qualified loans that—

"(i) meet the standards established under section 8.8; and

"(ii) have been purchased and held by the Corporation.";

(2) in subsection (d)—

(A) by striking paragraph (4); and

(B) by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively; and

(3) in subsection (g)(2), by striking "section 8.0(9)(B))" and inserting "section 8.0(9))".

SEC. 668. MANDATORY RESERVES AND SUBORDINATED PARTICIPATION INTERESTS ELIMINATED.

(a) GUARANTEE OF QUALIFIED LOANS.—Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6) is amended by striking subsection (b).

(b) RESERVES AND SUBORDINATED PARTICIPATION INTERESTS.—Section 8.7 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–7) is repealed.

(c) CONFORMING AMENDMENTS.—

(1) Section 8.0(9)(B)(i) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(9)(B)(i)) is amended by striking "8.7, 8.8," and inserting "8.8".

(2) Section 8.6(a)(2) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6(a)(2)) is amended by striking "subject to the provisions of subsection (b)".

SEC. 669. STANDARDS REQUIRING DIVERSIFIED POOLS.

(a) IN GENERAL.—Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6) (as amended by section 668) is amended—

(1) by striking subsection (c); and

(2) by redesignating subsections (d) through (g) as subsections (b) through (e), respectively.

(b) CONFORMING AMENDMENTS.—

(1) Section 8.0(9)(B)(i) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(9)(B)(i)) is amended by striking "(f)" and inserting "(d)".

(2) Section 8.13(a) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–13(a)) is amended by striking "sections 8.6(b) and" in each place it appears and inserting "section".

(3) Section 8.32(b)(1)(C) of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–1(b)(1)(C)) is amended—

(A) by striking "shall" and inserting "may"; and

(B) by inserting "(as in effect before the date of the enactment of the Agricultural Reform and Improvement Act of 1996)" before the semicolon.

(4) Section 8.6(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6(b)) (as redesignated by subsection (a)(2)) is amended—

(A) by striking paragraph (4) (as redesignated by section 667(2)(B)); and

(B) by redesignating paragraphs (5) and (6) (as redesignated by section 667(2)(B)) as paragraphs (4) and (5), respectively.

SEC. 670. SMALL FARMS.

Section 8.8(e) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–8(e)) is amended by adding at the end the following: "The Board shall promote and encourage the inclusion of qualified loans for small farms and family farmers in the agricultural mortgage secondary market.".

SEC. 671. DEFINITION OF AN AFFILIATE.

Section 8.11(e) of the Farm Credit Act of 1971 (21 U.S.C. 2279aa–11(e)) is amended—

(1) by striking "a certified facility or"; and

(2) by striking "paragraphs (3) and (7), respectively, of section 8.0" and inserting "section 8.0(7)".

SEC. 672. STATE USURY LAWS SUPERSEDED.

Section 8.12 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–12) is amended by striking subsection (d) and inserting the following:

"(d) STATE USURY LAWS SUPERSEDED.—A provision of the Constitution or law of any State shall not apply to an agricultural loan made by an originator or a certified facility in accordance with this title for sale to the Corporation or to a certified facility for inclusion in a pool for which the Corporation has provided, or has committed to provide, a guarantee, if the loan, not later than 180 days after the date the loan was made, is sold to the Corporation or included in a pool for which the Corporation has provided a guarantee, if the provision—

"(1) limits the rate or amount of interest, discount points, finance charges, or other charges that may be charged, taken, received, or reserved by an agricultural lender or a certified facility; or

"(2) limits or prohibits a prepayment penalty (either fixed or declining), yield maintenance, or make-whole payment that may be charged, taken, or received by an agricultural lender or a certified facility in connection with the full or partial payment of the principal amount due on a loan by a borrower in advance of the scheduled date for the payment under the terms of the loan, otherwise known as a prepayment of the loan principal.".

SEC. 673. EXTENSION OF CAPITAL TRANSITION PERIOD.

Section 8.32 of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–1) is amended—

(1) in the first sentence of subsection (a), by striking "Not later than the expiration of the 2-year period beginning on December 13, 1991," and inserting "Not sooner than the expiration of the 3-year period beginning on the date of enactment of the Agricultural Reform and Improvement Act of 1996,";

(2) in the first sentence of subsection (b)(2), by striking "5-year" and inserting "8-year"; and

(3) in subsection (d)—

(A) in the first sentence—

(i) by striking "The regulations establishing" and inserting the following:

"(1) IN GENERAL.—The regulations establishing"; and

(ii) by striking "shall contain" and inserting the following: "shall—

"(A) be issued by the Director for public comment in the form of a notice of proposed rulemaking, to be first published after the expiration of the period referred to in subsection (a); and

"(B) contain"; and

(B) in the second sentence, by striking "The regulations shall" and inserting the following:

"(2) SPECIFICITY.—The regulations referred to in paragraph (1) shall".

SEC. 674. MINIMUM CAPITAL LEVEL.

Section 8.33 of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–2) is amended to read as follows:

"SEC. 8.33. MINIMUM CAPITAL LEVEL.

"(a) IN GENERAL.—Except as provided in subsection (b), for purposes of this subtitle, the minimum capital level for the Corporation shall be an amount of core capital equal to the sum of—

"(1) 2.75 percent of the aggregate on-balance sheet assets of the Corporation, as determined in accordance with generally accepted accounting principles; and

"(2) 0.75 percent of the aggregate off-balance sheet obligations of the Corporation, which, for the purposes of this subtitle, shall include—

"(A) the unpaid principal balance of outstanding securities that are guaranteed by the Corporation and backed by pools of qualified loans;

"(B) instruments that are issued or guaranteed by the Corporation and are substantially equivalent to instruments described in subparagraph (A); and

"(C) other off-balance sheet obligations of the Corporation.

"(b) TRANSITION PERIOD.—

"(1) IN GENERAL.—For purposes of this subtitle, the minimum capital level for the Corporation—

"(A) prior to January 1, 1997, shall be the amount of core capital equal to the sum of—

"(i) 0.45 percent of aggregate off-balance sheet obligations of the Corporation;

"(ii) 0.45 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and

"(iii) 2.50 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2);

"(B) during the 1-year period ending December 31, 1997, shall be the amount of core capital equal to the sum of—

"(i) 0.55 percent of aggregate off-balance sheet obligations of the Corporation;

"(ii) 1.20 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and

"(iii) 2.55 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2);

"(C) during the 1-year period ending December 31, 1998, shall be the amount of core capital equal to—

"(i) if the Corporation's core capital is not less than $25,000,000 on January 1, 1998, the sum of—

"(I) 0.65 percent of aggregate off-balance sheet obligations of the Corporation;

"(II) 1.95 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and

"(III) 2.65 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2); or

"(ii) if the Corporation's core capital is less than $25,000,000 on January 1, 1998, the amount determined under subsection (a); and

"(D) on and after January 1, 1999, shall be the amount determined under subsection (a).

"(2) DESIGNATED ON-BALANCE SHEET ASSETS.—For purposes of this subsection, the designated on-balance sheet assets of the Corporation shall be—

"(A) the aggregate on-balance sheet assets of the Corporation acquired under section 8.6(e); and

"(B) the aggregate amount of qualified loans purchased and held by the Corporation under section 8.3(c)(13).".

SEC. 675. CRITICAL CAPITAL LEVEL.

Section 8.34 of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–3) is amended to read as follows:

"SEC. 8.34. CRITICAL CAPITAL LEVEL.

"For purposes of this subtitle, the critical capital level for the Corporation shall be an amount of core capital equal to 50 percent of the total minimum capital amount determined under section 8.33.".

SEC. 676. ENFORCEMENT LEVELS.

Section 8.35(e) of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–4(e)) is amended by striking "during the 30-month period beginning on the date of the enactment of this section," and inserting "during the period beginning on December 13, 1991, and ending on the effective date of the risk based capital regulation issued by the Director under section 8.32,".

SEC. 677. RECAPITALIZATION OF THE CORPORATION.

Title VIII of the Farm Credit Act of 1971 (12 U.S.C. 2279aa et seq.) is amended by adding at the end the following:

"SEC. 8.38. RECAPITALIZATION OF THE CORPORATION.

"(a) MANDATORY RECAPITALIZATION.—The Corporation shall increase the core capital of the Corporation to an amount equal to or greater than $25,000,000, not later than the earlier of—

"(1) the date that is 2 years after the date of enactment of this section; or

"(2) the date that is 180 days after the end of the first calendar quarter that the aggregate on-balance sheet assets of the Corporation, plus the outstanding principal of the off-balance sheet obligations of the Corporation, equal or exceed $2,000,000,000.

"(b) RAISING CORE CAPITAL.—In carrying out this section, the Corporation may issue stock under section 8.4 and otherwise employ any recognized and legitimate means of raising core capital in the power of the Corporation under section 8.3.

"(c) LIMITATION ON GROWTH OF TOTAL ASSETS.—During the 2-year period beginning on the date of enactment of this section, the aggregate on-balance sheet assets of the Corporation plus the outstanding principal of the off-balance sheet obligations of the Corporation may not exceed $3,000,000,000 if the core capital of the Corporation is less than $25,000,000.

"(d) ENFORCEMENT.—If the Corporation fails to carry out subsection (a) by the date required under paragraph (1) or (2) of subsection (a), the Corporation may not purchase a new qualified loan or issue or guarantee a new loan-backed security until the core capital of the Corporation is increased to an amount equal to or greater than $25,000,000.".

SEC. 678. LIQUIDATION OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Title VIII of the Farm Credit Act of 1971 (12 U.S.C. 2279aa et seq.) (as amended by section 677) is amended by adding at the end the following:

"Subtitle C—Receivership, Conservatorship, and Liquidation of the Federal Agricultural Mortgage Corporation

"SEC. 8.41. CONSERVATORSHIP; LIQUIDATION; RECEIVERSHIP.

"(a) VOLUNTARY LIQUIDATION.—The Corporation may voluntarily liquidate only with the consent of, and in accordance with a plan of liquidation approved by, the Farm Credit Administration Board.

"(b) INVOLUNTARY LIQUIDATION.—

"(1) IN GENERAL.—The Farm Credit Administration Board may appoint a conservator or receiver for the Corporation under the circumstances specified in section 4.12(b).

"(2) APPLICATION.—In applying section 4.12(b) to the Corporation under paragraph (1)—

"(A) the Corporation shall also be considered insolvent if the Corporation is unable to pay its debts as they fall due in the ordinary course of business;

"(B) a conservator may also be appointed for the Corporation if the authority of the Corporation to purchase qualified loans or issue or guarantee loan-backed securities is suspended; and

"(C) a receiver may also be appointed for the Corporation if—

"(i)(I) the authority of the Corporation to purchase qualified loans or issue or guarantee loan-backed securities is suspended; or

"(II) the Corporation is classified under section 8.35 as within level III or IV and the alternative actions available under subtitle B are not satisfactory; and

"(ii) the Farm Credit Administration determines that the appointment of a conservator would not be appropriate.

"(3) NO EFFECT ON SUPERVISORY ACTIONS.—The grounds for appointment of a conservator for the Corporation under this subsection shall be in addition to those in section 8.37.

"(c) APPOINTMENT OF CONSERVATOR OR RECEIVER.—

"(1) QUALIFICATIONS.—Notwithstanding section 4.12(b), if a conservator or receiver is appointed for the Corporation, the conservator or receiver shall be—

"(A) the Farm Credit Administration or any other governmental entity or employee, including the Farm Credit System Insurance Corporation; or

"(B) any person that—

"(i) has no claim against, or financial interest in, the Corporation or other basis for a conflict of interest as the conservator or receiver; and

"(ii) has the financial and management expertise necessary to direct the operations and affairs of the Corporation and, if necessary, to liquidate the Corporation.

"(2) COMPENSATION.—

"(A) IN GENERAL.—A conservator or receiver for the Corporation and professional personnel (other than a Federal employee) employed to represent or assist the conservator or receiver may be compensated for activities conducted as, or for, a conservator or receiver.

"(B) LIMIT ON COMPENSATION.—Compensation may not be provided in amounts greater than the compensation paid to employees of the Federal Government for similar services, except that the Farm Credit Administration may provide for compensation at higher rates that are not in excess of rates prevailing in the private sector if the Farm Credit Administration determines that compensation at higher rates is necessary in order to recruit and retain competent personnel.

"(C) CONTRACTUAL ARRANGEMENTS.—The conservator or receiver may contract with any governmental entity, including the Farm Credit System Insurance Corporation, to make personnel, services, and facilities of the entity available to the conservator or receiver on such terms and compensation arrangements as shall be mutually agreed, and each entity may provide the same to the conservator or receiver.

"(3) EXPENSES.—A valid claim for expenses of the conservatorship or receivership (including compensation under paragraph (2)) and a valid claim with respect to a loan made under subsection (f) shall—

"(A) be paid by the conservator or receiver from funds of the Corporation before any other valid claim against the Corporation; and

"(B) may be secured by a lien, on such property of the Corporation as the conservator or receiver may determine, that shall have priority over any other lien.

"(4) LIABILITY.—If the conservator or receiver for the Corporation is not a Federal entity, or an officer or employee of the Federal Government, the conservator or receiver shall not be personally liable for damages in tort or otherwise for an act or omission performed pursuant to and in the course of the conservatorship or receivership, unless the act or omission constitutes gross negligence or any form of intentional tortious conduct or criminal conduct.

"(5) INDEMNIFICATION.—The Farm Credit Administration may allow indemnification of the conservator or receiver from the assets of the conservatorship or receivership on such terms as the Farm Credit Administration considers appropriate.

"(d) JUDICIAL REVIEW OF APPOINTMENT.—

"(1) IN GENERAL.—Notwithstanding subsection (i)(1), not later than 30 days after a conservator or receiver is appointed under subsection (b), the Corporation may bring an action in the United States District Court for the District of Columbia for an order requiring the Farm Credit Administration Board to remove the conservator or receiver. The court shall, on the merits, dismiss the action or direct the Farm Credit Administration Board to remove the conservator or receiver.

"(2) STAY OF OTHER ACTIONS.—On the commencement of an action under paragraph (1), any court having jurisdiction of any other action or enforcement proceeding authorized under this Act to which the Corporation is a party shall stay the action or proceeding during the pendency of the action for removal of the conservator or receiver.

"(e) GENERAL POWERS OF CONSERVATOR OR RECEIVER.—The conservator or receiver for the Corporation shall have such powers to conduct the conservatorship or receivership as shall be provided pursuant to regulations adopted by the Farm Credit Administration Board. Such powers shall be comparable to the powers available to a conservator or receiver appointed pursuant to section 4.12(b).

"(f) BORROWINGS FOR WORKING CAPITAL.—

"(1) IN GENERAL.—If the conservator or receiver of the Corporation determines that it is likely that there will be insufficient funds to pay the ongoing administrative expenses of the conservatorship or receivership or that there will be insufficient liquidity to fund maturing obligations of the conservatorship or receivership, the conservator or receiver may borrow funds in such amounts, from such sources, and at such rates of interest as the conservator or receiver considers necessary or appropriate to meet the administrative expenses or liquidity needs of the conservatorship or receivership.

"(2) WORKING CAPITAL FROM FARM CREDIT BANKS.—A Farm Credit bank may loan funds to the conservator or receiver for a loan authorized under paragraph (1) or, in the event of receivership, a Farm Credit bank may purchase assets of the Corporation.

"(g) AGREEMENTS AGAINST INTERESTS OF CONSERVATOR OR RECEIVER.—No agreement that tends to diminish or defeat the right, title, or interest of the conservator or receiver for the Corporation in any asset acquired by the conservator or receiver as conservator or receiver for the Corporation shall be valid against the conservator or receiver unless the agreement—

"(1) is in writing;

"(2) is executed by the Corporation and any person claiming an adverse interest under the agreement, including the obligor, contemporaneously with the acquisition of the asset by the Corporation;

"(3) is approved by the Board or an appropriate committee of the Board, which approval shall be reflected in the minutes of the Board or committee; and

"(4) has been, continuously, from the time of the agreement's execution, an official record of the Corporation.

"(h) REPORT TO THE CONGRESS.—On a determination by the receiver for the Corporation that there are insufficient assets of the receivership to pay all valid claims against the receivership, the receiver shall submit to the Secretary of the Treasury, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the financial condition of the receivership.

"(i) TERMINATION OF AUTHORITIES.—

"(1) CORPORATION.—The charter of the Corporation shall be canceled, and the authority provided to the Corporation by this title shall terminate, on such date as the Farm Credit Administration Board determines is appropriate following the placement of the Corporation in receivership, but not later than the conclusion of the receivership and discharge of the receiver.

"(2) OVERSIGHT.—The Office of Secondary Market Oversight established under section 8.11 shall be abolished, and section 8.11(a) and subtitle B shall have no force or effect, on such date as the Farm Credit Administration Board determines is appropriate following the placement of the Corporation in receivership, but not later than the conclusion of the receivership and discharge of the receiver.".

CHAPTER 2—REGULATORY RELIEF

SEC. 681. COMPENSATION OF ASSOCIATION PERSONNEL.

Section 1.5(13) of the Farm Credit Act of 1971 (12 U.S.C. 2013(13)) is amended by striking ", and the appointment and compensation of the chief executive officer thereof,".

SEC. 682. USE OF PRIVATE MORTGAGE INSURANCE.

(a) IN GENERAL.—Section 1.10(a)(1) of the Farm Credit Act of 1971 (12 U.S.C. 2018(a)(1)) is amended by adding at the end the following:

"(D) PRIVATE MORTGAGE INSURANCE.—A loan on which private mortgage insurance is obtained may exceed 85 percent of the appraised value of the real estate security to the extent that the loan amount in excess of such 85 percent is covered by the insurance.".

(b) CONFORMING AMENDMENT.—Section 1.10(a)(1)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2018(a)(1)(A)) is amended by striking "paragraphs (2) and (3)" and inserting "subparagraphs (C) and (D)".

SEC. 683. REMOVAL OF CERTAIN BORROWER REPORTING REQUIREMENT.

Section 1.10(a) of the Farm Credit Act of 1971 (12 U.S.C. 2018(a)) is amended by striking paragraph (5).

SEC. 684. REFORM OF REGULATORY LIMITATIONS ON DIVIDEND, MEMBER BUSINESS, AND VOTING PRACTICES OF ELIGIBLE FARMER-OWNED COOPERATIVES.

(a) IN GENERAL.—Section 3.8(a) of the Farm Credit Act of 1971 (12 U.S.C. 2129(a)) is amended by adding at the end the following: "Any such association that has received a loan from a bank for cooperatives shall, without regard to the requirements of paragraphs (1) through (4), continue to be eligible for so long as more than 50 percent (or such higher percentage as is established by the bank board) of the voting control of the association is held by farmers, producers or harvesters of aquatic products, or eligible cooperative associations.".

(b) CONFORMING AMENDMENT.—Section 3.8(b)(1)(D) of the Farm Credit Act of 1971 (12 U.S.C. 2129(b)(1)(D)) is amended by striking "and (4) of subsection (a)" and inserting "and (4), or under the last sentence, of subsection (a)".

SEC. 685. REMOVAL OF FEDERAL GOVERNMENT CERTIFICATION REQUIREMENT FOR CERTAIN PRIVATE SECTOR FINANCINGS.

Section 3.8(b)(1)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2129(b)(1)(A)) is amended—

(1) by striking "have been certified by the Administrator of the Rural Electrification Administration to be eligible for such" and inserting "are eligible under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) for"; and

(2) by striking "loan guarantee, and" and inserting "loan guarantee from the Administration or the Bank (or a successor of the Administration or the Bank), and".

SEC. 686. BORROWER STOCK.

Section 4.3A of the Farm Credit Act of 1971 (12 U.S.C. 2154a) is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

(2) by inserting after subsection (e) the following:

"(f) LOANS DESIGNATED FOR SALE OR SOLD INTO THE SECONDARY MARKET.—

"(1) IN GENERAL.—Subject to paragraph (2) and notwithstanding any other provision of this section, the bylaws adopted by a bank or association under subsection (b) may provide—

"(A) in the case of a loan made on or after the date of enactment of this paragraph that is designated, at the time the loan is made, for sale into a secondary market, that no voting stock or participation certificate purchase requirement shall apply to the borrower for the loan; and

"(B) in the case of a loan made before the date of enactment of this paragraph that is sold into a secondary market, that all outstanding voting stock or participation certificates held by the borrower with respect to the loan shall, subject to subsection (d)(1), be retired.

"(2) APPLICABILITY.—Notwithstanding any other provision of this section, in the case of a loan sold to a secondary market under title VIII, paragraph (1) shall apply regardless of whether the bank or association retains a subordinated participation interest in a loan or pool of loans or contributes to a cash reserve.

"(3) EXCEPTION.—

"(A) IN GENERAL.—Subject to subparagraph (B) and notwithstanding any other provision of this section, if a loan designated for sale under paragraph (1)(A) is not sold into a secondary market during the 180-day period that begins on the date of the designation, the voting stock or participation certificate purchase requirement that would otherwise apply to the loan in the absence of a bylaw provision described in paragraph (1)(A) shall be effective.

"(B) RETIREMENT.—The bylaws adopted by a bank or association under subsection (b) may provide that if a loan described in subparagraph (A) is sold into a secondary market after the end of the 180-day period described in the subparagraph, all outstanding voting stock or participation certificates held by the borrower with respect to the loan shall, subject to subsection (d)(1), be retired.".

SEC. 687. DISCLOSURE RELATING TO ADJUSTABLE RATE LOANS.

Section 4.13(a)(4) of the Farm Credit Act of 1971 (12 U.S.C. 2199(a)(4)) is amended by inserting before the semicolon at the end the following: ", and notice to the borrower of a change in the interest rate applicable to the loan of the borrower may be made within a reasonable time after the effective date of an increase or decrease in the interest rate".

SEC. 688. BORROWERS' RIGHTS.

(a) DEFINITION OF LOAN.—Section 4.14A(a)(5) of the Farm Credit Act of 1971 (12 U.S.C. 2202a(a)(5)) is amended—

(1) by striking "(5) LOAN.—The" and inserting the following:

"(5) LOAN.—

"(A) IN GENERAL.—Subject to subparagraph (B), the"; and

(2) by adding at the end the following:

"(B) EXCLUSION FOR LOANS DESIGNATED FOR SALE INTO SECONDARY MARKET.—

"(i) IN GENERAL.—Except as provided in clause (ii), the term 'loan' does not include a loan made on or after the date of enactment of this subparagraph that is designated, at the time the loan is made, for sale into a secondary market.

"(ii) UNSOLD LOANS.—

"(I) IN GENERAL.—Except as provided in subclause (II), if a loan designated for sale under clause (i) is not sold into a secondary market during the 180-day period that begins on the date of the designation, the provisions of this section and sections 4.14, 4.14B, 4.14C, 4.14D, and 4.36 that would otherwise apply to the loan in the absence of the exclusion described in clause (i) shall become effective with respect to the loan.

"(II) LATER SALE.—If a loan described in subclause (I) is sold into a secondary market after the end of the 180-day period described in subclause (I), subclause (I) shall not apply with respect to the loan beginning on the date of the sale.".

(b) BORROWERS' RIGHTS FOR POOLED LOANS.—The first sentence of section 8.9(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-9(b)) is amended by inserting "(as defined in section 4.14A(a)(5))" after "application for a loan".

SEC. 689. FORMATION OF ADMINISTRATIVE SERVICE ENTITIES.

Part E of title IV of the Farm Credit Act of 1971 is amended by inserting after section 4.28 (12 U.S.C. 2214) the following:

"SEC. 4.28A. DEFINITION OF BANK.

"In this part, the term 'bank' includes each association operating under title II.".

SEC. 690. JOINT MANAGEMENT AGREEMENTS.

The first sentence of section 5.17(a)(2)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2252(a)(2)(A)) is amended by striking "or management agreements".

SEC. 691. DISSEMINATION OF QUARTERLY REPORTS.

Section 5.17(a)(8) of the Farm Credit Act of 1971 (12 U.S.C. 2252(a)(8)) is amended by inserting after "except that" the following: "the requirements of the Farm Credit Administration governing the dissemination to stockholders of quarterly reports of System institutions may not be more burdensome or costly than the requirements applicable to national banks, and".

SEC. 692. REGULATORY REVIEW.

(a) FINDINGS.—Congress finds that—

(1) the Farm Credit Administration, in the role of the Administration as an arms-length safety and soundness regulator, has made considerable progress in reducing the regulatory burden on Farm Credit System institutions;

(2) the efforts of the Farm Credit Administration described in paragraph (1) have resulted in cost savings for Farm Credit System institutions; and

(3) the cost savings described in paragraph (2) ultimately benefit the farmers, ranchers, agricultural cooperatives, and rural residents of the United States.

(b) CONTINUATION OF REGULATORY REVIEW.—The Farm Credit Administration shall continue the comprehensive review of regulations governing the Farm Credit System to identify and eliminate, consistent with law, safety, and soundness, all regulations that are unnecessary, unduly burdensome or costly, or not based on law.

SEC. 693. EXAMINATION OF FARM CREDIT SYSTEM INSTITUTIONS.

The first sentence of section 5.19(a) of the Farm Credit Act of 1971 (12 U.S.C. 2254(a)) is amended by striking "each year" and inserting "during each 18-month period".

SEC. 694. CONSERVATORSHIPS AND RECEIVERSHIPS.

(a) DEFINITIONS.—Section 5.51 of the Farm Credit Act of 1971 (12 U.S.C. 2277a) is amended—

(1) by striking paragraph (5); and

(2) by redesignating paragraph (6) as paragraph (5).

(b) GENERAL CORPORATE POWERS.—Section 5.58 of the Farm Credit Act of 1971 (12 U.S.C.

2277a–7) is amended by striking paragraph (9) and inserting the following:

"(9) CONSERVATOR OR RECEIVER.—The Corporation may act as a conservator or receiver.".

SEC. 695. FARM CREDIT INSURANCE FUND OPERATIONS.

(a) ADJUSTMENT OF PREMIUMS.—

(1) IN GENERAL.—Section 5.55(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4(a)) is amended—

(A) in paragraph (1), by striking "Until the aggregate of amounts in the Farm Credit Insurance Fund exceeds the secure base amount, the annual premium due from any insured System bank for any calendar year" and inserting the following: "If at the end of any calendar year the aggregate of amounts in the Farm Credit Insurance Fund does not exceed the secure base amount, subject to paragraph (2), the annual premium due from any insured System bank for the calendar year";

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following:

"(2) REDUCED PREMIUMS.—The Corporation, in the sole discretion of the Corporation, may reduce by a percentage uniformly applied to all insured System banks the annual premium due from each insured System bank during any calendar year, as determined under paragraph (1).".

(2) CONFORMING AMENDMENTS.—

(A) Section 5.55(b) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4(b)) is amended—

(i) by striking "Insurance Fund" each place it appears and inserting "Farm Credit Insurance Fund";

(ii) by striking "for the following calendar year"; and

(iii) by striking "subsection (a)" and inserting "subsection (a)(1)".

(B) Section 5.56(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–5(a)) is amended by striking "section 5.55(a)(2)" each place it appears in paragraphs (2) and (3) and inserting "section 5.55(a)(3)".

(C) Section 1.12(b) (12 U.S.C. 2020(b)) is amended—

(i) in paragraph (1), by inserting "(as defined in section 5.55(a)(3))" after "government-guaranteed loans"; and

(ii) in paragraph (3), by inserting "(as so defined)" after "government-guaranteed loans" each place such term appears.

(b) ALLOCATION TO INSURED SYSTEM BANKS AND OTHER SYSTEM INSTITUTIONS OF EXCESS AMOUNTS IN THE FARM CREDIT INSURANCE FUND.—Section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4) is amended by adding at the end the following:

"(e) ALLOCATION TO SYSTEM INSTITUTIONS OF EXCESS RESERVES.—

"(1) ESTABLISHMENT OF ALLOCATED INSURANCE RESERVES ACCOUNTS.—There is hereby established in the Farm Credit Insurance Fund an Allocated Insurance Reserves Account—

"(A) for each insured System bank; and

"(B) subject to paragraph (6)(C), for all holders, in the aggregate, of Financial Assistance Corporation stock.

"(2) TREATMENT.—Amounts in any Allocated Insurance Reserves Account shall be considered to be part of the Farm Credit Insurance Fund.

"(3) ANNUAL ALLOCATIONS.—If, at the end of any calendar year, the aggregate of the amounts in the Farm Credit Insurance Fund exceeds the average secure base amount for the calendar year (as calculated on an average daily balance basis), the Corporation shall allocate to the Allocated Insurance Reserves Accounts the excess amount less the amount that the Corporation, in its sole discretion, determines to be the sum of the estimated operating expenses and estimated insurance obligations of the Corporation for the immediately succeeding calendar year.

"(4) ALLOCATION FORMULA.—From the total amount required to be allocated at the end of a calendar year under paragraph (3)—

"(A) 10 percent of the total amount shall be credited to the Allocated Insurance Reserves Account established under paragraph (1)(B), subject to paragraph (6)(C); and

"(B) there shall be credited to the Allocated Insurance Reserves Account of each insured System bank an amount that bears the same ratio to the total amount (less any amount credited under subparagraph (A)) as the average principal outstanding for the 3-year period ending on the end of the calendar year on loans made by the bank that are in accrual status bears to the average principal outstanding for the 3-year period ending on the end of the calendar year on loans made by all insured System banks that are in accrual status (excluding, in each case, the guaranteed portions of government-guaranteed loans described in subsection (a)(1)(C)).

"(5) USE OF FUNDS IN ALLOCATED INSURANCE RESERVES ACCOUNTS.—To the extent that the sum of the operating expenses of the Corporation and the insurance obligations of the Corporation for a calendar year exceeds the sum of operating expenses and insurance obligations determined under paragraph (3) for the calendar year, the Corporation shall cover the expenses and obligations by—

"(A) reducing each Allocated Insurance Reserves Account by the same proportion; and

"(B) expending the amounts obtained under subparagraph (A) before expending other amounts in the Fund.

"(6) OTHER DISPOSITION OF ACCOUNT FUNDS.—

"(A) IN GENERAL.—As soon as practicable during each calendar year beginning more than 8 years after the date on which the aggregate of the amounts in the Farm Credit Insurance Fund exceeds the secure base amount, but not earlier than January 1, 2005, the Corporation may—

"(i) subject to subparagraphs (D) and (F), pay to each insured System bank, in a manner determined by the Corporation, an amount equal to the lesser of—

"(I) 20 percent of the balance in the insured System bank's Allocated Insurance Reserves Account as of the preceding December 31; or

"(II) 20 percent of the balance in the bank's Allocated Insurance Reserves Account on the date of the payment; and

"(ii) subject to subparagraphs (C), (E), and (F), pay to each System bank and association holding Financial Assistance Corporation stock a proportionate share, determined by dividing the number of shares of Financial Assistance Corporation stock held by the institution by the total number of shares of Financial Assistance Corporation stock outstanding, of the lesser of—

"(I) 20 percent of the balance in the Allocated Insurance Reserves Account established under paragraph (1)(B) as of the preceding December 31; or

"(II) 20 percent of the balance in the Allocated Insurance Reserves Account established under paragraph (1)(B) on the date of the payment.

"(B) AUTHORITY TO ELIMINATE OR REDUCE PAYMENTS.—The Corporation may eliminate or reduce payments during a calendar year under subparagraph (A) if the Corporation determines, in its sole discretion, that the payments, or other circumstances that might require use of the Farm Credit Insurance Fund, could cause the amount in the Farm Credit Insurance Fund during the calendar year to be less than the secure base amount.

"(C) REIMBURSEMENT FOR FINANCIAL ASSISTANCE CORPORATION STOCK.—

"(i) SUFFICIENT FUNDING.—Notwithstanding paragraph (4)(A), on provision by the Corporation for the accumulation in the Account established under paragraph (1)(B) of funds in an amount equal to $56,000,000 (in addition to the amounts described in subparagraph (F)(ii)), the Corporation shall not allocate any further funds to the Account except to replenish the Account if funds are diminished below $56,000,000 by the Corporation under paragraph (5).

"(ii) WIND DOWN AND TERMINATION.—

"(I) FINAL DISBURSEMENTS.—On disbursement of $53,000,000 (in addition to the amounts described in subparagraph (F)(ii)) from the Allocated Insurance Reserves Account, the Corporation shall disburse the remaining amounts in the Account, as determined under subparagraph (A)(ii), without regard to the percentage limitations in subclauses (I) and (II) of subparagraph (A)(ii).

"(II) TERMINATION OF ACCOUNT.—On disbursement of $56,000,000 (in addition to the amounts described in subparagraph (F)(ii)) from the Allocated Insurance Reserves Account, the Corporation shall close the Account established under paragraph (1)(B) and transfer any remaining funds in the Account to the remaining Allocated Insurance Reserves Accounts in accordance with paragraph (4)(B) for the calendar year in which the transfer occurs.

"(D) DISTRIBUTION OF PAYMENTS RECEIVED.—Not later than 60 days after receipt of a payment made under subparagraph (A)(i), each insured System bank, in consultation with affiliated associations of the insured System bank, and taking into account the direct or indirect payment of insurance premiums by the associations, shall develop and implement an equitable plan to distribute payments received under subparagraph (A)(i) among the bank and associations of the bank.

"(E) EXCEPTION FOR PREVIOUSLY REIMBURSED ASSOCIATIONS.—For purposes of subparagraph (A)(ii), in any Farm Credit district in which the funding bank has reimbursed 1 or more affiliated associations of the bank for the previously unreimbursed portion of the Financial Assistance Corporation stock held by the associations, the funding bank shall be deemed to be the holder of the shares of Financial Assistance Corporation stock for which the funding bank has provided the reimbursement.

"(F) INITIAL PAYMENT.—Notwithstanding subparagraph (A), the initial payment made to each payee under subparagraph (A) shall be in such amount determined by the Corporation to be equal to the sum of—

"(i) the total of the amounts that would have been paid if payments under subparagraph (A) had been authorized to begin, under the same terms and conditions, in the first calendar year beginning more than 5 years after the date on which the aggregate of the amounts in the Farm Credit Insurance Fund exceeds the secure base amount, and to continue through the 2 immediately subsequent years;

"(ii) interest earned on any amounts that would have been paid as described in clause (i) from the date on which the payments would have been paid as described in clause (i); and "(iii) the payment to be made in the initial year described in subparagraph (A), based on the amount in each Account after subtracting the amounts to be paid under clauses (i) and (ii).".

(c) TECHNICAL AMENDMENTS.—Section 5.55(d) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4(d)) is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking "subsections (a) and (c)" and inserting "subsections (a), (c), and (e)"; and

(B) by striking "a Farm Credit Bank" and inserting "an insured System bank"; and

(2) in paragraphs (1), (2), and (3), by striking "Farm Credit Bank" each place it appears and inserting "insured System bank".

SEC. 696. EXAMINATIONS BY THE FARM CREDIT SYSTEM INSURANCE CORPORATION.

Section 5.59(b)(1)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–8(b)(1)(A)) is amended by adding at the end the following: "Notwithstanding any other provision of this Act, on cancellation of the charter of a System institution, the Corporation shall have authority to examine the system institution in receivership. An examination shall be performed at such intervals as the Corporation shall determine.".

SEC. 697. POWERS WITH RESPECT TO TROUBLED INSURED SYSTEM BANKS.

(a) LEAST-COST RESOLUTION.—Section 5.61(a)(3) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–10(a)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (F); and

(2) by striking subparagraph (A) and inserting the following:

"(A) LEAST-COST RESOLUTION.—Assistance may not be provided to an insured System bank under this subsection unless the means of providing the assistance is the least costly means of providing the assistance by the Farm Credit Insurance Fund of all possible alternatives available to the Corporation, including liquidation of the bank (including paying the insured obligations issued on behalf of the bank). Before making a least-cost determination under this subparagraph, the Corporation shall accord such other insured System banks as the Corporation determines to be appropriate the opportunity to submit information relating to the determination.

"(B) DETERMINING LEAST COSTLY APPROACH.—In determining the least costly alternative under subparagraph (A), the Corporation shall—

"(i) evaluate alternatives on a present-value basis, using a reasonable discount rate;

"(ii) document the evaluation and the assumptions on which the evaluation is based; and

"(iii) retain the documentation for not less than 5 years.

"(C) TIME OF DETERMINATION.—

"(i) GENERAL RULE.—For purposes of this subsection, the determination of the costs of providing any assistance under any provision of this section with respect to any insured System bank shall be made as of the date on which the Corporation makes the determination to provide the assistance to the institution under this section.

"(ii) RULE FOR LIQUIDATIONS.—For purposes of this subsection, the determination of the costs of liquidation of any insured System bank shall be made as of the earliest of—

"(I) the date on which a conservator is appointed for the insured System bank;

"(II) the date on which a receiver is appointed for the insured System bank; or

"(III) the date on which the Corporation makes any determination to provide any assistance under this section with respect to the insured System bank.

"(D) RULE FOR STAND-ALONE ASSISTANCE.—Before providing any assistance under paragraph (1), the Corporation shall evaluate the adequacy of managerial resources of the insured System bank. The continued service of any director or senior ranking officer who serves in a policymaking role for the assisted insured System bank, as determined by the Corporation, shall be subject to approval by the Corporation as a condition of assistance.

"(E) DISCRETIONARY DETERMINATIONS.—Any determination that the Corporation makes under this paragraph shall be in the sole discretion of the Corporation.".

(b) CONFORMING AMENDMENTS.—Section 5.61(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–10(a)) is amended—

(1) in paragraph (1) by striking "IN GENERAL.—" and inserting "STAND-ALONE ASSISTANCE.—"; and

(2) in paragraph (2)—

(A) by striking "ENUMERATED POWERS.—" and inserting "FACILITATION OF MERGERS OR CONSOLIDATION.—"; and

(B) in subparagraph (A) by striking "FACILITATION OF MERGERS OR CONSOLIDATION.—" and inserting "IN GENERAL.—".

SEC. 698. OVERSIGHT AND REGULATORY ACTIONS BY THE FARM CREDIT SYSTEM INSURANCE CORPORATION.

The Farm Credit Act of 1971 is amended by inserting after section 5.61 (12 U.S.C. 2279a–10) the following:

"SEC. 5.61A. OVERSIGHT ACTIONS BY THE CORPORATION.

"(a) DEFINITIONS.—In this section, the term 'institution' means—

"(1) an insured System bank; and

"(2) a production credit association or other association making loans under section 7.6 with a direct loan payable to the funding bank of the association that comprises 20 percent or more of the funding bank's total loan volume net of nonaccrual loans.

"(b) CONSULTATION REGARDING PARTICIPATION OF UNDERCAPITALIZED BANKS IN ISSUANCE OF INSURED OBLIGATIONS.—The Farm Credit Administration shall consult with the Corporation prior to approving an insured obligation that is to be issued by or on behalf of, or participated in by, any insured System bank that fails to meet the minimum level for any capital requirement established by the Farm Credit Administration for the bank.

"(c) CONSULTATION REGARDING APPLICATIONS FOR MERGERS AND RESTRUCTURINGS.—

"(1) CORPORATION TO RECEIVE COPY OF TRANSACTION APPLICATIONS.—On receiving an application for a merger or restructuring of an institution, the Farm Credit Administration shall forward a copy of the application to the Corporation.

"(2) CONSULTATION REQUIRED.—If the proposed merger or restructuring involves an institution that fails to meet the minimum level for any capital requirement established by the Farm Credit Administration applicable to the institution, the Farm Credit Administration shall allow 30 days within which the Corporation may submit the views and recommendations of the Corporation, including any conditions for approval. In determining whether to approve or disapprove any proposed merger or restructuring, the Farm Credit Administration shall give due consideration to the views and recommendations of the Corporation.

"SEC. 5.61B. AUTHORITY TO REGULATE GOLDEN PARACHUTE AND INDEMNIFICATION PAYMENTS.

"(a) DEFINITIONS.—In this section:

"(1) GOLDEN PARACHUTE PAYMENT.—The term 'golden parachute payment'—

"(A) means a payment (or any agreement to make a payment) in the nature of compensation for the benefit of any institution-related party under an obligation of any Farm Credit System institution that—

"(i) is contingent on the termination of the party's relationship with the institution; and

"(ii) is received on or after the date on which—

"(I) the institution is insolvent;

"(II) a conservator or receiver is appointed for the institution;

"(III) the institution has been assigned by the Farm Credit Administration a composite CAMEL rating of 4 or 5 under the Farm Credit Administration Rating System, or an equivalent rating; or

"(IV) the Corporation otherwise determines that the institution is in a troubled condition (as defined in regulations issued by the Corporation); and

"(B) includes a payment that would be a golden parachute payment but for the fact that the payment was made before the date referred to in subparagraph (A)(ii) if the payment was made in contemplation of the occurrence of an event described in any subclause of subparagraph (A); but

"(C) does not include—

"(i) a payment made under a retirement plan that is qualified (or is intended to be qualified) under section 401 of the Internal Revenue Code of 1986 or other nondiscriminatory benefit plan;

"(ii) a payment made under a bona fide supplemental executive retirement plan, deferred compensation plan, or other arrangement that the Corporation determines, by regulation or order, to be permissible; or

"(iii) a payment made by reason of the death or disability of an institution-related party.

"(2) INDEMNIFICATION PAYMENT.—The term 'indemnification payment' means a payment (or any agreement to make a payment) by any Farm Credit System institution for the benefit of any person who is or was an institution-related party, to pay or reimburse the person for any liability or legal expense with regard to any administrative proceeding or civil action instituted by the Farm Credit Administration that results in a final order under which the person—

"(A) is assessed a civil money penalty; or

"(B) is removed or prohibited from participating in the conduct of the affairs of the institution.

"(3) INSTITUTION-RELATED PARTY.—The term 'institution-related party' means—

"(A) a director, officer, employee, or agent for a Farm Credit System institution or any conservator or receiver of such an institution;

"(B) a stockholder (other than another Farm Credit System institution), consultant, joint venture partner, or any other person determined by the Farm Credit Administration to be a participant in the conduct of the affairs of a Farm Credit System institution; and

"(C) an independent contractor (including any attorney, appraiser, or accountant) that knowingly or recklessly participates in any violation of any law or regulation, any breach of fiduciary duty, or any unsafe or unsound practice that caused or is likely to cause more than a minimal financial loss to, or a significant adverse effect on, the Farm Credit System institution.

"(4) LIABILITY OR LEGAL EXPENSE.—The term 'liability or legal expense' means—

"(A) a legal or other professional expense incurred in connection with any claim, proceeding, or action;

"(B) the amount of, and any cost incurred in connection with, any settlement of any claim, proceeding, or action; and

"(C) the amount of, and any cost incurred in connection with, any judgment or penalty imposed with respect to any claim, proceeding, or action.

"(5) PAYMENT.—The term 'payment' means—

"(A) a direct or indirect transfer of any funds or any asset; and

"(B) any segregation of any funds or assets for the purpose of making, or under an agreement to make, any payment after the date on which the funds or assets are segregated, without regard to whether the obligation to make the payment is contingent on—

"(i) the determination, after that date, of the liability for the payment of the amount; or

"(ii) the liquidation, after that date, of the amount of the payment.

"(b) PROHIBITION.—The Corporation may prohibit or limit, by regulation or order, any golden parachute payment or indemnification payment by a Farm Credit System institution (including any conservator or receiver of the Federal Agricultural Mortgage Corporation) in troubled condition (as defined in regulations issued by the Corporation).

"(c) FACTORS TO BE TAKEN INTO ACCOUNT.—The Corporation shall prescribe, by regulation, the factors to be considered by the Corporation in taking any action under subsection (b). The factors may include—

"(1) whether there is a reasonable basis to believe that an institution-related party has committed any fraudulent act or omission, breach of trust or fiduciary duty, or insider abuse with regard to the Farm Credit System institution involved that has had a material effect on the financial condition of the institution;

"(2) whether there is a reasonable basis to believe that the institution-related party is substantially responsible for the insolvency of the Farm Credit System institution, the appointment of a conservator or receiver for the institution, or the institution's troubled condition (as defined in regulations prescribed by the Corporation);

"(3) whether there is a reasonable basis to believe that the institution-related party has materially violated any applicable law or regulation that has had a material effect on the financial condition of the institution;

"(4) whether there is a reasonable basis to believe that the institution-related party has violated or conspired to violate—

"(A) section 215, 657, 1006, 1014, or 1344 of title 18, United States Code; or

"(B) section 1341 or 1343 of title 18, United States Code, affecting a Farm Credit System institution;

"(5) whether the institution-related party was in a position of managerial or fiduciary responsibility; and

"(6) the length of time that the party was related to the Farm Credit System institution and the degree to which—

"(A) the payment reasonably reflects compensation earned over the period of employment; and

"(B) the compensation represents a reasonable payment for services rendered.

"(d) CERTAIN PAYMENTS PROHIBITED.—No Farm Credit System institution may prepay the salary or any liability or legal expense of any institution-related party if the payment is made—

"(1) in contemplation of the insolvency of the institution or after the commission of an act of insolvency; and

"(2) with a view to, or with the result of—

"(A) preventing the proper application of the assets of the institution to creditors; or

"(B) preferring 1 creditor over another creditor.

"(e) RULE OF CONSTRUCTION.—Nothing in this section—

"(1) prohibits any Farm Credit System institution from purchasing any commercial insurance policy or fidelity bond, so long as the insurance policy or bond does not cover any legal or liability expense of an institution described in subsection (a)(2); or

"(2) limits the powers, functions, or responsibilities of the Farm Credit Administration.".

SEC. 699. FARM CREDIT SYSTEM INSURANCE CORPORATION BOARD OF DIRECTORS.

(a) IN GENERAL.—Section 5.53 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–2) is amended to read as follows:

"SEC. 5.53. BOARD OF DIRECTORS.

"(a) ESTABLISHMENT.—The Corporation shall be managed by a Board of Directors that shall consist of the members of the Farm Credit Administration Board.

"(b) CHAIRMAN.—The Board of Directors shall be chaired by any Board member other than the Chairman of the Farm Credit Administration Board.".

(b) CONFORMING AMENDMENTS.—

(1) Section 5314 of title 5, United States Code, is amended by striking "Chairperson, Board of Directors of the Farm Credit System Insurance Corporation.".

(2) Section 5315 of title 5, United States Code, is amended by striking "Members, Board of Directors of the Farm Credit System Insurance Corporation.".

SEC. 699A. LIABILITY FOR MAKING CRIMINAL REFERRALS.

(a) IN GENERAL.—Any institution of the Farm Credit System, or any director, officer, employee, or agent of a Farm Credit System institution, that discloses to a Government authority information proffered in good faith that may be relevant to a possible violation of any law or regulation shall not be liable to any person under any law of the United States or any State—

(1) for the disclosure; or

(2) for any failure to notify the person involved in the possible violation.

(b) NO PROHIBITION ON DISCLOSURE.—Any institution of the Farm Credit System, or any director, officer, employee, or agent of a Farm Credit System institution, may disclose information to a Government authority that may be relevant to a possible violation of any law or regulation.

TITLE VII—RURAL DEVELOPMENT

Subtitle A—Amendments to the Food, Agriculture, Conservation, and Trade Act of 1990

CHAPTER 1—GENERAL PROVISIONS

SEC. 701. RURAL INVESTMENT PARTNERSHIPS.

(a) IN GENERAL.—Section 2310(c)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2007(c)(1)) is amended by striking "1996" and inserting "2002".

(b) AUTHORIZATION OF APPROPRIATIONS.—The first sentence of section 2313(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2007c) is amended by striking "$10,000,000" and all that follows through "1996" and inserting "$4,700,000 for each of fiscal years 1996 through 2002".

SEC. 702. WATER AND WASTE FACILITY FINANCING.

Section 2322 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1926–1) is repealed.

SEC. 703. RURAL WASTEWATER CIRCUIT RIDER PROGRAM.

Section 2324 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 1926 note) is repealed.

SEC. 704. TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL AREAS.

Chapter 1 of subtitle D of title XXIII of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa et seq.) is amended to read as follows:

"CHAPTER 1—TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL AREAS

"SEC. 2331. PURPOSE.

"The purpose of the financing programs established under this chapter is to encourage and improve telemedicine services and distance learning services in rural areas through the use of telecommunications, computer networks, and related advanced technologies by students, teachers, medical professionals, and rural residents.

"SEC. 2332. DEFINITIONS.

"In this chapter:

"(1) CONSTRUCT.—The term 'construct' means to construct, acquire, install, improve, or extend a facility or system.

"(2) COST OF MONEY LOAN.—The term 'cost of money loan' means a loan made under this chapter bearing interest at a rate equal to the then current cost to the Federal Government of loans of similar maturity.

"(3) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"SEC. 2333. TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL AREAS.

"(a) SERVICES TO RURAL AREAS.—The Secretary is authorized to provide financial assistance for the purpose of financing the construction of facilities and systems to provide telemedicine services and distance learning services to persons and entities in rural areas.

"(b) FINANCIAL ASSISTANCE.—

"(1) IN GENERAL.—Financial assistance shall consist of grants or cost of money loans, or both.

"(2) FORM.—The Secretary shall determine the portion of the financial assistance provided to a recipient that consists of grants and that consists of cost of money loans so as to result in the maximum feasible repayment to the Federal Government of the financial assistance, based on the ability to repay of the recipient and full utilization of funds made available to carry out this chapter.

"(c) RECIPIENTS.—

"(1) IN GENERAL.—The Secretary may provide financial assistance under this chapter to—

"(A) entities using telemedicine services or distance learning services, or both; and

"(B) entities providing or proposing to provide telemedicine service or distance learning service, or both, to other persons at rates reflecting the benefit of the financial assistance.

"(2) ELECTRIC OR TELECOMMUNICATIONS BORROWERS.—

"(A) LOANS TO BORROWERS.—Subject to subparagraph (B), the Secretary may provide a cost of money loan under this chapter to a borrower of an electric or telecommunications loan under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.). A borrower receiving a cost of money loan under this paragraph shall—

"(i) make the funds provided available to entities that qualify under paragraph (1) for projects satisfying the requirements of this chapter;

"(ii) use the funds provided to acquire, install, improve, or extend a system for the purposes of this chapter; or

"(iii) use the funds provided to install, improve, or extend a facility for the purposes of this chapter.

"(B) LIMITATIONS.—A borrower of an electric or telecommunications loan under the Rural Electrification Act of 1936 shall—

"(i) make a system or facility funded under subparagraph (A) available to entities that qualify under paragraph (1); and

"(ii) neither retain from the proceeds of a loan provided under subparagraph (A), nor assess a qualifying entity under paragraph (1), any amount except as may be required to pay the actual costs incurred in administering the loan funds or making the system or facility available.

"(3) ASSISTANCE TO PROVIDE OR IMPROVE SERVICES.—Financial assistance may be provided under this chapter for a facility regardless of the location of the facility if the Secretary determines that the assistance is necessary to provide or improve telemedicine services or distance learning services in a rural area.

"(d) PRIORITY.—The Secretary shall establish procedures to prioritize financial assistance provided under this chapter considering—

"(1) the need for the assistance in the affected rural area;

"(2) the financial need of the applicant;

"(3) the population sparsity of the affected rural area;

"(4) the local involvement in the project serving the affected rural area;

"(5) geographic diversity among the recipients of financial assistance;

"(6) the utilization of the telecommunications facilities of the existing telecommunications provider;

"(7) the portion of total project financing provided by the applicant from the funds of the applicant;

"(8) the portion of project financing provided by the applicant with funds obtained from non-Federal sources;

"(9) the joint utilization of facilities financed by other financial assistance;

"(10) the coordination of the proposed project with regional projects or networks;

"(11) service to the widest practical number of persons within the general geographic area covered by the financial assistance;

"(12) conformity with the State strategic plan as prepared under section 381D of the Consolidated Farm and Rural Development Act; and

"(13) other factors determined appropriate by the Secretary.

"(e) MAXIMUM AMOUNT OF ASSISTANCE TO INDIVIDUAL RECIPIENTS.—The Secretary may establish the maximum amount of financial assistance to be made available to an individual recipient for each fiscal year under this chapter by publishing notice in the Federal Register. The notice shall be published not more than 45 days after funds are made available to carry out this chapter during a fiscal year.

"(f) USE OF FUNDS.—Financial assistance provided under this chapter shall be used for—

"(1) the development and acquisition of instructional programming;

"(2) the development and acquisition, through lease or purchase, of computer hardware and software, audio and visual equipment, computer network components, telecommunications terminal equipment, telecommunications transmission facilities, data terminal equipment, or interactive video equipment, and other facilities that would further telemedicine services or distance learning services, or both;

"(3) providing technical assistance and instruction for the development or use of the programming, equipment, or facilities referred to in paragraphs (1) and (2); or

"(4) other uses that are consistent with this chapter, as determined by the Secretary.

"(g) SALARIES AND EXPENSES.—Notwithstanding subsection (f), financial assistance provided under this chapter shall not be used for paying salaries of employees or administrative expenses.

"(h) EXPEDITING COORDINATED TELEPHONE LOANS.—

"(1) IN GENERAL.—The Secretary may establish and carry out procedures to ensure that expedited consideration and determination is given to applications for loans and advances of funds submitted by local exchange carriers under this chapter and the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) to enable the exchange carriers to provide advanced telecommunications services in rural areas in conjunction with any other projects carried out under this chapter.

"(2) DEADLINE IMPOSED ON SECRETARY.—Not later than 45 days after the receipt of a completed application for an expedited telephone loan under paragraph (1), the Secretary shall respond to the application. The Secretary shall notify the applicant in writing of the decision of the Secretary regarding each expedited loan application.

"(i) NOTIFICATION OF LOCAL EXCHANGE CARRIER.—

"(1) APPLICANTS.—Each applicant for a grant for a telemedicine or distance learning project established under this chapter shall notify the appropriate local telephone exchange carrier regarding the application filed with the Secretary for the grant.

"(2) SECRETARY.—The Secretary shall—

"(A) publish notice of applications received for grants under this chapter for telemedicine or distance learning projects; and

"(B) make the applications available for inspection.

"SEC. 2334. ADMINISTRATION.

"(a) NONDUPLICATION.—The Secretary shall ensure that facilities constructed using financial assistance provided under this chapter do not duplicate adequate established telemedicine services or distance learning services.

"(b) LOAN MATURITY.—The maturities of cost of money loans shall be determined by the Secretary, based on the useful life of the facility being financed, except that the loan shall not be for a period of more than 10 years.

"(c) LOAN SECURITY AND FEASIBILITY.—The Secretary shall make a cost of money loan only after determining that the security for the loan is reasonably adequate and that the loan will be repaid within the period of the loan.

"(d) ENCOURAGING CONSORTIA.—The Secretary shall encourage the development of consortia to provide telemedicine services or distance learning services, or both, through telecommunications in rural areas served by a telecommunications provider.

"(e) COOPERATION WITH OTHER AGENCIES.—The Secretary shall cooperate, to the extent practicable, with other Federal and State agencies with similar grant or loan programs to pool resources for funding meritorious proposals in rural areas.

"(f) INFORMATIONAL EFFORTS.—The Secretary shall establish and implement procedures to carry out informational efforts to advise potential end users located in rural areas of each State about the program authorized by this chapter.

"SEC. 2335. REGULATIONS.

"Not later than 180 days after the effective date of the Agricultural Reform and Improvement Act of 1996, the Secretary shall issue regulations to carry out this chapter.

"SEC. 2335A. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this chapter $100,000,000 for each of fiscal years 1996 through 2002.".

SEC. 705. LIMITATION ON AUTHORIZATION OF APPROPRIATIONS FOR RURAL TECHNOLOGY GRANTS.

Section 2347 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 104 Stat. 4034) is amended—

(1) by striking "(a) IN GENERAL.—"; and

(2) by striking subsection (b).

SEC. 706. MONITORING THE ECONOMIC PROGRESS OF RURAL AMERICA.

Section 2382 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 13 U.S.C. 141 note) is repealed.

SEC. 707. ANALYSIS BY OFFICE OF TECHNOLOGY ASSESSMENT.

Section 2385 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 950aaa–4 note) is repealed.

SEC. 708. RURAL HEALTH INFRASTRUCTURE IMPROVEMENT.

Section 2391 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 2662 note) is repealed.

SEC. 709. CENSUS OF AGRICULTURE.

Section 2392 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 104 Stat. 4057) is repealed.

CHAPTER 2—ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION

SEC. 721. DEFINITIONS.

Section 1657(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5901(c)) is amended—

(1) by striking paragraphs (3) and (4);

(2) by redesignating paragraph (5) as paragraph (3);

(3) by redesignating paragraphs (6) through (12) as paragraphs (7) through (13), respectively; and

(4) by inserting after paragraph (3) (as redesignated by paragraph (2)) the following:

"(4) CORPORATE BOARD.—The term 'Corporate Board' means the Board of Directors of the Corporation described in section 1659.

"(5) CORPORATION.—The term 'Corporation' means the Alternative Agricultural Research and Commercialization Corporation established under section 1658.

"(6) EXECUTIVE DIRECTOR.—The term 'Executive Director' means the Executive Director of the Corporation appointed under section 1659(d)(2).".

SEC. 722. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION.

(a) IN GENERAL.—Section 1658 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5902) is amended to read as follows:

"SEC. 1658. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION.

"(a) ESTABLISHMENT.—To carry out this subtitle, there is created a body corporate to be known as the Alternative Agricultural Research and Commercialization Corporation, which shall be an agency of the United States, within the Department of Agriculture, subject to the general supervision and direction of the Secretary, except as specifically provided for in this subtitle.

"(b) PURPOSE.—The purpose of the Corporation is to—

"(1) expedite the development and market penetration of industrial, nonfood, nonfeed products from agricultural and forestry materials; and

"(2) assist the private sector in bridging the gap between research results and the commercialization of the research.

"(c) PLACE OF INCORPORATION.—The Corporation shall be located in the District of Columbia.

"(d) CENTRAL OFFICE.—The Secretary shall provide facilities for the principal office of the Corporation within the Washington, D.C. metropolitan area.

"(e) WHOLLY-OWNED GOVERNMENT CORPORATION.—The Corporation shall be considered a wholly-owned government corporation for purposes of chapter 91 of title 31, United States Code.

"(f) GENERAL POWERS.—In addition to any other powers granted to the Corporation under this subtitle, the Corporation—

"(1) shall have succession in its corporate name;

"(2) may adopt, alter, and rescind any bylaw and adopt and alter a corporate seal, which shall be judicially noticed;

"(3) may enter into any agreement or contract with a person or private or governmental agency, except that the Corporation shall not provide any financial assistance unless specifically authorized under this subtitle;

"(4) may lease, purchase, accept a gift or donation of, or otherwise acquire, use, own, hold, improve, or otherwise deal in or with, and sell, convey, mortgage, pledge, lease, exchange, or otherwise dispose of, any property, real, personal, or mixed, or any interest in property, as the Corporation considers necessary in the transaction of the business of the Corporation, except that this paragraph shall not provide authority for carrying out a program of real estate investment;

"(5) may sue and be sued in the corporate name of the Corporation, except that—

"(A) no attachment, injunction, garnishment, or similar process shall be issued against the Corporation or property of the Corporation; and

"(B) exclusive original jurisdiction shall reside in the district courts of the United States, but the Corporation may intervene in any court in any suit, action, or proceeding in which the Corporation has an interest;

"(6) may independently retain legal representation;

"(7) may provide for and designate such committees, and the functions of the committees, as the Corporate Board considers necessary or desirable,

"(8) may indemnify the Executive Director and other officers of the Corporation, as the Corporate Board considers necessary and desirable, except that the Executive Director and officers shall not be indemnified for an act outside the scope of employment;

"(9) may, with the consent of any board, commission, independent establishment, or executive department of the Federal Government, including any field service, use information, services, facilities, officials, and employees in carrying out this subtitle, and pay for the use, which payments shall be credited to the applicable appropriation that incurred the expense;

"(10) may obtain the services and fix the compensation of any consultant and otherwise procure temporary and intermittent services under section 3109(b) of title 5, United States Code;

"(11) may use the United States mails on the same terms and conditions as the Executive agencies of the Federal Government;

"(12) shall have the rights, privileges, and immunities of the United States with respect to the right to priority of payment with respect to debts due from bankrupt, insolvent, or deceased creditors;

"(13) may collect or compromise any obligations assigned to or held by the Corporation, including any legal or equitable rights accruing to the Corporation;

"(14) shall determine the character of, and necessity for, obligations and expenditures of the Corporation and the manner in which the obligations and expenditures shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to Government corporations;

"(15) may make final and conclusive settlement and adjustment of any claim by or against the Corporation or a fiscal officer of the Corporation;

"(16) may sell assets, loans, and equity interests acquired in connection with the financing of projects funded by the Corporation; and

"(17) may exercise all other lawful powers necessarily or reasonably related to the establishment of the Corporation to carry out this subtitle and the powers, purposes, functions, duties, and authorized activities of the Corporation.

"(g) SPECIFIC POWERS.—To carry out this subtitle, the Corporation shall have the authority to—

"(1) make grants to, and enter into cooperative agreements and contracts with, eligible applicants for research, development, and demonstration projects in accordance with section 1660;

"(2) make loans and interest subsidy payments and invest venture capital in accordance with section 1661;

"(3) collect and disseminate information concerning State, regional, and local commercialization projects;

"(4) search for new nonfood, nonfeed products that may be produced from agricultural commodities and for processes to produce the products;

"(5) administer, maintain, and dispense funds from the Alternative Agricultural Research and Commercialization Revolving Fund to facilitate the conduct of activities under this subtitle; and

"(6) engage in other activities incident to carrying out the functions of the Corporation.".

(b) WHOLLY OWNED GOVERNMENT CORPORATION.—Section 9101(3) of title 31, United States Code, is amended—

(1) by redesignating subparagraph (N) (relating to the Uranium Enrichment Corporation) as subparagraph (O); and

(2) by adding at the end the following:

"(P) the Alternative Agricultural Research and Commercialization Corporation.".

(c) CONFORMING AMENDMENT.—Section 211(b)(5) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6911(b)(5)) is amended by striking "Alternative Agricultural Research and Commercialization Board" and inserting "Corporate Board of the Alternative Agricultural Research and Commercialization Corporation".

SEC. 723. BOARD OF DIRECTORS, EMPLOYEES, AND FACILITIES.

(a) IN GENERAL.—Section 1659 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5903) is amended to read as follows:

"SEC. 1659. BOARD OF DIRECTORS, EMPLOYEES, AND FACILITIES.

"(a) IN GENERAL.—The powers of the Corporation shall be vested in a Corporate Board.

"(b) MEMBERS OF THE CORPORATE BOARD.—The Corporate Board shall consist of 10 members as follows:

"(1) The Under Secretary of Agriculture for Rural Economic and Community Development.

"(2) The Under Secretary of Agriculture for Research, Education, and Economics.

"(3) 4 members appointed by the Secretary, of whom—

"(A) at least 1 member shall be a representative of the leading scientific disciplines relevant to the activities of the Corporation;

"(B) at least 1 member shall be a producer or processor of agricultural commodities; and

"(C) at least 1 member shall be a person who is privately engaged in the commercialization of new nonfood, nonfeed products from agricultural commodities.

"(4) 2 members appointed by the Secretary who—

"(A) have expertise in areas of applied research relating to the development or commercialization of new nonfood, nonfeed products; and

"(B) shall be appointed from a group of at least 4 individuals nominated by the Director of the National Science Foundation if the nominations are made within 60 days after the date a vacancy occurs.

"(5) 2 members appointed by the Secretary who—

"(A) have expertise in financial and managerial matters; and

"(B) shall be appointed from a group of at least 4 individuals nominated by the Secretary of Commerce if the nominations are made within 60 days after the date a vacancy occurs.

"(c) RESPONSIBILITIES OF THE CORPORATE BOARD.—

"(1) IN GENERAL.—The Corporate Board shall—

"(A) be responsible for the general supervision of the Corporation and Regional Centers established under section 1663;

"(B) determine (in consultation with Regional Centers) high priority commercialization areas to receive assistance under section 1663;

"(C) review any grant, contract, or cooperative agreement to be made or entered into by the Corporation under section 1660 and any financial assistance to be provided under section 1661;

"(D) make the final decision, by majority vote, on whether and how to provide assistance to an applicant; and

"(E) using the results of the hearings and other information and data collected under paragraph (2), develop and establish a budget plan and a long-term operating plan to carry out this subtitle.

"(2) AUTHORITY OF THE SECRETARY.—

"(A) IN GENERAL.—The Secretary shall vacate and remand to the Board for reconsideration any decision made pursuant to paragraph (1)(D) if the Secretary determines that there has been a violation of subsection (j), or any conflict of interest provisions of the bylaws of the Board, with respect to the decision.

"(B) REASONS.—In the case of any violation and referral of a funding decision to the Board, the Secretary shall inform the Board of the reasons for any remand pursuant to subparagraph (A).

"(d) CHAIRPERSON.—The members of the Corporate Board shall select a Chairperson from among the members of the Corporate Board. The term of office of the Chairperson shall be 2 years. The members referred to in paragraphs (1) and (2) of subsection (b) may not serve as Chairperson.

"(e) EXECUTIVE DIRECTOR.—

"(1) IN GENERAL.—The Executive Director of the Corporation shall be the chief executive officer of the Corporation, with such power and authority as may be conferred by the Corporate Board. The Executive Director shall be appointed by the Corporate Board. The appointment shall be subject to the approval of the Secretary.

"(2) COMPENSATION.—The Executive Director shall receive basic pay at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(f) OFFICERS.—The Corporate Board shall establish the offices and appoint the officers of the Corporation, including a Secretary, and define the duties of the officers in a manner consistent with this subtitle.

"(g) MEETINGS.—The Corporate Board shall meet at least 3 times each fiscal year at the call of the Chairperson or at the request of the Executive Director. The location of the meetings shall be subject to approval of the Executive Director. A quorum of the Corporate Board shall consist of a majority of the members. The decisions of the Corporate Board shall be made by majority vote.

"(h) TERM; VACANCIES.—

"(1) IN GENERAL.—The term of office of a member of the Corporate Board shall be 4 years, except that the members initially appointed shall be appointed to serve staggered terms. A member appointed to fill a vacancy for an unexpired term may be appointed only for the remainder of the term. A vacancy on the Corporate Board shall be filled in the same manner as the original appointment. The Secretary shall not remove a member of the Corporate Board except for cause.

"(2) TRANSITION MEASURE.—An individual who is serving on the Alternative Agricultural Research and Commercialization Board on the day before the effective date of the Agricultural Reform and Improvement Act of 1996 may be appointed to the Corporate Board by the Secretary for a term that does not exceed the term of the individual on the Alternative Agricultural Research and Commercialization Board if the Act had not been enacted.

"(i) COMPENSATION.—A member of the Corporate Board who is an officer or employee of the United States shall not receive any additional compensation by reason of service on the Corporate Board. Any other member shall receive, for each day (including travel time) the member is engaged in the performance of the functions of the Corporate Board, compensation at a rate not to exceed the daily equivalent of the annual rate in effect for Level IV of the Executive Schedule. A member of the Corporate Board shall be reimbursed for travel, subsistence, and other necessary expenses incurred by the member in the performance of the duties of the member.

"(j) CONFLICT OF INTEREST; FINANCIAL DISCLOSURE.—

"(1) CONFLICT OF INTEREST.—Except as provided in paragraph (3), no member of the Corporate Board shall vote on any matter respecting any application, contract, claim, or other particular matter pending before the Corporation, in which, to the knowledge of the member, the member, spouse, or child of the member, partner, or organization in which the member is serving as officer, director, trustee, partner, or employee, or any person or organization with whom the member is negotiating or has any arrangement concerning prospective employment, has a financial interest.

"(2) VIOLATIONS.—Action by a member of the Corporate Board that is contrary to the prohibition contained in paragraph (1) shall be cause for removal of the member, but shall not impair or otherwise affect the validity of any otherwise lawful action by the Corporation in which the member participated.

"(3) EXCEPTIONS.—The prohibitions contained in paragraph (1) shall not apply if a member of the Corporate Board advises the Corporate Board of the nature of the particular matter in which the member proposes to participate, and if the member makes a full disclosure of the financial interest, prior to any participation, and the Corporate Board determines, by majority vote, that the financial interest is too remote or too inconsequential to affect the integrity of the member's services to the Corporation in that matter. The member involved shall not vote on the determination.

"(4) FINANCIAL DISCLOSURE.—A Board member shall be subject to the financial disclosure requirements applicable to a special Government employee (as defined in section 202(a) of title 18, United States Code).

"(k) DELEGATION OF AUTHORITY.—

"(1) IN GENERAL.—The Corporate Board may, by resolution, delegate to the Chairperson, the Executive Director, or any other officer or employee any function, power, or duty assigned to the Corporation under this subtitle, other than a function, power, or duty expressly vested in the Corporate Board by subsections (c) through (n).

"(2) PROHIBITION ON DELEGATION.—Notwithstanding any other law, the Secretary and any other officer or employee of the United States shall not make any delegation to the Corporate Board, the Chairperson, the Executive Director, or the Corporation of any power, function, or authority not expressly authorized by this subtitle, unless the delegation is made pursuant to an authority in law that expressly makes reference to this section.

"(3) REORGANIZATION ACT.—Notwithstanding any other law, the President (through authorities provided under chapter 9, title 5, United States Code) may not authorize the transfer to the Corporation of any power, function, or authority in addition to powers, functions, and authorities provided by law.

"(l) BYLAWS.—Notwithstanding section 1658(f)(2), the Corporate Board shall adopt, and may from time to time amend, any bylaw that is necessary for the proper management and functioning of the Corporation. The Corporate Board shall not adopt any bylaw that has not been reviewed and approved by the Secretary.

"(m) ORGANIZATION.—The Corporate Board shall provide a system of organization to fix responsibility and promote efficiency.

"(n) PERSONNEL AND FACILITIES OF CORPORATION.—

"(1) APPOINTMENT AND COMPENSATION OF PERSONNEL.—The Corporation may select and appoint officers, attorneys, employees, and agents, who shall be vested with such powers and duties as the Corporation may determine.

"(2) USE OF FACILITIES AND SERVICES OF THE DEPARTMENT OF AGRICULTURE.—Notwithstanding any other provision of law, to perform the responsibilities of the Corporation under this subtitle, the Corporation may partially or jointly utilize the facilities of and the services of employees of the Department of Agriculture, without cost to the Corporation.

"(3) GOVERNMENT EMPLOYMENT LAWS.—An officer or employee of the Corporation shall be subject to all laws of the United States relating to governmental employment.".

(b) CONFORMING AMENDMENT.—Section 5315 of title V, United States Code, is amended by adding at the end the following:

"Executive Director of the Alternative Agricultural Research and Commercialization Corporation.".

SEC. 724. RESEARCH AND DEVELOPMENT GRANTS, CONTRACTS, AND AGREEMENTS.

Section 1660 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5904) is amended—

(1) by striking "Center" each place it appears and inserting "Corporation";

(2) in subsection (c), by striking "Board" and inserting "Corporate Board"; and

(3) in subsection (f), by striking "non-Center" and inserting "non-Corporation".

SEC. 725. COMMERCIALIZATION ASSISTANCE.

Section 1661 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5905) is amended—

(1) by striking "Center" each place it appears and inserting "Corporation";

(2) by striking "Board" each place it appears and inserting "Corporate Board";

(3) by striking subsection (c);

(4) by redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively; and

(5) in subsection (c) (as so redesignated)—

(A) in the subsection heading of paragraph (1), by striking "DIRECTOR" and inserting "EXECUTIVE DIRECTOR"; and

(B) by striking "Director" each place it appears and inserting "Executive Director".

SEC. 726. GENERAL RULES REGARDING THE PROVISION OF ASSISTANCE.

Section 1662 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5906) is amended—

(1) by striking "Center" each place it appears (except in subsection (b)) and inserting "Corporation";

(2) by striking "Board" each place it appears and inserting "Corporate Board"; and

(3) in subsection (b)—

(A) in the second sentence, by striking "Board, a Regional Center, or the Advisory Council" and inserting "Board or a Regional Center"; and

(B) by striking the third sentence.

SEC. 727. REGIONAL CENTERS.

Section 1663 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5907) is amended—

(1) by striking "Board" each place it appears and inserting "Corporate Board";

(2) in subsection (e)(8), by striking "Center" and inserting "Corporation"; and

(3) in subsection (f)—

(A) in paragraph (2), by striking "in consultation with the Advisory Council appointed under section 1661(c)"; and

(B) by striking paragraphs (3) and (4) and inserting the following:

"(3) RECOMMENDATION.—The Regional Director, based on the comments of the reviewers, shall make and submit a recommendation to the Board. A recommendation submitted by a Regional Director shall not be binding on the Board.".

SEC. 728. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND.

Section 1664 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5908) is amended to read as follows:

"SEC. 1664. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND.

"(a) ESTABLISHMENT.—There is established in the Treasury of the United States a revolving fund to be known as the Alternative Agricultural Research and Commercialization Revolving Fund. The Fund shall be available to the Corporation, without fiscal year limitation, to carry out the authorized programs and activities of the Corporation under this subtitle.

"(b) CONTENTS OF FUND.—There shall be deposited in the Fund—

"(1) such amounts as may be appropriated or transferred to support programs and activities of the Corporation;

"(2) payments received from any source for products, services, or property furnished in connection with the activities of the Corporation;

"(3) fees and royalties collected by the Corporation from licensing or other arrangements relating to commercialization of products developed through projects funded in whole or part by grants, contracts, or cooperative agreements executed by the Corporation;

"(4) proceeds from the sale of assets, loans, and equity interests made in furtherance of the purposes of the Corporation;

"(5) donations or contributions accepted by the Corporation to support authorized programs and activities; and

"(6) any other funds acquired by the Corporation.

"(c) FUNDING ALLOCATIONS.—Funding of projects and activities under this subtitle shall be subject to the following restrictions:

"(1) Of the total amount of funds made available for a fiscal year under this subtitle—

"(A) not more than the lesser of 15 percent or $3,000,000 may be set aside to be used for authorized administrative expenses of the Corporation in carrying out the functions of the Corporation;

"(B) not more than 1 percent may be set aside to be used for generic studies and specific reviews of individual proposals for financial assistance; and

"(C) except as provided in subsection (e), not less than 84 percent shall be set aside to be awarded to qualified applicants who file project applications with, or respond to requests for proposals from, the Corporation under sections 1660 and 1661.

"(2) Any funds remaining uncommitted at the end of a fiscal year shall be credited to the Fund and added to the total program funds available to the Corporation for the next fiscal year.

"(d) AUTHORIZED ADMINISTRATIVE EXPENSES.—For the purposes of this section, authorized administrative expenses shall include all ordinary and necessary expenses, including all compensation for personnel and consultants, expenses for computer usage, or space needs of the Corporation and similar expenses. Funds authorized for administrative expenses shall not be available for the acquisition of real property.

"(e) PROJECT MONITORING.—The Board may establish, in the bylaws of the Board, a percent of funds provided under subsection (c), not to exceed 1 percent per project award, for any commercialization project to be expended from project awards that shall be used to ensure that project funds are being utilized in accordance with the project agreement.

"(f) TERMINATION OF THE FUND.—On expiration of the authority provided by this subtitle, all assets (after payment of all outstanding obligations) of the Fund shall revert to the general fund of the Treasury.

"(g) AUTHORIZATION OF APPROPRIATIONS; CAPITALIZATION.—

"(1) AUTHORIZATION OF APPROPRIATION.—There are authorized to be appropriated to the Fund $75,000,000 for each of fiscal years 1996 through 2002.

"(2) CAPITALIZATION.—The Executive Director may pay as capital of the Corporation, from amounts made available through annual appropriations, $75,000,000 for each of fiscal years 1996 through 2002. On the payment of capital by the Executive Director, the Corporation shall issue an equivalent amount of capital stock to the Secretary of the Treasury.

"(3) TRANSFER.—All obligations, assets, and related rights and responsibilities of the Alternative Agricultural Research and Commercialization Center established under section 1658 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5902) (as in effect on the day before the effective date of the Agricultural Reform and Improvement Act of 1996) are transferred to the Corporation.".

SEC. 729. PROCUREMENT PREFERENCES FOR PRODUCTS RECEIVING CORPORATION ASSISTANCE.

Subtitle G of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5901 et seq.) is amended by adding at the end the following:

"SEC. 1665. PROCUREMENT OF ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION PRODUCTS.

"(a) DEFINITION OF EXECUTIVE AGENCY.—In this section, the term 'executive agency' has the meaning provided the term in section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)).

"(b) PROCUREMENT.—To further the achievement of the purposes specified in section 1657(b), an executive agency may, for any procurement involving the acquisition of property, establish set-asides and preferences for property that has been commercialized with assistance provided under this subtitle.

"(c) SET-ASIDES.—Procurements solely for property may be set-aside exclusively for products developed with commercialization assistance provided under section 1661.

"(d) PREFERENCES.—Preferences for property developed with assistance provided under this subtitle in procurements involving the acquisition of property may be—

"(1) a price preference, if the procurement is solely for property, of not greater than a percentage to be determined within the sole discretion of the head of the procuring agency; or

"(2) a technical evaluation preference included as an award factor or subfactor as determined within the sole discretion of the head of the procuring agency.

"(e) NOTICE.—Each competitive solicitation or invitation for bids selected by an executive agency for a set-aside or preference under this section shall contain a provision notifying offerors where a list of products eligible for the set aside or preference may be obtained.

"(f) ELIGIBILITY.—Offerors shall receive the set aside or preference required under this section if, in the case of products developed with financial assistance under—

"(1) section 1660, less than 10 years have elapsed since the expiration of the grant, cooperative agreement, or contract;

"(2) paragraph (1) or (2) of section 1661(a), less than 5 years have elapsed since the date the loan was made or insured;

"(3) section 1661(a)(3), less than 5 years have elapsed since the date of sale of any remaining government equity interest in the company; or

"(4) section 1661(a)(4), less than 5 years have elapsed since the date of the final payment on the repayable grant.".

SEC. 730. BUSINESS PLAN AND FEASIBILITY STUDY AND REPORT.

(a) BUSINESS PLAN.—Not later than 180 days after the date of enactment of this Act, the Alternative Agricultural Research and Commercialization Corporation established under section 1658 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5902) shall—

(1) develop a 5-year business plan pursuant to section 1659(c)(1)(E) of the Food, Agriculture, Conservation, and Trade Act of 1990 (as amended by section 723); and

(2) submit the plan to the Secretary of Agriculture, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(b) FEASIBILITY STUDY AND REPORT.—

(1) STUDY.—The Secretary of Agriculture shall conduct a study of and prepare a report on the continued feasibility of the Alternative Agricultural Research and Commercialization Corporation. In conducting the study, the Secretary shall examine options for privatizing the Corporation and converting the Corporation to a Government sponsored enterprise.

(2) REPORT.—Not later than December 31, 2001, the Secretary shall transmit the report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

Subtitle B—Amendments to the Consolidated Farm and Rural Development Act

CHAPTER 1—GENERAL PROVISIONS

SEC. 741. WATER AND WASTE FACILITY LOANS AND GRANTS.

(a) IN GENERAL.—Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended—

(1) in the first sentence of paragraph (2), by striking "$500,000,000" and inserting "$590,000,000";

(2) by striking paragraph (7) and inserting the following:

"(7) DEFINITION OF RURAL AND RURAL AREAS.—For the purpose of water and waste disposal grants and direct and guaranteed loans provided under paragraphs (1) and (2), the terms 'rural' and 'rural area' shall mean a city, town, or unincorporated area that has a population of no more than 10,000 inhabitants.";

(3) by striking paragraphs (9), (10), and (11) and inserting the following:

"(9) CONFORMITY WITH STATE DRINKING WATER STANDARDS.—No Federal funds shall be made available under this section unless the Secretary determines that the water system seeking funding will make significant progress toward meeting the standards established under title XIV of the Public Health Service Act (commonly known as the 'Safe Drinking Water Act') (42 U.S.C. 300f et seq.).

"(10) CONFORMITY WITH FEDERAL AND STATE WATER POLLUTION CONTROL STANDARDS.—In the case of a water treatment discharge or waste disposal system seeking funding, no Federal funds shall be made available under this section unless the Secretary determines that the effluent from the system conforms with applicable Federal and State water pollution control standards.

"(11) RURAL BUSINESS OPPORTUNITY GRANTS.—

"(A) IN GENERAL.—The Secretary may make grants, not to exceed $1,500,000 annually, to public bodies, private nonprofit community development corporations or entities, or such other agencies as the Secretary may select to enable the recipients—

"(i) to identify and analyze business opportunities, including opportunities in export markets, that will use local rural economic and human resources;

"(ii) to identify, train, and provide technical assistance to existing or prospective rural entrepreneurs and managers;

"(iii) to establish business support centers and otherwise assist in the creation of new rural businesses, the development of methods of financing local businesses, and the enhancement of the capacity of local individuals and entities to engage in sound economic activities;

"(iv) to conduct regional, community, and local economic development planning and coordination, and leadership development; and

"(v) to establish centers for training, technology, and trade that will provide training to rural businesses in the utilization of interactive communications technologies to develop international trade opportunities and markets.

"(B) CRITERIA.—In awarding the grants, the Secretary shall consider, among other criteria to be established by the Secretary—

"(i) the extent to which the applicant provides development services in the rural service area of the applicant; and

"(ii) the capability of the applicant to carry out the purposes of this section.

"(C) COORDINATION.—The Secretary shall ensure, to the maximum extent practicable, that assistance provided under this paragraph is coordinated with and delivered in cooperation with similar services or assistance provided to rural residents by the Cooperative State Research, Education, and Extension Service or other Federal agencies.

"(D) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this paragraph $7,500,000 for each of fiscal years 1996 through 2002.";

(4) by striking paragraphs (14) and (15); and

(5) in paragraph (16)—

(A) by striking "(16)(A) The" and inserting the following:

"(16) RURAL WATER AND WASTEWATER TECHNICAL ASSISTANCE AND TRAINING PROGRAMS.—

"(A) IN GENERAL.—The";

(B) in subparagraph (A)—

(i) by striking "(i) identify" and inserting the following:

"(i) identify";

(ii) by striking "(ii) prepare" and inserting the following:

"(ii) prepare"; and

(iii) by striking "(iii) improve" and inserting the following:

"(iii) improve";

(C) in subparagraph (B), by striking "(B) In" and inserting the following:

"(B) SELECTION PRIORITY.—In"; and

(D) in subparagraph (C)—

(i) by striking "(C) Not" and inserting the following:

"(C) FUNDING.—Not"; and

(ii) by striking "2 per centum of any funds provided in Appropriations Acts" and inserting "3 percent of any funds appropriated".

(b) CONFORMING AMENDMENTS.—

(1) Section 307(a)(6)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(6)(B)) (as amended by section 651(a)(2)) is further amended—

(A) by striking clause (ii); and

(B) by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively.

(2) The second sentence of section 309A(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929a(a)) is amended by striking ", 306(a)(14),".

SEC. 742. EMERGENCY COMMUNITY WATER ASSISTANCE GRANT PROGRAM FOR SMALL COMMUNITIES.

Section 306A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a) is amended—

(1) in subsection (e)—

(A) by striking paragraph (1) and inserting the following:

"(1) MAXIMUM INCOME.—No grant provided under this section may be used to assist any rural area or community that has a median household income in excess of the State nonmetropolitan median household income according to the most recent decennial census of the United States."; and

(B) in paragraph (2), by striking "5,000" and inserting "3,000"; and

(2) by striking subsection (i) and inserting the following:

"(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $35,000,000 for each of fiscal years 1996 through 2002.".

SEC. 743. EMERGENCY COMMUNITY WATER ASSISTANCE GRANT PROGRAM FOR SMALLEST COMMUNITIES.

Section 306B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926b) is repealed.

SEC. 744. AGRICULTURAL CREDIT INSURANCE FUND.

Section 309(f) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(f)) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) through (6) as paragraphs (1) through (5), respectively.

SEC. 745. RURAL DEVELOPMENT INSURANCE FUND.

Section 309A(g) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929a(g)) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) through (8) as paragraphs (1) through (7), respectively.

SEC. 746. INSURED WATERSHED AND RESOURCE CONSERVATION AND DEVELOPMENT LOANS.

Section 310A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1931) is repealed.

SEC. 747. RURAL INDUSTRIALIZATION ASSISTANCE.

(a) IN GENERAL.—Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended—

(1) in subsection (b), by striking "(b)(1)" and all that follows through "(2) The" and inserting the following:

"(b) SOLID WASTE MANAGEMENT GRANTS.—The";

(2) in subsection (c)—

(A) by striking "(c)(1) The" and inserting the following:

"(c) RURAL BUSINESS ENTERPRISE GRANTS.—

"(1) IN GENERAL.—The";

(B) in paragraph (1), by inserting "(including nonprofit entities)" after "private business enterprises"; and

(C) in paragraph (2)—

(i) by striking "(2) The" and inserting the following:

"(2) PASSENGER TRANSPORTATION SERVICES OR FACILITIES.—The"; and

(ii) by striking "make grants" and inserting "award grants on a competitive basis"; and

(3) by striking subsections (e), (g), (h), and (i);

(4) by redesignating subsections (f) and (j) as subsections (e) and (f), respectively;

(5) by striking subsection (e) (as so redesignated) and inserting the following:

"(e) RURAL COOPERATIVE DEVELOPMENT GRANTS.—

"(1) DEFINITIONS.—In this subsection:

"(A) NONPROFIT INSTITUTION.—The term 'nonprofit institution' means any organization or institution, including an accredited institution of higher education, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(B) UNITED STATES.—The term 'United States' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the other territories and possessions of the United States.

"(2) GRANTS.—The Secretary shall make grants under this subsection to nonprofit institutions for the purpose of enabling the institutions to establish and operate centers for rural cooperative development.

"(3) GOALS.—The goals of a center funded under this subsection shall be to facilitate the creation of jobs in rural areas through the development of new rural cooperatives, value added processing, and rural businesses.

"(4) APPLICATION.—Any nonprofit institution seeking a grant under paragraph (2) shall submit to the Secretary an application containing a plan for the establishment and operation by the institution of a center or centers for cooperative development. The Secretary may approve the application if the plan contains the following:

"(A) A provision that substantiates that the center will effectively serve rural areas in the United States.

"(B) A provision that the primary objective of the center will be to improve the economic condition of rural areas through cooperative development.

"(C) A description of the activities that the center will carry out to accomplish the objective. The activities may include the following:

"(i) Programs for applied research and feasibility studies that may be useful to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

"(ii) Programs for the collection, interpretation, and dissemination of information that may be useful to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

"(iii) Programs providing training and instruction for individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

"(iv) Programs providing loans and grants to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

"(v) Programs providing technical assistance, research services, and advisory services to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

"(vi) Programs providing for the coordination of services and sharing of information among the center.

"(D) A description of the contributions that the activities are likely to make to the improvement of the economic conditions of the rural areas for which the center will provide services.

"(E) Provisions that the center, in carrying out the activities, will seek, where appropriate, the advice, participation, expertise, and assistance of representatives of business, industry, educational institutions, the Federal Government, and State and local governments.

"(F) Provisions that the center will take all practicable steps to develop continuing sources of financial support for the center, particularly from sources in the private sector.

"(G) Provisions for—

"(i) monitoring and evaluating the activities by the nonprofit institution operating the center; and

"(ii) accounting for money received by the institution under this section.

"(5) AWARDING GRANTS.—Grants made under paragraph (2) shall be made on a competitive basis. In making grants under paragraph (2), the Secretary shall give preference to grant applications providing for the establishment of centers for rural cooperative development that—

"(A) demonstrate a proven track record in administering a nationally coordinated, regionally or State-wide operated project;

"(B) demonstrate previous expertise in providing technical assistance in rural areas;

"(C) demonstrate the ability to assist in the retention of existing businesses, facilitate the establishment of new cooperatives and new cooperative approaches, and generate new employment opportunities that will improve the economic conditions of rural areas;

"(D) demonstrate the ability to create horizontal linkages among businesses within and among various sectors in rural America and vertical linkages to domestic and international markets;

"(E) commit to providing technical assistance and other services to underserved and economically distressed areas in rural America; and

"(F) commit to providing greater than a 25 percent matching contribution with private funds and in-kind contributions.

"(6) TWO-YEAR GRANTS.—The Secretary shall evaluate programs receiving assistance under this subsection and, if the Secretary determines it to be in the best interest of the Federal Government, the Secretary may approve grants under this subsection for up to 2 years.

"(7) TECHNICAL ASSISTANCE TO PREVENT EXCESSIVE UNEMPLOYMENT OR UNDEREMPLOYMENT.—In carrying out this subsection, the Secretary may provide technical assistance to alleviate or prevent conditions of excessive unemployment, underemployment, outmigration, or low employment growth in economically distressed rural areas that the Secretary determines have a substantial need for the assistance. The assistance may include planning and feasibility studies, management and operational assistance, and studies evaluating the need for development potential of projects that increase employment and improve economic growth in the areas.

"(8) GRANTS TO DEFRAY ADMINISTRATIVE COSTS.—The Secretary may make grants to defray not to exceed 75 percent of the costs incurred by organizations and public bodies to carry out projects for which grants or loans are made under this subsection. For purposes of determining the non-Federal share of the costs, the Secretary shall consider contributions in cash and in kind, fairly evaluated, including premises, equipment, and services.

"(9) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $50,000,000 for each of fiscal years 1996 through 2002."; and

(6) by adding at the end the following:

"(g) LOAN GUARANTEES FOR THE PURCHASE OF COOPERATIVE STOCK.—

"(1) DEFINITION OF FARMER.—In this subsection, the term 'farmer' means any farmer that meets the family farmer definition, as determined by the Secretary.

"(2) LOAN GUARANTEES.—The Secretary may guarantee loans under this section to individual farmers for the purpose of purchasing capital stock of a farmer cooperative established for the purpose of processing an agricultural commodity.

"(3) ELIGIBILITY.—To be eligible for a loan guarantee under this subsection, a farmer must produce the agricultural commodity that will be processed by the cooperative.

"(4) COLLATERAL.—To be eligible for a loan guarantee under this subsection for the establishment of a cooperative, the borrower of the loan must pledge collateral to secure at least 25 percent of the amount of the loan.".

(b) CONFORMING AMENDMENTS.—

(1) Clause (iii) of section 307(a)(6)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(6)(B)) (as redesignated by section 741(b)(1)(B)) is amended by striking "subsections (d) and (e) of section 310B" and inserting "section 310B(d)".

(2) Section 232(c)(2) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6942(c)(2)) is amended—

(A) by striking "310B(b)(2)" and inserting "310B(b)"; and

(B) by striking "1932(b)(2)" and inserting "1932(b)".

(3) Section 233(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6943(b)) is amended—

(A) by striking paragraph (2); and

(B) by redesignating paragraph (3) as paragraph (2).

SEC. 748. ADMINISTRATION.

Section 331(b)(4) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(b)(4)) is amended—

(1) by inserting after "claims" the following: "(including debts and claims arising from loan guarantees)";

(2) by striking "Farmers Home Administration or" and inserting "Consolidated Farm Service Agency, Rural Utilities Service, Rural Housing and Community Development Service, Rural Business and Cooperative Development Service, or a successor agency, or"; and

(3) by inserting after "activities under the Housing Act of 1949." the following: "In the case of a security instrument entered into under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), the Secretary shall notify the Attorney General of the intent of the Secretary to exercise the authority of the Secretary under this paragraph.".

SEC. 749. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 338 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1988) is amended—

(1) by striking subsections (b), (c), (d), and (e); and

(2) by redesignating subsection (f) as subsection (b).

(b) CONFORMING AMENDMENTS.—

(1) The first sentence of section 309(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(g)(1)) is amended by inserting after "section 338(c)" the following: "(before the amendment made by section 447(a)(1) of the Agricultural Reform and Improvement Act of 1996)".

(2) Section 343(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(b)) is amended by striking "338(f)," and inserting "338(b),".

SEC. 750. TESTIMONY BEFORE CONGRESSIONAL COMMITTEES.

Section 345 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1993) is repealed.

SEC. 751. PROHIBITION ON USE OF LOANS FOR CERTAIN PURPOSES.

Section 363 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006e) is amended by adding at the end the following: "This section shall not apply to a loan made or guaranteed under this title for a utility line.".

SEC. 752. RURAL DEVELOPMENT CERTIFIED LENDERS PROGRAM.

The Consolidated Farm and Rural Development Act is amended by inserting after section 363 (7 U.S.C. 2006e) the following:

"SEC. 364. RURAL DEVELOPMENT CERTIFIED LENDERS PROGRAM.

"(a) CERTIFIED LENDERS PROGRAM.—

"(1) IN GENERAL.—The Secretary may establish a program under which the Secretary may guarantee a loan for any rural development program that is made by a lender certified by the Secretary.

"(2) CERTIFICATION REQUIREMENTS.—The Secretary may certify a lender if the lender meets such criteria as the Secretary may prescribe in regulations, including the ability of the lender to properly make, service, and liquidate the guaranteed loans of the lender.

"(3) CONDITION OF CERTIFICATION.—As a condition of certification, the Secretary may require the lender to undertake to service the guaranteed loan using standards that are not less stringent than generally accepted banking standards concerning loan servicing that are used by prudent commercial or cooperative lenders.

"(4) GUARANTEE.—Notwithstanding any other provision of law, the Secretary may guarantee not more than 80 percent of a loan made by a certified lender described in paragraph (1), if the borrower of the loan meets the eligibility requirements and such other criteria for the loan guarantee that are established by the Secretary.

"(5) CERTIFICATIONS.—With respect to loans to be guaranteed, the Secretary may permit a certified lender to make appropriate certifications (as provided in regulations issued by the Secretary) —

"(A) relating to issues such as creditworthiness, repayment ability, adequacy of collateral, and feasibility of the operation; and

"(B) that the borrower is in compliance with all requirements of law, including regulations issued by the Secretary.

"(6) RELATIONSHIP TO OTHER REQUIREMENTS.—This subsection shall not affect the responsibility of the Secretary to determine eligibility, review financial information, and otherwise assess an application.

"(b) PREFERRED CERTIFIED LENDERS PROGRAM.—

"(1) IN GENERAL.—The Secretary may establish a preferred certified lenders program for lenders who establish their—

"(A) knowledge of, and experience under, the program established under subsection (a);

"(B) knowledge of the regulations concerning the particular guaranteed loan program; and

"(C) proficiency related to the certified lender program requirements.

"(2) ADDITIONAL LENDING INSTITUTIONS.—The Secretary may certify any lending institution as a preferred certified lender if the institution meets such additional criteria as the Secretary may prescribe by regulation.

"(3) REVOCATION OF DESIGNATION.—The designation of a lender as a preferred certified lender shall be revoked if the Secretary determines that the lender is not adhering to the rules and regulations applicable to the program or if the loss experiences of a preferred certified lender are greater than other preferred certified lenders, except that the suspension or revocation shall not affect any outstanding guarantee.

"(4) CONDITION OF CERTIFICATION.—As a condition of the preferred certification, the Secretary shall require the lender to undertake to service the loan guaranteed by the Secretary under this subsection using generally accepted banking standards concerning loan servicing employed by prudent commercial or cooperative lenders. The Secretary shall, at least annually, monitor the performance of each preferred certified lender to ensure that the conditions of the certification are being met.

"(5) EFFECT OF PREFERRED LENDER CERTIFICATION.—Notwithstanding any other provision of law, the Secretary may—

"(A) guarantee not more than 80 percent of any approved loan made by a preferred certified lender as described in this subsection, if the borrower meets the eligibility requirements and such other criteria as may be applicable to loans guaranteed by the Secretary; and

"(B) permit preferred certified lenders to make all decisions, with respect to loans to be guaranteed by the Secretary under this subsection relating to creditworthiness, the closing, monitoring, collection, and liquidation of loans, and to accept appropriate certifications, as provided in regulations issued by the Secretary, that the borrower is in compliance with all requirements of law and regulations issued by the Secretary.".

SEC. 753. SYSTEM FOR DELIVERY OF CERTAIN RURAL DEVELOPMENT PROGRAMS.

(a) IN GENERAL.—Section 365 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 2310 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2007) is amended—

(A) in subsection (a), by striking "or the program established in sections 365 and 366 of the Consolidated Farm and Rural Development Act (as added by chapter 3 of this subtitle)";

(B) in subsection (b)—

(i) by striking "STATES.—" and all that follows through "PARTNERSHIPS.—The" in paragraph (1) and inserting "STATES.—The"; and

(ii) by striking paragraph (2);

(C) in subsection (c)—

(i) by striking "PROJECTS.—" and all that follows through "PARTNERSHIPS.—Chapter" in paragraph (1) and inserting "PROJECTS.—Chapter";

(ii) by striking "subsection (b)(1)" and inserting "subsection (b)"; and

(iii) by striking paragraph (2); and

(D) in subsection (d), by striking "and sections 365, 366, 367, and 368(b) of the Consolidated Farm and Rural Development Act (as added by chapter 3 of this subtitle)".

(2) Section 2375 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6613) is amended—

(A) in subsection (e), by striking ", as defined in section 365(b)(2) of the Consolidated Farm and Rural Development Act,"; and

(B) by adding at the end the following:

"(g) DEFINITION OF DESIGNATED RURAL DEVELOPMENT PROGRAM.—In this section, the term 'designated rural development program' means a program carried out under section 304(b), 306(a), or 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1924(b), 1926(a), and 1932(e)), or under section 1323 of the Food Security Act of 1985 (Public Law 99-198; 7 U.S.C. 1932 note), for which funds are available at any time during the fiscal year under the section.".

(3) Paragraph (2) of section 233(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6943(b)) (as redesignated by section 747(b)(3)(B)) is amended by striking "sections 365 through 369 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008-2008d)" and inserting "section 369 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008d)".

SEC. 754. STATE RURAL ECONOMIC DEVELOPMENT REVIEW PANEL.

Section 366 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008a) is repealed.

SEC. 755. LIMITED TRANSFER AUTHORITY OF LOAN AMOUNTS.

Section 367 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008b) is repealed.

SEC. 756. ALLOCATION AND TRANSFER OF LOAN GUARANTEE AUTHORITY.

Section 368 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008c) is repealed.

SEC. 757. NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER.

The Consolidated Farm and Rural Development Act (as amended by section 641) is amended by adding at the end the following:

"SEC. 375. NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER.

"(a) DEFINITIONS.—In this section:

"(1) BOARD.—The term 'Board' means the Board of Directors established under subsection (f).

"(2) CENTER.—The term 'Center' means the National Sheep Industry Improvement Center established under subsection (b).

"(3) ELIGIBLE ENTITY.—The term 'eligible entity' means an entity that promotes the betterment of the United States lamb or wool industry and that is—

"(A) a public, private, or cooperative organization;

"(B) an association, including a corporation not operated for profit;

"(C) a federally recognized Indian Tribe; or

"(D) a public or quasi-public agency.

"(4) FUND.—The term 'Fund' means the Natural Sheep Improvement Center Revolving Fund established under subsection (e).

"(b) ESTABLISHMENT OF CENTER.—The Secretary shall establish a National Sheep Industry Improvement Center.

"(c) PURPOSES.—The purposes of the Center shall be to—

"(1) promote strategic development activities and collaborative efforts by private and State entities to maximize the impact of Federal assistance to strengthen and enhance the production and marketing of lamb and wool in the United States;

"(2) optimize the use of available human capital and resources within the sheep industry;

"(3) provide assistance to meet the needs of the sheep industry for infrastructure development, business development, production, resource development, and market and environmental research;

"(4) advance activities that empower and build the capacity of the United States sheep industry to design unique responses to the special needs of the lamb and wool industries on both a regional and national basis; and

"(5) adopt flexible and innovative approaches to solving the long-term needs of the United States sheep industry.

"(d) STRATEGIC PLAN.—

"(1) IN GENERAL.—The Center shall submit to the Secretary an annual strategic plan for the delivery of financial assistance provided by the Center.

"(2) REQUIREMENTS.—A strategic plan shall identify—

"(A) goals, methods, and a benchmark for measuring the success of carrying out the plan and how the plan relates to the national and regional goals of the Center;

"(B) the amount and sources of Federal and non-Federal funds that are available for carrying out the plan;

"(C) funding priorities;

"(D) selection criteria for funding; and

"(E) a method of distributing funding.

"(e) REVOLVING FUND.—

"(1) ESTABLISHMENT.—There is established in the Treasury the Natural Sheep Improvement Center Revolving Fund. The Fund shall be available to the Center, without fiscal year limitation, to carry out the authorized programs and activities of the Center under this section.

"(2) CONTENTS OF FUND.—There shall be deposited in the Fund—

"(A) such amounts as may be appropriated, transferred, or otherwise made available to support programs and activities of the Center;

"(B) payments received from any source for products, services, or property furnished in connection with the activities of the Center;

"(C) fees and royalties collected by the Center from licensing or other arrangements relating to commercialization of products developed through projects funded, in whole or part, by grants, contracts, or cooperative agreements executed by the Center;

"(D) proceeds from the sale of assets, loans, and equity interests made in furtherance of the purposes of the Center;;

"(E) donations or contributions accepted by the Center to support authorized programs and activities; and

"(F) any other funds acquired by the Center.

"(3) USE OF FUND.—

"(A) IN GENERAL.—The Center may use amounts in the Fund to make grants and loans to eligible entities in accordance with a strategic plan submitted under subsection (d).

"(B) CONTINUED EXISTENCE.—The Center shall manage the Fund in a manner that ensures that sufficient amounts are available in the Fund to carry out subsection (c).

"(C) DIVERSE AREA.—The Center shall, to the maximum extent practicable, use the Fund to serve broad geographic areas and regions of diverse production.

"(D) VARIETY OF LOANS AND GRANTS.—The Center shall, to the maximum extent practicable, use the Fund to provide a variety of intermediate- and long-term grants and loans.

"(E) ADMINISTRATION.—The Center may not use more than 3 percent of the amounts in the Fund for a fiscal year for the administration of the Center.

"(F) INFLUENCING LEGISLATION.—None of the amounts in the Fund may be used to influence legislation.

"(G) ACCOUNTING.—To be eligible to receive amounts from the Fund, an entity must agree to account for the amounts using generally accepted accounting principles.

"(H) USES OF FUND.—The Center may use amounts in the Fund to—

"(i) participate with Federal and State agencies in financing activities that are in accordance with a strategic plan submitted under subsection (d), including participation with several States in a regional effort;

"(ii) participate with other public and private funding sources in financing activities that are in accordance with the strategic plan, including participation in a regional effort;

"(iii) provide security for, or make principle or interest payments on, revenue or general obligation bonds issued by a State, if the proceeds from the sale of the bonds are deposited in the Fund;

"(iv) accrue interest;

"(v) guarantee or purchase insurance for local obligations to improve credit market access or reduce interest rates for a project that is in accordance with the strategic plan; or

"(vi) sell assets, loans, and equity interests acquired in connection with the financing of projects funded by the Center.

"(4) LOANS.—

"(A) RATE.—A loan from the Fund may be made at an interest rate that is below the market rate or may be interest free.

"(B) TERM.—The term of a loan may not exceed the shorter of—

"(i) the useful life of the activity financed; or

"(ii) 40 years.

"(C) SOURCE OF REPAYMENT.—The Center may not make a loan from the Fund unless the recipient establishes an assured source of repayment.

"(D) PROCEEDS.—All payments of principal and interest on a loan made from the Fund shall be deposited into the Fund.

"(5) MAINTENANCE OF EFFORT.—The Center shall use the Fund only to supplement and not to supplant Federal, State, and private funds expended for rural development.

"(6) FUNDING.—

"(A) DEPOSIT OF FUNDS.—All Federal and non-Federal amounts received by the Center to carry out this section shall be deposited in the Fund.

"(B) MANDATORY FUNDS.—Out of any moneys in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide to the Center not to exceed $20,000,000 to carry out this section.

"(C) ADDITIONAL FUNDS.—In addition to any funds provided under subparagraph (B), there is authorized to be appropriated to carry out this section $30,000,000 to carry out this section.

"(D) PRIVATIZATION.—Federal funds shall not be used to carry out this section beginning on the earlier of—

"(i) the date that is 10 years after the effective date of this section; or

"(ii) the day after a total of $50,000,000 is made available under subparagraphs (B) and (C) to carry out this section.

"(f) BOARD OF DIRECTORS.—

"(1) IN GENERAL.—The management of the Center shall be vested in a Board of Directors.

"(2) POWERS.—The Board shall—

"(A) be responsible for the general supervision of the Center;

"(B) review any grant, loan, contract, or cooperative agreement to be made or entered into by the Center and any financial assistance provided to the Center;

"(C) make the final decision, by majority vote, on whether and how to provide assistance to an applicant; and

"(D) develop and establish a budget plan and a long-term operating plan to carry out the goals of the Center.

"(3) COMPOSITION.—The Board shall be composed of—

"(A) 7 voting members, of whom—

"(i) 4 members shall be active producers of sheep in the United States;

"(ii) 2 members shall have expertise in finance and management; and

"(iii) 1 member shall have expertise in lamb and wool marketing; and

"(B) 2 nonvoting members, of whom—

"(i) 1 member shall be the Under Secretary of Agriculture for Rural Economic and Community Development; and

"(ii) 1 member shall be the Under Secretary of Agriculture for Research, Education, and Economics.

"(4) ELECTION.—A voting member of the Board shall be chosen in an election of the members of a national organization selected by the Secretary that—

"(A) consists only of sheep producers in the United States; and

"(B) has as the primary interest of the organization the production of lamb and wool in the United States.

"(5) TERM OF OFFICE.—

"(A) IN GENERAL.—Subject to subparagraph (B), the term of office of a voting member of the Board shall be 3 years.

"(B) STAGGERED INITIAL TERMS.—The initial voting members of the Board (other than the chairperson of the initially established Board) shall serve for staggered terms of 1, 2, and 3 years, as determined by the Secretary.

"(C) REELECTION.—A voting member may be reelected for not more than 1 additional term.

"(6) VACANCY.—

"(A) IN GENERAL.—A vacancy on the Board shall be filled in the same manner as the original Board.

"(B) REELECTION.—A member elected to fill a vacancy for an unexpired term may be reelected for 1 full term.

"(7) CHAIRPERSON.—

"(A) IN GENERAL.—The Board shall select a chairperson from among the voting members of the Board.

"(B) TERM.—The term of office of the chairperson shall be 2 years.

"(8) ANNUAL MEETING.—

"(A) IN GENERAL.—The Board shall meet not less than once each fiscal year at the call of the chairperson or at the request of the executive director appointed under subsection (g)(1).

"(B) LOCATION.—The location of a meeting of the Board shall be established by the Board.

"(9) VOTING.—

"(A) QUORUM.—A quorum of the Board shall consist of a majority of the voting members.

"(B) MAJORITY VOTE.—A decision of the Board shall be made by a majority of the voting members of the Board.

"(10) CONFLICTS OF INTEREST.—

"(A) IN GENERAL.—A member of the Board shall not vote on any matter respecting any application, contract, claim, or other particular matter pending before the Board in which, to the knowledge of the member, an interest is held by—

"(i) the member;

"(ii) any spouse of the member;

"(iii) any child of the member;

"(iv) any partner of the member;

"(v) any organization in which the member is serving as an officer, director, trustee, partner, or employee; or

"(vi) any person with whom the member is negotiating or has any arrangement concerning prospective employment or with whom the member has a financial interest.

"(B) REMOVAL.—Any action by a member of the Board that violates subparagraph (A) shall be cause for removal from the Board.

"(C) VALIDITY OF ACTION.—An action by a member of the Board that violates subparagraph (A) shall not impair or otherwise affect the validity of any otherwise lawful action by the Board.

"(D) DISCLOSURE.—

"(i) IN GENERAL.—If a member of the Board makes a full disclosure of an interest and, prior to any participation by the member, the Board determines, by majority vote, that the interest is too remote or too inconsequential to affect the integrity of any participation by the member, the member may participate in the matter relating to the interest.

"(ii) VOTE.—A member that discloses an interest under clause (i) shall not vote on a determination of whether the member may participate in the matter relating to the interest.

"(E) REMANDS.—

"(i) IN GENERAL.—The Secretary may vacate and remand to the Board for reconsideration any decision made pursuant to subsection (e)(3)(H) if the Secretary determines that there has been a violation of this paragraph or any conflict of interest provision of the bylaws of the Board with respect to the decision.

"(ii) REASONS.—In the case of any violation and remand of a funding decision to the Board under clause (i), the Secretary shall inform the Board of the reasons for the remand.

"(11) COMPENSATION.—

"(A) IN GENERAL.—A member of the Board shall not receive any compensation by reason of service on the Board.

"(B) EXPENSES.—A member of the Board shall be reimbursed for travel, subsistence, and other necessary expenses incurred by the member in the performance of a duty of the member.

"(12) BYLAWS.—The Board shall adopt, and may from time to time amend, any bylaw that is necessary for the proper management and functioning of the Center.

"(13) PUBLIC HEARINGS.—Not later than 1 year after the effective date of this section, the Board shall hold public hearings on policy objectives of the program established under this section.

"(14) ORGANIZATIONAL SYSTEM.—The Board shall provide a system of organization to fix responsibility and promote efficiency in carrying out the functions of the Board.

"(15) USE OF DEPARTMENT OF AGRICULTURE.—The Board may, with the consent of the Secretary, utilize the facilities of and the services of employees of the Department of Agriculture, without cost to the Center.

"(g) OFFICERS AND EMPLOYEES.—

"(1) EXECUTIVE DIRECTOR.—

"(A) IN GENERAL.—The Board shall appoint an executive director to be the chief executive officer of the Center.

"(B) TENURE.—The executive director shall serve at the pleasure of the Board.

"(C) COMPENSATION.—Compensation for the executive director shall be established by the Board.

"(2) OTHER OFFICERS AND EMPLOYEES.—The Board may select and appoint officers, attorneys, employees, and agents who shall be vested with such powers and duties as the Board may determine.

"(3) DELEGATION.—The Board may, by resolution, delegate to the chairperson, the executive director, or any other officer or employee any function, power, or duty of the

Board other than voting on a grant, loan, contract, agreement, budget, or annual strategic plan.

"(h) CONSULTATION.—To carry out this section, the Board may consult with—

"(1) State departments of agriculture;

"(2) Federal departments and agencies;

"(3) nonprofit development corporations;

"(4) colleges and universities;

"(5) banking and other credit-related agencies;

"(6) agriculture and agribusiness organizations; and

"(7) regional planning and development organizations.

"(i) OVERSIGHT.—

"(1) IN GENERAL.—The Secretary shall review and monitor compliance by the Board and the Center with this section.

"(2) SANCTIONS.—If, following notice and opportunity for a hearing, the Secretary finds that the Board or the Center is not in compliance with this section, the Secretary may—

"(A) cease making deposits to the Fund;

"(B) suspend the authority of the Center to withdraw funds from the Fund; or

"(C) impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this Act and disqualification from receipt of financial assistance under this section.

"(3) REMOVING SANCTIONS.—The Secretary shall remove sanctions imposed under paragraph (2) on a finding that there is no longer any failure by the Board or the Center to comply with this section or that the noncompliance shall be promptly corrected.".

CHAPTER 2—RURAL COMMUNITY ADVANCEMENT PROGRAM

SEC. 761. RURAL COMMUNITY ADVANCEMENT PROGRAM.

The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding at the end the following:

"Subtitle E—Rural Community Advancement Program

"SEC. 381A. DEFINITIONS.

"In this subtitle:

"(1) RURAL AND RURAL AREA.—The terms 'rural' and 'rural area' mean, subject to section 306(a)(7), a city, town, or unincorporated area that has a population of 50,000 inhabitants or less, other than an urbanized area immediately adjacent to a city, town, or unincorporated area that has a population in excess of 50,000 inhabitants.

"(2) STATE.—The term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Federated States of Micronesia.

"SEC. 381B. ESTABLISHMENT.

"The Secretary shall establish a rural community advancement program to provide grants, loans, loan guarantees, and other assistance to meet the rural development needs of local communities in States and federally recognized Indian tribes.

"SEC. 381C. NATIONAL OBJECTIVES.

"The national objectives of the program established under this subtitle shall be to—

"(1) promote strategic development activities and collaborative efforts by State and local communities, and federally recognized Indian tribes, to maximize the impact of Federal assistance;

"(2) optimize the use of resources;

"(3) provide assistance in a manner that reflects the complexity of rural needs, including the needs for business development, health care, education, infrastructure, cultural resources, the environment, and housing;

"(4) advance activities that empower, and build the capacity of, State and local communities to design unique responses to the special needs of the State and local communities, and federally recognized Indian tribes, for rural development assistance; and

"(5) adopt flexible and innovative approaches to solving rural development problems.

"SEC. 381D. STRATEGIC PLANS.

"(a) IN GENERAL.—The Secretary shall direct each of the Directors of Rural Economic and Community Development State Offices to prepare a strategic plan for each State for the delivery of assistance under this subtitle within the State.

"(b) ASSISTANCE.—

"(1) IN GENERAL.—Financial assistance for rural development allocated for a State under this subtitle shall be used only for orderly community development that is consistent with the strategic plan of the State.

"(2) RURAL AREA.—Assistance under this subtitle may only be provided in a rural area.

"(3) SMALL COMMUNITIES.—In carrying out this subtitle within a State, the Secretary shall give priority to communities with the smallest populations and lowest per capita income.

"(c) REVIEW.—The Secretary shall review the strategic plan of a State at least once every 5 years.

"(d) CONTENTS.—A strategic plan of a State under this section shall be a plan that—

"(1) coordinates economic, human, and community development plans and related activities proposed for an affected area;

"(2) provides that the State and an affected community (including local institutions and organizations that have contributed to the planning process) shall act as full partners in the process of developing and implementing the plan;

"(3) identifies goals, methods, and benchmarks for measuring the success of carrying out the plan and how the plan relates to local or regional ecosystems;

"(4) provides for the involvement, in the preparation of the plan, of State, local, private, and public persons, State rural development councils, federally-recognized Indian tribes, and community-based organizations;

"(5) identifies the amount and source of Federal and non-Federal resources that are available for carrying out the plan; and

"(6) includes such other information as may be required by the Secretary.

"SEC. 381E. ACCOUNTS.

"(a) IN GENERAL.—Notwithstanding any other provision of law, for each fiscal year, the Secretary shall consolidate into 3 accounts, corresponding to the 3 function categories established under subsection (c), the amounts made available for programs included in each function category.

"(b) ALLOCATION WITHIN ACCOUNT.—The Secretary shall allocate the amounts in each account for such program purposes authorized for the corresponding function category among the States, as the Secretary may determine in accordance with this subtitle.

"(c) FUNCTION CATEGORIES.—For purposes of subsection (a):

"(1) RURAL HOUSING AND COMMUNITY DEVELOPMENT.—The rural housing and community development category shall include funds made available for—

"(A) community facility direct and guaranteed loans provided under section 306(a)(1);

"(B) community facility grants provided under section 306(a)(21); and

"(C) rental housing loans for new housing provided under section 515 of the Housing Act of 1949 (42 U.S.C. 1485).

"(2) RURAL UTILITIES.—The rural utilities category shall include funds made available for—

"(A) water and waste disposal grants and direct and guaranteed loans provided under paragraphs (1) and (2) of section 306(a);

"(B) rural water and wastewater technical assistance and training grants provided under section 306(a)(16);

"(C) emergency community water assistance grants provided under section 306A; and

"(D) solid waste management grants provided under section 310B(b).

"(3) RURAL BUSINESS AND COOPERATIVE DEVELOPMENT.—The rural business and cooperative development category shall include funds made available for—

"(A) rural business opportunity grants provided under section 306(a)(11)(A);

"(B) business and industry guaranteed loans provided under section 310B(a)(1);

"(C) rural business enterprise grants and rural educational network grants provided under section 310B(c); and

"(D) grants to broadcasting systems provided under section 310B(f).

"(d) OTHER PROGRAMS.—Subject to subsection (e), in addition to any other appropriated amounts, the Secretary may transfer amounts allocated for a State for any of the 3 function categories for a fiscal year under subsection (c) to—

"(1) mutual and self-help housing grants provided under section 523 of the Housing Act of 1949 (42 U.S.C. 1490c);

"(2) rural rental housing loans for existing housing provided under section 515 of the Housing Act of 1949 (42 U.S.C. 1485); and

"(3) rural cooperative development grants provided under section 310B(e).

"(e) TRANSFER.—

"(1) IN GENERAL.—Subject to paragraph (2), the Secretary may transfer within each State up to 25 percent of the total amount allocated for a State under each function category referred to in subsection (c) for each fiscal year under this section to any other function category, or to a program referred to in subsection (d), but excluding State grants under section 381G.

"(2) LIMITATION.—Not more than 10 percent of the total amount (excluding grants to States under section 381G) made available for any fiscal year for the programs covered by each of the 3 function categories referred to in subsection (c), and the programs referred to in subsection (d), shall be available for the transfer.

"(f) AVAILABILITY OF FUNDS.—The Secretary may make available funds appropriated for the programs referred to in subsection (c) to defray the cost of any subsidy associated with a guarantee provided under section 381H, except that not more than 5 percent of the funds provided under subsection (c) may be made available within a State.

"SEC. 381F. ALLOCATION.

"(a) NATIONAL RESERVE.—The Secretary may use not more than 10 percent of the total amount of funds made available for a fiscal year under section 381E to establish a national reserve for rural development that may be used by the Secretary in rural areas during the fiscal year to—

"(1) meet situations of exceptional need;

"(2) provide incentives to promote or reward superior performance; or

"(3) carry out performance-oriented demonstration projects.

"(b) INDIAN TRIBES.—

"(1) RESERVATION.—The Secretary shall reserve not less than 3 percent of the total amounts made available for a fiscal year under section 381E to carry out rural development programs specified in subsections (c) and (d) of section 381D for federally recognized Indian tribes.

"(2) ALLOCATION.—The Secretary shall establish a formula for allocating the reserve and shall administer the reserve through the appropriate Director of the Rural Economic and Cooperative Development State office.

"(c) STATE ALLOCATION.—

"(1) IN GENERAL.—The Secretary shall allocate among all the States the amounts made available under section 381E in a fair, reasonable, and appropriate manner that takes into consideration rural population, levels of income, unemployment, and other relevant factors, as determined by the Secretary.

"(2) MINIMUM ALLOCATION.—In making the allocations for each of fiscal years 1996 through 2002, the Secretary shall ensure that the percentage allocation for each State is equal to the percentage of the average of the total funds made available to carry out the programs referred to in section 381E(c) that were obligated in the State for each of fiscal years 1993 and 1994.

"SEC. 381G. GRANTS TO STATES.

"(a) IN GENERAL.—Subject to subsection (c), the Secretary shall grant to any eligible State from which a request is received for a fiscal year 5 percent of the amount allocated for the State for the fiscal year under section 381F(c).

"(b) ELIGIBILITY.—To be eligible to receive a grant under this section, the Secretary shall require that the State maintain the grant funds received and any non-Federal matching funds to carry out this subtitle in a separate account, to remain available until expended.

"(c) MATCHING FUNDS.—For any fiscal year, if non-Federal matching funds are provided for a State in an amount that is equal to 200 percent or more of an amount equal to 5 percent of the amount allocated for the State for the fiscal year under section 381F(c), the Secretary shall pay to the State the grant provided under this subsection in an amount equal to 5 percent of the amount allocated for the State for the fiscal year under section 381F(c).

"(d) USE OF FUNDS.—The Secretary shall require that funds provided to a State under this section be used in rural areas to achieve the purposes of the programs referred to in section 381E(c) in accordance with the strategic plan referred to in section 381D.

"(e) MAINTENANCE OF EFFORT.—The State shall provide assurances that funds received under this section will be used only to supplement, not to supplant, the amount of Federal, State, and local funds otherwise expended for rural development assistance in the State.

"(f) APPEALS.—The Secretary shall provide to a State an opportunity for an appeal of any action taken under this section.

"(g) ADMINISTRATIVE COSTS.—Federal funds shall not be used for any administrative costs incurred by a State in carrying out this subtitle.

"(h) SPENDING OF FUNDS BY STATE.—

"(1) IN GENERAL.—Payments to a State from a grant under this section for a fiscal year shall be obligated by the State in the fiscal year or in the succeeding fiscal year. A State shall obligate funds under this section to provide assistance to rural areas pursuant, to the maximum extent practicable, to applications received from the rural areas.

"(2) FAILURE TO OBLIGATE.—If a State fails to obligate payments in accordance with paragraph (1), the Secretary shall make a corresponding reduction in the amount of payments provided to the State under this section for the subsequent fiscal year.

"(3) NONCOMPLIANCE.—

"(A) REVIEW.—The Secretary shall review and monitor State compliance with this section.

"(B) PENALTY.—If the Secretary finds that there has been misuse of grant funds provided under this section, or noncompliance with any of the terms and conditions of a grant, after reasonable notice and opportunity for a hearing—

"(i) the Secretary shall notify the State of the finding; and

"(ii) no further payments to the State shall be made with respect to the programs funded under this section until the Secretary is satisfied that there is no longer any failure to comply or that the noncompliance will be promptly corrected.

"(C) OTHER SANCTIONS.—In the case of a finding of noncompliance made pursuant to subparagraph (B), the Secretary may, in addition to, or in lieu of, imposing the sanctions described in subparagraph (B), impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this section and disqualification from the receipt of financial assistance under this section.

"(i) NO ENTITLEMENT TO CONTRACT, GRANT, OR ASSISTANCE.—Nothing in this subtitle—

"(1) entitles any person to assistance or a contract or grant; or

"(2) limits the right of a State to impose additional limitations or conditions on assistance or a contract or grant under this section.

"SEC. 381H. GUARANTEE AND COMMITMENT TO GUARANTEE LOANS.

"(a) DEFINITION OF ELIGIBLE PUBLIC ENTITY.—In this section, the term 'eligible public entity' means any unit of general local government.

"(b) GUARANTEE AND COMMITMENT.—The Secretary is authorized, on such terms and conditions as the Secretary may prescribe, to guarantee and make commitments to guarantee the notes or other obligations issued by eligible public entities, or by public agencies designated by the eligible public entities, for the purposes of financing rural development assistance activities authorized and funded under section 381G.

"(c) PREREQUISITES.—No guarantee or commitment to guarantee shall be made with respect to any note or other obligation if the issuer's total outstanding notes or obligations guaranteed under this section (excluding any amount repaid under the contract entered into under subsection (e)(1)(A)) would exceed an amount equal to 5 times the amount of the grant approval for the issuer pursuant to section 381G.

"(d) PAYMENT OF PRINCIPAL, INTEREST, AND COSTS.—Notwithstanding any other provision of this subtitle, grants allocated to an issuer pursuant to this subtitle (including program income derived from the grants) shall be authorized for use in the payment of principal and interest due (including such servicing, underwriting, or other costs as may be specified in regulations of the Secretary) on the notes or other obligations guaranteed pursuant to this section.

"(e) REPAYMENT CONTRACT; SECURITY.—

"(1) IN GENERAL.—To ensure the repayment of notes or other obligations and charges incurred under this section and as a condition for receiving the guarantees, the Secretary shall require the issuer to—

"(A) enter into a contract, in a form acceptable to the Secretary, for repayment of notes or other obligations guaranteed under this section;

"(B) pledge any grant for which the issuer may become eligible under this subtitle; and

"(C) furnish, at the discretion of the Secretary, such other security as may be considered appropriate by the Secretary in making the guarantees.

"(2) SECURITY.—To assist in ensuring the repayment of notes or other obligations and charges incurred under this section, a State shall pledge any grant for which the State may become eligible under this subtitle as security for notes or other obligations and charges issued under this section by any unit of general local government in the State.

"(f) PLEDGED GRANTS FOR REPAYMENTS.—Notwithstanding any other provision of this subtitle, the Secretary is authorized to apply grants pledged pursuant to paragraphs (1)(B) and (2) of subsection (e) to any repayments due the United States as a result of the guarantees.

"(g) OUTSTANDING OBLIGATIONS.—The total amount of outstanding obligations guaranteed on a cumulative basis by the Secretary pursuant to subsection (b) shall not at any time exceed such amount as may be authorized to be appropriated for any fiscal year.

"(h) PURCHASE OF GUARANTEED OBLIGATIONS BY FEDERAL FINANCING BANK.—Notes or other obligations guaranteed under this section may not be purchased by the Federal Financing Bank.

"(i) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all guarantees made under this section. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligations for the guarantee with respect to principal and interest. The validity of the guarantee shall be incontestable in the hands of a holder of the guaranteed obligations.

"SEC. 381I. LOCAL INVOLVEMENT.

"The Secretary shall require that an applicant for assistance under this subtitle demonstrate evidence of significant community support.

"SEC. 381J. STATE-TO-STATE COLLABORATION.

"The Secretary shall permit the establishment of voluntary pooling arrangements among States, and regional fund-sharing agreements, to carry out this subtitle.

"SEC. 381K. RURAL VENTURE CAPITAL DEMONSTRATION PROGRAM.

"(a) IN GENERAL.—The Secretary shall designate up to 10 community development venture capital organizations to demonstrate the utility of guarantees to attract increased private investment in rural private business enterprises.

"(b) RURAL BUSINESS INVESTMENT POOL.—

"(1) ESTABLISHMENT.—To be eligible to participate in the demonstration program, an organization referred to in subsection (a) shall establish a rural business private investment pool (referred to in this subsection as a 'pool') for the purpose of making equity investments in rural private business enterprises.

"(2) GUARANTEE.—From funds allocated for the national reserve under section 381F(a), the Secretary shall guarantee the funds in a pool against loss, except that the guarantee shall not exceed an amount equal to 30 percent of the total funds in the pool.

"(3) AMOUNT.—The Secretary shall issue guarantees covering not more than $15,000,000 of obligations for each of fiscal years 1996 through 2002.

"(4) Term.—The term of a guarantee provided under this subsection shall not exceed 10 years.

"(5) Submission of plan.—To be eligible to participate in the demonstration program, an organization referred to in subsection (a) shall submit a plan that describes—

"(A) potential sources and uses of the pool to be established by the organization;

"(B) the utility of the guarantee authority in attracting capital for the pool; and

"(C) on selection, mechanisms for notifying State, local, and private nonprofit business development organizations and businesses of the existence of the pool.

"(6) Competition.—

"(A) In general.—The Secretary shall conduct a competition for the designation and establishment of pools.

"(B) Priority.—In conducting the competition, the Secretary shall give priority to organizations that—

"(i) have a demonstrated record of performance or have a board and executive director with experience in venture capital, small business equity investments, or community development finance;

"(ii) propose to serve low-income communities;

"(iii) propose to maintain an average investment of not more than $500,000 from the pool of the organization;

"(iv) invest funds statewide or in a multicounty region; and

"(v) propose to target job opportunities resulting from the investments primarily to economically disadvantaged individuals.

"(C) Geographic diversity.—To the extent practicable, the Secretary shall select organizations in diverse geographic areas.

"SEC. 381L. ANNUAL REPORT.

"(a) In General.—The Secretary, in collaboration with public, State, local, and private entities, State rural development councils, and community-based organizations, shall prepare an annual report that contains evaluations, assessments, and performance outcomes concerning the rural community advancement programs carried out under this subtitle.

"(b) Submission.—Not later than March 1 of each year, the Secretary shall—

"(1) submit the report required under subsection (a) to Congress and the chief executives of States participating in the program established under this subtitle; and

"(2) make the report available to State and local participants.

"SEC. 381M. RURAL DEVELOPMENT INTERAGENCY WORKING GROUP.

"(a) In General.—The Secretary shall provide leadership within the Executive branch for, and assume responsibility for, establishing an interagency working group chaired by the Secretary.

"(b) Duties.—The working group shall establish policy, provide coordination, make recommendations, and evaluate the performance of or for all Federal rural development efforts.

"SEC. 381N. DUTIES OF RURAL ECONOMIC AND COMMUNITY DEVELOPMENT STATE OFFICES.

"In carrying out this subtitle, the Director of a Rural Economic and Community Development State Office shall—

"(1) to the maximum extent practicable, ensure that the State strategic plan is implemented;

"(2) coordinate community development objectives within the State;

"(3) establish links between local, State, and field office program administrators of the Department of Agriculture;

"(4) ensure that recipient communities comply with applicable Federal and State laws and requirements; and

"(5) integrate State development programs with assistance under this subtitle.

"SEC. 381*O*. ELECTRONIC TRANSFER.

"The Secretary shall transfer funds in accordance with this subtitle through electronic transfer as soon as practicable after the effective date of this subtitle.".

SEC. 762. COMMUNITY FACILITIES GRANT PROGRAM.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by adding at the end the following:

"(21) Community facilities grant program.—

"(A) In general.—The Secretary may make grants, in a total amount not to exceed $10,000,000 for any fiscal year, to associations, units of general local government, nonprofit corporations, and federally recognized Indian tribes to provide the Federal share of the cost of developing specific essential community facilities in rural areas.

"(B) Federal share.—

"(i) In general.—Except as provided in clauses (ii) and (iii), the Secretary shall, by regulation, establish the amount of the Federal share of the cost of the facility under this paragraph.

"(ii) Maximum amount.—The amount of a grant provided under this paragraph shall not exceed 75 percent of the cost of developing a facility.

"(iii) Graduated scale.—The Secretary shall provide for a graduated scale for the amount of the Federal share provided under this paragraph, with higher Federal shares for facilities in communities that have lower community population and income levels, as determined by the Secretary.".

Subtitle C—Amendments to the Rural Electrification Act of 1936

SEC. 771. PURPOSES; INVESTIGATIONS AND REPORTS.

Section 2 of the Rural Electrification Act of 1936 (7 U.S.C. 902) is amended—

(1) by striking "Sec. 2. (a) The Secretary of Agriculture is" and inserting the following:

"SEC. 2. GENERAL AUTHORITY OF THE SECRETARY OF AGRICULTURE.

"(a) Loans.—The Secretary of Agriculture (referred to in this Act as the 'Secretary') is";

(2) in subsection (a)—

(A) by striking "and the furnishing" the first place it appears and all that follows through "central station service"; and

(B) by striking "systems; to make" and all that follows through the period at the end of the subsection and inserting "systems"; and

(3) by striking subsection (b) and inserting the following:

"(b) Investigations and Reports.—The Secretary may make, or cause to be made, studies, investigations, and reports regarding matters, including financial, technological, and regulatory matters, affecting the condition and progress of electric, telecommunications, and economic development in rural areas and publish and disseminate information with respect to the matters.".

SEC. 772. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—Section 3 of the Rural Electrification Act of 1936 (7 U.S.C. 903) is amended to read as follows:

"SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated such sums as are necessary to carry out this Act.".

(b) Conforming Amendments.—

(1) Section 301(a) of the Rural Electrification Act of 1936 (7 U.S.C. 931(a)) is amended—

(A) by striking "(a)"; and

(B) in paragraph (3), by striking "notwithstanding section 3(a) of title I,".

(2) Section 302(b)(2) of the Rural Electrification Act of 1936 (7 U.S.C. 932(b)(2)) is amended by striking "pursuant to section 3(a) of this Act".

(3) The last sentence of section 406(a) of the Rural Electrification Act of 1936 (7 U.S.C. 946(a)) is amended by striking "pursuant to section 3(a) of this Act".

SEC. 773. LOANS FOR ELECTRICAL PLANTS AND TRANSMISSION LINES.

Section 4 of the Rural Electrification Act of 1936 (7 U.S.C. 904) is amended—

(1) in the first sentence—

(A) by striking "for the furnishing of" and all that follows through "central station service and"; and

(B) by striking "the provisions of sections 3(d) and 3(e) but without regard to the 25 per centum limitation therein contained," and inserting "section 3,";

(2) in the second sentence, by striking ": *Provided further*, That all" and all that follows through "loan: *And provided further*, That" and inserting ", except that"; and

(3) in the third sentence, by striking "and section 5".

SEC. 774. LOANS FOR ELECTRICAL AND PLUMBING EQUIPMENT.

(a) In General.—Section 5 of the Rural Electrification Act of 1936 (7 U.S.C. 905) is repealed.

(b) Conforming Amendments.—Section 12(a) of the Rural Electrification Act of 1936 (7 U.S.C. 912(a)) is amended—

(1) by striking ": *Provided, however*, That" and inserting ", except that,"; and

(2) by striking ", and with respect to any loan made under section 5," and all that follows through "section 3".

SEC. 775. TESTIMONY ON BUDGET REQUESTS.

Section 6 of the Rural Electrification Act of 1936 (7 U.S.C. 906) is amended by striking the second sentence.

SEC. 776. TRANSFER OF FUNCTIONS OF ADMINISTRATION CREATED BY EXECUTIVE ORDER.

Section 8 of the Rural Electrification Act of 1936 (7 U.S.C. 908) is repealed.

SEC. 777. ANNUAL REPORT.

Section 10 of the Rural Electrification Act of 1936 (7 U.S.C. 910) is repealed.

SEC. 778. PROHIBITION ON RESTRICTING WATER AND WASTE FACILITY SERVICES TO ELECTRIC CUSTOMERS.

The Rural Electrification Act of 1936 is amended by inserting after section 16 (7 U.S.C. 916) the following:

"SEC. 17. PROHIBITION ON RESTRICTING WATER AND WASTE FACILITY SERVICES TO ELECTRIC CUSTOMERS.

"The Secretary shall establish rules and procedures that prohibit borrowers under title III or under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) from conditioning or limiting access to, or the use of, water and waste facility services financed under the Consolidated Farm and Rural Development Act if the conditioning or limiting is based on whether individuals or entities in the area served or proposed to be served by the facility receive, or will accept, electric service from the borrower.".

SEC. 779. TELEPHONE LOAN TERMS AND CONDITIONS.

Section 309 of the Rural Electrification Act of 1936 (7 U.S.C. 939) is amended—

(1) in subsection (a), by striking "(a) In General.—"; and

(2) by striking subsection (b).

SEC. 780. PRIVATIZATION PROGRAM.

Section 311 of the Rural Electrification Act of 1936 (7 U.S.C. 940a) is repealed.

SEC. 781. RURAL BUSINESS INCUBATOR FUND.

(a) IN GENERAL.—Section 502 of the Rural Electrification Act of 1936 (7 U.S.C. 950aa-1) is repealed.

(b) CONFORMING AMENDMENTS.—Section 501 of the Rural Electrification Act of 1936 (7 U.S.C. 950aa) is amended—

(1) in paragraph (5), by inserting "and" at the end;

(2) in paragraph (6), by striking "; and" at the end and inserting a period; and

(3) by striking paragraph (7).

Subtitle D—Miscellaneous Rural Development Provisions

SEC. 791. INTEREST RATE FORMULA.

(a) BANKHEAD-JONES FARM TENANT ACT.—Section 32(e) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1011) is amended by striking the fifth sentence and inserting the following: "A loan under this subsection shall be made under a contract that provides, under such terms and conditions as the Secretary considers appropriate, for the repayment of the loan in not more than 30 years, with interest at a rate not to exceed the current market yield for outstanding municipal obligations with remaining periods to maturity comparable to the average maturity for the loan, adjusted to the nearest ⅛ of 1 percent.".

(b) WATERSHED PROTECTION AND FLOOD PREVENTION ACT.—Section 8 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1006a) is amended by striking the second sentence and inserting the following: "A loan or advance under this section shall be made under a contract or agreement that provides, under such terms and conditions as the Secretary considers appropriate, for the repayment of the loan or advance in not more than 50 years from the date when the principal benefits of the works of improvement first become available, with interest at a rate not to exceed the current market yield for outstanding municipal obligations with remaining periods to maturity comparable to the average maturity for the loan, adjusted to the nearest ⅛ of 1 percent.".

SEC. 792. GRANTS FOR FINANCIALLY STRESSED FARMERS, DISLOCATED FARMERS, AND RURAL FAMILIES.

(a) IN GENERAL.—Section 502 of the Rural Development Act of 1972 (7 U.S.C. 2662) is amended by striking subsection (f).

(b) CONFORMING AMENDMENTS.—

(1) Section 2389 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 7 U.S.C. 2662 note) is amended by striking subsection (d).

(2) Section 503(c) of the Rural Development Act of 1972 (7 U.S.C. 2663(c)) is amended—

(A) in paragraph (1)—

(i) by striking "(1)";

(ii) by striking "section 502(e)" and all that follows through "shall be distributed" and inserting "subsections (e), (h), and (i) of section 502 shall be distributed"; and

(iii) by striking "objectives of" and all that follows through "title" and inserting "objectives of subsections (e), (h), and (i) of section 502"; and

(B) by striking paragraph (2).

SEC. 793. COOPERATIVE AGREEMENTS.

Section 607(b) of the Rural Development Act of 1972 (7 U.S.C. 2204b(b)) is amended by striking paragraph (4) and inserting the following:

"(4) COOPERATIVE AGREEMENTS.—

"(A) IN GENERAL.—Notwithstanding chapter 63 of title 31, United States Code, the Secretary may enter into cooperative agreements with other Federal agencies, State and local governments, and any other organization or individual to improve the coordination and effectiveness of Federal programs, services, and actions affecting rural areas, including the establishment and financing of interagency groups, if the Secretary determines that the objectives of the agreement will serve the mutual interest of the parties in rural development activities.

"(B) COOPERATORS.—Each cooperator, including each Federal agency, to the extent that funds are otherwise available, may participate in any cooperative agreement or working group established pursuant to this paragraph by contributing funds or other resources to the Secretary to carry out the agreement or functions of the group.".

TITLE VIII—RESEARCH EXTENSION AND EDUCATION

Subtitle A—Amendments to National Agricultural Research, Extension, and Teaching Policy Act of 1977 and Related Statutes

SEC. 801. PURPOSES OF AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION.

Section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101) is amended to read as follows:

"SEC. 1402. PURPOSES OF AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION.

"The purposes of federally supported agricultural research, extension, and education are to—

"(1) enhance the competitiveness of the United States agriculture and food industry in an increasingly competitive world environment;

"(2) increase the long-term productivity of the United States agriculture and food industry while protecting the natural resource base on which rural America and the United States agricultural economy depend;

"(3) develop new uses and new products for agricultural commodities, such as alternative fuels, and develop new crops;

"(4) support agricultural research and extension to promote economic opportunity in rural communities and to meet the increasing demand for information and technology transfer throughout the United States agriculture industry;

"(5) improve risk management in the United States agriculture industry;

"(6) improve the safe production and processing of, and adding of value to, United States food and fiber resources using methods that are environmentally sound;

"(7) support higher education in agriculture to give the next generation of Americans the knowledge, technology, and applications necessary to enhance the competitiveness of United States agriculture; and

"(8) maintain an adequate, nutritious, and safe supply of food to meet human nutritional needs and requirements.".

SEC. 802. SUBCOMMITTEE ON FOOD, AGRICULTURAL, AND FORESTRY RESEARCH.

Section 401(h) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6651(h)) is amended by striking the second through fifth sentences.

SEC. 803. JOINT COUNCIL ON FOOD AND AGRICULTURAL SCIENCES.

(a) IN GENERAL.—Section 1407 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) is amended—

(A) by striking paragraph (9); and

(B) by redesignating paragraphs (10) through (18) as paragraphs (9) through (17), respectively.

(2) Section 1405 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121) is amended—

(A) in paragraph (5), by striking "Joint Council, Advisory Board," and inserting "Advisory Board"; and

(B) in paragraph (11), by striking "the Joint Council,".

(3) Section 1410(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125(2)) is amended by striking "the recommendations of the Joint Council developed under section 1407(f),".

(4) Section 1412 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127) is amended—

(A) in the section heading, by striking "**JOINT COUNCIL, ADVISORY BOARD,**" and inserting "**ADVISORY BOARD**";

(B) in subsection (a)—

(i) by striking "Joint Council, the Advisory Board," and inserting "Advisory Board";

(ii) by striking "the cochairpersons of the Joint Council and" each place it appears; and

(iii) in paragraph (2), by striking "one shall serve as the executive secretary to the Joint Council, one shall serve as the executive secretary to the Advisory Board," and inserting "1 shall serve as the executive secretary to the Advisory Board"; and

(C) in subsections (b) and (c), by striking "Joint Council, Advisory Board," each place it appears and inserting "Advisory Board".

(5) Section 1413 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3128) is amended—

(A) in subsection (a), by striking "Joint Council, the Advisory Board," and inserting "Advisory Board";

(B) in subsection (b), by striking "Joint Council, Advisory Board," and inserting "Advisory Board"; and

(C) by striking subsection (d).

(6) Section 1434(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(c)) is amended—

(A) in the second sentence, by striking "Joint Council, the Advisory Board," and inserting "Advisory Board"; and

(B) in the fourth sentence, by striking "the Joint Council,".

SEC. 804. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

(a) IN GENERAL.—Section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123) is amended to read as follows:

"SEC. 1408. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

"(a) ESTABLISHMENT.—The Secretary shall establish within the Department of Agriculture a board to be known as the 'National Agricultural Research, Extension, Education, and Economics Advisory Board'.

"(b) MEMBERSHIP.—

"(1) IN GENERAL.—The Advisory Board shall consist of 25 members, appointed by the Secretary.

"(2) SELECTION OF MEMBERS.—The Secretary shall appoint members to the Advisory Board from individuals who are selected from national farm, commodity, agribusiness, environmental, consumer, and other organizations directly concerned with agricultural research, education, and extension programs.

"(3) REPRESENTATION.—A member of the Advisory Board may represent 1 or more of the organizations referred to in paragraph (2), except that 1 member shall be a representative of the scientific community that is not closely associated with agriculture. The Secretary shall ensure that the membership of the Advisory Board includes full-time farmers and ranchers and represents the interests of the full variety of stakeholders in the agricultural sector.

"(c) DUTIES.—The Advisory Board shall—

"(1) review and provide consultation to the Secretary and land-grant colleges and universities on long-term and short-term national policies and priorities, as set forth in section 1402, relating to agricultural research, extension, education, and economics;

"(2) evaluate the results and effectiveness of agricultural research, extension, education, and economics with respect to the policies and priorities;

"(3) review and make recommendations to the Under Secretary of Agriculture for Research, Education, and Economics on the research, extension, education, and economics portion of the draft strategic plan required under section 306 of title 5, United States Code; and

"(4) review the mechanisms of the Department of Agriculture for technology assessment (which should be conducted by qualified professionals) for the purposes of—

"(A) performance measurement and evaluation of the implementation by the Secretary of the strategic plan required under section 306 of title 5, United States Code;

"(B) implementation of the national research policies and priorities set forth in section 1402; and

"(C) the development of mechanisms for the assessment of emerging public and private agricultural research and technology transfer initiatives.

"(d) CONSULTATION.—In carrying out this section, the Advisory Board shall solicit opinions and recommendations from persons who will benefit from and use federally funded agricultural research, extension, education, and economics.

"(e) APPOINTMENT.—A member of the Advisory Board shall be appointed by the Secretary for a term of up to 3 years. The members of the Advisory Board shall be appointed to serve staggered terms.

"(f) FEDERAL ADVISORY COMMITTEE ACT.—The Advisory Board shall be deemed to have filed a charter for the purpose of section 9(c) of the Federal Advisory Committee Act (5 U.S.C. App.).

"(g) TERMINATION.—The Advisory Board shall remain in existence until September 30, 2002.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1404(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(1)) is amended by striking "National Agricultural Research and Extension Users Advisory Board" and inserting "National Agricultural Research, Extension, Education, and Economics Advisory Board".

(2) Section 1410(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125(2)) is amended by striking "the recommendations of the Advisory Board developed under section 1408(g)," and inserting "any recommendations of the Advisory Board".

(3) The last sentence of section 4(a) of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1673(a)) is amended by striking "National Agricultural Research and Extension Users Advisory Board" and inserting "National Agricultural Research, Extension, Education, and Economics Advisory Board".

SEC. 805. AGRICULTURAL SCIENCE AND TECHNOLOGY REVIEW BOARD.

(a) IN GENERAL.—Section 1408A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) (as amended by section 803(b)(1)(B)) is further amended—

(A) in paragraph (15), by adding "and" at the end;

(B) in paragraph (16), by striking "; and" and inserting a period; and

(C) by striking paragraph (17).

(2) Section 1405(12) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121(12)) is amended by striking ", after coordination with the Technology Board,".

(3) Section 1410(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125(2)) (as amended by section 804(b)(2)) is further amended by striking "and the recommendations of the Technology Board developed under section 1408A(d)".

(4) Section 1412 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127) (as amended by section 803(b)(4)) is further amended—

(A) in the section heading, by striking "**AND TECHNOLOGY BOARD**";

(B) in subsection (a)—

(i) by striking "and the Technology Board" each place it appears; and

(ii) in paragraph (2), by striking "and one shall serve as the executive secretary to the Technology Board"; and

(C) in subsections (b) and (c), by striking "and Technology Board" each place it appears.

(5) Section 1413 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3128) (as amended by section 803(b)(5)) is further amended—

(A) in subsection (a), by striking "or the Technology Board"; and

(B) in subsection (b), by striking "and the Technology Board".

SEC. 806. FEDERAL ADVISORY COMMITTEE ACT EXEMPTION FOR FEDERAL-STATE COOPERATIVE PROGRAMS.

Section 1409A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3124a) is amended by adding at the end the following:

"(e) APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—

"(1) PUBLIC MEETINGS.—All meetings of any entity described in paragraph (2) shall be publicly announced in advance and shall be open to the public. Detailed minutes of meetings and other appropriate records of the activities of such an entity shall be kept and made available to the public on request.

"(2) EXEMPTION.—The Federal Advisory Committee Act (5 U.S.C. App.) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to any committee, board, commission, panel, or task force, or similar entity that—

"(A) is created for the purpose of cooperative efforts in agricultural research, extension, or teaching; and

"(B) consists entirely of full-time Federal employees and individuals who are employed by, or who are officials of, a State cooperative institution or a State cooperative agent.".

SEC. 807. COORDINATION AND PLANNING OF AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION.

Subtitle B of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121 et seq.) is amended by adding at the end the following:

"SEC. 1413A. ACCOUNTABILITY.

"(a) IN GENERAL.—The Secretary shall develop and carry out a system to monitor and evaluate agricultural research and extension activities conducted or supported by the Federal Government that will enable the Secretary to measure the impact of research, extension, and education programs according to priorities, goals, and mandates established by law.

"(b) CONSISTENCY WITH OTHER REQUIREMENTS.—The system shall be developed and carried out in a manner that is consistent with the Government Performance and Results Act of 1993 (Public Law 103-62; 107 Stat. 285) and amendments made by the Act.

"SEC. 1413B. IMMINENT OR EMERGING THREATS TO FOOD SAFETY AND ANIMAL AND PLANT HEALTH.

"In the case of any activities of an agency of the Department of Agriculture that relate to food safety, animal or plant health, research, education, or technology transfer, the Secretary may transfer up to 5 percent of any amounts made available to the agency for a fiscal year to an agency of the Department of Agriculture reporting to the Under Secretary of Agriculture for Research, Education, and Economics for the purpose of addressing imminent or emerging threats to food safety and animal and plant health.

"SEC. 1413C. FEDERAL ADVISORY COMMITTEE ACT EXEMPTION FOR COMPETITIVE RESEARCH, EXTENSION, AND EDUCATION PROGRAMS.

"The Federal Advisory Committee Act (5 U.S.C. App.) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to any committee, board, commission, panel, or task force, or similar entity, created solely for the purpose of reviewing applications or proposals requesting funding under any competitive research, extension, or education program carried out by the Secretary.".

SEC. 808. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

(a) IN GENERAL.—Section 1417 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152) is amended—

(1) in subsection (b)—

(A) by inserting before "for a period" the following: "or to research foundations maintained by the colleges and universities,"; and

(B) by striking paragraph (4) and inserting the following:

"(4) to design and implement food and agricultural programs to build teaching and research capacity at primarily minority institutions;";

(2) by redesignating subsections (h) and (i) as subsections (i) and (j), respectively;

(3) by inserting after subsection (g) the following:

"(h) SECONDARY EDUCATION AND 2-YEAR POSTSECONDARY EDUCATION TEACHING PROGRAMS.—

"(1) AGRISCIENCE AND AGRIBUSINESS EDUCATION.—The Secretary shall—

"(A) promote and strengthen secondary education and 2-year postsecondary education in agriscience and agribusiness in order to help ensure the existence in the United States of a qualified workforce to serve the food and agricultural sciences system; and

"(B) promote complementary and synergistic linkages among secondary, 2-year postsecondary, and higher education programs in the food and agricultural sciences in order to promote excellence in education and encourage more young Americans to pursue and complete a baccalaureate or higher degree in the food and agricultural sciences.

"(2) GRANTS.—The Secretary may make competitive or noncompetitive grants, for grant periods not to exceed 5 years, to public secondary education institutions, 2-year community colleges, and junior colleges that have made a commitment to teaching agriscience and agribusiness—

"(A) to enhance curricula in agricultural education;

"(B) to increase faculty teaching competencies;

"(C) to interest young people in pursuing a higher education in order to prepare for scientific and professional careers in the food and agricultural sciences;

"(D) to promote the incorporation of agriscience and agribusiness subject matter into other instructional programs, particularly classes in science, business, and consumer education;

"(E) to facilitate joint initiatives among other secondary or 2-year postsecondary institutions and with 4-year colleges and universities to maximize the development and use of resources such as faculty, facilities, and equipment to improve agriscience and agribusiness education; and

"(F) to support other initiatives designed to meet local, State, regional, or national needs related to promoting excellence in agriscience and agribusiness education."; and

(4) in subsection (j) (as so redesignated), by striking "1995" and inserting "2002".

(b) TRANSFER OF FUNCTIONS AND DUTIES PERTAINING TO THE FUTURE FARMERS OF AMERICA.—

(1) IN GENERAL.—There are transferred to the Secretary of Agriculture all the functions and duties of the Secretary of Education under the Act entitled "An Act to incorporate the Future Farmers of America, and for other purposes", approved August 30, 1950 (36 U.S.C. 271 et seq.).

(2) PERSONNEL AND UNEXPENDED BALANCES.—There are transferred to the Department of Agriculture all personnel and balances of unexpended appropriations available for carrying out the duties and functions transferred under paragraph (1).

(3) AMENDMENTS.—The Act entitled "An Act to incorporate the Future Farmers of America, and for other purposes", approved August 30, 1950, is amended—

(A) in section 7(c) (36 U.S.C. 277(c)) by striking "Secretary of Education, the executive secretary shall be a member of the Department of Education" and inserting "Secretary of Agriculture, the executive secretary shall be an officer or employee of the Department of Agriculture";

(B) in section 8(a) (36 U.S.C. 278(a))—

(i) by striking "Secretary of Education" and inserting "Secretary of Agriculture"; and

(ii) by striking "Department of Education" and inserting "Department of Agriculture"; and

(C) in section 18 (36 U.S.C. 288)—

(i) by striking "Secretary of Education" each place it appears and inserting "Secretary of Agriculture"; and

(ii) by striking "Department of Education" each place it appears and inserting "Department of Agriculture".

SEC. 809. GRANTS FOR RESEARCH ON THE PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

Section 1419(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(d)) is amended by striking "1995" and inserting "2002".

SEC. 810. POLICY RESEARCH CENTERS.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (as amended by section 809) is further amended by inserting after section 1418 (7 U.S.C. 3153) the following:

"SEC. 1419. POLICY RESEARCH CENTERS.

"(a) IN GENERAL.—Consistent with this section, the Secretary may make grants, competitive grants, and special research grants to, and enter into cooperative agreements and other contracting instruments with, policy research centers to conduct research and education programs that are objective, operationally independent, and external to the Federal Government and that concern the effect of public policies on—

"(1) the farm and agricultural sectors;

"(2) the environment;

"(3) rural families, households and economies; and

"(4) consumers, food, and nutrition.

"(b) ELIGIBLE RECIPIENTS.—Except to the extent otherwise prohibited by law, State agricultural experiment stations, colleges and universities, other research institutions and organizations, private organizations, corporations, and individuals shall be eligible to apply for and receive funding under subsection (a).

"(c) ACTIVITIES.—Under this section, funding may be provided for disciplinary and interdisciplinary research and education concerning activities consistent with this section, including activities that—

"(1) quantify the implications of public policies and regulations;

"(2) develop theoretical and research methods;

"(3) collect and analyze data for policymakers, analysts, and individuals; and

"(4) develop programs to train analysts.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for fiscal years 1996 through 2002.".

SEC. 811. HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.

Section 1424 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174) is amended to read as follows:

"SEC. 1424. HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.

"(a) AUTHORITY OF SECRETARY.—

"(1) IN GENERAL.—The Secretary may establish, and award grants for projects for, a multi-year research initiative on human nutrition intervention and health promotion.

"(2) EMPHASIS OF INITIATIVE.—In administering human nutrition research projects under this section, the Secretary shall give specific emphasis to—

"(A) coordinated longitudinal research assessments of nutritional status; and

"(B) the implementation of unified, innovative intervention strategies;

to identify and solve problems of nutritional inadequacy and contribute to the maintenance of health, well-being, performance, and productivity of individuals, thereby reducing the need of the individuals to use the health care system and social programs of the United States.

"(b) ADMINISTRATION OF FUNDS.—The Administrator of the Agricultural Research Service shall administer funds made available to carry out this section to ensure a coordinated approach to health and nutrition research efforts.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for fiscal years 1996 through 2002.".

SEC. 812. FOOD AND NUTRITION EDUCATION PROGRAM.

Section 1425(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175(c)(3)) is amended by striking "fiscal year 1995" and inserting "each of fiscal years 1996 through 2002".

SEC. 813. PURPOSES AND FINDINGS RELATING TO ANIMAL HEALTH AND DISEASE RESEARCH.

Section 1429 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3191) is amended to read as follows:

"SEC. 1429. PURPOSES AND FINDINGS RELATING TO ANIMAL HEALTH AND DISEASE RESEARCH.

"(a) PURPOSES.—The purposes of this subtitle are to—

"(1) promote the general welfare through the improved health and productivity of domestic livestock, poultry, aquatic animals, and other income-producing animals that are essential to the food supply of the United States and the welfare of producers and consumers of animal products;

"(2) improve the health of horses;

"(3) facilitate the effective treatment of, and, to the extent possible, prevent animal and poultry diseases in both domesticated and wild animals that, if not controlled, would be disastrous to the United States livestock and poultry industries and endanger the food supply of the United States;

"(4) improve methods for the control of organisms and residues in food products of animal origin that could endanger the human food supply;

"(5) improve the housing and management of animals to improve the well-being of livestock production species;

"(6) minimize livestock and poultry losses due to transportation and handling;

"(7) protect human health through control of animal diseases transmissible to humans;

"(8) improve methods of controlling the births of predators and other animals; and

"(9) otherwise promote the general welfare through expanded programs of research and extension to improve animal health.

"(b) FINDINGS.—Congress finds that—

"(1) the total animal health and disease research and extension efforts of State colleges and universities and of the Federal Government would be more effective if there were close coordination between the efforts; and

"(2) colleges and universities having accredited schools or colleges of veterinary medicine and State agricultural experiment stations that conduct animal health and disease research are especially vital in training research workers in animal health and related disciplines.".

SEC. 814. ANIMAL HEALTH SCIENCE RESEARCH ADVISORY BOARD.

Section 1432 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3194) is repealed.

SEC. 815. ANIMAL HEALTH AND DISEASE CONTINUING RESEARCH.

Section 1433 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195) is amended—

(1) in the first sentence of subsection (a), by striking "1995" and inserting "2002";

(2) in subsection (b)(2)—

(A) by striking "domestic livestock and poultry" each place it appears and inserting "domestic livestock, poultry, and commercial aquaculture species"; and

(B) in the second sentence, by striking "horses, and poultry" and inserting "horses, poultry, and commercial aquaculture species";

(3) in subsection (d), by striking "domestic livestock and poultry" and inserting "domestic livestock, poultry, and commercial aquaculture species"; and

(4) in subsection (f), by striking "domestic livestock and poultry" and inserting "domestic livestock, poultry, and commercial aquaculture species".

SEC. 816. ANIMAL HEALTH AND DISEASE NATIONAL OR REGIONAL RESEARCH.

Section 1434 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196) is amended—

(1) in subsection (a)—

(A) by inserting "or national or regional problems relating to pre-harvest, on-farm food safety, or animal well-being," after "problems,"; and

(B) by striking "1995" and inserting "2002";

(2) in subsection (b), by striking "eligible institutions" and inserting "State agricultural experiment stations, colleges and universities, other research institutions and organizations, Federal agencies, private organizations or corporations, and individuals";

(3) in subsection (c)—

(A) in the first sentence, by inserting ", food safety, and animal well-being" after "animal health and disease"; and

(B) in the fourth sentence—

(i) by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively; and

(ii) by inserting after paragraph (1) the following:

"(2) any food safety problem that has a significant pre-harvest (on-farm) component and is recognized as posing a significant health hazard to the consuming public;

"(3) issues of animal well-being related to production methods that will improve the housing and management of animals to improve the well-being of livestock production species;";

(4) in the first sentence of subsection (d), by striking "to eligible institutions"; and

(5) by adding at the end the following:

"(f) APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to a panel or board created solely for the purpose of reviewing applications or proposals submitted under this subtitle.".

SEC. 817. RESIDENT INSTRUCTION PROGRAM AT 1890 LAND-GRANT COLLEGES.

Section 1446 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222a) is repealed.

SEC. 818. GRANT PROGRAM TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES.

Section 1447(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b(b)) is amended by striking "$8,000,000 for each of the fiscal years 1991 through 1995" and inserting "$15,000,000 for each of fiscal years 1996 through 2002".

SEC. 819. NATIONAL RESEARCH AND TRAINING CENTENNIAL CENTERS AUTHORIZATION.

Section 1448 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c) is amended—

(1) in subsection (a)(1), by inserting ", or fiscal years 1996 through 2002," after "1995"; and

(2) in subsection (f), by striking "1995" and inserting "2002".

SEC. 820. GRANTS TO STATES FOR INTERNATIONAL TRADE DEVELOPMENT CENTERS.

Section 1458A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292) is repealed.

SEC. 821. AGRICULTURAL RESEARCH PROGRAMS.

Section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311) is amended by striking "1995" each place it appears and inserting "2002".

SEC. 822. EXTENSION EDUCATION.

Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking "fiscal year 1995" and inserting "each of fiscal years 1995 through 2002".

SEC. 823. SUPPLEMENTAL AND ALTERNATIVE CROPS RESEARCH.

Section 1473D of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d) is amended—

(1) in subsection (a)—

(A) by striking "1995" and inserting "2002"; and

(B) by striking "and pilot";

(2) in subsection (c)—

(A) in paragraph (2)—

(i) in subparagraph (B), by striking "at pilot sites" through "the area"; and

(ii) in subparagraph (D)—

(I) by striking "near such pilot sites"; and

(II) by striking "successful pilot program" and inserting "successful program";

(B) in paragraph (3)—

(i) by striking "pilot";

(ii) in subparagraph (C), by striking "and" at the end;

(iii) in subparagraph (D), by striking the period at the end and inserting a semicolon; and

(iv) by adding at the end the following:

"(E) to conduct fundamental and applied research related to the development of new commercial products derived from natural plant material for industrial, medical, and agricultural applications; and

"(F) to participate with colleges and universities, other Federal agencies, and private sector entities in conducting research described in subparagraph (E)."

SEC. 824. AQUACULTURE ASSISTANCE PROGRAMS.

(a) REPORTS.—Section 1475 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3322) is amended—

(1) by striking subsection (e); and

(2) by redesignating subsections (f) and (g) as subsections (e) and (f), respectively.

(b) AQUACULTURE RESEARCH FACILITIES.—Section 1476(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3323(b)) is amended by striking "1995" and inserting "2002".

(c) RESEARCH AND EXTENSION.—Section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended by striking "1995" and inserting "2002".

SEC. 825. RANGELAND RESEARCH.

(a) REPORTS.—Section 1481 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3334) is repealed.

(b) ADVISORY BOARD.—Section 1482 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3335) is repealed.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 1483(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3336(a)) is amended by striking "1995" and inserting "2002".

SEC. 826. TECHNICAL AMENDMENTS.

The table of contents of the Food and Agriculture Act of 1977 (Public Law 95-113; 91 Stat. 913) is amended—

(1) by striking the item relating to section 1402 and inserting the following:

"Sec. 1402. Purposes of agricultural research, extension, and education.";

(2) by striking the items relating to sections 1406, 1407, 1408A, 1432, 1446, 1458A, 1481, and 1482;

(3) by striking the item relating to section 1408 and inserting the following:

"Sec. 1408. National Agricultural Research, Extension, Education, and Economics Advisory Board.";

(4) by striking the item relating to section 1412 and inserting the following:

"Sec. 1412. Support for the Advisory Board.";

(5) by adding at the end of the items relating to subtitle B of title XIV the following:

"Sec. 1413A. Accountability.
"Sec. 1413B. Imminent or emerging threats to food safety and animal and plant health.
"Sec. 1413C. Federal Advisory Committee Act exemption for competitive research, extension, and education programs.";

(6) by striking the item relating to section 1419 and inserting the following:

"Sec. 1419. Policy research centers.";

(7) by striking the item relating to section 1424 and inserting the following:

"Sec. 1424. Human nutrition intervention and health promotion research program.";

and

(8) by striking the item relating to section 1429 and inserting the following:

"Sec. 1429. Purposes and findings relating to animal health and disease research.".

Subtitle B—Amendments to Food, Agriculture, Conservation, and Trade Act of 1990

SEC. 831. WATER QUALITY RESEARCH, EDUCATION, AND COORDINATION.

(a) IN GENERAL.—Subtitle G of title XIV of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5501 et seq.) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 1627(a)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5821(a)(3)) is amended by striking ", subtitle G of title XIV,".

(2) Section 1628 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5831) is amended by striking ", subtitle G of title XIV," each place it appears in subsections (a) and (d).

(3) Section 1629 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C.

5832) is amended by striking ", subtitle G of title XIV," each place it appears in subsections (f) and (g)(11).

SEC. 832. EDUCATION PROGRAM REGARDING HANDLING OF AGRICULTURAL CHEMICALS AND AGRICULTURAL CHEMICAL CONTAINERS.

(a) IN GENERAL.—Section 1499A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125c) is repealed.

(b) CONFORMING AMENDMENT.—Section 1499(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5506(b)) is amended by striking "and section 1499A".

SEC. 833. PROGRAM ADMINISTRATION.

(a) IN GENERAL.—Section 1622 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5812) is amended—

(1) by striking subsections (b), (c), and (d); and

(2) by redesignating subsection (e) as subsection (b).

(b) CONFORMING AMENDMENTS.—

(1) Section 1619(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5801(b)) is amended—

(A) by striking paragraph (7); and

(B) by redesignating paragraphs (8), (9), and (10) as paragraphs (7), (8), and (9), respectively.

(2) Section 1621(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5811(c)) is amended—

(A) in paragraph (1)—

(i) by striking subparagraph (A); and

(ii) by redesignating subparagraphs (B) through (E) as subparagraphs (A) through (D), respectively; and

(B) in paragraph (2)—

(i) by striking subparagraph (A); and

(ii) by redesignating subparagraphs (B) through (F) as subparagraphs (A) through (E), respectively.

(3) Section 1622 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5812) (as amended by subsection (a)) is further amended—

(A) in subsection (a)—

(i) by striking paragraph (2);

(ii) in paragraph (3), by striking "subsection (e)" and inserting "subsection (b)"; and

(iii) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(B) in subsection (b)(2)—

(i) by striking subparagraph (A); and

(ii) by redesignating subparagraphs (B) through (F) as subparagraphs (A) through (E), respectively.

(4) Section 1628(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5831(b)) is amended by striking "Advisory Council, the Soil Conservation Service," and inserting "Natural Resources Conservation Service".

SEC. 834. NATIONAL GENETICS RESOURCES PROGRAM.

(a) FUNCTIONS.—Section 1632(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5841(d)) is amended by striking paragraph (4) and inserting the following:

"(4) unless otherwise prohibited by law, have the right to make available on request, without charge and without regard to the country from which the request originates, the genetic material that the program assembles;".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 1635(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amended by striking "1995" and inserting "2002".

SEC. 835. NATIONAL AGRICULTURAL WEATHER INFORMATION SYSTEM.

Section 1641(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5855(c)) is amended by striking "1995" and inserting "2002".

SEC. 836. RESEARCH REGARDING PRODUCTION, PREPARATION, PROCESSING, HANDLING, AND STORAGE OF AGRICULTURAL PRODUCTS.

Subtitle E of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5871 et seq.) is repealed.

SEC. 837. PLANT AND ANIMAL PEST AND DISEASE CONTROL PROGRAM.

(a) IN GENERAL.—Subtitle F of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5881) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 28(b)(2)(A) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136w-3(b)(2)(A)) is amended by striking "and the information required by section 1651 of the Food, Agriculture, Conservation, and Trade Act of 1990".

(2) Section 1627(a)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5821(a)(3)) is amended by striking "and section 1650".

(3) Section 1628 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5831) is amended by striking "section 1650," each place it appears in subsections (a) and (d).

(4) Section 1629 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5832) is amended by striking "section 1650," each place it appears in subsections (f) and (g)(11).

SEC. 838. LIVESTOCK PRODUCT SAFETY AND INSPECTION PROGRAM.

Section 1670(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5923(e)) is amended by striking "1995" and inserting "2002".

SEC. 839. PLANT GENOME MAPPING PROGRAM.

Section 1671 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5924) is repealed.

SEC. 840. SPECIALIZED RESEARCH PROGRAMS.

Section 1672 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is repealed.

SEC. 841. AGRICULTURAL TELECOMMUNICATIONS PROGRAM.

Section 1673(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amended by striking "1995" and inserting "2002".

SEC. 842. NATIONAL CENTERS FOR AGRICULTURAL PRODUCT QUALITY RESEARCH.

Section 1675(g)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5928(g)(1)) is amended by striking "1995" and inserting "2002".

SEC. 843. TURKEY RESEARCH CENTER AUTHORIZATION.

Section 1676 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5929) is repealed.

SEC. 844. SPECIAL GRANT TO STUDY CONSTRAINTS ON AGRICULTURAL TRADE.

Section 1678 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5931) is repealed.

SEC. 845. PILOT PROJECT TO COORDINATE FOOD AND NUTRITION EDUCATION PROGRAMS.

Section 1679 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5932) is repealed.

SEC. 846. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.

Section 1680 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933) is amended—

(1) in subsection (a)(6)(B), by striking "1996" and inserting "2002"; and

(2) in subsection (b)(2), by striking "1996" and inserting "2002".

SEC. 847. DEMONSTRATION PROJECTS.

Section 2348 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2662a) is repealed.

SEC. 848. NATIONAL RURAL INFORMATION CENTER CLEARINGHOUSE.

Section 2381(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is amended by striking "1995" and inserting "2002".

SEC. 849. GLOBAL CLIMATE CHANGE.

(a) TECHNICAL ADVISORY COMMITTEE.—Section 2404 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6703) is repealed.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 2412 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6710) is amended by striking "1996" and inserting "2002".

SEC. 850. TECHNICAL AMENDMENTS.

The table of contents of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 3359) is amended by striking the items relating to subtitle G of title XIV, section 1499A, subtitles E and F of title XVI, and sections 1671, 1672, 1676, 1678, 1679, 2348, and 2404.

Subtitle C—Miscellaneous Research Provisions

SEC. 861. CRITICAL AGRICULTURAL MATERIALS RESEARCH.

(a) IN GENERAL.—Section 4 of the Critical Agricultural Materials Act (7 U.S.C. 178b) is amended—

(1) by striking subsection (g); and

(2) by redesignating subsection (h) as subsection (g).

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 16(a) of the Critical Agricultural Materials Act (7 U.S.C. 178n(a)) is amended by striking "1995" and inserting "2002".

SEC. 862. 1994 INSTITUTIONS.

(a) LAND-GRANT STATUS.—The first sentence of section 533(b) of the Equity in Educational Land-Grant Status Act of 1994 (Public Law 103-382; 7 U.S.C. 301 note) is amended by striking "2000" and inserting "2002".

(b) INSTITUTIONAL CAPACITY BUILDING GRANTS.—Section 535 of the Equity in Educational Land-Grant Status Act of 1994 (Public Law 103-382; 7 U.S.C. 301 note) is amended by striking "2000" each place it appears in subsections (b)(1) and (c) and inserting "2002".

SEC. 863. SMITH-LEVER ACT FUNDING FOR 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY AND THE DISTRICT OF COLUMBIA.

(a) ELIGIBILITY FOR FUNDS.—Section 3(d) of the Act of May 8, 1914 (commonly known as the "Smith-Lever Act") (38 Stat. 373, chapter 79; 7 U.S.C. 343(d)), is amended by adding at the end the following: "A college or university eligible to receive funds under the Act of August 30, 1890 (26 Stat. 417, chapter 841; 7 U.S.C. 321 et seq.), including Tuskegee University, or section 208 of the District of Columbia Public Postsecondary Education Reorganization Act (Public Law 93-471; 88 Stat. 1428) may apply for and receive directly from the Secretary of Agriculture—

"(1) amounts made available under this subsection after September 30, 1995, to carry out programs or initiatives for which no funds were made available under this subsection for fiscal year 1995, or any previous fiscal year, as determined by the Secretary; and

"(2) amounts made available after September 30, 1995, to carry out programs or initiatives funded under this subsection prior to that date that are in excess of the highest amount made available for the programs or initiatives under this subsection for fiscal year 1995, or any previous fiscal year, as determined by the Secretary.".

(b) CONFORMING AMENDMENTS.—

(1) The third sentence of section 1444(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221(a)) is amended by inserting before the period at the end the following: ", except that for the purpose of this calculation, the total appropriations shall not include amounts made available after September 30, 1995, under section 3(d) of the Act of May 8, 1914 (commonly known as the 'Smith-Lever Act') (38 Stat. 373, chapter 79; 7 U.S.C. 343(d)), to carry out programs or initiatives for which no funds were made available under section 3(d) of the Act for fiscal year 1995, or any previous fiscal year, as determined by the Secretary, and shall not include amounts made available after September 30, 1995, to carry out programs or initiatives funded under section 3(d) of the Act prior to that date that are in excess of the highest amount made available for the programs or initiatives for fiscal year 1995, or any previous fiscal year, as determined by the Secretary.".

(2) Section 208(c) of the District of Columbia Public Postsecondary Education Reorganization Act (Public Law 93–471; 88 Stat. 1428) is amended by adding at the end the following: "Funds appropriated under this subsection shall be in addition to any amounts provided to the District of Columbia from—

"(1) amounts made available after September 30, 1995, under section 3(d) of the Act to carry out programs or initiatives for which no funds were made available under section 3(d) of the Act for fiscal year 1995, or any previous fiscal year, as determined by the Secretary of Agriculture; and

"(2) amounts made available after September 30, 1995, to carry out programs or initiatives funded under section 3(d) of the Act prior to the date that are in excess of the highest amount made available for the programs or initiatives for fiscal year 1995, or any previous fiscal year, as determined by the Secretary of Agriculture.".

SEC. 864. COMMITTEE OF NINE.

Section 3(c)(3) of the Act of March 2, 1887 (Chapter 314; 7 U.S.C. 361c(c)(3)) is amended by striking from ", and shall be used" through the end of the paragraph and inserting a period.

SEC. 865. AGRICULTURAL RESEARCH FACILITIES.

(a) IN GENERAL.—

(1) RESEARCH FACILITIES.—The Research Facilities Act (7 U.S.C. 390 et seq.) is amended to read as follows:

"SECTION 1. SHORT TITLE.

"This Act may be cited as the 'Research Facilities Act'.

"SEC. 2. DEFINITIONS.

"In this Act:

"(1) AGRICULTURAL RESEARCH FACILITY.—The term 'agricultural research facility' means a proposed facility for research in food and agricultural sciences for which Federal funds are requested by a college, university, or nonprofit institution to assist in the construction, alteration, acquisition, modernization, renovation, or remodeling of the facility.

"(2) FOOD AND AGRICULTURAL SCIENCES.—The term 'food and agricultural sciences' means—

"(A) agriculture, including soil and water conservation and use, the use of organic materials to improve soil tilth and fertility, plant and animal production and protection, and plant and animal health;

"(B) the processing, distributing, marketing, and utilization of food and agricultural products;

"(C) forestry, including range management, production of forest and range products, multiple use of forest and rangelands, and urban forestry;

"(D) aquaculture (as defined in section 1404(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(3));

"(E) human nutrition;

"(F) production inputs, such as energy, to improve productivity; and

"(G) germ plasm collection and preservation.

"(3) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"SEC. 3. REVIEW PROCESS.

"(a) SUBMISSION TO SECRETARY.—Each proposal for an agricultural research facility shall be submitted to the Secretary for review. The Secretary shall review the proposals in the order in which the proposals are received.

"(b) APPLICATION PROCESS.—In consultation with the Committee on Appropriations of the Senate and Committee on Appropriations of the House of Representatives, the Secretary shall establish an application process for the submission of proposals for agricultural research facilities.

"(c) CRITERIA FOR APPROVAL.—

"(1) DETERMINATION BY SECRETARY.—With respect to each proposal for an agricultural research facility submitted under subsection (a), the Secretary shall determine whether the proposal meets the criteria set forth in paragraph (2).

"(2) CRITERIA.—A proposal for an agricultural research facility shall meet the following criteria:

"(A) NON-FEDERAL SHARE.—The proposal shall certify the availability of at least a 50 percent non-Federal share of the cost of the facility. The non-Federal share shall be paid in cash and may include funding from private sources or from units of State or local government.

"(B) NONDUPLICATION OF FACILITIES.—The proposal shall demonstrate how the agricultural research facility would be complementary to, and not duplicative of, facilities of colleges, universities, and nonprofit institutions, and facilities of the Agricultural Research Service, within the State and region.

"(C) NATIONAL RESEARCH PRIORITIES.—The proposal shall demonstrate how the agricultural research facility would serve—

"(i) 1 or more of the national research policies and priorities set forth in section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101); and

"(ii) regional needs.

"(D) LONG-TERM SUPPORT.—The proposal shall demonstrate that the recipient college, university, or nonprofit institution has the ability and commitment to support the long-term, ongoing operating costs of—

"(i) the agricultural research facility after the facility is completed; and

"(ii) each program to be based at the facility.

"(E) STRATEGIC PLAN.—After the development of the strategic plan required by section 4, the proposal shall demonstrate how the agricultural research facility reflects the strategic plan for Federal research facilities.

"(d) EVALUATION OF PROPOSALS.—Not later than 90 days after receiving a proposal under subsection (a), the Secretary shall—

"(1) evaluate and assess the merits of the proposal, including the extent to which the proposal meets the criteria set forth in subsection (c); and

"(2) report to the Committee on Appropriations of the Senate and Committee on Appropriations of the House of Representatives on the results of the evaluation and assessment.

"SEC. 4. STRATEGIC PLAN FOR FEDERAL RESEARCH FACILITIES.

"(a) IN GENERAL.—Not later than September 30, 1997, the Secretary shall develop a comprehensive plan for the development, construction, modernization, consolidation, and closure of federally supported agricultural research facilities.

"(b) FACTORS.—In developing the plan, the Secretary shall consider—

"(1) the need to increase agricultural productivity and to enhance the competitiveness of the United States agriculture and food industry as set forth in section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101); and

"(2) the findings of the National Academy of Sciences with respect to programmatic and scientific priorities relating to agriculture.

"(c) IMPLEMENTATION.—The plan shall be developed for implementation over the 10-fiscal year period beginning with fiscal year 1998.

"SEC. 5. APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.

"The Federal Advisory Committee Act (5 U.S.C. App) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et. seq) shall not apply to a panel or board created solely for the purpose of reviewing applications or proposals submitted under this Act.

"SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—Subject to subsection (b), there are authorized to be appropriated such sums as are necessary for fiscal years 1996 through 2002 for the study, plan, design, structure, and related costs of agricultural research facilities under this Act.

"(b) ALLOWABLE ADMINISTRATIVE COSTS.—Not more than 3 percent of the funds made available for any project for an agricultural research facility shall be available for administration of the project.".

(2) APPLICATION.—

(A) CURRENT PROJECTS.—The amendment made by paragraph (1), other than section 4 of the Research Facilities Act (as amended by paragraph (1)), shall not apply to any project for an agricultural research facility for which funds have been made available for a feasibility study or for any phase of the project prior to October 1, 1995.

(B) STRATEGIC PLAN.—The strategic plan required by section 4 of the Act shall apply to all federally supported agricultural research facilities, including projects funded prior to the effective date of this title.

(b) AUTHORIZATION OF APPROPRIATIONS FOR FEDERAL FACILITIES.—Section 1431 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1556) is amended—

(1) in subsection (a)—

(A) by striking "(a)"; and

(B) by striking "1995" and inserting "2002"; and

(2) by striking subsection (b).

(c) CONFORMING AMENDMENT.—Section 1463(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(a)) is amended by striking "1416,".

SEC. 866. NATIONAL COMPETITIVE RESEARCH INITIATIVE.

Subsection (b)(10) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(10)) is amended—

(1) by striking "OF APPROPRIATIONS.—There" and inserting the following: "AND AVAILABILITY OF APPROPRIATIONS.—

"(A) IN GENERAL.—There";

(2) by striking "fiscal year 1995" and inserting "each of fiscal years 1995 through 2002";

(3) by striking "(A) not" and inserting the following:

"(i) not";

(4) by striking "(B) not" and inserting the following:

"(ii) not";

(5) in clause (ii) (as so designated), by striking "20 percent" and inserting "40 percent";

(6) by striking "(C) not" and inserting the following:

"(iii) not";

(7) by striking "(D) not" and inserting the following:

"(iv) not";

(8) by striking "(E) not" and inserting the following:

"(v) not"; and

(9) by adding at the end the following:

"(B) AVAILABILITY.—Funds made available under subparagraph (A) shall be available for obligation for a period of 2 years from the beginning of the fiscal year for which the funds are made available.".

SEC. 867. COTTON CROP REPORTS.

The Act of May 3, 1924 (43 Stat. 115, chapter 149; 7 U.S.C. 475), is repealed.

SEC. 868. RURAL DEVELOPMENT RESEARCH AND EDUCATION.

Section 502 of the Rural Development Act of 1972 (7 U.S.C. 2662) is amended—

(1) in subsection (a), by inserting after the first sentence the following: "The rural development extension programs shall also promote coordinated and integrated rural community initiatives that advance and empower capacity building through leadership development, entrepreneurship, business development and management training and strategic planning to increase jobs, income, and quality of life in rural communities.";

(2) by striking subsections (g) and (j); and

(3) by redesignating subsections (h) and (i) as subsections (g) and (h) respectively.

SEC. 869. HUMAN NUTRITION RESEARCH.

Section 1452 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 7 U.S.C. 3173 note) is repealed.

SEC. 870. DAIRY GOAT RESEARCH PROGRAM.

Section 1432 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1981 (Public Law 97–98; 7 U.S.C. 3222 note) is amended—

(1) in subsection (a), by striking "(a)"; and

(2) by striking subsection (b).

SEC. 871. GRANTS TO UPGRADE 1890 LAND-GRANT COLLEGE EXTENSION FACILITIES.

(a) IN GENERAL.—Section 1416 of the Food Security Act of 1985 (7 U.S.C. 3224) is repealed.

(b) TECHNICAL AMENDMENT.—The table of contents of the Food Security Act of 1985 (Public Law 99–198; 99 Stat. 1354) is amended by striking the item relating to section 1416.

SEC. 872. STUTTGART NATIONAL AQUACULTURE RESEARCH CENTER.

(a) TRANSFER OF FUNCTIONS TO THE SECRETARY OF AGRICULTURE.—

(1) TITLE OF PUBLIC LAW 85–342.—The title of Public Law 85–342 (16 U.S.C. 778 et seq.) is amended by striking "Secretary of the Interior" and inserting "Secretary of Agriculture".

(2) AUTHORIZATION.—The first section of Public Law 85–342 (16 U.S.C. 778) is amended—

(A) by striking "Secretary of the Interior" and all that follows through "directed to" and inserting "Secretary of Agriculture shall";

(B) by striking "station and stations" and inserting "1 or more centers"; and

(C) in paragraph (5), by striking "Department of Agriculture" and inserting "Secretary of the Interior".

(3) AUTHORITY.—Section 2 of Public Law 85–342 (16 U.S.C. 778a) is amended by striking ", the Secretary" and all that follows through "authorized" and inserting ", the Secretary of Agriculture is authorized".

(4) ASSISTANCE.—Section 3 of Public Law 85–342 (16 U.S.C. 778b) is amended—

(A) by striking "Secretary of the Interior" and inserting "Secretary of Agriculture"; and

(B) by striking "Department of Agriculture" and inserting "Secretary of the Interior".

(b) TRANSFER OF FISH FARMING EXPERIMENTAL LABORATORY TO DEPARTMENT OF AGRICULTURE.—

(1) DESIGNATION OF STUTTGART NATIONAL AQUACULTURE RESEARCH CENTER.—

(A) IN GENERAL.—The Fish Farming Experimental Laboratory in Stuttgart, Arkansas (including the facilities in Kelso, Arkansas), shall be known and designated as the "Stuttgart National Aquaculture Research Center".

(B) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the laboratory referred to in subparagraph (A) shall be deemed to be a reference to the "Stuttgart National Aquaculture Research Center".

(2) TRANSFER OF LABORATORY TO THE DEPARTMENT OF AGRICULTURE.—Subject to section 1531 of title 31, United States Code, not later than 90 days after the effective date of this title, there are transferred to the Department of Agriculture—

(A) the personnel employed in connection with the laboratory referred to in paragraph (1);

(B) the assets, liabilities, contracts, and real and personal property of the laboratory;

(C) the records of the laboratory; and

(D) the unexpended balance of appropriations, authorizations, allocations and other funds employed, held, arising from, available to, or to be made available in connection with the laboratory.

(3) NONDUPLICATION.—The research center referred to in paragraph (1)(A) shall be complementary to, and not duplicative of, facilities of colleges, universities, and nonprofit institutions, and facilities of the Agricultural Research Service, within the State and region, as determined by the Administrator of the Service.

SEC. 873. NATIONAL AQUACULTURE POLICY, PLANNING, AND DEVELOPMENT.

(a) DEFINITIONS.—Section 3 of the National Aquaculture Act of 1980 (16 U.S.C. 2802) is amended—

(1) in paragraph (1), by striking "the propagation" and all that follows through the period at the end and inserting the following: "the commercially controlled cultivation of aquatic plants, animals, and microorganisms, but does not include private for-profit ocean ranching of Pacific salmon in a State in which the ranching is prohibited by law.";

(2) in paragraph (3), by striking "or aquatic plant" and inserting "aquatic plant, or microorganism";

(3) by redesignating paragraphs (7) through (9) as paragraphs (8) through (10), respectively; and

(4) by inserting after paragraph (6) the following:

"(7) The term 'private aquaculture' means the commercially controlled cultivation of aquatic plants, animals, and microorganisms other than cultivation carried out by the Federal Government, any State or local government, or an Indian tribe recognized by the Bureau of Indian Affairs.".

(b) NATIONAL AQUACULTURE DEVELOPMENT PLAN.—Section 4 of the National Aquaculture Act of 1980 (16 U.S.C. 2803) is amended—

(1) in subsection (c)—

(A) in subparagraph (A), by adding "and" at the end;

(B) in subparagraph (B), by striking "; and" and inserting a period; and

(C) by striking subparagraph (C);

(2) in the second sentence of subsection (d), by striking "Secretaries determine that" and inserting "Secretary, in consultation with the Secretary of Commerce, the Secretary of the Interior, and the heads of such other agencies as the Secretary determines are appropriate, determines that"; and

(3) in subsection (e), by striking "Secretaries" and inserting "Secretary, in consultation with the Secretary of Commerce, the Secretary of the Interior, and the heads of such other agencies as the Secretary determines are appropriate,".

(c) FUNCTIONS AND POWERS OF SECRETARIES.—Section 5(b)(3) of the National Aquaculture Act of 1980 (16 U.S.C. 2804(b)(3)) is amended by striking "Secretaries deem" and inserting "Secretary, in consultation with the Secretary of Commerce, the Secretary of the Interior, and the heads of such other agencies as the Secretary determines are appropriate, consider".

(d) COORDINATION OF NATIONAL ACTIVITIES REGARDING AQUACULTURE.—The first sentence of section 6(a) of the National Aquaculture Act of 1980 (16 U.S.C. 2805(a)) is amended by striking "(f)" and inserting "(e)".

(e) NATIONAL POLICY FOR PRIVATE AQUACULTURE.—The National Aquaculture Act of 1980 (16 U.S.C. 2801 et seq.) is amended—

(1) by redesignating sections 7, 8, 9, 10, and 11 as sections 8, 9, 10, 11, and 12, respectively; and

(2) by inserting after section 6 (16 U.S.C. 2805) the following:

"SEC. 7. NATIONAL POLICY FOR PRIVATE AQUACULTURE.

"(a) IN GENERAL.—In consultation with the Secretary of Commerce and the Secretary of the Interior, the Secretary shall coordinate and implement a national policy for private aquaculture in accordance with this section. In developing the policy, the Secretary may consult with other agencies and organizations.

"(b) DEPARTMENT OF AGRICULTURE AQUACULTURE PLAN.—

"(1) IN GENERAL.—The Secretary shall develop and implement a Department of Agriculture Aquaculture Plan (referred to in this section as the 'Department plan') for a unified aquaculture program of the Department of Agriculture (referred to in this section as the 'Department') to support the development of private aquaculture.

"(2) ELEMENTS OF DEPARTMENT PLAN.—The Department plan shall address—

"(A) programs of individual agencies of the Department related to aquaculture that are consistent with Department programs related to other areas of agriculture, including livestock, crops, products, and commodities under the jurisdiction of agencies of the Department;

"(B) the treatment of cultivated aquatic animals as livestock and cultivated aquatic plants as agricultural crops; and

"(C) means for effective coordination and implementation of aquaculture activities and programs within the Department, including individual agency commitments of personnel and resources.

"(c) NATIONAL AQUACULTURE INFORMATION CENTER.—In carrying out section 5, the Secretary may maintain and support a National Aquaculture Information Center at the National Agricultural Library as a repository for information on national and international aquaculture.

"(d) TREATMENT OF AQUACULTURE.—The Secretary shall treat—

"(1) private aquaculture as agriculture; and

"(2) commercially cultivated aquatic animals, plants, and microorganisms, and products of the animals, plants, and microorganisms, produced by private persons and transported or moved in standard commodity channels as agricultural livestock, crops, and commodities.

"(e) PRIVATE AQUACULTURE POLICY COORDINATION, DEVELOPMENT, AND IMPLEMENTATION.—

"(1) RESPONSIBILITY.—The Secretary shall have responsibility for coordinating, developing, and carrying out policies and programs for private aquaculture.

"(2) DUTIES.—The Secretary shall—

"(A) coordinate all intradepartmental functions and activities relating to private aquaculture; and

"(B) establish procedures for the coordination of functions, and consultation with, the coordinating group.

"(f) LIAISON WITH DEPARTMENTS OF COMMERCE AND THE INTERIOR.—The Secretary of Commerce and the Secretary of the Interior shall each designate an officer or employee of the Department of the Secretary to be the liaison of the Department to the Secretary of Agriculture.".

(f) AUTHORIZATION OF APPROPRIATIONS.—Section 11 of the National Aquaculture Act of 1980 (as redesignated by subsection (e)(1)) is amended by striking "the fiscal years 1991, 1992, and 1993" each place it appears and inserting "fiscal years 1991 through 2002".

SEC. 874. EXPANSION OF AUTHORITIES RELATED TO THE NATIONAL ARBORETUM.

(a) SOLICITATION OF GIFTS, BENEFITS, AND DEVISES.—The first sentence of section 5 of the Act of March 4, 1927 (89 Stat. 683; 20 U.S.C. 195), is amended by inserting "solicit," after "authorized to".

(b) CONCESSIONS, FEES, AND VOLUNTARY SERVICES.—The Act of March 4, 1927 (44 Stat. 1422, chapter 505; 20 U.S.C. 191 et seq.), is amended by adding at the end the following:

"SEC. 6. CONCESSIONS, FEES, AND VOLUNTARY SERVICES.

"(a) IN GENERAL.—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) and section 321 of the Act of June 30, 1932 (47 Stat. 412, chapter 314; 40 U.S.C. 303b), the Secretary of Agriculture, in furtherance of the mission of the National Arboretum, may—

"(1) negotiate agreements granting concessions at the National Arboretum to nonprofit scientific or educational organizations the interests of which are complementary to the mission of the National Arboretum, except that the net proceeds of the organizations from the concessions shall be used exclusively for research and educational work for the benefit of the National Arboretum;

"(2) provide by concession, on such terms as the Secretary of Agriculture considers appropriate and necessary, for commercial services for food, drink, and nursery sales, if an agreement for a permanent concession under this paragraph is negotiated with a qualified person submitting a proposal after due consideration of all proposals received after the Secretary of Agriculture provides reasonable public notice of the intent of the Secretary to enter into such an agreement;

"(3) dispose of excess property, including excess plants and fish, in a manner designed to maximize revenue from any sale of the property, including by way of public auction, except that this paragraph shall not apply to the free dissemination of new varieties of seeds and germ plasm in accordance with section 520 of the Revised Statutes (commonly known as the 'Department of Agriculture Organic Act of 1862') (7 U.S.C. 2201);

"(4) charge such fees as the Secretary of Agriculture considers reasonable for temporary use by individuals or groups of National Arboretum facilities and grounds for any purpose consistent with the mission of the National Arboretum;

"(5) charge such fees as the Secretary of Agriculture considers reasonable for the use of the National Arboretum for commercial photography or cinematography;

"(6) publish, in print and electronically and without regard to laws relating to printing by the Federal Government, informational brochures, books, and other publications concerning the National Arboretum or the collections of the Arboretum; and

"(7) license use of the National Arboretum name and logo for public service or commercial uses.

"(b) USE OF FUNDS.—Any funds received or collected by the Secretary of Agriculture as a result of activities described in subsection (a) shall be retained in a special fund in the Treasury for the use and benefit of the National Arboretum as the Secretary of Agriculture considers appropriate.

"(c) ACCEPTANCE OF VOLUNTARY SERVICES.—The Secretary of Agriculture may accept the voluntary services of organizations described in subsection (a)(1), and the voluntary services of individuals (including employees of the National Arboretum), for the benefit of the National Arboretum.".

SEC. 875. STUDY OF AGRICULTURAL RESEARCH SERVICE.

(a) STUDY.—The Secretary of Agriculture shall request the National Academy of Sciences to conduct a study of the role and mission of the Agricultural Research Service. The study shall—

(1) evaluate the strength of science of the Service and the relevance of the science to national priorities;

(2) examine how the work of the Service relates to the capacity of the United States agricultural research, education, and extension system overall; and

(3) include recommendations, as appropriate.

(b) REPORT.—Not later than 18 months after the effective date of this title, the Secretary shall prepare a report that describes the results of the study conducted under subsection (a) and submit the report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(c) FUNDING.—The Secretary shall use to carry out this section not more than $500,000 of funds made available to the Agricultural Research Service for research.

TITLE IX—AGRICULTURAL PROMOTION

Subtitle A—Popcorn

SEC. 901. SHORT TITLE.

This subtitle may be cited as the "Popcorn Promotion, Research, and Consumer Information Act".

SEC. 902. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress finds that—

(1) popcorn is an important food that is a valuable part of the human diet;

(2) the production and processing of popcorn plays a significant role in the economy of the United States in that popcorn is processed by several popcorn processors, distributed through wholesale and retail outlets, and consumed by millions of people throughout the United States and foreign countries;

(3) popcorn must be of high quality, readily available, handled properly, and marketed efficiently to ensure that the benefits of popcorn are available to the people of the United States;

(4) the maintenance and expansion of existing markets and uses and the development of new markets and uses for popcorn are vital to the welfare of processors and persons concerned with marketing, using, and producing popcorn for the market, as well as to the agricultural economy of the United States;

(5) the cooperative development, financing, and implementation of a coordinated program of popcorn promotion, research, consumer information, and industry information is necessary to maintain and expand markets for popcorn; and

(6) popcorn moves in interstate and foreign commerce, and popcorn that does not move in those channels of commerce directly burdens or affects interstate commerce in popcorn.

(b) POLICY.—It is the policy of Congress that it is in the public interest to authorize the establishment, through the exercise of the powers provided in this subtitle, of an orderly procedure for developing, financing (through adequate assessments on unpopped popcorn processed domestically), and carrying out an effective, continuous, and coordinated program of promotion, research, consumer information, and industry information designed to—

(1) strengthen the position of the popcorn industry in the marketplace; and

(2) maintain and expand domestic and foreign markets and uses for popcorn.

(c) PURPOSES.—The purposes of this subtitle are to—

(1) maintain and expand the markets for all popcorn products in a manner that—

(A) is not designed to maintain or expand any individual share of a producer or processor of the market;

(B) does not compete with or replace individual advertising or promotion efforts designed to promote individual brand name or trade name popcorn products; and

(C) authorizes and funds programs that result in government speech promoting government objectives; and

(2) establish a nationally coordinated program for popcorn promotion, research, consumer information, and industry information.

(d) STATUTORY CONSTRUCTION.—This subtitle treats processors equitably. Nothing in this subtitle—

(1) provides for the imposition of a trade barrier to the entry into the United States of imported popcorn for the domestic market; or

(2) provides for the control of production or otherwise limits the right of any individual processor to produce popcorn.

SEC. 903. DEFINITIONS.

In this subtitle (except as otherwise specifically provided):

(1) BOARD.—The term "Board" means the Popcorn Board established under section 905(b).

(2) COMMERCE.—The term "commerce" means interstate, foreign, or intrastate commerce.

(3) CONSUMER INFORMATION.—The term "consumer information" means information and programs that will assist consumers and other persons in making evaluations and decisions regarding the purchase, preparation, and use of popcorn.

(4) DEPARTMENT.—The term "Department" means the Department of Agriculture.

(5) INDUSTRY INFORMATION.—The term "industry information" means information and programs that will lead to the development of—

(A) new markets, new marketing strategies, or increased efficiency for the popcorn industry; or

(B) activities to enhance the image of the popcorn industry.

(6) MARKETING.—The term "marketing" means the sale or other disposition of unpopped popcorn for human consumption in a channel of commerce, but does not include a sale or disposition to or between processors.

(7) ORDER.—The term "order" means an order issued under section 904.

(8) PERSON.—The term "person" means an individual, group of individuals, partnership, corporation, association, or cooperative, or any other legal entity.

(9) POPCORN.—The term "popcorn" means unpopped popcorn (Zea Mays L) that is—

(A) commercially grown;

(B) processed in the United States by shelling, cleaning, or drying; and

(C) introduced into a channel of commerce.

(10) PROCESS.—The term "process" means to shell, clean, dry, and prepare popcorn for the market, but does not include packaging popcorn for the market without also engaging in another activity described in this paragraph.

(11) PROCESSOR.—The term "processor" means a person engaged in the preparation of unpopped popcorn for the market who owns or shares the ownership and risk of loss of the popcorn and who processes and distributes over 4,000,000 pounds of popcorn in the market per year.

(12) PROMOTION.—The term "promotion" means an action, including paid advertising, to enhance the image or desirability of popcorn.

(13) RESEARCH.—The term "research" means any type of study to advance the image, desirability, marketability, production, product development, quality, or nutritional value of popcorn.

(14) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(15) STATE.—The term "State" means each of the 50 States and the District of Columbia.

(16) UNITED STATES.—The term "United States" means all of the States.

SEC. 904. ISSUANCE OF ORDERS.

(a) IN GENERAL.—To effectuate the policy described in section 902(b), the Secretary, subject to subsection (b), shall issue 1 or more orders applicable to processors. An order shall be applicable to all popcorn production and marketing areas in the United States. Not more than 1 order shall be in effect under this subtitle at any 1 time.

(b) PROCEDURE.—

(1) PROPOSAL OR REQUEST FOR ISSUANCE.—The Secretary may propose the issuance of an order, or an association of processors or any other person that would be affected by an order may request the issuance of, and submit a proposal for, an order.

(2) NOTICE AND COMMENT CONCERNING PROPOSED ORDER.—Not later than 60 days after the receipt of a request and proposal for an order under paragraph (1), or at such time as the Secretary determines to propose an order, the Secretary shall publish a proposed order and give due notice and opportunity for public comment on the proposed order.

(3) ISSUANCE OF ORDER.—After notice and opportunity for public comment under paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order such provisions as are necessary to ensure that the order conforms to this subtitle. The order shall be issued and become effective not later than 150 days after the date of publication of the proposed order.

(c) AMENDMENTS.—The Secretary, as appropriate, may amend an order. The provisions of this subtitle applicable to an order shall be applicable to any amendment to an order, except that an amendment to an order may not require a referendum to become effective.

SEC. 905. REQUIRED TERMS IN ORDERS.

(a) IN GENERAL.—An order shall contain the terms and conditions specified in this section.

(b) ESTABLISHMENT AND MEMBERSHIP OF POPCORN BOARD.—

(1) IN GENERAL.—The order shall provide for the establishment of, and appointment of members to, a Popcorn Board that shall consist of not fewer than 4 members and not more than 9 members.

(2) NOMINATIONS.—The members of the Board shall be processors appointed by the Secretary from nominations submitted by processors in a manner authorized by the Secretary, subject to paragraph (3). Not more than 1 member may be appointed to the Board from nominations submitted by any 1 processor.

(3) GEOGRAPHICAL DIVERSITY.—In making appointments, the Secretary shall take into account, to the extent practicable, the geographical distribution of popcorn production throughout the United States.

(4) TERMS.—The term of appointment of each member of the Board shall be 3 years, except that the members appointed to the initial Board shall serve, proportionately, for terms of 2, 3, and 4 years, as determined by the Secretary.

(5) COMPENSATION AND EXPENSES.—A member of the Board shall serve without compensation, but shall be reimbursed for the expenses of the member incurred in the performance of duties for the Board.

(c) POWERS AND DUTIES OF BOARD.—The order shall define the powers and duties of the Board, which shall include the power and duty—

(1) to administer the order in accordance with the terms and provisions of the order;

(2) to make regulations to effectuate the terms and provisions of the order;

(3) to appoint members of the Board to serve on an executive committee;

(4) to propose, receive, evaluate, and approve budgets, plans, and projects of promotion, research, consumer information, and industry information, and to contract with appropriate persons to implement the plans or projects;

(5) to accept and receive voluntary contributions, gifts, and market promotion or similar funds;

(6) to invest, pending disbursement under a plan or project, funds collected through assessments authorized under subsection (f), only in—

(A) obligations of the United States or an agency of the United States;

(B) general obligations of a State or a political subdivision of a State;

(C) an interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System; or

(D) obligations fully guaranteed as to principal and interest by the United States;

(7) to receive, investigate, and report to the Secretary complaints of violations of the order; and

(8) to recommend to the Secretary amendments to the order.

(d) PLANS AND BUDGETS.—

(1) IN GENERAL.—The order shall provide that the Board shall submit to the Secretary for approval any plan or project of promotion, research, consumer information, or industry information.

(2) BUDGETS.—The order shall require the Board to submit to the Secretary for approval budgets on a fiscal year basis of the anticipated expenses and disbursements of the Board in the implementation of the order, including projected costs of plans and projects of promotion, research, consumer information, and industry information.

(e) CONTRACTS AND AGREEMENTS.—

(1) IN GENERAL.—The order shall provide that the Board may enter into contracts or agreements for the implementation and carrying out of plans or projects of promotion, research, consumer information, or industry information, including contracts with a processor organization, and for the payment of the cost of the plans or projects with funds collected by the Board under the order.

(2) REQUIREMENTS.—A contract or agreement under paragraph (1) shall provide that—

(A) the contracting party shall develop and submit to the Board a plan or project, together with a budget that shows the estimated costs to be incurred for the plan or project;

(B) the plan or project shall become effective on the approval of the Secretary; and

(C) the contracting party shall keep accurate records of each transaction of the party, account for funds received and expended, make periodic reports to the Board of activities conducted, and make such other reports as the Board or the Secretary may require.

(3) PROCESSOR ORGANIZATIONS.—The order shall provide that the Board may contract with processor organizations for any other services. The contract shall include provisions comparable to the provisions required by paragraph (2).

(f) ASSESSMENTS.—

(1) PROCESSORS.—The order shall provide that each processor marketing popcorn in the United States or for export shall, in the manner prescribed in the order, pay assessments and remit the assessments to the Board.

(2) DIRECT MARKETERS.—A processor that markets popcorn produced by the processor directly to consumers shall pay and remit the assessments on the popcorn directly to the Board in the manner prescribed in the order.

(3) RATE.—

(A) IN GENERAL.—The rate of assessment prescribed in the order shall be a rate established by the Board but not more than $.08 per hundredweight of popcorn.

(B) ADJUSTMENT OF RATE.—The order shall provide that the Board, with the approval of the Secretary, may raise or lower the rate of assessment annually up to a maximum of $.08 per hundredweight of popcorn.

(4) USE OF ASSESSMENTS.—

(A) IN GENERAL.—Subject to subparagraphs (B) and (C) and subsection (c)(5), the order shall provide that the assessments collected shall be used by the Board—

(i) to pay expenses incurred in implementing and administering the order, with provision for a reasonable reserve; and

(ii) to cover such administrative costs as are incurred by the Secretary, except that the administrative costs incurred by the Secretary (other than any legal expenses incurred to defend and enforce the order) that may be reimbursed by the Board may not exceed 15 percent of the projected annual revenues of the Board.

(B) EXPENDITURES BASED ON SOURCE OF ASSESSMENTS.—In implementing plans and projects of promotion, research, consumer information, and industry information, the Board shall expend funds on—

(i) plans and projects for popcorn marketed in the United States or Canada in proportion to the amount of assessments collected on domestically marketed popcorn; and

(ii) plans and projects for exported popcorn in proportion to the amount of assessments collected on exported popcorn.

(C) NOTIFICATION.—If the administrative costs incurred by the Secretary that are reimbursed by the Board exceed 10 percent of the projected annual revenues of the Board, the Secretary shall notify as soon as practicable the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(g) PROHIBITION ON USE OF FUNDS.—The order shall prohibit any funds collected by the Board under the order from being used to influence government action or policy, other than the use of funds by the Board for the development and recommendation to the Secretary of amendments to the order.

(h) BOOKS AND RECORDS OF THE BOARD.—The order shall require the Board to—

(1) maintain such books and records (which shall be available to the Secretary for inspection and audit) as the Secretary may prescribe;

(2) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and

(3) account for the receipt and disbursement of all funds entrusted to the Board.

(i) BOOKS AND RECORDS OF PROCESSORS.—

(1) MAINTENANCE AND REPORTING OF INFORMATION.—The order shall require that each processor of popcorn for the market shall—

(A) maintain, and make available for inspection, such books and records as are required by the order; and

(B) file reports at such time, in such manner, and having such content as is prescribed in the order.

(2) USE OF INFORMATION.—The Secretary shall authorize the use of information regarding processors that may be accumulated under a law or regulation other than this subtitle or a regulation issued under this subtitle. The information shall be made available to the Secretary as appropriate for the administration or enforcement of this subtitle, the order, or any regulation issued under this subtitle.

(3) CONFIDENTIALITY.—

(A) IN GENERAL.—Subject to subparagraphs (B), (C), and (D), all information obtained by the Secretary under paragraphs (1) and (2) shall be kept confidential by all officers, employees, and agents of the Board and the Department.

(B) DISCLOSURE BY SECRETARY.—Information referred to in subparagraph (A) may be disclosed if—

(i) the Secretary considers the information relevant;

(ii) the information is revealed in a suit or administrative hearing brought at the request of the Secretary, or to which the Secretary or any officer of the United States is a party; and

(iii) the information relates to the order.

(C) DISCLOSURE TO OTHER AGENCY OF FEDERAL GOVERNMENT.—

(i) IN GENERAL.—No information obtained under the authority of this subtitle may be made available to another agency or officer of the Federal Government for any purpose other than the implementation of this subtitle and any investigatory or enforcement activity necessary for the implementation of this subtitle.

(ii) PENALTY.—A person who knowingly violates this subparagraph shall, on conviction, be subject to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or both, and if an officer, employee, or agent of the Board or the Department, shall be removed from office or terminated from employment, as applicable.

(D) GENERAL STATEMENTS.—Nothing in this paragraph prohibits—

(i) the issuance of general statements, based on the reports, of the number of persons subject to the order or statistical data collected from the reports, if the statements do not identify the information provided by any person; or

(ii) the publication, by direction of the Secretary, of the name of a person violating the order, together with a statement of the particular provisions of the order violated by the person.

(j) OTHER TERMS AND CONDITIONS.—The order shall contain such terms and conditions, consistent with this subtitle, as are necessary to effectuate this subtitle, including regulations relating to the assessment of late payment charges.

SEC. 906. REFERENDA.

(a) INITIAL REFERENDUM.—

(1) IN GENERAL.—Within the 60-day period immediately preceding the effective date of an order, as provided in section 904(b)(3), the Secretary shall conduct a referendum among processors who, during a representative period as determined by the Secretary, have been engaged in processing, for the purpose of ascertaining whether the order shall go into effect.

(2) APPROVAL OF ORDER.—The order shall become effective, as provided in section 904(b), only if the Secretary determines that the order has been approved by not less than a majority of the processors voting in the referendum and if the majority processed more than 50 percent of the popcorn certified as having been processed, during the representative period, by the processors voting.

(b) ADDITIONAL REFERENDA.—

(1) IN GENERAL.—Not earlier than 3 years after the effective date of an order approved under subsection (a), on the request of the Board or a representative group of processors, as described in paragraph (2), the Secretary may conduct additional referenda to determine whether processors favor the termination or suspension of the order.

(2) REPRESENTATIVE GROUP OF PROCESSORS.—An additional referendum on an order shall be conducted if the referendum is requested by 30 percent or more of the number of processors who, during a representative period as determined by the Secretary, have been engaged in processing.

(3) DISAPPROVAL OF ORDER.—If the Secretary determines, in a referendum conducted under paragraph (1), that suspension or termination of the order is favored by at least ⅔ of the processors voting in the referendum, the Secretary shall—

(A) suspend or terminate, as appropriate, collection of assessments under the order not later than 180 days after the date of determination; and

(B) suspend or terminate the order, as appropriate, in an orderly manner as soon as practicable after the date of determination.

(c) COSTS OF REFERENDUM.—The Secretary shall be reimbursed from assessments collected by the Board for any expenses incurred by the Secretary in connection with the conduct of any referendum under this section.

(d) METHOD OF CONDUCTING REFERENDUM.—Subject to this section, a referendum conducted under this section shall be conducted in such manner as is determined by the Secretary.

(e) CONFIDENTIALITY OF BALLOTS AND OTHER INFORMATION.—

(1) IN GENERAL.—The ballots and other information or reports that reveal or tend to reveal the vote of any processor, or any business operation of a processor, shall be considered to be strictly confidential and shall not be disclosed.

(2) PENALTY FOR VIOLATIONS.—An officer or employee of the Department who knowingly violates paragraph (1) shall be subject to the penalties described in section 905(i)(3)(C)(ii).

SEC. 907. PETITION AND REVIEW.

(a) PETITION.—

(1) IN GENERAL.—A person subject to an order may file with the Secretary a petition—

(A) stating that the order, a provision of the order, or an obligation imposed in connection with the order is not established in accordance with law; and

(B) requesting a modification of the order or obligation or an exemption from the order or obligation.

(2) STATUTE OF LIMITATIONS.—A petition under paragraph (1) concerning an obligation may be filed not later than 2 years after the date of imposition of the obligation.

(3) HEARINGS.—The petitioner shall be given the opportunity for a hearing on a petition filed under paragraph (1), in accordance with regulations issued by the Secretary.

(4) RULING.—After a hearing under paragraph (3), the Secretary shall issue a ruling on the petition that is the subject of the hearing, which shall be final if the ruling is in accordance with applicable law.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district court of the United States for any district in which a person who is a petitioner under subsection (a) resides or carries on business shall have jurisdiction to review a ruling on the petition, if the person files a complaint not later than 20 days after the date of issuance of the ruling under subsection (a)(4).

(2) PROCESS.—Service of process in a proceeding under paragraph (1) may be made on the Secretary by delivering a copy of the complaint to the Secretary.

(3) REMANDS.—If the court determines, under paragraph (1), that a ruling issued

under subsection (a)(4) is not in accordance with applicable law, the court shall remand the matter to the Secretary with directions—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further proceedings as, in the opinion of the court, the law requires.

(c) ENFORCEMENT.—The pendency of proceedings instituted under subsection (a) may not impede, hinder, or delay the Secretary or the Attorney General from taking action under section 908.

SEC. 908. ENFORCEMENT.

(a) IN GENERAL.—The Secretary may issue an enforcement order to restrain or prevent any person from violating an order or regulation issued under this subtitle and may assess a civil penalty of not more than $1,000 for each violation of the enforcement order, after an opportunity for an administrative hearing, if the Secretary determines that the administration and enforcement of the order and this subtitle would be adequately served by such a procedure.

(b) JURISDICTION.—The district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, an order or regulation issued under this subtitle.

(c) REFERRAL TO ATTORNEY GENERAL.—A civil action authorized to be brought under this section shall be referred to the Attorney General for appropriate action.

SEC. 909. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) INVESTIGATIONS.—The Secretary may make such investigations as the Secretary considers necessary—

(1) for the effective administration of this subtitle; and

(2) to determine whether any person subject to this subtitle has engaged, or is about to engage, in an act that constitutes or will constitute a violation of this subtitle or of an order or regulation issued under this subtitle.

(b) OATHS, AFFIRMATIONS, AND SUBPOENAS.—For the purpose of an investigation under subsection (a), the Secretary may administer oaths and affirmations, subpoena witnesses, compel the attendance of witnesses, take evidence, and require the production of any records that are relevant to the inquiry. The attendance of witnesses and the production of records may be required from any place in the United States.

(c) AID OF COURTS.—

(1) REQUEST.—In the case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may request the aid of any court of the United States within the jurisdiction of which the investigation or proceeding is carried on, or where the person resides or carries on business, in requiring the attendance and testimony of the person and the production of records.

(2) ENFORCEMENT ORDER OF THE COURT.—The court may issue an enforcement order requiring the person to appear before the Secretary to produce records or to give testimony concerning the matter under investigation.

(3) CONTEMPT.—A failure to obey an enforcement order of the court under paragraph (2) may be punished by the court as a contempt of the court.

(4) PROCESS.—Process in a case under this subsection may be served in the judicial district in which the person resides or conducts business or wherever the person may be found.

SEC. 910. RELATION TO OTHER PROGRAMS.

Nothing in this subtitle preempts or supersedes any other program relating to popcorn promotion organized and operated under the laws of the United States or any State.

SEC. 911. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this subtitle.

SEC. 912. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this subtitle. Amounts made available under this section or otherwise made available to the Department, and amounts made available under any other marketing or promotion order, may not be used to pay any administrative expense of the Board.

Subtitle B—Canola and Rapeseed

SEC. 921. SHORT TITLE.

This subtitle may be cited as the "Canola and Rapeseed Research, Promotion, and Consumer Information Act".

SEC. 922. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress finds that—

(1) canola and rapeseed products are an important and nutritious part of the human diet;

(2) the production of canola and rapeseed products plays a significant role in the economy of the United States in that canola and rapeseed products are produced by thousands of canola and rapeseed producers, processed by numerous processing entities, and canola and rapeseed products produced in the United States are consumed by people throughout the United States and foreign countries;

(3) canola, rapeseed, and canola and rapeseed products should be readily available and marketed efficiently to ensure that consumers have an adequate supply of canola and rapeseed products at a reasonable price;

(4) the maintenance and expansion of existing markets and development of new markets for canola, rapeseed, and canola and rapeseed products are vital to the welfare of canola and rapeseed producers and processors and those persons concerned with marketing canola, rapeseed, and canola and rapeseed products, as well as to the general economy of the United States, and are necessary to ensure the ready availability and efficient marketing of canola, rapeseed, and canola and rapeseed products;

(5) there exist established State and national organizations conducting canola and rapeseed research, promotion, and consumer education programs that are valuable to the efforts of promoting the consumption of canola, rapeseed, and canola and rapeseed products;

(6) the cooperative development, financing, and implementation of a coordinated national program of canola and rapeseed research, promotion, consumer information, and industry information is necessary to maintain and expand existing markets and develop new markets for canola, rapeseed, and canola and rapeseed products; and

(7) canola, rapeseed, and canola and rapeseed products move in interstate and foreign commerce, and canola, rapeseed, and canola and rapeseed products that do not move in interstate or foreign commerce directly burden or affect interstate commerce in canola, rapeseed, and canola and rapeseed products.

(b) POLICY.—It is the policy of this subtitle to establish an orderly procedure for developing, financing through assessments on domestically-produced canola and rapeseed, and implementing a program of research, promotion, consumer information, and industry information designed to strengthen the position in the marketplace of the canola and rapeseed industry, to maintain and expand existing domestic and foreign markets and uses for canola, rapeseed, and canola and rapeseed products, and to develop new markets and uses for canola, rapeseed, and canola and rapeseed products.

(c) CONSTRUCTION.—Nothing in this subtitle provides for the control of production or otherwise limits the right of individual producers to produce canola, rapeseed, or canola or rapeseed products.

SEC. 923. DEFINITIONS.

In this subtitle (unless the context otherwise requires):

(1) BOARD.—The term "Board" means the National Canola and Rapeseed Board established under section 925(b).

(2) CANOLA; RAPESEED.—The terms "canola" and "rapeseed" means any brassica plant grown in the United States for the production of an oilseed, the oil of which is used for a food or nonfood use.

(3) CANOLA OR RAPESEED PRODUCTS.—The term "canola or rapeseed products" means products produced, in whole or in part, from canola or rapeseed.

(4) COMMERCE.—The term "commerce" includes interstate, foreign, and intrastate commerce.

(5) CONFLICT OF INTEREST.—The term "conflict of interest" means a situation in which a member of the Board has a direct or indirect financial interest in a corporation, partnership, sole proprietorship, joint venture, or other business entity dealing directly or indirectly with the Board.

(6) CONSUMER INFORMATION.—The term "consumer information" means information that will assist consumers and other persons in making evaluations and decisions regarding the purchase, preparation, and use of canola, rapeseed, or canola or rapeseed products.

(7) DEPARTMENT.—The term "Department" means the Department of Agriculture.

(8) FIRST PURCHASER.—The term "first purchaser" means—

(A) except as provided in subparagraph (B), a person buying or otherwise acquiring canola, rapeseed, or canola or rapeseed products produced by a producer; or

(B) the Commodity Credit Corporation, in a case in which canola or rapeseed is forfeited to the Commodity Credit Corporation as collateral for a loan issued under a price support loan program administered by the Commodity Credit Corporation.

(9) INDUSTRY INFORMATION.—The term "industry information" means information or programs that will lead to the development of new markets, new marketing strategies, or increased efficiency for the canola and rapeseed industry, or an activity to enhance the image of the canola or rapeseed industry.

(10) INDUSTRY MEMBER.—The term "industry member" means a member of the canola and rapeseed industry who represents—

(A) manufacturers of canola or rapeseed products; or

(B) persons who commercially buy or sell canola or rapeseed.

(11) MARKETING.—The term "marketing" means the sale or other disposition of canola, rapeseed, or canola or rapeseed products in a channel of commerce.

(12) ORDER.—The term "order" means an order issued under section 924.

(13) PERSON.—The term "person" means an individual, partnership, corporation, association, cooperative, or any other legal entity.

(14) PRODUCER.—The term "producer" means a person engaged in the growing of

canola or rapeseed in the United States who owns, or who shares the ownership and risk of loss of, the canola or rapeseed.

(15) PROMOTION.—The term "promotion" means an action, including paid advertising, technical assistance, or trade servicing activity, to enhance the image or desirability of canola, rapeseed, or canola or rapeseed products in domestic and foreign markets, or an activity designed to communicate to consumers, processors, wholesalers, retailers, government officials, or others information relating to the positive attributes of canola, rapeseed, or canola or rapeseed products or the benefits of use or distribution of canola, rapeseed, or canola or rapeseed products.

(16) QUALIFIED STATE CANOLA AND RAPESEED BOARD.—The term "qualified State canola and rapeseed board" means a State canola and rapeseed promotion entity that is authorized and functioning under State law.

(17) RESEARCH.—The term "research" means any type of test, study, or analysis to advance the image, desirability, marketability, production, product development, quality, or functional or nutritional value of canola, rapeseed, or canola or rapeseed products, including research activity designed to identify and analyze barriers to export sales of canola or rapeseed produced in the United States.

(18) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(19) STATE.—The term "State" means any of the 50 States, the District of Columbia and the Commonwealth of Puerto Rico.

(20) UNITED STATES.—The term "United States" means collectively the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 924. ISSUANCE AND AMENDMENT OF ORDERS.

(a) IN GENERAL.—Subject to subsection (b), the Secretary shall issue 1 or more orders under this subtitle applicable to producers and first purchasers of canola, rapeseed, or canola or rapeseed products. The order shall be national in scope. Not more than 1 order shall be in effect under this subtitle at any 1 time.

(b) PROCEDURE.—

(1) PROPOSAL OR REQUEST FOR ISSUANCE.—The Secretary may propose the issuance of an order under this subtitle, or an association of canola and rapeseed producers or any other person that would be affected by an order issued pursuant to this subtitle may request the issuance of, and submit a proposal for, an order.

(2) NOTICE AND COMMENT CONCERNING PROPOSED ORDER.—Not later than 60 days after the receipt of a request and proposal for an order pursuant to paragraph (1), or whenever the Secretary determines to propose an order, the Secretary shall publish a proposed order and give due notice and opportunity for public comment on the proposed order.

(3) ISSUANCE OF ORDER.—After notice and opportunity for public comment are given as provided in paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is in conformity with the requirements of this subtitle. The order shall be issued and become effective not later than 180 days following publication of the proposed order.

(c) AMENDMENTS.—The Secretary, from time to time, may amend an order issued under this section.

SEC. 925. REQUIRED TERMS IN ORDERS.

(a) IN GENERAL.—An order issued under this subtitle shall contain the terms and conditions specified in this section.

(b) ESTABLISHMENT AND MEMBERSHIP OF THE NATIONAL CANOLA AND RAPESEED BOARD.—

(1) IN GENERAL.—The order shall provide for the establishment of, and appointment of members to, a National Canola and Rapeseed Board to administer the order.

(2) SERVICE TO ENTIRE INDUSTRY.—The Board shall carry out programs and projects that will provide maximum benefit to the canola and rapeseed industry in all parts of the United States and only promote canola, rapeseed, or canola or rapeseed products.

(3) BOARD MEMBERSHIP.—The Board shall consist of 15 members, including—

(A) 11 members who are producers, including—

(i) 1 member from each of 6 geographic regions comprised of States where canola or rapeseed is produced, as determined by the Secretary; and

(ii) 5 members from the geographic regions referred to in clause (i), allocated according to the production in each region; and

(B) 4 members who are industry members, including at least—

(i) 1 member who represents manufacturers of canola or rapeseed end products; and

(ii) 1 member who represents persons who commercially buy or sell canola or rapeseed.

(4) LIMITATION ON STATE RESIDENCE.—There shall be no more than 4 producer members of the Board from any State.

(5) MODIFYING BOARD MEMBERSHIP.—In accordance with regulations approved by the Secretary, at least once each 3 years and not more than once each 2 years, the Board shall review the geographic distribution of canola and rapeseed production throughout the United States and, if warranted, recommend to the Secretary that the Secretary—

(A) reapportion regions in order to reflect the geographic distribution of canola and rapeseed production; and

(B) reapportion the seats on the Board to reflect the production in each region.

(6) CERTIFICATION OF ORGANIZATIONS.—

(A) IN GENERAL.—The eligibility of any State organization to represent producers shall be certified by the Secretary.

(B) CRITERIA.—The Secretary shall certify any State organization that the Secretary determines has a history of stability and permanency and meets at least 1 of the following criteria:

(i) MAJORITY REPRESENTATION.—The total paid membership of the organization—

(I) is comprised of at least a majority of canola or rapeseed producers; or

(II) represents at least a majority of the canola or rapeseed producers in the State.

(ii) SUBSTANTIAL NUMBER OF PRODUCERS REPRESENTED.—The organization represents a substantial number of producers that produce a substantial quantity of canola or rapeseed in the State.

(iii) PURPOSE.—The organization is a general farm or agricultural organization that has as a stated objective the promotion and development of the United States canola or rapeseed industry and the economic welfare of United States canola or rapeseed producers.

(C) REPORT.—The Secretary shall make a certification under this paragraph on the basis of a factual report submitted by the State organization.

(7) TERMS OF OFFICE.—

(A) IN GENERAL.—The members of the Board shall serve for a term of 3 years, except that the members appointed to the initial Board shall serve, proportionately, for terms of 1, 2, and 3 years, as determined by the Secretary.

(B) TERMINATION OF TERMS.—Notwithstanding subparagraph (C), each member shall continue to serve until a successor is appointed by the Secretary.

(C) LIMITATION ON TERMS.—No individual may serve more than 2 consecutive 3-year terms as a member.

(8) COMPENSATION.—A member of the Board shall serve without compensation, but shall be reimbursed for necessary and reasonable expenses incurred in the performance of duties for and approved by the Board.

(c) POWERS AND DUTIES OF THE BOARD.—The order shall define the powers and duties of the Board, which shall include the power and duty—

(1) to administer the order in accordance with the terms and conditions of the order;

(2) to make regulations to effectuate the terms and conditions of the order;

(3) to meet, organize, and select from among members of the Board a chairperson, other officers, and committees and subcommittees, as the Board determines appropriate;

(4) to establish working committees of persons other than Board members;

(5) to employ such persons, other than Board members, as the Board considers necessary, and to determine the compensation and define the duties of the persons;

(6) to prepare and submit for the approval of the Secretary, when appropriate or necessary, a recommended rate of assessment under section 926, and a fiscal period budget of the anticipated expenses in the administration of the order, including the probable costs of all programs and projects;

(7) to develop programs and projects, subject to subsection (d);

(8) to enter into contracts or agreements, subject to subsection (e), to develop and carry out programs or projects of research, promotion, industry information, and consumer information;

(9) to carry out research, promotion, industry information, and consumer information projects, and to pay the costs of the projects with assessments collected under section 926;

(10) to keep minutes, books, and records that reflect the actions and transactions of the Board, and promptly report minutes of each Board meeting to the Secretary;

(11) to appoint and convene, from time to time, working committees comprised of producers, industry members, and the public to assist in the development of research, promotion, industry information, and consumer information programs for canola, rapeseed, and canola and rapeseed products;

(12) to invest, pending disbursement under a program or project, funds collected through assessments authorized under section 926, or funds earned from investments, only in—

(A) obligations of the United States or an agency of the United States;

(B) general obligations of a State or a political subdivision of a State;

(C) an interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System; or

(D) obligations fully guaranteed as to principal and interest by the United States;

(13) to receive, investigate, and report to the Secretary complaints of violations of the order;

(14) to furnish the Secretary with such information as the Secretary may request;

(15) to recommend to the Secretary amendments to the order;

(16) to develop and recommend to the Secretary for approval such regulations as may

be necessary for the development and execution of programs or projects, or as may otherwise be necessary, to carry out the order; and

(17) to provide the Secretary with advance notice of meetings.

(d) PROGRAMS AND BUDGETS.—

(1) SUBMISSION TO SECRETARY.—The order shall provide that the Board shall submit to the Secretary for approval any program or project of research, promotion, consumer information, or industry information. No program or project shall be implemented prior to approval by the Secretary.

(2) BUDGETS.—The order shall require the Board, prior to the beginning of each fiscal year, or as may be necessary after the beginning of a fiscal year, to submit to the Secretary for approval budgets of anticipated expenses and disbursements in the implementation of the order, including projected costs of research, promotion, consumer information, and industry information programs and projects.

(3) INCURRING EXPENSES.—The Board may incur such expenses for programs or projects of research, promotion, consumer information, or industry information, and other expenses for the administration, maintenance, and functioning of the Board as may be authorized by the Secretary, including any implementation, administrative, and referendum costs incurred by the Department.

(4) PAYING EXPENSES.—The funds to cover the expenses referred to in paragraph (3) shall be paid by the Board from assessments collected under section 926 or funds borrowed pursuant to paragraph (5).

(5) AUTHORITY TO BORROW.—To meet the expenses referred to in paragraph (3), the Board shall have the authority to borrow funds, as approved by the Secretary, for capital outlays and startup costs.

(e) CONTRACTS AND AGREEMENTS.—

(1) IN GENERAL.—To ensure efficient use of funds, the order shall provide that the Board may enter into a contract or agreement for the implementation and carrying out of a program or project of canola, rapeseed, or canola or rapeseed products research, promotion, consumer information, or industry information, including a contract with a producer organization, and for the payment of the costs with funds received by the Board under the order.

(2) REQUIREMENTS.—A contract or agreement under paragraph (1) shall provide that—

(A) the contracting party shall develop and submit to the Board a program or project together with a budget that shall show the estimated costs to be incurred for the program or project;

(B) the program or project shall become effective on the approval of the Secretary; and

(C) the contracting party shall keep accurate records of all transactions, account for funds received and expended, make periodic reports to the Board of activities conducted, and make such other reports as the Board or the Secretary may require.

(3) PRODUCER ORGANIZATIONS.—The order shall provide that the Board may contract with producer organizations for any other services. The contract shall include provisions comparable to those required by paragraph (2).

(f) BOOKS AND RECORDS OF THE BOARD.—

(1) IN GENERAL.—The order shall require the Board to—

(A) maintain such books and records (which shall be available to the Secretary for inspection and audit) as the Secretary may prescribe;

(B) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and

(C) account for the receipt and disbursement of all funds entrusted to the Board.

(2) AUDITS.—The Board shall cause the books and records of the Board to be audited by an independent auditor at the end of each fiscal year, and a report of the audit to be submitted to the Secretary.

(g) PROHIBITION.—

(1) IN GENERAL.—Subject to paragraph (2), the Board shall not engage in any action to, nor shall any funds received by the Board under this subtitle be used to—

(A) influence legislation or governmental action;

(B) engage in an action that would be a conflict of interest;

(C) engage in advertising that is false or misleading; or

(D) engage in promotion that would disparage other commodities.

(2) ACTION PERMITTED.—Paragraph (1) does not preclude—

(A) the development and recommendation of amendments to the order;

(B) the communication to appropriate government officials of information relating to the conduct, implementation, or results of promotion, research, consumer information, or industry information activities under the order; or

(C) any action designed to market canola or rapeseed products directly to a foreign government or political subdivision of a foreign government.

(h) BOOKS AND RECORDS.—

(1) IN GENERAL.—The order shall require that each producer, first purchaser, or industry member shall—

(A) maintain and submit to the Board any reports considered necessary by the Secretary to ensure compliance with this subtitle; and

(B) make available during normal business hours, for inspection by employees of the Board or Secretary, such books and records as are necessary to carry out this subtitle, including such records as are necessary to verify any required reports.

(2) CONFIDENTIALITY.—

(A) IN GENERAL.—Except as otherwise provided in this subtitle, all information obtained from books, records, or reports required to be maintained under paragraph (1) shall be kept confidential, and shall not be disclosed to the public by any person.

(B) DISCLOSURE.—Information referred to in subparagraph (A) may be disclosed to the public if—

(i) the Secretary considers the information relevant;

(ii) the information is revealed in a suit or administrative hearing brought at the direction or on the request of the Secretary or to which the Secretary or any officer of the Department is a party; and

(iii) the information relates to this subtitle.

(C) MISCONDUCT.—A knowing disclosure of confidential information in violation of subparagraph (A) by an officer or employee of the Board or Department, except as required by other law or allowed under subparagraph (B) or (D), shall be considered a violation of this subtitle.

(D) GENERAL STATEMENTS.—Nothing in this paragraph prohibits—

(i) the issuance of general statements, based on the reports, of the number of persons subject to the order or statistical data collected from the reports, if the statements do not identify the information furnished by any person; or

(ii) the publication, by direction of the Secretary, of the name of a person violating the order, together with a statement of the particular provisions of the order violated by the person.

(3) AVAILABILITY OF INFORMATION.—

(A) EXCEPTION.—Except as provided in this subtitle, information obtained under this subtitle may be made available to another agency of the Federal Government for a civil or criminal law enforcement activity if the activity is authorized by law and if the head of the agency has made a written request to the Secretary specifying the particular information desired and the law enforcement activity for which the information is sought.

(B) PENALTY.—Any person knowingly violating this subsection, on conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or both, and if an officer or employee of the Board or the Department, shall be removed from office or terminated from employment, as applicable.

(5) WITHHOLDING INFORMATION.—Nothing in this subtitle authorizes withholding information from Congress.

(i) USE OF ASSESSMENTS.—The order shall provide that the assessments collected under section 926 shall be used for payment of the expenses in implementing and administering this subtitle, with provision for a reasonable reserve, and to cover those administrative costs incurred by the Secretary in implementing and administering this subtitle.

(j) OTHER TERMS AND CONDITIONS.—The order also shall contain such terms and conditions, not inconsistent with this subtitle, as determined necessary by the Secretary to effectuate this subtitle.

SEC. 926. ASSESSMENTS.

(a) IN GENERAL.—

(1) FIRST PURCHASERS.—During the effective period of an order issued pursuant to this subtitle, assessments shall be—

(A) levied on all canola or rapeseed produced in the United States and marketed; and

(B) deducted from the payment made to a producer for all canola or rapeseed sold to a first purchaser.

(2) DIRECT PROCESSING.—The order shall provide that any person processing canola or rapeseed of that person's own production and marketing the canola or rapeseed, or canola or rapeseed products, shall remit to the Board or a qualified State canola and rapeseed board, in the manner prescribed by the order, an assessment established at a rate equivalent to the rate provided for under subsection (d).

(b) LIMITATION ON ASSESSMENTS.—No more than 1 assessment may be assessed under subsection (a) on any canola or rapeseed produced (as remitted by a first purchaser).

(c) REMITTING ASSESSMENTS.—

(1) IN GENERAL.—Assessments required under subsection (a) shall be remitted to the Board by a first purchaser. The Board shall use qualified State canola and rapeseed boards to collect the assessments. If an appropriate qualified State canola and rapeseed board does not exist to collect an assessment, the assessment shall be collected by the Board. There shall be only 1 qualified State canola or rapeseed Board in each State.

(2) TIMES TO REMIT ASSESSMENT.—Each first purchaser shall remit the assessment to the Board as provided for in the order.

(d) ASSESSMENT RATE.—

(1) INITIAL RATE.—The initial assessment rate shall be 4 cents per hundredweight of canola or rapeseed produced and marketed.

(2) Increase.—The assessment rate may be increased on recommendation by the Board to a rate not exceeding 10 cents per hundredweight of canola or rapeseed produced and marketed in a State, unless—

(A) after the initial referendum is held under section 927(a), the Board recommends an increase above 10 cents per hundredweight; and

(B) the increase is approved in a referendum under section 927(b).

(3) Credit.—A producer who demonstrates to the Board that the producer is participating in a program of an established qualified State canola and rapeseed board shall receive credit, in determining the assessment due from the producer, for contributions to the program of up to 2 cents per hundredweight of canola or rapeseed marketed.

(e) Late Payment Charge.—

(1) In general.—There shall be a late payment charge imposed on any person who fails to remit, on or before the date provided for in the order, to the Board the total amount for which the person is liable.

(2) Amount of charge.—The amount of the late payment charge imposed under paragraph (1) shall be prescribed by the Board with the approval of the Secretary.

(f) Refund of Assessments From Escrow Account.—

(1) Establishment of escrow account.—During the period beginning on the date on which an order is first issued under section 924(b)(3) and ending on the date on which a referendum is conducted under section 927(a), the Board shall—

(A) establish an escrow account to be used for assessment refunds; and

(B) place funds in such account in accordance with paragraph (2).

(2) Placement of funds in account.—The Board shall place in such account, from assessments collected during the period referred to in paragraph (1), an amount equal to the product obtained by multiplying the total amount of assessments collected during the period by 10 percent.

(3) Right to receive refund.—The Board shall refund to a producer the assessments paid by or on behalf of the producer if—

(A) the producer is required to pay the assessment;

(B) the producer does not support the program established under this subtitle; and

(C) the producer demands the refund prior to the conduct of the referendum under section 927(a).

(4) Form of demand.—The demand shall be made in accordance with such regulations, in such form, and within such time period as prescribed by the Board.

(5) Making of refund.—The refund shall be made on submission of proof satisfactory to the Board that the producer paid the assessment for which the refund is demanded.

(6) Proration.—If—

(A) the amount in the escrow account required by paragraph (1) is not sufficient to refund the total amount of assessments demanded by eligible producers; and

(B) the order is not approved pursuant to the referendum conducted under section 927(a);

the Board shall prorate the amount of the refunds among all eligible producers who demand a refund.

(7) Program approved.—If the plan is approved pursuant to the referendum conducted under section 927(a), all funds in the escrow account shall be returned to the Board for use by the Board in accordance with this subtitle.

SEC. 927. REFERENDA.

(a) Initial Referendum.—

(1) Requirement.—During the period ending 30 months after the date of the first issuance of an order under section 924, the Secretary shall conduct a referendum among producers who, during a representative period as determined by the Secretary, have been engaged in the production of canola or rapeseed for the purpose of ascertaining whether the order then in effect shall be continued.

(2) Advance notice.—The Secretary shall, to the extent practicable, provide broad public notice in advance of any referendum. The notice shall be provided, without advertising expenses, by means of newspapers, county newsletters, the electronic media, and press releases, through the use of notices posted in State and county Cooperative State Research, Education, and Extension Service offices and county Consolidated Farm Service Agency offices, and by other appropriate means specified in the order. The notice shall include information on when the referendum will be held, registration and voting requirements, rules regarding absentee voting, and other pertinent information.

(3) Approval of order.—The order shall be continued only if the Secretary determines that the order has been approved by not less than a majority of the producers voting in the referendum.

(4) Disapproval of order.—If continuation of the order is not approved by a majority of those voting in the referendum, the Secretary shall terminate collection of assessments under the order within 6 months after the referendum and shall terminate the order in an orderly manner as soon as practicable.

(b) Additional Referenda.—

(1) In general.—

(A) Requirement.—After the initial referendum on an order, the Secretary shall conduct additional referenda, as described in subparagraph (C), if requested by a representative group of producers, as described in subparagraph (B).

(B) Representative group of producers.—An additional referendum on an order shall be conducted if requested by 10 percent or more of the producers who during a representative period have been engaged in the production of canola or rapeseed.

(C) Eligible producers.—Each additional referendum shall be conducted among all producers who, during a representative period, as determined by the Secretary, have been engaged in the production of canola or rapeseed to determine whether the producers favor the termination or suspension of the order.

(2) Disapproval of order.—If the Secretary determines, in a referendum conducted under paragraph (1), that suspension or termination of the order is favored by a majority of the producers voting in the referendum, the Secretary shall suspend or terminate, as appropriate, collection of assessments under the order within 6 months after the determination, and shall suspend or terminate the order, as appropriate, in an orderly manner as soon as practicable after the determination.

(3) Opportunity to request additional referenda.—

(A) In general.—Beginning on the date that is 5 years after the conduct of a referendum under this subtitle, and every 5 years thereafter, the Secretary shall provide canola and rapeseed producers an opportunity to request an additional referendum.

(B) Method of making request.—

(i) In-person requests.—To carry out subparagraph (A), the Secretary shall establish a procedure under which a producer may request a reconfirmation referendum in-person at a county Cooperative State Research, Education, and Extension Service office or a county Consolidated Farm Service Agency office during a period established by the Secretary, or as provided in clause (ii).

(ii) Mail-in requests.—In lieu of making a request in person, a producer may make a request by mail. To facilitate the submission of requests by mail, the Secretary may make mail-in request forms available to producers.

(C) Notifications.—The Secretary shall publish a notice in the Federal Register, and the Board shall provide written notification to producers, not later than 60 days prior to the end of the period established under subparagraph (B)(i) for an in-person request, of the opportunity of producers to request an additional referendum. The notification shall explain the right of producers to an additional referendum, the procedure for a referendum, the purpose of a referendum, and the date and method by which producers may act to request an additional referendum under this paragraph. The Secretary shall take such other action as the Secretary determines is necessary to ensure that producers are made aware of the opportunity to request an additional referendum.

(D) Action by Secretary.—As soon as practicable following the submission of a request for an additional referendum, the Secretary shall determine whether a sufficient number of producers have requested the referendum, and take such steps as are necessary to conduct the referendum, as required under paragraph (1).

(E) Time limit.—An additional referendum requested under the procedures provided in this paragraph shall be conducted not later than 1 year after the Secretary determines that a representative group of producers, as described in paragraph (1)(B), have requested the conduct of the referendum.

(c) Procedures.—

(1) Reimbursement of Secretary.—The Secretary shall be reimbursed from assessments collected by the Board for any expenses incurred by the Secretary in connection with the conduct of an activity required under this section.

(2) Date.—Each referendum shall be conducted for a reasonable period of time not to exceed 3 days, established by the Secretary, under a procedure under which producers intending to vote in the referendum shall certify that the producers were engaged in the production of canola, rapeseed, or canola or rapeseed products during the representative period and, at the same time, shall be provided an opportunity to vote in the referendum.

(3) Place.—Referenda under this section shall be conducted at locations determined by the Secretary. On request, absentee mail ballots shall be furnished by the Secretary in a manner prescribed by the Secretary.

SEC. 928. PETITION AND REVIEW.

(a) Petition.—

(1) In general.—A person subject to an order issued under this subtitle may file with the Secretary a petition—

(A) stating that the order, a provision of the order, or an obligation imposed in connection with the order is not established in accordance with law; and

(B) requesting a modification of the order or an exemption from the order.

(2) Hearings.—The petitioner shall be given the opportunity for a hearing on a petition filed under paragraph (1), in accordance with regulations issued by the Secretary.

(3) RULING.—After a hearing under paragraph (2), the Secretary shall make a ruling on the petition that is the subject of the hearing, which shall be final if the ruling is in accordance with applicable law.

(4) LIMITATION ON PETITION.—Any petition filed under this subtitle challenging an order, or any obligation imposed in connected with an order, shall be filed not later than 2 years after the effective date of the order or obligation.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district court of the United States in any district in which the person who is a petitioner under subsection (a) resides or carries on business shall have jurisdiction to review a ruling on the petition, if a complaint is filed by the person not later than 20 days after the date of the entry of a ruling by the Secretary under subsection (a)(3).

(2) PROCESS.—Service of process in a proceeding under paragraph (1) shall be conducted in accordance with the Federal Rules of Civil Procedure.

(3) REMANDS.—If the court determines, under paragraph (1), that a ruling issued under subsection (a)(3) is not in accordance with applicable law, the court shall remand the matter to the Secretary with directions either—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further proceedings as, in the opinion of the court, the law requires.

(4) ENFORCEMENT.—The pendency of proceedings instituted under subsection (a) shall not impede, hinder, or delay the Attorney General or the Secretary from taking any action under section 929.

SEC. 929. ENFORCEMENT.

(a) JURISDICTION.—The district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, an order or regulation made or issued under this subtitle.

(b) REFERRAL TO ATTORNEY GENERAL.—A civil action authorized to be commenced under this section shall be referred to the Attorney General for appropriate action, except that the Secretary shall not be required to refer to the Attorney General a violation of this subtitle if the Secretary believes that the administration and enforcement of this subtitle would be adequately served by providing a suitable written notice or warning to the person who committed the violation or by administrative action under section 928.

(c) CIVIL PENALTIES AND ORDERS.—

(1) CIVIL PENALTIES.—

(A) IN GENERAL.—Any person who willfully violates any provision of an order or regulation issued by the Secretary under this subtitle, or who fails or refuses to pay, collect, or remit an assessment or fee required of the person under an order or regulation, may be assessed—

(i) a civil penalty by the Secretary of not more than $1,000 for each violation; and

(ii) in the case of a willful failure to pay, collect, or remit an assessment as required by an order or regulation, an additional penalty equal to the amount of the assessment.

(B) SEPARATE OFFENSE.—Each violation under subparagraph (A) shall be a separate offense.

(2) CEASE-AND-DESIST ORDERS.—In addition to, or in lieu of, a civil penalty under paragraph (1), the Secretary may issue an order requiring a person to cease and desist from continuing a violation.

(3) NOTICE AND HEARING.—No penalty shall be assessed, or cease-and-desist order issued, by the Secretary under this subsection unless the person against whom the penalty is assessed or the order is issued is given notice and opportunity for a hearing before the Secretary with respect to the violation.

(4) FINALITY.—The order of the Secretary assessing a penalty or imposing a cease-and-desist order under this subsection shall be final and conclusive unless the affected person files an appeal of the order with the appropriate district court of the United States in accordance with subsection (d).

(d) REVIEW BY DISTRICT COURT.—

(1) COMMENCEMENT OF ACTION.—Any person who has been determined to be in violation of this subtitle, or against whom a civil penalty has been assessed or a cease-and-desist order issued under subsection (c), may obtain review of the penalty or order by—

(A) filing, within the 30-day period beginning on the date the penalty is assessed or order issued, a notice of appeal in—

(i) the district court of the United States for the district in which the person resides or conducts business; or

(ii) the United States District Court for the District of Columbia; and

(B) simultaneously sending a copy of the notice by certified mail to the Secretary.

(2) RECORD.—The Secretary shall file promptly, in the appropriate court referred to in paragraph (1), a certified copy of the record on which the Secretary has determined that the person has committed a violation.

(3) STANDARD OF REVIEW.—A finding of the Secretary under this section shall be set aside only if the finding is found to be unsupported by substantial evidence.

(e) FAILURE TO OBEY ORDERS.—Any person who fails to obey a cease-and-desist order issued under this section after the order has become final and unappealable, or after the appropriate United States district court has entered a final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary, after opportunity for a hearing and for judicial review under the procedures specified in subsections (c) and (d), of not more than $5,000 for each offense. Each day during which the failure continues shall be considered as a separate violation of the order.

(f) FAILURE TO PAY PENALTIES.—If a person fails to pay an assessment of a civil penalty under this section after the assessment has become a final and unappealable order, or after the appropriate United States district court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount assessed in the district court in which the person resides or conducts business. In an action for recovery, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

(g) ADDITIONAL REMEDIES.—The remedies provided in this subtitle shall be in addition to, and not exclusive of, other remedies that may be available.

SEC. 930. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) INVESTIGATIONS.—The Secretary may make such investigations as the Secretary considers necessary—

(1) for the effective administration of this subtitle; and

(2) to determine whether any person has engaged or is engaging in an act that constitutes a violation of this subtitle, or an order, rule, or regulation issued under this subtitle.

(b) SUBPOENAS, OATHS, AND AFFIRMATIONS.—

(1) IN GENERAL.—For the purpose of an investigation under subsection (a), the Secretary may administer oaths and affirmations, subpoena witnesses, take evidence, and issue subpoenas to require the production of any records that are relevant to the inquiry. The attendance of witnesses and the production of records may be required from any place in the United States.

(2) ADMINISTRATIVE HEARINGS.—For the purpose of an administrative hearing held under section 928 or 929, the presiding officer is authorized to administer oaths and affirmations, subpoena and compel the attendance of witnesses, take evidence, and require the production of any records that are relevant to the inquiry. The attendance of witnesses and the production of records may be required from any place in the United States.

(c) AID OF COURTS.—In the case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which the investigation or proceeding is carried on, or where the person resides or carries on business, in order to enforce a subpoena issued by the Secretary under subsection (b). The court may issue an order requiring the person to comply with the subpoena.

(d) CONTEMPT.—A failure to obey an order of the court under this section may be punished by the court as contempt of the court.

(e) PROCESS.—Process may be served on a person in the judicial district in which the person resides or conducts business or wherever the person may be found.

(f) HEARING SITE.—The site of a hearing held under section 928 or 729 shall be in the judicial district where the person affected by the hearing resides or has a principal place of business.

SEC. 931. SUSPENSION OR TERMINATION OF AN ORDER.

The Secretary shall, whenever the Secretary finds that an order or a provision of an order obstructs or does not tend to effectuate the declared policy of this subtitle, terminate or suspend the operation of the order or provision. The termination or suspension of an order shall not be considered an order within the meaning of this subtitle.

SEC. 932. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this subtitle.

SEC. 933. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated for each fiscal year such sums as are necessary to carry out this subtitle.

(b) ADMINISTRATIVE EXPENSES.—Funds appropriated under subsection (a) shall not be available for payment of the expenses or expenditures of the Board in administering a provision of an order issued under this subtitle.

Subtitle C—Kiwifruit

SEC. 941. SHORT TITLE.

This subtitle may be cited as the "National Kiwifruit Research, Promotion, and Consumer Information Act".

SEC. 942. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) domestically produced kiwifruit are grown by many individual producers;

(2) virtually all domestically produced kiwifruit are grown in the State of California, although there is potential for production in many other areas of the United States;

(3) kiwifruit move in interstate and foreign commerce, and kiwifruit that do not move in

channels of commerce directly burden or affect interstate commerce;

(4) in recent years, large quantities of kiwifruit have been imported into the United States;

(5) the maintenance and expansion of existing domestic and foreign markets for kiwifruit, and the development of additional and improved markets for kiwifruit, are vital to the welfare of kiwifruit producers and other persons concerned with producing, marketing, and processing kiwifruit;

(6) a coordinated program of research, promotion, and consumer information regarding kiwifruit is necessary for the maintenance and development of the markets; and

(7) kiwifruit producers, handlers, and importers are unable to implement and finance such a program without cooperative action.

(b) PURPOSES.—The purposes of this subtitle are—

(1) to authorize the establishment of an orderly procedure for the development and financing (through an assessment) of an effective and coordinated program of research, promotion, and consumer information regarding kiwifruit;

(2) to use the program to strengthen the position of the kiwifruit industry in domestic and foreign markets and maintain, develop, and expand markets for kiwifruit; and

(3) to treat domestically produced kiwifruit and imported kiwifruit equitably.

SEC. 943. DEFINITIONS.

In this subtitle (unless the context otherwise requires):

(1) BOARD.—The term "Board" means the National Kiwifruit Board established under section 945.

(2) CONSUMER INFORMATION.—The term "consumer information" means any action taken to provide information to, and broaden the understanding of, the general public regarding the consumption, use, nutritional attributes, and care of kiwifruit.

(3) EXPORTER.—The term "exporter" means any person from outside the United States who exports kiwifruit into the United States.

(4) HANDLER.—The term "handler" means any person, excluding a common carrier, engaged in the business of buying and selling, packing, marketing, or distributing kiwifruit as specified in the order.

(5) IMPORTER.—The term "importer" means any person who imports kiwifruit into the United States.

(6) KIWIFRUIT.—The term "kiwifruit" means all varieties of fresh kiwifruit grown or imported in the United States.

(7) MARKETING.—The term "marketing" means the sale or other disposition of kiwifruit into interstate, foreign, or intrastate commerce by buying, marketing, distribution, or otherwise placing kiwifruit into commerce.

(8) ORDER.—The term "order" means a kiwifruit research, promotion, and consumer information order issued by the Secretary under section 944.

(9) PERSON.—The term "person" means any individual, group of individuals, partnership, corporation, association, cooperative, or other legal entity.

(10) PROCESSING.—The term "processing" means canning, fermenting, distilling, extracting, preserving, grinding, crushing, or in any manner changing the form of kiwifruit for the purposes of preparing the kiwifruit for market or marketing the kiwifruit.

(11) PRODUCER.—The term "producer" means any person who grows kiwifruit in the United States for sale in commerce.

(12) PROMOTION.—The term "promotion" means any action taken under this subtitle (including paid advertising) to present a favorable image for kiwifruit to the general public for the purpose of improving the competitive position of kiwifruit and stimulating the sale of kiwifruit.

(13) RESEARCH.—The term "research" means any type of research relating to the use, nutritional value, and marketing of kiwifruit conducted for the purpose of advancing the image, desirability, marketability, or quality of kiwifruit.

(14) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(15) UNITED STATES.—The term "United States" means the 50 States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 944. ISSUANCE OF ORDERS.

(a) ISSUANCE.—To effectuate the declared purposes of this subtitle, the Secretary shall issue an order applicable to producers, handlers, and importers of kiwifruit. Any such order shall be national in scope. Not more than 1 order shall be in effect under this subtitle at any 1 time.

(b) PROCEDURE.—

(1) PROPOSAL FOR ISSUANCE OF ORDER.—Any person that will be affected by this subtitle may request the issuance of, and submit a proposal for, an order under this subtitle.

(2) PROPOSED ORDER.—Not later than 90 days after the receipt of a request and proposal for an order, the Secretary shall publish a proposed order and give due notice and opportunity for public comment on the proposed order.

(3) ISSUANCE OF ORDER.—After notice and opportunity for public comment are provided under paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is in conformity with this subtitle.

(c) AMENDMENTS.—The Secretary may amend any order issued under this section. The provisions of this subtitle applicable to an order shall be applicable to an amendment to an order.

SEC. 945. NATIONAL KIWIFRUIT BOARD.

(a) MEMBERSHIP.—An order issued by the Secretary under section 944 shall provide for the establishment of a National Kiwifruit Board that consists of the following 11 members:

(1) 6 members who are producers (or representatives of producers) and who are not exempt from an assessment under section 946(b).

(2) 4 members who are importers (or representatives of importers) and who are not exempt from an assessment under section 946(b) or are exporters (or representatives of exporters).

(3) 1 member appointed from the general public.

(b) ADJUSTMENT OF MEMBERSHIP.—Subject to the 11-member limit, the Secretary may adjust membership on the Board to accommodate changes in production and import levels of kiwifruit.

(c) APPOINTMENT AND NOMINATION.—

(1) APPOINTMENT.—The Secretary shall appoint the members of the Board from nominations submitted in accordance with this subsection.

(2) PRODUCERS.—The members referred to in subsection (a)(1) shall be appointed from individuals nominated by producers.

(3) IMPORTERS AND EXPORTERS.—The members referred to in subsection (a)(2) shall be appointed from individuals nominated by importers or exporters.

(4) PUBLIC REPRESENTATIVE.—The public representative shall be appointed from nominations submitted by other members of the Board.

(5) FAILURE TO NOMINATE.—If producers, importers, and exporters fail to nominate individuals for appointment, the Secretary may appoint members on a basis provided for in the order. If the Board fails to nominate a public representative, the member may be appointed by the Secretary without a nomination.

(d) ALTERNATES.—The Secretary shall appoint an alternate for each member of the Board. An alternate shall—

(1) be appointed in the same manner as the member for whom the individual is an alternate; and

(2) serve on the Board if the member is absent from a meeting or is disqualified under subsection (f).

(e) TERMS.—A member of the Board shall be appointed for a term of 3 years. No member may serve more than 2 consecutive 3-year terms, except that of the members first appointed—

(1) 5 members shall be appointed for a term of 2 years; and

(2) 6 members shall be appointed for a term of 3 years.

(f) DISQUALIFICATION.—If a member or alternate of the Board who was appointed as a producer, importer, exporter, or public representative member ceases to belong to the group for which the member was appointed, the member or alternate shall be disqualified from serving on the Board.

(g) COMPENSATION.—A members or alternate of the Board shall serve without pay.

(h) GENERAL POWERS AND DUTIES.—The Board shall—

(1) administer an order issued by the Secretary under section 944, and an amendment to the order, in accordance with the order and amendment and this subtitle;

(2) prescribe rules and regulations to carry out the order;

(3) meet, organize, and select from among members of the Board a chairperson, other officers, and committees and subcommittees, as the Board determines appropriate;

(4) receive, investigate, and report to the Secretary accounts of violations of the order;

(5) make recommendations to the Secretary with respect to an amendment that should be made to the order; and

(6) employ or contract with a manager and staff to assist in administering the order, except that, to reduce administrative costs and increase efficiency, the Board shall seek, to the extent practicable, to employ or contract with personnel who are already associated with State chartered organizations involved in promoting kiwifruit.

SEC. 946. REQUIRED TERMS IN ORDER.

(a) BUDGETS AND PLANS.—

(1) IN GENERAL.—An order issued under section 944 shall provide for periodic budgets and plans in accordance with this subsection.

(2) BUDGETS.—The Board shall prepare and submit to the Secretary a budget prior to the beginning of the fiscal year of the anticipated expenses and disbursements of the Board in the administration of the order, including probable costs of research, promotion, and consumer information. A budget shall become effective on a ⅔-vote of a quorum of the Board and approval by the Secretary.

(3) PLANS.—Each budget shall include a plan for research, promotion, and consumer information regarding kiwifruit. A plan under this paragraph shall become effective

on approval by the Secretary. The Board may enter into contracts and agreements, on approval by the Secretary, for—

(A) the development of and carrying out the plan; and

(B) the payment of the cost of the plan, with funds collected pursuant to this subtitle.

(b) ASSESSMENTS.—

(1) IN GENERAL.—The order shall provide for the imposition and collection of assessments with regard to the production and importation of kiwifruit in accordance with this subsection.

(2) RATE.—The assessment rate shall be the reate that is recommended by a ⅔-vote of a quorum of the Board and approved by the Secretary, except that the rate shall not exceed $0.10 per 7-pound tray of kiwifruit or equivalent.

(3) COLLECTION BY FIRST HANDLERS.—Except as provided in paragraph (5), the first handler of kiwifruit shall—

(A) be responsible for the collection from the producer, and payment to the Board, of assessments required under this subsection; and

(B) maintain a separate record of the kiwifruit of each producer whose kiwifruit are so handled, including the kiwifruit owned by the handler.

(4) IMPORTERS.—The assessment on imported kiwifruit shall be paid by the importer to the United States Customs Service at the time of entry into the United States and shall be remitted to the Board.

(5) EXEMPTION FROM ASSESSMENT.—The following persons or activities are exempt from an assessment under this subsection:

(A) A producer who produces less than 500 pounds of kiwifruit per year.

(B) An importer who imports less than 10,000 pounds of kiwifruit per year.

(C) A sale of kiwifruit made directly from the producer to a consumer for a purpose other than resale.

(D) The production or importation of kiwifruit for processing.

(6) CLAIM OF EXEMPTION.—To claim an exemption under paragraph (5) for a particular year, a person shall—

(A) submit an application to the Board stating the basis for the exemption and certifying that the quantity of kiwifruit produced, imported, or sold by the person will not exceed any poundage limitation required for the exemption in the year; or

(B) be on a list of approved processors developed by the Board.

(c) USE OF ASSESSMENTS.

(1) AUTHORIZED USES.—The order shall provide that funds paid to the Board as assessments under subsection (b) may be used by the Board—

(A) to pay for research, promotion, and consumer information described in the budget of the Board under subsection (a) and for other expenses incurred by the Board in the administration of an order;

(B) to pay such other expenses for the administration, maintenance, and functioning of the Board, including any enforcement efforts for the collection of assessments as may be authorized by the Secretary, including interest and penalties for late payments; and

(C) to fund a reserve established under section 947(d).

(2) REQUIRED USES.—The order shall provide that funds paid to the Board as assessments under subsection (b) shall be used by the Board—

(A) to pay the expenses incurred by the Secretary, including salaries and expenses of Federal Government employees, in implementing and administering the order; and

(B) to reimburse the Secretary for any expenses incurred by the Secretary in conducting referenda under this subtitle.

(3) LIMITATION ON USE OF ASSESSMENTS.—Except for the first year of operation of the Board, expenses for the administration, maintenance, and functioning of the Board may not exceed 30 percent of the budget for a year.

(d) FALSE CLAIMS.—The order shall provide that any promotion funded with assessments collected under subsection (b) may not make—

(1) any false claims on behalf of kiwifruit; and

(2) any false statements with respect to the attributes or use of any product that competes with kiwifruit for sale in commerce.

(e) PROHIBITION ON USE OF FUNDS.—The order shall provide that funds collected by the Board under this subtitle through assessments may not, in any manner, be used for the purpose of influencing legislation or governmental policy or action, except for making recommendations to the Secretary as provided for under this subtitle.

(f) BOOKS, RECORDS, AND REPORTS.—

(1) BOARD.—The order shall require the Board—

(A) to maintain books and records with respect to the receipt and disbursement of funds received by the Board;

(B) to submit to the Secretary from time to time such reports as the Secretary may require for appropriate accounting; and

(C) to submit to the Secretary at the end of each fiscal year a complete audit report by an independent auditor regarding the activities of the Board during the fiscal year.

(2) OTHERS.—To make information and data available to the Board and the Secretary that is appropriate or necessary for the effectuation, administration, or enforcement of this subtitle (or any order or regulation issued under this subtitle), the order shall require handlers and importers who are responsible for the collection, payment, or remittance of assessments under subsection (b)—

(A) to maintain and make available for inspection by the employees and agents of the Board and the Secretary such books and records as may be required by the order; and

(B) to file, at the times and in the manner and content prescribed by the order, reports regarding the collection, payment, or remittance of the assessments.

(g) CONFIDENTIALITY.—

(1) IN GENERAL.—The order shall require that all information obtained pursuant to subsection (f)(2) be kept confidential by all officers and employees and agents of the Department and of the Board. Only such information as the Secretary considers relevant shall be disclosed to the public and only in a suit or administrative hearing, brought at the request of the Secretary or to which the Secretary or any officer of the United States is a party, involving the order with respect to which the information was furnished or acquired.

(2) LIMITATIONS.—Nothing in this subsection prohibits—

(A) issuance of general statements based on the reports of a number of handlers and importers subject to an order, if the statements do not identify the information furnished by any person; or

(B) the publication, by direction of the Secretary, of the name of any person violating an order issued under section 944(a), together with a statement of the particular provisions of the order violated by the person.

(3) PENALTY.—Any person who willfully violates this subsection, on conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or both, and, if the person is a member, officer, or agent of the board or an employee of the Department, shall be removed from office.

(h) WITHHOLDING INFORMATION.—Nothing in this subtitle authorizes the withholding of information from Congress.

SEC. 947. PERMISSIVE TERMS IN ORDER.

(a) PERMISSIVE TERMS.—On the recommendation of the Board and with the approval of the Secretary, an order issued under section 944 may include the terms and conditions specified in this section and such additional terms and conditions as the Secretary considers necessary to effectuate the other provisions of the order and are incidental to, and not inconsistent with, this subtitle.

(b) ALTERNATIVE PAYMENT AND REPORTING SCHEDULES.—The order may authorize the Board to designate different handler payment and reporting schedules to recognize differences in marketing practices and procedures.

(c) WORKING GROUPS.—The order may authorize the Board to convene working groups drawn from producers, handlers, importers, exporters, or the general public and utilize the expertise of the groups to assist in the development of research and marketing programs for kiwifruit.

(d) RESERVE FUNDS.—The order may authorize the Board to accumulate reserve funds from assessments collected pursuant to section 946(b) to permit an effective and continuous coordinated program of research, promotion, and consumer information in years in which production and assessment income may be reduced, except that any reserve fund may not exceed the amount budgeted for operation of this subtitle for 1 year.

(e) PROMOTION ACTIVITIES OUTSIDE UNITED STATES.—The order may authorize the Board to use, with the approval of the Secretary, funds collected under section 946(b) and funds from other sources for the development and expansion of sales in foreign markets of kiwifruit produced in the United States.

SEC. 948. PETITION AND REVIEW.

(a) PETITION.—

(1) IN GENERAL.—A person subject to an order may file with the Secretary a petition—

(A) stating that the order, a provision of the order, or an obligation imposed in connection with the order is not in accordance with law; and

(B) requesting a modification of the order or an exemption from the order.

(2) HEARINGS.—A person submitting a petition under paragraph (1) shall be given an opportunity for a hearing on the petition, in accordance with regulations issued by the Secretary.

(3) RULING.—After the hearing, the Secretary shall make a ruling on the petition which shall be final if the petition is in accordance with law.

(4) LIMITATION ON PETITION.—Any petition filed under this subtitle challenging an order, or any obligation imposed in connected with an order, shall be filed not later than 2 years after the effective date of the order or obligation.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district court of the United States in any district in which the person who is a petitioner under

subsection (a) resides or carries on business is vested with jurisdiction to review the ruling on the petition of the person, if a complaint for that purpose is filed not later than 20 days after the date of the entry of a ruling by the Secretary under subsection (a).

(2) PROCESS.—Service of process in the proceedings shall be conducted in accordance with the Federal Rules of Civil Procedure.

(3) REMANDS.—If the court determines that the ruling is not in accordance with law, the court shall remand the matter to the Secretary with directions—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further action as, in the opinion of the court, the law requires.

(4) ENFORCEMENT.—The pendency of a proceeding instituted pursuant to subsection (a) shall not impede, hinder, or delay the Attorney General or the Secretary from obtaining relief pursuant to section 949.

SEC. 949. ENFORCEMENT.

(a) JURISDICTION.—A district court of the United States shall have jurisdiction specifically to enforce, and to prevent and restrain any person from violating, any order or regulation made or issued by the Secretary under this subtitle.

(b) REFERRAL TO ATTORNEY GENERAL.—A civil action authorized to be brought under this section shall be referred to the Attorney General for appropriate action, except that the Secretary is not required to refer to the Attorney General a violation of this subtitle, or any order or regulation issued under this subtitle, if the Secretary believes that the administration and enforcement of this subtitle would be adequately served by administrative action under subsection (c) or suitable written notice or warning to any person committing the violation.

(c) CIVIL PENALTIES AND ORDERS.—

(1) CIVIL PENALTIES.—Any person who willfully violates any provision of any order or regulation issued by the Secretary under this subtitle, or who fails or refuses to pay, collect, or remit any assessment or fee duly required of the person under the order or regulation, may be assessed a civil penalty by the Secretary of not less than $500 nor more than $5,000 for each such violation. Each violation shall be a separate offense.

(2) CEASE-AND-DESIST ORDERS.—In addition to or in lieu of the civil penalty, the Secretary may issue an order requiring the person to cease and desist from continuing the violation.

(3) NOTICE AND HEARING.—No order assessing a civil penalty or cease-and-desist order may be issued by the Secretary under this subsection unless the Secretary gives the person against whom the order is issued notice and opportunity for a hearing on the record before the Secretary with respect to the violation.

(4) FINALITY.—The order of the Secretary assessing a penalty or imposing a cease-and-desist order shall be final and conclusive unless the person against whom the order is issued files an appeal from the order with the appropriate district court of the United States, in accordance with subsection (d).

(d) REVIEW BY UNITED STATES DISTRICT COURT.—

(1) COMMENCEMENT OF ACTION.—Any person against whom a violation is found and a civil penalty assessed or cease-and-desist order issued under subsection (c) may obtain review of the penalty or order in the district court of the United States for the district in which the person resides or does business, or the United States district court for the District of Columbia, by—

(A) filing a notice of appeal in the court not later than 30 days after the date of the order; and

(B) simultaneously sending a copy of the notice by certified mail to the Secretary.

(2) RECORD.—The Secretary shall promptly file in the court a certified copy of the record on which the Secretary found that the person had committed a violation.

(3) STANDARD OF REVIEW.—A finding of the Secretary shall be set aside only if the finding is found to be unsupported by substantial evidence.

(e) FAILURE TO OBEY ORDERS.—Any person who fails to obey a cease-and-desist order issued by the Secretary after the order has become final and unappealable, or after the appropriate United States district court has entered a final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary, after opportunity for a hearing and for judicial review under the procedures specified in subsections (c) and (d), of not more than $500 for each offense. Each day during which the failure continues shall be considered a separate violation of the order.

(f) FAILURE TO PAY PENALTIES.—If a person fails to pay an assessment of a civil penalty after the assessment has become a final and unappealable order issued by the Secretary, or after the appropriate United States district court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount assessed in the district court of the United States in any district in which the person resides or conducts business. In the action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

SEC. 950. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) IN GENERAL.—The Secretary may make such investigations as the Secretary considers necessary—

(1) for the effective carrying out of the responsibilities of the Secretary under this subtitle; or

(2) to determine whether a person subject to this subtitle has engaged or is engaging in any act that constitutes a violation of this subtitle, or any order, rule, or regulation issued under this subtitle.

(b) POWER TO SUBPOENA.—

(1) INVESTIGATIONS.—For the purpose of an investigation made under subsection (a), the Secretary may administer oaths and affirmations and may issue subpoenas to require the production of any records that are relevant to the inquiry. The production of any such records may be required from any place in the United States.

(2) ADMINISTRATIVE HEARINGS.—For the purpose of an administrative hearing held under section 948 or 949, the presiding officer is authorized to administer oaths and affirmations, subpoena witnesses, compel the attendance of witnesses, take evidence, and require the production of any records that are relevant to the inquiry. The attendance of witnesses and the production of any such records may be required from any place in the United States.

(c) AID OF COURTS.—In the case of contumacy by, or refusal to obey a subpoena to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which the investigation or proceeding is carried on, or where the person resides or carries on business, to enforce a subpoena issued by the Secretary under subsection (b). The court may issue an order requiring the person to comply with the subpoena.

(d) CONTEMPT.—Any failure to obey the order of the court may be punished by the court as a contempt of the order.

(e) PROCESS.—Process in any such case may be served in the judicial district of which the person resides or conducts business or wherever the person may be found.

(f) HEARING SITE.—The site of any hearing held under section 948 or 949 shall be within the judicial district where the person is an inhabitant or has a principal place of business.

SEC. 951. REFERENDA.

(a) INITIAL REFERENDUM.—

(1) REFERENDUM REQUIRED.—During the 60-day period immediately preceding the proposed effective date of an order issued under section 944, the Secretary shall conduct a referendum among kiwifruit producers and importers who will be subject to assessments under the order, to ascertain whether producers and importers approve the implementation of the order.

(2) APPROVAL OF ORDER.—The order shall become effective, as provided in section 944, if the Secretary determines that—

(A) the order has been approved by a majority of the producers and importers voting in the referendum; and

(B) the producers and importers produce and import more than 50 percent of the total volume of kiwifruit produced and imported by persons voting in the referendum.

(b) SUBSEQUENT REFERENDA.—The Secretary may periodically conduct a referendum to determine if kiwifruit producers and importers favor the continuation, termination, or suspension of any order issued under section 944 that is in effect at the time of the referendum.

(c) REQUIRED REFERENDA.—The Secretary shall hold a referendum under subsection (b)—

(1) at the end of the 6-year period beginning on the effective date of the order and at the end of each subsequent 6-year period;

(2) at the request of the Board; or

(3) if not less than 30 percent of the kiwifruit producers and importers subject to assessments under the order submit a petition requesting the referendum.

(d) VOTE.—On completion of a referendum under subsection (b), the Secretary shall suspend or terminate the order that was subject to the referendum at the end of the marketing year if—

(1) the suspension or termination of the order is favored by not less than a majority of the producers and importers voting in the referendum; and

(2) the producers and importers produce and import more than 50 percent of the total volume of kiwifruit produced and imported by persons voting in the referendum.

(e) CONFIDENTIALITY.—The ballots and other information or reports that reveal, or tend to reveal, the vote of any person under this subtitle and the voting list shall be held strictly confidential and shall not be disclosed.

SEC. 952. SUSPENSION AND TERMINATION OF ORDER BY SECRETARY.

(a) IN GENERAL.—If the Secretary finds that an order issued under section 944, or a provision of the order, obstructs or does not tend to effectuate the purposes of this subtitle, the Secretary shall terminate or suspend the operation of the order or provision.

(b) LIMITATION.—The termination or suspension of any order, or any provision of an order, shall not be considered an order under this subtitle.

SEC. 953. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this subtitle.

SEC. 954. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such funds as are necessary to carry out this subtitle for each fiscal year.

Subtitle D—Commodity Promotion and Evaluation

SEC. 961. COMMODITY PROMOTION AND EVALUATION.

(a) Findings.—Congress finds that—

(1) it is in the national public interest and vital to the welfare of the agricultural economy of the United States to expand and develop markets for agricultural commodities through generic, industry-funded promotion programs;

(2) the programs play a unique role in advancing the demand for agricultural commodities, since the programs increase the total market for a product to the benefit of consumers and all producers;

(3) the programs complement branded advertising initiatives, which are aimed at increasing the market share of individual competitors;

(4) the programs are of particular benefit to small producers, who may lack the resources or market power to advertise on their own;

(5) the programs do not impede the branded advertising efforts of individual firms but instead increase market demand by methods that each individual entity would not have the incentive to employ;

(6) the programs, paid for by the producers who directly reap the benefits of the programs, provide a unique opportunity for agricultural producers to inform consumers about their products;

(7) it is important to ensure that the programs be carried out in an effective and coordinated manner that is designed to strengthen the position of the commodities in the marketplace and to maintain and expand the markets and uses of the commodities; and

(8) independent evaluation of the effectiveness of the programs will assist Congress and the Secretary of Agriculture in ensuring that the objectives of the programs are met.

(b) Independent Evaluations.—Except as otherwise provided by law, and at such intervals as the Secretary of Agriculture may determine, but not more frequently than every 3 years or 3 years after the establishment of a program, the Secretary shall require that each industry-funded generic promotion program authorized by Federal law for an agricultural commodity shall provide for an independent evaluation of the program and the effectiveness of the program. The evaluation may include an analysis of benefits, costs, and the efficacy of promotional and research efforts under the program. The evaluation shall be funded from industry assessments and made available to the public.

(c) Administrative Costs.—The Secretary shall provide to Congress annually information on administrative expenses on programs referred to in subsection (b).

HARKIN (AND WELLSTONE) AMENDMENTS NOS. 3445–3446

Mr. HARKIN (for himself and Mr. Wellstone) proposed two amendments to amendment No. 3184 proposed by Mr. Leahy to the bill S. 1541, supra; as follows:

Amendment No. 3445

Strike section 505 and insert: "Notwithstanding the provisions of section 110, the Secretary shall carry out the Farmer Owned Reserve Program in accordance with section 110 of the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) as it existed prior to the enactment of this Act."

Amendment No. 3446

At the appropriate place insert the following: "Notwithstanding the provisions of section 110, the Secretary shall carry out the Farmer Owned Reserve Program in accordance with section 110 of the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) as it existed prior to the enactment of this Act."

BRYAN (AND OTHERS) AMENDMENT NO. 3447

Mr. BRYAN (for himself, Mr. Wellstone, Mr. Bumpers, Mr. Kerry, Mr. McCain, and Mr. Reid) proposed an amendment to amendment No. 3184 proposed by Mr. Leahy to the bill S. 1541, supra; as follows:

In Title II, Section 202, on page 2–2, line 8, strike "$100,000,000" and insert "$70,000,000" where appropriate.

In Title II, Section 202, on page 2–2, after line 9 and before line 10 insert the following:

"*Provided further*, That funds made available under this Act to carry out the non-generic activities of the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) may be used to provide cost-share assistance only to organizations that are non-foreign entities and are recognized as small business concerns under section 3(a) of the Small Business Act (15 U.S.C. 632(a)) or to the associations described in the first section of the Act entitled 'An Act to authorize association of producers of agricultural products', approved February 22, 1992 (7 U.S.C. 291).

"*Provided further*, that such funds may not be used to provide cost-share assistance to a foreign eligible trade organization:

"*Provided further*, That none of the funds made available under this Act may be used to carry out the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) if the aggregate amount of funds and value of commodities under the program exceeds $70,000,000."

HARKIN (AND WELLSTONE) AMENDMENT NO. 3448

Mr. HARKIN (for himself and Mr. Wellstone) proposed an amendment to amendment No. 3184 proposed by Mr. Leahy to the bill S. 1541, supra; as follows:

Section 314 is amended by striking "(ii) 10,000 beef cattle" and all that follows through "lambs;" and inserting the following:

"(ii) 1,000 beef cattle;

"(iii) 100,000 laying hens or broilers;

"(iv) 55,000 turkeys;

"(v) 2,500 swine; or

"(vi) 10,000 sheep or lambs."

FORD (AND DASCHLE) AMENDMENT NO. 3449

Mr. FORD (for himself and Mr. Daschle) proposed an amendment to amendment No. 3184 proposed by Mr. Leahy to the bill S. 1541, supra; as follows:

Title V is amended by adding at the end the following:

"SEC. 507. FUND FOR RURAL AMERICA.

"(a) In General.—The Secretary shall create an account called the Fund for Rural America for the purposes of providing funds for activities described in subsection (c).

"(b) Commodity Credit Corporation.—In each of the 1996 through 1998 fiscal years, the Secretary shall transfer into the Fund for Rural America (hereafter referred to as the "Account")—

"(1) $50,000,000 for the 1996 fiscal year;

"(2) $100,000,000 for the 1997 fiscal year; and

"(3) $150,000,000 for the 1998 fiscal year.

"(c) Purposes.—Except as provided in subsection (d), the Secretary shall provide not more than one-third of the funds from the Account for activities described in paragraph (2).

"(1) Rural development activities.—The Secretary may use the funds in the Account for the following rural development activities authorized in:

"(A) The Housing Act of 1949 for—

"(i) direct loans to low income borrowers pursuant to section 502;

"(ii) loans for financial assistance for housing for domestic farm laborers pursuant to section 514;

"(iii) financial assistance for housing of domestic farm labor pursuant to section 516;

"(iv) grants and contracts for mutual and self help housing pursuant to section 523(b)(1)(A); and

"(v) grants for Rural Housing Preservation pursuant to section 533;

"(B) The Food Security Act of 1985 for loans to intermediary borrowers under the Rural Development Loan Fund;

"(C) Consolidated Farm and Rural Development Act for—

"(i) grants for Rural Business Enterprises pursuant to section 310B(c) and (j);

"(ii) direct loans, loan guarantees and grants for water and waste water projects pursuant to section 306; and

"(iii) down payments assistance to farmers, section 310E;

"(D) grants for outreach to socially disadvantaged farmers and ranchers pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279); and

"(E) grants pursuant to section 204(6) of the Agricultural Marketing Act of 1946.

"(2) Research—

"(A) In general.—The Secretary may use the funds in the Account for research grants to increase the competitiveness and farm profitability, protect and enhance natural resources, increase economic opportunities in farming and rural communities and expand locally owned value added processing and marketing operations.

"(B) Eligible grantee.—The Secretary may make a grant under this paragraph to—

"(i) a college or university;

"(ii) a State agricultural experiment station;

"(iii) a State Cooperative Extension Service;

"(iv) a research institution or organization;

"(v) a private organization or person; or

"(iv) a Federal agency.

"(C) Use of grant.—

"(i) In general.—A grant made under this paragraph may be used by a grantee for 1 or more of the following uses;

"(I) research, ranging from discovery to principles of application;

"(II) extension and related private-sector activities; and

"(III) education.

"(ii) Limitation.—No grant shall be made for any project, determined by the Secretary, to be eligible for funding under research and commodity promotion programs administered by the Department.

"(D) ADMINISTRATION.—

"(i) PRIORITY.—In administering this paragraph, the Secretary shall—

"(I) establish priorities for allocating grants, based on needs and oppportunities of the food and agriculture system in the United States related to the goals of the paragraph;

"(II) seek and accept proposals for grants;

"(III) determine the relevance and merit of proposals through a system of peer and stakeholder review; and

"(IV) award grants on the basis of merit, quality, and relevance to advancing the national research and extension purposes.

"(ii) COMPETITIVE AWARDING.—A grant under this paragraph shall be awarded on a competitive basis.

"(iii) TERMS.—A grant under this paragraph shall have a term that does not exceed 5 years.

"(iv) MATCHING FUNDS.—As a condition of receipts under this paragraph, the Secretary shall require the funding of the grant with equal matching funds from a non-Federal source if the grant is—

"(I) for applied research that is commodity-specific; and

"(II) not of national scope.

"(v) ADMINISTRATIVE COSTS.—

"(I) IN GENERAL.—The Secretary may use not more than 4 percent of the funds made available under this paragraph for administrative costs incurred by the Secretary in carrying out this paragraph.

"(II) LIMITATION.—Funds made available under this paragraph shall not be used—

"(aa) for the construction of a new building or the acquisition, expansion, remodeling, or alteration of an existing building (including site grading and improvement and architect fees); or

"(bb) in excess of ten percent of the annual allocation for commodity-specific projects not of the national scope.

"(d) LIMITATIONS.—No funds from the Fund for Rural America may be used for an activity specified in subsection (c) if the current level of appropriations for the activity is less than 90 percent of the 1996 fiscal year appropriations for the activity adjusted for inflation."

GREGG (AND OTHERS) AMENDMENT NO. 3450

Mr. GREGG (for himself, Mr. REID, Mr. SANTORUM, Mrs. FEINSTEIN, Mr. CHAFEE, Mr. MCCAIN, and Mr. KERRY) proposed an amendment to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Notwithstanding any other provision of this Act, none of the provision dealing with or extending the Sugar Price Support Program shall be enforced.

DORGAN (AND OTHERS) AMENDMENT NO. 3451

Mr. DORGAN (for himself, Mr. DASCHLE, Mr. CONRAD, Mr. KERREY, Mr. HARKIN, Mr. WELLSTONE, Mr. KOHL, Mr. EXON, Mr. PRYOR, Mr. FEINGOLD, Mr. HEFLIN, and Mr. BUMPERS) proposed an amendment to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Section 103(f)(1) is amended by striking subparagraph (A) and inserting the following:

(A) the lesser of—

(i) 85 percent of the contract acreage, or

(ii) the contract acres planted to a contract commodity or oilseeds;

DASCHLE (AND OTHERS) AMENDMENT NO. 3452

Mr. DASCHLE (for himself, Mr. PRYOR, Mr. HARKIN, Mr. BUMPERS, Mr. CONRAD, Mr. DORGAN, Mr. HEFLIN, Mr. EXON, Mr. BREAUX, Mrs. BOXER, Mr. KERREY, and Mr. BAUCUS) proposed an amendment to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

(a) Title I is amended by—

(1) striking "2002" each place it appears and inserting "1998";

(2) striking "2003" each place it appears and inserting "1999";

(3) in section 103—

(A) in subsection (a)(3) by striking "operators who are";

(B) in subsection (j)(2)(A)(iii) after "15 percent" insert the following: "(or in the case of a producer participating in the Integrated Farm Management Program Option established under section 1451 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5822), which is authorized to be carried out through the end of calendar year 1998, 30 percent)"; and

(C) by striking subsections (d) through (f) and inserting the following:

"(e) CONTRACT PAYMENTS.—

"(1) IN GENERAL.—The Secretary shall provide adavnaced and final payments to owners and operators in accordance with this subsection.

"(2) ADVANCED PAYMENTS.—

"(A) IN GENERAL.—An owner or operator shall receive an advanced payment by June 15 for the 1996 fiscal year and December 15 for the 1997 and 1998 fiscal years which represents the product of—

"(i) the applicable payment rate described in subparagraph (B);

"(ii) the farm program payment yield; and

"(iii) 85 percent of the contract acreage.

"(B) PAYMENT RATE.—The payment rate shall be 40 percent of the average deficiency payment rate for the 1990 through 1994 the specific contract commodity.

"(3) FINAL PAYMENT.—

"(A) IN GENERAL.—The Secretary shall make a final payment which represents the county rate described in subparagraph (B) multiplied by lessor of—

"(i) 85 percent of the contract acreage; or

"(ii) contract acreage planted to the contract commodity or to a minor oilseed, as determined by the Secretary.

"(B) COUNTY RATE.—The county rate is the difference between the target county revenue described in clause (i) and the current county revenue described in clause (ii)—

"(i) TARGET COUNTY REVENUE.—The target county revenue shall equal to the product of—

"(I) the five year average county yield for the contract commodity, excluding the year in which the average yield was the highest and the lowest; and

"(II) the established price for the commodity for the 1995 crop.

"(ii) CURRENT COUNTY REVENUE.—The current county revenue shall equal the product of—

"(I) the average price for the contract commodity for the first five months of the marketing year; and

"(II) the county average yield for the contract commodity.

"(iii) LIMITATION.—The final payment shall be reduced by the advanced payment, but in no case shall the final payment be less than zero.

"(f) 1996 RICE OPTION.—In the case of the 1996 crop of rice, any producer shall have the option of participating under the terms and conditions of—

"(1) the program announced by the Secretary prior to the date of enactment of this Act; or

"(2) the program administered in accordance with this Act."

"(4) in section 104—

"(A) in subsection (a) by striking paragraph (1) and insert the following:

"(1) AVAILABILITY.—For each of the 1996 through 1998 crops of each loan commodity, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for loan commodity producer on crop acreage base (as determined in accordance with Title V of the Agricultural Act of 1949 for the 1995 crop) on the farm. The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (b) for the loan commodities."

"(B) in subsection (b)—

"(i) by striking paragraph (1) and inserting the following:

"(1) WHEAT 90 PERCENT MARKETING LOAN.—The loan rate for a marketing assistance loan for wheat shall be not less than 90 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period."

"(ii) by striking paragraph (2) and inserting the following:

"(2) FEED GRAINS 90 PERCENT MARKETING LOAN.—

"(A) IN GENERAL.—The loan rate for a marketing assistance loan for corn shall be not less than 90 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

"(B) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn."

"(iii) by striking paragraph (5) and inserting the following:

"(5) RICE 90 PERCENT MARKETING LOAN.—The loan rate for a marketing assistance loan for rice shall be—

"(A) not less than 90 percent of the simple average price received by producers of rice, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of rice, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

"(B) not less than $6.50."

(iv) by striking paragraph (6) and inserting the following:

"(6) OILSEEDS MARKETING LOAN.—

"(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans, shall be—

"(i) not less than 90 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during 3 years of the 5 previous marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

"(ii) not less than $4.92 per bushel.

"(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAX SEED.—The loan rate for a marketing assistance loan for each of sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, shall be—

"(i) not less than 90 percent of the simple average price received by producers of sunflower seed, as determined by the Secretary, during 3 years of the 5 previous marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

"(ii) not less than $0.087 per pound.

"(C) OTHER OILSEEDS.—The loan rates for marketing assistance loan for other oilseeds shall be established at such level as the Secretary determines is fair and reasonable in relation to the loan rate available for soybeans, except in no event shall the rate for the oilseeds (other than cottonseed) be less than the rate established for soybeans on a per-pound basis for the same crop."

(C) in subsection (i)(1) by adding at the end the following: "The Secretary may not reduce the national loan for a crop in a county by an amount in excess of 3 percent of the national average loan."

(5) PEANUT PROGRAM.—Strike section 106 and insert the following:

"SEC. 106. PEANUT PROGRAM.

"(a) PRICE SUPPORT PROGRAM.—

"(1) QUOTA PEANUTS.—

"(A) IN GENERAL.—The Secretary shall make price support available to producer through loans, purchases, and other operations on quota peanuts for each of the 1996 through 1998 crops.

"(B) SUPPORT RATES.—The national average quota support rate for each of the 1996 through 1998 crops of quota peanuts shall be 640 dollars per ton.

"(C) INSPECTION, HANDLING, OR STORAGE.—The level of support determined under subparagraph (B) shall not be reduced by any deduction for inspection, handling, or storage; and

(D) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 104(i).

(E) ANNOUNCEMENT.—The Secretary shall announce the level of support for quota peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(2) ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1996 through 2002 crops at such levels as the Secretary considers appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(B) ANNOUNCEMENT.—The Secretary shall announce the level of support for additional peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(3) AREA MARKETING ASSOCIATIONS.—

(A) WAREHOUSE STORAGE LOANS.—

(i) IN GENERAL.—In carrying out paragraphs (1) and (2), the Secretary shall make warehouse storage loans available in each of the 3 producing areas described in section 1446.95 of title 7, Code of Federal Regulations (as of January 1, 1989), to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this subsection and sections 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(ii) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—The area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(iii) ASSOCIATION COSTS.—Loans made to an area marketing association under this subparagraph shall include, in addition to the price support value of the peanuts, such costs as the association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(B) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Peanuts produced outside New Mexico shall not be eligible for entry into or participation in the separate pools established for Valencia peanuts produced in New Mexico. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(ii) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(I) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

(II) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in subclause (I).

(4) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(A) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(2)(B)(v) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)).

(B) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(C) ADDITIONAL PEANUT GAINS.—Further losses in an area quota pool shall be offset by gains or profits attributable to sales of additional peanuts in that area for domestic edible and other uses.

(D) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under paragraph (7) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under paragraph (7) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(E) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(2)(B)(v) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)), shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(F) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under paragraph (7) by such an amount as the Secretary considers necessary to cover the losses. Amounts collected under paragraph (7) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(5) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)).

(6) QUALITY IMPROVEMENT.—

(A) PRICE SUPPORT PEANUTS.—With respect to peanuts under price support loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts at a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use are shown to have been officially inspected by licensed Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut price support program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(iv) ensure that any changes made in the price support program as a result of this paragraph requiring additional production or handling at the farm level are reflected as an upward adjustment in the Department of Agriculture loan schedule.

(B) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts, including peanuts imported into the United States, meet all United States quality standards under Marketing Agreement No. 146 and that importers of the peanuts fully comply with inspection, handling, storage, and processing requirements implemented under Marketing Agreement No. 146. The Secretary shall ensure that peanuts produced for the export market meet quality, inspection, handling, storage, and processing requirements under Marketing Agreement No. 146.

(7) MARKETING ASSESSMENT.—

(A) IN GENERAL.—The Secretary shall provide, by regulation, for a nonrefundable marketing assessment applicable to each of the 1996 through 2002 crops of peanuts. The assessment shall be made in accordance with this paragraph and shall be on a per pound basis in an amount equal to 1.2 percent of the national average quota or additional peanut support rate per pound, as applicable, for the applicable crop. No peanuts shall be assessed more than 1.2 percent of the applicable support rate under this paragraph.

(B) FIRST PURCHASERS.—

(i) IN GENERAL.—Except as provided under subparagraphs (C) and (D), the first purchaser of peanuts shall—

(I) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by .65 percent of the applicable national average support rate;

(II) pay, in addition to the amount collected under subclause (I), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average support rate; and

(III) remit the amounts required under subclauses (I) and (II) to the Commodity Credit Corporation in a manner specified by the Secretary.

(ii) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(iii) DEFINITION.—In this paragraph, the term 'first purchaser' means a person acquiring peanuts from a producer, except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(C) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(D) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a price support loan made under this subsection, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For the purposes of computing net gains on peanuts under this subsection, the reduction in loan proceeds shall be treated as having been paid to the producer.

(E) PENALTIES.—If any person fails to collect or remit the reduction required by this paragraph or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this paragraph, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(i) the quantity of peanuts involved in the violation; by

(ii) the national average quota peanut price support level for the applicable crop year.

(F) ENFORCEMENT.—The Secretary may enforce this paragraph in the courts of the United States.

(8) CROPS.—Notwithstanding any other provision of law, this subsection shall be effective only for the 1996 through 2002 crops of peanuts.

(b) SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.—Section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) shall not be applicable to the 1996 through 2002 crops of peanuts.

(c) NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS.—Section 358–1 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1) is amended to read as follows:

"SEC. 358–1. NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.

"(a) NATIONAL POUNDAGE QUOTAS.—

"(1) ESTABLISHMENT.—The national poundage quota for peanuts for each of the 1996 through 2002 marketing years shall be established by the Secretary at a level that is equal to the quantity of peanuts (in tons) that the Secretary estimates will be devoted in each such marketing year to domestic edible and related uses, excluding seed. The Secretary shall include in the annual estimate of domestic edible and related uses, the estimated quantity of peanuts and peanut products to be imported into the United States for the marketing year for which the quota is being established.

"(2) ANNOUNCEMENT.—The national poundage quota for a marketing year shall be announced by the Secretary not later than the December 15 preceding the marketing year.

"(3) APPORTIONMENT AMONG STATES.—The national poundage quota established under paragraph (1) shall be apportioned among the States so that the poundage quota allocated to each State is equal to the percentage of the national poundage quota allocated to farms in the State for 1995.

"(b) FARM POUNDAGE QUOTAS.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—A farm poundage quota for each of the 1996 through 2002 marketing years shall be established—

"(i) for each farm that had a farm poundage quota for peanuts for the 1995 marketing year;

"(ii) if the poundage quota apportioned to a State under subsection (a)(3) for any such marketing year is larger than the quota for the immediately preceding marketing year, for each other farm on which peanuts were produced for marketing in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary; and

"(iii) as approved and determined by the Secretary under section 358c, for each farm on which peanuts are produced in connection with experimental and research programs.

"(B) QUANTITY.—

"(i) IN GENERAL.—The farm poundage quota for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(i) shall be the same as the farm poundage quota for the farm for the immediately preceding marketing year, as adjusted under paragraph (2), but not including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

"(ii) INCREASED QUOTA.—The farm poundage quota, if any, for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(ii) shall be equal to the quantity of peanuts allocated to the farm for the year under paragraph (2).

"(C) TRANSFERS.—For purposes of this subsection, if the farm poundage quota, or any part of the quota, is permanently transferred in accordance with section 358b, the receiving farm shall be considered as possessing the farm poundage quota (or portion of the quota) of the transferring farm for all subsequent marketing years.

"(2) ADJUSTMENTS.—

"(A) ALLOCATION OF INCREASED QUOTA GENERALLY.—Subject to subparagraphs (B) and (D), if the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is increased over the poundage quota apportioned to farms in the State for the immediately preceding marketing year, the increase shall be allocated proportionately, based on farm production history for peanuts for the 3 immediately preceding years, among—

"(i) all farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made; and

"(ii) all other farms in the State on which peanuts were produced in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary.

"(B) TEMPORARY QUOTA ALLOCATION.—

"(i) IN GENERAL.—Subject to clause (iv), temporary allocation of a poundage quota for the marketing year in which a crop of peanuts is planted shall be made to producers for each of the 1996 through 2002 marketing years in accordance with this subparagraph.

"(ii) QUANTITY.—The temporary quota allocation shall be equal to the quantity of seed peanuts (in pounds) planted on a farm, as determined in accordance with regulations issued by the Secretary.

"(iii) ALLOCATION.—The allocation of quota pounds to producers under this subparagraph shall be performed in such a manner as will not result in a net decrease in quota pounds on a farm in excess of 3 percent, after the temporary seed quota is added, from the basic farm quota for the 1995 marketing year. A decrease shall occur only once, shall be applicable only to the 1996 marketing year.

"(iv) NO INCREASED COSTS.—The Secretary may carry out this subparagraph only if this subparagraph does not result in—

"(I) an increased cost to the Commodity Credit Corporation through displacement of quota peanuts by additional peanuts in the domestic market;

"(II) an increased loss in a loan pool of an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

"(III) other increased costs.

"(v) TRANSFER OF ADDITIONAL PEANUTS.—

"(I) IN GENERAL.—Except as provided in subclause (II), additional peanuts on a farm from which the quota poundage was not harvested and marketed may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall provide by regulation.

"(II) LIMITATIONS.—The poundage of peanuts transferred under subclause (I) shall not exceed 25 percent of the total farm poundage quota, excluding pounds transferred in the fall.

"(III) SUPPORT RATE.—Peanuts transferred under this clause shall be supported at a rate of 70 percent of the quota support rate for the marketing years during which the transfers occur.

"(vi) USE OF QUOTA AND ADDITIONAL PEANUTS.—Nothing in this subparagraph affects the requirements of section 358b(b).

"(vii) ADDITIONAL ALLOCATION.—The temporary allocation of quota pounds under this subparagraph shall be in addition to the farm poundage quota established under this subsection and shall be credited to the producers of the peanuts on the farm in accordance with regulations issued by the Secretary.

"(C) DECREASE.—If the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is decreased from the poundage quota apportioned to farms in the State under subsection (a)(3) for the immediately preceding marketing year, the decrease shall be allocated among all the farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made.

"(D) SPECIAL RULE ON TENANT'S SHARE OF INCREASED QUOTA.—Subject to terms and conditions prescribed by the Secretary, on farms that were leased to a tenant for peanut production, the tenant shall share equally with the owner of the farm in the percentage of the quota made available under subparagraph (A) and otherwise allocated to the farm as the result of the production of the tenant on the farm of additional peanuts. Not later than April 1 of each year or as soon as practicable during the year, the share of the tenant of any such quota shall be allocated to a farm within the county owned by the tenant or sold by the tenant to the owner of any farm within the county and permanently transferred to the farm. Any quota not so disposed of as provided in this subparagraph shall be allocated to other quota farms in the State under paragraph (6) as part of the quota reduced from farms in the State due to the failure to produce the quota.

"(3) QUOTA NOT PRODUCED.—

"(A) IN GENERAL.—Insofar as practicable and on such fair and equitable basis as the Secretary may by regulation prescribe, the farm poundage quota established for a farm for any of the 1996 through 2002 marketing years shall be reduced to the extent that the Secretary determines that the farm poundage quota established for the farm for any 2 of the 3 marketing years preceding the marketing year for which the determination is being made was not produced, or considered produced, on the farm.

"(B) EXCLUSIONS.—For the purposes of this paragraph, the farm poundage quota for any such preceding marketing year shall not include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

"(4) QUOTA CONSIDERED PRODUCED.—

"(A) IN GENERAL.—For purposes of this subsection, subject to subparagraph (B), the farm poundage quota shall be considered produced on a farm if—

"(i) the farm poundage quota was not produced on the farm because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, as determined by the Secretary;

"(ii) the farm poundage quota for the farm was released voluntarily under paragraph (7) for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; or

"(iii) the farm poundage quota was leased to another owner or operator of a farm within the same county for transfer to the farm for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made.

"(B) MARKETING YEARS.—For purposes of clauses (ii) and (iii) of subparagraph (A)—

"(i) the farm poundage quota leased or transferred shall be considered produced for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; and

"(ii) the farm shall not be considered to have produced for more than 1 marketing year out of the 3 immediately preceding marketing years.

"(5) QUOTA PERMANENTLY RELEASED.—Notwithstanding any other provision of law—

"(A) the farm poundage quota established for a farm under this subsection, or any part of the quota, may be permanently released by the owner of the farm, or the operator with the permission of the owner; and

"(B) the poundage quota for the farm for which the quota is released shall be adjusted downward to reflect the quota that is released.

"(6) ALLOCATION OF QUOTAS REDUCED OR RELEASED.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the total quantity of the farm poundage quotas reduced or voluntarily released from farms in a State for any marketing year under paragraphs (3) and (5) shall be allocated, as the Secretary may by regulation prescribe, to other farms in the State on which peanuts were produced in at least 2 of the 3 crop years immediately preceding the year for which the allocation is being made.

"(B) SET-ASIDE FOR FARMS WITH NO QUOTA.—The total amount of farm poundage quota to be allocated in the State under subparagraph (A) shall be allocated to farms in the State for which no farm poundage quota was established for the crop of the immediately preceding year. The allocation to any such farm shall not exceed the average farm production of peanuts for the 3 immediately preceding years during which peanuts were produced on the farm. Any farm poundage quota remaining after allocation to farms under this subparagraph shall be allocated to farms in the State on which poundage quotas were established for the crop of the immediately preceding year.

"(7) QUOTA TEMPORARILY RELEASED.—

"(A) IN GENERAL.—The farm poundage quota, or any portion of the quota, established for a farm for a marketing year may be voluntarily released to the Secretary to the extent that the quota, or any part of the quota, will not be produced on the farm for the marketing year. Any farm poundage quota so released in a State shall be allocated to other farms in the State on such basis as the Secretary may by regulation prescribe.

"(B) EFFECTIVE PERIOD.—Except as otherwise provided in this section, any adjustment in the farm poundage quota for a farm under subparagraph (A) shall be effective only for the marketing year for which the adjustment is made and shall not be taken into consideration in establishing a farm poundage quota for the farm from which the quota was released for any subsequent marketing year.

"(c) FARM YIELDS.—

"(1) IN GENERAL.—For each farm for which a farm poundage quota is established under subsection (b), and when necessary for purposes of this Act, a farm yield of peanuts shall be determined for each such farm.

"(2) QUANTITY.—The yield shall be equal to the average of the actual yield per acre on the farm for each of the 3 crop years in which yields were highest on the farm during the 5-year period consisting of the 1973 through 1977 crop years.

"(3) APPRAISED YIELDS.—If peanuts were not produced on the farm in at least 3 years during the 5-year period or there was a substantial change in the operation of the farm during the period (including a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that quantity determined to be fair and reasonable on the basis of yields established for similar farms that are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

"(d) REFERENDUM RESPECTING POUNDAGE QUOTAS.—

"(1) IN GENERAL.—Not later than December 15 of each calendar year, the Secretary shall conduct a referendum of producers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether the producers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the 5 calendar years immediately following the year in which the referendum is held, except that, if at least ⅔ of the producers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the remaining years of the 5-calendar-year period.

"(2) PROCLAMATION.—The Secretary shall proclaim the result of the referendum within 30 days after the date on which the referendum is held.

"(3) VOTE AGAINST QUOTAS.—If more than ⅓ of the producers voting in the referendum vote against poundage quotas, the Secretary shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held.

"(e) DEFINITIONS.—In this part and the Agricultural Market Transition Act:

"(1) ADDITIONAL PEANUTS.—The term 'additional peanuts' means, for any marketing year—

"(A) any peanuts that are marketed from a farm for which a farm poundage quota has been established and that are in excess of the marketings of quota peanuts from the farm for the year; and

"(B) all peanuts marketed from a farm for which no farm poundage quota has been established in accordance with subsection (b).

"(2) CRUSH.—The term 'crush' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary.

"(3) DOMESTIC EDIBLE USE.—The term 'domestic edible use' means use for milling to produce domestic food peanuts (other than a use described in paragraph (2)) and seed and use on a farm, except that the Secretary may exempt from this paragraph seeds of peanuts that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

"(4) QUOTA PEANUTS.—The term 'quota peanuts' means, for any marketing year, any peanuts produced on a farm having a farm poundage quota, as determined under subsection (b), that—

"(A) are eligible for domestic edible use as determined by the Secretary;

"(B) are marketed or considered marketed from a farm; and

"(C) do not exceed the farm poundage quota of the farm for the year.

"(f) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.".

(d) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—Section 358b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b) is amended to read as follows:

"SEC. 358b. SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA FOR 1996 THROUGH 2000 CROPS OF PEANUTS.

"(a) IN GENERAL.—

"(1) AUTHORITY.—

"(A) IN GENERAL.—Subject to such terms, conditions, or limitations as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm poundage quota has been established under this Act may sell or lease all or any part of the poundage quota to any other owner or operator of a farm within the same county for transfer to the farm, except that any such lease of poundage quota may be entered into in the fall or after the normal planting season—

"(i) if not less than 90 percent of the basic quota (consisting of the farm quota and temporary quota transfers), plus any poundage quota transferred to the farm under this subsection, has been planted or considered planted on the farm from which the quota is to be leased; and

"(ii) under such terms and conditions as the Secretary may by regulation prescribe.

"(B) FALL TRANSFERS.—

"(i) NO TRANSFER AUTHORIZATION.—In the case of a fall transfer or a transfer after the normal planting season by a cash lessee, the landowner shall not be required to sign the transfer authorization.

"(ii) TIME LIMITATION.—A fall transfer or a transfer after the normal planting season may be made not later than 72 hours after the peanuts that are the subject of the transfer are inspected and graded.

"(iii) LESSEES.—In the case of a fall transfer, poundage quota from a farm may be leased to an owner or operator of another farm within the same county or to an owner or operator of another farm in any other county within the State.

"(iv) EFFECT OF TRANSFER.—A fall transfer of poundage quota shall not affect the farm quota history for the transferring or receiving farm and shall not result in the reduction of the farm poundage quota on the transferring farm.

"(2) TRANSFERS TO OTHER SELF-OWNED FARMS.—The owner or operator of a farm may transfer all or any part of the farm poundage quota for the farm to any other farm owned or controlled by the owner or operator that is in the same State and that had a farm poundage quota for the crop of the preceding year, if both the transferring and receiving farms were under the control of the owner or operator for at least 3 crop years prior to the crop year in which the farm poundage quota is to be transferred. Any farm poundage quota transferred under this paragraph shall not result in any reduction in the farm poundage quota for the transferring farm if sufficient acreage is planted on the receiving farm to produce the quota pounds transferred.

"(3) TRANSFERS WITHIN STATES WITH SMALL QUOTAS.—In the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota may be transferred by sale or lease or otherwise from a farm in 1 county to a farm in another county in the same State.

"(4) TRANSFERS BETWEEN STATES HAVING QUOTAS OF LESS THAN 10,000 TONS.—Notwithstanding paragraphs (1) through (3), in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota up to 1,000 tons may be transferred by sale or lease from a farm in 1 such State to a farm in another such State.

"(5) TRANSFERS BY SALE IN STATES HAVING QUOTAS OF 10,000 TONS OR MORE.—

"(A) IN GENERAL.—Subject to the other provisions of this paragraph and such terms and conditions as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm quota has been established under this Act in a State having a poundage quota of 10,000 tons or more may sell poundage quota to any other eligible owner or operator of a farm within the same State.

"(B) LIMITATIONS BASED ON TOTAL POUNDAGE QUOTA.—

"(i) 1996 MARKETING YEAR.—Not more than 15 percent of the total poundage quota within a county as of January 1, 1996, may be sold and transferred under this paragraph during the 1996 marketing year.

"(ii) 1997–2002 MARKETING YEARS.—

"(I) IN GENERAL.—Except as provided in subclause (II), not more than 5 percent of the quota pounds remaining in a county as of January 1, 1997, and each January 1 thereafter through January 1, 2002, may be sold and transferred under this paragraph during the applicable marketing year.

"(II) CARRYOVER.—Any eligible quota that is not sold or transferred under clause (i) shall be eligible for sale or transfer under subclause (I).

"(C) COUNTY LIMITATION.—Not more than 40 percent of the total poundage quota within a county may be sold and transferred under this paragraph.

"(D) SUBSEQUENT LEASES OR SALES.—Quota pounds sold and transferred to a farm under this paragraph may not be leased or sold by the farm to another owner or operator of a farm within the same State for a period of 5 years following the date of the original transfer to the farm.

"(E) APPLICATION.—This paragraph shall not apply to a sale within the same county or to any sale, lease, or transfer described in paragraph (1).

"(b) CONDITIONS.—Transfers (including transfer by sale or lease) of farm poundage quotas under this section shall be subject to all of the following conditions:

"(1) LIENHOLDERS.—No transfer of the farm poundage quota from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders.

"(2) TILLABLE CROPLAND.—No transfer of the farm poundage quota shall be permitted if the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) determines that the receiving farm does not have adequate tillable cropland to produce the farm poundage quota.

"(3) RECORD.—No transfer of the farm poundage quota shall be effective until a record of the transfer is filed with the county committee of each county to, and from, which the transfer is made and each committee determines that the transfer complies with this section.

"(4) OTHER TERMS.—The Secretary may establish by regulation other terms and conditions.

"(c) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2000 crops of peanuts.".

(e) MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS.—Section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a) is amended to read as follows:

"SEC. 358e. MARKETING PENALTIES AND DISPOSITION OF ADDITIONAL PEANUTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.

"(a) MARKETING PENALTIES.—

"(1) IN GENERAL.—

"(A) MARKETING PEANUTS IN EXCESS OF QUOTA.—The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which the peanuts are produced shall be subject to a penalty at a rate equal to 140 percent of the support price for quota peanuts for the marketing year in which the marketing occurs. The penalty shall not apply to the marketing of breeder or Foundation seed peanuts grown and marketed by a publicly owned agricultural experiment station (including a State operated seed organization) under such regulations as the Secretary may prescribe.

"(B) MARKETING YEAR.—For purposes of this section, the marketing year for peanuts shall be the 12-month period beginning August 1 and ending July 31.

"(C) MARKETING ADDITIONAL PEANUTS.—The marketing of any additional peanuts from a farm shall be subject to the same penalty as the penalty prescribed in subparagraph (A) unless the peanuts, in accordance with regulations established by the Secretary, are—

"(i) placed under loan at the additional loan rate in effect for the peanuts under section 106 of the Agricultural Market Transition Act and not redeemed by the producers;

"(ii) marketed through an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

"(iii) marketed under contracts between handlers and producers pursuant to subsection (f).

"(2) PAYER.—The penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer or, if the peanuts are marketed by the producer through an agent, the penalty shall be paid by the agent. The person or agent may deduct an amount equivalent to the penalty from the price paid to the producer.

"(3) FAILURE TO COLLECT.—If the person required to collect the penalty fails to collect the penalty, the person and all persons entitled to share in the peanuts marketed from the farm or the proceeds of the marketing shall be jointly and severally liable with the persons who failed to collect the penalty for the amount of the penalty.

"(4) APPLICATION OF QUOTA.—Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning in the calendar year shall be subject to the quotas even though the peanuts are marketed prior to the date on which the marketing year begins.

"(5) FALSE INFORMATION.—If any producer falsely identifies, fails to accurately certify planted acres, or fails to account for the disposition of any peanuts produced on the planted acres, a quantity of peanuts equal to the greater of the average or actual yield of the farm, as determined by the Secretary, multiplied by the number of planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts. Any penalty payable under this paragraph shall be paid and remitted by the producer.

"(6) UNINTENTIONAL VIOLATIONS.—The Secretary shall authorize, under such regulations as the Secretary shall issue, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or reduce marketing penalties provided for under this subsection in cases with respect to which the committees determine that the violations that were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned.

"(7) DE MINIMIS VIOLATIONS.—An error in weight that does not exceed 1/10 of 1 percent in the case of any 1 marketing document shall not be considered to be a marketing violation except in a case of fraud or conspiracy.

"(b) USE OF QUOTA AND ADDITIONAL PEANUTS.—

"(1) QUOTA PEANUTS.—Only quota peanuts may be retained for use as seed or for other uses on a farm. When peanuts are so retained, the retention shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts for the quantity involved that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

"(2) ADDITIONAL PEANUTS.—Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use, except as provided in subsection (g).

"(3) SEED.—Except as provided in paragraph (1), seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

"(c) MARKETING PEANUTS WITH EXCESS QUANTITY, GRADE, OR QUALITY.—On a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by the handler from the crop for the marketing year, the handler shall be subject to a penalty equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts that the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

"(d) HANDLING AND DISPOSAL OF ADDITIONAL PEANUTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act.

"(2) NONSUPERVISION OF HANDLERS.—

"(A) IN GENERAL.—Supervision of the handling and disposal of additional peanuts by a handler shall not be required under paragraph (1) if the handler agrees in writing, prior to any handling or disposal of the peanuts, to comply with regulations that the Secretary shall issue.

"(B) REGULATIONS.—The regulations issued by the Secretary under subparagraph (A) shall include the following provisions:

"(i) TYPES OF EXPORTED OR CRUSHED PEANUTS.—Handlers of shelled or milled peanuts may export or crush peanuts classified by type in each of the following quantities:

"(I) SOUND SPLIT KERNEL PEANUTS.—Sound split kernel peanuts purchased by the handler as additional peanuts to which, under price support loan schedules, a mandated deduction with respect to the price paid to the producer of the peanuts would be applied due to the percentage of the sound splits.

"(II) SOUND MATURE KERNEL PEANUTS.—Sound mature kernel peanuts (which term includes sound split kernel peanuts and sound whole kernel peanuts) in an amount equal to the poundage of the peanuts purchased by the handler as additional peanuts, less the total poundage of sound split kernel peanuts described in subclause (I).

"(III) REMAINDER.—The remaining quantity of total kernel content of peanuts purchased by the handler as additional peanuts.

"(ii) DOCUMENTATION.—Handlers shall ensure that any additional peanuts exported or crushed are evidenced by onboard bills of lading or other appropriate documentation as may be required by the Secretary, or both.

"(iii) LOSS OF PEANUTS.—If a handler suffers a loss of peanuts as a result of fire, flood, or any other condition beyond the control of the handler, the portion of the loss allocated to contracted additional peanuts shall not be greater than the portion of the total peanut purchases of the handler for the year attributable to contracted additional peanuts purchased for export or crushing by the handler during the year.

"(iv) SHRINKAGE ALLOWANCE.—

"(I) IN GENERAL.—The obligation of a handler to export or crush peanuts in quantities described in this subparagraph shall be reduced by a shrinkage allowance, to be determined by the Secretary, to reflect actual dollar value shrinkage experienced by handlers in commercial operations, except that the allowance shall not be less than 4 percent, except as provided in subclause (II).

"(II) COMMON INDUSTRY PRACTICES.—The Secretary may provide a lower shrinkage allowance for a handler who fails to comply with restrictions on the use of peanuts, as may be specified by the Commodity Credit Corporation, to take into account common industry practices.

"(3) ADEQUATE FINANCES AND FACILITIES.—A handler shall submit to the Secretary adequate financial guarantees, as well as evidence of adequate facilities and assets, with respect to the facilities under the control and operation of the handler, to ensure the compliance of the handler with the obligation to export peanuts.

"(4) COMMINGLING OF LIKE PEANUTS.—Quota and additional peanuts of like type and segregation or quality may, under regulations issued by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

"(5) PENALTY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the failure by a handler to comply with regulations issued by the Secretary governing the disposition and handling of additional peanuts shall subject the handler to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts involved in the violation.

"(B) NONDELIVERY.—A handler shall not be subject to a penalty for failure to export additional peanuts if the peanuts were not delivered to the handler.

"(6) REENTRY OF EXPORTED PEANUTS.—

"(A) PENALTY.—If any additional peanuts or peanut products exported by a handler are reentered into the United States in commercial quantities as determined by the Secretary, the importer of the peanuts and peanut products shall be subject to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts reentered.

"(B) RECORDS.—Each person, firm, or handler who imports peanuts into the United States shall maintain such records and documents as are required by the Secretary to ensure compliance with this subsection.

"(e) SPECIAL EXPORT CREDITS.—

"(1) IN GENERAL.—The Secretary shall, with due regard for the integrity of the peanut program, promulgate regulations that will permit any handler of peanuts who manufactures peanut products from domestic edible peanuts to export the products and receive credit for the fulfillment of export obligations for the peanut content of the products against which export credit the handler may subsequently apply, up to the amount of the credit, equivalent quantities of additional peanuts of the same type acquired by the handler and used in the domestic edible market. The peanuts so acquired for the domestic edible market as provided in this subsection shall be of the same crop year as the peanuts used in the manufacture of the products so exported.

"(2) CERTIFICATION.—Under the regulations, the Secretary shall require all handlers who are peanut product manufacturers to submit annual certifications of peanut product content on a product-by-product basis. Any changes in peanut product formulas as affecting peanut content shall be recorded within 90 days after the changes. The Secretary shall conduct an annual review of the certifications. The Secretary shall pursue all available remedies with respect to persons who fail to comply with this paragraph.

"(3) RECORDS.—The Secretary shall require handlers who are peanut product manufacturers to maintain and provide such documents as are necessary to ensure compliance with this subsection and to maintain the integrity of the peanut program.

"(f) CONTRACTS FOR PURCHASE OF ADDITIONAL PEANUTS.—

"(1) IN GENERAL.—A handler may, under such regulations as the Secretary may issue, contract with a producer for the purchase of additional peanuts for crushing or export, or both.

"(2) SUBMISSION TO SECRETARY.—

"(A) CONTRACT DEADLINE.—Any such contract shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval not later than September 15 of the year in which the crop is produced.

"(B) EXTENSION OF DEADLINE.—The Secretary may extend the deadline under subparagraph (A) by up to 15 days in response to damaging weather or related condition (as defined in section 112 of the Disaster Assistance Act of 1989 (Public Law 101–82; 7 U.S.C. 1421 note)). The Secretary shall announce the extension not later than September 5 of the year in which the crop is produced.

"(3) FORM.—The contract shall be executed on a form prescribed by the Secretary. The form shall require such information as the Secretary determines appropriate to ensure the proper handling of the additional peanuts, including the identity of the contracting parties, poundage and category of the peanuts, the disclosure of any liens, and the intended disposition of the peanuts.

"(4) INFORMATION FOR HANDLING AND PROCESSING ADDITIONAL PEANUTS.—Notwithstanding any other provision of this section, any person wishing to handle and process additional peanuts as a handler shall submit to the Secretary (or if designated by the Secretary, the area marketing association), such information as may be required under subsection (d) by such date as is prescribed by the Secretary so as to permit final action to be taken on the application by July 1 of each marketing year.

"(5) TERMS.—Each such contract shall contain the final price to be paid by the handler for the peanuts involved and a specific prohibition against the disposition of the peanuts for domestic edible or seed use.

"(6) SUSPENSION OF RESTRICTIONS ON IMPORTED PEANUTS.—Notwithstanding any other provision of this Act, if the President issues a proclamation under section 404(b) of the Uruguay Round Agreements Act (19 U.S.C. 3601(b)) expanding the quantity of peanuts subject to the in-quota rate of duty under a tariff-rate quota, or under section 22 of the Agricultural Adjustment Act (7 U.S.C. 624), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, temporarily suspending restrictions on the importation of peanuts, the Secretary shall, subject to such terms and conditions as the Secretary may prescribe, permit a handler, with the written consent of the producer, to purchase additional peanuts from any producer who contracted with the handler and to offer the peanuts for sale for domestic edible use.

"(g) MARKETING OF PEANUTS OWNED OR CONTROLLED BY THE COMMODITY CREDIT CORPORATION.—

"(1) IN GENERAL.—Subject to section 104(k) of the Agricultural Market Transition Act, any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use, in accordance with regulations issued by the Secretary, so long as doing so does not result in substantially increased cost to the Commodity Credit Corporation. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices that are not less than the prices that are required to cover all costs incurred with respect to the peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus—

"(A) not less than 100 percent of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season on delivery by and with the written consent of the producer;

"(B) not less than 105 percent of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year; or

"(C) not less than 107 percent of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year.

"(2) ACCEPTANCE OF BIDS BY AREA MARKETING ASSOCIATIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), for the period from the date additional peanuts are delivered for loan to March 1 of the calendar year following the year in which the additional peanuts were harvested, the area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act shall have sole authority to accept or reject lot list bids when the sales price, as determined under this subsection, equals or exceeds the minimum price at which the Commodity Credit Corporation may sell the stocks of additional peanuts of the Corporation.

"(B) MODIFICATION.—The area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by subparagraph (A) to facilitate the orderly marketing of additional peanuts.

"(3) PRODUCER MARKETING AND EXPENSES.—Notwithstanding any other provision of this Act, the Secretary shall, in any determination required under paragraphs (1)(B) and (2)(A) of section 106(a) of the Agricultural Market Transition Act, include any additional marketing expenses required by law, excluding the amount of any assessment required under section 106(a)(7) of the Agricultural Market Transition Act.

"(h) ADMINISTRATION.—

"(1) INTEREST.—The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest on the penalty at a rate per annum equal to the rate per annum of interest that was charged the Commodity Credit Corporation by the Treasury of the United States on the date the penalty became due.

"(2) DE MINIMIS QUANTITY.—This section shall not apply to peanuts produced on any farm on which the acreage harvested for peanuts is 1 acre or less if the producers who share in the peanuts produced on the farm do not share in the peanuts produced on any other farm.

"(3) LIENS.—Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which the penalty is incurred, and on any subsequent crop of peanuts subject to farm poundage quotas in which the person liable for payment of the penalty has an interest, shall be in effect in favor of the United States.

"(4) PENALTIES.—

"(A) PROCEDURES.—Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary may by regulation prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Federal Government.

"(B) JUDICIAL REVIEW.—Nothing in this section prohibits any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether the determination was made in conformity with applicable law.

"(C) CIVIL PENALTIES.—All penalties imposed under this section shall for all purposes be considered civil penalties.

"(5) REDUCTION OF PENALTIES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B) and notwithstanding any other provision of law, the Secretary may reduce the amount of any penalty assessed against handlers under this section by any appropriate amount, including, in an appropriate case, eliminating the penalty entirely, if the Secretary finds that the violation on which the penalty is based was minor or inadvertent, and that the reduction of the penalty will not impair the operation of the peanut program.

"(B) FAILURE TO EXPORT CONTRACTED ADDITIONAL PEANUTS.—The amount of any penalty imposed on a handler under this section that resulted from the failure to export or crush contracted additional peanuts shall not be reduced by the Secretary.

"(i) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.".

(f) PEANUT STANDARDS.—

(1) INSPECTION; QUALITY ASSURANCE.—

(A) INITIAL ENTRY.—The Secretary shall require all peanuts and peanut products sold in the United States to be initially placed in a bonded, licensed warehouse approved by the Secretary for the purpose of inspection and grading by the Secretary, the Commissioner of the Food and Drug Administration, and the heads of other appropriate agencies of the United States.

(B) PRELIMINARY INSPECTION.—Peanuts and peanut products shall be held in the warehouse until inspected by the Secretary, the Commissioner of the Food and Drug Administration, or the head of another appropriate agency of the United States, for chemical residues, general cleanliness, disease, size, aflatoxin, stripe virus, and other harmful conditions, and an assurance of compliance with all grade and quality standards specified under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937).

(C) SEPARATION OF LOTS.—All imported peanuts shall be maintained separately from, and shall not be commingled with, domestically produced peanuts in the warehouse.

(D) ORIGIN OF PEANUT PRODUCTS.—

(i) LABELING.—A peanut product shall be labeled with a label that indicates the origin of the peanuts contained in the product.

(ii) SOURCE.—No peanut product may contain both imported and domestically produced peanuts.

(iii) IMPORTED PEANUT PRODUCTS.—The first seller of an imported peanut product shall certify that the product is made from raw peanuts that meet the same quality and grade standards that apply to domestically produced peanuts.

(E) DOCUMENTATION.—No peanuts or peanut products may be transferred, shipped, or otherwise released from a warehouse described in subparagraph (A) unless accompanied by a United States Government inspection certificate that certifies compliance with this paragraph.

(2) HANDLING AND STORAGE.—

(A) TEMPERATURE AND HUMIDITY.—The Secretary shall require all shelled peanuts sold in the United States to be maintained at a temperature of not more than 37 degrees Fahrenheit and a humidity range of 60 to 68 percent at all times during handling and storage prior to sale and shipment.

(B) CONTAINERS.—The peanuts shall be shipped in a container that provides the maximum practicable protection against moisture and insect infestation.

(C) IN-SHELL PEANUTS.—The Secretary shall require that all in-shell peanuts be reduced to a moisture level not exceeding 10 percent immediately on being harvested and be stored in a facility that will ensure quality maintenance and will provide proper ventilation at all times prior to sale and shipment.

(3) LABELING.—The Secretary shall require that all peanuts and peanut products sold in the United States contain labeling that lists the country or countries in which the peanuts, including all peanuts used to manufacture the peanut products, were produced.

(4) Inspection and testing.—

(A) In general.—All peanuts and peanut products sold in the United States shall be inspected and tested for grade and quality.

(B) Certification.—All peanuts or peanut products offered for sale in, or imported into, the United States shall be accompanied by a certification by the first seller or importer that the peanuts or peanut products do not contain residues of any pesticide not approved for use in, or importation into, the United States.

(5) Nutritional labeling.—The Secretary shall require all peanuts and peanut products sold in the United States to contain complete nutritional labeling information as required under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.).

(6) Peanut content.—

(A) Offset against hts quantity.—The actual quantity of peanuts, by weight, used to manufacture, and ultimately contained in, peanut products imported into the United States shall be accounted for and offset against the total quantity of peanut imports allowed under the in-quota quantity of the tariff-rate quota established for peanuts under the Harmonized Tariff Schedule of the United States.

(B) Verification.—The Secretary shall establish standards and procedures for the purpose of verifying the actual peanut content of peanut products imported into the United States.

(7) Plant diseases.—The Secretary, in consultation with the heads of other appropriate agencies of the United States, shall ensure that all peanuts in the domestic edible market are inspected and tested to ensure that they are free of all plant diseases.

(8) Administration.—

(A) Fees.—The Secretary shall by regulation fix and collect fees and charges to cover the costs of any inspection or testing performed under this subsection.

(B) Certification.—

(i) In general.—The Secretary may require the first seller of peanuts sold in the United States to certify that the peanuts comply with this subsection.

(ii) Fraud and false statements.—Section 1001 of title 18, United States Code, shall apply to a certification made under this subsection.

(C) Standards and procedures.—In consultation with the heads of other appropriate agencies of the United States, the Secretary shall establish standards and procedures to provide for the enforcement of, and ensure compliance with, this subsection.

(D) Failure to meet standards.—Peanuts or peanut products that fail to meet standards established under this subsection shall be returned to the seller and exported or crushed pursuant to section 358e(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a(d)).

(9) Change of venue.—In any case in which an area pool or a marketing association brings, joins, or seeks to join a civil action in a United States district court to enforce this subsection, the district court may not transfer the action to any other district or division over the objection of the pool or marketing association.

(g) Experimental and Research Programs for Peanuts.—Section 358c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358c) is amended to read as follows:

"SEC. 358c. EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.

"(a) In General.—Notwithstanding any other provision of this Act, the Secretary may permit a portion of the poundage quota for peanuts apportioned to any State to be allocated from the quota reserve of the State to land-grant institutions identified in the Act of May 8, 1914 (38 Stat. 372, chapter 79; 7 U.S.C. 341 et seq.), and colleges eligible to receive funds under the Act of August 30, 1890 (26 Stat. 419, chapter 841; 7 U.S.C. 321 et seq.), including Tuskegee Institute and, as appropriate, the Agricultural Research Service of the Department of Agriculture to be used for experimental and research purposes.

"(b) Quantity.—The quantity of the quota allocated to an institution under this section shall not exceed the quantity of the quota held by each such institution during the 1985 crop year, except that the total quantity allocated to all institutions in a State shall not exceed ⅒ of 1 percent of the basic quota of the State.

"(c) Limitation.—The director of the agricultural experiment station for a State shall be required to ensure, to the extent practicable, that farm operators in the State do not produce quota peanuts under subsection (a) in excess of the quantity needed for experimental and research purposes.

"(d) Crops.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.".

(h) Reports and Records.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before "all brokers and dealers in peanuts" the following: "all producers engaged in the production of peanuts,".

(i) Regulations.—The Secretary of Agriculture shall issue such regulations as are necessary to carry out this section and the amendments made by this section. In issuing the regulations, the Secretary shall—

(1) comply with subchapter II of chapter 5 of title 5, United States Code;

(2) provide public notice through the Federal Register of any such proposed regulations; and

(3) allow adequate time for written public comment prior to the formulation and issuance of any final regulations.

(6) in section 109(a) by striking paragraph (1).

(b) Permanent Law.—

(1) Notwithstanding any other provision of law, the following provisions of the Agricultural Act of 1949 shall be applicable for the 1999 and subsequent crops:

(A) Section 101 (Price Support) (7 U.S.C. 1441);

(B) Section 103(a) (Cotton) (7 U.S.C. 1444(a));

(C) Section 105 (Feed Grains) (7 U.S.C. 1444b);

(D) Section 107 (Wheat) (7 U.S.C. 1445a);

(E) Section 110 (Farmer Owned Reserve) (7 U.S.C. 1445e);

(F) Section 112 (Commodity Utilization) (7 U.S.C. 1445g);

(G) Section 115 (Commodity Certificates) (7 U.S.C. 1445k);

(H) Section 201(c) (Dairy) (7 U.S.C. 1446(c)); and

(I) Title VI (Emergency Livestock Feed Assistance Act) (7 U.S.C. 1471–71j).

(2) In section 101B by striking subsection (n) and inserting the following:

"(n) Crops.—

"(1) Except as provided in paragraph (2) notwithstanding any other provision of law, the provisions of this section shall be effective for the 1996 and subsequent crops under the terms and provisions applicable to the 1995 crop of rice under this Act.

"(2) In the case of the 1996 through 1998 crops of rice, the provisions of paragraph (1) are suspended."

(c) Title III is amended—

(1) in section 312 by adding at the end the following:

"(c) Water Bank Acres.—Section 1231(b) is amended by adding at the end the following:

"(6) land that was enrolled as of the date of enactment of the 'Agricultural Reform and Improvement Act of 1996' in the Water Bank Program established under the Water Bank Act (16 U.S.C. 1301 et seq.) at a rate not to exceed the rates in effect under the program.";

(2) in section 313 by striking "(c) Eligibility.—" and all that follows through "under the program."; and

(3) in section 314 strike "(ii) 10,000 beef cattle" through "sheep or lambs" and inserting the following:

"(ii) 1,000 beef cattle;

"(iii) 30,000 laying hens or broilers (if the facility has continuous overflow watering);

"(iv) 100,000 laying hens or broilers (if the facility has a liquid manure system);

"(v) 55,000 turkeys;

"(vi) 2,500 swine; or

"(vii) 10,000 sheep or lambs."

(4) by adding at the end the following:

"SEC. 356. CONSERVATION ESCROW ACCOUNT.

"Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) is amended by adding at the end the following:

'SEC. 1248. CONSERVATION ESCROW ACCOUNT.

'(a) Establishment.—The Secretary shall establish a conservation escrow account.

'(b) Deposits Into Account.—Any program loans, payments, or benefits forfeited by, or fines collected from producers under section 1211 or 1221 shall be placed in the conservation escrow account.

'(c) Use of Funds.—Funds in the conservation escrow account shall be used to provide technical and financial assistance to individuals to implement natural resource conservation practices.

'(d) Geographic Distribution.—The Secretary shall use funds in the conservation escrow account for local areas in proportion to the amount of funds forfeited by or collected from producers in the local area.

'(e) Compliance Assistance.—To assist a producer, who the Secretary determines has acted in good faith, in complying with the applicable section referred to in subsection (b) not later than 1 year after a determination of noncompliance, a producer shall be eligible to receive compliance assistance of up to 66 percent of any loan, payments, benefits forfeited, or fines placed in the conservation escrow account.'

"SEC. 357. METHYL BROMIDE SENSE OF THE SENATE.

"It is the sense of the Senate that the U.S. Department of Agriculture should continue to carry out its research efforts on cost-effective alternatives to methyl bromide, because it is a critically important chemical to farmers that is subject to phase-out in 2001 under the requirements of the Clean Air Act. The Senate urges the U.S. Department of Agriculture and the Environmental Protection Agency to work together with Congress and members of the agricultural and environmental community to evaluate the risks and benefits of extending the methyl bromide phase out date."

SEC. 358. FARMLAND PROTECTION.

(a) Operation of Program Through the States.—Section 1231(a) of the Food Security Act of 1985 (16 U.S.C. 3831(a)) is amended—

(1) by striking "(a) In General.—Through the 1995 calendar year" and inserting the following:

"(a) AUTHORIZATION.—

"(1) IN GENERAL.—Through the 1998 calendar year"; and

(2) by adding at the end the following:

"(2) FARMLAND PROTECTION.—With respect to land described in subsection (b)(5), the Secretary shall carry out the program through the States."

(b) ELIGIBLE LAND.—Section 1231(b) of the Food Security Act of 1985 (16 U.S.C. 3831(b)) is amended—

(1) by striking the period at the end of paragraph (4) and inserting "; and"; and

(2) by adding at the end the following:

"(5) land with prime unique, or other productive soil that is subject to a pending offer from a State or local government for the purchase of a conversation easement or other interest in the land for the purpose of protecting topsoil by limiting non-agricultural uses of the land, but any highly erodible cropland shall be subject to the requirements of a conservation plan, including, if required by the Secretary, the conversion of the land to less intensive uses.".

(c) ENROLLMENT LIMITATIONS.—Section 1231(d) of the Food Security Act of 1985 (16 U.S.C. 3831(d)) is amended by inserting before the period at the end the following:", of which not less than 170,000 nor more than 340,000 acres may be enrolled under subsection (b)(5)".

(d) DUTIES OF OWNERS AND OPERATORS.—Section 1232 of the Food Security Act of 1985 (16 U.S.C. 3832) is amended by adding at the end the following:

"(f) LAND WITH PRIME, UNIQUE, OR OTHER PRODUCTIVE SOIL.—In the case of land enrolled in the conservation reserve under section 1231(b)(5), an owner or operator shall be permitted to use the land for any lawful agricultural purpose, subject to the conservation easement or other interest in land purchased by the State or local government and to any conservation plan required by the Secretary.".

(e) DUTIES OF THE SECRETARY WITH RESPECT TO PAYMENTS.—Section 1233 of the Food Security Act of 1985 (16 U.S.C. 3833) is amended—

(1) by striking "and" at the end of paragraph (2);

(2) by striking the period at the end of the paragraph (3) and inserting "; and"; and

(3) by adding at the end of the following:

"(4) in the case of a contract relating to land enrolled under section 1231(b)(5), pay up to 50 percent of the cost of limiting the non-agricultural use of land to protect the topsoil from urban development.".

(f) ANNUAL RENTAL PAYMENTS.—Section 1234(c)(2) of the Food Security Act of 1985 (16 U.S.C. 3834(c)(2)) is amended—

(1) by striking "or" at the end of subparagraph (A);

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following;

"(B) in the case of a contract relating to land enrolled under section 1231(b)(5), determination of the fair market value of the conservation easement or other interest acquired multiplied by 50 percent.".

(d) Title V is amended—

(1) in section 502 by adding the following at the end:

"(c) DEFINITION OF NATURAL DISASTER.—Section 502 of the Federal Crop Insurance Act (7 U.S.C. 1502) is amended—

"(1) by redesignating paragraphs (7) and (8) as paragraphs (8) and (9), respectively; and

"(2) by inserting after paragraph (6) the following:

'(7) NATURAL DISASTER.—The term 'natural disaster' includes extensive crop destruction caused by insects or disease.'.

"(d) MARKETING WINDOWS.—Section 508(j) of the Federal Crop Insurance Act (7 U.S.C. 1508(j)) is amended by adding at the end the following:

"(4) MARKETING WINDOWS.—The Corporation shall consider marketing windows in determining whether it is feasible to require planting during a crop year." '

"(e) BUY-UP COVERAGE.—Notwithstanding the provisions of the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), the Secretary shall ensure crop insurance is provided to producers at the 75 percent coverage level at a cost to producers which is similar to the costs associated with insurance at the 65 percent level prior to date of enactment of this Act.

(2) by adding at the end the following:

"SEC. 507. FUND FOR RURAL AMERICA.

"(a) IN GENERAL.—The Secretary shall create an account called the Fund for Rural America for purposes of providing funds for activities described in subsection (c).

"(b) COMMODITY CREDIT CORPORATION.—In each of the 1996 through 1998 fiscal years, the Secretary shall transfer into the Fund for Rural America (hereafter referred to as the "Account")—

"(1) $50,000,000 for the 1996 fiscal year;

"(2) $100,000,000 for the 1997 fiscal year; and

"(3) $150,000,000 for the 1998 fiscal year.

"(c) PURPOSES.—Except as provided in subsection (d), the Secretary shall provide not more than one-third of the funds from the Account for activities described in paragraph (2).

"(1) RURAL DEVELOPMENT ACTIVITIES.—The Secretary may use the funds in the Account for the following rural development activities authorized in:

"(A) The Housing Act of 1949 for—

"(i) direct loans to low income borrowers pursuant to section 502;

"(ii) loans for financial assistance for housing for domestic farm laborers pursuant to section 514;

"(iii) financial assistance for housing of domestic farm labor pursuant to section 516;

"(iv) grants and contracts for mutual and self help housing pursuant to section 523(b)(1)(A); and

"(v) grants for Rural Housing Preservation pursuant to section 533;

"(B) The Food Security Act of 1985 for loans to intermediary borrowers under the Rural Development Loan Fund;

"(C) Consolidated Farm and Rural Development Act for—

"(i) grants for Rural Business Enterprises pursuant to section 310B(c) and (j);

"(ii) direct loans, loan guarantees and grants for water and waste water projects pursuant to section 306; and

"(iii) down payments assistance to farmers, section 310E;

"(D) grants for outreach to socially disadvantaged farmers and ranchers pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279); and

"(E) grants pursuant to section 204(6) of the Agricultural Marketing Act of 1946.

"(2) RESEARCH—

"(A) IN GENERAL.—The Secretary may use the funds in the Account for research grants to increase the competitiveness and farm profitability, protect and enhance natural resources, increase economic opportunities in farming and rural communities and expand locally owned value added processing and marketing operations.

"(B) ELIGIBLE GRANTEE.—The Secretary may make a grant under this paragraph to—

"(i) a college or university;

"(ii) a State agricultural experiment station;

"(iii) a State Cooperative Extension Service;

"(iv) a research institution or organization;

"(v) a private organization or person; or

"(vi) a Federal agency.

"(C) USE OF GRANT.—

"(i) IN GENERAL.—A grant made under this paragraph may be used by a grantee for 1 or more of the following uses:

"(I) research, ranging from discovery to principles of application;

"(II) extension and related private-sector activities; and

"(III) education

"(ii) LIMITATION.—No grant shall be made for any project, determined by the Secretary, to be eligible for funding under research and commodity promotion programs administered by the Department.

"(D) ADMINISTRATION.—

"(i) PRIORITY.—In administering this paragraph, the Secretary shall—

"(I) establish priorities for allocating grants, based on needs and opportunities of the food and agriculture system in the United States related to the goals of the paragraph;

"(II) seek and accept proposals for grants;

"(III) determine the relevance and merit of proposals through a system of peer and stakeholder review; and

"(IV) award grants on the basis of merit, quality, and relevance to advancing the national research and extension purposes.

"(ii) COMPETITIVE AWARDING.—A grant under this paragraph shall be awarded on a competitive basis.

"(iii) TERMS.—A grant under this paragraph shall have a term that does not exceed 5 years.

"(iv) MATCHING FUNDS.—As a condition of receipts under this paragraph, the Secretary shall require the funding of the grant with equal matching funds from a non-Federal source if the grant is—

"(I) for applied research that is commodity-specific; and

"(II) not of national scope.

"(v) ADMINISTRATIVE COSTS.—

"(I) IN GENERAL.—The Secretary may use not more than 4 percent of the funds made available under this paragraph for administrative costs incurred by the Secretary in carrying out this paragraph.

"(II) LIMITATION.—Funds made available under this paragraph shall not be used—

"(aa) for the construction of a new building or the acquisition, expansion, remodeling, or alteration of an existing building (including site grading and improvement and architect fees); or

"(bb) in excess of ten percent of the annual allocation for commodity-specific projects not of the national scope.

"(d) LIMITATIONS.—No funds from the Fund for Rural America may be used to for an activity specified in subsection (c) if the current level of appropriations for the activity is less than 90 percent of the 1996 fiscal year appropriations for the activity adjusted for inflation."

KEMPTHORNE AMENDMENT NO. 3453

Mr. LUGAR (for Mr. KEMPTHORNE) proposed an amendment to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At page 3–25 after line 8 and before line 9 insert the following paragraph so that beginning at line 9 the bill reads:

"(8) Not withstanding any provision of law, the Secretary shall ensure that the process of writing, developing, and assisting in the implementation of plans required in the programs established under this title be open to individuals in agribusiness including but not limited to agricultural producers, representatives from agricultural cooperatives, agricultural input retail dealers, and certified crop advisers. This process shall be included in but not limited to programs and plans established under this title and any other Department program using incentive, technical assistance, cost-share or pilot project programs that require plans."

GRAHAM (AND MACK) AMENDMENT NO. 3454

Mr. LUGAR (for Mr. Graham, for himself and Mr. Mack) proposed an amendment to amendment No. 3184 proposed by Mr. Leahy to the bill S. 1541, supra, as follows:

(c)(1) Crop Insurance Pilot Project.—The Secretary of Agriculture shall develop and administer a pilot project for crop insurance coverage that indemnifies crop losses due to a natural disaster such as insect infestation or disease.

(2) Actuarial Soundness.—A pilot project under this paragraph shall be actuarially sound, as determined by the Secretary and administers at no net cost to the U.S. Treasury.

(3) Duration.—A pilot project under this paragraph shall be of two years' duration.

(d) Crop Insurance for Specialty Crops.—Section 508(a)(6) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(6)) is amended by adding at the end the following:

"(D) Addition of specialty crops.—(i) Not later than 2 years after the date of enactment of this subparagraph. (1) the Corporation shall issue regulations to expand crop insurance coverage under this title to include aquaculture; and

(ii) The Corporation shall conduct a study and limited pilot program on the feasibility of insuring nursery crops.

(e) Marketing Windows.—Section 508(j) of the Federal Crop Insurance Act (7 U.S.C. 1508(j)) is amended by adding at the end the following:

"(4) Marketing windows.—The Corporation shall consider marketing windows in determining whether it is feasible to require planting during a crop year.".

SANTORUM AMENDMENT NO. 3455

Mr. LUGAR (for Mr. Santorum) proposed an amendment to amendment No. 3184 proposed by Mr. Leahy to the bill S. 1541, supra; as follows:

On page 3–3, strike lines 3 through 6 and insert the following:

"(B) the wetlands reserve program established under subchapter C;

"(C) the environmental quality incentives program established under chapter 4; and

"(D) a farmland protection program under which the Secretary shall use funds of the Commodity Credit Corporation for the purchase of conservation easements or other interests in not less than 170,000, nor more than 340,000, acres of land with prime, unique, or other productive soil that is subject to a pending offer from a State or local government for the purpose of protecting topsoil by limiting non-agricultural uses of the land, except that any highly erodible cropland shall be subject to the requirements of a conservation plan, including, if required by the Secretary, the conversion of the land to less intensive uses. In no case shall total expenditures of funding from the Commodity Credit Corporation exceed a total of $35,000,000 over the first 3 and subsequent fiscal years.

JOHNSTON AMENDMENT NO. 3456

Mr. LEAHY (for Mr. Johnston, for himself, Mr. Pryor, Mr. Breaux, and Mr. Bumpers) proposed an amendment to amendment No. 3184 proposed by Mr. Leahy to the bill S. 1541, supra, as follows:

At the appropriate place in title V of the amendment No. 3184 offered by Mr. Leahy, insert:

Section 101 of the Agricultural Act of 1949 is amended by adding a subsection (e) that reads as follows:

"(e) Rice.—The Secretary shall make available to producers of each crop of rice on a farm price support at a level that is not less than 50%, or more than 90% of the parity price for rice as the Secretary determines will not result in increasing stocks of rice to the Commodity Credit Corporation."

PRYOR AMENDMENT NO. 3457

Mr. LEAHY (for Mr. Pryor) proposed an amendment to amendment No. 3184 proposed by Mr. Leahy to the bill S. 1541, supra; as follows:

On page 3–16 of amendment No. 3184, at line 1, after "payments" include the word "education."

On page 3–16, line 9, after "payments," include the word "education."

On page 3–16, line 13, after "payments," and "education."

BOXER AMENDMENT NO. 3458

Mr. LEAHY (for Mrs. Boxer) proposed an amendment to amendment No. 3184 proposed by Mr. Leahy to the bill S. 1541, supra; as follows:

At the appropriate place, add the following:

It is the sense of the Senate that the Department of Agriculture should continue to make methyl bromide alternate research and extension activities a high priority of the Department.

Provided further, That it is the sense of the Senate that the Department of Agriculture, the Environmental Protection Agency, producer and processor organizations, environmental organizations, and State agencies continue their dialogue on the risks and benefits of extending the 2001 phaseout deadline.

CONRAD AMENDMENT NO. 3459

Mr. LEAHY (for Mr. Conrad) proposed an amendment to amendment No. 3184 proposed by Mr. Leahy to the bill S. 1541, supra; as follows:

At the appropriate place in the title relating to conservation, insert the following:

SEC. . ABANDONMENT OF CONVERTED WETLANDS.

Section 1222 of the Food Security Act of 1985 (16 U.S.C. 3822) is amended by adding at the end the following:

"(k) Abandonment of Converted Wetlands.—The Secretary shall not determine that a prior converted or cropped wetland is abandoned, and therefore that the wetland is subject to this subtitle, on the basis that a producer has not planted an agricultural crop on the prior converted or cropped wetland after the date of enactment of this subsection, so long as any use of the wetland thereafter is limited to agricultural purposes."

CONRAD (AND HATFIELD) AMENDMENT NO. 3460

Mr. LEAHY (for Mr. Conrad, for himself and Mr. Hatfield) proposed an amendment to amendment No. 3184 proposed by Mr. Leahy to the bill S. 1541, supra; as follows:

Beginning on page 7–86, strike line 11 and all that follows through page 7–87, line 11, and insert the following:

"(3) Rural business and cooperative development.—The rural business and cooperative development category shall include funds made available for—

"(A) rural business opportunity grants provided under section 306(a)(11)(A);

"(B) business and industry guaranteed loans provided under section 310B(a)(1); and

"(C) rural business enterprise grants and rural educational network grants provided under section 310B(c).

"(d) Other Programs.—Subject to subsection (e), in addition to any other appropriated amounts, the Secretary may transfer amounts allocated for a State for any of the 3 function categories for a fiscal year under subsection (c) to—

"(1) mutual and self-help housing grants provided under section 523 of the Housing Act of 1949 (42 U.S.C. 1490c);

"(2) rural rental housing loans for existing housing provided under section 515 of the Housing Act of 1949 (42 U.S.C. 1485);

"(3) rural cooperative development grants provided under section 310B(e); and

"(4) grants to broadcasting systems provided under section 310B(f).

CONRAD AMENDMENT NO. 3461

Mr. LEAHY (for Mr. Conrad) proposed an amendment to amendment No. 3184 proposed by Mr. Leahy to the bill S. 1541, supra; as follows:

Notwithstanding any other provision of law, Section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) is amended in subparagraph (F)—

(i) by striking "exceed 15 percent" and all that follows through "Code" and inserting the following: "exceed—

"(i) 25 percent of the median acreage of the farms or ranches, as the case may be, in the county in which the farm or ranch operations of the applicant are located, as reported in the most recent census of agriculture taken under section 142 of title 13, United States Code.

CRAIG (AND BAUCUS) AMENDMENT NO. 3462

Mr. LUGAR (for Mr. Craig, for himself and Mr. Baucus) proposed an amendment to amendment No. 3184 proposed by Mr. Leahy to the bill S. 1541, supra; as follows:

After section 857, insert the following:

SEC. 858. LABELING OF DOMESTIC AND IMPORTED LAMB AND MUTTON.

Section 7 of the Federal Meat Inspection Act (21 U.S.C. 607) is amended by adding at the end the following:

"(f) LAMB AND MUTTON—

"(1) STANDARDS.—The Secretary, consistent with U.S. international obligations, shall establish standards for the labeling of sheep carcasses, parts of carcasses, meat, and meat food products as 'lamb' and 'mutton".

"(2) METHOD.—The standards under paragraph (1) shall be based on the use of the break or spool joint method to differentiate lamb from mutton by the degree of calcification of bone to reflect maturity.".

THE TECHNOLOGY TRANSFER IMPROVEMENTS ACT OF 1996

ROCKEFELLER (AND BURNS) AMENDMENT NO. 3463

Mr. DOLE (for Mr. ROCKEFELLER, for himself and Mr. BURNS) proposed an amendment to the bill (H.R. 2196) to amend the Stevenson-Wydler Technology Innovation Act of 1980 with respect to inventions made under cooperative research and development agreements, and for other purposes; as follows:

On page 3, line 24, insert "pre-negotiated" before "field".

On page 5, beginning on line 4, strike "if the Government finds" and insert "in exceptional circumstances and only if the Government determines".

On page 5, between lines 15 and 16, insert the following:

This determination is subject to administrative appeal and judicial review under section 203(2) of title 35, United States Code.

On page 13, strike lines 10 through 17 and insert the following:

Section 11(i) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710(i)) is amended by inserting "loan, lease, or" before "give".

Beginning with line 23 on page 21, strike through line 3 on page 22 and insert the following:

"(13) to coordinate Federal, State, and local technical standards activities and conformity assessment activities, with private sector technical standards activities and conformity assessment activities, with the goal of eliminating unnecessary duplication and complexity in the development and promulgation of conformity assessment requirements and measures.".

On page 22, beginning on line 5, strike "by January 1, 1996," and insert "within 90 days after the date of enactment of this Act,".

Beginning with line 8 on page 22, strike through line 5 on page 23 and insert the following:

(d) UTILIZATION OF CONSENSUS TECHNICAL STANDARDS BY FEDERAL AGENCIES; REPORTS.—

(1) IN GENERAL.—Except as provided in paragraph (3) of this subsection, all Federal agencies and departments shall use technical standards that are developed or adopted by voluntary consensus standards bodies, using such technical standards as a means to carry out policy objectives or activities determined by the agencies and departments.

(2) CONSULTATION; PARTICIPATION.—In carrying out paragraph (1) of this subsection, Federal agencies and departments shall consult with voluntary, private sector, consensus standards bodies and shall, when such participation is in the public interest and is compatible with agency and departmental missions, authorities, priorities, and budget resources, participate with such bodies in the development of technical standards.

(3) EXCEPTION.—If compliance with paragraph (1) of this subsection is inconsistent with applicable law or otherwise impractical, a Federal agency or department may elect to use technical standards that are not developed or adopted by voluntary consensus standards bodies if the head of each such agency or department transmits to the Office of Management and Budget an explanation of the reasons for using such standards. Each year, beginning with fiscal year 1997, the Office of Management and Budget shall transmit to Congress and its committees a report summarizing all explanations received in the preceding year under this paragraph.

(4) DEFINITION OF TECHNICAL STANDARDS.—As used in this subsection, the term "technical standards" means performance-based or design-specific technical specifications and related management systems practices.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. LUGAR. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Wednesday, February 7, at 9:30 a.m. for a hearing on recommendations by Members of Congress relating to Federal employment.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS

Mr. LUGAR. Mr. President, I ask unanimous consent that the Subcommittee on East Asian and Pacific Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, February 7, 1996, at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

COMMERCIAL REVITALIZATION TAX CREDIT OF 1995

• Mr. SPECTER. Mr. President, I strongly support S. 743, the Commercial Revitalization Tax Credit Act of 1995 [CRTC] and today I join several of my colleagues in cosponsoring this bill. I commend Senator KAY BAILEY HUTCHISON for her sponsorship of this legislation designed to encourage business investment in economically distressed areas. I also want to commend my Pennsylvania colleague, Representative PHIL ENGLISH who has introduced this same legislation in the House. I believe this measure will help to create jobs and expand economic activity, in addition to improving the physical appearance and property values in these areas.

Earlier in this session, I introduced legislation to replace our current cumbersome Tax Code with a simple and efficient 20-percent flat tax. My legislation, the Flat Tax Act of 1995 (S. 488) will bring tremendous economic growth to all areas of our country, and especially our cities by freeing up capital and lowering interest rates. While I continue to support the principles and necessity of a flat tax, I believe that in the interim we must proceed with measures such as the Commercial Revitalization Tax Credit Act to bring economic growth to our cities immediately.

This legislation provides a targeted, limited tax credit to businesses to help defray their costs of construction, expansion, and renovation in urban areas. The CRTC would be another tool to aid localities and States in boosting jobs and business investment in America's most troubled neighborhoods. If enacted, estimates indicate the CRTC could attract over $7 billion in private sector investment to these communities, create thousands of jobs, and generate new tax revenue.

America's urban areas serve an important role as centers of commerce, industry, education, health care, and culture. Yet these urban centers, particularly in the inner cities, also have special needs. As a Philadelphia resident, I have first-hand knowledge of the growing problems that plague our cities. I have long supported a variety of programs to assist our cities such as increased funding for community development block grants, extension of the low income housing tax credit, and legislation to establish enterprise and empowerment zones. I have also promoted legislation to provide targeted tax incentives for investing in minority- or women-owned small businesses.

This issue of urban renewal is not new to me. In the 104th Congress, I introduced the New Urban Agenda Act of 1995—S. 17—which would redress urban decay and decline without massive Federal outlays. S. 17 embodies many of the proposals of Philadelphia Mayor Edward G. Rendell. The bill is intended to stimulate the economies of our urban centers. Increased economic growth resulting in increased employment is the key to reversing current urban economic conditions. Specifically, my legislation would: First, require certain Federal and foreign aid purchases to be made from businesses operating with urban zones; second, favor distressed cities for the location or relocation of Federal facilities; third, expand the historic rehabilitation tax credit, expand the use of commercial industrial development bonds, and modify the arbitrage rebate rules concerning municipal bond interest; fourth, study streamlining Federal housing programs into block-grant form, and encourage community building by locating original tenants in new units on old sites; and fifth, ease environmental restrictions for governments, speed up the remediation process, and establish a pilot powerplant for the benefit of city residents and energy intensive industry.

Mr. President, I believe the CRTC will complement my legislation because it would encourage new construction and rehabilitation of structures in distressed areas. The CRTC would provide businesses with the option of taking either a one time 20-percent tax credit against the cost of new construction or rehabilitation, or a tax credit of 5 percent a year for 10 years. The credit is intended to help encourage businesses locate to economically distressed areas.

The original concept of enterprise zones provided for broad based incentives for capital formation. Current these zones primarily encourage wage-based tax, and other investment incentives to locate within the zone. There is no incentive for a business within the zone to expand so that larger numbers of employees can be hired. That is a gap which the CRTC fills.

I believe the CRTC will be an efficient and productive program. The tax credit will only be available after private sector investment has been made and the competed project is generating income. This bill authorizes a maximum of $1.5 billion in tax credits over a 5-year period. The credits will be allocated to each State according to a formula which takes into account the number of localities where over half the people earn less than 60 percent of the area's median income. Local governments, not the Federal Government, will determine their priority projects and forward them to the States which will allocate the tax credits according to an evaluation system which the States themselves establish.

Furthrmore, communities which have already been designated as economic revitalization areas by the Federal, State, and local governments would now become eligible for the CRTC Program. This is particularly good news for Philadelphia, PA, and Camden, NJ, which were jointly chosen as 1 of 6 urban empowerment zones by the Department of Housing and Urban Development. The cities of Harrisburg and Pittsburgh, and Allegheny County in my home State were also designated as enterprise communities and will benefit from S. 743.

Last June, the U.S. Conference of Mayors adopted the attached resolution sponsored by Edward Rendell, the mayor of Philadelphia, which endorsed the commercial revitalization tax credit. Other organizations which have endorsed this bill include the National Association of Counties, the American Institute of Architects, the National Association of Industrial Office Properties, the American Planning Association, the American Enterprise Zone Association, the Local Initiatives Support Corporation, the International Downtown Association, the National Congress of Community Economic Development, and the American Society of Landscape Architects.

We must address any very serious issues—jobs, teenage pregnancy, welfare reform—if we are to save our cities. It may well be that many in America have given up on our cities. That is a stark statement, but it is one which I believe may be true, but, I have not given up. And I believe there are others in this body on both sides of the aisle who have not done so. There must be new strategies for dealing with the problems of urban America. The Commercial Tax Revitalization Tax Credit Act is one such strategy that strives toward the ultimate goal of restoring the former vitality of our cities which can only help make our country stronger and more competitive. The days of expansive Federal aid are clearly past, but that is no excuse for the National Government to turn a blind eye to the problems of the cities.

The resolution follows:

RESOLUTION NO. 62—COMMERCIAL REVITALIZATION TAX CREDIT

Whereas, many American urban centers and rural areas are plagued by chronic economic distress, including aging infrastructure and business disinvestment; and

Whereas, to be successful in breaking the cycle of economic erosion, unemployment and abandonment of older neighborhoods, new measures must be taken to regenerate private investment; and

Whereas, new approaches must be fostered to address the problems of our cities; and

Whereas, Senator Kay Bailey Hutchison (TX) has introduced the Commercial Revitalization Tax Credit Act (CRTCA) of 1995 to encourage business investment and reinvestment in specially designated revitalization areas; and

Whereas, the CRTCA would offer a 20 percent tax credit in one year, or a 5 percent credit each year for 10 years, to defray the cost of business construction, expansion or rehabilitation in specially designated areas; and

Whereas, tax policies designed to target private entrepreneurial activities in declining urban and rural areas enjoy bipartisan support, Now, therefore, be it

Resolved, That The United States Conference of Mayors strongly urges Congress to support this session the CRTCA; and be it further

Resolved, That The United States Conference of Mayors urges Congress to approve this credit this session at the full benefit level for which it is proposed.•

DIETRICH BONHOEFFER

• Mr. LEVIN. Mr. President, I rise today to bring attention to the life of one of the 20th-century's most inspirational leaders, the anti-Nazi theologian, Dietrich Bonhoeffer. The author of numerous books, most notably, "The Cost of Discipleship" and "Letter and Papers From Prison," Mr. Bonhoeffer spent time in the United States as a student at Union Seminary in New York.

It was after his stay in the United States that Dietrich Bonhoeffer returned to his native Germany and voiced opposition to the practices of Hitler and his Nazi regime. As an ardent pacifist, not only did he speak out against Nazi terrors and propaganda, but Mr. Bonhoeffer was centrally involved in transporting Jews from Germany to Switzerland in an effort to spare them from the Nazis.

In 1943 Mr. Bonhoeffer was arrested and sent to the Buchenwald concentration camp. Then, at the age of 39, on April 9, 1945, just 2 days before the arrival of the Allied forces, Dietrich Bonhoeffer was hanged by the Nazis.

Despite Dietrich Bonhoeffer's heroics, he is still regarded by German law as a traitor. Ten years ago, German Parliament condemned Nazi "people's courts" and voided their convictions. However, the declaration did not pertain to the SS courts, where Mr. Bonhoeffer was condemned. Today, I formally urge my colleagues on both sides of the isle to support posthumous rehabilitation for Mr. Bonhoeffer and to urge the German Parliament to declare that all convictions by the SS courts were illegal.

Mr. President, Dietrich Bonhoeffer should serve as an inspiration to all of us for he sought change where change often times seemed impossible. He joined his church, and changed it. He lived in Nazi Germany where the message of a superior Aryan race separated man from man and thus man from God. But, rather than accept the Nazi dictatorship, he openly opposed Hitler and the regime. for his conviction to justice, equality, and peace, Dietrich Bonhoeffer had his life violently taken from him. Surely he deserves our best efforts to legally clear his name and to celebrate his legacy of courage and commitment.•

PROFESSIONAL SPORTS FRANCHISES IN SEATTLE

• Mr. GORTON. Mr. President, on February 2, the citizens of Seattle and of Washington State were dealt yet another low blow in their continuing struggle to maintain three professional sports franchises in Seattle. Unfortunately, it now seems that just as one team reaches the pinnacle of success in Seattle, another outsider owner of a local team decides that he no longer wishes to call Seattle its home. Last Friday, the owners of the Seattle Seahawks announced their intention to move the team from Seattle even though they have 10 years remaining on their contract with King County.

Why are they leaving? The Seahawk owners cite inadequate playing facilities and a lack of local government and community support. Lack of support? Consider the numerous years of sell-out crowds in the Kingdome. Consider the local and State subsidies that have supported this organization. If there is no community support, why did the Seahawk organization retire the No. 12 jersey? The number was retired in honor of all the Seahawk fans who have long served as the "twelfth man" on the Seahawks playing field. Lack of support?

As many of my colleagues may know, a great deal of my political career has been focused on maintaining a presence of professional sports franchises in Seattle. My involvement started late one evening in 1970, when the owners of the Seattle Pilots baseball team loaded their moving vans and headed east to Milwaukee, WI, after only 1 year in Seattle. As Washington State attorney, general, I successfully sued the American League to bring a new baseball club to Seattle in 1977—the Seattle Mariners—a suit that also resulted in the creation of the Toronto Blue Jays.

During its first 17 years of existence, the Mariner organization faced many of the expected challenges that confront any new sports franchise. This young baseball team was only able to produce two winning seasons in its first 17 years. While the adversity continued on the field, the difficulties facing the franchise off the field quickly became even more owerwhelming. The Mariners organization suffered increasing financial losses, fueling speculation that the team would leave Seattle. All of the succession of Mariner owners were underfunded outsiders unable to take the risks necessary for success. Finally in 1992, the threat became a reality, and the owners of the Mariners announced their intentions to move the baseball team to Florida. The fans, myself included reacted. A provision in the Mariners' contract with King County prohibited the midnight-loading of the moving vans. This local-option provision required that prior to any relocation to another city, the team first be put up for sale for 120 days and sold to any local buyers with a reasonable offer. With on 2 weeks left before the 120-day period expired, local business and community leaders, myself included, were able to secure the local resources to purchase the Mariners and keep the Mariners safe at home.

Last fall, after 18 long years, the fans of Washington State, and the team they fought so hard to keep, were finally rewarded when the Seattle Mariners won the American League Western Division Title. This championship fever should be the reward for fans when they dedicate themselves to supporting a professional sports team, not what is currently happening in Seattle and Cleveland.

Unfortunately for the fans of professional sports team, today's loyalty and gratitude given to professional teams is being returned with seriously harsh slaps in the face. Looking for news of a sports franchise relocation? Just open a newspaper. Within the last 18 months, two professional football organizations have moved cities and three more have announced their intentions to move prior to the 1996 season.

Mr. President, something has got to be done to bring some stability back to professional sports. Some question the role of the Government in professional sports leagues. I do not. Professional sports franchises rely on Federal tax dollars, participate in interstate commerce, and affect millions of people across the country. I have no doubt that there is a role for the Federal Government in creating standards and expectations of behavior. That is why I have cosponsored the Fans' Rights Act with my colleagues from Ohio, Senator GLENN and Senator DEWINE.

The Fans' Rights Act, S. 1439, seeks to restore stability and integrity to the current chaos that marks franchise relocations. It does this by giving professional sports league officials the ability to enforce their own rules through a limited antitrust exemption. This limited exemption will ensure that league officials can block franchise relocations they believe not to be in the best interests of their sport. The bill also provides for a 180-day notice period before any team can move. During that time, public hearings must be held, at which time a home community would have the opportunity to induce the team to stay. Finally, the Fans' Rights Act would prohibit the outrageous practice of teams buying the league's approval of a proposed relocation. Current practices allow the paying of relocation fees to the leagues and individual teams prior to the vote by the individual team owners to approve the move. The bill would require that the relocation fee be paid only after the vote of approval has taken place. The era of professional sports teams moving, only to leave behind fans, businesses, and communities who have invested emotional and financial support must come to an end, and this legislation attempts to do just that.

As chairman of the Consumer Subcommittee within the Commerce Committee, I intend to hold hearings on Fans' Rights Act sometime in early March. I will seek testimony from commissioners of all four professional leagues, player representatives, team owners, and elected officials from cities impacted by franchise relocation.

When this bill comes to the floor, it is also my intention to offer an amendment to include a provision similar to that that kept the Mariners in Seattle in 1992. Essentially, this provision would require a team to be put up for sale to local owners for 120 days prior to any relocation at a price to be set by arbitration. Fan loyalty and local support must be rewarded with local ownership, not the removal of the team.

Unfortunately for the Seahawk fans, even if we could enact the Fans' Rights Act into law tomorrow, this legislation will not reverse the clock in Seattle. The decision to relocate the team has been made, although a lawsuit is pending against the organization is a King County Superior Court, an action I believe likely to succeed. I have been invited by King County Executive Gary Locke to serve on a small task force of business and community leaders who will work together to ensure that professional football in Seattle does not become part of Seattle's fading history.

I would also like to take this opportunity to commend King County Executive Gary Locke, King County Prosecutor Norm Maleng, and members of the King County Council for all of their efforts thus far to save the Seahawks.

In closing Mr. President, I would like to send a message to sports fans in Washington State and around the country. While we are in the midst of troubling times with sports teams coming and sports teams leaving, I would like to assure each of you that your loyalty to professional sports franchises will not go unrewarded. Throughout the 8 weeks of the Mariners playoff excitement this fall, the residents of Seattle and the citizens of Washington State were part of an amazing roller-coaster ride that reached beyond anything that could ever be expected from professional sports. The great sense of community pride and support toward a single team, however, must be rewarded with loyalty from the team back to the community. The Seattle Mariners displayed this loyalty in their final game of the season, when all of the Mariner players came out of the clubhouse 20 minutes after game's end, to applaud the 58,000-plus fans who had encouraged the team during the championship run.

Mr. President, the Seahawks will not move and, I believe, Cleveland will not be deserted by the NFL either.

Mr. President, every fan deserves the opportunity to applaud his or her local sports team, and for loyalty from the owners in return. I hope that passing the Fans' Rights Act can begin to recognize that fans are equal players in the world of sports.•

THE NEED FOR A NATIONAL COMMISSION ON GAMBLING

• Mr. SIMON. Mr. President, I would like to call to the attention of my colleagues a recent column in the Washington Post. Cowritten by our former colleague from Maryland, Joseph Tydings, the column cogently describes the importance of a national study on the social and economic impacts of gambling.

The impacts of gambling are regional, national, and international in scope. Local and State governments simply do not have access to the information they need to make wise decisions. Although local and State task forces and commissions continue to produce reports, these entities are not equipped to deal with the regional and national ramifications of local and State policies and tend to focus only on the short term. As the authors suggest, a national commission would help States a great deal.

Although the column is focused on Maryland, States and municipalities across the country are facing the same choices. Strapped for cash, many turn to casinos, riverboats, and lotteries. Gambling should not be the only choice. Identifying alternative sources of revenue will be prominent among the issues considered by a national commission.

I urge my colleagues to read the column and to work with me and the bipartisan group supporting S. 704, the Gambling Impact Study Commission Act.

I ask that the Washington Post column be printed in the RECORD.

The column follows:

[From the Washington Post, Feb. 6, 1996]

CASINO GAMBLING: BRING IN THE FEDS

(By Joseph Tydings and Peter Reuter)

The recent opening of slot machines at two Delaware race tracks is a small event in itself but is yet another step along the path to coast-to-coast casinos that many states are reluctantly and uncertainly following. Notwithstanding the pressure from the Delaware move, Maryland's Joint Executive Legislative Task Force to Study Commercial Gambling, on which we served as chair and executive director, recommended against casinos last November.

One of the task force's major conclusions has been largely ignored by the media—namely, that the problem of legal casino gambling is a national one; Maryland cannot deal with this on its own. The problem cries out for attention from the president and Congress. Unfortunately, the casino industry has mobilized cash and lobbyists to prevent federal action on the issue.

The Maryland Task Force, in its full report, unhappily noted that, lacking a significant federally funded study, it has a very limited basis for making projections of what would happen if Maryland opened its doors to casinos, which nowadays get 70 percent of their revenues from slot machines. Given the limited statistical and economic analysis available, its opposition to casinos reflected a sensible caution.

Casinos do provide a credible promise of substantial financial gains to those states that are the first in their region to introduce them. Foxwoods casino in Connecticut (owned by the Mashantucket Pequot tribe under 1988 federal legislation that allows Indian tribes to operate casinos on certain tribal lands) now yields that state $115 million in tax revenues. Most of it comes from residents of Massachusetts, Rhode Island and New York who come to play in the world's largest casino. It employs more than 10,000 workers, offering good wages and benefits to many who would otherwise have more menial and unreliable jobs.

Not surprisingly, the state of Massachusetts feels it must also allow slots to compete and is now negotiating with the Wampanoag Indians to let the tribe operate a casino. The state of New York, which created a long legislative and referendum process to prevent a rash decision on casinos, has also responded to Connecticut by starting down a path that could lead to their introduction in 1998.

But the economic gains that entice states to open their doors to casinos are only substantial if neighboring states aren't competing for the same customers. If Maryland were the only state in its region to allow casinos, it might be able to justify building casinos that relied heavily on spending by Virginians, Pennsylvanians, Washingtonians and West Virginians. However, just as the Foxwoods' success had caused Connecticut's neighbors to move toward casinos, so would Maryland's advantage, if any, be short-lived.

The case for casinos has an element of vodoo economics—namely, the claim that providing a new form of entertainment will increase the economic base of the community or state by increasing local spending. Casino expenditures by Maryland citizens would come entirely through reductions in other leisure spending or even in spending on food, shelter and education. Casinos can provide economic development only by attracting spending from other states. Moreover, if casinos lead to greater consumer spending nationally, then clearly it has to come from reductions in people's savings—scarcely a desirable change for a country that chronically undersaves.

There are also important social costs to having casinos readily accessible. Many people have difficulty controlling their gambling, particularly in the artificial environment of a casino where liquor is freely offered and the game is available at all hours. Big gambling losses and the obsessive pursuit of gambling opportunities may lead to family breakdown and loss of productivity and community involvement. Embezzlement would probably rise. Casino patrons might also make attractive victims for criminal offenses. But whether this is a major problem or just a modest incidental to the simple pleasures of millions is still a matter of debate and in need of serious research.

The opponents of casinos often weaken their case by making exaggerated claims about the social consequences of gambling. Typical is the claim that "40 percent of all white-collar crimes come from pathological gambling," a hardy perennial that appears in all anti-casino writings. It is supposedly the product of the American Insurance Institute. In fact, no such organization exists, and no one has ever been able to locate a copy of a report documenting the claim. Nor is there much more basis for the frequent claim that each problem gambler costs society $30,000 annually.

An authoritative and independent assessment of the economic and social consequences of casinos would help states a great deal. A federal commission needs to do systematic analysis of the kind that state task forces, with their short time horizons and minuscule budgets (ours had six months and a total of $50,000 for its work), cannot muster. There seems to be strong congressional support for such a commission, notwithstanding aggressive lobbying against it by the casino industry.

The national commission would also have to focus on the very troubling issue of Indian tribal gambling. Providing Indian tribes with better economic opportunities is clearly an important and legitimate goal, but when those opportunities result in large costs being borne by the entire nation, then the issue needs to be revisited.

In the meantime, states like Maryland will feel a constant pressure from their neighbors to avoid having good Maryland money turn into Delaware gambling revenues. The growing burden of social services on state finances as the federal government cuts back its support will increase that pressure, so that in the next downturn many states may reluctantly, but irreversibly, become casino states as well. A federal commission and some sensible national policy are needed, as soon.•

OPEN TOBACCO HEARINGS ARE NEEDED

Mr. LAUTENBERG. Mr. President, I rise to make a few comments about Sunday's "60 Minutes" program on Dr. Jeffrey Wigand and his statements about what went on inside the Brown & Williamson Tobacco Co.

Mr. President, for those who did not see this interview, Dr. Wigand told the Nation that Brown & Williamson acknowledged that cigarettes are a "nicotine delivery" device and that senior management rejected his efforts to make their tobacco products safer.

Dr. Wigand also claimed that Brown & Williamson knowingly used carcinogens in their tobacco products.

Mr. President, if these allegations were found to be true—if Brown & Williamson knew that nicotine was addictive, if the company knew that its products contained carcinogens, if it withheld this information from the public and this resulted in unnecessary death and disease—it would be absolutely unconscionable.

Mr. President, I ask that a transcript of this interview be printed in the RECORD following my remarks.

Mr. President, these accusations made by Dr. Wigand are extremely serious and I believe that Congress and the American people should fully understand the real dangers of tobacco products and all of the recent allegations involving the tobacco industry.

Mr. President, there is so much activity and confusion about tobacco these days.

Let me tell my colleagues about some of the legal matters that are currently pending:

Five States are actively suing the tobacco companies for Medicaid costs associated with tobacco related illnesses of their residents. Other States are seriously considering similar action, including my home State.

On the Federal level, I have introduced legislation to recoup all Medicare and Medicaid costs spent on tobacco related illnesses, some $20 billion a year, directly from the tobacco companies.

There is a multibillion-dollar class action suit against the tobacco companies going on in New Orleans. It is commonly referred to as the Castano case. The plaintiffs are former smokers and survivors who claim that the tobacco companies knew that nicotine was addictive and dangerous but never told their customers.

There is a Justice Department probe underway to investigate whether the seven tobacco companies' CEO's perjured themselves before Congressman WAXMAN's subcommittee when they testified they did not believe nicotine was addictive.

Because of all of these current legal activities, there have been numerous leaks about the dangers of tobacco in the print and television media. However, Congress and the American people are only getting bits and pieces of the entire story because of the intense legal climate surrounding this entire issue.

This is why I wrote a letter to Senators KASSEBAUM and KENNEDY asking them to hold hearings in the Labor and Human Resources Committee about the entire tobacco issue. I have spoken personally to Senator KASSEBAUM and she assured me that she would seriously consider this request. I also spoke with Senator KENNEDY who is deeply interested in all health issues including the health effects of tobacco and would like to set up hearings on this subject.

Mr. President, I ask that a copy of this letter be printed in the RECORD following my remarks.

Mr. President, the Congress, on behalf of the American people, needs to find out the truth about the addictive nature of nicotine, the health effects of tobacco use and all of the recent allegations involving the tobacco industry. We need this information so that we can evaluate the need for legislation regulating the tobacco industry and trying to recoup the cost of tobacco related illnesses.

It is clear that the only way for Congress and the American people to get all of this information is to have open hearings in the Senate—so that we can secure for the record as much information as possible.

On the House side, unfortunately, there is little chance of hearings. Congressman BLILEY, from Richmond, VA, chairman of the Commerce Committee, has indicated that his committee will not permit these issues to be aired.

I hope that things will be different in the Senate. I hope that both Democrats and Republicans will see the value in holding hearings on this critical issue. Only then, will the Congress and the public be fully informed about the dangers of a product that takes over 400,000 lives per year.

Mr. President, we cannot sit idly by and listen to these types of allegations and do nothing.

The material follows:

TRANSCRIPT FROM 60 MINUTES, FEBRUARY 4, 1966

MIKE WALLACE. A story we set out to report six months ago has now turned into two stories: how cigarettes can destroy people's lives; and how one cigarette company is trying to destroy the reputation of a man who refused to keep quiet about what he says he learned when he worked for them. The Company is Brown & Williamson, America's third-largest tobacco company. The man they've set out to destroy is Dr. Jeffrey Wigand, their former $300,000 a year director of research.

They employed prestigious law firms to sue him, a high-powered investigation firm to probe every nook and cranny of his life. And they hired a big-time public relations consultant to help them plant damaging stories about him in The Washington Post, The Wall Street Journal and others. But the Journal reported the story for what they though it was. "Scant evidence" was just one of their comments.

CBS management wouldn't let us broadcast our original story and our interview with Jeffrey Wigand because they were worried about the possibility of a multibillion dollar lawsuit against us for "tortions" interference—that is, interfering with Wigand's confidentiality agreement with Brown & Williamson. But now things have changed. Last week The Wall Street Journal got hold of and published a confidential deposition Wigand gave in a Mississippi case, a November deposition that repeated many of the charges he made to us last August. And while a lawsuit is still a possibility, not putting Jeffrey Wigand's story on 60 minutes no longer is.

[Footage of Wigand; Brown & Williamson Tower; cigarettes on machine; of tobacco on conveyor belt; tobacco executives testifying before Congress.]

WALLACE (Voiceover). What Dr. Wigand told us in that original interview was that his former colleagues, executives of Brown & Williamson tobacco, knew all along that their tobacco products, their cigarettes and pipe tobacco, contained additives that increased the danger of disease; and further, that they had long known that the nicotine in tobacco is an addictive drug, despite their public statement to the countrary, like the testimony before Congress of Dr. Wigand's former boss, B&W chief executive officer Thomas Sandefur.

Mr. THOMAS SANDEFUR (Chief Executive Officer, Brown & Williamson). I believe that nicotine is not addictive.

Dr. JEFFREY WIGAND (Testifying Against Brown & Williamson). I believe he perjured himself because——

[Footage of congressional hearing.]

Dr. WIGAND (Voiceover). I watched those testimonies very carefully.

WALLACE (Voiceover). All of us did. There was the whole line of people-the-the whole line of CEOs up there, all swearing that——

Dr. WIGAND: And part of the reason I'm here is I felt that their representation, clearly—at least within Brown & Williamson's representation, clearly, misstated what they commonly knew as language within the company: that we're in a nicotine-delivery business.

WALLACE. And that's what cigarettes are for.

Dr. WIGAND. Most certainly. It's a delivery device for nicotine.

WALLACE. A delivery device for nicotine.

Dr. WIGAND. Nicotine.

WALLACE. Put it in your mouth, light it up and you're going to get your fix.

Dr. WIGAND. You'll get your fix.

WALLACE. Dr. Wigand says that Brown & Williamson manipulates and adjusts that nicotine fix, not by artificially adding nicotine, but by enhancing the effect of the nicotine through the use of chemical additive like ammonia. This process is know in the tobacco industry as "impact boosting.

Dr. WIGAND. While not spiking nicotine, they clearly manipulate it.

[Footage of Brown & Williamson Root Technology handbook.]

WALLACE (Voiceover). The process is described in Brown & Williamson's leaf blender's manual and in other B&W documents.

Dr. WIGAND. There's extensive use of this technology, which is called ammonia chemistry, that allows for nicotine to be more rapidly absorbed in the lungs and, therefore, affect the brain and central nervous system.

[Footage of documents in file cabinet; computer screen; Williams walking; Glantz; Journal of the American Medical Association.]

WALLACE (Voiceover). And then there are these documents, thousands of pages of confidential scientific reports and legal memoranda from B&W's secret files, which experts say support Dr. Wigand's claim that Brown & Williamson's executives have had strong reason to believe all along that nicotine is addictive and that their tobacco products cause cancer and other diseases. Most of these documents had been locked away in B&W's lawyers' confidential files in Louisville, Kentucky, until this man, the paralegal in that law office, Merrill Williams, walked off with them. The documents found their way to Dr. Stanton Glantz, a professor of medicine at the University of California Medical Center in San Francisco. It was Dr. Glantz and a team of scientists from the university who wrote about the documents this past summer in a series of articles in the Journal of the American Medical Association.

What is the story that the documents told you?

Dr. STANTON GLANTZ (University of California Medical Center). They told me that 30 years ago Brown & Williamson and British-American Tobacco, its parent, knew nicotine was an addictive drug, and they knew smoking caused cancer and other diseases.

[Footage of Glantz.]

WALLACE (Voiceover). And Dr. Glantz says these documents reveal how Brown & Williamson was keeping that knowledge from the public.

Dr. GLANTZ. And they also developed very sophisticated legal strategies to keep this information away from the public, to keep this information away from public health authorities.

WALLACE. Dr. Wigand said that the cigarette is basically a nicotine delivery instrument. That's what it's really all about.

Dr. GLANTZ. Yes, absolutely. And they—in the documents, they say that over and over and over again.

[Footage of smokers.]

WALLACE (Voiceover). And finding a way to deliver that nicotine to the smoker's brain without exposing smokers to disease-causing pollutants, like tar that come with tobacco smoke, is one reason, says Dr. Wigand, that he was hired by B&W on January 1st, 1989.

Dr. WIGAND. They were looking to reduce the hazards within cigarettes, reduce the carcinogenic components—or—or list the carcinogens that were within the tobacco products.

WALLACE. They talked about carcinogens to you?

Dr. WIGAND. Talked about carcinogens——

WALLACE. They talked about cancer and heart disease and emphysema and all of those things——

Dr. WIGAND. They talked about——

WALLACE. ——and they were going to work toward making a safer cigarette? You must have been very excited.

Dr. WIGAND. I was enthusiastic and energetic in terms of pursuing that.

[Footage of Wigand; a smoker.]

WALLACE. Dr. Jeffrey Wigand, with a doctorate in biochemistry, had spent nearly 20 years working in the health-care and biotechnology industries. He says his goal at B&W was to make a cigarette that would be less likely to cause disease.

Dr. WIGAND (Voiceover). People will continue to smoke no matter what, no matter what kind of regulations.

If you can provide for those who are smoking and who need to smoke something that produces less risk for them—I thought I was going to be making a difference.

[Footage of newspaper story of Wigand.]

WALLACE (Voiceover). Brown & Williamson made Jeff Wigand vice president for R&D, paying him more than $300,000 a year in salary and perks.

Dr. WIGAND. And I was very inquisitive when I came on. "Have you ever done any nicotine studies? Have you done any pharmacology studies? Have you done any biological studies? Have you looked at the effect of nicotine on the central nervous system?" And they always, general categorically, "No, we don't do that kind of work."

[Footage of Brown & Williamson Tower; Wigand.]

WALLACE (Voiceover). But according to those thousands of pages from B&W and its parent, British-American tobacco's, confidential files, the company had, in fact, done exactly those kinds of studies. Dr. Wigand says he did not suspect there was anything wrong until he attended a meeting of scientists who worked for British-American tobacco companies from around the world. Dr. Wigand says that his colleagues talked about working together to develop a safer, a less-hazardous cigarette, a cigarette less likely to cause disease. But when it came time to write up their ideas, to create a documentary record of their discussion, B&W's lawyers intervened.

Dr. WIGAND. The minutes that came in were roughly about 18 pages long describ— the co—I knew what was in the content. The—they were rewritten by Kendrick Wells. They were—

WALLACE. Who's he?

Dr. WIGAND. Kendrick Wells was the—one of the staff attorneys at B&W.

WALLACE. And he rewrote the minutes of the meeting?

Dr. WIGAND. He rewrote the minutes of the meeting. He edited out the discussions on safer cigarette and, basically, toned the meeting down.

WALLACE. You're saying that one of the staff attornyes from B&W, here in the United States, whose name was——

Dr. WIGAND. Kendrick Wells.

WALLACE. ——an attorney——

Dr. WIGAND. Mm-hmm.

WALLACE. ——rewrote the minutes of this research meeting with all of the research heads of BAT Industries——

Dr. WIGAND. That's correct.

WALLACE. ——in order to sanitize it, in a sense.

Dr. WIGAND. Sanitize it, as well as reduce any type of exposure associated with discussing a safer cigarette. When you say you're going to have a safer cigarette——

WALLACE. Mm-hmm.

Dr. WIGAND. ——but that now takes everything else that you have available and say it—it's unsafe, and that from a products liability point of view, gave the lawyers great concern.

[Footage of Wells; files; cigarettes on conveyor belt; files.]

WALLACE (Voiceover). Kendrick Wells, the lawyer Dr. Wigand says deleted materials from the minutes of the scientific meeting, is now the assistant general counsel of B&W. Why would B&W lawyers like Kendrick Wells be so concerned? According to B&W's own confidential files, any evidence, any documents that show any B&W tobacco product, like Kools or Viceroys, might be unsafe, those documents would have to be produced in court as part of any lawsuit filed by a smoker or his surviving family. And according to the lawyers, those documents could be disastrous for B&W. So the lawyers took over.

Dr. WIGAND (Voiceover). The lawyers intervened.

And then they purged documents every time there was a reference to a word "less hazardous" or "safer."

[Footage of Wigand.]

WALLACE (Voiceover). But Dr. Wigand says the lawyers' interference, their editing and review of his reports, did not stop him.

Dr. WIGAND. And I started asking more probing questions and I started digging deeper and deeper. As I dug deeper and deeper, I started getting a bodyguard.

WALLACE. What do you mean a bodyguard?

Dr. WIGAND. I went to a meeting; I now was accompanied by a lawyer. My bodyguard was Kendrick Wells.

[Footage of Wigand; photo of Sandefur.]

WALLACE (Voiceover). Frustrated by the lawyers' intervention and presence at major scientific meetings, Dr. Wigand says he took his complaints to Thomas Sandefur, then the president of B&W.

What'd he say to you?

Dr. WIGAND. "I don't want to hear any more discussion about a safer cigarette."

[Still shot of B&W executive.]

WALLACE (Voiceover). And he says Thomas Sandefur went on to tell him——

Dr. WIGAND. "We pursue a safer cigarette, it would put us at extreme exposure with every other product. I don't want to hear about it anymore."

WALLACE. All the people who were dying from cigarettes.

Dr. WIGAND. Essentially, yes.

WALLACE. Cancer——

Dr. WIGAND. Cancer.

WALLACE. ——heart disease, things of that nature.

Dr. WIGAND. Emphysema.

[Still shot of Sandefur; footage of Wigand.]

WALLACE. (Voiceover). Lawyers representing B&W and Thomas Sandefur have said that all this, as well as other accounts of conversations with Thomas Sandefur, are absolutely false. We asked Dr. Wigand what his reaction was to what he says was Sandefur's decision to abandon a safer cigarette.

Dr. WIGAND. I would say I got angry.

WALLACE. He was your boss.

Dr. WIGAND. I bit my tongue. I had just transitioned from another—one company to another. I was paid well. It was comfortable. And for me to do anything precipitous would put my family at risk.

WALLACE. You were happy to take down the 300,000 bucks a year.

Dr. WIGAND. I, essentially, yeah, took the money. I did my job.

WALLACE. So Dr. Wigand abandoned his idea of trying to develop a new and safer cigarette. He turned his attention to investigating the additives, the flavorings, the other compounds in B&W tobacco products. Many, like glycerol, which is used to keep the tobacco in cigarettes moist, are normally harmless. But when glycerol is burned in a cigarette, its chemistry changes.

Dr. WIGAND. Glycerol, when it's burnt, forms a—a very specific substance called acrolein.

[Footage of book; excerpt from book; smokers.]

WALLACE. (Voiceover). According to the American Council on Science and Health, acrolin, or acrolEIN, is extremely irritating and has been shown to interfere with the normal clearing of the lungs. Recent research shows that acrolein acts like a carcinogen, though not yet classified as such. And Dr. Wigand says that B&W continues to add glycerol to their product. But it was another additive that Dr. Wigand says led to the end of his career at B&W.

Dr. WIGAND. The straw that broke the c— the camel's back for me and really put me in trouble with Sandefur was a compound called coumarin.

[Footage of smoker; medical record on mice experiment; B&W documents.]

WALLACE. (Voiceover). Coumarin is a flavoring that provides a sweet taste to tobacco products, but is known to cause tumors in the livers of mice. It was removed from B&W cigarettes, but according to these documents, B&W continued to use it in its Sir Walter Raleigh aromatic pipe tobacco until at least 1992.

Dr. WIGAND. And when I came on board at B&W, they had tried to tend—transition from coumarin to another similar flavor that would give the same taste. And it was unsuccessful.

[Footage of Wigand and Wallace; report.]

WALLACE. (Voiceover). Dr. Wigand says the news about coumarin and cancer got worse. This report by independent researchers, part of a national toxic safety program, presented evidence that coumarin is a carcinogen that causes various cancers.

Dr. WIGAND. I wanted it out immediately. And I was told that it would affect sales and I was to mind my own business. And then I constructed a memo to Mr. Sandefur indicating that I could not, in conscience, continue with coumarin, a product that we now knowingly have documentation that is lung-specific, carcinogen.

WALLACE. Right. Sent the document forward to Sandefur?

Dr. WIGAND. I sent the document forward to Sandefur. I was told that—that we would continue working on a substitute, and we weren't going to remove it because it would impact sales. And that's—that was his decision.

WALLACE. In other words, what you're charging Sandefur with and Brown & Williamson with is, "ignoring health considerations consciously".

Dr. WIGAND. Most certainly.

[Footage of Wigand].

WALLACE (Voiceover). After his confrontations over coumarin, Dr. Wigand says he was not surprised when, on March the 24th, 1993, Thomas Sandefur, newly promoted to chief executive officer, CEO of B&W, had him fired.

And the reason for firing that he gave you?

Dr. WIGAND. Poor communication skills, just not cutting it, poor performance.

[Footage of Wigand and his family at dinner table.]

WALLACE (Voiceover). When Dr. Wigand, who has a wife and two young daughters, was fired by Brown & Williamson tobacco, his contract provided severance pay and critical health benefits for his family, critical because one of his children requires expensive daily health care. Several months after he was fired, B&W decided to sue their former head of R&D and they cut off his severance and those vital health benefits.

Dr. WIGAND. They said I violated my confidentiality agreement by discussing my severance package.

[Footage of Wigand and Lucretia walking.]

WALLACE (Voiceover). Lucretia Wigand says that the firing and B&W's suspension of benefits was devastating.

Mrs. LUCRETIA WIGAND (Dr. Jeffrey Wigand's Wife). We almost lost our family as a unit. Jeff and I almost separated.

WALLACE. Why?

Mrs. WIGAND. Because he was under so much stress and—so much pressure that it was something that we needed help dealing with. We went to counseling and we worked through it.

WALLACE. And this was, you think, started—triggered by the business with B&W?

Mrs. WIGAND. Yes. I know it was.

[Footage of Wigand in his kitchen; document.]

WALLACE (Voiceover). B&W settled that lawsuit we mentioned and reinstated those critical health benefits, only after Dr. Wigand agreed to sign a new, stricter, lifelong confidentiality agreement.

Nontheless, word of Dr. Wigand's battles with Brown & Williamson attracted attention in Washington, where, in the spring of 1994, Democratic Congress and the FDA, the Food & Drug Administration, were investigating the tobacco industry. Dr. Wigand was contacted by their investigators, and after notifying Brown & Williamson, he talked with those investigators. Shortly afterward, he was stunned by a couple of anonymous telephone calls.

Dr. WIGAND. And in April 1994, on two separate occasions, I had life threats on my kids.

WALLACE. What?

Dr. WIGAND. We had life threats on my kids.

[Footage of Wigand and Wallace.]

WALLACE (Voiceover). Dr. Wigand told us he doesn't know where they came from, but that, understandably, they frightened him. He described the threats by referring to his diary.

Dr. WIGAND. "A male voice that was on the phone that said, 'Don't mess with tobacco anymore. How are your kids?'" Then on April 28th, around 3:00 in the afternoon, relative the same voice—he says, "Leave tobacco alone or else you'll find your kids hurt. They're pretty girls now." So I got scared. I started carrying a gun.

WALLACE. Really?

Dr. WIGAND. Yep. Started carrying a handgun.

Mrs. WIGAND. Someone called and threatened to—to kill him and to hurt the family if he messed with the tobacco industry.

WALLACE. That was last August. Now in February, Lucretia Wigand has filed for divorce, citing spousal abuse, just one of the accusations Brown & Williamson is using in their full-throated campaign to discredit Jeffrey Wigand. That report when we return.

[Commercial break.]

WALLACE. Today, three years after he was fired by Brown & Williamson, Dr. Jeffrey Wigand is the star witness in a US Justice Department criminal investigation into the tobacco industry, which includes the question of whether B&W's former CEO lied to the US Congress when he said that he believed that nicotine was not addictive. But Dr. Wigand is paying a heavy price for his decision to testify, as well as for breaking his confidentiality agreement by talking to us. His family life has been shattered, his reputation has been tarnished because of B&W's massive campaign designed to silence him and to discredit this former research chief turned whistle-blower.

They're trying to do what they can to paint you as irresponsible, a liar——

Dr. WIGAND. Well, I think the word they've used, Mike, is a "master of deceit."

WALLACE. You wish you hadn't come forward? You wish you hadn't blown the whistle?

Dr. WIGAND. There are times I wish I hadn't done it, but there are times that I feel compelled to do it. I—if you ask me if I would do it again or if it—do I think it's worth it, yeah, I think it's worth it. I think in the end people will see the truth.

[Footage of state attorneys general of Florida, Minnesota and Mississippi.]

WALLACE (Voiceover). Well, these three men have seen the same truth as Wigand. They are the state attorney's general of Florida, Minnesota and Mississippi, where Dr. Wigand is testifying in a multibillion-dollar lawsuit against the tobacco industry. Mike Moore is attorney general of Mississippi.

Mr. MOORE. Jeffrey's testimony is going to be devastating, Mike, to the tobacco industry, so devastating that I fear for his life. I think——

WALLACE. Are you serious?

Mr. MOORE. I'm—I'm very serious. The information that Jeffrey has, I think, is the most important information that has ever come out against the tobacco industry. This industry, in my opinion, is an industry who has perpetrated the biggest fraud on the American public in history. They have lied to the American public for years and years. They have killed millions and millions of people and made a profit on it. So I hope that they won't continue to lie and try to destroy Jeffrey like they destroyed the other lives of people all over this country.

[Footage of newspaper clippings; Wigand and Wallace; The Investigative Group Inc. sign.]

WALLACE [Voiceover]. The campaign to destroy Dr. Jeffrey Wigand began over two months ago in the midst of a media frenzy over our failure to broadcast our August interview with him. Brown & Williamson sued Dr. Wigand for talking to us, despite his confidentiality agreement. And they got a court order in Kentucky to try to silence him from speaking out further. Then investigators hired by B&W fanned out across the country looking for anything they could use to discredit the whistle-blower.

Dr. WIGAND. They've been going around to my family, my friends, digging up and digging here and digging there.

WALLACE. Then their lawyers—and B&W has a half-dozen major firms working on the Jeff Wigand case—their lawyers compiled the results of their nationwide dragnet into a summary that alleges that, in recent years, Dr. Wigand pled guilty to everything from wife-beating to shoplifting. Beyond that, they charged him with a multitude of sins, from fudging his resume to making a false claim three years ago for $95.20 for dry cleaning.

[Footage of Scanlon.]

WALLACE (Voiceover). Then Brown & Williamson retained John Scanlon to get their story to the media. Scanlon is a fixture of the New York media scene, who has close, personal relationships with print and television reporters and producers, as well as editors and publishers. We asked him to sit down and discuss the charges he has been circulating to me and other reporters, but he declined. But Scanlon did make this statement to a CBS News camera crew.

Mr. JOHN SCANLON (New York). He's running from cross-examination. His victims have decided to respond and present evidence that he is, in fact, a habitual liar.

Dr. WIGAND. The smear campaign—it's been very systematic, very organized, very well done.

(Speaking to class). My background is I have a PhD in biochemistry.

[Footage of Wigand teaching class; news broadcast.]

WALLACE (Voiceover). Today Dr. Wigand is a $30,000 a year science teacher at a Louisville, Kentucky, public high school. And his students, his faculty colleagues and his family were stunned last month when a Louisville television station broadcast some of Brown & Williamson's accusations.

Unidentified Reporter (From news broadcast). Court records show Wigand was charged with theft by unlawful taking and shoplifting.

[Footage of document; article in The Wall Street Journal; Gordon Smith.]

WALLACE (Voiceover). Then the Brown & Williamson 500-page dossier on Wigand was given to The Wall Street Journal, who investigated the charges. And last Thursday in this front-page story, The Journal reported that, quote, "a close look at the file and independent research by this newspaper into its key claims indicates that many of the serious allegations against Dr. Wigand are backed by scanty or contradictory evidence." And they continued, quote, "Some of the charges, including that he pleaded guilty to shoplifting, are demonstrably untrue." We put that Journal statement to Gordon Smith, an attorney designated by Brown & Williamson to talk to us.

The Wall Street Journal went through all of that material. It says that what—the dossier that you put together: "scant evidence."

Mr. SMITH. Mr. Wallace, that's dead wrong. There is not scant evidence. The Wall Street Journal did not——

WALLACE. It——

Mr. SMITH. ——did not go over the scores—literally scores of untruths told by Jeff Wigand that we showed to them.

[Footage of Smith and Wallace.]

WALLACE (Voiceover). And Gordon Smith went on at some length to say that Wigand's life, quote, "is a pattern of lies."

Well, I don't understand, frankly, Mr. Smith. I really don't understand. Brown & Williamson must be in a panic if they are going after this man as hard as you are.

Mr. SMITH. You're wrong. There are no material inaccuracies in that book, none whatsoever.

[Footage of performance appraisal document on Wigand; Wigand; letter.]

WALLACE (Voiceover). But not included in that dossier were Brown & Williamson's own personnel records, which showed that Wigand had received good performance appraisals for the first three years from B&W. In his fourth year, however, those appraisals turned sour. But despite that, even after he was fired, he received this letter from Brown & Williamson's personnel director.

"To whom it may concern, Dr. Jeffrey Wigand was instrumental in the development of new products, as well as the major impetus behind a significant upgrade in our R&D technical capabilities, both in terms of people and equipment. During his tenure at Brown & Williamson, Dr. Wigand demonstrated a high level of technical knowledge and expertise."

And this is on your own stationery, your own man saying bad about him.

Mr. SMITH. Mike, Brown & Williamson refused to be a reference for Jeff Wigand after he left. This letter was negotiated with his attorney, and it was the only statement Brown & Williamson would ever make about him because Brown & Williamson did not want to be a reference for Jeff Wigand.

[Footage of Smith and Wallace.]

WALLACE (Voiceover). And Mr. Smith had this to say about our relationship with Jeffrey Wigand.

Mr. SMITH. You're being led along by a guy who's not believable. You're getting half the story.

WALLACE. Well, then why——

Mr. SMITH. You—you—and you've got—you've got a—a vested interest in making this man credible.

WALLACE. Why do we have a vested interest?

Mr. SMITH. CBS has—has paid this guy $12,000.

WALLACE. For what?

Mr. SMITH. I believe for consulting.

WALLACE. Now wait just a moment. Let's get this straight. Paid him $12,000 for what?

Mr. SMITH. To consult on a story for CBS.

WALLACE. For the record, as we explained to Mr. Smith, 60 Minutes did, in fact, hire Dr. Wigand two years ago to act as our expert consultant to analyze nearly 1,000 pages of technical documents leaked to us, not from Brown & Williamson, but from inside Philip Morris, another tobacco company. At that time, Dr. Wigand told us he would not talk with us about Brown & Williamson. And he did not, until over a year later.

Dr. WIGAND. I felt an obligation to tell the truth. There were things I saw, there were things I learned, there was things I observed that I felt—that need to be told. The focus continues to be on what I would call systematic and aggressive ta—tactics to undermine my credibility and my—some of my personal life.

WALLACE. But you expected that, didn't you?

Dr. WIGAND. Well, I didn't expect to the extent it would—it's happened, OK? It's—it's disrupted not only my life—I'm in divorce proceedings now.

[Footage of state attorneys general.]

WALLACE (Voiceover). These three state attorneys general say that no matter what B&W's accusations are, they remain convinced that what Wigand has to say about the tobacco industry in general, and Brown & Williamson in particular, is thoroughly credible.

They are suing the tobacco industry for the billions of dollars in state Medicaid costs their states have paid to treat people who have become ill from smoking. Minnesota Attorney General Hubert Humphrey III.

Mr. HUBERT HUMPHREY III (Minnesota Attorney General). We want to see the full truth come out. We want the deception and fraud and the violations of our state laws stopped. And we want people that are making the money on this product to bear the full cost of the health-care burden that is there.

[Footage of state attorneys general.]

WALLACE (Voiceover). Bob Butterworth is the attorney general of Florida.

Mr. BOB BUTTERWORTH (Florida Attorney General). The issue has been deceit.

WALLACE. Deceit.

Mr. BUTTERWORTH. Pure and simple deceit. The cigarette companies made a decision that they would withhold valuable information from the American public, information that the consumer would need to make a—an intelligent decision as to whether or not they wish to smoke or not to smoke.

[Footage of Moore.]

WALLACE (Voiceover). Again, Mississippi Attorney General Mike Moore.

Mr. MOORE. I'm used to dealing with—with cocaine dealers and—and crack dealers, and I have never seen damage done like the tobacco company has done. There's no comparison. Cocaine kills 10,000, 15,000 people a year in this country. Tobacco kills 425,000 people a year.

Mr. SMITH. Mike, it's absurd to suggest that tobacco is any way like cocaine in terms of addiction. It's absolutely absurd to suggest that. Brown & Williamson makes a lawful product. They sell it and make it in a lawful way.

WALLACE Well, then why do 425,000 people die every year—according to all medical and scientific evaluations, die of smoking cigarettes? Why?

Mr. SMITH. Mike, 50 million people choose to use tobacco and smoke.

WALLACE. So on a cost-benefit ratio, it's only 425,000 people who die out of the 50 million?

Mr. SMITH. No, Mike.

WALLACE. That's—that's a—a—a small fraction. Is that the point you're making?

Mr. SMITH. No, Mike, not at all. People choose to smoke. People choose to stop smoking. I think you used to smoke and you chose to stop smoking.

WALLACE. That's right.

Mr. SMITH. It's their choice. It's a lawful product. It's marketed and manufactured lawfully.

[Footage of Wigand and Wallace.]

WALLACE (Voiceover). B&W has questioned Dr. Wigand's character. But he says that's just a smoke screen, and he has some questions for Brown & Williamson.

Dr. WIGAND. Why don't they deal with the issue of whether they can develop or—a safer cigarette? Why don't they deal with the issue of using—and knowingly using additives that are known to be carcinogenic in order not to influence sales? Why don't we deal with that issue?

WALLACE. Brown & Williamson did answer some of Dr. Jeffrey Wigand's questions for us. They told us they have removed coumarin—that's carcinogenic flavoring—from their Sir Walter Raleigh aromatic pipe tobacco, but they insist it never posed a health risk to smokers. B&W lawyer Kendrick Wells declined to talk to us, but he did deny, in testimony last week, Dr. Wigand's charge that he had altered the minutes of that scientific meeting. And B&W says the truth will come out in the end when they get a chance to cross-examine Dr. Wigand under oath.

And they insist that we, CBS, cannot report on this story objectively since we are indemnifying Dr. Wigand in B&W's lawsuit against him. Two months ago CBS agreed to do that after a leak resulted in the disclosure of Dr. Wigand's identity before he was prepared to go public. Though still unaware of where that leak had come from, CBS decided to take financial responsibility for the impact that leak had on Dr. Wigand because it exposed him to a lawsuit by Brown & Williamson.

A footnote.

[Footage of That Courier-Journal headline and article.]

WALLACE (Voiceover). This banner headline yesterday in the Louisville Courier-Journal, B&W's hometown newspaper, about charges their employees and engaged in smuggling and bribes in Louisiana.

In that story, the US attorney in New Orleans says, "Look for some indictments in the very near future."

FEBRUARY 5, 1996.

Hon. NANCY L. KASSEBAUM,
Chairwoman, Committee on Labor and Human Resources, U.S. Senate, Washington, DC.
Hon. EDWARD M. KENNEDY,
Ranking Member, Committee on Labor and Human Resources, U.S. Senate, Washington, DC.

DEAR SENATORS KASSEBAUM AND KENNEDY: I am writing to urge you to schedule hearings in your Committee on recent disclosures about the health effects of tobacco products and the nicotine contained in them. I believe that recent legal tactics by the tobacco industry have led to the suppression of vital public health information about Congress. Consequently, Members of Congress have had to rely on leaks and incomplete information concerning the health effects of tobacco and nicotine. It would be an enormous service to Congress for your Committee to hold comprehensive hearings on this matter because there are at least 42 bills affecting the growth, sale and promotion of tobacco products pending before Congress.

1995 was a year full of revelations about the tobacco industry and the content of its cigarettes. There were various articles on allegations of nicotine manipulation by tobacco companies. Despite this trickling out of information on the dangers of tobacco, there were two infamous incidents in 1995 that set dangerous precedents.

First, Philip Morris sued Capital Cities/ABC for $10 billion over its report that this tobacco giant "spiked" its cigarettes with nicotine. R.J. Reynolds later filed a similar lawsuit against Capital Cities/ABC. These two companies pressured Capital Cities/ABC to settle these suits despite the fact that its story appeared to be factually supported by interviews and internal company documents.

Second, the CBS news program 60 Minutes canceled an interview with a former Brown and Williamson tobacco executive due to fears of a lawsuit, even though its reporters believed in the accuracy of the interview and the reporting. While CBS has subsequently agreed to air this piece, it apparently has done so only because of a recent leak in the Wall Street Journal involving the same former executive.

These two episodes have sent a chilling message to the media about reporting new information on the health consequences of tobacco. If these two major broadcast networks are intimidated by these tobacco companies, then smaller news organizations would seem to face even greater challenges in reporting important stories on the health effects of tobacco and nicotine. The mere threat of legal action will likely force the suppression of critical information on tobacco and nicotine from being reported in the press and subsequently used by Members of Congress. Therefore, it appears that the only way that Congress will be able to get complete information on the health effects of tobacco and nicotine is if your Committee holds comprehensive hearings.

I know that you will conduct balanced hearings and I fully expect that you would include witnesses from all points of view, including representatives of the tobacco industry. This will allow Congress, and the American people, to hear all sides and be fully informed about the health effects of tobacco and nicotine. This will also allow Congress to consider pending legislation affecting tobacco in a well educated manner.

Thank you for your consideration of this request. I would be happy to work with you so that these hearings can be held as soon as possible.

Sincerely,

FRANK LAUTENBERG.

ORDERS FOR RECONVENING OF THE SENATE

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 a.m. on Friday, February 9, and that following the prayer there be a period for morning business not to extend beyond the hour of 1 p.m. with the time to be equally divided between the two parties, and that following the use or yielding back of the morning business time the Senate automatically stand in recess until Tuesday, February 13, at 10:30 a.m. for a pro forma session only, and that immediately following convening, the Senate stand in recess until 10:30 a.m. on Friday, February 16 for a pro forma session only, and that immediately following convening that day the Senate stand in recess until 11 a.m. on Tuesday, February 20, 1996, and that following the prayer there be a period for routine morning business not to extend beyond the hour of 1 p.m. with the time to be equally divided between the two parties, and that following the use or yielding back of time the Senate automatically stand in adjournment until 11 a.m. on Friday, February 23, 1996.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I further ask unanimous consent that following the prayer on Friday, February 23, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day, and there then be a period for morning business not to extend beyond the hour of 1 p.m. with the time equally divided between the two parties, and that following the use or yielding back of time, morning business be closed and the Senate then turn to the conference report to accompany the District of Columbia appropriations bill, and the conference report be considered as read.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. On Friday, February 23, the Senate will conduct a period for morning business, and following morning business it will be the majority leader's intention to file a cloture motion on the District of Columbia appropriations conference report. Therefore, votes will not occur on Friday, February 23.

It will be the majority leader's intention to set the cloture vote on the D.C. appropriations conference report for Tuesday, February 27, 1996, at 2:15 p.m.

I further ask that when the Senate completes its business on Friday, February 23, it stand in recess until 3 p.m. on Monday, February 26; that immediately following the prayer, Senator AKAKA be recognized to read Washington's Farewell Address. It will be the leader's intention to then recess following the address until 11 a.m. on Tuesday, February 27, 1996.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TUESDAY, FEBRUARY 27, 1996

Mr. DOLE. I further ask that when the Senate completes its business on Monday, February 26, it stand in recess until 10 a.m. on Tuesday, February 27, and that following the prayer there be a period for the transaction of morning business not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I further ask that at 10:30 a.m., there be 2 hours to be equally divided in the usual form for debate with respect to cloture on the D.C. appropriations conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I ask that the Senate stand in recess between the hours of 12:30 p.m. and 2:15 p.m. on Tuesday, February 27, in order for the weekly party conferences to meet.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Again, for the information of all Senators, the first rollcall vote will occur at 12:15 on Tuesday, February 27, 1996, and that vote will be a cloture vote with respect to the D.C. appropriations conference report.

ACCOMPLISHMENTS OF THE SENATE

Mr. DOLE. Mr. President, let me indicate that I think we have accomplished a great deal this year in the Senate, and we will accomplish a great deal more. Normally there is a period of recess for Lincoln's birthday so Republicans can go out and do whatever they do during that week, and then there is a later period of a week for Democrats.

I regret that we could not adjourn the Senate to accommodate many members of the staff who will now be required probably to stay here, because if we take a look at last year, we came in early in January and stayed throughout the year with hardly any breaks. I am not complaining about that, but those are the facts. I should know. I think we may have set records with the number of votes and the number of hours in session. It was truly a remarkable year, and we accomplished a great deal. We have a great deal more to do this year. I regret that we were unable to just recess. There will be no votes until February 27, and perhaps members of the staff whom I am looking at now can work out some little time to have some relaxation and rest because they certainly deserve it. We have had long sessions. We have been in late at night and some of us were here during the holidays negotiating with the President trying to work out a budget agreement. We do not have it yet.

America's Governors may have moved it along a little bit. We are still not in accord with the President, and we hope that might be possible. I must say the American people will only accept a good agreement, not a game of arithmetic, but policy changes that will mean a great deal to the American people, bring interest rates down a couple of percent so that when you buy a home or car or borrow money for one of your children going to college or whatever, you will pay 2 percent less interest. The American people can understand that. That is what the first session was all about, and that is what the second session is going to be all about.

In the meantime, today we passed historic farm legislation. We passed a very significant DOD authorization report. We passed a START II Treaty which the President requested in his State of the Union Message. We had all the work done before and we were just waiting for a vote.

We also passed the telecommunications bill, probably the biggest jobs bill in this decade. We have done all that plus public housing reform, which was very significant legislation.

So I do not want the RECORD to only reflect the statements I heard earlier from my friend from Ohio, Senator GLENN, and the Senator from Michigan, Senator LEVIN, that it has been sort of a waste of time. Because there will be no votes does not mean that there will not be hearings and progress, and I am certain my colleagues on both sides of the aisle will either be here working or be at home working. I think that from time to time it is good to go home and find out what the people are thinking.

It is not 3 weeks. It is about 2 weeks—10 days—10 days. So we will be back. In the interim, if there is anything that should be done, obviously we are going to be in here on this Friday, and next week there are pro forma sessions, and then we are in again for a couple hours each day and we can take care of any business that might come before the Senate.

So I want to thank all of my colleagues for their help and their cooperation so far this year. It is going to be a long year. There will be a lot of work to do, but I believe we can accomplish what we set out to do in the first place—welfare reform, balance the budget, regulatory reform, tax relief for families with children, all those things that are so necessary if we are going to get the economy moving again and if we are going to have that hope and optimism that the American people are looking for. So I thank the Presiding Officer.

ORDER FOR RECESS

Mr. DOLE. If there is no further business to come before the Senate, I move we stand in recess under the previous order following the remarks of Senator DASCHLE.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate stand in recess for 2 minutes.

There being no objection, the Senate, at 6:31 p.m., recessed until 6:34 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ASHCROFT).

The PRESIDING OFFICER. In my capacity as a Senator from the State of Missouri, I suggest the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from the State of Missouri, asks unanimous consent that the order for the quorum call be rescinded.

Without objection, it is so ordered.

RECESS UNTIL FRIDAY, FEBRUARY 9, 1996, AT 11 A.M.

The PRESIDING OFFICER. Under the previous order, the Senate now stands in recess until 11 a.m. on Friday, February 9.

Thereupon, the Senate, at 6:43 p.m., recessed until Friday, February 9, 1996, at 11 a.m.

EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, February 8, 1996, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

FEBRUARY 14

10:00 a.m.

Governmental Affairs

Permanent Subcommittee on Investigations

To hold hearings to examine Medicare's billings policy for investigational devices and procedures by hospitals nationwide.

SD–342

FEBRUARY 21

9:30 a.m.

Labor and Human Resources

To hold hearings on S. 1477, to amend the Federal Food, Drug, and Cosmetic Act and the Public Health Service Act to improve the regulation of food, drugs, devices, and biological products.

SD–430

FEBRUARY 22

9:30 a.m.

Labor and Human Resources

To continue hearings on S. 1477, to amend the Federal Food, Drug, and Cosmetic Act and the Public Health Service Act to improve the regulation of food, drugs, devices, and biological products.

SD–430

FEBRUARY 27

9:30 a.m.

Labor and Human Resources

To hold oversight hearings on the Fair Labor Standards Act.

SD–430

10:00 a.m.

Governmental Affairs

Permanent Subcommittee on Investigations

To hold hearings on the Asset Forfeiture Program, focusing on an investigation of the Bicycle Club Casino.

SD–342

FEBRUARY 28

9:00 a.m.

Labor and Human Resources

Business meeting, to consider pending calendar business.

SD–430

9:30 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Disabled American Veterans.

345 Cannon Building

MARCH 5

9:30 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Veterans of Foreign Wars.

345 Cannon Building

MARCH 14

9:30 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Paralyzed Veterans of America, the Jewish War Veterans, the Retired Officers Association, the Association of the U.S. Army, the Non Commissioned Officers Association, and the Blinded Veterans Association.

345 Cannon Building

MARCH 27

9:30 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Veterans of World War I, AMVETS, the American Ex-Prisoners of War, the Vietnam Veterans of America, and the Military Order of the Purple Heart.

345 Cannon Building

SEPTEMBER 17

9:30 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion.

335 Cannon Building

HOUSE OF REPRESENTATIVES—*Friday, February 9, 1996*

The House met at 11 a.m. and was called to order by the Speaker pro tempore [Mrs. MORELLA].

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

With gratitude and praise, with awe and wonder, we offer our thanks for the opportunities of this day. In spite of all that should be done or must be accomplished and with all the anxieties of a busy world, we interrupt all our concerns to thank You, O gracious God, for the myriad blessings that You have freely given. The failures and the successes of yesterday are gone and tomorrow is not yet here, so in sincere appreciation we express these words of thanksgiving to You, our Creator and our God. Amen.

THE JOURNAL

The SPEAKER pro tempore (Mrs. MORELLA). The Chair has examined the Journal of the last day's proceedings and announces to the House her approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Mississippi [Mr. MONTGOMERY] come forward and lead the House in the Pledge of Allegiance.

Mr. MONTGOMERY led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 1718. An act to designate the United States courthouse located at 197 South Main Street in Wilkes-Barre, Pennsylvania, as the "Max Rosenn United States Courthouse."

A message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2196. An act to amend the Stevenson-Wydler Technology Innovation Act of 1980 with respect to inventions made under cooperative research and development agreements, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1510. An act to designate the United States Courthouse in Washington, District of Columbia, as the "E. Barrett Prettyman United States Courthouse", and for other purposes; and

S. 1518. An act to eliminate the Board of Tea Experts by prohibiting funding for the Board and by repealing the Tea Importation Act of 1897.

APPOINTMENT OF MEMBERS TO REPRESENT THE HOUSE OF REPRESENTATIVES AT CEREMONIES FOR THE OBSERVANCE OF GEORGE WASHINGTON'S BIRTHDAY

Mr. MONTGOMERY. Madam Speaker, I ask unanimous consent that it shall be in order for the Speaker to appoint two Members of the House, one upon the recommendation of the minority leader, to represent the House of Representatives at appropriate ceremonies for the observance of George Washington's birthday to be held on Thursday, February 22, 1996.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER pro tempore. Pursuant to the order of the House of today, the Chair appoints the following Members to represent the House of Representatives at appropriate ceremonies for the observance of George Washington's birthday to be held on Thursday, February 22, 1996: Mr. DAVIS of Virginia and Mr. MORAN of Virginia.

REAPPOINTMENT AS MEMBER OF COMMISSION ON CIVIL RIGHTS

The SPEAKER pro tempore. Pursuant to the provisions of section 2(b) of Public Law 98–183, and the order of the House of Thursday, February 1, 1996, authorizing the Speaker and the minority leader to appoint commissions, boards, and committees authorized by law or by the House, the Speaker reappoints Mr. Carl A. Anderson of Arlington, VA, to the Commission on Civil Rights for a 6-year term beginning on February 12, 1996. The current term expires on February 11, 1996.

CONGRATULATING HON. CONSTANCE MORELLA AS FIRST FEMALE MEMBER SWORN IN AS SPEAKER PRO TEMPORE

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Madam Speaker, congratulations on being the Speaker pro tempore. I believe you would probably be the first woman to have that position, and I congratulate you.

I had the privilege of acting as Speaker when Mr. Foley was Speaker, and I was sworn in by the gentleman from Texas [Mr. COLEMAN]; and as I understand it, the gentlewoman was sworn in by the gentleman from Virginia [Mr. DAVIS].

So congratulations. It is a nice honor.

The SPEAKER pro tempore. The Chair thanks her distinguished colleague, the gentleman from Mississippi, Congressman MONTGOMERY, for that accolade. It is a distinguished honor to do so and to follow in your footsteps, sir.

The gentleman mentioned that he was actually sworn in also in 1993, the last Speaker pro tempore to be sworn, prior to this Member the other night. So we are setting precedents, and it is an honor to serve with the gentleman in this House.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1510. An act to designate the United States Courthouse in Washington, District of Columbia, as the "E. Barrett Prettyman United States Courthouse", and for other purposes; to the Committee on Transportation and Infrastructure.

ADJOURNMENT

Mr. MONTGOMERY. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 5 minutes a.m.), under its previous order, the House adjourned until Tuesday, February 13, 1996, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of the rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2025. A communication from the President of the United States, transmitting his request to make available appropriations totaling $16,661,000 in budgetary authority for

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

the emergency pest suppression fund of the Forest Service in the Department of Agriculture and to designate the amount made available as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, pursuant to 31 U.S.C. 1107 (H. Doc. No. 104–171); to the Committee on Appropriations and ordered to be printed.

2026. A letter from the Under Secretary of Defense, transmitting a report of a violation of the Anti-Deficiency Act which occurred in the Headquarters, Air Force Center for Environmental Excellence, at Brooks Air Force Base, TX, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

2027. A letter from the Secretary of the Army, transmitting his determination that it is in the public interest of the United States to award a particular contract without competition, pursuant to 10 U.S.C. 2304(c)(7); to the Committee on National Security.

2028. A letter from the Director of Defense Research and Engineering, Department of Defense, transmitting a report of Congress on the activities of the DOD Office of Technology Transition for the fiscal year 1995, pursuant to 10 U.S.C. 2515; to the Committee on National Security.

2029. A letter from the Assistant Secretary of Education, transmitting final priorities—Early Education Program for Children with Disabilities, Educational Media Research, Production, Distribution, and Training Program, Postsecondary Education Program for Individuals with Disabilities, Program for Children with Severe Disabilities, Secondary Education and Transitional Services for Youth with Disabilities Program, and the Program for Children and Youth with Serious Emotional Disturbance, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Economic and Educational Opportunities.

2030. A letter from the Clerk, U.S. Court of Appeals, District of Columbia Circuit, transmitting an opinion of the U.S. Court of Appeals for the District of Columbia Circuit (No. 94–5270—Career College versus Riley) January 26, 1996; to the Committee on Economic and Educational Opportunites.

2031. A letter from the Chairman, Nuclear Regulatory Commission, transmitting a report on the nondisclosure of safeguards information for the quarter ending December 31, 1995, pursuant to 42 U.S.C. 2167(e); to the Committee on Commerce.

2032. A letter from the Vice Chairman, CFO, Potomac Electric Power Company, transmitting a copy of the balance sheet of Potomac Electric Power Co. as of December 31, 1995, pursuant to D.C. Code, section 43–513; to the Committee on Government Reform and Oversight.

2033. A letter from the Director, Office of Communications and Legislative Affairs, Equal Employment Opportunity Commission, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1995, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform and Oversight.

2034. A letter from the Chairman, Federal Housing Finance Board, transmitting a report of activities under the Freedom of Information Act for calendar year 1995, pursuant to 5 U.S.C. 552(e); to the Committee on Government Reform and Oversight.

2035. A letter from the Chair, Federal Labor Relations Authority, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

2036. A letter from the Chairman, Federal Maritime Commission, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

2037. A letter from the Director, National Gallery of Art, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

2038. A letter from the Clerk, U.S. Court of Appeals, District of Columbia Circuit, transmitting an opinion of the U.S. Court of Appeals for the District of Columbia Circuit (No. 95–5086—Roger Pilon versus U.S. Department of Justice) January 16, 1996; to the Committee on Government Reform and Oversight.

2039. A letter from the Director, Minerals Management Service, transmitting the proposed 5-year outer continental shelf [OCS] leasing program for 1997–2002; to the Committee on Resources.

2040. A letter from the Clerk, U.S. Court of Appeals, District of Columbia Circuit, transmitting an opinion of the U.S. Court of Appeals for the District of Columbia Circuit (United Association of Journeymen & Apprentices of the Plumbing & Pipefitting Industry, AFL–CIO, et al. versus Reno) January 16, 1996; jointly, to the Committees on Resources and the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROBERTS: Committee on Agriculture. H.R. 2854. A bill to modify the operation of certain agricultural programs; with an amendment (Rept. 104–462, Pt. 1). Referred to the Committee of the Whole House on the State of the Union.

DISCHARGE OF COMMITTEE

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 2854. The Committee on Ways and Means discharged from further consideration. Referred to the Committee of the Whole House on the State of the Union.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 497. Referral to the Committee on Resources extended for a period ending not later than February 28, 1996.

H.R. 2854. Referral to the Committee on Ways and Means extended for a period ending not later than February 9, 1996.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII,

Mr. KENNEDY of Massachusetts introduced a bill (H.R. 2964) to amend the Communications Act of 1934 to require the Federal Communications Commission to establish a toll free telephone number for the collection of complaints concerning violence and other patently offensive material on broadcast and cable television, and for other purposes; which was referred to the Committee on Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 497: Mr. TAUZIN.

H.R. 784: Ms. MOLINARI and Mr. SMITH of Michigan.

H.R. 1758: Mr. FROST, Ms. WOOLSEY, Ms. SLAUGHTER, Mr. FOGLIETTA, and Mr. NADLER.

H.R. 1948: Ms. DELAURO.

H.R. 2270: Mr. YOUNG of Alaska, Mr. JACOBS, Mr. FOLEY, and Mr. NETHERCUTT.

H.R. 2683: Mr. COYNE, Mr. TOWNS, Mr. LIPINSKI, Mr. DICKEY, Mr. QUINN, Mr. MORAN, and Mr. GENE GREEN of Texas.

H.R. 2723: Mr. THORNBERRY.

H.R. 2779: Mr. BARTLETT of Maryland, Mr. HUNTER, Mr. TORKILDSEN, and Mr. WALSH.

H.R. 2914: Mr. MEEHAN and Mr. FATTAH.

H.R. 2959: Mr. JOHNSTON of Florida, Mr. DURBIN, Mr. SANDERS, Ms. EDDIE BERNICE JOHNSON, of Texas, Mr. HORN, Mr. KLUG, Mr. SKAGGS, Ms. NORTON, Mr. MORAN, Mr. JEFFERSON, Mr. BALDACCI, Mr. BROWN of Ohio, Mr. LEWIS of Georgia, Mr. HASTINGS of Florida, Mr. FAZIO of California, Mr. SERRANO, Mr. DIXON, Mrs. CLAYTON, and Mr. JACKSON.

H. Con. Res. 51: Mr. STARK and Mr. SENSENBRENNER.

H. Res. 359: Mr. DOYLE, Mrs. JOHNSON of Connecticut, and Mr. EVANS.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

53. By the SPEAKER: Petition of Marlene Y. Green, Pittsburgh, PA, relative to the C.Y.S. bill; to the Committee on Economic and Educational Opportunities.

54. Also, petition of Marlene Y. Green, Pittsburgh, PA, relative to national health care; to the Committee on Commerce.

55. Also, petition of Marlene Y. Green, Pittsburgh, PA, relative to the right to access bill; to the Committee on the Judiciary.

56. Also, petition of Marlene Y. Green, Pittsburgh, PA, relative to the true roman bill; to the Committee on the Judiciary.

SENATE—*Friday, February 9, 1996*

(Legislative day of Wednesday, February 7, 1996)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Let us pray:

My door was opened wide
Then I looked around
If any lack of service might be found,
And sensed God at my side!
He entered, by what secret stair,
I know not, knowing only He was there.

Lord, You always have a secret stair. You come in ways we least expect. You are Lord of circumstances, people, and possibilities we would never imagine. When problems mount and we wonder how we are going to make it, then You give us a thought that turns out to be the key to unlock the solution to some difficulty. We stumble on an answer to a problem and we discover You had guided us at the fork in the road. You give us friends to help us. But the greatest evidence of Your intervention comes inside us. Suddenly in a spiritual dry spell, the wells of strength begin to fill up again. We are aware of fresh courage to replace our fear. We are gripped by a new perspective: the only thing that matters is that we belong to You and that You are in charge. Your secret stair has led to our hearts. You have not given up on us. You have plans for us. You will use everything that happens for Your glory and our growth, and a life full of surprises.

We thank You for the officers who give us security and protection. Today we affirm Officer Matthew Lutomski as he retires. We pray this in our Lord's name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. LOTT. Mr. President, today, there will be a period for morning business until the hour of 1 p.m. with the time equally divided between both sides of the aisle. No rollcall votes will occur during today's session. However, the Senate may consider any legislative items that may be cleared for action. As a reminder to all Senators, the next rollcall vote will occur at 2:15 on Tuesday, February 27. That vote will be on the motion to invoke cloture on the D.C. appropriations conference report.

The PRESIDING OFFICER (Mr. GRAMS). The Senator from Utah.

FEDERAL JUDGE APPOINTMENTS

Mr. HATCH. Mr. President, as you know, I do not take the floor very often unless I consider it very important.

One of the most lasting legacies of a President are the Federal judges he appoints for life. These judges are every bit as much a part of the Federal anticrime effort as FBI and DEA agents and prosecutors.

Mr. President, the American people are going to face stark choices on a range of issues in November. One of those choices will be whether we resume the appointment of hard-nosed Federal judges who are tougher on crime than we can expect from the incumbent.

President Clinton talks about cops on the beat. Yet, he appoints some judges who are too willing to put criminals back on the street.

Let me tell the American people about Timothy Sherman of Maryland. He was convicted in Maryland State court for the brutal shotgun murders of his mother and stepfather. The murder occurred in the middle of the night when Timothy Sherman, who was 17 at the time, was at home. There was no indication of forced entry. Indeed, the home had an alarm system. The 12-gauge shotgun used in the murder belonged to the Shermans. Timothy Sherman's fingerprints were on the shotgun's trigger mechanism. A box holding five 12-gauge shotgun shells was found under his mattress, with two of the shells missing. The police found two matching expended shells that experts concluded were fired from the shotgun. Police found the murder weapon in the branches of a large tree, where the younger Sherman had hidden objects before, and which is located between his own house and the house of his grandparents to which he ran to report the killings.

Sherman's conviction was upheld by Maryland courts and the U.S. Supreme Court denied certiorari. Sherman then sought to have his conviction overturned through a habeas corpus petition. Why? Because a trial juror had visited the crime scene, particularly the tree where the murder weapon was found. This was indeed improper. But criminal defendants are guaranteed a fair trial, not a perfect one. The trial judge found that the error was harmless and not prejudicial. The Federal district judge, William M. Nickerson, who heard the habeas claim, also found the error to be harmless, thereby upholding the conviction in a well reasoned opinion. Judge Nickerson is a Republican-appointed judge, appointed by President Bush. The prisoner appealed the denial of the writ of habeas corpus to the fourth circuit. A Carter judge, Francis Murnaghan, and a Clinton district court judge sitting by designation, James Beaty, reversed the Federal district court judge in a per curiam opinion. These two judges believed that the juror's visit had so prejudiced the proceedings as to invalidate the conviction and they granted Sherman the right to a new trial.

Judge J. Harvie Wilkinson dissented: "In light of all the evidence presented at trial, [the juror's] unauthorized excursion to the crime scene was harmless." Judge Wilkinson was appointed to the fourth circuit by President Reagan, over vigorous opposition by the other side of the aisle. Indeed, the other side of the aisle conducted a filibuster against this nominee at the time.

The two Republican appointed judges, then, would have rejected this convicted murderer's effort to overturn his conviction. The two Democratic-appointed judges have given him a new trial, which, if not undertaken within 6 months, will result in the prisoner's release.

Not to worry, say Judges Murnaghan and Beaty: "If the State of Maryland elects promptly to retry him, a jury, acting properly, may well again convict. It also may not, however, [convict him again] * * *," but, at least the second trial will meet their standard of justice, and at the taxpayers' expense.

Fortunately, the entire fourth circuit will rehear this case. Mr. President, who do you think the American people would prefer to rehear this criminal case: a majority of judges appointed by Presidents Carter and Clinton, or judges appointed by Presidents Reagan and Bush? I should point out that President Clinton wishes to promote Judge Beaty to the Fourth Circuit Court of Appeals.

Let me turn to another recent, disturbing case. The New York Times of January 25, 1996, tells the story of Carol Bayless, who confessed to charges of possession of 75 pounds of cocaine and 4.4 pounds of heroin. She faced a minimum sentence of 10 years

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

in jail and as much as life imprisonment.

According to the police officer's testimony, on April 21, 1995, he was patrolling in an unmarked car in plain clothes with his partner, both 10 year police veterans, in Washington Heights, an area he said was known as a hub for the drug trade. At about 5 a.m., he noticed Ms. Bayless' car, which had an out-of-State license plate, moving slowly down the street. She then double parked her car.

Four unidentified males then emerged from between parked cars and crossed the street in single file. Ms. Bayless popped open the car's trunk, and the men placed two large duffel bags in the trunk and closed it. The police officer did not observe any conversation between the males and the car's driver, and the entire episode took mere seconds. Ms. Bayless drove off and the police officer and his partner pulled up behind her at a stop light. As the two officers stared at the four men, two of the men noticed the police officers, spoke briefly to each other, and split up, rapidly moving in different directions, with at least one of the men running from the area.

Do my colleagues find these circumstances suspicious? The police officer did. He pulled Ms. Bayless over, searched the car, and found the nearly 80 pounds of illegal drugs.

But according to Judge Harold Baer, Jr., appointed by President Clinton, the police officer is out of step and out of line. Judge Baer ruled that the police officer violated the Constitution's ban on unreasonable searches. Why? According to Judge Baer, the police officer did not have reason to be suspicious of the four men and Ms. Bayless. Oh no. Instead, according to this bleeding heart judge, the four men had reason to be suspicious of the police officer.

Here is what the judge said: "Even before this prosecution * * * residents in this neighborhood tended to regard police officers as corrupt, abusive and violent * * * had the men not run when the cops began to stare at them, it would have been unusual."

Whose side is this judge on?

Understandably, "Ms. Bayless reacted with glee * * * over the ruling * * *" according to the New York Times. I am absolutely sure she did. As a practical matter, the judge's ruling, if it stands, lets her off the hook—free to run more dope into the veins of our people. Her lawyer called Judge Baer courageous. I would say he lacks common sense and judgment.

By the way, Ms. Bayless' 40-minute videotaped confession was also thrown out by Judge Baer because it resulted from the stopping of the car. In that confession, Ms. Bayless said she had made over 20 trips from Michigan to New York City to buy cocaine for her son and others beginning in 1991. Judge Baer found this drug runner's statement about what happened the morning of her arrest to be credible, and he rejected the police officer's testimony.

The President speaks about cops on the beat. This police officer was on the beat. He was risking his life on behalf of decent, law abiding citizens in Washington Heights and for all of us. He made a good arrest. He took nearly 80 pounds of deadly dope off the street, worth—well, it is incalculable how much that 80 pounds is worth.

But what is the use of cops on the beat if the President appoints soft-headed judges who let the criminals they catch back on the street? It just seems a waste of taxpayers' money. We might as well just let them do whatever they want to do. At least that is the conclusion one would draw from what Judge Baer did in this case.

I, for one, hope the U.S. attorney in this area appeals this decision, and I am going to be burned up if he does not.

In 1994, by a vote of 61 to 37, the Senate confirmed a Florida State judge, Rosemary Barkett, for the eleventh circuit, that no Republican would have appointed to the Federal bench.

Time and again, Judge Barkett, as a State judge, erroneously came down on the side of lawbreakers and against police officers and law enforcement. The full record of my concerns is set forth in the March 22, 1994, CONGRESSIONAL RECORD. But I cannot refrain from reminding my colleagues of one shocking and outrageous dissent she joined in a brutal murder case, in which she would have reduced a vicious killer's death penalty to life imprisonment, with eligibility for parole in 25 years.

Dougan versus Florida involved a terrible, racially motivated murder. The killer bragged about the murder in tape recordings which he mailed to the victim's mother. The dissent which Judge Barkett joined had the gall to say, in part:

> This case is not simply a homicide case, it is also a social awareness case. Wrongly, but rightly in the eyes of Dougan, this killing was effectuated to focus attention on a chronic and pervasive illness of racial discrimination and of hurt, sorrow, and rejection. Throughout Dougan's life his resentment to bias and prejudice festered. His impatience for change, for understanding, for reconciliation matured to taking the illogical and drastic action of murder. His frustration, his anger, and his obsession of injustice overcame reason. The victim was a symbolic representation of the class causing the perceived injustices.

This opinion reeks of moral relativism and excuse-making that is totally unacceptable in a judge. And this opinion, which she joined, is just the tip of the iceberg regarding Judge Barkett's very liberal record as a State judge. Yet, President Clinton found her record to be within his mainstream and promoted her to an important judgeship.

Why is this so important? Why am I raising cain here today? As a practical matter, the Senate gives—and certainly I give—every President deference in confirming judicial candidates nominated by the President. A Republican President would not nominate the same judges that a Democrat would, and vice versa. Although the Senate has a constitutional duty to advise and consent to the nominees, the Senate, as a practical matter, gives the President leeway. The President has been elected by the whole country and, while this President has been unable to put all of his choices on the bench, he has filled many judgeships, as have his predecessors. We on the Judiciary Committee have gone along with him because we want to give this President deference. He did win the election. But let us not miss the point of this. We have to be concerned about what kind of judges this President is going to appoint.

I respectfully submit, therefore, that the American people must bear in mind that when they elect a President, they get his judges too—and not just for 4 years, but for life.

And, while the Senate has served as a check on the President, there is no substitute for holding, and exercising, the power to nominate Federal judges.

Indicia of judicial activism or a soft-on-crime outlook are not always present in a nominee's record. Not every nominee who turns out to be a judicial activist or soft on crime can be ferreted out in the confirmation process. Indeed, as I mentioned earlier, every President is able to obtain confirmation of most of his nominees.

The general judicial philosophy of nominees to the Federal bench reflects the general judicial philosophy of the person occupying the White House—the Oval office, if you will. And differences in judicial philosophy have real consequences for the safety of Americans in their streets, homes, and workplaces.

I want to say that I believe the next President of the United States, whether it be President Clinton or whoever, is probably going to have the opportunity to nominate at least two Supreme Court Justices, maybe three. If President Clinton is reelected, he will have appointed better than 50 percent of the total Federal judiciary. It is something we all have to think about. I decry these kind of decisions made by the Clinton judges that I have named so far, and Carter judges—one.

I believe you could probably point out deficiencies in judges of every President. But I am really concerned, in this day of rampant criminal activity, with the flood of drugs into our society, that we have judges who are being appointed on a daily basis who have a philosophy like Judge Barkett's, who do not blame the acts of these criminals on themselves but blame them on society, blame them on their environment, on anything but their own volition and their own desire to do wrong.

I believe there are wrongs in our society. I believe that there are injustices. I believe that there is still discrimination in our society against certain people. I believe these things are wrong.

On the other hand, when people who are not insane commit heinous murders and heinous crimes and are spreading drugs among our young people and are destroying the youth of this Nation and doing it with full intent to do so and to profit from their decisions, or because they are murderers, then I think we ought to come down pretty doggone hard on them; that is, if we want to have a civil, humane, free, and fair society.

I will have more to say about these judges in the future, but I have become so alarmed about some of these decisions that I just felt I had to come to the floor today and make this point, since we on the Judiciary Committee have this very important honor of working with these judges. I do not think anybody can say that I have not done my very best to try to accommodate this administration, to try to help them in the appointment of judges. I am going to continue to do that as long as I can. I want to be fair to this President.

On the other hand, these type of judges are giving me the chills, and I think they are giving the American people the chills as well. We have to consider just who we want appointing these judges in the future.

I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

FINISH WORK BEFORE WE RECESS

Mr. GLENN. Mr. President, I am glad to see there are a few of us left in Washington this morning: The Presiding Officer, Senator HATCH from Utah, myself—maybe there are a few other Senators around Capitol Hill, but there are not very many. It is that situation I wish to address briefly this morning.

I do not come to the floor very often and give lengthy speeches. This will not be a very lengthy speech this morning either, but sometimes I think a sense of responsibility on how the Senate conducts its business or does not conduct its business is in order. It is that issue I want to address this morning.

Mr. President, the Senate conducted rollcall votes on Wednesday. And although we are not technically in recess, there are no plans to have votes until February 27. No vote of the Senate was taken to decide whether we would recess. It was just decided we would go through the charade of pro forma sessions, of looking like we are doing something when actually we are not. I think it is important for the American people to know about what is going on here, because we have not passed all the appropriations bills for the fiscal year that started last October.

We are 5 months into this fiscal year without having dealt with the unfinished business of the Senate.

Currently the following departments are operating without regular appropriations bills. The Department of Veterans Affairs; the Department of Housing and Urban Development; the Environmental Protection Agency, the Department of Commerce, the Department of State, the Department of Justice, the Department of the Interior, the Department of Labor, and the Department of Health and Human Services.

We passed a continuing resolution. That is what we call it. A continuing resolution means you are supposed to go ahead and continue your operations as they were in the previous year if we have not passed an appropriations bill. But this year there is a new angle to this because in order to get a continuing resolution passed on most of these departments, most of what we would normally have had as a continuing resolution is not there because we have reduced most of them by 25 percent over what their expenditure limits would have been. In other words, most of them are having to limp along and make reductions in their activities.

I want to spell some of these out in a few minutes. But let me just say that five appropriations bills remain unfinished, and funding for the District of Columbia is not complete. We have yet to agree on a plan to balance the budget over the next 7 years.

We do not have a welfare reform bill, nor Medicare reform, nor Medicaid reform, nor health insurance reform, nor product liability reform, nor Superfund reform, nor an Endangered Species Act, nor a Safe Drinking Water Act, nor a Clean Water Act, and we even face defaulting on the debt endangering the full faith and credit of the United States come March 15 if we have not acted. And, incidentally, all of these CR's also run out. So there would be no funding for these agencies or departments come March 15 unless we take action of the full Congress to correct it.

All of the above is what we were supposed to be doing back in the 1995 calendar year that would apply to fiscal 1996 which we are in right now and have been since last October. We have not even started yet on the 1996 agenda that will be for next year's budget. So we are completely behind.

This lack of achievement will not stand in the way, however, of a 20-day break in the Senate schedule. I know that recesses are scheduled during a legislative session. But I want to call the attention of the Senate and the attention of the people of this country to the fact that this election year the Senate schedule is already curtailed, and we are well behind even on this year's activity.

Mr. President, by my count, if we assume an Easter recess, a Memorial Day recess, a Fourth of July recess, an August recess for the party nominating conventions, and an October 4 sine die adjournment—and a not unusual Senate 4-day workweek. The norm here is that nothing of substance usually happens Monday morning and there is nothing of substance normally on Friday afternoon. There are only about 88 legislative days left in this 104th Congress this year to accomplish the business of last year as well as the business of this year.

It is probably more like 70 to 75 days when we know the actual number of days when Members are here in numbers to conduct business. Sometimes we put things off from one day to another because certain people are not here, or their schedule has been accommodated by leadership on both sides of the aisle. But I think even an optimistic count, if you look at the calendar, is that we will have about 88 days left this year. That may come as a shock to a lot of people because they think we are here in mid-February and we have all the rest of this year to get our job done. We do not. Of the legislative days here, we have about 88 days left for this year right now. I do not see how we accommodate our business that has to be done in that time period.

Let me point out some of the problems that the Nation faces and we avoid by not being here doing our work. I requested that some of the affected agencies tell me how they are dealing with these cutbacks right now. This is not something speculative out there into the future. We can surmise as to what may be out there in the future. But here are a few things that are being curtailed right now, services that the people of this country thought they were getting and are beginning to be cut back on. Why? Because we have not passed the appropriations bills, and because we accommodated the demands of mainly the people over in the House that said that if they were going to even make a continuing resolution it had to be with major cutbacks in fundings now. In other words, they are doing what should be legislative cutbacks by just saying we will not provide the money, and we just refuse. So for most of these agencies or departments some of them are going along on about a 25-percent reduction.

Let us look at the Environmental Protection Agency. According to the EPA, 40 percent of its planned inspections of industrial facilities were missed during this period—40 percent. EPA typically conducts 9,000 inspections a year and takes 3,700 enforcement actions. These inspections help protect our drinking water and our air quality. Continued funding shortfalls will not allow EPA to catch up with its backlog. The work necessary to develop tap water standards for pollutants like cryptosporidium will be delayed. A couple of years ago, in 1993, 100 people died and many more were sickened by cryptosporidium. Even though this is a priority issue, these standards take time. And this is a complex issue requiring extensive data collection which is being delayed right now.

Toxic waste cleanups are being slowed. Cleanups at hundreds of sites were stopped during the shutdown, and half of those will not be able to resume quickly. Further funding shortages will only cause further delay. Three new cleanups in Ohio, my home State, at Uniontown, Dayton, and Marietta may not begin this year. It looks as though they will not begin this year as scheduled.

Further delays are expected in efforts to control industrial discharge into rivers and streams. The public's right to know about toxic chemical emissions in their area is jeopardized. Delays in pesticide registration will affect crop protection. Standards for controlling toxic industrial air pollutants will be delayed.

A toxic sweep task force was established by Cleveland and the State of Ohio to rid the city of toxic problems that pose threats to the public health and welfare, fire safety, and serve as barriers to property redevelopment. Twenty-seven properties have been cleaned up under this program. EPA help was requested on three of the more difficult sites. However, EPA cannot respond, and redevelopment is delayed and may not occur at all.

Those are just a few of the things that are going on just with the EPA budget because of this failure of the Congress to act.

Under Health and Human Services, although many critical programs received full-year funding, the level of funding is not keeping up with the increased need due to our growing elderly population, and especially the old and frail elderly who need health and support services in order to just stay in their homes and their communities.

The Health Resources and Services Administration supports programs such as community and migrant health centers, and maternal and child health block grants. The impact of interrupted and short-term funding is expected to result in reduced services to the poor, and will be detrimental to the health services infrastructure and the quality of services, including preventive services.

Because final action has not occurred, uncertainty exists as to the availability of funding for Ryan White CARE Act programs. This inability to predict the annual level of funding available to cities and States will impact planning and operating systems for HIV/AIDS victims. The cities of Cleveland, Fort Worth, Hartford, Minneapolis, Sacramento, and San Jose now qualify for title I—HIV Emergency Relief Grant Program to provide emergency assistance to localities disproportionately affected by the HIV epidemic—funds under both existing and proposed legislation because of the ever-growing need of HIV/AIDS services. Awards to all new cities must be delayed until there is permanent legislation.

Under education—Mr. President, the largest investment we make to boost low achievement in educational skills is title I which provides some 50,000 schools and about two-thirds of our elementary schools across this country, with funds for individualized instruction, smaller classes, extra time to learn after school, use of computers, and more parental involvement. According to Secretary Riley, at continuing resolution levels title I will be cut by $1.1 billion, or 17 percent. This will deny help to more than 1 million students and cost 40,000 to 50,000 teaching and teaching aides' positions. As an example, Chicago could lose some 600 teachers. In Beaver Local School District of Lisbon in northeastern Ohio, that means the elimination of the program for the middle school, losing three teachers, and ending remedial reading and math for 120 children. Ohio could lose over $50 million.

That is just an example in my home State. But the same thing is going on all over this country—cutbacks in education and helping kids get a decent start in school, giving them remedial help that they need is being cut back right now.

The Department of Labor is operating at funding levels provided in the House-passed bill. Should this continue, summer jobs for youth will be eliminated wiping out Federal support for summer jobs for 600,000 young people—600,000 young people, if we continue to do nothing the way we have been doing, will not have summer jobs.

Employment and training programs would be reduced by $1.6 billion, meaning 800,000 other people would be deprived of much needed services. Back to Ohio again. Ohio would receive $35 million less for job training and assistance with 30,000 people unserved that normally would have been helped during that period.

Veterans. Congress' failure to deliver an acceptable VA-HUD appropriations bill is having a devastating effect on veterans programs. Veterans medical care is compromised by the requirement to eliminate 5,100 full-time medical employees at VA facilities. This will result in treatment of 36,000 fewer inpatients and 800,000 outpatients. This is the equivalent of closing three medical clinics with an average of 300 beds each. How can we possibly justify that? In addition, funding levels under the current CR preclude construction of two hospitals that are needed at Travis Air Force Base in Fairfield, CA, and Brevard County in Florida. It also eliminates funding for five projects required to renovate and correct major deficiencies in older VA hospitals.

How can we possibly look any veterans that are in those hospitals, who sacrificed in combat or wherever, however they came to be in the hospital, in the eye and say, "Well, you are not in a war so we are going to cut you fellows out; we are going to cut the funding back, shut the facilities down." I find that very hard to accept.

The Justice Department. Under the current continuing resolution, the Community Oriented Policing Services, so-called COPS Program, is funded at 75 percent of its 1995 levels. At this level, 1,674 additional police officers could be hired. Under the President's request, 3,166 could be added. This means there are 1,492 fewer cops out there on the beat.

Mr. President, I went up and visited one of the COPS programs in Toledo, OH, not too long ago. It is working very well. They have the additional police out in the community organizing the people to have community watch programs and cooperative programs. It is working very, very well. But those programs are now going to be reduced or eliminated or new ones will certainly not be started.

The Department of Commerce. In the Department of Commerce, a variety of programs have been affected by delays which have impacted fishing communities, delayed NOAA's satellite procurement program, threatened funding of National Weather Service contractors and suppliers, disrupted orderly trade relations which hinders exporters, threatened Economic Development Administration assistance to local governments and businesses following military base closures. Review and processing of applications for new State coastal zone management programs in Ohio and Texas and Georgia have delayed eligibility for Federal funding of $2 million a year.

Mr. President, these are just a few examples of the consequences of our inaction. Beyond the terrific impact of these shortfalls is the question of how can we expect to operate a system of government in the most efficient way possible while supporting it in only bits and pieces—starts and stops. No organization can operate effectively when run on that kind of an interim basis. Planning is hindered when you are funded for the next 6 weeks and uncertain about another, and whether or not there will be a 10th continuing resolution. We do not even know that. We do not know what the conditions of acceptance of another CR will be. The CR permitting the action I am talking about here this morning expires on March 15 along with the debt limit.

You can be certain that efficiency of Government services will be questioned when it comes to next year's funding but Congress will not likely blame itself. Federal workers become an all-too-easy target.

Mr. President, yesterday's Washington Post says, and I quote, "Congress has gone home to campaign. Given the little they have accomplished to date, you wonder what the members will campaign on, but resourceful troopers that they are, they will no doubt find something."

After a discussion of the farm bill, the Post suggests that Congress, "Can go on to the rest of their unfinished business, like raising the debt ceiling so the Treasury doesn't have to default, finishing this year's budget so they can get on to the next and figuring out what if anything they want to do about Medicare, Medicaid, welfare, the Clean Water Act and a couple of other trifles like that."

"Trifles" I am sure they meant tongue in cheek.

Another clip out of the newspaper, Kevin Phillips noted in his column of February 7 in the Los Angeles Times, "The 104th Congress may be the worst in 50 years."

The forces of an ideological jihad have failed to find workable compromise on their agenda and have forgotten that democracy depends on compromise. Failing to move a radical agenda to turn back America's clock, an effort to shut down the executive branch of the Government also failed. Now it appears we are applying the same tactics to the legislative branch of Government.

Mr. President, not doing business is no way for the Congress to do business. One of the few successes of last year was requiring Congress to abide by the same laws as everyone else. I believe we are violating at least the spirit of that law when we hold Government employees hostage, when we borrow from the pension funds to keep the Government afloat, when we drive the Government to the brink of default, when we do not complete the job we were hired to do in the time we were supposed to do it, when we force the agencies and departments of Government to operate on an interim basis facing imminent cutoffs of funds and in a final note of folly when all else fails the Congress leaves town with very limited legislative time left in this calendar year of 1996.

Mr. President, maybe we should require that Congress abide by another law that people in all of our communities have to work with also, and that is no work, no pay. We had votes on that. They did not pass. Maybe we ought to reconsider that when we get back in here.

Meanwhile, Mr. President, everyone is out campaigning, doing whatever they are doing while the work of the Government sits here and is not being accomplished. We were elected to come here and deal with the problems and the programs of this country. We have not even dealt with the work we were supposed to do last year, and we certainly have not gotten around to completing that or even beginning the work we are supposed to do this year and time is very, very short.

Mr. President, I ask unanimous consent that the editorial out of yesterday's Washington Post and also the column by Kevin Phillips out of the Los Angeles Times of Wednesday, February 7 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 8, 1996]

RECESS

Congress has gone home to campaign. Given the little they have accomplished to date, you wonder what the members will campaign on, but resourceful troopers that they are, they'll no doubt find something. The Senate was the last to leave; first it passed a farm bill. That would be fine; it's not a bad bill. But the House hasn't acted yet and isn't scheduled to return until the end of the month, the administration claims to have serious reservations about the bill in its present form, and farmers and their bankers would like to know before planting season starts what the rules are going to be for the year ahead.

That's one of the factors that impelled the Senate to act. Next week's Iowa caucuses may have been the other, Iowa being a leading farm state. Neither Majority Leader Bob Dole nor Agriculture Committee Chairman Richard Lugar wanted to enter the caucuses empty-handed. Now they have at least a provisional bill to discuss.

The farm programs are outmoded. Mr. Lugar was one who pointed that out early on last year, an unusual act for a farm state Republican and presidential candidate who had just assumed the chairmanship. The programs are both costly and inefficient. Most of the money goes to the largest producers least in need, and to the extent that farmers produce for the government rather than the market, the system induces an inefficient use of resources. There does need to be a safety net to protect consumers and producers alike against huge swings in the markets. But the guarantees are set too high. To protect itself, the government then seeks to prop up market prices in part by limiting production and in the process costs the country sales and market share abroad. The payments are also geared too much to production and not enough to conservation.

The Republicans proposed a reform—to break the tie between production and payments, ratchet the payments down over the next seven years to save money while leaving farmers free to produce what they choose and appoint a commission to help determine what kind of successor programs the country should have. Ranking Agriculture Committee Democrat Patrick Leahy insisted on adding amendments reauthorizing the food stamp and other feeding programs, in part to give them some parliamentary protection, and broadening the principal conservation program to cover more than soil erosion in the Plains states. More money could be used to prevent agricultural runoff and improve water quality elsewhere in the country, for example.

All that's to the good. In the House, however, Republicans who could otherwise pass a similar bill over Democratic objections are divided. Some rightly want a chance to amend the sugar and peanut programs, both of which jack up prices unnecessarily at the checkout counter but which were preserved to buy committee votes for the broader bill. The administration meanwhile wants to change the broader bill, which the president has already vetoed once; it was a relatively minor part of the GOP proposal to balance the budget that the rejected last year. Mr. Clinton's basic, unhelpful position is that the farm programs don't need to be changed much at all.

And then, when they get the farm problem settled, they can go on to the rest of their unfinished business, like raising the debt ceiling so the Treasury doesn't have to default, finishing this year's budget so they can get on to the next and figuring out what if anything they want to do about Medicare, Medicaid, welfare, the Clean Water Act and a couple of other trifles like that.

[From the LA Times, Feb. 7, 1996]

CONSIDER THIS CONGRESS THE WORST IN A HALF-CENTURY

(By Kevin Phillips)

WASHINGTON.—The 104th Congress may be the worst in 50 years.

It has another 10 months before it nails down top (bottom?) honors. And it will, of course, face tough competition from four other eminently second-rate Congresses—the 80th, 89th, 101st and 103rd. Even so, it's time for the national debate to start, because what Americans decide to do about Congress will color what kind of president they'll want to pick—or settle for—in November.

Believers in the Washington system—once described as dropping coins into the elephants' and donkeys' mouths and getting laws and regulations out the other end—were cheered in early 1995 by the apparent renewal of tired political parties and government mechanisms represented by ultrapowerful new House Speaker Newt Gingrich (R-Ga.) and his bold agenda of national change.

A year later, two-thirds of the "contract with America" is sitting in the Senate's dumpster or crumbled in the president's veto basket; Congress' ratings are back to autumn 1994 contempt levels, and Gingrich has set records for first-year credibility loss by a new speaker. The notion of a "reform" GOP Congress is now right up there with Tinkerbell and the Tooth Fairy; and Washington lobbyists are wondering how they will ever collect on the regulatory breaks and tax loopholes they thought they'd bought at the Grand Old Auction Party last winter.

Recent national surveys have shown voters saying President Bill Clinton should be reelected to block the unpopular Congress. But other new polls show the electorate is starting to tilt Democratic for the House, as well. So November is emerging as a dilemma-cum-challenge: Would dumping the House GOP and eliminating Gingrich as speaker make it safe to also oust Clinton as president—especially if his family and staff start setting records for time spent before grand juries? Clinton's great success with his State of the Union speech isn't likely to repeat itself if he has to make a State of Family Integrity follow-up.

But Clinton's foibles have already been debated in two elections—1992 and 1994. It is the failures of the GOP Congress that might well be the focus of 1996.

Take the "contract with America." This started out as a smart campaign ploy, but

GOP strategists let its dozen or so promises—from budget balance to a line-item veto—become the be-all and end-all of Republican congressional achievement. A few good ideas—congressional accountability and prohibition of unfunded federal mandates being imposed on the states, for example—made it across Clinton's desk and into the statute books; but other popular themes (term limits) bogged down, and some ideas, such as tort reform and environmental overhaul, lost favor as the involvement of lobbyists became all too evident.

The collapse of public support was stunning. Polls by the Times-Mirror Center found that, in winter 1994–95, voters approved congressional GOP policies by 52%–28%; but, by January 1996, they disapproved, 54%–36%. The NBC News poll found virtually the same shift. Respondents had agreed with the GOP policies, 49%–22%, in January 1995; by January 1996, disagreement prevailed, 48%–34%. This is the sharpest slump in policy-approval ever measured for a new Congress.

The crown jewel of the contract—huge tax cuts tilted toward business and the wealthy combined with the seven-year zero budget-deficit blueprint—was especially flawed and, worse still, a practical contradiction. The tax cuts proved a zero-deficit program over seven years wasn't even a good idea. In 1994, all the European Union nations, except Luxembourg, had larger deficits than the United States. Ours was 2% of gross domestic product, theirs ranged from 2.1% of GDP in Ireland and 2.6% in Germany to a whopping 11.4% in Greece. These countries, too, face high health and pension costs, as well as job weakness; and the requirement that EU members get deficits down to 3% is feared in much of Western Europe as a recession prescription. The GOP's zero-deficit prescription for America would have been even more Hooveresque.

Meanwhile, the 104th Congress has emerged as a beacon light of hypocrisy when it comes to institutional reform and money in politics. The promise of term limits was quickly scuttled, and new GOP leaders, especially in the House, have used the same kind of closed-door legislative tactics they attacked under the Democrats. The vaunted lobbying "reforms" passed this winter turn out to have something else—a downshift from criminal penalties to civil penalties to civil penalties with the usual game of widening as many escape hatches as are closed. Discussing the loopholes in the new gift ban, the president of the American League of Lobbyists remarked, "I would prefer to call them pathways or, in some cases, interstates."

As for campaign finance, serious reform has already been mocked and foreclosed. Congress' new GOP leaders have collected bigger campaign contributions, from more special interests, than any previous set of first-termers.

The final mega-problem is the "extreming" of Congress since the 1994 election. Not only has the ideology been radical, but, on the House side, Gingrich and the 74 House GOP freshmen are becoming twin symbols of political excess. Recent polls on Gingrich give him only a 26%–34% approval rating, while 55%–58% disapprove. No new speaker has ever dropped so far so fast.

The right-leaning freshmen are in just as much trouble. One January poll found 70% of Americans disapproved of the freshmen's willingness to shut down government in the budget debate, with 45% calling the freshmen "ideological extremists who are holding the federal government hostage."

The "extreming" of Congress has even spread to the hitherto centrist Senate. The rightward lurch of Senate Majority Leader Bob Dole (R-Kan.) signaled this shift, and the retirement announcements of five GOP moderates make a sharper swing to the right inevitable after they're gone. The new Senate GOP of 1997 will be far more like the current House GOP—not exactly an endorsement for keeping the Republicans in control.

Other Congresses that compete for the "worst in 50 years" title are the 80th (1947–48), the 89th (1965–66), the 101st (1989–90) and the 103rd (1993–94). The 103rd was the Democratic Congress that voters voted out in 1994, angry at its mix of petty scandals and ineffectiveness. Its biggest failure was that the Democrats were stale and deserved the boot after 40 years of unbroken control in the House.

The 101st Congress featured the forced resignations of Democratic Speaker Jim Wright and Majority Whip Tony Coelho. The 89th was the lopsidedly Democratic Congress that ran amok with the liberal legislation and overambition of the 1960s. The 80th was the last GOP Congress to face a Democratic president. It also went too far on economic, education and social welfare issues.

However, because the 104th has ideological radicalism, yet another speaker facing an ethics investigation and a record collapse of public esteem, it could turn out to be the wustest that got there the fastest—to paraphrase the famous confederate cavalry leader.

Is there a remedy? Not necessarily. Though defeating enough Republicans in the House to depose Gingrich as speaker could be a start. Giving the Democrats a narrow majority back won't empower them to do much more than squelch GOP excess. But in the long haul, it will probably be necessary to find some way of promoting a mix of third parties, campaign reform aimed at helping independent congressional candidates (just proposed by retiring Sen. Bill Bradley (D-N.J.)) and other changes designed to break the nexus between money and politics.

After all, if Americans do start deciding that the 104th Congress is the worst in memory—or even first runner-up—then it could be time for voters to demand a far different set of arrangements and reforms. In Congress, as well as in presidential elections, the two-party system, with its false promises and special-interest masters, has arguably become part of the problem, not part of the solution.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, February 8, the Federal debt stood at $4,988,549,905,457.27, about $12 billion shy of the $5 trillion mark, which the Federal debt will exceed in a few months.

On a per capita basis, every man, woman, and child in America owes $18,934.97 as his or her share of that debt.

RELEASE OF FBI REPORT ON FUTURE WIRETAP CAPACITY NEEDS

Mr. LEAHY. Mr. President, we took an important step in the last Congress to preserve law enforcement's wiretapping tool and increase privacy protection for our telephone and computer communications by passing the Communications Assistance for Law Enforcement Act. This law expanded privacy protection to cordless telephones, restricted the ability of law enforcement to obtain transactional information from e-mail messages, and improved the privacy of mobile phones by expanding criminal penalties for stealing the service from legitimate users.

This new law also imposed new requirements to ensure that court orders for electronic surveillance can be carried out, rather than stymied by new technologies used on our telephone networks.

Significantly, these new requirements for our Nation's telephone networks were accompanied by guidelines designed to bring public oversight and accountability to the process of implementing them. For the first time, decisions on how new and existing telecommunications systems will remain accessible to government surveillance must be made in the sunshine of public scrutiny.

Thus, the new law requires for the first time that law enforcement's demands regarding the number of wiretap, pen register, and other surveillance orders that telephone companies must be able to service simultaneously, are published in the Federal Register and scrutinized in a public procedure.

In compliance with this new requirement, the FBI published in the Federal Register on October 16, 1995, a proposed notice setting forth its capacity demands. According to the proposed notice, these capacity demands were predicated upon a historical baseline of electronic surveillance activity and an analysis of that activity. Yet, the Federal Register notice did not include publication of this underlying information.

Shortly after the notice was issued, I wrote to the FBI Director requesting copies of this information, and urging him to release the information to the public to ensure the fullest dissemination of the information.

I am aware that the comments filed by the deadline on January 16, 1996, in response to the proposed notice on behalf of civil liberties groups, telephone companies, and cellular companies have criticized the proposed notice for failing to disclose the supporting data for the capacity demands. As one set of comments filed by the Center for Democracy and Technology and the Center for National Security Studies noted, "it is impossible to say whether or not the capacity requirements proposed in the notice are justified" without the supporting data.

The FBI has now provided me with a 13-page report explaining how they collected information about past law enforcement surveillance activity from Federal and State court offices, State attorneys general offices, and over a thousand telecommunications carriers.

This report also describes the method the FBI used to analyze this information and figure out how much wiretap capacity law enforcement would need for the foreseeable future and up to 10 years from now in three broad categories of geographic areas.

I fully appreciate the amount of hard work that went into collecting this critical data and doing the analysis. Indeed, this is the first time that law enforcement has ever been required to estimate its future surveillance activity and the demands that will be made on telecommunications carriers. This is also the first time that this information has ever been required to be made public.

I am pleased to make this report available for public dissemination. It does not identify which geographic areas fall into which of the three different categories with differing capacity requirements. Thus, it does not tell us whether Vermont is in category I, where the greatest level of interception activity has occurred and is likely to occur in the future, or in category III, where the number of law enforcement wiretaps have been low or nonexistent. Telecommunications carriers doing business in Vermont and Vermonters will want to know which category we fall into.

The FBI has assured me that they are in the process of preparing two additional documents that will explain the proposed capacity notice in greater depth. I look forward to examining those two additional documents upon their release by the FBI.

The public process set up in the new law is working. I commend the FBI Director for his efforts to fulfill the public accountability provisions of the law by making available this report and future reports on the capacity requirements.

Since these reports were not available prior to the deadline for comments on the original proposed notice, however, I would urge the FBI to consider issuing a revised or supplemental proposed notice to give interested parties an opportunity to comment on the proposed capacity demands with the benefit of this new information.

Mr. President, I ask unanimous consent that the report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

INFORMATION CONCERNING IMPLEMENTATION OF THE COMMUNICATIONS ASSISTANCE FOR LAW ENFORCEMENT ACT [CALEA]

BACKGROUND

CALEA was enacted to preserve law enforcement's ability, pursuant to court order or other lawful authorization, to access communications (content) and associated call-identifying information in an ever-changing telecommunications environment. Because many interceptions[1] in the future will be initiated through equipment controlled by carriers, CALEA obligates the Attorney General to provide telecommunications carriers with information they will need (a) to adequately size and design their networks to accommodate the maximum number of simultaneous interceptions that law enforcement potentially might conduct after October 25, 1998, and (b) to be capable of accommodating the actual number of simultaneous interceptions law enforcement potentially might conduct as of October 25, 1998. The CALEA specifically refers to two levels of capacity, maximum and actual.

CALEA requires the Attorney General to provide a notice of the maximum capacity required to accommodate all of the communication interceptions, pen registers, and trap trace devices that the Attorney General estimates that government agencies authorized to conduct electronic surveillance may conduct and use simultaneously after the date that is 4 years after enactment (i.e., after October 25, 1998). The Attorney General must also provide a notice of the actual number of communication interceptions, pen registers, and trap trace devices, representing a portion of the maximum capacity, that the Attorney General estimates that government agencies authorized to conduct electronic surveillance may conduct and use simultaneously as of October 1998.[2]

MAXIMUM CAPACITY

Unlike actual capacity, CALEA indicates that the maximum capacity applies to a time, not specified, after the date that is 4 years after the date of CALEA's enactment. The maximum capacity has been interpreted as chiefly a design requirement for telecommunications carriers that will be utilized to size and define an upper bound capacity ceiling for the mid-term to intermediate future (i.e., 1998–2004), as discussed in more detail below. This ceiling is intended to provide carriers with certainty and stability, as well as with a framework for cost effectively designing and engineering future capacity requirements into their networks.

As CALEA makes clear, the maximum capacity is in no way synonymous with actual capacity (i.e., the interception capacity that law enforcement may actually use as of October 25, 1998). Rather, maximum capacity is viewed as relating to a longer term, more enduring design requirement that would serve as a defined technological bound to interception activity, but yet would provide room for expeditiously accommodating certain future interception-related "worst case scenarios." For example, it would be impossible for law enforcement to predict unusual, anomalous, but nonetheless very serious or violent events such as those associated with certain acts of terrorism or extreme instances of drug-trafficking or organized crime activity. Maximum capacity provides a safety-net that would enable telecommunications carriers to expeditiously respond to serious, unpredictable, emergencies that require very unusual levels of interception capacity.

ACTUAL CAPACITY

Under CALEA, estimates of actual capacity are to apply to all simultaneous interception activity that may be conducted by the date that is 4 years after the date of enactment of CALEA. CALEA makes clear that actual capacity represents only a portion of the maximum capacity. Actual capacity thus pertains to the amount of interception activity that potentially may be needed when many of CALEA's requirements are scheduled to take effect in October 1998. Consequently, when viewing the maximum and actual capacity levels set forth in the Initial Capacity Notice, realistically only the actual capacity estimates should be construed as in any way reflecting the amount of simultaneous interception activity that potentially may be conducted by law enforcement in any geographic area as of October 1998.

METHODOLOGY OVERVIEW

The CALEA mandate which obligates the Attorney General to estimate future capacity marks the first time (a) that information has been required to be provided to carriers in order for them to properly design and size future networks with reference to interception activity; and (b) that the entire law enforcement community has been required to project its collective potential future interception needs, thereby in effect placing possible technological limitations on its lawful authority to conduct electronic surveillance. This circumstance, as viewed by the law enforcement community, obviously generates great and legitimate concern, because historically telephone technology placed no constraints on law enforcement's court ordered electronic surveillance authority. If not implemented with care, CALEA could have the unintended effect of potentially placing restrictions on the lawful use of electronic surveillance authority. Thus, if law enforcement errs by underscoping its potential, legitimate, and lawful interception needs, effective law enforcement will be hampered and, more importantly, the public safety will be jeopardized.

The FBI, which is implementing many of the responsibilities conferred upon the Attorney General by CALEA, was required to issue the capacity notice. In order to meet this obligation, we proceeded by employing a rigorous, comprehensive methodology to acquire critically needed information and to establish analytic tools for determining the simultaneous interception activity of the recent past and for estimating future maximum and actual capacity.

The methodology used was intended to take into consideration the concerns of the parties principally affected by CALEA. On the one hand, CALEA provides law enforcement with an opportunity and means to ensure that its future electronic surveillance needs can be met. On the other hand, CALEA presents an opportunity and means for telecommunications carriers to understand the nature and extent of their obligations to accommodate law enforcement's electronic surveillance needs and to do so in a way that will not be unduly burdensome or excessive. Law enforcement's approach and perspective regarding its electronic surveillance needs relate to its mission to combat serious crime, acts of terrorism, and acts of violence. Traditionally, this mission has been tied to law enforcement agencies' geographically-based jurisdiction and associated jurisdictional legal authority. Telecommunications carriers' approach and perspective regarding law enforcement's electronic surveillance needs, however, chiefly relate to the effect such needs may have on particular components within their systems that are used to serve subscribers within a given market (i.e., switches and other network components).

As a goal, law enforcement sought to harmonize the different approaches and perspectives of these parties in its methodology. The methodology sought to produce a result that acknowledged and factored in the interrelationship between the geographic, jurisdictional contours of law enforcement interception activity and the geographic service areas covered by the carrier switching facilities that will be likely used to provide interception access. By identifying key pieces of

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Footnotes at end of article

data associated with these approaches and perspectives, we were able to formulate and then analyze past interception activity in terms that enabled us to establish one of the key components (one pertaining to past peak levels of interception activity in localities of various sizes) in an equation leading to an estimate of future interception capacity. The other key component (one pertaining to projected growth) was derived from a statistical model that included a number of variables reasonably believed to predict potential future capacity bounds and potential future interception needs. Once the projections were made to estimate future capacity needs, the results were reviewed and adjusted to ensure reasonableness before publishing the results in the Initial Capacity Notice.

By presenting capacity levels in the Initial Capacity Notice with reference to engineered capacity (discussed below), the FBI intended to express interception capacity in an understandable fashion as a percentage of a carrier's switch or other network component capacity. This approach was intended to enable carriers to tailor their technological responses to law enforcement's potential interception needs within specific types of geographic areas. The following discussion highlights the methodological steps used to arrive at the actual and maximum capacity figures published in the Initial Capacity Notice.

PART ONE: DERIVING KEY DATA FROM PAST INTERCEPTION ACTIVITY

As a first step, we sought to establish a baseline of past simultaneous interception activity. Information concerning the actual number of all types of simultaneous interceptions occurring throughout the United States in the recent past was collected. Such information, needed to establish the baseline, had never before been collected and did not exist in a single repository. Amassing this detailed and extremely sensitive information required an unprecedented and time-consuming effort on the part of law enforcement. It involved identifying sources from which accurate information could be retrieved in an efficient and effective manner. Specifically, we sought to identify sources that could provide the exact number of all types of interceptions (to include call content, pen register, and trap and trace) performed by all federal, State, and local law enforcement agencies, in terms of the actual number of telephone lines[3] intercepted at each locality.

To obtain specific line-related information regarding past simultaneous electronic surveillance activity, records of interception activity were acquired from telecommunications carriers, law enforcement officials, and most importantly, from the Federal and State Clerks of Court's offices—the official repository for all interceptions conducted simultaneously between January 1, 1993 and March 1, 1995, for all geographic locations. Specifically, highly sensitive interception information pertaining to each interception start/end dates, and to area code and exchange was collected. The period January 1, 1993 to March 1, 1995 was chosen in order to obtain recent interception information that was reasonably retrievable given the time constraint of one year imposed by the CALEA with regard to publishing a capacity notice.

Approximately 1500 telecommunications carriers (those serving the majority of subscribers in the U.S., and representing the largest of the wireline and cellular telephone companies (as of March 1995)) were requested to provide information that would identify where and how many interceptions had occurred within their networks during the period of study. Acquisition and examination of sensitive electronic surveillance records maintained pursuant to statute under seal with the Clerks of Court offices was pursued through two separate efforts. All Federal court order information was collected pursuant to special court orders directing the unsealing of interception court orders for the limited purpose of enabling the Attorney General/FBI to comply with the capacity notice obligation. State and local law enforcement information was obtained through the State Attorneys General (AG) offices. Each State AG was requested to coordinate the collection of interception information within the AG's respective State.

By reviewing the data collected, the number of simultaneous interceptions that had occurred within switching facilities was identified throughout the country during the study period. One of the key pieces of relevant information was the highest number of interceptions that had ever occurred simultaneously within any telecommunications carrier's switch.[5]

For the years studied, the highest number of simultaneous interceptions occurring within any one switch in the United States was 220; that is, 220 pen register, trap and trace and/or call content interceptions were active at the same time within a particular switch. Further analysis revealed that the 220 interception number far exceeded the number of simultaneous interceptions conducted in other high activity switches and was due to a single unusual occurrence. The switch that had the second highest level of simultaneous activity supported 120 pen register, trap and trace and/or call content interceptions.

The distribution of baseline simultaneous interception activity by switch was varied. Among switches which had supported interceptions during the period studied, there was a broad and varied distribution of simultaneous interceptions ranging from 1 to 120. Switches with the greatest levels of interception activity frequently existed in urban areas. Switches with lower levels of interception activity existed across a variety of geographic areas, encompassing urban, suburban, and rural areas.

The review of the baseline of interception activity yielded certain key data on simultaneous interceptions for specific switching systems, but law enforcement usually approaches crime within the context of geographic or jurisdictional areas. The next analysis challenge was to associate the baseline simultaneous interception data on specific switches with law enforcement's need to express requirements relative to geographic areas. To do this, law enforcement sought to identify geographic boundaries that could provide common reference points between law enforcement and telecommunications carriers.

A number of geographic boundaries which define service areas of telecommunications carriers were considered (e.g., State lines, local access transport areas (LATA), metropolitan statistical areas (MSA), rural service areas (RSA), and major and basic trading areas (MTA, BTA)). However, in each case, these boundaries did not provide a good match with defined law enforcement areas. Law enforcement jurisdictional legal authority in a great number of cases is defined by county boundaries (i.e., for local law enforcement agencies). County boundaries rarely change and are not disputable. In most cases, a group of counties are encompassed by the boundaries that define a telecommunications carrier's service area. Consequently, county boundaries were used as the common reference tool in formulating an analysis for future capacity.

From the baseline of interception activity, interception data was aggregated for a group of specific switches by county. Switches were assigned to counties based on their geographic location. The data can be divided into their different levels (or categories) or interception activity: high, moderate, and low.

As part of the consultative process with the telecommunications carriers, law enforcement understood that one of the primary carrier concerns with regard to capacity was that each switch in a carrier's network should not be held to the same requirement for capacity levels. The carriers had indicated generally that although CALEA requires the Attorney General to estimate future capacity sizings and to estimate future potential interception activity that may occur in their network, every attempt should be made by law enforcement to express its needs in accordance with the variability of interceptions that had occurred in the past. Recognizing this, we chose to define law enforcement's potential future interception needs using categories and not just one absolute number that would apply without regard to the often varied nature of interceptions in a carrier's geographic service area.

As a result of considering the relative relationships between law enforcement and telecommunications carriers geographic areas, it was determined that three separate categories for stating capacity requirements should be created. The use of categories permitted capacity requirements to be stated in a way that reasonably reflected, and was responsive to, law enforcement interception needs without unduly burdening all carriers with the same level of capacity or requiring a particular carrier to provide the same capacity level everywhere in its network. As alluded to in the Initial Capacity Notice, Category I represents a small number of geographic areas where the greatest level of interception activity typically has occurred and is likely to occur. Category II also represents a relatively small number of geographic areas, which consist of some urban and suburban areas. Category III represents the vast majority of areas where electronic surveillance activity has historically been low or nonexistent, principally in rural and many suburban areas.

With regard to Category III, as the nation moves toward the future, law enforcement must have the capability to conduct a minimum level of electronic surveillance in any locality, regardless of previous levels of criminal activity or prior levels of electronic surveillance activity. Terrorism, drug trafficking, and violent crimes are constant and unpredictable threats to the public in all localities, as evidenced by the Oklahoma City bombing in April 1995. Consequently, unlike Categories I and II, which are defined principally with reference to past levels of electronic surveillance activity, Category III constitutes a minimum interception capacity for any location in which law enforcement may need an interception capability in order to protect the public and effectively enforce the law.

Once the geographic areas could be generally (but only tentatively) associated with each category, the historic baseline of interception activity for these areas could be used as a way of defining the distinct levels of past electronic surveillance activity. For the Category I level, as noted above, the highest number of simultaneous interceptions from a switch was 120. Our analysis also determined that within the Category II level the highest number of simultaneous interceptions from a switch was 42.

THE USE OF PERCENTAGES AND ENGINEERED CAPACITY

Law enforcement considered it appropriate and prudent to express capacity requirements in the Initial Capacity Notice in terms of a percentage rather than as a fixed number for several reasons. First, percentages are very appropriate, if not essential, with regard to new service providers, new switches, new services, and new technologies. If absolute numbers were set forth, the introduction of new basic service, as well as more advanced services and features, could be impeded—a prospect that is unacceptable to either the Congress, law enforcement, or the telecommunications industry. Second, percentages allow capacity requirements to adjust slightly to a changing subscriber base as it increases or decreases over time.

To enable carriers to apply the percentages to the affected systems in their networks properly, capacity level percentages were tied to engineered capacity. Engineered capacity was referred to in the Initial Capacity Notice as the maximum number of subscribers that can be served by a carrier's equipment, facilities, or service. In the main, a carrier's switching facility was the key network component associated with this foregoing terminology. With regard to the highest level of simultaneous interception activity in the baseline data with regard to Category I (120), the switch associated with that interception activity was one that typically served an average of 35,000 subscribers. This led to the historical electronic surveillance activity being expressed as a percentage of engineered capacity of 0.34%. This percentage was derived by dividing the 120 simultaneous interceptions by 35,000 subscribers. With regard to the highest level of simultaneous interception activity noted in the baseline data occurring with regard to Category II (42), the switch associated with that interception activity was one that typically served an average of 27,000 subscribers. This led to the historical electronic surveillance activity being expressed as a percentage of engineered capacity of 0.16%. This percentage was derived by dividing the 42 simultaneous interceptions by 27,000 subscribers.

As discussed above, the interception activity which was now being associated with Category III reflected little or no activity in the past. Hence the capacity level associated with Category III was dervived in a different manner. To establish a percentage regarding areas where there had been little or no past interception activity, for purposes of future analyses, we examined the distribution of historical interception activity for those switches with very little or not interception activity. The majority of these switches had electronic surveillance activity of less than 0.1% of the capacity associated with such switches. This led law enforcement to assign 0.1% as the level of historical electronic surveillance activity for Category III, expressed as a percentage of engineered capacity. This figure, therefore, was selected essentially to ensure a bare minimum capacity to support law enforcement interceptions.

PART TWO: ESTIMATING AND USING GROWTH RATES TO PROJECT FUTURE CAPACITY AND INTERCEPTION ACTIVITY

CALEA's mandate that law enforcement identify capacity requirements marked the first time future carrier capacity sizings and future potential interception activity were required to be estimated. Although CALEA provided no specific date as an outer bound for the projection for maximum capacity, the year 2004 was used for its projection of maximum capacity. We used the year 2004 because it reflects a ten year period from the last date for which historical data was available (1994). A ten year period is commonly used as a period of time within which to analyze and prepare projections. An analysis of a period of this length also provides the affected telecommunications carriers with the information that would produce the greatest level of stability for the mid-term to intermediate future. By comparison, CALEA specifies October 1998 as the date for projecting potential future interception activity (actual capacity).

Four steps were followed to determine the maximum and actual capacity percentages which were published in the Initial Capacity Notice. These four steps are as follows:

STEP 1: ESTABLISHING A STATISTICAL MODEL; PROJECTING TITLE III COURT ORDER TRENDS AS A PREDICATE FOR PROJECTING FUTURE DESIGN CAPACITY AND POTENTIAL FUTURE INTERCEPTION ACTIVITY

Projections regarding future design capacity that may be required to accommodate unusual future interception activity, as well as the amount of potential future interception activity itself (call content interceptions, as well as the much more prevalent pen register and trap and trace interceptions), in terms of the number of lines that possibly could be implicated, are not readily and easily derived. For example, when one considers just one of the relevant groups of information (past Title III court order authorizations) it becomes apparent that a simple straight line trend does not exist. In reviewing the number of such authorizations on a yearly basis over the last 15 years (1980–1994), there is over a 100% increase (from 566 to 1154). However, the year to year increases are anything but consistent, with variations from -12% to +19% occurring by way of yearly changes.

Although it may be impossible to discern precisely why increases (or decreases) occur on a yearly basis with regard to all of the types of interception activity, a number of factors were considered (discussed further below) which over time presumably would logically influence such activity. In brief, these factors relate to population, telecommunications technology, law enforcement resources, and relevant crime statistics.

Notwithstanding the difficulty in making long range estimations about a design capacity level capable of accommodating reasonable growth over the intermediate future (1998–2004) and which, more importantly, could also address totally unexpected worst case scenarios (maximum capacity) and future potential, interception activity (actual capacity), in terms of the number of lines implicated, we were obligated to respond to CALEA's mandate to produce capacity estimates.

Law enforcement determined that it was imperative to construct and utilize an analytical statistical model in order to address the variability related to relevant historical data that could be associated with interception activity. The model selected was a widely-used model referred to as a multi-variable linear regression statistical model. With such a model, future trends central to predicting capacity could be projected.

In broad terms, this model sought to project potential future behavior based upon an analysis of the relationships between two data groups for which historical data was available over the last 15 years. One data group was the number of criminal Title III court orders authorized between 1980 and 1994. The other data group was composed of a suite of relevant factors (multi-variables) related to population, telecommunications technology, law enforcement resources, and relevant crime statistics. Once trend relationships were noted between the second group and the first, an equation was produced from which projections as to the future level of the first group (Title III court orders) could be established based on growth projections of the second group. The projection for the criminal Title III court order authorizations was an important analytic first step in projecting the design capacity and future potential interception activity in terms of the number of lines (interceptions) that may be involved.

The first data group consisted of the number of Title III court order authorizations recorded per year in the Wiretap Report, compiled each year by the Administrative Office of the United States Courts. In an attempt to establish a trend, we examined the criminal Title III court order authorizations granted per year over the last 15 years (1980–1994). As noted above, however, an examination of this data showed significant yearly fluctuations thereby precluding a simple, straight line trend for approximating future authorizations. Also, as noted above, the Wiretap Report only documents the number of criminal Title III court orders; it does not specify the actual number of call content interceptions associated with each order, nor does it address at all the vastly greater number of interceptions associated with pen registers and traps and traces. Nonetheless, because it was the only longstanding electronic surveillance data source in existence, it was concluded that it necessarily should play an important role in the model because it did document past, relevant interception-related information from which projections of design capacity and future potential interception activity could later be made.

The second data group consisted of factors or multi-variables deemed relevant with regard to the conduct of all types of interception activity. These factors, as noted above, were population, telecommunications technology, law enforcement resources, and relevant crime statistics. Historical and projected future data on population totals was collected from the United States Census Bureau. Historical and projected future data for wireline telecommunications subscribers was collected from the Federal Communications Commission. Historical data on wireless subscribers was acquired from reviewing publications issued by the Cellular Telecommunications Industry Association (CTIA). Projected future data for wireless subscribers was derived based upon an analysis of information found in trade journals concerning future projections of the number of wireless subscribers and attributed to the CTIA, the Personal Communications Industry Association, and other industry sources. Historical data on total number of law enforcement officers and reported incidents of violent crime was collected from the FBI's Uniform Crime Report. Projected future data on the total number of law enforcement officers and crime was derived based on an assumed linear growth rate of the historical data. For each of the above factors, projections for future data were made out to the year 2004.

STEP 2: COMPUTING GROWTH RATES

Using the projected future data produced by the equation, the statistics indicated a growth rate of 130% in the first group between 1994 and 2004, a factor which was included in the subsequent analysis used to project maximum (design) capacity. By comparison, a projection for potential future interception activity (actual capacity) was arrived at by noting the statistics in the first group, that had applied the same trends projected by the statistical model, suggesting a growth rate between 1994 and 1998 of 54 percent. As noted above, when one reviews the number of criminal Title III court order authorizations on a yearly basis during the last 15 years (1980–1994), there is more than a 100% increase (from 566 to 1154). Also, when one reviews available official reports regarding the vastly more prevalent pen register and trap and trace court orders granted during the last 8 years, one observes an increase of 219%. Finally, for the same period, with regard to such pen register and trap and trace court orders "the number of persons whose telephone facilities were affected" increased by 345%.[6] Consequently, the model's results are considered to be reasonable and consistent with past interception-related activity and appropriate for use as part of the analysis.

STEP 3: PROJECTIONS FOR DESIGN CAPACITY AND POTENTIAL FUTURE INTERCEPTION ACTIVITY

As noted above, the historical interception activity expressed as a percentage of engineered capacity for Category I was 0.34% (120 simultaneous interceptions out of a switch serving a possible 35,000 subscribers); and the historical interception activity expressed as a percentage of engineered capacity for Category II was 0.16% (42 simultaneous interceptions out of a switch serving a possible 27,000 subscribers). For Category III, the minimum level of interception activity expressed as a percentage of engineered capacity was 0.1%. The computed growth rates of 130% and 54% were converted into growth multipliers of 2.3 and 1.54, for maximum and actual capacity, respectively. By multiplying the historical interception activity figures for Category I, Category II, and Category III by the growth multipliers, we calculated numbers for a "raw" maximum and actual capacity, as illustrated in the table below.

RAW MAXIMUM AND ACTUAL CAPACITY PREDICTED BY THE GROWTH FACTORS

	Maximum	Actual
Category I	0.34%2.3=0.78%	0.34%1.54=0.52%
Category II	0.16%2.3=0.37%	0.16%1.54=0.25%
Category III	0.10%2.3=0.23%	0.10%1.54=0.15%

STEP 4: APPLYING REASONABLENESS CRITERIA TO THE RAW CALCULATIONS

In projecting future design capacity (maximum capacity) and capacity for potential future interception activity (actual capacity) that may be needed by all law enforcement agencies, for publication in the Federal Register, the FBI made downward adjustments to the numbers that were set forth with regard to the raw actual capacity in both Categories I and III. A substantial downward adjustment was made in Category III. These downward adjustments were made because law environment recognized that a majority of the affected telecommunications carriers fall in Category III, and that our historical interception activity was minimal in this category. Therefore, we chose to lessen the burden on the telecommunications industry and minimize the costs of installing solutions, consistent with assuring an essential minimum level of interception capacity.

The numbers set forth for the raw maximum capacity in Categories I, II, and III were adjusted upward for a number of reasons. First, as noted above, the interception activity associated with pen registers and traps and traces by far represents the most frequently used type of interception. The growth rate in the number of pen register and trap and trace court orders far exceeds that projected in the statistical analysis. As noted above, the percentage of increase in such court orders during the past 8 years was 219% and the number of persons whose telephone facilities were affected increased 345%.

Second, although the peak number of simultaneous interceptions identified in the baseline data was 220, we elected not to use it in the statistical analysis because it was deemed to be an anomaly. However, this level of interception activity, although anomalous, is indicative of the type of worst-case scenarios that law enforcement should not easily ignore or completely discount. Hence some provision needs to be made for such situations.

Third, although every effort was made to capture as accurately as possible the actual levels of past interception activity in compiling our baseline of historical intercept information, there may be some instances where data was not fully collected or reported. Also, there is an amount of interception activity associate with national security that must be accounted for in the final capacity projections.

Fourth, during the study period (1980–1994), the number of States granting State and local law enforcement interception authority by statute increased and a number of States expanded interception authority to cover additional types of crimes and/or additional types of communications devices (e.g., cellular telephones and pagers). There is a reasonable likelihood that in the future other States may grant similar interception authority and/or increase the scope of existing interception authority.

Finally, law enforcement believed that judgment needed to be brought to bear on the numbers for raw actual and maximum capacity, in terms of making appropriate upward or downward adjustments. In particular, the FBI, acting on behalf of the entire law enforcement community, had a responsibility to be careful not to overstate or understate capacity needs. Importantly, however, if capacity needs were understated it could pose direct harm to the public safety and effective law enforcement.

INITIAL CAPACITY NOTICE

On October 16, 1995, the FBI published in the Federal Register its Initial Capacity Notice. The estimates of actual and maximum capacity, expressed as a percentage of engineered capacity, were stated as follows in the Initial Capacity Notice:

ESTIMATES FOR PROJECTED MAXIMUM AND ACTUAL CAPACITY AS PUBLISHED IN THE FEDERAL REGISTER

	Maximum	Actual
Category I	1.00%	0.50%
Category II	0.50%	0.25%
Category III	0.25%	0.05%

After the FBI's publication of the Initial Capacity Notice in the Federal Register, you requested two documents in your correspondence: (1) the historical baseline of electronic surveillance activity, and (2) an analysis of that activity. By way of response and clarification, although we examined past electronic surveillance activity and utilized certain key pieces of information derived therefrom as discussed in this letter, no "document", as such, was ever created. Similarly, the factors utilized in our analysis were never compiled into a document.

Nonetheless, because of the interest and the misunderstandings that have been associated with this matter, we currently are in the process of preparing two methodology documents which will explain our capacity notice efforts in greater depth. The first document will describe the process used to collect historical electronic surveillance information. The second document will describe the analysis used in developing the Initial Capacity Notice, as well as the Final Capacity Notice. Regarding the latter, it will take into account the written comments we have received and the input from our ongoing meetings with the telecommunications industry and other interest groups. The FBI will provide copies of these two documents to you upon their completion.

SUMMARY

As you are aware, in 1968 when Congress statutorily authorized court ordered electronic surveillance, telephone technology permitted law enforcement to execute, without impairment, essentially all court orders—a 100 percent capability/capacity to accommodate law enforcement's court ordered electronic surveillance needs. However, the onset of new and advanced technologies has begun to erode the capacity and capability of the telecommunications industry to support law enforcement's interception needs. For the first time, technological limitations will potentially be set on law enforcement's ability to lawfully conduct electronic surveillance. In view of these potential limitations, an attempt was made to estimate law enforcement's capacity needs in an accurate and reasonable manner with the goal of striking a balance of meeting law enforcement's interception needs without introducing unduly burdensome or excessive requirements on telecommunications carriers. This in no way changes law enforcement's fundamental statutory responsibility to obtain proper legal authority to conduct electronic surveillance. CALEA's capacity requirements simply ensure that, after law enforcement obtains proper legal authority, telecommunications carriers will have sufficient capacity to accommodate lawfully authorized electronic surveillance activity.

To project capacity needs, the previously described national methodology was employed in order to prepare an Initial Capacity Notice for publication in the Federal Register. Since release of the Notice, law enforcement has met with privacy advocates, the telecommunications industry, and other interested parties to clarify and further describe how best to apply capacity needs within a given carrier's network, and it is reviewing and considering the formal written comments provided in response to the Initial Capacity Notice.

In closing, CALEA is important to the public safety and national security of this nation and its full and timely implementation is critically important to the American public. On behalf of the law enforcement community, we would again like to express our appreciation for your support and leadership regarding this significant and complex issue. With the continued support of the Congress, we are confident that CALEA will be fully implemented in an effective and efficient manner.

FOOTNOTES

[1] For purposes of this discussion, the word "interception" refers to all types of interceptions: (1) interceptions of communication content (e.g., Title III); and (2) interceptions of dialing-related information (call identifying information) derived from pen registers and traps and traces.

[2] 47 U.S.C. 1003 (1994).

[3] For purposes of this discussion, the word "lines" refers to the transmission path from a subscriber's terminal to the network via a wireline or wireless medium.

[4] Although a valuable source for historical information on criminal Title III (call content) court orders, *The Wiretap Report*, published annually by the Administrative Office of the United States Courts, does not identify the actual number of interception lines associated with each court order or, more importantly, with the vastly greater number of lines associated with pen register and trap and trace interceptions that have been performed by all law enforcement agencies. Even though the FBI used information pertaining to the number of court orders reported in *The Wiretap Report* as an essential element for forecasting purposes, the *Report* does not contain the line-related information that was needed to identify the actual level of past interception activity related to specific switches.

[5] For purposes of this discussion, the term "switch" also represents a licensed cellular service area.

[6] 18 U.S.C. 3126 (1986). By law, the Department of Justice is required to report to the Congress on a yearly basis information on the use of pen registers and trap and trace devices by law enforcement agencies within the Department of Justice. This report includes information concerning the number of original orders, extensions, the number of investigations, the number of persons whose telephone facilities were affected, and the number of overall dialings.

TRANSFER OF NUCLEAR TECHNOLOGY TO THIRD COUNTRIES

Mr. THOMAS. Mr. President, I rise today as the Chairman of the Subcommittee on East Asian and Pacific Affairs to express my grave concern at recent reports regarding the sale or transfer by the People's Republic of China of nuclear technology to third countries.

It has been widely reported in the domestic press that the U.S. intelligence agencies have thoroughly credible evidence that these sales have occurred; I have seen some of this evidence myself, as have many of my colleagues, and find it to be overwhelming.

In the past, we have seen evidence of missile sales to Pakistan, and the transfer of certain nuclear technology to Iran, in violation of United States law and international nuclear agreements. The most recent reports involved the sale of over 5,000 ring magnets to Pakistan. These magnets are component parts of centrifuges used to enrich uranium to make it weapons-grade. The magnets are made of a highly advanced alloy, and according to experts will significantly enhance Pakistan's nuclear program by allowing its laboratory at Kahuta to upgrade its centrifuges at the rate of between 1,000 and 2,000 per year.

The People's Republic of China has not denied that the sale took place. Somewhat inconsistently, Pakistan categorically denies these reports. Mr. President, Karachi's denials ring completely hollow. How many times did the Pakistani Government deny that it was pursuing the development of nuclear weapons, only to have the United States produce irrefutable evidence to the contrary? How many times did they assure us that they had no such intentions, only to be caught sneaking behind our backs doing the precise things they denied? Mr. President, one hates to use the word "lie," but as the saying goes—if the shoe fits.

Almost more troubling than the sales themselves, Mr. President, is what is shaping up to be the Clinton administration's completely inadequate response to the sales. Under U.S. law, we are required to impose a variety of sanctions on any nation selling nuclear weapons technology in violation of nonproliferation commitments. Only if the President states that requirement because of the national interest are the sanctions waived.

Here, we have solid evidence that the People's Republic of China has violated its agreements in this regard. The failure to impose the sanctions required by our laws, I believe, is a mistake of the greatest magnitude. I can think of no worse signal to send the Chinese Government than for us to draw a line in the sand, have them cross it, and for us to shrug it off and say "now don't do that again." The Chinese are quick to pick up on occasions when we fail to stick to our guns, and only see it as encouragement. This is why I have been so supportive of U.S. Trade Representative Mickey Kantor. He has told the Chinese in the trade arena that if they do not abide by their agreements, there will be a price to pay. And, when necessary, he has moved steadfastly to impose that price in the form of sanctions. The Chinese, recognizing the strength of such a position, have subsequently backed down and honored their agreements.

For us to back down from our principles in this matter is to completely call into question our determination in a host of other areas, the security of Taiwan comes immediately to mind, and as Senator SPECTER has noted "make[s] our national policy a laughing stock and encourage[s] a proliferation of nuclear weapons." Yet the Clinton administration is showing every sign of being willing to shrug off the People's Republic of China actions, rap them on the nose, and ask them to please not do it again.

During the 1992 presidential campaign, candidate Clinton took President Bush to task for "coddling dictators"—especially the Chinese. Well Mr. President, like he has on so many other issues that were central to his campaign President Clinton has flip-flopped on this one, saying one thing but doing some thing completely different. I ask my colleagues, who is doing the coddling now? The White House appears close to waiving sanctions because it is worried about offending China and because it is kow-towing to United States business interests in an election year afraid of the effects on their bottom-line that sanctions might have.

Can you imagine that, Mr. President? As the Washington Post pointed out this morning, "The Chinese are the accused violators, and the Americans—as the complaining and injured party—are backing off." This administration is backing off in the shortsighted hope that Beijing has learned its lesson and won't do it again. It's like telling a child not to take a cookie, watching him take it, but not telling him he's a bad boy in the hopes that maybe he won't want to take another cookie. And this is not the only area in which the Clinton administration is coddling Beijing. USTR Kantor, who has on several occasions urged the White House to impose sanctions on the PRC because it is still in violation of several of the key provisions of the Sino-American intellectual property rights agreement, has been prevented by this administration from setting a deadline for Chinese compliance for fear of upsetting the violators of that agreement.

Mr. President, I join my colleagues in both Houses in calling for the imposition of the sanctions required by U.S. law in this case. We need to say what me mean, and then do what we say. Any failure or hesitation to do so can only be interpreted in Beijing as a sign of weakness, and sets a very dangerous precedent that we will regret down the road.

Mr. GLENN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. LEAHY pertaining to the introduction of S. 1567 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

THE TAX LIMITATION AMENDMENT

Mr. KYL. Mr. President, I wanted to speak briefly this morning on two subjects. The first concerns an announcement that the Senator from Minnesota, who is presiding as of this moment, and I and Senator BOB SMITH made yesterday relating to a constitutional amendment proposal which we are soon going to be introducing in the Senate, which has already been introduced in the House with about 150 cosponsors, which we hope will be quickly adopted by both the House and Senate and sent to the States for ratification, in reference to a constitutional amendment to require a supermajority of two-thirds voting to approve any tax increase at the Federal Government level.

We want to do this because of the possibility, and I hope the probability, that some form of simple, single-rate tax reform could be adopted sometime after next January. Some proponents call it a flat tax. But a tax proposal of the kind that I support would include exemptions and certain deductions, so it cannot be properly characterized as a pure flat tax, but a simpler tax rate system with a limited number of deductions and exemptions is the kind of tax reform that most Americans seem very supportive of at this time, and which I hope the Congress will adopt.

If that occurs, it will be doubly important for us to ensure that tax rates cannot easily be increased. Because without the deductions, credits, and exemptions that taxpayers can take advantage of today to shelter their income, if tax rates are increased, once those exemptions and deductions and credits have been eliminated from the Tax Code, which is what we propose to do, there will be nowhere to go if Congress then begins to raise the single tax rate. That is why we think we need a constitutional requirement of a two-thirds support for such a tax increase in order to protect the taxpayers of America.

Let me quote from the Kemp report. The Kemp Commission was a commission appointed by Senate Majority Leader ROBERT DOLE and House Speaker NEWT GINGRICH to look into the question of fundamental tax reform and to make recommendations. It was chaired by former HUD Secretary Jack Kemp. Here is what the Kemp report says with regard to this proposal.

> The roller-coaster ride of tax policy in the past few decades has fed citizens' cynicism about the possibility of real, long-term reform, while fueling frustration with Washington. The initial optimism inspired by the low rates of the 1986 Tax Reform Act soured into disillusionment and anger when taxes subsequently were hiked two times in less than seven years. The commission concludes that a two-thirds super-majority vote of Congress will earn Americans' confidence in the longevity, predictability, and stability of any new tax system.

That is what we hope to achieve by a simpler, fairer, single-rate tax system: stability, predictability and longevity. But if Congress can quickly raise the rate after we have put such a system into effect, then that stability and longevity and predictability will have been eroded. That is why we think it is important to make it a little bit more difficult for Congress to raise taxes by requiring a two-thirds vote.

Let me note a couple of things about some history here. Since the last attempt at comprehensive reform in 1986, when the number of tax brackets were reduced from 14 down to 2, there have been 4,000 amendments to the Tax Code in less than 10 years. The number of tax rates, of course, is back up to five. But 4,000 amendments? It is too easy to change the Tax Code. Many of those amendments, of course, resulted in taxpayers paying more money. Not only have the rules changed in the middle of the game for many taxpayers, but for many it was after the game was over. The 1993 Clinton tax increase retroactively raised taxes, even on the dead.

The frequency of changes not only makes people more vulnerable to tax increases but also makes it virtually impossible to make financial plans for the future, whether to save for a child's education or invest in your business or set money aside in a pension fund—or hold it to pay taxes. If you have to have that possibility, then you cannot predict with certainty that you can invest in these more important things. So the tax limitation amendment puts an end to that volatility by requiring there be sufficient consensus and partisan support around the country before taxes will be raised again.

One final point. To the extent we are interested in reducing the power of the special interests, of the lobbyists who come to change the Tax Code to get special benefits for their particular interest, to reduce their tax burden, to create a loophole, as it were—this two-thirds majority requirement would really put an end to that kind of practice because, if we assume that we want to continue to collect a roughly equal amount of revenue and that therefore any proposal would have to be revenue neutral, any proposal to create a loophole for a special interest and therefore result in less money to the Treasury would necessarily require that tax revenues be raised in some other area. But to do that would require a two-thirds vote. So I think Members of the House and Senate would look much more skeptically at proposals to reduce taxes for certain taxpayers if we knew that, in order to make up that revenue, we would have to have a two-thirds vote. Therefore, I think the influence of special interests would be very much reduced.

The tax limitation amendment represents an important reform whether we stay with the existing Tax Code or we go to a new system. But it will be particularly important if the American people conclude that a single-rate kind of reform is the one that we should adopt, because, again, once all of the deductions and exemptions and credits are eliminated, taxpayers will be particularly vulnerable to tax rate increases. I think we should ensure it is not too easy for Congress to raise their taxes again.

Again, I compliment Senator BOB SMITH from New Hampshire and the Senator from Minnesota, who is presiding at the moment, for their support as original cosponsors of this important constitutional amendment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KYL). Without objection, it is so ordered.

THE SENATE SCHEDULE

Mr. LOTT. Mr. President, I would like to clarify the record somewhat and respond to some of the comments that have been made today and earlier this week by the distinguished Senator from Ohio, Senator GLENN, about our schedule.

First, I think it should be noted that the first month of the calendar year 1996 has been a very productive month legislatively for the Senate. We have had some extraordinary activity. We may not have been in session as many days as has been the case in some years gone by, but in terms of actual production, we have produced some of the biggest, most important pieces of legislation in history during the last month. I would like to just read off the list. Certainly not all Senators agreed with how these pieces of legislation were dealt with, but they were very important pieces of legislation and in most cases passed overwhelmingly.

For instance, we have already passed S. 1260, which is a fair housing bill, out of the Banking Committee. A lot of work went into it. It did pass by unanimous consent, but that was because it was an important bill with broad, bipartisan support.

We passed, in January, the Defense authorization conference report for this fiscal year. That was brought about by the fact that the President had vetoed the first Defense authorization bill. Some modifications were made. I did not agree with all of them. I know the Senator in the chair did not agree with all of them. But we did come to an agreement on a second conference report, and it passed overwhelmingly and has gone to the President for his signature.

The START II Treaty was passed after discussion by the Senate. We passed a continuing resolution that kept the Government operating while the President and the Congress can continue to work on trying to come to some agreement on appropriations bills that have not yet been passed. We took action on legislation raising the debt limit so that there would be no question that Social Security checks would go out to our senior citizens the 1st of March. We passed the Telecommunications Act of 1996, probably the biggest jobs creation bill that has passed this decade, legislation that took months—in fact years—to come to fruition. There have been 10 years of effort to get telecommunications reform legislation passed by the Congress. We had not changed the telecommunications laws substantially since 1934. So we deregulated, we opened up all of the various areas of telecommunications for competition. It will mean lower prices, and more services and information for people. There is going to be a tremendous revolution because the Government is taking down the barriers it put up. This is a new era of competition, a new time of choice of services and products for people. The bill passed 91 to 5. Forty-eight hours before it passed most people would have bet you that we would not get it passed at all. Well, it was signed into law just yesterday by the President of the United States.

Through tremendous efforts by the distinguished majority leader, Senator DOLE, we were able to come to an agreement this week on a farm bill, a farm bill that passed the Senate with 64 votes; a bipartisan vote. I think we had 49 Members of the majority and 15 or so Members of the minority that voted for this bill, a bill that had been tangled up for months. It was included in the budget reconciliation package that the President vetoed. So we had to take action on a farm bill before our farmers actually went into the fields to start plantings.

In the South, in my State of Mississippi the farmers are getting close—within the next 2 weeks—to start to plant. And they had no idea what they could expect for the farm legislation and what they could expect for this year.

So we got that bill through the Senate. So there has been a lot of action by the Senate this year. And to answer those who come to the floor and say, "What is the Congress doing?"—I have just given a very impressive list. I would put that list up against any list from just about any January over the past 20 years in which I have been in the Congress.

Just today we are at work. We are having major speeches here on the floor of the Senate. And there is an effort underway right now to get agreement on two important bills out of the Environment and Public Works Committee. We are trying to get an agreement on the District of Columbia appropriations conference report. In fact, we will take action to make sure that we have cloture, if it is necessary, so that we can take up that District of Columbia conference report as soon as we come back. In fact, we will have a vote on February 27 at 2:15 on that conference report. And committee meetings are working.

You cannot just pop legislation out to the floor. There have to be subcommittee hearings, full committee hearings, there needs to be markup, we need to have investigations, and we need to have oversight. This is the time of the year when in fact the committees should be the most active. The Budget Committee is getting ready to try to see how we can deal with the next fiscal year budget. The Banking Committee is having hearings. The Judiciary Committee is having hearings. This is when you do the preparation for the legislative process that will really start moving forward in March and April. So there is a lot that is going on legislatively in the Senate.

Now, it has been suggested that we should not be out, that the schedule for the remainder of February is a charade, that there was not a recorded vote on whether we should be in pro forma session.

I have to remind my colleagues in the minority that there was an agreement reached between the leaders on the schedule. The majority leader, Senator DOLE, and the minority leader, Senator DASCHLE, after a lot of conversation, worked out a schedule that was agreed to. On specific days there would be only pro forma sessions, on other days there would be opportunity for agreements to be entered into, for speeches to be made on important issues by the Senators. This was agreed to. It was not a charade. It was not snuck through. A lot of people were consulted.

So we are going to be in session. We are going to be having activities. We are going to be trying to reach agreements.

Then it was suggested by the Senator from Ohio that we have appropriations bills that have not passed the Congress for the present fiscal year when we should have done them last year. That is true. But let us look at why they have not been passed.

First of all, everybody around here complains that we have not finished legislation on health and human services and education. They are right. We have not. Do you know why? Because the Democrats in the Senate have refused to allow us to even bring it up for debate. They have threatened to filibuster the motion to proceed. In common language, this means they will not even let us bring it up without talking it to death.

Why has that been done? They object to a provision with regard to striker replacement. That was brought about by the fact that the President, unconstitutionally in my opinion, by Executive order tried to accomplish what the courts and the Congress have refused to do. He says that when there are protracted strikes, employers cannot replace strikers to keep their business alive. It has been taken to court, and a Federal court has already ruled that was an improper action by the President. Now it is going to go on appeal probably all the way to the Supreme Court. But I feel pretty confident that the President's action is going to be stricken down as unconstitutional.

Yet the Democrats have refused to allow us to bring this bill up to provide appropriations for the important Departments of Health and Human Services and Education because we have a provision in there that says basically what the President did was wrong. Now, the Federal courts agree with us.

That is the truth of why this legislation has not been brought up. Except for the objections on the minority side of the aisle, the Democrats, we would have passed that legislation through and got it into conference and sent it to the President weeks—in fact, months—ago. So how we can hear whining from the Democratic side of the aisle about why these departments have not been funded is pretty astounding to me when you look at the facts.

Now, with regard to these other departments that have not been funded: State, Justice, Interior, Commerce, EPA, we have passed the legislation. The President vetoed those bills. And when you look at why he vetoed them, there is the real charade. He vetoed the interior bill because of some policy decisions that are very debatable to begin with and are minor as compared to the overall Interior Department appropriations bill.

Also, I think it is very clear that the distinguished chairman of the Interior Subcommittee of Appropriations, the Senator from Washington, Senator GORTON, and the Congressman from the House, RALPH REGULA from Ohio, have worked very hard with the Secretary of the Interior, Secretary Babbitt, to get an agreement to move this bill. In fact, they almost had an agreement. And then the word came back that the White House had said, "Do not negotiate any more with these congressional Members. We are not going to agree to what they want."

Well, you know, there are three coequal branches of Government. We have to get legislation passed through the Congress and then the President, yes, has to sign it for it to be enacted. But when he says do not talk to them anymore, what are we to do? And then they have the temerity to complain that these departments are not funded.

Let me tell you this. There a lot of Americans who really have questions about just how much or if some of these departments should be funded. There are a lot of us who think that the Energy Department could probably be eliminated. Most people are not aware that a majority of the budget for the Energy Department is defense related. It is not even separate, not even applicable to the Energy Department. It is defense related. And the Commerce Department. The various agencies and divisions of the Commerce Department could be carried out as independent agencies or in other departments. We could save millions, millions of dollars. We might even cut down on some of the travel that we have seen from the Secretaries of Commerce and Energy.

I must also point out that historically the tradition has been in February around the Presidents Day recess

Congresses have always taken a few days to be with their constituents. I think it is a good idea for Congressmen and Senators to get out of this city, go home, listen to their constituents. That is an important part of the legislative process to hear what your constituents have to say, to listen to the farmers, to listen to the fishermen, to listen to the business men and women, to listen to the parents express their concern about crime and drugs and the poor quality of education in America, to hear from American people who even though we continue to spend more and more billions of dollars for Federal aid to education the quality of education continues to slide. Why is that? I bet we could find some answers if we listened to the people at home. So for us to be off a few days around Presidents Day, the Lincoln Day recess period, is very traditional. Everybody in the House and Senate understands that. And so hopefully the Senators and the Congressmen are going to be back home. I am going to my State. I am going to meet with my constituents. I am going to talk to civic clubs, going to speak to the State Grand Masters Banquet; I am going to speak to industrial groups. That is a very, very important part of our job.

So I just wanted to respond to some of the allegations about how there has been some secret agreement to have just pro forma sessions and morning business days. It was worked out very carefully between the joint leadership. I would like to see us pass all those appropriations bills, but the problem begins here, and it begins in the minority because they will not let us even bring up the Labor, HHS and Education bill.

I would like to also say, though, that I do agree with Senator GLENN and others that we still need to try to get an agreement on the budget between the President and the Congress. I am one of those incurable optimists who still believes it will be done, and it should be done. I think we were helped this week by the bipartisan agreement from the Governors with regard to Medicare and welfare. I do not like all of what they came up with, but I think they gave us a roadmap of how we can deal with the welfare issue and the need for welfare reform and changes in Medicaid, hopefully, that would save us some money.

That is one of the problems that worries me about what they suggested. I do not think you get welfare reform if you end up with a bill that costs more than the present welfare system. What kind of welfare reform is that? But they came up with some helpful suggestions. I think the budget negotiators have made real progress. I believe that we could get a budget agreement that would lead us to a balanced budget in 7 years using honest numbers that would significantly cut back on the amount of increase in spending in nondefense discretionary, that would give us some Medicaid, welfare, Medicare reform, and that would give some tax relief to the American people. I think we are going to make a mistake if we do not take some action soon to give a little boost to the economy, a little incentive for growth in the economy. The economy is showing tattered edges. We may not have a growth this year in the economy of even as much as 1.5 percent, which is very low and very weak. If we would cut the capital gains rate, it would have a tremendous impact on the economy. There would be growth and the creation of jobs. We need that legislation.

So I hope that when we come back February 26, Congress will give serious effort once again, our negotiators will give serious efforts to meeting with administration officials and see if we can come to an agreement. But an important part of that is going to be Medicare. Other than Social Security in the 1970's, I have never seen an issue that has been more demagoged than Medicare in the year 1995. Misinformation, misleading information, accusations that are absolutely not true about what the Republicans have tried to do to save, preserve, and protect Medicare.

We have warned that there is a solvency problem. We must take action now to make sure that Medicare is not only there for my 82-year-old mother but it will be there for us and for our children and grandchildren.

MEDICARE SHORTFALL

Mr. LOTT. Mr. President, the headline in Monday's New York Times, February 5, was even more chilling than Washington's weather. It read, "Shortfall Posted by Medicare Fund Two Years Early. A Surplus Was Expected."

The chief actuary of the Health Care Finance Administration observed, "Things turned out a little worse than we expected." I will say they did. The administration had projected a $4.5 billion increase in the Medicare fund balance for fiscal year 1995. Instead, the balance fell by $35.7 million. The reason for the shortfall was twofold. First, income from payroll taxes was less than expected. Second, and more important, outlays were higher because of more hospital admissions than were expected.

Whatever the reasons, the day of reckoning is coming sooner than anyone had expected. Throughout last year, the Republicans in the House and the Senate have urged a solution for Medicare's fiscal ills. We have hammered home the estimates by the Medicare trustees that the program would slip into the red ink by 1997, and would go bankrupt by 2002.

Now it turns out even that dire forecast was on the optimistic side. Medicare has already started paying out more than it takes in. I cannot help but wonder how the White House will respond to this news. The administration spin experts must be wracking their brains on this one. In the face of all the facts, they have to come up with some way to portray President Clinton as the champion and savior of Medicare.

The fact is that instead of cooperating with the Congress, who wanted to preserve and protect Medicare last year, President Clinton launched his Medicare campaign and played Medicare politics ruthlessly, and I regret to say, somewhat successfully. He convinced or he scared many Americans into believing that our proposal to strengthen Medicare was instead a cut in its funding when, in fact, it would allow over the next 7 years for over a 60-percent increase. Only in Washington is a 60-percent increase in the level of spending over 7 years considered a cut.

They were somewhat successful in scaring the people into believing that. When he vetoed that proposal last December, he posed as the defender of Medicare against extremists in the Congress.

Now, the fiscal chickens are coming home to roost and they are headed for the roof of the west wing of the White House. Mr. President, Clinton's game plan for Medicare—to stonewall about the problem's financial peril in hope of getting safely reelected in another term after this year have been overtaken by the events that have occurred recently. He is trapped in a maze of his own mapping.

Here is the dilemma: To make it through this year, I guess he will have to come up with a Medicare salvage package of his own, but in order to do that he will have to call for a massive job crippling and probably recessionary hike in payroll taxes, or he will have to adopt most of the Republican plan to preserve Medicare. That would be the same plan he vetoed just last year with such gusto, and with Lyndon Johnson's pen, no less.

Of course, he will want to do neither. So, he will look for another way out for an escape, make an evasion. My guess is he will call for a national commission or a similar proposal to postpone the decisions that have to be made now. I hope I am wrong. I hope the President will take another look at the legislation of congressional Republicans, the work we have drafted, the year we spent developing this plan to save and protect and preserve Medicare for the future. I hope he will reconsider his bias against health care choices for seniors. That is a major part of what we tried to do.

I hope he will renounce his animus against the medical savings accounts. When I suggest to my senior citizens and even my mother about the idea of a medical savings account of your own, where you have it to use, or you do not have to use it, a novel idea, it is yours. It would help cut out some of the unnecessary use of the system. It is the American way. Let you choose, let you use your own money, let you save and get a little interest.

I do not know why the President was so opposed. Maybe he will reconsider. That could be the final catalyst that brings together a real budget agreement—not a deal, an agreement—that is good for America.

Well, maybe I should prepare for the worst, which would be yet another abdication of sensibly dealing with the problems of Medicare. We demonstrated that last year that we really could not, as a government, face up to it. This is not an issue we can walk away from. It is there. It is not good. It is going to get worse soon. There is too much at stake for 35 million Americans, the elderly, and the disabled, for whom Medicare is, quite literally, a lifeline.

It is time we put partisanship and politics aside and address the real problems for the future of Medicare, for our parents, and for our children.

I ask unanimous consent the New York Times article by Robert Pear be printed in the RECORD, entitled "Shortfall Posted by Medicare Fund Two Years Early."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Feb. 5, 1996]

SHORTFALL POSTED BY MEDICARE FUND TWO YEARS EARLY

(By Robert Pear)

WASHINGTON, FEB. 4.—New Government data show that Medicare's Hospital Insurance Trust Fund lost money last year for the first time since 1972, suggesting that the financial condition of the Medicare program was worse than assumed by either Congress or the Clinton Administration.

In a report to Congress in April, the Administration estimated that the amount of money in the trust fund would increase by $4.7 billion in the 1995 fiscal year, which ended on Sept. 30. In fact, officials said in interviews, the balance in the trust fund fell by $35.7 million, to $129.5 billion.

"Things turned out a little worse than we expected," said Richard S. Foster, chief actuary of the Federal Health Care Financing Administration, which runs Medicare for 37 million people who are elderly or disabled. "We had projected that 1997 would be the first fiscal year with a deficit."

Income to the trust fund, primarily from payroll taxes, was slightly less than expected, Mr. Foster said, and outlays were somewhat higher. There were more hospital admissions than anticipated, patients were somewhat sicker and hospitals filed claims faster than expected, he said.

The deficit, while relatively small, is significant because once the trust fund starts to lose money, the losses are expected to grow from year to year. No tax increases are scheduled under current law, and Federal officials do not expect a reduction in the rate of growth in Medicare spending unless there is a budget deal between President Clinton and Congress.

No such deal is in sight. The two sides have not held serious negotiations in three weeks, and they evidently intend to fight out their philosophical differences in the November elections.

Moreover, neither party's proposals go far enough to guarantee the solvency of Medicare for the baby boom generation, whose members start to reach the age of 65 in 2011.

In general, health policy experts say, the changes needed to shore up Medicare can be relatively small and gradual if they are made in the near future, but they will have to be larger and more abrupt if they are deferred.

Bruce C. Vladeck, administrator of the Health Care Financing Administration, said: "We are still analyzing the Medicare data to see what last year's experience might say about changing patterns of care or need among the elderly. In-patient hospital volume went up a bit more than we had projected. We are trying to figure out why."

Officials at the American Hospital Association said the increase was puzzling because it followed more than a decade of decline in Medicare hospital admissions.

Donna E. Shalala, the Secretary of Health and Human Services, and three other Administration officials serve as trustees of Medicare. In the report in April, they said the hospital trust fund would run out of money late in the year 2002.

Republicans seized on that prediction to justify their proposals for vast changes in the structure of Medicare. They said they were cutting the growth of Medicare not to balance the budget, but to "preserve, protect and strengthen" the program. Mr. Clinton vetoed the proposals, saying they would hurt beneficiaries and "dismantle Medicare as we know it."

In view of the financial shortfall in 1995, the Hospital Insurance Trust Fund could go bankrupt earlier than anticipated, perhaps a year sooner, but that is not certain.

"It's hard to say what the implications are for future estimates," Mr. Foster said. "It's possible this could advance the depletion date, or the trust fund might be depleted earlier in the same year, 2002. In any event, it doesn't help. That's a safe conclusion."

The trustees and the actuary will make new forecasts in their next annual report, which under Federal law is to be submitted to Congress by April 1. The report may be a month late because of time lost while the Government was shut down in November and again in December.

The actuary and his staff write much of the trustees' report. Medicare actuaries have a tradition of independence and a history of providing objective information to Federal officials and Congress. This year's report will be closely scrutinized since it comes in an election year, when Medicare is an important campaign issue. Under Federal law, the chief actuary must certify whether the Administration's conclusions are based on reasonable assumptions and cost estimates.

Private employers have slowed the growth of health costs in recent years by prodding employees to join health maintenance organizations and other forms of managed care. While the number of Medicare beneficiaries in H.M.O.'s is growing rapidly, only about four million people, representing 11 percent of the beneficiaries, are in H.M.O's.

Medicare's Hospital Insurance Trust Fund pays for hospital care, skilled nursing homes, home health agencies and hospices. The trustees' report in April predicted that outlays would grow an average of 8 percent a year from 1995 to 2002, while income to the trust fund would grow 4 percent a year.

Referring to the disparity between income and outlays, Mr. Foster said: "This gap, which barely showed up in 1995, will grow in future years. In the absence of legislation, it will keep getting worse. Obviously, you can't continue very long with a situation in which the expenditures of the program are significantly greater than the income. We have enough assets to cover the shortfall in each of the next few years. But once the assets of the trust fund are depleted, there is no way to pay all the benefits that are due."

While Congress and the Administration recognize that Medicare is unsustainable in its current form, they disagree on the urgency of the problem. In 1993, President Clinton described a health care crisis, demanding transformation of the entire health care system. But last year, when the debate focused on Medicare, he expressed less alarm and resisted many Republican proposals, saying they would have "Draconian consequences for the elderly."

Doctor and laboratory bills are paid by a separate Medicare trust fund under Part B of the program. It is much smaller than the hospital trust fund and is financed in a different way, with beneficiary premiums and general revenues.

This separate Medical Insurance Trust Fund ended the fiscal year 1995 with a balance of $13.9 billion, which was $1.7 billion more than predicted; it is virtually impossible for this trust fund to run out of money because it has a sizable cushion and the premiums and matching Government contributions are adjusted each year to cover the expected costs.

Medicare outlays for doctors' services are rising faster than those for hospital care, in part because complex services once performed in hospitals are now often done in out-patient clinics and doctors' offices.

Mr. Clinton and the Republicans agree on many proposals to curb Medicare payments to hospitals, doctors and other health-care providers. But it appears unlikely that such cutbacks will be approved in the absence of a general agreement on how to balance the Federal budget.

"No deal is preferable to a bad deal," said Mr. Vladeck, the head of the health care financing agency, who expresses the Administration's views. "Everybody agrees on many things that could be done to save money and to make the Medicare program better. But we can't do them because members of the Congressional majority are unwilling to separate those items from their ideological agenda."

Repblicans, by contrast, say Mr. Clinton has thwarted their efforts to save the program from bankruptcy. Under their proposal, elderly people would have a range of health insurance options like those available to people under 65, and the Republicans assume that many would choose H.M.O.'s, which try to control costs by providing comprehensive care in return for flat monthly premiums.

Mr. LOTT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KYL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LOTT). Without objection, it is so ordered.

BOSNIA

Mr. KYL. Mr. President, I will take a couple minutes to compliment the Senator from Mississippi, the distinguished majority whip presiding in the chair at the moment, for the comments just made, both to clear the record with respect to what we have been doing in January and February and to make a very important point with regard to Medicare. I would rather be home now in Arizona where it is over 80 degrees, than back here in Washington, DC, but this morning we are working on very important immigration reform legislation, which is very important in my State, and important to the entire country. Under the leadership of the Senator from Wyoming, Senator SIMPSON, and Senator HATCH, and others I think we will be able to get that legislation. It is taking a lot of time to put it together in the way we can get it adopted. As a result, we have to be here working.

The other point I want to make relates to a recent trip that I took to Bosnia, visiting with NATO officials in Munich, Germany, after that trip. As a result of this, I have come to a rather disturbing conclusion, and that is, I do not think the NATO forces, the United States included, have our act together in anything other than a military sense.

As one would expect, our troops are performing magnificently. We defined the mission narrowly: Stop the fighting parties from fighting with each other. Once the U.S. military moved in, nobody wanted to mess with them. Our troops, well trained, well equipped, well motivated, are performing just like all of us would expect them to. It really makes you proud to see them performing there, in addition, in a rainy, muddy, snowy, icy climate far away from home, where there is no clear-cut idea why they are there, but they are doing their mission and doing it well.

They have the fighting forces separated, and I do not think the Bosnians or Serbs or Croats are going to mess with either our forces or the British or the French forces and the other nations under their command.

What is not happening is that the European countries are not coming together to solve the political problems, the economic problems, the rebuilding of the infrastructure, the ensuring that the Bosnian Army is well enough equipped and armed to defend itself—all of the things that need to occur to make this peace treaty really work are being ignored by the Europeans. I know that is a harsh statement to make, but in the 2 days following our trip to Bosnia, a group of six members of the United States Senate, as well as Defense Secretary Perry and other United States officials, visited with our European allies and repeatedly asked the question: Are you going to help fund the economic reconstruction of the country, the infrastructure that needs to be rebuilt, if are you going to help get the government back on its feet? Will you lend a hand to us in arming the Bosnian Government so it can defend itself when we leave?

Essentially, we got the cold shoulder. They do not want to talk about it. It requires money and requires a commitment.

They want to pat themselves on the back for the military operation which is succeeding well and not get to the hard business of making the peace work in Bosnia. My concern with going into Bosnia is not that we would not be able to succeed militarily, but this is an insufficient commitment on the part of the Europeans to follow through and make peace work. That is what we have seen.

This morning's wire, Mr. President, contains a very disturbing story. In an ominous sign from the AP wire story, "Bosnian Serbs followed through today on their threat to sever with the NATO-led peace force ties because of the government's arrest of two Serb officers at suspected war criminals."

They lost all top level contact with the Bosnian Serb Army and the ground commander said it was the worst crisis in Bosnia since the peace took hold 2 months ago.

"The commander, Lt. Gen. Sir Michael Walker, characterized the development as an ominous sign and direct breach of the Bosnian peace accord."

At the same time, I note that the Chairman of the United States Joint Chiefs of Staff, John Shalikashvili, urged the Bosnian Government to immediately release Serbs against whom there is no evidence of participating in war crimes.

Does that mean the two people arrested are being held? Very unclear. There is a total lack of cohesion because there has not been an agreement by the NATO allied forces of exactly what we are supposed to be doing over there, except keeping the warring sides from fighting with each other.

There is an absolute commitment to leave in the year. The Europeans say they will leave when we leave. When we are out of Bosnia next October, I can only hope that the Europeans have gotten together and have made a stronger commitment than they have so far to help rebuild that economy and that government and to deal with the war crimes issue and the arming of the Bosnian Government so that when we leave all we accomplished will not have been for nothing. I especially have reference to one U.S. death and other U.S. casualties.

I want to be able to say, when this is over with, that they did not die in vain. I am afraid if we do not get more cooperation from our European allies, that we will not be able to say that, and that will be a very, very big shame and a blot on the United States as well as our European allies.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO IRAQ—MESSAGE FROM THE PRESIDENT—PM 118

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

I hereby report to the Congress on the developments since my last report on August 1, 1995, concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 of August 2, 1990. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c).

Executive Order No. 12722 ordered the immediate blocking of all property and interests in property of the Government of Iraq (including the Central Bank of Iraq) then or thereafter located in the United States or within the possession or control of a U.S. person. That order also prohibited the importation into the United States of goods and services of Iraqi origin, as well as the exportation of goods, services, and technology from the United States to Iraq. The order prohibited travel-related transactions to or from Iraq and the performance of any contract in support of any industrial, commercial, or governmental project in

Iraq. U.S. persons were also prohibited from granting or extending credit or loans to the Government of Iraq.

The foregoing prohibitions (as well as the blocking of Government of Iraq property) were continued and augmented on August 9, 1990, by Executive Order No. 12724, which was issued in order to align the sanctions imposed by the United States with United Nations Security Council Resolution 661 of August 6, 1990.

Executive Order No. 12817 was issued on October 21, 1992, to implement in the United States measures adopted in United Nations Security Council Resolution 778 of October 2, 1992. Resolution 778 requires U.N. Member States to transfer to a U.N. escrow account any funds (up to $200 million apiece) representing Iraqi oil sale proceeds paid by purchasers after the imposition of U.N. sanctions on Iraq, to finance Iraq's obligations for U.N. activities with respect to Iraq, such as expenses to verify Iraqi weapons destruction, and to provide humanitarian assistance in Iraq on a nonpartisan basis. A portion of the escrowed funds also funds the activities of the U.N. Compensation Commission in Geneva, which handles claims from victims of the Iraqi invasion and occupation of Kuwait. Member States also may make voluntary contributions to the account. The funds placed in the escrow account are to be returned, with interest, to the Member States that transferred them to the United Nations, as funds are received from future sales of Iraqi oil authorized by the U.N. Security Council. No Member State is required to fund more than half of the total transfers or contributions to the escrow account.

This report discusses only matters concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 and matters relating to Executive Orders No. 12724 and 12817 (the "Executive orders"). The report covers events from August 2, 1995, through February 1, 1996.

1. During the reporting period, there were no amendments to the Iraqi Sanctions Regulations.

2. The Department of the Treasury's Office of Foreign Assets Control (FAC) continues its involvement in lawsuits seeking to prevent the unauthorized transfer of blocked Iraqi assets. In *Consarc Corporation* v. *Iraqi Ministry of Industry and Minerals*, No. 94-5390 (D.C. Cir. Dec. 15, 1995), the U.S. Court of Appeals for the D.C. Circuit issued its second opinion in this case, finding in FAC's favor on all issues presented to the court. The court ordered the district court judge to direct Consarc Corporation to restore the status quo by returning $6.4 million plus interest to the blocked Iraqi government account from which it was withdrawn after the district court erroneously held that these funds were not blocked Iraqi government property. The court also found that the unsold furnace manufactured for the Iraqi government and sales proceeds of a second furnace were blocked property. Finally, the court reversed the district court's ruling that Consarc held a specific claim against a blocked Iraqi government account for $6.4 million, holding that any claim Consarc had against the Government of Iraq was as a general creditor only.

Investigations of possible violations of the Iraqi sanctions continue to be pursued and appropriate enforcement actions taken. Several cases from prior reporting periods are continuing and recent additional allegations have been referred by FAC to the U.S. Customs Service for investigation. Additional FAC civil penalty notices were prepared during the reporting period for violations of the International Emergency Economic Powers Act and Iraqi Sanctions Regulations with respect to transactions involving Iraq. On *de minimis* penalty has been collected from an organization for unlicensed exports in violation of the prohibitions against transactions involving Iraq. Several other penalty proceedings are pending completion.

3. Investigation also continues into the roles played by various individuals and firms outside Iraq in the Iraqi government procurement network. These investigations may lead to additions to FAC's listing of individuals and organizations determined to be Specially Designated Nationals (SDNs) of the Government of Iraq.

4. Pursuant to Executive Order No. 12817 implementing United Nations Security Council Resolution 778, on October 26, 1992, FAC directed the Federal Reserve Bank of New York to establish a blocked account for receipt of certain post-August 6, 1990, Iraqi oil sales proceeds, and to hold, invest, and transfer these funds as required by the order. On September 5, 1995, following payments by the Governments of Australia ($216,350.00), Denmark ($168,985.00), Japan ($4,075,000.00), The Netherlands ($4,168,745.47), New Zealand ($67,050.00), Switzerland ($265,108.20), and by the European Union ($647,463.31), respectively, to the special United Nations-controlled account, entitled, "United Nations Security Council Resolution 778 Escrow Account," the Federal Reserve Bank of New York was directed to transfer a corresponding amount of $9,606,711.98 from the blocked account it holds to the United Nations-controlled account. Similarly, on October 30, 1995, following the payment of $1,504,000.00 by the European Community, and payments by the Governments of Germany ($355,871.89), The Netherlands ($2,698,348.13), Norway ($199,983.00), and the United Kingdom ($2,188,992.67), the Federal Reserve Bank of New York was directed to transfer a corresponding amount of $6,947,195.69 to the United Nations-controlled account. Finally, on December 21, 1995, following the payment of $3,062,197.28 by the European Union, and payments by the Governments of the Netherlands ($1,922,719.00), Sweden ($4,223,178.20), and the United Kingdom ($208,600.44), the Federal Reserve Bank of New York was directed to transfer the amount of $8,313,066.13 to the United Nations-controlled account. Cumulative transfers from the blocked Federal Reserve Bank of New York account since issuance of Executive Order No. 12817 now have amounted to $200 million, fully satisfying the U.S. commitment to match the payments of other Member States from blocked Iraqi oil payments, and its obligations pursuant to United Nations Security Council Resolution 778.

5. The Office of Foreign Assets Control has issued a total of 618 specific licenses regarding transactions pertaining to Iraq or Iraqi assets since August 1990. Licenses have been issued for transactions such as the filing of legal actions against Iraqi governmental entities, legal representation of Iraq, and the exportation to Iraq of donated medicine, medical supplies, food intended for humanitarian relief purposes, the execution of powers of attorney relating to the administration of personal assets and decedents' estates in Iraq and the protection of preexistent intellectual property rights in Iraq. Since my last report, 28 specific licenses have been issued.

6. The expenses incurred by the Federal Government in the 6-month period from August 2, 1995, through February 1, 1996, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Iraq are reported to be about $1.6 million, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the U.S. Customs Service, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel), the Department of State (particularly the Bureau of Economic and Business Affairs, the Bureau of Near Eastern Affairs, the Bureau of International Organization Affairs, the Bureau of Political-Military Affairs, the U.S. Mission to the United Nations, and the Office of the Legal Adviser), and the Department of Transportation (particularly the U.S. Coast Guard).

7. The United States imposed economic sanctions on Iraq in response to Iraq's illegal invasion and occupation of Kuwait, a clear act of brutal aggression. The United States, together with the international community, is maintaining economic sanctions against Iraq because the Iraqi regime has failed to comply fully with the United Nations Security Council resolutions. Security Council resolutions on Iraq call

for the elimination of Iraqi weapons of mass destruction, Iraqi recognition of Kuwait, and the inviolability of the Iraq-Kuwait boundary, the release of Kuwaiti and other third-country nationals, compensation for victims of Iraqi aggression, long-term monitoring of weapons of mass destruction capabilities, the return of Kuwaiti assets stolen during Iraq's illegal occupation of Kuwait, renunciation of terrorism, an end to internal Iraqi repression of its own Iraqi civilian population, and the facilitation of access of international relief organizations to all those in need in all parts of Iraq. More than 5 years after the invasion, a pattern of defiance persists: a refusal to account for missing Kuwaiti detainees; failure to return Kuwaiti property worth millions of dollars, including military equipment that was used by Iraq in its movement of troops to the Kuwaiti border in October 1994; sponsorship of assassinations in Lebanon and in northern Iraq; incomplete declarations to weapons inspectors; and ongoing widespread human rights violations. As a result, the U.N. sanctions remain in place; the United States will continue to enforce those sanctions under domestic authority.

The Baghdad government continues to violate basic human rights of its own citizens through systematic repression of minorities and denial of humanitarian assistance. The Government of Iraq has repeatedly said it will not be bound by United Nations Security Council Resolution 688. For more than 4 years, Baghdad has maintained a blockade of food, medicine, and other humanitarian supplies against northern Iraq. The Iraqi military routinely harasses residents of the north, and has attempted to "Arabize" the Kurdish, Turcomen, and Assyrian areas in the north. Iraq has not relented in its artillery attacks against civilian population centers in the south, or in its burning and draining operations in the southern marshes, which have forced thousands to flee to neighboring States.

In April 1995, the U.N. Security Council adopted Resolution 986 authorizing Iraq to export limited quantities of oil (up to $1 billion per quarter) under U.N. supervision in order to finance the purchase of food, medicine, and other humanitarian supplies. The resolution includes arrangements to ensure equitable distribution of such assistance to all the people of Iraq. The resolution also provides for the payment of compensation to victims of Iraqi aggression and for the funding of other U.N. activities with respect to Iraq. Resolution 986 was carefully crafted to address the issues raised by Iraq to justify its refusal to implement similar humanitarian resolutions adopted in 1991 (Resolutions 706 and 712), such as oil export routes and questions of national sovereignty. Nevertheless, Iraq refused to implement this humanitarian measure. This only reinforces our view that Saddam Hussein is unconcerned about the hardships suffered by the Iraqi people.

The policies and actions of the Saddam Hussein regime continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States, as well as to regional peace and security. The U.N. resolutions affirm that the Security Council be assured of Iraq's peaceful intentions in judging its compliance with sanctions. Because of Iraq's failure to comply fully with these resolutions, the United States will continue to apply economic sanctions to deter it from threatening peace and stability in the region.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 9, 1996.*

REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO THE MIDDLE EAST PEACE PROCESS—MESSAGE FROM THE PRESIDENT—PM 119

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

I hereby report to the Congress on the developments concerning the national emergency with respect to organizations that threaten to disrupt the Middle East peace process that was declared in Executive Order No. 12947 of January 23, 1995. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c).

1. On January 23, 1995, I signed Executive Order 12947, "Prohibiting Transactions with Terrorists Who Threaten to Disrupt the Middle East Peace Process" (the "order") (60 *Fed. Reg.* 5079, January 25, 1995). The order blocks all property subject to U.S. jurisdiction in which there is any interest of 12 terrorist organizations that threaten the Middle East peace process as identified in an Annex to the order. The order also blocks the property and interests in property subject to U.S. jurisdiction of persons designated by the Secretary of State, in coordination with the Secretary of the Treasury and the Attorney General, who are found (1) to have committed, or to pose a significant risk of committing, acts of violence that have the purpose or effect of disrupting the Middle East peace process, or (2) to assist in, sponsor or provide financial, material, or technological support for, or services in support of, such acts of violence. In addition, the order blocks all property and interests in property subject to U.S. jurisdiction in which there is any interest of persons determined by the Secretary of the Treasury, in coordination with the Secretary of State and the Attorney General, to be owned or controlled by, or to act for or on behalf of, any other person designated pursuant to the order (collectively "Specially Designated Terrorists" or "SDTs").

The order further prohibits any transaction or dealing by a United States person or within the United States in property or interests in property of SDTs, including the making or receiving of any contribution of funds, goods, or services to or for the benefit of such persons. This prohibition includes donations that are intended to relieve human suffering.

Designations of persons blocked pursuant to the order are effective upon the date of determination by the Secretary of State or his delegate, or the Director of the Office of Foreign Assets Control (FAC) acting under authority delegated by the Secretary of the Treasury. Public notice of blocking is effective upon the date of filing with the *Federal Register*, or upon prior actual notice.

2. On January 25, 1995, the Department of the Treasury issued a notice listing persons blocked pursuant to Executive Order No. 12947 who have been designated by the President as terrorist organizations threatening the Middle East peace process or who have been found to be owned or controlled by, or to be acting for or on behalf of, these terrorist organizations (60 *Fed. Reg.* 5084, January 25, 1995). The notice identified 31 entities that act for or on behalf of the 12 Middle East terrorist organizations listed in the Annex to Executive Order No. 12947, as well as 18 individuals who are leaders or representatives of these groups. In addition the notice provides 9 name variations or pseudonyms used by the 18 individuals identified. The list identifies blocked persons who have been found to have committed, or to pose a risk of committing, acts of violence that have the purpose of disrupting the Middle East peace process or to have assisted in, sponsored, or provided financial, material or technological support for, or service in support of, such acts of violence, or are owned or controlled by, or to act for or on behalf of other blocked persons. The Department of the Treasury issued three additional notices adding the names of three individuals, as well as their pseudonyms, to the List of SDTs (60 *Fed. Reg.* 41152–53, August 11, 1995; 60 *Fed. Reg.* 44932–33, August 29, 1995; and 60 *Fed. Reg.* 58435–36, November 27, 1995). Copies of the notices are attached to this report. The FAC, in coordination with the Secretary of State and the Attorney General, is continuing to expand the list of

Specially Designated Terrorists, including both organizations and individuals, as additional information is developed.

3. The expenses incurred by the Federal Government in the 6-month period from July 23, 1995, through January 22, 1996, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the national emergency with respect to organizations that disrupt the Middle East peace process are estimated at approximately $2.6 million. (The expenses for the previous period, incorrectly stated in the report of July 27, 1995, to be approximately $55,000, were about $2.5 million.) Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Office of the General Counsel, and the U.S. Customs Service), the Department of State, and the Department of Justice.

4. Executive Order No. 12947 provides this Administration with a new tool for combating fundraising in this country on behalf of organizations that use terror to undermine the Middle East peace process. The order makes it harder for such groups to finance these criminal activities by cutting off their access to sources of support in the United States and to U.S. financial facilities. It is also intended to reach charitable contributions to designated organizations and individuals to preclude diversion of such donations to terrorist activities.

In addition, the Congress has pending before it comprehensive counterterrorism legislation proposed by the Administration that would strengthen our ability to prevent terrorist acts, identify those who carry them out, and bring them to justice. The combination of Executive Order No. 12947 and the proposed legislation demonstrate the U.S. determination to confront and combat those who would seek to destroy the Middle East peace process, and our commitment to the global fight against terrorism.

I shall continue to exercise the powers at my disposal to apply economic sanctions against extremists seeking to destroy the hopes of peaceful coexistence between Arabs and Israelis as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments pursuant to 50 U.S.C. 1703(c).

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 9, 1996*.

REPORT ON THE AGREEMENT BETWEEN THE UNITED STATES AND THE REPUBLIC OF POLAND—MESSAGE FROM THE PRESIDENT—PM 120

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation.

To the Congress of the United States:

In accordance with the Magnuson Fishery Conservation and Management Act of 1976 (16 U.S.C. 1801 *et seq.*), I transmit herewith an Agreement between the Government of the United States of America and the Government of the Republic of Poland Extending the Agreement of August 1, 1985, as amended, Concerning Fisheries Off the Coasts of the United States ("the 1985 Agreement"). The Agreement, which was effected by an exchange of notes at Warsaw on December 15 and 20, 1995, extends the 1985 Agreement to December 31, 1997.

In light of the importance of our fisheries relationship with the Republic of Poland, I urge that the Congress give favorable consideration to this Agreement at an early date.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 9, 1996*.

REPORT WITH RESPECT TO JAPAN—MESSAGE FROM THE PRESIDENT—PM 121

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation.

To the Congress of the United States:

On December 11, 1995, Secretary of Commerce Ronald Brown certified under section 8 of the Fishermen's Protective Act of 1967, as amended (the "Pelly Amendment") (22 U.S.C. 1978), that Japan has conducted research whaling activities that diminish the effectiveness of the International Whaling Commission (IWC) conservation program. This message constitutes my report to the Congress pursuant to subsection (b) of the Pelly Amendment.

The certification of the Secretary of Commerce was based on Japanese research whaling activities in both the North Pacific and the Southern Ocean Whale Sanctuary. In 1994, Japan expanded its research whaling activities into the North Pacific by permitting the taking of 100 minke whales, 21 of which were taken. The IWC found that this North Pacific whaling failed to satisfy applicable criteria for lethal research and was therefore inconsistent with the IWC's conservation program. Nevertheless, Japan continued its whaling activities in the North Pacific, taking 100 minke whales in 1995. In addition, during 1995, Japan increased the number of minke whales to be harvested in the Southern Ocean Whale Sanctuary by 33 percent, despite a 1994 finding by the IWC that this lethal research program did not meet all applicable criteria.

In his letter to me of December 11, 1995, Secretary Brown conveyed his concerns not only over the whales that have been killed in this program to date but also over any further expansion of lethal research. While noting that the Japanese have informed us they have no plans for a further expansion of lethal research in the Southern Ocean Whale Sanctuary, he expressed particular concern over whaling activity in that area. I share these concerns.

At this stage, I do not believe that the use of trade sanctions is the most constructive approach to resolving our differences over research whaling activities with the Government of Japan. However, I have instructed the Department of State to convey my very strong concerns to the Government of Japan. We will also vigorously pursue high-level efforts to persuade Japan to reduce the number of whales killed in its research program and act consistently with the IWC conservation program. We hope to achieve significant progress on these issues by the beginning of the next Antarctic whaling season and will keep these issues under review. I have instructed the Department of Commerce to continue to monitor closely Japan's research whaling and to report promptly on any further inconsistencies between Japanese whaling activities and the guidelines of the IWC conservation program.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 9, 1996*.

MEASURES REFERRED

Pursuant to the order of February 9, 1996, the following bill was ordered referred to the Committee on Labor and Human Resources:

H.R. 849. An act to amend the Age Discrimination in Employment Act of 1967 to reinstate an exemption for certain bona fide hiring and retirement plans applicable to State and local firefighters and law enforcement officers; and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1856. A communication from the Deputy Assistant Secretary for Water and Science, Department of the Interior, transmitting, pursuant to law, the interim report on the High Plain States Groundwater Demonstration Program for October 1995; to the Committee on Energy and Natural Resources.

EC–1857. A communication from the Secretary of Defense, transmitting, pursuant to law, a report relative to the Cooperative Threat Reduction Assistance Program; to the Committee on Armed Services.

EC–1858. A communication from the Secretary of the Navy, transmitting, pursuant to law, a notice of intent to donate two civilian aircraft to the Naval Aviation Museum Foundation; to the Committee on Armed Service.

EC–1859. A communication from the General Counsel of the Department of Defense, transmitting, a draft of proposed legislation to authorize the transfer of eight naval vessels to certain foreign countries; to the Committee on Armed Services.

EC–1860. A communication from the Secretary of the Interior, transmitting, pursuant to law, the annual report on the Outer Continental Shelf Natural Gas and Oil Leasing and Production Program for fiscal year 1994; to the Committee on Energy and Natural Resources.

EC–1861. A communication from the Secretary of Energy, transmitting, pursuant to law, the quarterly report for the Strategic Petroleum Reserve for the third quarter of 1995; to the Committee on Energy and Natural Resources.

EC–1862. A communication from the Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, the report entitled "Annual Energy Outlook 1996"; to the Committee on Energy and Natural Resources.

EC–1863. A communication from the Deputy Associate Director for Compliance, Royalty Management Program, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, notice of the intention to make refunds of offshore lease revenues where a refund or recoupment is appropriate; to the Committee on Energy and Natural Resources.

EC–1864. A communication from the President of the United States, transmitting, pursuant to law, a notice relative to Presidential Determination 95-45 concerning the Air Force's Operating Location Near Groom Lake, Nevada; to the Committee on Environment and Public Works.

EC–1865. A communication from the Inspector General of the Department of Health and Human Services, transmitting, pursuant to law, annual report entitled, "Superfund Financial Activities at the National Institute of Environment Health Science for Fiscal Year 1994"; to the Committee on Environment and Public Works.

EC–1866. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report entitled, "The Effects of Great Lakes Contaminants on Human Health"; to the Committee on Environment and Public Works.

EC–1867. A communication from the Director of the Office Emergency and Remedial Response, Environmental Protection Agency, transmitting, pursuant to law, a notice to amend the following rules of the National Priorities List; to the Committee on Environment and Public Works.

EC–1868. A communication from the Assistant Secretary of State (Legislative Affairs) transmitting, pursuant to law, the annual report of voluntary contributions by the U.S. Government to international organizations for fiscal year 1994; to the Committee on Foreign Relations.

EC–1869. A communication from the Lieutenant General, Director of the Defense Security Assistance Agency, transmitting, pursuant to law, the report of the status of loans and guarantees issued under the Arms Export Control Act; to the Committee on Foreign Relations.

EC–1870. A communication from the Lieutenant General, Director of the Defense Security Assistance Agency, transmitting, pursuant to law, the report of analysis and description of services performed by full-time employees under the Arms Export Control Act for fiscal year 1995; to the Committee on Foreign Relations.

EC–1871. A communication from the Lieutenant General, Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report relative to foreign military sales customers as of October 1, 1995; to the Committee on Foreign Relations.

EC–1872. A communication from the Director of the Congressional Budget Office, transmitting, pursuant to law, the final sequestration report for fiscal year 1996; referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations, Committee on the Budget, Committee on Agriculture, Nutrition, and Forestry, Committee on Armed Services, Committee on Banking, Housing, and Urban Affairs, Committee on Commerce, Science, and Transportation, Committee on Finance, Committee on Foreign Relations, Committee on Governmental Affairs, Committee on the Judiciary, Committee on Labor and Human Resources, Committee on Rules and Administration, Committee on Small Business, Committee on Veterans' Affairs, Select Committee on Indian Affairs, Select Committee on Intelligence, Committee on Energy and Natural Resources, and Committee on Environment and Public Works.

EC–1873. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the cumulative report on rescissions and deferrals dated January 1, 1995; referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations, Committee on the Budget, to Committee on Finance, Committee on Foreign Relations.

EC–1874. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the report of the summary of proposed and enacted rescissions for fiscal year 1995; referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986; to the Committee on Appropriations and the Committee on the Budget.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHAFEE, from the Committee on Environment and Public Works, with an amendment in the nature of a substitute and an amendment to the title:

S. 1005. A bill to amend the Public Buildings Act of 1959 to improve the process of constructing, altering, purchasing, and acquiring public buildings, and for other purposes (Rept. No. 104–232).

By Mr. PRESSLER, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute and an amendment to the title:

S. 604. A bill to amend title 49, United States Code, to relieve farmers and retail farm suppliers from limitations on maximum driving and on-duty time in the transportation of agricultural commodities or farm supplies if such transportation occurs within 100-air mile radius of the source of the commodities or the distribution point for the farm supplies (Rept. No. 104–233).

By Mr. PRESSLER, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 772. A bill to provide for an assessment of the violence broadcast on television, and for other purposes (Rept. No. 104–234).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. LEAHY (for himself and Mr. FEINGOLD):

S. 1567. A bill to amend the Communications Act of 1934 to repeal the amendments relating to obscene and harassing use of telecommunications facilities made by the Communications Decency Act of 1995; to the Committee on Commerce, Science, and Transportation.

By Mr. HATCH (for himself, Mr. BAUCUS, Mr. SIMPSON, and Mr. D'AMATO):

S. 1568. A bill to amend the Internal Revenue Code of 1986 to provide for the extension of certain expiring provisions; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mrs. KASSEBAUM (for herself, Mr. DODD, Mr. LIEBERMAN, Mr. MCCAIN, Mr. MACK, Mr. D'AMATO, Mrs. FEINSTEIN, Mr. SARBANES, Mr. SIMON, Mr. GLENN, Mr. COHEN, Mr. SPECTER, Mr. PELL, Mr. COCHRAN, Ms. SNOWE, Mr. LEVIN, Mr. KOHL, Mr. JEFFORDS, Mr. HELMS, Mr. SIMPSON, Mr. KENNEDY, Mr. INOUYE, Mr. STEVENS, Mr. CRAIG, Mr. HOLLINGS, Mr. CHAFEE, and Mr. GRASSLEY):

S. Con. Res. 42. A concurrent resolution concerning the emancipation of the Iranian Baha'i community; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEAHY (for himself and Mr. FEINGOLD):

S. 1567. A bill to amend the Communications Act of 1934 to repeal the amendments relating to obscene and harassing use of telecommunications facilities made by the Communications Decency Act of 1995; to the Committee on Commerce, Science, and Transportation.

TELECOMMUNICATION LEGISLATION

Mr. LEAHY. Mr. President, last week, the Congress passed telecommunications legislation. The President signed it into law this week. For a number of reasons, and I stated them in the Chamber at the time, I voted against the legislation. There were a number of things in that legislation I liked and I am glad to see them in law. There were, however, some parts I did not like, one of them especially. Today I am introducing a bill to repeal parts of the new law, parts I feel would have far-reaching implications and would impose far-reaching new Federal crimes on Americans for exercising their free speech rights on-line and on the Internet.

The parts of the telecommunications bill called the Communications Decency Act are fatally flawed and unconstitutional. Indeed, such serious questions about the constitutionality of this legislation have been raised that a new section was added to speed up judicial review to see if the legislation would pass constitutional muster. The legislation is not going to pass that test.

The first amendment to our Constitution expressly states that "Congress shall make no law abridging the freedom of speech." The new law flouts that prohibition for the sake of political posturing. We should not wait to let the courts fix this mistake. Even on an expedited basis, the judicial review of the new law would take months and possibly years of litigation. During those years of litigation unsuspecting Americans who are using the Internet in unprecedented numbers and more every day, are going to risk criminal liability every time they go on-line.

Let us be emphatically clear that the people at risk of committing a felony under this new law are not child pornographers, purveyors of obscene materials, or child sex molesters. These people can already be prosecuted and should be prosecuted under longstanding Federal criminal laws that prevent the distribution over computer networks of obscene and other pornographic materials harmful to minors, under 18 U.S.C. sections 1465, 2252 and 2423(a); that prohibit the illegal solicitation of a minor by way of a computer network, under 18 U.S.C. section 2252; and that bar the illegal luring of a minor into sexual activity through computer conversations, under 18 U.S.C. section 2423(b). In fact, just last year, we passed unanimously a new law that sharply increases penalties for people who commit these crimes.

There is absolutely no disagreement in the Senate, no disagreement certainly among the 100 Senators about wanting to protect children from harm. All 100 Senators, no matter where they are from, would agree that obscenity and child pornography should be kept out of the hands of children. All Senators agree that we should punish those who sexually exploit children or abuse children. I am a former prosecutor. I have prosecuted people for abusing children. This is something where there are no political or ideological differences among us.

I believe there was a terribly misguided effort to protect children from what some prosecutors somewhere in this country might consider offensive or indecent online material, and in doing that, the Communications Decency Act tramples on the free speech rights of all Americans who want to enjoy this medium.

This legislation sweeps more broadly than just stopping obscenity from being sent to children. It will impose felony penalties for using indecent four-letter words, or discussing material deemed to be indecent, on electronic bulletin boards or Internet chat areas and news groups accessible to children.

Let me give a couple of examples: You send e-mail back and forth, and you want to annoy somebody whom you talked with many times before—it may be your best buddy—and you use a four-letter word. Well, you could be prosecuted for that, although you could pick up the phone, say the same thing to him, and you commit no crime; or send a letter and say the same word and commit no crime; or talk to him walking down the street and commit no crime.

To avoid liability under this legislation, users of e-mail will have to ban curse words and other expressions that might be characterized as indecent from their online vocabulary.

The new law will punish with 2-year jail terms someone using one of the seven dirty words in a message to a minor or for sharing with a minor material containing indecent passages. In some areas of the country, a copy of Seventeen magazine would be considered indecent, even though kids buy it. The magazine is among the 10 most frequently challenged school library materials in the country. Somebody sends an excerpt from it, and bang, they could be prosecuted.

The new law will make it a crime "to display in a manner available to" a child any message or material "that, in context, depicts or describes, in terms patently offensive as measured by contemporary community standards, sexual or excretory activities or organs * * *" That covers any of the over 13,000 Usenet discussion groups, as well as electronic bulletin boards, online service provider chat rooms, and Web sites, that are all accessible to children.

This display prohibition, according to the drafters, "applies to content providers who post indecent material for online display without taking precautions that shield that material from minors."

What precautions will Internet users have to take to avoid criminal liability? These users, after all, are the ones who provide the "content" read in news groups and on electronic bulletin boards. The legislation gives the FCC authority to describe the precautions that can be taken to avoid criminal liability. All Internet users will have to wait and look to the FCC for what they must do to protect themselves from criminal liability.

Internet users will have to limit all language used and topics discussed in online discussions accessible to minors to that appropriate for kindergartners, just in case a child clicks onto the discussion. No literary quotes from racy parts of "Catcher in the Rye" or "Ulysses" will be allowed. Certainly, online discussions of safe sex practices, or birth control methods, and of AIDS prevention methods will be suspect. Any user who crosses the vague and undefined line of "indecency" will be subject to 2 years in jail and fines.

This worries me considerably. I will give you an idea of what happens. People look at this, and because it is so vague and so broad and so sweeping, attempts to protect one's self from breaking the law become even broader and even more sweeping.

A few weeks ago, America Online took the online profile of a Vermonter off the service. Why? Because the Vermonter used what AOL deemed a vulgar, forbidden word. The word—and I do not want to shock my colleagues—but the word was "breast." And the reason this Vermonter was using the word "breast"? She was a survivor of breast cancer. She used the service to exchange the latest information on detection of breast cancer or engage in support to those who are survivors of breast cancer. Of course, eventually, America Online apologized and indicated they would allow the use of the word where appropriate.

We are already seeing premonitions of the chilling effect this legislation will have on online service providers. Far better we use the laws on the books today to go after child pornographers, to go after child abusers.

What strikes some people as indecent or patently offensive may look very different to other people in another part of the country. Given these differences, a vague ban on patently offensive and indecent communications may make us feel good but threatens to drive off the Internet and computer networks an unimaginable amount of valuable political, artistic, scientific, health and other speech.

For example, many museums in this country and abroad are going high-technology and starting Web pages to provide the public with greater access to the cultural riches they offer. What if museums, like the Whitney Museum, which currently operates a Web page, had to censor what it made available online out of fear of being dragged into court? Only adults and kids who can make it in person to the museum will be able to see the paintings or sculpture censored for online viewing under this law.

What about the university health service that posts information online about birth control and protections against the spread of AIDS? With many students in college under 18, this information would likely disappear under threat of prosecution.

What happens if they are selling online versions of James Joyce's "Ulysses" or of "Catcher in the Rye"? Can they advertise this? Can excerpts be put online? In all likelihood not. The Internet is breaking new ground important for the economic health of this country. Businesses, like the Golden Quill Book Shop in Manchester Center, VT, can advertise and sell their books around the country or the world via the Internet. But now, advertisers will have to censor their ads.

For example, some people consider the Victoria's Secret catalogue indecent. Under this new law, advertisements that would be legal in print could subject the advertiser to criminal liability if circulated online. You could put them in your local newspaper, but you cannot put it online.

In bookstores and on library shelves, the protections of the first amendment are clear. The courts are unwavering in the protection of indecent speech. In altering the protections of the first amendment for online communications, I believe you could cripple this new mode of communication.

At some point you have to start asking, where do we censor? What speech do we keep off? Is it speech we may find politically disturbing? If somebody wants to be critical of any one Member of Congress, are we able to keep that off? Should we be able to keep that off? I think not. There is a lot of reprehensible speech and usually it becomes more noted when attempts are made to censor it rather than let it out in the daylight where people can respond to it.

The Internet is an American technology that has swept around the world. As its popularity has grown, so have efforts to censor it. For example, complaints by German prosecutors prompted an online service provider to cut off subscriber access to over 200 Internet news groups with the words "sex," "gay," or "erotica" in the name. They censored such groups as "clarinet.news.gays," which is an online newspaper focused on gay issues, and "gay-net.coming-out," which is a support group for gay men and women dealing with going public with their sexual orientation.

German prosecutors have also tried to get AOL to stop providing access to neo-Nazi propaganda accessible on the Internet. No doubt such material is offensive and abhorrent, but nonetheless just as protected by our first amendment as indecent material.

In China, look what they are trying to do. They are trying to create an intranet that would heavily censor outside access to the worldwide Internet. We ought to make sure it is open, not censored. We ought to send that out as an example to China.

Americans should be taking the high ground to protect the future of our home-grown Internet, and to fight these censorship efforts that are springing up around the globe. Instead of championing the first amendment, however, the Communications Decency Act tramples on the principles of free speech and free flow of information that has fueled the growth of this medium.

We have to be vigilant in enforcing the laws we have on the books to protect our children from obscenity, child pornography, and sexual exploitation. Those laws are being enforced. Just last September, using current laws, the FBI seized computers and computer files from about 125 homes and offices across the country as part of an operation to shut down an online child pornography ring.

I well understand the motivation for the Communications Decency Act. We want to protect our children from offensive or indecent online materials. This Senator—and I am confident every other Senator—agrees with that. But we must be careful that the means we use to protect our children does not do more harm than good. We can already control the access our children have to indecent material with blocking technologies available for free from some online service providers and for a relatively low cost from software manufacturers.

Frankly, and I will close with this, Mr. President, at some point we ought to stop saying the Government is going to make a determination of what we read and see, the Government will determine what our children have or do not have.

I grew up in a family where my parents thought it was their responsibility to guide what I read or would not read. They probably had their hands full. I was reading at the age of 4. I was a voracious reader, and all the time I was growing up I read several books a week and went through our local library in the small town I grew up in very quickly. That love of reading has stood me in very good stead. I am sure I read some things that were a total waste of time, but very quickly I began to determine what were the good things to read and what were the bad things. I had read all of Dickens by the end of the third grade and much of Robert Louis Stevenson. I am sure some can argue there are parts of those that maybe were not suitable for somebody in third grade. I do not think I was severely damaged by it at all. That same love of reading helped me get through law school and become a prosecutor where I did put child abusers behind bars.

Should we not say that the parents ought to make this decision, not us in the Congress? We should put some responsibility back on families, on parents. They have the software available that they can determine what their children are looking at. That is what we should do. Banning indecent material from the Internet is like using a meat cleaver to deal with the problems better addressed with a scalpel.

We should not wait for the courts. Let us get this new unconstitutional law off the books as soon as possible.

My Mr. HATCH (for himself, Mr. BAUCUS, Mr. SIMPSON, and Mr. D'AMATO):

S. 1568. A bill to amend the Internal Revenue Code of 1986 to provide for the extension of certain expiring provisions; to the Committee on Finance.

EXTENSION OF EXPIRED TAX PROVISIONS LEGISLATION

Mr. HATCH. Mr. President, I am pleased today to join with my friends and colleagues, Senator BAUCUS, Senator SIMPSON, and Senator D'AMATO, in introducing legislation that would extend certain expired tax provisions that have been delayed by the recent budget impasse. If no action is taken, the current tax treatment for individuals who accept educational benefits from their employer or donate stock to a charitable foundation will disappear as well as the tax incentives for companies who hire disadvantaged employees and invest heavily in research and development, orphan drug research, and alternative fuel research. These items are noncontroversial and have consistently enjoyed bipartisan support. However, because President Clinton vetoed the balanced budget of 1995, which included these extensions, these much-needed provisions need immediate attention inasmuch as April 15 is quickly approaching. Both individuals and businesses are anxiously awaiting the extension of these expired provisions so they will be able to pay their anticipated tax bill.

Mr. President, this bill would ensure continued opportunity for Americans. The termination of one of these provisions—the employer-provided educational assistance program—would end the hopes of thousands to attend college in order to enhance their job opportunities. This program has been well-established as an alternative way for individuals to meet their long-range educational goals. Without this extension, an estimated 800,000 Americans would be required to pay taxes on the education expenses paid by employers who did not withhold for the 1995 tax year because they counted on Congress to extend this program. Companies have already reported a significant drop in program participation because employees would be unable to pay the anticipated additional taxes. Without this exclusion, education becomes too expensive for many and the future promise embodied by it often slips away.

Not only will educational goals be defeated if these expired provisions are not extended, but programs that contribute to economic growth and long-term job creation will also be eliminated as research incentives dissipate. Many high-technology industries rely on the research and experimentation tax credit to make the development of new products economically feasible. Without this credit, they would be forced to either reduce the amount of their research or relocate to a country with research-friendly tax policies. In the end, the people of the United States would pay the price for our negligence in not extending this tax credit. They would be the ones without the high-technology, high paying jobs. They would be the ones who would suffer from a research deficit. And they would be the ones who had to live in a country with a less than robust economy.

As this extender package focuses on job creation for the high-technology industries, it also creates incentives for businesses to hire high-risk employees through the work opportunities tax credit [WOTC]. This program helps remove individuals from the more costly government assistant programs and provides them with jobs that allow them to both learn and earn.

Mr. President, some of my colleagues will correctly note that this bill includes no offset to pay for the lost revenue of extending these expired tax provisions. However, when these items were introduced as a small portion of the balanced budget of 1995, they were an important part of a complete package that placed this Nation on a path to fiscal responsibility. Thus, in the context of a complete balanced budget deal, the cost of these provisions are offset by the necessary spending cuts. This bill has been carved out of the larger piece of legislation because time constraints require that we must now focus attention on the immediacy of this issue. While all of the tax provisions in the Balanced Budget Act of 1995 are important and need to be addressed in comprehensive legislation, the items singled out in this bill are those that will have a direct impact on tax returns that are due this spring. As the sponsor of the balanced budget amendment, I certainly recognize the need to enact these provisions in a way that will not increase the deficit. And, I remain hopeful that Congress will pass an effective and responsible budget bill, including these and other vital tax provisions, that the President will sign. We look forward to working with Chairman ROTH of the Finance Committee and Senator DOMENICI of the Budget Committee in crafting a revenue neutral package that would include these provisions.

Mr. President, these programs are specifically designed to target individuals and businesses in a way that will produce benefits for the American economy. History has proven that high employment rates, educational opportunities, and intensive research are goals that we can agree on. It is important that we see this bill enacted in a timely matter so that our Nation will feel the effects of this legislation. Individuals and businesses alike have anticipated the renewal of these provisions. Congress has extended them in the past, and should have extended them in the 1995 budget agreement. Failure to do so now could have serious repercussions. I note that similar legislation will be introduced in the House by Representatives NANCY JOHNSON and ROBERT MATSUI. I urge all of my colleagues to support this bill.

I ask unanimous consent that the text of the bill and a summary of its provisions be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1568

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. WORK OPPORTUNITY TAX CREDIT.

(a) AMOUNT OF CREDIT.—Subsection (a) of section 51 of the Internal Revenue Code of 1986 (relating to amount of credit) is amended by striking "40 percent" and inserting "35 percent".

(b) MEMBERS OF TARGETED GROUPS.—Subsection (d) of section 51 of the Internal Revenue Code of 1986 is amended to read as follows:

"(d) MEMBERS OF TARGETED GROUPS.—For purposes of this subpart—

"(1) IN GENERAL.—An individual is a member of a targeted group if such individual is—

"(A) a qualified IV–A recipient,

"(B) a qualified veteran,

"(C) a qualified ex-felon,

"(D) a high-risk youth,

"(E) a vocational rehabilitation referral,

"(F) a qualified summer youth employee, or

"(G) a qualified food stamp recipient.

"(2) QUALIFIED IV-A RECIPIENT.—

"(A) IN GENERAL.—The term 'qualified IV–A recipient' means any individual who is certified by the designated local agency as being a member of a family receiving assistance under a IV–A program for at least a 9-month period ending during the 9-month period ending on the hiring date.

"(B) IV–A PROGRAM.—For purposes of this paragraph, the term 'IV–A program' means any program providing assistance under a State plan approved under part A of title IV of the Social Security Act (relating to assistance for needy families with minor children) and any successor of such program.

"(3) QUALIFIED VETERAN.—

"(A) IN GENERAL.—The term 'qualified veteran' means any veteran who is certified by the designated local agency as being—

"(i) a member of a family receiving assistance under a IV–A program (as defined in paragraph (2)(B)) for at least a 9-month period ending during the 12-month period ending on the hiring date, or

"(ii) a member of a family receiving assistance under a food stamp program under the Food Stamp Act of 1977 for at least a 3-month period ending during the 12-month period ending on the hiring date.

"(B) VETERAN.—For purposes of subparagraph (A), the term 'veteran' means any individual who is certified by the designated local agency as—

"(i)(I) having served on active duty (other than active duty for training) in the Armed Forces of the United States for a period of more than 180 days, or

"(II) having been discharged or released from active duty in the Armed Forces of the United States for a service-connected disability, and

"(ii) not having any day during the 60-day period ending on the hiring date which was a day of extended active duty in the Armed Forces of the United States.

For purposes of clause (ii), the term 'extended active duty' means a period of more than 90 days during which the individual was on active duty (other than active duty for training).

"(4) QUALIFIED EX-FELON.—The term 'qualified ex-felon' means any individual who is certified by the designated local agency—

"(A) as having been convicted of a felony under any statute of the United States or any State,

"(B) as having a hiring date which is not more than 1 year after the last date on which such individual was so convicted or was released from prison, and

"(C) as being a member of a family which had an income during the 6 months immediately preceding the earlier of the month in which such income determination occurs or the month in which the hiring date occurs, which, on an annual basis, would be 70 percent or less of the Bureau of Labor Statistics lower living standard.

Any determination under subparagraph (C) shall be valid for the 45-day period beginning on the date such determination is made.

"(5) HIGH-RISK YOUTH.—

"(A) IN GENERAL.—The term 'high-risk youth' means any individual who is certified by the designated local agency—

"(i) as having attained age 18 but not age 25 on the hiring date, and

"(ii) as having his principal place of abode within an empowerment zone or enterprise community.

"(B) YOUTH MUST CONTINUE TO RESIDE IN ZONE.—In the case of a high-risk youth, the term 'qualified wages' shall not include wages paid or incurred for services performed while such youth's principal place of abode is outside an empowerment zone or enterprise community.

"(6) VOCATIONAL REHABILITATION REFERRAL.—The term 'vocational rehabilitation referral' means any individual who is certified by the designated local agency as—

"(A) having a physical or mental disability which, for such individual, constitutes or results in a substantial handicap to employment, and

"(B) having been referred to the employer upon completion of (or while receiving) rehabilitative services pursuant to—

"(i) an individualized written rehabilitation plan under a State plan for vocational rehabilitation services approved under the Rehabilitation Act of 1973, or

"(ii) a program of vocational rehabilitation carried out under chapter 31 of title 38, United States Code.

"(7) QUALIFIED SUMMER YOUTH EMPLOYEE.—

"(A) IN GENERAL.—The term 'qualified summer youth employee' means any individual—

"(i) who performs services for the employer between May 1 and September 15,

"(ii) who is certified by the designated local agency as having attained age 16 but not 18 on the hiring date (or if later, on May 1 of the calendar year involved),

"(iii) who has not been an employee of the employer during any period prior to the 90-day period described in subparagraph (B)(i), and

"(iv) who is certified by the designated local agency as—

"(I) having his principal place of abode within an empowerment zone or enterprise community, or

"(II) being a member of a family receiving assistance under a food stamp program under the Food Stamp Act of 1977 for at least a 3-

month period ending during the 12-month period ending on the hiring date.

"(B) SPECIAL RULES FOR DETERMINING AMOUNT OF CREDIT.—For purposes of applying this subpart to wages paid or incurred to any qualified summer youth employee—

"(i) subsection (b)(2) shall be applied by substituting 'any 90-day period between May 1 and September 15' for 'the 1-year period beginning with the day the individual begins work for the employer', and

"(ii) subsection (b)(3) shall be applied by substituting '$3,000' for '$6,000'.

The preceding sentence shall not apply to an individual who, with respect to the same employer, is certified as a member of another targeted group after such individual has been a qualified summer youth employee.

"(C) YOUTH MUST CONTINUE TO RESIDE IN ZONE.—Paragraph (5)(B) shall apply for purposes of subparagraph (A)(iv)(I).

"(8) QUALIFIED FOOD STAMP RECIPIENT.—

"(A) IN GENERAL.—The term 'qualified food stamp recipient' means any individual who is certified by the designated local agency—

"(i) as having attained age 18 but not age 25 on the hiring date, and

"(ii) as being a member of a family receiving assistance under a food stamp program under the Food Stamp Act of 1977 for at least a 3-month period ending during the 12-month period ending on the hiring date.

"(9) HIRING DATE.—The term 'hiring date' means the day the individual is hired by the employer.

"(10) DESIGNATED LOCAL AGENCY.—The term 'designated local agency' means a State employment security agency established in accordance with the Act of June 6, 1933, as amended (29 U.S.C. 49-49n).

"(11) SPECIAL RULES FOR CERTIFICATIONS.—

"(A) IN GENERAL.—An individual shall not be treated as a member of a targeted group unless—

"(i) on or before the day on which such individual begins work for the employer, the employer has received a certification from a designated local agency that such individual is a member of a targeted group, or

"(ii)(I) on or before the day the individual is offered employment with the employer, a pre-screening notice is completed by the employer with respect to such individual, and

"(II) not later than the 14th day after the individual begins work for the employer, the employer submits such notice, signed by the employer and the individual under penalties of perjury, to the designated local agency as part of a written request for such a certification from such agency.

For purposes of this paragraph, the term 'pre-screening notice' means a document (in such form as the Secretary shall prescribe) which contains information provided by the individual on the basis of which the employer believes that the individual is a member of a targeted group.

"(B) INCORRECT CERTIFICATIONS.—If—

"(i) an individual has been certified by a designated local agency as a member of a targeted group, and

"(ii) such certification is incorrect because it was based on false information provided by such individual,

the certification shall be revoked and wages paid by the employer after the date on which notice of revocation is received by the employer shall not be treated as qualified wages.

"(C) EXPLANATION OF DENIAL OF REQUEST.—If a designated local agency denies a request for certification of membership in a targeted group, such agency shall provide to the person making such request a written explanation of the reasons for such denial."

(c) MINIMUM EMPLOYMENT PERIOD.—Paragraph (3) of section 51(i) of the Internal Revenue Code of 1986 (relating to certain individuals ineligible) is amended to read as follows:

"(3) INDIVIDUALS NOT MEETING MINIMUM EMPLOYMENT PERIOD.—No wages shall be taken into account under subsection (a) with respect to any individual unless such individual either—

"(A) is employed by the employer at least 180 days (20 days in the case of a qualified summer youth employee), or

"(B) has completed at least 250 hours (120 hours in the case of a qualified summer youth employee) of services performed for the employer."

(d) TERMINATION.—Paragraph (4) of section 51(c) of the Internal Revenue Code of 1986 (relating to wages defined) is amended to read as follows:

"(4) TERMINATION.—The term 'wages' shall not include any amount paid or incurred to an individual who begins work for the employer—

"(A) after December 31, 1994, and before January 1, 1996, or

"(B) after December 31, 1997."

(e) REDESIGNATION OF CREDIT.—

(1) Sections 38(b)(2) and 51(a) of the Internal Revenue Code of 1986 are each amended by striking "targeted jobs credit" and inserting "work opportunity credit".

(2) The subpart heading for subpart F of part IV of subchapter A of chapter 1 of such Code is amended by striking "**Targeted Jobs Credit**" and inserting "**Work Opportunity Credit**".

(3) The table of subparts for such part IV is amended by striking "targeted jobs credit" and inserting "work opportunity credit".

(4) The heading for paragraph (3) of section 1396(c) of such Code is amended by striking "TARGETED JOBS CREDIT" and inserting "WORK OPPORTUNITY CREDIT".

(f) TECHNICAL AMENDMENTS.—

(1) Paragraph (1) of section 51(c) of the Internal Revenue Code of 1986 is amended by striking ", subsection (d)(8)(D),".

(2) Paragraph (3) of section 51(i) of such Code is amended by striking "(d)(12)" each place it appears and inserting "(d)(6)".

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after December 31, 1995.

SEC. 2. EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE PROGRAMS.

(a) EXTENSION.—Subsection (d) of section 127 of the Internal Revenue Code of 1986 (relating to educational assistance programs) is amended by striking "December 31, 1994" and inserting "December 31, 1997".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1994.

SEC. 3. RESEARCH CREDIT.

(a) IN GENERAL.—Subsection (h) of section 41 of the Internal Revenue Code of 1986 (relating to credit for research activities) is amended—

(1) by striking "June 30, 1995" each place it appears and inserting "December 31, 1997", and

(2) by striking "July 1, 1995" each place it appears and inserting "January 1, 1998".

(b) BASE AMOUNT FOR START-UP COMPANIES.—Clause (i) of section 41(c)(3)(B) of the Internal Revenue Code of 1986 (relating to start-up companies) is amended to read as follows:

"(i) TAXPAYERS TO WHICH SUBPARAGRAPH APPLIES.—The fixed-base percentage shall be determined under this subparagraph if—

"(I) the first taxable year in which a taxpayer had both gross receipts and qualified research expenses begins after December 31, 1983, or

"(II) there are fewer than 3 taxable years beginning after December 31, 1983, and before January 1, 1989, in which the taxpayer had both gross receipts and qualified research expenses.".

(c) ELECTION OF ALTERNATIVE INCREMENTAL CREDIT.—Subsection (c) of section 41 of the Internal Revenue Code of 1986 is amended by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively, and by inserting after paragraph (3) the following new paragraph:

"(4) ELECTION OF ALTERNATIVE INCREMENTAL CREDIT.—

"(A) IN GENERAL.—At the election of the taxpayer, the credit determined under subsection (a)(1) shall be equal to the sum of—

"(i) 1.65 percent of so much of the qualified research expenses for the taxable year as exceeds 1 percent of the average described in subsection (c)(1)(B) but does not exceed 1.5 percent of such average,

"(ii) 2.2 percent of so much of such expenses as exceeds 1.5 percent of such average but does not exceed 2 percent of such average, and

"(iii) 2.75 percent of so much of such expenses as exceeds 2 percent of such average.

"(B) ELECTION.—An election under this paragraph may be made only for the first taxable year of the taxpayer beginning after June 30, 1995. Such an election shall apply to the taxable year for which made and all succeeding taxable years unless revoked with the consent of the Secretary."

(d) INCREASED CREDIT FOR CONTRACT RESEARCH EXPENSES WITH RESPECT TO CERTAIN RESEARCH CONSORTIA.—Paragraph (3) of section 41(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

"(C) AMOUNTS PAID TO CERTAIN RESEARCH CONSORTIA.—

"(i) IN GENERAL.—Subparagraph (A) shall be applied by substituting '75 percent' for '65 percent' with respect to amounts paid or incurred by the taxpayer to a qualified research consortium for qualified research.

"(ii) QUALIFIED RESEARCH CONSORTIUM.—The term 'qualified research consortium' means any organization described in subsection (e)(6)(B) if—

"(I) at least 15 unrelated taxpayers paid (during the calendar year in which the taxable year of the taxpayer begins) amounts to such organization for qualified research,

"(II) no 3 persons paid during such calendar year more than 50 percent of the total amounts paid during such calendar year for qualified research, and

"(III) no person contributed more than 20 percent of such total amounts.

For purposes of subclause (I), all persons treated as a single employer under subsection (a) or (b) of section 52 shall be treated as related taxpayers."

(e) CONFORMING AMENDMENT.—Subparagraph (D) of section 28(b)(1) of the Internal Revenue Code of 1986 is amended by striking "June 30, 1995" and inserting "December 31, 1997".

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years ending after June 30, 1995.

(2) SUBSECTIONS (c) AND (d).—The amendments made by subsections (c) and (d) shall apply to taxable years beginning after June 30, 1995.

SEC. 4. ORPHAN DRUG TAX CREDIT.

(a) RECATEGORIZED AS A BUSINESS CREDIT.—

(1) IN GENERAL.—Section 28 of the Internal Revenue Code of 1986 (relating to clinical testing expenses for certain drugs for rare diseases or conditions) is transferred to subpart D of part IV of subchapter A of chapter 1 of such Code, inserted after section 45B, and redesignated as section 45C.

(2) CONFORMING AMENDMENT.—Subsection (b) of section 38 of such Code (relating to general business credit) is amended by striking "plus" at the end of paragraph (10), by striking the period at the end of paragraph (11) and inserting ", plus", and by adding at the end the following new paragraph:

"(12) the orphan drug credit determined under section 45C(a).".

(3) CLERICAL AMENDMENTS.—

(A) The table of sections for subpart B of such part IV is amended by striking the item relating to section 28.

(B) The table of sections for subpart D of such part IV is amended by adding at the end the following new item:

"Sec. 45C. Clinical testing expenses for certain drugs for rare diseases or conditions.".

(b) CREDIT TERMINATION.—Subsection (e) of section 45C of the Internal Revenue Code of 1986, as redesignated by subsection (a)(1), is amended by striking "December 31, 1994" and inserting "December 31, 1997".

(c) NO PRE-1995 CARRYBACKS.—Subsection (d) of section 39 of the Internal Revenue Code of 1986 (relating to carryback and carryforward of unused credits) is amended by adding at the end the following new paragraph:

"(7) NO CARRYBACK OF SECTION 45C CREDIT BEFORE 1995.—No portion of the unused business credit for any taxable year which is attributable to the orphan drug credit determined under section 45C may be carried back to a taxable year beginning before January 1, 1995.".

(d) ADDITIONAL CONFORMING AMENDMENTS.—

(1) Section 45C(a) of the Internal Revenue Code of 1986, as redesignated by subsection (a)(1), is amended by striking "There shall be allowed as a credit against the tax imposed by this chapter for the taxable year" and inserting "For purposes of section 38, the credit determined under this section for the taxable year is".

(2) Section 45C(d) of such Code, as so redesignated, is amended by striking paragraph (2) and by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4).

(3) Section 29(b)(6)(A) of such Code is amended by striking "sections 27 and 28" and inserting "section 27".

(4) Section 30(b)(3)(A) of such Code is amended by striking "sections 27, 28, and 29" and inserting "sections 27 and 29".

(5) Section 53(d)(1)(B) of such Code is amended—

(A) by striking "or not allowed under section 28 solely by reason of the application of section 28(d)(2)(B)," in clause (iii), and

(B) by striking "or not allowed under section 28 solely by reason of the application of section 28(d)(2)(B)" in clause (iv)(II).

(6) Section 55(c)(2) of such Code is amended by striking "28(d)(2),".

(7) Section 280C(b) of such Code is amended—

(A) by striking "section 28(b)" in paragraph (1) and inserting "section 45C(b)",

(B) by striking "section 28" in paragraphs (1) and (2)(A) and inserting "section 45C(b)", and

(C) by striking "subsection (d)(2) thereof" in paragraphs (1) and (2)(A) and inserting "section 38(c)".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 1994.

SEC. 5. CONTRIBUTIONS OF STOCK TO PRIVATE FOUNDATIONS.

(a) IN GENERAL.—Subparagraph (D) of section 170(e)(5) of the Internal Revenue Code of 1986 (relating to special rule for contributions of stock for which market quotations are readily available) is amended by striking "December 31, 1994" and inserting "December 31, 1997".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after December 31, 1994.

SEC. 6. EXTENSION OF BINDING CONTRACT DATE FOR BIOMASS AND COAL FACILITIES.

(a) IN GENERAL.—Subparagraph (A) of section 29(g)(1) of the Internal Revenue Code of 1986 (relating to extension of certain facilities) is amended by striking "January 1, 1997" and inserting "January 1, 1999" and by striking "January 1, 1996" and inserting "July 1, 1997".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 7. EXTENSION OF TRANSITION RULE FOR CERTAIN PUBLICLY TRADED PARTNERSHIPS.

(a) IN GENERAL.—Subparagraph (B) of section 10211(c)(1) of the Revenue Act of 1987 (Public Law 100–203) is amended by striking "December 31, 1997" and inserting "December 31, 1999".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the provisions of section 10211 of the Revenue Act of 1987.

SEC. 8. EXTENSION OF GROUP LEGAL SERVICES.

(a) EXTENSION.—Subsection (e) of section 120 of the Internal Revenue Code of 1986 (relating to amounts received under qualified group legal services plans) is amended by striking "June 30, 1992" and inserting "December 31, 1997".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after June 30, 1992.

PROVISIONS OF THE EXTENDER BILL

All the tax provisions in this legislation are extended until 12/31/97 so that they will be protected through the fundamental tax reform debate that is sure to ensue in this election year.

1. Work Opportunities Tax Credit [WOTC], formerly TJTC:

This program is not as flexible as the original TJTC. However, this bill expands it from the limited version that was included in the Balanced Budget Act of 1995, as follows:

The categories have been expanded to include qualified summer youth who live with families dependent on food stamps and 18–25 year olds who live with families dependent on food stamps.

The hour requirement for the minimum employment period was reduced from the 500 hours included in the Balanced Budget Act of 1995 to 250 hours.

2. Employer-Provided Educational Assistance Program:

This program remains the same as the version included in the Balanced Budget Act, but this legislation does not limit the provision to undergraduate education.

3. Research and Experimentation Tax Credit:

This bill extends the research and experimentation credit as included in the Balanced Budget Act by incorporating an Alternative Increment Research Credit as well as an adjustment for start-up companies (the notch baby issue).

4. Orphan Drug Tax Credit:

This bill extends the research credit for rare diseases and allows the carryforward or carryback of unused credit, as included in the Balanced Budget Act of 1995.

5. Contributions of Stock to Private Foundation:

Extends existing law to December 31, 1997.

6. Extension of Binding Contract Date for the Section 29 Credit:

Extends the placed-in-service date to January 1, 1999, and the binding contract date to July 1, 1997.

7. Publicly Traded Partnerships:

Extends grandfathered PTPs as regular partnerships until December 31, 1997.

8. Group Legal Services:

This bill extends the program included in the Senate version of the Balanced Budget Act of 1995 until December 31, 1997.

• Mr. D'AMATO. Mr. President, I am very pleased to join my distinguished colleagues, Senators HATCH, BAUCUS, and SIMPSON, in introducing legislation to extend certain expiring tax provisions. Over the years, all of the provisions in this bill have received support from most Members of Congress. In the first session of this Congress, I joined Senator HATCH in cosponsoring legislation to extend the tax benefits on a number of these provisions. In addition, on June 29, 1995, I introduced S. 997 to permanently reinstate the tax exclusion for employer-provided group legal services. I am very pleased that that provision has been included in this bill.

Mr. President, this bill is an important and necessary piece of legislation. As such, I urge my colleagues to join us in the effort to extend these important benefits.•

ADDITIONAL COSPONSORS

S. 413

At the request of Mr. DASCHLE, the name of the Senator from Washington [Mrs. MURRAY] was added as a cosponsor of S. 413, a bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under such Act, and for other purposes.

S. 673

At the request of Mrs. KASSEBAUM, the names of the Senator from Idaho [Mr. CRAIG] and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 673, a bill to establish a youth development grant program, and for other purposes.

S. 837

At the request of Mr. WARNER, the names of the Senator from South Carolina [Mr. THURMOND] and the Senator from Oklahoma [Mr. NICKLES] were added as cosponsors of S. 837, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 250th anniversary of the birth of James Madison.

S. 1058

At the request of Mr. WELLSTONE, the name of the Senator from California

[Mrs. BOXER] was added as a cosponsor of S. 1058, a bill to provide a comprehensive program of support for victims of torture.

S. 1095

At the request of Mr. MOYNIHAN, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of S. 1095, a bill to amend the Internal Revenue Code of 1986 to extend permanently the exclusion for educational assistance provided by employers to employees.

S. 1130

At the request of Mr. BROWN, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 1130, a bill to provide for the establishment of uniform accounting systems, standards, and reporting systems in the Federal Government, and for other purposes.

S. 1183

At the request of Mr. HATFIELD, the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of S. 1183, a bill to amend the Act of March 3, 1931 (known as the Davis-Bacon Act), to revise the standards for coverage under the Act, and for other purposes.

S. 1379

At the request of Mr. THURMOND, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1379, a bill to make technical amendments to the Fair Debt Collection Practices Act, and for other purposes.

S. 1423

At the request of Mr. GREGG, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of S. 1423, a bill to amend the Occupational Safety and Health Act of 1970 to make modifications to certain provisions, and for other purposes.

S. 1497

At the request of Mr. NICKLES, the name of the Senator from Wyoming [Mr. THOMAS] was added as a cosponsor of S. 1497, a bill to amend the Solid Waste Disposal Act to make certain adjustments in the land disposal program to provide needed flexibility, and for other purposes.

SENATE RESOLUTION 215

At the request of Mr. LAUTENBERG, the names of the Senator from Montana [Mr. BAUCUS], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Ohio [Mr. DEWINE], and the Senator from Oklahoma [Mr. INHOFE] were added as cosponsors of Senate Resolution 215, a resolution to designate June 19, 1996, as "National Baseball Day."

SENATE RESOLUTION 217

At the request of Mrs. KASSEBAUM, the names of the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Rhode Island [Mr. PELL], and the Senator from Oklahoma [Mr. INHOFE] were added as cosponsors of Senate Resolution 217, a resolution to designate the first Friday in May 1996, as "American Foreign Service Day" in recognition of the men and women who have served or are presently serving in the American Foreign Service, and to honor those in the American Foreign Service who have given their lives in the line of duty.

SENATE CONCURRENT RESOLUTION 42—CONCERNING THE EMANCIPATION OF THE IRANIAN BAHA'I COMMUNITY

Mrs. KASSEBAUM (for herself, Mr. DODD, Mr. LIEBERMAN, Mr. MCCAIN, Mr. MACK, Mr. D'AMATO, Mrs. FEINSTEIN, Mr. SARBANES, Mr. SIMON, Mr. GLENN, Mr. COHEN, Mr. SPECTER, Mr. PELL, Mr. COCHRAN, Ms. SNOWE, Mr. LEVIN, Mr. KOHL, Mr. JEFFORDS, Mr. HELMS, Mr. SIMPSON, Mr. KENNEDY, Mr. INOUYE, Mr. STEVENS, Mr. CRAIG, Mr. HOLLINGS, Mr. CHAFEE, and Mr. GRASSLEY) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 42

Whereas in 1982, 1984, 1988, 1990, 1992, and 1994 the Congress, by concurrent resolution, declared that it holds the Government of Iran responsible for upholding the rights of all its nationals, including members of the Baha'i Faith, Iran's largest religious minority;

Whereas the Congress has deplored the Government of Iran's religious persecution of the Baha'i community in such resolutions and in numerous other appeals, and has condemned Iran's execution of more than 200 Baha'is and the imprisonment of thousands of others solely on account of their religious beliefs;

Whereas the Government of Iran continues to deny individual Baha'is access to higher education and government employment and denies recognition and religious rights to the Baha'i community, according to the policy set forth in a confidential Iranian Government document which was revealed by the United Nations Commission on Human Rights in 1993;

Whereas all Baha'i community properties in Iran have been confiscated by the government and Iranian Baha'is are not permitted to elect their leaders, organize as a community, operate religious schools or conduct other religious community activities guaranteed by the Universal Declaration of Human Rights; and

Whereas on February 22, 1993, the United Nations Commission on Human Rights published a formerly confidential Iranian Government document that constitutes a blueprint for the destruction of the Baha'i community and reveals that these repressive actions are the result of a deliberate policy designed and approved by the highest officials of the Government of Iran: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) continues to hold the Government of Iran responsible for upholding the rights of all its nationals, including members of the Baha'i community, in a manner consistent with Iran's obligations under the Universal Declaration of Human Rights and other international agreements guaranteeing the civil and political rights of its citizens;

(2) condemns the repressive anti-Baha'i policies and actions of the Government of Iran, including the denial of legal recognition to the Baha'i community and the basic rights to organize, elect it leaders, educate its youth, and conduct the normal activities of a law-abiding religious community;

(3) expresses concern that individual Baha'is continue to suffer from severely repressive and discriminatory government actions, solely on account of their religion;

(4) urges the Government of Iran to extend to the Baha'i community the rights guaranteed by the Universal Declaration of Human Rights and the international covenants of human rights, including the freedom of thought, conscience, and religion, and equal protection of the law; and

(5) calls upon the President to continue—

(A) to assert the United States Government's concern regarding Iran's violations of the rights of its citizens, including members of the Baha'i community, along with expressions of its concern regarding the Iranian Government's support for international terrorism and its efforts to acquire weapons of mass destruction;

(B) to emphasize that the United States regards the human rights practices of the Government of Iran, particularly its treatment of the Baha'i community and other religious minorities, as a significant factor in the development of the United States Government's relations with the Government of Iran;

(C) to urge the Government of Iran to emancipate the Baha'i community by granting those rights guaranteed by the Universal Declaration of Human Rights and the international covenants on human rights; and

(D) to encourage other governments to continue to appeal to the Government of Iran, and to cooperate with other governments and international organizations, including the United Nations and its agencies, in efforts to protect the religious rights of the Baha'is and other minorities through joint appeals to the Government of Iran and through other appropriate actions.

• Mrs. KASSEBAUM. Mr. President, today I am submitting a concurrent resolution condemning the persecution of the Baha'i community that has been carried out systematically by the Government of Iran over the past two decades. I am joined in this effort by Senator DODD, Senator LIEBERMAN, Senator MCCAIN, and 23 other cosponsors.

Six times in the past, Congress has passed similar legislation, most recently in 1994. While Iran's repression of Baha'is appears less bloody today than during the 1980's, that persecution nevertheless continues. None of us has forgotten the confidential documents from 1991, drafted and signed by Iran's highest government and clerical authorities, which revealed a deliberate policy to destroy the Baha'is.

We believe it is important that Congress again raise its voice in protest of the Iranian Government's persecution of Baha'is. While American Baha'is reside in every State and are deeply concerned about the fate of more than 300,000 Baha'is in Iran, our legislation is not motivated by constituent pressure. Rather, it rests on broader principles. Ours is a Nation founded in an unwavering belief in the importance of religious freedom, and all Americans—whatever their religious convictions may be—believe strongly that no government should condemn and persecute a people because of their faith.

Yet, this is what the Government of Iran has done to the Baha'is for many years. Iran's constitution does not recognize Baha'is as a religious group but as unprotected infidels whose civil rights can be ignored at will. The Baha'i cannot legally marry or divorce in Iran, nor can they travel freely outside Iran. They cannot inherit property. They are not free to assemble and cannot elect community leaders or maintain their community institutions.

Since 1979, 201 Baha'is have been killed and 15 others have disappeared and are presumed dead. Arbitrary arrests of Baha'is continue. From January 1990 to June 1993, 43 Baha'is were arrested and detained for varying periods of time, and as of January this year 5 Baha'is were being held in prison because of their religious beliefs.

Baha'i cemeteries, holy places, historical sites, administrative centers, and other assets, most of which were seized in 1979, remain confiscated or have been destroyed. Baha'i property rights generally are disregarded, and many homes and businesses have been arbitrarily confiscated. More than 10,000 Baha'is were dismissed from positions in government and education in the early 1980's because of their religious beliefs, and many remain unemployed without benefits or pensions. Baha'i youth are systematically barred from institutions of higher learning.

Perhaps we cannot, from the United States Congress, end the terrible oppression of the Baha'is in Iran. But by submitting this concurrent resolution, we can send a clear message to all who will listen: We have not forgotten.•

• Mr. LIEBERMAN. Mr. President, on a number of occasions over the past several years, many of my colleagues and I have condemned the Government of Iran for its repressive policies and actions toward its Baha'i community. Today, I join with Senator KASSEBAUM, Senator DODD, Senator MCCAIN, and others in submitting another concurrent resolution calling on Iran to change its repressive anti-Baha'i policies and to protect the rights of all its people including minorities such as the Baha'is.

Since the Senate passed its first concurrent resolution on the Iranian Baha'is in 1982, we have seen some improvement in the situation. Persecution of individual Baha'is seems to be less severe than in past years. Expressions of international outrage and the application of diplomatic pressure have had some effect, even on the isolated and close-minded regime in Iran.

But the progress we have seen is not enough. It is not enough to say that the government is not persecuting these people as much as they used to. It is not enough to say that only a few Baha'is are being held in Iran's prisons because of their religious beliefs. It is not enough to say that the Government of Iran is willing, in the words of a 1991 policy document, to "permit them a modest livelihood." It is not enough that the Government of Iran is willing to allow Baha'is to "be enrolled in schools." It is not enough when all of these rights are dependent on citizens not identifying themselves as Baha'is.

The real thrust of Iranian policy is seen in the provisions of the 1991 policy document that say Baha'is "must be expelled from universities * * * once it becomes known that they are Baha'is" or that the Government will "deny them employment if they identify themselves as Baha'is." A policy which calls for a plan to "be devised to confront and destroy their cultural roots outside the country" and to "deny them any position of influence, such as in the educational sector, etc" is a policy of repression and denial of fundamental human rights. Such a policy violates the obligations of sovereign states to uphold the Universal Declaration of Human Rights and other international agreements guaranteeing the civil and political rights of citizens. Such a policy must change if Iran is ever to rejoin the community of nations.

Our action today in passing this resolution is consistent with the actions of the U.S. Government and responsible international bodies for many years. The Reagan and Bush administrations worked to gain international support for the Baha'i community. President Clinton has cited "the abusive treatment of the Baha'i in Iran" as a critical human rights concern and his administration has remained attentive to the fate of this community. The State Department has worked diligently to secure passage of U.N. resolutions condemning Iran for its persecution of the Baha'is and to raise the issue at all relevant international fora. The U.N. General Assembly has adopted numerous resolutions condemning Iran's human rights abuses with specific reference to the Baha'is. The German Bundestag and the European Parliament have also adopted resolutions condemning Iran's treatment of its Baha'i community.

And so we come before the Senate once again with a concurrent resolution which will keep this critical issue in the public eye and will maintain international pressure on Iran to change its ways. The American people understand very well that if the rights of all members of a society are not protected, then the rights of no one in the society are secure. We do not expect Iran to become a Jeffersonian democracy. But we and the entire world community have a right to expect and to demand that it not persecute any of its peoples solely for their religious preferences. How can a society consider itself to be just and based on the law of God when it persecutes in a broad and systematic fashion 300,000 of its citizens who constitute the largest religious minority in Iran? Iran must end its hypocrisy and extend to the Baha'i community the rights guaranteed by the Universal Declaration of Human Rights and international covenants on human rights.

I urge my colleagues to support this concurrent resolution and our continuing effort to bring about change in Iran.•

• Mr. MCCAIN. Mr. President, it is an honor once again to join my colleagues, Senators KASSEBAUM, DODD, and LIEBERMAN in submitting the seventh concurrent resolution since 1982 condemning the abuses endured by the Baha'i faithful in Iran. It is, however, an honor which I would prefer to be relieved of by an Iranian Government that respects the rights of religious minorities.

There has been some limited progress since 1982, but the situation for the Baha'is remains far from tolerable. Since 1979, 201 Baha'is have been killed and thousands have been jailed. Tens of thousands have been dismissed from jobs and denied the means to provide for themselves and their families. Baha'is, severely persecuted in life, are not even afforded peace in death. Fifteen thousand graves in the Baha'i cemetery in Tehran were recently desecrated as a result of an excavation to make way for a city cultural project.

The scope of this persecution would seem ample proof of systematic persecution. But if there were any doubt in the international community that the suffering of the Baha'is is a result of deliberate government policy, the United Nations dispelled it in 1993 by publishing a secret Iranian Government document. The secret code of oppression which came to light that year outlined Iran's design for the destruction of the Baha'i faith.

It ordered the expulsion of known Baha'is from universities. A common strategy of tyrannies—this process has succeeded in depriving higher education to an entire generation.

The document emphasizes that Baha'is should be punished for false allegations of "political espionage."

It calls for a multifaceted effort to stop the growth of the Baha'i religion.

And most frighteningly, it urges the destruction of the Baha'is "cultural roots outside their country."

The Baha'is suffer oppression not because they pose a threat to the power of the Iranian Government or the order of Iranian society, but because they refuse to recant their religious beliefs and accept the Islam of the mullahs.

There is perhaps no nation in the world with which we have as many differences as we do with Iran. Its quest for weapons of mass destruction and its support for international subversion pose direct threats to its neighbors, U.S. interests, and the interests of our allies.

If Iran is ever to enjoy normal relations with the free world, it must demonstrate a commitment to abide by the basic rules of relations among civilized nations. This must be made clear to Iran. But we must also communicate to the Government of Iran that Americans and, indeed, all the ever-expanding free world, consider religious tolerance to be a minimal requirement for entry into the community of nations. A Baha'i, no less than any other human being, is entitled to the right to life, liberty, and the pursuit of happiness.

For Baha'is, as for many people, happiness is pursued through religious devotion. If the theocracy that rules Iran cannot accept that enduring truth, it has no right to consider itself a worthy member of the civilized world.•

ADDITIONAL STATEMENTS

THE FARM BILL

• Mr. FRIST. Mr. President, I would like to offer a few quick remarks regarding the Senate's recent passage of a comprehensive farm bill, especially how it relates to the Nation's dairy industry, from the dairy farmer, to the processor, to the consumer.

Mr. President, beginning in 1995, American fluid milk processors initiated what is essentially a self-funded program which aims to counteract a slow decline in the consumption levels of fluid milk. Strangely enough, fluid milk consumption in the United States has been declining over the past several years, due mainly to a misconception that milk is not good for you. The program's intent is simple: To change those misconceptions and thus increase the consumption of fluid milk. Thus far the program has been very successful.

This trial program exists under the authority of the Fluid Milk Processor Promotion Act of 1990, which is set to expire at the end of 1996. Later this month, processors will vote on whether to continue the program, which they are expected to do, but they will need the underlying authority to do so. Fortunately, Senator LUGAR's amendment included just such authority by removing the sunset date in the original legislation. I commend Senator LUGAR for his inclusion of the extended authority for the program.

Mr. President, promotion is the one area where milk processors and dairy farmers are working closely together and are in full agreement as to its benefits. This program, along with promotion efforts funded by dairy farmers, works to increase milk sales and help the entire dairy industry.•

THE RISING TIDE MUST LIFT MORE BOATS

• Mr. DASCHLE. Mr. President, yesterday our distinguished colleague Senator KENNEDY delivered to the Center for National Policy an important address challenging us to confront a number of issues critical to our economy and our society. I commend the address, "The Rising Tide Must Lift More Boats," to the attention of Senators and the public, and ask that it be printed in the RECORD.

ADDRESS OF SENATOR EDWARD M. KENNEDY, FEBRUARY 8, 1996

I'm grateful to your president, Mo Steinbruner, for that generous introduction, and I also want to acknowledge your Chairman, my former outstanding colleague in Congress, Mike Barnes. I'm honored to address the Center for National Policy. The Center has made impressive and innovative contributions to the national debate. It truly is a national policy center. I hope to speak with you today in that spirit—about the future of the American economy, the clear and present threat to the American standard of life, and a strategy for a prosperity that lifts not only the numbers and statistics, but the wages and hopes of hardworking people.

By most indicators, the economy is doing very well. The stock market is hitting record highs. Inflation has been low and consistently so. Unemployment is down. And after years of slow growth, productivity is finally on the rise.

But those appearances are deceiving. The prosperity is less than it seems—because it is uneven, uncertain, and inequitable. All is not well in the American economic house, because all is not well in the homes of too many American workers and their families.

Americans are working more and earning less. Their standard of living is stagnant or sinking. They have been forced deeper into debt and they have less to spend. They worry—about losing their jobs, losing their health insurance, affording their children's education, caring for their parents in old age, and somehow still saving for some semblance of security in their own retirement.

President Kennedy said that a rising tide lifts all boats. And for the golden decades after World War II, that was true. But today's rising tide is lifting only some of the boats—primarily the yachts.

The vast majority of economic gains are being channeled to the wealthy few, while the working men and women who are the strength and soul of this country and its economy are being shortchanged.

From World War II until 1973, national economic growth benefited the vast majority of Americans. We were all growing together; but now we are growing apart—and the result is a tip-of-the-iceberg economy. Since 1973, the lower 60 percent of American wage earners—three fifths of our entire workforce—have actually lost ground. Real family income has fallen for 60 percent of all Americans, even as the income of the wealthiest 5 percent increased by nearly a third, and income for the top 1 percent almost doubled. As we approach the 21st century, we confront an economically unjustified, socially dangerous, historically unprecedented, and morally unacceptable income gap between the wealthy and the rest of our people.

Twenty years ago, the typical CEO of a large corporation earned 40 times the salary of the average worker. Today that CEO earns 190 times more. Can this be called fair? Can this be the basis of a good or even a stable society?

Productivity gains used to guarantee wage gains. But not anymore. In 1994 and 1995, productivity rose by 3 percent. Yet wages fell by more than 2 percent—the biggest drop in eight years. So the average worker did more, and yet the income gap grew worse.

Flat or falling wages are compounded by the ever present specter of layoffs. Once, corporations reduced their workforces only when they were in trouble. But now profitable companies are laying off good workers, at a time of increasing sales, in an endless quest for ever fatter profits and ever higher stock prices.

The recent merger between Chase Manhattan Bank and Chemical Bank earned rave reviews on Wall Street—but brought anguish and loss to so many homes. Stock prices soared, but 12,000 jobs will be lost. Can this be called fair? Can this be the basis of a good or even a stable society?

And as economic insecurity multiplies, other values suffer. Community and family feel the pressure. Parents work longer hours or take second jobs, and every extra hour on the job is taking from their children—time not spent at Little League, or PTA, or simply reading a bedtime story.

Every loss of health insurance; every cut in support for child care, schools, colleges, and job training makes it harder for families to earn a better future. There are those, even in my own party, who see a separation between economics and values—a theoretical opposition which they use and misuse as an excuse for evading fundamental economic questions. But we cannot solve great social problems by instructing people to be good while their financial situation is going from bad to worse. The V Chip makes sense, but it is no substitute for college loans. It will not buy clothing or food. It will not give working families a sense of hope. We have no chance of restoring values if we don't improve the lives of working Americans. When the economy is wrong, nothing else is right.

A storm is coming, and the effects are already being felt by most families. Only the short-sighted, who look only to the next quarterly report, can be content to live with the clouds that now also shadow corporate horizons. Soon the winds will be blowing through the boardrooms too. America's workers are also America's consumers. We can only lay off so many workers, cut wages and benefits by so much, and tear down government support programs for so long, before we downsize the consumer sector as well. In a winner-take-all economy, eventually there will be fewer buyers, and fewer winners, and ultimately even many corporate losers.

The Republican program, from the Contract with America, to the flat tax, exploits the income gap—but does nothing real to solve it. The silence on this fundamental issue from the Republican Presidential candidates on the campaign trail is deafening.

By bashing Medicare, slashing education, and trashing the environment, Republican budget plans only widen the disparity. In fact, half of all spending cuts in the Republican budget that President Clinton vetoed came from programs benefiting the bottom 20 percent of families; less than a tenth of the cuts come from the top 20 percent.

Two-thirds of the tax breaks in the Republican plan would flow to the top 20 percent—and the bottom 20 percent would actually face a tax increase. The middle 60 percent would suffer a net loss too, once the spending cuts are factored in.

It makes no sense for Republicans to preach hope, growth, and opportunity—while touting policies that bring growth only to the richest, deny hope to the poorest, and restrict opportunity for the vast majority.

We need to set a different course. Early in this century, as Henry Ford pioneered one of America's great new companies, he raised the wages of his workers to twice the average in other industries. It made little apparent sense in terms of short-term profits. But he knew that in the long run, he would sell more Model T's if his own workers could afford to buy them. In the truest sense, he created his own consumers.

There are still some Henry Fords left, like Aaron Feuerstein, the Massachusetts mill owner, who decided to keep paying his employees instead of laying them off while he was rebuilding a factory that burned down last December.

The issue is not rich against poor, management against labor, or individuals against government. Sadly, the Party of Lincoln is now dividing America against itself. We cannot permanently sustain a prosperity that permits us to be divided between the wealthy few and the worried many.

We are committed to a free economy. But in times of testing in the past, we have had to act together as a nation to maintain the economy's freedom. A century ago, when economic power was concentrating in monopolies, we enacted the antitrust laws. In the midst of the Great Depression, we created a New Deal of employment programs and a social safety net.

Our day is different and our answers must be matched to it. But one basic principle remains the same: Government does have a role to play as the agent of our common concerns, and the expression of our shared values. The era of big government may be over, but a return to the era of no government is no answer.

President Clinton has spoken eloquently about this issue. So has Secretary of Labor Robert Reich, and so has the Center for National Policy. This is a defining moment for our nation—and a defining test for our party. We say we are the party of the people. Then how can we say little, and offer even less, while the very people who are the very reason for our being watch their livelihoods and lives become diminished?

Other great tests of conscience and purpose, like civil rights and the Vietnam War, may have been more visible and more immediate. The income gap has been opening slowly, over a period of years. Perhaps it could have been diagnosed earlier and treated sooner. Instead, it has festered quietly, and caused a long, slow-motion depression of wages and job security.

If we do not respond to this Quiet Depression, if we do not stand up now for the people we are supposed to represent, then as Democrats we will not deserve our name, our history, or their continuing confidence. It is our urgent task to fight for an economy where working families and the middle class can begin anew to make gains.

So today, I am proposing a strategy to end the income gap—to put the American dream back in the dreams of all Americans. Each part of society has its role to play—the business sector, the individual, and government. The strategy I advocate combines incentives for good corporate citizenship—improved protections for workers' rights—increased investment in education, training, technology and research—and greater wage and benefit security for all workers.

I realize that any strategy that requires legislative action has little chance in the present Congress. But the temporary ascendancy of reaction is no reason to be silent about what's right for America. Let us fight out the 1996 election on the fundamental issue of the income gap. And when President Clinton is re-elected, and Democrats retake Congress, let it be our pledge and our priority to right this lopsided economy.

Nothing less will do. The economic insecurity of millions of American families breeds distrust among our citizens and disrespect for our government. It tears us apart as a nation, and erodes law and order. It undermines family and community life—and threatens the character of America as a society of opportunity and justice for all.

First, as a basic precondition of all else, we must assure reliable, substantial and sustainable economic growth. Growth alone does not guarantee better incomes; but without it, we have no chance of closing the income gap. We cannot solve the problem of stagnant wages by redistributing rewards within a stagnant economy. Inflation has been lower for longer than at any time in decades; the Federal Reserve Board must become more aggressive in permitting and encouraging economic growth.

The Federal Reserve's charter requires it to pay attention to two goals—reducing unemployment and fighting inflation. Both goals are critical, but the Board too often seems to attend to only one of them. We need greater growth. We cannot right the nation's economic imbalance, or reverse the income gap facing working families, if 2.5% is the fastest which the Federal Reserve will let the economy grow.

America is historically a growth nation—and any policy that long defies that history will put this society at risk. We are stable, free people in part because we are also a people of plenty.

Second, we should create a two tier corporate tax rate that rewards those corporations which create higher quality and better paying jobs here at home. Let's accept the profit motive, and make it work for our workers as well as our corporations. I am not proposing tax penalties for bad corporate conduct, but tax incentives for good corporate citizenship.

We reward other countries with tariff benefits if they qualify as "Most Favored Nations." Now we should establish a category of "Most Favored Companies" and reward them if they share profits with workers, maintain or add good jobs, and treat their employees well.

Businesses will qualify for Most Favored Company status on the basis of their quantifiable track record over a rolling four-year period in creating jobs—avoiding layoffs designed simply to maximize profits—paying adequate wages—sharing gains—training and upgrading skills—and providing decent health care and retirements benefits.

Most Favored Companies will be taxed at a reduced rate—for example, 30% rather than 34%—or a 10% reduction for companies taxed at lower rates. To take advantage of the reduced rate, the company would agree to allocate half of the tax benefit to its workers.

Third, we should supplement the two tier corporate tax with other incentives to close the income gap.

We should provide comparable incentives to encourage fair treatment of employees in the non-profit sector, and in start-up firms and other enterprises that pay no tax or little tax.

We should adopt a tax incentive to encourage employers and workers to place retirement savings in pension funds, IRAs, and 401(k) plans that invest in Most Favored Companies.

We should reduce the capital gains tax on new equity investments in Most Favored Companies.

We should give preference to Most Favored Companies in awarding government contracts and grants.

We should provide tax credits to businesses that convert full or part-time workers without benefits to employees with adequate benefits. We should encourage companies that award dividends to their stockholders to contribute a similar benefit to their employees. Shareholders in companies that do so should have their dividends taxed at a reduced rate.

We can pay for all these changes by eliminating costly tax loopholes that encourage layoffs, discourage job creation, and reward companies for moving American jobs overseas. Over the next seven years, corporate welfare, tax loopholes and tax preferences will cost the federal government over four trillion dollars. In 2002, these tax entitlements will represent a larger share of the federal budget than Social Security, Medicare, or Medicaid.

The loopholes are gaping. In 1991, 73% of foreign-based corporations doing business in the United States paid no federal income taxes—I repeat, not a single dollar. And more than 60% of U.S.-based companies paid no U.S. income taxes.

We should eliminate the transfer-pricing loophole, under which multinational companies avoid U.S. taxes by shifting income through rigged transactions to overseas subsidiaries.

We should eliminate the runaway plant loophole, which lets foreign subsidiaries of American companies defer taxes on income earned abroad. These companies never pay taxes on their profits if they reinvest them overseas. The painful, preposterous result is that our tax laws generate new jobs and investments in foreign countries rather than here at home in America.

We should close down the foreign sales corporation loophole, a paper shell that lets companies shield thirty percent of their income from U.S. taxes.

We should eliminate the title passage loophole, which encourages U.S. companies to move profitable transactions onto the high seas to avoid U.S. taxes. In fact, this loophole was closed in both the House and the Senate versions of the Tax Reform Act of 1986, only to have it reappear behind closed doors in the final bill.

We can and must close the Benedict Arnold loophole, which allows billionaires to renounce their citizenship and move to a foreign tax haven in order to avoid taxes on the wealth they have accumulated in America. In 1995, the Senate voted overwhelmingly to end this disgrace. Yet the Republican budget quietly restores it.

Fourth, we should act to put new trust in antitrust, by amending the laws to restrain mergers and acquisitions in cases where combinations and spinoffs will cause layoffs so large that they are contrary to the public interest. Our goal is not to penalize the efficiency and productivity needed to compete in the new international economy. But the antitrust laws now bar monopolies harmful to communities, to geographical regions and markets, and to consumers. The same prohibition should apply to mergers that can affect communities, regions, and workers even more adversely than any monopoly ever would.

We should eliminate tax deductions for expenses for mergers and acquisitions that result in substantial layoffs, and strengthen existing provisions in current law that limit the deductibility of interest on massive debt utilized in these acquisitions. We should re-examine accounting rules that invite the corporate restructurings that encourage massive layoffs, downsizing, and reduced wages.

The fifth step in this new economy strategy is to expand opportunities for workers who want union representation. Today, employers who interfere with free choice and intimidate union advocates get away with only a slap on the wrist for their lawless conduct. Penalties for such violations should be strengthened. And the federal government should deny contracts and business to companies that repeatedly, flagrantly, or willfully violate their employees' rights and dignity.

We should also re-tool labor law itself to fit the growing number of temporary workers who move from one employer to another on short-term assignment, as we did in the construction industry. It is almost impossible under current rules for them to be represented by unions in negotiating for better wages, benefits, and working conditions. Federal law here has to be changed. A flexible workforce must not mean an exploited workforce.

Sixth, government at every level—federal, state, and local—must invest in education and training. In an increasingly global economy, uneducated workers in America will find their wages increasingly pressured downward by unskilled and underpaid workers overseas.

We need to work with states and local school districts to demand and to help all schools meet high standards of achievement and to expand early childhood education. We need to change the way we train teachers and offer them the recognition and support they deserve on the basis of their performance. As President Clinton has pledged, we should install computer technology in every school by the year 2000, in cooperation with businesses across the nation. We cannot prepare children for the 21st century in 1950's classrooms.

The doors to college must be re-opened to more Americans. Tuition costs should be deductible, and every qualified high school graduate should be guaranteed economic access to higher education.

We must provide training for real jobs to high school students not going on to college. We must provide retraining for workers who lose or change their jobs. We must reward companies that invest in upgrading the skills of their workforce.

Seventh, since small business is the real job creator in the new economy, it must be encouraged to do what it does best—create new products, enter new markets, increase productivity, and thereby put more people to work.

We must reduce the red tap associated with government assistance and regulation. Small businesses employ 50% of our workers, yet bear more than 60% of the regulatory burden. The average annual cost of regulation, paperwork, and tax compliance for small business far surpasses what large companies have to spend as a percentage of revenues. A recent Small Business Administration study found that 19 cents of every revenue dollar in small companies of less than 50 employees was spent on regulation. Genuine regulatory reform can ease these burdens. It could have been enacted by Congress long ago, if so many on the other side were not so intent on misusing regulatory reform as an excuse and a cover to protect polluters, undermine the environment, and jeopardize health and safety in the workplace.

Eighth, we should make research a priority—in terms of both direct federal funds and new incentives for business. Despite its far smaller economy, Japan will spend more dollars on non-defense R&D than we do next year. Yet, the Republican budget plan would cut R&D spending by 30% by the year 2002. Nothing could be more short-sighted than this policy of financing an unneeded tax cut by retreating from the scientific frontiers of future prosperity. Both the laser and the transistor resulted from government financed R&D. Computers, integrated circuits, medical breakthroughs like MRIs, and even the revolution of the Internet were federal R&D initiatives.

Ninth, we should do more to defend American workers against low-wage labor and sweatshop practices from overseas. It is not protectionist to refuse to compete on the basis of who can exploit their workers the most. We should declare a pause before entering into new free trade agreements, so our economy and our companies can adjust to NAFTA and GATT. And we should condition any and all new trade benefits on compliance by other countries with international labor standards. We favor free trade. But it must not mean that more and more of our workers have to work more and more of their days for free to match sweatshops overseas.

We should strengthen our immigration laws to prevent the importation of foreign wages and working conditions. We should make it illegal for employers to lay off Americans and then fill their jobs by bringing in workers from overseas. Any U.S. employer who wishes to hire from abroad—even for temporary jobs—should have to recruit U.S. workers first. And we should end the unskilled immigration that competes with young Americans just entering the job market.

Tenth, Congress should take long overdue direct action to improve incomes and benefits.

We can and must raise the minimum wage. The present level of four dollars and twenty-five cents an hour is a national scandal—not even enough to lift a family out of poverty. We should start now by raising the minimum wage to $5.15 an hour, and restore as much as possible of the purchasing power it has disgracefully lost in recent years. No American who works for a living should have to live in poverty.

We can and must strengthen the Earned Income Tax Credit, not reduce it. President Reagan called it the "best anti-poverty, the best pro-family, the best job creation measure to come out of Congress." Ronald Reagan was right, and the Republican Congress should heed his words.

Health care, too, can and must be a priority again. I for one will not permit health care to become the forgotten issue. It is all too present for Americans who have to pay the bills and face the fears every day. My abiding goal is still health security for every citizen. The reform I have introduced with Senator Kassebaum is a significant step with broad bi-partisan support. It could be enacted quickly—if we can overcome the obstruction of a handful of Republican Senators doing the bidding of insurance industry profiteers. Our reform is simply justice: workers who change their job or lose their job should not lose their health insurance too.

Finally, we must secure the safety and sanctity of pensions. They must never become a corporate slush fund or a piggy bank for risky investments. Here again, the Republicans, instead of building more protections, seek to undermine those that already exist. The Republican Congress proposes to let unscrupulous corporations raid workers' pension funds, and they even make the preposterous claim that they're closing a tax loophole. This is odd, coming from those who previously never seem to have met a tax loophole they didn't like. In fact, it will cost the government nothing to protect pension funds against corporate raiders and unscrupulous investment managers.

We should create new incentives to extend pension coverage to all workers, not just the 48% who are currently covered, by establishing a new class of multi-employer, portable pension accounts.

We can also put workers' pension funds to work to close the income gap. We should maintain and strengthen the incentives which the Republicans seek to eliminate that can direct the $4.5 trillion currently in pension funds to investments that will mean more and better jobs here in America. The AFL–CIO Investment Trust is now committing half a billion dollars a year to housing and economic development projects. Their rate of return is highly competitive, and there are similar examples across the country. The issue here is as plain as the investment opportunity. The pension funds of American workers should be financing economic growth at home, not the export of American jobs overseas.

Of course, no economic program, no matter how far-reaching, can resolve all the hurts or fulfill all the hopes of a nation. But all to often we forget the link between values and economics. We lament the loss of traditional "family values," yet we forget that the golden age we look back to was also a time when family incomes were steadily rising. We berate Hollywood for glorifying sex and violence, yet we worship the profit motives that generate the very films we condemn. We hear voices calling for the end of affirmative action, or worrying that our society has become too diverse to survive, but we ignore at our peril the fact that those voices are driven by fear of economic loss. We worry about the loss of patriotism, yet our tax policies encourage corporate decisions that are plainly anti-American.

If we really believe in family values, then let's do a better job of valuing families. Let's change policies that threaten their jobs, their health care, and their pensions. Let's help people educate their children and care for their parents. If we really want to put the "United" back in the United States, then let's do all we can to expand the pie and provide economic opportunity for all, instead of letting the nation fragment into two separate and unequal factions of haves and have-nots.

We will only make things worse by pursuing nostrums and illusions—whether they take the form of social reaction, or the new deception of the flat tax. The flat tax is a cynical response to the income gap—offering but perhaps not even delivering a small tax cut as the only raise most workers will get—while surely providing a shameful windfall for those who already have the most. The Forbes flat tax gives new meaning to Franklin Roosevelt's indictment of the Republicans as the party of the privileged. The only family value the Forbes flat tax would enhance is the net worth of the Forbes 400.

We are coming to the close of what has been called the "American Century." It has been an extraordinary era in which we have conquered imperialism, fascism, and communism abroad. We have wrestled with racism, sexism, poverty, depression, crime and other enemies within. We have struggled, often imperfectly, yet with great success, to build a fairer and freer society. And we have wisely used some of our resources to help other nations achieve and protect their own democratic ideals. The danger is that the achievements and the vision that made this possible are fading too quickly into the forgetfulness of history, and that we are becoming a nation fragmented between rich and poor, its values diminishing as its standard of living is devalued.

We can and must end the income gap in America. It will require a new Progressive Era which will come, just as the first one did, just after the forces of reaction think they have achieved their dominance. We can and must restore true progress in America. That is our duty as progressives. That is the defining mission of the Democratic Party. And in my view, that is the only way we can win—and the only way we will deserve to win—in 1996.●

CONGRATULATING THE NATIONAL ASSOCIATION OF RETIRED FEDERAL EMPLOYEES ON THE OCCASION OF ITS 75TH ANNIVERSARY

● Mr. ABRAHAM. Mr. President, I rise today to congratulate the National Association of Retired Federal Employees on its 75 years of service to our public servants and our communities.

NARFE has protected the rights and retirement benefits of Federal employees and their widows now for three quarters of a century. In that cause they have grown from 14 members to an organization of half a million members with 53 State federations and more than 1,740 active local chapters in the United States, Puerto Rico, Panama, the Philippines, and Guam.

In my own State of Michigan, the city of Dearborn is home to area chapter 1515, with 975 members of NARFE. These fine people contribute to the community, not only by fulfilling their official duties, but through their many acts of good citizenship, charity, and public-spirited voluntaism.

In recognition of the National Association of Retired Federal Employees' service to its members, to the public at large, and to the many communities in which its members live and participate in public life, I would invite my colleagues to join me in recognizing February 19, 1996, NARFE's 75th anniversary, as National Association of Retired Federal Employees Day.●

THE 50TH WEDDING ANNIVERSARY OF JOE AND EILEEN COATAR

● Ms. MOSELEY-BRAUN. Mr. President, I rise today to honor Joseph and Eileen Coatar, two long-time constituents of mine, who celebrated the truly momentous event on February 2, 1996—their golden wedding anniversary. Their 50 years of marriage, a demonstration of their strong commitment to each other and their seven children, can serve as an example to us all.

Joe Coatar and Eileen Prendergast grew up in warm, close-knit families, who lived in adjoining parishes on the South Side of Chicago. They began dating in high school: Eileen attended Mercy High School, while Joe went to Tilden Technical High School, where he is a member of the alumni hall of fame. His athletic prowess earned him all-city honors for football in 1937. He then attended Notre Dame on football and baseball scholarships, well before the Bo Jackson era. Eileen was his No. 1 fan. Joe left school in 1940 to play left field for the Chicago White Sox. He was then called to serve our country in the U.S. Army from 1943 to 1945, then returned to Chicago to marry Eileen, the girl next door, on February 2, 1946, in St. Martin's Church in Chicago. They have seven loving children: Mary Jane, Bernadette, Joan, Joseph, Eileen, Dennis, and Genevieve. They also have 15 treasured grandchildren.

Joe served his city as a Chicago police officer immediately after his military service. He then did management consulting work for a number of firms, and finished his career with a 12-year stint at Blue Cross/Blue Shield. He was also civic-minded, somehow finding time to serve two terms as Park Forest South Village trustee, one term as a Monee Township trustee, and 20 years as a Democratic precinct committeeman for Will County.

In 1972, after raising seven children, Eileen continued her motherly role working with students at Marian Catholic High School in Chicago Heights. She continues to work there, at the age of 78, and will soon be inducted into their alumni hall of fame in recognition of her long-time dedication to Marian's students. She served as president of the Mothers' Club twice, and volunteered in the library, before becoming a well-loved member of the cafeteria staff almost 25 years ago.

Joe and Eileen renewed their vows at their parish church in Flossmoor, Infant Jesus of Prague, this Saturday, surrounded by friends and family. We talk a lot about family values here in Washington. Joe and Eileen don't just talk the talk, they walk the walk. Their lives epitomize the values that make this country such a special place. I congratulate the Coatars on their 50th anniversary, and I wish them many more years of happiness together.●

TRIBUTE TO PETER WOJCIECHOWSKI

● Mr. GRAMS. Mr. President, I want to take this opportunity to recognize Peter Wojciechowski, from Anoka, MN for his dedication and service as president of the Minnesota Rural Electric Association over the past 10 years.

Peter has been a pillar of the community. As the long-time owner of Thurston's Furniture in Anoka, to his service on a variety of civic boards, including the Anoka County library board and the Ham Lake Planning Commission, Peter has been a model Minnesota citizen. However, it is his work on behalf of Minnesota's electric cooperatives which I would like to recognize today.

This month, Peter completes his term as president of the Minnesota Rural Electric Association, which represents 54 member-owned electric cooperatives in Minnesota. During his tenure, Minnesota's electric cooperatives led the Nation in creating jobs in rural areas. Under Peter's stewardship, electric co-ops have met the unserved needs of its rural members in telecommunications, water and waste water infrastructure and other services not readily available in the far reaches of greater Minnesota.

Peter also represents Minnesota as a national director on the National Rural Electric Cooperative Association and serves on the International Foundation Board which assists developing countries in establishing electric cooperatives.

I want to commend Peter for his efforts and for the leadership he provided over the past 10 years on behalf of Minnesota's electric cooperatives. His contributions toward ensuring that the lights of rural Minnesota, rural America, and rural areas throughout the world burn bright are truly commendable and worthy of recognition.

Mr. President, it is a privilege for me to insert Peter's accomplishments here on the floor of the U.S. Senate.●

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE AT NDSU

● Mr. CONRAD. Mr. President, today I rise to commend the work of North Dakota State University's Upper Great Plains Transportation Institute. The institute is a great asset to North Dakota and other States in the surrounding region and an invaluable resource and leader in transportation research.

In early January the Transportation Research Board of the National Research Council held its 75th annual meeting in Washington. This meeting brought together more than 3,000 participants from Federal and State Governments, universities, and the private sector. The participants discussed scientific, engineering, and technological questions related to highways and bridges. The 5-day conference was a success, in part because of a telecommunications system operated by North Dakota State University.

Eleven conference sessions with almost 150 panelists were delivered by videoconference to the State departments of transportation in 6 States: Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming. The teleconference was accomplished through the use of the TEL8 Center at

North Dakota State University, in cooperation with the West Virginia Teleconferencing Network.

TEL8 is a digital, 2-way, interactive, satellite-based telecommunications system. It links 10 sites in 6 States, and is dedicated to meeting transportation needs in the region. The system is operated by the Upper Great Plains Transportation Institute at North Dakota State University. The system was made possible as a result of the University Transportation Centers Program sponsored by the U.S. Department of Transportation.

More than 300 people located more than 1,000 miles from Washington were able to participate in the conference through the telecommunications system. Not only were they able to hear the presentations, but they had the opportunity to make comments and engage in question-and-answer periods.

Robert E. Skinner, Executive Director of the Transportation Research Board, said recently:

> Because of busy schedules and limited travel funds, many transportation professionals are unable to participate at TRB's annual meeting. TEL8 showed that technology can help overcome these barriers and provide a means for real-time participation at remote locations.

We hear much these days about the promise of telecommunications and how technology is changing our lives. We hear discussions about the speed of transmissions, interactions, savings of time and travel costs, and convenience. North Dakota State University is doing more than talking about the promise of telecommunications, Mr. President. Through the TEL8 system, NDSU is making the promise of telecommunications a reality today.

Telecommunications activities are increasingly important throughout our Nation, particularly in rural States such as mine. The TEL8 system is also used for professional training and support and for the delivery of courses relevant to transportation. NDSU is exploring additional ways to use the system for distance learning and service-related activities.

I am proud of North Dakota State University's involvement and foresight in this important field. I appreciate this opportunity to bring it to the attention of my colleagues.●

THE FARM BILL

S. 1541, the Agricultural Market Transition Act of 1996, passed the Senate on Wednesday, February 7. The text of the bill follows:

S. 1541

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Agricultural Reform and Improvement Act of 1996".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—AGRICULTURAL MARKET TRANSITION PROGRAM

Sec. 101. Short title.
Sec. 102. Definitions.
Sec. 103. Production flexibility contracts.
Sec. 104. Nonrecourse marketing assistance loans and loan deficiency payments.
Sec. 105. Payment limitations.
Sec. 106. Peanut program.
Sec. 107. Sugar program.
Sec. 108. Administration.
Sec. 109. Suspension and repeal of permanent authorities.
Sec. 110. Effect of amendments.

TITLE II—AGRICULTURAL TRADE

Subtitle A—Amendments to Agricultural Trade Development and Assistance Act of 1954 and Related Statutes

Sec. 201. Food aid to developing countries.
Sec. 202. Trade and development assistance.
Sec. 203. Agreements regarding eligible countries and private entities.
Sec. 204. Terms and conditions of sales.
Sec. 205. Use of local currency payment.
Sec. 206. Value-added foods.
Sec. 207. Eligible organizations.
Sec. 208. Generation and use of foreign currencies.
Sec. 209. General levels of assistance under Public Law 480.
Sec. 210. Food aid consultative group.
Sec. 211. Support of nongovernmental organizations.
Sec. 212. Commodity determinations.
Sec. 213. General provisions.
Sec. 214. Agreements.
Sec. 215. Use of commodity credit corporation.
Sec. 216. Administrative provisions.
Sec. 217. Expiration date.
Sec. 218. Regulations.
Sec. 219. Independent evaluation of programs.
Sec. 220. Authorization of appropriations.
Sec. 221. Coordination of foreign assistance programs.
Sec. 222. Micronutrient fortification pilot program.
Sec. 223. Use of certain local currency.
Sec. 224. Levels of assistance under farmer-to-farmer program.
Sec. 225. Food security commodity reserve.
Sec. 226. Protein byproducts derived from alcohol fuel production.
Sec. 227. Food for progress program.
Sec. 228. Use of foreign currency proceeds from export sales financing.
Sec. 229. Stimulation of foreign production.

Subtitle B—Amendments to Agricultural Trade Act of 1978

Sec. 241. Agricultural export promotion strategy.
Sec. 242. Export credits.
Sec. 243. Market promotion program.
Sec. 244. Export enhancement program.
Sec. 245. Arrival certification.
Sec. 246. Compliance.
Sec. 247. Regulations.
Sec. 248. Trade compensation and assistance programs.
Sec. 249. Foreign agricultural service.
Sec. 250. Reports.

Subtitle C—Miscellaneous

Sec. 251. Reporting requirements relating to tobacco.
Sec. 252. Triggered export enhancement.
Sec. 253. Disposition of commodities to prevent waste.
Sec. 254. Direct sales of dairy products.
Sec. 255. Export sales of dairy products.
Sec. 256. Debt-for-health-and-protection swap.
Sec. 257. Policy on expansion of international markets.
Sec. 258. Policy on maintenance and development of export markets.
Sec. 259. Policy on trade liberalization.
Sec. 260. Agricultural trade negotiations.
Sec. 261. Policy on unfair trade practices.
Sec. 262. Agricultural aid and trade missions.
Sec. 263. Annual reports by agricultural attaches.
Sec. 264. World livestock market price information.
Sec. 265. Orderly liquidation of stocks.
Sec. 266. Sales of extra long staple cotton.
Sec. 267. Regulations.
Sec. 268. Emerging markets.
Sec. 269. Import assistance for CBI beneficiary countries and the Philippines.
Sec. 270. Studies, reports, and other provisions.
Sec. 271. Implementation of commitments under Uruguay Round Agreements.
Sec. 272. Sense of Congress concerning multilateral disciplines on credit guarantees.
Sec. 273. Foreign market development cooperator program.

TITLE III—CONSERVATION

Subtitle A—Definitions

Sec. 301. Definitions.

Subtitle B—Environmental Conservation Acreage Reserve Program

Sec. 311. Environmental conservation acreage reserve program.
Sec. 312. Conservation reserve program.
Sec. 313. Wetlands reserve program.
Sec. 314. Environmental quality incentives program.

Subtitle C—Conservation Funding

Sec. 321. Conservation funding.

Subtitle D—National Natural Resources Conservation Foundation

Sec. 331. Short title.
Sec. 332. Definitions.
Sec. 333. National Natural Resources Conservation Foundation.
Sec. 334. Composition and operation.
Sec. 335. Officers and employees.
Sec. 336. Corporate powers and obligations of the Foundation.
Sec. 337. Administrative services and support.
Sec. 338. Audits and petition of Attorney General for equitable relief.
Sec. 339. Release from liability.
Sec. 340. Authorization of appropriations.

Subtitle E—Miscellaneous

Sec. 351. Flood risk reduction.
Sec. 352. Forestry.
Sec. 353. State technical committees.
Sec. 354. Conservation of private grazing land.
Sec. 355. Conforming amendments.
Sec. 356. Water bank program.
Sec. 357. Flood water retention pilot projects.
Sec. 358. Wetland conservation exemption.
Sec. 359. Floodplain easements.
Sec. 360. Resource conservation and development program reauthorization.
Sec. 361. Conservation reserve new acreage.
Sec. 362. Repeal of report requirement.
Sec. 363. Watershed protection and flood prevention act amendments.
Sec. 364. Abandonment of converted wetlands.

TITLE IV—NUTRITION ASSISTANCE

Sec. 401. Food stamp program.
Sec. 402. Commodity distribution program; commodity supplemental food program.
Sec. 403. Emergency food assistance program.
Sec. 404. Soup kitchens program.
Sec. 405. National commodity processing.

TITLE V—MISCELLANEOUS

Subtitle A—General Miscellaneous Provisions

Sec. 501. Fund for dairy producers to pay for nutrient management.
Sec. 502. Crop insurance.
Sec. 503. Revenue insurance.
Sec. 504. Collection and use of agricultural quarantine and inspection fees.
Sec. 505. Commodity Credit Corporation interest rate.
Sec. 506. Everglades Agricultural Area.
Sec. 507. Fund for Rural America.

Subtitle B—Options Pilot Programs and Risk Management Education

Sec. 511. Short title.
Sec. 512. Purpose.
Sec. 513. Pilot programs.
Sec. 514. Terms and conditions.
Sec. 515. Notice.
Sec. 516. Commodity Credit Corporation.
Sec. 517. Risk management education.

Subtitle C—Commercial Transportation of Equine for Slaughter

Sec. 521. Findings.
Sec. 522. Definitions.
Sec. 523. Standards for humane commercial transportation of equine for slaughter.
Sec. 524. Records.
Sec. 525. Agents.
Sec. 526. Cooperative agreements.
Sec. 527. Investigations and inspections.
Sec. 528. Interference with enforcement.
Sec. 529. Jurisdiction of courts.
Sec. 530. Civil and criminal penalties.
Sec. 531. Payments for temporary or medical assistance for equine due to violations.
Sec. 532. Relationship to State law.
Sec. 533. Authorization of appropriations.

Subtitle D—Miscellaneous

Sec. 541. Livestock dealer trust.
Sec. 542. Planting of energy crops.
Sec. 543. Reimbursable agreements.
Sec. 544. Swine health protection.
Sec. 545. Cooperative work for protection, management, and improvement of National Forest System.
Sec. 546. Amendment of the Virus-Serum Toxin Act of 1913.
Sec. 547. Overseas tort claims.
Sec. 548. Graduate School of the United States Department of Agriculture.
Sec. 549. Student intern subsistence program.
Sec. 550. Conveyance of land to White Oak Cemetery.
Sec. 551. Advisory board on agricultural air quality.
Sec. 552. Water systems for rural and Native villages in Alaska.
Sec. 553. Eligibility for grants to broadcasting systems.
Sec. 554. Wildlife Habitat Incentives Program.
Sec. 555. Indian reservations.
Sec. 556. ICD reimbursement for overhead expenses.
Sec. 557. Clarification of effect of resource planning on allocation or use of water.

TITLE VI—CREDIT

Subtitle A—Agricultural Credit

CHAPTER 1—FARM OWNERSHIP LOANS

Sec. 601. Limitation on direct farm ownership loans.
Sec. 602. Purposes of loans.
Sec. 603. Soil and water conservation and protection.
Sec. 604. Interest rate requirements.
Sec. 605. Insurance of loans.
Sec. 606. Loans guaranteed.

CHAPTER 2—OPERATING LOANS

Sec. 611. Limitation on direct operating loans.
Sec. 612. Purposes of operating loans.
Sec. 613. Participation in loans.
Sec. 614. Line-of-credit loans.
Sec. 615. Insurance of operating loans.
Sec. 616. Special assistance for beginning farmers and ranchers.
Sec. 617. Limitation on period for which borrowers are eligible for guaranteed assistance.

CHAPTER 3—EMERGENCY LOANS

Sec. 621. Hazard insurance requirement.
Sec. 622. Maximum emergency loan indebtedness.
Sec. 623. Insurance of emergency loans.

CHAPTER 4—ADMINISTRATIVE PROVISIONS

Sec. 631. Use of collection agencies.
Sec. 632. Notice of loan service programs.
Sec. 633. Sale of property.
Sec. 634. Definitions.
Sec. 635. Authorization for loans.
Sec. 636. List of certified lenders and inventory property demonstration project.
Sec. 637. Homestead property.
Sec. 638. Restructuring.
Sec. 639. Transfer of inventory lands.
Sec. 640. Implementation of target participation rates.
Sec. 641. Delinquent borrowers and credit study.

CHAPTER 5—GENERAL PROVISIONS

Sec. 651. Conforming amendments.

Subtitle B—Farm Credit System

CHAPTER 1—AGRICULTURAL MORTGAGE SECONDARY MARKET

Sec. 661. Definition of real estate.
Sec. 662. Definition of certified facility.
Sec. 663. Duties of Federal Agricultural Mortgage Corporation.
Sec. 664. Powers of the Corporation.
Sec. 665. Federal reserve banks as depositaries and fiscal agents.
Sec. 666. Certification of agricultural mortgage marketing facilities.
Sec. 667. Guarantee of qualified loans.
Sec. 668. Mandatory reserves and subordinated participation interests eliminated.
Sec. 669. Standards requiring diversified pools.
Sec. 670. Small farms.
Sec. 671. Definition of an affiliate.
Sec. 672. State usury laws superseded.
Sec. 673. Extension of capital transition period.
Sec. 674. Minimum capital level.
Sec. 675. Critical capital level.
Sec. 676. Enforcement levels.
Sec. 677. Recapitalization of the Corporation.
Sec. 678. Liquidation of the Federal Agricultural Mortgage Corporation.

CHAPTER 2—REGULATORY RELIEF

Sec. 681. Compensation of association personnel.
Sec. 682. Use of private mortgage insurance.
Sec. 683. Removal of certain borrower reporting requirement.
Sec. 684. Reform of regulatory limitations on dividend, member business, and voting practices of eligible farmer-owned cooperatives.
Sec. 685. Removal of Federal Government certification requirement for certain private sector financings.
Sec. 686. Borrower stock.
Sec. 687. Disclosure relating to adjustable rate loans.
Sec. 688. Borrowers' rights.
Sec. 689. Formation of administrative service entities.
Sec. 690. Joint management agreements.
Sec. 691. Dissemination of quarterly reports.
Sec. 692. Regulatory review.
Sec. 693. Examination of Farm Credit System Institutions.
Sec. 694. Conservatorships and receiverships.
Sec. 695. Farm Credit Insurance Fund operations.
Sec. 696. Examinations by the Farm Credit System Insurance Corporation.
Sec. 697. Powers with respect to troubled insured system banks.
Sec. 698. Oversight and regulatory actions by the Farm Credit System Insurance Corporation.
Sec. 699. Farm Credit System Insurance Corporation Board of Directors.
Sec. 699A. Liability for making criminal referrals.

TITLE VII—RURAL DEVELOPMENT

Subtitle A—Amendments to the Food, Agriculture, Conservation, and Trade Act of 1990

CHAPTER 1—GENERAL PROVISIONS

Sec. 701. Rural investment partnerships.
Sec. 702. Water and waste facility financing.
Sec. 703. Rural wastewater circuit rider program.
Sec. 704. Telemedicine and distance learning services in rural areas.
Sec. 705. Limitation on authorization of appropriations for rural technology grants.
Sec. 706. Monitoring the economic progress of rural America.
Sec. 707. Analysis by Office of Technology Assessment.
Sec. 708. Rural health infrastructure improvement.
Sec. 709. Census of agriculture.

CHAPTER 2—ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION

Sec. 721. Definitions.
Sec. 722. Alternative Agricultural Research and Commercialization Corporation.
Sec. 723. Board of directors, employees, and facilities.
Sec. 724. Research and development grants, contracts, and agreements.
Sec. 725. Commercialization assistance.
Sec. 726. General rules regarding the provision of assistance.
Sec. 727. Regional centers.
Sec. 728. Alternative Agricultural Research and Commercialization Revolving Fund.
Sec. 729. Procurement preferences for products receiving corporation assistance.
Sec. 730. Business plan and feasibility study and report.

Subtitle B—Amendments to the Consolidated Farm and Rural Development Act

CHAPTER 1—GENERAL PROVISIONS

Sec. 741. Water and waste facility loans and grants.

Sec. 742. Emergency community water assistance grant program for small communities.
Sec. 743. Emergency community water assistance grant program for smallest communities.
Sec. 744. Agricultural Credit Insurance Fund.
Sec. 745. Rural Development Insurance Fund.
Sec. 746. Insured watershed and resource conservation and development loans.
Sec. 747. Rural industrialization assistance.
Sec. 748. Administration.
Sec. 749. Authorization of appropriations.
Sec. 750. Testimony before congressional committees.
Sec. 751. Prohibition on use of loans for certain purposes.
Sec. 752. Rural development certified lenders program.
Sec. 753. System for delivery of certain rural development programs.
Sec. 754. State rural economic development review panel.
Sec. 755. Limited transfer authority of loan amounts.
Sec. 756. Allocation and transfer of loan guarantee authority.
Sec. 757. National sheep industry improvement center.

CHAPTER 2—RURAL COMMUNITY ADVANCEMENT PROGRAM

Sec. 761. Rural community advancement program.
Sec. 762. Community facilities grant program.

Subtitle C—Amendments to the Rural Electrification Act of 1936

Sec. 771. Purposes; investigations and reports.
Sec. 772. Authorization of appropriations.
Sec. 773. Loans for electrical plants and transmission lines.
Sec. 774. Loans for electrical and plumbing equipment.
Sec. 775. Testimony on budget requests.
Sec. 776. Transfer of functions of administration created by executive order.
Sec. 777. Annual report.
Sec. 778. Prohibition on restricting water and waste facility services to electric customers.
Sec. 779. Telephone loan terms and conditions.
Sec. 780. Privatization program.
Sec. 781. Rural business incubator fund.

Subtitle D—Miscellaneous Rural Development Provisions

Sec. 791. Interest rate formula.
Sec. 792. Grants for financially stressed farmers, dislocated farmers, and rural families.
Sec. 793. Cooperative agreements.

TITLE VIII—RESEARCH EXTENSION AND EDUCATION

Subtitle A—Amendments to National Agricultural Research, Extension, and Teaching Policy Act of 1977 and Related Statutes

Sec. 801. Purposes of agricultural research, extension, and education.
Sec. 802. Subcommittee on Food, Agricultural, and Forestry Research.
Sec. 803. Joint Council on Food and Agricultural Sciences.
Sec. 804. National Agricultural Research, Extension, Education, and Economics Advisory Board.
Sec. 805. Agricultural Science and Technology Review Board.
Sec. 806. Federal Advisory Committee Act exemption for Federal-State cooperative programs.
Sec. 807. Coordination and planning of agricultural research, extension, and education.
Sec. 808. Grants and fellowships for food and agricultural sciences education.
Sec. 809. Grants for research on the production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products.
Sec. 810. Policy research centers.
Sec. 811. Human nutrition intervention and health promotion research program.
Sec. 812. Food and nutrition education program.
Sec. 813. Purposes and findings relating to animal health and disease research.
Sec. 814. Animal Health Science Research Advisory Board.
Sec. 815. Animal health and disease continuing research.
Sec. 816. Animal health and disease national or regional research.
Sec. 817. Resident instruction program at 1890 land-grant colleges.
Sec. 818. Grant program to upgrade agricultural and food sciences facilities at 1890 land-grant colleges.
Sec. 819. National research and training centennial centers authorization.
Sec. 820. Grants to States for international trade development centers.
Sec. 821. Agricultural research programs.
Sec. 822. Extension education.
Sec. 823. Supplemental and alternative crops research.
Sec. 824. Aquaculture assistance programs.
Sec. 825. Rangeland research.
Sec. 826. Technical amendments.

Subtitle B—Amendments to Food, Agriculture, Conservation, and Trade Act of 1990

Sec. 831. Water quality research, education, and coordination.
Sec. 832. Education program regarding handling of agricultural chemicals and agricultural chemical containers.
Sec. 833. Program administration.
Sec. 834. National genetics resources program.
Sec. 835. National agricultural weather information system.
Sec. 836. Research regarding production, preparation, processing, handling, and storage of agricultural products.
Sec. 837. Plant and animal pest and disease control program.
Sec. 838. Livestock product safety and inspection program.
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TITLE I—AGRICULTURAL MARKET TRANSITION PROGRAM

SEC. 101. SHORT TITLE.

This title may be cited as the "Agricultural Market Transition Act".

SEC. 102. DEFINITIONS.

In this title:

(1) CONSIDERED PLANTED.—The term "considered planted" means acreage that is considered planted under title V of the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) (as in effect prior to the suspension under section 110(b)(1)(J)).

(2) CONTRACT.—The term "contract" means a production flexibility contract entered into under section 103.

(3) CONTRACT ACREAGE.—The term "contract acreage" means 1 or more crop acreage bases established for contract commodities under title V of the Agricultural Act of 1949 (as in effect prior to the suspension under section 110(b)(1)(J)) that would have been in effect for the 1996 crop (but for the suspension under section 110(b)(1)(J)).

(4) CONTRACT COMMODITY.—The term "contract commodity" means wheat, corn, grain sorghum, barley, oats, upland cotton, and rice.

(5) CONTRACT PAYMENT.—The term "contract payment" means a payment made under section 103 pursuant to a contract.

(6) CORN.—The term "corn" means field corn.

(7) DEPARTMENT.—The term "Department" means the United States Department of Agriculture.

(8) FARM PROGRAM PAYMENT YIELD.—The term "farm program payment yield" means the farm program payment yield established for the 1995 crop of a contract commodity under title V of the Agricultural Act of 1949 (as in effect prior to the suspension under section 110(b)(1)(J)).

(9) LOAN COMMODITY.—The term "loan commodity" means each contract commodity, extra long staple cotton, and oilseeds.

(10) OILSEED.—The term "oilseed" means a crop of soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, other oilseeds.

(11) PERSON.—The term "person" means an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or State agency.

(12) PRODUCER.—

(A) IN GENERAL.—The term "producer" means a person who, as owner, landlord, tenant, or sharecropper, shares in the risk of producing a crop, and is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.

(B) HYBRID SEED.—The term "producer" includes a person growing hybrid seed under contract. In determining the interest of a grower of hybrid seed in a crop, the Secretary shall not take into consideration the existence of a hybrid seed contract.

(13) PROGRAM.—The term "program" means the agricultural market transition program established under this title.

(14) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(15) STATE.—The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

(16) UNITED STATES.—The term "United States", when used in a geographical sense, means all of the States.

SEC. 103. PRODUCTION FLEXIBILITY CONTRACTS.

(a) CONTRACTS AUTHORIZED.—

(1) OFFER AND TERMS.—Beginning as soon as practicable after the date of the enactment of this title, the Secretary shall offer to enter into a contract with an eligible owner or operator described in paragraph (2) on a farm containing eligible farmland. Under the terms of a contract, the owner or operator shall agree, in exchange for annual contract payments, to comply with—

(A) the conservation plan for the farm prepared in accordance with section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812);

(B) wetland protection requirements applicable to the farm under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.); and

(C) the planting flexibility requirements of subsection (j).

(2) ELIGIBLE OWNERS AND OPERATORS DESCRIBED.—The following persons shall be considered to be an owner or operator eligible to enter into a contract:

(A) An owner of eligible farmland who assumes all of the risk of producing a crop.

(B) An owner of eligible farmland who shares in the risk of producing a crop.

(C) An operator of eligible farmland with a share-rent lease of the eligible farmland, regardless of the length of the lease, if the owner enters into the same contract.

(D) An operator of eligible farmland who cash rents the eligible farmland under a lease expiring on or after September 30, 2002, in which case the consent of the owner is not required.

(E) An operator of eligible farmland who cash rents the eligible farmland under a lease expiring before September 30, 2002, if the owner consents to the contract.

(F) An owner of eligible farmland who cash rents the eligible farmland and the lease term expires before September 30, 2002, but only if the actual operator of the farm declines to enter into a contract. In the case of an owner covered by this subparagraph, contract payments shall not begin under a contract until the fiscal year following the fiscal year in which the lease held by the nonparticipating operator expires.

(G) An owner or operator described in a preceding subparagraph regardless of whether the owner or operator purchased catastrophic risk protection for a fall-planted 1996 crop under section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)).

(3) TENANTS AND SHARECROPPERS.—In carrying out this section, the Secretary shall provide adequate safeguards to protect the interests of operators who are tenants and sharecroppers.

(b) ELEMENTS.—

(1) TIME FOR CONTRACTING.—

(A) DEADLINE.—Except as provided in subparagraph (B), the Secretary may not enter into a contract after April 15, 1996.

(B) CONSERVATION RESERVE LANDS.—

(i) IN GENERAL.—At the beginning of each fiscal year, the Secretary shall allow an eligible owner or operator on a farm covered by a conservation reserve contract entered into under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) that terminates after the date specified in subparagraph (A) to enter into or expand a production flexibility contract to cover the contract acreage of the farm that was subject to the former conservation reserve contract.

(ii) AMOUNT.—Contract payments made for contract acreage under this subparagraph shall be made at the rate and amount applicable to the annual contract payment level for the applicable crop.

(2) DURATION OF CONTRACT.—

(A) BEGINNING DATE.—A contract shall begin with—

(i) the 1996 crop of a contract commodity; or

(ii) in the case of acreage that was subject to a conservation reserve contract described in paragraph (1)(B), the date the production flexibility contract was entered into or expanded to cover the acreage.

(B) ENDING DATE.—A contract shall extend through the 2002 crop.

(3) ESTIMATION OF CONTRACT PAYMENTS.—At the time the Secretary enters into a contract, the Secretary shall provide an estimate of the minimum contract payments anticipated to be made during at least the first fiscal year for which contract payments will be made.

(c) ELIGIBLE FARMLAND DESCRIBED.—Land shall be considered to be farmland eligible for coverage under a contract only if the land has contract acreage attributable to the land and—

(1) for at least 1 of the 1991 through 1995 crops, at least a portion of the land was enrolled in the acreage reduction program authorized for a crop of a contract commodity under section 101B, 103B, 105B, or 107B of the Agricultural Act of 1949 (as in effect prior to the amendment made by section 110(b)(2)) or was considered planted, including land on a farm that is owned or leased by a beginning farmer (as determined by the Secretary) that the Secretary determines is necessary to establish a fair and equitable crop acreage base;

(2) was subject to a conservation reserve contract under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) whose term expired, or was voluntarily terminated, on or after January 1, 1995; or

(3) is released from coverage under a conservation reserve contract by the Secretary during the period beginning on January 1, 1995, and ending on the date specified in subsection (b)(1)(A).

(d) TIME FOR PAYMENT.—

(1) IN GENERAL.—An annual contract payment shall be made not later than September 30 of each of fiscal years 1996 through 2002.

(2) ADVANCE PAYMENTS.—

(A) FISCAL YEAR 1996.—At the option of the owner or operator, 50 percent of the contract payment for fiscal year 1996 shall be made not later than June 15, 1996.

(B) SUBSEQUENT FISCAL YEARS.—At the option of the owner or operator for fiscal year 1997 and each subsequent fiscal year, 50 percent of the annual contract payment shall be made on December 15.

(e) AMOUNTS AVAILABLE FOR CONTRACT PAYMENTS FOR EACH FISCAL YEAR.—

(1) IN GENERAL.—The Secretary shall, to the maximum extent practicable, expend on a fiscal year basis the following amounts to satisfy the obligations of the Secretary under all contracts:

(A) For fiscal year 1996, $5,570,000,000.

(B) For fiscal year 1997, $5,385,000,000.

(C) For fiscal year 1998, $5,800,000,000.

(D) For fiscal year 1999, $5,603,000,000.

(E) For fiscal year 2000, $5,130,000,000.

(F) For fiscal year 2001, $4,130,000,000.

(G) For fiscal year 2002, $4,008,000,000.

(2) ALLOCATION.—The amount made available for a fiscal year under paragraph (1) shall be allocated as follows:

(A) For wheat, 26.26 percent.

(B) For corn, 46.22 percent.

(C) For grain sorghum, 5.11 percent.

(D) For barley, 2.16 percent.

(E) For oats, 0.15 percent.

(F) For upland cotton, 11.63 percent.

(G) For rice, 8.47 percent.

(3) ADJUSTMENT.—The Secretary shall adjust the amounts allocated for each contract

commodity under paragraph (2) for a particular fiscal year by—

(A) subtracting an amount equal to the amount, if any, necessary to satisfy payment requirements under sections 103B, 105B, and 107B of the Agricultural Act of 1949 (as in effect prior to the amendment made by section 110(b)(2)) for the 1994 and 1995 crops of the commodity;

(B) adding an amount equal to the sum of all repayments of deficiency payments received under section 114(a)(2) of the Agricultural Act of 1949 for the commodity;

(C) to the maximum extent practicable, adding an amount equal to the sum of all contract payments withheld by the Secretary, at the request of an owner or operator subject to a contract, as an offset against repayments of deficiency payments otherwise required under section 114(a)(2) of the Act (as so in effect) for the commodity; and

(D) adding an amount equal to the sum of all refunds of contract payments received during the preceding fiscal year under subsection (h) for the commodity.

(4) ADDITIONAL RICE ALLOCATION.—In addition to the allocations provided under paragraphs (1), (2), and (3), the amounts made available for rice contract payments shall be increased by $17,000,000 for each of fiscal years 1997 through 2002.

(f) DETERMINATION OF CONTRACT PAYMENTS.—

(1) INDIVIDUAL PAYMENT QUANTITY OF CONTRACT COMMODITIES.—For each contract, the payment quantity of a contract commodity for each fiscal year shall be equal to the product of—

(A) 85 percent of the contract acreage; and

(B) the farm program payment yield.

(2) ANNUAL PAYMENT QUANTITY OF CONTRACT COMMODITIES.—The payment quantity of each contract commodity covered by all contracts for each fiscal year shall equal the sum of the amounts calculated under paragraph (1) for each individual contract.

(3) ANNUAL PAYMENT RATE.—The payment rate for a contract commodity for each fiscal year shall be equal to—

(A) the amount made available under subsection (e) for the contract commodity for the fiscal year; divided by

(B) the amount determined under paragraph (2) for the fiscal year.

(4) ANNUAL PAYMENT AMOUNT.—The amount to be paid under a contract in effect for each fiscal year with respect to a contract commodity shall be equal to the product of—

(A) the payment quantity determined under paragraph (1) with respect to the contract; and

(B) the payment rate in effect under paragraph (3).

(5) ASSIGNMENT OF CONTRACT PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to contract payments under this subsection. The owner or operator making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require in the contract, of any assignment made under this paragraph.

(6) SHARING OF CONTRACT PAYMENTS.—The Secretary shall provide for the sharing of contract payments among the owners and operators subject to the contract on a fair and equitable basis.

(g) PAYMENT LIMITATION.—The total amount of contract payments made to a person under a contract during any fiscal year may not exceed the payment limitations established under sections 1001 through 1001C of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308–3).

(h) EFFECT OF VIOLATION.—

(1) TERMINATION OF CONTRACT.—Except as provided in paragraph (2), if an owner or operator subject to a contract violates the conservation plan for the farm containing eligible farmland under the contract, wetland protection requirements applicable to the farm, or the planting flexibility requirements of subsection (j), the Secretary shall terminate the contract with respect to the owner or operator on each farm in which the owner or operator has an interest. On the termination, the owner or operator shall forfeit all rights to receive future contract payments on each farm in which the owner or operator has an interest and shall refund to the Secretary all contract payments received by the owner or operator during the period of the violation, together with interest on the contract payments as determined by the Secretary.

(2) REFUND OR ADJUSTMENT.—If the Secretary determines that a violation does not warrant termination of the contract under paragraph (1), the Secretary may require the owner or operator subject to the contract—

(A) to refund to the Secretary that part of the contract payments received by the owner or operator during the period of the violation, together with interest on the contract payments as determined by the Secretary; or

(B) to accept a reduction in the amount of future contract payments that is proportionate to the severity of the violation, as determined by the Secretary.

(3) FORECLOSURE.—An owner or operator subject to a contract may not be required to make repayments to the Secretary of amounts received under the contract if the contract acreage has been foreclosed on and the Secretary determines that forgiving the repayments is appropriate in order to provide fair and equitable treatment. This paragraph shall not void the responsibilities of such an owner or operator under the contract if the owner or operator continues or resumes operation, or control, of the contract acreage. On the resumption of operation or control over the contract acreage by the owner or operator, the provisions of the contract in effect on the date of the foreclosure shall apply.

(4) REVIEW.—A determination of the Secretary under this subsection shall be considered to be an adverse decision for purposes of the availability of administrative review of the determination.

(i) TRANSFER OF INTEREST IN LANDS SUBJECT TO CONTRACT.—

(1) EFFECT OF TRANSFER.—Except as provided in paragraph (2), the transfer by an owner or operator subject to a contract of the right and interest of the owner or operator in the contract acreage shall result in the termination of the contract with respect to the acreage, effective on the date of the transfer, unless the transferee of the acreage agrees with the Secretary to assume all obligations of the contract. At the request of the transferee, the Secretary may modify the contract if the modifications are consistent with the objectives of this section as determined by the Secretary.

(2) EXCEPTION.—If an owner or operator who is entitled to a contract payment dies, becomes incompetent, or is otherwise unable to receive the contract payment, the Secretary shall make the payment, in accordance with regulations prescribed by the Secretary.

(j) PLANTING FLEXIBILITY.—

(1) PERMITTED CROPS.—Subject to paragraph (2), any commodity or crop may be planted on contract acreage on a farm.

(2) LIMITATIONS.—

(A) HAYING AND GRAZING.—

(i) TIME LIMITATIONS.—Haying and grazing on land exceeding 15 percent of the contract acreage on a farm as provided in clause (iii) shall be permitted, except during any consecutive 5-month period between April 1 and October 31 that is determined by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on the contract acreage of a farm.

(ii) CONTRACT COMMODITIES.—Contract acreage planted to a contract commodity during the crop year may be hayed or grazed without limitation.

(iii) HAYING AND GRAZING LIMITATION ON PORTION OF CONTRACT ACREAGE.—Unlimited haying and grazing shall be permitted on not more than 15 percent of the contract acreage on a farm.

(B) ALFALFA.—Alfalfa may be planted for harvest without limitation on the contract acreage on a farm, except that each contract acre that is planted for harvest to alfalfa in excess of 15 percent of the total contract acreage on a farm shall be ineligible for contract payments.

(C) FRUITS AND VEGETABLES.—

(i) IN GENERAL.—The planting for harvest of fruits and vegetables shall be prohibited on contract acreage, unless there is a history of double cropping of a contract commodity and fruits and vegetables.

(ii) UNRESTRICTED VEGETABLES.—Lentils, mung beans, and dry peas may be planted without limitation on contract acreage.

(k) CONSERVATION FARM OPTION.—

(1) IN GENERAL.—The Secretary shall offer eligible owners and operators with contract acreage under this title on a farm who also have entered into a conservation reserve program contract under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (7 U.S.C. 3831 et seq.), the option of entering into a conservation farm option contract for a period of 10 years, as an alternative to the market transition payment contract.

(2) TERMS.—Under the conservation farm option contract—

(A) the Secretary shall provide eligible owners and operators with payments that reflect the Secretary's estimate of the payments and benefits the eligible owner or operator is expected to receive during the 10-year period under—

(i) conservation cost-share programs administered by the Secretary;

(ii) conservation reserve program rental and cost-share payments;

(iii) market transition payments; and

(iv) loan programs for contract commodities, oilseeds, and extra long staple cotton; and

(B) the eligible owner and operator shall—

(i) forego eligibility to participate in the conservation reserve program, conservation cost-share program payments, and market transition contracts; and

(ii) comply with a conservation plan for the farm approved by the Secretary that is consistent with the State conservation farm option plan established under paragraph (3).

(3) STATE CONSERVATION FARM OPTION PLAN.—In consultation with the State Technical Committee established under section 1261 of the Food Security Act of 1985 (16 U.S.C. 3801), the Secretary shall establish a plan for each State that is designed to—

(A) protect wildlife habitat;

(B) improve water quality; and

(C) reduce soil erosion.

SEC. 104. NONRECOURSE MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS.

(a) AVAILABILITY OF NONRECOURSE LOANS.—

(1) AVAILABILITY.—For each of the 1996 through 2002 crops of each loan commodity, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for loan commodities produced on the farm. The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (b) for the loan commodity.

(2) ELIGIBLE PRODUCTION.—The following production shall be eligible for a marketing assistance loan under this section:

(A) In the case of a marketing assistance loan for a contract commodity, any production by a producer who has entered into a production flexibility contract.

(B) In the case of a marketing assistance loan for extra long staple cotton and oilseeds, any production.

(b) LOAN RATES.—

(1) WHEAT.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for wheat shall be—

(i) not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not more than $2.58 per bushel.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(i) equal to or greater than 30 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for wheat under subparagraph (B) shall not be considered in determining the loan rate for wheat for subsequent years.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for corn shall be—

(i) not less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not more than $1.89 per bushel.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

(i) equal to or greater than 25 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 12.5 percent the Secretary may not reduce the loan rate for corn for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for corn under subparagraph (B) shall not be considered in determining the loan rate for corn for subsequent years.

(D) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

(3) UPLAND COTTON.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for upland cotton shall be established by the Secretary at such loan rate, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is not less than the smaller of—

(i) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 in the year in which the loan rate is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

(ii) 90 percent of the average, for the 15-week period beginning July 1 of the year in which the loan rate is announced, of the 5 lowest-priced growths of the growths quoted for Middling 1$\frac{3}{32}$-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

(B) LIMITATIONS.—The loan rate for a marketing assistance loan for upland cotton shall not be less than $0.50 per pound or more than $0.5192 per pound.

(4) EXTRA LONG STAPLE COTTON.—The loan rate for a marketing assistance loan for extra long staple cotton shall be—

(A) not less than 85 percent of the simple average price received by producers of extra long staple cotton, as determined by the Secretary, during 3 years of the 5 previous marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $0.7965 per pound.

(5) RICE.—The loan rate for a marketing assistance loan for rice shall be $6.50 per hundredweight.

(6) OILSEEDS.—

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be—

(i) not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $4.92 or more than $5.26 per bushel.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rate for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be—

(i) not less than 85 percent of the simple average price received by producers of sunflower seed, individually, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of sunflower seed, individually, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $0.087 or more than $0.093 per pound.

(C) OTHER OILSEEDS.—The loan rates for a marketing assistance loan for other oilseeds shall be established at such level as the Secretary determines is fair and reasonable in relation to the loan rate available for soybeans, except in no event shall the rate for the oilseeds (other than cottonseed) be less than the rate established for soybeans on a per-pound basis for the same crop.

(c) TERM OF LOAN.—In the case of each loan commodity (other than upland cotton or extra long staple cotton), a marketing assistance loan under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made. A marketing assistance loan for upland cotton or extra long staple cotton shall have a term of 10 months beginning on the first day of the first month after the month in which the loan is made. The Secretary may not extend the term of a marketing assistance loan for any loan commodity.

(d) REPAYMENT.—

(1) REPAYMENT RATES FOR WHEAT AND FEED GRAINS.—The Secretary shall permit a producer to repay a marketing assistance loan under subsection (a) for wheat, corn, grain sorghum, barley, and oats at a level that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of the commodities by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing the commodities; and

(D) allow the commodities produced in the United States to be marketed freely and competitively, both domestically and internationally.

(2) REPAYMENT RATES FOR UPLAND COTTON, OILSEEDS, AND RICE.—The Secretary shall permit producers to repay a marketing assistance loan under subsection (a) for upland cotton, oilseeds, and rice at a level that is the lesser of—

(A) the loan rate established for upland cotton, oilseeds, and rice, respectively, under subsection (b); or

(B) the prevailing world market price for upland cotton, oilseeds, and rice, respectively (adjusted to United States quality and location), as determined by the Secretary.

(3) REPAYMENT RATES FOR EXTRA LONG STAPLE COTTON.—Repayment of a marketing assistance loan for extra long staple cotton shall be at the loan rate established for the commodity under subsection (b), plus interest (as determined by the Secretary).

(4) PREVAILING WORLD MARKET PRICE.—For purposes of paragraph (2)(B) and subsection (f), the Secretary shall prescribe by regulation—

(A) a formula to determine the prevailing world market price for each loan commodity, adjusted to United States quality and location; and

(B) a mechanism by which the Secretary shall announce periodically the prevailing world market price for each loan commodity.

(5) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON.—

(A) IN GENERAL.—During the period ending July 31, 2003, the prevailing world market price for upland cotton (adjusted to United States quality and location) established under paragraph (4) shall be further adjusted if—

(i) the adjusted prevailing world market price is less than 115 percent of the loan rate for upland cotton established under subsection (b), as determined by the Secretary; and

(ii) the Friday through Thursday average price quotation for the lowest-priced United States growth as quoted for Middling (M) $1\frac{3}{32}$-inch cotton delivered C.I.F. Northern Europe is greater than the Friday through Thursday average price of the 5 lowest-priced growths of upland cotton, as quoted for Middling (M) $1\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe (referred to in this subsection as the "Northern Europe price").

(B) FURTHER ADJUSTMENT.—Except as provided in subparagraph (C), the adjusted prevailing world market price for upland cotton shall be further adjusted on the basis of some or all of the following data, as available:

(i) The United States share of world exports.

(ii) The current level of cotton export sales and cotton export shipments.

(iii) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for upland cotton (adjusted to United States quality and location).

(C) LIMITATION ON FURTHER ADJUSTMENT.—The adjustment under subparagraph (B) may not exceed the difference between—

(i) the Friday through Thursday average price for the lowest-priced United States growth as quoted for Middling $1\frac{3}{32}$-inch cotton delivered C.I.F. Northern Europe; and

(ii) the Northern Europe price.

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—Except as provided in paragraph (4), the Secretary may make loan deficiency payments available to producers who, although eligible to obtain a marketing assistance loan under subsection (a) with respect to a loan commodity, agree to forgo obtaining the loan for the commodity in return for payments under this subsection.

(2) COMPUTATION.—A loan deficiency payment under this subsection shall be computed by multiplying—

(A) the loan payment rate determined under paragraph (3) for the loan commodity; by

(B) the quantity of the loan commodity that the producers on a farm are eligible to place under loan but for which the producers forgo obtaining the loan in return for payments under this subsection.

(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

(A) the loan rate established under subsection (b) for the loan commodity; exceeds

(B) the rate at which a loan for the commodity may be repaid under subsection (d).

(4) EXCEPTION FOR EXTRA LONG STAPLE COTTON.—This subsection shall not apply with respect to extra long staple cotton.

(f) SPECIAL MARKETING LOAN PROVISIONS FOR UPLAND COTTON.—

(1) COTTON USER MARKETING CERTIFICATES.—

(A) ISSUANCE.—Subject to subparagraph (D), during the period ending July 31, 2003, the Secretary shall issue marketing certificates or cash payments to domestic users and exporters for documented purchases by domestic users and sales for export by exporters made in the week following a consecutive 4-week period in which—

(i) the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) $1\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe exceeds the Northern Europe price by more than 1.25 cents per pound; and

(ii) the prevailing world market price for upland cotton (adjusted to United States quality and location) does not exceed 130 percent of the loan rate for upland cotton established under subsection (b).

(B) VALUE OF CERTIFICATES OR PAYMENTS.—The value of the marketing certificates or cash payments shall be based on the amount of the difference (reduced by 1.25 cents per pound) in the prices during the 4th week of the consecutive 4-week period multiplied by the quantity of upland cotton included in the documented sales.

(C) ADMINISTRATION OF MARKETING CERTIFICATES.—

(i) REDEMPTION, MARKETING, OR EXCHANGE.—The Secretary shall establish procedures for redeeming marketing certificates for cash or marketing or exchange of the certificates for agricultural commodities owned by the Commodity Credit Corporation in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates. Any price restrictions that would otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this paragraph.

(ii) DESIGNATION OF COMMODITIES AND PRODUCTS.—To the extent practicable, the Secretary shall permit owners of certificates to designate the commodities and products, including storage sites, the owners would prefer to receive in exchange for certificates. If any certificate is not presented for redemption, marketing, or exchange within a reasonable number of days after the issuance of the certificate (as determined by the Secretary), reasonable costs of storage and other carrying charges, as determined by the Secretary, shall be deducted from the value of the certificate for the period beginning after the reasonable number of days and ending with the date of the presentation of the certificate to the Commodity Credit Corporation.

(iii) TRANSFERS.—Marketing certificates issued to domestic users and exporters of upland cotton may be transferred to other persons in accordance with regulations issued by the Secretary.

(D) EXCEPTION.—The Secretary shall not issue marketing certificates or cash payments under subparagraph (A) if, for the immediately preceding consecutive 10-week period, the Friday through Thursday average price quotation for the lowest priced United States growth, as quoted for Middling (M) $1\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificate issued under this paragraph, exceeds the Northern Europe price by more than 1.25 cents per pound.

(E) LIMITATION ON EXPENDITURES.—Total expenditures under this paragraph shall not exceed $701,000,000 during fiscal years 1996 through 2002.

(2) SPECIAL IMPORT QUOTA.—

(A) ESTABLISHMENT.—The President shall carry out an import quota program that provides that, during the period ending July 31, 2003, whenever the Secretary determines and announces that for any consecutive 10-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) $1\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificates issued under paragraph (1), exceeds the Northern Europe price by more than 1.25 cents per pound, there shall immediately be in effect a special import quota.

(B) QUANTITY.—The quota shall be equal to 1 week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the most recent 3 months for which data are available.

(C) APPLICATION.—The quota shall apply to upland cotton purchased not later than 90 days after the date of the Secretary's announcement under subparagraph (A) and entered into the United States not later than 180 days after the date.

(D) OVERLAP.—A special quota period may be established that overlaps any existing quota period if required by subparagraph (A), except that a special quota period may not be established under this paragraph if a quota period has been established under subsection (g).

(E) PREFERENTIAL TARIFF TREATMENT.—The quantity under a special import quota shall be considered to be an in-quota quantity for purposes of—

(i) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(ii) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(iii) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(F) DEFINITION.—In this paragraph, the term "special import quota" means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(g) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND COTTON.—

(1) IN GENERAL.—The President shall carry out an import quota program that provides that whenever the Secretary determines and announces that the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for a month exceeded 130 percent of the average price of such quality of cotton in the markets for the preceding 36 months, notwithstanding any other provision of law, there shall immediately be in effect a limited global import quota subject to the following conditions:

(A) QUANTITY.—The quantity of the quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent 3 months for which data are available.

(B) QUANTITY IF PRIOR QUOTA.—If a quota has been established under this subsection during the preceding 12 months, the quantity of the quota next established under this subsection shall be the smaller of 21 days of domestic mill consumption calculated under subparagraph (A) or the quantity required to increase the supply to 130 percent of the demand.

(C) PREFERENTIAL TARIFF TREATMENT.—The quantity under a limited global import quota shall be considered to be an in-quota quantity for purposes of—

(i) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(ii) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(iii) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(D) DEFINITIONS.—In this subsection:

(i) SUPPLY.—The term "supply" means, using the latest official data of the Bureau of the Census, the Department of Agriculture, and the Department of the Treasury—

(I) the carry-over of upland cotton at the beginning of the marketing year (adjusted to 480-pound bales) in which the quota is established;

(II) production of the current crop; and

(III) imports to the latest date available during the marketing year.

(ii) DEMAND.—The term "demand" means—

(I) the average seasonally adjusted annual rate of domestic mill consumption in the most recent 3 months for which data are available; and

(II) the larger of—

(aa) average exports of upland cotton during the preceding 6 marketing years; or

(bb) cumulative exports of upland cotton plus outstanding export sales for the marketing year in which the quota is established.

(iii) LIMITED GLOBAL IMPORT QUOTA.—The term "limited global import quota" means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(E) QUOTA ENTRY PERIOD.—When a quota is established under this subsection, cotton may be entered under the quota during the 90-day period beginning on the date the quota is established by the Secretary.

(2) NO OVERLAP.—Notwithstanding paragraph (1), a quota period may not be established that overlaps an existing quota period or a special quota period established under subsection (f)(2).

(h) SOURCE OF LOANS.—

(1) IN GENERAL.—The Secretary shall provide the loans authorized by this section through the Commodity Credit Corporation and other means available to the Secretary.

(2) PROCESSORS.—Whenever any loan or surplus removal operation for any agricultural commodity is carried out through purchases from or loans or payments to processors, the Secretary shall, to the extent practicable, obtain from the processors such assurances as the Secretary considers adequate that the producers of the commodity have received or will receive maximum benefits from the loan or surplus removal operation.

(i) ADJUSTMENTS OF LOANS.—

(1) IN GENERAL.—The Secretary may make appropriate adjustments in the loan levels for any commodity for differences in grade, type, quality, location, and other factors.

(2) LOAN LEVEL.—The adjustments shall, to the maximum extent practicable, be made in such manner that the average loan level for the commodity will, on the basis of the anticipated incidence of the factors, be equal to the level of support determined as provided in this section.

(j) PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.—

(1) IN GENERAL.—Except as provided in paragraph (2), no producer shall be personally liable for any deficiency arising from the sale of the collateral securing any nonrecourse loan made under this section unless the loan was obtained through a fraudulent representation by the producer.

(2) LIMITATIONS.—Paragraph (1) shall not prevent the Commodity Credit Corporation or the Secretary from requiring a producer to assume liability for—

(A) a deficiency in the grade, quality, or quantity of a commodity stored on a farm or delivered by the producer;

(B) a failure to properly care for and preserve a commodity; or

(C) a failure or refusal to deliver a commodity in accordance with a program established under this section.

(3) ACQUISITION OF COLLATERAL.—The Secretary may include in a contract for a nonrecourse loan made under this section a provision that permits the Commodity Credit Corporation, on and after the maturity of the loan or any extension of the loan, to acquire title to the unredeemed collateral without obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

(4) SUGARCANE AND SUGAR BEETS.—A security interest obtained by the Commodity Credit Corporation as a result of the execution of a security agreement by the processor of sugarcane or sugar beets shall be superior to all statutory and common law liens on raw cane sugar and refined beet sugar in favor of the producers of sugarcane and sugar beets and all prior recorded and unrecorded liens on the crops of sugarcane and sugar beets from which the sugar was derived.

(k) COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS.—

(1) IN GENERAL.—The Commodity Credit Corporation may sell any commodity owned or controlled by the Corporation at any price that the Secretary determines will maximize returns to the Corporation.

(2) NONAPPLICATION OF SALES PRICE RESTRICTIONS.—Paragraph (1) shall not apply to—

(A) a sale for a new or byproduct use;

(B) a sale of peanuts or oilseeds for the extraction of oil;

(C) a sale for seed or feed if the sale will not substantially impair any loan program;

(D) a sale of a commodity that has substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage;

(E) a sale for the purpose of establishing a claim arising out of a contract or against a person who has committed fraud, misrepresentation, or other wrongful act with respect to the commodity;

(F) a sale for export, as determined by the Corporation; and

(G) a sale for other than a primary use.

(3) PRESIDENTIAL DISASTER AREAS.—

(A) IN GENERAL.—Notwithstanding paragraph (1), on such terms and conditions as the Secretary may consider in the public interest, the Corporation may make available any commodity or product owned or controlled by the Corporation for use in relieving distress—

(i) in any area in the United States (including the Virgin Islands) declared by the President to be an acute distress area because of unemployment or other economic cause, if the President finds that the use will not displace or interfere with normal marketing of agricultural commodities; and

(ii) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

(B) COSTS.—Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making a commodity available under subparagraph (A) beyond the cost of the commodity to the Corporation incurred in—

(i) the storage of the commodity; and

(ii) the handling and transportation costs in making delivery of the commodity to designated agencies at 1 or more central locations in each State or other area.

(4) EFFICIENT OPERATIONS.—Paragraph (1) shall not apply to the sale of a commodity the disposition of which is desirable in the interest of the effective and efficient conduct of the operations of the Corporation because of the small quantity of the commodity involved, or because of the age, location, or questionable continued storability of the commodity.

SEC. 105. PAYMENT LIMITATIONS.

(a) IN GENERAL.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking paragraphs (1) through (4) and inserting the following:

"(1) LIMITATION ON PAYMENTS UNDER PRODUCTION FLEXIBILITY CONTRACTS.—The total amount of contract payments made under section 103 of the Agricultural Market Transition Act to a person under 1 or more production flexibility contracts during any fiscal year may not exceed $40,000.

"(2) LIMITATION ON MARKETING LOAN GAINS AND LOAN DEFICIENCY PAYMENTS.—

"(A) LIMITATION.—The total amount of payments specified in subparagraph (B) that a person shall be entitled to receive under section 104 of the Agricultural Market Transition Act for contract commodities and oilseeds during any crop year may not exceed $75,000.

"(B) DESCRIPTION OF PAYMENTS.—The payments referred to in subparagraph (A) are the following:

"(i) Any gain realized by a producer from repaying a marketing assistance loan for a crop of any loan commodity at a lower level than the original loan rate established for the commodity under section 104(b) of the Act.

"(ii) Any loan deficiency payment received for a loan commodity under section 104(e) of the Act.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) (as amended by subsection (a)) is amended—

(A) by redesignating paragraphs (5), (6), and (7) as paragraphs (3), (4), and (5), respectively; and

(B) in the second sentence of paragraph (3)(A) (as so redesignated), by striking "paragraphs (6) and (7)" and inserting "paragraphs (4) and (5)".

(2) Section 1305(d) of the Agricultural Reconciliation Act of 1987 (Public Law 100–203; 7 U.S.C. 1308 note) is amended by striking "paragraphs (5) through (7) of section 1001, as amended by this subtitle," and inserting "paragraphs (3) through (5) of section 1001,".

(3) Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–1(a)(1)) is amended—

(A) in the first sentence of subsection (a)(1)—

(i) by striking "section 1001(5)(B)(i)" and inserting "section 1001(3)(B)(i)";

(ii) by striking "under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.)"; and

(iii) by striking "section 1001(5)(B)(i)(II)" and inserting "section 1001(3)(B)(i)(II)"; and

(B) in subsection (b)—

(i) in paragraph (1)—

(I) by striking "under the Agricultural Act of 1949"; and

(II) by striking "section 1001(5)(B)(i)" and inserting "section 1001(3)(B)(i)"; and

(ii) in paragraph (2)(B), by striking "section 1001(5)(B)(i)(II)" and inserting "section 1001(3)(B)(i)(II)".

(4) Section 1001C(a) of the Food Security Act of 1985 (7 U.S.C. 1308–3(a)) is amended—

(A) by striking "For each of the 1991 through 1997 crops, any" and inserting "Any";

(B) by striking "price support program loans, payments, or benefits made available under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.)," and inserting "loans or payments made available under the Agricultural Market Transition Act"; and

(C) by striking "during the 1989 through 1997 crop years".

SEC. 106. PEANUT PROGRAM.

(a) Quota Peanuts.—

(1) Availability of loans.—The Secretary shall make nonrecourse loans available to producers of quota peanuts.

(2) Loan rate.—The national average quota loan rate for quota peanuts shall be $610 per ton.

(3) Inspection, handling, or storage.—The loan amount may not be reduced by the Secretary by any deductions for inspection, handling, or storage.

(4) Location and other factors.—The Secretary may make adjustments in the loan rate for quota peanuts for location of peanuts and such other factors as are authorized by section 104(i)(1).

(b) Additional Peanuts.—

(1) In general.—The Secretary shall make nonrecourse loans available to producers of additional peanuts at such rates as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

(2) Announcement.—The Secretary shall announce the loan rate for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the loan rate is being determined.

(c) Area Marketing Associations.—

(1) Warehouse storage loans.—

(A) In general.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(B) Administrative and supervisory activities.—An area marketing association shall be used in administrative and supervisory activities relating to loans and marketing activities under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(C) Association costs.—Loans made to the association under this paragraph shall include such costs as the area marketing association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(2) Pools for quota and additional peanuts.—

(A) In general.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

(B) Eligibility to participate.—

(i) In general.—Except as provided in clause (ii), in the case of the 1996 and subsequent crops, Valencia peanuts not physically produced in the State of New Mexico shall not be eligible to participate in the pools of the State.

(ii) Exception.—A resident of the State of New Mexico may enter Valencia peanuts that are produced outside of the State into the pools of the State in a quantity that is not greater than the 1995 crop of the resident that was produced outside the State.

(C) Types of peanuts.—Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(D) Net gains.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(i) Quota peanuts.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool.

(ii) Additional peanuts.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts.

(d) Losses.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(1) Transfers from additional loan pools.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)).

(2) Other producers in same pool.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(3) Offset within area.—Further losses in an area quota pool shall be offset by any gains or profits from additional peanuts (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) owned or controlled by the Commodity Credit Corporation in that area and sold for domestic edible use, in accordance with regulations issued by the Secretary.

(4) Use of marketing assessments.—The Secretary shall use funds collected under subsection (g) (except funds attributable to handlers) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(5) Cross compliance.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)), shall be offset by any gains or profits from quota pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(6) Offset generally.—If losses in an area quota pool have not been entirely offset under paragraph (3), further losses shall be offset by any gains or profits from additional peanuts (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) owned or controlled by the Commodity Credit Corporation and sold for domestic edible use, in accordance with regulations issued by the Secretary.

(7) Increased assessments.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under subsection (g) by such an amount as the Secretary considers necessary to cover the losses. The increased assessment shall apply only to quota peanuts in the production area covered by the pool. Amounts collected under subsection (g) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(e) Disapproval of Quotas.—Notwithstanding any other provision of law, no loan for quota peanuts may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(d)).

(f) Quality Improvement.—

(1) In general.—With respect to peanuts under loan, the Secretary shall—

(A) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

(B) ensure that all Commodity Credit Corporation inventories of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(C) continue to endeavor to operate the peanut program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(D) ensure that any changes made in the peanut program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department loan schedule.

(2) Exports and other peanuts.—The Secretary shall require that all peanuts in the domestic and export markets fully comply with all quality standards under Marketing Agreement No. 146.

(g) Marketing Assessment.—

(1) In general.—The Secretary shall provide for a nonrefundable marketing assessment. The assessment shall be made on a per pound basis in an amount equal to 1.1 percent for each of the 1994 and 1995 crops, 1.15 percent for the 1996 crop, and 1.2 percent for each of the 1997 through 2002 crops, of the national average quota or additional peanut loan rate for the applicable crop.

(2) First purchasers.—

(A) In general.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall—

(i) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by—

(I) in the case of each of the 1994 and 1995 crops, .55 percent of the applicable national average loan rate;

(II) in the case of the 1996 crop, .6 percent of the applicable national average loan rate; and

(III) in the case of each of the 1997 through 2002 crops, .65 percent of the applicable national average loan rate;

(ii) pay, in addition to the amount collected under clause (i), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average loan rate; and

(iii) remit the amounts required under clauses (i) and (ii) to the Commodity Credit Corporation in a manner specified by the Secretary.

(B) DEFINITION OF FIRST PURCHASER.—In this subsection, the term "first purchaser" means a person acquiring peanuts from a producer except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(3) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(4) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(5) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with the requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of peanuts involved in the violation; by

(B) the national average quota peanut rate for the applicable crop year.

(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(h) CROPS.—Subsections (a) through (f) shall be effective only for the 1996 through 2002 crops of peanuts.

(i) MARKETING QUOTAS.—

(1) IN GENERAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

(A) in section 358–1 (7 U.S.C. 1358–1)—

(i) in the section heading, by striking "**1991 THROUGH 1997 CROPS OF**";

(ii) in subsections (a)(1), (b)(1)(B), (b)(2)(A), (b)(2)(C), and (b)(3)(A), by striking "of the 1991 through 1997 marketing years" each place it appears and inserting "marketing year";

(iii) in subsection (a)(3), by striking "1990" and inserting "1990, for the 1991 through 1995 marketing years, and 1995, for the 1996 through 2002 marketing years";

(iv) in subsection (b)(1)(A)—

(I) by striking "each of the 1991 through 1997 marketing years" and inserting "each marketing year"; and

(II) in clause (i), by inserting before the semicolon the following: ", in the case of the 1991 through 1995 marketing years, and the 1995 marketing year, in the case of the 1996 through 2002 marketing years";

(v) in subsection (b)(1), by adding at the end the following:

"(D) CERTAIN FARMS INELIGIBLE FOR QUOTA.—Effective beginning with the 1997 marketing year, the Secretary shall not establish a farm poundage quota under subparagraph (A) for a farm owned or controlled by—

"(i) a municipality, airport authority, school, college, refuge, or other public entity (other than a university used for research purposes); or

"(ii) a person who is not a producer and resides in another State.";

(vi) in subsection (b)(2), by adding at the end the following:

"(E) TRANSFER OF QUOTA FROM INELIGIBLE FARMS.—Any farm poundage quota held at the end of the 1996 marketing year by a farm described in paragraph (1)(D) shall be allocated to other farms in the same State on such basis as the Secretary may by regulation prescribe."; and

(vii) in subsection (f), by striking "1997" and inserting "2002";

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking "**1991 THROUGH 1995 CROPS OF**"; and

(ii) in subsection (c), by striking "1995" and inserting "2002";

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking "1995" and inserting "2002"; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking "**FOR 1991 THROUGH 1997 CROPS OF PEANUTS**"; and

(ii) in subsection (i), by striking "1997" and inserting "2002".

(2) ELIMINATION OF QUOTA FLOOR.—Section 358–1(a)(1) of the Act (7 U.S.C. 1358–1(a)(1)) is amended by striking the second sentence.

(3) TEMPORARY QUOTA ALLOCATION.—Section 358–1 of the Act (7 U.S.C. 1358–1) is amended—

(A) in subsection (a)(1), by striking "domestic edible, seed," and inserting "domestic edible use";

(B) in subsection (b)(2)—

(i) in subparagraph (A), by striking "subparagraph (B) and subject to"; and

(ii) by striking subparagraph (B) and inserting the following:

"(B) TEMPORARY QUOTA ALLOCATION.—

"(i) ALLOCATION RELATED TO SEED PEANUTS.—Temporary allocation of quota pounds for the marketing year only in which the crop is planted shall be made to producers for each of the 1996 through 2002 marketing years as provided in this subparagraph.

"(ii) QUANTITY.—The temporary quota allocation shall be equal to the pounds of seed peanuts planted on the farm, as may be adjusted under regulations prescribed by the Secretary.

"(iii) ADDITIONAL QUOTA.—The temporary allocation of quota pounds under this paragraph shall be in addition to the farm poundage quota otherwise established under this subsection and shall be credited, for the applicable marketing year only, in total to the producer of the peanuts on the farm in a manner prescribed by the Secretary.

"(iv) EFFECT OF OTHER REQUIREMENTS.—Nothing in this section alters or changes the requirements regarding the use of quota and additional peanuts established by section 358e(b)."; and

(C) in subsection (e)(3), strike "and seed and use on a farm".

(4) UNDERMARKETINGS.—Part VI of subtitle B of title III of the Act is amended—

(A) in section 358–1(b) (7 U.S.C. 1358–1(b))—

(i) in paragraph (1)(B), by striking "including—" and clauses (i) and (ii) and inserting "including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).";

(ii) in paragraph (3)(B), by striking "include—" and clauses (i) and (ii) and inserting "include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7)."; and

(iii) by striking paragraphs (8) and (9); and

(B) in section 358b(a) (7 U.S.C. 1358b(a))—

(i) in paragraph (1), by striking "(including any applicable under marketings)" both places it appears;

(ii) in paragraph (1)(A), by striking "of undermarketings and";

(iii) in paragraph (2), by striking "(including any applicable under marketings)"; and

(iv) in paragraph (3), by striking "(including any applicable undermarketings)".

(5) DISASTER TRANSFERS.—Section 358–1(b) of the Act (7 U.S.C. 1358–1(b)), as amended by paragraph (4)(A)(iii), is further amended by adding at the end the following:

"(8) DISASTER TRANSFERS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts produced on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation provide.

"(B) LIMITATION.—The poundage of peanuts transferred under subparagraph (A) shall not exceed the difference between—

"(i) the total quantity of peanuts meeting quality requirements for domestic edible use, as determined by the Secretary, marketed from the farm; and

"(ii) the total farm poundage quota, excluding quota pounds transferred to the farm in the fall.

"(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at not more than 70 percent of the quota support rate for the marketing years in which the transfers occur. The transfers for a farm shall not exceed 25 percent of the total farm quota pounds, excluding pounds transferred in the fall.".

SEC. 107. SUGAR PROGRAM.

(a) SUGARCANE.—The Secretary shall make loans available to processors of domestically grown sugarcane at a rate equal to 18 cents per pound for raw cane sugar.

(b) SUGAR BEETS.—The Secretary shall make loans available to processors of domestically grown sugar beets at a rate equal to 22.9 cents per pound for refined beet sugar.

(c) TERM OF LOANS.—

(1) IN GENERAL.—Loans under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature at the earlier of—

(A) the end of 9 months; or

(B) the end of the fiscal year.

(2) SUPPLEMENTAL LOANS.—In the case of loans made under this section in the last 3 months of a fiscal year, the processor may repledge the sugar as collateral for a second loan in the subsequent fiscal year, except that the second loan shall—

(A) be made at the loan rate in effect at the time the second loan is made; and

(B) mature in 9 months less the quantity of time that the first loan was in effect.

(d) LOAN TYPE; PROCESSOR ASSURANCES.—

(1) RECOURSE LOANS.—Subject to paragraph (2), the Secretary shall carry out this section through the use of recourse loans.

(2) NONRECOURSE LOANS.—During any fiscal year in which the tariff rate quota for imports of sugar into the United States is established at, or is increased to, a level in excess of 1,500,000 short tons raw value, the Secretary shall carry out this section by making available nonrecourse loans. Any recourse loan previously made available by the Secretary under this section during the fiscal year shall be changed by the Secretary into a nonrecourse loan.

(3) PROCESSOR ASSURANCES.—If the Secretary is required under paragraph (2) to make nonrecourse loans available during a fiscal year or to change recourse loans into nonrecourse loans, the Secretary shall obtain from each processor that receives a loan under this section such assurances as the Secretary considers adequate to ensure that the processor will provide payments to producers that are proportional to the value of the loan received by the processor for sugar beets and sugarcane delivered by producers served by the processor. The Secretary may establish appropriate minimum payments for purposes of this paragraph.

(e) MARKETING ASSESSMENT.—

(1) SUGARCANE.—Effective for marketings of raw cane sugar during the 1996 through 2003 fiscal years, the first processor of sugarcane shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to—

(A) in the case of marketings during fiscal year 1996, 1.1 percent of the loan rate established under subsection (a) per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing); and

(B) in the case of marketings during each of fiscal years 1997 through 2003, 1.375 percent of the loan rate established under subsection (a) per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing).

(2) SUGAR BEETS.—Effective for marketings of beet sugar during the 1996 through 2003 fiscal years, the first processor of sugar beets shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to—

(A) in the case of marketings during fiscal year 1996, 1.1794 percent of the loan rate established under subsection (a) per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed; and

(B) in the case of marketings during each of fiscal years 1997 through 2003, 1.47425 percent of the loan rate established under subsection (a) per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed.

(3) COLLECTION.—

(A) TIMING.—A marketing assessment required under this subsection shall be collected on a monthly basis and shall be remitted to the Commodity Credit Corporation not later than 30 days after the end of each month. Any cane sugar or beet sugar processed during a fiscal year that has not been marketed by September 30 of the year shall be subject to assessment on that date. The sugar shall not be subject to a second assessment at the time that it is marketed.

(B) MANNER.—Subject to subparagraph (A), marketing assessments shall be collected under this subsection in the manner prescribed by the Secretary and shall be nonrefundable.

(4) PENALTIES.—If any person fails to remit the assessment required by this subsection or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of cane sugar or beet sugar involved in the violation; by

(B) the loan rate for the applicable crop of sugarcane or sugar beets.

(5) ENFORCEMENT.—The Secretary may enforce this subsection in a court of the United States.

(f) FORFEITURE PENALTY.—

(1) IN GENERAL.—A penalty shall be assessed on the forfeiture of any sugar pledged as collateral for a nonrecourse loan under this section.

(2) CANE SUGAR.—The penalty for cane sugar shall be 1 cent per pound.

(3) BEET SUGAR.—The penalty for beet sugar shall bear the same relation to the penalty for cane sugar as the marketing assessment for sugar beets bears to the marketing assessment for sugarcane.

(4) EFFECT OF FORFEITURE.—Any payments owed producers by a processor that forfeits of any sugar pledged as collateral for a nonrecourse loan shall be reduced in proportion to the loan forfeiture penalty incurred by the processor.

(g) INFORMATION REPORTING.—

(1) DUTY OF PROCESSORS AND REFINERS TO REPORT.—A sugarcane processor, cane sugar refiner, and sugar beet processor shall furnish the Secretary, on a monthly basis, such information as the Secretary may require to administer sugar programs, including the quantity of purchases of sugarcane, sugar beets, and sugar, and production, importation, distribution, and stock levels of sugar.

(2) PENALTY.—Any person willfully failing or refusing to furnish the information, or furnishing willfully any false information, shall be subject to a civil penalty of not more than $10,000 for each such violation.

(3) MONTHLY REPORTS.—Taking into consideration the information received under paragraph (1), the Secretary shall publish on a monthly basis composite data on production, imports, distribution, and stock levels of sugar.

(h) CROPS.—This section shall be effective only for the 1996 through 2002 crops of sugar beets and sugarcane.

SEC. 108. ADMINISTRATION.

(a) COMMODITY CREDIT CORPORATION.—

(1) USE OF CORPORATION.—The Secretary shall carry out this title through the Commodity Credit Corporation.

(2) SALARIES AND EXPENSES.—No funds of the Corporation shall be used for any salary or expense of any officer or employee of the Department of Agriculture.

(b) DETERMINATIONS BY SECRETARY.—A determination made by the Secretary under this title or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) shall be final and conclusive.

(c) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this title.

SEC. 109. SUSPENSION AND REPEAL OF PERMANENT AUTHORITIES.

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—

(1) IN GENERAL.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1996 through 2002 crops:

(A) Parts II through V of subtitle B of title III (7 U.S.C. 1326–1351).

(B) Subsections (a) through (j) of section 358 (7 U.S.C. 1358).

(C) Subsections (a) through (h) of section 358a (7 U.S.C. 1358a).

(D) Subsections (a), (b), (d), and (e) of section 358d (7 U.S.C. 1359).

(E) Part VII of subtitle B of title III (7 U.S.C. 1359aa–1359jj).

(F) In the case of peanuts, part I of subtitle C of title III (7 U.S.C. 1361–1368).

(G) In the case of upland cotton, section 377 (7 U.S.C. 1377).

(H) Subtitle D of title III (7 U.S.C. 1379a–1379j).

(I) Title IV (7 U.S.C. 1401–1407).

(2) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before "all brokers and dealers in peanuts" the following: "all producers engaged in the production of peanuts,".

(b) AGRICULTURAL ACT OF 1949.—

(1) SUSPENSIONS.—The following provisions of the Agricultural Act of 1949 shall not be applicable to the 1996 through 2002 crops:

(A) Section 101 (7 U.S.C. 1441).

(B) Section 103(a) (7 U.S.C. 1444(a)).

(C) Section 105 (7 U.S.C. 1444b).

(D) Section 107 (7 U.S.C. 1445a).

(E) Section 110 (7 U.S.C. 1445e).

(F) Section 112 (7 U.S.C. 1445g).

(G) Section 115 (7 U.S.C. 1445k).

(H) Title III (7 U.S.C. 1447–1449).

(I) Title IV (7 U.S.C. 1421–1433d), other than sections 404, 406, 412, 416, and 427 (7 U.S.C. 1424, 1426, 1429, 1431, and 1433f).

(J) Title V (7 U.S.C. 1461–1469).

(K) Title VI (7 U.S.C. 1471–1471j).

(2) REPEALS.—The following provisions of the Agricultural Act of 1949 are repealed:

(A) Section 103B (7 U.S.C. 1444–2).

(B) Section 108B (7 U.S.C. 1445c–3).

(C) Section 113 (7 U.S.C. 1445h).

(D) Section 114(b) (7 U.S.C. 1445j(b)).

(E) Sections 205, 206, and 207 (7 U.S.C. 1446f, 1446g, and 1446h).

(F) Section 406 (7 U.S.C. 1426).

(c) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—The joint resolution entitled "A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended", approved May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1996 through 2002.

SEC. 110. EFFECT OF AMENDMENTS.

(a) EFFECT ON PRIOR CROPS.—Except as otherwise specifically provided and notwithstanding any other provision of law, this title and the amendments made by this title shall not affect the authority of the Secretary to carry out a price support or production adjustment program for any of the 1991 through 1995 crops of an agricultural commodity established under a provision of law in effect immediately before the date of the enactment of this Act.

(b) LIABILITY.—A provision of this title or an amendment made by this title shall not affect the liability of any person under any provision of law as in effect before the date of the enactment of this Act.

TITLE II—AGRICULTURAL TRADE

Subtitle A—Amendments to Agricultural Trade Development and Assistance Act of 1954 and Related Statutes

SEC. 201. FOOD AID TO DEVELOPING COUNTRIES.

(a) IN GENERAL.—Section 3 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691a) is amended to read as follows:

"SEC. 3. FOOD AID TO DEVELOPING COUNTRIES.

"(a) POLICY.—In light of the Uruguay Round Agreement on Agriculture and the Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Program on Least-Developed and Net-Food Importing Developing Countries, the United States reaffirms the commitment of the United States to providing food aid to developing countries.

"(b) SENSE OF CONGRESS.—It is the sense of Congress that—

"(1) the President should initiate consultations with other donor nations to consider appropriate levels of food aid commitments to meet the legitimate needs of developing countries; and

"(2) the United States should increase its contribution of bona fide food assistance to developing countries consistent with the Agreement on Agriculture.".

(b) CONFORMING AMENDMENT.—Section 411 of the Uruguay Round Agreements Act (19 U.S.C. 3611) is amended by striking subsection (e).

SEC. 202. TRADE AND DEVELOPMENT ASSISTANCE.

Section 101 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701) is amended—

(1) by striking "developing countries" each place it appears and inserting "developing countries and private entities"; and

(2) in subsection (b), by inserting "and entities" before the period at the end.

SEC. 203. AGREEMENTS REGARDING ELIGIBLE COUNTRIES AND PRIVATE ENTITIES.

Section 102 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1702) is amended to read as follows:

"SEC. 102. AGREEMENTS REGARDING ELIGIBLE COUNTRIES AND PRIVATE ENTITIES.

"(a) PRIORITY.—In selecting agreements to be entered into under this title, the Secretary shall give priority to agreements providing for the export of agricultural commodities to developing countries that—

"(1) have the demonstrated potential to become commercial markets for competitively priced United States agricultural commodities;

"(2) are undertaking measures for economic development purposes to improve food security and agricultural development, alleviate poverty, and promote broad-based equitable and sustainable development; and

"(3) demonstrate the greatest need for food.

"(b) PRIVATE ENTITIES.—An agreement entered into under this title with a private entity shall require such security, or such other provisions as the Secretary determines necessary, to provide reasonable and adequate assurance of repayment of the financing extended to the private entity.

"(c) AGRICULTURAL MARKET DEVELOPMENT PLAN.—

"(1) DEFINITION OF AGRICULTURAL TRADE ORGANIZATION.—In this subsection, the term 'agricultural trade organization' means a United States agricultural trade organization that promotes the export and sale of a United States agricultural commodity and that does not stand to profit directly from the specific sale of the commodity.

"(2) PLAN.—The Secretary shall consider a developing country for which an agricultural market development plan has been approved under this subsection to have the demonstrated potential to become a commercial market for competitively priced United States agricultural commodities for the purpose of granting a priority under subsection (a).

"(3) REQUIREMENTS.—

"(A) IN GENERAL.—To be approved by the Secretary, an agricultural market development plan shall—

"(i) be submitted by a developing country or private entity, in conjunction with an agricultural trade organization;

"(ii) describe a project or program for the development and expansion of a United States agricultural commodity market in a developing country, and the economic development of the country, using funds derived from the sale of agricultural commodities received under an agreement described in section 101;

"(iii) provide for any matching funds that are required by the Secretary for the project or program;

"(iv) provide for a results-oriented means of measuring the success of the project or program; and

"(v) provide for graduation to the use of non-Federal funds to carry out the project or program, consistent with requirements established by the Secretary.

"(B) AGRICULTURAL TRADE ORGANIZATION.—The project or program shall be designed and carried out by the agricultural trade organization.

"(C) ADDITIONAL REQUIREMENTS.—An agricultural market development plan shall contain such additional requirements as are determined necessary by the Secretary.

"(4) ADMINISTRATIVE COSTS.—

"(A) IN GENERAL.—The Secretary shall make funds made available to carry out this title available for the reimbursement of administrative expenses incurred by agricultural trade organizations in developing, implementing, and administering agricultural market development plans, subject to such requirements and in such amounts as the Secretary considers appropriate.

"(B) DURATION.—The funds shall be made available to agricultural trade organizations for the duration of the applicable agricultural market development plan.

"(C) TERMINATION.—The Secretary may terminate assistance made available under this subsection if the agricultural trade organization is not carrying out the approved agricultural market development plan.".

SEC. 204. TERMS AND CONDITIONS OF SALES.

Section 103 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1703) is amended—

(1) in subsection (a)(2)(A)—

(A) by striking "a recipient country to make"; and

(B) by striking "such country" and inserting "the appropriate country";

(2) in subsection (c), by striking "less than 10 nor"; and

(3) in subsection (d)—

(A) by striking "recipient country" and inserting "developing country or private entity"; and

(B) by striking "7" and inserting "5".

SEC. 205. USE OF LOCAL CURRENCY PAYMENT.

Section 104 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704) is amended—

(1) in subsection (a), by striking "recipient country" and inserting "developing country or private entity"; and

(2) in subsection (c)—

(A) by striking "recipient country" each place it appears and inserting "appropriate developing country"; and

(B) in paragraph (3), by striking "recipient countries" and inserting "appropriate developing countries".

SEC. 206. VALUE-ADDED FOODS.

Section 105 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1705) is repealed.

SEC. 207. ELIGIBLE ORGANIZATIONS.

(a) IN GENERAL.—Section 202 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1722) is amended—

(1) by striking subsection (b) and inserting the following:

"(b) NONEMERGENCY ASSISTANCE.—

"(1) IN GENERAL.—The Administrator may provide agricultural commodities for nonemergency assistance under this title through eligible organizations (as described in subsection (d)) that have entered into an agreement with the Administrator to use the commodities in accordance with this title.

"(2) LIMITATION.—The Administrator may not deny a request for funds submitted under this subsection because the program for which the funds are requested—

"(A) would be carried out by the eligible organization in a foreign country in which the Agency for International Development does not have a mission, office, or other presence; or

"(B) is not part of a development plan for the country prepared by the Agency."; and

(2) in subsection (e)—

(A) in the subsection heading, by striking "PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES" and inserting "ELIGIBLE ORGANIZATIONS";

(B) in paragraph (1)—

(i) by striking "$13,500,000" and inserting "$28,000,000"; and

(ii) by striking "private voluntary organizations and cooperatives to assist such organizations and cooperatives" and inserting "eligible organizations described in subsection (d), to assist the organizations";

(C) by striking paragraph (2) and inserting the following:

"(2) REQUEST FOR FUNDS.—To receive funds made available under paragraph (1), a private voluntary organization or cooperative shall submit a request for the funds that is subject to approval by the Administrator."; and

(D) in paragraph (3), by striking "a private voluntary organization or cooperative, the Administrator may provide assistance to that organization or cooperative" and inserting "an eligible organization, the Administrator may provide assistance to the eligible organization".

(b) CONFORMING AMENDMENTS.—Section 207 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726a) is amended—

(1) in subsection (a), by striking "a private voluntary organization or cooperative" and inserting "an eligible organization"; and

(2) in subsection (b)—

(A) in paragraph (1), by striking "private voluntary organizations and cooperatives" and inserting "eligible organizations"; and

(B) in paragraph (2), by striking "organizations, cooperatives," and inserting "eligible organizations".

SEC. 208. GENERATION AND USE OF FOREIGN CURRENCIES.

Section 203 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1723) is amended—

(1) in subsection (a), by inserting ", or in a country in the same region," after "in the recipient country";

(2) in subsection (b)—

(A) by inserting "or in countries in the same region," after "in recipient countries,"; and

(B) by striking "10 percent" and inserting "15 percent";

(3) in subsection (c), by inserting "or in a country in the same region," after "in the recipient country,"; and

(4) in subsection (d)(2), by inserting "or within a country in the same region" after "within the recipient country".

SEC. 209. GENERAL LEVELS OF ASSISTANCE UNDER PUBLIC LAW 480.

Section 204(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724(a)) is amended—

(1) in paragraph (1), by striking "amount that" and all that follows through the period at the end and inserting "amount that for each of fiscal years 1996 through 2002 is not less than 2,025,000 metric tons.";

(2) in paragraph (2), by striking "amount that" and all that follows through the period at the end and inserting "amount that for each of fiscal years 1996 through 2002 is not less than 1,550,000 metric tons."; and

(3) in paragraph (3), by adding at the end the following: "No waiver shall be made before the beginning of the applicable fiscal year.".

SEC. 210. FOOD AID CONSULTATIVE GROUP.

Section 205 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1725) is amended—

(1) in subsection (a), by striking "private voluntary organizations, cooperatives and indigenous non-governmental organizations" and inserting "eligible organizations described in section 202(d)(1)";

(2) in subsection (b)—

(A) in paragraph (2), by striking "for International Affairs and Commodity Programs" and inserting "of Agriculture for Farm and Foreign Agricultural Services";

(B) in paragraph (4), by striking "and" at the end;

(C) in paragraph (5), by striking the period at the end and inserting "; and"; and

(D) by adding at the end the following:

"(6) representatives from agricultural producer groups in the United States.";

(3) in the second sentence of subsection (d), by inserting "(but at least twice per year)" after "when appropriate"; and

(4) in subsection (f), by striking "1995" and inserting "2002".

SEC. 211. SUPPORT OF NONGOVERNMENTAL ORGANIZATIONS.

(a) IN GENERAL.—Section 306(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1727e(b)) is amended—

(1) in the subsection heading, by striking "INDIGENOUS NON-GOVERNMENTAL" and inserting "NONGOVERNMENTAL"; and

(2) by striking "utilization of indigenous" and inserting "utilization of".

(b) CONFORMING AMENDMENT.—Section 402 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1732) is amended by striking paragraph (6) and inserting the following:

"(6) NONGOVERNMENTAL ORGANIZATION.—The term 'nongovernmental organization' means an organization that works at the local level to solve development problems in a foreign country in which the organization is located, except that the term does not include an organization that is primarily an agency or instrumentality of the government of the foreign country.".

SEC. 212. COMMODITY DETERMINATIONS.

Section 401 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1731) is amended—

(1) by striking subsections (a) through (d) and inserting the following:

"(a) AVAILABILITY OF COMMODITIES.—No agricultural commodity shall be available for disposition under this Act if the Secretary determines that the disposition would reduce the domestic supply of the commodity below the supply needed to meet domestic requirements and provide adequate carryover (as determined by the Secretary), unless the Secretary determines that some part of the supply should be used to carry out urgent humanitarian purposes under this Act.";

(2) by redesignating subsections (e) and (f) as subsections (b) and (c), respectively; and

(3) in subsection (c) (as so redesignated), by striking "(e)(1)" and inserting "(b)(1)".

SEC. 213. GENERAL PROVISIONS.

Section 403 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733) is amended—

(1) in subsection (b)—

(A) in the subsection heading, by striking "CONSULTATIONS" and inserting "IMPACT ON LOCAL FARMERS AND ECONOMY"; and

(B) by striking "consult with" and all that follows through "other donor organizations to";

(2) in subsection (c)—

(A) by striking "from countries"; and

(B) by striking "for use" and inserting "or use";

(3) in subsection (f)—

(A) by inserting "or private entities, as appropriate," after "from countries"; and

(B) by inserting "or private entities" after "such countries"; and

(4) in subsection (i)(2), by striking subparagraph (C).

SEC. 214. AGREEMENTS.

Section 404 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1734) is amended—

(1) in subsection (a), by inserting "with foreign countries" after "Before entering into agreements";

(2) in subsection (b)(2)—

(A) by inserting "with foreign countries" after "with respect to agreements entered into"; and

(B) by inserting before the semicolon at the end the following: "and broad-based economic growth"; and

(3) in subsection (c), by striking paragraph (1) and inserting the following:

"(1) IN GENERAL.—Agreements to provide assistance on a multi-year basis to recipient countries or to eligible organizations—

"(A) may be made available under titles I and III; and

"(B) shall be made available under title II.".

SEC. 215. USE OF COMMODITY CREDIT CORPORATION.

Section 406 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736) is amended—

(1) in subsection (a), by striking "shall" and inserting "may"; and

(2) in subsection (b)—

(A) by inserting "titles II and III of" after "commodities made available under"; and

(B) by striking paragraph (4) and inserting the following:

"(4) the vessel freight charges from United States ports or designated Canadian transshipment ports, as determined by the Secretary, to designated ports of entry abroad;".

SEC. 216. ADMINISTRATIVE PROVISIONS.

Section 407 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736a) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by inserting "or private entity that enters into an agreement under title I" after "importing country"; and

(B) in paragraph (2), by adding at the end the following: "Resulting contracts may contain such terms and conditions as the Secretary determines are necessary and appropriate.";

(2) in subsection (c)—

(A) in paragraph (1)(A), by inserting "importer or" before "importing country"; and

(B) in paragraph (2)(A), by inserting "importer or" before "importing country";

(3) in subsection (d)—

(A) by striking paragraph (2) and inserting the following:

"(2) FREIGHT PROCUREMENT.—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) or other similar provisions of law relating to the making or performance of Federal Government contracts, ocean transportation under titles II and III may be procured on the basis of such full and open competitive procedures. Resulting contracts may contain such terms and conditions, as the Administrator determines are necessary and appropriate."; and

(B) by striking paragraph (4);

(4) in subsection (g)(2)—

(A) in subparagraph (B), by striking "and" at the end;

(B) in subparagraph (C), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(D) an assessment of the progress towards achieving food security in each country receiving food assistance from the United States Government, with special emphasis on the nutritional status of the poorest populations in each country."; and

(5) by striking subsection (h).

SEC. 217. EXPIRATION DATE.

Section 408 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736b) is amended by striking "1995" and inserting "2002".

SEC. 218. REGULATIONS.

Section 409 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736c) is repealed.

SEC. 219. INDEPENDENT EVALUATION OF PROGRAMS.

Section 410 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736d) is repealed.

SEC. 220. AUTHORIZATION OF APPROPRIATIONS.

Section 412 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736f) is amended—

(1) by striking subsections (b) and (c) and inserting the following:

"(b) TRANSFER OF FUNDS.—Notwithstanding any other provision of law, the President may direct that—

"(1) up to 15 percent of the funds available for any fiscal year for carrying out any title of this Act be used to carry out any other title of this Act; and

"(2) any funds available for title III be used to carry out title II."; and

(2) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

SEC. 221. COORDINATION OF FOREIGN ASSISTANCE PROGRAMS.

Section 413 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736g) is amended by inserting "title III of" before "this Act" each place it appears.

SEC. 222. MICRONUTRIENT FORTIFICATION PILOT PROGRAM.

Title IV of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1731 et seq.) is amended by adding at the end the following:

"SEC. 415. MICRONUTRIENT FORTIFICATION PILOT PROGRAM.

"(a) IN GENERAL.—Not later than September 30, 1997, the Secretary, in consultation with the Administrator, shall establish a micronutrient fortification pilot program under this Act. The purposes of the program shall be to—

"(1) assist developing countries in correcting micronutrient dietary deficiencies among segments of the populations of the countries; and

"(2) encourage the development of technologies for the fortification of whole grains and other commodities that are readily transferable to developing countries.

"(b) Selection of Participating Countries.—From among the countries eligible for assistance under this Act, the Secretary may select not more than 5 developing countries to participate in the pilot program.

"(c) Fortification.—Under the pilot program, whole grains and other commodities made available to a developing country selected to participate in the pilot program may be fortified with 1 or more micronutrients (including vitamin A, iron, and iodine) with respect to which a substantial portion of the population in the country are deficient. The commodity may be fortified in the United States or in the developing country.

"(d) Termination of Authority.—The authority to carry out the pilot program established under this section shall terminate on September 30, 2002.".

SEC. 223. USE OF CERTAIN LOCAL CURRENCY.

Title IV of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1731 et seq.) (as amended by section 222) is further amended by adding at the end the following:

"SEC. 416. USE OF CERTAIN LOCAL CURRENCY.

"Local currency payments received by the United States pursuant to agreements entered into under title I (as in effect on November 27, 1990) may be utilized by the Secretary in accordance with section 108 (as in effect on November 27, 1990).".

SEC. 224. LEVELS OF ASSISTANCE UNDER FARMER-TO-FARMER PROGRAM.

Section 501 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1737) is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (4) through (6) as paragraphs (5) through (7), respectively; and

(B) by inserting after paragraph (3) the following:

"(4) assist the travel of farmers and other agricultural professionals from developing countries, middle income countries, and emerging democracies to the United States for educational purposes consistent with the objectives of this section;"; and

(2) in subsection (c), by striking "1991 through 1995" and inserting "1996 through 2002".

SEC. 225. FOOD SECURITY COMMODITY RESERVE.

(a) In General.—Title III of the Agricultural Act of 1980 (7 U.S.C. 1736f–1 et seq.) is amended to read as follows:

"TITLE III—FOOD SECURITY COMMODITY RESERVE

"SEC. 301. SHORT TITLE.

"This title may be cited as the 'Food Security Commodity Reserve Act of 1996'.

"SEC. 302. ESTABLISHMENT OF COMMODITY RESERVE.

"(a) In General.—To provide for a reserve solely to meet emergency humanitarian food needs in developing countries, the Secretary of Agriculture (referred to in this title as the 'Secretary') shall establish a reserve stock of wheat, rice, corn, or sorghum, or any combination of the commodities, totalling not more than 4,000,000 metric tons for use as described in subsection (c).

"(b) Commodities in Reserve.—

"(1) In general.—The reserve established under this section shall consist of—

"(A) wheat in the reserve established under the Food Security Wheat Reserve Act of 1980 as of the effective date of the Agricultural Reform and Improvement Act of 1996;

"(B) wheat, rice, corn, and sorghum (referred to in this section as 'eligible commodities') acquired in accordance with paragraph (2) to replenish eligible commodities released from the reserve, including wheat to replenish wheat released from the reserve established under the Food Security Wheat Reserve Act of 1980 but not replenished as of the effective date of the Agricultural Reform and Improvement Act of 1996; and

"(C) such rice, corn, and sorghum as the Secretary may, at such time and in such manner as the Secretary determines appropriate, acquire as a result of exchanging an equivalent value of wheat in the reserve established under this section.

"(2) Replenishment of reserve.—

"(A) In general.—Subject to subsection (i), commodities of equivalent value to eligible commodities in the reserve established under this section may be acquired—

"(i) through purchases—

"(I) from producers; or

"(II) in the market, if the Secretary determines that the purchases will not unduly disrupt the market; or

"(ii) by designation by the Secretary of stocks of eligible commodities of the Commodity Credit Corporation.

"(B) Funds.—Any use of funds to acquire eligible commodities through purchases from producers or in the market to replenish the reserve must be authorized in an appropriation Act.

"(c) Release of Eligible Commodities.—

"(1) Emergency food assistance.—Notwithstanding any other law, eligible commodities designated or acquired for the reserve established under this section may be released by the Secretary to provide, on a donation or sale basis, emergency food assistance to developing countries at such time as the domestic supply of the eligible commodities is so limited that quantities of the eligible commodities cannot be made available for disposition under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) (other than disposition for urgent humanitarian purposes under section 401 of the Act (7 U.S.C. 1731)).

"(2) Provision of urgent humanitarian relief.—

"(A) In general.—Notwithstanding paragraph (1), eligible commodities may be released from the reserve established under this section for any fiscal year, without regard to the availability of domestic supply, for use under title II of the Agricultural Trade Development Assistance Act of 1954 (7 U.S.C. 1721 et seq.) in providing urgent humanitarian relief in any developing country suffering a major disaster (as determined by the Secretary) in accordance with this paragraph.

"(B) Exceptional need.—If the eligible commodities needed for relief cannot be made available for relief in a timely manner under the normal means of obtaining eligible commodities for food assistance because of circumstances of unanticipated and exceptional need, up to 500,000 metric tons of eligible commodities may be released under subparagraph (A).

"(C) Funds.—If the Secretary certifies that the funds made available for a fiscal year to carry out title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.) are not less than the funds made available for the previous fiscal year, up to 1,000,000 metric tons of eligible commodities may be released under subparagraph (A).

"(D) Waiver of minimum tonnage requirements.—Nothing in this paragraph shall require the exercise of the waiver under section 204(a)(3) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 5624(a)(3)) as a prerequisite for the release of eligible commodities under this paragraph.

"(E) Limitation.—The quantity of eligible commodities released under this paragraph may not exceed 1,000,000 metric tons in any fiscal year.

"(3) Processing of eligible commodities.—Eligible commodities that are released from the reserve established under this section may be processed in the United States and shipped to a developing country when conditions in the recipient country require processing.

"(4) Exchange.—The Secretary may exchange an eligible commodity for another United States commodity of equal value, including powdered milk, pulses, and vegetable oil.

"(d) Use of Eligible Commodities.—Eligible commodities that are released from the reserve established under this section for the purpose of subsection (c) shall be made available under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) to meet famine or other urgent or extraordinary relief needs, except that section 401 of the Act (7 U.S.C. 1731), with respect to determinations of availability, shall not be applicable to the release.

"(e) Management of Eligible Commodities.—The Secretary shall provide—

"(1) for the management of eligible commodities in the reserve established under this section as to location and quality of eligible commodities needed to meet emergency situations; and

"(2) for the periodic rotation or replacement of stocks of eligible commodities in the reserve to avoid spoilage and deterioration of the commodities.

"(f) Treatment of Reserve Under Other Law.—Eligible commodities in the reserve established under this section shall not be—

"(1) considered a part of the total domestic supply (including carryover) for the purpose of subsection (c) or for the purpose of administering the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.); and

"(2) subject to any quantitative limitation on exports that may be imposed under section 7 of the Export Administration Act of 1979 (50 U.S.C. App. 2406).

"(g) Use of Commodity Credit Corporation.—

"(1) In general.—Subject to the limitations provided in this section, the funds, facilities, and authorities of the Commodity Credit Corporation shall be used by the Secretary in carrying out this section, except that any restriction applicable to the acquisition, storage, or disposition of eligible commodities owned or controlled by the Commodity Credit Corporation shall not apply.

"(2) Reimbursement.—

"(A) In general.—The Commodity Credit Corporation shall be reimbursed for the release of eligible commodities from funds made available to carry out the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.).

"(B) BASIS FOR REIMBURSEMENT.—The reimbursement shall be made on the basis of the lesser of—

"(i) the actual costs incurred by the Commodity Credit Corporation with respect to the eligible commodity; or

"(ii) the export market price of the eligible commodity (as determined by the Secretary) as of the time the eligible commodity is released from the reserve for the purpose.

"(C) SOURCE OF FUNDS.—The reimbursement may be made from funds appropriated for the purpose of reimbursement in subsequent fiscal years.

"(h) FINALITY OF DETERMINATION.—Any determination by the Secretary under this section shall be final.

"(i) TERMINATION OF AUTHORITY.—

"(1) IN GENERAL.—The authority to replenish stocks of eligible commodities to maintain the reserve established under this section shall terminate on September 30, 2002.

"(2) DISPOSAL OF ELIGIBLE COMMODITIES.—Eligible commodities remaining in the reserve after September 30, 2002, shall be disposed of by release for use in providing for emergency humanitarian food needs in developing countries as provided in this section.".

(b) CONFORMING AMENDMENT.—Section 208(d) of the Agriculture Trade Suspension Adjustment Act of 1980 (7 U.S.C. 4001(d)) is amended by striking paragraph (2) and inserting the following:

"(2) APPLICABILITY OF CERTAIN PROVISIONS.—Subsections (c), (d), (e), (f), and (g)(2) of section 302 of the Food Security Commodity Reserve Act of 1996 shall apply to commodities in any reserve established under paragraph (1), except that the references to 'eligible commodities' in the subsections shall be deemed to be references to 'agricultural commodities'.".

SEC. 226. PROTEIN BYPRODUCTS DERIVED FROM ALCOHOL FUEL PRODUCTION.

Section 1208 of the Agriculture and Food Act of 1981 (7 U.S.C. 1736n) is repealed.

SEC. 227. FOOD FOR PROGRESS PROGRAM.

The Food for Progress Act of 1985 (7 U.S.C. 1736o) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) by striking "(b)(1)" and inserting "(b)"; and

(ii) in the first sentence, by inserting "intergovernmental organizations" after "cooperatives"; and

(B) by striking paragraph (2);

(2) in subsection (e)(4), by striking "203" and inserting "406";

(3) in subsection (f)—

(A) in paragraph (1), by striking "in the case of the independent states of the former Soviet Union,";

(B) by striking paragraph (2);

(C) in paragraph (4), by inserting "in each of fiscal years 1996 through 2002" after "may be used"; and

(D) by redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively;

(4) in subsection (g), by striking "1995" and inserting "2002";

(5) in subsection (j), by striking "shall" and inserting "may";

(6) in subsection (k), by striking "1995" and inserting "2002";

(7) in subsection (l)(1)—

(A) by striking "1991 through 1995" and inserting "1996 through 2002"; and

(B) by inserting ", and to provide technical assistance for monetization programs," after "monitoring of food assistance programs"; and

(8) in subsection (m)—

(A) by striking "with respect to the independent states of the former Soviet Union";

(B) by striking "private voluntary organizations and cooperatives" each place it appears and inserting "agricultural trade organizations, intergovernmental organizations, private voluntary organizations, and cooperatives"; and

(C) in paragraph (2), by striking "in the independent states".

SEC. 228. USE OF FOREIGN CURRENCY PROCEEDS FROM EXPORT SALES FINANCING.

Section 402 of the Mutual Security Act of 1954 (22 U.S.C. 1922) is repealed.

SEC. 229. STIMULATION OF FOREIGN PRODUCTION.

Section 7 of the Act of December 30, 1947 (61 Stat. 947, chapter 526; 50 U.S.C. App. 1917) is repealed.

Subtitle B—Amendments to Agricultural Trade Act of 1978

SEC. 241. AGRICULTURAL EXPORT PROMOTION STRATEGY.

(a) IN GENERAL.—Section 103 of the Agricultural Trade Act of 1978 (7 U.S.C. 5603) is amended to read as follows:

"SEC. 103. AGRICULTURAL EXPORT PROMOTION STRATEGY.

"(a) IN GENERAL.—The Secretary shall develop a strategy for implementing Federal agricultural export promotion programs that takes into account the new market opportunities for agricultural products, including opportunities that result from—

"(1) the North American Free Trade Agreement and the Uruguay Round Agreements;

"(2) any accession to membership in the World Trade Organization;

"(3) the continued economic growth in the Pacific Rim; and

"(4) other developments.

"(b) PURPOSE OF STRATEGY.—The strategy developed under subsection (a) shall encourage the maintenance, development, and expansion of export markets for United States agricultural commodities and related products, including high-value and value-added products.

"(c) GOALS OF STRATEGY.—The strategy developed under subsection (a) shall have the following goals:

"(1) By September 30, 2002, increasing the value of annual United States agricultural exports to $60,000,000,000.

"(2) By September 30, 2002, increasing the United States share of world export trade in agricultural products significantly above the average United States share from 1993 through 1995.

"(3) By September 30, 2002, increasing the United States share of world trade in high-value agricultural products to 20 percent.

"(4) Ensuring that the value of United States exports of agricultural products increases at a faster rate than the rate of increase in the value of overall world export trade in agricultural products.

"(5) Ensuring that the value of United States exports of high-value agricultural products increases at a faster rate than the rate of increase in overall world export trade in high-value agricultural products.

"(6) Ensuring to the extent practicable that—

"(A) substantially all obligations undertaken in the Uruguay Round Agreement on Agriculture that provide significantly increased access for United States agricultural commodities are implemented to the extent required by the Uruguay Round Agreements; or

"(B) applicable United States trade laws are used to secure United States rights under the Uruguay Round Agreement on Agriculture.

"(d) PRIORITY MARKETS.—

"(1) IDENTIFICATION OF MARKETS.—In developing the strategy required under subsection (a), the Secretary shall identify as priority markets—

"(A) those markets in which imports of agricultural products show the greatest potential for increase by September 30, 2002; and

"(B) those markets in which, with the assistance of Federal export promotion programs, exports of United States agricultural products show the greatest potential for increase by September 30, 2002.

"(2) IDENTIFICATION OF SUPPORTING OFFICES.—The President shall identify annually in the budget of the United States Government submitted under section 1105 of title 31, United States Code, each overseas office of the Foreign Agricultural Service that provides assistance to United States exporters in each of the priority markets identified under paragraph (1).

"(e) REPORT.—Not later than December 31, 2001, the Secretary shall prepare and submit a report to Congress assessing progress in meeting the goals established by subsection (c).

"(f) FAILURE TO MEET GOALS.—Notwithstanding any other law, if the Secretary determines that more than 2 of the goals established by subsection (c) are not met by September 30, 2002, the Secretary may not carry out agricultural trade programs under the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) as of that date.

"(g) NO PRIVATE RIGHT OF ACTION.—This section shall not create any private right of action.".

(b) CONTINUATION OF FUNDING.—

(1) IN GENERAL.—If the Secretary of Agriculture makes a determination under section 103(f) of the Agricultural Trade Act of 1978 (as amended by subsection (a)), the Secretary shall utilize funds of the Commodity Credit Corporation to promote United States agricultural exports in a manner consistent with the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.) and obligations pursuant to the Uruguay Round Agreements.

(2) FUNDING.—The amount of Commodity Credit Corporation funds used to carry out paragraph (1) during a fiscal year shall not exceed the total outlays for agricultural trade programs under the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) during fiscal year 2002.

(c) ELIMINATION OF REPORT.—

(1) IN GENERAL.—Section 601 of the Agricultural Trade Act of 1978 (7 U.S.C. 5711) is repealed.

(2) CONFORMING AMENDMENT.—The last sentence of section 603 of the Agricultural Trade Act of 1978 (7 U.S.C. 5713) is amended by striking ", in a consolidated report," and all that follows through "section 601" and inserting "or in a consolidated report".

SEC. 242. EXPORT CREDITS.

(a) EXPORT CREDIT GUARANTEE PROGRAM.—Section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622) is amended—

(1) in subsection (a)—

(A) by striking "GUARANTEES.—The" and inserting the following: "GUARANTEES.—

"(1) IN GENERAL.—The"; and

(B) by adding at the end the following:

"(2) SUPPLIER CREDITS.—In carrying out this section, the Commodity Credit Corporation may issue guarantees for the repayment of credit made available for a period of not more than 180 days by a United States exporter to a buyer in a foreign country.";

(2) in subsection (f)—

(A) by striking "(f) RESTRICTIONS.—The" and inserting the following:

"(f) RESTRICTIONS.—

"(1) IN GENERAL.—The"; and

(B) by adding at the end the following:

"(2) CRITERIA FOR DETERMINATION.—In making the determination required under paragraph (1) with respect to credit guarantees under subsection (b) for a country, the Secretary may consider, in addition to financial, macroeconomic, and monetary indicators—

"(A) whether an International Monetary Fund standby agreement, Paris Club rescheduling plan, or other economic restructuring plan is in place with respect to the country;

"(B) the convertibility of the currency of the country;

"(C) whether the country provides adequate legal protection for foreign investments;

"(D) whether the country has viable financial markets;

"(E) whether the country provides adequate legal protection for the private property rights of citizens of the country; and

"(F) any other factors that are relevant to the ability of the country to service the debt of the country.";

(3) by striking subsection (h) and inserting the following:

"(h) UNITED STATES AGRICULTURAL COMPONENTS.—The Commodity Credit Corporation shall finance or guarantee under this section only United States agricultural commodities.";

(4) in subsection (i)—

(A) by striking "INSTITUTIONS.—A financial" and inserting the following: "INSTITUTIONS.—

"(1) IN GENERAL.—A financial";

(B) by striking paragraph (1);

(C) by striking "(2) is" and inserting the following:

"(A) is";

(D) by striking "(3) is" and inserting the following:

"(B) is"; and

(E) by adding at the end the following:

"(2) THIRD COUNTRY BANKS.—The Commodity Credit Corporation may guarantee under subsections (a) and (b) the repayment of credit made available to finance an export sale irrespective of whether the obligor is located in the country to which the export sale is destined."; and

(5) by striking subsection (k) and inserting the following:

"(k) PROCESSED AND HIGH-VALUE PRODUCTS.—

"(1) IN GENERAL.—In issuing export credit guarantees under this section, the Commodity Credit Corporation shall, subject to paragraph (2), ensure that not less than 25 percent for each of fiscal years 1996 and 1997, 30 percent for each of fiscal years 1998 and 1999, and 35 percent for each of fiscal years 2000, 2001, and 2002, of the total amount of credit guarantees issued for a fiscal year is issued to promote the export of processed or high-value agricultural products and that the balance is issued to promote the export of bulk or raw agricultural commodities.

"(2) LIMITATION.—The percentage requirement of paragraph (1) shall apply for a fiscal year to the extent that a reduction in the total amount of credit guarantees issued for the fiscal year is not required to meet the percentage requirement.".

(b) FUNDING LEVELS.—Section 211(b) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)) is amended—

(1) by striking paragraph (2);

(2) by redesignating subparagraph (B) of paragraph (1) as paragraph (2) and indenting the margin of paragraph (2) (as so redesignated) so as to align with the margin of paragraph (1); and

(3) by striking paragraph (1) and inserting the following:

"(1) EXPORT CREDIT GUARANTEES.—The Commodity Credit Corporation shall make available for each of fiscal years 1996 through 2002 not less than $5,500,000,000 in credit guarantees under subsections (a) and (b) of section 202.".

(c) DEFINITIONS.—Section 102(7) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(7)) is amended by striking subparagraphs (A) and (B) and inserting the following:

"(A) an agricultural commodity or product entirely produced in the United States; or

"(B) a product of an agricultural commodity—

"(i) 90 percent or more of which by weight, excluding packaging and water, is entirely produced in the United States; and

"(ii) that the Secretary determines to be a high value agricultural product.".

(d) REGULATIONS.—Not later than 180 days after the effective date of this title, the Secretary of Agriculture shall issue regulations to carry out the amendments made by this section.

SEC. 243. MARKET PROMOTION PROGRAM.

Effective October 1, 1995, section 211(c)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1)) is amended—

(1) by striking "and" after "1991 through 1993,"; and

(2) by striking "through 1997," and inserting "through 1995, and not more than $70,000,000 for each of fiscal years 1996 through 2002,":

Provided, That funds made available under this Act to carry out the non-generic activities of the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) may be used to provide cost-share assistance only to organizations that are non-foreign entities and are recognized as small business concerns under section 3(a) of the Small Business Act (15 U.S.C. 632(a)) or to the associations described in the first section of the Act entitled "An Act to authorize association of producers of agricultural products", approved February 22, 1922 (7 U.S.C. 291): *Provided further*, that such funds may not be used to provide cost-share assistance to a foreign eligible trade organization: *Provided further*, That none of the funds made available under this Act may be used to carry out the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) if the aggregate amount of funds and value of commodities under the program exceeds $70,000,000.

SEC. 244. EXPORT ENHANCEMENT PROGRAM.

Effective October 1, 1995, section 301(e)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5651(e)(1)) is amended to read as follows:

"(1) IN GENERAL.—The Commodity Credit Corporation shall make available to carry out the program established under this section not more than—

"(A) $350,000,000 for fiscal year 1996;
"(B) $350,000,000 for fiscal year 1997;
"(C) $500,000,000 for fiscal year 1998;
"(D) $550,000,000 for fiscal year 1999;
"(E) $579,000,000 for fiscal year 2000;
"(F) $478,000,000 for fiscal year 2001; and
"(G) $478,000,000 for fiscal year 2002.".

SEC. 245. ARRIVAL CERTIFICATION.

Section 401 of the Agricultural Trade Act of 1978 (7 U.S.C. 5662(a)) is amended by striking subsection (a) and inserting the following:

"(a) ARRIVAL CERTIFICATION.—With respect to a commodity provided, or for which financing or a credit guarantee or other assistance is made available, under a program authorized in section 201, 202, or 301, the Commodity Credit Corporation shall require the exporter of the commodity to maintain records of an official or customary commercial nature or other documents as the Secretary may require, and shall allow representatives of the Commodity Credit Corporation access to the records or documents as needed, to verify the arrival of the commodity in the country that was the intended destination of the commodity.".

SEC. 246. COMPLIANCE.

Section 402(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 5662(a)) is amended—

(1) by striking paragraph (2); and

(2) by redesignating paragraph (3) as paragraph (2).

SEC. 247. REGULATIONS.

Section 404 of the Agricultural Trade Act of 1978 (7 U.S.C. 5664) is repealed.

SEC. 248. TRADE COMPENSATION AND ASSISTANCE PROGRAMS.

Title IV of the Agricultural Trade Act of 1978 (7 U.S.C. 5661 et seq.) is amended by adding at the end the following:

"SEC. 417. TRADE COMPENSATION AND ASSISTANCE PROGRAMS.

"(a) IN GENERAL.—Notwithstanding any other law, if, after the effective date of this section, the President or any other member of the Executive branch causes exports from the United States to any country to be unilaterally suspended for reasons of national security or foreign policy, and if within 180 days after the date on which the suspension is imposed on United States exports no other country agrees to participate in the suspension, the Secretary shall carry out a trade compensation and assistance program in accordance with this section (referred to in this section as a 'program').

"(b) PROVISION OF FUNDS.—Under a program, the Secretary shall make available for each fiscal year funds of the Commodity Credit Corporation, in an amount calculated under subsection (c), to promote agricultural exports or provide agricultural commodities to developing countries, under any authorities available to the Secretary.

"(c) DETERMINATION OF AMOUNT OF FUNDS.—For each fiscal year of a program, the amount of funds made available under subsection (b) shall be equal to 90 percent of the average annual value of United States agricultural exports to the country with respect to which exports are suspended during the most recent 3 years prior to the suspension for which data are available.

"(d) DURATION OF PROGRAM.—

"(1) IN GENERAL.—For each suspension of exports for which a program is implemented under this section, funds shall be made available under subsection (b) for each fiscal year or part of a fiscal year for which the suspension is in effect, but not to exceed 2 fiscal years.

"(2) PARTIAL-YEAR EMBARGOES.—Regardless of whether an embargo is in effect for only part of a fiscal year, the full amount of funds as calculated under subsection (c) shall be made available under a program for the fiscal year. If the Secretary determines that making the required amount of funds available in a partial fiscal year is impracticable, the Secretary may make all or part of the funds required to be made available in the partial fiscal year available in the following fiscal year (in addition to any funds otherwise required under a program to be made available in the following fiscal year).".

SEC. 249. FOREIGN AGRICULTURAL SERVICE.

Section 503 of the Agricultural Trade Act of 1978 (7 U.S.C. 5693) is amended to read as follows:

"SEC. 503. ESTABLISHMENT OF THE FOREIGN AGRICULTURAL SERVICE.

"The Service shall assist the Secretary in carrying out the agricultural trade policy and international cooperation policy of the United States by—

"(1) acquiring information pertaining to agricultural trade;

"(2) carrying out market promotion and development activities;

"(3) providing agricultural technical assistance and training; and

"(4) carrying out the programs authorized under this Act, the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.), and other Acts.".

SEC. 250. REPORTS.

The first sentence of section 603 of the Agricultural Trade Act of 1978 (7 U.S.C. 5713) is amended by striking "The" and inserting "Subject to section 217 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6917), the".

Subtitle C—Miscellaneous

SEC. 251. REPORTING REQUIREMENTS RELATING TO TOBACCO.

Section 214 of the Tobacco Adjustment Act of 1983 (7 U.S.C. 509) is repealed.

SEC. 252. TRIGGERED EXPORT ENHANCEMENT.

(a) READJUSTMENT OF SUPPORT LEVELS.—Section 1302 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508; 7 U.S.C. 1421 note) is repealed.

(b) TRIGGERED MARKETING LOANS AND EXPORT ENHANCEMENT.—Section 4301 of the Omnibus Trade and Competitiveness Act of 1988 (Public Law 100–418; 7 U.S.C. 1446 note) is repealed.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective beginning with the 1996 crops of wheat, feed grains, upland cotton, and rice.

SEC. 253. DISPOSITION OF COMMODITIES TO PREVENT WASTE.

Section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by inserting after the first sentence the following: "The Secretary may use funds of the Commodity Credit Corporation to cover administrative expenses of the programs.";

(B) in paragraph (7)(D)(iv), by striking "one year of acquisition" and all that follows and inserting the following: "a reasonable length of time, as determined by the Secretary, except that the Secretary may permit the use of proceeds in a country other than the country of origin—

"(I) as necessary to expedite the transportation of commodities and products furnished under this subsection; or

"(II) if the proceeds are generated in a currency generally accepted in the other country.";

(C) in paragraph (8), by striking subparagraph (C); and

(D) by striking paragraphs (10), (11), and (12); and

(2) by striking subsection (c).

SEC. 254. DIRECT SALES OF DAIRY PRODUCTS.

Section 106 of the Agriculture and Food Act of 1981 (7 U.S.C. 1446c-1) is repealed.

SEC. 255. EXPORT SALES OF DAIRY PRODUCTS.

Section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) is repealed.

SEC. 256. DEBT-FOR-HEALTH-AND-PROTECTION SWAP.

(a) IN GENERAL.—Section 1517 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1706) is repealed.

(b) CONFORMING AMENDMENT.—Subsection (e)(3) of the Food for Progress Act of 1985 (7 U.S.C. 1736o(e)(3)) is amended by striking "section 106" and inserting "section 103".

SEC. 257. POLICY ON EXPANSION OF INTERNATIONAL MARKETS.

Section 1207 of the Agriculture and Food Act of 1981 (7 U.S.C. 1736m) is repealed.

SEC. 258. POLICY ON MAINTENANCE AND DEVELOPMENT OF EXPORT MARKETS.

Section 1121 of the Food Security Act of 1985 (7 U.S.C. 1736p) is amended—

(1) by striking subsection (a); and

(2) in subsection (b)—

(A) by striking "(b)"; and

(B) by striking paragraphs (1) through (4) and inserting the following:

"(1) be the premier supplier of agricultural and food products to world markets and expand exports of high value products;

"(2) support the principle of free trade and the promotion of fair trade in agricultural commodities and products;

"(3) cooperate fully in all efforts to negotiate with foreign countries further reductions in tariff and nontariff barriers to trade, including sanitary and phytosanitary measures and trade-distorting subsidies;

"(4) aggressively counter unfair foreign trade practices as a means of encouraging fairer trade;".

SEC. 259. POLICY ON TRADE LIBERALIZATION.

Section 1122 of the Food Security Act of 1985 (7 U.S.C. 1736q) is repealed.

SEC. 260. AGRICULTURAL TRADE NEGOTIATIONS.

Section 1123 of the Food Security Act of 1985 (7 U.S.C. 1736r) is amended to read as follows:

"SEC. 1123. TRADE NEGOTIATIONS POLICY.

"(a) FINDINGS.—Congress finds that—

"(1) on a level playing field, United States producers are the most competitive suppliers of agricultural products in the world;

"(2) exports of United States agricultural products will account for $53,000,000,000 in 1995, contributing a net $24,000,000,000 to the merchandise trade balance of the United States and supporting approximately 1,000,000 jobs;

"(3) increased agricultural exports are critical to the future of the farm, rural, and overall United States economy, but the opportunities for increased agricultural exports are limited by the unfair subsidies of the competitors of the United States, and a variety of tariff and nontariff barriers to highly competitive United States agricultural products;

"(4) international negotiations can play a key role in breaking down barriers to United States agricultural exports;

"(5) the Uruguay Round Agreement on Agriculture made significant progress in the attainment of increased market access opportunities for United States exports of agricultural products, for the first time—

"(A) restraining foreign trade-distorting domestic support and export subsidy programs; and

"(B) developing common rules for the application of sanitary and phytosanitary restrictions;

that should result in increased exports of United States agricultural products, jobs, and income growth in the United States;

"(6) the Uruguay Round Agreement on Agriculture did not succeed in completely eliminating trade distorting domestic support and export subsidies by—

"(A) allowing the European Union to continue unreasonable levels of spending on export subsidies; and

"(B) failing to discipline monopolistic state trading entities, such as the Canadian Wheat Board, that use nontransparent and discriminatory pricing as a hidden de facto export subsidy;

"(7) during the period 1996 through 2002, there will be several opportunities for the United States to negotiate fairer trade in agricultural products, including further negotiations under the World Trade Organization, and steps toward possible free trade agreements of the Americas and Asian-Pacific Economic Cooperation (APEC); and

"(8) the United States should aggressively use these opportunities to achieve more open and fair opportunities for trade in agricultural products.

"(b) GOALS OF THE UNITED STATES IN AGRICULTURAL TRADE NEGOTIATIONS.—The objectives of the United States with respect to future negotiations on agricultural trade include—

"(1) increasing opportunities for United States exports of agricultural products by eliminating or substantially reducing tariff and nontariff barriers to trade;

"(2) leveling the playing field for United States producers of agricultural products by limiting per unit domestic production supports to levels that are no greater than those available in the United States;

"(3) ending the practice of export dumping by eliminating all trade distorting export subsidies and disciplining state trading entities so that they do not (except in cases of bona fide food aid) sell in foreign markets at below domestic market prices nor their full costs of acquiring and delivering agricultural products to the foreign markets; and

"(4) encouraging government policies that avoid price-depressing surpluses.".

SEC. 261. POLICY ON UNFAIR TRADE PRACTICES.

Section 1164 of the Food Security Act of 1985 (Public Law 99–198; 99 Stat. 1499) is repealed.

SEC. 262. AGRICULTURAL AID AND TRADE MISSIONS.

(a) IN GENERAL.—The Agricultural Aid and Trade Missions Act (7 U.S.C. 1736bb et seq.) is repealed.

(b) CONFORMING AMENDMENT.—Section 7 of Public Law 100–277 (7 U.S.C. 1736bb note) is repealed.

SEC. 263. ANNUAL REPORTS BY AGRICULTURAL ATTACHES.

Section 108(b)(1)(B) of the Agricultural Act of 1954 (7 U.S.C. 1748(b)(1)(B)) is amended by striking "including fruits, vegetables, legumes, popcorn, and ducks".

SEC. 264. WORLD LIVESTOCK MARKET PRICE INFORMATION.

Section 1545 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 1761 note) is repealed.

SEC. 265. ORDERLY LIQUIDATION OF STOCKS.

Sections 201 and 207 of the Agricultural Act of 1956 (7 U.S.C. 1851 and 1857) are repealed.

SEC. 266. SALES OF EXTRA LONG STAPLE COTTON.

Section 202 of the Agricultural Act of 1956 (7 U.S.C. 1852) is repealed.

SEC. 267. REGULATIONS.

Section 707 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (Public Law 102–511; 7 U.S.C. 5621 note) is amended by striking subsection (d).

SEC. 268. EMERGING MARKETS.

(a) PROMOTION OF AGRICULTURAL EXPORTS TO EMERGING MARKETS.—

(1) EMERGING MARKETS.—Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 5622 note) is amended—

(A) in the section heading, by striking "**EMERGING DEMOCRACIES**" and inserting "**EMERGING MARKETS**";

(B) by striking "emerging democracies" each place it appears in subsections (b), (d), and (e) and inserting "emerging markets";

(C) by striking "emerging democracy" each place it appears in subsection (c) and inserting "emerging market"; and

(D) by striking subsection (f) and inserting the following:

"(f) EMERGING MARKET.—In this section and section 1543, the term 'emerging market' means any country that the Secretary determines—

"(1) is taking steps toward a market-oriented economy through the food, agriculture, or rural business sectors of the economy of the country; and

"(2) has the potential to provide a viable and significant market for United States agricultural commodities or products of United States agricultural commodities.".

(2) FUNDING.—Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended by striking subsection (a) and inserting the following:

"(a) FUNDING.—The Commodity Credit Corporation shall make available for fiscal years 1996 through 2002 not less than $1,000,000,000 of direct credits or export credit guarantees for exports to emerging markets under section 201 or 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5621 and 5622), in addition to the amounts acquired or authorized under section 211 of the Act (7 U.S.C. 5641) for the program.".

(3) AGRICULTURAL FELLOWSHIP PROGRAM.—Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended—

(A) in subsection (b), by striking the last sentence and inserting the following: "The Commodity Credit Corporation shall give priority under this subsection to—

"(A) projects that encourage the privatization of the agricultural sector or that benefit private farms or cooperatives in emerging markets; and

"(B) projects for which nongovernmental persons agree to assume a relatively larger share of the costs."; and

(B) in subsection (d)—

(i) in the matter preceding paragraph (1), by striking "the Soviet Union" and inserting "emerging markets";

(ii) in paragraph (1)—

(I) in subparagraph (A)(i)—

(aa) by striking "1995" and inserting "2002"; and

(bb) by striking "those systems, and identify" and inserting "the systems, including potential reductions in trade barriers, and identify and carry out";

(II) in subparagraph (B), by striking "shall" and inserting "may";

(III) in subparagraph (D), by inserting "(including the establishment of extension services)" after "technical assistance";

(IV) by striking subparagraph (F);

(V) by redesignating subparagraphs (G), (H), and (I) as subparagraphs (F), (G), and (H), respectively; and

(VI) in subparagraph (H) (as redesignated by subclause (V)), by striking "$10,000,000" and inserting "$20,000,000";

(iii) in paragraph (2)—

(I) by striking "the Soviet Union" each place it appears and inserting "emerging markets";

(II) in subparagraph (A), by striking "a free market food production and distribution system" and inserting "free market food production and distribution systems";

(III) in subparagraph (B)—

(aa) in clause (i), by striking "Government" and inserting "governments";

(bb) in clause (iii)(II), by striking "and" at the end;

(cc) in clause (iii)(III), by striking the period at the end and inserting "; and"; and

(dd) by adding at the end of clause (iii) the following:

"(IV) to provide for the exchange of administrators and faculty members from agricultural and other institutions to strengthen and revise educational programs in agricultural economics, agribusiness, and agrarian law, to support change towards a free market economy in emerging markets.";

(IV) by striking subparagraph (D); and

(V) by redesignating subparagraph (E) as subparagraph (D); and

(iv) by striking paragraph (3).

(4) UNITED STATES AGRICULTURAL COMMODITY.—Subsections (b) and (c) of section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 are amended by striking "section 101(6)" each place it appears and inserting "section 102(7)".

(5) REPORT.—The first sentence of section 1542(e)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended by striking "Not" and inserting "Subject to section 217 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6917), not".

(b) AGRICULTURAL FELLOWSHIP PROGRAM FOR MIDDLE INCOME COUNTRIES, EMERGING DEMOCRACIES, AND EMERGING MARKETS.—Section 1543 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3293) is amended—

(1) in the section heading, by striking "**MIDDLE INCOME COUNTRIES AND EMERGING DEMOCRACIES**" and inserting "**MIDDLE INCOME COUNTRIES, EMERGING DEMOCRACIES, AND EMERGING MARKETS**";

(2) in subsection (b), by adding at the end the following:

"(5) EMERGING MARKET.—Any emerging market, as defined in section 1542(f)."; and

(3) in subsection (c)(1), by striking "food needs" and inserting "food and fiber needs".

(c) CONFORMING AMENDMENTS.—

(1) Section 501 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1737) is amended—

(A) in subsection (a), by striking "emerging democracies" and inserting "emerging markets"; and

(B) in subsection (b), by striking paragraph (1) and inserting the following:

"(1) EMERGING MARKET.—The term 'emerging market' means any country that the Secretary determines—

"(A) is taking steps toward a market-oriented economy through the food, agriculture, or rural business sectors of the economy of the country; and

"(B) has the potential to provide a viable and significant market for United States agricultural commodities or products of United States agricultural commodities.".

(2) Section 201(d)(1)(C)(ii) of the Agricultural Trade Act of 1978 (7 U.S.C. 5621(d)(1)(C)(ii)) is amended by striking "emerging democracies" and inserting "emerging markets".

(3) Section 202(d)(3)(B) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(d)(3)(B)) is amended by striking "emerging democracies" and inserting "emerging markets".

SEC. 269. IMPORT ASSISTANCE FOR CBI BENEFICIARY COUNTRIES AND THE PHILIPPINES.

Section 583 of Public Law 100–202 (101 Stat. 1329–182) is repealed.

SEC. 270. STUDIES, REPORTS, AND OTHER PROVISIONS.

(a) IN GENERAL.—Sections 1551 through 1555, section 1559, and section 1560 of subtitle E of title XV of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 104 Stat. 3696) are repealed.

(b) LANGUAGE PROFICIENCY.—Section 1556 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 5694 note) is amended by striking subsection (c).

SEC. 271. IMPLEMENTATION OF COMMITMENTS UNDER URUGUAY ROUND AGREEMENTS.

Part III of subtitle A of title IV of the Uruguay Round Agreements Act (Public Law 103–465; 108 Stat. 4964) is amended by adding at the end the following:

"SEC. 427. IMPLEMENTATION OF COMMITMENTS UNDER URUGUAY ROUND AGREEMENTS.

"Not later than September 30 of each fiscal year, the Secretary of Agriculture shall determine whether the obligations undertaken by foreign countries under the Uruguay Round Agreement on Agriculture are being fully implemented. If the Secretary of Agriculture determines that any foreign country, by not implementing the obligations of the country, is significantly constraining an opportunity for United States agricultural exports, the Secretary shall—

"(1) submit to the United States Trade Representative a recommendation as to whether the President should take action under any provision of law; and

"(2) transmit a copy of the recommendation to the Committee on Agriculture, and the Committee on Ways and Means, of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Finance, of the Senate.".

SEC. 272. SENSE OF CONGRESS CONCERNING MULTILATERAL DISCIPLINES ON CREDIT GUARANTEES.

It is the sense of Congress that—

(1) in negotiations to establish multilateral disciplines on agricultural export credits and credit guarantees, the United States should not agree to any arrangement that is incompatible with the provisions of United States law that authorize agricultural export credits and credit guarantees;

(2) in the negotiations (which are held under the auspices of the Organization for Economic Cooperation and Development), the United States should not reach any agreement that fails to impose disciplines on the practices of foreign government trading entities such as the Australian Wheat Board and Canadian Wheat Board; and

(3) the disciplines should include greater openness in the operations of the entities as long as the entities are subsidized by the foreign government or have monopolies for exports of a commodity that are sanctioned by the foreign government.

SEC. 273. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

The Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) is amended by adding at the end the following:

"TITLE VII—FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM

"SEC. 701. DEFINITION OF ELIGIBLE TRADE ORGANIZATION.

"In this title, the term 'eligible trade organization' means a United States trade organization that—

"(1) promotes the export of 1 or more United States agricultural commodities or products; and

"(2) does not have a business interest in or receive remuneration from specific sales of agricultural commodities or products.

"SEC. 702. FOREIGN MARKET DEVELOPMENT CO-OPERATOR PROGRAM.

"(a) IN GENERAL.—The Secretary shall establish and, in cooperation with eligible trade organizations, carry out a foreign market development cooperator program to maintain and develop foreign markets for United States agricultural commodities and products.

"(b) ADMINISTRATION.—Funds made available to carry out this title shall be used only to provide—

"(1) cost-share assistance to an eligible trade organization under a contract or agreement with the organization; and

"(2) assistance for other costs that are necessary or appropriate to carry out the foreign market development cooperator program, including contingent liabilities that are not otherwise funded.

"SEC. 703. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this title such sums as may be necessary for each of fiscal years 1996 through 2002.".

SEC. 274. PRICE SUPPORT FOR RICE.

Section 101 of the Agricultural Act of 1949 is amended by adding a subsection (e) that reads as follows:

"(e) RICE.—The Secretary shall make available to producers of each crop of rice on a farm price support at a level that is not less than 50%, or more than 90% of the parity price for rice as the Secretary determines will not result in increasing stocks of rice to the Commodity Credit Corporation.".

TITLE III—CONSERVATION

Subtitle A—Definitions

SEC. 301. DEFINITIONS.

Section 1201(a) of the Food Security Act of 1985 (16 U.S.C. 3801(a)) is amended—

(1) by redesignating paragraphs (3) through (16) as paragraphs (4) through (17), respectively; and

(2) by inserting after paragraph (2) the following:

"(3) CONSERVATION SYSTEM.—The term 'conservation system' means the conservation measures and practices that are approved for application by a producer to a highly erodible field and that provide for cost effective and practical erosion reduction on the field based on local resource conditions and standards contained in the Natural Resources Conservation Service field office technical guide.".

Subtitle B—Environmental Conservation Acreage Reserve Program

SEC. 311. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM.

Section 1230 of the Food Security Act of 1985 (16 U.S.C. 3830) is amended to read as follows:

"SEC. 1230. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—During the 1996 through 2002 calendar years, the Secretary shall establish an environmental conservation acreage reserve program (referred to in this section as 'ECARP') to be implemented through contracts and the acquisition of easements to assist owners and operators of farms and ranches to conserve and enhance soil, water, and related natural resources, including grazing land, wetland, and wildlife habitat.

"(2) MEANS.—The Secretary shall carry out the ECARP by—

"(A) providing for the long-term protection of environmentally sensitive land; and

"(B) providing technical and financial assistance to farmers and ranchers to—

"(i) improve the management and operation of the farms and ranches; and

"(ii) reconcile productivity and profitability with protection and enhancement of the environment.

"(3) PROGRAMS.—The ECARP shall consist of—

"(A) the conservation reserve program established under subchapter B;

"(B) the wetlands reserve program established under subchapter C;

"(C) the environmental quality incentives program established under chapter 4; and

"(D) a farmland protection program under which the Secretary shall use funds of the Commodity Credit Corporation for the purchase of conservation easements or other interests in not less than 170,000, nor more than 340,000, acres of land with prime, unique, or other productive soil that is subject to a pending offer from a State or local government for the purpose of protecting topsoil by limiting nonagricultural uses of the land, except that any highly erodible cropland shall be subject to the requirements of a conservation plan, including, if required by the Secretary, the conversion of the land to less intensive uses. In no case shall total expenditures of funding from the Commodity Credit Corporation exceed a total of $35,000,000 over the first 3 and subsequent fiscal years.

"(b) ADMINISTRATION.—

"(1) IN GENERAL.—In carrying out the ECARP, the Secretary shall enter into contracts with owners and operators and acquire interests in land through easements from owners, as provided in this chapter and chapter 4.

"(2) PRIOR ENROLLMENTS.—Acreage enrolled in the conservation reserve or wetlands reserve program prior to the effective date of this paragraph shall be considered to be placed into the ECARP.

"(c) CONSERVATION PRIORITY AREAS.—

"(1) DESIGNATION.—

"(A) IN GENERAL.—The Secretary shall designate watersheds or regions of special environmental sensitivity, including the Chesapeake Bay Region (consisting of Pennsylvania, Maryland, and Virginia), the Great Lakes Region, the Rainwater Basin Region, the Lake Champlain Basin, the Prairie Pothole Region, and the Long Island Sound Region, as conservation priority areas that are eligible for enhanced assistance through the programs established under this chapter and chapter 4.

"(B) APPLICATION.—A designation shall be made under this paragraph if agricultural practices on land within the watershed or region pose a significant threat to soil, water, and related natural resources, as determined by the Secretary, and an application is made by—

"(i) a State agency in consultation with the State technical committee established under section 1261; or

"(ii) State agencies from several States that agree to form an interstate conservation priority area.

"(C) ASSISTANCE.—The Secretary shall designate a watershed or region of special environmental sensitivity as a conservation priority area to assist, to the maximum extent practicable, agricultural producers within the watershed or region to comply with nonpoint source pollution requirements under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) and other Federal and State environmental laws.

"(2) APPLICABILITY.—The Secretary shall designate a watershed or region of special environmental sensitivity as a conservation priority area in a manner that conforms, to the maximum extent practicable, to the functions and purposes of the conservation reserve, wetlands reserve, and environmental quality incentives programs, as applicable, if participation in the program or programs is likely to result in the resolution or amelioration of significant soil, water, and related natural resource problems related to agricultural production activities within the watershed or region.

"(3) TERMINATION.—A conservation priority area designation shall terminate on the date that is 5 years after the date of the designation, except that the Secretary may—

"(A) redesignate the area as a conservation priority area; or

"(B) withdraw the designation of a watershed or region if the Secretary determines the area is no longer affected by significant soil,water, and related natural resource impacts related to agricultural production activities.".

SEC. 312. CONSERVATION RESERVE PROGRAM.

(a) IN GENERAL.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended—

(1) by striking "1995" each place it appears and inserting "2002"; and

(2) in subsection (d), by striking "38,000,000" and inserting "36,520,000".

(b) DUTIES OF OWNERS AND OPERATORS.—Section 1232(c) of the Food Security Act of 1985 (16 U.S.C. 3832(c)) is amended by striking "1995" and inserting "2002".

(c) RELATIONSHIP TO OTHER LAW.—The authority granted to the Secretary of Agriculture as a result of the amendments made by this section shall supersede any restriction on the operation of the conservation reserve program established under any other provision of law.

SEC. 313. WETLANDS RESERVE PROGRAM.

(a) PURPOSES.—Section 1237(a) of the Food Security Act of 1985 (16 U.S.C. 3837(a)) is amended by striking "to assist owners of eligible lands in restoring and protecting wetlands" and inserting "to protect wetlands for purposes of enhancing water quality and providing wildlife benefits while recognizing landowner rights".

(b) ENROLLMENT.—Section 1237 of the Food Security Act of 1985 (16 U.S.C. 3837) is amended by striking subsection (b) and inserting the following:

"(b) MINIMUM ENROLLMENT.—The Secretary shall enroll into the wetlands reserve program—

"(1) during the 1996 through 2002 calendar years, a total of not more than 975,000 acres; and

"(2) beginning with offers accepted by the Secretary during calendar year 1997, to the maximum extent practicable, ⅓ of the acres in permanent easements, ⅓ of the acres in 30-year easements, and ⅓ of the acres in restoration cost-share agreements.".

(c) ELIGIBILITY.—Section 1237(c) of the Food Security Act of 1985 (16 U.S.C. 3837(c)) is amended—

(1) by striking "2000" and inserting "2002"; and

(2) by inserting "the land maximizes wildlife benefits and wetland values and functions and" after "determines that".

(d) OTHER ELIGIBLE LANDS.—Section 1237(d) (16 U.S.C. 3837(d)) is amended by inserting after "subsection (c)" the following ", land that maximizes wildlife benefits and that is''.

(e) EASEMENTS.—Section 1237A of the Food Security Act of 1985 (16 U.S.C. 3837a) is amended—

(1) in the section heading, by inserting before the period at the end the following: ''**AND AGREEMENTS**'';

(2) by striking subsection (c) and inserting the following:

''(c) RESTORATION PLANS.—The development of a restoration plan, including any compatible use, under this section shall be made through the local Natural Resources Conservation Service representative, in consultation with the State technical committee.'';

(3) in subsection (f), by striking the third sentence and inserting the following: ''Compensation may be provided in not less than 5, nor more than 30, annual payments of equal or unequal size, as agreed to by the owner and the Secretary.''; and

(4) by adding at the end the following:

''(h) COST SHARE AGREEMENTS.—The Secretary may enroll land into the wetland reserve through agreements that require the landowner to restore wetlands on the land, if the agreement does not provide the Secretary with an easement.''.

(f) COST SHARE AND TECHNICAL ASSISTANCE.—Section 1237C of the Food Security Act of 1985 (16 U.S.C. 3837c) is amended by striking subsection (b) and inserting the following:

''(b) COST SHARE AND TECHNICAL ASSISTANCE.—In the case of an easement entered into during the 1996 through 2002 calendar years, in making cost share payments under subsection (a)(1), the Secretary shall—

''(1) in the case of a permanent easement, pay the owner an amount that is not less than 75 percent, but not more than 100 percent, of the eligible costs;

''(2) in the case of a 30-year easement or a cost-share agreement, pay the owner an amount that is not less than 50 percent, but not more than 75 percent, of the eligible costs; and

''(3) provide owners technical assistance to assist landowners in complying with the terms of easements and agreements.''.

SEC. 314. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.) is amended by adding at the end the following:

''CHAPTER 4—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

''SEC. 1238. FINDINGS AND PURPOSES.

''(a) FINDINGS.—Congress finds that—

''(1) farmers and ranchers cumulatively manage more than ½ of the private lands in the continental United States;

''(2) because of the predominance of agriculture, the soil, water, and related natural resources of the United States cannot be protected without cooperative relationships between the Federal Government and farmers and ranchers;

''(3) farmers and ranchers have made tremendous progress in protecting the environment and the agricultural resource base of the United States over the past decade because of not only Federal Government programs but also their spirit of stewardship and the adoption of effective technologies;

''(4) it is in the interest of the entire United States that farmers and ranchers continue to strive to preserve soil resources and make more efforts to protect water quality and wildlife habitat, and address other broad environmental concerns;

''(5) environmental strategies that stress the prudent management of resources, as opposed to idling land, will permit the maximum economic opportunities for farmers and ranchers in the future;

''(6) unnecessary bureaucratic and paperwork barriers associated with existing agricultural conservation assistance programs decrease the potential effectiveness of the programs; and

''(7) the recent trend of Federal spending on agricultural conservation programs suggests that assistance to farmers and ranchers in future years will, absent changes in policy, dwindle to perilously low levels.

''(b) PURPOSES.—The purposes of the environmental quality incentives program established by this chapter are to—

''(1) combine into a single program the functions of—

''(A) the agricultural conservation program authorized by sections 7 and 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g and 590h) (as in effect before the amendments made by section 355(a)(1) of the Agricultural Reform and Improvement Act of 1996);

''(B) the Great Plains conservation program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p(b)) (as in effect before the amendment made by section 355(b)(1) of the Agricultural Reform and Improvement Act of 1996); and

''(C) the water quality incentives program established under chapter 2 (as in effect before the amendment made by section 355(k) of the Agricultural Reform and Improvement Act of 1996); and

''(C) the Colorado River Basin salinity control program established under section 202(c) of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592(c)) (as in effect before the amendment made by section 355(c)(1) of the Agricultural Reform and Improvement Act of 1996); and

''(2) carry out the single program in a manner that maximizes environmental benefits per dollar expended, and that provides—

''(A) flexible technical and financial assistance to farmers and ranchers that face the most serious threats to soil, water, and related natural resources, including grazing lands, wetlands, and wildlife habitat;

''(B) assistance to farmers and ranchers in complying with this title and Federal and State environmental laws, and to encourage environmental enhancement;

''(C) assistance to farmers and ranchers in making beneficial, cost-effective changes to cropping systems, grazing management, manure, nutrient, pest, or irrigation management, land uses, or other measures needed to conserve and improve soil, water, and related natural resources; and

''(D) for the consolidation and simplification of the conservation planning process to reduce administrative burdens on the owners and operators of farms and ranches.

''SEC. 1238A. DEFINITIONS.

''In this chapter:

''(1) LAND MANAGEMENT PRACTICE.—The term 'land management practice' means nutrient or manure management, integrated pest management, irrigation management, tillage or residue management, grazing management, or another land management practice the Secretary determines is needed to protect soil, water, or related resources in the most cost effective manner.

''(2) LARGE CONFINED LIVESTOCK OPERATION.—The term 'large confined livestock operation' means a farm or ranch that—

''(A) is a confined animal feeding operation; and

''(B) has more than—

''(i) 700 mature dairy cattle;

''(ii) 1,000 beef cattle;

''(iii) 100,000 laying hens or broilers;

''(iv) 55,000 turkeys;

''(v) 2,500 swine; or

''(vi) 10,000 sheep or lambs.

''(3) LIVESTOCK.—The term 'livestock' means mature dairy cows, beef cattle, laying hens, broilers, turkeys, swine, sheep, or lambs.

''(4) OPERATOR.—The term 'operator' means a person who is engaged in crop or livestock production (as defined by the Secretary).

''(5) STRUCTURAL PRACTICE.—The term 'structural practice' means the establishment of an animal waste management facility, terrace, grassed waterway, contour grass strip, filterstrip, permanent wildlife habitat, or another structural practice that the Secretary determines is needed to protect soil, water, or related resources in the most cost effective manner.

''SEC. 1238B. ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—During the 1996 through 2002 fiscal years, the Secretary shall provide technical assistance, cost-sharing payments, and incentive payments, education to operators, who enter into contracts with the Secretary, through an environmental quality incentives program in accordance with this chapter.

''(2) ELIGIBLE PRACTICES.—

''(A) STRUCTURAL PRACTICES.—An operator who implements a structural practice shall be eligible for technical assistance or cost-sharing payments, education or both.

''(B) LAND MANAGEMENT PRACTICES.—An operator who performs a land management practice shall be eligible for technical assistance or incentive payments, education or both.

''(b) APPLICATION AND TERM.—A contract between an operator and the Secretary under this chapter may—

''(1) apply to 1 or more structural practices or 1 or more land management practices, or both; and

''(2) have a term of not less than 5, nor more than 10, years, as determined appropriate by the Secretary, depending on the practice or practices that are the basis of the contract.

''(c) STRUCTURAL PRACTICES.—

''(1) COMPETITIVE OFFER.—The Secretary shall administer a competitive offer system for operators proposing to receive cost-sharing payments in exchange for the implementation of 1 or more structural practices by the operator. The competitive offer system shall consist of—

''(A) the submission of a competitive offer by the operator in such manner as the Secretary may prescribe; and

''(B) evaluation of the offer in light of the priorities established in section 1238C and the projected cost of the proposal, as determined by the Secretary.

''(2) CONCURRENCE OF OWNER.—If the operator making an offer to implement a structural practice is a tenant of the land involved in agricultural production, for the offer to be acceptable, the operator shall obtain the concurrence of the owner of the land with respect to the offer.

''(d) LAND MANAGEMENT PRACTICES.—The Secretary shall establish an application and evaluation process for awarding technical assistance or incentive payments, or both, to an operator in exchange for the performance of 1 or more land management practices by the operator.

"(e) Cost-Sharing and Incentive Payments.—

"(1) Cost-sharing payments.—

"(A) In general.—The Federal share of cost-sharing payments to an operator proposing to implement 1 or more structural practices shall not be more than 75 percent of the projected cost of the practice, as determined by the Secretary, taking into consideration any payment received by the operator from a State or local government.

"(B) Limitation.—An operator of a large confined livestock operation shall not be eligible for cost-sharing payments to construct an animal waste management facility.

"(C) Other payments.—An operator shall not be eligible for cost-sharing payments for structural practices on eligible land under this chapter if the operator receives cost-sharing payments or other benefits for the same land under chapter 1 or 3.

"(2) Incentive payments.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage an operator to perform 1 or more land management practices.

"(f) Technical Assistance.—

"(1) Funding.—The Secretary shall allocate funding under this chapter for the provision of technical assistance according to the purpose and projected cost for which the technical assistance is provided in a fiscal year. The allocated amount may vary according to the type of expertise required, quantity of time involved, and other factors as determined appropriate by the Secretary. Funding shall not exceed the projected cost to the Secretary of the technical assistance provided in a fiscal year.

"(2) Other authorities.—The receipt of technical assistance under this chapter shall not affect the eligibility of the operator to receive technical assistance under other authorities of law available to the Secretary.

"(g) Modification or Termination of Contracts.—

"(1) Voluntary modification or termination.—The Secretary may modify or terminate a contract entered into with an operator under this chapter if—

"(A) the operator agrees to the modification or termination; and

"(B) the Secretary determines that the modification or termination is in the public interest.

"(2) Involuntary termination.—The Secretary may terminate a contract under this chapter if the Secretary determines that the operator violated the contract.

"(h) Non-Federal Assistance.—

"(1) In general.—The Secretary may request the services of a State water quality agency, State fish and wildlife agency, State forestry agency, or any other governmental or private resource considered appropriate to assist in providing the technical assistance necessary for the development and implementation of a structural practice or land management practice.

"(2) Limitation on liability.—No person shall be permitted to bring or pursue any claim or action against any official or entity based on or resulting from any technical assistance provided to an operator under this chapter to assist in complying with a Federal or State environmental law.

"SEC. 1238C. EVALUATION OF OFFERS AND PAYMENTS.

"(a) Regional Priorities.—The Secretary shall provide technical assistance, cost-sharing payments, and incentive payments to operators in a region, watershed, or conservation priority area under this chapter based on the significance of the soil, water, and related natural resource problems in the region, watershed, or area, and the structural practices or land management practices that best address the problems, as determined by the Secretary.

"(b) Maximization of Environmental Benefits.—

"(1) In general.—In providing technical assistance, cost-sharing payments, and incentive payments to operators in regions, watersheds, or conservation priority areas under this chapter, the Secretary shall accord a higher priority to assistance and payments that maximize environmental benefits per dollar expended.

"(2) National and regional priority.—The prioritization shall be done nationally as well as within the conservation priority area, region, or watershed in which an agricultural operation is located.

"(3) Criteria.—To carry out this subsection, the Secretary shall establish criteria for implementing structural practices and land management practices that best achieve conservation goals for a region, watershed, or conservation priority area, as determined by the Secretary.

"(c) State or Local Contributions.—The Secretary shall accord a higher priority to operators whose agricultural operations are located within watersheds, regions, or conservation priority areas in which State or local governments have provided, or will provide, financial or technical assistance to the operators for the same conservation or environmental purposes.

"(d) Priority Lands.—The Secretary shall accord a higher priority to structural practices or land management practices on lands on which agricultural production has been determined to contribute to, or create, the potential for failure to meet applicable water quality standards or other environmental objectives of a Federal or State law.

"SEC. 1238D. DUTIES OF OPERATORS.

"To receive technical assistance, cost-sharing payments, or incentives payments under this chapter, an operator shall agree—

"(1) to implement an environmental quality incentives program plan that describes conservation and environmental goals to be achieved through a structural practice or land management practice, or both, that is approved by the Secretary;

"(2) not to conduct any practices on the farm or ranch that would tend to defeat the purposes of this chapter;

"(3) on the violation of a term or condition of the contract at any time the operator has control of the land, to refund any cost-sharing or incentive payment received with interest, and forfeit any future payments under this chapter, as determined by the Secretary;

"(4) on the transfer of the right and interest of the operator in land subject to the contract, unless the transferee of the right and interest agrees with the Secretary to assume all obligations of the contract, to refund all cost-sharing payments and incentive payments received under this chapter, as determined by the Secretary;

"(5) to supply information as required by the Secretary to determine compliance with the environmental quality incentives program plan and requirements of the program; and

"(6) to comply with such additional provisions as the Secretary determines are necessary to carry out the environmental quality incentives program plan.

"SEC. 1238E. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

"An environmental quality incentives program plan shall include (as determined by the Secretary)—

"(1) a description of the prevailing farm or ranch enterprises, cropping patterns, grazing management, cultural practices, or other information that may be relevant to conserving and enhancing soil, water, and related natural resources;

"(2) a description of relevant farm or ranch resources, including soil characteristics, rangeland types and condition, proximity to water bodies, wildlife habitat, or other relevant characteristics of the farm or ranch related to the conservation and environmental objectives set forth in the plan;

"(3) a description of specific conservation and environmental objectives to be achieved;

"(4) to the extent practicable, specific, quantitative goals for achieving the conservation and environmental objectives;

"(5) a description of 1 or more structural practices or 1 or more land management practices, or both, to be implemented to achieve the conservation and environmental objectives;

"(6) a description of the timing and sequence for implementing the structural practices or land management practices, or both, that will assist the operator in complying with Federal and State environmental laws; and

"(7) information that will enable evaluation of the effectiveness of the plan in achieving the conservation and environmental objectives, and that will enable evaluation of the degree to which the plan has been implemented.

"(8) Not withstanding any provision of law, the Secretary shall ensure that the process of writing, developing, and assisting in the implementation of plans required in the programs established under this title be open to individuals in agribusiness including but not limited to agricultural producers, representatives from agricultural cooperatives, agricultural input retail dealers, and certified crop advisers. This process shall be included in but not limited to programs and plans established under this title and any other Department program using incentive, technical assistance, cost-share or pilot project programs that require plans.

"SEC. 1238F. DUTIES OF THE SECRETARY.

"To the extent appropriate, the Secretary shall assist an operator in achieving the conservation and environmental goals of an environmental quality incentives program plan by—

"(1) providing an eligibility assessment of the farming or ranching operation of the operator as a basis for developing the plan;

"(2) providing technical assistance in developing and implementing the plan;

"(3) providing technical assistance, cost-sharing payments, or incentive payments for developing and implementing 1 or more structural practices or 1 or more land management practices, as appropriate;

"(4) providing the operator with information, education, and training to aid in implementation of the plan; and

"(5) encouraging the operator to obtain technical assistance, cost-sharing payments, or grants from other Federal, State, local, or private sources.

"SEC. 1238G. ELIGIBLE LANDS.

"Agricultural land on which a structural practice or land management practice, or both, shall be eligible for technical assistance, cost-sharing payments, or incentive payments under this chapter include—

"(1) agricultural land (including cropland, rangeland, pasture, and other land on which crops or livestock are produced) that the Secretary determines poses a serious threat to soil, water, or related resources by reason of the soil types, terrain, climatic, soil, topographic, flood, or saline characteristics, or other factors or natural hazards;

"(2) an area that is considered to be critical agricultural land on which either crop or livestock production is carried out, as identified in a plan submitted by the State under section 319 of the Federal Water Pollution Control Act (33 U.S.C. 1329) as having priority problems that result from an agricultural nonpoint source of pollution;

"(3) an area recommended by a State lead agency for protection of soil, water, and related resources, as designated by a Governor of a State; and

"(4) land that is not located within a designated or approved area, but that if permitted to continue to be operated under existing management practices, would defeat the purpose of the environmental quality incentives program, as determined by the Secretary.

"SEC. 1238H. LIMITATIONS ON PAYMENTS.

"(a) PAYMENTS.—The total amount of cost-sharing and incentive payments paid to a person under this chapter may not exceed—

"(1) $10,000 for any fiscal year; or

"(2) $50,000 for any multiyear contract.

"(b) REGULATIONS.—The Secretary shall issue regulations that are consistent with section 1001 for the purpose of—

"(1) defining the term 'person' as used in subsection (a); and

"(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations contained in subsection (a).".

Subtitle C—Conservation Funding

SEC. 321. CONSERVATION FUNDING.

(a) IN GENERAL.—Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) is amended to read as follows:

"Subtitle E—Funding

"SEC. 1241. FUNDING.

"(a) MANDATORY EXPENSES.—For each of fiscal years 1996 through 2002, the Secretary shall use the funds of the Commodity Credit Corporation to carry out the programs authorized by—

"(1) subchapter B of chapter 1 of subtitle D (including contracts extended by the Secretary pursuant to section 1437 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 16 U.S.C. 3831 note));

"(2) subchapter C of chapter 1 of subtitle D; and

"(3) chapter 4 of subtitle D.

"(b) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—

"(1) IN GENERAL.—For each of fiscal years 1996 through 2002, $200,000,000 of the funds of the Commodity Credit Corporation shall be available for providing technical assistance, cost-sharing payments, and incentive payments under the environmental quality incentives program under chapter 4 of subtitle D.

"(2) LIVESTOCK PRODUCTION.—For each of fiscal years 1996 through 2002, 50 percent of the funding available for technical assistance, cost-sharing payments, and incentive payments under the environmental quality incentives program shall be targeted at practices relating to livestock production.

"(c) ADVANCE APPROPRIATIONS TO CCC.—The Secretary may use the funds of the Commodity Credit Corporation to carry out chapter 3 of subtitle D, except that the Secretary may not use the funds of the Corporation unless the Corporation has received funds to cover the expenditures from appropriations made available to carry out chapter 3 of subtitle D.

"SEC. 1242. ADMINISTRATION.

"(a) PLANS.—The Secretary shall, to the extent practicable, avoid duplication in—

"(1) the conservation plans required for—

"(A) highly erodible land conservation under subtitle B;

"(B) the conservation reserve program established under subchapter B of chapter 1 of subtitle D; and

"(C) the wetlands reserve program established under subchapter C of chapter 1 of subtitle D; and

"(2) the environmental quality incentives program established under chapter 4 of subtitle D.

"(b) ACREAGE LIMITATION.—

"(1) IN GENERAL.—The Secretary shall not enroll more than 25 percent of the cropland in any county in the programs administered under the conservation reserve and wetlands reserve programs established under subchapters B and C, respectively, of chapter 1 of subtitle D. Not more than 10 percent of the cropland in a county may be subject to an easement acquired under the subchapters.

"(2) EXCEPTION.—The Secretary may exceed the limitations in paragraph (1) if the Secretary determines that—

"(A) the action would not adversely affect the local economy of a county; and

"(B) operators in the county are having difficulties complying with conservation plans implemented under section 1212.

"(3) SHELTERBELTS AND WINDBREAKS.—The limitations established under this subsection shall not apply to cropland that is subject to an easement under chapter 1 or 3 of subtitle D that is used for the establishment of shelterbelts and windbreaks.

"(c) TENANT PROTECTION.—Except for a person who is a tenant on land that is subject to a conservation reserve contract that has been extended by the Secretary, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under the programs established under subtitles B through D.

"(d) REGULATIONS.—Not later than 90 days after the effective date of this subsection, the Secretary shall issue regulations to implement the conservation reserve and wetlands reserve programs established under chapter 1 of subtitle D.".

Subtitle D—National Natural Resources Conservation Foundation

SEC. 331. SHORT TITLE.

This subtitle may be cited as the "National Natural Resources Conservation Foundation Act".

SEC. 332. DEFINITIONS.

In this subtitle (unless the context otherwise requires):

(1) BOARD.—The term "Board" means the Board of Trustees established under section 334.

(2) DEPARTMENT.—The term "Department" means the United States Department of Agriculture.

(3) FOUNDATION.—The term "Foundation" means the National Natural Resources Conservation Foundation established by section 333(a).

(4) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

SEC. 333. NATIONAL NATURAL RESOURCES CONSERVATION FOUNDATION.

(a) ESTABLISHMENT.—A National Natural Resources Conservation Foundation is established as a charitable and nonprofit corporation for charitable, scientific, and educational purposes specified in subsection (b). The Foundation is not an agency or instrumentality of the United States.

(b) PURPOSES.—The purposes of the Foundation are to—

(1) promote innovative solutions to the problems associated with the conservation of natural resources on private lands, particularly with respect to agriculture and soil and water conservation;

(2) promote voluntary partnerships between government and private interests in the conservation of natural resources;

(3) conduct research and undertake educational activities, conduct and support demonstration projects, and make grants to State and local agencies and nonprofit organizations;

(4) provide such other leadership and support as may be necessary to address conservation challenges, such as the prevention of excessive soil erosion, enhancement of soil and water quality, and the protection of wetlands, wildlife habitat, and strategically important farmland subject to urban conversion and fragmentation;

(5) encourage, accept, and administer private gifts of money and real and personal property for the benefit of, or in connection with, the conservation and related activities and services of the Department, particularly the Natural Resources Conservation Service;

(6) undertake, conduct, and encourage educational, technical, and other assistance, and other activities, that support the conservation and related programs administered by the Department (other than activities carried out on National Forest System lands), particularly the Natural Resources Conservation Service, except that the Foundation may not enforce or administer a regulation of the Department; and

(7) raise private funds to promote the purposes of the Foundation.

(c) LIMITATIONS AND CONFLICTS OF INTERESTS.—

(1) POLITICAL ACTIVITIES.—The Foundation shall not participate or intervene in a political campaign on behalf of any candidate for public office.

(2) CONFLICTS OF INTEREST.—No director, officer, or employee of the Foundation shall participate, directly or indirectly, in the consideration or determination of any question before the Foundation affecting—

(A) the financial interests of the director, officer, or employee; or

(B) the interests of any corporation, partnership, entity, organization, or other person in which the director, officer, or employee—

(i) is an officer, director, or trustee; or

(ii) has any direct or indirect financial interest.

(3) LEGISLATION OR GOVERNMENT ACTION OR POLICY.—No funds of the Foundation may be used in any manner for the purpose of influencing legislation or government action or policy.

(4) LITIGATION.—No funds of the Foundation may be used to bring or join an action against the United States or any State.

SEC. 334. COMPOSITION AND OPERATION.

(a) COMPOSITION.—The Foundation shall be administered by a Board of Trustees that shall consist of 9 voting members, each of whom shall be a United States citizen and not a Federal officer. The Board shall be composed of—

(1) individuals with expertise in agricultural conservation policy matters;

(2) a representative of private sector organizations with a demonstrable interest in natural resources conservation;

(3) a representative of statewide conservation organizations;

(4) a representative of soil and water conservation districts;

(5) a representative of organizations outside the Federal Government that are dedicated to natural resources conservation education; and

(6) a farmer or rancher.

(b) NONGOVERNMENTAL EMPLOYEES.—Service as a member of the Board shall not constitute employment by, or the holding of, an office of the United States for the purposes of any Federal law.

(c) MEMBERSHIP.—

(1) INITIAL MEMBERS.—The Secretary shall appoint 9 persons who meet the criteria established under subsection (a) as the initial members of the Board and designate 1 of the members as the initial chairperson for a 2-year term.

(2) TERMS OF OFFICE.—

(A) IN GENERAL.—A member of the Board shall serve for a term of 3 years, except that the members appointed to the initial Board shall serve, proportionately, for terms of 1, 2, and 3 years, as determined by the Secretary.

(B) LIMITATION ON TERMS.—No individual may serve more than 2 consecutive 3-year terms as a member.

(3) SUBSEQUENT MEMBERS.—The initial members of the Board shall adopt procedures in the constitution of the Foundation for the nomination and selection of subsequent members of the Board. The procedures shall require that each member, at a minimum, meets the criteria established under subsection (a) and shall provide for the selection of an individual, who is not a Federal officer or a member of the Board.

(d) CHAIRPERSON.—After the appointment of an initial chairperson under subsection (c)(1), each succeeding chairperson of the Board shall be elected by the members of the Board for a 2-year term.

(e) VACANCIES.—A vacancy on the Board shall be filled by the Board not later than 60 days after the occurrence of the vacancy.

(f) COMPENSATION.—A member of the Board shall receive no compensation from the Foundation for the service of the member on the Board.

(g) TRAVEL EXPENSES.—While away from the home or regular place of business of a member of the Board in the performance of services for the Board, the member shall be allowed travel expenses paid by the Foundation, including per diem in lieu of subsistence, at the same rate as a person employed intermittently in the Government service would be allowed under section 5703 of title 5, United States Code.

SEC. 335. OFFICERS AND EMPLOYEES.

(a) IN GENERAL.—The Board may—

(1) appoint, hire, and discharge the officers and employees of the Foundation, other than the appointment of the initial Executive Director of the Foundation;

(2) adopt a constitution and bylaws for the Foundation that are consistent with the purposes of the Foundation and this subtitle; and

(3) undertake any other activities that may be necessary to carry out this subtitle.

(b) OFFICERS AND EMPLOYEES.—

(1) APPOINTMENT AND HIRING.—An officer or employee of the Foundation—

(A) shall not, by virtue of the appointment or employment of the officer or employee, be considered a Federal employee for any purpose, including the provisions of title 5, United States Code, governing appointments in the competitive service, except that such an individual may participate in the Federal employee retirement system as if the individual were a Federal employee; and

(B) may not be paid by the Foundation a salary in excess of $125,000 per year.

(2) EXECUTIVE DIRECTOR.—

(A) INITIAL DIRECTOR.—The Secretary shall appoint an individual to serve as the initial Executive Director of the Foundation who shall serve, at the direction of the Board, as the chief operating officer of the Foundation.

(B) SUBSEQUENT DIRECTORS.—The Board shall appoint each subsequent Executive Director of the Foundation who shall serve, at the direction of the Board, as the chief operating officer of the Foundation.

(C) QUALIFICATIONS.—The Executive Director shall be knowledgeable and experienced in matters relating to natural resources conservation.

SEC. 336. CORPORATE POWERS AND OBLIGATIONS OF THE FOUNDATION.

(a) IN GENERAL.—The Foundation—

(1) may conduct business throughout the United States and the territories and possessions of the United States; and

(2) shall at all times maintain a designated agent who is authorized to accept service of process for the Foundation, so that the serving of notice to, or service of process on, the agent, or mailed to the business address of the agent, shall be considered as service on or notice to the Foundation.

(b) SEAL.—The Foundation shall have an official seal selected by the Board that shall be judicially noticed.

(c) POWERS.—To carry out the purposes of the Foundation under section 333(b), the Foundation shall have, in addition to the powers otherwise provided under this subtitle, the usual powers of a corporation, including the power—

(1) to accept, receive, solicit, hold, administer, and use any gift, devise, or bequest, either absolutely or in trust, of real or personal property or any income from, or other interest in, the gift, devise, or bequest;

(2) to acquire by purchase or exchange any real or personal property or interest in property, except that funds provided under section 310 may not be used to purchase an interest in real property;

(3) unless otherwise required by instrument of transfer, to sell, donate, lease, invest, reinvest, retain, or otherwise dispose of any property or income from property;

(4) to borrow money from private sources and issue bonds, debentures, or other debt instruments, subject to section 339, except that the aggregate amount of the borrowing and debt instruments outstanding at any time may not exceed $1,000,000;

(5) to sue and be sued, and complain and defend itself, in any court of competent jurisdiction, except that a member of the Board shall not be personally liable for an action in the performance of services for the Board, except for gross negligence;

(6) to enter into a contract or other agreement with an agency of State or local government, educational institution, or other private organization or person and to make such payments as may be necessary to carry out the functions of the Foundation; and

(7) to do any and all acts that are necessary to carry out the purposes of the Foundation.

(d) INTEREST IN PROPERTY.—

(1) IN GENERAL.—The Foundation may acquire, hold, and dispose of lands, waters, or other interests in real property by donation, gift, devise, purchase, or exchange.

(2) INTERESTS IN REAL PROPERTY.—For purposes of this subtitle, an interest in real property shall be treated, among other things, as including an easement or other right for the preservation, conservation, protection, or enhancement of agricultural, natural, scenic, historic, scientific, educational, inspirational, or recreational resources.

(3) GIFTS.—A gift, devise, or bequest may be accepted by the Foundation even though the gift, devise, or bequest is encumbered, restricted, or subject to a beneficial interest of a private person if any current or future interest in the gift, devise, or bequest is for the benefit of the Foundation.

SEC. 337. ADMINISTRATIVE SERVICES AND SUPPORT.

For each of fiscal years 1996 through 1998, the Secretary may provide, without reimbursement, personnel, facilities, and other administrative services of the Department to the Foundation.

SEC. 338. AUDITS AND PETITION OF ATTORNEY GENERAL FOR EQUITABLE RELIEF.

(a) AUDITS.—

(1) IN GENERAL.—The accounts of the Foundation shall be audited in accordance with Public Law 88-504 (36 U.S.C. 1101 et seq.), including an audit of lobbying and litigation activities carried out by the Foundation.

(2) CONFORMING AMENDMENT.—The first section of Public Law 88-504 (36 U.S.C. 1101) is amended by adding at the end the following:

"(77) The National Natural Resources Conservation Foundation.".

(b) RELIEF WITH RESPECT TO CERTAIN FOUNDATION ACTS OR FAILURE TO ACT.—The Attorney General may petition in the United States District Court for the District of Columbia for such equitable relief as may be necessary or appropriate, if the Foundation—

(1) engages in, or threatens to engage in, any act, practice, or policy that is inconsistent with this subtitle; or

(2) refuses, fails, neglects, or threatens to refuse, fail, or neglect, to discharge the obligations of the Foundation under this subtitle.

SEC. 339. RELEASE FROM LIABILITY.

(a) IN GENERAL.—The United States shall not be liable for any debt, default, act, or omission of the Foundation. The full faith and credit of the United States shall not extend to the Foundation.

(b) STATEMENT.—An obligation issued by the Foundation, and a document offering an obligation, shall include a prominent statement that the obligation is not directly or indirectly guaranteed, in whole or in part, by the United States (or an agency or instrumentality of the United States).

SEC. 340. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Department to be made available to the Foundation $1,000,000 for each of fiscal years 1997 through 1999 to initially establish and carry out activities of the Foundation.

Subtitle E—Miscellaneous

SEC. 351. FLOOD RISK REDUCTION.

(a) IN GENERAL.—During fiscal years 1996 through 2002, the Secretary of Agriculture (referred to in this section as the "Secretary") may enter into a contract with contract acreage under title I on a farm with land that is frequently flooded.

(b) DUTIES OF PRODUCERS.—Under the terms of the contract, with respect to acres that are subject to the contract, the producer must agree to—

(1) the termination of any contract acreage;

(2) forgo loans for contract commodities, oilseeds, and extra long staple cotton;

(3) not apply for crop insurance issued or reinsured by the Secretary;

(4) comply with applicable wetlands and high erodible land conservation compliance requirements established under title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.);

(5) not apply for any conservation program payments from the Secretary;

(6) not apply for disaster program benefits provided by the Secretary; and

(7) refund the payments, with interest, issued under the flood risk reduction contract to the Secretary, if the producer violates the terms of the contract or if the producer transfers the property to another person who violates the contract.

(c) DUTIES OF SECRETARY.—In return for a flood risk reduction contract entered into by a producer under this section, the Secretary shall agree to pay the producer for the 1996 through 2002 crops not more than 95 percent of the projected contract payments under title I, and not more than 95 percent of the projected payments and subsidies from the Federal Crop Insurance Corporation.

(d) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

SEC. 352. FORESTRY.

(a) FORESTRY INCENTIVES PROGRAM.—Section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103) is amended by striking subsection (k).

(b) OFFICE OF INTERNATIONAL FORESTRY.—Section 2405 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6704) is amended by adding at the end the following:

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized each fiscal year such sums as are necessary to carry out this section.".

SEC. 353. STATE TECHNICAL COMMITTEES.

Section 1261(c) of the Food Security Act of 1985 (16 U.S.C. 3861(c)) is amended—

(1) in paragraph (7), by striking "and" at the end;

(2) in paragraph (8), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(9) agricultural producers;

"(10) other nonprofit organizations with demonstrable expertise;

"(11) persons knowledgeable about the economic and environmental impact of conservation techniques and programs; and

"(12) agribusiness".

SEC. 354. CONSERVATION OF PRIVATE GRAZING LAND.

(a) FINDINGS.—Congress finds that—

(1) privately owned grazing land constitutes nearly ½ of the non-Federal land of the United States and is basic to the environmental, social, and economic stability of rural communities;

(2) privately owned grazing land contains a complex set of interactions among soil, water, air, plants, and animals;

(3) grazing land constitutes the single largest watershed cover type in the United States and contributes significantly to the quality and quantity of water available for all of the many uses of the land;

(4) private grazing land constitutes the most extensive wildlife habitat in the United States;

(5) private grazing land can provide opportunities for improved nutrient management from land application of animal manures and other by-product nutrient resources;

(6) owners and managers of private grazing land need to continue to recognize conservation problems when the problems arise and receive sound technical assistance to improve or conserve grazing land resources to meet ecological and economic demands;

(7) new science and technology must continually be made available in a practical manner so owners and managers of private grazing land may make informed decisions concerning vital grazing land resources;

(8) agencies of the Department of Agriculture with private grazing land responsibilities are the agencies that have the expertise and experience to provide technical assistance, education, and research to owners and managers of private grazing land for the long-term productivity and ecological health of grazing land;

(9) although competing demands on private grazing land resources are greater than ever before, assistance to private owners and managers of private grazing land is currently limited and does not meet the demand and basic need for adequately sustaining or enhancing the private grazing lands resources; and

(10) privately owned grazing land can be enhanced to provide many benefits to all Americans through voluntary cooperation among owners and managers of the land, local conservation districts, and the agencies of the Department of Agriculture responsible for providing assistance to owners and managers of land and to conservation districts.

(b) PURPOSE.—It is the purpose of this section to authorize the Secretary of Agriculture to provide a coordinated technical, educational, and related assistance program to conserve and enhance private grazing land resources and provide related benefits to all citizens of the United States by—

(1) establishing a coordinated and cooperative Federal, State, and local grazing conservation program for management of private grazing land;

(2) strengthening technical, educational, and related assistance programs that provide assistance to owners and managers of private grazing land;

(3) conserving and improving wildlife habitat on private grazing land;

(4) conserving and improving fish habitat and aquatic systems through grazing land conservation treatment;

(5) protecting and improving water quality;

(6) improving the dependability and consistency of water supplies;

(7) identifying and managing weed, noxious weed, and brush encroachment problems on private grazing land; and

(8) integrating conservation planning and management decisions by owners and managers of private grazing land, on a voluntary basis.

(c) DEFINITIONS.—In this section:

(1) PRIVATE GRAZING LAND.—The term "private grazing land" means privately owned, State-owned, tribally-owned, and any other non-federally owned rangeland, pastureland, grazed forest land, and hay land.

(2) SECRETARY.—The term "Secretary" means the Secretary of Agriculture, acting through the Natural Resources Conservation Service.

(d) PRIVATE GRAZING LAND CONSERVATION ASSISTANCE.—

(1) ASSISTANCE TO GRAZING LANDOWNERS AND OTHERS.—Subject to the availability of appropriations, the Secretary shall establish a voluntary program to provide technical, educational, and related assistance to owners and managers of private grazing land and public agencies, through local conservation districts, to enable the landowners, managers, and public agencies to voluntarily carry out activities that are consistent with this section, including—

(A) maintaining and improving private grazing land and the multiple values and uses that depend on private grazing land;

(B) implementing grazing land management technologies;

(C) managing resources on private grazing land, including—.

(i) planning, managing, and treating private grazing land resources;

(ii) ensuring the long-term sustainability of private grazing land resources;

(iii) harvesting, processing, and marketing private grazing land resources; and

(iv) identifying and managing weed, noxious weed, and brush encroachment problems;

(D) protecting and improving the quality and quantity of water yields from private grazing land;

(E) maintaining and improving wildlife and fish habitat on private grazing land;

(F) enhancing recreational opportunities on private grazing land;

(G) maintaining and improving the aesthetic character of private grazing lands; and

(H) identifying the opportunities and encouraging the diversification of private grazing land enterprises.

(2) PROGRAM ELEMENTS.—

(A) FUNDING.—The program under paragraph (1) shall be funded through a specific line-item in the annual appropriations for the Natural Resources Conservation Service.

(B) TECHNICAL ASSISTANCE AND EDUCATION.—Personnel of the Department of Agriculture trained in pasture and range management shall be made available under the program to deliver and coordinate technical assistance and education to owners and managers of private grazing land, at the request of the owners and managers.

(e) GRAZING TECHNICAL ASSISTANCE SELF-HELP.—

(1) FINDINGS.—Congress finds that—

(A) there is a severe lack of technical assistance for grazing producers;

(B) the Federal budget precludes any significant expansion, and may force a reduction of, current levels of technical support; and

(C) farmers and ranchers have a history of cooperatively working together to address common needs in the promotion of their products and in the drainage of wet areas through drainage districts.

(2) ESTABLISHMENT OF GRAZING DEMONSTRATION.—The Secretary may establish 2 grazing management demonstration districts at the recommendation of the Grazing Lands Conservation Initiative Steering Committee.

(3) PROCEDURE.—

(A) PROPOSAL.—Within a reasonable time after the submission of a request of an organization of farmers or ranchers engaged in grazing, the Secretary shall propose that a grazing management district be established.

(B) FUNDING.—The terms and conditions of the funding and operation of the grazing management district shall be proposed by the producers.

(C) APPROVAL.—The Secretary shall approve the proposal if the Secretary determines that the proposal—

(i) is reasonable;

(ii) will promote sound grazing practices; and

(iii) contains provisions similar to the provisions contained in the promotion orders in effect on the effective date of this section.

(D) AREA INCLUDED.—The area proposed to be included in a grazing management district shall be determined by the Secretary on the basis of a petition by farmers or ranchers.

(E) AUTHORIZATION.—The Secretary may use authority under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to operate, on a demonstration basis, a grazing management district.

(F) ACTIVITIES.—The activities of a grazing management district shall be scientifically sound activities, as determined by the Secretary in consultation with a technical advisory committee composed of ranchers, farmers, and technical experts.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

(1) $20,000,000 for fiscal year 1996;

(2) $40,000,000 for fiscal year 1997; and

(3) $60,000,000 for fiscal year 1998 and each subsequent fiscal year.

SEC. 355. CONFORMING AMENDMENTS.

(a) AGRICULTURAL CONSERVATION PROGRAM.—

(1) ELIMINATION.—

(A) Section 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h) is amended—

(i) in subsection (b)—

(I) by striking paragraphs (1) through (4) and inserting the following:

"(1) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—The Secretary shall provide technical assistance, cost share payments, and incentive payments to operators through the environmental quality incentives program in accordance with chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)."; and

(II) by striking paragraphs (6) through (8); and

(ii) by striking subsections (d), (e), and (f).

(B) The first sentence of section 11 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590k) is amended by striking "performance: *Provided further*," and all that follows through "or other law" and inserting "performance".

(C) Section 14 of the Act (16 U.S.C. 590n) is amended—

(i) in the first sentence, by striking "or 8"; and

(ii) by striking the second sentence.

(D) Section 15 of the Act (16 U.S.C. 590o) is amended—

(i) in the first undesignated paragraph—

(I) in the first sentence, by striking "sections 7 and 8" and inserting "section 7"; and

(II) by striking the third sentence; and

(ii) by striking the second undesignated paragraph.

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of the last proviso of the matter under the heading "CONSERVATION RESERVE PROGRAM" under the heading "SOIL BANK PROGRAMS" of title I of the Department of Agriculture and Farm Credit Administration Appropriation Act, 1959 (72 Stat. 195; 7 U.S.C. 1831a) is amended by striking "Agricultural Conservation Program" and inserting "environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)".

(B) Section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103) is amended by striking "as added by the Agriculture and Consumer Protection Act of 1973" each place it appears in subsections (d) and (i) and inserting "as in effect before the amendment made by section 355(a)(1) of the Agricultural Reform and Improvement Act of 1996".

(C) Section 226(b)(4) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6932(b)(4)) is amended by striking "and the agricultural conservation program under the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g et seq.)".

(D) Section 246(b)(8) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)(8)) is amended by striking "and the agricultural conservation program under the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g et seq.)".

(E) Section 1271(c)(3)(C) of the Food, Agriculture, Conservation, and Trade Act of 1990 (16 U.S.C. 2106a(c)(3)(C)) is amended by striking "Agricultural Conservation Program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h, 590l, or 590p)" and inserting "environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)".

(F) Section 126(a)(5) of the Internal Revenue Code of 1986 is amended to read as follows:

"(5) The environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.).".

(G) Section 304(a) of the Lake Champlain Special Designation Act of 1990 (Public Law 101–596; 33 U.S.C. 1270 note) is amended—

(i) in the subsection heading, by striking "SPECIAL PROJECT AREA UNDER THE AGRICULTURAL CONSERVATION PROGRAM" and inserting "A PRIORITY AREA UNDER THE ENVIRONMENTAL QUALITY INCENTIVES PROGRAM"; and

(ii) in paragraph (1), by striking "special project area under the Agricultural Conservation Program established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b))" and inserting "priority area under the environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)".

(H) Section 6 of the Department of Agriculture Organic Act of 1956 (70 Stat. 1033) is amended by striking subsection (b).

(b) GREAT PLAINS CONSERVATION PROGRAM.—

(1) ELIMINATION.—Section 16 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p) is repealed.

(2) CONFORMING AMENDMENTS.—

(A) The Agricultural Adjustment Act of 1938 is amended by striking "Great Plains program" each place it appears in sections 344(f)(8) and 377 (7 U.S.C. 1344(f)(8) and 1377) and inserting "environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)".

(B) Section 246(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)) is amended by striking paragraph (2).

(C) Section 126(a) of the Internal Revenue Code of 1986 is amended—

(i) by striking paragraph (6); and

(ii) by redesignating paragraphs (7) through (10) as paragraphs (6) through (9), respectively.

(c) COLORADO RIVER BASIN SALINITY CONTROL PROGRAM.—

(1) ELIMINATION.—Section 202 of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592) is amended by striking subsection (c).

(2) CONFORMING AMENDMENT.—Section 246(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)) is amended by striking paragraph (6).

(d) RURAL ENVIRONMENTAL CONSERVATION PROGRAM.—

(1) ELIMINATION.—Title X of the Agricultural Act of 1970 (16 U.S.C. 1501 et seq.) is repealed.

(2) CONFORMING AMENDMENTS.—Section 246(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)) is amended—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) through (8) as paragraphs (1) through (7), respectively.

(e) OTHER CONSERVATION PROVISIONS.—Subtitle F of title XII of the Food Security Act of 1985 (16 U.S.C. 2005a and 2101 note) is repealed.

(f) COMMODITY CREDIT CORPORATION CHARTER ACT.—Section 5(g) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(g)) is amended to read as follows:

"(g) Carry out conservation functions and programs.".

(g) RESOURCE CONSERVATION.—

(1) ELIMINATION.—Subtitles A, B, D, E, F, G, and J of title XV of the Agriculture and Food Act of 1981 (95 Stat. 1328; 16 U.S.C. 3401 et seq.) are repealed.

(2) CONFORMING AMENDMENT.—Section 739 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1982 (7 U.S.C. 2272a), is repealed.

(h) ENVIRONMENTAL EASEMENT PROGRAM.—Section 1239(a) of the Food Security Act of 1985 (16 U.S.C. 3839(a)) is amended by striking "1991 through 1995" and inserting "1996 through 2002".

(i) RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.—Section 1538 of the Agriculture and Food Act of 1981 (16 U.S.C. 3461) is amended by striking "1991 through 1995" and inserting "1996 through 2002".

(j) TECHNICAL AMENDMENT.—The first sentence of the matter under the heading "Commodity Credit Corporation" of Public Law 99–263 (100 Stat. 59; 16 U.S.C. 3841 note) is amended by striking ": Provided further," and all that follows through "Acts".

(k) AGRICULTURAL WATER QUALITY INCENTIVES PROGRAM.—Chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.) is repealed.

SEC. 356. WATER BANK PROGRAM.

Section 1230 of the Food Security Act of 1985 (16 U.S.C. 3830) is amended by adding at the end the following:

"(d) WATER BANK PROGRAM.—For purposes of this Act, acreage enrolled, prior to the date of enactment of this subsection, in the water bank program authorized by the Water Bank Act (16 U.S.C. 1301 et seq.) shall be considered to have been enrolled in the conservation reserve program on the date the acreage was enrolled in the water bank program. Payments shall continue at the existing water bank rates.".

SEC. 357. FLOOD WATER RETENTION PILOT PROJECTS.

Section 16 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p) is amended by adding at the end the following:

"(l) FLOOD WATER RETENTION PILOT PROJECTS.—

"(1) IN GENERAL.—In cooperation with States, the Secretary shall carry out at least 1 but not more than 2 pilot projects to create and restore natural water retention areas to control storm water and snow melt runoff within closed drainage systems.

"(2) PRACTICES.—To carry out paragraph (1), the Secretary shall provide cost-sharing and technical assistance for the establishment of nonstructural landscape management practices, including agricultural tillage practices and restoration, enhancement, and creation of wetland characteristics.

"(3) FUNDING.—

"(A) LIMITATION.—The funding used by the Secretary to carry out this subsection shall not exceed $10,000,000 per project.

"(B) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this subsection.

"(4) ADDITIONAL PILOT PROJECTS.—

"(A) EVALUATION.—Not later than 2 years after a pilot project is implemented, the Secretary shall evaluate the extent to which the project has reduced or may reduce Federal outlays for emergency spending and unplanned infrastructure maintenance by an amount that exceeds the Federal cost of the project.

"(B) ADDITIONAL PROJECTS.—If the Secretary determines that pilot projects carried out under this subsection have reduced or may reduce Federal outlays as described in subparagraph (A), the Secretary may carry out, in accordance with this subsection, pilot projects in addition to the projects authorized under paragraph (1).".

SEC. 358. WETLAND CONSERVATION EXEMPTION.

Section 1222(b)(1) of the Food Security Act of 1985 (16 U.S.C. 3822(b)(1)) is amended—

(1) in subparagraph (C), by striking "or" at the end; and

(2) by adding at the end the following:

"(E) converted wetland, if—

"(i) the extent of the conversion is limited to the reversion to conditions that will be at least equivalent to the wetland functions and values that existed prior to implementation of a voluntary wetland restoration, enhancement, or creation action;

"(ii) technical determinations of the prior site conditions and the restoration, enhancement, or creation action have been adequately documented in a plan approved by the Natural Resources Conservation Service prior to implementation; and

"(iii) the conversion action proposed by the private landowner is approved by the Natural Resources Conservation Service prior to implementation; or".

SEC. 359. FLOODPLAIN EASEMENTS.

Section 403 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203) is amended by inserting ", including the purchase of floodplain easements," after "emergency measures".

SEC. 360. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM REAUTHORIZATION.

Section 1538 of the Agriculture and Food Act of 1981 (16 U.S.C. 3461) is amended by striking "1991 through 1995" and inserting "1996 through 2001".

SEC. 361. CONSERVATION RESERVE NEW ACREAGE.

Section 1231(a) of the Food Security Act of 1985 (16 U.S.C. 3831(a)) is amended by adding at the end the following: "The Secretary may enter into 1 or more new contracts to enroll acreage in a quantity equal to the quantity of acreage covered by any contract that terminates after the date of enactment of the Agricultural Market Transition Act.".

SEC. 362. REPEAL OF REPORT REQUIREMENT.

Section 1342 of title 44, United States Code, is repealed.

SEC. 363. WATERSHED PROTECTION AND FLOOD PREVENTION ACT AMENDMENTS.

(a) DECLARATION OF POLICY.—The first section of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001) is amended to read as follows:

"SECTION 1. DECLARATION OF POLICY.

"Erosion, flooding, sedimentation, and loss of natural habitats in the watersheds and waterways of the United States cause loss of life, damage to property, and a reduction in the quality of environment and life of citizens. It is therefore the sense of Congress that the Federal Government should join with States and their political subdivisions, public agencies, conservation districts, flood prevention or control districts, local citizens organizations, and Indian tribes for the purpose of conserving, protecting, restoring, and improving the land and water resources of the United States and the quality of the environment and life for watershed residents across the United States.".

(b) DEFINITIONS.—

(1) WORKS OF IMPROVEMENT.—Section 2 of the Act (16 U.S.C. 1002) is amended, with respect to the term "works of improvement"—

(A) in paragraph (1), by inserting ", nonstructural," after "structural";

(B) in paragraph (2), by striking "or" at the end;

(C) by redesignating paragraph (3) as paragraph (11);

(D) by inserting after paragraph (2) the following new paragraphs:

"(3) a land treatment or other nonstructural practice, including the acquisition of easements or real property rights, to meet multiple watershed needs,

"(4) the restoration and monitoring of the chemical, biological, and physical structure, diversity, and functions of waterways and their associated ecological systems,

"(5) the restoration or establishment of wetland and riparian environments as part of a multi-objective management system that provides floodwater or storm water storage, detention, and attenuation, nutrient filtering, fish and wildlife habitat, and enhanced biological diversity,

"(6) the restoration of steam channel forms, functions, and diversity using the principles of biotechnical slope stabilization to reestablish a meandering, bankfull flow channels, riparian vegetation, and floodplains,

"(7) the establishment and acquisition of multi-objective riparian and adjacent flood prone lands, including greenways, for sediment storage and floodwater storage,

"(8) the protection, restoration, enhancement and monitoring of surface and groundwater quality, including measures to improve the quality of water emanating from agricultural lands and facilities,

"(9) the provision of water supply and municipal and industrial water supply for rural communities having a population of less than 55,000, according to the most recent decennial census of the United States,

"(10) outreach to and organization of local citizen organizations to participate in project design and implementation, and the training of project volunteers and participants in restoration and monitoring techniques, or"; and

(E) in paragraph (11) (as so redesignated)—

(i) by inserting in the first sentence after "proper utilization of land" the following: ", water, and related resources"; and

(ii) by striking the sentence that mandates that 20 percent of total project benefits be directly related to agriculture.

(2) LOCAL ORGANIZATION.—Such section is further amended, with respect to the term "local organization", by adding at the end the following new sentence: "The term includes any nonprofit organization (defined as having tax exempt status under section 501(c)(3) of the Internal Revenue Code of 1986) that has authority to carry out and maintain works of improvement or is developing and implementing a work of improvement in partnership with another local organization that has such authority.".

(3) WATERWAY.—Such section is further amended by adding at the end the following new definition:

"WATERWAY.—The term 'waterway' means, on public or private land, any natural, degraded, seasonal, or created wetland on public or private land, including rivers, streams, riparian areas, marshes, ponds, bogs, mudflats, lakes, and estuaries. The term includes any natural or manmade watercourse which is culverted, channelized, or vegetatively cleared, including canals, irrigation ditches, drainage wages, and navigation, industrial, flood control and water supply channels.".

(c) ASSISTANCE TO LOCAL ORGANIZATIONS.—Section 3 of the Act (16 U.S.C. 1003) is amended—

(1) in paragraph (1), by inserting after "(1)" the following "to provide technical assistance to help local organizations";

(2) in paragraph (2)—

(A) by inserting after "(2)" the following: "to provide technical assistance to help local organizations"; and

(B) by striking "engineering" and inserting "technical and scientific"; and

(3) by striking paragraph (3) and inserting the following new paragraph:

"(3) to make allocations of costs to the project or project components to determine whether the total of all environmental, social, and monetary benefits exceed costs;".

(d) COST SHARE ASSISTANCE.—

(1) AMOUNT OF ASSISTANCE.—Section 3A of the Act (16 U.S.C. 1003a) is amended by striking subsection (b) and inserting the following:

"(b) NONSTRUCTURAL PRACTICES.—Notwithstanding any other provision of this Act, Federal cost share assistance to local organizations for the planning and implementation of nonstructural works of improvement may be provided using funds appropriated for the purposes of this Act for an amount not exceeding 75 percent of the total installation costs.

"(c) STRUCTURAL PRACTICES.—Notwithstanding any other provision of this Act, Federal cost share assistance to local organizations for the planning and implementation of structural works of improvement may be provided using funds appropriated for the purposes of this Act for 50 percent of the total cost, including the cost of mitigating damage to fish and wildlife habitat and the value of any land or interests in land acquired for the work of improvement.

"(d) SPECIAL RULE FOR LIMITED RESOURCE COMMUNITIES.—Notwithstanding any other provision of this Act, the Secretary may provide cost share assistance to a limited resource community for any works of improvement, using funds appropriated for the purposes of this Act, for an amount not to exceed 90 percent of the total cost.

"(e) TREATMENT OF OTHER FEDERAL FUNDS.—Not more than 50 percent of the non-Federal cost share may be satisfied using funds from other Federal agencies.".

(2) CONDITIONS ON ASSISTANCE.—Section 4(1) of the Act (16 U.S.C. 1004(1)) is amended by striking ", without cost to the Federal Government from funds appropriated for the purposes of this Act,".

(e) BENEFIT COST ANALYSIS.—Section 5(1) of the Act (16 U.S.C. 1005(1)) is amended by striking "the benefits" and inserting "the total benefits, including environmental, social, and monetary benefits,".

(f) PROJECT PRIORITIZATION.—The Watershed Protection and Flood Prevention Act is amended by inserting after section 5 (16 U.S.C. 1005) the following new section:

"SEC. 5A. FUNDING PRIORITIES.

"In making funding decisions under this Act, the Secretary shall give priority to projects with one or more of the following attributes:

"(1) Projects providing significant improvements in ecological values and functions in the project area.

"(2) Projects that enhance the long-term health of local economies or generate job or job training opportunities for local residents, including Youth Conservation and Service Corps participants and displaced resource harvesters.

"(3) Projects that provide protection to human health, safety, and property.

"(4) Projects that directly benefit economically disadvantaged communities and enhance participation by local residents of such communities.

"(5) Projects that restore or enhance fish and wildlife species of commercial, recreational, subsistence or scientific concern.

"(6) Projects or components of projects that can be planned, designed, and implemented within two years.".

(g) TRANSFER OF FUNDS.—The Watershed Protection and Flood Prevention Act (16 U.S.C. 1001–1010) is amended by adding at the end the following new section:

"SEC. 14. TRANSFERS OF FUNDS.

"The Secretary may accept transfers of funds from other Federal departments and agencies in order to carry out projects under this Act.".

SEC. 364. ABANDONMENT OF CONVERTED WETLANDS.

Section 1222 of the Food Security Act of 1985 (16 U.S.C. 3822) is amended by adding at the end the following:

"(k) ABANDONMENT OF CONVERTED WETLANDS.—The Secretary shall not determine that a prior converted or cropped wetland is abandoned, and therefore that the wetland is subject to this subtitle, on the basis that a producer has not planted an agricultural crop on the prior converted or cropped wetland after the date of enactment of this subsection, so long as any use of the wetland thereafter is limited to agricultural purposes.".

TITLE IV—NUTRITION ASSISTANCE

SEC. 401. FOOD STAMP PROGRAM.

(a) DISQUALIFICATION OF A STORE OR CONCERN.—Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended—

(1) by striking the section heading;

(2) by striking "SEC. 12. (a) Any" and inserting the following:

"SEC. 12. CIVIL MONEY PENALTIES AND DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

"(a) DISQUALIFICATION.—

"(1) IN GENERAL.—An";

(3) by adding at the end of subsection (a) the following:

"(2) EMPLOYING CERTAIN PERSONS.—A retail food store or wholesale food concern shall be disqualified from participation in the food stamp program if the store or concern knowingly employs a person who has been found by the Secretary, or a Federal, State, or local court, to have, within the preceding 3-year period—

"(A) engaged in the trading of a firearm, ammunition, an explosive, or a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)) for a coupon; or

"(B) committed any act that constitutes a violation of this Act or a State law relating to using, presenting, transferring, acquiring, receiving, or possessing a coupon, authorization card, or access device."; and

(4) in subsection (b)(3)(B), by striking "neither the ownership nor management of the store or food concern was aware" and inserting "the ownership of the store or food concern was not aware".

(b) EMPLOYMENT AND TRAINING.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended by striking "1995" each place it appears and inserting "2002".

(c) AUTHORIZATION OF PILOT PROJECTS.—The last sentence of section 17(b)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(A)) is amended by striking "1995" and inserting "2002".

(d) OUTREACH DEMONSTRATION PROJECTS.—The first sentence of section 17(j)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(j)(1)(A)) is amended by striking "1995" and inserting "2002".

(e) AUTHORIZATION FOR APPROPRIATIONS.—The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking "1995" and inserting "2002".

(f) REAUTHORIZATION OF PUERTO RICO NUTRITION ASSISTANCE PROGRAM.—The first sentence of section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended by striking "$974,000,000" and all that follows through "fiscal year 1995" and inserting "$1,143,000,000 for fiscal year 1996, $1,174,000,000 for fiscal year 1997, $1,204,000,000 for fiscal year 1998, $1,236,000,000 for fiscal year 1999, $1,268,000,000 for fiscal year 2000, $1,301,000,000 for fiscal year 2001, and $1,335,000,000 for fiscal year 2002".

(g) AMERICAN SAMOA.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

"SEC. 24. TERRITORY OF AMERICAN SAMOA.

"From amounts made available to carry out this Act, the Secretary may pay to the Territory of American Samoa not more than $5,300,000 for each of fiscal years 1996 through 2002 to finance 100 percent of the expenditures for the fiscal year for a nutrition assistance program extended under section 601(c) of Public Law 96–597 (48 U.S.C. 1469d(c)).".

SEC. 402. COMMODITY DISTRIBUTION PROGRAM; COMMODITY SUPPLEMENTAL FOOD PROGRAM.

(a) REAUTHORIZATION.—The first sentence of section 4(a) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(b) FUNDING.—Section 5 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) is amended—

(1) in subsection (a)(2), by striking "1995" and inserting "2002"; and

(2) in subsection (d)(2), by striking "1995" and inserting "2002".

(c) CARRIED-OVER FUNDS.—20 percent of any commodity supplemental food program funds carried over under section 5 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) shall be available for administrative expenses of the program.

SEC. 403. EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) REAUTHORIZATION.—The first sentence of section 204(a)(1) of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(b) PROGRAM TERMINATION.—Section 212 of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(c) REQUIRED PURCHASES OF COMMODITIES.—Section 214 of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking "1995" and inserting "2002"; and

(2) in subsection (e), by striking "1995" each place it appears and inserting "2002".

SEC. 404. SOUP KITCHENS PROGRAM.

Section 110 of the Hunger Prevention Act of 1988 (Public Law 100–435; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking "1995" and inserting "2002"; and

(2) in subsection (c)(2)—

(A) in the paragraph heading, by striking "1995" and inserting "2002"; and

(B) by striking "1995" each place it appears and inserting "2002".

SEC. 405. NATIONAL COMMODITY PROCESSING.

The first sentence of section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended by striking "1995" and inserting "2002".

TITLE V—MISCELLANEOUS

Subtitle A—General Miscellaneous Provisions

SEC. 501. FUND FOR DAIRY PRODUCERS TO PAY FOR NUTRIENT MANAGEMENT.

Section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in paragraph (A), by adding at the end the following: "The minimum price for milk of the highest classification in any order (other than an order amended under paragraph (M)) may not be higher than the minimum price required under this paragraph."; and

(2) by adding at the end the following:

"(M) SAFE HARBOR.—

"(i) IN GENERAL.—Providing that each order may be amended such that not more than $.10 per hundredweight of milk of the highest use classification may be added to the minimum applicable price to be set aside in a fund called the 'Safe Harbor Fund Account' (referred to in this paragraph as the 'Account').

"(ii) ADMINISTRATION.—

"(I) MARKET ADMINISTRATOR.—The Account shall be administered by the Market Administrator.

"(II) USE OF FUNDS.—A determination regarding the use of the funds in the Account shall be made by the Safe Harbor Committee established under clause (iii).

"(iii) SAFE HARBOR COMMITTEE.—The Secretary shall establish a Safe Harbor Committee consisting of 7 milk producers appointed by the Secretary who supply milk to handlers regulated under a Federal milk marketing order.

"(iv) USE OF FUNDS.—

"(I) APPLICATIONS.—To be eligible to use amounts in the fund, a milk producer who supplies milk to handlers regulated under a Federal milk marketing order shall submit an application to the Safe Harbor Committee.

"(II) APPROVAL.—The Safe Harbor Committee may approve only applications that fund conservation practices approved by the Secretary that control the off-migration of nutrients from the farm.

"(III) STATE WATER QUALITY PRIORITIES.—In approving applications, the Safe Harbor Committee shall take into account, to the extent practicable, the applicable State water quality priorities.".

SEC. 502. CROP INSURANCE.

(a) CATASTROPHIC RISK PROTECTION.—Section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)) is amended—

(1) in paragraph (4), by adding at the end the following:

"(C) DELIVERY OF COVERAGE.—

"(i) IN GENERAL.—In full consultation with approved insurance providers, the Secretary may continue to offer catastrophic risk protection in a State (or a portion of a State) through local offices of the Department if the Secretary determines that there is an insufficient number of approved insurance providers operating in the State or portion to adequately provide catastrophic risk protection coverage to producers.

"(ii) COVERAGE BY APPROVED INSURANCE PROVIDERS.—To the extent that catastrophic risk protection coverage by approved insurance providers is sufficiently available in a State as determined by the Secretary, only approved insurance providers may provide the coverage in the State.

"(iii) CURRENT POLICIES.—Subject to clause (ii), all catastrophic risk protection policies written by local offices of the Department shall be transferred (including all fees collected for the crop year in which the approved insurance provider will assume the policies) to the approved insurance provider for performance of all sales, service, and loss adjustment functions."; and

(2) in paragraph (7), by striking subparagraph (A) and inserting the following:

"(A) IN GENERAL.—Effective for the spring-planted 1996 and subsequent crops, to be eligible for any payment or loan under the Agricultural Market Transition Act or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301 et seq.), the conservation reserve program, or any benefit described in section 371 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008f), a person shall—

"(i) obtain at least the catastrophic level of insurance for each crop of economic significance in which the person has an interest; or

"(ii) provide a written waiver to the Secretary that waives any eligibility for emergency crop loss assistance in connection with the crop.".

(b) COVERAGE OF SEED CROPS.—Section 519(a)(2)(B) of the Act (7 U.S.C. 1519(a)(2)(B)) is amended by inserting "seed crops," after "turfgrass sod,".

(c) CROP INSURANCE PILOT PROJECT.—

(1) COVERAGE.—The Secretary of Agriculture shall develop and administer a pilot project for crop insurance coverage that indemnifies crop losses due to a natural disaster such as insect infestation or disease.

(2) ACTUARIAL SOUNDNESS.—A pilot project under this paragraph shall be actuarially sound, as determined by the Secretary and administered at no net cost to the United States Treasury.

(3) DURATION.—A pilot project under this paragraph shall be of two years' duration.

(d) CROP INSURANCE FOR SPECIALTY CROPS.—Section 508(a)(6) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(6)) is amended by adding at the end the following:

"(D) ADDITION OF SPECIALTY CROPS.—Not later than 2 years after the date of enactment of this subparagraph—

"(i) the Corporation shall issue regulations to expand crop insurance coverage under this title to include aquaculture; and

"(ii) The Corporation shall conduct a study and limited pilot program on the feasibility of insuring nursery crops.".

(e) MARKETING WINDOWS.—Section 508(j) of the Federal Crop Insurance Act (7 U.S.C. 1508(j)) is amended by adding at the end the following:

"(4) MARKETING WINDOWS.—The Corporation shall consider marketing windows in determining whether it is feasible to require planting during a crop year.".

SEC. 503. REVENUE INSURANCE.

Section 508(h) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)) is amended by adding at the end the following:

"(9) REVENUE INSURANCE PILOT PROGRAM.—

"(A) IN GENERAL.—Not later than December 31, 1996, the Secretary shall carry out a pilot program in a limited number of counties, as determined by the Secretary, for crop years 1997, 1998, 1999, and 2000, under which a producer of corn, wheat, or soybeans may elect to receive insurance against loss of revenue, as determined by the Secretary.

"(B) ADMINISTRATION.—Revenue insurance under this paragraph shall—

"(i) be offered through reinsurance arrangements with private insurance companies;

"(ii) offer at least a minimum level of coverage that is an alternative to catastrophic crop insurance;

"(iii) be actuarily sound; and

"(iv) require the payment of premiums and administrative fees by an insured producer.".

SEC. 504. COLLECTION AND USE OF AGRICULTURAL QUARANTINE AND INSPECTION FEES.

Subsection (a) of section 2509 of the Food, Agriculture, Conservation, and Trade Act of 1990 (21 U.S.C. 136a) is amended to read as follows:

"(a) QUARANTINE AND INSPECTION FEES.—

"(1) FEES AUTHORIZED.—The Secretary of Agriculture may prescribe and collect fees sufficient—

"(A) to cover the cost of providing agricultural quarantine and inspection services in connection with the arrival at a port in the customs territory of the United States, or the preclearance or preinspection at a site outside the customs territory of the United States, of an international passenger, commercial vessel, commercial aircraft, commercial truck, or railroad car;

"(B) to cover the cost of administering this subsection; and

"(C) through fiscal year 2002, to maintain a reasonable balance in the Agricultural Quarantine Inspection User Fee Account established under paragraph (5).

"(2) LIMITATION.—In setting the fees under paragraph (1), the Secretary shall ensure that the amount of the fees are commensurate with the costs of agricultural quarantine and inspection services with respect to the class of persons or entities paying the fees. The costs of the services with respect to passengers as a class includes the costs of related inspections of the aircraft or other vehicle.

"(3) STATUS OF FEES.—Fees collected under this subsection by any person on behalf of the Secretary are held in trust for the United States and shall be remitted to the Secretary in such manner and at such times as the Secretary may prescribe.

"(4) LATE PAYMENT PENALTIES.—If a person subject to a fee under this subsection fails to pay the fee when due, the Secretary shall assess a late payment penalty, and the overdue fees shall accrue interest, as required by section 3717 of title 31, United States Code.

"(5) AGRICULTURAL QUARANTINE INSPECTION USER FEE ACCOUNT.—

"(A) ESTABLISHMENT.—There is established in the Treasury of the United States a no-year fund, to be known as the 'Agricultural Quarantine Inspection User Fee Account', which shall contain all of the fees collected under this subsection and late payment penalties and interest charges collected under paragraph (4) through fiscal year 2002.

"(B) USE OF ACCOUNT.—For each of the fiscal years 1996 through 2002, funds in the Agricultural Quarantine Inspection User Fee Account shall be available, in such amounts as are provided in advance in appropriations Acts, to cover the costs associated with the provision of agricultural quarantine and inspection services and the administration of this subsection. Amounts made available under this subparagraph shall be available until expended.

"(C) EXCESS FEES.—Fees and other amounts collected under this subsection in any of the fiscal years 1996 through 2002 in excess of $100,000,000 shall be available for the purposes specified in subparagraph (B) until expended, without further appropriation.

"(6) USE OF AMOUNTS COLLECTED AFTER FISCAL YEAR 2002.—After September 30, 2002, the unobligated balance in the Agricultural Quarantine Inspection User Fee Account and fees and other amounts collected under this subsection shall be credited to the Department of Agriculture accounts that incur the costs associated with the provision of agricultural quarantine and inspection services and the administration of this subsection. The fees and other amounts shall remain available to the Secretary until expended without fiscal year limitation.

"(7) STAFF YEARS.—The number of full-time equivalent positions in the Department of Agriculture attributable to the provision of agricultural quarantine and inspection services and the administration of this subsection shall not be counted toward the limitation on the total number of full-time equivalent positions in all agencies specified in section 5(b) of the Federal Workforce Restructuring Act of 1994 (Public Law 103-226; 5 U.S.C. 3101 note) or other limitation on the total number of full-time equivalent positions.".

SEC. 505. COMMODITY CREDIT CORPORATION INTEREST RATE.

Notwithstanding any other provision of law, the monthly Commodity Credit Corporation interest rate applicable to loans provided for agricultural commodities by the Corporation shall be 100 basis points greater than the rate determined under the applicable interest rate formula in effect on October 1, 1995.

SEC. 506. EVERGLADES AGRICULTURAL AREA.

(a) IN GENERAL.—On July 1, 1996, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide $200,000,000 to the Secretary of the Interior to carry out this section.

(b) ENTITLEMENT.—The Secretary of the Interior—

(1) shall accept the funds made available under subsection (a);

(2) shall be entitled to receive the funds; and

(3) shall use the funds to conduct restoration activities in the Everglades ecosystem, which may include acquiring private acreage in the Everglades Agricultural Area including approximately 52,000 acres that is commonly known as the "Talisman tract".

(c) TRANSFERRING FUNDS.—The Secretary of the Interior may transfer funds to the Army Corps of Engineers, the State of Florida, or the South Florida Water Management District to carry out subsection (b)(3).

(d) DEADLINE.—Not later than December 31, 1999, the Secretary of the Interior shall utilize the funds for restoration activities referred to in subsection (b)(3).

SEC. 507. FUND FOR RURAL AMERICA.

(a) IN GENERAL.—The Secretary shall create an account called the Fund for Rural America for the purposes of providing funds for activities described in subsection (c).

(b) COMMODITY CREDIT CORPORATION.—In each of the 1996 through 1998 fiscal years, the Secretary shall transfer into the Fund for Rural America (hereafter referred to as the "Account")—

(1) $50,000,000 for the 1996 fiscal year;

(2) $100,000,000 for the 1997 fiscal year; and

(3) $150,000,000 for the 1998 fiscal year.

(c) PURPOSES.—Except as provided in subsection (d), the Secretary shall provide not more than one-third of the funds from the Account for activities described in paragraph (2).

(1) RURAL DEVELOPMENT ACTIVITIES.—The Secretary may use the funds in the Account for the following rural development activities authorized in:

(A) The Housing Act of 1949 for—

(i) direct loans to low income borrowers pursuant to section 502;

(ii) loans for financial assistance for housing for domestic farm laborers pursuant to section 514;

(iii) financial assistance for housing of domestic farm labor pursuant to section 516;

(iv) grants and contracts for mutual and self help housing pursuant to section 523(b)(1)(A); and

(v) grants for Rural Housing Preservation pursuant to section 533;

(B) The Food Security Act of 1985 for loans to intermediary borrowers under the Rural Development Loan Fund;

(C) Consolidated Farm and Rural Development Act for—

(i) grants for Rural Business Enterprises pursuant to section 310B (c) and (j);

(ii) direct loans, loan guarantees and grants for water and waste water projects pursuant to section 306; and

(iii) down payments assistance to farmers, section 310E;

(D) grants for outreach to socially disadvantaged farmers and ranchers pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279); and

(E) grants pursuant to section 204(6) of the Agricultural Marketing Act of 1946.

(2) RESEARCH.—

(A) IN GENERAL.—The Secretary may use the funds in the Account for research grants to increase the competitiveness and farm profitability, protect and enhance natural resources, increase economic opportunities in farming and rural communities and expand locally owned value added processing and marketing operations.

(B) ELIGIBLE GRANTEE.—The Secretary may make a grant under this paragraph to—

(i) a college or university;

(ii) a State agricultural experiment station;

(iii) a State Cooperative Extension Service;

(iv) a research institution or organization;

(v) a private organization or person; or

(iv) a Federal agency.

(C) USE OF GRANT.—

(i) IN GENERAL.—A grant made under this paragraph may be used by a grantee for 1 or more of the following uses—

(I) research, ranging from discovery to principles of application;

(II) extension and related private-sector activities; and

(III) education.

(ii) LIMITATION.—No grant shall be made for any project, determined by the Secretary, to be eligible for funding under research and commodity promotion programs administered by the Department.

(D) ADMINISTRATION.—

(i) PRIORITY.—In administering this paragraph, the Secretary shall—

(I) establish priorities for allocating grants, based on needs and oppportunities of the food and agriculture system in the United States related to the goals of the paragraph;

(II) seek and accept proposals for grants;

(III) determine the relevance and merit of proposals through a system of peer and stakeholder review; and

(IV) award grants on the basis of merit, quality, and relevance to advancing the national research and extension purposes.

(ii) COMPETITIVE AWARDING.—A grant under this paragraph shall be awarded on a competitive basis.

(iii) TERMS.—A grant under this paragraph shall have a term that does not exceed 5 years.

(iv) MATCHING FUNDS.—As a condition of receipts under this paragraph, the Secretary shall require the funding of the grant with equal matching funds from a non-Federal source if the grant is—

(I) for applied research that is commodity-specific; and

(II) not of national scope.

(v) ADMINISTRATIVE COSTS.—

(I) IN GENERAL.—The Secretary may use not more than 4 percent of the funds made available under this paragraph for administrative costs incurred by the Secretary in carrying out this paragraph.

(II) LIMITATION.—Funds made available under this paragraph shall not be used—

(aa) for the construction of a new building or the acquisition, expansion, remodeling, or alteration of an existing building (including site grading and improvement and architect fees); or

(bb) in excess of ten percent of the annual allocation for commodity-specific projects not of the national scope.

(d) LIMITATIONS.—No funds from the Fund for Rural America may be used for an activity specified in subsection (c) if the current level of appropriations for the activity is less than 90 percent of the 1996 fiscal year appropriations for the activity adjusted for inflation.

Subtitle B—Options Pilot Programs and Risk Management Education

SEC. 511. SHORT TITLE.

This subtitle may be cited as the "Options Pilot Programs Act of 1996".

SEC. 512. PURPOSE.

The purpose of this subtitle is to authorize the Secretary of Agriculture (referred to in this subtitle as the "Secretary") to—

(1) conduct research through pilot programs for 1 or more program commodities to ascertain whether futures and options contracts can provide producers with reasonable protection from the financial risks of fluctuations in price, yield, and income inherent in the production and marketing of agricultural commodities; and

(2) provide education in the management of the financial risks inherent in the production and marketing of agricultural commodities.

SEC. 513. PILOT PROGRAMS.

(a) IN GENERAL.—The Secretary is authorized to conduct pilot programs for 1 or more supported commodities through December 31, 2002.

(b) DISTRIBUTION OF PILOT PROGRAMS.—The Secretary may operate a pilot program described in subsection (a) (referred to in this subtitle as a "pilot program") in up to 100 counties for each program commodity with not more than 6 of those counties in any 1 State. A pilot program shall not be implemented in any county for more than 3 of the 1996 through 2002 calendar years.

(c) ELIGIBLE PARTICIPANTS.—

(1) IN GENERAL.—In carrying out a pilot program, the Secretary may contract with a producer who—

(A) is eligible to participate in a price support program for a supported commodity;

(B) desires to participate in a pilot program; and

(C) is located in an area selected for a pilot program.

(2) CONTRACTS.—Each contract under paragraph (1) shall set forth the terms and conditions for participation in a pilot program.

(d) ELIGIBLE MARKETS.—Trades for futures and options contracts under a pilot program shall be carried out on commodity futures and options markets designated as contract markets under the Commodity Exchange Act (7 U.S.C. 1 et seq.)

SEC. 514. TERMS AND CONDITIONS.

(a) IN GENERAL.—To be eligible to participate in any pilot program for any commodity conducted under this subtitle, a producer shall meet the eligibility requirements established under this subtitle (including regulations issued under this subtitle).

(b) RECORDKEEPING.—Producers shall compile, maintain, and submit (or authorize the compilation, maintenance, and submission) of such documentation as the regulations governing any pilot program require.

SEC. 515. NOTICE.

(a) ALTERNATIVE PROGRAMS.—Pilot programs shall be alternatives to other related programs of the Department of Agriculture.

(b) NOTICE TO PRODUCERS.—The Secretary shall provide notice to each producer participating in a pilot program that—

(1) the participation of the producer in a pilot program is voluntary; and

(2) neither the United States, the Commodity Credit Corporation, the Federal Crop Insurance Corporation, the Department of Agriculture, nor any other Federal agency is authorized to guarantee that participants in the pilot program will be better or worse off financially as a result of participation in a pilot program than the producer would have been if the producer had not participated in a pilot program.

SEC. 516. COMMODITY CREDIT CORPORATION.

(a) IN GENERAL.—Pilot programs established under this subtitle shall be funded by and carried out through the Commodity Credit Corporation.

(b) LIMITATION.—In conducting the programs, the Secretary shall, to the maximum extent practicable, operate the pilot programs in a budget neutral manner.

SEC. 517. RISK MANAGEMENT EDUCATION.

The Secretary shall provide such education in management of the financial risks inherent in the production and marketing of agricultural commodities as the Secretary considers appropriate.

Subtitle C—Commercial Transportation of Equine for Slaughter

SEC. 521. FINDINGS.

Congress finds that, to ensure that equine sold for slaughter are provided humane treatment and care, it is essential to regulate the transportation, care, handling, and treatment of equine by any person engaged in the commercial transportation of equine for slaughter.

SEC. 522. DEFINITIONS.

In this subtitle:

(1) Commerce.—The term "commerce" means trade, traffic, transportation, or other commerce by a person—

(A) between any State, territory, or possession of the United States, or the District of Columbia, and any place outside thereof;

(B) between points within the same State, territory, or possession of the United States, or the District of Columbia, but through any place outside thereof; or

(C) within any territory or possession of the United States or the District of Columbia.

(2) Department.—The term "Department" means the United States Department of Agriculture.

(3) Equine.—The term "equine" means any member of the Equidae family.

(4) Equine for slaughter.—The term "equine for slaughter" means any equine that is transported, or intended to be transported, by vehicle to a slaughter facility or intermediate handler from a sale, auction, or intermediate handler by a person engaged in the business of transporting equine for slaughter.

(5) Foal.—The term "foal" means an equine that is not more than 6 months of age.

(6) Intermediate handler.—The term "intermediate handler" means any person regularly engaged in the business of receiving custody of equine for slaughter in connection with the transport of the equine to a slaughter facility, including a stockyard, feedlot, or assembly point.

(7) Person.—The term "person" means any individual, partnership, firm, company, corporation, or association that regularly transports equine for slaughter in commerce, except that the term shall not include an individual or other entity that does not transport equine for slaughter on a regular basis as part of a commercial enterprise.

(8) Secretary.—The term "Secretary" means the Secretary of Agriculture.

(9) Vehicle.—The term "vehicle" means any machine, truck, tractor, trailer, or semitrailer, or any combination thereof, propelled or drawn by mechanical power and used on a highway in the commercial transportation of equine for slaughter.

(10) Stallion.—The term "stallion" means any uncastrated male equine that is 1 year of age or older.

SEC. 523. STANDARDS FOR HUMANE COMMERCIAL TRANSPORTATION OF EQUINE FOR SLAUGHTER.

(a) In General.—Subject to the availability of appropriations, not later than 1 year after the date of enactment of this subtitle, the Secretary shall issue, by regulation, standards for the humane commercial transportation by vehicle of equine for slaughter.

(b) Prohibition.—No person engaged in the regular business of transporting equine by vehicle for slaughter as part of a commercial enterprise shall transport in commerce, to a slaughter facility or intermediate handler, any equine for slaughter except in accordance with the standards of this subtitle.

(c) Minimum Requirements.—The standards shall include minimum requirements for the humane handling, care, treatment, and equipment necessary to ensure the safe and humane transportation of equine for slaughter. The standards shall require, at a minimum, that—

(1) no equine for slaughter shall be transported for more than 24 hours without being unloaded from the vehicle and allowed to rest for at least 8 consecutive hours and given access to adequate quantities of wholesome food and potable water;

(2) a vehicle shall provide adequate headroom for an equine for slaughter with a minimum of at least 6 feet, 6 inches of headroom from the roof and beams or other structural members overhead to floor underfoot, except that a vehicle transporting 6 equine or less shall provide a minimum of at least 6 feet of headroom from the roof and beams or other structural members overhead to floor underfoot if none of the equine are over 16 hands;

(3) the interior of a vehicle shall—

(A) be free of protrusions, sharp edges, and harmful objects;

(B) have ramps and floors that are adequately covered with a nonskid nonmetallic surface; and

(C) be maintained in a sanitary condition;

(4) a vehicle shall—

(A) provide adequate ventilation and shelter from extremes of weather and temperature for all equine;

(B) be of appropriate size, height, and interior design for the number of equine being carried to prevent overcrowding; and

(C) be equipped with doors and ramps of sufficient size and location to provide for safe loading and unloading, including unloading during emergencies;

(5)(A) equine shall be positioned in the vehicle by size; and

(B) stallions shall be segregated from other equine;

(6)(A) all equine for slaughter must be fit to travel as determined by an accredited veterinarian, who shall prepare a certificate of inspection, prior to loading for transport, that—

(i) states that the equine were inspected and satisfied the requirements of subparagraph (B);

(ii) includes a clear description of each equine; and

(iii) is valid for 7 days;

(B) no equine shall be transported to slaughter if the equine is found to be—

(i) suffering from a broken or dislocated limb;

(ii) unable to bear weight on all 4 limbs;

(iii) blind in both eyes; or

(iv) obviously suffering from severe illness, injury, lameness, or physical debilitation that would make the equine unable to withstand the stress of transportation;

(C) no foal may be transported for slaughter;

(D) no mare in foal that exhibits signs of impending parturition may be transported for slaughter; and

(E) no equine for slaughter shall be accepted by a slaughter facility unless the equine is—

(i) inspected on arrival by an employee of the slaughter facility or an employee of the Department; and

(ii) accompanied by a certificate of inspection issued by an accredited veterinarian, not more than 7 days before the delivery, stating that the veterinarian inspected the equine on a specified date.

SEC. 524. RECORDS.

(a) In General.—A person engaged in the business of transporting equine for slaughter shall establish and maintain such records, make such reports, and provide such information as the Secretary may, by regulation, require for the purposes of carrying out, or determining compliance with, this subtitle.

(b) Minimum Requirements.—The records shall include, at a minimum—

(1) the veterinary certificate of inspection;

(2) the names and addresses of current owners and consignors, if applicable, of the equine at the time of sale or consignment to slaughter; and

(3) the bill of sale or other documentation of sale for each equine.

(c) Availability.—The records shall—

(1) accompany the equine during transport to slaughter;

(2) be retained by any person engaged in the business of transporting equine for slaughter for a reasonable period of time, as determined by the Secretary, except that the veterinary certificate of inspection shall be surrendered at the slaughter facility to an employee or designee of the Department and kept by the Department for a reasonable period of time, as determined by the Secretary; and

(3) on request of an officer or employee of the Department, be made available at all reasonable times for inspection and copying by the officer or employee.

SEC. 525. AGENTS.

(a) In General.—For purposes of this subtitle, the act, omission, or failure of an individual acting for or employed by a person engaged in the business of transporting equine for slaughter, within the scope of the employment or office of the individual, shall be considered the act, omission, or failure of the person engaging in the commercial transportation of equine for slaughter as well as of the individual.

(b) Assistance.—If an equine suffers a substantial injury or illness while being transported for slaughter on a vehicle, the driver of the vehicle shall seek prompt assistance from a licensed veterinarian.

SEC. 526. COOPERATIVE AGREEMENTS.

The Secretary is authorized to cooperate with States, political subdivisions of States, State agencies (including State departments of agriculture and State law enforcement agencies), and foreign governments to carry out and enforce this subtitle (including regulations issued under this subtitle).

SEC. 527. INVESTIGATIONS AND INSPECTIONS.

(a) In General.—The Secretary is authorized to conduct such investigations or inspections as the Secretary considers necessary to enforce this subtitle (including any regulation issued under this subtitle).

(b) Access.—For the purposes of conducting an investigation or inspection under subsection (a), the Secretary shall, at all reasonable times, have access to—

(1) the place of business of any person engaged in the business of transporting equine for slaughter;

(2) the facilities and vehicles used to transport the equine; and

(3) records required to be maintained under section 834.

(c) Assistance to or Destruction of Equine.—The Secretary shall issue such regulations as the Secretary considers necessary to permit employees or agents of the Department to—

(1) provide assistance to any equine that is covered by this subtitle (including any regulation issued under this subtitle); or

(2) destroy, in a humane manner, any such equine found to be suffering.

SEC. 528. INTERFERENCE WITH ENFORCEMENT.

(a) In General.—Subject to subsection (b), a person who forcibly assaults, resists, opposes, impedes, intimidates, or interferes with any person while engaged in or on account of the performance of an official duty of the person under this subtitle shall be fined not more than $5,000 or imprisoned not more than 3 years, or both.

(b) Weapons.—If the person uses a deadly or dangerous weapon in connection with an action described in subsection (a), the person shall be fined not more than $10,000 or imprisoned not more than 10 years, or both.

SEC. 529. JURISDICTION OF COURTS.

Except as provided in section 840(a)(5), a district court of the United States in any appropriate judicial district under section 1391 of title 28, United States Code, shall have jurisdiction to specifically enforce this subtitle, to prevent and restrain a violation of this subtitle, and to otherwise enforce this subtitle.

SEC. 530. CIVIL AND CRIMINAL PENALTIES.

(a) CIVIL PENALTIES.—

(1) IN GENERAL.—A person who violates this subtitle (including a regulation or standard issued under this subtitle) shall be assessed a civil penalty by the Secretary of not more than $2,000 for each violation.

(2) SEPARATE OFFENSES.—Each equine transported in violation of this subtitle shall constitute a separate offense. Each violation and each day during which a violation continues shall constitute a separate offense.

(3) HEARINGS.—No penalty shall be assessed under this subsection unless the person who is alleged to have violated this subtitle is given notice and opportunity for a hearing with respect to an alleged violation.

(4) FINAL ORDER.—An order of the Secretary assessing a penalty under this subsection shall be final and conclusive unless the aggrieved person files an appeal from the order pursuant to paragraph (5).

(5) APPEALS.—Not later than 30 days after entry of a final order of the Secretary issued pursuant to this subsection, a person aggrieved by the order may seek review of the order in the appropriate United States Court of Appeals. The Court shall have exclusive jurisdiction to enjoin, set aside, suspend (in whole or in part), or to determine the validity of the order.

(6) NONPAYMENT OF PENALTY.—On a failure to pay the penalty assessed by a final order under this section, the Secretary shall request the Attorney General to institute a civil action in a district court of the United States or other United States court for any district in which the person is found, resides, or transacts business, to collect the penalty. The court shall have jurisdiction to hear and decide the action.

(b) CRIMINAL PENALTIES.—

(1) FIRST OFFENSE.—Subject to paragraph (2), a person who knowingly violates this subtitle (or a regulation or standard issued under this subtitle) shall, on conviction of the violation, be subject to imprisonment for not more than 1 year or a fine of not more than $2,000, or both.

(2) SUBSEQUENT OFFENSES.—On conviction of a second or subsequent offense described in paragraph (1), a person shall be subject to imprisonment for not more than 3 years or to a fine of not more than $5,000, or both.

SEC. 531. PAYMENTS FOR TEMPORARY OR MEDICAL ASSISTANCE FOR EQUINE DUE TO VIOLATIONS.

From sums received as penalties, fines, or forfeitures of property for any violation of this subtitle (including a regulation issued under this subtitle), the Secretary shall pay the reasonable and necessary costs incurred by any person in providing temporary care or medical assistance for any equine that needs the care or assistance due to a violation of this subtitle.

SEC. 532. RELATIONSHIP TO STATE LAW.

Nothing in this subtitle prevents a State from enacting or enforcing any law (including a regulation) that is not inconsistent with this subtitle or that is more restrictive than this subtitle.

SEC. 533. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated for each fiscal year such sums as are necessary to carry out this subtitle.

(b) LIMITATION.—No provision of this subtitle shall be effective, or be enforced against any person, during a fiscal year unless funds to carry out this subtitle have been appropriated for the fiscal year.

Subtitle D—Miscellaneous

SEC. 541. LIVESTOCK DEALER TRUST.

Title III of the Packers and Stockyards Act, 1921 (7 U.S.C. 201 et seq.), is amended by adding at the end the following:

"SEC. 318. LIVESTOCK DEALER TRUST.

"(a) FINDINGS.—Congress finds that—

"(1) a burden on and obstruction to commerce in livestock is caused by financing arrangements under which dealers and market agencies purchasing livestock on commission encumber, give lenders security interests in, or have liens placed on livestock purchased by the dealers and market agencies in cash sales, or on receivables from or proceeds of such sales, when payment is not made for the livestock; and

"(2) the carrying out of such arrangements is contrary to the public interest.

"(b) PURPOSE.—The purpose of this section is to remedy the burden on and obstruction to commerce in livestock described in paragraph (1) and protect the public interest.

"(c) DEFINITIONS.—In this section:

"(1) CASH SALE.—The term 'cash sale' means a sale in which the seller does not expressly extend credit to the buyer.

"(2) TRUST.—The term 'trust' means 1 or more assets of a buyer that (subsequent to a cash sale of livestock) constitutes the corpus of a trust held for the benefit of a seller and consists of—

"(A) account receivables and proceeds earned from the cash sale of livestock by a dealer;

"(B) account receivables and proceeds of a marketing agency earned on commission from the cash sale of livestock;

"(C) the inventory of the dealer or marketing agency; or

"(D) livestock involved in the cash sale, if the seller has not received payment in full for the livestock and a bona fide third-party purchaser has not purchased the livestock from the dealer or marketing agency.

"(d) HOLDING IN TRUST.—

"(1) IN GENERAL.—The account receivables and proceeds generated in a cash sale made by a dealer or a market agency on commission and the inventory of the dealer or market agency shall be held by the dealer or market agency in trust for the benefit of the seller of the livestock until the seller receives payment in full for the livestock.

"(2) EXEMPTION.—Paragraph (1) does not apply in the case of a cash sale made by a dealer or market agency if the total amount of cash sales made by the dealer or market agency during the preceding 12 months does not exceed $250,000.

"(3) DISHONOR OF INSTRUMENT OF PAYMENT.—A payment in a sale described in paragraph (1) shall not be considered to be made if the instrument by which payment is made is dishonored.

"(4) LOSS OF BENEFIT OF TRUST.—If an instrument by which payment is made in a sale described in paragraph (1) is dishonored, the seller shall lose the benefit of the trust under paragraph (1) on the earlier of—

"(A) the date that is 15 business days after date on which the seller receives notice of the dishonor; or

"(B) the date that is 30 days after the final date for making payment under section 409, unless the seller gives written notice to the dealer or market agency of the seller's intention to preserve the trust and submits a copy of the notice to the Secretary.

"(5) RIGHTS OF THIRD-PARTY PURCHASER.—The trust established under paragraph (1) shall have no effect on the rights of a bona fide third-party purchaser of the livestock, without regard to whether the livestock are delivered to the bona fide purchaser.

"(e) JURISDICTION.—The district courts of the United States shall have jurisdiction in a civil action—

"(1) by the beneficiary of a trust described in subsection (c)(1), to enforce payment of the amount held in trust; and

"(2) by the Secretary, to prevent and restrain dissipation of a trust described in subsection (c)(1).".

SEC. 542. PLANTING OF ENERGY CROPS.

(a) FEED GRAINS.—The first sentence of section 105B(c)(1)(F)(i) of the Agricultural Act of 1949 (7 U.S.C. 1444f(c)(1)(F)(i)) is amended by inserting "herbaceous perennial grass, short rotation woody coppice species of trees, other energy crops designated by the Secretary with high energy content," after "mung beans,".

(b) WHEAT.—The first sentence of section 107B(c)(1)(F)(i) of the Agricultural Act of 1949 (7 U.S.C. 1445b-3a(c)(1)(F)(i)) is amended by inserting "herbaceous perennial grass, short rotation woody coppice species of trees, other energy crops designated by the Secretary with high energy content," after "mung beans,".

SEC. 543. REIMBURSABLE AGREEMENTS.

Section 737 of Public Law 102-142 (7 U.S.C. 2277) is amended—

(1) by striking "SEC. 737. Funds" and inserting the following:

"SEC. 737. SERVICES FOR APHIS PERFORMED OUTSIDE THE UNITED STATES.

"(a) IN GENERAL.—Funds"; and

(2) by adding at the end the following:

"(b) REIMBURSABLE AGREEMENTS.—

"(1) IN GENERAL.—The Secretary of Agriculture may enter into reimbursable fee agreements with persons for preclearance at locations outside the United States of plants, plant products, animals, and articles for movement to the United States.

"(2) OVERTIME, NIGHT, AND HOLIDAY WORK.—Notwithstanding any other law, the Secretary of Agriculture may pay an employee of the Department of Agriculture preforming services relating to imports into and exports from the United States for overtime, night, and holiday work performed by the employee at a rate of pay established by the Secretary.

"(3) REIMBURSEMENT.—

"(A) IN GENERAL.—The Secretary of Agriculture may require persons for whom preclearance services are performed to reimburse the Secretary for any amounts paid by the Secretary for performance of the services.

"(B) CREDITING OF FUNDS.—All funds collected under subparagraph (A) shall be credited to the account that incurs the costs and shall remain available until expended without fiscal year limitation.

"(C) LATE PAYMENT PENALTY.—

"(i) IN GENERAL.—On failure of a person to reimburse the Secretary of Agriculture for the costs of performance of preclearance services—

"(I) the Secretary may assess a late payment penalty; and

"(II) the overdue funds shall accrue interest in accordance with section 3717 of title 31, United States Code.

"(ii) CREDITING OF FUNDS.—Any late payment penalty and any accrued interest collected under this subparagraph shall be credited to the account that incurs the costs and shall remain available until expended without fiscal year limitation.".

SEC. 544. SWINE HEALTH PROTECTION.

(a) TERMINATION OF STATE PRIMARY ENFORCEMENT RESPONSIBILITY.—Section 10 of the Swine Health Protection Act (7 U.S.C. 3809) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following:

"(c) REQUEST OF STATE OFFICIAL.—

"(1) IN GENERAL.—On request of the Governor or other appropriate official of a State, the Secretary may terminate, effective as soon as the Secretary determines is practicable, the primary enforcement responsibility of a State under subsection (a). In terminating the primary enforcement responsibility under this subsection, the Secretary shall work with the appropriate State official to determine the level of support to be provided to the Secretary by the State under this Act.

"(2) REASSUMPTION.—Nothing in this subsection shall prevent a State from reassuming primary enforcement responsibility if the Secretary determines that the State meets the requirements of subsection (a).".

(b) ADVISORY COMMITTEE.—The Swine Health Protection Act is amended—

(1) by striking section 11 (7 U.S.C. 3810); and

(2) by redesignating sections 12, 13, and 14 (7 U.S.C. 3811, 3812, and 3813) as sections 11, 12, and 13, respectively.

SEC. 545. COOPERATIVE WORK FOR PROTECTION, MANAGEMENT, AND IMPROVEMENT OF NATIONAL FOREST SYSTEM.

The penultimate paragraph of the matter under the heading "FOREST SERVICE." of the first section of the Act of June 30, 1914 (38 Stat. 430, chapter 131; 16 U.S.C. 498), is amended—

(1) by inserting ", management," after "the protection";

(2) by striking "national forests," and inserting "National Forest System,";

(3) by inserting "management," after "protection," both places it appears; and

(4) by adding at the end the following new sentences: "Payment for work undertaken pursuant to this paragraph may be made from any appropriation of the Forest Service that is available for similar work if a written agreement so provides and reimbursement will be provided by a cooperator in the same fiscal year as the expenditure by the Forest Service. A reimbursement received from a cooperator that covers the proportionate share of the cooperator of the cost of the work shall be deposited to the credit of the appropriation of the Forest Service from which the payment was initially made or, if the appropriation is no longer available to the credit of an appropriation of the Forest Service that is available for similar work. The Secretary of Agriculture shall establish written rules that establish criteria to be used to determine whether the acceptance of contributions of money under this paragraph would adversely affect the ability of an officer or employee of the United States Department of Agriculture to carry out a duty or program of the officer or employee in a fair and objective manner or would compromise, or appear to compromise, the integrity of the program, officer, or employee. The Secretary of Agriculture shall establish written rules that protect the interests of the Forest Service in cooperative work agreements.".

SEC. 546. AMENDMENT OF THE VIRUS-SERUM TOXIN ACT OF 1913.

The Act of March 4, 1913 (37 Stat. 828, chapter 145), is amended in the eighth paragraph under the heading "BUREAU OF ANIMAL INDUSTRY", commonly known as the "Virus-Serum Toxin Act of 1913", by striking the 10th sentence (21 U.S.C. 158) and inserting "A person, firm, or corporation that knowingly violates any of the provisions of this paragraph or regulations issued under this paragraph, or knowingly forges, counterfeits, or, without authorization by the Secretary of Agriculture, uses, alters, defaces, or destroys any certificate, permit, license, or other document provided for in this paragraph, may, for each violation, after written notice and opportunity for a hearing on the record, be assessed a civil penalty by the Secretary of Agriculture of not more than $5,000, or shall, on conviction, be assessed a criminal penalty of not more than $10,000, imprisoned not more than 1 year, or both. In the course of an investigation of a suspected violation of this paragraph, the Secretary of Agriculture may issue subpoenas requiring the attendance and testimony of witnesses and the production of evidence that relates to the matter under investigation. In determining the amount of a civil penalty, the Secretary of Agriculture shall take into account the nature, circumstances, extent, and gravity of the violation, the ability of the violator to pay the penalty, the effect that the assessment would have on the ability of the violator to continue to do business, any history of such violations by the violator, the degree of culpability of the violator, and such other matters as justice may require. An order assessing a civil penalty shall be treated as a final order reviewable under chapter 158 of title 28, United State's Code. The Secretary of Agriculture may compromise, modify, or remit a civil penalty with or without conditions. The amount of a civil penalty that is paid (including any amount agreed on in compromise) may be deducted from any sums owing by the United States to the violator. The total amount of civil penalties assessed against a violator shall not exceed $300,000 for all such violations adjudicated in a single proceeding. The validity of an order assessing a civil penalty shall not be subject to review in an action to collect the civil penalty. The unpaid amount of a civil penalty not paid in full when due shall accrue interest at the rate of interest applicable to civil judgments of the courts of the United States.".

SEC. 547. OVERSEAS TORT CLAIMS.

Title VII of Public Law 102–142 (105 Stat. 911) is amended by inserting after section 737 (7 U.S.C. 2277) the following:

"SEC. 737A. OVERSEAS TORT CLAIMS.

"The Secretary of Agriculture may pay a tort claim in the manner authorized in section 2672 of title 28, United States Code, if the claim arises outside the United States in connection with activities of individuals who are performing services for the Secretary. A claim may not be allowed under this section unless the claim is presented in writing to the Secretary within 2 years after the date on which the claim accrues.".

SEC. 548. GRADUATE SCHOOL OF THE UNITED STATES DEPARTMENT OF AGRICULTURE.

(a) PURPOSE.—The purpose of this section is to authorize the continued operation of the Graduate School as a nonappropriated fund instrumentality of the Department of Agriculture.

(b) DEFINITIONS.—In this section:

(1) BOARD.—The term "Board" means the General Administration Board of the Graduate School.

(2) DEPARTMENT.—The term "Department" means the Department of Agriculture.

(3) DIRECTOR.—The term "Director" means the Director of the Graduate School.

(4) GRADUATE SCHOOL.—The term "Graduate School" means the Graduate School of the United States Department of Agriculture.

(5) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(c) FUNCTIONS AND AUTHORITY.—

(1) IN GENERAL.—The Graduate School shall continue as a nonappropriated fund instrumentality of the Department under the general supervision of the Secretary.

(2) ACTIVITIES.—The Graduate School shall develop and administer education, training, and professional development activities, including the provision of educational activities for Federal agencies, Federal employees, nonprofit organizations, other entities, and members of the general public.

(3) FEES.—

(A) IN GENERAL.—The Graduate School may charge and retain fair and reasonable fees for the activities that it provides based on the cost of the activities to the Graduate School.

(B) NOT FEDERAL FUNDS.—Fees under subparagraph (A) shall not be considered to be Federal funds and shall not required to be deposited in the Treasury of the United States.

(4) NAME.—The Graduate School shall operate under the name "United States Department of Agriculture Graduate School" or such other name as the Graduate School may adopt.

(d) GENERAL ADMINISTRATION BOARD.—

(1) APPOINTMENT.—The Secretary shall appoint a General Administration Board to serve as a governing board subject to regulation by the Secretary.

(2) SUPERVISION.—The Graduate School shall be subject to the supervision and direction of the Board.

(3) DUTIES.—The Board shall—

(A) formulate broad policies in accordance with which the Graduate School shall be administered;

(B) take all steps necessary to see that the highest possible educational standards are maintained;

(C) exercise general supervision over the administration of the Graduate School; and

(D) establish such bylaws, rules, and procedures as may be necessary for the fulfillment of the duties described in subparagraph (A), (B), and (C).

(4) DIRECTOR AND OTHER OFFICERS.—The Board shall select the Director and such other officers as the Board may consider necessary, who shall serve on such terms and perform such duties as the Board may prescribe.

(5) BORROWING.—The Board may authorize the Director to borrow money on the credit of the Graduate School.

(e) DIRECTOR OF THE GRADUATE SCHOOL.—

(1) DUTIES.—The Director shall be responsible, subject to the supervision and direction of the Board, for carrying out the functions of the Graduate School.

(2) INVESTMENT OF FUNDS.—The Board may authorize the Director to invest funds held in excess of the current operating requirements of the Graduate School for purposes of maintaining a reasonable reserve.

(f) LIABILITY.—The Director and the members of the Board shall not be held personally liable for any loss or damage that may accrue to the funds of the Graduate School as the result of any act or exercise of discretion performed in carrying out the duties described in this section.

(g) EMPLOYEES.—Employees of the Graduate School are employees of a nonappropriated fund instrumentality and shall not be considered to be Federal employees.

(h) NOT A FEDERAL AGENCY.—The Graduate School shall not be considered to be a Federal Agency for purposes of—

(1) chapter 171 of title 28, United States Code;

(2) section 552 or 552a of title 28, United States Code; or

(3) the Federal Advisory Committee Act (5 U.S.C. App.).

(i) ACCEPTANCE OF DONATIONS.—The Graduate School shall not accept a donation from a person that is actively engaged in a procurement activity with the Graduate School or has an interest that may be substantially affected by the performance or nonperformance of an official duty of a member of the Board or an employee of the Graduate School.

(j) ADMINISTRATIVE PROVISIONS.—In order to carry out the functions of the Graduate School, the Graduate School may—

(1) accept, use, hold, dispose, and administer gifts, bequests, or devises of money, securities, and other real or personal property made for the benefit of, or in connection with, the Graduate School;

(2) notwithstanding any other law—

(A) acquire real property in the District of Columbia and in other places by lease, purchase, or otherwise;

(B) maintain, enlarge, or remodel any such property; and

(C) have sole control of any such property;

(3) enter into contracts without regard to the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471) or any other law that prescribes procedures for the procurement of property or services by an executive agency;

(4) dispose of real and personal property without regard to the requirements of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471); and

(5) use the facilities and resources of the Department, on the condition that any costs incurred by the Department that are attributable solely to Graduate School operations and all costs incurred by the Graduate School arising out of such operations shall be borne by the fees paid by or on behalf of students or by other means and not with Federal funds.

SEC. 549. STUDENT INTERN SUBSISTENCE PROGRAM.

(a) DEFINITION.—In this section, the term "student intern" means a person who—

(1) is employed by the Department of Agriculture to assist scientific, professional, administrative, or technical employees of the Department; and

(2) is a student in good standing at an accredited college or university pursuing a course of study related to the field in which the person is employed by the Department.

(b) PAYMENT OF CERTAIN EXPENSES BY THE SECRETARY.—The Secretary of Agriculture may, out of user fee funds or funds appropriated to any agency, pay for lodging expenses, subsistence expenses, and transportation expenses of a student intern (including expenses of transportation to and from the student intern's residence at or near the college or university attended by the student intern and the official duty station at which the student intern is employed).

SEC. 550. CONVEYANCE OF LAND TO WHITE OAK CEMETERY.

(a) IN GENERAL.—

(1) RELEASE OF INTEREST.—After execution of the agreement described in subsection (b), the Secretary of Agriculture shall release the condition stated in the deed on the land described in subsection (c) that the land be used for public purposes, and that if the land is not so used, that the land revert the United States, on the condition that the land be used exclusively for cemetery purposes, and that if the land is not so used, that the land revert the United States.

(2) BANKHEAD-JONES ACT.—Section 32(c) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1011(c)) shall not apply to the release under paragraph (1).

(b) AGREEMENT.—The Secretary of Agriculture shall make the release under in subsection (a) on execution by the Board of Trustees of the University of Arkansas, in consideration of the release, of an agreement, satisfactory to the Secretary of Agriculture, that—

(1) the Board of Trustees will not sell, lease, exchange, or otherwise dispose of the land described in subsection (c) except to the White Oak Cemetery Association of Washington County, Arkansas, or a successor organization, for exclusive use for an expansion of the cemetery maintained by the Association; and

(2) the proceeds of such a disposition of the land will be deposited and held in an account open to inspection by the Secretary of Agriculture, and used, if withdrawn from the account, for public purposes.

(c) LAND DESCRIPTION.—The land described in this subsection is the land conveyed to the Board of Trustees of the University of Arkansas, with certain other land, by deed dated November 18, 1953, comprising approximately 2.2 acres located within property of the University of Arkansas in Washington, County, Arkansas, commonly known as the "Savor property" and described as follows:

The part of Section 20, Township 17 north, range 31 west, beginning at the north corner of the White Oak Cemetery and the University of Arkansas Agricultural Experiment Station farm at Washington County road #874, running west approximately 330 feet, thence south approximately 135 feet, thence southeast approximately 384 feet, thence north approximately 330 feet to the point of beginning.

SEC. 551. ADVISORY BOARD ON AGRICULTURAL AIR QUALITY.

(a) FINDINGS.—Congress finds that—

(1) various studies have identified agriculture as a major atmospheric polluter;

(2) Federal research activities are underway to determine the extent of the pollution problem and the extent of the role of agriculture in the problem; and

(3) any Federal policy decisions that may result, and any Federal regulations that may be imposed on the agricultural sector, should be based on sound scientific findings;

(b) PURPOSE.—The purpose of this section is to establish an advisory board to assist and provide the Secretary of Agriculture with information, analyses, and policy recommendations for determining matters of fact and technical merit and addressing scientific questions dealing with particulate matter less than 10 microns that become lodged in human lungs (known as "PM10") and other airborne particulate matter or gases that affect agricultural production yields and the economy.

(c) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary of Agriculture may establish a board to be known as the "Advisory Board on Agricultural Air Quality" (referred to in this section as the "Board") to advise the Secretary, through the Chief of the Natural Resources Conservation Service, with respect to carrying out this act and obligations agriculture incurred under the Clean Air Act (42 U.S.C. 7401 et seq.) and the Act entitled 'An Act to amend the Clean Air Act to provide for attainment and maintenance of health protective national ambient air quality standards, and for other purposes', approved November 15, 1990 (commonly known as the 'Clean Air Act Amendments of 1990') (42 U.S.C. 7401 et seq.).

(2) OVERSIGHT COORDINATION.—The Secretary of Agriculture shall provide oversight and coordination with respect to other Federal departments and agencies to ensure intergovernmental cooperation in research activities and to avoid duplication of Federal efforts.

(d) COMPOSITION.—

(1) IN GENERAL.—The Board shall be composed of at least 17 members appointed by the Secretary in consultation with the Administrator of the Environmental Protection Agency.

(2) REGIONAL REPRESENTATION.—The membership of the Board shall be 2 persons from each of the 6 regions of the Natural Resources Conservation Service, of whom 1 from each region shall be an agricultural producer.

(3) ATMOSPHERIC SCIENTIST.—At least 1 member of the Board shall be an atmospheric scientist.

(e) CHAIRPERSON.—The Chief of the Natural Resources Conservation Service shall—

(1) serve as chairman of the Board; and

(2) provide technical support to the Board.

(f) TERM.—Each member of the Board shall be appointed for a 3-year term, except that the Secretary of Agriculture shall appoint 4 of the initial members for a term of 1 year and 4 for a term of 2 years.

(g) MEETINGS.—The Board shall meet not less than twice annually.

(h) COMPENSATION.—Members of the Board shall serve without compensation, but while away from their homes or regular place of business in performance of services for the Board, members of the Board shall be allowed travel expenses, including a per diem allowance in lieu of subsistence, in the same manner as persons employed in Government service are allowed travel expenses under section 5703 of title 5, United States Code.

(i) FUNDING.—The Board shall be funded using appropriations for conservation operations.

SEC. 552. WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

The Consolidated Farm and Rural Development Act is amended by inserting after section 306C (7 U.S.C. 1926c) the following:

"SEC. 306D. WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

"(a) IN GENERAL.—The Secretary may make grants to the State of Alaska for the benefit of rural or Native villages in Alaska to provide for the development and construction of water and wastewater systems to improve the health and sanitation conditions in those villages.

"(b) MATCHING FUNDS.—To be eligible to receive a grant under subsection (a), the State of Alaska shall provide equal matching funds from non-Federal sources.

"(c) CONSULTATION WITH THE STATE OF ALASKA.—The Secretary shall consult with the State of Alaska on a method of prioritizing the allocation of grants under subsection (a) according to the needs of, and relative health and sanitation conditions in, each village.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 1996 through 2002.".

SEC. 553. ELIGIBILITY FOR GRANTS TO BROADCASTING SYSTEMS.

Section 310B(j) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(j)) is amended by striking "SYSTEMS.—The" and inserting the following: "SYSTEMS.—

"(1) DEFINITION OF STATEWIDE.—In this subsection, the term 'statewide' means having a coverage area of not less than 90 percent of the population of a State and 80 percent of the rural land area of the State (as determined by the Secretary).

"(2) GRANTS.—The".

SEC. 554. WILDLIFE HABITAT INCENTIVES PROGRAM.

(a) IN GENERAL.—The Secretary of Agriculture, in consultation with the State Technical Committee, shall establish a program in the Natural Resources Conservation Service to be known as the Wildlife Habitat Incentive Program.

(b) COST-SHARE PAYMENTS.—The Program shall make cost-share payments to landowners to develop upland wildlife, wetland wildlife, threatened and endangered species, fisheries, and other types of wildlife habitat approved by the Secretary.

(c) FUNDING.—To carry out this section, $10,000,000 shall be made available for each of fiscal years 1996 through 2002 from funds made available to carry out subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.).

SEC. 555. INDIAN RESERVATIONS.

(a) INDIAN RESERVATION EXTENSION AGENT PROGRAM.—

(1) REAUTHORIZATION.—The program established under section 1677 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5930) is reauthorized through fiscal year 2002.

(2) REDUCED REGULATORY BURDEN.—On a determination by the Secretary of Agriculture that a program carried out under section 1677 of the Act (7 U.S.C. 5930) has been satisfactorily administered for not less than 2 years, the Secretary shall implement a reduced re-application process for the continued operation of the program in order to reduce regulatory burdens on participating university and tribal entities.

(b) MEMORANDUM OF AGREEMENT.—

(1) IN GENERAL.—Not later than January 6, 1997, the Secretary shall develop and implement a formal Memorandum of Agreement with the 29 tribally controlled colleges eligible under Federal law to receive funds from the Secretary of Agriculture as partial land grant institutions.

(2) EQUITABLE PARTICIPATION.—The Memorandum shall establish programs to ensure that tribally-controlled colleges and Native American communities equitably participate in Department of Agriculture employment programs, services, and resources.

SEC. 556. ICD REIMBURSEMENT FOR OVERHEAD EXPENSES.

Section 1542(d)(1)(D) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624;7 U.S.C. 5622 note) is amended by adding at the end the following: "Notwithstanding any other provision of law, the assistance shall include assistance for administrative and overhead expenses, to the extent that the expenses were incurred pursuant to reimbursable agreements entered into prior to September 30, 1993, the expenses do not exceed $2,000,000 per year, and the expenses were not incurred for information technology systems.".

SEC. 557. CLARIFICATION OF EFFECT OF RESOURCE PLANNING ON ALLOCATION OR USE OF WATER.

(a) NATIONAL FOREST SYSTEM RESOURCE PLANNING.—Section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604) is amended by adding at the end the following new subsection:

"(n) LIMITATION ON AUTHORITY.—Nothing in this section shall be construed to supersede, abrogate or otherwise impair any right or authority of a State to allocate quantities of water (including boundary waters). Nothing in this section shall be implemented, enforced, or construed to allow any officer or agency of the United States to utilize directly or indirectly the authorities established under this section to impose any requirement not imposed by the State which would supersede, abrogate, or otherwise impair rights to the use of water resources allocated under State law, interstate water compact, or Supreme Court decree, or held by the United States for use by a State, its political subdivisions, or its citizens. No water rights arise in the United States or any other person under the provisions of this Act.".

(b) AUTHORIZATION TO GRANT RIGHTS-OF-WAY.—Section 501 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1761) is amended as it applies to the Secretary of Agriculture—

(1) in subsection (c)(1)—

(A) by striking subparagraph (B);

(B) in subparagraph (D), by striking "originally constructed";

(C) in subparagraph (G), by striking "1996" and inserting "1998"; and

(D) by redesignating subparagraphs (C) through (G) as subparagraphs (B) through (F), respectively;

(2) in subsection (c)(3)(A), by striking the second and third sentences; and

(3) by adding at the end the following new subsection:

"(e) EFFECT ON VALID EXISTING RIGHTS.—Notwithstanding any provision of this section, the Secretary of Agriculture may not require, as a condition of, or in connection with, the renewal of a right-of-way under this section, a restriction or limitation on the operation, use, repair, or replacement of an existing water supply facility which is located on or above National Forest lands or the exercise and use of existing water rights, if such condition would reduce the quantity of water which would otherwise be made available for use by the owner of such facility or water rights, or cause an increase in the cost of the water supply provided from such facility.".

TITLE VI—CREDIT

Subtitle A—Agricultural Credit

CHAPTER 1—FARM OWNERSHIP LOANS

SEC. 601. LIMITATION ON DIRECT FARM OWNERSHIP LOANS.

Section 302 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922) is amended by striking subsection (b) and inserting the following:

"(b) DIRECT LOANS.—

"(1) IN GENERAL.—Subject to paragraph (3), the Secretary may only make a direct loan under this subtitle to a farmer or rancher who has operated a farm or ranch for not less than 3 years and—

"(A) is a qualified beginning farmer or rancher;

"(B) has not received a previous direct farm ownership loan made under this subtitle; or

"(C) has not received a direct farm ownership loan under this subtitle more than 10 years before the date the new loan would be made.

"(2) YOUTH LOANS.—The operation of an enterprise by a youth under section 311(b) shall not be considered the operation of a farm or ranch for purposes of paragraph (1).

"(3) TRANSITION RULE.—

"(A) IN GENERAL.—Subject to subparagraphs (B) and (C), paragraph (1) shall not apply to a farmer or rancher who has a direct loan outstanding under this subtitle on the date of enactment of this paragraph.

"(B) LESS THAN 5 YEARS.—If, as of the date of enactment of this paragraph, a farmer or rancher has had a direct loan outstanding under this subtitle for less than 5 years, the Secretary shall not make another loan to the farmer or rancher under this subtitle after the date that is 10 years after the date of enactment of this paragraph.

"(C) 5 YEARS OR MORE.—If, as of the date of enactment of this paragraph, a farmer or rancher has had a direct loan outstanding under this subtitle for 5 years or more, the Secretary shall not make another loan to the farmer or rancher under this subtitle after the date that is 5 years after the date of enactment of this paragraph.".

SEC. 602. PURPOSES OF LOANS.

Section 303 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1923) is amended to read as follows:

"SEC. 303. PURPOSES OF LOANS.

"(a) ALLOWED PURPOSES.—

"(1) DIRECT LOANS.—A farmer or rancher may use a direct loan made under this subtitle only for—

"(A) acquiring or enlarging a farm or ranch;

"(B) making capital improvements to a farm or ranch;

"(C) paying loan closing costs related to acquiring, enlarging, or improving a farm or ranch; or

"(D) paying for activities to promote soil and water conservation and protection under section 304 on the farm or ranch.

"(2) GUARANTEED LOANS.—A farmer or rancher may use a loan guaranteed under this subtitle only for—

"(A) acquiring or enlarging a farm or ranch;

"(B) making capital improvements to a farm or ranch;

"(C) paying loan closing costs related to acquiring, enlarging, or improving a farm or ranch;

"(D) paying for activities to promote soil and water conservation and protection under section 304 on the farm or ranch; or

"(E) refinancing indebtedness.

"(b) PREFERENCES.—In making or guaranteeing a loan for farm or ranch purchase, the Secretary shall give a preference to a person who—

"(1) has a dependent family;

"(2) to the extent practicable, is able to make an initial down payment; or

"(3) is an owner of livestock or farm or ranch equipment that is necessary to successfully carry out farming or ranching operations.

"(c) HAZARD INSURANCE REQUIREMENT.—

"(1) IN GENERAL.—The Secretary may not make a loan to a farmer or rancher under this subtitle unless the farmer or rancher has, or agrees to obtain, hazard insurance on any real property to be acquired or improved with the loan.

"(2) DETERMINATION.—Not later than 180 days after the date of enactment of this subsection, the Secretary shall determine the appropriate level of insurance to be required under paragraph (1).

"(3) TRANSITIONAL PROVISION.—Paragraph (1) shall not apply until the Secretary makes the determination required under paragraph (2).".

SEC. 603. SOIL AND WATER CONSERVATION AND PROTECTION.

Section 304 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1924) is amended—

(1) by striking subsections (b) and (c);

(2) by striking "SEC. 304. (a)(1) Loans" and inserting the following:

"SEC. 304. SOIL AND WATER CONSERVATION AND PROTECTION.

"(a) IN GENERAL.—Loans";

(3) by striking "(2) In making or insuring" and inserting the following:

"(b) PRIORITY.—In making or guaranteeing";

(4) by striking "(3) The Secretary" and inserting the following:

"(c) LOAN MAXIMUM.—The Secretary";

(5) by redesignating subparagraphs (A) through (F) of subsection (a) (as amended by paragraph (2)) as paragraphs (1) through (6), respectively; and

(6) by redesignating subparagraphs (A) and (B) of subsection (c) (as amended by paragraph (4)) as paragraphs (1) and (2), respectively.

SEC. 604. INTEREST RATE REQUIREMENTS.

Section 307(a)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)) is amended—

(1) in subparagraph (B), by inserting "subparagraph (D) and in" after "Except as provided in"; and

(2) by adding at the end the following:

"(D) JOINT FINANCING ARRANGEMENT.—If a direct farm ownership loan is made under this subtitle as part of a joint financing arrangement and the amount of the direct farm ownership loan does not exceed 50 percent of the total principal amount financed under the arrangement, the interest rate on the direct farm ownership loan shall be 4 percent annually.".

SEC. 605. INSURANCE OF LOANS.

Section 308 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1928) is amended to read as follows:

"SEC. 308. FULL FAITH AND CREDIT.

"(a) IN GENERAL.—A contract of insurance or guarantee executed by the Secretary under this title shall be an obligation supported by the full faith and credit of the United States.

"(b) CONTESTABILITY.—A contract of insurance or guarantee executed by the Secretary under this title shall be incontestable except for fraud or misrepresentation that the lender or any holder—

"(1) has actual knowledge of at the time the contract or guarantee is executed; or

"(2) participates in or condones.".

SEC. 606. LOANS GUARANTEED.

Section 309(h) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(h)) is amended by adding at the end the following:

"(4) MAXIMUM GUARANTEE OF 90 PERCENT.—Except as provided in paragraph (5), a loan guarantee under this title shall be for not more than 90 percent of the principal and interest due on the loan.

"(5) REFINANCED LOANS GUARANTEED AT 95 PERCENT.—The Secretary shall guarantee 95 percent of—

"(A) in the case of a loan that solely refinances a direct loan made under this title, the principal and interest due on the loan on the date of the refinancing; or

"(B) in the case of a loan that is used for multiple purposes, the portion of the loan that refinances the principal and interest due on a direct loan made under this title that is outstanding on the date the loan is guaranteed.

"(6) BEGINNING FARMER LOANS GUARANTEED UP TO 95 PERCENT.—The Secretary may guarantee up to 95 percent of—

"(A) a farm ownership loan for acquiring a farm or ranch to a borrower who is participating in the down payment loan program under section 310E; or

"(B) an operating loan to a borrower who is participating in the down payment loan program under section 310E that is made during the period that the borrower has a direct loan for acquiring a farm or ranch.".

CHAPTER 2—OPERATING LOANS

SEC. 611. LIMITATION ON DIRECT OPERATING LOANS.

(a) IN GENERAL.—Section 311 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941) is amended by striking subsection (c) and inserting the following:

"(c) DIRECT LOANS.—

"(1) IN GENERAL.—Subject to paragraph (3), the Secretary may only make a direct loan under this subtitle to a farmer or rancher who—

"(A) is a qualified beginning farmer or rancher who has not operated a farm or ranch, or who has operated a farm or ranch for not more than 5 years;

"(B) has not had a previous direct operating loan under this subtitle; or

"(C) has not had a previous direct operating loan under this subtitle for more than 7 years.

"(2) YOUTH LOANS.—In this subsection, the term 'direct operating loan' shall not include a loan made to a youth under subsection (b).

"(3) TRANSITION RULE.—If, as of the date of enactment of this paragraph, a farmer or rancher has received a direct operating loan under this subtitle during each of 4 or more previous years, the borrower shall be eligible to receive a direct operating loan under this subtitle during 3 additional years after the date of enactment of this paragraph.".

(b) YOUTH ENTERPRISES NOT FARMING OR RANCHING.—Section 311(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(b)) is amended by adding at the end the following:

"(4) YOUTH ENTERPRISES NOT FARMING OR RANCHING.—The operation of an enterprise by a youth under this subsection shall not be considered the operation of a farm or ranch under this title.".

SEC. 612. PURPOSES OF OPERATING LOANS.

Section 312 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1942) is amended to read as follows:

"SEC. 312. PURPOSES OF LOANS.

"(a) IN GENERAL.—A direct loan may be made under this subtitle only for—

"(1) paying the costs incident to reorganizing a farming or ranching system for more profitable operation;

"(2) purchasing livestock, poultry, or farm or ranch equipment;

"(3) purchasing feed, seed, fertilizer, insecticide, or farm or ranch supplies, or to meet other essential farm or ranch operating expenses, including cash rent;

"(4) financing land or water development, use, or conservation;

"(5) paying loan closing costs;

"(6) assisting a farmer or rancher in effecting an addition to, or alteration of, the equipment, facilities, or methods of operation of a farm or ranch to comply with a standard promulgated under section 6 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 655) or a standard adopted by a State under a plan approved under section 18 of the Act (29 U.S.C. 667), if the Secretary determines that without assistance under this paragraph the farmer or rancher is likely to suffer substantial economic injury due to compliance with the standard;

"(7) training a limited-resource borrower receiving a loan under section 310D in maintaining records of farming and ranching operations;

"(8) training a borrower under section 359;

"(9) refinancing the indebtedness of a borrower if the borrower—

"(A) has refinanced a loan under this subtitle not more than 4 times previously; and

"(B)(i) is a direct loan borrower under this title at the time of the refinancing and has suffered a qualifying loss because of a natural disaster declared by the Secretary under this title or a major disaster or emergency designated by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.); or

"(ii) is refinancing a debt obtained from a creditor other than the Secretary; or

"(10) providing other farm, ranch, or home needs, including family subsistence.

"(b) GUARANTEED LOANS.—A loan may be guaranteed under this subtitle only for—

"(1) paying the costs incident to reorganizing a farming or ranching system for more profitable operation;

"(2) purchasing livestock, poultry, or farm or ranch equipment;

"(3) purchasing feed, seed, fertilizer, insecticide, or farm or ranch supplies, or to meet other essential farm or ranch operating expenses, including cash rent;

"(4) financing land or water development, use, or conservation;

"(5) refinancing indebtedness;

"(6) paying loan closing costs;

"(7) assisting a farmer or rancher in effecting an addition to, or alteration of, the equipment, facilities, or methods of operation of a farm or ranch to comply with a standard promulgated under section 6 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 655) or a standard adopted by a State under a plan approved under section 18 of the Act (29 U.S.C. 667), if the Secretary determines that without assistance under this paragraph the farmer or rancher is likely to suffer substantial economic injury due to compliance with the standard;

"(8) training a borrower under section 359; or

"(9) providing other farm, ranch, or home needs, including family subsistence.

"(c) HAZARD INSURANCE REQUIREMENT.—

"(1) IN GENERAL.—The Secretary may not make a loan to a farmer or rancher under this subtitle unless the farmer or rancher has, or agrees to obtain, hazard insurance on any property to be acquired with the loan.

"(2) DETERMINATION.—Not later than 180 days after the date of enactment of this paragraph, the Secretary shall determine the appropriate level of insurance to be required under paragraph (1).

"(3) TRANSITIONAL PROVISION.—Paragraph (1) shall not apply until the Secretary makes the determination required under paragraph (2).

"(d) PRIVATE RESERVE.—

"(1) IN GENERAL.—Notwithstanding any other provision of this title, the Secretary may reserve the lesser of 10 percent or $5,000 of the amount of a direct loan made under this subtitle, to be placed in a nonsupervised bank account that may be used at the discretion of the borrower for any necessary family living need or purpose that is consistent with any farming or ranching plan agreed to by the Secretary and the borrower prior to the date of the loan.

"(2) ADJUSTMENT OF RESERVE.—If a borrower exhausts the amount of funds reserved under paragraph (1), the Secretary may—

"(A) review and adjust the farm or ranch plan referred to in paragraph (1) with the borrower and reschedule the loan;

"(B) extend additional credit;

"(C) use income proceeds to pay necessary farm, ranch, home, or other expenses; or

"(D) provide additional available loan servicing.".

SEC. 613. PARTICIPATION IN LOANS.

Section 315 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1945) is repealed.

SEC. 614. LINE-OF-CREDIT LOANS.

Section 316 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1946) is amended by adding at the end the following:

"(c) LINE-OF-CREDIT LOANS.—

"(1) IN GENERAL.—A loan made or guaranteed by the Secretary under this subtitle may be in the form of a line-of-credit loan.

"(2) TERM.—A line-of-credit loan under paragraph (1) shall terminate not later than 5 years after the date that the loan is made or guaranteed.

"(3) ELIGIBILITY.—For purposes of determining eligibility for a farm operating loan, each year in which a farmer or rancher takes an advance or draws on a line-of-credit loan the farmer or rancher shall be considered to have received an operating loan for 1 year.".

SEC. 615. INSURANCE OF OPERATING LOANS.

Section 317 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1947) is repealed.

SEC. 616. SPECIAL ASSISTANCE FOR BEGINNING FARMERS AND RANCHERS.

(a) IN GENERAL.—Section 318 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1948) is repealed.

(b) CONFORMING AMENDMENT.—Section 310F of the Consolidated Farm and Rural Development Act (7 U.S.C. 1936) is repealed.

SEC. 617. LIMITATION ON PERIOD FOR WHICH BORROWERS ARE ELIGIBLE FOR GUARANTEED ASSISTANCE.

Section 319 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1949) is amended by striking subsection (b) and inserting the following:

"(b) LIMITATION ON PERIOD BORROWERS ARE ELIGIBLE FOR GUARANTEED ASSISTANCE.—

"(1) GENERAL RULE.—Subject to paragraph (2), the Secretary shall not guarantee a loan under this subtitle for a borrower for any year after the 15th year that a loan is made to, or a guarantee is provided with respect to, the borrower under this subtitle.

"(2) TRANSITION RULE.—If, as of October 28, 1992, a farmer or rancher has received a direct or guaranteed operating loan under this subtitle during each of 10 or more previous years, the borrower shall be eligible to receive a guaranteed operating loan under this subtitle during 5 additional years after October 28, 1992.".

CHAPTER 3—EMERGENCY LOANS

SEC. 621. HAZARD INSURANCE REQUIREMENT.

Section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) is amended by striking subsection (b) and inserting the following:

"(b) HAZARD INSURANCE REQUIREMENT.—

"(1) IN GENERAL.—The Secretary may not make a loan to a farmer or rancher under this subtitle to cover a property loss unless the farmer or rancher had hazard insurance that insured the property at the time of the loss.

"(2) DETERMINATION.—Not later than 180 days after the date of enactment of this paragraph, the Secretary shall determine the appropriate level of insurance to be required under paragraph (1).

"(3) TRANSITIONAL PROVISION.—Paragraph (1) shall not apply until the Secretary makes the determination required under paragraph (2).".

SEC. 622. MAXIMUM EMERGENCY LOAN INDEBTEDNESS.

Section 324 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1964) is amended by striking "SEC. 324. (a) No loan" and all that follows through the end of subsection (a) and inserting the following:

"SEC. 324. TERMS OF LOANS.

"(a) MAXIMUM AMOUNT OF LOAN.—The Secretary may not make a loan under this subtitle that—

"(1) exceeds the actual loss caused by a disaster; or

"(2) would cause the total indebtedness of the borrower under this subtitle to exceed $500,000.".

SEC. 623. INSURANCE OF EMERGENCY LOANS.

Section 328 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1968) is repealed.

CHAPTER 4—ADMINISTRATIVE PROVISIONS

SEC. 631. USE OF COLLECTION AGENCIES.

Section 331 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981) is amended by adding at the end the following:

"(d) PRIVATE COLLECTION AGENCY.—The Secretary may use a private collection agency to collect a claim or obligation described in subsection (b)(5).".

SEC. 632. NOTICE OF LOAN SERVICE PROGRAMS.

Section 331D(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981d(a)) is amended by striking "180 days delinquent in" and inserting "90 days past due on".

SEC. 633. SALE OF PROPERTY.

Section 335 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985) is amended—

(1) in subsection (b), by striking "subsection (e)" and inserting "subsections (c) and (e)";

(2) by striking subsection (c) and inserting the following:

"(c) SALE OF PROPERTY.—

"(1) IN GENERAL.—Subject to this subsection and subsection (e)(1)(A), the Secretary shall offer to sell real property that is acquired by the Secretary under this title in the following order and method of sale:

"(A) ADVERTISEMENT.—Not later than 15 days after acquiring real property, the Secretary shall publicly advertise the property for sale.

"(B) BEGINNING FARMER OR RANCHER.—

"(i) IN GENERAL.—Not later than 75 days after acquiring real property, the Secretary shall attempt to sell the property to a qualified beginning farmer or rancher at current market value based on a current appraisal.

"(ii) RANDOM SELECTION.—If more than 1 qualified beginning farmer or rancher offers to purchase the property, the Secretary shall select between the qualified applicants on a random basis.

"(iii) APPEAL OF RANDOM SELECTION.—A random selection or denial by the Secretary of a beginning farmer or rancher for farm inventory property under this subparagraph shall be final and not administratively appealable.

"(C) PUBLIC SALE.—If no acceptable offer is received from a qualified beginning farmer or rancher under subparagraph (B) within 75 days of acquiring the real property, the Secretary shall, within 30 days, sell the property after public notice at a public sale, and, if no acceptable bid is received, by negotiated sale, at the best price obtainable.

"(2) TRANSITIONAL RULES.—

"(A) PREVIOUS LEASE.—In the case of real property acquired prior to the date of enactment of this subparagraph that the Secretary leased prior to the date of enactment of this subparagraph, the Secretary shall offer to sell the property according to paragraph (1) not later than 60 days after the lease expires.

"(B) PREVIOUSLY IN INVENTORY.—In the case of real property acquired prior to the date of enactment of this subparagraph that the Secretary has not leased, the Secretary shall offer to sell the property according to paragraph (1) not later than 60 days after the date of enactment of this subparagraph.

"(3) INTEREST.—

"(A) IN GENERAL.—Subject to subparagraph (B), any conveyance under this subsection shall include all of the interest of the United States, including mineral rights.

"(B) CONSERVATION.—The Secretary may for conservation purposes grant or sell an easement, restriction, development right, or similar legal right to a State, a political subdivision of a State, or a private nonprofit organization separately from the underlying fee or other rights owned by the Secretary.

"(4) OTHER LAW.—This title shall not be subject to the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

"(5) LEASE OF PROPERTY.—

"(A) IN GENERAL.—Subject to subparagraph (B), the Secretary may not lease any real property acquired under this title.

"(B) EXCEPTION.—

"(i) BEGINNING FARMER OR RANCHER.—Notwithstanding paragraph (1), the Secretary may lease or contract to sell a farm or ranch acquired by the Secretary under this title to a beginning farmer or rancher if the beginning farmer or rancher qualifies for a credit sale or direct farm ownership loan but credit sale authority for loans or direct farm ownership funds, respectively, are not available.

"(ii) TERM.—A lease or contract to sell to a beginning farmer or rancher under clause (i) shall be until the earlier of—

"(I) the date that is 18 months after the date of the lease or sale; or

"(II) the date that direct farm ownership loan funds or credit sale authority for loans become available to the beginning farmer or rancher.

"(iii) INCOME-PRODUCING CAPABILITY.—In determining the rental rate on real property leased under this subparagraph, the Secretary shall consider the income-producing capability of the property during the term that the property is leased.

"(6) DETERMINATION BY SECRETARY.—

"(A) EXPEDITED REVIEW.—On the request of an applicant, the Secretary shall provide within 30 days of denial of the applicant's application for an expedited review by the appropriate State Director of whether the applicant is a beginning farmer or rancher for the purpose of acquiring farm inventory property.

"(B) APPEAL.—The results of a review conducted by a State Director under subparagraph (A) shall be final and not administratively appealable.

"(C) EFFECTS OF REVIEW.—

"(i) IN GENERAL.—The Secretary shall maintain statistical data on the number and results of reviews conducted under subparagraph (A) and whether the reviews adversely impact on—

"(I) selling farm inventory property to beginning farmers and ranchers; and

"(II) disposing of real property in inventory.

"(ii) NOTIFICATION.—The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate if the Secretary determines that reviews under subparagraph (A) are adversely impacting the selling of farm inventory property to beginning farmers or ranchers or on disposing of real property in inventory."; and

(3) in subsection (e)—

(A) in paragraph (1)—

(i) by striking subparagraphs (A) through (C);

(ii) by redesignating subparagraphs (D) through (G) as subparagraphs (A) through (D), respectively;

(iii) in subparagraph (A) (as redesignated by clause (ii))—

(I) in clause (i)—

(aa) in the matter preceding subclause (I), by striking "(G)" and inserting "(D)";

(bb) by striking subclause (I) and inserting the following:

"(I) the Secretary acquires property under this title that is located within an Indian reservation; and";

(cc) in subclause (II), by striking ", and" at the end and inserting a semicolon; and

(dd) by striking subclause (III); and

(II) in clause (iii), by striking "The Secretary shall" and all that follows through "of subparagraph (A)," and inserting "Not later than 90 days after acquiring the property, the Secretary shall"; and

(iv) in subparagraph (D) (as redesignated by clause (ii))—

(I) in clause (i), by striking "(D)" in the matter following subclause (IV) and inserting "(A)";

(II) in clause (iii)(I), by striking "subparagraphs (C)(i), (C)(ii), and (D)" and inserting "subparagraph (A)"; and

(III) by striking clause (v) and inserting the following:

"(v) FORECLOSURE PROCEDURES.—

"(I) NOTICE TO BORROWER.—If a borrower-owner does not voluntarily convey to the Secretary real property described in clause (i), not less than 30 days before a foreclosure sale of the property the Secretary shall provide the Indian borrower-owner with the option of—

"(aa) requiring the Secretary to assign the loan and security instruments to the Secretary of the Interior, provided the Secretary of the Interior agrees to the assignment, releasing the Secretary of Agriculture from all further responsibility for collection of any amounts with regard to the loan secured by the real property; or

"(bb) requiring the Secretary to assign the loan and security instruments to the tribe having jurisdiction over the reservation in which the real property is located, provided the tribe agrees to the assignment.

"(II) NOTICE TO TRIBE.—If a borrower-owner does not voluntarily convey to the Secretary real property described in clause (i), not less than 30 days before a foreclosure sale of the property the Secretary shall provide written notice to the Indian tribe that has jurisdiction over the reservation in which the real property is located of—

"(aa) the sale;

"(bb) the fair market value of the property; and

"(cc) the requirements of this subparagraph.

"(III) ASSUMED LOANS.—If an Indian tribe assumes a loan under subclause (I)—

"(aa) the Secretary shall not foreclose the loan because of any default that occurred prior to the date of the assumption;

"(bb) the loan shall be for the lesser of the outstanding principal and interest of the loan or the fair market value of the property; and

"(cc) the loan shall be treated as though the loan was made under Public Law 91-229 (25 U.S.C. 488 et seq.).";

(B) by striking paragraph (3);

(C) in paragraph (4)—

(i) by striking subparagraph (B);

(ii) in subparagraph (A)—

(I) in clause (i), by striking "(i)"; and

(II) by redesignating clause (ii) as subparagraph (B); and

(iii) in subparagraph (B) (as redesignated by clause (ii)(II)), by striking "clause (i)" and inserting "subparagraph (A)";

(D) by striking paragraph (5);

(E) by striking paragraph (6);

(F) by redesignating paragraph (4) as paragraph (3); and

(G) by redesignating paragraphs (7) through (10) as paragraphs (4) through (7), respectively.

SEC. 634. DEFINITIONS.

Section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) is amended—

(1) in paragraph (11)—

(A) in the text preceding subparagraph (A), by striking "applicant—" and inserting "applicant, regardless of whether participating in a program under section 310E—"; and

(B) in subparagraph (F)—

(i) by striking "15 percent" and inserting "35 percent"; and

(ii) by inserting before the semicolon at the end the following: ", except that this subparagraph shall not apply to loans under subtitle B"; and

(2) by adding at the end the following:

"(12) DEBT FORGIVENESS.—

"(A) IN GENERAL.—The term 'debt forgiveness' means reducing or terminating a farm loan made or guaranteed under this title, in a manner that results in a loss to the Secretary, through—

"(i) writing-down or writing-off a loan under section 353;

"(ii) compromising, adjusting, reducing, or charging-off a debt or claim under section 331;

"(iii) paying a loss on a guaranteed loan under section 357; or

"(iv) discharging a debt as a result of bankruptcy.

"(B) LOAN RESTRUCTURING.—The term 'debt forgiveness' does not include consolidation, rescheduling, reamortization, or deferral.".

SEC. 635. AUTHORIZATION FOR LOANS.

Section 346 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994) is amended—

(1) in the second sentence of subsection (a), by striking "with or without" and all that follows through "administration" and inserting the following: "without authority for the Secretary to transfer amounts between the categories"; and

(2) by striking subsection (b) and inserting the following:

"(b) AUTHORIZATION FOR LOANS.—

"(1) IN GENERAL.—The Secretary may make or guarantee loans under subtitles A and B from the Agricultural Credit Insurance Fund established under section 309 in not more than the following amounts:

"(A) FISCAL YEAR 1996.—For fiscal year 1996, $3,085,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,500,000,000 shall be for guaranteed loans, of which—

"(I) $600,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $1,900,000,000 shall be for operating loans under subtitle B.

"(B) FISCAL YEAR 1997.—For fiscal year 1997, $3,165,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,580,000,000 shall be for guaranteed loans, of which—

"(I) $630,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $1,950,000,000 shall be for operating loans under subtitle B.

"(C) FISCAL YEAR 1998.—For fiscal year 1998, $3,245,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,660,000,000 shall be for guaranteed loans, of which—

"(I) $660,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $2,000,000,000 shall be for operating loans under subtitle B.

"(D) FISCAL YEAR 1999.—For fiscal year 1999, $3,325,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,740,000,000 shall be for guaranteed loans, of which—

"(I) $690,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $2,050,000,000 shall be for operating loans under subtitle B.

"(E) FISCAL YEAR 2000.—For fiscal year 2000, $3,435,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,850,000,000 shall be for guaranteed loans, of which—

"(I) $750,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $2,100,000,000 shall be for operating loans under subtitle B.

"(F) FISCAL YEAR 2001.—For fiscal year 2001, $3,435,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,850,000,000 shall be for guaranteed loans, of which—

"(I) $750,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $2,100,000,000 shall be for operating loans under subtitle B.

"(G) FISCAL YEAR 2002.—For fiscal year 2002, $3,435,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,850,000,000 shall be for guaranteed loans, of which—

"(I) $750,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $2,100,000,000 shall be for operating loans under subtitle B.

"(2) BEGINNING FARMERS AND RANCHERS.—

"(A) DIRECT LOANS.—

"(i) FARM OWNERSHIP LOANS.—Of the amounts made available under paragraph (1) for direct farm ownership loans, the Secretary shall reserve 70 percent of available funds for qualified beginning farmers and ranchers.

"(ii) OPERATING LOANS.—Of the amounts made available under paragraph (1) for direct operating loans, the Secretary shall reserve for qualified beginning farmers and ranchers—

"(I) for fiscal year 1996, 25 percent;

"(II) for fiscal year 1997, 25 percent;

"(III) for fiscal year 1998, 25 percent;

"(IV) for fiscal year 1999, 30 percent; and

"(V) for each of fiscal years 2000 through 2002, 35 percent.

"(iii) FUNDS RESERVED UNTIL SEPTEMBER 1.—Funds reserved for beginning farmers or ranchers under this subparagraph shall be reserved only until September 1 of each fiscal year.

"(B) GUARANTEED LOANS.—

"(i) FARM OWNERSHIP LOANS.—Of the amounts made available under paragraph (1) for guaranteed farm ownership loans, the Secretary shall reserve 25 percent for qualified beginning farmers and ranchers.

"(ii) OPERATING LOANS.—Of the amounts made available under paragraph (1) for guaranteed operating loans, the Secretary shall reserve 40 percent for qualified beginning farmers and ranchers.

"(iii) FUNDS RESERVED UNTIL APRIL 1.—Funds reserved for beginning farmers or ranchers under this subparagraph shall be reserved only until April 1 of each fiscal year.

"(C) RESERVED FUNDS FOR ALL QUALIFIED BEGINNING FARMERS AND RANCHERS.—If a qualified beginning farmer or rancher meets the eligibility criteria for receiving a direct or guaranteed loan under section 302, 310E, or 311, the Secretary shall make or guarantee the loan if sufficient funds reserved under this paragraph are available to make or guarantee the loan.

"(3) TRANSFER FOR DOWN PAYMENT LOANS.—

"(A) IN GENERAL.—Notwithstanding subsection (a), subject to subparagraph (B)—

"(i) beginning on August 1 of each fiscal year, the Secretary shall use available unsubsidized guaranteed farm operating loan funds to fund approved direct farm ownership loans to beginning farmers and ranchers under the down payment loan program established under section 310E; and

"(ii) beginning on September 1 of each fiscal year, the Secretary shall use available unsubsidized guaranteed farm operating loan funds to fund approved direct farm ownership loans to beginning farmers and ranchers.

"(B) LIMITATION.—The Secretary shall limit the transfer of funds under subparagraph (A) so that all guaranteed farm operating loans that have been approved, or will be approved, during the fiscal year shall be funded to extent of appropriated amounts.

"(4) TRANSFER FOR CREDIT SALES OF FARM INVENTORY PROPERTY.—

"(A) IN GENERAL.—Notwithstanding subsection (a), subject to subparagraphs (B) and (C), beginning on September 1 of each fiscal year, the Secretary may use available emergency disaster loan funds appropriated for the fiscal year to fund the credit sale of farm real estate in the inventory of the Secretary.

"(B) SUPPLEMENTAL APPROPRIATIONS.—The transfer authority provided under subparagraph (A) does not include any emergency disaster loan funds made available to the Secretary for any fiscal year as a result of a supplemental appropriation made by Congress.

"(C) LIMITATION.—The Secretary shall limit the transfer of funds under subparagraph (A) so that all emergency disaster loans that have been approved, or will be approved, during the fiscal year shall be funded to extent of appropriated amounts.".

SEC. 636. LIST OF CERTIFIED LENDERS AND INVENTORY PROPERTY DEMONSTRATION PROJECT.

(a) IN GENERAL.—Section 351 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999) is amended—

(1) in subsection (f)—

(A) by striking "Each Farmers Home Administration county supervisor" and inserting "The Secretary";

(B) by striking "approved lenders" and inserting "lenders"; and

(C) by striking "the Farmers Home Administration"; and

(2) by striking subsection (h).

(b) TECHNICAL AMENDMENTS.—

(1) Section 1320 of the Food Security Act of 1985 (Public Law 99-198; 7 U.S.C. 1999 note) is amended by striking "Effective only" and all that follows through "1995, the" and inserting "The".

(2) Section 351(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999) is amended—

(A) by striking "SEC. 351. (a) The" and inserting the following:

"SEC. 351. INTEREST RATE REDUCTION PROGRAM.

"(a) ESTABLISHMENT OF PROGRAM.—

"(1) IN GENERAL.—The"; and

(B) by adding at the end the following:

"(2) TERMINATION OF AUTHORITY.—The authority provided by this subsection shall terminate on September 30, 2002.".

SEC. 637. HOMESTEAD PROPERTY.

Section 352(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2000(c)) is amended—

(1) in paragraph (1)(A), by striking "90" each place it appears and inserting "30"; and

(2) in paragraph (6), by striking "Within 30" and all that follows through "title," and insert "Not later than the date of acquisition of the property securing a loan made under this title (or, in the case of real property in inventory on the effective date of the Agricultural Reform and Improvement Act of 1996, not later than 5 days after the date of enactment of the Act)," and by striking the second sentence.

SEC. 638. RESTRUCTURING.

Section 353 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001) is amended—

(1) in subsection (c)—

(A) in paragraph (3) by striking subparagraph (C) and inserting the following:

"(C) CASH FLOW MARGIN.—

"(i) ASSUMPTION.—For the purpose of assessing under subparagraph (A) the ability of a borrower to meet debt obligations and continue farming operations, the Secretary shall assume that the borrower needs up to 110 percent of the amount indicated for payment of farm operating expenses, debt service obligations, and family living expenses.

"(ii) AVAILABLE INCOME.—If an amount up to 110 percent of the amount determined under subparagraph (A) is available, the Secretary shall consider the income of the borrower to be adequate to meet all expenses, including the debt obligations of the borrower."; and

(B) by striking paragraph (6) and inserting the following:

"(6) TERMINATION OF LOAN OBLIGATIONS.—The obligations of a borrower to the Secretary under a loan shall terminate if—

"(A) the borrower satisfies the requirements of paragraphs (1) and (2) of subsection (b);

"(B) the value of the restructured loan is less than the recovery value; and

"(C) not later than 90 days after receipt of the notification described in paragraph (4)(B), the borrower pays (or obtains third-party financing to pay) the Secretary an amount equal to the current market value.";

(2) by striking subsection (k); and

(3) by redesignating subsections (l) through (p) as subsections (k) through (o), respectively.

SEC. 639. TRANSFER OF INVENTORY LANDS.

Section 354 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2002) is amended—

(1) in the matter preceding paragraph (1), by striking "The Secretary, without reimbursement," and inserting the following:

"(a) IN GENERAL.—Subject to subsection (b), the Secretary";

(2) by striking paragraph (2) and inserting the following:

"(2) that is eligible to be disposed of in accordance with section 335; and"; and

(3) by adding at the end the following:

"(b) CONDITIONS.—The Secretary may not transfer any property or interest under subsection (a) unless—

"(1) at least 2 public notices are given of the transfer;

"(2) if requested, at least 1 public meeting is held prior to the transfer; and

"(3) the Governor and at least 1 elected county official are consulted prior to the transfer.".

SEC. 640. IMPLEMENTATION OF TARGET PARTICIPATION RATES.

Section 355 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003) is amended by adding at the end the following:

"(f) IMPLEMENTATION CONSISTENT WITH SUPREME COURT HOLDING.—Not later than 180 days after the date of enactment of this subsection, the Secretary shall ensure that the implementation of this section is consistent with the holding of the Supreme Court in Adarand Constructors, Inc. v. Federico Pena, Secretary of Transportation, 63 U.S.L.W. 4523 (U.S. June 12, 1995).".

SEC. 641. DELINQUENT BORROWERS AND CREDIT STUDY.

The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding at the end the following:

"SEC. 372. PAYMENT OF INTEREST AS A CONDITION OF LOAN SERVICING FOR BORROWERS.

"The Secretary may not reschedule or reamortize a loan for a borrower under this title who has not requested consideration under section 331D(e) unless the borrower pays a portion, as determined by the Secretary, of the interest due on the loan.

"SEC. 373. LOAN AND LOAN SERVICING LIMITATIONS

"(a) DELINQUENT BORROWERS PROHIBITED FROM OBTAINING DIRECT OPERATING LOANS.—The Secretary may not make a direct operating loan under subtitle B to a borrower who is delinquent on any loan made or guaranteed under this title.

"(b) Loans Prohibited for Borrowers That Have Received Debt Forgiveness.—

"(1) In general.—Except as provided in paragraph (2), the Secretary may not make or guarantee a loan under this title to a borrower who received debt forgiveness under this title.

"(2) Exception.—The Secretary may make a direct or guaranteed farm operating loan for paying annual farm or ranch operating expenses to a borrower who was restructured with debt write-down under section 353.

"(c) No More That 1 Debt Forgiveness For A Borrower On A Direct Loan.—The Secretary may not provide debt forgiveness to a borrower on a direct loan made under this title if the borrower has received debt forgiveness on another direct loan under this title.

"SEC. 374. CREDIT STUDY.

"(a) In General.—The Secretary of Agriculture shall perform a study and report to the Committee on Agriculture in the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry in the Senate on the demand for and availability of credit in rural areas for agriculture, rural housing, and rural development.

"(b) Purpose.—The purpose of the study is to ensure that Congress has current and comprehensive information to consider as Congress deliberates on the credit needs of rural America and the availability of credit to satisfy the needs of rural America.

"(c) Items in Study.—The study should be based on the most current available data and should include—

"(1) rural demand for credit from the Farm Credit System, the ability of the Farm Credit System to meet the demand, and the extent to which the Farm Credit System provided loans to satisfy the demand;

"(2) rural demand for credit from the nation's banking system, the ability of banks to meet the demand, and the extent to which banks provided loans to satisfy the demand;

"(3) rural demand for credit from the Secretary, the ability of the Secretary to meet the demand, and the extent to which the Secretary provided loans to satisfy the demand;

"(4) rural demand for credit from other Federal agencies, the ability of the agencies to meet the demand, and the extent to which the agencies provided loans to satisfy the demand;

"(5) what measure or measures exist to gauge the overall demand for rural credit and the extent to which rural demand for credit is satisfied, and what the measures have shown;

"(6) a comparison of the interest rates and terms charged by the Farm Credit System Farm Credit Banks, production credit associations, and banks for cooperatives with the rates and terms charged by the nation's banks for credit of comparable risk and maturity;

"(7) the advantages and disadvantages of the modernization and expansion proposals of the Farm Credit System on the Farm Credit System, the nation's banking system, rural users of credit, local rural communities, and the Federal Government, including—

"(A) any added risk to the safety and soundness of the Farm Credit System that may result from approval of a proposal; and

"(B) any positive or adverse impacts on competition between the Farm Credit System and the nation's banks in providing credit to rural users;

"(8) the nature and extent of the unsatisfied rural credit need that the Farm Credit System proposal are supposed to address and what aspects of the present Farm Credit System prevent the Farm Credit System from meeting the need;

"(9) the advantages and disadvantages of the proposal by commercial bankers to allow banks access to the Farm Credit System as a funding source on the Farm Credit System, the nation's banking system, rural users of credit, local rural communities, and the Federal Government, including—

"(A) any added risk to the safety and soundness of the Farm Credit System that may result from approval of the proposal; and

"(B) any positive or adverse impacts on competition between the Farm Credit System and the nation's banks in providing credit to rural users; and

"(10) problems that commercial banks have in obtaining capital for lending in rural areas, how access to Farm Credit System funds would improve the availability of capital in rural areas in ways that cannot be achieved in the present system, and the possible effects on the viability of the Farm Credit System of granting banks access to Farm Credit System funds.

"(d) Interagency Task Force.—In completing the study, the Secretary shall use, among other things, data and information obtained by the interagency task force on rural credit.".

CHAPTER 5—GENERAL PROVISIONS

SEC. 651. CONFORMING AMENDMENTS.

(a) Section 307(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)) is amended—

(1) in paragraph (4), by striking "304(b), 306(a)(1), and 310B" and inserting "306(a)(1) and 310B"; and

(2) in paragraph (6)(B)—

(A) by striking clauses (i), (ii), and (vii);

(B) in clause (v), by adding "and" at the end;

(C) in clause (vi), by striking ", and" at the end and inserting a period; and

(D) by redesignating clauses (iii) through (vi) as clauses (i) through (iv), respectively.

(b) The second sentence of section 309(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(g)(1)) is amended by striking "section 308,".

(c) Section 309A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929a) is amended—

(1) in the second sentence of subsection (a), by striking "304(b), 306(a)(1), 306(a)(14), 310B, and 312(b)" and inserting "306(a)(1), 306(a)(14), and 310B"; and

(2) in subsection (b), by striking "and section 308".

(d) Section 310B(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(d)) is amended—

(1) by striking "sections 304(b), 310B, and 312(b)" each place it appears in paragraphs (2), (3), and (4) and inserting "this section"; and

(2) in paragraph (6), by striking "this section, section 304, or section 312" and inserting "this section".

(e) The first sentence of section 310D(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1934(a)) is amended by striking "paragraphs (1) through (5) of section 303(a), or subparagraphs (A) through (E) of section 304(a)(1)" and inserting "section 303(a), or paragraphs (1) through (5) of section 304(b)".

(f) Section 311(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(b)(1)) is amended by striking "and for the purposes specified in section 312".

(g) Section 316(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1946(a)) is amended by striking paragraph (3).

(h) Section 343 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991) is amended—

(1) in subsection (a)(10), by striking "recreation loan (RL) under section 304,"; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "351(h),"; and

(B) by striking paragraph (4) and inserting the following:

"(4) Preservation loan service program.—The term "preservation loan service program" means homestead retention as authorized under section 352.".

(i) The first sentence of section 344 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1992) is amended by striking "304(b), 306(a)(1), 310B, 312(b), or 312(c)" and inserting "306(a)(1), 310B, or 312(c)".

(j) Section 353(l) of the Consolidated Farm and Rural Development Act (as redesignated by section 638(3)) is further amended by striking "and subparagraphs (A)(i) and (C)(i) of section 335(e)(1),".

Subtitle B—Farm Credit System

CHAPTER 1—AGRICULTURAL MORTGAGE SECONDARY MARKET

SEC. 661. DEFINITION OF REAL ESTATE.

Section 8.0(1)(B)(ii) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(1)(B)(ii)) is amended by striking "with a purchase price" and inserting ", excluding the land to which the dwelling is affixed, with a value".

SEC. 662. DEFINITION OF CERTIFIED FACILITY.

Section 8.0(3) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(3)) is amended—

(1) in subparagraph (A), by striking "a secondary marketing agricultural loan" and inserting "an agricultural mortgage marketing"; and

(2) in subparagraph (B), by striking ", but only" and all that follows through "(9)(B)".

SEC. 663. DUTIES OF FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Section 8.1(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-1(b)) is amended—

(1) in paragraph (2), by striking "and" at the end;

(2) in paragraph (3), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(4) purchase qualified loans and issue securities representing interests in, or obligations backed by, the qualified loans, guaranteed for the timely repayment of principal and interest.".

SEC. 664. POWERS OF THE CORPORATION.

Section 8.3(c) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-3(c)) is amended—

(1) by redesignating paragraphs (13) and (14) as paragraphs (14) and (15), respectively; and

(2) by inserting after paragraph (12) the following:

"(13) To purchase, hold, sell, or assign a qualified loan, to issue a guaranteed security, representing an interest in, or an obligation backed by, the qualified loan, and to perform all the functions and responsibilities of an agricultural mortgage marketing facility operating as a certified facility under this title.".

SEC. 665. FEDERAL RESERVE BANKS AS DEPOSITARIES AND FISCAL AGENTS.

Section 8.3 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-3) is amended—

(1) in subsection (d), by striking "may act as depositories for, or" and inserting "shall act as depositories for, and"; and

(2) in subsection (e), by striking "Secretary of the Treasury may authorize the Corporation to use" and inserting "Corporation shall have access to".

SEC. 666. CERTIFICATION OF AGRICULTURAL MORTGAGE MARKETING FACILITIES.

Section 8.5 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–5) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by inserting "(other than the Corporation)" after "agricultural mortgage marketing facilities"; and

(B) in paragraph (2), by inserting "(other than the Corporation)" after "agricultural mortgage marketing facility"; and

(2) in subsection (e)(1), by striking "(other than the Corporation)".

SEC. 667. GUARANTEE OF QUALIFIED LOANS.

Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6) is amended—

(1) in subsection (a)(1)—

(A) by striking "Corporation shall guarantee" and inserting the following: "Corporation—

"(A) shall guarantee";

(B) by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(B) may issue a security, guaranteed as to the timely payment of principal and interest, that represents an interest solely in, or an obligation fully backed by, a pool consisting of qualified loans that—

"(i) meet the standards established under section 8.8; and

"(ii) have been purchased and held by the Corporation.";

(2) in subsection (d)—

(A) by striking paragraph (4); and

(B) by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively; and

(3) in subsection (g)(2), by striking "section 8.0(9)(B))" and inserting "section 8.0(9))".

SEC. 668. MANDATORY RESERVES AND SUBORDINATED PARTICIPATION INTERESTS ELIMINATED.

(a) Guarantee of Qualified Loans.—Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6) is amended by striking subsection (b).

(b) Reserves and Subordinated Participation Interests.—Section 8.7 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–7) is repealed.

(c) Conforming Amendments.—

(1) Section 8.0(9)(B)(i) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(9)(B)(i)) is amended by striking "8.7, 8.8," and inserting "8.8".

(2) Section 8.6(a)(2) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6(a)(2)) is amended by striking "subject to the provisions of subsection (b)".

SEC. 669. STANDARDS REQUIRING DIVERSIFIED POOLS.

(a) In General.—Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6) (as amended by section 668) is amended—

(1) by striking subsection (c); and

(2) by redesignating subsections (d) through (g) as subsections (b) through (e), respectively.

(b) Conforming Amendments.—

(1) Section 8.0(9)(B)(i) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(9)(B)(i)) is amended by striking "(f)" and inserting "(d)".

(2) Section 8.13(a) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–13(a)) is amended by striking "sections 8.6(b) and" in each place it appears and inserting "section".

(3) Section 8.32(b)(1)(C) of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–1(b)(1)(C)) is amended—

(A) by striking "shall" and inserting "may"; and

(B) by inserting "(as in effect before the date of the enactment of the Agricultural Reform and Improvement Act of 1996)" before the semicolon.

(4) Section 8.6(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6(b)) (as redesignated by subsection (a)(2)) is amended—

(A) by striking paragraph (4) (as redesignated by section 667(2)(B)); and

(B) by redesignating paragraphs (5) and (6) (as redesignated by section 667(2)(B)) as paragraphs (4) and (5), respectively.

SEC. 670. SMALL FARMS.

Section 8.8(e) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–8(e)) is amended by adding at the end the following: "The Board shall promote and encourage the inclusion of qualified loans for small farms and family farmers in the agricultural mortgage secondary market.".

SEC. 671. DEFINITION OF AN AFFILIATE.

Section 8.11(e) of the Farm Credit Act of 1971 (21 U.S.C. 2279aa–11(e)) is amended—

(1) by striking "a certified facility or"; and

(2) by striking "paragraphs (3) and (7), respectively, of section 8.0" and inserting "section 8.0(7)".

SEC. 672. STATE USURY LAWS SUPERSEDED.

Section 8.12 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–12) is amended by striking subsection (d) and inserting the following:

"(d) State Usury Laws Superseded.—A provision of the Constitution or law of any State shall not apply to an agricultural loan made by an originator or a certified facility in accordance with this title for sale to the Corporation or to a certified facility for inclusion in a pool for which the Corporation has provided, or has committed to provide, a guarantee, if the loan, not later than 180 days after the date the loan was made, is sold to the Corporation or included in a pool for which the Corporation has provided a guarantee, if the provision—

"(1) limits the rate or amount of interest, discount points, finance charges, or other charges that may be charged, taken, received, or reserved by an agricultural lender or a certified facility; or

"(2) limits or prohibits a prepayment penalty (either fixed or declining), yield maintenance, or make-whole payment that may be charged, taken, or received by an agricultural lender or a certified facility in connection with the full or partial payment of the principal amount due on a loan by a borrower in advance of the scheduled date for the payment under the terms of the loan, otherwise known as a prepayment of the loan principal.".

SEC. 673. EXTENSION OF CAPITAL TRANSITION PERIOD.

Section 8.32 of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–1) is amended—

(1) in the first sentence of subsection (a), by striking "Not later than the expiration of the 2-year period beginning on December 13, 1991," and inserting "Not sooner than the expiration of the 3-year period beginning on the date of enactment of the Agricultural Reform and Improvement Act of 1996,";

(2) in the first sentence of subsection (b)(2), by striking "5-year" and inserting "8-year"; and

(3) in subsection (d)—

(A) in the first sentence—

(i) by striking "The regulations establishing" and inserting the following:

"(1) In general.—The regulations establishing"; and

(ii) by striking "shall contain" and inserting the following: "shall—

"(A) be issued by the Director for public comment in the form of a notice of proposed rulemaking, to be first published after the expiration of the period referred to in subsection (a); and

"(B) contain"; and

(B) in the second sentence, by striking "The regulations shall" and inserting the following:

"(2) Specificity.—The regulations referred to in paragraph (1) shall".

SEC. 674. MINIMUM CAPITAL LEVEL.

Section 8.33 of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–2) is amended to read as follows:

"SEC. 8.33. MINIMUM CAPITAL LEVEL.

"(a) In General.—Except as provided in subsection (b), for purposes of this subtitle, the minimum capital level for the Corporation shall be an amount of core capital equal to the sum of—

"(1) 2.75 percent of the aggregate on-balance sheet assets of the Corporation, as determined in accordance with generally accepted accounting principles; and

"(2) 0.75 percent of the aggregate off-balance sheet obligations of the Corporation, which, for the purposes of this subtitle, shall include—

"(A) the unpaid principal balance of outstanding securities that are guaranteed by the Corporation and backed by pools of qualified loans;

"(B) instruments that are issued or guaranteed by the Corporation and are substantially equivalent to instruments described in subparagraph (A); and

"(C) other off-balance sheet obligations of the Corporation.

"(b) Transition Period.—

"(1) In general.—For purposes of this subtitle, the minimum capital level for the Corporation—

"(A) prior to January 1, 1997, shall be the amount of core capital equal to the sum of—

"(i) 0.45 percent of aggregate off-balance sheet obligations of the Corporation;

"(ii) 0.45 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and

"(iii) 2.50 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2);

"(B) during the 1-year period ending December 31, 1997, shall be the amount of core capital equal to the sum of—

"(i) 0.55 percent of aggregate off-balance sheet obligations of the Corporation;

"(ii) 1.20 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and

"(iii) 2.55 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2);

"(C) during the 1-year period ending December 31, 1998, shall be the amount of core capital equal to—

"(i) if the Corporation's core capital is not less than $25,000,000 on January 1, 1998, the sum of—

"(I) 0.65 percent of aggregate off-balance sheet obligations of the Corporation;

"(II) 1.95 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and

"(III) 2.65 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2); or

"(ii) if the Corporation's core capital is less than $25,000,000 on January 1, 1998, the amount determined under subsection (a); and

"(D) on and after January 1, 1999, shall be the amount determined under subsection (a).

"(2) Designated on-balance sheet assets.—For purposes of this subsection, the designated on-balance sheet assets of the Corporation shall be—

"(A) the aggregate on-balance sheet assets of the Corporation acquired under section 8.6(e); and

"(B) the aggregate amount of qualified loans purchased and held by the Corporation under section 8.3(c)(13).".

SEC. 675. CRITICAL CAPITAL LEVEL.

Section 8.34 of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–3) is amended to read as follows:

"SEC. 8.34. CRITICAL CAPITAL LEVEL.

"For purposes of this subtitle, the critical capital level for the Corporation shall be an amount of core capital equal to 50 percent of the total minimum capital amount determined under section 8.33.".

SEC. 676. ENFORCEMENT LEVELS.

Section 8.35(e) of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–4(e)) is amended by striking "during the 30-month period beginning on the date of the enactment of this section," and inserting "during the period beginning on December 13, 1991, and ending on the effective date of the risk based capital regulation issued by the Director under section 8.32,".

SEC. 677. RECAPITALIZATION OF THE CORPORATION.

Title VIII of the Farm Credit Act of 1971 (12 U.S.C. 2279aa et seq.) is amended by adding at the end the following:

"SEC. 8.38. RECAPITALIZATION OF THE CORPORATION.

"(a) MANDATORY RECAPITALIZATION.—The Corporation shall increase the core capital of the Corporation to an amount equal to or greater than $25,000,000, not later than the earlier of—

"(1) the date that is 2 years after the date of enactment of this section; or

"(2) the date that is 180 days after the end of the first calendar quarter that the aggregate on-balance sheet assets of the Corporation, plus the outstanding principal of the off-balance sheet obligations of the Corporation, equal or exceed $2,000,000,000.

"(b) RAISING CORE CAPITAL.—In carrying out this section, the Corporation may issue stock under section 8.4 and otherwise employ any recognized and legitimate means of raising core capital in the power of the Corporation under section 8.3.

"(c) LIMITATION ON GROWTH OF TOTAL ASSETS.—During the 2-year period beginning on the date of enactment of this section, the aggregate on-balance sheet assets of the Corporation plus the outstanding principal of the off-balance sheet obligations of the Corporation may not exceed $3,000,000,000 if the core capital of the Corporation is less than $25,000,000.

"(d) ENFORCEMENT.—If the Corporation fails to carry out subsection (a) by the date required under paragraph (1) or (2) of subsection (a), the Corporation may not purchase a new qualified loan or issue or guarantee a new loan-backed security until the core capital of the Corporation is increased to an amount equal to or greater than $25,000,000.".

SEC. 678. LIQUIDATION OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Title VIII of the Farm Credit Act of 1971 (12 U.S.C. 2279aa et seq.) (as amended by section 677) is amended by adding at the end the following:

"Subtitle C—Receivership, Conservatorship, and Liquidation of the Federal Agricultural Mortgage Corporation

"SEC. 8.41. CONSERVATORSHIP; LIQUIDATION; RECEIVERSHIP.

"(a) VOLUNTARY LIQUIDATION.—The Corporation may voluntarily liquidate only with the consent of, and in accordance with a plan of liquidation approved by, the Farm Credit Administration Board.

"(b) INVOLUNTARY LIQUIDATION.—

"(1) IN GENERAL.—The Farm Credit Administration Board may appoint a conservator or receiver for the Corporation under the circumstances specified in section 4.12(b).

"(2) APPLICATION.—In applying section 4.12(b) to the Corporation under paragraph (1)—

"(A) the Corporation shall also be considered insolvent if the Corporation is unable to pay its debts as they fall due in the ordinary course of business;

"(B) a conservator may also be appointed for the Corporation if the authority of the Corporation to purchase qualified loans or issue or guarantee loan-backed securities is suspended; and

"(C) a receiver may also be appointed for the Corporation if—

"(i)(I) the authority of the Corporation to purchase qualified loans or issue or guarantee loan-backed securities is suspended; or

"(II) the Corporation is classified under section 8.35 as within level III or IV and the alternative actions available under subtitle B are not satisfactory; and

"(ii) the Farm Credit Administration determines that the appointment of a conservator would not be appropriate.

"(3) NO EFFECT ON SUPERVISORY ACTIONS.—The grounds for appointment of a conservator for the Corporation under this subsection shall be in addition to those in section 8.37.

"(c) APPOINTMENT OF CONSERVATOR OR RECEIVER.—

"(1) QUALIFICATIONS.—Notwithstanding section 4.12(b), if a conservator or receiver is appointed for the Corporation, the conservator or receiver shall be—

"(A) the Farm Credit Administration or any other governmental entity or employee, including the Farm Credit System Insurance Corporation; or

"(B) any person that—

"(i) has no claim against, or financial interest in, the Corporation or other basis for a conflict of interest as the conservator or receiver; and

"(ii) has the financial and management expertise necessary to direct the operations and affairs of the Corporation and, if necessary, to liquidate the Corporation.

"(2) COMPENSATION.—

"(A) IN GENERAL.—A conservator or receiver for the Corporation and professional personnel (other than a Federal employee) employed to represent or assist the conservator or receiver may be compensated for activities conducted as, or for, a conservator or receiver.

"(B) LIMIT ON COMPENSATION.—Compensation may not be provided in amounts greater than the compensation paid to employees of the Federal Government for similar services, except that the Farm Credit Administration may provide for compensation at higher rates that are not in excess of rates prevailing in the private sector if the Farm Credit Administration determines that compensation at higher rates is necessary in order to recruit and retain competent personnel.

"(C) CONTRACTUAL ARRANGEMENTS.—The conservator or receiver may contract with any governmental entity, including the Farm Credit System Insurance Corporation, to make personnel, services, and facilities of the entity available to the conservator or receiver on such terms and compensation arrangements as shall be mutually agreed, and each entity may provide the same to the conservator or receiver.

"(3) EXPENSES.—A valid claim for expenses of the conservatorship or receivership (including compensation under paragraph (2)) and a valid claim with respect to a loan made under subsection (f) shall—

"(A) be paid by the conservator or receiver from funds of the Corporation before any other valid claim against the Corporation; and

"(B) may be secured by a lien, on such property of the Corporation as the conservator or receiver may determine, that shall have priority over any other lien.

"(4) LIABILITY.—If the conservator or receiver for the Corporation is not a Federal entity, or an officer or employee of the Federal Government, the conservator or receiver shall not be personally liable for damages in tort or otherwise for an act or omission performed pursuant to and in the course of the conservatorship or receivership, unless the act or omission constitutes gross negligence or any form of intentional tortious conduct or criminal conduct.

"(5) INDEMNIFICATION.—The Farm Credit Administration may allow indemnification of the conservator or receiver from the assets of the conservatorship or receivership on such terms as the Farm Credit Administration considers appropriate.

"(d) JUDICIAL REVIEW OF APPOINTMENT.—

"(1) IN GENERAL.—Notwithstanding subsection (i)(1), not later than 30 days after a conservator or receiver is appointed under subsection (b), the Corporation may bring an action in the United States District Court for the District of Columbia for an order requiring the Farm Credit Administration Board to remove the conservator or receiver. The court shall, on the merits, dismiss the action or direct the Farm Credit Administration Board to remove the conservator or receiver.

"(2) STAY OF OTHER ACTIONS.—On the commencement of an action under paragraph (1), any court having jurisdiction of any other action or enforcement proceeding authorized under this Act to which the Corporation is a party shall stay the action or proceeding during the pendency of the action for removal of the conservator or receiver.

"(e) GENERAL POWERS OF CONSERVATOR OR RECEIVER.—The conservator or receiver for the Corporation shall have such powers to conduct the conservatorship or receivership as shall be provided pursuant to regulations adopted by the Farm Credit Administration Board. Such powers shall be comparable to the powers available to a conservator or receiver appointed pursuant to section 4.12(b).

"(f) BORROWINGS FOR WORKING CAPITAL.—

"(1) IN GENERAL.—If the conservator or receiver of the Corporation determines that it is likely that there will be insufficient funds to pay the ongoing administrative expenses of the conservatorship or receivership or that there will be insufficient liquidity to fund maturing obligations of the conservatorship or receivership, the conservator or receiver may borrow funds in such amounts, from such sources, and at such rates of interest as the conservator or receiver considers necessary or appropriate to meet the administrative expenses or liquidity needs of the conservatorship or receivership.

"(2) WORKING CAPITAL FROM FARM CREDIT BANKS.—A Farm Credit bank may loan funds to the conservator or receiver for a loan authorized under paragraph (1) or, in the event of receivership, a Farm Credit bank may purchase assets of the Corporation.

"(g) AGREEMENTS AGAINST INTERESTS OF CONSERVATOR OR RECEIVER.—No agreement that tends to diminish or defeat the right, title, or interest of the conservator or receiver for the Corporation in any asset acquired by the conservator or receiver as conservator or receiver for the Corporation shall be valid against the conservator or receiver unless the agreement—

"(1) is in writing;

"(2) is executed by the Corporation and any person claiming an adverse interest under the agreement, including the obligor, contemporaneously with the acquisition of the asset by the Corporation;

"(3) is approved by the Board or an appropriate committee of the Board, which approval shall be reflected in the minutes of the Board or committee; and

"(4) has been, continuously, from the time of the agreement's execution, an official record of the Corporation.

"(h) REPORT TO THE CONGRESS.—On a determination by the receiver for the Corporation that there are insufficient assets of the receivership to pay all valid claims against the receivership, the receiver shall submit to the Secretary of the Treasury, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the financial condition of the receivership.

"(i) TERMINATION OF AUTHORITIES.—

"(1) CORPORATION.—The charter of the Corporation shall be canceled, and the authority provided to the Corporation by this title shall terminate, on such date as the Farm Credit Administration Board determines is appropriate following the placement of the Corporation in receivership, but not later than the conclusion of the receivership and discharge of the receiver.

"(2) OVERSIGHT.—The Office of Secondary Market Oversight established under section 8.11 shall be abolished, and section 8.11(a) and subtitle B shall have no force or effect, on such date as the Farm Credit Administration Board determines is appropriate following the placement of the Corporation in receivership, but not later than the conclusion of the receivership and discharge of the receiver.".

CHAPTER 2—REGULATORY RELIEF

SEC. 681. COMPENSATION OF ASSOCIATION PERSONNEL.

Section 1.5(13) of the Farm Credit Act of 1971 (12 U.S.C. 2013(13)) is amended by striking ", and the appointment and compensation of the chief executive officer thereof,".

SEC. 682. USE OF PRIVATE MORTGAGE INSURANCE.

(a) IN GENERAL.—Section 1.10(a)(1) of the Farm Credit Act of 1971 (12 U.S.C. 2018(a)(1)) is amended by adding at the end the following:

"(D) PRIVATE MORTGAGE INSURANCE.—A loan on which private mortgage insurance is obtained may exceed 85 percent of the appraised value of the real estate security to the extent that the loan amount in excess of such 85 percent is covered by the insurance.".

(b) CONFORMING AMENDMENT.—Section 1.10(a)(1)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2018(a)(1)(A)) is amended by striking "paragraphs (2) and (3)" and inserting "subparagraphs (C) and (D)".

SEC. 683. REMOVAL OF CERTAIN BORROWER REPORTING REQUIREMENT.

Section 1.10(a) of the Farm Credit Act of 1971 (12 U.S.C. 2018(a)) is amended by striking paragraph (5).

SEC. 684. REFORM OF REGULATORY LIMITATIONS ON DIVIDEND, MEMBER BUSINESS, AND VOTING PRACTICES OF ELIGIBLE FARMER-OWNED COOPERATIVES.

(a) IN GENERAL.—Section 3.8(a) of the Farm Credit Act of 1971 (12 U.S.C. 2129(a)) is amended by adding at the end the following: "Any such association that has received a loan from a bank for cooperatives shall, without regard to the requirements of paragraphs (1) through (4), continue to be eligible for so long as more than 50 percent (or such higher percentage as is established by the bank board) of the voting control of the association is held by farmers, producers or harvesters of aquatic products, or eligible cooperative associations.".

(b) CONFORMING AMENDMENT.—Section 3.8(b)(1)(D) of the Farm Credit Act of 1971 (12 U.S.C. 2129(b)(1)(D)) is amended by striking "and (4) of subsection (a)" and inserting "and (4), or under the last sentence, of subsection (a)".

SEC. 685. REMOVAL OF FEDERAL GOVERNMENT CERTIFICATION REQUIREMENT FOR CERTAIN PRIVATE SECTOR FINANCINGS.

Section 3.8(b)(1)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2129(b)(1)(A)) is amended—

(1) by striking "have been certified by the Administrator of the Rural Electrification Administration to be eligible for such" and inserting "are eligible under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) for"; and

(2) by striking "loan guarantee, and" and inserting "loan guarantee from the Administration or the Bank (or a successor of the Administration or the Bank), and".

SEC. 686. BORROWER STOCK.

Section 4.3A of the Farm Credit Act of 1971 (12 U.S.C. 2154a) is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

(2) by inserting after subsection (e) the following:

"(f) LOANS DESIGNATED FOR SALE OR SOLD INTO THE SECONDARY MARKET.—

"(1) IN GENERAL.—Subject to paragraph (2) and notwithstanding any other provision of this section, the bylaws adopted by a bank or association under subsection (b) may provide—

"(A) in the case of a loan made on or after the date of enactment of this paragraph that is designated, at the time the loan is made, for sale into a secondary market, that no voting stock or participation certificate purchase requirement shall apply to the borrower for the loan; and

"(B) in the case of a loan made before the date of enactment of this paragraph that is sold into a secondary market, that all outstanding voting stock or participation certificates held by the borrower with respect to the loan shall, subject to subsection (d)(1), be retired.

"(2) APPLICABILITY.—Notwithstanding any other provision of this section, in the case of a loan sold to a secondary market under title VIII, paragraph (1) shall apply regardless of whether the bank or association retains a subordinated participation interest in a loan or pool of loans or contributes to a cash reserve.

"(3) EXCEPTION.—

"(A) IN GENERAL.—Subject to subparagraph (B) and notwithstanding any other provision of this section, if a loan designated for sale under paragraph (1)(A) is not sold into a secondary market during the 180-day period that begins on the date of the designation, the voting stock or participation certificate purchase requirement that would otherwise apply to the loan in the absence of a bylaw provision described in paragraph (1)(A) shall be effective.

"(B) RETIREMENT.—The bylaws adopted by a bank or association under subsection (b) may provide that if a loan described in subparagraph (A) is sold into a secondary market after the end of the 180-day period described in the subparagraph, all outstanding voting stock or participation certificates held by the borrower with respect to the loan shall, subject to subsection (d)(1), be retired.".

SEC. 687. DISCLOSURE RELATING TO ADJUSTABLE RATE LOANS.

Section 4.13(a)(4) of the Farm Credit Act of 1971 (12 U.S.C. 2199(a)(4)) is amended by inserting before the semicolon at the end the following: ", and notice to the borrower of a change in the interest rate applicable to the loan of the borrower may be made within a reasonable time after the effective date of an increase or decrease in the interest rate".

SEC. 688. BORROWERS' RIGHTS.

(a) DEFINITION OF LOAN.—Section 4.14A(a)(5) of the Farm Credit Act of 1971 (12 U.S.C. 2202a(a)(5)) is amended—

(1) by striking "(5) LOAN.—The" and inserting the following:

"(5) LOAN.—

"(A) IN GENERAL.—Subject to subparagraph (B), the"; and

(2) by adding at the end the following:

"(B) EXCLUSION FOR LOANS DESIGNATED FOR SALE INTO SECONDARY MARKET.—

"(i) IN GENERAL.—Except as provided in clause (ii), the term 'loan' does not include a loan made on or after the date of enactment of this subparagraph that is designated, at the time the loan is made, for sale into a secondary market.

"(ii) UNSOLD LOANS.—

"(I) IN GENERAL.—Except as provided in subclause (II), if a loan designated for sale under clause (i) is not sold into a secondary market during the 180-day period that begins on the date of the designation, the provisions of this section and sections 4.14, 4.14B, 4.14C, 4.14D, and 4.36 that would otherwise apply to the loan in the absence of the exclusion described in clause (i) shall become effective with respect to the loan.

"(II) LATER SALE.—If a loan described in subclause (I) is sold into a secondary market after the end of the 180-day period described in subclause (I), subclause (I) shall not apply with respect to the loan beginning on the date of the sale.".

(b) BORROWERS' RIGHTS FOR POOLED LOANS.—The first sentence of section 8.9(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-9(b)) is amended by inserting "(as defined in section 4.14A(a)(5))" after "application for a loan".

SEC. 689. FORMATION OF ADMINISTRATIVE SERVICE ENTITIES.

Part E of title IV of the Farm Credit Act of 1971 is amended by inserting after section 4.28 (12 U.S.C. 2214) the following:

"SEC. 4.28A. DEFINITION OF BANK.

"In this part, the term 'bank' includes each association operating under title II.".

SEC. 690. JOINT MANAGEMENT AGREEMENTS.

The first sentence of section 5.17(a)(2)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2252(a)(2)(A)) is amended by striking "or management agreements".

SEC. 691. DISSEMINATION OF QUARTERLY REPORTS.

Section 5.17(a)(8) of the Farm Credit Act of 1971 (12 U.S.C. 2252(a)(8)) is amended by inserting after "except that" the following: "the requirements of the Farm Credit Administration governing the dissemination to stockholders of quarterly reports of System institutions may not be more burdensome or costly than the requirements applicable to national banks, and".

SEC. 692. REGULATORY REVIEW.

(a) FINDINGS.—Congress finds that—

(1) the Farm Credit Administration, in the role of the Administration as an arms-length safety and soundness regulator, has made considerable progress in reducing the regulatory burden on Farm Credit System institutions;

(2) the efforts of the Farm Credit Administration described in paragraph (1) have resulted in cost savings for Farm Credit System institutions; and

(3) the cost savings described in paragraph (2) ultimately benefit the farmers, ranchers, agricultural cooperatives, and rural residents of the United States.

(b) CONTINUATION OF REGULATORY REVIEW.—The Farm Credit Administration shall continue the comprehensive review of regulations governing the Farm Credit System to identify and eliminate, consistent with law, safety, and soundness, all regulations that are unnecessary, unduly burdensome or costly, or not based on law.

SEC. 693. EXAMINATION OF FARM CREDIT SYSTEM INSTITUTIONS.

The first sentence of section 5.19(a) of the Farm Credit Act of 1971 (12 U.S.C. 2254(a)) is amended by striking "each year" and inserting "during each 18-month period".

SEC. 694. CONSERVATORSHIPS AND RECEIVERSHIPS.

(a) DEFINITIONS.—Section 5.51 of the Farm Credit Act of 1971 (12 U.S.C. 2277a) is amended—

(1) by striking paragraph (5); and

(2) by redesignating paragraph (6) as paragraph (5).

(b) GENERAL CORPORATE POWERS.—Section 5.58 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–7) is amended by striking paragraph (9) and inserting the following:

"(9) CONSERVATOR OR RECEIVER.—The Corporation may act as a conservator or receiver.".

SEC. 695. FARM CREDIT INSURANCE FUND OPERATIONS.

(a) ADJUSTMENT OF PREMIUMS.—

(1) IN GENERAL.—Section 5.55(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4(a)) is amended—

(A) in paragraph (1), by striking "Until the aggregate of amounts in the Farm Credit Insurance Fund exceeds the secure base amount, the annual premium due from any insured System bank for any calendar year" and inserting the following: "If at the end of any calendar year the aggregate of amounts in the Farm Credit Insurance Fund does not exceed the secure base amount, subject to paragraph (2), the annual premium due from any insured System bank for the calendar year";

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following:

"(2) REDUCED PREMIUMS.—The Corporation, in the sole discretion of the Corporation, may reduce by a percentage uniformly applied to all insured System banks the annual premium due from each insured System bank during any calendar year, as determined under paragraph (1).".

(2) CONFORMING AMENDMENTS.—

(A) Section 5.55(b) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4(b)) is amended—

(i) by striking "Insurance Fund" each place it appears and inserting "Farm Credit Insurance Fund";

(ii) by striking "for the following calendar year"; and

(iii) by striking "subsection (a)" and inserting "subsection (a)(1)".

(B) Section 5.56(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–5(a)) is amended by striking "section 5.55(a)(2)" each place it appears in paragraphs (2) and (3) and inserting "section 5.55(a)(3)".

(C) Section 1.12(b) (12 U.S.C. 2020(b)) is amended—

(i) in paragraph (1), by inserting "(as defined in section 5.55(a)(3))" after "government-guaranteed loans"; and

(ii) in paragraph (3), by inserting "(as so defined)" after "government-guaranteed loans" each place such term appears.

(b) ALLOCATION TO INSURED SYSTEM BANKS AND OTHER SYSTEM INSTITUTIONS OF EXCESS AMOUNTS IN THE FARM CREDIT INSURANCE FUND.—Section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4) is amended by adding at the end the following:

"(e) ALLOCATION TO SYSTEM INSTITUTIONS OF EXCESS RESERVES.—

"(1) ESTABLISHMENT OF ALLOCATED INSURANCE RESERVES ACCOUNTS.—There is hereby established in the Farm Credit Insurance Fund an Allocated Insurance Reserves Account—

"(A) for each insured System bank; and

"(B) subject to paragraph (6)(C), for all holders, in the aggregate, of Financial Assistance Corporation stock.

"(2) TREATMENT.—Amounts in any Allocated Insurance Reserves Account shall be considered to be part of the Farm Credit Insurance Fund.

"(3) ANNUAL ALLOCATIONS.—If, at the end of any calendar year, the aggregate of the amounts in the Farm Credit Insurance Fund exceeds the average secure base amount for the calendar year (as calculated on an average daily balance basis), the Corporation shall allocate to the Allocated Insurance Reserves Accounts the excess amount less the amount that the Corporation, in its sole discretion, determines to be the sum of the estimated operating expenses and estimated insurance obligations of the Corporation for the immediately succeeding calendar year.

"(4) ALLOCATION FORMULA.—From the total amount required to be allocated at the end of a calendar year under paragraph (3)—

"(A) 10 percent of the total amount shall be credited to the Allocated Insurance Reserves Account established under paragraph (1)(B), subject to paragraph (6)(C); and

"(B) there shall be credited to the Allocated Insurance Reserves Account of each insured System bank an amount that bears the same ratio to the total amount (less any amount credited under subparagraph (A)) as the average principal outstanding for the 3-year period ending on the end of the calendar year on loans made by the bank that are in accrual status bears to the average principal outstanding for the 3-year period ending on the end of the calendar year on loans made by all insured System banks that are in accrual status (excluding, in each case, the guaranteed portions of government-guaranteed loans described in subsection (a)(1)(C)).

"(5) USE OF FUNDS IN ALLOCATED INSURANCE RESERVES ACCOUNTS.—To the extent that the sum of the operating expenses of the Corporation and the insurance obligations of the Corporation for a calendar year exceeds the sum of operating expenses and insurance obligations determined under paragraph (3) for the calendar year, the Corporation shall cover the expenses and obligations by—

"(A) reducing each Allocated Insurance Reserves Account by the same proportion; and

"(B) expending the amounts obtained under subparagraph (A) before expending other amounts in the Fund.

"(6) OTHER DISPOSITION OF ACCOUNT FUNDS.—

"(A) IN GENERAL.—As soon as practicable during each calendar year beginning more than 8 years after the date on which the aggregate of the amounts in the Farm Credit Insurance Fund exceeds the secure base amount, but not earlier than January 1, 2005, the Corporation may—

"(i) subject to subparagraphs (D) and (F), pay to each insured System bank, in a manner determined by the Corporation, an amount equal to the lesser of—

"(I) 20 percent of the balance in the insured System bank's Allocated Insurance Reserves Account as of the preceding December 31; or

"(II) 20 percent of the balance in the bank's Allocated Insurance Reserves Account on the date of the payment; and

"(ii) subject to subparagraphs (C), (E), and (F), pay to each System bank and association holding Financial Assistance Corporation stock a proportionate share, determined by dividing the number of shares of Financial Assistance Corporation stock held by the institution by the total number of shares of Financial Assistance Corporation stock outstanding, of the lesser of—

"(I) 20 percent of the balance in the Allocated Insurance Reserves Account established under paragraph (1)(B) as of the preceding December 31; or

"(II) 20 percent of the balance in the Allocated Insurance Reserves Account established under paragraph (1)(B) on the date of the payment.

"(B) AUTHORITY TO ELIMINATE OR REDUCE PAYMENTS.—The Corporation may eliminate or reduce payments during a calendar year under subparagraph (A) if the Corporation determines, in its sole discretion, that the payments, or other circumstances that might require use of the Farm Credit Insurance Fund, could cause the amount in the Farm Credit Insurance Fund during the calendar year to be less than the secure base amount.

"(C) REIMBURSEMENT FOR FINANCIAL ASSISTANCE CORPORATION STOCK.—

"(i) SUFFICIENT FUNDING.—Notwithstanding paragraph (4)(A), on provision by the Corporation for the accumulation in the Account established under paragraph (1)(B) of funds in an amount equal to $56,000,000 (in addition to the amounts described in subparagraph (F)(ii)), the Corporation shall not allocate any further funds to the Account except to replenish the Account if funds are diminished below $56,000,000 by the Corporation under paragraph (5).

"(ii) WIND DOWN AND TERMINATION.—

"(I) FINAL DISBURSEMENTS.—On disbursement of $53,000,000 (in addition to the amounts described in subparagraph (F)(ii)) from the Allocated Insurance Reserves Account, the Corporation shall disburse the remaining amounts in the Account, as determined under subparagraph (A)(ii), without regard to the percentage limitations in subclauses (I) and (II) of subparagraph (A)(ii).

"(II) TERMINATION OF ACCOUNT.—On disbursement of $56,000,000 (in addition to the amounts described in subparagraph (F)(ii)) from the Allocated Insurance Reserves Account, the Corporation shall close the Account established under paragraph (1)(B) and transfer any remaining funds in the Account to the remaining Allocated Insurance Reserves Accounts in accordance with paragraph (4)(B) for the calendar year in which the transfer occurs.

"(D) DISTRIBUTION OF PAYMENTS RECEIVED.—Not later than 60 days after receipt of a payment made under subparagraph (A)(i), each insured System bank, in consultation with affiliated associations of the insured System bank, and taking into account the direct or indirect payment of insurance premiums by the associations, shall develop and implement an equitable plan to distribute payments received under subparagraph (A)(i) among the bank and associations of the bank.

"(E) EXCEPTION FOR PREVIOUSLY REIMBURSED ASSOCIATIONS.—For purposes of subparagraph (A)(ii), in any Farm Credit district in which the funding bank has reimbursed 1 or more affiliated associations of the bank for the previously unreimbursed portion of the Financial Assistance Corporation stock held by the associations, the funding bank shall be deemed to be the holder of the shares of Financial Assistance Corporation stock for which the funding bank has provided the reimbursement.

"(F) INITIAL PAYMENT.—Notwithstanding subparagraph (A), the initial payment made to each payee under subparagraph (A) shall be in such amount determined by the Corporation to be equal to the sum of—

"(i) the total of the amounts that would have been paid if payments under subparagraph (A) had been authorized to begin, under the same terms and conditions, in the first calendar year beginning more than 5 years after the date on which the aggregate of the amounts in the Farm Credit Insurance Fund exceeds the secure base amount, and to continue through the 2 immediately subsequent years;

"(ii) interest earned on any amounts that would have been paid as described in clause (i) from the date on which the payments would have been paid as described in clause (i); and

"(iii) the payment to be made in the initial year described in subparagraph (A), based on the amount in each Account after subtracting the amounts to be paid under clauses (i) and (ii)."

(c) TECHNICAL AMENDMENTS.—Section 5.55(d) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4(d)) is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking "subsections (a) and (c)" and inserting "subsections (a), (c), and (e)"; and

(B) by striking "a Farm Credit Bank" and inserting "an insured System bank"; and

(2) in paragraphs (1), (2), and (3), by striking "Farm Credit Bank" each place it appears and inserting "insured System bank".

SEC. 696. EXAMINATIONS BY THE FARM CREDIT SYSTEM INSURANCE CORPORATION.

Section 5.59(b)(1)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–8(b)(1)(A)) is amended by adding at the end the following: "Notwithstanding any other provision of this Act, on cancellation of the charter of a System institution, the Corporation shall have authority to examine the system institution in receivership. An examination shall be performed at such intervals as the Corporation shall determine.".

SEC. 697. POWERS WITH RESPECT TO TROUBLED INSURED SYSTEM BANKS.

(a) LEAST-COST RESOLUTION.—Section 5.61(a)(3) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–10(a)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (F); and

(2) by striking subparagraph (A) and inserting the following:

"(A) LEAST-COST RESOLUTION.—Assistance may not be provided to an insured System bank under this subsection unless the means of providing the assistance is the least costly means of providing the assistance by the Farm Credit Insurance Fund of all possible alternatives available to the Corporation, including liquidation of the bank (including paying the insured obligations issued on behalf of the bank). Before making a least-cost determination under this subparagraph, the Corporation shall accord such other insured System banks as the Corporation determines to be appropriate the opportunity to submit information relating to the determination.

"(B) DETERMINING LEAST COSTLY APPROACH.—In determining the least costly alternative under subparagraph (A), the Corporation shall—

"(i) evaluate alternatives on a present-value basis, using a reasonable discount rate;

"(ii) document the evaluation and the assumptions on which the evaluation is based; and

"(iii) retain the documentation for not less than 5 years.

"(C) TIME OF DETERMINATION.—

"(i) GENERAL RULE.—For purposes of this subsection, the determination of the costs of providing any assistance under any provision of this section with respect to any insured System bank shall be made as of the date on which the Corporation makes the determination to provide the assistance to the institution under this section.

"(ii) RULE FOR LIQUIDATIONS.—For purposes of this subsection, the determination of the costs of liquidation of any insured System bank shall be made as of the earliest of—

"(I) the date on which a conservator is appointed for the insured System bank;

"(II) the date on which a receiver is appointed for the insured System bank; or

"(III) the date on which the Corporation makes any determination to provide any assistance under this section with respect to the insured System bank.

"(D) RULE FOR STAND-ALONE ASSISTANCE.—Before providing any assistance under paragraph (1), the Corporation shall evaluate the adequacy of managerial resources of the insured System bank. The continued service of any director or senior ranking officer who serves in a policymaking role for the assisted insured System bank, as determined by the Corporation, shall be subject to approval by the Corporation as a condition of assistance.

"(E) DISCRETIONARY DETERMINATIONS.—Any determination that the Corporation makes under this paragraph shall be in the sole discretion of the Corporation.".

(b) CONFORMING AMENDMENTS.—Section 5.61(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–10(a)) is amended—

(1) in paragraph (1) by striking "IN GENERAL.—" and inserting "STAND-ALONE ASSISTANCE.—"; and

(2) in paragraph (2)—

(A) by striking "ENUMERATED POWERS.—" and inserting "FACILITATION OF MERGERS OR CONSOLIDATION.—"; and

(B) in subparagraph (A) by striking "FACILITATION OF MERGERS OR CONSOLIDATION.—" and inserting "IN GENERAL.—".

SEC. 698. OVERSIGHT AND REGULATORY ACTIONS BY THE FARM CREDIT SYSTEM INSURANCE CORPORATION.

The Farm Credit Act of 1971 is amended by inserting after section 5.61 (12 U.S.C. 2279a–10) the following:

"SEC. 5.61A. OVERSIGHT ACTIONS BY THE CORPORATION.

"(a) DEFINITIONS.—In this section, the term 'institution' means—

"(1) an insured System bank; and

"(2) a production credit association or other association making loans under section 7.6 with a direct loan payable to the funding bank of the association that comprises 20 percent or more of the funding bank's total loan volume net of nonaccrual loans.

"(b) CONSULTATION REGARDING PARTICIPATION OF UNDERCAPITALIZED BANKS IN ISSUANCE OF INSURED OBLIGATIONS.—The Farm Credit Administration shall consult with the Corporation prior to approving an insured obligation that is to be issued by or on behalf of, or participated in by, any insured System bank that fails to meet the minimum level for any capital requirement established by the Farm Credit Administration for the bank.

"(c) CONSULTATION REGARDING APPLICATIONS FOR MERGERS AND RESTRUCTURINGS.—

"(1) CORPORATION TO RECEIVE COPY OF TRANSACTION APPLICATIONS.—On receiving an application for a merger or restructuring of an institution, the Farm Credit Administration shall forward a copy of the application to the Corporation.

"(2) CONSULTATION REQUIRED.—If the proposed merger or restructuring involves an institution that fails to meet the minimum level for any capital requirement established by the Farm Credit Administration applicable to the institution, the Farm Credit Administration shall allow 30 days within which the Corporation may submit the views and recommendations of the Corporation, including any conditions for approval. In determining whether to approve or disapprove any proposed merger or restructuring, the Farm Credit Administration shall give due consideration to the views and recommendations of the Corporation.

"SEC. 5.61B. AUTHORITY TO REGULATE GOLDEN PARACHUTE AND INDEMNIFICATION PAYMENTS.

"(a) DEFINITIONS.—In this section:

"(1) GOLDEN PARACHUTE PAYMENT.—The term 'golden parachute payment'—

"(A) means a payment (or any agreement to make a payment) in the nature of compensation for the benefit of any institution-related party under an obligation of any Farm Credit System institution that—

"(i) is contingent on the termination of the party's relationship with the institution; and

"(ii) is received on or after the date on which—

"(I) the institution is insolvent;

"(II) a conservator or receiver is appointed for the institution;

"(III) the institution has been assigned by the Farm Credit Administration a composite CAMEL rating of 4 or 5 under the Farm Credit Administration Rating System, or an equivalent rating; or

"(IV) the Corporation otherwise determines that the institution is in a troubled condition (as defined in regulations issued by the Corporation); and

"(B) includes a payment that would be a golden parachute payment but for the fact that the payment was made before the date referred to in subparagraph (A)(ii) if the payment was made in contemplation of the occurrence of an event described in any subclause of subparagraph (A); but

"(C) does not include—

"(i) a payment made under a retirement plan that is qualified (or is intended to be qualified) under section 401 of the Internal

Revenue Code of 1986 or other nondiscriminatory benefit plan;

"(ii) a payment made under a bona fide supplemental executive retirement plan, deferred compensation plan, or other arrangement that the Corporation determines, by regulation or order, to be permissible; or

"(iii) a payment made by reason of the death or disability of an institution-related party.

"(2) INDEMNIFICATION PAYMENT.—The term 'indemnification payment' means a payment (or any agreement to make a payment) by any Farm Credit System institution for the benefit of any person who is or was an institution-related party, to pay or reimburse the person for any liability or legal expense with regard to any administrative proceeding or civil action instituted by the Farm Credit Administration that results in a final order under which the person—

"(A) is assessed a civil money penalty; or

"(B) is removed or prohibited from participating in the conduct of the affairs of the institution.

"(3) INSTITUTION-RELATED PARTY.—The term 'institution-related party' means—

"(A) a director, officer, employee, or agent for a Farm Credit System institution or any conservator or receiver of such an institution;

"(B) a stockholder (other than another Farm Credit System institution), consultant, joint venture partner, or any other person determined by the Farm Credit Administration to be a participant in the conduct of the affairs of a Farm Credit System institution; and

"(C) an independent contractor (including any attorney, appraiser, or accountant) that knowingly or recklessly participates in any violation of any law or regulation, any breach of fiduciary duty, or any unsafe or unsound practice that caused or is likely to cause more than a minimal financial loss to, or a significant adverse effect on, the Farm Credit System institution.

"(4) LIABILITY OR LEGAL EXPENSE.—The term 'liability or legal expense' means—

"(A) a legal or other professional expense incurred in connection with any claim, proceeding, or action;

"(B) the amount of, and any cost incurred in connection with, any settlement of any claim, proceeding, or action; and

"(C) the amount of, and any cost incurred in connection with, any judgment or penalty imposed with respect to any claim, proceeding, or action.

"(5) PAYMENT.—The term 'payment' means—

"(A) a direct or indirect transfer of any funds or any asset; and

"(B) any segregation of any funds or assets for the purpose of making, or under an agreement to make, any payment after the date on which the funds or assets are segregated, without regard to whether the obligation to make the payment is contingent on—

"(i) the determination, after that date, of the liability for the payment of the amount; or

"(ii) the liquidation, after that date, of the amount of the payment.

"(b) PROHIBITION.—The Corporation may prohibit or limit, by regulation or order, any golden parachute payment or indemnification payment by a Farm Credit System institution (including any conservator or receiver of the Federal Agricultural Mortgage Corporation) in troubled condition (as defined in regulations issued by the Corporation).

"(c) FACTORS TO BE TAKEN INTO ACCOUNT.—The Corporation shall prescribe, by regulation, the factors to be considered by the Corporation in taking any action under subsection (b). The factors may include—

"(1) whether there is a reasonable basis to believe that an institution-related party has committed any fraudulent act or omission, breach of trust or fiduciary duty, or insider abuse with regard to the Farm Credit System institution involved that has had a material effect on the financial condition of the institution;

"(2) whether there is a reasonable basis to believe that the institution-related party is substantially responsible for the insolvency of the Farm Credit System institution, the appointment of a conservator or receiver for the institution, or the institution's troubled condition (as defined in regulations prescribed by the Corporation);

"(3) whether there is a reasonable basis to believe that the institution-related party has materially violated any applicable law or regulation that has had a material effect on the financial condition of the institution;

"(4) whether there is a reasonable basis to believe that the institution-related party has violated or conspired to violate—

"(A) section 215, 657, 1006, 1014, or 1344 of title 18, United States Code; or

"(B) section 1341 or 1343 of title 18, United States Code, affecting a Farm Credit System institution;

"(5) whether the institution-related party was in a position of managerial or fiduciary responsibility; and

"(6) the length of time that the party was related to the Farm Credit System institution and the degree to which—

"(A) the payment reasonably reflects compensation earned over the period of employment; and

"(B) the compensation represents a reasonable payment for services rendered.

"(d) CERTAIN PAYMENTS PROHIBITED.—No Farm Credit System institution may prepay the salary or any liability or legal expense of any institution-related party if the payment is made—

"(1) in contemplation of the insolvency of the institution or after the commission of an act of insolvency; and

"(2) with a view to, or with the result of—

"(A) preventing the proper application of the assets of the institution to creditors; or

"(B) preferring 1 creditor over another creditor.

"(e) RULE OF CONSTRUCTION.—Nothing in this section—

"(1) prohibits any Farm Credit System institution from purchasing any commercial insurance policy or fidelity bond, so long as the insurance policy or bond does not cover any legal or liability expense of an institution described in subsection (a)(2); or

"(2) limits the powers, functions, or responsibilities of the Farm Credit Administration.".

SEC. 699. FARM CREDIT SYSTEM INSURANCE CORPORATION BOARD OF DIRECTORS.

(a) IN GENERAL.—Section 5.53 of the Farm Credit Act of 1971 (12 U.S.C. 2277a-2) is amended to read as follows:

"SEC. 5.53. BOARD OF DIRECTORS.

"(a) ESTABLISHMENT.—The Corporation shall be managed by a Board of Directors that shall consist of the members of the Farm Credit Administration Board.

"(b) CHAIRMAN.—The Board of Directors shall be chaired by any Board member other than the Chairman of the Farm Credit Administration Board.".

(b) CONFORMING AMENDMENTS.—

(1) Section 5314 of title 5, United States Code, is amended by striking "Chairperson, Board of Directors of the Farm Credit System Insurance Corporation.".

(2) Section 5315 of title 5, United States Code, is amended by striking "Members, Board of Directors of the Farm Credit System Insurance Corporation.".

SEC. 699A. LIABILITY FOR MAKING CRIMINAL REFERRALS.

(a) IN GENERAL.—Any institution of the Farm Credit System, or any director, officer, employee, or agent of a Farm Credit System institution, that discloses to a Government authority information proffered in good faith that may be relevant to a possible violation of any law or regulation shall not be liable to any person under any law of the United States or any State—

(1) for the disclosure; or

(2) for any failure to notify the person involved in the possible violation.

(b) NO PROHIBITION ON DISCLOSURE.—Any institution of the Farm Credit System, or any director, officer, employee, or agent of a Farm Credit System institution, may disclose information to a Government authority that may be relevant to a possible violation of any law or regulation.

TITLE VII—RURAL DEVELOPMENT

Subtitle A—Amendments to the Food, Agriculture, Conservation, and Trade Act of 1990

CHAPTER 1—GENERAL PROVISIONS

SEC. 701. RURAL INVESTMENT PARTNERSHIPS.

(a) IN GENERAL.—Section 2310(c)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2007(c)(1)) is amended by striking "1996" and inserting "2002".

(b) AUTHORIZATION OF APPROPRIATIONS.—The first sentence of section 2313(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2007c) is amended by striking "$10,000,000" and all that follows through "1996" and inserting "$4,700,000 for each of fiscal years 1996 through 2002".

SEC. 702. WATER AND WASTE FACILITY FINANCING.

Section 2322 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1926–1) is repealed.

SEC. 703. RURAL WASTEWATER CIRCUIT RIDER PROGRAM.

Section 2324 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 1926 note) is repealed.

SEC. 704. TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL AREAS.

Chapter 1 of subtitle D of title XXIII of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa et seq.) is amended to read as follows:

"CHAPTER 1—TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL AREAS

"SEC. 2331. PURPOSE.

"The purpose of the financing programs established under this chapter is to encourage and improve telemedicine services and distance learning services in rural areas through the use of telecommunications, computer networks, and related advanced technologies by students, teachers, medical professionals, and rural residents.

"SEC. 2332. DEFINITIONS.

"In this chapter:

"(1) CONSTRUCT.—The term 'construct' means to construct, acquire, install, improve, or extend a facility or system.

"(2) COST OF MONEY LOAN.—The term 'cost of money loan' means a loan made under this chapter bearing interest at a rate equal to the then current cost to the Federal Government of loans of similar maturity.

"(3) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"SEC. 2333. TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL AREAS.

"(a) SERVICES TO RURAL AREAS.—The Secretary is authorized to provide financial assistance for the purpose of financing the construction of facilities and systems to provide telemedicine services and distance learning services to persons and entities in rural areas.

"(b) FINANCIAL ASSISTANCE.—

"(1) IN GENERAL.—Financial assistance shall consist of grants or cost of money loans, or both.

"(2) FORM.—The Secretary shall determine the portion of the financial assistance provided to a recipient that consists of grants and that consists of cost of money loans so as to result in the maximum feasible repayment to the Federal Government of the financial assistance, based on the ability to repay of the recipient and full utilization of funds made available to carry out this chapter.

"(c) RECIPIENTS.—

"(1) IN GENERAL.—The Secretary may provide financial assistance under this chapter to—

"(A) entities using telemedicine services or distance learning services, or both; and

"(B) entities providing or proposing to provide telemedicine service or distance learning service, or both, to other persons at rates reflecting the benefit of the financial assistance.

"(2) ELECTRIC OR TELECOMMUNICATIONS BORROWERS.—

"(A) LOANS TO BORROWERS.—Subject to subparagraph (B), the Secretary may provide a cost of money loan under this chapter to a borrower of an electric or telecommunications loan under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.). A borrower receiving a cost of money loan under this paragraph shall—

"(i) make the funds provided available to entities that qualify under paragraph (1) for projects satisfying the requirements of this chapter;

"(ii) use the funds provided to acquire, install, improve, or extend a system for the purposes of this chapter; or

"(iii) use the funds provided to install, improve, or extend a facility for the purposes of this chapter.

"(B) LIMITATIONS.—A borrower of an electric or telecommunications loan under the Rural Electrification Act of 1936 shall—

"(i) make a system or facility funded under subparagraph (A) available to entities that qualify under paragraph (1); and

"(ii) neither retain from the proceeds of a loan provided under subparagraph (A), nor assess a qualifying entity under paragraph (1), any amount except as may be required to pay the actual costs incurred in administering the loan funds or making the system or facility available.

"(3) ASSISTANCE TO PROVIDE OR IMPROVE SERVICES.—Financial assistance may be provided under this chapter for a facility regardless of the location of the facility if the Secretary determines that the assistance is necessary to provide or improve telemedicine services or distance learning services in a rural area.

"(d) PRIORITY.—The Secretary shall establish procedures to prioritize financial assistance provided under this chapter considering—

"(1) the need for the assistance in the affected rural area;

"(2) the financial need of the applicant;

"(3) the population sparsity of the affected rural area;

"(4) the local involvement in the project serving the affected rural area;

"(5) geographic diversity among the recipients of financial assistance;

"(6) the utilization of the telecommunications facilities of the existing telecommunications provider;

"(7) the portion of total project financing provided by the applicant from the funds of the applicant;

"(8) the portion of project financing provided by the applicant with funds obtained from non-Federal sources;

"(9) the joint utilization of facilities financed by other financial assistance;

"(10) the coordination of the proposed project with regional projects or networks;

"(11) service to the widest practical number of persons within the general geographic area covered by the financial assistance;

"(12) conformity with the State strategic plan as prepared under section 381D of the Consolidated Farm and Rural Development Act; and

"(13) other factors determined appropriate by the Secretary.

"(e) MAXIMUM AMOUNT OF ASSISTANCE TO INDIVIDUAL RECIPIENTS.—The Secretary may establish the maximum amount of financial assistance to be made available to an individual recipient for each fiscal year under this chapter by publishing notice in the Federal Register. The notice shall be published not more than 45 days after funds are made available to carry out this chapter during a fiscal year.

"(f) USE OF FUNDS.—Financial assistance provided under this chapter shall be used for—

"(1) the development and acquisition of instructional programming;

"(2) the development and acquisition, through lease or purchase, of computer hardware and software, audio and visual equipment, computer network components, telecommunications terminal equipment, telecommunications transmission facilities, data terminal equipment, or interactive video equipment, and other facilities that would further telemedicine services or distance learning services, or both;

"(3) providing technical assistance and instruction for the development or use of the programming, equipment, or facilities referred to in paragraphs (1) and (2); or

"(4) other uses that are consistent with this chapter, as determined by the Secretary.

"(g) SALARIES AND EXPENSES.—Notwithstanding subsection (f), financial assistance provided under this chapter shall not be used for paying salaries of employees or administrative expenses.

"(h) EXPEDITING COORDINATED TELEPHONE LOANS.—

"(1) IN GENERAL.—The Secretary may establish and carry out procedures to ensure that expedited consideration and determination is given to applications for loans and advances of funds submitted by local exchange carriers under this chapter and the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) to enable the exchange carriers to provide advanced telecommunications services in rural areas in conjunction with any other projects carried out under this chapter.

"(2) DEADLINE IMPOSED ON SECRETARY.—Not later than 45 days after the receipt of a completed application for an expedited telephone loan under paragraph (1), the Secretary shall respond to the application. The Secretary shall notify the applicant in writing of the decision of the Secretary regarding each expedited loan application.

"(i) NOTIFICATION OF LOCAL EXCHANGE CARRIER.—

"(1) APPLICANTS.—Each applicant for a grant for a telemedicine or distance learning project established under this chapter shall notify the appropriate local telephone exchange carrier regarding the application filed with the Secretary for the grant.

"(2) SECRETARY.—The Secretary shall—

"(A) publish notice of applications received for grants under this chapter for telemedicine or distance learning projects; and

"(B) make the applications available for inspection.

"SEC. 2334. ADMINISTRATION.

"(a) NONDUPLICATION.—The Secretary shall ensure that facilities constructed using financial assistance provided under this chapter do not duplicate adequate established telemedicine services or distance learning services.

"(b) LOAN MATURITY.—The maturities of cost of money loans shall be determined by the Secretary, based on the useful life of the facility being financed, except that the loan shall not be for a period of more than 10 years.

"(c) LOAN SECURITY AND FEASIBILITY.—The Secretary shall make a cost of money loan only after determining that the security for the loan is reasonably adequate and that the loan will be repaid within the period of the loan.

"(d) ENCOURAGING CONSORTIA.—The Secretary shall encourage the development of consortia to provide telemedicine services or distance learning services, or both, through telecommunications in rural areas served by a telecommunications provider.

"(e) COOPERATION WITH OTHER AGENCIES.—The Secretary shall cooperate, to the extent practicable, with other Federal and State agencies with similar grant or loan programs to pool resources for funding meritorious proposals in rural areas.

"(f) INFORMATIONAL EFFORTS.—The Secretary shall establish and implement procedures to carry out informational efforts to advise potential end users located in rural areas of each State about the program authorized by this chapter.

"SEC. 2335. REGULATIONS.

"Not later than 180 days after the effective date of the Agricultural Reform and Improvement Act of 1996, the Secretary shall issue regulations to carry out this chapter.

"SEC. 2335A. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this chapter $100,000,000 for each of fiscal years 1996 through 2002.".

SEC. 705. LIMITATION ON AUTHORIZATION OF APPROPRIATIONS FOR RURAL TECHNOLOGY GRANTS.

Section 2347 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 104 Stat. 4034) is amended—

(1) by striking "(a) IN GENERAL.—"; and

(2) by striking subsection (b).

SEC. 706. MONITORING THE ECONOMIC PROGRESS OF RURAL AMERICA.

Section 2382 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 13 U.S.C. 141 note) is repealed.

SEC. 707. ANALYSIS BY OFFICE OF TECHNOLOGY ASSESSMENT.

Section 2385 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 950aaa–4 note) is repealed.

SEC. 708. RURAL HEALTH INFRASTRUCTURE IMPROVEMENT.

Section 2391 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 2662 note) is repealed.

SEC. 709. CENSUS OF AGRICULTURE.

Section 2392 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 104 Stat. 4057) is repealed.

CHAPTER 2—ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION

SEC. 721. DEFINITIONS.

Section 1657(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5901(c)) is amended—

(1) by striking paragraphs (3) and (4);

(2) by redesignating paragraph (5) as paragraph (3);

(3) by redesignating paragraphs (6) through (12) as paragraphs (7) through (13), respectively; and

(4) by inserting after paragraph (3) (as redesignated by paragraph (2)) the following:

"(4) CORPORATE BOARD.—The term 'Corporate Board' means the Board of Directors of the Corporation described in section 1659.

"(5) CORPORATION.—The term 'Corporation' means the Alternative Agricultural Research and Commercialization Corporation established under section 1658.

"(6) EXECUTIVE DIRECTOR.—The term 'Executive Director' means the Executive Director of the Corporation appointed under section 1659(d)(2).".

SEC. 722. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION.

(a) IN GENERAL.—Section 1658 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5902) is amended to read as follows:

"SEC. 1658. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION.

"(a) ESTABLISHMENT.—To carry out this subtitle, there is created a body corporate to be known as the Alternative Agricultural Research and Commercialization Corporation, which shall be an agency of the United States, within the Department of Agriculture, subject to the general supervision and direction of the Secretary, except as specifically provided for in this subtitle.

"(b) PURPOSE.—The purpose of the Corporation is to—

"(1) expedite the development and market penetration of industrial, nonfood, nonfeed products from agricultural and forestry materials; and

"(2) assist the private sector in bridging the gap between research results and the commercialization of the research.

"(c) PLACE OF INCORPORATION.—The Corporation shall be located in the District of Columbia.

"(d) CENTRAL OFFICE.—The Secretary shall provide facilities for the principal office of the Corporation within the Washington, D.C. metropolitan area.

"(e) WHOLLY-OWNED GOVERNMENT CORPORATION.—The Corporation shall be considered a wholly-owned government corporation for purposes of chapter 91 of title 31, United States Code.

"(f) GENERAL POWERS.—In addition to any other powers granted to the Corporation under this subtitle, the Corporation—

"(1) shall have succession in its corporate name;

"(2) may adopt, alter, and rescind any bylaw and adopt and alter a corporate seal, which shall be judicially noticed;

"(3) may enter into any agreement or contract with a person or private or governmental agency, except that the Corporation shall not provide any financial assistance unless specifically authorized under this subtitle;

"(4) may lease, purchase, accept a gift or donation of, or otherwise acquire, use, own, hold, improve, or otherwise deal in or with, and sell, convey, mortgage, pledge, lease, exchange, or otherwise dispose of, any property, real, personal, or mixed, or any interest in property, as the Corporation considers necessary in the transaction of the business of the Corporation, except that this paragraph shall not provide authority for carrying out a program of real estate investment;

"(5) may sue and be sued in the corporate name of the Corporation, except that—

"(A) no attachment, injunction, garnishment, or similar process shall be issued against the Corporation or property of the Corporation; and

"(B) exclusive original jurisdiction shall reside in the district courts of the United States, but the Corporation may intervene in any court in any suit, action, or proceeding in which the Corporation has an interest;

"(6) may independently retain legal representation;

"(7) may provide for and designate such committees, and the functions of the committees, as the Corporate Board considers necessary or desirable,

"(8) may indemnify the Executive Director and other officers of the Corporation, as the Corporate Board considers necessary and desirable, except that the Executive Director and officers shall not be indemnified for an act outside the scope of employment;

"(9) may, with the consent of any board, commission, independent establishment, or executive department of the Federal Government, including any field service, use information, services, facilities, officials, and employees in carrying out this subtitle, and pay for the use, which payments shall be credited to the applicable appropriation that incurred the expense;

"(10) may obtain the services and fix the compensation of any consultant and otherwise procure temporary and intermittent services under section 3109(b) of title 5, United States Code;

"(11) may use the United States mails on the same terms and conditions as the Executive agencies of the Federal Government;

"(12) shall have the rights, privileges, and immunities of the United States with respect to the right to priority of payment with respect to debts due from bankrupt, insolvent, or deceased creditors;

"(13) may collect or compromise any obligations assigned to or held by the Corporation, including any legal or equitable rights accruing to the Corporation;

"(14) shall determine the character of, and necessity for, obligations and expenditures of the Corporation and the manner in which the obligations and expenditures shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to Government corporations;

"(15) may make final and conclusive settlement and adjustment of any claim by or against the Corporation or a fiscal officer of the Corporation;

"(16) may sell assets, loans, and equity interests acquired in connection with the financing of projects funded by the Corporation; and

"(17) may exercise all other lawful powers necessarily or reasonably related to the establishment of the Corporation to carry out this subtitle and the powers, purposes, functions, duties, and authorized activities of the Corporation.

"(g) SPECIFIC POWERS.—To carry out this subtitle, the Corporation shall have the authority to—

"(1) make grants to, and enter into cooperative agreements and contracts with, eligible applicants for research, development, and demonstration projects in accordance with section 1660;

"(2) make loans and interest subsidy payments and invest venture capital in accordance with section 1661;

"(3) collect and disseminate information concerning State, regional, and local commercialization projects;

"(4) search for new nonfood, nonfeed products that may be produced from agricultural commodities and for processes to produce the products;

"(5) administer, maintain, and dispense funds from the Alternative Agricultural Research and Commercialization Revolving Fund to facilitate the conduct of activities under this subtitle; and

"(6) engage in other activities incident to carrying out the functions of the Corporation.".

(b) WHOLLY OWNED GOVERNMENT CORPORATION.—Section 9101(3) of title 31, United States Code, is amended—

(1) by redesignating subparagraph (N) (relating to the Uranium Enrichment Corporation) as subparagraph (O); and

(2) by adding at the end the following:

"(P) the Alternative Agricultural Research and Commercialization Corporation.".

(c) CONFORMING AMENDMENT.—Section 211(b)(5) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6911(b)(5)) is amended by striking "Alternative Agricultural Research and Commercialization Board" and inserting "Corporate Board of the Alternative Agricultural Research and Commercialization Corporation".

SEC. 723. BOARD OF DIRECTORS, EMPLOYEES, AND FACILITIES.

(a) IN GENERAL.—Section 1659 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5903) is amended to read as follows:

"SEC. 1659. BOARD OF DIRECTORS, EMPLOYEES, AND FACILITIES.

"(a) IN GENERAL.—The powers of the Corporation shall be vested in a Corporate Board.

"(b) MEMBERS OF THE CORPORATE BOARD.—The Corporate Board shall consist of 10 members as follows:

"(1) The Under Secretary of Agriculture for Rural Economic and Community Development.

"(2) The Under Secretary of Agriculture for Research, Education, and Economics.

"(3) 4 members appointed by the Secretary, of whom—

"(A) at least 1 member shall be a representative of the leading scientific disciplines relevant to the activities of the Corporation;

"(B) at least 1 member shall be a producer or processor of agricultural commodities; and

"(C) at least 1 member shall be a person who is privately engaged in the commercialization of new nonfood, nonfeed products from agricultural commodities.

"(4) 2 members appointed by the Secretary who—

"(A) have expertise in areas of applied research relating to the development or commercialization of new nonfood, nonfeed products; and

"(B) shall be appointed from a group of at least 4 individuals nominated by the Director of the National Science Foundation if the nominations are made within 60 days after the date a vacancy occurs.

"(5) 2 members appointed by the Secretary who—

"(A) have expertise in financial and managerial matters; and

"(B) shall be appointed from a group of at least 4 individuals nominated by the Secretary of Commerce if the nominations are made within 60 days after the date a vacancy occurs.

"(c) RESPONSIBILITIES OF THE CORPORATE BOARD.—

"(1) IN GENERAL.—The Corporate Board shall—

"(A) be responsible for the general supervision of the Corporation and Regional Centers established under section 1663;

"(B) determine (in consultation with Regional Centers) high priority commercialization areas to receive assistance under section 1663;

"(C) review any grant, contract, or cooperative agreement to be made or entered into by the Corporation under section 1660 and any financial assistance to be provided under section 1661;

"(D) make the final decision, by majority vote, on whether and how to provide assistance to an applicant; and

"(E) using the results of the hearings and other information and data collected under paragraph (2), develop and establish a budget plan and a long-term operating plan to carry out this subtitle.

"(2) AUTHORITY OF THE SECRETARY.—

"(A) IN GENERAL.—The Secretary shall vacate and remand to the Board for reconsideration any decision made pursuant to paragraph (1)(D) if the Secretary determines that there has been a violation of subsection (j), or any conflict of interest provisions of the bylaws of the Board, with respect to the decision.

"(B) REASONS.—In the case of any violation and referral of a funding decision to the Board, the Secretary shall inform the Board of the reasons for any remand pursuant to subparagraph (A).

"(d) CHAIRPERSON.—The members of the Corporate Board shall select a Chairperson from among the members of the Corporate Board. The term of office of the Chairperson shall be 2 years. The members referred to in paragraphs (1) and (2) of subsection (b) may not serve as Chairperson.

"(e) EXECUTIVE DIRECTOR.—

"(1) IN GENERAL.—The Executive Director of the Corporation shall be the chief executive officer of the Corporation, with such power and authority as may be conferred by the Corporate Board. The Executive Director shall be appointed by the Corporate Board. The appointment shall be subject to the approval of the Secretary.

"(2) COMPENSATION.—The Executive Director shall receive basic pay at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(f) OFFICERS.—The Corporate Board shall establish the offices and appoint the officers of the Corporation, including a Secretary, and define the duties of the officers in a manner consistent with this subtitle.

"(g) MEETINGS.—The Corporate Board shall meet at least 3 times each fiscal year at the call of the Chairperson or at the request of the Executive Director. The location of the meetings shall be subject to approval of the Executive Director. A quorum of the Corporate Board shall consist of a majority of the members. The decisions of the Corporate Board shall be made by majority vote.

"(h) TERM; VACANCIES.—

"(1) IN GENERAL.—The term of office of a member of the Corporate Board shall be 4 years, except that the members initially appointed shall be appointed to serve staggered terms. A member appointed to fill a vacancy for an unexpired term may be appointed only for the remainder of the term. A vacancy on the Corporate Board shall be filled in the same manner as the original appointment. The Secretary shall not remove a member of the Corporate Board except for cause.

"(2) TRANSITION MEASURE.—An individual who is serving on the Alternative Agricultural Research and Commercialization Board on the day before the effective date of the Agricultural Reform and Improvement Act of 1996 may be appointed to the Corporate Board by the Secretary for a term that does not exceed the term of the individual on the Alternative Agricultural Research and Commercialization Board if the Act had not been enacted.

"(i) COMPENSATION.—A member of the Corporate Board who is an officer or employee of the United States shall not receive any additional compensation by reason of service on the Corporate Board. Any other member shall receive, for each day (including travel time) the member is engaged in the performance of the functions of the Corporate Board, compensation at a rate not to exceed the daily equivalent of the annual rate in effect for Level IV of the Executive Schedule. A member of the Corporate Board shall be reimbursed for travel, subsistence, and other necessary expenses incurred by the member in the performance of the duties of the member.

"(j) CONFLICT OF INTEREST; FINANCIAL DISCLOSURE.—

"(1) CONFLICT OF INTEREST.—Except as provided in paragraph (3), no member of the Corporate Board shall vote on any matter respecting any application, contract, claim, or other particular matter pending before the Corporation, in which, to the knowledge of the member, the member, spouse, or child of the member, partner, or organization in which the member is serving as officer, director, trustee, partner, or employee, or any person or organization with whom the member is negotiating or has any arrangement concerning prospective employment, has a financial interest.

"(2) VIOLATIONS.—Action by a member of the Corporate Board that is contrary to the prohibition contained in paragraph (1) shall be cause for removal of the member, but shall not impair or otherwise affect the validity of any otherwise lawful action by the Corporation in which the member participated.

"(3) EXCEPTIONS.—The prohibitions contained in paragraph (1) shall not apply if a member of the Corporate Board advises the Corporate Board of the nature of the particular matter in which the member proposes to participate, and if the member makes a full disclosure of the financial interest, prior to any participation, and the Corporate Board determines, by majority vote, that the financial interest is too remote or too inconsequential to affect the integrity of the member's services to the Corporation in that matter. The member involved shall not vote on the determination.

"(4) FINANCIAL DISCLOSURE.—A Board member shall be subject to the financial disclosure requirements applicable to a special Government employee (as defined in section 202(a) of title 18, United States Code).

"(k) DELEGATION OF AUTHORITY.—

"(1) IN GENERAL.—The Corporate Board may, by resolution, delegate to the Chairperson, the Executive Director, or any other officer or employee any function, power, or duty assigned to the Corporation under this subtitle, other than a function, power, or duty expressly vested in the Corporate Board by subsections (c) through (n).

"(2) PROHIBITION ON DELEGATION.—Notwithstanding any other law, the Secretary and any other officer or employee of the United States shall not make any delegation to the Corporate Board, the Chairperson, the Executive Director, or the Corporation of any power, function, or authority not expressly authorized by this subtitle, unless the delegation is made pursuant to an authority in law that expressly makes reference to this section.

"(3) REORGANIZATION ACT.—Notwithstanding any other law, the President (through authorities provided under chapter 9, title 5, United States Code) may not authorize the transfer to the Corporation of any power, function, or authority in addition to powers, functions, and authorities provided by law.

"(l) BYLAWS.—Notwithstanding section 1658(f)(2), the Corporate Board shall adopt, and may from time to time amend, any bylaw that is necessary for the proper management and functioning of the Corporation. The Corporate Board shall not adopt any bylaw that has not been reviewed and approved by the Secretary.

"(m) ORGANIZATION.—The Corporate Board shall provide a system of organization to fix responsibility and promote efficiency.

"(n) PERSONNEL AND FACILITIES OF CORPORATION.—

"(1) APPOINTMENT AND COMPENSATION OF PERSONNEL.—The Corporation may select and appoint officers, attorneys, employees, and agents, who shall be vested with such powers and duties as the Corporation may determine.

"(2) USE OF FACILITIES AND SERVICES OF THE DEPARTMENT OF AGRICULTURE.—Notwithstanding any other provision of law, to perform the responsibilities of the Corporation under this subtitle, the Corporation may partially or jointly utilize the facilities of and the services of employees of the Department of Agriculture, without cost to the Corporation.

"(3) GOVERNMENT EMPLOYMENT LAWS.—An officer or employee of the Corporation shall be subject to all laws of the United States relating to governmental employment.".

(b) CONFORMING AMENDMENT.—Section 5315 of title V, United States Code, is amended by adding at the end the following:

"Executive Director of the Alternative Agricultural Research and Commercialization Corporation.".

SEC. 724. RESEARCH AND DEVELOPMENT GRANTS, CONTRACTS, AND AGREEMENTS.

Section 1660 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5904) is amended—

(1) by striking "Center" each place it appears and inserting "Corporation";

(2) in subsection (c), by striking "Board" and inserting "Corporate Board"; and

(3) in subsection (f), by striking "non-Center" and inserting "non-Corporation".

SEC. 725. COMMERCIALIZATION ASSISTANCE.

Section 1661 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5905) is amended—

(1) by striking "Center" each place it appears and inserting "Corporation";

(2) by striking "Board" each place it appears and inserting "Corporate Board";

(3) by striking subsection (c);

(4) by redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively; and

(5) in subsection (c) (as so redesignated)—

(A) in the subsection heading of paragraph (1), by striking "DIRECTOR" and inserting "EXECUTIVE DIRECTOR"; and

(B) by striking "Director" each place it appears and inserting "Executive Director".

SEC. 726. GENERAL RULES REGARDING THE PROVISION OF ASSISTANCE.

Section 1662 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5906) is amended—

(1) by striking "Center" each place it appears (except in subsection (b)) and inserting "Corporation";

(2) by striking "Board" each place it appears and inserting "Corporate Board"; and

(3) in subsection (b)—

(A) in the second sentence, by striking "Board, a Regional Center, or the Advisory Council" and inserting "Board or a Regional Center"; and

(B) by striking the third sentence.

SEC. 727. REGIONAL CENTERS.

Section 1663 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5907) is amended—

(1) by striking "Board" each place it appears and inserting "Corporate Board";

(2) in subsection (e)(8), by striking "Center" and inserting "Corporation"; and

(3) in subsection (f)—

(A) in paragraph (2), by striking "in consultation with the Advisory Council appointed under section 1661(c)"; and

(B) by striking paragraphs (3) and (4) and inserting the following:

"(3) RECOMMENDATION.—The Regional Director, based on the comments of the reviewers, shall make and submit a recommendation to the Board. A recommendation submitted by a Regional Director shall not be binding on the Board.".

SEC. 728. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND.

Section 1664 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5908) is amended to read as follows:

"SEC. 1664. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND.

"(a) ESTABLISHMENT.—There is established in the Treasury of the United States a revolving fund to be known as the Alternative Agricultural Research and Commercialization Revolving Fund. The Fund shall be available to the Corporation, without fiscal year limitation, to carry out the authorized programs and activities of the Corporation under this subtitle.

"(b) CONTENTS OF FUND.—There shall be deposited in the Fund—

"(1) such amounts as may be appropriated or transferred to support programs and activities of the Corporation;

"(2) payments received from any source for products, services, or property furnished in connection with the activities of the Corporation;

"(3) fees and royalties collected by the Corporation from licensing or other arrangements relating to commercialization of products developed through projects funded in whole or part by grants, contracts, or cooperative agreements executed by the Corporation;

"(4) proceeds from the sale of assets, loans, and equity interests made in furtherance of the purposes of the Corporation;

"(5) donations or contributions accepted by the Corporation to support authorized programs and activities; and

"(6) any other funds acquired by the Corporation.

"(c) FUNDING ALLOCATIONS.—Funding of projects and activities under this subtitle shall be subject to the following restrictions:

"(1) Of the total amount of funds made available for a fiscal year under this subtitle—

"(A) not more than the lesser of 15 percent or $3,000,000 may be set aside to be used for authorized administrative expenses of the Corporation in carrying out the functions of the Corporation;

"(B) not more than 1 percent may be set aside to be used for generic studies and specific reviews of individual proposals for financial assistance; and

"(C) except as provided in subsection (e), not less than 84 percent shall be set aside to be awarded to qualified applicants who file project applications with, or respond to requests for proposals from, the Corporation under sections 1660 and 1661.

"(2) Any funds remaining uncommitted at the end of a fiscal year shall be credited to the Fund and added to the total program funds available to the Corporation for the next fiscal year.

"(d) AUTHORIZED ADMINISTRATIVE EXPENSES.—For the purposes of this section, authorized administrative expenses shall include all ordinary and necessary expenses, including all compensation for personnel and consultants, expenses for computer usage, or space needs of the Corporation and similar expenses. Funds authorized for administrative expenses shall not be available for the acquisition of real property.

"(e) PROJECT MONITORING.—The Board may establish, in the bylaws of the Board, a percent of funds provided under subsection (c), not to exceed 1 percent per project award, for any commercialization project to be expended from project awards that shall be used to ensure that project funds are being utilized in accordance with the project agreement.

"(f) TERMINATION OF THE FUND.—On expiration of the authority provided by this subtitle, all assets (after payment of all outstanding obligations) of the Fund shall revert to the general fund of the Treasury.

"(g) AUTHORIZATION OF APPROPRIATIONS; CAPITALIZATION.—

"(1) AUTHORIZATION OF APPROPRIATION.—There are authorized to be appropriated to the Fund $75,000,000 for each of fiscal years 1996 through 2002.

"(2) CAPITALIZATION.—The Executive Director may pay as capital of the Corporation, from amounts made available through annual appropriations, $75,000,000 for each of fiscal years 1996 through 2002. On the payment of capital by the Executive Director, the Corporation shall issue an equivalent amount of capital stock to the Secretary of the Treasury.

"(3) TRANSFER.—All obligations, assets, and related rights and responsibilities of the Alternative Agricultural Research and Commercialization Center established under section 1658 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5902) (as in effect on the day before the effective date of the Agricultural Reform and Improvement Act of 1996) are transferred to the Corporation.".

SEC. 729. PROCUREMENT PREFERENCES FOR PRODUCTS RECEIVING CORPORATION ASSISTANCE.

Subtitle G of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5901 et seq.) is amended by adding at the end the following:

"SEC. 1665. PROCUREMENT OF ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION PRODUCTS.

"(a) DEFINITION OF EXECUTIVE AGENCY.—In this section, the term 'executive agency' has the meaning provided the term in section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)).

"(b) PROCUREMENT.—To further the achievement of the purposes specified in section 1657(b), an executive agency may, for any procurement involving the acquisition of property, establish set-asides and preferences for property that has been commercialized with assistance provided under this subtitle.

"(c) SET-ASIDES.—Procurements solely for property may be set-aside exclusively for products developed with commercialization assistance provided under section 1661.

"(d) PREFERENCES.—Preferences for property developed with assistance provided under this subtitle in procurements involving the acquisition of property may be—

"(1) a price preference, if the procurement is solely for property, of not greater than a percentage to be determined within the sole discretion of the head of the procuring agency; or

"(2) a technical evaluation preference included as an award factor or subfactor as determined within the sole discretion of the head of the procuring agency.

"(e) NOTICE.—Each competitive solicitation or invitation for bids selected by an executive agency for a set-aside or preference under this section shall contain a provision notifying offerors where a list of products eligible for the set aside or preference may be obtained.

"(f) ELIGIBILITY.—Offerors shall receive the set aside or preference required under this section if, in the case of products developed with financial assistance under—

"(1) section 1660, less than 10 years have elapsed since the expiration of the grant, cooperative agreement, or contract;

"(2) paragraph (1) or (2) of section 1661(a), less than 5 years have elapsed since the date the loan was made or insured;

"(3) section 1661(a)(3), less than 5 years have elapsed since the date of sale of any remaining government equity interest in the company; or

"(4) section 1661(a)(4), less than 5 years have elapsed since the date of the final payment on the repayable grant.".

SEC. 730. BUSINESS PLAN AND FEASIBILITY STUDY AND REPORT.

(a) BUSINESS PLAN.—Not later than 180 days after the date of enactment of this Act, the Alternative Agricultural Research and Commercialization Corporation established under section 1658 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5902) shall—

(1) develop a 5-year business plan pursuant to section 1659(c)(1)(E) of the Food, Agriculture, Conservation, and Trade Act of 1990 (as amended by section 723); and

(2) submit the plan to the Secretary of Agriculture, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(b) FEASIBILITY STUDY AND REPORT.—

(1) STUDY.—The Secretary of Agriculture shall conduct a study of and prepare a report on the continued feasibility of the Alternative Agricultural Research and Commercialization Corporation. In conducting the study, the Secretary shall examine options for privatizing the Corporation and converting the Corporation to a Government sponsored enterprise.

(2) REPORT.—Not later than December 31, 2001, the Secretary shall transmit the report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

Subtitle B—Amendments to the Consolidated Farm and Rural Development Act

CHAPTER 1—GENERAL PROVISIONS

SEC. 741. WATER AND WASTE FACILITY LOANS AND GRANTS.

(a) IN GENERAL.—Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended—

(1) in the first sentence of paragraph (2), by striking "$500,000,000" and inserting "$590,000,000";

(2) by striking paragraph (7) and inserting the following:

"(7) DEFINITION OF RURAL AND RURAL AREAS.—For the purpose of water and waste disposal grants and direct and guaranteed loans provided under paragraphs (1) and (2), the terms 'rural' and 'rural area' shall mean a city, town, or unincorporated area that has a population of no more than 10,000 inhabitants.";

(3) by striking paragraphs (9), (10), and (11) and inserting the following:

"(9) CONFORMITY WITH STATE DRINKING WATER STANDARDS.—No Federal funds shall be made available under this section unless the Secretary determines that the water system seeking funding will make significant progress toward meeting the standards established under title XIV of the Public Health Service Act (commonly known as the 'Safe Drinking Water Act') (42 U.S.C. 300f et seq.).

"(10) CONFORMITY WITH FEDERAL AND STATE WATER POLLUTION CONTROL STANDARDS.—In the case of a water treatment discharge or waste disposal system seeking funding, no Federal funds shall be made available under this section unless the Secretary determines that the effluent from the system conforms with applicable Federal and State water pollution control standards.

"(11) RURAL BUSINESS OPPORTUNITY GRANTS.—

"(A) IN GENERAL.—The Secretary may make grants, not to exceed $1,500,000 annually, to public bodies, private nonprofit community development corporations or entities, or such other agencies as the Secretary may select to enable the recipients—

"(i) to identify and analyze business opportunities, including opportunities in export markets, that will use local rural economic and human resources;

"(ii) to identify, train, and provide technical assistance to existing or prospective rural entrepreneurs and managers;

"(iii) to establish business support centers and otherwise assist in the creation of new rural businesses, the development of methods of financing local businesses, and the enhancement of the capacity of local individuals and entities to engage in sound economic activities;

"(iv) to conduct regional, community, and local economic development planning and coordination, and leadership development; and

"(v) to establish centers for training, technology, and trade that will provide training to rural businesses in the utilization of interactive communications technologies to develop international trade opportunities and markets.

"(B) CRITERIA.—In awarding the grants, the Secretary shall consider, among other criteria to be established by the Secretary—

"(i) the extent to which the applicant provides development services in the rural service area of the applicant; and

"(ii) the capability of the applicant to carry out the purposes of this section.

"(C) COORDINATION.—The Secretary shall ensure, to the maximum extent practicable, that assistance provided under this paragraph is coordinated with and delivered in cooperation with similar services or assistance provided to rural residents by the Cooperative State Research, Education, and Extension Service or other Federal agencies.

"(D) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this paragraph $7,500,000 for each of fiscal years 1996 through 2002.";

(4) by striking paragraphs (14) and (15); and

(5) in paragraph (16)—

(A) by striking "(16)(A) The" and inserting the following:

"(16) RURAL WATER AND WASTEWATER TECHNICAL ASSISTANCE AND TRAINING PROGRAMS.—

"(A) IN GENERAL.—The";

(B) in subparagraph (A)—

(i) by striking "(i) identify" and inserting the following:

"(i) identify";

(ii) by striking "(ii) prepare" and inserting the following:

"(ii) prepare"; and

(iii) by striking "(iii) improve" and inserting the following:

"(iii) improve";

(C) in subparagraph (B), by striking "(B) In" and inserting the following:

"(B) SELECTION PRIORITY.—In"; and

(D) in subparagraph (C)—

(i) by striking "(C) Not" and inserting the following:

"(C) FUNDING.—Not"; and

(ii) by striking "2 per centum of any funds provided in Appropriations Acts" and inserting "3 percent of any funds appropriated".

(b) CONFORMING AMENDMENTS.—

(1) Section 307(a)(6)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(6)(B)) (as amended by section 651(a)(2)) is further amended—

(A) by striking clause (ii); and

(B) by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively.

(2) The second sentence of section 309A(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929a(a)) is amended by striking ", 306(a)(14),".

SEC. 742. EMERGENCY COMMUNITY WATER ASSISTANCE GRANT PROGRAM FOR SMALL COMMUNITIES.

Section 306A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a) is amended—

(1) in subsection (e)—

(A) by striking paragraph (1) and inserting the following:

"(1) MAXIMUM INCOME.—No grant provided under this section may be used to assist any rural area or community that has a median household income in excess of the State nonmetropolitan median household income according to the most recent decennial census of the United States."; and

(B) in paragraph (2), by striking "5,000" and inserting "3,000"; and

(2) by striking subsection (i) and inserting the following:

"(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $35,000,000 for each of fiscal years 1996 through 2002.".

SEC. 743. EMERGENCY COMMUNITY WATER ASSISTANCE GRANT PROGRAM FOR SMALLEST COMMUNITIES.

Section 306B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926b) is repealed.

SEC. 744. AGRICULTURAL CREDIT INSURANCE FUND.

Section 309(f) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(f)) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) through (6) as paragraphs (1) through (5), respectively.

SEC. 745. RURAL DEVELOPMENT INSURANCE FUND.

Section 309A(g) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929a(g)) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) through (8) as paragraphs (1) through (7), respectively.

SEC. 746. INSURED WATERSHED AND RESOURCE CONSERVATION AND DEVELOPMENT LOANS.

Section 310A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1931) is repealed.

SEC. 747. RURAL INDUSTRIALIZATION ASSISTANCE.

(a) IN GENERAL.—Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended—

(1) in subsection (b), by striking "(b)(1)" and all that follows through "(2) The" and inserting the following:

"(b) SOLID WASTE MANAGEMENT GRANTS.—The";

(2) in subsection (c)—

(A) by striking "(c)(1) The" and inserting the following:

"(c) RURAL BUSINESS ENTERPRISE GRANTS.—

"(1) IN GENERAL.—The";

(B) in paragraph (1), by inserting "(including nonprofit entities)" after "private business enterprises"; and

(C) in paragraph (2)—

(i) by striking "(2) The" and inserting the following:

"(2) PASSENGER TRANSPORTATION SERVICES OR FACILITIES.—The"; and

(ii) by striking "make grants" and inserting "award grants on a competitive basis"; and

(3) by striking subsections (e), (g), (h), and (i);

(4) by redesignating subsections (f) and (j) as subsections (e) and (f), respectively;

(5) by striking subsection (e) (as so redesignated) and inserting the following:

"(e) RURAL COOPERATIVE DEVELOPMENT GRANTS.—

"(1) DEFINITIONS.—In this subsection:

"(A) NONPROFIT INSTITUTION.—The term 'nonprofit institution' means any organization or institution, including an accredited institution of higher education, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(B) UNITED STATES.—The term 'United States' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the other territories and possessions of the United States.

"(2) GRANTS.—The Secretary shall make grants under this subsection to nonprofit institutions for the purpose of enabling the institutions to establish and operate centers for rural cooperative development.

"(3) Goals.—The goals of a center funded under this subsection shall be to facilitate the creation of jobs in rural areas through the development of new rural cooperatives, value added processing, and rural businesses.

"(4) Application.—Any nonprofit institution seeking a grant under paragraph (2) shall submit to the Secretary an application containing a plan for the establishment and operation by the institution of a center or centers for cooperative development. The Secretary may approve the application if the plan contains the following:

"(A) A provision that substantiates that the center will effectively serve rural areas in the United States.

"(B) A provision that the primary objective of the center will be to improve the economic condition of rural areas through cooperative development.

"(C) A description of the activities that the center will carry out to accomplish the objective. The activities may include the following:

"(i) Programs for applied research and feasibility studies that may be useful to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

"(ii) Programs for the collection, interpretation, and dissemination of information that may be useful to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

"(iii) Programs providing training and instruction for individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

"(iv) Programs providing loans and grants to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

"(v) Programs providing technical assistance, research services, and advisory services to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

"(vi) Programs providing for the coordination of services and sharing of information among the center.

"(D) A description of the contributions that the activities are likely to make to the improvement of the economic conditions of the rural areas for which the center will provide services.

"(E) Provisions that the center, in carrying out the activities, will seek, where appropriate, the advice, participation, expertise, and assistance of representatives of business, industry, educational institutions, the Federal Government, and State and local governments.

"(F) Provisions that the center will take all practicable steps to develop continuing sources of financial support for the center, particularly from sources in the private sector.

"(G) Provisions for—

"(i) monitoring and evaluating the activities by the nonprofit institution operating the center; and

"(ii) accounting for money received by the institution under this section.

"(5) Awarding grants.—Grants made under paragraph (2) shall be made on a competitive basis. In making grants under paragraph (2), the Secretary shall give preference to grant applications providing for the establishment of centers for rural cooperative development that—

"(A) demonstrate a proven track record in administering a nationally coordinated, regionally or State-wide operated project;

"(B) demonstrate previous expertise in providing technical assistance in rural areas;

"(C) demonstrate the ability to assist in the retention of existing businesses, facilitate the establishment of new cooperatives and new cooperative approaches, and generate new employment opportunities that will improve the economic conditions of rural areas;

"(D) demonstrate the ability to create horizontal linkages among businesses within and among various sectors in rural America and vertical linkages to domestic and international markets;

"(E) commit to providing technical assistance and other services to underserved and economically distressed areas in rural America; and

"(F) commit to providing greater than a 25 percent matching contribution with private funds and in-kind contributions.

"(6) Two-year grants.—The Secretary shall evaluate programs receiving assistance under this subsection and, if the Secretary determines it to be in the best interest of the Federal Government, the Secretary may approve grants under this subsection for up to 2 years.

"(7) Technical assistance to prevent excessive unemployment or underemployment.—In carrying out this subsection, the Secretary may provide technical assistance to alleviate or prevent conditions of excessive unemployment, underemployment, outmigration, or low employment growth in economically distressed rural areas that the Secretary determines have a substantial need for the assistance. The assistance may include planning and feasibility studies, management and operational assistance, and studies evaluating the need for development potential of projects that increase employment and improve economic growth in the areas.

"(8) Grants to defray administrative costs.—The Secretary may make grants to defray not to exceed 75 percent of the costs incurred by organizations and public bodies to carry out projects for which grants or loans are made under this subsection. For purposes of determining the non-Federal share of the costs, the Secretary shall consider contributions in cash and in kind, fairly evaluated, including premises, equipment, and services.

"(9) Authorization of appropriations.—There are authorized to be appropriated to carry out this subsection $50,000,000 for each of fiscal years 1996 through 2002."; and

(6) by adding at the end the following:

"(g) Loan Guarantees for the Purchase of Cooperative Stock.—

"(1) Definition of farmer.—In this subsection, the term 'farmer' means any farmer that meets the family farmer definition, as determined by the Secretary.

"(2) Loan guarantees.—The Secretary may guarantee loans under this section to individual farmers for the purpose of purchasing capital stock of a farmer cooperative established for the purpose of processing an agricultural commodity.

"(3) Eligibility.—To be eligible for a loan guarantee under this subsection, a farmer must produce the agricultural commodity that will be processed by the cooperative.

"(4) Collateral.—To be eligible for a loan guarantee under this subsection for the establishment of a cooperative, the borrower of the loan must pledge collateral to secure at least 25 percent of the amount of the loan.".

(b) Conforming Amendments.—

(1) Clause (iii) of section 307(a)(6)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(6)(B)) (as redesignated by section 741(b)(1)(B)) is amended by striking "subsections (d) and (e) of section 310B" and inserting "section 310B(d)".

(2) Section 232(c)(2) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6942(c)(2)) is amended—

(A) by striking "310B(b)(2)" and inserting "310B(b)"; and

(B) by striking "1932(b)(2)" and inserting "1932(b)".

(3) Section 233(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6943(b)) is amended—

(A) by striking paragraph (2); and

(B) by redesignating paragraph (3) as paragraph (2).

SEC. 748. ADMINISTRATION.

Section 331(b)(4) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(b)(4)) is amended—

(1) by inserting after "claims" the following: "(including debts and claims arising from loan guarantees)";

(2) by striking "Farmers Home Administration or" and inserting "Consolidated Farm Service Agency, Rural Utilities Service, Rural Housing and Community Development Service, Rural Business and Cooperative Development Service, or a successor agency, or"; and

(3) by inserting after "activities under the Housing Act of 1949." the following: "In the case of a security instrument entered into under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), the Secretary shall notify the Attorney General of the intent of the Secretary to exercise the authority of the Secretary under this paragraph.".

SEC. 749. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—Section 338 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1988) is amended—

(1) by striking subsections (b), (c), (d), and (e); and

(2) by redesignating subsection (f) as subsection (b).

(b) Conforming Amendments.—

(1) The first sentence of section 309(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(g)(1)) is amended by inserting after "section 338(c)" the following: "(before the amendment made by section 447(a)(1) of the Agricultural Reform and Improvement Act of 1996)".

(2) Section 343(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(b)) is amended by striking "338(f)," and inserting "338(b),".

SEC. 750. TESTIMONY BEFORE CONGRESSIONAL COMMITTEES.

Section 345 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1993) is repealed.

SEC. 751. PROHIBITION ON USE OF LOANS FOR CERTAIN PURPOSES.

Section 363 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006e) is amended by adding at the end the following: "This section shall not apply to a loan made or guaranteed under this title for a utility line.".

SEC. 752. RURAL DEVELOPMENT CERTIFIED LENDERS PROGRAM.

The Consolidated Farm and Rural Development Act is amended by inserting after section 363 (7 U.S.C. 2006e) the following:

"SEC. 364. RURAL DEVELOPMENT CERTIFIED LENDERS PROGRAM.

"(a) Certified Lenders Program.—

"(1) In general.—The Secretary may establish a program under which the Secretary may guarantee a loan for any rural development program that is made by a lender certified by the Secretary.

"(2) CERTIFICATION REQUIREMENTS.—The Secretary may certify a lender if the lender meets such criteria as the Secretary may prescribe in regulations, including the ability of the lender to properly make, service, and liquidate the guaranteed loans of the lender.

"(3) CONDITION OF CERTIFICATION.—As a condition of certification, the Secretary may require the lender to undertake to service the guaranteed loan using standards that are not less stringent than generally accepted banking standards concerning loan servicing that are used by prudent commercial or cooperative lenders.

"(4) GUARANTEE.—Notwithstanding any other provision of law, the Secretary may guarantee not more than 80 percent of a loan made by a certified lender described in paragraph (1), if the borrower of the loan meets the eligibility requirements and such other criteria for the loan guarantee that are established by the Secretary.

"(5) CERTIFICATIONS.—With respect to loans to be guaranteed, the Secretary may permit a certified lender to make appropriate certifications (as provided in regulations issued by the Secretary)—

"(A) relating to issues such as creditworthiness, repayment ability, adequacy of collateral, and feasibility of the operation; and

"(B) that the borrower is in compliance with all requirements of law, including regulations issued by the Secretary.

"(6) RELATIONSHIP TO OTHER REQUIREMENTS.—This subsection shall not affect the responsibility of the Secretary to determine eligibility, review financial information, and otherwise assess an application.

"(b) PREFERRED CERTIFIED LENDERS PROGRAM.—

"(1) IN GENERAL.—The Secretary may establish a preferred certified lenders program for lenders who establish their—

"(A) knowledge of, and experience under, the program established under subsection (a);

"(B) knowledge of the regulations concerning the particular guaranteed loan program; and

"(C) proficiency related to the certified lender program requirements.

"(2) ADDITIONAL LENDING INSTITUTIONS.—The Secretary may certify any lending institution as a preferred certified lender if the institution meets such additional criteria as the Secretary may prescribe by regulation.

"(3) REVOCATION OF DESIGNATION.—The designation of a lender as a preferred certified lender shall be revoked if the Secretary determines that the lender is not adhering to the rules and regulations applicable to the program or if the loss experiences of a preferred certified lender are greater than other preferred certified lenders, except that the suspension or revocation shall not affect any outstanding guarantee.

"(4) CONDITION OF CERTIFICATION.—As a condition of the preferred certification, the Secretary shall require the lender to undertake to service the loan guaranteed by the Secretary under this subsection using generally accepted banking standards concerning loan servicing employed by prudent commercial or cooperative lenders. The Secretary shall, at least annually, monitor the performance of each preferred certified lender to ensure that the conditions of the certification are being met.

"(5) EFFECT OF PREFERRED LENDER CERTIFICATION.—Notwithstanding any other provision of law, the Secretary may—

"(A) guarantee not more than 80 percent of any approved loan made by a preferred certified lender as described in this subsection, if the borrower meets the eligibility requirements and such other criteria as may be applicable to loans guaranteed by the Secretary; and

"(B) permit preferred certified lenders to make all decisions, with respect to loans to be guaranteed by the Secretary under this subsection relating to creditworthiness, the closing, monitoring, collection, and liquidation of loans, and to accept appropriate certifications, as provided in regulations issued by the Secretary, that the borrower is in compliance with all requirements of law and regulations issued by the Secretary.".

SEC. 753. SYSTEM FOR DELIVERY OF CERTAIN RURAL DEVELOPMENT PROGRAMS.

(a) IN GENERAL.—Section 365 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 2310 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2007) is amended—

(A) in subsection (a), by striking "or the program established in sections 365 and 366 of the Consolidated Farm and Rural Development Act (as added by chapter 3 of this subtitle)";

(B) in subsection (b)—

(i) by striking "STATES.—" and all that follows through "PARTNERSHIPS.—The" in paragraph (1) and inserting "STATES.—The"; and

(ii) by striking paragraph (2);

(C) in subsection (c)—

(i) by striking "PROJECTS.—" and all that follows through "PARTNERSHIPS.—Chapter" in paragraph (1) and inserting "PROJECTS.—Chapter";

(ii) by striking "subsection (b)(1)" and inserting "subsection (b)"; and

(iii) by striking paragraph (2); and

(D) in subsection (d), by striking "and sections 365, 366, 367, and 368(b) of the Consolidated Farm and Rural Development Act (as added by chapter 3 of this subtitle)".

(2) Section 2375 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6613) is amended—

(A) in subsection (e), by striking ", as defined in section 365(b)(2) of the Consolidated Farm and Rural Development Act,"; and

(B) by adding at the end the following:

"(g) DEFINITION OF DESIGNATED RURAL DEVELOPMENT PROGRAM.—In this section, the term 'designated rural development program' means a program carried out under section 304(b), 306(a), or 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1924(b), 1926(a), and 1932(e)), or under section 1323 of the Food Security Act of 1985 (Public Law 99-198; 7 U.S.C. 1932 note), for which funds are available at any time during the fiscal year under the section.".

(3) Paragraph (2) of section 233(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6943(b)) (as redesignated by section 747(b)(3)(B)) is amended by striking "sections 365 through 369 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008-2008d)" and inserting "section 369 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008d)".

SEC. 754. STATE RURAL ECONOMIC DEVELOPMENT REVIEW PANEL.

Section 366 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008a) is repealed.

SEC. 755. LIMITED TRANSFER AUTHORITY OF LOAN AMOUNTS.

Section 367 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008b) is repealed.

SEC. 756. ALLOCATION AND TRANSFER OF LOAN GUARANTEE AUTHORITY.

Section 368 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008c) is repealed.

SEC. 757. NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER.

The Consolidated Farm and Rural Development Act (as amended by section 641) is amended by adding at the end the following:

"SEC. 375. NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER.

"(a) DEFINITIONS.—In this section:

"(1) BOARD.—The term 'Board' means the Board of Directors established under subsection (f).

"(2) CENTER.—The term 'Center' means the National Sheep Industry Improvement Center established under subsection (b).

"(3) ELIGIBLE ENTITY.—The term 'eligible entity' means an entity that promotes the betterment of the United States lamb or wool industry and that is—

"(A) a public, private, or cooperative organization;

"(B) an association, including a corporation not operated for profit;

"(C) a federally recognized Indian Tribe; or

"(D) a public or quasi-public agency.

"(4) FUND.—The term 'Fund' means the Natural Sheep Improvement Center Revolving Fund established under subsection (e).

"(b) ESTABLISHMENT OF CENTER.—The Secretary shall establish a National Sheep Industry Improvement Center.

"(c) PURPOSES.—The purposes of the Center shall be to—

"(1) promote strategic development activities and collaborative efforts by private and State entities to maximize the impact of Federal assistance to strengthen and enhance the production and marketing of lamb and wool in the United States;

"(2) optimize the use of available human capital and resources within the sheep industry;

"(3) provide assistance to meet the needs of the sheep industry for infrastructure development, business development, production, resource development, and market and environmental research;

"(4) advance activities that empower and build the capacity of the United States sheep industry to design unique responses to the special needs of the lamb and wool industries on both a regional and national basis; and

"(5) adopt flexible and innovative approaches to solving the long-term needs of the United States sheep industry.

"(d) STRATEGIC PLAN.—

"(1) IN GENERAL.—The Center shall submit to the Secretary an annual strategic plan for the delivery of financial assistance provided by the Center.

"(2) REQUIREMENTS.—A strategic plan shall identify—

"(A) goals, methods, and a benchmark for measuring the success of carrying out the plan and how the plan relates to the national and regional goals of the Center;

"(B) the amount and sources of Federal and non-Federal funds that are available for carrying out the plan;

"(C) funding priorities;

"(D) selection criteria for funding; and

"(E) a method of distributing funding.

"(e) REVOLVING FUND.—

"(1) ESTABLISHMENT.—There is established in the Treasury the Natural Sheep Improvement Center Revolving Fund. The Fund shall be available to the Center, without fiscal year limitation, to carry out the authorized programs and activities of the Center under this section.

"(2) CONTENTS OF FUND.—There shall be deposited in the Fund—

"(A) such amounts as may be appropriated, transferred, or otherwise made available to support programs and activities of the Center;

"(B) payments received from any source for products, services, or property furnished in connection with the activities of the Center;

"(C) fees and royalties collected by the Center from licensing or other arrangements relating to commercialization of products developed through projects funded, in whole or part, by grants, contracts, or cooperative agreements executed by the Center;

"(D) proceeds from the sale of assets, loans, and equity interests made in furtherance of the purposes of the Center;

"(E) donations or contributions accepted by the Center to support authorized programs and activities; and

"(F) any other funds acquired by the Center.

"(3) USE OF FUND.—

"(A) IN GENERAL.—The Center may use amounts in the Fund to make grants and loans to eligible entities in accordance with a strategic plan submitted under subsection (d).

"(B) CONTINUED EXISTENCE.—The Center shall manage the Fund in a manner that ensures that sufficient amounts are available in the Fund to carry out subsection (c).

"(C) DIVERSE AREA.—The Center shall, to the maximum extent practicable, use the Fund to serve broad geographic areas and regions of diverse production.

"(D) VARIETY OF LOANS AND GRANTS.—The Center shall, to the maximum extent practicable, use the Fund to provide a variety of intermediate- and long-term grants and loans.

"(E) ADMINISTRATION.—The Center may not use more than 3 percent of the amounts in the Fund for a fiscal year for the administration of the Center.

"(F) INFLUENCING LEGISLATION.—None of the amounts in the Fund may be used to influence legislation.

"(G) ACCOUNTING.—To be eligible to receive amounts from the Fund, an entity must agree to account for the amounts using generally accepted accounting principles.

"(H) USES OF FUND.—The Center may use amounts in the Fund to—

"(i) participate with Federal and State agencies in financing activities that are in accordance with a strategic plan submitted under subsection (d), including participation with several States in a regional effort;

"(ii) participate with other public and private funding sources in financing activities that are in accordance with the strategic plan, including participation in a regional effort;

"(iii) provide security for, or make principle or interest payments on, revenue or general obligation bonds issued by a State, if the proceeds from the sale of the bonds are deposited in the Fund;

"(iv) accrue interest;

"(v) guarantee or purchase insurance for local obligations to improve credit market access or reduce interest rates for a project that is in accordance with the strategic plan; or

"(vi) sell assets, loans, and equity interests acquired in connection with the financing of projects funded by the Center.

"(4) LOANS.—

"(A) RATE.—A loan from the Fund may be made at an interest rate that is below the market rate or may be interest free.

"(B) TERM.—The term of a loan may not exceed the shorter of—

"(i) the useful life of the activity financed; or

"(ii) 40 years.

"(C) SOURCE OF REPAYMENT.—The Center may not make a loan from the Fund unless the recipient establishes an assured source of repayment.

"(D) PROCEEDS.—All payments of principal and interest on a loan made from the Fund shall be deposited into the Fund.

"(5) MAINTENANCE OF EFFORT.—The Center shall use the Fund only to supplement and not to supplant Federal, State, and private funds expended for rural development.

"(6) FUNDING.—

"(A) DEPOSIT OF FUNDS.—All Federal and non-Federal amounts received by the Center to carry out this section shall be deposited in the Fund.

"(B) MANDATORY FUNDS.—Out of any moneys in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide to the Center not to exceed $20,000,000 to carry out this section.

"(C) ADDITIONAL FUNDS.—In addition to any funds provided under subparagraph (B), there is authorized to be appropriated to carry out this section $30,000,000 to carry out this section.

"(D) PRIVATIZATION.—Federal funds shall not be used to carry out this section beginning on the earlier of—

"(i) the date that is 10 years after the effective date of this section; or

"(ii) the day after a total of $50,000,000 is made available under subparagraphs (B) and (C) to carry out this section.

"(f) BOARD OF DIRECTORS.—

"(1) IN GENERAL.—The management of the Center shall be vested in a Board of Directors.

"(2) POWERS.—The Board shall—

"(A) be responsible for the general supervision of the Center;

"(B) review any grant, loan, contract, or cooperative agreement to be made or entered into by the Center and any financial assistance provided to the Center;

"(C) make the final decision, by majority vote, on whether and how to provide assistance to an applicant; and

"(D) develop and establish a budget plan and a long-term operating plan to carry out the goals of the Center.

"(3) COMPOSITION.—The Board shall be composed of—

"(A) 7 voting members, of whom—

"(i) 4 members shall be active producers of sheep in the United States;

"(ii) 2 members shall have expertise in finance and management; and

"(iii) 1 member shall have expertise in lamb and wool marketing; and

"(B) 2 nonvoting members, of whom—

"(i) 1 member shall be the Under Secretary of Agriculture for Rural Economic and Community Development; and

"(ii) 1 member shall be the Under Secretary of Agriculture for Research, Education, and Economics.

"(4) ELECTION.—A voting member of the Board shall be chosen in an election of the members of a national organization selected by the Secretary that—

"(A) consists only of sheep producers in the United States; and

"(B) has as the primary interest of the organization the production of lamb and wool in the United States.

"(5) TERM OF OFFICE.—

"(A) IN GENERAL.—Subject to subparagraph (B), the term of office of a voting member of the Board shall be 3 years.

"(B) STAGGERED INITIAL TERMS.—The initial voting members of the Board (other than the chairperson of the initially established Board) shall serve for staggered terms of 1, 2, and 3 years, as determined by the Secretary.

"(C) REELECTION.—A voting member may be reelected for not more than 1 additional term.

"(6) VACANCY.—

"(A) IN GENERAL.—A vacancy on the Board shall be filled in the same manner as the original Board.

"(B) REELECTION.—A member elected to fill a vacancy for an unexpired term may be reelected for 1 full term.

"(7) CHAIRPERSON.—

"(A) IN GENERAL.—The Board shall select a chairperson from among the voting members of the Board.

"(B) TERM.—The term of office of the chairperson shall be 2 years.

"(8) ANNUAL MEETING.—

"(A) IN GENERAL.—The Board shall meet not less than once each fiscal year at the call of the chairperson or at the request of the executive director appointed under subsection (g)(1).

"(B) LOCATION.—The location of a meeting of the Board shall be established by the Board.

"(9) VOTING.—

"(A) QUORUM.—A quorum of the Board shall consist of a majority of the voting members.

"(B) MAJORITY VOTE.—A decision of the Board shall be made by a majority of the voting members of the Board.

"(10) CONFLICTS OF INTEREST.—

"(A) IN GENERAL.—A member of the Board shall not vote on any matter respecting any application, contract, claim, or other particular matter pending before the Board in which, to the knowledge of the member, an interest is held by—

"(i) the member;

"(ii) any spouse of the member;

"(iii) any child of the member;

"(iv) any partner of the member;

"(v) any organization in which the member is serving as an officer, director, trustee, partner, or employee; or

"(vi) any person with whom the member is negotiating or has any arrangement concerning prospective employment or with whom the member has a financial interest.

"(B) REMOVAL.—Any action by a member of the Board that violates subparagraph (A) shall be cause for removal from the Board.

"(C) VALIDITY OF ACTION.—An action by a member of the Board that violates subparagraph (A) shall not impair or otherwise affect the validity of any otherwise lawful action by the Board.

"(D) DISCLOSURE.—

"(i) IN GENERAL.—If a member of the Board makes a full disclosure of an interest and, prior to any participation by the member, the Board determines, by majority vote, that the interest is too remote or too inconsequential to affect the integrity of any participation by the member, the member may participate in the matter relating to the interest.

"(ii) VOTE.—A member that discloses an interest under clause (i) shall not vote on a determination of whether the member may participate in the matter relating to the interest.

"(E) REMANDS.—

"(i) IN GENERAL.—The Secretary may vacate and remand to the Board for reconsideration any decision made pursuant to subsection (e)(3)(H) if the Secretary determines that there has been a violation of this paragraph or any conflict of interest provision of the bylaws of the Board with respect to the decision.

"(ii) REASONS.—In the case of any violation and remand of a funding decision to the Board under clause (i), the Secretary shall inform the Board of the reasons for the remand.

"(11) COMPENSATION.—

"(A) IN GENERAL.—A member of the Board shall not receive any compensation by reason of service on the Board.

"(B) EXPENSES.—A member of the Board shall be reimbursed for travel, subsistence, and other necessary expenses incurred by the member in the performance of a duty of the member.

"(12) BYLAWS.—The Board shall adopt, and may from time to time amend, any bylaw that is necessary for the proper management and functioning of the Center.

"(13) PUBLIC HEARINGS.—Not later than 1 year after the effective date of this section, the Board shall hold public hearings on policy objectives of the program established under this section.

"(14) ORGANIZATIONAL SYSTEM.—The Board shall provide a system of organization to fix responsibility and promote efficiency in carrying out the functions of the Board.

"(15) USE OF DEPARTMENT OF AGRICULTURE.—The Board may, with the consent of the Secretary, utilize the facilities of and the services of employees of the Department of Agriculture, without cost to the Center.

"(g) OFFICERS AND EMPLOYEES.—

"(1) EXECUTIVE DIRECTOR.—

"(A) IN GENERAL.—The Board shall appoint an executive director to be the chief executive officer of the Center.

"(B) TENURE.—The executive director shall serve at the pleasure of the Board.

"(C) COMPENSATION.—Compensation for the executive director shall be established by the Board.

"(2) OTHER OFFICERS AND EMPLOYEES.—The Board may select and appoint officers, attorneys, employees, and agents who shall be vested with such powers and duties as the Board may determine.

"(3) DELEGATION.—The Board may, by resolution, delegate to the chairperson, the executive director, or any other officer or employee any function, power, or duty of the Board other than voting on a grant, loan, contract, agreement, budget, or annual strategic plan.

"(h) CONSULTATION.—To carry out this section, the Board may consult with—

"(1) State departments of agriculture;

"(2) Federal departments and agencies;

"(3) nonprofit development corporations;

"(4) colleges and universities;

"(5) banking and other credit-related agencies;

"(6) agriculture and agribusiness organizations; and

"(7) regional planning and development organizations.

"(i) OVERSIGHT.—

"(1) IN GENERAL.—The Secretary shall review and monitor compliance by the Board and the Center with this section.

"(2) SANCTIONS.—If, following notice and opportunity for a hearing, the Secretary finds that the Board or the Center is not in compliance with this section, the Secretary may—

"(A) cease making deposits to the Fund;

"(B) suspend the authority of the Center to withdraw funds from the Fund; or

"(C) impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this Act and disqualification from receipt of financial assistance under this section.

"(3) REMOVING SANCTIONS.—The Secretary shall remove sanctions imposed under paragraph (2) on a finding that there is no longer any failure by the Board or the Center to comply with this section or that the noncompliance shall be promptly corrected.".

CHAPTER 2—RURAL COMMUNITY ADVANCEMENT PROGRAM

SEC. 761. RURAL COMMUNITY ADVANCEMENT PROGRAM.

The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding at the end the following:

"Subtitle E—Rural Community Advancement Program

"SEC. 381A. DEFINITIONS.

"In this subtitle:

"(1) RURAL AND RURAL AREA.—The terms 'rural' and 'rural area' mean, subject to section 306(a)(7), a city, town, or unincorporated area that has a population of 50,000 inhabitants or less, other than an urbanized area immediately adjacent to a city, town, or unincorporated area that has a population in excess of 50,000 inhabitants.

"(2) STATE.—The term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Federated States of Micronesia.

"SEC. 381B. ESTABLISHMENT.

"The Secretary shall establish a rural community advancement program to provide grants, loans, loan guarantees, and other assistance to meet the rural development needs of local communities in States and federally recognized Indian tribes.

"SEC. 381C. NATIONAL OBJECTIVES.

"The national objectives of the program established under this subtitle shall be to—

"(1) promote strategic development activities and collaborative efforts by State and local communities, and federally recognized Indian tribes, to maximize the impact of Federal assistance;

"(2) optimize the use of resources;

"(3) provide assistance in a manner that reflects the complexity of rural needs, including the needs for business development, health care, education, infrastructure, cultural resources, the environment, and housing;

"(4) advance activities that empower, and build the capacity of, State and local communities to design unique responses to the special needs of the State and local communities, and federally recognized Indian tribes, for rural development assistance; and

"(5) adopt flexible and innovative approaches to solving rural development problems.

"SEC. 381D. STRATEGIC PLANS.

"(a) IN GENERAL.—The Secretary shall direct each of the Directors of Rural Economic and Community Development State Offices to prepare a strategic plan for each State for the delivery of assistance under this subtitle within the State.

"(b) ASSISTANCE.—

"(1) IN GENERAL.—Financial assistance for rural development allocated for a State under this subtitle shall be used only for orderly community development that is consistent with the strategic plan of the State.

"(2) RURAL AREA.—Assistance under this subtitle may only be provided in a rural area.

"(3) SMALL COMMUNITIES.—In carrying out this subtitle within a State, the Secretary shall give priority to communities with the smallest populations and lowest per capita income.

"(c) REVIEW.—The Secretary shall review the strategic plan of a State at least once every 5 years.

"(d) CONTENTS.—A strategic plan of a State under this section shall be a plan that—

"(1) coordinates economic, human, and community development plans and related activities proposed for an affected area;

"(2) provides that the State and an affected community (including local institutions and organizations that have contributed to the planning process) shall act as full partners in the process of developing and implementing the plan;

"(3) identifies goals, methods, and benchmarks for measuring the success of carrying out the plan and how the plan relates to local or regional ecosystems;

"(4) provides for the involvement, in the preparation of the plan, of State, local, private, and public persons, State rural development councils, federally-recognized Indian tribes, and community-based organizations;

"(5) identifies the amount and source of Federal and non-Federal resources that are available for carrying out the plan; and

"(6) includes such other information as may be required by the Secretary.

"SEC. 381E. ACCOUNTS.

"(a) IN GENERAL.—Notwithstanding any other provision of law, for each fiscal year, the Secretary shall consolidate into 3 accounts, corresponding to the 3 function categories established under subsection (c), the amounts made available for programs included in each function category.

"(b) ALLOCATION WITHIN ACCOUNT.—The Secretary shall allocate the amounts in each account for such program purposes authorized for the corresponding function category among the States, as the Secretary may determine in accordance with this subtitle.

"(c) FUNCTION CATEGORIES.—For purposes of subsection (a):

"(1) RURAL HOUSING AND COMMUNITY DEVELOPMENT.—The rural housing and community development category shall include funds made available for—

"(A) community facility direct and guaranteed loans provided under section 306(a)(1);

"(B) community facility grants provided under section 306(a)(21); and

"(C) rental housing loans for new housing provided under section 515 of the Housing Act of 1949 (42 U.S.C. 1485).

"(2) RURAL UTILITIES.—The rural utilities category shall include funds made available for—

"(A) water and waste disposal grants and direct and guaranteed loans provided under paragraphs (1) and (2) of section 306(a);

"(B) rural water and wastewater technical assistance and training grants provided under section 306(a)(16);

"(C) emergency community water assistance grants provided under section 306A; and

"(D) solid waste management grants provided under section 310B(b).

"(3) RURAL BUSINESS AND COOPERATIVE DEVELOPMENT.—The rural business and cooperative development category shall include funds made available for—

"(A) rural business opportunity grants provided under section 306(a)(11)(A);

"(B) business and industry guaranteed loans provided under section 310B(a)(1); and

"(C) rural business enterprise grants and rural educational network grants provided under section 310B(c).

"(d) OTHER PROGRAMS.—Subject to subsection (e), in addition to any other appropriated amounts, the Secretary may transfer amounts allocated for a State for any of the 3 function categories for a fiscal year under subsection (c) to—

"(1) mutual and self-help housing grants provided under section 523 of the Housing Act of 1949 (42 U.S.C. 1490c);

"(2) rural rental housing loans for existing housing provided under section 515 of the Housing Act of 1949 (42 U.S.C. 1485);

"(3) rural cooperative development grants provided under section 310B(e); and

"(4) grants to broadcasting systems provided under section 310B(f).

"(e) TRANSFER.—

"(1) IN GENERAL.—Subject to paragraph (2), the Secretary may transfer within each State up to 25 percent of the total amount allocated for a State under each function category referred to in subsection (c) for each fiscal year under this section to any other function category, or to a program referred to in subsection (d), but excluding State grants under section 381G.

"(2) LIMITATION.—Not more than 10 percent of the total amount (excluding grants to States under section 381G) made available for any fiscal year for the programs covered by each of the 3 function categories referred to in subsection (c), and the programs referred to in subsection (d), shall be available for the transfer.

"(f) AVAILABILITY OF FUNDS.—The Secretary may make available funds appropriated for the programs referred to in subsection (c) to defray the cost of any subsidy associated with a guarantee provided under section 381H, except that not more than 5 percent of the funds provided under subsection (c) may be made available within a State.

"SEC. 381F. ALLOCATION.

"(a) NATIONAL RESERVE.—The Secretary may use not more than 10 percent of the total amount of funds made available for a fiscal year under section 381E to establish a national reserve for rural development that may be used by the Secretary in rural areas during the fiscal year to—

"(1) meet situations of exceptional need;

"(2) provide incentives to promote or reward superior performance; or

"(3) carry out performance-oriented demonstration projects.

"(b) INDIAN TRIBES.—

"(1) RESERVATION.—The Secretary shall reserve not less than 3 percent of the total amounts made available for a fiscal year under section 381E to carry out rural development programs specified in subsections (c) and (d) of section 381D for federally recognized Indian tribes.

"(2) ALLOCATION.—The Secretary shall establish a formula for allocating the reserve and shall administer the reserve through the appropriate Director of the Rural Economic and Cooperative Development State office.

"(c) STATE ALLOCATION.—

"(1) IN GENERAL.—The Secretary shall allocate among all the States the amounts made available under section 381E in a fair, reasonable, and appropriate manner that takes into consideration rural population, levels of income, unemployment, and other relevant factors, as determined by the Secretary.

"(2) MINIMUM ALLOCATION.—In making the allocations for each of fiscal years 1996 through 2002, the Secretary shall ensure that the percentage allocation for each State is equal to the percentage of the average of the total funds made available to carry out the programs referred to in section 381E(c) that were obligated in the State for each of fiscal years 1993 and 1994.

"SEC. 381G. GRANTS TO STATES.

"(a) IN GENERAL.—Subject to subsection (c), the Secretary shall grant to any eligible State from which a request is received for a fiscal year 5 percent of the amount allocated for the State for the fiscal year under section 381F(c).

"(b) ELIGIBILITY.—To be eligible to receive a grant under this section, the Secretary shall require that the State maintain the grant funds received and any non-Federal matching funds to carry out this subtitle in a separate account, to remain available until expended.

"(c) MATCHING FUNDS.—For any fiscal year, if non-Federal matching funds are provided for a State in an amount that is equal to 200 percent or more of an amount equal to 5 percent of the amount allocated for the State for the fiscal year under section 381F(c), the Secretary shall pay to the State the grant provided under this subsection in an amount equal to 5 percent of the amount allocated for the State for the fiscal year under section 381F(c).

"(d) USE OF FUNDS.—The Secretary shall require that funds provided to a State under this section be used in rural areas to achieve the purposes of the programs referred to in section 381E(c) in accordance with the strategic plan referred to in section 381D.

"(e) MAINTENANCE OF EFFORT.—The State shall provide assurances that funds received under this section will be used only to supplement, not to supplant, the amount of Federal, State, and local funds otherwise expended for rural development assistance in the State.

"(f) APPEALS.—The Secretary shall provide to a State an opportunity for an appeal of any action taken under this section.

"(g) ADMINISTRATIVE COSTS.—Federal funds shall not be used for any administrative costs incurred by a State in carrying out this subtitle.

"(h) SPENDING OF FUNDS BY STATE.—

"(1) IN GENERAL.—Payments to a State from a grant under this section for a fiscal year shall be obligated by the State in the fiscal year or in the succeeding fiscal year. A State shall obligate funds under this section to provide assistance to rural areas pursuant, to the maximum extent practicable, to applications received from the rural areas.

"(2) FAILURE TO OBLIGATE.—If a State fails to obligate payments in accordance with paragraph (1), the Secretary shall make a corresponding reduction in the amount of payments provided to the State under this section for the subsequent fiscal year.

"(3) NONCOMPLIANCE.—

"(A) REVIEW.—The Secretary shall review and monitor State compliance with this section.

"(B) PENALTY.—If the Secretary finds that there has been misuse of grant funds provided under this section, or noncompliance with any of the terms and conditions of a grant, after reasonable notice and opportunity for a hearing—

"(i) the Secretary shall notify the State of the finding; and

"(ii) no further payments to the State shall be made with respect to the programs funded under this section until the Secretary is satisfied that there is no longer any failure to comply or that the noncompliance will be promptly corrected.

"(C) OTHER SANCTIONS.—In the case of a finding of noncompliance made pursuant to subparagraph (B), the Secretary may, in addition to, or in lieu of, imposing the sanctions described in subparagraph (B), impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this section and disqualification from the receipt of financial assistance under this section.

"(i) NO ENTITLEMENT TO CONTRACT, GRANT, OR ASSISTANCE.—Nothing in this subtitle—

"(1) entitles any person to assistance or a contract or grant; or

"(2) limits the right of a State to impose additional limitations or conditions on assistance or a contract or grant under this section.

"SEC. 381H. GUARANTEE AND COMMITMENT TO GUARANTEE LOANS.

"(a) DEFINITION OF ELIGIBLE PUBLIC ENTITY.—In this section, the term 'eligible public entity' means any unit of general local government.

"(b) GUARANTEE AND COMMITMENT.—The Secretary is authorized, on such terms and conditions as the Secretary may prescribe, to guarantee and make commitments to guarantee the notes or other obligations issued by eligible public entities, or by public agencies designated by the eligible public entities, for the purposes of financing rural development assistance activities authorized and funded under section 381G.

"(c) PREREQUISITES.—No guarantee or commitment to guarantee shall be made with respect to any note or other obligation if the issuer's total outstanding notes or obligations guaranteed under this section (excluding any amount repaid under the contract entered into under subsection (e)(1)(A)) would exceed an amount equal to 5 times the amount of the grant approval for the issuer pursuant to section 381G.

"(d) PAYMENT OF PRINCIPAL, INTEREST, AND COSTS.—Notwithstanding any other provision of this subtitle, grants allocated to an issuer pursuant to this subtitle (including program income derived from the grants) shall be authorized for use in the payment of principal and interest due (including such servicing, underwriting, or other costs as may be specified in regulations of the Secretary) on the notes or other obligations guaranteed pursuant to this section.

"(e) REPAYMENT CONTRACT; SECURITY.—

"(1) IN GENERAL.—To ensure the repayment of notes or other obligations and charges incurred under this section and as a condition for receiving the guarantees, the Secretary shall require the issuer to—

"(A) enter into a contract, in a form acceptable to the Secretary, for repayment of notes or other obligations guaranteed under this section;

"(B) pledge any grant for which the issuer may become eligible under this subtitle; and

"(C) furnish, at the discretion of the Secretary, such other security as may be considered appropriate by the Secretary in making the guarantees.

"(2) SECURITY.—To assist in ensuring the repayment of notes or other obligations and charges incurred under this section, a State shall pledge any grant for which the State may become eligible under this subtitle as security for notes or other obligations and charges issued under this section by any unit of general local government in the State.

"(f) PLEDGED GRANTS FOR REPAYMENTS.—Notwithstanding any other provision of this subtitle, the Secretary is authorized to apply grants pledged pursuant to paragraphs (1)(B) and (2) of subsection (e) to any repayments due the United States as a result of the guarantees.

"(g) OUTSTANDING OBLIGATIONS.—The total amount of outstanding obligations guaranteed on a cumulative basis by the Secretary pursuant to subsection (b) shall not at any time exceed such amount as may be authorized to be appropriated for any fiscal year.

"(h) PURCHASE OF GUARANTEED OBLIGATIONS BY FEDERAL FINANCING BANK.—Notes or other obligations guaranteed under this section may not be purchased by the Federal Financing Bank.

"(i) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all guarantees made under this section. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligations for the guarantee with respect to principal and interest. The validity of the guarantee shall be incontestable in the hands of a holder of the guaranteed obligations.

"SEC. 381I. LOCAL INVOLVEMENT.

"The Secretary shall require that an applicant for assistance under this subtitle demonstrate evidence of significant community support.

"SEC. 381J. STATE-TO-STATE COLLABORATION.

"The Secretary shall permit the establishment of voluntary pooling arrangements among States, and regional fund-sharing agreements, to carry out this subtitle.

"SEC. 381K. RURAL VENTURE CAPITAL DEMONSTRATION PROGRAM.

"(a) IN GENERAL.—The Secretary shall designate up to 10 community development venture capital organizations to demonstrate the utility of guarantees to attract increased private investment in rural private business enterprises.

"(b) RURAL BUSINESS INVESTMENT POOL.—

"(1) ESTABLISHMENT.—To be eligible to participate in the demonstration program, an organization referred to in subsection (a) shall establish a rural business private investment pool (referred to in this subsection as a 'pool') for the purpose of making equity investments in rural private business enterprises.

"(2) GUARANTEE.—From funds allocated for the national reserve under section 381F(a), the Secretary shall guarantee the funds in a pool against loss, except that the guarantee shall not exceed an amount equal to 30 percent of the total funds in the pool.

"(3) AMOUNT.—The Secretary shall issue guarantees covering not more than $15,000,000 of obligations for each of fiscal years 1996 through 2002.

"(4) TERM.—The term of a guarantee provided under this subsection shall not exceed 10 years.

"(5) SUBMISSION OF PLAN.—To be eligible to participate in the demonstration program, an organization referred to in subsection (a) shall submit a plan that describes—

"(A) potential sources and uses of the pool to be established by the organization;

"(B) the utility of the guarantee authority in attracting capital for the pool; and

"(C) on selection, mechanisms for notifying State, local, and private nonprofit business development organizations and businesses of the existence of the pool.

"(6) COMPETITION.—

"(A) IN GENERAL.—The Secretary shall conduct a competition for the designation and establishment of pools.

"(B) PRIORITY.—In conducting the competition, the Secretary shall give priority to organizations that—

"(i) have a demonstrated record of performance or have a board and executive director with experience in venture capital, small business equity investments, or community development finance;

"(ii) propose to serve low-income communities;

"(iii) propose to maintain an average investment of not more than $500,000 from the pool of the organization;

"(iv) invest funds statewide or in a multicounty region; and

"(v) propose to target job opportunities resulting from the investments primarily to economically disadvantaged individuals.

"(C) GEOGRAPHIC DIVERSITY.—To the extent practicable, the Secretary shall select organizations in diverse geographic areas.

"SEC. 381L. ANNUAL REPORT.

"(a) IN GENERAL.—The Secretary, in collaboration with public, State, local, and private entities, State rural development councils, and community-based organizations, shall prepare an annual report that contains evaluations, assessments, and performance outcomes concerning the rural community advancement programs carried out under this subtitle.

"(b) SUBMISSION.—Not later than March 1 of each year, the Secretary shall—

"(1) submit the report required under subsection (a) to Congress and the chief executives of States participating in the program established under this subtitle; and

"(2) make the report available to State and local participants.

"SEC. 381M. RURAL DEVELOPMENT INTERAGENCY WORKING GROUP.

"(a) IN GENERAL.—The Secretary shall provide leadership within the Executive branch for, and assume responsibility for, establishing an interagency working group chaired by the Secretary.

"(b) DUTIES.—The working group shall establish policy, provide coordination, make recommendations, and evaluate the performance of or for all Federal rural development efforts.

"SEC. 381N. DUTIES OF RURAL ECONOMIC AND COMMUNITY DEVELOPMENT STATE OFFICES.

"In carrying out this subtitle, the Director of a Rural Economic and Community Development State Office shall—

"(1) to the maximum extent practicable, ensure that the State strategic plan is implemented;

"(2) coordinate community development objectives within the State;

"(3) establish links between local, State, and field office program administrators of the Department of Agriculture;

"(4) ensure that recipient communities comply with applicable Federal and State laws and requirements; and

"(5) integrate State development programs with assistance under this subtitle.

"SEC. 381O. ELECTRONIC TRANSFER.

"The Secretary shall transfer funds in accordance with this subtitle through electronic transfer as soon as practicable after the effective date of this subtitle.".

SEC. 762. COMMUNITY FACILITIES GRANT PROGRAM.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by adding at the end the following:

"(21) COMMUNITY FACILITIES GRANT PROGRAM.—

"(A) IN GENERAL.—The Secretary may make grants, in a total amount not to exceed $10,000,000 for any fiscal year, to associations, units of general local government, nonprofit corporations, and federally recognized Indian tribes to provide the Federal share of the cost of developing specific essential community facilities in rural areas.

"(B) FEDERAL SHARE.—

"(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the Secretary shall, by regulation, establish the amount of the Federal share of the cost of the facility under this paragraph.

"(ii) MAXIMUM AMOUNT.—The amount of a grant provided under this paragraph shall not exceed 75 percent of the cost of developing a facility.

"(iii) GRADUATED SCALE.—The Secretary shall provide for a graduated scale for the amount of the Federal share provided under this paragraph, with higher Federal shares for facilities in communities that have lower community population and income levels, as determined by the Secretary.".

Subtitle C—Amendments to the Rural Electrification Act of 1936

SEC. 771. PURPOSES; INVESTIGATIONS AND REPORTS.

Section 2 of the Rural Electrification Act of 1936 (7 U.S.C. 902) is amended—

(1) by striking "SEC. 2. (a) The Secretary of Agriculture is" and inserting the following:

"SEC. 2. GENERAL AUTHORITY OF THE SECRETARY OF AGRICULTURE.

"(a) LOANS.—The Secretary of Agriculture (referred to in this Act as the 'Secretary') is";

(2) in subsection (a)—

(A) by striking "and the furnishing" the first place it appears and all that follows through "central station service"; and

(B) by striking "systems; to make" and all that follows through the period at the end of the subsection and inserting "systems"; and

(3) by striking subsection (b) and inserting the following:

"(b) INVESTIGATIONS AND REPORTS.—The Secretary may make, or cause to be made, studies, investigations, and reports regarding matters, including financial, technological, and regulatory matters, affecting the condition and progress of electric, telecommunications, and economic development in rural areas and publish and disseminate information with respect to the matters.".

SEC. 772. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 3 of the Rural Electrification Act of 1936 (7 U.S.C. 903) is amended to read as follows:

"SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated such sums as are necessary to carry out this Act.".

(b) CONFORMING AMENDMENTS.—

(1) Section 301(a) of the Rural Electrification Act of 1936 (7 U.S.C. 931(a)) is amended—

(A) by striking "(a)"; and

(B) in paragraph (3), by striking "notwithstanding section 3(a) of title I,".

(2) Section 302(b)(2) of the Rural Electrification Act of 1936 (7 U.S.C. 932(b)(2)) is amended by striking "pursuant to section 3(a) of this Act".

(3) The last sentence of section 406(a) of the Rural Electrification Act of 1936 (7 U.S.C. 946(a)) is amended by striking "pursuant to section 3(a) of this Act".

SEC. 773. LOANS FOR ELECTRICAL PLANTS AND TRANSMISSION LINES.

Section 4 of the Rural Electrification Act of 1936 (7 U.S.C. 904) is amended—

(1) in the first sentence—

(A) by striking "for the furnishing of" and all that follows through "central station service and"; and

(B) by striking "the provisions of sections 3(d) and 3(e) but without regard to the 25 per centum limitation therein contained," and inserting "section 3,";

(2) in the second sentence, by striking ": *Provided further*, That all" and all that follows through "loan: *And provided further*, That" and inserting ", except that"; and

(3) in the third sentence, by striking "and section 5".

SEC. 774. LOANS FOR ELECTRICAL AND PLUMBING EQUIPMENT.

(a) IN GENERAL.—Section 5 of the Rural Electrification Act of 1936 (7 U.S.C. 905) is repealed.

(b) CONFORMING AMENDMENTS.—Section 12(a) of the Rural Electrification Act of 1936 (7 U.S.C. 912(a)) is amended—

(1) by striking ": *Provided, however*, That" and inserting ", except that,"; and

(2) by striking ", and with respect to any loan made under section 5," and all that follows through "section 3".

SEC. 775. TESTIMONY ON BUDGET REQUESTS.

Section 6 of the Rural Electrification Act of 1936 (7 U.S.C. 906) is amended by striking the second sentence.

SEC. 776. TRANSFER OF FUNCTIONS OF ADMINISTRATION CREATED BY EXECUTIVE ORDER.

Section 8 of the Rural Electrification Act of 1936 (7 U.S.C. 908) is repealed.

SEC. 777. ANNUAL REPORT.

Section 10 of the Rural Electrification Act of 1936 (7 U.S.C. 910) is repealed.

SEC. 778. PROHIBITION ON RESTRICTING WATER AND WASTE FACILITY SERVICES TO ELECTRIC CUSTOMERS.

The Rural Electrification Act of 1936 is amended by inserting after section 16 (7 U.S.C. 916) the following:

"SEC. 17. PROHIBITION ON RESTRICTING WATER AND WASTE FACILITY SERVICES TO ELECTRIC CUSTOMERS.

"The Secretary shall establish rules and procedures that prohibit borrowers under title III or under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) from conditioning or limiting access to, or the use of, water and waste facility services financed under the Consolidated Farm and Rural Development Act if the conditioning or limiting is based on whether individuals or entities in the area served or proposed to be served by the facility receive, or will accept, electric service from the borrower.".

SEC. 779. TELEPHONE LOAN TERMS AND CONDITIONS.

Section 309 of the Rural Electrification Act of 1936 (7 U.S.C. 939) is amended—

(1) in subsection (a), by striking "(a) IN GENERAL.—"; and

(2) by striking subsection (b).

SEC. 780. PRIVATIZATION PROGRAM.

Section 311 of the Rural Electrification Act of 1936 (7 U.S.C. 940a) is repealed.

SEC. 781. RURAL BUSINESS INCUBATOR FUND.

(a) IN GENERAL.—Section 502 of the Rural Electrification Act of 1936 (7 U.S.C. 950aa-1) is repealed.

(b) CONFORMING AMENDMENTS.—Section 501 of the Rural Electrification Act of 1936 (7 U.S.C. 950aa) is amended—

(1) in paragraph (5), by inserting "and" at the end;

(2) in paragraph (6), by striking "; and" at the end and inserting a period; and

(3) by striking paragraph (7).

Subtitle D—Miscellaneous Rural Development Provisions

SEC. 791. INTEREST RATE FORMULA.

(a) BANKHEAD-JONES FARM TENANT ACT.—Section 32(e) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1011) is amended by striking the fifth sentence and inserting the following: "A loan under this subsection shall be made under a contract that provides, under such terms and conditions as the Secretary considers appropriate, for the repayment of the loan in not more than 30 years, with interest at a rate not to exceed the current market yield for outstanding municipal obligations with remaining periods to maturity comparable to the average maturity for the loan, adjusted to the nearest ⅛ of 1 percent.".

(b) WATERSHED PROTECTION AND FLOOD PREVENTION ACT.—Section 8 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1006a) is amended by striking the second sentence and inserting the following: "A loan or advance under this section shall be made under a contract or agreement that provides, under such terms and conditions as the Secretary considers appropriate, for the repayment of the loan or advance in not more than 50 years from the date when the principal benefits of the works of improvement first become available, with interest at a rate not to exceed the current market yield for outstanding municipal obligations with remaining periods to maturity comparable to the average maturity for the loan, adjusted to the nearest ⅛ of 1 percent.".

SEC. 792. GRANTS FOR FINANCIALLY STRESSED FARMERS, DISLOCATED FARMERS, AND RURAL FAMILIES.

(a) IN GENERAL.—Section 502 of the Rural Development Act of 1972 (7 U.S.C. 2662) is amended by striking subsection (f).

(b) CONFORMING AMENDMENTS.—

(1) Section 2389 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 7 U.S.C. 2662 note) is amended by striking subsection (d).

(2) Section 503(c) of the Rural Development Act of 1972 (7 U.S.C. 2663(c)) is amended—

(A) in paragraph (1)—

(i) by striking "(1)";

(ii) by striking "section 502(e)" and all that follows through "shall be distributed" and inserting "subsections (e), (h), and (i) of section 502 shall be distributed"; and

(iii) by striking "objectives of" and all that follows through "title" and inserting "objectives of subsections (e), (h), and (i) of section 502"; and

(B) by striking paragraph (2).

SEC. 793. COOPERATIVE AGREEMENTS.

(a) Section 607(b) of the Rural Development Act of 1972 (7 U.S.C. 2204b(b)) is amended by striking paragraph (4) and inserting the following:

"(4) COOPERATIVE AGREEMENTS.—

"(A) IN GENERAL.—Notwithstanding chapter 63 of title 31, United States Code, the Secretary may enter into cooperative agreements with other Federal agencies, State and local governments, and any other organization or individual to improve the coordination and effectiveness of Federal programs, services, and actions affecting rural areas, including the establishment and financing of interagency groups, if the Secretary determines that the objectives of the agreement will serve the mutual interest of the parties in rural development activities.

"(B) COOPERATORS.—Each cooperator, including each Federal agency, to the extent that funds are otherwise available, may participate in any cooperative agreement or working group established pursuant to this paragraph by contributing funds or other resources to the Secretary to carry out the agreement or functions of the group.".

(b) Notwithstanding any other provision of law, section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) is amended in subparagraph (F)—

(i) by striking "exceed 15 percent" and all that follows through "Code" and inserting the following: "exceed—

"(i) 25 percent of the median acreage of the farms or ranches, as the case may be, in the county in which the farm or ranch operations of the applicant are located, as reported in the most recent census of agriculture taken under section 142 of title 13, United States Code.".

TITLE VIII—RESEARCH EXTENSION AND EDUCATION

Subtitle A—Amendments to National Agricultural Research, Extension, and Teaching Policy Act of 1977 and Related Statutes

SEC. 801. PURPOSES OF AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION.

Section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101) is amended to read as follows:

"SEC. 1402. PURPOSES OF AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION.

"The purposes of federally supported agricultural research, extension, and education are to—

"(1) enhance the competitiveness of the United States agriculture and food industry in an increasingly competitive world environment;

"(2) increase the long-term productivity of the United States agriculture and food industry while protecting the natural resource base on which rural America and the United States agricultural economy depend;

"(3) develop new uses and new products for agricultural commodities, such as alternative fuels, and develop new crops;

"(4) support agricultural research and extension to promote economic opportunity in rural communities and to meet the increasing demand for information and technology transfer throughout the United States agriculture industry;

"(5) improve risk management in the United States agriculture industry;

"(6) improve the safe production and processing of, and adding of value to, United States food and fiber resources using methods that are environmentally sound;

"(7) support higher education in agriculture to give the next generation of Americans the knowledge, technology, and applications necessary to enhance the competitiveness of United States agriculture; and

"(8) maintain an adequate, nutritious, and safe supply of food to meet human nutritional needs and requirements.".

SEC. 802. SUBCOMMITTEE ON FOOD, AGRICULTURAL, AND FORESTRY RESEARCH.

Section 401(h) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6651(h)) is amended by striking the second through fifth sentences.

SEC. 803. JOINT COUNCIL ON FOOD AND AGRICULTURAL SCIENCES.

(a) IN GENERAL.—Section 1407 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) is amended—

(A) by striking paragraph (9); and

(B) by redesignating paragraphs (10) through (18) as paragraphs (9) through (17), respectively.

(2) Section 1405 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121) is amended—

(A) in paragraph (5), by striking "Joint Council, Advisory Board," and inserting "Advisory Board"; and

(B) in paragraph (11), by striking "the Joint Council,".

(3) Section 1410(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125(2)) is amended by striking "the recommendations of the Joint Council developed under section 1407(f),".

(4) Section 1412 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127) is amended—

(A) in the section heading, by striking "**JOINT COUNCIL, ADVISORY BOARD,**" and inserting "**ADVISORY BOARD**";

(B) in subsection (a)—

(i) by striking "Joint Council, the Advisory Board," and inserting "Advisory Board";

(ii) by striking "the cochairpersons of the Joint Council and" each place it appears; and

(iii) in paragraph (2), by striking "one shall serve as the executive secretary to the Joint Council, one shall serve as the executive secretary to the Advisory Board," and inserting "1 shall serve as the executive secretary to the Advisory Board"; and

(C) in subsections (b) and (c), by striking "Joint Council, Advisory Board," each place it appears and inserting "Advisory Board".

(5) Section 1413 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3128) is amended—

(A) in subsection (a), by striking "Joint Council, the Advisory Board," and inserting "Advisory Board";

(B) in subsection (b), by striking "Joint Council, Advisory Board," and inserting "Advisory Board"; and

(C) by striking subsection (d).

(6) Section 1434(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(c)) is amended—

(A) in the second sentence, by striking "Joint Council, the Advisory Board," and inserting "Advisory Board"; and

(B) in the fourth sentence, by striking "the Joint Council,".

SEC. 804. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

(a) In General.—Section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123) is amended to read as follows:

"SEC. 1408. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

"(a) Establishment.—The Secretary shall establish within the Department of Agriculture a board to be known as the 'National Agricultural Research, Extension, Education, and Economics Advisory Board'.

"(b) Membership.—

"(1) In general.—The Advisory Board shall consist of 25 members, appointed by the Secretary.

"(2) Selection of members.—The Secretary shall appoint members to the Advisory Board from individuals who are selected from national farm, commodity, agribusiness, environmental, consumer, and other organizations directly concerned with agricultural research, education, and extension programs.

"(3) Representation.—A member of the Advisory Board may represent 1 or more of the organizations referred to in paragraph (2), except that 1 member shall be a representative of the scientific community that is not closely associated with agriculture. The Secretary shall ensure that the membership of the Advisory Board includes full-time farmers and ranchers and represents the interests of the full variety of stakeholders in the agricultural sector.

"(c) Duties.—The Advisory Board shall—

"(1) review and provide consultation to the Secretary and land-grant colleges and universities on long-term and short-term national policies and priorities, as set forth in section 1402, relating to agricultural research, extension, education, and economics;

"(2) evaluate the results and effectiveness of agricultural research, extension, education, and economics with respect to the policies and priorities;

"(3) review and make recommendations to the Under Secretary of Agriculture for Research, Education, and Economics on the research, extension, education, and economics portion of the draft strategic plan required under section 306 of title 5, United States Code; and

"(4) review the mechanisms of the Department of Agriculture for technology assessment (which should be conducted by qualified professionals) for the purposes of—

"(A) performance measurement and evaluation of the implementation by the Secretary of the strategic plan required under section 306 of title 5, United States Code;

"(B) implementation of the national research policies and priorities set forth in section 1402; and

"(C) the development of mechanisms for the assessment of emerging public and private agricultural research and technology transfer initiatives.

"(d) Consultation.—In carrying out this section, the Advisory Board shall solicit opinions and recommendations from persons who will benefit from and use federally funded agricultural research, extension, education, and economics.

"(e) Appointment.—A member of the Advisory Board shall be appointed by the Secretary for a term of up to 3 years. The members of the Advisory Board shall be appointed to serve staggered terms.

"(f) Federal Advisory Committee Act.—The Advisory Board shall be deemed to have filed a charter for the purpose of section 9(c) of the Federal Advisory Committee Act (5 U.S.C. App.).

"(g) Termination.—The Advisory Board shall remain in existence until September 30, 2002.".

(b) Conforming Amendments.—

(1) Section 1404(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(1)) is amended by striking "National Agricultural Research and Extension Users Advisory Board" and inserting "National Agricultural Research, Extension, Education, and Economics Advisory Board".

(2) Section 1410(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125(2)) is amended by striking "the recommendations of the Advisory Board developed under section 1408(g)," and inserting "any recommendations of the Advisory Board".

(3) The last sentence of section 4(a) of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1673(a)) is amended by striking "National Agricultural Research and Extension Users Advisory Board" and inserting "National Agricultural Research, Extension, Education, and Economics Advisory Board".

SEC. 805. AGRICULTURAL SCIENCE AND TECHNOLOGY REVIEW BOARD.

(a) In General.—Section 1408A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a) is repealed.

(b) Conforming Amendments.—

(1) Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) (as amended by section 803(b)(1)(B)) is further amended—

(A) in paragraph (15), by adding "and" at the end;

(B) in paragraph (16), by striking "; and" and inserting a period; and

(C) by striking paragraph (17).

(2) Section 1405(12) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121(12)) is amended by striking ", after coordination with the Technology Board,".

(3) Section 1410(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125(2)) (as amended by section 804(b)(2)) is further amended by striking "and the recommendations of the Technology Board developed under section 1408A(d)".

(4) Section 1412 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127) (as amended by section 803(b)(4)) is further amended—

(A) in the section heading, by striking "**AND TECHNOLOGY BOARD**";

(B) in subsection (a)—

(i) by striking "and the Technology Board" each place it appears; and

(ii) in paragraph (2), by striking "and one shall serve as the executive secretary to the Technology Board"; and

(C) in subsections (b) and (c), by striking "and Technology Board" each place it appears.

(5) Section 1413 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3128) (as amended by section 803(b)(5)) is further amended—

(A) in subsection (a), by striking "or the Technology Board"; and

(B) in subsection (b), by striking "and the Technology Board".

SEC. 806. FEDERAL ADVISORY COMMITTEE ACT EXEMPTION FOR FEDERAL-STATE COOPERATIVE PROGRAMS.

Section 1409A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3124a) is amended by adding at the end the following:

"(e) Applicability of Federal Advisory Committee Act.—

"(1) Public meetings.—All meetings of any entity described in paragraph (2) shall be publicly announced in advance and shall be open to the public. Detailed minutes of meetings and other appropriate records of the activities of such an entity shall be kept and made available to the public on request.

"(2) Exemption.—The Federal Advisory Committee Act (5 U.S.C. App.) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to any committee, board, commission, panel, or task force, or similar entity that—

"(A) is created for the purpose of cooperative efforts in agricultural research, extension, or teaching; and

"(B) consists entirely of full-time Federal employees and individuals who are employed by, or who are officials of, a State cooperative institution or a State cooperative agent.".

SEC. 807. COORDINATION AND PLANNING OF AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION.

Subtitle B of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121 et seq.) is amended by adding at the end the following:

"SEC. 1413A. ACCOUNTABILITY.

"(a) In General.—The Secretary shall develop and carry out a system to monitor and evaluate agricultural research and extension activities conducted or supported by the Federal Government that will enable the Secretary to measure the impact of research, extension, and education programs according to priorities, goals, and mandates established by law.

"(b) CONSISTENCY WITH OTHER REQUIREMENTS.—The system shall be developed and carried out in a manner that is consistent with the Government Performance and Results Act of 1993 (Public Law 103–62; 107 Stat. 285) and amendments made by the Act.

"SEC. 1413B. IMMINENT OR EMERGING THREATS TO FOOD SAFETY AND ANIMAL AND PLANT HEALTH.

"In the case of any activities of an agency of the Department of Agriculture that relate to food safety, animal or plant health, research, education, or technology transfer, the Secretary may transfer up to 5 percent of any amounts made available to the agency for a fiscal year to an agency of the Department of Agriculture reporting to the Under Secretary of Agriculture for Research, Education, and Economics for the purpose of addressing imminent or emerging threats to food safety and animal and plant health.

"SEC. 1413C. FEDERAL ADVISORY COMMITTEE ACT EXEMPTION FOR COMPETITIVE RESEARCH, EXTENSION, AND EDUCATION PROGRAMS.

"The Federal Advisory Committee Act (5 U.S.C. App.) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to any committee, board, commission, panel, or task force, or similar entity, created solely for the purpose of reviewing applications or proposals requesting funding under any competitive research, extension, or education program carried out by the Secretary.".

SEC. 808. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

(a) IN GENERAL.—Section 1417 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152) is amended—

(1) in subsection (b)—

(A) by inserting before "for a period" the following: "or to research foundations maintained by the colleges and universities,"; and

(B) by striking paragraph (4) and inserting the following:

"(4) to design and implement food and agricultural programs to build teaching and research capacity at primarily minority institutions;";

(2) by redesignating subsections (h) and (i) as subsections (i) and (j), respectively;

(3) by inserting after subsection (g) the following:

"(h) SECONDARY EDUCATION AND 2-YEAR POSTSECONDARY EDUCATION TEACHING PROGRAMS.—

"(1) AGRISCIENCE AND AGRIBUSINESS EDUCATION.—The Secretary shall—

"(A) promote and strengthen secondary education and 2-year postsecondary education in agriscience and agribusiness in order to help ensure the existence in the United States of a qualified workforce to serve the food and agricultural sciences system; and

"(B) promote complementary and synergistic linkages among secondary, 2-year postsecondary, and higher education programs in the food and agricultural sciences in order to promote excellence in education and encourage more young Americans to pursue and complete a baccalaureate or higher degree in the food and agricultural sciences.

"(2) GRANTS.—The Secretary may make competitive or noncompetitive grants, for grant periods not to exceed 5 years, to public secondary education institutions, 2-year community colleges, and junior colleges that have made a commitment to teaching agriscience and agribusiness—

"(A) to enhance curricula in agricultural education;

"(B) to increase faculty teaching competencies;

"(C) to interest young people in pursuing a higher education in order to prepare for scientific and professional careers in the food and agricultural sciences;

"(D) to promote the incorporation of agriscience and agribusiness subject matter into other instructional programs, particularly classes in science, business, and consumer education;

"(E) to facilitate joint initiatives among other secondary or 2-year postsecondary institutions and with 4-year colleges and universities to maximize the development and use of resources such as faculty, facilities, and equipment to improve agriscience and agribusiness education; and

"(F) to support other initiatives designed to meet local, State, regional, or national needs related to promoting excellence in agriscience and agribusiness education."; and

(4) in subsection (j) (as so redesignated), by striking "1995" and inserting "2002".

(b) TRANSFER OF FUNCTIONS AND DUTIES PERTAINING TO THE FUTURE FARMERS OF AMERICA.—

(1) IN GENERAL.—There are transferred to the Secretary of Agriculture all the functions and duties of the Secretary of Education under the Act entitled "An Act to incorporate the Future Farmers of America, and for other purposes", approved August 30, 1950 (36 U.S.C. 271 et seq.).

(2) PERSONNEL AND UNEXPENDED BALANCES.—There are transferred to the Department of Agriculture all personnel and balances of unexpended appropriations available for carrying out the duties and functions transferred under paragraph (1).

(3) AMENDMENTS.—The Act entitled "An Act to incorporate the Future Farmers of America, and for other purposes", approved August 30, 1950, is amended—

(A) in section 7(c) (36 U.S.C. 277(c)) by striking "Secretary of Education, the executive secretary shall be a member of the Department of Education" and inserting "Secretary of Agriculture, the executive secretary shall be an officer or employee of the Department of Agriculture";

(B) in section 8(a) (36 U.S.C. 278(a))—

(i) by striking "Secretary of Education" and inserting "Secretary of Agriculture"; and

(ii) by striking "Department of Education" and inserting "Department of Agriculture"; and

(C) in section 18 (36 U.S.C. 288)—

(i) by striking "Secretary of Education" each place it appears and inserting "Secretary of Agriculture"; and

(ii) by striking "Department of Education" each place it appears and inserting "Department of Agriculture".

SEC. 809. GRANTS FOR RESEARCH ON THE PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

Section 1419(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(d)) is amended by striking "1995" and inserting "2002".

SEC. 810. POLICY RESEARCH CENTERS.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (as amended by section 809) is further amended by inserting after section 1418 (7 U.S.C. 3153) the following:

"SEC. 1419. POLICY RESEARCH CENTERS.

"(a) IN GENERAL.—Consistent with this section, the Secretary may make grants, competitive grants, and special research grants to, and enter into cooperative agreements and other contracting instruments with, policy research centers to conduct research and education programs that are objective, operationally independent, and external to the Federal Government and that concern the effect of public policies on—

"(1) the farm and agricultural sectors;

"(2) the environment;

"(3) rural families, households and economies; and

"(4) consumers, food, and nutrition.

"(b) ELIGIBLE RECIPIENTS.—Except to the extent otherwise prohibited by law, State agricultural experiment stations, colleges and universities, other research institutions and organizations, private organizations, corporations, and individuals shall be eligible to apply for and receive funding under subsection (a).

"(c) ACTIVITIES.—Under this section, funding may be provided for disciplinary and interdisciplinary research and education concerning activities consistent with this section, including activities that—

"(1) quantify the implications of public policies and regulations;

"(2) develop theoretical and research methods;

"(3) collect and analyze data for policymakers, analysts, and individuals; and

"(4) develop programs to train analysts.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for fiscal years 1996 through 2002.".

SEC. 811. HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.

Section 1424 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174) is amended to read as follows:

"SEC. 1424. HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.

"(a) AUTHORITY OF SECRETARY.—

"(1) IN GENERAL.—The Secretary may establish, and award grants for projects for, a multi-year research initiative on human nutrition intervention and health promotion.

"(2) EMPHASIS OF INITIATIVE.—In administering human nutrition research projects under this section, the Secretary shall give specific emphasis to—

"(A) coordinated longitudinal research assessments of nutritional status; and

"(B) the implementation of unified, innovative intervention strategies;

to identify and solve problems of nutritional inadequacy and contribute to the maintenance of health, well-being, performance, and productivity of individuals, thereby reducing the need of the individuals to use the health care system and social programs of the United States.

"(b) ADMINISTRATION OF FUNDS.—The Administrator of the Agricultural Research Service shall administer funds made available to carry out this section to ensure a coordinated approach to health and nutrition research efforts.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for fiscal years 1996 through 2002.".

SEC. 812. FOOD AND NUTRITION EDUCATION PROGRAM.

Section 1425(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175(c)(3)) is amended by striking "fiscal year 1995" and inserting "each of fiscal years 1996 through 2002".

SEC. 813. PURPOSES AND FINDINGS RELATING TO ANIMAL HEALTH AND DISEASE RESEARCH.

Section 1429 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3191) is amended to read as follows:

"SEC. 1429. PURPOSES AND FINDINGS RELATING TO ANIMAL HEALTH AND DISEASE RESEARCH.

"(a) PURPOSES.—The purposes of this subtitle are to—

"(1) promote the general welfare through the improved health and productivity of domestic livestock, poultry, aquatic animals, and other income-producing animals that are essential to the food supply of the United States and the welfare of producers and consumers of animal products;

"(2) improve the health of horses;

"(3) facilitate the effective treatment of, and, to the extent possible, prevent animal and poultry diseases in both domesticated and wild animals that, if not controlled, would be disastrous to the United States livestock and poultry industries and endanger the food supply of the United States;

"(4) improve methods for the control of organisms and residues in food products of animal origin that could endanger the human food supply;

"(5) improve the housing and management of animals to improve the well-being of livestock production species;

"(6) minimize livestock and poultry losses due to transportation and handling;

"(7) protect human health through control of animal diseases transmissible to humans;

"(8) improve methods of controlling the births of predators and other animals; and

"(9) otherwise promote the general welfare through expanded programs of research and extension to improve animal health.

"(b) FINDINGS.—Congress finds that—

"(1) the total animal health and disease research and extension efforts of State colleges and universities and of the Federal Government would be more effective if there were close coordination between the efforts; and

"(2) colleges and universities having accredited schools or colleges of veterinary medicine and State agricultural experiment stations that conduct animal health and disease research are especially vital in training research workers in animal health and related disciplines.".

SEC. 814. ANIMAL HEALTH SCIENCE RESEARCH ADVISORY BOARD.

Section 1432 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3194) is repealed.

SEC. 815. ANIMAL HEALTH AND DISEASE CONTINUING RESEARCH.

Section 1433 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195) is amended—

(1) in the first sentence of subsection (a), by striking "1995" and inserting "2002";

(2) in subsection (b)(2)—

(A) by striking "domestic livestock and poultry" each place it appears and inserting "domestic livestock, poultry, and commercial aquaculture species"; and

(B) in the second sentence, by striking "horses, and poultry" and inserting "horses, poultry, and commercial aquaculture species";

(3) in subsection (d), by striking "domestic livestock and poultry" and inserting "domestic livestock, poultry, and commercial aquaculture species"; and

(4) in subsection (f), by striking "domestic livestock and poultry" and inserting "domestic livestock, poultry, and commercial aquaculture species".

SEC. 816. ANIMAL HEALTH AND DISEASE NATIONAL OR REGIONAL RESEARCH.

Section 1434 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196) is amended—

(1) in subsection (a)—

(A) by inserting "or national or regional problems relating to pre-harvest, on-farm food safety, or animal well-being," after "problems,"; and

(B) by striking "1995" and inserting "2002";

(2) in subsection (b), by striking "eligible institutions" and inserting "State agricultural experiment stations, colleges and universities, other research institutions and organizations, Federal agencies, private organizations or corporations, and individuals";

(3) in subsection (c)—

(A) in the first sentence, by inserting ", food safety, and animal well-being" after "animal health and disease"; and

(B) in the fourth sentence—

(i) by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively; and

(ii) by inserting after paragraph (1) the following:

"(2) any food safety problem that has a significant pre-harvest (on-farm) component and is recognized as posing a significant health hazard to the consuming public;

"(3) issues of animal well-being related to production methods that will improve the housing and management of animals to improve the well-being of livestock production species;";

(4) in the first sentence of subsection (d), by striking "to eligible institutions"; and

(5) by adding at the end the following:

"(f) APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to a panel or board created solely for the purpose of reviewing applications or proposals submitted under this subtitle.".

SEC. 817. RESIDENT INSTRUCTION PROGRAM AT 1890 LAND-GRANT COLLEGES.

Section 1446 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222a) is repealed.

SEC. 818. GRANT PROGRAM TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES.

Section 1447(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b(b)) is amended by striking "$8,000,000 for each of the fiscal years 1991 through 1995" and inserting "$15,000,000 for each of fiscal years 1996 through 2002".

SEC. 819. NATIONAL RESEARCH AND TRAINING CENTENNIAL CENTERS AUTHORIZATION.

Section 1448 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c) is amended—

(1) in subsection (a)(1), by inserting ", or fiscal years 1996 through 2002," after "1995"; and

(2) in subsection (f), by striking "1995" and inserting "2002".

SEC. 820. GRANTS TO STATES FOR INTERNATIONAL TRADE DEVELOPMENT CENTERS.

Section 1458A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292) is repealed.

SEC. 821. AGRICULTURAL RESEARCH PROGRAMS.

Section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311) is amended by striking "1995" each place it appears and inserting "2002".

SEC. 822. EXTENSION EDUCATION.

Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking "fiscal year 1995" and inserting "each of fiscal years 1995 through 2002".

SEC. 823. SUPPLEMENTAL AND ALTERNATIVE CROPS RESEARCH.

Section 1473D of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d) is amended—

(1) in subsection (a)—

(A) by striking "1995" and inserting "2002"; and

(B) by striking "and pilot";

(2) in subsection (c)—

(A) in paragraph (2)—

(i) in subparagraph (B), by striking "at pilot sites" through "the area"; and

(ii) in subparagraph (D)—

(I) by striking "near such pilot sites"; and

(II) by striking "successful pilot program" and inserting "successful program";

(B) in paragraph (3)—

(i) by striking "pilot";

(ii) in subparagraph (C), by striking "and" at the end;

(iii) in subparagraph (D), by striking the period at the end and inserting a semicolon; and

(iv) by adding at the end the following:

"(E) to conduct fundamental and applied research related to the development of new commercial products derived from natural plant material for industrial, medical, and agricultural applications; and

"(F) to participate with colleges and universities, other Federal agencies, and private sector entities in conducting research described in subparagraph (E)."

SEC. 824. AQUACULTURE ASSISTANCE PROGRAMS.

(a) REPORTS.—Section 1475 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3322) is amended—

(1) by striking subsection (e); and

(2) by redesignating subsections (f) and (g) as subsections (e) and (f), respectively.

(b) AQUACULTURE RESEARCH FACILITIES.—Section 1476(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3323(b)) is amended by striking "1995" and inserting "2002".

(c) RESEARCH AND EXTENSION.—Section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended by striking "1995" and inserting "2002".

SEC. 825. RANGELAND RESEARCH.

(a) REPORTS.—Section 1481 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3334) is repealed.

(b) ADVISORY BOARD.—Section 1482 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3335) is repealed.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 1483(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3336(a)) is amended by striking "1995" and inserting "2002".

SEC. 826. TECHNICAL AMENDMENTS.

The table of contents of the Food and Agriculture Act of 1977 (Public Law 95–113; 91 Stat. 913) is amended—

(1) by striking the item relating to section 1402 and inserting the following:

"Sec. 1402. Purposes of agricultural research, extension, and education.";

(2) by striking the items relating to sections 1406, 1407, 1408A, 1432, 1446, 1458A, 1481, and 1482;

(3) by striking the item relating to section 1408 and inserting the following:

"Sec. 1408. National Agricultural Research, Extension, Education, and Economics Advisory Board.";

(4) by striking the item relating to section 1412 and inserting the following:

"Sec. 1412. Support for the Advisory Board.";

(5) by adding at the end of the items relating to subtitle B of title XIV the following:

"Sec. 1413A. Accountability.

"Sec. 1413B. Imminent or emerging threats to food safety and animal and plant health.

"Sec. 1413C. Federal Advisory Committee Act exemption for competitive research, extension, and education programs.";

(6) by striking the item relating to section 1419 and inserting the following:

"Sec. 1419. Policy research centers.";

(7) by striking the item relating to section 1424 and inserting the following:

"Sec. 1424. Human nutrition intervention and health promotion research program.";

and

(8) by striking the item relating to section 1429 and inserting the following:

"Sec. 1429. Purposes and findings relating to animal health and disease research.".

Subtitle B—Amendments to Food, Agriculture, Conservation, and Trade Act of 1990

SEC. 831. WATER QUALITY RESEARCH, EDUCATION, AND COORDINATION.

(a) IN GENERAL.—Subtitle G of title XIV of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5501 et seq.) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 1627(a)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5821(a)(3)) is amended by striking ", subtitle G of title XIV,".

(2) Section 1628 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5831) is amended by striking ", subtitle G of title XIV," each place it appears in subsections (a) and (d).

(3) Section 1629 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5832) is amended by striking ", subtitle G of title XIV," each place it appears in subsections (f) and (g)(11).

SEC. 832. EDUCATION PROGRAM REGARDING HANDLING OF AGRICULTURAL CHEMICALS AND AGRICULTURAL CHEMICAL CONTAINERS.

(a) IN GENERAL.—Section 1499A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125c) is repealed.

(b) CONFORMING AMENDMENT.—Section 1499(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5506(b)) is amended by striking "and section 1499A".

SEC. 833. PROGRAM ADMINISTRATION.

(a) IN GENERAL.—Section 1622 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5812) is amended—

(1) by striking subsections (b), (c), and (d); and

(2) by redesignating subsection (e) as subsection (b).

(b) CONFORMING AMENDMENTS.—

(1) Section 1619(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5801(b)) is amended—

(A) by striking paragraph (7); and

(B) by redesignating paragraphs (8), (9), and (10) as paragraphs (7), (8), and (9), respectively.

(2) Section 1621(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5811(c)) is amended—

(A) in paragraph (1)—

(i) by striking subparagraph (A); and

(ii) by redesignating subparagraphs (B) through (E) as subparagraphs (A) through (D), respectively; and

(B) in paragraph (2)—

(i) by striking subparagraph (A); and

(ii) by redesignating subparagraphs (B) through (F) as subparagraphs (A) through (E), respectively.

(3) Section 1622 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5812) (as amended by subsection (a)) is further amended—

(A) in subsection (a)—

(i) by striking paragraph (2);

(ii) in paragraph (3), by striking "subsection (e)" and inserting "subsection (b)"; and

(iii) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(B) in subsection (b)(2)—

(i) by striking subparagraph (A); and

(ii) by redesignating subparagraphs (B) through (F) as subparagraphs (A) through (E), respectively.

(4) Section 1628(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5831(b)) is amended by striking "Advisory Council, the Soil Conservation Service," and inserting "Natural Resources Conservation Service".

SEC. 834. NATIONAL GENETICS RESOURCES PROGRAM.

(a) FUNCTIONS.—Section 1632(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5841(d)) is amended by striking paragraph (4) and inserting the following:

"(4) unless otherwise prohibited by law, have the right to make available on request, without charge and without regard to the country from which the request originates, the genetic material that the program assembles;".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 1635(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amended by striking "1995" and inserting "2002".

SEC. 835. NATIONAL AGRICULTURAL WEATHER INFORMATION SYSTEM.

Section 1641(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5855(c)) is amended by striking "1995" and inserting "2002".

SEC. 836. RESEARCH REGARDING PRODUCTION, PREPARATION, PROCESSING, HANDLING, AND STORAGE OF AGRICULTURAL PRODUCTS.

Subtitle E of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5871 et seq.) is repealed.

SEC. 837. PLANT AND ANIMAL PEST AND DISEASE CONTROL PROGRAM.

(a) IN GENERAL.—Subtitle F of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5881) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 28(b)(2)(A) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136w–3(b)(2)(A)) is amended by striking "and the information required by section 1651 of the Food, Agriculture, Conservation, and Trade Act of 1990".

(2) Section 1627(a)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5821(a)(3)) is amended by striking "and section 1650".

(3) Section 1628 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5831) is amended by striking "section 1650," each place it appears in subsections (a) and (d).

(4) Section 1629 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5832) is amended by striking "section 1650," each place it appears in subsections (f) and (g)(11).

SEC. 838. LIVESTOCK PRODUCT SAFETY AND INSPECTION PROGRAM.

Section 1670(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5923(e)) is amended by striking "1995" and inserting "2002".

SEC. 839. PLANT GENOME MAPPING PROGRAM.

Section 1671 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5924) is repealed.

SEC. 840. SPECIALIZED RESEARCH PROGRAMS.

Section 1672 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is repealed.

SEC. 841. AGRICULTURAL TELECOMMUNICATIONS PROGRAM.

Section 1673(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amended by striking "1995" and inserting "2002".

SEC. 842. NATIONAL CENTERS FOR AGRICULTURAL PRODUCT QUALITY RESEARCH.

Section 1675(g)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5928(g)(1)) is amended by striking "1995" and inserting "2002".

SEC. 843. TURKEY RESEARCH CENTER AUTHORIZATION.

Section 1676 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5929) is repealed.

SEC. 844. SPECIAL GRANT TO STUDY CONSTRAINTS ON AGRICULTURAL TRADE.

Section 1678 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5931) is repealed.

SEC. 845. PILOT PROJECT TO COORDINATE FOOD AND NUTRITION EDUCATION PROGRAMS.

Section 1679 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5932) is repealed.

SEC. 846. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.

Section 1680 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933) is amended—

(1) in subsection (a)(6)(B), by striking "1996" and inserting "2002"; and

(2) in subsection (b)(2), by striking "1996" and inserting "2002".

SEC. 847. DEMONSTRATION PROJECTS.

Section 2348 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2662a) is repealed.

SEC. 848. NATIONAL RURAL INFORMATION CENTER CLEARINGHOUSE.

Section 2381(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is amended by striking "1995" and inserting "2002".

SEC. 849. GLOBAL CLIMATE CHANGE.

(a) TECHNICAL ADVISORY COMMITTEE.—Section 2404 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6703) is repealed.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 2412 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6710) is amended by striking "1996" and inserting "2002".

SEC. 850. TECHNICAL AMENDMENTS.

The table of contents of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 3359) is amended by striking the items relating to subtitle G of title XIV, section 1499A, subtitles E and F of title XVI, and sections 1671, 1672, 1676, 1678, 1679, 2348, and 2404.

Subtitle C—Miscellaneous Research Provisions

SEC. 861. CRITICAL AGRICULTURAL MATERIALS RESEARCH.

(a) IN GENERAL.—Section 4 of the Critical Agricultural Materials Act (7 U.S.C. 178b) is amended—

(1) by striking subsection (g); and

(2) by redesignating subsection (h) as subsection (g).

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 16(a) of the Critical Agricultural Materials Act (7 U.S.C. 178n(a)) is amended by striking "1995" and inserting "2002".

SEC. 862. 1994 INSTITUTIONS.

(a) LAND-GRANT STATUS.—The first sentence of section 533(b) of the Equity in Educational Land-Grant Status Act of 1994 (Public Law 103-382; 7 U.S.C. 301 note) is amended by striking "2000" and inserting "2002".

(b) INSTITUTIONAL CAPACITY BUILDING GRANTS.—Section 535 of the Equity in Educational Land-Grant Status Act of 1994 (Public Law 103-382; 7 U.S.C. 301 note) is amended by striking "2000" each place it appears in subsections (b)(1) and (c) and inserting "2002".

SEC. 863. SMITH-LEVER ACT FUNDING FOR 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY AND THE DISTRICT OF COLUMBIA.

(a) ELIGIBILITY FOR FUNDS.—Section 3(d) of the Act of May 8, 1914 (commonly known as the "Smith-Lever Act") (38 Stat. 373, chapter 79; 7 U.S.C. 343(d)), is amended by adding at the end the following: "A college or university eligible to receive funds under the Act of August 30, 1890 (26 Stat. 417, chapter 841; 7 U.S.C. 321 et seq.), including Tuskegee University, or section 208 of the District of Columbia Public Postsecondary Education Reorganization Act (Public Law 93-471; 88 Stat. 1428) may apply for and receive directly from the Secretary of Agriculture—

"(1) amounts made available under this subsection after September 30, 1995, to carry out programs or initiatives for which no funds were made available under this subsection for fiscal year 1995, or any previous fiscal year, as determined by the Secretary; and

"(2) amounts made available after September 30, 1995, to carry out programs or initiatives funded under this subsection prior to that date that are in excess of the highest amount made available for the programs or initiatives under this subsection for fiscal year 1995, or any previous fiscal year, as determined by the Secretary.".

(b) CONFORMING AMENDMENTS.—

(1) The third sentence of section 1444(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221(a)) is amended by inserting before the period at the end the following: ", except that for the purpose of this calculation, the total appropriations shall not include amounts made available after September 30, 1995, under section 3(d) of the Act of May 8, 1914 (commonly known as the 'Smith-Lever Act') (38 Stat. 373, chapter 79; 7 U.S.C. 343(d)), to carry out programs or initiatives for which no funds were made available under section 3(d) of the Act for fiscal year 1995, or any previous fiscal year, as determined by the Secretary, and shall not include amounts made available after September 30, 1995, to carry out programs or initiatives funded under section 3(d) of the Act prior to that date that are in excess of the highest amount made available for the programs or initiatives for fiscal year 1995, or any previous fiscal year, as determined by the Secretary.".

(2) Section 208(c) of the District of Columbia Public Postsecondary Education Reorganization Act (Public Law 93-471; 88 Stat. 1428) is amended by adding at the end the following: "Funds appropriated under this subsection shall be in addition to any amounts provided to the District of Columbia from—

"(1) amounts made available after September 30, 1995, under section 3(d) of the Act to carry out programs or initiatives for which no funds were made available under section 3(d) of the Act for fiscal year 1995, or any previous fiscal year, as determined by the Secretary of Agriculture; and

"(2) amounts made available after September 30, 1995, to carry out programs or initiatives funded under section 3(d) of the Act prior to the date that are in excess of the highest amount made available for the programs or initiatives for fiscal year 1995, or any previous fiscal year, as determined by the Secretary of Agriculture.".

SEC. 864. COMMITTEE OF NINE.

Section 3(c)(3) of the Act of March 2, 1887 (Chapter 314; 7 U.S.C. 361c(c)(3)) is amended by striking from ", and shall be used" through the end of the paragraph and inserting a period.

SEC. 865. AGRICULTURAL RESEARCH FACILITIES.

(a) IN GENERAL.—

(1) RESEARCH FACILITIES.—The Research Facilities Act (7 U.S.C. 390 et seq.) is amended to read as follows:

"SECTION 1. SHORT TITLE.

"This Act may be cited as the 'Research Facilities Act'.

"SEC. 2. DEFINITIONS.

"In this Act:

"(1) AGRICULTURAL RESEARCH FACILITY.—The term 'agricultural research facility' means a proposed facility for research in food and agricultural sciences for which Federal funds are requested by a college, university, or nonprofit institution to assist in the construction, alteration, acquisition, modernization, renovation, or remodeling of the facility.

"(2) FOOD AND AGRICULTURAL SCIENCES.—The term 'food and agricultural sciences' means—

"(A) agriculture, including soil and water conservation and use, the use of organic materials to improve soil tilth and fertility, plant and animal production and protection, and plant and animal health;

"(B) the processing, distributing, marketing, and utilization of food and agricultural products;

"(C) forestry, including range management, production of forest and range products. multiple use of forest and rangelands, and urban forestry;

"(D) aquaculture (as defined in section 1404(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(3));

"(E) human nutrition;

"(F) production inputs, such as energy, to improve productivity; and

"(G) germ plasm collection and preservation.

"(3) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"SEC. 3. REVIEW PROCESS.

"(a) SUBMISSION TO SECRETARY.—Each proposal for an agricultural research facility shall be submitted to the Secretary for review. The Secretary shall review the proposals in the order in which the proposals are received.

"(b) APPLICATION PROCESS.—In consultation with the Committee on Appropriations of the Senate and Committee on Appropriations of the House of Representatives, the Secretary shall establish an application process for the submission of proposals for agricultural research facilities.

"(c) CRITERIA FOR APPROVAL.—

"(1) DETERMINATION BY SECRETARY.—With respect to each proposal for an agricultural research facility submitted under subsection (a), the Secretary shall determine whether the proposal meets the criteria set forth in paragraph (2).

"(2) CRITERIA.—A proposal for an agricultural research facility shall meet the following criteria:

"(A) NON-FEDERAL SHARE.—The proposal shall certify the availability of at least a 50 percent non-Federal share of the cost of the facility. The non-Federal share shall be paid in cash and may include funding from private sources or from units of State or local government.

"(B) NONDUPLICATION OF FACILITIES.—The proposal shall demonstrate how the agricultural research facility would be complementary to, and not duplicative of, facilities of colleges, universities, and nonprofit institutions, and facilities of the Agricultural Research Service, within the State and region.

"(C) NATIONAL RESEARCH PRIORITIES.—The proposal shall demonstrate how the agricultural research facility would serve—

"(i) 1 or more of the national research policies and priorities set forth in section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101); and

"(ii) regional needs.

"(D) LONG-TERM SUPPORT.—The proposal shall demonstrate that the recipient college, university, or nonprofit institution has the ability and commitment to support the long-term, ongoing operating costs of—

"(i) the agricultural research facility after the facility is completed; and

"(ii) each program to be based at the facility.

"(E) STRATEGIC PLAN.—After the development of the strategic plan required by section 4, the proposal shall demonstrate how the agricultural research facility reflects the strategic plan for Federal research facilities.

"(d) EVALUATION OF PROPOSALS.—Not later than 90 days after receiving a proposal under subsection (a), the Secretary shall—

"(1) evaluate and assess the merits of the proposal, including the extent to which the proposal meets the criteria set forth in subsection (c); and

"(2) report to the Committee on Appropriations of the Senate and Committee on Appropriations of the House of Representatives on the results of the evaluation and assessment.

"SEC. 4. STRATEGIC PLAN FOR FEDERAL RESEARCH FACILITIES.

"(a) IN GENERAL.—Not later than September 30, 1997, the Secretary shall develop a comprehensive plan for the development, construction, modernization, consolidation, and closure of federally supported agricultural research facilities.

"(b) FACTORS.—In developing the plan, the Secretary shall consider—

"(1) the need to increase agricultural productivity and to enhance the competitiveness of the United States agriculture and food industry as set forth in section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101); and

"(2) the findings of the National Academy of Sciences with respect to programmatic and scientific priorities relating to agriculture.

"(c) IMPLEMENTATION.—The plan shall be developed for implementation over the 10-fiscal year period beginning with fiscal year 1998.

"SEC. 5. APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.

"The Federal Advisory Committee Act (5 U.S.C. App) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et. seq) shall not apply to a panel or board created solely for the purpose of reviewing applications or proposals submitted under this Act.

"SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—Subject to subsection (b), there are authorized to be appropriated such sums as are necessary for fiscal years 1996 through 2002 for the study, plan, design, structure, and related costs of agricultural research facilities under this Act.

"(b) ALLOWABLE ADMINISTRATIVE COSTS.—Not more than 3 percent of the funds made available for any project for an agricultural research facility shall be available for administration of the project.".

(2) APPLICATION.—

(A) CURRENT PROJECTS.—The amendment made by paragraph (1), other than section 4 of the Research Facilities Act (as amended by paragraph (1)), shall not apply to any project for an agricultural research facility for which funds have been made available for a feasibility study or for any phase of the project prior to October 1, 1995.

(B) STRATEGIC PLAN.—The strategic plan required by section 4 of the Act shall apply to all federally supported agricultural research facilities, including projects funded prior to the effective date of this title.

(b) AUTHORIZATION OF APPROPRIATIONS FOR FEDERAL FACILITIES.—Section 1431 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1556) is amended—

(1) in subsection (a)—

(A) by striking "(a)"; and

(B) by striking "1995" and inserting "2002"; and

(2) by striking subsection (b).

(c) CONFORMING AMENDMENT.—Section 1463(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(a)) is amended by striking "1416,".

SEC. 866. NATIONAL COMPETITIVE RESEARCH INITIATIVE.

Subsection (b)(10) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(10)) is amended—

(1) by striking "OF APPROPRIATIONS.—There" and inserting the following: "AND AVAILABILITY OF APPROPRIATIONS.—

"(A) IN GENERAL.—There";

(2) by striking "fiscal year 1995" and inserting "each of fiscal years 1995 through 2002";

(3) by striking "(A) not" and inserting the following:

"(i) not";

(4) by striking "(B) not" and inserting the following:

"(ii) not";

(5) in clause (ii) (as so designated), by striking "20 percent" and inserting "40 percent";

(6) by striking "(C) not" and inserting the following:

"(iii) not";

(7) by striking "(D) not" and inserting the following:

"(iv) not";

(8) by striking "(E) not" and inserting the following:

"(v) not"; and

(9) by adding at the end the following:

"(B) AVAILABILITY.—Funds made available under subparagraph (A) shall be available for obligation for a period of 2 years from the beginning of the fiscal year for which the funds are made available.".

SEC. 867. COTTON CROP REPORTS.

The Act of May 3, 1924 (43 Stat. 115, chapter 149; 7 U.S.C. 475), is repealed.

SEC. 868. RURAL DEVELOPMENT RESEARCH AND EDUCATION.

Section 502 of the Rural Development Act of 1972 (7 U.S.C. 2662) is amended—

(1) in subsection (a), by inserting after the first sentence the following: "The rural development extension programs shall also promote coordinated and integrated rural community initiatives that advance and empower capacity building through leadership development, entrepreneurship, business development and management training and strategic planning to increase jobs, income, and quality of life in rural communities.";

(2) by striking subsections (g) and (j); and

(3) by redesignating subsections (h) and (i) as subsections (g) and (h) respectively.

SEC. 869. HUMAN NUTRITION RESEARCH.

Section 1452 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 7 U.S.C. 3173 note) is repealed.

SEC. 870. DAIRY GOAT RESEARCH PROGRAM.

Section 1432 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1981 (Public Law 97–98; 7 U.S.C. 3222 note) is amended—

(1) in subsection (a), by striking "(a)"; and

(2) by striking subsection (b).

SEC. 871. GRANTS TO UPGRADE 1890 LAND-GRANT COLLEGE EXTENSION FACILITIES.

(a) IN GENERAL.—Section 1416 of the Food Security Act of 1985 (7 U.S.C. 3224) is repealed.

(b) TECHNICAL AMENDMENT.—The table of contents of the Food Security Act of 1985 (Public Law 99–198; 99 Stat. 1354) is amended by striking the item relating to section 1416.

SEC. 872. STUTTGART NATIONAL AQUACULTURE RESEARCH CENTER.

(a) TRANSFER OF FUNCTIONS TO THE SECRETARY OF AGRICULTURE.—

(1) TITLE OF PUBLIC LAW 85–342.—The title of Public Law 85–342 (16 U.S.C. 778 et seq.) is amended by striking "Secretary of the Interior" and inserting "Secretary of Agriculture".

(2) AUTHORIZATION.—The first section of Public Law 85–342 (16 U.S.C. 778) is amended—

(A) by striking "Secretary of the Interior" and all that follows through "directed to" and inserting "Secretary of Agriculture shall";

(B) by striking "station and stations" and inserting "1 or more centers"; and

(C) in paragraph (5), by striking "Department of Agriculture" and inserting "Secretary of the Interior".

(3) AUTHORITY.—Section 2 of Public Law 85–342 (16 U.S.C. 778a) is amended by striking ", the Secretary" and all that follows through "authorized" and inserting ", the Secretary of Agriculture is authorized".

(4) ASSISTANCE.—Section 3 of Public Law 85–342 (16 U.S.C. 778b) is amended—

(A) by striking "Secretary of the Interior" and inserting "Secretary of Agriculture"; and

(B) by striking "Department of Agriculture" and inserting "Secretary of the Interior".

(b) TRANSFER OF FISH FARMING EXPERIMENTAL LABORATORY TO DEPARTMENT OF AGRICULTURE.—

(1) DESIGNATION OF STUTTGART NATIONAL AQUACULTURE RESEARCH CENTER.—

(A) IN GENERAL.—The Fish Farming Experimental Laboratory in Stuttgart, Arkansas (including the facilities in Kelso, Arkansas), shall be known and designated as the "Stuttgart National Aquaculture Research Center".

(B) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the laboratory referred to in subparagraph (A) shall be deemed to be a reference to the "Stuttgart National Aquaculture Research Center".

(2) TRANSFER OF LABORATORY TO THE DEPARTMENT OF AGRICULTURE.—Subject to section 1531 of title 31, United States Code, not later than 90 days after the effective date of this title, there are transferred to the Department of Agriculture—

(A) the personnel employed in connection with the laboratory referred to in paragraph (1);

(B) the assets, liabilities, contracts, and real and personal property of the laboratory;

(C) the records of the laboratory; and

(D) the unexpended balance of appropriations, authorizations, allocations and other funds employed, held, arising from, available to, or to be made available in connection with the laboratory.

(3) NONDUPLICATION.—The research center referred to in paragraph (1)(A) shall be complementary to, and not duplicative of, facilities of colleges, universities, and nonprofit institutions, and facilities of the Agricultural Research Service, within the State and region, as determined by the Administrator of the Service.

SEC. 873. NATIONAL AQUACULTURE POLICY, PLANNING, AND DEVELOPMENT.

(a) DEFINITIONS.—Section 3 of the National Aquaculture Act of 1980 (16 U.S.C. 2802) is amended—

(1) in paragraph (1), by striking "the propagation" and all that follows through the period at the end and inserting the following: "the commercially controlled cultivation of aquatic plants, animals, and microorganisms, but does not include private for-profit ocean ranching of Pacific salmon in a State in which the ranching is prohibited by law.";

(2) in paragraph (3), by striking "or aquatic plant" and inserting "aquatic plant, or microorganism";

(3) by redesignating paragraphs (7) through (9) as paragraphs (8) through (10), respectively; and

(4) by inserting after paragraph (6) the following:

"(7) The term 'private aquaculture' means the commercially controlled cultivation of aquatic plants, animals, and microorganisms other than cultivation carried out by the Federal Government, any State or local government, or an Indian tribe recognized by the Bureau of Indian Affairs.".

(b) NATIONAL AQUACULTURE DEVELOPMENT PLAN.—Section 4 of the National Aquaculture Act of 1980 (16 U.S.C. 2803) is amended—

(1) in subsection (c)—

(A) in subparagraph (A), by adding "and" at the end;

(B) in subparagraph (B), by striking "; and" and inserting a period; and

(C) by striking subparagraph (C);

(2) in the second sentence of subsection (d), by striking "Secretaries determine that" and inserting "Secretary, in consultation with the Secretary of Commerce, the Secretary of the Interior, and the heads of such other agencies as the Secretary determines are appropriate, determines that"; and

(3) in subsection (e), by striking "Secretaries" and inserting "Secretary, in consultation with the Secretary of Commerce, the Secretary of the Interior, and the heads of such other agencies as the Secretary determines are appropriate,".

(c) FUNCTIONS AND POWERS OF SECRETARIES.—Section 5(b)(3) of the National Aquaculture Act of 1980 (16 U.S.C. 2804(b)(3)) is amended by striking "Secretaries deem" and inserting "Secretary, in consultation with the Secretary of Commerce, the Secretary of the Interior, and the heads of such other agencies as the Secretary determines are appropriate, consider".

(d) COORDINATION OF NATIONAL ACTIVITIES REGARDING AQUACULTURE.—The first sentence of section 6(a) of the National Aquaculture Act of 1980 (16 U.S.C. 2805(a)) is amended by striking "(f)" and inserting "(e)".

(e) NATIONAL POLICY FOR PRIVATE AQUACULTURE.—The National Aquaculture Act of 1980 (16 U.S.C. 2801 et seq.) is amended—

(1) by redesignating sections 7, 8, 9, 10, and 11 as sections 8, 9, 10, 11, and 12, respectively; and

(2) by inserting after section 6 (16 U.S.C. 2805) the following:

"SEC. 7. NATIONAL POLICY FOR PRIVATE AQUACULTURE.

"(a) IN GENERAL.—In consultation with the Secretary of Commerce and the Secretary of the Interior, the Secretary shall coordinate and implement a national policy for private aquaculture in accordance with this section. In developing the policy, the Secretary may consult with other agencies and organizations.

"(b) DEPARTMENT OF AGRICULTURE AQUACULTURE PLAN.—

"(1) IN GENERAL.—The Secretary shall develop and implement a Department of Agriculture Aquaculture Plan (referred to in this section as the 'Department plan') for a unified aquaculture program of the Department of Agriculture (referred to in this section as the 'Department') to support the development of private aquaculture.

"(2) ELEMENTS OF DEPARTMENT PLAN.—The Department plan shall address—

"(A) programs of individual agencies of the Department related to aquaculture that are consistent with Department programs related to other areas of agriculture, including livestock, crops, products, and commodities under the jurisdiction of agencies of the Department;

"(B) the treatment of cultivated aquatic animals as livestock and cultivated aquatic plants as agricultural crops; and

"(C) means for effective coordination and implementation of aquaculture activities and programs within the Department, including individual agency commitments of personnel and resources.

"(c) NATIONAL AQUACULTURE INFORMATION CENTER.—In carrying out section 5, the Secretary may maintain and support a National Aquaculture Information Center at the National Agricultural Library as a repository for information on national and international aquaculture.

"(d) TREATMENT OF AQUACULTURE.—The Secretary shall treat—

"(1) private aquaculture as agriculture; and

"(2) commercially cultivated aquatic animals, plants, and microorganisms, and products of the animals, plants, and microorganisms, produced by private persons and transported or moved in standard commodity channels as agricultural livestock, crops, and commodities.

"(e) PRIVATE AQUACULTURE POLICY COORDINATION, DEVELOPMENT, AND IMPLEMENTATION.—

"(1) RESPONSIBILITY.—The Secretary shall have responsibility for coordinating, developing, and carrying out policies and programs for private aquaculture.

"(2) DUTIES.—The Secretary shall—

"(A) coordinate all intradepartmental functions and activities relating to private aquaculture; and

"(B) establish procedures for the coordination of functions, and consultation with, the coordinating group.

"(f) LIAISON WITH DEPARTMENTS OF COMMERCE AND THE INTERIOR.—The Secretary of Commerce and the Secretary of the Interior shall each designate an officer or employee of the Department of the Secretary to be the liaison of the Department to the Secretary of Agriculture.".

(f) AUTHORIZATION OF APPROPRIATIONS.—Section 11 of the National Aquaculture Act of 1980 (as redesignated by subsection (e)(1)) is amended by striking "the fiscal years 1991, 1992, and 1993" each place it appears and inserting "fiscal years 1991 through 2002".

SEC. 874. EXPANSION OF AUTHORITIES RELATED TO THE NATIONAL ARBORETUM.

(a) SOLICITATION OF GIFTS, BENEFITS, AND DEVISES.—The first sentence of section 5 of the Act of March 4, 1927 (89 Stat. 683; 20 U.S.C. 195), is amended by inserting "solicit," after "authorized to".

(b) CONCESSIONS, FEES, AND VOLUNTARY SERVICES.—The Act of March 4, 1927 (44 Stat. 1422, chapter 505; 20 U.S.C. 191 et seq.), is amended by adding at the end the following:

"SEC. 6. CONCESSIONS, FEES, AND VOLUNTARY SERVICES.

"(a) IN GENERAL.—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) and section 321 of the Act of June 30, 1932 (47 Stat. 412, chapter 314; 40 U.S.C. 303b), the Secretary of Agriculture, in furtherance of the mission of the National Arboretum, may—

"(1) negotiate agreements granting concessions at the National Arboretum to nonprofit scientific or educational organizations the interests of which are complementary to the mission of the National Arboretum, except that the net proceeds of the organizations from the concessions shall be used exclusively for research and educational work for the benefit of the National Arboretum;

"(2) provide by concession, on such terms as the Secretary of Agriculture considers appropriate and necessary, for commercial services for food, drink, and nursery sales, if an agreement for a permanent concession under this paragraph is negotiated with a qualified person submitting a proposal after due consideration of all proposals received after the Secretary of Agriculture provides reasonable public notice of the intent of the Secretary to enter into such an agreement;

"(3) dispose of excess property, including excess plants and fish, in a manner designed to maximize revenue from any sale of the property, including by way of public auction, except that this paragraph shall not apply to the free dissemination of new varieties of seeds and germ plasm in accordance with section 520 of the Revised Statutes (commonly known as the 'Department of Agriculture Organic Act of 1862') (7 U.S.C. 2201);

"(4) charge such fees as the Secretary of Agriculture considers reasonable for temporary use by individuals or groups of National Arboretum facilities and grounds for any purpose consistent with the mission of the National Arboretum;

"(5) charge such fees as the Secretary of Agriculture considers reasonable for the use of the National Arboretum for commercial photography or cinematography;

"(6) publish, in print and electronically and without regard to laws relating to printing by the Federal Government, informational brochures, books, and other publications concerning the National Arboretum or the collections of the Arboretum; and

"(7) license use of the National Arboretum name and logo for public service or commercial uses.

"(b) USE OF FUNDS.—Any funds received or collected by the Secretary of Agriculture as a result of activities described in subsection (a) shall be retained in a special fund in the Treasury for the use and benefit of the National Arboretum as the Secretary of Agriculture considers appropriate.

"(c) ACCEPTANCE OF VOLUNTARY SERVICES.—The Secretary of Agriculture may accept the voluntary services of organizations described in subsection (a)(1), and the voluntary services of individuals (including employees of the National Arboretum), for the benefit of the National Arboretum.".

SEC. 875. STUDY OF AGRICULTURAL RESEARCH SERVICE.

(a) STUDY.—The Secretary of Agriculture shall request the National Academy of Sciences to conduct a study of the role and mission of the Agricultural Research Service. The study shall—

(1) evaluate the strength of science of the Service and the relevance of the science to national priorities;

(2) examine how the work of the Service relates to the capacity of the United States agricultural research, education, and extension system overall; and

(3) include recommendations, as appropriate.

(b) REPORT.—Not later than 18 months after the effective date of this title, the Secretary shall prepare a report that describes the results of the study conducted under subsection (a) and submit the report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(c) FUNDING.—The Secretary shall use to carry out this section not more than $500,000 of funds made available to the Agricultural Research Service for research.

SEC. 876. LABELING OF DOMESTIC AND IMPORTED LAMB AND MUTTON.

Section 7 of the Federal Meat Inspection Act (21 U.S.C. 607) is amended by adding at the end the following:

"(f) LAMB AND MUTTON.—

"(1) STANDARDS.—The Secretary, consistent with United States international obligations, shall establish standards for the labeling of sheep carcasses, parts of carcasses, meat, and meat food products as 'lamb' or 'mutton'.

"(2) METHOD.—The standards under paragraph (1) shall be based on the use of the break or spool joint method to differentiate lamb from mutton by the degree of calcification of bone to reflect maturity.".

SEC. 877. SENSE OF SENATE.

It is the sense of the Senate that the Department of Agriculture should continue to make methyl bromide alternative research and extension activities a high priority of the Department: *Provided*, That it is the sense of the Senate that the Department of Agriculture, the Environmental Protection Agency, producer and processor organizations, environmental organizations, and State agencies continue their dialogue on the risks and benefits of extending the 2001 phaseout deadline.

TITLE IX—AGRICULTURAL PROMOTION

Subtitle A—Popcorn

SEC. 901. SHORT TITLE.

This subtitle may be cited as the "Popcorn Promotion, Research, and Consumer Information Act".

SEC. 902. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress finds that—

(1) popcorn is an important food that is a valuable part of the human diet;

(2) the production and processing of popcorn plays a significant role in the economy of the United States in that popcorn is processed by several popcorn processors, distributed through wholesale and retail outlets, and consumed by millions of people throughout the United States and foreign countries;

(3) popcorn must be of high quality, readily available, handled properly, and marketed efficiently to ensure that the benefits of popcorn are available to the people of the United States;

(4) the maintenance and expansion of existing markets and uses and the development of new markets and uses for popcorn are vital to the welfare of processors and persons concerned with marketing, using, and producing popcorn for the market, as well as to the agricultural economy of the United States;

(5) the cooperative development, financing, and implementation of a coordinated program of popcorn promotion, research, consumer information, and industry information is necessary to maintain and expand markets for popcorn; and

(6) popcorn moves in interstate and foreign commerce, and popcorn that does not move in those channels of commerce directly burdens or affects interstate commerce in popcorn.

(b) POLICY.—It is the policy of Congress that it is in the public interest to authorize the establishment, through the exercise of the powers provided in this subtitle, of an orderly procedure for developing, financing (through adequate assessments on unpopped popcorn processed domestically), and carrying out an effective, continuous, and coordinated program of promotion, research, consumer information, and industry information designed to—

(1) strengthen the position of the popcorn industry in the marketplace; and

(2) maintain and expand domestic and foreign markets and uses for popcorn.

(c) PURPOSES.—The purposes of this subtitle are to—

(1) maintain and expand the markets for all popcorn products in a manner that—

(A) is not designed to maintain or expand any individual share of a producer or processor of the market;

(B) does not compete with or replace individual advertising or promotion efforts designed to promote individual brand name or trade name popcorn products; and

(C) authorizes and funds programs that result in government speech promoting government objectives; and

(2) establish a nationally coordinated program for popcorn promotion, research, consumer information, and industry information.

(d) STATUTORY CONSTRUCTION.—This subtitle treats processors equitably. Nothing in this subtitle—

(1) provides for the imposition of a trade barrier to the entry into the United States of imported popcorn for the domestic market; or

(2) provides for the control of production or otherwise limits the right of any individual processor to produce popcorn.

SEC. 903. DEFINITIONS.

In this subtitle (except as otherwise specifically provided):

(1) BOARD.—The term "Board" means the Popcorn Board established under section 905(b).

(2) COMMERCE.—The term "commerce" means interstate, foreign, or intrastate commerce.

(3) CONSUMER INFORMATION.—The term "consumer information" means information and programs that will assist consumers and other persons in making evaluations and decisions regarding the purchase, preparation, and use of popcorn.

(4) DEPARTMENT.—The term "Department" means the Department of Agriculture.

(5) INDUSTRY INFORMATION.—The term "industry information" means information and programs that will lead to the development of—

(A) new markets, new marketing strategies, or increased efficiency for the popcorn industry; or

(B) activities to enhance the image of the popcorn industry.

(6) MARKETING.—The term "marketing" means the sale or other disposition of unpopped popcorn for human consumption in a channel of commerce, but does not include a sale or disposition to or between processors.

(7) ORDER.—The term "order" means an order issued under section 904.

(8) PERSON.—The term "person" means an individual, group of individuals, partnership, corporation, association, or cooperative, or any other legal entity.

(9) POPCORN.—The term "popcorn" means unpopped popcorn (Zea Mays L) that is—

(A) commercially grown;

(B) processed in the United States by shelling, cleaning, or drying; and

(C) introduced into a channel of commerce.

(10) PROCESS.—The term "process" means to shell, clean, dry, and prepare popcorn for the market, but does not include packaging popcorn for the market without also engaging in another activity described in this paragraph.

(11) PROCESSOR.—The term "processor" means a person engaged in the preparation of unpopped popcorn for the market who owns or shares the ownership and risk of loss of the popcorn and who processes and distributes over 4,000,000 pounds of popcorn in the market per year.

(12) PROMOTION.—The term "promotion" means an action, including paid advertising, to enhance the image or desirability of popcorn.

(13) RESEARCH.—The term "research" means any type of study to advance the image, desirability, marketability, production, product development, quality, or nutritional value of popcorn.

(14) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(15) STATE.—The term "State" means each of the 50 States and the District of Columbia.

(16) UNITED STATES.—The term "United States" means all of the States.

SEC. 904. ISSUANCE OF ORDERS.

(a) IN GENERAL.—To effectuate the policy described in section 902(b), the Secretary, subject to subsection (b), shall issue 1 or more orders applicable to processors. An order shall be applicable to all popcorn production and marketing areas in the United States. Not more than 1 order shall be in effect under this subtitle at any 1 time.

(b) PROCEDURE.—

(1) PROPOSAL OR REQUEST FOR ISSUANCE.—The Secretary may propose the issuance of an order, or an association of processors or any other person that would be affected by an order may request the issuance of, and submit a proposal for, an order.

(2) NOTICE AND COMMENT CONCERNING PROPOSED ORDER.—Not later than 60 days after the receipt of a request and proposal for an order under paragraph (1), or at such time as the Secretary determines to propose an order, the Secretary shall publish a proposed order and give due notice and opportunity for public comment on the proposed order.

(3) ISSUANCE OF ORDER.—After notice and opportunity for public comment under paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order such provisions as are necessary to ensure that the order conforms to this subtitle. The order shall be issued and become effective not later than 150 days after the date of publication of the proposed order.

(c) AMENDMENTS.—The Secretary, as appropriate, may amend an order. The provisions of this subtitle applicable to an order shall be applicable to any amendment to an order, except that an amendment to an order may not require a referendum to become effective.

SEC. 905. REQUIRED TERMS IN ORDERS.

(a) IN GENERAL.—An order shall contain the terms and conditions specified in this section.

(b) ESTABLISHMENT AND MEMBERSHIP OF POPCORN BOARD.—

(1) IN GENERAL.—The order shall provide for the establishment of, and appointment of members to, a Popcorn Board that shall consist of not fewer than 4 members and not more than 9 members.

(2) NOMINATIONS.—The members of the Board shall be processors appointed by the Secretary from nominations submitted by processors in a manner authorized by the Secretary, subject to paragraph (3). Not more than 1 member may be appointed to the Board from nominations submitted by any 1 processor.

(3) GEOGRAPHICAL DIVERSITY.—In making appointments, the Secretary shall take into account, to the extent practicable, the geographical distribution of popcorn production throughout the United States.

(4) TERMS.—The term of appointment of each member of the Board shall be 3 years, except that the members appointed to the initial Board shall serve, proportionately, for terms of 2, 3, and 4 years, as determined by the Secretary.

(5) COMPENSATION AND EXPENSES.—A member of the Board shall serve without compensation, but shall be reimbursed for the expenses of the member incurred in the performance of duties for the Board.

(c) POWERS AND DUTIES OF BOARD.—The order shall define the powers and duties of the Board, which shall include the power and duty—

(1) to administer the order in accordance with the terms and provisions of the order;

(2) to make regulations to effectuate the terms and provisions of the order;

(3) to appoint members of the Board to serve on an executive committee;

(4) to propose, receive, evaluate, and approve budgets, plans, and projects of promotion, research, consumer information, and industry information, and to contract with appropriate persons to implement the plans or projects;

(5) to accept and receive voluntary contributions, gifts, and market promotion or similar funds;

(6) to invest, pending disbursement under a plan or project, funds collected through assessments authorized under subsection (f), only in—

(A) obligations of the United States or an agency of the United States;

(B) general obligations of a State or a political subdivision of a State;

(C) an interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System; or

(D) obligations fully guaranteed as to principal and interest by the United States;

(7) to receive, investigate, and report to the Secretary complaints of violations of the order; and

(8) to recommend to the Secretary amendments to the order.

(d) PLANS AND BUDGETS.—

(1) IN GENERAL.—The order shall provide that the Board shall submit to the Secretary for approval any plan or project of promotion, research, consumer information, or industry information.

(2) BUDGETS.—The order shall require the Board to submit to the Secretary for approval budgets on a fiscal year basis of the anticipated expenses and disbursements of the Board in the implementation of the order, including projected costs of plans and projects of promotion, research, consumer information, and industry information.

(e) CONTRACTS AND AGREEMENTS.—

(1) IN GENERAL.—The order shall provide that the Board may enter into contracts or agreements for the implementation and carrying out of plans or projects of promotion, research, consumer information, or industry information, including contracts with a processor organization, and for the payment of the cost of the plans or projects with funds collected by the Board under the order.

(2) REQUIREMENTS.—A contract or agreement under paragraph (1) shall provide that—

(A) the contracting party shall develop and submit to the Board a plan or project, together with a budget that shows the estimated costs to be incurred for the plan or project;

(B) the plan or project shall become effective on the approval of the Secretary; and

(C) the contracting party shall keep accurate records of each transaction of the party, account for funds received and expended, make periodic reports to the Board of activities conducted, and make such other reports as the Board or the Secretary may require.

(3) PROCESSOR ORGANIZATIONS.—The order shall provide that the Board may contract with processor organizations for any other services. The contract shall include provisions comparable to the provisions required by paragraph (2).

(f) ASSESSMENTS.—

(1) PROCESSORS.—The order shall provide that each processor marketing popcorn in the United States or for export shall, in the manner prescribed in the order, pay assessments and remit the assessments to the Board.

(2) DIRECT MARKETERS.—A processor that markets popcorn produced by the processor directly to consumers shall pay and remit the assessments on the popcorn directly to the Board in the manner prescribed in the order.

(3) RATE.—

(A) IN GENERAL.—The rate of assessment prescribed in the order shall be a rate established by the Board but not more than $.08 per hundredweight of popcorn.

(B) ADJUSTMENT OF RATE.—The order shall provide that the Board, with the approval of the Secretary, may raise or lower the rate of assessment annually up to a maximum of $.08 per hundredweight of popcorn.

(4) USE OF ASSESSMENTS.—

(A) IN GENERAL.—Subject to subparagraphs (B) and (C) and subsection (c)(5), the order shall provide that the assessments collected shall be used by the Board—

(i) to pay expenses incurred in implementing and administering the order, with provision for a reasonable reserve; and

(ii) to cover such administrative costs as are incurred by the Secretary, except that the administrative costs incurred by the Secretary (other than any legal expenses incurred to defend and enforce the order) that may be reimbursed by the Board may not exceed 15 percent of the projected annual revenues of the Board.

(B) EXPENDITURES BASED ON SOURCE OF ASSESSMENTS.—In implementing plans and projects of promotion, research, consumer information, and industry information, the Board shall expend funds on—

(i) plans and projects for popcorn marketed in the United States or Canada in proportion to the amount of assessments collected on domestically marketed popcorn; and

(ii) plans and projects for exported popcorn in proportion to the amount of assessments collected on exported popcorn.

(C) NOTIFICATION.—If the administrative costs incurred by the Secretary that are reimbursed by the Board exceed 10 percent of the projected annual revenues of the Board, the Secretary shall notify as soon as practicable the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(g) PROHIBITION ON USE OF FUNDS.—The order shall prohibit any funds collected by the Board under the order from being used to influence government action or policy, other than the use of funds by the Board for the development and recommendation to the Secretary of amendments to the order.

(h) BOOKS AND RECORDS OF THE BOARD.—The order shall require the Board to—

(1) maintain such books and records (which shall be available to the Secretary for inspection and audit) as the Secretary may prescribe;

(2) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and

(3) account for the receipt and disbursement of all funds entrusted to the Board.

(i) BOOKS AND RECORDS OF PROCESSORS.—

(1) MAINTENANCE AND REPORTING OF INFORMATION.—The order shall require that each processor of popcorn for the market shall—

(A) maintain, and make available for inspection, such books and records as are required by the order; and

(B) file reports at such time, in such manner, and having such content as is prescribed in the order.

(2) USE OF INFORMATION.—The Secretary shall authorize the use of information regarding processors that may be accumulated under a law or regulation other than this subtitle or a regulation issued under this subtitle. The information shall be made available to the Secretary as appropriate for the administration or enforcement of this subtitle, the order, or any regulation issued under this subtitle.

(3) CONFIDENTIALITY.—

(A) IN GENERAL.—Subject to subparagraphs (B), (C), and (D), all information obtained by the Secretary under paragraphs (1) and (2) shall be kept confidential by all officers, employees, and agents of the Board and the Department.

(B) DISCLOSURE BY SECRETARY.—Information referred to in subparagraph (A) may be disclosed if—

(i) the Secretary considers the information relevant;

(ii) the information is revealed in a suit or administrative hearing brought at the request of the Secretary, or to which the Secretary or any officer of the United States is a party; and

(iii) the information relates to the order.

(C) DISCLOSURE TO OTHER AGENCY OF FEDERAL GOVERNMENT.—

(i) IN GENERAL.—No information obtained under the authority of this subtitle may be made available to another agency or officer of the Federal Government for any purpose other than the implementation of this subtitle and any investigatory or enforcement activity necessary for the implementation of this subtitle.

(ii) PENALTY.—A person who knowingly violates this subparagraph shall, on conviction, be subject to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or both, and if an officer, employee, or agent of the Board or the Department, shall be removed from office or terminated from employment, as applicable.

(D) GENERAL STATEMENTS.—Nothing in this paragraph prohibits—

(i) the issuance of general statements, based on the reports, of the number of persons subject to the order or statistical data collected from the reports, if the statements do not identify the information provided by any person; or

(ii) the publication, by direction of the Secretary, of the name of a person violating the order, together with a statement of the particular provisions of the order violated by the person.

(j) OTHER TERMS AND CONDITIONS.—The order shall contain such terms and conditions, consistent with this subtitle, as are necessary to effectuate this subtitle, including regulations relating to the assessment of late payment charges.

SEC. 906. REFERENDA.

(a) INITIAL REFERENDUM.—

(1) IN GENERAL.—Within the 60-day period immediately preceding the effective date of an order, as provided in section 904(b)(3), the Secretary shall conduct a referendum among processors who, during a representative period as determined by the Secretary, have been engaged in processing, for the purpose of ascertaining whether the order shall go into effect.

(2) APPROVAL OF ORDER.—The order shall become effective, as provided in section 904(b), only if the Secretary determines that the order has been approved by not less than a majority of the processors voting in the referendum and if the majority processed more than 50 percent of the popcorn certified as having been processed, during the representative period, by the processors voting.

(b) ADDITIONAL REFERENDA.—

(1) IN GENERAL.—Not earlier than 3 years after the effective date of an order approved under subsection (a), on the request of the Board or a representative group of processors, as described in paragraph (2), the Secretary may conduct additional referenda to determine whether processors favor the termination or suspension of the order.

(2) REPRESENTATIVE GROUP OF PROCESSORS.—An additional referendum on an order shall be conducted if the referendum is requested by 30 percent or more of the number of processors who, during a representative period as determined by the Secretary, have been engaged in processing.

(3) DISAPPROVAL OF ORDER.—If the Secretary determines, in a referendum conducted under paragraph (1), that suspension or termination of the order is favored by at least ⅔ of the processors voting in the referendum, the Secretary shall—

(A) suspend or terminate, as appropriate, collection of assessments under the order not later than 180 days after the date of determination; and

(B) suspend or terminate the order, as appropriate, in an orderly manner as soon as practicable after the date of determination.

(c) COSTS OF REFERENDUM.—The Secretary shall be reimbursed from assessments collected by the Board for any expenses incurred by the Secretary in connection with the conduct of any referendum under this section.

(d) METHOD OF CONDUCTING REFERENDUM.—Subject to this section, a referendum conducted under this section shall be conducted in such manner as is determined by the Secretary.

(e) CONFIDENTIALITY OF BALLOTS AND OTHER INFORMATION.—

(1) IN GENERAL.—The ballots and other information or reports that reveal or tend to reveal the vote of any processor, or any business operation of a processor, shall be considered to be strictly confidential and shall not be disclosed.

(2) PENALTY FOR VIOLATIONS.—An officer or employee of the Department who knowingly violates paragraph (1) shall be subject to the penalties described in section 905(i)(3)(C)(ii).

SEC. 907. PETITION AND REVIEW.

(a) PETITION.—

(1) IN GENERAL.—A person subject to an order may file with the Secretary a petition—

(A) stating that the order, a provision of the order, or an obligation imposed in connection with the order is not established in accordance with law; and

(B) requesting a modification of the order or obligation or an exemption from the order or obligation.

(2) STATUTE OF LIMITATIONS.—A petition under paragraph (1) concerning an obligation may be filed not later than 2 years after the date of imposition of the obligation.

(3) HEARINGS.—The petitioner shall be given the opportunity for a hearing on a petition filed under paragraph (1), in accordance with regulations issued by the Secretary.

(4) RULING.—After a hearing under paragraph (3), the Secretary shall issue a ruling on the petition that is the subject of the hearing, which shall be final if the ruling is in accordance with applicable law.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district court of the United States for any district in which a person who is a petitioner under subsection (a) resides or carries on business shall have jurisdiction to review a ruling on the petition, if the person files a complaint not later than 20 days after the date of issuance of the ruling under subsection (a)(4).

(2) PROCESS.—Service of process in a proceeding under paragraph (1) may be made on the Secretary by delivering a copy of the complaint to the Secretary.

(3) REMANDS.—If the court determines, under paragraph (1), that a ruling issued under subsection (a)(4) is not in accordance with applicable law, the court shall remand the matter to the Secretary with directions—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further proceedings as, in the opinion of the court, the law requires.

(c) ENFORCEMENT.—The pendency of proceedings instituted under subsection (a) may not impede, hinder, or delay the Secretary or the Attorney General from taking action under section 908.

SEC. 908. ENFORCEMENT.

(a) IN GENERAL.—The Secretary may issue an enforcement order to restrain or prevent any person from violating an order or regulation issued under this subtitle and may assess a civil penalty of not more than $1,000 for each violation of the enforcement order, after an opportunity for an administrative hearing, if the Secretary determines that the administration and enforcement of the order and this subtitle would be adequately served by such a procedure.

(b) JURISDICTION.—The district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, an order or regulation issued under this subtitle.

(c) REFERRAL TO ATTORNEY GENERAL.—A civil action authorized to be brought under this section shall be referred to the Attorney General for appropriate action.

SEC. 909. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) INVESTIGATIONS.—The Secretary may make such investigations as the Secretary considers necessary—

(1) for the effective administration of this subtitle; and

(2) to determine whether any person subject to this subtitle has engaged, or is about to engage, in an act that constitutes or will constitute a violation of this subtitle or of an order or regulation issued under this subtitle.

(b) OATHS, AFFIRMATIONS, AND SUBPOENAS.—For the purpose of an investigation under subsection (a), the Secretary may administer oaths and affirmations, subpoena witnesses, compel the attendance of witnesses, take evidence, and require the production of any records that are relevant to the inquiry. The attendance of witnesses and the production of records may be required from any place in the United States.

(c) AID OF COURTS.—

(1) REQUEST.—In the case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may request the aid of any court of the United States within the jurisdiction of which the investigation or proceeding is carried on, or where the person resides or carries on business, in requiring the attendance and testimony of the person and the production of records.

(2) ENFORCEMENT ORDER OF THE COURT.—The court may issue an enforcement order requiring the person to appear before the Secretary to produce records or to give testimony concerning the matter under investigation.

(3) CONTEMPT.—A failure to obey an enforcement order of the court under paragraph (2) may be punished by the court as a contempt of the court.

(4) PROCESS.—Process in a case under this subsection may be served in the judicial district in which the person resides or conducts business or wherever the person may be found.

SEC. 910. RELATION TO OTHER PROGRAMS.

Nothing in this subtitle preempts or supersedes any other program relating to popcorn promotion organized and operated under the laws of the United States or any State.

SEC. 911. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this subtitle.

SEC. 912. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this subtitle. Amounts made available under this section or otherwise made available to the Department, and amounts made available under any other marketing or promotion order, may not be used to pay any administrative expense of the Board.

Subtitle B—Canola and Rapeseed

SEC. 921. SHORT TITLE.

This subtitle may be cited as the "Canola and Rapeseed Research, Promotion, and Consumer Information Act".

SEC. 922. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress finds that—

(1) canola and rapeseed products are an important and nutritious part of the human diet;

(2) the production of canola and rapeseed products plays a significant role in the economy of the United States in that canola and rapeseed products are produced by thousands of canola and rapeseed producers, processed by numerous processing entities, and canola and rapeseed products produced in the United States are consumed by people throughout the United States and foreign countries;

(3) canola, rapeseed, and canola and rapeseed products should be readily available and marketed efficiently to ensure that consumers have an adequate supply of canola and rapeseed products at a reasonable price;

(4) the maintenance and expansion of existing markets and development of new markets for canola, rapeseed, and canola and rapeseed products are vital to the welfare of canola and rapeseed producers and processors and those persons concerned with marketing canola, rapeseed, and canola and rapeseed products, as well as to the general economy of the United States, and are necessary to ensure the ready availability and efficient marketing of canola, rapeseed, and canola and rapeseed products;

(5) there exist established State and national organizations conducting canola and rapeseed research, promotion, and consumer education programs that are valuable to the efforts of promoting the consumption of canola, rapeseed, and canola and rapeseed products;

(6) the cooperative development, financing, and implementation of a coordinated national program of canola and rapeseed research, promotion, consumer information, and industry information is necessary to maintain and expand existing markets and develop new markets for canola, rapeseed, and canola and rapeseed products; and

(7) canola, rapeseed, and canola and rapeseed products move in interstate and foreign commerce, and canola, rapeseed, and canola and rapeseed products that do not move in interstate or foreign commerce directly burden or affect interstate commerce

in canola, rapeseed, and canola and rapeseed products.

(b) POLICY.—It is the policy of this subtitle to establish an orderly procedure for developing, financing through assessments on domestically-produced canola and rapeseed, and implementing a program of research, promotion, consumer information, and industry information designed to strengthen the position in the marketplace of the canola and rapeseed industry, to maintain and expand existing domestic and foreign markets and uses for canola, rapeseed, and canola and rapeseed products, and to develop new markets and uses for canola, rapeseed, and canola and rapeseed products.

(c) CONSTRUCTION.—Nothing in this subtitle provides for the control of production or otherwise limits the right of individual producers to produce canola, rapeseed, or canola or rapeseed products.

SEC. 923. DEFINITIONS.

In this subtitle (unless the context otherwise requires):

(1) BOARD.—The term "Board" means the National Canola and Rapeseed Board established under section 925(b).

(2) CANOLA; RAPESEED.—The terms "canola" and "rapeseed" means any brassica plant grown in the United States for the production of an oilseed, the oil of which is used for a food or nonfood use.

(3) CANOLA OR RAPESEED PRODUCTS.—The term "canola or rapeseed products" means products produced, in whole or in part, from canola or rapeseed.

(4) COMMERCE.—The term "commerce" includes interstate, foreign, and intrastate commerce.

(5) CONFLICT OF INTEREST.—The term "conflict of interest" means a situation in which a member of the Board has a direct or indirect financial interest in a corporation, partnership, sole proprietorship, joint venture, or other business entity dealing directly or indirectly with the Board.

(6) CONSUMER INFORMATION.—The term "consumer information" means information that will assist consumers and other persons in making evaluations and decisions regarding the purchase, preparation, and use of canola, rapeseed, or canola or rapeseed products.

(7) DEPARTMENT.—The term "Department" means the Department of Agriculture.

(8) FIRST PURCHASER.—The term "first purchaser" means—

(A) except as provided in subparagraph (B), a person buying or otherwise acquiring canola, rapeseed, or canola or rapeseed products produced by a producer; or

(B) the Commodity Credit Corporation, in a case in which canola or rapeseed is forfeited to the Commodity Credit Corporation as collateral for a loan issued under a price support loan program administered by the Commodity Credit Corporation.

(9) INDUSTRY INFORMATION.—The term "industry information" means information or programs that will lead to the development of new markets, new marketing strategies, or increased efficiency for the canola and rapeseed industry, or an activity to enhance the image of the canola or rapeseed industry.

(10) INDUSTRY MEMBER.—The term "industry member" means a member of the canola and rapeseed industry who represents—

(A) manufacturers of canola or rapeseed products; or

(B) persons who commercially buy or sell canola or rapeseed.

(11) MARKETING.—The term "marketing" means the sale or other disposition of canola, rapeseed, or canola or rapeseed products in a channel of commerce.

(12) ORDER.—The term "order" means an order issued under section 924.

(13) PERSON.—The term "person" means an individual, partnership, corporation, association, cooperative, or any other legal entity.

(14) PRODUCER.—The term "producer" means a person engaged in the growing of canola or rapeseed in the United States who owns, or who shares the ownership and risk of loss of, the canola or rapeseed.

(15) PROMOTION.—The term "promotion" means an action, including paid advertising, technical assistance, or trade servicing activity, to enhance the image or desirability of canola, rapeseed, or canola or rapeseed products in domestic and foreign markets, or an activity designed to communicate to consumers, processors, wholesalers, retailers, government officials, or others information relating to the positive attributes of canola, rapeseed, or canola or rapeseed products or the benefits of use or distribution of canola, rapeseed, or canola or rapeseed products.

(16) QUALIFIED STATE CANOLA AND RAPESEED BOARD.—The term "qualified State canola and rapeseed board" means a State canola and rapeseed promotion entity that is authorized and functioning under State law.

(17) RESEARCH.—The term "research" means any type of test, study, or analysis to advance the image, desirability, marketability, production, product development, quality, or functional or nutritional value of canola, rapeseed, or canola or rapeseed products, including research activity designed to identify and analyze barriers to export sales of canola or rapeseed produced in the United States.

(18) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(19) STATE.—The term "State" means any of the 50 States, the District of Columbia and the Commonwealth of Puerto Rico.

(20) UNITED STATES.—The term "United States" means collectively the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 924. ISSUANCE AND AMENDMENT OF ORDERS.

(a) IN GENERAL.—Subject to subsection (b), the Secretary shall issue 1 or more orders under this subtitle applicable to producers and first purchasers of canola, rapeseed, or canola or rapeseed products. The order shall be national in scope. Not more than 1 order shall be in effect under this subtitle at any 1 time.

(b) PROCEDURE.—

(1) PROPOSAL OR REQUEST FOR ISSUANCE.—The Secretary may propose the issuance of an order under this subtitle, or an association of canola and rapeseed producers or any other person that would be affected by an order issued pursuant to this subtitle may request the issuance of, and submit a proposal for, an order.

(2) NOTICE AND COMMENT CONCERNING PROPOSED ORDER.—Not later than 60 days after the receipt of a request and proposal for an order pursuant to paragraph (1), or whenever the Secretary determines to propose an order, the Secretary shall publish a proposed order and give due notice and opportunity for public comment on the proposed order.

(3) ISSUANCE OF ORDER.—After notice and opportunity for public comment are given as provided in paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is in conformity with the requirements of this subtitle. The order shall be issued and become effective not later than 180 days following publication of the proposed order.

(c) AMENDMENTS.—The Secretary, from time to time, may amend an order issued under this section.

SEC. 925. REQUIRED TERMS IN ORDERS.

(a) IN GENERAL.—An order issued under this subtitle shall contain the terms and conditions specified in this section.

(b) ESTABLISHMENT AND MEMBERSHIP OF THE NATIONAL CANOLA AND RAPESEED BOARD.—

(1) IN GENERAL.—The order shall provide for the establishment of, and appointment of members to, a National Canola and Rapeseed Board to administer the order.

(2) SERVICE TO ENTIRE INDUSTRY.—The Board shall carry out programs and projects that will provide maximum benefit to the canola and rapeseed industry in all parts of the United States and only promote canola, rapeseed, or canola or rapeseed products.

(3) BOARD MEMBERSHIP.—The Board shall consist of 15 members, including—

(A) 11 members who are producers, including—

(i) 1 member from each of 6 geographic regions comprised of States where canola or rapeseed is produced, as determined by the Secretary; and

(ii) 5 members from the geographic regions referred to in clause (i), allocated according to the production in each region; and

(B) 4 members who are industry members, including at least—

(i) 1 member who represents manufacturers of canola or rapeseed end products; and

(ii) 1 member who represents persons who commercially buy or sell canola or rapeseed.

(4) LIMITATION ON STATE RESIDENCE.—There shall be no more than 4 producer members of the Board from any State.

(5) MODIFYING BOARD MEMBERSHIP.—In accordance with regulations approved by the Secretary, at least once each 3 years and not more than once each 2 years, the Board shall review the geographic distribution of canola and rapeseed production throughout the United States and, if warranted, recommend to the Secretary that the Secretary—

(A) reapportion regions in order to reflect the geographic distribution of canola and rapeseed production; and

(B) reapportion the seats on the Board to reflect the production in each region.

(6) CERTIFICATION OF ORGANIZATIONS.—

(A) IN GENERAL.—The eligibility of any State organization to represent producers shall be certified by the Secretary.

(B) CRITERIA.—The Secretary shall certify any State organization that the Secretary determines has a history of stability and permanency and meets at least 1 of the following criteria:

(i) MAJORITY REPRESENTATION.—The total paid membership of the organization—

(I) is comprised of at least a majority of canola or rapeseed producers; or

(II) represents at least a majority of the canola or rapeseed producers in the State.

(ii) SUBSTANTIAL NUMBER OF PRODUCERS REPRESENTED.—The organization represents a substantial number of producers that produce a substantial quantity of canola or rapeseed in the State.

(iii) PURPOSE.—The organization is a general farm or agricultural organization that has as a stated objective the promotion and development of the United States canola or rapeseed industry and the economic welfare of United States canola or rapeseed producers.

(C) REPORT.—The Secretary shall make a certification under this paragraph on the basis of a factual report submitted by the State organization.

(7) Terms of office.—

(A) In general.—The members of the Board shall serve for a term of 3 years, except that the members appointed to the initial Board shall serve, proportionately, for terms of 1, 2, and 3 years, as determined by the Secretary.

(B) Termination of terms.—Notwithstanding subparagraph (C), each member shall continue to serve until a successor is appointed by the Secretary.

(C) Limitation on terms.—No individual may serve more than 2 consecutive 3-year terms as a member.

(8) Compensation.—A member of the Board shall serve without compensation, but shall be reimbursed for necessary and reasonable expenses incurred in the performance of duties for and approved by the Board.

(c) Powers and Duties of the Board.—The order shall define the powers and duties of the Board, which shall include the power and duty—

(1) to administer the order in accordance with the terms and conditions of the order;

(2) to make regulations to effectuate the terms and conditions of the order;

(3) to meet, organize, and select from among members of the Board a chairperson, other officers, and committees and subcommittees, as the Board determines appropriate;

(4) to establish working committees of persons other than Board members;

(5) to employ such persons, other than Board members, as the Board considers necessary, and to determine the compensation and define the duties of the persons;

(6) to prepare and submit for the approval of the Secretary, when appropriate or necessary, a recommended rate of assessment under section 926, and a fiscal period budget of the anticipated expenses in the administration of the order, including the probable costs of all programs and projects;

(7) to develop programs and projects, subject to subsection (d);

(8) to enter into contracts or agreements, subject to subsection (e), to develop and carry out programs or projects of research, promotion, industry information, and consumer information;

(9) to carry out research, promotion, industry information, and consumer information projects, and to pay the costs of the projects with assessments collected under section 926;

(10) to keep minutes, books, and records that reflect the actions and transactions of the Board, and promptly report minutes of each Board meeting to the Secretary;

(11) to appoint and convene, from time to time, working committees comprised of producers, industry members, and the public to assist in the development of research, promotion, industry information, and consumer information programs for canola, rapeseed, and canola and rapeseed products;

(12) to invest, pending disbursement under a program or project, funds collected through assessments authorized under section 926, or funds earned from investments, only in—

(A) obligations of the United States or an agency of the United States;

(B) general obligations of a State or a political subdivision of a State;

(C) an interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System; or

(D) obligations fully guaranteed as to principal and interest by the United States;

(13) to receive, investigate, and report to the Secretary complaints of violations of the order;

(14) to furnish the Secretary with such information as the Secretary may request;

(15) to recommend to the Secretary amendments to the order;

(16) to develop and recommend to the Secretary for approval such regulations as may be necessary for the development and execution of programs or projects, or as may otherwise be necessary, to carry out the order; and

(17) to provide the Secretary with advance notice of meetings.

(d) Programs and Budgets.—

(1) Submission to secretary.—The order shall provide that the Board shall submit to the Secretary for approval any program or project of research, promotion, consumer information, or industry information. No program or project shall be implemented prior to approval by the Secretary.

(2) Budgets.—The order shall require the Board, prior to the beginning of each fiscal year, or as may be necessary after the beginning of a fiscal year, to submit to the Secretary for approval budgets of anticipated expenses and disbursements in the implementation of the order, including projected costs of research, promotion, consumer information, and industry information programs and projects.

(3) Incurring expenses.—The Board may incur such expenses for programs or projects of research, promotion, consumer information, or industry information, and other expenses for the administration, maintenance, and functioning of the Board as may be authorized by the Secretary, including any implementation, administrative, and referendum costs incurred by the Department.

(4) Paying expenses.—The funds to cover the expenses referred to in paragraph (3) shall be paid by the Board from assessments collected under section 926 or funds borrowed pursuant to paragraph (5).

(5) Authority to borrow.—To meet the expenses referred to in paragraph (3), the Board shall have the authority to borrow funds, as approved by the Secretary, for capital outlays and startup costs.

(e) Contracts and Agreements.—

(1) In general.—To ensure efficient use of funds, the order shall provide that the Board may enter into a contract or agreement for the implementation and carrying out of a program or project of canola, rapeseed, or canola or rapeseed products research, promotion, consumer information, or industry information, including a contract with a producer organization, and for the payment of the costs with funds received by the Board under the order.

(2) Requirements.—A contract or agreement under paragraph (1) shall provide that—

(A) the contracting party shall develop and submit to the Board a program or project together with a budget that shall show the estimated costs to be incurred for the program or project;

(B) the program or project shall become effective on the approval of the Secretary; and

(C) the contracting party shall keep accurate records of all transactions, account for funds received and expended, make periodic reports to the Board of activities conducted, and make such other reports as the Board or the Secretary may require.

(3) Producer organizations.—The order shall provide that the Board may contract with producer organizations for any other services. The contract shall include provisions comparable to those required by paragraph (2).

(f) Books and Records of the Board.—

(1) In general.—The order shall require the Board to—

(A) maintain such books and records (which shall be available to the Secretary for inspection and audit) as the Secretary may prescribe;

(B) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and

(C) account for the receipt and disbursement of all funds entrusted to the Board.

(2) Audits.—The Board shall cause the books and records of the Board to be audited by an independent auditor at the end of each fiscal year, and a report of the audit to be submitted to the Secretary.

(g) Prohibition.—

(1) In general.—Subject to paragraph (2), the Board shall not engage in any action to, nor shall any funds received by the Board under this subtitle be used to—

(A) influence legislation or governmental action;

(B) engage in an action that would be a conflict of interest;

(C) engage in advertising that is false or misleading; or

(D) engage in promotion that would disparage other commodities.

(2) Action permitted.—Paragraph (1) does not preclude—

(A) the development and recommendation of amendments to the order;

(B) the communication to appropriate government officials of information relating to the conduct, implementation, or results of promotion, research, consumer information, or industry information activities under the order; or

(C) any action designed to market canola or rapeseed products directly to a foreign government or political subdivision of a foreign government.

(h) Books and Records.—

(1) In general.—The order shall require that each producer, first purchaser, or industry member shall—

(A) maintain and submit to the Board any reports considered necessary by the Secretary to ensure compliance with this subtitle; and

(B) make available during normal business hours, for inspection by employees of the Board or Secretary, such books and records as are necessary to carry out this subtitle, including such records as are necessary to verify any required reports.

(2) Confidentiality.—

(A) In general.—Except as otherwise provided in this subtitle, all information obtained from books, records, or reports required to be maintained under paragraph (1) shall be kept confidential, and shall not be disclosed to the public by any person.

(B) Disclosure.—Information referred to in subparagraph (A) may be disclosed to the public if—

(i) the Secretary considers the information relevant;

(ii) the information is revealed in a suit or administrative hearing brought at the direction or on the request of the Secretary or to which the Secretary or any officer of the Department is a party; and

(iii) the information relates to this subtitle.

(C) Misconduct.—A knowing disclosure of confidential information in violation of subparagraph (A) by an officer or employee of the Board or Department, except as required by other law or allowed under subparagraph (B) or (D), shall be considered a violation of this subtitle.

(D) General statements.—Nothing in this paragraph prohibits—

(i) the issuance of general statements, based on the reports, of the number of persons subject to the order or statistical data collected from the reports, if the statements do not identify the information furnished by any person; or

(ii) the publication, by direction of the Secretary, of the name of a person violating the order, together with a statement of the particular provisions of the order violated by the person.

(3) AVAILABILITY OF INFORMATION.—

(A) EXCEPTION.—Except as provided in this subtitle, information obtained under this subtitle may be made available to another agency of the Federal Government for a civil or criminal law enforcement activity if the activity is authorized by law and if the head of the agency has made a written request to the Secretary specifying the particular information desired and the law enforcement activity for which the information is sought.

(B) PENALTY.—Any person knowingly violating this subsection, on conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or both, and if an officer or employee of the Board or the Department, shall be removed from office or terminated from employment, as applicable.

(5) WITHHOLDING INFORMATION.—Nothing in this subtitle authorizes withholding information from Congress.

(i) USE OF ASSESSMENTS.—The order shall provide that the assessments collected under section 926 shall be used for payment of the expenses in implementing and administering this subtitle, with provision for a reasonable reserve, and to cover those administrative costs incurred by the Secretary in implementing and administering this subtitle.

(j) OTHER TERMS AND CONDITIONS.—The order also shall contain such terms and conditions, not inconsistent with this subtitle, as determined necessary by the Secretary to effectuate this subtitle.

SEC. 926. ASSESSMENTS.

(a) IN GENERAL.—

(1) FIRST PURCHASERS.—During the effective period of an order issued pursuant to this subtitle, assessments shall be—

(A) levied on all canola or rapeseed produced in the United States and marketed; and

(B) deducted from the payment made to a producer for all canola or rapeseed sold to a first purchaser.

(2) DIRECT PROCESSING.—The order shall provide that any person processing canola or rapeseed of that person's own production and marketing the canola or rapeseed, or canola or rapeseed products, shall remit to the Board or a qualified State canola and rapeseed board, in the manner prescribed by the order, an assessment established at a rate equivalent to the rate provided for under subsection (d).

(b) LIMITATION ON ASSESSMENTS.—No more than 1 assessment may be assessed under subsection (a) on any canola or rapeseed produced (as remitted by a first purchaser).

(c) REMITTING ASSESSMENTS.—

(1) IN GENERAL.—Assessments required under subsection (a) shall be remitted to the Board by a first purchaser. The Board shall use qualified State canola and rapeseed boards to collect the assessments. If an appropriate qualified State canola and rapeseed board does not exist to collect an assessment, the assessment shall be collected by the Board. There shall be only 1 qualified State canola or rapeseed Board in each State.

(2) TIMES TO REMIT ASSESSMENT.—Each first purchaser shall remit the assessment to the Board as provided for in the order.

(d) ASSESSMENT RATE.—

(1) INITIAL RATE.—The initial assessment rate shall be 4 cents per hundredweight of canola or rapeseed produced and marketed.

(2) INCREASE.—The assessment rate may be increased on recommendation by the Board to a rate not exceeding 10 cents per hundredweight of canola or rapeseed produced and marketed in a State, unless—

(A) after the initial referendum is held under section 927(a), the Board recommends an increase above 10 cents per hundredweight; and

(B) the increase is approved in a referendum under section 927(b).

(3) CREDIT.—A producer who demonstrates to the Board that the producer is participating in a program of an established qualified State canola and rapeseed board shall receive credit, in determining the assessment due from the producer, for contributions to the program of up to 2 cents per hundredweight of canola or rapeseed marketed.

(e) LATE PAYMENT CHARGE.—

(1) IN GENERAL.—There shall be a late payment charge imposed on any person who fails to remit, on or before the date provided for in the order, to the Board the total amount for which the person is liable.

(2) AMOUNT OF CHARGE.—The amount of the late payment charge imposed under paragraph (1) shall be prescribed by the Board with the approval of the Secretary.

(f) REFUND OF ASSESSMENTS FROM ESCROW ACCOUNT.—

(1) ESTABLISHMENT OF ESCROW ACCOUNT.—During the period beginning on the date on which an order is first issued under section 924(b)(3) and ending on the date on which a referendum is conducted under section 927(a), the Board shall—

(A) establish an escrow account to be used for assessment refunds; and

(B) place funds in such account in accordance with paragraph (2).

(2) PLACEMENT OF FUNDS IN ACCOUNT.—The Board shall place in such account, from assessments collected during the period referred to in paragraph (1), an amount equal to the product obtained by multiplying the total amount of assessments collected during the period by 10 percent.

(3) RIGHT TO RECEIVE REFUND.—The Board shall refund to a producer the assessments paid by or on behalf of the producer if—

(A) the producer is required to pay the assessment;

(B) the producer does not support the program established under this subtitle; and

(C) the producer demands the refund prior to the conduct of the referendum under section 927(a).

(4) FORM OF DEMAND.—The demand shall be made in accordance with such regulations, in such form, and within such time period as prescribed by the Board.

(5) MAKING OF REFUND.—The refund shall be made on submission of proof satisfactory to the Board that the producer paid the assessment for which the refund is demanded.

(6) PRORATION.—If—

(A) the amount in the escrow account required by paragraph (1) is not sufficient to refund the total amount of assessments demanded by eligible producers; and

(B) the order is not approved pursuant to the referendum conducted under section 927(a);

the Board shall prorate the amount of the refunds among all eligible producers who demand a refund.

(7) PROGRAM APPROVED.—If the plan is approved pursuant to the referendum conducted under section 927(a), all funds in the escrow account shall be returned to the Board for use by the Board in accordance with this subtitle.

SEC. 927. REFERENDA.

(a) INITIAL REFERENDUM.—

(1) REQUIREMENT.—During the period ending 30 months after the date of the first issuance of an order under section 924, the Secretary shall conduct a referendum among producers who, during a representative period as determined by the Secretary, have been engaged in the production of canola or rapeseed for the purpose of ascertaining whether the order then in effect shall be continued.

(2) ADVANCE NOTICE.—The Secretary shall, to the extent practicable, provide broad public notice in advance of any referendum. The notice shall be provided, without advertising expenses, by means of newspapers, county newsletters, the electronic media, and press releases, through the use of notices posted in State and county Cooperative State Research, Education, and Extension Service offices and county Consolidated Farm Service Agency offices, and by other appropriate means specified in the order. The notice shall include information on when the referendum will be held, registration and voting requirements, rules regarding absentee voting, and other pertinent information.

(3) APPROVAL OF ORDER.—The order shall be continued only if the Secretary determines that the order has been approved by not less than a majority of the producers voting in the referendum.

(4) DISAPPROVAL OF ORDER.—If continuation of the order is not approved by a majority of those voting in the referendum, the Secretary shall terminate collection of assessments under the order within 6 months after the referendum and shall terminate the order in an orderly manner as soon as practicable.

(b) ADDITIONAL REFERENDA.—

(1) IN GENERAL.—

(A) REQUIREMENT.—After the initial referendum on an order, the Secretary shall conduct additional referenda, as described in subparagraph (C), if requested by a representative group of producers, as described in subparagraph (B).

(B) REPRESENTATIVE GROUP OF PRODUCERS.—An additional referendum on an order shall be conducted if requested by 10 percent or more of the producers who during a representative period have been engaged in the production of canola or rapeseed.

(C) ELIGIBLE PRODUCERS.—Each additional referendum shall be conducted among all producers who, during a representative period, as determined by the Secretary, have been engaged in the production of canola or rapeseed to determine whether the producers favor the termination or suspension of the order.

(2) DISAPPROVAL OF ORDER.—If the Secretary determines, in a referendum conducted under paragraph (1), that suspension or termination of the order is favored by a majority of the producers voting in the referendum, the Secretary shall suspend or terminate, as appropriate, collection of assessments under the order within 6 months after the determination, and shall suspend or terminate the order, as appropriate, in an orderly manner as soon as practicable after the determination.

(3) OPPORTUNITY TO REQUEST ADDITIONAL REFERENDA.—

(A) IN GENERAL.—Beginning on the date that is 5 years after the conduct of a referendum under this subtitle, and every 5 years thereafter, the Secretary shall provide canola and rapeseed producers an opportunity to request an additional referendum.

(B) METHOD OF MAKING REQUEST.—

(i) IN-PERSON REQUESTS.—To carry out subparagraph (A), the Secretary shall establish a procedure under which a producer may request a reconfirmation referendum in-person at a county Cooperative State Research, Education, and Extension Service office or a county Consolidated Farm Service Agency office during a period established by the Secretary, or as provided in clause (ii).

(ii) MAIL-IN REQUESTS.—In lieu of making a request in person, a producer may make a request by mail. To facilitate the submission of requests by mail, the Secretary may make mail-in request forms available to producers.

(C) NOTIFICATIONS.—The Secretary shall publish a notice in the Federal Register, and the Board shall provide written notification to producers, not later than 60 days prior to the end of the period established under subparagraph (B)(i) for an in-person request, of the opportunity of producers to request an additional referendum. The notification shall explain the right of producers to an additional referendum, the procedure for a referendum, the purpose of a referendum, and the date and method by which producers may act to request an additional referendum under this paragraph. The Secretary shall take such other action as the Secretary determines is necessary to ensure that producers are made aware of the opportunity to request an additional referendum.

(D) ACTION BY SECRETARY.—As soon as practicable following the submission of a request for an additional referendum, the Secretary shall determine whether a sufficient number of producers have requested the referendum, and take such steps as are necessary to conduct the referendum, as required under paragraph (1).

(E) TIME LIMIT.—An additional referendum requested under the procedures provided in this paragraph shall be conducted not later than 1 year after the Secretary determines that a representative group of producers, as described in paragraph (1)(B), have requested the conduct of the referendum.

(c) PROCEDURES.—

(1) REIMBURSEMENT OF SECRETARY.—The Secretary shall be reimbursed from assessments collected by the Board for any expenses incurred by the Secretary in connection with the conduct of an activity required under this section.

(2) DATE.—Each referendum shall be conducted for a reasonable period of time not to exceed 3 days, established by the Secretary, under a procedure under which producers intending to vote in the referendum shall certify that the producers were engaged in the production of canola, rapeseed, or canola or rapeseed products during the representative period and, at the same time, shall be provided an opportunity to vote in the referendum.

(3) PLACE.—Referenda under this section shall be conducted at locations determined by the Secretary. On request, absentee mail ballots shall be furnished by the Secretary in a manner prescribed by the Secretary.

SEC. 928. PETITION AND REVIEW.

(a) PETITION.—

(1) IN GENERAL.—A person subject to an order issued under this subtitle may file with the Secretary a petition—

(A) stating that the order, a provision of the order, or an obligation imposed in connection with the order is not established in accordance with law; and

(B) requesting a modification of the order or an exemption from the order.

(2) HEARINGS.—The petitioner shall be given the opportunity for a hearing on a petition filed under paragraph (1), in accordance with regulations issued by the Secretary.

(3) RULING.—After a hearing under paragraph (2), the Secretary shall make a ruling on the petition that is the subject of the hearing, which shall be final if the ruling is in accordance with applicable law.

(4) LIMITATION ON PETITION.—Any petition filed under this subtitle challenging an order, or any obligation imposed in connected with an order, shall be filed not later than 2 years after the effective date of the order or obligation.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district court of the United States in any district in which the person who is a petitioner under subsection (a) resides or carries on business shall have jurisdiction to review a ruling on the petition, if a complaint is filed by the person not later than 20 days after the date of the entry of a ruling by the Secretary under subsection (a)(3).

(2) PROCESS.—Service of process in a proceeding under paragraph (1) shall be conducted in accordance with the Federal Rules of Civil Procedure.

(3) REMANDS.—If the court determines, under paragraph (1), that a ruling issued under subsection (a)(3) is not in accordance with applicable law, the court shall remand the matter to the Secretary with directions either—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further proceedings as, in the opinion of the court, the law requires.

(4) ENFORCEMENT.—The pendency of proceedings instituted under subsection (a) shall not impede, hinder, or delay the Attorney General or the Secretary from taking any action under section 929.

SEC. 929. ENFORCEMENT.

(a) JURISDICTION.—The district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, an order or regulation made or issued under this subtitle.

(b) REFERRAL TO ATTORNEY GENERAL.—A civil action authorized to be commenced under this section shall be referred to the Attorney General for appropriate action, except that the Secretary shall not be required to refer to the Attorney General a violation of this subtitle if the Secretary believes that the administration and enforcement of this subtitle would be adequately served by providing a suitable written notice or warning to the person who committed the violation or by administrative action under section 928.

(c) CIVIL PENALTIES AND ORDERS.—

(1) CIVIL PENALTIES.—

(A) IN GENERAL.—Any person who willfully violates any provision of an order or regulation issued by the Secretary under this subtitle, or who fails or refuses to pay, collect, or remit an assessment or fee required of the person under an order or regulation, may be assessed—

(i) a civil penalty by the Secretary of not more than $1,000 for each violation; and

(ii) in the case of a willful failure to pay, collect, or remit an assessment as required by an order or regulation, an additional penalty equal to the amount of the assessment.

(B) SEPARATE OFFENSE.—Each violation under subparagraph (A) shall be a separate offense.

(2) CEASE-AND-DESIST ORDERS.—In addition to, or in lieu of, a civil penalty under paragraph (1), the Secretary may issue an order requiring a person to cease and desist from continuing a violation.

(3) NOTICE AND HEARING.—No penalty shall be assessed, or cease-and-desist order issued, by the Secretary under this subsection unless the person against whom the penalty is assessed or the order is issued is given notice and opportunity for a hearing before the Secretary with respect to the violation.

(4) FINALITY.—The order of the Secretary assessing a penalty or imposing a cease-and-desist order under this subsection shall be final and conclusive unless the affected person files an appeal of the order with the appropriate district court of the United States in accordance with subsection (d).

(d) REVIEW BY DISTRICT COURT.—

(1) COMMENCEMENT OF ACTION.—Any person who has been determined to be in violation of this subtitle, or against whom a civil penalty has been assessed or a cease-and-desist order issued under subsection (c), may obtain review of the penalty or order by—

(A) filing, within the 30-day period beginning on the date the penalty is assessed or order issued, a notice of appeal in—

(i) the district court of the United States for the district in which the person resides or conducts business; or

(ii) the United States District Court for the District of Columbia; and

(B) simultaneously sending a copy of the notice by certified mail to the Secretary.

(2) RECORD.—The Secretary shall file promptly, in the appropriate court referred to in paragraph (1), a certified copy of the record on which the Secretary has determined that the person has committed a violation.

(3) STANDARD OF REVIEW.—A finding of the Secretary under this section shall be set aside only if the finding is found to be unsupported by substantial evidence.

(e) FAILURE TO OBEY ORDERS.—Any person who fails to obey a cease-and-desist order issued under this section after the order has become final and unappealable, or after the appropriate United States district court has entered a final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary, after opportunity for a hearing and for judicial review under the procedures specified in subsections (c) and (d), of not more than $5,000 for each offense. Each day during which the failure continues shall be considered as a separate violation of the order.

(f) FAILURE TO PAY PENALTIES.—If a person fails to pay an assessment of a civil penalty under this section after the assessment has become a final and unappealable order, or after the appropriate United States district court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount assessed in the district court in which the person resides or conducts business. In an action for recovery, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

(g) ADDITIONAL REMEDIES.—The remedies provided in this subtitle shall be in addition to, and not exclusive of, other remedies that may be available.

SEC. 930. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) INVESTIGATIONS.—The Secretary may make such investigations as the Secretary considers necessary—

(1) for the effective administration of this subtitle; and

(2) to determine whether any person has engaged or is engaging in an act that constitutes a violation of this subtitle, or an order, rule, or regulation issued under this subtitle.

(b) SUBPOENAS, OATHS, AND AFFIRMATIONS.—

(1) IN GENERAL.—For the purpose of an investigation under subsection (a), the Secretary may administer oaths and affirmations, subpoena witnesses, take evidence, and issue subpoenas to require the production of any records that are relevant to the inquiry. The attendance of witnesses and the production of records may be required from any place in the United States.

(2) ADMINISTRATIVE HEARINGS.—For the purpose of an administrative hearing held under section 928 or 929, the presiding officer is authorized to administer oaths and affirmations, subpoena and compel the attendance of witnesses, take evidence, and require the production of any records that are relevant to the inquiry. The attendance of witnesses and the production of records may be required from any place in the United States.

(c) AID OF COURTS.—In the case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which the investigation or proceeding is carried on, or where the person resides or carries on business, in order to enforce a subpoena issued by the Secretary under subsection (b). The court may issue an order requiring the person to comply with the subpoena.

(d) CONTEMPT.—A failure to obey an order of the court under this section may be punished by the court as contempt of the court.

(e) PROCESS.—Process may be served on a person in the judicial district in which the person resides or conducts business or wherever the person may be found.

(f) HEARING SITE.—The site of a hearing held under section 928 or 729 shall be in the judicial district where the person affected by the hearing resides or has a principal place of business.

SEC. 931. SUSPENSION OR TERMINATION OF AN ORDER.

The Secretary shall, whenever the Secretary finds that an order or a provision of an order obstructs or does not tend to effectuate the declared policy of this subtitle, terminate or suspend the operation of the order or provision. The termination or suspension of an order shall not be considered an order within the meaning of this subtitle.

SEC. 932. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this subtitle.

SEC. 933. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated for each fiscal year such sums as are necessary to carry out this subtitle.

(b) ADMINISTRATIVE EXPENSES.—Funds appropriated under subsection (a) shall not be available for payment of the expenses or expenditures of the Board in administering a provision of an order issued under this subtitle.

Subtitle C—Kiwifruit

SEC. 941. SHORT TITLE.

This subtitle may be cited as the "National Kiwifruit Research, Promotion, and Consumer Information Act".

SEC. 942. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) domestically produced kiwifruit are grown by many individual producers;

(2) virtually all domestically produced kiwifruit are grown in the State of California, although there is potential for production in many other areas of the United States;

(3) kiwifruit move in interstate and foreign commerce, and kiwifruit that do not move in channels of commerce directly burden or affect interstate commerce;

(4) in recent years, large quantities of kiwifruit have been imported into the United States;

(5) the maintenance and expansion of existing domestic and foreign markets for kiwifruit, and the development of additional and improved markets for kiwifruit, are vital to the welfare of kiwifruit producers and other persons concerned with producing, marketing, and processing kiwifruit;

(6) a coordinated program of research, promotion, and consumer information regarding kiwifruit is necessary for the maintenance and development of the markets; and

(7) kiwifruit producers, handlers, and importers are unable to implement and finance such a program without cooperative action.

(b) PURPOSES.—The purposes of this subtitle are—

(1) to authorize the establishment of an orderly procedure for the development and financing (through an assessment) of an effective and coordinated program of research, promotion, and consumer information regarding kiwifruit;

(2) to use the program to strengthen the position of the kiwifruit industry in domestic and foreign markets and maintain, develop, and expand markets for kiwifruit; and

(3) to treat domestically produced kiwifruit and imported kiwifruit equitably.

SEC. 943. DEFINITIONS.

In this subtitle (unless the context otherwise requires):

(1) BOARD.—The term "Board" means the National Kiwifruit Board established under section 945.

(2) CONSUMER INFORMATION.—The term "consumer information" means any action taken to provide information to, and broaden the understanding of, the general public regarding the consumption, use, nutritional attributes, and care of kiwifruit.

(3) EXPORTER.—The term "exporter" means any person from outside the United States who exports kiwifruit into the United States.

(4) HANDLER.—The term "handler" means any person, excluding a common carrier, engaged in the business of buying and selling, packing, marketing, or distributing kiwifruit as specified in the order.

(5) IMPORTER.—The term "importer" means any person who imports kiwifruit into the United States.

(6) KIWIFRUIT.—The term "kiwifruit" means all varieties of fresh kiwifruit grown or imported in the United States.

(7) MARKETING.—The term "marketing" means the sale or other disposition of kiwifruit into interstate, foreign, or intrastate commerce by buying, marketing, distribution, or otherwise placing kiwifruit into commerce.

(8) ORDER.—The term "order" means a kiwifruit research, promotion, and consumer information order issued by the Secretary under section 944.

(9) PERSON.—The term "person" means any individual, group of individuals, partnership, corporation, association, cooperative, or other legal entity.

(10) PROCESSING.—The term "processing" means canning, fermenting, distilling, extracting, preserving, grinding, crushing, or in any manner changing the form of kiwifruit for the purposes of preparing the kiwifruit for market or marketing the kiwifruit.

(11) PRODUCER.—The term "producer" means any person who grows kiwifruit in the United States for sale in commerce.

(12) PROMOTION.—The term "promotion" means any action taken under this subtitle (including paid advertising) to present a favorable image for kiwifruit to the general public for the purpose of improving the competitive position of kiwifruit and stimulating the sale of kiwifruit.

(13) RESEARCH.—The term "research" means any type of research relating to the use, nutritional value, and marketing of kiwifruit conducted for the purpose of advancing the image, desirability, marketability, or quality of kiwifruit.

(14) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(15) UNITED STATES.—The term "United States" means the 50 States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 944. ISSUANCE OF ORDERS.

(a) ISSUANCE.—To effectuate the declared purposes of this subtitle, the Secretary shall issue an order applicable to producers, handlers, and importers of kiwifruit. Any such order shall be national in scope. Not more than 1 order shall be in effect under this subtitle at any 1 time.

(b) PROCEDURE.—

(1) PROPOSAL FOR ISSUANCE OF ORDER.—Any person that will be affected by this subtitle may request the issuance of, and submit a proposal for, an order under this subtitle.

(2) PROPOSED ORDER.—Not later than 90 days after the receipt of a request and proposal for an order, the Secretary shall publish a proposed order and give due notice and opportunity for public comment on the proposed order.

(3) ISSUANCE OF ORDER.—After notice and opportunity for public comment are provided under paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is in conformity with this subtitle.

(c) AMENDMENTS.—The Secretary may amend any order issued under this section. The provisions of this subtitle applicable to an order shall be applicable to an amendment to an order.

SEC. 945. NATIONAL KIWIFRUIT BOARD.

(a) MEMBERSHIP.—An order issued by the Secretary under section 944 shall provide for the establishment of a National Kiwifruit Board that consists of the following 11 members:

(1) 6 members who are producers (or representatives of producers) and who are not exempt from an assessment under section 946(b).

(2) 4 members who are importers (or representatives of importers) and who are not exempt from an assessment under section 946(b) or are exporters (or representatives of exporters).

(3) 1 member appointed from the general public.

(b) ADJUSTMENT OF MEMBERSHIP.—Subject to the 11-member limit, the Secretary may adjust membership on the Board to accommodate changes in production and import levels of kiwifruit.

(c) APPOINTMENT AND NOMINATION.—

(1) APPOINTMENT.—The Secretary shall appoint the members of the Board from nominations submitted in accordance with this subsection.

(2) PRODUCERS.—The members referred to in subsection (a)(1) shall be appointed from individuals nominated by producers.

(3) IMPORTERS AND EXPORTERS.—The members referred to in subsection (a)(2) shall be appointed from individuals nominated by importers or exporters.

(4) PUBLIC REPRESENTATIVE.—The public representative shall be appointed from nominations submitted by other members of the Board.

(5) FAILURE TO NOMINATE.—If producers, importers, and exporters fail to nominate individuals for appointment, the Secretary may appoint members on a basis provided for in the order. If the Board fails to nominate a public representative, the member may be appointed by the Secretary without a nomination.

(d) ALTERNATES.—The Secretary shall appoint an alternate for each member of the Board. An alternate shall—

(1) be appointed in the same manner as the member for whom the individual is an alternate; and

(2) serve on the Board if the member is absent from a meeting or is disqualified under subsection (f).

(e) TERMS.—A member of the Board shall be appointed for a term of 3 years. No member may serve more than 2 consecutive 3-year terms, except that of the members first appointed—

(1) 5 members shall be appointed for a term of 2 years; and

(2) 6 members shall be appointed for a term of 3 years.

(f) DISQUALIFICATION.—If a member or alternate of the Board who was appointed as a producer, importer, exporter, or public representative member ceases to belong to the group for which the member was appointed, the member or alternate shall be disqualified from serving on the Board.

(g) COMPENSATION.—A members or alternate of the Board shall serve without pay.

(h) GENERAL POWERS AND DUTIES.—The Board shall—

(1) administer an order issued by the Secretary under section 944, and an amendment to the order, in accordance with the order and amendment and this subtitle;

(2) prescribe rules and regulations to carry out the order;

(3) meet, organize, and select from among members of the Board a chairperson, other officers, and committees and subcommittees, as the Board determines appropriate;

(4) receive, investigate, and report to the Secretary accounts of violations of the order;

(5) make recommendations to the Secretary with respect to an amendment that should be made to the order; and

(6) employ or contract with a manager and staff to assist in administering the order, except that, to reduce administrative costs and increase efficiency, the Board shall seek, to the extent practicable, to employ or contract with personnel who are already associated with State chartered organizations involved in promoting kiwifruit.

SEC. 946. REQUIRED TERMS IN ORDER.

(a) BUDGETS AND PLANS.—

(1) IN GENERAL.—An order issued under section 944 shall provide for periodic budgets and plans in accordance with this subsection.

(2) BUDGETS.—The Board shall prepare and submit to the Secretary a budget prior to the beginning of the fiscal year of the anticipated expenses and disbursements of the Board in the administration of the order, including probable costs of research, promotion, and consumer information. A budget shall become effective on a ⅔-vote of a quorum of the Board and approval by the Secretary.

(3) PLANS.—Each budget shall include a plan for research, promotion, and consumer information regarding kiwifruit. A plan under this paragraph shall become effective on approval by the Secretary. The Board may enter into contracts and agreements, on approval by the Secretary, for—

(A) the development of and carrying out the plan; and

(B) the payment of the cost of the plan, with funds collected pursuant to this subtitle.

(b) ASSESSMENTS.—

(1) IN GENERAL.—The order shall provide for the imposition and collection of assessments with regard to the production and importation of kiwifruit in accordance with this subsection.

(2) RATE.—The assessment rate shall be the reate that is recommended by a ⅔-vote of a quorum of the Board and approved by the Secretary, except that the rate shall not exceed $0.10 per 7-pound tray of kiwifruit or equivalent.

(3) COLLECTION BY FIRST HANDLERS.—Except as provided in paragraph (5), the first handler of kiwifruit shall—

(A) be responsible for the collection from the producer, and payment to the Board, of assessments required under this subsection; and

(B) maintain a separate record of the kiwifruit of each producer whose kiwifruit are so handled, including the kiwifruit owned by the handler.

(4) IMPORTERS.—The assessment on imported kiwifruit shall be paid by the importer to the United States Customs Service at the time of entry into the United States and shall be remitted to the Board.

(5) EXEMPTION FROM ASSESSMENT.—The following persons or activities are exempt from an assessment under this subsection:

(A) A producer who produces less than 500 pounds of kiwifruit per year.

(B) An importer who imports less than 10,000 pounds of kiwifruit per year.

(C) A sale of kiwifruit made directly from the producer to a consumer for a purpose other than resale.

(D) The production or importation of kiwifruit for processing.

(6) CLAIM OF EXEMPTION.—To claim an exemption under paragraph (5) for a particular year, a person shall—

(A) submit an application to the Board stating the basis for the exemption and certifying that the quantity of kiwifruit produced, imported, or sold by the person will not exceed any poundage limitation required for the exemption in the year; or

(B) be on a list of approved processors developed by the Board.

(c) USE OF ASSESSMENTS.

(1) AUTHORIZED USES.—The order shall provide that funds paid to the Board as assessments under subsection (b) may be used by the Board—

(A) to pay for research, promotion, and consumer information described in the budget of the Board under subsection (a) and for other expenses incurred by the Board in the administration of an order;

(B) to pay such other expenses for the administration, maintenance, and functioning of the Board, including any enforcement efforts for the collection of assessments as may be authorized by the Secretary, including interest and penalties for late payments; and

(C) to fund a reserve established under section 947(d).

(2) REQUIRED USES.—The order shall provide that funds paid to the Board as assessments under subsection (b) shall be used by the Board—

(A) to pay the expenses incurred by the Secretary, including salaries and expenses of Federal Government employees, in implementing and administering the order; and

(B) to reimburse the Secretary for any expenses incurred by the Secretary in conducting referenda under this subtitle.

(3) LIMITATION ON USE OF ASSESSMENTS.—Except for the first year of operation of the Board, expenses for the administration, maintenance, and functioning of the Board may not exceed 30 percent of the budget for a year.

(d) FALSE CLAIMS.—The order shall provide that any promotion funded with assessments collected under subsection (b) may not make—

(1) any false claims on behalf of kiwifruit; and

(2) any false statements with respect to the attributes or use of any product that competes with kiwifruit for sale in commerce.

(e) PROHIBITION ON USE OF FUNDS.—The order shall provide that funds collected by the Board under this subtitle through assessments may not, in any manner, be used for the purpose of influencing legislation or governmental policy or action, except for making recommendations to the Secretary as provided for under this subtitle.

(f) BOOKS, RECORDS, AND REPORTS.—

(1) BOARD.—The order shall require the Board—

(A) to maintain books and records with respect to the receipt and disbursement of funds received by the Board;

(B) to submit to the Secretary from time to time such reports as the Secretary may require for appropriate accounting; and

(C) to submit to the Secretary at the end of each fiscal year a complete audit report by an independent auditor regarding the activities of the Board during the fiscal year.

(2) OTHERS.—To make information and data available to the Board and the Secretary that is appropriate or necessary for the effectuation, administration, or enforcement of this subtitle (or any order or regulation issued under this subtitle), the order shall require handlers and importers who are responsible for the collection, payment, or remittance of assessments under subsection (b)—

(A) to maintain and make available for inspection by the employees and agents of the Board and the Secretary such books and records as may be required by the order; and

(B) to file, at the times and in the manner and content prescribed by the order, reports regarding the collection, payment, or remittance of the assessments.

(g) CONFIDENTIALITY.—

(1) IN GENERAL.—The order shall require that all information obtained pursuant to subsection (f)(2) be kept confidential by all officers and employees and agents of the Department and of the Board. Only such information as the Secretary considers relevant shall be disclosed to the public and only in a suit or administrative hearing, brought at the request of the Secretary or to which the Secretary or any officer of the United States is a party, involving the order with respect

to which the information was furnished or acquired.

(2) LIMITATIONS.—Nothing in this subsection prohibits—

(A) issuance of general statements based on the reports of a number of handlers and importers subject to an order, if the statements do not identify the information furnished by any person; or

(B) the publication, by direction of the Secretary, of the name of any person violating an order issued under section 944(a), together with a statement of the particular provisions of the order violated by the person.

(3) PENALTY.—Any person who willfully violates this subsection, on conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or both, and, if the person is a member, officer, or agent of the board or an employee of the Department, shall be removed from office.

(h) WITHHOLDING INFORMATION.—Nothing in this subtitle authorizes the withholding of information from Congress.

SEC. 947. PERMISSIVE TERMS IN ORDER.

(a) PERMISSIVE TERMS.—On the recommendation of the Board and with the approval of the Secretary, an order issued under section 944 may include the terms and conditions specified in this section and such additional terms and conditions as the Secretary considers necessary to effectuate the other provisions of the order and are incidental to, and not inconsistent with, this subtitle.

(b) ALTERNATIVE PAYMENT AND REPORTING SCHEDULES.—The order may authorize the Board to designate different handler payment and reporting schedules to recognize differences in marketing practices and procedures.

(c) WORKING GROUPS.—The order may authorize the Board to convene working groups drawn from producers, handlers, importers, exporters, or the general public and utilize the expertise of the groups to assist in the development of research and marketing programs for kiwifruit.

(d) RESERVE FUNDS.—The order may authorize the Board to accumulate reserve funds from assessments collected pursuant to section 946(b) to permit an effective and continuous coordinated program of research, promotion, and consumer information in years in which production and assessment income may be reduced, except that any reserve fund may not exceed the amount budgeted for operation of this subtitle for 1 year.

(e) PROMOTION ACTIVITIES OUTSIDE UNITED STATES.—The order may authorize the Board to use, with the approval of the Secretary, funds collected under section 946(b) and funds from other sources for the development and expansion of sales in foreign markets of kiwifruit produced in the United States.

SEC. 948. PETITION AND REVIEW.

(a) PETITION.—

(1) IN GENERAL.—A person subject to an order may file with the Secretary a petition—

(A) stating that the order, a provision of the order, or an obligation imposed in connection with the order is not in accordance with law; and

(B) requesting a modification of the order or an exemption from the order.

(2) HEARINGS.—A person submitting a petition under paragraph (1) shall be given an opportunity for a hearing on the petition, in accordance with regulations issued by the Secretary.

(3) RULING.—After the hearing, the Secretary shall make a ruling on the petition which shall be final if the petition is in accordance with law.

(4) LIMITATION ON PETITION.—Any petition filed under this subtitle challenging an order, or any obligation imposed in connected with an order, shall be filed not later than 2 years after the effective date of the order or obligation.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district court of the United States in any district in which the person who is a petitioner under subsection (a) resides or carries on business is vested with jurisdiction to review the ruling on the petition of the person, if a complaint for that purpose is filed not later than 20 days after the date of the entry of a ruling by the Secretary under subsection (a).

(2) PROCESS.—Service of process in the proceedings shall be conducted in accordance with the Federal Rules of Civil Procedure.

(3) REMANDS.—If the court determines that the ruling is not in accordance with law, the court shall remand the matter to the Secretary with directions—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further action as, in the opinion of the court, the law requires.

(4) ENFORCEMENT.—The pendency of a proceeding instituted pursuant to subsection (a) shall not impede, hinder, or delay the Attorney General or the Secretary from obtaining relief pursuant to section 949.

SEC. 949. ENFORCEMENT.

(a) JURISDICTION.—A district court of the United States shall have jurisdiction specifically to enforce, and to prevent and restrain any person from violating, any order or regulation made or issued by the Secretary under this subtitle.

(b) REFERRAL TO ATTORNEY GENERAL.—A civil action authorized to be brought under this section shall be referred to the Attorney General for appropriate action, except that the Secretary is not required to refer to the Attorney General a violation of this subtitle, or any order or regulation issued under this subtitle, if the Secretary believes that the administration and enforcement of this subtitle would be adequately served by administrative action under subsection (c) or suitable written notice or warning to any person committing the violation.

(c) CIVIL PENALTIES AND ORDERS.—

(1) CIVIL PENALTIES.—Any person who willfully violates any provision of any order or regulation issued by the Secretary under this subtitle, or who fails or refuses to pay, collect, or remit any assessment or fee duly required of the person under the order or regulation, may be assessed a civil penalty by the Secretary of not less than $500 nor more than $5,000 for each such violation. Each violation shall be a separate offense.

(2) CEASE-AND-DESIST ORDERS.—In addition to or in lieu of the civil penalty, the Secretary may issue an order requiring the person to cease and desist from continuing the violation.

(3) NOTICE AND HEARING.—No order assessing a civil penalty or cease-and-desist order may be issued by the Secretary under this subsection unless the Secretary gives the person against whom the order is issued notice and opportunity for a hearing on the record before the Secretary with respect to the violation.

(4) FINALITY.—The order of the Secretary assessing a penalty or imposing a cease-and-desist order shall be final and conclusive unless the person against whom the order is issued files an appeal from the order with the appropriate district court of the United States, in accordance with subsection (d).

(d) REVIEW BY UNITED STATES DISTRICT COURT.—

(1) COMMENCEMENT OF ACTION.—Any person against whom a violation is found and a civil penalty assessed or cease-and-desist order issued under subsection (c) may obtain review of the penalty or order in the district court of the United States for the district in which the person resides or does business, or the United States district court for the District of Columbia, by—

(A) filing a notice of appeal in the court not later than 30 days after the date of the order; and

(B) simultaneously sending a copy of the notice by certified mail to the Secretary.

(2) RECORD.—The Secretary shall promptly file in the court a certified copy of the record on which the Secretary found that the person had committed a violation.

(3) STANDARD OF REVIEW.—A finding of the Secretary shall be set aside only if the finding is found to be unsupported by substantial evidence.

(e) FAILURE TO OBEY ORDERS.—Any person who fails to obey a cease-and-desist order issued by the Secretary after the order has become final and unappealable, or after the appropriate United States district court has entered a final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary, after opportunity for a hearing and for judicial review under the procedures specified in subsections (c) and (d), of not more than $500 for each offense. Each day during which the failure continues shall be considered a separate violation of the order.

(f) FAILURE TO PAY PENALTIES.—If a person fails to pay an assessment of a civil penalty after the assessment has become a final and unappealable order issued by the Secretary, or after the appropriate United States district court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount assessed in the district court of the United States in any district in which the person resides or conducts business. In the action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

SEC. 950. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) IN GENERAL.—The Secretary may make such investigations as the Secretary considers necessary—

(1) for the effective carrying out of the responsibilities of the Secretary under this subtitle; or

(2) to determine whether a person subject to this subtitle has engaged or is engaging in any act that constitutes a violation of this subtitle, or any order, rule, or regulation issued under this subtitle.

(b) POWER TO SUBPOENA.—

(1) INVESTIGATIONS.—For the purpose of an investigation made under subsection (a), the Secretary may administer oaths and affirmations and may issue subpoenas to require the production of any records that are relevant to the inquiry. The production of any such records may be required from any place in the United States.

(2) ADMINISTRATIVE HEARINGS.—For the purpose of an administrative hearing held under section 948 or 949, the presiding officer is authorized to administer oaths and affirmations, subpoena witnesses, compel the attendance of witnesses, take evidence, and require the production of any records that are relevant to the inquiry. The attendance of witnesses and the production of any such records may be required from any place in the United States.

(c) AID OF COURTS.—In the case of contumacy by, or refusal to obey a subpoena to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which the investigation or proceeding is carried on, or where the person resides or carries on business, to enforce a subpoena issued by the Secretary under subsection (b). The court may issue an order requiring the person to comply with the subpoena.

(d) CONTEMPT.—Any failure to obey the order of the court may be punished by the court as a contempt of the order.

(e) PROCESS.—Process in any such case may be served in the judicial district of which the person resides or conducts business or wherever the person may be found.

(f) HEARING SITE.—The site of any hearing held under section 948 or 949 shall be within the judicial district where the person is an inhabitant or has a principal place of business.

SEC. 951. REFERENDA.

(a) INITIAL REFERENDUM.—

(1) REFERENDUM REQUIRED.—During the 60-day period immediately preceding the proposed effective date of an order issued under section 944, the Secretary shall conduct a referendum among kiwifruit producers and importers who will be subject to assessments under the order, to ascertain whether producers and importers approve the implementation of the order.

(2) APPROVAL OF ORDER.—The order shall become effective, as provided in section 944, if the Secretary determines that—

(A) the order has been approved by a majority of the producers and importers voting in the referendum; and

(B) the producers and importers produce and import more than 50 percent of the total volume of kiwifruit produced and imported by persons voting in the referendum.

(b) SUBSEQUENT REFERENDA.—The Secretary may periodically conduct a referendum to determine if kiwifruit producers and importers favor the continuation, termination, or suspension of any order issued under section 944 that is in effect at the time of the referendum.

(c) REQUIRED REFERENDA.—The Secretary shall hold a referendum under subsection (b)—

(1) at the end of the 6-year period beginning on the effective date of the order and at the end of each subsequent 6-year period;

(2) at the request of the Board; or

(3) if not less than 30 percent of the kiwifruit producers and importers subject to assessments under the order submit a petition requesting the referendum.

(d) VOTE.—On completion of a referendum under subsection (b), the Secretary shall suspend or terminate the order that was subject to the referendum at the end of the marketing year if—

(1) the suspension or termination of the order is favored by not less than a majority of the producers and importers voting in the referendum; and

(2) the producers and importers produce and import more than 50 percent of the total volume of kiwifruit produced and imported by persons voting in the referendum.

(e) CONFIDENTIALITY.—The ballots and other information or reports that reveal, or tend to reveal, the vote of any person under this subtitle and the voting list shall be held strictly confidential and shall not be disclosed.

SEC. 952. SUSPENSION AND TERMINATION OF ORDER BY SECRETARY.

(a) IN GENERAL.—If the Secretary finds that an order issued under section 944, or a provision of the order, obstructs or does not tend to effectuate the purposes of this subtitle, the Secretary shall terminate or suspend the operation of the order or provision.

(b) LIMITATION.—The termination or suspension of any order, or any provision of an order, shall not be considered an order under this subtitle.

SEC. 953. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this subtitle.

SEC. 954. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such funds as are necessary to carry out this subtitle for each fiscal year.

Subtitle D—Commodity Promotion and Evaluation

SEC. 961. COMMODITY PROMOTION AND EVALUATION.

(a) FINDINGS.—Congress finds that—

(1) it is in the national public interest and vital to the welfare of the agricultural economy of the United States to expand and develop markets for agricultural commodities through generic, industry-funded promotion programs;

(2) the programs play a unique role in advancing the demand for agricultural commodities, since the programs increase the total market for a product to the benefit of consumers and all producers;

(3) the programs complement branded advertising initiatives, which are aimed at increasing the market share of individual competitors;

(4) the programs are of particular benefit to small producers, who may lack the resources or market power to advertise on their own;

(5) the programs do not impede the branded advertising efforts of individual firms but instead increase market demand by methods that each individual entity would not have the incentive to employ;

(6) the programs, paid for by the producers who directly reap the benefits of the programs, provide a unique opportunity for agricultural producers to inform consumers about their products;

(7) it is important to ensure that the programs be carried out in an effective and coordinated manner that is designed to strengthen the position of the commodities in the marketplace and to maintain and expand the markets and uses of the commodities; and

(8) independent evaluation of the effectiveness of the programs will assist Congress and the Secretary of Agriculture in ensuring that the objectives of the programs are met.

(b) INDEPENDENT EVALUATIONS.—Except as otherwise provided by law, and at such intervals as the Secretary of Agriculture may determine, but not more frequently than every 3 years or 3 years after the establishment of a program, the Secretary shall require that each industry-funded generic promotion program authorized by Federal law for an agricultural commodity shall provide for an independent evaluation of the program and the effectiveness of the program. The evaluation may include an analysis of benefits, costs, and the efficacy of promotional and research efforts under the program. The evaluation shall be funded from industry assessments and made available to the public.

(c) ADMINISTRATIVE COSTS.—The Secretary shall provide to Congress annually information on administrative expenses on programs referred to in subsection (b).

AUTHORITY FOR RECORD TO REMAIN OPEN

Mr. LOTT. Mr. President, I ask unanimous consent that the RECORD remain open until 2 p.m. today for the submission of statements and the introduction of bills.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENTS—H.R. 849

Mr. LOTT. I ask unanimous consent that calendar number 50, H.R. 849, be referred to the Labor Committee until the close of business on Wednesday, March 27, and if the committee has not taken action by that time, the bill be automatically discharged and placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I further ask unanimous consent that it be in order for the majority leader, after consultation with the Democratic leader, to turn to the consideration of H.R. 849 at any time beginning Thursday, March 28, 1996.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10:30 A.M., TUESDAY, FEBRUARY 13, 1996

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate now stand in recess under the previous order.

There being no objection, the Senate, at 1:27 p.m., recessed until Tuesday, February 13, 1996 at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate February 9, 1996:

DEPARTMENT OF STATE

THE FOLLOWING-NAMED CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, FOR THE PERSONAL RANK OF CAREER AMBASSADOR IN RECOGNITION OF ESPECIALLY DISTINGUISHED SERVICE OVER A SUSTAINED PERIOD:

J. STAPLETON ROY, OF PENNSYLVANIA

IN THE COAST GUARD

PURSUANT TO THE PROVISIONS OF 14 U.S.C. 729, THE FOLLOWING-NAMED COMMANDERS OF THE COAST GUARD RESERVE TO BE PERMANENT COMMISSIONED OFFICERS IN THE COAST GUARD RESERVE IN THE GRADE OF CAPTAIN.

STEVEN D. POOLE
THOMAS J. FALVEY
JOHN P. MICELI
GERALD P. FLEMING
CATHERINE A. BENNETT
RODERICK L. POWELL
RICHARD T. WALDE
FRANK A. FREISHEIM
BRIAN J. MCDONNELL
IVAN R. KRISSEL
RICHARD E. TINSMAN
KEVIN J. MACNAUGHTON

IN THE ARMY

THE FOLLOWING-NAMED OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE SECTIONS 12203(A) AND 3366:

CHAPLAIN CORPS

To be lieutenant colonel

DANNY W. AGEE, [redacted]
JACQUELINE ALEXANDER [redacted]
ROBERT L. BAST [redacted]
MICHAEL A. BATTLE [redacted]
ANTHONY BEGAY, [redacted]
GERALD BLANKENHEIM [redacted]
RICHARD W. BOWER, [redacted]

STEPHEN L. CONWELL [redacted]
ALBERT E. FRANKE [redacted]
JIMMY W. GALLOWAY [redacted]
RUSSELL S. GORDON [redacted]
CARL D. HAMPTON [redacted]
JAMES B. HENSON [redacted]
ERIC C. HOLMSTROM [redacted]
CHARLES R. HUMPHREY [redacted]
CLEVEN L. JONES, SR. [redacted]
MICHAEL H. KERRIGAN [redacted]
ALAN M. KOLLER [redacted]
DOUGLAS MCCREADY [redacted]
WALTER R. MCGEHEE [redacted]
FRANCIS S. MIDURA [redacted]
RODNEY K. MILLER [redacted]
WILLIAM R. MILLER [redacted]
MARVIN L. MILLS [redacted]
CHARLES A. MORRISON [redacted]
ROBERT S. MORTENSION [redacted]
DONALD W. MYERS [redacted]
MYRON E. NYSETHER [redacted]
CARL A. PFEIFFER [redacted]
MICHAEL C. PHIPPS [redacted]
WILLIAM G. PHIPPS [redacted]
DAVID A. PILLSBURY [redacted]
ROBERT E. PINDELL [redacted]
DAVID P. ROLANDO [redacted]
JAMES F. ROZMUS [redacted]
JAMES A. RYAN [redacted]
HAROLD A. SHUDLICK [redacted]
JIMMY A. SMITH [redacted]
PATRICK J. STENSON [redacted]
RICHARD B. TUDOR [redacted]
RICHARD T. VANN, [redacted]
CARLOS VILLANUEVA, [redacted]
WILLIAM C. WAGNER, [redacted]
CLARENCE M. WALKER, [redacted]
FRANK A. WITTOUCK [redacted]

EXTENSIONS OF REMARKS

RESOLUTION TO HONOR MR. PHILLIP J. HENOCH OF ROCHESTER, MN

HON. GIL GUTKNECHT

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 9, 1996

Mr. GUTKNECHT. Mr. Speaker, I rise today to congratulate one of the great citizens of my hometown, Rochester, MN, on his 81st birthday:

Whereas, Phillip J. Henoch has served his country with honor as a member of the U.S. Submarine Corps during the Second World War; and

Whereas, Phillip J. Henoch has been honored by the city of Rochester for his community volunteer work; and

Whereas, Phillip J. Henoch has been commended by the Rochester Chamber of Commerce for his many contributions to the Rochester community; and

Whereas, Phillip J. Henoch was instrumental in the founding of the Northland House, which later became the Ronald McDonald House; and

Whereas, Phillip J. Henoch currently serves as an officer and director for the southeastern Minnesota initiative fund, which helps build and strengthen local communities; and

Whereas, Phillip J. Henoch was one of the original founders of the Greater Rochester Area University Center; and

Whereas, Phillip J. Henoch has served on numerous committees for the Rochester Independent School District No. 535; and

Whereas, Phillip J. Henoch has exemplified the generosity of the business community in order to better our community for many years; and

Whereas, Phillip J. Henoch has contributed to both his country and community, thereby making both better places to live, work, and raise a family: Therefore, be it

Resolved, That the U.S. House of Representatives join the leaders of the Rochester community in acknowledging the many contributions of Mr. Phillip J. Henoch and wishing him a happy 81st birthday.

HAPPY ANNIVERSARY GRANITE CITY, IL

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 9, 1996

Mr. COSTELLO. Mr. Speaker, I want to ask my colleagues to join me in honoring a prominent community in my district which is celebrating its 100th anniversary. On March 9, 1996, Granite City, IL, will celebrate its centennial at a special banquet at St. Gregory's Armenian Center.

The residents of Granite City make up a very proud community, one with a diverse ethnic makeup and hard-working reputation. The city is home to steel factories, medical centers, and meatpacking houses, as well as the Charles Melvin Price Army Support Center and a variety of excellent small businesses.

It has been my pleasure to represent Granite City in the Congress since I was elected in 1988. The local officials and residents are committed to making their community a better place to live, with improved schools, enhanced infrastructure, and opportunities for area residents to make a living and care for their families.

Together, we have worked to make the Price Center a strong military facility; secure funding to improve the McKinley Bridge; help area steel companies expand their factories; struggle through the great flood of 1993; and create more opportunities for local companies at the Tri-City Port District.

As Granite City looks to the future, its next 100 years, we can be assured that as long as the community continues to work together to achieve progress, opportunity lies ahead.

CHRIS J. WITTING RECOGNIZED AS CIVIC LEADER IN CENTRAL NEW YORK

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 9, 1996

Mr. WALSH. Mr. Speaker, I rise today to pay tribute to a true civic leader, a man who has not only led the way for manufacturing interests in central New York but has touched the lives of thousands of his fellow citizens with his philanthropy, his counsel, and his encouragement.

Chris J. Witting, a former industrialist who headed Syracuse's Crouse-Hinds Corp. in its heyday, has been a personal inspiration to me and to many others in public life. An astute businessman, Chris Witting has been a model of success—even in what I call relative retirement.

His belief in the power of individuals and their positive-thinking has spurred many of us to boldly persevere in the formation of public policy that is in keeping with our values.

Chris Witting is loved and respected throughout central New York. I will honor him at a public event February 19 in our hometown of Syracuse, NY. I look forward to presenting him with a copy of this memorial, a small token of my personal gratitude for the great impetus he has given to progress in central New York.

I would ask my colleagues today to join me in saluting an American who has lived up to the expectations of the Founding Fathers when they called for strength of spirit and determination in all things in order to build a great Nation.

I offer thanks and congratulations to Chris Witting for his lifetime of dedication to our quality of life and our outstanding community.

SALUTE TO BANKS CONTRACTING CO., INC.

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, February 9, 1996

Mr. MFUME. Mr. Speaker, I rise today to pay tribute to Banks Contracting Co., Inc., an African-American owned general contracting firm that specializes in commercial and industrial renovations.

As many residents or visitors to the Baltimore-Washington area can attest, Banks Contracting Co. has worked on some of the most important sites in the area constructed over the last 15 years. Sites to which Banks Construction has contributed include some of Baltimore's most famous and visited locales, including the National Aquarium, Camden Yards, and the Baltimore Arena. Banks is currently working on the Baltimore Children's Museum, which is slated to open in 1998. In addition to these well-known landmarks, past clients include the Johns Hopkins Hospital, the Federal Reserve Bank of Richmond, NationsBank, the University of Maryland, Westinghouse, and Toyota, to name but a few.

In addition to these business successes, Banks also has a strong reputation within the community. The company has addressed the needs of the community throughout the years by serving as a mentor to young men and women in the construction field. Several of these young people, with financial and business assistance from Banks Construction Co., have moved on and established their own successful businesses.

In addition, Banks Construction is also a member of the Maryland/District of Columbia Minority Supplier Development Council and has, in the past, contributed its resources to the Contractor's College in Baltimore. In 1995, Banks was the key corporate sponsor for the Associated Black Charity's 10th Annual Fundraising Celebration and in 1994 it received the Administrator's Award for Excellence from the U.S. Small Business Administration. Banks has also been recognized in past years by Westinghouse and the Maryland/District of Columbia Minority Supplier Development Council.

And so, Mr. Speaker, I applaud Banks Construction Co. for its excellence not only as a contractor on some of Baltimore's most important projects, but also a member of our community, one that is willing to give some of its gifts back to its community.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

TRIBUTE TO JOHN LAWRENCE, EDUCATOR

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 9, 1996

Mrs. MEEK of Florida. Mr. Speaker. I rise to pay tribute to one of Florida's preeminent educational leaders upon his retirement from a 33-year-long career. A native of Durham, NC, Mr. John Lawrence began his professional career in 1963 after graduating from North Carolina Central University with a bachelor's degree in biological science.

While serving full-time as a teacher mentoring countless students at several high schools, Mr. Lawrence juggled his time to earn a master's degree in administration and supervision, while furthering his studies in marine biology at Florida State University and getting another master's degree in adult education at my alma mater, Florida A&M University.

In 1978 he joined the Florida Department of Education as program director of the adult and community education section. His stint in this endeavor proved to be one of the most productive enterprises of his professional career, resulting in his being named chief of the State Bureau of Adult and Community Education.

During his tenure Mr. Lawrence upgraded Florida's adult and community programs, raising them to preeminent prestige and innovation. He was awarded numerous accolades for his visionary leadership and educational entrepreneurship. His advice and counsel were sought by many national school boards and educational councils, giving incisive lectures on the subject of adult and community programs throughout the length and breadth of the educational spectrum. Most prominent among his varied roles was that a serving as a premiere consultant in the World Council on Adult Education in the then-Federal Republic of West Germany.

In 1990 the Council of State Education of Adult and Community Education chose him to serve as chairman. In this capacity the First Lady, Barbara Bush, tapped his expertise in her national adult literacy initiative, taking him regularly to the White House for consultation.

Despite his all-out involvement with Florida's educational initiatives, Mr. Lawrence found time to serve on the Teachers' Credit Union in Leon County, as well as fulfill chairmanships on the Code Enforcement Board of the city of Tallahassee, National Adult Education Professional Development Consortium, National Association of Secondary School Principals, and the National Advisory Committee of the GED Testing Program.

Throughout his career, Mr. Lawrence demonstrated the knack to solidify long-lasting friendships in his professional, civic, social and religious circles. Standing by him in his multifaceted endeavors is Virginia Landers Lawrence, his wife and confidante of 30 years. As proud parents they have instilled into their two sons, John Edward II and Jason Earl, the unerring standard of personal responsibility and moral commitment to the highest sense of self-worth and respect for their fellow human beings.

Mr. Lawrence is indeed the epitome of utmost dedication to the well-being of his family and his church, and personified a dogged determination in enhancing the educational initiatives in his chosen profession. He has become the trailblazer par excellence of our Nation's adult and community education, and his wise counsel in this arena will be sorely missed.

His retirement brings to a close the genuine dedication of one of Florida's unsung public servants. On this occasion I would like to extend my fellow Floridians' utmost gratitude to Mr. John Lawrence for a job well-done and a sterling achievement rarely matched among our Nation's visionaries in educational leadership.

CELEBRATING FEBRUARY 4, NATIONAL DAY FOR SRI LANKA

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Friday, February 9, 1996

Mrs. MINK of Hawaii. Mr. Speaker, I am very honored and pleased to have this opportunity to offer my heartfelt congratulations and best wishes to all of the citizens and friends of Sri Lanka as the country celebrated its National Day on February 4.

Sri Lanka has enjoyed independence from British colonial rule these past 48 years and exemplifies a political system and history steeped in democratic tradition. During the past four decades Sri Lanka has held regular national elections and has enjoyed traditionally friendly relations with the United States, based in large part on our shared commitment to democratic principles. Sri Lanka has experienced some ethnic strife related to Tamil separatists and we encourage newly elected President Chandrika Kumaratunga to find a peaceful and lasting solution to this conflict.

During the past half century, Sri Lanka has served as a glowing example of a young democratic country that has overcome numerous hardships to make tremendous strides in the political, international, economic, and cultural arena. Sri Lanka has much to be proud of. Of note is the high 90-percent literacy rate for both men and women which can be attributed to a Government policy of free public education from primary through the university. These policies will create and foster a vigorous economy and strengthen even further our trade relationship.

Happy Fourth of February to Sri Lanka on its National Day.

HONORING THE AWARD WINNERS OF THE DALE CITY CIVIC ASSOCIATION

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 9, 1996

Mr. DAVIS. Mr. Speaker, it gives me great pleasure today to rise and bring to the attention of my colleagues some very special and important people in Dale City in the 11th Congressional District of Virginia. These are people who have put the good of their community, Dale City, VA, above their own needs and desires, not only performing their jobs, but going above and beyond the call of duty. These individuals have become role models to others in their professions and to other volunteers. They were honored on Saturday February 3, 1996 by the Dale City Civic Association, one of the largest, most active, and accomplished citizens associations in the Commonwealth of Virginia. I would like to offer my congratulations to the award recipients.

The Dale City Civic Awards Association was created nearly 30 years ago and hosts an annual service awards banquet. In addition, the association awards a number of scholarships for college-bound students from Dale City, monitors development and serves as a sounding board for citizens and businesses.

Citizen of the Year: Jo Ann Mains. Ms. Mains serves on numerous community boards, helps raise money for the Dale City Volunteer Fire Department, ACTS, the Boys and Girls Clubs, and she also gives her valuable time by helping needy families.

Young Citizen of the Year: Shivon Kershaw. Ms. Kershaw serves in many church and civic associations in Prince William County. In addition to these activities she has won Martin Luther King oratory contests both at the middle school and high school levels for the past 2 years. Despite her many extracurricular activities she still maintains a very high grade point average.

Community Service Award: Terrence Spillane. Mr. Spillane served on the County Board of Supervisors for 8 years and was a leader in sound fiscal policies, human services, and economic development.

Nurse of the Year: Deana Michell. Ms. Michell is a nurse at Potomac Hospital whose constant pursuit of perfection and relationship with patients has earned her the respect and admiration of her colleagues and patients at the hospital.

Police Officer of the Year: Officer Patricia Harman: Officer Harman has given not only her official time, but her private time helping the people of her community become educated in safety.

Fire Fighter of the Year. Howard Coleman. Mr. Coleman has been a member of the Dale City Volunteer Fire and Rescue Department since 1991. Mr. Coleman has always displayed an eagerness to help his fellow citizens and their quality of life.

Emergency Medical Services Award: Anthony Hool. Mr. Hool has been a member of the Dale City Volunteer Fire and Rescue Department for the past 18 years. During this time Mr. Hool has been responsible for developing the EMS system in Dale City. He is also one of the most respected EMS providers in the Commonwealth of Virginia.

Elementary School Teacher of the Year: Carolyn Harrington. Ms. Harrington is a second grade teacher at Neabsco Elementary School in Dale City. Her dedication and love of her work is reflected in the children of the community.

Middle School Teacher of the Year: Vernice Turner. Ms. Turner is a seventh grade language arts teacher at Mills E. Godwin Middle School. She is one who gives generously of her time and demonstrates the highest level of professionalism and competence.

High School Teacher of the Year. Jim Sivells. Mr. Sivells is a social studies teacher at Cecil D. Hylton High School. His dedication to his work truly makes government come alive for his students and is reflected in their admiration for him.

Mr. Speaker, I know my colleagues join with me in congratulating these outstanding citizens for their tireless efforts to make Dale City, VA, a better place to live.

SENATE—*Tuesday, February 13, 1996*

(Legislative day of Wednesday, February 7, 1996)

The Senate met at 10:29 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

RECESS UNTIL 10:30 A.M., FRIDAY, FEBRUARY 16, 1996

The PRESIDENT pro tempore. Under the previous order, the Senate stands in recess until 10:30 a.m., Friday, February 16, 1996.

Thereupon, at 10:30 a.m., the Senate recessed until Friday, February 16, 1996, at 10:30 a.m.

HOUSE OF REPRESENTATIVES—*Tuesday, February 13, 1996*

The House met at 11 a.m. and was called to order by the Speaker pro tempore [Mrs. MORELLA].

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Let us pray using the words of Psalm 66:

Praise God with shouts of joy, all people.

Sing to the glory of his name; offer him glorious praise.

Say to God, "How wonderful are the things You do.

Your power is so great that Your enemies bow down in fear before You.

Everyone on Earth worships You; they sing praises to You, they sing praises to Your name." Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House her approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Mississippi [Mr. MONTGOMERY] come forward and lead the House in the Pledge of Allegiance.

Mr. MONTGOMERY led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The Speaker pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, February 13, 1996.

Hon. NEWT GINGRICH,
The Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Friday, February 9 at 11:45 a.m. and said to contain a message from the President whereby he transmits an Agreement between the United States and the Republic of Poland concerning fisheries off the coasts of the U.S.A.

With warm regards,

ROBIN H. CARLE,
Clerk, House of Representatives.

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF POLAND CONCERNING FISHERIES OFF THE COAST OF THE UNITED STATES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104–172)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Resources and ordered to be printed:

To the Congress of the United States:

In accordance with the Magnuson Fishery Conservation and Management Act of 1976 (16 U.S.C. 1801 *et seq.*), I transmit herewith an Agreement between the Government of the United States of America and the Government of the Republic of Poland Extending the Agreement of August 1, 1985, as amended, Concerning Fisheries Off the Coasts of the United States ("the 1985 Agreement"). The Agreement, which was effected by an exchange of notes at Warsaw on December 15 and 20, 1995, extends the 1985 Agreement to December 31, 1997.

In light of the importance of our fisheries relationship with the Republic of Poland, I urge that the Congress give favorable consideration to this Agreement at an early date.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 9, 1996.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, February 13, 1996.

Hon. NEWT GINGRICH,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Friday, February 9 at 11:45 a.m. and said to contain a message from the President whereby he transmits a 6-month periodic report on the national emergency concerning terrorists who threaten the Middle East peace process.

With warmest regards,

ROBIN H. CARLE,
Clerk, House of Representatives.

REPORT ON DEVELOPMENTS CONCERNING NATIONAL EMERGENCY WITH RESPECT TO ORGANIZATIONS THAT THREATEN TO DISRUPT THE MIDDLE EAST PEACE PROCESS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104–173)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

I hereby report to the Congress on the developments concerning the national emergency with respect to organizations that threaten to disrupt the Middle East peace process that was declared in Executive Order No. 12947 of January 23, 1995. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c).

1. On January 23, 1995, I signed Executive Order 12947, "Prohibiting Transactions with Terrorists Who Threaten to Disrupt the Middle East Peace Process" (the "order") (60 *Fed. Reg.* 5079, January 25, 1995). The order blocks all property subject to U.S. jurisdiction in which there is any interest of 12 terrorist organizations that threaten the Middle East peace process as identified in an Annex to the order. The order also blocks the property and interests in property subject to U.S. jurisdiction of persons designated by the Secretary of State, in coordination with the Secretary of the Treasury and the Attorney General, who are found (1) to have committed, or to pose a significant risk of committing, acts of violence that have the purpose or effect of disrupting the Middle East peace process, or (2) to assist in, sponsor or provide financial, material, or technological support for, or services in support of, such acts of violence. In addition, the order blocks all property and interests in property subject to U.S. jurisdiction in which there is any interest of persons determined by the Secretary of the Treasury, in coordination with the Secretary of State and the Attorney General, to be owned or controlled by, or to act for or on behalf of, any other person designated pursuant to the order (collectively "Specially Designated Terrorists" or "STDs").

The order further prohibits any transaction or dealing by a United States person or within the United States in property or interests in property of SDTs, including the making or receiving of any contribution of funds, goods, or services to or for the benefit of such persons. This prohibition includes donations that are intended to relieve human suffering.

Designations of persons blocked pursuant to the order are effective upon the date of determination by the Secretary of State or his delegate, or the Director of the Office of Foreign Assets Control (FAC) acting under authority delegated by the Secretary of the Treasury. Public notice of blocking is effective upon the date of filing with the *Federal Register*, or upon prior actual notice.

2. On January 25, 1995, the Department of the Treasury issued a notice listing persons blocked pursuant to Executive Order No. 12947 who have been designated by the President as terrorist organizations threatening the Middle East peace process or who have been found to be owned or controlled by, or to be acting for or on behalf of, these terrorist organizations (60 *Fed. Reg.* 5084, January 25, 1995). The notice identified 31 entities that act for or on behalf of the 12 Middle East terrorist organizations listed in the Annex to Executive Order No. 12947, as well as 18 individuals who are leaders or representatives of these groups. In addition the notice provides 9 name variations or pseudonyms used by the 18 individuals identified. The list identifies blocked persons who have been found to have committed, or to pose a risk of committing, acts of violence that have the purpose of disrupting the Middle East peace process or to have assisted in, sponsored, or provided financial, material or technological support for, or service in support of, such acts of violence, or are owned or controlled by, or to act for or on behalf of other blocked persons. The Department of the Treasury issued three additional notices adding the names of three individuals, as well as their pseudonyms, to the List of STDs (60 *Fed. Reg.* 41152–53, August 11, 1995; 60 *Fed. Reg.* 44932–33, August 29, 1995; and 60 *Fed. Reg.* 58435–36, November 27, 1995). Copies of the notices are attached to this report. The FAC, in coordination with the Secretary of State and the Attorney General, is continuing to expand the list of Specially Designated Terrorists, including both organizations and individuals, as additional information is developed.

3. The expenses incurred by the Federal Government in the 6-month period from July 23, 1995, through January 22, 1996, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the national emergency with respect to organizations that disrupt the Middle East peace process are estimated at approximately $2.6 million. (The expenses for the previous period, incorrectly stated in the report of July 27, 1995, to be approximately $55,000, were about $2.5 million.) Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Office of the General Counsel, and the U.S. Customs Service), the Department of State, and the Department of Justice.

4. Executive Order No. 12947 provides this Administration with a new tool for combating fundraising in this country on behalf of organizations that use terror to undermine the Middle East peace process. The order makes it harder for such groups to finance these criminal activities by cutting off their access to sources of support in the United States and to U.S. financial facilities. It is also intended to reach charitable contributions to designated organizations and individuals to preclude diversion of such donations to terrorist activities.

In addition, the Congress has pending before it comprehensive counterterrorism legislation proposed by the Administration that would strengthen our ability to prevent terrorist acts, identify those who carry them out, and bring them to justice. The combination of Executive Order No. 12947 and the proposed legislation demonstrate the U.S. determination to confront and combat those who would seek to destroy the Middle East peace process, and our commitment to the global fight against terrorism.

I shall continue to exercise the powers at my disposal to apply economic sanctions against extremists seeking to destroy the hopes of peaceful coexistence between Arabs and Israelis as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments pursuant to 50 U.S.C. 1703(c).

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 9, 1996*.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, February 13, 1996.

Hon. NEWT GINGRICH,
The Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Friday, February 9 at 11:45 a.m. and said to contain a message from the President whereby he notifies the Congress that Japan has conducted whaling activities that diminish the effectiveness of the International Whaling Commission with respect to minke whales.

With warm regards,

ROBIN H. CARLE,
Clerk, House of Representatives.

REPORT ON ACTIVITIES OF JAPAN'S DIMINISHING EFFECTIVENESS OF THE INTERNATIONAL WHALING COMMISSION CONSERVATION PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104–174)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on International Relations and the Committee on Resources and ordered to be printed:

To the Congress of the United States:

On December 11, 1995, Secretary of Commerce Ronald Brown certified under section 8 of the Fishermen's Protective Act of 1967, as amended (the "Pelly Amendment") (22 U.S.C. 1978), that Japan has conducted research whaling activities that diminish the effectiveness of the International Whaling Commission (IWC) conservation program. This message constitutes my report to the Congress pursuant to subsection (b) of the Pelly Amendment.

The certification of the Secretary of Commerce was based on Japanese research whaling activities in both the North Pacific and the Southern Ocean Whale Sanctuary. In 1994, Japan expanded its research whaling activities into the North Pacific by permitting the taking of 100 minke whales, 21 of which were taken. The IWC found that this North Pacific whaling failed to satisfy applicable criteria for lethal research and was therefore inconsistent with the IWC's conservation program. Nevertheless, Japan continued its whaling activities in the North Pacific, taking 100 minke whales in 1995. In addition, during 1995, Japan increased the number of minke whales to be harvested in the Southern Ocean Whale Sanctuary by 33 percent, despite a 1994 finding by the IWC that this lethal research program did not meet all applicable criteria.

In his letter to me of December 11, 1995, Secretary Brown conveyed his concerns not only over the whales that have been killed in this program to date but also over any further expansion of lethal research. While noting that the Japanese have informed us they have no plans for a further expansion of lethal research in the Southern Ocean Whale Sanctuary, he expressed particular concern over whaling activity in that area. I share these concerns.

At this stage, I do not believe that the use of trade sanctions is the most constructive approach to resolving our differences over research whaling activities with the Government of Japan.

However, I have instructed the Department of State to convey my very strong concerns to the Government of Japan. We will also vigorously pursue high-level efforts to persuade Japan to reduce the number of whales killed in its research program and act consistently with the IWC conservation program. We hope to achieve significant progress on these issues by the beginning of the next Antarctic whaling season and will keep these issues under review. I have instructed the Department of Commerce to continue to monitor closely Japan's research whaling and to report promptly on any further inconsistencies between Japanese whaling activities and the guidelines of the IWC conservation program.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 9, 1996.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, February 13, 1996.

Hon. NEWT GINGRICH,
Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Friday, February 9 at 11:45 a.m. and said to contain a message from the President whereby he transmits a 6-month periodic report on the national emergency with Iraq.

With warm regards,

ROBIN H. CARLE,
Clerk, House of Representatives.

REPORT ON CONTINUING NATIONAL EMERGENCY WITH RESPECT TO IRAQ—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104-175)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

I hereby report to the Congress on the developments since my last report of August 1, 1995, concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 of August 2, 1990. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c).

Executive Order No. 12722 ordered the immediate blocking of all property and interests in property of the Government of Iraq (including the Central Bank of Iraq) then or thereafter located in the United States or within the possession or control of a U.S. person. That order also prohibited the importation into the United States of goods and services of Iraqi origin, as well as the exportation of goods, services, and technology from the United States to Iraq. The order prohibited travel-related transactions to or from Iraq and the performance of any contract in support of any industrial, commercial, or governmental project in Iraq. U.S. persons were also prohibited from granting or extending credit or loans to the Government of Iraq.

The foregoing prohibitions (as well as the blocking of Government of Iraq property) were continued and augmented on August 9, 1990, by Executive Order No. 12724, which was issued in order to align the sanctions imposed by the United States with United Nations Security Council Resolution 661 of August 6, 1990.

Executive Order No. 12817 was issued on October 21, 1992, to implement in the United States measures adopted in United Nations Security Council Resolution 778 of October 2, 1992. Resolution 778 requires U.N. Member States to transfer to a U.N. escrow account any funds (up to $200 million apiece) representing Iraqi oil sale proceeds paid by purchasers after the imposition of U.N. sanctions on Iraq, to finance Iraq's obligations for U.N. activities with respect to Iraq, such as expenses to verify Iraqi weapons destruction, and to provide humanitarian assistance in Iraq on a nonpartisan basis. A portion of the escrowed funds also funds the activities of the U.N. Compensation Commission in Geneva, which handles claims from victims of the Iraqi invasion and occupation of Kuwait. Member States also may make voluntary contributions to the account. The funds placed in the escrow account are to be returned, with interest, to the Member States that transferred them to the United Nations, as funds are received from future sales of Iraqi oil authorized by the U.N. Security Council. No Member State is required to fund more than half of the total transfers or contributions to the escrow account.

This report discusses only matters concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 and matters relating to Executive Orders No. 12724 and 12817 (the "Executive orders"). The report covers events from August 2, 1995, through February 1, 1996.

1. During the reporting period, there were no amendments to the Iraqi Sanctions Regulations.

2. The Department of the Treasury's Office of Foreign Assets Control (FAC) continues its involvement in lawsuits seeking to prevent the unauthorized transfer of blocked Iraqi assets. In *Consarc Corporation v. Iraqi Ministry of Industry and Minerals*, No. 94-5390 (D.C. Cir. Dec. 15, 1995), the U.S. Court of Appeals for the D.C. Circuit issued its second opinion in this case, finding in FAC's favor on all issues presented to the court. The court ordered the district court judge to direct Consarc Corporation to restore the status quo by returning $6.4 million plus interest to the blocked Iraqi government account from which it was withdrawn after the district court erroneously held that these funds were not blocked Iraqi government property. The court also found that the unsold furnace manufactured for the Iraqi government and sales proceeds of a second furnace were blocked property. Finally, the court reversed the district court's ruling that Consarc held a specific claim against a blocked Iraqi government account for $6.4 million, holding that any claim Consarc had against the Government of Iraq was as a general creditor only.

Investigations of possible violations of the Iraqi sanctions continue to be pursued and appropriate enforcement actions taken. Several cases from prior reporting periods are continuing and recent additional allegations have been referred by FAC to the U.S. Customs Service for investigation. Additional FAC civil penalty notices were prepared during the reporting period for violations of the International Emergency Economic Powers Act and Iraqi Sanctions Regulations with respect to transactions involving Iraq. One *de minimis* penalty has been collected from an organization for unlicensed exports in violation of the prohibitions against transactions involving Iraq. Several other penalty proceedings are pending completion.

3. Investigation also continues into the roles played by various individuals and firms outside Iraq in the Iraqi government procurement network. These investigations may lead to additions to FAC's listing of individuals and organizations determined to be Specially Designated Nationals (SDNs) of the Government of Iraq.

4. Pursuant to Executive Order No. 12817 implementing United Nations Security Council Resolution 778, on October 26, 1992, FAC directed the Federal Reserve Bank of New York to establish a blocked account for receipt of certain post-August 6, 1990, Iraqi oil sales proceeds, and to hold, invest, and transfer these funds as required by the order. On September 5, 1995, following payments by the Governments of Australia ($216,360.00), Denmark ($168,985.00), Japan ($4,075,000.00), The Netherlands ($4,168,745.47), New Zealand ($67,050.00), Switzerland ($265,108.20), and by the European Union ($647,463.31), respectively, to the special United Nations-controlled account, entitled "United Nations Security Council Resolution 778 Escrow Account," the Federal Reserve Bank of New York was directed to

transfer a corresponding amount of $9,606,711.98 from the blocked account it holds to the United Nations-controlled account. Similarly, on October 30, 1995, following the payment of $1,504,000.00 by the European Community, and payments by the Governments of Germany ($355,871.89), The Netherlands ($698,348.13), Norway ($199,983.00), and the United Kingdom ($2,188,992.67), the Federal Reserve Bank of New York was directed to transfer a corresponding amount of $6,947,195.69 to the United Nations-controlled account. Finally, on December 21, 1995, following the payment of $3,062,197.28 by the European Union, and payments by the Governments of the Netherlands ($1,922,719.00), Sweden ($4,223,178.20), and the United Kingdom ($208,600.44), the Federal Reserve Bank of New York was directed to transfer the amount of $8,313,066.13 to the United Nations-controlled account. Cumulative transfers from the blocked Federal Reserve Bank of New York account since issuance of Executive Order No. 12817 now have amounted to $200 million, fully satisfying the U.S. commitment to match the payments of other Member States from blocked Iraqi oil payments, and its obligation pursuant to United Nations Security Council Resolution 778.

5. The Office of Foreign Assets Control has issued a total of 618 specific licenses regarding transactions pertaining to Iraq or Iraqi assets since August 1990. Licenses have been issued for transactions such as the filing of legal actions against Iraqi governmental entities, legal representation of Iraq, and the exportation to Iraq of donated medicine, medical supplies, food intended for humanitarian relief purposes, the execution of powers of attorney relating to the administration of personal assets and decedents' estates in Iraq and the protection of preexistent intellectual property rights in Iraq. Since my last report, 28 specific licenses have been issued.

6. The expenses incurred by the Federal Government in the 6-month period from August 2, 1995, through February 1, 1996, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Iraq are reported to be about $1.6 million, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the U.S. Customs Service, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel), the Department of State (particularly the Bureau of Economic and Business Affairs, the Bureau of Near Eastern Affairs, the Bureau of International Organization Affairs, the Bureau of Political-Military Affairs, the U.S. Mission to the United Nations, and the Office of the Legal Adviser), and the Department of Transportation (particularly the U.S. Coast Guard).

7. The United States imposed economic sanctions on Iraq in response to Iraq's illegal invasion and occupation of Kuwait, a clear act of brutal aggression. The United States, together with the international community, is maintaining economic sanctions against Iraq because the Iraqi regime has failed to comply fully with United Nations Security Council resolutions. Security Council resolutions on Iraq call for the elimination of Iraqi weapons of mass destruction, Iraqi recognition of Kuwait, and the inviolability of the Iraq-Kuwait boundary, the release of Kuwaiti and other third-country nationals, compensation for victims of Iraqi aggression, long-term monitoring of weapons of mass destruction capabilities, the return of Kuwaiti assets stolen during Iraq's illegal occupation of Kuwait, renunciation of terrorism, an end to internal Iraqi repression of its own civilian population, and the facilitation of access of international relief organizations to all those in need in all parts of Iraq. More than 5 years after the invasion, a pattern of defiance persists: a refusal to account for missing Kuwaiti detainees; failure to return Kuwaiti property worth millions of dollars, including military equipment that was used by Iraq in its movement of troops to the Kuwaiti border in October 1994; sponsorship of assassinations in Lebanon and in northern Iraq; incomplete declarations to weapons inspectors; and ongoing widespread human rights violations. As a result, the U.N. sanctions remain in place; the United States will continue to enforce those sanctions under domestic authority.

The Baghdad government continues to violate basic human rights of its own citizens through systematic repression of minorities and denial of humanitarian assistance. The Government of Iraq has repeatedly said it will not be bound by United Nations Security Council Resolution 688. For more than 4 years, Baghdad has maintained a blockade of food, medicine, and other humanitarian supplies against northern Iraq. The Iraqi military routinely harasses residents of the north, and has attempted to "Arabize" the Kurdish, Turcomen, and Assyrian areas in the north. Iraq has not relented in its artillery attacks against civilian population centers in the south, or in its burning and draining operations in the southern marshes, which have forced thousands to flee to neighboring States.

In April 1995, the U.N. Security Council adopted Resolution 986 authorizing Iraq to export limited quantities of oil (up to $1 billion per quarter) under U.N. supervision in order to finance the purchase of food, medicine, and other humanitarian supplies. The resolution includes arrangements to ensure equitable distribution of such assistance to all the people of Iraq. The resolution also provides for the payment of compensation to victims of Iraqi aggression and for the funding of other U.N. activities with respect to Iraq. Resolution 986 was carefully crafted to address the issues raised by Iraq to justify its refusal to implement similar humanitarian resolutions adopted in 1991 (Resolutions 706 and 712), such as oil export routes and questions of national sovereignty. Nevertheless, Iraq refused to implement this humanitarian measure. This only reinforces our view that Saddam Hussein is unconcerned about the hardships suffered by the Iraqi people.

The policies and actions of the Saddam Hussein regime continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States, as well as to the regional peace and security. The U.N. resolutions affirm that the Security Council be assured of Iraq's peaceful intentions in judging its compliance with sanctions. Because of Iraq's failure to comply fully with these resolutions, the United States will continue to apply economic sanctions to deter it from threatening peace and stability in the region.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 9, 1996*.

HAPPY BIRTHDAY TO ABRAHAM LINCOLN, THE HONORABLE CONSTANCE MORELLA, AND THE PARLIAMENTARIAN

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Madam Speaker, I have been informed that yesterday was your birthday and also the Parliamentarian's birthday, and as all Americans know, February 12 is Abraham Lincoln's birthday also. So, congratulations from one Member of the House, and we are very, very proud of you.

The SPEAKER pro tempore. The Chair thanks the gentleman from Mississippi for his warm greeting. It is true that it is a birthday shared with the 16th President of the United States, and in this Chamber we might be reminded that in President Lincoln's first inaugural, he said, "Let us be inspired by the better angels of our nature," and the gentleman from Mississippi exemplifies that.

ADJOURNMENT

Mr. MONTGOMERY. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 7 minutes a.m.), under its previous order, the House adjourned until Friday, February 16, 1996, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

[Omitted from the Record of February 9, 1996]

2041. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–185, "Closing of a Public Alley and a Portion of another Public Alley in Square 4546, S.O. 93–308, Act of 1996," pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

2042. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–189, "Mary's Center for Maternal and Child Care, Inc., Equitable Real Property Tax Relief Act of 1996," pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

2043. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–190, "Prevention of Transmission of the Human Immunodeficiency Virus Amendment Act of 1996," pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

2044. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–191, "Greater Refuge Church of Our Lord Jesus Christ, Inc., Equitable Real Property Tax Relief Act of 1996," pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

2045. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–192, "Petworth Methodist Church Equitable Real Property Tax Relief Act of 1996," pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

2046. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–193, "Saint African Methodist Episcopal Church Equitable Real Property Tax Relief Act of 1996," pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

2047. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–194, "Mt. Gilead Baptist Church Equitable Real Property Tax Relief Act of 1996," pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

2048. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–195, "Shrine of the Sacred Heart Equitable Real Property Tax Relief Act of 1996," pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

2049. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–196, "RAP, Incorporated Equitable Real Property Tax Relief Act of 1996," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

2050. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–198, "Criminal Code Technical Amendments Act of 1996," pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

2051. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–200, "Property Lien Temporary Amendment Act of 1996," pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

[Submitted February 13, 1996]

2052. A letter from the General Counsel and Corporate Secretary, Legal Services Corporation, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1995, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform and Oversight.

2053. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

2054. A letter from the Secretary of Transportation, transmitting the Department's second biennial report entitled "Effectiveness of Occupant Protection Systems and Their Use," pursuant to Public Law 102–240, section 2508(e) (105 Stat. 2086); jointly, to the Committees on Commerce and Transportation and Infrastructure.

2055. A letter from the Chairman, Railroad Retirement Board, transmitting a copy of the U.S. Railroad Retirement Board's annual report to the President and the Congress, pursuant to 45 U.S.C. 231f(b)(6); jointly, to the Committees on Commerce and Ways and Means.

2056. A letter from the Chairperson, U.S. Commission on Civil Rights, transmitting the Commission's report entitled "Funding Federal Civil Rights Enforcement," pursuant to 42 U.S.C. 1975; jointly, to the Committees on the Judiciary and Economic and Educational Opportunities.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII:

Mr. KLECZKA introduced a bill (H.R. 2965) to amend title 31, United States Code, to provide an automatic continuing appropriation for the U.S. Government; to the Committee on Appropriations.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 211: Ms. ROS-LEHTINEN.

H.R. 497: Mr. CHRISTENSEN.

H.R. 997: Mr. HOYER and Mr. METCALF.

H.R. 1488: Mr. LAHOOD.

H.R. 1627: Mr. BOEHLERT.

H.R. 1948: Ms. RIVERS.

H.R. 2320: Mr. WALSH, Mr. COSTELLO, Mr. FAZIO of California, and Mr. PETERSON of Minnesota.

H.R. 2523: Mr. STOCKMAN.

H.R. 2618: Mr. CONYERS.

H.R. 2664: Mr. HAYES, Mr. ROYCE, Mr. DORNAN, and Mr. RADANOVICH.

H.R. 2740: Ms. DUNN of Washington.

H.R. 2745: Mr. PAYNE of New Jersey, Mr. MFUME, Mr. LANTOS, Mr. NEAL of Massachusetts, Mr. GILMAN, Mr. BOEHLERT, Mr. MOAKLEY, Mr. MENENDEZ, Mr. FIELDS of Louisiana, Mrs. JOHNSON of Connecticut, Mr. KANJORSKI, and Mr. GEJDENSON.

H.R. 2755: Mr. FATTAH.

H. Con. Res. 127: Mr. PETRI, Mr. EHLERS, Mr. HOEKSTRA, Mr. PORTER, Mr. WAMP, Mr. SENSENBRENNER, and Mr. GILLMOR.

H. Con. Res. 134: Mr. HALL of Texas, Mr. BACHUS, and Mr. EMERSON.

EXTENSIONS OF REMARKS

SALUTE TO CALIFORNIA'S RIO AMERICANO HIGH SCHOOL

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1996

Mr. MATSUI. Mr. Speaker, I rise today to join with the U.S. Department of Education in saluting Sacramento, California's Rio Americano High School for recently winning recognition as one of our Nation's blue ribbon schools.

I am proud to have such a model institution within my district. For many years, the school's administration, faculty, students, and parents have devoted their collaborative efforts toward the construction of a school and student body which exceeds local, State, and national goals for educating all of its students.

Rio Americano's recognition is well-deserved and its students' phenomenal success underscores the positive results other schools can enjoy by adopting the principles of GOALS 2000: Educate America.

As testament to its success, the school boasts a dropout rate of 0.3 percent and students graduating from Rio Americano are extraordinarily competitive; 94 percent were accepted at the college or university of their choice in 1994.

The proximity to the State capitol provides Rio Americano with a highly motivated, informed community with expectations of excellence in education and the willingness to become partners in the realization of that goal.

Students take an active role in the setting of goals and priorities for the school, as well as discussions which address the implementation of these goals and priorities. This approach fosters the development of sound character, democratic values, ethical judgment, good behavior, and the ability to work in a self-disciplined and purposeful manner. The results are evident in the students' successful roles in a highly active student government, the operation of the school's radio and television stations, the production of the newspaper and yearbook, the planning of rallies and assemblies, the operation of clubs, and the chairing of meetings of student representative groups.

Parents of Rio Americano students logged 8,837 volunteer hours at the school last year alone. They are actively involved in the development of programs, representing the interests of the community, and raising resources which enable the students to participate in enriching experiences within and beyond the classroom. As part of their extensive involvement, parents are responsible for the development and management of several model programs for facilitating the exit of seniors from the schools.

Finally, the school is fortunate to enjoy the outstanding leadership of its principal, Dr. Ronald Uzelac and his dedicated faculty of educators. Together, they have structured the school to take advantage of the strengths of our community, creating and facilitating forums for staff, students, and parents to work together to examine, debate, and develop programs which draw upon these strengths.

One such program gaining acclaim is Academia Civitas, a political academy which takes advantage of our location in the State capital by establishing a partnership with local political and educational communities. Students follow a specialized curriculum developed by study teams which prepare them to be politically aware citizens able to compete in and contribute to a global society. The academy requires community service, parent involvement, and an internship with one of the many volunteer agencies in our political community.

The State of California has recognized Rio Americano's excellence by honoring the school three times with the Distinguished School Award in 1988 and 1994 and the Sustained Achievement Award in 1990.

Again, I would like to take this opportunity to salute the tremendous efforts on the part of Rio Americano High School's administration, faculty, students, and parents. I ask my colleagues to join me in recognizing this model public school and in wishing Rio Americano many years of continued success.

BLACK HISTORY MONTH

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1996

Mrs. KENNELLY. Mr. Speaker, each February, those of us who serve in Congress have the occasion to rediscover a rich history that has been carefully chronicled by educator and historian, Dr. Carter Woodson, the father of Black History Month. This year, our focus is on African-American women, their past, present, and future.

As a group, these women have made remarkable contributions to this Nation. As individuals, they have enriched lives. Over and over, their stories speak to the strength behind the struggle; to the courage that leads to triumph; to the vision that leads to victory.

This year, our Nation mourned the death of Barbara Jordan, a true champion of the Constitution. She made history from the moment she was elected to Congress as the first African-American from the South to serve since Reconstruction. With her passionate commitment to law, her burning sense of justice, and above all, a voice that spoke truth, she exemplified the spirit of African-American women.

But such heroines are found in all walks of life, and not just in Washington, but in towns and cities across the country. I am proud that Connecticut's First Congressional District is home to so many remarkable African-American women.

Some made their mark with community activism, like the late Isabelle Blake, founder of Connecticut's African-American Day Parade; Ella Cromwell; and Blanche Jackson. Some are outstanding educators, like Dr. Edythe Gaines of the Connecticut State Board of Education and Eileen Baccus, president of Northwestern Community Technical College.

Some have served in the political world, like Alred Dyce of the Bloomfield Town Council; Carrie Saxon Perry, who broke barriers as the first African-American woman elected to lead a northeastern city; Annette Carter and Marie Lopez Kirkley-Bey, who serve in the State legislature today; and Veronica Airey-Wilson, who serves on the Hartford City Council. There are government professionals, like the city manager of Hartford, Saundra Kee Borges, and the city treasurer, Denise Nappier, and those who sit on the bench, like State Superior Court Judge Curtissa Cofield.

Some inspire us with creativity, like Dollie McLean, founder and executive director of the artist collective. Others take the lead in business, like Kyle Ballou of Fleet Bank. Some we depend on for our news, like Gayle King, WFSB-TV 3 news anchor. And some have sent our spirits soaring—like Nakisha Sales of the 1994–95 NCAA Champion UCONN women's basketball team.

It has been said that history is not what happened, but what is remembered. In this month, we seek to ensure that this precious history and these unique accomplishments are preserved forever.

THE BLUE RIBBON SCHOOL AWARD

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1996

Mr. VISCLOSKY. Mr. Speaker, it is my honor to rise today to commend Wilbur Wright Middle School, and its principal, Mr. Donald Guske, and Munster High School, and its principal, Dr. Kevin McCaffrey, for having been awarded the Blue Ribbon School Award. Both schools are located in Munster, IN.

Blue ribbon schools have been judged to be particularly constructive in meeting local, State, and national goals. These schools also display the qualities of excellence that are necessary to prepare our young people for the challenges of the next century. According to the U.S. Department of Education, which issues this award, blue ribbon school status is awarded to schools that have: strong leadership; a clear vision and sense of mission that is shared by all connected with the school; high quality teaching; challenging up-to-date curricula; policies and practices that ensure a safe environment conducive to learning; a solid commitment to parental involvement; and evidence that the school helps all students achieve a quality education.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

State education departments, the Department of Defense Dependent Schools, the Bureau of Indian Affairs, and the Council for American Private Education, review schools in depth to determine which schools meet the high standards of the award. Following the screening process, the nominations are forwarded to the U.S. Department of Education. At this point, a panel of 100 outstanding educators and other professionals review the nominations, select the schools for site visits, and make recommendations to the Secretary of Education. These schools will be honored at a national ceremony in Washington, DC, this spring.

Mr. Speaker, I ask you and my other distinguished colleagues to join me in commending Wilbur Wright Middle School and Munster High School for a job well done. The teachers and administrators of these two schools make Indiana's First Congressional District a better place in which to live and work. There is no greater success than to successfully educate our children.

H.R. 2963, THE KEEP THE GOVERNMENT OPEN ACT OF 1996

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1996

Mrs. MEEK of Florida. Mr. Speaker, the recent shutdown of the Federal Government wasted 1 billion taxpayer dollars. In January Congress passed and the President signed a continuing resolution that paid 285,000 Federal employees who were not able to work between December 16 and January 5 because of the 3-week lapse in appropriations for part of the Federal Government. This shutdown also imposed a serious financial hardship on many of the 476,000 Federal workers who were not paid during this period even though they were working.

The shutdown of the Federal Government hurt many private firms, both those that normally sell to Federal employees and those that have Federal contracts. They were unable to recoup the business lost during the shutdown.

Last week I introduced a bipartisan bill to prevent such harmful consequences if there should be another lapse in appropriations in the future. H.R. 2963, the Keep the Government Open Act of 1996, amends that Anti-Deficiency Act to permit Federal employees to continue to work and to be paid during a lapse in appropriations, if the President determines that a sufficient appropriation is likely to be made before the end of the fiscal year.

The other original consponsors of this bill are Mr. DAVIS, Mr. HOYER, Mr. MORAN, Ms. NORTON, and Mr. WYNN.

I urge my colleagues to support this insurance against another failure to enact appropriations bills or continuing resolutions for the entire Government.

THE MONEY PLANE

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1996

Mr. SCHUMER. Mr. Speaker, a weekly magazine recently published a lengthy article raising serious questions about the business activities conducted by Republic National Bank of New York with Russian banks. Republic is a large, well-respected institution serving the New York community and employing thousands of its residents. In the interest of fairness, so that the other side of the story can be heard, I would like to submit for the RECORD the attached materials. Included among them are several letters from law enforcement agencies and bank regulatory bodies. These letters testify to the bank's record of compliance with the law and cooperation with law enforcement officials and bank regulators.

COMPTROLLER OF THE CURRENCY,
ADMINISTRATOR OF NATIONAL BANKS,
Washington, DC, January 17, 1996.

WALTER H. WEINER,
Chairman and Chief Executive Officer, Republic National Bank of New York, New York, NY.

DEAR MR. WEINER: Thank you for your letter drawing my attention to the article entitled "The Money Plane" in the January 22, 1996 issue of New York magazine. The article concerns sales of U.S. dollars to Russian banks by Republic Bank and includes several statements attributed to an unnamed OCC official.

We doubt that those statements were in fact made by an OCC official. However, if they were made, please be assured that the statements were unauthorized and do not represent the views of this office. More specifically, these statements do not reflect the OCC's position concerning Republic Bank's bank note detailings with Russian banks.

As you are aware, the OCC supervises and regulates all national banks, including those that have substantial bank note dealings with Russian banks. As part of our oversight, we monitor the bank note activities of those banks, including Republic. We are satisfied that Republic's bank note activities are conducted in a manner consistent with the applicable laws we administer.

Sincerely,
EUGENE A. LUDWIG,
Comptroller of the Currency.

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF PROFESSIONAL RESPONSIBILITY,
Washington, DC, February 1, 1996.

WALTER H. WEINER,
Chairman and Chief Executive Officer, Republic National Bank of New York, New York, N.Y.

DEAR MR. WEINER: The Attorney General received your letter dated January 15, 1996, calling attention to an article entitled "The Money Plane" in the January 22, 1996 issue of New York magazine. She also received a letter from Republic National Bank Deputy General Counsel, Anne T. Vitale, concerning that same article. The Attorney General asked this Office to investigate the issues raised in the two letters and respond to you.

"The Money Plane" discusses sales of U.S. dollars by Republic National Bank to various banks in Russia. The article contains a statement attributed to an Assistant United States Attorney (AUSA) about certain accounts at Republic National Bank.

I wish to assure you that the statements attributed to the AUSA do not represent the views of the Department of Justice. More specifically, the attributed statements do not reflect any position of the Department of Justice on Republic National Bank's banknote transactions with Russian banks.

Sincerely,
MICHAEL E. SHAHEEN, Jr.,
Counsel.

THE DISTRICT ATTORNEY,
COUNTY OF NEW YORK,
January 16, 1996.

THE EDITOR,
New York Magazine,
New York, NY.

TO THE EDITOR: I read the article entitled "The Money Plane" in the January 22, 1996 issue of New York magazine. It does raise a reasonable question about our Government's policy to permit and facilitate the sale of U.S. dollars by American and foreign banks to Russian banks. I was surprised, however, by the suggestion that it is improper for Republic National Bank to engage in this practice as well as the article's utter failure to mention that other reputable and well-known banks also engage in similar transactions.

The fact is that the U.S. Treasury, the Federal Reserve System and the State Department approve and facilitate the sale of dollars by American banks to Russian banks. Indeed, the Federal Reserve Bank of New York sells dollars with the knowledge that they are going to be resold to Russian banks. Additionally, the banks who purchase and resell the dollars file reports on each transaction with the Federal Reserve System, the United States Treasury Department, U.S. Customs and the Controller of the Currency. These are not covert transactions.

Finally, under current law, banks which buy dollars in New York and resell them to Russian banks are not required to and, indeed are unable to know, the identity of the Russian banks' customers. Republic, in fact, sells only to banks licensed by the Russian Central Bank. Unless a bank has specific information of criminal control of a Russian bank, a U.S. bank may sell banknotes to Russian banks.

My office has aggressively investigated money laundering cases for many years and does so on a regular and continuous basis. As a routine matter, we have looked at Republic's sale of dollars to Russian banks and found no evidence of misconduct or wrongdoing by Republic.

Sincerely,
ROBERT M. MORGENTHAU.

STATE OF NEW YORK,
BANKING DEPARTMENT,
New York, NY, February 1, 1996.

Mr. WALTER H. WEINER,
Chairman and Chief Executive Officer, Republic National Bank of New York, New York, NY.

DEAR MR. WEINER: This letter responds to your recent letter to me enclosing a copy of the "The Money Plane" article in the January 22, 1996 issue of New York Magazine, together with copies of the January 16, 1996 letter to you from the Office of the Comptroller of the Currency, the January 17, 1996 letter to New York Magazine from Robert M. Morgenthau, the District Attorney for New York County and the January 24, 1996 letter to Republic National Bank of New York ("Republic") Senior Vice President Vitale from FINCEN Director Morris. Each of these letters relates to that article.

New York Magazine's article concerns, among other things, sales of U.S. dollars to Russian banks by Republic. It includes some purported quotations and statements of unnamed sources said to be former employees of this Department who then had law enforcement investigation responsibilities.

You can be assured that if, and to the extent that, such statements may have been made by former employees of this Department, they have not been authorized to be made by this Department, were made without our awareness and do not constitute, in any manner, statements or positions of the New York State Banking Department in respect of Republic or with regard to banknotes dealings with Russian banks by Republic and other banks.

Moreover, it is the U.S. Comptroller of the Currency, and not this Department, which has been and continues to be the primary bank regulator of Republic. Thus, in the course of our functions, we do not examine Republic, nor have we conducted an investigation directed at Republic in respect of its banknotes dealings with Russian banks.

Very truly yours,

——— ———.

FINANCIAL CRIMES
ENFORCEMENT NETWORK,
Vienna, VA, January 24, 1996.

ANNE T. VITALE, Esq.,
Senior Vice President and Deputy General Counsel, Republic National Bank of New York, New York, NY.

DEAR ANNE: Your letter to me, dated January 17, 1996, concerned an article entitled "The Money Plane" in the January 22 issue of New York Magazine. That article dealt, in part, with the sale of American currency to banks in Russia by Republic National Bank of New York ("Republic").

As you point out in your letter, the shipment of bank notes by United States banks to other banks, in Russia or anywhere else, is permitted by U.S. law and there is nothing inherently illegal about such activities. The New York article was certainly unfair in suggesting otherwise. Furthermore, we have never encountered a money laundering scheme which seeks to convert assets already in financial institutions into bank notes.

Banks such as Republic, with a history of strong compliance programs and valuable cooperation with law enforcement authorities in this country, can be expected to recognize the risks of particular transactions in their efforts to avoid becoming ensnared in wrongdoing. Republic has indeed, as your letter also points out, been supplying voluntary reports to federal law enforcement of its shipments of bank notes to Russia and other countries in an effort to assist U.S. authorities.

Our program of partnership with the financial community relies on highly experienced officials such as you and banks such as Republic to carry out our law enforcement mission. I look forward to continuing to work with you in the fight against money laundering.

With best wishes.

Sincerely,

STANLEY E. MORRIS,
Director.

AKIN, GUMP, STRAUSS, HAUER
& FELD, L.L.P., ATTORNEYS AT LAW,
Washington, DC, January 29, 1996.

EDITOR, New York,
K-III Magazine Corporation,
New York, NY.

DEAR SIR: The article entitled "The Money Plane" in your January 22, 1996 issue of New York magazine misleads your readers by relying on anonymous innuendo to impeach the integrity of respected U.S. banks. As a former Ambassador to Russia, I have seen firsthand the importance of selling dollars to Russian banks: U.S. currency helps to stabilize the Russian economy as that nation's political leadership struggles to modernize and democratize their country and that in the best interests of the U.S. and the free world.

The circulation of the U.S. currency in Russia is an important element of U.S. trade and foreign policy. Through banknote and other transactions, U.S. banks remain engaged with their Russian counterparts, introduce them to and reinforce the high standards of the international banking system, and prevent the sort of economic isolation that could undermine the continuing development of Russia's financial system. Providing a steady supply of U.S. currency to Russian banks is perhaps the single most efficient form of support the U.S. can offer any country in a position as delicate as Russia's. Not to be overlooked is the fact that this banking activity also opens important avenues of commerce between Russia and the West.

Your article alleges that U.S. banks, Republic National Bank in particular, knowingly conduct banknote transactions with Russian banks that are controlled by or associated with organized crime. No one can deny that crime and corruption are today among the greatest threats to the creation of a modern democracy in Russia. However, while I am no expert on the subject, my understanding is that all banknote transactions between U.S. and Russian banks are conducted in strict accordance with the reporting and "know-your-customer" evidence to the contrary. The fact is that the U.S. banks that handle banknote transactions, with Russia or any other country, monitor to the best of their ability the activities of the banks with which they do business, continuously seek reliable information regarding the integrity of those institutions, and will discontinue transactions with any institution that government authorities indicate is involved in criminal activity. Furthermore, I know of no instances where federal banking or law enforcement officials have indicated that there are Russian banks with whom business should be discontinued.

As far as criminal activity in Russia is concerned, it should be stopped by increasing the resources and capabilities of Russian law enforcement and continuing the cooperation that exists between U.S. and Russian authorities.

You did a disservice to your readers and I hope that, as a matter of integrity, you will publicly apologize and correct your misstatements that I am sure were inadvertent.

Respectfully,

ROBERT S. STRAUSS.

At a press conference on January 18, 1996, United States Ambassador to Russia, Thomas Pickering stated:

American and international banks who are depositories with the federal reserve system will be the principal conduits, may be as many as a dozen of those bringing money here to Russia, where it will be redistributed through their arrangements with the Russian banking system into the Russian system to meet the demands that people will have in this country for new dollars.

* * * * *

We do not believe that activities taken through the currency provide an effective remedy for money laundering or the use of currency in criminal activities and, indeed, suggestions that this be done, in our view, would produce greater negative effects on the stability of worldwide currency systems than they would produce benefits in attacking the criminal culture. . . .

IN HONOR OF MR. HENRY SANCHEZ ON HIS 50 YEARS OF FEDERAL SERVICE

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1996

Mr. MENENDEZ. Mr. Speaker, I rise today to pay tribute to Mr. Henry Sanchez on the occasion of his 50th year of Government service. A special ceremony will be held in his honor on Friday, February 16, at the Harbor View Community Club, Military Ocean Terminal in Bayonne, NJ.

In February 1944, Mr. Sanchez began his career in the Navy as a signalman. For his part in the WWII effort, he served on a ship transporting American troops to France during the Normandy Invasion. Mr. Sanchez was discharged from the Navy in April 1948. Two years later, be began to work at the Brooklyn Army Base in New York.

Mr. Sanchez transferred to the Bayonne Naval Supply Depot in March 1950. For over 45 years, Mr. Sanchez worked in Bayonne as a firefighter and a supervisory transportation assistant at the Seavan Container Control Division, Military Ocean Terminal. In 1980, Mr. Sanchez moved to the U.S. Air Force's Water Port Logistics Office where he held the position of deputy commander GS–12. Several years later he was promoted to GS–13 as the deputy director, Personal Property Directorate, Military Traffic Management Command, Eastern Area.

Mr. Sanchez, an outstanding leader on the job, has also dedicated much of his time to the Bayonne community. He is a board member of the United Way of Hudson County, vice president of the American Legion's Mackenzie Post 165, and a trustee for the Bayonne Veterans Relief Fund.

For his outstanding work and leadership in logistical support of the European, African, Mediterranean and Arctic regions, Mr. Sanchez was awarded the U.S. Air Force Meritorious Civilian Service Medal. He has devoted himself to serving his country with honor and dignity. I ask that my colleagues join me in honoring this wonderful individual. I am proud to have such a remarkable man working in my district.

HONORING THE 1996 FAIRFAX COUNTY CHAMBER OF COMMERCE VALOR AWARD WINNERS

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1996

Mr. DAVIS. Mr. Speaker, I rise today to pay tribute to the 1996 Fairfax County Chamber of

Commerce Award Winners. On Thursday, February 15, 1996, the Fairfax County Chamber of Commerce will present the Annual Valor Awards at the McLean Hilton.

The Valor Awards honor public service officers who have demonstrated extreme self-sacrifice, personal bravery, and ingenuity in the performance of their duty. There are five categories: The Gold Medal of Valor, the Silver Medal of Valor, the Bronze Medal of Valor, the Certificate of Valor, the Life Saving Award.

The Valor Awards is a project of the Fairfax County Chamber of Commerce, in conjunction with the Fairfax County Board of Supervisors. This is the 18th year that these awards have been presented.

The Silver Medal of Valor is awarded in recognition of acts involving great personal risk.

The Silver Medal of Valor Award Winners for 1996 are: Sgt. J. Vincent Byrd, Detective Kenneth M. Pedigo, Detective Susan Lamar

The Bronze Medal of Valor is awarded in recognition of acts involving unusual risk beyond that which should be expected while performing the usual responsibilities of the member.

The Bronze Medal of Valor Award Winners for 1996 are: Detective Onzlow G. Williamson, Jr., Detective Beth A. Benham, 2d Lt. Richard H. Bearen, Sgt. Samuel J. Masiello, Police Officer 1st Class Bryan W. Holland, Police Officer 1st Class Robert D. Hill, 2d Lt. Frank J. Kitzerow, Capt. Michael LoMonaco, Sgt. Jeffrey E. Powell, Master Police Officer James T. Stewart III, Police Officer 1st Class Rolland L. Watenpaugh, Police Officer Aaron M. Kush, Police Officer 1st Class Stephen M. Needels, Police Officer Mark E. Royer, Firefighter Lawrence M. Braswell, Technician Michael A. Weldon

The Bronze Medal of Valor Unit Citation Award Winners for 1996 are: Master Police Officer Michael J. Brennan, Police Officer 1st Class Richard D. Carlton, Officer Chris C. Cochran, 2d Lt. Arthur J. Hurlock, Sgt. James Kellam, Police Officer 1st Class Steven R. Mattos, Master Police Officer Jackie L. Mitchem, Police Officer 1st Class Lee P. Northrop, Police Officer 1st Class Don C. Pierson, Police Officer 1st Class James M. Pollack, Lt. David Mr. Rohrer

The Certificate of Valor is awarded for acts that involve personal risk and/or demonstration of judgment, zeal, or ingenuity not normally involved in the performance of duties.

The Certificate of Valor Award Winners for 1996 are: Capt. Randall J. Kennedy, Firefighter Edward C. Lofties, Officer Timothy C. Benedict, Police Officer First Class Robert Egan, Sgt. Matthew W. Pifger, Master Police Officer Ralph R. Scott, Technician Edson Dewhurst, Jr.

The Lifesaving Award is awarded for acts taken in life-threatening situations where an individual's life is in jeopardy, either medically or physically.

The Lifesaving Award Winners for 1996 are: Detective Nancy G. Schaefer, Volunteer Firefighter Carl August Lief Ericson, Technician John H. Marlin, Firefighter William A. Sutphin, Jr., Master Technician Konrad A. Kurtz, Lt. Carlton G. Burkhammer, Firefighter George N. Pancione, Jr., Master Technician Michael J. Stone, Firefighter David D. Sweetland, Deputy Sheriff Kathleen A. Miller, Deputy Sheriff Sgt. Michael G. Dickerson, Deputy Sheriff Private First Class Melanie K. Sjurseth, Deputy Sheriff Cpl. John A. Craig, Deputy Sheriff Private First Class Barry V. Garlow, Deputy Sheriff Brian K. Harmon, Deputy Sheriff Alberto D. Pinto, Officer Edward K. Warren, Police Officer First Class Jarvis D. Lay, Public Safety Communications Assistant II Kimberly A. Wright

Mr. Speaker, I know my colleagues join me in commending these fine citizens who are truly deserving of the title "hero."

SENATE—*Friday, February 16, 1996*

(Legislative day of Wednesday, February 7, 1996)

The Senate met at 10:29 and 47 seconds a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

RECESS UNTIL 11 A.M., TUESDAY, FEBRUARY 20, 1996

The PRESIDENT pro tempore. Under the previous order, the Senate stands in recess until 11 a.m., Tuesday, February 20, 1996.

Thereupon, the Senate, at 10:29 and 59 seconds a.m., recessed until Tuesday, February 20, 1996, at 11 a.m.

HOUSE OF REPRESENTATIVES—*Friday, February 16, 1996*

The House met at 11 a.m. and was called to order by the Speaker pro tempore [Mrs. MORELLA].

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We thank You, O God, for the gift of remembrance, the opportunities we have to recall those who have given us our lives, have nurtured us along the way, those who support us with their concerns and their prayers. As we look for our lives and all our experiences we acknowledge those whose presence has inspired us and helped make us whole, and the recollection of them this day brings joy and appreciation. May each of us so live our lives that we will not forget those who have cared for us and that we will be agents of friendship and good will with all people. This is our earnest prayer. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House her approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Let us all rise and face the flag for the Pledge of Allegiance.

Mrs. MORELLA led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, February 16, 1996.

Hon. NEWT GINGRICH,
The Speaker, House of Representatives,
Washington, DC 20515.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Wednesday, February 14 at 11:25 a.m. and said to contain a message from the President whereby he transmits the Economic Report of the President and Annual Report of the Council of Economic Advisers for 1996.

With warm regards,

ROBIN H. CARLE,
Clerk,
House of Representatives.

ECONOMIC REPORT OF PRESIDENT AND ANNUAL REPORT OF COUNCIL OF ECONOMIC ADVISORS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104–161)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection referred to the Joint Economic Committee and ordered to be printed:

To the Congress of the United States:

Fifty years ago, the Congress passed and President Truman signed the Employment Act of 1946, which committed the U.S. Government to promote policies designed to create employment opportunities for all Americans. I am proud that my Administration has made President Truman's commitment a reality. Over the past 3 years, we have created a sound economic foundation to face the challenges of the 21st century.

STRONG ECONOMIC PERFORMANCE

Overall, the American economy is healthy and strong. In the first 3 years of this Administration nearly 8 million jobs were created, 93 percent of them in the private sector. The so-called "misery index"—the sum of the inflation and unemployment rates—fell last year to its lowest level since 1968. Investment has soared, laying the basis for future higher economic growth. New business incorporations have set a record, and exports of American-made goods have grown rapidly. Ours is the strongest and most competitive economy in the world—and its fundamentals are as sound as they have been in three decades.

This turnaround occurred because of the hard work and ingenuity of the American people. Many of the new jobs are high-wage service sector jobs—reflecting the changing structure of the economy. The telecommunications, biotechnology, and software industries have led the high-tech revolution world-wide. Traditional industries, such as manufacturing and construction, have restructured and now use technology and workplace innovation to thrive and once again create jobs. For example, in 1994 and 1995, America was once again the world's largest automobile maker.

Our 1993 economic plan set the stage for this economic expansion and resurgence, by enacting historic deficit reduction while continuing to invest in technology and education. For over a decade, growing Federal budget deficits kept interest rates high and dampened investment and productivity growth. Now, our deficit is proportionately the lowest of any major economy.

Today, our challenge is to ensure that all Americans can become winners in economic change—that our people have the skills and the security to make the most of their own lives. The very explosion of technology and trade that creates such extraordinary opportunity also places new pressures on working people. Over the past two decades, middle-class earnings have stagnated, and our poorest families saw their incomes fall. These are long-run trends, and 3 years of sound economic policies cannot correct for a decade of neglect. Even so, we are beginning to make some progress: real median family income increased by 2.3 percent in 1994, and the poverty rate fell in 1994 for the first time in 5 years.

ADDRESSING OUR ECONOMIC CHALLENGES

I am firmly committed to addressing our economic challenges and enhancing economic security for all Americans. People who work hard need to know that they can and will have a chance to win in our new and changing economy. Our economic agenda seeks both to promote growth and to bring the fruits of that growth within reach of all Americans. Our overall strategy is straightforward:

—*Balancing the budget.* In the 12 years before I took office, the budget deficit skyrocketed and the national debt quadrupled. My Administration has already cut the budget deficit nearly in half. I am determined to finish the job of putting our fiscal house in order. I have proposed a plan that balances the budget in 7 years, without violating our fundamental values—without undercutting Medicare, Medicaid, education, or the environment and without raising taxes on working families. The plans put forth by my Administration and by the Republicans in the Congress contain enough spending cuts in common to balance the budget and still provide a modest tax cut. I am committed to giving the American people a balanced budget.

☐This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

—*Preparing workers through education and training.* In the new economy, education is the key to opportunity—and the education obtained as a child in school will no longer last a lifetime. My Administration has put in place the elements of a lifetime-learning system to enable Americans to attend schools with high standards; get help going to college, or from school into the workplace; and receive training and education throughout their careers. We expanded Head Start for preschoolers; enacted Goals 2000, establishing high standards for schools; created a new direct student loan program that makes it easier for young people to borrow and repay college loans; gave 50,000 young people the opportunity to earn college tuition through community service; and enacted the School-to-Work Opportunities Act. Now we must continue to give our people the skills they need, by enacting my proposals to make the first $10,000 of college tuition tax deductible; to give the top 5 percent of students in each high school a $1,000 merit scholarship; and to enact the GI Bill for Workers, which would replace the existing worker training system with a flexible voucher that workers could use at community colleges or other training facilities.

—*Increasing economic security.* We must give Americans the security they need to thrive in the new economy. We can do this through health insurance reforms that will give Americans a chance to buy insurance when they change jobs or when someone in their family is sick. We can do this by encouraging firms to provide more extensive pension coverage, as I have done through my proposals for pension simplification. In addition, we should make work pay by increasing the minimum wage and preserving the full Earned Income Tax Credit (EITC), which cuts taxes for hard-pressed working families to make sure that no parents who work full-time have to raise their children in poverty.

—*Creating high-wage jobs through technology and exports.* We must continue to encourage the growth of high-wage industries, which will create the high-wage jobs of the future. We have reformed the decades-old telecommunications laws, to help spur the digital revolution that will continue to transform the way we live. We must continue to encourage exports, since jobs supported by goods exports pay on average 13 percent more than other jobs. My Administration has concluded over 200 trade agreements, including the North American Free Trade Agreement and the Uruguay Round of the General Agreement on Tariffs and Trade, seeking an open world marketplace and fair rules for exporters of American goods and services. As a result, merchandise exports have increased by 31 percent.

—*A government that is smaller, works better, and costs less.* A new economy demands a new kind of government. The era of big, centralized, one-size-fits-all government is over. But the answer is not the wholesale dismantling of government. Rather, we must strive to meet our problems using flexible, nonbureaucratic means—and working with businesses, religious groups, civic organizations, schools, and State and local governments. My Administration has reduced the size of government: as a percentage of civilian nonfarm employment, the Federal workforce is the smallest it has been since 1933, before the New Deal. We have conducted a top-to-bottom overhaul of Federal regulations, and are eliminating 16,000 pages of outdated or burdensome rules altogether. We have reformed environmental, workplace safety, and pharmaceutical regulation to cut red tape without hurting public protection. And we will continue to find new, market-based ways to protect the public.

THE NEED TO CONTINUE WITH WHAT WORKS

As *The Annual Report of the Council of Economic Advisers* makes clear, this is a moment of great possibility for our country. Ours is the healthiest of any major economy. No nation on earth is better positioned to reap the rewards of the new era. Our strategy of deficit reduction and investment in our people has begun to work. It would be a grave error to turn back.

Our Nation must reject the temptation to shrink from its responsibilities or to turn to narrow, shortsighted solutions for long-term problems. If we continue to invest for the long term, we will pass on to the next generation a Nation in which opportunity is even more plentiful than it is today.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 14, 1996.*

ENROLLED BILL SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1718. An act to designate the United States Courthouse located at 197 South Main Street in Wilkes-Barre, Pennsylvania, as the "Max Rosenn United States Courthouse."

ADJOURNMENT

The SPEAKER pro tempore. Without objection, the House stands adjourned.

There was no objection.

Accordingly (at 11 o'clock and 4 minutes a.m.), under its previous order, the House adjourned until Tuesday, February 20, 1996, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2057. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting the annual report to Congress on the operations of the Export-Import Bank of the United States for fiscal year 1995, pursuant to 12 U.S.C. 635g(a); to the Committee on Banking and Financial Services.

2058. A letter from the Administrator, Energy Information Administration, transmitting the Administration's report entitled "Annual Energy Outlook 1996," pursuant to 15 U.S.C. 790f(a)(1); to the Committee on Commerce.

2059. A letter from the Director, Office of Emergency and Remedial Response, Environmental Protection Agency, transmitting three rules amending the national priorities list promulgated under section 105 of CERCLA, pursuant to 42 U.S.C. 9655(a); to the Committee on Commerce.

2060. A letter from the Chairman, United States International Trade Commission, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HERGER:

H.R. 2966. A bill to authorize law enforcement agencies to make arrangements for the compensation of officers in their canine units; to the Committee on Economic and Educational Opportunities.

By Mr. HAYES:

H.J. Res. 160. Joint resolution proposing an amendment to the Constitution of the United States to provide that Federal judges be reconfirmed by the Senate every 6 years; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 863: Ms. DELAURO.

H.R. 2137: Mr. SOLOMON.

H.R. 2306: Mr. RAHALL, Mr. GOSS, Mr. OBERSTAR, Mr. FRAZER, Mr. FAZIO of California, Mr. STOCKMAN, Mr. LEACH, and Mr. GUNDERSON.

H.R. 2697: Ms. EDDIE BERNICE JOHNSON of Texas, Ms. SLAUGHTER, Mrs. SCHROEDER, and Mr. FARR.

H.J. Res. 10: Mr. BATEMAN.

H. Con. Res. 21: Mr. GUTIERREZ, Ms. WATERS, and Mr. PAYNE of New Jersey.

EXTENSIONS OF REMARKS

SALUTE TO JUDGE A. LEON HIGGINBOTHAM, JR.

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, February 16, 1996

Mr. MFUME. Mr. Speaker, it is my honor and my privilege to rise today to pay a special tribute to a great American, Judge A. Leon Higginbotham, Jr. This man is an inspiration to those of us who are fortunate enough to be familiar with his works, and we as a nation are much better because of him and his works. Over the years I have had the great fortune to work with and get to know Judge Higginbotham, and from these experiences I have grown to consider him not only a friend, but a mentor.

Born in Trenton, NJ, Judge Higginbotham has become one of the most respected jurists of our day, not to mention a celebrated civil rights leader and an acclaimed professor at Harvard University. He serves today not only as an inspiration to all African-Americans, but also to all Americans who admire hard work and respect the freedoms and rights on which this Nation was founded.

Judge Higginbotham began his legal career in Pennsylvania, where he was appointed assistant district attorney in Philadelphia in the early 1950's. From there, he went on to serve as a member of the Pennsylvania Human Rights Commission and in 1959 he was elected president of the Philadelphia chapter of the NAACP. During this time he was also a partner in the law firm of Norris, Green, Harris & Higginbotham.

From 1960 to 1962, Judge Higginbotham was a special hearing officer for conscientious objectors at the Department of Justice, and from there he went on to become the first black commissioner of the Federal Trade Commission. From 1964 to 1977, he was a judge on the Federal District Court for the Eastern District of Pennsylvania. He left that job to sit on the Court of Appeals for the Third Circuit from 1977 to his retirement in March 1993. For the last 4 years of his term, he served as only the third black judge to become chief judge of a circuit.

During this time Judge Higginbotham was also able to write and publish the highly acclaimed book, "In the Matter of Color: Race and the American Legal Process." Throughout his career, Judge Higginbotham's voice has been one of the clearest and most distinguished in the area of using the law to promote civil rights. He has also become, over the years, one of the most respected voices in the civil rights movement.

In Judge Higginbotham's case, retirement does not mean rest. He is currently a professor at Harvard and a practicing counsel to Paul, Weiss, Rifkind, Wharton & Garrison, which has offices in both New York and Washington, DC. He has also remained active in civil rights organizations such as the NAACP, and I look forward to working with him in the years to come.

As even a modest perusal of his career will indicate, Judge Higginbotham's life can be summed up in one word: service. Judge Higginbotham's selfless dedication in applying his knowledge and talents to the betterment of all Americans should serve as an inspiration to all, regardless of their race, gender, or political beliefs. It is an honor to be able to salute him in these pages, and I look forward to many more years of his work on behalf of our Nation.

HELP OTHER PEOPLE EAT [HOPE] DAY

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 16, 1996

Mr. FORBES. Mr. Speaker, I rise today to commend the New York Chiropractic Council and Long Island Cares for their commitment to end hunger on Long Island. In 1991, the New York Chiropractic Council created Help Other People Eat [HOPE] Day in an effort to fight the pervasive and increasing problem of hunger in the community.

The past 5 years, HOPE Day has raised over 200,000 pounds of food. This food was donated by chiropractic patients who received their adjustments/examinations from 400 HOPE Day chiropractic doctors for free in exchange for contributions of nonperishable food.

Today is HOPE Day 1996. This year, all of the food collected will be given to Long Island Cares for distribution to food agencies feeding hungry men, women, and children throughout New York. I congratulate the patients and the doctors who by their humanitarian efforts are helping the needy and the hungry.

Mr. Speaker, in time of reduced public benefits, an event such as HOPE Day 1996 deserves our respect and admiration. I thank all of those who are making HOPE Day 1996 a success.

TRIBUTE TO CLAIR A. HILL

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 16, 1996

Mr. FAZIO. Mr. Speaker, I rise on behalf of myself and my distinguished colleague, Mr. HERGER, to recognize the lifetime achievement of Clair A. Hill.

Mr. Hill has been an integral part of the management of California's water resources for over three decades, serving as vice-chair and as chairman of the California Water Commission.

In addition to his strong leadership on the water commission, Mr. Hill served as director of the California Chamber of Commerce and was an active member of the American Society of Civil Engineers.

Mr. Hill has exhibited unfailing dedication toward the development of responsible and effective management of California's water supply.

His efforts in this regard prompted the U.S. Bureau of Reclamation to honor him with its citizen award for his outstanding lifelong commitment to the wise use and development of California's water resources.

On behalf of Mr. HERGER and myself, I want to thank Mr. Hill for his extraordinary commitment and dedicated service to the people of the State of California.

TRIBUTE TO CLAIR A. HILL

HON. WALLY HERGER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 16, 1996

Mr. HERGER. Mr. Speaker, I rise this morning, to recognize Clair A. Hill, an outstanding leader in the State of California.

Mr. Hill has been an active public servant in northern California for 30 years and has served as chairman of the California Water Commission, a director of the California Chamber of Commerce, and an active member of the American Society of Civil Engineers.

His dedication to the balanced management of California's water supply was recognized by the U.S. Bureau of Reclamation in its citizen award to him for outstanding lifelong commitment to the wise use and development of California's water resources.

Mr. Speaker, I wish to submit for the RECORD the following written tribute to Mr. Hill in recognition of his distinguished public service and his extraordinary efforts to improve California water management.

IN RECOGNITION OF CLAIR A. HILL FOR EXTRAORDINARY PUBLIC SERVICE

Whereas, Clair A. Hill is leaving the California Water Commission after 30 years of public service on this body, his tenure having spanned the terms of seven governors; and

Whereas, Mr. Hill began his service on the California Water Commission in 1949, when it was then known as the State Water Resources Board, and has ably served as Vice-Chair and Chair of that body; and

Whereas, His interest in, and dedication to, multi-purposed coordinated management of California's water supply was recognized by U.S. Bureau of Reclamation in its Citizen Award to him for "outstanding lifelong commitment to the wise use and development of California's water resources"; and

Whereas, Mr. Hill's history of involvement in water resources management at the statewide level is demonstrated by his long association with the California Water Plan. In 1957, he signed the State Water Resources Board's letter transmitting Department of Water Resources Bulletin 3, the first California water plan. In his most recent term on the California Water Commission, he participated in the Commission public hearing on the latest update of the plan; and

Whereas, As fishery issues have increasingly becoming become an important component of water resources management, Mr. Hill has represented the California Water Commission before Congress and before federal agencies to seek funding for needed federal fishery restoration projects; and

Whereas, Mr. Hill has been a lifelong resident of northern California, having been founder and president of the Redding engineering firm of Clair A. Hill and Associates, now grown to the international firm of CH2MHill. In addition to his participation on the California Water Commission, he has served as a director of the California Chamber of Commerce and has been involved with the American Society of Civil Engineers; and

Whereas, Mr. Hill's wealth of knowledge on California water resources management and long experience in helping the State meet its water supply needs have made him an invaluable asset to the Water Commission;

Now, therefore, We express our sincere thanks to Mr. Hill for his service to the people of California and of the Nation, and commend him for his personal and professional contributions throughout his career to help improve California water management.

SALUTE TO THE EPSILON OMEGA CHAPTER OF THE ALPHA KAPPA ALPHA SORORITY

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, February 16, 1996

Mr. MFUME. Mr. Speaker, I rise today to pay a special tribute to the Epsilon Omega Chapter of the Alpha Kappa Alpha Sorority, which is celebrating its diamond jubilee this year.

The Epsilon Omega Chapter, which is based in Baltimore and was founded in 1921, began as the Sigma Chapter, the first graduate chapter in the North America Region of Alpha Kappa Alpha Sorority, Inc. Today, 300 members strong, the Epsilon Omega Chapter continues to provide distinguished service in developing programs and initiatives to address the needs of the Baltimore community.

Included in the group's goals are to increase health awareness among women and children; to advance educational and communications opportunities through various partnerships; to provide the support that is needed to bring about economic empowerment for African-American families, including minority-owned businesses and voter registration; and to provide a service to all who are in need.

Given these lofty goals and the hard work that these women have put into making them a reality, it is my high honor to salute the Epsilon Omega Chapter and all its members during their diamond jubilee year. May the next 75 years be just as prosperous for both the group and the community it serves.

SENATE—*Tuesday, February 20, 1996*

(Legislative day of Wednesday, February 7, 1996)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Dear God, thank You for revealing the quality of Your love which You seek to reproduce in our relationships. You have told us that:

Love suffers long and is kind; love does not envy; love does not parade itself, is not puffed up; does not behave rudely, does not seek its own, is not provoked, thinks no evil, does not rejoice in iniquity but rejoices in the truth; bears all things, believes all things, hopes all things, endures all things. Love never fails.—I Corinthians 13:4–8a.

Father, may we experience this quality of love in our relationship with You so we will be able to love one another with the same giving and forgiving, indefatigable and inexhaustible love. Give us tough love for troublesome thick-skinned people and tender love for overly sensitive thin-skinned people. Today help us to be as kind, accepting, and patient to others as You have been to us. In the Lord's name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, Senator LOTT, is recognized.

SCHEDULE

Mr. LOTT. Thank you, Mr. President. Today there will be a period of morning business until the hour of 1 p.m., with the time equally divided between both sides of the aisle. No rollcall votes will occur during today's session; however, the Senate may consider any legislative items that can be cleared for action.

As a reminder to all Senators, the next rollcall vote will occur at 2:15 p.m., on Tuesday, February 27. That vote will be on the motion to invoke cloture on the D.C. appropriations conference report.

Mr. LOTT. Mr. President, I understand that there are some Senators who will wish to speak on various subjects this morning. Is the Senator from Iowa prepared to speak at this time?

Mr. HARKIN. I would just respond, it will be about 60 seconds.

Mr. LOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FRIST). Without objection, it is so ordered.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business.

THE CHAIRMAN OF THE FEDERAL RESERVE BOARD

Mr. HARKIN. Mr. President, I would like to take a little time this morning to speak about an issue that has simply not received the kind of scrutiny and attention that it deserves. That is the renomination, or possible renomination of Alan Greenspan as Chairman of the Federal Reserve Board. Arguably, perhaps, the second most powerful person in America today with regards to our economy and unemployment and interest rates and how fast our economy will grow or how slow it will grow is the Chairman of the Federal Reserve Board.

Some have said the most important person is the President, but I guess to my way of thinking I think perhaps the Federal Reserve Board Chairman is the single most important and most powerful person in America today regarding decisions about what our economic life is going to be like in the months and few years ahead.

I say that not to denigrate the office of the President, but simply to point out that because of the downsizing of Government, because of budget cuts, because of shifting more power from the Federal Government to the States, because of the diminishing role of the Federal Government in the economic life of our country—I do not mean to get into a debate of whether that is good or bad. We have those debates all the time around here. The fact is it is happening. Thus, it devolves to the Federal Reserve Board in their deliberations about interest rates and discount rates and Federal fund rates to decide just what is going to happen in the economy. That has more of an impact on the economic life of America today than anything the President can do and arguably more important than anything we can do here in the Congress of the United States. Yet, this position of so much power and so much authority is kind of kept in the dark corners. We have not shown much sunlight on the Federal Reserve, or the chairmanship of the Federal Reserve and on who should be the Chairman.

Mr. Greenspan is finishing a 4-year term as Chairman. His time is up, I believe, in just a few days. It will be up to the President, under the law, to either reappoint Mr. Greenspan or to choose someone else to send to the Senate for confirmation as the new Chair of the Federal Reserve Board.

I make the argument today, as I did over a week ago, Mr. President, on the floor of the Senate, that Mr. Greenspan's time has come and gone, that his feet are firmly planted in the past and that his policies are no-growth policies. They are policies of high interest rates, no growth that is going to throttle our economy. Mr. Greenspan's policy has been—and I think a close scrutiny of his comments and his tenure both at the Federal Reserve and years ago on the Council of Economic Advisers will show—that here is an individual that has little concern for unemployment or what is happening to average Americans. Like a laser beam, his sight is only on inflation and the bond market and nothing else.

I believe, Mr. President, that has worked to the detriment of our country.

Mr. President, it was 50 years ago today that President Truman signed the Employment Act of 1946 into law—50 years ago this day. That is why I feel my words today are so important. That measure that signed into law 50 years ago today said that we should make it a matter of national policy to help create and maintain conditions to promote maximum employment, maximum production and purchasing power in our country. Note that it said "maximum employment," to promote it as a national policy.

Mr. President, there is a lot of rhetoric about the need to promote strong families, but when one talks about strong families, having a decent job is a crucial component of whether or not you have a strong family.

To further the goals of the Employment Act of 1946, Congress passed the Humphrey-Hawkins Act in 1978, which by law set out a requirement that the

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Federal Reserve have a goal to maximize full employment along with stable prices and moderate long-term interest rates. In other words, what we were saying is, you do not just take one; they all have to be kept in balance: full employment, stable prices, and moderate long-term interest rates.

Mr. President, we ought to be reaffirming those goals, but unfortunately some now say we should limit them instead. They want to prescribe low or no inflation as the sole criterion, as the sole cure for all of our economic ills. Well, you can have zero inflation and you can have it with very high unemployment. I do not think that is what our country wants.

My colleague from Florida, Senator MACK, has a bill to provide that the single goal of the Federal Reserve should be long-term price stability with only a secondary concern for the effects of employment. The bill says the single goal of the Federal Reserve should be long-term price stability. In other words, Senator MACK's bill basically takes that part of the Humphrey-Hawkins Act of 1978 that says that we should have a goal to maximize full employment and takes that out of appropriate consideration.

Imagine that, that we should not be concerned about unemployment. I tell you I find that mind-boggling, that someone would even suggest that we should not properly consider unemployment, we should only consider long-term price stability.

I might understand that a Senator or Congressman or more than one might prefer that option as a matter of policy, propose it at least for debate. I must admit I have not spoken personally to my friend Senator MACK—and he is my friend, the great Senator from Florida—I have not spoken with him personally about it. Maybe he only wants this open for debate. I do not know. But the disturbing part is not that Senator MACK introduced this bill, the disturbing point is that Alan Greenspan, the Chairman of the Federal Reserve, has endorsed that legislation.

Now, lest anyone think I am making this up, I have the hearing transcript where Mr. Greenspan basically, in open hearings, said he endorsed that legislation. Mr. President, here is the hearing record. This is a verbatim transcript from September 22, 1995, before the Senate Banking, Housing, and Urban Affairs Committee. I will just read the portion about Mr. Greenspan. It says:

> Your bill [referring to Senator MACK] which we fully support—

The rest does not make much sense. The most important, he said, "Your bill, which we fully support."

Mr. Greenspan has come out in support of taking out of consideration, in setting their policies, any concern for unemployment.

We will look now at the history. Between February 1994 and February 1995, 1 year, he raised interest rates by 3 full percentage points. Why? Well, in the fear that inflation might happen. But when asked, Mr. Greenspan himself said there was no inflation. Yet he raised interest rates 3 percentage points. I might point out, Mr. President, that Mr. Greenspan raised those interest rates five times before the election of 1994—five times he raised interest rates. The economy came to a grinding halt. Wages were depressed. People were not hiring. Business could not invest. The economy became more stagnant in 1994.

I might also point out there has been some talk lately that the Fed is loosening up and starting to reduce interest rates. I can imagine Mr. Greenspan wanting to get reappointed as Fed Chairman and wanting to look good so he brought interest rates down a little bit. In 1 year, February 1994 to February 1995, Mr. Greenspan raised interest rates 3 percentage points. From February 1995 to this February, they have only gone down three-quarters of 1 point—three-quarters of 1 point. I think that says it all.

Again, he raised interest rates, no inflation in sight. But because of Mr. Greenspan's narrow vision, he damaged our economy and limited the opportunity of millions of Americans to secure employment. Rather than viewing rising incomes of average Americans as a good thing, Alan Greenspan used it as a threat of future inflation.

Mr. President, inflation today is at its lowest point in 30 years, with only 1 year being an exception. Unemployment is now at 5.7 percent and has been below 6 percent for 17 months. I might point out that the law stipulates as a goal 4 percent unemployment, not 6 percent.

Mr. President, unemployment is high, just below 6 percent while Inflation is down. All is not well in our economy. Real incomes of average families have been falling. This past Sunday's Washington Post had a chart which showed the family incomes from 1979 to 1993. The top 20th of our Nation had their incomes rise by 29 percent, better than 2 percent per year for the top 5 percent of our country. However, those in the middle saw their standard of living drop by 2.6 percent. The top 5 percent had their incomes rise by 29 percent; the middle had a drop of 2.6 percent. Those families in the bottom 40 percent of our population saw their incomes actually fall during that period of time—not go up, but actually fall. For the bottom 20 percent, they fell by more than 1 percent a year; the top 5 percent in income in our country increased their incomes by better than 2 percent a year. The bottom 20 percent saw their incomes fall by 1 percent a year over that same period of time.

It has not always been that way. From 1966 to 1979 all groups saw rising incomes of more than 1 percent a year—all groups. Each one-fifth of the population saw real, genuine gains above 1 percent per year in sharing in America's growth. Not anymore. A few at the top are making more and more and the people in the middle are either staying stagnant or they are going down. Now, there are probably a lot of reasons for this change. One of the reasons we are seeing this lack of income growth across the board is a purposeful, deliberate, slow-growth policy pushed by the Chairman of the Federal Reserve Board. Always fearful of inflation, even when little threat exists, he has used his position to maximize interest rates relative to inflation, smothering any hint of substantial growth.

Mr. President, Mr. Greenspan cannot have it both ways. He cannot raise interest rates by 3 percent, say that there is some threat of inflation out there but he cannot put his finger on it, and then turn right around as he is raising those interest rates and suggest that the Consumer Price Index possibly overstates inflation by as much as 1 to 1.5 percent. How can he say that inflation is threatening and then turn around and say that the Consumer Price Index overstates it by 1 to 1.5 percent when inflation is only about 2.5 percent per year right now. Yet Mr. Greenspan has tried to have it both ways.

The President and the CBO are looking at the economy right now growing at about 2.5 percent over the long term. We had a big debate here last year, Mr. President, about what the economy is going to do in the future, what our budget ought to be and everything. If the economy can grow by an extra point, say 3.5 percent, the impact on Americans' standard of living over a period of time would be huge. How much? Trillions of dollars, trillions of dollars in additional income for America, thousands of dollars for the average family a year, if we had a progrowth policy at the Federal Reserve Board.

Even if we cannot get to 3.5 percent, if we could get it to 3 percent, we could wipe out our deficit, balance our budget, provide better wages for Americans, more job opportunities and probably reduce unemployment. But it is going to take a different person at the helm of the Federal Reserve to make this happen.

Now, I had in the past called upon the President to nominate a different person, someone with a more progrowth policy to head the Federal Reserve. I am pleased that the President has suggested we need a debate about the ability of the economy to perform at a higher growth rate over the long term. As I understand it, from reading the newspapers last week, the President wanted to appoint Felix Rohatyn to be Vice Chairman of the Federal Reserve. I do not know this, but I assume the President felt that with Mr. Rohatyn, who is a progrowth individual, there would be good debate at the Federal Reserve about the need for progrowth policies. But there was solid opposition from some on the other side of the aisle here in the Senate on the Banking Committee, and they said no way would they permit Felix Rohatyn to be approved and to go through for confirmation.

I find that very disturbing, Mr. President, that a person of the caliber of Felix Rohatyn is turned down before we even have one hearing, turned down by people on the other side of the aisle, I think, because they did not want this debate to take place. That is a shame. I think it is a great loss. If America is to achieve greatness, we have to allow the economy to grow faster.

Now, bond traders on Wall Street will always be pushing for a tighter monetary policy. I understand that. But the President and the Chairman of the Federal Reserve Board need to look more broadly at the needs of the whole economy and the welfare of American families who need an improved standard of living and not just the welfare of the bonds traders on Wall Street.

Mr. President, so I do not seem like a voice crying in the wilderness, I will read parts of an article by the editor in chief of U.S. News & World Report, Mortimer Zuckerman, February 12, 1996, entitled "Chairman Greenspan, Retired."

I want to read a couple parts of this, from the February 12, 1996, U.S. News & World Report:

> The Federal Reserve Board cut the federal funds rate last week, right? Wrong! Yes, nominal rates went down a minuscule one quarter of 1 percent.

Mr. Greenspan looked good saying he is cutting interest rates. Mr. Zuckerman is pointing out they really did not go down.

> But real rates, adjusted for inflation, actually have increased because the inflation rate has fallen faster over the past several months than has the Federal funds rate. Running scared from a phantom inflation, Alan Greenspan's "dear money" leadership has caused the Fed to exert a monetary choke hold on one of the weakest economic recoveries since World War II, at the cost of billions of dollars in lost output and tens of thousands of uncreated jobs.

Mr. Zuckerman has it right. He goes on:

> Just to keep real rates where they were, the federal funds rate would have had to have gone down by as much as a full percentage point. Instead, we have a fed funds rate that is still nearly 3 points above the most recent quarterly inflation rate, much higher than normal by historical standards. What's more, this is not only the wrong battle, it is the wrong target. Higher interest rates hurt manufacturing more than services, yet manufacturing inflation has not been a problem. In fact, we are experiencing the worst manufacturing slow down since 1991, and the indicators suggest even more weakness ahead. Just last month, for example, nonfarm employment fell by 201,000 jobs. No wonder more and more businesspeople, from the National Association of Manufacturers to Main Street and Wall Street, are so unhappy with Federal Reserve policy.

Mr. Zuckerman goes on, in another part of his article, to say this:

> The jobless recovery of the early 1990s has become the wageless expansion of the mid-1990s. We have no wage pressure on prices. We also have no import inflation because of a stronger dollar. At the consumer level, spending is very weak, reflecting stagnant personal income and real wages. Retail sales growth, which averaged 7.8 percent during 1994, declined to less than 5 percent in 1995. In the final quarter of the year, consumer spending was growing at an annual rate of 1 percent or so; adjusted for inflation, that's an actual decline. As a result, so-called demand-pull inflation—when hot consumer spending pulls up prices—is nonexistent. What we do have is a buildup in inventories, especially of durable goods, that is bound to slow the economy even more.

Last, Mr. Zuckerman closes his article by saying the following:

> We must do better. The fear of inflation has proved to be a chimera. Short rates have come down too little and too late to boost a weakening economy. The country does not have to endure the effects of the Fed's misjudgments in 1995 being extended into 1996.
>
> Alan Greenspan's term as Fed chairman would not survive a Democratic Congress. It ought not survive a Republican one either. Congressional Republicans should recognize that none of their programs to cut back government will survive a slow-growing economy that fails to provide Americans with good jobs and a sense of optimism about the future. The inflationary obsession of the Fed is not healthy; it is reactionary. It is cramping out todays and sacrificing our tomorrows.

Mr. President, I ask unanimous consent that the full text of Mr. Zuckerman's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From U.S. News & World Report, Feb. 12, 1996]

CHAIRMAN GREENSPAN, RETIRED

(By Mortimer B. Zuckerman)

The Federal Reserve Board cut the federal funds rate last week, right? Wrong! Yes, nominal rates went down a minuscule one quarter of 1 percent. But real rates, adjusted for inflation, actually have increased because the inflation rate has fallen faster over the past several months than has the federal funds rate. Running scared from a phantom inflation, Alan Greenspan's "dear money" leadership has caused the Fed to exert a monetary choke hold on one of the weakest economic recoveries since World War II, at the cost of billions of dollars in lost output and tens of thousands of uncreated jobs.

Just to keep real rates where they were, the federal funds rate would have had to have gone down by as much as a full percentage point. Instead, we have a fed funds rate that is still nearly 3 points above the most recent quarterly inflation rate, much higher than normal by historical standards. What's more, this is not only the wrong battle, it is the wrong target. Higher interest rates hurt manufacturing more than services, yet manufacturing inflation has not been a problem. In fact, we are experiencing the worst manufacturing slowdown since 1991, and the indicators suggest even more weakness ahead. Just last month, for example, nonfarm employment fell by 201,000 jobs. No wonder more and more businesspeople, from the National Association of Manufacturers to Main Street and Wall Street, are so unhappy with Federal Reserve policy.

The traditional central bank role is to take away the booze when the party gets too raucous. But what we have today is a glass of water served to a gathering of teetotalers. There is no inflation to fight. The nominal rate is about 2 percent for the last quarter of 1995, and even that is overstated by as much as 1 percentage point. In short, inflation is declining instead of rising, as it usually does at this point in a business cycle—a clear tipoff that the economy is not in good shape. Even the Fed's key indicator of inflation—the time it takes for vendors to make deliveries of capital goods—is stable, in contrast to the stretching out that occurred at the end of 1994. Unit labor costs (wages and benefits adjusted for productivity), which make up two thirds of a product's price, are no higher today than they were a year ago—the first time we have had zero growth in this index for 30 years.

The jobless recovery of the early 1990s has become the wageless expansion of the mid-1990s. We have no wage pressure on prices. We also have no import inflation because of a stronger dollar. At the consumer level, spending is very weak, reflecting stagnant personal income and real wages. Retail sales growth, which averaged 7.8 percent during 1994, declined to less than 5 percent in 1995. In the final quarter of the year, consumer spending was growing at an annual rate of 1 percent or so; adjusted for inflation, that's an actual decline. As a result, so-called demand-pull inflation—when hot consumer spending pulls up prices—is nonexistent. What we do have is a buildup in inventories, especially of durable goods, that is bound to slow economy even more.

Meanwhile, the deficit continues to decline and in 1996 and 1997 will create more fiscal drag because no agreement has been reached on the budget, thereby squeezing discretionary government spending even more harshly. Exports are constrained by the weakness of our biggest trading partners.

Only corporate investment is booming, boosting supply more rapidly than consumption—another clear antidote to any inflationary pressure. But it isn't enough: Merrill Lynch is justified in lowering its forecast for U.S. economic growth to less than 2 percent for 1996, the first half being particularly weak.

We must do better. The fear of inflation has proved to be a chimera. Short rates have come down too little and too late to boost a weakening economy. The country does not have to endure the effects of the Fed's misjudgments in 1995 being extended into 1996.

Alan Greenspan's term as Fed chairman would not survive a Democratic Congress. It ought not survive a Republican one either. Congressional Republicans should recognize that none of their programs to cut back government will survive a slow-growing economy that fails to provide Americans with good jobs and a sense of optimism about the future. The inflationary obsession of the Fed is not healthy; it is reactionary. It is cramping our todays and sacrificing our tomorrows.

Mr. HARKIN. Mr. President, as Mr. Zuckerman has said, we need to stop chasing the ghost of inflation. We need to appoint a respected individual who will take a balanced view about the needs of our economy and not place a choke hold on our Nation each time it strives to move forward with any real speed. Since Alan Greenspan became Chairman of the Federal Reserve, the economy has grown by a dismal 2.1 percent, compared to 3.4 percent from 1959 through 1987.

Again, the cost is in the mega-billions of dollars, that it has cost our economy because of Mr. Greenspan's position. Many economists are now looking at growth for 1996 at around 2 percent with the current Federal Reserve policies.

Mr. President, there is another meeting of the Open Market Committee on March 26. In reading the popular press, there is some indication that Mr. Greenspan has kind of leaked out that there could possibly be another cut in interest rates. What, a quarter of a percent? As Mr. Zuckerman says, the last quarter of a percent actually was not a cut at all. It needed to go down by a full percentage point. So, even if Mr. Greenspan reduces interest rates by another quarter of a percent, which he is probably going to do, it does not mean that much.

One last thing. We should also be concerned about Mr. Greenspan's seeming inability to see upcoming recessions, even when he is right in the middle of them. Again, what does the record show?

Alan Greenspan was the Chairman of Gerald Ford's Council of Economic Advisers. I understand that he is the author of the famous WIN button. Those of us who started our political careers about that time remember the button: WIN, Whip Inflation Now. Everybody wore those. President Ford heeded Alan Greenspan's advice as he derailed job-creation measures and our Nation plunged into a recession.

We need to focus on Mr. Greenspan's time as Chairman of the Council of Economic Advisers in 1974 and 1975. It was clearly a time of high inflation, mainly caused by the first oil shock. But it was also a time of sharp recession.

As the Nation was moving into recession, Alan Greenspan was, reportedly favorable to tax increases as a means to fight inflation. He urged President Ford to kill legislation designed to create jobs and stimulate the economy.

A few months later, when the recession was fully in bloom, he changed his mind and wanted tax cuts. But that was too late for many families, as unemployment exploded from 5.4 percent in the summer of 1974, passing 8 percent by June of 1975. I am not saying Alan Greenspan caused the recession of 1974. What I am saying is he was so focused on inflation he could not see it coming, and he proposed just the opposite remedy, and that is what President Ford followed.

More recently, in 1990 and 1991, as Chairman of the Federal Reserve, Alan Greenspan was very slow in reducing interest rates. Last month the Wall Street Journal reported on the just-released Fed transcripts of 1990. Mr. President, the transcripts of Federal Reserve Board meetings are kept secret for 5 years, and then they are released. We just got the transcripts of the meetings back in 1990. On January 24, 1996, the Wall Street Journal had an article by David Wessel, talking about those transcripts. Here is what the article said.

> Newly released transcripts of closed-door deliberations at the Fed show that Mr. Greenspan didn't see a recession unfolding until very late that year.
>
> "There are forecasts of thunderstorms and everyone is saying, 'Well, the thunder has occurred and the lightning has occurred and it's raining.' But nobody has stuck his hand out the window," Mr. Greenspan told fellow Fed policymakers on Oct. 2, 1990.
>
> "And at the moment," he added, "it isn't raining. . . . The economy has not yet slipped into a recession."
>
> The recession, the official arbiters at the National Bureau of Economic Research determined much later, began in July 1990, a month before Iraq invaded Kuwait.

And yet, by October, Mr. Greenspan still could not see that we were in a recession.

There is more in the Wall Street Journal article I would like to read, Mr. President, but I see others on the floor who would like to speak. It talks about the meetings that were held in 1990 and 1991, when we were clearly in a recession. Yet, Mr. Greenspan could not see it.

"By December 18," almost 6 months after the recession started, "Mr. Greenspan finally had enough data to conclude that a recession—then nearly 5 months old—had begun." Again, quotes from his minutes.

> "We have severe recessionary pressures," he told the Open Market Committee," but recessions always end.
>
> "At some point," he said confidently, "we're going to come out of this."
>
> He was right, the recession officially ended in March 1991.

Mr. President, I ask unanimous consent this entire January 24, 1996 Wall Street Journal article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Jan. 24, 1996.]

ECONOMY—EVEN THE FED'S GREENSPAN IS FALLIBLE WHEN TRYING TO PREDICT A RECESSION

(By David Wessel)

WASHINGTON.—Federal Reserve Chairman Alan Greenspan, often caricatured as a dour pessimist, didn't see the gathering storm clouds when he peered into his crystal ball in 1990.

Newly released transcripts of closed-door deliberations at the Fed show that Mr. Greenspan didn't see a recession unfolding until very late that year.

"There are forecasts of thunderstorms and everyone is saying, 'Well, the thunder has occurred and the lightning has occurred and it's raining.' But nobody has stuck his hand out the window," Mr. Greenspan told fellow Fed policymakers on Oct. 2, 1990.

"And at the moment," he added, "it isn't raining. . . . The economy has not yet slipped into a recession."

The recession, the official arbiters at the National Bureau of Economic Research determined much later, began in July 1990, a month before Iraq invaded Kuwait.

The Fed cut short-term interest rates one-quarter percentage point in July 1990, explaining the move as a one-time attempt to offset the effects of a credit crunch. But despite concerns expressed inside and outside the Fed about the weakening economy, Mr. Greenspan resisted cutting rates again until Oct. 29, 1990, after Congress and President Bush agreed on a deficit-reduction accord. That quarter-point rate cut was followed by three more of the same size before the end of the year.

At the time, the Fed was criticized by some—and by many in the months that followed—for responding too sluggishly to a deteriorating economy. But in public comments, Mr. Greenspan has been reluctant to confess he erred, given the information available to him at the time.

The transcripts, released yesterday after the customary delay of five years, show that the Fed was contemplating interest rate increases for much of the earlier part of 1990.

By summer, signs that a credit crunch was hurting the economy proliferated. For that reason, Mr. Greenspan persuaded the Fed to cut interest rates by ¼-percentage point. Still, in early July, he told Fed officials that the reluctance of businesses and consumers to borrow and bankers to lend, "which I believe historically would almost always have dumped us into a recession, failed to do so. . . ."

Although other Fed officials were worried about the economy, they didn't anticipate a recession either. "It's clear to me the economy is weaker than as projected," Fed governor David Mullins said in July, "but there are no compelling signs that we are headed for a recession."

At a pivotal meeting on Aug. 21, however, there was growing sentiment for cutting interest rates to stimulate the economy, but also concern about the inflationary pressures created by rising oil prices. With Mr. Greenspan's blessing, the Fed agreed that interest rate cuts were likely soon.

But the chairman, backed by Fed staff economists, continued to resist the notion that the U.S. had entered a recession. "I think there are several things we can stipulate with some degree of certainty," he told the Fed at the Aug. 21 meeting, "namely that those who argue that we are already in a recession . . . are reasonably certain to be wrong."

They weren't wrong, of course. But Mr. Greenspan argued that there was little the Fed could do to help the economy because everything hinged on oil prices. "I would suspect at this point," the chairman said, "that the Pentagon has more policymaking clout than we do because it's fairly obvious looking around the world that if oil [prices] go up and oil [production] comes down, that will have profound effects. . . ."

Although Mr. Greenspan had the leeway to cut rates sooner, he waited until Congress approved a deficit-reduction accord in October. Even then, Fed economists remained optimistic about the economy. "Incoming data . . . have not provided clear-cut indications that we are headed toward even a mild recession," chief Fed forecaster Michael Prell told officials in October, three months after the recession had begun.

By mid-November, the Fed staff was losing confidence in its sunny forecast. "The signals of a downturn still are limited," Mr. Prell told officials, "but there certainly are some now." Mr. Mullins, then Fed vice chairman, no longer was mincing words. "I think we have a recessionary psychology in full bloom," he declared.

But even as Mr. Greenspan told Fed officials in a telephone conference call on Dec. 7 that he had just cut short-term interest rates to help stimulate the weak economy, he sounded skeptical that it had slid into recession. New factory orders still weren't showing the typical recession pattern, he argued, though he continued to worry about damage from the credit crunch.

By Dec. 18, Mr. Greenspan finally had enough data to conclude that a recession—then nearly five months old—had begun. "We have severe recessionary pressures," he told the Open Market committee. "But recessions always end."

"At some point," he said confidently, "we're going to come out of this."

He was right. The recession officially ended in March 1991.

Mr. HARKIN. Mr. President, we face another period of high risk for the economy to plunge into recession. Do we want Alan Greenspan, whose main focus has always been on inflation, to be in charge of Federal Reserve policy? I think the answer is clearly no.

There are two vacancies on the Federal Reserve Board. As I said earlier, the President wanted to appoint Felix Rohaytn to one of those positions, making him Vice Chairman of the Board. Mr. Rohaytn is a man with an extremely distinguished career. Most notably, he is credited as the guiding hand that led New York City from the edge of default and economic ruin back to health.

I remember that debate. I was in the House of Representatives at the time. I represented a very rural district from Iowa. I listened to Mr. Rohaytn at the time as he made his case for the New York City bailout, as it was called, and for the Federal Government and for the Congress to assist in that process. It was not in my best interests, representing a rural district, to vote for New York City. In fact, I took some pretty bad political hits for doing so. But I believed it was the right thing to do.

Congress passed it. New York City was able to pay its bills and avoid default. It solved many of its problems with a growth policy initiated by Felix Rohaytn.

He believes in growth. I find it hard to believe that anyone would want to oppose his nomination. This is particularly true when the discussion was to have him as a counterweight to Alan Greenspan's orientation to focus on inflation; to have, as I understand it, with the present one, to have a debate about the policy of the Fed. But opposition from some on the other side of the aisle has, frankly, killed the nomination of Felix Rohaytn.

President Clinton said last Friday that we need a debate within the Federal Reserve to see if the economy can grow faster than the conventional wisdom of a 2.5 percent average, without triggering inflation. We need that debate. That debate will not take place under Alan Greenspan.

The question of taking the Federal Reserve's heavy hand of high interest rates off the throttle of our economy is crucial to the long-term growth of our Nation. But to not even allow an appointment to move forward, of Mr. Rohaytn, so we can engender that debate, start that debate, is absolutely wrong.

As I said in my remarks last week, Mr. Greenspan's feet are firmly planted in the past. Mr. Greenspan's focus is not on average, hard-working Americans. It is not on our families in the middle-income brackets of America. It is not on the manufacturing sector that has to invest and create the kind of climate that will employ people and let wages go up. No, Mr. Greenspan's focus is not there. His focus is some phantom inflation out there, and as long as inflation can be kept at the lowest possible position all is right with the world in Mr. Greenspan's view. But as we have said in the past, Mr. President, it is not just inflation that we have to be concerned about. We have to be concerned about unemployment and economic growth. And Mr. Greenspan is not concerned about either one of those.

So, again, Mr. President, I call upon President Clinton to pick someone else to be Chairman of the Federal Reserve Board, someone who has a concept of growth and what growth will mean to our economy and the incomes of average Americans. We can have a debate this year. I think we will have it. I hope it will happen in the Presidential races. I hope that we have it in all of the Senate and House races which are up this year—about what the proper rate of growth ought to be in this country.

Should it be 2.5 percent? Should it be 2 percent, or can we reasonably expect to grow at a faster rate? I happen to come down on the side of progrowth. I believe our economy has all of the underpinnings to grow at least 3.5 percent a year. I might even make the argument that it can grow faster than that without triggering inflation.

We are truly in a global economy. Markets abroad can send in goods to this country, and even services, to keep any kind of inflation under control and under check. Rising wages will not push up inflation because the rising wages will just barely keep up with the rising productivity of American workers. Our American workers are more productive than ever before. Yet, their wages are not keeping up with their productivity. If we let wages go up a little bit, it will kind of keep up with productivity. That means people have a little bit more money to go out and buy some goods. That means that our economy will grow.

We are not having that debate. We can have that debate. As I said, I hope we do have it in the Presidential races, and I hope we have it in all of our races this year. But if we have an individual in charge of the Federal Reserve who believes that growth cannot be above 2 or 2.5 percent, you can have all of the debates in the world, because the Federal Reserve is independent and they are under Mr. Greenspan's control to throttle down on that economy. We will see a no-growth policy from the Federal Reserve regardless of what we might say in our individual campaigns, or what we in the Senate or the House might want to do in the future.

So, Mr. President, I think it is unfortunate that the debate about the policies of the Fed and about the leadership of the Fed is not undergoing more scrutiny than it is in our news media today. We are all wrapped up, I know, in the New Hampshire primary, and before that in the Iowa caucuses—who is ahead? Who is behind? —and a flat tax, and all the other stuff. Yet, the single most powerful position in America that has to do with our economy, what our future is going to be like, what our kids' future is going to be like, what our incomes and wages and job possibilities are going to be like, no one is talking about it.

Thank God that Mortimer Zuckerman at least wrote an editorial in U.S. News & World Report. You see little about it in the Washington Post and newspapers around the country. Everyone just assumes that Mr. Greenspan is going to be renominated and take the position. I do not make that assumption. And if Mr. Greenspan is in fact renominated by the President, he will come here for hearings.

I intend, if that is the case in the coming weeks, to delve more into Mr. Greenspan's background and his philosophy and what he has done in the past, and why his past actions should warrant a no vote on the Senate floor for his reconfirmation, if in fact the President renominates him.

So I say—not a warning, simply as a statement of fact—that this is one Senator who is not going to allow Mr. Greenspan, if he is renominated, to sail through here without any debate. I intend to make it an issue, and I intend to talk about it and talk about his stewardship and to talk about his no-growth policies, because I think it is that important for our economy and for our country.

Mr. President, I yield the floor.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

EDUCATION

Mr. LEVIN. Mr. President, on January 26 the Congress passed the so-called continuing resolution which temporarily funds the Government through March 15. This was greeted by headlines across the country. The headline that touches this ran in the Washington Post saying that the Congress had approved a funding extension averting the third shutdown of Government.

The focus of the press and media was understandable because, in fact, that continuing resolution did allow us to continue the Government through March 15. But what was not really known to the public and did not become clear until later was that embedded in that continuing resolution was a massive cut in education, hitting programs which I think most of us on a bipartisan basis in this Chamber know work.

There was an effort made to restore those education funds in the continuing resolution. That effort received more than a majority of the votes: 51 of us voted to restore those education funds and 40 of us voted against. But, because of the technicalities of the Budget Act, there had to be a waiver which required 60 votes. So a majority did not rule on that effort to restore these education funds.

When I traveled around my home State of Michigan in these last few weeks, I must tell you I find amazement when the public realizes, I think for the first time, that in that resolution that was passed to keep the Government going until March 15 were historic cuts in education. This was not about cuts in the growth. That is not the issue in this one.

Sometimes there is a debate around here as to whether you are slowing growth or cutting the program. On these education cuts, these are dollar reductions from current spending levels of a historic proportion in programs that most of us I think believe in. I am going to get into some of those cuts in a moment.

But what was truly ironic is that the same day that we were cutting funding for math and science teaching by $1 billion, that we were cutting Pell grants, and School to Work grants, which is a newer form of vocational education, that we were cutting college loan programs and a whole host of other programs including Head Start, the same day that we were cutting education by $3 billion on an annualized basis, we passed a new version of a conference report on defense spending which increased it by $7 billion above the Pentagon request mainly for planes and ships that the Pentagon did not ask for.

So, on the one hand, within hours of each other we cut programs for education, which are critically important, by over $3 billion on an annualized basis and increased defense spending by $7 billion for items that the Pentagon did not request. That is a pretty dramatic juxtaposition, it seems to me, and terrible priorities.

When my people back home found out about this in a whole host of meetings which I held around Michigan, they are truly against what happened and are pleading with me when we come back to try to reverse these cuts, because this is not a done deal. These cuts are cuts in programs through March 15, which, if annualized, lead to a $3 billion cut. They do not have to, and they should not.

When this resolution was presented to us, the chairman of the Appropriations Committee, Senator HATFIELD, said the following. He said:

> I cannot for the life of me understand the action of the House [of Representatives]. I believe it is wrong. It puts the gun to our heads.

He went on to say:

> We have found ourselves in an extraordinary parliamentary situation that requires unanimous consent to take further action. Unable to secure that consent, we have been unable to once again uphold a Senate position or even to have the Senate consider a compromise.

Senator HATFIELD pointed out correctly that the gun is to the Senate's head, which resulted in the passage of a resolution which will have a dramatic negative impact on the funding of education in America. We have to remove that gun from our head before March 15.

We should be here during these few weeks negotiating these issues so that gun is not again put at our head, so that it is removed, and so that we can try to repair the damage that resulted the last time it was placed to our head.

The title I program, which provides crucial help in reading, math, and writing to over a million American children, which I think has the support of the education community across the land, that title I program was cut by $1 billion. That was a 17-percent cut in title I. By the way, one of the ships which was added which was not requested by the Pentagon was slightly less than $1 billion.

The innovative School-to-Work Program was cut by 22 percent. This is a program which helps young people in high school make the transition from school to work. The new part of this program, which was missing in the old vocational education days, is that the business community is working with the high schools to design programs which will prepare young people for real jobs.

I have been to these programs all over the State of Michigan. I have been in a number of places where business people at a meeting with students are telling the students, "When you complete this program, when you achieve these skills that you are going to get in these school-to-work programs in your high school, we guarantee you a job."

I never remember anything like that happening when I was in high school in the vocational education days of yore, when the business community was deeply involved in a partnership with the schools and was so confident that the skills which would be provided to students would be useful to them that they would sit in a room—in one case with 50 students—and tell every one of them, "If you graduate from this program, you've got a job with our company." That program, that innovative School-to-Work Program, was cut by 22 percent.

These are not 2- and 3-percent cuts across the board to help us reduce the deficit. These are massive reductions in programs that are working. It is a 22-percent reduction in School-to-Work money.

Head Start was cut. In higher education, Pell grants were cut by 7 percent. The Perkins Loan Program was cut by 25 percent. State student incentive grants were cut by 25 percent. Again, I emphasize these are not just slowdowns in the rate of growth; these are actual reductions from the level of funding in the last year.

I know there are some candidates out there who have recently discovered that middle-income Americans are in the middle of a long-term economic squeeze. As the Senator from Iowa said, middle America's income has dropped over the last 20 years in real terms after inflation and after taxes. There is a real squeeze that has been going on for a long time.

The fact that some folks out there are discovering it for the first time is not the point of my remarks this morning. What is the point of my remarks this morning is that I am glad they have finally discovered it and that one of the ways to address it is through education.

We know that there is a clear relationship between the educational achievement of people in general and their incomes. As a matter of fact, the relationship between education, training, and income is clearer than ever and more dramatic than ever. The gap between a lack of education and income is greater than ever. In the last 15 years, the difference in pay between college-educated workers and those with a high school education has just about doubled. There has always been a difference, but that difference in just a 15-year period has about doubled.

So we know what education can do. We know what training can do in terms of income. We know we face an income squeeze. So what is the response of this Congress? A significant reduction in education programs that are working.

Head Start is working. This is not a program that has failed. This is a program that has produced demonstrable achievement across the country. The surveys of Head Start programs show that people who graduate, these 3- and 4-year-olds who are in Head Start, 10 years later and 20 years later do much better in their careers. In just about every other measurable way, the 3- and 4-year-olds who had Head Start 10 years ago and 20 years ago or 15 years ago are doing much better than those who did not. Yet only about half of our children who are 3 and 4 years old who are eligible for Head Start get Head Start because of the lack of funding.

So what did this bill do? It cut Head Start, a program which I think, if not universally applauded, is about as supported a program as any I know of. This is not a case where we are cutting programs which are not working. This is a case where we are cutting programs which are working and which are essential to this country.

I know some of these cuts were used as threats, particularly by some people over in the House who are determined to get their way on bigger budget issues. These Members of the House who take the position, "It is my way or else; it is my way or else the Government is coming to a halt; it is my way or else we are going to have major cuts in education; it is my way or else our debts are not going to be paid, we're not going to pay interest on the national debt or on the obligations of this country," those "my way or else" Members of the House got their way in this continuing resolution. They should not have.

We should not let them have their way again. I think there are enough people in the Senate on a bipartisan basis who object deeply to these cuts in education that, if we will pull together, we can let the House know, particularly those 60 or so Republicans in the House who have taken this position that unless they get their way the Government is to shut down, it has to be their way or else the full faith and credit of the United States is going to be damaged—they had their way in this continuing resolution.

These cuts are a reflection of a tactic, an extreme tactic, an irresponsible tactic of closing the Government down unless they get their way. That tactic had, I think, negative and damaging results in this continuing resolution which we tried to repair. Fifty-one of us voted to repair it. Then ultimately the resolution passed because, I think, as the chairman of the Appropriations Committee felt, there was no choice. The gun was at our head.

We have to take that gun away, not just on keeping the Government going and restoring these education cuts, but also on the full faith and credit of the United States. This is a pattern which should not be repeated.

I hope that the Senate, on a bipartisan basis, sends a strong signal to Speaker GINGRICH that we are not going to tolerate this again and that we are going to seek to restore the cuts which have so damaged education programs and so left educators in a quandary as to what the funding is going to be for next fall. They do not know. There is no way for them to plan either in the K through 12 level or in college.

They do not know what the funding is going to be for college loans, for Pell grants, for student incentive grants. They do not know what the funding is going to be for Head Start for 3- and 4-year-olds. They do not know what the School-to-Work funding is going to be. And here we are approaching spring now, when the planning is done, with all of this up in the air.

So, Mr. President, I hope we will take a strong stand to restore these cuts, to repair the damage and to remove the gun which has been placed at the head of the economy and at Members of the Senate.

I thank the Chair and I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HATCH). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COATS). Without objection, it is so ordered.

TRIBUTE TO AMBASSADOR RAY OF INDIA

Mr. PRESSLER. Mr. President, I want to take a moment today to pay tribute and bid a fond farewell to a very distinguished statesman, a good friend to the United States and a dear friend of mine—Siddhartha Shankar Ray, India's Ambassador to the United States. Ambassador Ray has decided to return to his home country, and more specifically to West Bengal, to run for a seat in the Indian Parliament. I wish him great success in this and in his future endeavors.

As all my colleagues know Ambassador Ray has worked tirelessly during his more than 3 years here to strengthen Indo-United States relations. It is safe to say he has performed his duties with great distinction and even greater success. His service to his country here in Washington came at a vital period in Indo-United States relations. With the end of the cold war, past barriers to better relations with India have gone with it, and vast new opportunities have emerged. We have seen increased investment, trade, and cultural exchanges between our two countries. We also are laying the groundwork for discussions on security issues. Ambassador Ray has played a vital role in this exciting new era. I am certain he will continue to do so.

Ambassador Ray is an industrious and articulate diplomat, and a tenacious advocate for his country. The secret of Ambassador Ray's success is simple. As Sister Mary Lauretta once stated: "To be successful, the first thing to do is fall in love with your work." Ambassador Ray loves India. He believes in India's future. His love of country and faith in his fellow citizens were evident throughout his service here.

I had the opportunity to spend time with Ambassador Ray and his wife, Maya, last week at his farewell dinner. Both have been positive forces for their country. Now, they intend to continue their already distinguished service at home. No matter what path Ambassador Ray may take, I am certain that all of India will stand to benefit.

Ambassador and Mrs. Ray will be sorely missed by all of us in the Washington community. But it is safe to say we can always look to Ambassador Ray to be an essential element in our strengthening ties with India. Again, I wish my friend Ambassador Ray and his family the very best.

HONORING THE MOORE'S FOR CELEBRATING THEIR 50TH WEDDING ANNIVERSARY

Mr. ASHCROFT. Mr. President, these are trying times for the family in America. Unfortunately, too many broken homes have become part of our national culture. It is tragic that nearly half of all couples married today will see their union dissolve into divorce. The effects of divorce on families and particularly the children of broken families are devastating. In such an era, I believe it is both instructive and important to honor those who have taken the commitment of "til death us do part" seriously and have successfully demonstrated the timeless principles of love, honor, and fidelity, to build a strong family. These qualities make our country strong.

For these important reasons, I rise today to honor Mr. and Mrs. Albert Moore who on February 24 celebrated their 50th wedding anniversary. My wife, Janet, and I look forward to the day we can celebrate a similar milestone. The Moore's commitment to the principles and values of their marriage deserves to be saluted and recognized. I wish them and their family all the best as they celebrate this substantial marker on their journey together.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and a treaty which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT CONCERNING THE ANNUAL REPORT OF THE NATIONAL ENDOWMENT FOR DEMOCRACY FOR FISCAL YEAR 1995—MESSAGE FROM THE PRESIDENT—PM 122

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations.

To the Congress of the United States:

Pursuant to the provisions of section 504(h) of Public Law 98–164, as amended (22 U.S.C. 4413(i)), I transmit herewith the 12th Annual Report of the National Endowment for Democracy, which covers fiscal year 1995.

As the report demonstrates, the National Endowment for Democracy remains at the forefront of our efforts to expand and consolidate democratic gains around the globe. The strong bipartisan support the Endowment continues to receive reflects our Nation's steadfast commitment to the promotion of democracy.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 20, 1996.*

MESSAGES FROM THE HOUSE RECEIVED DURING RECESS

Under the authority of the order of the Senate of January 4, 1995, the Secretary of the Senate, on February 14, 1996 during the adjournment of the Senate, received a message from the House of Representatives announcing that the Speaker reappoints Mr. Carl A. Anderson of Arlington, VA, as a member from private life, to the Commission on Civil Rights for a 6-year term beginning on February 12, 1996.

MESSAGES FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of January 4, 1995, the Secretary of the Senate, on February 16, 1996, during the adjournment of the Senate, received a message from the House of Representatives announcing that the House agrees to the amendment of the Senate to the bill (H.R. 2657) to award a Congressional Gold Medal to Ruth and Billy Graham.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PRESSLER, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 981. A bill entitled "Truck Safety and Congressional Partnership Act" (Rept. No. 104–235).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PRESSLER, from the Committee on Commerce, Science, and Transportation:

George W. Black, Jr., of Georgia, to be a member of the National Transportation Safety Board for the remainder of the term expiring December 31, 1996.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BREAUX:

S. 1569. A bill to provide for 1 additional Federal judge for the middle district of Louisiana; to the Committee on the Judiciary.

By Mr. McCAIN:

S. 1570. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to provide that the restriction on the assignment or alienation of pension plan benefits shall not apply to court-ordered criminal fines or victim restitution; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BREAUX:

S. 1569. A bill to provide for one additional Federal judge for the middle district of Louisiana; to the Committee on the Judiciary.

LOUISIANA FEDERAL JUDICIAL LEGISLATION

Mr. BREAUX. Mr. President, I rise today to offer legislation that will correct a serious inequity in Louisiana's judicial districts.

My legislation adds an additional judge to the middle district of Louisiana, based in Baton Rouge. U.S. District Judges John Parker and Frank Polozola, the two Baton Rouge judges, each have almost 2,000 cases pending. The national average for Federal judges is 400 cases pending. Case filings in the middle district have totaled more than four times the national average. The Baton Rouge district also ranks first among the Nation's 97 Federal court districts in total filings, civil filings, weighted filings, and in the percent change in total filings last year.

Louisiana's middle district is composed of nine parishes. The State capital and many of the State's adult and juvenile prisons and forensic facilities are located in this district. The court is regularly required to hear most of the litigation challenging the constitutionality of State laws and the actions of State agencies and officials. The district now has several reapportionment and election cases pending on the docket which generally require the immediate attention of the court. Additionally, because numerous chemical, oil, and industrial plants and hazardous waste sites are located in the middle district, the court has in the past and will continue to handle complex mass tort cases. One environmental case alone, involving over 7,000 plaintiffs and numerous defendants, is being handled by a judge from another district because both of the middle district's judges were recused.

Since 1984, the middle district has sought an additional judge because of its concern that its caseload would continue to rise despite the fact that its judges' termination rate exceeded the national average and ranked among the highest in numerical standing within the United States and the fifth circuit. Both the judicial conference and the Judicial Council of the Fifth Circuit have approved the middle district's request for an additional judgeship after each biennial survey from 1984 through 1994.

Mr. President, I know that my colleagues will agree with me that the clear solution to this obvious inequity is to assign an additional judge to Louisiana's middle district. I look forward to the Senate's resolution of this important matter.

By Mr. McCAIN:

S. 1570. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to provide that the restriction on the assignment or alienation of pension plan benefits shall not apply to court-ordered criminal fines or victim restitution; to the Committee on Finance.

RESTITUTION FOR VICTIMS OF CRIME LEGISLATION

Mr. McCAIN. Mr. President, today I am introducing legislation that would provide crime victims a real opportunity to receive their due restitution from convicted criminals. This bill would enhance collections on criminal restitution orders for crime victims by allowing the Federal Government to garnish the pension plan benefits of convicted felons.

Currently, courts may not garnish pension benefits provided under the Employee Retirement Income Security Act [ERISA] to satisfy criminal restitution orders. As a result, criminals can avoid paying fines or making restitution to their victims when their only income consists of pension money. In fact, in most cases, criminals have pension money as their only source of income, and therefore, they never pay off their debt.

The amount of criminal debt had ballooned to nearly $4.5 billion by the close of fiscal year 1994. The largest amount of that criminal debt is owed by defendants who have been ordered to pay restitution directly to crime victims. Over $3 billion is outstanding on these criminal restitution orders.

We must not sit idly by and watch these criminal debt figures continue to mount year after year. Our Nation's crime victims deserve restitution. It is unfair that criminals are allowed to shield their pension funds from being garnished when those funds are necessary to provide much needed restitution to their victims.

Mr. President, the National Victim Center supports this legislation and best expressed the principle behind this bill by recognizing that crime shouldn't pay, but criminals should.

I would urge my colleagues to support this legislation. It will increase criminal fine collection by allowing a new source of the offender's income to be collected, and will help ensure that victims are properly and fairly compensated in a timely manner.

I ask unanimous consent that a copy of a letter from David Beatty, acting executive director of the National Victim Center, be printed.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL VICTIM CENTER,
Arlington, VA, February 16, 1996.

HON. SENATOR MCCAIN,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR MCCAIN: Thank you for the opportunity to express our views concerning your proposed amendment to the Employee Retirement Security Act of 1974 and the Internal Revenue Code of 1986.

Offender accountability has long been a corner stone of the American criminal justice system. Such Accountability includes not only the offender's payment of his debt to society but also financial responsibility to the innocent victims who suffer the severe economic consequences of the crimes inflicted upon them.

Requiring offenders to pay restitution to their victims for the harm that resulted from their criminal acts serves the ends of justice in several ways. First and foremost, restitution reimburses crime victims for the goods and services that are essential to their physical, emotional and financial recovery.

It also provides the kind of direct accountability to victims that helps satisfy their sense of fairness and their desire for justice. By engendering a greater sense of personal responsibility, restitution also serves the broader criminal justice objectives of deterrence and even rehabilitation.

Studies have shown that there is a clear correlation between restitution and lower recidivism rates. Offenders who are held financially responsible to their victims develop a greater appreciation for the hardship and human suffering cause by their thoughtless criminal acts. Offenders who gain a moral sense of responsibility by making payment directly to their victims are less likely to commit such crimes in the future.

Yet, none of the advantages restitution have to offer will be fulfilled unless offenders are actually made to pay. Not surprisingly, offenders' failures to pay have all but defeated the principle and purpose of restitution as a practical matter. Given the perplexity involved in locating and seizing the economic resource of offenders, it is extremely difficult to force offenders to pay the restitution they owe.

Senator McCain has introduced an amendment that helps solve the restitution payment problem—at least in those cases where the government is already in possession of assets belonging to the offender. The amendment would allow government officials to divert federal pension benefits and tax refunds owed to the offender directly to the victims to whom the offender owes restitution. This simple and sensible solution allows government officials to avoid the time and expense of searching out and seizing those assets already in the hands of offenders. In short, this approach is the perfect incarnation of the old adage that, "A bird in the hand is worth two in the bush".

Currently, the federal government is paying convicted offenders who are refusing to pay their victims. The McCain Amendment will effectively put an end to this unconscionable practice.

The McCain Amendment would apply these same interception mechanisms to the collection of federal fines. Since federal fines are used to fund victim compensation and assistance programs nationwide, crime victims have a great stake in seeing that every effort is made to fully collect such fines. Again, this amendment would ensure that monies owed offenders by the federal government would be used to serve victims rather than enrich their perpetrators. In other words, "Crime shouldn't pay, but criminals should".

It is for these reasons that the Board of Directors and staff of the National Victim Center fully support Senator McCain's efforts to divert government payments owed to offenders to benefit their victims.

Sincerely,

DAVID BEATTY,
Acting Executive Director.

ADDITIONAL COSPONSORS

S. 358

At the request of Mr. HEFLIN, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 358, a bill to amend the Internal Revenue Code of 1986 to provide for an excise tax exemption for certain emergency medical transportation by air ambulance.

S. 953

At the request of Mr. CHAFEE, the names of the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from North Carolina [Mr. HELMS], the Senator from Michigan [Mr. LEVIN], the Senator from Indiana [Mr. LUGAR], the Senator from Maryland [Ms. MIKULSKI], the Senator from Ohio [Mr. DEWINE], and the Senator from Arizona [Mr. MCCAIN] were added as cosponsors of S. 953, a bill to require the Secretary of the Treasury to mint coins in commemoration of black revolutionary war patriots.

S. 984

At the request of Mr. GRASSLEY, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 984, a bill to protect the fundamental right of a parent to direct the upbringing of a child, and for other purposes.

S. 1130

At the request of Mr. BROWN, the name of the Senator from Arizona [Mr. KYL] was added as a cosponsor of S. 1130, a bill to provide for the establishment of uniform accounting systems, standards, and reporting systems in the Federal Government, and for other purposes.

S. 1139

At the request of Mr. LOTT, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 1139, a bill to amend the Merchant Marine Act, 1936, and for other purposes.

S. 1334

At the request of Mr. FRIST, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 1334, a bill to amend chapter 28 of title 35, United States Code, to provide for noninfringing uses of patents on medical and surgical procedures.

S. 1379

At the request of Mr. SIMPSON, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 1379, a bill to make technical amendments to the Fair Debt Collection Practices Act, and for other purposes.

S. 1386

At the request of Mr. BURNS, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 1386, a bill to provide for soft-metric conversion, and for other purposes.

S. 1397

At the request of Mr. KYL, the names of the Senator from South Dakota [Mr. PRESSLER] and the Senator from Virginia [Mr. WARNER] were added as cosponsors of S. 1397, a bill to provide for State control over fair housing matters, and for other purposes.

S. 1405

At the request of Mr. FRIST, the names of the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from New Hampshire [Mr. SMITH], and the Senator from Maine [Ms. SNOWE] were added as cosponsors of S. 1405, a bill to eliminate certain benefits for Members of Congress.

S. 1473

At the request of Ms. SNOWE, the names of the Senator from Mississippi [Mr. LOTT] and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 1473, a bill to authorize the Administrator of General Services to permit the posting in space under the control of the Administrator of notices concerning missing children, and for other purposes.

S. 1491

At the request of Mr. HEFLIN, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of S. 1491, a bill to reform antimicrobial pesticide registration, and for other purposes.

S. 1548

At the request of Mrs. FEINSTEIN, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 1548, a bill to provide that applications by Mexican motor carriers of property for authority to provide service across the United States-Mexico international boundary line and by persons of Mexico who establish enterprises in the United States seeking to distribute international cargo in the United States shall not be approved until certain certifications are made to the Congress by the President and the Secretary of Transportation, and for other purposes.

S. 1553

At the request of Mr. McCAIN, the names of the Senator from Virginia [Mr. WARNER], the Senator from New York [Mr. D'AMATO], and the Senator from Tennessee [Mr. FRIST] were added as cosponsors of S. 1553, a bill to provide that members of the Armed Forces performing services for the peacekeeping effort in the Republic of Bosnia and Herzegovina shall be entitled to certain tax benefits in the same manner as if such services were performed in a combat zone.

SENATE RESOLUTION 215

At the request of Mr. LAUTENBERG, the names of the Senator from Utah [Mr. HATCH], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Colorado [Mr. CAMPBELL], the Senator from Nebraska [Mr. KERREY], the Senator from Nevada [Mr. REID], the Senator from Delaware [Mr. ROTH], the Senator from Nebraska [Mr. EXON], the Senator from Ohio [Mr. GLENN], the Senator from Mississippi [Mr. COCHRAN], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Senate Resolution 215, a resolution to designate June 19, 1996, as "National Baseball Day."

At the request of Mr. MOYNIHAN, his name was withdrawn as a cosponsor of Senate Resolution 215, supra.

SENATE RESOLUTION 219

At the request of Mr. SPECTER, the names of the Senator from Michigan [Mr. ABRAHAM] and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of Senate Resolution 219, a resolution designating March 25, 1996, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

AMENDMENTS SUBMITTED

THE LAND DISPOSAL PROGRAM FLEXIBILITY ACT OF 1995

CHAFEE (AND OTHERS) AMENDMENT NO. 3464

Mr. LOTT (for Mr. CHAFEE, for himself, Mr. SMITH, Mr. DOLE, Mr. LIEBERMAN, Mr. NICKLES, and Mr. KEMPTHORNE) proposed an amendment to the bill (H.R. 2036) to amend the Solid Waste Disposal Act to make certain adjustments in the land disposal program to provide needed flexibility, and for other purposes, supra; as follows:

On page 2, beginning line 4, strike all through page 4, line 15, and insert in lieu thereof the following:

"SEC. 2. LAND DISPOSAL RESTRICTIONS.

"Section 3004(g) of the Solid Waste Disposal Act is amended by adding after paragraph (6) the following:

"(7) Solid waste identified as hazardous based solely on one or more characteristics shall not be subject to this subsection, any prohibitions under subsection (d), (e), or (f), or any requirement promulgated under subsection (m) (other than any applicable specific methods of treatment, as provided in paragraph (8)) if the waste—

"(A) is treated in a treatment system that subsequently discharges to waters of the United States pursuant to a permit issued under section 402 of the Federal Water Pollution Control Act (commonly known as the "Clean Water Act") (33 U.S.C. 1342), treated for the purposes of the pretreatment requirements of section 307 of the Clean Water Act (33 U.S.C. 1317), or treated in a zero discharge system that, prior to any permanent land disposal, engages in treatment that is equivalent to treatment required under section 402 of the Clean Water Act (33 U.S.C. 1342) for discharges to waters of the United States, as determined by the Administrator; and

"(B) no longer exhibits a hazardous characteristic prior to management in any land-based solid waste management unit.

"(8) Solid waste that otherwise qualifies under paragraph (7) shall nevertheless be required to meet any applicable specific methods of treatment specified for such waste by the Administrator under subsection (m), including those specified in the rule promulgated by the Administrator June 1, 1990, prior to management in a land-based unit as part of a treatment system specified in paragraph (7)(A). No solid waste may qualify under paragraph (7) that would generate toxic gases, vapors, or fumes due to the presence of cyanide when exposed to pH conditions between 2.0 and 12.5.

"(9) Solid waste identified as hazardous based on one or more characteristics alone shall not be subject to this subsection, any prohibitions under subsection (d), (e), or (f), or any requirement promulgated under subsection (m) if the waste no longer exhibits a hazardous characteristic at the point of injection in any Class I injection well permitted under section 1422 of title XIV of the Public Health Service Act (42 U.S.C. 300h–1).

"(10) Not later than five years after the date of enactment of this paragraph, the Administrator shall complete a study of hazardous waste managed pursuant to paragraphs (7) or (9) to characterize the risks to human health or the environment associated with such management. In conducting this study, the Administrator shall evaluate the extent to which risks are adequately addressed under existing State or Federal programs and whether unaddressed risks could be better addressed under such laws or programs. Upon receipt of additional information or upon completion of such study and as necessary to protect human health and the environment, the Administrator may impose additional requirements under existing Federal laws, including subsection (m)(1), or rely on other State or Federal programs or authorities to address such risks. In promulgating any treatment standards pursuant to subsection (m)(1) under the previous sentence, the Administrator shall take into account the extent to which treatment is occurring in land-based units as part of a treatment system specified in paragraph (7)(A).

"(11) Nothing in paragraphs (7) or (9) shall be interpreted or applied to restrict any inspection or enforcement authority under the provisions of this Act.".

On page 7, after line 12, insert the following:

"(5) ALASKA NATIVE VILLAGES.—Upon certification by the Governor of the State of Alaska that application of the requirements described in paragraph (1) to a solid waste landfill unit of a Native village (as defined in section 3 of the Alaska Native Claims Settlement Act (16 U.S.C. 1602)) or unit that is located in or near a small, remote Alaska village would be infeasible, or would not be cost-effective, or is otherwise inappropriate because of the remote location of the unit, the State may exempt the unit from some or all of those requirements. This paragraph shall apply only to solid waste landfill units that dispose of less than 20 tons of municipal solid waste daily, based on an annual average.

"(6) FURTHER REVISIONS OF GUIDELINES AND CRITERIA.—Recognizing the unique circumstances of small communities, the Administrator shall, not later than two years after enactment of this provision promulgate revisions to the guidelines and criteria promulgated under this subtitle to provide additional flexibility to approved States to allow landfills that receive 20 tons or less of municipal solid waste per day, based on an annual average, to use alternative frequencies of daily cover application, frequencies of methane gas monitoring, infiltration layers for final cover, and means for demonstrating financial assurance: *Provided*, That such alternative requirements take into account climatic and hydrogeologic conditions and are protective of human health and environment.".

On page 2, line 3 strike "1995" and insert in lieu thereof "1996".

ADDITIONAL STATEMENTS

PORTLAND STATE UNIVERSITY'S 50TH ANNIVERSARY

• Mr. HATFIELD. Mr. President, Portland State University is celebrating its 50th anniversary this year. Although that is a relatively short life in the history of America's higher education movement, Portland State University has quickly developed into one of the Nation's premier urban universities.

This remarkable university began as the Vanport Extension Center, located in one of Portland's public housing projects. It was an educational resource for many of Oregon's returning World War II veterans. Two years after the Center was established, the famous Memorial Day flood destroyed the campus, but not the college. Even the Christian Science Monitor published a national story about the Vanport's resurrection, calling it "The College That Would Not Die."

The college relocated to its current site in the South Park blocks area of downtown Portland in 1952. In 1955, my first term in the Oregon State Senate, the legislature officially designated it as Portland State College. At that time, the enrollment at PSC was more than 3,300 students—up from 221 Vanport students enrolled during its first term. In 1969, as the college introduced its first doctoral program, the legislature granted it university status.

Today, Portland State University is a national model of the urban university. Its mission is to enhance the intellectual, social, cultural, and economic qualities of urban life, and to promote the development of community-institutional networks and collaborations to address community priorities through academic and research programs. The university offers 32 bachelor's and 398 master's degrees in the humanities, sciences, social sciences, and professions, as well as doctoral degrees in seven areas: Education, electrical and computer engineering, environmental sciences and resources, public administration and policy, social work and social research, systems science, and urban studies and planning. PSU's programs are so widely accepted in Oregon that it offers one-quarter of the State's graduate degrees annually.

My wife, Antoinette, and I have been involved in this great university since its early days. Antoinette worked at Portland State College as its counselor to women. During my tenure in state government, the institution emerged as one of the State's major educational resources. As Governor, I was proud to sign the legislation that authorized funding for Portland State University's prestigious graduate school of social work. During my service as Senator, I have been pleased to work with Portland State University on legislation that established and funded the Urban Community Services Program in the Department of Education. Portland State University was one of the first universities in the Nation to qualify for one of these grants that provides seed money to help extend academic resources to urban communities.

Celebrating the 50-year milestone is important—for institutions and for individuals—but Portland State University is looking toward the future and making its mark in the national higher education movement. If the past half century is any indication, we can expect Portland State University to make significant contributions in Oregon and in the Nation as it approaches its centennial celebration. Portland State University is developing a model learning community in the heart of downtown that will include new, multifamily affordable housing, connections with public transit and the light rail system, expansion of retail and commercial businesses in the neighborhood, and the development of urban open spaces and parks. I know of no other university in the country that is working so closely with local government to link its resources to the needs of the community and revitalize its neighborhood.

Portland State University has received national recognition for improving its general education curriculum. Students now take courses that are communication-intensive, interdisciplinary and team-taught, and include extensive community involvement and service learning components. This new curriculum responds to concerns expressed by business, policy leaders, and students that traditional general education programs have not served today's students well. Called the University Studies Program, this innovative approach to providing undergraduates and integrated overview of the core subject areas is a model for colleges and universities across the country.

Portland State University is also a success story because of its approach to administrative reform and commitment to the principles of quality management. In recent years, the university has engaged in an extensive reorganization of its management operation. Portland State University has reduced its administrative and management staff while still maintaining a high level of service and productivity. The national consulting group, KPMG Peat Marwick has called PSU "a national model" for efficient management. And, the National Association of College and University Business Officers recently presented the university with a national award for its management reform efforts.

Making a difference, that is what Portland State University is all about. When it began, it made a difference to those veterans returning home from World War II. It provided them the chance to get an education while working and living in Portland. And, it continues to make a difference in the lives of Oregonians. Today, Portland State University—in partnership with community organizations—makes a difference in the lives of inner-city youngsters by exposing them to higher education early in life so they can realize that a college degree is within their grasp. Portland State University makes a difference in the lives of high school students who otherwise might not be able to afford a college education away from home. Portland State University makes a difference to the working professional who needs an advanced degree in order to stay current in their field, earn a higher wage, or qualify for a promotion. In short, Portland State University is crucial to Oregon's citizens and its economic future.

On the occasion of its 50th anniversary, I want to extend my sincere congratulations to the faculty, staff, and students who have contributed to PSU's success. I look forward to the exciting contributions this remarkable institution will make in the 21st century.•

THE BLACK REVOLUTIONARY WAR PATRIOTS COMMEMORATIVE COIN ACT

• Mr. FAIRCLOTH. Mr. President, I wish to express my support for S. 953, the Black Revolutionary War Patriots Commemorative Coin Act. The coin will be minted to assist the effort to build a national memorial to these often overlooked soldiers in our War for Independence. Tax dollars will not be used to build this memorial, and, consequently, its construction will be funded from the proceeds of the sales of this coin.

Their stories are tales of sacrifice and valor in battle, and, although the names of these patriots are not found in most textbooks, these soldiers fought for their young nation in some of the great engagements of the Revolutionary War. Record Primes, for example, compiled a long record and fought in some of the most storied battles of the War. He served in Colonel Williams' North Carolina regiment at the battles of Camden and Kings Mountain in 1780 and Guilford Court House, Yorktown, Eutaw Springs, and Cowpens in 1781.

There are others, courageous black North Carolinians such as Joel Taburn, who battled the British under Colonels Archibald Lytle and Hardy Murfree in their North Carolina regiment. He fought at the siege of Charleston in 1780 and at Eutaw Springs in 1781. For example, William Steward, who had signed on with Col. John Patten's North Carolina regiment, saw action at Monmouth. Isaac Perkins, William Taburn, and Dempsey Stewart also fought for North Carolina regiments, and, Mr. President, these are the soldiers whom the memorial will honor.

These men volunteered for duty—they were not compelled to serve—and this memorial, which will be on a site just north of the reflecting pool, will honor their sacrifice in the cause of freedom. I therefore urge my colleagues to lend their support to this bill and wish to thank Senator CHAFEE for his efforts on its behalf.

MAN OF THE YEAR

• Mr. CHAFEE. Mr. President, I want to bring to the Senate's attention the accomplishments of an amazing young man. I first met Doug Wilson in connection with legislation that I sponsored to encourage States to pass universal motorcycle helmet laws. This legislation was included in the Intermodal Surface Transportation Efficiency Act of 1991 [ISTEA] and Doug was very helpful to me in getting this law passed. But Doug didn't stop there. He has worked tirelessly at the State level, encouraging State legislatures to pass effective motorcycle helmet laws. Doug was instrumental in convincing the Maryland Legislature to pass a universal motorcycle helmet law.

Doug is a very convincing young man. Unfortunately, one of the reasons he is so convincing is because he has experienced first hand the consequences of being involved in a motorcycle crash without a helmet. Doug's injuries were minor except for a severe brain injury—the result of hitting his head on the pavement. His journey to recovery has been long and difficult but it also has been extraordinary. His accomplishments are many and the Journal in Maryland has just named Doug Wilson its "Man of the Year."

Mr. President, I cannot think of a more deserving person to be the "Man of the Year." Since Congress unfortunately repealed the Federal motorcycle requirements recently in the National Highway System Designation Act, I am particularly grateful that Doug, and others like him, are working at the State level to educate people about the benefits of wearing motorcycle helmets and the terrible consequences when they do not. I want to congratulate Doug and wish him the very best in whatever he chooses to undertake in the future. I ask that the Journal article recognizing Doug's accomplishments be printed in the RECORD.

The article follows:

AFTER A BRUSH WITH DEATH, HE LEADS FULL LIFE

(By Sean Scully)

Doug Wilson was never supposed to walk or talk again following a severe motorcycle accident almost five years ago.

But in September, he ran a 5-kilometer race—the third annual Doug Wilson Thumbs Up race—and he's eager to talk about it.

"I was in the hospital for three months [in 1991]," Wilson said. "It never made me upset because I said I was going to be fine, I never thought [running] was something I'd never be able to do again."

In the spring of 1991, Wilson was a senior at the University of South Carolina, only six weeks away from an economics degree. The athletic and good-looking Wilson had been a soccer player at Churchill High School in Potomac and a place-kicker for the university's Gamecocks football team. He seemed to have it all.

Then it came crashing down. For a still-unknown reason, Wilson lost control of his motorcycle on a clear, straight road. He fell and struck his head on the pavement. He wasn't wearing a helmet.

The accident only broke three bones, but it jarred his brain severely, causing swelling and plunging Wilson into an eight-day coma.

He spent three months in the hospital and six months in a wheelchair. Over the next four years, he had to relearn the tasks most of us take for granted.

"I have an appreciation for certain things most of the whole world wouldn't understand," said Wilson, who has only the slightest hesitation of speech, along with a shuffle in his walk, giving clues to the serious injury he has overcome.

But Wilson's recovery is more than a personal journey for him. It has involved his entire community.

When he first began to walk again, Wilson said, he volunteered to help with local youth sports. Kids and parents rallied around him, he said. The kids would pick him to play on basketball teams, even though he could barely walk, let alone run and jump.

"They said, 'we don't care, we just want you on the team,'" Wilson said.

He received so much support that he's made it a mission to give something back.

"I learned to respect kids," Wilson said, "I help them because they helped me."

Wilson, now 27, lives with his parents in Potomac.

His list of activities is impressive, long enough that he has trouble remembering them all: He is one of the original volunteers at Club Friday, a youth program at the Potomac Community Center, he is a youth soccer instructor for Montgomery Soccer Inc.; he serves on two county recreational advisory boards; he helped found the Potomac Adaptive Basketball Association; he is an active member of the Rotary Club of Potomac, and he founded the annual 5-kilometer race, which benefits Club Friday and the Brain Injury Association of Maryland.

"To me, he's just a super human being," said Potomac resident Randy Zeibert, whose children played on a soccer team coached by Wilson. "He does all these things and asks nothing in return."

In the wake of his accident, Wilson made it a personal quest to see Maryland and other states adopt mandatory motorcycle helmet laws. His testimony was a key factor in Maryland's law, which narrowly passed the General Assembly four years ago, said former state Sen. Howard Denis.

Denis said he was wavering on the bill, torn between his desire to prevent devastating injuries and his belief that the government should not place to many restrictions on the public. In the end, Wilson pushed Denis to back the law.

"Doug was a particularly compelling witness because he had lived through it and he was very articulate," Denis said.

On top of all his other activities, Wilson returned to South Carolina for a semester in 1993 and earned his degree.

"I wasn't supposed to walk again, so I walked," Wilson said. "I wasn't supposed to go to college and take classes, so I went back and graduated with my best semester in college."

Despite volunteering at least 50 hours a week," Wilson has started a business, called "We'll Keep It Clean," hiring disabled people to clean and maintain people's property; yard work, pool cleaning, and the like.

Disabled people, he said, make excellent workers because. "they're not interested in doing it for the money; they're out there trying to prove they can do it."

On top of that, Wilson lobbies state lawmakers nationwide to pass motorcycle helmet laws similar to the one he helped pass in Maryland.

"He's just gung-ho about life," said Sam Eammelli, past president of the Rotary Club. "I think it's great."

The key, Wilson said, is to set goals high. That way people can fall a little bit short and still do better than anybody else expects.

And his goals remain high.

"Maybe someday," he said with a twinkle in his eye, "I'm going to try out for an NFL team."•

The PRESIDING OFFICER. The distinguished majority whip, the Senator from Mississippi, is recognized.

LAND DISPOSAL PROGRAM FLEXIBILITY ACT OF 1995

Mr. LOTT. I ask unanimous consent that the Committee on Environment and Public Works be discharged from further consideration of H.R. 2036 and, further, that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2036) to amend the Solid Waste Disposal Act and make certain adjustments in the lands disposal program to provide needed flexibility, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 3464

(Purpose: To amend the Solid Waste Disposal Act, to make certain adjustments in the land disposal program to provide needed flexibility, and for other purposes)

Mr. LOTT. Mr. President, I send an amendment to the desk on behalf of Senators CHAFEE, SMITH, DOLE, LIEBERMAN, NICKLES, and KEMPTHORNE.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT], for Mr. Chafee, for himself, Mr. Smith, Mr. Dole, Mr. Lieberman, Mr. Nickles, and Mr. Kempthorne, proposes an amendment numbered 3464.

Mr. LOTT. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning line 4, strike all through page 4, line 15, and insert in lieu thereof the following:

"SEC. 2. LAND DISPOSAL RESTRICTIONS.

"Section 3004(g) of the Solid Waste Disposal Act is amended by adding after paragraph (6) the following:

"(7) Solid waste identified as hazardous based solely on one or more characteristics shall not be subject to this subsection, any prohibitions under subsection (d), (e), or (f), or any requirement promulgated under subsection (m) (other than any applicable specific methods of treatment, as provided in paragraph (8)) if the waste—

"(A) is treated in a treatment system that subsequently discharges to waters of the United States pursuant to a permit issued under section 402 of the Federal Water Pollution Control Act (commonly known as the "Clean Water Act") (33 U.S.C. 1342), treated for the purposes of the pretreatment requirements of section 307 of the Clean Water Act (33 U.S.C. 1317), or treated in a zero discharge system that, prior to any permanent land disposal, engages in treatment that is equivalent to treatment required under section 402 of the Clean Water Act (33 U.S.C. 1342) for discharges to waters of the United States, as determined by the Administrator; and

"(B) no longer exhibits a hazardous characteristic prior to management in any land-based solid waste management unit.

"(8) Solid waste that otherwise qualifies under paragraph (7) shall nevertheless be required to meet any applicable specific methods of treatment specified for such waste by the Administrator under subsection (m), including those specified in the rule promulgated by the Administrator June 1, 1990, prior to management in a land-based unit as part of a treatment system specified in paragraph (7)(A). No solid waste may qualify under paragraph (7) that would generate toxic gases, vapors, or fumes due to the presence of cyanide when exposed to pH conditions between 2.0 and 12.5.

"(9) Solid waste identified as hazardous based on one or more characteristics alone shall not be subject to this subsection, any prohibitions under subsection (d), (e), or (f), or any requirement promulgated under subsection (m) if the waste no longer exhibits a hazardous characteristic at the point of injection in any Class I injection well permitted under section 1422 of title XIV of the Public Health Service Act (42 U.S.C. 300h–1).

"(10) Not later than five years after the date of enactment of this paragraph, the Administrator shall complete a study of hazardous waste managed pursuant to paragraphs (7) or (9) to characterize the risks to human health or the environment associated with such management. In conducting this study, the Administrator shall evaluate the extent to which risks are adequately addressed under existing State or Federal programs and whether unaddressed risks could be better addressed under such laws or programs. Upon receipt of additional information or upon completion of such study and as necessary to protect human health and the environment, the Administrator may impose additional requirements under existing Federal laws, including subsection (m)(1), or rely on other State or Federal programs or authorities to address such risks. In promulgating any treatment standard pursuant to subsection (m)(1) under the previous sentence, the Administrator shall take into account the extent to which treatment is occurring in land-based units as part of a treatment system specified in paragraph (7)(A).

"(11) Nothing in paragraphs (7) or (9) shall be interpreted or applied to restrict any inspection or enforcement authority under the provisions of this Act.".

On page 7, after line 12, insert the following:

"(5) ALASKA NATIVE VILLAGES.—Upon certification by the Governor of the State of Alaska that application of the requirements described in paragraph (1) to a solid waste landfill unit of a Native village (as defined in section 3 of the Alaska Native Claims Settlement Act (16 U.S.C. 1602)) or unit that is located in or near a small, remote Alaska village would be infeasible, or would not be cost-effective, or is otherwise inappropriate because of the remote location of the unit, the State may exempt the unit from some or all of those requirements. This paragraph shall apply only to solid waste landfill units that dispose of less than 20 tons of municipal solid waste daily, based on an annual average.

"(6) FURTHER REVISIONS OF GUIDELINES AND CRITERIA.—Recognizing the unique circumstances of small communities, the Administrator shall, not later than two years after enactment of this provision promulgate revisions to the guidelines and criteria promulgated under this subtitle to provide additional flexibility to approved States to allow landfills that receive 20 tons or less of municipal solid waste per day, based on an annual average, to use alternative frequencies of daily cover application, frequencies of methane gas monitoring, infiltration layers for final cover, and means for demonstrating financial assurance: *Provided*, That such alternative requirements take into account climatic and hydrogeologic conditions and are protective of human health and environment.".

On page 2, line 3 strike "1995" and insert in lieu thereof "1996".

Mr. CHAFEE. Mr. President, today I rise to offer an amendment to H.R. 2036, the Land Disposal Program Flexibility Act. This bill, which on January 31, 1996, passed in the House of Representatives by a vote of 402 to 19, amends the so-called land ban provisions of the Solid Waste Disposal Act. Senator NICKLES introduced a similar bill in the Senate, S. 1497, which was cosponsored by Senators SMITH, PRYOR, BOND, BUMPERS, INHOFE, LOTT, BREAUX, JOHNSTON, ABRAHAM, KEMPTHORNE, LIEBERMAN, FAIRCLOTH, GLENN, and WARNER.

H.R. 2036 and its Senate companion, S. 1497, provide a model for moving targeted, commonsense legislation that maintains protection of human health and the environment while removing duplicative or overlapping layers of regulation. It is proof that we can fix those parts of our environmental laws that need to be fixed without gutting, repealing, or rolling back environmental protection.

H.R. 2036 passed the House of Representatives by an overwhelming margin. The legislation is strongly supported by the Clinton administration. A joint letter signed by EPA, CEQ, and OMB stated that the bill "would eliminate a mandate that the Environmental Protection Agency" promulgate stringent and costly treatment standards for certain low-risk wastes that already are regulated in Clean Water Act or Safe Drinking Water Act units." I believe that H.R. 2036, as amended today, ensures protection of human health and the environment while easing two specific regulatory burdens imposed by the Solid Waste Disposal Act. In both instances, EPA tried to reduce these regulatory burdens through administrative action but the Agency was rebuffed by the courts. That is why this legislation is necessary. Time is of the essence because the Agency is under court order to promulgate new rules under the current law. If we are going to provide relief, now is the time to do it.

The primary purpose of this bill is to prevent duplicative and inconsistent regulation of a specific, limited category of wastes under the Solid Waste Disposal Act. The premise underlying the bill is that certain low risk, high volume waste streams that are treated to remove any hazardous characteristics and that are subsequently discharged in a manner meeting the standards of section 402 of the Clean Water Act or are injected in class I wells that have received individual permits under the Safe Drinking Water Act, need not be subject to the land disposal restrictions under RCRA.

In 1990 regulations to implement the Solid Waste Disposal Act's land ban provisions, EPA reasoned that if low risk, high volume wastes were being treated in a manner that protects human health and the environment under the Clean Water Act in a treatment system or are injected into a Safe Drinking Water Act permitted deep well injection system, then there was insufficient justification for imposing additional, and perhaps inconsistent land ban treatment standards under the Solid Waste Disposal Act. EPA's rule was challenged in court, and the U.S. Circuit Court of Appeals for the D.C. Circuit overturned EPA's approach.

This bill will allow EPA to grant some relief from the requirements of the Solid Waste Disposal Act while undertaking a study to assure that the conclusions the Agency reached in 1990 are still valid. It is important to note that this bill retains the Agency's authority to impose land ban restrictions and treatment standards under the Solid Waste Disposal Act if it is found to be necessary in the future.

The bill will also allow EPA to reimpose another rule vacated by the courts; a rule exempting certain small municipal solid waste landfills from groundwater monitoring requirements. This provision in H.R. 2036, as added by this amendment, conforms with the language in S. 534, the Interstate Transportation of Municipal Solid Waste Act, which passed the Senate on May 16, 1995.

This amendment contains several modifications to the House-passed bill that will ensure that risks to human health or the environment from decharacterized wastes receiving treatment equivalent to that required by section 402 of the Clean Water Act or injected in deep well injection units that have received individual permits under the Safe Drinking Water Act are minimized. The amendment provides that all of the Solid Waste Disposal Act inspection and enforcement authorities are preserved and will continue to apply to so-called decharacterized wastes even if the waste is not subject to the land disposal ban requirements as a result of this bill. The amendment protects against potential misuse and the use of "sham" treatment systems by requiring treatment in Clean Water Act impoundments, not merely holding or storing waste in the impoundment while it evaporates or settles or, worst of all, leaches into ground water. The amendment also makes it clear that the Administrator may act to impose additional requirements upon receipt of information regarding the risks posed to human health and the environment by the wastes managed under this act. If the Administrator decides the imposition of additional requirements is warranted, the authority is there to do so. The Administrator does not have to wait for the results of the study.

I want to thank Senator NICKLES, Senator SMITH, chairman of the Environment and Public Works subcommittee with jurisdiction over hazardous waste, and the other cosponsors of the bill for bringing these issues to the attention of the Senate. I especially want to thank my colleagues on the Environment and Public Works Committee for agreeing to clear H.R. 2036 for rapid floor action. I urge your support for this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3464) was agreed to.

Mr. SMITH. Mr. President, I am pleased to be here today to urge the adoption of H.R. 2036 as modified by an amendment of the Senate Committee on Environment and Public Works. The underlying House legislation is virtually the same as S. 1497, the Land Disposal and Program Flexibility Act of 1995 that Senator NICKLES and I, along with a broad bipartisan coalition of our colleagues, introduced on December 21, 1995.

Under the current land disposal restrictions [LDR's], individuals are generally prohibited from the land disposal of hazardous wastes unless these wastes have first been treated to meet EPA standards. In Chemical Waste Management versus EPA in 1992, the D.C. Circuit Court determined that these LDR's would also be extended to nonhazardous wastes managed in wastewater systems that are already regulated under the Clean Water Act or the underground injection control [UIC] program of the Safe Drinking Water Act. The court adopted this position despite the fact that the EPA had previously adopted a rule authorizing the appropriate treatment and disposal of these materials, and despite the fact that the Agency believed that such strict standards are inappropriate.

Section 2 of H.R. 2036, as modified by the Senate, would counteract the court's decision and would restore the EPA's original regulatory determination allowing these materials to be safely treated and disposed of in permitted treatment units and injection wells. This change represents a very straightforward yet significant modification to the Solid Waste Disposal Act that has the potential to save our society as much as $800 million in annual compliance costs—an expense that the EPA agrees will provide no environmental benefit.

Another issue that is addressed in the Senate amended version of H.R. 2036 is the issue of ground water monitoring legislation. In October 1991, the EPA promulgated regulations to exempt certain categories of municipal solid waste landfills from ground water monitoring requirements. Specifically, this exemption was intended to provide relief for communities that had a daily disposal rate of less than 20 tons of solid waste and which have very little annual precipitation. The EPA's authority to issue these regulations was overturned by the D.C. Circuit Court of Appeals in Natural Resources Defense Council versus EPA, 1993.

Section 3 of H.R. 2036, as amended by the Senate amendment, is a virtually identical version of ground water monitoring language that the Senate passed on May 16, 1995, when it adopted the Interstate Transportation of Municipal Solid Waste Act of 1995. This section will provide EPA with the necessary authority to implement the ground water monitoring regulations that were struck down in Natural Resources Defense Council versus EPA.

As the chairman of the Superfund, Waste Control and Risk Assessment Subcommittee, which has jurisdiction over this legislation, I believe that this bill is a good example of a cooperative, bipartisan effort to correct expensive and needless environmental overregulation. I appreciate the significant time and effort that were spent by my fellow Members, the White House, the EPA, our House colleagues, and staff, toward speeding the adoption of this much needed legislation. In addition to this support, I would note that H.R. 2036 is also supported by the Association of State and Territorial Solid Waste Management Officials, the National Association of Counties, and the Ground Water Protection Council.

We need to act quickly to adopt this legislation. If we fail to act, the EPA, due to court order, will be forced to implement additional LDR regulations in the next few weeks—regulations that they believe are both unnecessary from an environmental standpoint as well as needlessly costly for the private sector. Our House colleagues understood this urgency and passed H.R. 2036 on January 31 by a vote of 402 to 19. Given the level of support for this important legislation, I would urge my colleagues to unanimously adopt this legislation as amended so we can send it to President Clinton as soon as possible.

Mr. LEVIN. Mr. President, the House has sent us a bill, H.R. 2036, to amend the Resource Conservation and Recovery Act, to prevent the duplication of regulation on dischargers of nonhazardous waste and thereby save hundreds of millions of dollars in unnecessary compliance costs. It is a laudable bill.

Unfortunately, the House has yet to send to the Senate another needed change to the Resource Conservation and Recovery Act in this Congress, a bill to resolve a matter of great importance to me and to most of the 80,000 units of local government in this country. I am talking about addressing their jeopardized ability to regulate the inflow and outflow of solid waste in their jurisdiction.

As my colleagues know, the Senate passed S. 534, the Interstate Transportation of Solid Waste Act of 1995, in May of last year. This bill is not perfect but it contains amendments needed to resolve some of the interstate waste and flow control issues raised in Supreme Court decisions from several years ago.

Interstate transportation and flow control of solid waste are pressing matters, as is H.R. 2036. Despite this, the House has yet to act on S. 534 or similar legislation. This concerns me. Last week, I sought to add S. 534 as an amendment to H.R. 2036 by unanimous consent, but was met with objections.

Mr. President, I would like to ask the distinguished chairman of the Senate Environment and Public Works Committee if he would help me in insisting that the House promptly address this matter so that we might get a swift resolution.

Mr. CHAFEE. Mr. President, the Senator from Michigan states the situation accurately. It is unfortunate that the House has not yet acted on S. 534 or a similar bill. I will certainly work with him to ensure that the House understands that enactment of S. 534 is a priority for the Senate in this Congress. And, the Senator certainly retains his right to offer S. 534 to other vehicles, should he so choose. In the meantime, I appreciate his willingness not to stall progress on moving H.R. 2036.

Mr. LEVIN. I thank the Senator from Rhode Island. I hope he will work with me on other vehicles to which I can attach S. 534 in the very near future, if the House fails to act promptly.

Mr. LOTT. Mr. President, I ask unanimous consent the bill be deemed read a third time, passed as amended, and the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 2036), as amended, was deemed read the third time and passed.

EXECUTIVE SESSION

NOMINATION OF GEORGE W. BLACK, JR., TO BE A MEMBER OF THE NATIONAL TRANSPORTATION SAFETY BOARD

Mr. LOTT. Mr. President, in executive session, I ask unanimous consent that the Senate now proceed to the consideration of the nomination of George W. Black, Jr., to be a member of the National Transportation Safety Board reported out of the Commerce Committee today, that the nomination be confirmed, any statements on the nomination be inserted in the RECORD as if read, and that the President be immediately notified of the Senate's action on this nomination.

The PRESIDING OFFICER. Hearing no objection, it is so ordered.

The nomination considered and confirmed is as follows:

George W. Black, Jr., of Georgia, to be a member of the National Transportation Safety Board for the remainder of the term expiring December 31, 1996, vice Carl W. Vogt, resigned.

LEGISLATIVE SESSION

Mr. LOTT. I ask now that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT NO. 104–24

Mr. LOTT. As in executive session, Mr. President, I ask unanimous consent that the injunction of secrecy be removed from the Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of December 10, 1982, relating to the conservation and management of straddling fish stocks and highly migratory fish stocks, with annexes, which was adopted by the U.N. headquarters in New York by consensus of the U.N. Conference on Straddling Fish Stocks and Highly Migratory Fish Stocks on August 4, 1995, and signed by the United States on December 4, 1995, (Treaty Document 104–24), transmitted to the Senate by the President on February 20, 1996; and ask that the treaty be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 Relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks, with Annexes ("the Agreement"), which was adopted at United Nations Headquarters in New York by consensus of the United Nations Conference on Straddling Fish Stocks and Highly Migratory Fish Stocks on August 4, 1995, and signed by the United States on December 4, 1995. I also transmit, for the information of the Senate, the report of the Secretary of State with respect to the Agreement.

The Agreement represents a considerable achievement for the United States in promoting better stewardship of living marine resources. It strikes a sound balance between the interests of coastal States in protecting offshore fishery resources and those of States whose fishing vessels operate on the high seas. If widely ratified and properly implemented, the Agreement should significantly improve the prospects for sustainable fisheries worldwide.

The Agreement builds directly upon, and strengthens, the fishery provisions contained in the 1982 United Nations Convention on the Law of the Sea ("the Convention"), which I transmitted to the Senate for advice and consent on October 6, 1994. As such, the Agreement further reflects the central role of the Convention in governing the maritime relations of the international community.

Perhaps more than any other nation, the United States stands to benefit from widespread adherence to this Agreement. The Agreement will help to ensure that the harvesting of fish by vessels of other nations in waters beyond our exclusive economic zone does not undermine our domestic management of fisheries within the U.S. jurisdiction. In addition, by promoting sound conservation practices generally, the Agreement can restore and maintain productive ocean fisheries for the benefit of American consumers and for U.S. fishing vessels wherever they operate.

With regard to disputes concerning the interpretation or application of the Agreement, I intend to choose a special arbitral tribunal constituted in accordance with Annex VIII of the Convention, as recommended in the accompanying report of the Department of State.

I recommend that the Senate give early and favorable consideration to the Agreement and give its advice and consent to its ratification.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 20, 1996.*

PROGRAM

Mr. LOTT. Mr. President, under the previous order, when the Senate completes its business today it will stand in adjournment until the hour of 11 a.m. on Friday, February 23, and following the prayer, there be a period for morning business not to extend beyond the hour of 1 p.m., with the time to be divided equally between the two parties. As previously ordered, following the use or yielding back of time on Friday, morning business will be closed and the Senate will then turn to the conference report to accompany the D.C. appropriations bill. No rollcall votes will occur on Friday, however, the Senate may consider any legislative items cleared for action.

It is anticipated at this time that a cloture motion on the conference report will be filed on Friday and Senators should be aware that a vote on motion to invoke cloture on the D.C. appropriations conference report would be expected to occur on Tuesday, February 27, at 2:15 p.m.

ADJOURNMENT UNTIL 11 A.M., FRIDAY, FEBRUARY 23, 1996

Mr. LOTT. Mr. President, if there is no further business to come before the Senate, I ask the Senate now stand in adjournment under the previous order.

Thereupon, the Senate, at 12:54 p.m., adjourned until Friday, February 23, 1996, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate February 20, 1996:

DEPARTMENT OF LABOR

JOAQUIN F. OTERO, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF LABOR, VICE MARTIN JOHN MANLEY, RESIGNED.

NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD

MARK EDWIN EMBLIDGE, OF VIRGINIA, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR A TERM EXPIRING SEPTEMBER 22, 1998, VICE SUSAN ANN VOGEL, TERM EXPIRED.

MARY DODD GREENE, OF TEXAS, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR A TERM EXPIRING OCTOBER 12, 1998, VICE JOHN CORCORAN, TERM EXPIRED.

NATIONAL MUSEUM SERVICES BOARD

ALBERTA SEBOLT GEORGE, OF MASSACHUSETTS, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 1998, VICE RUTH K. WATANABE, TERM EXPIRED.

DAVID A. UCKO, OF MISSOURI, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 1998, VICE EUNICE B. WHITTLESEY, TERM EXPIRED.

AFRICAN DEVELOPMENT FOUNDATION

HENRY MCKOY, OF NORTH CAROLINA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE AFRICAN DEVELOPMENT FOUNDATION FOR A TERM EXPIRING FEBRUARY 9, 2002, VICE WILLIAM H.G. FITZGERALD, TERM EXPIRED.

IN THE COAST GUARD

THE FOLLOWING INDIVIDUAL FOR APPOINTMENT AS A PERMANENT REGULAR COMMISSIONED OFFICER IN THE UNITED STATES COAST GUARD IN THE GRADE OF LIEUTENANT:

SHERRY A. COMAR

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR PROMOTION IN THE RESERVE OF THE ARMY, UNDER THE PROVISIONS OF TITLE 10, U.S.C., SECTIONS 12203(A) AND 3370:

CHAPLAIN CORPS

To be colonel

GARY N. JOHNSTON, [redacted]

THE FOLLOWING NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF TITLE 10, U.S.C., SECTIONS 12203 AND 3385:

ARMY PROMOTION LIST

To be colonel

PAT W. SIMPSON [redacted]

CHAPLAIN CORPS

To be colonel

JIMMY F. COMER [redacted]
EDWIN N. GRIFFIN [redacted]

MEDICAL CORPS

To be colonel

MICHAEL D. KNEELAND, [redacted]

ARMY PROMOTION LIST

To be lieutenant colonel

LARRY D. BARTTELBORT [redacted]
GARY W. BAUMANN, [redacted]
GLYNN N. BECKMAN [redacted]

ROBIN R. BENSON [redacted]
JONATHAN D. DAM [redacted]
JEFFREY A. FAIRALL [redacted]
DENNIS R. FLANERY [redacted]
CRAIG D. FOX, [redacted]
FLOYD D. HAUGHT [redacted]
CRAIG G. HAYES, [redacted]
CHARLES H. HUNT, JR [redacted]
STEPHEN L. HUXTABL [redacted]
THOMAS A. KATANA, I [redacted]
RODNEY W. LOOS [redacted]
DAVID G. LOY, [redacted]
DARRELL D. LOYD [redacted]
CHERYL M. MACHINA [redacted]
ROBERT A. MARTINEZ [redacted]
RANDALL W. MOON, [redacted]
EVERT S. MORRISON [redacted]
RALPH E. NOOKS, JR. [redacted]
ROGER T. OLSON [redacted]
ALAN R. PETERSON [redacted]
MICHAEL L. STEINMETZ [redacted]
MICHAEL J. TOZZ [redacted]
JOHN A. TROTTER [redacted]
BLAINE M. WYKOFF [redacted]

MEDICAL CORPS

To be lieutenant colonel

WARNER J. ANDERSON [redacted]

THE FOLLOWING NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE U.S. ARMY IN ACCORDANCE WITH SECTION 624 OF TITLE 10, U.S.C. THE OFFICERS MARKED BY AN ASTERISK (*) ARE ALSO NOMINATED FOR REGULAR APPOINTMENT IN ACCORDANCE WITH SECTION 531 OF TITLE 10, U.S.C.

JUDGE ADVOCATE GENERAL'S CORPS

To be major

MARGARET B. BAINES [redacted]
*STEPHANIE A. BARNA [redacted]
*VIRGINIA G. BEAKES [redacted]
*MICHAEL J. BENJAMI [redacted]
*STEPHEN J. BERG [redacted]
*JOHN M. BICKERS [redacted]
*KURT J. BOHN [redacted]
*BRYAN T. BROYLES [redacted]
*MICHAEL BURMEISTER [redacted]
*MARIA S. CHAPA [redacted]
*HOLLY O. COFFEY [redacted]
*HOLLY O. COOK [redacted]
*THOMAS D. COOK [redacted]
BRIAN C. CORNEILSON [redacted]
*ROBERT J. COTELL [redacted]
*MATTHEW L. DANA [redacted]
*KURT A. DIDIER [redacted]
*CLAYTON DIEDRICHS [redacted]
MARK D. DUPONT [redacted]
KAREN V. FAIR [redacted]
*SANDRA J. FORTSON [redacted]
*BRIAN S. FRYE [redacted]
*RICHARD J. GALVIN [redacted]
*MARK J. GINGRAS [redacted]
TIMOTHY GRAMMEL [redacted]
RICHARD C. GROSS [redacted]
*JONATHAN C. GUDEN [redacted]
*JON L. HALL [redacted]
*DAVID P. HARNEY [redacted]
*TERESE M. HARRISON [redacted]
*MICHAEL E. HATCH [redacted]
*JODY M. HEHR [redacted]
*MICHAEL J. HENRY [redacted]
*THOMAS L. HONG [redacted]
*MICHAEL L. HOYLE [redacted]
*WALTER M. HUDSON [redacted]
*JOHN S. IRGENS [redacted]
MICHAEL D. ISACCO [redacted]
*BRENDA J. JARDEN [redacted]
*STEVEN M. KELLOGG [redacted]
MICHAEL E. KLEIN [redacted]
*JAMES P. LARUSCH [redacted]
*KATENI T. LEAKEHE [redacted]
*CHERYL R. LEWIS [redacted]
*JAMES F. MC CONNON [redacted]
*HARROLD MC CRACKEN [redacted]
*SHEILA E. MC DONALD [redacted]
*MICHAEL R. MC WRIGHT [redacted]
*CRAIG A. MEREDITH [redacted]
*KURT A. MIETH [redacted]
*EDYE L. MORAN [redacted]
*AMISI B. MUBANGU [redacted]
*MICHAEL E. MULLIGAN [redacted]
*MARCIA J. NELSON [redacted]
JOHN P. PATRICK [redacted]
*CYNTHIA M. PINTER [redacted]
*JANE F. POLCEN [redacted]
*WARREN A. REARDON [redacted]
*RICHARD W. ROUSSEAU [redacted]
*PAUL J. SAUSVILLE [redacted]
*JAMES M. SAWYERS [redacted]
*JEFFREY P. SEXTON [redacted]
*JEFFREY D. STACEY [redacted]
*THERESA M. THOMPSON [redacted]
*BRADLEY J. UPTON [redacted]
*CHARLES S. WALTERS [redacted]
*JEFFREY S. WILLIS [redacted]

THE FOLLOWING NAMED OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY, UNDER THE PROVISIONS OF TITLE 10, U.S.C., SECTIONS 12203(A) AND 3383:

ARMY PROMOTION LIST

To be colonel

ANTHONY C. CRESCENZI [redacted]
JOSEPH S. DANCSES [redacted]
WAYNE K. KANEMOTO [redacted]
CLINTON D. KIRK [redacted]
BRIAN Y. LAU [redacted]
RONALD J. MEDARIS [redacted]
R.E. ROGERS, JR. [redacted]
RICHARD M. ROMANEK [redacted]
DAVID A. ROWLAND [redacted]
MICHAEL D. SMITH [redacted]
JOHN TUOZZOLO, [redacted]

CHAPLAIN CORPS

To be colonel

RICHARD H. HARGETT [redacted]

ARMY PROMOTION LIST

To be lieutenant colonel

PAMELA BRADY [redacted]
LINDA S. CLEARY [redacted]
MCKINLEY COLLINS, JR. [redacted]
GERALD G. GIBBONS, JR. [redacted]
NANCY E. HALE [redacted]
ALAN J. HARADA [redacted]
GEORGE R. HARRIS [redacted]
EARL H. IWAMOTO [redacted]
MICHAEL E. KISTNER [redacted]
WEYMAN W. MCCRANIE, JR. [redacted]
LUCILLE A. PICERNO [redacted]
GREGORIO V. QUAN [redacted]
LORETTA R. RYAN [redacted]
PAUL T. WOERNER [redacted]
BENJAMIN WRIGHT, JR. [redacted]

MEDICAL SERVICE CORPS

To be lieutenant colonel

ALBERT R. SMITH, JR. [redacted]

IN THE NAVY

THE FOLLOWING-NAMED LIEUTENANT COMMANDER IN THE STAFF CORPS OF THE NAVY FOR PROMOTION TO THE PERMANENT GRADE OF COMMANDER, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 618 AND 628, SUBJECT TO QUALIFICATIONS THEREFORE AS PROVIDED BY LAW:

CHAPLAIN CORPS

To be commander

REX A. AUKER, [redacted]

THE FOLLOWING NAMED NAVY ENLISTED COMMISSIONING PROGRAM CANDIDATES TO BE APPOINTED PERMANENT ENSIGN IN THE LINE OR STAFF CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

RICHARD D. BOYER [redacted]
JOSEPH W. COLEMAN [redacted]
JOHN M. NOOE, [redacted]
AUBREY RUNYAN [redacted]
MARTIN L. STODDARD [redacted]

THE FOLLOWING NAMED DISTINGUISHED NAVAL GRADUATES TO BE APPOINTED PERMANENT ENSIGN IN THE LINE OR STAFF CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

RICHARD C. BAKER [redacted]
BRIAN S. FARLEY [redacted]
JEFFREY C. FURMAN [redacted]
JONATHAN M. GREEN [redacted]
STEPHEN T. HOFFMANN [redacted]
ANDREW S. INMAN, [redacted]
KEVIN R. JODA [redacted]
SCOTT W. MCGHEE, [redacted]
MATTHEW T. POTTENBURGH [redacted]
BRIAN T. PREVO, [redacted]
THOMAS H. SHUGART [redacted]
BRYON T. SMITH [redacted]
BRIAN P. SPEARS [redacted]
JULIA D. WORCHESTER [redacted]

THE FOLLOWING NAMED U.S. NAVY OFFICERS TO BE APPOINTED PERMANENT COMMANDER IN THE MEDICAL CORPS OF THE U.S. NAVAL RESERVE, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 12203:

COLLEEN M. COLEMAN [redacted]
EDWARD J. POSNAK, [redacted]

CONFIRMATION

Executive Nomination Confirmed by the Senate February 20, 1996:

NATIONAL TRANSPORTATION SAFETY BOARD

GEORGE W. BLACK, JR., OF GEORGIA, TO BE A MEMBER OF THE NATIONAL TRANSPORTATION SAFETY BOARD FOR THE REMAINDER OF THE TERM EXPIRING DECEMBER 31, 1996.

THE ABOVE NOMINATION WAS APPROVED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

HOUSE OF REPRESENTATIVES—*Tuesday, February 20, 1996*

The House met at 11 a.m. and was called to order by the Speaker pro tempore [Mrs. MORELLA].

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Let us pray using the words of Psalm 121:

I lift up my eyes to the hills; from where
is my help to come?
My help comes from the Lord, the maker
of heaven and earth.
He will not let your foot be moved and He
who watches over you will not fall
asleep.
Behold, He who keeps watch over Israel
shall neither slumber nor sleep;
The Lord himself watches over you; the
Lord is your shade at your right
hand,
So that the sun shall not strike you by
day, nor the moon by night.
The Lord shall preserve you from all evil;
it is He who shall keep you safe.
The Lord shall watch over your going out
and your coming in, from this time
forth forevermore.

Amen.

THE JOURNAL

The SPEAKER pro tempore (Mrs. MORELLA). The Chair has examined the Journal of the last day's proceedings and announces to the House her approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Virginia [Mr. DAVIS] come forward and lead the House in the Pledge of Allegiance.

Mr. DAVIS led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT ON AMENDMENT PROCESS FOR THE FARM BILL

(Mr. GOSS asked and was given permission to address the House for 1 minute.)

Mr. GOSS. Madam Speaker, the Committee on Rules is planning to meet on Tuesday, February 27, 1996, to grant a rule which may limit the amendments to be offered to H.R. 2854, the Agricultural Market Transition Act, which incorporates in large part the provisions of title I of the Balanced Budget Act.

Any Member who desires to offer an amendment should submit 55 copies and a brief explanation of the amendment by 3 p.m. on Monday, February 26, to the Committee on Rules, at room H-312 in the Capitol.

Amendments should be drafted to the text of the Agriculture Committee reported version of the bill, which is available in the document room.

Members should use the Office of Legislative Counsel to ensure that their amendments are properly drafted and should check with the Office of the Parliamentarian to be certain their amendments comply with the rules of the House.

Madam Speaker, the Committee on Rules has forwarded to each Member's office a "Dear Colleague" with the same information. We realize that Members are responsible for being attentive even while they are in their districts, and we want to make sure that we get this news out.

ADJOURNMENT

Mr. DAVIS. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 3 minutes a.m.), under its previous order, the House adjourned until Friday, February 23, 1996, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

[Omitted from the Record of February 16, 1996]

2061. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11-197, "District of Columbia Board of Real Property Assessments and Appeals Membership Simplification Act of 1996," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

[Submitted February 20, 1996]

2062. A letter from the Director, the Office of Management and Budget, transmitting the cumulative report on rescissions and deferrals of budget authority as of February 1, 1996, pursuant to 2 U.S.C. 685(e) (H. Doc. N. 104-176); to the Committee on Appropriations and ordered to be printed.

2063. A letter from the Secretary of Energy, transmitting the Department's report entitled "1994 Annual Report on Low-Level Radioactive Waste Management Progress," pursuant to the Low-Level Radioactive Waste Policy Amendments Act of 1985; to the Committee on Commerce.

2064. A letter from the Comptroller General of the United States, transmitting the list of all reports issued or released in January 1996, pursuant to 31 U.S.C. 719(h); to the Committee on Government Reform and Oversight.

2065. A letter from the President and CEO, African Development Foundation, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

2066. A letter from the Director, Operations and Finance, American Battle Monuments Commission, transmitting a report of activities under the Freedom of Information Act for calendar year 1995, pursuant to 5 U.S.C. 552(d); to the Committee on Government Reform and Oversight.

2067. A letter from the Chairperson, Appraisal Subcommittee, Federal Financial Institutions Examination Council, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

2068. A letter from the Comptroller General of the United States, transmitting the Comptroller General's report on GAO employees detailed to congressional committees as of January 19, 1996; to the Committee on Government Reform and Oversight.

2069. A letter from the Director, Federal Mediation and Conciliation Service, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

2070. A letter from the Chairman, Board of Governors, U.S. Postal Service, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1995, pursuant to U.S.C. 552b(j); to the Committee on Government Reform and Oversight.

2071. A letter from the Deputy Associate Director for Compliance, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OHS areas, pursuant to 42 U.S.C. 1339(b); to the Committee on Resources.

2072. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a copy of the Secretary's determination and memorandum of justification regarding assistance to Haiti, pursuant to Public Law 104-99, section 301 (110 Stat. 38); jointly, to the Committees on Appropriations and International Relations.

2073. A letter from the Mayor, District of Columbia, transmitting the comprehensive annual financial report of the District of Columbia, pursuant to Public Law 102-102, section 2(b) (105 Stat. 495); jointly, to the Committees on Government Reform and Oversight and Appropriations.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

200. The SPEAKER presented a memorial of the Senate of the Commonwealth of Pennsylvania, relative to the "Blizzard of 1996"; to the Committee on Transportation and Infrastructure.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 940: Mr. OLVER.

H.R. 1021: Ms. VELAZQUEZ and Ms. KAPTUR.

H.R. 1023: Ms. VELAZQUEZ, Mr. SCHUMER, Mr. FRAZER, Mr. WELDON of Florida, and Mrs. MALONEY.

H.R. 2143: Mrs. MORELLA, Mr. FOGLIETTA, Mr. WILSON, Mr. HYDE, and Mr. NEAL of Massachusetts.

H.R. 2214: Mr. TORRES, Mr. MCCOLLUM, and Mrs. MINK of Hawaii.

H.R. 2959: Mr. MCDERMOTT, Mr. MOAKLEY, Ms. BROWN of Florida, Mr. DOOLEY, Mr. THOMPSON, Mr. BENTSEN, Mr. LUTHER, Mr. REED, Mrs. LOWEY, Mrs. KENNELLY, and Mr. GENE GREEN of Texas.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

57. By the SPEAKER: Petition of the council of the city and county of Honolulu, HI, relative to the State of Hawaii to secure access to oil from the Strategic Petroleum Reserve in case of emergency; to the Committee on Commerce.

58. Also, petition of the Board of Chosen Freeholders of the county of Mercer, NJ, relative to the board's support for Representative CHRISTOPHER SMITH as he strives to protect the needs of the senior citizens and all residents of Mercer County; jointly, to the Committees on Ways and Means and Commerce.

EXTENSIONS OF REMARKS

SALUTE TO THE COMMUNITY OF LINCOLN PARK

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 20, 1996

Mrs. MORELLA. Mr. Speaker, I rise today to salute the community of Lincoln Park, which celebrates its105th anniversary this year.

Located in the city of Rockville, MD, Lincoln Park has managed to keep the history and traditions of a self-contained community. Lincoln Park is a predominantly African-American community, unique not only for the respect with which it treats its heritage, but also for the manner in which its residents have chosen to connect with one another. They have continued their dedication to working as a community, in the same manner that their ancestors did long ago.

The Lincoln Park community was started in February 1891 when Mr. William Welsh purchased several tracts of land in a place known as Valentine Garden Enlarged. On June 30, 1891, Ms. Ella Martin became the first black landowner at Lincoln Park, purchasing her land for $80. Deaconess Helda Martin became Lincoln Park's second black landowner that same day, also for the sum of $80. Descendants of these original landowners still live in Lincoln Park, a sign of the great respect that this community reserves for its history.

With the month of February designated Black History Month, it is only to be expected that a community so rich in African-American history would seek to share and explore its roots. The Lincoln Park Historical Society will be having their 19th Annual Black History Program at Richard Montgomery High School on February 24. As befits a group of citizens who truly believe in the concept of a community, this program will focus on the young people of our society whose hopes and dreams will be the future of Lincoln Park and of America.

The willingness to work for a true sense of community gives Lincoln Park a mission which is all too unique in today's society. The effort to retain and continue the traditions of their history give the community respect for their ancestors and vision for their descendants. For 105 years the people of Lincoln Park have dedicated themselves to this ethos, and for 105 years neighbors have greeted each other by name and taken pride in what they, as a unit, have built.

Mr. Speaker, it is a proud moment for me to pay tribute to Anita Neal Powell, founding president of the Lincoln Park Historical Society [LPHS], Deacon Leroy Neal, vice president of the LPHS, and William Gordon, who will be the historical conductor for the anniversary program, for their hard work and their dedication in preserving and promoting the rich history of this important community. I hope that everyone will join me in wishing the whole Lincoln Park community a most happy and successful 105th anniversary.

IN HONOR OF MICHELE RUSSO FOR DISTINGUISHED AND DEDICATED SERVICE TO THE CITIZENS OF HOBOKEN

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 20, 1996

Mr. MENENDEZ. Mr. Speaker, I rise today to pay tribute to Michele Russo, an outstanding individual who has distinguished herself by her selfless dedication to the residents of Hoboken. Ms. Russo will be honored today at the Ninth Annual Lincoln Day Dinner sponsored by Senator Bernard F. Kenny and the Lincoln Day Dinner Committee.

The commemoration celebrates the generous contributions made by Ms. Russo to her hometown of Hoboken. Lincoln's birthday is an appropriate day to celebrate Ms. Russo's achievements because of her talent in unifying people. As an active member of the Anthony Russo Civic Organization, Ms. Russo's coordination of community programs has earned much respect. In one program, local senior citizens have been fortunate recipients of flowers on major holidays. For the past 2 years, FAITH Service, an AIDS resource center, has greatly benefited from an event co-chaired by Ms. Russo.

Family plays a major role for our esteemed honoree. A lifelong resident of Hoboken, Ms. Russo is the former Michele DeStefano, daughter of Mary and Pasquale DeStefano. When it came time to think about marriage, Michele married Anthony Russo who was subsequently elected mayor of Hoboken. This joyful union produced three sons to carry on the family tradition of community involvement: Nicky, Michael, and Anthony.

Ms. Russo has a strong interest in building a bright and positive future for the youth of Hoboken. She was instrumental in securing funding to erect the Florence Reilly Casazza concession stand at Hoboken High School's JFK Stadium. Ms. Russo is an active committee member of Boy Scout Troop 20 at St. Ann's Church in Hoboken.

It is an honor to have such an outstanding and considerate woman residing in my district. Michele Russo exemplifies community service at its best. I am certain my colleagues will join me in recognition of this superb community leader.

HONORING THE LATE ALEC COURTELIS

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 20, 1996

Mr. SHAW. Mr. Speaker, I rise today to pay tribute to a remarkable Floridian, Alec Courtelis, who died last month at the age of 68. Alec's life defined the American success story. He came to America as a 20-year-old Greek immigrant and persevered to achieve great success as a Florida developer, breeder of Arabian racehorses, chairman of the board of regents, and as a major player in the national political arena.

As a teenager growing up in Alexandria, Egypt, Alec watched John Wayne movies and dreamed of one day moving to America. At 20, he was accepted to the University of Miami and traveled 7,000 miles across the Mediterranean and Atlantic to begin life in a country that would not inhibit his hopes and aspirations.

Upon graduation from the University of Miami, Alec worked as an engineer for 5 years before launching a thriving career in real estate development and construction. Under Alec's direction, Florida swamps and sandpits were converted into lavish housing developments and upscale shopping malls. Included in Alec's projects were the Falls in South Dade, Skylake in Northeast Dade, Town Park Estates in the Coral Park area, and University Lakes in Miami.

Alec strongly embraced this country and the belief that each person can make a difference. He became well entrenched in the political arena, not only locally, but on a national scale. Alec's accomplishments were not limited to real estate and politics; he was also a major player in the Arabian racehorse business. The Courtelis owned a 320-acre farm near Gainesville that provided both a home for their champion stallions and a place for the family to spend time together.

Perhaps the triumph for which Alec will be best remembered was his battle with cancer. When Alec was diagnosed with inoperable pancreatic cancer in 1993, he told doctors that he could not accept their prognosis; he still had too much to do. Although Alec was told to get his estate in order as he had only a few months left, he beat the odds for 2 incredible years and attributed his success to psychotherapy and a positive mental attitude. He devoted himself to legitimizing alternative treatments and to sharing his amazing experience with others. The University of Miami's new

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Courtelis Center for Research and Treatment in Psychosocial Oncology furthers Alec's devotion to lending validity to alternative treatments and provides new hope for its patients.

A sign at Alec's farm read, "It's performance that counts." This is a motto that Alec abided by throughout his life. Mr. Speaker, I ask my colleagues to join me in honoring the life of Alec Courtelis.

SENATE—*Friday, February 23, 1996*

The Senate met at 11 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Dear God, bless America, beginning with these Senators on whom You have placed so much responsibility and from whom You expect so much. You have brought them to the Senate at this time, not only for what You want to do through them in leading this Nation, but also for what You intend to exemplify to the Nation in the way they work and live together.

You have revealed in Scripture, through the generations, and in our own experience, that You pour out Your power when there is unity, mutual esteem, and affirmation of the oneness of our patriotism. Bless us with Your spirit so that we may disagree without being disagreeable, share our convictions without being contentious, and lift up truth without putting each other down. Help us to seek to convince without coercion, persuade without power moves, motivate without manipulation. May we trust You unreservedly and encourage each other unselfishly. In the name of our Lord. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, Senator LOTT, is recognized.

Mr. LOTT. I thank the Chair.

SCHEDULE

Mr. LOTT. Today there will be a period of morning business until the hour of 1 p.m., with the time equally divided on both sides of the aisle. Following the use or yielding back of the time in morning business, the Senate will turn to the consideration of the conference report to accompany the District of Columbia appropriations bill. It is expected that a cloture motion will be filed on that conference report today. No rollcall votes will occur during today's session, however. The Senate may consider any legislative items that can be cleared for action.

As a reminder to all Senators, the next rollcall vote will be at 2:15 p.m. on Tuesday, February 27. That vote will be on the motion to invoke cloture on the D.C. appropriations conference report.

I understand, Mr. President, that there are some Senators who intend to arrive shortly to speak in morning business, but until they arrive, I note the absence of a quorum.

The PRESIDING OFFICER (Mr. BURNS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. NUNN. Mr. President, I ask unanimous consent that Maurice Huthinson, a legislative fellow on my staff, be permitted the privilege of the floor during my remarks on the floor this morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

If the Senator from Georgia would suspend so that the Chair might perform some household duties that have not been performed.

Mr. NUNN. The Senator from Georgia will accommodate any request from the Chair.

RESERVATION OF LEADERSHIP TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be the period for the transaction of morning business until 1 p.m., with Senators permitted to speak therein, the time being equally divided between the two sides.

The Senator from Georgia is recognized.

Mr. NUNN. I thank the Chair.

THE RELATIONSHIP BETWEEN THE UNITED STATES AND CHINA

Mr. NUNN. Mr. President, I rise today to talk about the relationship between the United States and China.

Last summer the Aspen Strategy Group—cochaired by Ken Dam and myself—under Director Michael Armacost and Associate Director Bruce Berkowitz met in Aspen, CO, for 4 days. We had an intensive and productive discussion with a number of China experts participating, including Michel Okensberg, Chas. Freeman, and Stapleton Roy. The views of all three of these American China experts and my subsequent discussions with Michel Oksenberg, Charles Freeman, and others have been very helpful in my own analysis of United States-China relations.

I also made a recent trip to Asia that included a stimulating and informative forum in Malaysia sponsored by the Asia Policy Group under the leadership of Doug Paal and hosted by the Deputy Prime Minister of Malaysia, Anwar Ibrahim. during this conference—attended by Senator KIT BOND, Senator BILL COHEN, and myself from the Congress—we had broad and stimulating discussions with government and business leaders from the ASEAN countries and the entire Pacific region. Some of those discussions included China, but the agenda was much broader than just China.

I have greatly benefited from these meetings and discussions with Deputy Prime Minister Anwar Ibrahim and the other leaders from throughout the region and with Doug Paal, who led our group. During my trip to Asia, I joined Senator DIANNE FEINSTEIN and Senator JOHN GLENN in China for a series of meetings with top Chinese leadership.

Mr. President, the growing importance of China in world affairs demands a purposeful, coherent, and consistent American policy toward China. History is littered with the uninformed and ineffective responses of an established power toward a rising power. Often the rising power suffered from its own ambitions seeking to accelerate its rise through military means. In modern history, we need only recall the pre-World War II rise of Germany and Japan and the former Soviet Union and the opportunities and mistakes our country and the free world made in coping with their rise.

History should teach us that established powers must provide consistent and credible signals about their expectations and set forth reasonable terms on which they are willing to incorporate the rising power into the international system.

We are now watching the rise of China—a development of at least equal historical significance and implication as the rise of Russia, Germany, and Japan. This is occurring with the important background of the rapid industrialization of Asia. Within 25 to 50 years, Mr. President, the lives of 3.5 billion people who live in the arc from Korea to India to Pakistan are being transformed. This development is as significant for humanity and for the citizens of our country as the Renaissance or the Industrial Revolution which transformed our people into the most productive, wealthy, and free people on Earth. At the center of Asia's rise is China, a nuclear power with the largest military forces in terms of manpower, in the world, and a permanent member of the U.N. Security Council. China is a nation with 1.2 billion people, an economy growing at nearly 10 percent a year for over the last decade, and as we too often forget—a distinctive civilization of great antiquity.

China is in the midst of four major transitions:

First, from a planned economy to a state-guided market economy.

Second, from rule by the Long March revolutionaries who established the Communist regime to a rule by bureaucrats, technocrats, and military professionals.

Third, from a rural agricultural society to an urban, industrial society.

Fourth, from a largely self-sufficient, largely isolated economy to one that is moving into the international economy and is increasingly dependent upon it.

Each of these alone is an enormous transformation. These transitions are occurring at varying speeds and with a scope unprecedented in history.

The process and outcome of China's transformations are unknown. Much about the Chinese future is unknown. What will the nature of the political system be a decade or a generation hence? Will the succession to Deng Xiaoping continue to be an orderly one? Will there be widespread social disorder? What about China's military? What will be its force structure a decade hence? How is its military doctrine likely to evolve as it acquires new weaponry? What are and will be China's foreign policy proclivities? Will the Communist Party remain in power? What are the chances for democratization in China? Can the Central Government remain in control or will China fragment or break apart, as we saw with the former Soviet Union? What would happen to its nuclear arsenal under such a situation? There is no consensus on the answers to these questions among the experts, either in or outside the Government.

The uncertainty about the Chinese future has several important implications. In light of China's growing importance, it is imperative that our country make a maximum effort to understand it. This entails ensuring that our Government has sufficient means to collect and analyze information about China, including extensive contact with Chinese leaders and bureaucrats at the national and provincial levels, and certainly people-to-people programs with the Chinese people themselves. President, our Nation must prepare itself intellectually for China's more extensive involvement in world affairs. This is absolutely essential.

It is difficult to conceive of the international community effectively addressing a number of pressing issues such as the proliferation of weapons of mass destruction and their means of delivery, international terrorism, and narcotrafficking, environmental challenges, and the regulation of trade, without China's participation.

Because of the profound Chinese transition, American engagement is essential. We are not likely to significantly affect events over the short run, but—by engaging in dialog about our mutual interests and our grievances, by speaking in clear terms in this dialog; by participating in China's development; by greater military transparency between our countries; by helping to educate China's next generation of intellectuals, which we are doing by assisting it in alleviating some of its economic and institutional problems—its evolution is more likely to be in directions favorable to peace and stability in the Pacific as well as to American interests.

China's transition is likely to be protracted. The experts do agree on one point: Uncertainty is a permanent quality of modern China. Even were China to embark a process that we would call democratization, the development would be a lengthy one. History shows it takes a long time to create a legal system, guarantees for private property, a parliamentary system, a vigorous and free press, and the political culture that can sustain a pluralistic and tolerant civil society. As the American and British experience demonstrates and as we can now see in the former Soviet Union, that process takes decades. Not only must our expectations be realistic, but we cannot wait to engage extensively with China until it has become more like us or until it has settled down and its future is more certain.

Realistically, we must engage with China and its current leaders now rather than remaining aloof from this vast, complex, ancient, and proud civilization until it becomes to our liking. In short, China's transition and its potential impels America, insofar as possible, to be actors on the scene.

Mr. President, as I mentioned earlier, I visited China last month with Senators DIANNE FEINSTEIN and JOHN GLENN. We had an opportunity to meet with President Jiang Zemin, Executive Vice Premier Zhu Rongji, Minister of National Defense General Chi Haotian, Vice Foreign Minister Li Zhaoxing, and others within China's leadership. We had cordial, informative and frank discussions on a number of issues relating to the relationship between our two countries and stability in the entire region. Our discussions were greatly facilitated by Senator FEINSTEIN's longstanding friendship with President Jiang Zemin, a friendship that grew out of their being mayors of sister cities—San Francisco and Shanghai at the same time. They had many visits during that period.

In recent weeks, China has stepped up its military exercises in areas close to Taiwan. It has mobilized a large number of forces on the mainland across from Taiwan. There have been credible reports that China has provided nuclear technology to Pakistan in contravention of the Nuclear Nonproliferation Treaty and its solemn treaty obligations to over 150 state parties to the treaty. If those reports are verified, sanctions would be triggered automatically under U.S. law, unless they are waived by the President.

In recent months, China's behavior has raised concerns in Asia and in the United States. The concerns which have been expressed not only in this country, but also in Asia include:

China's military expenditures continue to rise along with its economy. It continues to test nuclear weapons despite the protests of its neighbors. It has made territorial claims far into the South China Sea. It has adopted an unyielding posture toward Hong Kong and has repeatedly threatened Taiwan. Its record on missile sales to Pakistan is troubling and in probable violation of its assurances to both the Bush and Clinton administrations that it would respect the missile technology control regime [MTCR] even though it is not a member. Its human rights record, including the sentencing of Wei Jingsheng, raises basic human rights concerns, affronting American sense of fairplay as well. And its inability to crack down on violations of trade agreements, including intellectual property violations, raise serious trade concerns. It is certainly possible that these developments which are troubling, are also harbingers of difficult relations between our Nation and China in the months to come.

But there are also developments on the other side of the ledger that are too often ignored. China has not obstructed U.N. and NATO peacekeeping operations and sanctions even though it openly doubted their appropriateness or efficiency. It has made important contributions to maintaining stability in Korea and in settling the Cambodian civil war. It continues to expand economic and cultural relations with Taiwan and, until 1995, it was regularly expanding people to people ties to Taiwan and reducing military tensions in the strait. It is in the process of opening itself to foreign direct investment and to wide-spread consumption of U.S. consumer goods in ways that go well beyond the opportunities many other Asian countries allow. It has announced the reduction of tariffs by 34 percent and plans further reductions to the average of developing countries in the region.

It has modified its social and cultural control over its people, so that its authoritarian government, while still harsh, has moved far from the reign of terror of the cultural revolution days. While far from acceptable by our present standards, by every conceivable measure, China's treatment of its own people in 1996 is far better than at the time of President Nixon's opening in 1972 and President Carter's normalization in 1979. In the last 10 years, an enormous number of Chinese people have moved from poverty to a decent standard of living. I will have more to say on the subject of human rights in China in the weeks ahead.

Mr. President, China has pledged to cease nuclear testing, but not before the negotiation and entry into effect of a comprehensive test ban treaty. It has played a quiet but positive role in assisting our quest—a very important quest—for a nuclear-free Korean Peninsula. In the Middle East, the Chinese have now developed ties with the moderate states, including Israel.

This combination of welcome and troublesome developments requires a United States policy that is carefully managed. Unfortunately, the U.S. Government, the executive branch, as well as Congress, currently have not developed such a policy toward the most populous and the most rapidly developing country on Earth. To allow this vacuum to continue would be both irresponsible and dangerous.

As we begin to think about a China policy, perhaps we should begin, not just with our litany of concerns about China, but also with some understanding of their concerns about us. China has its own list of grievances about the United States. Although I believe that most of these complaints are due to misperceptions and misunderstandings, we must be aware that if China's leaders conclude rightly or wrongly that the United States looks upon them as adversaries, they will respond in kind. We have a right to demand that the Chinese keep their agreements—we must also keep ours.

America is seen by many in China as attempting to isolate, divide, encircle, and contain China. They cite, among others, the following list of grievances:

First, delay on China's application for membership in the World Trade Organization which they believe is a violation of our 1992 bilateral agreement on market access.

Second, refusing to grant China permanent, unconditional, most favored nation treatment.

Third, constant U.S. criticism on human rights.

Fourth, preventing China from hosting the 2000 Summer Olympics.

Fifth, 1992 sale of F–16's to Taiwan.

Sixth, visits to Taipei of U.S. Trade Representative Carla Hills in the Bush administration and Transportation Secretary Peña in the Clinton administration.

Seventh, visit of Taiwan's head of state to the United States, after being assured by top U.S. officials that the visit would not occur.

Beyond these frequently cited grievances, the leaders of China have several broader concerns about the United States. They are concerned that the United States wishes permanently to separate Taiwan from the mainland and perhaps to foster an independent Taiwan. They question whether the United States wishes them to be a full participant in the establishment of the post-cold-war order. They cite Washington's reluctance to see them as a member of the World Trade Organization or to invite them to join other groupings that formulate policy for the international community.

Perhaps most important, though these words are seldom spoken directly, with communism dead as an ideology and with no real democratic process conveying power and legitimacy, the Chinese leadership is vulnerable to nationalistic sentiment at home if they yield to what is seen as American pressure and demands. As a result, China is reluctant to undertake the responsibilities that the United States expects her to fulfill as an emerging great power.

We should not, however, underestimate American strength in Chinese eyes—economically, militarily, and ideologically. They understand and respect our military strength. They understand the importance of China's access to the American market. They admire our technology, and assuming a positive relationship, I believe the Chinese prefer buying from Americans over both Japanese and Europeans. I think we need to take that sentiment into account in our own trade posture and our own export posture.

Thoughtful Chinese know the United States is not seeking to contain China—I want to underscore that—but there are many in China who do not see it that way. We have welcomed over 40,000 Chinese students now enrolled in our universities. We are one of China's principal export markets. American businesses have invested $9.45 billion in China since 1978. We have welcomed Chinese participation in the World Bank, the International Monetary Fund, and regional multilateral organizations. With our Government's encouragement hundreds of American foundations, philanthropic organizations, and education and research institutes now have wide-ranging exchanges with counterpart Chinese institutions. This is the record of a partner, not an adversary, in world affairs.

China would like to build a stronger military-to-military relationship, and though it does not say so openly, it understands the stability that the United States military force presence brings to Northeast Asia. I believe that with some notable exceptions, including Taiwan, the Chinese military is more open to warmer United States-China ties than some other elements of the Chinese leadership and these inclinations have been strengthened by the visit and the leadership of Secretary of Defense Bill Perry. Thus, America has many strengths in dealing with China, yet there are serious limits on our ability fully to utilize these strengths. We need to also understand that.

First, China is embedded in Asia, politically and economically, and the United States cannot pursue a successful policy toward China in isolation from the rest of the region. Our allies in Asia would not be prepared or willing to follow America's lead if we decided to isolate China nor are they willing to employ economic sanctions. Our friends in Europe and Japan will be most delighted to fill any Chinese need which develops if the United States employs economic sanctions.

America is still viewed in China and in Asia as a land of wealth and opportunity. But, in China and elsewhere in Asia, among even United States friends, many believe and privately say, that we are a declining power economically and culturally. The attraction of American society has eroded not only in China, but elsewhere in Asia, primarily, in my view, as a result of our own social ills, which are publicized all over the world. In Asia, as elsewhere, perceptions matter.

The Chinese see much that is attractive in the Asian model of development pursued by Japan, Korea, Taiwan, and Singapore.

The United States had a relationship with China that expanded and prospered from 1972 to 1989. We worked together in areas of common interest, exchanged views, tried to harmonize our views whenever we could, sought common policies, and sought to narrow and contain differences. Since 1989, we have been deferring discussion of common interests and emphasizing differences. To continue down this path is a prescription for posturing, animosity, brinkmanship, and danger.

Mr. President, our Nation must develop a purposeful, coherent and consistent American policy toward China and a strategy to implement our policy. We must also explain in clear terms to both our own citizens and to the Chinese the underlying rationale for our policy and our actions.

In the absence of a clear policy, it is inevitable that we in the Congress will chase off in separate directions with different priorities, while the executive branch lurches from one transitory issue to the next, addressing each problem in an ad hoc fashion. In the absence of an overall policy framework, policy becomes fragmented, the captive of single issue constituencies.

Those in the executive branch bear the primary responsibility for enunciating our policy, but as we see from Taiwan's President Li's visit to the United States, the actions of Congress often influence U.S. policy, for better or worse. United States policy towards China must be developed in close consultation with the congressional leadership of both parties.

In the immediate future, we should begin a dialog between China and the United States at all levels, including the highest levels—to discuss and where appropriate to act in unison in addressing these areas. Both the United States and China must get away from the current practice of diatribe and criticism. This dialog should not be portrayed as resolving our differences but rather beginning to find common ground and to reserving our different views for those issues that cannot be immediately resolved. Similarly, established channels for dialogue between Washington and Taipei must be utilized and strengthened so that there is a clear understanding of our respective views.

And may I remind my colleagues that 7 years have passed since an American President or Vice President has journeyed to Beijing or the President or Premier of China has been in Washington. During that time, the leaders of China have been to every major capital in the world, and the leaders of other major countries have visited Beijing on many occasions. Misunderstandings and misperceptions are bound to flourish in the absence of dialog. Meetings do not guarantee agreement. But they reduce the chance of conflict through miscalculation.

It would be irresponsible and dangerous for the United States and China to continue on our present course. It is time to end the period of estrangement between the United States and China. President Clinton's meeting in New York with President Jiang Zemin was a beginning down that road, and I hope we can greatly intensify those visits to the top level and, indeed, the working level.

This dialog can inspire mutual confidence and understanding, but only if we display an unambiguous willingness to be firm when China's leaders do not meet their responsibilities and commitments, as well as a meticulous management of our China policy to ensure that we adhere to our commitments.

Mr. President, I do not pretend today to offer a comprehensive China policy, but I do offer a few observations and suggestions.

First, the Clinton administration should develop a broader policy framework regarding United States-China relations and stability in Northeast Asia and a strategy to advance that policy.

Regarding this framework, I believe some of its components—and I am not pretending to name them all this morning—are clearly visible: a continued and robust American military presence in Asia is fundamental to the stability of Northeast Asia and peace in the region; and we should approach China in close coordination with Japan, Korea, and our Asian partners. We cannot pursue a successful China policy unless that policy is supported in the region. We must make clear that the cooperation we seek from our traditional allies and friends is not for the purpose of confronting or containing China, but for involving China more extensively and constructively in regional affairs. We should strengthen the linkages between China, the United States, and the rest of Asia so that China becomes firmly integrated with the United States in the emerging Pacific community. We must reverse a widespread perception that America's role in the region is in decline.

Second, we should make it clear that we are prepared to facilitate China's participation in the international economy and international security arrangements in the expectation that China will abide by the norms of those international regimes. The incorporation of China in the world community will entail some mutual adjustments, but China cannot expect to derive the benefits without bearing the burdens of its newly acquired status. China's admission to the various international institutions will be facilitated and accelerated if they are able to demonstrate a solid record of compliance with their international commitments, including trade agreements, the Nuclear Nonproliferation Treaty and the guidelines of the Missile Technology Control Regime, which they were not part of formulating, but they have agreed to the basic principles of it. In the nonproliferation arena, China should be involved in formulating the policies we expect them to abide by. Our strategy should be to welcome and incorporate China in the world community at a relatively early stage in its rise, with the explicit Chinese commitment to abide by international standards and to develop the domestic institutional capacity to do so.

This approach should serve not only America and international interests, but China's interests. Our strategy should be intended to elicit Chinese cooperation rather than to compel Chinese behavior.

Third, a framework with China must be based upon mutual dignity and mutual respect. We must seek to identify our important mutual interests and make progress in these areas while striving to ensure that our points of disagreement do not dominate every agenda. If we proceed in this fashion, the areas of disagreement are likely to be put into a broader perspective where progress can be made toward resolution over time. In spite of our recent disagreements, there are clearly crucial areas of strong mutual interests between the United States and China, including avoiding an arms race in Northeast Asia; avoiding confrontation on the Korean Peninsula and preventing a nuclear weapons buildup by either North or South Korea.

Also, avoiding the introduction of nuclear weapons in the Persian Gulf area; avoiding the proliferation of weapons of mass destruction and their means of delivery; easing tensions in South Asia between India and Pakistan; maintaining stability in Northeast Asia and the general area of the Pacific; maintaining stability in Southeast Asia, including the emergence of a peaceful Vietnam and ending and healing the conflict in Cambodia.

Also, enhancing the efforts of the U.N. Security Council to maintain international peace and security; keeping sea lanes open for commerce; addressing transnational problems, such as illegal narcotics and terrorism; protecting the environment, including the seas; enhancing the rule of law in China; and, finally, maintaining the prosperity of Hong Kong and Taiwan. This is clearly in the interests of China, as well as the United States.

Our two nations will not always agree on how to address these interests, but we have enough mutuality to find significant areas of common approach and cooperation. Without this framework for the discussion of mutual interests, little progress is likely to be made on the issues where we differ. With this framework, I believe that progress can be made even in difficult areas of disagreement.

Finally, Congress should pass no laws or concurrent resolutions on China or Taiwan at least until after the elections in Taiwan which take place on March 23—in just a few weeks. I believe that Members of Congress should speak their views on these issues frankly and candidly, but in the present tense atmosphere congressional legislation or resolutions are likely to create more heat than light. I also hope that our China policy will not become a partisan political issue during the United States Presidential election campaign. Each time that has happened in past Presidential campaigns, our China policy has been the victim rather than the beneficiary of that kind of partisanship.

Mr. President, we have a number of important differences and misunderstandings with China which must be discussed firmly and frankly within our overall strategic framework. These issues include arms proliferation, trade disputes, and human rights concerns, which I will discuss in the coming weeks.

The most dangerous of these differences is the issue of Taiwan.

The Chinese leaders by their words and by their actions make it abundantly clear that any attempt by Taiwan to establish its independence from the mainland will result in a confrontation with the mainland. It is clear that the Chinese do not desire a military clash, but it is also clear that they believe that their national sovereignty and national pride are at stake on the question of Taiwan's future. Neither America nor Taiwan should take lightly this Chinese position. Beijing has drawn a firm line on this question.

It is essential that America also should make our policy and our intentions clear. The framework for American policy on Taiwan already exists in the three joint communiques under President Nixon in 1972, President Carter in 1979, and President Reagan in 1982 and the Taiwan Relations Act of 1979. The joint communiques establish that the Government of the People's Republic of China is the sole legal government of China, that there is but one China, that the United States acknowledges China's claim that Taiwan is part of China, and that the resolution of the Taiwan issue is a matter to be worked out peacefully by the two sides themselves. This is America's solemn agreement with China entered into by Presidents Nixon, Carter, and Reagan and followed as United States policy by Presidents Ford, Bush, and Clinton.

President Reagan stated our policy very clearly in his letters of April 5, 1982, to Vice Chairman Deng Xiaoping and Premier Zhao Ziyang. In his letter to Vice Chairman Deng Xiaoping, President Reagan stated "There is only one China. We will not permit the unofficial relations between the American people and the people of Taiwan to weaken our commitment to this principle." In his letter to Premier Zhao Ziyang, President Reagan stated, "The differences between us are rooted in the long-standing friendship between the American people and the Chinese people who live on Taiwan. We will welcome and support any peaceful resolution to the Taiwan question."

The Chinese should understand that the Taiwan Relations Act is the law of our land. This act, passed in 1979, underscores that America's relations with the People's Republic of China rest upon the expectation that the future of Taiwan will be determined by peaceful means; that we would consider any effort to determine the future of Taiwan by other than peaceful means, including by boycotts or embargoes, a threat to peace and security of the Western Pacific and of grave concern to the United States. This act also declared it to be our policy to provide Taiwan with arms of a defensive character; and to maintain the capability of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people of Taiwan.

This framework of the three communiques and the Taiwan Relations Act has served both sides of the Taiwan Strait as well as the United States and the Pacific region well for almost 17 years. For example, it made possible the relaxation of tensions in the strait which allowed trade and interaction of the two sides to take place.

It encouraged Taiwan to abolish martial law and become a prosperous democracy.

It made available to the Chinese on the mainland the talents and capital of the people on Taiwan.

It played a major role in the success of China's drive for modernization.

It produced a sense of security that allowed the emergence of critical conditions in which both Taiwan and the mainland could prosper.

Americans have applauded the building of economic and people-to-people ties across the strait. These ties have not just been between individuals and families but also between businesses and academic institutions. We have applauded the efforts of both sides to build on those ties toward an expanded relationship. Such an expanded relationship advances the realization of longstanding American hopes for the peaceful settlement of the dispute between the people on both sides of the Taiwan Strait.

A military confrontation between China and Taiwan would harm both China and Taiwan. It would have long-term consequences for Northeast Asia and the Pacific and would likely set off a serious arms race in Asia as Charles Freeman pointed out in his op-ed piece in the New York Times last week, a war in the Taiwan Strait "would not only threaten Taiwan's democracy but also finish any hopes of America's building a constructive relationship with China." And, in commenting upon a United States decision to either intervene or not do anything in the case of a war, he stated that "the results in either case would probably be Japanese rearmament, military rivalry between Tokyo and Beijing, a loss of confidence between Tokyo and Washington and alarm throughout Asia." And as Michel Oksenberg points out, while war is not the primary danger at this point, a protracted military confrontation could produce many of these same results. It would also disrupt the economies of China and Taiwan and would result in a tragic loss of life and property. Surely we all wish to avoid a repeat of Quemoy-Matsu tension, which lasted for a long time, to the detriment of the people on both the mainland and Taiwan.

Americans feel very close to the people of Taiwan. We are very proud of their accomplishments. The people of Taiwan have made enormous strides economically as well as politically. There are an example to much of the developing world.

It is important for the United States, as a friend, to be clear with the Taiwanese that they must not misjudge China on the question of Taiwan independence.

It is important that the people of Taiwan understand that a unilateral declaration of Taiwan's independence would be inconsistent with United States foreign policy as set forth and followed by President Nixon, President Ford, President Carter, President Reagan, President Bush, and President Clinton.

It is also important for the Chinese to understand that the United States values its friendship and its relationship with the people on Taiwan. It is crucial that the Chinese understand that if China uses force to resolve the Taiwan issue, the United States will not stand idly by but will surely respond.

For our part, the United States should make it very clear that we will oppose either side's attempt to change the status quo either by the use of force by Beijing or by unilateral declaration of independence by Taiwan. The United States position should be clear that we are prepared to live with any outcome negotiated in good faith between China and Taiwan. The future of Taiwan must be settled by mutual agreement between the parties, not by the unilateral actions of either. For that to happen, Taipei must stop its political provocations and Beijing must stop its military provocations.

The people of China and the people of Taiwan should resume a high-level dialog to foster clear understandings and increased cooperation. Enormous progress has been made in economic cooperation and people-to-people contacts as well as visits on both sides of the strait. While economic development and people-to-people cooperation are emphasized, political questions are complicated and emotional and their resolution will require a long-term effort. This will involve a trait for which the Chinese people are famous—patience.

I thank the Chair, and I thank my colleagues.

Mr. BREAUX addressed the Chair.

The PRESIDING OFFICER (Mr. DEWINE). The Senator from Louisiana.

Mr. BREAUX. Let me inquire of the Chair of the time situation. I know time is allotted to both sides. How much is remaining on this side?

The PRESIDING OFFICER. The Chair advises the Senator from Louisiana that the minority has 19 minutes 54 seconds remaining.

Mr. BREAUX. I thank the Chair.

AMTRAK REAUTHORIZATION

Mr. BREAUX. Mr. President, I take this time to comment on legislation that has been reported out of the Senate Commerce Committee reauthorizing the Amtrak rail system in this country and also instituting not just a reauthorization but as well an effort to try to bring about major reforms to the Amtrak passenger rail system in this country.

Let me say that the committee worked long and hard. The distinguished Presiding Officer is a member of the Senate Commerce Committee that worked on that legislation. It is apparent that I have expressed some public concerns about bringing this piece of legislation to the floor of the Senate under a unanimous consent arrangement to be handled in the Senate without the possibility of any amendments—indeed, without any discussion, just bring it up under a unanimous-consent procedure and then pass it and send it on to the other body, over to the House side. I have objected to that procedure because I think this, indeed, is a subject that needs to be discussed and debated in this Chamber.

Let me start by first saying that I very strongly support the concept of and the need for Amtrak reauthorization. The passenger rail system provides incredible economic assistance and transportation to industries and individuals in this country. Indeed, our entire rail system in this country is second to no other country. We can be proud of what Amtrak has brought in terms of passenger service to this country, as well as the freight and private carriers, and the good economic possibilities that they make happen every day by having this national transportation system of railroads in our country. All our industries and our businesses and our individual lives are touched every day by having such a fine rail system. I think by and large the various private companies do an outstanding job in maintaining their level of providing these services as well as doing their best to provide quality services in a safe manner so that everybody who uses the rail system can be assured of their safety.

The concern that I have—a concern we need to have this Senate body debate and discuss—is making sure that we do not do anything in this legislation to lessen the requirements of these private companies and, indeed, our public Amtrak system in the standards of safety that they must provide to the American public.

We all have witnessed this month a set of accidents around this country that I think are very disturbing, to say the least. Look at the headlines that have appeared in newspapers just in the month of February. February 2, 1996: "Two Killed, 20 Hurt in California Train Derailment." On February 10, this year: "Three Die in New Jersey Transit Commuter Train Wreck." February 16, again, this month, the third such incident: "Brake Failure Causes Yet Another Train Wreck—9 Workers Injured, FBI Called In To Probe." And, of course, one that we are very familiar with in this area, on February 17: "MARC-Amtrak Trains Collide Killing 12." And then the fifth such accident, on February 22: "Colorado Train Derails, 2 Killed, Acid Spills."

Mr. President, I say to all of our colleague who may be listening and to the American public that these five major train accidents that occurred in a 1-month period are disturbing to me, disturbing to my colleagues and, I think, indeed disturbing to the American public. They want to know that the trains they ride on, the trains that carry the goods and services of this Nation are safe, they can be counted on and that they are dependable.

Again, I will point out that I have a great deal of respect for all of these private companies. They are attempting to do a good job. The concern I have right now and the reason I objected to bringing the Amtrak reauthorization legislation to this body without the ability of any discussion, under a unanimous consent agreement that prevents any ability to offer amendments to that legislation, is because I think there is a real possibility that some would like to further restrict individuals' rights to be compensated when rail accidents occur. When you have five in 1 month, Mr. President, I think we need to look at how these railroads are operating, how we can help them do a better job, and, yes, at the same time make sure that people who are injured by accidents where negligence was the cause of that accident are adequately compensated, and, yes, even to the point of providing punitive damages when gross negligence occurs and is the proven cause of that particular accident.

Now, the reason I bring up these concerns to the Senate today is because of the provisions that are in the bill that has already passed the House of Representatives and what they attempt to do to the American public in the area of safety and the ability to be compensated. Two things leap out that I am very concerned about, and some of these features are in the Senate bill.

First, there is a cap on punitive damages in the House-passed bill. In other words, if a railroad is found to be grossly negligent, almost to the point of saying: "We don't care what happens. If you get hit, we will pay the damages; we don't care." And I am not saying anybody fits in that category. It is very rare that punitive damages are awarded. But when they are awarded, it is to say to the defendant who has been grossly negligent, "We are going to penalize you so you don't do it again. Do not think it is easier to pay the damages than to fix the problem."

The House bill puts a cap on the punitive damages that can be awarded instead of letting a jury or a judge determine, after seeing the facts, what it should be. The Senate bill has a similar provision that puts a cap on punitive damages as well; in other words, restricting how much someone can be penalized by a judge and a jury for causing an accident where gross negligence has been proven beyond a doubt.

That I think is simply wrong. We should not be moving in that direction. We should allow punitive damages to be assessed on those rare occasions when they need to be, as a form of saying to a corporation or an individual, "Do not do that again. If you do, you are going to be severely penalized." That is an incentive to do a better job. That is an incentive to make things safer. That is an incentive to do more inspections and to make sure things work the way the American public has come to depend on their working.

The second thing I am concerned about is that there is a cap in the House-passed bill on the Amtrak reauthorization on limiting how much a person can recover for pain and suffering in an injury from a rail accident. How do we in Congress, sitting in Washington, DC, where we have not been out to interview a family or not heard testimony of those who have lost a member of their family or been disfigured or lost the ability to have any income in the future because of the injuries, how do we in Washington pick a number and say this is the maximum amount they can receive for pain and suffering as a result of the negligence of someone that has injured them?

How can we in Washington, who have never seen the injured people, never heard their testimony in a trial, never viewed that testimony firsthand, pick a number and say this is a fair number in every case that ever happens in America? How many of us in this body or the other body have interviewed any of the people injured in five train wrecks all over the country just this month?

How can we say that x amount of money is a cap that can never be exceeded? That is not a function of the U.S. Senate. Those numbers and those amounts for pain and suffering, when someone is severely injured, can best be decided, I think, by juries and by courts and by judges who, in a public forum, have listened to the witnesses, seen their injuries, heard expert testimony about how bad they are injured. Maybe for the rest of their lives they are going to suffer those same injuries. Let them decide what is an adequate amount for compensation.

The third concern that I have, which is probably the biggest concern, is something that I just do not understand and, quite frankly, I think was a terrible mistake on the part of the other body when they passed this legislation. It is called indemnification. I will just read it and then I will attempt to try to explain it, because we write laws sometimes that nobody can ever understand unless they put it in English. Sometimes I think we write in foreign languages.

The House bill says:

INDEMNIFICATION OBLIGATIONS—

This is in title IV of the House-passed bill. It says:

> Obligations of any party, however arising, including obligations arising under leases or

contracts or pursuant to orders of an administrative agency, to indemnify against damages or liability for personal injury, death, or damage to property described in subsection (a), incurred after the date of the enactment of Amtrak Reform and Privatization Act of 1995, shall be enforceable, notwithstanding any other statutory or common law or public policy, or the nature of the conduct giving rise to the damages or liability.

If you read that the first time, your eyes glaze over. Certainly mine do. And I say, "What did he say?" It sounds convoluted and like it was written by a lawyer. Yes, it probably was.

What that section that is in the House-passed bill simply says—and one of my biggest fears is that the Senate may agree to it in a conference—it says as simply as I can put it, if a private railroad that owns the track and owns the signals and has not kept them up, has completely ignored conditions or put in the wrong signals or has their own train that is running on their own tracks, when the engineer is grossly negligent, who is maybe intoxicated or under the influence of drugs, is running their train, that if all those things occur, and it runs into an Amtrak train and, heaven forbid, kills passengers on that Amtrak train, that this section specifically says that the private railroads can have an indemnification agreement that absolves them of any responsibility, absolves them of any liability no matter how negligent they were, and they can shift that liability to Amtrak and say that the American taxpayer, who happens to fund Amtrak, is going to have to pay for the damages, pay for pain and suffering, pay for the damages to the community, the damages that are caused by that wreck, even though it was completely and totally the fault of the private railroad.

I suggest to my colleagues that it is not good public policy to allow a private industry to shift the responsibility and the liability for their negligence, no matter how bad it is, their gross negligence, to shift that responsibility to somebody else—in this case the American taxpayer—that it is not right. It is not good public policy. In fact, it is very bad public policy.

Under that section of the House-passed bill, when we go to conference, if it were somehow to be incorporated into the final package and passed into law, every private railroad would say, "Look, I have much less of an incentive to do the right thing because if we have an accident that involves an Amtrak train," which many of these that I just cited have, "I'm not going to be responsible."

I just think it makes no sense whatsoever from the standpoint of any standard of public policy to say that we should allow indemnification agreements to allow someone to shift their responsibility, even when they are grossly negligent, to some other party and say, "You take it. You take my responsibility. You take my responsibility for the pain, for the damages that my negligence caused," and particularly in this case when it is the Federal taxpayer, because we in this authorization are funding Amtrak.

When we fund Amtrak, the taxpayers are paying for Amtrak. So why should the taxpayer be paying for the gross negligence of some private industry when it is their fault that the accident occurred? I think we have to look at this very carefully. We have to reject it if it comes back. It is not part of the Senate bill, but it is part of the House-passed bill, along with the caps on punitive damages, along with the caps on pain and suffering.

If there ever was a time when we should be more careful about protecting the rights of injured people and more careful about ensuring mechanisms in our laws that provide incentives and inducements for both public bodies and public railroads and private railroads to do a better job, now is the time.

I cannot imagine someone standing up on the floor at this critical time and suggesting that what we ought to do is make it harder and more difficult for people who are injured in rail accidents to be justly compensated. I cannot imagine anybody at this critical time coming to the floor of the House or the Senate and suggesting that private railroads should be able to shirk their legal responsibility for gross negligence, if and when it occurs, onto the backs of the American taxpayer instead of standing up and saying, "Yes, we were responsible. Yes, we have to pay. Yes, we are going to correct this problem."

That is the issue, as simply as I can possibly state it, that we are going to be facing when this legislation comes to the floor. That is the reason that I have said time and again, do not bring this to the floor under a unanimous-consent agreement. Do not tie the hands of Members of Congress in our ability to talk about this. Do not prevent us from being able to offer amendments to correct these problems so that we do not make a very serious mistake with this legislation when it comes to the floor.

We should have the opportunity to improve it, to correct it, to amend it. And if we can work out that type of structure, I am looking forward to the debate with my colleagues in the Senate and, ultimately, hopefully, in a conference with the House.

Mr. President, I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, we are in morning business; is that correct?

The PRESIDING OFFICER. That is correct.

POPULISM

Mr. DORGAN. There is an old axiom in politics, when your adversaries are having a healthy feud, never walk across the street and get involved in it. I will not do that this morning. I am tempted to. However, I wanted to discuss, at least a bit, the issue of populism. I will not discuss so much the details of the feud that is going on in the Republican Party and in the primaries, but I do want to talk about the issue of populism.

What propelled me to do that today was Time magazine. There is a picture of Pat Buchanan in a hard hat and work shirt, and Lamar Alexander peeking over his shoulder in his plaid shirt, and then Bob DOLE and Steve Forbes behind them.

It says, "Grand Old Populists." So I am presuming, I guess, that GOP means "Grand Old Populists." I wanted to talk a little about this issue of populism. It is a fascinating concept to see these, as one of my colleagues in the Senate calls them, Grey Poupon-eating-, Jacuzzi-, country-club folks, wearing hard hats and work shirts and calling themselves populists.

Let us put all this in perspective. About 80 or 90 million years ago, the brontosaurus and triceratops and tyrannosaurus rex were running across southwestern North Dakota. They are digging some of them up, by the way. Then we skipped and fast forwarded, and it was about 5,000 years ago that we discovered there were people around, and about 2,000 years ago Jesus was alive. About 500 years ago Columbus was relatively lost and stumbled onto the southern part of this continent, and despite the fact that the folks who were living here greeted his boat, he was credited with discovering something or another.

And 200 years ago our country was born. Then 100 years ago we created planes, trains, and automobiles, roughly speaking. And 75 and 50 years ago it was the radio, then television. And 25 years ago we put a man on the Moon. Then 10 years ago the computer became something that you could have in your home and then later carry on your lap as you traveled. And now in the Republican Party "GOP" means "Grand Old Populists." And it is causing quite a stir, actually.

I noticed in this morning's paper one of the strategists, William Kristol, who speaks more often than most on politics from the conservative side, spoke of this issue.

He is speaking now about the turmoil that is going on in the Republican primaries. "William Kristol," according to the story this morning as a result of something he wrote recently—I guess this week—"sees no need for the Republican Establishment to succumb, in Pat Buchanan's phrase, to 'terminal panic.' A junior member of that Establishment, Kristol doesn't cower when the high-riding presidential contender thunders about the terrified knights and barons of the GOP," et cetera, et cetera.

> "Someone needs to stand up and defend the Establishment," says Kristol, a sometime strategist, party ideologist and editor of the conservative Weekly Standard magazine. "In the last couple of weeks, there's been too much pseudo-populism, almost too much concern and attention for, quote, the people—that is, the people's will, their prejudices and their foolish opinions. And in a certain sense, we're all paying the price for that now . . . After all, we conservatives are on the side of the lords and the barons."

He says there is "almost too much concern and attention for the people * * * we are on the side of the lords and barons."

Well, what to make of this: The grand old populist with the hard hat and the honest conservative who says, "Wait a second, there's too much attention being paid to the people here, the people and their foolish opinions," Mr. Kristol says. "We are on the side of the lords and the barons."

God bless the lords and the barons. They are a good group of folks, but it is the people who run this country. It is the people for whom elections are held, because the Constitution gives the people in this country the right to grab the steering wheel and decide in Montana or North Dakota or Nevada or New York or Texas in which direction they want America to move. They nudge that steering wheel by collectively voting. It is the people, not the lords and barons, the people who grab the American steering wheel every even-numbered year. That is part of the miracle of the American Constitution. It is a miracle guaranteed every even-numbered year to the people in this country.

What of this issue of populism? It is interesting to me, coming from a State where populism had its roots. In North Dakota, in the early 1900's, nineteen teens, there was a legislator named Treadwill Twitchell who stood up in the chamber of the State legislature and told the farmers to "go home and slop your hogs with great arrogance." He was someone who represented one of the big cities in our State. "Go home and slop your hogs," he said.

They went home all right, and 2 years later, they organized section line by section line all across North Dakota. They came back and took over in North Dakota in the 19 teens. They were populists. There is a book written about it called "Prairie Fire," in which the people took hold and said, "This is our destiny."

They built themselves in North Dakota a bank saying, "We're tired of having public money put in private cronies' banks. We will have our own bank which belongs to people." My State is the only State in America that still has a Bank of North Dakota, and all public money goes into that bank used for the public good. It is not a case in our State where some of the State's money goes into some crony's bank someplace. It goes into the bank the populists created in the 19 teens.

They built a mill and elevator because they were sick and tired of the big mills in the East taking advantage of our farmers. They said, "We are going to build a mill and elevator." They passed a farmers bill where they said, "We want farmers, not corporations; we want yard lights where families live on the farm."

The populist legacy in our State is a legacy about people having power. Part of what I find heartening these days is the discussion in the political system, especially in the Republican primaries, but also in our party, the Democratic Party, a discussion about what kind of economic system does this country have. For whose benefit does it operate? Who reaps the rewards of this economic system?

There are some things I have heard and seen in recent weeks that trouble me greatly, and I am sure that is true of many in this Chamber: Top advisers to campaigners out there who give speeches to white supremacist groups and use code words. Those kinds of things really bother me a lot, because there is a dark tinge to some of this discussion, and that ought to be rejected, and rejected quickly, by the American people.

But there is also, in my judgment, an arrow headed straight to the center of what ought to be the economic debate in this country, and the center of the economic debate is how are American families doing? Are they advancing? Is their standard of living improving? When they sit down for dinner with the family to talk about their circumstance, are they able to say, "Our jobs are secure; we have good jobs with good incomes; we have decent health care at affordable prices; we go to good schools"? Are they able to say that? Or do they say, "Too often these days, we're not so sure about our job security. We worked for the same company for 22 years, but the company just reported record profits, the CEO makes $4 million, just got a $2 million raise and laid off 8,000 people, because they call that progress."

So, too many families now sit down at dinner and understand the companies they have worked for for 20 years see them like they see a wrench or a punch press: As a tool, perfectly expendable and completely expendable once the company has decided it is in their interest to decide to get rid of them now and hire another tool or another worker.

All too often in China, Malaysia, Indonesia, Bangladesh, Sri Lanka, somewhere where they can hire someone without the restrictions on age—you can hire a kid if you wish—without the nettlesome restrictions that you have to pay a living wage—you can pay 14 cents an hour to someone who makes tennis shoes in Malaysia—without the restriction that you have to have a safe workplace, without the restriction that you cannot dump chemicals into the air or dump chemicals into the water.

So people now understand that they are expendable, and that is the sadness of the lack of security in the job place in America. Not only do they see they have less security, they also see that they make less money; they work harder, but they make less money. If one adjusts their wage for inflation and goes back 20 years and measures it, what has happened is they are working harder and 20 years later they are making less money and have less purchasing power than they had 20 years ago.

Is there any reason that the American people have some anxiety about that? We can talk forever that the GDP numbers are up, America is on the move, our economy is growing, and it does not matter if the standard of living for American families is not advancing.

I have spoken on the floor previously about this—I know it is repetitive—but it is important to say you do not and cannot measure America's economic health and its future promise by what it consumes. I am just flat sick and tired of hearing the news reports that the Commerce Department said this, the Federal Reserve Board this or that, car sales are up, home sales are up, shoes sales are up. At issue is not how much we bought, how much we consumed.

The issue is what did we produce in this country? It is production that gives you good jobs. Good jobs come from our productive sector and, as our manufacturing jobs are moving, we are losing manufacturing jobs. They are being moved by international economic enterprises who do not say the Pledge of Allegiance and they do not sing the national anthem. They are interested in international profits. They do not care whether they produce in Pittsburgh or Malaysia. They will produce where it is the most profitable to produce, and manufacturing jobs are leaving America in droves. Witness the trade deficit we have.

Last year, the trade deficit was larger than our budget deficit. There is nobody saying much about it, and it is almost a conspiracy of silence. The trade deficit means we buy from abroad more than we sell abroad. What that means is jobs that would have been here are instead somewhere else in another country.

Corporations that are producing are producing elsewhere, and the American people have some role in this as well. It is not unusual to find somebody wearing a Chinese shirt, slacks from Taiwan, shoes from Italy, shorts from Mexico, driving a Japanese car, and then saying, "Where on Earth have

American jobs gone?" You are wearing where it has gone. So there is enough responsibility to go around.

But the center of the economic debate in this country has to come to this issue about what is fair trade and how do we construct a circumstance in which we have a healthy, vibrant growing manufacturing base in our country.

To those out on the campaign trail these days wearing hard hats and preaching populism, I say to them, "Come here and help us."

I offered an amendment in the U.S. Senate, and it was as simple as could be. No one could misunderstand it and no one could even, in my judgment, mistakenly vote wrong on it. I lost on a partisan vote.

The amendment very simply was to say: Let us stop providing tax breaks so that companies can close their American plants and open up plants overseas. Let us stop providing tax breaks so that American corporations can move their jobs to foreign countries. Let us put an end to the insidious giveaway in our Tax Code that allows companies to do that: Fire American workers, hire foreign workers, become more profitable, and destroy job security in our country.

I could not even get that adopted in the Senate. Mr. President, to all of those who voted and voted wrong, they are going to get a chance 6, 8, 10, 12 more times, if I have my way, this year to rectify that, because this country should not and cannot continue to have economic incentives in its tax laws to say "it is our aim to encourage you to move your jobs overseas."

It is my aim to encourage American companies to invest here, to produce here, and to hire here in this country.

There are twin responsibilities that we have. The American worker has a responsibility, but productivity is on the rise. Workers are working harder. Workers do have a responsibility to be motivated, educated, dedicated, and to be good workers. But companies then have the responsibility, as well, to care about the people who make up that company, to care about the people who make the products that the company sells with that company's name on it.

About a month or so ago, I read a piece in the Minneapolis Tribune as I was going through the airport. I came to the floor of the Senate and told, briefly, about what I had read because it was so foreign to everything that is going on in this country. It was about a fellow who had owned the company that make inline skates called Rollerblades. He and his wife had purchased this company and built it into something substantial, an enormously successful company, making inline skates. Rollerblades is the name of the company. And then this fellow, named Bob, sold the company some months ago. He had made a substantial amount of money because the company was enormously successful. Of course, all of us understand what has happened with inline skates. At Christmastime, some of the workers at this company began getting in the mail a letter from the fellow who had owned this company. They began to open their Christmas greeting from this fellow and his wife, and it turned out that he had sent them money. He no longer owned the company, but he sent all of the employees—I think something like 270 employees who worked for that company in the factory lines, custodial, the painters, and everything—if memory is correct, he sent them $160 for every month they worked for the company.

In some cases, those folks on the factory lines, who had been there all the time he had the company, got up to a $20,000 check from this fellow and his wife. Do you know what else he did? He prepaid the taxes on it. So he said to them, "This gift is for you. You owe no taxes on it. I have prepaid the taxes."

I called him and said, "This is remarkable, at a time when we hear about all of the selfishness and layoffs and moving jobs overseas. I want to tell you how remarkable it is to hear about what you did." What he said to me was perfectly understandable. He said, "I made money with that company because all of those folks helped make that company work. They worked on the factory lines. They are the ones who made the company, it was not just me, it was them as well, and I wanted to share something with them. I wanted to tell them that they contributed something significant in the success of that company."

I thought, "What a hero." He did not have to do that. We do not hear many stories like that—stories that are unselfish, where the CEO says, "You people really make this company work. When we put our company name on the product, we are proud because you helped make the product." That is almost unheard of these days. Nowadays it is, "Well, you worked for us, but tomorrow you are like a used wrench. You might be out of here with no security, no health care, and maybe no pension. We might be hiring your replacement 6,000 or 8,000 miles away."

Well, would it not be nice to hear more people do what that man did, and recognize that part of this country's success is to have a vibrant, expanding, growing manufacturing base, and to recognize the workers out there on the line producing products, doing good work, working hard, and are also part of the success and part of the competitive team?

I just think that we have kind of gone in a different direction in this country, in which we have had economists, CEO's, and others develop an economic model that says that it is fine if we produce elsewhere and sell here as long as we are buying cheap. That is not fine. Major jobs are gone, and a major future is gone with it. That needs to be the center of the economic debate. How could we create conditions in which manufacturing in this country expands again, in which there is fair international competition, in which we reduce the trade deficit, bring jobs back to this country, and rev up the American economy to a reasonable economic growth.

On a related but slightly different issue, yesterday, the President reappointed Alan Greenspan to head the Federal Reserve Board for another term. He is going to submit his name to us. Certainly, the Congress will accept that. I am terribly disappointed by that. I have great respect for Mr. Greenspan, but I have profound disagreements with him, as well. I agree with Jack Kemp on the issue of economic growth. The Federal Reserve Board sees itself as a set of human brake pads. That is their mission in life. They say America cannot have an unemployment limit below 6 percent because it is inflationary, or economic growth above 2.5 or 3 percent because it is inflationary. But wages are going down, not up, so that is nonsense.

When you consign our economy to a meager growth rate of 2.5 percent, you consign an economy to an anemic future that is far less than what it should be for all Americans. It means fewer jobs and less opportunity. I am very disappointed the President has seen fit—not that Mr. Greenspan is a bad person, I have great respect for him. But I would have much preferred new leadership at the Fed—not leadership that says inflation is not important because, of course, it is. We have seen stable prices and a growing economy. Inflation has been going down—under 3 percent for 4 years in a row. Yet, the Fed has its foot on the brakes with higher interest rates than the producers in this country should be paying.

Mr. President, I notice my friend from Nevada on the floor. He has some things to say today. So let me finish with a couple of other brief comments. This issue of populism, or the power that people have in this country to affect their lives and to force this political system to debate what it ought to debate, is a very important concept. We just finished debating a farm bill in the U.S. Senate. A fellow named Robert Greene, an Associated Press writer—somebody who I think does an excellent job of synthesizing what we do with foreign policy in the Congress. He wrote a piece that is probably the best piece I know of describing what we did on the farm policy. We passed the so-called freedom-to-farm bill, which I fought against and voted against because I think it is a terrible piece of legislation. Here is what he said about it:

> With a mix of luck, work and unusual organization, the lobby for the big grain companies, railroads, meat companies, millers

and shippers scored a big win in the Senate-passed overhaul of farm programs.

The freedom-to-farm bill is a serious act of mislabeling. It is everything that big railroads wanted, that big grain trading farms wanted, that all the millers wanted, that all the food processors wanted. Guess what it means to the family with the yard light on at night trying to figure out how to operate the family farm? These large interests want lower grain prices. Talk about economic populism, about putting jam on the lower shelf so everybody can reach it. This sort of nonsense, the freedom-to-farm bill, which gives everything they want to the big grain trading firms, and shortchanges family farmers is the wrong way, not the right way, to address the issue of whether we should have family farmers in our future. If it becomes law, we will have large agrifactories from coast to coast, and you will see precious few yard lights on because family farmers will not be able to make a living.

I was going to talk about other economic issues that relate to the same thing—who gets, who gives, who has the power, and who does not. As Mr. Kristol says, "Who are the lords and barons, and what do they get?" I will end where I began with not so much surprise at the message, but at the candor in the article this morning where Mr. Kristol says, "Someone needs to stand up and defend the establishment. In the last couple of weeks there has been too much pseudo-populism, almost too much concern and attention for 'the people.'"

Mr. Kristol has not served in the House or the Senate, but the people control the House and the Senate. This is their Chamber; it is their body. They, by their election, determine who serves here. I guess maybe some people, who have not run for county sheriff or Congress, for that matter, probably sometimes dismiss the interests of the people.

There is a desk here that I was assigned to the first day I came to the Senate, and I have since been reassigned. It was temporary. I opened the drawer and, as is the custom, deep in the drawers, in the history of the Senate, everyone carves their names in the desk. That is not a practice we recommend to schoolchildren, but the history is that we do that. The desk that I was assigned to the first day I was here indicates that Harry Truman carved his name in the desk. A desk I was assigned to later says that Warren Harding sat in that desk. He later became President. Below his name is the name of one of the great populists in this country, Robert La Follette from Wisconsin. He understood about economic power. He understood about the people, and he would understand when I express enormous surprise that there is anyone who comments on, is interested in, or is involved in politics, who believes that there is too much concern and attention being paid to the people in our political campaigns.

Frankly, there is not enough concern and attention being paid to the center issues that affect people, who, every day, are trying to figure out how do we get a good education, how do we afford decent health care, how do we find a good job that pays well, how do we find a company to work for that will value and trust us and keep us and appreciate our work? Those are the center concerns of a lot of people in this country, who believe that over two centuries of growth, through innovation and through hard work, America has succeeded beyond the dreams of most when you look at two centuries; but who also believe that the best days in this country are still ahead of us, if its best days are consigned to the interests of the people in this country, who still have the opportunity to control its direction and still have the opportunity to tell us what they think is important and what they think will make America a better country in which to live.

Mr. President, I yield the floor.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada [Mr. REID] is recognized.

ACCENTUATING THE POSITIVE

Mr. REID. Mr. President, when I first came to the Senate, President Reagan surprised everybody in his State of the Union Message when he referred quite often to Presidents Roosevelt and Kennedy, using them as examples of good Government. President Bush followed. In his State of the Union Messages he constantly referred to the Democratic Presidents including, of course, Franklin Roosevelt and John Kennedy.

Mr. President, it appears in the primary battles that are going on in the Republican Party at this time to pick their nominee for the President of the United States they have been studying the Democrats probably a little too literally. It seems they have studied so hard that their primaries are now being conducted like ours used to be conducted. They are going to wind up, it appears, with their nominee chopped and beaten, I guess comparable to a McGovern or a Mondale.

Mr. President, the primary process that we have heard debated and watched debated has been one where there has been nothing but negativism. It is not what they can do. It is how much they can berate each other generally and the Government.

I think we should talk about how good things are rather than how bad things are, because I truly believe we are doing very well as a country. Now, when we say "doing well," that does not mean we do not have a long way to go; we have a long way to go to become better, but we are doing extremely well.

We need to improve, of course, on our immigration policies. There is a lot of improvement that can be made there. And the trade policy.

As an example, I did not vote for NAFTA; I did not vote for GATT, but I hope they work. I do not come in the Chamber and berate what is going on as a result of NAFTA and GATT. I hope they work. Even though I do not think it was right to pass NAFTA, I do not think it benefits me or my country to continually stand up and say how bad things are and it is all a direct result of NAFTA. I do not believe that is the case. I believe we have some problems with our trade. They are not all related to NAFTA and GATT.

We need to do better with crime fighting, especially, Mr. President, with juvenile crime.

Let us talk about how well we are doing. Last year was the third year in a row where we had a declining deficit. It did not decline enough each year, but it declined. For the first time in 40 years we had 3 years in a row with a declining deficit. We should talk about that. That is good. That does not take away from the fact that we should have a balanced budget. We can do that. But let us talk about what we have accomplished that has been positive.

New jobs, about 8 million new jobs in the last 3 years. That is good. Let us talk about it. That is important. Lowest inflation, lowest unemployment in well over 30 years. Economic growth has not been so high since the days of Kennedy and Johnson. Corporate profits have never been higher. A couple times in the history of this country they have been as high but never any higher.

We have heard speeches for years about how big Government is, but it was not until this administration that something was done about it. We now have 200,000 fewer civilian employees than we had 3 years ago. That is important, and that is good. We should talk about it. Government is smaller than it used to be. It is now at about the same level it was during the days of John Kennedy, even though the country has grown significantly. Consumer prices rose 2.5 percent last year, the second smallest increase in three decades. That is good. We should talk about it. It is important. Stock prices benefiting from strong corporate earnings growth and low long-term interest rates have risen almost 75 percent during the last 3 years. Good does not mean good enough, but let us talk. It is still good.

During the last 3 years, over 16,000 pages of obsolete regulations have been eliminated, part of Vice President GORE'S reinventing Government, and also as a result of Vice President GORE'S reinventing Government we have 200,000 fewer Government jobs than we had when he became Vice President. We have more new small businesses. A record number of new small businesses have been created since the start of this administration. Home ownership is at its highest level in 15 years. And also even though we can do better with trade, the United States beat Japan and every other county in the world in the last 2 years in the production of automobiles, the first time that has happened since the 1970's. That is good and we should talk about it.

Education. Fewer students are dropping out of high school. In fact, since 1991, the dropout rate has fallen by 16 percent. That is staggeringly good. Welfare rolls are down since March 1994 by 8 percent—not down enough. We still need welfare reform. It is broken and needs fixing, but let us talk about some of the good things that are happening in our country as we speak.

The misery index. The combined rate of unemployment and inflation is at its lowest levels since the 1960's. It sounds pretty good to me. And I wish those Presidential candidates would talk about that, would talk about how good things are in America today.

What the people running for President should be talking about, for example, is health care. Thousands and thousands of new people each month are saying, "I have no health insurance." Businesses more and more each day are saying, "We do not supply our employees health insurance." Health care costs are still skyrocketing. Health care costs this year alone will go up $1 billion. We need to have candidates talking about health care reform.

Minimum wage. We need to talk about raising the minimum wage. It is not a bunch of people, the stereotypical teenagers flipping hamburgers at McDonald's. The fact is that 60 percent of the people who receive the minimum wage are women. For 40 percent of those people, that is the only money they get for them and their family. The minimum wage needs to be increased. If it was good when we adopted it in the Depression years, it is good today and we should do what we can as a Congress to make sure it maintains its rate in keeping with inflation.

The environment. I have not heard a single candidate on the Republican ticket running for President talk about the environment. They are in that beautiful area of New Hampshire. I have never been to New Hampshire but the pictures are beautiful. I would love to go there and see that State. On television, you think of the pristine environment. We need to be talking about the environment. The only thing we have seen especially from the other body this past year is to roll back the environmental laws—22 riders on 1 appropriations bill to roll back environmental regulations. People in that body want to wipe out the Clean Water Act, the Clean Air Act, wipe out the endangered species law. They should be talking in a positive sense about what we can do to improve the environment.

I repeat. What I have talked about has been good. It does not mean it is good enough, but it means it is good. Let us give our constituents, let us give the people of America the positive spin. We are doing fine. Let us have these candidates talk about senior citizens and Medicare and not hear the nonsense that we are not cutting Medicare; we are only cutting the rate of increase, without leveling with the American people and saying, of course, we have to maintain an increase in funding for Medicare because thousands of new people are coming on the rolls every day. Medical costs are rising out of the roof. Of course, we have to increase spending for Medicare. It does not mean we do not need to do some work to make it a better system, but we need not decimate it. We do not need to have it wither on the vine as the leader in the other body says that it should.

Education, let us talk about education in a positive sense instead of what we are seeing happen this past year. We are seeing programs that I believe are good programs like School-to-Work—only 25 percent of the kids who graduate from high school graduate from college. What do we do about the other 75 percent? We have one way of helping. That is our School-To-Work Program which is a fine program that deals with that 75 percent and involves local businesses. In the State of Nevada, we have a wonderful School-to-Work Program. But what are they doing in the other body? They want to wipe it out, and in fact that is what we have. It has been wiped out.

What about our Goals 2000? In Nevada, we have set our Goals 2000. They are led by the First Lady of Nevada, Sandy Miller. About a month ago in Nevada they published their goals for the year 2000, good goals dealing with literacy, math education, reading, but it is being wiped out by this Congress. That is unfortunate. It is unfair to kids.

Crime. Crime is staggeringly bad in this country, but let us talk even there about the fact that the crime rate is declining with the number of murders reported dropping by 12 percent, robberies down 10 percent, car theft down 5 percent. As a result of the Brady bill, more than 45,000 fugitives and felons have been blocked from buying handguns. We have more cops on the street, about 30,000 across the country, over 150 in the State of Nevada. It has helped. Now, where we are failing—I have no problem discussing this—is with juvenile crime. It is becoming more violent, more vicious, and more random. We need to do something about that. But let us even talk on a positive note there about the President's State of the Union message where he said he was going to ask the head of the FBI to focus on juvenile crime, on gangs. That is important.

There is where the discussions should come. Let us talk positively. Let us talk about how well we are doing and how much better we can do.

Mr. President, there was an article recently by Daniel Gross that I assume ran in a number of different newspapers around the country. One of the things he said, and I quote, was:

> The wealthy would be well served to also recall that the three most dramatic investment events of this century—the panic of 1907 and the crashes of 1929 and 1987—all took place in the watch of Republican Chief Executives.
>
> The two worst Presidencies for stocks were those of Republicans Herbert Hoover, under whom the Dow fell an appalling 75 percent, and Richard Nixon. Between November 1968 and August 1974 the market fell 18 percent. Factor in the high inflation of the early 1970s, and the loss becomes a 6.9 percent annual rout.

Mr. President, I close by saying I think it is extremely important that the primaries, as they develop, be ones that the candidates focus more on the positive, talk about what is good that is happening in the country; and then on a positive note talk about how much better we can be, rather than the continual harangue we hear about how bad things are and how, in effect, the future looks bleak. I do not believe that. I think we are as good as our past. And our past has been good.

Mr. LOTT. Mr. President, I observe the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Thursday, February 22, the Federal debt stood at $4,987,959,914,205.44, about $13 billion shy of the $5 trillion mark, which the Federal debt will exceed in a few months.

On a per capita basis, every man, woman, and child in America owes $18,932.73 as his or her share of that debt.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

ENROLLED BILL SIGNED

The following enrolled bill, previously signed by the Speaker pro tempore of the House (Mrs. MORELLA), was signed on today, February 23, 1996, by the President pro tempore (Mr. THURMOND):

H.R. 1718. An act to designate the United States Courthouse located at 197 South Main Street in Wilkes-Barre, Pennsylvania, as the "Max Rosenn United States Courthouse."

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BURNS:

S. 1571. A bill to provide for the exchange of certain lands within the State of Montana, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DEWINE (for himself and Mr. LUGAR):

S. 1572. A bill to amend title 23, United States Code, to provide funds and incentives for closures of rail-highway crossings, and for other purposes; to the Committee on Environment and Public Works.

By Mr. D'AMATO:

S. 1573. A bill to amend the Internal revenue Code of 1986 to establish and provide a checkoff for a Breast and Prostate Cancer Research Fund, and for other purposes; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BURNS:

S. 1571. A bill to provide for the exchange of certain lands within the State or Montana, and for other purposes; to the Committee on Energy and Natural Resources.

THE LOST CREEK EXCHANGE ACT OF 1996

• Mr. BURNS. Madam President, today I am introducing the Lost Creek Land Exchange Act of 1996.

This bill would accomplish two important things. It authorizes the acquisition of the Lost Creek area for the public, and it may help prevent the closure of the Brand-S mill in Livingston MT.

I want to emphasize that this bill is a starting point. I fully anticipate major changes will need to be made. Yet, the process needs to move forward.

Under this bill, 14,500 acres of blue-ribbon bighorn sheep habitat known as Lost Creek would become a part of the Deerlodge National Forest. For the past few years, local sportsman and conservation groups, the Forest Service, and many others have been interested in the public acquiring this prime habitat. I, too, believe this is a worthwhile endeavor.

The bill I am introducing today would transfer the Lost Creek area, and 3,000 additional acres currently owned by R-Y Timber, to the Forest Service. In return R-Y Timber will acquire the deed to 3,600 acres and 46 million board feet of timber.

As most people in Park County know, R-Y Timber has an option to purchase the Brand-S mill in Livingston. If R-Y Timber decides to not purchase this mill by the middle of March, it is my understanding that the chances for the mill to remain open will be very slim. While R-Y Timber already has a mill in Townsend, this land exchange could allow R-Y Timber to keep both mills operating, and therefore, prevent the loss of 130 much-needed jobs in the Livingston area.

As I stated earlier, R-Y Timber will receive the deed to 46 million board feet of timber in the Deerlodge, Helena, and Lewis and Clark National Forests. However, the areas for harvesting have not been identified.

In addition, this timber will be harvested according to the Montana Forestry Best Management Practice, Montana streamside zone management law, and other State laws. Between 20 and 30 percent of the timber will be available each year, and R-Y Timber will have 5 years to complete the harvest.

Language has also been included to assure that designation of the timber will not slow down the present limitations on the numbers of trained Forest Service personnel. Under this bill, the Forest Service would be required to use outside contractors to perform whatever field work is necessary for the designation.

The Lost Creek area has been valued at about $8 million. And the days of the Federal Government simply paying the price tag are over. This bill provides a way for the public to purchase this prime bighorn sheep habitat while providing some timber jobs in our communities.

Madame President, as I stated earlier the bill I am introducing today is a starting point. We have much work ahead of us. Over the next couple months, I hope that the parties involved will continue to work together so this win-win bill can make it to the President's desk.•

By Mr. DEWINE (for himself and Mr. LUGAR):

S. 1572. A bill to amend title 23, United States Code, to provide funds and incentives for closures of rail-highway crossings, and for other purposes; to the Committee on Environment and Public Works.

THE RAILROAD CROSSING SAFETY ACT OF 1996

• Mr. DEWINE. Mr. President, today I introduce legislation that would make America's railroad crossings a lot safer.

According to the National Safety Council, over the past 4 years an average of 522 people have been killed each year in train-vehicle collisions. Last year, 37 of these deaths occurred in my own State of Ohio.

Almost 50 percent of these accidents occur at crossings that are already equipped with active warning devices. Simply adding more warning devices, therefore, is not a complete solution to this problem.

Some of these railroad crossings are just too dangerous. They are life threatening. They are not needed, and they ought to be closed.

We all know, however, that people get accustomed to taking certain routes. And communities get used to certain traffic patterns. That's why it's sometimes difficult for localities to close these crossings, even when it's clear on safety grounds that a particular crossing must be closed.

Clearly, the local communities need some help. That's the purpose of my legislation.

Currently, the Federal Government pays 90 percent of the cost of closing a rail-highway grade crossing. But other grade crossing safety projects—such as traffic signs, guardrails, and traffic lights—are eligible for 100 percent Federal funding.

The bill I am introducing today will make grade crossing closure projects eligible for that same 100-percent Federal funding. This will remove the current incentive against closure projects.

If the safest thing to do is close a crossing, localities should have an incentive to do that.

This bill does not involve new Federal money. The money for this bill is already allocated for crossing safety purposes—and all we are trying to do is deploy that money in the most rational and effective way.

My bill will also provide up to $7,500 to a local highway authority for each crossing closed. Furthermore, the railroad that is operating the crossing will match this money.

That means up to $15,000 for a local community—just to close a crossing.

Obviously, this is just the beginning of a many-pronged assault on a major safety problem. We can't close every single crossing that might be dangerous. So we want to make certain that the remaining railroad crossings are as safe as possible.

Last summer, I brought together Federal and State officials to see whether changes could be made to speed the process for dealing with unsafe railroad crossings.

Previously, the installation of safety lights and gates followed a linear process—one step had to be completed before another was allowed to begin. We created a new, streamlined process that allows officials to identify hazardous crossings and to implement expedited safety measures.

We eliminated the waiting periods between design, funding, and construction. The safety installation process used to take up to 2 years—but with this new, streamlined process, we are hoping it will only take about 12 months. This new process is being tried on 31 different sites throughout the State of Ohio.

It is a very promising approach, and if it works in Ohio, it deserves to be extended all over America.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1572

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Railroad Crossing Safety Act of 1996".

SEC. 2. FUNDS AND INCENTIVES FOR CLOSURES OF RAIL-HIGHWAY CROSSINGS.

(a) INCREASE IN FEDERAL SHARE OF CROSSING CLOSURES.—Section 120(c) of title 23, United States Code, is amended by inserting "rail-highway crossing closure," after "carpooling and vanpooling,".

(b) INCENTIVE PAYMENTS FOR AT-GRADE CROSSING CLOSURES.—Section 130 of such title is amended by adding at the end the following:

"(i) INCENTIVE PAYMENTS FOR AT-GRADE CROSSING CLOSURES.—

"(1) IN GENERAL.—Notwithstanding any other provision of this section and subject to paragraphs (2) and (3), a State may, from sums available to the State under this section, make incentive payments to local governments in the State upon the permanent closure by such governments of public at-grade railway-highway crossings under the jurisdiction of such governments.

"(2) INCENTIVE PAYMENTS BY RAILROADS.—A State may not make an incentive payment under paragraph (1) to a local government with respect to the closure of a crossing unless the railroad owning the tracks on which the crossing is located makes an incentive payment to the government with respect to the closure.

"(3) AMOUNT OF STATE PAYMENT.—The amount of the incentive payment payable to a local government by a State under paragraph (1) with respect to a crossing may not exceed the lesser of—

"(A) the amount of the incentive payment paid to the government with respect to the crossing by the railroad concerned under paragraph (2); or

"(B) $7,500.

"(4) USE OF STATE PAYMENTS.—A local government receiving an incentive payment from a State under paragraph (1) shall use the amount of the incentive payment for transportation safety improvements.".

SEC. 3. GUIDELINES FOR ANALYSIS OF COSTS AND BENEFITS OF NEW RAILWAY-HIGHWAY CROSSINGS.

Not later than 18 months after the date of the enactment of this Act, the Secretary of Transportation shall prescribe guidelines to assist the States in analyzing the costs and benefits to the public of new railway-highway grade crossings. The purpose of the guidelines is to encourage uniformity in the analysis of such costs and benefits by the States.•

By Mr. D'AMATO:

S. 1573. A bill to amend the Internal Revenue Code of 1986 to establish and provide a checkoff for a Breast and Prostate Cancer Research Fund, and for other purposes; to the Committee on Finance.

THE TAXPAYERS' CANCER RESEARCH FUNDING ACT OF 1996

• Mr. D'AMATO. Mr. President, breast and prostate cancer have taken a horrible toll on women and men throughout the world and we must make every effort to eradicate these pervasive diseases. Breast cancer is a deadly epidemic that strikes over 180,000 women each year. It will kill more than 44,000 women this year alone. Similarly, prostate cancer will strike an estimated 317,000 men, and will kill roughly 41,000 men this year. We cannot allow these appalling rates to continue unabated. We need to do something now. We need a cure and finding a cure takes money—a tremendous amount of money.

I rise today to introduce legislation to add another weapon to our arsenal in the fight against breast and prostate cancer. My bill will provide vital resources for the fight to eradicate this dire threat to the lives of women and men across our Nation. In addition, my bill will support our efforts to combat one of the leading cancer killers of men: prostate cancer. This is a very straightforward bill. This bill will augment existing Federal research funding by easily allowing taxpayers to get directly involved by contributing to a newly established fund expressly earmarked for breast and prostate cancer research.

On the Federal income tax return there currently exists a box that can be selected for Federal campaign contributions. My bill will amend the Internal Revenue Code of 1986 by establishing a similar box for a Federal breast and prostate cancer research fund. This will allow our citizens to cross swords with this dual scourge by simply placing a check in a box on their income tax return, as with the campaign contribution fund. One point needs to be made very clear—this is not an additional tax. This is a purely voluntary means by which concerned citizens may earmark a minor but vital portion of their Federal income tax payments expressly for breast and prostate cancer research.

Breast cancer is a truly horrible disease. Its incidence is rising at an alarming rate. In 1960, 1 out of every 14 women developed breast cancer in her lifetime. A few years ago it was 1 in 10. Now the figure is one in eight. We cannot allow this trend to continue. According to the National Cancer Institute's calculations, breast cancer comprises about 30 percent of all female cancers and it is estimated that the cost to the nation in the form of direct and indirect health care costs will exceed $16 billion annually. The NCI also says that reductions in breast cancer mortality will have a significant influence on these costs to the Nation.

Like breast cancer among women, prostate cancer is a leading killer of American men. According to the American Cancer Society, this dreaded disease is the second leading cause of cancer death in men. It is projected to take the lives of approximately 41,000 men in 1996 alone.

Congress has just begun to pay more attention to these terrible diseases by devoting increased funding for breast and prostate cancer research at the Federal level. We have made tremendous progress, but much more remains to be done. Given current budget constraints we need a mechanism to increase breast and prostate cancer funding every year from here on out.

Our current method of breast cancer treatment is not a cure. Today's treatments for breast cancer are very crude. We treat women with poison, radiation, and radical surgery with the hope that we will kill the cancer and not the woman. This is similar to dropping a tiny atom bomb. What we need is a smart bomb for breast cancer. Something which will specifically kill the breast cancer cells without causing destruction to the rest of the women's body and immune system. This can only be accomplished with an additional infusion of breast cancer research dollars. We also need to recruit more scientists and new ideas and innovations into this field. More money will jumpstart research but it must also cover the funding needs of research scientist and their programs.

I am personally determined to do everything I can to fight for the eradication of breast and prostate cancer. I hope to enlist the aid of my colleagues in the establishment of this Federal breast and prostate cancer research fund. Breast and prostate cancer can only be understood, and eventually conquered, through increased research We need a cure and we need one now. It is therefore critical that we all join together in this effort to help speed the discovery of a cure for these dreaded diseases.

Mr. President, I urge the adoption of this critical bill.•

ADDITIONAL COSPONSORS

S. 55

At the request of Mr. INOUYE, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 55, a bill to amend title 38, United States Code, to deem certain service in the organized military forces of the Government of the Commonwealth of the Philippines and the Philippine Scouts to have been active service for purposes of benefits under programs administered by the Secretary of Veterans Affairs.

S. 529

At the request of Mr. GRAHAM, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 529, a bill to provide, temporarily, tariff and quota treatment equivalent to that accorded to members of the North American Free Trade Agreement [NAFTA] to Caribbean Basin beneficiary countries.

S. 881

At the request of Mr. GRASSLEY, the name of the Senator from North Carolina [Mr. FAIRCLOTH] was added as a cosponsor of S. 881, a bill to amend the Internal Revenue Code of 1986 to clarify provisions relating to church pension benefit plans, to modify certain provisions relating to participants in such plans, to reduce the complexity of and to bring workable consistency to the applicable rules, to promote retirement savings and benefits, and for other purposes.

S. 1039

At the request of Mr. ABRAHAM, the names of the Senator from Idaho [Mr. CRAIG] and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 1039, a bill to require Congress to specify the source of authority under the United States Constitution for the enactment of laws, and for other purposes.

S. 1108

At the request of Mr. SMITH, the name of the Senator from North Carolina [Mr. FAIRCLOTH] was added as a cosponsor of S. 1108, a bill to amend the Internal Revenue Code of 1986 to allow individuals to designate that up to 10 percent of their income tax liability be used to reduce the national debt, and to require spending reductions equal to the amounts so designated.

S. 1129

At the request of Mr. ASHCROFT, the names of the Senator from Oklahoma [Mr. NICKLES] and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of S. 1129, a bill to amend the Fair Labor Standards Act of 1938 to permit employers to provide for flexible and compressed schedules, to permit employers to give priority treatment in hiring decisions to former employees after periods of family care responsibility, to maintain the minimum wage and overtime exemption for employees subject to certain leave policies, and for other purposes.

S. 1245

At the request of Mr. ASHCROFT, the name of the Senator from North Carolina [Mr. FAIRCLOTH] was added as a cosponsor of S. 1245, a bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to identify violent and hard-core juvenile offenders and treat them as adults, and for other purposes.

S. 1344

At the request of Mr. HEFLIN, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of S. 1344, a bill to repeal the requirement relating to specific statutory authorization for increases in judicial salaries, to provide for automatic annual increases for judicial salaries, and for other purposes.

S. 1379

At the request of Mr. SIMPSON, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 1379, a bill to make technical amendments to the Fair Debt Collection Practices Act, and for other purposes.

S. 1491

At the request of Mr. GRAMS, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 1491, a bill to reform antimicrobial pesticide registration, and for other purposes.

S. 1553

At the request of Mr. MCCAIN, the name of the Senator from Arizona [Mr. KYL] was added as a cosponsor of S. 1553, a bill to provide that members of the Armed Forces performing services for the peacekeeping effort in the Republic of Bosnia and Herzegovina shall be entitled to certain tax benefits in the same manner as if such services were performed in a combat zone.

S. 1560

At the request of Mr. GRASSLEY, the name of the Senator from Pennsylvania [Mr. SANTORUM] was added as a cosponsor of S. 1560, a bill to require Colombia to meet antinarcotics performance standards for continued assistance and to require a report on the counternarcotics efforts of Colombia.

SENATE RESOLUTION 85

At the request of Mr. CHAFEE, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of Senate Resolution 85, a resolution to express the sense of the Senate that obstetrician-gynecologists should be included in Federal laws relating to the provision of health care.

SENATE RESOLUTION 215

At the request of Mr. LAUTENBERG, the names of the Senator from Maine [Mr. COHEN] and the Senator from Wyoming [Mr. SIMPSON] were added as cosponsors of Senate Resolution 215, a resolution to designate June 19, 1996, as "National Baseball Day."

SENATE RESOLUTION 217

At the request of Mrs. KASSEBAUM, the names of the Senator from Mississippi [Mr. COCHRAN], the Senator from South Carolina [Mr. THURMOND], the Senator from Illinois [Ms. MOSELEY-BRAUN], the Senator from Ohio [Mr. DEWINE], the Senator from Virginia [Mr. ROBB], the Senator from Maine [Ms. SNOWE], the Senator from Vermont [Mr. JEFFORDS], and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of Senate Resolution 217, a resolution to designate the first Friday in May 1996, as "American Foreign Service Day" in recognition of the men and women who have served or are presently serving in the American Foreign Service, and to honor those in the American Foreign Service who have given their lives in the line of duty.

ADDITIONAL STATEMENTS

THE 250TH ANNIVERSARY OF MERRIMACK, NH

• Mr. SMITH. Mr. President, I rise today to pay tribute to Merrimack, NH, on their 250th anniversary. On April 2, the 22,500 residents of Merrimack will begin a year-long birthday celebration encompassing numerous town activities to mark this historic occasion.

Very few towns in the United States can claim 250 years as part of their heritage. In 1746, King George II of England issued the town's first charter. During the Revolutionary War, Merrimack residents volunteered as some of the original Minute Men. The volunteers fought in the Battle of Bunker Hill in Charlestown, MA. Miraculously, only one Merrimack life was lost in this battle. Later, over 40 Merrimack men served heroically in the areas of Massachusetts, Rhode Island, West Point, Valley Forge, White Plains, and Fort Ticonderoga. The town of Merrimack paid their soldiers with Indian corn since money was scarce at that time. This is the sort of patriotism and commitment to freedom that Merrimack residents still embody today.

Commercial development in Merrimack began even before King George II issued the first charter. In 1656, John Cromwell established the first trading post. More settlers began arriving via the Merrimack River, from many surrounding areas. Other trading posts were established at ferry landings where stores were stocked with beeswax, molasses, flint, and powder, along with the best sellers of the day, rum and spirits.

In the early 1880's, rich deposits of clay were found in Merrimack allowing the town to create a thriving brickmaking industry. By 1846, there were 12 brickyards in town, employing 100 people. Many of the local buildings began using brick with granite foundation from nearby quarries in their construction. Brickmaking and river boating flourished until the railroad arrived in 1852.

In 1872, a cooperage shop at Reed's Ferry was established where English immigrants came to work. In 1897, other immigrants from Greece, Poland, and Slavic countries arrived to work in the many mills and factories being built.

Today, Merrimack is one of the thriving industrial towns just north of the Massachusetts border, housing many of New Hampshire's most prosperous manufacturers.

Over the years, Merrimack has had a number of famous residents; including Dr. Matthew Thornton whose signature appears on the Declaration of Independence. Among his numerous distinctions, Doctor Thornton was the surgeon of the New Hampshire Troop in

1745, was elected to the Continental Congress in December 1776, and served in the State senate from 1784 to 1786. In 1789, he purchased a large estate, and spent the rest of his 89 years in Merrimack. A monument to honor Matthew Thornton is displayed on the corner of route 3 and Greeley Street.

Today, Merrimack's population has grown to include 22,500 residents. The town boasts a dynamic business environment with a number of small to medium size businesses, many of which are family owned. In addition, Fortune 500 companies, particularly technology firms, dot the business landscape in Merrimack and are continuing to hire more and more residents each year. Merrimack residents are very politically active, attending town and school board meetings regularly. The local chamber of commerce and Rotary Club are also both very involved in local activities.

I wish the town of Merrimack a very happy 250th birthday. I share the pride of all New Hampshire citizens in the accomplishments and rich historic background of this wonderful town and its people. Congratulations Merrimack.•

(At the request of Mr. DORGAN, the following statement was ordered to be printed in the RECORD.)

FELIX ROHATYN'S WITHDRAWAL IS A LOSS FOR THE NATION

• Mr. DODD. Mr. President, I would like to share with my colleagues my deep sense of regret over the decision by Felix Rohatyn to withdraw his name from consideration as a nominee to the position of Vice Chairman of the Federal Reserve's Board of Governors.

My disappointment is based upon two factors: The first is that the Nation has lost an opportunity to benefit from the services of someone who not only has deep insights into the how the American economy functions, but someone who also has decades of practical economic experience both in the public and private sector.

Mr. Rohatyn is justifiably celebrated for his successful efforts that brought New York City from the edge of bankruptcy onto sound financial ground. He did so through a combination of public and private action that resulted in downsizing the Nation's fourth largest government, thus creating the foundation that has allowed New York City to achieve a balanced budget for every year for most of the past two decades.

Felix Rohatyn has also achieved great success in the private sector as the managing partner of the investment banking firm of Lazard Freres. Few people in the Nation can claim to have a better understanding of our capital markets and be able to back up those claims with the cold, hard proof of continued profitable returns for the company that he runs.

But it is the manner in which, and the basis upon which, Mr. Rohatyn was prompted to withdraw his candidacy for this important position that prompts me to take the floor today.

I fully respect—indeed, I encourage—the right of my colleagues to form and express their personal opinions about Presidential nominees. But that respect is diminished when that opposition takes a form that precludes a nominee from even getting a fair and open hearing before the Senate. That respect is diminished when instead of confronting a nominee during the hearing process and allowing that nominee to respond directly to his or her critics, leaked staff reports and innuendo are used to derail a nominee's chances.

But we must go beyond the manner in which these objections were raised to examine the objections themselves, for they portend a slavish devotion to an economic orthodoxy that is out of place in our system of Government.

I could understand active opposition to a nominee if he or she had been an advocate of Marxist economic thought or believed that isolationism was a cure for America's economic ills or was an advocate for some other discredited economic theory.

But it appears that Mr. Rohatyn simply failed to meet some arbitrary litmus test as to who is or isn't a strong advocate for ending "the era of big Government."

Mr. Rohatyn's sin? He proposed that the U.S. Government make investments in the infrastructure of the Nation. That radical thought places Mr. Rohatyn squarely in the camp of such noted American rebels as Daniel Webster, Henry Clay, Theodore Roosevelt, and most notorious of all, Dwight Eisenhower.

Mr. Rohatyn also has the heretical notion that it is possible for the American economy to grow, without risking inflation, at a faster rate than the puny 2.5 percent per year that some—I repeat, some—economists believe is the maximum safe rate of growth.

It is amazing to me that some of my colleagues can become so wedded to specific static numbers in the field of economics, as if the numbers themselves were some sort of Rosetta Stone that could unlock the secret of economic prosperity. Some people must believe that understanding the economy is as easy as calibrating the atomic clock or measuring the snowfall at National Airport. In fact it is the philosophy and methodology that underlies these otherwise meaningless statistics that is of critical importance. On that score, Felix Rohatyn is extremely well qualified to serve on the Federal Reserve Board.

The Federal Reserve is supposed to be an arena in which varying economic ideas can be debated, free from the constraints and pressures of the political arena. In that sense, it mirrors our greatest democratic institutions; if a diversity of opinion wasn't desired, there would be no need to have a Vice Chairman, or a Board of Governors. If monolithic thought were the intent, we would simply a single Director at the Federal Reserve, whose edicts would be carved onto marble tablets and then disseminated throughout the land.

Mr. President, Mr. Rohatyn's credentials are virtually unquestioned.

The chairman of the Senate Banking Committee recently stated that he thought the Mr. Rohatyn did "an excellent job in New York," referring to his rescue of that city from bankruptcy.

Mr. Rohatyn's colleagues on Wall Street said: "Most people on Wall Street have great respect for Rohatyn and his financial skills. He is a guy who is not at all soft on inflation, so [we] don't know where those rumors to the contrary came from."

The Financial Times said "there are not many U.S. bankers worth listening to. Rohatyn is the exception."

The Washington Post stated, in an editorial entitled, Playing Games with the Fed, that "* * * the elected branches in recent years have pretty well given up on the broad management of the economy. They mainly add to the problem, which is then left to the Fed to resolve. They ought not compound the burden they create by spreading to the Fed their own doctrinal quarrel."

Some may view the withdrawal of Mr. Rohatyn from consideration as a victory of sorts. But by depriving the Nation of the benefits of Felix Rohatyn's talents and by imposing an ideological straightjacket on Federal Reserve Board nominees, those who are rejoicing today may find that theirs is a Pyhrric victory indeed.•

TRIBUTE TO U.S.S. "GREENEVILLE"

• Mr. FRIST. Mr. President, on Friday, February 16, I traveled to Norfolk, VA, to deliver the keynote address at the commissioning of the U.S.S. *Greeneville*. This naval attack submarine, was named after the small city of Greeneville, TN, as a tribute to the rich history of the city and its citizens. I ask that my remarks at the commissioning be printed in the RECORD.

The remarks follow:

TRIBUTE TO THE U.S.S. "GREENEVILLE"

On behalf of the citizens of Greeneville—and indeed all the people of the great State of Tennessee—it is an honor to be with you on this proud day.

Standing here before this great warship—and the officers and crew who will guide her in defense of freedom—we are filled not only with pride in our Nation and our Navy, but also with confidence that we can and will meet any challenge that lies ahead.

It's been said that each new ship, as she leaves land to find her home in the sea, begins to form a personality that will be hers alone. A personality that encompasses the hopes and dreams of all who built her and all who sail in her. But her personality also takes on the spirit of those in whose honor she is named.

If that is so, the U.S.S. *Greeneville* will be imbued with the courage, pride, and patriotism epitomized by Greeneville, and by the thousands of other small towns across our great land whose people are the heart and soul of America.

She will carry with her the valor of Revolutionary War hero General Nathanael Greene, for whom Greeneville was named. The unflagging integrity of Greeneville's honored son President Andrew Johnson, who helped unite the country after the assassination of Abraham Lincoln. And the pluck of the great Greeneville frontiersman Davy Crockett, who blazed a trail into the wilderness and died defending the Alamo.

And she will carry the pride of every Greenevillian. From Mayor Love and all our elected officials; to the men and women of the Greeneville Metal Manufacturing Company, a subsidiary of the Newport News shipyards; Admiral Francis McCorckle, former commander of the battleship *New Jersey* and a resident of Greeneville for all of his 86 years; and so many others—who wrote letters, signed petitions, and lobbied Congress, the Navy, and anyone who would listen, to have this magnificent submarine bear its name.

While many today advocate a sharply diminished defense in the post-Cold War world, those of you who guard the frontiers of freedom know that the price of peace is eternal vigilance. And it is this vessel—the nuclear attack submarine—that leads the way. It is the sword point of our forward-deployed defenses—the first to respond to threats from potential aggressors, and the first to arrive in times of crisis.

Whether the mission calls for a continuous presence, as in the Caribbean off of Haiti; covert surveillance and reconnaissance, as in the Adriatic off Bosnia; or special operations forces, such as those we have maintained for years in the Korean theater; submarines provide critical direct and indirect support to our military forces, and are a mainstay of our strategic deterrence platform.

As General Nathanael Greene's colleague General George Washington put it, "There is nothing so likely to produce peace as to be well prepared to meet an enemy." Or as a more recent commentator put it, "Today the real test of power is not capacity to make war but capacity to prevent it."

That is why our military and civilian leaders must exercise their vigilance with foresight, with one eye always on the future. The price of unpreparedness is too high in American blood and treasure. We do well today to recall when the decision to build the U.S.S. *Greeneville* was first made, the current commander-in-chief was governor of Arkansas, and I was performing heart transplants in Nashville. And the *Greeneville* will continue to defend America into the next century, after both of us have returned to our home states.

While the Russians continue to produce and improve their submarine capabilities, and we face increased proliferation of submarine technology among many other nations, the United States continues to field the finest submarine force in the world.

And for that we owe a deep debt of gratitude to the skilled men and women of Newport News, who have built and maintained the subs that have kept us ahead of our adversaries. No nation on earth can match the quality and pride that shows in every weld, fitting, and watertight hatch.

We also owe a great debt to the submariners who patrol the icy depths of the world's waters in times of peace and in times of war. Their courage—and devotion to duty—are a model of sacrifice worthy of emulation and gratitude from all of us. Americans are a patriotic people who agree with the poet Homer when he writes: "He serves me most who serves his country best."

To every person who played a role in the fitting-out and commissioning of the U.S.S. *Greeneville*—Thank you.

To the officers and crew who will sail her into the uncharted waters of the future—Good luck and Godspeed. In every sea, on every mission, the spirit and prayers of the people of Greeneville will go with you.

They, too, can repeat with you the Midshipman's prayer of the Naval Academy: "Almighty God, whose way is in the sea, whose paths are in the great waters, whose command is over all and whose love never faileth: . . . Protect those in whose love I live. . . . Guide me with the light of truth and give me the strength to faithfully serve thee, now and always."

Finally, to all here today to watch the U.S.S. *Greeneville* come alive, God bless you, God bless Greeneville, and God bless America.•

(At the request of Mr. DORGAN, the following statement was ordered to be printed in the RECORD.)

TRIBUTE TO FREDERICK DOUGLASS AND THE TOWN OF HIGHLAND BEACH

• Mr. SARBANES. Mr. President, today I join with the citizens of Highland Beach, MD, as they pay tribute to the memory of Frederick Douglass—one of Maryland's most celebrated native sons—by preserving his historic house as a museum. His house, facing the Chesapeake Bay, looks out onto the open sea and was a joyful reminder to Douglass of the freedom he so greatly treasured.

While Frederick Douglass was born in Talbot County, MD, and worked on the docks of Fells Point in Baltimore, he found peace and solace at his home in Highland Beach. Highland Beach was the first town to be established by African-Americans in the State of Maryland and was officially incorporated in 1922, although settlers had been living in the vicinity for decades. The house that is dedicated here today was designed by Douglass, but sadly, he never saw its completion. Instead his son fulfilled the task that was set forth by his father, ensuring that the second floor balcony that Douglass had dreamed of was erected so that, "as a free man, I could look across the bay to the land where I was born a slave."

The Frederick Douglass house was placed on the National Registry of Historic Places in 1992 after extensive renovations were completed. The house has also received the Orlando Rideout Prize for exceptional renovation in December 1995 by the Anne Arundel County Trust for Preservation. While these awards reflect the beauty and history of Douglass' home, that Frederick Douglass could own a home as a free man is the true monument. Douglass rightly believed that owning property was a very important economic accomplishment for African-Americans in the years following the Civil War.

It is, in my view, most fitting that the commemoration of one of Maryland's most noted African-Americans comes during Black History Month. Over the course of history, Maryland has been the home of many prominent African-Americans including writer Langston Hughes, actor and singer Paul Robeson, Washington Judge Robert Terrell, and educator and author Booker T. Washington; all of whom either visited or lived in Highland Beach.

Mr. President, as the Frederick Douglass house becomes a monument in the splendid community of Highland Beach, it provides an avenue for residents and visitors to share in its unique and distinguished past. I join the citizens of Anne Arundel County in demonstrating their pride in the history of Highland Beach and their expectation of continued success in the years ahead.•

COMMENDING DEBORAH WOELFLEIN AS THE 1996 NEW HAMPSHIRE TEACHER OF THE YEAR

• Mr. SMITH. Mr. President, I rise today to congratulate Deborah K. Woelflein, an English teacher at Merrimack High School, on being named New Hampshire's 1996 National Teacher of the Year. As a former teacher myself, I commend her outstanding accomplishment and well-deserved honor.

Deborah, who is a Nashua resident, will spend the next year representing New Hampshire's teaching profession at various statewide and regional functions. As New Hampshire's Teacher of the Year, she will be considered for the National Teacher of the Year Award sponsored by the Council of Chief State School Officers and Scholastic, Inc. The National Teacher of the Year Program is the oldest and most prestigious honors program to focus public attention on excellence in teaching. New Hampshire's Commissioner of Education, Elizabeth Twomey, named Deborah the Teacher of the Year.

Among Deborah's numerous accomplishments as a teacher are several successful conferences she organized to draw together talented teachers to share their expertise with their colleagues. Timothy Mayes, principal at Merrimack High School, called her "one of our most respected faculty members."

New Hampshire has always been lucky to have many talented teachers, but Deborah Woelflein is certainly a role model among the teachers of the

Granite State. I am proud of her commitment to education and congratulate her distinguished achievement.•

THE FARM BILL—WETLAND RESTORATION

• Mr. LEAHY. Sections 357 and 358 of S. 1541 were included in an amendment to which we jointly agreed. Section 357 establishes flood water retention pilot projects under which farmers may receive incentives to restore land to fully functioning wetlands. The restoration of these wetlands will benefit their neighbors by reducing flooding.

Section 358 was included in the bill to ensure that when a farmer voluntarily restores a wetland on land now exempt from Swampbuster penalties, that land will not subsequently be considered a converted wetland under Swampbuster. Section 364 was then added because of concern that section 358 did not protect against abandonment related regulatory policies. The sections need to be rewritten to work correctly.

Would the Senator from Indiana agree that I have correctly described the history of these amendments?

Mr. LUGAR. I agree with my colleague about the history of these amendments.

Mr. LEAHY. It is important that these amendments be correctly drafted if they are included in the final bill. Would my colleague agree that we will work together in conference to develop a provision based on the following principle:

Swampbuster should operate in a manner that encourages voluntary restoration of wetlands. A farmer should not suffer a Swampbuster penalty if land he restores to a wetland later reverts to its prerestoration status. However, such a provision should be implemented in a fashion consistent with the wetland protection goals of Swampbuster.

Mr. LUGAR. I agree with my colleague and will work to rewrite this provision according to this principle in conference.•

THE UNIVERSITY OF NEW MEXICO OPENS AN ONLINE GATEWAY SITE TO THE U.S. GOVERNMENT PRINTING OFFICE [GPO]

• Mr. BINGAMAN. Mr. President, I rise today to recognize the collaborative efforts of the libraries of the University of New Mexico and the U.S. Government Printing Office to make important Federal Government documents more accessible to the public. On February 29, 1996, the University of New Mexico will officially open a gateway site that will allow online access to the U.S. Government Printing Office. This online feature will allow students, constituents, and the public equal and timely access to Government documents including the Federal Register, the Congressional Calendar, congressional bills, public laws, and the United States Code.

UNM has long been a leader in education and research in both New Mexico and our Nation. This initiative reaffirms the University of New Mexico's commitment to building and maintaining a world class research library. The university offers outstanding programs that promote the use of invaluable documents that are included in the GPO's data base.

The GPO has chosen UNM to be one of seven libraries in the country that will provide World Wide Web access to the GPO. With the Internet connection, individuals all over the world will have the opportunity to search and access some of the most important documents in our Nation. Built on an existing campus and a public network, this gateway depository will serve as a model to the electronic library depository system nationwide.

Mr. President, for its outstanding accomplishments, sincere interest in opening the information superhighway, and its outstanding service to New Mexico and our Nation in the area of education and technology, I would like to commend the University of New Mexico.•

COMMENDING GORHAM HIGH SCHOOL STUDENTS FOR THEIR PARTICIPATION IN THE "WE THE PEOPLE . . . CITIZEN AND THE CONSTITUTION" PROGRAM

• Mr. SMITH. Mr. President, I would like to commend 17 students from Gorham High School in Gorham, N.H. who were recently selected to compete in the national finals of the "We the People . . . Citizen and the Constitution" program to be held April 27 to 29 in Washington, DC. These high school students competed on the State level on January 29 for the opportunity to represent New Hampshire at the national competition, and will be among more than 1,200 students from 49 States and the District of Columbia to participate.

The distinguished members of the team representing New Hampshire are: Elizabeth Baker, Sarah Belanger, Mary Anne Bevin, Erika Clark, Amy Davis, Alexandria Dery, George Eichler, Kathy Fortin, Kevin Glines, Andrea Guay, Kari Horne, Kami Michaud, Chad Miller, Gina Piattoni, Amie Tanguay, Alicia Turner, and Jamie Washburn.

All 17 New Hampshire students will be tested on the Constitution and Bill of Rights before simulated congressional committees to demonstrate their knowledge of constitutional principles and their relevance to contemporary issues. The competition in Washington will consist of 2 days of hearings; and the 10 finalists, with the highest scores, will compete for the title of national winner on Capitol Hill in a congressional hearing room.

Michael Brosnan, a teacher at Gorham High School, also deserves special recognition for helping these students prepare for the intense constitutional testing. Raymond Kneeland, the District coordinator of the "We the People . . . Citizen and the Constitution" program, Holly Belson, the State coordinator, and Howard Zibel, of the New Hampshire Bar Association, all contributed a significant amount of time and effort to help the students reach the national finals. I applaud all of them on their commitment to enriching the lives of these students.

The "We the People . . . Citizen and the Constitution" program provides an excellent opportunity for students to gain an informed perspective about the history and principles of our Nation's constitutional government. I wish these young constitutional experts from Gorham High School and their teacher, Michael Brosnan, the best of luck in preparing for the April National finals. We are proud to have them representing New Hampshire, and wish them luck as they prepare to be America's leaders in the 21st century.•

(At the request of Mr. DORGAN, the following statement was ordered to be printed in the RECORD)

BLACK HISTORY MONTH

• Mr. SARBANES. Mr. President, I rise today to add my voice to those who have already spoken in recognition of February as Black History Month. Since 1926 this Nation has designated February as the month in which we honor the achievements and contributions of African-Americans to our history, our culture, and our future.

One could also say that February is the month in which we honor our Nation's unsung heroes—from the African-American soldiers who have often received no acknowledgement for fighting in the American Revolution to the African-American poets and authors often excluded from literary anthologies. The history of African-Americans is the history of what this country has come to mean to so many people around the world. It is the story of seemingly unsurmountable odds overcome and challenges yet to be faced. This year the President has asked us all to pay a special tribute to the achievements and contributions of black women who have risen above the twin burdens and racism and sexism.

Black History Month provides our Nation with an opportunity to reflect upon the progress which we have made as a nation in our struggle to promote the constitutional principles of liberty, equality, and justice. One black woman who contributed to the preservation of those principles was Barbara Jordan. I was honored to have served alongside Barbara Jordan in the Congress, and I recall very well her steadfast devotion to our Constitution. Barbara Jordan eloquently and with great faith articulated and lived the basic principles underlying our democratic government and society. I witnessed this dedication first-hand during our service on the House Judiciary Committee during the impeachment proceedings of former President Nixon. Barbara Jordan understood that our Constitution is a precious covenant and did her utmost to defend and uphold its promises to all of the citizens of the United States. With her recent passing, our Nation has lost one of the Constitution's great defenders, and I know that my colleagues will agree with me when I say that Barbara Jordan will be greatly missed.

Mr. President, my own State of Maryland has been blessed to be the birthplace and home of countless outstanding black Americans. Maryland was a bedrock of the underground railroad which helped many African-Americans find there way out of slavery to freedom. In fact, and Harriet Tubman, the African-American woman credited with leading more than 200 men, women, and children to freedom on the underground railroad, was a Marylander.

Born into slavery around 1821 on a Dorchester County plantation, Harriet Tubman escaped in 1849. However, instead of turning her back on those she had left behind, Harriet Tubman used her knowledge of Maryland's Eastern Shore to help other slaves escape to freedom. She was so successful that Maryland plantation owners placed a $40,000 price on her head, dead or alive. Although she is most often remembered for her work on the underground railroad, Harriet Tubman's service to this Nation continued throughout her life. During the Civil War, she served as a spy for the Union Army as well as a scout and a nurse. After the Civil War Harriet Tubman worked to resettle Negro war refugees, to establish the African Methodist Episcopal Zion Church, and on behalf of women's suffrage.

The history of Maryland is replete with the contributions of African-American women—many of which have gone undocumented and unrecognized. Black History Month affords all Americans an opportunity to honor our heroes both past and present, and to remind ourselves of the many national heroes whose faces do not adorn currency or postage stamps and whose stories are not told in history books or encyclopedias.

Mr. President, as we near the end of this month, I hope that each of us will take a moment to remember the lessons of Black History Month and to carry them with us throughout the year as a reminder of all that is truly possible. Two hundred years ago, how many Americans would have imagined a Barbara Jordan or an Alice Walker? Black History Month is a time to celebrate—to celebrate all of the great achievements of African-Americans, to celebrate how far this country has come, and to remind us of how much further we have to go.•

PAUL G. GOEBEL, JR.

• Mr. ABRAHAM. Mr. President, I rise today to mark the passing of Paul G. Goebel, Jr., insurance executive and longtime friend to the University of Michigan, Kent County Republicans, and the people of Michigan. Paul's life showed how hard work, honesty, and decency can still produce success in America, and how they also can produce a giving character and important good works.

After graduating from the University of Michigan in 1954, Paul served a 2-year hitch in the U.S. Army. On returning home he entered the insurance business. In the mid-1960's he began work with the Goebel-Hammon agency, which became the Paul Goebel Group in the mid 1980's. This successful agency provided coverage for professional associations and businesses. In 1994 he left the business in the capable hands of his daughter, Margaret.

Paul's activities were never limited to his business. He served as president of the University of Michigan Grand Rapids Alumni Club. As early as 1968 he received the Outstanding Young Man of the Year Award from the Grand Rapids Jaycees. He was appointed an honorary member of the United Way of Kent County in 1977 and served in a variety of capacities for that agency, including president.

An Ada Township resident, Paul also was a big supporter of the Republican cause in Kent County and in Michigan as a whole. The son of Paul G. Goebel, Sr., mayor of Grand Rapids during much of the 1950's, he also served as a Kent County commissioner from 1972 to 1974 and was once chairman of the county GOP. In 1974 he launched an unsuccessful bid to win back for the Republicans the seat once held by Gerald Ford. Disappointing as it was, however, this loss could hardly mar a life filled with friendship, family, and an active desire to serve the community.

Paul passed away on February 15, just a few weeks after being diagnosed with lung cancer. My thoughts go out to his family but, sad as I am at his passing, I also feel privileged to have known a man of his warm and giving character.•

CHARLES CAMPBELL'S SPEECH IN HONOR OF SENATOR RICHARD B. RUSSELL

• Mr. NUNN. Mr. President, on January 24, 1996, I joined many of our colleagues in honoring the late Senator Richard Brevard Russell of Georgia. Almost 25 years after the death of Senator Russell, hundreds of Russell family members, friends, and former colleagues dedicated a 7-foot marble statue of Senator Russell in the rotunda of the Senate Office Building which bears his name.

In the near future, our distinguished colleague, the Honorable ROBERT C. BYRD, will insert a transcript of the ceremony into the CONGRESSIONAL RECORD. Today, I want to share with the Senate excerpts from a speech delivered last fall at the Governor's Mansion in Atlanta by Mr. Charles E. Campbell, president of the Richard B. Russell Foundation in Atlanta. I am grateful to Mr. William Jordan, my friend and a former senior staff assistant to Senator Russell, for making this text available to me.

Mr. President, I ask that excerpts of Mr. Campbell's speech be printed in the RECORD so that it may be part of the historical record of Senator Russell's distinguished career in public service.

The material follows:

REMARKS BY CHARLES E. CAMPBELL AT THE RUSSELL STATUE LUNCHEON, OCTOBER 23, 1995

Thank you, Governor Miller. First, I would like to express the appreciation of the Russell foundation to Governor Miller and Senator Nunn for hosting this luncheon today. Zell Miller and Sam Nunn have long been friends of Richard Russell and of the Russell Foundation.

I had the privilege of working for the last 6 years of Senator Russell's life as a member of his staff in Washington. Today, I have the honor to serve as Chairman of the Richard Russell Foundation. The Russell Foundation is a non-profit corporation established by admirers of Senator Russell in Georgia. It supports numerous activities related to the preservation of the Senator's memory, his records and discussion of public policy questions in which Senator Russell had a particular interest.

Next January will mark the 25th anniversary of Richard Russell's death. At that time, we will have an opportunity to participate in an event that will not only bring great credit to Senator Russell but to our State as well. I refer to the dedication of the Richard B. Russell Statue. The Russell Statue is a 7-foot marble statue that will be placed in the Rotunda area of the Russell Senate Office Building. The Russell Senate Office Building is the oldest and most prestigious of the three senate office buildings in Washington. In 1972—the year after Senator Russell died—the Congress, through joint resolution, renamed what had been known as the "Old Senate Office Building" as the "Richard B. Russell Senate Office Building." The Russell Senate Office Building is one of the most important buildings in our Nation's Capitol. It was there that such momentous events in the history of our country took place as the hearings to inquire into President Truman's dismissal of General Douglas McArthur during the Korean War (hearings which Senator Russell chaired incidentally), the announcement of John F. Kennedy's presidential campaign, the Senate Watergate hearings (of which Senator Talmadge was such an important part), and, more recently, the Clarence Thomas confirmation hearings.

The dedication of the Russell Statue at 4 p.m. on January 24, 1996 will focus on three distinct aspects of Senator Russell's Senate career: (1) Richard B. Russell—A President's Senator; (2) Richard B. Russell—A Senator's Senator and (3) Richard B. Russell—Georgia's Senator.

The President of the United States has been invited to speak on the first topic and, while he has made no final commitment, the initial indications are positive for his participation. Senator Robert Byrd, the former Majority Leader of the Senate, and Senator Robert Dole, the present Majority Leader of the Senate, have both agreed to speak on Richard B. Russell—a Senator's Senator. Our Governor will speak on the topic of "Richard B. Russell—Georgia's Senator." Senator Sam Nunn will serve as Master of Ceremonies.

Many of you in this room knew Richard Russell personally and many others of you know him by reputation. His career was one of the most outstanding in our Nation's history. He served 50 continuous years in public office. he served 10 years in the Georgia House of Representatives, including the last 4 as Speaker. He became Speaker of the Georgia House in 1926 before he was even 30 years of age. He became Georgia's youngest Governor in 1930 at age 32 during the depths of the great depression. The administration of Governor Russell was one of decisive change in our State—he cut the number of State agencies from 102 to 17 and cut the cost of Government by 20 percent. At the same time, there were numerous progressive achievements of the Russell administration including the creation of a unified system of higher education under a Board of Regents insulated from politics. That system survives today.

When a Senate seat became vacant in 1932, Governor Russell ran successfully and took office at the age of 34 on January 12, 1933. He was the Nation's youngest Senator.

Richard Russell served 38 years in the U.S. Senate, becoming the first person in the history of the United States to serve over half their life in the Senate. During this time, from 1933 through 1970—he never missed a single opening session of Congress. You might call him the Cal Ripken of the Senate.

Senator Russell's Senate career was perhaps unique in the history of our Country. No Senator, at least in modern times, has amassed the power and influence that Richard Russell enjoyed both in the Senate itself and at the White House.

When we refer to Richard Russell as a "President's Senator" we are referring to the fact that he enjoyed an extremely close relationship with every American President from Franklin Roosevelt through Richard Nixon and was a confidential advisor of every one of them.

Four of the Presidents with whom Senator Russell served—Harry Truman, John Kennedy, Lyndon Johnson and Richard Nixon—had previously served in the Senate where Richard Russell was the preeminent Senator. He knew them all well and they all knew before they arrived at the White House that Richard Russell was the foremost congressional authority on national security and a Senator who was good to his word in all matters. The other two Presidents—Franklin Roosevelt and Dwight Eisenhower—also had extensive prior relationships with Senator Russell. Franklin Roosevelt and Richard Russell became friends as young men when they were both serving as Governor of their States—Franklin Roosevelt in New York and Richard Russell here in Georgia.

In fact, at the 1932 Democratic National Convention, Richard Russell made a nominating speech for Franklin Roosevelt in the first of Roosevelt's four successful campaigns for the White House. Even though he was a new Senator at the time, Richard Russell had a significant leadership role in the Senate in passing New Deal farm legislation that created the Farmer's Home Administration, established farm price supports and soil conservation protection measures. During this time, he authored the National School Lunch Program.

Senator Russell, as a result of his position of influence on the Senate Armed Services Committee, dealt extensively with Dwight Eisenhower when General Eisenhower was the Supreme Allied Commander in World War II. They had become close friends before 1952 when General Eisenhower was elected President. Their friendship continued and grew during the Eisenhower Presidency.

One characteristic that was dominant in Senator Russell's relationship not only with Presidents but with everyone else was his staunch independence. No matter how close a friend he was of a President nor how much political pressure was brought to bear on him, he steadfastly refused to support any measure in which he did not personally believe. Probably the two Presidents who were the closest personally to Richard Russell were Franklin Roosevelt and Lyndon Johnson. However, in both instances, Richard Russell could not support important legislative matters pursued by them. He was one of four Senators to provide the decisive votes against President Roosevelt's efforts to pack the Supreme Court after it declared several of the New Deal programs unconstitutional. His independence also caused strains in his relationship with Lyndon Johnson 30 years later when he opposed certain provisions in the President's civil rights legislation, the social programs of the "Great Society" and the way in which the War in Vietnam was conducted.

In all things, Richard Russell remained true to his view of what was best for the Country.

If Senator Russell's friendship with Presidents was unusual, his standing in the Senate itself was perhaps unique. His power was such that he could have become Majority Leader or Minority Leader on any number of occasions. However, he declined because of his desire to maintain independence of thought and voting, making it impossible for him to agree in advance to support the program of any administration. Instead of becoming Majority or Minority Leader of the Senate, he largely selected several such leaders and became the Senate's mentor. Senators of both parties, of all political persuasions and from all parts of the country turned to Richard Russell more than anyone else for guidance and for help in the discharge of their Senate duties. They knew he was a man of integrity, independence and good faith.

Richard Russell was, in deed, a Senator's Senator.

He was also Georgia's Senator. Many times, it seems that one who achieves the position of national prominence and power as did Richard Russell, forgets his or her home state constituents because of the press of what are viewed as more important duties. Such was not the case with Richard Russell. Up until the very end, he considered among his most important duties that of faithfully representing the people of Georgia in Washington. He was fond of saying "I have been elected to represent and work for Georgia's interest in Washington and not Washington's interest in Georgia."

Georgians have benefited immensely and continue to benefit from Richard Russell's public service career. Benefits directly traceable to his representation of Georgia in the Senate include Lockheed—Georgia as a prime military contractor and a principal employer in this State, the National Communicable Disease Center here in Atlanta, the Richard Russell Federal Building that houses our federal court system, the numerous Corps of Engineers lake developments on Georgia's rivers, and too many outstanding military bases to even mention.

I relate two brief stories to illustrate the importance serving Georgia had to Richard Russell up until the very end. Several years before he died, Senator Russell became the President Pro Tempore of the Senate—which is in some ways roughly equivalent to the Speaker of the House of Representatives. As President Pro Tempore, he was the titular head of the Senate and third in line of succession to the Presidency. A part of the job as President Pro Tempore was to make appointments to various national commissions or boards where the President had an appointment, the Speaker of the House had an appointment and the President Pro Tempore of the Senate had an appointment.

After routinely approving recommended appointments for a couple of weeks, Senator Russell called me into his office one day and had on his desk a proposed appointment to a national commission. He asked me: "Isn't there anyone in Georgia qualified for any of these positions?" We got to looking around and found out that the particular appointment in question was in a discipline in which a professor at Georgia State University here in Atlanta was a nationally recognized expert. Senator Russell deleted the name of the recommended appointee and inserted the Georgia State professor instead. Amazingly, thereafter the names of qualified Georgians started appearing with greater frequency on the lists.

A second true story I would relate involves Senator Russell's decision regarding activities relating to his death. Before he died, he specified that his body was to be returned to Georgia immediately upon his death. This is because he wanted his body to lie in State at Georgia's Capitol here in Atlanta as opposed to in Washington. It is ironic that when the President's Senator and the Senator's Senator died, there were only three official activities marking his death in Washington: (1) The President of the United States ordered American flags to half staff; (2) the President paused in his State of the Union Address for a moment of silent prayer and (3) the hearse carrying Senator Russells' body was viewed by the entire Senate standing on the Capitol steps on its way to Andrews Air Force Base to be returned via Air Force One to Georgia.

Richard Russell, was, in deed, Georgia's Senator. The inscription selected by the Russell Foundation to be placed on the Russell Statue will read simply as follows:

"Richard B. Russell, Jr.—Senator from Georgia—1933–1971."•

ASTRONAUT RICHARD SEARFOSS

• Mr. SMITH. Mr. President, I rise today to congratulate Astronaut Richard Searfoss, a Portsmouth, NH, native, who will pilot the space shuttle *Atlantis*, scheduled to leave Cape Canaveral, FL, in March. This is an exceptional honor for an astronaut, and everyone in his home State of New Hampshire is very proud of his accomplishment.

Richard attended Portsmouth High School and as a student scored a perfect 1,600 on his scholastic aptitude test. He was also the keynote speaker at the Portsmouth High School graduation ceremony for the class of 1994. Later, Richard on a National Science Foundation Fellowship in 1979 earned a master of science degree in aeronautics from the California Institute of Technology. The people of Portsmouth recognize Richard as an outstanding role model for all of his hard work and determination in becoming an exemplary astronaut.

Richard will pilot the 9-day *Atlantis* mission that will allow the five astronauts on board to hook up with the Russian space station, *Mir*, and drop off Astronaut Shannon Lucid. Shannon will spend 4 months aboard the manned space station, located about 200 nautical miles from Earth. *Atlantis* will dock at the space station for 5 days and then return to Earth with one of the three other astronauts who manned the station. The flight will also include a spacewalk.

This mission is not the first time Richard has been in space. As a test pilot in the October 1993 space mission, Richard was one of seven crew members to participate in a 2-week life sciences mission on the space shuttle *Columbia*. I had the opportunity to meet Richard in February 1994, and his commitment to the space program and to America was heartening.

New Hampshire is very proud of Richard's leadership in the NASA space program and wish him continued success in the future. We are honored to have him represent us in the final frontier.●

DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1996—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Chair lays before the Senate the conference report to accompany H.R. 2546, the D.C. appropriations bill, which the clerk will report.

The bill clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2546) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1996, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The Senate proceeded to consider the conference report.

(The conference report is printed in the House proceedings of the RECORD of January 31, 1996.)

CLOTURE MOTION

Mr. LOTT. Mr. President, I send a cloture motion to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The bill clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the conference report to accompany H.R. 2546, the D.C. appropriations bill:

Robert Dole, James M. Jeffords, Richard Lugar, Conrad Burns, Strom Thurmond, Slade Gorton, Charles Grassley, Robert F. Bennett, Christopher Bond, Nancy Kassebaum, Mark Hatfield, Arlen Specter, Mitch McConnell, Ted Stevens, Connie Mack, and Pete V. Domenici.

Mr. LOTT. Mr. President, for the information of all Senators, this cloture vote will occur on Tuesday, February 27, at 2:15 p.m., and will be the first vote of the week.

ORDER FOR RECORD TO REMAIN OPEN UNTIL 2 P.M.

Mr. LOTT. Mr. President, I ask unanimous consent that the RECORD remain open today until the hour of 2 p.m., for the introduction of bills and the submission of statements by Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. LOTT. Mr. President, under the previous order, when the Senate completes its business today, it will stand in recess until the hour of 3 p.m., Monday, February 26, and that following the prayer, Senator AKAKA will be recognized to read President George Washington's Farewell Address. I ask unanimous consent that following the reading of the address, there be deemed to have been a period for morning business so that Senators may submit statements for the RECORD until 4 p.m., or until the reading of Washington's Farewell Address is completed, whichever is later.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. No further business will be transacted on Monday and there will be no rollcall votes. Senators are reminded that the next rollcall vote will be at 2:15 p.m., Tuesday, February 27, to invoke cloture on the District of Columbia appropriations conference report.

RECESS UNTIL MONDAY, FEBRUARY 26, 1996, AT 3 P.M.

Mr. LOTT. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in recess under the previous order.

Thereupon, the Senate, at 12:53 p.m., recessed until Monday, February 26, 1996, at 3 p.m.

HOUSE OF REPRESENTATIVES—*Friday, February 23, 1996*

The House met at 11 a.m. and was called to order by the Speaker pro tempore [Mr. DAVIS].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker pro tempore:

WASHINGTON, DC,
February 20, 1996.

I hereby designate the Honorable THOMAS M. DAVIS to act as Speaker pro tempore on Friday, February 23, 1996.

CONSTANCE A. MORELLA,
Speaker pro tempore of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Let us pray using two verses from Psalm 27:

The Lord is my light and my salvation; whom shall I fear? The Lord is the stronghold of my life: of whom shall I be afraid?

I believe that I shall see the goodness of the Lord in the land of the living!

Wait for the Lord; be strong, and let your heart take courage; yea, wait for the Lord! Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Mississippi [Mr. MONTGOMERY] come forward and lead the House in the Pledge of Allegiance.

Mr. MONTGOMERY led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, February 20, 1996.

Hon. NEWT GINGRICH,
The Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Tuesday, February 20 at 11:15 a.m. and said to contain a message from the President whereby he transmits the Annual Report of the National Endowment for Democracy for fiscal year 1996.

With warm regards,

ROBIN H. CARLE,
Clerk, House of Representatives.

ANNUAL REPORT OF NATIONAL ENDOWMENT FOR DEMOCRACY, FISCAL YEAR 1995—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations:

To the Congress of the United States:

Pursuant to the provisions of section 504(h) of Public Law 98–164, as amended (22 U.S.C. 4413(i)), I transmit herewith the 12th Annual Report of the National Endowment for Democracy, which covers fiscal year 1995.

As the report demonstrates, the National Endowment for Democracy remains at the forefront of our efforts to expand and consolidate democratic gains around the globe. The strong bipartisan support the Endowment continues to receive reflects our Nation's steadfast commitment to the promotion of democracy.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 20, 1996.*

PERMISSION TO INSERT PROGRAM AND REMARKS OF MEMBERS REPRESENTING THE HOUSE AT GEORGE WASHINGTON'S BIRTHDAY CEREMONIES

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the program and the remarks of the gentleman from Michigan [Mr. UPTON] and the gentleman from Virginia [Mr. MORAN], the two Members representing the House of Representatives at the wreath-laying ceremony at the Washington Monument for the observance of George Washington's birthday on Thursday, February 22, 1996, be inserted in today's CONGRESSIONAL RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

PRESIDENT GEORGE WASHINGTON—264TH BIRTHDAY OBSERVANCE

PROGRAM

Opening: Arnold Goldstein, Superintendent, National Capital Parks—Central.

Presentation of Colors: Joint Armed Services Color Guard.

To the Colors: Old Guard Fife and Drum Corps.

Pledge of Allegiance: Cub Scout Pack 461, Bethesda, MD.

Welcome: Superintendent Goldstein.

Remarks:

Russell Train, First Vice President, Washington National Monument Society.

Terry Carlstrom, Deputy Field Director, National Capital Area, National Park Service.

The Honorable Jack Evans, Councilmember, Ward 2, Council of the District of Columbia.

Members of the U.S. House of Representatives.

The Wreath of the House of Representatives: Members of the House of Representatives.

The Wreath of the National Monument Society: Russell Train, Councilmember Jack Evans.

The Wreath of the National Park Service: Terry Carlstrom.

Taps and Retiring of Colors: Old Guard Fife and Drum Corps.

REMARKS OF FRED UPTON, GEORGE WASHINGTON WREATH-LAYING CEREMONY, WASHINGTON MONUMENT; FEBRUARY 22, 1996

As I dropped off Stephen, my 4 year-old, at pre-school this morning, I noticed that they are studying the former presidents—they had pictures of Bill Clinton, George Bush, Abe Lincoln, and George Washington on the wall. The teacher remarked that a student had said "yep, George Washington never told a lie, that's why they called him Honest Abe." Give them credit, they're learning.

It is an honor for me to be here today representing my colleagues in the House of Representatives, as we gather to remember George Washington, the father of our country.

Each year this nation sets aside one day, on the anniversary of his birth, to remember the man for whom this monument is built. It has been over 200 years since Washington laid down the cornerstones for this great land—freedom from oppression, personal liberty, a commitment to cooperation and hope, filled with opportunity and limitless growth.

We have come a long way since the boundaries of our nation barely peeked over the Shenandoah's—mountains that you can see from the top of Washington's Monument. Back when the West was untamed, when forest and prairie were all that stood between

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the colonies and the Pacific. We have grown and developed to lead the world with our strong economy and strong ideals, using the gifts that George Washington left us. We have won wars against tyrants, survived a Civil conflict of our own, liberated peoples across the globe, and created a system of government envied by most of the world.

Those of us that are left with the responsibility of administering this great nation that George Washington left in our hands could stand to learn some lessons from Washington's time.

His was an era of great accomplishment. A sense of community and a spirit of cooperation filled the land. A willingness to govern and to represent in every sense of the word.

George Washington, in his 1796 farewell address, urged our nation to put aside partisanship, urged its lawmakers to hang-up their divisions and to get to the task at hand of legislating. The lessons of this great man ring true today as our lawmakers, my colleagues beneath the dome only a mile away from Washington's Monument, have become entangled in partisan passions.

Calvin Coolidge said of Washington, "we can not yet estimate him. We can only indicate our reverence for him and thank the Divine Providence which sent him to serve and inspire his fellow men."

Allow him to inspire us, let this day of remembrance, let this Monument to his greatness serve as a daily reminder to us all, let him inspire us to set our differences aside and to be the true caretakers of this great nation that he crafted for us.

Thank you for allowing me to be here today.

REMARKS OF JAMES P. MORAN, AT THE WREATH-LAYING CEREMONY, COMMEMORATING PRESIDENT GEORGE WASHINGTON'S BIRTHDAY, FEBRUARY 22, 1996

I am pleased to be here and thankful for the opportunity to share in this commemoration of our first President's birthday.

As a Northern Virginian, I am particularly fortunate to live in proximity to the monuments that marked George Washington's life. In Mount Vernon, we have his estate that overlooks the Potomac River. In Alexandria, we have the church where he worshipped and the city in which he conducted his daily affairs. In the nation's capital, we have the monument that stands like a beacon overlooking the city that bears his name.

George Washington, however, looked beyond the banks of the Potomac and ventured forth into the frontier. Like many of his time, he was driven by a passion for new discoveries and new lands. As a young man, he became a surveyor and was one of the principals of the Ohio Company which sought to conquer the Western frontier. But what distinguished George Washington from other landowners of his time is that he always heard the call of his country and always placed service to that country ahead of his personal desires.

When his England needed a soldier to lead the Virginia militia in the French and Indian Wars, George Washington became commander in chief of the Virginia militia. In 1774, when his colony needed a representative in the new Continental Congress, George Washington left his plantation to join the Continental Congress as a delegate. When the fledgling rebels needed a general to lead the Revolution and form those ragtag bands of militia men into a continental Army capable of fighting the world's most powerful country, George Washington became a hero. He led the soldiers of this new country through incredible victories and crushing defeats until he forced the surrender of Gen. Cornwallis on Oct. 19, 1781.

After winning at Yorktown and securing the independence proclaimed in 1776, George Washington again returned to Mount Vernon. His return, however, would prove to be short-lived for it became obvious to him that the new government of the United States could not meet the challenges of governing. So George Washington called together, and presided over, the second Constitutional Convention where his prestige and reputation were instrumental in leading to the adoption of the United States Constitution.

Immediately following the adoption of the Constitution, George Washington's country again needed his services and again he answered her call. At a time when he could have been king, George Washington became the first American President. As such, he established the standard from which all to come would follow.

George Washington was born in Virginia when it was only a colony of Great Britain. He lived in Virginia at a time when each state considered itself a sovereign nation independent unto itself. But George Washington was not only a colonist and a Virginian. He was an American and the embodiment of the principles, morals, and ideals that led to the creation, and success, of the United States. I am honored to have the opportunity to participate in this ceremony today.

ADJOURNMENT TO TUESDAY, FEBRUARY 27, 1996

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12:30 p.m. on Tuesday, February 27, 1996, for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

ADJOURNMENT

Ms. NORTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 4 minutes a.m.), under its previous order, the House adjourned until Tuesday, February 27, 1996, at 12:30 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2074. A letter from the Assistant Secretary of Defense, transmitting a report entitled "Report on the Performance of Department of Defense Commercial Activities," pursuant to 10 U.S.C. 2304 note; to the Committee on National Security.

2075. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report involving United States exports to Ghana, pursuant to 12 U.S.C. 635(b)(3)(i); to the Committee on Banking and Financial Services.

2076. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report involving United States exports to Indonesia, pursuant to 12 U.S.C. 635(b)(3)(i); to the Committee on Banking and Financial Services.

2077. A letter from the Chairman, Harry S. Truman Scholarship Foundation, transmitting the Foundation's annual report for 1995, pursuant to 20 U.S.,C. 2012(b); to the Committee on Economic and Educational Opportunities.

2078. A letter from the Administrator, Energy Information Administration, transmitting a report entitled "Performance Profiles of Major Energy Producers 1994," pursuant to 42 U.S.C. 7267; to the Committee on Commerce.

2079. A letter from the Chairman, Nuclear Regulatory Commission, transmitting a report on abnormal occurrences at licensed nuclear facilities for the third quarter of calendar 1995, pursuant to 42 U.S.C. 5848; to the Committee on Commerce.

2080. A letter from the Assistant Secretary of Defense—Force Management Policy, transmitting a report on the audit of the American Red Cross for the year ending June 30, 1995, pursuant to 36 U.S.C. 6; to the Committee on International Relations.

2081. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–199, "Technical Amendments Act of 1996," pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

2082. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–201, "Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996," pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

2083. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–202, "Joint Custody of Children Act of 1996," pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

2084. A letter from the Auditor, District of Columbia, transmitting a copy of a report entitled "Review of the Fiscal Year 1995 Comprehensive Annual Financial Report (CAFR)," pursuant to D.C. Code, section 47–117(d); to the Committee on Government Reform and Oversight.

2085. A letter from the Federal Financial Institutions Examination Council, Appraisal Subcommittee, transmitting the 1995 annual report in compliance with the Inspector General Act Amendments of 1988, pursuant to Public Law 100–504, section 104(a) (102 Stat. 2525); to the Committee on Government Reform and Oversight.

2086. A letter from the Chief Financial Officer, Export-Import Bank of the United States, transmitting the Bank's annual management report for the year ended September 30, 1995, pursuant to Public Law 101–576, section 306(a) (104 Stat. 2854); to the Committee on Government Reform and Oversight.

2087. A letter from the Director, Federal Emergency Management Agency, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

2088. A letter from the Director, Federal Emergency Management Agency, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

2089. A letter from the Chair, Federal Energy Regulatory Commission, transmitting a report of activities under the Freedom of Information Act for calendar year 1995, pursuant to 5 U.S.C. 552(e); to the Committee on Government Reform and Oversight.

2090. A letter from the Director, Office of Financial Management, General Accounting Office, transmitting the fiscal year 1995 annual report of the Comptrollers General retirement system, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Reform and Oversight.

2091. A letter from the Administrator, General Services Administration, transmitting a draft of proposed legislation to amend section 1113 of the Right to Financial Privacy Act of 1978 clarifying the Government's authority to collect financial records in conjunction with a Federal contractor-issued travel charge card; to the Committee on Government Reform and Oversight.

2092. A letter from the Executive Director, National Education Goals Panel, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

2093. A letter from the Executive Secretary, National Labor Relations Board, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1995, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform and Oversight.

2094. A letter from the Chairman, National Transportation Safety Board, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1995, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform and Oversight.

2095. A letter from the Director, Office of Management and Budget, transmitting an accounting standard for Federal property, plant, and equipment that was recently recommended by the Federal Accounting Standards Advisory Board [FASAB] and approved in its entirety by the Secretary of the Treasury, the Director of the Office of Management and Budget [OMB], and the Comptroller General, pursuant to Public Law 101–576, section 307 (104 Stat. 2855); to the Committee on Government Reform and Oversight.

2096. A letter from the Secretary of the Interior, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

2097. A letter from the Acting Chairman, Thrift Depositor Protection Oversight Board, transmitting the final semiannual report on activities of the inspector general of the RTC for the period October 1, 1995, through December 31, 1995, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

2098. A letter from the Deputy Associate Director for Compliance, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Resources.

2099. A letter from the Assistant Secretary for Water and Science, Department of the Interior, transmitting a proposed contract amendment to Contract No. 7–07–60–WO280 executed with the Belle Fourche Irrigation District, Pick-Sloan Missouri Basin Program, SD; to the Committee on Resources.

2100. A letter from the Migratory Bird Conservation Commission, transmitting the annual report of activities for the fiscal year ended September 30, 1995, pursuant to 16 U.S.C. 715b; to the Committee on Resources.

2101. A letter from the Director, Government Relations, Girl Scouts of the United States of America, transmitting the Girl Scouts of the United States of America 1995 annual report, pursuant to 36 U.S.C. 37; to the Committee on the Judiciary.

2102. A letter from the Secretary of Transportation, transmitting the Department's report on the Port of Miami high-level bridge demonstration project, pursuant to Public Law 97–424, section 131(h)(4) (96 Stat. 2111); to the Committee on Transportation and Infrastructure.

2103. A letter from the Chairman, National Transportation Safety Board, transmitting a copy of the National Transportation Safety Board's letter to OMB appealing the fiscal year 1997 allowance of $39,836,000 for the Board, pursuant to 49 U.S.C. app. 1903(b)(7); to the Committee on Transportation and Infrastructure.

2104. A letter from the Secretary of the Treasury, transmitting notification that the Treasury announced the auction of $29 billion of 55-day cash management bills, to be issued pursuant to section 1(b) of Public Law 104–103, pursuant to Public Law 104–103, section 1(b) (110 Stat. 55); to the Committee on Ways and Means.

2105. A letter from the Secretaries of Veterans Affairs and Defense, transmitting a report on the implementation of the health resources sharing portion of the Department of Veterans Affairs and Department of Defense Health Resources Sharing and Emergency Operations Act for fiscal year 1995, pursuant to 38 U.S.C. 8111(f); jointly, to the Committees on National Security and Veterans' Affairs.

2106. A letter from the Chairman, Board of Governors, Federal Reserve System, transmitting its monetary policy report, pursuant to 12 U.S.C. 225a; jointly, to the Committees on Banking and Financial Services and Economic and Educational Opportunities.

2107. A letter from the Assistant Attorney General, transmitting a draft of proposed legislation entitled "Act to Improve the Treatment of and Security for Certain Persons Found Not Guilty by Reason of Insanity in the District of Columbia"; jointly, to the Committees on the Judiciary and Government Reform and Oversight.

2108. A letter from the Secretary of Health and Human Services, transmitting the Department's report on the Information, Counseling and Assistance [ICA] Grants Program, as created under section 4360(f) of the Omnibus Budget Reconciliation Act of 1990 [OBRA 90]; jointly, to the Committees on Ways and Means and Commerce.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SCHAEFER:

H.R. 2967. A bill to extend the authorization of the Uranium Mill Tailings Radiation Control Act of 1978, and for other purposes; to the Committee on Commerce.

By Mr. GEKAS (for himself and Mr. ROYCE):

H.R. 2968. A bill to prohibit the use of credit cards by officers and employees of the Federal Government; to the Committee on Government Reform and Oversight.

By Mr. KLUG (for himself and Mr. KENNEDY of Massachusetts):

H.R. 2969. A bill to eliminate the Board of Tea Experts by repealing the Tea Importation Act of 1897; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MCCOLLUM (for himself and Mr. SHAW):

H.R. 2970. A bill to provide for a judicial remedy for U.S. persons injured as a result of violations by foreign states of their arbitral obligations under international law; to the Committee on the Judiciary.

By Mr. THOMAS:

H.R. 2971. A bill to amend the Internal Revenue Code of 1986 and the Social Security Act to reduce Social Security taxes and to provide for Social Security individual retirement accounts funded by Social Security payroll deductions; to the Committee on Ways and Means, and in addition to the Committee on Economic and Educational Opportunities, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BARR:

H. Res. 364. Resolution providing for the consideration of the bill (H.R. 125) to repeal the ban on semiautomatic assault weapons and the ban on large capacity ammunition; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

201. The SPEAKER presented a memorial of the House of Representatives of the State of Maine, relative to memorializing the President and the Congress of the United States to support full participation by the Republic of China on Taiwan in the United Nations; to the Committee on International Relations.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1701: Mr. CAMP.

H.R. 1884: Mr. DELLUMS.

H.R. 2270: Mr. NEY.

H.R. 2320: Mr. DICKEY and Mr. SOLOMON.

H.R. 2391: Mr. HERGER, Mr. TAYLOR of North Carolina, Mr. BLILEY, Mr. ROHRABACHER, Mr. CUNNINGHAM, Mr. BARRETT of Nebraska, Mr. MCKEON, and Mr. SOUDER.

H.R. 2604: Mrs. MORELLA, Mr. MCCOLLUM, and Mr. DORNAN.

H.R. 2912: Mr. GEJDENSON, Mr. COSTELLO, Ms. LOFGREN, Mr. JACOBS, Mr. EVANS, Mr. TOWNS, Mr. MARTINEZ, Mr. SOLOMON, and Mr. BAKER of Louisiana.

H.R. 2922: Mr. FRAZER.

H.R. 2944: Mr. MINGE.

H.R. 2959: Mr. COYNE, Mr. NEAL of Massachusetts, Mr. TOWNS, Mr. BECERRA, Mr. KILDEE, Mr. COLEMAN, Mr. WYNN, Mrs. MINK of Hawaii, Mr. JACOBS, Mr. FATTAH, Mr. FRAZER, Ms. VELÁZQUEZ, and Mr. LAFALCE.

H. Res. 30: Ms. ROS-LEHTINEN, Mr. FRISA, Mrs. MALONEY, and Mr. GILMAN.

PETITIONS, ETC.

Under clause 1 of rule XXII petitions and papers were laid on the Clerk's desk and referred as follows:

59. By the SPEAKER: Petition of the council of the city of New York, NY, relative to the Summer and Year-Round Youth Employment Programs; to the Committee on Economic and Educational Opportunities.

60. Also, petition of the city council of Chattanooga, TN, relative to the telecommunications bill; to the Committee on Commerce.

61. Also, petition of the city council of the city of Compton, CA, relative to the Barton-Stupak amendment in the telecommunications reform conference report; to the Committee on Commerce.

EXTENSIONS OF REMARKS

NATIONAL ENGINEERS WEEK

HON. ROBERT S. WALKER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1996

Mr. WALKER. Mr. Speaker, February 18 to 24 is designated as "National Engineers Week." This week is devoted to increasing the recognition of the contributions that engineering and technology make to the quality of our lives. During National Engineers Week, more than two dozen prominent engineers lead others in a variety of activities, from school visits to media forums.

National Engineers Week has been celebrated annually since 1951, and is always celebrated at the time of George Washington's birthday. This is a fitting tribute to our first President, who is also considered the Nation's first engineer. As President, Washington led a growing society toward technical advancements, invention, and education. Continuing that tradition in the Congress are the trained engineers we have in Senators JOHN GLENN and JOHN WARNER, Representatives ROSCOE BARTLETT, JOE BARTON, MICHAEL BILIRAKIS, BOB FILNER, JOHN HOSTETTLER, JAY KIM, WILLIAM LUTHER, L.F. PAYNE, JOE SKEEN, and Science Committee Ranking Minority Member GEORGE BROWN.

Mr. Speaker, it is important to note the significance of National Engineers Week to education. By taking this time to visit with students of all grade levels, engineers are able to demonstrate practical applications of math, science, and engineering and converse with students about the role of engineers. Such interaction with our Nation's youth is essential as we move into the next century.

As we conclude National Engineers Week, I would like to recognize the National Engineers Week Committee, a coalition of engineering societies, corporations, and government agencies. Their efforts have made this week a successful and productive one.

HONORING THE RETIREMENT OF DEPUTY INSPECTOR GENERAL, DEPARTMENT OF DEFENSE, DEREK J. VANDER SCHAAF

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1996

Mr. DAVIS. Mr. Speaker, I rise today to pay tribute to Deputy Inspector General Derek J. Vander Schaaf who is retiring on March 1, 1996, from the Department of Defense after more than 32 years of Government service. Mr. Vander Schaaf has been involved in Department of Defense management and operational matters for his entire career. He has an indepth knowledge of Department of Defense organizations and programs based on his three decades of Department of Defense-related work in the office of the inspector general, the Office of the Secretary of Defense, the U.S. House of Representatives Committee on Appropriations, and active duty in the U.S. Army.

Mr. Vander Schaaf attended the University of South Dakota, and in 1961, received a bachelor of arts degree in political science and business administration. He received a master of arts degree in public administration in 1963 from the University of Massachusetts. In 1993, Mr. Vander Schaaf received an honorary doctor of laws from the University of South Dakota. After graduation from the University of South Dakota he was commissioned as a second lieutenant in 1961 and served on active duty with the Army's 24th Infantry Division in Germany from September 1963 to May 1965.

After leaving military service, Mr. Vander Schaaf joined the Office of the Secretary of Defense in 1965 and was employed by the Office of the Assistant to the Secretary of Defense as a program analyst.

In May 1968, Mr. Vander Schaaf joined the Office of the Assistant Secretary of Defense, comptroller, where he was principally responsible for budgetary review of the military departments research, development, test and evaluation programs. After developing a reputation for budgetary and management expertise Mr. Vander Schaaf went to work with the House Committee on Appropriations as a senior staff adviser to the Subcommittee on Defense. During his tenure from 1972 to 1981, Mr. Vander Schaaf was principally involved in readiness issues, force deployments, logistics, medical, command and control, Reserve Force programs, and the Defense Department budget in general. During that time he authorized many reports for the committee dealing with overseas deployments, readiness, and the efficiency and effectiveness of Department of Defense operations.

In 1981, Mr. Vander Schaaf began his tenure as the deputy within the office of the inspector general and its predecessor, the Office of the Assistant to the Secretary of Defense for Review and Oversight. He played a vital role in the establishment and early development of the office and has been a key leader in all of the inspector general's major functions and activities, which include policy and oversight responsibilities for the Department of Defense's 18,000 auditors, investigators, inspectors. In the absence of an appointed inspector general, he has served as the acting inspector general for 5 of the last 9 years. He has earned wide respect from the private sector, his peers at the Department of Defense, and from Members of Congress for the professional and proactive role he has played in curbing fraud and abuse.

During Mr. Vander Schaaf's long distinguished career he has been the recipient of numerous awards and special recognitions including the Distinguished Federal Executive Award and the Meritorious Federal Executive Award. He is also a two-time recipient of the Defense Distinguished Civilian Service Award, the Department's highest civilian service award. Mr. Vander Schaaf has even found time during his busy professional career to serve his community as president of the Ravenwood Civic Association, where I first met him when I served as a member of the Fairfax County Board of Supervisors. He has been a model neighbor, civic leader, and friend.

Mr. Speaker, many of my colleagues have had the pleasure of working with Derek Vander Schaaf over the years and I know they join me in honoring him for his 32 years of public service congratulating him on a job well done and wish him and his wife, Karen, and their two children, Jill and Derek, Jr., continued success in the years ahead.

IRAN'S THREAT TO PERSIAN GULF'S SECURITY

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1996

Mr. ACKERMAN. Mr. Speaker, I rise today to bring to the attention of the American people a potentially ominous situation for a region of the world to which the United States attaches great importance. It has always been in the interests of the United States to promote a balance of power in the Middle East and the peaceful flow of oil in the Persian Gulf. Stability and security has always been in the interests of our allies in the region as well and for the last 50 years has generally been a high priority in the execution of American foreign policy.

However, the recent sale of advanced cruise missiles by the People's Republic of China [PRC] to Iran is a threat to that same stability and flies directly in the face of American nonproliferation efforts. I highlight this sale, and emphasize its possibly destabilizing effects, for my colleagues and all Americans for several reasons.

First, the sale of these weapons by China is a blatant violation of the Missile Technology Control Regime [MTCR], a global accord that was enacted in the hope of halting the spread of advanced missiles around the globe. With this recent weapons sale, China has clearly violated the agreement.

The repercussion of this sale in the region is undeniable. Iran's purchase of these weapons gives it the possibility of dramatically influencing, and potentially gaining control of, the gulf's important and lucrative shipping lanes—something Iran has sought for 17 years. There is no doubt that we must take this sale for

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Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

what it is—an attempt by Iran to gain hegemony over the distribution of the region's valuable oil reserves. Iran's violent and aggressive recent past cannot allow us to be deceived into thinking that these weapons are to be used for any other but offensive purposes. This is pure and simple an offensive threat to both our, and the region's, commercial shipping industry.

Our interest in the region, and our past expense of resources to defend those interests, dictate the importance of not overlooking this recent action. We must ensure that the potential for any increased peaceful trade, due to the Middle East peace process, not be disrupted. We cannot allow the promise of a bright economic future for the Middle East and the Persian Gulf suffer at the hands of the despotic rulers in Iran. To counter that, I have recently cosponsored legislation that would deeply affect Iran's ability to do business and I strongly urge all my colleagues to do the same. These proposed economic sanctions will show that the United States has no intention of abandoning the gulf region to the terroristic whims of Iran's mullahs.

U.S. SENATOR ROBERT C. BYRD: MR. WEST VIRGINIA

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 23, 1996

Mr. RAHALL. Mr. Speaker, it was recently brought to my attention that a lot has happened over the last 50 years.

And you may well ask: Who doesn't know that? So something must have happened to bring that fact home to me, you are thinking. And you are right.

The fact that a lot has happened over the last 50 years was brought home to me in a most defining moment when our revered senior U.S. Senator from West Virginia, ROBERT C. BYRD, showed me a 50-year-old artifact of his long tenure as a public servant on behalf of the people of our great State.

Today, February 23, 1996, marks the half-century that has passed since ROBERT C. BYRD filed to run for his first public office, when he ran for the West Virginia House of Delegates.

Fifty years ago, on February 23, 1946, Senator BYRD paid the Raleigh County Circuit Clerk a fee of $10 for filing.

More awesome still, in the telling of this story, is—first of all—Senator BYRD still has that original $10 receipt No. 5333. The paper it is written on has yellowed with age and the passage of time that has made it as fragile as old parchment.

Second, after taking a closer look at that aging receipt, and given that at this time in our country's political history when fund raising for the big bucks necessary to win reelection has gone through the ceiling and into outer space, it was rather inspiring to note that the filing fee for public office 50 years ago was a whopping $10.

And finally, I noted that in that 50-year period, the fee for filing for office in West Virginia has gone up by only $23—to $33—reflecting an increase of only 46 cents per year for 50 years.

Senator ROBERT C. BYRD might say that this alone should encourage all public-spirited young men and women in West Virginia and in the Nation to run for public office; it says that at least, the filing fee is no obstacle to the desire to serve—and that ROBERT C. BYRD has a well-aged, 50 year-old receipt to prove it.

Mr. Speaker, Senator ROBERT C. BYRD is one of the finest men to ever serve in the U.S. Senate, indeed the finest to ever serve in both legislative bodies in the West Virginia Legislature, and who subsequently won a seat in the U.S. House of Representatives prior to beginning his service in the Senate in 1958.

When I am asked to pay tribute to Senator BYRD—there is often so much to say, and so much that needs to be said for history's sake, lest we ever forget this man's devotion to the people of his State, but I find words often are not enough to pay tribute to his tireless efforts on behalf of West Virginians.

I have often heard the Senator quote, from what I believe is the Book of Proverbs, saying: "Without vision, the people will perish." I, and all West Virginians are quite certain that, without Senator BYRD's innate wisdom and certainly his vision of the future throughout the half-century of service he has given us, West Virginia would not have become the bulwark, it now is for statewide business development opportunities and other economic development projects.

In a State such as ours, economic recovery is not as swift as it is for other States once economic growth and stability for the Nation is strengthening. We have to work harder to bring in new business and industry and to create new jobs.

With an eye toward bringing new industries and new jobs to West Virginia, and secure in the knowledge of our State's countless attributes such as a willing and able labor supply, plentiful natural resources, a growing State infrastructure, spectacular scenery, and a good, clean, crime-free living environment—Senator BYRD's vision is going to help bring West Virginia into the 21st century equally as well prepared as other States.

But Senator BYRD isn't just about a 50-year-old receipt for having filed for his first public office, nor about his more recent successful efforts to bring about the very effective business development opportunities in our State.

Senator BYRD has always known, and has always acted on the knowledge, that for a State to grow and to thrive depends upon an educated citizenry. Educating our children and youth has always been in the forefront of his grand vision for improving West Virginia. By ensuring an educated citizenry, Senator BYRD has brought to fruition not only his dream, but all of West Virginia's, of capitalizing on our State's many resources—both human and capital.

Senator BYRD has put his considerable influence and concern to work to ensure our ability to enter into the growing fields of health care services and delivery, the information highway, computer science and technology, infrastructure building, school improvement, and reform which includes his strong support for libraries and literacy programs, to name only a few.

His dedication to growth in the fledgling travel and tourism industry in our State which is known for its grand, breathtaking beauty amidst rugged mountainous terrain, and for its early historical influence, often after bloody encounters, in bringing about fair labor laws to serve its working men and women, especially in the coal mining industry, is well documented.

It is through these kinds of exemplary initiatives that Senator BYRD more than any other single individual, has helped assure West Virginia's entry into the technological world of the 21st century fully prepared and raring to go.

Today, I am pleased to salute ROBERT C. BYRD as Senator, as mentor, as a personal friend, and to wish him Godspeed as he labors in the vineyard of excellence in pursuit of an even stronger future for our State and its people. I know that as he has done in the past 50 years, Senator BYRD will today, kick off the next 50 years by continuing his work in ways that will give our people the natural dignity of a paycheck, the comfort of a job, the hope of parents for their children's future brought by education, the ability to find joy and pride in being a West Virginian, and the strength that comes from having a purpose in life and being prepared to meet all the challenges along the way.

Happy 50th anniversary, Senator BYRD.

SENATE—*Monday, February 26, 1996*

(Legislative day of Friday, February 23, 1996)

The Senate met at 3 p.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Our prayer today is George Washington's "Prayer for the United States of America," exactly as it is preserved in the chapel at Valley Forge.

"Almighty God: We make our earnest prayer that Thou wilt keep the United States in Thy holy protection; that Thou wilt incline the hearts of the citizens to cultivate a spirit of subordination and obedience to the government, and entertain a brotherly affection and love for one another and for their fellow citizens of the United States at large. And finally that Thou wilt most graciously be pleased to dispose us all to do justice, to love mercy, and to demean ourselves with that charity, humility, and pacific temper of mind which were the characteristics of the Divine Author of our blessed religion, and without a humble imitation of whose example in these things, we can never hope to be a happy Nation. Grant our supplication, we beseech Thee, through Jesus Christ our Lord. Amen."

READING OF WASHINGTON'S FAREWELL ADDRESS

The PRESIDING OFFICER (Mr. FRIST). Under the order previously entered, the Senator from Hawaii [Mr. AKAKA] is recognized to read George Washington's farewell address.

Mr. AKAKA, at the rostrum, read the Farewell Address, as follows:

To the people of the United States.

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset, of the inferiority of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and, every day, the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently, want of success has countenanced the spirit of criticism,—the constancy of your support was the essential prop of the efforts, and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these states, under the auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his

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counsel. Nor can I forget, as an encouragement to it, your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquility at home: your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But, as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth; as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite movement, that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as of the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you possess, are the work of joint counsels, and joint efforts, of common dangers, sufferings and successes.

But these considerations, however powerfully they address themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest.—Here, every portion of our country finds the most commanding motives for carefully guarding and preserving the union of the whole.

The *north*, in an unrestrained intercourse with the *south*, protected by the equal laws of a common government, finds in the productions of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry.—The *south*, in the same intercourse, benefiting by the same agency of the *north*, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the *north*, it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength, to which itself is unequally adapted. The *east*, in a like intercourse with the *west*, already finds, and in the progressive improvement of interior communications by land and water, will more and more find a valuable vent for the commodities which it brings from abroad, or manufactures at home. The *west* derives from the *east* supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the *secure* enjoyment of indispensable *outlets* for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as *one nation*. Any other tenure by which the *west* can hold this essential advantage, whether derived from its own separate strength; or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

While then every part of our country thus feels an immediate and particular interest in union, all the parts combined cannot fail to find in the united mass of means and efforts, greater strength, greater resource proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries not tied together by the same government; which their own rivalship alone would be sufficient to produce, but which opposite foreign alliances, attachments, and intrigues, would stimulate and embitter.—Hence likewise, they will avoid the necessity of those overgrown military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is, that your union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind, and exhibit the continuance of the union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? let experience solve it. To listen to mere speculation if such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who, in any quarter, may endeavor to weaken its hands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern, that any ground should have been furnished for characterizing parties by *geographical* discriminations,—*northern* and *southern—Atlantic* and *western*; whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence within particular districts, is to misrepresent the opinions and aims of other districts. You cannot shield yourself too much against the jealousies and heart burnings which spring from these misrepresentations: they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this head: they have seen, in the negotiation by the executive, and in the unanimous ratification by the senate of the treaty with Spain, and in the universal satisfaction at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the general government and in the Atlantic states, unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, towards confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the union by which they were procured? will they not henceforth be deaf to those advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union, a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and containing within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government.—But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presupposes the duty of every individual to obey the established government.

All obstructions to the execution of the laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency.—They serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men, will be enable to subvert the power of the people, and to usurp for themselves the reigns of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Towards the preservation of your government and the permanency of your present happy state, it is requisite, not only that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretext. One method of assault may be to effect, in the forms of the constitution, alterations which will impair the energy of the system; and thus to undermine what cannot be directly overthrown. In all the changes to which you may be invited, remember that time and habit are at least as necessary to fix the true character of governments, as of other human institutions:—that experience is the surest standard by which to test the real tendency of the existing constitution of a country:—that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion: and remember, especially, that for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government, with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name, where the government is too feeble to withstand the enterprises of fraction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of parties in the state, with particular references to the founding them on geographical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind.—It exists under different shapes in all governments, more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism.—But this leads at length to a more formal and permanent despotism. The disorders and miseries which result, gradually incline the minds of men to seek security and repose in the absolute power of an individual; and, sooner or later, the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of this kind, (which nevertheless ought not to be entirely out of sight) the common and continual mischiefs of the spirit of party are sufficient to make it in the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils, and enfeeble the public administration. It agitates the community with ill founded jealousies and false alarms; kindles the animosity of one part against another; forments occasional riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the government itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the government, and serve to keep alive the spirit of liberty. This within certain limits is probably true; and in governments of a monarchial cast, patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warming, it should consume.

It is important likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasions of the others, has been evinced by experiments ancient and modern: some of them in our country and under our own eyes.—To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the constitution designates.—But let there be no change by usurpation; for through this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil, any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, where is the security for property, for reputation, for life, if the sense of religious obligation *desert* the oaths which are the instruments of investigation in courts of justice? and let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

It is substantially true, that virtue or morality is a necessary spring of popular government. The rule, indeed, extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should co-operate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to have revenue there must be taxes; that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties), ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time debate.

Observe good faith and justice towards all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least, is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachment for others, should be excluded; and that, in place of them, just and amicable feelings towards all should be cultivated. The nation which indulges towards another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity, or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another, disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation's subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, or privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealously, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils!—Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence, (I conjure you to believe me fellow citizens,) the jealousy of a free people ought to be *constantly* awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealously, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little *political* connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith:—Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony, and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied as experience and circumstances shall dictate; constantly keeping in view, that it is folly in one nation to look for disinterested favors from another; that is must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our nation from running the course which has hitherto marked the destiny of nations, but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself, the assurance of my own conscience is, that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe, my proclamation of the 22d of April, 1793, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both houses of congress, the spirit of that measure has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound, in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, perseverance and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without any thing more, from the obligation which justice and humanity impose on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity towards other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me, a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that degree of strength, and consistency which is necessary to give it, humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration, I am unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that, after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man who views in it the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that in which I promise myself to realize, without alloy, the sweet enjoyment of partaking, in the midst of my fellow citizens, the benign influence of good laws under a free government—the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors and dangers.

GEO. WASHINGTON.

UNITED STATES,
17th September, 1796.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT CONCERNING THE COUNCIL OF ECONOMIC ADVISERS—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 123

Under the authority of the order of the Senate of January 4, 1995, the Secretary of the Senate, on February 14, 1996, during the recess of the Senate, received the following message from the President of the United States, together with an accompanying report; which was referred to the Joint Economic Committee.

To the Congress of the United States:

Fifty years ago, the Congress passed and President Truman signed the Employment Act of 1946, which committed the U.S. Government to promote policies designed to create employment opportunities for all Americans. I am proud that my Administration has made President Truman's commitment a reality. Over the past 3 years, we have created a sound economic foundation to face the challenges of the 21st century.

STRONG ECONOMIC PERFORMANCE

Overall, the American economy is healthy and strong. In the first 3 years of this Administration nearly 8 million jobs were created; 93 percent of them in the private sector. The so-called "misery index"—the sum of the inflation and unemployment rates—fell last year to its lowest level since 1968. Investment has soared, laying the basis for future higher economic growth. New business incorporations have set a record and exports of American-made goods have grown rapidly. Our is the strongest and most competitive economy in the world—and its fundamentals are as sound as they have been in three decades.

This turnaround occurred because of the hard work and ingenuity of the American people. Many of the new jobs are high-wage service sector jobs—reflecting the changing structure of the economy. The telecommunications, biotechnology, and software industries have led the high-tech revolution world-wide. Traditional industries, such as manufacturing and construction, have restructured and now use technology and workplace innovation to thrive and once again create jobs. For example, in 1994 and 1995, America was once again the world's largest automobile maker.

Our 1993 economic plan set the stage for this economic expansion and resurgence, by enacting historic deficit reduction while continuing to invest in technology and education. For over a decade, growing Federal budget deficits kept interest rates high and dampened reinvestment and productivity growth. Now, our deficit is proportionately the lowest of any major economy.

Today, our challenge is to ensure that all Americans can become winners in economic change—that our people have the skills and the security to make the most of their own lives. The very explosion of technology and trade that creates such extraordinary opportunity also places new pressures on working people. Over the past two decades, middle-class earnings have stagnated, and our poorest families saw their incomes fall. These are long-run trends, and 3 years of sound economic policies cannot correct for a decade of neglect. Even so, we are beginning to make some progress: real median family income increased by 2.3 percent in 1994, and the poverty rate fell in 1994 for the first time in 5 years.

ADDRESSING OUR ECONOMIC CHALLENGES

I am firmly committed to addressing our economic challenges and enhancing economic security for all Americans. People who work hard need to know that they can and will have a chance to win in our new and changing economy. Our economic agenda seeks both to promote growth and to bring the fruits of that growth within reach of all Americans. Our overall strategy is straightforward:

—*Balancing the budget*. In the 12 years before I took office, the budget deficit skyrocketed and the national debt quadrupled. My Administration has already cut the budget deficit nearly in half. I am determined to finish the job of putting our fiscal house in order. I have proposed a plan that balances the budget in 7 years, without violating our fundamental values—without undercutting Medicare, Medicaid, education, or the environment and without raising taxes on working families. The plans put forth by my Administration and by the Republicans in the Congress contain enough spending cuts in common to balance the budget and still provide a modest tax cut. I am committed to giving the American people a balanced budget.

—*Preparing workers through education and training*. In the new economy, education is the key to opportunity—and the education obtained as a child in school will no longer last a lifetime. My Administration has put in place the elements of a lifetime-learning system to enable Americans to attend schools with high standards; get help going to college, or from school into the workplace; and receive training and education throughout their careers. We expanded Head Start for preschoolers; enacted Goals 2000, establishing high standards for schools; created a new direct student loan program that makes it easier for young people to borrow and repay college loans; gave 50,000 young people the opportunity to earn college tuition through community service; and enacted the School-to-Work Opportunities Act. Now we must continue to give our people the skills they need, by enacting my proposals to make the first $10,000 of college tuition tax deductible; to give the top 5 percent of students in each high school a $1,000 merit scholarship; and to enact the GI Bill for Workers, which would replace the existing worker training system with a flexible voucher that workers could use at community colleges or other training facilities.

—*Increasing economic security*. We must give Americans the security then need to thrive in the new economy. We can do this through health insurance reforms that will give Americans a chance to buy insurance when they change jobs or when someone in their family is sick. We can do this by encouraging firms to provide more extensive pension coverage, as I have done through my proposals for pension simplification. In addition, we should make work pay by increasing the minimum wage and preserving the full Earned Income Tax Credit (EITC), which cuts taxes for hard-pressed working families to make sure that no parents who work full-time have to raise their children in poverty.

—*Creating high-wage jobs through technology and exports*. We must continue to encourage the growth of high-wage industries, which will create the high-wage jobs of the future. We have reformed the decades-old telecommunications laws, to help spur the digital revolution that will continue to transform the way we live. We must continue to encourage exports, since jobs supported by goods exports pay on average 13 percent more than other jobs. My Administration has concluded over 200 trade agreements, including the North American Free Trade Agreement and the Uruguay Round of the General Agreement on Tariffs and Trade, seeking an open world marketplace and fair rules for exporters of American goods and services. As a result, merchandise exports have increased by 31 percent.

—*A government that is smaller, works better, and costs less*. A new economy demands a new kind of government. The era of big, centralized, one-size-fits-all government is over. But the answer is not the wholesale dismantling of government. Rather, we must strive to meet our problems using flexible, non-bureaucratic means—and working with businesses, religious groups, civic organizations, schools, and State and local governments. My Administration has reduced the size of government: as a percentage of civilian nonfarm employment, the Federal workforce is the smallest it has been since 1933, before the New Deal. We have conducted a top-to-bottom overhaul of Federal regulations, and are eliminating 16,000 pages of outdated or burdensome rules altogether. We have reformed environmental, workplace safety, and pharmaceutical regulations to cut red tape without hurting public protection. And we will continue to find new, market-based ways to protect the public.

THE NEED TO CONTINUE WITH WHAT WORKS

As *The Annual Report of the Council of Economic Advisers* makes clear, this is a moment of great possibility for our country. Ours is the healthiest of any major economy. No nation on earth is better positioned to reap the rewards of the new era. Our strategy of deficit reduction and investment in our people has begun to work. It would be a grave error to turn back.

Our Nation must reject the temptation to shrink from its responsibilities or to turn to narrow, shortsighted solutions for long-term problems. If we continue to invest for the long term, we will pass on to the next generation a Nation in which opportunity is even more plentiful than it is today.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 14, 1996*

REPORT CONCERNING REVISION OF CERTAIN BUDGET DEFERRALS—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 124

Under the authority of the order of the Senate of January 4, 1995, the Secretary of the Senate, on February 23, 1996, during the recess of the Senate, received the following message from the President of the United States, together with an accompanying report; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Foreign Relations, and the Committee on Armed Services.

To The Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report three new deferrals and one revised deferral, totaling $3.6 billion, and four rescission proposals of budgetary resources, totaling $140 million.

These deferrals affect the International Security Assistance programs as well as programs of the Agency for International Development. The rescission proposals affect the Department of Defense.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 23, 1996.*

NOTICE OF HEARING

SUBCOMMITTEE ON PARKS, HISTORIC PRESERVATION, AND RECREATION

Mr. CAMPBELL. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources.

The hearing will take place on Thursday, March 7, 1996, at 9:30 a.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to review S. 745, a bill to require the National Park Service to eradicate brucellosis afflicting the bison in Yellowstone National Park; S. 796, a bill to provide for the protection of wild horses within the Ozark National Scenic Riverways, Missouri, and prohibit the removal of such horses; H.R. 238, a bill to provide for the protection of wild horses within the Ozark National Scenic Riverways, Missouri, and prohibit the removal of such horses; and S. 1451, a bill to authorize an agreement between the Secretary of the Interior and a State providing for the continued operation by State employees of national parks in the State during any period in which the National Park Service is unable to maintain the normal level of park operations.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Subcommittee on Parks, Historic Preservation, and Recreation, Committee on Energy and Natural Resources, U.S. Senate, 364 Dirksen Senate Office Building, Washington, DC 20510–6150.

For further information, please contact Jim O'Toole of the subcommittee staff at (202) 224–5161.

ADDITIONAL STATEMENTS

COMMEMORATING THE 50TH ANNIVERSARY OF PORTLAND STATE UNIVERSITY

• Mr. WYDEN. Mr. President, this year marks the 50th anniversary of Portland State University [PSU], Oregon's urban university. In its short life, the university has evolved into a national model for how higher education can be integrated into urban communities through service learning directed at taking on thorny urban problems. What this means is that instead of just focusing on ethereal academic concepts, PSU staff and students roll up their sleeves and connect concepts with community, and knowledge of an academic subject with real world applications.

In 1946, Portland State University began as an extension school to serve returning World War II veterans. Today, the university serves more than 37,000 individuals every year, offering a wide range of undergraduate and graduate degree programs. What's more, since its extension school days, PSU's mission has shifted to showing how town and gown can work together to build the communities of the future.

When innovative community programs in the Portland metropolitan area are brought to my attention, often I find that PSU is in the thick of things. One program that I am involved with is PSU's partnership with the Police Activities League [PAL] in sponsoring the National Youth Sports Program on campus every year. The program provides at-risk youngsters with a structured summer program which emphasizes sports, positive decision-making skills, and education. PSU does more than just provide the facilities—in keeping with its mission, university faculty consult with PAL in developing curriculum for the program and students are active participants in running the program. The collaboration doesn't just stop at the end of the summer. Throughout the year, PSU and PAL work together to involve these youngsters in positive programs and encourage them to work toward a college degree.

PSU has also tapped into emerging technologies to both strengthen the university and the community. One of the most innovative uses of technology is its PORTALS program, or the Portland Area Library System. PORTALS is a cooperative endeavor linking public and private institutions throughout the Portland area to an electronically accessible research library, with PSU as its hub. The States of Oregon and Washington both stand to benefit from the new resources available through this innovative project.

These programs are just the tip of the iceberg of the university's involvement. PSU runs teacher academies to help local teachers get in-service education. PSU students, who are all required to be involved in community projects, work at local community-based organizations such as community health centers, schools, and after-school programs.

It is thus no surprise that PSU has received a number of national awards for its innovative curriculum and for its work serving the metropolitan community and the State. Last year, the school received over $3 million from foundations and Federal agencies to support its cutting-edge undergraduate curriculum. For the same reason it is also has been recognized by the American Association of Higher Education, the American Association of State Colleges and Universities, and the Interstate Commission on Higher Education as a national model for innovative undergraduate education.

The 50th anniversary is a time to celebrate the achievements of the past and look forward to the innovations and adventures of the future. The faculty, staff, and students at Portland State University, past and present, deserve our congratulations on a remarkable history and our best wishes for future success.•

RECESS UNTIL 10 A.M. TOMORROW

The PRESIDING OFFICER. If there is no objection, the Senate will now stand in recess until 10 a.m. Tuesday, February 27, 1996.

Thereupon, the Senate, at 3:55 p.m., recessed until Tuesday, February 27, 1996, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate February 26, 1996:

U.S. ENRICHMENT CORPORATION

CHRISTOPHER M. COBURN, OF OHIO, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE UNITED STATES

ENRICHMENT CORPORATION FOR A TERM EXPIRING FEBRUARY 24, 2000, VICE GRETA JOY DICUS.

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. RICHARD C. BETHUREM, [redacted] U.S. AIR FORCE.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be general

LT. GEN. MICHAEL E. RYAN, [redacted] U.S. AIR FORCE.

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be general

GEN. RICHARD E. HAWLEY, [redacted] U.S. AIR FORCE.

THE FOLLOWING AIR NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE AIR FORCE UNDER THE PROVISIONS OF SECTIONS 12203 AND 8379, TITLE 10 OF THE UNITED STATES CODE. PROMOTIONS MADE UNDER SECTION 8379 AND CONFIRMED BY THE SENATE UNDER SECTION 12203 SHALL BEAR AN EFFECTIVE DATE ESTABLISHED IN ACCORDANCE WITH SECTION 8374, TITLE 10 OF THE UNITED STATES CODE.

LINE

To be lieutenant colonel

HAROLD E. BURCHAM [redacted]
STANLEY E. CLARKE III [redacted]
PAUL R. CREDIT [redacted]
MARK S. HARBOUR [redacted]
DAVID C. HARMON [redacted]
EMIL LASSEN III [redacted]
JACK C. MCCARTHY, JR. [redacted]
WENDEL J. MASALL, JR. [redacted]
CHESTER C. SCHIRMER [redacted]
JOSEPH R. TOLISANO [redacted]
NILDA E. URRUTIA-ESTRANY [redacted]
TONY L. WEST [redacted]

BIO-MEDICAL SCIENCE CORPS

To be lieutenant colonel

DALE F. FATH [redacted]
KENNETH S. KATTA [redacted]

MEDICAL CORPS

To be lieutenant colonel

JO L. HARBOUR [redacted]

DENTAL CORPS

To be lieutenant colonel

KEVIN W. MORRILL [redacted]

THE FOLLOWING-NAMED OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 12203(A) AND 3366:

ARMY PROMOTION LIST

To be lieutenant colonel

PATRICK V. ADAMCIK, [redacted]
BENJAMIN F. ADAMS [redacted]
JEANNE C. ADAMS [redacted]
JOHN D. ADAMS [redacted]
MARK R. ADAMS [redacted]
ROY S. ADAMS [redacted]
ROBERT D. ADAMSON [redacted]
FREDERICK AIKENS [redacted]
GREGORY ALEXANDER [redacted]
ROBERT L. ALEXANDER [redacted]
ANTHONY ALFORD [redacted]
BRUCE E. ALLEN [redacted]
CHARLES M. ALLEN [redacted]
DANIEL L. ALLEN [redacted]
JAMES M. ALLEN [redacted]
LARRY J. ALLEN [redacted]
PATRICK D. ALLEN [redacted]
GEORGE S. ALLISON [redacted]
LAWRENCE ALTEPETER [redacted]
KEVIN E. ALTHAUS, [redacted]
GARY L. AMBACH, [redacted]
NICHOLAS C. AMODEO [redacted]
WILLIAM F. ANDERS [redacted]
DAVID ANDERSON III [redacted]
PAUL W. ANDERSON [redacted]
ROBERT J. ANDERSON [redacted]
MARCIA L. ANDREWS [redacted]
DEBORAH ANDWOOD, [redacted]
DAVID E. ANSELMI [redacted]
EDDY L. ANTHONY [redacted]
SANDI R. APUNA [redacted]
KARL A. ARCHULETA [redacted]
JAMES F. ARGABRIGHT [redacted]
BOBBY C. ARMSTRONG [redacted]
BRYAN G. ARNOLD [redacted]
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ELISABET BACHMEIER [redacted]
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ROGER E. CORBIN [redacted]
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C. CULBERT, JR. [redacted]
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ALAN J. DRINKWATER [redacted]
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CONSTANCE DRUMMOND [redacted]
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JENNIFER L. DUNCAN [redacted]
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ALISTAIR G. DYER [redacted]
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BRADLEY W. EARLY [redacted]
WALTER A. EASLEY [redacted]
FRANCIS V. EBBECKE [redacted]
THOMAS W. EBLEN [redacted]
MARI K. EDER [redacted]
KENNETH D. EDWARDS [redacted]
CHARLES R. ELAM [redacted]
JAMES A. ELLIOTT, JR [redacted]
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DALE G. ELLIS [redacted]
DONALD ELLIS [redacted]
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NOREEN J. HOLTHAUS [redacted]
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JAMES F. HUMBLE [redacted]
MARGARET HUMPHRIES [redacted]
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JON H. HUNT [redacted]
NEIL V. HUNT [redacted]
EARL HUNTER III [redacted]
LIMUEL HUNTER, JR. [redacted]
ERNIE G. HUSE [redacted]

PAUL J. HUTTER [redacted]
GARY D. HYER [redacted]
ROBERTA A. ISCH [redacted]
ROBERT L. IZLAR [redacted]
VICTOR L. JACOBS [redacted]
GLENN L. JACOBSON [redacted]
MARC J. JACOBSON [redacted]
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GEORGE M. STRIPLING [redacted]
JAMES M. STRYKER [redacted]
GRANT E. STRZELCZYK [redacted]
HARRY D. STUDEBAKER [redacted]
WAYNE R. STURDIVANT [redacted]
CORNELIUS SULLIVAN [redacted]
DENNIS F. SULLIVAN, [redacted]
JIMMIE D. SULLIVAN [redacted]
HARRY G. SUMMERS [redacted]
ROBERT M. SUNDBERG [redacted]
ARNOLD H. SURFAS [redacted]
THOMAS R. SUTTER [redacted]
JOHN C. SWARTS [redacted]
LARRY J. SWARTZ [redacted]
MICHAEL K. SWEENEY [redacted]
VERNON W. SYLVESTER [redacted]
JAMES M. TALBOT [redacted]
ALAN B. TANCRETI [redacted]
GEORGE TANKERSLEY, [redacted]
JERRY TANNER, [redacted]
EDWARD F. TARANTINO [redacted]
CHARLES D. TAYLOR [redacted]
JOHN L. TAYLOR [redacted]
RONALD K. TAYLOR [redacted]
RUSSELL R. TAYLOR [redacted]
WILLIAM R. TAYLOR [redacted]
DOUGLAS B. TESDAHL [redacted]
RICHARD M. THEVEL [redacted]
BRIAN E. THIEM [redacted]
CLARENCE E. THOMAS [redacted]
LYNN E. THOMAS [redacted]
RANDAL E. THOMAS [redacted]
RANDOLPH J. THOMAS [redacted]
STEPHEN C. THOMAS [redacted]
BEVERLY P. THOMPSON [redacted]
EDWARD D. THOMPSON [redacted]
DOUGLAS R. THOMSON [redacted]
LINDA L. THORNTON [redacted]
PHILLIP J. THORP [redacted]
TERRY E.. THRALL [redacted]
STANLEY TIEFENBRUN [redacted]
JOHN R. TIFFANY [redacted]
JAMES R. TILLEY [redacted]
JOHN C. TOBIN [redacted]
FRANK J. TODERICO [redacted]
RONALD E. TOOMBS [redacted]
JON A. TORZEWSKI [redacted]
ROBERT H. TOWER [redacted]
DANIEL J. TRAVERS [redacted]
CARLOS A. TREJO [redacted]
ROBERTO TROCHE [redacted]
RICHARD B. TROPEA [redacted]
ROBERT W. TROWER [redacted]
PATRICK A. TROY [redacted]
HERBERT H. TUCK [redacted]
HOUSTON A. TUCKER [redacted]
CARL E. TURNER [redacted]

CHARLES R. TURNER[redacted]
ROBERT G. TURNMEYE[redacted]
RONALD J. TY[redacted]
TERRY W. TYRE[redacted]
THOMAS J. UMBER[redacted]
ANTHONY UNDERWOO[redacted]
ROBERT L. VALENCIA[redacted]
STEVEN VALENT[redacted]
MARION C. VALENTINO[redacted]
VICTOR W. VALLO[redacted]
DENNIS E. VANBEEST[redacted]
MAUREEN P. VANE[redacted]
CLAUDE VANN II[redacted]
HOMER S. VANTURE[redacted]
NANCY J. VERDE[redacted]
HAROLD, L. VICK JR.[redacted]
ARTHUR O. VICTOR[redacted]
GEORGE T. VILLAR[redacted]
EDWARD C. VOIGT[redacted]
KEVIN D. VOIGTS[redacted]
HARDEN D. VOLLMER[redacted]
GAIL W. VONDERHEID[redacted]
KURT C. VONTAGEN[redacted]
GARY R. WAGERS[redacted]
FREDDIE R. WAGGONER[redacted]
STEVEN A. WAGNER[redacted]
STEVEN D. WAGNER[redacted]
JAMES E. WALDREP[redacted]
CLAUDE R. WALKER[redacted]
DAVID L. WALKER,[redacted]
DELBERT D. WALKER[redacted]
FREDERICK O. WALKER[redacted]
JOHN F. WALLACE[redacted]
WILLIAM J. WALLS[redacted]
STEVEN S. WALSKY[redacted]
LEE S. WAPLES[redacted]
ROBERT F. WARD[redacted]
CURTIS K. WARREN[redacted]
TIMOTHY J. WARRICK[redacted]
MARVIN R. WARZECHA[redacted]
FRED L. WATERMAN[redacted]
ROBERT E. WATSON[redacted]
EDWARD S. WEAVER[redacted]
WILLIAM D. WEBB[redacted]
JOHN F. WECK[redacted]
ARTHUR WEINBLUM[redacted]
JERROLD WEISSINGER[redacted]
BILLY H. WELCH[redacted]
BRUCE F. WELCH[redacted]
ROBERT W. WELCH[redacted]
WILLIAM C. WELLEVER[redacted]
DENNIS F. WELLS[redacted]
MICHAEL E. WELLS,[redacted]
DAVID B. WENDLAND,[redacted]
CHESTER J. WERNICK[redacted]
DON A. WERTH,[redacted]
LAWRENCE A. WEST[redacted]
DENNIS C. WESTOVER[redacted]
CURTIS C. WHITE[redacted]
ANTHONY WHITEHURST[redacted]
THOMAS M. WHITESIDE[redacted]
JON B. WHITFORD[redacted]
DONALD WHITTEMORE[redacted]
CHARLES H. WIBBEN[redacted]
THOMAS E. WICKER[redacted]
RICHARD A. WIGGINS[redacted]
LYLE A. WILKES[redacted]
JOHN W. WILKINS,[redacted]
JOHN L. WILLIAMS[redacted]
JOSEPH M. WILLIAMS[redacted]
PEYTON R. WILLIAMS[redacted]
ROBERT WILLIAMS[redacted]
DOUGLAS C. WILSON[redacted]
JAMES W. WILSON[redacted]
RAYMOND WILSON,[redacted]
RAYMOND A. WILSON,[redacted]
KEVIN E. WINN,[redacted]
WILLIAM F. WISKE[redacted]
RAYMOND D. WIXOM,[redacted]
TERRENCE E. WOLFE[redacted]
EDWARD J. WOLFF[redacted]
ARNOLD D. WONG,[redacted]
RONALD F. WOODHAM[redacted]
JOHN T. WOODS[redacted]
RAY C. WOOLERY,[redacted]
HARLEY K. WOOSTER[redacted]
GLENN WORTHINGTON[redacted]
EDWARD D. WOYCIK,[redacted]
ECLEMUS WRIGHT, JR.[redacted]
STEVEN M. WRIGHT[redacted]
JOHN M. WUTHENOW[redacted]
BLAINE M. WYCKOFF[redacted]
MICHAEL J. YANOSIK,[redacted]
KATHRYN A. YOEST[redacted]
JAMES W. YOUKER,[redacted]
WILLIAM C. YOUMANS,[redacted]
JUDITH G. YOUNG[redacted]
WILLIAM H. YOUNG,[redacted]
ROBERT I. ZABIELSK[redacted]
DENIS ZAMBETTI[redacted]
ARTHUR C. ZEIDMAN[redacted]
ELIOUS E. ZENON[redacted]
JOSEPH M. ZIMA[redacted]

EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, February 27, 1996, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

FEBRUARY 28

9:00 a.m.

Labor and Human Resources

Business meeting, to consider pending calendar business.

SD–430

9:30 a.m.

Armed Services

To hold hearings to review the role of the Department of Defense Joint Requirements Oversight Council (JROC).

SR–222

Governmental Affairs

To hold hearings to review the US/Euratom Agreement for Peaceful Nuclear Cooperation.

SD–342

Judiciary

Terrorism, Technology, and Government Information Subcommittee

To hold joint hearings with the Select Committee on Intelligence on proposed legislation to combat economic espionage.

SD–106

Small Business

To hold hearings on S. 917, to facilitate small business involvement in the regulatory development processes of the Environmental Protection Agency and the Occupational Safety and Health Administration, and S. 942, to promote increased understanding of Federal regulations and increased voluntary compliance with such regulations by small entities, to provide for the designation of regional ombudsmen and oversight boards to monitor the enforcement practices of certain Federal agencies with respect to small business concerns, and to provide relief from excessive and arbitrary regulatory enforcement actions against small entities.

SR–428A

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Disabled American Veterans.

345 Cannon Building

Select on Intelligence

To hold joint hearings with the Committee on the Judiciary's Subcommittee on Terrorism, Technology, and Government Information on proposed legislation to combat economic espionage.

SD–106

Special on Aging

To hold hearings to examine mental illness among the elderly and the potential savings to the overall health care system that can result from prompt, accurate diagnosis and treatment of mental diseases.

SD–562

10:00 a.m.

Finance

To resume hearings on the bipartisan National Governors' Association proposals to reform the Federal Medicaid and welfare programs, focusing on the Administration's views.

SD–215

Judiciary

Youth Violence Subcommittee

To hold hearings on the changing nature of youth violence.

SD–226

Special on Special Committee

To Investigate Whitewater Development Corporation and Related Matters

To resume hearings to examine certain issues relative to the Whitewater Development Corporation.

SH–216

2:00 p.m.

Commission on Security and Cooperation in Europe

To hold a briefing on the forthcoming elections in Bosnia and the role of the Organization for Security and Cooperation in Europe (OSCE).

2200 Rayburn Building

2:15 p.m.

Judiciary

To hold hearings on pending nominations.

SD–226

FEBRUARY 29

9:30 a.m.

Rules and Administration

To hold hearings to review the fiscal year 1997 budget and operations of the Secretary of the Senate, Sergeant at Arms, and Architect of the Capitol

SR–301

10:00 a.m.

Judiciary

Business meeting, to consider pending calendar business.

SD–226

2:00 p.m.

Rules and Administration

To continue hearings to review the fiscal year 1997 budget and operations of the Secretary of the Senate, Sergeant at Arms, and Architect of the Capitol.

SR–301

MARCH 5

9:30 a.m.

Energy and Natural Resources

To hold hearings on the nominations of Thomas Paul Grumbly, of Virginia, to be Under Secretary of Energy, Alvin L. Alm, of Virginia, to be an Assistant Secretary of Energy (Environmental Management), and Charles William Burton, of Texas, to be a Member of the Board of Directors of the United States Enrichment Corporation.

SD–366

Veterans Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Veterans of Foreign Wars.

345 Cannon Building

10:00 a.m.

Judiciary

To hold oversight hearings on the implementation of the Drug Price Competition and Patent Term Restoration Act.

SD–226

MARCH 6

9:00 a.m.

Energy and Natural Resources

To hold oversight hearings on issues relating to competitive change in the electric power industry.

SD–366

9:30 a.m.

Select on Intelligence

To hold hearings to examine the role and mission of U.S. intelligence.

SD–106

Special on Aging

To hold hearings to examine telemarketing scams that target the elderly.

SD–562

10:00 a.m.

Judiciary

To hold hearings to examine the interstate transportation of human pathogens.

SD–2226

Commission on Security and Cooperation in Europe

To hold hearings on the Chechen conflict and Russian democratic development.

2200 Rayburn Building

MARCH 8

9:30 a.m.

Governmental Affairs

Oversight of Government Management and The District of Columbia Subcommittee

To hold hearings to examine the oversight of government-wide travel management.

SD–342

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

MARCH 12

10:00 a.m.
Veterans' Affairs
To hold hearings to examine the reform of health care priorities.
SR-418

MARCH 14

9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Paralyzed Veterans of America, the Jewish War Veterans, the Retired Officers Association, the Association of the U.S. Army, the Non-Commissioned Officers Association, and the Blinded Veterans Association.
345 Cannon Building

MARCH 20

10:00 a.m.
Veterans' Affairs
To resume hearings to examine the reform of health care priorities.
SR-418

MARCH 27

9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Veterans of World War I, AMVETS, the American Ex-Prisoners of War, the Vietnam Veterans of America, and the Military Order of the Purple Heart.
345 Cannon Building

SEPTEMBER 17

9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion.
335 Cannon Building

POSTPONEMENTS

FEBRUARY 27

10:00 a.m.
Governmental Affairs
Permanent Subcommittee on Investigations
To hold hearings on the Asset Forfeiture Program, focusing on an investigation of the Bicycle Club Casino.
SD-342